

NOTICE OF MEETING

Meeting: SPECIAL CABINET

Date and Time: FRIDAY, 21 MARCH 2025, AT 9.00 AM

Place: COUNCIL CHAMBER - APPLETREE COURT, BEAULIEU ROAD, LYNDHURST, SO43 7PA

Enquiries to: democratic@nfdc.gov.uk
Tel: 023 8028 5071 - Karen Wardle

PUBLIC INFORMATION:

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Members of the public are welcome to attend this meeting. The seating capacity of our Council Chamber public gallery is limited under fire regulations to 22.

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PUBLIC PARTICIPATION:

Members of the public may speak in accordance with the Council's [public participation scheme](#):

- (a) on items within the Cabinet's terms of reference which are not on the public agenda; and/or
- (b) on individual items on the public agenda, when the Chairman calls that item. Speeches may not exceed three minutes.

Anyone wishing to attend the meeting, or speak in accordance with the Council's public participation scheme, should contact the name and number shown above no later than 12.00 noon on Tuesday, 18 March 2025.

Kate Ryan
Chief Executive

Appletree Court, Lyndhurst, Hampshire. SO43 7PA
www.newforest.gov.uk

AGENDA

Apologies

1. **DECLARATIONS OF INTEREST**

To note any declarations of interest made by members in connection with an agenda item. The nature of the interest must also be specified.

Members are asked to discuss any possible interests with Democratic Services prior to the meeting.

2. **PUBLIC PARTICIPATION**

To receive any public participation in accordance with the Council's public participation scheme.

3. **DEVOLUTION UPDATE AND LOCAL GOVERNMENT REORGANISATION INTERIM PLAN (Pages 3 - 24)**

To:

Councillors

Jill Cleary (Chairman)
Steve Davies (Vice-Chairman)
Geoffrey Blunden

Councillors

Jeremy Heron
Dan Poole
Derek Tipp

Special Council – 20 February 2025

Special Cabinet – 21 February 2025

Devolution update and local government reorganisation interim plan

Purpose	For Decision
Classification	Public
Executive Summary	<p>This report presents an update on the progress made within Hampshire and the Solent towards the creation of a new strategic authority as part of the Government’s devolution priority programme. This includes a proposed mechanism for the Council to respond to the Government consultation on establishing a mayoral combined county authority across Hampshire, Portsmouth, Isle of Wight and Southampton, with the first election for a Mayor taking place in May 2026.</p> <p>The report also details a joint submission on behalf of all principal councils in the Hampshire and Solent region, following the Government’s request for an interim plan for local government reorganisation to be submitted to the Minister of State for Local Government and English Devolution by 21 March 2025.</p>
Recommendation	<p>1. That the Council:-</p> <p>(a) notes the Government’s decision to include Hampshire and the Solent on its Devolution Priority Programme, leading to the creation of a Mayoral Strategic Authority in May 2026; and</p> <p>(b) Delegates authority to the Leader of the Council to respond to the Government consultation on the establishment of a Mayoral Strategic Authority, on behalf of the Council.</p>

	<p>2. That the Council advise the Cabinet on the following recommendations:-</p> <p>Cabinet is asked to:-</p> <p>(a) Approve the joint submission to Government of the Interim Local Government Reorganisation Plan for Hampshire and the Solent, at Appendix 1;</p> <p>(b) Delegate authority to the Leader of the Council to approve the final interim submission on behalf of the Council, in the event that minor amendments are agreed by the 15 councils;</p> <p>(c) Consider key points of importance in the development of a final proposal that reflects the unique geography, history and communities of the New Forest;</p> <p>(d) Set in place a programme of engagement with town and parish councils to explore local service delivery and potential transfer of assets, and to bring back to Cabinet a policy for community asset transfer; and</p> <p>(e) Delegate authority to the Chief Executive, in consultation with the Leader, to access and spend funds from the Council's Devolution and LGR reserve.</p>
<p>Reasons for recommendations</p>	<p>To ensure the Council is engaged in the implications of the Government's English Devolution White Paper, and the subsequent inclusion of Hampshire and the Solent on the Government's Priority Programme.</p> <p>To put in place an appropriate mechanism for the Council to respond to the Government's consultation on the proposed establishment of</p>

	<p>a Mayoral Combined County Authority for Hampshire and the Solent.</p> <p>To meet the Government deadline of 21 March 2025, for the submission of an Interim Local Government Reorganisation Plan for the area.</p>
Wards	All
Portfolio Holder	Councillor Jill Cleary – Leader
Strategic Director	Kate Ryan - Chief Executive
Officer Contact	<p>Kate Ryan Chief Executive 023 8028 5075 kate.ryan@nfdc.gov.uk</p>

