

Special Council – 20 February 2025

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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
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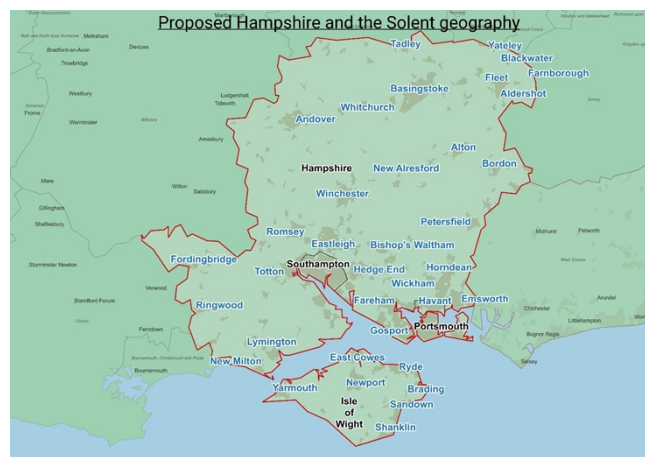
Introduction and background

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](#)