

## **5. Isle of Wight case for remaining as an existing unitary council**

With a track record of financial sustainability and effective service delivery, the Isle of Wight Council has operated successfully as a unitary council since 1995.

The Island's unique geography, accessible only by ferry, creates distinct logistical and service delivery challenges that are best addressed through a locally focused model. Being an independent authority has enabled tailored responses to challenges, demographic pressures and environmental priorities while protecting the Island's local identity.

Our approach is anchored by a shared commitment to build on a history of collaboration with mainland councils. Maintaining the Isle of Wight as an independent or unitary authority will ensure it continues to respond to local needs while standing alongside the new mainland unitary councils through an enhanced partnership.

Although the Isle of Wight Council has been fully involved in developing the proposals set out in this case and remain supportive of the approach in the proposals to include the Isle of Wight as an independent unitary authority, in September they felt unable to endorse a specific proposal that relates to councils on the mainland. The Isle of Wight Council is continuing to liaise with the government to confirm its position.

## 5. Isle of Wight case for remaining as an existing unitary council



### **Introduction and key arguments for Isle of Wight to remain independent from the mainland**

The Isle of Wight is the largest island off the English coast, covering approximately 380 square kilometres (147 square miles). It is home to just over 72,000 domestic properties and 7,600 businesses, with a current population of around 142,000 residents. The Island's character is primarily rural, interspersed with historic towns and urban areas, and it offers a unique blend of community, heritage, and environment.

Unlike any mainland area in Hampshire, the Isle of Wight is accessible only by ferry, as there are no fixed links to the UK mainland. All ferry services are commercially operated and subject to weather, capacity and operational constraints, which present significant challenges of reliability, frequency and affordability. These limitations impact not only day-to-day connectivity but also the cost and organisation of public services, supply chains and economic activity across the Island.

This physical separation has contributed to the development of a distinct, self-contained community with a strong sense of self-reliance and mutual support, qualities that were especially evident during the COVID-19 pandemic. Governments have long recognised the unique circumstances of the Island by providing for a single council covering the Isle of Wight alone in successive local government reorganisations.

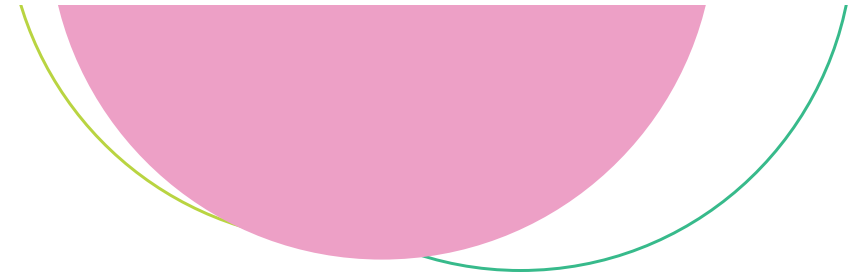
Since 1995, the Isle of Wight Council (IWC) has operated successfully as a unitary authority, delivering the full range of local government services, statutory and otherwise, to its residents for three decades. Over this period, the council has managed its finances in a prudent, sustainable and efficient

manner, setting it apart from many larger authorities which have faced significant financial pressures in recent years. The Island's council has demonstrated resilience and adaptability in the face of wider funding challenges, using its resources to address local priorities and deliver targeted improvements for its residents.

Maintaining the current unitary authority for the Island enables the council to focus resources on its unique local challenges, such as rural service delivery, demographic pressures and environmental protection, while pursuing targeted transformation within existing funding and strategic frameworks. By contrast, incorporating the Island into a larger mainland-based unitary authority would introduce unnecessary bureaucratic complexity, risk undermining local responsiveness and increase costs due to the inevitable logistical barriers of the Solent. Such a move would likely result in duplication of services and infrastructure, with little prospect of cost savings or effective asset sharing due to the Island's natural separation and service delivery requirements. The additional travel needed for elected representatives and officers to attend meetings on the mainland would only add to the administrative and financial burden, further weakening the direct accountability between the council and the Island's residents.

Appropriate sharing of services between the Isle of Wight Council and mainland authorities has supported efficiencies and capacity building frameworks. However, merging or enlarging the Isle of Wight Council would neither enhance nor improve service sharing; instead, it would risk diluting the Island's strong local governance and community identity.

Our five-unitary council model proposal is anchored by a shared commitment to collaborative transformation, with the



Isle of Wight Council working alongside the four new unitary councils on the mainland. This enhanced partnership approach will enable shared learning, joint innovation and the flexible exploration of shared services where appropriate, ensuring that the Island continues to benefit from regional collaboration while retaining the local responsiveness and accountability essential for effective service delivery in its unique context.

The Isle of Wight's size, structure and governance model has proven its ability to deliver high-quality public services at a local level. The council's tailored transformation agenda, strong partnerships with mainland authorities and record of innovation and community engagement demonstrate why the Isle of Wight is ideally suited to remain a stand-alone unitary authority. The Island's unique needs, identity and civic culture are best served by a council that is accountable to local residents and empowered to innovate, adapt and lead.

Our proposal is not for the Isle of Wight to stand apart, but to stand alongside its new mainland unitary partners: a resilient, high-performing council that continues to serve its residents with efficiency and distinction. Below, we set out the case for the Island to remain a unitary authority with an enhanced partnership with the four new mainland unitaries, addressing each of the government criteria as requested in the interim feedback letter.