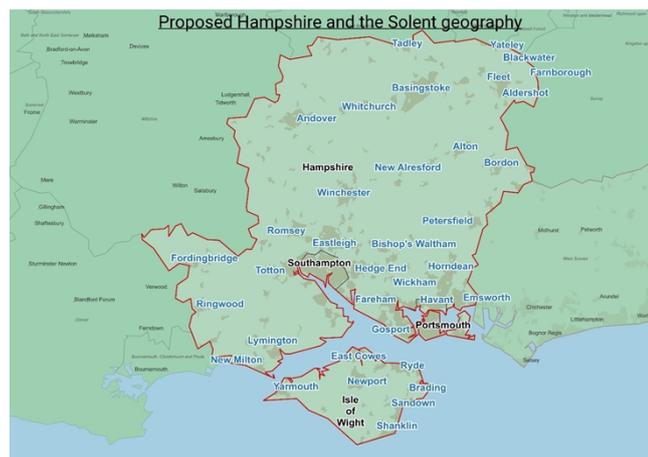
Introduction and background

1. In December 2024 the Government published the English Devolution White Paper: Power and Partnership: Foundations for growth. This is seen as a flagship report that creates across England a model for local government based on universal coverage of 'strategic authorities' alongside unitary councils. This is clear that the Government does not see a future for areas to have separate county and district councils (two-tier areas). It also intends to secure financial stability for councils through the reorganisation of smaller unitary councils.
2. Since the publication of this white paper the Leader and Chief Executive have been working in partnership with councils across Hampshire and the Solent to understand the opportunity being presented by the Government, and to consider how best to take forward a response through collaboration and consensus where possible.
3. On 5 February 2025, the Government announced that six areas in England would join the Devolution Priority Programme, with Hampshire and the Solent one of those areas selected. The Devolution Priority Programme is intended to support areas to move towards devolution at pace, creating mayor-led strategic authorities by May 2026.
4. Alongside the Devolution Priority Programme, the Minister of State for Local Government and English Devolution, Jim McMahon OBE MP, has written to New Forest District Council, alongside all principal

authorities in Hampshire and the Solent, inviting leaders to work with their counterparts in the region to develop proposals for local government reorganisation. This is framed in two stages, for an interim plan to be submitted before 21 March 2025, with full proposals by 26 September 2025.

Hampshire and the Solent Mayoral Strategic Authority

5. Strategic authorities are similar to the current Mayoral “combined authorities” such as Greater Manchester. The White Paper includes a section on ‘Strategic Framework of Powers, Functions and Funding’. (Page 86-90). This makes clear that these strategic authorities will produce a Local Growth Plan, Spatial Development Strategy, Local Transport Plan, Local Nature Recovery strategies and deliver some functions across strategic housing and spatial planning, transport and infrastructure, skills and employment support, economic development and regeneration, environment and climate change.
6. There is also an appetite to explore strategic authorities as a vehicle for wider public service reform. The White paper outlines that the Mayor may exercise Police and Crime Commissioner and Fire and Rescue Authority functions and also has a role with health through the Integrated Care Partnership.
7. In January 2025, all upper tier and unitary authorities in Hampshire and the Solent requested to be included on the Government’s Devolution Priority Programme, making the case that the area is a significant centre for economic growth with a combined population of over 2 million residents, 90,000 businesses and an economy that generates c £80billion per annum. The Government has now responded to confirm that Hampshire and the Solent should be included on the programme. It has also decided to postpone the May 2025 county council elections to help plan for a mayoral election in 2026 and consider proposals for local government reorganisation. The geography of the proposed Mayoral Strategic Authority can be seen below:-



8. A consultation is now being undertaken to seek views from interested parties, including those who live and work across Hampshire and the Solent. The consultation is live and closes on 13 April 2025. It is proposed that the Leader of the Council submits a response to this consultation on behalf of the Council. This consultation deals specifically with Devolution and the proposed new Mayoral Strategic Authority for Hampshire and the Solent. It does not deal with local government reorganisation and new unitary councils.
9. The Leader's consultation response with regard to Devolution will support its overarching principles, and seek to support the transfer of enhanced decision making from central government and the ability to retain a greater share of more locally generated funding. Whilst being optimistic about the potential for Devolution, there are some matters that require greater clarification, including clarity on the scale and timing of funding, and the role of district councils through any transition period of local government reorganisation.
10. The intention will be that, following local government reorganisation, new unitary councils form the constituent element of the new strategic authority. However, through any transition, the county council will formally represent the Hampshire area. Whilst district and borough councils do not form a constitutional part of the new strategic authority, in other areas they do as a minimum have observer status on the board. This is important given functions such as strategic planning moving from the districts to the strategic authority. Hampshire district and borough councils are pressing to see their expertise and experience reflected in the governance to set up and then run the new strategic authority. To this end the Chief Executive sits on the Devolution programme board as one of two district/borough representatives.

Local government reorganisation and interim plan

11. On the back of the Devolution White paper, reorganisation proposals were invited from all remaining two-tier areas and small or failing unitary councils. The political intent expressed is that all councils would go through reorganisation before the general election due at the latest in 2029.
12. This would mean the creation of new unitary councils across England. It means neither Hampshire County Council nor New Forest District Council will exist, with new councils created across neighbouring district and unitary areas. These new councils will be responsible for all local government services, except those that may transfer to the new Hampshire and the Solent Strategic Authority, and those services that are currently provided by and may be newly devolved to town and parish councils.

