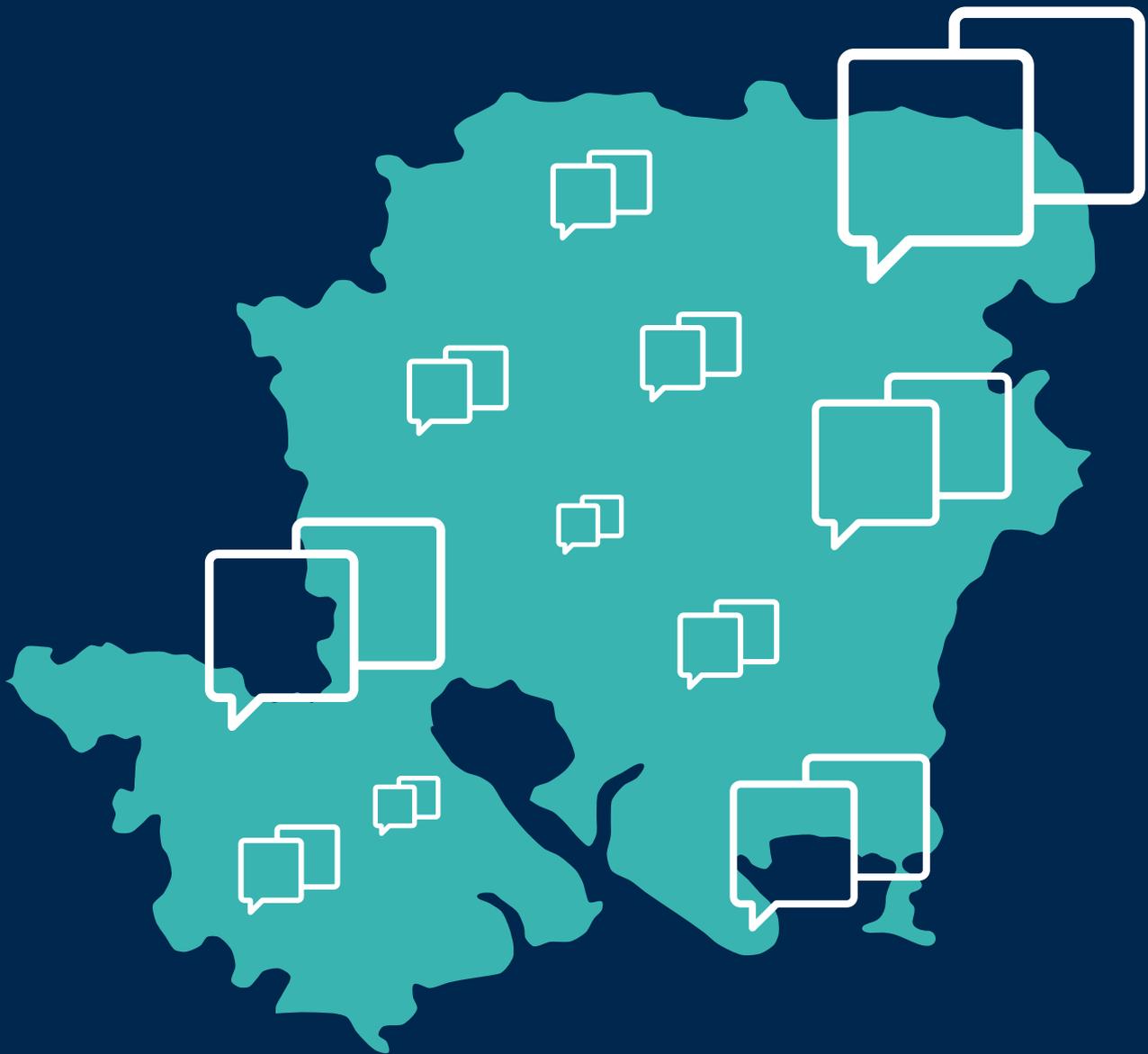


Serving Hampshire Consultation

Options for future local government
in Hampshire



Information Pack



Hampshire
County Council

www.hants.gov.uk

What is in this Information Pack

Part one: about this consultation **page 4**

What this consultation is about **page 4**

Why this consultation is necessary **page 4**

Why your views are important **page 5**

Summary of consultation options **page 5**

How to have your say **page 7**

Hampshire County Council's
consultation policy **page 7**

Part two: information on how local government is organised **page 8**

How local government is
organised in Hampshire **page 8**

| | |
|---|----------------|
| Part three: detailed information on the options for change | page 11 |
| Keeping the status-quo | page 11 |
| Option one: create one, or possibly two, combined authorities | page 11 |
| Option 1a: create a single combined authority called the <i>Hampshire and Isle of Wight Combined Authority</i> | page 13 |
| Option 1b: create two separate combined authorities called <i>Heart of Hampshire</i> and <i>Solent</i> | page 16 |
| Option two: reorganise to a unitary council model | page 20 |
| Option 2a: create a single unitary council for the existing Hampshire County Council area | page 22 |
| Option 2b: create three new unitary councils for the existing Hampshire County Council area and neighbouring areas of Portsmouth and Southampton | page 24 |

Part one – about this consultation

What this consultation is about

This consultation is about different ways that Hampshire County Council and the 11 district councils in Hampshire could change, or be reorganised, to help sustain the various services run by these councils in the future.

This consultation concerns the county of Hampshire - the area covered by Hampshire County Council and the 11 district councils in Hampshire – not the cities of Portsmouth and Southampton or the Isle of Wight. However, some of the options for change in Hampshire do refer to the two cities and the Island.

Why this consultation is necessary

If you live in Hampshire, you are served by at least two councils: **Hampshire County Council and your district council** (one of 11 in Hampshire)¹. Some parts of Hampshire also have town and parish councils. The County Council (called an *upper-tier* council) and district councils (called *lower-tier* councils) are **responsible for different council services**, such as education, roads, rubbish collection, libraries and social care. For example, your district council collects your waste but the County Council disposes of it. Central Government decides on what responsibilities councils have for services and provides some funding to

support service delivery. The remaining money comes from council tax and other charges.

Similar to many other areas, **the amount of money that councils in Hampshire receive from central Government is reducing**. At the same time, **Hampshire's population is growing**, which is placing more demand on council services, such as social care for children and vulnerable adults. Councils are limited in how they can respond to these challenges because many **decisions about how money is spent and how services are run are taken by central Government** in London. For example, currently central Government decides how money is spent on skills training. If councils made these decisions themselves, money could be better focused on giving people the skills that local businesses need. This could help people get jobs and support Hampshire's economy.

There are different ways that councils in Hampshire could change or be reorganised to sustain the delivery of council services in the future, including by receiving more powers and funding from central Government.

Several proposals for change are being discussed with central Government. Hampshire County Council believes it is important that any change **builds on the strengths of the current system** of local government in Hampshire and **enables the continuation of high performing public services**.

¹ District councils can be called district, borough or city councils. Throughout this document they are referred to as district councils. There are 11 district councils in Hampshire: **Basingstoke and Deane Borough Council, East Hampshire District Council, Eastleigh Borough Council, Fareham Borough Council, Gosport Borough Council, Hart District Council, Havant Borough Council, New Forest District Council, Rushmoor Borough Council, Test Valley Borough Council, Winchester City Council**

Why your views are important

The options for how councils in Hampshire could change or be reorganised **could affect you** – for example, in terms of how much council tax you pay, the influence you have over how public money is spent, what council services you receive in the future, and the way services are delivered.

