



Three new councils **One bright future**

The Proposal for Greater Essex

Overview





Foreword

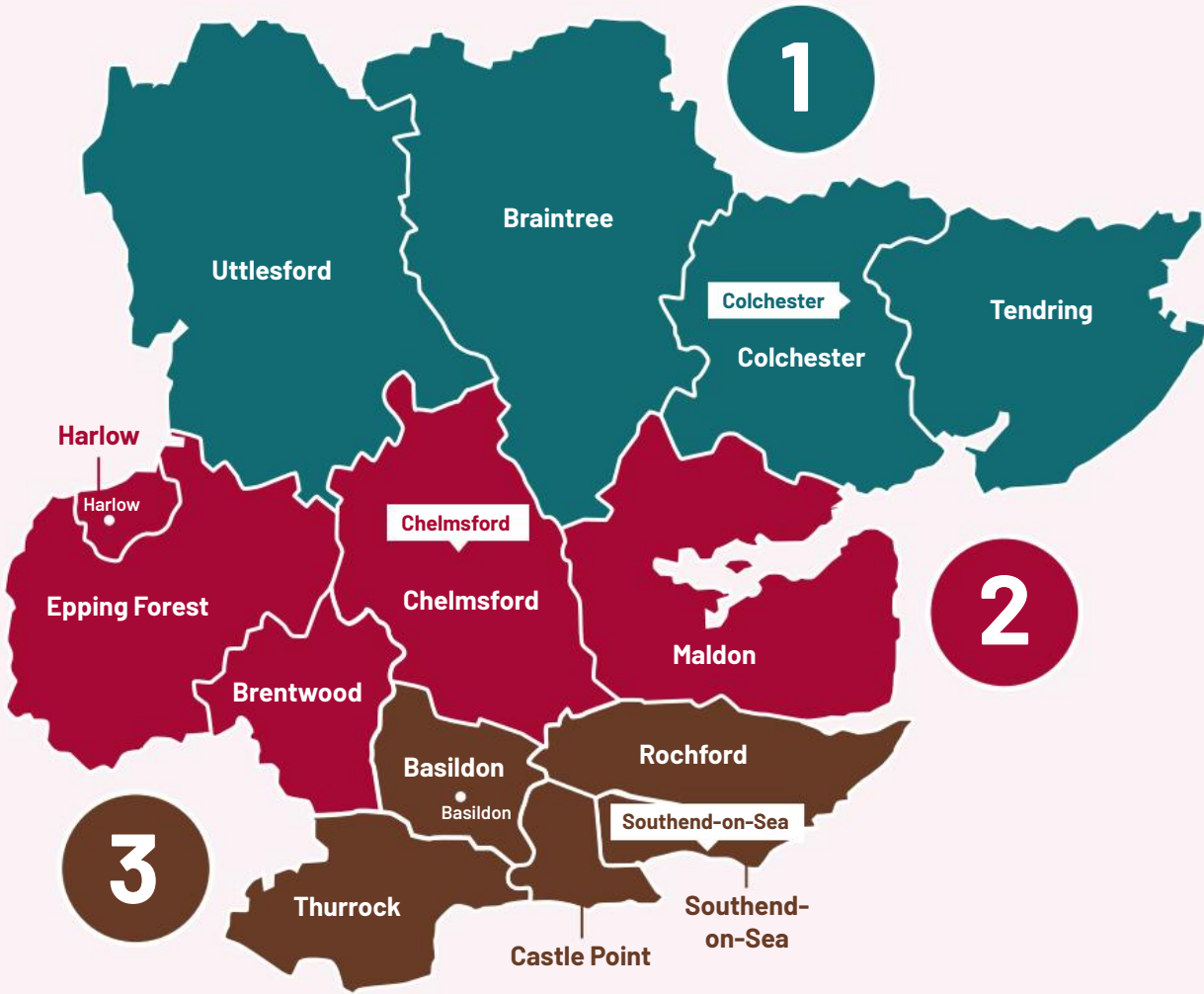


Seizing this opportunity

Greater Essex is a great place with a bright future and tremendous opportunities.

We have embraced local government reorganisation, based on a three cities unitary model, to enable us to maximise that potential, so that we can continue to support our residents to achieve their ambitions. Our proposal will not only deliver better and more sustainable local services for the residents of Greater Essex, but also more affordable and Best Value services for local taxpayers and national government.

- North Essex Unitary
- Mid Essex Unitary
- South Essex Unitary



Unleashing opportunity

All public services are under strain. Ageing and growing populations mean more people are requesting help and support from social care, while there is a need to ensure growing communities can enjoy the housing, services, facilities, and access to green spaces that enhance our quality of life. Over the last fifteen years funding has struggled to keep up with demand. Collectively, we have managed the strain through huge transformation efforts. The Greater Essex system has delivered hundreds of millions of pounds of savings over the last decade while still maintaining or improving levels of performance.

Despite those efforts it is clear to us, to our partners, to government, and most importantly to our residents, that services are struggling to keep up with demand, and outcomes and opportunity are suffering. We need to reset for renewal. Not for the short-term but for the long-term. The foundations that we lay now will shape outcomes, opportunity and life chances into the second half of the century, creating councils that do not simply survive for the next 4-5 years but thrive for the next 40-50.

That is why our case does not propose a mere tweaking of business as usual. It does not attempt to maximise the number of councils in Greater Essex (and the corresponding costs of systems, senior managers and councillors) or to simply re-create, in larger geographical units, the existing system.

Strong foundations

Our case aims to build the most effective and efficient system of government we can, based on sound fundamentals including:

- strengthening the financial resilience of local government;
- safeguarding our critical services – including social care and homelessness – with prevention at their core;
- re-invigorating the dynamism of the Greater Essex economy – once the fastest growing region in Europe – by building the capacity

for economic and housing growth and the capability to drive it forwards sustainably;

- re-forging the links between citizens, communities and government – at the heart of which is nurturing the trust that comes from delivering decent services day in/day out;
- enlarging the headroom for the long-term transformation and public service reform that will still be needed if we are to rise to tomorrow’s challenges as well as today’s;
- simplifying and accelerating transition to the new models so that our residents reap the benefits quickly.

Better services, because that’s what people want

Our case is built on these fundamentals because, amongst the thousands of words in this and others’ business cases, there is one simple fact that we should not lose sight of: people want better services. In the survey commissioned by all authorities across Greater Essex:

- 85% identified the potential for better public services as the key benefit of change – way ahead of any other factor;
- residents’ top priority for future councils was that they ensured public funds are spent efficiently on what matters most.

Our proposal responds directly to these priorities – safeguarding critical services and spending less money on the structures of local government, and more money on the services our residents want.

A safe and speedy transition

Importantly, our proposal recognises the urgency of achieving this. It keeps the transition to new structures as simple as possible so that we can get on this firmer footing quickly – minimising the risk to our most vulnerable residents; maximising the rapid realisation of benefits.

Empowered communities and neighbourhoods

Our case recognises that the world has changed and so must we. We must focus more on prevention and re-shape our services so that we build capability and competence into our communities and support people of all ages, including giving children the best start in life. The future of local government will not be secured by delivering more and more services but by putting more and more power into the hands of people and communities and enabling them to solve problems with our support. That is why we are the only business case proposing a multi-million pound endowment to our new neighbourhood structures. It is why we are proposing a new responsibility on all of our unitaries to prepare a local prevention account. And it is what sits behind our proposal with the University of Essex to create a local What Works Centre to strengthen the evidence base underpinning prevention activity.

Facing boldly into the future

We cannot capture the potential of the future if we continue to cling to the past. In particular we must accelerate our understanding of how digital, data and AI can transform and target our core services and we must hardwire digital and tech into our ways of working in the same way that digital and tech is already hardwired into the lives of the people we are here to serve.

Government as a partnership

And finally, we must never forget that government is a relationship. If we allow the gap to grow between government and the people it is here to serve then it will become more and more difficult to achieve our collective ambitions. We have heard from residents throughout this process that they want to be informed, involved, and to have influence on the issues that matter most to them. That is why our business case takes very seriously the need for a system of government that will have the wherewithal to listen to what people are saying, and to invest in the local services that people want and need. That’s why our business case argues for a strong model of neighbourhood engagement. And that’s why we are promoting through this business case, operating models for the new unitaries, that connect people to the places in which they really live their lives.

