

## **Annual Review and Presentation of the Budget**

Mr Councillor D W Christian, MBE, JP

Council Leader and Chairman of Executive Committee

Wednesday, 29<sup>th</sup> January 2014

Madam Mayor, Members of the Council,

This Council will always be forward-looking but today there is true value in reflecting, for a few moments, on the past.

When delivering my annual review last year I said the Council was: 'Set on a path to exploit its strengths, drive down costs, embrace technology, innovate across all its operations and forge ever stronger links with its partners.'

And for the past 12 months that is precisely the path the Council has been treading, with some considerable success...although regrettably there has been one area where the Council's vision has not been shared by others...But I shall return to that later.

Today we are here to set the rate for the forthcoming financial year against an economic background which, if not quite as sombre as that of one year ago, still presents this Council with difficult decisions and hard choices to balance its budgets.

But before I expand on this I want to outline how the Isle of Man economy is performing and point out how pressures on the government's finances are having a very real and largely adverse effect on the Council, squeezing our own already hard-pressed budgets, another subject I'll be returning to later.

The Island's credit rating may have been downgraded but nevertheless the Island continues to enjoy economic expansion. The Island's national income per head is in the world's top 10 and the Manx economy is, for the first time, outperforming that of Guernsey and Jersey, with a current growth rate estimated between three and four per cent. Additionally, last year the Island received a welcome boost to its reputation as a well regulated international finance centre when Prime Minister David Cameron said that he no longer considered it 'fair' to label Crown Dependencies and overseas territories 'tax havens'. This was reinforced in November 2013 when the Isle of Man became one of only 18 countries to be awarded the top 'compliant' rating by the OECD.

So while internationally we may have made the grade and at home there are encouraging signs of recovery and confidence, we must not get too excited...yet.

We are still experiencing the effects of global economic turbulence, the Isle of Man is far from leaving its difficulties behind and the Council still faces much uncertainty over the future size and shape of its budgets, its services and its workforce.

In preparation for today's setting of the borough rate all Committees were charged with scrutinising their budgets to arrive at increases limited to no more than **4.5 per cent** for the 2014/15 financial year.

I am pleased to confirm that without exception every Committee has come in under that figure.

I commend my fellow Members' analysis of their individual budgets and would also take this opportunity to acknowledge the hard work officers have committed in supporting Members and helping us arrive at the proposal I shall be moving today.

This is not a Council for putting short-term political gain ahead of long-term economic security.

This is a Council that under my leadership will not be abandoning the path we are on that will bring about savings and greater efficiencies while providing enhanced services for the people of Douglas.

Madam Mayor I said at the outset that there was value in reflecting on the past. In 2008 came the start of the economic downturn then one year later we were hit by the VAT bombshell. Despite these devastating blows the Council remained true to its good housekeeping policy so was able to apply only modest increases to the rate. Over the past five years the rate has been increased by **12p in the pound, at 3.1 per cent well within Manx inflation at 21.5 per cent. In two of those years there was no increase at all. During that time, government kept passing on increased costs estimated at more than £800,000, that, on its own, is a 30p in the pound increase which, if passed on to ratepayers, would have been a 7.8 per cent increase.**

And while we are dwelling – constructively I believe – on the past, I would remind Members of the Council's pattern of consistent capital investment over five years amounting to **£10.2 million** excluding Housing.

That same prudent good housekeeping and financial management which have helped us weather the continuing financial storm will, once again, be demonstrated in my budget today.

Madam Mayor, the Council is sensitive to mounting pressures on people's budgets and recognises that local sectors of the economy are struggling - not least the construction industry. In response we are responding with determination, making difficult decisions but also investing to secure the long-term economic future of the capital and contribute to the Island's growth.

And thanks to the Committees' analysis of budgets and priorities, savings have, indeed, been made. No mean achievement, with increased costs being imposed on us as the Government's Scope and Structure agenda seeks to cut back on funding and devolve more services to local authorities.

