

Local Government Reorganisation: Recap and next steps

June 2025

Carolyn Williamson, Chief Executive of Hampshire County Council
Gary Westbrook, Director of Hampshire 2050

What today's briefing will cover

Recap on Local Government Reorganisation (LGR)

Reminder of what was in our interim proposals to Government

Update on feedback from Government

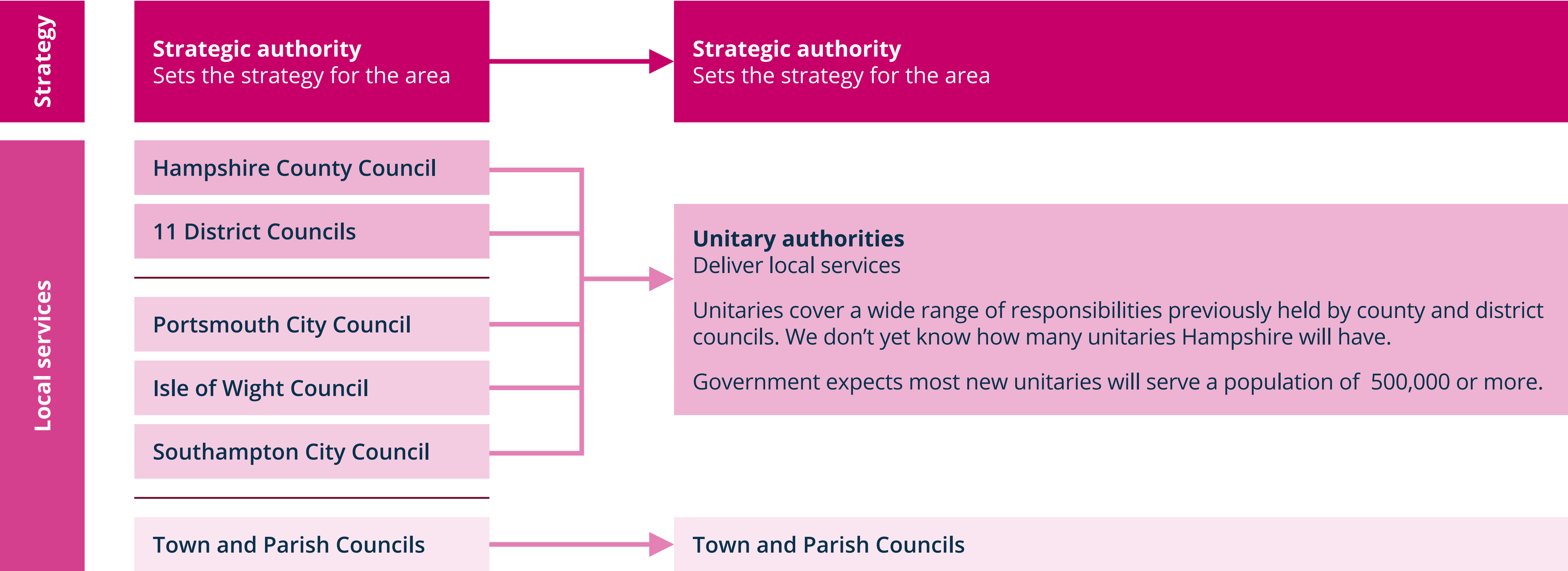
Next steps towards the final proposal

Communications and engagement

Local identity and neighbourhood empowerment – the role of County Councillors

Timeline

Recap on Local Government Reorganisation (LGR)



Government's criteria

Our new structure must:

- Be a single tier of local government for the whole area
- Be the right size to improve efficiency and capacity, and withstand financial shocks
- Deliver high quality, sustainable public services
- Meet local needs, informed by local views
- Support devolution arrangements
- Enable stronger community engagement and neighbourhood empowerment



Our interim proposals

We worked jointly with our partners to provide:

- A set of agreed principles to guide the design
- A proposal that the Isle of Wight remains separate
- A request for clarity on the potential for changes to district boundaries
- A request to extend the deadline for final proposals by two months
- A request for further financial support

We also gathered the following contextual data:

- Data on public service expenditure
- Contextual information about the scale and gravity of upper-tier services
- Cost-benefit analysis of three emerging options for the future structure

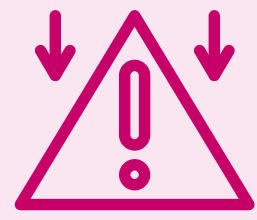
Hampshire County Council's guiding principles



We will prioritise **delivery of efficient, high quality public services**, enhancing delivery through reform whilst **avoiding unnecessary fragmentation of services**.



