



Ministry of Housing,
Communities &
Local Government

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Reorganisation
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Russell O'Keefe, Chief Executive, Basingstoke and Deane Borough Council
Gill Kneller, Chief Executive, East Hampshire District Council
David Williams, Chief Executive, Eastleigh Borough Council
Andrew Wannell, Chief Executive, Fareham Borough Council
Debbie Gore, Chief Executive, Gosport Borough Council
Gary Westbrook, Chief Executive, Hampshire County Council
Daryl Phillips, Chief Executive, Hart District Council
Steve Jordan, Chief Executive, Havant Borough Council
Wendy Perera, Chief Executive, Isle of Wight Council
Kate Ryan, Chief Executive, New Forest District Council
Natalie Brahma-Pearl, Chief Executive, Portsmouth City Council
Ian Harrison, Chief Executive, Rushmoor Borough Council
Jillian Kay, Chief Executive, Southampton City Council
Andrew Ferrier, Chief Executive, Test Valley Borough Council
Laura Taylor, Chief Executive, Winchester City Council

26 March 2026

Dear Chief Executives,

cc Leaders and sector adviser

Thank you for your continued engagement and hard work throughout this process.

As you know, the Secretary of State has decided to move forward with implementation of the proposal for 5 unitary councils proposed by Eastleigh, Fareham, Hart, Havant, Portsmouth, Rushmoor and Southampton councils, subject to Parliamentary approval. We will now prepare the necessary Structural Changes Order, which will be shared with you in due course for review and any factual amendments.

This letter provides information on the decisions Ministers have taken in relation to that Order, the additional information that we require from you before the end of May, the allocations of grant for the new unitary councils, and the next steps in the process. This will enable you to start some of the preparatory work needed during the election sensitivity period, where appropriate, with work ramping up in May following local elections. We will also be arranging meetings with you in April where we can discuss these matters.

Overview of the Structural Changes Order

As we have previously discussed, the Order will establish the new councils and abolish the existing councils. Your councils will remain responsible for services in your areas until they are abolished on 1 April 2028 and will be under a duty to co-operate with each other and with the new councils. The Order provides the transitional arrangements, with the core of that being elections to 'shadow' councils and providing them with preparatory functions, including the preparation of budgets and plans, to enable the assumption of local government functions and powers on 1 April 2028. It will also provide duties to implement a Leader and Cabinet model, appoint statutory officers, and adopt codes of conduct and members' allowances.

The Order will provide for matters that Ministers have decided upon following consideration of information in your proposals and your representations submitted in response to my letter of 16 January. Some other matters have also been identified where we will need further input from you by **29 May** so that we can finalise the Order and move through the stages described below.

Matters that Ministers have decided

Ministers have now taken decisions on key areas within the Order and we are working closely with our lawyers to prepare a draft, which we anticipate we will share with you in June.

Names

The new unitary councils are to be named North Hampshire, Mid Hampshire, South-West Hampshire and South-East Hampshire as requested by Basingstoke and Deane, Eastleigh, Fareham, Gosport, Hart, Havant, Isle of Wight, New Forest, Portsmouth, Rushmoor, Southampton, Test Valley and Winchester councils.

Joint Committees

The Order will provide that all affected existing councils should be involved, so implementation is a shared endeavour, while ensuring a lead role for those who understand the proposal being implemented and lead the key services being disaggregated and aggregated. A Joint Committee will be established for each new

council. More information on the role of Joint Committees can be found in our [guidance](#)

Hampshire	Council areas covered <i>*All areas incl. members from County Council</i>	Joint Committee Membership		
		District	County	Unitaries
North Hampshire	Basingstoke, Rushmoor, Hart	6 (2 from each)	6	n/a
Mid Hampshire	Test Valley, Winchester, East Hampshire, New Forest	4 (1 from each)	4	n/a
South-West Hampshire	Southampton, Eastleigh, parts of New Forest & Test Valley	4 (2 from Eastleigh, 1 each from New Forest and Test Valley)	4	8
South-East Hampshire	Portsmouth, Havant, Fareham, Gosport, parts of East Hampshire & Winchester	5 (1 from each)	3	8

[note.](#)

For the Joint Committees for North Hampshire and Mid Hampshire 50 per cent of the membership are to be councillors representing the County Council and 50 per cent are to be councillors representing Districts/Boroughs collectively as set out in the table below. The proceedings and identification of the Chair and Deputy Chair are to be determined by the Joint Committee.

