



## Chelmsford City Council Cabinet

11<sup>th</sup> March 2025

### Local Government Reorganisation – governance arrangements for response to MHCLG invitation

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Report by:  
Leader of the Council

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Officer Contact:  
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#### Purpose

To put in place the governance arrangements for the Council's response to the invitation from the Ministry for Housing, Communities and Local Government (MHCLG) in relation to local government reorganisation (LGR) within Essex, and to note the current position concerning Devolution and Local Government Reorganisation within Essex.

#### Recommendations

1. That Cabinet agrees that the Leader of the Council should respond to the invitation from MHCLG on behalf of the Council, taking into account any representations from others, in doing so.
2. That Cabinet further agrees that the Leader of the Council should take any appropriate executive actions that arise from local government reorganisation.

3. That the Leader will convene cross-party meetings as appropriate, to seek views from across the council, as the LGR process proceeds.
  4. To note the update in relation to Devolution and Local Government Reorganisation, including the proposal for a joint initial response to local government reorganisation from all Essex Leaders by the 21<sup>st</sup> March deadline. A copy of the Council's response will be published once this is available.
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## 1. Background

- 1.1. The White Paper on English Devolution was published on 16 December 2024 and proposes wide ranging changes to two separate issues relating to the framework of local government across England including a) devolution of powers from central government to strategic authorities and b) local government reorganisation in two tier areas to unitary authorities.
- 1.2. In relation to a) devolution. Essex County Council, Thurrock and Southend-on-Sea Unitary Councils submitted a joint proposal in January 2025 to join a Devolution Priority Programme. This proposal has been accepted and will see a new Strategic Authority established by May 2026 for 'Greater Essex' with the first election of a directly elected Mayor for this area in May 2026. As a result of the new proposed Strategic Authority, county elections, which were scheduled to take place in May 2025, have been postponed for one year.
- 1.3. In relation to b) local government reorganisation. The White Paper explains that Government expects all two-tier areas and smaller or failing unitaries to develop proposals for reorganisation. Those existing Councils are to be replaced with new unitary councils. By way of a letter dated 5<sup>th</sup> February 2025 all Leaders of Essex authorities were invited by the Minister of State for Local Government and English Devolution ("MHCLG") to work with other council leaders in the area to develop a proposal for local government reorganisation.

## 2. Next steps

- 2.1. An initial response is required from Essex authorities by 21<sup>st</sup> March 2025 and full proposals by 26<sup>th</sup> September 2025. The decision as to the new unitary arrangements for Essex will be determined by Government. This will include shadow arrangements which will start one year before the new unitary authority becomes operational, which happens on "vesting day". It is proposed that the new unitary authorities become fully operational in April

2028 with shadow arrangements starting in May 2027. Elections to the new unitary authorities would happen in May 2027.

- 2.2. Existing Councils continue to operate and retain responsibility for service delivery until “vesting day”. This is also the date when existing Councils are abolished, and all service delivery functions transfer to the new unitary Council.
- 2.3. Council leaders in Essex continue to work together to develop proposals for local government reorganisation and are considering a joint initial response to the invitation for local government reorganisation which must be submitted by 21<sup>st</sup> March 2025. Should an agreed response be available prior to Cabinet, a copy will be published at that point.

### 3. Conclusion

- 3.1 Due to the tight timetable for responses the Council has held internal sessions for its officers and members to discuss these proposals. The Council also welcomes feedback from other public sector bodies/partners and members of the public in relation to this subject and is planning to run a short campaign to gauge views from as many people as possible to help inform any decisions that need to be taken. Further updates will be provided as this matter progresses.

#### List of appendices:

Appendix 1 - MHCLG letter dated 5/2/25

Appendix 2 - LGR in Greater Essex Interim Plan 21/3/25

#### Background papers:

[White Paper](#)

[Corporate Implications](#)

Legal/Constitutional: Responding to the MHCLG letter on behalf of the Council is an executive matter which falls within the remit of Cabinet. There are also other executive actions that are likely to arise as a result of local government reorganisation (eg the setting up of Joint Committees for executive functions). Whilst the Leader of the Council has the legal power to take delegated decisions in relation to executive matters it has not been Chelmsford City Council’s practice for any individual Cabinet Members to take such decisions. Given the timeframes and nature of the matter for response it is recommended that in relation to local government reorganisation, the Leader of the Council does use this legal power.

Financial: Whilst there are significant financial considerations in relation to local government reorganisation, there are no financial implications that arise from the governance arrangements referred to in this report.

Potential impact on climate change and the environment: None.

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None.

Risk Management: None.

Equality and Diversity: None.

Health and Safety: None

Digital: None

Other: None

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**Consultees:**

S151 officer and Head of Paid Service

**Relevant Policies and Strategies:**

Constitution



# Ministry of Housing, Communities & Local Government

**Jim McMahon OBE MP**

*Minister of State for Local Government and  
English Devolution*  
2 Marsham Street  
London  
SW1P 4DF

Your reference:

Our reference:

To: Leaders of two-tier councils and  
unitary councils in Essex:

Basildon Borough Council	Harlow District Council
Braintree District Council	Maldon District Council
Brentwood Borough Council	Rochford District Council
Castle Point Borough Council	Tendring District Council
Chelmsford City Council	Uttlesford District Council
Colchester City Council	Southend-on-Sea City Council
Epping Forest District Council	Thurrock Council
Essex County Council	

5 February 2025

Dear Leaders

This Government has been clear on our vision for simpler, more sustainable, local government structures, alongside a transfer of power out of Westminster through devolution. We know that councils of all political stripes are in crisis after a decade of decline and instability. Indeed, a record number of councils asked the government for support this year to help them set their budgets.

This new government will not waste this opportunity to build empowered, simplified, resilient and sustainable local government for your area that will increase value for money for council taxpayers. Local leaders are central to our mission to deliver change for hard-working people in every corner of the country through our Plan for Change, and our councils are doing everything they can to stay afloat and provide for their communities day in, day out. The Government will work closely with you to deliver these aims to the most ambitious timeline.

