

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	21 March 2025
Title:	English Devolution White Paper - Response to Government's Devolution Consultation
Report From:	Director of Hampshire 2050 and Deputy Chief Executive

Contact name: Gary Westbrook

Email: gary.westbrook@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to seek approval to submit the County Council's response to the public consultation in relation to establishing a Mayoral Combined County Authority across Hampshire, Portsmouth, Isle of Wight and Southampton.

Recommendation(s)

2. It is recommended that Cabinet agrees to submit the County Council's response, as set out in Appendix A, to the consultation launched by the Government on 17 February 2025 in relation to establishing a Mayoral Combined County Authority across Hampshire, Portsmouth, Isle of Wight and Southampton.

Executive Summary

3. This Report sets out the County Council's response to the public consultation in relation to establishing a Mayoral Combined County Authority (MCCA) across Hampshire, Portsmouth, Isle of Wight and Southampton.
4. The Report summarises the background to the County Council's devolution journey, including the positive submission of a joint Expression of Interest with neighbouring Unitary Authorities in 2024, and Government's acceptance earlier this year to include the County Council in the Devolution Priority Programme as a fast track to delivering devolution for the area.
5. As a consequence of joining the Devolution Priority Programme, Government has legislated to postpone the local elections from May 2025 to May 2026, when an election for the Mayor of the Strategic Authority is expected to take place.

6. The Report sets out the timeline provided by Government including key milestones in the Devolution Priority Programme, such as Parliament's approval to secondary legislation and mayoral elections.
7. A public consultation on the proposal to form a MCCA for the local government areas in Hampshire County Council, Portsmouth City Council, Isle of Wight Council, and Southampton City Council is the first key step of the Devolution Priority Programme. The consultation launched by Government will run for 8 weeks until April 13, 2025, and seeks views on 7 areas (i) Proposed Geography, (ii) Governance Arrangements, (iii) Supporting the Economy, (iv) Improving Social Outcomes, (v) Local Government Services, (vi) Improving the local natural environment, and (vii) Supporting the needs of local communities and reflect local identity.
8. The County Council agrees that working across the proposed geography through a MCCA will bring significant benefits in the 7 key areas included in the consultation. The paper includes a summary capturing the County Council's responses and an Appendix with the County Council's full responses. This Report seeks approval to the County Council's response to that consultation.
9. The County Council will continue to work with the other Upper Tier local authorities to shape and guide our efforts leading up to the establishment of the Strategic Authority. This may include developing a set of principles to govern our immediate work, ensuring coordination across areas that will fall under the Strategic Authority's jurisdiction, with a view to positioning the Strategic Authority strongly for the long-term.

Background

10. In December 2024, Government published the English Devolution White Paper setting out a programme of devolution and local government reorganisation across England. At the meeting of the Full County Council on 9 January, followed by Cabinet's meeting on 10 January, approval was given to request that the County Council be included in Government fast-track plans to bring devolution to the area.
11. Hampshire, Isle of Wight, Portsmouth and Southampton Councils applied to join the Devolution Priority Programme (DPP) to establish a Mayoral Combined County Authority across these areas. On 5 February 2025, the Ministry of Housing, Communities and Local Government (MHCLG) confirmed Hampshire and the Solent was one of 6 regions across England that has been accepted onto the programme.
12. Cabinet has long recognised the benefits of Devolution, as outlined in previous proposals and recent collaborations with neighbouring Unitary Councils following the submission of the Expression of Interest. These benefits include the significant potential to strengthen economic recovery and growth across the wider region through securing substantial new functions, powers, and resources to enhance place-based leadership at regional, sub-regional and local levels for the benefit of local residents, including leveraging significant investment funding from Government and the private sector. The

2024 White Paper sets out a strengthening of such arrangements, including an updated Strategic Framework of Powers, Functions and Funding.

13. A public consultation on the establishment of a Mayoral Combined County Authority (MCCA) in the area is the first key step of the Devolution Priority Programme (DPP); the consultation is led by the MHCLG and is required before taking a decision on whether to proceed with the making of the necessary legislation to enable devolution.
14. The 8-week consultation, launched on 17 February 2025, seeks views from interested parties, including those who live and work in the area, on a proposal to form a MCCA for the local government areas in Hampshire County Council, Portsmouth City Council, Isle of Wight Council, and Southampton City Council ('Hampshire and the Solent').
15. The County Council, as a proposed Constituent Authority, is expected to submit a response to the Government's consultation. The consultation seeks views on the Proposed Geography, Governance Arrangements, Supporting the Economy, Improving Social Outcomes, Local Government Services, Improving the local natural environment, and Supporting the needs of local communities and reflect local identity.