We believe, working with our partners, and through this business case, we can create government that is simpler, smarter and more sustainable than the current system. Three new councils; one bright future.



Kevin Bentley,
Leader Essex County
Council

Other signatories to be confirmed

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Three new councils; one bright future.

Executive Summary



“The case for local government reorganisation is that there are significant opportunities available to areas from the creation of suitably sized unitary councils responsible for local government services for that area. Unitarisation can cut wasteful duplication of bodies, reduce the number of politicians and reduce fragmentation of public services”
English Devolution White Paper, p 102

This proposal sets out a new vision for local councils and public services in Greater Essex. It is based on a firm understanding of our residents’ priorities, rigorous engagement with the evidence and an ambition that is equal to the demands that we face.

The change proposed – based on a three cities unitary model – provides the strongest possible foundation for ensuring Greater Essex residents enjoy the services they need at a cost they can afford and provides the best opportunity to unlock the growth and

prosperity that will enable our region to thrive into the second half of the century.

In this Executive Summary, we show how the two-tier model is no longer capable of addressing the challenges we face. We set out our proposal for unitary government and the evidence that underpins it and demonstrate why a three unitary model is the best fit with the government’s criteria. We lay out the core financial arguments that underpin our case; the risk that we need to manage through the transition to the creation of the new authorities.



The case for replacing two-tier government

We start with the case for replacing two-tier government in general. Although the local authorities across Greater Essex have worked collaboratively over the years, we all recognise that the bureaucracy, duplication and inefficiencies built into the two tier system of government are holding us back. We cannot take advantage of the latent opportunities in Greater Essex to be an economic and growth powerhouse for the UK, or address the systemic challenges that exist in some of our communities and lead to inequality and the frustration of opportunity, in the current system.

Two-tier government in Greater Essex needs to go for the following reasons:

- **complexity** – people don’t understand who does what at a local level – that is why Essex County Council receives more than 9,000 calls a year about district council services; and Epping Forest District Council alone received over 2,000 calls last year for Essex County Council. More than three quarters of Greater Essex residents (76%) believe that a single council for their area responsible for all services is a key benefit of reorganisation. The current level of complexity undermines accountability and transparency and slows down our ability to get things done;
- **strategic capacity** – the fragmented structure of our existing system means that we don’t have the capacity to plan effectively for housing, transport, skills and economic growth. The co-ordination overhead for fifteen planning authorities to strategically support the housing and economic growth needed across our three economic sub-regions is significant. Because there are so many councils the approach is relatively geographically siloed and the skills in the system are not always where they most need to be;
- **duplication** – fifteen authorities serving a population of 1.9 million means there is a lot of duplication in leadership and back-office

functions which could be streamlined to protect investment in front-line services;

- **capability** – competition for roles across fifteen local authorities contributes to recruitment pressures and skills shortages for statutory officers and in key service areas such as planning, enforcement, and social care. That in turn causes wage inflation impacting on service budgets;
- **inefficiency** – multiple authorities managing the same or related services means that the ability to take advantage of economies of scale in service provision, recruitment, procurement, market management, contracting and other areas is not maximised;
- **alignment with modern public service models** – modern services, focused on prevention, require integration across care, housing, education, leisure and culture, and other areas that are currently managed across different tiers of government. The effective join-up and integration of these services, including the data and intelligence that is currently unconnected, and the exploitation of new AI capabilities, is vital to creating a more preventative state.

In short, two-tier government in Greater Essex can no longer guarantee the achievement of value for money or quality public services into the medium-term. A new simpler, smarter, more sustainable model of government is needed.

Our proposal – the three cities model

Our business case proposes replacing the two-tier system with three new unitary authorities. These are aligned with our economic geographies, and built around Essex’s principal cities – Colchester, Chelmsford and Southend – with a view to strengthening the whole region’s long-term prosperity by creating the conditions for economic dynamism and growth. This is an intuitive, simple and logical structure for Greater Essex.

Our proposed new unitaries are:

- **North Essex** – covering Colchester, Tendring, Braintree, and Uttlesford;
- **Mid Essex** – covering Chelmsford, Brentwood, Epping Forest, Harlow, and Maldon;
- **South Essex** – covering Southend, Thurrock, Basildon, Castle Point, and Rochford.

The North/Mid/South configuration is easy to understand and accords with people's sense of

place. Each new unitary authority will:

- commission all local government services within its area—streamlining accountability and improving outcomes;
- empower communities via local delivery structures (Neighbourhood Delivery Committees) to ensure services remain rooted in local identity;
- enable better planning, infrastructure and housing delivery, and economic growth by working closely with the Mayor, and aligning governance with functional economic areas.

spread best practice operating models to the whole system – to reduce costs and improve life chances for young people.

Addressing the critical interface between housing and homelessness duties and the social care system will be a key priority for the new local government system. With homelessness rising in Essex, new unitaries will bring together the capacity and functions to make strategic interventions; the financial incentives to better match accommodation and support with complex and diverse population needs; and the financial clout to invest in properties and in preventative services that bring together a range of professions and disciplines;

All new authorities will have enough developable land to support accelerated housing growth. They will all have the scale to accommodate future development beyond greenbelt areas. They will have the ability to prioritise strategic development – focussing ambitious new developments in locations that make the best use of existing infrastructure, and maximising contributions from developers.

The importance of this cannot be overstated. The country needs growth. There is a housing crisis. Only authorities on the scale envisaged in our proposal will have the capacity to address this seriously and comprehensively across the whole geography;

Taken as a whole, the three cities model will:



- **secure financial resilience** – the three cities model is more cost effective than the current system of local government in Greater Essex – delivering, in steady state, £380m+ of savings by 2040, even before the benefits of integrating services and transformation and public service reform are incorporated. It aims to balance the demand that will be placed on the new unitaries with their tax base – in a way that the four and five unitary options cannot – so that we can be confident that these authorities will be able to deliver high-quality statutory services from day one.

Unlike other proposals, we will invest the savings from transformation and public service reform activity into better services, not paying down the costs of expensive local government structures;



- **safeguard critical services** – over 46% of the net spend in the Greater Essex system is on social care. We are very mindful in our proposal of the need to ensure that the value for money and outcomes of current

high-quality social care services are not impaired as a result of this reorganisation. And given the extent of whole system spend in this area, this is the cornerstone of a safe and financially sustainable transition.

We currently have three social care authorities across Greater Essex that are highly rated by Ofsted and CQC and provide good value for money. A three unitary model will not increase the number of social care departments in a way which might be unhelpful for our partners. It will also create authorities that are of sufficient scale to avoid unnecessary fragmentation of the skilled social care workforce in order to support effective preventative practice.

The risk of not achieving this cannot be understated. If we just take the children in care service as an example – the number of children in care per head of population in the Essex County Council area is so low – because of the focus on early intervention and prevention – that if this performance fell away so that children in care numbers rose to the average of our statistical neighbours, costs to the Greater Essex system would escalate quickly and be an additional £114m per year by 2040. The opportunity is to



- **support economic and housing growth** – our three cities model builds our new unitary authorities around our key economic geographies to ensure Greater Essex can capture its untapped potential.

These economic geographies are well-balanced. Each of the new unitaries will have a GVA of £14-19bn and 269,000-317,000 jobs; and each will have to deliver around a third of the housing growth Greater Essex needs to 2040.

Our new authorities will be able to plan for growth at a scale that matches transport corridors and housing markets. They will be able to maximise the coordination of housing growth alongside necessary strategic infrastructure investments, aligning developer contributions with the delivery programmes of infrastructure providers and public services – several of which will benefit from functioning under the same unitary authority structure.

Furthermore, by operating over a larger area, our new authorities will be able to deliver plan-led housing growth without the same constraints that smaller planning authorities have faced in the past (and would continue to face in the future).