I am writing to you now to formally invite you to work with other council leaders in your area to develop a proposal for local government reorganisation, and to set out further detail on the criteria, guidance for the development of proposals, and the timeline for this process. A formal invitation with guidance for the development of your proposals is attached at Annex A. This invitation sets out the criteria against which proposals will be assessed.

## **Developing proposals for reorganisation**

We expect there to be different views on the best structures for an area, and indeed there may be merits to a variety of approaches. Nevertheless, it is not in council taxpayers' interest to devote public funds and your valuable time and effort into the development of multiple proposals which unnecessarily fragment services, compete against one another, require lengthy implementation periods or which do not sufficiently address local interests and identities.

The public will rightly expect us to deliver on our shared responsibility to design and implement the best local government structures for efficient and high-quality public service delivery. We therefore expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.

This will mean making every effort to work together to develop and jointly submit one proposal for unitary local government across the whole of your area. The proposal that is developed for the whole of your area may be for one or more new unitary councils and should be complementary to devolution plans. It is open to you to explore options with neighbouring councils in addition to those included in this invitation, particularly where this helps those councils to address concerns about their sustainability or limitations arising from their size or boundaries or where you are working together across a wider geography within a strategic authority.

I understand there will be some cases when it is not possible for all councils in an area to jointly develop and submit a proposal, despite their best efforts. This will not be a barrier to progress, and the Government will consider any suitable proposals submitted by the relevant local authorities.

### **Supporting places through change**

It is essential that councils continue to deliver their business-as-usual services and duties, which remain unchanged until reorganisation is complete. This includes progress towards the Government's ambition of universal coverage of up-to-date local plans as quickly as possible. To support with capacity, I intend to provide some funds for preparing to take forward any proposal, and I will share further information later in the process.

Considering the efficiencies that are possible through reorganisation, we expect that areas will be able to meet transition costs over time from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

The default position is that assets and liabilities remain locally managed by councils, but we acknowledge that there are exceptional circumstances where there has been failure linked to capital practices. Where that is the case, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation, and Commissioners should be engaged in these discussions. We will continue to discuss the approach that is proposed with the area.

I welcome the partnership approach that is being taken across the sector to respond to the ambitious plans set out in the White Paper. My department will continue to work closely with the Local Government Association (LGA), the District Councils Network, the County Councils Network and other local government partners to plan how best to support councils through this process. We envisage that practical support will be needed to understand and address the key thematic issues that will arise through reorganisation, including managing service impacts and opportunities for the workforce, digital and IT systems, and leadership support.

**Timelines and next steps for interim plans and full proposals**

We ask for an interim plan to be submitted on or before 21 March 2025, in line with the guidance set out in the attached Annex. My officials will provide feedback on your plan to help support you to develop final proposals.

As your area has been successful in joining the Devolution Priority Programme, we will be working with you toward an election for the Mayor of the Strategic Authority in May 2026. To help manage these demands, I have decided to make legislation to postpone the local elections in your area from May 2025 to May 2026. My department will work with your area to take forward both devolution and reorganisation to the most ambitious timeline possible. Government will be consulting across your area in February and March on the benefits that devolution will bring, and to allow sufficient time for you to also carry out engagement necessary to develop robust and evidenced unitary proposals, I will expect any full proposal to be submitted **by 26 September**. If I decide to implement any proposal, and the necessary legislation is agreed by Parliament, we will work with you to move to elections to new 'shadow' unitary councils as soon as possible as is the usual arrangement in the process of local government reorganisation.

Following submission, I will consider any and all proposals carefully before taking decisions on how to proceed. My officials are available throughout to discuss how your reorganisation and devolution aspirations might work together and what support you think you might need to proceed.

This is a once in a generation opportunity to work together to put local government in your area on a more sustainable footing, creating simpler structures for your area that will deliver the services that local people and businesses need and deserve. As set out in the White Paper, my commitment is that clear leadership locally will be met with an active partner nationally.

I am copying this letter to council Chief Executives, and to Best Value Commissioners. I am also copying this letter to local Members of Parliament, and the Police Fire and Crime Commissioner.

Yours sincerely,



**JIM MCMAHON OBE MP**

Minister of State for Local Government and English Devolution

**LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007****INVITATION FOR PROPOSALS FOR A SINGLE TIER OF LOCAL GOVERNMENT**

The Secretary of State for Housing, Communities and Local Government, in exercise of his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act'), hereby invites any principal authority in the area of the county of Essex, to submit a proposal for a single tier of local government.

This may be one of the following types of proposal as set out in the 2007 Act:

- Type A – a single tier of local authority covering the whole of the county concerned
- Type B – a single tier of local authority covering an area that is currently a district, or two or more districts
- Type C – a single tier of local authority covering the whole of the county concerned, or one or more districts in the county; and one or more relevant adjoining areas
- Combined proposal – a proposal that consists of two or more Type B proposals, two or more Type C proposals, or one or more Type B proposals and one or more Type C proposals.

Proposals must be submitted in accordance with paragraphs 1 to 3:

1. Any proposal must be made by **26 September 2025**.
2. In responding to this invitation an authority must have regard to the guidance from the Secretary of State set out in the Schedule to this invitation, and to any further guidance on responding to this invitation received from the Secretary of State.
3. An authority responding to this invitation may either make its own proposal or make a proposal jointly with any of the other authorities invited to respond.

Signed on behalf of the Secretary of State for Housing, Communities and Local Government.



**F KIRWAN**

A senior civil servant in the Ministry of Housing, Communities and Local Government

5 February 2025



## SCHEDULE

### Guidance from the Secretary of State for proposals for unitary local government.

#### Criteria for unitary local government

- 1. A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.**
  - a) Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.
  - b) Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.
  - c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement.
  - d) Proposals should describe clearly the single tier local government structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.
  