We recognise that **any future Unitary Solution will require effective mechanisms to enable local identity**, engagement and local growth ambitions (including Local Place/Regeneration Boards, Area Committees and potential future Development Corporations).



We will **safeguard service users**, including vulnerable children and adults, by **minimising risk to the services** the County Council delivers and the potential threats from a lack of effective business continuity and appropriate future local government structures in the long-term.



We want to ensure **equity of representation** in a future Mayoral Combined Authority. All mainland Unitary Authorities to have **equitable representation and voting rights**.



We will seek to ensure organisations of the future have the best chance of being **financially sustainable and resilient**. Organisations will need to be sufficiently large to **withstand financial shocks** and smoothing of significant cost drivers such as **demography and deprivation**.



We recognise that **our workforce is our most important asset**, and we are committed to ensuring transparency and openness in our communication with our staff and that our colleagues are treated respectfully and **supported through the change** and uncertainty ahead of us.

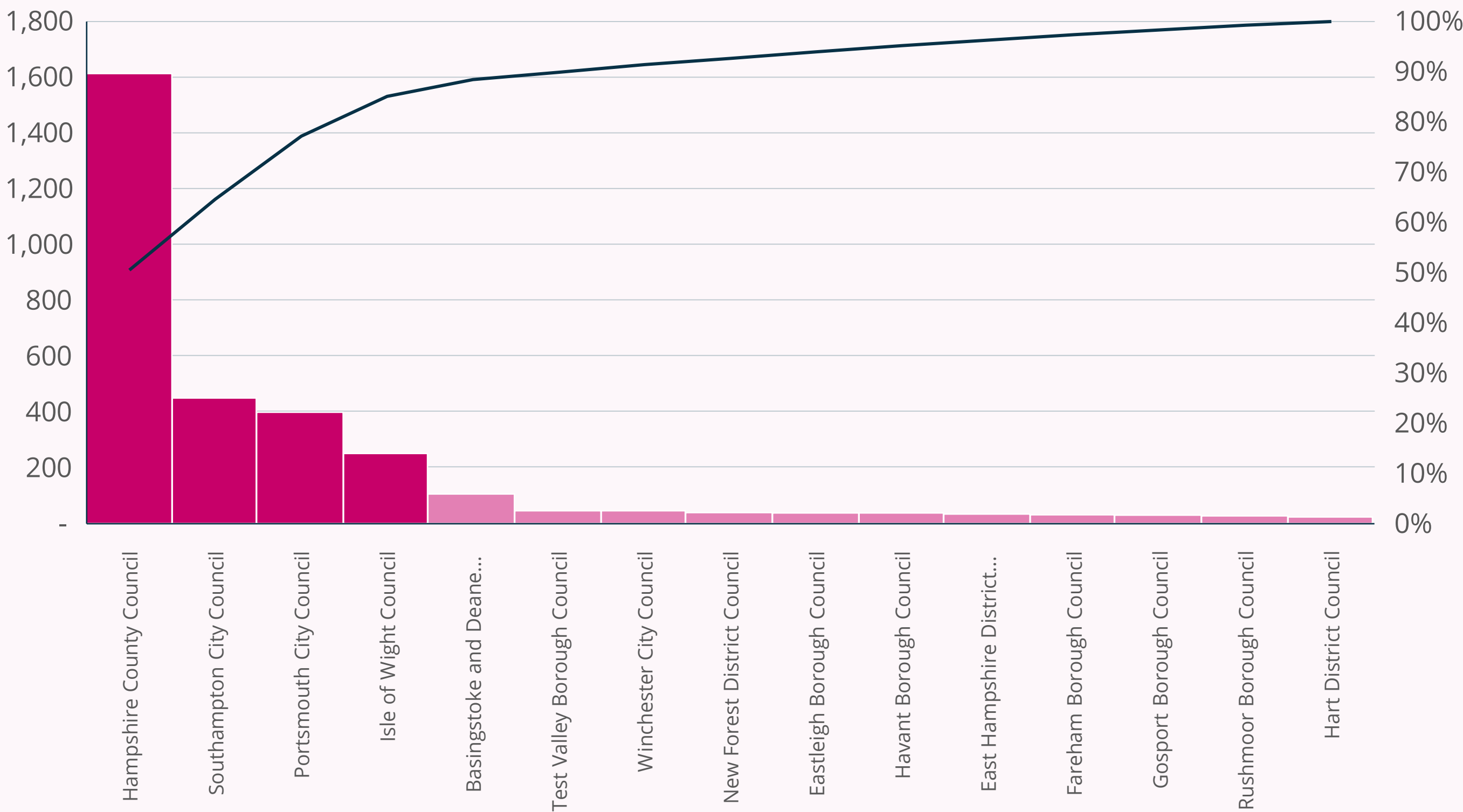


We will leverage **anchor institutions** as the basis of the most appropriate structures to underpin **sustainable delivery** that offers value-for-money for the taxpayer and **minimises the cost of transition**.

Adding context: Public service expenditure

- Across Hampshire and the Solent, 85% of public service delivery is driven by upper tier authorities
- 15% of service delivery (£478 million) is delivered through the 11 district councils
- The County Council is responsible for the vast majority of public service delivery in the area (£3.1 billion revenue expenditure)
- County Council services are already provided at scale across a wide and diverse geography, and delivered locally, in communities and in people’s homes

2023-24 Gross Public Service Expenditure across Hampshire and the Solent
(in millions of GBP and excluding Schools)



	Hampshire County Council	Unitary average	District average
Revenue budget per member (£'000)	20,685	8,368	1,086

Adding context: The services that are at stake

- The highest-risk services are provided at the largest scale
- They are delivered locally, in communities, and in people's houses
- Proposals must account for the risk of fragmenting SEN, social care and other critical services
- Hampshire's most vulnerable people are our biggest responsibility