Devolution for Hampshire

16. The County Council agrees that working across the proposed geography through a MCCA will bring significant benefits in the 7 key areas included in the consultation. Headlines capturing the County Council's responses are as follows:
 - 16.1. **Proposed geography:** the MCCA for Hampshire and the Solent will bring significant benefits to the area as a whole; it will mean greater regional control and influence over funding, strategy and delivery at a local level. The MCCA will have the resource and mandate to focus on the wider and longer-term needs for the area, resulting in a place with a strong economy, excellent infrastructure, well planned homes and communities and excellent skills and training.
 - 16.2. **Governance arrangements:** it is noted that the proposed allocation of two members for the County Council on the MCCA doesn't fully reflect its size relative to the other members; but the County Council is supportive of the Government's position. The governance arrangements should also include safeguards to reflect the interests of Constituent Authorities where decisions of the Mayor affect their areas. The County Council supports the principle of non-constituent and associate members of the MCCA, both without voting rights, to reflect the interests of stakeholders such as District Councils, National Parks, businesses, education partners, Health, Police and Fire. Another relevant stakeholder is the Solent Freeport which is likely to play a significant role in terms of securing future economic growth to the south of the County due to the size and opportunity of the sites in the area. The proposed committee structure is appropriate and should be supplemented by additional advisory committees supporting the MCCA's priority areas.

- 16.3. **Supporting the economy:** the lack of strategic join-up currently limits growth and investment to unlock significant economic potential and productivity across the region. Four Upper Tier authorities, two Regeneration and Growth Boards and a Freeport means a significant level of fragmentation. There's a need to join up transport networks, skills and training provision and housing allocations across a wider area.
- 16.4. **Improving social outcomes:** devolved powers and funding will address local issues, focusing on adult education to provide skills needed by businesses, and transport improvements like cycling and walking infrastructure. A focus on reducing health inequalities means more support for initiatives in deprived areas. Investment in decarbonisation, clean energy, and environmental protection will create a cleaner, healthier, and more sustainable Hampshire.
- 16.5. **Local government services:** the MCCA and a Mayor will improve coordination across local authorities and sectors, leading to greater efficiency and reduced duplication. The Mayor will be able to allocate devolved funding to local authorities for strategic priorities like transport, cultural activities, and economic development. The MCCA's role in spatial planning and infrastructure investment could increase housing supply and reduce homelessness.
- 16.6. **Improving the local natural environment:** integrating Local Nature Recovery Strategies (LNRS) to guide growth, environmental net gain, will highlight the value of natural capital for the economy and residents' health; however, clear responsibilities, resources and funding are needed for implementation and monitoring. Challenges include balancing competing demands, development constraints, and achieving equal benefits across the region. The National Parks play an important role in addressing local and national impacts and should be considered a key stakeholder and delivery partner of the Combined Authority.
- 16.7. **Supporting the needs of local communities and reflect local identity:** an elected Mayor would ensure better national representation for Hampshire and the Solent's residents. Hampshire's communities would benefit from a MCCA to improve outcomes by aligning local decision-making and the geographical footprints of key statutory agencies (such as Police and Fire). This would strengthen community resilience and enhance the work of the Local Resilience Forum. A MCCA will remove barriers to collaboration, and reduce duplication, enabling more tailored solutions to better address Hampshire's needs. Place identity can be strengthened through coordinated strategies and targeted investments in culture, heritage, and tourism, addressing urban and rural challenges.