## **Criteria 1: A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government**

The Isle of Wight stands as a singular entity in the UK – geographically, culturally, economically and environmentally. For over 30 years the council has successfully operated as a unitary authority, delivering locally attuned services and governance that reflect the Island's distinct identity.

### **A distinct demography and cultural identity**

The Island is not merely separated by water, it is defined by its insularity and has a very different demography to South East and South West Hampshire (see definitions in the approach section), including:

- A proportionately larger elderly and ageing population, 21.5% aged 70 plus versus 17.2% in Hampshire and a median age of 51 years (43 years in Hampshire).
- A higher proportion of residents, 8.8% compared to 5.8% in Hampshire, reporting a long-term health problem or disability limiting daily activities.
- A deeply embedded culture of unpaid care, with over 11% of the population being unpaid carers, providing essential care and support to their partner, child, parent, friend or neighbours.
- A lower proportion of working age residents at 51.8%, impacting the labour market dynamics and service demand.
- Higher levels of deprivation, with a deprivation per head score of 0.14, indicating greater socioeconomic challenges.

- A lower population density of 385.5 people per square kilometre, reflecting its rural and dispersed settlement pattern, contrasting with more urbanised areas of South East and South West Hampshire.

The Island's cultural identity is equally distinct. Its maritime heritage, rural settlement patterns and strong community ethos foster a level of civic engagement, with over 1,500 voluntary organisations. This self-reliance, amplified during the COVID-19 pandemic is a direct product of its geographic isolation and resilience, and can be safeguarded through locally accountable governance.

This close-knit culture is also influenced by the Island's physical separation from the mainland, which creates a natural boundary and fosters a more self-reliant way of life. The Island's identity is also shaped by its role as a tourist destination, its maritime heritage, and its environmental character, including protected landscapes and coastal settings. These features contribute to a shared pride in place and a strong local voice, which residents feel is best supported by having their own unitary council.

Inevitably these differences in demographics and cultural identity require a council that fully understands this and tailors its priorities, approach and services accordingly.

### **A unique economic ecosystem**

Contributing £2.5 billion GVA, the Isle of Wight's economy is shaped by its geography and seasonality. Tourism, care, food and retail dominate, supported by a high concentration of over 5,000 small and medium sized enterprises (SMEs) that rely on local networks and council-led initiatives, such as the Isle of Wight Rural SME Fund and small grants programme. This is very different from the economies of both South East and South West Hampshire on the mainland.



The Island functions as a cohesive economic area with strong community ties and entrepreneurial spirit. However, to unlock further growth the Island requires strategic investment aligned with its environmental sensitivities and workforce capabilities. A targeted and place-based approach is essential – one that builds on its status as a premier holiday and visitor destination while diversifying its economic base to reduce seasonal dependency.

To attract sustained inward investment, particularly from international markets, the Island requires a strategic marketing and regeneration programme that showcases its unique assets and investment-ready opportunities. This will not only stimulate economic activity but also generate new revenue streams to support vital public services. This must be delivered in a way that respects the Island's environmental sensitivities and aligns and improves local wage levels and workforce capabilities. Development sites and opportunity areas have been identified across the Island offering a clear pathway to deliver new jobs, homes and increased local revenues. To unlock these opportunities, the Island needs a bespoke, targeted approach including enhanced infrastructure, particularly in digital connectivity and the policy flexibility to reflect the Island's unique economic context.

In short, the Isle of Wight's distinctiveness, strategic coherence and the need for tailored, Island-specific solutions make a compelling case for it remaining a unitary authority. The governance model is not just administratively efficient; it is essential for unlocking the Island's full potential and delivering prosperity for its residents.

## **Travel and transport infrastructure**

The Island's transport infrastructure is fundamentally different from its neighbouring mainland councils. Unlike the mainland, which benefits from integrated road, rail and bus networks, the Island's connectivity is shaped by its geography isolation and reliance on ferry services. These maritime links are not optional – they are the Island's lifeline for residents, businesses and visitors. Their cost, reliability and vulnerability directly affect access to employment, healthcare and education. Improving ferry services is a key priority, including better reliability, affordability, and integration with mainland transport. The Island also needs investment in its local roads and public transport to make travel easier within the community. These challenges are unique to the Isle of Wight and require tailored solutions that reflect its rural setting and limited transport options.

Within the Island itself transport delivery is characterised by the rural character and limited transport options. Investment in local roads and bus services are essential to maintain mobility, social inclusion and economic resilience. The council's Local Transport Plan (2025-2040) is in development and is tailored specifically to the Island's needs, including sustainable transport and congestion reduction. Two key coastal routes (the Military Road along the south west coast and Leeson Road in Ventnor) are particularly vulnerable to erosion and climate

related disruption. These roads are not only vital for connecting communities and supporting tourism but also serve as critical corridors for services. Their maintenance requires bespoke engineering solutions and sustained investment, reflecting the Island's unique environmental pressures.

There are local transport challenges which cannot be addressed through regional or larger authority strategies that may not recognised the vital importance of these issues for the Island community. They demand local leadership, tailored policy responses and dedicated resources.