13. This is a similar process to many other areas that have created new councils including Wiltshire, Somerset, Dorset, and Bournemouth, Christchurch and Poole locally.
14. Following the Minister's invitation to local authorities in Hampshire and the Solent, inviting proposals for local government reorganisation, all council leaders in the region agreed to work together to develop and submit an interim proposal by 21 March, in accordance with the Government's instructions. The Minister's invitation also indicates that a collective plan on behalf of all principal councils is preferred.
15. Those councils subsequently engaged consultants to support the development of the interim plan working with leaders and chief executives. This has enabled the development of the interim proposal for Hampshire and the Solent which is attached at Appendix 1. The plan is based on a set of principles and does not make recommendations on the number and size of any new unitary local authorities.

Implications for town and parish councils

16. Local government reorganisation presents an opportunity for town and parish councils across the New Forest to play a greater role in delivering local services, managing local assets and addressing community needs. There are many areas who have been through reorganisation to create unitary councils and learning from them is available. Demand for advice and support for town and parish councils to consider this agenda will be high and their associations which exist at a national, Hampshire and New Forest level will need to consider how best to meet these demands.
17. It is recommended that as a district council we increase our dialogue with local towns and parishes to explore opportunities to work together now to sustain local services and assets that are priorities for local residents into the future. To ensure consistency, this will be a programme of engagement with all councils.
18. The Council is undertaking the development of an asset management strategy which will be needed for local government reorganisation. It will now include a geographical review to facilitate the discussion regarding possible transfers from the district to local councils.
19. This Council has already approved the principle of utilising up to £1.377 million of the budget equalisation reserve to fund investment in community assets, which will also support any future transition to a new unitary authority and town and parish councils.

Governance and resources

20. It is already the case that the Devolution and LGR agenda is taking a significant amount of time for the Leader and Chief Executive. As the second largest district in Hampshire it is important to be able to prioritise this agenda.
21. In order to represent the New Forest and lead the council through the implications of Devolution, the Leader has taken the decision to move her oversight of the Solent Freeport and role on the Freeport Board to the Deputy Leader. She has also invited the Deputy Leader and Main Opposition Group Leader to attend the Transformation Programme Board. The Deputy Leader is also attending the Change Champions Group.
22. There will be programme governance across Hampshire and the Solent for Devolution and local government reorganisation. At this time this is still being confirmed. Members and officers from this council will need to play a role in this wider governance and this will necessitate consideration of the resources available to deliver the council's current corporate plan priorities alongside this developing piece of time sensitive complex activity.
23. The LGR programme itself will inevitably place a significant strain initially on corporate services; bringing together finance, estates, legal, democratic, ICT, HR and communications. It is to the benefit of the New Forest to support staff engaging in the development of both the strategic authority and the formation of new councils. The approved budget for 2025/26 set aside a new ongoing resource requirement of £150,000 for new dedicated resource to support the LGR programme.
24. Further to the above, the Council also approved a Devolution and LGR programme reserve of an initial £150,000. The Chief Executive will consider, in consultation with the Leader of the Council, the necessary resources to enable the Council to deliver both its corporate priorities through to 2027, and also to play a key role through local government reorganisation, drawing down the use of this reserve, where necessary.
25. Resourcing will need to be kept under review and refined as key projects and activities materialise. There will need to be a flexibility in the deployment of the Council's resources to meet emerging priorities.

Timetable for Devolution and LGR in Hampshire and the Solent

26. The timetable below is based on what has been provided by Government to date and it is recognised that it delivers Devolution

and local government reorganisation at pace. It is indicative and may change. The timeline for local government reorganisation is not fixed and the Government has indicated that this will depend on the proposals that are developed locally.

27. New Unitary authorities would most likely be created as new legal entities. They will have a shadow council formed before 'go live' (vesting day). This oversees the creation of the new council including key staffing and budget decisions.

Date	Key activity
March 25	Interim plans for local government reorganisation to be submitted to Government
April 25	Consultation closes on the establishment of a Mayoral Strategic Authority for Hampshire and the Solent
September 25*	Final proposals for local government reorganisation to be submitted to Government
May 26	Election to the office of Mayor of the Hampshire and Solent Strategic Authority
May 27	Elections to shadow new unitary councils established through local government reorganisation
Apr/May 28	New unitary authorities established
	*The proposed Hampshire and Solent submission at Appendix 1 seeks an extension to this deadline

28. The Government has also indicated that the speed at which the new unitary councils could be established will depend on the degree of agreement between the various constituent councils. This level of agreement, and consequently the pace of change, will determine whether and in what form the county, district, and borough elections proceed in 2026 and 2027.

Corporate plan priorities

29. The vision within the council's corporate plan is "To secure a better future by supporting opportunities for the people and communities we serve, protecting our unique and special place, and securing a vibrant and prosperous New Forest."
30. The proposals within the Devolution white paper bring about the prospect of changes for local government across England over the next four years. With the intended removal of two-tier local government, there will be a significant impact on delivering the vision above that reflects the unique and special place that is the New Forest. It is vital that Members and officers play an active role in shaping the proposed geography for any new unitary council covering the New Forest area, and that the priorities within the corporate plan and wider policy framework of the council are able to be represented in the establishment of a new unitary council.