Hampshire County Council would like to hear your views first, before any decisions about Hampshire are taken. Your feedback will help Hampshire County Council to consider what recommendations to make to central Government, to ensure that any proposals that might be taken forward are informed by the preferences of Hampshire residents and stakeholders.

Hampshire County Council has appointed independent researchers, Ipsos MORI, to process and analyse responses to this consultation.

Summary of consultation options

Hampshire County Council is asking for your views on different ways that councils in Hampshire could change or be reorganised to help sustain the delivery of core council services in the future. This includes how councils in Hampshire could receive more devolved powers and funding from central Government.

Hampshire County Council does not have to recommend any changes or reorganisation to central Government. Instead, it could choose to propose to keep the status-quo. However, this could make it more difficult to continue to deliver services at current levels.

Like many other areas, the amount of money that councils in Hampshire receive from central Government is reducing. At the same time

Hampshire's population is growing, which is placing more demand on council services. These changes mean that **it could become more difficult to sustain core council services without making any change or reorganisation.**

Hampshire County Council is asking for your views on the following options:

Option one: create one, or possibly two, combined authorities - Hampshire County Council and the 11 district councils could legally join together, with or without Portsmouth, Southampton or Isle of Wight councils. One, or possibly two, combined authorities could allow some services to be run jointly, such as those related to transport, and for more powers and funding to be gained from central Government. Any combined authority or authorities would create an additional layer of government alongside existing councils, which would continue to provide services outside of those provided by the combined authority or authorities. If residents favoured a combined authority model, options could include:

Option 1a: create a single combined authority called the Hampshire and Isle of Wight Combined Authority made up of Hampshire County Council, the 11 district councils in Hampshire plus Portsmouth City Council, Southampton City Council and Isle of Wight Council.

Option 1b: create two separate combined authorities:

- **Heart of Hampshire** combined authority – covering part of Hampshire and made up of Basingstoke and Deane, Hart, New Forest, Rushmoor, Test Valley and Winchester district councils and Hampshire County Council.
- **Solent** combined authority - covering part of Hampshire and made up of Eastleigh, East Hampshire, Fareham, Gosport and Havant district councils, Hampshire County Council and the councils of Portsmouth, Southampton and the Isle of Wight.

Central Government's preference is for a combined authority to be **led by a directly elected mayor**, who would have decision-making powers. A combined authority approach could mean directly electing one, or possibly two, mayors in Hampshire. Combined authorities and directly elected mayors would operate in addition to the existing local councils.

Option two: reorganise to a unitary council model - Hampshire County Council and the 11 district councils in Hampshire could merge to create one or more new unitary councils. This would mean that residents would receive all council services from a single council only, rather than Hampshire County Council and their district council which would be replaced by the new unitary council or councils. A unitary model could also include some, or all, of the existing unitary councils of Southampton, Portsmouth and the Isle of Wight.

If residents favoured a unitary model, there are different ways this could be achieved. To examine these, Hampshire County Council commissioned consultancy firm Deloitte to undertake independent analysis of seven different options for reorganisation. Based on this analysis, Hampshire County Council would like your views on the following options:

Option 2a: create a single unitary council for the existing Hampshire County Council area – Hampshire County Council and the 11 district councils could be replaced with a new single unitary council for Hampshire, responsible for all council services across the area. The existing unitary councils of Portsmouth, Southampton and the Isle of Wight would not be affected.

Option 2b: create three new unitary councils for the existing Hampshire County Council area and neighbouring areas of Portsmouth and Southampton – Hampshire County Council and the 11 district councils in Hampshire, as well as the unitary councils of Portsmouth and Southampton, could be replaced by three new unitary councils responsible for all council services across these areas. The existing Isle of Wight unitary council would not be affected.

These options are set out in more detail in Part three.

How to have your say

This Information Pack contains important information which we recommend you read carefully before completing the accompanying Response Form.

To provide your feedback, please complete the Response Form available online at **www3.hants.gov.uk/servinghampshire**.

Alternatively, you can request a paper copy of the Response Form by emailing **servinghampshire@ipsos-mori.com** or by calling 0808-2024-970. You can also email your response directly to Ipsos MORI using the consultation email address **servinghampshire@ipsos-mori.com**. The Information Pack and Response Form can also be requested in other formats, including braille, audio or large print.

Please return paper response forms in the Freepost envelope provided to:

Freepost Plus RTTH-GRYG-SCXZ

Serving Hampshire Consultation
Ipsos MORI
PO Box 1188
Kymberley Road
Harrow
HA1 9NU

The consultation is open from 27 July and will close at 11.59pm on 20 September 2016.

Please note that responses received after this time will not be included in the findings report.

If you have any other queries about this consultation please contact us by emailing **servinghampshire@ipsos-mori.com** or by calling 0808-2024-970.

Hampshire County Council's consultation policy

Hampshire County Council is committed to five principles of consultation:

- To consult on key issues and proposals.
- To consult in good time.
- To be inclusive but with clear and appropriate limits.
- To consult using clear, simple information.
- To ensure responses are taken into account when decisions are made.

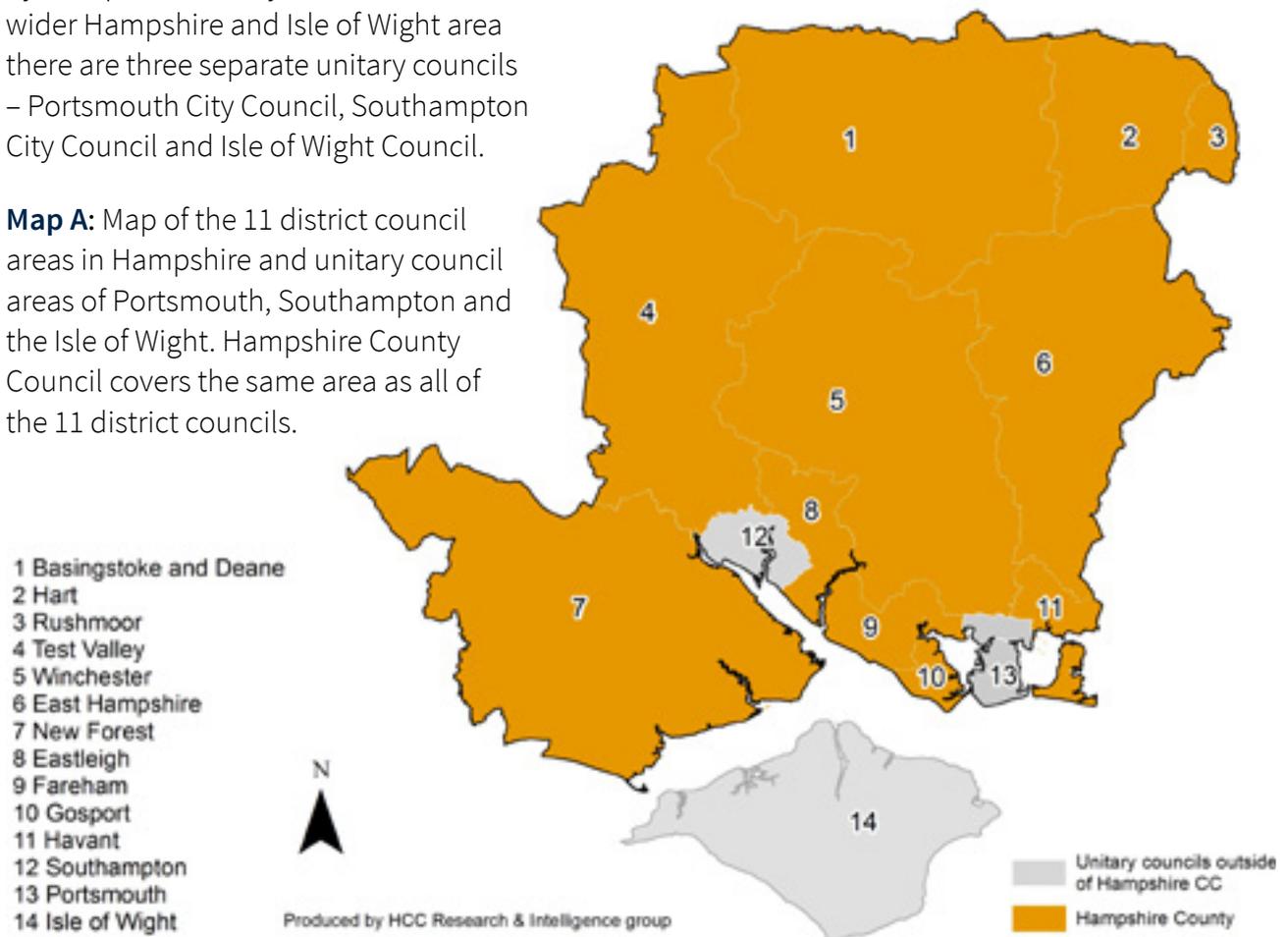
Part two - information on how local government is organised