Next Steps

17. Following the consultation, the Secretary of State will consider all responses and decide whether to establish a MCCA. If the Secretary of State decides to proceed, the Government will confirm funding (subject to Spending Review) and provided the constituent councils consent, the necessary secondary legislation will be laid in Parliament. If approved by Parliament, the Combined County Authority would be established in time for the first mayoral election to take place in May 2026. Timeline provided by Government includes the following milestones in the Devolution Priority Programme:
 - May-August 2025: CCA (Combined County Authority) decisions post consultation.
 - September-December 2025: CCA (Combined County Authority) legislation laid with local consent.
 - January-April 2026: CCA (Combined County Authority) legislation approved by parliament and legislation enforce.
 - May 2026: Mayoral election to CCA (Combined County Authority).
18. The County Council will continue to work with the other Upper Tier local authorities to shape and guide how we work up to the establishment of the Strategic Authority. This could include a set of principles to govern work in the immediate future to ensure join up across areas of work that would be under the jurisdiction of the Strategic Authority with a view to positioning the Strategic Authority strongly for the long-term.

Legal Considerations

19. Section 46 (1) of the Levelling-up and Regeneration Act 2023 provides that the Secretary of State may make regulations establishing a County Combined Authority (CCA) for an area only if:
 - 19.1. The Secretary of State considers that to do so is likely to improve the economic, social and environmental well-being of some or all of the people who live or work in the area,
 - 19.2. That the Secretary of State considers that to do so is appropriate having regard to the need:
 - a) To secure effective and convenient local government and
 - b) To reflect the identities and interests of local communities
20. Section 27 of the Levelling-up and Regeneration Act 2023 provides that the Secretary of State may by regulations provide for there to be a directly elected mayor for the area of the CCA. The consultation indicates that it is the Secretary of State's intention to provide for a mayor for the CCA.
21. Details of the proposed Governance arrangements for the CCA including Membership (including non-constituent and associate members), decision making, voting and powers are set out in the consultation document and the County Council's views on these matters are set out in the draft response so are not repeated here.

22. The CCA cannot be established without the County Council's consent and the consent of the other Constituent Authorities (Southampton City Council, Portsmouth City Council and the Isle of Wight Council), which will be sought once a more detailed scheme for the CCA has been prepared by the Government.
23. The Government is required to undertake a public consultation on the proposed CCA as the Government did not receive a proposal for a CCA from one of the Constituent Authorities. This Report seeks approval to the County Council's response to that consultation.

Finance

24. The Government have indicated that one-off resources will be made available to those Local Authorities on the Devolution Priority Programme to off-set the practical costs associated with developing a Mayoral Combined County Authority over the next 2 years. Any further contribution from the County Council will be considered in future budget reports.
25. Devolution provides an opportunity for the region to access devolved powers and funding from central government through the establishment of the Mayoral Combined County Authority. This is likely to include devolved budgets for post-16 skills commissioning, responsibility for major programmes and the opportunity to unlock both public and private infrastructure funding. As devolution arrangements embed and become established, Government has also stated an ambition to unlock access to multi-departmental, long-term integrated funding settlements for regions.
26. From a County Council perspective, the statutory responsibilities of Upper Tier Authorities remain unchanged under a principle of Devolution focussing on "new" funding and powers from Government. However, it is noted that there is significant alignment between current strategic functions across Economic Development, Skills, Strategic Planning and Strategic Transport where there are likely to be future opportunities to avoid duplication and work in a much more joined up way across the wider region.
27. Equally, as has been seen in other areas across the country, an Elected Mayor may choose to exercise powers through Local Authorities which could result in transfers of new funding and budgets from the Mayoral Combined Authority.
28. However, as has been noted in previous reports to Cabinet, although Devolution has the potential to bring significant new investment into the wider region, it does not materially contribute to the wider revenue pressures experienced by the County Council in recent years. The County Council's position therefore remains that financial opportunities from Devolution are much welcomed, however wider funding reform is required to enable sustainable and effective local Government in the medium term.

Consultation and Equalities

29. Whilst the consultation is led by MHCLG, the County Council is expected to support Government to reach the broadest possible pool of responses by sharing the consultation directly with its local stakeholders where possible.
30. Promotional activity supporting the Government's consultation was undertaken using a range of channels and ways to signpost to residents as well as key stakeholders in the area including businesses, other public sector bodies (health, education, town and parish councils), universities, anchor institutions and the voluntary and community sector.
31. The consultation promotion included a wide range of channels, with appropriate activities informed by a stakeholder analysis. These included the promotion on the County Council's social media channels, residents e-newsletters and the website as well as the use of direct email to key stakeholders. County Councillors have also been encouraged to raise awareness of the consultation with their local residents, which it will continue to do through the consultation period.
32. Any relevant further consultation requirements will be determined as the Devolution Priority Programme evolves, and a communication strategy developed as next steps emerge.
33. No equality impacts have been identified arising from the recommendation set out in this Report. Equality impact assessments will be considered as the programme progresses.

