EHDC Leader gives cautious welcome to ‘devolution revolution’

East Hampshire District Council has given a cautious welcome to Chancellor of the Exchequer George Osborne’s announcement of a 'devolution revolution' for local government.

The announcement, made at the Conservative Party Conference on Monday, promised to let councils retain millions of pounds in business rates instead of handing them over to central government.

With this opportunity in mind, last month East Hampshire District Council Leader, Cllr Ferris Cowper, announced that the council had decided to support the Hampshire and Isle of Wight devolution bid, which could prove to be a key part of the Chancellor's “revolutionary” vision.

He said that, while EHDC remains supportive of the bid, the exact benefits to residents and businesses within the district are unclear. By remaining within the bidding process the council hopes to influence the outcome to the benefit of everyone in East Hampshire.

He commented in detail about the possible cash bonanza from the headline benefit of 100 per cent retention of Business Rates by local councils.

“The headline proposal that local councils can retain 100 per cent of Business Rates, has to be set in the context of a 100 per cent sacrifice of all central government grants,” he said. “If true, in the case of EHDC there could be a small surplus but the gains match the losses almost pound for pound.

“However, the national press reported on Tuesday that the ‘tariff’, which is a further payment to the Government on top of the 50 per cent widely reported, will stay in place. If correct, then EHDC and all district and borough councils in Hampshire, will be out of pocket by a very large sum and of course we would reject that proposal.”
The Chancellor also announced that Business Rates could not be increased by local councils unless they chose to have an elected mayor.

Cllr Cowper was cautious about this idea. He said: “Local businesses will be pleased to note that the Full Council of EHDC was completely opposed to having an elected mayor for Hampshire and the Isle of Wight. However, as the value of retained Business Rates closely matches the loss of grants and may even leave councils worse off, the Chancellor’s observation that local councils would be able to cut rates where appropriate would have a very limited effect at best.”

To be part of this ‘Devolution Revolution’, local councils are required to agree to an acceleration of the planned housing delivery programme and, in the case of Hampshire and the Isle of Wight, an additional housing programme of 500 dwellings per year spread across the whole of the area. At this stage, EHDC visualises no material change in our existing programme.

The promised benefits include more infrastructure, a boost for business and employment and more localised management and integration of aspects of healthcare.

EHDC already has all of these programmes under way in the flagship regeneration town of Whitehill & Bordon and our hope is that the promised “revolution” will enable us to extend those benefits to the rest of the East Hampshire community.

Cllr Cowper concluded: “The ‘Devolution Revolution’ is definitely not a cash bonanza for the council but there are suggestions that there could be benefits when the details are fleshed out. Until then we remain in the bidding process with cautious optimism.”