



University of  
**Southampton**



# Shaping the *future*

**Challenges and opportunities for Hampshire  
and the Isle of Wight's new unitary authorities**

# About

In its Civic role, the University of Southampton is committed to harnessing the powers of research, innovation, knowledge exchange and civic partnership to transform lives and livelihoods across Hampshire and the Solent.

This research was born out of discussions with our Civic Partners and seeks to identify the key challenges and opportunities for the leaders in our region to consider as they shape the future of local government over the next two years in the Hampshire and Solent region.

This report has been shaped by interviews with district, city and county council officers in the region, those with lived experience of the process of local government reorganisation (LGR) and the establishment of strategic authorities, and with relevant think tanks and policy groups.

We identify challenges and opportunities to be considered by those leading the establishment of the new authorities to support their aims to deliver deep and meaningful change in their communities. We highlight these issues, but we do not make recommendations for action. Those decisions are for the officers, the shadow members and members of the new authorities.

All those we interviewed recognised the importance of having robust plans to deliver 'safe and legal' authorities. We have assumed that such plans are being put in place and do not address those issues here.

The combination of local government reorganisation and devolution is an opportunity to reshape the local government and public service ecosystem to the benefit of the public.

It will take several years for the new authorities to reach their full potential. However, decisions in the first months and years will have an important impact on the way those authorities operate. It is important the issues here are considered at the earliest possible opportunity, while understanding that they will be revisited as the reorganisation evolves.

## Summary

The report identifies six key themes for consideration:

### System leadership

Designing the new councils to be system leaders

### Shaping the Combined Authority

Ensure councils play the most effective role in the newly devolved arrangements

### Commissioning, innovation and community wealth building

Maximise social benefits for the geography of the new unitary councils and the combined authority

### Place leadership

Use the opportunity of LGR to reinvigorate place leadership

### Neighbourhood governance

Ensure that the design of neighbourhood engagement reflects clear aims and ambitions

### Transition & Leadership

Ensure the skills, partnerships and networks are in place to meet the emerging priorities

## The new unitary councils for Hampshire and the Solent



### 1. North Hampshire

Hampshire County Council, Basingstoke and Deane, Hart, Rushmoor

### 2. Mid Hampshire

Hampshire County Council, East Hampshire\*, New Forest\*, Test Valley\*, Winchester\*

### 3. South West Hampshire

Hampshire County Council, Eastleigh, New Forest\*, Southampton, Test Valley\*

### 4. South East Hampshire

Hampshire County Council, East Hampshire\*, Fareham, Gosport, Havant, Portsmouth, Winchester\*

### 5. Isle of Wight

\*This model includes the following boundary changes:

The parishes of Totton and Eling, Marchwood, Hythe and Dibden, Fawley (currently under New Forest District Council) and Chilworth, Nursling, Rownhams and Valley Park (currently under Test Valley Borough Council) move to South West Hampshire.

The parishes of Newlands (currently under Winchester City Council) and Clanfield, Horndean and Rowlands Castle (currently under East Hampshire District Council) move to South East Hampshire.

# Design the new authority *as a system leader*

The new unitary authorities will be key players in a complex network of public services as well as having direct roles in delivering essential services to residents of their communities. The new institutions can be designed from the outset to play an effective role in helping to maximise the functioning of the entire network, reflecting the interests and democratic choices of local people.

It is important to recognise the new unitary councils will be the most important single element in ensuring the whole wider public service network functions well. We stress this to counter any assumptions that it will be the Mayor and Combined Authority that drives the whole system with local authorities simply playing a supportive role.

As the new authorities deliver their statutory and discretionary services, they will contribute to outcomes that the local authority cannot achieve alone. Providing every child with the best start in life, for example, will rely not only on local authority children's services, but also education and health services, community organisations, employers and parents; local authority spending can have a broader social impact if it encourages the growth of local enterprises and supports stable and secure employment; raising living standards and wealth creation will involve an even broader set of public and private sector partners.