Climate Change Impact Assessment

34. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience impacts of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the County Council does.
35. Both devolution and local government reorganisation are likely to present significant opportunities in relation to delivering climate change commitments for Hampshire. This is expected to be realised through the additional funding and powers set out within the devolution strategic framework.
36. It is noted that devolution plans will enable an increased focus on environment and climate change, as the MCCA will have a role in the Government's Local Power Plan, Warm Homes Plan, Local Nature Recovery Strategy, Zoning of local heat networks and decarbonisation programme. Mayor will have a greater role in warm homes planning to enhance local efforts to tackle fuel poverty.
37. Whilst a climate change assessment is not relevant to the recommendation set out in this Decision Report, it will be considered as the programme progresses.

Climate Change Adaptation and Mitigation.

38. The County Council's climate adaptation tool is not relevant to the recommendation set out in this Decision Report; however, it will be considered as the programme progresses.

Carbon Mitigation

39. The carbon mitigation tool is not relevant to the recommendation set out in this Decision Report; however, it will be considered as the programme progresses.

Conclusions

40. As a consequence of joining the Devolution Priority Programme, the County Council is expected, as a proposed Constituent Authority, to submit a response to the Government's consultation to establish a Mayoral Combined County Authority in Hampshire and the Solent; it is recommended that Cabinet agrees to submit the County Council's response, as set out in Appendix A.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u> Decision - English Devolution White Paper About the Council Hampshire County Council	<u>Date</u> 10/1/2025
Direct links to specific legislation or Government Directives	
<u>Title</u> English Devolution White Paper - GOV.UK Letter: Hampshire, Isle of Wight, Portsmouth and Southampton - GOV.UK Hampshire and the Solent devolution consultation - GOV.UK	<u>Date</u> 16/12/2024 5/2/2025 17/2/2025

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT

Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

Equalities Impact Assessment:

No equality impacts have been identified arising from the recommendation set out in this Decision Report. Equality impact assessments will be considered as the programme progresses.

Appendix A

Consultation on establishing a Mayoral Combined County Authority in Hampshire and The Solent

Noting there is a limit of 1,000 characters when answering each question.

Question 10. To what extent do you agree or disagree that establishing a Mayoral Combined County Authority over the proposed geography will deliver benefits to the area?

Strongly agree.

Hampshire County Council strongly agrees that a Mayoral Combined County Authority for Hampshire and the Solent will bring significant benefits to the area as a whole; specifically, to our residents, our businesses and our infrastructure. The detailed benefits will be explored through this consultation response but in summary the creation of a Mayoral Combined County Authority for Hampshire and the Solent will mean greater local control and influence over funding, strategy and delivery at a local level. In addition, the creation of a strategic level authority that does not have responsibility for the delivery of statutory local government functions such as social care, waste collection and disposal, planning and housing, will have the resource and mandate to focus on the wider and longer-term needs for the area, resulting in a place with a strong economy, excellent infrastructure, well planned homes and communities and high-quality skills and training.

Question 11. To what extent do you agree or disagree with the proposed governance arrangements for the Mayoral Combined County Authority?

Agree.

HCC supports the Governance but notes the allocation of 2 members for HCC on the MCCA doesn't reflect its size proportionately. Post LGR, representation should be equal between constituent authorities. HCC believes that form should follow function with Governance based on the agreed strategic priorities of the MCCA (i.e City Growth, Net Zero, Key Sectors, Housing Supply) rather than perceived sub-geographies at this stage. The voting arrangements are appropriate, and HCC supports the principle of a directly elected Mayor but want safeguards in the governance to reflect the interests of Constituent Authorities where decisions of the Mayor affect their areas. HCC supports the principle of non-constituent and associate members of the MCCA without voting rights, to reflect the interests of other public & private stakeholders (i.e Police, Health Freeport). The proposed committee structure is appropriate and should be supplemented by additional advisory committees supporting priority areas.

Question 12. To what extent do you agree or disagree that working across the proposed geography through the Mayoral Combined County Authority will support the economy of the area?

