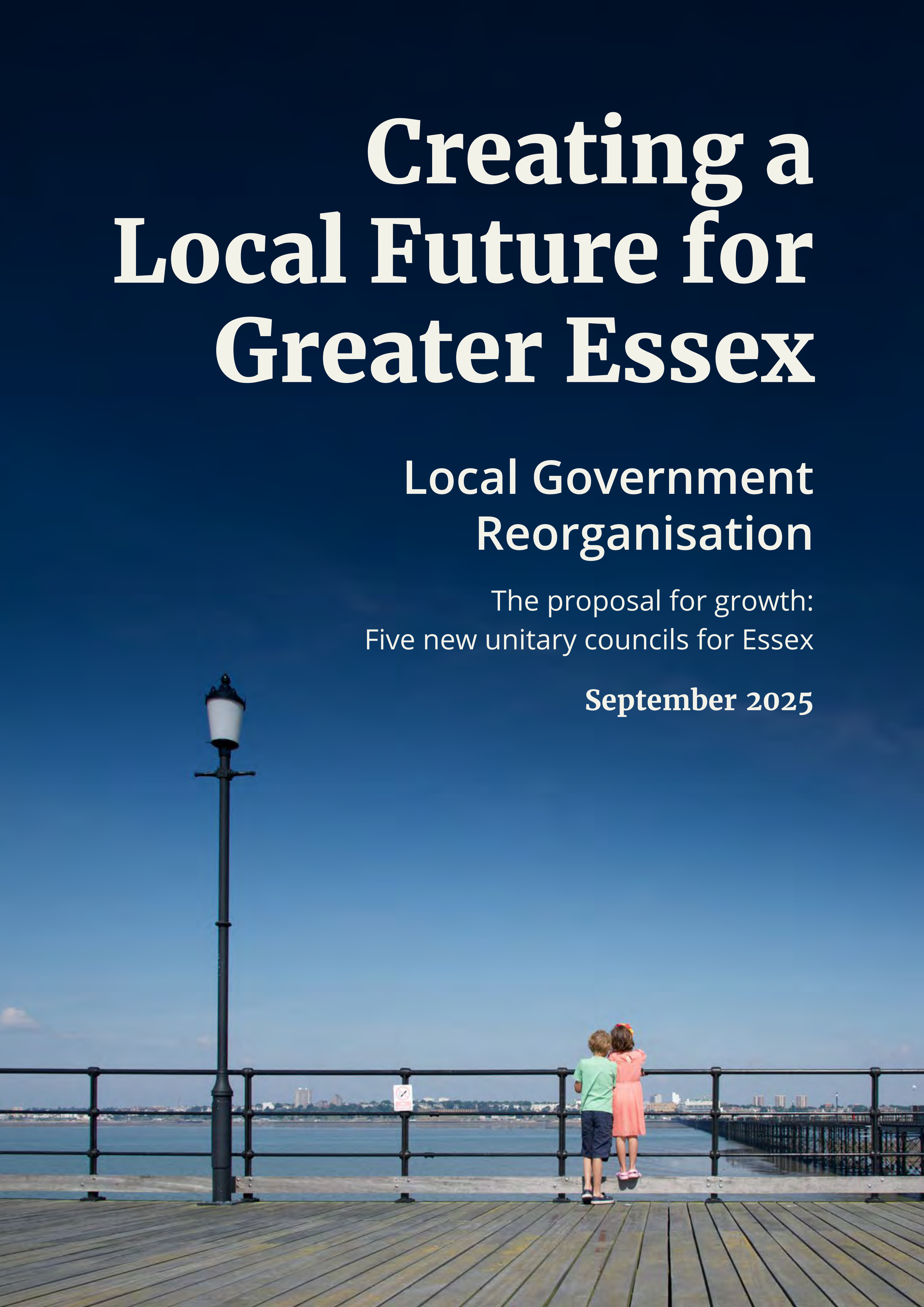
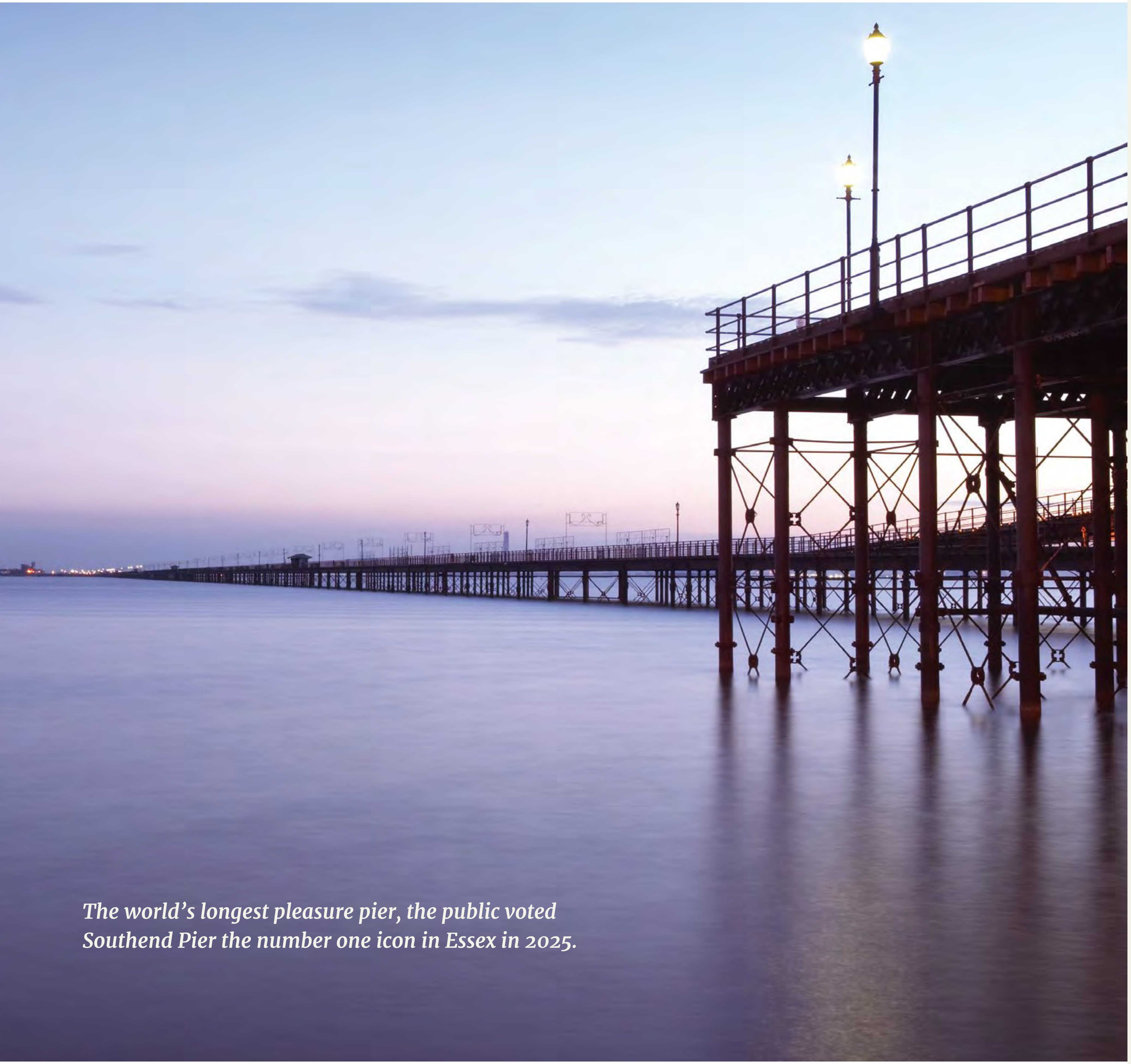
Creating a Local Future for Greater Essex

Local Government Reorganisation

The proposal for growth:
Five new unitary councils for Essex

September 2025





The world's longest pleasure pier, the public voted Southend Pier the number one icon in Essex in 2025.

Contents

Tollesbury Fellowship Afloat, a charity providing adventure, relaxation and environmental exploration on the Essex Coast at Tollesbury.

Foreword

Keeping local government as local as possible

The people of Essex deserve councils that are local, accountable, and responsive, which is why the majority of councils in Greater Essex have worked together on this collaborative proposal for five new unitary authorities.

Reorganisation should promote growth by respecting the geography of this hugely diverse county and by bringing government closer to residents, not further away. This proposal reflects that principle, with a practical plan to modernise, reduce duplication, and build councils based on the places they serve.

Diverse groups coming together

As leaders from across Essex representing different councils, political traditions, and communities, we have come together to tackle the urgent need for change. We owe it to the people of Essex to provide a system that they can identify with and that is built for the future. The five unitary council model does this best.

Delivering growth and housing ambitions

It is much easier to deliver the growth agenda across the breadth of an area like Greater Essex when that is anchored in local communities and is based on places that people know. For example, coastal and rural Maldon is completely different from urban and growing Harlow. No single Council's growth plan could easily meet the needs of both, which is why five unitary councils, developing local partnerships with both the public and private sectors, are best designed to deliver the mission-critical growth agenda for Greater Essex. The five unitary plan is also a better fit with existing economies, housing market areas and Local Plans.

Recognising the geography

The five councils in our proposal reflect the geography on the ground. Each of the five is anchored by a major conurbation: Basildon, Chelmsford, Colchester, Harlow, and Southend, and extending to the communities that surround them. They have natural economic and social ties with their surrounding areas, and already form the foundation for planning, services, and transport. At the same time, each proposed unitary authority would remain small enough to retain close links with residents, elected members, and local partners, preserving the civic pride and sense of belonging that define Essex.

Our proposal is about better public services and stronger communities. Critically, our approach avoids the disruption and risk created by any move to fewer than five unitary authorities. The five unitary authority model is built to simplify residents' access to local services. A model with fewer than five councils would produce some of the largest 'local' authorities in the UK – unwieldy, unresponsive, and disconnected from the people they serve. Only the five unitary authority model strikes the right balance between scale and identity, between efficiency and local control.

Partnerships

Our five unitary authority proposal reflects the structure of existing partnerships across Essex such as those with health, the police and the voluntary sector. The new councils will be better positioned to coordinate care, reduce demand pressures, and promote well-being. Five unitary councils will be better able to prioritise dignity, personal choice, and access to support within communities, strengthening local resilience and reducing inequalities.

An evidence- and resident insight-led proposal

Our work has been shaped not only by evidence and analysis but also by the voices of the people of Essex. Thousands of residents and stakeholders took part in our robust consultation, and their priorities for stronger services, local access, and clear accountability resonate throughout this proposal. We have listened to their concerns about governance that is too remote or too complex, and we have responded with a model that brings services under one roof, close to home, and ready to deliver.

Supporting devolution

By creating clear, fit-for-purpose unitary councils, we unlock the ability to develop the Mayoral Strategic Authority, drawing in new powers and investment for the whole of Greater Essex. Five unitary councils will provide stronger partners to support the devolution agenda – partners that are better able to secure infrastructure, drive economic growth, improve skills, and lead the net zero transition. The five unitary authority model ensures that each council is ready to play its full role, both locally and strategically, within a devolution framework.

This proposal comes from genuine joint working by a committed and well-led collaboration of leaders and chief executives from across Greater Essex. We evaluated all options in an open, evidence-led way. While some councils continue to hold different views, this proposal represents the clear and considered view of the majority. It reflects what we believe is best for the residents and businesses of today, and of future generations.

Five maximises the benefits and best meets Government's criteria

With five unitary authorities, Essex can modernise its governance while preserving what people value most: local voice, civic identity, and high-quality services. With Government's support, we are ready to lead this transition together, with our communities, and with ambition for the future.

Foreword

Councillor Daniel Cowan
Leader of Southend-on-Sea City Council

Councillor Stephen Robinson
Leader of Chelmsford City Council

Councils in support of this proposal*:

Cllr Gavin Callaghan, Basildon Borough Council
Cllr Graham Butland, Braintree District Council
Cllr Barry Aspinell, Brentwood Borough Council
Cllr Dave Blackwell, Castle Point Borough Council
Cllr Stephen Robinson, Chelmsford City Council
Cllr David King, Colchester City Council
Cllr Dan Swords, Harlow District Council
Cllr Richard Siddall, Maldon District Council
Cllr Daniel Cowan, Southend-on-Sea City Council
Cllr Mark Stephenson, Tendring District Council
Cllr Petrina Lees, Uttlesford District Council

**Supporting councils to be confirmed*

Executive Summary

A bold vision for local government reorganisation in Greater Essex

Greater Essex stands at a pivotal moment in its history: an opportunity to transform local government to meet the needs of a modern, dynamic, and diverse county. Our proposal for five new unitary authorities is a bold and balanced plan that responds directly to the Government's welcome ambition for local government reorganisation (LGR). It provides a locally led, data-driven, and collaborative solution that simplifies structures, improves services, strengthens local identity and saves more money than any of the other options.

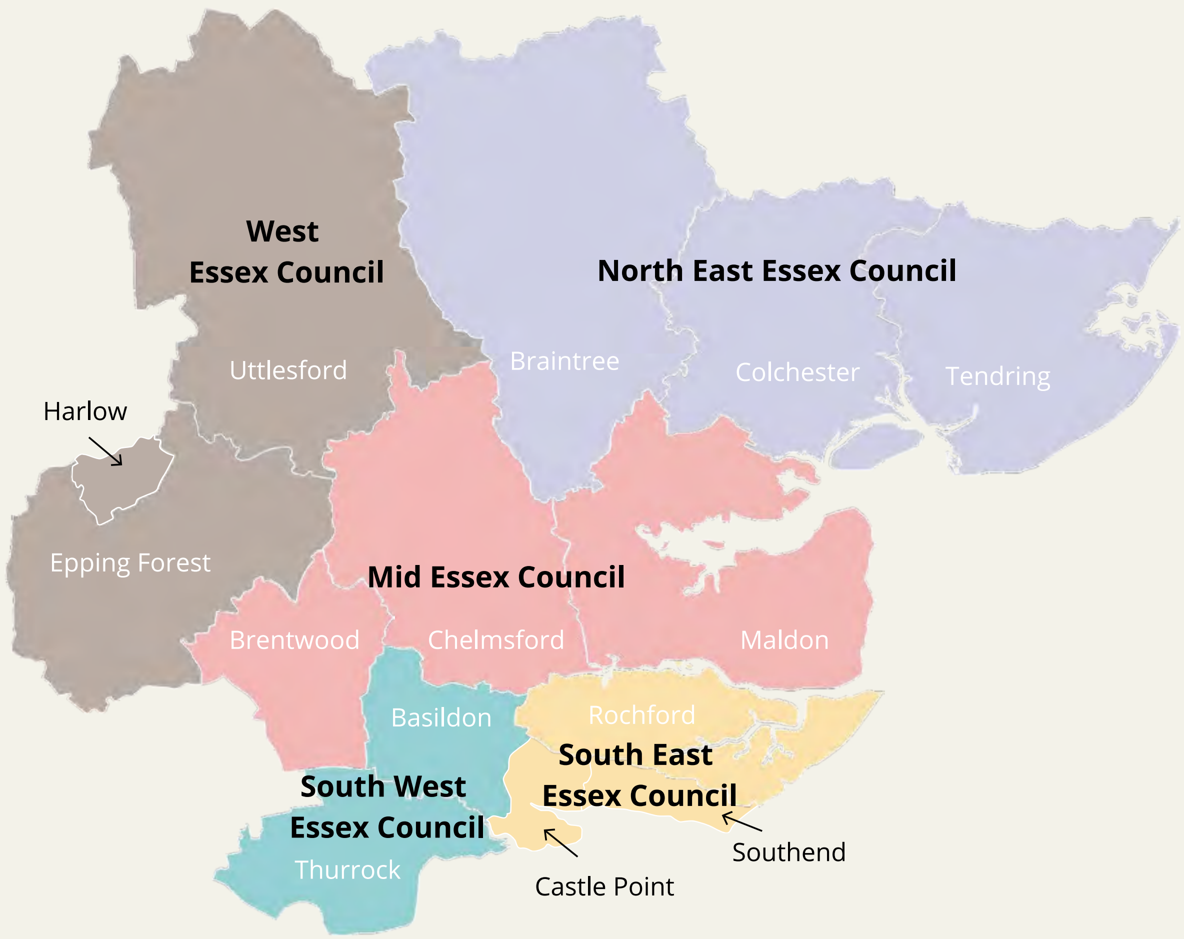


Figure 1: Map of the five new unitary authorities for Greater Essex.

Our proposal presents five new unitary authorities which reflect real communities, travel-to-work patterns, shared economies, and service footprints, designed around the five major conurbations. Together, they offer a seamless, sustainable transition to a future-ready model of governance for Greater Essex.

This executive summary sets out the case for change, outlines the model proposed, and demonstrates how the model fully meets the six criteria from Government for LGR.

The Government's invitation and criteria

The Government's devolution and LGR agenda outlines a clear ambition for simplifying local authority structures, enhancing local democratic accountability, and driving economic growth. As part of the English Devolution White Paper, the Government has invited areas like Greater Essex to submit reorganisation proposals aligned to six criteria:

1. A single tier of local government.
2. Councils of a size that is efficient, sustainable, and local.
3. Delivery of high-quality, sustainable local services.
4. Strong local support.
5. Strategic leadership and commitment to devolution.
6. Local identity and strong community engagement.

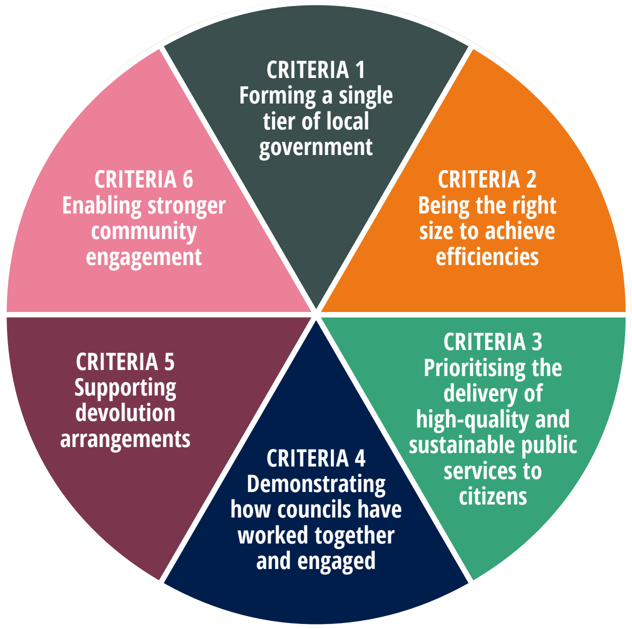
The five unitary authority model for Greater Essex meets all six criteria. It offers a pragmatic path to long-term service improvement and democratic renewal without sacrificing what residents value most: local connection, high-quality services, and civic pride. The proposal gives comprehensive consideration to the transition and transformation to vesting day in 2028 and beyond.

A collaborative proposal rooted in local strength

Our proposal is the product of deep collaboration between Basildon District Council, Braintree District Council, Brentwood Borough Council, Castle Point Borough Council, Chelmsford City Council, Colchester City Council, Harlow District Council, Maldon District Council, Southend-on-Sea City Council, Tendring District Council and Uttlesford District Council.* This collaboration has been built on shared recognition of the need for reform; data-driven understanding of service performance and cost; commitment to retaining strong local identity and accountability; and respect for established economic, social, and travel-to-work geographies. The breadth of collaboration, which has transcended politics, underscores that the proposal represents a consensus approach, not a unilateral plan by any single council. As upper tier local authorities, we have worked with Essex County Council and Thurrock Council to share data and common evidence

**Supporting councils to be confirmed.*

The work to develop the proposal and shape the joint vision has been led by a cohesive and effective Programme Board comprising leaders and chief executives. The Programme Board has provided clear direction to working groups and workshops, and has commissioned independent expert analysis. At every stage, the process has been open and inclusive, with technical officers collaborating closely to build a robust shared evidence base.



Meeting the six Government criteria for reorganisation

The five unitary authority model is explicitly aligned to the Ministry of Housing, Communities and Local Government's six criteria for reorganisation (Appendix 1 presents a matrix summary):

1. **Proposals should seek to achieve for the whole of the area concerned the establishment of a single tier of local government:** The proposal abolishes all district/city, county, and existing unitary councils, forming five new unitary councils covering the entire Greater Essex area in a single tier of local government with clear, contiguous boundaries.

2. **Unitary local government must be the right size to achieve efficiencies, improve capacity, and withstand financial shocks:** Each new authority would serve roughly 326,000–510,000 residents. This fits the Government's population guideline and balances scale and proximity. Independent analysis shows that authorities of this size can deliver high service quality – indeed, most highly rated councils nationally have populations under 400,000. Any smaller number of councils would produce enormous councils with no centre, no sense of place, and reduced resilience. By contrast, the five unitary authority model avoids unmanageable scale while securing significant economies.

3. **Unitary structures must prioritise the delivery of high-quality and sustainable public services to citizens:** By integrating county and district services within each local council, the proposal maintains continuity and improves outcomes. Place-based delivery enables quicker decisions and better local partnerships. There is no evidence that larger councils inherently yield better social care outcomes, and there is strong evidence that moderately sized unitaries deliver significantly better value commissioning and market management outcomes; the five unitary authority proposal preserves local systems that drive high performance. Our model aligns new councils with existing service footprints, reducing the risk of transition and maximising the continuity of current high-performance services while creating the foundations for accelerating transformation and public service reform.

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:** Essex councils have developed this proposal together in a transparent, evidence-led process. A task force of Basildon, Braintree, Brentwood, Castle Point, Chelmsford, Colchester, Maldon, Harlow, Southend, Tendring, and Uttlesford Councils have worked collaboratively, hosting workshops and focus groups to test all options. The final proposal is endorsed by the majority of leaders across Greater Essex. Ongoing consultation has gathered public and stakeholder input to ensure that the proposal is built on local views.

5. **New unitary structures must support devolution arrangements:** The model explicitly enables devolution by matching the unitary footprint to a new Mayoral Strategic Authority (MSA). Government guidance requires separate footprints for mayoral and unitary authorities. Our five unitary authority proposal leaves the MSA area intact and creates constituent councils below it. This separation of roles is by design: strategic planning and funding will sit with the MSA, while local services rest with the new unitary councils. Thus, it fully unlocks devolution ambitions while preserving local accountability.

6. **New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment:** Smaller, community-focused councils increase democratic engagement and neighbourhood empowerment. By centring each council on a coherent place, the proposal respects Greater Essex's strong civic identity. Existing parish and town councils (nearly 300 across Essex) remain intact within the new authorities. Each ward's electorate will remain comparable in size to today, maintaining parity of representation.

The five unitary authority model: Why it works

The five unitary authority model emerged as the best option from a rigorous options appraisal, outperforming alternatives on cost, local fit, service resilience, and strategic potential. It provides:

- The right scale: Population sizes from 326,000 to 510,000, achieving economies of scale while maintaining strong local representation and importantly, with room to accommodate a maximised growth.
- Continuity of services: Because the new councils align with existing service footprints, transitions are smooth and risk is reduced.
- Lower transition risk: Reduced aggregation and disruption to existing service boundaries, means smoother implementation and less disruption to users.
- Clear identity: Each authority is centred around recognisable communities, helping sustain pride and engagement.

Executive Summary

By contrast, larger models with two to four unitary authorities would require complex and high-risk service disaggregation, especially in children's services, adult social care, education, and special educational needs and disabilities (SEND). These would also lead to diminished local identity, increased bureaucracy, disengagement of residents and stakeholders, and increased costs and complexity.

The five unitary authority model is the only one that provides the right balance of structural simplicity, functional scale, and local legitimacy. It ensures equitable governance across diverse communities, from coastal towns to economic hubs and rural parishes.

Financial case for change

Essex councils are collectively facing well-documented fiscal challenges (driven by rising demand in social care, special education, homelessness etc.). The reorganisation outlined in this proposal is partly a response to those pressures. Detailed financial modelling by Grant Thornton, informed by the work of leading analysts, underpins the proposal. For example, our adult and children's social care budgets have been analysed by the Social Care Institute for Excellence and Peopletoo, with their results showing that earlier intervention, prevention and pooled commissioning under a five-authority system could eliminate current deficits and achieve substantial annual savings. We have also considered capital assets and liabilities, as some districts hold historic debts (capital projects, pension deficits); the proposal includes strategies for addressing these in transition (e.g. equalisation grants, phased merger costs, exploring Government support). Our analysis clearly shows that the five-unitary model delivers better value for money and long-term efficiencies in comparison with other models proposed.

Our plan for achieving long-term efficiencies and financial savings is grounded in robust, evidence-based learning from other (LGR) implementations. We are committed to accelerating the realisation of these benefits, aiming to deliver short-term gains wherever possible. Creating the right conditions will enable faster delivery, including securing a timely decision on the Greater Essex LGR proposal, staying focused on transition and implementation in the coming years amid planned regional and local elections, building strong support within the Greater Essex local government system, and maintaining a well-prepared, "oven-ready" implementation plan.

On all key metrics (service budgets, reserves, capital investment needs), the five-council model is robust. Moreover, by spreading risk, it ensures that no single authority is over-burdened with costs (any long-term savings are shared across the five).

Public and stakeholder support

Engagement has been continuous and multi-channel. A consultation across Greater Essex gathered over 7,000 responses; key themes included support for simplification of governance, protection of local services, and a desire for accountability and local representation.

Stakeholders from health, education, the emergency services, business, the voluntary sector and MPs from across the county have provided their letters of support for our proposal for five unitary authorities, unanimously citing that they believe this model offers a unique opportunity to strengthen local governance, deliver improved services, and provide better value for residents

and businesses while retaining the strong local identities that are so important to our communities.

In parallel, key stakeholders were consulted. Chief executives of health, police, fire, education, and voluntary sector bodies across Essex were invited to give their views on LGR. None raised major objections; indeed, local health partners noted that the five unitary authority map aligns with the Integrated Care Board's emerging locality divisions. The voluntary sector participated in a focus group, confirming that smaller, place-based councils would help build stronger connections between volunteers and local authorities.

A transformative opportunity

This is not simply a redrawing of lines. The five unitary proposal for Greater Essex represents a profound opportunity to deliver:

- The optimal conditions for public service reform.
- Stronger local democracy.
- Simplified service access.
- Efficient use of public funds.
- Increased civic pride.
- Strategic coordination with the MSA.

The five unitary authority proposal is a bold yet balanced solution. It meets Government requirements on every count, while clearly outperforming other configurations in our analysis. It has been crafted through genuine partnership among councils and the community, and is anchored in the real identities and economies of Greater Essex. By minimising service fragmentation and maximising local empowerment, it lays the foundation for more effective local government.

With Government support, the five new councils will bring simpler governance, sustainable finances, and closer services to the people, unlocking the full potential of Greater Essex for generations to come. This is a bold yet achievable reform – one that meets the future, aligns with national policy, and delivers for residents. We commend it to Government as the best way to unlock the full potential of Greater Essex.

"Greater level of community focus, fresh ideas. Move with the times and changing needs of society."

Colchester resident (Voluntary Sector)

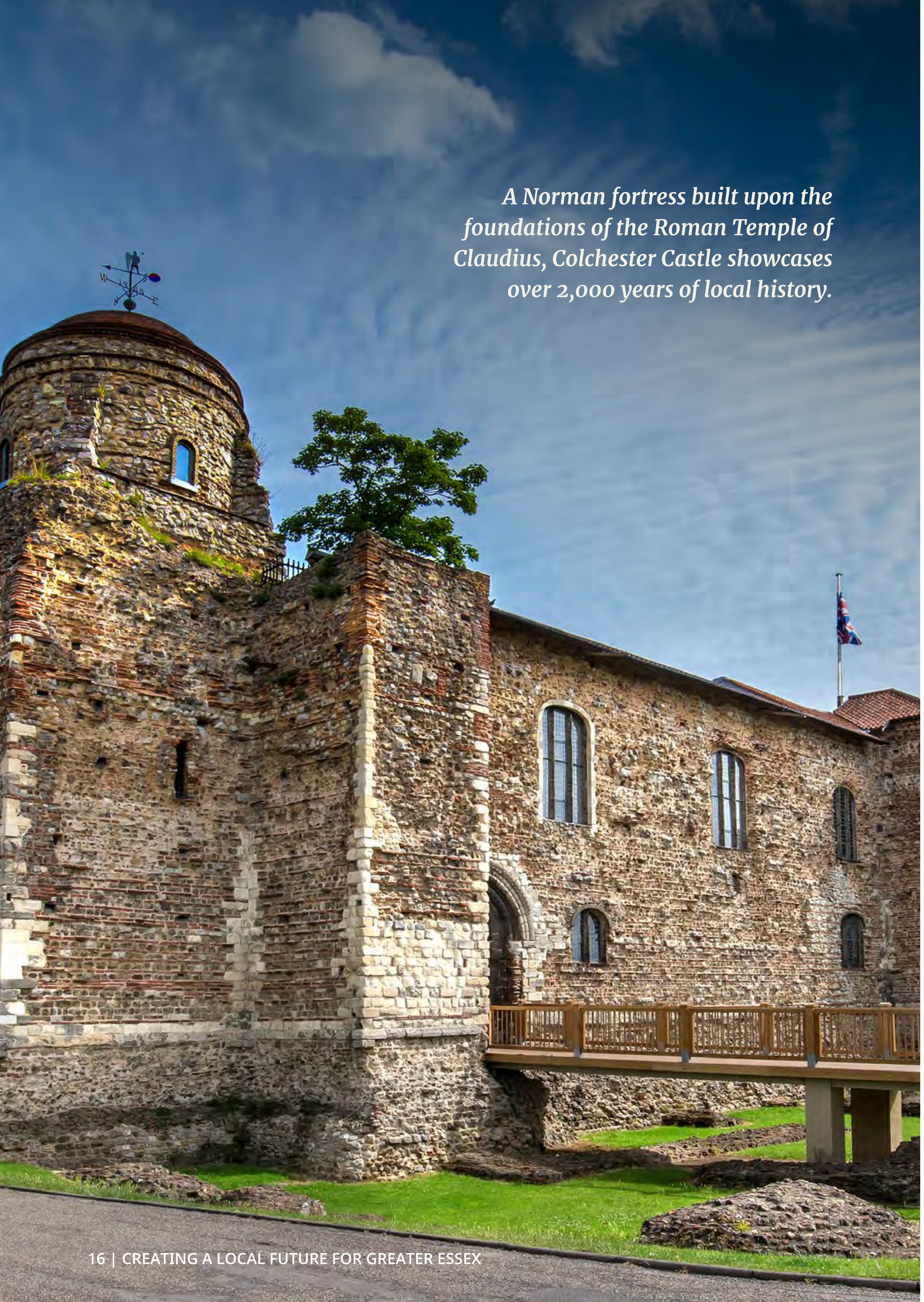
"Any less than 5 in my view would have a negative and potentially devastating impact on local identity, community reliance and understanding of local issues."

Maldon resident

"The size of the 5 councils and their connectivity would give residents more of a feeling of belonging to the area."

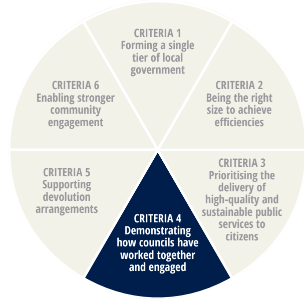
Basildon resident

Heybridge Basin, where the Chelmer and Blackwater Navigation Canal meets the tidal Blackwater Estuary.



A Norman fortress built upon the foundations of the Roman Temple of Claudius, Colchester Castle showcases over 2,000 years of local history.

About Greater Essex



Our five unitary authority model fits a polycentric county anchored by five major conurbations – Basildon, Chelmsford, Colchester, Harlow and Southend – which match functional economic areas and mirror established regional partnerships. In line with government guidance, our model creates sensible economic geographies that can deliver housing, growth, and infrastructure at the right scale.

For residents, our model preserves civic pride, respects historic identities, and provides familiarity through an appreciation of how people actually live, work, and travel. We will adopt a shared resident-centred approach that serves our diverse communities, helps our people to reach their full potential, and will work at pace, in partnership, and with purpose to deliver excellent outcomes.

Our five unitary authority model promises strategic coherence and resilience to meet rising social care, housing, and transport pressures through an increased ability to provide targeted interventions within focused authorities.

Identity, place, and belonging are at the heart of our proposal. Populations, communities, and economies have grown around our five major conurbations: Basildon, Harlow, Chelmsford, Colchester and Southend-on-Sea. Greater Essex is a fantastic place to live, work, learn, and visit according to research conducted in March this year. Residents describe Essex as green and beautiful, well-connected to London and beyond, with a strong community identity and rich historical character.

Greater Essex is full of opportunity: it has the potential to be the UK's fastest-growing economy outside London and an economic powerhouse for the UK, with an economic output comparable to that of Northern Ireland. Situated in the East of England and covering an area of 366,400 hectares, it has a population of nearly 1.9 million people and over 771,000 households. Greater Essex is home to over 81,000 businesses employing 700,000 people, with high business start-up and survival rates. We benefit from two international airports, two freeports, and proximity and good connectivity to London, and are a nationally significant logistics and infrastructure hub. Greater Essex has a unique blend of rich history and natural beauty and boasts one of the longest coastlines in the UK, stretching over 350 miles. Greater Essex's charm lies in this blend of history, innovation, and modernity, where old and new exist side by side, creating a vibrant and evolving county.

From the picturesque landscapes of Constable Country in Dedham Vale to its thriving economic centres, Greater Essex is a county of contrasts where tradition meets innovation. The history of Greater Essex has been influential in shaping the identity of Britain. Colchester was the Roman capital of Britannia and is the oldest recorded town in Britain, and the county has seen various events of national importance, including the arrival of the *Empire Windrush* at Tilbury Docks. Greater Essex has a legacy of pioneering innovation, from Marconi's invention of radio in Chelmsford to the development of fibre optics in Harlow.

Research found that the residents of Greater Essex "take pride in historical depth, often overlooked by outsiders", and that they believe their county offers a "balance between urban excitement and rural peace" that enables access to work opportunities, entertainment, and leisure yet still allows them to maintain a quieter lifestyle.[1] People are proud of their green spaces and nature and see these as a key component for resident well-being and perception of quality of life. Residents feel that an understanding of local heritage helps to shape their identity and connection to place. This desire to champion local identity and connection to local areas underpins the need to ensure that LGR respects locality, maintains local representation, and promotes local civic pride.

Local government in Greater Essex is currently organised into 15 councils, 12 district councils, one county council, and two unitary councils. There are also nearly 300 parish and town councils.

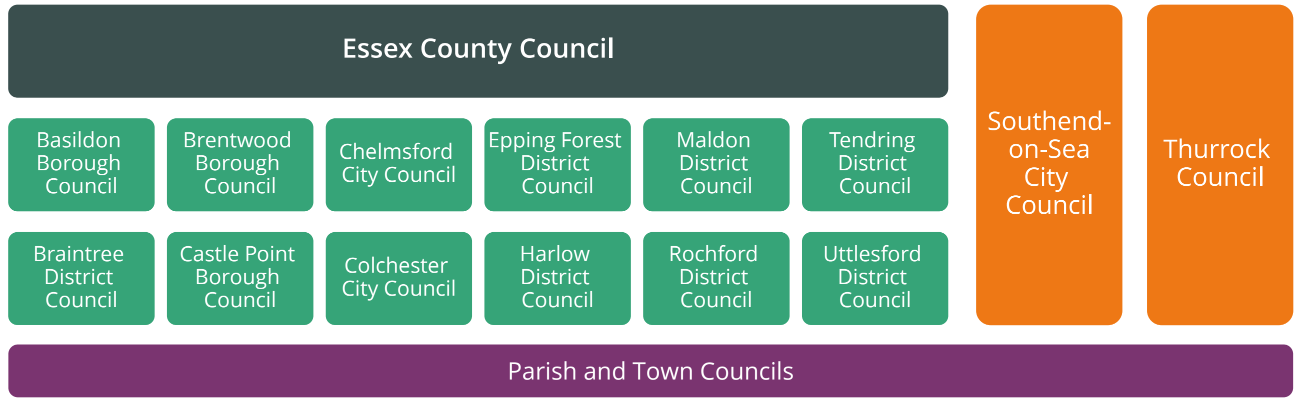


Figure 2: County, district, unitary, and parish and town councils in Greater Essex.

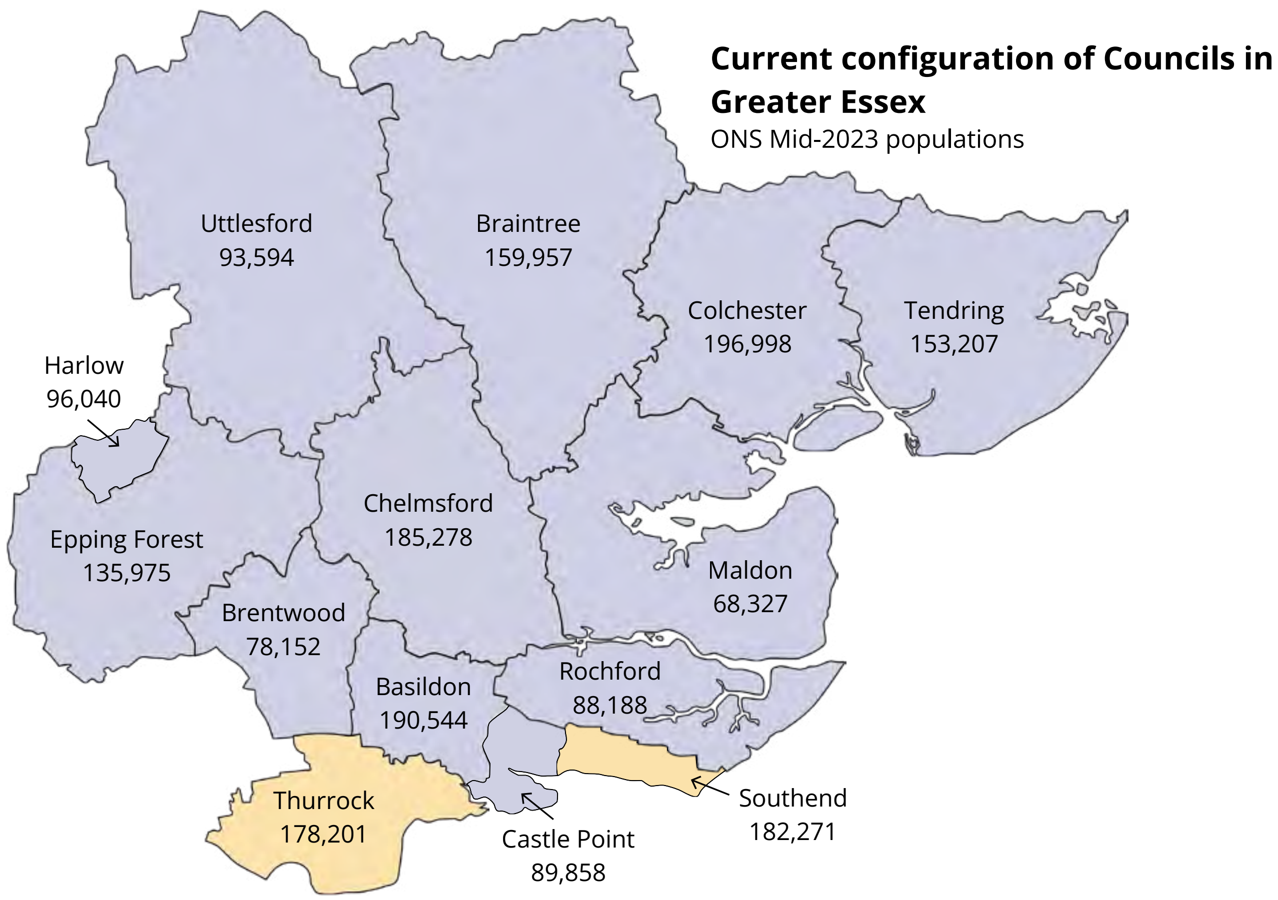


Figure 3: Current configuration of councils in Greater Essex.

1 This paragraph is based on the Beehive document 'Place and Identity: Exploring Essex Residents' Sense of Community', March 2025.

Positioned at the end of the waterfront promenade at Maldon, the statue of Byrhtnoth, Ealdorman of Essex, marks the site of the Battle of Maldon in 991AD.

About Greater Essex

Essex in numbers

Total population of **1,896,590**

771,000+ households

An area of **366,400** hectares

5.12 residents per hectare

c81,000 businesses

£45 billion economic output – comparable to Northern Ireland

61 Green Flags

7 Blue Flags

2 Purple Flags

6 visitable castles, 2 forts, 30+ Historic Estates and stately homes. 14,500 listed buildings

3 cities

NHS

14 NHS hospitals

90+ Museums and Art Galleries (including 31 accredited)

2 major Airports, 80 named airfields and aerodromes

66 National rail network stations, 8 Central Line underground stations, 5 Elizabeth Line stations, 2 heritage railways

350+ bus routes

Southend Pier is the world's longest pleasure pier

Saffron Walden Best Place to live in UK 2025

31 beaches

350 miles of coastline

28 named rivers and brooks

86 Sites of Special Scientific Interest (SSSIs)

650+ Schools

2 universities and 9 further education colleges

35 islands most of any English county

90 libraries

54m+ tourists annually with value add of **£3.5 billion**

Challenges facing Essex: A case for change

While Greater Essex is a place full of opportunity, it also stands at a critical crossroads. Pressures from national economic uncertainty, rising service demand, and entrenched local inequalities have intensified long-standing structural inefficiencies in the region's system of local government. In addition, there is significant variation in the local character, need, and challenges that local areas in Greater Essex face, including significant inequalities experienced by different places and communities, and our proposal is fundamentally focussed on creating a vision for local government in the region that is best placed to create a more equal future. The two-tier structure creates duplication, confusion, and a lack of strategic coherence in how services are delivered. Reorganisation and devolution offer a unique opportunity to simplify governance, strengthen local leadership, and empower Greater Essex to respond to today's challenges and tomorrow's ambitions.

Our Key Challenges

The region faces a range of pressing challenges that impact quality of life and outcomes for residents which are not best serviced by the current model for local government and public services in Greater Essex. These include:

- A growing demand for adult and children's social care, SEND, and temporary accommodation.
- Over 190,000 residents live in areas that are among the 20% most deprived in England, with entrenched poverty in districts such as Tendring, Basildon, Colchester, and Southend-on-Sea.
- Persistent health, educational, and economic inequalities, including lower-than-average labour productivity and skills attainment.
- Housing supply shortages: Essex must build over 14,000 homes a year to meet identified needs.
- Pressures on internal transport connectivity, especially between northern and southern parts of the county.
- Fragmented service delivery due to overlapping responsibilities in the two-tier system.

Summary of opportunities

Challenge	Case for change
Growing social care and SEND pressures	Unified local decision-making enables targeted investment and better planning across health and care systems.
Deprivation and inequality	Focused local leadership can better align public services to address place-based needs.
Housing demand and planning delays	Integrated planning functions allow for more efficient and equitable housing development.
Transport challenges and infrastructure gaps	Strategic collaboration aligned to devolution helps prioritise and fund countywide connectivity improvements.
Fragmented service delivery	Streamlined governance, simplified responsibilities, and reduced duplication, improving service coordination.

Shared ambitions

Our shared ambitions not only represent our jointly developed commitment to a transformative future for Essex, but also the significant contribution our proposal envisages for Greater Essex in delivering the vitally important national government missions for change for the nation.

We are committed to creating a resilient, simplified local government system that works for everyone. Our proposal is guided by two principles:

1. A commitment to serving the diverse communities we represent.
2. A belief in the power of public sector collaboration to help all residents reach their full potential.

At its core, our proposal will establish unitary authorities that are best positioned to tackle the significant inequalities, and create a fairer future for citizens across Greater Essex experience in health, housing, and economic outcomes.

We envisage the creation of a clearer, more accessible system which empowers residents and organisations to engage with unitary authorities that feel familiar and are based around recognised geographies and identities. This approach will drive growth, sustainability, and improved living standards across Greater Essex.

Reorganisation will offer us the chance to plan for a financially sustainable future which can be delivered at pace, minimising the disruption that LGR could bring to the residents of Greatter Essex. Our proposal will unite services that are currently disconnected through the two-tiered system, enabling us to rethink service delivery and provide resident-focused solutions. Our reforms are aligned to Government strategy, and a five unitary authority model will be best positioned to ensure that Greater Essex is able to best realise the benefits of devolution.

Kick-starting economic growth in Greater Essex

The creation of five new unitary authorities presents a historic opportunity to drive large-scale economic growth across Greater Essex. Cross-boundary collaboration will streamline planning and accelerate delivery of major infrastructure and housing projects. Working alongside the new mayor of Greater Essex, the unitary authorities will unlock developments to transport upgrades with our neighbouring counties and London. Our proposal creates the optimal conditions for increased productivity and long-term economic growth, resulting in employment opportunities that meet the economic needs of today, but also those of the future, and connecting the residents of Greater Essex with better jobs than the region currently provides. The five unitary model will also enable the creation of strong local partnerships with developers, ensuring delivery of high-quality, sustainable homes that are near to green spaces and aligned to resilient infrastructure.

We will seek to realise the benefits of planning reform, which will help us to boost construction, support the Government's 1.5 million homes target, and revitalise New Towns. Strategic sites like the Thurrock Opportunity Area will release land for tens of thousands of homes, while Essex's transport and industrial assets will attract professionals and new industries. Initiatives like Freeport East and Thames Freeport will be expanded to tackle deprivation and build globally competitive sectors. We will manage growth and realise the potential of Greater Essex through appropriately scaled unitary authorities which are connected to their communities and able to ensure development and transformation that is based on a thorough understanding of local needs. By managing growth with local knowledge, our unitary authorities will be able to tailor education and skills provision to meet demand.

Making Britain a clean energy superpower

A five unitary authority model will create a unique chance to accelerate the county's transition to green energy. As local, single planning authorities, unitary authorities will be able to streamline approvals and attract direct, locally supported investment in sustainable infrastructure. With support from national bodies like Great British Energy and the new MSA, we will pursue transparent, impactful strategies for renewable development and skills growth in industry-focused economic zones which support the retention of young talent and can drive regional prosperity. Building on existing successes, we will develop high-tech supply chains and reduce embodied carbon. While the MSA will lead transport planning, our aspiration is that the five unitary authorities will continue to manage and develop locally connected and sustainable bus services, enabling new electric bus fleets which can serve an expanded range of routes.

Working in partnership to reduce crime

The five unitary authority model will expand Community Safety Partnerships (CSPs), enabling smarter, more connected services that can more easily be scrutinised and that will lead to safer streets across Essex. Yet a five unitary authority model also ensures that CSPs are not overstretched and unable to adequately support communities through being spread over too wide an area. A greater number of focused unitary authorities will be better placed to support Essex Police as they will remain closer to the community than a reduced number of larger authorities and will continue to be based on sensible geographic


Southend Pier

areas. Our move to expand CSPs will support more effective engagement, early intervention, and targeted action on antisocial behaviour.

Our model will further enhance cross-sector work with housing, social services, and schools to address domestic violence, drug abuse, and child neglect challenges. Trends will be more easily visible at the neighbourhood level, supporting the Government's preventative crime strategy, and concurrently, neighbourhood boards will provide underserved communities with a stronger voice, ensuring that local concerns are central to the shaping of priorities and that trust is restored in serving officers.

Breaking down barriers to opportunity

Through our ambition to join up currently disparate district and county responsibilities in relation to education, the five unitary authorities will gain clearer oversight of schools and development opportunities. We will create locally aware, high-capacity authorities that are able to undertake targeted interventions, which will in turn lead to better planning and more responsive school provision, especially in Essex's growing areas. This streamlined governance will bring schools significantly closer to decision-makers, allowing for more effective scrutiny and early funding to prevent overcrowding. The five unitary authorities will also be able to analyse educational inequality at the neighbourhood level, helping to eliminate postcode disparities.

In addition to more targeted interventions with schools, the unitary authorities will be best placed to understand and support local industry needs by creating cradle-to-career pathways which will be beneficial to both small and large industries. Essex's freeports will benefit from local intelligence to attract investment and create jobs, reducing rates of those not in education, employment or training and building stronger school-to-work pathways.

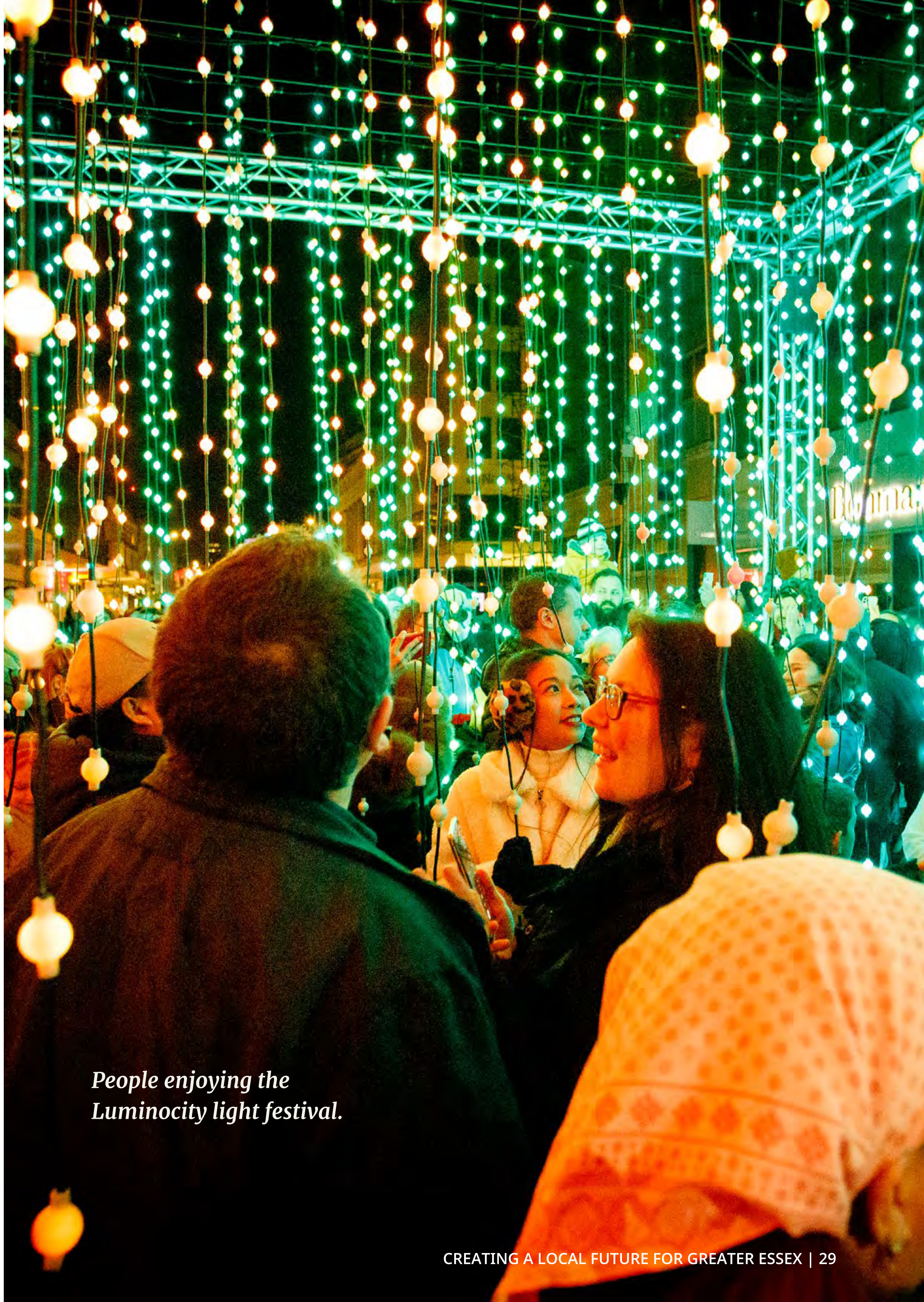
Building an NHS fit for the future

The creation of five unitary authorities for Greater Essex will provide a major opportunity to reshape public health strategies. With unitary authorities responsible for social care in their respective areas, Greater Essex can support the NHS's shift toward preventative, neighbourhood-based care in line with the NHS 10-Year Health Plan. We will seek to reduce NHS demand through coordinated strategies focused on active travel schemes, leisure centres, school health campaigns, improved access to work and housing. These strategies will also support new 'Neighbourhood Health Service' clinics by using local data to identify high-need areas.

Aligning Integrated Care Board (ICB) boundaries with Greater Essex will simplify collaboration and allow each unitary authority to work with and scrutinise a single accountable ICB. While ICBs remain independent, unitary authorities can provide vital feedback on service gaps and support decision-making with data on local health inequalities. With the right structures, Greater Essex can embed public health into local governance, reduce long-term costs, and improve well-being.

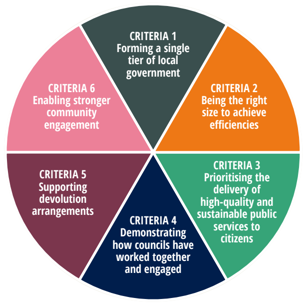
Commitment to devolution, local representation and democracy

We are committed to ensuring that all residents in our county feel represented and that local democracy is championed within Greater Essex, and to making the most of the significant opportunities offered by devolution. We will respect historic identities, endeavour to listen and respond to the needs of our residents, and collaborate with local partners to provide the best outcomes for Greater Essex. Our proposal aspires to shift decision-making and power as close as possible to the citizens and communities of Greater Essex, and through the creation of five unitary authorities, we will provide effective local government that is able both to inform the work of the MSA and to be the vehicle that implements and drives forward its countywide strategic work.



People enjoying the Luminocity light festival.

Options appraisal



We carefully considered all viable models, and the five unitary authority model emerged as the most balanced, deliverable, and future-proof configuration. It is fully aligned to the Ministry of Housing, Communities, and Local Government's (MHCLG) six criteria and provides appropriately sized councils to achieve efficiencies, withstand shocks, and support devolution without losing the critical ability to address local issues. Our model resists over-centralisation, saves more money, preserves recognisable identities and familiar geographies, and will provide better local outcomes through coherent strategies delivered in partnership with both our residents and local partners.

External validation of approach

Our options appraisal process has considered a wide range of configurations for reorganisation in Greater Essex, informed by collaborative engagement with local authorities, expert analysis, and public consultation. Six options have been considered, and three models have been fully evaluated after the initial assessment, focusing the evaluation on the three, four, and five unitary authority models. Each option has been assessed against the Government's core criteria, including local identity, service sustainability, strategic alignment with devolution ambitions, and ability to deliver long-term value.

Where possible, our analysis of options has relied upon externally validated or assured evidence and analysis (such as that provided by Grant Thornton, the Social Care Institute for Excellence, Metro Dynamics, and Peopletoo), or nationally available data and benchmarking. Where this has not been available, local analysis and qualitative assessment of options has been undertaken on the cumulative evidence and analysis available and includes an unavoidable degree of subjectivity, which has been minimised wherever possible. Overall, the options appraisal has been undertaken to identify and prioritise options but also to provide stakeholders and government with an accessible comparative view of the options available for consideration in decision-making.

Options identification

A wide range of potential options for the future configuration of unitary authorities in the Greater Essex geography has been considered as part of the development of our proposal. These options have been developed through an open, collaborative, and system-wide engagement-led approach which has engaged leadership across the entirety of Greater Essex, public sector partners, and thousands of Greater Essex residents in designing the future for the region. Our analysis has therefore included consideration of political, institutional, community, stakeholder, and resident-led insights into the range of options that could be considered for the local area.

The options identification process has been helpfully supported by external specialist input, specifically through work commissioned jointly by Essex chief executives through Grant Thornton, which identified a wide range of different LGR configurations for the future of Greater Essex.

For the purpose of this options appraisal, the list of viable options to be assessed has been narrowed down to six options in total through a series of stakeholder workshops, system-wide meetings, and interrogative review activities. The options are:

- Option A: The current status quo in Essex – 15 organisations across the county, unitary, and district authority layers of local government.
- Option B: One unitary authority model for Greater Essex.
- Option C: Two unitary authority model for Greater Essex.
- Option D: Three unitary authority model for Greater Essex.
- Option E: Four unitary authority model for Greater Essex.
- Option F: Five unitary authority model for Greater Essex.

Options appraisal criteria and methodology

Our options appraisal criteria are aligned with the criteria set out by MHCLG in its publicly issued guidance to local authorities on how to develop and assess LGR proposals. A full methodology, evidence base and scoring system have been developed to enable a thorough and comprehensive assessment of the shortlisted options considered. The detailed methodology can be found in Appendix 2, and a summary of the criteria used is set out below.

Criterion 1: Establishment of a single tier of local government

This criterion assesses whether a proposed model replaces the existing two-tier system with a single unitary authority structure across the entire Greater Essex area. It comprises a pass/fail test (1A) to confirm that all local government functions are integrated under one tier, and a scored assessment (1B) of the ease and deliverability of the transition. This includes analysis of transition planning, clarity, risk mitigation, service integration plans, and strategic readiness for change.

Criterion 2A: Right size – short-term financial efficiencies (0–3 years)

This criterion evaluates the proposed model's ability to deliver measurable financial savings in the short term by eliminating duplication and consolidating resources. It considers the potential for staffing, procurement, technology, and asset efficiencies while accounting for transition costs. The financial viability of the new structures to withstand early economic pressures is also assessed.

Criterion 2B: Right size – long-term financial sustainability (10 years)

This longer-term financial criterion assesses whether the unitary model can sustainably support economic growth, service transformation, and future demands over a decade. It reviews alignment with meaningful local economies, population trends, urban centres, and strategic growth ambitions, as well as the capacity for responsive service design and resilient operating models over time.

Criterion 3: High-quality and sustainable public services

This criterion considers how well the proposed model supports excellent, long-term public service delivery. It evaluates the projected impact on outcomes across five domains; economy, housing, transport, adult social care and health, and children and young people. This criterion uses performance data, benchmarking, strategic plans, and regulatory insight to assess improvement potential and alignment with Government reform priorities.

Criterion 4: Collaboration and local support

This criterion assesses the degree of genuine collaboration between councils and the extent to which proposals are informed by transparent and meaningful engagement with residents and partners. It emphasises co-design, shared ownership, and evidence of public support, positioning strong collaboration as vital to both legitimacy and successful implementation.

Criterion 5: Support for devolution

This criterion examines how well the proposed structure supports future devolution to Greater Essex, including compatibility with Mayoral Strategic Authority arrangements. It looks for scale, clarity, and strategic capacity to secure devolved powers and funding and to deliver growth, prevention, and public service reform in alignment with national devolution ambitions.

Criterion 6: Community engagement and neighbourhood empowerment

This criterion evaluates the model's ability to strengthen democratic accountability and local power. It focuses on how well unitary structures align with residents' sense of place and identity and whether the model embeds mechanisms like area committees or participatory budgeting for distributing decision-making and delivering services that respond to hyper-local needs.

Options ruled out through initial assessment and review

Option A: The current status quo in Essex – 15 organisations across the county, unitary, and district authority layers of local government

This option is not recommended as it does not meet the direction and overall intention and ambition of LGR and does not fulfil the core assessment criteria set out in this options appraisal sufficiently to merit detailed consideration. It will, however, be utilised as a baseline option to assess against other options, as it represents the current state of the region that will become Greater Essex.

Option B: One unitary authority

With a population size of 1.9 million, a single unitary authority for Greater Essex would be by far the largest unitary authority in England. It would be over three times the size of the current biggest non-metropolitan unitary authority, North Yorkshire (624,000). Essex is a large and diverse county, with large urban areas including Southend-on-Sea and Colchester and rural districts including Uttlesford and Maldon. It would be an insurmountable challenge for any single unitary authority to represent the unique needs and identities of these varied communities.

Government guidance has made clear that it is expected that MSAs and unitary authorities have clear and differentiated remits, roles, and geographic scopes for delivery. This has been a deliberate ambition of Government strategy in the design of LGR, specifically differentiating between the strategic and regional focus of MSAs and more locally focused unitary authorities. This criterion clearly means that a single unitary council and MSA cannot be established on the same geographical footprint. With the Greater Essex area already identified as the MSA area, reorganising local government into multiple unitary authorities is the only viable option to unlock the full benefits of LGR and devolution. As such, the single-authority option has been discounted from full analysis in the options appraisal.

Option C: Two unitary authorities

This option would result in a two unitary authority model for local government in Greater Essex. It offers some improved economies of scale over the current structure of local government, but it would create unitary authorities of significant size and complexity, spanning significant variation of geography, need, and local identity. The two unitary authority model struggles most significantly with geographical and population imbalances. South Essex's density and growth challenges will dominate one authority, while the other will inherit a wide mix of rural and urban areas with competing demands for service delivery, economic growth, and prioritisation. This model also creates a highly challenging transition pathway which will result in the aggregation of multiple upper-tier authorities, slowing down the speed of implementation and increasing risk and costs of transition.

The significant scale and scope of each new unitary authority would significantly hamper the ability of each authority to focus on place-specific transformation. This would limit the ability of meaningful local partnerships to emerge and shape local service delivery and strategy, and would complicate sub-regional collaboration.

In terms of being appropriately sized to secure financial sustainability, there is strong evidence in our analysis (see Appendix 3) that the short-term efficiencies offered by this model would be significantly superseded by the model's inability to deliver long-term financial efficiencies through better demand, outcomes, and market management.

This option had no meaningful collaboration or co-design processes and has not been formally supported by any of the local authorities in the region. Most importantly, there are no local authorities in the Greater Essex region that have either developed a proposal in support of this option or have supported, even in principle, the delivery of this option by others. As such, it is discounted from our full application of analysis in our options appraisal.

Summary of viable options

Option D: Three unitary authorities

This model would result in a three unitary authority model for local government in Essex and has been developed in a separate proposal which will be submitted to MHCLG. This model proposes the creation of North, Mid- and South Essex unitary authorities, which would cover the full width of the Greater Essex region.

In our options analysis, it has been highlighted that this option offers marginal improvements over the two unitary authority model in terms of aligning local authorities to more meaningful local socio-economic areas and geographies. However, it would result in a highly challenging and risky transition in comparison with the other models fully appraised, specifically for the South Essex unitary authority, which would require the merging of services from three upper-tier authorities (including two existing unitaries) into the new unitary model. This would create the significant social care transition risks highlighted in our 'Transition and Transformation' analysis.

The configuration of services under this model groups significant urban conurbations together, introducing challenges of competing economic investment priorities and economic strategies for each of the three new unitary authorities. In our analysis, this option is significantly misaligned with natural travel-to-work areas and existing public service footprints. Our analysis also highlights that this option risks grouping areas without sufficient alignment of housing markets and health systems, which undermines the future public service reform potential that LGR can otherwise unlock. Furthermore, our analysis highlights that the unitary authorities created in this model will lack the agility and responsiveness to deliver better outcomes for local communities and places.

In our financial analysis of this model, the short-term efficiencies offered by the model are offset by the significant one-off costs of transition that it would give rise to and the significant missed opportunities to deliver better long-term outcomes, and therefore long-term financial efficiencies, offered by models with more optimally sized unitary authorities. Such authorities have greater alignment to local socio-economic areas and greater organisational agility, and are better connected to and able to develop more competitive local markets. In addition, the Chartered Institute of Public Finance and Accountancy (CIPFA), in its analysis of the allocation and integration of future debt in Greater Essex arising from the different LGR configurations being developed in the region (see Appendix 4), has highlighted concerns about the scale of debt that would be created by a South Essex large unitary authority integrating the debt of Thurrock, Southend, and Basildon into a future single authority. As such, this option has not scored as highly for criterion 2B as the other models.

In terms of the level of collaboration and co-design that has supported the development of this model within the Greater Essex system, this option has been subject to a limited degree of meaningful co-design and co-development, but this has not met the standards required for the highest marks in that category as set out in our options appraisal methodology.

There has been some level of engagement on this option with stakeholders and with residents, businesses, and communities in Greater Essex, and there is significant evidence from the engagement undertaken to date that residents most strongly value having local authorities that are connected meaningfully to their local areas. As such, this option has not met the standard needed to merit the highest scores available for this criterion.

Option E: Four unitary authorities

A four unitary authority model would offer increased benefits resulting from marginally better alignment of local authorities to local socio-economic areas than the three-authority model, creating a more manageable balance between population size and local identity. It is a model that has been developed in two distinct proposals backed by two individual local authorities in the Greater Essex region. Both of the four unitary authority models proposed begin to offer the benefits of alignment of unitary authorities with economic corridors of activity, but they fail to maximise the potential future economic benefits of aligning local authorities with current and future major infrastructure developments and known travel-to-work patterns that will drive long-term economic growth in local areas. Both four-authority models propose unitary authorities that will need to integrate (in some cases) multiple economic centres and conurbations, which could give rise to competing economic priorities, and investment strategies will need to be deployed to maximise long-term growth. This is in comparison with the five unitary authority model, within which each unitary authority has a defined economic and housing identity and offers strong potential alignment with NHS, policing, Department for Work and Pensions, and transport delivery zones.

The five unitary authority model right-sizes future unitary authorities for optimised performance and long-term improvement in socio-economic outcomes for local communities. In contrast, the four unitary authority model creates unitary authorities that approach a size and scale which will result in longer-term poorer performance and higher cost in commissioning demand-led services. Our analysis also highlights that the four-authority option risks grouping areas without sub-optimal alignment of housing markets and health systems, undermining the future public service reform potential that LGR offers. Furthermore, our analysis indicates that the unitary authorities created in this model will lack the agility and responsiveness to deliver better outcomes for local communities and places.

In our financial analysis of this model, in similarity to the three unitary authority model, the short-term efficiencies offered by the model are offset by the significant (but comparable to other models) one-off costs of transition that it would give rise to. Likewise the significant missed opportunities to deliver better long-term outcomes, and therefore long-term financial efficiencies, offered by the five-authority model, which proposes more optimally sized unitary authorities. Such authorities have greater alignment to local socio-economic areas and greater organisational agility, and are better connected to and able to develop more competitive local markets, and therefore deliver larger longer-term efficiencies that represent better value for the citizens of Greater Essex in the future.

Our analysis has highlighted a number of important observations in relation to the differences between the two four-authority models put forward as part of the Greater Essex LGR process, the Thurrock and Rochford models. The Rochford four-authority model proposes the assimilation of Southend and Thurrock upper-tier authorities, introducing all the costs and risks associated with aggregation of services in this locality, with very limited evident financial benefits in terms of the efficiencies, economies of scale, and long-term financial sustainability argued for in other models, most prominently illustrated in the five-authority case. The Rochford four unitary authority proposal also shares the same risks on debt as the three-authority model, as highlighted by CIPFA, in relation to the cumulative impact of combining the debt of Thurrock, Basildon, and Southend into a future unitary authority. While the Thurrock four-authority model avoids this pitfall by separating Southend and Thurrock, it introduces increased aggregation and complexity compared to the five-authority model as a result of the increased number of local authorities proposed for integration.

In terms of the level of collaboration and co-design that has supported the development of this model within the Greater Essex system, this option has only been subject to a very limited degree of meaningful co-design and co-development. Both of the four unitary authority proposals have been developed in isolation from other local authorities in the Greater Essex region and have only been supported by the individual local authorities responsible for developing them. As such, neither of these proposals achieves a high score for this criterion.

There has been minimal engagement on these options with stakeholders and with residents, businesses, and communities in Greater Essex, and there is strong evidence from the engagement undertaken to date that residents most strongly value having local authorities that are connected meaningfully to their local areas. Similarly to option D, there has been no direct engagement with residents on their views on the specific configuration proposed by either of the four unitary authority configurations. As such, this option has not met the standard needed to merit the highest scores available for this criterion.

Option F: Five unitary authorities (preferred option)

The five unitary authority model is best aligned to natural geographies, socio-economic areas, communities, infrastructure corridors, and the vital sense of local identity and place that underpin effective local government. It is the most compelling route to deliver the Government's priorities at pace and to best serve the residents and businesses of Essex.

There is strong evidence that the five unitary authorities best align with current and future economic development zones, housing delivery zones, current and future housing need, current and future transport infrastructure and travel-to-work patterns, and integrated health, community safety, and waste delivery areas. The model creates right-sized authorities that balance scale, democratic proximity, and service effectiveness. Each unitary authority has a defined economic and housing identity and aligns with NHS, policing, and transport delivery zones. The model creates right-sized authorities that balance scale with agility and democratic proximity, ensuring both service efficiency and strong local voice in local government in Essex for the future.

This configuration creates optimally sized unitary authorities with a convincing evidence base that predicts strong current performance and excellent future performance of services. The size of each unitary authority creates organisations that will be agile and responsive enough to handle future challenges, and that offer a significant opportunity for sharing of common capabilities where scale matters. The five unitary authority model creates unitary authorities that allow for tailoring of local partnerships and operating models in line with the unique local identity of each area and where deep place-based knowledge delivers results. This optimal size for future unitary authorities creates the best possible conditions for innovation in service delivery, digital innovation, and citizen engagement to flourish. The five unitary authority model also creates strong foundations for continued democratic accountability and for local governance of how places will grow and change for generations to come. This balance is proven in our evidence base to deliver strong current performance and is the optimal size to secure excellent future performance.

In our financial analysis, the five unitary authority option maximises long-term financial efficiencies through transformation and minimises the most significant transition risks seen in other LGR implementations, where overly large or misaligned authorities struggle to reform services as a result of lengthy and challenging transition programmes. These are problems that are likely to be replicated in the other models proposed through LGR in Greater Essex. The net costs of transition to this model are almost identical to those of the other models considered, and most importantly, these costs are significantly superseded by the projected benefits of the five-authority model relating to improved outcomes for residents, better management and development of local markets, and significant improvements in quality and value for money of services. Our analysis provides a strong evidence base that the five unitary authority model delivers the greatest efficiencies in adult and children's social care spending through better demand management, market-shaping, and commissioning, and the potential to deliver public service reform in partnership with our key anchor partners in the region.

The model also best supports the dual drivers of supporting a system-wide strategic approach to growth and improvement in Greater Essex by making the most of the opportunities afforded by devolution, and by creating the right-sized sub-regional authorities that can act quickly and effectively and unlock partnerships at the unitary level which will have the most impact across the entirety of Greater Essex. The five unitary authority model offers the most viable prospect of aligning local action with national missions on growth, opportunity, safer streets, clean energy, and health.

Uniquely, the five unitary authority model is a collaborative, people-backed proposal. It has been designed in a fully collaborative and co-designed way, with input from the overwhelming majority of local authorities in the Greater Essex region. This proposal makes the most of the unique talent, insights, and strengths of the Greater Essex system today, and establishes an incredibly strong foundation of collaboration for the future implementation of LGR.

The level of engagement on this option with stakeholders and with residents, businesses, and communities in Greater Essex is highly evidenced, with over 7,000 responses to the LGR survey launched in relation to the five unitary authority model. The insights from that survey overwhelmingly demonstrate the vital importance that residents place on having local authorities that are aligned to their own sense of place and community, and that are well aligned and tailored to tackle local challenges and improve local services. This engagement confirms that people value authorities which are closely connected to their sense of place and identity, and trust them to tackle local challenges effectively.

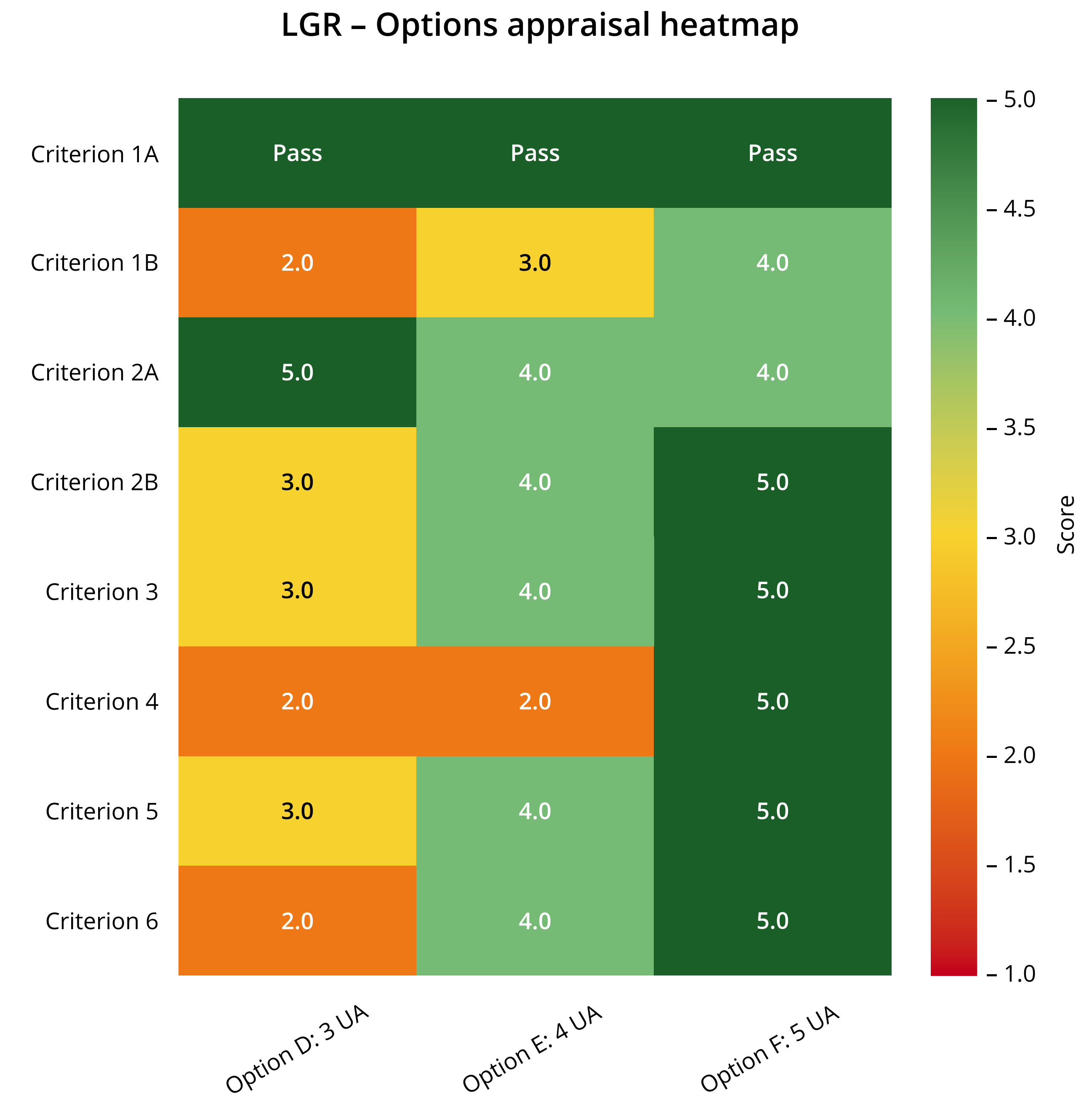


Figure 4: Options Appraisal Heatmap.

Essex is famous for beautiful springtime bluebell displays including this one at the ancient woodland of Gusted Hall woods, Hockley.

Options appraisal: Detailed analysis and results

Criteria/Options	Option D: Three UAs	Rationale for score	Option E: Four UAs	Rationale for score	Option F: Five UAs	Rationale for score
Criterion 1A: Establishment of a single tier of local government.	**All proposals meet the requirement to establish a single tier of local government.**					
Criterion 1B: Assessment of change and transition deliverability.	2	Creates a highly challenging transition pathway which will result in aggregation of multiple upper-tier authorities.	3	This model would result in a more achievable transition pathway when compared to option D, but introduces aggregation challenges which are lessened in the 5UA model.	4	This model would result in a moderately complex but manageable transition, allowing an earlier realisation of the benefits of LGR in comparison with the other models
Criterion 2A: Right size – short-term financial efficiencies (0–3 years).	5	Offers short-term efficiencies in greater scale than other options, but introduces more significant aggregation and transition costs in some areas in comparison with options E and F.	4	This model would result in marginally smaller short-term efficiencies in comparison with option D, but does offer reduced costs of transition in a number of areas, which offsets the majority of this difference.	4	This model would result in marginally smaller short-term efficiencies in comparison with options D and E, but does offer reduced costs of transition in a number of areas, which offsets the majority of this difference.
Criterion 2B: Right size – long-term financial efficiencies and sustainability (10 years).	3	Poorer long-term financial efficiencies due to missed opportunities for greater alignment to local socio-economic areas and meaningfully understood places.	4	This model delivers an improved financial sustainability outlook for the future unitary authorities when compared with option D, but it does not deliver the same scale of long-term transformation benefits and outcomes as those offered in the 5UA model.	5	This model delivers an improved financial sustainability outlook for the future unitary authorities when compared with options D and E, and offers even greater longer term socio-economic and demand management benefits when compared with option E.

Criteria/Options	Option D: Three UAs	Rationale for score	Option E: Four UAs	Rationale for score	Option F: Five UAs	Rationale for score
Criterion 3: Unitary structures must prioritise the delivery of high-quality and sustainable public services to citizens.	3	There is limited evidence that this option would support the delivery of better-value services, better outcomes for citizens, or service improvement. Proposed boundaries group existing unitary authorities and do not align with key partners, making integrated delivery more complex. This option risks grouping areas without sufficient alignment of housing markets and health systems, undermining the future public service reform potential that LGR offers.	4	There is some evidence that this option would support the delivery of better-value services, better outcomes for citizens, and service improvement, but it risks creating a higher number of larger unitary authorities, which in some cases has led to poorer service delivery performance, and integrates a numbers of areas without sufficient alignment of housing markets and health systems, undermining the future public service reform potential that LGR offers.	4	This option offers the best alignment to geography, local context, and partner services, with strong evidence of improved outcomes and sustainability over the long term. Engagement and political support suggest that it is well placed to drive long-term sustainable service reform and modernisation across the Greater Essex region.
Criterion 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.	2	Engagement has informed some data and insights, but there is no evidence of meaningful collaboration with citizens or councils to shape the proposal. Engagement on this option with stakeholders, residents, businesses, and communities undertaken to date, however, suggests there is convincing evidence that residents most strongly value having local authorities that are connected meaningfully to their local areas.	2	Engagement has informed some data and insights, but there is no evidence of meaningful collaboration with citizens or councils to shape the proposal. Engagement on this option with stakeholders, residents, businesses, and communities undertaken to date, however, suggests there is convincing evidence that residents most strongly value having local authorities that are connected meaningfully to their local areas.	5	There is clear evidence of strong political and community engagement, including surveys and local conversations. Feedback has been used to shape the proposal, which is supported across councils and communities.

Criteria/Options	Option D: Three UAs	Rationale for score	Option E: Four UAs	Rationale for score	Option F: Five UAs	Rationale for score
Criterion 5: New unitary structures must support devolution arrangements.	3	This model provides some of the potential benefits of devolution, but the scale of misalignment between future unitary authorities and meaningful local socio-economic areas will dilute the local impact of devolution on local areas as a result of the significant breadth of competing investment priorities that each unitary area would have to address.	4	This model begins to approach the right scale to realise the long-term regional and local benefits of devolution by achieving a more effective and meaningful alignment of unitary authorities with meaningfully understood socio-economic areas (with some variation between the two 4UA options being proposed by local authorities in Greater Essex). However, it fails to achieve the highest score possible due to misalignment with major transport infrastructure, resident/place identity, and economic corridors, which is addressed by the 5UA model.	5	This model achieves the highest score available in relation to devolution arrangements as it delivers the optimal scale and scope of unitary authorities required to realise the long-term regional and local benefits of devolution. It achieves an effective and meaningful alignment of unitary authorities with meaningfully understood socio-economic areas. The model creates optimal conditions for realising the long-term benefits of devolution in Greater Essex.

Criteria/Options	Option D: Three UAs	Rationale for score	Option E: Four UAs	Rationale for score	Option F: Five UAs	Rationale for score
Criterion 6: New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.	2	The proposed population size limits meaningful local engagement and risks diluting community voices. Structures are unlikely to support genuine neighbourhood empowerment. The significant scale and scope of each new unitary authority would hamper the ability of each authority to focus on place-specific empowerment, constraining the ability of meaningful local partnerships to emerge and shape local service delivery and strategy, and would complicate sub-regional collaboration.	4	Smaller unitary areas support improved engagement, consistent with feedback from citizens. However, misalignment with partner geographies may limit effective delivery of local priorities.	5	Boundaries reflect community identity, transport links, business links, and geographic ties. The model enables devolved decision-making and presents strong potential for sustained neighbourhood empowerment.
Totals	**20**		**25**		**33**	
Ranking		**3**		**2**		**1**

Figure 5: Options appraisal – detailed analysis and results.

The full options appraisal methodology is presented in Appendix 2.

Conclusion to the options appraisal

Why the five unitary authority model is the right choice for greater Essex

The options appraisal process tested six possible futures for local government in Greater Essex, from keeping the current two-tier structure to creating one, two, three, four, or five unitary authorities. Each was assessed against the Government's own criteria: protecting local identity, securing service sustainability, enabling devolution, and delivering long-term value for money.

Models with fewer authorities can generate some short-term savings, but they also introduce additional short term costs, and in our analysis were shown not to create the conditions for delivering lasting public service reform. Furthermore, in critical areas of public sector spend like adult and children's social care, they are more expensive to deliver.

Models proposing fewer authorities offer some short-term financial efficiencies through scale, but they consistently perform poorly on alignment with local communities, transition risk, and long-term service effectiveness – particularly due to the complexity of disaggregating or aggregating services across existing county and unitary footprints. Critically, our analysis highlights that in a number of key ways, the alternative options considered create high transition risks through the complex aggregation or disaggregation of existing county and unitary services, and they risk building authorities so large and remote that they lose their ability to respond to local needs and innovate.

The five unitary authority model emerged as the most balanced, deliverable, and future-proof option for local government in Greater Essex. It establishes right-sized councils that reflect natural communities and economic geographies, avoids the disruptive aggregation of existing upper-tier services, and supports greater democratic accountability. It also optimally aligns with the geography of the proposed MSA, facilitating joined-up regional planning while enabling tailored, place-based delivery. Though it requires a modestly higher upfront investment, the five-authority configuration maximises the long-term benefits of local government reform, offering more resilient public services, clearer leadership, and a strong foundation for sustainable growth across Essex. This model is the only option that fully meets all six Government criteria and enjoys strong support from councils and residents alike. The five unitary model is the right choice because it is the most efficient, least risky, and most accountable.

The five unitary authority model has emerged as the recommended option for Greater Essex because it is:

- Balanced and deliverable, creating right-sized councils that match natural communities, economic corridors, and housing markets.
- Proven to offer the greatest efficiencies in the most critical areas of local government spend, such as adult and children's social care, by aligning commissioning, market management, and preventative services tailored to manage local demand.
- Lower-risk to implement, avoiding disruptive upper-tier aggregation while still delivering a full single-tier system.
- Optimally designed to align to the proposed MSA, enabling joined-up regional planning, housing delivery, and transport infrastructure while keeping local delivery truly place-based.
- Built for accountability and trust, ensuring that residents have councils close enough to understand their priorities and act on them.
- Future-proof, creating the optimal size for councils to adapt to housing growth, demographic change, climate action, technological transformation, and evolving public expectations.

In short, this is the only configuration that meets all six of the Government's criteria while also providing the political dividend of faster, more visible results for the communities of Greater Essex.

Basildon town centre and the iconic St Martin's Bell Tower, thought to be the only glass bell tower in the world.

Flower stall at Burnham-on-Crouch.

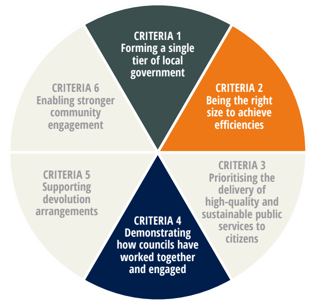
Vision for unitary local government model in Essex

> *"First, the administrative boundaries being drawn are about efficiency and the importance of having a single tier of local government that people can hold to account and that is sustainable in the future. But it is in no way intended to cut across the identities that people feel and are proud of. No council should try to cut across the historic identity that local areas feel.*
>
> *"Secondly, every council, regardless of size or where it is in England, should always root itself in local communities and local neighbourhoods. The days of councils being disconnected and removed from local communities are long gone, and that empowers local councillors to be the frontline community convenors that they stood for election to be."*

Jim McMahon,
Minister for Local Government and English Devolution

Iconic ruins of the 13th century Hadleigh Castle with sweeping views over the Thames Estuary towards Canvey Island.

Five new councils for Essex



Government Criterion 1: A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.

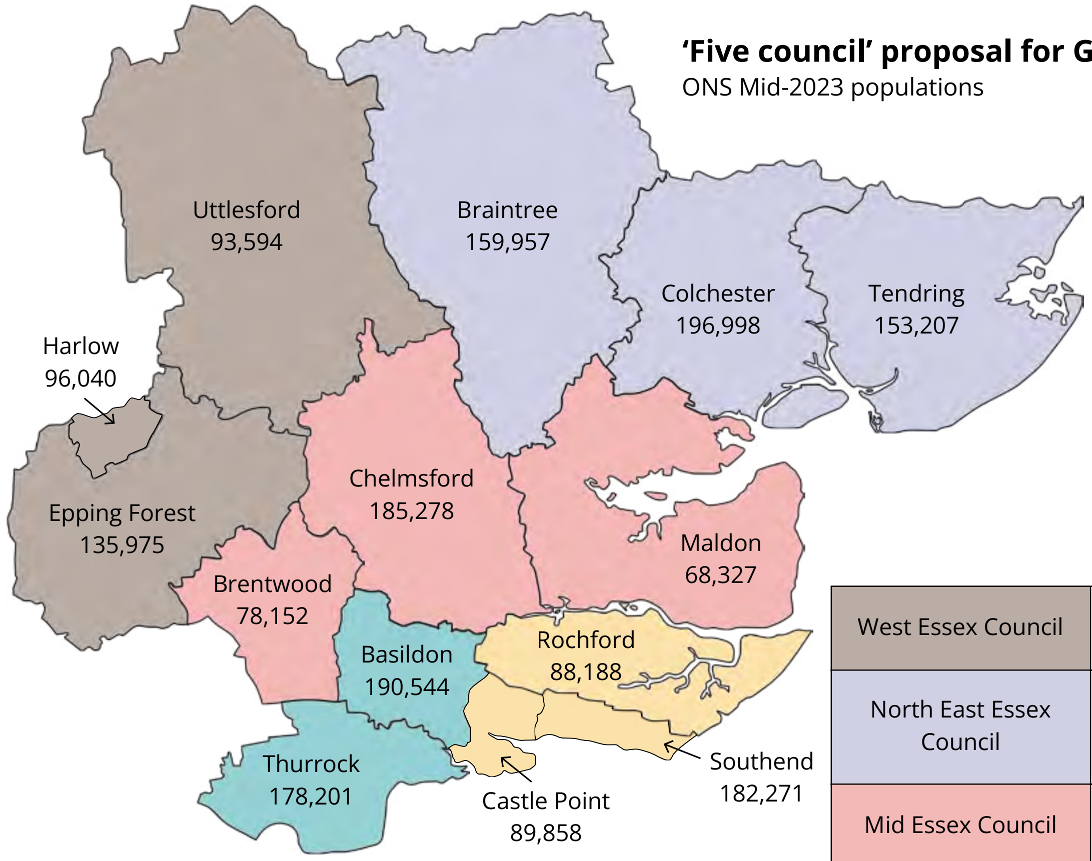
Our proposal establishes a single tier of local government by replacing the current two-tier system of 15 councils with five new unitary authorities. Each authority is centred around a major conurbation – Basildon, Chelmsford, Colchester, Harlow, and Southend – and the surrounding areas. This structure aligns with sensible economic geographies and enables more effective collaboration on large-scale priorities such as housing, infrastructure, and transport. We, along with our residents, are rightfully proud of the rich culture, heritage, and natural beauty of Essex, and our model preserves local civic pride and respects the identity of respective areas.

Our new councils respond to evidence, lived experience, and incorporate shared infrastructure, places of employment, and existing partner service areas within their boundaries. They also support representative constituent membership of the MSA, enhancing strategic coordination across Greater Essex. Our model creates a fair, effective governance arrangement with representative constituent membership whilst ensuring that councils are close to communities and align to lived geographies.

Essex is a county of distinct geographies in which its population lives, works, socialises, and shops. Its size and transport networks mean that in daily life, residents mostly remain in their localities. This creates different cultures between east, west, north, and south. It also creates strong local relationships and partnerships between adjacent sub-geographies.

Our vision is, therefore, for five unitary authorities which continue to reflect the unique and distinctive characteristics of their communities. The new authorities will ensure ongoing and democratic representation through councils that are close to and recognisable to residents and that align with existing identities: as set out in the statutory invitation to participate in the devolution priority programme, our existing borough, district, and unitary areas are the building blocks from which we will form the new five unitary authorities. These will be better councils that do more with less and that harness the power of local communities to influence local, regional, and national leaders.

'Five council' proposal for Greater Essex
ONS Mid-2023 populations



West Essex Council	325,609
North East Essex Council	510,162
Mid Essex Council	331,757
South West Essex Council	368,745
South East Essex Council	360,317

Figure 6: Populations of the new five unitary authorities in Greater Essex.

Five urban centres

Each of our five new councils hosts a primary town or city with significant numbers of residents and commuters. Our data shows that, based on a five unitary authority model, many workers travel to work at the largest conurbation within their respective home unitary authority. This is demonstrated by the travel flow map below, showing the five major conurbations in Greater Essex – these are likewise the five main centres that people travel to for employment. While Greater Essex has retail hubs like Lakeside Thurrock, Chelmsford High Street and Braintree Shopping Village that draw visitors from across the county, the majority of leisure, shopping, and retail activity takes place within the proposed unitary authority locality of our residents.

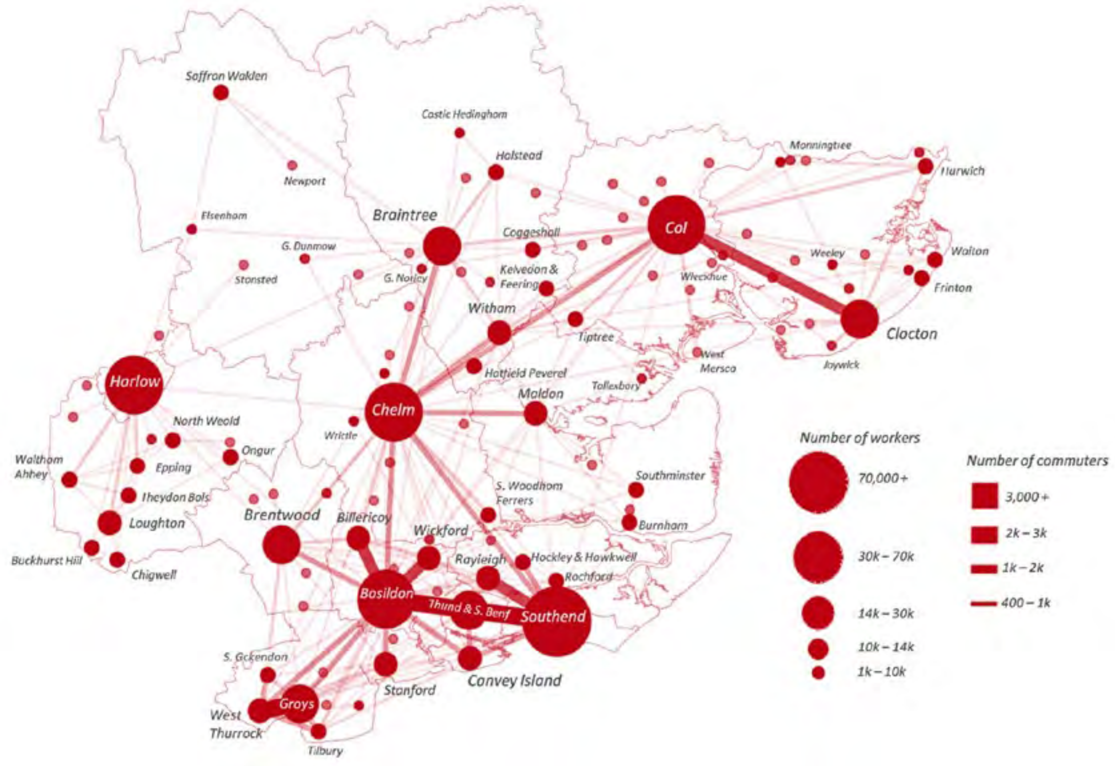


Figure 7: Map showing travel-to-work flows between the largest built-up areas in Greater Essex[2].

There is a clear flow of travel in North East Essex, with people from both Tendring and Braintree heading to Colchester for work. Likewise, there is a clear movement of people across Mid Essex, with Chelmsford being the top place of employment for residents of Maldon. However, it is also clear that people in Chelmsford regularly head to Maldon and Brentwood for recreation and leisure purposes. There is a more reciprocal pattern of work travel flow across West Essex: Harlow is the top employment destination for residents of Epping Forest and vice versa.

Our five new councils ensure an even split of major conurbations across the Greater Essex footprint, reflecting the places where people live, work, and play and where children go to school. This allows each new council to act as an enabler for growth and transformation within its geography and to tailor its operating

2 The map shows all travel-to-work flows greater than 100 people or the two top flows in instances under 100 people, as recorded in March 2021

Five new councils for Essex

model to reflect the unique context and potential of its place.

The five do vary in size. However, this reflects actual economic geographies and enables more effective collaboration on large-scale priorities such as housing, infrastructure and transport. They all have ambitious growth and housing targets.

