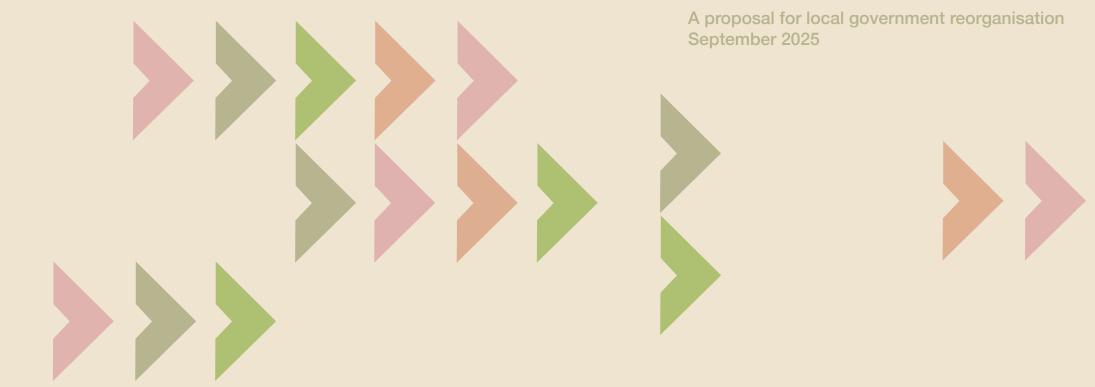
# **Best4Essex**Shaping Essex for the Next Generation

Local Government at the right scale to deliver, local enough to care





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## **Foreword**

We are proud to present this proposal for four new unitary authorities in Greater Essex. We believe it is the best and most effective option for Essex, its people, places and environment, not only now but also for future generations.

In doing so we have found the middle ground between the other proposals submitted for Greater Essex, being community centred, financially sustainable, and geographically coherent. Other proposals risk being too remote, covering geographies that don't relate to the functional economies of Greater Essex, and being too expensive.

The **Best4Essex** proposal strikes the right balance between these core criteria. In finding this middle ground, it will: protect vital statutory services, strengthen neighbourhood voice, and deliver financial resilience in 4.5 years It is the right combination of four new councils **fit for purpose, fit for place, and fit for future generations.** 

As Leaders across Greater Essex, we are putting forward a once-in-a-generation opportunity to create four new unitary councils to serve the people and communities across Greater Essex. Designed for Essex's communities, this plan replaces the current two-tier system with local government that

is fit for the future and the changing world we live in whilst being simpler, stronger, and more accountable. Our guiding principle is clear: local government for Greater Essex at the right scale to deliver, yet local enough to care.

We are seizing this moment because services face unprecedented pressures, residents demand stronger accountability, and devolution offers us the chance to shape a future fit local government for Greater Essex.

This is not just a restructuring or a redesign; it is a re-imagination of local government in Greater Essex. These new councils will be custodians of place and catalysts for change, delivering better outcomes for every community across our county now and for generations to come. At its heart, this is about delivering visible change: protecting vital services, empowering neighbourhoods, and creating councils that are easier for residents to understand and engage with.

The **Best4Essex** four unitary proposal balances the need to provide strategic capacity at a scale to drive growth and be operationally resilient, with the need for local accountability and responsiveness.



We have designed each new council to be able to maximise the strengths of its economic geography and growth opportunities, building on and developing local expertise based on local knowledge. Each Council covers an appropriate balance of geographical area and population size, within the recognised optimal range for new unitary authorities, each capable of running sustainable high quality and resilient services, while staying close enough to residents to act on what matters most to them.

Residents have told us their priorities are for councils that provide safe and high-quality statutory services, are financially resilient, and respect local community identity. These priorities are embedded into this proposal. The model also builds on the strong partnerships across health, police, fire and the voluntary sector, creating a coherent platform for collaboration and innovation. Greater Essex residents have said it clearly 'Need to keep it local'. This proposal responds directly, embedding neighbourhood empowerment from day one.

No other **option balances efficiency and identity** in this way. **Best4Essex** is the only
model that spreads risk evenly, avoids the fragility
of smaller units, and prevents the remoteness
of larger ones. In short, fewer than four councils
would sacrifice localism and agility; more than
four would sacrifice efficiency and resilience.
This **Best4Essex** unitary proposal is the optimum
solution for Greater Essex, one that is financially
viable, evidence led, economically grounded,
and set to deliver on resident priorities.

We commend this proposal to Government as the right choice for Greater Essex: **coherent**, **credible and compelling**, and the most deliverable path to sustainable local government.

**Best4Essex** is large enough to deliver, local enough to care, and ready to start now.

This proposal has been formally endorsed by Rochford District Council

Cllr Mrs D L Belton Leader of Rochford District Council



# **Best4Essex** - The only coherent, credible and compelling proposal for Greater Essex

This proposal is	Coherent & credible	Creating four unitary councils aligned to Essex's varied communities and economic geography
At the	Right size to have impact Delivering strategic growth alongside community-level improvements	
Able to deliver	Better services	With genuine integration across care, housing, health, and local public services
And drive	Inclusive economic growth	Based on coherent sub regional growth corridors and connected inclusion and prosperity
Operating on a	perating on a Financially sustainable basis With payback in under five years, a smoother transition, and long-term resilience	
Enabling a	Stronger local voice	Through empowered neighbourhood area committees and strong democratic accountability
Shaped by	aped by Resident views Four local unitary councils that respect local identity and address local priorities	

#### The Alternatives Fall Short

- 3UA too big, dilutes identity, weakens local service responsiveness.
- 5UA too costly, longer payback, higher disaggregation risk.
- Alternative4 is London-centric, fragments Greater Essex, and fails the test of countywide coherence.

