

Present: Mr Councillor D R Watson (Chair), the Mayor, Councillor Mrs N A Byron-Teare, Councillor Ms F T E Logan, Mr Councillor F Horning, Mr Councillor P J Washington.

In Attendance: Chief Executive (Miss K J Rice), Director of Finance (Mr A J T Boyd), Director of Environment and Regeneration (Mrs D Eynon), Director of Housing and Property (Mr D Looney), Assistant Chief Officer (Finance) (Mr M Quayle), Executive Officer (Mrs J M Keig) (taking minutes).

Part A – Matters delegated to the Committee

A1. Apologies for Absence

There were no apologies for absence.

A2. Declarations of Interest

No declarations of interest were submitted.

Part C – Matters for Council approval

C3. Increase in Establishment within Human Resources Service

The Committee considered a written report by the Assistant Chief Officer (Human Resources) in relation to a growth bid for an increase within the Human Resources Service.

Members had initially considered the request on 17th December 2025, agreeing to defer the matter to the Special Executive Committee Budget Meeting, when a report detailing option appraisals for the proposed additional role of HR Officer could be considered – based on (a) a full-time role; and (b) a part-time role.

The HR Service was a corporate service, impacting on every employee within the Council; and a robust HR function supported Council-wide efficiency, enabling better employee engagement and retention, and assisted in the provision of high-quality public services.

The proposed additional role of HR Officer would assist in addressing the critical workload pressures within the Council's HR Service, and a qualified professional was therefore essential to undertake higher-level tasks and to assist in meeting current and future challenges and ongoing demands, including dealing with Trade Unions. Appointing a qualified HR Officer would strengthen compliance with the Employment Act 2006, the Equality Act 2017, the Trade Unions Act 1991, and Regulations related to contracts, tribunals, and dispute resolution. Non-compliance would expose the Council to significant legal, financial, and reputational risks. The role would develop under the Assistant Chief Officer (Human Resources), providing stability to a heavily-relied upon core service.

An increase in the HR Team, with the new HR Officer role, would also directly support the Council's desire to implement a robust succession planning

strategy. This would enhance organisational resilience and service continuity; and the development of internal talent would facilitate the retention of essential skills, expertise, and knowledge transfer. It would also reduce reliance on external providers or consultants, who would not be familiar with the Council's unique processes and culture.

Resolved, "(i) That particulars of the report be noted on the minutes; and

(ii) That a full-time HR Officer role at a cost of £64,130 be approved in order to ensure a robust capacity and long-term stability within the Council's Human Resources Service."

The report was considered in private as it contained sensitive information relating to staffing structures, individual role specification, salary costs, and risk assessments to employment tribunals.

C4. Annual Budget Report for the Year Ending 31st March 2027

The Committee considered a written report by the Director of Finance setting out the draft Budget for the Council, including the Capital Programme and the utilisation of Reserves and Capital Receipts. Members noted a minor typographical error in that the report was dated 16th January 2026, instead of 15th January.

The report set out:

- an Explanatory Foreword to the Budget Book by the Director of Finance as Responsible Financial Officer;
- the movement in the Rate Levy between 2025/2026 and 2026/2027;
- further budget reduction options;
- the Funds Schedules;
- the Budget Risk Register;
- growth items;
- the main issues arising from the Budget for the coming year; and
- the draft Rate position compared to the target set by the Executive Committee in September 2025.

In September 2025, the Committee had been presented with an updated Medium Term Financial Plan, showing the various known factors affecting the rate for 2026/2027 and the resultant estimated rate increase requirement. From that, the Committee had proceeded to set its target projected rate increase in line with CPI inflation.

Members noted a number of specific elements which were a feature of the draft budget proposals and were advised that, whatever the level of rate set, the budget would involve risk for the Council, which needed to be considered alongside the financial impacts. In particular, the Penny Rate Product position built into the budget assumed that The Treasury would be progressing rates reform secondary legislation through Tynwald by March 2026, which would enable the necessary changes governing zero rated properties. This was now looking less certain and assurances would have to be sought from The Treasury before the rate setting meeting, or a more prudent position would be required for the rate setting.

However, in general terms, there was a de-risking of the Council's finances as the reserves position had improved, and the macro-environment appeared relatively stable compared to previous years. This reflected a more stable position in terms of inflation, energy prices, and interest rates than had been the case in recent years, and it was with this in mind that the Committee scrutinised in detail all the papers presented.

- C4.1 Resolved, "That the draft Capital Expenditure Programme, including phasing of projects, be recommended to Council, subject to the following -

Executive Committee

- C4.1(a) Promenade Infrastructure Improvements - Garden No.3, Wheeled Sport (LS00117h): that the 2025/2026 amount of £175,000 be deferred to 2026/2027, increasing the total for that year to £350,000.
- C4.1(b) Promenade Infrastructure Improvements - Garden No.4, Play Area (LS00117k): that the 2025/2026 amount of £300,000 be deferred to 2026/2027, increasing the total for that year to £637,200.
- C4.1(c) Promenade Infrastructure Improvements - Queen's Promenade Garden (LS00117q): that the 2025/2026 amount of £210,000 be deferred to 2026/2027, increasing the total for that year to £420,000.
- C4.1(d) Other Executive Schemes - Vehicles and Plant (Vehicles): that the 2026/2027 amount be increased by £28,000 for the procurement of an additional vehicle, subject to a report being submitted to the Executive Committee meeting on 29th January 2026."