Options appraisal

31. The Council could choose not to endorse the proposed collective submission to Government. However, this would not meet the Government's request as outlined in the Minister's letter of 5 February 2025.

Consultation undertaken

32. Consultation on the development of a collective interim plan for local government reorganisation in Hampshire and the Solent has engaged all principal councils in the region. This collective work has also been discussed with key public sector partners such as Health and Police, within the constraints of the time available since the Government's letter to councils on 5 February 2025.
33. The Government is leading consultation on Devolution at a national level and it is proposed that the Leader of the Council responds to this shortly. There will be Government consultation on any final local government reorganisation proposals for the region. The Council will make the case for the meaningful engagement of local stakeholders, residents and businesses in what is a significant change in local governance and service delivery.
34. There has been consultation with the Leader, Group Leaders and briefings for all members on the developments included within this report. Staff briefings and regular communications have also taken place.

Financial and resource implications

35. There are no financial implications arising directly from this report. The governance and resourcing section of this report above outlines the work undertaken to date and the likely resourcing implications for the Council as the programme progresses. The new 2025/26 ongoing revenue budget of £150,000 was agreed by the Council in February 2025, for Devolution and LGR activity. The £150,000 one-off Devolution and LGR reserve was also approved in February, and is available to support one-off or temporary resourcing requirements in support of the LGR programme.

Legal implications

36. In this instance, the relevant legal process governing the way in which local government reorganisation can take place has been instigated by an invitation by the Secretary of State to make such proposals. The procedure for this can be found in sections 1–7 of the Local Government and Public Involvement in Health Act 2007. It is important to note that while invitations may be issued because an area has unanimously agreed to a reorganisation, unanimous agreement is not a precondition. This is the most common path to local government reorganisation.
37. The final decision on a proposed restructure is made by the Secretary of State. A restructure does not require the affected councils to give formal consent. There is no mechanism for the public to support or oppose restructuring through a petition or a referendum.

Risk assessment

38. The scale and pace of change within the Government's Devolution proposals does create a risk to New Forest District Council. This risk has been reflected within the Principal Risk register and is mitigated through proactive engagement within the wider Hampshire and the Solent discussions at this early stage. Resources have also been allocated within the budget to support ongoing engagement and activity that will be required.

Environmental / Climate and nature implications

39. At present the decision for Cabinet does not in itself contain any specific environmental implications. However in developing a proposal for new unitary councils, the sustainability and carbon implications will need to be taken into account within any new operating model.

Equalities implications

40. At present the decision for Cabinet does not in itself contain any specific equalities implications. However, in developing a proposal for new unitary councils, there will need to be due consideration of the equality implications in a new operating model, including how staffing decisions are made.

Crime and disorder implications

41. At present the decision for Cabinet does not in itself contain any specific crime and disorder implications. There is the ability for mayoral strategic authorities to take on Police and Crime Commissioner and Fire Authority functions where boundaries align. This is the case in Hampshire and the Solent. Therefore the governance across services that support the delivery of our crime and disorder obligations may change.

Data protection / Information governance / ICT implications

42. Any data sharing that is required to inform LGR plans will be done so in accordance with relevant regulation and legislation.

New Forest National Park / Cranborne Chase National Landscape implications

43. The role of the New Forest National Park Authority within the proposed Strategic authority is not yet confirmed. As the National Park has a statutory function for planning within the area of the new authority, this council supports the position that they be represented within the governance of the new strategic authority.
44. The proposed geography for the new unitary councils could also have a material impact on the National Park and Cranborne Chase National Landscape. For example, if an option is proposed that would see multiple unitary councils across the New Forest National Park boundary this would not be as beneficial as a single unitary able to continue the strong partnership working that enables the council to fulfil its obligation to further the interests of the National Park/National Landscape.

Conclusion

45. Devolution and associated local government reorganisation bring about a fundamental change to how local government services are delivered in the New Forest. It is important to work proactively to influence the outcome of the developing landscape, and also refocus within the council on delivering key priorities and securing the best outcomes for New Forest residents.

46. The key decision point in the Government's Devolution programme that necessitates this report is the deadline of 21 March 2025 for and interim plan for local government reorganisation within Hampshire and the Solent. Appendix 1 sets out a collective submission on behalf of all principal councils in the area for the Council's consideration.

Appendices:

Appendix 1 – Interim Plan for Local Government Reorganisation in Hampshire and the Solent

Background Papers:

[Government consultation on Devolution in Hampshire and the Solent](#)

[MHCLG Letter to Leaders in Hampshire and the Solent](#)

Hampshire and the Solent Local Government Reorganisation (LGR) – Interim Plan

21st March 2025



Hampshire and the Solent Local Government Reorganisation (LGR) – Interim Plan

Foreword

Following the invitation letter from MHCLG on 6th February 2025, all of the councils of Hampshire and the Solent have worked rapidly and collaboratively to develop and agree this interim plan.