## **The Best Option**

Best4Essex creates councils that are:

- Strategic enough to plan growth and infrastructure.
- Local enough to understand and respond to communities.
- Financially resilient with clear evidence of savings.
- Future-focused unlocking devolution and delivering reform at pace.
- Bottom up addressing the voice of Greater Essex residents



Figure 1 Best4Essex Four unitary map

Best4Essex is the only option that delivers certainty, sustainability and ambition for every part of our county. The right plan for government, the right plan for partners, and above all the right plan for the people, businesses and communities of Greater Essex.

# 01 | Executive Summary

"Scaled to deliver, local enough to care."



We are excited to present our proposal, designed for Greater Essex's communities, to create four unitary councils. Four councils that are locally responsive, financially resilient and strategically aligned. That are grounded in their communities, built on a simple principle: "at the right scale to deliver, yet local enough to care." Transforming local government to work for Greater Essex today and for the generations to come.



We are proud to present this proposal for four new unitary authorities. We believe it is the best and most effective option for Essex, its people, places and environment, not only now but also for future generations, because it is:

#### 01 Place Based

Local Government should be the economic heart of their areas, improving prosperity, attracting investment and growth and providing long term institutional anchors. Arbitrary administrative boundaries that are not deeply rooted in how local economies function. connect and grow will not deliver reform. Best4Essex is grounded in existing and emerging economic geographies and in the identities of our communities. It establishes four unitary local authorities with the least administrative boundary frictions to deliver housing and inclusive economic growth without severing existing corridors, attract investment and build shared prosperity, build on existing collaboration and partnerships. It addresses today's pressures while anticipating tomorrow's needs.

#### 02 One Public Sector

Public Services are fragmented both in delivery and geographies from decades of partial reform, new structures, bodies and agencies. Our proposal understands this complexity of the delivery ecosystem and embeds collaboration and partnerships as a foundation to change. Harnessing the advantages of digital and data transformation, Best4Essex transcends organisational boundaries to provide frictionless joined-up public services at the point of use. Embracing the wider devolution agenda and principles into its design the proposal aligns with the new Mayoral Combined County Authority and will harness emerging legislative changes that will unlock local accountability while improving democratic representation and accountability at all levels.

## 03 Transformation Led and Future Proofed

The status quo is not functioning; simple reorganisation will not address the challenges in public service delivery and finances in 2025 and beyond. Through real reform and transformation, innovation, digital and AI, **Best4Essex** provides the insight, foresight and will build the capability and capacity to transform working practices, reduce failure demand, and improve wholesystem outcomes.



## **04 Insight Driven**

Local government is data rich and insight poor. Through our approach to digital transformation, building a strong data and insight ecosystem in new unitary authorities which is connected to the wider local government and public service ecosystem is not just a nice to have, it underpins the whole future of service delivery. Each unitary authority will respond to up-to-date evidence and holistic local need while shaping – and having the capacity to respond to - regional, national and global agendas, from housing to climate, health to capital delivery.

## **05 Community Powered**

Local democracy is critical to ensuring the best outcomes for all parts of our communities. We don't want to waste this opportunity by recreating existing democratic structures that don't fully represent our communities, we want to build a new more inclusive local democracy with fit for purpose accountability and ensure the best chance to create the conditions for local ownership through new Neighbourhood Area Committees, Town and Parish Councils, Citizens' Assemblies and through a thriving third sector.

## 06 Financially Sustainable

Basing configurations on current and existing failure demand or financial difficulty is understandable but only if it is based on foundations and structures that can change the status quo of local government finance whilst reducing and managing existing and future demand on key services such as Adult and Children Social Careand SEND. Deliverable and viable today, this configuration is also resilient in the long term. It is rooted in generating prosperity and building frictionless inclusive economic areas that can reframe local investment and council income streams whilst building social mobility and cohesion that enable early prevention, intervention and improved outcomes, reduce failure demand and wider economic inclusion and well-being, creating financially resilient and agile local authorities.

We believe that local government reorganisation must strike an optimum balance: local authorities that are at a scale to run sustainable, high-quality services and secure the benefits of reform, while staying close enough to residents to understand, adapt, and act and work effectively for its current and future citizens and communities.

## 1.1 | Shaping Greater Essex for the Next Generation

Looking back from 2040, as those born in 2024 prepare to vote, it will be possible to see the scale of change driven by these four councils. Since their inauguration they have been working as a custodian of place and catalyst for change, delivering outcomes that matter for local people a vibrant economy; safe, affordable and high-quality places to live; thriving, connected communities; people living independently and with dignity; children and young people that are safe and able to thrive; better health all through collaboration and partnerships across the public and third sectors. They represent a local government that is responsive to local needs and local areas as well as delivering on future ambitions with local accountability. engagement and voice at its heart.