The division of conurbations promotes collaboration between the five new councils, which will assist the mayor and promote the opportunities of devolution. Given the Government's clear direction that councils should not cut across 'historical identity', any decision to bring two or even three of the county's major conurbations into one unitary authority will alienate residents and risks having a negative impact on these areas. Having fewer, larger unitary authorities would be an artificial arrangement and is unlikely to effectively serve the diverse needs of all communities within those expanded areas. Areas that already suffer from a lack of connectivity, such as the Dengie Peninsula, or high levels of deprivation, such as Jaywick or Clacton's Pier Ward, will struggle for representation in any larger unitary authority spread over too wide a region.

Identity

Our five new councils are based on firmly established local histories and identities that have been shaped by centuries of lived experience and government. Geography and lived reality are essential in shaping a sense of place and civic pride. Our proposal takes into account distances, rivers, forests, seas, major roads, rail routes, and country lanes.

Reflecting the differing personalities of community culture, our five new councils reflect their residents and their sense of belonging.

Each part of Greater Essex offers something distinctive that reflects its heritage and cultural roots. This ranges from the original post-war New Towns of Basildon and Harlow through to Chelmsford's city energy with great shops and nightlife, the Roman history of Colchester, the picturesque market towns of Saffron Waldon and Rayleigh, the peaceful villages of Coggeshall and Sible Hedingham, and the second-longest coastline in any county in England.

Essex embraces the whole spectrum of modern urban living, vibrant culture, historic charm, and peaceful rural life. This diversity creates a county of distinct geographies in which its population, lives, works, and socialises. Its size and transport networks mean that in daily life, residents mostly remain in their localities. This creates different cultures between east and west and north and south. It also creates strong local relationships and partnerships between adjacent sub-geographies.

Our five new councils respect these cultural differences and the existing strengths of partnership working, and represent new administrative boundaries which make sense to our residents.

Voice

Our five new councils ensure effective democratic representation for the people of Greater Essex, ensuring efficient delivery of the administrative function in terms of overall size without compromising the ability of councillors to be effective and accessible to their residents.

Our five new councils use existing district, city, borough, and unitary ward boundaries as building blocks for new electoral arrangements, grouped as necessary to provide new warding arrangements of approximately 6,000 electors (with two councillors representing) and 9,000 electors (with three councillors representing). The proportionate representation of the population is comparable within each new council, ensuring equity of representation at a local level. The two smallest unitary authorities have ambitious growth plans and are likely to grow substantially in the future. Our proposal will ensure ongoing and democratic representation through councils that are close to and recognisable to residents and that align with existing identities.

Using recognisable electoral boundaries as building blocks will also provide clarity for voters, helping to support enfranchisement and ensure an effective transition to the new administrative arrangements. Our proposals for increasing community engagement and empowerment fit alongside these new arrangements and reflect the cultural identity of each place through area committees and harnessing the latent power of a local community network which is unique to its own place, ensuring that nobody is left unheard.

Essex for everyone

LGR must seek to balance efficiencies of scale alongside local responsiveness. Our proposal is designed to allow each unitary council to tailor its operating model to its local context while ensuring that it is appropriately aligned to deliver better value and outcomes for Greater Essex. We will ensure resilience and flexibility by creating a model that gives individual councils the ability to form a range of partnerships to respond to local needs. By taking account of local context and providing appropriate levels of proximity to our local communities, we will provide greater responsiveness.

Our five new councils will create a strong foundational layer that will underpin the work of the MSA and empower the mayor to champion the county and all its diversity. This will create better councils that do more with less and that harness the power of local communities to influence local, regional, and national leaders.

The overviews provided below will introduce our five new councils and demonstrate why these areas, each based around the five conurbations of Greater Essex, are true to their regional identities and are best placed to drive sustainable, long-term growth across our county.

West Essex Council:

Where the future is built.

17th century Audley End House, near Saffron Walden, one of the finest Jacobean mansions in the country.

Factfile

Current population (ONS mid-year estimate, 2023)	325,609
2040 population estimate (ONS population projections, 2018)	340,230
Working-age people (% of total pop.)	61.5
Young people (% of total pop.)	19.8
Older people (% of total pop.)	18.7
Geographical area (hectares)	101,070
Population density (persons/hectare, 2023)	3
Dwelling growth Standard method (including transitional arrangements), 2023–2040	46,580
Major conurbation	Harlow
GVA per population (2023)	£29,655
Number of councillors (current)	141
Number of new councillors	83
Number of parish and town councils (current)	77 (53 Uttlesford, 0 Harlow, 24 Epping)
Number of businesses per 10,000 population	536
Housing need (MHCLG, 2025)	2,740
Number of schools	137

West Essex is a region where innovation, connectivity, and quality of life converge to create one of the UK's most forward-looking and investable areas. It is an area defined by its access to forest and green spaces, considerable rurality, and proximity to both London and Cambridge. From the groundbreaking 19th-century environmental preservation of the 'People's Forest' at Epping in the south to the historic charm of Audley End and Thaxted in the north, and with the burial site of the last Anglo-Saxon king, Harold II, at Waltham Abbey in the west and Harlow, one of the UK's first New Towns, designed by Sir Frederick Gibberd, at its centre, West Essex is rich in heritage and character. With Saffron Walden recently named the UK's best place to live in 2025, the region offers a rare blend of rural beauty, cultural depth, and access to diverse green spaces.

The home of innovation

There is a strong diversity of place across West Essex, yet with a central conurbation and a near-even spread of population distribution across the three existing districts, no one area dominates. Harlow, Epping Forest, and Uttlesford also make up the Essex section of the UK Innovation Corridor, linking east London to Cambridge. West Essex is home to Harlow Innovation Park and Chesterford Research Park, two nationally significant centres of research, life sciences, and enterprise. These hubs attract global talent and investment, positioning West Essex as a key player in shaping the future of health, technology, and sustainable development. The opportunities at North Weald, with the new Google Campus evidencing the latest expansion of the digital and tech sector in West Essex, confirm the area's potential. West Essex complements the Government's London, Oxford, and Cambridge growth triangle, and its unification and extended collaboration will leave it best placed to take advantage of ambitious national plans for growth and innovation.

People living in the various districts that make up West Essex already access employment opportunities across the wider area. For example, London Stansted Airport is the third-largest employer of Harlow residents, demonstrating the interconnected nature of the local labour market. West Essex remains a leading region for employment today: Harlow College and Stansted Airport College are equipping the next generation with the skills needed to thrive in a knowledge-driven economy, while London Stansted Airport, undergoing a £1.1 billion expansion, is a global gateway and major employer that is poised to generate thousands of new jobs.

Connected places

The M11 motorway and the London–Cambridge train line are the backbone of this region, linking London in the south to Cambridge in the north. Alongside the West Anglia rail line, this creates a powerful north–south axis that binds Epping, Harlow, and Uttlesford into a coherent growth corridor. West Essex's transport links via rail, road, and air connect it seamlessly to London, Cambridge, and global markets. The Central Line, Elizabeth Line, and West Anglia Main Line make commuting and commerce efficient, while Green Belt areas and forests ensure that growth enhances well-being and environmental quality. Unlike other parts of Essex, where east–west movement dominates, West Essex is distinctly aligned along this north–south trajectory, supporting a shared labour market, integrated commuting patterns, and coordinated investment.

There is an existing alignment with current health boundaries as well as shared health services such as a shared hospice and pulmonary arterial hypertension care. The West Essex boundary also fits largely across current parliamentary constituencies and is compliant with most national policy requirements, including in relation to local plans.

Over the coming years, West Essex is set to play host to a number of new developments of considerable ambition and scale. For example, the Harlow and Gilston Garden Town, one of the UK's most ambitious new communities with over 23,000 planned homes, integrated transport systems, and a commitment to green infrastructure, is designed to deliver inclusive, future-ready living and set a national benchmark for sustainable development.

West Essex is already working as one, and formalising that unity will ensure that its growth is managed sustainably and its voice is heard clearly in regional and national decision-making. With a shared identity, a powerful economic base, and a clear, deliverable vision for sustainable growth, West Essex is poised to become one of the UK's most dynamic and prosperous regions. This is a place where innovation thrives, where communities flourish, and where the future is being built, today.

The Epping Ongar railway, originally opened in 1865, offers steam journeys through Epping Forest.

North East Essex Council:

Uniting coast, countryside, and city for community leadership.

The Atmospheric ruins of St Botolph's Priory, founded in 1093 in Colchester.

Factfile

Current population (ONS mid-year estimate, 2023)	510,162
2040 population estimate (ONS population projections, 2018)	557,989
Working-age people (% of total pop.)	59.8
Young people (% of total pop.)	17.9
Older people (% of total pop.)	22.3
Geographical area (hectares)	127,626
Population density (persons/hectare, 2023)	4
Dwelling growth Standard method (including transitional arrangements), 2023–2040	58,633
Major conurbation	Colchester
GVA per population (2023)	£22,759
Number of councillors (current)	173
Number of new councillors	100
Number of parish and town councils (current)	116 (35 Colchester, 54 Braintree, 27 Tendring)
Number of businesses per 10,000 population	368
Housing need (MHCLG, 2025)	3,449
Number of schools	206

North East Essex is geographically and economically diverse. It is bounded by the Tendring Sunshine Coast, the Colne Estuary, and the River Stour, which forms part of the Essex border with Suffolk. Britain's first city, Colchester, sits centrally, with Braintree, Halstead, and Witham to the west, and the resort of Clacton and the historic port of Harwich on the coast to the east.

A diverse and culturally rich region

The area's historic and cultural assets are well established. Highlights include the millennium-old Colchester Castle (built on the foundations of a Roman temple), the medieval barns at Cressing Temple, and Dedham Vale's Constable landscape. Harwich boasts a rich maritime heritage – from the home of Christopher Jones, captain of the *Mayflower*, to the oldest depiction of the American flag – and is proud to have welcomed the Kindertransport. Leisure, sport, and tourism play an important role in the area's identity. Attractions include Colchester Zoo, coastal destinations such as Clacton with its famous Pier, and a growing creative sector. Local football clubs such as Colchester United and Braintree Town enhance community sports participation.

The population of North East Essex is both substantial and diverse. The new unitary authority will serve around 510,000 residents, with 22% aged over 65. Colchester has a relatively young demographic, influenced by its university population. By contrast, coastal areas have a higher proportion of retirees, with over 30% aged 65 and over in Tendring. Coastal communities face significant socio-demographic challenges; the wider area contains some pockets of deprivation alongside more affluent neighbourhoods, reflecting the balance of the socio-economic landscape in North East Essex as a whole.

Often referred to as the most beautiful village in England, Finchingfield is a picture-postcard gem of North East Essex.

Strategic infrastructure and economic opportunity

Transport infrastructure across the future unitary authority is well established but under strain. Key road routes include the A12, A120, A133, and A131, providing links to London, Greater Essex, and other parts of the Eastern Region. The Eastern Main Line connects Colchester, Witham, and Manningtree to London, Ipswich, and Norwich, while branch lines link Braintree, Harwich, and Clacton to the wider rail network.

North East Essex hosts a broad business base and workforce. The area supports 18,785 enterprises and approximately 190,000 jobs. Colchester accounts for nearly half of the region's employment, with concentrations of professional and digital services. Construction is prominent in areas outside the city, while the coast supports tourism-related sectors and the care sector.

There are bright future opportunities for economic growth. Offshore renewables, logistics along the A120 corridor, and the Freeport East initiative at Harwich are key areas of potential. Innovation centres in Colchester and surrounding towns are supporting growth in research and enterprise, while higher and further education institutions contribute to the region's skill base. The University of Essex is a nationally and internationally recognised centre for research and business engagement, and Colchester Institute delivers technical and vocational education across North East Essex, supporting access to training and employment.

There is a long history of joint working for place leadership across the three existing local authorities in North East Essex. This includes sharing Part 1 of their Local Plans outlining strategic ambitions across Colchester, Tendring, and Braintree.

There is also robust partnership working in North East Essex to respond to socio-demographic challenges. Local authorities work closely with the voluntary sector and health partners and demonstrate a track record of tackling inequalities and supporting residents through a preventative, early intervention approach. This joint work has helped to reduce suicide rates, which were some of the highest in the country, and has improved the overall health index in some of the most deprived areas.

North East Essex presents a strong and coherent foundation for unitary governance. Its well-established transport and economic links, history of joint planning and delivery, and shared public service challenges make it well placed for a single, accountable leadership model that can deliver effective, efficient, and locally responsive services.

Mid Essex Council:

Quality of life in the heart of Essex.

Hylands House and Estate, an iconic building that was used as a filming location for the television series The Crown.

Factfile

Current population (ONS mid-year estimate, 2023)	331,757
2040 population estimate (ONS population projections, 2018)	352,153
Working-age people (% of total pop.)	60.7
Young people (% of total pop.)	18.4
Older people (% of total pop.)	20.9
Geographical area (hectares)	84,970
Population density (persons/hectare, 2023)	4
Dwelling growth Standard method (including transitional arrangements), 2023–2040	42,551
Major conurbation	Chelmsford
GVA per population (2023)	£32,370
Number of councillors (current)	143
Number of new councillors	79
Number of parish and town councils (current)	69 (29 Chelmsford, 31 Maldon, 9 Brentwood)
Number of businesses per 10,000 population	483
Housing need (MHCLG, 2025)	2,747
Number of schools	122

Mid Essex is at the heart of Essex and combines rich culture and a strong economy and potential for growth with a commitment to quality of life for all residents. At its core is the city of Chelmsford, which is iconic as the birthplace of radio and the home of Guglielmo Marconi's first factory, and which continues to drive innovation today. Chelmsford has also been ranked as one of the healthiest places to live in the UK. Mid Essex is an area rich in heritage and legend, boasting one of the oldest intact stone churches in the UK, the seventh-century chapel of St-Peter-on-the-Wall at Bradwell, and the site of a 10th-century battle between the Anglo-Saxons and Vikings which was immortalised in one of the most important Old English poems, 'The Battle of Maldon'.

Steeped in heritage, innovation, and natural beauty

From the remnants of the ancient Great Weald (forest) surrounding Brentwood to the historic parkland at Hylands Estate and from the peaceful RHS Garden Hyde Hall to the wildlife haven of Hanningfield Reservoir, Mid Essex offers beautiful green spaces on the doorstep of its conurbations. The river estuaries of the Chelmer, the Blackwater, and the Crouch offer essential intertidal habitats supporting nature and our coastal communities.. Mid Essex enjoys the bounty of its waters with culinary delights from suppliers including the royal purveyors of sea salt, Maldon Salt, whose product is exported worldwide.

Mid Essex has excellent access to sports, leisure, and other recreational facilities ranging from Riverside Leisure Centre, with its ice rink, to Essex County Cricket Ground in Chelmsford and two long-distance walking paths, the Essex Way and St Peter's Way, that traverse Mid Essex. The region hosts several major music festivals and locations that have featured prominently in major television series including *The Crown* and *The Essex Serpent*. Chelmsford regularly scores highly in 'thriving places' rankings and was recognised as one of the best places to live in 2025. Maldon attracts over 4 million visitors annually.

Connectivity and strategic opportunity

Whilst Brentwood and Chelmsford enjoy excellent road and rail links to London and other areas, connectivity is a major challenge for the Maldon region, and this limits employment opportunities for Maldon residents in less connected places such as the Dengie Peninsula and Tollesbury. This, combined with a lack of further education provision in Maldon, has led to a lower-skilled workforce, fewer opportunities for economic growth, and health problems through increased social isolation. A Mid Essex authority will be able to adopt a more strategic approach to these types of challenges through closer collaboration, which in turn will open the economic and life benefits enjoyed by residents in Chelmsford and Brentwood to other areas of the authority. Connectivity to Brentwood has been bolstered by the introduction of the Elizabeth Line, with its terminus at Shenfield. This has reduced travel times to Central London and has greatly improved connectivity to the rest of the UK, with, for example, travel time to Heathrow Airport now just over an hour. Progress has been made in terms of connectivity and plans for significant new infrastructure in the region, including new rail stations to support the proposed Chelmsford Garden Community and the development of the Chelmsford North East Bypass. Mid Essex has already seen significant housing growth, and this is being complemented by investment in infrastructure such as the new station at Beaulieu.

Five new councils for Essex

Maldon is famous for its Thames barges. The sailing barge *Pudge*, built in 1922, is one of only four Dunkirk spritsail barges afloat.

A major source of both growth and employment is the potential creation of Bradwell B, which remains a national designated site for new nuclear. This project would be transformative in leading to a major investment in skills, jobs, and the local economy. Mid Essex also has plentiful opportunity for solar and wind farm development, and Chelmsford continues to build on its legacy of innovation and scientific technology with growth in aerospace and engineering, hosting companies including BAE systems. While connectivity is a challenge, Mid Essex has access to excellent educational institutions offering well-regarded schools provision, with Anglia Ruskin University and Chelmsford College delivering across the region of the unitary authority.

Mid Essex is a vibrant region that contains strong centres of innovation and thriving economies and embodies a strong sense of place. A Mid Essex authority will increase these opportunities for growth, improve quality of life, and ensure that shared place assets are available to all. The increased opportunity to deliver on key infrastructure and foster an ever-greater sense of partnership will ensure that the heart of Essex continues to thrive.

South West Essex Council:

Connected communities, thriving together.

Coalhouse Fort, reflecting the region's historical role in maritime defence and trade, overlooking the Thames with the London Gateway Port in the background.

Factfile

Current population (ONS mid-year estimate, 2023)	368,745
2040 population estimate (ONS population projections, 2018)	406,344
Working-age people (% of total pop.)	62.8
Young people (% of total pop.)	21.8
Older people (% of total pop.)	15.4
Geographical area (hectares)	27,384
Population density (persons/hectare, 2023)	13
Dwelling growth Standard method (including transitional arrangements), 2023–2040	40,086
Major conurbation	Basildon
GVA per population (2023)	£33,224
Number of councillors (current)	100
Number of new councillors	82
Number of parish and town councils (current)	9 (9 Basildon, 0 Thurrock)
Number of businesses per 10,000 population	397
Housing need (MHCLG, 2025)	2,357
Number of schools	118

South West Essex is a dynamic hub of industry, connectivity, and cultural heritage. Defined by its relationship with the River Thames, it has always been a place of ambition and transformation, from the post-war creation of Basildon New Town to the globally significant port and logistics hubs of today.

Its history is rich and nationally significant: Tilbury Fort, where Elizabeth I rallied her troops against the Spanish Armada, and Tilbury Docks, the landing site of the *Empire Windrush*, symbolise resilience, diversity, and the region's proud multicultural identity. Today, South West Essex continues to foster innovation, global connectivity, and cultural exchange.

Economic strengths with global reach

South West Essex is a strategically located economic powerhouse, home to the London Gateway Port – a global trade hub with Thames Freeport status that attracts international investment and creates thousands of jobs. Major employers include Ford, Leonardo UK in aerospace and defence, and the Costa Coffee Roastery, one of Europe's largest and most sustainable roasteries. The area also boasts one of the highest business start-up rates in the country, with strong business survival, alongside major retail and leisure destinations such as Lakeside Thurrock, the planned South Essex Arena in Basildon, and regenerated high streets that drive local commerce. Logistics, manufacturing, and international trade are central to the area's prosperity, while regeneration plans for Basildon and Thurrock will deliver new housing, sustainable transport links, and major infrastructure improvements.

Basildon, designated a New Town in 1949, is a symbol of mid-century urban planning now undergoing major regeneration in the 21st century.

Five new councils for Essex

A region ready for regeneration and inclusion

South West Essex combines economic strengths with significant opportunities for improvement. The area faces challenges in health, environment, and urban vitality, including pockets of poor air quality, below-average life expectancy, and declining town centres in need of reinvestment. Infrastructure constraints also limit housing delivery and the area's full growth potential, making targeted regeneration and inclusive development essential to unlocking its future.

A South West Essex unitary authority has the scale and focus to deliver targeted health interventions that reduce inequalities, drive town centre regeneration through coordinated planning and investment, and support sustainable housing growth. This includes the proposed New Town development, which would deliver over 16,000 homes, create 23,000 construction jobs, and generate £2.6 billion in gross value added (GVA), providing a transformational boost to the local economy and quality of life. A natural partnership for the future.

Basildon and Thurrock already share strong economic and cultural ties, underpinned by a proven track record of strategic collaboration. Their ambitious Local Plans are closely aligned on infrastructure, housing, and environmental priorities, creating a strong foundation for coordinated growth and development.

By unifying governance, South West Essex can integrate Local Plans to maximise economic and social impact, leverage strategic assets such as Ford Dunton, London Gateway, and West Horndon Station to drive growth and clean industry, and unlock national investment to deliver inclusive, sustainable communities. This approach aligns directly with the Government's missions for growth, opportunity, safer streets, clean energy, and improved health.

South West Essex is uniquely positioned to combine its industrial and logistical strengths with targeted regeneration and social investment. With single, integrated and accountable leadership, it can accelerate growth, reduce inequalities, and become a leading example of how LGR delivers real benefits for people and places.

South East Essex Council:

Coastal charm, urban energy.

The Prittlewell Priory is an iconic 12th century priory complete with stunning Victorian walled gardens in the heart of Southend-on-Sea.

Factfile

Current population (ONS mid-year estimate, 2023)	360,317
2040 population estimate (ONS population projections, 2018)	396,589
Working-age people (% of total pop.)	60.0
Young people (% of total pop.)	18.2
Older people (% of total pop.)	21.9
Geographical area (hectares)	25,344
Population density (persons/hectare, 2023)	14
Dwelling growth Standard method (including transitional arrangements), 2023–2040	47,515
Major conurbation	Southend
GVA per population (2023)	£17,676
Number of councillors (current)	139
Number of new councillors	90
Number of parish and town councils (current)	16 (1 Southend, 14 Rochford, 1 Castle Point)
Number of businesses per 10,000 population	386
Housing need (MHCLG, 2025)	2,795
Number of schools	112

South East Essex is an authority defined by its geographic boundaries with the rivers Thames, Crouch, and Roach and the North Sea, which are instrumental in the formation of the coastal identity of this culturally and historically rich region of Essex. Ancient origins abound, from Roman salt production on Canvey Island, an early East Saxon royal burial ground at Prittlewell, and famous historic battles at Benfleet and Ashingdon, to the final resting place of Darwin's ship, the *Beagle*, at Paglesham. The city of Southend-on-Sea, the central conurbation of South East Essex, boasts the 12th-century Prittlewell Priory, the medieval Southchurch Hall, the Focal Point Gallery, and the largest public art gallery in Essex, the Beecroft Art Gallery. As Sir John Betjeman said, "The Pier is Southend, Southend is the Pier", and this unique 19th-century marvel was recently voted the most iconic building in Essex. The 2020 Royal Society for Arts Heritage Index report, which ranks English councils, highlighted "the Thames Estuary for its heritage potential", with Castle Point ranking first, Rochford fifth, and Southend 16th in the country. A South East Essex unitary authority will be well placed to realise this potential.

Cultural identity

Tourism is key for South East Essex, and the region attracts over 7 million visitors per year. There are opportunities to encourage longer stays and build on the success of Southend seafront through the joint promotion of comparatively less visited areas in Rochford and Castle Point. South East Essex is also the home of Southend United Football Club, a National League club with a strong fan base and ambitions for future development. South East Essex is blessed with an array of natural beauty spots, from Hadleigh Country Park with its atmospheric 13th-century castle ruins and Olympic mountain biking course to the ancient woodlands of Hockley and Belfairs. South East Essex contains saltmarsh and mudflat habitats, a vital store for vast amounts of carbon and an essential habitat for migratory birds. Saltmarsh across Essex, as part of the wider East Coast Flyway, is being considered for World Heritage status. Wallasea Island has been part of an ambitious rewilding project which saw 3 million tonnes of earth from the Crossrail project relocated to create a rich new wetland habitat. Canvey Wick, an accidental landscape formed in the ruins of an oil refinery, is a 'brownfield rainforest' and home to one of Britain's rarest bumblebees, the shrill carder bee.

Future growth potential

A shared sense of place already exists across Rochford, Castle Point, and Southend, with boundaries seamlessly crossed by residents daily. The city of Southend is the major conurbation, and many residents commute to Southend for employment from Rochford and Castle Point. The area scores highly with quality of school provision and further education institutions and is served by USP Seevic Campus, based in Thundersley, and South Essex College and Southend Adult Community College, based in Southend. The educational offer is further enhanced by the presence of the University of Essex's Southend campus. Southend boasts theatres including the Cliffs Pavilion and the Palace Theatre, and regularly hosts internationally recognised performers.

The authority is reminiscent of a London borough, with areas of affluence and prosperity existing near areas of high deprivation. Leigh-on-Sea was in recent years voted the best place to live in the UK, yet the Kursaal ward is ranked in the top 20% most deprived wards in the UK.

Five new councils for Essex

Children living on Canvey Island are twice as likely to live in income deprivation as children living just on the other side of the creek in Benfleet. It is vital that the powers to improve these imbalances are situated in a focused authority where existing learning can be shared and genuine change can be promoted.

The region is well connected, with two London-bound railway lines traversing South Essex and beyond. There are good road links, although these suffer from major congestion. Connectivity is good in terms of movement east to west, but the area suffers from less connectivity in terms of movement north to south. There is no direct rail service between Southend, as Greater Essex's largest city, and Chelmsford, as the third-most populous place in the county. London Southend Airport has been recognised as one of the fastest-growing airports in the country, with excellent customer satisfaction ratings. The airport is not only a global gateway for South East Essex but is also an inbound gateway for international business and tourism. This brings inward investment to South East Essex and benefits local businesses, as evidenced by the creation of Southend Airport Business Park and the cutting-edge innovation facility hub, The Launchpad.

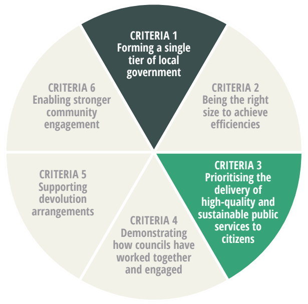
South East Essex is an area with an ingrained sense of identity and place and will feel familiar to residents who already live in close proximity and cross existing boundaries daily for work, education, and recreation. The South East Essex unitary authority will continue to respect the passionate local pride that residents have for their local town, village, or city while recognising that there are far more commonalities than differences across this area. South East Essex combines heritage, fantastic access to recreational and leisure activities, and a range of visitor attractions enjoyed by both local people and tourists. Economically, South East Essex is primed to expand, and the opportunity to unite the area and create a fit-for-purpose authority that can draw on the assets of the entire geography will be transformative.

The Labworth area of Canvey Island seafront offering panoramic views of the Thames Estuary.

Enabling high-quality outcomes for our residents

Volunteer group maintaining Southend Central Museum's 'Dementia Friendly' garden.

Enabling high-quality outcomes for our residents



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

The five unitary authority model consolidates services like social care, housing, and community safety under each unitary authority, reducing fragmentation. It supports place-based delivery tailored to local needs, integrated health and care models, and improved local partnerships. The proposal enhances service quality through local accountability and better value for money.

The ambition at the heart of this proposal for the creation of five new unitary authorities is to deliver excellent outcomes for every resident across Greater Essex that are more meaningful, more consistent, and more reflective of local identity and aspiration. This proposal is not just a response to structural complexity, but a strategic commitment to public service excellence, equity of access, and stronger place-based leadership.

We believe that resident satisfaction, public trust, and civic pride can only be strengthened by a local government model that keeps people and place at its core. The five unitary authority model provides the clarity, capacity, and proximity needed to better align leadership, investment, and service delivery with the lived experience of our residents. Each council will be designed to reflect and respond to its geography, retaining the best of local representation while streamlining decision-making, increasing local accountability, and enabling smarter delivery.

This chapter introduces the five core strategic outcomes that sit at the centre of the proposal. These outcome areas reflect the priorities that our communities care about most, from access to good jobs and safe neighbourhoods to personalised care and inclusive education. They also represent our readiness to work at pace, in partnership, and with purpose to deliver lasting, measurable improvements across the county.

A resident-first model of delivery 'keeping our residents at the heart of all of we do'

At every stage of this proposed reorganisation, our commitment remains clear: to keep residents at the heart of all we do. From reducing fragmentation to improving responsiveness, the five unitary authority model is built to simplify access, enhance visibility of leadership, and ensure that services are designed with and for the communities they serve. We recognise that this transformation must deliver not just operational efficiency, but genuine improvement in the daily experience of residents across Greater Essex. By focusing on residents' priorities, the five unitary authority model ensures intimate connections to our communities.

We are ready to work closely with Government, local partners, and our communities to ensure that we secure the best possible outcome for our new councils. Our focus is on creating councils that are not only structurally fit for the future but strategically equipped to drive inclusive growth, build public trust, and foster a deep sense of place.

The five strategic outcomes outlined below and explored in detail in the following sections demonstrate how the proposed model supports our ambition to deliver excellent outcomes for every resident:

1. People living independently and with dignity in empowered, connected communities

Adult social care will be reimagined to focus on independence, early support, and place-based integration. A five unitary authority model will drive savings by providing a greater focus on the management of local market development and supply chains whilst unlocking the ability to deliver more targeted interventions. By enabling stronger alignment with health and voluntary sector partners, the new councils will be better positioned to coordinate care, reduce demand pressures, and promote well-being. Services will prioritise dignity, personal choice, and access to support within communities, strengthening local resilience and reducing inequalities.

2. Children and young people are safe and able to thrive in inclusive environments

Our new councils will have clear oversight and accountability for children's services, delivering high standards of care, safeguarding, and education. A five unitary authority model will strengthen localities and through place-based collaboration will embed inclusion, improve early help intervention, and ensure tailored, timely, and accessible services are available to all children and young people in Greater Essex. This will enable every child and young person in Greater Essex to achieve their potential, regardless of background or postcode.

3. A vibrant economy

The new unitary authorities will be equipped with the powers, partnerships, and capacity to drive local growth. They will support thriving business ecosystems, enable targeted investment, and provide leadership across skills, employment, and innovation. Each council will reflect the strengths and economic potential of its place, whether that is manufacturing, creative industries, logistics, or green technology, helping to create jobs, support entrepreneurship, and revitalise high streets and town centres.

4. Safe, affordable, and high-quality places to live

Coherent local planning, integrated infrastructure, and responsive housing strategies will be key to addressing local needs. The five unitary authority model will enable authorities to manage housing and development at an appropriate scale while retaining a strong understanding of local context. Councils will be empowered to shape places that are sustainable, inclusive, and resilient, supporting net zero ambitions, enhancing community safety, and ensuring access to affordable, high-quality housing.

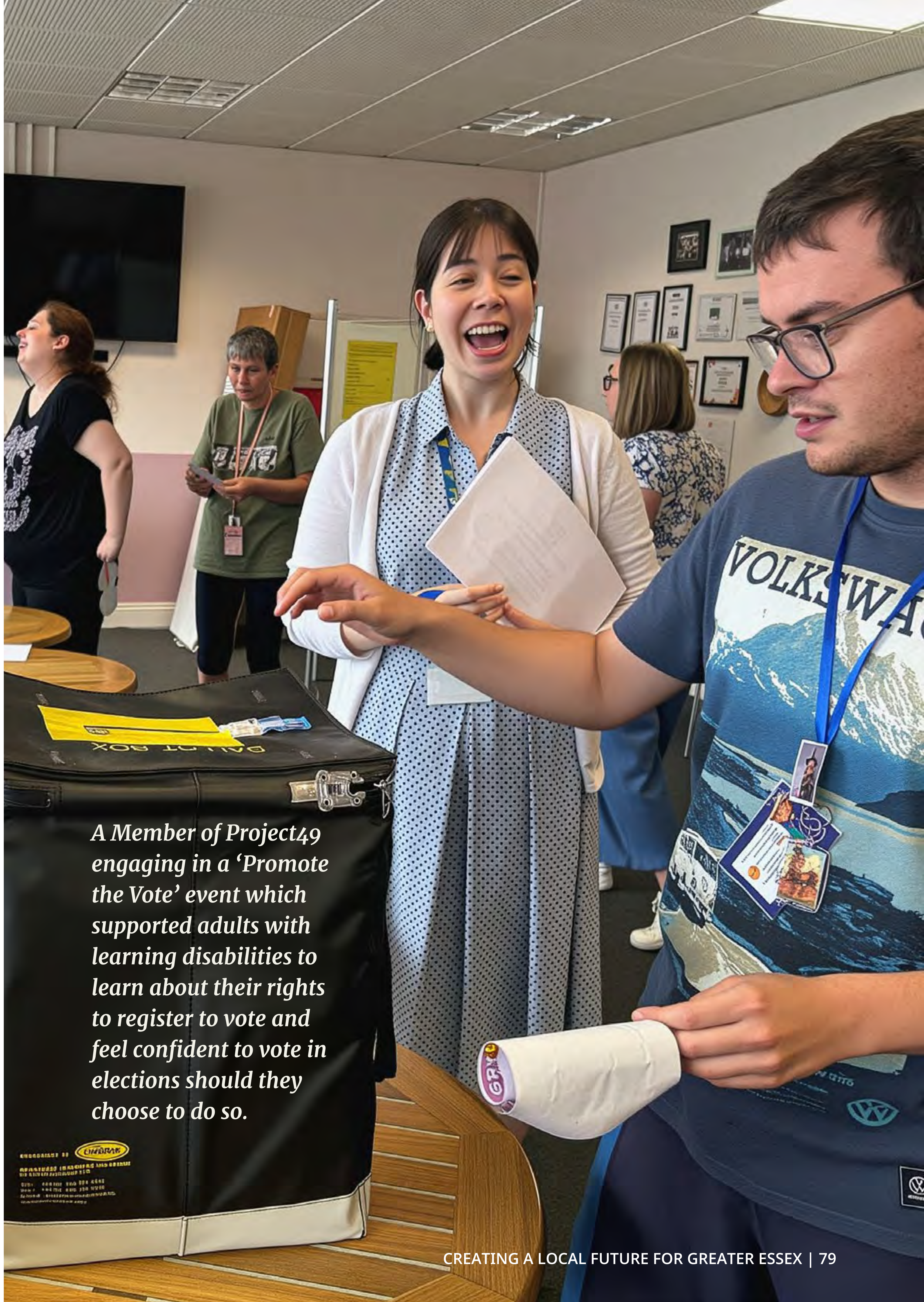
5. Connecting communities through effective transport

The five new unitary authorities have a clear and coherent geography aligned to their respective real-world travel and economic flows. Functional alignment enables unitary authorities to integrate transport and economic strategies between neighbouring places and work with the MSA to support how residents live, work, and access leisure, education, and health. This integrated approach will particularly benefit those in rural and underserved communities.

A more trusted and connected local government

Each of these outcome areas is underpinned by a broader goal: to strengthen trust between residents and local government. Councils that are more visible, more accountable, and more culturally connected to their communities will be better able to understand and meet local priorities. By embedding democratic leadership within recognisable geographies, the places that people identify with and care about most, the five unitary authority model supports both strategic coherence and local responsiveness.

This is not only a transformation of structure; it is a transformation of ethos. By centring services around people and place in areas that communities care about and recognise, and by empowering our new councils to lead with clarity and purpose, we can create a system that delivers on what matters most to our residents: excellent outcomes, greater confidence, and a stronger sense of belonging.



A Member of Project49 engaging in a 'Promote the Vote' event which supported adults with learning disabilities to learn about their rights to register to vote and feel confident to vote in elections should they choose to do so.

"Harlow's cycle tracks are the best. Can cover the whole of Harlow using the cycle tracks, which are through woods and field and countryside, staying away from the traffic. Harlow people are the best."

Harlow resident

"Urban but with a beautiful and nationally important forest striped through the middle. Connected to London by sometimes fragile tube and bus links, and historically part of London's story as often as that of Essex."

Epping Forest resident

"And the views! The walks! The sunsets! The bell ringing practice! The pub! The various village activities available! Its wonderful."

Uttlesford resident

The medieval market town of Saffron Walden was crowned the best place to live in the UK in 2025.

1. People living independently and with dignity in empowered, connected communities

Our five unitary authority model embeds place-based adult social care and is focused on independence, early support, and integrated neighbourhood delivery with partners in the health and voluntary sector. It will allow us to drive savings, efficiency gains, and cost avoidance of £79.3 million below projected baseline costs. Our appropriately scaled, yet focused, local authorities will be empowered to address challenges in workforce and market development and provide genuinely targeted interventions based on local and individual contexts. Our model aligns with the government's long-term health and care vision and creates a better service delivery platform to manage demand and reform. For the adults of Greater Essex, it promises more personalised and accessible support and stronger community resilience.

We strongly believe that a five unitary authority model is the best way to support the delivery of our vision for Adult Social Care (ASC) across Greater Essex. This configuration will allow us to systematically address the demand, cost, and quality pressures facing ASC services and provides the best opportunity to drive lower-cost, higher-quality ASC services.

The five unitary authority model provides a better service delivery platform to manage future demand by driving preventative approaches across ASC service activities. Our ASC strategy and service delivery models will be based on detailed understanding of local communities and their strengths and vulnerabilities. By creating focused and locally connected unitary authorities, we will fully embed place-based and local community delivery models (working closely with the voluntary sector and the NHS), thereby improving our ability to tailor services to local needs and local capacity. The creation of five unitary authorities for Greater Essex will allow us to:

- Deliver better service quality and better outcomes for residents across Greater Essex.
- Enhance access to services and improve resident experiences.
- Drive savings, efficiency gains, and cost avoidance approaches for ASC services across Greater Essex of £79.3 million per year below projected baseline costs.
- Deliver a better workforce model and minimise disruption to services.
- Innovate through better use of data and digital and AI technology.
- Further develop and enhance the strategic commissioning model and approach to market management.
- Enhance the approach to managing transitions as young people prepare for adulthood.

1. People living independently and with dignity in empowered, connected communities

Context and challenge

The purpose of ASC is to support connected communities, adults, and carers who may need information and advice or direct care and support to enable them to live independently, maintain their dignity and improve or maintain their quality of life. ASC also needs to support and connect with broader population cohorts in order to deliver our connected communities vision and reach out to more diverse communities to ensure that we are providing preventative support and early interventions to those who might need our support in the future.

Service vision and delivery model

Our vision for ASC is strongly aligned to the Government's long-term vision and is entirely consistent with the three shifts desired in the Government's 2025 'Fit for the Future' 10 Year Health Plan for England. This vision builds on strategies and approaches currently shared across Greater Essex, but with a greater focus on place-based operating models to deliver the vision. We have set out our delivery model that will guide the expected operating model in each of the five unitary authorities. Our approach will also reflect national best practices across ASC services in the UK (and internationally) and will likewise align to the 2025 Essex Caring Communities Commission report established by Essex County Council, which is based on extensive analysis and stakeholder engagement on the future of ASC services.[3]

We will focus on strong community engagement, local relationships, and partnership working models that are integrated, agile, and preventative. Our five unitary authorities will work through local communities in close partnership and through joint working delivery models with key NHS bodies and the Voluntary, Community, Faith, and Social Enterprise (VCFSE) sector across Greater Essex. This will be essential to enable the effective management of demand and mitigate the key drivers of cost, thereby improving service sustainability.

This approach reflects the sentiments and feedback that we have received through ongoing co-production work with our communities across Greater Essex, and the views of key voluntary sector partners. An often overlooked but critical factor in transforming ASC services (and local authority services in general), is the role of 'social capital', defined as the strength of networks, trust, and reciprocal support within communities. Our strategy will offer a unique opportunity to enhance and invest in social capital, and this will act as a powerful lever to reduce long-term demand for formal care services.

Strong community networks and informal care relationships are proven to delay or reduce reliance on statutory services. These relationships can only be realised through a unitary authority that is of an appropriate size: large enough to deliver strategic consistency and economies of scale, yet local enough to foster place-based relationships, community identity, and citizen engagement. Evidence from other areas shows that when local government is too distant from communities, the potential for social capital to reduce care dependency is lessened or can disappear completely. In Greater Essex, a balanced, integrated unitary footprint that builds and mobilises social networks will be vital to

3 Caring Communities Commission, 'Essex Caring Communutues Commission Report', May 2025

delivering both sustainable ASC outcomes and community resilience.

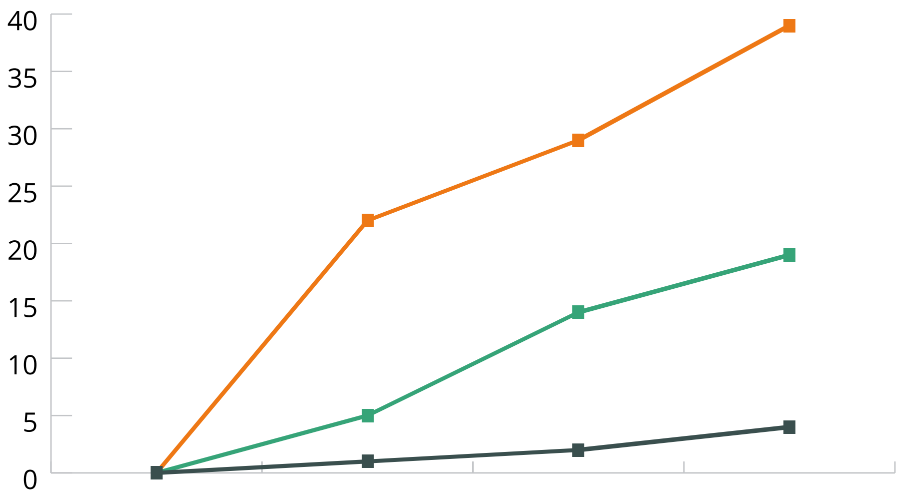
ASC challenges across Greater Essex

We have thoroughly reviewed the current performance of ASC services across Greater Essex, working with independent advisors the SCIE and Peopletoo (see Appendix 5). This review has highlighted a range of transformational opportunities that will help to ensure the delivery of better outcomes for individuals in receipt of care and support, as well as more responsive and efficient services.

There are five key challenges facing the delivery of strong, integrated ASC services across Greater Essex. The response to these challenges will require a bold transformation of services to ensure that they are sustainable in the future. We believe that the 'right' configuration of unitary local government in Greater Essex is critical to achieving this transformation effectively.

Demand and cost for ASC in Greater Essex

ASC services across Greater Essex are facing huge pressure, with demand expected to rise considerably over the next 15 years. This is largely due to expected population increases (particularly in older adults), growing complexity of care need, transitions, and increases in the costs of care. Our position is similar to many areas across England. Figure 8 below shows projected population growth by age group up to 2040.



	2025	2030	2035	2040
Total population aged 18-64	0%	1%	2%	4%
Total population 65 and over	0%	2%	14%	19%
Total population 80 and over	0%	22%	29%	39%

Figure 8: Projected population growth across Greater Essex, 2025–2040[4].

Figure 8 demonstrates very significant growth in the older adult population over the next 15 years. This demand will be different across Greater Essex, and is expected to be particularly acute in the West Essex unitary authority. Historically, such demand has been managed through 'cross-subsidisation' of income from other localities across Greater Essex, but we do not believe that this is a sustainable model, and it will be de-coupled under most future unitary authority configurations. We believe a place-based delivery model is critical to tackling and managing this demand effectively and sustainably in the future. A bold transformational response is therefore required to ensure financial sustainability and change the way ASC services operate, particularly given the large percentage of total council spend that ASC accounts for, our response will be robust.

Independent analysis shows that there are good opportunities to reduce the number of people in long-term residential care settings (particularly in Essex County Council) and to develop and drive a 'home first' philosophy (caring for people – where appropriate – in their own homes).[5] This is essential to improving independence, choice, and dignity, and will support our management of demand. The implementation of care and support approaches that enable people to stay in their own homes for longer can improve an individual's choice and help to maintain their quality of life. These approaches preserve individual strengths, help to deliver better clinical outcomes, and ultimately result in fewer hospital visits. Undertaking this strategic shift will have a potentially dramatic impact on cost savings as well as delivering better outcomes for our residents. LG Inform analysis shows that the costs of long-term care are currently increasing by 10–15% per annum across Greater Essex, with the highest unit costs being in residential and nursing care settings.[6]

4 Source: Population forecasts Poppi & Pansi 2025", POPPI and PANSI, 2025.

1. People living independently and with dignity in empowered, connected communities

Community and partnership working

While partnership working models across Greater Essex are already well developed, there is an opportunity to improve joint working arrangements and consistency with the NHS and VCFSE sectors, and likewise an opportunity to expand partnership working with housing, benefits, and welfare colleagues through new service access, locality, and community delivery models. Our five unitary authority model will improve the consistency of community and partnership working through the creation of a more integrated, holistic, and multidisciplinary model, enabled by joint, co-located teams across Greater Essex.

Workforce model

The development of our care workforce is critical to future-proofing our services. The current ASC workforce is under significant pressure across Greater Essex, with some backlogs and waiting times for critical care assessments and reviews. This pressure is only set to increase significantly over the next 15 years as demand rises for services, and workforce productivity therefore needs to improve. We will achieve this by enhancing the skills, confidence, and overall capacity of our workforce. Analysis of ASC costs across Greater Essex suggests that professional and internal local authority ASC workforce costs are approximately £68 million per year.[7] This is a significant investment, and there is great potential to improve workforce productivity by modernising and standardising working practices, improving processes, and further embedding strength-based practice models. The productivity gain through the

5 Newton Report, 'Local Government Reorganisation – Impact on People Services' 2025.
6 Local Government Association, Data sets for 2022/23 and 2023/24.
7 Peopletoo Benchmarking Analysis (based on ASC-FR returns for 2023/24), 2025.

implementation of these improvements is estimated to be an equivalent released value of approximately £14 million per year over current costs.

This 'improved productivity value' will better equip the workforce to manage the projected increases in future demand. It will ensure that our workforce can fully utilise the benefits of working with data and digital tools, AI, and assistive technology, creating evidence-led services that will drive better practice. External analysis supports this view and demonstrates that across local government, the NHS, and other sectors, there are often opportunities to improve productivity levels by up to 30% by using data more effectively and utilising AI and digital tools.[8] We believe this is particularly true across the professional social care workforce, where currently significant time is spent analysing needs, developing support plans, and recording progress through case management systems.

We will develop innovative, collaborative, empowering, and learning-oriented organisational cultures that will help staff adapt to change, embrace new ideas, and improve service delivery and outcomes for residents. We acknowledge that there are significant challenges within the care sector workforce across Greater Essex, including an existing over-reliance on overseas workers, which, combined with both pay and recruitment and retention challenges, is concerning. The five unitary authority model will help us to address these challenges, ensuring that decision-makers are informed by both those closer to delivery and those closer to the community. Supporting a workforce that reflects the populations it serves, and extending this beyond those people who work for traditional care services and into communities, is only achievable when local authorities build close working relationships with partners. This sentiment was entirely supported throughout our discussions with the voluntary sector, and this sector's ability to drive up volunteering, improve trust, and mobilise local resources to support care delivery is also essential.

Strategic commissioning

Commissioned service costs account for the vast majority of spend in ASC services (approximately 75%), and it is therefore vital that there is a strategic approach to commissioning. There are two specific opportunities to improve the consistency of the current commissioning approach across Greater Essex and to build on best practice already in place:

- To improve the approach to strategic commissioning.
- To enhance market management, development, and sourcing.
- To embrace opportunity for strategic and joint commissioning across the five unitary authorities and NHS, where large-scale and collaborative commissioning is beneficial and in line with our social care model.

LGR provides a real opportunity to develop more outcome-based and integrated commissioning models, and we will operate with a consistent commissioning approach across the five new unitary authorities. Achieving this shift will be key to the sustainability of ASC services and will require a multi-initiative approach. In order to achieve this shift, we will apply a greater strategic focus to prevention in order to improve public health, reduce health inequalities, and in turn, reduce demand on social care services aligned to public health strategies and strategic authority well-being priorities. Preventative measures will need to be embedded across all key social care contracts, encouraging providers to promote healthy living and expand community engagement through, for example, intergenerational activities and shared community spaces. We will align with priorities such as promoting healthier lifestyles across all age groups and ensure greater use of local providers, local community assets, and integration and partnerships with other local public providers and the NHS.

Market development

We will implement a more place- and community-focused commissioning model with a greater emphasis on market shaping and management. As set out previously, this will mean working with more locally based care providers and the voluntary sector, and the development of micro-care ecosystems in each of the five unitary authority areas. Our analysis of current spend on commissioned services demonstrates that there are good opportunities to reduce existing care costs and promote a more financially sustainable approach to commissioning and procurement. The analysis, based on national Adult Social Care Finance Return (ASC-FR) data for place-based unitary councils (with populations appropriate to the new unitary authorities), demonstrates the potential to reduce long-term care costs by 11% (equivalent to £79.3m million below current costs) across Greater Essex. This is a huge transformational opportunity that can only realistically be delivered with a five-council solution. The Peopletoo analysis suggests that potential benefits are likely to be considerably lower in other unitary council configurations.[9]

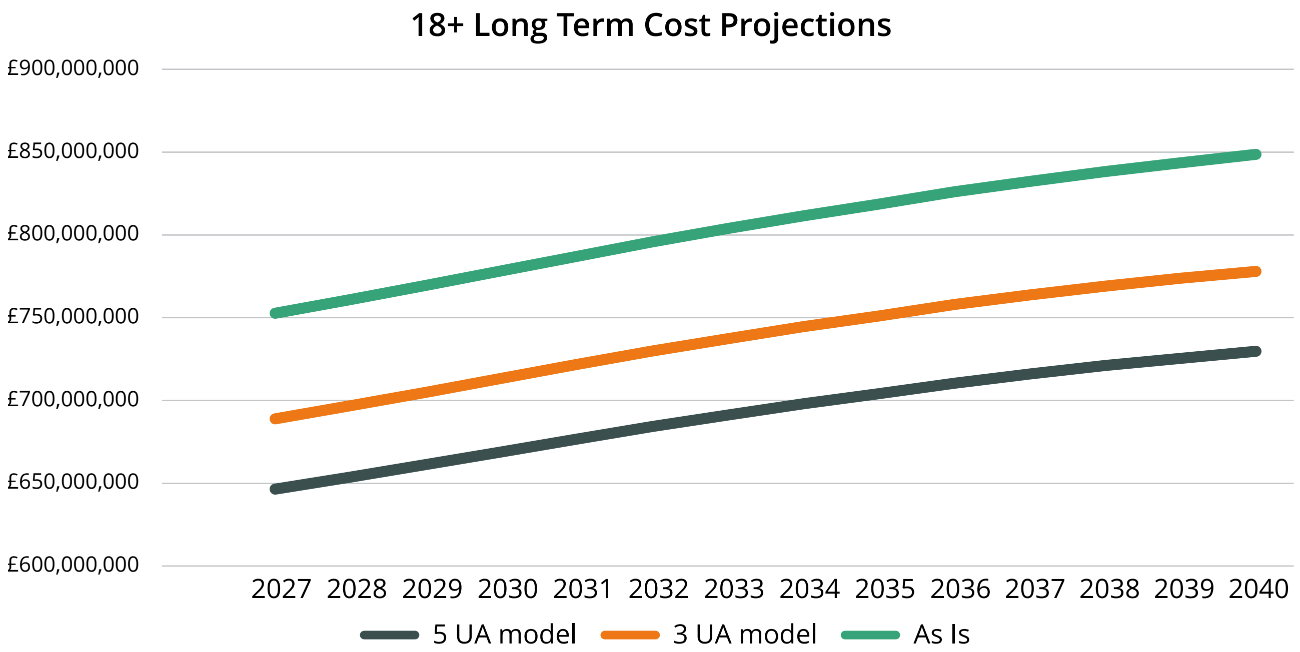


Figure 9: Long-term cost projections[10].

8 Based on un published SCIE independent research.

9 Independent analysis conducted by Peopletoo and based on analysis of ASCFR data.

10 Calculations have been made using average long-term care costs (based on ASC-FR 2023-24 data) to demonstrate the projected expenditure (using ONS population projections) on long-term care for a) 5 Unitary model; b) 3 Unitary model, and; c) "as is" if nothing changes.

Why a five unitary authority model is the best way to deliver this transformation and change

A five unitary authority model will systematically address the demand cost and quality issues facing the services outlined above. This model is best placed to drive lower costs while providing higher-quality ASC services that deliver better outcomes and service-user satisfaction. We see real opportunities to drive cost avoidance, savings, and efficiency gains for ASC services across Greater Essex of £79.3 million per year below baseline costs, and this has been independently assessed.[11] Place-based and community-focused ASC delivery across Greater Essex offers a strategic opportunity to improve access, increase personalisation, and deliver more efficient services. Evidence from benchmarking, governance reports, and national reform studies reinforces the argument that integrated systems rooted in local communities deliver better outcomes, higher satisfaction, and smarter use of public resources. With the right infrastructure, common access models, digital engagement tools, and cross-authority collaboration, we will embed a responsive, person-centred care system aligned with the Care Act 2014 and the principles of good social work practice.

Managing demand and approach to prevention

The successful management of demand will be critical to the sustainability of ASC services. Proximity to places and connected communities (which is the basis upon which we have opted for a five unitary authority solution) is essential to our efforts to manage demand and deliver a truly innovative and preventative approach.

Population health and early intervention

It is essential that we continue to build stronger approaches to managing demand and prevention across Greater Essex in order to tackle future demand. We will adopt the best practices to deliver locally based population health analysis using AI and risk stratification tools. These approaches enable the early targeting of emergent risks in our communities, and by building on the population health management work completed across the Integrated Care System (ICS), we will use these tools to identify individuals at risk of entering the social care system at an earlier date. Where individuals demonstrate particular risks (whether as a result of lifestyle choices, long-term critical conditions, or environmental factors), we will put earlier interventions in place. We will work with local voluntary organisations, community partners, and the NHS to provide a range of lifestyle management and early interventions to keep people safe, independent, and out of the health and care system and at the heart of our communities for longer.

In developing this approach, we will build on the successful approaches that have been deployed in other areas such as Wigan, Sheffield, and Leeds. These approaches have helped to reduce new demand while maintaining a core focus on place and community. A new approach is under development in North East Essex, where the North East Essex Health and Wellbeing Alliance's Place Partnership model is already demonstrating impactful results. In a recent research, it was documented that integrated approaches to prevention are reaching large parts of the population:[12]

- 77% of residents amenable to preventative measures had eight similar presenting needs (allowing the development of new preventative pathways).
- Preventative measures responding to these needs were having a positive impact on 87% of those residents amenable to preventative support.

Place-based planning and local growth

Some communities across Greater Essex are forecast to continue to have very high levels of demand, and the predicted general population growth, in line with local plans, will see growth in each of the five unitary authorities over the next 15 years. It is vital that this growth translates to 'good growth' and is supported by investment in local places where we can work alongside local communities to identify and tackle known social challenges, issues, and inequalities. This approach, enabled through place-based delivery, will be enhanced through partnership with local businesses, the voluntary sector, and colleagues across other local services to enable interventions that enhance opportunity, social mobility, and place growth and prosperity. We will place particular focus on enabling economic independence of the working-age adult population in receipt of ASC services to support their independence and to promote local growth, well-being, and social mobility.

Place-based and local community delivery models

Our proposed unitary configuration delivers place-based and locality working models which can more easily respond to community needs and ensure that work takes place close to local areas. These structures are also crucial to the management of demand and to efficient and effective service delivery, and are critical to future local authority stability. We will organise ASC delivery around neighbourhoods with populations of approximately 50,000 (or less) that are based upon locally recognised communities. This could align with recently proposed local health neighbourhood models, primary care networks, or other locality structures recognised by other public sector partners.

A recent report found that "it is at the neighbourhood level that most of the social, economic and medical conditions of good health are to be found and where the most effective interventions can be made".[13] Work undertaken in North East Essex, one of the areas with the highest and most complex demand, through the North East Essex Health and Wellbeing Alliance's Place Partnership approach highlights the power of this approach and the types of operating model we aspire to. Numerous national studies have affirmed the value of localised models. The National Audit Office's 2020 'Local Authority Governance' report and the District Councils' Network's 'Bigger Is Not Better' report highlight that place-based authorities deliver improved transparency, more agile decision-making, reduced bureaucracy, and faster corrective action. These authorities also score higher

11 See Figure 9 above.

12 Unpublished research by Scie/Peopletoo.

13 NHS Confederation, 'Resetting the Relationship: Towards a Social Model of Health Creation and Care', 2025.

satisfaction rates and stronger community engagement, with customised services that are attuned to the demographics and specific needs of communities, and with more visible leadership encouraging trust.

We will drive the development of integrated, multidisciplinary teams that work with and, where appropriate, are co-located with local public service partners and the voluntary sector. These models enable more holistic and integrated decision-making, which is crucial to the effective delivery of social care. Our consultations with community and voluntary sector providers (with over 1,000 members across Greater Essex) confirmed that working in close partnership will help to create stronger mechanisms for connecting the voice of our communities through to localities and the five unitary authorities. We will be able to tap into the rich knowledge held by partners working with the community, which will allow us to finesse local delivery, foster greater trust, belief, and pride in local places, and promote co-production to strengthen the design of responsive services.

This locality working model will be fully enabled by our proposal. Larger authorities, some with populations far in excess of 500,000, will struggle to deliver similar place-based care and would need to aggregate at more remote levels of organisation. Our model is consistent with (and capable of integration with) the emergent neighbourhood health model being designed and developed in partnership with the ICS and local ICBs. The five unitary authority model allows us to be closer to our communities and provides the best platform for managing local relationships that are key to prevention and helping people to live at home and to live independently for longer.

Crucially, these models deliver significantly more engagement and participation, which is essential to delivering person-centred services and support.

Research from the Centre for London demonstrates that neighbourhood engagement models tend to generate higher levels of community feedback and participation in local consultation. National Council for Voluntary Organisations research demonstrates that volunteer involvement is higher where people feel a strong sense of local identity and where trust in organisations is strongest. This is corroborated by the 2015 UK Community Life Survey, which shows consistently higher per capita volunteering in place-based settings. Furthermore, a 2018 report by the UK Local Government Association highlighted that place-based councils tend to have tighter partnership networks and place greater emphasis on collaborative working to maximise impact. A five unitary authority model preserves strong local identities, maintains closer collaboration with communities, and will best promote volunteering.

Service quality and better outcomes

Effective ASC services that consistently deliver high-quality outcomes are vital to the management of adults who need care and support. The right configuration of local care services is crucial to the delivery of these such outcomes, and we believe there are compelling reasons for the delivery of these services around a local, place-based model. Place-based care models delivered at a local level will benefit from shorter communication chains and reduced bureaucracy, allowing for quicker decision-making and faster referrals. Care Quality Commission (CQC) analysis shows that in areas with leaner system designs, interim solutions like 'waiting well' support are more consistently deployed, which reduces the risk of people's needs escalating while they await formal care arrangements. Analysis conducted by the University of Sheffield as part of this review concluded that there is no statistical correlation to suggest that larger local authorities deliver better ASC outcomes.

SCIE analysis of the 40 CQC local authority reports published to date (as at 13 June 2025) reveals the following:

- **Population size:** The average population size of the local authorities receiving good or outstanding ratings was 407,0000 (corresponding closely with the average size of local authorities under the five unitary authority configuration).
- **Assessing needs:** Of the 12 authorities receiving good or outstanding ratings in this category, nine (75%) had populations under 400,000.
- **Community and partnership working:** Of the 32 authorities receiving good or outstanding ratings in this category, 25 (78%) had populations under 400,000.
- **Safeguarding:** Of the 20 authorities receiving good or outstanding ratings in this category, 17 (85%) had populations under 400,000.
- **Learning and innovation:** Of the 31 authorities receiving good or outstanding ratings in this category, 22 (71%) had populations under 400,000.

We therefore see LGR as a unique opportunity to reform the structure and delivery of ASC services around a higher-quality delivery model. As noted in a 2012 Institute for Government report, adapting placed-based organisation improves leadership visibility and responsiveness, with greater flexibility in decision-making and implementation.[14]

Effective and integrated partnership working is key to our proposed five unitary authority model. We have consulted with the ICS and other health colleagues, and while they chose not to state a preference in terms of authority configuration, they recognised the natural places and communities in our proposals and felt that they would be able to work with and integrate with this model effectively. Partners in the voluntary sector are also keen to integrate with this place-based arrangement.

Promoting choice, control, and direct payments

Research shows that there is uneven access to direct payments across Greater Essex and that despite some strong local initiatives for carers, uptake has declined in recent years, with all three local authorities ranking poorly compared to their CIPFA peers. Place-based care systems, by reducing bureaucratic barriers and building trust at a local level, are well positioned to reverse this trend. Their ability to act quickly and engage directly with service users makes them more likely to be effective in supporting personal budgets, self-directed care, and user-led planning.

Enhanced access and efficiency

Ensuring easy and timely access to ASC services is fundamental to delivering effective early interventions and managing rising demand, as many people interact with ASC at the point that needs begin to emerge. It is crucial that we offer clear, responsive pathways, high-quality

14 Institute for Government, Smaller Government (2012).

advice, and quick access to assessments. Benchmarking data highlights this as a key area for improvement across Greater Essex, where one in three people report difficulties in finding the information they need, and improvements can be made in effective signposting and reablement interventions.[15] Stronger local knowledge through place-based models enables more effective triage, helping to direct people to short-term or community-based solutions early, rather than defaulting to long-term care packages.

The 'home first' model – focused on helping people to recover and remain at home – is more effectively embedded in place-based systems where local health, housing, social care, and voluntary sector services can coordinate responses more quickly after hospital discharge. Shared digital tools will enable real-time engagement with services, providing users with timely information to support early help. We will deliver an integrated 'front door' model across new unitary authorities, co-designed with local partners, which will deliver holistic and coordinated care while ensuring equitable access across all areas. Benchmarking across Greater Essex shows a decline in the proportion of care users who feel they have "control over their daily life", underscoring the need for more personalised, strength-based support. Moreover, assessments and reviews, key to consistently assessing people's needs, can be better tailored in place-based models and aligned to the complexity of individual needs, which leads to better outcomes and more efficient use of resources.

We truly believe that this approach to a new unitary structure across Essex not only provides the structure and footprint for a modern, innovative, and efficient community, social care, and health system, but is also at the heart of our local communities – the places people call home, where people support each other and continue to shape and grow our neighbourhoods, towns, and cities.

Performers from 'The Music Man Project', who have performed internationally and at the Royal Albert Hall.

15 LGR Inform Benchmarking Analysis.

CASE STUDY

Neighbourhood health diagnostic: Evidence-led place transformation

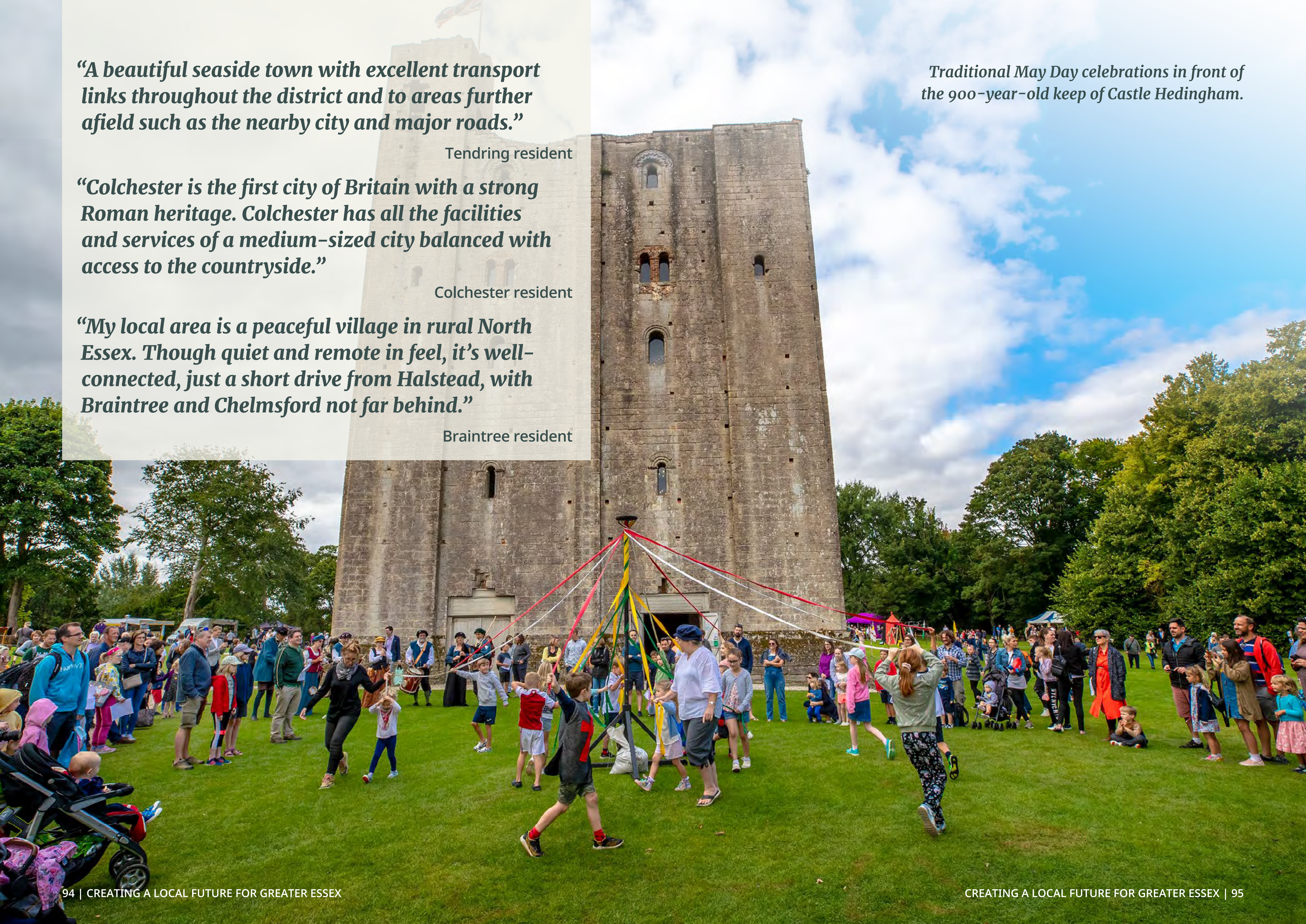
North East Essex faces significant health inequalities, with life expectancy gaps between communities such as Greenstead and Wivenhoe exceeding 15 years. Local services in Colchester and Tendring can sometimes be fragmented and reactive, with high unplanned hospital use for conditions amenable to prevention and community management. There was a need for a robust, integrated evidence base to inform the design of neighbourhood models that reduce inequalities and deliver proactive care, in line with the Place Principles and the direction of travel within the NHS 10 Year Health Plan for England.

A comprehensive neighbourhood health diagnostic was undertaken, analysing care networks, GP practices, community services, local authorities, and the ICB. The aim was to analyse quantitative data (e.g. utilisation, prevalence, healthy life expectancy), undertake qualitative engagement with residents and stakeholders, and map current services against needs. This diagnostic underpins the design of Integrated Neighbourhood Teams (INTs) and future Neighbourhood Health Centres by identifying priority cohorts for proactive, multidisciplinary interventions and informing estates planning for community-based hubs.

A detailed neighbourhood diagnostic for Colchester and Tendring was produced, identifying priority populations for anticipatory care and prevention interventions. This informed the INT model design, with clear actions for case finding, proactive management, and integration across sectors. It enabled targeted planning for Neighbourhood Health Centres, aligning estates, workforce, and digital enablers. Early outcomes include strengthened collaboration between acute, primary, community, and voluntary sector partners, and the establishment of shared priorities for addressing inequalities and improving healthy life expectancy.

An evidence-led diagnostic creates a powerful foundation for neighbourhood transformation. Effective delivery required an external partner (Newton) with analytic expertise, strong leadership sponsorship from the East Suffolk and North Essex NHS Foundation Trust and primary care networks, and dedicated time for data-sharing and engagement. Future diagnostics should ensure continuous data refresh, embed co-production throughout, and link directly to implementation planning in order to maintain momentum.

This case study provides a replicable model for place-based transformation aligned to the 10 Year Health Plan shift from hospital to community care, prevention, and personalised neighbourhood services that are fit for the future. It demonstrates how integrated diagnostics can inform estates, workforce, and digital planning to deliver proactive, equitable care and reduce health inequalities at scale.



“A beautiful seaside town with excellent transport links throughout the district and to areas further afield such as the nearby city and major roads.”

Tendring resident

“Colchester is the first city of Britain with a strong Roman heritage. Colchester has all the facilities and services of a medium-sized city balanced with access to the countryside.”

Colchester resident

“My local area is a peaceful village in rural North Essex. Though quiet and remote in feel, it’s well-connected, just a short drive from Halstead, with Braintree and Chelmsford not far behind.”

Braintree resident

Traditional May Day celebrations in front of the 900-year-old keep of Castle Hedingham.

2. Children and young people are safe and able to thrive in inclusive environments

Through a careful consideration of localities, lived experiences, and geography, our model will keep services close to children and families and ensure young people are supported within a local area that they are familiar with. It will enable clear strategic oversight, early help, and place-based collaboration with partner services and the VCFSE sector in order to sustain high standards of care. Our model will generate an annual saving of £14.2 million compared to other models that offer fewer larger unitary authorities. Our councils will benefit from a governance and delivery scale that supports prevention, inclusion, and stable improvement for children. We will be primed to deliver timely, tailored support so that every child in Greater Essex has the opportunity to achieve their potential.

A five unitary authority model will be best placed to improve outcomes for children, young people, and families. It will deliver cost efficiencies while maintaining standards and improving outcomes through a better understanding of local needs and challenges.

Context

Our children's services are high-performing, and our new model is best placed to maintain excellent services for children and families across Greater Essex while generating an annual saving of £14.2 million per year for Children Looked After (CLA), compared to models with fewer, larger unitary authorities. This saving is based on a conservative estimate used in our financial model; our full analysis indicates that the savings are likely to be higher than this figure.

We are confident that our model is best placed to overcome the following challenges:

1. Maintaining financially sustainable children's services.
2. Managing local financial challenges and market-shaping.
3. Maintaining and promoting community engagement, partnerships, and employment to supercharge prevention and early help.
4. Sustaining and improving quality and outcomes.
5. Minimising the cost and disruption of reorganisation.
6. Enhancing innovation and improvement through an agile, connected, and local focus.

1. Maintaining financially sustainable local authority children's services

Children's services across Greater Essex perform well, but we face increasing demand pressures. Local authorities in the region have had success in managing these pressures, with Southend-on-Sea maintaining its special educational needs and disabilities (SEND) offer within budget, but there is a mounting deficit for Thurrock and Essex councils, with a projected £243 million SEND deficit budget for Essex County Council by 2028–2029.[16] There is a significant predicted increase in demand, at 75% for children's social care and 150% for SEND, by 2040, with a wide difference in demand and need between communities across Greater Essex.[17] The latest Department for Education (DfE) figures show a 10% increase in Education, Health, and Care Plans (EHCPs) in the last year alone.[18]

2. Managing local financial challenges and market-shaping

Greater Essex has shown resilience and creativity in managing diverse local markets, but this is currently hindered by the scale and complexity of the existing system, which impedes the development of responsive and sustainable local care markets. Essex contains coastal, urban, and rural communities, each with distinct service needs and provider landscapes. This requires a service design approach that draws on strong local intelligence, adaptive commissioning, and deep community engagement. A five unitary authority model will create focused councils that will ensure locality connections remain sustainable and innovative approaches are adopted to tackle sufficiency gaps in children's social care, SEND costs, early-years education, and therapeutic care.[19]

3. Maintaining and promoting community engagement, partnerships, and employment to supercharge prevention and early help

Practice in Greater Essex benefits from a strong foundation of early help and preventative services, which is recognised in local inspection reports. There are clear strengths in partnership working between education, health, and the voluntary and community sector (VCS), and these relationships provide solid foundations to build more proactive and community-led services. Effective early help relies on strong engagement with families and communities, and trusted relationships with local partners. In larger authorities, smaller voluntary and community organisations, critical to prevention work, sometimes lack systemic support and are not always integrated into local safeguarding partnerships. Furthermore, workforce instability, marked by high turnover, agency dependency, and recruitment difficulties, can undermine trust and continuity in service delivery. Greater Essex will need to continue to focus on these areas to achieve positive transformation.

4. Sustaining and improving quality and outcomes

Consistent delivery of strong outcomes in children's services remains a persistent challenge across England. Inspection outcomes from Ofsted and the CQC show that many councils struggle to sustain good or outstanding ratings, with particular difficulty in achieving consistent practice at scale. The commitment of professionals and the strategic focus on quality across Essex has underpinned improvements in early-years education and children's social care. Maintaining this focus on outcomes is crucial across Greater Essex, where children, young people, and their families are currently able to access children's services rated good and outstanding by Ofsted.[20]

> *The next configuration of Greater Essex has "got to work for decades to come".*
> ***Parent carer, expert by experience***

5. Minimising the cost and disruption of reorganisation

Reorganisation always carries the risk of cost, disruption, and dislocation for children, families, and staff. Placement instability, disrupted relationships, and breaks in service continuity can all negatively impact outcomes. For the Greater Essex region, which already experiences high demand and some workforce instability, a poorly executed reorganisation would exacerbate vulnerabilities and place further stress on frontline teams. These risks will be mitigated though careful design, based on proximity, continuity, and stability. Planning for transition to the new unitary authority model will prioritise relational continuity, support workforce retention, and minimise the risk of children experiencing unnecessary moves or delays in service.

6. Enhancing innovation and improvement through an agile, connected, and local focus

Innovation is taking root across Greater Essex, with growing use of digital tools, local data insights, and new models of care. Practitioners and leaders are enthusiastic about modernising services and creating smarter, more responsive ways of working. Ambition to improve is strong, and the region has demonstrated its ability to innovate under pressure. Yet limitations in IT infrastructure, data-sharing, and investment capacity remain challenging. It will be important to embed improvement, spread best practice, and achieve a shared culture to ensure access to quality services.

Opportunities will be lost unless agile, connected local systems can accelerate innovation and align digital strategies with operational priorities, and this will require responsive governance, faster learning cycles, and better integration between partners. Innovation requires cultures that embrace experimentation, reward initiative, and include communities in co-design. Embedding this ethos at a local level will ensure that services are effective, forward-looking, personalised, and efficient.

Service vision and transformation opportunities

Our proposed operating model will consider the importance of voice, a sense of belonging and the creation of an ambitious, connected, and accessible service that operates in both a flexible and efficient manner while upholding statutory responsibilities. These

16 Essex County Council, 'Everyone's Essex Annual Plan and Budget, 2025–26', 2025.
17 Newton Europe, 'Local Government Reform: Impact on People Services', 2025.
18 DfE, 'Education, Health and Care Plans', 2025.
19 Early Intervention Foundation, 'Child Poverty and Early Intervention', 2019.
20 Association of Directors of Social Care (2025) Inspection of Children's Services. ADCS, 2025 Inspection of children's services – ADCS

principles reflect national best practice for children's services and international findings and are echoed in the 2025 Essex Caring Communities Commission Report,[21] which is based on extensive analysis and stakeholder engagement across Essex.

Why a five unitary authority model is the best way to deliver this transformation and change

A five unitary authority model, based on sensible geographies and existing 'places', is the best way to provide lower-cost, high-quality children's services that deliver better engagement and outcomes for children, young people, and families. This model will enable Greater Essex to focus on the improvements embedded in the reforms of children's social care.[22] Quality, spend, outcomes, and management of demand will improve under a five unitary authority approach that brings agile, responsive services and the benefits of proximity to communities while retaining visible leadership.

1. Financially sustainable local authority children's services

Analysis of national benchmarking data demonstrates not only that unitary authorities are achieving lower average costs in key areas of children's expenditure than county councils, but also that unitary authorities with populations of 350,000 and below are on average achieving the lowest expenditure on a CLA at £1,718 per week. Figure 10 below identifies the reduction in expenditure that could be achieved (calculated at £14.2 million per year against current baselines) across the Greater Essex system if the five unitary authorities achieved the average weekly expenditure per CLA for their population sizes.

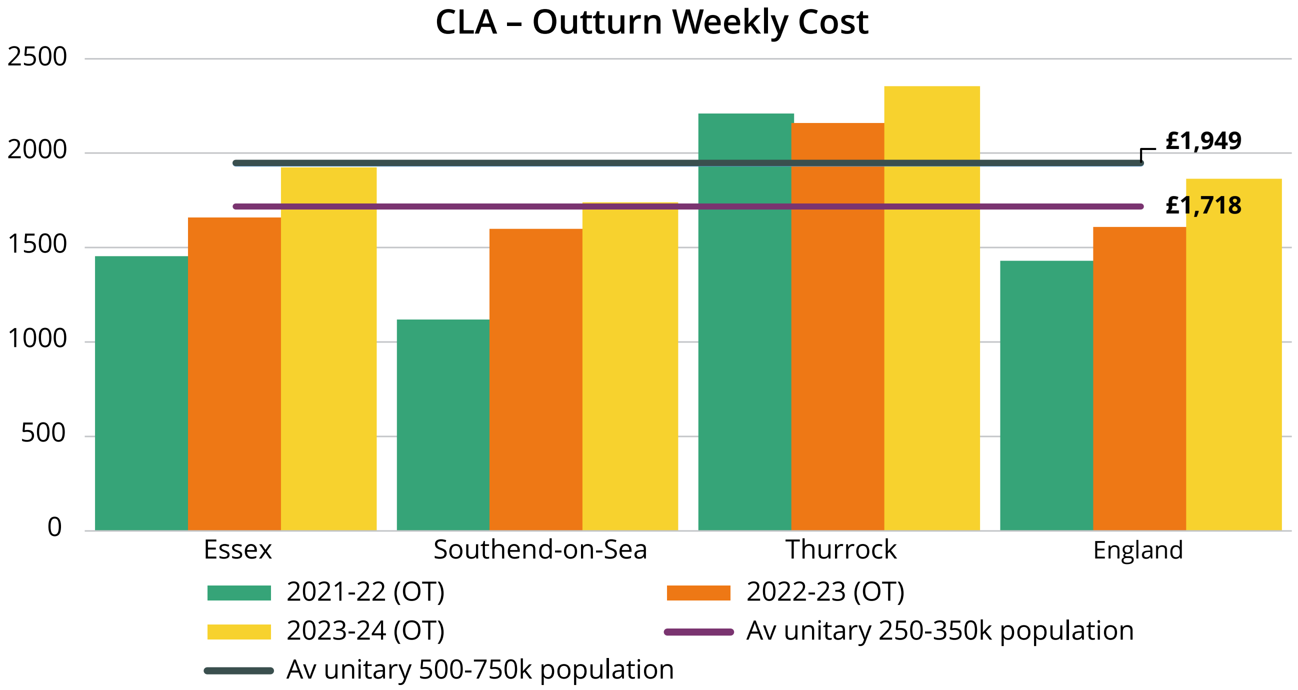


Figure 10: CLA outturn weekly cost.

21 Caring Communities Commission, 'Essex Caring Communities Commission Report', May 2025,.
22 Department for Education, 'Keeping Children Safe, Helping Families Thrive', 2025.

2. Children and young people are safe and able to thrive in inclusive environments

If the new model achieves the average cost per CLA in line with population banding 250–350k for West Essex and Mid Essex, 350–500k for South West Essex and South East Essex, and 500–750k for North East Essex, the CLA total outturn cost would be £164.3 million against a baseline of £178.5 million. This would be a saving of £14.2 million across the Greater Essex system. If we consider an alternative three unitary proposal and use the average for 500–750k population, the total expenditure would be £177.1 million, a total saving of £1.4 million. Analysis of national benchmarking data demonstrates not only that unitary authorities are achieving lower average cost in key areas of children's expenditure, as opposed to county councils, but also that unitary authorities with populations of 350k and below are achieving the lowest expenditure on children looked after.

Financial savings across Greater Essex can be achieved by supporting children, young people, and families via universal services while having robust mechanisms for targeted support. This approach will minimise later costs (children in need, child protection, and CLA services) and is consistent with the government's children's social care reforms and Families First model.[23] Targeted interventions will also yield efficiencies for NHS local services, youth justice, and policing. Figure 11 shows the impact of the rising demand and associated increasing costs surrounding CLA, which will compound the existing deficits; CLA costs are predicted to be reduced under a five unitary authority model.[24]

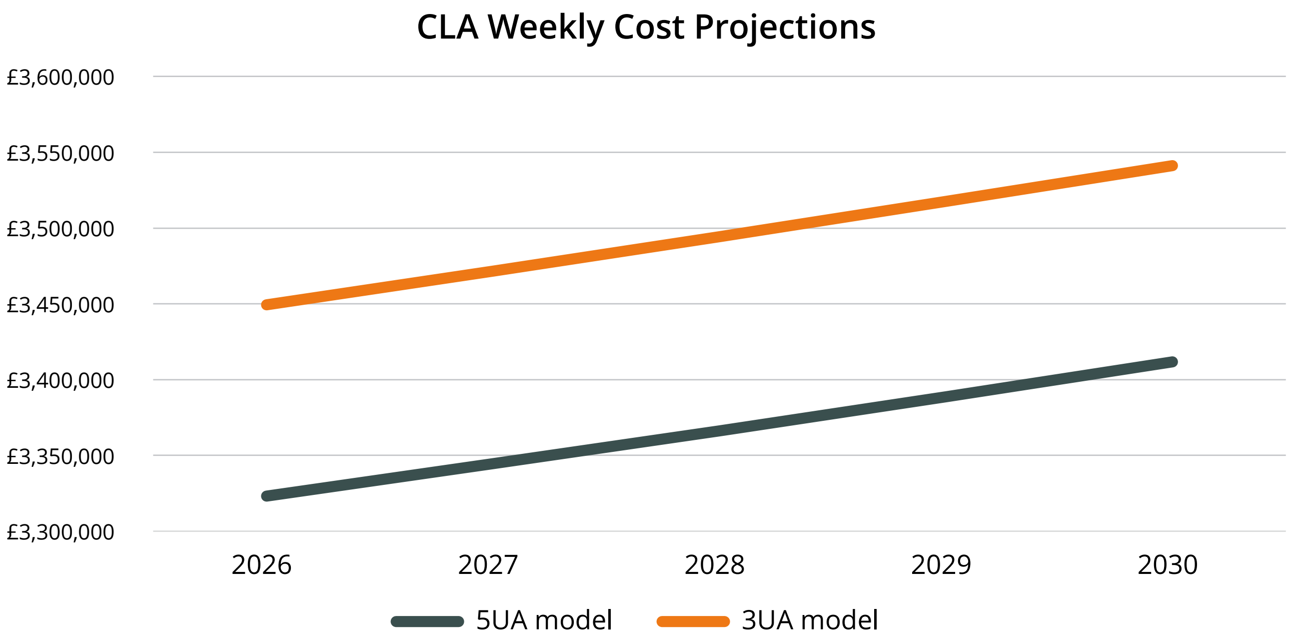


Figure 11: CLA weekly cost projections.[25]

23 Department for Education, 'Families First for Children (FFC) Pathfinder Programme and Family Networks Pilot (FNP), 2024.
24 Independent research from Peopletoo. Weekly costs source: DfE published data, CLA S251/outturn weekly costs. Methodology: Total funding on CLA recorded on outturn divided by total number of CLA as at 31 March.
25 For the population banding 250,000–350,00, the average weekly spend per CLA was £1,718, and for the population banding 500,000–750,000, the average was £1,949. For North East Essex, 500,000–750,000 average weekly cost was used, with 250,000–350,000 average cost used for others. The 3UA cost line is based on all three unitary authorities falling into the 500,000–750,000 benchmarking bracket. Methodology: Based on last three years of published numbers on CLA as at 31 March for Essex, Southend, and Thurrock, we calculated the average trend and used this percentage to forward-project the demand numbers, then multiplied the average weekly cost by the demand numbers.

Further, the five-authority model supports cross-sector efficiencies. Targeted early interventions will reduce downstream costs in the NHS, policing, and youth justice sectors and generate wider public value. Research from the Early Intervention Foundation and the Annual Report of the Supporting Families Programmes states that every £1 spent on early family support can in turn yield up to £4 in long-term savings.[26] Similarly, the NSPCC has reported that the cost of CLA for England rose from £3.8 billion in 2010–2011 to £6.6 billion in 2022–2023.[27] Therefore, the shift from late help to early intervention is necessary for financial sustainability, is aligned to national government policy and funding, and will improve outcomes for the children, young people, and families of Greater Essex. The return on investment on early intervention (£1:£4) is a crucial lever for financial sustainability. Our model will enable local authorities to respond directly to specific local pressures, with each local authority focusing and targeting its strategy with greater consistency and precision.

2. Management of local financial challenges and market-shaping

The commissioning landscape is marked by rising costs and insufficient local provision, but a five unitary authority model will enable councils to better shape and manage the local provider market. While the Children's Social Care Market Study Report has highlighted dysfunction in the national care market,[28] our model can create and influence local market conditions. This, coupled with strategic commissioning across five focused footprints, will improve placement sufficiency, reduce reliance on national chains, and improve outcomes for children through tailored and joined-up care based in their communities. It will support investment in community-based initiatives and lead to better price negotiation and value for money. Each authority will have the scale and focus needed to engage a range of providers, fostering innovation, responsiveness, and price competition.[29]

3. Maintaining and promoting community engagement, partnerships and employment to supercharge prevention and early help

There has been a nationwide call to shift from statutory interventions to a strategy of reform that places a greater focus on early help.[30] The success of early help and prevention depends on a deep knowledge of, and integration with, local communities. Each authority will design and deliver services based on local need, social capital, and existing partnership strengths. Our five unitary authority model which creates smaller, community-aligned authorities, will avoid the pitfalls of generic strategies and instead be able to build bespoke early help plans grounded in accurate local intelligence.[31]

Our model will create greater opportunities to work at a local level, developing the local market to ensure that the right type of quality provision is available to meet the demands and needs of local children. Maintaining a relationship with a community is critical in

26 DfE, 'Supporting Families Programme: Annual Report 2024 to 2025', 2025.
27 NSPCC, 'A Long Road to Recovery: Local Authority Spending on Early Intervention Children's Services', 2025.
28 Competition and Market Authority, 'Children's Social Care Market Study Final Report', 2022.
29 Local Government Association, 'Action Research into Improvement in Local Children's Services', 2016.
30 DfE, 'Children's Social Care: Stable Homes, Built on Love', 2023.
31 DfE, 'The Families First Partnership (FFP) Programme Guide', 2025.

2. Children and young people are safe and able to thrive in inclusive environments

supporting a child's reunification with their family and reducing disruption for the child. Figure 12 below shows that keeping children in care close to their community is a challenge. Essex data shows that children are moved to Tendring and Maldon, where there is more capacity, with Basildon, Braintree, Chelmsford, Colchester, and Harlow having more children placed outside of their local area.

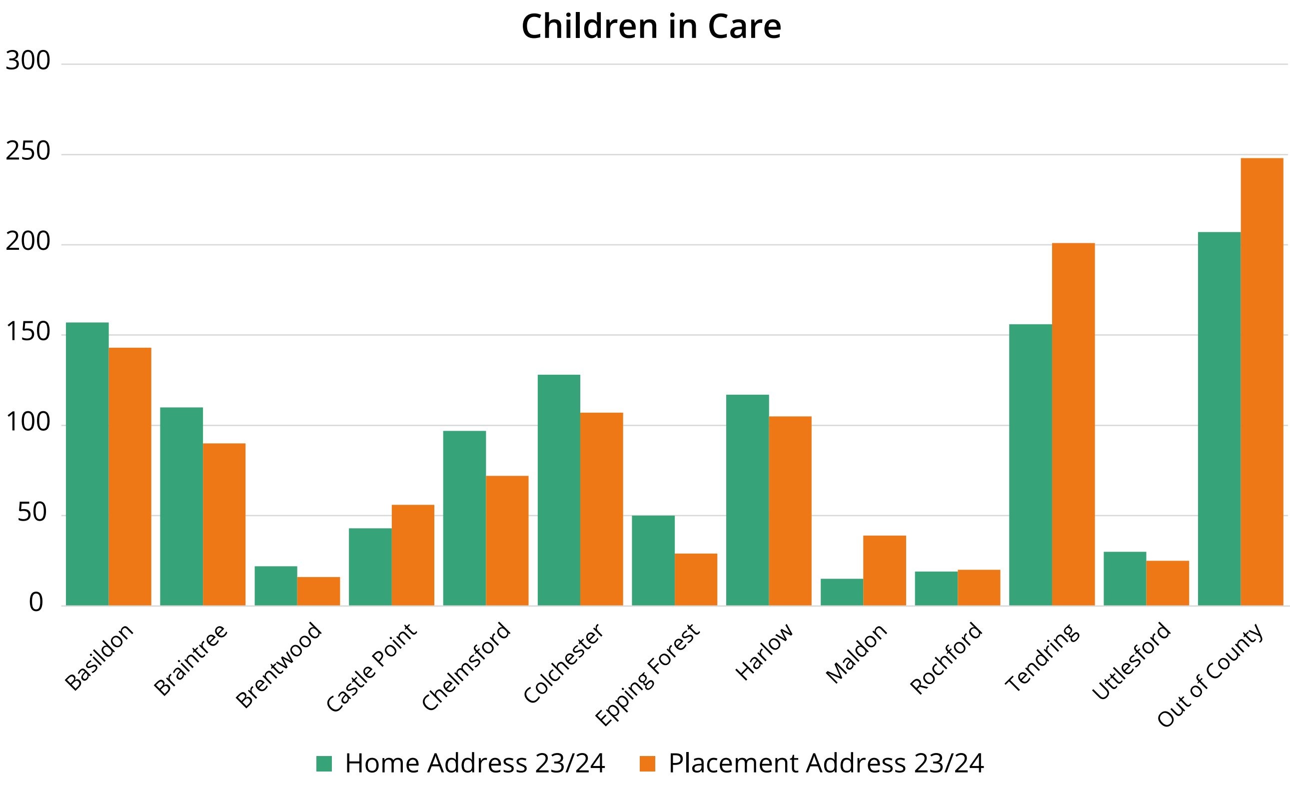


Figure 12: Home and placement address variation across Essex County Council.

The indices of deprivation shown in Figure 16 on page 114 reveal significant variation in deprivation levels across Essex, with hotspots of deprivation apparent in several locations, and these differing levels of need will require locally targeted services. Targeted action will reduce cost and improve outcomes and experiences for children, young people and their families across Greater Essex.

A five unitary authority model offers the most sustainable opportunity to support hotspot areas with equity and appropriate local attention. By distributing the responsibility for deprived areas, unitary authorities can focus on the context of a specific area and its presenting needs. Our model provides closeness that will ensure the new local authorities can develop and sustain partnerships with schools, health, police, and the VCS. These organisations are essential support networks for children, young people, and their families, and a focused approach will support stronger relationships with businesses and providers. Research suggests that there is an approximate teaching vacancy rate in Essex of 1.2%, with vacancy rates tending to be greater in disadvantaged areas.[32] Our model, offering smaller, focused authorities, will improve understanding of local context, enabling targeted interventions and workforce development which would be

32 DfE, 'Teacher Vacancies: Data Set from School Workforce in England', 2025.

challenging to implement over fewer, larger unitary authorities.

This supports national priorities like the SEND and Alternative Provision Roadmap[33] and EHCP reform, which depend on agile multi-agency working and shared accountability. Operating at a scale of approximately 138 schools per authority, leaders will maintain a manageable span of relationships and ensure that support is relevant, timely, and consistent. The model enables the trust and collaboration necessary for joint commissioning, data-sharing, and whole-family approaches, and ensures that stability and quality of education, which are central to the lived experiences and outcomes of children and young people, will be protected and improved. The South East Essex Alliance exemplifies how this model can reduce inequalities through integrated delivery and shared outcomes. Local recruitment strategies in our model will build a workforce that is rooted in communities, improving both employment outcomes and service relevance. This is supported by the views of local children, young people, and their families.

> *"Our young people want to work locally and take part locally."*
> ***Parent carer, expert by experience***

We will develop a workforce from within our communities, which will ensure that people are well attuned to their area, improving retention and supporting service stability. This aligns to the findings of NHS Employers relating to anchor institutions that recruit most effectively from their communities, which not only improves staff sufficiency but improves health at a local level.[34] It is supported by evidence on virtuous workforce cycles, with our model supporting schools and services to retain top talent in line with community needs.[35]

4. Sustained and improved quality and outcomes

Southend, Essex, and Thurrock have all received positive Ofsted feedback for workforce stability and quality of relationships. The inspections commented on the pride that the workforce felt for their local authority, and we will maintain these levels of pride by offering development and opportunity in locally based employment. Our model offers the optimal balance between scale and quality, enabling leaders to be closer to the residents, communities, challenges, and data they are working with.

Ofsted data shows that local authorities with populations around 410,000, close to the expected average in the five unitary authority model of 387,200, are more likely to achieve good or outstanding judgements in SEND inspections.

33 DfE, 'SEND and Alternative Provision Roadmap', 2023.
34 NHS Employers, 'Recruiting from Your Local Community', 2025. https://www.nhsemployers.org/recruiting-your-local-community
35 National Federation for Education Research, 'Teacher Labour Market in England Annual Report 2024', 2024.