From the outset the new authorities will want to consider the social outcomes they want to achieve and seek to embed them as a core part of their holistic vision for the locality. They should consider embedding this vision into the institutional culture and process framework for the authority. This can be done without setting numerical targets for which the authority alone cannot take full responsibility.

The new councils will also want to consider the partnership arrangements with other local authorities and other public, private and voluntary services that will facilitate the achievement of a focused set of social outcomes. Ideally these should be agreed across the system.

Both the necessary internal organisational design, culture and the external relationships should be identified. This includes staff understanding and adopting the partnership behaviours and collegiate working required to make a systems approach a success.

Locally and nationally, we identified a clear appetite for transition to a prevention-based public service agenda, and aspirations to design the regional ecosystem around shared outcomes rather than structural boundaries. LGR was identified as an opportunity to address this issue.

System leadership can challenge established patterns of responsibility and accountability. This can cause concerns when the benefits of investment in one area of activity can be felt in another service or budget and be achieved only over long-time frames. This is a problem to be solved, rather than a barrier to action. This would align with emerging central government support for the development of place-based budgeting, with five 'total place' style pilot areas announced in the autumn 2025 budget.

Reorganisation will inevitably disrupt some existing partnerships – as short term priorities change, as the geography of the place changes, or as key individuals move roles. The new authorities may want to consider how to understand and preserve the value of existing important relationships, so that the benefits of collaboration are not lost in the long term

Successful councils are facilitators and enablers of robust relationships – with residents, businesses, the voluntary sector, and other parts of the public sector – and the establishment of the new authorities will also provide an important opportunity to reset relationships across the whole geography of Hampshire/Solent.

“**Successful councils are facilitators and enablers of robust relationships.**”



# Shaping the combined authority



The English Devolution and Community Empowerment Bill makes clear government expectations that the unitary authorities should be active members of the Strategic Authority. Their design should complement the design and function of the Strategic Authority. Whilst competencies and powers of the Strategic Authority are being established by legislation, there is considerable scope for local judgement about the balance of capacity and responsibility between the Strategic Authority and the unitary authorities.

## Our interviews identified key issues to be considered by the new unitary authorities:

- It would be helpful if all the new unitary authorities could develop a common approach to the design of the strategic authority
- The key role of the strategic authority is its ability to take a strategic approach on issues, such as planning, local growth strategies and transport, but there are importance choices about the extent to which delivery capacity and local policy capacity should be retained in unitary authorities.
- The general preference amongst those we interviewed was for a ‘slim-line’ strategic authority with a focus on those matters that require cross-boundary consideration and strategic direction.
- The elected mayor could be the ‘convenor in chief’ across local authorities and other public services, and both the unitary and strategic authorities should be designed to support that role.
- Experience elsewhere suggests that an elected mayor might be interested in tackling issues that lie outside their formal legal powers and competences. Consideration should be given to how unitary and strategic authorities might support that role.

Each authority will develop a council plan during its shadow year, and these can do a lot of heavy lifting in helping to shape the system. At the same time individual councils’ plans may benefit from explicit work on cross boundary working, where this may deliver improved regional outcomes.

“Individual councils’ plans may benefit from explicit work on cross boundary working.”

# A strategic approach to *place making*

Place making is a vital responsibility of local government. There is both an opportunity to make this function simpler and more effective in the single tier authorities and a challenge to undertake place-making in larger authorities that do not always reflect community boundaries and identities.

The new authorities should consider how to embrace a strategic approach to their place making role. This might include bold plans for their use of physical assets, commissioning (individually and with others) with an emphasis on place, and an assessment of the value in working with communities to deliver place-based services, so that 'place' is a cohesive experience from a physical and lived experience perspective. Establishing the foundations for successful partnerships might be a valuable exercise for senior leaders early in the transition.

## Our interviews identified several key issues for early discussion:

- It will be important to establish both the identity of the new authority and its relationship to the community (or communities) it serves during the transition phase
- A new vision of the new geography should be communicated to other public services organisations as well as to local people
- It is essential to communicate and forward looking dynamic and positive ambition for the future

The new authorities will inherit substantial and, in some cases, potentially duplicate or redundant property assets.