### **Travel to work: A self-contained labour market**

Over 85% of employed residents live and work on the Isle of Wight. Solent (ferry) dependent commuting is minimal (3.2% of residents), and the average commute time is significantly shorter than the mainland, reflecting not only geographic isolation but a community-based economy reliant on local services and seasonal industries.

The Island's economy is shaped by services that are deeply embedded in the local community: tourism, health and social care, education, retail and public services. Unlike urban centres such as Southampton or Portsmouth there are no large scale industrial or commercial hubs. Its economic resilience depends on seasonal demand, community needs and public sector provision.

This distinct economic and social profile has direct implications for workforce planning, transport policy and investment strategy. For example, while improving ferry reliability and affordability could enhance access and support business growth, it would not fundamentally alter the Island's self-contained labour market in the short term.

These structural patterns necessitate workforce planning and investment strategies that are hyper-localised. For example, Adult Community Learning (ACL) on the Island plays a vital role in empowering individuals, strengthening communities and fostering lifelong learning – a vital first step on the ladder for those that did not achieve in school or who have barriers to learning. With most of the working age population living and working locally, ACL provides accessible pathways to improve skills, confidence, health and wellbeing and for progressing into work, apprenticeships and further or higher education. It does this via collaborative partnerships with local organisations to help learning progress from foundation-level courses to higher qualifications. It also contributes to the local Skills Board.

The Island's challenges and opportunities are not shared with neighbouring areas and therefore cannot be addressed through anything other than localised service delivery.



## **Housing and Homelessness**

The Island benefits from a more affordable and community-oriented housing landscape, particularly in the provision of supported social retirement accommodation and extra care housing. These types of housing are more accessible on the Isle of Wight, reflecting its older population and rural character, and are often embedded within local communities to support ageing in place.

The Isle of Wight's Single Homelessness Pathway coordinates services such as mother-and-baby units, priority need assessments, and rural outreach, tailored to the Island's geography and demographic needs. In contrast, urban centres like Southampton and Portsmouth focus more on drop-in hubs, rough sleeping outreach and emergency placements, often delivered in partnership with charities and faith groups.

Despite its strengths in supported accommodation, the Isle of Wight still faces challenges. Between April and June 2024, the Island reported a homelessness rate of 1.13 per 1,000 households, slightly above the Hampshire and Solent average of 1.1. It also had 3.56 households per 1,000 in temporary accommodation, which is higher than many rural districts but lower than urban centres like Portsmouth (4.76).

These figures reflect the Island's limited housing stock, seasonal pressures, and rural isolation, which can complicate access to services and emergency housing. However, the Island's strong community networks and place-based service models offer a foundation for prevention and early intervention that is harder to replicate in more urban environments.

## **Rural geography: stewardship of a globally recognised environment**

The Isle of Wight is not just a local authority; it is a nationally and internationally recognised environmental asset. Approximately 47% of the Island's land surface and 95% of its coastline are under legal and policy protection for wildlife and natural heritage. Half of the Island is designated as a National Landscape (formerly AONB), with many of these areas overlapping with other protected zones. These protections underpin the Island's designation as a UNESCO Biosphere Reserve, placing it among a select group of regions globally recognised for their commitment to sustainable development and conservation. This environment is fundamentally different to that found in South East and South West Hampshire.

This unique environmental profile demands a governance model that is locally accountable, strategically focussed and environmentally literate. The IWC has consistently demonstrated the ability to deliver services and stewardship tailored to this complex landscape.

As a UNESCO Biosphere Reserve, the Isle of Wight is uniquely positioned to attract environmental investment, innovation funding and international partnerships. These opportunities are contingent on having a coherent, place-based governance arrangement.

The Isle of Wight's environmental significance is not incidental – it is central to its identity, economy and future resilience.



## **Criteria 2: unitary councils that are the right size to achieve efficiencies, improve capacity and withstand financial shocks**

The IWC stands as a resilient, efficient and community-driven authority, uniquely positioned to deliver public services tailored to the Island's distinct needs. Artificially extending local authority boundaries based on demographic size will not automatically achieve significant savings due to the natural physical separation of the Solent. It will though lose the targeted focus the Island needs on its specific opportunities and challenges. Inevitably for most major services the same arrangements and infrastructure will need to be duplicated and based on the Island. This means the opportunities to reduce fixed costs and make procurement efficiencies and estate rationalisation are always going to be limited.

Costs to deliver public services on the Island are rising, a significant concern compounded by increasing demand, driven by factors such as the island's elderly and ageing population. While we recognise demand pressures are a national issue, they are more pronounced on the Island than in other locations. The IWC's ability to manage demand is further constrained by an inconsistent health offer from the NHS, which is dealing with the same island cost pressures. The challenges are further explained below, which cannot be resolved through being part of a new, larger unitary authority on the mainland:

- **Unique and unavoidable costs** - Transporting goods and services across the Solent, such as waste disposal, incurs ferry-related costs that mainland authorities do not face. These costs would persist regardless of whether the

Island were part of a larger unitary, meaning integration would not deliver the efficiencies typically expected from reorganisation.

- **Market failures and small markets** - The Island's limited market size leads to reduced competition and higher costs in key sectors like public transport, waste, and social care. These conditions are endemic to the Island's geography and cannot be resolved through being part of a larger mainland unitary authority. In fact, being part of a larger mainland unitary could obscure these challenges and reduce the Island's ability to tailor solutions to its unique market dynamics.