How local government is organised in Hampshire

The structure of local government in England varies between areas. Many larger towns and cities, and some counties, have just one tier of local government responsible for all local services within an area. This is called a **unitary council**. Currently, there are no unitary councils in the area covered by Hampshire County Council, but in the wider Hampshire and Isle of Wight area there are three separate unitary councils – Portsmouth City Council, Southampton City Council and Isle of Wight Council.

For around half of the population in England, there are two main tiers of local government – **county and district councils** – with responsibility for council services split between the two tiers within an area. Some areas also have town and parish councils. This is the case for Hampshire where there is one County Council, 11 district councils² and 263 Town and Parish councils.

Map A: Map of the 11 district council areas in Hampshire and unitary council areas of Portsmouth, Southampton and the Isle of Wight. Hampshire County Council covers the same area as all of the 11 district councils.



² Basingstoke and Deane Borough Council, East Hampshire District Council, Eastleigh Borough Council, Fareham Borough Council, Gosport Borough Council, Hart District Council, Havant Borough Council, New Forest District Council, Rushmoor Borough Council, Test Valley Borough Council, Winchester City Council

County councils represent larger populations and are responsible for services across larger geographical areas. County council services include education, roads, public transport, libraries, waste disposal, countryside services and social care. **Hampshire County Council** represents 1.35 million people who live in Hampshire³, has 9,865 employees (full-time employees, excluding teachers) and requires £872 million each year to run its services (excluding schools funding)⁴.

District councils represent smaller populations within a county council's area, often around 100,000 people, and they are responsible for services across smaller geographical areas. District council services include council housing, planning, bin collections, leisure facilities and council tax collection. The **11 district councils in Hampshire** vary in size and nature. They represent populations ranging from 84,287 (Gosport) to 178,907 (New Forest) people and employ between 137 (Hart) and 823 (New Forest) staff. They also have different characteristics – some are mostly rural whereas others are predominantly urban in nature. Hampshire's 11 district councils need an average of £16 million each year to run their services⁵.

Town and parish councils represent even smaller populations, such as villages or a small market town. The services provided by town and parish councils vary, but are typically local, such as minor maintenance services, including grass cutting, and management of community assets, including car parks, play areas and village halls, which serve as focal points for many communities. There are around **263 town and parish councils and 2,069 town and parish councillors across seven of Hampshire's 11 district areas.**

County, unitary and district councils in England receive some money from central Government to run services. The remaining money needed comes from locally raised funding such as council tax, charged to local households, and other sources, like charges for car parks, parking permits and hire of leisure facilities. All levels of local government are able to set and charge council tax to pay for their services, within certain central Government rules.

Hampshire County Council is responsible for 83% of council money spent in Hampshire, compared to 17% for the district councils.

Decisions about council services are made by **councillors** – individuals elected to represent people in a defined geographical area for a fixed period of time. The County Council and each district council have a **council Leader**. The Leader chairs a council's Cabinet – its main decision making body consisting of the Leader of the council and a number of councillors. The Leader has overall responsibility for a

³ The County Council covers the population of the districts in the county of Hampshire

⁴ Revenue Account Budget (RA) 2016/17 Data: Total Service Expenditure (excluding schools)

⁵ Revenue Account Budget (RA) 2016/17 Data: Total Service Expenditure

council's performance and service provision, leads the decision-making process and directs strategic policy and budget setting.

In Hampshire there are a total of **566 elected councillors** (488 district councillors and 78 county councillors) representing around 1.35 million people.

The current system of local government has worked well in Hampshire, but ongoing cuts to central Government funding and increasing demand for council services is causing councils to consider alternative ways of delivering public services.

Hampshire County Council and the 11 district councils in Hampshire **have adapted and become more efficient**. Since 2008, Hampshire County Council has reduced the amount it spends by over £250 million. **These changes have helped to protect services, but will not be enough to sustain public services in the future** and savings are becoming increasingly difficult to achieve. For example, Hampshire County Council anticipates that by 2019, it will face a shortfall in its budget of £120 million.

Central Government is also encouraging councils in England to change through its devolution agenda, which is intended to enable councils to run some services jointly, and potentially gain powers and funding from central Government.

In this context, Hampshire County Council has identified several options for how councils in Hampshire could change or be reorganised. These options are detailed in Part three of this document.

Part three – detailed information on the options for change

Keeping the status-quo

Hampshire County Council is asking for your views on different ways that councils in Hampshire could change or be reorganised to help sustain the delivery of core council services in the future. This part of the Information Pack explains the potential benefits and disadvantages of each of these options.

However, Hampshire County Council does not have to recommend any changes or reorganisation to central Government.

Residents could prefer not to have a combined authority or authorities for the Hampshire area. Similarly, residents could prefer not to support reorganisation to a unitary council model in Hampshire. Instead, residents could prefer to keep the status quo.

If the status-quo remained, Hampshire County Council would continue to seek opportunities to work with the 11 district councils in its area to sustain core council services in the future. However, this could mean:

- **Change could be imposed** by central Government, or district councils choosing to partner with councils outside of Hampshire, creating an alternative pattern for potential reorganisation.
- **Missing out on securing more powers and funding from central Government at the local level** by not choosing to form one or more combined authorities.

- **Lost opportunities to achieve better value for public money** by not choosing to reorganise to a unitary model.
- **Sustaining core council services in the future becomes harder** due to ongoing cuts to central Government funding and increasing demand for council services.

Therefore, Hampshire County Council is asking for your views on options for how councils in Hampshire could change or be reorganised.

These options could help to sustain core council services in the future.

Option one: create one, or possibly two, combined authorities

One way that councils in Hampshire could change to sustain public services is to create one, or possibly two, combined authorities. A **combined authority** is a way in which councils can legally join together, with or without other councils, to run jointly certain services, such as those related to transport, and to receive devolved powers and funding from central Government. Combined authorities exist in addition to existing councils, which continue to provide services outside of those provided by the combined authority.