The area in which people live, work, study, retire is important. It is where they build families and careers, enjoy down time and leisure time. Where they rely on social and physical infrastructure, housing, joined up local services and facilities, a strong local economy and a cared for and improving environment. Where people are connected with others and feel an important sense of local and civic pride through active democratic inclusion and develop a strong sense of place. Public services and local government in particular is a core anchor of our area and many residents also work in and alongside the public sector ecosystem. We consider this a

unique opportunity to build a renewed pride and culture around local government and the crucial role it plays in the future of Greater Essex; defining appropriate local government areas is fundamental to enabling this.

In this proposal we have put place and citizens at its heart. Not only today but our future generations who will help develop and steward the Essex of the 21st Century. We evidence how the **Best4Essex** unitary proposal is the best one for Greater Essex. For our almost two million citizens who rely on our services, for our cities, towns and villages, for our businesses, and for our rural, urban and coastal environments, for town and parish councils and our public, voluntary and community sector partners.

Our vision is for local government across Greater Essex that is a custodian of place, a catalyst for change and an anchor for public sector driven innovation: delivering outcomes that matter for local people and providing an environment in which there is real local community ownership and cohesion with relevant assets and services devolved to more local levels through new Neighbourhood Area Committees that are led by locally-elected representatives that take ownership of hyperlocal issues, Town and Parish Councils that work in tandem with local authorities, and other voluntary and community organisations and groups, all working towards:

- A thriving economy building on Greater Essex's strengths to create jobs, investment and opportunity.
- Safe, affordable homes high-quality housing that meets current and future need.
- Strong communities connected, vibrant, cohesive and sustainable, with pride in place.
- **Independence with dignity** enabling people to live well throughout their later years.
- Children and young people who thrive safe, supported and ambitious for their futures.
- A protected environment safeguarding and enhancing our globally recognised natural assets.
- Health and wellbeing at the centre public services designed around prevention and better outcomes.
- Partnerships that deliver local government working with health, police, fire, the Mayoral Authority and communities to achieve more together.
- Responsive, accountable local authorities with local engagement and neighbourhood voice at their heart.



## 1.2 | Founded on places that make sense to local people

## "Essex should be big enough to deliver but still feel local to us."

This proposal creates four new unitary authorities that are based around local communities and culture that make sense to local people and mean something to them. They form fully functional economic geographies based on the diverse strengths of Greater Essex and capitalise on the unique opportunities provided by devolution and reorganisation which is especially important in the Government's fast track Devolution Priority Programme areas which will need to demonstrate delivery at the earliest points.

Our proposal will facilitate each council to:

- Provide coherent and accountable responses to the immediate and evolving local needs and demands of people, communities and places.
- Develop and innovate in tackling distinct local social, economic and housing challenges and reframing interventions that deliver outcomes for people and reduce demand pressures
- Improve the quality of services to better represent value for money to local taxpayers and be financially sustainable through more agile and flexible resourcing, use of digital and technology innovation, culture change and business process reform.

 Drive local innovation and engagement to enhance reorganisation, support local economic development across private and third sectors that generate better opportunities and outcomes for local people.

The councils, drawing on local history and culture, are coterminous with existing boundaries and are aligned in ways that make sense for the ways people lead their lives, as illustrated in the following table.



Figure 1.1 New unitary authorities' geography

Unitary	Covers existing councils	Economic Corridors	Population 2023	Population 2040	Miles <sup>2</sup>
Central Essex	Brentwood, Rochford, Chelmsford, Maldon,	Central Essex city and rural	419,945	450,120	395
North Essex	Braintree, Colchester, Tendring	Great Eastern / Haven Gateway	510,162	557,999	495
South Essex	Thurrock, Basildon, Castle Point, Southend	Thames Gateway	640,874	704,969	100
West Essex	Uttlesford, Harlow, Epping Forest	M11 London Cambridge corridor	325,609	340,225	391

Table 1.1 New unitary authorities scale

## Central Essex | Maldon, Chelmsford, Brentwood and Rochford - A new connected heart for Essex

This new unitary authority blends Brentwood's London fringe economy and Chelmsford as a thriving and growing city with semi-rural and rural hinterlands of Rochford, bringing access to unique coastal environments and communities in Maldon's rural heritage areas. It balances high-growth commuter towns with estuary landscapes, enabling integrated planning for housing, transport, and environmental management. Shared interests in flood resilience, infrastructure investment, and preserving local identity make the case for a cohesive authority that is both economically ambitious and environmentally aware. Together, these areas form a balanced and sustainable unitary with the scale to deliver county-wide responsibilities effectively and the local identity to engage communities in shaping their future.

## North Essex | Colchester, **Tendring and Braintree - Driving** growth from coast to country

This new unitary authority brings together the city of Colchester, with its rich history and university-driven innovation, the market-town enterprise of Braintree, and the coastal economy of Tendring. With a combined offer of knowledge-based industries, local enterprise, and tourism potential, it will be a growth engine for the north of Essex with new garden communities that will support shared infrastructure corridors and transport links to London and the Midlands creating opportunities for joined-up planning and inward investment. From the historic Colchester Castle to the vibrant coastal resorts, this council will have the scale, diversity, and strategic vision to strengthen the local economy while ensuring services meet the needs of both urban and rural communities.



## **West Essex | Harlow, Epping Forest** and Uttlesford - the Gateway to Essex

This new unitary authority combines West Essex's wellconnected commuter hubs and rural areas, leveraging proximity to London and Stansted Airport. Epping Forest's M11 corridor links seamlessly with Harlow's enterprise zone and innovation capacity.