The interim plan is submitted on behalf of:

- Basingstoke and Deane Borough Council
- East Hampshire District Council
- Eastleigh Borough Council
- Fareham Borough Council
- Gosport Borough Council
- Hampshire County Council
- Hart District Council
- Havant Borough Council
- Isle of Wight Council
- New Forest District Council
- Portsmouth City Council
- Rushmoor Borough Council
- Southampton City Council
- Test Valley Borough Council
- Winchester City Council

We acknowledge the timeline proposed relating to local government reorganisation and devolution and have prepared this interim plan jointly to outline the opportunities and challenges that it presents. We would welcome early feedback from the Government on this interim plan and require clarity and support in four specific areas, outlined in the concluding section of this document.

About Hampshire and the Solent

Hampshire and the Solent is a large and diverse place and our 15 Councils support over 2 million residents. The Isle of Wight and the port cities of Southampton and Portsmouth are already unitary councils, and in addition we are made up of 11 District and Borough Councils and a County Council.



Hampshire and the Solent contributes £33.5bn (GVA) to the UK driven by a range of sectors including finance and business, technology, aerospace and defence, tourism, and agriculture.

We work closely with Hampshire and the Isle of Wight ICS and Frimley ICS.

Across Hampshire and the Solent, including the cities, the Isle of Wight, and some districts, there are pockets of deprivation and unemployment, which creates increased demand on public services.

Working collaboratively, we have agreed upon and highlighted key strengths of Hampshire and the Solent as a region:

1. **Connectivity with place:** A unique identity / culture, and characters of community – aligned with local priorities and place-based challenges.
2. **Strong economy:** Attracts and connects retail, finance, technology and innovation, aerospace, maritime, defence, logistics, trade, tourism, agriculture, creative and more. Fostering innovation was highlighted as a key driver of economic growth and a strength shared across the region.
3. **Highly skilled workforce:** A strong tradition of education and training – making it an attractive location for businesses looking to recruit talented employees. Although, there are areas where educational attainment is below the national average.
4. **A world class environment:** With our blue space of the Solent and a large, protected landscape including our two National Parks; and landowners, communities, businesses and councils committed to restore nature, reduce environmental harm and increase prosperity through natural capital.
5. **Excellent infrastructure:** With easy access to London and other major cities via road, sea, rail, and air, although there remains major need for improvement in coastal and some rural areas, and connectivity with the Isle of Wight.

Working together across the region

We are working closely together both on a devolution arrangement and establishment of a Strategic Authority, and to develop and deliver a form of local government reorganisation which will most benefit the people, communities and businesses of Hampshire and the Solent. The councils of Hampshire and the Solent are clearly aligned in the need to develop local government structures which are fit for the future and have agreed principles to guide our decision-making and approach going forwards.

Following the release of the White Paper in December and since receiving the letter from Jim McMahon MP on 5th February 2025, the councils in Hampshire and the Solent started the process to consider options, and as part of this a strategic advisor was brought on board to support the development of the interim plan. The councils across Hampshire and the Solent have prioritised a professional, equitable and collaborative relationship that underpins the process by which we have developed this interim plan (and will continue to harness throughout the full timeline). Our broad engagement timeline since receiving the letter has been as follows:

- 5th February 2025: Leaders' and Chief Executives met to appoint strategic advisor and agree terms of reference for this work.
- 10th February 2025: Mobilisation and engagement across each council in the region to formally develop plans for this interim plan.
- 11th February 2025 – 18th February 2025: Our strategic advisor held interviews with each council's Chief Executive and the majority of Leaders to identify key strengths, challenges, preferred options, red-lines, and opportunities. Each council was asked the same question-set to ensure a standardised approach.
- 10th February 2025: ongoing weekly engagement with the Chief Executive group to ensure progress against plan and discuss any actions / priorities from key meetings and workshops.
- 19th February 2025: Chief Executive workshop to playback themes from individual council interviews, discuss shared principles, provide an initial appraisal of potential options and plan timeline to submission for this interim plan.

- 24th February 2025: Leaders' and Chief Executive workshop to discuss progress to date and proposed next steps.
- 27th February 2025: Leaders' meeting to agree a set of guiding strategic principles, the content of the interim submission, agree the timeline for the full proposal and review data from across the Hampshire and Solent region.
- 5th & 6th March: Leaders' and Chief Executives met to agree the Interim Plan submission.

Throughout this engagement process, there has been full attendance from each council across Leaders' and Chief Executive stakeholder groups. This has facilitated a rich and targeted discussion of challenges to address and alignment on an agreed approach to developing a final proposal.

Our guiding principles

In the timescale provided, a consensus has yet to be agreed on detailed specific unitary options and so, this has not been included in this interim plan, with the exception that the Isle of Wight which should continue to remain separate and distinct. However, we have identified guiding principles to steer our work going forwards to create sustainable local government structures. Potential options will be appraised in detail, overlaying quantitative and qualitative data (including demand and cost), and consultation with the public and local partners and stakeholders.

The set of guiding strategic principles for LGR and the final submission are outlined below and designed to ensure delivery against the government's criteria and guidance. Where possible, these guiding principles will also apply to the Isle of Wight, although we are unanimous in proposing that it remains as a separate and distinct unitary council.

