



Meeting	Council
Date and Time	Wednesday, 19th March, 2025 at 6.30 pm.
Venue	Council Chamber, Castle Hill, Winchester SO23 8UL

NOTICE IS HEREBY GIVEN that an Extraordinary Meeting of the Council will be held at 6.30 pm on Wednesday, 19th March, 2025 in the Council Chamber, Castle Hill, Winchester SO23 8UL and all Members of the Council are summoned to attend.

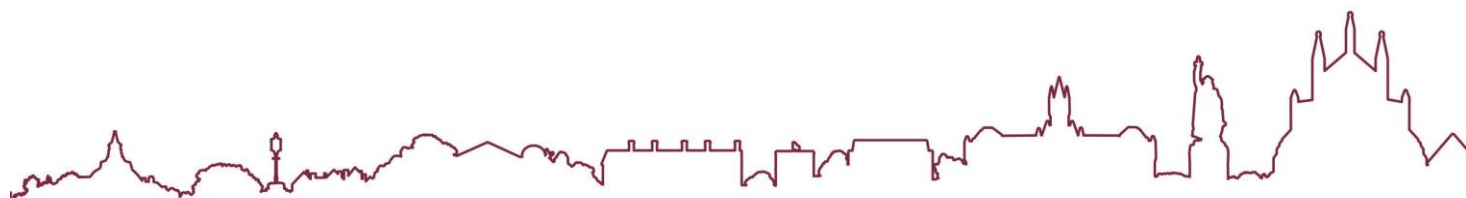
Note: *This meeting is being held in person at the location specified above. Members of the public should note that the meeting will be steamed live to the council's You Tube channel (www.youtube.com/WinchesterCC)*

A limited number of seats will be made available at the above named location, however attendance must be notified to the council at least 3 working days before the meeting. Please note that priority will be given to those having registered to speak during the Public Question session over those wishing to attend and observe. Please note that Questions must be received in writing by Democratic Services (democracy@winchester.gov.uk) prior to **10am**, five working days preceding the day of the council meeting.

AGENDA

- 1. Disclosure of Interests**
To receive any disclosure of interests from Councillors or Officers in matters to be discussed.

Note: Councillors are reminded of their obligations to declare disclosable pecuniary interests (DPIs), other registerable interests (ORIs) and non-registerable interests (NRIs) in accordance with the Council's Code of Conduct.



2. **Questions from Members of the Public**

To receive and answer and questions from the public.

(Questions must be received in writing by Democratic Services – democracy@winchester.gov.uk – no later than 10am on Wednesday 12 March 2025)

Please note that as per the Council's Constitution (Part 4.1 - Council Procedure Rule, paragraph 8.2) there will be no public or Councillor questions under Council Meeting Procedure Rule 19 unless related to the matter of the extraordinary meeting.

3. **Questions from Members of Council**

The total time for questions and the answer and supplementaries thereto shall not exceed 40 minutes.

Please note that as per the Council's Constitution (Part 4.1 - Council Procedure Rule, paragraph 8.2) there will be no public or Councillor questions under Council Meeting Procedure Rule 19 unless related to the matter of the extraordinary meeting.

4. **Local Government Re-organisation in Hampshire and the Solent - Agreement to Joint Interim Plan (CL174) (Pages 5 - 48)**
RECOMMENDATIONS:

Full Council is asked to:

1. Consider the Cabinet report of 20 March 2025 attached and make any comments for Cabinet to consider
2. Note that Cabinet is asked to approve the submission to the Government of the Interim Plan for local government reorganisation in Hampshire and Solent at their meeting on 20 March 2025

LAURA TAYLOR
Chief Executive

All of the Council's publicly available agendas, reports and minutes are available to view and download from the Council's [Website](#) and are also open to inspection at the offices of the council. As part of our drive to minimise our use of paper we do not provide paper copies of the full agenda pack at meetings. We do however, provide a number of copies of the agenda front sheet at the meeting which contains the QR Code opposite. Scanning this code enables members of the public to easily access all of the meeting papers on their own electronic device. Please hold your device's camera or QR code App over the QR Code so that it's clearly visible within your screen and you will be redirected to the agenda pack.



11 March 2025

Agenda Contact: David Blakemore, Democratic Services Team Manager
Tel: 01962 848217 Email: dblakemore@winchester.gov.uk

Quorum = 15 members

PUBLIC PARTICIPATION

As per Part 4.1 of the Council's constitution, the business to be conducted at an extraordinary meeting shall only relate to the issue which has caused the meeting to be convened. There will be no public or Councillor questions under Council Meeting Procedure Rule 19 unless related to the matter of the extraordinary meeting.

FILMING AND BROADCAST NOTIFICATION

This meeting will be recorded and broadcast live on the Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Access to Information Procedure Rules within the Council's Constitution for further information, which is available to view on the [Council's website](#).

DISABLED ACCESS:

Disabled access is normally available, but please phone Democratic Services on 01962 848 264 or email democracy@winchester.gov.uk to ensure that the necessary arrangements are in place.

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CL174
COUNCIL

REPORT TITLE: LOCAL GOVERNMENT RE-ORGANISATION IN HAMPSHIRE
AND THE SOLENT – AGREEMENT TO JOINT INTERIM PLAN

19 MARCH 2025

REPORT OF CABINET MEMBER: Cllr Martin Tod, Leader of the Council

Contact Officer: Laura Taylor Tel No: 01962 848313 Email
ltaylor@winchester.gov.uk

WARD(S): ALL

PURPOSE

Council are invited to debate the matters within the Cabinet paper and provide comment to Cabinet for their consideration.

RECOMMENDATIONS:

On February 5, 2025, the Government selected Hampshire and the Solent to be part of its Devolution Priority Programme (DPP) to create a Strategic Authority and elected Mayor in 2026.

On the same day, the Secretary of State for Housing, Communities and Local Government wrote to request that all principal councils in Hampshire – districts, county and unitaries - bring forward proposals for Local Government re-organisation (LGR) with an interim plan for LGR required by 21 March 2025 and final proposals to be submitted by 26 September 2025 (Appendix 1).

Following the final business case submission, Ministers will decide their preferred option for LGR in Hampshire and Solent, and lay legislation in Parliament with the most ambitious timetable leading to the new Unitary Councils taking legal effect from 1 April 2028.