- **enhance localism** – our three cities model will enable financial flexibility and the leadership capacity to support investment in more local ways of working. Supporting the ability of neighbourhoods and communities to shape decisions about their local areas is a key component of what we are trying to achieve through this proposal. It can only be secured through strong and stable management and political leadership and by releasing investment to better support front line councillors to engage with their residents; investing in genuinely empowered neighbourhood governance models; protecting the investment in the services and amenities that local people value and that add to quality of life; and by shifting the focus of commissioning to communities and neighbourhoods;



- **support transformation and public service reform** – our residents’ top priority for future councils is that public funds are spent efficiently on services that are faster, more flexible and more responsive to their needs. To achieve that we need to invest capacity in transformation to capture the benefits of digital and data-enabled change, exploit the potential of AI, and build services around the needs of residents. Going further, we will need to seize the opportunities of public service reform to deliver over the longer-term a more sustainable system of public services across Greater Essex. Our three cities model is based on achieving financial sustainability, building on realistic and evidence-based assumptions about the contribution that transformation and public service reform can make and recognising that it is important that momentum on these areas is carried forward into vesting day. It is the right approach to maintain ambition for the opportunities that transformation and public service reform can bring; and to exercise prudence on tempering that ambition when we build it into the finances of yet-to-exist authorities. Three unitaries will have more potential to achieve transformation and public service reform savings in terms of both the greater capacity of the organisations themselves and the simplification of the system that three, rather than four or five, new authorities will create.

And it is important to remember that the future sustainability of the new system will need to make sense not just in the aggregate where no one lives their life, but in each of the new unitaries that are formed. As the government’s criteria make clear, this reorganisation has to work for everyone and therefore the system as a whole is only as strong as its weakest link. We are confident that in the three cities model we are setting up all of our new unitaries on firm foundations to succeed;



- **enhance collaboration** – our proposal simplifies the partnership landscape to ensure we maximise the value of collaboration across public services.. Health partners and the police have indicated that they want the new local government system to be more sustainable, simpler, and more preventative, and the three cities model will deliver this. With three unitaries, rather than four or five, it will be easier to develop collaborative commissioning models across the unitaries and with wider system partners, to achieve economies of scale benefits and a more preventative approach, in line with Ministerial guidance. This will also be facilitated by the move to a single ICB for Greater Essex;



- **provide for a safe and speedy implementation** – our proposal reduces the risk of transition compared to other models. Firstly, we are reducing the degree of change by keeping the same number of upper tier authorities as we have today – 74% of the spend in the system is through the three strategic authorities. The disaggregation and aggregation of social care services will be complex. However the social care systems in Greater Essex differ considerably in size and scale; Essex’s system is approximately eight times larger than either Southend or Thurrock’s. Therefore, the way to minimise complexity and risk as part of this process is to disaggregate the county council’s social care function through a single process in the South – rather than doing it twice.

Although that means combining three social care functions, given the relative scale of the authorities, and the fact that all authorities work within national guidelines that is the simplest means of achieving a safe transition. Second, we are minimising the risk of disruption to service users and partners by attempting to keep the transition as simple as possible and by ensuring that the new operating environment is not more complex than the current one. Third, we are creating new authorities that will have the financial and workforce wherewithal to manage the risks associated with transition and the requirement to move forward with transformation and public service reform activity in collaboration with partners.

This proposal supports deeper devolution, simplifies local government, unlocks transformation in service delivery, and sets a firm foundation for public service reform.

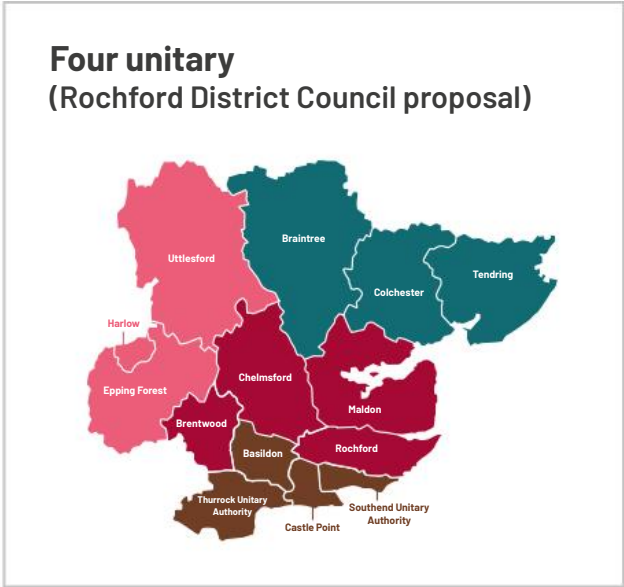
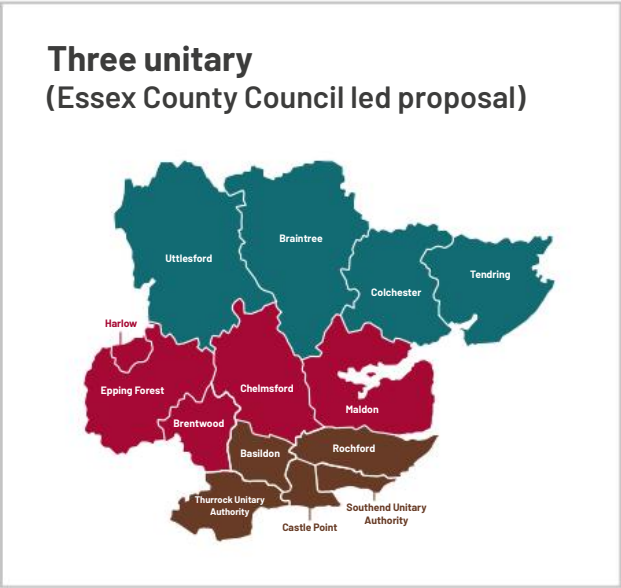
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Appraising the options

Five different reorganisation options were assessed through a robust options appraisal. These included models with two, three, four and five unitary authorities.

Figure 1: unitary authority options considered as part of the final options appraisal



Key conclusions:

- **two unitary model** - creates units of government that are too large to balance the criteria the government has set out for reorganisation, particularly if future population growth is factored in (e.g. North Essex would cover 1.17 million people by 2040); and that would weaken accountability and local identity;
- **four and five unitary models** - creates authorities that will lack the scale and financial resilience not only to address the challenges we currently face but to withstand any potential future financial shocks (we are already projecting £716m of additional social care pressures in the system by 2040). These councils will struggle to create the headroom to invest in neighbourhood-level governance or in the transformation that will be required to keep services at the cutting edge of efficiency. Four and five unitary models will create more social care, public health, and highways authorities than we currently have in Greater Essex which will increase the risks of disaggregation of critical services and runs counter to the fundamental principle of LGR which is to simplify and streamline the existing system of government in Essex. The consequence will be more complexity for our partners and an increase in the time, cost, and risk of implementation. In a consultation commissioned by the group of authorities

supporting a five unitary model, every part of Essex was opposed to the five unitary configuration proposed, except Southend-on-Sea where there was a small majority in favour;

- **three unitary model** - strikes the right balance between creating authorities that are financially viable, geographically coherent, service-resilient, and focused enough to meet local need. It creates a system of local government cheaper than the current system, maximising the money available to invest in communities, in services and in the transformation and system reform that will be necessary to underpin the long-term success of local government in Greater Essex.

In addition to the general benefits of a three unitary model, the specific advantage of the geography we have identified, based around our three cities is its alignment with economic corridors, housing market areas, travel to work patterns and existing partnership structures – particularly with health. It balances the economic assets and housing needs of new unitary authorities. It smooths demand in our critical services across different parts of the area and ensures the tax base of the new unitaries is better matched to the demands placed on them from day one. And it minimises the disruption that will be created by this change ensuring that the residents of Greater Essex enjoy its benefits relatively quickly.

The 3 Unitary model strikes the right balance between creating authorities that are financially viable, geographically coherent, service-resilient, and focused enough to meet local need.

This model represents the best trade-off between economy of scale, local identity, and ease of delivery. And it minimises the risks that compound across different dimensions of the change:

		3UA (Essex County Council led proposal)	4UA (Thurrock Council proposal)	4UA (Rochford Council proposal)	5UA (Southend Council proposal)
Financial Cost/Benefit	One-off costs of implementation	£74m	£89m		£105m
	Net financial benefits after five years	£86m	- £21m	- £21m	-£114m
	Years taken to pay back one-off implementation costs	2.7 years	6.1 years	6.1 years	53.6 years
Sustainability of new UAs	Debt financing costs (% of UA's budget) ¹	18.7%	22.6%	19.7%	26.2%
	Gap between new UA's service costs and funding ²	4.6%	6.1%	5.6%	5.6%
Value for Money	Number of new sets of statutory posts created	0	1	1	2
	Percentage reduction in back office spend through initial reorg	2%	1%	1%	0.5%

1 Based on the highest debt financing costs (as % of revenue budget) experienced by any of the UAs created under this scenario.
2 This shows the gaps between the disaggregated costs and funding for existing county council services. The figure reports the largest gap of all new UAs created under this scenario.