Evidencing the emerging options

We have based our assessment of options on key data including:

- The optimal population size of any new unitary councils
- The savings that could be achieved from LGR overall, in a variety of models
- An accurate picture of the varied thriving economic centres in Hampshire, that will ensure a financially sustainable solution is found for the region's largest services

Factors considered include:

- Demographic indicators such as population and deprivation
- Economic indicators such as employment levels
- Financial indicators such as annual savings, transition costs and payback period
- Service delivery indicators such as service quality, risks to delivery
- Local indicators such as identities, local engagement and neighbourhood empowerment

Initial options assessed in March – Focussing on mainland authorities only

Criteria		Key factors	Two authorities rating	Three authorities rating	Four authorities rating
1	Sensible single tier of local government	Establishes a single tier of Local Government for the whole of the area concerned	High	High	High
		Sensible economic breakdown: with a tax base which does not create undue inequalities	High	Medium	High
		Sensible geographic breakdown: which will help increase housing supply and meet local needs	Medium	Medium	Medium
2	'Right-sized' local government	A population of 500,000 or more (unless specific scenarios make this unreasonable)	High	High	Medium
		Supports efficiencies and value for money for council taxpayers	High	High	Medium
		Improves capacity and supports the council to withstand financial shocks	High	Medium	Low
		Manageable transition costs	Medium	Medium	Low
3	High quality, sustainable services	Improves local government and service delivery, avoiding unnecessary service fragmentation	High	High	Low
		Opportunity for public sector service reform, including where this will lead to improved value for money	High	High	Low
		Improves delivery of, or mitigates risk to negative impact on, crucial services	High	High	Low
4	Meets local needs	Meets local needs and is informed by local views	Low	High	High
		Improves and mitigates risk to issues of local identity, cultural and historic importance	Low	High	High
		Address local concerns	Medium	Medium	High
5	Supports devolution arrangements*	Helps to support devolution arrangements and unlock devolution	N/A	N/A	N/A
		Sensible population size ratios between local authorities and any strategic authority	N/A	N/A	N/A
6	Local engagement and empowerment	Enables stronger community engagement	Medium	Medium	High
		Delivers genuine opportunities for neighbourhood empowerment	Medium	Medium	High