2. Children and young people are safe and able to thrive in inclusive environments

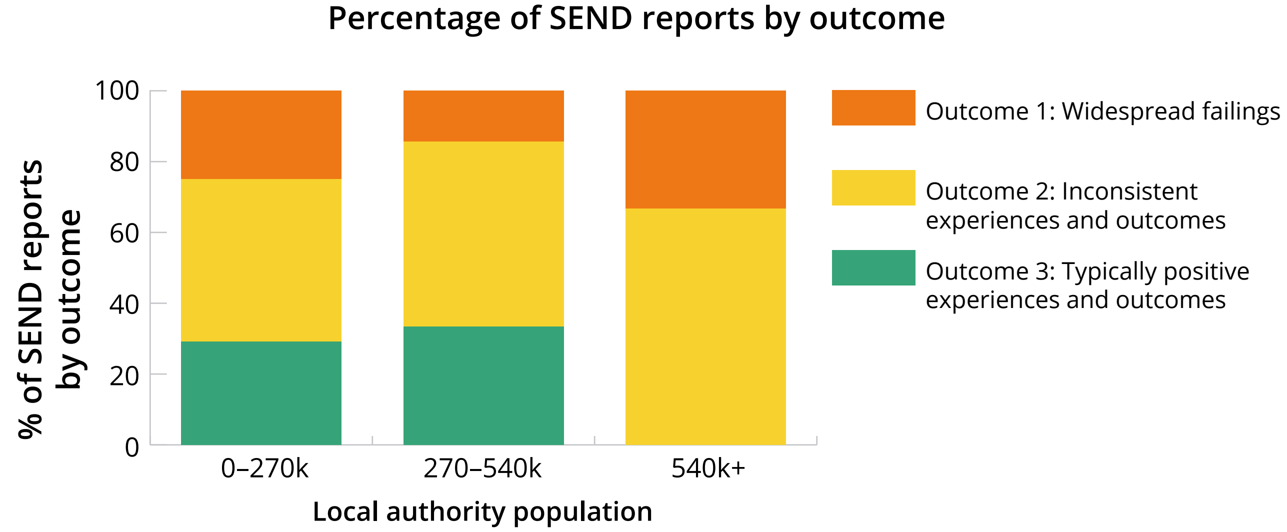


Figure 13: Percentage of SEND reports by outcome[36].

The scale of a five unitary authority model creates a 'sweet spot' that is large enough to support service depth but small enough for responsiveness, visibility, and accountability, leading to increased positive experiences and outcomes compared with larger local authorities.

5. Minimising the cost and disruption of reorganisation

Our model offers a pragmatic transformation pathway, with limited disruption to existing high-performing services. A five unitary authority model will retain the quadrant-based strengths of Essex County Council and allow the continued success of high-performing systems like the South East Essex Alliance. Instead of disrupting a successful model, a five unitary authority model continues and sustains it, transferring effective delivery frameworks into each new authority with minimal upheaval and enhancing staff retention by maintaining organisational identity and pride. This will preserve continuity in the workforce, service delivery, and partnerships while minimising the transition cost and avoiding unnecessary service interruption, which is in the best interests of our children and young people.

The creation of a five unitary authority model will see the expansion of two existing high-performing unitary authorities, with these services growing to incorporate wider areas alongside a reconfiguration of the current four-quadrant model applied across the rest of Essex. We will utilise and adapt existing arrangements, preserving quality and adopting the least organisationally disruptive method of change.

> *"People prefer to access the support 20 minutes down the road and not get onto a motorway."*
> ***Parent carer, expert by experience***

6. Enhanced innovation and improvement through an agile, connected, and local focus

Smaller, focused councils, removed from large-system bureaucracy, will adopt digital and AI-driven tools to overcome barriers to digital transformation.[37] Recent Treasury investment

36 Local authority population size by outcomes of joint Care Quality Commission and Ofsted SEND inspections.
37 House of Commons Committee of Public Accounts, 'Digital Transformation in Government: Addressing the Barriers to Efficiency', 2023.

in children's social care and SEND (£557 million and £760 million respectively) signals an expectation of digital maturity. Our model allows each authority to adopt and tailor tools such as predictive analytics, AI-powered risk assessment, and case automation in ways that align with the authority's data, challenges, and frontline needs. Our model will have the added advantage of agility to implement changes and target resources more swiftly in response to this data.

Innovation requires a positive organisational culture. Senior leaders and councillors will be more visible in their local areas through our model, which will enable the trust needed to drive change. Our model strengthens the feedback loop between practice and strategy, enabling local authorities to learn rapidly and adapt services at pace. The presence of social capital and local pride, cited in Ofsted reports and staff testimonials, further supports a culture of improvement. The model promotes data richness by grounding services in lived local realities. Integrated planning, pooled data and joint commissioning, already demonstrated by the South East Essex Alliance, will be replicated across the new unitary authorities. This ensures that innovation is not top-down, and that instead there is a co-produced, place-based approach to reform. As new technologies emerge, like those in the Government's AI Playbook, each authority is ready to adapt, build on social capital, and leverage local insights and align resources in ways that large, distant systems cannot.[38]

Working at the right scale for outcomes, relationships, and reform, the five-authority model ensures that children continue to benefit from high-quality services, delivered by people who know and understand them and their local area. This will enable the five unitary authorities of Greater Essex to deliver the ambitions and outcomes in the Government's 'Keeping Children Safe, Helping Families Thrive' agenda.[39]

> *"If we get more voices, our influence will grow. But if it gets too big, people's needs won't be heard."*
> ***Youth Council representative***

38 Government Digital Service, 'Artificial Intelligence Playbook for the UK Government', 2025.
39 DfE, 'Keeping Children Safe, Helping Families Thrive', 2025.

CASE STUDY

Youth Voice

Supported by the Youth Voice team, Southend Youth Council officers have developed an accessible support pack for neurodivergent teenagers, aiming to help teenagers and professionals to understand neurodiversity and to create ways to have a positive impact on outcomes for neurodivergent teenagers.

A working group of 15 Youth Council members discussed their lived experiences, what they thought teenagers and professionals needed to know, and how to improve the experiences of neurodiverse children and young people in the city. They spoke to young people in their schools and community youth groups, as well as child and adolescent mental health services professionals and educational psychologists, to make sure the pack was evidence-based and representative of all children and young people.

The pack covers various neurological conditions like autism, ADHD, dyslexia, dysgraphia, dyscalculia, tic disorders, and synaesthesia. It explains each condition, debunks myths, highlights strengths associated with neurodivergence, and includes personal stories from neurodivergent teens, offering insights into daily challenges and coping strategies. The working group included real-life experiences to highlight what it can be like to be a neurodiverse young person. A key feature of the pack is the 'Big Chats' game, which encourages meaningful conversations about neurodivergence in a fun and engaging way.

Anali (right), Youth Mayor of Southend City Youth Council and Taye (left) is a Youth Council member. Jocelyn (below) is a member of the Youth Parliament for Southend.

The Youth Voice team has distributed copies of the pack to over 120 cities across the UK and internationally. The pack is highly regarded by industry leads, including the Neuro Ambassadors' Programme, which is embedding the pack's learnings in its training for young people in schools. NHS England and the DfE have shared the pack as a reputable resource offering young people peer-led support.

“It is a beautiful place to live in, with a good connection to London. It has historic interest and some close-knit communities brought together often by residents associations.”

Brentwood resident

“Essex is overlooked as a tourist destination, yet it is a ‘sunshine state’ and has many picturesque villages.”

Chelmsford resident

“It’s a great community and the area is very beautiful. There’s a few rough areas and antisocial behaviour at times, but you get that anywhere. It’s a great place to live.”

Maldon resident

The River Can flowing through Chelmsford city centre.

Established in 1964 by Ford, the New Holland Tractor Plant in Basildon is a powerhouse of British agricultural engineering.

3. A vibrant economy

Our five unitary authority model creates right-sized councils with the tools to lead inclusive growth, align skills and planning, and work with the MSA on strategic investment. Our proposal secures coherent economic geographies to mobilise devolved levers efficiently. Five unitary authorities will support thriving and diverse ecosystems, revitalise town centres, and tailor local interventions.

What is the current position?

Greater Essex is a growing, resilient, diverse economy, contributing over £50 billion annually and supporting more than 860,000 jobs across approximately 81,000 businesses, a scale comparable to some other combined authority areas. GVA is £50.6 billion, a figure that places Greater Essex among the top county areas for economic output and is comparable with the nation of Northern Ireland (at £51.5 billion).[40] Greater Essex is currently on a strong upward economic trajectory, with a GVA growth forecast of 2.3% annually through to 2030, outpacing the national average; the region demonstrated an accelerated recovery from the impact of the pandemic, faster than other similar economies.

Greater Essex's economy is complex and diverse, with several economic hubs around cities, towns, and major sites and a varied sectoral composition ranging from clean energy to creative industries. Greater Essex continues to be an excellent place to do business, with business concentration remaining well above the UK average.[41] However, business dynamism lags behind comparators, with relatively low numbers of high-growth businesses, low business birth rates (with comparatively high survival rates), and an overall net growth rate as shown in Figure 14 below. This suggests an opportunity for focused business growth interventions to ensure that Essex continues to 'punch above its weight' in fuelling the UK economy.

40 Essex County Council, 'Greater Essex Trends', June 2024.
41 ONS Business Counts, 2024 – businesses per 10,000 residents.

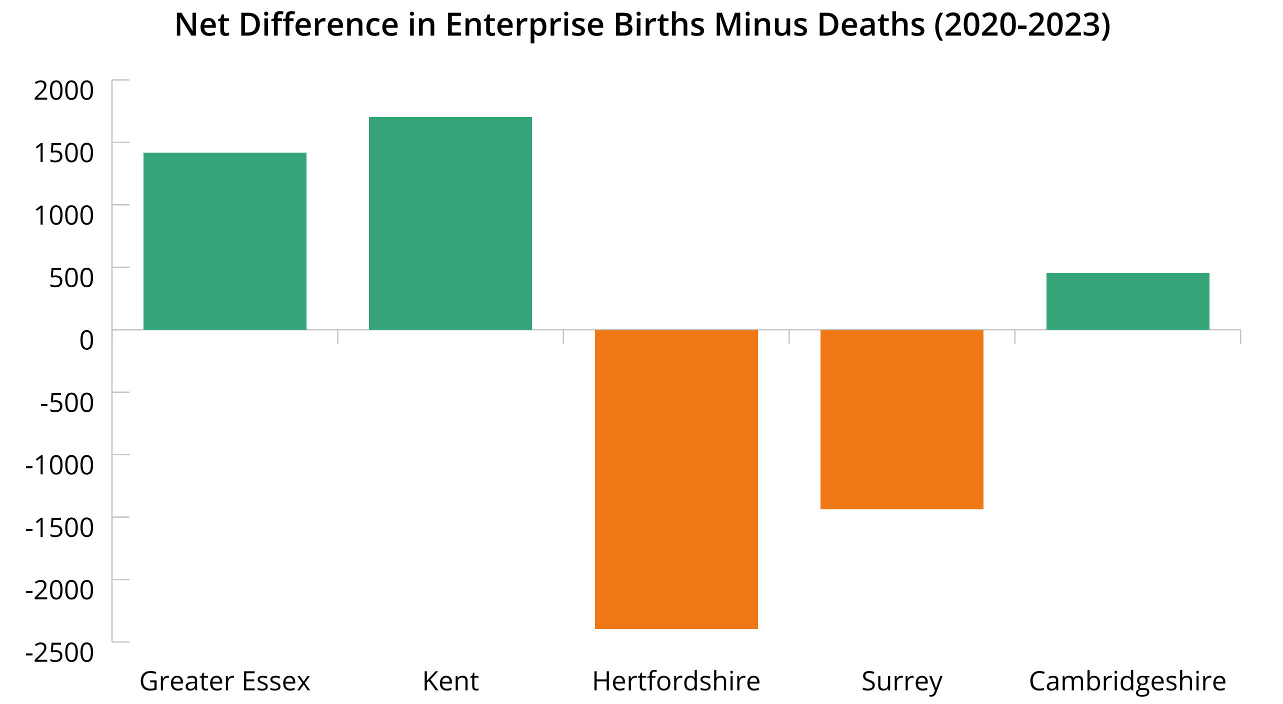


Figure 14: Net difference in enterprise births minus deaths, 2020–2023.

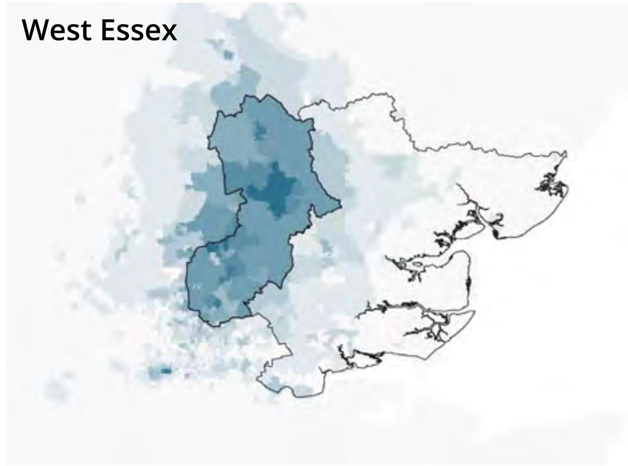
As well as five major conurbations, Greater Essex has several major economic assets: two international airports (Stansted, one of the busiest in the UK, and London Southend Airport), as well as Freeport East and Thames Freeport, the latter of which connects the UK to more than 130 ports in over 65 countries worldwide. Greater Essex also plays host to two universities, the University of Essex and Anglia Ruskin University, expanding research and business park facilities in Uttlesford, Harlow, and Southend as well as four garden town/village developments.

Greater Essex is strongly connected to surrounding economies, particularly London, through resident commuting and logistics and distribution. It also demonstrates relative specialisms in key growth-generating sectors like construction and transport, and latent growth potential in the IS-8 sectors of professional and business services and creative industries. These characteristics mean that Greater Essex is well positioned to play an important role in securing the UK's economic future, making the case for strengthening and reforming local and regional government to fully support this.

Figure 15 below demonstrates how the five unitary authority model acknowledges key hubs of economic activity. The travel-to-work patterns depicted show that key conurbations and their residents are best supported compared to models with less authorities.

3. A vibrant economy

Resident-based travel to work analysis for proposed unitary authorities within Greater Essex.



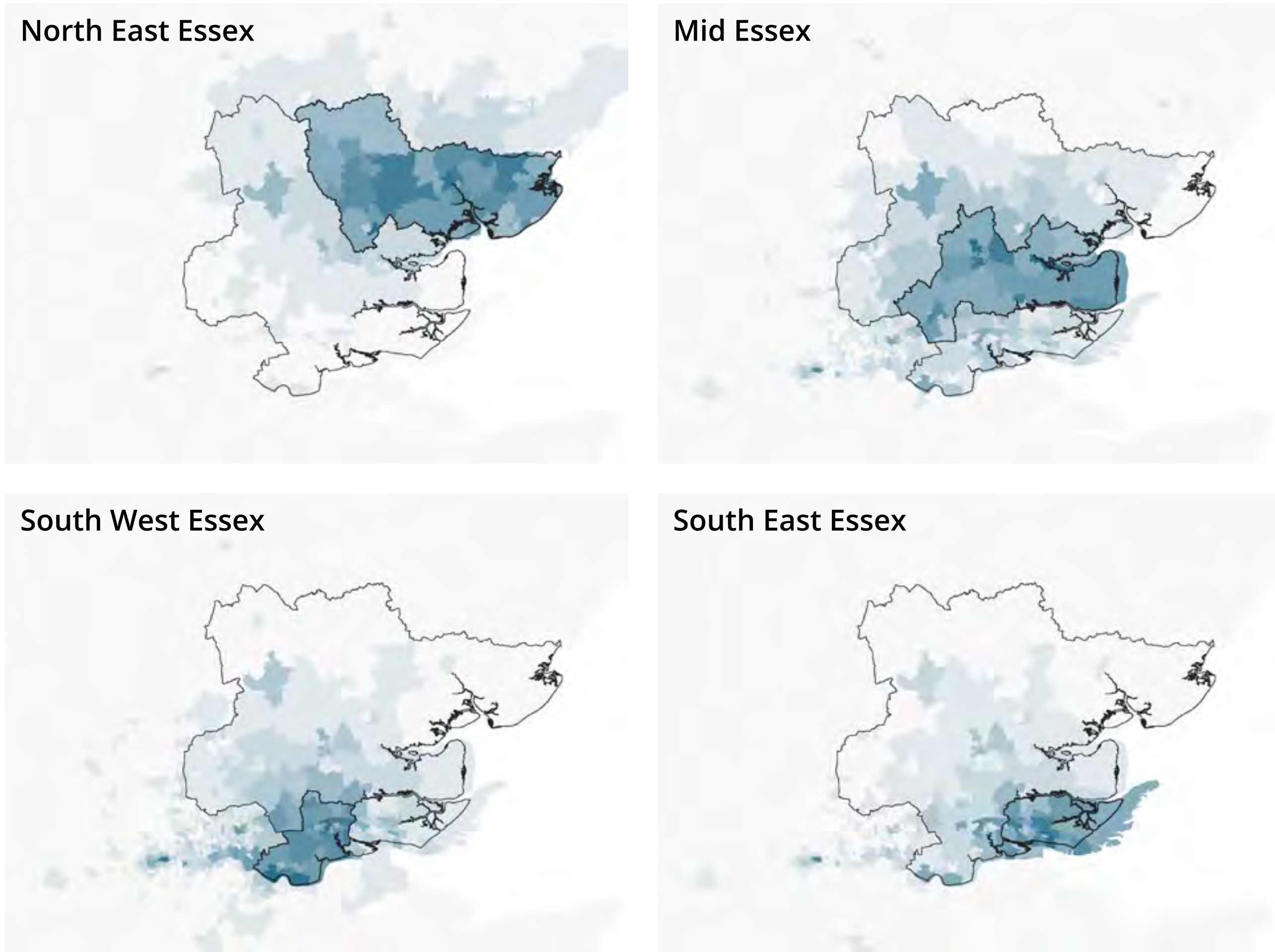


Figure 15: Travel-to-work analysis (provided by Metro Dynamics). Darker shading indicates a higher number of commutes to the location.

Greater Essex is polycentric, with several cities and towns and a range of places and communities with often distinctive characteristics and identities. Sector composition and business demography are similar across Greater Essex, but productivity, deprivation, and earnings levels vary from place to place. The areas closest to London have the strongest economic connections to the capital, whereas others have closer links to Suffolk and the wider East of England region, some into the home counties. Some places share characteristics with other coastal areas in the South East, with relatively limited external links to inland areas. This polycentric and outward-facing economy has been taken into account in the development of the five unitary authority proposal.

Some areas demonstrate particularly low productivity, and communities experiencing the highest levels of deprivation are concentrated in coastal and rural areas, as well as some urban areas. Economic assets and opportunities also vary, with a large number of the major sites for growth being concentrated in the south.

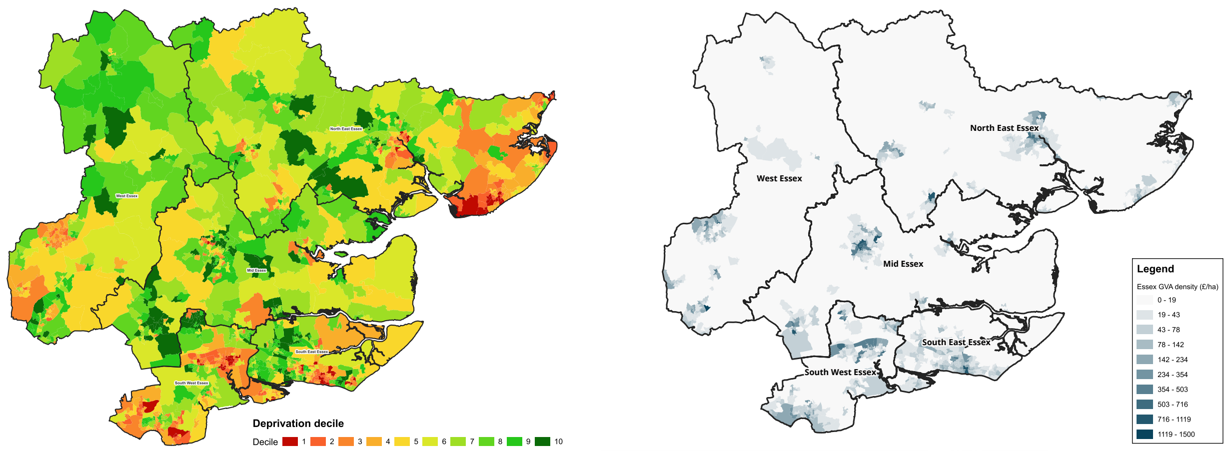


Figure 16: Index of multiple deprivation across Greater Essex (left), alongside GVA density (right) (provided by Metro Dynamics)[42].

The overall economic complexity and place-based diversity of Greater Essex underpins the proposal for five new unitary authorities. Our proposal balances coherent geographies of places and communities with a scale and unitary government model which enables more efficient and effective delivery, with collaboration across and outside of Greater Essex.

What will the improvement in outcomes be?

The focus of LGR in Greater Essex will be to mobilise an enhanced economic development system to support inclusive growth for our residents. Five unitary authorities provide an optimum configuration to work with communities with similar challenges, and to support our small and micro-business base in securing supply chain opportunities led by the new MSA.

Delivering more inclusive growth and helping residents to find high-value jobs. Earnings data indicates that we currently have a two-tier profile, with those able to sustain higher-skilled jobs in London earning far more than those working in lower-skilled jobs in Greater Essex. As growth opportunities are translated into increased jobs, there is a risk that a three-tier system will be created as workers move into the area and local people are still unable to secure these higher-paying local jobs.

42 Sources: Ministry of Housing, Communities and Local Government, English Indices of Deprivation, 2019; ONS Small Area GVA Estimates.

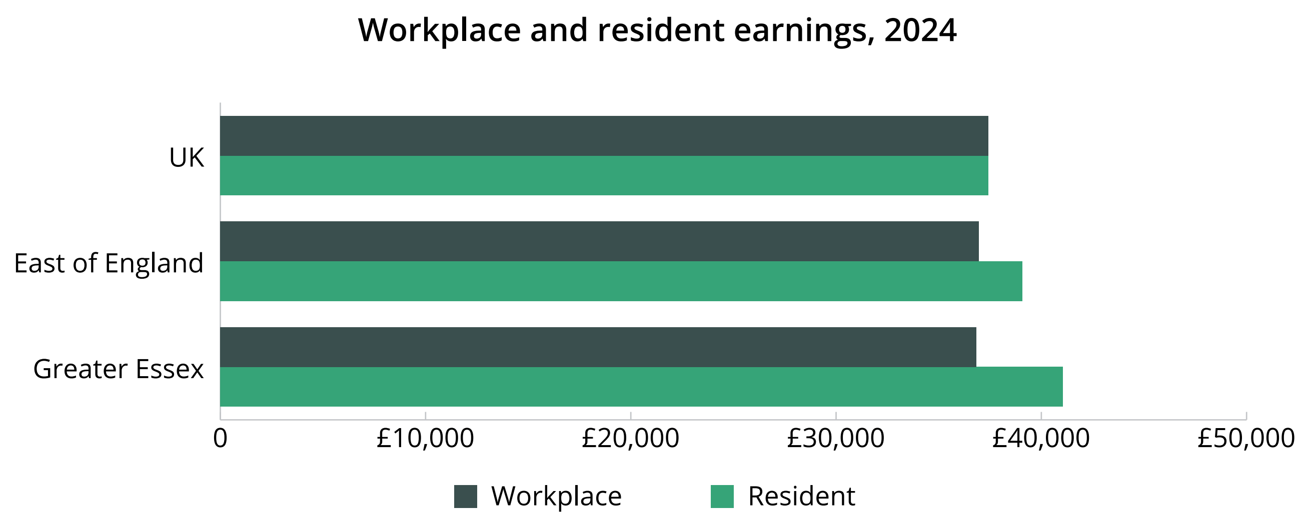


Figure 17: Workplace and resident earnings, 2024 (provided by Metro Dynamics)[43].

Building the appropriate Principal and Strategic Authority economic development to support local growth. Addressing this challenge and improving outcomes for residents from projected economic growth will be enabled by reformed economic development capacity at a local level, with the tools existing at a county, unitary, and district level brought together into five new unitary authorities to better serve local communities and businesses. This includes addressing the low levels of business dynamism in the region and capitalising on growth opportunities. Working as part of the future MSA system will deliver economies of scale and a coordinated approach to economic growth. The proposed new unitary authorities will be responsible for facilitating innovative approaches to skills, health, and employment support at the local and hyper-local level, along with targeted business support to ensure that the benefits of inclusive growth are equitably shared.

What are the opportunities for reform?

LGR offers the opportunity to consolidate regional economic and place-based strategy for Greater Essex, articulated through, and driven by, the local needs and opportunities of each of the five new unitary areas. In this way, we will be able to combine the best of planning and strategising at a regional scale with the focus and efficiency of working locally through the five new unitary authorities.

Opportunities include:

- The five new unitary authorities are a more efficient use of limited resources, merging together economic development, regeneration, highways, and neighbourhood capacity into single authorities to provide end-to-end growth and united place services. These services enjoy intimate knowledge and local focus from the five unitary authority model. Furthermore, planning, licensing, local regeneration, and elements of employment and business support are further enhanced by collaboration with the new MSA.

43 Source: ONS Annual Survey of Hours and Earnings, 2024.

- Growth and reform will be delivered between the proposed strategic and principal authorities, addressing collective priorities that leaders agree on.
- The aligned introduction of the MSA will bring together the leaders of the five unitary authorities, each representing a coherent economic area and set of communities, alongside other key stakeholders to influence regional policy, to deliver tailored services and site-specific support, and to support and inform mayoral advocacy for Greater Essex.
- With some similar sectoral composition across the five proposed unitary authorities, there are opportunities for joint approaches around sector development and inward investment at the regional scale, informed by local intelligence on sites and business need.
- Each of the five unitary authorities will have an opportunity to interact more effectively with neighbouring areas outside of, but connected to, Greater Essex, in order to facilitate local inclusive growth and address challenges. This ranges from Suffolk and Hertfordshire to East London.

The role of partnerships

There will be a new partnership convened around the new MSA and including the new unitary constituent authorities and key partners such as the University of Essex, Essex Chambers of Commerce and the Federation of Small Businesses, local education and skills providers, and the VCS.

These working relationships are already in existence across Greater Essex and will be built upon in the future system at the regional and local level. At the regional level, work is already under way through the Greater Essex Business Board, incorporating the voice of businesses of varying sizes and sectors, including small businesses through Essex Chambers of Commerce and the Federation of Small Businesses. Essex Chambers of Commerce is also the lead organisation for the Local Skills Improvement Plan currently supporting the alignment of the needs of business with technical education and training providers.

Locally, economic development teams across Greater Essex have extensive networks of business contacts and support which are highly developed and well supported, with significant engagement. Local economic development teams partner well with the VCS, developing, supporting, and promoting local grant schemes and ensuring that local business can access public sector procurement, thereby promoting local spend and building local economic prosperity and resilience. There are some great examples of UK Shared Prosperity Fund deployment through grants directly to small and start-up businesses, aimed at building and strengthening skills and supporting employment. By covering sensible geographies, five unitary authorities are best placed to channel future funding into local priorities and maximise outcomes for residents.

Economic development teams also play a key role, engaging through universities, colleges, and other education, training, and skills providers. This strengthens local networks and supports the delivery of training locally for businesses, leveraging their strong local advocacy and the support of councillors and MPs to build relationships and strengthen business links.

Why is the five unitary authority model the best choice to deliver this?

The economic geography of Greater Essex is far from uniform, and the proposed five unitary authority model recognises and responds to these distinct sectoral differences. For example, South West Essex is shaped by major infrastructure assets and industries that operate at scale, require significant strategic planning, and have a profound impact on transport and investment priorities. In contrast, South East Essex has a more localised economy built around small businesses, tourism, cultural assets, and community enterprise. These are fundamentally different economic ecosystems, each requiring tailored support mechanisms, policy interventions, and governance approaches. A one-size-fits-all model risks blunt delivery and cutting out local context, whereas locally determined strategies that are developed and implemented within appropriately sized unitary authorities can better reflect these differences and unlock targeted growth.

The core logic of our proposal for five new unitary authorities is responding to the difference between our places while unlocking economies of scale and scope within the future MSA system. This is demonstrated by the key elements set out below.

A configuration of five authorities has the right scale to develop local capital and investment propositions relevant to key conurbations, and to work with local communities to deliver inclusive growth while allowing for shared and scaled approaches covered by Greater Essex. It represents a significant consolidation of existing authorities while retaining local

New Hall Vineyards in the Crouch Valley, one of the UK's oldest commercial vineyards.

leadership and accountability to reflect the differing opportunities, challenges, and strengths of each place within Greater Essex, and the relationships to neighbouring areas. Local leadership and the delivery of priorities closely informed by local understanding are at the heart of the rationale for devolution.

Although the precise design of future economic development functions across Greater Essex regionally and locally will be defined in the course of implementing devolution and LGR, the new unitary authorities will consolidate local government services into fully equipped organisations with existing capacity around planning, regeneration, licensing, skills and employment support, and local business support. Five authorities will reduce fragmentation in comparison to the current system of 15 councils, whilst preserving intimate knowledge of local areas.

The five unitary authority model will support tailored services based on deep local knowledge of business and employer demand. This will be critical to developing a seamless system for delivering skills and employment support, deploying the new adult education budget at the MSA level to match growth and reform services. These efforts will build on local initiatives to build skills across South Essex, such as the South Essex Advanced Technical Skills (SEATS) programme,[44] driven by some of the larger employers in collaboration with existing authorities. This model enables robust data collection, which is essential for targeted interventions and measuring progress in workforce and skills development.

In Greater Essex, the five new unitary authorities reflect current, well-functioning, coherent, and relatable economic geographies and communities and will underpin strong local economic leadership and decision-making as part of the future MSA. Each new unitary area has a distinctive set of socio-economic challenges, reflecting the different sector specialisms and economic geographies across Greater Essex. The five new unitary authorities will have the intelligence and relationships to tailor interventions to address different specific challenges and opportunities for inclusive growth, while working together through the MSA to progress cross-boundary growth opportunities, informed by genuine local understandings of need.

44 See the SEATS website at https://seats.org.uk

CASE STUDY

Sector-focused growth and infrastructure that ties West Essex into the London Stanstead Cambridge Consortium (LSCC) corridor.

The creation of the Harlow Enterprise Zone makes the district into a strategically significant site for UK industry and services. Harlow has close proximity to London, Cambridge, Stansted Airport, and the M11 (the LSCC corridor), making it an excellent business location with high potential for the future.

Currently, the Enterprise Zone comprises three key areas: Kao Park's 'Grade A' office space and large data centre development; Harlow Science Park, with its mid-tech and general-use workspace and Arise Innovation Hub; and the Templefields industrial estate, which is currently undergoing redevelopment including the introduction of super-fast broadband.

Partnership between Government, the local authority, research institutions, and the private sector offers powerful incentives for the region to continue developing after LGR. This has been boosted by the recent announcement that the UK Health Security Agency will relocate its HQ to Harlow. This clearly represents a strong government bet on the town, along with other Civil Service 'campus' towns like Darlington.

Businesses in the Enterprise Zone will likely continue to benefit for decades to come, including from simplified planning processes through Local Development Orders, and proximity to other manufacturing and tech businesses (and therefore potential low-carbon supply chains). The move to the five unitary authority model will retain the localism and spirit that championed Harlow specifically as the site for these new developments, while facilitating scaled-up developments that offer even greater opportunities for private–public partnership.

London Stansted Airport, serves over 29 million passengers and more than 200 destinations annually. The airport will soon embark on a £1.1 billion transformation programme.

"Southend is a vibrant coastal town where seaside charm meets a strong sense of creativity and community."

Southend resident

"Castle Point does not have a thriving nightlife; for that you can visit neighbouring towns, but we do have parks and nature reserves, woodlands and Hadleigh Country Park, which hosted the mountain bike events for the 2012 Olympic Games."

Castle Point resident

"We share many common areas with Southend to the south, Rayleigh, Castle Point and Canvey. Local links are everywhere."

Rochford resident

South East Essex is intrinsically linked to its rivers and the sea.

Defoe Parade Thurrock.

4. Safe, affordable, and high-quality places to live

Our five unitary authority model enables coherent local planning, integrated infrastructure, and responsive housing strategies rooted in place and local character. Our model offers a practical platform to meet housing need while supporting net zero and resilient communities. Meanwhile, services like housing, environmental health, and community safety are brought together for consistent outcomes, strong local responsiveness, and service resilience for local residents.

We believe that safe, affordable, and high-quality places to live are made up of:

- High-quality, sustainable homes fit for the future and to suit all budgets.
- Safe, thriving towns and cities which are well connected.
- Beautiful natural spaces and thriving habitats.

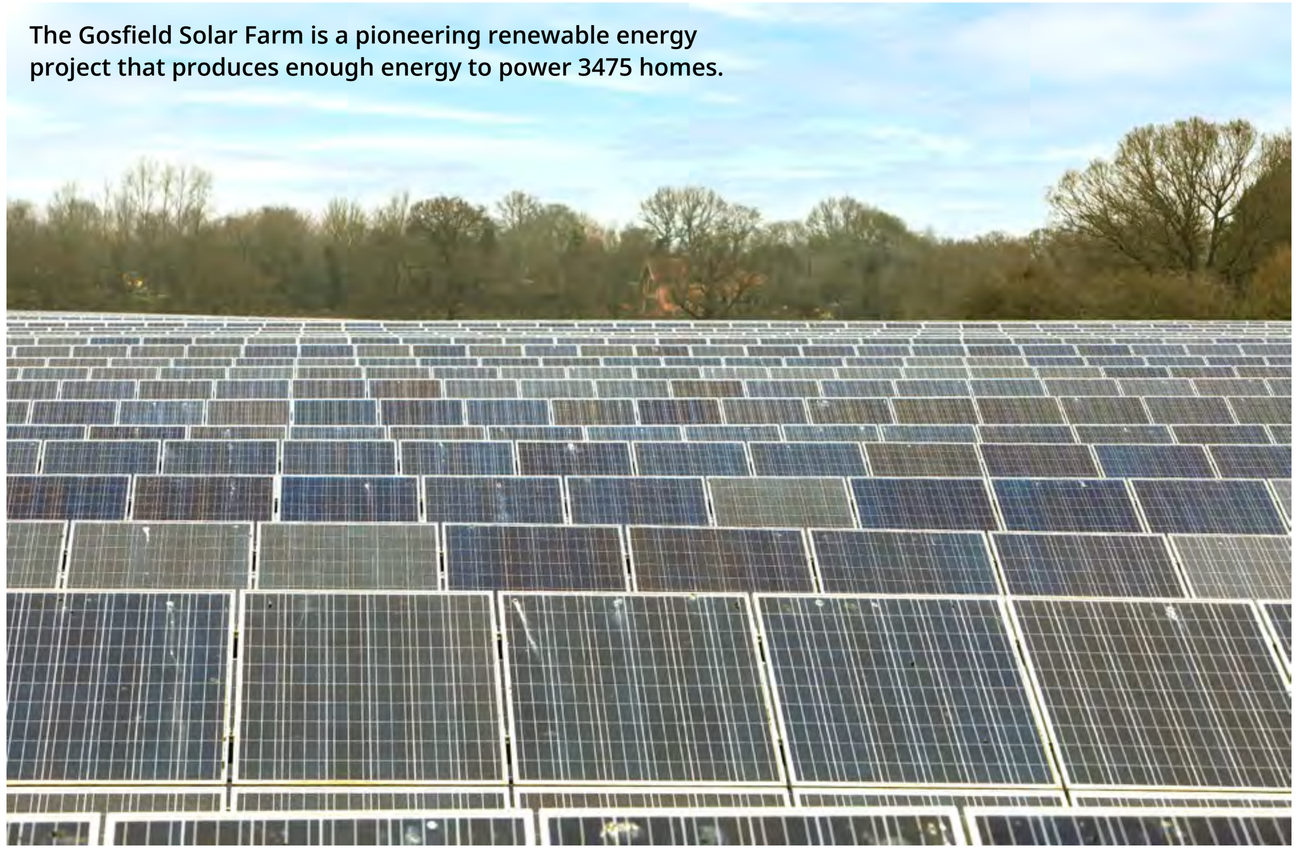
From its historic market towns and vibrant coastal communities to its expansive countryside, ancient woodlands, and internationally important estuaries, Greater Essex offers a unique blend of urban opportunity and natural beauty that underpins its identity and future potential. This geographical and social diversity means that the homes of Greater Essex's residents must reflect a wide spectrum of needs, including affordable urban apartments, accessible rural housing, and specialist accommodation. The five unitary authority proposal is rooted in place and responsive to local character, growth, and demand.

Greater Essex is growing rapidly, driving high demand for housing as the population is expected to increase from 1.9 million to over 2 million by 2040. Alongside new housing, local plans across Greater Essex include the development of five new garden communities and dozens of new schools to support growth. Accommodating this growth will require expansive and connected development – our towns and cities will need to expand in ways that create affordable and sustainable housing solutions for our residents in the long term, and this will need significant supporting infrastructure.

The five unitary authority model is deeply embedded in the rich and diverse tapestry that describes the homes of the residents of Greater Essex. Our proposal presents a realistic plan for creating safe, affordable, and high-quality places to live for the residents of Greater Essex, including areas of high deprivation, and a pragmatic framework for addressing temporary accommodation (TA) pressures. At present, services like environmental health, waste collection, community safety, and housing are managed differently across 15 local authorities. Reorganising Greater Essex into five unitary authorities enables effective and coherent integration of services while ensuring that delivery offers a lasting and sustainable improvement in the quality, quantity, and affordability of housing.

Housing affordability is a major challenge across Greater Essex. Prices have risen faster than incomes over the past decade, squeezing affordability and reducing choice. In 2023, the median house price in Essex's districts was often 8–12 times the median annual salary, in most cases higher than the England average of 8.3. For example, in Basildon the median home cost was around £355,000 or 9.7 times the median income. In more affluent areas closer to London, the gap is even larger: Uttlesford's affordability ratio is about 12.0 and Brentwood's 11.0, indicating extremely high house price to earnings disparities and putting home ownership out of reach for many, especially first-time buyers, without substantial income or support.

Only a small portion of the housing stock in Greater Essex is designated as social or affordable housing. The majority of homes in the region are either owner-occupied or privately rented, placing considerable pressure on the limited supply of council and housing association properties which are crucial for lower-income families. This creates a growing challenge for Essex local authorities as they work to prevent homelessness and to support families at risk of becoming homeless. With private rents predicted to remain high and to continue rising, more families are likely to experience housing stress, potentially leading to overcrowding, unsuitable living conditions, or displacement from the area.


The Gosfield Solar Farm is a pioneering renewable energy project that produces enough energy to power 3475 homes.

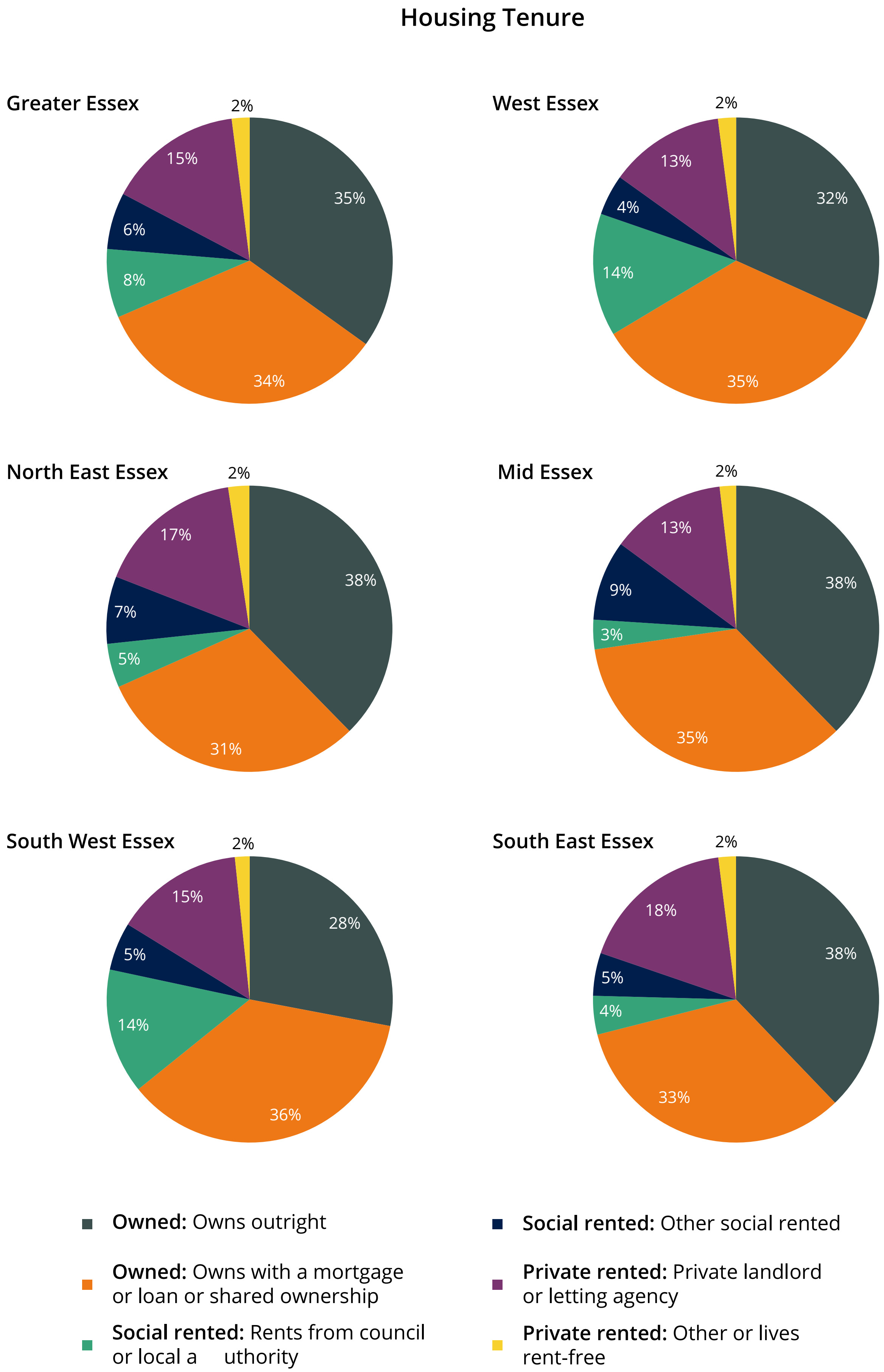


Figure 18: Housing tenure in Greater Essex (Census 2021).

Housing need is significant and becoming more pressing and unmanageable across Greater Essex.[45] The local housing need for Greater Essex is estimated at around 14,000 new homes per year;[46] this far exceeds recent building rates in the region, indicating a significant housing shortfall unless delivery in local areas is ramped up. Several districts individually require over 1,000 homes per year. Meeting housing need is essential to accommodate growth and improve affordability.

Housing challenges vary significantly across Greater Essex. Urban centres like Colchester or Southend have younger populations and a pipeline of large development projects under way, whereas many rural districts face pressures to preserve Green Belt areas while still providing homes. In many areas, local authorities face the challenges of rejuvenating aging housing stock and addressing local issues and local need while encouraging and activating development at pace. These diverse conditions underscore the need for tailored housing strategies aligned to meaningfully defined local authorities rather than a one-size-fits-all approach, and they demand a coordinated, equitable, and strategic approach to growth and allocation. Meeting the scale of housing need is essential to support sustainable communities, infrastructure, and social outcomes.

Housing affordability problems and insufficient supply have led to rising homelessness pressures in parts of Greater Essex (and pressures on education, social care, and other infrastructure), amplified by the continued flow of demand from London and private landlords exiting the market or switching their properties to offer nightly lets rather than stable housing. This has the effect of reducing the supply of rented accommodation overall and drives rents higher. Many households are unable to maintain stable housing, resulting in higher demand for emergency assistance and TA. Official Government data shows that in 2024, about 5.13 households per 1,000 in Greater Essex were assessed as legally homeless over the year. With a population of 1.9 million, this would equate to almost 9,700 households in Greater Essex. In addition, 4.37 households per 1,000 were at risk of losing their home during the year. These figures equate to thousands of local families in housing crisis.

The strain is visible in the numbers of households living in TA such as council-provided emergency housing or B&B placements. As of late 2024, there were over 3,600 households across Greater Essex in TA. The problem is especially pronounced in certain areas, as shown in Figure 19 below.

45 Housing Need, is more commonly referred to as 'Housing Targets'.
46 Gov UK (2025) 'Indicative local housing need', (December 2024 – New Standard Method).

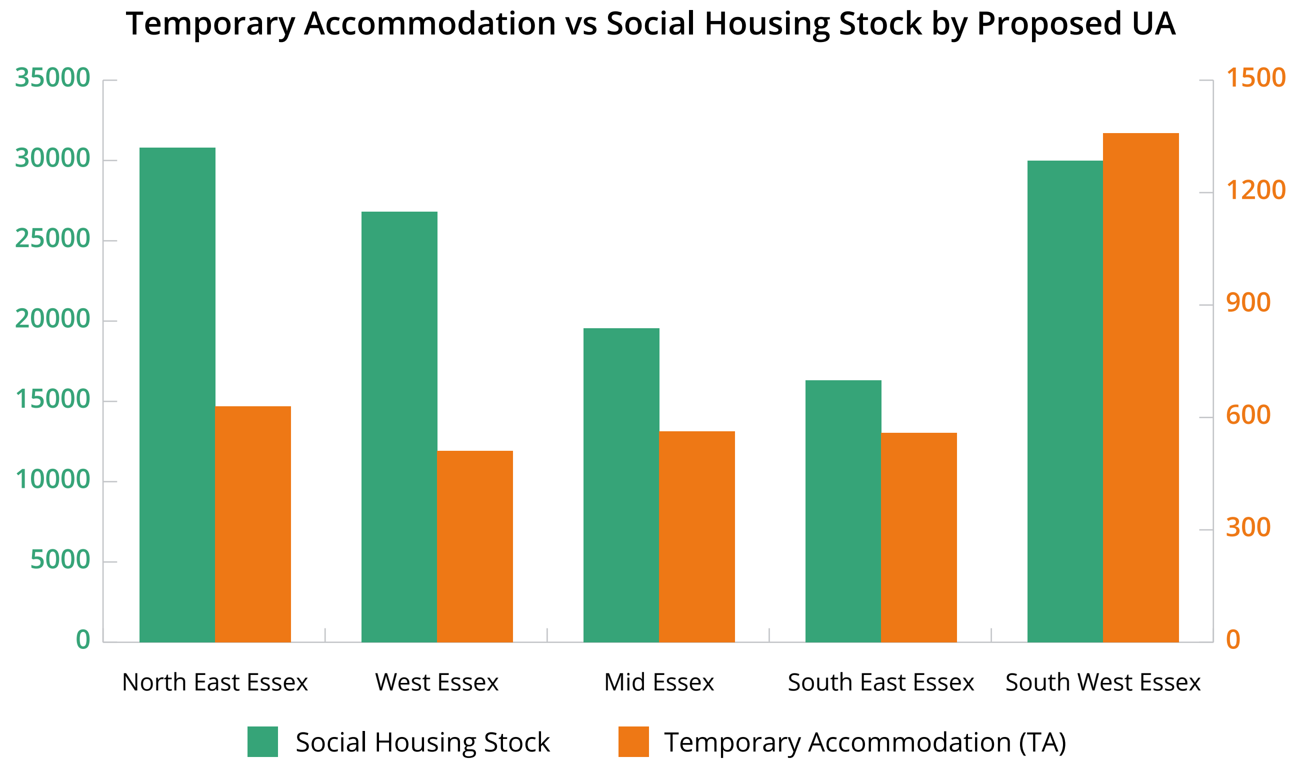


Figure 19: Temporary accommodation vs social housing stock by proposed unitary authority.

This comparison of TA demand against social housing stock across the proposed five unitary authorities highlights both the pressures and the rationale behind the five unitary authority model. While South West Essex shows a notably higher level of TA need relative to its stock, partly due to pressure from its immediate proximity to London and indicating a significant housing pressure that will require focused and sustained intervention, the broader configuration achieves a relatively balanced distribution of need and capacity. The five unitary authority model enables the new authorities to manage their housing challenges at a more localised scale, allowing for tailored strategies that reflect the distinct profiles of each authority's population and housing market. By avoiding the concentration of multiple high-demand areas within a single unitary authority, this approach reduces risk and supports more equitable, responsive, and coordinated action across Greater Essex.

Currently there are approximately 123,450 social homes across Greater Essex. It is important to recognise that some of the existing local authorities are stock-holding as proud council house landlords (i.e. they have their own Housing Revenue Accounts (HRA), and some have well established Arms-Length Management Organisations) while others have moved housing ownership to Registered Providers via stock transfer. Several authorities also have wholly owned and well-established housing delivery companies. Each model has its own advantages and disadvantages; in the proposed five unitary authority model, each new unitary will benefit from the flexibility and control of building housing supply and management through either model, or in partnership through models which best suit the new unitary area's pressures, opportunities, and financial appetite.

It is also important to recognise that the five unitary authority model separates the main conurbations, thereby reducing the risk of increasing the imbalance of wealth and deprivation, ensuring a more equitable distribution of housing placements, and avoiding the inevitable placement of those in need into comparatively cheaper areas due to the scale of the cost pressures. It also better reflects local placement, keeping families close to their local support networks and enabling full wraparound support to be delivered locally.

Recent trends on current homelessness and housing need are set out below and highlight the vitally important balance of need that our five unitary authority model achieves.

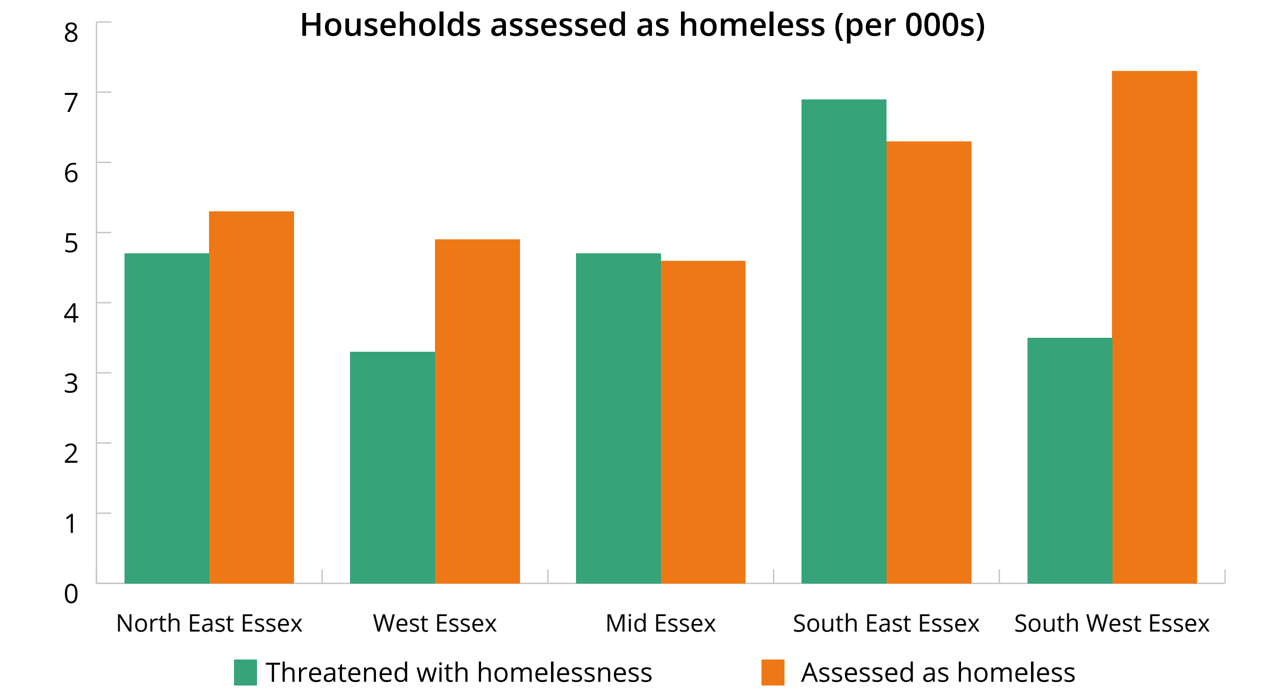


Figure 20: Households threatened with or assessed as homeless (per 1,000 households), 2024.

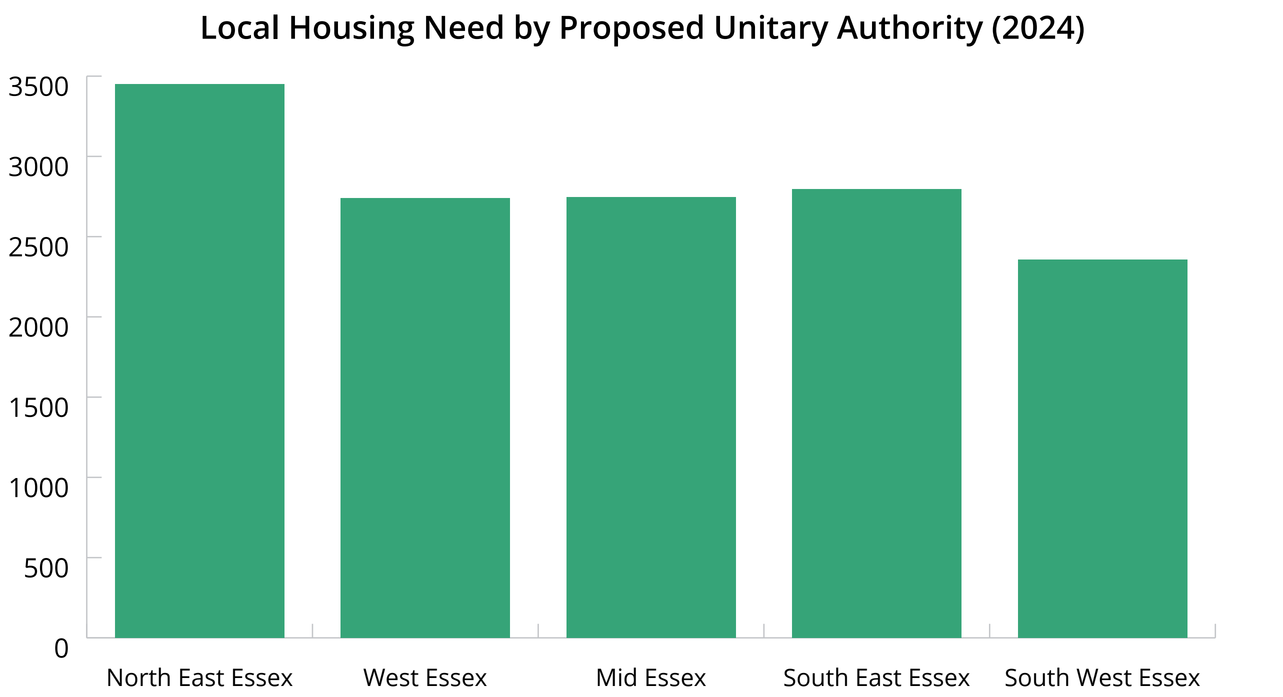


Figure 21: Local housing need by proposed unitary authority, 2024.

Collectively, the evidence strongly supports the five unitary authority configuration of housing services as the best way to allocate available resources and meet local needs.

How a five unitary authority model will improve outcomes

The five unitary authority model empowers each authority to directly manage housing growth and address TA pressures. With locally tailored strategies, authorities can coordinate housing development, invest in new homes, and expand TA supply where needed. This structure enables targeted responses to local demand, helping to reduce homelessness and support sustainable, long-term housing solutions across Greater Essex.

The five new unitary authorities will engage with the MSA to shape the housing market to best manage future needs, learning from models like that used in London, which has benefitted from collectively agreed price capping of private sector supply, sharing of data and insight, and bargaining arrangements.

In terms of improving housing outcomes, the five unitary authority model will enable the following:

- **Integrated planning, management, and delivery:** Five councils working with the MSA will be well placed to deliver large-scale projects (such as new garden communities) while reflecting local priorities. Each unitary authority will align its local plan, housing stock management, delivery, and infrastructure (schools, transport, etc.), speeding up decision-making and delivery of housing and jobs. Development will be better coordinated with local needs – for example, ensuring new homes are built near jobs and transport in growth towns like Harlow and Basildon. Meanwhile, residents in social housing will enjoy housing stock management that retains democratic control, minimises disruption from transitions, and benefits logistically from local service delivery.
- **Connected workforce and local understanding:** The five unitary authority model will maintain the local identity and knowledge that is critical to delivering operational, place-based services for and with the local communities they serve. Our model will ensure that teams operate efficiently within a sensible geographical area, avoid the need to set up costly local area sub-teams, and retain intimate knowledge of their communities. It will also ensure that responsiveness is maintained and officer time wasted to travel is minimised.
- **Closer links between housing and support services:** Unitary authorities oversee not just housing but also related services such as adult social care, family services, and public health on an appropriately local footprint. This local integration is critical for supporting vulnerable residents – for instance, those facing homelessness, leaving care, or with disabilities – since housing solutions (like providing temporary accommodation or specialist housing) can access directly coordinated social care support. Currently, such coordination suffers delays when county and district responsibilities are separate. Each unitary authority will more swiftly commission appropriate housing and wraparound support. Local connections will also be better preserved, mitigating the risk of increasing the imbalance of deprivation and affluence between conurbations.

- **Efficiency and resource pooling:** Each unitary authority will have a HRA[47] and housing stock sized appropriately to local needs. By maximising these resources, including larger HRAs, unitary authorities can invest more in building new council and affordable homes while maintaining a manageable stock and ensuring that contracts remain accessible to local businesses. This local focus also reduces failure risks from large contracts. The five unitary model enables the exploitation of HRA and Registered Provider partnerships to maximum benefit and the use of the various wholly owned council companies which are already delivering housing.
- **Accountability and responsiveness to regulation within relatable geographies:** The five new unitary authorities will enjoy manageable housing stocks and will preserve the important connection between housing authority and tenant to ensure accountability in housing services. The five unitary authorities will have housing services that are responsive to the roles of the Regulator of Social Housing and Housing Ombudsman in the continued improvement of housing services in Greater Essex. Residents will have a clearer voice – they will be able to engage with one council (not navigate district vs county) and councillors who represent a relatable geography. This will help to ensure that new developments have community buy-in and that policies (e.g. on affordable housing quotas or Green Belt) reflect local views. Strong accountability, combined with the scale of a unitary authority, can unlock housing growth in partnership with residents and stakeholders.
- **Better management of TA:** Our proposed five unitary authority model creates right-sized local authorities with manageable TA challenges matched to local demand and the resources and supply needed to tackle those challenges. Each unitary authority will be able maintain a broader portfolio of TA, reducing the need to send residents out of area, and will be better placed to deliver preventative interventions and create supply to reduce the intense pressure on TA stock.
- **Local housing allocations and accountability:** In a five unitary authority model, councillors will be directly accountable for reducing homelessness across their functional geographic area. They will be able and empowered to tailor housing allocation policies to local needs – for example, giving priority to local connection so families can stay near support networks – and to invest in the types of affordable housing that are most needed (be it family homes, supported housing for the vulnerable, or single-person units for rough sleepers).
- **Proportionately allocated housing need across the five unitary authority model:** Currently, the three authorities with the greatest housing shortfalls (Basildon, Colchester, and Epping Forest) each require around 1,200+ homes a year. With the five unitary authority model, each of these hotspots is anchored to a separate unitary authority. The model will help to ensure that housing and homelessness strategies are finely tuned to each community, whether that means tackling street homelessness in a city centre or hidden homelessness in rural villages. This means focused attention and 'local champions' for those high-need areas, rather than being overshadowed in a larger amalgamation.

47 While this is not necessarily the case across existing authorities, each of the five unitary authorities is expected to have its own HRA.

4. Safe, affordable, and high-quality places to live

Essex has a history of innovative housing construction, with the UK's first residential tower block, the Lawn, built in Harlow in 1951. Part of master planner Sir Frederick Gibberd's designs for a new estate, the Lawn was awarded a Ministry of Health housing medal.

CASE STUDY

Place regeneration example: How local leadership in South West Essex is driving quality place transformation

The regeneration of Basildon Town Centre, saddled between tracts of undeveloped Green Belt land, is serving as a catalyst for future commercial and residential growth around Basildon's transport hub while supporting the economic and community life of current and future residents. As one of the original New Towns, Basildon will once again continue to grow, with residents from London and those who wish to be closer to the city moving in for work or leisure.

Regeneration of the town centre plays into this reputation, creating another central hub in the area for commercial and community activities alongside Lakeside Thurrock and Festival Way. Where shops are currently dotted around the surrounding region in retail parks, the regeneration of the town centre can recentralise footfall, revitalising economic activity once again.

The move to five unitary authorities will deeply recontextualise Basildon Town Centre in planning decisions, alongside Thurrock and the eastern part of Greater London leading into Essex. Basildon can leverage its position as a high-density, well-connected settlement to expand and improve its existing facilities as it builds new ones.

A comprehensive Masterplan has been prepared for Basildon in this new phase, shaping redevelopment of the area and providing a framework for future commercial and government investment. Already, £1 billion has been committed to this plan for housing, retail, hotel, health, and cultural offerings. This foundation will allow the new unitary authority to capitalise on Basildon's existing assets while setting out a clear vision for Basildon as part of a greater local entity in which Basildon and Thurrock sit as two core settlements.

Safe, sustainable, and thriving places in Greater Essex under the five unitary authority model

While housing forms the physical foundation of where and how people live, truly high-quality places are shaped by a wider set of conditions that influence day-to-day life, personal well-being, and long-term sustainability. Services ranging from the prevention of crime and antisocial behaviour to the stewardship of green spaces and the delivery of essential public protections, such as food safety, waste collection, and licensing, collectively determine whether a place feels secure, vibrant, and well served. Safe, welcoming neighbourhoods, clean and resilient environments, and fair, effective local regulation are all essential to the lived experience of Essex's residents.

In this context, the five unitary authority model offers a unique opportunity to deliver more joined-up, responsive, and efficient public services that reflect the full complexity of local needs while strengthening accountability and quality. The following sections explore how the model can enhance community safety, environmental sustainability, and regulatory functions, ensuring that every neighbourhood in Greater Essex becomes not just a place to live, but a place to thrive.

Community safety is a cornerstone of residents' well-being across Greater Essex, yet the region's diversity – from urban centres to coastal and rural communities – presents sharply differing safety needs. Crime and antisocial behaviour do not respect administrative boundaries, but the current two-tier system is often shackled by them. A shift to five strategically configured unitary authorities, aligned with existing Essex Police local command units, offers an opportunity to modernise and harmonise community safety interventions.

The Essex Police model is already unified across the county, with local policing teams covering district footprints within a centralised force. The five unitary authority proposal mirrors this configuration, creating a natural fit between council responsibilities and policing geographies. This will enable streamlined collaboration between community safety officers, neighbourhood policing, and support services. For example, CCSPs, currently fragmented across 14 areas, would consolidate into five strategically aligned partnerships, each capable of commissioning focused local interventions, whether on antisocial behaviour, county lines, or public space violence.

Critically, needs vary meaningfully across the proposed unitary areas. Recent data reveals marked differences: South West Essex shows the highest rates of drug-related offences, while West Essex experiences the most antisocial behaviour per capita. Meanwhile, urban centres like Chelmsford and Colchester face higher violent crime rates than their rural counterparts. Larger CSP footprints risk missing these localised nuances.

A five unitary authority structure ensures that each council can design tailored responses which are coordinated where necessary and localised where effective. It allows for:

- Shared intelligence and joint enforcement across borough lines.
- Pooling resources for rapid response and specialist teams.
- Community-led strategies that reflect the lived realities of residents.

In contrast to a mega-unitary model, the five unitary authority approach preserves local knowledge, supports resilience through scale, and aligns tightly with operational delivery footprints. In short, it brings strategy and accountability closer to where they matter most, while enabling stronger, system-wide action against the complex drivers of crime and disorder.

Regulatory, environmental, and waste services

The current fragmentation of local authority regulatory functions across the two-tier system, including environmental health, trading standards, licensing, and waste services, leads to inefficiencies, inconsistent standards, and limited resilience in responding to emerging challenges. The five unitary authority model offers a step-change in how these vital services can be delivered, aligning statutory responsibilities, simplifying governance, and enabling economies of scale, all while preserving local responsiveness. Any model with less than five authorities will struggle to deliver this local responsiveness without setting up specific local teams.

Moreover, the significant strategic climate and sustainability ambitions of Greater Essex are hindered by the lack of unified action plans and fragmented influence over transport, planning, and clean growth investments. Greater Essex, with a long coastline, rural hinterlands, and major urban centres, needs a model that balances local context with delivery at scale.

The five unitary authority model will enable:

- **Integrated waste systems:** End-to-end responsibility for waste can be held by each unitary authority, aligning collection and disposal strategies. This will reduce contamination rates, improve recycling performance, and streamline procurement. Each unitary authority can adopt place-based approaches (e.g. food waste solutions in urban flats vs rural kerbside schemes).
- **Resilient and professional regulatory services:** Consolidating teams at unitary scale means more resilient rotas, shared specialisms (e.g. noise enforcement or environmental protection officers), and common licensing platforms, reducing duplication and enabling modernisation while retaining the ability to respond quickly and decisively to local issues.
- **Local accountability with strategic scale:** Each unitary authority is large enough (300,000–500,000 residents) to sustain professionalised regulatory and environmental services, yet small enough to remain rooted in community knowledge. This contrasts with the current patchwork, where some authorities lack capacity and others are overburdened.
- **Consistency of standards and enforcement:** The five unitary authority model can harmonise service standards across natural geographies (e.g. aligned taxi licensing or housing enforcement protocols across a whole travel-to-work area), ensuring that businesses and residents are subject to predictable, fair regulation.
- **Environmental action and climate readiness:** Each unitary authority can act as a climate lead in its region, integrating planning, transport, waste, and clean growth interventions. Currently, strategies are fragmented and underpowered. Five focused authorities are better positioned to coordinate with the future Greater Essex mayor on decarbonisation, electric vehicle infrastructure, flood and climate resilience, and air quality.

Environmental sustainability and the case for five unitary authorities in Greater Essex

Greater Essex's environmental landscape is among the most diverse and ecologically significant in England, boasting 94,690 hectares of Green Belt land, ancient woodlands such as Belfairs, Epping Forest, and Hatfield Forest, and 350 miles of coastline with estuarine saltmarshes that support international biodiversity. Ensuring the long-term protection and enhancement of these natural assets requires governance that is both strategic and rooted in local accountability.

The current fragmented governance structure across county, district, and unitary councils leads to duplication, inconsistency, and variable outcomes in vital services like waste management, air quality, flood resilience, and nature-based solutions.

A five unitary authority model strikes the right balance, large enough to unlock strategic capacity but local enough to align with community priorities.

It will be important to continue to build climate resilience, adaptation, and carbon mitigation strategies through action plans in the new structure of regional governance. Regional strategy set through the MSA, and with more specific, local strategy and delivery plans being developed within the five unitary authorities, will ensure a strategic, countywide approach and a 'call to action' that sits alongside action plans which are carefully considered, ambitious, and deliverable within reasonable time frames and available resources.

Coalescing under a new suite of MSA strategies will provide access to funding for coastal initiatives for those of the new authorities with responsibilities for the coastline (all except the West Essex authority). Such funding could, for example, support nature-based coastal protection projects and well-planned tree planting and woodland creation. It could also support expansion to strengthen the rural character of Greater Essex, support air quality improvement, biodiversity, and urban cooling projects, and work alongside urban street planting, and further has the potential for energy generation and stability projects such as on- and offshore wind and large-scale solar.

Why the five unitary authority model enhances environmental outcomes

- **Responsive to local geography:** Different areas face distinct risks, from coastal flooding in South East Essex to heat islands in urban West Essex. A five unitary authority model allows for localised action plans tailored to place-specific environmental pressures.
- **Capacity for innovation and retrofit:** Few council homes in Greater Essex are currently net zero compliant. Five unitary authorities with aligned housing and environmental functions can upscale retrofit programmes, accelerate decarbonisation, and lead green skills development for residents and workers.
- **Strategic scale for climate action:** Five unitary authorities enable climate resilience, mitigation and adaptation, net zero delivery, and green infrastructure expansion at a scale that is both manageable and impactful. Programmes like Catchment to Coast and the Essex Green Infrastructure Strategy show how coordinated delivery benefits from scale.
- **Resilient, efficient service delivery:** Services like waste collection, planning enforcement, and public protection are best delivered across sensible geographies that preserve community identity while fostering shared back-office innovation and compliance expertise, and that enable swift, efficient emergency responses.

4. Safe, affordable, and high-quality places to live

“I would describe my neighbourhood as quite quiet, with a great community feel, nice shops, and friendly people. I’d like to see river access improvements and road repairs kept up to standard.”

Thurrock resident

“The people are kind, pleasant, and polite, there are good local shops, and it’s easy for commuting. Plenty of green space, woods, and wildlife.”

Basildon resident

Grangewaters Outdoor Education Centre in Thurrock is set over 70 acres of woodland, lakeland, and grassland, offering adventure learning and community connection. in the Essex countryside.

High House Production Park in Pufleet-on-Thames is a cultural hub that blends heritage and creativity and hosts facilities including the Royal Opera House's workshop, Acme Studios for Artists, and the Costume Centre.

5. Connecting communities through effective transport

Our proposal maps precisely to real-world travel and economic flows, integrating local delivery with an MSA strategic remit. Our five unitary authority model strengthens a single strategic line of sight for major corridors while enabling efficient, local highways and active travel delivery. It improves accountability for everyday local issues and supports joined-up, reliable connections for our residents.

The five new unitary authorities have a clear and coherent geography aligned to their respective real-world travel and economic flows. Functional alignment enables the unitary authorities to integrate transport and economic strategies between neighbouring places and work with the MSA to support how residents live, work, and access leisure, education, and health.

The current context

Greater Essex enjoys major employment hubs in Chelmsford, Colchester, Southend-on-Sea, Basildon, and Harlow. These are all supported by key transport corridors such as the A12, A127, A13, M11, and M25. In addition, Greater Essex benefits from numerous bus and rail services which offer residents a vital lifeline by providing connectivity and access to work, education, and leisure facilities. At present, these fall under a fragmented system consisting of numerous local authorities and national and regional transport bodies.

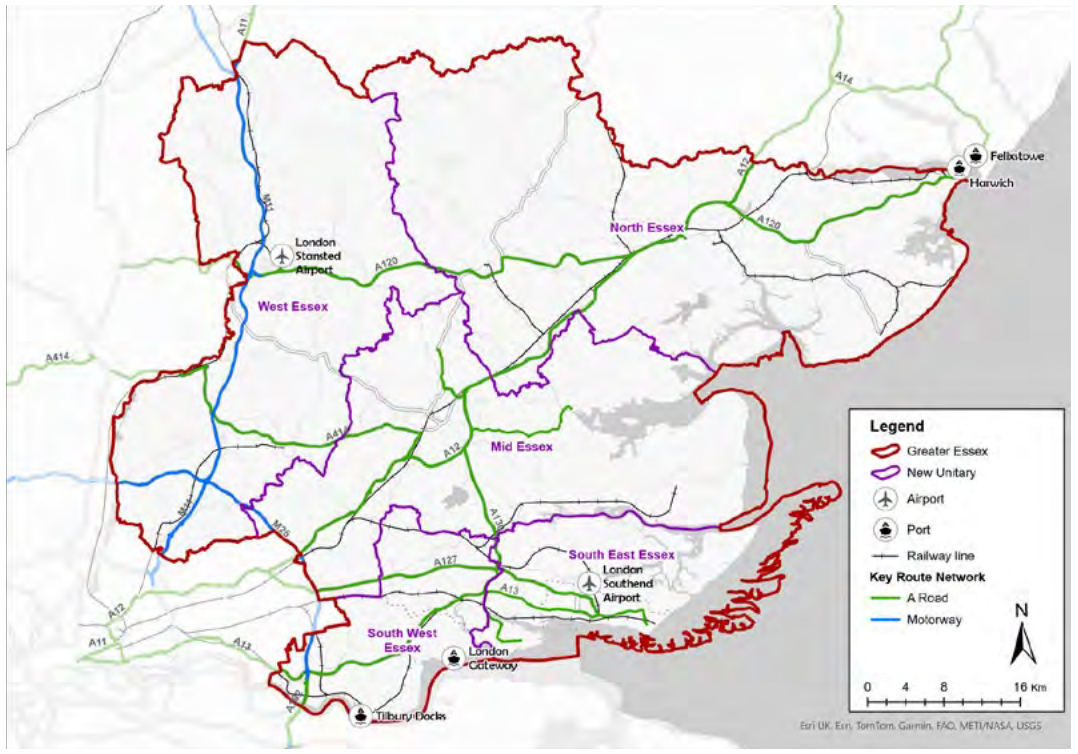


Figure 22: Map of key roads and railways.

The notably urban (80%) vs rural (20%) population of Greater Essex commuting between areas such as these demonstrates the need for efficient, quick, and fully integrated transport, infrastructure and corresponding strategies across local areas, and a coherent regional strategy, which will be important in securing large-scale funding.

Essex residents – rural vs urban

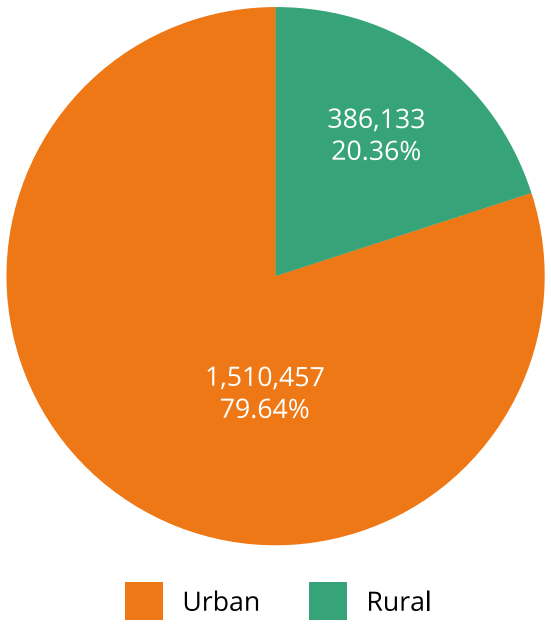


Figure 23: Essex residents, rural vs urban.

How the five unitary authority model will improve outcomes

In our five unitary authority model, enabled by the opportunities that devolution will bring and imminent changes being made to national transport policy, local authorities will be positioned to deliver a once-in-a-generation opportunity to create a truly integrated, affordable, and accountable transport system for Greater Essex. Transformation of transport in Greater Essex will unlock the region's future potential, connecting economic areas to promote growth, enabling house building, and increasing the access and connectivity of the region.

Local Authorities role in providing transport will change significantly because of incoming changes to local government and concurrent devolution. Under the five unitary authority model, Greater Essex will benefit from the representation of five local leaders who each understand local places and residents' priorities for transport initiatives while managing the larger resources associated with unitarisation. Decision-making on transport matters is improved by leaders covering a sensible, coherent geography that subsequently provides tangibility for residents' concerns.

Devolution will deliver an MSA with a clear strategic transport remit for Greater Essex, driving investment and improvements to major infrastructure and setting the strategic direction for the region, while creating a streamlined pathway to directing infrastructure investment, including that from S.106 contributions to local areas. Local highways and transport delivery is expected to be provided by the five unitary authorities, with matters such as local highway maintenance being managed and delivered locally at a unitary level alongside functions like planning and development management, flood risk management, and the delivery of environmental resilience and climate change adaptation and mitigation. All of these aspects will therefore be delivered by the new unitary authorities in a much more efficient, joined-up framework while creating a scale for efficient procurement of major contracts around services such as highways maintenance and waste management (collection and disposal). In addition, unitary authorities can choose to co-procure transport- and highways-related contracts, should that be an attractive proposition, meaning that a wider range of

commissioning and procurement options is opened up.

Under the five unitary authority model, residents will enjoy the benefits of their local unitary council being able to control all services, including those related to transport and active transport, with officers and councillors who possess a deep, lived, working knowledge of local transport infrastructure. There will be clear accountability for issues which typically fill councillors' mailboxes, such as pothole repairs, highway and verge maintenance, and tree management.

The five new unitary authorities will operate under modern governance structures, as the functions currently spread across county, district, and existing unitary authorities are brought together under unitary councils that deliver more local accountability and greater efficiency. The boundaries of the new authorities align closely with travel-to-work areas and business catchments, allowing for strong policy-making that reflects local priorities and local issues (see Figure 7 above).

Residents will benefit from consistency across local government's response to transport-based issues as well as the ability of authorities to ease congestion across a manageable geography in a manner which prioritises local heritage and knowledge. In addition, local economic productivity will benefit from reduced travel times, improved reliability, and expanded access to jobs, education, and leisure opportunities.

The five new unitary authorities will cover a population scale that strengthens democratic accountability, with residents having a single and accessible point of contact for transport-related issues ranging from highways maintenance to related infrastructure projects.

Unitary local leaders will continue the active approach seen in Southend-on-Sea and Thurrock to make decisions on highways which respond to residents' priorities. Models which present alternative larger unitary arrangements will inevitably provide restricted local representation for residents concerned about their area, their daily commute, and access to nearby areas.

The five new unitary authorities each cover a core conurbation and its associated commuter areas, enabling strategic planning and transport teams to look at the wider picture in terms of supporting transport while utilising local knowledge of local issues. In addition, by covering functional economic geographies, the five unitary authorities will deliver infrastructure projects for the benefit of local residents, from their front doors to their places of work. This will enable transport interchange hubs providing integrated mobility within a coherent commuter geography.

Opportunities for public service reform

Greater Essex has a significant opportunity to enhance its transport and economic planning through improved regional integration and targeted infrastructure investment that can achieve a step-change in the regional development of sustainable transport supported by decarbonisation of transport, with a shift to cleaner, greener fleets and active travel. Unitarisation and the introduction of the MSA can enable this to ensure that residents enjoy effective public services which maintain a sense of place and local pride.

By shifting Greater Essex's strategic planning to the MSA and bringing delivery to a local level in order to give local leaders the ability to set highways operations and maintenance policies, regional strategies are delivered locally and leaders can be held accountable by their communities. This also presents the opportunity to speed up development and increase efficiency in decision-making – for example, by enabling the majority of inputs to development management decision-making to be provided at a single unitary level.

Various regional partnerships, including Transport East, National Highways, Network Rail, and Great British Railways, advocate for major investment in Greater Essex and its five new unitary authorities, alongside the incoming MSA. This funding will be channelled into the delivery of new transport projects to improve journeys throughout Greater Essex.

The incoming MSA, through its strategic transport and planning powers, can work strategically with unitary leaders, the Government, Transport East, and other strategic partners to appropriately plan, fund, and enable the delivery of key strategic infrastructure and connectivity improvements. This supports population growth and business investment to align these with growth through the Local Transport Plan process and the Spatial Delivery Plan.

Transport powers at the MSA are delivered most effectively with a five unitary authority model. Democratic accountability is guaranteed through five council leaders providing the strength of their connections to their local residents and ensuring appropriate, local political representation and accountability. Meanwhile, council leaders utilise close engagement to promote the work of the MSA and opportunities for growth and investment within the communities they represent. As a result, incoming powers such as those relating to the decarbonisation of bus fleets and coordination of rail and wider integrated transport and ticketing are enacted through engagement with the residents and local areas of Greater Essex. Any less than five unitary authorities restricts the voice of local communities and their representation around the mayor's table through a deficiency of local knowledge, influence, transparency, and most importantly, democratic accountability.

Why the five unitary authority is the best model to enhance delivery

Five unitary authorities strike the perfect balance of scale and local accountability when it comes to the matter of transport. The aforementioned population and economic size of each authority contextualises travel-to-work areas around five principal towns and cities in Greater Essex (see Figure 7 above).

Figure 24 shows Office for National Statistics (ONS) data for the typical travel-to-work times by different means of transport for Greater Essex and demonstrates how long the general population spend travelling between their home and workplace. It is reasonable to assume that most people travel similarly for education, leisure, and health. Figure 24 shows how residents interact with their local geography and helps to further highlight the importance of sensible, cohesive, functional economic geographies which residents relate to, and which are delivered through the five unitary authority model.

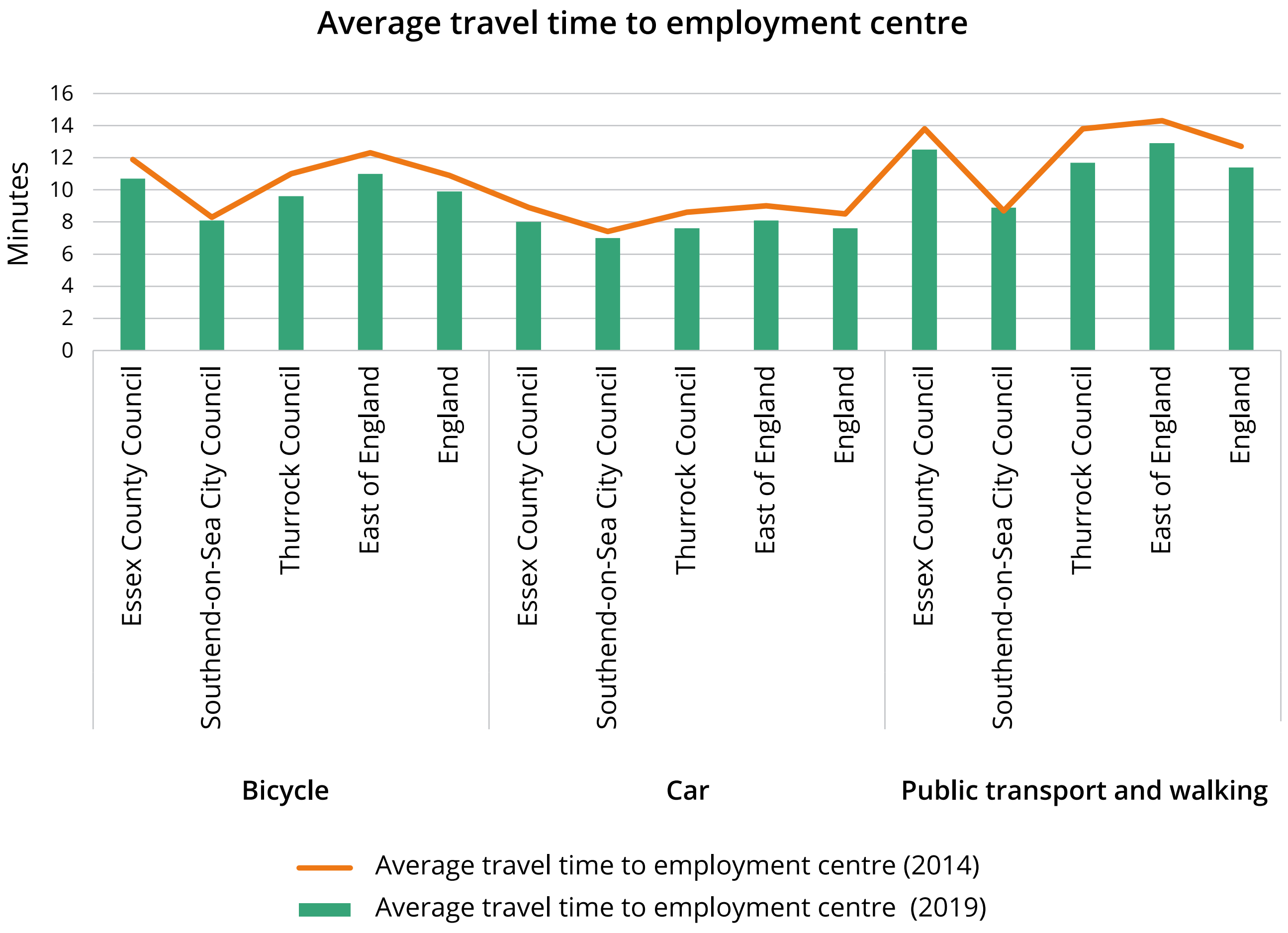


Figure 24: ONS data on typical travel to employment by transport type.

There are also notable service delivery efficiency benefits linked to the geography of the five unitary authorities. Residents expect to be able to access their council services easily, in a transport and place-management context. Likewise, officers regularly need to attend site at short notice to deal with highways defects, emergencies, accidents, urgent repairs, faulty signals, and issues with structures. Delays caused by extended travel times can be disruptive and have significant economic impacts for local people and businesses. The five unitary authority model and its geographical scale avoid the need to set up sub-regional teams, while still delivering the benefits of scale and unitarisation. This delivers efficiencies in areas such as management, fleet, and estates compared to the current situation, while still having geographies which can be serviced without the need to establish sub-regional teams. As a result, residents enjoy responsive transport services provided by one local team as opposed to a centralised authority based outside of their local area.

This local responsiveness is also critically important when dealing with emergency planning and response. Making sure that Category 1 responders can quickly deal with incident response and be supportive through recovery is crucial to the safety of our communities. Highly developed relationships are absolutely crucial to quick response, and the larger the geography to be served, the less likely it is that the emergency response and resilience will be quick or effective.

CASE STUDY

The new Beaulieu Park Station in Chelmsford

The new Beaulieu Park Station forms part of the Chelmsford Garden Community, which will deliver over 10,000 new homes, with further growth proposed along the Chelmsford to Braintree corridor. Essex County Council, in partnership with Chelmsford City Council, has successfully secured £218 million of funding from the Government's Housing and Infrastructure Fund, together with £34 million in contributions from the South East Local Enterprise Partnership and the developers of Beaulieu, Countryside and L&Q.

The new station is designed to support the wider economic development of the area, and its construction will include:

- Three platforms with a central loop line and new tracks to enable stopping services to call at the station while allowing fast trains to pass through unimpeded.
- Step-free access to all platforms via two lifts.
- Accessible toilets, baby-changing facilities, a waiting area, and space for retail/catering.
- Ticketing facilities, with ticket vending machines and a gate line.
- Pedestrian and cycle access routes to the station.
- 500 spaces for cycle parking and storage.
- A bus interchange, including bus stands for local services.
- Pick-up and drop-off area with dedicated taxi bays.
- Parking for over 700 cars, 5% of which will be designated Blue Badge bays, and motorcycle spaces, as well as dedicated parking for station staff and emergency services, and a dedicated space for service access.

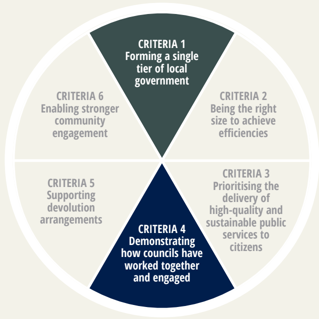
The new station will provide additional access to the railway, with regular connections across Mid Essex to the capital (only 40 minutes from London Liverpool Street Station) and other destinations in the east of England. Anticipated to open in autumn 2025, it will ease pressure on Chelmsford Station, reduce car journeys, and tackle local congestion and pollution.

Chelmsford Garden Community will deliver more than 10,000 new homes, built alongside new road and rail infrastructure including Beaulieu Park Station.

'Enlightened', a spectacular illuminated light trail that takes place annually in Colchester's Castle Park.

How we have engaged stakeholders on the proposal for LGR

How we have engaged stakeholders on the proposal for LGR



Government Criterion 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.

Our five unitary authority model has been co-designed by the majority of local authorities across the breadth of Greater Essex and backed by each of the five major conurbations in the county. It has been developed through extensive collaboration and a multifaceted consultation supported by co-signatories, stakeholders, and independent advisors who have placed residents, local identity, and representative democracy at the heart of this proposal. It includes joint data analysis, co-authored strategies, and a comprehensive public consultation process. Our engagement methods have included a pan-Essex survey, stakeholder focus groups, and targeted outreach to communities, and our proposal demonstrates significant responsiveness to local views, enabled by a consultation exercise that received 7,300 responses. The proposal demonstrates cross-authority consensus and a shared ambition to deliver a more effective, accountable, and locally connected system of governance.

Our analysis shows that the residents of Essex have indicated a clear preference for unitary authorities that are more local, more connected, and more ready to adapt to the needs of local areas. We have undertaken significant and comprehensive engagement on LGR in the last year with residents and stakeholders across the breadth of Greater Essex as part of developing our proposal. The insights generated from this engagement have directly shaped and informed the design of our model, and residents and stakeholders have been kept at the heart of the development of the proposal, ensuring that the voices of the community are heard and considered in decision-making processes. By incorporating diverse perspectives, this not only fosters transparency but also enhances the legitimacy and relevance of the proposed changes.

Inclusive engagement opportunities have been a core part of our approach, with a dedicated online consultation seeking the views of residents and stakeholders on LGR and on the creation of five new unitary authorities for Greater Essex. In parallel, a pan-Essex telephone survey, an online feedback form for strategic stakeholders, and targeted online surveys and focus groups specifically designed for those directly impacted by disaggregated services were undertaken. This multifaceted approach has gathered valuable insights, enabling stakeholders to contribute meaningfully to the development and refinement of the proposal and ultimately leading to more effective and responsive local governance.

The public consultation on the proposal for a five unitary authority model in Greater Essex received over 7,300 responses, representing a wide range of views from across the county. Importantly, the five unitary authority public consultation was launched at a time when the other models on LGR being pursued in the region were yet to be finalised and publicly announced, and as such, the consultation represents residents' views on LGR and the five-authority model in isolation of information about alternative models being developed (such as the three-authority and four-authority models). This context is important to note in the analysis of the findings of the public consultation set out below.

Overall, respondents were cautious about LGR. Their concerns were focused on issues such as remoteness and the importance of preserving local identity, which the five unitary authority model seeks to address. Some 56% of respondents supported or were neutral to the proposal, and there was notable support in areas such as Southend-on-Sea, Chelmsford, and Castle Point. Supporters typically described the five-authority structure as "about the right size", citing the potential for improved service delivery, stronger accountability, and more efficient governance.

In contrast, 44% expressed opposition to the proposal (28% strongly opposed). Analysis of open-ended feedback of this cohort's responses gives clear evidence that the primary reason for opposition related to concerns around remoteness and local identity of the proposed future unitary authorities, suggesting that in fact many respondents would prefer LGR configurations with an even higher number of unitary authorities than the five-authority model provides. 42% of opposing comments referenced a sense of distance from decision-making or argued that the model would not reflect local needs sufficiently, highlighting that even five unitary councils may still feel too centralised for some communities.

This perception was echoed across age groups and geographies. Respondents placed high importance on visibility of local representatives, familiarity with local services, and retention of community identity. Additionally, 31% of all open comments opposed LGR altogether, preferring to retain the existing structure. That said, even among critics, some acknowledged the five-authority option as a more acceptable alternative compared to models proposing fewer, larger authorities. These findings underscore a clear public desire for reassurance that any future arrangements will maintain strong local connection, civic presence, and access to decision-makers – all seen as essential to community trust and effective service delivery.

Within the feedback, the third most prevalent sentiment was a concern about the debt of Thurrock Council, or what would happen to other councils' debt within LGR. This was most expressed by respondents from Basildon, making up 20.5% of the total responses to the survey, which may be caused by Basildon and Thurrock Councils being combined in the five unitary authority proposal.

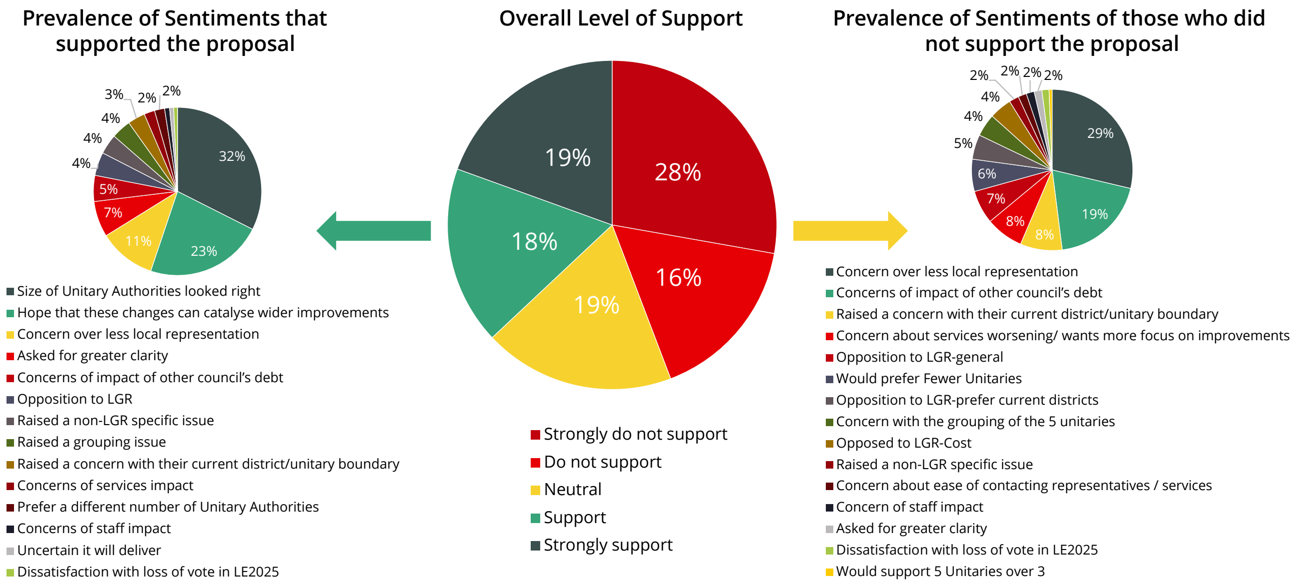


Figure 25: LGR five unitary authority consultation 2025: Semantic analysis of support levels, showing overall support and non-support split.

This insight from residents and stakeholders has been instrumental in shaping our proposal, enabling the specific issues raised by residents to be addressed and allowing us to align the proposed changes with the community's needs and expectations. This collaborative approach not only fosters transparency but also strengthens the relationship between the councils and the communities they serve, ultimately leading to more informed and effective governance.