Our agreed guiding principles for Hampshire and the Solent are as follows:

- Analysis will be based on economic geographies (principally Basingstoke, Winchester, Southampton, Portsmouth) that inform a sense of place, community, and economic growth. No decision has been made on the number of unitaries.
- Sense of place and coherent identity, structure and local connections will shape geographies.
- To support the other principles, options considered will include those which have boundary changes, and those which do not have boundary changes.
- Community engagement will be used to help shape final boundaries, prior to final submission.
- Proposals will ensure there are sensible population ratios between local authorities and any strategic authority, with options retaining equitable representation and voting rights.
- Consideration will be given to the impact on crucial services.
- Proposals will show how new structures will improve local government, service delivery and outcomes.
- New proposed authorities must also be able to form a platform for financial sustainability, and resilience to withstand financial shocks.

Key areas of our interim plan

Below we have set out the key areas of our interim plan which are aligned with the Government's criteria and guidance:

a) Boundaries of new mainland unitaries

We are continuing to evaluate a range of options for unitary structures in Hampshire and the Solent and are therefore not providing a shortlist of options in this interim plan.

Our Chief Executives and Leaders are working collaboratively to understand the area and unitary options. This will inform a decision-making process, including local consultation to identify the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.

We have unanimously agreed that the Isle of Wight should remain as a separate unitary council due to being an island. This would not preclude exploring shared service arrangements across Hampshire and the Solent, but no model of local government reorganisation will comprehensively address the sustainability of local government on the island when also considering the geographic delivery of services. More detail on this is provided in point b) below.

b) Isle of Wight exceptional circumstances

Reflecting its position as an island, we propose that the Isle of Wight should remain as a separate unitary authority. The island will have a population of 148k people by 2028 which we acknowledge is below the MHCLG guidance regarding population sizes for a unitary. However, we consider that the Isle of Wight meets the criteria of exceptional circumstances related to local identity.

Fundamentally, the cost of providing council services on an island physically separated by water are driven by dislocation and the associated small markets which result in inherently higher costs due to market barriers and a lack of economies of scale. These characteristics cannot be remedied by a council's structure or scale (i.e., even if a boundary is on the mainland). As the physical boundary to the Island remains, the opportunities to reduce fixed costs and make procurement efficiencies and estate rationalisations are limited.

No model of local government reorganisation will address challenges regarding the tax base and financial sustainability of the island, whilst balancing and adding further challenge to the delivery of services from a geographical and financial perspective. Furthermore, Isle of Wight residents possess a distinct cultural identity which does not necessarily align with mainland residents. While we will continue to explore opportunities for shared service arrangements, we require support and clarification to discuss an Island Deal to establish sustainable local government across the whole of Hampshire and the Solent.

c) Indicative costs and future service transformation opportunities.

Hampshire and the Solent has a population of over 2 million people, across 15 local authorities, which includes three existing unitaries. Therefore, this will be a large and complex reorganisation programme.

Previous local government reorganisation costs for smaller areas have ranged from £12-20m over a 12 to 18-month period to encompass programme management, additional ICT investment, meeting branding requirements, additional election costs, legal capacity and supporting staff, residents, and businesses through the process.

Due to the size of Hampshire and the Solent, inflationary pressures (since other reorganisations have taken place) and the need to implement the reorganisation programme for 3 years, our preliminary benchmarking suggests this could be the most expensive LGR programme delivered to date.

We will confirm our view on the expected cost of implementation in our final submission to Government.

Future service transformation opportunities

As all councils have not yet reached consensus on a preferred option of unitary structures, we have not been able to appropriately model transformation opportunities, beyond the very substantial savings, transformation and collaborative working which we have already delivered. We expect to explore opportunities regarding:

- Integration of front-line services and building on leading practice from across organisations in the region;
- Whole-system transformation across health, local government and other statutory partners;
- Consolidation of back-office functions and driving efficiencies through economies of scale in procurement, fleet, contracts and estates;
- Rationalising and improving digital and ICT systems;
- Rationalising supplier spend;
- Economic and housing growth that will stem from the formation of a strategic authority and devolution.

d) Councillor numbers

Democratic representation is an important facet of LGR and devolution. We are considering options for mainland unitary structures with democratic representation as one of the evaluation criteria and will provide indicative councillor numbers as part of our full proposal. Our approach will be informed by Local Government Boundary Commission guidance for England and focused on maintaining the local connection of the new unitaries with their respective communities.

e) Supporting devolution ambitions

We are committed to devolution and have agreed the principle that proposals should ensure there is a sensible population balance between the new mainland unitary authorities, each of which will have equal representation and voting rights on the new strategic authority for all constituent authorities.

f) Local engagement

Due to the timescales, it has not been practical to deliver meaningful local engagement to contribute to this interim plan. We have documented the engagement that we have completed and planned.

We have early engagement sessions planned with representatives from Hampshire Police, Hampshire Fire and Rescue, NHS Hampshire and Isle of Wight ICB, NHS Frimley ICB, New Forest National Park Authority and South Downs National Park Authority in March 2025.

Individual councils have engaged with key stakeholders, including briefing sessions for Parish and Town Councils. Public meetings by two councils were held in March 2025 to provide an update on devolution and LGR.