*Indicative analysis has been included in this appraisal against criterion five, but an assessment cannot be made at this time as devolution plans are not yet defined.

Interim feedback received from Government on 8 May

- Proposals have to be submitted by 26 September
- Each council can submit a single proposal, for which there must be a clear single option and geography for the area as a whole
- We are encouraged to show data and evidence supporting our proposals
- Data-driven rationale is also required if proposing an 'Island Deal' for the Isle of Wight
- Any proposed boundary changes should be supported by a strong justification, relating to public services and financial sustainability
- Transition costs must be met over time from existing budgets

You can read the feedback in full at www.hants.gov.uk/lgr



Securing a strong future: Development of our final proposal

- We remain firmly committed to collaborating and sharing data with our partners and stakeholders
- We are now progressing our own work to develop a proposed model for local government
- We're prioritising the best interests of residents, and a financially strong future for the large-scale services the County Council delivers
- Our data-sharing protocol is enabling partners to efficiently access and share data with a single shared repository
- We are collaborating with the County Council Network (CCN), in regular LGR working group sessions
- Data and insight made available through the CCN has contributed to our appraisal



Our methodology

Key areas

- **Financial analysis** – financial viability of the future organisations – benefits costs and payback period for each option – implementation costs are a significant factor
- **Balance analysis** – economic and geographic appraisal of the future organisations – reviewing business rates revenue, population, deprivation and employment, to quantify risk and opportunity
- **Qualitative analysis** – appraisal of the opportunities and risks aligned to each of the Government criteria – by rating key factors and drawing on stakeholder views

‘Newton’ analysis for demand-led services

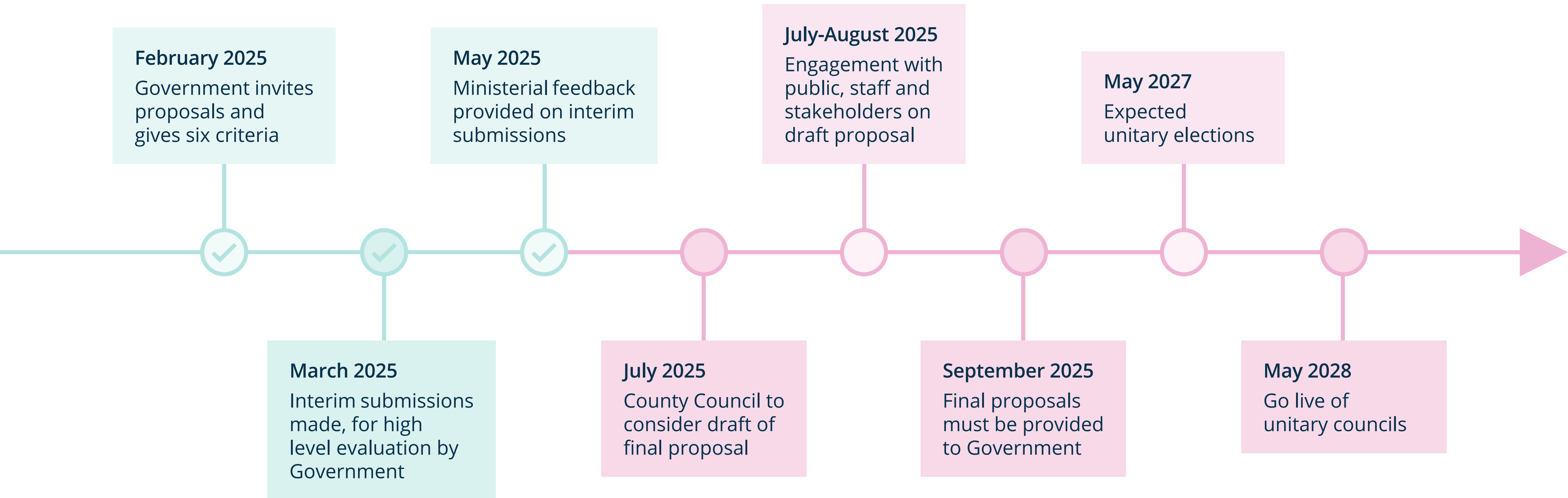
CCN-commissioned work analysing potential impact of LGR on people services