It's proximity and shared functional geography with the vibrancy of the Cambridge economy can be a catalyst for reimagining cross boundary working at a strategic and local scale more efficiently while rural market towns and tourism in the hinterlands offer complementary strengths. Together they can align strategic transport, housing growth, and high-tech economic development, benefiting from shared commuter flows and cross-boundary employment patterns, while preserving the rural and heritage character valued by residents. The new authority would have the scale to plan infrastructure investment

effectively while maintaining community identity.

## South Essex | Thurrock, Basildon, Castle Point, Southend-on-Sea – a dynamic southern powerhouse

This new unitary authority creates a critical mass of economic power by combining Thurrock's global logistics hub, Basildon's industrial strength and commercial base. Castle Point's rich medieval heritage, history and community focus, and Southend's established unitary expertise and coastal economy including a strong tourism offer and the fastest growing regional airport. This "Thames Estuary Powerhouse" has the scale and clout to deliver transformative regeneration and strategic transport projects. This authority will be a powerful driver of opportunity in the south of the county. With a combined population and economic footprint that can support ambitious regeneration, transport improvements, and social infrastructure investment, it will be able to deliver at pace. This grouping blends urban vitality with strong local networks, ensuring that inclusive growth benefits residents and supports inclusive, resilient communities along the Thames Estuary.

South Essex presents the sharpest challenge to financial sustainability. given Thurrock's challenging financial position and high deprivation profile. To address this effectively, there must be a comprehensive approach that can build improved social and physical infrastructure, reduce social demand pressures, and foster conditions for inclusive growth. Streamlining the local government structures in south Essex will allow a new unitary authority to work more effectively with the Mayoral Combined County Authority (MCCA) on public health, housing and transport. Such connectivity would join up the South Essex Thames Gateway corridor more effectively, aligning the employment opportunities of such major schemes as Thames Lower Crossing with existing economic assets such as Southend Airport (UK's fastest growing regional airport) and Thames Freeport/Tilbury Docks (the largest of the Thames Docks).

## 1.3 | At the right scale to deliver, yet local enough to care

This Best4Essex-unitary proposal is built on the principle that local government reorganisation must strike an optimum balance: local authorities that are at the right scale to run sustainable, high-quality services and secure the benefits of the reform, while staying close enough to residents to understand, adapt, and act. This is not about drawing the biggest map or the smallest footprint, it's about creating the right units for Greater Essex's long-term future.

#### Coherent places that work in practice

This proposal presents boundaries that reflect natural communities, economic linkages, and support a move towards co-terminosity and enhanced collaboration with public service partners. Each new unitary authority will be big enough to integrate local health and wellbeing ambitions linked with strategic public health priorities, care, housing, and growth planning but rooted in real place identity, so decisions make sense locally and regionally.

#### The right size for efficiency and transition

The proposed new councils sit close to the population sweet spot set out in Government guidance, avoiding both the overstretch of oversized units and the fragility of small footprints. This means manageable transition costs, smoother staff and system integration, and real efficiencies from day one.

## Services designed for sustainability

By grouping places with similar service pressures, our model keeps social care, children's services, housing, and local economies aligned — the essential foundation for financial sustainability and value for money. We've built on existing shared service arrangements so there's momentum from the start.

#### A proven appetite to work together

The councils in each grouping already share data, services, or governance structures, creating a strong platform for transition. This means reform can be collaborative from day one, rather than an exercise in forced integration.

#### Ready for devolution, not just reorganisation

Our groupings align with the Mayoral Combined County Authority footprint and timetable, and we will set up arrangements to ensure transition optimises new powers and opportunities at the earliest points enabling Greater Essex to move at pace on securing and capitalising on the opportunities of devolved powers and funding whilst continuing to deliver critical services. This means local government reorganisation won't hinder the benefits of devolution, rather it will accelerate it

## **Grounded in functional Economic geography**

The configuration reflects how Greater Essex already functions: four coherent economic areas aligned to transport corridors and commuting patterns<sup>1</sup>. By aligning new unitary authorities with these functional economic geographies, **Best4Essex** avoids the remoteness of oversized models and the fragility of smaller ones.

It ensures each area has the right scale to plan infrastructure, housing and growth, while still reflecting the lived realities of residents and communities. The four new authorities align directly with Essex's functional economic corridors: the M11 (London–Cambridge), A12/A120 (Great Eastern/Haven Gateway), Thames Estuary, and Central Essex. This alignment provides a coherent platform for strategic planning, simplifying delivery and creating investment confidence.

## Local voice, not local loss

This community powered model embeds neighbourhood and local voices into both the design phase and the forward stewardship of Greater Essex, so reorganisation is a gateway to more community cohesion and influence, not less. Councils will be close enough to maintain deep local connections, but strong enough to shape the county's strategic future. The proposal provides an environment in which there is local community ownership of relevant assets and services devolved to more local levels through new Neighbourhood Area Committees, Town and Parish Councils, Citizens Assemblies and the voluntary and community sector network.

<sup>&</sup>lt;sup>1</sup> Travel to work data and drawing on the Greater Essex Growth & Infrastructure Framework (2016-36)

## Striking the right balance

This proposal strikes the right balance between councils that are small enough to have a local identity and respond to local issues, yet large enough to provide services at sufficient scale as to be financially viable.