		Forecast 2040 Children in Care costs	Forecast 2040 Children in care costs assuming unit costs of statistical neighbours	Forecast 2040 Children in care costs assuming unit costs unit costs typical of the average LA
Performance	Financial costs of destabilising children's social care services ¹	c.£365m	c.£475-485m	c. £588-597m

1 Illustrates the potential financial impact of service disaggregation in one key area of social care – children in care costs. The table shows projected children in care costs in 2040 and illustrates the magnitude of additional costs that will be incurred if service disaggregation weakens ECC's current practice model which has safely kept children in care at levels substantially below the average for Essex's statistical neighbours and national averages.

Satisfying the government's tests

Our three cities unitary configuration is the model that best satisfies the government's criteria for reorganisation, by:

- **providing a single tier of local government based on sensible places** – the three cities model creates a single tier of local government for the Greater Essex area. It aligns well with key spatial development patterns (Travel to Work Areas, Housing Market Areas and growth corridors), and benefits from founding the three unitaries on the three cities of Greater Essex. The delivery of housing, economic growth and infrastructure under this scenario is likely to be successful across all three unitary areas, with geographically larger authorities better able to manage constraints around developable land and Green Belt policy;
- **being the right size to achieve efficiencies, improve capacity and withstand shocks** – the three cities model has the potential to deliver significant financial benefits (before considering transformation or public service reform opportunities c.£86m after five years, with an ongoing annual benefit of c.£38m). The new councils created will have the financial and workforce capacity and resilience to respond to unexpected shocks and new demand. There is expected to be a negative gap for one unitary between the annual costs and funding that would result from the disaggregation of ECC services but this gap is smaller than in the configurations proposed for a four or five unitary model. Larger councils will be better placed to manage the historic debt being carried across the system, particularly in the South where the residual stranded debt from Thurrock will have the greatest impact. Populations of all unitary authorities in this scenario reflect the government's 'guiding principle' of 500,000 residents. This is the only business case from Greater Essex which meets this guiding principle;
- **prioritising delivery of high quality public services** – we know from our research that residents regard this as the most important potential benefit of reorganisation. The three cities model balances the need to secure economies of scale in the delivery of large-scale strategic services with the potential to effectively deliver district-level functions that

require greater levels of local responsiveness. It enjoys a relatively even distribution of current and projected demand for people services - the level of demand in the highest demand unitary authority is a factor of 1.7 times higher than in the lowest. The variance in performance (across a range of services and outcomes) between authorities in our three unitary configuration is lower than in all four and five unitary options ensuring that a three unitary model is the most effective model for equalising life chances;

- **reflecting joint work and is informed by local views** – extensive joint work has been undertaken by all fifteen authorities across Greater Essex and a shared evidence base has supported all business cases put forward. We have engaged with partners throughout this process and have undertaken surveys, deliberative workshops and focus groups with residents (including groups who are typically under-represented in research) supplementing existing insight on their views and priorities. The only option that residents have expressed more opposition to than support for in nearly every part of Greater Essex is the five unitary option;
- **supporting devolution** – in this model there is a good balance between the populations represented by new unitary authority leaders on the Greater Essex Combined County Authority (the population of the largest unitary, South Essex, is only 29% larger than the population of the smallest, Mid Essex) whereas in the five unitary model this gap is pushing 60%. The GVA of all three authorities is in a range of £14-19bn, and all have strong sector specialisms. There is clear precedent from elsewhere in England, for the development of effective MCAs with three constituent members. This plan will allow us to transition to a more balanced Combined Authority constitution and operating model from the mid-point in the Mayor's first term;
- **strengthening community engagement and neighbourhood empowerment** – this model supports community empowerment by creating the headroom to invest in genuinely neighbourhood-level governance and decision-making and in ensuring there is a reasonable number of councillors per elector to ensure strong representation of voters through an enhanced member support programme.

Delivering financial benefits

The three cities model will ensure that local government in Greater Essex is more financially secure than it is today. We have worked with PwC to undertake analysis of the costs and benefits of local government reorganisation using the same model that MHCLG used in its own White Paper.

PwC’s broader modelling demonstrates that the costs of the local government system increase the more councils you create. The simple truth is that fewer councils cost less. PwC’s analysis suggests that, by limiting the number of future councils to three, our proposal has the potential to deliver significant financial benefits. The net cumulative benefits of local government reorganisation (before

opportunities for service transformation and public service reform) could total c.£86m after five years, with an annual benefit of c.£38m per year thereafter from 2030/31, enabling the reinvestment in prevention and neighbourhood empowerment required to deliver our vision for local government and aid financial sustainability in a challenging economic environment. We can expect the three cities model to pay back the costs of reorganisation within three years – well within the first term of the new unitaries’ administrations. This will be essential at a time when service demand and cost pressures are escalating far beyond anticipated funding streams.

The table below shows the costs, benefits and payback periods associated with creating two, three, four and five unitary authorities.

Table 1: Summary of costs and savings of the local government reorganisation options in Greater Essex (excludes transformation and public service reform benefits)

	Number of Unitaries			
	Two £m	Three £m	Four £m	Five £m
Implementation costs	(60)	(74)	(89)	(105)
On-going annual net savings / (costs)				
2028/29	27	19	3	(12)
2029/30	40	28	11	(5)
2030/31 (first year of on-going net saving excl. implementation costs)	53	38	18	2
2031/32	53	38	18	2
2032/33	53	38	18	2
Total net benefits / (costs) after 5 years	167	86	(21)	(114)
Payback period (years)	1.8	2.7	6.1	53.6

Note: The four unitary option provides the same forecast outcome for both the Rochford and the Thurrock models

The three cities model compares well in financial terms against any four and five unitary scenarios, with lower one-off implementation costs, lower ongoing costs and higher levels of projected savings. The net annual benefits associated with our proposal are more than double that of any four unitary model and many times greater than any five unitary model – the cumulative financial gap between the three and

five unitary models will be c.£480m + by 2040. Even on very cautious assumptions, it will take any five unitary model fifty years to generate net financial benefits without taking forward transformational change.

These benefits will become an increasingly important factor in providing financial resilience and delivering twenty-first century local government.

Our asks of government to support implementation

To support our ability to implement this proposal effectively we have three key asks of Government:

- financial support for the costs of reorganisation – we are seeking a significant contribution from government to the initial £74m costs of reorganisation to avoid any financial disruption to Greater Essex. If a significant contribution is not forthcoming that will slow down the ability to invest in transformation and public service reform as all costs will need to be met from reserves and consequent savings will then need to replenish those reserves over the payback period;
- early and supportive resolution of Thurrock’s debt – the Greater Essex system is carrying substantial debt but of most significance is the stranded debt in Thurrock. Government has previously acknowledged as part of its feedback to the Interim Plan that Thurrock’s unsupported debt cannot be managed locally in its entirety and government is committed to providing an initial tranche of financial support for debt repayment for Thurrock Council in 2026-27. We are seeking early confirmation of the continuing support

the government will provide and welcome ongoing discussions about how the residual debt may be supported between now and vesting day to reduce the revenue burden on the proposed South Essex unitary authority;

- equitable and safe interim governance arrangements – Greater Essex has a well-developed and mature set of relationships that include regular, recognised meetings of all Chief Executives and all Leaders. We have already collectively developed system-wide programme governance to deliver Mayoral Devolution in Greater Essex successfully with Southend, Thurrock and Essex working as equal partners;

LGR represents a further scale of complexity and asymmetry of citizen representation, statutory and financial responsibility. We propose interim governance arrangements are put in place around each new unitary, which provides for parity between the two tiers of local government. This will help de risk transition and anchor the implementation programme ensuring that we utilise the existing infrastructure and experience of the ‘legacy’ organisations. We seek to ensure that all services, but particularly statutory services such as social care, are safeguarded during the transition to three new unitary councils, formally securing the right combination of domain experience and expertise.