- These need to be cohesively managed to contribute to making the new the geography economically and socially successful.
- Care should be taken to avoid short-term 'fire sales' of assets and it may be appropriate to consider some shared principles across unitary authorities to ensure best value is secured when developing property assets.

Services that contribute to a shared identity and opportunities for social interaction and cohesion are important to the development of successful places. Leisure facilities, parks, play areas, even enforcement activity, help create a sense of place.

Some of our interviewees expressed concerns that these largely 'district council services' that are very visible to residents might be at risk in unitary authorities facing the costs of social care and transformation programmes. Other interviewees suggested that existing unitary authorities had been able to sustain such work. The new unitary authorities should consider the value of these 'district council services' within the wider social outcomes desired.

In some places, Parish and Town Councils have already taken on the responsibility of delivering some of these services, supported by the ability to raise a precept. There were different views expressed about the potential expansion of such an approach, positive and negative. Local communities, where capacity exists, could play a role in maintaining and developing hyperlocal services, being responsive and aligned to community needs. There is a risk that areas with limited social capital, or economic means, could lose these important services. The new unitary authorities might consider options for limiting this risk by nurturing existing social capital.

## To best develop place shaping services:

- The new authorities might agree with other public sector organisations and civic organisations how they identify 'places' (given the other services might identify their own neighbourhood and community boundaries) and their aspirations for them
- Identify the relationship between the services delivered by different bodies and the shared ambitions of public sector partners: for example, how leisure services may improve physical activity levels and make a positive impact on the NHS, or engage young people with a potential impact on anti-social behaviour, or how theatres, community venues and open spaces bringing communities together for events, enhancing social cohesion.
- While the importance of these activities to the prevention agenda is widely recognised it is seldom embedded in service commissioning. The new councils might identify opportunities to sustain these valuable assets in their shadow year preparations.
- Assess how best to facilitate the capacity and capability of Parish and Town councils to deliver as partner organisations.

Taken together these measures would help keep local government's presence in communities a tangible and meaningful experience, support broader aspirations to move from treatment to prevention as part of the wider public service system and at the same time help residents to feel that their places are part of a joined-up experience.

# Commissioning, innovation and *community wealth building*

In reshaping the local government paradigm, there is an opportunity to change the way that the economies of the region work. Community wealth building aims to retain more public spending in communities to benefit local people. It often focuses on the policies and powers of anchor institutions: councils, health bodies and higher educational institutions for example.

Community wealth building seeks to recycle public money from procurement activity, including large capital projects, into the local economy, secure benefits for local communities and businesses from anchor institutions' investments, including fair and equitable working conditions for local people whom they employ and commission.

Improving the economic outlook of local communities has a positive impact on health, social mobility, and social cohesion. A long-term prevention agenda can be well served by the principles of community wealth building.

#### **New authorities may want to consider:**

- Whether they wish to pursue a community wealth building strategy, seeking to ensure that public spending can grow the local economy and provide new opportunities for their residents and businesses
- How to engage with and establish appropriate relationships with anchor institutions in their area.
- Recognising that delivery is likely to take time to mature, how the principles and philosophy should be incorporated into the future vision from the start.

The new councils will face expectations of delivering greater efficiency as they operate over larger geographies. These may need to be balanced with aspirations to achieve social value. Additionally, many services are currently commissioned through the voluntary sector, which is often organised along existing district council boundaries. The new geography inevitably presents threats and opportunities to this sector.

#### **Authorities may want to consider:**

- Aspirations for commissioning to deliver social value, including lifting wages of those with skills that are in-demand, such as for social care services, strengthening supply chains, and supporting local business and service provision.
- The scope for co-commissioning with other authorities to achieve greater efficiency and how this can also protect social values.
- A medium-term support programme to ensure the viability and effectiveness of the voluntary sector

Across the region there will already be good examples of innovative public services delivery by the current local councils and by them in partnership with other public services.