For the Joint Committees for South-East Hampshire and South-West Hampshire 50 per cent of the membership are to be councillors representing the existing unitary councils of Southampton and Portsmouth, with the other 50 per cent to be Councillors representing the county, districts and boroughs as set out in the table below. The Chair is to be a member of the unitary council, with the Deputy Chair determined by the joint committee and to not come from the unitary council.

Implementation Team

There will be one Implementation Team, and officers from all predecessor councils are to be included, with the leader of the team being the Chief Executive of Hampshire County Council. There will be a deputy team leader to be agreed locally from a district/borough/unitary in each new unitary area. We expect deputy leads to have a

significant role in supporting their respective Joint Committees. More information on the role of the Implementation Teams can be found in our [guidance note](#).

To support the work of the Implementation Team, we would encourage you to consider using your sector adviser, Theresa Grant, to act as an independent critical friend. We also expect you to consider the role of officers from the Isle of Wight Council given shared service arrangements.

Electoral arrangements

The Order will replace any scheduled local elections in May 2027 with all out elections to the new councils.

Councillors will be elected for a first term of five years with the subsequent election in 2032, after which the standard four-year term will apply. This is in line with recent reorganisations and brings benefits of stability, with new councillors serving most of their first year on the 'shadow' council.

Areas where we need further information

There are three areas where we require further information from you by **29 May** to finalise the Order. If you think this deadline is going to be challenging, please get in touch, as a delay will have implications for the Parliamentary timetable as set out below.

Returning officers

Many of you asked to nominate returning officers for the inaugural elections once a decision was taken on which proposal was to be implemented. Please could you now confirm who should be named for each new council area.

Warding arrangements

The Secretary of State has decided to implement the proposal as submitted, including your proposed councillor numbers of 85 for North Hampshire, 92 for Mid Hampshire, 82 for South-West Hampshire and 99 for South-East Hampshire.

We would be grateful if you could provide us with your suggested interim warding arrangements for each of the new councils for inclusion in the Order. These can be based on existing wards, divisions and parish boundaries. The Local Government Boundary Commission for England guidance, as set out on their [website](#) and in our joint webinars last year is a good place to start, while recognising that the usual criteria are unlikely to be met in the same way as a full review. The Commission can offer advice and guidance as you draw up these boundaries. Please do reach out to them directly if you have not already. Ideally, the proposed warding would be collectively agreed by the councils in the area of each new council. The final decision remains for Ministers on what is included in the Order.

Parish elections

As requested, parish elections will be aligned with the new unitary elections in 2027, and we will need some more information from you on this to prepare the Order. We would like to understand the current electoral cycles for parish councils in the area of each new council and your preferences as to if and how alignment with the new councils' elections should best be achieved, bearing in mind the initial five year term of office for the new councils.

Allocations of grant funding

The Secretary of State has agreed to provide funding of £900,000 per new unitary authority to assist with the transition costs. This funding is intended to support the effective establishment of new councils, and as such should be spent on activities that directly relate to those outcomes. If external support is required, then it should leave a lasting legacy - short term consultancy is unlikely to offer good value for money on this basis. We envisage spend could include:

- Activity that supports your work on service disaggregation and aggregation
- Early investment in data and digital infrastructure and cyber resilience that will underpin everything new councils do
- Establishing robust programme management arrangements to support the development of implementation plans and the new authorities
- Putting arrangements in place to be ready to support new councillors and senior officers once elections have been held – such as new IT equipment.