Despite these challenges, the IWC has consistently demonstrated its ability to effectively manage its resources, meet statutory obligations and innovate in service delivery. This success is driven by local people as councillors and business leaders striving to deliver the best for the Island. The sense of community means that people are willing to step up and help where they can.

## **Collaborative transformation without structural change**

Whilst the physical barriers the Island's geography presents to savings will remain, our four new mainland unitaries and the Isle of Wight will work collaboratively to explore and realise any transformation opportunities that are achievable. Through an enhanced transformation partnership, IWC will work collaboratively alongside the four new mainland unitaries to assess each redesign and savings opportunity they progress to test any potential savings that could be realised for the Island and other authorities collectively.



Recent and planned IWC transformation initiatives include:

- **Telephony upgrade:** Replacing the outdated legacy system with a modern, integrated solution aligned with its digital strategy. This aims to enhance customer experience, support flexible working and future-proof communications, though a funding gap remains.
- **Business Centre Model:** Centralised transactional services have delivered significant savings over 15 years (see case study).

Under our proposal, an enhanced partnership approach across Hampshire and the Isle of Wight area would also enable:

- **Core systems modernisation:** A proposed initiative for the IWC is the replacement of its outdated SAP ERP system, paused due to the LGR announcement but still a strategic priority. The plan involves investing £7.5 million over three years to implement a new ERP solution for HR, finance, payroll, and procurement functions. The new ERP system is expected to streamline processes, reduce manual workload and improve staff wellbeing, with projected annual savings of approximately £0.2 million (equivalent to five full-time roles).
- **Shared support services:** By pooling resources and expertise, IWC and the new mainland unitary authorities can benefit from economies of scale, reduce duplication and enhance service quality in areas not dependent on location.
- **Joint specialist roles:** Establishing shared specialist roles across councils will help IWC address recruitment challenges. This model would also support more strategic, cross-boundary working and reduce overhead costs.
- **Joint systems:** Implementing joint systems will enable the IWC to standardise processes, improve data accuracy and

enhance service delivery, in particular, allowing for greater data sharing with the Hampshire and Isle of Wight Integrated Care Board covering Hampshire and the Isle of Wight. For example, a shared CRM system could provide a single view of customer interactions, improving responsiveness and service quality.

- **Joint procurement and buying power:** Where appropriate, IWC will participate in joint procurement exercises with new mainland unitaries to leverage collective buying power. This can result in better contract terms, reduced unit costs and access to higher-quality suppliers, particularly for IT, infrastructure and facilities management.
- **Flexible and agile ways of working:** The IWC will continue to explore modern working practices, including remote and hybrid working, digital collaboration tools, and agile service design. These approaches can improve staff satisfaction, reduce estate costs and support more responsive service delivery.

The IWC's current and planned transformation initiatives reflect a strong commitment to doing things differently, with a clear focus on leadership and operational delivery. These potential initiatives demonstrate that collaboration and efficiency gains are best achieved without structural change. The partnership approach can ensure that best practices are adopted across the authorities while preserving local decision-making and community identity.

## **Case Study:**

### **IWC Business Centre which could be grown into a shared service**

*The IWC Business Centre represents a mature and efficient model for delivering high-volume transactional services across a wide range of council functions. Over the past 15 years, the centre has delivered significant savings through centralisation, role rationalisation and process automation. Its success demonstrates the potential for this localised model to be scaled into a broader shared service offering across multiple authorities.*

#### **Current operating model**

*The Business Centre comprises several small, multi-disciplinary teams that operate generically across functions, enabling flexibility, resilience and knowledge sharing. This structure allows specialist and professional colleagues to focus on strategic priorities, supported by a capable and agile operational backbone.*

*Key service areas include:*

- *Customer Contact and Help Centre: Serving over 30 service areas, this team provides the first-contact resolution (targeting a 95% resolution) and undertakes administrative tasks such as staff benefits, concessionary travel applications, vendor setups and complaints monitoring.*
- *Payments and Payroll: A centralised procure-to-pay function, including ordering, invoicing, debt collection and payroll services. Proximity and integration enable rapid resolution of financial queries.*
- *Fleet and Facilities Management: Responsible for County Hall maintenance, fleet oversight, post room and stores. The team also support with empty property checks.*
- *Revenue Collection and Enforcement: In-house administration and enforcement of council tax, business rates and penalty charge notices.*
- *Tourism support: Administration of the Visit Isle of Wight tourism Business Improvement District (BID).*
- *Benefits Administration: Delivery of housing benefits and local council tax support, including partnership with the ferry companies to administer the locally developed affordable travel scheme.*
- *Operational Support: Scanning, indexing of post for the revenues and benefits and payment processing of council utility bills supporting property services.*
- *Blue badge administration: End-to-end management of applications and renewals.*

## **Strategic opportunity**

*The Business Centre's integrated and working model offers a compelling foundation for a scalable service. Its proven ability to deliver efficiencies, maintain service quality and adapt to evolving demands positions it as a blueprint for a broader collaboration. Whilst previous outreach to Portsmouth and Gosport councils did not progress, the current context of LGR presents renewed opportunity to revisit.*

*An IWC Business Centre based model could:*

- *Standardise transactional process across authorities, reducing duplication and improving consistency.*
- *Leverage economies of scale through pooled resources and centralised systems.*
- *Enhance resilience by creating a larger, cross-trained workforce capable of flexing to meet demand.*
- *Drive innovation through shared investment in automation and digital transformation.*

## **Future funding**

Current funding formulas do not adequately reflect the Island's unique cost pressures. The IWC lacks the remoteness adjustments available to other geographically isolated areas, resulting in an inequitable distribution of resources. Joining a larger mainland unitary would not correct this imbalance. Recognising that the government is currently going through a fair funding review, which we very much support, the IWC council would be keen to discuss with government how that can lead in future to funding that does adequately address the Island's unique challenges and circumstances.