Our full proposal will be supported by appropriate local engagement with local partners, residents, and businesses, both to inform our decision-making process and to demonstrate local support for the proposal.

g) Indicative costs of preparing proposals

We acknowledge the importance of moving quickly into implementation and are preparing for this. We are balancing that alongside making the right decision for unitary structures, supporting devolution, and running councils alongside our respective change programmes.

We expect the cost of developing a detailed LGR proposal to be around £500k to include communications support, project management, engagement with residents and communities, strategic support, and drafting.

We will be building implementation teams to deliver preparatory work ahead of the Secretary of State's final decision on unitary structures in early 2026. We will confirm the final structure of our proposed PMO and governance structure, resource profile and associated cost in our final submission.

This implementation team will report into an LGR Programme Board and will include a Programme Director and two programme managers to oversee the transition from current state and a programme manager and three project officers to support the development of each future unitary council.

We understand the phases of LGR and how the governance and resourcing will need to change for each phase and are preparing our programme to be able to adapt.

h) How we are working together

We are working together across all of the councils of Hampshire and the Solent. This has included weekly Chief Executive meetings, regular update meetings and workshops with Leaders and Chief Executives and a joint commission for strategic support. This includes contributing to a joint dataset to inform decision-making and common decision-making in the interests of our residents and businesses.

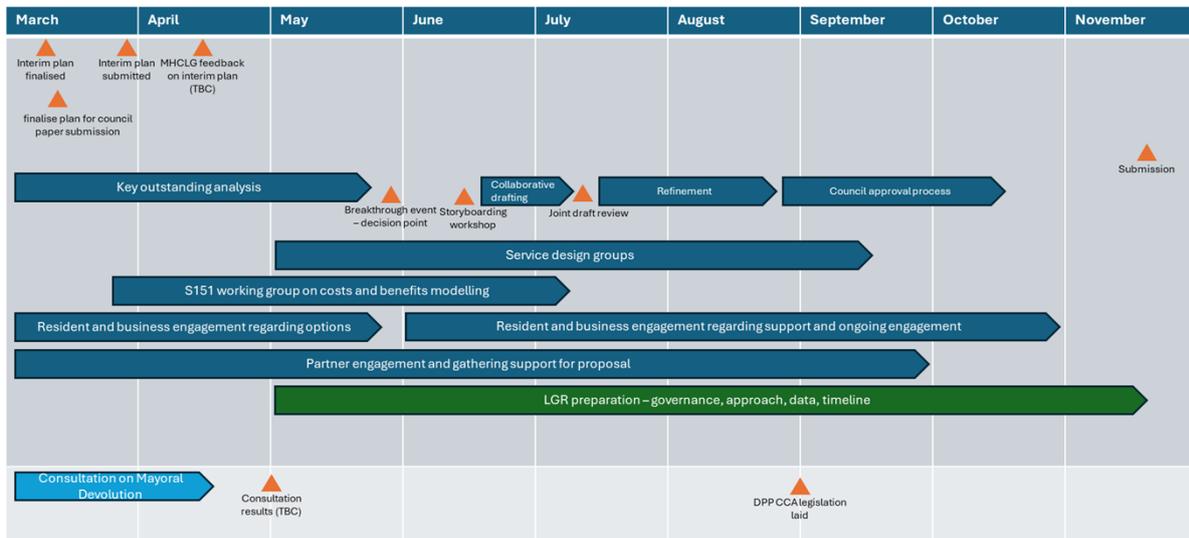
We are working collaboratively and have a solid foundation for implementing LGR and devolution as well as managing service delivery and setting the new unitaries up for success.

Proposed timeline

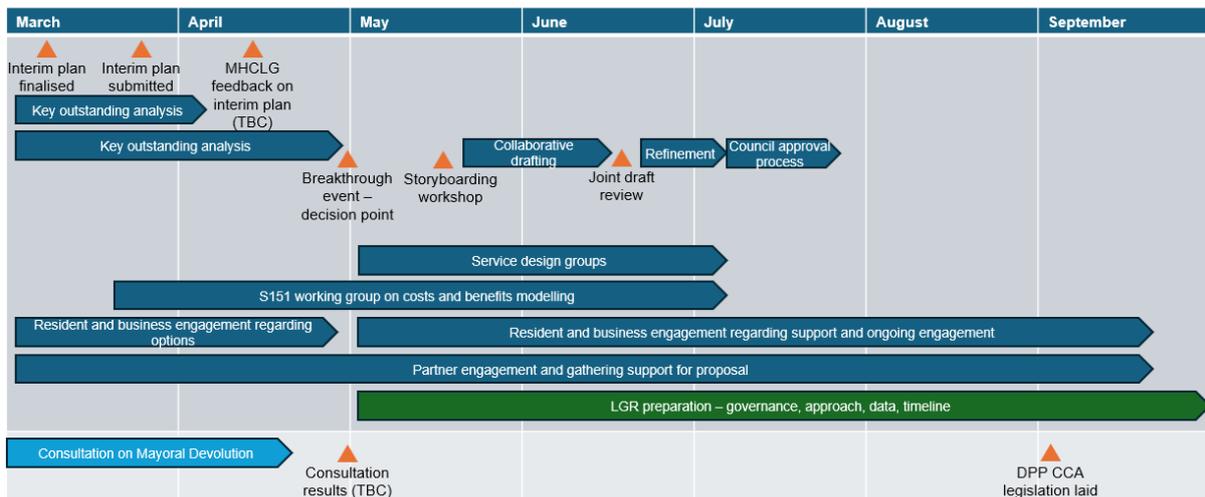
We are delighted to be selected for the Devolution Priority Programme (DPP) and see the benefits of delivering at pace. We are aligned to continue working collaboratively on both the DPP and LGR programme whilst ensuring a level of robust consultation and analysis we believe to be necessary for long-term sustainable services and growth across Hampshire and the Solent. Initial feedback from Government indicated that those on the DPP who are managing the complexity of delivering a new Strategic Authority would be granted extra time to submit their proposal for LGR. However, we have now been given two months less than