All of which means we must now deliver more for less. This the Council is achieving, applying discipline to its long-term financial strategy...an approach very different from that adopted by the banks in the recent past.

Over the last five Budgets the Council has made savings amounting to around £2.9 million.

These were achieved in areas including:-

- Limiting pay awards;
- Non-replacement of vacant posts;
- Funding some capital investment from reserves;
- Reduced utility costs through efficiency measures;
- Saving costs by investment in improved technology;
- Early repayment of small loans;
- Reduced overtime working;
- Reduced numbers of vehicles and plant;
- Sharing overhead costs by joint working with other public sector organisations;

and

- We have undertaken a review of the Refuse, Electrical, Housing and Street Cleaning Services.

Let there be no mistake. These are savings cemented into the budget as part of a prudent long-term financial strategy. These are genuine savings, not creative overcompensating. These are savings born out of forward thinking and informed planning.

Madam Mayor, by way of example 12 items of plant and six vehicles have not been replaced this year. Crucially, the establishment has been reduced by 24 posts since 2008, achieving savings of approximately £380,000 over the last three years. This has been delivered by leaving some positions vacant after previous post holders had left or retired.

This approach has avoided the need for compulsory redundancies.

So far.

We must be realistic, though. As budgets continue to be squeezed we cannot guarantee there won't be job losses in the future. No provision has been made for a pay award in 2014/15 if one is awarded this will have to be funded from existing man power budgets.

Reductions to the establishment **do not** mean service standards are being lowered. On the contrary. The Council is making better use of existing resources and manpower. It is also providing enhanced self-service functionality on its website to offer customers more choice in how they access our services. The Council is also harnessing the power of social media, with a dedicated team developing a strong Facebook presence to engage with the wider community.

### **Importantly the Council is 'delivering more for less'.**

We have now channelled **£100,000** into the plant renewals fund specifically to invest in future public lighting improvements to avoid the need to petition for funds and the resultant borrowing costs, a strategy that will take a few years to develop, but one that will deliver long-term savings.

And the Council is investing to save. I doubt it will have escaped anyone's notice that at strategic points around the town centre the Council has installed solar waste compactors - and here, Madam Mayor, I am straying into territory that's not strictly politically correct as they're known as Big Belly Bins.

In simple terms these are fully enclosed self-powered compactors holding some six to eight times more waste than conventional street bins. They help reduce the number of bin collections, thereby freeing up the cleansing team to be deployed in locations worst affected by litter and apply an enhanced cleaning régime to newly regenerated town centre areas to meet the heightened expectations of the public and the Council.

With these Big Belly Bins the Council makes operational savings and the town benefits from an improved environmental quality.

Simply put, at a time when the Department of Infrastructure is contributing less this Council is achieving more.

Savings are also being made on loan charges. While protecting its reserves the Council continues to recognise the value of allocating some of those savings generated to capital schemes, investing in our assets and avoiding loan charges falling on the rate for the next 15 to 20 years.

Madam Mayor, in the past I have been lambasted by MHKs expressing concern over the substantial level of reserves held by the Council, but when I first joined the Council it had only in the region of £180,000 in reserves.

Our reserves are no longer in such a dire state. That is down to prudent budgeting and good housekeeping and it is a policy that as Leader of this Council I intend to pursue.

In this year's budget among projects we are funding from reserves are roof repairs to the Market Hall, Town Hall remedial works, the Living Promenade Scheme, new skate park equipment, increased automation functionality at Ballaughton Nursery and a range of environmental improvements at Anagh Coar, notably parking facilities to the rear of Anagh Coar School.

Funding more than **£850,000** of Capital projects this year from accumulated savings avoids about **£77,000** in annual loan costs being charged to ratepayers. By not borrowing the total saving in interest will be **£314,000**.

Madam Mayor, at this point if I were the UK Chancellor delivering his Budget I would take a deep gulp of something alcoholic. Regrettably all I can do at this juncture is take a deep breath instead and utter the words 'Hutchinson Square refurbishment'.