- Impact of disaggregation and aggregation
- Demand and cost of key areas of service provision across options
- Looking at adult social care, children’s social care, SEND, Home to School Transport, education, etc.

Validation

To ensure the financial integrity of the analysis, a detailed review by the Chief Financial Officer, in his statutory Section 151 role, is part of the process

Local Government Reorganisation timeline – Where are we?



Options now being assessed



Option one

North: Basingstoke and Deane, East Hampshire, Hart, New Forest, Rushmoor, Test Valley, Winchester

South: Eastleigh, Fareham, Gosport, Havant, Portsmouth, Southampton

Isle of Wight



Option two

North: Basingstoke and Deane, East Hampshire, Hart, Rushmoor, Test Valley, Winchester

South-West: Eastleigh, New Forest, Southampton

South-East: Fareham, Gosport, Havant, Portsmouth

Isle of Wight



Option three

North: Basingstoke and Deane, East Hampshire, Hart, Rushmoor, Winchester

South-West: Eastleigh, New Forest, Southampton, Test Valley

South-East: Fareham, Gosport, Havant, Portsmouth

Isle of Wight



Option four

North-East: Basingstoke and Deane, Hart, Rushmoor

Central: Test Valley, Winchester, East Hampshire

South-West: Eastleigh, New Forest, Southampton

South-East: Fareham, Gosport, Havant, Portsmouth

Isle of Wight

Our submission to Government

- In line with MHCLG requirements, **a preferred option will be recommended** for the whole Hampshire and Solent region.
- The proposal to the MHCLG will be supported by **robust evidence and analysis including an assessment of the options** and the expected outcomes that could be achieved from each option in terms of transition and transformation..
- Our data-sharing protocol is enabling partners to efficiently access and share data with a single shared repository
- We are collaborating with the County Council Network (CCN), in regular LGR working group sessions.
- Data and insight made available through the CCN has contributed to our appraisal.



Communication and engagement

Sharing news

- Sharing the latest on our web page **www.hants.gov.uk/lgr**
- Keeping stakeholders and the press updated at each decision point
- Regular blogs and briefings for staff

Seeking views

- Talking to stakeholders about what is important to them in LGR
- Hampshire Perspectives for early views from residents
- Focus groups and survey for County Council staff
- After the decision in July – further engagement with all groups
- Proposal will cover Hampshire and Solent, so engagement will be promoted across the whole region

Local identity and empowerment

The Government's criteria against which local government reorganisation will be assessed include:

Criterion 4b

Proposals should consider issues of local identity and cultural and historic importance.

Criterion 6

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

Local identity

The features and characteristics of places in Hampshire and Solent region that form and shape local identity include:



Geography

For example densely urban areas (notably Portsmouth and Southampton), coastal towns, rural villages, islands, National Park areas, proximity to the Solent and rivers.



Local institutions and social infrastructure

For example schools, high streets, community centres, train stations, village shops.



History, heritage and culture

For example Armed Forces communities, historic buildings and monuments, 'gateways to the world' (ports and airports).

Neighbourhood empowerment

Working definition:

Neighbourhood empowerment is a process where people work together to make change happen in their local communities by having more power and influence over what matters to them.

Examples where Hampshire County Council supports empowerment of communities:

- Hampshire Dementia Assembly
- Supporting community facilities, e.g. The Men's Shed at Staunton Park
- Collaboration with town and parish councils



Thank you