This report:

- Presents the interim LGR plan that has been developed for Hampshire and Solent (Appendix 2).
- Seeks approval to submit it to Government by 21 March;
- Agrees that if any minor amendments to the proposed interim plan are agreed by the 15 Councils, the Leader of the Council in consultation with the Chief Executive has authority to approve the updated report on behalf of Winchester City Council.
- Seeks delegated authority for the Leader and Chief Executive to negotiate the final proposal, prior to approval by Council and submission to Government later in 2025.

Full Council is asked to:

1. Consider the Cabinet report of 20 March 2025 attached and make any comments for Cabinet to consider
2. Note that Cabinet is asked to approve the submission to the Government of the Interim Plan for local government reorganisation in Hampshire and Solent at their meeting on 20 March 2025

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REPORT TITLE: LOCAL GOVERNMENT RE-ORGANISATION IN HAMPSHIRE
AND THE SOLENT – AGREEMENT TO JOINT INTERIM PLAN

20 MARCH 2025

REPORT OF CABINET MEMBER: Cllr Martin Tod, Leader of the Council

Contact Officer: Laura Taylor Tel No: 01962 848313

Email ltaylor@winchester.gov.uk

WARD(S): ALL

PURPOSE

On February 5, 2025, the Government selected Hampshire and the Solent to be part of its Devolution Priority Programme (DPP) to create a Strategic Authority and elected Mayor in 2026.

On the same day, the Secretary of State for Housing, Communities and Local Government wrote to request that all principal councils in Hampshire – districts, county and unitaries - bring forward proposals for Local Government re-organisation (LGR) with an interim plan for LGR required by 21 March 2025 and final proposals to be submitted by 26 September 2025 (Appendix 1).

Following the final business case submission, Ministers will decide their preferred option for LGR in Hampshire, and lay legislation in Parliament with the most ambitious timetable leading to the new Unitary Councils taking legal effect from 1 April 2028.

This report:

- Presents the interim LGR plan that has been developed for Hampshire and Solent (Appendix 2).
- Seeks approval to submit the interim LGR plan to Government by 21 March;
- Agrees that if any minor amendments to the proposed interim LGR plan are agreed by the 15 Councils, the Leader of the Council in consultation with the Chief Executive has authority to approve the updated report on behalf of Winchester City Council.
- Seeks delegated authority for the Leader and Chief Executive to negotiate the final proposal, prior to approval by Council and submission to Government later in 2025.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Approves the submission of the joint interim plan for Local Government re-organisation in Hampshire and the Solent dated 21 March 2025 as requested by the Government (Appendix 2)
2. Agrees that if any minor amendments to the proposed interim plan are agreed by the 15 Councils, the Leader of the Council in consultation with the Chief Executive has authority to approve the updated report on behalf of Winchester City Council.
3. Delegates authority to the Leader and Chief Executive to negotiate the final business case for local government reorganisation, prior to approval by Council and submission to Government later in 2025.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 Winchester City Council adopted a five-year council plan in January 2025 and this will continue to provide the strategic framework for delivery in our area. However, it is likely a number of the Council's published strategic ambitions and the Service Plans underpinning them will have to be carried forward to the new Unitary Council for consideration. Nevertheless, the City Council is organising itself to be able to realise its ambitions as far as possible before responsibility for the area is transferred to the new Unitary Council.
- 1.2 Local government reorganisation to a unitary style of local government will have significant impacts as, in the most ambitious timeline, it envisages the transfer of the City Council's powers, duties, staff, assets etc to a new Unitary Council by April 2028, following which the City Council will no longer exist.
- 1.3 While in many respects Council services will continue unaffected both in the short term and, in many cases, long into the future, at some point the responsibility for making decisions will transfer from this Council to a new set of Councillors representing residents from the larger unitary area. Until those new Councillors are elected, it is not possible to be certain what their political composition will be, what resources they will have available to them and what priorities they will set out.

2 FINANCIAL IMPLICATIONS

- 2.1 While the Government believes that the LGR programme will be self-funding over the long term due to efficiencies achieved, there are immediate direct costs to the Council of supporting the LGR process in the form of contributions to consultancy work, programme management and other costs shared with other Hampshire councils. To date expenditure against this work has been in the order of £8,000
- 2.2 It is likely to be necessary to appoint additional staff and/ or procure specific resources to support the work of LGR and budget will be allocated from the Transition Reserve where necessary.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Secretary of State for Housing, Communities and Local Government has exercised her powers under Part 1 of the Local Government and Public Involvement in Health Act 2007, which allow her to invite any principal authority to submit a proposal for a single tier of local government.
- 3.2 A letter to this effect, stipulating the criteria to be met, was received by the Leader and Chief Executive on 5 February 2025 (Appendix 1).
- 3.3 In preparing its proposal the Council must have regard to the Secretary of State's guidance which is set out in the schedule to the letter and included in this, against which the proposal will be evaluated.

4 WORKFORCE IMPLICATIONS

- 4.1 At this stage in the programme, responsibilities of the Director team have been adjusted to support work to prepare the interim proposal. These arrangements will continue into final business case preparation through to September 2025 and at that point when the new unitary council is defined, considerable effort will have to be deployed from across the council to create the new authority including service reconfiguration, staffing arrangements, policy framework and governance arrangements.
- 4.2 An inevitable consequence of local government reorganisation is uncertainty for Council staff. This will need to be carefully managed to avoid the risk of loss of colleagues or the inability to recruit and consequent disruption of normal service delivery. The creation of a new unitary council and dissolution of existing authorities will result in the transfer of functions and reorganisation of existing staffing structures and will require formal staff consultation and engagement.
- 4.3 Under Regulation 3 of the Local Government (Structural and Boundary Changes) (Staffing) Regulations 2008 (Employee Regulations) the transfer of functions to a single tier authority are treated as a 'relevant transfer' to which TUPE Regulations will apply.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 As an authority subject to a reorganisation order, the Council will be expected to deal with its property, rights and liabilities in accordance with S16 of the Local Government and Public Involvement in Health Act 2007 which provides for mutually agreed transfers to any other party to the reorganisation order.
- 5.2 The transfer of functions and assets to a new unitary council are governed by the provisions of the Local Government (Structural Changes) (Transfer of Functions, Property, Rights and Liabilities) Regulations 2008/2176.
- 5.3 In most cases the Regulations provide that the functions, property, rights and liabilities of abolished authorities will automatically transfer to the successor unitary authority on their dissolution.