This option is best for	Because the Councils are big enough to	And small enough to
Essex	Collaborate effectively on scale for the benefit of the whole of Essex and the region	Retain, celebrate and enhance local identity, culture and history
Citizens	Drive local inclusion and build real democratic representation for Greater Essex	Care about, understand, and respond to their citizens needs and diverse voices
Communities	Ensure strategic decisions benefit communities and the Council area as a whole and create real collaborative structures from strategic through to grass roots	Ensure strong community voice and effective engagement mechanisms through new neighbourhood area communities and citizens assembly's
Businesses	Support specific sectors and respond to collective needs to join up strategic local growth plans with national priorities and renewal	Deliver localised support for business growth, building on strengths and supporting real local needs and innovation
Services	Deliver high quality, value for money (VFM) services with resilience and a demand management focus	Ensure those services are responsive to local need and for those who really need them
The economy	Functional economic geographies that make sense to business, investment and infrastructure delivery	Tailor support for the local economy in each new Unitary council area
Housing delivery	Align planning and housing growth to deliver a strategic approach to the homes local people need	Deliver homes that reflect the different local needs across Greater Essex while being the crucial enabler of fixing the housing crisis
Taxpayers	Be financially viable and resilient	Be accessible and connected to local people and local needs
Innovation	Have the capacity and capabilities to attract talent, design, integrate and test new ideas, technology and approaches to tackle vital local challenges	Ensure its public service reform agenda is informed by, and addresses, the real needs articulated by local people
Investment	Linked to Local Growth Plans and provide a coherent framing of opportunity areas for both institutional and inward investment	Bottom-up local strengths and nuance can feed up to provide investable areas that will actually deliver

Table 1.2 Striking the right balance

## **Shaped by Core Design Principles**

We have established some core design principles against which we have summarised why we believe this proposal is the right one for the people and communities of Essex.

Design Principles	Our Proposal
Best value for taxpayers	Enables the best possible service quality and outcomes
Efficiencies and innovations	Enables efficiencies, service improvements and new ways of working
Coherent social and economic geographies	Is based on communities that make sense to how people lead their lives
Local economic and housing growth	Enables local places to be shaped and developed in line with their future needs
Councils that are experts in their local communities	Ensures service delivery is informed by local knowledge and responds to local needs and demands and not too remote to create a disjoint between local democracy and communities
Strong, quality public services	Enhances system-wide collaboration across public services
What matters most to local people	Enables the views and priorities of local people to be heard and addressed
Clear accountability and representation	Provides clear, accessible local accountability and democratic representation for local people
Devolution to a sensible sub-council geography	Identifies opportunities for local delivery and coordination of services
Councils based on local identity and culture	Reflects the cultural and historical fabric of Essex and its communities – retaining that local identity

Table 1.3 Core design principles

## **Meeting Government Criteria**

This Best4Essex proposal meets the core criteria set by the government, as evidenced throughout our proposal:

Criteria	Met by our proposal	Section
A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government	<b>Yes</b> , four councils replacing 15 based on existing district / unitary footprints (County, two unitary authorities and 12 districts). Our proposal respects, so far is practicably possible, the way Greater Essex functions economically, aligning with four key growth corridors for the county.	3 Best4Essex Proposal
Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks	Yes, Council populations range in size between 325k and 640k; between 100 and 500 square miles; service budgets (expressed at 2025/26 levels) ranging from £440m to £915m. These are substantial sums that enable the localities to achieve economies of scale while remaining responsive to resident's needs.	7 Financial appraisal
Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens	Yes, we set out how the proposal will deliver better outcomes for Greater Essex's citizens, the plans to seize opportunities for improvement and innovation during- and post-transition and doing so within a sustainable financial envelope for each council.	9 Service delivery considerations
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	Yes, some working and community practices already in place between the likes of Southend and Castle Point, Thurrock and Basildon, Brentwood and Rochford, Epping and Harlow, Braintree and Colchester. Historically there has been joint working between Colchester and Tendring such as the Garden Community. This Best4Essex proposal expands those natural and already key alignments.	5 Resident and stakeholder views
New unitary structures must support devolution arrangements	Yes, strong local leadership with close alignment across the four councils and wider public services will support engagement with the MCCA. Proper placed based approach will help deliver the core ambitions of devolution (strategic planning, investment, public health, infrastructure, environment etc.).	10 Leadership and governance
New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	Yes, with clear proposals for area-based arrangements; community voice and empowerment; local coordination of services and partnership working; appropriate democratic representation and accountability, and strong engagement with town and parish councils, whilst introducing new inclusive representative democratic structures such as citizens assemblies and reference panels.	10 Leadership and governance

Table 1.4 Meeting Government criteria

## Financially viable

The main elements of sustainability for consideration are:

- Efficiencies from re-organising councils
- Funding gaps the ability of income (through council tax, commercial rates and central government funding) to match local authority expenditure
- Debt the current level of debt, and the ability to service that debt
- Future prospects expectations for future matching of income and expenditure in the light of demographic change.

