

Jim McMahon OBE MP

*Minister for Local Government,
Devolution and Regional Growth*
2 Marsham Street
London
SW1P 4DF

Enquiries to: Cllr Richard Millard

Email: Richard.millard@easthants.gov.uk

Date: 11th September 2026

Via email

PSJimMcMahon@communities.gov.uk

Dear Minister

Recovering the costs of the Hampshire and the Solent LGR decision withdrawal

Thank you for your letter of 7 September, setting out the withdrawal of the LGR decision for Hampshire and the Solent, and launching a full review of the LGR programme.

East Hampshire District Council (EHDC) has engaged positively, fully and constructively with the LGR process and all relevant partners since that decision was announced. This has included taking on leadership of key Hampshire-wide work and roles, providing a contribution far greater than the relatively modest size of our organisation.

In the spirit of wanting the best for our residents and businesses, this full-throttled engagement came despite our rigorously evidence-based joint proposal with Hampshire County Council not being taken forward, in that now withdrawn decision back in March. It also came despite our well-documented and serious concerns, variously expressed to your department and your predecessor, about the risks of the five-unitary proposals for Hampshire and the Solent. In the face of these legitimate concerns, and even after various legal challenges had commenced, the government continued to 'reassure' us that it was 'fully committed' to the decision and timetable for LGR in our area. It is now clear this commitment was ill-founded, and the decision should never have been made in the way it was.

In this context, it will be hardly surprising to hear, on behalf of residents, businesses and council staff, I must express my profound frustration at this latest U-turn, and request immediate clarity as to how EHDC can be compensated for lost resources, which could have been used instead to deliver real improvements for residents for our area.

It is absolutely unacceptable for East Hampshire's taxpayers to have to foot the bill for this eleventh-hour change of heart. If the government is willing to pay councils legal expenses arising from judicial review processes, the same principle must apply to other directly related work.

My officers have calculated that £295,000 has been spent over the last 18 months directly on resourcing and commissioning LGR work at EHDC. This substantial additional expenditure

does not include the reallocation of resource away from meeting the needs of residents, to meeting the whims of the Secretary of State. It is challenging to calculate the significant amount of existing staff time too – as highlighted above, EHDC has put a huge amount of officer time into leading various parts of Hampshire-wide work, which would put our actual resource used far beyond the figure above.

Taken together, all this means that our residents are owed significant recompense. I expect a prompt response setting out where claims should be sent to recover costs, and when these will be dealt with and paid.

To comply with statutory requirements, my officers will have to now urgently and completely revisit the already underway budget setting process. We therefore need to know as soon as possible how much we will be able to recover, and how much of our local taxpayers' money will be unfortunately written off.

The failure of government to realise the flaws in the LGR programme, that the option taken in Hampshire and the Solent was the worst for the area, and did not follow the government's own criteria, has resulted in loss of trust and avoidable costs. While it is positive this has finally been accepted and the decision withdrawn, refunding the cost of this chaotic mistake is now crucial in starting to fix this mess, and rebuild the fragile trust between government and local people.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'R. Millard', written in a cursive style.

Cllr Richard Millard
Leader of East Hampshire District Council