A comprehensive assessment will be required to identify all interests held by the Council and this work is already underway.

6 CONSULTATION AND COMMUNICATION

- 6.1 The Government asked for an interim LGR plan in a very short time period of broadly six weeks, which is followed by a lengthier period to develop a final business case proposal by 26 September 2025. It is understood that the interim plan should be used to seek initial feedback from the Government that will enable councils to provide a focussed proposal in September that can be supported by Ministers later in the year.
- 6.2 Bearing this timetable in mind, work began informally amongst councils across Hampshire and Isle of Wight as soon as the Hampshire Devolution Priority Program proposal was submitted, and the consultants KPMG were subsequently commissioned by all 15 councils to support preparation of the interim plan. All councils are paying an equal share of this cost on the basis that they are equal partners.
- 6.3 The Leader and Chief Executive have been directly involved in the preparation of the interim plan, and a number of other staff have supported the process by supplying financial data and other information. The Leader is the current Chair of the Local Authority Leaders' Group which is coordinating this work.
- 6.4 In preparing for the submission to Government, the Leader and Chief Executive have held a number of initial discussions with local partners and stakeholders

Parish and Town Councils. An online meeting which set out the proposals for change across devolution and LGR was held with Local Councils in the Winchester district on 5 February 2025. The role of local

councils in a unitary landscape is critically important to maintain a sense of community and recognised as such in the White Paper. Building on the existing positive relationship between local councils and the City Council; parish and town councils were urged to give early consideration as to whether they believed any services could be better provided at their very local level or whether there was capacity to manage local property and assets that are important to local communities.

Further work will continue with local councils with respect to transfer of assets or local service delivery as LGR proceeds

The Winchester Town Forum has requested the City Council to consider a corporate governance review to create a Town Council for Winchester and also to take all necessary steps to preserve the Winchester Mayoralty. A further report will be provided on this matter in due course, but it is anticipated that that a new local council would be in place by 1 April 2027.

Local Business: the Leader and Chief Executive attended the January Winchester Improvement District Board meeting.

The Leader is a member of the Hampshire Prosperity Board which received a briefing in Feb 2025. In addition to local government representatives, members of the Board include representatives of business/enterprise and higher education along with the Freeport, Hampshire Chamber of Commerce and the Federation of Small Business

The Leader briefed representatives of Business South on 26 Feb in London.

Local Voluntary and Community Partners: The Leader briefed representatives of the Hampshire Leadership Forum of voluntary and community sector organisations on 11 March

Local Education partners: The Chief Executive has held an initial discussion with the University of Southampton, the University of Winchester and Sparsholt College with a meeting scheduled with Peter Symonds Sixth Form College

South Downs National Park: a meeting is scheduled between the Chief Executive and the Director

Royal Hampshire County Hospital: The Chief Executive has held an initial discussion with the Chief Executive

Members of Parliament; the Leader has discussed the implications of Devolution and LGR with Danny Chambers, MP and Suella Braverman, MP and a meeting with Paul Holmes, MP is being arranged

Cross geography partners: KPMG held a session with the New Forest National Park, South Down National Park, Police and Crime Commissioner, the Integrated Care Partnerships and the Fire and Rescue Service on 10 March 2025

6.5 Public Briefing: 3 March 2025

The Leader and Chief Executive hosted an online public briefing on 3 March 2025 with 140 attendees.

Key issues raised included

- How will LGR affect the council's ambitions for Winchester district – particularly climate change?
- What are the financial impacts, for instance how will Council Tax change, how will debt be treated, how will social care be funded?
- What is the impact on Local Plans and future housing numbers
- Will decision making change, will councillors change?
- What is the impact on parish councils?

Further public briefing and engagement will be undertaken as the process of LGR moves forward.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Although of itself there are no direct climate change implications arising from this report, future ambition in this area will be determined by the strategic priorities of the new Unitary Council.

8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 The Equality Act is not relevant to the decision in this report because it concerns the corporate future of the City Council and applies equally to all residents, Councillors, staff and partners. Therefore, it is considered that for this decision the Equality Duty does not need to be addressed and an Equality Impact Assessment (EqIA) has not been carried out.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 There are no immediate data implications although this will be a considerable area for attention in the creation of a new Unitary Council.

10 RISK MANAGEMENT

- 10.1 As has been set out in the report to Audit and Governance Committee on 25 February 2025 there has been no adjustment to the Council's

Corporate Risk Register or Risk Appetite at this stage of the work to create Unitary Councils in Hampshire and Solent.

- 10.2 However, the principal risk connected with this decision would be if the City Council does not agree to submit the attached interim plan. In that case there is near certainty that it would be submitted by other Hampshire and Solent councils, which could ultimately lead to an LGR outcome that the City Council does not support, and/or over which it has no influence.
- 10.3 There is also a longer-term risk that if the City Council does not support the full business case in September 2025 that the Government nevertheless decides to implement that option, or indeed a different option.
- 10.4 Neither of these risks is fully controllable, but the best mitigation is for the City Council to play an active role in discussions, influence and support the submissions to Government and argue the case for what it sees as the option(s) that work best for the residents and services for Winchester and district, and those that do most to support local democracy.

This is best achieved by submitting proposals in March 2025 and September 2025 as requested by Ministers.

- 10.5 Once Ministers have made their decision, there will be a number of project risks to address including continuity of services, retention of staff, completion of projects etc in the run-up to merger. As the LGR programme develops, a specific risk register will be developed.

11 SUPPORTING INFORMATION:

- 11.1 Since 1974 local government in Hampshire has consisted of three levels:
 - (a) Hampshire County Council, with responsibility for services and infrastructure such as social care, education and highways across the whole of the administrative county.
 - (b) Winchester City Council and 10 district and borough councils, with responsibility for a mix of services including waste collection, planning and homelessness support within each district.
 - (c) In parts of the county, parish and town councils, with responsibility for ultra-local services including allotments, play areas and litter bins
- 11.2 From time to time, Government has invited proposals to merge 'two tier' areas of county and district/borough councils into unitary authorities that combine all their powers in one council. For example, both Southampton and Portsmouth City Councils were originally Hampshire districts, but in 1997 became unitary councils in response to such an invitation. More

recently, Wiltshire, Dorset and Bournemouth Christchurch and Poole Councils were all created as new unitary councils.