- 2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.**
  - a) As a guiding principle, new councils should aim for a population of 500,000 or more.
  - b) There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.
  - c) Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.
  - d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.
  - e) For areas covering councils that are in Best Value intervention and/or in receipt of Exceptional Financial Support, proposals must additionally demonstrate how reorganisation may contribute to putting local government in the area as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable.
  - f) In general, as with previous restructures, there is no proposal for council debt to be addressed centrally or written off as part of reorganisation. For areas where there are exceptional circumstances where there has been failure linked to capital practices, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation.

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

- a) Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services.
- b) Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.
- c) Consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety.

**4. Proposals should show 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.**

- a) It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal.
- b) Proposals should consider issues of local identity and cultural and historic importance.
- c) Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.

**5. New unitary structures must support devolution arrangements.**

- a) Proposals will need to consider and set out for areas where there is already a Combined Authority (CA) or a Combined County Authority (CCA) established or a decision has been taken by Government to work with the area to establish one, how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA /Mayor.
- b) Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.
- c) Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.

**6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.**

- a) Proposals will need to explain plans to make sure that communities are engaged.
- b) Where there are already arrangements in place it should be explained how these will enable strong community engagement.

## **Developing proposals for unitary local government**

The following matters should be taken into account in formulating a proposal:

### **Boundary Changes**

- a) Existing district areas should be considered the building blocks for your proposals, but where there is a strong justification more complex boundary changes will be considered.
- b) There will need to be a strong public services and financial sustainability related justification for any proposals that involve boundary changes, or that affect wider public services, such as fire and rescue authorities, due to the likely additional costs and complexities of implementation.

### **Engagement and consultation on reorganisation**

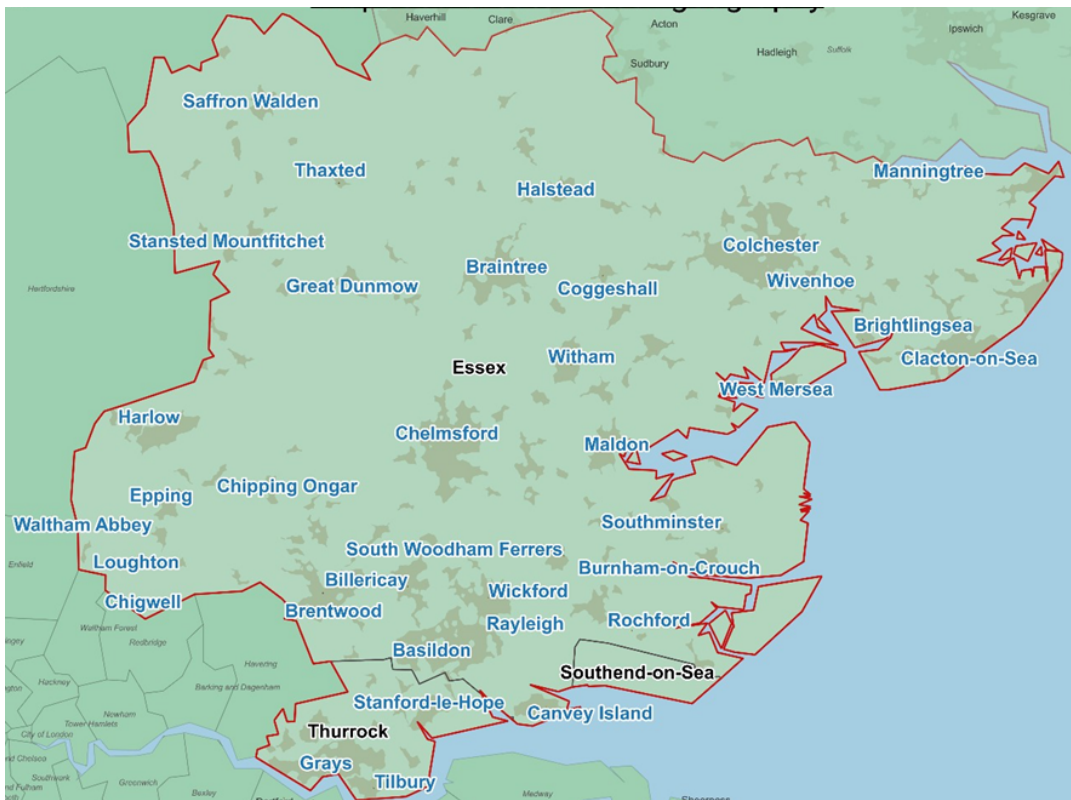
- a) We expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.
- b) For those areas where Commissioners have been appointed by the Secretary of State as part of the Best Value Intervention, their input will be important in the development of robust unitary proposals.
- c) We also expect local leaders to engage their Members of Parliament, and to ensure there is wide engagement with local partners and stakeholders, residents, workforce and their representatives, and businesses on a proposal.
- d) The engagement that is undertaken should both inform the development of robust proposals and should also build a shared understanding of the improvements you expect to deliver through reorganisation.
- e) The views of other public sector providers will be crucial to understanding the best way to structure local government in your area. This will include the relevant Mayor (if you already have one), Integrated Care Board, Police (Fire) and Crime Commissioner, Fire and Rescue Authority, local Higher Education and Further Education providers, National Park Authorities, and the voluntary and third sector.
- f) Once a proposal has been submitted it will be for the Government to decide on taking a proposal forward and to consult as required by statute. This will be a completely separate process to any consultation undertaken on mayoral devolution in an area, which will be undertaken in some areas early this year, in parallel with this invitation.

## Interim plans

An interim plan should be provided to Government on or before **21 March 2025**. This should set out your progress on developing proposals in line with the criteria and guidance. The level of detail that is possible at this stage may vary from place to place but the expectation is that one interim plan is jointly submitted by all councils in the area. It may be the case that the interim plan describes more than one potential proposal for your area, if there is more than one option under consideration. The interim plan should:

- a) identify any barriers or challenges where further clarity or support would be helpful.
- b) identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.
- c) include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.
- d) include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.
- e) include early views on how new structures will support devolution ambitions.
- f) include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.
- g) set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.
- h) set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area.

# Local Government Reorganisation in Greater Essex



## Interim Plan 21<sup>st</sup> March 2025



## Local Government Reorganisation in Essex, Southend-on-Sea and Thurrock: Interim Plan

21<sup>st</sup> March 2025

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This document sets out the progress made to date by Greater Essex's local authorities in developing proposals for local government reorganisation within the area.