Resident and partner support

The ultimate purpose of reorganisation is to improve local government for the benefit of residents, service users and taxpayers. Our support for the three cities model is informed by robust research exploring what residents want from future councils, the concerns they have about reorganisation, and the opportunities they see for themselves, their families and their communities.

This research has shown that what matters most to Greater Essex residents – regardless of where they come from – is that local government reorganisation:

- improves the quality of local services (85% identified the potential for better public services as the key benefit of change – way ahead of any other factor);
- ensures public funds are spent efficiently and on what matters most;
- enables clear accountability about when, how and who is making decisions on the spending of public money; and
- is delivered in a way that minimises disruption to services.

The three cities model delivers on these priorities by:

- enabling significant financial benefits when compared to any four or five unitary scenarios (see above);
- balancing the need to secure scale economies in the delivery of large strategic services with the potential to effectively deliver district-level functions;
- reducing the risk of disruption in the short-term by enabling a smoother transition and in the longer-term by avoiding unnecessary fragmentation of key services; and

- bringing decision-making closer to communities – creating the financial headroom to invest in neighbourhood-level governance and decision-making.

We have also engaged with a wide range of partners on the development of our proposal through partner forums and specific bilateral discussions, and by issuing a general survey to a wide range of partner agencies.

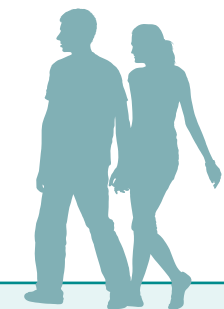
The feedback received sets out partners' main priorities for LGR, which include:

- creating a simpler system of local government with which partners can work on shared priorities;
- enabling a greater focus on prevention; and
- minimising disruption in service delivery, shared projects and programmes and funding streams.

Again, the three cities model delivers on these priorities by:

- minimising the number of new authorities with which partners such as the Police Service, Fire Service and NHS will need to align and integrate their operational work – reducing cost, duplication and hand-offs; and simplifying mechanisms for business engagement across Essex;
- reducing the number of separate and disparate policies and approaches, which will simplify engagement and sharpen the focus of joint working;
- creating the financial headroom to allow for greater investment in preventative activity across health, public health and social care, crime and community safety;
- reducing the risk of short-term, transitional disruption, and unnecessary long-term fragmentation.

A smooth and relatively quick transition to the new authorities will ensure that disruption is minimised and that the benefits of reorganisation can be captured as quickly as possible.



Three new councils for Greater Essex



Greater Essex in numbers

Population
1.9 million



309,000
(17%) people
with disabilities

14,000 annual
population growth
over the past decade



17% identify
as minority
ethnic group

2.05 million
population by 2040



20% (379,800)
of the population
are aged 65+



15.9 years gap
in male life expectancy
(richest - poorest)



13.6 year gap
in females life expectancy
(richest - poorest)

51,000 children
living in poverty (14%)

188,000 (10%)
live in deprived
communities



240,757 households
with < £30k/year (29%)



240,896 households
with discretionary income
<£125/month (29%)



81,000
businesses
(mostly SMEs)



862,000
local jobs

19.2% 
adults with no
qualifications

Unemployment
rate: **c.3.3%**



£50.8 billion
in economic output

£35 per hour
productivity gap (Essex
vs wider South East)



2 in 5 jobs are in
'vulnerable' sectors



207,675 new homes
required by 2040

367,140
hectares of land

26% green
belt land



Essex as we know it today, has its roots in the Kingdom of the East Saxons, established in the sixth century. Some of its historic boundaries are the same as they were over a thousand years ago, stretching from the Thames estuary in the South to the Stour Valley in the North; and westwards from the North Sea coast to the Lea and Stort Valleys. Many of our towns have long-standing historical identities that can be traced through Roman, Saxon, Norman, Medieval and Industrial periods to the present day.

Throughout this period, and today, Essex has brought together many different and connected places. Today, Essex's 1.9million people live in diverse urban, rural and coastal communities; in fast-growing cities; in historic market towns and 1950s New Towns, each with their own distinct histories, cultures and identities.

Colchester, for example, is Britain's oldest recorded town and has been a centre of government since it became the first capital of Roman Britain. Its Roman roots laid the foundation for centuries of civic importance, with Colchester Castle—built on the site of a Roman temple—symbolising its enduring role in governance. In modern times, Colchester has become a hub for education and the arts. The University of Essex contributes to its academic reputation, while institutions like Colchester Arts Centre and the Colchester Art Society reflect a vibrant cultural scene.

Chelmsford became the county town of Essex in 1218, following a Royal Charter in 1199 that established its market and administrative role. Its central location made it a key centre for trade and governance. In the 20th century, Chelmsford gained global recognition as the birthplace of radio, with Marconi opening the world's first radio factory there in 1899. Thanks to firms like Crompton & Co and Hoffmann Ball Bearings, Chelmsford became a hub of wartime and post-war industry, shaping its identity as a modern city.

By contrast, Southend grew from a small fishing village into a major seaside resort from the late 18th century onwards. Its popularity surged with the arrival of bathing machines, royal patronage, and the construction of Southend Pier in 1830. The railway's arrival in 1856 brought waves of London tourists, and attractions like the Kursaal amusement park cemented its status. Though tourism declined in the late 20th century, Southend's identity as a coastal leisure destination remains strong.

More recently the development of New Towns in Basildon and Harlow has been emblematic of the role that some of Essex's communities play in easing housing pressures in London. Basildon, established in 1949, combined several villages and developed into a modern town with a strong industrial base. Harlow, planned in 1947 by Sir Frederick Gibberd, pioneered modernist design and community-focused planning. It featured the UK's first residential tower block and became known for its public art and green spaces, maintaining its New Town ethos into the present day.

A number of popular and highly regarded recent books including Tim Burrows', *The Invention of Essex*; Gillian Darley's *Excellent Essex*; and Ken Worpole's work including most recently *Brightening from the East* share a sense of the unique role that Essex has played as a front runner for social and political changes in the country. Its history of experimentation in how people choose to live their lives and as a consequence their independence of spirit, marks Essex and its residents. Essex has often been misunderstood – wilfully or otherwise – but it is important to us that we capture something of the unique identity of our county in this proposal and build on the spirit that fires our people to roll up their sleeves and make things happen.

Our case for three unitary authorities – North, Mid and South Essex – respect and reflect these distinct identities and the unique pride that residents have in their towns and cities, anchored under a Mayoral structure serving Essex as a whole.

The area benefits from diverse landscapes, sites of special scientific interest and areas of outstanding natural beauty. It is urban, green, coastal and physically, economically and socially connected with London – the world's greatest city.