- 11.3 The letter received from the Secretary of State on 5 February 2025 was essentially the same as these councils received in the past and has the same legal force.
- 11.4 In common with its predecessors, the current Government believes that moving from two-tier to unitary local government will achieve a number of benefits including better financial resilience, greater ability to deliver economic growth and clearer local accountability.

The City Council does not necessarily share this view due to our strong record of delivery, commitment to partnership, recognised strengths in service delivery and financial stability, underpinned by a proud cultural heritage as highlighted in our 2024 Corporate Peer Review. A key challenge for the Unitary Council, beyond effective service delivery and financial stability will be 'to be local', to recognise and harness the distinctiveness of local places and engage a large number of stakeholders and residents in decision making for their place.

- 11.5 The English Devolution White Paper also sets out the Government's ambition for devolution, under which powers and funding would be transferred from central government to a completely new 'Strategic Authority' covering Hampshire and the Isle of Wight, led by a directly elected Mayor.

District councils do not have a constituent role in the governance structures of a Strategic Authority, but collaboration is expected

In areas with two tiers of local government, before moving to a single tier, the government will establish Combined County Authorities but not Combined Authorities. In those cases, while districts will not be constituent members, the government expects effective levels of collaboration to be demonstrated between constituent members and district councils, especially where the district council covers the primary city or economy in that county

English Devolution White Paper: 2:2:2

However, along with the partners from Police, Fire and Health, district councils can be awarded non constituent and also, potentially, voting membership of the Strategic Authority. For Hampshire and the Isle of Wight, the Unitary Authorities and County Council will form the constituent members of the Strategic Authority with five voting seats; along with five non constituent members. While this report does not directly concern devolution, it is important for Cabinet to be aware of both elements. When new Unitary Councils are formed, the 'Cabinet' of the Strategic Authority will have to change accordingly as all Unitary Councils in the area join the 'Cabinet' of the Strategic Authority.

- 11.6 Once the Mayoral Strategic Authority (known as a Mayoral Combined County Authority or MCCA) is established, the Government's vision for local government in Hampshire will still have three tiers, but different tiers from the present arrangement:
- (a) An MCCA covering Hampshire and the Isle of Wight (HIOW) controlling powers and funding passed down from central Government (with potential for some powers including strategic planning to be drawn up from councils).
 - (b) A number of new unitary councils covering areas within Hampshire and the Isle of Wight and exercising all current county and district powers.
 - (c) Parish and town councils (no change).

The net effect of this change is to create fewer, larger and more strategic local government bodies in Hampshire and the Isle of Wight.

Devolution Priority Programme (DPP)

- 11.7 In order to make progress on both devolution and LGR, the Government established a 'fast-track' programme under which councils could expect the rapid establishment of a Mayoral Strategic Authority. This would be followed by preparations for reorganisation with the most ambitious timetable encouraged for new Unitary Councils to form by 2028. This opportunity formally linked the two issues of devolution and LGR. Only county and unitary councils were eligible to join the Devolution Priority Programme (DPP), and as part of their application were asked to request the postponement of any elections planned for 2025.
- 11.8 Hampshire County Council, Southampton City Council, Portsmouth City Council and Isle of Wight Council applied to the DPP on 10 January 2025. The application was accepted, and this was announced to Parliament by the Secretary of State on 5 February 2025. As a result, the planned County Council elections due on 1 May 2025 have been postponed for 12 months. It is not known whether this postponement will be repeated next year, and whether planned City Council elections in 2026 will similarly be postponed.
- 11.9 The Government has already begun the process of consulting residents on the establishment of an MCCA - <https://www.gov.uk/government/consultations/hampshire-and-the-solent-devolution/hampshire-and-the-solent-devolution-consultation> . Assuming it decides to proceed, it is expected that the MCCA would be legally established later in 2025, with Mayoral elections taking place in May 2026. This process will be led by the county and unitary councils, with limited opportunity for involvement for district councils.

- 11.10 For the City Council, the main consequence of Hampshire and the Isle of Wight being accepted into the DPP is the requirement to submit proposals for LGR by 21 March 2025 and final proposals by 26 September 2025. For areas not in the DPP, final proposals have a longer timescale of November 2025, but elections in those areas have not been postponed. Due to the significant amount of complex work to create a Mayoral Strategic Priority by May 2026 and fully prepare a LGR proposal for our area, the Interim Plan also includes a request to delay the timing for the Hampshire and the Solent final submission to November 2025.

Local Government Re-organisation

- 11.12 Along with other areas across England, a formal invitation was received on 5 February 2025 which set out a number of criteria for LGR proposals (Appendix 2).

For ease, the criteria are provided below;

1. ***A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.***
 - a) *Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.*
 - b) *Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.*
 - c) *Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement.*
 - d) *Proposals should describe clearly the single tier local government structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.*
2. ***Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.***
 - a) *As a guiding principle, new councils should aim for a population of 500,000 or more.*
 - b) *There may be certain scenarios in which these 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.*

- c) *Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.*
- d) *Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.*
- e) *For areas covering councils that are in Best Value intervention and/or in receipt of Exceptional Financial Support, proposals must additionally demonstrate how reorganisation may contribute to putting local government in the area as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable.*
- f) *In general, as with previous restructures, there is no proposal for council debt to be addressed centrally or written off as part of reorganisation. For areas where there are exceptional circumstances where there has been failure linked to capital practices, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation.*

3. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.

- a) *Proposals should show how new structures will improve local government and service delivery and should avoid unnecessary fragmentation of services.*
- b) *Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.*
- c) *Consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety.*

4. Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.