In making our assessment of efficiencies, we have drawn on a variety of sources, including Price Waterhouse Cooper (PWC) modelling and People too benchmarks for social care. Calculations show that:

 The Best4Essex unitary proposal presented herein is a sound financial proposition, with a payback period which adjusts PWC analysis for local condition of 4.5 years, again providing an effective balance between the shorter payback period of the 3 unitary option, but which does not compensate for the lack of local connection, and the 5 unitary option that does not achieve payback within the PWC modelling timeframe.

In terms of debt, with the strong proviso that the debt position of Thurrock needs to be managed carefully by central government to enable a sustainable solution to be found, analysis from a study commissioned from CIPFA indicates:

- No major barriers to any proposed unitary options
- Higher-debt authorities have strong investment property portfolios exceeding their General Fund debt
- Debt profiles are broadly consistent, though further analysis is needed on the sources of debt and refinancing risks
- Financial sustainability concerns are moderated by new unitary proposals.

## Aligned with public service partners

Our proposal builds on recognised community footprints already used by our public (section 10.4) and third sector partners for planning and engagement, though these aren't yet formalised into a single framework. Where geographies do not align, we will adopt best in class practices around data sharing and developing cross boundary working practices and cultures. Our proposed unitary design can adopt existing and trusted geographies for public engagement, coordination and efficiencies in service delivery, and data reporting. Building on Safer Neighbourhood Areas, Integrated Care Board, Health Alliance or Primary Care Networks (PCN) footprints, and aligned with the proposed electoral divisions, this will ensure that local voice and service targeting won't be lost in transition.



## Locally engaged and accountable

We have used the Boundary commission's recommended geography to model future councillor numbers, which is based on 95 electoral divisions across Greater Essex: 78 on the current Essex County Council geography, and 17 across the existing unitary councils of Thurrock (8) and Southend (9). Applying the maximum number of three councillors per division - as advised by the Electoral commission results in a total of 285 councillors across the four new unitary authorities:

New Unitary	Electorate	Divisions	Total Councillors (3 per division)	Electorate per Councillors	Councillors per 10,000 electorate
North Essex	381,238	25	75	5,083	1.97
West Essex	237,804	17	51	4,663	2.14
Central Essex	317,800	22	66	4,815	2.08
South Essex	462,523	31	93	4,973	2.01
Greater Essex	1,399,365	95	285	4,910	2.04

Table 1.5 Councillor numbers - Summary

These 285 councillors will serve Greater Essex's 1,399,365 electors at a ratio of 1 for every 4,910 electors and 2.04 per 10,000 electors. These are broadly comparable with recent unitary councils: Somerset (4,898 proposed) and North Yorkshire (5,390). This modelling illustrates the four proposed unitary councils are at the right scale and viable and sustainable in terms of arrangements for local democratic representation and to facilitate an effective and efficient Leader and Cabinet System form of governance and scrutiny function, whilst enabling local democratic leadership and representation through new Neighbourhood Area Committees that focus on the important hyperlocal issues.

Resident voice, community and neighbourhood empowerment are at the heart of this proposal. There is acute understanding of the perception that reduced numbers of local representatives will affect local democracy negatively. This is not based in evidence and providing a resident focussed co-design process to complement rapid early implementation will give opportunity to embed structures, governance and partnerships that will improve local democracy rather than create negative consequences.

We are proposing to establish neighbourhood arrangements for Greater Essex through an open co-design process, working with our strong partner ecosystem and residents to develop, co-design, test and embed ambitious arrangements implemented swiftly following vesting day to ensure that they provide clarity of purpose and function and are structured to ensure inclusive coverage, local flexibility, devolving real powers, funding and accountability.

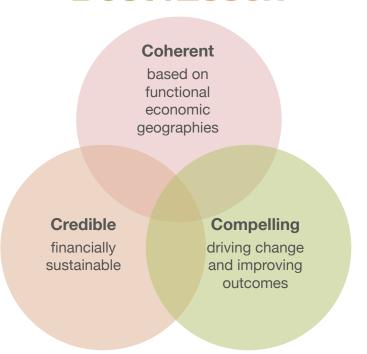
## 1.4 | Coherent, Credible, Compelling and Best4Essex

We believe this proposal strikes the appropriate balance, for Greater Essex, between the local and the strategic; at the right scale to deliver, yet local enough to care

## Solving the core design challenge

Best4Essex solves the core design challenge: create councils big enough to be financially resilient and deliver high-quality services, yet close enough to residents to protect identity, accountability and local voice. The four-unitary model aligns to Greater Essex's real economies and travel corridors, spreads transition risk, and enables reform without losing sight of place.

**Best4Essex** 



Our proposal shows how it will achieve this in more detail. In doing so we have identified, and address, a number of challenges, including:

- meeting needs in both the short-term and long term
- being financially sustainable while delivering efficiencies and cost savings
- driving economic growth while improving local environmental quality
- providing services while strategically shaping places
- providing local accountability within a strategic decision-making framework

Best4Essex is the credible, deliverable option that meets every statutory test and aligns seamlessly with devolution. It offers the lowest delivery risk at the right scale, securing vital services, empowering neighbourhoods, and driving generational change. Building on existing partnerships and shared services, it combines scale with local insight, offering a simplified, resilient and responsive system of government that will deliver better outcomes and safeguard local identity for decades to come.

The **Best4Essex** proposal achieves this through the creation of four local authorities on a coherent geographical footprint that are fit for purpose, fit for place, and fit for the future.