Stakeholder support

Stakeholders from health, education, the emergency services, business, the voluntary sector and MPs from across the county have provided their letters of support for our proposal for five unitary authorities, unanimously citing that they believe this model offers a unique opportunity to strengthen local governance, deliver improved services, and provide better value for residents and businesses while retaining the strong local identities that are so

important to our communities. In parallel, key stakeholders were consulted. Chief executives of health, police, fire, education, and voluntary sector bodies across Essex were invited to give their views on LGR. None raised major objections; indeed, local health partners noted that the five-area map aligns with the Integrated Care Board's (ICB) emerging locality divisions. The voluntary sector participated in a focus group, confirming that smaller, place-based councils would help build stronger connections between volunteers and local authorities.

Working collaboratively together

Our proposal is the product of deep collaboration between Basildon Borough Council, Braintree District Council, Brentwood District Council, Castle Point Borough Council, Chelmsford City Council, Colchester City Council, Harlow District Council, Maldon District Council, Southend-on-Sea City Council, Tendring District Council, and Uttlesford District Council*. This collaboration has been built on shared recognition of the need for reform; data-driven understanding of service performance and cost; commitment to retaining strong local identity and accountability; and respect for established economic, social, and travel-to-work geographies. The breadth of collaboration, which has transcended politics, underscores that the proposal represents a consensus approach, not a unilateral plan by any single council. As upper tier local authorities, we have worked with Essex County Council and Thurrock Council to share data and common evidence. **Supporting councils to be confirmed.*

The work to develop the proposal and shape the joint vision has been led by a strong Programme Board of leaders and chief executives, directing working groups, workshops, and independent expert analysis. At every stage, the process has been open and inclusive and technical officers have worked together on building a shared evidence base. Collaboration across the system has been facilitated by independent consultants Newtrality and underpinned by agreed principles and ways of work, as set out below.

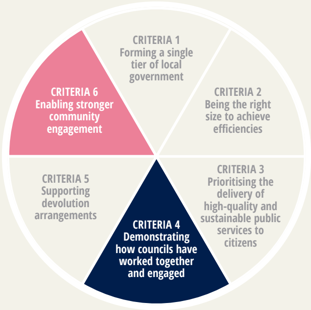
Honesty We will be honest with each other and recognise that there might not always be consensus.	**Leadership** We will work collaboratively but not at the expense of pace and decision.	**Respect** We will respect the expertise that sits in different parts of the public service system.
Integrity We will trust our colleagues to work in good faith with our shared ambition in mind.	**Accountability** We will be collegiate and not allow ourselves to be diverted from agreed plans and messages.	**Openness** We will learn from other areas and bring best practice into our work where it makes sense to do so.
Objectivity We will seek to work to a common evidence base to build mutual understanding.	**Selflessness** We will maintain good relationships throughout, even where we might disagree.	**Vision** We should not see lgr as an end in itself but recognise the relationship with devolution.

Figure 26: Greater Essex LGR agreed principles and ways of working.

Strong and accountable leadership: Member roles and governance

Firstsite, Colchester's contemporary visual arts gallery, is a national leader in inclusive arts programmes, hosting rotating exhibitions featuring global icons like Andy Warhol and Grayson Perry.

Strong and accountable leadership: Member roles and governance



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

Our model centres on the belief that effective leadership is grounded in meaningful local representation and visibility. Smaller, community-focused councils increase democratic engagement and neighbourhood empowerment. By centring each council on a coherent place, our proposal respects Greater Essex's strong civic identity. We will champion neighbourhood empowerment and democratic parity through ward sizes and councillor numbers aligned to Local Government Boundary Commission for England (LGBCE) principles. Furthermore, each ward's electorate will remain comparable in size to today, maintaining parity of representation. Existing parish and town councils (nearly 300 across Essex) will remain intact within the new authorities. We will create Neighbourhood Area Committees, delivering an engagement structure that will bring decisions closer to our communities. We will deliver visible, accountable leadership and a governance model capable of strategic oversight and local responsiveness in line with government requirements.

At the heart of this transformation is the belief that effective leadership must be grounded in democratic legitimacy and meaningful local representation, enabling a governance model that delivers strong, visible, and accountable leadership across Greater Essex. The proposal to create five new unitary councils, replacing the current two-tier system, is built on this principle. These councils will provide the right balance between strategic authority and local accountability, ensuring that councillors are accessible, effective, and closely connected to the communities they serve. By establishing five unitary councils, each with a manageable number of councillors aligned to ward sizes of 6,000–9,000 electors, the model delivers proportional and equitable representation. It reflects the best practice standards set by the Local Government Boundary Commission for England (LGBCE) and ensures that the average number of councillors per 10,000 electors falls well within the norms of single-tier authorities in England. The LGBCE "believes that councillors have three broad aspects to their role", which are categorised as "Strategic Leadership, Accountability (Scrutiny, Regulatory and Partnerships), and Community Leadership",[48] and our proposals for councillor numbers are based on these principles. Our proposal supports strong cabinet-led governance while retaining a depth of engagement at the ward and neighbourhood level. The five-council model maintains democratic parity, streamlines operations, and fosters trust by ensuring that governance remains both close to the electorate and capable of strategic oversight.

Council size and councillor numbers

Currently, the representation for electors in Essex stands at a ratio of 5.1 councillors to 10,000 electors. Councillors in single-tier areas across England typically represent between 2,000 and 4,600 electors, equating to between 2.2 and 5.7 councillors per 10,000 electors. Some 90% of all single-tier councils operate within this range. Single-tier councils in England typically have between 40 and 95 councillors; this is consistent with LGBCE guidance, and again, 90% of all single-tier authorities operate within this range.

Brentwood high street

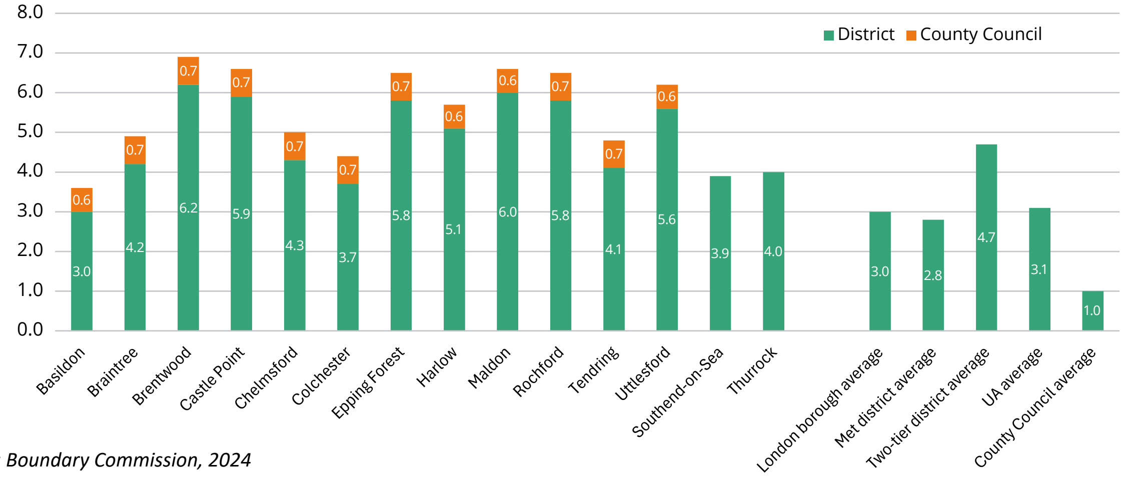
48 LGBCE, 'Council Size Submission: Tonbridge & Malling Borough Council', 2021.

Strong and accountable leadership: Member roles and governance

Democratic representation in Greater Essex

Under the current two-tier system, there is substantial variation in the number of Cllrs per 10,000 electors across Greater Essex district areas. It is likely that all areas of Greater Essex will see a reduction in councillor numbers following LGR.

Councillor per 10,000 electors in Greater Essex and by council type across England 2024



Source: Boundary Commission, 2024

Figure 27: Democratic representation in Greater Essex.

Residents deserve effective representation and the role of whoever the voters choose for the new unitary authorities must be practically achievable, with a reasonable ratio of electorate per councillor. Our proposal keeps that ratio in the broad region of 1:3,000, which is within the range of other single-tier authorities, notwithstanding a net reduction overall in the numbers of councillors.

We have considered the LGBCE Council Size Submission Template and have assumed that all councils will deploy the following:

1. A Leader and Cabinet model comprising 10 members.
2. Four scrutiny committees – corporate, place, children and adults, and health – each with a maximum of 10 members.
3. Six–eight other regulatory committees, sub-committees, additional boards and forums (including Neighbourhood Area Committees) each with a maximum of 10 members.
4. Officer delegations commensurate with existing levels of delegation.

This creates a total of around 100–120 non-executive roles and demonstrates the complexity of the administrative arrangements of unitary councils. To service a council of this size requires a number of councillors that is at the higher end of the LGBCE's 30–100 range. This would create a high level of member representation and engagement, optimising democratic representation but without making it the preserve of full-time politicians. It would ensure continuity of local political representation that is diverse and not stagnant and is based upon strategic leadership, accountability, and community leadership principles.

We considered the two existing sets of electoral arrangements that are consistent with LGBCE guidance, namely lower-tier and unitary electoral wards, which typically have a lower ratio of councillors to electorate, and Essex County Council (ECC) divisions, which typically have a higher ratio. The ECC divisions were reviewed by the LGBCE in 2024 and increased by three divisions relatively equal in population size; consequently, it is accepted that the outcome of the ECC review is the most up-to-date but only applies to the ECC footprint and not Greater Essex.

There is no requirement for the five new councils to all be based on the same methodology with regard to their new electoral arrangements, but being grouped as necessary to provide similar levels of representation and ratios of councillors to electors is a desire across Greater Essex. Following its review, yet to be implemented, ECC was due to be represented by 78 divisions, each comprised of approximately 14,500 electors. Wards are typically smaller than divisions, which are based entirely on electorate population and do not consider other local factors of the wards.

The population size of one of the five new unitary councils (North East Essex) will be in the top 15 nationally (being 510,162) and the LGBCE guidance has been given due consideration, in particular the idea that each electoral geography should be represented by a maximum of three councillors. The LGBCE's justification for this is as follows: "We take the view that wards or divisions returning more than three councillors result in a dilution of accountability to the electorate. Without very compelling evidence, we will not recommend a number above that figure."[49] The size of the council, as set out above, and maintaining the ratio of approximately 1:3,800, demonstrates that for North East Essex, the upper end of the number of councillors, at 100, would be required (this is comparable with the size of other unitary councils nationally). Discussions with the LGBCE would need to be undertaken to establish whether there is compelling evidence for the number of councillors for each division to be four, should the North East Essex unitary authority wish to adopt the division model.

The proposal for Greater Essex is therefore based on the five new councils using existing district, city, borough, and unitary ward boundaries as building blocks for new electoral arrangements, grouped as necessary to provide new warding arrangements of approximately 6,000 electors (with two councillors representing) and 9,000 electors (with three councillors representing).

We acknowledge that some of the district, city, borough, and unitary boundaries have not been reviewed by the LGBCE for many years, and that some were the subject of ongoing reviews prior to the Devolution Priority Programme, but nonetheless, these ward boundaries represent distinct localities, communities, and neighbourhoods, and our electoral registration is up-to-date. Using recognisable electoral boundaries as building blocks will provide clarity for voters and minimise the amount of operational change for electoral services teams in terms of voter registration and election delivery. This approach creates the preconditions for successful polls and optimal turnout in 2027 by ensuring that the electorate can vote in polling places that are familiar to them. It also ensures multiple concurrent safe and legal election processes across the whole Greater Essex footprint for May 2027, for election teams who will have administered their first mayoral election only the year before.

We have followed guidance from the LGBCE, and save for North East Essex, all of the proposed divisions have electorate sizes within 20% of the average electorate size.[50]

On that basis, the number of councillors across Greater Essex is proposed as shown in figure 28:

49 LGBCE, 'Electoral Reviews: Technical Guidance', updated June 2023, section 4.48/

50 LGBCE, 'Electoral Reviews: Technical Guidance', updated June 2023/

	Current councils	No. cllrs currently	No. ECC cllrs	Electorate	No. new cllrs	Total no. cllrs lost	Average ratio
West Essex	Epping Forest	54	7	100,057	36	25	1:2,779
	Harlow	33	4	65,849	22	15	1:2,993
	Uttlesford	39	4	71,898	25	18	1:2,888
Total		**126**	**15**	**237,804**	**83**	**58**	
North East Essex	Braintree	49	8	120,169	32	25	1:3,755
	Colchester	51	9	141,251	37	23	1:3,818
	Tendring	48	8	119,818	31	25	1:3,865
Total		**148**	**25**	**381,238**	**100**	**73**	
Mid Essex	Brentwood	39	4	60,179	19	24	1:3,167
	Chelmsford	57	9	135,577	43	23	1:3,153
	Maldon	31	3	53,510	17	17	1:3,148
Total		**127**	**16**	**249,266**	**79**	**64**	
South West Essex	Basildon	42	9	138,569	42	9	1:3,299
	Thurrock	49	0	122,245	40	9	1:3,056
Total		**91**	**9**	**260,814**	**82**	**18**	
South East Essex	Rochford	39	5	68,534	24	20	1:2,856
	Southend	51	0	132,633	42	9	1:3,158
	Castle Point	39	5	69,076	24	20	1:2,878
Total		**129**	**10**	**270,243**	**90**	**49**	
GRAND TOTAL		621	75		434	262	

Figure 28: Current and projected councillor numbers under the five unitary authority model.

The new councils will result in a reduction in number of 262 councillors overall across the Greater Essex footprint, from 696 to 434. This reduction will deliver savings but without diluting representation. The five-council model enables the local electorate to continue to have relative parity with the representation that they have enjoyed for the last 50 years, and each of the old council geographies within the new unitary boundary is broadly comparable in terms of representation. The North East Essex council remains the biggest by population and electorate size (and above the 20% tolerance) while retaining comparable councillor ratios. We expect that the LGBCE will conduct a thorough review before the second term of the new unitary councils.

Strengthened co-production, community engagement, and neighbourhood-based governance.

Our fundamental belief is that the people who live in our communities are the experts in their own lives and as such LGR presents an opportunity to create a new approach to co-production, community engagement, and neighbourhood empowerment and to hardwire this approach into the new unitary authorities in order to build more accountability and empower frontline councillors to champion and support the communities they serve. This new approach will build upon the exceptionally strong foundations and network of community forums which already exist, not just in local government but across the whole system. It will also create the neighbourhood area governance anticipated by the English Devolution and Community Empowerment Bill.

We see the Greater Essex model of co-production, community engagement, and governance as a mixture of traditional and new arrangements as follows:

- Whole-Greater Essex opportunities for engagement aligned to the powers of the elected mayor and planned arrangements for police, fire, and health.
- Neighbourhood Area Committees for each of the new councils, designed to develop partnership with citizens and empowering local leaders, with a mandate and budget for neighbourhood-based engagement and localised decision-making.
- A thriving local community network of existing stakeholder organisations and other groups which are independent and autonomous but are the key contributors to the work of the Neighbourhood Area Committees and the strategic plans of the five unitary councils, e.g. local community forums, Community Safety Partnerships (CSPs), Plan for Neighbourhoods Boards in Clacton, Harlow, and Castle Point, voluntary and community organisations, and Town and Parish Councils.

The work of the Independent Commission on Neighbourhoods (ICON)[51] identifies that real-world issues such as crime, unemployment, health inequalities, and poverty are the ones that communities remain most concerned about. Effective neighbourhood governance and empowerment of communities will create at-source neighbourhood-led solutions to these issues, which will help reduce long-term demand on public services, freeing up funding for frontline delivery.

Often councils decide how these issues impact communities in order to determine how services are delivered to combat them. This results in communities being 'done to' rather than having agency or self-determination to create a solution. Even where councils engage with communities to co-create solutions, these tend to be project-based and service-orientated and even, in many cases, time-limited (e.g. when linked to funding pots). ICON concludes that neighbourhood-level solutions, determined locally, create the best conditions for lasting change on these deep, societal problems, and therefore improve the chances of those neighbourhoods achieving the Government's missions. ICON's interim report reinforces the notion that a sense of place inspires civic pride and community identity and identifies that this belongingness could be the foundation upon which to build:

> *"We believe neighbourhoods could resolve the 'expectations paradox' that haunts British politics today: that the public says it wants real change but often balks at proposals for this. Rooting*

51 www.neighbourhoodscommission.org.uk

> *change in neighbourhoods, places the public are clearly passionate about and committing to changing, is likely to garner more support than grandiose national visions of transformation."*

It is this granular level of community representation that is the primary motivating factor behind our proposals. Communities must receive a better service as a result of LGR and notwithstanding that there will be fewer councillors overall, their voices and the voices of the frontline councillors who represent them must be heard.

Greater Essex has a tradition of working through a place-based systemic approach which stands it in good stead for ongoing formalised engagement and community empowerment once LGR is completed. For example:

- Essex Police's neighbourhood policing model and CSPs work well across Greater Essex. They also come together, along with other relevant partners, at a Greater Essex level though Safer Essex, which serves as the statutory countywide strategy group for community safety, so this model already works well at both a countywide and a local level, and we would be keen for it to be preserved within the new arrangements. Essex Police also has a Community Safety Hub in every area except Thurrock in which the various community safety partners are co-located for at least part of the week to assist with information-sharing and joint tasking. Within Safer Essex, we are increasingly recognising that the wider determinants of health are actually the wider determinants of most, if not all, outcomes, including an individual's propensity to be impacted by crime, whether as a victim or perpetrator or both. In recognition of this, Tendring has already joined up its CSP and Health and Wellbeing Board, and there is growing support for this model to be rolled out more widely.
- Essex was one of 12 pilots chosen by Sport England in 2017 to test innovative approaches that would make it easier for people in disadvantaged communities to access sport and physical activity. The aim of the local delivery pilot was to identify better ways to address stubborn inequalities, break down barriers that prevent people from getting active, and find solutions that increase activity levels and are genuinely replicable and sustainable. Basildon, Colchester, and Tendring were the three pilot areas in Essex, chosen by Sport England. In November 2023, the expansion by Sport England of its Place Partnerships work extended that investment into Harlow, Thurrock, and Castle Point (Canvey Island) to ensure that those in greatest need are able to be physically active.
- The Plan for Neighbourhoods and the establishment of Neighbourhoods Boards in Harlow, Castle Point (Canvey Island), and Tendring (Clacton) creates a 10-year, £20 million endowment of community empowerment for each of those areas which will drive significant local intervention in the strategic direction of the new unitary councils. The Neighbourhoods Boards will also prove to be powerful partners of the MSA.
- The three existing NHS Alliance committees have worked extremely well, and now a proposal for a single ICB for Greater Essex will create a new opportunity for public sector reform.

Strong and accountable leadership: Member roles and governance

- Across Greater Essex, there are numerous examples of successful joint working and excellence in community engagement. One example of this is the Tendring Colchester Borders Garden Community, which has a Joint Committee that was established in late 2021 and has been meeting since 2022. The Joint Committee comprises of Tendring, Colchester, and Essex members (a total of eight councillors), which shows how decision-making has been joined up over three authorities (with delegated powers within the restrictions of the relevant legislation). The public can speak, without restriction on numbers, at every meeting, and all meetings are live-streamed. In addition, the Joint Committee has a formally established Community Liaison Group (including a youth sub-group) which has been an integral part of the Garden Community engagement.

There is, therefore, significant learning within the system to enable the creation of a new approach to ongoing community involvement in order to unleash what ICON calls "the latent power within our neighbourhoods".[52] Asset-based community development with grassroots organisations, harnessing the power of local people, across the footprint of an elected mayor, joined-up local government, NHS, and police/fire, creates an opportunity for public service reform through building social inclusion and social infrastructure on a hyper-local level, with whole-Greater Essex impact.

The principles behind the examples given above are ones of collaboration, being place-based and community-led, co-designing with communities, and building on existing local assets to build capacity and social capital, by leveraging the strengths within those communities with a positive culture and a willingness to work together for the betterment of Greater Essex. The work will not be about 'quick wins' but instead about sustainable, long-lasting change that improves people's health and life outcomes – and what is learned about place-based work, measuring impact, and supporting local leadership will be embedded into wider system-level efforts to tackle inequalities across Greater Essex.

Essex has a proud history of town and parish councils, which of course have their own legal status in the hierarchy of local government. Not all parts of Greater Essex have town/parish councils, and for those that do, there is significant variance in coverage. For example, Braintree has 52 parish and town councils (although Braintree itself is not parished), whereas Southend has one town council only. For some councils, community governance reviews are either in train or are being planned ahead of 2027. This is not a consistent picture, however, and it is not realistic to assume that a single approach to community governance is achievable or even necessary. Retaining this level of choice within empowered communities with multiple channels of representation reinforces local democracy.

As part of the transition to five new unitary authorities in Greater Essex, we will ensure that ceremonial roles, particularly those of current mayors, are appropriately considered and protected. We recognise the historic and civic importance of these roles in representing local identity, promoting civic pride, and supporting community engagement. As such, we are committed to ensuring that each new unitary authority has appropriate arrangements in

52 ICON, 'Think Neighbourhoods: A New Approach to Fixing the Country's Biggest Policy Challenges', interim report, 2025, p. 8.

place for ceremonial functions, reflecting both local traditions and the aspirations of communities.

Following the requirements of the English Devolution and Community Empowerment Bill, each unitary authority will have, within its constitution, a number of Neighbourhood Area Committees with delegated powers to make decisions which significantly affect the Committee's specified area, and those Committees will hold public meetings in their relevant specified areas. Community safety is an example of where this can work as an area of focus that will benefit from effective local governance. It is well evidenced that community safety is a perennial social and community-, and locality-based issue, where existing forums and networks can demonstrably work in partnership with residents and groups across the public sector and VCS to deliver better outcomes. In many cases, the impact of this approach is amplified through devolved funding models and can also benefit from being accountable to local governance mechanisms such as the Neighbourhood Area Committee. The number of Neighbourhood Area Committees is, of course, the prerogative of the new councils, but the partnership of local authorities supporting our five unitary authority model is supportive of the core principles of the approach laid out in this chapter.

It is our expectation that each new unitary council would prepare and adopt a community engagement strategy in order to engage the local community network to work alongside the Neighbourhood Area Committees for the geography. This is important as without a clear route of engagement, those organisations could quickly start to feel disengaged and not understand their own roles. The strategy will capture the differing needs and requirements of local areas and will map out the roles, responsibilities, and accountabilities of the local community network. We would advocate that the Neighbourhood Area Committees will have a consistent approach to their governance arrangements and the powers held to ensure that no part of Greater Essex has more favourable arrangements than another.

The Neighbourhood Area Committees will be a forum for local issues to be raised by the public and by other organisations and partners through questions and statements, using the learning from the Tendring Colchester Borders Garden Community Joint Committee. There will be Neighbourhood Action Plans to reflect local need and to engage local stakeholders, including cross-boundary discussions if necessary. These Action Plans will include the pathway for the flow of information, actions, and decision-making, and will be agreed by and accountable to the supervening unitary council, which will have a corresponding Neighbourhood Area Committee Plan. This will ensure consistency of approach and avoid the risk that Neighbourhood Area Committees become their own entities operating in silo.

Neighbourhood Area Committees will need to exercise delegated powers with an approved budget and policy framework in, for example, local highways matters, provision of community grant funding, and licensing. Going forward, Neighbourhood Area Committees will support the development of and be consulted on the development of local plans and neighbourhood plans, be consultees in major decisions affecting their area, and influence policy development and the strategic agenda of the new councils.

Strong and accountable leadership: Member roles and governance

The work of the five new councils will be further supported by a Residents Assembly operating at a pan-Greater Essex level, as a consultative representative body for specific topics and to further the recommendations of the Essex Caring Communities Commission[53] to enable residents to shape how the councils move to a more preventative and enabling state in Essex. It is proposed that the mayor would be asked to support such an initiative in order to ensure parity of engagement across the Greater Essex footprint by providing a means of engaging at scale and on an ongoing basis. It is important that we don't just see community governance in terms of geographical locations but also think about communities of interest across the whole Greater Essex footprint in order to gauge response and engage particularly strongly to reach groups about the things that really matter to them. This means that the five unitary councils must work more effectively with the mayor rather than just gatekeeping their own geographies. With fire and rescue, policing, and health operating on the whole Essex footprint, this kind of engagement at scale will be vital in ensuring that all Essex voices are heard and that best practice can be shared between unitary councils.

It is proposed that the Greater Essex Residents Assembly will recruit participants through random sampling of the electoral roll to ensure representation from all unitary councils. We will then invite participants to a rolling programme of research and consultation. This will typically involve regular surveys and, where appropriate, more in-depth research tools such as focus groups and workshops. Not all members will be invited to take part in all panel activities, but we will be clear at the recruitment stage about what is expected of each panel member and what their membership is likely to entail in terms of type of contact and frequency of involvement.

The Greater Essex Residents Assembly will embed local voice, democratic legitimacy, and public confidence in future governance arrangements across Greater Essex. Building on Essex's established engagement infrastructure, a refreshed Greater Essex Citizens Panel would offer a practical and proportionate way to engage residents during transition and beyond. This model would:

- Involve residents from across greater Essex in structured, inclusive dialogue.
- Provide deliberative and place-based insight into key themes such as devolution, local accountability, and service integration.
- Operate alongside existing quantitative surveys, digital engagement, and thematic research tools.
- Support a clear line of democratic legitimacy and local input into evolving governance models.
- Be low-cost, easy to implement, and scalable for future use under a combined or devolved authority.

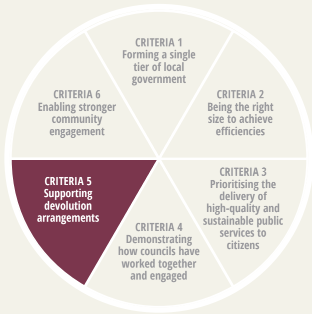
This balanced approach ensures that citizen insight is embedded at the heart of system change, meeting Government expectations for visible, proportionate, and locally grounded engagement as part of LGR and future devolution planning.

53 Essex County Council, 'Essex Caring Communities Commission: Overview'.

Support for devolution

Tilbury Fort, the site of Elizabeth I's rallying speech against the Spanish Armada, with Tilbury Port and DP World London Gateway port in the background.

Support for devolution



Government Criterion 5: New unitary structures must support devolution arrangements.

Our five unitary authority model fully aligns with the devolution agenda by supporting the establishment of the MSA, provides a clear delineation between local and strategic functions, enables local leaders to inform mayoral priorities, and delivers devolved powers in areas such as transport, housing, skills, and climate action. The governance model of one constituent council member per unitary, ensures strategic capacity, fair representation, and local responsiveness. For residents, five unitary authorities will balance strong regional leadership with councils rooted in local identity and needs.

Devolution in Greater Essex is rooted in the belief that decisions are better made by those who understand their areas best, and that the people of Greater Essex should have the same powers, freedoms, and influence enjoyed in other devolved regions. The English Devolution and Community Empowerment Bill's principle that local people should have more say over their lives is at the heart of this model. In the five unitary authority model, local authorities will retain control over local services, neighbourhood forums, and direct community engagement, while the MSA convenes partners across the Greater Essex region to tackles the big, long-term challenges that no single council can solve alone.

The Government rightly requires LGR to enable devolution in Greater Essex. LGR will establish a fit-for-purpose foundational layer of principal unitary authorities that form the constituent members of the proposed MSA. The MSA will receive devolved powers and funding from Government. Reorganisation under a five unitary authority model will ensure this foundational layer mirrors voters and their priorities best by representing sensibly sized electorates.

Greater Essex is a region of national economic significance, with exceptional assets and strategic potential. Yet despite its scale, Essex has experienced slower growth and lower productivity than neighbouring areas in the South East, highlighting the need for more coordinated leadership and investment.

Greater Essex has the foundations for strategic growth and a new strategic authority can bring coherence to planning for jobs, homes, and infrastructure. Yet these assets can only be fully leveraged under an appropriately scaled model of unitary authorities, and we are confident that a five unitary authority model will be best placed to unlock the full benefits of devolution.

The new strategic authority and its five unitary councils will work in partnership to tackle the region's challenges and unlock Greater Essex's full potential. Through integrated transport, spatial, and economic planning at scale, the proposed model will enable cohesive development along the county's key economic corridors, as covered previously.

A devolved Greater Essex, led by a directly elected mayor and supported by an MSA, will have the tools, close relationships, and deep local knowledge of priorities needed to drive transformational growth by attracting new investment, accelerating infrastructure delivery, and coordinating region-wide strategies for housing, skills, and transport. However, the mayor needs to be supported by effective unitary authorities to ensure positive transformation and delivery across Greater Essex and this is best secured in our five-unitary authority model.

A unified strategic voice will strengthen Greater Essex's ability to secure investment. The proposed governance model, comprising five new unitary authorities working in partnership with an MSA, will provide Greater Essex with a clear, coherent, and knowledgeable voice in negotiations with central Government. This clarity of representation will enhance the region's capacity to attract national investment and shape funding deals that reflect local priorities.

Devolved control over skills will provide a strong lever to tackle socio-demographic challenges in Essex. Local demographic data points to persistent educational and occupational disparities across communities, particularly in areas experiencing high levels of deprivation or youth unemployment. By localising skills policy through a five unitary authority model, the MSA will have the flexibility to co-design career pathways and vocational programmes that reflect the needs of local employers and residents, whether through targeted apprenticeships, sector-specific training hubs, or stronger links between schools, further education colleges, and businesses. As a result, devolution of skills will not only unlock tailored opportunities for young people but will also drive inclusive economic growth across Essex, helping more residents into good jobs. Devolution of skills under any alternative model, consisting of larger-sized authorities, would increase the risk of skills agendas that do not fully reflect communities and residents across Greater Essex.

Our five-authority governance model balances local responsiveness with strategic coordination, delivering stronger connections and more effective leadership. Under this structure, unitary council leaders remain closely embedded in their communities, leading local services and engagement initiatives with detailed knowledge of local priorities. Compared to models with fewer, larger authorities, this approach ensures closer proximity between residents and their elected leaders – something communities consistently value. Simultaneously, the MSA provides a platform for coordinated strategic planning in transport, housing, and economic development across the region. With five locally mandated leaders working alongside a directly elected mayor, strategic decisions are fully informed by local insight, enabling Greater Essex to advance tailored policies and deliver stronger outcomes at both local and regional scales.

The five unitary authority model simplifies future governance of the MSA, providing for fair and effective decision-making. Under this model, each unitary authority will nominate one elected member to join the MSA alongside the mayor, creating a governance structure that balances strong leadership with local voice. The model will provide fair representation across the five unitary councils, replacing the MSA governance arrangement of seven members across Essex County Council (three members) and the two unitary authorities (two members each). The majority required will be the mayor and three unitary councils, demonstrating a strong backing across Greater Essex for any proposal. The new configuration promotes joint ownership of strategic priorities such as transport, housing, and economic development, while maintaining the principle of subsidiarity across Greater Essex. As a result, the governance of the MSA will remain effective post-reorganisation, with a fair structure that reflects the new local government landscape and is well positioned to deliver the benefits of devolution. The five unitary authority model guarantees that each of Greater Essex's five unitaries, each representing a coherent geography with its own economic base and identity, has an equal seat at the MSA table.

The proposed governance structure meets statutory effectiveness tests and reflects a coherent geography aligned with functional economic areas and local identity. Public services, including Essex Police and Essex County Fire and Rescue, already operate within this footprint, with health system reform expected to follow.

The remains of a rare 19th century dock and the final resting place of Darwin's famous ship, *HMS Beagle*, at Paglesham on the River Roach. As Greater Essex evolves to embrace devolution, this site marks an important link for the county to the history of the theory of evolution.

The model draws on the success of other MSAs. Similar to Greater Manchester and the West Midlands, the Greater Essex MSA model benefits from having multiple constituent councils. These regions have demonstrated that collaboration among several unitary authorities under strong mayoral leadership can amplify influence, drive regional transformation, and unlock significant investment. A cooperative environment among councils strengthens regional unity and the case for further devolved powers.

The MSA is purpose-built for strategic delivery from day one. Unlike other combined authorities that evolved from legacy organisations, the MSA is being designed from the ground up. This allows for a bespoke operating model aligned with the English Devolution White Paper, with the capacity to deliver across all strategic competencies. The target operating model will clearly define roles between the MSA and its constituent authorities, ensuring smooth and effective delivery from the outset.

Strong collaboration will be essential to success, and realising the benefits of devolution will require close working relationships between the MSA and its constituent councils. The model empowers collaboration not only within Greater Essex but also with neighbouring mayoral areas such as London and Cambridge. By pooling resources and aligning strategies, the region can deliver major ambitions more efficiently and effectively.

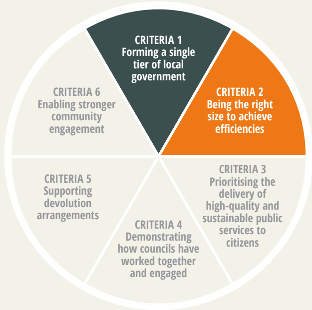
Transition planning is already under way to ensure early impact. From 2027, shadow authorities will shape the transition, with new unitary councils established in 2028 to take the MSA forward. Councils are already collaborating to develop a pipeline of projects, ensuring that the mayor can enable early delivery and impact in 2026. Early delivery will be critical to building public confidence and demonstrating the value of the new arrangements.

In summary, the five unitary authority model for Greater Essex supports devolution by creating a local government structure that marries strategic, Greater Essex-level leadership with deeply rooted local representation across a sensible geography. This dual approach is designed to effectively manage large-scale economic and infrastructure initiatives while ensuring that community needs and identities are centred, drawing on the demonstrable benefits realised in other devolution and reorganisation projects across England.

Value for money: efficiency and cost savings: methodology and assumptions

Oaklands House, a Grade II historic property that houses the Museum of Chelmsford and Museum of the Essex Regiment.

Value for money: efficiency and cost savings: methodology and assumptions



Government Criterion 2: Unitary local government must be the right size to achieve efficiencies, improve capacity, and withstand financial shocks.

The five unitary authority model delivers the highest savings for Greater Essex, outperforming all other configurations, both immediately and in the long term, while keeping local government truly local. The five proposed unitary authorities each have projected populations ranging from approximately 330,000 to over 557,000 by 2040, aligning with the Government's guiding principle of 500,000 or more where possible, and providing a clear case for aiming at more optimally sized unitary authorities that will deliver better long-term benefits and efficiencies than other models. This size allows for economies of scale, financial sustainability, and resilience to economic shocks. The model enables both short-term savings and long-term sustainability through improved commissioning, digital transformation, and workforce productivity. Independent, evidence-based analysis shows that it can achieve net annual savings of over £104 million, nearly £26 million more than four authorities and nearly £50 million more than three, with lower transition risks and smoother implementation due to fewer mergers. With broad cross-party backing and the capacity to accelerate savings ahead of vesting day, the five-authority model represents the most financially sustainable, low-risk and community-focused option, securing better value, resilience, and responsiveness for decades to come.

Value for money: efficiency and cost savings: methodology

Five makes the greatest savings

A five unitary authority model will save money in the long and short term, and will save more compared to both the current structure and all other proposed structures for Greater Essex.

The independent assessment that we have commissioned uses actual data and detailed analysis across the Essex system, together with best reasonable estimates for the future. Our model lays the foundations for the best value for money for Greater Essex through its sustainable and prudent balance of savings, cost, and efficiency:

- Similar setup costs to other models, and smoother transition due to merging fewer district councils together.
- The greatest ongoing annual savings compared to the other proposed configurations (once the long-term County Council contracts end).
- A real opportunity for some unitary authorities to deliver savings in adult and children's social care to an accelerated timescale, thanks to the agility of the smaller councils created in this configuration.
- Local service delivery that is better tailored to and connected with our residents. This helps communities and local business as well as reducing ongoing costs.
- Cross-party political support from the majority of Essex councils, easing transition and the delivery of savings.

A swift decision from Government will enable these benefits to be delivered as soon as possible, and in some instances earlier than vesting day, to the advantage of Greater Essex and its residents, communities, and businesses. Informal talks have already started between districts that intend to join, but these cannot be formalised until we know which configuration will be chosen. A decision will trigger the development of detailed plans to integrate services and start realising available savings as soon as possible.

	5 Unitaries	4 Unitaries	3 Unitaries
Ongoing Savings	£134.696m	£106.030m	£78.817m
Ongoing Costs	£30.365m	£27.329m	£24.212m
Total Savings	£104.331m	£78.701m	£54.605m
Pay Harmonisation +costs/-savings	-£0.504m	-£2.526m	+£28.804m
Risk Adjusted Total Net Savings	£104.835m	£81.227m	£25.801m

Figure 29: Ongoing annual savings.

The Greater Essex area currently spends around £4 billion a year, excluding the Dedicated Schools Grant and Housing Revenue Account. Reorganising Essex, one of the most complex local government structures in the country, represents a significant challenge, but the five unitary authority model presents a real opportunity both to deliver savings and to maintain efficient and effective service delivery.

Local government's main focus is to benefit local people, and it is vital that reorganisation is delivered seamlessly, retains trust in local services, and continues to build the connectedness and strength of our communities. Councils also play a pivotal role in shaping local economies and markets, and access to more local markets and suppliers must not be underestimated. The ability to commission smaller businesses that know the area and can price competitively delivers tangible benefits to local government, residents, and the local economy. This makes the five unitary authority option highly viable, especially in comparison to larger authorities, which tend to only contract major businesses due to the scale of their needs.

Our proposal is built on the following analysis, which sets out the financial viability of a range of options. It makes a clear financial case for the five unitary authority model, with considerations including:

- Longer-term savings and costs, comparing the various models.
- Initial costs and savings from transition to a new model.
- Debt, including assumptions on Thurrock's debt.
- Establishing a financial baseline and disaggregating Essex County Council's (ECC) functions.
- Council Tax harmonisation.
- Budget pressures, as identified through medium-term financial strategies.

Modelling of savings arising from transformation is realistic and feasibility-tested, based on evidence from real-world delivery of LGR elsewhere in the UK. We have deliberately selected specialists in service redesign for areas like adult and children's social care, who have specifically examined the Greater Essex system. Our evidence base draws together research undertaken by Grant Thornton, CIPFA, Peopletoo, SCIE, and 31ten.

A separate study of the Essex finance system has been carried out for ECC by PwC, building on the latter's work on behalf of the County Councils Network. We felt that a more bottom-up approach, using on-the-ground data, would benefit decision-making. Separate analysis was commissioned to offer an objective comparison of the costs and benefits of the three-, four-, and five-authority models, relative to the county's existing 15 local authorities.

Grant Thornton was selected for its significant experience in local government transformation and the useful comparative data it holds from working on other rounds of LGR. Such data is based on post-implementation analysis. Grant Thornton's body of work includes research on this topic both for Essex districts in 2020 and on the wider system following publication of the English Devolution White Paper (see Appendix 3).

1. Summary of key points

Scale and deliverability of savings is best supported by our five unitary authority model

The five unitary authority model offers greater savings compared to the four- and three-authority options, because it joins areas which are clearly linked in terms of how residents live their lives and how local economies can generate sustainable growth. Thus, we can create service structures which are better able to integrate social care, housing, and revenues and benefits functions that make sense, tackle our greatest challenges, operate more effectively, and deliver growth at a faster pace.

For example, the proposed Mid Essex unitary authority combines Brentwood, Chelmsford, and Maldon, which already share cultural closeness, complementary economies, and a flow of people moving between work, leisure, and shopping. Locally driven services and democratic representatives working inside distinct areas like this, responsively and with understanding of the area's needs and strengths, offer strong value for money. Our modelling across a range of themes demonstrates that long term, the five unitary authority model delivers the best possible prospect of a financially sustainable future for local government in Greater Essex.

Five unitary authorities, then, are the best choice for Essex's financial health while also better representing, in the years and decades to come, a clearly identifiable group of residents who are connected by a sense of place. This model represents significantly greater value by keeping local government local. The following sections set out the evidence for this.

A model based on a realistic cost-benefit assessment

When comparing the three-, four-, and five-authority models, it is important to acknowledge that the differential between the options is relatively small against the overall spend within the Essex system. In previous reorganisations with a smaller number of large authorities, such as in Somerset, such savings have often been initially overstated in proposals. Through smarter procurement and better delivery, the five unitary authority model delivers the greatest level of savings over the shortest timescale.

Against this difference in savings stand the immense service delivery and outcome benefits to Greater Essex of a five unitary authority model, from better support for local suppliers and the creation of new local markets and partnerships to greater resilience and responsiveness. Local government will remain local.

Implementation risks are lowered by merging fewer councils into new unitary authorities and reducing the costs and risks of aggregation. This means that resilient and legal service is assured from day one of reorganisation and the important work of fundamentally transforming local government in Greater Essex can be the key focus. It will enable savings to be delivered with more certainty.

Service delivery: Saving more with five

ECC's chosen approach to the delivery of key services, such as adult social care and children's services, has been through a large-scale commissioning model. With this model in mind, evidence from the Peopletoo report forecasting the national future viability of social care service delivery already demonstrates that lower-population authorities have lower costs per resident than larger ones in both ASC and children's services, performing as well or better than larger unitary authorities.

It is clear from the evidence that a larger number of agile unitary authorities will be capable of delivering a higher level of savings when compared to a smaller number of very large authorities. The work commissioned from Peopletoo demonstrates that through the creation of smaller and more agile authorities, significant savings should be deliverable in both ASC and children's services. The full savings identified in the report can be achieved through smarter procurement, the development of new markets, and the fact that we already have two existing unitary authorities delivering these services at competitive unit-cost levels.

A cautious approach assumes a long lead-in time to deliver these savings. In some areas, they may prove greater than predicted, while in others they could fall somewhere between 70% and 100% of estimates. In all cases, the savings delivered will outstrip other models. Furthermore, Peopletoo believes that we should be able to reduce demand by putting a greater emphasis on interventions that keep people from needing services in the first place. Benefits from this are not included in our business case, but this will be the aim of all new unitary councils.

We acknowledge the future risk and complexity that changing demand pressures will bring in the years to come, and these are mitigated by the agility and responsiveness of our model. If the five unitary authority configuration is confirmed in the autumn of 2025, we believe that we will be able to bring the delivery of savings forward significantly as preparations for transition begin.

Savings from asset realisation

Across Essex, the net book value of 'other lands and buildings' is in the region of £2.947 billion. These assets are held across the different local authorities in Greater Essex. LGR presents an opportunity to review and rationalise the use of assets across the newly created authorities.

These decisions will be for the new authorities to take, and a detailed review will be required to map assets and determine the preferred approach around these assets. Assets may be sold, generating capital receipts, or perhaps repurposed to help deliver additional housing. We aim to achieve a minimum 10% reduction in assets, which gives the opportunity to realise around £294 million in capital receipts.

The five unitary authority model supports local economies

Evidence from Peopletoo and SCIE indicates that larger authorities experience diseconomies of scale, which often squeeze out smaller local suppliers in favour of large national or international companies. This can lead to reduced competition, over-reliance on a smaller segment of the market, and increased costs over the long term. As shown in the Peopletoo report, the optimum delivery size for a local authority is for populations between 250,000 and 350,000, with significant savings demonstrated.

Smaller, more agile authorities are better able to create new markets, grow the local economy, and attract local suppliers. A five-authority model, where authorities have closer connections to the voluntary sector and to local markets, will limit the use of larger companies that effectively have a monopoly on service delivery and will create better opportunities to support smaller, locally based providers who are more able to respond to individuals' care needs.

Resilience and responsiveness

Unitary authorities deliver best value for money when they are in touch with their local communities. Smaller authorities react faster to changing circumstances and build more effective relationships with residents, businesses, and partner organisations, including the VCS. Our five unitary authority model designs authorities that make sense to their stakeholders, create a sense of place, and deliver services to areas that identify with one another.

It is essential, then, that unitary authorities cover sensible geographies which link to residents' living, travel, and work patterns. By providing responsive services and creating local markets, the proposed five unitary authorities will add value to the Greater Essex economy and encourage local businesses to grow, creating jobs and skills and reducing dependency on the state.

Greater responsiveness and a wider spread of risk across the system significantly increases the ability of the five unitary authority model to financially weather external storms. Strongly networked unitary authorities across a defined geography, such as Greater Manchester and Greater London, demonstrate that local support enables a reduced overall level of 'crisis'. A five-authority map creates the conditions to spread the risk of any local government failures in the future, placing less pressure on contracts, markets, systems, and investments. It also creates the opportunity for improved efficiency in comparison with the current system.

2. Financial evidence for a five unitary model

Larger ongoing savings with five

Overall, a five unitary authority configuration would produce the most net annual savings, being some £24.096 million better than a four-authority model and £49.726 million better than the three-authority option.[54] In addition, total financial risk in the three-authority model increases when pay harmonisation is taken into account.

Figure 30 below shows the recurrent annual additional costs and savings for the unitary authority configurations modelled and proposed, post-implementation.

54 Grant Thornton data.

Category	Sub-category	Item	Five UA	Four UA	Three UA
Benefits opportunity – recurrent	Benefits from reorganisation	Senior management	£13.888m	£14.458m	£16.296m
		Democratic services	£1.209m	£1.058m	£2.451m
		External audit	£0.708m	£0.853m	£1.219m
	Benefits from transformation	Service delivery	£96.701m	£64.225m	£31.482m
		Enabling services (inc. others)	£22.190m	£25.436m	£27.369m
	Benefits sub-total		£134.696m	£106.030m	£78.817m
Costs – recurrent	Disaggregation costs	Disaggregation costs	£30.365m	£27.329m	£24.212m
Total recurrent benefit	Total recurrent benefit		£104.331m	£78.701m	£54.605m
Pay harmonisation	Pay harmonisation	Pay harmonisation	-£0.504m	-£2.526m	£28.804m
Total recurrent benefit	Total recurrent benefit (adjusted for pay harmonisation)		£104.835m	£81.227m	£25.801m

Figure 30: Estimated recurrent benefits and costs.

Initial savings will primarily come from reduced staff numbers, particularly at senior levels. Smaller authorities require fewer assistant and deputy directors on relatively high salaries, and senior staff positions attract lower salaries, so the overall savings picture is close to models with fewer councils.

Senior manager pay

Naturally, more authorities means a slightly higher number of senior managers. Choosing a five unitary authority model for Greater Essex, however, still reduces the number of senior managers from the current 204 to approximately 114, assuming that the shadow authorities adopt similar structures to those seen elsewhere in existing unitary authorities.

In any case, in comparison to other models, these costs are negligible compared to the greater savings to be gained from opting for five authorities. The annual difference in senior management costs between the three- and five-authority models is only £2.408 million, but for five authorities, the costs are still £13.888 million lower than the cost of the current structures.

Member costs

A low resident-to-member ratio will allow the five new unitary authorities to deliver better access to local democracy at good value for money. Key to value is the difference in probable expenses.

Dividing Greater Essex into only three unitary authorities is likely to mean that democratic areas would be divided along the same lines as current County Council seats. This would give Greater Essex only 285 principal councillors, each with a large area and population to cover – one of the lowest levels of representation in the European continent. In turn, this would attract greater expenses and limit the time that each councillor could give to constituents. The modelling suggests that in very basic terms, a three unitary authority configuration could achieve a higher saving due to a higher resident-to-councillor ratio (some 4,906:1 compared to 3,224:1 for five unitary authorities), but this would come at the cost of less democratic accountability.

Splitting the county into smaller unitary authorities with more elected members would be a better option. By assigning a manageable electorate of 3,000–4,000 to each councillor, we can provide better access to local democracy – and as the councillors' expenses would be lower, the cost would not be much greater.

Wider democratic costs

Additionally, the proposed five unitary authority configuration would save £1.209 million per year on democratic costs compared to the status quo.

Smaller councils mean greater savings from transformation

LGR in Greater Essex presents an opportunity to transform the way in which services are delivered across the county and, as a result, deliver financial savings. However, the journey to the delivery of these savings will require services to align, embed, integrate, and mature. Therefore, there will be a period post-vesting day where services are focused on achieving this before there is the opportunity to focus on delivering savings through transformation.

For example, nationally for social care, smaller unitary authorities have lower unit costs than larger ones. Figure 31 below shows the unit costs of key social care services against councils with different populations reviewed by Peopletoo.

Average unit costs[55]	S251 LAC unit cost	S251 residential unit cost	S251 SEN unit cost	Nursing unit cost	Residential unit cost	Residential & Nursing unit cost
Population 500–750k	£1,949	£7,406	£123	£1,087	£1,160	£1,138
Population 350–500k	£1,946	£8,465	£118	£1,151	£1,209	£1,166
Population 250–350k	£1,718	£6,772	£96	£1,006	£1,028	£1,023
Population <250k	£1,759	£7,220	£100	£1,044	£1,059	£1,048[56]

Figure 31: Social care – comparison of unit costs.

55 These unit costs are multiplied by the number of clients in each grouping, and the differential is the resultant saving compared to the current ECC baseline.
56 Source: Peopletoo, 2023/24 Local Authority Interactive Tool, and ASC-FR data.

Analysis of the figures above undertaken by Peopletoo shows that our five unitary authority model could save up to £79.3 million on existing ASC costs, whereas the three-authority model would only save £30.1 million. This analysis is based on nationally available and comparable data on value for money across local authorities, but is also based on the strong evidence available from unitary authorities in Greater Essex (for example, Southend and Thurrock) that are already delivering significantly better value for money in relation to care costs. The picture is similar in children's services, with the five-authority model delivering up to £14.2 million in savings compared to £1.35 million under the three-authority model.

As discussed above, the savings delivered are likely to be in the range of between 70% and 100% of these figures. Nevertheless, in all scenarios, the savings are significantly greater in the five unitary authority model than in the three- and four-authority configurations.

Other services will also undergo transformation. The five-authority structure will deliver the greatest annual saving of £3.2 million for these services once implemented; four authorities would only save £1.75 million annually, and three would produce negligible savings.

Another facet of service delivery savings are those made from increasing the effectiveness of procurement and active contract management. If LGR is able to remove just 1% of duplication across contracts with suppliers, this could deliver £13.766 million in savings across Greater Essex.

A smaller number of unitary councils would increase expected savings from back-office services. However, the modelling undertaken shows that with five unitary authorities, the annual savings post-integration would still be over £22 million a year.

Summary of the financial picture

Ongoing savings (net benefit) from moving to a five unitary authority model are expected to be £104.331 million a year. This is some £25.63 million higher than a four-authority configuration and £49.726 million better than reducing to three authorities.

Pay harmonisation

One factor that remains a key risk to the business plan for any of the configurations is how staff pay is harmonised after vesting day. Given the very different pay rates across authorities in Greater Essex, there will be a need to align them in each of the new unitary authorities. This will ensure fairness and mitigate any potential equal pay claims. Bearing in mind the very detailed work needed to arrive at new pay rates, our proposal has projected the following financial benefits/disbenefits:

Transition cost	Five UA configuration average	Four UA configuration average	Three UA configuration average
Potential pay harmonisation costs	-£0.504m	-£2.526m	£28.804m

Figure 32: Pay harmonisation costs and benefits.

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Pay harmonisation in a five unitary authority model is cheaper than in a three unitary authority model because the mergers involve fewer staff and smaller ranges of pay groups in each new authority, reducing the scale of levelling-up costs. Larger mergers in a three unitary authority model create higher harmonisation liabilities due to wider pay disparities needing alignment, ultimately increasing costs.

The pay harmonisation figures shown in Figure 32 should be taken as a possible scenario dependent on decisions made by the new unitary councils, given the difficulty of arriving at robust figures. Nonetheless, they demonstrate the lower risk in delivering a five unitary authority configuration compared to lower numbers of unitary authorities in Greater Essex.

One-off costs

The largest one-off costs are programme management, IT, transformation, and redundancy. There is little difference in overall costs between the different configurations.

Managing the transition from the current two-tier system in Greater Essex to a unitary model will require significant programme management support to ensure that the transition is well managed and executed. To that end, our proposal has made temporary allowance for programme management resources for a lead director, project management officers, finance support, HR support, legal support, policy harmonisation, and cultural alignment. We assume that, with the exception of the lead director and policy harmonisation costs, which increase as more councils are created, the level of resource required will be the same across all configurations.

An examination of previous unitarisation of councils shows that a key financial and delivery risk is the transition of IT. The integration of IT systems in all of the potential configurations in Greater Essex will be extremely difficult and complex. This is because there are a range of systems in place across the county and there will be significant time and resources required to migrate data and establish new IT infrastructure. Therefore, our broad assumption is that the costs for five, four and three unitary authorities will be similar. Any potential efficiencies in one area of IT transition are likely to be offset by increased costs in other areas.

Lower transformation costs

Once the initial reorganisation has been competed, there will be a need to provide support to enable the transformation of services. Though internal resources will be used wherever possible, it is prudent to provide within the business plan one-off funding for external support. Our estimate of the cost is based on the projection that for every £5 to £10 saved, £1 will need to be spent on external advice and support.

Less people will be made redundant in the five unitary authority model. Therefore, redundancy figures and financial strain from pre-retirement-age pension withdrawals are lower, making five unitary authorities the more cost-effective option overall in the short term, as well as the long term. Given that the levels of redundancies and individuals affected have not been specifically identified, it is believed there is a risk of higher costs than estimated. The cost increases, if they occur, would affect all unitary configurations, most particularly the three-authority model. In terms of overall redundancy costs, the five unitary authority model offers significantly lower costs, paying £7.213 million less than the three-council model and £5.052 million less than the four-council model.

Sub-category	Item	Five UA	Four UA	Three UA
Transition costs	Public engagement	£1.282m	£1.268m	£1.168m
	Programme management	£15.100m	£14.061m	£13.026m
	Transformation	£5.945m	£4.485m	£2.945m
	Information technology	£16.304m	£16.304m	£16.304m
	Predecessor council	£3.435m	£3.435m	£3.435m
	New council	£1.032m	£0.958m	£0.886m
	Shadow authority	£6.711m	£6.732m	£5.378m
	Contingency	£4.981m	£4.724m	£4.313m
Redundancy costs	Senior management	£11.234m	£13.106m	£15.478m
	Enabling services	£4.569m	£5.770m	£4.051m
	Service delivery	£3.298m	£5.277m	£6.785m
One-off costs total		£73.891m	£76.120m	£73.769m

Figure 33: Estimated one-off costs.

All the councils of Greater Essex would seek to fund transition costs from existing local resources, without the need for additional borrowing. However, without certainty on other significant financial risks, namely exceptional support for Thurrock debt and Fair Funding 2.0, this can only be an aim at this stage. Work on detailed funding plans can begin once a decision has been made on the model.

Phasing of net savings

Our proposal allows for the gradual integration and transformation of services into the new unitary authorities. Our approach is very prudent, analysing evidence and audits from other rounds of LGR (see Appendix 3) to ensure effective deliverability. Savings from these earlier reorganisations have not materialised.

For each service category, a specific assumption has been made regarding when savings will be delivered. More complex activities, such as social care, are typically expected to begin delivering transformation savings from three years after vesting day and would not ordinarily be fully delivered until six years after vesting day.

Figure 34 below shows year by year the net financial position for the three-, four-, and five-authority models (allowing one-off and ongoing cost). Negative figures occur when one-off costs outweigh the benefits achieved.

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Annual	Pre-vesting day			Post-vesting day					Total	Future years
	2025/26 net benefit	2026/27 net benefit	2027/28 net benefit	2028/29 net benefit	2029/30 net benefit	2030/31 net benefit	2031/32 net benefit	2032/33 net benefit	total net benefit	future years net benefit
5 UA	£0.000m	-£5.634m	-£27.395m	-£12.810m	-£17.340m	-£23.215m	£43.930m	£77.848m	£35.020m	£104.331m
4 UA	£0.000m	-£5.395m	-£28.706m	-£10.275m	-£12.488m	-£22.980m	£34.036m	£57.948m	£12.140m	£78.701m
3 UA	£0.000m	-£5.109m	-£29.048m	-£4.827m	-£5.924m	-£18.586m	£25.744m	£39.975m	£2.225m	£54.605m

Figure 34: Summary of net overall benefit by year.

Figure 34 does not include the potential impact of pay harmonisation, which if included would increase the savings from the four- and five-authority models. The three-authority configuration would be adversely affected by £28.804 million a year once pay harmonisation was achieved; experience from past reorganisations, such as Bournemouth, Christchurch, and Poole, suggests that this could take up to six years.

3. Financial resilience

Debt position

The Government accepted in its response to the initial submissions from Greater Essex authorities "that Thurrock Council holds significant unsupported debt that cannot be managed locally in its entirety".[57]

The Thurrock Council S151 Officer has stated the Thurrock debt position as follows:

- The current loan schedule for Thurrock is £852 million. The Council runs a pool approach for the general fund and HRA. The impact of any repayment will be proportionate to the HRA.
- The Council's capital financing requirement (CFR) (at budget setting February 2025) is estimated at £1.1 billion as at 31 March 2026:
  - Non-HRA: £400 million.
  - Capitalisation direction: £400 million.
  - HRA: £279 million.
- The CFR position assumes achievement of the Council's key levers which are also build into its Medium Term Financial Strategy (MTFS), i.e. asset disposals, divestments and savings targets.

We understand the residual debt is £800 million (the total of the non HRA £400 million and Capitalisation Direction £400 million).

The financial position remains that, without significant additional Government support for the repayment of Thurrock debt, none of the potential unitary configurations are deemed viable.

Government has committed to providing debt support to Thurrock (quantum and dates unknown), and we believe that further support and freedoms would be required in the intervening period and post vesting day. Support could take the form of an interest-free loan, Council Tax flexibilities, sale of assets and other efficiencies.

It is understood through discussions with the MHCLG that the Government intends to set out its proposals regarding Thurrock's debt within the coming months, including the level of support that it is prepared to offer,

57 Jim McMahon MP, letter to Councillor Lynn Worrall, 19 June 2025.

together with how any remaining debt will be apportioned. We look forward to working with MHCLG to find a suitable solution.

CIPFA was asked to review debt across Greater Essex authorities and assumes separate resolution of Thurrock debt. The analysis of debt across Greater Essex clearly demonstrates that none of the unitary configurations examined presents any problems in managing debt. In total, there is £4 billion debt in the Greater Essex system, of which some £2.85 billion is general fund debt. Further analysis of assets supporting the debt will need to be undertaken following a decision on the configuration for Greater Essex.

CIPFA was commissioned to independently undertake an examination of debt and non-current assets across Greater Essex councils. CIPFA was selected for its expertise in this area as it has worked across a number of councils undergoing reorganisation, and its report provides an objective view of the debt position within Greater Essex. CIPFA's main findings were:

- There is no undue concern over the level of overall debt across Greater Essex relative to other areas in the country.
- There are no major issues that would prevent any of the options being put forward.
- Although there are authorities with higher debt, this debt is backed by a strong investment property portfolio in excess of their general fund debt.
- Debt profile across councils is broadly consistent, but further analysis will be required around sources of debt and debt refinancing risks.
- More extreme scores on financial sustainability measures are moderated by proposed new unitary authority configurations.
- The overall provision for debt repayment in Greater Essex is at a reasonable level (>2%). Variations will need to be addressed on reorganisation.

Disaggregation of Essex County Council budget

Figure 35 shows how the ECC-generated disaggregation of ECC's own costs leads, in either a three- or five-authority configuration, to an apparent deficit for any grouping of districts in the north of Greater Essex. The current ECC budget structure means that people needing support in one part of the county are often moved to lower-cost areas. Need may occur in one district, but the spend is allocated to another. This is the predominant reason why some clusters appear unaffordable on paper in either a five- or three-authority system.

The current system of placing people in areas of Essex where housing is cheaper, such as Tendring, accentuates areas of deprivation. Under a multi-unitary authority configuration, this can no longer happen to the same degree, and the negative impact of inequality of funding and need reduces significantly with a higher number of unitary authorities. This is a chance to make changes that could benefit Greater Essex through assessing, funding, and placing service users in areas that are local and identifiable, reducing inequity in funding and need in local areas.

Considered against the gross budget for the county, the overall deficit of any of the future unitary authorities in a five-authority model is not significant and can be balanced through savings within the new unitary budgets. The Fair Funding review (see below) will be pivotal, representing a strong opportunity to mitigate these changes.

Reorganisation also presents an opportunity to revisit the disaggregation figures below, which are drawn from ECC's 2025/26 budget, once a decision on the model has been made. The data on disaggregation reflects an initial exercise, and further work undertaken before vesting day would be used to even out variations in cost-sharing. Changes on how debt and asset savings are allocated are likely to lead to less disparity in disaggregation costs.

Five UA model	Districts included	+Deficit/ –Surplus	Population	+Deficit/ –Surplus per population
West Essex	Epping Forest, Harlow, Uttlesford	-£7.71m	325,609	-£23.68
North East Essex	Braintree, Colchester, Tendring	+£24.75m	510,162	+£48.51
Mid Essex	Brentwood, Chelmsford, Maldon	-£6.84m	331,757	-£20.62
South West Essex	Basildon, Thurrock	+£4.5m	368,745	+£12.20
South East Essex	Castle Point, Rochford, Southend	-£14.7m	360,317	-£40.80

Four UA model	Districts included	+Deficit/ –Surplus	Population	+Deficit/ –Surplus per population
UA 1	Brentwood, Epping Forest, Harlow, Thurrock	-£12.06m	488,368	-£24.69
UA 2	Braintree, Chelmsford, Uttlesford	-£0.03m	438,829	-£0.07
UA 3	Colchester, Maldon, Tendring	+£22.29m	418,532	+£53.26
UA 4	Basildon, Castle Point, Rochford, Southend	-£10.2m	550,861	-£18.52

Three UA model	Districts included	+Deficit/ –Surplus	Population	+Deficit/ –Surplus per population
UA 1	Braintree, Colchester, Tendring , Uttlesford	+£23.61m	603,756	+£39.11
UA 2	Brentwood, Chelmsford, Epping, Harlow, Maldon	-£13.41m	563,772	-£23.79
UA 3	Thurrock, Basildon, Southend, Rochford, Castle Point	-£10.2m	729,062	-£13.99

Figure 35: Disaggregation of 2025/26 County Council budget by unitary configuration.

Reserves

An analysis of general fund and earmarked reserves has been undertaken to ensure that they remain at a sufficient level to protect the new unitary authorities from any fluctuations within the budget assumptions. Importantly, when set against the deficits of each of the future unitary authorities, it is clear that the five-authority configuration offers a financially resilient model for local government in Greater Essex. The analysis assumes that there will not be an excessive use of reserves in order to balance budgets up to vesting day.

Three UA model	Districts included	Total reserves	Population	Reserves per head of population
UA 1	Braintree, Colchester, Tendring, Uttlesford	£313.579m	603,756	£519
UA 2	Brentwood, Chelmsford, Epping Forest, Harlow, Maldon	£269.780m	563,772	£479
UA 3	Basildon, Castle Point, Rochford, Southend, Thurrock	£290.255m	729,062	£398

Four UA model	Districts included	Total reserves	Population	Reserves per head of population
UA 1	Brentwood, Epping Forest, Harlow, Thurrock	£205.842m	488,368	£421
UA 2	Braintree, Chelmsford, Uttlesford	£222.661m	438,829	£507
UA 3	Colchester, Maldon, Tendring	£215.381m	418,532	£515
UA 4	Basildon, Castle Point, Rochford, Southend	£229.730m	550,861	£417

Five UA model	Districts included	Total reserves	Population	Reserves per head of population
West Essex	Epping Forest, Harlow, Uttlesford	£158.511m	325,609	£487
North East Essex	Braintree, Colchester, Tendring	£261.653m	510,162	£513
Mid Essex	Brentwood, Chelmsford, Maldon	£163.194m	331,757	£492
South West Essex	Basildon, Thurrock	£145.304m	368,745	£394
South East Essex	Castle Point, Rochford, Southend	£144.951m	360,317	£402

Figure 36: Estimated reserves 2027/28 by unitary configuration.

Council Tax harmonisation is easier in the five-council configuration

Work by Grant Thornton evidences that variations in proposed unitary council configuration, and in levels of future Council Tax rises, future political decisions notwithstanding, have negligible impact on projected Council Tax income across the different models considered. This assumes harmonisation to the highest rate in all cases, as this would be necessary in practical terms to continue delivering services to the same standard.

However, the smaller the number of authorities, the more districts they include, meaning that more lower-rate areas become merged with higher-rate authorities. Thus, opting for five unitary authorities, not three, means that fewer residents will be impacted by significant jumps in their Council Tax and that the financial impact of transition on residents will be better managed in a five unitary authority model.

Harmonisation to the highest level as quickly as possible has been modelled in Figure 37 below, which shows that the five unitary authority model generates a similar level of Council Tax income to others. Figure 37 shows projected Council Tax income in 2035/36 after allowing for growth of the tax base in line with Office of National Statistics household forecasts for each authority.

	Three UA	Four UA	Five UA
Council Tax income 2035/36	£1,825bn	£1,829bn	£1,824bn

Figure 37: Projected Council Tax income 2035/36 under different unitary configurations.

Medium-term financial strategies

The work that we do today will determine local government structures for the next 50 years, so it is vital to look to the long term and consider future viability. Against a 15-year background of a difficult financial position for local authorities across the country, this is a challenge, and in Greater Essex specifically, the key issues of Fair Funding and Thurrock's debt remain unresolved at the time of submission.

Each existing authority identifies risks, strengths, and opportunities within its budget. Up to vesting day, these will be managed by those authorities individually, in a spirit of collaboration where appropriate given the coming changes. However, as there is a legal requirement to balance budgets each year, we assume that the new unitary authorities will begin with a balanced budget. It will then be up to the new authorities to work towards balancing their future year's budget deficits, in part through realising the savings from reorganisation. Therefore, medium-term financial strategy budgets are excluded from this proposal.

Fair Funding

Fair Funding is currently out for consultation, and it is understood that results will not be available until settlement in December. This generates significant uncertainty. Fair Funding is not accounted for in our assumptions as it is not known where the incidence may lie.

Special educational needs and disabilities deficits

This proposal assumes that a solution to significant ongoing deficits in SEND services will be found at the national level. As elsewhere in

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the country, the issues faced in Greater Essex cannot be fully resolved by existing authorities or in any unitary configuration.

Five is the most efficient and low-risk model

The evidence above clearly demonstrates that the five unitary authority model not only delivers greater efficiencies than the alternatives and reduces implementation risks, but also ensures that local government remains local and sustainable for the long term. It offers a real prospect of sustainable growth, creating jobs in the local area for local people and ensuring that our businesses and communities flourish. It upholds strong standards of services tailored to local residents, neighbourhoods, and economies while reducing costs. It improves upon current systems, addressing inefficiencies and empowering local areas, while also providing ongoing savings. In light of all this, it becomes clear that the five unitary authority system is both the most prudent and the most promising choice for the future of Greater Essex.

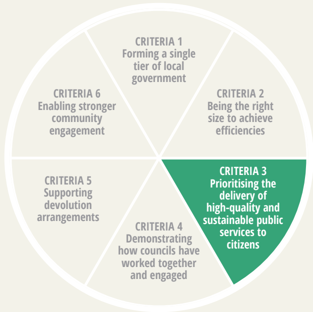
In order to support easy comparison of proposals across Greater Essex, we have completed the recommended LGR Financial Template developed by CIPFA for our proposal. This can be found at Appendix 6.

Houseboats moored at Roydon Marina.

Target operating model and design principles for the new councils

The Doctors Pond at Great Dunmow, where Lionel Lukin invented his ‘non-sinkable lifeboat’.

Target operating model and design principles for the new councils



Our target operating model for the five new authorities combines shared capabilities (data, digital, enabling services) with tailored local delivery, creating a pragmatic platform for transformation. We will deliver government strategy through a scalable, test-and-learn operating approach which will be logically aligned to devolution and public service reform. For the people of Essex, this will deliver modern, user-centred services which are shaped by local context and neighbourhood governance.

Our five unitary model is built around meaningful local geographies and strong regional identities, giving new councils the flexibility to meet residents' needs effectively. We welcome the strategic opportunities offered by the Greater Essex MSA and are confident that the five proposed unitary authorities are the foundation for unlocking them. The model delivers economies of scale and financial resilience while maintaining a size and scope that ensures services remain responsive, resident-focused, and locally grounded.

As they are designed around lived experience, real communities, and identifiable places, the new authorities will reflect the places that residents call home. They will respond to local needs, demographics and economic profiles, enabling innovative policy, improved outcomes, and targeted interventions rooted in deep understanding of local areas. Our model acknowledges variation in geography, economy, and identity, ensuring unitary authorities are agile, tailored, and able to deliver meaningful change. They can support national outcomes, address local priorities, and drive strong partnerships that ensure long-term sustainability.

Poorly designed unitary models pose risks: authorities that are too large become disconnected from their areas and communities, undermining trust and responsiveness, while those that are too small, like those in the current system, suffer from inefficiency, duplication, and limited influence over regional change. Our approach to operating model design is therefore twofold: authorities should develop shared capabilities where beneficial, while also tailoring their models to local needs, communities, and strategic partnerships across Greater Essex.

The Ministry of Housing, Communities and Local Government has been more than clear in its guidance that LGR should enable stronger leadership, improved service delivery, financial sustainability, strategic decision-making, local identity, and economic growth. Our operating model has been designed with these principles at its heart.

The current state – the public service reform landscape in Greater Essex

Complexity and duplication: The current local government landscape in Essex is highly fragmented, comprising a two-tier structure with a county council, 12 district/borough councils and two unitary authorities. Operating models across these councils vary significantly from council to council – some rely on in-house provision, others on shared services, outsourcing, or unique local partnerships (e.g. waste collection, HR, ICT). This complexity results in duplication, inconsistent resident experience, and challenges in scaling innovation or investment across the system.

Misaligned public service structures: The public service structure in Greater Essex is significantly misaligned with the current organisational structure of local government.

- **Health system:** The health system is divided into a number of Integrated Care Systems: Mid and South Essex, Hertfordshire and West Essex, and Suffolk and North East Essex, each with their own locality-based delivery footprints which range both within Greater Essex and in many cases beyond Greater Essex into Hertfordshire and Suffolk. This creates significant additional friction across existing county, district, and unitary boundaries. There are significant benefits to unlocking health, housing, and care partnerships in local areas; this is currently being exemplified in the work being led through the North East Essex Health and Wellbeing Partnership, which has developed a compelling vision for integrated health, care, and housing delivery aligned to local priorities and health needs in the locality.
- **Police and local area structures:** Essex Police organises its services across three local policing areas (North, South, West) which cut across the full breadth of county, district, and unitary boundaries and do not align with any of the currently supported and recommended LGR proposals in the region. Each local policing area is made up of 14 local policing districts organised around meaningful local geographies and boundaries; this has the potential to be much better aligned to meaningful future unitary authority boundaries through LGR.
- **Fire services and local area structures:** Essex fire services are operated on a countywide basis, but operationally are structured into four geographic groups (North East, North West, South East, South West) which roughly correspond to different

parts of the county. Each group manages the fire stations and crews in its patch, enabling a local focus (e.g. understanding community risks in rural north vs urban south). This operational structure most closely aligns with the five unitary authority LGR operating model and creates significant opportunities for local public service reform when considered alongside the configuration of local health, police, and other partner services

- **Jobcentre:** Jobcentre Plus – part of the Department of Work and Pensions (DWP) – operates offices aligned to recognised conurbations in Greater Essex including Basildon, Chelmsford, Brentwood, Braintree, Harlow, Canvey Island, and Southend. These operational offices have been located in line with recognised 'travel-to-work' localities that align strongly with our proposed five unitary authority model, unlocking the significant potential of public service reform in each of the future locality areas.
- **VCS:** The voluntary and community sector (VCS) is similarly fragmented, with Council's for Voluntary Services (CVS) infrastructure organisations operating independently in each area. This patchwork of overlapping footprints creates friction in collaboration, inhibits shared transformation, and results in variable outcomes across Essex communities.

The above landscape creates a strong foundation for public service modernisation organised around a five-unitary model of public service delivery. The full potential for joined-up delivery, integrated investment, and resident-centred design remains unrealised.

We strongly believe that our five-unitary model goes further than enhancing our approach to delivering efficient and excellent service for our communities; it fundamentally supports and progresses wider Government ambition and local strategic partners transformation. Our approach embeds at its heart the importance of place and neighbourhoods, recognising the identity of our villages, towns, and cities and the people within them.

Our social care and wider people ambition within this model is designed to work in parallel with and enable integration of local services with key partners such as the NHS. The Governments 10 year plan for the NHS and NHS England's Neighbourhood Health Guidance 2025 are not only factored into our operating model they are intended to help drive the opportunity of these strategic aims to produce better outcomes.

The current reorganisation of ICBs also offers significant opportunity for five local authorities to support integrated commissioning and combined public health and health inequality projects, as well as clearly supporting neighbourhood teams and place-based working. This will help to tackle local demographic needs that are personalised to each of the five areas of Essex.

We believe our footprint for the five local authorities is cognisant of and coterminous with the new ICB's strategic plans and service delivery models. This approach further enhances our ability to deliver social care and prevention not just only as a local authority but in partnership with the NHS to truly embed a positive and local approach to health and care.

The five-unitary model offers a pragmatic and future-ready solution to the limitations of the current system. It allows for the consolidation of capabilities, the removal of duplication, and the alignment of public service geographies with key system partners, and preserves

the localism and identity of communities while enabling more scalable innovation and consistent service standards. This potential creates a genuine platform for better-value shared investment in digital and data infrastructure, and deeper collaboration with NHS, police, DWP, and the VCFSE.

Operating model design principles

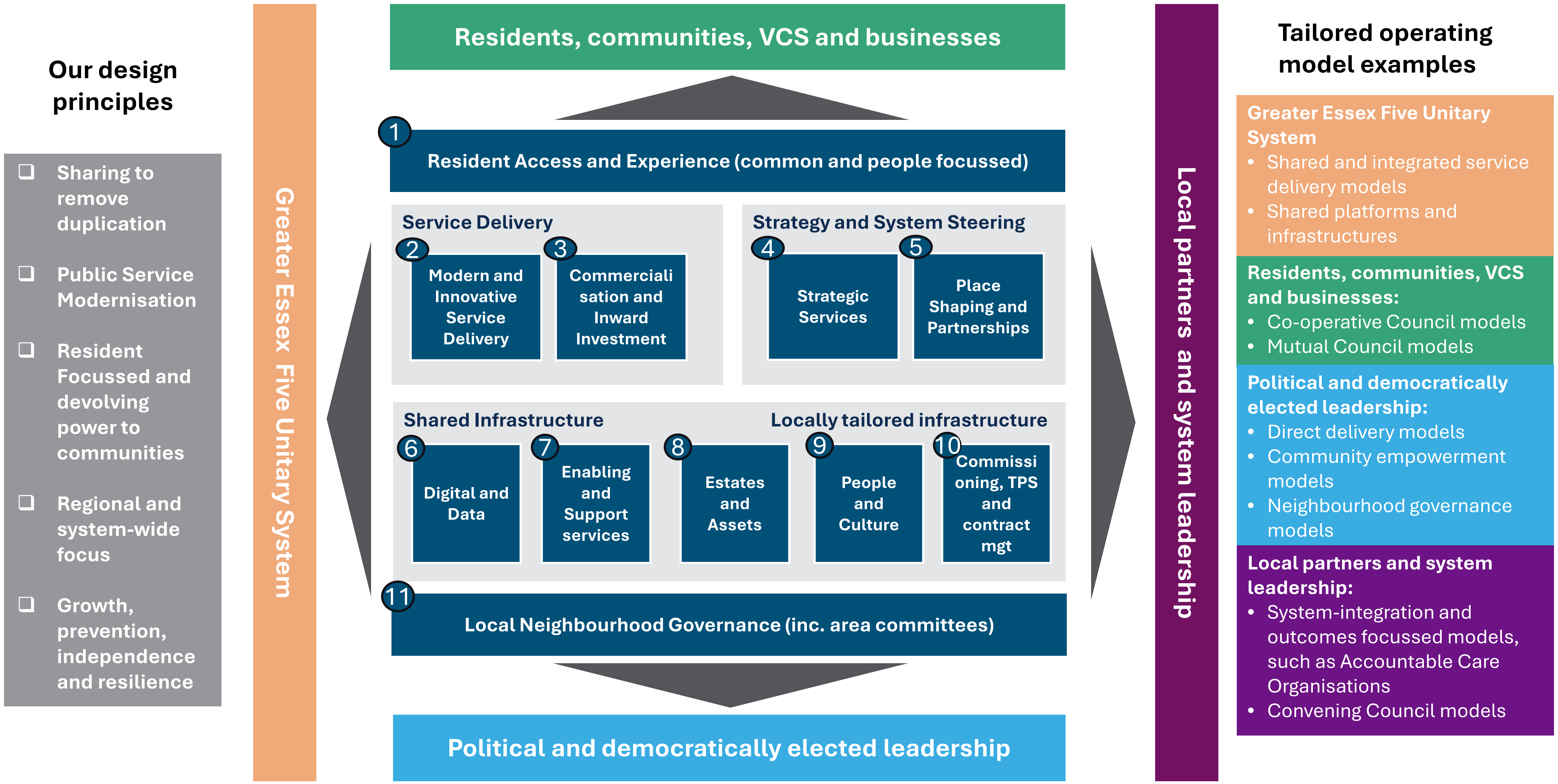
To unlock the potential public service modernisation benefits of the five unitary authority model, we have proposed the following common operating model design principles, which will be used to guide the future development of detailed operating models.

1. **Collaborative service delivery to eliminate duplication**
   All five-utnitary authorities will pursue shared delivery of services and capabilities wherever practical, in order to maximise value, streamline resources, and reduce duplication. Functions will be aligned to enable coherent delivery within and across authorities, supporting effective governance and responsive public services.
2. **Integrated public service reform and transformation**
   The new governance arrangements will drive the alignment, integration, and coordination of public services across localities and sectors. A Public Service Reform Partnership for Greater Essex will be established to lead transformation efforts, underpinned by open innovation, co-designed service models, and shared access to data, digital tools, and design capabilities.
3. **Community-informed, resident focussed and locally empowered governance**
   Devolution will place resident voice and community empowerment at the centre of service delivery and policy development. Unitary authorities will co-produce outcomes with local communities, ensuring that residents remain at the heart of everything we do and that local democracy is participatory, responsive, and evidence-led in line with the extended general power of competence.
4. **System-wide solutions for regional challenges**
   Authorities will work collectively and at scale to address cross-cutting challenges such as economic development, early intervention, public health, and climate resilience through strategic partnerships and joint investment. The approach will be underpinned by functional collaboration between the MSA and the five unitary authorities of Greater Essex.
5. **Shared purpose: growth, prevention, independence and resilience**
   Each authority will tailor services to local need, while contributing to a common strategic agenda across Greater Essex. Our approach to designing critical services such as ACS, children and young people's services, and housing particularly emphasises the significant opportunity to drive better long-term outcomes and prevent future needs across the region. Beyond the individual components of our individual operating models, our collective focus will be on improving long-term outcomes through prevention, promoting economic opportunity, supporting independence, and strengthening community resilience.

Designing for leadership agility and responsiveness: In establishing five new unitary authorities for Greater Essex, it is essential to ensure that each authority remains of a size and scale that allows senior statutory officers, particularly the chief executive, monitoring officer, and Section 151 Officer, to exercise effective oversight and leadership without being overextended. Larger, overly complex authorities risk diluting governance, as these critical officers may be too stretched to maintain the necessary visibility, responsiveness, and control across all service areas. A structure based on five unitary councils strikes a pragmatic balance: each authority is substantial enough to be resilient and efficient, yet sufficiently contained to enable robust, hands-on governance by its statutory leadership.

Our five unitary authority operating model

Figure 38 : Five unitary authority target operating model.



Our target operating model explained

Core components – our eleven capabilities: As a partnership of local authorities, we have collectively designed and developed our operating model, shown below. The core components of the operating model set out the agreed future state that each of the five unitary authorities will aim towards as we prepare for and implement transition.

1. Resident access and experience
2. Modern and innovative service delivery
3. Commercialisation and inward investment
4. Strategic services
5. Place-shaping and partnerships
6. Digital and data
7. Enabling and support services
8. Estates and assets
9. People and culture
10. Commissioning and third-party spend
11. Local neighbourhood governance (including local area committees)

Core and common across all of our operating model capabilities is the fundamental focus on financial sustainability, financial stewardship, and securing long-term resilience of local government in Greater Essex. This will be supported by ensuring that capabilities such as public service reform, innovation and transformation, performance, insight, risk and assurance, along with their partner capabilities, including, leadership development and resident co-design and engagement, are fully empowered and invested in the future operating model to ensure long-term sustainability and success for the sector in the years to come.

The above capabilities serve as common anchor points for the purposes of describing and outlining the core elements of the five unitary authority operating model in a way that focusses on capabilities and outcomes rather than staffing structures and hierarchies. They are deliberately service-agnostic in order to establish common and neutral terminology in describing our future state in a way that still enables meaningful flexibility and autonomy for the future five unitary authorities to tailor, modify and adapt their operating models as necessary.

Our operating model has been designed to maximise the future potential benefits of public service reform. It is anticipated that our proposed focus on our core 11 capabilities will enable more imaginative and creative conversations and future partnerships to emerge with actors and agents across the breadth of the private and public sector in Greater Essex, in order to develop and innovate new and currently unimagined models of service delivery in the future.

Figure 39 below sets out how we will develop our common capabilities across the five unitary authority model in practice.

Op model element	Common and/or shared	Tailored to local context	Blueprint for successful delivery
1) Resident access and experience	Common standards for universal service delivery; shared digital platforms, and triage systems across Greater Essex.	Tailored approach to all targeted and complex service enquiries where local need and context are priorities.	Shared digital infrastructure and standards exist; tailored locality-based delivery models in social care show improved outcomes and satisfaction in five distinct geographies.
2) Modern and innovative service delivery	Shared ambition for integrated, preventative, and co-designed services; test-and-learn innovation frameworks.	Neighbourhood working and integrated teams reflecting local community needs and partnership landscape.	Good practice emerging from community-led pilots; evidence of cost avoidance and improved outcomes in integrated neighbourhood teams (e.g. health, care, VCS).
3) Commercialisation and inward investment	Shared assets and frameworks for promoting Greater Essex as a place to invest; joint approaches to income generation opportunities.	Local traded services, property portfolios, and sponsorship opportunities tailored to local markets and political appetite.	Significant track record including Essex Cares Ltd, Basildon Commercial Services, Southend Care Ltd, Colchester Borough Homes, South Essex Homes, Rochford Waste Joint Venture, Colchester Amphora Group, Harlow Trading group, Basildon Regeneration Projects.
4) Strategic services	Common approaches, tools and products across strategy, policy, research, data and digital to be openly shared and commonly developed where practical.	Strategic priorities tailored to individual councils' growth, inequality, or service pressures.	Common data-sharing and insight platforms already deployed; councils maintain unique strategies reflecting political direction and socio-economic contexts.
5) Place shaping and partnerships	Principles for integrated spatial planning, net zero, infrastructure investment, and anchor institution collaboration to be developed collectively.	Delivery models, regeneration priorities, and economic strategies shaped by local geography, partnerships, and community engagement.	Shared planning frameworks emerging (e.g. around growth corridors); local examples include bespoke Town Deal and Levelling Up projects reflecting local vision.
6) Digital and data	Establishment of a shared Essex Data Store modelled on the London Data Store. Common data standards, digital and data inclusion as a core right of all citizens; architecture, cyber and IT security protocols, and service design approach.	Local application of platforms to meet distinct user needs and organisational capabilities.	Essex Digital Partnership well established and already planning for long-term alignment of ICT/digital architectures over the coming 5- to 10-year horizon. Early analysis shows that 20–30% of systems are already matched across local partners.
7) Enabling and support services	Transactional HR, finance, IT, procurement, and legal processes to be streamlined and delivered jointly. Greater ability to pool resources and recruit to more specialist professional roles in services like legal services.	Professional and regulatory support services to be tailored to local need and organisational priorities.	Shared service models exist in several Essex districts; scope for scale-up tested through pilot functions (e.g. finance and HR).
8) Estates and assets	Shared principles for asset rationalisation, decarbonisation, and co-location with partners.	Site-specific delivery based on local need, legacy assets, and co-delivery potential.	Early mapping of estate opportunities across Greater Essex in progress; strong appetite for locality-based public estate planning.
9) People and culture	Shared workforce strategy, core behaviours, recruitment pathways, and talent pipelines across Greater Essex footprint.	Local cultural identity and change journey to reflect political and community context.	Significant shared professional networks already established across Greater Essex. Shared learning and development and graduate/ apprentice schemes exist; greater coordination on leadership development and cultural alignment now under design.

Op model element	Common and/or shared	Tailored to local context	Blueprint for successful delivery
10) Commissioning and third party spend	Shared frameworks and procurement platforms; whole-Essex aggregated spend and procurements on common goods and services where economies of scale are evidenced.	Local development of competitive new markets and categories of spend; commissioning aligned to population health, community priorities, and trusted local provider ecosystems.	Strong evidence of collaborative commissioning in adult social care, health and housing already in place in Essex; opportunity to increase scope and consistency across unitary authority footprint.
11) Local neighbourhood governance (including local area committees)	Common adoption of neighbourhood governance models at commonly agreed scales (including local area committees, neighbourhood committees or alternatives).	Local tailoring of approaches engaging local stakeholders, communities, and groups; local decisions on devolution of extended powers and budgets.	Significant alignment on common principles and commitment to local governance expressed by the partnership of organisations supporting our proposal.

Figure 39: Future shared and common capabilities in our five unitary authority model.[58]

The proposed five unitary authority model for Greater Essex is underpinned by a bold, pragmatic operating model design that balances scale, flexibility and local responsiveness. By combining shared capabilities with tailored local delivery, this model positions each future authority to meet the specific needs of its communities while unlocking system-wide efficiencies. Through innovative use of digital, data, neighbourhood governance, and modern service delivery practices, it enables a platform for transformation that aligns with regional ambitions and national priorities. Above all, it ensures that the future of public service delivery in Essex is collaborative, resident-focused, and capable of adapting to future challenges.

Tailored operating models to meet local need and context

Our approach to operating model design is based on significant research and learning from LGR implementations elsewhere which have highlighted the need to (a) adopt a measured and realistic approach to transition and implementation (as set out in our 'transition and transformation' chapter) and (b) avoid overly universal application of operating model design approaches in the establishment of the future unitary operating models.

A key element of our approach is the vital importance of ensuring that each of the individual operating models for the five unitary authorities is tailored to local need in order create the best conditions for tackling local issues, delivering better local outcomes and making the most of opportunities that come with integrating into sub-regional divisions.

58 This table is intended to provide an examplar illustrative model for future decisions about potential common and shared approaches to service delivery, and is subject to future design and decisions of the five unitary authorities that will be established in the model.

Greater Essex is the only region nationally testing all major models of council operating logic across one unified system. This is deliberate, and creates a rich testbed for reform, innovation, and evaluation.

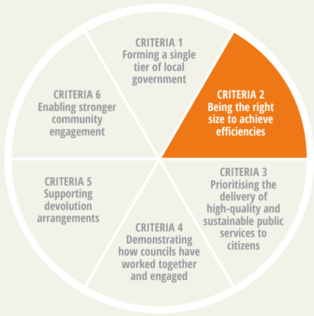
Our five unitary authority model creates the right-sized future councils that will have the appropriate scale to deliver significant efficiencies while maintaining the agility that can foster and drive the continuous innovation, iteration, and transformation needed to achieve our aspirations for Greater Essex.

The transformational potential of public service reform and public service modernisation will be most actively supported by innovation driven by organisations that are agile and efficient in nature. Our organisations will mobilise the most effective partnerships and will be most open to testing and learning as they go. At the heart of our model is an acknowledgment of the need to create a wide range of innovative options for each of the future unitary authorities to enable them to quickly mobilise and understand local challenges and to then design and implement the most appropriate tailored operating model for their local area.


The I-Construct Innovation Hub in Braintree is dedicated to innovation in advanced construction and offers cutting edge resources and state of the art facilities.

Transition and transformation

Transition and transformation



The proposed reorganisation of Greater Essex will fundamentally reshape how services across the entirety of Greater Essex will be delivered. As described through our operating model, the five unitary authority configuration offers a balanced and scalable approach to service delivery, innovation, and transformation. It provides the combined advantages of enabling the delivery of significant efficiencies in comparison with the current configuration of public services in Greater Essex while maximising the scope for agility, local improvement, and combined, collaborative investment and action through devolution.

From a transition and transformation perspective, the key challenges that must be addressed in moving to our recommended model are:

- **Challenge 1: Variable transition and transformation capacity and capability.** The new unitary authorities will need to address the variable levels of transformation capacity and capability across the 15 organisations in Greater Essex.
- **Challenge 2: Managing the joint challenges of disaggregation and aggregation in relation to LGR in Greater Essex.** Due to the unique nature of local government configuration, including the existence of 12 district councils, two unitary authorities, and one county council in Greater Essex, transition and transformation will be complex and challenging. Critically, the design of our five unitary authority model mitigates a number of these complexities, though implementation will require careful and considered planning and delivery.
- **Challenge 3: Supporting continued transformation and reform from pre-implementation through to the realisation of the future model.** With the above challenges in mind, LGR can quickly become an inhibitor for transformation and innovation in advance of implementation. Our transition and transformation approach delivers a clear and realisable plan for prioritising and maximising transformation as we move through the pre-implementation period.

Our approach to transition and transformation is focused not only on tackling these three key challenges but also on making the most of LGR as the single most exciting proposition for delivering system-wide transformation of local government in a generation. This opportunity to design new local authorities from the ground up creates the perfect conditions to design services around residents and need rather than professional silos, to tackle barriers to change that have built up organically across organisations, and to accelerate the deployment of best practice, innovation, and transformation that is already very apparent in the Greater Essex local government community.

As such, our approach to transition and transformation will be a strategic and proactive one. Wherever possible, we have identified through our categorisation of services those areas of current delivery which can be transformed in advance of LGR, as well as which services will require initial transition and stabilisation in advance of further transformation and improvement, and which will be designed from base to deliver better outcomes for the future.

The five unitary authority model – a manageable and lower-risk transition

Our five unitary authority operating model makes the most of the opportunities that LGR offers to transform local government while mitigating the most significant risks of transition that LGR presents. Transition in Greater Essex needs to be planned through two main lenses. The first of these is the disaggregation lens, which will focus on disaggregating those functions, services, and responsibilities that are currently delivered across a wider area than any of the future single unitary authorities and will need to be disaggregated to the unitary authority level. The second is the aggregation lens, which will focus on aggregating those functions, services, and responsibilities that are currently delivered across a more local area than any of the future single unitary authority areas and will need to be aggregated up to the unitary authority level.

In our analysis, we anticipate that the significant negative potential impact that LGR could have on workforce, culture, and morale is significantly mitigated in the five unitary authority model, particularly as this model creates unitary authorities which are more local, accessible, and connected to the local places that the majority of our workforce hail from. In addition, the friction and challenges of people-change through transition are significantly mitigated through a better alignment of our future five unitary authority footprints with currently understood place and organisational boundaries.

In most cases, it is expected that disaggregation challenges will be similar in scale and nature across all models as there is an unavoidable set of practical challenges and complexities that arise from disaggregating Essex County Council services into any number of sub-divided localities.

Social care transition – a managed disaggregation

Further to the above, certain configurations of LGR proposed in Greater Essex do increase the complexity and risk of transition, most notably in relation to social care, which represents £1.3 billion of spend in the Greater Essex system. Greater Essex has the unique strength of having three individual social care systems that are well established and high-performing currently. In our five-authority model, in contrast with a number of the other models being proposed, the risk of social care transition is significantly reduced, and in fact social care retains the integrity and strengths of the current high-performing systems being delivered in Greater Essex, which will lead to better long-term outcomes for people across Essex. By managing disaggregation through the five-authority model of social care safeguarding, assessment, and care provision responsibility, handovers and transitions are significantly reduced and streamlined when compared with a number of the other models proposed. By contrast, in the three-authority model and one of the four-authority models proposed, the risks of social care disaggregation and fragmentation are significantly increased, which in turn increases the short- and long-term risks of transition for service users, particularly in relation to safeguarding, early help and prevention, care delivery, and positive outcomes for children and young people and ASC service users in Greater Essex.

In this respect, the design of our five unitary authority operating model therefore effectively addresses the MHCLG guidance, which rightly emphasises the importance of minimising the risks of fragmentation, by ensuring that the integrity of social care and safeguarding services across the three local authorities responsible for social care in Greater Essex is maintained. This significantly de-risks and de-costs the process of transitioning to the future model in the scenario that the five unitary authority proposal is agreed to by MHCLG.

An easier aggregation journey

Critically, the five unitary authority model offers a much more achievable and deliverable pathway for aggregation, particularly as a result of enabling the new unitary authorities to move quickly to align and aggregate their operating models, organisational policies and procedures, and service delivery models at a much faster and more deliverable pace than those envisaged in the three-authority and four-authority models. Illustratively, in our five-authority model, South East Essex will be required to only align three sets of HR policies, terms and conditions, and other organisational policies, as opposed to the four-authority or three-authority models having to manage the much more challenging process of aligning four or five different sets of organisational policies. This aggregation challenge is not limited to organisational policies but stretches to the need to align waste, regulatory, customer service, and other service capabilities and approaches. We have cumulatively assessed the disaggregation and aggregation challenges of all three of the fully appraised options considered in our proposal in Appendix 7 and an overarching summary of the findings of that analysis is set out below.

Three unitary authority model

The three unitary authority model attempts to balance scale and local identity but still requires the consolidation of Southend and Thurrock into a single authority, introducing similar disruption, risk, and cost to the two unitary authority model. As such, this model is also rated as 'highly complex and disruptive' across most services, particularly in digital, HR, and commissioning. The larger scale of each authority would slow down digital uplift, cultural transformation, and service redesign. Benefits realisation would be delayed due to the complexity of integration and the time required to reach operational stability.