- a) *It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal.*
- b) *Proposals should consider issues of local identity and cultural and historic importance.*

- c) *Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.*

5. New unitary structures must support devolution arrangements.

- a) *Proposals will need to consider and set out for areas where there is already a Combined Authority (CA) or a Combined County Authority (CCA) established or a decision has been taken by Government to work with the area to establish one, how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA /Mayor.*
- b) *Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.*
- c) *Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.*

6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

- a) *Proposals will need to explain plans to make sure that communities are engaged.*
- b) *Where there are already arrangements in place it should be explained how these will enable strong community engagement.*

11.13 The letter also sets out additional matters should be taken into account

Boundary Changes

- a) *Existing district areas should be considered the building blocks for your proposals, but where there is a strong justification more complex boundary changes will be considered.*
- b) *There will need to be a strong public services and financial sustainability related justification for any proposals that involve boundary changes, or that affect wider public services, such as fire and rescue authorities, due to the likely additional costs and complexities of implementation.*

Engagement and consultation on reorganisation

- a) *We expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.*

- b) *For those areas where Commissioners have been appointed by the Secretary of State as part of the Best Value Intervention, their input will be important in the development of robust unitary proposals.*
- c) *We also expect local leaders to engage their Members of Parliament, and to ensure there is wide engagement with local partners and stakeholders, residents, workforce and their representatives, and businesses on a proposal.*
- d) *The engagement that is undertaken should both inform the development of robust proposals and should also build a shared understanding of the improvements you expect to deliver through reorganisation.*
- e) *The views of other public sector providers will be crucial to understanding the best way to structure local government in your area. This will include the relevant Mayor (if you already have one), Integrated Care Board, Police (Fire) and Crime Commissioner, Fire and Rescue Authority, local Higher Education and Further Education providers, National Park Authorities, and the voluntary and third sector.*
- f) *Once a proposal has been submitted it will be for the Government to decide on taking a proposal forward and to consult as required by statute. This will be a completely separate process to any consultation undertaken on mayoral devolution in an area, which will be undertaken in some areas early this year, in parallel with this invitation.*

11.14 And in addition, further guidance is provided to be included in the interim plan to be provided to Government on 21 March 2025

This should set out your progress on developing proposals in line with the criteria and guidance. The level of detail that is possible at this stage may vary from place to place but the expectation is that one interim plan is jointly submitted by all councils in the area. It may be the case that the interim plan describes more than one potential proposal for your area, if there is more than one option under consideration. The interim plan should:

- a) *identify any barriers or challenges where further clarity or support would be helpful.*
- b) *identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.*
- c) *include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.*

- d) *include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.*
- e) *include early views on how new structures will support devolution ambitions.*
- f) *include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.*
- g) *set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.*
- h) *set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area.*

12 KEY ISSUES WITHIN THE SUBMISSION

12.1 The interim plan has been prepared and collectively reviewed by Leaders across Hampshire and Isle of Wight, but it is for each council to consider whether they wish to support the proposal. In the timescale provided, it was not possible achieve consensus on detailed specific unitary options and so, this has not been included in this interim plan, with the exception that the Isle of Wight Council which should continue to remain as a separate authority. However, the Interim Plan includes a set of strategic principles to drive the joint programme to create new sustainable local government structures, as follows:

- a) 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.
- b) Sense of place and coherent identity, structure and local connections will shape geographies.
- c) To support the other principles, options considered will include those which have boundary changes, and those which do not have boundary changes.
- d) Community engagement will be used to help shape final boundaries, prior to final submission.

- e) Proposals will ensure there are sensible population ratios between local authorities and any strategic authority, with options retaining equitable representation and voting rights.
- f) Consideration will be given to the impact on crucial services.
- g) Proposals will show how new structures will improve local government, service delivery and outcomes.
- h) New proposed authorities must also be able to form a platform for financial sustainability, and resilience to withstand financial shocks.

12.2 The Leaders also identified five barriers or challenges where the joint submission asks for clarity or support.

- a) **Principle of boundary changes:** There is not consensus between authorities on the proposal of boundary changes, but Leaders 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. To enable this analysis to proceed with accuracy and confidence, the Interim Plan requests:
 - (i) 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
 - (ii) 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
 - (iii) support to establish a timeline to deliver these structures.
- b) **Isle of Wight exceptional circumstances:** The Interim Plan proposes that the Isle of Wight should remain as a separate unitary authority. In order to be able to develop effective options for the mainland, it requests 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 the authorities' ability to deliver an accurate and timely options appraisal.
- c) **Critical service demand:** 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. In addition, Hampshire authorities face significant longer-term impacts such as climate change and associated coastal flooding.

- d) **Support for implementation and ongoing financial sustainability:** Local government in Hampshire and the Solent is under significant financial pressure. The Extraordinary Financial Support (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 faced. To help fill some of the budget gap post-LGR, Hampshire authorities require support to fund transformation opportunities and the autonomy to be flexible around council tax.

The Interim Plan also requests financial support to fund costs relating to the implementation of LGR and a request to the government to agree multi-year financial arrangements to effectively support transition post vesting day.

- e) **Timeline:** It remains challenging to deliver appropriate local engagement and decision-making in this period, alongside devolution. The Interim Plan therefore requests 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 the plan requests an extension to the implementation timeline to allow sufficient time for the appropriate statutory mechanism to be delivered.

12.3 In respect of boundary changes, the position of the Leader has been that we should remain open to boundary changes in the Winchester district where supported by the local community – and, in briefings, has asked parishes and ward members for their views on that basis.

12.4 In Hampshire and Solent Leaders' meetings, in line with input from parishes and members, he has supported the view that, in order to have authorities that maintain a local link and community identity, options with populations below 500,000 must be evaluated.

12.5 In addition, the evidence base for the financial resilience of larger authorities is weak – and there are other solutions used by other sub-500,000 unitary authorities to avoid disaggregation costs and maintain high performance such as social care trusts covering several councils, or partnership delivery – and these should also be evaluated in our proposals.

13 PREPARING FOR CHANGE

13.1 The Government decision for change has limited immediate impact on Council services or on residents. However, the prospect of change to a unitary framework is now overwhelmingly likely, and it is therefore important that the Council begins to organise itself to achieve as much as possible and ensures that staff, services and assets that are being

transferred are in the best possible position to be integrated into the new authority.

- 13.2 The strategic priorities of the council are set by the Council Plan agreed in January 2025 and these remain the cornerstones of service delivery.



Within this strategic plan, the following areas of focus have been identified for the Council for the period prior to establishment of a new Unitary Council:

- a) **Support our staff team.** It is critically important that our staff team are well-informed about the process and receive good employer support and clear advice on what creation of a Unitary Council means for them. Trade unions are involved in this discussion and there are regular management updates by the Chief Executive to ensure staff questions can be answered.
- b) **Complete programmes that set longer-term policy for our area and which will carry over to the new authority,** such as the Local Plan, Air Quality Action Plan and Local Area energy planning.