The Council has budgeted £150,000 to upgrade the square. This cost will not impact on the rate as funds are being allocated from reserves and I am hopeful this really **will** be the year in which the scheme comes to fruition after many years of delays.

Separately, in a £2.5 million scheme that will not incur any rateborne costs, the Council is to upgrade the Island's crematorium to increase capacity and provide the chapel with a separate entrance, exit and associated works. In tandem with this, the driveway, paths and walls in the Borough Cemetery will be refurbished. Although this £1 million cost is rateborne, be in no doubt this is work that can no longer be deferred and is scheduled to be started this financial year

Another example of investing in our assets is Ballaughton Nursery where a new £80,000 heating system is scheduled to be installed this summer, which will result in predicted annual fuel bill savings of £30,000.

And while on the subject of reserves versus loans I shall take this opportunity to refer to Cambrian Place, the development 'now dead in the ground' that the Council championed in the face of scepticism and uncertainty, because it believed the project would herald a new era for lower Douglas.

Regrettably, the Council's vision was not shared by government.

What the failed Cambrian Place project does illustrate, however, is not only this Council's resolve to commit to a multi-million pound scheme, but also its sensitivity to difficult times by proposing that reserves would fund the first-year development loan costs to lessen the impact on the ratepayer. Additionally there would have been very little rate impact as the loan would mainly be met by car parking fees and expenditure currently paid out to lease properties. In other words a great opportunity well and truly missed in an area of Lower Douglas crying out for redevelopment.

It was predicted that for this and other projects more than £800,000 would be raised through the sale of Council assets. To date, however, these assets remain unsold, although negotiations continue, and therefore that anticipated revenue stream has yet to materialise.

From the Council's perspective Cambrian Place is now history. Looking to the future, however, as a Member of the Government's Central Douglas Masterplan Committee, chaired by DED Minister Shimmin, I shall be drawing on the Council's vision for a Douglas fit for the 21<sup>st</sup> century and beyond. From past experience, however, I do have some concerns about whether my enthusiasm and passion to see a re-energised Lower Douglas come to fruition will be shared by this Committee as a whole.

One crucial area where this Council, and all of the Island's local authorities, is being stretched to lessen the burden on the ratepayer is waste levy charges.

In April last year the waste levy charge imposed by the Department of Infrastructure increased by 63.85 per cent.

More immediately, this means that from April 1<sup>st</sup> this year the Council will be paying £79.50 per tonne – an additional cost of £283,000 for the 2014/15 financial year.

And it gets worse.

This was the first of a six-stage increase that will lead to a total rateborne cost of in excess of £2 million for the 2018/19 financial year, this as a result of the Department's phased withdrawal of its £5.7 million annual waste disposal subsidy from April 1<sup>st</sup> last year.

This means the cost to ratepayers in this year's budget is now £1,018,000. This equates to a 38p rate, almost 10 per cent of your rate bill.

I would remind Members however, this is purely and simply disposal costs and does not include the collection of refuse.

So if ever there were a time to embrace recycling, that time is now. I would therefore urge all those householders in Douglas and Braddan who have yet to subscribe to the kerbside collection service to do so.

The more households recycle, the fewer tonnes of waste have to be transported for disposal which will attract fewer gate fee charges and more income. All of which helps reduce the rate burden.

The Department of Infrastructure has issued a document entitled "Alternative Means of Service Delivery Municipal Waste Management". This document refers to a review of Waste Collection and Management Services, which are currently a statutory function of a Local Authorities, and Street Cleaning Services which are not, but which they are empowered to provide. The Council provides both services.

Madam Mayor I have to say there are headline figures that are challengeable and the Council is conducting a comprehensive review of the information contained in this document.

I fully support any efforts that will lead to efficiencies and savings not only for the Council but also for fellow Local Authorities across the Island. But, Madam Mayor, any review should be measured, with proper governance and not rushed.

The Council also understands the Department intends to charge the full cost of the rent for the Eastern District Civic Amenity Site - £70,000 - which it currently pays. This will see £44,000 falling to Douglas and the remainder met by the five other authorities.