It has been developed by councils working collaboratively, both to explore new unitary structures, and the working arrangements required to enable the development of full reorganisation proposals, in the interests of local residents.

The content of this document has been agreed by:

<i>Cllr Gavin Callaghan</i>	<i>Basildon Council</i>
<i>Cllr Graham Butland</i>	<i>Braintree District Council</i>
<i>Cllr Barry Aspinell</i>	<i>Brentwood Borough Council</i>
<i>Cllr Dave Blackwell</i>	<i>Castle Point Borough Council</i>
<i>Cllr Stephen Robinson</i>	<i>Chelmsford City Council</i>
<i>Cllr David King</i>	<i>Colchester City Council</i>
<i>Cllr Chris Whitbread</i>	<i>Epping Forest District Council</i>
<i>Cllr Kevin Bentley</i>	<i>Essex County Council</i>
<i>Cllr Dan Swords</i>	<i>Harlow Council</i>
<i>Cllr Richard Siddall</i>	<i>Maldon District Council</i>
<i>Cllr James Newport</i>	<i>Rochford District Council</i>
<i>Cllr Daniel Cowan</i>	<i>Southend-on-Sea City Council</i>
<i>Cllr Mark Stephenson</i>	<i>Tendring District Council</i>
<i>Cllr John Kent</i>	<i>Thurrock Council</i>
<i>Cllr Petrina Lees</i>	<i>Uttlesford District Council</i>
<i>Roger Hirst</i>	<i>Police, Fire &amp; Crime Commissioner for Essex</i>

## **Greater Essex Overview**

Our ambition is to build the strongest system of local government in the country.

Just evolving our current ways of working will not be equal to the challenges we face. That is why collectively we have agreed that Greater Essex's residents and businesses are best served by radically simplifying our current structures.

Our aim is to build empowered, simple, resilient and sustainable local government for the long-term. A firm platform that takes advantage of new opportunities to ensure our residents, businesses and communities are flourishing well into the second half of the century.

Greater Essex is full of opportunity with the potential to be the UK's fastest growing economy outside London and an economic powerhouse for the UK as a whole. We enjoy significant economic assets through our international airports, Freeports, and corridors. We have some of the best schools and HE institutions in the country. We are shaping the long-term future of our places through ambitious new Garden Communities. And we are working closely with some of the country's most creative businesses to further innovate and grow our £50bn economy.

We also face big challenges. We have pockets of deprivation that frustrate people's life chances; low levels of productivity in parts of our economy; health inequalities; issues associated with coastal communities; significant climate impacts that require urgent action now and into the future; and strained infrastructure across our villages, towns and cities. Although we have some of the best public services in the country, we are concerned about our ability to sustain them given the very considerable challenges that all public services face.

That is why we have embraced the opportunity that local government reorganisation, alongside devolution, brings. We have a unique opportunity in Greater Essex to create in the Mayoral Combined County Authority the strategic engine for growth across our region – battling for Essex at a national and international level - whilst at the same time building new structures of local government that benefit from the best we have to bring.

In doing this work, we are united by two things: firstly, our commitment to the places that we represent in all of their diversity and difference; and secondly by our optimism and belief that local government (along with public sector partners) has a key role to play in enabling all our residents to fulfil their potential. We are looking forwards not back. We want to build a future that we can all be proud of and most importantly that gives our people and places the opportunities they deserve.

## **The structure of this submission**

This submission of our Interim Plan follows the criteria set out in the Minister of State's letter of 5<sup>th</sup> February. The structure of our submission is as follows:

Section 1 – working together to develop proposals for reorganisation. We wanted to start our submission by setting out how we have worked together to develop our proposals – building on a history of close working and a concerted effort to undertake this work in collaboration for the good of our residents. (criterion H).

Section 2 - working with others to develop and refine our proposals. This section sets out our approach to working with wider system partners. It includes our understanding of current views and our approach to taking forward further engagement to shape our proposals as we develop the thinking. (criterion F).

Section 3 – emerging concepts for reorganisation. This section sets out the initial thinking of leaders in respect of potential unitary configurations. It recognises that leaders have established an 'in principle' starting position to be tested against other possible configurations in the light of a strengthening evidence base. We recognise that we must be led by the evidence. (criteria B, C, D).

Section 4 – shaping LGR to support our devolution ambitions. This section sets out our thinking on the relationship between LGR and our wider devolution ambitions. We see the two as helpfully linked, providing an opportunity to maximise the benefits of the scale and focus of the GECCA whilst at the same time optimising local government structures to ensure the effective and efficient delivery of vital services. (criterion E)

Section 5 – the costs of mobilising change. We do not underestimate the costs of mobilising for the most complex change programme in the history of modern local government. In this section we set out our best estimate of the likely costs of mobilising for that change and we seek government's support to cover those costs. (criterion G).

Section 6 – support from government. We wanted to finish our submission by setting out twelve areas where we consider support from government to be vital. In our view success will depend on the quality of our joint working – not just locally but with central government. We are keen to build on the good relationships that we have established with you to date. (criterion A).



## 1. Working together to develop proposals for reorganisation (criteria H)

Local government in Greater Essex is one of most complex operating environments in the UK. We are twelve District, City and Borough councils, two Unitary Councils and the County Council and we do not have coterminous boundaries with health. The complexity of our system not only makes partnership working more challenging, it also forms part of our case for change. Despite these challenges, we have an excellent track record of strong collaboration and effective partnership working over many years. This has included being the first area in the country to have a Police, Fire and Crime Commissioner.

The development of our Local Government Reorganisation (LGR) proposals is being led by Essex's local authority leaders, though Greater Essex's Leaders and Chief Executives' Forum (which includes the Police Fire & Crime Commissioner).

We are committed to taking forward our joint work within the context of the Nolan principles—ensuring honesty, respect, integrity, accountability, openness, objectivity, and selflessness and have begun work on our vision for change.

