

VAT Bombshell - Captain Stuart McKenzie's 15 point plan

Written by Captain Stuart McKenzie
Saturday, 14 November 2009 12:25

Reaction to V A T Bombshell

It's almost 2 months since the government was informed by the U K of a severe cut in our V A T income. In response D A F F recently announced the temporary closing of Farm and Horticultural Improvement and Fishing Vessel Financial Assistance and the Chief Minister has told us that we need to 'shop local'. He also asked us all to come up with ideas for coping with the worsened situation.

P A G thought you would like to see the 15 point plan of one informed political observer and successful Island businessman, Captain Stuart McKenzie.

1. Postpone all capital projects not yet started over £1m
2. Limit new capital projects to £1m to maintain activity in local construction firms
3. Examine whether any ongoing capital projects can be slowed down or phased so as to spread the cost
4. Force at least 10% reduction across ALL departments' revenue budgets despite the howls. Hopefully much of this can be achieved by rigorous elimination of waste and over specification and red tape
5. Freeze income tax allowances at current levels; maintain lower 10% rate and increase higher rate to 20%
6. Increase tax cap in line with 2p increase in higher tax rate – say £120,000
7. Grasp the nettle and close final salary scheme pension plans but honour those already in system as that was part of their terms of engagement
8. Increase pension contribution rate by employees in all Government schemes to partially reduce deficit in funding
9. Be very careful about using reserves to prop up spending – only do so if there is genuinely no alternative
10. Give a high priority to negotiating better terms with an alternative jurisdiction for referred medical conditions – not forgetting the impact of travel costs (France is very good but travel cost would be considerably higher)
11. Consider giving notice to UK for cancellation of TV/radio provision. When cancelled reduce licence fee to approx £50 per household and use this to initially fund Freesat for those that currently can only receive terrestrial Freeview from the on-island transmitters. This revenue would also finance the Manx radio subvention.
12. Set up a Manx premium bond scheme enabling local people to support Government and obtain tax free prizes at same or better level than the NS&I UK scheme, and use the fund to bolster the Manx insurance fund
13. Ensure that our Customs & Excise can operate entirely on its own and then give the two years notice of withdrawal from the Common Purse applying initially the identical VAT rates and

VAT Bombshell - Captain Stuart McKenzie's 15 point plan

Written by Captain Stuart McKenzie
Saturday, 14 November 2009 12:25

then modify them under our control instead of at the whim of the UK chancellor.

14. Evaluate whether we would be better off tied to a stronger currency than sterling – perhaps the Euro

15. Finally, consider very carefully whether we would be better off as a nation being truly independent as a Commonwealth member under the Queen as Head of State by the year 2020.