Central Government has indicated that its preference is for councils to create combined authorities led by **directly elected mayors** in order to receive devolved powers and funding. A directly elected mayor is an

individual voted for by the residents of a combined authority area. They exist alongside local councillors and council Leaders.

London provides an illustration of how an extra regional tier of government can work, although a combined authority would not necessarily work in exactly the same way. London has 32 individual councils delivering council services to residents. These exist in addition to a directly elected mayor for the whole of London. The Mayor of London is directly elected and responsible for a number of services, including transport, planning and regeneration, and is held to account by elected representatives of the London Assembly.

Several areas across the country have already formed combined authorities in return for devolved powers and funding⁶. Most of these areas have agreed to have a directly elected mayor in order to receive these extra powers. For example, 10 councils have joined together to form the Greater Manchester Combined Authority. The people of Greater Manchester will elect a mayor in 2017. In return, the combined authority and directly elected mayor will receive additional powers and funding from central Government, including:

- More control over local transport
- New planning powers to encourage regeneration and development
- Money to fund an extra 15,000 new homes over ten years
- Extra funding to help up to 50,000 people back into work
- Money to support and develop local businesses.

Agreements with central Government are different for different areas. If the councils in Hampshire were collectively to seek an agreement for more powers and funding from central Government, they might not get the same as the Greater Manchester councils.

The powers given to combined authorities and elected mayors are not always from central Government. Sometimes powers and budgets, such as for transport, are moved from existing councils.

If residents favoured a combined authority approach, the councils in Hampshire could create **either a single combined authority** covering the whole of Hampshire, Portsmouth, Southampton and the Isle of Wight **or two separate combined authorities** covering different parts of Hampshire, Portsmouth, Southampton and the Isle of Wight.

⁶ Cornwall, East Anglia, Greater Lincolnshire, Greater Manchester, Liverpool City Region, North East, Sheffield City Region, Tees Valley, West of England, West Midlands, West Yorkshire

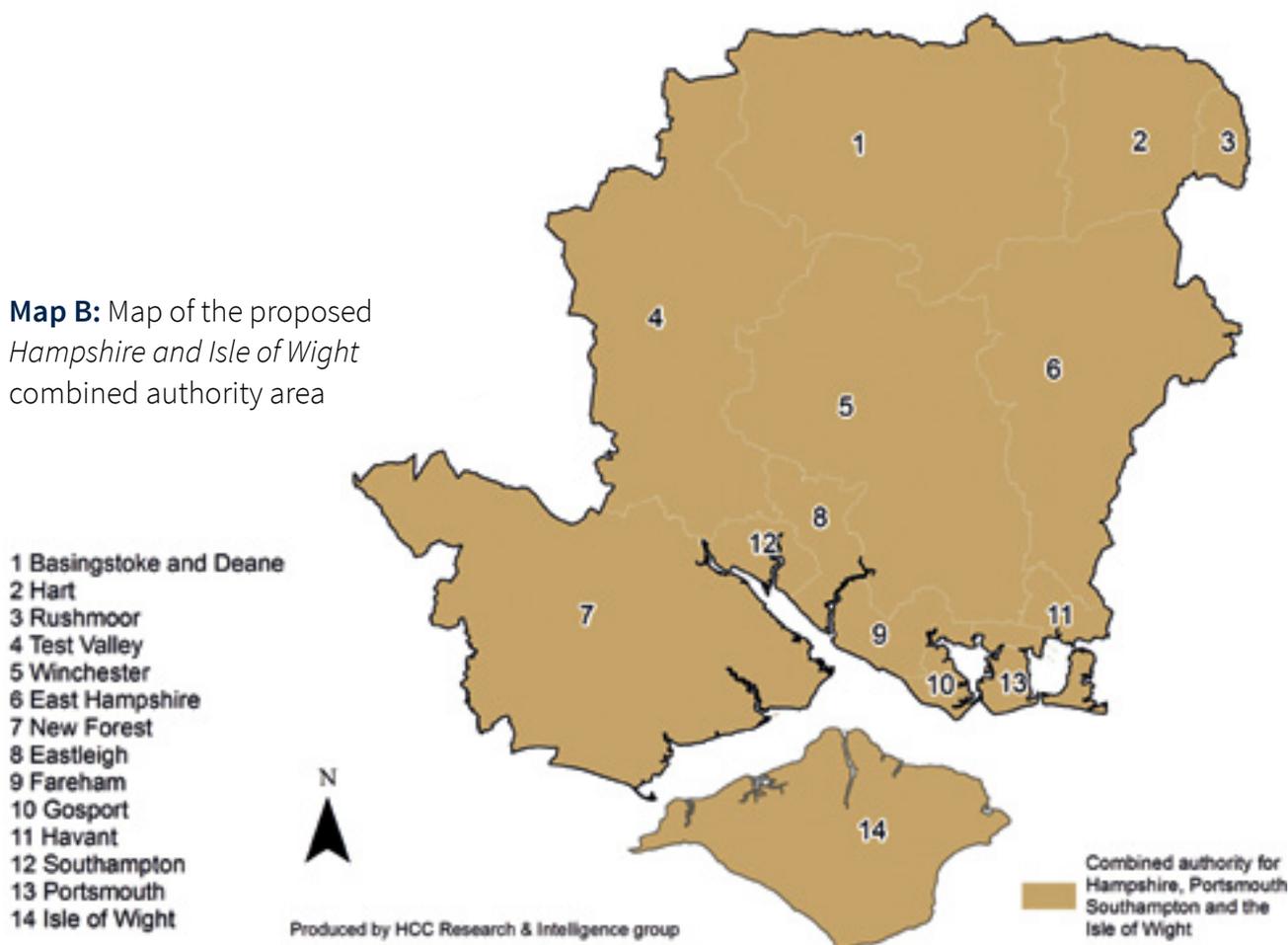
Option 1a - create a single combined authority called the Hampshire and Isle of Wight Combined Authority

The proposal to create a single combined authority for the whole of Hampshire, as well as the areas of Portsmouth, Southampton and the Isle of Wight, was put forward to central Government by Hampshire County Council, the 11 district councils in Hampshire and the unitary councils of Portsmouth, Southampton and the Isle of Wight in September 2015.

This was part of a prospectus for devolved funding and powers⁷. The *Hampshire and Isle of Wight* combined authority proposal was well-developed and supported by other public agencies and included plans to help:

- Sustain public services.
- Build more homes.
- Boost enterprise, skills and employment.
- Transform public services.
- Support businesses.
- Invest in infrastructure.
- Strengthen the role of town and parish councils.
- Protect the local character of the area.

Map B: Map of the proposed Hampshire and Isle of Wight combined authority area



⁷ <http://documents.hants.gov.uk/corporate/HIOWDevolutionProspectus-October2015-web.pdf>

The *Hampshire and Isle of Wight combined authority* would be made up of Hampshire County Council, the 11 district councils of Hampshire, Portsmouth City Council, Southampton City Council and Isle of Wight Council. These councils would continue to exist alongside the new combined authority.