### **Criteria 3: Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens**

The IWC has consistently demonstrated its capacity to deliver quality and responsive public services tailored to the unique needs of its island population. The council has shown a commitment to improvement, innovation and community engagement, despite the unique challenges of serving an island population. Remaining as a unitary authority the IWC is sized and structured to prioritise local outcomes, drive innovation and maintain accountability.

#### **Proven track record of quality service delivery**

Isle of Wight Council's performance across key service areas reflects a strong commitment to quality and continuous improvement:

- **Children's Services:** Rated 'Good' by Ofsted in 2023, with inspectors praising strong leadership, effective safeguarding and a clear focus on improving outcomes. Investment in early help and foster care support has created a more stable and responsive system. Children's Services on the Isle of Wight has maintained a 'Good' rating from Ofsted, with inspectors noting improvements since the end of the council's partnership with Hampshire County Council. The council has increased capacity and leadership focus, and a clear commitment to further enhancing service quality.
- **Adult Social Care:** on the Island 85% of adult social care providers are rated 'Good' or 'Outstanding'. The council has

worked closely with local NHS partners to streamline care pathways and reduce hospital admissions. Feedback from people who draw on care and support indicate increasing satisfaction with the quality and responsiveness of care. The Isle of Wight Dementia Strategy (2022–2025) has been praised nationally and was a finalist in both the Health Service Journal and Local Government Chronicle Awards. Key achievements include a dementia training programme for health and social care staff; the opening of the Parklands Dementia Hub and community café in Cowes; and a Dementia Outreach Team providing community-based support. The strategy is overseen by a multi-agency board and is currently being refreshed to build on early successes.

- **Waste Management and Recycling:** IWC achieved a 56.2% recycling rate in 2023 – well above the national average of 44.1%. Less than 5% of waste is sent to landfill, supported by innovative schemes and strong public engagement.
- **Education:** Targeted interventions and partnerships have led to improved Ofsted outcomes in several primary schools with ongoing efforts to raise secondary education standards.
- **Environmental Stewardship:** Over 30 active community-led conservation projects and a well-received climate action plan demonstrate the IWC's leadership in biodiversity, coastal protection and climate resilience. The Isle of Wight's Local Nature Recovery Strategy (LNRS), approved in April 2025, has been recognised by DEFRA and Natural England as a national exemplar. It is one of the first four LNRSs in the country to go live. The strategy includes a detailed habitat map and targeted actions to reverse biodiversity loss. Toolkits and community engagement resources are being rolled out to support implementation.



- **Adult Community Learning (ACL):** Adapted to reduced funding since 2010 by offering flexible, non-accredited learning through Tailored Learning and the Multiply project (2022-2025), in addition to essential skills qualifications to support positive outcomes for learners. The May 2025 Ofsted inspection rated ACL on the Isle of Wight as “Good” with learners’ behaviour and attitudes towards learning deemed “Outstanding”.

### **Tailoring service delivery for local needs**

The IWC as an existing unitary authority, is uniquely positioned to continue to redesign and improve services in a way that is locally responsive, efficient, and sustainable. The council is progressing a transformation agenda that reflects the Island’s distinct geography, demographics and service challenges. Current plans focus on integrated health and social care, digital transformation, early intervention in children’s services, environmental resilience, and housing development. For example, the council is expanding community-based care to reduce hospital admissions, investing in digital platforms to streamline access to services, and working with local partners to deliver affordable housing and climate adaptation projects.



Managing these improvements within the existing unitary structure offers significant advantages over being part of a new, larger unitary authority on the mainland. IWC already has consolidated governance, which allows for faster decision-making and clearer accountability. It also ensures that resources are directed specifically toward island priorities, rather than being diluted across a larger, more diverse region.

Being part of a new, larger mainland unitary authority would not resolve the Island’s inherent cost pressures. The Island’s unique challenges, such as transport connectivity, coastal management and seasonal population shifts require bespoke solutions that may be overlooked in a broader model. Furthermore, maintaining local control supports stronger community engagement and preserves the Island’s identity, which is a key factor in service design and delivery.

As mentioned previously, key opportunities for IWC going forward include sharing non-location-dependent support services like HR, finance, IT and procurement, allowing the council to benefit from economies of scale and specialist expertise. Joint specialist roles and teams in areas such as legal, commissioning and data analytics help to address recruitment challenges and foster strategic collaboration. The implementation of joint systems, particularly in customer relationship management and data sharing with health partners, enhances service delivery and responsiveness.