Four unitary authority model

The four unitary authority model avoids merging Southend and Thurrock, allowing each to retain its existing unitary status and reducing transition risk. However, the remaining two new authorities would cover larger and more diverse geographies, increasing the complexity of service design and delivery. Rated as 'moderately complex and disruptive', this model still requires significant system-building and disaggregation of county functions. While benefits could be realised earlier than in the two-authority and three-authority models, the scale of each new authority would still slow down transformation efforts and limit the ability to tailor services to local needs.

Five unitary authority model

The five unitary authority proposal offers the most balanced and locally responsive approach to reorganisation. It avoids merging existing unitary authorities and enables each new authority to be designed around coherent geographies and communities. Transition analysis shows this model to be 'minimally complex and feasibly deliverable' across the majority of services. Smaller organisational scale makes digital integration, workforce transition, and cultural change more manageable. This model enables faster benefits realisation, with services able to stabilise and begin transformation earlier. It also supports more agile service design, tailored digital development, and a more consistent uplift in organisational capability across the system.

The smaller scale of each organisation in a five unitary authority model makes the task of rationalising systems and contracts, aligning policies and service standards, aggregating digital systems, and establishing new organisations more manageable. This improves delivery timelines and reduces risk, allowing value for money to be achieved earlier. Although the two-authority model may deliver slightly lower running costs in the very short term, the five unitary authority model demonstrates more significant improved outcomes over the long term and reduces the initial challenges of aggregation significantly.

Managing disaggregation and aggregation challenges

We have identified the major challenges, and the mitigations for those challenges, arising from disaggregation and aggregation in our LGR proposal. These are set out in the tables below.

Five unitary authority disaggregation challenges and mitigation

Disaggregation challenge	Transition mitigation actions
Disaggregation of service delivery models	Services will be designed using existing service delivery infrastructure, blueprints, and approaches, with vesting day in mind, across all services, but particularly those services identified as being in the 'alignment' category. Service transition plans will be developed collaboratively, supported by the LGR Transformation Delivery Unit (see Appendix 7).
Loss of economies of scale in central support functions (e.g. HR, IT, procurement)	Maximise the potential use of shared services and sharing arrangements as set out in our operating model and ensure that shared service establishment is a core deliverable of the LGR transformation programme.
Complex contractual unwinding for ECC-wide third-party contracts	Establish a single contract register and procurement forward plan for LGR in Essex. It is acknowledged that there are a significant number of long-term contracts currently let by Essex County Council which in some cases last to 2030 and beyond. This presents the challenge of delivery needing to unwind at pace while also allowing ample time for the new unitary authorities to design future commissioned services in order to deliver better-targeted local outcomes aimed at growth, prevention, and demand management. We will establish joint legal/commissioning governance structures to negotiate exits or redesign contracts locally or through multi-unitary authority partnerships.
Financial risks arising from different starting points (e.g. reserves, liabilities, debt exposure)	Thorough and full analysis has been undertaken on financial viability and resilience by Grant Thornton, the Chartered Institute of Public Finance and Accountancy, and other consultancies to establish the financial starting point for each of the new unitary authorities.
Disruption to key operational data systems and performance management	Build upon the already established data-sharing infrastructure hosted by Castle Point to establish an LGR implementation data sharing hub and framework for implementation.
Workforce retention risks and challenges	Build upon the learning already established through the Devolution Priority Programme to establish common and consistent workforce transition principles and strategies, joint staffing protocols, and phased transfers aligned with organisational change support.
Public confusion and trust erosion due to service disruption or perceived duplication	Establish a coordinated change management and public-facing communications campaign supported by common deployment of communications assets at all resident-facing digital and physical front doors across all unitarity authorities.

Figure 40: Five unitary authority disaggregation challenges and mitigation.

Disaggregation challenge	Transition mitigation actions
Policy and service delivery misalignment between councils making up the new unitary authority	This risk is already significantly mitigated by design through the five unitary authority model. The three-tier framework for transition (see below) will be deployed consistently across all five unitary authorities to establish a common and clear plan for aggregation
Potential duplication or fragmentation if shared arrangements are not delivered	Common commitment to sharing of capabilities, data, and services (as per our operating model) has been established already as part of our journey to developing this proposal, and will be delivered as a key priority of the LGR transition.
ICT and data interoperability between councils	The Essex Digital Partnership has already established common LGR delivery principles that will be followed consistently as part of LGR implementation. These set out a practical approach to transition, including delivery of 'no-regrets' integration of ICT systems where possible in the short term and an aspiration for full ICT systems harmonisation across Greater Essex over a five- to 10-year horizon. Where strong ICT capabilities exist within the partnership, either in terms of technical capabilities or staffing capabilities, these will be deployed proactively to establish clear future technology architectures for each unitary authority. Shared capabilities will be proactively explored as a priority in implementation.
Transition cost and complexity of setting up new shared arrangements	Transition costs have been fully incorporated into our financial model for the five unitary authority model and have been fully accounted for in the overarching business case that sits at the heart of this proposal.

Figure 41: Five unitary authority aggregation challenges and mitigation.

A pragmatic approach to transition – enabling early transformation

To support a structured and risk-managed transition to the five new unitary authorities, we have categorised all services into three transition categories. This framework ensures that critical services remain stable and legally compliant from day one, while identifying those that can be aligned or fundamentally transformed to deliver future benefits. Each category reflects the required level of change, expected implementation timescales, and the extent of collaboration needed between existing authorities. This categorisation forms the foundation for transition planning and benefits realisation across the LGR programme. The full details of the application of these categories can be found in Appendix 7.

Category	Considerations	Change principles	Examples
Category 1: Safe and legal	The future unitary authority will aim for services in this category to deliver a minimum viable safe and legal service. Services will be aligned/transformed after vesting day.	Partner authorities will aim to limit significant/strategic changes to these services in advance of LGR.	Estates strategy and decisions Complex digital integration Waste
Category 2: Alignment	The future unitary authority will aim to align services in this category to a single common approach in advance of vesting day, building on the existing strengths/capabilities of one or more of its partners.	Partner authorities will work to actively change to align services to the future approach in advance of LGR.	Children's social care Adult social care Housing
Category 3: Transform	The future unitary authority will fundamentally redesign services in this category on the basis that there is a significant opportunity to build from base a better future delivery model for the future organisation.	Partner authorities will work collaboratively to co-design the future model in advance of LGR.	Staff terms and conditions HR policies Procurement

Figure 42: Transition categorisation framework.

Our implementation plan

Delivering the transition to five new unitary authorities in Greater Essex will require a carefully phased and coordinated implementation programme and our aim is to ensure that the costs of transition are funded from within existing local resources. This programme will ensure that services remain safe and legal throughout, that residents experience minimal disruption, and that the benefits of reorganisation are realised as early as possible.

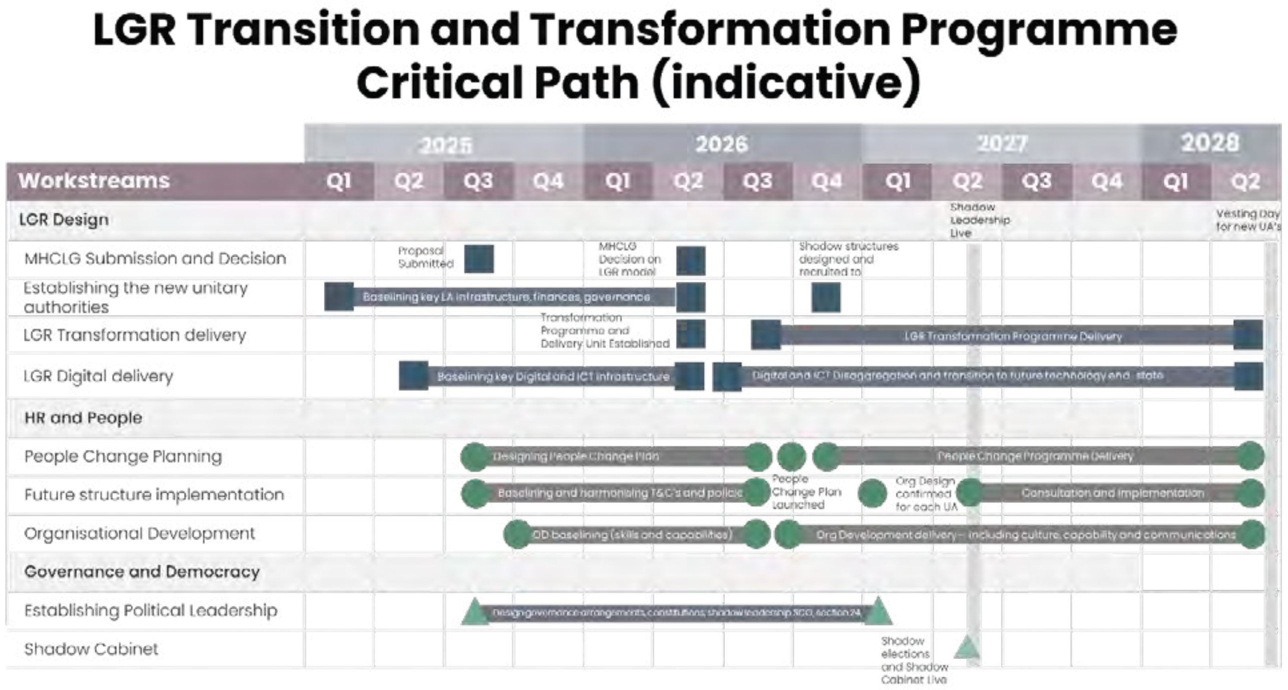


Figure 43: LGR transition and transformation programme critical path (indicative).

Our implementation plan is structured around three key phases: mobilisation, transition, and transformation. These phases are designed to build momentum, manage risk, and ensure that the new authorities are operationally ready and strategically aligned from day one.

Phase 1: Mobilisation

Purpose: Establish the foundations for a safe and legal transition to five new unitary authorities.

Key activities:

- **Programme mobilisation:** Establish the LGR Programme Board, Delivery Unit, and thematic workstreams. Appoint senior responsible officers and programme leads for each workstream.
- **Shadow authority formation:** Form shadow authorities for each of the five new councils, with interim governance, leadership, and officer structures.
- **Legal and regulatory preparation:** Draft and agree the Structural Change Order, including governance, electoral, and financial provisions.
- **Service mapping and disaggregation planning:** Complete detailed mapping of all services, contracts, assets, and workforce. Identify disaggregation requirements and interdependencies.

- **Digital and data readiness:** Begin data migration planning, system audits, and architecture design for new digital platforms.
- **Finance and budget planning:** Develop shadow budgets, financial governance frameworks, and Council Tax harmonisation strategies.
- **Communications and engagement:** Launch a comprehensive engagement programme with residents, staff, partners, and stakeholders.
- **Workforce engagement and HR planning:** Begin Transfer of Undertakings (Protection of Employment) (TUPE) and HR transition planning, including early engagement with trade unions and staff.

Outcomes:

- Programme governance and delivery structures fully operational.
- Shadow authorities established and functioning.
- Legal and regulatory framework in place.
- Detailed transition plans for all services and functions.
- Early engagement with residents and staff under way.

Phase 2: Transition

Purpose: Ensure safe, legal, and stable operation of the five new unitary authorities from day one, while beginning to align services and structures.

Key activities:

- **Service continuity:** Ensure that all statutory and critical services are delivered without disruption. Implement interim arrangements where necessary (e.g. shared services, lead authority models).
- **Governance and leadership:** Transition from shadow to formal governance structures. Appoint permanent leadership teams and establish new council constitutions.
- **Workforce transition:** Complete staff transfers, implement new organisational structures, and embed new HR policies and systems.
- **Digital and data go-live:** Launch core digital infrastructure, including finance, HR, and case management systems. Ensure data migration is complete and secure.
- **Organisational operations:** Implement integrated HR and financial systems, budget monitoring, and reporting frameworks.
- **Resident access and communications:** Launch new websites, contact centres, and branding for each unitary authority.

Outcomes:

- All five unitary authorities are operational, safe, and legal.
- Residents experience minimal disruption and clear access to services.
- Staff are embedded in new structures and supported through change.
- Core systems and governance frameworks are live and functioning.

Phase 3: Transformation

Purpose: Deliver the full benefits of reorganisation through service transformation, innovation, and strategic alignment.

Key activities:

- **Operating model implementation:** Embed the tailored operating models for each unitary authority, aligned to local context and strategic priorities.
- **Service redesign:** Redesign services to reflect new geographies, resident needs, and digital capabilities. Focus on prevention, integration, and outcomes.
- **Asset and estate rationalisation:** Review and optimise the public estate across the five authorities. Co-locate services and release surplus assets.
- **Digital transformation:** Expand digital platforms, automation, and AI-enabled tools to improve resident experience and workforce productivity.
- **Strategic partnerships:** Strengthen collaboration with health, police, education, and voluntary sector partners to deliver integrated outcomes.

Outcomes:

- Services are modern, efficient, and responsive to local needs.
- Financial sustainability is improved through efficiencies and innovation.
- Resident satisfaction and trust in local government increases.
- The five unitary authorities are embedded as strong, place-based leaders within Greater Essex.

Programme governance and assurance

The implementation programme will be overseen by a cross-authority LGR Programme Board, supported by a dedicated Transformation Delivery Unit. This unit will coordinate delivery across workstreams, manage interdependencies, and provide assurance to Government and local stakeholders.

Each phase will be subject to formal gateway reviews, ensuring readiness to proceed and alignment with the overall programme objectives. Independent assurance will be commissioned at key milestones to validate progress and manage risk.

Enabling the transition and transformation

Delivering the scale and ambition of LGR in Greater Essex will require a robust foundation of enabling capabilities. While all thematic workstreams are critical to success, three enablers are particularly pivotal in unlocking the benefits of the five unitary authority model: digital and data, HR and workforce, and transformation. These enablers are not standalone functions – they are connected services that will drive integration, innovation, and improvement across the system. Together, they will ensure that the new authorities are not only operationally ready on day one, but also equipped to lead long-term public service reform, deliver better outcomes for residents, and build a modern, resilient, and responsive local government system.

Conclusion

Our proposal for five new unitary authorities in Greater Essex represents a bold, evidence-led response to the challenges and opportunities facing the region. We offer a pragmatic and future-ready model that balances strategic scale with local identity, enabling more efficient, accountable, and responsive governance.

By aligning with the Government's criteria for reorganisation, the five unitary authority model ensures continuity of high-quality services, unlocks significant financial efficiencies, and empowers communities through stronger local leadership. It avoids the risks of over-centralisation, preserves civic pride, and supports tailored solutions to complex issues such as housing, social care, and economic growth.

With widespread collaboration, robust public engagement, and a clear roadmap for transition, this proposal lays the foundation for a simpler, stronger, and more sustainable system of local government. This proposal is rooted in place, driven by local needs, and equipped to deliver for the people of Greater Essex for generations to come.

RSPB Rainham Marshes stretch beneath the soaring span of the Queen Elizabeth II Bridge, which connects Essex to Kent.

Appendices

Appendix 1: Tabular summary of LGR proposal for five unitary authorities mapped against MHCLG criteria

Criterion	Chapter reference and link	About Greater Essex	Options appraisal	Five new councils for Essex	Enabling high-quality outcomes	How we have engaged stakeholders	Strong and accountable	Support for devolution	Value for money	Target operating model	Transition and Transformation	Other issues to explore government
Criteria 1 Sensible Geography: A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.	Five new councils for Essex			X								
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.	A vibrant economy Value for money: Efficiency and cost savings, methodology, and assumptions				X				X			
b. Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.	Five new councils for Essex Safe, affordable, and high-quality places to live			X	X							
c. Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes [they are] expected to achieve, including evidence of estimated costs/benefits and local engagement.	Enabling high-quality outcomes for our residents Value for money: Efficiency and cost savings, methodology, and assumptions How we have engaged stakeholders on the proposal for LGR				X	X			X			
d. Proposals should describe clearly the single tier local government structures [they are] putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.	Options appraisal Appendix 2: Options appraisal Five new councils for Essex			X	X							

Criterion	Chapter reference and link	About Greater Essex	Options appraisal	Five new councils for Essex	Enabling high-quality outcomes	How we have engaged stakeholders	Strong and accountable	Support for devolution	Value for money	Target operating model	Transition and Transformation	Other issues to explore government
Criteria 2 Efficiency and resilience: Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.	Options appraisal Appendix 2: Options appraisal Five new councils for Essex		X	X								
a. As a guiding principle, new councils should aim for a population of 500,000 or more.	Options appraisal Appendix 2: Options appraisal Five new councils for Essex		X	X								
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.	Options appraisal Appendix 2: Options appraisal		X									
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.	Value for money: Efficiency and cost savings, methodology, and assumptions Appendix 5: Peopletoo Greater Essex LGR – ACS and Children's financials								X			
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.	Transition and transformation										X	
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.	Transition and transformation Value for money: Efficiency and cost savings, methodology, and assumptions								X		X	

Criterion	Chapter reference and link	About Greater Essex	Options appraisal	Five new councils for Essex	Enabling high-quality outcomes	How we have engaged stakeholders	Strong and accountable	Support for devolution	Value for money	Target operating model	Transition and Transformation	Other issues to explore government
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.	Value for money: Efficiency and cost savings, methodology, and assumptions Appendix 5: Peopletoo Greater Essex LGR – ACS and Children's financials								X			
Criteria 3 High Quality Public Services: Unitary structures must prioritise the delivery of high-quality and sustainable public services to citizens.	Enabling high-quality outcomes for our residents				X							
a. Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services.	Target operating model and design principles for the new councils									X		
b. Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.	Target operating model and design principles for the new councils									X		
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.	1. People living independently and with dignity in empowered, connected communities 2. Children and young people are safe and able to thrive in inclusive environments				X							

Criterion	Chapter reference and link	About Greater Essex	Options appraisal	Five new councils for Essex	Enabling high-quality outcomes	How we have engaged stakeholders	Strong and accountable	Support for devolution	Value for money	Target operating model	Transition and Transformation	Other issues to explore government
Criteria 4 Local Identity: 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.	Strong and accountable leadership: Member roles and governance How we have engaged stakeholders on the proposal for LGR					X	X					
b. Proposals should consider issues of local identity and cultural and historic importance.	About Greater Essex Five new councils for Essex	X		X								
c. Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.	How we have engaged stakeholders on the proposal for LGR					X						
Criteria 5 Supporting Devolution: New unitary structures must support devolution arrangements.	Support for devolution							X				
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.	Support for devolution							X				

Criterion	Chapter reference and link	About Greater Essex	Options appraisal	Five new councils for Essex	Enabling high-quality outcomes	How we have engaged stakeholders	Strong and accountable	Support for devolution	Value for money	Target operating model	Transition and Transformation	Other issues to explore government
b. Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.	Support for devolution							X				
c. Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.	Support for devolution							X				
Criteria 6 Community Empowerment: New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.	Strong and accountable leadership: Member roles and governance						X					
a. Proposals will need to explain plans to make sure that communities are engaged.	Strong and accountable leadership: Member roles and governance						X					
b. Where there are already arrangements in place it should be explained how these will enable strong community engagement.	How we have engaged stakeholders on the proposal for LGR						X					

Appendix 2: Options assessment criteria and methodology:

This appendix sets out our full options appraisal methodology for our LGR proposal.

Our central focus in the identification, selection, and assessment of these options has been the Ministry of Housing, Communities and Local Government's (MHCLG) clearly stated six criteria for assessing LGR options and proposals, which are:

- Criterion 1: A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.
- Criterion 2: Unitary local government must be the right size to achieve efficiencies, improve capacity, and withstand financial shocks.
- Criterion 3: Unitary structures must prioritise the delivery of high-quality and sustainable public services to residents.
- Criterion 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.
- Criterion 5: New unitary structures must support devolution arrangements.
- Criterion 6: New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

Criterion 1: Establishment of a single tier of local government

Our approach to assessing this criterion focuses on whether the proposal creates a single unitary authority covering the entire invited area, replacing the current two-tier system, and on deliverability of the new model in real-world practical terms. As such, the scoring for this criterion is made up of two parts:

Part A is titled 'Establishment of a single tier of local government' and will use a pass-fail scoring approach based on an assessment of whether the option ensures that all district and county council functions are consolidated under a clear single-layered unitary authority structure , with clear, contiguous boundaries across the entirety of the Greater Essex geography. Government guidance stresses a single option and geography for the whole area (not partial coverage).

Part B is titled 'Assessment of change and transition deliverability' and will use a 1–5 scoring matrix which will assess the confidence in, and ease of, the transition from the current model of local government in Greater Essex, and in the desired future state which establishes a single tier of local government. This criterion will be scored on an assessment of the relevant model's ease of transition to the new arrangements and the clarity of the governance model required to demonstrate how services will transfer into one council. The assessment of the ease of transition to the new model will be based on a desk-based assessment of the 'strategic gap' between the current configuration of service delivery models, organisational structures, operating models, and governance processes, on the one hand, and the perceived 'ease of transition' in moving to each of the future models, on the other.

Evidence includes detailed maps of the new unitary boundaries; gap analyses between the current state and the future state proposed in each of the models; transition plans showing all county and district functions (e.g. highways, planning, waste, children's social care, adult's social care, etc.) moving to the configuration of the new local authority; and statements or modelling of the unified governance structure.

Scoring guide

Score 1: Highly challenging to implement, without a clear delivery plan. The proposal is assessed as requiring significant and highly complex change to deliver in practice as a result of the 'strategic gap' between the current state and the proposed model. The implementation plan and timeline for change are likely to be extended over the medium to long term, delaying the realisation of the expected benefits of unification.

Score 2: Highly challenging to implement, with a framework for delivery. The proposal is assessed as requiring moderate and in some cases highly complex change to deliver in practice as a result of the 'strategic gap' between the current state and the proposed option. The implementation plan and timeline for change are likely to be deliverable in the medium term, and delay is expected in the realisation of the benefits of unification.

Score 3: Challenging to implement, with an outline plan for delivery and benefits realisation. The proposal is assessed as requiring manageable but in some cases complex change to deliver in practice as a result of the 'strategic gap' between the current state and the proposed option. The implementation plan and timeline for change are likely to be deliverable in the short term, and only moderate delay is expected in the realisation of the benefits of unification.

Score 4: Manageable to implement, with a clear plan for delivery and benefits realisation. The proposed model makes the most of existing or easy-to-implement infrastructure, thereby reducing the complexity and length of time needed to implement the change. Not only is the implementation plan implementable in the short term, but there is a clear implementation pathway from technical implementation of the model to benefits realisation.

Score 5: Manageable to implement, with a tried and tested approach and plan for implementation. Not only is the proposed model straightforward to implement, but the approach proposed is well tested and has wide-ranging support and infrastructure within the local system to implement. The plan provides high levels of assurance on delivery timelines and benefits realisation.

Criterion 2: Unitary local government must be the right size to achieve efficiencies, improve capacity, and withstand financial shocks

This criterion focuses on assessing both the short- and long-term financial viability of unitary authorities in each of the proposed future LGR models. This will include an assessment of the short-term efficiencies generated by each option and also the long-term financial position expected to be achieved by moving to each of the models.

Core to our analysis and assessment of options in this section, and throughout our proposal, is the proposition not only that local government faces short-term financial pressures as a system but also that it is one of the most critical enablers for delivering long-term growth. Prosperity in the UK, and therefore the future design of unitary authorities in Greater Essex, should drive towards a renewed relationship with our residents, communities, economies, and places. This can drive our long-term vision for thriving, independent, resilient, and strong localities, places, and communities. There is a risk of focusing overwhelmingly on short-term financial challenges at the expense of long-term growth, or vice versa. If the correct balance is not found, LGR will not only fail to deliver the immediate efficiencies required but will also risk affecting the future development of authorities in ways that could fundamentally undermine the ability of local government to accelerate the delivery of local growth and local connection to people, communities, and places.

The assessment of this criterion has been directly informed and supported by external specialist consultancies (such as Grant Thornton, Peopletoo, and CIPFA) which have provided supporting analysis on both the short- and long-term aspects of the criteria set out above. Their analysis is based upon replicable models that have embedded the learning from best practice implementations of LGR elsewhere and have also have been tailored to reflect the unique nature of our proposal in an Essex-based context. The analysis has helpfully provided robust financial models in support of the options appraisal as well as the preferred option that our proposal puts forward.

Our analysis is clearly focused and aligned to MHCLG guidance relating to the expected population sizes of proposed unitary authorities. Most recently, this guidance has been helpfully clarified by MHCLG as follows:

> *"In some of the options you are considering populations that would be above or below 500,000. As set out in the Statutory Invitation guidance and in the English Devolution White Paper, we outlined a population size of 500,000 or more. This is a guiding principle, not a hard target – we understand that there should be flexibility, especially given our ambition to build out devolution and take account of housing growth, alongside LGR. All proposals, whether they are at the guided level, above it, or below it, should set out the rationale for the proposed approach clearly."*

Through our proposal and options appraisal we seek to clearly set out the rationale and evidence base for moving to a five unitary authority model.

The assessment of this criterion has been broken down into two component sub-criteria as follows:

- Part A: Right size – short-term financial efficiencies (0–3 years)
- Part B: Right size – long-term financial efficiencies and sustainability (10 years)

Criterion 2A: Right size – short-term financial efficiencies (0–3 years)

This sub-criterion evaluates whether the proposed model delivers short-term efficiencies through the unification and integration of the 15 organisations that make up the current Greater Essex local government landscape. The assessment is based on an analysis of the potential savings and efficiencies that each model can generate, set against the costs of transitioning to each of the new options.

In assessing the potential short-term savings and efficiencies of each of the proposed options, modelling has been undertaken on the potential staffing, procurement, commissioning, technology, estates, and assets savings that can be delivered. It is expected that all options proposed will deliver significant efficiencies in each of these areas of their respective operating models, though the scale and scope of those efficiencies do vary on an option-by-option analysis.

In assessing the costs of transitioning to each of the proposed options, modelling has been undertaken on the cost of transitioning to required future models of service delivery for all people and place services, the potential cost of transitioning to new ICT systems and environments (both disaggregating and reaggregating systems), and the potential staffing change costs that will be needed to deliver each respective model.

The analysis also includes assessment of the short-term financial viability of each of the new models proposed, including analysis of the projected future strategic financial positions of each option. This includes analysis of the financial resilience of the future unitary authorities in each respective model (including proposed assumptions around debt allocation and provision across Greater Essex). The analysis examines whether the budgets of the proposed unitary authorities can absorb known shocks (including pressures like inflation, population and demand growth, and wider economic instability) in the near term.

Scoring guide

Score 1: No credible short-term savings compared to the current position. The proposal lacks evidence of any significant financial efficiencies delivered by the model, and if these are demonstrated, they are outweighed by the costs of transition and implementation. Short-term financial viability of the unitary authorities proposed is demonstrably weak or uncertain.

Score 2: Minimal short-term savings identified. Some reduction in duplication is evidenced, but it only delivers overall minimal net financial benefit once transition costs are factored in. Short-term financial viability of the proposed unitary authorities is unclear.

Score 3: Moderate efficiency gains outlined. Efficiencies modelling demonstrates that the moderate efficiencies deliverable through the model are sufficient to deliver a meaningful efficiency once costs of transition have been accounted for. Short-term financial viability of the proposed unitary authorities demonstrates that they are viable in the short term, but they may not be able to withstand any significant short-term financial or economic shocks to the local system.

Score 4: Solid evidence of near-term savings and efficiencies. Analysis of the proposed option demonstrates that there are significant financial savings and efficiencies achievable from the proposed future unitary authorities once costs of transition have been accounted for. Financial viability of the future unitary authorities is positive, and there is evidence that they will be able to withstand moderate financial or economic shocks in the short term.

Score 5: Very strong short-term case for savings and efficiencies. Detailed analysis shows that large efficiency savings quickly outweigh the initial costs of transition, clearly improving budgets within three years. Financial viability for the future unitary authorities is optimistic, and there is strong evidence that they will be able to withstand significant financial or economic shocks in the short term.

Criterion 2B: Right size – medium-term economic, social, and financial outcomes (10 years)

This criterion goes beyond the short-term examination of efficiencies deliverable from the proposed option and assesses whether the future proposed unitary authority structures will deliver sustainable financial outcomes over the medium to long term. The analysis undertaken has reviewed the evidence available to determine if the chosen scale and alignment of unitary authorities to local economies, places, and geographies are optimally designed to not only support but also proactively drive through the best deployment of devolved funding. It will also consider whether each model is the best deployment for unlocking powers and innovation, as well as the long-term growth, strategic planning, and future positive outcomes for the proposed authorities.

The challenge questions applied to this criterion are broad-ranging in nature. For example, do the future unitary authorities cover meaningful economic and social geographies to make the most of devolved programmes and large infrastructure projects to drive meaningful local growth targets, meet local housing targets, and improve outcomes for local residents, communities, and businesses?

Our analysis of the options builds on learning from the best examples of successfully deployed devolution and LGR across the country, specifically citing examples such as the Greater Manchester devolved region. Greater Manchester has been recognised by government as a trailblazing city region which has been at the forefront of the devolution agenda, receiving devolved settlements (including the first integrated settlement, this year) that have enabled the model to thrive. A key feature in the success of the Greater Manchester city region model is that it is comprised of ten smaller unitary authorities, nine of which have populations clustering around 200,000–350,000 (2021 figures). These smaller councils have been able to champion their local areas while working on a wider scale with the mayoral authority for the benefit of the overall region. Another established mayoral model is the GLA/London Borough Council arrangement, which consists of unitary councils ranging in size from Kensington and Chelsea, at approximately 150,000, to Croydon, at approximately 391,000 (2021 figures). Taking the population of Greater London (approximately 8.8 million) into account, the average population for the 32 London boroughs is approximately 275,000 (excluding City of London). All of this demonstrates that in two well-established mayoralties (Greater Manchester and London), smaller unitary authorities have been a key check and balance and have acted as local champions, supporting the regional overview of the directly elected mayors.

For each of the options considered, a wide range of evidence has been collated into a future projected model of growth and demand, including:

- Insights relating to known demographic trends for the proposed localities that will be created in each of the options.
- Analysis of meaningful alignment between the proposed unitary authorities and the already well-established sub-regional economic clusters of activity and infrastructure that define local areas.
- Analysis of alignment between the proposed unitary authorities and significant urban centres, including towns and cities, aiming for a 1:1 alignment of unitary authority and major urban setting (e.g. city or equivalent-sized urban setting).
- Analysis of future commissioning models and local provider markets to maximise the potential development of new markets and local and distributed provision of services, which can increase healthy local competition and reduce future costs of commissioning and procurement.
- Analysis of the evidence base relating to size of local authority and predicted future performance and outcomes conducted by independent assurance bodies such as the Care Quality Commission and Ofsted.
- Alignment of known and projected economic growth initiatives and plans with proposed future unitary authority structures.
- Alignment of proposed unitary authorities with the ability and agility of those authorities to tailor and design services that allow for meaningful local distinctions in terms of local need, identity, and sense of belonging and place.
- Assessment of local resident and community trust, confidence, and engagement with the future proposed structures for unitary authorities in Essex.
- Alignment of the future unitary authorities with the public service reform agenda, including alignment with the current and future potential configurations of local partners and institutions, economic catalysts, and the local voluntary and community sector, which can unlock local innovation that delivers better outcomes for residents.
- Assessment of future scenarios relating to demographic trends, housing development, economic growth, social outcomes, and demand projections for each option. This includes scenarios arising from known and planned activities in each area and from the known vision and plans for each area articulated through the LGR programme of work across all proposals to date.

The scoring approach for this criterion is unavoidably more complex than for the other criteria, as evidence has been drawn from a wide range of sources, including insights relating to demography, economic growth, future demand, and assessments of unitary authority alignment with meaningful social, economic, geographical, and financial boundaries.

To make the scoring of this criterion as easy to digest as possible, each of the sub-assessments listed above has been individually assessed and a cumulative assessment of the outcome of those individual assessments has been made in line with the overarching scoring approach below.

Scoring guide

Score 1: Low probability of delivering medium-term economic, social, and financial outcomes. The proposed option fails to evidence a clear and compelling proposition for delivering medium-term economic and social outcomes.

Score 2: Moderate probability of delivering medium-term economic, social, and financial outcomes, but with weak evidence. The proposal offers broad propositions for medium-term growth, but there is a lack of any compelling analysis or evidence to support these assertions.

Appendix 2

Score 3: Moderate probability of delivering medium-term economic, social, and financial outcomes, with evidence of clear strategy and plans. The proposed option demonstrates a clear strategy and vision for delivering medium-term outcomes which is based upon a clear alignment between localities and their respective unitary authorities.

Score 4: High probability of delivering medium-term economic, social, and financial outcomes, supported by a clear plan and evidence base. The proposed option demonstrates a clear strategy, vision, and evidence base for delivering medium-term outcomes. This is clearly aligned to localities and their respective unitary authorities.

Score 5: High probability of delivering medium-term economic, social, and financial outcomes, supported by a clear plan, evidence base, and operating models that can deliver these benefits. The proposed option not only demonstrates a clear strategy, vision, and evidence base for delivering medium-term economic, social, and financial outcomes, but also clearly demonstrates how its future operating models are best designed to deliver these outcomes.

Criterion 3: Delivery of high-quality and sustainable public services to citizens

This criterion assesses how each proposed option will either positively or negatively impact projected service quality, service performance, and future sustainability of service delivery.

To evaluate this criterion, we have examined and evaluated the potential impact of each proposed option in relation to the key five service-delivery-focused outcomes that form the core of our proposal. These are:

- People living independently and with dignity in empowered, connected communities.
- Children and young people are safe and able to thrive in inclusive environments.
- A vibrant economy.
- Safe, affordable, and high-quality places to live.
- Connecting communities through effective transport.

In assessing this criterion, we have examined a wide range of evidence to understand the projected impact (negative or positive) on performance and outcomes relating to the five key outcomes listed above. This evidence includes:

- Any and all available insight relating to current and projected performance of the future unitary authorities based on current service delivery models aligned to the geographies and localities put forward in the proposal.
- Any and all available national, regional, or local benchmarking insight that links size of unitary authority to higher or lower performance.
- Robustness of plans and proposals to deliver high-performance services and positive outcomes for residents, communities, and businesses.
- Any independent insight (either from specialist consultancies or regulators) that provides evidence which supports the configuration of services put forward in the proposal.
- Any and all available insight and evidence offered by the proposal that shows alignment to the Government's public service reform agenda, including any support, insight, and evidence available from residents, communities, businesses, stakeholders, and partners that shows system-wide support for the configuration put forward in the proposal.

In support of the development of this proposal, independent advisory input has been secured from the national SCIE and Peopletoo to support the assessment of the optimal configuration of social care services, which represent the most significant area of spend for local authorities in Essex.

Scoring guide

Score 1: Proposal puts service performance and outcomes at significant risk of deterioration. Key statutory and discretionary services (social care, housing, education) have a limited prospect of short-term sustained performance, and the proposed model will result in a significant negative disruption to current high-performance service delivery models of essential services. There is significant evidence that performance and outcomes are likely to significantly deteriorate in the short and medium term, and there is limited evidence of resident, community, business, stakeholder, or partner support for the configuration of services proposed.

Score 2: Proposal puts service performance and outcomes at moderate risk of deterioration. Key statutory and discretionary services have a limited prospect of short-term sustained performance. The proposed model will result in a moderate negative disruption to current high-performance service delivery models. There is meaningful evidence that performance and outcomes are likely to significantly deteriorate in the short and medium term, and there is limited evidence of resident, community, business, stakeholder, or partner support for the configuration of services proposed.

Score 3: Proposal maintains the status quo, evidencing that services will be able to maintain performance over the short and medium term. However, there is limited evidence that the model will support long-term sustained improvement in performance and outcomes. There is limited evidence that localities' target operating models are configured optimally to deliver long-term sustainable improvements in outcomes, and there is limited evidence of system-wide support for the configuration of services proposed.

Score 4: Proposal will support continued improvement in service performance and improved outcomes. The proposal provides strong evidence that services will continue to deliver effectively and will in many cases deliver improved performance for residents, communities, businesses, and partners. There is good evidence of system-wide support for the proposal.

Score 5: Proposal will support delivery of excellent services to residents and the prospect of excellent outcomes over the medium to long term. The proposal goes beyond evidencing improved performance and envisages and evidences the possibility of tackling the long-term socio-economic challenges that face local residents, businesses, and communities. The proposed operating models are aligned not only to geography but also to local need and local context, and can mobilise long-term effective public services reform partnerships to deliver better outcomes over the long term.

Appendix 2

Criterion 4: Councils have sought to work together and be informed by local views

This criterion examines the collaboration sought through the development of the proposals being considered, including the degree to which participating councils have collaborated not only in the sharing of evidence and data, but also in the substantive and holistic development of their respective proposals.

This criterion also examines not only whether the proposal has sought community input, but also whether such input has been meaningful and clear and has transparently engaged local residents, communities, and businesses in the substantive proposal. Meaningful engagement is defined as engagement that not only asks clear and objective questions relating to the specific proposal and has been delivered in line with best-practice methods of engaging local insight.

Most importantly, this criterion evaluates the degree to which there is evidence of local support for the proposed option. This is not only important for the purposes of following government guidance but also gives a strong indication as to whether the proposed model will engender sufficient local support to deliver long-term improvements in resident satisfaction, trust, and community empowerment, which will deliver significant benefit to local residents, communities, businesses, and partners over the long term.

The evidence that was considered in evaluating this criterion is as follows:

- Evidence of collaboration in the development of the proposal, not only in terms of data, insight, and evidence, but also in terms of the development of the proposal as a whole.
- Evidence of clear and meaningful local engagement that seeks the views of local residents, communities, businesses, and partners transparently and straightforwardly.
- From the above, assessment of whether the evidence gathered sufficiently supports the model for the unitary authorities proposed.

Scoring guide

Score 1: Limited evidence of meaningful collaboration, engagement, and local support for the proposal. It is likely that this proposal has had meaningful collaborative data-sharing and development with only one, or a small number, of the 15 local government organisations in the Greater Essex geography.

Score 2: Some evidence of meaningful collaboration and engagement in elements of the proposal. This work will likely be limited to data- and insight-sharing, but will have involved meaningful system-wide engagement in the development of the proposal. Some consultation and engagement with local residents, communities, and businesses has been undertaken on the option, but it has not been meaningful in terms of research practice or the nature of the engagement questions asked. From the evidence that is available on the option, there is limited evidence of local support for the proposal.

Score 3: Evidence of moderate collaboration and engagement in the development of the proposal. The proposal has been developed collaboratively, going beyond data-sharing and into meaningful co-design with local government organisations across the majority of the Greater Essex geography. There has been some meaningful engagement on the proposal with local residents, communities, businesses, and partners. There is some evidence of support for the proposal, but not sufficient evidence to state that the proposal is the locally supported preferred option.

Score 4: Strong collaboration and support. To meet this standard, the proposal will evidence not only that a significant proportion of the local authorities in the Greater Essex geography have been meaningfully engaged in the development of the proposal, but also that the proposal has their support. Substantial local engagement on the option has been undertaken and there is significant evidence of local support for the proposed model.

Score 5: Exemplary joint process, with evidence that the proposal has moved beyond collaboration and into meaningful co-design and development. Going further than showing strong collaboration and support, the proposal has demonstrated evidence of being meaningfully co-designed and co-developed, and already evidences a willingness to distribute leadership and power within local areas. The proposal has been directly informed by and meaningfully impacted by local insight and partner engagement. Councils have worked fully and transparently together (shared data, co-authored analysis) and have collectively endorsed the proposal. Extensive engagement was carried out, and its findings clearly shaped the final plan, showing genuine local support.

Criterion 5: Support for future devolution arrangements

This criterion assesses how well the proposed unitary model provides a platform for successful devolution, not only in terms of practical and technical implementation of devolution in Greater Essex, but also in terms of the proposed model's ability to realise the most long-lasting transformational benefit of devolution in local areas as well as at scale for Greater Essex.

Specifically, this criterion has been assessed in relation to the extent to which each proposed model:

- creates strategic institutions capable of driving growth, public service reform, and place-shaping at scale;
- enables the smooth transition to and functioning of an MSA;
- strengthens the ability to secure and deliver devolved powers and funding from government; and
- ensures efficient, resilient local governance aligned with devolution objectives.

Scoring guide

Score 1: Very low support for devolution. The proposed model creates local government structures that undermine or significantly hinder devolution. Boundaries misalign with devolution geography (e.g. Greater Essex). Structures are either too small or fragmented to provide strategic capacity, or too large to meaningfully distribute devolution funding, powers, and partnerships to deliver long-lasting change. The model would require substantial structural change to be compatible with an MSA in order to secure devolution deals. There is little or no ability to deliver growth, place-shaping, or prevention at suitable scale.

Score 2: Low support for devolution. The proposed model only partially aligns with devolution geography and contains significant weaknesses that would limit its effectiveness in supporting devolution. Strategic capacity within local areas or partnerships is limited, requiring substantial additional support or partnerships to deliver devolved functions. Clarity of roles, responsibilities, and collaboration with the MSA is underdeveloped.

Score 3: Moderate support for devolution. The proposed model offers reasonable alignment to the devolution geography and creates some scale and capacity to support devolution. Further work would be needed to ensure effective delivery of devolved powers and funding. Clarity of roles, responsibilities, and collaboration with the MSA is somewhat developed. The model could support growth, prevention, and place-shaping functions, but may require refinement.

Score 4: Good support for devolution. The proposed model aligns well with the devolution geography and provides solid strategic capacity, scale, and resilience to support devolved powers. Clarity of roles, responsibilities, and collaboration with the MSA is somewhat developed. The proposed model offers a sound platform for joint working on prevention and resilience, and delivery of place-shaping, growth, and public service reform. Some areas for optimisation may remain, but the model would actively support and not hinder devolution ambitions.

Score 5: Strong support for devolution. The model fully aligns with the devolution geography and ambitions for Greater Essex. It creates suitably sized, resilient, and strategic unitary authorities that are devolution-ready and have functioning structures in place to maximise the local benefits of devolution. The proposed structures integrate seamlessly with the MSA, with detailed, credible plans for the early involvement of districts, smooth transition of Police, Fire, and Crime Commissioner functions, and joint strategic capacity for prevention, resilience, and growth. The model maximises the opportunity to reshape the local state to deliver on government devolution priorities, securing powers, funding, and integrated settlements. It provides a strong platform for future powers and responsibilities devolved from government.

Criterion 6: Stronger community engagement and neighbourhood empowerment

This criterion focuses on assessing the strengths of each proposed model in relation to enabling stronger community engagement and distribution of power to local communities and areas. Not only does this demonstrate the important principle of ensuring democratic accountability and participation in the design of local government, but evidence also shows that embedding local community and place power at the heart of policy design delivers significant longer-term benefits such as increased resident satisfaction, trust, and confidence in the unitary authority and Government in general. This delivers significant wider benefits over time.

To assess this criterion, we have examined evidence such as:

- Evidence of meaningful alignment of unitary authority design to residents' sense of place, identity, and belonging, informed by locally relevant and contextual insights relevant to Greater Essex.
- Evidence of the extent to which the proposed operating models for the proposed option sufficiently 'build in' meaningful whole-organisation mechanisms engaging local communities and distributing power, such as local area forums or participatory budgeting.
- Evidence of proposed models being sufficiently equipped to deliver services that will have a meaningful impact at a local, neighbourhood, and hyper-local level.

Scoring guide

Score 1: No plan for local empowerment. The proposed model fails to sufficiently embed any meaningful community engagement or empowerment by virtue of a fundamental element of the design of the unitary authority (e.g. the authority is significantly too large to deliver any meaningful local tailoring of services or engagement with its residents). The model by default would result in a significant centralisation of policy development, service design, and all meaningful decisions, with limited or no mention of meaningful neighbourhood structures or engagement.

Score 2: Limited scope for community engagement and empowerment. The proposed model demonstrates elements of aligning local authorities to meaningful local geographies and places, and has built elements of community engagement and empowerment into its proposed operating models. The model would result in the majority of policy, service design, and other meaningful decisions being centralised, with limited elements of local area empowerment. The proposal refers to some rhetoric about 'localism' but does not give specific details of how this will be delivered in practice, and there are no clear mechanisms or roles for neighbourhood input.

Score 3: Moderate scope for sustained community engagement and empowerment. The proposed model achieves moderate alignment of unitary authorities to local areas, economies, and geographies, and has built in meaningful opportunities to deliver community engagement and empowerment at a local level. The proposed model has a clear plan for achieving meaningful community engagement and empowerment which will sustain local areas, and communities' sense of belonging, identity, and place, and will achieve a meaningful but limited degree of community engagement and empowerment.

Score 4: Scope for stronger community engagement and empowerment. The proposed model achieves good and meaningful alignment of unitary authorities to local areas, economies, and geographies, and has committed to detailed plans to deliver community engagement and empowerment at a local level. The proposed model has strong built-in structures to deliver meaningful local community engagement and explores opportunities to distribute power meaningfully to communities. The plan defines a clear approach to delivering community engagement through mechanisms such as area committees or partnerships, imagines a significant and meaningful role for frontline councillors, and has clear proposals for mobilising local partnerships to support the ambition.

Score 5: Delivering devolved and distributed community empowerment. The proposed model achieves good and meaningful alignment of unitary authorities to local areas, economies, and geographies, and has committed to detailed plans not only to deliver community engagement and empowerment at a local level but also to deliver a significant and meaningful distribution of power to local communities and areas. The proposed model makes significant commitments to distribute

Appendix 2

policy-making, budget decision-making, and local area-shaping powers to meaningful local areas and communities. The plan defines a clear and innovative approach to delivering community engagement through mechanisms such as area committees or partnerships and imagines a significant and meaningful role for frontline councillors, and local partnerships are ready and already able to support the ambition.

Appendix 3: Grant Thornton – Greater Essex – Local Government Reorganisation Financial Analysis

Grant Thornton

Greater Essex – Local Government Reorganisation

Financial Analysis – Final

18 August 2025

We have pleasure in enclosing a copy of our report in accordance with your instructions. This document (the Report) has been prepared by Grant Thornton UK Advisory & Tax LLP (Grant Thornton) for Chelmsford City Council (the Addressee) in connection with undertaking financial analysis of various configurations for different numbers of unitary authorities in Greater Essex to support the preparation of a business case for Local Government Reorganisation (the Purpose).

We stress that the Report is confidential and prepared for the Addressee only. We agree that an Addressee may disclose our Report in line with our Contract. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Addressee for our work, our Report and other communications, or for any opinions we have formed. We do not accept any responsibility for any loss or damages arising out of the use of the Report by the Addressee(s) for any purpose other than in relation to the Purpose.

The data used in the provision of our services to you and incorporated into the Report has been provided by third parties. We will not verify the accuracy or completeness of any such data. There may therefore be errors in such data which could impact on the content of the Report. No warranty or representation as to the accuracy or completeness of any such data or of the content of the report relating to such data is given nor can any responsibility be accepted for any loss arising therefrom.]

Forms of report

For your convenience, the Report may have been made available to you in electronic as well as hard copy format, multiple copies and versions of the Report may therefore exist in different media and in the case of any discrepancy the final signed hard copy should be regarded as definitive.

General

Events and circumstances occurring after the date of our Report will, in due course, render our Report out of date and, accordingly, we will not accept a duty of care nor assume a responsibility for decisions and actions which are based upon such an out-of-date Report. Additionally, we have no responsibility to update this Report for events and circumstances occurring after this date.

Notwithstanding the scope of this engagement, responsibility for management decisions will remain solely with the Addressee and not Grant Thornton and you should perform a credible review of all recommendations.

Methodology

GrantThornton

Methodology overview

Inputs

- Data provided by Greater Essex councils
- Publicly available data on Greater Essex councils
- Publicly available data on other unitary councils and previous rounds of LGR

Financial Analysis

Benefits from Reorganisation:
1. Senior Management
2. Democratic Services

Benefits from Transformation:
1. Enabling Services*
2. ICT
3. Service Delivery
4. Property

*this includes services such as finance, procurement, HR etc

Transition Costs:
1. Redundancy costs
2. Public Engagement
3. Programme Management
4. Transformation
5. ICT
6. Predecessor Council
7. New Council
8. Shadow Authority

Disaggregation Costs

Council Tax Harmonisation

Outputs

- Methodology
- Detailed assumptions
- Numbers for Business Case

Methodology overview

Assumptions

The assumptions included in the financial modelling for local government reorganisation are based on a combination of information from other rounds of local government reorganisation, our experience of working with local authorities from both a transformation perspective and from a value for money perspective and other publicly available information relating to the different elements associated with local government reorganisation.

We have tested our approach and assumptions with an internal team of VfM and External Auditors to ensure reasonableness and alignment with our experience of auditing councils that have gone through local government reorganisation. Our review and quality assurance process is ongoing as the work develops.

These assumptions have been discussed and reviewed by the S151 Officers and Chief Executives of Chelmsford, Uttlesford, Southend and Basildon.

Summary tables

Grant Thornton

Appendix 3

Summary tables – Executive Summary

The financial modelling of the different configurations of local government reorganisation in Greater Essex shows that the highest recurrent benefits are delivered in the five unitary configuration. The key driver for this is the scale of benefits opportunity from Adult Social Care and Children's Social Care as identified in the work by PeopleToo (which has been used as a direct input into our modelling). The scale of benefit is the key differentiator between the different configurations with the other benefits relatively similar. A five unitary model would deliver lower benefits from senior management but this is broadly offset by lower redundancy costs in this model.

The other key differential between the five unitary model and the three unitary model is the potential impact of pay harmonisation. Pay harmonisation has been presented as a risk for consideration as the actual outcome will be different based on the decisions made by the newly created authorities. However, the analysis does highlight that the risk around pay harmonisation is significantly greater in the three unitary configuration than in the four and five unitary configurations.

The one-off costs associated with the transition are broadly the same across the three models that have been analysed. The reason for this is that there are a number of areas where costs are very similar (i.e. public engagement, IT and programme management). In these areas the differential between the models is relatively small as the activities required and resources to support this will be similar across each of the models. The analysis notes that the five unitary model is slightly more expensive in terms of transition costs but this is offset by lower redundancy costs. The lower redundancy costs in a five unitary model are linked to the lower level of benefits from senior management and enabling services. In a five unitary model there will be higher numbers of employees which means less redundancy requirements and associated costs.

As all of the models will involve the disaggregation of services currently delivered by Essex County Council. The costs of disaggregation are relatively similar across the configurations. The financial analysis does identify that, as there are more authorities being created under the 5 unitary model, the disaggregation costs will be slightly higher than in a 4 unitary and 3 unitary model.

Based on the financial modelling each of the configurations reaches a net benefit (where by the benefits created outweigh the costs incurred) by 5 years post-vesting day. The net benefit for the five unitary model, along with the future years net benefit, is the highest. Once again, this is attributable to the scale and differentials around the benefits opportunity from social care as modelled by PeopleToo. Also impacting on this is the pace of delivery of benefits in social care which have been informed by the view of PeopleToo on how quickly savings can be begin to be delivered in commissioning activity across all configurations being assessed.

The phasing of costs and benefits shows that transition costs will be incurred in advance of benefits being realised so understanding, across Greater Essex, how these costs will be funded is a critical part of the transition plan.

Overall summary

Estimated recurrent benefits and costs

Category	Sub-Category	Item	Five Unitary	Four Unitary	Three Unitary
Benefits opportunity - Recurrent	Benefits from Reorganisation	Senior Management	£13.888m	£14.458m	£16.296m
		Democratic Services	£1.209m	£1.058m	£2.451m
		External Audit	£0.708m	£0.853m	£1.219m
	Benefits from Transformation	Service Delivery	£96.701m	£64.225m	£31.482m
		Enabling Services (inc. others)	£22.190m	£25.436m	£27.369m
	Benefits Sub-Total		£134.696m	£106.030m	£78.817m
Costs - Recurrent	Disaggregation Costs	Disaggregation Costs	£30.365m	£27.329m	£24.212m
Total Recurrent Benefit	Total Recurrent Benefit		£104.331m	£78.701m	£54.605m
Pay Harmonisation	*Pay Harmonisation*	*Pay Harmonisation*	*-£0.504m*	*-£2.526m*	*£28.804m*
Total Recurrent Benefit	Total Recurrent Benefit (adjusted for Pay Harmonisation)		£104.835m	£81.227m	£25.801m

Estimated one-off costs

Category	Sub-Category	Item	Five Unitary	Four Unitary	Three Unitary
Costs - One-off	Transition Costs	Public Engagement	£1.282m	£1.268m	£1.168m
		Programme Management	£15.100m	£14.061m	£13.026m
		Transformation	£5.945m	£4.485m	£2.945m
		Information Technology	£16.304m	£16.304m	£16.304m
		Predecessor Council	£3.435m	£3.435m	£3.435m
		New Council	£1.032m	£0.958m	£0.886m
		Shadow Authority	£6.711m	£6.732m	£5.378m
		Contingency	£4.981m	£4.724m	£4.313m
	Redundancy Costs	Senior Management	£11.234m	£13.106m	£15.478m
		Enabling Services	£4.569m	£5.770m	£4.051m
		Service Delivery	£3.298m	£5.277m	£6.785m
	One-off costs Total		£73.891m	£76.120m	£73.769m

Overall benefit

Annual	Pre-Vesting Day			Post-Vesting Day					Total	Future years
	2025/26 net benefit	2026/27 net benefit	2027/28 net benefit	2028/29 net benefit	2029/30 net benefit	2030/31 net benefit	2031/32 net benefit	2032/33 net benefit	Total net benefit	Future years net benefit
5 unitary	£0.000m	-£5.634m	-£27.395m	-£12.810m	-£17.340m	-£23.215m	£43.930m	£77.484m	£35.020m	£104.331m
4 unitary	£0.000m	-£5.395m	-£28.706m	-£10.275m	-£12.488m	-£22.980m	£34.036m	£57.948m	£12.140m	£78.701m
3 unitary	£0.000m	-£5.109m	-£29.048m	-£4.827m	-£5.924m	-£18.586m	£25.744m	£39.975m	£2.225m	£54.605m

Cumulative	Pre-Vesting Day			Post-Vesting Day				
	2025/26 net benefit	2026/27 net benefit	2027/28 net benefit	2028/29 net benefit	2029/30 net benefit	2030/31 net benefit	2031/32 net benefit	2032/33 net benefit
5 unitary	£0.000m	-£5.634m	-£33.029m	-£45.839m	-£63.179m	-£86.394m	-£42.464m	£35.020m
4 unitary	£0.000m	-£5.395m	-£34.101m	-£44.376m	-£56.864m	-£79.844m	-£45.808m	£12.140m
3 unitary	£0.000m	-£5.109m	-£34.157m	-£38.984m	-£44.908m	-£63.494m	-£37.750m	£2.225m

Summary table – Five unitary

			Pre-Vesting Day		Post-Vesting Day						Total	Future Years
Category	Sub-Category	Item	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total	Future Years
Benefits	Benefits from Reorganisation	Senior Management	£0.000m	£0.000m	£0.000m	£13.888m	£13.888m	£13.888m	£13.888m	£13.888m	£69.440m	£13.888m
		Democratic Services	£0.000m	£0.000m	£0.000m	£1.209m	£1.209m	£1.209m	£1.209m	£1.209m	£6.045m	£1.209m
		External Audit	£0.000m	£0.000m	£0.000m	£0.000m	£0.708m	£0.708m	£0.708m	£0.708m	£2.832m	£0.708m
	Benefits from Transformation	Service Delivery	£0.000m	£0.000m	£0.000m	£0.000m	-£1.431m	£7.425m	£49.951m	£76.876m	£132.821m	£96.701m
		Enabling Services (inc. others)	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£11.657m	£15.168m	£26.825m	£22.190m
	Benefits Sub-Total		£0.000m	£0.000m	£0.000m	£15.097m	£14.374m	£23.230m	£77.413m	£107.849m	£237.963m	£134.696m
Costs	Transition Costs	Public Engagement	£0.000m	£0.485m	£0.485m	£0.156m	£0.156m	£0.000m	£0.000m	£0.000m	£1.282m	£0.000m
		Programme Management	£0.000m	£3.021m	£3.021m	£3.021m	£3.021m	£3.016m	£0.000m	£0.000m	£15.100m	£0.000m
		Transformation	£0.000m	£0.000m	£1.189m	£1.189m	£1.189m	£1.189m	£1.189m	£0.000m	£5.945m	£0.000m
		Information Technology	£0.000m	£1.630m	£3.261m	£3.261m	£3.261m	£3.261m	£1.630m	£0.000m	£16.304m	£0.000m
		Predecessor Council	£0.000m	£0.000m	£0.000m	£3.435m	£0.000m	£0.000m	£0.000m	£0.000m	£3.435m	£0.000m
		New Council	£0.000m	£0.000m	£0.000m	£0.516m	£0.516m	£0.000m	£0.000m	£0.000m	£1.032m	£0.000m
		Shadow Authority	£0.000m	£0.000m	£6.711m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£6.711m	£0.000m
		Contingency	£0.000m	£0.498m	£1.494m	£1.146m	£0.797m	£0.747m	£0.299m	£0.000m	£4.981m	£0.000m
	Redundancy Costs	Senior Management	£0.000m	£0.000m	£11.234m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£11.234m	£0.000m
		Enabling Services	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£4.569m	£0.000m	£0.000m	£4.569m	£0.000m
		Service Delivery	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£3.298m	£0.000m	£0.000m	£3.298m	£0.000m
	Disaggregation Costs	Disaggregation Costs	£0.000m	£0.000m	£0.000m	£15.183m	£22.774m	£30.365m	£30.365m	£30.365m	£129.052m	£30.365m
	Costs Sub-Total		£0.000m	£5.634m	£27.395m	£27.907m	£31.714m	£46.445m	£33.483m	£30.365m	£202.943m	£30.365m
	Total		£0.000m	-£5.634m	-£27.395m	-£12.810m	-£17.340m	-£23.215m	£43.930m	£77.484m	£35.020m	£104.331m
	Cumulative		£0.000m	-£5.634m	-£33.029m	-£45.839m	-£63.179m	-£86.394m	-£42.464m	£35.020m	£35.020m	
	Pay Harmonisation		£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	-£0.504m	-£0.504m	-£1.008m	-£0.504m

Commercial in Confidence

Summary table – Four unitary

			Pre-Vesting Day		Post-Vesting Day						Total	Future Years
Category	Sub-Category	Item	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33		Future Years
Benefits	Benefits from Reorganisation	Senior Management	£0.000m	£0.000m	£0.000m	£14.458m	£14.458m	£14.458m	£14.458m	£14.458m	£72.290m	£14.458m
		Democratic Services	£0.000m	£0.000m	£0.000m	£1.058m	£1.058m	£1.058m	£1.058m	£1.058m	£5.290m	£1.058m
		External Audit	£0.000m	£0.000m	£0.000m	£0.000m	£0.853m	£0.853m	£0.853m	£0.853m	£3.412m	£0.853m
	Benefits from Transformation	Service Delivery	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£6.703m	£32.987m	£50.550m	£90.240m	£64.225m
		Enabling Services (inc. others)	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£14.819m	£18.358m	£33.177m	£25.436m
	Benefits Sub-Total		£0.000m	£0.000m	£0.000m	£15.516m	£16.369m	£23.072m	£64.175m	£85.277m	£204.409m	£106.030m
Costs	Transition Costs	Public Engagement	£0.000m	£0.480m	£0.480m	£0.154m	£0.154m	£0.000m	£0.000m	£0.000m	£1.268m	£0.000m
		Programme Management	£0.000m	£2.813m	£2.813m	£2.813m	£2.813m	£2.809m	£0.000m	£0.000m	£14.061m	£0.000m
		Transformation	£0.000m	£0.000m	£0.897m	£0.897m	£0.897m	£0.897m	£0.897m	£0.000m	£4.485m	£0.000m
		Information Technology	£0.000m	£1.630m	£3.261m	£3.261m	£3.261m	£3.261m	£1.630m	£0.000m	£16.304m	£0.000m
		Predecessor Council	£0.000m	£0.000m	£0.000m	£3.435m	£0.000m	£0.000m	£0.000m	£0.000m	£3.435m	£0.000m
		New Council	£0.000m	£0.000m	£0.000m	£0.479m	£0.479m	£0.000m	£0.000m	£0.000m	£0.958m	£0.000m
		Shadow Authority	£0.000m	£0.000m	£6.732m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£6.732m	£0.000m
		Contingency	£0.000m	£0.472m	£1.417m	£1.087m	£0.756m	£0.709m	£0.283m	£0.000m	£4.724m	£0.000m
	Redundancy Costs	Senior Management	£0.000m	£0.000m	£13.106m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£13.106m	£0.000m
		Enabling Services	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£5.770m	£0.000m	£0.000m	£5.770m	£0.000m
		Service Delivery	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£5.277m	£0.000m	£0.000m	£5.277m	£0.000m
	Disaggregation Costs	Disaggregation Costs	£0.000m	£0.000m	£0.000m	£13.665m	£20.497m	£27.329m	£27.329m	£27.329m	£116.149m	£27.329m
	Costs Sub-Total		£0.000m	£5.395m	£28.706m	£25.791m	£28.857m	£46.052m	£30.139m	£27.329m	£192.269m	£27.329m
	Total		£0.000m	-£5.395m	-£28.706m	-£10.275m	-£12.488m	-£22.980m	£34.036m	£57.948m	£12.140m	£78.701m
	Cumulative		£0.000m	-£5.395m	-£34.101m	-£44.376m	-£56.864m	-£79.844m	-£45.808m	£12.140m	£12.140m	
	Pay Harmonisation		£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	-£2.526m	-£2.526m	-£5.052m	-£2.526m

Commercial in Confidence

Summary table – Three unitary

			Pre-Vesting Day		Post-Vesting Day						Total	Future Years
Category	Sub-Category	Item	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33		Future Years
Benefits	Benefits from Reorganisation	Senior Management	£0.000m	£0.000m	£0.000m	£16.296m	£16.296m	£16.296m	£16.296m	£16.296m	£81.480m	£16.296m
		Democratic Services	£0.000m	£0.000m	£0.000m	£2.451m	£2.451m	£2.451m	£2.451m	£2.451m	£12.255m	£2.451m
		External Audit	£0.000m	£0.000m	£0.000m	£0.000m	£1.219m	£1.219m	£1.219m	£1.219m	£4.876m	£1.219m
	Benefits from Transformation	Service Delivery	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£3.595m	£15.757m	£23.957m	£43.309m	£31.482m
		Enabling Services (inc. others)	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£16.711m	£20.264m	£36.975m	£27.369m
	Benefits Sub-Total		£0.000m	£0.000m	£0.000m	£18.747m	£19.966m	£23.561m	£52.434m	£64.187m	£178.895m	£78.817m
Costs	Transition Costs	Public Engagement	£0.000m	£0.442m	£0.442m	£0.142m	£0.142m	£0.000m	£0.000m	£0.000m	£1.168m	£0.000m
		Programme Management	£0.000m	£2.606m	£2.606m	£2.606m	£2.606m	£2.602m	£0.000m	£0.000m	£13.026m	£0.000m
		Transformation	£0.000m	£0.000m	£0.589m	£0.589m	£0.589m	£0.589m	£0.589m	£0.000m	£2.945m	£0.000m
		Information Technology	£0.000m	£1.630m	£3.261m	£3.261m	£3.261m	£3.261m	£1.630m	£0.000m	£16.304m	£0.000m
		Predecessor Council	£0.000m	£0.000m	£0.000m	£3.435m	£0.000m	£0.000m	£0.000m	£0.000m	£3.435m	£0.000m
		New Council	£0.000m	£0.000m	£0.000m	£0.443m	£0.443m	£0.000m	£0.000m	£0.000m	£0.886m	£0.000m
		Shadow Authority	£0.000m	£0.000m	£5.378m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£5.378m	£0.000m
		Contingency	£0.000m	£0.431m	£1.294m	£0.992m	£0.690m	£0.647m	£0.259m	£0.000m	£4.313m	£0.000m
	Redundancy Costs	Senior Management	£0.000m	£0.000m	£15.478m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£15.478m	£0.000m
		Enabling Services	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£4.051m	£0.000m	£0.000m	£4.051m	£0.000m
		Service Delivery	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£6.785m	£0.000m	£0.000m	£6.785m	£0.000m
	Disaggregation Costs	Disaggregation Costs	£0.000m	£0.000m	£0.000m	£12.106m	£18.159m	£24.212m	£24.212m	£24.212m	£102.901m	£24.212m
	Costs Sub-Total		£0.000m	£5.109m	£29.048m	£23.574m	£25.890m	£42.147m	£26.690m	£24.212m	£176.670m	£24.212m
	Total		£0.000m	-£5.109m	-£29.048m	-£4.827m	-£5.924m	-£18.586m	£25.744m	£39.975m	£2.225m	£54.605m
	Cumulative		£0.000m	-£5.109m	-£34.157m	-£38.984m	-£44.908m	-£63.494m	-£37.750m	£2.225m	£2.225m	
	Pay Harmonisation		£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£28.804m	£28.804m	£57.608m	£28.804m

Financial Analysis – Benefits from Reorganisation

Grant Thornton

Benefits from Reorganisation

Senior Management

Establishing a baseline

Using data taken from publicly available sources on the Greater Essex council's (Statement of Accounts and Pay Policy Statements) we have identified the current senior management structures across Greater Essex. These have been split into three tiers of senior management;

- Tier 1 – Chief Executive (Head of Paid Service)
- Tier 2 – Executive Directors (or equivalent)
- Tier 3 – Assistant Directors (or equivalent)

We have not included any Tiers below this as the benefits from these levels would be delivered through transformation rather than any benefits from reorganisation.

Total costs of senior management (salary plus on-costs and pensions) was also taken from the Statement of Accounts and Pay Policy Statements. Based on the information in the Pay Policy Statements there are cost ranges across the different tiers. Therefore, our baseline includes three sensitivity levels (upper, mid and lower)

This has given us the following baseline position for Greater Essex

Sensitivity	Current cost of Senior Management
Upper	£37.688m
Mid	£29.002m
Lower	£25.751m

Developing assumptions

We have gathered information on the senior management structures and costs of other unitary authorities across England to inform our assumptions. Population data for each of these authorities has also been obtained as we are operating on the assumption that the there is a correlation between the population of an area, the number of senior officers required and the pay scales for these senior positions.

In order to triangulate our analysis with the local circumstances in Greater Essex we have also obtained pay data for East London Councils.

Based on population size we have classified all unitary councils and each of the configurations across Greater Essex into three categories;

- Above 500,000
- Between 350,000 and 500,000
- Below 350,000

For each of these classifications we have benchmarked against existing unitary authorities to produce the following senior management structures and pay ranges

Above 500,000	Number
Tier 1	1
Tier 2	6
Tier 3	20
Between 350,000 and 500,000	**Number**
Tier 1	1
Tier 2	5
Tier 3	17
Below 350,000	**Number**
Tier 1	1
Tier 2	5
Tier 3	15

	Upper	Mid	Lower
Above 500,000			
Tier 1	281,904.85	281,904.85	281,904.85
Tier 2	212,624.15	189,515.44	166,406.73
Tier 3	155,028.70	140,806.16	126,583.62
Between 350,000 and 500,000			
Tier 1	233,669.77	233,669.77	233,669.77
Tier 2	172,040.98	165,362.17	158,683.35
Tier 3	131,268.81	116,241.47	101,214.13
Below 350,000			
Tier 1	214,999.00	214,999.00	214,999.00
Tier 2	150,000.00	137,500.00	125,000.00
Tier 3	105,000.00	100,000.00	95,000.00

Limitations of analysis

- The current management structures for Greater Essex are based on publicly available information. Where there has been uncertainty over whether a role is Tier 2 or Tier 3 they have been included as a Tier 2 position. This may increase the level of benefits but is equally applicable across all configurations. Where available we have updated the publicly available data to better reflect the actual position.
- The exact salaries of the new authorities will be set by the Shadow Authorities. Therefore, we have benchmarked based on available data and the actual position may be different
- Tier 4 and below are not included as these will be captured in benefits from transformation in service delivery areas.

Benefits from reorganisation

Senior Management

*where data is unclear we have not included any information in our analysis

Calculating the benefits

Establishing the baseline

Tier	Basildon	Braintree	Brentwood and Rochford	Castle Point	Chelmsford	Colchester	Epping Forest	Essex	Harlow	Maldon	Southend-on-Sea	Tendring	Thurrock	Uttlesford
Tier 1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Tier 2	4	3	3	3	3	2	8	6	4	1	5	2	11	4
Tier 3	10	12	8	12	12	5	1	37	3	8	14	4	1	5

Tier	Basildon	Braintree	Brentwood and Rochford	Castle Point	Chelmsford	Colchester	Epping Forest	Essex	Harlow	Maldon	Southend-on-Sea	Tendring	Thurrock	Uttlesford
Tier 1	£244,000	£181,016	£242,120	£196,981	£254,258	£173,124	£177,011	£294,815	£208,068	£168,000	£267,142	£191,633	£267,142	£165,030
Tier 2	£193,980	£146,949	£162,123	£134,408	£148,039	£150,832	£130,261	£216,351	£161,817	£123,000	£162,979	£125,753	£148,570	£128,250
Tier 3	£140,300	£90,264	£136,194	£107,546	£115,582	£122,093	£107,670	£152,773	£122,089	£107,400	£136,870	£100,686	£121,815	£100,970

Where data has been unclear or does not align with expectations we have either clarified the position with the individual local authority or, where this has not been possible, made an adjustment to outliers to reflect a realistic position based on data gathered from all councils across Greater Essex. For example, we have made the assumption that the Thurrock Tier 1 salary is aligned to the Southend-on-Sea Tier 1 salary as both are unitary councils.

Benefits from reorganisation

Senior Management

Calculating the benefits

Population of new unitary	Unitary 1	Unitary 2	Unitary 3	Unitary 4	Unitary 5
5 unitary	368,745	331,757	325,609	510,162	360,317
4 unitary	510,887	510,162	428,644	446,897	N/A
3 unitary	589,039	729,062	578,489	N/A	N/A

	Upper	Mid	Lower
Above 500,000			
Tier 1	281,904.85	281,904.85	281,904.85
Tier 2	212,624.15	189,515.44	166,406.73
Tier 3	155,028.70	140,806.16	126,583.62
Between 350,000 and 500,000			
Tier 1	233,669.77	233,669.77	233,669.77
Tier 2	172,040.98	165,362.17	158,683.35
Tier 3	131,268.81	116,241.47	101,214.13
Below 350,000			
Tier 1	214,999.00	214,999.00	214,999.00
Tier 2	150,000.00	137,500.00	125,000.00
Tier 3	105,000.00	100,000.00	95,000.00

Above 500,000	Number
Tier 1	1
Tier 2	6
Tier 3	20
Between 350,000 and 500,000	**Number**
Tier 1	1
Tier 2	5
Tier 3	17
Below 350,000	**Number**
Tier 1	1
Tier 2	5
Tier 3	15

Calculation:

Number at relevant tier x Mid point salary for relevant authority size

For each authority this calculation is repeated across each tier to calculate the total estimated cost of senior management in the new configurations.

Benefits from Reorganisation

Democratic services

Establishing a baseline

The current cost of Members has been obtained from the most recent Statement of Accounts and includes all allowances. The current cost of Members across Greater Essex is £7,499,844.

The current number of Councillors and Ward Numbers has been obtained from publicly available data sources. Our data shows that there are currently 696 councilors across Greater Essex with 343 wards.

Developing assumptions

We have obtained information on number of electors per Councillor from across local authorities in England to provide some benchmarks.

Based on the proposals being put forward in the business case for the five unitary model and our understanding of the proposals in the three unitary model we have run the following two scenarios:

- 3,224 electors per Councillor as per proposals for the five unitary model – this would create 434 councillors across Greater Essex, a reduction of 262 from the current figure
- 3,498 electors per Councillor as per proposals for the four unitary model – this would created 400 councillors across Greater Essex, a reduction of 296 from the current figure
- 4,906 electors per Councillor as per understanding of the proposal for the three unitary model – this would create 285 councillors across Greater Essex, a reduction of 411 from the current figure

We have also undertaken some benchmarking on the average cost per Councillor with a range of £14,494 to £17,715 per Councillor. The low point of this range has been used for the 5 unitary configuration, the mid-point benchmark of £16,105 has been used for the 4 unitary configuration and the high point has been used for the 3 unitary configuration. This benchmarking is based on information from other unitary authorities and includes all allowances.

Limitations of analysis

Our analysis includes only Member allowances and does not make any assumptions around potential benefits of the support costs for Members. With a reduced number of Members there is likely to be benefits delivered across all configurations but the granular data is not available at this point to conduct the analysis. Analysis can be updated if adequate data is available to make assumptions around benefits from support services for Members.

Benefits from Reorganisation

Democratic Services

Calculating the benefits

Establishing the baseline

	Electors	Population	Wards	Councillors	23/24 Expenditure
Basildon	138,569	190,544	16	42	550,000
Braintree	120,169	159,957	26	49	462,089
Brentwood	60,179	78,152	15	39	274,000
Castle Point	69,076	89,858	14	39	246,991
Chelmsford	135,577	185,278	24	57	580,271
Colchester	141,251	196,998	17	51	552,000
Epping Forest	100,057	135,975	32	54	408,000
Harlow	65,849	96,040	11	33	190,566
Maldon	53,510	68,327	17	31	248,000
Rochford	68,534	88,188	13	39	288,926
Tendring	119,818	153,207	32	48	408,000
Uttlesford	71,898	93,594	22	39	370,000
Essex	1,144,487	1,536,118	67	75	1,713,000
Southend-on-Sea	132,633	182,271	17	51	782,000
Thurrock	122,245	178,201	20	49	426,000
Total (Excluding ECC)	**1,399,365**	**1,896,590**	**276**	**621**	**5,786,843**
Total (ECC only)	**1,144,487**	**1,536,118**	**67**	**75**	**1,713,000**

Calculation

Total electors in Greater Essex ÷ Proposed number of electors per Councillor = New number of Members for Greater Essex

The proposed number of Members for each of the configuration is based on guidance from the wider work on Democratic Services in Greater Essex.

Benefits from reorganisation

External Audit Fees

Local government reorganisation will deliver a benefit from the external audit fees of the predecessor councils. There has been a consideration around the final year of audit in the transition costs with regards to this. This figure for the benefit from external audit fees has been calculated based on PSAA scale rates and the proposed new external audit fees for the newly created authorities in Greater Essex.

The benefit is the difference between the current External Audit fees for the local authorities across Greater Essex of £3.435m and the proposed External Audit fees for the new councils created under each of the configurations.

Our assumption on the External Audit fees for the new councils is that there is a correlation between the size of a newly created authority and the external audit fee. Therefore, we have benchmarked the current external audit fees of unitary councils and, based on the population size of the new authorities, estimated an external audit fee. There will be an impact on the cost of the benefit made from removal of the external audit fees from the predecessor authorities but has been presented separately in our analysis. Under previous iterations of local government reorganisation the external auditor has been asked by PSAA to indicate the required audit fee. This has seen audit fees of c.20% above scale fees and this is reflected in our estimated audit fees to be considered in transition costs.

Benefits from reorganisation

Cost comparison

	Baseline – Current cost	5 unitary – Proposed cost	4 unitary – Proposed cost	3 unitary – Proposed cost	Is a 5 unitary option less expensive than the other options?	Is a 5 unitary option less expensive than the baseline?
Senior Management cost	£29.002m	£15.114m	£14.544m	£12.706m	No	Yes
Democratic Services	£7.500m	£6.291m	£6.442m	£5.049m	No – 3 unitary Yes – 4 unitary	Yes
External Audit Fee	£3.435m	£2.727m	£2.582m	£2.216m	No	Yes

Benefits based on 5 unitary option

		Pre-Vesting Day			Post-Vesting Day					Total
	Recurring or one-off?	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
Senior Management benefits	Recurring	£0.000m	£0.000m	£0.000m	£13.888m	£13.888m	£13.888m	£13.888m	£13.888m	**£69.440m**
Democratic Services	Recurring	£0.000m	£0.000m	£0.000m	£1.209m	£1.209m	£1.209m	£1.209m	£1.209m	**£6.045m**
External Audit Fee	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.708m	£0.708m	£0.708m	£0.708m	**£2.832m**
Total benefits from reorganisation		**£0.000m**	**£0.000m**	**£0.000m**	**£15.097m**	**£15.805m**	**£15.805m**	**£15.805m**	**£15.805m**	**£78.317m**

Commercial in Confidence

Benefits from reorganisation

Benefits based on 4 unitary option

		Pre-Vesting Day			Post-Vesting Day					Total
	Recurring or one-off?	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
Senior Management benefits	Recurring	£0.000m	£0.000m	£0.000m	£14.458m	£14.458m	£14.458m	£14.458m	£14.458m	**£72.290m**
Democratic Services	Recurring	£0.000m	£0.000m	£0.000m	£1.058m	£1.058m	£1.058m	£1.058m	£1.058m	**£5.290m**
External Audit Fee	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.853m	£0.853m	£0.853m	£0.853m	**£3.412m**
Total benefits from reorganisation		**£0.000m**	**£0.000m**	**£0.000m**	**£15.516m**	**£16.369m**	**£16.369m**	**£16.369m**	**£16.369m**	**£80.992m**

Benefits based on 3 unitary option

		Pre-Vesting Day			Post-Vesting Day					Total
	Recurring or one-off?	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
Senior Management benefits	Recurring	£0.000m	£0.000m	£0.000m	£16.296m	£16.296m	£16.296m	£16.296m	£16.296m	**£81.480m**
Democratic Services	Recurring	£0.000m	£0.000m	£0.000m	£2.451m	£2.451m	£2.451m	£2.451m	£2.451m	**£12.255m**
External Audit Fee	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£1.219m	£1.219m	£1.219m	£1.219m	**£4.876m**
Total benefits from reorganisation		**£0.000m**	**£0.000m**	**£0.000m**	**£18.747m**	**£19.966m**	**£19.966m**	**£19.966m**	**£19.966m**	**£98.611m**

Financial Analysis – Benefits from transformation

Grant Thornton

Benefits from transformation

Local government reorganisation in Greater Essex presents an opportunity to transform the way in which services are delivered across the county and, as a result, deliver financial benefits. However, the journey to the delivery of these benefits will require services to align, embed, integrate and mature. Therefore, there will be a period post-vesting day where services are focused on achieving this before there is the opportunity to focus on delivering benefits through transformation. This assumption is supported by the experience of other areas that have undergone local government reorganisation where there have been limited, if any, immediate benefits delivered through transformation.

Different configurations of new unitary councils will have different journeys to service maturity and therefore there will be different periods at which benefits start to be delivered following local government reorganisation.

Maturity Assessment

For each of the RO/RA categories we have assessed the pace at which the services will align and begin to deliver benefits across each of the configurations in Greater Essex. This seeks to align as closely as possible with the 'Transition and Transformation' chapter that has been drafted. Where we have a different view on the pace at which benefits can be delivered we have set out the rationale for this view.

Approach to calculating potential benefits (for services excluding social care – see next page)

- The RA data for 2025/26 (with the exception of Thurrock where 2024/25 data is used as most recently available) has been used as the baseline of the financial analysis.
- For each of the RA categories (and sub-categories) we have calculated a unit cost for each local authority. The unit cost has been calculated based on the most appropriate denominator available. For example, the majority of Environmental and Regulatory Services have been calculated on per/head of population whereas Waste Collection has been calculated as per/dwelling.
- As this calculates a unit cost for each service area, the services delivered by Essex County Council have been split by the relevant denominator for that service line (i.e. for Highways and Transport Services delivered at a county level each of the district areas will have a unit cost allocated based on the population denominator).
- Our assumption is that local government reorganisation presents an opportunity for these services to integrated and deliver change. For each of the configurations we have calculated the average unit cost for each of the sub-service RA categories. Our assumption is then that these services could be delivered at the average unit cost of all the predecessor councils. We have also modelled the minimum and maximum to identify a range but feel that the average while conservative is more suitable. Using the average means that there will be some areas where costs may increase as a result of harmonising cost to the average. This reflects the current range in unit cost across Greater Essex and the different approaches to service delivery and service cost that will need to be considered as part of local government reorganisation.
- The use of unit cost to calculate the potential benefits also reflects the impact of any current shared service arrangements that in place across Greater Essex. Where these shared services are integrated into a new unitary there is opportunity to deliver benefits.

Benefits from transformation

Social Care

Children's Social Care

PeopleToo and SCIE have undertaken detailed modelling work on the potential benefits from local government reorganisation in Greater Essex. This work has looked at the benefits potential from Looked After Children accommodation costs across the three unitary model and the five unitary model based on unit cost and population size of the newly created authorities.

This work has identified the following;

- A five unitary model has four authorities with an average population of c.350k and one unitary that is in excess of 500k
- The average unitary cost that could be delivered across these authorities could deliver benefits of £14.2m against the current baseline for Greater Essex
- A three unitary model has three authorities that exceed a population of 500k
- The average unitary cost for authorities of these size would deliver £1.35m against the current baseline for Greater Essex.
- Modelling has not been completed for the four unitary model. On this basis we have assumed that it will fall into the average between a three unitary and five unitary model.

This modelling shows the benefits potential identified from Children's Social Care. From a financial modelling perspective for the business case we are taking a more prudent approach to reflect the potential difficulty in delivering benefits at this level given the complexity involved in the disaggregation of Children's Social Care services. This will be presented as a range with the current figure reflecting the benefits opportunity identified by PeopleToo.

Adult Social Care

PeopleToo and SCIE have undertaken detailed modelling of the potential benefits that could be delivered through a five unitary model in Greater Essex. The modelling has identified that a *"Place-based and community focused ASC delivery across Greater Essex offers a strategic opportunity to improve access, increase personalisation, and deliver more efficient services. Evidence from benchmarking, governance reports and national reform studies all reinforce the argument that integrated systems rooted in local communities deliver better outcomes, higher satisfaction and smarter use of public resources."*

This work has identified that there is a significant opportunity to deliver benefits in Adult Social Care in a five unitary configuration. Due to the inherent uncertainties and complexities involved in the disaggregtion of social care it is prudent to recognize that it will take time to deliver these benefits. The baseline figure from the PeopleToo work is an opportunity of £79.300m per year.

From a financial modelling perspective our view is that an appropriate level of prudence is key to presenting as realistic as possible view on the financial benefits and costs of the different configurations and local government reorganisation in Essex. Therefore, we have made the following assumptions;

- The benefits that can be delivered through local government reorganisation in Adult Social Care are £79.300m as the baseline for a 5 unitary. For a 3 unitary configuration the benefit opportunity estimated by PeopleToo is £30.100m. We have assumed that the 4 unitary model would fall at the mid-point between these two figures.
- The basis for the delivery of benefits is based on the decisions made in how services are delivered and commissioned in the newly created authorities. Therefore, these benefits are not unique to the five unitary model but the agility and responsiveness that a five unitary configuration offers is likely to make greater benefits than the four and three unitary model.

There will be significant complexities in the disaggregation of social care services and the need for the new services to align, embed and mature. Therefore, we have taken a prudence approach to the phasing of these savings. Our assumption is that the savings will be delivered over a phased period of 3 years. 50% of the savings will be delivered in year 4 post-vesting day, 75% in the following year and then 100% of savings from the following year onwards.

The approach of PeopleToo is based on a reduction in commissioning costs which, in their opinion, can be delivered rapidly in the newly created authorities as new frameworks are established. Therefore, they are of the view that these benefits can be delivered as the new services are integrating, developing and maturing. We would request Ministers make an in principle decision to move forward with the 5 unitary business case during the Autumn this year. This will allow a period of 18 months for the new configurations to plan for transition. If this were to be the case then it is anticipated that the savings in both ASC and CSC would be deliverable for some unitaries within an accelerated timescale. For prudence we have recognised a slower delivery timeline due to the potential complexities with disaggregation of services but an opportunity does exist to deliver at a greater pace. This phasing applies equally across all configurations of unitary authorities in Greater Essex.

Benefits from transformation

Phasing of benefits

Category	Benefits realisation post-vesting (5 unitary)	Benefits realisation post-vesting (4 unitary)	Benefits realisation post-vesting (3 unitary)	Rationale
Adult Social Care	Year 4 post-vesting day	Year 4 post-vesting day	Year 4 post-vesting day	Across all configurations in Greater Essex the transition to new social care service delivery models will be complex. In the three unitary model there will be disaggregation of county services and the aggregation of the existing unitary services in one area. This will create complexities in systems, policies and processes. Across the other newly created unitaries there will be the disaggregation of county services and the creation of new management teams and service delivery structures. The complexities around the disaggregation of services will be replicated in the four unitary configuration. For the three unitary configuration there will be building from the existing locality models but there will remain complexities in the establishing of new management structures. The phasing of these benefits is detailed on the previous page and is based on the work of PeopleToo and is reflected in the financial modelling. Due to the potential scale of benefits that can be delivered in social care and the significant role it has in the delivery of county services we anticipate that significant resource and effort will be invested in aligning the service and maximising the opportunity to deliver benefits.
Children's Social Care	Year 4 post-vesting day	Year 4 post-vesting day	Year 4 post-vesting day	Similar to Adult Social Care there will be significant complexities in the disaggregation of CSC from Essex County Council and the creation of new social care service delivery models. On this basis we assume that the benefits profile will be similar for any benefits. Benefits will not be delivered until year four post-vesting day and then will be phased over a two year period to be delivered in full from year 5 post-vesting day onwards.
Highways and Transport	Year 4 post-vesting day	Year 4 post-vesting day	Year 4 post-vesting day	Parking services are the main Highways and Transport function that are currently delivered at a district/unitary level. The majority of other functions are delivered at a county/unitary level. Under each of the configurations there would be the need to disaggregate the services currently delivered at the county level and align these, in some instances, with services delivered by the unitary councils. This process is likely to be a complex one with a need to align policies, procedures and assets along with understanding implications for existing contracts. The complexity associated with this across all models means that there will be a period of time where the services need to integrate, embed and mature. On that basis, our assumption is that any benefits will be delivered from Year 4 post-vesting day and the same assumption applies across all configurations due to the complexities being similar.
Education	We have not calculated any benefits from Education services as, based on our analysis of Education unit cost from other areas that have gone through local government reorganisation, there is limited scope for benefits delivery in this area.			
Public Health	Public Health services are funded through the Public Health grant. Therefore, we do not anticipate there to be any benefits created in the delivery of Public Health services. Our assumption is that the existing Public Health grant will remain at the same level it currently is across Greater Essex. Under the three unitary model there will be no change to the overhead costs associated with Public Health as there will remain three authorities with Public Health responsibility. Under the four unitary and five unitary model there will be an increase in the management requirements for Public Health. This requirement will need to be funded from the existing grant so will reduce the amount available to deliver Public Health services across Greater Essex.			

Benefits from transformation

Phasing of benefits

Category	Benefits realisation post-vesting (5 unitary)	Benefits realisation post-vesting (4 unitary)	Benefits realisation post-vesting (3 unitary)	Rationale
Housing Services (GFRA only)	Year 3 post-vesting day	Year 3 post-vesting day	Year 3 post-vesting day	Housing Services are predominantly delivered at the district/unitary level. Under all configurations there will be a need to integrate and merge these services to create a single delivery model for each of the newly created local authorities. Due to this aggregation of services there will be a need to align policies, approaches, systems and assets to create a new operating model. Immediately after reorganisation there will be a period of operation where the legacy approaches to service delivery are maintained whilst the new operating model is being developed. During this period and the subsequent period of integration and maturity the focus will be on service delivery rather than transformation. Our baseline assumption is that it will be slightly easier and quicker to integrate a smaller number of predecessor authorities into a new unitary council, especially if there are existing arrangements of shared working. On this basis we anticipate that benefits will be delivered more quickly in a 5 unitary model given the smaller number of predecessor councils that will be coming together.
Cultural and Related Services	Year 3 post-vesting day	Year 3 post-vesting day	Year 3 post-vesting day	There is a mixed delivery model across Cultural and Related Services with some services delivered at a county/unitary level (i.e. libraries), others delivered at a district/unitary level (i.e. recreation and sport) and some delivered across both tiers (i.e. open spaces). A single county unitary will require the amalgamation of these services into a single service delivery model. This may create some complexities, especially around recreation and sport where there are different leisure operators across the county. This complexity will also exist in the multiple unitary options where there are different leisure operators in the legacy council areas. The contractual position of this is likely to impact on any benefits from transformation as the operating model is likely to continue with these contracts until options for exiting/amalgamation/contract ending are explored in more detail. Our assumption is that benefits can begin to be delivered from year 3 post-vesting day onwards. This is because many of the other services require an alignment of processes and delivery models which can be relatively straightforward once an agreed model is decided upon. This aligns with our analysis of other areas that have gone through local government reorganisation and have seen a reduction in unit cost in the period beyond 2 years post-reorganisation. The timeline for benefits realisation remains the same across all configurations as, although we consider it to be slightly more straightforward to merge a smaller number of districts, the actions required will be similar and will take a similar amount of time to achieve before benefits can be delivered.
Environmental and Regulatory Services	Year 3 post-vesting day	Year 3 post-vesting day	Year 3 post-vesting day	Some Environmental and Regulatory services are delivered at a county/unitary level, such as waste disposal, whereas the majority of activity, including waste collection and regulatory services, is delivered at a district/unitary level. Local government reorganisation presents an opportunity for synergies between these services to deliver efficiency. For example, Essex County Council is a waste disposal authority whereas each of the individual districts are responsible for waste collection. Bringing these services into a single unitary authorities presents an opportunity for them to become better aligned and more efficient. Delivering on this will take time following re-organisation as there will be a period where the waste collection services are aligned into a preferred operating model. We anticipate that this can be delivered from year three after the creation of the new unitary authorities. As all options will involve disaggregation of county service we anticipate that benefits will be delivered across a similar profile.

Benefits from transformation

Phasing of benefits

Category	Benefits realisation post-vesting (5 unitary)	Benefits realisation post-vesting (4 unitary)	Benefits realisation post-vesting (3 unitary)	Rationale
Planning and Development Services	Year 2 post-vesting day	Year 3 post-vesting day	Year 3 post-vesting day	The majority of Planning and Development Services are delivered at a district level. Therefore, local government reorganisation will see the merging of these services. Our assumption is that the merging of a smaller number of planning services will be more straightforward as there will be less policies, systems and approaches to harmonise. There also is unlikely to be the need to create local planning arrangements to ensure that planning is managed at an appropriate level 5 UA larger unitary councils.. On that basis we anticipate that benefits from transformation can be delivered more quickly in 5 unitary configurations than the 3 and 4 configurations.
Central Services	Year 3 post-vesting day	Year 3 post-vesting day	Year 3 post-vesting day	Central Services are currently delivered across county and unitary services as well as at a district level. Many of these services will be aligned in all configurations of LGR in Greater Essex. Therefore, we have assumed a similar delivery timeline on benefits across all configurations. This does not include Corporate and Democratic Core as this is covered separately due to the granularity of data available in RA forms.
Other Services	Year 3 post-vesting day	Year 3 post-vesting day	Year 3 post-vesting day	Based on the RA data there is limited information on what is categorised under 'Other Services'. On that basis we do not feel that this will be a priority focus in the transition planning and therefore it will take time for any benefits from transformation to be delivered. This is reflected in our assumptions around the timing of benefits.

Phasing of benefits;

Alongside the benefits realisation period (i.e. the period at which benefits will begin to be delivered) there also needs to be a consideration on the phasing of these benefits (i.e. over what profile the benefits will be delivered). Our assumption is that, with the exception of social care, benefits from transformation will be delivered in full from the first year they are assumed to be delivered from.

For social care the assumptions are detailed on page 22 of this document.

Benefits from transformation

Benefits in Social Care

The below table shows the benefits from the work of PeopleToo on ASC and CSC that have been included in the financial modelling.

Service Area	5 Unitary configuration	4 Unitary configuration	3 unitary configuration	Is a 5 unitary option less expensive than other configurations?	Is a 5 unitary option less expensive than the baseline?
Children's Social Care	£14.200m	£7.775m	£1.350m	Yes	Yes
Adult Social Care	£79.300m	£54.700m	£30.100m	Yes	Yes
Total	**£93.500m**	**£62.475m**	**£31.450m**	**Yes**	**Yes**

Benefits from transformation

Enabling Services

Enabling Service

Enabling Services have been defined as the services that support the delivery of the Council's function and include the following;

- Asset Management
- Customer Services
- Democratic Services (Excluding Member Allowances)
- Finance
- HR & Payroll
- Internal Audit
- IT
- Legal
- Revenues and Benefits
- Procurement

Developing a baseline

The baseline data for these services is FTE data taken from establishment data provided by each of the individual councils. The classification of roles into the different categories is based on our best understanding of the cost centre description in the establishment data. Therefore, there are some limitations to this analysis in relation to the baseline data.

Assumptions

Our core assumptions in relation to Enabling Services are as follows:

- Initially there is likely to be a requirement for additional resources to supplement the existing resources to assist with the transition in local government reorganisation. Costs associated with this are reflected in the 'Transition Costs' section of this document.
- Once transition activity has been successfully executed and new operating models have been defined for each of the Enabling Services there will be some opportunity for benefits to be delivered. Benefits will be delivered across each of the configurations of local government reorganisation is Greater Essex, but the scale of benefits will be different.
- We anticipate that a 3 unitary configuration will deliver a greater level of benefit than a 5 unitary model because it will require less staff across Greater Essex.
- Based on a prudent level of benefits from Enabling Services we anticipate the following;
    - 3 unitary – 8% reduction in Enabling Services FTE
    - 4 unitary – 7% reduction in Enabling Services FTE
    - 5 unitary – 5% reduction in Enabling Services FTE
- Dependent upon the identified target operating model and the digital transformation of these services there is potential for larger benefits than this but this will be enabled over a longer period of time than we are looking at in this financial analysis. We anticipate a 5 unitary model may give greater flexibility and agility to deliver this over a longer period.
- Our assumption is that benefits will be delivered from year 4 post-vesting day onwards as this will give time for services to integrate, embed and mature before moving towards target operating model.