- c) **Prioritise delivery of projects that can be completed, embed necessary change, or achieve critical milestones – before April 2028.** As far as possible, projects that are already under way will be completed. Nationally required projects will also be delivered. Where the project has very long timescales, has a higher level of risk or is dependent on decisions that would have to be taken by the new unitary authority, there may be a case for pausing the project.
- d) **Deprioritise projects which risk proving redundant when unitaries are formed** – for example, any IT programmes where there is a risk that newly installed technology may need early replacement by another system. Where appropriate, we will use joint planning with other authorities so that we can continue to progress digital transformation.
- e) **Deliver the Council Plan priorities to strengthen parish and town councils,** including a Community Governance Review to maintain and develop a strong network of parish and town councils across the district and a review of options to further devolve City Council functions and assets. We will also take steps to secure the Winchester City Status and protect the historic position of the Mayor of Winchester.
- f) **In line with the Council Plan, seek opportunities to accelerate projects that can benefit from devolution** – particularly regeneration of the Central Winchester Regeneration area
- g) **Continue to deliver Housing Revenue Account (HRA) improvement programmes at pace** – we expect LGR to have least impact on HRA functions in the short to medium term – since its activities are not constrained by authority boundaries.
- h) **Protect services for safe transfer into the new unitary.** Residents will expect services to continue to be properly provided before and after the creation of the new Unitary Council. At all times during the transition, the Council will ensure that all necessary statutory functions are undertaken.
- i) **Review our transformation programme (TC25) to help ensure a sustainable financial position.** Work on TC25 will continue but activity will be reviewed to ensure that efficiencies are sought which will not compromise the establishment of a unitary council whilst ensuring Winchester City Council continues to operate with a balanced budget.
- j) **Work for a strong shared LGR process that delivers a sustainable outcome and protects our local interests.** Residents, staff and Councillors will all expect that their interests are strongly represented in discussions about future local

government arrangements. The Leader and Chief Executive will take an active part in these discussions and keep Cabinet, councillors, staff and the public updated.

14 LEADERSHIP ARRANGEMENTS FOR THE LGR PROGRAMME

- 14.1 The Chief Executive will lead the work on LGR and Devolution supported by the Director (Finance). The Council has a well-established Transformation programme, established to address service transformation, improving our digital offer and meet future financial challenges. This work will continue and will be essential for the new Unitary Council to start well and deliver well, but this team will now also support the LGR work. There may be secondment opportunities for staff or additional staff may be required. This will be managed through existing procedures and funded from the Transition Reserve.
- 14.2 However, in addition to service transformation, working on LGR requires additional capabilities and the Policy and HR team will now be incorporated in this team. There is also considerable work required in advance of vesting day with respect to financial matters and it is proposed to appoint an additional senior post in the team in order to provide capacity to the Director (Finance). This will be managed through existing procedures and funded from the Transition Reserve.

15 OTHER OPTIONS CONSIDERED AND REJECTED

- 15.1 The City Council does have a choice whether to endorse the interim submission for Local Government re-organisation, but if it does not, it is likely that the submission will be made in any case.

16 CONCLUSION

- 16.1 The Government has required the Council, along with all other councils in Hampshire, to submit an initial proposal for local government reorganisation by 21 March 2025. Cabinet is asked to agree the proposal that has been prepared and delegate authority for the next stage of the process to the Leader and Chief Executive, with the final business case to come to Council later in 2025.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:- none

Other Background Documents:-

English Devolution White Paper: 16 December 2024: Secretary of State for Housing, Communities and Local Government
<https://www.gov.uk/government/publications/english-devolution-white-paper-power-and-partnership-foundations-for-growth/english-devolution-white-paper>

Hampshire and the Solent devolution consultation: 17 February 2025:
<https://www.gov.uk/government/consultations/hampshire-and-the-solent-devolution/hampshire-and-the-solent-devolution-consultation>

APPENDICES:

Appendix 1: Invitation Letter

Appendix 2: Interim proposal 21 March 2025

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Ministry of Housing, Communities & Local Government

Jim McMahon OBE MP

*Minister of State for Local Government and
English Devolution*
2 Marsham Street
London
SW1P 4DF

Your reference:

Our reference:

To: Leaders of two-tier councils and
neighbouring unitaries in Hampshire

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

New Forest District Council

Rushmoor Borough Council

Test Valley Borough Council

Winchester City Council

Isle of Wight Council

Portsmouth City Council

Southampton City Council

5 February 2025

Dear Leaders

This Government has been clear on our vision for simpler, more sustainable, local government structures, alongside a transfer of power out of Westminster through devolution. We know that councils of all political stripes are in crisis after a decade of decline and instability. Indeed, a record number of councils asked the government for support this year to help them set their budgets.

This new government will not waste this opportunity to build empowered, simplified, resilient and sustainable local government for your area that will increase value for money for council taxpayers. Local leaders are central to our mission to deliver change for hard-working people in every corner of the country through our Plan for Change, and our councils are doing everything they can to stay afloat and provide for their communities day in, day out. The Government will work closely with you to deliver these aims to the most ambitious timeline.

I am writing to you now to formally invite you to work with other council leaders in your area to develop a proposal for local government reorganisation, and to set out further detail on the criteria, guidance for the development of proposals, and the timeline for this process. A formal invitation with guidance for the development of your proposals is attached at Annex A. This invitation sets out the criteria against which proposals will be assessed.

Developing proposals for reorganisation

We expect there to be different views on the best structures for an area, and indeed there may be merits to a variety of approaches. Nevertheless, it is not in council taxpayers' interest to devote public funds and your valuable time and effort into the development of multiple proposals which unnecessarily fragment services, compete against one another, require lengthy implementation periods or which do not sufficiently address local interests and identities.

The public will rightly expect us to deliver on our shared responsibility to design and implement the best local government structures for efficient and high-quality public service delivery. We therefore expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.

This will mean making every effort to work together to develop and jointly submit one proposal for unitary local government across the whole of your area. The proposal that is developed for the whole of your area may be for one or more new unitary councils and should be complementary to devolution plans. It is open to you to explore options with neighbouring councils in addition to those included in this invitation, particularly where this helps those councils to address concerns about their sustainability or limitations arising from their size or boundaries or where you are working together across a wider geography within a strategic authority.

I understand there will be some cases when it is not possible for all councils in an area to jointly develop and submit a proposal, despite their best efforts. This will not be a barrier to progress, and the Government will consider any suitable proposals submitted by the relevant local authorities.

Supporting places through change

It is essential that councils continue to deliver their business-as-usual services and duties, which remain unchanged until reorganisation is complete. This includes progress towards the Government's ambition of universal coverage of up-to-date local plans as quickly as possible. To support with capacity, I intend to provide some funds for preparing to take forward any proposal, and I will share further information later in the process.