Additionally, joint procurement strengthens buying power, securing better value and access to high-quality suppliers. By embracing flexible and agile working practices, IWC can also modernise its workforce and service design, improving staff satisfaction and operational resilience.

The IWC can build on these plans for improving and redesigning services through working closely with the new mainland unitary authorities, accelerating service innovation and efficiency. Central to this collaboration is a commitment to shared learning, where IWC actively reviews successful transformation programmes, such as digital service delivery, customer access enhancements, and workforce optimisation, and adapts them to the island's unique context (see section in Criteria 2). This shared learning model allows IWC to remain locally focused, retaining the agility and accountability needed to tailor services to the island's distinct needs, while benefiting from regional collaboration and innovation.

#### **Criteria 4: how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views**

The IWC has been a fully engaged and collaborative partner throughout the LGR programme, working in close partnership with the eleven other mainland councils across Hampshire, Southampton and Portsmouth. From the outset, IWC has demonstrated a strong commitment to shared learning, transparency, and co-design, recognising the value of regional collaboration in driving service improvement and innovation.

IWC has consistently participated in all Chief Executive and Leader sessions, ensuring that the Island's unique context is not only represented but meaningfully integrated into discussions. Senior officers from finance, governance and service design have participated in key forums, bringing forward the council's expertise as an established unitary authority.

IWC representatives have attended service design workshops focused on current challenges and transformation opportunities. As an established unitary authority, the Isle of Wight brings a wealth of practical experience in integrated service delivery, governance, and community engagement. This has enabled the council to contribute meaningfully to discussions, sharing insights from years of operating as a single-tier authority responsible for a full range of local services. The council's deep understanding of how services interact at the local level has been valuable in identifying what works, what doesn't and how transformation can be realistically implemented. Additionally, IWC has been proactive in data sharing, contributing to joint analysis and system design and helping to ensure that regional solutions are informed by both urban and rural perspectives, including the unique needs of island communities. This deep and ongoing engagement reflects IWC's commitment to collaborative transformation, while maintaining its identity and autonomy as a standalone unitary authority. This is reflected by the fact that all 15 existing councils agree that the Isle of Wight should remain an independent unitary authority. By actively participating in regional forums and embracing shared learning, the council is well-positioned to adapt successful models to the Island's needs, improve service outcomes and deliver value for residents.

#### **Informed by local views**

This position is not only institutionally supported but also supported by public views. Local media outlets have reported that public sentiment leans heavily toward preserving the Island's autonomy. Residents and stakeholders consistently express concern that being part of a new, larger unitary authority on the mainland could erode the Island's cultural

identity and result in decisions being made without sufficient understanding of local challenges. The prevailing view is clear: maintaining the Isle of Wight Council as a separate unitary authority enables the council to tailor its services and policies to the specific needs and characteristics of the island community, ensuring that local priorities are locally informed and addressed.

***"As an island community it is unique. We are different to the mainland and that difference should continue to be respected through having our own unitary county going forward."***  
***(Survey response – Our Place, Our Future)***

## **Local identity**

As described earlier, the Isle of Wight's identity is not incidental – it is foundational. As an island community, it possesses a distinct blend of geographic, cultural and economic characteristics that shape its public service needs. The Island's sense of place is defined by its coastal environment, rural landscape, strong community networks and a proud heritage of independence and self-reliance. These factors influence everything from service delivery and infrastructure planning to economic development and community engagement.

Unlike the more urbanised and densely populated areas of South East and South West Hampshire, the Isle of Wight faces specific challenges such as seasonal population fluctuations, limited transport connectivity and a reliance on tourism and small businesses. These require tailored policy responses

and service models that reflect the island's scale, pace and priorities. The council's ability to respond quickly and locally to these needs is a direct result of its unitary status and close relationship with its residents.

Being part of a new, larger mainland unitary authority would risk diluting this local focus. Decision-making could become more centralised and less responsive to the Island's unique context. Resources might be redirected to meet the demands of larger urban centres, and the Island's voice could be diminished. The Isle of Wight's distinct identity, so integral to its community cohesion and civic pride, could be overshadowed by broader, less tailored priorities.

Remaining a standalone unitary authority allows the IWC to preserve its autonomy, protect its identity, and continue delivering services that are designed with and for its residents. Autonomy does not mean isolation; the council's active participation in regional transformation partnerships ensures it can benefit from shared learning and collaboration without compromising its local character or strategic independence.

Although the Isle of Wight Council has been fully involved in developing the proposals set out in this case and remain supportive of the approach in the proposals to include the Isle of Wight as an independent unitary authority, in September they felt unable to endorse a specific proposal that relates to councils on the mainland. The Isle of Wight Council is continuing to liaise with the government to confirm its position.

## **Criteria 5: how the model will support devolution arrangements**

The IWC has played an active and committed role throughout the joint LGR and devolution process, contributing meaningfully to the development of a future strategic authority for Hampshire and the Isle of Wight. We are proud to have been selected for the DPP and are working collaboratively to deliver both the DPP and the local government reorganisation programme. These initiatives will unlock local investment, drive economic growth, and improve public services across the region and for the Isle of Wight.

Throughout this journey, the Isle of Wight has consistently demonstrated its commitment to partnership working.