Benefits from transformation

Procurement

Data provided by the individual councils in the form of contract registers has been supplemented with the publicly available contract register for Essex County Council. The data has been cleansed and analysed to identify where there are contracts in place with the same supplier across multiple Essex authorities.

The analysis has identified the following;

- Across Greater Essex there are contracts worth £1.377bn with 201 suppliers where there are either multiple contracts with the same local authority or contracts across multiple authorities.
- If local government reorganisation is able to remove just 1% of duplication across contracts with suppliers then this could deliver £13.766m across Greater Essex.
- In addition, there are likely to be opportunities for contracts with different suppliers for the same service to be consolidated and deliver further benefits.
- Delivery of these benefits will require a detailed review of the contractual position and arrangements across the newly configured authorities. This is likely to require significant resource investment to ensure that it is delivered effectively. On this basis we anticipate that benefits will not be delivered quickly and will be delivered at the same level across all configurations of unitary councils in Greater Essex.
- For the purpose of this financial modelling we have assumed that benefits of £13.766m can be delivered from year 4 post-vesting day onwards. The scale of benefits is subject to a number of different variables that will become clearer once the transition period begins. This is reflected in our sensitivity analysis.

Asset Management

Across Essex the net book value of 'other lands and buildings' is in the region of £2.947bn. These assets are held across the different local authorities in Greater Essex. Local government reorganisation presents an opportunity to review and rationalise the use of assets across the newly created authorities. Therefore, there is likely to be the opportunity to dispose of assets to realise capital receipts. These decisions will be for the new authorities to take and a detailed exercise will be required to map assets and determine preferred approach around these assets. This will enable a more detailed understanding of the benefits opportunity from the disposal of assets. This opportunity applies across the different configurations subject to financial analysis with different configurations presenting slightly different opportunities for asset review and disposal.

Based on the current asset values the realisation of a 10% reduction in the assets held across Greater Essex presents an opportunity to realise capital receipts of c.£294m. 10% is considered a reasonable opportunity as newly created authorities can make decisions on disposal and more efficient use of assets through repurposing of assets. Our assumption is that the scale of opportunity is the same for all configurations under consideration.

Benefits from transformation

IT

There are three areas of IT where there are potential for benefits from local government reorganisation.

1. Applications – when integrating multiple councils there may be an opportunity to consolidate applications and licences that will reduce costs. Where there is a consolidation of a greater number of councils there is the likelihood that there will be greater benefits. Therefore, we anticipate a three unitary option to deliver more benefits than a five unitary option. The exact figures are to be determined.
2. Infrastructure – There are potential benefits around optimisation of cloud storage and the number of physical devices required to service the workforce of each council. Based on our work around benefits there will be a higher number of staff in a 5 unitary model so there will be less benefits around some infrastructure costs. These numbers are to be determined.
3. People – With the reduction in the number of councils there is likely to be synergies in the number of people required to deliver an IT function. However, it is critical that the integration of IT functions is delivered effectively and new operating models are able to embed before significant reductions are made. There will be benefits compared to the baseline but there will be some greater benefits in a three unitary model than a five unitary model as less management infrastructures are required. Benefits from people in relation to ICT have been covered within the 'Enabling Services' section of this document.

Based on data provided at the outset of the local government work in Greater Essex we have identified the spend across all local authorities on IT services. This data did not include any data for Maldon as this was not provided.

Across Greater Essex spend there is annual spend of c.£62.200m on ICT services. Local government reorganisation in Greater Essex presents an opportunity to review the approach to IT services and, predominantly through the rationalisation of applications, reduce this spend.

Our assumption is that there is a slightly greater opportunity to rationalise the applications and deliver benefits the fewer unitary authorities created. This is because there will be more applications that can be consolidated when compared to the current level of applications across Greater Essex.

However, determining the exact level of IT benefits that can be realised from local government reorganisation is difficult because there are a number of variables that will impact upon it. The time period within which any benefits can be realised is also variable due to contractual positions and the time period required to execute the change programme.

Due to these variables we have made high-level, broad assumptions around the scale of IT benefits that can be delivered. A 5% reduction in IT spend for a three unitary configuration equates to c.£3.110mm of annual benefits once realised. As per the above assumptions for a four and five unitary configuration we have assumed a 1% reduction in the benefit delivered across Greater Essex which equates to benefits of £2.488m and £1.866m respecitvely. These benefits would be recurrent in nature once delivered and could increase or decrease dependent upon the exact decisions made during the transition period. These benefits are prudent based on the complexities involved with IT transition in local government reorganisation. However, the recurrent nature and any sensitivity to these benefits indicates the scale of opportunity.

The difficulty in the transition of IT systems means that our assumption is that these benefits will be delivered from Year 4 post-harmonisation as this will align with overall IT transition programme.

Benefits from transformation

Outputs

RA Service Category	5 unitary configuration	4 Unitary configuration	3 unitary configuration	Is a 5 unitary option less expensive than other configurations?	Is a 5 unitary option less expensive than the baseline?
Highways and Transport	-£4.224m	-£4.953m	-£3.563m	Yes – 4 unitary No – 3 unitary	Where benefits are delivered, all options will be cheaper than the baseline as this indications a reduction in cost when compared with current cost
Housing Services (GFRA only)	£4.316m	£4.771m	£2.971m	Yes – 3 unitary No – 4 unitary	
Cultural and Related Services	£2.392m	£1.899m	£2.836m	Yes – 3 unitary No – 4 unitary	
Environmental and Regulatory Services	£1.490m	£1.857m	£1.415m	Yes – 3 unitary No – 4 unitary	
Planning and Development Services	-£1.431m	-£2.095m	-£1.938m	Yes	
Central Services	-£1.877m	-£3.190m	-£3.577m	Yes	
Other Services	£2.535m	£3.461m	£1.888m	Yes – 3 unitary No – 4 unitary	
Gross Benefits Total (per annum)	£10.733m	£11.988m	£9.110m	No – 4 unitary Yes – 3 unitary	
Net Benefits Total (per annum)	£3.201m	£1.750m	£0.032m	Yes	

Where there is a negative benefit this is because the average unit cost equates to a total cost that is higher than the current level when extrapolated across the denominator. This assumption has been kept in to reflect some of the complexities of local government reorganisation and the impact this could have on benefits from transformation but can be adjusted if required.

Commercial in Confidence

Phasing of benefits from transformation

Five Unitary Model – Service Delivery

		Pre-Vesting Day			Post-Vesting Day					Total	Future years
Benefits from transformation	**Recurring or one-off?**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**		**Future years benefit**
Highways and Transport	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	-£4.224m	-£4.224m	**-£8.448m**	-£4.224m
Housing Services (GFRA only)	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£4.316m	£4.316m	£4.316m	**£12.948m**	£4.316m
Cultural and Related Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£2.392m	£2.392m	£2.392m	**£7.176m**	£2.392m
Environmental and Regulatory Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.490m	£1.490m	£1.490m	**£4.470m**	£1.490m
Planning and Development Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	-£1.431m	-£1.431m	-£1.431m	-£1.431m	**-£5.724m**	-£1.431m
Central Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	-£1.877m	-£1.877m	-£1.877m	**-£5.631m**	-£1.877m
Other Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£2.535m	£2.535m	£2.535m	**£7.605m**	£2.535m
Children's Social Care	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£7.100m	£14.200m	**£21.300m**	£14.200m
Adult Social Care	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£39.650m	£59.475m	**£99.125m**	£79.300m
Total benefits from transformation		**£0.000m**	**£0.000m**	**£0.000m**	**£0.000m**	**-£1.431m**	**£7.425m**	**£49.951m**	**£76.876m**	**£132.821m**	**£96.701m**

Commercial in Confidence

Phasing of benefits from transformation

Four Unitary Model – Service Delivery

		Pre-Vesting Day			Post-Vesting Day					Total	Future years
Benefits from transformation	**Recurring or one-off?**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**		**Future years benefit**
Highways and Transport	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	-£4.953m	-£4.953m	**-£9.906m**	-£4.953m
Housing Services (GFRA only)	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£4.771m	£4.771m	£4.771m	**£14.313m**	£4.771m
Cultural and Related Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.899m	£1.899m	£1.899m	**£5.697m**	£1.899m
Environmental and Regulatory Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.857m	£1.857m	£1.857m	**£5.571m**	£1.857m
Planning and Development Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	-£2.095m	-£2.095m	-£2.095m	**-£6.285m**	-£2.095m
Central Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	-£3.190m	-£3.190m	-£3.190m	**-£9.570m**	-£3.190m
Other Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£3.461m	£3.461m	£3.461m	**£10.383m**	£3.461m
Children's Social Care	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£3.887m	£7.775m	**£11.662m**	£7.775m
Adult Social Care	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£27.350m	£41.025m	**£68.375m**	£54.700m
Total benefits from transformation		**£0.000m**	**£0.000m**	**£0.000m**	**£0.000m**	**£0.000m**	**£6.703m**	**£32.987m**	**£50.550m**	**£90.240m**	**£64.225m**

Phasing of benefits from transformation

Three Unitary Model – Service Delivery

		Pre-Vesting Day			Post-Vesting Day					Total	Future years
Benefits from transformation	**Recurring or one-off?**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**		**Future years benefit**
Highways and Transport	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	-£3.563m	-£3.563m	**-£7.126m**	-£3.563m
Housing Services (GFRA only)	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£2.971m	£2.971m	£2.971m	**£8.913m**	£2.971m
Cultural and Related Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£2.836m	£2.836m	£2.836m	**£8.508m**	£2.836m
Environmental and Regulatory Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.415m	£1.415m	£1.415m	**£4.245m**	£1.415m
Planning and Development Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	-£1.938m	-£1.938m	-£1.938m	**-£5.814m**	-£1.938m
Central Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	-£3.577m	-£3.577m	-£3.577m	**-£10.731m**	-£3.577m
Other Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.888m	£1.888m	£1.888m	**£5.664m**	£1.888m
Children's Social Care	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.675m	£1.350m	**£2.025m**	£1.350m
Adult Social Care	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£15.050m	£22.575m	**£37.625m**	£30.100m
Total benefits from transformation		**£0.000m**	**£0.000m**	**£0.000m**	**£0.000m**	**£0.000m**	**£3.595m**	**£15.757m**	**£23.957m**	**£43.309m**	**£31.482m**

Phasing of benefits from transformation

Five Unitary Model – Enabling Services

		Pre-Vesting Day			Post-Vesting Day					Total	Future years
Benefits from transformation	**Recurring or one-off?**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**		**Future years benefit**
Internal Audit	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.060m	£0.060m	**£0.120m**	£0.060m
Finance	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.033m	£1.033m	**£2.066m**	£1.033m
Human Resources and Payroll	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.213m	£0.213m	**£0.426m**	£0.213m
Procurement	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£3.511m	£7.022m	**£10.533m**	£14.044m
Legal	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.508m	£0.508m	**£1.016m**	£0.508m
Revenues and Benefits	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.703m	£0.703m	**£1.406m**	£0.703m
Other	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.589m	£1.589m	**£3.178m**	£1.589m
IT - People	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.826m	£0.826m	**£1.652m**	£0.826m
Customer Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.155m	£1.155m	**£2.310m**	£1.155m
Asset Management	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.193m	£0.193m	**£0.386m**	£0.193m
IT - Applications	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.866m	£1.866m	**£3.732m**	£1.866m
Total benefits from transformation		**£0.000m**	**£0.000m**	**£0.000m**	**£0.000m**	**£0.000m**	**£0.000m**	**£11.657m**	**£15.168m**	**£26.825m**	**£22.190m**

Phasing of benefits from transformation

Four Unitary Model – Enabling Services

		Pre-Vesting Day			Post-Vesting Day					Total	Future years
Benefits from transformation	**Recurring or one-off?**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**		**Future years benefit**
Internal Audit	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.084m	£0.084m	**£0.168m**	£0.084m
Finance	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.446m	£1.446m	**£2.892m**	£1.446m
Human Resources and Payroll	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.298m	£0.298m	**£0.596m**	£0.298m
Procurement	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£3.539m	£7.078m	**£10.617m**	£14.156m
Legal	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.711m	£0.711m	**£1.422m**	£0.711m
Revenues and Benefits	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.985m	£0.985m	**£1.970m**	£0.985m
Other	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£2.225m	£2.225m	**£4.450m**	£2.225m
IT - People	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.156m	£1.156m	**£2.312m**	£1.156m
Customer Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.617m	£1.617m	**£3.234m**	£1.617m
Asset Management	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.270m	£0.270m	**£0.540m**	£0.270m
IT - Applications	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£2.488m	£2.488m	**£4.976m**	£2.488m
Total benefits from transformation		**£0.000m**	**£0.000m**	**£0.000m**	**£0.000m**	**£0.000m**	**£0.000m**	**£14.819m**	**£18.358m**	**£33.177m**	**£25.436m**

Phasing of benefits from transformation

Three Unitary Model – Enabling Service

		Pre-Vesting Day			Post-Vesting Day					Total	Future years
Benefits from transformation	**Recurring or one-off?**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**		**Future years benefit**
Internal Audit	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.096m	£0.096m	**£0.192m**	£0.096m
Finance	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.653m	£1.653m	**£3.306m**	£1.653m
Human Resources and Payroll	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.341m	£0.341m	**£0.682m**	£0.341m
Procurement	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£3.553m	£7.106m	**£10.659m**	£14.211m
Legal	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.813m	£0.813m	**£1.626m**	£0.813m
Revenues and Benefits	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.125m	£1.125m	**£2.250m**	£1.125m
Other	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£2.542m	£2.542m	**£5.084m**	£2.542m
IT - People	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.322m	£1.322m	**£2.644m**	£1.322m
Customer Services	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£1.848m	£1.848m	**£3.696m**	£1.848m
Asset Management	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.308m	£0.308m	**£0.616m**	£0.308m
IT - Applications	Recurring	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£3.110m	£3.110m	**£6.220m**	£3.110m
Total benefits from transformation		**£0.000m**	**£0.000m**	**£0.000m**	**£0.000m**	**£0.000m**	**£0.000m**	**£16.711m**	**£20.264m**	**£36.975m**	**£27.369m**

Financial Analysis – Transition Costs

Grant Thornton

Transition costs

Public Engagement

What is involved in Public Engagement – Pre-Vesting Day?

- Public Meetings/Consultation – The hosting of town-hall style meetings with public and wider stakeholders to consult on local government reorganisation. Aim is to gather community feedback and consult with stakeholders on the changes coming through LGR. Includes targeted consultation events with key stakeholders such as the business communities, along with workshops with eh public to gather feedback.
- Media and Communications – Comprehensive media campaigns including social media, radio and print media for the entire population. Includes the writing and distribution of press releases to local and regional media outlets. To support with the upcoming transition this will include targeted campaigns across all media platforms to inform residents of changes and impact. This will include physical media in the form of informational flyers, pamphlets and posters in key locations such as libraries. A dedicated website and portal will need to be established and maintained for public feedback and transparency.
- Consulting Fees – Costs associated with external consultants to support with the design of the engagement strategy, managing the transition and handling public consultations. This will include work on strategic planning, risk assessments and advising on merger processes. Consultants will work to support the public engagement process, stakeholder mapping, engagement and conflict resolution.
- Project Management – The use of project managers to co-ordinate all public engagement efforts, including managing timelines and deliverables. This will include the preparation of reports, progress tracking and managing communication between councils to support the public engagement.

What is involved in Public Engagement – Post-Vesting Day

- Public Meetings/Consultations – The hosting of follow up town-hall style meetings to provide updates, finalise plans and address any remaining concerns and issues.
- Media and Communications – ongoing updates post-vesting day through press releases and media outlets specifically relating to local government reorganisation, before this becomes part of business as usual of the new authority
- Consulting Fees – ongoing consultancy support to finalise public engagement strategies, process handover and risk mitigation. Facilitation of final engagement with stakeholders to ensure merger success.
- Project Management – Oversight of the final transition activities, co-ordination of follow-up communications and monitoring project progress to report back to stakeholders.

The assumptions developed on the activity and cost required are based on a combination of our experience of working with other local authorities and previous iterations of local government reorganisation.

Transition costs

Public Engagement

Detailed Assumptions

- **Public Meetings and Consultations –** No matter what the configuration of new councils in Greater Essex, the number of public meetings required both pre-vesting day and post-vesting day will be the same. This is because these will be done on a locality basis rather than on a new authority basis. Therefore, the number of meetings will remain the same but the content of these meetings and engagement will look slightly different. Therefore the cost will be the same for all configurations.
- **Media and Communications** – Pre-Vesting day there will be similar costs for media activity for all configurations in Greater Essex. This is because the type of coverage required will be the same. Therefore, the pre-vesting day costs will be the same across all configurations. Post-vesting day there will be a need for more tailored media and communications activity for each of the new authorities. The purpose of this tailored communication is to ensure there is clarity in the public over the new authorities and the changes this will mean to them. Therefore, for every additional Council we have added 10% additional costs for post-vesting day activity, which we consider to be a reasonable overhead for the additional activity requried. For example, if an activity takes 5 days as per our baseline we anticipate that it will take 8 days for 3 unitary model, 9 days for a 4 unitary model and 10 days for a 5 unitary model. This reflects the need for differing approaches across the newly created councils.
- **Consulting Fees** – The approach to pre-vesting day activity and the consistency across all configurations means that we anticipate that there will be broadly the same cost requirements for consultant support. However, we anticipate that there will be a need for each new authority to create a bespoke strategy and therefore there will be some duplication in consultancy costs. Therefore, we have applied an additional 10% to the strategic planning element of consultancy support for each additional authority. This factor has also been applied to post-vesting day costs given the probability that different authorities will take different approaches. We have not factored in the potential that local authorities share resources post-vesting day.
- **Project Management –** we anticipate that the costs associated with the project management of public engagement will follow a similar pattern to that of the consulting fees costs. Pre-vesting day we anticipate that there will be broadly similar costs as the transition is managed across the whole of Greater Essex. Post-vesting day we anticipate that each authority will be adopting a bespoke approach and therefore have applied an additional 10% cost per additional authority.

Transition costs

Programme Management

Managing the transition from the current two-tier system in Greater Essex to a unitary model will require significant programme management support to ensure that the transition is well managed and executed.

Our assumptions with regards to the programme management resources required are as follows. These assumptions are based on a simple transition to a single county unitary. Therefore, as detailed later, we have added in additional resource to reflect the complexity and scale of transition in Greater Essex.

Programme Management resources

- Lead Director – This role will oversee the whole of the transition programme for local government reorganisation and will need to be an appropriately senior role. Due to the nature of transition and reorganisation required there will need to be a lead director for each newly created council to drive forward and oversee the change required. They will be required in role for 4 years and expect costs in the region of £162k (including on-costs) per annum. The role would oversee and be responsible for all elements of the programme management resource, including the management of external consultancy support.
- Project Management – These roles will support the Lead Director in managing the local government reorganisation transition programme. We anticipate that the baseline requirement for this would be 5x Project Managers for the four year period with an annual cost of £97.2k (included on-costs) per Project Manager. We anticipate that each of the different configurations will have complexities that will require 2x the baseline position in terms of Project Manager resources. These complexities are likely to be different across the different configurations but each will required the same level of resource to support delivery of the change.
- Support Finance – To support the transition to a new unitary model in Greater Essex there will be a need for finance resources to create a robust financial platform for the new authorities. We anticipate that, due to the scale and complexity in Greater Essex this is an area where there will be additional resources required. We anticipate that the finance support will come at an average annual cost of £89.1k (including on-costs) per role and will be required for a period of 4 years. The same level of resource will be required across all configurations.
- Support HR – Local government reorganisation and the creation of new authorities will require HR support to deliver the TUPE of employees to the new authorities. There will also be a requirement for support around redundancy of senior management. We anticipate that this additional HR support will equate to 3x FTE at £97.2k (including on-costs) per annum for the full three years. Because the number of employees requiring TUPE will remain the same across the different configurations in Greater Essex we do not anticipate there to be a difference between the different options.
- Support Legal – There are a number of legal considerations associated with local government reorganisation, many of which are likely to require specific legal capacity and support. Therefore, we have anticipated that additional support equivalent to 2x FTE at £97.2k (including on-costs) per annum to support with additional legal activities. The legal activity required will be similar across all configurations and there we do not anticipate there to be a difference in the resource needs.
- Policy Harmonisation – a key activity during the transition period is the creation of a unified policy framework for the new councils ready for vesting day. This covers harmonised policies across areas such as HR, finance, data etc. Each of the newly created councils will require a Policy Harmonisation Lead to drive forwards the alignment of the policies prior to vesting day as the approach for each newly created council will differ based on different legacy policies and different policy frameworks. Dependent upon the configuration the costs will increase in line with the number of councils created, noting that under the 5 unitary configuration there is likely to be slightly lower input required as there will be less policy harmonisation activity with a smaller number of councils coming together. Therefore, there will be a need for a policy harmonisation lead for each newly created council (i.e. 5 leads across the 5 unitary configuration). Our baseline assumption is that the Policy Harmonisation Lead will be required for a period of 4 years to cover both pre-vesting day and post-vesting day policy harmonisation and will come at an average cost of £97.2k (including on-costs) per annum.

Transition costs

Programme Management

- Cultural alignment – Defining and embedding the culture of a newly created unitary will be a critical exercise in ensuring that change can happen and old ways of working are not reverted to. This process will require external consultant support to execute effectively. The cultural alignment of a larger number of organisations will be more complex and therefore will come at an increased cost the higher the number of authorities coming together. Our assumption is that, across Greater Essex, the cultural alignment process will cost £750k in total across all configurations. This reflects the increased complexity that will come for cultural alignment in the three unitary model than in the five unitary model.

Across these different aspects of Programme Management resource there are likely to be some areas that are more complex in a three unitary configuration and some areas that are more complex in a five unitary configuration. Our assumptions recognise this from a broad perspective by assuming that, with the exception of Lead Director and Policy Harmonisation which increase as more councils are created, the level of resource required will be the same across all configurations.

The exact nature of how these roles are filled will be dependent upon the specific circumstances in Greater Essex and there will be a mix of interim roles, redeployed existing staff and external consultancy support. The mix of delivery models will impact upon the costs incurred but this is an indicative cost of the roles and resources required to support the delivery of local government reorganisation in Greater Essex. To reflect this we have included a 20% uplift on costs across all configurations to reflect the potential for increased costs/additional resources from external consultancy.

Transition costs

Transformation support (post-vesting day)

Once the initial reorganisation has been completed and the new authorities have been created there will be a need for transformation support to assist with the integration of services and the delivery of benefits from transformation. There will be some internal resources that can be deployed to support this but the complexity, scale and pace of change required is likely to require external transformation support.

Our estimate at this point is that, for benefits from transformation, there will be an external transformation support required of £1 spend for between every £5 and £10 saved. This is based on our experience of supporting other local authorities with transformation and also reflects a range due to the complexities and other variables (i.e. use of internal resources).

Transition costs

Information Technology

Experience from previous iterations of local government reorganisation have identified that budgeting for the transition of IT is extremely difficult. This is because there are a range of unexpected costs that can emerge during the transition. Costs are also intrinsically linked to the current IT arrangements across predecessor councils. Therefore, it is difficult to fully anticipate the scale and range of costs associated without an exercise that explores and maps the current IT infrastructure and system and then establishes a roadmap to a desired operating model. Based on our understanding of the activities and costs associated with IT transition in local government reorganisation we have made an estimate. These costs have been subject to a sensitivity analysis with a range presented in order to reflect the inherent uncertainty around the actual costs.

Establishing a baseline

- Understanding the current IT environment across local government in Essex is critical to informing the estimates and assumptions around potential transition costs. From this we note the following;
  - IT policies across Essex are well aligned through an Essex-wide partnership. This covers policies such as AI and passwords and means there is already strong alignment. This will mean that policy harmonisation and integration is not a major consideration in Essex
  - All Essex councils are on Office 365. This means that all councils are on the same platform which will mean that the transition required from an operating system will not be significant.
  - Across Essex there are different systems in place across areas such as finance, revenues and benefits and other key systems. There is also different approaches in place around devices. These will be key considerations and activity areas for the transition associated with local government reorganisation
  - Digital maturity will vary across Essex and will mean that different organisations are starting from different positions.

Identifying transition costs

Based on the activities required to deliver the transition of IT into the newly created authorities there are the following activities and costs required. These costs and activities will take place both pre-vesting day and post-vesting day.

Overall Programme Delivery

1. Programme Management – this includes a Programme Director for IT transition across Essex, supported by Programme and Project Managers. The Programme Director should be of appropriate seniority to ensure that IT transition has the required profile to be delivered effectively. The role of the programme management function, supported by the technical expertise and consultancy support will be to provide strong governance and leadership to the process and to drive forward a coherent change programme. These roles can be taken from existing resources but, given the need to continue with business as usual activity, the cost reflects the potential need for backfill arrangements.
2. Technical Expertise – Delivering the required change programme for IT will require appropriate technical expertise and specialism to inform the change. This includes roles such as Systems Analysts, Cyber Analysts, Systems Engineers, Data Architects and Data Engineers. These resources are likely to be a mixture of internal and external resources with there likely to be a need for backfill arrangements.
3. External Consultancy Support – The process of mapping the current arrangements and identifying a desired operating model is likely to need external consultancy support. Investing in these resources will be critical to provide capacity, expertise, impartiality and governance. The process will need to be owned by the local authorities involved but external support will support effective execution of transition.

Transition costs

Information Technology

Identifying transition costs (cont'd)

The first step required in the IT transition is the identification of the direction of travel and the plan required to deliver on this change. This will include the identification and agreement of the preferred systems to be implemented, the prioritisation of this and the future direction of IT in the newly created councils. Once this has been articulated and agreed the next stage will be executing the transition. Given the diverse nature of systems, infrastructure and contracts in place across Essex it is likely that this will run beyond vesting day. Therefore, there may be a period where parallel systems are being run across the new councils. This will create complexities that will need to be managed to ensure strong data management and also strong security.

The costs associated with delivering the transition include;

Systems Integration

1. Creating a consistent front-end – Alongside a focus of 'safe and legal' from Day 1 there should also be a focus on presenting a consistent front-end for public and staff. Therefore, resources will need to be invested in website development and integrated staff functions such as email.
2. Data Cleansing – cleansing the data in predecessor systems is an important step before moving to a single IT system. There will be resources required to cleanse this data.
3. Data Migration – once data has been cleansed and a preferred system has been agreed then there will be costs associated with the migration of data
4. Professional Services Support – the procurement of new systems or the transition to single systems from current applications will require professional services support from providers. This will come at a cost and there is also the risk that the support will be in short supply due to the scale of local government reorganisation taking place at the same time.
5. Archiving – Old systems will need to be archived to retain access to data for reporting purposes
6. Procurement/Contract costs – Where decisions are made to procure new systems there will be costs associated with the procurement. There may also be costs associated with exiting contracts if this approach is the preferred option
7. ERP implementation – the ERP system is a critical system in any IT transition programme

Infrastructure Alignment

1. Servers and Cloud Storage – across Essex there remains a mix of physical storage and cloud storage. Resources will need to be invested to map the current arrangements and develop a roadmap to a desired single platform. There will be costs associated with the migration of serves, storage, networking and cloud tenancy set up.
2. Cyber-Security – ensuring that systems are secure and strong cyber-security arrangements are in place will require investment of resources.

People

1. Skills and experience – ensure a clear and fair split of existing resources into the newly created authorities to assist with the transition journey
2. Culture and change management – Resources will need to be invested to embed the right cultures within the newly created IT functions
3. Training – There will be time and investment of resources required to upskill and train staff with the use of new systems

Transition costs

Information Technology

Articulating the exact cost of IT transition in Greater Essex as a result of local government reorganisation is extremely difficult due to the number of variables that will influence the cost. The exact costs will become much clearer once an initial exercise has been completed to map existing systems and set out a roadmap for the IT structure of the new authorities. In order to provide an indication of the potential range of costs for IT transition in Essex we have made some broad assumptions around the types of activities/costs (detailed on previous page above) and the costs that could be incurred to deliver this.

The integration of IT systems in all of the potential configurations in Greater Essex will be extremely difficult and complex. This is because there are a range of systems in place across the county and there will be significant time and resource required to migrate data and establish new IT infrastructure. Therefore, our broad assumption is that the costs for five, four and three unitaries will be similar. Any potential efficiencies in one area of IT transition is likely to be offset by increased costs in other areas and therefore we believe it is a reasonable and prudent assumption that the costs of IT transition will be similar.

Rationale for cost estimates

We have reviewed a number of previous business cases for ERP implementation projects, along with previous iterations of local government reorganisation to understand the potential costs. This has been supplemented with some specific insights from our Technology Consulting colleagues and IT leads from Chelmsford City Council. This has enabled us to develop a broad range on the costs associated with these activities (i.e. data migration and licensing) to inform this document. As previously mentioned a more detailed diagnostic and scoping exercise will be required at the start of the transition period to better develop a cost profile for the transition of IT services.

Estimated costs

Cost Category	Type of cost	Baseline - Lower	Baseline – Mid Point	Baseline - Upper	Implementation Period
Programme Delivery – Programme Directors	Annual	£0.250m	£0.300m	£0.350m	2 years
Programme Delivery – Technical Expertise	Annual	£4.500m	£5.000m	£5.500m	2 years
External Consultancy Support - Diagnostics	One-off	£0.645m	£0.754m	£0.863m	1 year
Systems Integration	One-off	£8.000m	£10.250m	£12.500m	4 years
Infrastructure Alignment	One-off				4 years
People	One-off				4 years

Transition costs

Predecessor councils and New council

Predecessor councils

In the first year post-vesting day, there will be some residual costs associated with the predecessor authorities that will need to be considered in understanding the transition cost. These have been identified as;

1. Audit fees for final year of operation – each of the predecessor authorities will require an external audit of the final year of operation. This cost will be offset by the external audit fees of the new authority not being incurred until the 2nd year of operation. However, we have presented these two items separately in this analysis. The audit fees for the final year of operation have been taken from the PSAA 2024/25 schedule of external audit fees. The cost of this will be the same across all configurations in Greater Essex.
2. Resources for financial closedown – Alongside the establishment of the new authorities from a financial perspective there will be an associated requirement to complete the financial closedown of the predecessor authorities. Our initial assumption is that these resources will come from the existing resources within finance functions. However, there is the risk that between now and vesting day there is a loss of key financial personnel and there will be a need to bring in external resources. At this stage we do not consider there to be any attributable costs to support financial closedown but the requirement for this must be considered in the overall plan for Greater Essex.

New council

- Rebranding and Communications – For each of the newly created authorities there will be a need for the creation of a new brand and the associated work required to replace branding of previous local authorities. Our assumption is that individual authorities will appoint external support to complete this rebranding which means there will be additional costs for each new local authority created. Alongside this rebrand there will be a need for changes to signage and livery to reflect the new brand. The number of signs and vehicles that need to be rebranded will be the same across all configurations. Therefore, we have not recognised a cost differential between different configurations.
- External Audit fee is detailed in the 'Benefits from Reorganisation' section of this document

Transition costs

Shadow Authority

Prior to vesting day a shadow authority will be created for each of the newly created unitary councils in Greater Essex. The purpose of a shadow authority is to support with transition planning, establish a budget and financial processes, establish democratic oversight and appoint key leadership roles. Shadow elections will take place c.12 months prior to vesting day and the newly elected Members will appoint senior roles to support management of the transition. The costs associated with the shadow authority are as follows:

- Member Allowances – upon conclusion of the elections to the shadow authority, the new authorities will have appointed Members who will receive an allowance.
- Allowances for Leader and Cabinet Executive – these are the critical roles in the shadow authorities and receive enhanced allowances.
- Interim statutory roles – We anticipate that each of the shadow authorities will have the following senior roles in place; Head of Paid Service, Monitoring Officer, Section 151 officer, Director of Adult Social Care, Director of Children's Services and Director of Place. Based on our analysis of the benefits from Senior Management we consider these roles to be 'Tier 1' and 'Tier 2' roles. Based on the timeline from shadow elections to vesting day, we anticipate that these roles will be in place for c.3 months before vesting day and have reflected this amount of costs to be considered during transition. The costs are based on our expected costs of senior management for the new authorities.
- Recruitment costs for senior officers – Ensuring that the right individuals are appointed to these key senior roles will be a critical success factor for the newly created authorities. Therefore, we anticipate there will be recruitment costs associated with these roles. These costs are estimated at between 5% and 10% of the salary costs of these roles and will be incurred during the transition period.

Transition costs

Contingency

Because of the uncertainties associated with the costs around local government reorganisation, we consider it to be prudent for there to be contingency included in the costs of transition. We have allocated a contingency of 10% of transition costs to be included to reflect the inherent uncertainties of this process.

Phasing of transition costs

Due to the nature of the local government reorganisation process, transition costs are going to be incurred both pre-vesting day and post-vesting day. These costs will be incurred well in advance of any benefits being delivered as transition activity will be critical in successfully executing local government reorganisation, giving the newly created authorities the opportunity to deliver potential efficiencies.

Our assumptions on the phasing of transition costs are as follows;

- Public Engagement – c.75% of the costs will be incurred pre-vesting day due to the scale of activity required to consult and communicate the upcoming changes. The remaining costs will be incurred in the first two years post-vesting day as the activity levels are reduced but there remains a need to continue the communication with the public as the changes take effect.
- Programme Management – effective programme management for the transition of local government reorganisation is critical and therefore this activity will act as a bridge between pre-vesting day and post-vesting day. The level of resource required to support programme management will remain relatively consistent across the period with a need to stand the support up quickly prior to vesting day and then unwind the support over a period of c.2 years post-vesting day.
- Transformation – costs associated with supporting the transformation activity of the newly created unitary authorities will predominantly be incurred post-vesting day. This is because this activity will be critical in supporting the integration, maturity and subsequent transformation of the services created. Therefore, we have phased these costs over the period from vesting day.
- ICT – Transition costs associated with ICT will be incurred both before vesting day and post-vesting day. It will be important to quickly stand-up a ICT transition programme for Essex and this will run into the new authorities to establish and embed the ICT systems, processes, infrastructure and operating model
- Predecessor Council – Transition costs associated with the external audit and financial closedown of the predecessor authorities will be incurred in year 1 post-vesting day. This is because this is the period where the external audit will take place and also when there is likely to be a need for additional financial resources to support closedown
- New Council – The rebranding and comms associated with the new authority will be incurred over the period prior to vesting day and also post-vesting day. This is because the branding exercise will need to be part of the transition activities and then the activities associated with updating the livery and signage of the new councils can take place post-vesting day. The costs associated with the external audit of the new councils will commence from the 2nd year of operation and will be an ongoing cost. A cultural alignment exercise for the newly created authorities is likely to take place during the first year of operation.
- Shadow Authority – all costs associated with the shadow authority will be incurred in the final year pre-vesting day as this is when all the activity will occur
- Contingency – the nature of contingency means that it is in place to mitigate against higher than anticipated costs. On this basis we have phased the contingency costs over the same profile as the other transition costs.

The phasing of transition costs will have the same profile across all configurations in Greater Essex.

Total Transition Costs

Transition cost	5 Unitary configuration	4 Unitary configuration	3 unitary configuration	Is a 5 unitary option less expensive than other configurations?	Is a 5 unitary option less expensive than the baseline?
Public Engagement	£1.282m	£1.268m	£1.168m	No	All of the options will be more expensive than the baseline as, were there to be no local government reorganisation, then there would be no transition costs.
Programme Management	£15.100m	£14.061m	£13.026m	No	
Transformation	£5.945m	£4.485m	£2.945m	No	
Information Technology	£16.304m	£16.304m	£16.304m	No – the cost is the same	
Predecessor Council	£3.435m	£3.435m	£3.435m	No – the cost is the same	
New Council	£1.032m	£0.958m	£0.886m	No	
Shadow Authority	£6.711m	£6.732m	£5.378m	No	
Sub-Total	**£49.809m**	**£47.243m**	**£43.142m**	No	
Contingency (10%)	£4.981m	£4.724m	£4.313m	No	
Total	£54.790m	£51.967m	£47.455m	No	

Phasing of transition costs

Five Unitary Model

		Pre-Vesting Day			Post-Vesting Day					Total
Transition Cost	Recurring or one-off?	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
Public Engagement	One-off	£0.000m	£0.485m	£0.485m	£0.156m	£0.156m	£0.000m	£0.000m	£0.000m	**£1.282m**
Programme Management	One-off	£0.000m	£3.021m	£3.021m	£3.021m	£3.021m	£3.016m	£0.000m	£0.000m	**£15.100m**
Transformation	One-off	£0.000m	£0.000m	£1.189m	£1.189m	£1.189m	£1.189m	£1.189m	£0.000m	**£5.945m**
Information Technology	One-off	£0.000m	£1.630m	£3.261m	£3.261m	£3.261m	£3.261m	£1.630m	£0.000m	**£16.304m**
Predecessor Council	One-off	£0.000m	£0.000m	£0.000m	£3.435m	£0.000m	£0.000m	£0.000m	£0.000m	**£3.435m**
New Council	One-off	£0.000m	£0.000m	£0.000m	£0.516m	£0.516m	£0.000m	£0.000m	£0.000m	**£1.032m**
Shadow Authority	One-off	£0.000m	£0.000m	£6.711m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	**£6.711m**
Contingency	One-off	£0.000m	£0.498m	£1.494m	£1.146m	£0.797m	£0.747m	£0.299m	£0.000m	**£4.981m**
Total transition costs		**£0.000m**	**£5.634m**	**£16.161m**	**£12.724m**	**£8.940m**	**£8.213m**	**£3.118m**	**£0.000m**	**£54.790m**

Phasing of transition costs

Four Unitary Model

		Pre-Vesting Day			Post-Vesting Day					Total
Transition Cost	Recurring or one-off?	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
Public Engagement	One-off	£0.000m	£0.480m	£0.480m	£0.154m	£0.154m	£0.000m	£0.000m	£0.000m	**£1.268m**
Programme Management	One-off	£0.000m	£2.813m	£2.813m	£2.813m	£2.813m	£2.809m	£0.000m	£0.000m	**£14.061m**
Transformation	One-off	£0.000m	£0.000m	£0.897m	£0.897m	£0.897m	£0.897m	£0.897m	£0.000m	**£4.485m**
Information Technology	One-off	£0.000m	£1.630m	£3.261m	£3.261m	£3.261m	£3.261m	£1.630m	£0.000m	**£16.304m**
Predecessor Council	One-off	£0.000m	£0.000m	£0.000m	£3.435m	£0.000m	£0.000m	£0.000m	£0.000m	**£3.435m**
New Council	One-off	£0.000m	£0.000m	£0.000m	£0.479m	£0.479m	£0.000m	£0.000m	£0.000m	**£0.958m**
Shadow Authority	One-off	£0.000m	£0.000m	£6.732m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	**£6.732m**
Contingency	One-off	£0.000m	£0.472m	£1.417m	£1.087m	£0.756m	£0.709m	£0.283m	£0.000m	**£4.724m**
Total transition costs		**£0.000m**	**£5.395m**	**£15.600m**	**£12.126m**	**£8.360m**	**£7.676m**	**£2.810m**	**£0.000m**	**£51.967m**

Phasing of transition costs

Three Unitary Model

		Pre-Vesting Day			Post-Vesting Day					Total
Transition Cost	Recurring or one-off?	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
Public Engagement	One-off	£0.000m	£0.442m	£0.442m	£0.142m	£0.142m	£0.000m	£0.000m	£0.000m	**£1.168m**
Programme Management	One-off	£0.000m	£2.606m	£2.606m	£2.606m	£2.606m	£2.602m	£0.000m	£0.000m	**£13.026m**
Transformation	One-off	£0.000m	£0.000m	£0.589m	£0.589m	£0.589m	£0.589m	£0.589m	£0.000m	**£2.945m**
Information Technology	One-off	£0.000m	£1.630m	£3.261m	£3.261m	£3.261m	£3.261m	£1.630m	£0.000m	**£16.304m**
Predecessor Council	One-off	£0.000m	£0.000m	£0.000m	£3.435m	£0.000m	£0.000m	£0.000m	£0.000m	**£3.435m**
New Council	One-off	£0.000m	£0.000m	£0.000m	£0.443m	£0.443m	£0.000m	£0.000m	£0.000m	**£0.886m**
Shadow Authority	One-off	£0.000m	£0.000m	£5.378m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	**£5.378m**
Contingency	One-off	£0.000m	£0.431m	£1.294m	£0.992m	£0.690m	£0.647m	£0.259m	£0.000m	**£4.313m**
Total transition costs		**£0.000m**	**£5.109m**	**£13.570m**	**£11.468m**	**£7.731m**	**£7.099m**	**£2.478m**	**£0.000m**	**£47.455m**

Financial Analysis – Redundancy costs

Grant Thornton

Redundancy costs

Senior Management and other staff

Our assumptions around redundancy costs are that the only redundancies required on and around vesting day will relate to the senior management changes that local government reorganisation will deliver.

Senior Management

Based on our proposed senior management structures and the number of new organisations there will be a need for redundancies. Our approach to calculating redundancies is as follows:

Senior Management FTE reduction x cost of redundancy

The assumptions to feed into this model are as follows:

- Senior Management FTE reduction = current Senior Management FTE less proposed Senior Management FTE in new authorities
- Cost of redundancy:
  - Pension Strain costs – these arise when employees aged 55+ are able to access LGPS early and at an unreduced level. The council must pay the pension fund the costs of early access. The exact costs are dependent upon age, service, salary and actuarial assumptions. For the purpose of this work we have the following scenarios for Pension Strain costs across three periods of service (10, 20 and 30 years) and used the average figure;
    - Age 58, £85,000 salary
    - Age 58, £150,000 salary
- Cost of redundancy (cont'd)
  - Redundancy cost – the following calculation has been used to calculate contractual redundancy pay for senior officers in Greater Essex

    Years of Service x Enhancement Factor x Weekly Pay

    - Years of Services: We have used three variations on years of service (10, 15 and 20 years). We have used 15 years as the baseline position
    - Enhancement Factor: We have used an Enhancement Factor of 2 as this is the upper end of the rate used by most local authorities
    - Weekly Pay: This is based on the average weekly pay across staff employed across the Greater Essex authorities.

Other staff

A similar approach has been used across both service delivery benefits and enabling services. An element of the benefit has been identified as being reduction in FTE. The same approach around contractual redundancy and pension strain has been used, with average pay across all local authorities used as the denominator.

We have recognised that there will need to be consultation and an element of staff will be redeployed into vacant posts with an assumption of between 10% and 30% dependent upon the different configurations of local authorities.

Total Redundancy Costs

Transition cost	5 Unitary configuration	4 Unitary configuration	3 unitary configuration	Is a 5 unitary option less expensive than other configurations?	Is a 5 unitary option more expensive than the baseline?
Senior Management	£11.234m	£13.106m	£15.478m	Yes	All of the options will be more expensive than the baseline as, were there to be no local government reorganisation, then there would be no transition costs.
Service Delivery	£4.569m	£5.770m	£4.051m	Yes – 4 unitary No – 3 Unitary	
Enabling Services	£3.298m	£5.277m	£6.785m	Yes	
Total	**£19.101m**	**£24.153m**	**£26.314m**	**Yes**	

Phasing of transition costs

Five Unitary

Transition Cost	Recurring or one-off?	Pre-Vesting Day 2025/26	2026/27	2027/28	Post-Vesting Day 2028/29	2029/30	2030/31	2031/32	2032/33	Total
Senior Management	One-off	£0.000m	£0.000m	£11.234m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	**£11.234m**
Service Delivery	One-off	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£4.569m	£0.000m	£0.000m	**£4.569m**
Enabling Services	One-off	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£3.298m	£0.000m	£0.000m	**£3.298m**
Total redundancy costs		**£0.000m**	**£0.000m**	**£11.234m**	**£0.000m**	**£0.000m**	**£7.867m**	**£0.000m**	**£0.000m**	**£19.101m**

Four Unitary

Transition Cost	Recurring or one-off?	Pre-Vesting Day 2025/26	2026/27	2027/28	Post-Vesting Day 2028/29	2029/30	2030/31	2031/32	2032/33	Total
Senior Management	One-off	£0.000m	£0.000m	£13.106m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	**£13.106m**
Service Delivery	One-off	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£5.770m	£0.000m	£0.000m	**£5.770m**
Enabling Services	One-off	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£5.277m	£0.000m	£0.000m	**£5.277m**
Total redundancy costs		**£0.000m**	**£0.000m**	**£13.106m**	**£0.000m**	**£0.000m**	**£11.047m**	**£0.000m**	**£0.000m**	**£24.153m**

Three Unitary

Transition Cost	Recurring or one-off?	Pre-Vesting Day 2025/26	2026/27	2027/28	Post-Vesting Day 2028/29	2029/30	2030/31	2031/32	2032/33	Total
Senior Management	One-off	£0.000m	£0.000m	£15.478m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	**£15.478m**
Service Delivery	One-off	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£4.051m	£0.000m	£0.000m	**£4.051m**
Enabling Services	One-off	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£6.785m	£0.000m	£0.000m	**£6.785m**
Total redundancy costs		**£0.000m**	**£0.000m**	**£15.478m**	**£0.000m**	**£0.000m**	**£10.836m**	**£0.000m**	**£0.000m**	**£26.314m**

Financial Analysis – Disaggregation costs

Grant Thornton

Disaggregation costs

Based on previous iterations of local government reorganisation and our work with authorities that have previously undergone local government reorganisation there will be additional costs associated with the disaggregation of services from the county level.

When costs and services are disaggregated at the county level we have identified three categories as follows;

1. Costs that will be disaggregated across the newly created authorities. These are costs that will be disaggregated across the newly created authorities based on the location/need of the service. There will be no additional costs as a result of disaggregation
2. Costs that will be disaggregated across the newly created authorities but there is an additional overhead to reflect increased management/administrative support to deliver the service. As above these will be disaggregated based on location/need of the service but will incur an additional overhead charge as a result of needing to increase management/administrative resources
3. Costs that will be duplicated across newly created authorities. These are costs that will be duplicated for each newly created authority. This is because there may be a statutory requirement for the role or there will be a need to duplicate the spend to ensure services can be delivered.

Based on our experience we have assumed that the increased costs as a result of disaggregation will be between 1% and 3% of the county's net revenue budget.

In Greater Essex this means that the disaggregation costs will range between £12.106m and £36.318m. For the purposes of this analysis we have assumed 2.5% of Essex County Council's net revenue budget which equates to £30.365m for the five unitary model. For the four unitary model we have assumed 2.25% which equates to £27.329m and for the three unitary model 2% which equates to £24.212m. These costs will be incurred from vesting day on a phased process to reflect that there will be a period of establishing services and setting up structures required to deliver. Therefore, we assume 50% in year 1, 75% in year 2 and 100% from year 3 onwards

Financial Analysis – Other considerations

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Pay harmonisation

Pay Harmonisation

The harmonisation of pay post-vesting day is an important consideration as there will need to be a process by which pay scales and banding are harmonised. This is to ensure that people are paid fairly and also to mitigate against any potential equal pay risks. There have been previous instances where pay harmonisation has been a significant issue following local government reorganisation.

To model the potential scale of the pay harmonisation risk we have done the following;

- From the Pay Policy Statements of the individual councils we have calculated the average pay across Greater Essex
- Based on Establishment data provided at the outset of the LGR work in Greater Essex we have calculated the estimated number of FTE across Greater Essex.
- For Essex County Council FTE we have disaggregated this across the districts on the basis of the same percentage as the cost disaggregation exercise completed by the county.
- We have then modelled the impact that harmonising to the average pay and maximum average pay for each of the newly created unitaries across all configurations. This indicates the potential financial impact of pay harmonisation, noting that individual approaches will be taken by each of the newly created councils to mitigate the financial impact. However, this is an issue that cannot be ignored during transition.

Transition cost	5 Unitary configuration - Max	5 Unitary configuration - Average	4 Unitary configuration – Max	4 Unitary configuration - Average	3 unitary configuration - Max	3 unitary configuration - Average	Is a 5 unitary option less expensive than other configurations?	Is a 5 unitary option more expensive than the baseline?
Potential pay harmonisation costs	£46.085m	-£0.504m	£62.572m	-£2.526m	£72.148m	£28.804m	Yes – against the 3 unitary configuration and if there is harmonisation to the max No – Against 4 unitary configuration harmonised to the average	All of the options will be more expensive than the baseline as, were there to be no local government reorganisation, then there would be no need for pay harmonisation

Council Tax Harmonisation

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01 Introduction to Council Tax Harmonisation

What is Council Tax Harmonisation?

Local Government Finance Act 1992 requires local authorities to set a single basic (Band D) amount of council tax for their area

Where a Unitary Council is created, this means setting a single level of council tax their area

The process of reaching equal levels of Council Tax is known as 'harmonisation' (i.e. residents whose properties are in the same valuation band pay the same amount)

Council Tax Harmonisation is different to Council Tax equalisation

Council Tax Equalisation relates to the decisions made by central government around the balance of funding across local authorities and a focus on areas with lower Council Tax bases

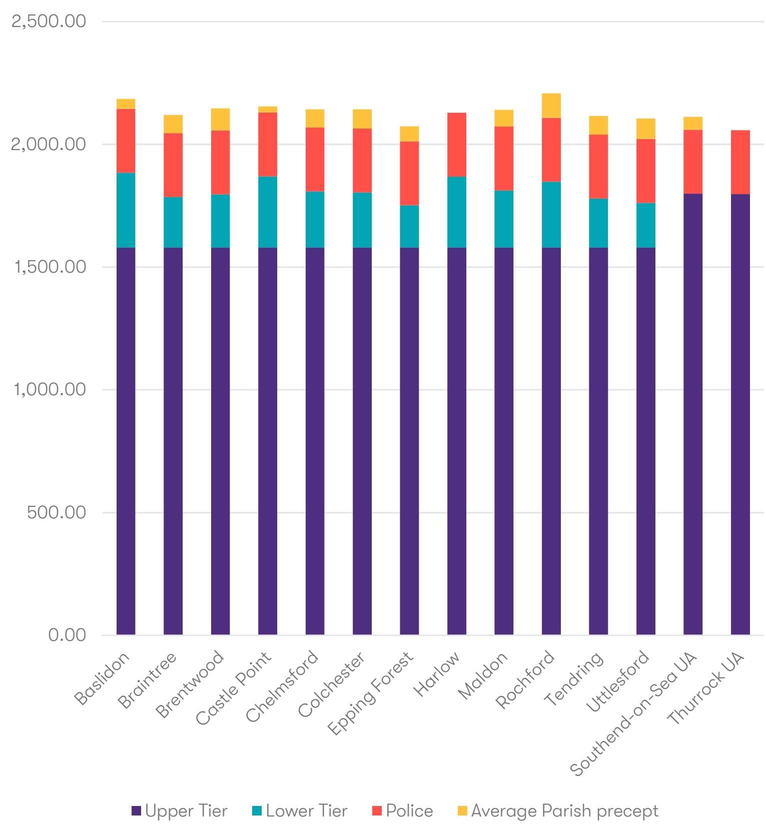
It is a separate process to Council Tax Harmonisation

What are the rules for harmonising Council Tax?

- Have to set a council tax for the new Unitary authority
- Starting point is the combined upper-tier and lower-tier Band D rate in each predecessor authority
- The new authority can set different amounts of Council Tax in its predecessor areas for 7 years
- A uniform level of council tax must be set by year 8
- Each year the gap must narrow between the highest charging predecessor area and the others – there is no minimum narrowing requirement
- Increases are limited to the maximum amount as per the referendum principles
- Parish precepts are out of scope for the harmonisation process

What factors need to be considered as part of the harmonisation process?

What is the current situation in Essex?



Variance in Council Tax rates across Essex

There is a range of £133 (excluding parish precepts) across Essex

Basildon has the highest overall Council Tax rate (£2,232 excluding parish precepts)

If parish precepts were taken into consideration then Rochford has the highest overall Council Tax rate (£2,295)

All authorities in Essex are currently above the unitary authority average of £1,954

Parish precepts do have an impact but this is minimal

Police and Fire precepts across Essex are the same for all authority areas

03 Council Tax harmonisation – Potential scenarios

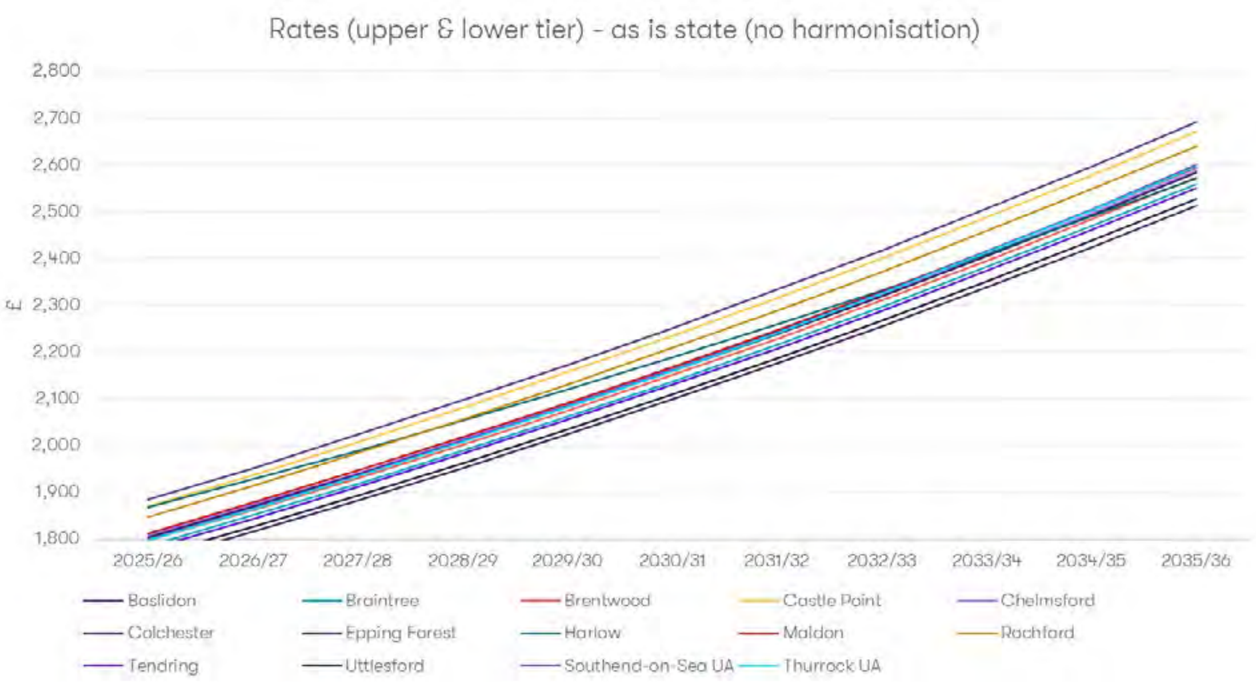
What principles need to be considered as part of Council Tax harmonisation?

1. **Level at which Council Tax is harmonised** – implications for both speed of harmonisation and total Council Tax yield generated
2. **Scale of single year uplifts** – implications for financial burden placed on residents
3. **Council Tax growth pre- and post- harmonisation** – the extent to which the top rate remains static
4. **Speed of harmonisation** – must be harmonised within a 7-year period but flexibility within that period
5. **Cadence of uplifts** – smoothed over the period, front- or back-loaded
6. **Council Tax growth pre-vesting day** – implications for harmonisation and Council Tax yield

Changes to any of these assumptions will impact on the Band D rate and

Baseline Scenario

This scenario looks at the Council Tax income generated across Essex based on current assumptions in individual MTFS' and there is no Council Tax harmonisation. The purpose of running this scenario is to produce a baseline against which the other scenarios can be compared



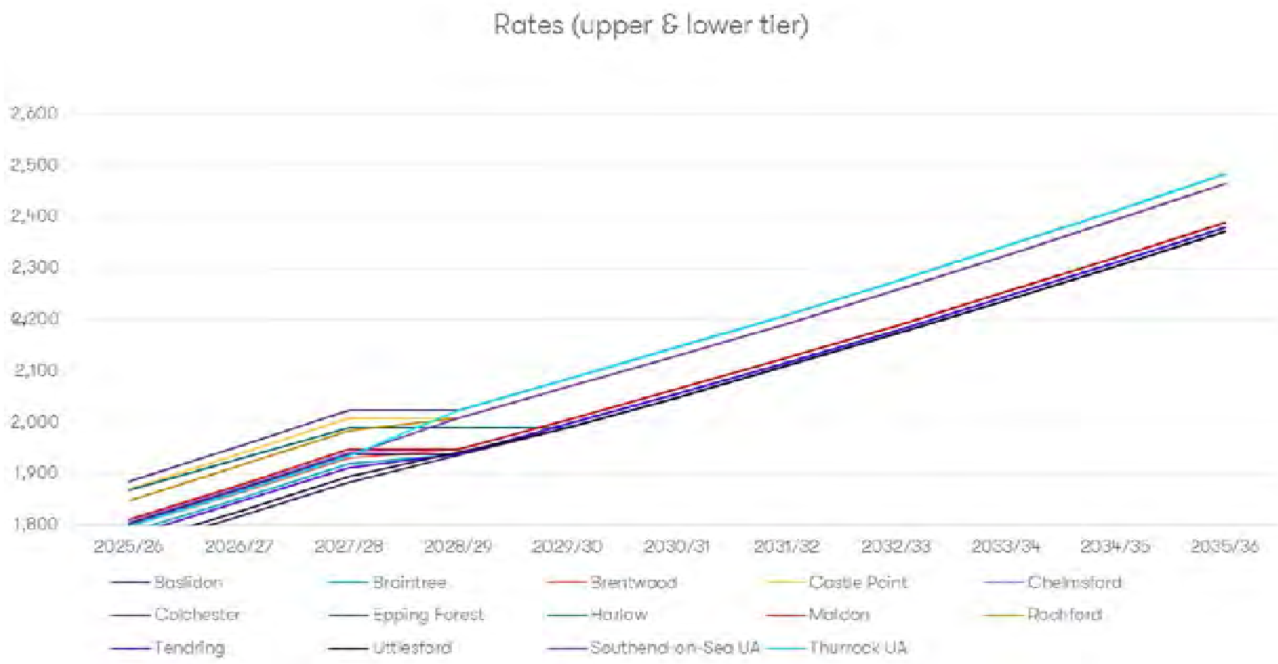
Total Annual Council Tax Income Across Essex by 2035/36 - £1,957.067m

Period of Harmonisation – N/A for this scenario

Five unitary model

Scenario 1

This scenario seeks to harmonise Council Tax at the highest level for each of the new unitary councils as quickly as possible, whilst remaining within the referendum threshold. Once Council Tax has harmonised the annual uplift is assumed to be 2.97% against a maximum of 4.99%. This assumption is based on the average uplift as per current MTFS'



Total Annual Council Tax Income Across Essex by 2035/36 - £1,824.299m

Period of Harmonisation:

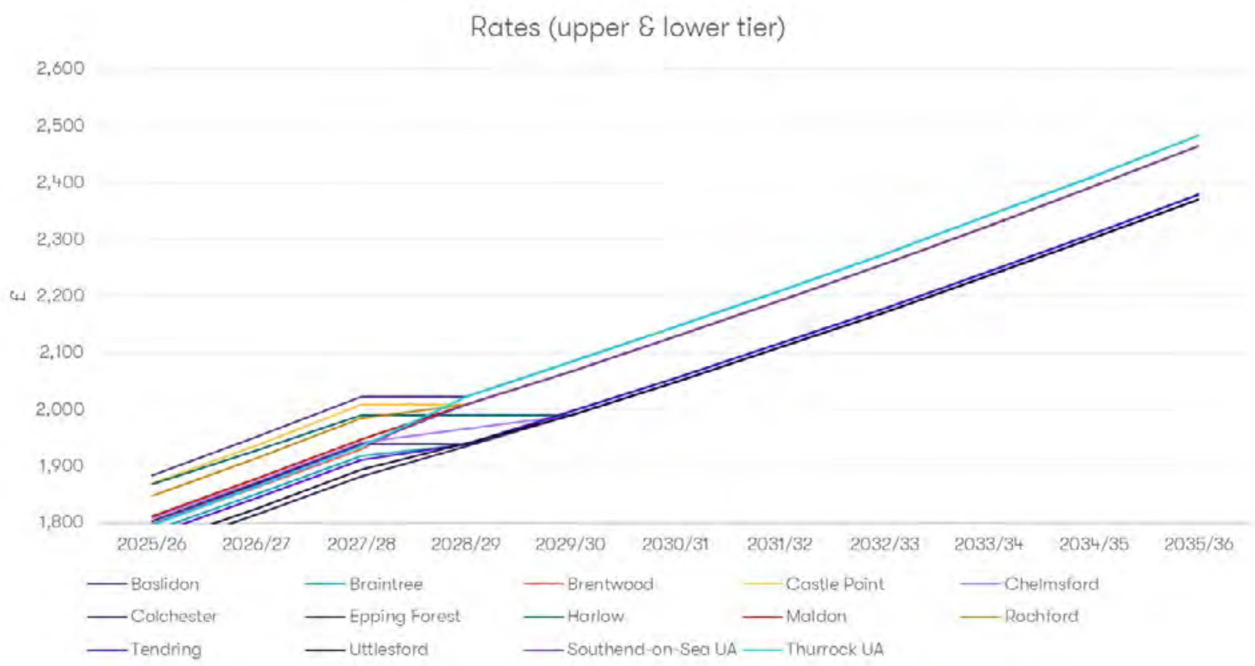
1 year for all configurations with the exception of Uttlesford, Epping Forest and Harlow which is 2 years

Council	Band D rate at point of harmonisation
Unitary 1 (Basildon and Thurrock)	£2,023.26 (2028/29)
Unitary 2 (Uttlesford, Epping Forest and Harlow)	£1,989.18 (2029/30)
Unitary 3 (Brentwood, Chelmsford, Maldon)	£1,946.37 (2028/29)
Unitary 4 (Castle Point, Rochford, Southend)	£2,007.93 (2028/29)
Unitary 5 (Braintree, Colchester, Tendring)	£1,938.34 (2028/29)

Four unitary model

Scenario 1

This scenario seeks to harmonise Council Tax at the highest level for each of the new unitary councils as quickly as possible, whilst remaining within the referendum threshold. Once Council Tax has harmonised the annual uplift is assumed to be 2.97% against a maximum of 4.99%. This assumption is based on the average uplift as per current MTFS'



Total Annual Council Tax Income Across Essex by 2035/36 - £1,829.021m

Period of Harmonisation:

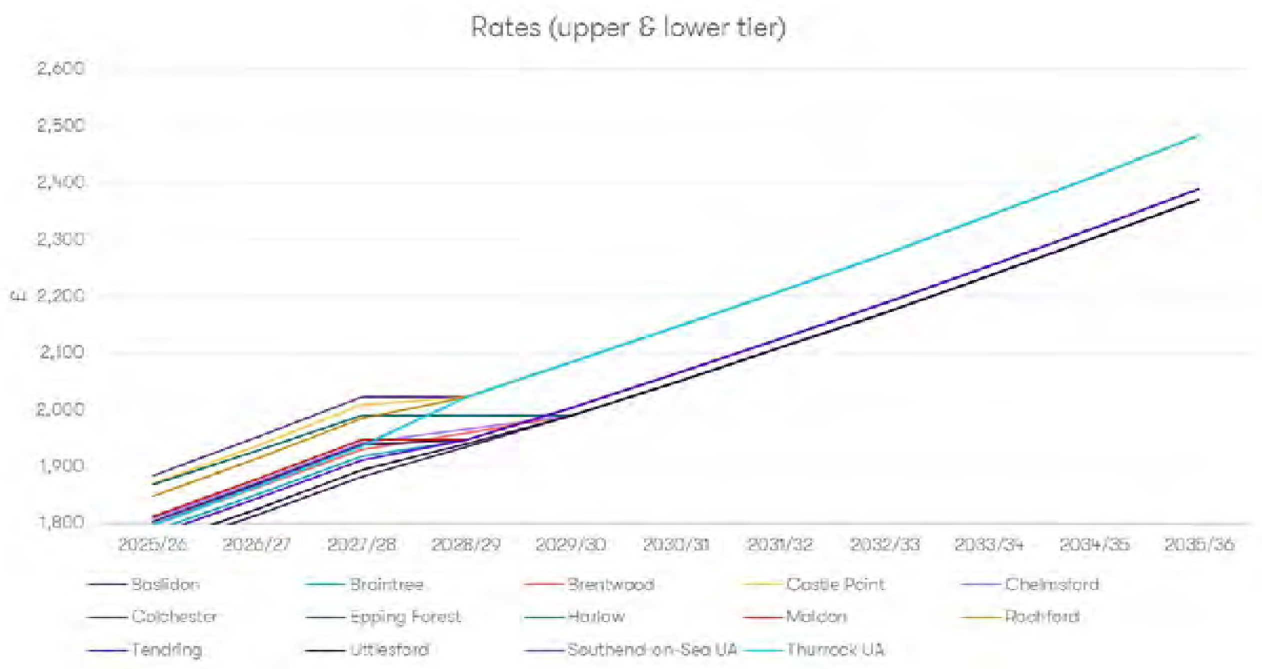
1 year for all configurations with the exception of Uttlesford, Epping Forest, Harlow and Chelmsford which is 2 years

Council	Band D rate at point of harmonisation
Unitary 1 (Basildon, Brentwood and Thurrock)	£2,023.26 (2028/29)
Unitary 2 (Chelmsford, Epping Forest, Harlow and Uttlesford)	£1,989.18 (2029/30)
Unitary 3 (Castle Point, Maldon, Rochford, Southend)	£2,007.93 (2028/29)
Unitary 4 (Braintree, Colchester, Tendring)	£1,938.34 (2028/29)

Three unitary model

Scenario 1

This scenario seeks to harmonise Council Tax at the highest level for each of the new unitary councils as quickly as possible, whilst remaining within the referendum threshold. Once Council Tax has harmonised the annual uplift is assumed to be 2.97% against a maximum of 4.99%. This assumption is based on the average uplift as per current MTFS'



Total Annual Council Tax Income Across Essex by 2035/36 - £1,824.724m

Period of Harmonisation:

1 year for all configurations with the exception of Brentwood, Chelmsford, Epping Forest, Harlow and Maldon which is 2 years

Council	Band D rate at point of harmonisation
Unitary 1 (Brentwood, Chelmsford, Epping Forest, Harlow and Maldon)	£1,989.18 (2029/30)
Unitary 2 (Braintree, Colchester, Tendring, Uttlesford)	£1,938.34 (2028/29)
Unitary 3 (Basildon, Castle Point, Rochford, Southend, Thurrock)	£2,023.26 (2028/29)

Unit cost analysis

Commercial in Confidence

Analysis of previous iterations of LGR

Looking at unit cost across the RA/RO categories of areas that have recently undergone local government reorganisation, we have sought to identify any patterns. This analysis was used to help inform the phasing of savings in the financial analysis.

The following assumptions have been used in the analysis;

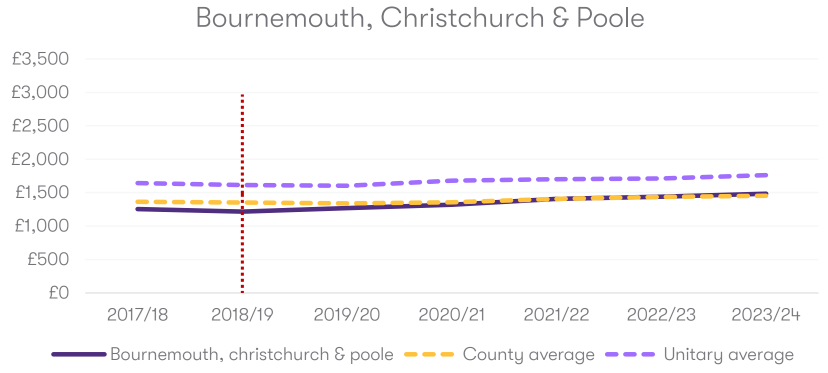
- Unit cost has been adjusted for inflation to reflect real prices
- The analysis does not look at the causation of unit cost trends but instead focuses on the pre and post reorganisation trends
- The areas that have been analysed are; BCP, Dorset, Buckinghamshire, North Northamptonshire, West Northamptonshire, Cumberland, North Yorkshire and Somerset

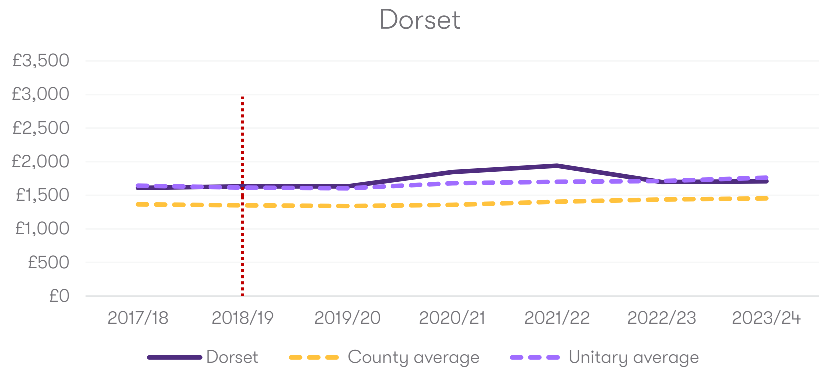
Net Revenue expenditure

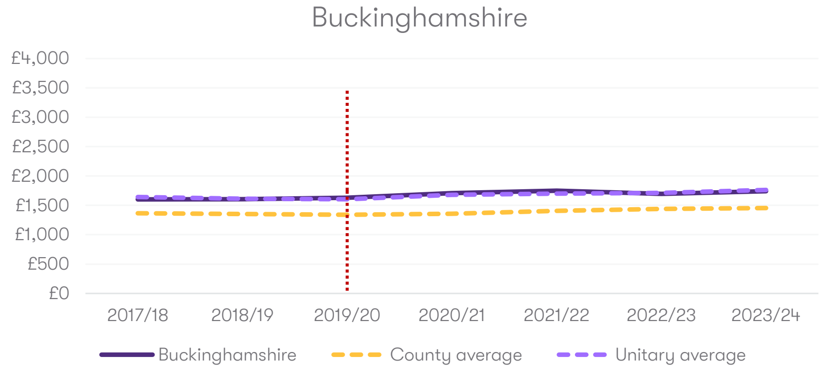
The charts on the following two pages show the unit cost movement for net revenue expenditure. We note the following;

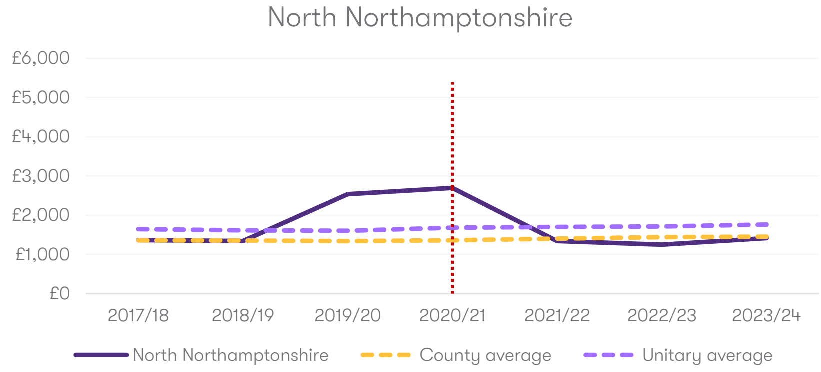
- Broadly, unit costs remain stable post-reorganisation when compared to pre-organisation. This indicates that significant savings are not delivered immediately upon reorganisation. The fact that unit costs have remained relatively stable indicates that increases in cost have been managed within the newly created authorities
- The only exceptions are the Northamptonshire authorities but the decrease in unit cost following reorganisation may be attributable to an increase related to Covid-19 as it is in line with earlier unit costs of the predecessor authorities.
- Cumberland's data only includes one year post-reorganisation so a conclusion cannot be drawn from this. Other areas that went through LGR at the same time (North Yorkshire and Somerset) show stable unit costs post-reorganisation.
- Our analysis is that there is no immediate and significant savings from LGR as the newly created authorities take time to integrate and embed. This has been reflected in our phasing of savings in the financial analysis.

Net revenue expenditure analysis



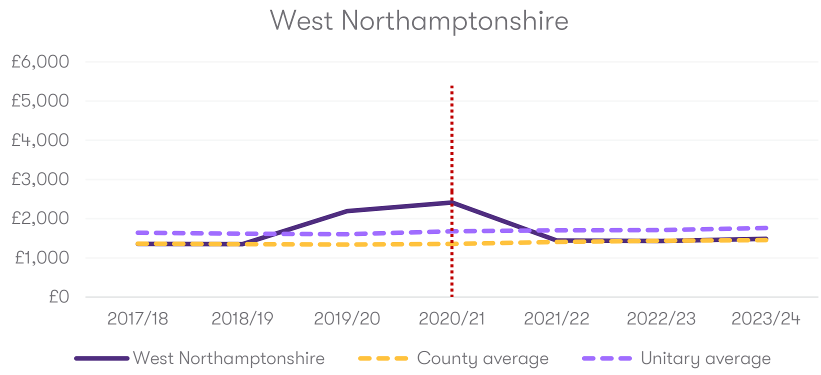


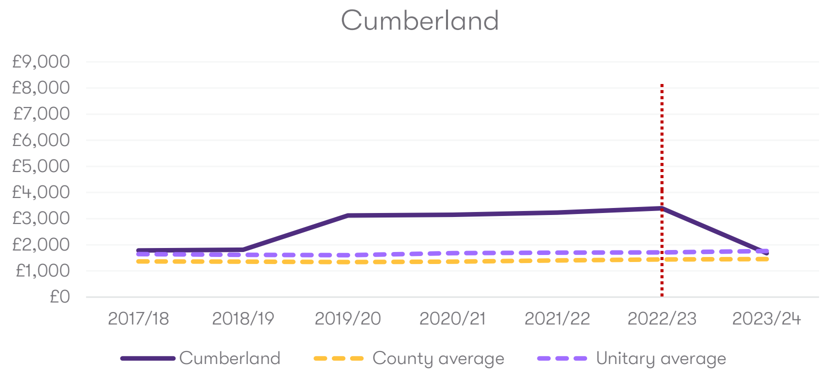


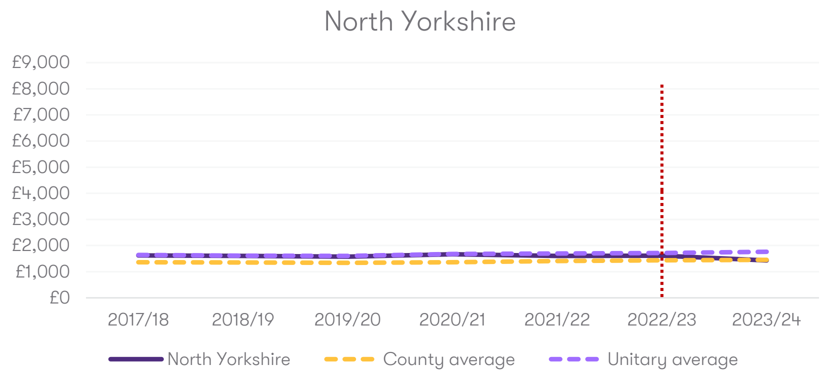


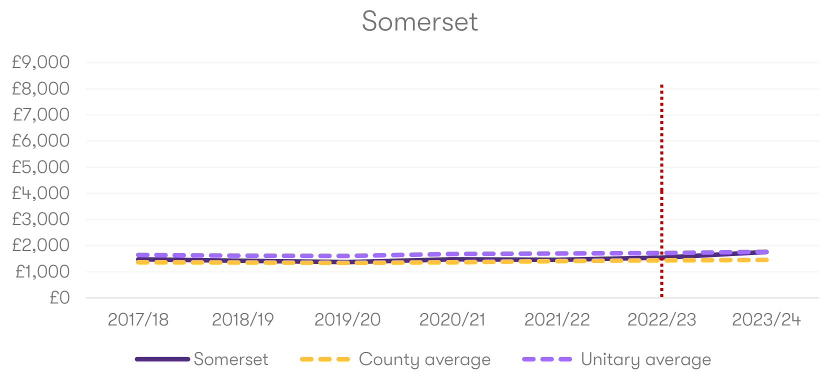
Commercial in Confidence

Net revenue expenditure analysis









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Appendix 4: Grant Thornton – Greater Essex – Local Government Reorganisation Financial Analysis

The Chartered Institute of
Public Finance & Accountancy

Essex LGR – Debt and Non-Current Assets

July 2025 (Revised August 2025)

A Report by:

The Chartered Institute of Public Finance and Accountancy

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. CIPFA shows the way in public finance globally, standing up for sound public financial management and good governance around the world as the leading commentator on managing and accounting for public money.

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1 Executive Summary

1.1 Introduction and Conclusions

CIPFA was commissioned by Chelmsford City Council on behalf of Greater Essex to better understand the overall level of debt and non-current (long-term) assets across the 15 Councils in Essex as part of the preparation for local government re-organisation in Essex.

Our work has involved the S.151 Officers and their staff of all 15 Councils in identifying and validating the data used as the basis for consolidation to produce the Whole of Essex view (which is set out in Section 3) and then disaggregated to produce the view in relation to:

- 3 Unitary Model (Section 4)
- 4 Unitary Model (Section 5)
- 5 Unitary Model (Section 6)
- Alternate 4 Unitary Model (Section 7)

This report identifies a 'baseline' position in relation to debt and non-current assets as at 31st March 2025. As progress is made towards determining which Unitary Model is to be implemented in Essex, more detailed analysis may be required to support the strategies of the new Unitary Councils supported by a refresh of the data set out in this report.

In summary, we have highlighted the following position:

- There are no 'red flags' that prevent any of the four Unitary Models being put forward and no new issues identified in respect of non-asset backed debt (though the position of Thurrock is well known in this regard). There is no undue concern over the level of overall debt across Essex relative to other areas in the country

- Higher Debt Councils (e.g. Uttlesford) have a strong Investment Property portfolio in excess of their General Fund Debt

- Challenges still exist with the proposed new Unitary Councils, for example, ratios of current and future borrowing to core spending power and the extent to which current and future borrowing is backed by assets

- The debt profile across councils broadly consistent but a more detailed analysis of sources of debt and debt refinancing risk and financing profiles might be required in later stages of business case development

- Asset rationalisation plans will be important, and particular consideration needs to be given to Investment Property assets against latest MHCLG guidance and potential for divestment to reduce borrowing in some proposals, in particular, out of area investments (37% of value of Investment Property)

- More extreme scores on financial sustainability measures are moderated by proposed new unitary configurations

- Overall provision for debt (through MRP) is reasonable (>2%) but variations need addressing on reorganisation and a more detailed review will be required

1.2 The Whole of Essex Position

The overall, consolidated metrics for the whole of Essex are set out below.

Debt and Assets - Key Metrics - 2024/25 £'000	All Essex
Total External Debt	4,124,532
Closing Capital Financing Requirement	5,244,978
Non-Current Assets Group	13,079,734

Debt by Council is set out in the table below, showing HRA Debt, GF Debt and Total Debt, together with the % Debt for each Council as a proportion of Total Debt and GF Debt for all 15 Essex Councils.

Council	HRA Debt £'000	GF Debt £'000	Total Debt £'000	% Total Debt	% GF Debt
Thurrock	287,189	582,942	870,131	21.1%	20.4%
Essex CC	0	699,556	699,556	17.0%	24.5%
Basildon	197,887	498,511	696,398	16.9%	17.5%
Southend on Sea	72,199	288,977	361,176	8.8%	10.1%
Uttlesford	70,407	250,915	321,322	7.8%	8.8%
Harlow	208,837	105,387	314,224	7.6%	3.7%
Epping Forest	154,556	112,731	267,287	6.5%	4.0%
Colchester	166,445	96,736	263,181	6.4%	3.4%
Brentwood	57,019	180,256	237,275	5.8%	6.3%
Castle Point	25,735	7,246	32,981	0.8%	0.3%
Tendring	30,776	312	31,088	0.8%	0.0%
Chelmsford	0	16,787	16,787	0.4%	0.6%
Braintree	0	10,317	10,317	0.3%	0.4%
Rochford	0	2,775	2,775	0.1%	0.1%
Maldon	0	34	34	0.0%	0.0%
	1,271,050	**2,853,482**	**4,124,532**	**100.0%**	**100.0%**

Thurrock has the highest total debt. However, Thurrock's debt reduced by £395.922 million (31%) in 2024/25 (with GF Debt reducing by £426.784 million (42%). The 5 Councils with the highest debt (Thurrock, Essex CC, Basildon, Southend and Uttlesford) account for 71.5% of total debt and 81.3% of GF debt.

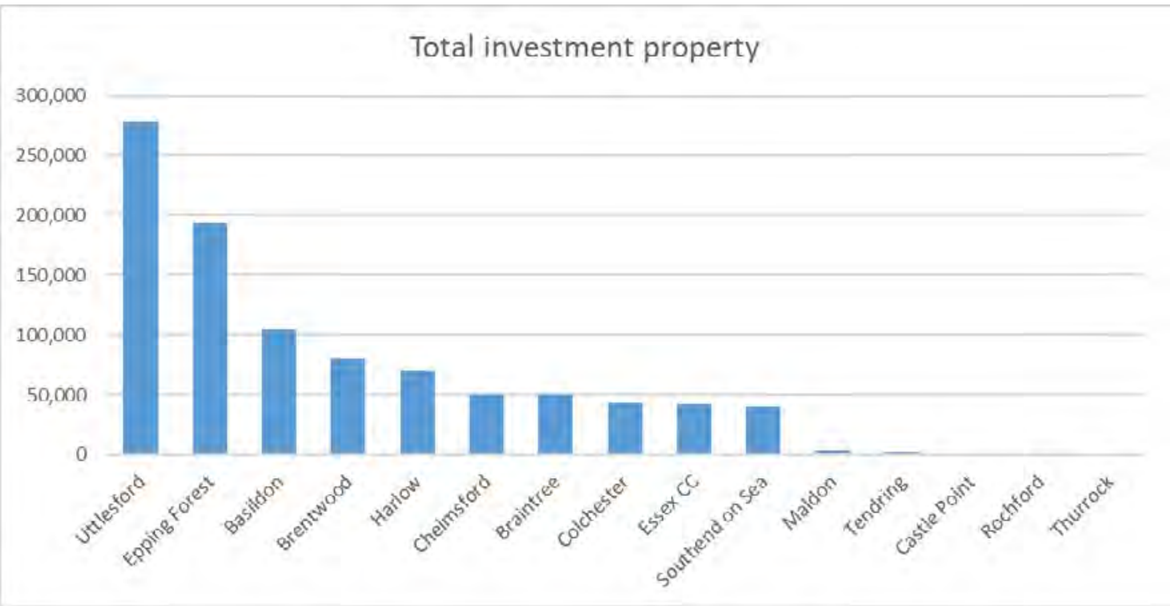
Thurrock is in receipt of Exceptional Financial Support (EFS) owing to historic investment decisions funded from debt. The Government has stated, in May 2025, that "The Government accepts that Thurrock Council holds significant unsupported debt that cannot be managed locally in its entirety".

A significant portion of debt in Essex, £1,225.817 million (29.7%) is repayable in 2025/26. Of this, Thurrock holds almost 55% of the total with Harlow and Basildon holding around 12% each and Uttlesford almost 10%. Clearly there are potential risks in refinancing short-term debt but it is beyond the scope of this report to consider the strategies to be adopted in refinancing such debt.

Debt in Maldon and Rochford relates to PFI & Leases (Credit Arrangements) only as a consequence of the implementation of IFRS 16.

£960.323 million (13%) of the total of Non-Current Assets relates to Investment Property.

The range of value of Investment Property portfolios is broad, with Uttlesford holding the largest portfolio by value as at 31st March of £277.975 million, as is illustrated below.



[Note: Values are in £'000s, e.g. 250,000 = £250 million]

In the table below, we compare the value of Investment Property with GF Debt. This is not to imply a direct relationship between Investment Property and GF debt since Investment Property will have been financed in different ways by different Councils. However, it is an indicator of a Council's capacity to reduce debt through the sale of Investment Property and, in the context of the proposed Unitary models, of the capacity of the new Unitary Councils to reduce debt through the sale of Investment Property.

Council	Investment Property (£'000)	GF Debt (£'000)	Investment Property as %
Maldon	3,888	34	11435%
Tendring	2,212	312	709%
Braintree	49,633	10,317	481%
Chelmsford	50,323	16,787	300%
Epping Forest	193,534	112,731	172%
Uttlesford	277,975	250,915	111%
Harlow	70,073	105,387	66%
Colchester	43,181	96,736	45%
Brentwood	80,013	180,256	44%
Basildon	105,320	498,511	21%
Castle Point	1,207	7,246	17%
Southend on Sea	40,498	288,977	14%
Essex CC	42,466	699,556	6%
Rochford	0	2,775	0%
Thurrock	0	582,942	0%
	960,323	**2,853,482**	**34%**

The value of Investment Property is 34% of GF Debt in Essex as a whole. However, as at 31st March 2025, 6 Councils held Investment Property portfolios valued in excess (>100%) of their GF debt. A further 3 Councils held Investment Property portfolios of a value which are a significant % of their GF debt (44% - 66%).

Appendix 4

In analysing the different Unitary Models which have been proposed, we identify the value of Investment Property each Unitary would hold under the new models, the proportion of Non-Current Assets this represents and compare the value of Investment Property with GF debt.

Financial Sustainability Measures have been calculated for Essex as a whole so that individuals Councils and the proposed new Unitaries in the 3, 4 and 5 Unitary Models can be compared with the all Essex scores. The ratios for all Essex are set out below.

Whole of Essex Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	288.60%	**281.73%**	-6.86%
GF CFR/CSP	209.48%	**202.14%**	-7.34%
Total Group Assets/CSP	852.77%	**805.78%**	-46.99%
Interest Payable/CSP	11.12%	**8.53%**	-2.59%
MRP/Total CFR	4.37%	**2.82%**	-1.55%
MRP/GF CFR	6.02%	**3.93%**	-2.09%

There is wide range of values that go to constitute these all Essex ratios.

There are summarised in the table below (Councils are listed in alphabetical order).

Council	Total CFR/CSP	GF CFR/CSP	Total Group Assets/CSP	Interest Payable/CSP	MRP/Total CFR	MRP/GF CFR
Basildon	2737%	1793%	6038%	73.55%	0.96%	1.47%
Braintree	139%	139%	1462%	2.01%	5.42%	5.42%
Brentwood	1899%	1163%	5601%	64.63%	0.49%	0.81%
Castle Point	361%	147%	2095%	1.03%	3.46%	8.47%
Chelmsford	191%	191%	1492%	2.43%	4.01%	4.01%
Colchester	1263%	292%	4117%	34.41%	0.87%	3.77%
Epping Forest	2393%	1376%	7971%	76.87%	0.58%	1.01%
Essex	91%	91%	331%	2.37%	5.78%	5.78%
Harlow	2883%	1218%	8911%	55.75%	0.32%	0.76%
Maldon	42%	42%	683%	0.02%	0.00%	0.00%
Rochford	27%	27%	694%	1.14%	2.88%	2.88%
Southend on Sea	242%	188%	614%	6.98%	1.54%	1.98%
Tendring	189%	24%	2074%	6.04%	0.50%	3.99%
Thurrock	637%	464%	989%	26.60%	4.59%	6.30%
Uttlesford	2815%	2171%	5851%	105.01%	1.12%	1.45%

There are 6 Councils who score unfavourably on all measures compared to the all Essex value except in relation to Total Group Assets/CSP. These are Basildon, Brentwood, Colchester, Epping Forest, Harlow and Uttlesford. Basildon, Brentwood, Epping Forest, Harlow and Uttlesford have the 5 highest value Investment Property portfolios.

This demonstrates that, whilst these Councils have high CFR/CSP ratios (which represent the underlying need to borrow for capital expenditure purposes) they also have substantial (and in the case of Investment Property, marketable) assets to back this.

These ratios cannot be simply taken as an indicator of risk but more the degree of financial strain placed on the Council in relation to that ratio. Seen in context, a ratio which is unfavourable compared to the all Essex score, can be explained and the 'headline' value does not appear so 'risky'. For example, where a large Investment Portfolio has been financed through borrowing, this will result in a higher CFR and hence higher CFR/CSP ratios.

There is also a wide range of values in relation to MRP/CFR. We have examined the MRP polices of Councils in Essex and there are differences in approach which might explain this range of values. For example – whether a Council uses Equal Instalment or Annuity in relation to the Asset Life Method and policy on Capital Loans (where they are for 'service purposes' or where the loanee is repaying Principal) which may result in nil MRP.

In relation to MRP, a 'rule of thumb' threshold for MRP/CFR is 2%. This reflects MHCLG's position that an MRP/CFR ration below 2% may indicate under provision for the repayment of debt. The majority of Councils in Essex fall below this with only 6 Councils having a MRP/Total CFR ratio above 2%.

In 2023/24, the last financial year for which we have national data, the mean and median averages for lower-tier, single -tier (Unitary) and upper-tier (Shire County) councils for MRP/Total CFR are set out below.

Tier	Mean	Median
Lower-Tier	1.76%	1.17%
Single-Tier	2.12%	2.18%
Upper-Tier	3.16%	3.02%
Total	1.96%	1.60%

This shows that, nationally, MRP/Total CFR is below 2%, especially in relation to lower-tier Councils with single-tier (Unitary) Councils recording an average (mean and median) close to 2% in 2023/24 and only upper-tier (Shire County) Councils being substantially above the 2%.

Whilst the MRP/Total CFR ratio for Essex as a whole on a consolidated basis is 2.82%, for the 12 Essex lower-tier (Shire District) Councils) this ratio at 0.92% is below the 2023/24 national average (mean and median).

Perhaps a more useful measure, given there is no MRP related to the HRA CFR, is MRP/GF CFR. The ratio for Essex as a whole on a consolidated basis is 3.93% and for the 12 Essex lower-tier (Shire District) Councils is 1.61%.

Once re-organisation happens, each new Unitary will need to determine their MRP Policy and this may determine a different approach to some of the factors that determine MRP.

What is clear, as is set out below in relation to the 3, 4, 5 and Alternate 4 Unitary Models, is that merger of Councils into new Unitaries dramatically decreases the range of the ratios for the Financial Sustainability Measures set out in this report, the degree of which depends on which Councils are merged with which.

Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations in producing the 3, 4, 5 and Alternate 4 Unitary Models below.

1.3 Three (3) Unitary Model

Debt and Assets - Key Metrics - 2024/25 £'000	Unitary A	Unitary B	Unitary C	All Essex
Total External Debt	900,861	1,092,352	2,131,319	4,124,532
Closing Capital Financing Requirement	1,180,789	1,460,825	2,603,364	5,244,978
Total Financing Costs	70,256	69,989	167,586	307,831
Non-Current Assets Group	3,442,811	4,436,266	5,200,657	13,079,734
Total External Debt	22%	26%	52%	100%
Closing Capital Financing Requirement	23%	28%	50%	100%
Total Financing Costs	23%	23%	54%	100%
Non-Current Assets Group	26%	34%	40%	100%

The 3 Unitary Model creates one Unitary (Unitary C – Basildon, , Castle Point, Rochford, Southend and Thurrock) which is of far greater scale than the other 2 (Unitary A and B) in relation to debt and to the base of non-current assets.

However, Unitary C would have a far lesser share of Investment Property and Investment Property would represent a lower proportion of Non-Current Assets as is illustrated below.

	2024/25	
Investment Property	**£'000**	**%**
Unitary A	389,692	17%
Unitary B	413,416	17%
Unitary C	157,215	6%
Total	**960,323**	**13%**

Comparing the value of Investment Property to GF Debt for each of the Unitaries in this model shows that both Unitary A and B would have Investment Property which is valued at almost two-thirds of GF debt whilst Unitary C's Investment Property is valued at only 10% of GF debt, which means Unitary C would have a far lower share of Investment Property to potentially sell to reduce the debt. .

3 Unitary Model	Unitary A	Unitary B	Unitary C	Total
GF Debt £'000	633,233	671,940	1,548,309	2,853,482
Investment Property £'000	389,692	413,416	157,215	960,323
Inv Prop as % of GF Debt	62%	62%	10%	34%

In relation to the Financial Sustainability Measures, Unitary C has a higher ratio for Total CFR/CSP and GF CFR/CSP whilst Unitary B has a lower ratio for MRP/Total CFR and MRP/GF CFR. Unitary A has the lowest ratio for Total Group Assets/CSP.

2024/25 Financial Sustainability Measures	Unitary A	Unitary B	Unitary C	All Essex
Total CFR/CSP	**200.86%**	**264.05%**	**361.29%**	**281.73%**
GF CFR/CSP	**143.26%**	**179.42%**	**267.62%**	**202.14%**
Total Group Assets/CSP	**692.99%**	**917.79%**	**811.79%**	**805.78%**
Interest Payable/CSP	**5.96%**	**6.95%**	**11.85%**	**8.53%**
MRP/Total CFR	**2.98%**	**2.16%**	**3.12%**	**2.82%**
MRP/GF CFR	**4.18%**	**3.18%**	**4.21%**	**3.93%**

1.4 Four (4) Unitary Model

Debt and Assets - Key Metrics - 2024/25 £'000	Unitary A	Unitary B	Unitary C	Unitary D	All Essex
Total External Debt	1,830,169	548,271	484,905	1,261,188	4,124,532
Closing Capital Financing Requirement	2,274,922	769,431	657,808	1,542,816	5,244,978
Total Financing Costs	144,121	50,063	39,108	74,539	307,831
Non-Current Assets Group	5,035,695	2,192,891	2,160,349	3,690,799	13,079,734
Total External Debt	44%	13%	12%	31%	100%
Closing Capital Financing Requirement	43%	15%	13%	29%	100%
Total Financing Costs	47%	16%	13%	24%	100%
Non-Current Assets Group	38%	17%	17%	28%	100%

The 4 Unitary Model creates two larger Unitaries (Unitary A and D) and two much smaller Unitaries (B and C) in relation to debt and the non-current asset base. Unitary A consists of Brentwood, Epping Forest, Harlow and Thurrock. Unitary D consists of Basildon,

Castle Point, Rochford and Southend. Thus, the two existing Unitaries (Southend and Thurrock) are separated in the 4 Unitary Model.

