

Item No	Referred from:	Overview and Scrutiny Committee
6A	Date:	9 June 2026
	Title of item:	Local Government Reorganisation Funding
To be considered alongside agenda item:		Agenda Item 12

The report considered by the Overview and Scrutiny Committee at the meeting held on 9 June 2026 can be found here: [Agenda for Overview and Scrutiny Committee on Tuesday, 9th June, 2026, 7.30 pm | North Herts Council](#)

RECOMMENDED TO CABINET:

- (1) That Cabinet approve that up to £1 million of the available funding be allocated to county-wide costs. Any contribution will be based on a fair share from each Council and can be approved by the Chief Executive, in consultation with the Executive Member for Devolution and Local Government Reorganisation and Executive Member for Resources.
- (2) That Cabinet approve that up to £1 million of the available funding be allocated to additional staffing costs, noting that £450k has already been allocated. Any spend can be approved by the Chief Executive in consultation with the Leader of the Council, Executive Member for Resources, Chair of the Overview and Scrutiny Committee and political Group Leaders, except where the Constitution already requires different approval processes.
- (3) That Cabinet approve that up to £200k of the available funding can be spent on additional training costs. Any spend can be approved by the Chief Executive in consultation with the Leader of the Council and Executive Member for Resources.
- (4) That any spend is subject to a cap of £1 million in 2026/27 and £2 million overall.

REASON FOR RECOMMENDATIONS: This is intended to provide a practical framework for agreeing LGR costs. It aims to allow timely reactions in what will need to be a fast-moving project.

Audio recording – 01 hours 46 minutes 22 seconds

Councillor Ian Albert, as Executive Member for Resources, presented the report entitled 'Funding for Local Government Reorganisation (LGR)' and advised that:

- This report was seeking agreement on how the LGR reserve for the next two financial years would be allocated, and the decision making and reporting mechanisms for this.
- Spending on LGR could be put into three categories, which were county-wide costs, additional staffing costs arising from LGR related work and staff training costs.
- £1 million would be allocated to county-wide costs, with any contribution to this being a fair share contributed by each council, and this would be approved by the Chief Executive in consultation with executive members.
- Up to £200K would be spent on staff training costs, which would be hugely important in the context of LGR.

- The recent delegated decision allocated £450K of the LGR funding to four full-time, two-year, fixed-term posts in HR and IT to address workload pressures.
- However, recruitment was ongoing for these posts, and they would not necessarily need to spend the full allocation.
- Delegated decisions were likely to be published for spending on staff backfill and county-wide costs, but may not be needed for the learning and development allocations as these transactions would be low value and allocated in tranches, but they would be monitored in the quarterly budget reports.
- Proposals for spending would go the Leadership Team for review and prioritisation in the context of the available budget.
- Significant officer time spent on LGR related work would continue.
- Centralised spending would be easier to compartmentalize through workstream leads and project plans.
- Funding for the LGR Reserve was fixed and they might need to reevaluate the allocation as part of the budget setting next year, but currently it was robust.
- Points raised about managing funds effectively on large projects such as LGR would be taken onboard.
- There would be continued opportunities for the Overview and Scrutiny Committee and Finance, Audit and Risk Committee to review spending on LGR.

The following Members asked questions:

- Councillor Claire Winchester
- Councillor Paul Ward
- Councillor Ralph Muncer
- Councillor Jon Clayden
- Councillor Sadie Billing

In response to questions, the Director – Resources advised that:

- The £200K for additional staff training costs had been set after conversations with the Learning and Development Manager, and most costs had been absorbed within existing budgets so far, meaning it was a realistic figure.
- More spending on new positions would not take place soon as the immediate workload pressures had been addressed.
- Future recruitment would occur as LGR related work grew more intense.
- If additional staff were needed, there would be a need to make timely decisions, and the benefit of wider consultation on spending would have to be considered.
- Risk from potential redundancy costs following LGR due to appointing additional staff was a factor, but the risk of not appointing additional staff was even greater.
- It was speculated that additional staff might be needed beyond LGR.
- The county-wide costs went towards a central pot for the county-wide LGR programme overseen by the Chief Executives Co-ordinating Group, and this appointed additional staff, but also had staff loaned from existing authorities and there were mechanisms in place to ensure the right flows of funding.
- Resources to support mental health and wellbeing in the Council were good, but it was recognised that that the HR Team would need additional staff to help transition existing staff to a new unitary authority and beyond.
- There was no contingency built into the LGR Reserve, but there would be an opportunity to review this when the next budget was set, and it was noted that the reserve could increase next year as LGR progressed.

- It was likely that most staff would be transferred across to the new unitary authorities and any severance costs would be for them to handle after April 2028, which had been factored into the LGR submission documents sent to the Government.
- £900K had been promised for each new unitary authority by the Government to support the LGR process, but there were no expectations of further government funding.

In response to questions, Councillor Ian Albert advised that:

- Transparency on decisions around resourcing and prioritisation would continue to be provided through the Council Delivery Plan.
- Directors would look at lower priority areas in consultation with Executive Members and the importance of transparency and ensuring that Members and residents were aware of decisions taken on these was noted.
- They would consider the suggestion to include the Chair of the Overview and Scrutiny Committee and political Group Leaders in the consultation process when the Chief Executive approved spending on LGR related staffing backfill costs.
- However, it would be important that they worked quickly to recruit, and they had already allocated a significant amount of the £1 million reserved for additional staffing costs.

Councillor Sadie Billing proposed the recommendations as set out in the report and this was seconded by Councillor Nigel Mason.

Councillor Ralph Muncer proposed an amendment to recommendation 2.2 in the report to include that any spend can be approved by the Chief Executive in consultation with the Chair of the Overview and Scrutiny Committee and political Group Leaders, and this was seconded by Councillor Elizabeth Dennis.

There was no debate on the amendment.

Following a vote, the amendment was **CARRIED**.

As part of the debate on the substantive motion, the Chair summarised discussions and outlined that they had talked about training costs, and the need for further consultation on decisions.

Having been proposed and seconded and, following a vote, it was:

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