other authorities, and in consequence request an extension for the submission of the full proposal until at least 28th November 2025.

Our preferred plan aligning to an end of November 2025 submission date for our full proposal for LGR follows:



We have also outlined a scenario that aligns with the current submission date for the full proposal at the end of September 2025 (please see plan below). However, we collectively agree this accelerated plan with its curtailed time for service planning and engagement poses a risk to the engagement and analysis required to create an effective LGR proposal at the same time as delivery of a Strategic Authority. This timetable also requires that we receive timely feedback on this interim plan and the support required from Government to deliver at such an accelerated pace.



Barriers or Challenges where we require clarity and support

1. Principle of boundary changes: We are looking to develop unitary councils that reflect the current major economies and communities of Hampshire and the Solent, and we will deliver local government fit for the future. We do not have consensus on the proposal of boundary changes but have agreed a principle that, in order to support the other principles, options considered will include those which have boundary changes, and those which do not

have boundary changes. As a result of changes since district boundaries were defined for the 1974 reorganisation, some of the current boundaries in Hampshire split towns, communities and economic geographies. Unitaries should reflect economic geographies and how people access services, healthcare, education, leisure and shopping as well as driving economic and housing growth. As a result, our options analysis may lead to proposed changes to some boundaries (although we will also assess cost, complexity and feasibility of any such changes). To do this with accuracy and confidence, we require:

- a) Clarity on the 500,000 minimum unitary population figure and what justification would be needed in instances where this makes no practical or economic sense for an area; and
- b) confirmation whether boundary changes are acceptable to MHCLG and confirmation of the statutory mechanism, such as a Secretary of State power in the Devolution Bill, to deliver this; and
- c) support to establish a timeline to deliver these structures.

2. Isle of Wight exceptional circumstances: As outlined earlier, reflecting its position as an island, we propose that the Isle of Wight should remain as a separate unitary authority. In order to be able to develop effective options for the mainland, we require early confirmation from the Government regarding the Isle of Wight as an exceptional circumstance and to remain a single unitary authority. Any delay in this confirmation will have an impact on our ability to deliver an accurate and timely options appraisal.

3. Critical service demand: Whilst councils embrace the opportunity to improve and transform service delivery, there are immediate challenges to address around the significant demand and associated financial pressures of Adult Social Care, Children's services, (particularly in SEND) and Homelessness. Efficiencies we will deliver will be off set against these significant demand and cost pressures. There are significant pockets of deprivation in some areas of Hampshire and the Solent, including coastal areas, as well as different council tax bases which will have a varied impact on proposed future unitaries. In addition, we face significant longer-term impacts such as climate change and coastal flooding.

4. Support for implementation and ongoing financial sustainability: As mentioned above, local government in Hampshire and the Solent is under significant financial pressure. The EFS support for Southampton to fund the council's transformation programme, restructuring costs and equal pay, and the request from Hampshire County Council for EFS shows the scale of the challenge we face. As an example, the Hampshire County Council deficit alone is over £216m. To help fill some of the budget gap post-LGR, we require support to fund transformation opportunities and the autonomy to be flexible around council tax.

While there may be opportunities through LGR, we do expect significant challenge from the capacity required to deliver LGR alongside devolution and our existing council's operations and change portfolios. We would request financial support to fund costs relating to the implementation of LGR and would want to agree a multi-year financial arrangements with the government to effectively support transition post vesting day.

5. Timeline: It remains challenging to deliver appropriate local engagement and decision-making in this period, alongside devolution. We therefore request an extension for the full proposal to 28th November 2025. If after a detailed options appraisal has been undertaken, the preferred option requires the need for boundary changes, then we would also request an extension to the implementation timeline to allow sufficient time for the appropriate statutory mechanism to be delivered.

Yours sincerely,

Signed by all Leaders of councils in Hampshire and the Solent

Council	Name of Leader	Signature
Basingstoke and Deane Borough Council		x _____
East Hampshire District Council		x _____
Eastleigh Borough Council		x _____
Fareham Borough Council		x _____
Gosport Borough Council		x _____
Hampshire County Council		x _____
Hart District Council		x _____
Havant Borough Council		x _____
Isle of Wight Council		x _____
New Forest District Council		x _____
Portsmouth City Council		x _____
Rushmoor Borough Council		x _____
Southampton City Council		x _____
Test Valley Borough Council		x _____
Winchester City Council		x _____