Best4Essex to deliver, local enough to care, and ready to begin.

# 2.0 | Case for change

"Essex should be big enough to deliver, but still feel local to us"

## **MHCLG Criteria:**

- ✓ 01 | Single tier local government Four unitaries replace two tier system
- ✓ 02 | 'Right-sized' local government Each unitary should be of an appropriate scale and form coherent geographies
- ✓ 04 | Meets local needs Residents engaged; priorities: services, identity, resilience
- ✓ 05 | Supports Devolution Aligned to Mayoral Combined County Authority (MCCA)
- ✓ 06 | Local engagement & empowerment Neighbourhood Area Committees from vesting day



This section sets out the case for change in Greater Essex. It shows why the **Best4Essex** proposal is the right scale and design to tackle today's challenges and seize future opportunities, while aligning with the wider devolution agenda and a clear vision for the county's future.

## **Best4Essex**

#### What it avoids:

Remote, over-centralised structures and the costly two-tier system.

#### What it delivers:

A single, clear model that ends duplication and stays close to communities.

## 2.1 | Greater Essex now

Greater Essex is a place of variety. Coastal towns and estuaries. Historic market centres. Commuter suburbs that touch London's edge. On the surface, it's a story of success: good public services, resilient communities, productive local economies. Look closer and you see the unevenness, pockets of deprivation, deep inequalities, and a rising demand for support.

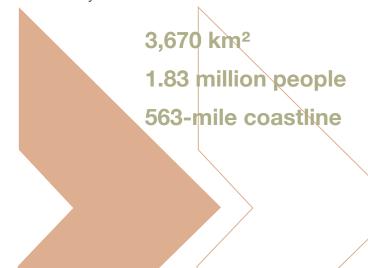
The county spans 3,670 km<sup>2</sup> and is home to 1.83 million people. Three cities anchor it: Southendon-Sea, Colchester, and Chelmsford, Basildon is the other major urban centre. The south is densely settled; in the north, beyond Colchester and Chelmsford, the land is more rural in nature.

Essex is low-lying, its 562-mile coastline the longest of any English county, shaped by estuaries of the Stour. Colne. Blackwater. Crouch, and Thames. Ancient woodland such as Epping Forest marks the South-West, while Dedham Vale in the north-east blends into

Suffolk. The London Green Belt reaches into the south, where more prosperous commuter towns mix with post-war new towns like Basildon and Harlow originally built to house London's overspill, now significantly grown.

It is a county of contrasts - visible in the statistics as well as the stories. High income commuter zones and innovation hubs sit alongside places where opportunities are scarcer. Education and connectivity open routes to prosperity, but differences in investment, skills, and confidence shape how far people can travel along them. Life expectancy can vary by up to nine years between the most and least deprived parts of Essex. In some coastal and urban wards. residents spend a third of their lives in poor health, compared with under a fifth in more affluent commuter towns. ONS wellbeing data shows lower reported happiness and higher anxiety in Thurrock and Tendring, alongside

lower employment rates and fewer skills qualifications. These disparities underline the case for four councils with the scale to sustain services, and the local focus to respond to their distinct community identities. shows lower reported happiness and higher anxiety in Thurrock and Tendring, alongside lower employment rates and fewer skills qualifications. These disparities underline the case for four councils with the scale to sustain services. and the local focus to respond to their distinct community identities.



## **Greater Essex as a place**

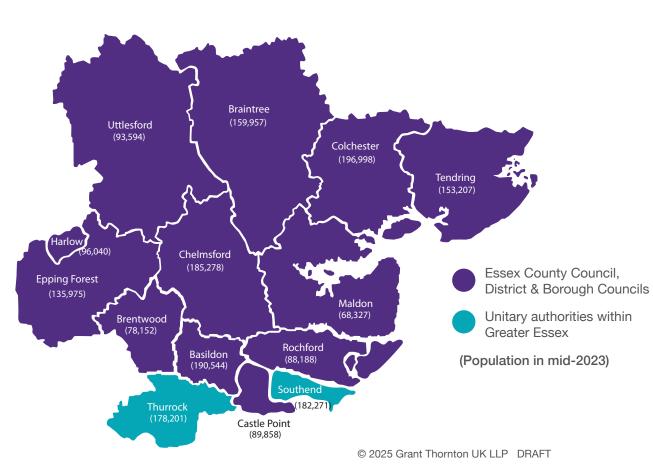


Figure 2.1 Greater Essex as a place

**1,896,590**Population in mid-2023

**19.1%** Aged 0-15 in 2023

**20.0%** Aged 65+ in 2023

4.0%
Of LSOAs in the most deprived decile

£50,818m Gross Value Added (2022)

1 County Council

2 Unitary authorities

£1.86 billion
Budget revenue
expenditure in 2024/25
(excluding education)

1,967,306 Forecast population in 2030

**18.3%** Forecast 0-15 in 2030

**22.2%** Forecast 65+ in 2030

11.7%
Of LSOAs in the least deprived decile

2.6% Of English GVA (2022)

12 District and Borough Council

696
Local Council electoral seats

2.9%
Of total net revenue
expenditure by English
local authorities
(excluding "Other"
authority types)

Essex holds real economic potential. International airports, Freeports, Strategic transport links. Some of the UK's best schools and universities. Plans for new Garden Communities. A £50bn economy connected to creative industries and innovation. But structural challenges remain. Long-term deprivation that limits life chances. Low productivity in some sectors. Health gaps between communities. Strains on coastal economies. The impact of climate change. Infrastructure under pressure. Public services perform well but face growing sustainability risks.