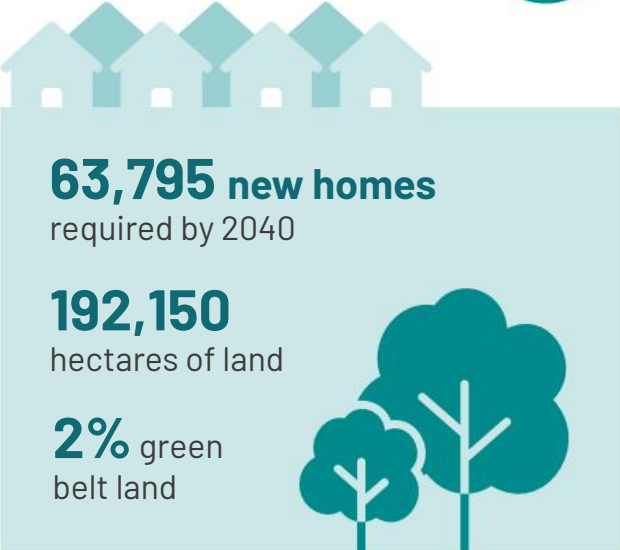
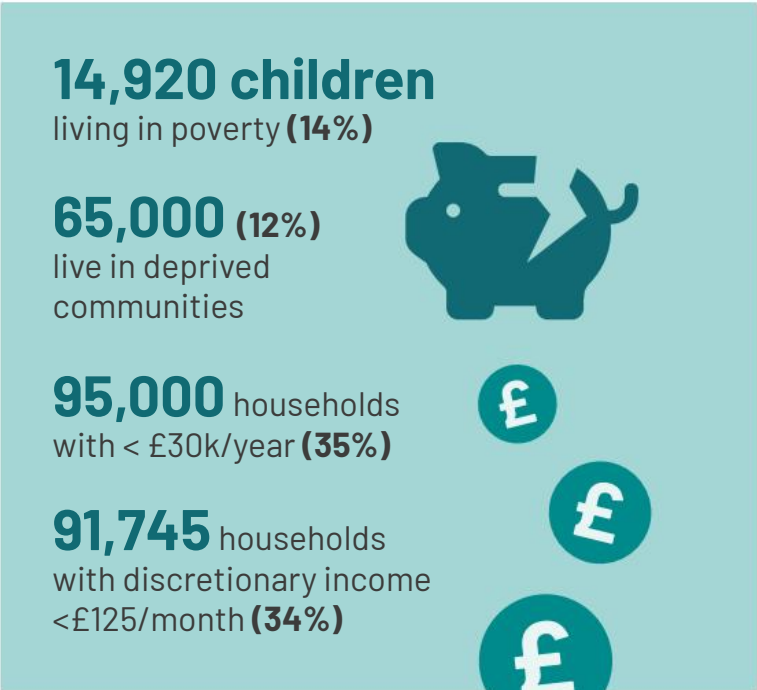
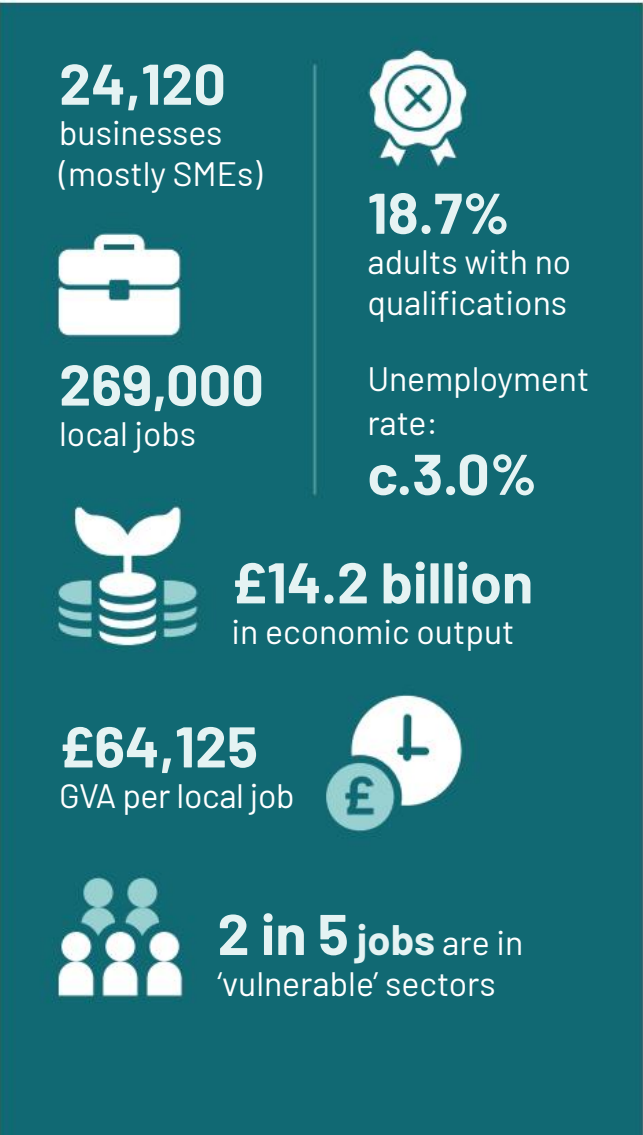
Twenty first century Essex is a place that is full of opportunity. Its villages, towns and cities have grown as people have moved east, out of the capital, since the 1950s, and from across England to the wider South East since the 1980s. People have moved here to enjoy the quality of life offered in our villages, towns, and cities, and to grasp new economic opportunities.

Essex's historic strength is founded on the connections that exist between its communities, town and cities, and with towns and cities beyond its boundaries. It is composed of key growth corridors, linking communities along radial routes from London (e.g. in the South Essex area), or connecting fast-growing cities, via Essex's ports and airports, with destinations and markets across the world (e.g. in North Essex).

Greater Essex has significant assets upon which to build and has the potential to become the fastest growing economy in the UK outside London. But it has, over the past few decades, been served by one of the most complex local government and public service systems in the country (two unitary councils, one county council, twelve district councils, one PFCC and, until recently, three Integrated Care Systems). If we are to realise the full potential of this area – and deliver real change for our residents – we must grasp the opportunity that LGR and devolution brings to simplify and streamline the existing system of government, enabling leaders to focus on delivering growth and high-quality public services across three new unitary authorities.



North Essex Unitary Authority



The North Essex Unitary Authority area – encompassing the current districts of Braintree, Colchester, Tendring, and Uttlesford – brings together fast-growing cities, historic towns, coastal communities, and rural landscapes. The geography of the North Essex unitary spans a dynamic east-west growth corridor, anchored by the A120 and A12 transport axes. It is, and has been for some years, a geography around which partners have collaborated to deliver shared infrastructure, new jobs and skills provision and to unlock housing growth – including through ambitious garden community developments.

Today, North Essex has a population of around 604,000, and this is projected to grow by c.10% by 2040. It has a £14.2bn economy and supports around 269,000 jobs.

The area has exceeded its housing delivery targets over the past three years and there are substantial opportunities for future growth. The A120 corridor is nationally significant, linking Stansted Airport to Harwich and Freeport East, and future upgrades have the potential to unlock major housing and employment sites. The Great Eastern Main Line connects the city of Colchester and the towns of Witham and Clacton to London and the East of England, while Harwich International Port and Freeport East serve as gateways for global trade, freight, and clean energy innovation.

Stansted Airport, a major employment hub, enhances the area's international reach and economic potential.

North Essex's economy is resilient and varied, with sectoral strengths that include clean energy, life sciences, digital and immersive technology, advanced manufacturing, logistics, construction, and tourism. Freeport East in Harwich is emerging as a green energy hub, supported by offshore wind and solar power initiatives, and partnerships such as CB Heating and EDF Energy in Tendring. Chesterford Research Park and the University of Essex anchor the life sciences sector, while the AIXR Centre for Immersive Innovation and data science expertise at the University of Essex drive growth in digital technologies. Braintree's I-Construct Innovation Hub and Colchester Institute support advanced manufacturing and retrofit skills, while Harwich Port and Bathside Bay underpin the logistics and maritime economy. The region's visitor economy is also thriving, with heritage in Uttlesford, Braintree and Colchester, and Tendring's coastal attractions, drawing domestic and international visitors from across the UK.

Growth locations in North Essex are well-distributed and strategically aligned. The Tendring-Colchester Borders Garden Community will deliver 7,500 homes and employment land, while Braintree continues to expand through housing and infrastructure investment, including through economic hubs such as Horizon 120. Colchester, as Britain's oldest city, combines civic and cultural assets with university-led innovation and strong housing delivery. Harwich is central to the Freeport East initiative and green energy development, and Clacton-on-Sea is benefiting from Levelling Up investment and coastal regeneration. Secondary centres such as Witham and Halstead offer further growth potential, supported by strong transport links and local employment. The Stansted Airport corridor, connecting Uttlesford and Braintree, is a key zone for logistics and employment expansion.

The North Essex Unitary Authority brings together some of Essex's most affluent and most deprived areas – providing a robust basis for funding critical services for those who are most vulnerable.