In early February, we agreed our initial business case development and informal governance arrangements, to ensure we are in the best position to develop our case for change. We have established four working groups of political leaders and chief officers to respond to the invitation from the Minister and to ensure that we marshal the evidence to support our business case collaboratively.

Our working groups are focused on:

- 1) **Scale and Value for Money**, to ensure that our new structures are capable of delivering great services and securing good outcomes at best value to tax payers.
- 2) **Quality public services**, to ensure that as we engage in the complex disaggregation and aggregation of sensitive service systems we do so without compromising our ability to serve our residents effectively and maximise the opportunities to accelerate our transformation ambitions.
- 3) **Identity and Community**, to ensure that our new councils continue to reflect the identities and communities of our residents to support their sense of control, agency and trust in local government.
- 4) **Supporting Devolution**, to ensure that the new arrangements we put in place dovetail with the new Greater Essex Combined County Authority (GECCA) and enable us to capture the benefits of undertaking both of these fundamental change activities simultaneously.

And our working groups have already started to map out the type of insight and evidence we will need to manage the disaggregation/aggregation of key budgets; mitigate risk, particularly across social care and education, and maintain service quality. We have already started to explore the role of local councillors as the key conduit for community engagement and leadership for residents in their places; as well as how best to ensure future structures support local identities.

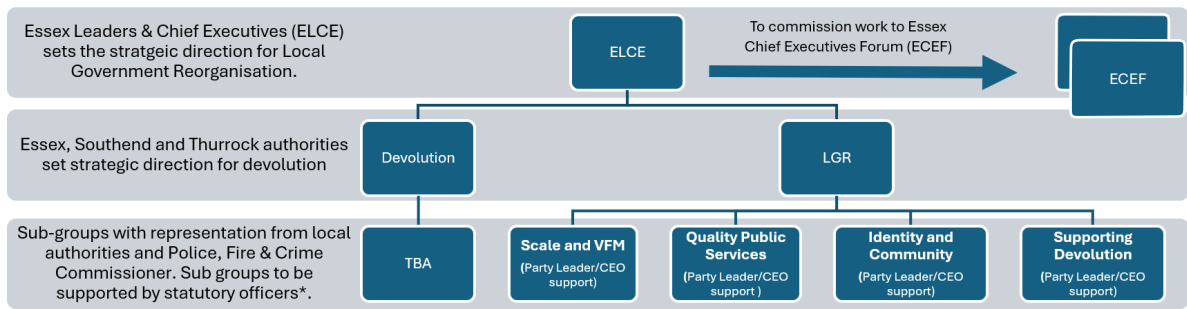


Figure 1 – Governance for Devolution and LGR in Greater Essex.

As Leaders we recognise that there is more extensive and detailed work we will need to undertake between now, the September submission of the full business case, and preparing for and transitioning into new Councils. Our indicative timeline and high-level milestones through to April 2028 are set out below.

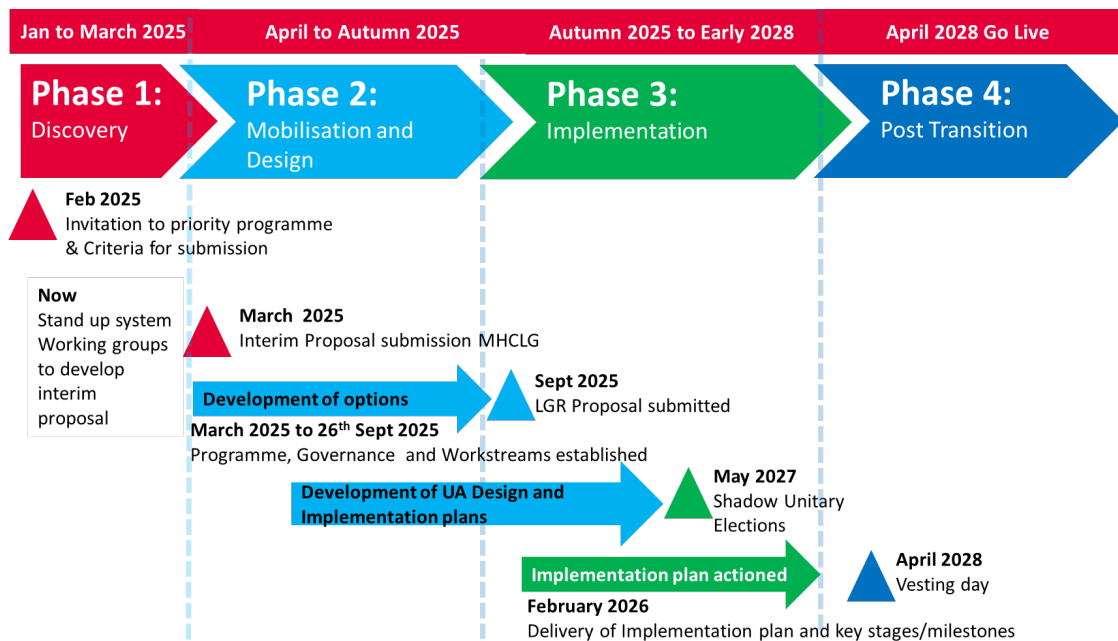


Figure 2 – Key Phases of the Greater Essex LGR programme.