This is not yet a done deal and the Council is determined to challenge the department on this.

And who knows what other charges may be coming this Council's way as the government continues to trim its costs and move away from national to local responsibility?

And then we must also bear in mind other costs passed **directly** to the ratepayer by central government, such as the sewerage charge announced earlier this month, starting at a flat rate of £50 per property this coming financial year, rising to £100 from April 2015 and then increasing to who knows how much thereafter. This is just one more burden on households' budgets which we know are already under pressure and, from the Council's perspective, the £50 charge means we will be required to pay around £2,700 for all our non-domestic properties connected to the sewer system.

The future of the street cleaning grant is of real concern, as government has indicated that this subsidy may be withdrawn and the full cost transferred to local authorities. In this coming financial year that would amount to £510,000 of additional rate expenditure.

Once again I would remind Members that this additional cost would come on top of the £128,000 shortfall in the agency grant funded by rates and the £371,000 already allocated to amenity cleaning.



In order to strive for efficiencies in managing the Council's waste services the entire section has been reformed and a senior management position has not been filled. The waste services and engineering services have been combined under one senior manager and two assistant managers now run the waste collection and environmental services respectively. In addition, further combined savings have been made with the Council providing a shared refuse and recycling service with Braddan Commissioners and a refuse collection service for Castletown Commissioners.

Responsible waste management, however, is not the sole preserve of local authorities...it is a community matter that demands a community response.

As does ridding our town of litter.

Litter is a blight on our town and although our cleansing teams are to be commended for their hard work we shall never be rid of litter on the street while there are irresponsible individuals possessed of no civic pride or consideration for others.

That is the reason why the Council has charged the Borough Wardens to be relentless in their pursuit of those who wantonly spoil our town by dropping litter or letting their dogs foul the public highway then failing to clear up after them.

Let me make it clear. Leaving litter - and that includes cigarette ends and chewing gum – is an offence and the Council will issue fixed penalty notices or prosecute those who flout the byelaws of this Borough.

Even if there were no litter in the streets the town would still be left with another problem...unsightly and dilapidated properties. This is a matter that has exercised Members for many years, all of whom are becoming increasingly frustrated by the complex procedure required to serve a notice then bring action against absentee owners. We can only hope that proposed new legislation drafted by the Council in its Clean Neighbourhoods and Environment Bill – the content of which has been adapted from the UK Act of the same name - will lead to improved powers for local authorities to deal swiftly and more robustly with owners who fail to comply with notices.

In this I am grateful to the Department of the Environment, Food and Agriculture and to the Department of Infrastructure for taking the legislation forward.

In essence the Act would provide for local authorities to undertake repair works without having to prosecute the property owner for non-compliance, then recoup its costs and grant local authorities the power to issue fixed penalty notices for persistent non-compliance, as well as powers to issue waste clearing notices to property owners or occupiers requiring them to clear waste from their premises.

Madam Mayor this would seem an opportune moment to introduce the subject of town centre regeneration.

At a time when consumer spending is depressed, trading conditions difficult and investment confidence muted it is vital Douglas be seen as 'open for business'.

A town will, inevitably, be judged on how well it is doing by its appearance. Run-down properties, inadequate public lighting, outdated street furniture and worn paving materials do nothing to help Douglas compete alongside other centres of enterprise or promote the town's image as the capital of an Island widely lauded as an international finance centre.

Consumers have more choice of how, when and where they buy. This Council recognises the threat posed by the growth of shopping online. In response it is investing in regeneration measures that will revive the town centre and transform it into an attractive place where people will want to shop and spend their leisure time during the day through to the evening.

Regeneration is also about attracting new business.

The Council recognises the enormous value small local businesses and traders bring to the town and I will take this opportunity to remind Douglas business owners that in association with the Douglas Local Regeneration Committee, the Town and Village Centre Regeneration Fund offers a grant scheme to improve the exterior of their premises and help raise the image of the town.