The proposed model of five unitary authorities across the area with four new, well-balanced mainland unitary authorities, working alongside the existing IWC, provides a strong foundation for effective devolution. Each mainland unitary will be large enough to deliver services efficiently, with populations ranging between 400,000 and 600,000, but not so large as to create democratic imbalance. This structure ensures that no single authority dominates decision-making, and that all constituent members have a meaningful voice in shaping regional strategy that would be diluted in a two or three mainland unitary option.

The Isle of Wight's continued status as an independent unitary authority supports equity in representation within the strategic authority. This arrangement avoids the risk of marginalisation and ensures that the strategic authority reflects the full diversity of communities across Hampshire and the Isle of Wight.

Importantly, the Isle of Wight's continued status as a

standalone unitary authority within the proposed strategic model supports the broader vision for devolution. The Island brings a distinct voice and perspective to the table, one shaped by its unique geography, rural character, and strong community identity. Unlike the more urbanised mainland areas in South West and South East Hampshire, the Isle of Wight faces specific island challenges which require tailored policy responses and locally led service delivery.

Our proposed model of four well-balanced mainland unitaries, working alongside the existing Isle of Wight Council, ensures that strategic planning is informed by diverse local priorities. This structure supports effective decision-making, avoids democratic imbalance, and enables the strategic authority to reflect the full breadth of communities across Hampshire and the Isle of Wight. The Isle of Wight's inclusion strengthens the strategic authority by ensuring representation for rural and island communities, contributing to a more inclusive and responsive governance model.

By remaining an independent unitary authority, the Isle of Wight retains the agility and accountability needed to serve its residents effectively, while fully participating in regional collaboration. This balance between local delivery and strategic coordination is essential to the success of devolution, and the Isle of Wight is committed to playing a central role in shaping and delivering the future of public services across the region.



## **Criteria 6: how unitaries will enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment**

A continued status as a standalone unitary authority represents a unique and compelling opportunity to deepen community engagement and deliver authentic neighbourhood empowerment. As a geographically distinct island, with a strong sense of identity and civic pride, the Isle of Wight is positioned to be a model of local government that is both responsive and rooted in place.

The Isle of Wight's scale allows councillors to maintain strong connections with their communities. Residents know their representatives personally, and councillors are deeply embedded in the places they serve. This proximity creates trust, accountability and a shared understanding of local priorities. Maintaining the existing number of councillors ensures that representation remains proportionate and effective. It also avoids the risk of overstretched members, which can occur in larger authorities where councillors must serve significantly larger populations and wider geographies, and this can diminish local voice. In this respect, the Isle of Wight's scale is a strategic advantage.

Neighbourhood empowerment is further supported by the council's ability to tailor services and engagement strategies to the Island's specific needs. Whether through town and parish councils, community forums, or local partnerships, the IWC has the flexibility to design initiatives that reflect the character and aspirations of its diverse communities, from coastal towns to rural villages. This local responsiveness is a key strength of the

existing unitary model and would be difficult to replicate within a new, larger, unitary authority.

The Isle of Wight actively supports community forums and place-based partnerships, bringing together residents, local organisations and service providers to co-design solutions. These forums are not just consultative – they are collaborative spaces where community voices shape policy and practice.

Equally important is the council's commitment to localised service design. Services on the Island are often developed with direct input from communities, ensuring they address specific challenges such as coastal resilience, rural transport and seasonal economies.

The IWC has demonstrated its ability to design and deliver locally responsive initiatives through town and parish councils community forums and place-based partnerships. Examples include:

- **The Bay Youth Project (BYP)** – launched in 2022 to address anti-social behaviour and youth disengagement in Sandown, Lake and Shanklin, it offers free services 48 weeks a year, including detached youth work, forums and structured activities chosen by young people. Over £3.5million in capital investment was secured for youth spaces and sports facilities, with strong collaboration between local councils and the Isle of Wight Council. The project has been recognised nationally. BYP is a prime example of place-based youth empowerment, shaped by local voices and supported by local governance.
- **Connecting libraries initiative** – led by Creative Island in partnership with the Isle of Wight Council library service, this project reimagines libraries as cultural and community

hubs. Activities include storytelling sessions, creative workshops, film screenings and performances across both council-run and volunteer-led libraries. A community development specialist works with local partners to expand library offerings and deepen engagement. This initiative demonstrates how local culture infrastructure is leveraged to foster intergenerational engagement and creativity.

As part of the wider strategic authority for Hampshire, the Isle of Wight will continue to contribute to regional planning and collaboration, while retaining the autonomy needed to empower its communities. This balance between strategic coordination and local delivery is essential to the success of devolution, and the Isle of Wight's role as a distinct, engaged, and community-focused unitary authority will be central to achieving it.

We have set out the case for it to remain a unitary authority with an enhanced partnership with the four new mainland unitaries, under each of the government criteria as requested in the interim feedback letter from government.

The Isle of Wight's coastal geography and landscape set it apart from nearby mainland areas like Southampton, Portsmouth and Hampshire, presenting unique challenges for service delivery and infrastructure. As an island, it is surrounded by the Solent and the English Channel, with a rugged coastline, chalk cliffs and limited access points via ferry or hovercraft. This isolation affects everything from emergency response times and healthcare access to economic development and transport logistics. Unlike the more urbanised and interconnected mainland cities, the Island's dispersed rural communities and reliance on maritime connections mean that services must be more locally resilient and tailored to a smaller, often older

population. Coastal erosion, flooding risks and the need to protect sensitive marine and cliffside ecosystems further complicate planning and development, requiring innovative and sustainable approaches to land use and public service provision.