Strongly agree.

Businesses and residents don't see administrative boundaries and believe that a lack of strategic join-up limits growth and investment. Despite strong working relationships across the 4 upper-tier authorities, a Freeport and 2 Regeneration & Growth Boards across the area means a significant level of fragmentation. For example, there are 4 Local Transport Plans, 4 Public Health Strategies and 2 Economic Strategies. The functional economic areas of the cities and towns extend outside of the boundaries, which means there is a need to join up transport networks, skills and training provision and housing allocations across a wider area. Hampshire has a high-containmentment rate with 86% of residents living and working in the County. Commuting patterns are not limited to short local journeys, with significant commuting on all major routes in all directions. For the area to realise its full potential strategic and investment decisions need to be taken for the whole geography as one.

Question 13. To what extent do you agree or disagree that working across the proposed geography through the Mayoral Combined County Authority will improve social outcomes in the area?

Strongly agree.

Devolved powers and funding will enable the issues that are affecting local people to be addressed. Devolving the Adult Education funding will lead to skills and training focused on the skills local businesses need, giving local people the skills for the jobs available. Transport powers will deliver solutions that meet local need e.g. improved connectivity between the cities and major towns and more investment in public transport. Investment in Active Travel will improve the cycling and walking infrastructure, making it easier for residents to move around without using the car. Funding for economic development will lead to new employment opportunities. A focus on addressing health inequalities means more support for initiatives in deprived areas leading to better health outcomes for communities. Investment in decarbonisation, clean energy and protecting the natural environment will provide a 'cleaner Hampshire' with better health outcomes and a more sustainable environment.

Question 14. To what extent do you agree or disagree that working across the proposed geography through a Mayoral Combined County Authority will improve local government services in the area?

Strongly agree.

A MCCA will support co-ordination across services provided by local authorities in the Hampshire & Solent area, but the importance of retaining clarity of statutory responsibility for Upper Tier Local Authorities is equally recognised. A Mayor will have the ability to improve co-ordination between local authorities and public, private and third sector partners leading to greater efficiency and reducing duplication. There is potential for the Mayor to pass devolved funding down to local authorities to support strategic priorities such as transport schemes, cultural activities and increased economic development support. The proposal for the MCCA to have a spatial planning role and greater investment in infrastructure could help LPAs approve additional housing sites, increasing housing supply and in the longer-term helping to reduce homelessness. However, to maximise the

benefits to devolution and the creation of a MCCA LAs need to be adequately funded to be able to resource this work.

Question 15. To what extent do you agree or disagree that working across the proposed geography through a Mayoral Combined County Authority will improve the local natural environment and overall national environment?

Strongly agree.

The proposed geography features diverse landscapes, with a large proportion subject to environmental protection. Collaborative efforts have improved the local environment, such as mitigating nutrient impacts on the Solent; building on this approach for the marine environment is crucial. Strategic planning at this scale, integrating the two LNRS and guiding growth and environmental net gain, will highlight the value of natural capital for the economy and residents' health. This approach supports Hampshire's farming community by identifying nature-based solutions and funding. To maximise the LNRS benefits, clear responsibilities, resources and funding are needed for implementation and monitoring. Challenges include balancing competing demands, development constraints, and achieving equal benefits across the region. The National Parks play an important role in addressing local and national impacts and should be considered a key stakeholder and delivery partner of the Combined Authority.

Question 16. To what extent do you agree or disagree that working across the proposed geography through the Mayoral Combined County Authority will support the interests and needs of local communities and reflect local identities?

Strongly agree.

Enhanced local governance and devolved powers through the MCCA would enable tailored solutions, better addressing Hampshire's diversity & leading to more effective decision-making. An elected Mayor would provide a direct link between local communities and the Council of Nations and Regions, representing residents nationally. A MCCA would improve population outcomes by aligning local decision-making and the geographical footprints of key statutory agencies (such as Police and Fire). This would strengthen community resilience and enhance the work of the Local Resilience Forum. A MCCA will remove barriers to collaboration & reduce duplication. Place identity can be strengthened through coordinated strategies & investments in culture, heritage, and tourism, addressing urban and rural challenges. We look forward to hearing how the Government intends to rewire the relationship between town and parish councils and principal authorities to strengthen local engagement.