In relation to Investment Property, Unitary B (Braintree, Chelmsford and Uttlesford) would have the largest portfolio by value and as a proportion of GF Non-Current Assets.

	2024/25	
Investment Property	**£'000**	**%**
Unitary A	352,195	17%
Unitary B	390,062	22%
Unitary C	60,852	4%
Unitary D	157,215	8%
Total	**960,323**	**13%**

In the table below, we compare the value of Investment Property to GF Debt for each of the Unitaries in this model.

4 Unitary Model	Unitary A	Unitary B	Unitary C	Unitary D	Total
GF Debt £'000	1,122,567	477,864	287,684	965,367	2,853,482
Investment Property £'000	352,195	390,061	60,852	157,215	960,323
Inv Prop as % of GF Debt	31%	82%	21%	16%	34%

This shows that Unitary B would have Investment Property which is valued at over 80% of GF debt.

In relation to the Financial Sustainability Measures, Unitary A has a higher value for Total CFR/CSP, GF CFR/CSP and Interest Payable/CSP than the all Essex ratios. Unitary D has a lower value for both MRP measures compared to the all Essex ratios.

2024/25 Financial Sustainability Measures	Unitary A	Unitary B	Unitary C	Unitary D	All Essex
Total CFR/CSP	483.36%	179.53%	161.03%	278.50%	281.73%
GF CFR/CSP	322.86%	160.42%	98.19%	208.50%	202.14%
Total Group Assets/CSP	1187.65%	608.03%	637.41%	758.48%	805.78%
Interest Payable/CSP	16.37%	5.40%	4.31%	7.41%	8.53%
MRP/Total CFR	2.95%	3.50%	3.27%	2.10%	2.82%
MRP/GF CFR	4.41%	3.91%	5.36%	2.81%	3.93%

1.5 Five (5) Unitary Model

Debt and Assets - Key Metrics - 2024/25 £'000	Unitary A	Unitary B	Unitary C	Unitary D	Unitary E	All Essex
Total External Debt	1,051,117	536,916	405,180	1,653,304	478,015	4,124,532
Closing Capital Financing Requirement	1,380,747	750,549	510,318	1,961,305	642,060	5,244,978
Total Financing Costs	61,499	46,827	31,919	132,926	34,660	307,831
Non-Current Assets Group	3,793,514	2,517,590	1,567,973	3,490,793	1,709,864	13,079,734
Total External Debt	25%	13%	10%	40%	12%	100%
Closing Capital Financing Requirement	26%	14%	10%	37%	12%	100%
Total Financing Costs	20%	15%	10%	43%	11%	100%
Non-Current Assets Group	29%	19%	12%	27%	13%	100%

As can be seen, Unitary D (Basildon and Thurrock) accounts for the largest share of debt, CFR and financing costs but not the largest share of non-current assets. Unitary B, C, and E are relatively small compared to A and D in relation to their share of debt and non-current assets. Unitary A (Epping Forest, Harlow and Uttlesford) would hold the largest value of Non-Current Assets.

In relation to Investment Property, Unitary A would hold 57% by value of the all Essex portfolio and this would account for 32% of General Fund Non-Current Assets. Unitary B, C, D and E would have, relative to A, low values and a lower proportion of Investment Property than the current Essex average.

	2024/25	
Investment Property	**£'000**	**%**
Unitary A	550,583	32%
Unitary B	109,130	6%
Unitary C	143,395	11%
Unitary D	110,588	7%
Unitary E	46,627	4%
Total	**960,323**	**13%**

In the table below, we compare the value of Investment Property to GF Debt for each of the Unitaries in this model.

5 Unitary Model	Unitary A	Unitary B	Unitary C	Unitary D	Unitary E	Total
GF Debt £'000	617,317	339,695	348,161	1,168,228	380,081	2,853,482
Investment Property £'000	550,583	109,130	143,395	110,588	46,627	960,323
Inv Prop as % of GF Debt	89%	32%	41%	9%	12%	34%

This shows that Unitary A would have Investment Property which is valued at almost 90% of GF debt whilst Unitary D and E would have Investment Property valued at closer to 10% of GF debt.

In relation to Financial Sustainability Measure, Unitary A has a less favourable ratio for all measures apart from Total Group Assets/CSP. Unitary D has a favourable Total Group Assets/CSP ratio but unfavourable ratios in relation to Total CFR/CSP and GF CFR/CSP.

Unitary B and C ratios are generally favourable apart from Total Group Assets/CSP. Unitary E, in addition, also has unfavourable ratios compared to the all Essex ratio in relation to the two MRP measures.

2024/25 Financial Sustainability Measures	Unitary A	Unitary B	Unitary C	Unitary D	Unitary E	All Essex
Total CFR/CSP	432.58%	151.47%	156.34%	550.45%	176.26%	281.73%
GF CFR/CSP	284.92%	99.66%	132.20%	396.97%	141.09%	202.14%
Total Group Assets/CSP	1293.63%	618.96%	599.04%	1079.20%	550.23%	805.78%
Interest Payable/CSP	12.36%	4.00%	4.35%	19.19%	4.66%	8.53%
MRP/Total CFR	1.60%	3.60%	3.47%	3.29%	2.60%	2.82%
MRP/GF CFR	2.42%	5.47%	4.11%	4.56%	3.24%	3.93%

1.6 Alternate Four (4) Unitary Model

Debt and Assets - Key Metrics - 2024/25 £'000	Unitary A	Unitary B	Unitary C	Unitary D	All Essex
Total External Debt	1,051,117	536,916	448,116	2,088,383	4,124,532
Closing Capital Financing Requirement	1,380,747	750,549	582,061	2,531,622	5,244,978
Total Financing Costs	61,499	46,827	37,891	161,614	307,831
Non-Current Assets Group	3,793,514	2,517,590	1,815,394	4,953,236	13,079,734
Total External Debt	25%	13%	11%	51%	100%
Closing Capital Financing Requirement	26%	14%	11%	48%	100%
Total Financing Costs	20%	15%	12%	53%	100%
Non-Current Assets Group	38%	17%	17%	28%	100%

Unitary A and B are the same in this Model as in the 5 Unitary Model. As can be seen, Unitary D (which includes Southend and Thurrock) accounts for the largest share (around 50%) of debt, CFR and financing costs but not the largest share of non-current assets. Unitary B and C are relatively small compared to A and D in relation to their share of debt and non-current assets.

In relation to Investment Property, Unitary A would hold 57% of Investment Property by value and it would represent almost one third of General Fund Non-Current Assets. Unitary B, C and D and have, relative to A, low values and a lower proportion of Investment Property than the current Essex average.

	2024/25	
Investment Property	**£'000**	**%**
Unitary A	550,583	32%
Unitary B	109,130	6%
Unitary C	145,833	10%
Unitary D	154,777	7%
Total	**960,323**	**13%**

In the table below, we compare the value of Investment Property to GF Debt for each of the Unitaries in this model.

Alternate 4 Unitary Model	Unitary A	Unitary B	Unitary C	Unitary D	Total
GF Debt £'000	617,317	339,695	391,097	1,505,373	2,853,482
Investment Property £'000	550,583	109,130	145,833	154,777	960,323
Inv Prop as % of GF Debt	89%	32%	37%	10%	34%

This shows that Unitary A would have Investment Property which is valued at almost 90% of GF debt whilst Unitary D (which includes Basildon, Southend and Thurrock) would have Investment Property valued at 10% of GF debt, which means Unitary D would have a far lower share of Investment Property to potentially sell to reduce the debt.

In relation to the Financial Sustainability Measures, Unitary A and B have higher ratios for the two CFR/CSP measures and for Total Group Assets/CSP. Unitary A has the lowest MRP ratios.

2024/25 Financial Sustainability Measures	Unitary A	Unitary B	Unitary C	Unitary D	All Essex
Total CFR/CSP	432.58%	151.47%	140.73%	399.68%	281.73%
GF CFR/CSP	284.92%	99.66%	121.68%	293.12%	202.14%
Total Group Assets/CSP	1293.63%	618.96%	553.20%	871.00%	805.78%
Interest Payable/CSP	12.36%	4.00%	3.90%	13.18%	8.53%
MRP/Total CFR	1.60%	3.60%	3.74%	3.05%	2.82%
MRP/GF CFR	2.42%	5.47%	4.33%	4.16%	3.93%

1.7 Next Steps

This report presents the 'baseline' position in relation to debt and non-current assets in relation to the whole of Essex and to the proposed 3, 4, 5 and alternate 4 Unitary models on the basis of data as at 31st March 2025. As such, our work covers the 'first phase' of development of comparable proposals for local government re-organisation in Essex on the basis of validated data within the tight timescale required.

Further analysis will be required in the next phases of work, once there is more certainty over the Unitary model which will be implemented in Essex, encompassing strategies and policies that it is premature to determine, for example:

- MRP Policy for each of the new Unitaries to ensure adequate provision for the repayment of debt is being made
- Treasury Management Strategy, including refinancing of short-term debt, the composition and maturity profile of debt and the position regarding internal borrowing
- Capital Strategies, including the impact on the CFR over time
- Asset Rationalisation Strategies, including the potential sale of Investment Property

To support this a refresh of the data upon which consolidation and disaggregation of debt and non-current assets at 31st March 2025 will be required.

This would support a detailed assessment of the financial sustainably of each of the new Unitaries, building on the baseline set out in this report and in advance of vesting, along the lines of our work for MHCLG; which takes a holistic view incorporating debt and assets but also revenue budgets and budget pressures, reserves, capital programmes and asset rationalisation and the actions needed to support financial sustainability.

2 Background

CIPFA was commissioned by Chelmsford City Council on behalf of Greater Essex to better understand the overall level of debt and non-current (long-term) assets across the 15 Councils in Essex as part of the preparation for local government re-organisation in Essex. Our work has involved the S.151 Officers and their staff of all 15 Councils in identifying and validating data to populate the Output Template that CIPFA developed.

The individual Output Templates for each Council are included in Part II of this report. The Output Templates were then used as the basis for consolidation to produce the Whole of Essex view (which is set out in Section 3) and then disaggregated to produce the view in relation to:

- 3 Unitary Model (Section 4)
- 4 Unitary Model (Section 5)
- 5 Unitary Model (Section 6)
- Alternate 4 Unitary Model (Section 7)

A set of Financial Sustainability Measures have been developed for this exercise, which are similar to the measures used in CIPFA's Financial Resilience Index. The reasons for minor changes to these measures in this report was to ensure consistency and reliability across the 15 Councils, since the Financial Resilience Index is driven by published Government data (based on returns from local authorities) and this was not yet available for 2024/25. We agreed the Financial Sustainability Measures used in this report, which are:

- Total Capital Financing Requirement/Core Spending Power (Total CFR/CSP) – this is a local authority's underlying need to borrow for capital expenditure purposes compared to Core Spending Power

- General Fund Capital Financing Requirement/Core Spending Power (GF CFR/CSP) – this is a local authority's underlying need to borrow for capital expenditure purposes in relation to the General Fund compared to Core Spending Power

- Total Group Non-Current Assets/Core Spending Power (Total Group Assets/CSP) – this is long-term (non-current) and short-term (current assets) compared to Core Spending Power

- Interest payable/Core Spending Power (Interest Payable/CSP) – this is the interest payable in the financial year compared to Core Spending Power

- Minimum Revenue Provision/Total Capital Financing Requirement (MRP/Total CFR) – this is the MRP in the financial year compared to the CFR (underlying need to borrow)

- Minimum Revenue Provision/General Fund Capital Financing Requirement (MRP/GF CFR) – this is the MRP in the financial year compared to the General Fund CFR (underlying need to borrow in relation to the General Fund and thus excluding the HRA element of the CFR)

These measures have been calculated for the 15 individual Councils, for Essex as a whole and in relation to the new Unitary configurations in relation to the 3, 4, 5 and alternate 4 Unitary models in the following sections.

We would like to thank all the people involved in this work for their cooperation and support.

3 Whole of Essex Consolidated

3.1 Debt

Total Debt

The table below sets out the consolidated position for all 15 Councils in Essex in respect of external debt, the maturity profile of that debt, the level of implied internal borrowing (CFR minus external debt) and financing costs (Interest Payable plus MRP.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Long-Term Borrowing	1,016,272	**967,242**	1,676,496	**1,546,744**	2,692,768	**2,513,986**	61%
Short-Term Borrowing	181,788	**292,190**	1,012,068	**866,829**	1,193,856	**1,159,019**	28%
PFI & Leases (Credit Arrangements)	12,049	**11,618**	271,445	**439,909**	283,494	**451,527**	11%
Total External Debt	1,210,108	**1,271,050**	2,960,010	**2,853,482**	4,170,118	**4,124,532**	100%
Less than 1 year	185,035	**329,319**	1,024,652	**896,498**	1,209,687	**1,225,817**	30%
Between 1 and 2 years	97,203	**35,025**	218,394	**83,175**	315,597	**118,200**	3%
Between 2 and 5 years	110,849	**101,207**	173,973	**207,152**	284,823	**308,360**	8%
Between 5 and 10 years	153,589	**156,871**	371,613	**392,966**	525,202	**549,837**	14%
Between 10 and 15 years	184,338	**242,179**	191,595	**173,511**	375,933	**415,690**	10%
Between 15 and 20 years	295,554	**222,548**	77,547	**96,971**	373,101	**319,518**	8%
Between 20 and 25 years	34,107	**27,675**	64,678	**125,774**	98,785	**153,449**	4%
More than 25 Years	149,433	**156,225**	837,558	**877,435**	986,991	**1,033,660**	25%
External Debt Maturity Schedule	1,210,108	**1,271,050**	2,960,010	**2,853,482**	4,170,118	**4,124,532**	100%
Closing Capital Financing Requirement	1,367,744	**1,481,774**	3,621,494	**3,763,204**	4,989,238	**5,244,978**	100%
External Debt	1,210,108	**1,271,050**	2,960,010	**2,853,482**	4,170,118	**4,124,532**	79%
Implied Internal Borrowing	157,595	**210,724**	661,484	**909,722**	819,079	**1,120,446**	21%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
MRP on Borrowing	-	**-**	80,161	**85,896**	80,161	**85,896**	58%
MRP on Credit Arrangements	58	**68**	19,667	**31,025**	19,725	**31,093**	21%
MRP on Loans to Companies	-	**-**	118,272	**30,988**	118,272	**30,988**	21%
MRP on Equity in Companies	-	**-**	-	**-**	-	**-**	0%
Total MRP	58	**68**	218,100	**147,909**	218,158	**147,977**	100%
Interest Payable	47,237	**44,758**	145,352	**115,096**	192,589	**159,854**	
Total Financing Costs	47,237	**44,758**	363,452	**263,005**	410,747	**307,831**	

Essex Councils as a whole had a combined external debt of £4.124 billion at 31st March 2025. The implementation of IFRS16 has resulted in an increase in indebtedness as previous operating leases come onto the balance sheet as credit arrangements. Long-term Borrowing above includes £8.347 million in 2024/25 (£8.788 million) in 2023/24) in debt transferred from Essex CC to Southend and recorded as 'Other Long-term Liabilities' on Southend's Balance Sheet.

Taking into account the combined Capital Financing Requirement (which represents the underlying need to borrow for capital expenditure purposes) of £5.245 billion, there was implied internal borrowing of £1.121 billion.

Total financing costs in 2024/25 were £307.831 million of which £147.977 million was in relation to MRP. This was a reduction on 2023/24 of £70.181 million but this is explained by the reduction in MRP in Thurrock of £81.869 million in 2024/25 (compared to 2023/24), with Thurrock reporting that both 2023/24 and 2024/25 were exceptional years in respect of MRP.

There was an increase in MRP in 2024/25 in relation to credit arrangements due to the implementation of IFRS 16. There is no MRP in the HRA. However, the values in the table above are not material.

Debt by Council

In the table below, the debt position as at 31st March 2025 by Council is set out.

Council	HRA Debt £'000	GF Debt £'000	Total Debt £'000	% Total Debt	% GF Debt
Thurrock	287,189	582,942	870,131	21.1%	20.4%
Essex CC	0	699,556	699,556	17.0%	24.5%
Basildon	197,887	498,511	696,398	16.9%	17.5%
Southend on Sea	72,199	288,977	361,176	8.8%	10.1%
Uttlesford	70,407	250,915	321,322	7.8%	8.8%
Harlow	208,837	105,387	314,224	7.6%	3.7%
Epping Forest	154,556	112,731	267,287	6.5%	4.0%
Colchester	166,445	96,736	263,181	6.4%	3.4%
Brentwood	57,019	180,256	237,275	5.8%	6.3%
Castle Point	25,735	7,246	32,981	0.8%	0.3%
Tendring	30,776	312	31,088	0.8%	0.0%
Chelmsford	0	16,787	16,787	0.4%	0.6%
Braintree	0	10,317	10,317	0.3%	0.4%
Rochford	0	2,775	2,775	0.1%	0.1%
Maldon	0	34	34	0.0%	0.0%
	1,271,050	**2,853,482**	**4,124,532**	**100.0%**	**100.0%**

Thurrock has the highest total debt. However, Thurrock's debt reduced by £395.922 million (31%) in 2024/25 (with GF Debt reducing by £426.784 million (42%).

Debt in Maldon and Rochford relates to PFI & Leases (Credit Arrangements) only.

As has been widely reported in the press, Thurrock has been in receipt of Exceptional Financial Support (EFS) since 2022/23 owing to historic investment decisions funded from debt. EFS continues in 2025/26. The Government, in May 2025 stated as part of feedback on initial proposals for Essex wide local government re-organisation, that "The Government accepts that Thurrock Council holds significant unsupported debt that cannot be managed locally in its entirety".

The same document also states "The Government is committed to providing an initial tranche of financial support for debt repayment for Thurrock Council in 2026-27, ahead of the implementation of reorganisation in Greater Essex".

It is anticipated that Government support will ameliorate the risk of unsustainable debt from the Essex system, though until the support which will be provided is determined, there is inevitably a degree of uncertainty.

Our report does not consider the extent of support required in this regard.

Short Term Debt

A significant portion of debt in Essex, £1,225.817 million (29.7%) is repayable in 2025/26. Of this, Thurrock holds almost 55% of the total with Harlow and Basildon holding around 12% each and Uttlesford almost 10%. Clearly there are potential risks in refinancing short-term debt but it is beyond the scope of this report to consider the strategies to be adopted in refinancing such debt. The table below sets out the value of short term debt to be repaid in 2025/26 for each Council and as a % of the total short-term debt.

Council	£'000	%
Basildon	147,958	12.1%
Braintree	1,085	0.1%
Brentwood	1,760	0.1%
Castle Point	6,511	0.5%
Chelmsford	11,047	0.9%
Colchester	53,234	4.3%
Essex CC	58,656	4.8%
Epping Fores	7,528	0.6%
Harlow	143,483	11.7%
Maldon	11	0.0%
Rochford	91	0.0%
Southend	2,760	0.2%
Tendring	2,782	0.2%
Thurrock	668,615	54.5%
Uttlesford	120,296	9.8%
	1,225,817	**100.0%**

Financing Costs by Council

In the table below total financing costs (MRP plus interest payable) in 2024/25 by Council is set out.

Council	MRP £'000	Interest Payable £'000	Total Financing Costs £'000	% of Total Financing Costs
Essex CC	68,950	31,032	99,982	32.5%
Thurrock	48,728	44,319	93,047	30.2%
Basildon	7,252	20,225	27,477	8.9%
Southend on Sea	7,012	13,124	20,136	6.5%
Uttlesford	4,001	13,336	17,337	5.6%
Epping Forest	2,117	11,684	13,801	4.5%
Colchester	2,543	7,948	10,491	3.4%
Harlow	1,307	7,861	9,168	3.0%
Brentwood	1,002	6,915	7,917	2.6%
Castle Point	1,573	1,130	2,703	0.9%
Chelmsford	1,826	581	2,407	0.8%
Braintree	1,387	370	1,757	0.6%
Tendring	185	1,189	1,374	0.4%
Rochford	94	138	232	0.1%
Maldon	0	2	2	0.0%
	147,977	**159,854**	**307,831**	**100.0%**

Together, Essex CC and Thurrock accounted for 62.7% of total financing costs in 2024/25.

Castle Point, Chelmsford, Braintree, Tendring, Rochford and Maldon accounted for only 2.8% of total financing costs in 2024/25.

Council	Total Financing Costs	As % of CSP
Basildon	27,477.00	99.9%
Braintree	1,757.00	9.5%
Brentwood	7,917.00	74.0%
Castle Point	2,703.00	21.5%
Chelmsford	2,407.00	10.1%
Colchester	10,491.00	45.4%
Epping Forest	13,801.00	90.8%
Essex	99,982.00	7.6%
Harlow	9,168.00	65.0%
Maldon	2.00	0.0%
Rochford	232.00	1.9%
Southend on Sea	20,136.00	10.7%
Tendring	1,374.00	7.0%
Thurrock	93,047.00	55.9%
Uttlesford	17,337.00	136.5%
Total	**307,831.00**	16.5%

Another perspective is to compare total financing costs with CSP.

This table shows that for a number of Councils, total financing costs represent a significant proportion of CSP, with Basildon, Epping Forest and Uttlesford having total financing costs which are close to or above 100% of CSP.

For Brentwood and Harlow and Brentwood and Harlow, total financing costs are in the region of 70% of CSP.

3.2 Non-Current Assets

The table below sets out the consolidated position for all 15 Councils in Essex in respect of Non-Current Assets (on Council Balance Sheets and on Group Balance Sheets), Investment Property and Assets Held for Sale.

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Property, Plant and Equipment	0	**0**	0	**0**	0	**0**	
Council Dwellings	5,378,384	**5,537,589**	449	**456**	5,378,833	**5,538,045**	42%
Other Property, Plant and Equipment	74,342	**175,052**	5,734,672	**5,823,090**	5,809,014	**5,998,142**	46%
Investment Property	154	**89**	738,865	**772,732**	739,019	**772,821**	6%
Long Term Investments	-	**-**	305,591	**267,296**	305,591	**267,296**	2%
Other Non-Current Assets	350	**232**	453,116	**498,795**	453,466	**499,027**	4%
Non-Current Assets Council	5,453,230	**5,712,962**	7,232,693	**7,362,369**	12,685,923	**13,075,331**	100%
Non-Current Assets Council (from Row 49)	5,453,230	**5,712,962**	7,232,693	**7,362,369**	12,685,923	**13,075,331**	100%
Added Value in Group Balance Sheet	-	**-**	-	**-**	-	**-**	
Property, Plant and Equipment	-	**-**	80,054	**90,829**	80,055	**90,829**	1%
Investment Property	-	**-**	199,422	**187,502**	199,422	**187,502**	1%
Long Term Investments	-	**-**	- 87,161	**- 111,580**	- 87,161	**- 111,580**	-1%
Other Non-Current Assets	-	**-**	- 219,502	**- 162,348**	- 219,502	**- 162,348**	-1%
Non-Current Assets Group	5,453,230	**5,712,962**	7,205,506	**7,366,772**	12,658,737	**13,079,734**	**100%**
Total Investment Property as a proportion of GF Non-Current Assets					938,441	**960,323**	**13%**
Assets Held for Sale as a proportion of GF Non-Current Assets			19,926	**31,936**	19,926	**31,936**	**0%**

[Note: Thurrock has not yet produced 2024/25 Group Accounts so the Council Balance Sheet total has been used above.]

Essex Councils as a whole had £13.080 billion of Non-Current Assets at 31st March 2025, the Group total being only marginally higher than the value of Non-Current Assets on Council Balance Sheets.

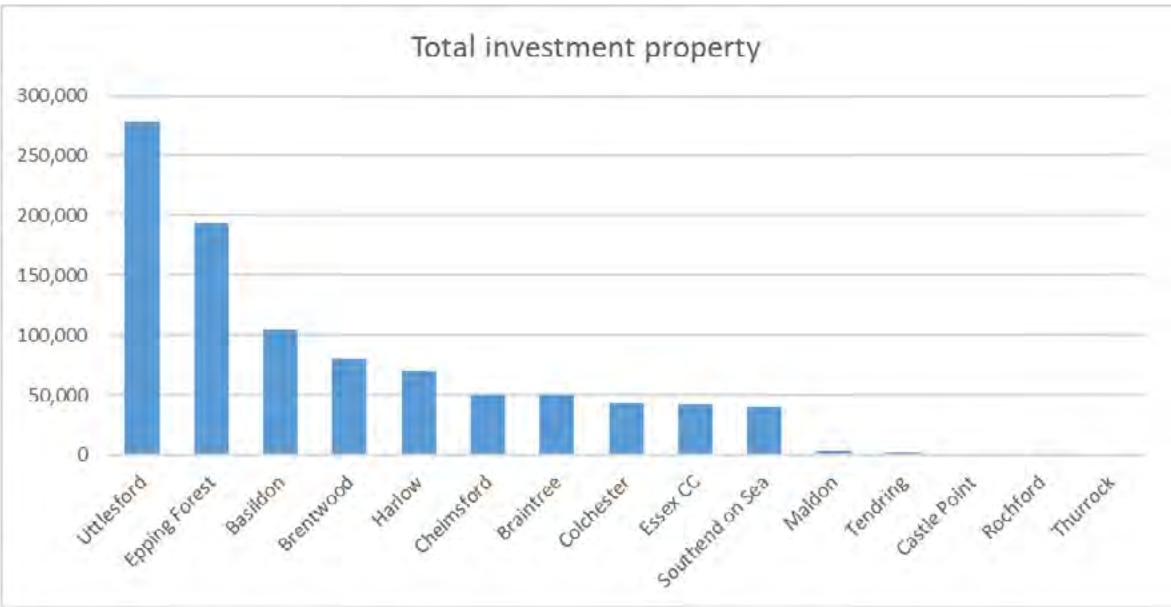
Of this, £960.323 million was in relation to assets categorised as Investment Property. This represents 13% of General Fund Non-Current Group Assets across Essex.

Assets Held for Sale are Current Assets on the Balance Sheet (but would otherwise be Non-Current Assets if not held for sale). Across Essex, the value of Assets Held for Sale at 31st March 2025 was £31.936 million which represented 0.43% of General Fund Non-Current Assets.

3.3 Investment Property

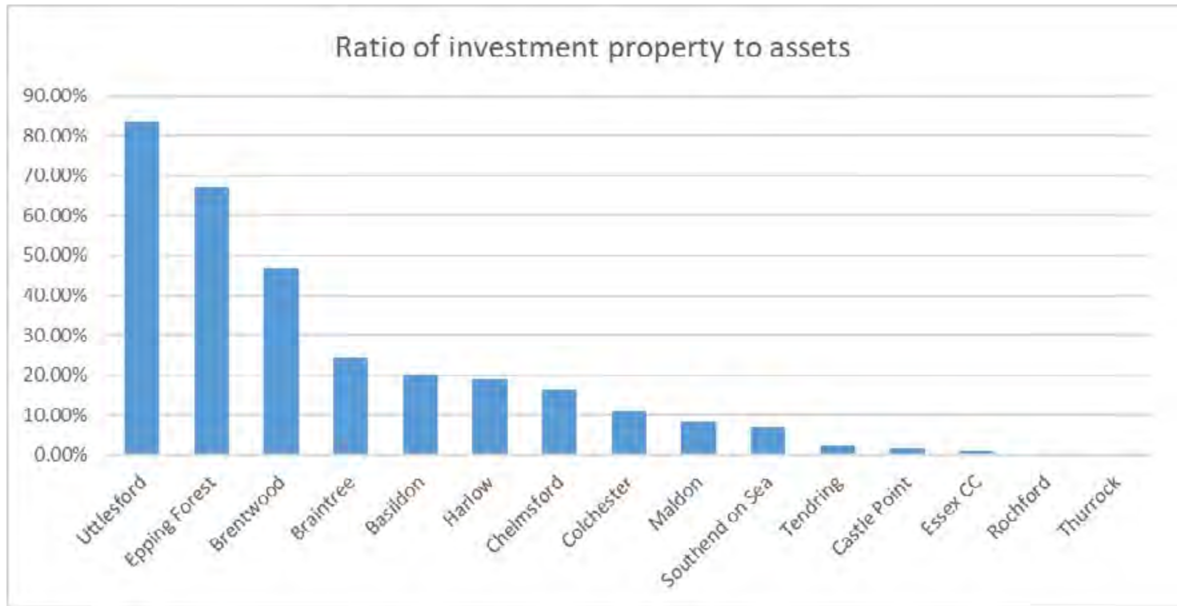
Value and Proportion of General Fund Non-Current Assets

The graph below sets out the range in value of Investment Property held by Essex Councils that make up the total of £960.323 million.



[Note: Values are in £'000s, e.g. 250,000 = £250 million]

The graph below illustrates Investment Property as a proportion of General Fund Non-Current Group Assets for each of the 15 Councils.



Categorisation of Investment Property

In identifying the value of Investment Property held by Councils in Essex, we did question the categorisation of certain assets as Other Land and Buildings (i.e. not included in Investment Property on the Balance Sheet) in a number of Councils. This was in relation to assets which might appear as Investment Property based on the description and intrinsic nature of the asset (for example, retail/shopping centres).

The rationale given for being categorised as Other Land and Buildings was that the primary purpose for holding these assets is regeneration.

Investment Property Location

Investment Property Outside of Essex	£'000	Balance Sheet Location
Basildon	105,320	On Council Balance Sheet
Brentwood	41,804	Held by Subsidiary
Epping Forest	23,450	Held by Subsidiary
Essex CC	24,350	On Council Balance Sheet
Uttlesford	155,725	On Council Balance Sheet
Total	**350,649**	
Proportion of Total Investment Property	**37%**	

37% of Investment Property (with a value of £350.649 million) is located outside of Essex by 5 Councils, with most of this being held on Council Balance Sheets rather than through subsidiaries (on the Group Balance Sheet).

Investment Property as a % of GF Debt

In the table below, we compare the value of Investment Property with GF Debt. This is not to imply a direct relationship between Investment Property and GF debt since Investment Property will have been financed in different ways by different Councils. However, it is an indicator of a Council's capacity to reduce debt through the sale of Investment Property and, in the context of the proposed Unitary models, of the capacity of the new Unitary Councils to reduce debt through the sale of Investment Property.

Council	Investment Property (£'000)	GF Debt (£'000)	Investment Property as %
Maldon	3,888	34	11435%
Tendring	2,212	312	709%
Braintree	49,633	10,317	481%
Chelmsford	50,323	16,787	300%
Epping Forest	193,534	112,731	172%
Uttlesford	277,975	250,915	111%
Harlow	70,073	105,387	66%
Colchester	43,181	96,736	45%
Brentwood	80,013	180,256	44%
Basildon	105,320	498,511	21%
Castle Point	1,207	7,246	17%
Southend on Sea	40,498	288,977	14%
Essex CC	42,466	699,556	6%
Rochford	0	2,775	0%
Thurrock	0	582,942	0%
	960,323	**2,853,482**	**34%**

As at 31st March 2025, 5 Councils held Investment Property portfolios valued in excess (>100%) of their GF debt.

A further 3 Councils held Investment Property portfolios of a value which are a significant % of their GF debt (44% - 66%).

Overall, the value of Investment Property is 34% of GF Debt in Essex as a whole.

Where a decision to sell Investment Property is made, this should be taken on the basis of a business case which takes fully into account all of the revenue implications of such a sale, whether that is prior to re-organisation or once the new Unitary Councils are established.

For information, we did collect data in relation to the surplus generated from the Council's perspective in relation to Investment Property, taking into account borrowing costs in relation to this Investment Property identified to us by the Councils.

This identifies an overall surplus across Essex of £24.746 million in 2024/25 as is set out in the table below.

Council Perspective - Profit on Investment Property in 2024/25	Gross Income £'000	Direct Costs £'000	Net Income £'000	Principal/ MRP £'000	Interest £'000	Surplus (Loss) £'000
Basildon	7,745	-1,038	6,707	-1,572	-3,699	1,436
Braintree	2,815	-532	2,283	-85	-90	2,108
Brentwood	10,118	-5,232	4,886	-	-1,194	3,692
Castle Point	128	-	128	-	-	128
Chelmsford	3,501	-331	3,170	-121	-345	2,704
Colchester	2,849	-819	2,030	-263	-1,406	361
Epping Forest	16,888	-5,624	11,264	-648	-2,587	8,029
Essex CC	1,907	-194	1,713	-	-	1,713
Harlow	95	-	95	-	-	95
Maldon	147	-	147	-	-	147
Rochford	-	-	-	-	-	-
Southend on Sea	3,436	-2,370	1,066	-	-	1,066
Tendring	233	-	233	-	-	233
Thurrock	-	-	-	-	-	-
Uttlesford	34,226	-17,307	16,919	-3,673	-10,212	3,034
Total	**84,088**	**-33,447**	**50,641**	**-6,362**	**-19,533**	**24,746**

This is a snapshot (of 2024/25) so should not be considered in isolation. More work would be required to validate the contribution of Investment Property to Council finances.

We did also collect data on purchase cost of Investment Property to compare to current value. This data is reproduced in Appendix A and is included in the Output Templates for each Council in Part II of this report. Since many Investment Properties are held historically or the purchase price could not be identified, this information provides limited value in providing comprehensive insight into capital appreciation of Investment Property portfolios.

Valuation of Investment Property

As part of our work, we commissioned a professional valuer to undertake desk-top valuations of a sample of Investment Property at 6 Councils. This sample included the 4 Councils with the highest value Investment Property portfolios (Basildon, Brentwood, Epping Forest and Uttlesford) together with Chelmsford and Essex CC.

The conclusion drawn from this work is that, where sufficient data was made available, the valuations that appear on the Balance Sheet are reasonable and that no material error has been identified.

3.4 Financial Sustainability Measures

The measures, with the ratios across, all Essex Councils are set out in the table below.

Whole of Essex Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	288.60%	**281.73%**	-6.86%
GF CFR/CSP	209.48%	**202.14%**	-7.34%
Total Group Assets/CSP	852.77%	**805.78%**	-46.99%
Interest Payable/CSP	11.12%	**8.53%**	-2.59%
MRP/Total CFR	4.37%	**2.82%**	-1.55%
MRP/GF CFR	6.02%	**3.93%**	-2.09%

These measures have been calculated for individual Councils. In the tables below, the ratios for 2024/25 are set out in ascending or descending order depending on whether a higher or lower value is considered more or less favourable.

	Total CFR/CSP		GF CFR/CSP		Total Group Assets/CSP	
1	Rochford	**27%**	Tendring	**24%**	Harlow	**8911%**
2	Maldon	**42%**	Rochford	**27%**	Epping Forest	**7971%**
3	Essex	**91%**	Maldon	**42%**	Basildon	**6038%**
4	Braintree	**139%**	Essex	**91%**	Uttlesford	**5851%**
5	Tendring	**189%**	Braintree	**139%**	Brentwood	**5601%**
6	Chelmsford	**191%**	Castle Point	**147%**	Colchester	**4117%**
7	Southend on Sea	**242%**	Southend on Sea	**188%**	Castle Point	**2095%**
8	Castle Point	**361%**	Chelmsford	**191%**	Tendring	**2074%**
9	Thurrock	**637%**	Colchester	**292%**	Chelmsford	**1492%**
10	Colchester	**1263%**	Thurrock	**464%**	Braintree	**1462%**
11	Brentwood	**1899%**	Brentwood	**1163%**	Thurrock	**989%**
12	Epping Forest	**2393%**	Harlow	**1218%**	Rochford	**694%**
13	Basildon	**2737%**	Epping Forest	**1376%**	Maldon	**683%**
14	Uttlesford	**2815%**	Basildon	**1793%**	Southend on Sea	**614%**
15	Harlow	**2883%**	Uttlesford	**2171%**	Essex	**331%**

	Interest Payable/CSP		MRP/Total CFR		MRP/GF CFR	
1	Maldon	**0.02%**	Essex	**5.78%**	Castle Point	**8.47%**
2	Castle Point	**1.03%**	Braintree	**5.42%**	Thurrock	**6.30%**
3	Rochford	**1.14%**	Thurrock	**4.59%**	Essex	**5.78%**
4	Braintree	**2.01%**	Chelmsford	**4.01%**	Braintree	**5.42%**
5	Essex	**2.37%**	Castle Point	**3.46%**	Chelmsford	**4.01%**
6	Chelmsford	**2.43%**	Rochford	**2.88%**	Tendring	**3.99%**
7	Tendring	**6.04%**	Southend on Sea	**1.54%**	Colchester	**3.77%**
8	Southend on Sea	**6.98%**	Uttlesford	**1.12%**	Rochford	**2.88%**
9	Thurrock	**26.60%**	Basildon	**0.96%**	Southend on Sea	**1.98%**
10	Colchester	**34.41%**	Colchester	**0.87%**	Basildon	**1.47%**
11	Harlow	**55.75%**	Epping Forest	**0.58%**	Uttlesford	**1.45%**
12	Brentwood	**64.63%**	Tendring	**0.50%**	Epping Forest	**1.01%**
13	Basildon	**73.55%**	Brentwood	**0.49%**	Brentwood	**0.81%**
14	Epping Forest	**76.87%**	Harlow	**0.32%**	Harlow	**0.76%**
15	Uttlesford	**105.01%**	Maldon	**0.00%**	Maldon	**0.00%**

Note: Maldon has only marginal debt (£0.034m) which is all in relation to PFI & Leases (Credit Arrangements), hence the 0% MRP ratios.

The ratios by Council, in alphabetical order, are set out in the table below.

Council	Total CFR/CSP	GF CFR/CSP	Total Group Assets/CSP	Interest Payable/CSP	MRP/Total CFR	MRP/GF CFR
Basildon	2737%	1793%	6038%	73.55%	0.96%	1.47%
Braintree	139%	139%	1462%	2.01%	5.42%	5.42%
Brentwood	1899%	1163%	5601%	64.63%	0.49%	0.81%
Castle Point	361%	147%	2095%	1.03%	3.46%	8.47%
Chelmsford	191%	191%	1492%	2.43%	4.01%	4.01%
Colchester	1263%	292%	4117%	34.41%	0.87%	3.77%
Epping Forest	2393%	1376%	7971%	76.87%	0.58%	1.01%
Essex	91%	91%	331%	2.37%	5.78%	5.78%
Harlow	2883%	1218%	8911%	55.75%	0.32%	0.76%
Maldon	42%	42%	683%	0.02%	0.00%	0.00%
Rochford	27%	27%	694%	1.14%	2.88%	2.88%
Southend on Sea	242%	188%	614%	6.98%	1.54%	1.98%
Tendring	189%	24%	2074%	6.04%	0.50%	3.99%
Thurrock	637%	464%	989%	26.60%	4.59%	6.30%
Uttlesford	2815%	2171%	5851%	105.01%	1.12%	1.45%

In the table above these ratios are ordered by Council, in alphabetical order.

There are 6 Councils who score unfavourably on all measures compared to the all Essex value except in relation to Total Group Assets/CSP. These are Basildon, Brentwood, Colchester, Epping Forest, Harlow and Uttlesford. Basildon, Brentwood, Epping Forest, Harlow and Uttlesford have the 5 highest value Investment Property portfolios.

This demonstrates that, whilst these Councils have high CFR/CSP ratios (which represent the underlying need to borrow for capital expenditure purposes) they also have substantial (and in the case of Investment Property, marketable) assets to back this.

In relation to MRP, a 'rule of thumb' threshold for MRP/CFR is 2%. This reflects MHCLG's position that an MRP/CFR ration below 2% may indicate under provision for the repayment of debt. The majority of Councils in Essex fall below this with only 6 Councils having a MRP/Total CFR ratio above 2%.

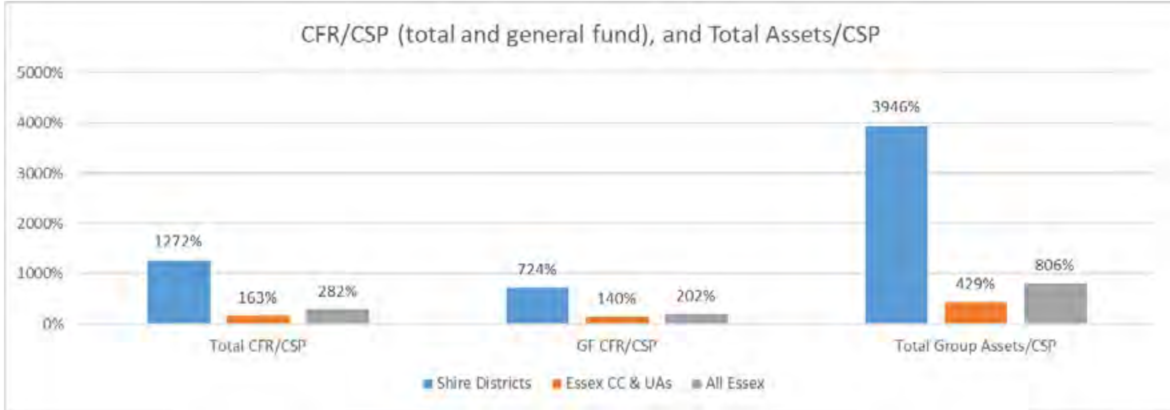
In 2023/24, the last financial year for which we have national data, the mean and median averages for lower-tier, single-tier (Unitary) and upper-tier (Shire County) councils for MRP/CFR are set out below.

Tier	Mean	Median
Lower-Tier	1.76%	1.17%
Single-Tier	2.12%	2.18%
Upper-Tier	3.16%	3.02%
Total	1.96%	1.60%

This shows that, nationally, MRP/CFR is below 2%, especially in relation to lower-tier Councils with single-tier (Unitary) Councils recording an average (mean and median) close to 2% in 2023/24 and only upper-tier (Shire County) Councils being substantially above the 2%.

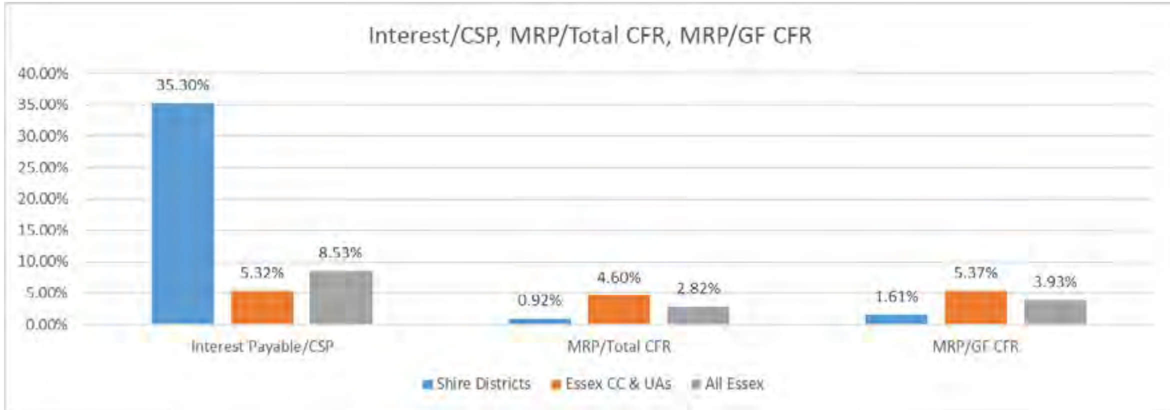
The overall MRP/Total CFR ratio in Essex is 2.82% though, as is demonstrated above, there is wide range in the ratios recorded for the 15 Essex Councils.

We have also compared these measures by grouping Essex CC with Southend and Thurrock (upper-tier plus single-tier) and grouping the 12 lower-tier Councils together.



As can be seen above, there is a distinct difference between these two groups in relation to Total CFR/CSP, GF CFR/CSP but also in relation to Total Group Assets/CSP.

Similarly, in relation to Interest Payable/CSP, MRP/Total CFR and MRP/GF CFR, there are distinct differences between these two groups.



In relation to MRP/Total CFR the Essex lower-tier (Shire District) ratio at 0.92% is below the 2023/24 national average (mean and median) for lower-tier Councils. Perhaps a more useful measure, given there is no MRP related to the HRA CFR, is MRP/GF CFR. The ratio for Essex as a whole on a consolidated basis is 3.93% and for the 12 Essex lower-tier (Shire District) Councils is 1.61%.

These ratios have also been calculated for the proposed Unitary Councils in the 3, 4, 5 and Alternate 4 Unitary Models and are set out in sections 4, 5, 6 and 7 below where they are compared with the all Essex values.

4 LGR Configuration - 3 Unitary Model

4.1 Unitary A: Braintree, Colchester, Tendring and Uttlesford

The table below sets out the debt and non-current assets for this configuration (Braintree, Chelmsford, Tendring and Uttlesford). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Long-Term Borrowing	225,886	212,472	357,811	363,870	583,697	576,342	64%
Short-Term Borrowing	4,371	55,156	151,313	139,941	155,684	195,097	22%
PFI & Leases (Credit Arrangements)	-	-	37,004	129,423	37,004	129,423	14%
Total External Debt	230,257	267,628	546,129	633,234	776,386	900,862	100%
Less than 1 year	7,371	50,457	153,010	149,994	160,381	200,451	22%
Between 1 and 2 years	5,716	5,355	17,739	22,510	23,455	27,865	3%
Between 2 and 5 years	14,517	16,243	52,749	55,909	67,266	72,152	8%
Between 5 and 10 years	33,155	31,780	131,924	138,621	165,079	170,401	19%
Between 10 and 15 years	49,346	48,538	49,822	48,752	99,168	97,290	11%
Between 15 and 20 years	19,000	19,000	9,086	27,148	28,086	46,148	5%
Between 20 and 25 years	17,000	17,000	11,615	48,166	28,615	65,166	7%
More than 25 Years	84,152	79,255	120,183	142,133	204,335	221,388	25%
External Debt Maturity Schedule	230,257	267,628	546,129	633,233	776,386	900,861	100%
Closing Capital Financing Requirement	294,963	338,616	805,569	842,172	1,100,532	1,180,789	100%
External Debt	230,257	267,628	546,129	633,234	776,386	900,862	76%
Implied Internal Borrowing	64,706	70,988	259,440	208,939	324,147	279,927	24%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
MRP on Borrowing	-	-	21,574	21,563	21,574	21,563	61%
MRP on Credit Arrangements	-	-	6,352	9,904	6,352	9,904	28%
MRP on Loans to Companies	-	-	3,245	3,749	3,245	3,749	11%
MRP on Equity in Companies	-	-	-	-	-	-	0%
Total MRP	-	-	31,171	35,216	31,171	35,216	100%
Interest Payable	9,363	4,464	26,041	30,576	35,404	35,040	
Total Financing Costs	9,363	4,464	57,212	65,792	66,575	70,256	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Property, Plant and Equipment							
Council Dwellings	1,016,925	1,050,528	449	456	1,017,374	1,050,984	31%
Other Property, Plant and Equipment	18,292	41,073	1,788,545	1,811,128	1,806,837	1,852,201	54%
Investment Property	-	-	277,866	282,942	277,866	282,942	8%
Long Term Investments	-	-	84,722	103,341	84,722	103,341	3%
Other Non-Current Assets	7	4	81,443	124,319	81,450	124,323	4%
Non-Current Assets Council	1,035,224	1,091,605	2,233,025	2,322,186	3,268,249	3,413,790	100%
Non-Current Assets Council (see above)	1,035,224	1,091,605	2,233,025	2,322,186	3,268,249	3,413,790	99%
Added Value in Group Balance Sheet	-	-	-	-	-	-	
Property, Plant and Equipment	-	-	1,085	1,776	1,086	1,776	0%
Investment Property	-	-	103,058	106,750	103,058	106,750	3%
Long Term Investments	-	-	- 63,460	- 79,579	- 63,460	- 79,579	-2%
Other Non-Current Assets	-	-	- 57,470	74	- 57,470	74	0%
Non-Current Assets Group	1,035,224	1,091,605	2,216,237	2,351,206	3,251,462	3,442,811	**100%**
Total Investment Property as a proportion of GF Non-Current Assets					380,924	389,692	**17%**
Assets Held for Sale as a proportion of GF Non-Current Assets			7,768	10,173	7,768	10,173	**0%**

4.2 Unitary B: Brentwood Chelmsford, Epping Forest, Harlow and Maldon

The table below sets out the debt and non-current assets for this configuration (Brentwood, Chelmsford, Epping Forest, Harlow and Maldon). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Long-Term Borrowing	420,412	420,412	461,011	472,159	881,423	892,571	82%
Short-Term Borrowing	-	-	104,358	134,486	104,358	134,486	12%
PFI & Leases (Credit Arrangements)	-	-	30,956	65,295	30,956	65,295	6%
Total External Debt	420,412	420,412	596,325	671,940	1,016,737	1,092,352	100%
Less than 1 year	-	41,767	108,493	143,589	108,493	185,357	17%
Between 1 and 2 years	41,767	10,000	14,919	21,099	56,687	31,099	3%
Between 2 and 5 years	51,767	41,767	46,469	59,577	98,237	101,344	9%
Between 5 and 10 years	56,767	56,767	115,739	136,054	172,506	192,821	18%
Between 10 and 15 years	45,000	105,000	64,914	51,487	109,914	156,487	14%
Between 15 and 20 years	224,210	164,210	15,817	16,112	240,027	180,322	17%
Between 20 and 25 years	-	-	11,669	17,694	11,669	17,694	2%
More than 25 Years	900	900	218,305	226,327	219,205	227,227	21%
External Debt Maturity Schedule	420,412	420,412	596,325	671,940	1,016,737	1,092,352	100%
Closing Capital Financing Requirement	444,361	468,191	992,006	992,634	1,436,367	1,460,825	100%
External Debt	420,412	420,412	596,325	671,940	1,016,737	1,092,352	75%
Implied Internal Borrowing	23,949	47,779	395,681	320,694	419,630	368,473	25%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
MRP on Borrowing	-	-	20,034	21,221	20,034	21,221	67%
MRP on Credit Arrangements	-	-	5,993	9,485	5,993	9,485	30%
MRP on Loans to Companies	-	-	381	852	381	852	3%
MRP on Equity in Companies	-	-	-	-	-	-	0%
Total MRP	-	-	26,408	31,557	26,408	31,557	100%
Interest Payable	14,614	15,366	24,566	23,066	39,180	38,432	
Total Financing Costs	14,614	15,366	50,974	54,623	65,588	69,989	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Property, Plant and Equipment							
Council Dwellings	1,961,933	1,978,987	-	-	1,961,933	1,978,987	44%
Other Property, Plant and Equipment	37,427	35,703	1,917,577	1,931,354	1,955,004	1,967,057	44%
Investment Property	154	89	308,606	333,143	308,760	333,232	7%
Long Term Investments	-	-	17,966	17,870	17,966	17,870	0%
Other Non-Current Assets	-	-	174,143	163,494	174,143	163,494	4%
Non-Current Assets Council	1,999,514	2,014,779	2,418,292	2,445,861	4,417,806	4,460,640	100%
Non-Current Assets Council (see above)	1,999,514	2,014,779	2,418,292	2,445,861	4,417,806	4,460,640	101%
Added Value in Group Balance Sheet	-	-	-	-	-	-	
Property, Plant and Equipment	-	-	2,511	10,905	2,511	10,905	0%
Investment Property	-	-	95,798	80,184	95,798	80,184	2%
Long Term Investments	-	-	-	-	-	-	0%
Other Non-Current Assets	-	-	- 135,249	- 115,463	- 135,249	- 115,463	-3%
Non-Current Assets Group	1,999,514	2,014,779	2,381,352	2,421,487	4,380,866	4,436,266	**100%**
Total Investment Property as a proportion of GF Non-Current Assets					404,558	413,416	**17%**
Assets Held for Sale as a proportion of GF Non-Current Assets			8,165	5,396	8,165	5,396	**0%**

4.3 Unitary C: Basildon, Castle Point, Rochford, Southend and Thurrock

The table below sets out the debt and non-current assets for this configuration (Basildon, castle Point, Rochford, Southend and Thurrock). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Long-Term Borrowing	369,974	**334,358**	857,674	**710,714**	1,227,648	**1,045,073**	49%
Short-Term Borrowing	177,417	**237,034**	756,397	**592,403**	933,814	**829,437**	39%
PFI & Leases (Credit Arrangements)	12,049	**11,618**	203,484	**245,191**	215,533	**256,809**	12%
Total External Debt	559,439	**583,010**	1,817,556	**1,548,309**	2,376,995	**2,131,319**	100%
Less than 1 year	177,664	**237,095**	763,149	**602,915**	940,813	**840,009**	39%
Between 1 and 2 years	49,720	**19,670**	185,735	**39,566**	235,454	**59,236**	3%
Between 2 and 5 years	44,565	**43,197**	74,756	**91,667**	119,321	**134,864**	6%
Between 5 and 10 years	63,667	**68,324**	123,950	**118,291**	187,617	**186,615**	9%
Between 10 and 15 years	89,992	**88,641**	76,859	**73,272**	166,851	**161,913**	8%
Between 15 and 20 years	52,344	**39,338**	52,644	**53,710**	104,989	**93,048**	4%
Between 20 and 25 years	17,107	**10,675**	41,394	**59,914**	58,501	**70,589**	3%
More than 25 Years	64,381	**76,070**	499,070	**508,975**	563,451	**585,045**	27%
External Debt Maturity Schedule	559,439	**583,010**	1,817,556	**1,548,309**	2,376,995	**2,131,319**	100%
Closing Capital Financing Requirement	628,420	**674,967**	1,823,918	**1,928,397**	2,452,338	**2,603,364**	100%
External Debt	559,439	**583,010**	1,817,556	**1,548,309**	2,376,995	**2,131,319**	82%
Implied Internal Borrowing	68,940	**91,957**	6,363	**380,089**	75,303	**472,046**	18%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
MRP on Borrowing	-	**-**	38,553	**43,112**	38,553	**43,112**	53%
MRP on Credit Arrangements	58	**68**	7,322	**11,637**	7,380	**11,705**	14%
MRP on Loans to Companies	-	**-**	114,646	**26,387**	114,646	**26,387**	32%
MRP on Equity in Companies	-	**-**	-	**-**	-	**-**	0%
Total MRP	58	**68**	160,521	**81,135**	160,579	**81,203**	100%
Interest Payable	23,260	**24,928**	94,745	**61,454**	118,005	**86,382**	
Total Financing Costs	23,260	**24,928**	255,266	**142,590**	278,584	**167,586**	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Property, Plant and Equipment							
Council Dwellings	2,399,526	**2,508,074**	-	**-**	2,399,526	**2,508,074**	48%
Other Property, Plant and Equipment	18,623	**98,276**	2,028,550	**2,080,609**	2,047,173	**2,178,885**	42%
Investment Property	-	**-**	152,393	**156,647**	152,393	**156,647**	3%
Long Term Investments	-	**-**	202,903	**146,085**	202,903	**146,085**	3%
Other Non-Current Assets	343	**228**	197,531	**210,982**	197,874	**211,210**	4%
Non-Current Assets Council	2,418,492	**2,606,578**	2,581,376	**2,594,323**	4,999,868	**5,200,901**	100%
Non-Current Assets Council (see above)	2,418,492	**2,606,578**	2,581,376	**2,594,323**	4,999,868	**5,200,901**	100%
Added Value in Group Balance Sheet	-	**-**	-	**-**	-	**-**	
Property, Plant and Equipment	-	**-**	76,459	**78,149**	76,459	**78,149**	2%
Investment Property	-	**-**	566	**568**	566	**568**	0%
Long Term Investments	-	**-**	- 23,701	**- 32,001**	- 23,701	**- 32,001**	-1%
Other Non-Current Assets	-	**-**	- 26,783	**- 46,959**	- 26,783	**- 46,959**	-1%
Non-Current Assets Group	2,418,492	**2,606,578**	2,607,917	**2,594,079**	5,026,409	**5,200,657**	**100%**
Total Investment Property as a proportion of GF Non-Current Assets					152,959	**157,215**	**6%**
Assets Held for Sale as a proportion of GF Non-Current Assets			3,993	**16,366**	3,993	**16,366**	**1%**

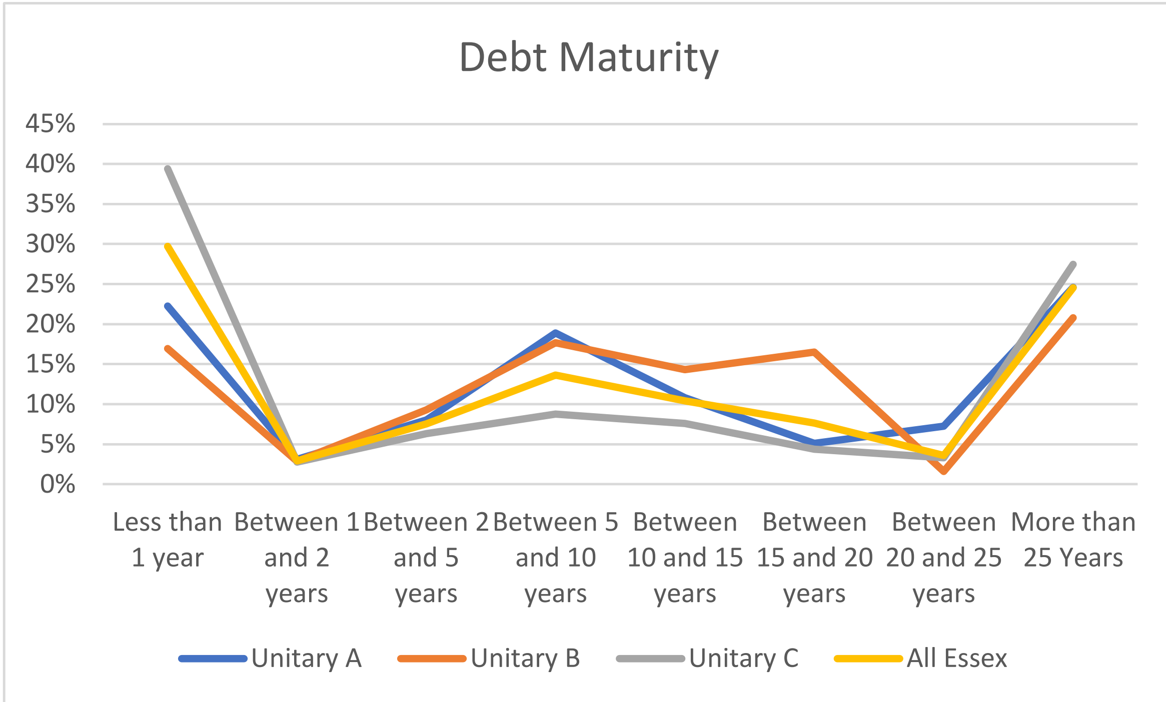
4.4 Debt and Assets Key Metrics

The table below sets out key debt and asset metrics for Unitary A, B and C.

Debt and Assets - Key Metrics - 2024/25 £'000	Unitary A	Unitary B	Unitary C	All Essex
Total External Debt	900,861	1,092,352	2,131,319	4,124,532
Closing Capital Financing Requirement	1,180,789	1,460,825	2,603,364	5,244,978
Total Financing Costs	70,256	69,989	167,586	307,831
Non-Current Assets Group	3,442,811	4,436,266	5,200,657	13,079,734
Total External Debt	22%	26%	52%	100%
Closing Capital Financing Requirement	23%	28%	50%	100%
Total Financing Costs	23%	23%	54%	100%
Non-Current Assets Group	26%	34%	40%	100%

As can be seen above, Unitary C accounts for 50% or more of all three debt metrics but only 40% of non-current assets.

Debt maturity is illustrated in the graph below.



4.5 Investment Property

The table below shows the value of Investment Property in Unitary A, B and C and the % of General Fund Non-Current Assets this represents.

	2024/25	
Investment Property	**£'000**	**%**
Unitary A	389,692	17%
Unitary B	413,416	17%
Unitary C	157,215	6%
Total	**960,323**	**13%**

Unitary A and B would hold a greater proportion of Investment Property than the Essex average, whilst Unitary C would hold the lowest by value and as a proportion of General Fund Non-Current Assets.

In the table below, we compare the value of Investment Property to GF Debt for each of the Unitaries in this model.

3 Unitary Model	Unitary A	Unitary B	Unitary C	Total
GF Debt £'000	633,233	671,940	1,548,309	2,853,482
Investment Property £'000	389,692	413,416	157,215	960,323
Inv Prop as % of GF Debt	62%	62%	10%	34%

This shows that both Unitary A and B would have Investment Property which is valued at almost two-thirds of GF debt whilst Unitary C's Investment Property is valued at only 10% of GF debt.

4.6 Financial Sustainability Measures

Financial Sustainability Measures - Unitary A, B and C

3 Unitary Model: Unitary A Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	201.22%	**200.86%**	-0.36%
GF CFR/CSP	147.29%	**143.26%**	-4.03%
Total Group Assets/CSP	698.12%	**692.99%**	-5.14%
Interest Payable/CSP	6.47%	**5.96%**	-0.51%
MRP/Total CFR	2.83%	**2.98%**	0.15%
MRP/GF CFR	3.87%	**4.18%**	0.31%

3 Unitary Model: Unitary B Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	279.05%	**264.05%**	-15.00%
GF CFR/CSP	192.72%	**179.42%**	-13.30%
Total Group Assets/CSP	963.65%	**917.79%**	-45.85%
Interest Payable/CSP	7.61%	**6.95%**	-0.66%
MRP/Total CFR	1.84%	**2.16%**	0.32%
MRP/GF CFR	2.66%	**3.18%**	0.52%

3 Unitary Model: Unitary C Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	367.60%	**361.29%**	-6.31%
GF CFR/CSP	273.40%	**267.62%**	-5.78%
Total Group Assets/CSP	894.00%	**811.79%**	-82.21%
Interest Payable/CSP	17.65%	**11.85%**	-5.80%
MRP/Total CFR	6.55%	**3.12%**	-3.43%
MRP/GF CFR	8.80%	**4.21%**	-4.59%

3 Unitary Model: Comparison of Unitary A, B and C with Whole of Essex

2024/25 Financial Sustainability Measures	Unitary A	Unitary B	Unitary C	All Essex
Total CFR/CSP	**200.86%**	**264.05%**	**361.29%**	**281.73%**
GF CFR/CSP	**143.26%**	**179.42%**	**267.62%**	**202.14%**
Total Group Assets/CSP	**692.99%**	**917.79%**	**811.79%**	**805.78%**
Interest Payable/CSP	**5.96%**	**6.95%**	**11.85%**	**8.53%**
MRP/Total CFR	**2.98%**	**2.16%**	**3.12%**	**2.82%**
MRP/GF CFR	**4.18%**	**3.18%**	**4.21%**	**3.93%**

Unitary C has a higher ratio for Total CFR/CSP and GF CFR/CSP whilst Unitary B has a lower ratio for MRP/Total CFR and MRP/GF CFR. Unitary A has the lowest ratio for Total Group Assets/CSP.

5 LGR Configuration: 4 Unitary Model

5.1 Unitary A: Brentwood, Epping Forest, Harlow and Thurrock

The table below sets out the debt and non-current assets for this configuration (Brentwood, Epping Forest, Harlow and Thurrock). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
Long-Term Borrowing	499,591	**471,091**	692,014	**519,793**	1,191,604	**990,884**	54%
Short-Term Borrowing	165,229	**224,953**	779,561	**560,434**	944,789	**785,387**	43%
PFI & Leases (Credit Arrangements)	11,920	**11,557**	16,801	**42,341**	28,721	**53,898**	3%
Total External Debt	676,739	**707,601**	1,488,375	**1,122,568**	2,165,115	**1,830,169**	100%
Less than 1 year	165,408	**266,720**	781,801	**566,510**	947,208	**833,230**	46%
Between 1 and 2 years	84,309	**10,188**	182,938	**14,343**	267,247	**24,531**	1%
Between 2 and 5 years	52,331	**42,388**	32,237	**41,625**	84,568	**84,013**	5%
Between 5 and 10 years	57,807	**57,912**	97,678	**114,982**	155,485	**172,894**	9%
Between 10 and 15 years	46,120	**106,230**	46,648	**34,222**	92,768	**140,452**	8%
Between 15 and 20 years	229,026	**170,631**	26,480	**26,447**	255,507	**197,078**	11%
Between 20 and 25 years	1,515	**1,618**	11,728	**15,968**	13,243	**17,586**	1%
More than 25 Years	40,223	**51,913**	308,866	**308,471**	349,089	**360,384**	20%
External Debt Maturity Schedule	676,739	**707,601**	1,488,375	**1,122,568**	2,165,115	**1,830,169**	100%

Closing Capital Financing Requirement	700,673	**755,380**	1,541,452	**1,519,542**	2,242,125	**2,274,922**	100%
External Debt	676,739	**707,601**	1,488,375	**1,122,568**	2,165,115	**1,830,169**	80%
Implied Internal Borrowing	23,893	**47,779**	53,077	**396,974**	76,970	**444,753**	20%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
MRP on Borrowing	-	**-**	28,528	**36,082**	28,528	**36,082**	54%
MRP on Credit Arrangements	-	**-**	3,254	**4,696**	3,254	**4,696**	7%
MRP on Loans to Companies	-	**-**	114,607	**26,299**	114,607	**26,299**	39%
MRP on Equity in Companies	-	**-**	-	**-**	-	**-**	0%
Total MRP	-	**-**	146,389	**67,076**	146,389	**67,076**	100%
Interest Payable	23,143	**26,700**	86,688	**50,345**	109,831	**77,045**	
Total Financing Costs	23,143	**26,700**	233,077	**117,421**	256,220	**144,121**	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
Property, Plant and Equipment							
Council Dwellings	2,769,296	**2,872,257**	-	**-**	2,769,296	**2,872,257**	57%
Other Property, Plant and Equipment	42,705	**109,725**	1,670,316	**1,556,860**	1,713,021	**1,666,585**	33%
Investment Property	154	**89**	244,514	**271,922**	244,668	**272,011**	5%
Long Term Investments	-	**-**	155,106	**86,846**	155,106	**86,846**	2%
Other Non-Current Assets	-	**-**	180,671	**161,608**	180,671	**161,608**	3%
Non-Current Assets Council	2,812,155	**2,982,071**	2,250,607	**2,077,236**	5,062,762	**5,059,307**	100%

Non-Current Assets Council (see above)	2,812,155	**2,982,071**	2,250,607	**2,077,236**	5,062,762	**5,059,307**	100%
Added Value in Group Balance Sheet	-	**-**	-	**-**	-	**-**	
Property, Plant and Equipment	-	**-**	4,656	**10,438**	4,656	**10,438**	0%
Investment Property	-	**-**	95,798	**80,184**	95,798	**80,184**	2%
Long Term Investments	-	**-**	-	**-**	-	**-**	0%
Other Non-Current Assets	-	**-**	- 134,726	**- 114,234**	- 134,726	**- 114,234**	-2%
Non-Current Assets Group	2,812,155	**2,982,071**	2,216,335	**2,053,624**	5,028,490	**5,035,695**	**100%**

Total Investment Property as a proportion of GF Non-Current Assets					340,466	**352,195**	**17%**
Assets Held for Sale as a proportion of GF Non-Current Assets			7,429	**4,298**	7,429	**4,298**	**0%**

5.2 Unitary B: Braintree, Chelmsford and Uttlesford

The table below sets out the debt and non-current assets for this configuration (Braintree, Chelmsford and Uttlesford). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
Long-Term Borrowing	73,407	**67,407**	278,665	**286,834**	352,072	**354,241**	65%
Short-Term Borrowing	-	**3,000**	141,921	**140,278**	141,921	**143,278**	26%
PFI & Leases (Credit Arrangements)	-	**-**	29,905	**50,751**	29,905	**50,751**	9%
Total External Debt	73,407	**70,407**	450,491	**477,864**	523,898	**548,271**	100%
Less than 1 year	3,000	**3,000**	142,371	**146,185**	145,371	**149,185**	27%
Between 1 and 2 years	3,000	**3,000**	14,845	**18,129**	17,845	**21,129**	4%
Between 2 and 5 years	10,000	**10,000**	44,735	**49,298**	54,735	**59,298**	11%
Between 5 and 10 years	20,000	**20,000**	118,735	**122,255**	138,735	**142,255**	26%
Between 10 and 15 years	37,407	**34,407**	37,281	**34,910**	74,688	**69,317**	13%
Between 15 and 20 years	-	**-**	6,611	**4,874**	6,611	**4,874**	1%
Between 20 and 25 years	-	**-**	11,322	**26,473**	11,322	**26,473**	5%
More than 25 Years	-	**-**	74,591	**75,740**	74,591	**75,740**	14%
External Debt Maturity Schedule	73,407	**70,407**	450,491	**477,864**	523,898	**548,271**	100%

Closing Capital Financing Requirement	81,909	**81,909**	656,310	**687,522**	738,219	**769,431**	100%
External Debt	73,407	**70,407**	450,491	**477,864**	523,898	**548,271**	71%
Implied Internal Borrowing	8,502	**11,502**	205,819	**209,658**	214,321	**221,160**	29%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
MRP on Borrowing	-	**-**	14,291	**14,852**	14,291	**14,852**	55%
MRP on Credit Arrangements	-	**-**	5,120	**8,559**	5,120	**8,559**	32%
MRP on Loans to Companies	-	**-**	3,134	**3,500**	3,134	**3,500**	13%
MRP on Equity in Companies	-	**-**	-	**-**	-	**-**	0%
Total MRP	-	**-**	22,544	**26,911**	22,544	**26,911**	100%
Interest Payable	2,684	**2,644**	21,096	**20,508**	23,780	**23,152**	
Total Financing Costs	2,684	**2,644**	43,640	**47,419**	46,324	**50,063**	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
Property, Plant and Equipment							
Council Dwellings	379,832	**375,893**	449	**456**	380,281	**376,349**	17%
Other Property, Plant and Equipment	10,524	**11,090**	1,286,885	**1,356,775**	1,297,409	**1,367,865**	63%
Investment Property	-	**-**	280,014	**283,312**	280,014	**283,312**	13%
Long Term Investments	-	**-**	92,371	**110,806**	92,371	**110,806**	5%
Other Non-Current Assets	7	**4**	18,805	**25,702**	18,812	**25,706**	1%
Non-Current Assets Council	390,363	**386,987**	1,678,524	**1,777,051**	2,068,887	**2,164,038**	100%

Non-Current Assets Council (see above)	390,363	**386,987**	1,678,524	**1,777,051**	2,068,887	**2,164,038**	99%
Added Value in Group Balance Sheet	-	**-**	-	**-**	-	**-**	
Property, Plant and Equipment	-	**-**	614	**808**	614	**808**	0%
Investment Property	-	**-**	103,058	**106,750**	103,058	**106,750**	5%
Long Term Investments	-	**-**	- 61,880	**- 79,579**	- 61,880	**- 79,579**	-4%
Other Non-Current Assets	-	**-**	- 212	**873**	- 212	**873**	0%
Non-Current Assets Group	390,363	**386,987**	1,720,104	**1,805,904**	2,110,467	**2,192,891**	**100%**

Total Investment Property as a proportion of GF Non-Current Assets					383,072	**390,062**	**22%**
Assets Held for Sale as a proportion of GF Non-Current Assets			4,527	**7,861**	4,527	**7,861**	**0%**

5.3 Unitary C: Colchester, Maldon and Tendring

The table below sets out the debt and non-current assets for this configuration (Colchester, Maldon and Tendring). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Long-Term Borrowing	152,479	**145,065**	171,219	**165,874**	323,698	**310,939**	64%
Short-Term Borrowing	4,371	**52,156**	20,840	**17,376**	25,211	**69,532**	14%
PFI & Leases (Credit Arrangements)	-	**-**	21,255	**104,434**	21,255	**104,434**	22%
Total External Debt	156,850	**197,221**	213,314	**287,684**	370,164	**484,905**	100%
Less than 1 year	4,371	**47,457**	23,982	**24,551**	28,353	**72,008**	15%
Between 1 and 2 years	2,716	**2,355**	7,712	**11,274**	10,428	**13,629**	3%
Between 2 and 5 years	4,517	**6,243**	22,479	**24,661**	26,996	**30,904**	6%
Between 5 and 10 years	13,155	**11,780**	33,426	**38,357**	46,581	**50,137**	10%
Between 10 and 15 years	11,939	**14,131**	31,038	**31,193**	42,977	**45,324**	9%
Between 15 and 20 years	19,000	**19,000**	6,282	**25,071**	25,282	**44,071**	9%
Between 20 and 25 years	17,000	**17,000**	742	**23,594**	17,742	**40,594**	8%
More than 25 Years	84,152	**79,255**	87,653	**108,982**	171,805	**188,237**	39%
External Debt Maturity Schedule	156,850	**197,221**	213,314	**287,683**	370,164	**484,904**	100%

Closing Capital Financing Requirement	213,054	**256,707**	377,621	**401,101**	590,675	**657,808**	100%
External Debt	156,850	**197,221**	213,314	**287,684**	370,164	**484,905**	74%
Implied Internal Borrowing	56,204	**59,486**	164,307	**113,417**	220,512	**172,904**	26%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
MRP on Borrowing	-	**-**	14,810	**14,565**	14,810	**14,565**	68%
MRP on Credit Arrangements	-	**-**	4,150	**6,316**	4,150	**6,316**	29%
MRP on Loans to Companies	-	**-**	283	**632**	283	**632**	3%
MRP on Equity in Companies	-	**-**	-	**-**	-	**-**	0%
Total MRP	-	**-**	19,243	**21,514**	19,243	**21,514**	100%
Interest Payable	6,679	**1,820**	12,013	**15,774**	18,692	**17,594**	
Total Financing Costs	6,679	**1,820**	31,256	**37,288**	37,935	**39,108**	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Property, Plant and Equipment							
Council Dwellings	637,093	**674,635**	-	**-**	637,093	**674,635**	31%
Other Property, Plant and Equipment	7,768	**29,983**	1,266,482	**1,276,996**	1,274,250	**1,306,979**	60%
Investment Property	-	**-**	61,944	**60,852**	61,944	**60,852**	3%
Long Term Investments	-	**-**	6,038	**6,105**	6,038	**6,105**	0%
Other Non-Current Assets	-	**-**	72,631	**112,371**	72,631	**112,371**	5%
Non-Current Assets Council	644,861	**704,618**	1,407,095	**1,456,325**	2,051,956	**2,160,943**	100%

Non-Current Assets Council (see above)	644,861	**704,618**	1,407,095	**1,456,325**	2,051,956	**2,160,943**	100%
Added Value in Group Balance Sheet	-	**-**	-	**-**	-	**-**	
Property, Plant and Equipment	-	**-**	826	**1,435**	827	**1,435**	0%
Investment Property	-	**-**	-	**-**	-	**-**	0%
Long Term Investments	-	**-**	-1,580	**-**	-1,580	**-**	0%
Other Non-Current Assets	-	**-**	-57,380	**-2,028**	-57,380	**-2,028**	0%
Non-Current Assets Group	644,861	**704,618**	1,348,960	**1,455,731**	1,993,822	**2,160,349**	**100%**

Total Investment Property as a proportion of GF Non-Current Assets		61,944	**60,852**	**4%**
Assets Held for Sale as a proportion of GF Non-Current Assets	5,169	**4,601**	5,169	**4,601**	**0%**

Appendix 4

5.4 Unitary D: Basildon, Castle Point, Rochford and Southend

The table below sets out the debt and non-current assets for this configuration (Basildon, Castle Point, Rochford and Southend). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Long-Term Borrowing	290,795	**283,679**	534,599	**574,243**	825,394	**857,922**	68%
Short-Term Borrowing	12,188	**12,081**	69,747	**148,741**	81,935	**160,822**	13%
PFI & Leases (Credit Arrangements)	129	**61**	203,484	**242,383**	203,613	**242,444**	19%
Total External Debt	303,112	**295,821**	807,830	**965,367**	1,110,942	**1,261,188**	100%
Less than 1 year	12,256	**12,142**	76,499	**159,252**	88,755	**171,394**	14%
Between 1 and 2 years	7,178	**19,482**	12,898	**39,428**	20,076	**58,910**	5%
Between 2 and 5 years	44,001	**42,576**	74,523	**91,569**	118,524	**134,145**	11%
Between 5 and 10 years	62,627	**67,179**	121,774	**117,372**	184,401	**184,551**	15%
Between 10 and 15 years	88,872	**87,411**	76,628	**73,185**	165,500	**160,596**	13%
Between 15 and 20 years	47,528	**32,917**	38,174	**40,579**	85,702	**73,496**	6%
Between 20 and 25 years	15,592	**9,057**	40,885	**59,740**	56,477	**68,797**	5%
More than 25 Years	25,058	**25,057**	366,449	**384,242**	391,507	**409,299**	32%
External Debt Maturity Schedule	303,112	**295,821**	807,830	**965,367**	1,110,942	**1,261,188**	100%

Closing Capital Financing Requirement	372,108	**387,778**	1,046,110	**1,155,038**	1,418,218	**1,542,816**	100%
External Debt	303,112	**295,821**	807,830	**965,367**	1,110,942	**1,261,188**	82%
Implied Internal Borrowing	68,996	**91,957**	238,280	**189,672**	307,276	**281,629**	18%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
MRP on Borrowing	-	**-**	22,532	**20,397**	22,532	**20,397**	63%
MRP on Credit Arrangements	58	**68**	7,143	**11,454**	7,201	**11,522**	35%
MRP on Loans to Companies	-	**-**	249	**557**	249	**557**	2%
MRP on Equity in Companies	-	**-**	-	**-**	-	**-**	0%
Total MRP	58	**68**	29,924	**32,407**	29,982	**32,475**	100%
Interest Payable	14,731	**13,594**	25,555	**28,469**	40,286	**42,063**	
Total Financing Costs	14,731	**13,594**	55,479	**60,877**	70,268	**74,539**	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Property, Plant and Equipment							
Council Dwellings	1,592,163	**1,614,804**	-	**-**	1,592,163	**1,614,804**	44%
Other Property, Plant and Equipment	13,345	**24,254**	1,510,989	**1,632,459**	1,524,334	**1,656,713**	45%
Investment Property	-	**-**	152,393	**156,647**	152,393	**156,647**	4%
Long Term Investments	-	**-**	52,076	**63,538**	52,076	**63,538**	2%
Other Non-Current Assets	343	**228**	181,009	**199,113**	181,352	**199,341**	5%
Non-Current Assets Council	1,605,851	**1,639,286**	1,896,466	**2,051,757**	3,502,317	**3,691,043**	100%

Non-Current Assets Council (see above)	1,605,851	**1,639,286**	1,896,466	**2,051,757**	3,502,317	**3,691,043**	100%
Added Value in Group Balance Sheet	-	**-**	-	**-**	-	**-**	
Property, Plant and Equipment	-	**-**	73,959	**78,149**	73,959	**78,149**	2%
Investment Property	-	**-**	566	**568**	566	**568**	0%
Long Term Investments	-	**-**	-23,701	**-32,001**	-23,701	**-32,001**	-1%
Other Non-Current Assets	-	**-**	-27,183	**-46,959**	-27,183	**-46,959**	-1%
Non-Current Assets Group	1,605,851	**1,639,286**	1,920,107	**2,051,513**	3,525,958	**3,690,799**	**100%**

Total Investment Property as a proportion of GF Non-Current Assets			152,959	**157,215**	**8%**
Assets Held for Sale as a proportion of GF Non-Current Assets	2,802	**15,175**	2,802	**15,175**	**1%**

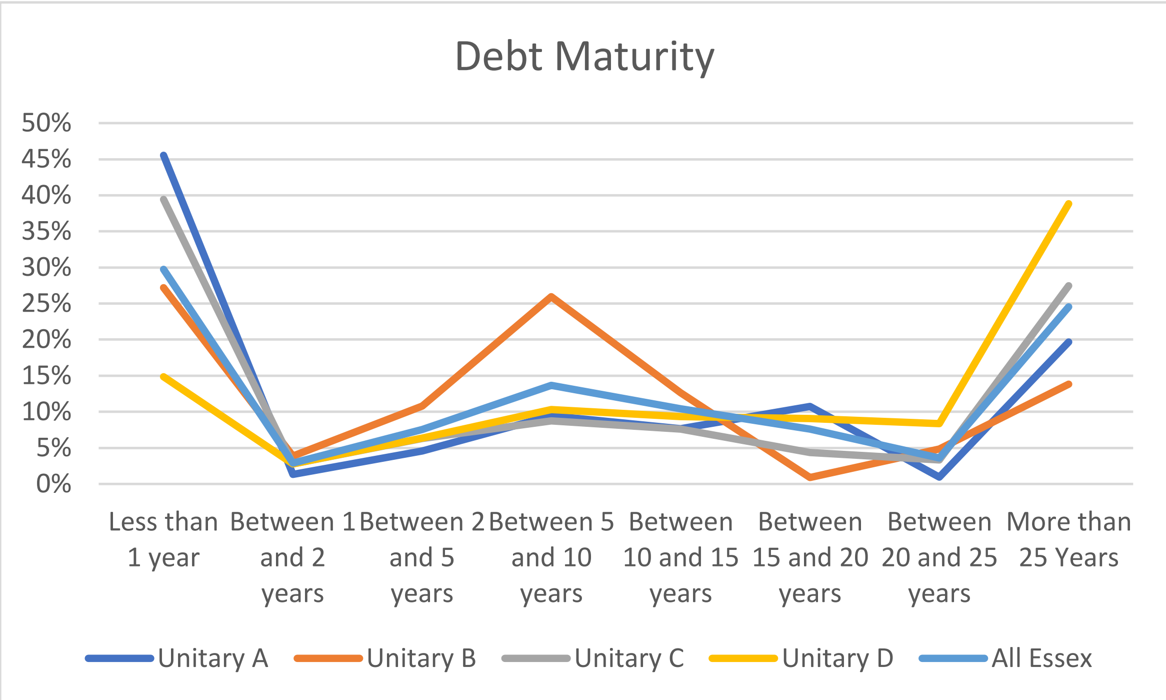
5.5 Debt and Assets Key Metrics

The table below sets out key debt and asset metrics for Unitary A, B, C and D.

Debt and Assets - Key Metrics - 2024/25 £'000	Unitary A	Unitary B	Unitary C	Unitary D	All Essex
Total External Debt	1,830,169	548,271	484,905	1,261,188	4,124,532
Closing Capital Financing Requirement	2,274,922	769,431	657,808	1,542,816	5,244,978
Total Financing Costs	144,121	50,063	39,108	74,539	307,831
Non-Current Assets Group	5,035,695	2,192,891	2,160,349	3,690,799	13,079,734
Total External Debt	44%	13%	12%	31%	100%
Closing Capital Financing Requirement	43%	15%	13%	29%	100%
Total Financing Costs	47%	16%	13%	24%	100%
Non-Current Assets Group	38%	17%	17%	28%	100%

As can be seen, Unitary A accounts for the largest share of debt, CFR and financing costs but also the largest share of non-current assets. Unitary B and C are relatively small compared to A and D.

Debt maturity is illustrated in the graph below.



5.6 Investment Property

The table below shows the value of Investment Property in Unitary A, B, C and D and the % of General Fund Non-Current Assets this represents.

	2024/25	
Investment Property	**£'000**	**%**
Unitary A	352,195	17%
Unitary B	390,062	22%
Unitary C	60,852	4%
Unitary D	157,215	8%
Total	**960,323**	**13%**

Unitary A and B would hold a greater proportion of Investment Property than the Essex average, whilst Unitary C would hold the lowest by value and as a proportion of General Fund Non-Current Assets.

In the table below, we compare the value of Investment Property to GF Debt for each of the Unitaries in this model.

4 Unitary Model	Unitary A	Unitary B	Unitary C	Unitary D	Total
GF Debt £'000	1,122,567	477,864	287,684	965,367	2,853,482
Investment Property £'000	352,195	390,061	60,852	157,215	960,323
Inv Prop as % of GF Debt	31%	82%	21%	16%	34%

This shows that Unitary B would have Investment Property which is valued at over 80% of GF debt.

5.7 Financial Sustainability Measures

Financial Sustainability Measures - Unitary A, B, C and D

4 Unitary Model: Unitary A Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	515.83%	**483.36%**	-32.47%
GF CFR/CSP	354.63%	**322.86%**	-31.77%
Total Group Assets/CSP	1339.96%	**1187.65%**	-152.31%
Interest Payable/CSP	25.27%	**16.37%**	-8.90%
MRP/Total CFR	6.53%	**2.95%**	-3.58%
MRP/GF CFR	9.50%	**4.41%**	-5.08%

4 Unitary Model: Unitary B Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	185.19%	**179.53%**	-5.66%
GF CFR/CSP	164.64%	**160.42%**	-4.22%
Total Group Assets/CSP	627.94%	**608.03%**	-19.91%
Interest Payable/CSP	5.97%	**5.40%**	-0.56%
MRP/Total CFR	3.05%	**3.50%**	0.44%
MRP/GF CFR	3.44%	**3.91%**	0.48%

4 Unitary Model: Unitary C Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	155.41%	**161.03%**	5.63%
GF CFR/CSP	99.35%	**98.19%**	-1.16%
Total Group Assets/CSP	631.98%	**637.41%**	5.42%
Interest Payable/CSP	4.92%	**4.31%**	-0.61%
MRP/Total CFR	3.26%	**3.27%**	0.01%
MRP/GF CFR	5.10%	**5.36%**	0.27%

4 Unitary Model: Unitary D Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	275.15%	**278.50%**	3.34%
GF CFR/CSP	202.96%	**208.50%**	5.54%
Total Group Assets/CSP	778.60%	**758.48%**	-20.12%
Interest Payable/CSP	7.76%	**7.41%**	-0.35%
MRP/Total CFR	2.11%	**2.10%**	-0.01%
MRP/GF CFR	2.87%	**2.81%**	-0.05%

4 Unitary Model: Comparison of Unitary A, B, C and D with Whole of Essex

2024/25 Financial Sustainability Measures	Unitary A	Unitary B	Unitary C	Unitary D	All Essex
Total CFR/CSP	**483.36%**	**179.53%**	**161.03%**	**278.50%**	**281.73%**
GF CFR/CSP	**322.86%**	**160.42%**	**98.19%**	**208.50%**	**202.14%**
Total Group Assets/CSP	**1187.65%**	**608.03%**	**637.41%**	**758.48%**	**805.78%**
Interest Payable/CSP	**16.37%**	**5.40%**	**4.31%**	**7.41%**	**8.53%**
MRP/Total CFR	**2.95%**	**3.50%**	**3.27%**	**2.10%**	**2.82%**
MRP/GF CFR	**4.41%**	**3.91%**	**5.36%**	**2.81%**	**3.93%**

Unitary A has a higher value for Total CFR/CSP, GF CFR/CSP and Interest Payable/CSP. Unitary D has a lower value for both MRP measures and also a lower value for Total Group Assets/CSP but has a higher value for GF CFR/CSP.