It is against this background that despite the many demands on its resources and mounting pressures on its budgets the Council believes it essential to continue investing in the infrastructure to support a regeneration scheme that will help secure the long-term economic future of Douglas.

Already we are seeing the benefits as regeneration makes its way through the main shopping centre and Regent Street begins to take, quite literally, centre stage as a prime performance area in the heart of town. The Council's £1.9 million commitment to the regeneration scheme includes funding bespoke new functional yet decorative public lighting, CCTV installations and information signage which, combined, will help achieve a stylish urban ambience, unique to Douglas.

The Council does, of course, acknowledge that empty retail premises in the town centre compromise its efforts to regenerate the town centre. There are currently around 20 vacant shops in the regeneration area. At this time of subdued consumer demand we can, however, take some comfort from figures for the last quarter of 2013 which indicated that at 10.2 per cent Douglas's vacancy rate was below the 11.1 per cent average for the north west of England. But we must not be complacent; we must do whatever we can to encourage local and attract inbound investment.

The Council also recognises that regeneration works continue to cause some unavoidable disruption and I can only repeat what I said this time last year: 'No pain. No gain.'

Regeneration isn't just about clever lighting, new paving and finger posts, though; it's about creating spaces where people feel secure. And in this Douglas is leading the way in community safety, working in partnership with Isle of Man Constabulary in matters of digital policing. In practical terms this means harnessing CCTV technology to transform the way community safety and front-line policing is delivered.

In this the Council's ICT section has been instrumental. In the spirit of the corporate plan's aim to embrace business and cultural change the team designed, developed and launched a ground-breaking CCTV system and communications suite. This was a solution delivered in partnership with government and private enterprise at only modest cost to the ratepayer, the bulk of the funds coming from the Seized Asset Fund.

The project was a serious contender in last year's Isle of Man Newspapers' Awards for Excellence and reached the finals in the Excellence in Use of Technology category. More importantly, delivering the project on time and on budget demonstrates the power of partnership working.

Partnership.

This is more than just a buzzword of the moment. It's a vital resource for creating a better town and an approach perhaps best summed up by a political phrase circulating in Scotland at present, 'Better Together'...though clearly this isn't a sentiment shared by Alex Salmond.

Out of partnerships comes new ideas and creativity. We saw that with the CCTV and Communications Suite Project and we are seeing that with exciting proposals for Douglas Market Hall to be used by Isle of Man College arts and design students. Partnerships are also what ensure the success of many of the Council's community events, such as the fireworks display and switching on of the Christmas lights and a whole range of workshops at the Henry Bloom Noble Library sponsored by Scottish Widows. These events, and many others like them, might never have been on quite such an ambitious scale had it not been for financial support from the private sector.

And ambition is what will drive the Douglas Carnival. Ambition and vision to revive what was, for many years, the highlight in the town's and the Island's social calendar. Douglas Carnival is set to be the largest community event the Council will stage this year.

Importantly, I believe it must bring commercial benefit to businesses in Douglas.

But for the carnival's success to be guaranteed it will take not only the drive and commitment of the Council, but also the support of private enterprise and business. We expect businesses in Douglas to really get behind this event - perhaps by staying open longer and offering incentives - and generally enter into the spirit of the day to help create a fantastic carnival atmosphere that the whole Island can enjoy.

While the Council has high hopes for the carnival, it does, of course, recognise that businesses are having to trim their budgets and reassess their community engagement priorities. This will make securing financial support for this and other community events in the town, all the more difficult.

Community events are expensive to stage but when finances are under pressure they can never take precedence over waste management and the many other essential services the Council delivers.

Housing is one such essential service.

Madam Mayor, before I expand on this, I should like to set the record straight on an all-too-often misunderstood matter concerning social housing.

Tenants in local authority housing pay rates and water rates and now will pay to flush. Or, in government-speak, less '**Freedom to Flush**'.

In this respect they are no different from owner/occupier ratepayers, so let us hope that the myth of the rate-exempt Council tenant is dispelled once and for all.

To return to the Housing Service.