Adjournment and Resumption

The Committee adjourned at 11:40am and resumed at 11:55am, when the following Members were present: Mr Councillor D R Watson (Chair), the Mayor, Councillor Mrs N A Byron-Teare, Councillor Ms F T E Logan, Mr Councillor F Horning, Mr Councillor P J Washington.

- C4.2 Resolved, "That the draft Revenue Estimates for 2026/2027, after considering the growth bid and budget reduction options, be recommended to Council, subject to the following:

Environmental Services Committee

- C4.2(a) Property Maintenance (SP360): that £3,000 revenue growth be approved for the replacement of defibrillators.

Staffing and Employer Costs

- C4.2(b) Chief Executive's Department: the Schedule would be subject to change to reflect the £64,130 costs increase in Establishment in respect of the Human Resources Service (SP050).
- C4.2(c) That the totals for the Environment and Regeneration Department totals in Revenue Budget Summary by Department – Staffing and Employer Costs schedule – be broken down to show separately the sub-totals for both the Environment and the Regeneration element.

- C4.3 Resolved, "That the schedule of budget reduction option items be recommended to Council as follows:

- C4.3(a) That the option to spread the cost of the implementation of the Legal Services Establishment growth item, by deferring £33,050 growth until 2027/2028, be approved;
- C4.3(b) That the option to fund a new Income Services telephone payments system through funding from the Invest to Save Fund – thereby allowing further Income Services restructure revenue savings of £22,000 – be approved;
- C4.3(c) That the option to remove the £37,500 prudence contribution into Reserves assumed within the budget - designed to offset the one-off saving assumed in the revenue budget for road fuel costs - be approved;
- C4.3(d) That the option to introduce a £10,000 recharge income from other local authorities to part offset the Legal Services Establishment growth be rejected."
- C4.4 Resolved, "That the Schedules of Funds and Balances, including General Fund Balances and Capital Receipts, be approved and recommended to Council, subject to the following:
- C4.4 (a) General Revenue Reserve: clarification was sought with regard to the previous resolution of the Committee regarding revenue commitment in respect of the Spring Valley Changing Rooms, it being noted that the resolution had already been approved by the Full Council. Some discussion ensued in respect of the figures presented for design fees for the project.

Adjournment and Resumption

During consideration of this item, the Committee adjourned at 13:05pm and resumed at 13:45pm, when the following Members were present: Mr Councillor D R Watson (Chair), the Mayor, Councillor Mrs N A Byron-Teare, Councillor Ms F T E Logan, Mr Councillor F Horning, Mr Councillor P J Washington.

- C4.4 (b) Plant Renewals Fund: that the 2026/2027 funding commitment be increased by £28,000 for the procurement of an additional vehicle, subject to a report being submitted to the Executive Committee meeting on 29th January 2026 (as in C4.1(d) above).

C4.4(c) Information Technology Fund: that a transfer from the General Revenue Reserve up to £80,000 into the Information Technology Fund be made at the 2025/2026 year-end revenue out-turn, if sufficient funds allowed;

C4.4(d) Housing Repairs Fund: that in the event of a favourable out-turn at the year-end, the £5,000 contributions for the adoption of Pulrose Roads be resumed already from 2025/2026."

[On a vote being taken, Members voted 4 For; 1 Against. Mr Councillor F Horning requested his vote against to be recorded on the minutes]

C4.5. Resolved, "That the Budget Risk Register be approved, subject to the following:

C4.5(a) Risk No. I13 – achieve the income as set out in the budget (exemption from rates): it was likely that the inherent probability score would increase.

C4.5(b) Risk No. I14 – achieve the income as set out in the budget (zero-rating of empty or dilapidated properties): it was likely that the inherent probability score would increase."

C5. "That it be agreed to recommence in 2026/2027 reimbursement transfers from the Housing Repairs Fund into the General Revenue Reserve in respect of the Pulrose Road adoptions, and also at the 2025/2026 revenue outturn if favourable."

C6. "That at the 2025/2026 year-end revenue outturn, it be agreed to transfer from the General Revenue Reserve up to £80,000 into the Information Technology Fund, if sufficient funds allowed."

- C7. Resolved, "That the thanks of the Chair and Committee be extended to all Members and officers involved in the budget process and the preparation of this year's budget."

C8. **Rate Levy for the Year Ending 31st March 2027**

The Committee, having reviewed and amended the Revenue Budgets and given full consideration to a number of savings items, agreed a 2.99% / eighteen pence increase in the Rate Levy.

Resolved, "That the following recommendation be placed before the Council at its Special Public Meeting on Friday 30th January 2026, but that it be embargoed to remain private and confidential until the close of that meeting:

RECOMMENDATION

That in accordance with Section 11 of the Local Government Act 2006, a Borough Rate of **SIX HUNDRED AND TWENTY PENCE** in the pound on the net annual value of all rateable property in the Borough be levied for the year ending 31st March 2027."

The Committee rose at 2.55pm.

Chair

Thursday 26th February 2026