#### **The new authorities may want to consider:**

- How such examples of innovation can be identified and protected during the transition
- Whether and how to develop this innovative practice as a template for the rest of the new organisation and its partners to adopt.

**“A long-term prevention agenda can be well served by the principles of community wealth building.”**



# Neighbourhood *governance*

The English Devolution and Community Empowerment Bill will require local authorities to follow guidance from Ministers on how to secure ‘effective neighbourhood governance’. Amendments currently before Parliament might require Ministers to take a more pro-active role in ensuring that authorities explore the need for, and support the establishment of, new parish and town councils. While the final form of the Bill is not clear at the time of writing, the issues identified in our research will remain relevant.

Our interviews found concerns that large councils might lose engagement with local communities but also identified potential tools that might embed community engagement in the culture and organisation of the new authorities.

Authorities will need to be clear about their aims for neighbourhood governance before identifying the most appropriate approach for their council. Our interviews suggested several possible aims, which are not necessarily mutually exclusive. These include:

- Supporting bodies to which the delivery of services and perhaps local policy can be devolved
- As a focus for place-based preventative public service reform
- Creating more effective mechanisms for consultation with local communities.
- Enabling more effective local scrutiny of the work of the authority
- Strengthening the role of the ward member in embedding local perspectives and links with local civic society in the core business of the authority

**Our interviews also identified a range of vehicles for community engagement and empowerment. These included:**

- Town and parish councils and their possible extension to unparished communities
- Newly created neighbourhood boards or similar bodies
- Local committees of the authority, based in ward members and perhaps other representatives

In considering these and other options, new authorities may want to make a robust assessment of the capacity of existing structures such as town and parish councils to provide local voices on issues of importance, advocate on hyperlocal matters and directly deliver services. They may also identify the potential for addressing areas of weakness.

**They may also want to consider:**

- Whether a uniform model is necessary or whether community engagement and empowerment models might vary from area to area (with, for example, a different approach for unparished urban areas)
- The appropriate area and population for engagement and empowerment
- The implications for resourcing of existing and new bodies
- The implications for the workload of ward members

# Transition and *leadership*

This report has identified a range of opportunities and challenges and choices to be considered during the design and early life of new authorities. In this process, it may be worth reflecting how the skills and capacity to address the issues below can be incorporated or recruited into the organisation's leadership, culture and ethos:

- **System leadership**
- **Shape the ecosystem**
- **Place leadership**
- **Commissioning, innovation and community wealth building**
- **Neighbourhood governance**

In our interviews there was a clear ambition for LGR to be more than a structural exercise but to deliver more resilient, coherent and forward-looking local authorities and communities, organisations that could embrace an invest to save and prevention philosophy.

To play an effective systems leadership role, develop place leadership and meaningfully engage in neighbourhood

governance, relationships at all levels within different parts of the new authority and with those working in other services serving the same area are vital. The importance of valuing existing relationships, identifying where those partnerships and networks will sit in the new construct, and where gaps may exist, should not be underestimated.

“..there was a clear ambition for LGR to be more than a structural exercise.”

## The new authorities may want to consider:

- Using the medium-term outlook in the shadow council plans, to set out principles for delivery, that reflect the priorities of residents, with an explicit recognition that some changes will take time
- Using the shadow period to establish the culture, ethos and identity of the new council and set out how it will operate within the wider ecosystem
- Establishing a positive narrative about change, articulating benefits for local communities, staff, wider public sector and businesses, emphasising how the opportunities of LGR will be maximised.
- Ensuring a comprehensive assessment of partnerships and networks identifies key relationships to be nurtured throughout the transition and opportunities for new ones to contribute to priority outcomes

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**Alison Potter** Assistant Director, Local Councils Network

**Jonathan Werren** Chief Executive, Localis

**Simon Edwards** Chief Executive, County Councils Network

**Ryan Swift** Research Fellow, IPPR North

## Research Team

**Professor John Denham**

**Thomas Guyton-Day**

**Mike Harris**

**Keith Sinclair**

The research team take full responsibility for the contents of this report. The views expressed here should not be attributed to those who kindly assisted in our research.