For a single *Hampshire and Isle of Wight* combined authority

A single Hampshire and Isle of Wight combined authority could:

- **Gain more local decision-making powers** from central Government through devolution
- **Gain more money from central Government**, if the combined authority was led by an elected mayor
- **Deliver better value for taxpayers' money** by getting a greater return on councils' joint investment
- **Replace the need for other existing partnerships**, making better use of public money
- **Keep the existing councils and minimise the impact of change** on the way people currently receive and access council services, e.g. high performing County Council services, such as child protection and services for vulnerable adults, would not be affected
- **Cover the same area as the Police, Fire Service and Health agencies**, making it easier for different public sector agencies to work together

Against a single *Hampshire and Isle of Wight* combined authority

A single Hampshire and Isle of Wight combined authority could:

- **Add complexity** – an additional tier of local government on top of current council structures could cause confusion about who is responsible for council services
- **Add some cost** - the set up and running costs of an additional tier of government would need to be met by the existing councils
- **Be perceived as too large** – only one combined authority to cover a diverse and complex area with a mix of urban, rural, coastal and city areas

For a single *Hampshire and Isle of Wight* combined authority

- **Invest in places that need economic growth** by bringing together and transferring money and expertise across Hampshire, Portsmouth, Southampton and the Isle of Wight
- **Plan more strategically services that are delivered across the Hampshire, Portsmouth, Southampton and the Isle of Wight area**, such as housing development, railways and major roads
- **Support economic growth** by aligning with existing Local Enterprise Partnerships, which are intended to reflect economic areas⁸
- **Reduce competition between councils for Government investment** – instead councils would pull together for the whole area
- **Bring services and expertise together**, creating greater capacity to support businesses

Against a single *Hampshire and Isle of Wight* combined authority

⁸ Local Enterprise Partnerships (LEPs) are voluntary partnerships between local authorities and businesses intended to reflect economic areas. LEPs set economic priorities and undertake activities to support economic growth and create jobs. There are currently two Local Enterprise Partnerships which cover Hampshire, Portsmouth, Southampton and the Isle of Wight: Enterprise M3 and Solent.

Option 1b – create two separate combined authorities called *Heart of Hampshire* and *Solent*

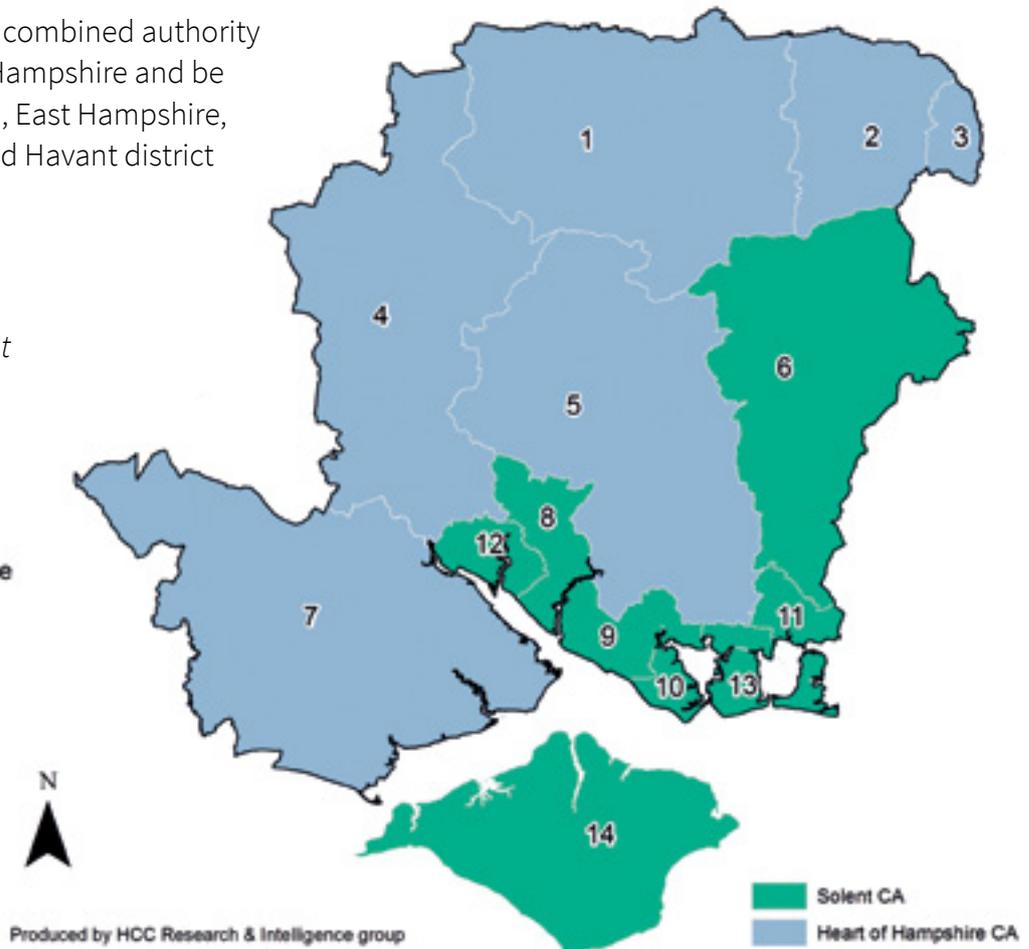
Negotiations with central Government on the *Hampshire and Isle of Wight* proposal were well-advanced, but stalled when central Government asked for the proposed combined authority to be led by a directly elected mayor. When negotiations stalled, some councils started to explore an alternative model which could see the creation of two separate combined authorities with directly elected mayors called *Heart of Hampshire* and *Solent*.

The proposed *Heart of Hampshire* combined authority would cover part of Hampshire and be made up of Basingstoke and Deane, Hart, New Forest, Rushmoor, Test Valley and Winchester district councils, as well as Hampshire County Council.

The proposed *Solent* combined authority would cover part of Hampshire and be made up of Eastleigh, East Hampshire, Fareham, Gosport and Havant district

Map C: Map of the proposed *Heart of Hampshire* and *Solent* combined authority areas

- 1 Basingstoke and Deane
- 2 Hart
- 3 Rushmoor
- 4 Test Valley
- 5 Winchester
- 6 East Hampshire
- 7 New Forest
- 8 Eastleigh
- 9 Fareham
- 10 Gosport
- 11 Havant
- 12 Southampton
- 13 Portsmouth
- 14 Isle of Wight



councils, as well as Hampshire County Council and the unitary councils of Portsmouth, Southampton and the Isle of Wight.

Individually, *Heart of Hampshire* and *Solent* cover only part of Hampshire. Together they cover the whole of Hampshire, Portsmouth, Southampton and the Isle of Wight. Hampshire County Council would be a member of both combined authorities.

Some of Hampshire County Council’s responsibilities for services, such as for transport, could transfer from Hampshire County Council and be split across the two combined authorities. For example, instead of Hampshire County Council being responsible for highways across Hampshire, the *Solent* combined authority could become responsible for highways across the Solent area and the *Heart of Hampshire* combined authority could become responsible for highways across its area.

Some of Hampshire County Council's responsibilities for services would also transfer if a single combined authority was created. However, with a single combined authority, these services would be scaled up across a larger area. If two combined authorities were created, these services would be divided down across smaller areas that cut across the County of Hampshire.