## 2. Working with others to develop and refine proposals (criteria F)

In addition to the work being led by Council leaders, engagement has been taking place with other partners across the Greater Essex system - including senior business leaders from across the county through the Greater Essex Business Board, the Chairs and CEOs of the three integrated Health and Care Partnerships (ICPs), our local MPs and the Essex Association of Local Councils which represents the Town and Parish Council sector. In particular:

- The OPFCC, Essex Police, Essex Fire and Rescue Service – the Police, Fire and Crime Commissioner, the Chief Constable, the Chief Fire Officer, and the Chief Executive of the Office of the Police, Fire and Crime Commissioner and Thurrock Commissioners are all directly involved in the work of Essex Leaders and Chief Executives (ELCE) as full partners and are fully contributing to the discussions and emerging workstreams on LGR.
- ICBs – dialogue with our three Integrated Care Board (ICB) Chairs and their respective chief officers about reorganisation has commenced through the Chairs of our Health & Wellbeing Boards and statutory lead officers. This initial engagement is the start of the dialogue we want to have to ensure we maximise the opportunity of these changes, recognising the close relationship that exists between the health sector and many of our services – including social care, schools, education, SEND, housing, planning, policing and public health. Through this process, we want to ensure that new service models embrace the most effective ways of working for our residents and at the same time we are supporting health partners as they consider the implications of these changes for their long-term strategic planning and the NHS 10-Year Plan.
- Business – we have close and ongoing strong relationships with our businesses at all levels of our system and in all of the authorities across Greater Essex, including through our Greater Essex Business Board and Business Crime Forum. The Board met on the 7<sup>th</sup> February for a detailed briefing and Q&A session and agreed to further engage their industry groupings and networks on both devolution and LGR. The Chair of GEGB, and the Essex Chamber of Commerce have both issued statements in support of devolution and the simplification of local government structures. And we are working closely with the Chamber, the IOD, the Federation of Small Businesses, and our key businesses as we develop the thinking on devolution and LGR further.
- Universities – we have strong relationships with our Universities and engage in regular dialogue with both Essex University and Anglia Ruskin and are confident that they recognise the opportunities that both LGR and devolution bring to strengthen existing relationships and further exploit the linkage between HE and the future potential of our economy.
- MPs – we have been talking to our MPs throughout the development of our thinking on LGR and devolution. We met with some of our MPs on 26<sup>th</sup> February at Westminster. This dialogue will continue throughout the process.

In addition to the above, we have also arranged webinar sessions open to all councillors across Greater Essex to learn more about both Devolution and LGR and we will shortly be arranging more in depth briefings for key decision makers to build understanding of our key service systems – including social care and housing.

We will continue to work closely with our wider public sector partners, including the VCS, to refine our proposal, ahead of its final submission in September. And we will be stepping up the

communication with residents that has already started, so they understand the implications of the potential changes and continue to have an opportunity to feed in their views.

We anticipate a staged approach to these communications, reflecting the stages of delivery of LGR (see Figure 2) – a discovery/preparatory stage, a mobilisation/design stage, an implementation stage and a post transition stage. A different implementation plan will be developed, delivered and evaluated for each stage, which will be informed by insights and reflect commonly agreed key messages.

A full engagement plan is in development.

### 3. Emerging concepts for reorganisation (criteria B, C, D)

Greater Essex is working hard to identify the best possible configurations to deliver excellent services for our residents. The preference for different configurations will be based on the understanding of our local areas and the differing opportunities and demands for those areas.

Work jointly commissioned by all leaders and carried out by Grant Thornton, identified sixteen potential options for new unitary structures across Greater Essex, prior to the application of criteria or detailed assessment.

Based on that, our early discussions emphasised the need for local government to reflect a **sense of place**; for it to enable residents to reach and engage with their elected councillors; and for it to enhance councils' ability to collaborate effectively with local organisations to improve services and outcomes.

Through the development of this business case, Greater Essex leaders will explore the options for unitary configurations. And all councils will continue to work collaboratively on single evidence base and set of discussions to help us establish – against the published criteria – the optimal model for Greater Essex moving forward.

A majority (10 out of 15) of Essex's council leaders have taken an in-principle decision that five new unitaries is the right model for Essex's future local governance and retaining a sense of local place and communities, whilst acknowledging that the minority of other leaders do not yet have a settled preference.

Work at this 'initial proposals' stage leaves options other than the majority-preferred five unitaries open whilst further analysis is done, and by the September deadline we will advance either one single consensus proposal or a small number of alternative options for Government to choose between. Some councils, including the County Council, Thurrock, Harlow, Epping Forest and Braintree are unable to commit at this juncture to any one option pending the analysis which is now underway.

All councils support the need for a robust evidence base, in accordance with the Government's criteria in order to help them decide how many unitary authorities are appropriate for Greater Essex. The evidence as to the best configuration is multi-dimensional, including:

- Financial sustainability
- Socio-demographics
- Geography (coastal, urban and rural)
- Economic corridors
- Travel corridors, such as work / home routes
- Communities and community clusters

The assessment of evidence and options appraisal will involve: evaluating the long-term financial sustainability of future councils; harmonisation and disaggregation of services, including statutory and regulated services; assessing the evidence of their ability to deliver high-quality, proactive, preventative and outcome focused public services, along with services to a changing and ageing population; the treatment of non-asset backed debt; and the financial

implications of implementing change across Greater Essex's local government and wider public service system as a whole.

A five-unitary model in Greater Essex would broadly lead to the creation of five new council areas with populations in the region of c320,000 to 500,000. We estimate that, for example on this scenario, each Council would have 60-90 members, reducing by hundreds the number of councillors in Greater Essex compared to current structures. A three unitary model would have unitaries in most models that are in excess of 500,000; and a four unitary model would have populations in the range 325,000 – 500,000.

In developing and assessing options for future unitary councils, and their respective geographies, we are therefore doing more work on the following areas, building off a set of collective discussions that all leaders and chief executives held during February:

