



Ferris Cowper
Leader

A message on devolution from the Leader of East Hampshire District Council

Dear Clerks and Members of our Town and Parish Councils,

You are being invited to take part in a County Council led consultation about local government structures in Hampshire. The Cabinet and senior officers of EHDC do not feel that you have the full picture. With that in mind we are launching a programme of communication to rebalance the information you have. Please bear in mind the District Council's arguments when responding to the consultation exercise.

It is impossible to separate this consultation from the immediately preceding report commissioned by the County Council from Deloitte's, which recommended firmly that the best option was a County Unitary. In our opinion there are no advantages arising from Unitarisation, when compared with possible alternatives. The obvious comparison is with the Combined Authority proposal which my Council endorsed for submission to the Government earlier this year and which, under certain circumstances, could still be in play.

Local Democracy

Unitarisation will sweep away all local District councils in Hampshire. The experience in Cornwall, the largest Unitary Council, is that these councils were replaced by consolidated groups of Town and Parish Councils that came together to deliver many of the services previously provided by the Districts. So in fact the probable outcome is that it is the individual Town and Parish Councils that we understand today that will be swept away and in effect "upgraded" to become Districts. This would cause immense harm to localism, to local democracy and to the increasing need to engage fully and effectively with the communities we represent.

EHDC continues to operate four local Community Forums for everyone to attend and does so several times a year. Some of you may recall the County's attempt to do so, called HATS, (Hampshire Action Teams), which was dropped after a couple of years.

The Best Financial Deal for Our Community

Deloitte's estimate that rearranging the deck chairs in this way will inflict a one-off cost on Hampshire taxpayers of £184m for an annual benefit of £26 per person, (£39m pa). Our view is that to spend so much on a reorganisation with such small benefits is a very poor use of taxpayers' funds.

The Deloitte's report failed to recognise the ongoing work already in place by Districts to cut their cost base. EHDC has publicised plans that commit to delivering annual savings of £30 per person by 2019 to free us from dependence on Government grants. The credibility of this plan is borne out by our track record in which since 2010, we have already delivered annual cost reductions of £30 per person from our partnerships with Havant and Winchester.

So there are no cost advantages to EHDC communities from Unitarisation, in fact there is a small disadvantage on the basis of these figures.

But there is more on the financial side. EHDC is also earning new sources of income which are the basis of our published aim to become a nil tax council by 2023. The programme is doing so well I have already been able to cut tax by 2% as you know and so I'm confident that we will achieve our aims earlier than expected. That will account for a further annual benefit of £51 per person.

This annual benefit of £81 per person in East Hampshire is being achieved without need for a one-off cost of £184m required to create the proposed Unitary Authority.

Stay as you are offers vastly greater annual benefits, (by a factor of over three fold) and avoids the terrible waste of money of £184m to create a unitary.

Another option, apart from stay as you are, is the possibility of creating a Combined Authority. This enables councils

to work more closely in some areas but keeps the current structures unchanged and also avoids the £184m reorganisation cost.

With a Combined Authority comes more benefits; the benefit of retaining 100% of the proceeds of Business Rates and special government investment of £30m per year. EHDC would get its fair share of these benefits as well as the cost savings already mentioned. I'll be able to give you a detailed quantification of these extra benefits in a week or two.

In fact, the worst possible financial solution would be the Unitary proposed by the County Council's Deloitte's report. Better would be to stay as we are. Even better would be to reopen the Combined Authority bid.

The Myth of Splitting The County

The Leader of the County Council has often said that he cannot support the local Combined Authority idea because it would split the county. This is a misleading statement. There is the nineteenth century civic county council of Hampshire, (formed 1889) and there is the ancient ceremonial county of Hampshire, (which pre-dates the Domesday Book), headed by the Lord Lieutenant. It's almost impossible to conceive of any way in which the ancient ceremonial county of Hampshire could be split without the consent of the Queen's Representative and none of the options facing you can possibly do that. Yorkshire has no County Council but it remains a County characterised by deep seated pride, unquestionable identity and ferocious loyalty. And a rather good cricket team.

The County Council itself is also not under threat because "stay as you are" or a Combined Authority ensures that the County Council continues to exist. In fact, the only approach that removes the County Council is the one proposed by its own consultants; Unitarisation.

Babies and Bath Water

I do agree that local councils have a long way to go before they can say that they have optimised their costs and delivery quality. You all know about the radical changes I have been implementing in EHDC to achieve just that and we have received national recognition for those efforts. I agree that we have more to do, but in pretty short order I've introduced large scale cost sharing, commercial style efficiency regimes, business plans to generate substantial new income streams, eliminated an entire layer of management and secured high rates of return by moving rapidly out of cash deposits, a decision looking even more wise this week!

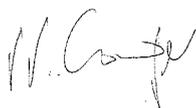
As a result I've been able to cut EHDC Council Tax by 2% and I expect to carry on cutting it.

I'm not saying there isn't still some bath water to discard, but I would say the baby is looking pretty healthy!!! Comparing babies, (don't we all), the EHDC baby is a lot prettier than the County Council baby with its cuts to 'buses, libraries and rubbish tip services, topped by a whopping 4% increase in Council Tax. Who would you prefer to run your services?

Not to forget of course, that all this EHDC achievement has been done with no cuts at all in front line services, in fact there have been further increases in services in the past few years. Last week I was delighted to see that our residents have given us an overwhelming vote of confidence in the quality of our services in a record breaking residents' opinion survey. 75% of all those replying said they were satisfied or very satisfied with the way EHDC runs its services and a staggering 93% were similarly satisfied or very satisfied with refuse and recycling services!!!

Please don't support the Unitary. Here in EHDC we have such cause for optimism and we want you to be part of it.

Yours faithfully



Ferris Cowper
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