For two combined authorities
– *Heart of Hampshire and Solent*

Two separate combined authorities could:

- **Gain more local decision-making powers** from central Government through devolution
- **Gain more money from central Government**, if the combined authorities were each led by an elected mayor
- **Deliver better value from taxpayers' money** by getting a greater return on councils' joint investment (although the potential for joint investment is less than under a single combined authority)
- **Replace the need for other existing partnerships** making better use of public money
- **Keep the existing councils** and reduce the impact of change on the way people currently receive and access some council services (although some County Council services could be disrupted by being transferred and divided across two combined authorities)

Against two combined authorities
– *Heart of Hampshire and Solent*

Two separate combined authorities could:

- **Add complexity (more than a single combined authority) – an additional two tiers** of local government in two areas on top of current council structures could cause confusion about who is responsible for council services
- **Add some cost (more than a single combined authority)** - the set up and running costs of two additional tiers of government would need to be met by the existing councils
- **Disrupt the way local people currently receive and access services** by dividing up high performing County Council services, such as road maintenance, and transferring them to two separate authorities
- **Be too small** to plan strategically services that are delivered across Hampshire, Portsmouth, Southampton and the Isle of Wight, such as housing development, railways and major roads

For two combined authorities
– *Heart of Hampshire and Solent*

- Support economic growth in more local areas e.g. larger towns or sub-regions within Hampshire and the Isle of Wight area
- Provide some potential for services and expertise to be brought together, e.g. to support businesses

Against two combined authorities
– *Heart of Hampshire and Solent*

- Weaken economic growth by not aligning with existing Local Enterprise Partnerships which are intended to reflect economic areas⁹
- Make it more difficult to invest in places that need economic growth by limiting the ability to bring together and transfer money and expertise across Hampshire, Portsmouth, Southampton and the Isle of Wight
- Create competition between two combined authorities for Government investment
- Cut across well-established boundaries of other public sector agencies, such as the Police and Fire Service and Health, potentially making it more difficult to work together

Central Government's preference is for combined authorities to be led by a **directly elected mayor**. Therefore, a combined authority solution could mean electing one or more mayors for Hampshire.

⁹ Local Enterprise Partnerships (LEPs) are voluntary partnerships between local authorities and businesses intended to reflect economic areas. LEPs set economic priorities and undertake activities to support economic growth and create jobs. There are two Local Enterprise Partnerships that cover Hampshire, Portsmouth, Southampton and the Isle of Wight: Enterprise M3 and Solent.

For directly elected mayors

A directly elected mayor could:

- **Gain more local decision making powers from central Government than a combined authority could gain on its own**, such as powers to raise business rates
- **Gain more money from central Government than a combined authority could gain on its own** – central Government has agreed to give some areas £30 million each year for 30 years where a directly elected mayor is in place. Even if Hampshire accepted an elected mayor, it may not get the same commitment¹⁰.
- **Enable more directly accountable leadership** e.g. by having a single person elected by Hampshire’s residents

Against directly elected mayors

A directly elected mayor could:

- **Add costs** – the cost of electing the mayor (estimated at around £1 million) and running costs of the mayor’s office would need to be met by the existing councils
- **Not be needed** – combined authorities can be led by an existing council Leader from the area, which would avoid the cost of electing a mayor. A council Leader would also be easier to replace if they became ineffective.
- **Not necessarily guarantee additional money from central Government**, since a future central Government could reduce or cancel money promised.
- **Be unrepresentative** – one individual may not be able to represent large, diverse areas effectively. The Hampshire and Isle of Wight area has a large mix of urban, rural, coastal and city areas and a population of just under two million people.
- **Potentially weaken leadership and accountability** - a directly elected mayor would give a single person considerable powers and responsibility with no way to remove them if they become ineffective during their term of service
- **Cause greater confusion about who is responsible for services across the Hampshire area** - responsibility for some Hampshire County Council services will transfer to the mayor

Hampshire County Council does not have to recommend any of these options to central Government. Residents could prefer not to create a combined authority or authorities for the Hampshire area, and not to have one or more elected mayors.

¹⁰ To put this £30 million in context, Hampshire County Council has proposed to invest £230 million over the next three years in new and extended school buildings to provide a further 11,000 primary and secondary school places.

Option two: reorganise to a unitary council model

The way local government is currently structured is not set in stone. Where county councils and district councils exist alongside one another, they can propose to **reorganise to create one or more unitary councils**, responsible for all of the council services in an area.

For example, up until 1998, council services in Berkshire were overseen and run by Berkshire County Council and six district councils. In 1998, the seven councils reorganised and were replaced with six unitary councils, responsible for overseeing and running all of the council services in Berkshire. Similarly, in 2009, Cornwall County Council and the six district councils in Cornwall reorganised and were replaced by one single unitary council called Cornwall Council.

More recently, the Cities and Local Government Devolution Act (2016) enables the Government to impose reorganisation on a two-tier area if at least one council wants it. It is possible for councils in an area to reorganise to a unitary model of local government and then go on to create a combined authority by partnering with other councils at a later date.

As with all other two-tier county areas, the councils in Hampshire could make a proposal to central Government to reorganise and create one or more unitary councils. This could help to: make council services simpler to access (e.g. by reducing the number of councils); improve service delivery (e.g. by joining up services); reduce costs (e.g. by having fewer staff or buildings); and give a stronger voice to local communities (e.g. by strengthening the role and influence of town and parish councils).

However, these benefits are not guaranteed and the extent to which they may be realised in Hampshire could depend upon the size and number of unitary councils created, and the quality of councils' political and professional leadership.

Independent review

To help identify which options would be most likely to achieve the greatest benefits for Hampshire's residents, Hampshire County Council commissioned consultancy firm Deloitte to undertake **independent analysis of a broad range of options** for unitary local government in Hampshire.

Deloitte analysed seven options for local government reorganisation across Hampshire, Portsmouth, Southampton and the Isle of Wight. Each option was assessed against the ability to deliver savings and other non-financial criteria, such as the ability to sustain public services, the impact on residents and the disruption any change might mean for existing council services. This analysis is detailed in Deloitte's report which you can read at www3.hants.gov.uk/servinghampshire.

Four of the seven options analysed by Deloitte proposed one new unitary council by **joining services up to a larger scale**. Three of the options proposed splitting the area covered by Hampshire County Council into multiple new unitary councils by **dividing services down to a smaller scale**. The four options that joined services up to a larger scale were found to offer substantially more savings and better service benefits than the three options which split the County of Hampshire and divided services down to smaller areas.

Joining services up – overall best option

Of the four options that joined services up to a larger scale – and when all seven options were considered - Deloitte concluded that *‘the option that best serves the residents of the county of Hampshire is a new authority based on a unitary county for Hampshire’*¹¹. This would mean that Hampshire County Council and the 11 district councils in Hampshire would merge to create a new single unitary council for Hampshire. With this option the existing unitary councils of Southampton, Portsmouth and the Isle of Wight would not be affected.

This option did not generate the greatest amount of cost savings but when savings were considered alongside benefits to services, the option of a county unitary was considered the best option overall. The options that delivered greater savings than a county unitary did not do so well when assessed against all of the criteria (service and savings).

Dividing services down – overall best option

Of the three options that divided services down to a smaller scale, when both savings and service factors were taken into account, the option for creating three new unitary councils, called Greater Portsmouth, Greater Southampton and North Hampshire, was considered by Deloitte to be the best option¹². With this option the existing Isle of Wight unitary council would not be affected. Overall, this option was the fifth best option of the seven options analysed.

However, Deloitte’s conclusions suggest that there is little difference between the three options which divide services down to a smaller scale and that all three options *‘generate lower levels of savings and create significant risks and costs’* compared with options which join services up to a larger scale.

