Item 4

**DC Report for HPC Council Meeting 7th October 2024**

Cllr David Evans 4th October 2024

In my last report I highlighted the importance to Horndean, and the rest of East Hampshire, of the new Government’s proposed revision to the National Planning Policy Framework (NPPF).

The EHDC response can be found in the Cabinet papers for 12th September. I have completed my own responses, and I am very concerned about the totality of what is being proposed. The increase EHDC’s current 575 dwellings per annum requirement by 499 to 1,074 is only the most obvious.

Several changes seem likely to result in Central Government exercising more control over what is done locally. Basing housing growth on the size of an existing settlement rather than the local need for homes makes little sense to me. It’s notable that large cities will not be required to uplift their targets whilst rural areas will have the massive increases noted above.

As there has been some commenting on social media about the EHDC financial position and our plans I thought it would be helpful to include this Press Release from 1st October which outlines the true situation:

**Transformation plan promises new focus and financial sustainability**

The latest phase of a transformation plan that will help the council change how it operates, adapt to new pressures and meet the financial challenges affecting every public sector body, was agreed last week.

On Thursday, 26 September, councillors approved the second phase of its Shaping East Hampshire Future programme.

This programme has given the organisation the practices and skills it needs to adjust to an ever-changing political, economic, and technological landscape.

Recently, EHDC published its Council Strategy for the years 2024-28 which sets out how it can become a more sustainable council in light of the challenges we face.

By transforming our operations, changing our focus and delivering these new priorities more efficiently, we have already saved around £1.6 million.

Despite this progress the council identified a projected budget gap of around £1.7 million for the end of this financial year.

Authorities across the country are dealing with unprecedented financial pressures and by taking these proactive steps we are able to avoid the issues that other councils are reporting.

In response to this constrained financial environment, the council has set out a vision for a smaller and more focused organisation that would deliver less and enable more.

Cllr Richard Millard, EHDC Leader, said: “Our new Council Strategy is far more focused on key political priorities and moves us away from a delivery role – where we are the organisation doing everything – and into an enabling role – where we enable others to do things for themselves.

“Due to this change of strategic direction, we must now realign our people and resources accordingly. It is a more focused strategy, and we will need less people to deliver it.

"In doing so we can focus on our key services and ensure we consistently meet and exceed the high standards our residents expect.

“Like every public authority we are working under unprecedented financial pressures. We have had to make some difficult decisions, but by taking the necessary action in good time we have reduced the overall cost of the organisation and eliminated the forecast budget deficit.”

These actions include an organisational restructure that would mean the deletion of eight vacant posts and the loss of 13 existing roles.

The council will also review and revise its fees and charges to ensure it is maximising income while delivering value for money and it will continue to drive the best results from commercial ventures, including commercial property.

As well as taking steps to reduce expenditure and increase income the council will also refresh performance management and finance systems to prevent overspends and predict reductions in income.

It also pledged to lobby for the best funding settlements from central government and to identify any benefits that might accrue from any devolution deal affecting the area.

The £1.7 million projected shortfall is based on a combination of financial factors. Over the last three years the properties owned by the council have yielded £3.826 million in 2021/22, £3.313 million in 2022/23 and £1.881 million in 2023/24.

Taken as a whole the council has been able to rely on levels of income from its property portfolio that have enabled it to fund front-line services and support community projects.

In 2024/25, the reduction in income from commercial properties, car parking and the rising costs on the council’s operations has led to increased pressure on the budget.