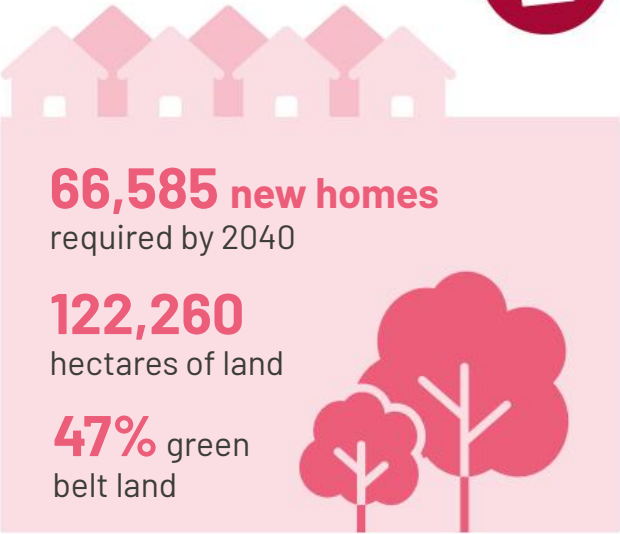
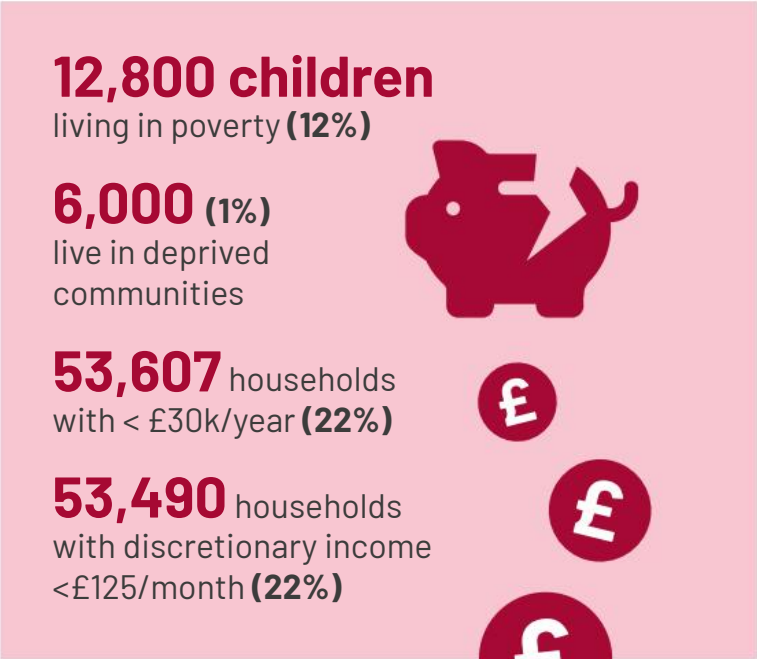
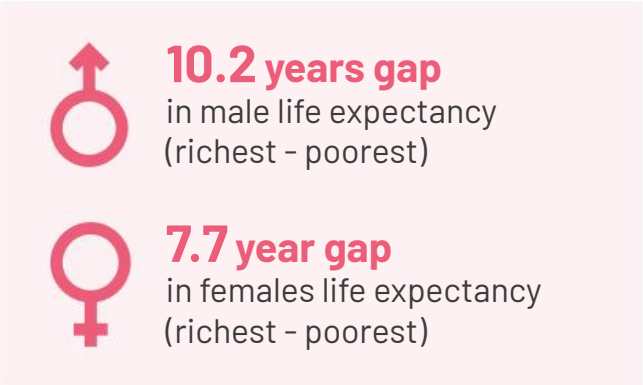
Pockets of high deprivation, particularly in central Colchester and coastal Tendring, including Clacton and Jaywick contrast with more prosperous towns in the West of the Unitary Authority area and more affluent rural communities. These disparities highlight the importance of focusing new unitary structures on local growth opportunities across the corridor, and on ensuring that all communities enjoy the proceeds of growth and benefit from future economic development.

The new North Essex Council will serve an area rich in opportunity, with the infrastructure, sectoral strengths, and delivery capacity to support long-term growth. The area's strategic location, history of collaborative governance, and proven housing and employment delivery make it a compelling location for future investment. Central to the new council's mission will be to sustain and build on previous work to integrate housing, transport, skills, and economic development, unlocking the latent potential of this growth corridor and ensuring it is well-positioned to lead sustainable and inclusive growth for decades to come.

The North Essex Unitary Authority area – encompassing the current districts of Braintree, Colchester, Tendring, and Uttlesford – brings together fast-growing cities, historic towns, coastal communities, and rural landscapes.



Mid Essex Unitary Authority



The Mid Essex Unitary Authority area brings together the districts of Chelmsford, Harlow, Epping Forest, Brentwood, and Maldon, forming a strategically located and economically diverse region at the heart of Greater Essex. The unitary area connects London to the East of England via the A12 and M11 corridors and the Great Eastern and West Anglia Main Lines. It provides a location for strategic growth beyond the Green Belt, anchored by the City of Chelmsford and by Harlow. The geography of the authority's area – like all parts of Greater Essex – brings together fast growing cities and urban centres, market towns, and rural and coastal landscapes.

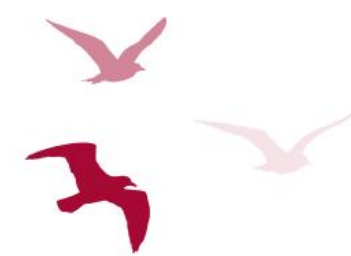
Mid Essex has a population of 564,000, projected to grow by 4% by 2040. The area generates £17.6bn in GVA annually and supports around 276,000 jobs. Productivity levels are slightly above the national average, with each job generating £73,436 in output per annum. Median incomes are higher than the England average, and unemployment is consistently low. The area is home to 27,880 active businesses, including 100 high-growth firms. Mid Essex is relatively affluent, with only 1.1% of residents living in areas among the 20% most deprived nationally.

The economy of Mid Essex is characterised by strengths in life sciences, professional and financial services, construction, and digital technology. Chelmsford and Harlow serve as key employment hubs, supported by institutions such as Anglia Ruskin University, ARU Writtle, and Harlow College. The area's skills infrastructure is robust, with more than 90% of schools rated Good or Outstanding and lower levels of child poverty compared to national figures.

Housing delivery remains a critical issue in Mid Essex. Based on increased housing targets introduced by government in December 2024, the area requires over 70,000 new homes by 2040. A continuation of historic housing delivery rates (2020–23) would mean only 54% of the target number of new homes needed would be delivered. Harlow is closest to meeting the new housing target, but all districts fall short. With 47% of land designated as Green Belt, spatial constraints necessitate strategic planning and coordinated development. The creation of the Mid Essex unitary provides a platform for focusing growth in strategic locations such as Chelmsford Garden Community and Harlow and Gilston Garden Town.

These developments offer transformative opportunities for growth and regeneration in the medium to long-term, supported by integrated infrastructure investment and enabled by streamlined governance. Indeed, Mid Essex is already seeing how successful infrastructure investment can enable transformative growth. Beaulieu Park Station in Chelmsford will be the first new station on the Great Eastern Main Line in over a century, enhancing regional mobility. Digital infrastructure is improving, but rural and coastal communities in Maldon and Epping Forest still face challenges in accessing ultrafast broadband and smart services.