Considering the efficiencies that are possible through reorganisation, we expect that areas will be able to meet transition costs over time from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

The default position is that assets and liabilities remain locally managed by councils, but we acknowledge that there are exceptional circumstances where there has been failure linked to capital practices. Where that is the case, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation, and Commissioners should be engaged in these discussions. We will continue to discuss the approach that is proposed with the area.

I welcome the partnership approach that is being taken across the sector to respond to the ambitious plans set out in the White Paper. My department will continue to work closely with the Local Government Association (LGA), the District Councils Network, the County

Councils Network and other local government partners to plan how best to support councils through this process. We envisage that practical support will be needed to understand and address the key thematic issues that will arise through reorganisation, including managing service impacts and opportunities for the workforce, digital and IT systems, and leadership support.

Timelines and next steps for interim plans and full proposals

We ask for an interim plan to be submitted on or before 21 March 2025, in line with the guidance set out in the attached Annex. My officials will provide feedback on your plan to help support you to develop final proposals.

As your area has been successful in joining the Devolution Priority Programme, we will be working with you toward an election for the Mayor of the Strategic Authority in May 2026. To help manage these demands, I have decided to make legislation to postpone the local elections in your area from May 2025 to May 2026. My department will work with your area to take forward both devolution and reorganisation to the most ambitious timeline possible. Government will be consulting across your area in February and March on the benefits that devolution will bring, and to allow sufficient time for you to also carry out engagement necessary to develop robust and evidenced unitary proposals, I will expect any full proposal to be submitted **by 26 September**. If I decide to implement any proposal, and the necessary legislation is agreed by Parliament, we will work with you to move to elections to new 'shadow' unitary councils as soon as possible as is the usual arrangement in the process of local government reorganisation.

Following submission, I will consider any and all proposals carefully before taking decisions on how to proceed. My officials are available throughout to discuss how your reorganisation and devolution aspirations might work together and what support you think you might need to proceed.

This is a once in a generation opportunity to work together to put local government in your area on a more sustainable footing, creating simpler structures for your area that will deliver the services that local people and businesses need and deserve. As set out in the White Paper, my commitment is that clear leadership locally will be met with an active partner nationally.

I am copying this letter to council Chief Executives. I am also copying this letter to local Members of Parliament, and the Police and Crime Commissioner.

Yours sincerely,



JIM MCMAHON OBE MP

Minister of State for Local Government and English Devolution

LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007**INVITATION FOR PROPOSALS FOR A SINGLE TIER OF LOCAL GOVERNMENT**

The Secretary of State for Housing, Communities and Local Government, in exercise of his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act'), hereby invites any principal authority in the area of the county of Hampshire, to submit a proposal for a single tier of local government.

This may be one of the following types of proposal as set out in the 2007 Act:

- Type A – a single tier of local authority covering the whole of the county concerned
- Type B – a single tier of local authority covering an area that is currently a district, or two or more districts
- Type C – a single tier of local authority covering the whole of the county concerned, or one or more districts in the county; and one or more relevant adjoining areas
- Combined proposal – a proposal that consists of two or more Type B proposals, two or more Type C proposals, or one or more Type B proposals and one or more Type C proposals.

Proposals must be submitted in accordance with paragraphs 1 to 3:

1. Any proposal must be made by **26 September 2025**.
2. In responding to this invitation an authority must have regard to the guidance from the Secretary of State set out in the Schedule to this invitation, and to any further guidance on responding to this invitation received from the Secretary of State.
3. An authority responding to this invitation may either make its own proposal or make a proposal jointly with any of the other authorities invited to respond.

Signed on behalf of the Secretary of State for Housing, Communities and Local Government.



F KIRWAN

A senior civil servant in the Ministry of Housing, Communities and Local Government

5 February 2025

SCHEDULE

Guidance from the Secretary of State for proposals for unitary local government.

Criteria for unitary local government

1. A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.

- a) Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.
- b) Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.
- c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement.
- d) Proposals should describe clearly the single tier local government structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.

2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.

- a) As a guiding principle, new councils should aim for a population of 500,000 or more.
- b) There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.
- c) Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.
- d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.
- e) For areas covering councils that are in Best Value intervention and/or in receipt of Exceptional Financial Support, proposals must additionally demonstrate how reorganisation may contribute to putting local government in the area as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable.
- f) In general, as with previous restructures, there is no proposal for council debt to be addressed centrally or written off as part of reorganisation. For areas where there are exceptional circumstances where there has been failure linked to capital practices, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation.

3. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.

- a) Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services.
- b) Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.
- c) Consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety.

4. Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.

- a) It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal.
- b) Proposals should consider issues of local identity and cultural and historic importance.
- c) Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.

5. New unitary structures must support devolution arrangements.

- a) Proposals will need to consider and set out for areas where there is already a Combined Authority (CA) or a Combined County Authority (CCA) established or a decision has been taken by Government to work with the area to establish one, how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA /Mayor.
- b) Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.
- c) Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.

6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

- a) Proposals will need to explain plans to make sure that communities are engaged.
- b) Where there are already arrangements in place it should be explained how these will enable strong community engagement.

Developing proposals for unitary local government

The following matters should be taken into account in formulating a proposal:

Boundary Changes

- a) Existing district areas should be considered the building blocks for your proposals, but where there is a strong justification more complex boundary changes will be considered.
- b) There will need to be a strong public services and financial sustainability related justification for any proposals that involve boundary changes, or that affect wider public services, such as fire and rescue authorities, due to the likely additional costs and complexities of implementation.

Engagement and consultation on reorganisation

- a) We expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.
- b) For those areas where Commissioners have been appointed by the Secretary of State as part of the Best Value Intervention, their input will be important in the development of robust unitary proposals.
- c) We also expect local leaders to engage their Members of Parliament, and to ensure there is wide engagement with local partners and stakeholders, residents, workforce and their representatives, and businesses on a proposal.
- d) The engagement that is undertaken should both inform the development of robust proposals and should also build a shared understanding of the improvements you expect to deliver through reorganisation.
- e) The views of other public sector providers will be crucial to understanding the best way to structure local government in your area. This will include the relevant Mayor (if you already have one), Integrated Care Board, Police (Fire) and Crime Commissioner, Fire and Rescue Authority, local Higher Education and Further Education providers, National Park Authorities, and the voluntary and third sector.
- f) Once a proposal has been submitted it will be for the Government to decide on taking a proposal forward and to consult as required by statute. This will be a completely separate process to any consultation undertaken on mayoral devolution in an area, which will be undertaken in some areas early this year, in parallel with this invitation.