The Council is still investing in its housing stock. In the next financial year this will amount to a further £8.8 million. The increase in rent paid by tenants will see income top the £9 million mark. The Minister for Social Care has again capped the housing maintenance allowance at 2.4 per cent above the 2013/14 budget, so local authorities will have only a small extra amount for keeping their properties in good repair.

The Minister will be pleased to know that the Douglas call on the housing deficiency for 2014/15 is reduced by a further £102,000 to £862,000, the lowest since 2003/04 mainly resulting from rent rises.

The predictions of doom expressed in the government's housing review that the Island-wide grant would reach £17 million now look very remote.

Madam Mayor, tenants will be hit from all sides this year. As well as the five per cent rent increase, water rates are likely to increase by inflation, then there is the new £50 sewerage tax and some tenants will see increases as a result of the new points system.

As all of these charges are collected as part of their weekly payment, tenants are likely to blame us for all of the increase, many of which are not of the Council's making.

In Willaston, where the houses are some 60 years old, a successful pilot refurbishment scheme has identified how best to cure damp conditions. In December 2013, after consultation with tenants and following a series of inspections and surveys, refurbishment began on the next 24 units worst affected by damp, to be followed by remedial work to a further 36 properties in the latter half of 2014. This is a complex process taking approximately 12 weeks per property and which requires tenants to be relocated. It is, however, a process that will provide a permanent solution and extend the life of the properties by at least 25 to 30 years.

In tandem with damp eradication, the Council will be progressing its scheduled maintenance programme, fitting new replacement kitchens and external doors.

Madam Mayor, here I believe it is important to dispel another myth and put the cost of replacing kitchens in perspective, given that this matter tends to attract ill-informed comment. **Let me make it clear.**

These schemes are complex and costs vary from estate to estate but the average cost to supply and fit new kitchen units is below £2,500 per property. The Chairman of Housing and Property will expand on this later.

Continuing with housing, in Upper Pulrose the redevelopment is progressing well with completion of the inner ring providing 84 new properties - an investment of more than £12 million. Additionally, 45 houses on the outer ring have been refurbished with new kitchens and bathrooms at a cost of £750,000 converting these properties to two bedroom houses and a further phase of 15 houses is due to start in the near future. Along with these works a new police station has been integrated into the estate.

In summary, this means that the redevelopment of Upper and Lower Pulrose, which began in 1999, will soon be complete at an overall approximate cost of £45 million.

The Council's housing strategy is not simply about building more homes, however, it's about building homes that address people's needs, increasingly those of the elderly.

It has been estimated that in the next 20 years the over-65 age group is expected to grow by 75 per cent in the Isle of Man. And an ageing population presents local authorities with significant housing challenges. As the Chief Minister has said: 'An ageing population poses the biggest threat to the social and economic future of the Isle of Man.'

To this end in Upper Pulrose construction has now begun on 28 sheltered housing units, due to be completed in November this year, while 2015 will see the start of a similar complex of some 40 units in Willaston. These units will not only provide older people with safe and secure housing but also free up larger properties for families on the Council housing waiting list.

Importantly, these developments represent welcome news for the Island's construction industry at a time when this sector is continuing to suffer the effects of the economic slowdown.

Madam Mayor, the housing strategy of this Council is broad in scope and long in vision. With a stock of 2,359 properties - a figure set to grow later this year - Douglas is the Island's largest housing authority and will remain so, legislation proposals for five new regional housing bodies permitting. The Council agrees with the broad thrust of the Department of Social Care's recommendations for transforming the Island's housing strategy. The future shape of housing bodies must, however, be local authority-led and linked to the government's overall Scope and Structure ambitions, for there to be a truly cohesive social housing policy for generations to come.

Last year's housing review consultation set in train dialogue between the Council and the Department of Social Care that will, I believe, continue for some time to come. The Department has said public sector rents are to be increased by five per cent with effect from April 1<sup>st</sup> this year. The Council's stance on rent levels has been well documented. Suffice to say we accept the Minister's direction and have agreed to implement the new points system.