Appendix 4

6 LGR Configuration: 5 Unitary Model

6.1 Unitary A: Epping Forest, Harlow and Uttlesford

The table below sets out the debt and non-current assets for this configuration (Epping Forest, Harlow and Uttlesford). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Long-Term Borrowing	436,800	**430,800**	329,506	**338,769**	766,306	**769,569**	73%
Short-Term Borrowing	-	**3,000**	197,356	**232,755**	197,356	**235,755**	22%
PFI & Leases (Credit Arrangements)	-	**-**	21,232	**45,793**	21,232	**45,793**	4%
Total External Debt	436,800	**433,800**	548,093	**617,317**	984,893	**1,051,117**	100%
Less than 1 year	3,000	**44,767**	196,711	**238,973**	199,711	**283,741**	27%
Between 1 and 2 years	44,767	**3,000**	16,167	**19,969**	60,934	**22,969**	2%
Between 2 and 5 years	51,767	**51,767**	49,822	**58,270**	101,589	**110,038**	10%
Between 5 and 10 years	61,767	**61,767**	159,059	**165,775**	220,827	**227,542**	22%
Between 10 and 15 years	67,407	**124,407**	38,764	**34,252**	106,171	**158,659**	15%
Between 15 and 20 years	207,191	**147,191**	9,323	**8,172**	216,514	**155,363**	15%
Between 20 and 25 years	-	**-**	18,528	**33,161**	18,528	**33,161**	3%
More than 25 Years	900	**900**	59,719	**58,744**	60,619	**59,644**	6%
External Debt Maturity Schedule	436,800	**433,800**	548,093	**617,317**	984,893	**1,051,117**	100%
Closing Capital Financing Requirement	453,428	**471,322**	854,686	**909,425**	1,308,114	**1,380,747**	100%
External Debt	436,800	**433,800**	548,093	**617,317**	984,893	**1,051,117**	76%
Implied Internal Borrowing	16,628	**37,522**	306,593	**292,108**	323,221	**329,630**	24%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
MRP on Borrowing	-	**-**	11,780	**13,691**	11,780	**13,691**	62%
MRP on Credit Arrangements	-	**-**	3,410	**5,020**	3,410	**5,020**	23%
MRP on Loans to Companies	-	**-**	3,057	**3,329**	3,057	**3,329**	15%
MRP on Equity in Companies	-	**-**	-	**-**	-	**-**	0%
Total MRP	-	**-**	18,246	**22,040**	18,246	**22,040**	100%
Interest Payable	14,879	**15,345**	22,695	**24,114**	37,574	**39,459**	
Total Financing Costs	14,879	**15,345**	40,941	**46,154**	55,820	**61,499**	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Property, Plant and Equipment							
Council Dwellings	2,038,977	**2,055,309**	-	**-**	2,038,977	**2,055,309**	54%
Other Property, Plant and Equipment	33,885	**31,651**	1,035,588	**1,097,937**	1,069,473	**1,129,588**	30%
Investment Property	154	**89**	388,078	**420,294**	388,232	**420,383**	11%
Long Term Investments	-	**-**	66,159	**83,879**	66,159	**83,879**	2%
Other Non-Current Assets	7	**4**	106,925	**95,165**	106,932	**95,169**	3%
Non-Current Assets Council	2,073,023	**2,087,053**	1,596,750	**1,697,275**	3,669,773	**3,784,328**	100%
Non-Current Assets Council (see above)	2,073,023	**2,087,053**	1,596,750	**1,697,275**	3,669,773	**3,784,328**	100%
Added Value in Group Balance Sheet	-	**-**	-	**-**	-	**-**	
Property, Plant and Equipment	-	**-**	2,178	**10,466**	2,178	**10,466**	0%
Investment Property	-	**-**	138,781	**130,200**	138,781	**130,200**	3%
Long Term Investments	-	**-**	- 61,880	**- 79,579**	- 61,880	**- 79,579**	-2%
Other Non-Current Assets	-	**-**	- 75,133	**- 51,902**	- 75,133	**- 51,902**	-1%
Non-Current Assets Group	2,073,023	**2,087,053**	1,600,695	**1,706,461**	3,673,718	**3,793,514**	**100%**
Total Investment Property as a proportion of GF Non-Current Assets					527,013	**550,583**	**32%**
Assets Held for Sale as a proportion of GF Non-Current Assets			7,546	**4,437**	7,546	**4,437**	**0%**

6.2 Unitary B: Braintree, Colchester and Tendring

The table below sets out the debt and non-current assets for this configuration (Braintree, Colchester and Tendring). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Long-Term Borrowing	152,479	**145,065**	209,485	**202,572**	361,964	**347,637**	65%
Short-Term Borrowing	4,371	**52,156**	23,559	**20,184**	27,930	**72,340**	13%
PFI & Leases (Credit Arrangements)	-	**-**	28,617	**116,939**	28,617	**116,939**	22%
Total External Debt	156,850	**197,221**	261,662	**339,695**	418,512	**536,916**	100%
Less than 1 year	4,371	**47,457**	27,561	**29,124**	31,932	**76,581**	14%
Between 1 and 2 years	2,716	**2,355**	9,892	**14,248**	12,608	**16,603**	3%
Between 2 and 5 years	4,517	**6,243**	29,040	**32,171**	33,557	**38,414**	7%
Between 5 and 10 years	13,155	**11,780**	42,753	**48,803**	55,908	**60,583**	11%
Between 10 and 15 years	11,939	**14,131**	39,140	**38,492**	51,079	**52,623**	10%
Between 15 and 20 years	19,000	**19,000**	7,681	**26,117**	26,681	**45,117**	8%
Between 20 and 25 years	17,000	**17,000**	935	**24,326**	17,935	**41,326**	8%
More than 25 Years	84,152	**79,255**	104,661	**126,415**	188,813	**205,670**	38%
External Debt Maturity Schedule	156,850	**197,221**	261,662	**339,695**	418,512	**536,916**	100%
Closing Capital Financing Requirement	213,054	**256,707**	469,484	**493,841**	682,538	**750,549**	100%
External Debt	156,850	**197,221**	261,662	**339,695**	418,512	**536,916**	72%
Implied Internal Borrowing	56,204	**59,486**	207,822	**154,146**	264,027	**213,632**	28%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
MRP on Borrowing	-	**-**	18,398	**18,016**	18,398	**18,016**	67%
MRP on Credit Arrangements	-	**-**	5,243	**8,227**	5,243	**8,227**	30%
MRP on Loans to Companies	-	**-**	345	**771**	345	**771**	3%
MRP on Equity in Companies	-	**-**	-	**-**	-	**-**	0%
Total MRP	-	**-**	23,986	**27,014**	23,986	**27,014**	100%
Interest Payable	6,679	**1,820**	14,723	**17,993**	21,402	**19,813**	
Total Financing Costs	6,679	**1,820**	38,709	**45,007**	45,388	**46,827**	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Property, Plant and Equipment							
Council Dwellings	637,093	**674,635**	449	**456**	637,542	**675,091**	27%
Other Property, Plant and Equipment	7,768	**29,983**	1,547,532	**1,563,610**	1,555,300	**1,593,593**	63%
Investment Property	-	**-**	109,209	**109,130**	109,209	**109,130**	4%
Long Term Investments	-	**-**	22,837	**23,760**	22,837	**23,760**	1%
Other Non-Current Assets	-	**-**	77,053	**116,886**	77,053	**116,886**	5%
Non-Current Assets Council	644,861	**704,618**	1,757,080	**1,813,841**	2,401,941	**2,518,459**	100%
Non-Current Assets Council (see above)	644,861	**704,618**	1,757,080	**1,813,841**	2,401,941	**2,518,459**	100%
Added Value in Group Balance Sheet	-	**-**	-	**-**	-	**-**	
Property, Plant and Equipment	-	**-**	954	**1,603**	955	**1,603**	0%
Investment Property	-	**-**	-	**-**	-	**-**	0%
Long Term Investments	-	**-**	- 1,580	**-**	- 1,580	**-**	0%
Other Non-Current Assets	-	**-**	- 57,425	**- 2,472**	- 57,425	**- 2,472**	0%
Non-Current Assets Group	644,861	**704,618**	1,699,029	**1,812,972**	2,343,891	**2,517,590**	**100%**
Total Investment Property as a proportion of GF Non-Current Assets					109,209	**109,130**	**6%**
Assets Held for Sale as a proportion of GF Non-Current Assets			5,866	**8,137**	5,866	**8,137**	**0%**

Appendix 4

6.3 Unitary C: Brentwood, Chelmsford and Maldon

The table below sets out the debt and non-current assets for this configuration (Brentwood, Chelmsford and Maldon). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Long-Term Borrowing	57,019	**57,019**	279,831	**294,688**	336,850	**351,707**	87%
Short-Term Borrowing	-	**-**	34,757	**21,487**	34,757	**21,487**	5%
PFI & Leases (Credit Arrangements)	-	**-**	18,112	**31,986**	18,112	**31,986**	8%
Total External Debt	57,019	**57,019**	332,699	**348,161**	389,718	**405,180**	100%
Less than 1 year	-	**-**	37,232	**25,486**	37,232	**25,486**	6%
Between 1 and 2 years	-	**10,000**	6,600	**9,392**	6,600	**19,392**	5%
Between 2 and 5 years	10,000	**-**	20,356	**25,045**	30,356	**25,045**	6%
Between 5 and 10 years	15,000	**15,000**	45,851	**60,098**	60,851	**75,098**	19%
Between 10 and 15 years	15,000	**15,000**	36,832	**27,495**	51,832	**42,495**	10%
Between 15 and 20 years	17,019	**17,019**	7,898	**8,971**	24,917	**25,990**	6%
Between 20 and 25 years	-	**-**	3,822	**8,372**	3,822	**8,372**	2%
More than 25 Years	-	**-**	174,108	**183,301**	174,108	**183,301**	45%
External Debt Maturity Schedule	57,019	**57,019**	332,699	**348,161**	389,718	**405,180**	100%
Closing Capital Financing Requirement	72,842	**78,778**	473,406	**431,540**	546,248	**510,318**	100%
External Debt	57,019	**57,019**	332,699	**348,161**	389,718	**405,180**	79%
Implied Internal Borrowing	15,823	**21,759**	140,706	**83,379**	156,529	**105,138**	21%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
MRP on Borrowing	-	**-**	11,430	**11,077**	11,430	**11,077**	63%
MRP on Credit Arrangements	-	**-**	3,692	**6,141**	3,692	**6,141**	35%
MRP on Loans to Companies	-	**-**	224	**501**	224	**501**	3%
MRP on Equity in Companies	-	**-**	-	**-**	-	**-**	0%
Total MRP	-	**-**	15,347	**17,719**	15,347	**17,719**	100%
Interest Payable	2,419	**2,665**	13,189	**11,535**	15,608	**14,200**	
Total Financing Costs	2,419	**2,665**	28,536	**29,254**	30,955	**31,919**	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Property, Plant and Equipment							
Council Dwellings	302,788	**299,571**	-	**-**	302,788	**299,571**	19%
Other Property, Plant and Equipment	14,066	**15,142**	1,123,002	**1,080,935**	1,137,068	**1,096,077**	70%
Investment Property	-	**-**	89,186	**86,661**	89,186	**86,661**	6%
Long Term Investments	-	**-**	13,692	**13,572**	13,692	**13,572**	1%
Other Non-Current Assets	-	**-**	71,608	**75,762**	71,608	**75,762**	5%
Non-Current Assets Council	316,854	**314,713**	1,297,487	**1,256,930**	1,614,341	**1,571,643**	100%
Non-Current Assets Council (see above)	316,854	**314,713**	1,297,487	**1,256,930**	1,614,341	**1,571,643**	100%
Added Value in Group Balance Sheet	-	**-**	-	**-**	-	**-**	
Property, Plant and Equipment	-	**-**	464	**611**	464	**611**	0%
Investment Property	-	**-**	60,075	**56,734**	60,075	**56,734**	4%
Long Term Investments	-	**-**	-	**-**	-	**-**	0%
Other Non-Current Assets	-	**-**	- 60,160	**- 61,015**	- 60,160	**- 61,015**	-4%
Non-Current Assets Group	316,854	**314,713**	1,297,865	**1,253,260**	1,614,719	**1,567,973**	**100%**
Total Investment Property as a proportion of GF Non-Current Assets					149,261	**143,395**	**11%**
Assets Held for Sale as a proportion of GF Non-Current Assets			2,522	**2,995**	2,522	**2,995**	**0%**

6.4 Unitary D: Basildon and Thurrock

The table below sets out the debt and non-current assets for this configuration (Basildon and Thurrock). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Long-Term Borrowing	277,004	**241,388**	504,558	**361,448**	781,562	**602,836**	36%
Short-Term Borrowing	168,706	**232,070**	743,550	**585,165**	912,255	**817,235**	49%
PFI & Leases (Credit Arrangements)	12,049	**11,618**	192,608	**221,615**	204,657	**233,233**	14%
Total External Debt	457,758	**485,076**	1,440,716	**1,168,228**	1,898,474	**1,653,304**	100%
Less than 1 year	168,953	**232,131**	748,341	**591,718**	917,294	**823,849**	50%
Between 1 and 2 years	49,720	**6,729**	179,580	**17,270**	229,300	**23,999**	1%
Between 2 and 5 years	26,036	**24,612**	34,999	**50,383**	61,035	**74,995**	5%
Between 5 and 10 years	28,311	**41,965**	51,524	**52,393**	79,835	**94,358**	6%
Between 10 and 15 years	70,621	**69,270**	32,185	**33,492**	102,806	**102,762**	6%
Between 15 and 20 years	41,596	**32,590**	41,009	**42,710**	82,605	**75,301**	5%
Between 20 and 25 years	17,107	**10,675**	40,361	**57,853**	57,468	**68,528**	4%
More than 25 Years	55,415	**67,104**	312,716	**322,409**	368,131	**389,513**	24%
External Debt Maturity Schedule	457,758	**485,076**	1,440,716	**1,168,228**	1,898,475	**1,653,304**	100%
Closing Capital Financing Requirement	500,468	**546,853**	1,325,314	**1,414,452**	1,825,782	**1,961,305**	100%
External Debt	457,758	**485,076**	1,440,716	**1,168,228**	1,898,474	**1,653,304**	84%
Implied Internal Borrowing	42,669	**61,777**	- 115,402	**246,224**	- 72,733	**308,001**	16%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
MRP on Borrowing	-	**-**	27,182	**31,343**	27,182	**31,343**	49%
MRP on Credit Arrangements	58	**68**	5,263	**7,004**	5,321	**7,072**	11%
MRP on Loans to Companies	-	**-**	114,526	**26,118**	114,526	**26,118**	40%
MRP on Equity in Companies	-	**-**	-	**-**	-	**-**	0%
Total MRP	58	**68**	146,972	**64,465**	147,030	**64,533**	100%
Interest Payable	18,053	**19,690**	80,937	**48,703**	98,990	**68,393**	
Total Financing Costs	18,053	**19,690**	227,909	**113,168**	246,020	**132,926**	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Property, Plant and Equipment							
Council Dwellings	1,814,104	**1,908,012**	-	**-**	1,814,104	**1,908,012**	54%
Other Property, Plant and Equipment	18,623	**98,276**	1,106,213	**1,110,773**	1,124,836	**1,209,049**	34%
Investment Property	-	**-**	106,926	**110,588**	106,926	**110,588**	3%
Long Term Investments	-	**-**	174,538	**114,551**	174,538	**114,551**	3%
Other Non-Current Assets	343	**228**	150,928	**166,826**	151,271	**167,054**	5%
Non-Current Assets Council	1,833,070	**2,006,516**	1,538,605	**1,502,737**	3,371,675	**3,509,253**	100%
Non-Current Assets Council (see above)	1,833,070	**2,006,516**	1,538,605	**1,502,737**	3,371,675	**3,509,253**	101%
Added Value in Group Balance Sheet	-	**-**	-	**-**	-	**-**	
Property, Plant and Equipment	-	**-**	61,192	**63,176**	61,192	**63,176**	2%
Investment Property	-	**-**	-	**-**	-	**-**	0%
Long Term Investments	-	**-**	- 23,701	**- 32,001**	- 23,701	**- 32,001**	-1%
Other Non-Current Assets	-	**-**	- 30,357	**- 49,635**	- 30,357	**- 49,635**	-1%
Non-Current Assets Group	1,833,070	**2,006,516**	1,545,739	**1,484,277**	3,378,809	**3,490,793**	**100%**
Total Investment Property as a proportion of GF Non-Current Assets					106,926	**110,588**	**7%**
Assets Held for Sale as a proportion of GF Non-Current Assets			2,639	**12,247**	2,639	**12,247**	**1%**

6.5 Unitary E: Castle Point, Rochford and Southend

The table below sets out the debt and non-current assets for this configuration (Castle Point, Rochford and Southend). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Long-Term Borrowing	92,970	**92,970**	353,116	**349,267**	446,086	**442,237**	93%
Short-Term Borrowing	8,711	**4,964**	12,847	**7,238**	21,558	**12,202**	3%
PFI & Leases (Credit Arrangements)	-	**-**	10,876	**23,576**	10,876	**23,576**	5%
Total External Debt	101,681	**97,934**	376,840	**380,081**	478,521	**478,015**	100%
Less than 1 year	8,711	**4,964**	14,808	**11,197**	23,519	**16,161**	3%
Between 1 and 2 years	-	**12,941**	6,155	**22,296**	6,155	**35,237**	7%
Between 2 and 5 years	18,529	**18,585**	39,756	**41,284**	58,285	**59,869**	13%
Between 5 and 10 years	35,356	**26,359**	72,425	**65,898**	107,781	**92,257**	19%
Between 10 and 15 years	19,371	**19,371**	44,674	**39,780**	64,045	**59,151**	12%
Between 15 and 20 years	10,748	**6,748**	11,635	**11,000**	22,383	**17,748**	4%
Between 20 and 25 years	-	**-**	1,033	**2,061**	1,033	**2,061**	0%
More than 25 Years	8,966	**8,966**	186,354	**186,566**	195,320	**195,532**	41%
External Debt Maturity Schedule	101,681	**97,934**	376,840	**380,081**	478,521	**478,015**	100%
Closing Capital Financing Requirement	127,952	**128,114**	498,605	**513,946**	626,557	**642,060**	100%
External Debt	101,681	**97,934**	376,840	**380,081**	478,521	**478,015**	74%
Implied Internal Borrowing	26,271	**30,180**	121,765	**133,865**	148,036	**164,045**	26%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
MRP on Borrowing	-	**-**	11,371	**11,769**	11,371	**11,769**	71%
MRP on Credit Arrangements	-	**-**	2,058	**4,633**	2,058	**4,633**	28%
MRP on Loans to Companies	-	**-**	120	**269**	120	**269**	2%
MRP on Equity in Companies	-	**-**	-	**-**	-	**-**	0%
Total MRP	-	**-**	13,549	**16,671**	13,549	**16,671**	100%
Interest Payable	5,207	**5,238**	13,808	**12,751**	19,015	**17,989**	
Total Financing Costs	5,207	**5,238**	27,357	**29,422**	32,564	**34,660**	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Property, Plant and Equipment							
Council Dwellings	585,422	**600,062**	-	**-**	585,422	**600,062**	35%
Other Property, Plant and Equipment	-	**-**	922,337	**969,836**	922,337	**969,836**	57%
Investment Property	-	**-**	45,467	**46,059**	45,467	**46,059**	3%
Long Term Investments	-	**-**	28,365	**31,534**	28,365	**31,534**	2%
Other Non-Current Assets	-	**-**	46,603	**44,156**	46,603	**44,156**	3%
Non-Current Assets Council	585,422	**600,062**	1,042,771	**1,091,585**	1,628,193	**1,691,647**	100%
Non-Current Assets Council (see above)	585,422	**600,062**	1,042,771	**1,091,585**	1,628,193	**1,691,647**	99%
Added Value in Group Balance Sheet	-	**-**	-	**-**	-	**-**	
Property, Plant and Equipment	-	**-**	15,267	**14,973**	15,267	**14,973**	1%
Investment Property	-	**-**	566	**568**	566	**568**	0%
Long Term Investments	-	**-**	-	**-**	-	**-**	0%
Other Non-Current Assets	-	**-**	3,574	**2,676**	3,574	**2,676**	0%
Non-Current Assets Group	585,422	**600,062**	1,062,178	**1,109,802**	1,647,600	**1,709,864**	**100%**
Total Investment Property as a proportion of GF Non-Current Assets					46,033	**46,627**	**4%**
Assets Held for Sale as a proportion of GF Non-Current Assets			1,353	**4,119**	1,353	**4,119**	**0%**

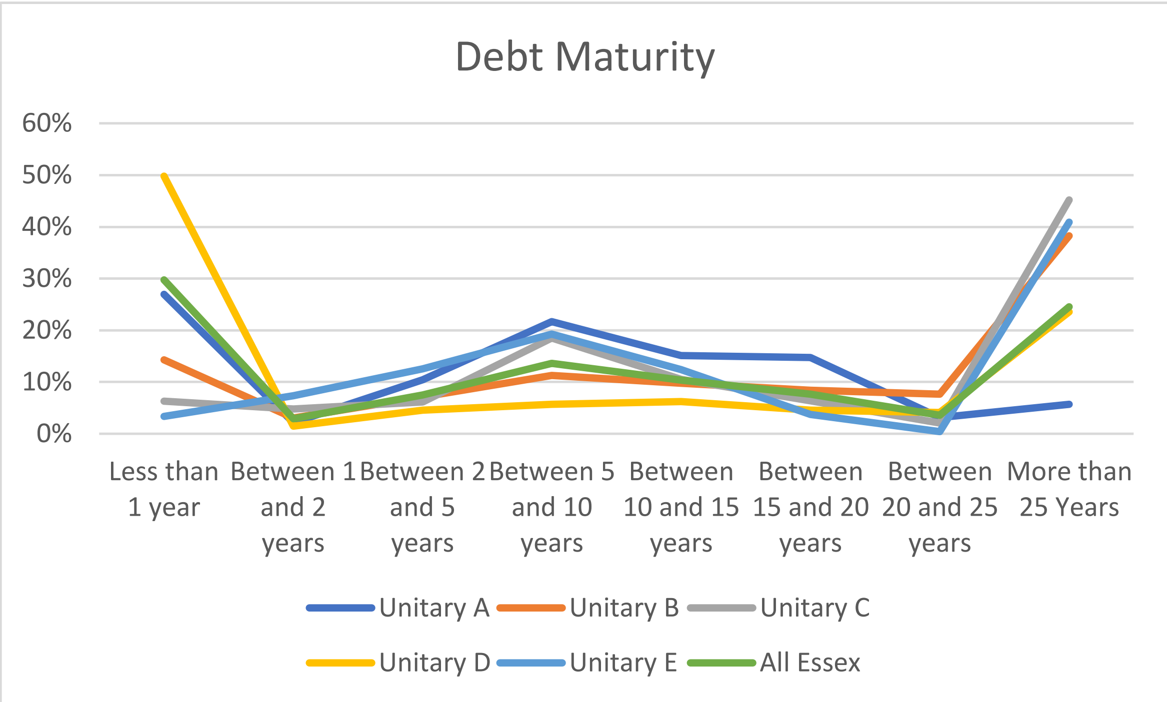
6.6 Debt and Assets Key Metrics

The table below sets out key debt and asset metrics for Unitary A, B, C, D and E.

Debt and Assets - Key Metrics - 2024/25 £'000	Unitary A	Unitary B	Unitary C	Unitary D	Unitary E	All Essex
Total External Debt	1,051,117	536,916	405,180	1,653,304	478,015	4,124,532
Closing Capital Financing Requirement	1,380,747	750,549	510,318	1,961,305	642,060	5,244,978
Total Financing Costs	61,499	46,827	31,919	132,926	34,660	307,831
Non-Current Assets Group	3,793,514	2,517,590	1,567,973	3,490,793	1,709,864	13,079,734
Total External Debt	25%	13%	10%	40%	12%	100%
Closing Capital Financing Requirement	26%	14%	10%	37%	12%	100%
Total Financing Costs	20%	15%	10%	43%	11%	100%
Non-Current Assets Group	29%	19%	12%	27%	13%	100%

As can be seen, Unitary D accounts for the largest share of debt, CFR and financing costs but not the largest share of non-current assets. Unitary B, C, and E are relatively small compared to A and D in relation to their share of debt and non-current assets.

Debt maturity is illustrated in the graph below.



6.7 Investment Property

The table below shows the value of Investment Property in Unitary A, B, C, D and E and the % of General Fund Non-Current Assets this represents.

Investment Property	2024/25 £'000	%
Unitary A	550,583	32%
Unitary B	109,130	6%
Unitary C	143,395	11%
Unitary D	110,588	7%
Unitary E	46,627	4%
Total	**960,323**	**13%**

Unitary A would hold 57% of Investment Property by value and it would represent almost one third of General Fund Non-Current Assets. Unitary B, C, D and E would have, relative to A, low values and a lower proportion of Investment Property than the current Essex average.

In the table below, we compare the value of Investment Property to GF Debt for each of the Unitaries in this model.

5 Unitary Model	Unitary A	Unitary B	Unitary C	Unitary D	Unitary E	Total
GF Debt £'000	617,317	339,695	348,161	1,168,228	380,081	2,853,482
Investment Property £'000	550,583	109,130	143,395	110,588	46,627	960,323
Inv Prop as % of GF Debt	89%	32%	41%	9%	12%	34%

This shows that Unitary A would have Investment Property which is valued at almost 90% of GF debt whilst Unitary D and E would have Investment Property valued at closer to 10% of GF debt.

6.8 Financial Sustainability Measures

Financial Sustainability Measures - Unitary A, B, C, D and E

5 Unitary Model: Unitary A Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	440.20%	**432.58%**	-7.62%
GF CFR/CSP	287.61%	**284.92%**	-2.70%
Total Group Assets/CSP	1354.07%	**1293.63%**	-60.45%
Interest Payable/CSP	12.64%	**12.36%**	-0.28%
MRP/Total CFR	1.39%	**1.60%**	0.20%
MRP/GF CFR	2.13%	**2.42%**	0.29%

5 Unitary Model: Unitary B Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	148.06%	**151.47%**	3.41%
GF CFR/CSP	101.84%	**99.66%**	-2.18%
Total Group Assets/CSP	614.00%	**618.96%**	4.96%
Interest Payable/CSP	4.64%	**4.00%**	-0.64%
MRP/Total CFR	3.51%	**3.60%**	0.08%
MRP/GF CFR	5.11%	**5.47%**	0.36%

5 Unitary Model: Unitary C Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	179.97%	**156.34%**	-23.63%
GF CFR/CSP	155.97%	**132.20%**	-23.77%
Total Group Assets/CSP	633.98%	**599.04%**	-34.94%
Interest Payable/CSP	5.14%	**4.35%**	-0.79%
MRP/Total CFR	2.81%	**3.47%**	0.66%
MRP/GF CFR	3.24%	**4.11%**	0.86%

5 Unitary Model: Unitary D Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	556.39%	**550.45%**	-5.94%
GF CFR/CSP	403.87%	**396.97%**	-6.90%
Total Group Assets/CSP	1220.20%	**1079.20%**	-141.00%
Interest Payable/CSP	30.17%	**19.19%**	-10.97%
MRP/Total CFR	8.05%	**3.29%**	-4.76%
MRP/GF CFR	11.09%	**4.56%**	-6.53%

5 Unitary Model: Unitary E Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	184.84%	**176.26%**	-8.58%
GF CFR/CSP	147.09%	**141.09%**	-6.00%
Total Group Assets/CSP	578.21%	**550.23%**	-27.98%
Interest Payable/CSP	5.53%	**4.66%**	-0.87%
MRP/Total CFR	2.16%	**2.60%**	0.43%
MRP/GF CFR	2.72%	**3.24%**	0.53%

5 Unitary Model: Comparison of Unitary A, B, C, D and E with Whole of Essex

2024/25 Financial Sustainability Measures	Unitary A	Unitary B	Unitary C	Unitary D	Unitary E	All Essex
Total CFR/CSP	**432.58%**	**151.47%**	**156.34%**	**550.45%**	**176.26%**	**281.73%**
GF CFR/CSP	**284.92%**	**99.66%**	**132.20%**	**396.97%**	**141.09%**	**202.14%**
Total Group Assets/CSP	**1293.63%**	**618.96%**	**599.04%**	**1079.20%**	**550.23%**	**805.78%**
Interest Payable/CSP	**12.36%**	**4.00%**	**4.35%**	**19.19%**	**4.66%**	**8.53%**
MRP/Total CFR	**1.60%**	**3.60%**	**3.47%**	**3.29%**	**2.60%**	**2.82%**
MRP/GF CFR	**2.42%**	**5.47%**	**4.11%**	**4.56%**	**3.24%**	**3.93%**

Unitary A has a less favourable ratio for all measures apart from Total Group Assets/CSP. Unitary D also has a favourable Total Group Assets/CSP ratio but unfavourable ratios in relation Total CFR/CSP and GF CFR/CSP.

Unitary B and C ratios are generally favourable apart from Total Group Assets/CSP. Unitary E also has unfavourable ratios compared to the all Essex ratio in relation to the two MRP measures.

7 LGR Configuration: Alternate 4 Unitary Model

7.1 Unitary A: Epping Forest, Harlow and Uttlesford

The table below sets out the debt and non-current assets for this configuration (Epping Forest, Harlow and Uttlesford). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Long-Term Borrowing	436,800	**430,800**	329,506	**338,769**	766,306	**769,569**	73%
Short-Term Borrowing	-	**3,000**	197,356	**232,755**	197,356	**235,755**	22%
PFI & Leases (Credit Arrangements)	-	**-**	21,232	**45,793**	21,232	**45,793**	4%
Total External Debt	436,800	**433,800**	548,093	**617,317**	984,893	**1,051,117**	100%
Less than 1 year	3,000	**44,767**	196,711	**238,973**	199,711	**283,741**	27%
Between 1 and 2 years	44,767	**3,000**	16,167	**19,969**	60,934	**22,969**	2%
Between 2 and 5 years	51,767	**51,767**	49,822	**58,270**	101,589	**110,038**	10%
Between 5 and 10 years	61,767	**61,767**	159,059	**165,775**	220,827	**227,542**	22%
Between 10 and 15 years	67,407	**124,407**	38,764	**34,252**	106,171	**158,659**	15%
Between 15 and 20 years	207,191	**147,191**	9,323	**8,172**	216,514	**155,363**	15%
Between 20 and 25 years	-	**-**	18,528	**33,161**	18,528	**33,161**	3%
More than 25 Years	900	**900**	59,719	**58,744**	60,619	**59,644**	6%
External Debt Maturity Schedule	436,800	**433,800**	548,093	**617,317**	984,893	**1,051,117**	100%
Closing Capital Financing Requirement	453,428	**471,322**	854,686	**909,425**	1,308,114	**1,380,747**	100%
External Debt	436,800	**433,800**	548,093	**617,317**	984,893	**1,051,117**	76%
Implied Internal Borrowing	16,628	**37,522**	306,593	**292,108**	323,221	**329,630**	24%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
MRP on Borrowing	-	**-**	11,780	**13,691**	11,780	**13,691**	62%
MRP on Credit Arrangements	-	**-**	3,410	**5,020**	3,410	**5,020**	23%
MRP on Loans to Companies	-	**-**	3,057	**3,329**	3,057	**3,329**	15%
MRP on Equity in Companies	-	**-**	-	**-**	-	**-**	0%
Total MRP	-	**-**	18,246	**22,040**	18,246	**22,040**	100%
Interest Payable	14,879	**15,345**	22,695	**24,114**	37,574	**39,459**	
Total Financing Costs	14,879	**15,345**	40,941	**46,154**	55,820	**61,499**	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Property, Plant and Equipment							
Council Dwellings	2,038,977	**2,055,309**	-	**-**	2,038,977	**2,055,309**	54%
Other Property, Plant and Equipment	33,885	**31,651**	1,035,588	**1,097,937**	1,069,473	**1,129,588**	30%
Investment Property	154	**89**	388,078	**420,294**	388,232	**420,383**	11%
Long Term Investments	-	**-**	66,159	**83,879**	66,159	**83,879**	2%
Other Non-Current Assets	7	**4**	106,925	**95,165**	106,932	**95,169**	3%
Non-Current Assets Council	2,073,023	**2,087,053**	1,596,750	**1,697,275**	3,669,773	**3,784,328**	100%
Non-Current Assets Council (see above)	2,073,023	**2,087,053**	1,596,750	**1,697,275**	3,669,773	**3,784,328**	100%
Added Value in Group Balance Sheet	-	**-**	-	**-**	-	**-**	
Property, Plant and Equipment	-	**-**	2,178	**10,466**	2,178	**10,466**	0%
Investment Property	-	**-**	138,781	**130,200**	138,781	**130,200**	3%
Long Term Investments	-	**-**	- 61,880	**- 79,579**	- 61,880	**- 79,579**	-2%
Other Non-Current Assets	-	**-**	- 75,133	**- 51,902**	- 75,133	**- 51,902**	-1%
Non-Current Assets Group	2,073,023	**2,087,053**	1,600,695	**1,706,461**	3,673,718	**3,793,514**	**100%**
Total Investment Property as a proportion of GF Non-Current Assets					527,013	**550,583**	**32%**
Assets Held for Sale as a proportion of GF Non-Current Assets			7,546	**4,437**	7,546	**4,437**	**0%**

7.2 Unitary B: Braintree, Colchester and Tendring

The table below sets out the debt and non-current assets for this configuration (Braintree, Colchester ad Tendring). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
Long-Term Borrowing	152,479	145,065	209,485	202,572	361,964	347,637	65%
Short-Term Borrowing	4,371	52,156	23,559	20,184	27,930	72,340	13%
PFI & Leases (Credit Arrangements)	-	-	28,617	116,939	28,617	116,939	22%
Total External Debt	156,850	197,221	261,662	339,695	418,512	536,916	100%
Less than 1 year	4,371	47,457	27,561	29,124	31,932	76,581	14%
Between 1 and 2 years	2,716	2,355	9,892	14,248	12,608	16,603	3%
Between 2 and 5 years	4,517	6,243	29,040	32,171	33,557	38,414	7%
Between 5 and 10 years	13,155	11,780	42,753	48,803	55,908	60,583	11%
Between 10 and 15 years	11,939	14,131	39,140	38,492	51,079	52,623	10%
Between 15 and 20 years	19,000	19,000	7,681	26,117	26,681	45,117	8%
Between 20 and 25 years	17,000	17,000	935	24,326	17,935	41,326	8%
More than 25 Years	84,152	79,255	104,661	126,415	188,813	205,670	38%
External Debt Maturity Schedule	156,850	197,221	261,662	339,695	418,512	536,916	100%
Closing Capital Financing Requirement	213,054	256,707	469,484	493,841	682,538	750,549	100%
External Debt	156,850	197,221	261,662	339,695	418,512	536,916	72%
Implied Internal Borrowing	56,204	59,486	207,822	154,146	264,027	213,632	28%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
MRP on Borrowing	-	-	18,398	18,016	18,398	18,016	67%
MRP on Credit Arrangements	-	-	5,243	8,227	5,243	8,227	30%
MRP on Loans to Companies	-	-	345	771	345	771	3%
MRP on Equity in Companies	-	-	-	-	-	-	0%
Total MRP	-	-	23,986	27,014	23,986	27,014	100%
Interest Payable	6,679	1,820	14,723	17,993	21,402	19,813	
Total Financing Costs	6,679	1,820	38,709	45,007	45,388	46,827	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
Property, Plant and Equipment							
Council Dwellings	637,093	674,635	449	456	637,542	675,091	27%
Other Property, Plant and Equipment	7,768	29,983	1,547,532	1,563,610	1,555,300	1,593,593	63%
Investment Property	-	-	109,209	109,130	109,209	109,130	4%
Long Term Investments	-	-	22,837	23,760	22,837	23,760	1%
Other Non-Current Assets	-	-	77,053	116,886	77,053	116,886	5%
Non-Current Assets Council	644,861	704,618	1,757,080	1,813,841	2,401,941	2,518,459	100%
Non-Current Assets Council (see above)	644,861	704,618	1,757,080	1,813,841	2,401,941	2,518,459	100%
Added Value in Group Balance Sheet	-	-	-	-	-	-	
Property, Plant and Equipment	-	-	954	1,603	955	1,603	0%
Investment Property	-	-	-	-	-	-	0%
Long Term Investments	-	-	-1,580	-	-1,580	-	0%
Other Non-Current Assets	-	-	-57,425	-2,472	-57,425	-2,472	0%
Non-Current Assets Group	644,861	704,618	1,699,029	1,812,972	2,343,891	2,517,590	**100%**
Total Investment Property as a proportion of GF Non-Current Assets					109,209	109,130	**6%**
Assets Held for Sale as a proportion of GF Non-Current Assets			5,866	8,137	5,866	8,137	**0%**

7.3 Unitary C: Brentwood, Chelmsford, Maldon and Rochford

The table below sets out the debt and non-current assets for this configuration (Brentwood, Chelmsford, Maldon and Rochford). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
Long-Term Borrowing	57,019	57,019	311,848	325,580	368,867	382,599	85%
Short-Term Borrowing	-	-	36,988	23,805	36,988	23,805	5%
PFI & Leases (Credit Arrangements)	-	-	22,576	41,712	22,576	41,712	9%
Total External Debt	57,019	57,019	371,412	391,097	428,431	448,116	100%
Less than 1 year	-	-	40,119	28,944	40,119	28,944	6%
Between 1 and 2 years	-	10,000	8,137	11,409	8,137	21,409	5%
Between 2 and 5 years	10,000	-	25,070	30,078	35,070	30,078	7%
Between 5 and 10 years	15,000	15,000	52,888	68,316	67,888	83,316	19%
Between 10 and 15 years	15,000	15,000	43,264	34,265	58,264	49,265	11%
Between 15 and 20 years	17,019	17,019	9,222	10,893	26,241	27,912	6%
Between 20 and 25 years	-	-	3,978	9,079	3,978	9,079	2%
More than 25 Years	-	-	188,734	198,111	188,734	198,111	44%
External Debt Maturity Schedule	57,019	57,019	371,412	391,097	428,431	448,116	100%
Closing Capital Financing Requirement	72,842	78,778	540,220	503,283	613,062	582,061	100%
External Debt	57,019	57,019	371,412	391,097	428,431	448,116	77%
Implied Internal Borrowing	15,823	21,759	168,808	112,185	184,631	133,944	23%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
MRP on Borrowing	-	-	14,204	13,631	14,204	13,631	63%
MRP on Credit Arrangements	-	-	4,567	7,506	4,567	7,506	34%
MRP on Loans to Companies	-	-	284	635	284	635	3%
MRP on Equity in Companies	-	-	-	-	-	-	0%
Total MRP	-	-	19,054	21,772	19,054	21,772	100%
Interest Payable	2,419	2,665	15,555	13,455	17,974	16,120	
Total Financing Costs	2,419	2,665	34,609	35,226	37,028	37,891	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
Property, Plant and Equipment							
Council Dwellings	302,788	299,571	-	-	302,788	299,571	16%
Other Property, Plant and Equipment	14,066	15,142	1,353,011	1,324,189	1,367,077	1,339,331	74%
Investment Property	-	-	91,336	89,099	91,336	89,099	5%
Long Term Investments	-	-	13,696	13,573	13,696	13,573	1%
Other Non-Current Assets	-	-	73,302	77,754	73,302	77,754	4%
Non-Current Assets Council	316,854	314,713	1,531,345	1,504,616	1,848,199	1,819,329	100%
Non-Current Assets Council (see above 49)	316,854	314,713	1,531,345	1,504,616	1,848,199	1,819,329	100%
Added Value in Group Balance Sheet	-	-	-	-	-	-	
Property, Plant and Equipment	-	-	588	773	588	773	0%
Investment Property	-	-	60,075	56,734	60,075	56,734	3%
Long Term Investments	-	-	-	-	-	-	0%
Other Non-Current Assets	-	-	-60,203	-61,442	-60,203	-61,442	-3%
Non-Current Assets Group	316,854	314,713	1,531,805	1,500,681	1,848,659	1,815,394	**100%**
Total Investment Property as a proportion of GF Non-Current Assets					151,411	145,833	**10%**
Assets Held for Sale as a proportion of GF Non-Current Assets			3,192	5,248	3,192	5,248	**0%**

7.4 Unitary D: Basildon, Castle Point, Southend and Thurrock

The table below sets out the debt and non-current assets for this configuration (Basildon, Castle Point, Southend and Thurrock). Note, the debt and non-current assets of Essex CC have been apportioned across the 12 lower tier Councils on the basis of ONS mid-2023 populations.

	HRA £'000		GF £'000		Total £'000		% of Total
External Debt (Borrowing)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Long-Term Borrowing	369,974	**334,358**	825,657	**679,822**	1,195,631	**1,014,180**	49%
Short-Term Borrowing	177,417	**237,034**	754,166	**590,085**	931,582	**827,119**	40%
PFI & Leases (Credit Arrangements)	12,049	**11,618**	199,020	**235,466**	211,069	**247,084**	12%
Total External Debt	559,439	**583,010**	1,778,843	**1,505,373**	2,338,282	**2,088,383**	100%
Less than 1 year	177,664	**237,095**	760,263	**599,456**	937,926	**836,551**	40%
Between 1 and 2 years	49,720	**19,670**	184,198	**37,549**	233,917	**57,219**	3%
Between 2 and 5 years	44,565	**43,197**	70,042	**86,633**	114,607	**129,830**	6%
Between 5 and 10 years	63,667	**68,324**	116,913	**110,073**	180,580	**178,397**	9%
Between 10 and 15 years	89,992	**88,641**	70,427	**66,502**	160,419	**155,143**	7%
Between 15 and 20 years	52,344	**39,338**	51,321	**51,788**	103,665	**91,126**	4%
Between 20 and 25 years	17,107	**10,675**	41,237	**59,207**	58,344	**69,882**	3%
More than 25 Years	64,381	**76,070**	484,444	**494,165**	548,825	**570,235**	27%
External Debt Maturity Schedule	559,439	**583,010**	1,778,843	**1,505,373**	2,338,283	**2,088,383**	100%
Closing Capital Financing Requirement	628,420	**674,967**	1,757,104	**1,856,655**	2,385,524	**2,531,622**	100%
External Debt	559,439	**583,010**	1,778,843	**1,505,373**	2,338,282	**2,088,383**	82%
Implied Internal Borrowing	68,940	**91,957**	- 21,739	**351,282**	47,201	**443,239**	18%

	HRA £'000		GF £'000		Total £'000		% of Total
Minimum Revenue Provision (MRP)	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
MRP on Borrowing	-	**-**	35,780	**40,558**	35,780	**40,558**	53%
MRP on Credit Arrangements	58	**68**	6,447	**10,272**	6,505	**10,340**	13%
MRP on Loans to Companies	-	**-**	114,586	**26,254**	114,586	**26,254**	34%
MRP on Equity in Companies	-	**-**	-	**-**	-	**-**	0%
Total MRP	58	**68**	156,813	**77,083**	156,871	**77,151**	100%
Interest Payable	23,260	**24,928**	92,379	**59,535**	115,639	**84,463**	
Total Financing Costs	23,260	**24,928**	249,193	**136,618**	272,511	**161,614**	

	HRA £'000		GF £'000		Total £'000		% of Total
Non-Current Assets	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2024/25**
Property, Plant and Equipment							
Council Dwellings	2,399,526	**2,508,074**	-	**-**	2,399,526	**2,508,074**	51%
Other Property, Plant and Equipment	18,623	**98,276**	1,798,541	**1,837,354**	1,817,164	**1,935,630**	39%
Investment Property	-	**-**	150,242	**154,209**	150,242	**154,209**	3%
Long Term Investments	-	**-**	202,898	**146,084**	202,898	**146,084**	3%
Other Non-Current Assets	343	**228**	195,836	**208,990**	196,179	**209,218**	4%
Non-Current Assets Council	2,418,492	**2,606,578**	2,347,518	**2,346,637**	4,766,010	**4,953,215**	100%
Non-Current Assets Council (see above)	2,418,492	**2,606,578**	2,347,518	**2,346,637**	4,766,010	**4,953,215**	100%
Added Value in Group Balance Sheet	-	**-**	-	**-**	-	**-**	
Property, Plant and Equipment	-	**-**	76,335	**77,986**	76,335	**77,986**	2%
Investment Property	-	**-**	566	**568**	566	**568**	0%
Long Term Investments	-	**-**	- 23,701	**- 32,001**	- 23,701	**- 32,001**	-1%
Other Non-Current Assets	-	**-**	- 26,741	**- 46,532**	- 26,741	**- 46,532**	-1%
Non-Current Assets Group	2,418,492	**2,606,578**	2,373,978	**2,346,658**	4,792,470	**4,953,236**	**100%**
Total Investment Property as a proportion of GF Non-Current Assets					150,808	**154,777**	**7%**
Assets Held for Sale as a proportion of GF Non-Current Assets			3,322	**14,113**	3,322	**14,113**	**1%**

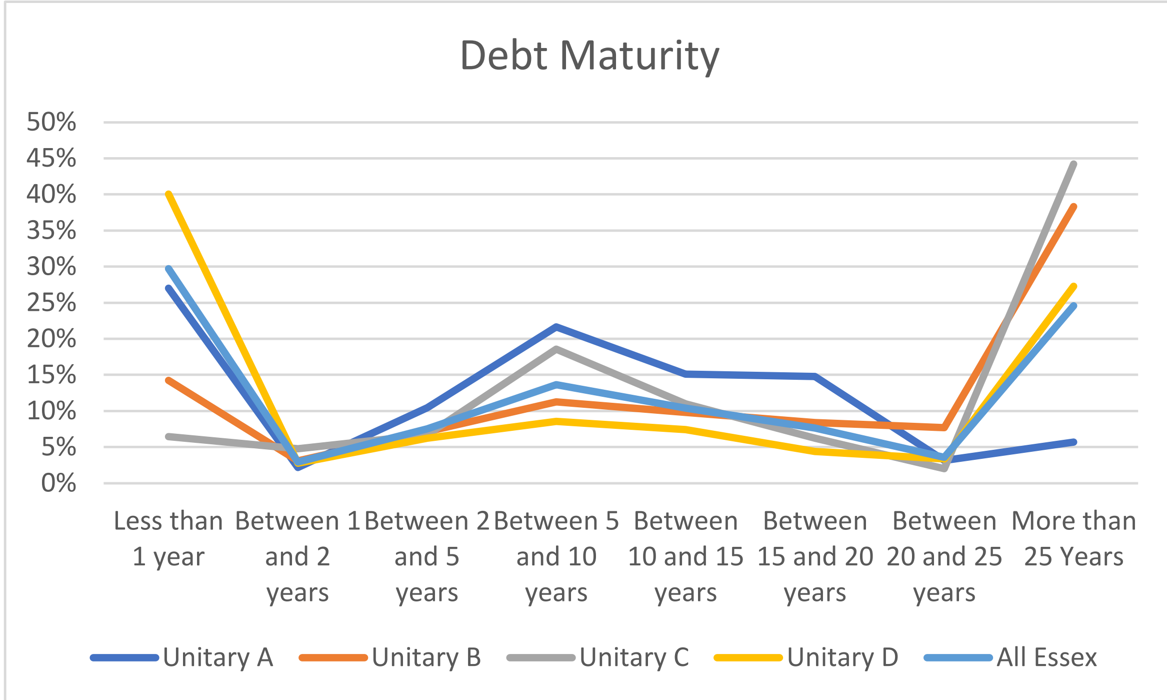
7.5 Debt and Assets Key Metrics

The table below sets out key debt and asset metrics for Unitary A, B, C and D.

Debt and Assets - Key Metrics - 2024/25 £'000	Unitary A	Unitary B	Unitary C	Unitary D	All Essex
Total External Debt	1,051,117	536,916	448,116	2,088,383	4,124,532
Closing Capital Financing Requirement	1,380,747	750,549	582,061	2,531,622	5,244,978
Total Financing Costs	61,499	46,827	37,891	161,614	307,831
Non-Current Assets Group	3,793,514	2,517,590	1,815,394	4,953,236	13,079,734
Total External Debt	25%	13%	11%	51%	100%
Closing Capital Financing Requirement	26%	14%	11%	48%	100%
Total Financing Costs	20%	15%	12%	53%	100%
Non-Current Assets Group	38%	17%	17%	28%	100%

As can be seen, Unitary D accounts for the largest share (around 50%) of debt, CFR and financing costs but not the largest share of non-current assets. Unitary B and C are relatively small compared to A and D in relation to their share of debt and non-current assets.

Debt maturity is illustrated in the graph below.



7.6 Investment Property

	2024/25	
Investment Property	**£'000**	**%**
Unitary A	550,583	32%
Unitary B	109,130	6%
Unitary C	145,833	10%
Unitary D	154,777	7%
Total	**960,323**	**13%**

Unitary A would hold 57% of Investment Property by value and it would represent almost one third of General Fund Non-Current Assets. Unitary B, C and D and have, relative to A, low values and a lower proportion of Investment Property than the current Essex average.

In the table below, we compare the value of Investment Property to GF Debt for each of the Unitaries in this model.

Alternate 4 Unitary Model	Unitary A	Unitary B	Unitary C	Unitary D	Total
GF Debt £'000	617,317	339,695	391,097	1,505,373	2,853,482
Investment Property £'000	550,583	109,130	145,833	154,777	960,323
Inv Prop as % of GF Debt	89%	32%	37%	10%	34%

This shows that Unitary A would have Investment Property which is valued at almost 90% of GF debt whilst Unitary D would have Investment Property valued at 10% of GF debt.

Appendix 4

7.7 Financial Sustainability Measures

Financial Sustainability Measures - Unitary A, B, C and D

Alternate 4 Unitary Model: Unitary A Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	440.20%	**432.58%**	-7.62%
GF CFR/CSP	287.61%	**284.92%**	-2.70%
Total Group Assets/CSP	1354.07%	**1293.63%**	-60.45%
Interest Payable/CSP	12.64%	**12.36%**	-0.28%
MRP/Total CFR	1.39%	**1.60%**	0.20%
MRP/GF CFR	2.13%	**2.42%**	0.29%

Alternate 4 Unitary Model: Unitary B Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	148.06%	**151.47%**	3.41%
GF CFR/CSP	101.84%	**99.66%**	-2.18%
Total Group Assets/CSP	614.00%	**618.96%**	4.96%
Interest Payable/CSP	4.64%	**4.00%**	-0.64%
MRP/Total CFR	3.51%	**3.60%**	0.08%
MRP/GF CFR	5.11%	**5.47%**	0.36%

Alternate 4 Unitary Model: Unitary C Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	159.36%	**140.73%**	-18.63%
GF CFR/CSP	140.43%	**121.68%**	-18.74%
Total Group Assets/CSP	582.45%	**553.20%**	-29.25%
Interest Payable/CSP	4.67%	**3.90%**	-0.77%
MRP/Total CFR	3.11%	**3.74%**	0.63%
MRP/GF CFR	3.53%	**4.33%**	0.80%

Alternate 4 Unitary Model: Unitary D Financial Sustainability Measures	2023/24 Value	2024/25 Value	Change in Value
Total CFR/CSP	407.12%	**399.68%**	-7.44%
GF CFR/CSP	299.87%	**293.12%**	-6.75%
Total Group Assets/CSP	963.85%	**871.00%**	-92.85%
Interest Payable/CSP	19.69%	**13.18%**	-6.51%
MRP/Total CFR	6.58%	**3.05%**	-3.53%
MRP/GF CFR	8.93%	**4.16%**	-4.77%

Alternate 4 Unitary Model: Comparison of Unitary A, B, C and D with Whole of Essex

2024/25 Financial Sustainability Measures	Unitary A	Unitary B	Unitary C	Unitary D	All Essex
Total CFR/CSP	432.58%	151.47%	140.73%	399.68%	281.73%
GF CFR/CSP	284.92%	99.66%	121.68%	293.12%	202.14%
Total Group Assets/CSP	1293.63%	618.96%	553.20%	871.00%	805.78%
Interest Payable/CSP	12.36%	4.00%	3.90%	13.18%	8.53%
MRP/Total CFR	1.60%	3.60%	3.74%	3.05%	2.82%
MRP/GF CFR	2.42%	5.47%	4.33%	4.16%	3.93%

Unitary A and B have higher ratios for the two CFR/CSP measures and for Total Group Assets/CSP. Unitary A has the lowest MRP ratios.

Appendix 4

Appendix A – Investment Property Portfolios

Bsildon Key Investment Property	Purchase Date	Purchase Cost £'000	Value £'000	Change £'000	Change %	In Boundary
Stevenage Roaring Meg	10/05/2018	18,518	12,650	- 5,868	-32%	No
Bath Retail Park	28/09/2018	6,039	3,900	- 2,139	-35%	No
Tunbridge Wells Retail Park	12/10/2018	6,339	5,960	- 379	-6%	No
Midmoor House, Richmond	20/11/2018	7,994	4,500	- 3,494	-44%	No
Sears Retail Park, Solihull	06/11/2020	11,365	11,540	175	2%	No
Heathfield Way, Northampton	09/11/2020	2,920	2,170	- 750	-26%	No
Tesco Corby	04/09/2020	50,500	40,400	- 10,100	-20%	No
Travel Lodge Newington Causeway	05/10/2021	31,700	24,200	- 7,500	-24%	No
Total Council		135,375	**105,320**	**- 30,055**	**-22%**	
		-	-	-		
		-	-	-		
		-	-	-		
Total Group		**135,375**	**105,320**	**- 30,055**	**-22%**	

Sears Retail Park, Solihull has now been sold

Braintree Key Investment Property	Purchase Date	Purchase Cost £'000	Value £'000	Change £'000	Change %	In Boundary
Mayland House	Jun-10	-	8,125	8,125		Yes
The Crescent Colchester Business Park (Offices)	2014/15	4,149	3,292	- 857	-21%	No
Benfield Way Ground Lease	Historic	-	1,534	1,534		Yes
6 & 8 Springwood Drive	Historic	-	2,667	2,667		Yes
3 Freebournes Road	Historic	-	1,641	1,641		Yes
Enterprise Court	Historic	-	1,638	1,638		Yes
Grove House	Historic	-	1,707	1,707		Yes
18 Freebournes Road	Historic	-	1,476	1,476		Yes
4 Freebournes Road	Historic	-	1,354	1,354		Yes
Various <£1.3m	Historic	-	26,199	26,199		Yes
Total Council		4,149	**49,633**	**45,484**	**1096%**	
				-		
Total Group		**4,149**	**49,633**	**45,484**	**1096%**	

Brentwood Key Investment Property	Purchase Date	Purchase Cost £'000	Value £'000	Change £'000	Change %	In Boundary
Town Hall Residential			7,352	7,352		Yes
Town Hall Commercial			2,971	2,971		Yes
Wash Road Battery Site			2,315	2,315		Yes
Land at Eagle Way Warley			1,187	1,187		Yes
Land at Eagle Way Warley-Ford			1,040	1,040		Yes
Various less than £1 million in value			8,415	8,415		Yes
Total Council		-	**23,279**	**23,279**		
44 East Street	Feb-19	7,075	5,866	- 1,209	-17%	No
St Georges	Sep-20	13,125	13,867	742	6%	No
One Curo Park	Aug-18	4,965	5,825	860	17%	No
Jubilee House	Mar-20	17,000	14,930	- 2,070	-12%	Yes
Snow Hill	Sep-20	12,650	16,245	3,595	28%	No
Total Group		**54,815**	**80,013**	**22,070**	**40%**	

Castle Point Key Investment Property	Purchase Date	Purchase Cost £'000	Value £'000	Change £'000	Change %	In Boundary
Castle Point Golf Course (Incl buildings)	Aug-01	1,250	807	- 443	-35%	Yes
Furtherwick Road Kiosks		-	400	400		Yes
				-		
				-		
				-		
				-		
				-		
				-		
				-		
Total Council		1,250	**1,207**	**- 43**	**-3%**	
				-		
Total Group		**1,250**	**1,207**	**- 43**	**-3%**	

Chelmsford Key Investment Property	Purchase Date	Purchase Cost £'000	Value £'000	Change £'000	Change %	In Boundary
Visteon 2 -31 Springfield	07/01/2019	8,762	3,975	- 4,787	-55%	Yes
Eagle House (formerly Aquilla House)	2012/13	3,283	2,825	- 458	-14%	Yes
High Chelmer	Historic	-	26,125	26,125		Yes
Petrol Station Waterhouse Lane	2017/18	3,885	3,825	- 60	-2%	Yes
The Aquarium	24/03/2020	3,570	2,400	- 1,170	-33%	Yes
Visteon	2013/14	3,129	4,325	1,196	38%	Yes
Saxton 4x4	Historic	-	1,550	1,550		Yes
The Meadows Land Site	Historic	-	1,175	1,175		Yes
Galleywood Hall	2013/14	2,078	735	- 1,343	-65%	Yes
Various less than £0.7m in value	Varied	-	3,388	3,388		Yes
Total Council		24,707	**50,323**	**25,616**	**104%**	
		-	-	-		
Total Group		**24,707**	**50,323**	**25,616**	**104%**	

Colchester Key Investment Property	Purchase Date	Purchase Cost £'000	Value £'000	Change £'000	Change %	In Boundary
Business Park - The Crescent/Plot 600	21/03/1985	260	7,031	6,771	2604%	Yes
Culver Centre	1921-1985	195	5,236	5,041	2585%	Yes
Plot 49 Severalls Park	Unknown		2,015	2,015		Yes
1 Amphora Place, Sheepen Road	09/10/1957	-	2,845	2,845		Yes
Charter Court - Plot 31	Unknown		1,328	1,328		Yes
Plot A1/A2 Severalls Park	Unknown		1,274	1,274		Yes
Plot 33, Severalls Park	Unknown		1,633	1,633		Yes
Nunns Road NCP MSCP	1963-1964	32	1,893	1,861	5816%	Yes
Various <£1.5 million	Unknown		19,926	19,926		Yes
Total Council		487	**43,181**	**42,694**	**8767%**	
			-	-		
Total Group		**487**	**43,181**	**42,694**	**8767%**	

Epping Forest Key Investment Property	Purchase Date	Purchase Cost £'000	Value £'000	Change £'000	Change %	In Boundary
Epping Forest Retail Park, Langston Road	17/18	33,376	42,900	9,524	29%	Yes
Loughton High Road & Centric Parade	19/20	19,834	14,900	- 4,934	-25%	Yes
90 Brooker Road Industrial Estate	19/20	5,300	6,200	900	17%	Yes
2-18 Torrington Drive	14/15	3,630	6,200	2,570	71%	Yes
Tennis Centre			4,700	4,700		Yes
North Weald Airfield 2			14,690	14,690		Yes
Various Industrial Sites			38,794	38,794		Yes
Various Other Sites			41,700	41,700		Yes
Total Council		62,140	**170,084**	**107,944**	**174%**	
Birchwood Building	21/22	6,270	6,350	80	1%	No
Greenfields House - Coventry	21/22	14,520	10,600	- 3,920	-27%	No
Wyke Hill Maldon	21/22	9,570	6,500	- 3,070	-32%	No
Total Group		**30,360**	**193,534**	**108,024**	**356%**	

Essex CC Key Investment Property	Purchase Date	Purchase Cost £'000	Value £'000	Change £'000	Change %	In Boundary
45, Clarendon Rd, Watford	08/12/2017	11,718	6,800	- 4,918	-42%	No
Keighley Retail Park	26/03/2018	15,462	11,100	- 4,362	-28%	No
Moorfield Centre (Guildford)	27/07/2018	6,676	6,450	- 226	-3%	No
Flats 1/3/4/6/8 Novus	10/01/2025	1,605	2,621	1,016	63%	Yes
Unit 2, Hutton Road	10/01/2025	234	427	193	82%	Yes
Warren Farm and Parker Farm	Not known	361	2,197	1,836	509%	Yes
Hamberts Farm	Not known	253	6,830	6,577	2600%	Yes
Debden Estate	Not known	195	3,725	3,530	1810%	Yes
Langdon Hill Estate - Residual	Not known	364	1,246	882	242%	Yes
Various <£0.5m	Not known	772	1,070	298	39%	Yes
Total Council		37,640	**42,466**	**4,826**	**13%**	
				-		
Total Group		**37,640**	**42,466**	**4,826**	**13%**	

Harlow Key Investment Property	Purchase Date	Purchase Cost £'000	Value £'000	Change £'000	Change %	In Boundary
Stewards Farm	Historic		322	322		
Canons Brook Golf Club, Elizabeth Way	Historic		691	691		
Burnt Mills	01/03/2024	55,000	57,472	2,472	4%	
Barrows Farm Cottage, Elizabeth Way	Historic		35	35		
1 &2 Canons Cottages	Historic		171	171		
Land South of Hawthorns off Ridings Lane	Historic		2,205	2,205		
Adams House	01/03/2025	6,979	7,762	783	11%	
4 Wych Elm			15	15		
5 Wych Elm	01/03/2025	1,300	1,399	99	8%	
				-		
Total Council		63,279	**70,073**	**6,794**	**11%**	
				-		
Total Group		**63,279**	**70,073**	**6,794**	**11%**	

Burnt Mills transferred into Housing Company post 31st March 2025

Maldon Key Investment Property	Purchase Date	Purchase Cost £'000	Value £'000	Change £'000	Change %	In Boundary
Springfield Ind Site			2,565	2,565		Yes
99 Wood Rd			225	225		Yes
Land @ Park Drive			347	347		Yes
Maldon Chandlery			330	330		Yes
Burnham Golf Club			281	281		Yes
Cooks Boatyard			140	140		Yes
Total Council		-	**3,888**	**3,888**		
			-	-		
Total Group		-	**3,888**	**3,888**		

Rochford has nil Investment Property

Southend on Sea Key Investment Property	Purchase Date	Purchase Cost £'000	Value £'000	Change £'000	Change %	In Boundary
492 Beach Hut Land plots			1,967	1,967		
5 Vanguard Way (Plot 5 / 5B)			1,182	1,182		
Adventure Island			3,214	3,214		
Airport-main site lease			4,983	4,983		
Fossetts Farm - Pure Gym			1,943	1,943		
Fossetts Farm - Wren Living Limited			3,750	3,750		
The Range			4,533	4,533		
Various less than £1m in value			18,360	18,360		
Total Council		-	**39,930**	**39,930**		
Charitable Trusts - see Row 58			568	568		
Total Group		-	**40,498**	**40,498**		

Tendring Key Investment Property	Purchase Date	Purchase Cost £'000	Value £'000	Change £'000	Change %	In Boundary
High Street, Clacton	Aug-17	3,244	2,212	- 1,032	-32%	Yes
Total Council		3,244	**2,212**	**- 1,032**	**-32%**	
				-		
Total Group		**3,244**	**2,212**	**- 1,032**	**-32%**	

Appendix 4

Thurrock has nil Investment Property

Uttlesford Key Investment Property	Purchase Date	Purchase Cost £'000	Value £'000	Change £'000	Change %	In Boundary
Skyway House	Aug-20	20,000	14,500	- 5,500	-28%	Yes
Amazon Distribution Centre	Aug-20	4,758	4,675	- 83	-2%	No
Waitrose RDC	Sep-20	54,609	53,400	- 1,209	-2%	No
Stane Retail Park	Aug-20	27,004	29,300	2,296	9%	No
Amazon Distribution Centre	Mar-21	42,692	35,950	- 6,742	-16%	No
Moog Controls Ltd HQ	Mar-21	37,749	32,400	- 5,349	-14%	No
Transfers from Property, Plant and Equipment			1,000			
Total Council		186,813	**171,225**	**- 15,588**	**-8%**	
Chesterford Research Park	May-17	81,657	106,750	25,094	31%	Yes
Total Group		**268,469**	**277,975**	**9,506**	**4%**	

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Appendix 5: Peopletoo Greater Essex LGR – ACS and Children's financials

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Greater Essex LGR
ASC and Children's Financials

August 2025

The Financial Opportunity – using analysis of published national data

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The summary table below compares county councils to unitary and metropolitan authorities for all key expenditure indicators from 2023/24 published national data. This identifies that all average unit costs across ASC and Children's are lower in unitaries and metropolitans, except for S251 Children's Residential unit cost which are 11% higher than the county council's average, (this could be linked to in house provision more prominent in county councils).

Average unit cost comparison	S251 LAC unit cost	S251 Residential unit cost	S251 SEN unit cost	Nursing unit cost	Residential unit cost	Residential & Nursing unit cost
County average	£2,076	£6,466	£128	£1,104	£1,186	£1,163
Unitary & Met average	£1,786	£7,252	£105	£1,049	£1,079	£1,064

The same national benchmark data indicates that unitary authorities with a population of 350k and below, perform better in terms of key areas of expenditure across Adult Social Care and Children's Services, as depicted in the table below.

Average unit costs	S251 LAC unit cost	S251 residential unit cost	S251 SEN unit cost	Nursing unit cost	Residential unit cost	Residential & Nursing unit cost
Population 500-750k	**£1,949**	**£7,406**	**£123**	**£1,087**	**£1,160**	**£1,138**
Population 350-500k	**£1,946**	**£8,465**	**£118**	**£1,151**	**£1,209**	**£1,166**
Population 250-350k	**£1,718**	**£6,772**	**£96**	**£1,006**	**£1,028**	**£1,023**
Population <250k	**£1,759**	**£7,220**	**£100**	**£1,044**	**£1,059**	**£1,048**

**Data source 2023/24 LAIT (Local Authority Interactive Tool) and ASCFR (Adult Social Care Financial Returns)*

What is Driving This

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- When we look at average ASC long term care costs per person for 18-64 years, unitaries/ metropolitans come in lower than counties at £41,594 versus £42,829.
- For 65+ again the unitary/ metropolitan average is lower than the counties at £29,038 compared to £31,071.
- Population sizes 250 – 350k for unitaries come in lower for 18-64 at £39,881, and for 65+, 250- 350k is 2nd lowest at £27,144, with below 250k lowest at an average of £27,136.

In summary:

- There is no evidence that county councils are achieving lower unit costs as a result of greater buying power. With the analysis showing that in all areas except S251 Residential unit costs, unitaries and those with a population size of 250k - £350k are achieving the lowest unit costs.
- This could be linked to a number of things, but most likely would be the development of local markets to meet local needs, with local providers also having less travel time.
- With regards to lower long term care costs, this links to lower rates but also lower numbers in residential care. Analysis would indicate that whilst counties perform strongly in terms of diversion to universal services, once in statutory social care, higher numbers are in residential with lower numbers supported in the communities. This could be a result of more capacity in the domiciliary care market, and more focus on community assets in support of prevention and early intervention activity.

Greater Essex ASC Financial Opportunity

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We have analysed national ASCFR 2023/24 data to calculate the average spend on Long Term Care (LTC) (calculated using gross current expenditure/ numbers in receipt of LTC at end of year) per working age adult (WAA) and OP, for unitary Council's of 250k - 350k population and applied this to Unitary 1 and 3, and used average spend for population of 350k - 500k and applied this to Unitary 4 and 5 and used 500k – 750k for Unitary 2. We have used actual costs for Thurrock and Southend local authorities again taken from ASCFR data.

We have then analysed the actual numbers in receipt of LTC and the LTC costs per individual from ASCFR 2023/24 returns for Essex CC, Thurrock and Southend Councils which suggests a baseline cost of **£713.7m per annum,** only part of overall expenditure on ASC in excess of £1bn across Greater Essex.

Note: The figures we have used are averages only, and as can be seen from Thurrock and Southend LTC costs, there is further opportunity to reduce expenditure.
However, even using an average for the proposed population size of the new unitary Council's, we would be looking at a saving of £79.3m per annum 11% of current expenditure, the difference between £632.8m modelled in table 1 and the baseline £713.7m.

Note: The 3 unitary model reduces the savings from £79.3m to £30.1m

Table 1: ASC Long Term Care Costs modelled for each of the 5 unitary Council's

Proposed 5 UAs	WAA 18-64	Av cost LTC £	OP 65+	Av cost LTC £	Total Cost £
Unitary 1 - Population 323,000					
Uttlesford	257	39,881	470	27,144	£23,007,097
Harlow	281	39,881	540	27,144	£25,864,321
Epping Forest	375	39,881	818	27,144	£37,159,167
Total					**£86,030,585**
Unitary 2 - Population 510,000					
Braintree	665	41,596	1147	30,328	£62,447,556
Colchester	971	41,596	975	30,328	£69,959,516
Tendring	954	41,596	1465	30,328	£84,113,104
Total					**£216,520,176**
Unitary 3 - Population 331,000					
Brentwood	235	39,881	403	27,144	£20,311,067
Chelmsford	660	39,881	948	27,144	£52,053,972
Maldon	180	39,881	441	27,144	£19,149,084
					£91,514,123
Unitary 4 - 369,000					
Basildon	681	44,147	986	31,547	£61,169,449
Thurrock (actual LTC cost)	755	37,188	1270	20,043	£53,531,550
					£114,700,999
Unitary 5 - 360,000					
Rochford	231	39,881	470	31,547	£24,039,601
Castle Point	359	39,881	733	31,547	£37,441,230
Southend (actual LTC cost)	820	36,237	1385	24855	£64,138,515
					£125,619,346
Total for 5UAs					**£634,385,229**

Greater Essex ASC Cost Projections

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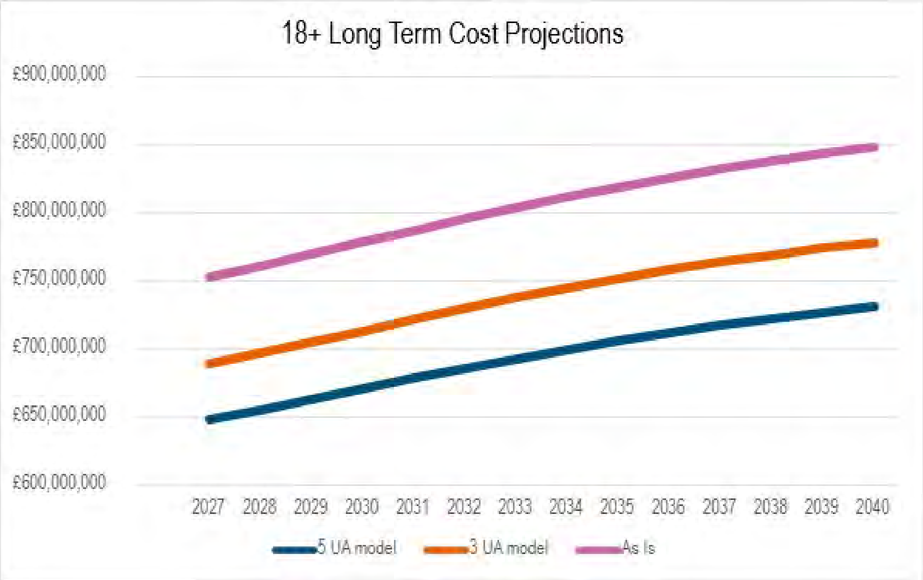

This graph has been developed using average LTC costs to demonstrate the projected expenditure (using ONS population projections) on Long Term Care for a) 5 Unitary model b) 3 Unitary model and c) "as is" if nothing changes. Assumptions for this modelling:

- We have used the average LTC cost derived from our analysis of costs by population size for the 3U and 5U modelling, and this average cost has remained the same amount across the forward projections with no allowance for inflation.
- Actual ASCFR 2023/24 expenditure has been used for Essex CC, Southend and Thurrock councils to create the "as is".
- Demand projections modelled using 2023/24 actual numbers in receipt of LT support at end of year, (split 18-64 and 65+) from ASCFR data, with ***ONS Population Projections LA mid 2022-based*** used to calculate year on year population changes for Essex Districts and Southend and Thurrock LAs.
- "As Is" calculations uses Essex Districts, Southend and Thurrock ONS projections.

Greater Essex Children's Financial Opportunity

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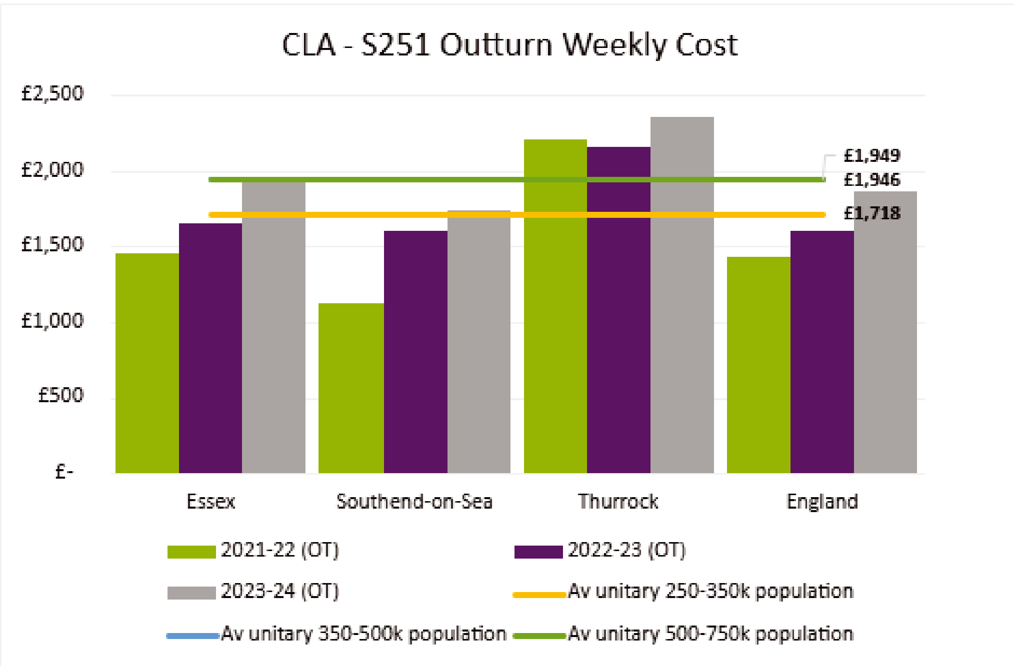

- This graph shows weekly expenditure per Child Looked After for each of the Social Care LAs in Greater Essex, source S251 outturn weekly cost 2023/24.
- The purpose of this graph is to indicate the reduction in expenditure that could be achieved, (calculated at £14.2m per annum against current baseline, this equates to 8% of total expenditure on CLA), across the Greater Essex System, if the 5 Unitaries achieved the average weekly expenditure per Child Looked After for their population sizes.
- This saving would reduce to £1.3m under a 3 unitary model.

Greater Essex Children's Cost Projections

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CLA total weekly cost projections to 2030:

- Methodology: Based on last 3 years published numbers of Children Looked After as at 31 March for Essex Districts, Southend and Thurrock, we calculated the average trend and used this % to forward project the demand numbers then multiplied the average weekly cost by the demand numbers.
- 5UA – for the modelling of the 5UA we have used average cost per CLA in line with the population banding 250k - 350k for unitary 1 and 3, and 350k - 500k population for Unitary 4 and 5 and 500k – 750k population for Unitary 2.
- The 3 UA cost line is based on all 3 unitaries falling into the 500-750k benchmarking bracket.

Appendix 6

Appendix 6: CIPFA LGR financial template

Appendix 7: Transition and transformation

The below table sets out the following:

1. Our analysis of the expected ease of transition across all four of the options analysed in the options appraisal.
2. The phased timetable for the realisation of benefits of LGR that underpins our LGR planning assumptions.
3. The initial expected transition categorisation of services across the five unitary authority footprint that will guide pre- and post-implementation transformational activity in the LGR programme.

Service	LGR transition category	Benefits realisation timeline (Five UA model)	Rationale	Benefits realisation pathway	Ease of transition (Two UA model)	Ease of transition (Three UA model)	Ease of transition (Four UA model)	Ease of transition (Five UA model)
Building regulations	Safe and legal	3–4 years	Legal compliance and inspection continuity needed at vesting; minimal early integration.	Process efficiency and standardised inspections, improved commercialisation models.	Highly complex and disruptive	Highly complex and disruptive	Moderately complex and disruptive	Minimally complex and feasibly deliverable
Complex digital integration	Safe and legal	3–4 years	High-risk technical integration; better managed post-vesting with stable foundations.	Technology consolidation and shared infrastructure, reduced demand and improved resident satisfaction.	Highly complex and disruptive	Highly complex and disruptive	Highly complex and disruptive	Highly complex and disruptive
Estates strategy and decisions	Safe and legal	3–4 years	Major infrastructure implications; safer to reassess after LGR formation.	Savings through asset rationalisation and co-location.	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive

Service	LGR transition category	Benefits realisation timeline (Five UA model)	Rationale	Benefits realisation pathway	Ease of transition (Two UA model)	Ease of transition (Three UA model)	Ease of transition (Four UA model)	Ease of transition (Five UA model)
Elections and electoral registration	Safe and legal	3–4 years	Statutory timetables and accuracy are critical; change should follow stable structures.	Process harmonisation and reduced admin overhead.	Minimally complex and feasibly deliverable	Minimally complex and feasibly deliverable	Minimally complex and feasibly deliverable	Minimally complex and feasibly deliverable
Burials and cremations	Safe and legal	3–4 years	Sensitive public service with regulatory duties; continuity must be prioritised.	Standardised fees and centralised back-office functions.	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Adult social care	Alignment	3–4 years	Statutory functions with strong county frameworks; align to best-practice county model.	Workforce and policy alignment driving outcome improvements; integrated and shared case management systems.	Highly complex and disruptive	Highly complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Children's services	Alignment	3–4 years	Complex safeguarding responsibilities; retain established county model for continuity.	Workforce and policy alignment driving outcome improvements; integrated and shared case management system.	Highly complex and disruptive	Highly complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Public health	Alignment	2–3 years	Primarily county-delivered and centrally funded; well suited to early alignment.	Shared campaigns, data platforms, and commissioning models.	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive	Minimally complex and feasibly deliverable

Service	LGR transition category	Benefits realisation timeline (Five UA model)	Rationale	Benefits realisation pathway	Ease of transition (Two UA model)	Ease of transition (Three UA model)	Ease of transition (Four UA model)	Ease of transition (Five UA model)
Education and related services	Alignment	Minimal benefits	Strong alignment with Five UA locality Children and Young People's Services (CYPS) delivery model.	Streamlined policies, systems, and central support.	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Libraries	Alignment	2–3 years	Local libraries policy and delivery vary but are not complex; alignment to a strong model is feasible.	Workforce pooling, shared systems, and community engagement strategies.	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Concessionary travel	Alignment	2–3 years	Highly standardised and regulated; suitable for early cross-boundary alignment.	Standardised entitlement rules and back-office systems.	Highly complex and disruptive	Highly complex and disruptive	Moderately complex and disruptive	Minimally complex and feasibly deliverable
Emergency planning	Alignment	2–3 years	Coordination is key; aligning early with lead authority model improves resilience.	Coordinated response planning and pooled specialist roles.	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Highways and roads	Alignment	2–3 years	County-delivered infrastructure functions will support efficiency and integration; locally led highways and transport functions will support local growth ambitions.	Consolidated maintenance contracts and capital planning.	Highly complex and disruptive	Highly complex and disruptive	Highly complex and disruptive	Highly complex and disruptive

Service	LGR transition category	Benefits realisation timeline (Five UA model)	Rationale	Benefits realisation pathway	Ease of transition (Two UA model)	Ease of transition (Three UA model)	Ease of transition (Four UA model)	Ease of transition (Five UA model)
Trading standards	Alignment	2–3 years	Specialist service with consistent legislative framework; aligns well with lead model.	Shared enforcement capacity and digital reporting.	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Waste disposal	Alignment	2–3 years	County function; benefits from early coordination with collection and disposal planning.	Economies of scale through disposal contracts and joint planning.	Highly complex and disruptive	Highly complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Birth, death, and marriage registration	Alignment	2–3 years	Regulated, standardised service; early adoption of best practice model is low-risk.	Digital systems and appointment model alignment.	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Consumer protection	Alignment	2–3 years	Enforcement model well defined; minimal variation makes alignment practical.	Digital platforms and case management standardisation.	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Staff terms and conditions	Alignment	2–3 years	Requires early harmonisation to support organisational culture and stability.	Harmonisation of contracts and workforce systems.	Highly complex and disruptive	Highly complex and disruptive	Moderately complex and disruptive	Minimally complex and feasibly deliverable
Local planning	Transform	1–3 years	Currently locally led strategic authority will oversee all strategic and common planning strategic goals; local planning departments will need to be aligned to local growth ambitions.	Standardised policies, digital platforms, shared planning committees.	Highly complex and disruptive	Highly complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive

Service	LGR transition category	Benefits realisation timeline (Five UA model)	Rationale	Benefits realisation pathway	Ease of transition (Two UA model)	Ease of transition (Three UA model)	Ease of transition (Four UA model)	Ease of transition (Five UA model)
Economic development	Transform	1–3 years	Will benefit from clearer leadership at unitary scale; potential to reframe around place-based growth.	Central investment strategy and localised delivery capacity.	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Community safety and public protection	Transform	1–3 years	Partnership-driven; benefits from joint service design to improve outcomes.	Multi-agency data-sharing and joint patrols.	Highly complex and disruptive	Highly complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Museums and galleries	Transform	1–3 years	Clear opportunity to move to transformed models in line with public service reform over the wider geographical footprints.	Increased footfall, inward investment and cultural activation possible in line with five new localities.	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Tourism and markets	Transform	1–3 years	Locally defined service offers scope to reposition for growth and identity.	Place-brand alignment and marketing centralisation.	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Coastal and environmental protection	Safe and legal, then transform	1–3 years	Distinct needs by geography; local strategy innovation can be embedded in transformation.	Shared strategies and procurement of defences.	Highly complex and disruptive	Highly complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Procurement and commissioning	Transform	1–3 years	Opportunity to create a modern integrated procurement and commissioning unit focused on outcomes, and need to design CPRs from base.	Contract aggregation and professionalisation, and increased market competitiveness.	Highly complex and disruptive	Highly complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive

Service	LGR transition category	Benefits realisation timeline (Five UA model)	Rationale	Benefits realisation pathway	Ease of transition (Two UA model)	Ease of transition (Three UA model)	Ease of transition (Four UA model)	Ease of transition (Five UA model)
Digital, data, and ICT – core	Transform	1–3 years	Requires comprehensive redesign to ensure secure, scalable, and modern architecture.	Cloud migration, single sign-on, and shared support teams.	Highly complex and disruptive	Highly complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Finance	Alignment	1–3 years	Well-defined function across councils; alignment supports early assurance and planning.	Consolidated financial systems and budget planning.	Highly complex and disruptive	Highly complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Enabling services	Alignment	1–3 years	Clear opportunity to share capabilities and services to deliver more efficient services.	Shared processes, technology, and staffing structures.	Highly complex and disruptive	Highly complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive
Housing and homelessness	Alignment	2–3 years	Housing services such as homelessness support and prevention are best tailored to local areas; housing operational services could benefit from shared capabilities.	Shared processes, technology, and staffing structures.	Highly complex and disruptive	Highly complex and disruptive	Moderately complex and disruptive	Moderately complex and disruptive

Our LGR enablers: Data and digital

Maturity levels

In local government, digital and data maturity among staff is generally low. Users with limited digital skills require more intensive support to maintain service effectiveness and user satisfaction, and to manage risk and security appropriately. This has direct implications for ICT support capacity and cost. Both user maturity and technical capability will significantly influence how quickly consolidation can occur and when a new steady state (or breakeven point) is reached.

The optimal number of users that an ICT team can support depends on the digital maturity of those users. Where user maturity is lower, the effective support range tends to fall between 2,000 and 6,000 users. In contrast, users with higher levels of digital maturity can be supported more efficiently, with teams able to manage between 5,000 and 15,000 users. Given the expected digital profile of the Essex workforce, it is anticipated that each of the five unitary authorities in a five-authority model would support approximately 4,000 to 6,000 users. This falls within the optimal range for a lower-maturity context and allows for more manageable, responsive support.

A model based on two or three unitary authorities, however, would result in significantly larger user bases within each organisation, and many of those users would still require high levels of support. This concentration of lower-maturity users would make it more difficult to maintain effective support, manage risk, and ensure positive user experiences, with associated increases in operating cost and implementation time.

In addition to user maturity, the maturity of digital and data skills within the new authorities themselves will be a key enabler of successful transformation. Where maturity is higher, organisations will be able to achieve greater specialisation, make faster and more informed decisions, and progress more quickly through integration and consolidation. Importantly, these benefits can be realised without compromising local focus, particularly in a five unitary authority model, where organisational scale supports a more tailored approach to digital transformation.

Integration complexity

Significant variation exists in the state of digital infrastructure and applications across Essex. While some authorities have modernised their technology estates, others continue to rely on outdated systems. This disparity presents a major challenge to integration, particularly in larger unitary models.

The creation of two or three unitary authorities would introduce a higher level of integration complexity. The volume of systems, data, and contractual arrangements to review, coterminate, or rationalise would be considerably greater than in a five unitary authority model. As a result, the effort required to modernise, consolidate, and integrate would increase accordingly. In comparison, a five-authority structure reduces this burden, allowing integration to be managed more effectively and with greater focus. The estimated time required to deliver benefits is expected to be significantly faster in the five-authority model, at approximately four to six years, whereas a two- or three-authority model could take seven years or more to reach the same point.

In addition to system differences, there are likely to be considerable variations in the internal technical capability of existing teams. Some councils have in-house ICT resources that manage all systems, others rely heavily on third-party providers, and some operate decentralised IT models where responsibility sits within individual service teams. Each of these arrangements will require alignment and standardisation before any integration can begin.

Standardising platforms, architectures, and support models is a necessary precursor to integration. This process will likely be led by the most digitally mature organisation within the new structure. Achieving consensus on this approach is expected to take between 12 and 18 months in a five unitary authority model. In larger models with fewer but more complex authorities, this timeline would likely extend further due to increased scale, complexity, and interdependencies.

Digital uplift speed

Digital and data maturity levels will vary across the existing authorities, although it is anticipated that the majority will fall below optimal levels. In a five unitary authority model, the relative scale and focus of each organisation would allow digital and data skills development to be achieved more quickly, helping to accelerate progress toward value for money from digital transformation.

However, improving digital capability is not simply a matter of skills training. It also requires a shift in ways of working, behaviours, and organisational mindset. This means that cultural change will be as important as technical uplift. The scale of change needed is significantly more manageable in a five unitary authority model, where programmes can be tailored and embedded more effectively. In a model comprising two or three much larger authorities, the scale and complexity of culture change would increase substantially, requiring more time, effort, and resources to deliver the same results.

The effort involved in cultural transformation should not be underestimated. Even in more digitally mature organisations, this kind of change demands sustained investment over time. It will require close collaboration between HR, digital teams, and senior leadership to design and implement coherent, joined-up programmes. A five unitary authority model allows this to be delivered in a more targeted and locally responsive way, increasing the likelihood of success and reducing the risk of disruption.

Data consolidation

In creating unitary authorities, there will be a need to consolidate data from multiple sources. Even within a single organisation, this is a complex and high-risk process. When undertaken across several merging entities, the scale and sensitivity of data migration significantly increase. Reducing the scope of this activity makes it both less complex and less risky, which is why a five unitary authority model is preferable to a model based on two or three larger authorities.

A critical first step in the consolidation process will be agreeing a common approach to data retention. This is likely to be a contentious issue and will require careful negotiation and formal approval before any migration work can begin. In a five-authority model, such agreements are likely to be simpler to secure – however, implementation will still depend on the availability of internal and external resources, including the capacity of third-party providers. Where this capacity is limited, or where demand exceeds supply, progress may be slow and costly.

The role of third-party suppliers in data extraction, cleansing, and migration will be essential, but this also introduces cost risk. Where suppliers are aware that a migration is planned, pricing can increase significantly. There have already been instances of inflated costs where a provider knows that a council intends to exit its platform. Procurement teams across all authorities will need to work collaboratively to negotiate fair and affordable terms. A joined-up approach in a five unitary authority model will be more manageable and allow for more effective contract management, thereby limiting the risk of cost escalation.

Architecture

Establishing a shared digital architecture across the new unitary authorities will be critical to achieving value for money. This includes agreement on identity management, cloud hosting, and data platforms. In a five unitary authority model, this is likely to be simpler and faster to deliver due to smaller organisational sizes and fewer legacy systems per authority.

Agreement on architecture can also be supported by joint investment in apprenticeships, digital tools, and workforce development. While authorities may deliver similar services, those services are not always configured or supported in the same way, so input from frontline services will be essential to ensure that technical solutions are fit for purpose.

Although it might appear simpler on the surface to have fewer authorities in a model, achieving architectural alignment across two or three large organisations may actually take longer than within five smaller, more focused councils. A five-authority structure provides a practical balance between local control and shared digital ambition.

Operational risk

Digital and data risks increase with complexity, particularly where legacy systems remain in use. Larger unitary authorities are more likely to carry higher levels of complexity and legacy infrastructure, making them more vulnerable to failure and cyber attacks. While operational risks will still exist within a five unitary authority model, they will be more contained and will require less effort to manage.

Cyber attacks remain a significant and growing concern for local government. Such attacks are expected to increase during the transition period, as organisations undergo major structural and technological changes. Consolidation efforts often present an opportunity for malicious actors, and local government is increasingly a target. Proper governance and control frameworks will be essential from the outset. While these must be established regardless of the model chosen, embedding them across five smaller organisations is more manageable than doing so within two or three significantly larger entities.

Operational insight is also improved in a five unitary authority model. Delivering services effectively requires a clear understanding of local needs. A more localised structure allows councils to develop and apply data analytics with greater relevance and speed, producing insights that are more actionable and better aligned to community priorities.

Value for money

A five unitary authority model is likely to deliver value for money more quickly than models with two or three larger authorities. Smaller, more agile organisations are better placed to modernise systems, renegotiate contracts, and upskill staff within shorter time frames. This enables a faster transition to a steady operational state, with breakeven estimated at between four and six years, compared to seven years or more in larger models.

The number of authorities directly influences the speed of implementation: the more unitary authorities created, the quicker system consolidation and migration can be achieved. Even the simplest migrations are time-consuming. Most councils, including the smallest, deliver more than 80 services, supported by dozens or even hundreds of systems; consolidating these at scale becomes significantly more complex and resource-intensive in larger organisational models.

Key risks

Models with larger unitary authorities carry higher levels of risk due to increased organisational complexity, longer delivery time frames, and greater exposure to cyber threats. As systems are consolidated and structures are reshaped, any LGR project becomes more attractive to malicious actors. All staff will require cyber awareness training as early as possible. Given the recent rise in attempted cyber attacks, particularly over the last 12 to 18 months, this will be a key risk that will need to be managed in LGR implementation. A successful attack during the transition period could be both costly and severely disruptive.

In contrast, a five unitary authority model presents lower integration complexity, more manageable delivery timelines, and clearer accountability. It is more likely to achieve value for money sooner, provided that appropriate investment is made in architecture, governance, digital standards, skills development, and change management. This model balances local agility and accountability, has less integration complexity, and will bring a more consistent skills uplift.

There are also cost risks associated with external support. Third-party suppliers involved in data extraction, migration, and cleansing may view this activity as an opportunity to price gouge, especially as the number of contracts reduces from 16 to five or fewer. This consolidation may prompt suppliers to seek higher returns, leading to inflated costs for essential services.

In addition, the programme will likely require specialist contractors to support more complex elements such as project management, architecture, security, and development. These resources are expensive and will be in high demand, especially as multiple counties across the country undertake similar reorganisations. A five unitary authority model, due to its relative simplicity, is expected to require fewer consultant and contractor days, helping to reduce external dependency and contain delivery costs.

Our LGR enablers: HR, people, and culture

HR enablers

The successful delivery of LGR in Greater Essex will depend on the ability to manage people-related change in a way that is lawful, ethical, and aligned with the strategic ambitions of the five new unitary authorities. HR will play a central enabling role in ensuring that the transition is not only operationally sound but also culturally coherent, workforce-positive, and future-ready.

Drawing on best practice from previous LGR programmes and the Local Government Association's Transformation Capability Framework, our HR approach is built around six core enablers:

1. Strategic workforce planning

Each new unitary authority will require a workforce that is aligned to its future operating model, service priorities, and local context. Strategic workforce planning will:

- Map current workforce distribution, skills, and contractual arrangements across the 15 existing councils.
- Identify future workforce needs based on the design principles and service delivery models of each new authority.
- Support the development of workforce transition plans, including TUPE transfers, recruitment pipelines, and succession planning.
- Ensure that workforce planning is integrated with financial planning, digital transformation, and service redesign.

2. HR change management, T&Cs alignment, and policy harmonisation

Managing the disaggregation and reconfiguration of roles, teams, and structures will require robust HR change management processes. These will be underpinned by:

- A structured approach to aligning terms and conditions across the five new authorities. While TUPE protections will apply at the point of transfer, we will work with staff and unions to develop a roadmap for harmonisation that is fair, transparent, and aligned to each council's values and operating model.
- A coordinated programme of policy harmonisation, ensuring that HR policies (e.g. leave, pay, performance, grievance) are consistent, legally compliant, and support the desired organisational cultures.
- Early and ongoing engagement with trade unions and staff representatives to co-design the approach to harmonisation and change.
- A dedicated HR legal and compliance function to provide assurance and support to managers and programme leads.

Importantly, the five unitary authority model is expected to result in lower overall redundancy costs compared to larger unitary configurations. This is due to the more manageable scale of each authority, the ability to retain local delivery structures, and the reduced need for large-scale centralisation. Change processes will also be faster and more efficient, with fewer layers of complexity and greater agility in decision-making.

3. Culture, values and organisational development

The creation of five new councils is not just a structural change – it is a cultural transformation. HR will lead the development of:

- Distinctive organisational values and behaviours for each new authority, co-designed with staff and residents.
- Leadership development programmes to equip senior teams with the skills to lead through change and embed new cultures.
- Organisational development strategies to support team cohesion, collaboration, and innovation.

- Change readiness assessments and interventions to support staff through uncertainty and transition.

4. Employee engagement and internal communications

Transparent, timely, and inclusive communication with staff will be critical to maintaining morale, trust, and productivity. Our approach will include:

- A comprehensive internal communications strategy, aligned to the wider LGR narrative.
- Regular updates, FAQs, and engagement sessions tailored to different staff groups and geographies.
- Mechanisms for two-way feedback, including pulse surveys, staff panels, and digital engagement tools.
- Visible leadership and consistent messaging across all councils and services.

5. HR systems, data, and digital enablement

The transition to five new unitary authorities will require the implementation of new HR systems and the secure migration of workforce data. This will involve:

- Selection and deployment of modern, cloud-based HR platforms aligned to the digital architecture of each authority.
- Standardisation of core HR processes (e.g. payroll, recruitment, performance management) where appropriate.
- Data cleansing, migration, and integration with finance and organisational systems.
- Development of workforce analytics and dashboards to support strategic decision-making.

6. Learning, development, and talent management

To build a resilient and future-ready workforce, we will invest in:

- Induction and onboarding programmes for all staff transitioning into the new authorities.
- Training and development aligned to new roles, systems, and ways of working.
- Talent pipelines and apprenticeship schemes to support local employment and skills development.
- A shared learning and development framework across the five authorities to support collaboration and consistency.

HR governance and delivery

A dedicated HR workstream will be established within the LGR programme, reporting to the central Programme Board and working closely with service leads and finance, legal, and digital teams. Each authority will also have a designated HR transition lead to ensure local ownership and alignment.

This workstream will be supported by a cross-authority HR Advisory Group, including trade union representatives, to provide strategic oversight, share best practice, and ensure a consistent and fair approach to workforce change.

Our LGR enablers: Transformation capability

Undertaking LGR across the entirety of Greater Essex represents a significant capacity and capability challenge for the region. Collectively the 15 organisations that make up the local government system have significant, but disjointed, capabilities that will need to be collectively organised and coordinated in order to provide the transformation and delivery capability to deliver LGR effectively.

The transformation phase of LGR is where the full benefits of the five unitary authority model will be realised. While the transition phase ensures safe and legal continuity of services, transformation is about reshaping how councils operate, how services are delivered, and how outcomes are improved for residents and communities across Greater Essex.

Our transformation approach is grounded in the principles of place-based leadership, public service reform, and long-term financial sustainability. It is designed to unlock the full potential of the new authorities by enabling them to innovate, collaborate, and tailor services to local needs, while also delivering efficiencies and improving outcomes.

To ensure a structured and accountable delivery model, our transformation programme is aligned with the nine thematic workstreams used in Surrey's LGR implementation, adapted to reflect the scale and ambition of the five unitary authority model.

1. Legal and governance

- Development of new constitutions and governance frameworks for each unitary authority.
- Legal assurance on TUPE, statutory compliance, and Structural Change Order implementation.
- Establishment of shadow authorities and transition to formal governance.
- Design of new democratic structures and local accountability mechanisms.

2. Finance and commercial

- Council Tax harmonisation strategy and financial modelling.
- Budget disaggregation and reallocation across the five new authorities.
- Shared procurement frameworks and contract novation.
- Financial governance, audit readiness, and long-term sustainability planning.

3. Digital and data

- Implementation of cloud-based HR, finance, and case management platforms.
- Secure data migration, cleansing, and integration.
- Shared digital infrastructure and cyber security protocols.
- Use of AI and automation to streamline services and improve resident experience.

4. HR and workforce

- TUPE transfers and workforce transition planning.
- Harmonisation of terms and conditions and HR policies.
- Leadership development and organisational culture programmes.
- Redundancy cost management and strategic workforce planning.

5. Communications and engagement

- Internal and external communications strategy to support change.
- Branding and identity development for each new authority.
- Resident engagement and stakeholder consultation.
- Staff engagement and change support through two-way dialogue.

6. Service design and operating models

- Tailored operating models for each authority, reflecting local context and strategic priorities.
- Locality-based delivery and integrated services.
- Shared services framework for common functions such as procurement, ICT, and finance.
- Co-design of services with residents, staff, and partners.

7. Estates and assets

- Asset mapping and transfer protocols.
- Co-location strategies and agile working models.
- Carbon reduction and sustainability alignment.
- Shared use agreements for critical infrastructure (e.g. highways control centres, waste facilities).

8. Transformation and innovation

- Establishment of a Transformation Delivery Unit (TDU) to coordinate and drive change across all five authorities for the entirety of the transition period.
- The TDU will be a cross-functional team comprising service design, programme delivery, data and insight, digital, HR, and finance specialists.
- It will act as the engine room of transformation, helping each authority to implement its local transformation plan while ensuring consistency, shared learning, and system-wide alignment.
- The TDU will also lead on innovation pilots, benefits tracking, and continuous improvement, and will work closely with the MSA to align local transformation with regional reform.

9. Programme management and assurance

- Central Programme Board and delivery infrastructure to oversee implementation.
- Gateway reviews and risk management processes.
- Cross-authority coordination and reporting.
- Independent assurance and performance monitoring.

Shared services as a strategic goal

A key feature of our operating model is the deliberate and strategic use of shared services to deliver value, reduce duplication, and build resilience across the five new unitary authorities. Our approach is not to centralise by default, but to share where it makes sense – particularly for enabling and transactional functions. The TDU, led by the five chief executives of the future five unitary authorities in Essex, will convene and coordinate the shared service programme of work across the entirety of the Greater Essex geography.

Bringing together the skills and capabilities needed to deliver the programme, the TDU will be made up of the following functional capabilities:

- Transformation delivery.
- Service design.
- Business analysis.
- Strategic finance.
- Digital and data.
- Communications and engagement.
- HR and organisational development.
- Legal.

- Procurement and commissioning.
- External specialist commissioned support from transformation partners.
- Cross-sector peers and professionals in line with public service reform practices and approaches.
- External peers.

The costs of the TDU have been built into our financial models, and we expect to be able to deliver the LGR programme, and thereby unlock the benefits of LGR, at pace.

Appendix 7

“Alone we can do so little; together we can do so much”

Helen Keller

With thanks to officers across Greater Essex and all those who have contributed to the development of this proposal.

For the full proposal please visit:
www.essexlgrhub.org/stronger-greater-essex