Interim plans

An interim plan should be provided to Government on or before **21 March 2025**. This should set out your progress on developing proposals in line with the criteria and guidance. The level of detail that is possible at this stage may vary from place to place but the expectation is that one interim plan is jointly submitted by all councils in the area. It may be the case that the interim plan describes more than one potential proposal for your area, if there is more than one option under consideration. The interim plan should:

- a) identify any barriers or challenges where further clarity or support would be helpful.
- b) identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.
- c) include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.
- d) include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.
- e) include early views on how new structures will support devolution ambitions.
- f) include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.
- g) set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.
- h) set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area.

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

21st March 2025



Basingstoke
and Deane



FAREHAM
BOROUGH COUNCIL



Hampshire
County Council



Havant
BOROUGH COUNCIL



Isle of Wight
Council



New Forest
DISTRICT COUNCIL



Portsmouth
CITY COUNCIL

RUSHMOOR
BOROUGH COUNCIL



Test Valley
Borough Council

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Winchester
City Council

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.

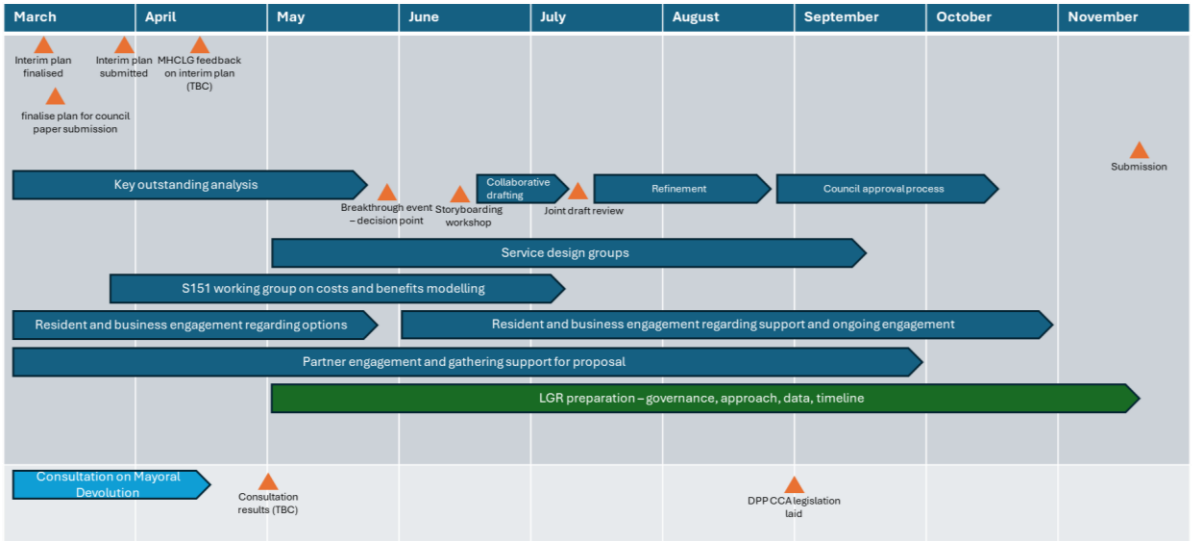
We are working collaboratively and have a solid foundation for implementing LGR and devolution as well as managing service delivery and setting the new unitaries up for success.

Proposed timeline

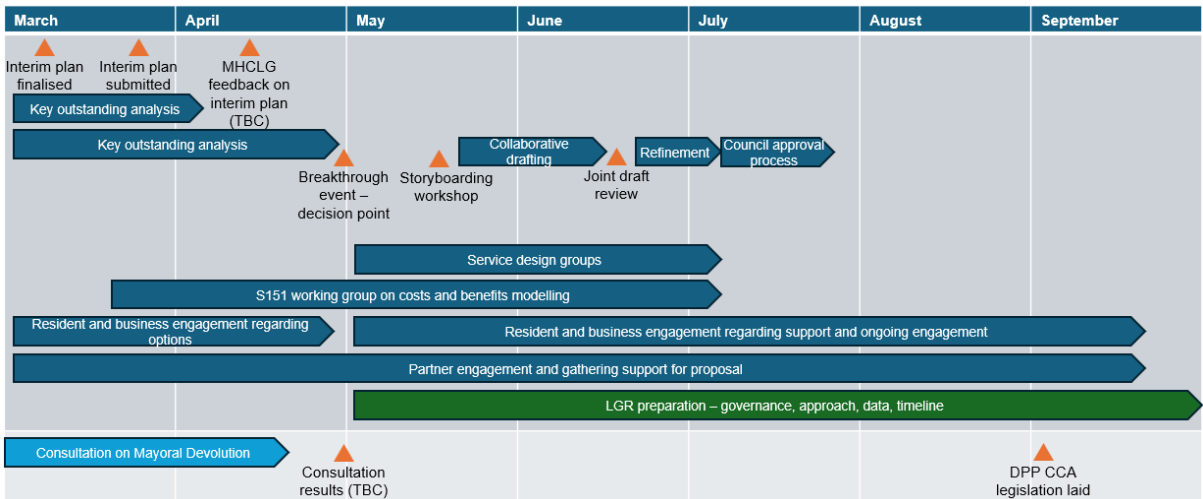
We are delighted to be selected for the Devolution Priority Programme (DPP) and see the benefits of delivering at pace. We are aligned to continue working collaboratively on both the DPP and LGR programme whilst ensuring a level of robust consultation and analysis we believe to be necessary for long-term 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		<u> x </u>
East Hampshire District Council		<u> x </u>
Eastleigh Borough Council		<u> x </u>
Fareham Borough Council		<u> x </u>
Gosport Borough Council		<u> x </u>
Hampshire County Council		<u> x </u>
Hart District Council		<u> x </u>
Havant Borough Council		<u> x </u>
Isle of Wight Council		<u> x </u>
New Forest District Council		<u> x </u>
Portsmouth City Council		<u> x </u>
Rushmoor Borough Council		<u> x </u>
Southampton City Council		<u> x </u>
Test Valley Borough Council		<u> x </u>
Winchester City Council		<u> x </u>