The Isle of Wight is the right size, structure and governance model to deliver high-quality public services at a local level. Its proven track record, tailored transformation agenda and strategic collaboration commitment with mainland partners demonstrate the case for retaining the IWC as unitary authority. The Island's unique needs, identity and community engagement are best served by a locally accountable council that can innovate, adapt and lead. Our proposal is not for the Isle of Wight to stand apart but to stand strong – as a resilient, high performing council that continues to serve its residents with distinction, while contributing meaningfully to the wider ambitions of devolution and public service reform across Hampshire and the Isle of Wight.



## Key data points for Isle of Wight in comparison with average for Hampshire and the Isle of Wight

| Criteria                                              | Assessment Factor                     | Metric                                                             | Isle of Wight Council | South East Hampshire | South West Hampshire* |
|-------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------|-----------------------|----------------------|-----------------------|
| <b>Establishing a single tier of local government</b> | Sensible economic area                | Gross Value Added (GVA) per capita                                 | £21,766               | £28,005              | £37,186               |
|                                                       |                                       | Unemployment rates                                                 | 4.46%                 | 4.12%                | 4.62%                 |
|                                                       |                                       | Gross disposable household income per head                         | £20,749               | £21,130              | £19,950               |
|                                                       | Tax base                              | Council tax base                                                   | 57,697                | 174,170              | 116,921               |
|                                                       |                                       | Business rates total rateable value (£m)                           | £1,173                | £481.74              | £148.68               |
|                                                       | Sensible geography                    | Geographic Area (sqkm)                                             | 379.6                 | 196                  | 130                   |
|                                                       | Housing supply                        | Latest housing delivery test measurements (2023)                   | 76%                   | 44%                  | 76%                   |
|                                                       |                                       | Registered provider housing (IOW) / Council housing stock per head | 0.53                  | 0.44                 | 0.43                  |
|                                                       | Local Needs                           | Level of deprivation                                               | 0.14                  | 0.11                 | 0.10                  |
| <b>Efficiency, capacity and withstanding shocks</b>   | Population size                       | Average unitary 2028 predicted population                          | 146,351               | 554,741              | 423,221               |
|                                                       | Potential financial efficiencies      | Central services cost                                              | £8,794                | £21,533              | £27,418               |
|                                                       |                                       | Staff costs                                                        | £58,012               | £292,728             | £194,684              |
|                                                       |                                       | Cost of IT licenses                                                | £886                  | £8,974               | £7,304                |
|                                                       |                                       | Third party spend                                                  | £114,328              | £451,513             | £538,622              |
|                                                       |                                       | Funding from council tax and business rates per head population    | -£121,381             | -£348,846            | -£233,629             |
|                                                       |                                       | Social care ratio                                                  | 0.78%                 | 91.33%               | 87.43%                |
|                                                       | Establishing firmer financial footing | Gross budget gap (2026/2027) (£m)                                  | £2,500                | £33,532              | £16,669               |
|                                                       | Council debt                          | Ratio of financing costs to net revenue stream %                   | 10%                   | 6.14%                | 15.03%                |

| Criteria                                                           | Assessment Factor                       | Metric                                                                    | Isle of Wight Council | South East Hampshire | South West Hampshire* |
|--------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------|-----------------------|----------------------|-----------------------|
| <b>High Quality and sustainable services</b>                       | Crucial service protection              | Proportion of children in relative low-income families (under 16s)        | 0.25                  | 0.20                 | 0.20                  |
|                                                                    |                                         | Proportion of children in absolute low-income families (under 16s)        | 0.21                  | 0.17                 | 0.17                  |
|                                                                    |                                         | Environmental and regulatory services spend per head of population        | £11,377               | £60,409              | £33,418               |
|                                                                    |                                         | Highways and transport services spend per head of population              | £13,579               | £33,161              | £15,796               |
|                                                                    |                                         | Homelessness per 1,000 households                                         | 1.13                  | 2.47                 | 0.92                  |
|                                                                    |                                         | Rough sleeper count                                                       | 3                     | 18                   | 26                    |
|                                                                    |                                         | Households on housing register per head of population                     | 0.13                  | 0.01                 | 0.03                  |
|                                                                    |                                         | Numbers of households in TA per 1,000 households                          | 3.56                  | 4.14                 | 2.32                  |
| <b>Working together to understand and meet local needs</b>         | Local identity                          | Proportion of population in rural output areas (%)                        | 38%                   | 0.50%                | 0.18%                 |
| <b>Supporting devolution arrangements</b>                          | Population within a Strategic Authority | Representation within a future Combined Authority                         | 146,351               | 554,741              | 423,221               |
| <b>Stronger community engagement and neighbourhood empowerment</b> | Existing engagement arrangements        | Level of existing community networks e.g. health, wellbeing and VCSEs/CVS | 41                    | 205                  | 118                   |

\*for the purposes of this comparison, South West Hampshire includes Southampton and Eastleigh. This changes depending on Options 1,2 and 1A.