I still believe, however, that after streamlining its housing service and with the knowledge built up over decades of the successful management of the Island's largest number of public sector homes, the Council is well placed to run an effective housing service. Once again, I can only repeat what I said this time last year... 'Authority for authorities'.

Housing may be the Council's biggest and most valuable asset but it is not its sole asset. The Council constantly reviews its property portfolio and other assets to maximise their commercial potential.

Reviewing our assets is integral to making savings and increasing efficiencies, so while the Council is committed to the Horse Tram Service, the future of the tramways buildings and the Strathallan site must, of necessity, come under the microscope.

The Council is at an early stage of designing a combined stables and tram shed facility on the Strathallan site. This has become a priority because of the condition of the Strathallan building and the promenade redevelopment project, which is likely to entail major highway changes and implications for the horse trams. It is hoped that the disposal of the stables building will fund the redevelopment of the Strathallan site, with minimal impact on the ratepayer, and a likely timescale would be to commence works in the 2015/16 financial year.

The Council welcomes the Department of Infrastructure's investment in the long overdue overhaul of the promenade, a project in which it relishes its role as a main player and supports the department's plans to construct a single track tramway on the seaward side with passing places. The Council and the department may have had - and most likely will continue to have - disagreements but on this matter we are, in essence, in accord.

Madam Mayor, in everything that this Council does it is guided by its vision of a Douglas for the future. That future is not just about economic stability. It is about environmental quality, litter-free streets, community safety and attractive open spaces. In other words, a cleaner, safer, greener Douglas.

In this, the Parks Section is making great strides in enhancing the Council's green credentials and quality of life in the Borough, creating parks and gardens that complement town centre regeneration and send out a positive message.

The Ballaughton team now produces its own peat-free compost from parks-generated green waste. Between 60 to 80 tonnes of compost are now being produced to grow some 450,000 plants that create the outstanding colourful displays around Douglas.

Parks has been enjoying something of a moment in the sun, also winning two Green Flags at the first attempt for the excellence of its displays in the sunken gardens and Noble's Park, this was a first for the Isle of Man. Importantly it was achieved with no increase in revenue budget, led to new working practices and inspired the whole team to work together and use independent thinking to create ever more outstanding displays.

In 2014 the Council intends to apply for two additional Green Flag awards - again with no increase in revenue budget. One will be for Douglas Golf Course, the other for Douglas Head, where we will see landscaped features and restored pathways, funded through parks' revenue efficiencies achieved in 2013.

Madam Mayor, I believe this Council, where new Members are working alongside longer-serving Councillors and a committed workforce, is slowly and steadily achieving those aims, living within its means and creating a resilient Douglas.

This Council is working through its long-term plan to save, invest and innovate.

It is building a responsive relationship with the electorate, the business sector and the wider Douglas community.

It is establishing a mature - if challenging at times - relationship with central government.

A Douglas proud of its past and confident of its future.

The budget I present today is a strong budget.

It is a sensitive and responsive budget.

And it is a budget resilient in the face of increased costs being passed from central to local government.

Against this background when voting on today's budget I would urge Members to consider the breadth and depth of investment to which the Council has committed:

- £3.2 million on the final phase of Upper Pulrose;
- £2.7 million next year to progress major works at Willaston;
- £2.5 million on the Island's Crematorium;
- £1 million on improvements to the Borough Cemetery;
- £710,400 on upgrading, replacing and improving public lighting;
- £150,000 for structural works to Hutchinson Square;
- £100,000 to fund future street lighting upgrades;
- £27,300 for the annual cost of Big Belly bins.

Once again I believe this is a confident budget that allows for growth, keeps our assets in good order, will bring about long-term economic and social benefit...an affordable budget that will help drive our town forward.

Madam Mayor, Members of Council, it is therefore my duty to move the Executive Committee's recommendation for a rate levy of 397 pence, which equates to a 0.5 per cent increase over the previous year. In real terms that equates to a rise of 4p per week, for a typical three-bedroom semi-detached house.