- financial analysis on the sustainability of individual councils, and the local government system in Greater Essex. This takes into account the work jointly commissioned with Grant Thornton (GT) to work with all authorities to understand the financial underpinnings of specific unitary configurations. Our work with GT continues. In addition we expect to make use of PwC modelling to understand the sustainability of unitary models as and when that work becomes available, as well as CIPFA reports on key financial resilience metrics. Much of this work is being led by the cross-system group of Essex Finance Officers who are exploring in addition: the costs of the disaggregation/aggregation of services; council tax harmonisation; reserves; debt; contracts; systems; and staffing.
- In addition to the ongoing sustainability models for new councils we are also trying to understand the one-off costs of making these changes. Based on PWC's report "Evaluating the importance of scale in proposals for local government reorganisation" (2020); EY's report "Independent Analysis of Governance Scenarios and Public Service Reform in County Areas" (2016); and LGR business cases from Cumbria, North Yorkshire, Somerset, Buckinghamshire and Warwickshire – we will wish to do further work on this on the basis of emerging evidence ahead of full business case submission. These costs are driven by: the costs of disaggregation of contracts and services; staffing rationalisation; external communication and branding; transition / design / implementation support; programme management; legal and commercial; ICT; shadowing; public consultation; and closedown costs. We will of course firm up these estimates as we develop the full business case, however, in the current context of significant financial pressures on local government, we expect any route to fund these costs from across Greater Essex to have a material impact on the future sustainability of the new unitaries.
- the impact on critical public services. This includes the extent to which highly redistributive services such as adults and children's social care, can be sustained in different geographical configurations and avoid unnecessary fragmentation. Some of our adult's and children's services authorities are already working with Newton Europe to understand the implications of different models for the sustainability of social care services and we will use that information to support discussions not only on optimum configurations but also on operating models that might help us address some of the distortion in the system that new unitaries will have to deal with. We also see the opportunities to tackle housing issues more effectively by preventing homelessness,

bringing upper and lower tier services together and increasing social housing delivery. As well as exploring service levels and operational challenges, we will build early intervention and prevention into our new service models and use this opportunity to accelerate the approach to integration and public service transformation.

- full analysis of the number of councillors required by new unitary authorities to provide appropriate representation of the populations they serve, effectively develop and govern the policy and functions of these councils, provide strategic leadership, engage effectively with partners and with their local communities. This will build on recent electoral review work which has established up-to-date electoral boundaries based on robust population forecasts.
- analysis of elective and effective communities and residents' sense of place. This is regarded as highly material to many of us and we recognise the need to do more work on this and to pool the information that we currently hold – including work that some partners have done on community governance. Community identities are often very local and underpin residents' sense of agency and control. To support our understanding of what is important in this area we are going to review collectively existing sources of data on local travel to work patterns; housing market areas; migration patterns and retail catchments to better understand functional geographies at the local level. We will also need to undertake new engagement and research with communities to understand their feelings of identity and their views on emerging proposals. Finally, we will learn from good practice across the UK in building community empowerment through parish and town councils, the VCS and new structures to ensure residents and elected Members shape decisions affecting local communities and to strengthen the identity of our places including the three cities – for whom it is vital that we retain city status to support civic pride, economic prosperity, growth and a sense of place.
- the extent to which potential new unitary structures will support devolution and enable a Mayoral Combined Authority to succeed. This is covered in the next section. This has formed a key part of discussions between leaders and chief executives, and we see it as a significant benefit of doing LGR at the same time as devolution.

All authorities recognise that, however complex this change, we are not the first to go through it. We are therefore committed to working with the LGA and other sector leaders to support joint learning and to working with colleagues across Greater Essex to share opportunities to build our collective understanding of our own service systems and the experience of others who have been through this process. We see this as a key means of building not just shared understanding but also the spirit of collaboration.

#### 4. Shaping LGR to support our devolution ambitions (criteria E)

The opportunity to consider LGR and devolution in parallel is a chance to fundamentally rethink the local state. Our aim is to derive the maximum benefit from a strategic institution focused on driving the economy of Greater Essex and securing growth, underpinned by local government organisations with the scale and agility to both deliver efficient critical services and to respond to community need and resilience, such as the Resilience Forum.

We are keen as we progress the design of both the GECCA and the new unitaries to make the most of the strategic capacity and capability that the new Mayoral institution can bring, alongside ambitious local authorities. There would be two years of having a GECCA before UAs formally exist and so consideration will be given as to how Districts are represented on the CCA.

As well as the core focus on growth, there are four areas we are keen to explore in more detail as we design the new institution.

- Place – the new Mayoral Combined County Authority will strengthen the ability of Greater Essex to focus on place-shaping and making. Not just the future prosperity of our residents and communities but their well-being today and sense of agency and capacity depend on our ability collectively to shape the places where people live. This is not always easy in a two tier system of local government with fragmented responsibilities and the lack of a strategic tier of government. The MCCA will have the tools to effect change at scale in a meaningful way and in the areas that will have the most impact on people’s future prospects – their ability to access the skills they need for good jobs; our ability to attract employers into Greater Essex to provide those jobs; an effective transport network to enable people to access jobs and a housing and planning system that creates the space for businesses and communities to grow.
- Prevention – the think tank Demos has characterised local authorities as fire-fighting. We don’t necessarily think of ourselves like that, but it is certainly the case that public services are under stress and subject to large and growing demands. We see the GECCA as playing an important role in working with local government in Greater Essex to support a stronger approach to prevention, bring partners together to deliver public service reform. That is partly because a flourishing economy and good jobs is the best line of defence against demand on public services; but also because the GECCA will not be immediately confronted with the pressure of transforming services and will inject into the local government system the strategic capacity to work across public services in the region to strengthen the approach to prevention that we all support.
- PFCC – Greater Essex was the first place in the country to have a PFCC; and the PFCC strengthens the impetus for devolution by demonstrating the power that a directly elected, locally accountable, politician brings in the service of outcomes that matter to people. We are very mindful of the need to ensure the smooth transfer of the PFCC responsibilities to the Mayor and also that the Fire and Rescue Authority and the Office of the PFCC provide a backbone as the only Greater Essex institutions that will transfer in. It will be the decision of the Mayor, elected in May 2026, as to when the PFCC powers transfer to the Mayoralty, and so we would do the necessary work to prepare for this - unless the secondary legislation sets out an alternative timetable.
- Potential/strategic capabilities – finally, the establishment of an institution at the Greater Essex level potentially provides an opportunity for all new unitary councils to



draw on capacity that doesn't need to be replicated in each new authority. We haven't yet had the detailed discussions that will enable us to understand exactly what this looks like – but in the service of a more efficient local state we are confident that there will be opportunities for each new unitary to benefit from stronger strategic capabilities than might be possible if each had to develop its own. We will be taking forward these conversations through the design of the new MCCA and in consideration of the operating models for the new unitaries.

