

Committee: Extraordinary Council

Date: Wednesday,
19 March 2025

Title: Submission of Initial Proposals to Government
on Local Government Reform

**Report
Author:** Peter Holt, Chief Executive
pholt@uttlesford.gov.uk

**Portfolio
Holder:** Councillor Petrina Lees, Leader of the Council

Summary

1. This report invites full Council to agree that the Leader of the Council should agree to sign the Submission of Initial Proposals to Government on Local Government Reform (attached as Appendix A) which has been drafted between the leaders of Essex's 12 districts, one county council, and two current unitary councils, supported by officers.
2. This report teases out what agreeing to submission of this set of Initial Proposals does and does not mean in practice, and what therefore the real world impact would be if Members decided to either approve or alternatively reject having the Leader sign this joint submission.

Recommendations

3. That full Council agrees that the Leader of the Council should add her name to this submission of Initial Proposals on Local Government Reform to send to Government by their 21st March deadline, as per Appendix A.

Financial Implications

4. Local Government Reform – abolishing Uttlesford District Council and the other 14 current authorities, and replacing them with a smaller number (precise number to be decided, likely between two and five) of new unitary councils will have massive cost, around shutting down the existing authorities, staff redundancies (and associated pension) costs, unifying systems, ending contracts, branding, and very, very substantial professional fees and other project costs.
5. An initial estimate has been made of the costs of the phase between this initial submission deadline of 21st March and the final submission deadline (ie a detailed business case for each of the new proposed authorities) by 26th September at between £5 million and £7.5 million – with the proposed split of those costs (at the higher £7.5 million end) being £2.5 million to be carried by Essex County Council, £1 million each by Thurrock and Southend councils (the two current unitaries) and the remaining £3 million across the 12 districts – ie £250,000 for Uttlesford. This £250,000 can be found from within existing

resources Members agreed just last month in the budget, in which a total of £2.75 million reserves were identified for LGR costs.

6. A further initial estimate for the costs of actual set up of the new authorities, between September 2025 and April 2028 is not yet available. An initial estimate was produced, but was rejected by various council leaders as requiring substantially more work before being sufficiently credible as to publish.
7. It is important to recognise however that Uttlesford District Council challenged these initial estimate costs in the strongest possible terms, with the Leader indicating that she would not support such a vast expenditure of tax payers' money on structural reorganisation and associated costs. Whilst these overall costs therefore remain very much to be considered, analysed, and actively controlled downwards, there will be some inevitability that the overall costs of transition will run for the whole of the county into the tens of millions of pounds – with recent examples of costs of other LGR processes (on a smaller scale) elsewhere in England over recent years being reported as c£80m for Somerset; £40m for North Yorkshire; and £40 million for Cumbria.

Background Papers

8. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.
 - The December 2024 Government [White Paper on English Devolution](#)
 - The draft submission informally negotiated between the 15 councils (Appendix A).
 - The Ministerial Letter inviting submissions by 21st March (Appendix B), including high level criteria for what is expected in this initial submission and how it will therefore be adjudged.

Impact

9.

Communication/Consultation	These council abolitions and creations would require extensive public consultation in due course. There is no opportunity for meaningful public consultation between the invitation to make an initial submission and the submission deadline the following month.
Community Safety	-
Equalities	-
Health and Safety	-

Human Rights/Legal Implications	The LGR process would involve future enabling legislation to go before Parliament in due course to formally establish new and abolish existing councils.
Sustainability	-
Ward-specific impacts	-
Workforce/Workplace	The changes would lead to substantial changes affecting all council staff, including a change of employer, likely new terms and conditions in a new unitary council, and some redundancies, especially amongst senior staff.

Situation

10. The proposed submission Members are being asked to buy into [Appendix A] in many respects takes 17 pages to say 'We collectively express an interest, and will work up more details by the September deadline'.
11. This document being submitted to Government – with or without Uttlesford putting its Leader's name to it – doesn't formally commit anyone to going through with this process, but it does create substantial momentum in that direction. It is also a reality that the decision on whether to press ahead with LGR and if so, on which new model (e.g. five new authorities instead of a smaller number) is a matter for Government, and is not something on which Uttlesford or any other Essex local authority has a veto or an opt-out.
12. Various of the 14 other Essex authorities are taking this sign up approval through their own governance processes ahead of Uttlesford's full Council meeting on the 19th March, others on the 19th March, and others right up to the 21st March deadline. A short verbal report will be presented to Councillors on the evening of 19th March as to which other Councils have already either approved or rejected the submission.
13. If in September – as seems most likely – competing detailed submissions are made to Government (e.g. the majority supporting five new unitaries, as is the current situation, with a smaller minority potentially supporting a smaller number of larger new unitaries), it will be for Government to choose what it considers the best model for progression.
14. The impact of Members choosing to put the Leader's name to this initial submission is that it keeps Uttlesford influentially round the table in discussions to September. Should Members choose to not add Uttlesford to the list of Councils supporting this submission it would not stop the submission going ahead and it would make Uttlesford substantially less influential over the next six months, which in turn will have an impact lasting decades in the delivery of public services.

15. In reality, Members face a take-it-or-leave-it decision in either supporting this initial proposal or not – ie it cannot sensibly be amended by the 15 individual authorities without those authorities who had already approved the draft then not having formal governance consent from their authorities to sign up to amendments later proposed by other councils.
16. If there are additional or alternative points or positions that Members want to take, then this would need to be in a separate letter to Government, though Members are advised that such fragmentation would also substantially potentially diminish Uttlesford's ongoing influence, as the Government has made it crystal clear that it wants one consensus submission from all 15 Essex authorities at this stage (ie the 21st March deadline).
17. It is also important to note the 'asks of Government' section of the initial submission.
18. Officer advice is that Local Government Reform for Essex is inevitable – it is supported as strongly by the current Labour Government as it was by the previous Conservative Government – and that it is better for the residents of Uttlesford that the authority remains influential in the shaping and direction of this process by signing up to the initial submission than by rejecting it, and moving to the sidelines.
19. Officer advice further underlines that the emerging cross-party Uttlesford position of preferring five smaller new unitaries for Essex (such as per the attached diagram, and as already discussed at the extraordinary January Council meeting) will be substantially enhanced by Uttlesford remaining an active part of these discussions, ie by agreeing to sign up tonight to the initial submission. Uttlesford is one of the substantial majority (ten out of fifteen Essex authorities) whose Leaders have already voted to support five new unitaries over four, three or two much larger new councils.



Risk Analysis

20.

Risk	Likelihood	Impact	Mitigating actions
Risk that Uttlesford does not use the opportunity to influence (but not control) the development of LGR proposals	3 significant	4 major	Consideration of this report, and future focused actions to exercise such influence.
Risk that Uttlesford councillors' policy priorities for improving outcomes for residents are distracted and diminished by the unavoidable workload associated with merging into a new unitary council, should that be decided by Parliament	3 significant	4 major	Consideration of this report, and future focused actions to prioritise local policy imperatives alongside the work of moving to a new unitary council and winding up the current council.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.