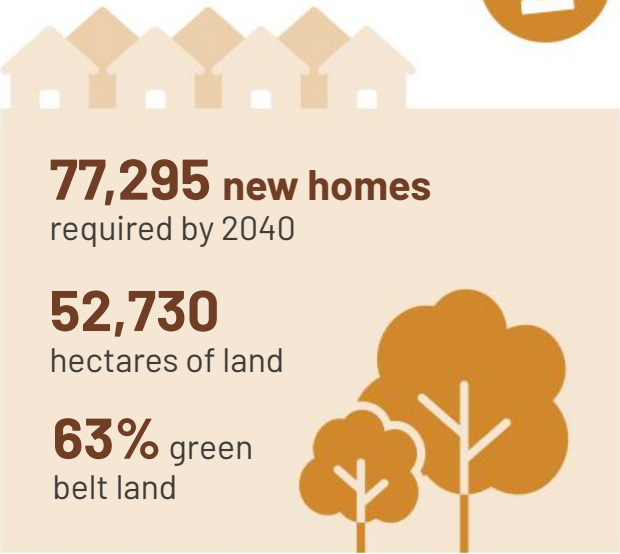
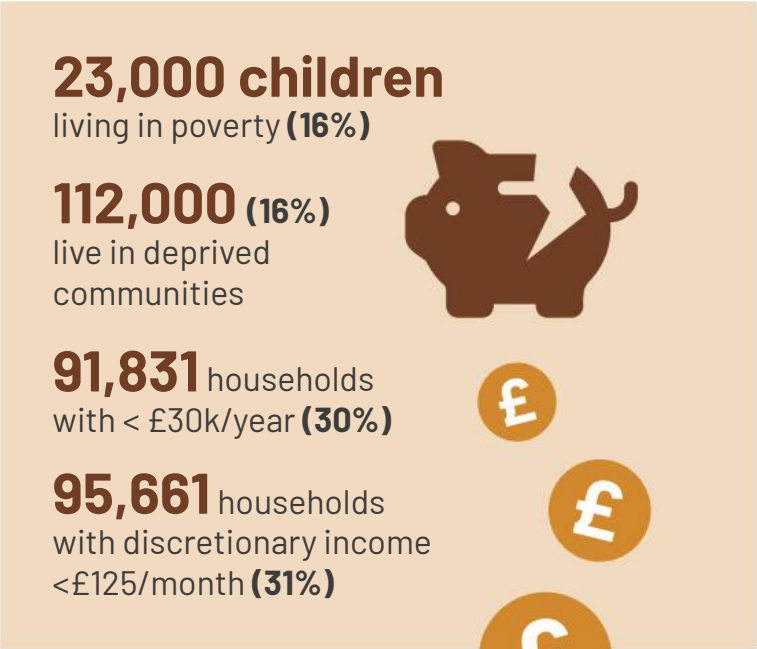
The creation of a Mid Essex Unitary Authority offers a coherent governance model aligned with real-world economic geography, housing markets, and travel-to-work areas. It brings together high-performing districts with shared infrastructure and sectoral strengths, enabling strategic planning across housing, transport, skills, and economic development. The area's civic assets, including Chelmsford as the county town and Harlow as a centre for innovation, provide a strong foundation for inclusive growth. With the right leadership and investment, Mid Essex can unlock its full potential and deliver sustainable prosperity for all communities.



The Mid Essex Unitary Authority area brings together the districts of Chelmsford, Harlow, Epping Forest, Brentwood, and Maldon, forming a strategically located and economically diverse region at the heart of Greater Essex.



South Essex Unitary Authority



The South Essex Unitary Authority area brings together Basildon, Thurrock, Castle Point, Rochford, and Southend in a compact yet strategically vital growth corridor, linking London with major towns, and growing ports and airports along the north of the Thames Estuary via the A127, the A13 and the Essex Thameside rail corridor. South Essex has long been recognised as a functional economic geography with shared infrastructure, overlapping labour markets, and common housing challenges.

South Essex has a population of 729,000 which is projected to grow by c.10% by 2040. It generates c.£19.1bn in GVA annually and supports around 317,000 jobs. South Essex is home to 29,800 active businesses, including 115 which have been identified as 'high growth' businesses (with more than 20% average annual growth over the last three years).

A single unitary authority for South Essex will provide a platform for unlocking opportunity in what remains one of the UK's most significant growth and regeneration locations. Over the past twenty years, South Essex council leaders have recognised the need to work together, and at the South Essex level, to unlock opportunity in the area, and to deliver economic infrastructure, new jobs and housing growth. The new South Essex Unitary Authority will therefore build on the work of

the Thames Gateway South Essex (2000s-2016), the Association of South Essex Councils (2016-2022) and more recently the South Essex Councils (from 2022). This work will need to continue in partnership with, institutions such as South Essex College, the South East Institute of Technology, and the University of Essex.

Opportunities for growth in South Essex are substantial and a South Essex Unitary Authority, working with the Mayor through the Greater Essex Combined County Authority, provides the best chance to grasp these. The Thames Freeport, London Gateway, and Southend Airport anchor the region's logistics and advanced manufacturing sectors, while Dunton Hills Garden Village and Basildon Town Centre regeneration offer transformative housing and employment potential. The Lower Thames Crossing and improved rail links will further enhance connectivity, although congestion and infrastructure gaps remain key challenges for all parts of the South Essex area.

South Essex's economy is diverse, with sectoral strengths in logistics, construction, clean energy, and advanced manufacturing. Major employers such as Ford, Leonardo, and Procter & Gamble are complemented by a vibrant micro-business community. Despite strong employment rates, productivity and

skills levels lag behind national averages, with only one in five residents holding Level 4 qualifications and 20% having no qualifications. This underscores the need for a South Essex-wide strategy targeting investment in skills and inclusive growth.

Housing delivery is also a critical issue. The region requires over 77,000 new homes by 2040, yet current delivery rates meet only 29% of annual targets. With 63% of land designated as Green Belt, spatial constraints necessitate strategic brownfield development and urban regeneration. The development of a South Essex Unitary Authority with the ability to identify and prioritise sustainable development sites over a large area will help to address these constraints, unlocking the housing growth required to attract skilled workers and investment.

Deprivation is pronounced in South Essex with over 111,000 residents living in areas that are among the 20% most deprived nationally. Basildon, Thurrock, and Southend face persistent challenges in health outcomes, educational attainment, and community engagement. These challenges are shared across South Essex and highlight the importance of focusing the new authority on securing inclusive growth and social policy outcomes.

Despite these challenges, South Essex has the assets and ambition to drive inclusive growth. Its strategic location, sectoral strengths, and major infrastructure projects position it as a sensible and highly investable growth location. Coordinated planning across housing, transport, skills, and economic development - enabled by a new South Essex unitary - can unlock the region's full potential and ensure that growth benefits all communities.

The South Essex Unitary Authority area brings together Basildon, Thurrock, Castle Point, Rochford, and Southend in a compact yet strategically vital growth corridor, linking London with major towns, and growing ports and airports along the north of the Thames Estuary via the A127, the A13 and the Essex Thameside rail corridor.



In Conclusion



To summarise – our argument for why a three unitary option is better than the proposed alternatives is that:

- **it is the most equitable model of local government being proposed:**
 - the three councils in the three cities model will have less performance, demand and funding variance than in the four and five unitary models;
- **it exposes our residents to the least risk:**
 - it involves the least amount of disruption to critical services;
 - the transition to the new arrangements will be faster than in the other proposed models;
 - it is the safest and least complicated route to building new social care authorities, protecting the strengths of the existing system – both in outcomes and in cost. If Essex performed at the level of our statistical neighbours for children in care, it would cost taxpayers in Greater Essex an additional £114m per year;
- **it involves the least disruption to our strategic partners – particularly Police and Health – and therefore supports effective safeguarding:**
 - it does not involve the proliferation of statutory roles – we will only have three Directors of Adult Social Care; three Directors of Public Health; three Directors of Children’s Services etc. All, of these services perform well now with three statutory roles, we do not need four or five of these roles in the Greater Essex system with the expense and workforce quality risk that might create;
- **it reflects the priorities set out through our engagement with Greater Essex residents:**
 - it unlocks significant efficiencies and financial benefits, enabling investment in improving and sustaining public services rather than supporting structures of government;
 - it reduces the risk of disruption in the short-term by enabling a smoother transition and in the longer-term by avoiding unnecessary fragmentation of key services;
 - it brings decision-making closer to communities – creating the financial headroom to invest in neighbourhood-level governance and decision-making;
- **it operates with the grain of our key economic geographies:**
 - people understand what is meant by North, Mid and South Essex. These are simple, common sense areas of Greater Essex that are intuitive for residents to understand;
- It doesn’t cleave economic geographies in two – most notably the internationally recognised Thames Estuary
- it doesn’t create authorities that are too small or poorly configured to support strategic housing growth underpinned with decent infrastructure;
- it doesn’t create small indebted unitaries with very significant demand pressures and insufficient scale to address them – as the five model does in Basildon/Thurrock;
- **it is the most cost effective – delivering highest savings and lowest costs – of any of the reorganisation models being proposed:**
 - by 2040, the cumulative difference between the three and five unitary model will be nearly half a billion pounds;
 - the realisation of benefits will be relatively quick – within three years;
 - it more evenly distributes debt across the system – maximising our ability to manage it without impacting front-line services;
 - in the five unitary proposal, we will be closer to the next century than to the start of this one before any benefits from reorganisation materialise;
 - it is the only proposal that is suggesting an endowment for our neighbourhoods to guarantee funding flows into more local ways of working.