Beyond this, we are excited about the further opportunities that will come once the MCCA achieves 'Established' status and is able to access a multi-year integrated funding settlement and further powers and responsibilities devolved from government.

## **5. The costs of mobilising change (criteria G)**

We have completed very high level modelling of estimated project costs associated with preparing proposals for September submission, allowing for research and modelling, stakeholder engagement, project management and expertise, legal and governance and capacity to maintain service continuity. The estimated costs range between £5m and £7.5m, this reflects up to £2.5m for Essex County Council, up to £1m each for Southend & Thurrock Councils and collectively up to £3m across all 12 districts – recognising that much of the work will be across all authorities.

We are developing our estimates of potential costs of standing up an implementation team to deliver the proposed models, based on experience of others, and as per section three. We recognise that these costs will not be insignificant in accordance with the experience of others.

This needs to allow for any configuration of unitaries to reflect potential workforce costs (redundancy and pension allowances), systems alignment, contract changes, estates and facilities, legal, professional and specialist support, communications, branding and training costs. We will consider payback periods as part of the evidence base as we move forwards and the potential benefits.

We can offer absolute assurance that any funding provided by government across the Greater Essex area will be appropriately prioritised and governed transparently across all partners. We have a strong track record in this respect, for example through managing numerous covid support funding streams collectively and effectively across the area. Our programme management structure will ensure that this is overseen appropriately.

## 6. Support from government (criteria A)

We wanted to conclude our submission by setting out the support that we consider it would be most helpful to receive from government.

There are eleven areas where we are seeking support:

- i. Direct Ministerial engagement with Leaders – we are grateful for the engagement we have had to date with the Department. As we go through this process we are seeking ongoing Ministerial engagement with Leaders so that we can hold the discussions we need to have directly with the key decision makers and we enjoy a level of confidence that the substantial resources we are deploying to drive this work at pace are pointed in the right direction.
- ii. Audit and due diligence risk management - there is an inherently high risk in a system with fifteen bodies, that the process of due diligence through to vesting day, will result in unexpected financial pressures. This risk is amplified by failures in the audit system resulting in both a significant backlog of audits within the Essex system and a very high number of disclaimed opinions. It will inevitably be the case that this leads to additional due diligence costs through implementation.
- iii. Capacity funding support – the government is well aware that the costs of undertaking the preparatory work to support local government reorganisation in a place as complex as Essex are considerable. We estimate the costs across the system to be between £5m to £7.5m and we are seeking support from government to fully fund those costs. They come on top of existing service pressures and are likely an understatement of the true costs of undertaking this work as no account has been factored in for the leadership time and other opportunity costs we are absorbing.
- iv. Clarity about the application of criteria – including the population threshold - and our direction of travel – we are committed to working within the parameters of the government’s guidance and as far as possible agreeing a single submission from all councils across Greater Essex. It is not straightforward to achieve that as we have different starting positions and different experiences and levels of knowledge of the service pressures that we face. To enable us to develop a single proposition, the clearer the government’s steer with regard to our emerging thinking the better. What none of us want to do is spend time working on a business case that the government then rules out because it doesn’t meet the baseline criteria.
- v. Speed of decision making – we are asked to work at pace across a complex geography. We believe it is in our interests to do so. However, we ask that the government also commits to operate at pace and makes decisions and provides feedback to a timeframe that enables us to progress our work as efficiently as possible.
- vi. Access to, and facilitation of discussions with other government departments – it is important when we consider the operating models for our key service systems that we have a direct line of communication to key departments – particularly DfE, DHSC, Probation and the Home Office so that we can test our thinking directly with

government. Although we have our own contacts with these departments it would be helpful if you could facilitate streamlined and joined-up access to the right people who may also be advising other authorities on the DPP.

- vii. Parameters of discussions on public sector boundaries – it will be helpful for us to understand across LGR and devolution the extent of the government’s appetite to explore the rationalisation of boundaries with other public services, what the government’s longer-term ambitions might be with regard to aligning boundaries and whether we should factor that in to our thinking with regard to either our new council structures or how we think about the operating model for GECCA.
- viii. Inspection Furlough – we are seeking the suspension of regulatory inspection in our core services where those services have been inspected in the last eighteen months and no significant issues have been identified. This is a temporary suspension to enable those services to focus on the formulation of proposals and operating models for the new unitaries whilst continuing to deliver the services our residents deserve. To overlay additional inspection activity on top of these existing and new commitments will undermine our ability to provide the focus that LGR demands. This request does not extend to the audit of accounts where we consider additional support from government would be helpful to ensure that that is done in a timely manner to provide all partners with confidence about the reliability of core financial data.
- ix. We understand the position that the government has taken on the treatment of debt in its general guidance. How this is addressed is important for every council, particularly for Thurrock, thus ensuring the financial resilience of new unitary councils and that they are not unfairly burdened by legacy debt. We want to be able to continue to discuss the art of the possible with respect to levels of indebtedness and the impact the treatment of debt might have on final options. This should include consideration of tax rises over the period to 31st March 2028, supporting the equalisation of Council Tax.
- x. Temporary protection from any negative impacts of the Government’s proposed funding reforms. During this transition period our ability to transform to accommodate negative financial adjustments arising from any new distribution methodology will be severely limited. We therefore seek any reductions to be disapplied during the periods of transition to provide a stable funding base. We would additionally welcome early engagement on the amount of the Government Grant funding that each council would receive on day one to assist with early financial planning.
- xi. To support our ability to collaborate effectively and to seek guidance as we progress with what is a very complex reorganisation, we suggest it would be helpful to have a senior civil servant directly involved in the discussions that we are having as a system. That is not just someone who will respond to questions, but someone who is part of the dialogue and can share, ‘without prejudice’, the government’s view in real time to inform our work.

## **Conclusion**

This is a once in a lifetime opportunity for local government, working with partners, to build the stable and resilient local government structures that will best meet the needs of our communities now and into the future. We believe that we are on that journey of change and look forward to working with Government to ensure the future model of unitary government in Essex delivers cohesion and accountability; enhances economic opportunity; and provides the firm and long-term foundations for the support our residents and communities need.