We want to make payments as soon as possible in 2026/27 via Section 31 grants so as not to delay your work. As described above, there will be a deputy team leader within the Implementation Team for each new unitary council who will be an officer from a district, borough or unitary within the area of the new unitary council. Accordingly, we intend to pay the grant directly to the councils that are the employers of the deputy team leaders. Alternatively, if you inform us that you have agreed locally it should be paid to a different council we can do this – we expect this would be by unanimous agreement of all those councils within the area of the new unitary council. We would be grateful if you could confirm the council to receive the funding by **29 May** so we can make the necessary arrangements.

Next steps

We hope these decisions will enable you to start to put arrangements in place voluntarily, ahead of the Order being shared, to progress local government reorganisation. We recognise you may wish to prioritise the Implementation Team. This will support the preparatory work that can be progressed prior to the Order coming into force, recognising that the Order will place duties on your councils to cooperate.

You will want to consider the point at which it is helpful to move to more formal arrangements with Councillors that mirror the joint committees that will be required by the Order. While Surrey chose to do this quite quickly, this was driven by the limited time before their inaugural elections. We envisage that joint committees should be meeting on a regular basis for around six months before the inaugural elections.

We are committed to continuing to work in partnership with you with a shared objective of delivering new unitary councils in Hampshire, Isle of Wight, Portsmouth and Southampton that provide residents with excellent public services.

We thought it would also be helpful to set out next steps relating to the process, section 24 Directions and further legislation.

Process

Once we have finalised the Order, we anticipate sharing this draft informally with legal advisors to the Parliamentary Joint Committee on Statutory Instruments, for informal scrutiny and feedback. Following this informal scrutiny, we will be in a position to ask Ministers to formally lay the draft instrument before Parliament. It will then go through the Parliamentary process. This includes formal consideration by the Joint Committee on Statutory Instruments and the Secondary Legislation Scrutiny Committee for the House of Lords, a debate by a Committee of each House, and then, subject to their agreement, approval motions in each House. We anticipate that the Order will be made, and so come into force, in the Autumn.

Section 24 Directions

In addition to the Order, we expect to issue a direction under section 24 of the Local Government and Public Involvement in Health Act 2007 once the Order is in force. This will require the predecessor councils to obtain consent from the new councils before entering into certain contracts or for certain asset disposals.

The purpose of the section 24 direction is to ensure new agreements will be in the best interests of the new councils or the residents of the area, and do not undermine or diminish the benefits or savings anticipated as a result of reorganisation, or which may have an effect on the financial position of the new councils. We encourage you to share information about spend that could in the future be captured by such a direction, as set out in our [guidance note](#). We will share a draft direction and explanatory note for you to consider and to provide representations upon in the summer.

Further legislation

Following the Order, we will also work with you on the further legislation that we expect will be needed to cover matters such as local government pensions, housing revenue accounts, ceremonial matters that need specific provision, such as Lord Lieutenants or

Charter Trustees, and matters relating to where a council is a member of a body or organisation that needs to be updated. An example is available at [Local Government \(Structural Changes\) \(Supplementary Provision and Amendment\) Order 2023](#). We envisage this supplementary order could cover a number of reorganisations and would come into force in time for 1 April 2028.

With regard to ceremonial matters, these can also be preserved via the existing suite of general regulations which make arrangements for transfer of functions, responsibilities, assets, liabilities and rights and privileges from predecessor to successor councils. Councils affected by a reorganisation may also make their own agreements about how certain assets should be handled.

For city status, which you have raised as of particular local importance, the usual route is through the establishment of Charter Trustees covering unparished areas.

The team will be in touch to arrange a meeting in April to further discuss the matters in this letter. I am copying this letter to Leaders and to your sector adviser.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'BEA', with a long horizontal stroke extending to the right.

Beatrice Andrews

Deputy Director, Local Government Reorganisation