Based on the evidence provided by Deloitte, this consultation asks for views on both the option of a single unitary council for Hampshire and the option of creating three new unitary councils, together covering Hampshire, Portsmouth and Southampton. This also enables Hampshire County Council to listen to what people think about joining services up to a larger scale as well as dividing services down to a smaller scale.

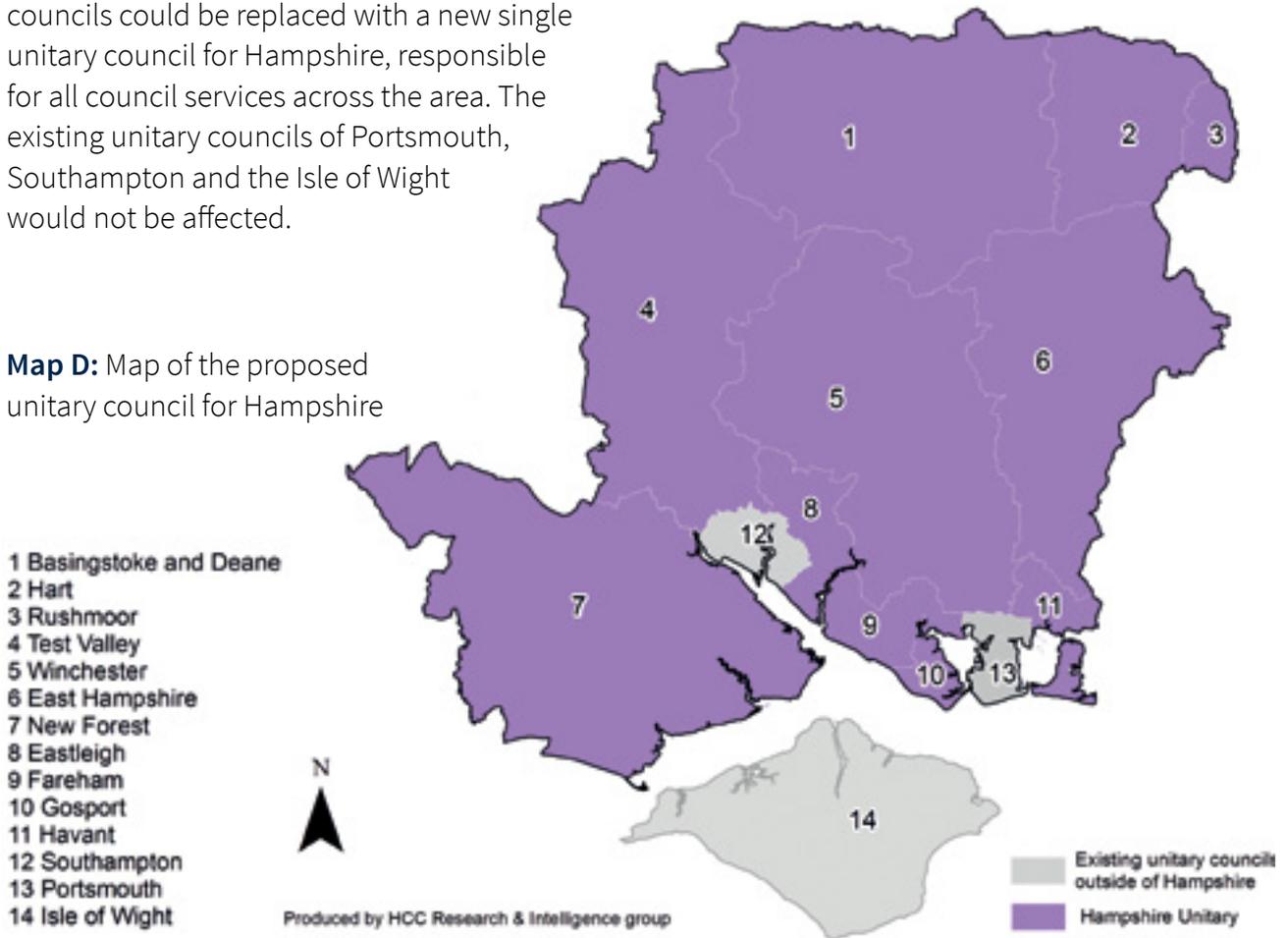
¹¹ This is referred to as Option D in Deloitte’s report. This option was assessed as having the highest saving per head of the population of all seven options analysed

¹² This is referred to as Option F in Deloitte’s report

Option 2a - create a single unitary council for the existing Hampshire County Council area

Hampshire County Council and the 11 district councils could be replaced with a new single unitary council for Hampshire, responsible for all council services across the area. The existing unitary councils of Portsmouth, Southampton and the Isle of Wight would not be affected.

Map D: Map of the proposed unitary council for Hampshire



Hampshire County Unitary:

- 1.35 million population
- 14,235 staff, excluding teachers
- Budget requirement of £846 million

**For a new unitary council for Hampshire
– Hampshire County Unitary**

A new unitary council for Hampshire could:

- **Deliver substantial savings** - £400 million total savings over 10 years, including £10 million a year on senior management salaries and £4 million a year on councillors
- **Reduce council tax in the first year** - the majority of households could benefit from a council tax cut
- **Make better use of taxpayers' money** by keeping the scale of the current county council
- **Minimise the impact of reorganisation on the way people receive and access council services** - critical county-wide services would continue to be run for the whole of Hampshire
- **Join up district services reducing cost, increasing sustainability and improving services**- one organisation for Hampshire instead of 12 could help to address differences in performance and cost between district council services
- **Make services more local**- by extending local arrangements for service delivery, such as area teams
- **Make it easier for people to know who is responsible for local services and to hold local service providers to account** by having one local councillor instead of two or more
- **Support economic growth** - with the scale, capacity and expertise to plan strategically services delivered across the whole of Hampshire, such as housing development, railways and major roads, and to support areas that need economic growth
- **Reduce competition and complexity and speed up decision making** with one organisation instead of 12 to represent the whole of Hampshire, making it easier to work with other local agencies and with central Government

**Against a new unitary council for Hampshire
– Hampshire County Unitary**

A new unitary council for Hampshire could:

- **Cause some disruption to the way people receive and access district services** by bringing these services together under one council, instead of 11 district councils.
- **Be considered too big** to run local district services that are responsive to local people's needs
- **Weaken democratic accountability** by having fewer elected councillors for the area (currently Hampshire residents are represented by at least one county councillor and one district councillor)

Option 2b – create three new unitary councils for the existing Hampshire County Council area and neighbouring areas of Portsmouth and Southampton

Hampshire County Council and the 11 district councils in Hampshire, as well as the unitary councils of Portsmouth and Southampton, could be replaced by three new unitary councils responsible for all council services across these areas.

The existing Isle of Wight unitary council would not be affected. The new unitary council areas would be:

- **Greater Portsmouth:** Portsmouth City Council, the district councils of Fareham, Gosport and Havant, and the services provided by Hampshire County Council in the area equivalent to these district councils would merge to create a new *Greater Portsmouth* unitary council.
- **Greater Southampton:** Southampton City Council, the district councils of New Forest and Eastleigh and the services provided by Hampshire County Council in the area equivalent to these district councils would merge to create a new *Greater Southampton* unitary council.
- **North Hampshire:** The district councils of Winchester, Basingstoke, East Hampshire, Hart, Rushmoor and Test Valley and the services provided by Hampshire County Council in the area equivalent to these district councils would merge to create a new *North Hampshire* unitary council.

Greater Portsmouth:

- 529,913 population
- 5,558 staff, excluding teachers
- Budget of £345 million

Greater Southampton:

- 553,074 population
- 6,140 staff, excluding teachers
- Budget of £360 million

North Hampshire:

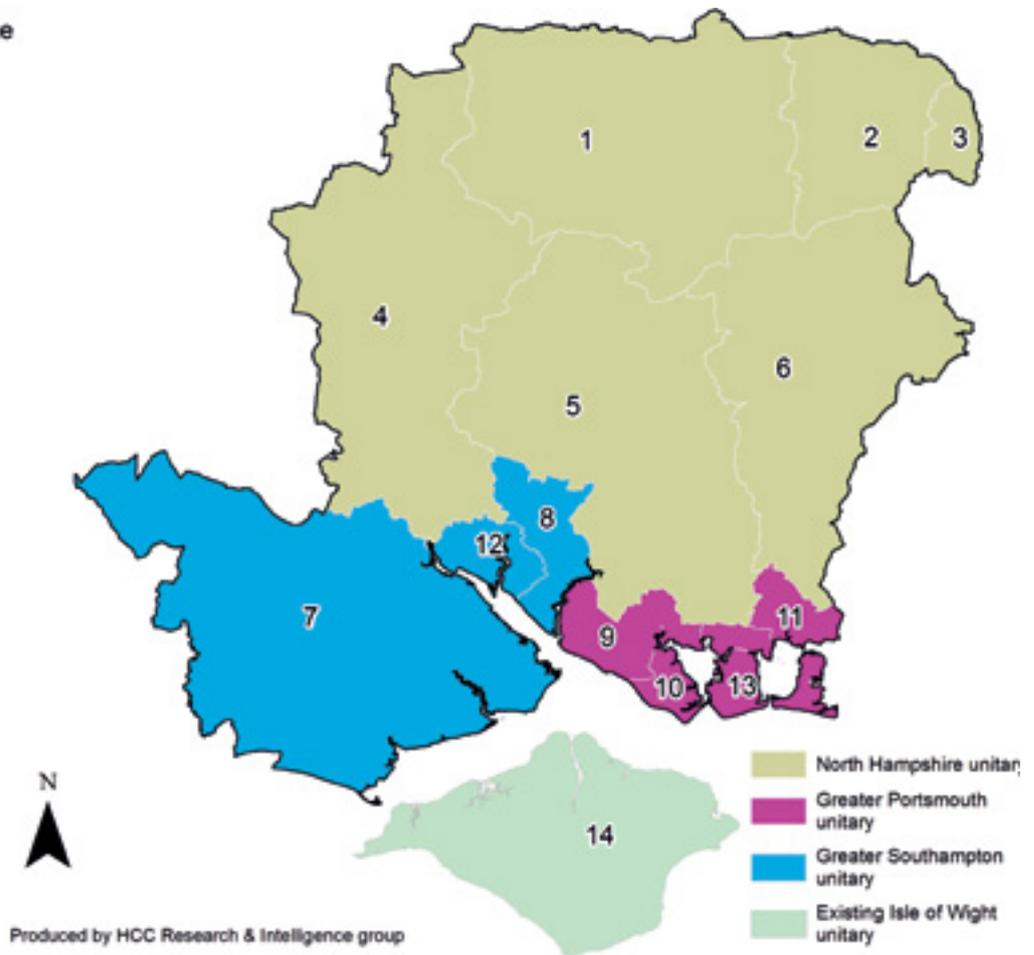
- 717,524 population
- 7,335 staff, excluding teachers
- Budget of £447 million

Isle of Wight (not a new unitary)

- 139,105 population
- 1,572 staff, excluding teachers
- Budget of £119 million

Map E: Map of the proposed three new unitary councils of *Greater Portsmouth*, *Greater Southampton*, and *North Hampshire*, as well as the existing unitary council of the *Isle of Wight*

- 1 Basingstoke and Deane
- 2 Hart
- 3 Rushmoor
- 4 Test Valley
- 5 Winchester
- 6 East Hampshire
- 7 New Forest
- 8 Eastleigh
- 9 Fareham
- 10 Gosport
- 11 Havant
- 12 Southampton
- 13 Portsmouth
- 14 Isle of Wight



For three new unitary councils – Greater Portsmouth, Greater Southampton and North Hampshire

Three new unitary councils, replacing Hampshire County Council, Hampshire’s 11 district councils and the city councils of Portsmouth and Southampton could:

- Join up district services, reducing costs and helping to sustain services in the future - but to a lesser extent than a single unitary
- **Deliver some savings** (substantially fewer than the single unitary option) - £250 million total savings over 10 years - £25 million per year, including around £8.7 million per year on senior management salaries and £3.4 million per year on councillors
- **Reduce council tax in the first year** – the majority of households could benefit from a council tax cut
- **Make it easier for people to know who is responsible for local services and to hold local service providers to account** by having one local councillor instead of two or more (currently Hampshire residents are represented by at least one county councillor and one district councillor)
- **Help services reflect the needs of local communities** by having more, smaller councils

Against three new unitary councils – Greater Portsmouth, Greater Southampton and North Hampshire

Three new unitary councils, replacing Hampshire County Council, Hampshire’s 11 district councils and the city councils of Portsmouth and Southampton could:

- Break up current high performing County Council services across smaller unitary councils that split the County of Hampshire increasing the risk to **vulnerable people**, e.g. while services, such as child protection or services for vulnerable adults, are reorganised
- **Lead to decline in service performance, at least in the short term**, where current high performing County Council services would be merged with services which do not currently perform as well
- **Cause disruption to how local people currently receive and access services** by involving: a) merging district services b) dividing up County Council services and c) integrating district, county and unitary services, all across new geographies
- **Reduce savings potential** – potential savings are not as great as the option to create a single unitary council
- **Weaken democratic accountability** by having fewer elected councillors for the area than currently
- **Weaken economic growth** – three smaller unitary councils would have less scale, capacity and expertise to plan strategically major services that are delivered across Hampshire, Portsmouth, Southampton and the Isle of Wight, such as housing development, railways and major roads, and to support areas that need economic growth

For three new unitary councils – Greater Portsmouth, Greater Southampton and North Hampshire

Against three new unitary councils – Greater Portsmouth, Greater Southampton and North Hampshire

- Be too small to sustain public services in the future, in light of the need to make substantial savings as a result of cuts to central Government funding and growing demand for council services
- Cut across well-established boundaries of other public sector agencies, such as the Police and Fire Service, making it more difficult to work together

Hampshire County Council does not have to recommend any of these options to central Government. Residents could prefer not to create any new unitary councils in Hampshire, and to retain the existing County Council and 11 district councils in Hampshire instead.

Please complete the Response Form

Thank you for taking the time to read through the important information in this Information Pack. We recognise that the information covered in this Pack is complex.

If you have any queries about this consultation or the information provided, please email servinghampshire@ipsos-mori.com or call **0808-2024-970**.

Accompanying this Information Pack is a Response Form. Please provide your views on your preferred options for the future structure of local government in Hampshire using this form.

Your views are really important – Hampshire County Council would like to hear what you think first, before making any decisions.

To have your say visit www3.hants.gov.uk/servinghampshire