#### **Demographics and Connectivity**

With 1.8 million residents, Essex is England's seventh most populous county. The south lies within the London commuter belt, home to high incomes and affluent communities in places like Epping, Brentwood, and Chelmsford.

## **Economy and Employment**

GDP was around £43 billion in 2021, 2.2% of England's total. Unemployment sits at 3.8%, below the national average. Wholesale and retail employ the largest share of the workforce, followed by construction, transport, and professional services. The proportion in higher-skilled roles remains lower than national and regional levels.

## **Wages and Education**

Median weekly pay is £784, with an average hourly rate of £20.10 both above England's averages. Yet only 35.5% of working-age adults hold a degree, compared with 43.2% nationally.

## **Regional Contrasts**

Chelmsford and Harlow combine strong industry with well-educated workforces. Elsewhere, deprivation is entrenched. Jaywick in Tendring is among the most deprived communities in southern England. In Thurrock, infrastructure gains such as Tilbury port expansion sit alongside frustration over perceived political neglect.

#### **Education and Innovation**

The University of Essex is a key driver, with campuses in Colchester, Southend, and Loughton. Its Knowledge Gateway research park supports more than 50 start-ups. But it faces financial pressures, with international student enrolments down 38% following policy shifts.

## **Social Mobility**

Overall, Essex sits mid-range on measures of childhood opportunity, innovation, and life prospects though it performs better on youth labour-market access.

It is within this context that our proposal for unitary local government across Essex sits. We believe it creates four authorities that are the most appropriate to respond to these challenges, challenges that show up differently in the north, south, west and heart of Essex.





## 2.2 | Drivers of change

New unitary local authorities must not only be designed with a nod to the history and culture of the communities and places that make up Greater Essex, nor as a response to the challenges and pressures of today, but also with a focus on the needs of future generations. There are a range of challenges arising from change at a global, national, regional and local context, as the following figure<sup>2</sup> illustrates.

Enviromental crisis	Ageing and diversifying population	Power changes	Centrality of technology	The future of the economy	Potential 'wild-card' disruptors
Climate crisis	Higher life expectancy and ageing population	Move to poly-nodal world	Tech transforming production and, operating models	Massive wealth inequality	Financial crises
More extreme weather phenomenon	Declining birth rates	Decline of US as global hegemon	Increasing ubiquity of AI, automation and 'big data'	Shift of economic power away from the Global North	Global pandemics
Limited resource availability	Urbanisaton and population concentration	Resurgence of nationalism and autocracy	New forms of medical technology	New structures of work including 'gig-work' and zero hour contracts	Energy transition
Soil degradation	Increased migration, especially climate-based	New social movements	Increased prevalence of genetic engineering and synthetic biology	Growth of the circular economy	Revolts and regime change
Decreased biodiversity	Stronger role for women	Rise of disinformation	Cheaper renewable energy	Post-materialism and on-demand service models	Limitations of institutional power
Shift to low carbon societies	Increased health comorbidities	Cultural divergence and polarisaiton eg young/old; rural/urban; wealth/poor etc	Cyber-security	Global (white colar) organised crime	
New forms of protein and sustainable food sources	Generational handover				

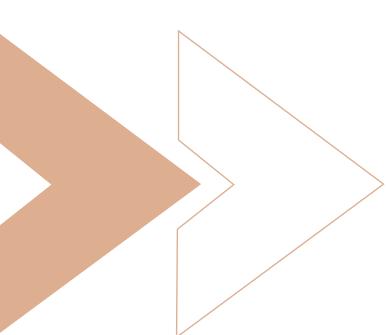
Figure 2.2 Trends and Drivers of Change

The new authorities must have both the scale and the local connection and responsiveness to effectively respond to these challenges. We believe the **Best4Essex** proposal achieves this balance.

<sup>&</sup>lt;sup>2</sup> https://docslib.org/doc/3094608/a-stitch-in-time-realising-the-value-of-futures-and-foresight

## 2.3 | Greater Essex and its communities, 2040

By 2040 Essex's population will be over 2m; the 15,000 babies³ born in the county in 2024 will be eligible to vote for their representatives on their local council. The MCCA will have embedded alongside four unitary councils and together they have been actively shaping the future of greater Essex since their inception in the late 2020s.



The four local authorities are recognised nationally for the vision of their place leadership, the cohesion and sustainable development of their communities, the support they provide to the more vulnerable in society and the overall quality of their services. They are, individually and collectively, setting the standard for organisational and operational effectiveness as well as collaboration across and between the broad range of different public and third sector organisations.

Working coherently with the MCCA to both influence and help deliver the broader strategic ambitions for Greater Essex, they are respected and valued by their citizens and seen as an exemplar of what can be achieved by councils that effectively bridge the gap between understanding and responding to the needs of their local communities on the one hand, and strategic influence, decision making and delivery on the other.

Since their inauguration they have been working as a custodian of place and catalyst for change, delivering outcomes that matter for local people - a vibrant economy; safe, affordable and high quality places to live; connected communities;

And yet our proposal is more than lines on a map; we believe it is the configuration most likely to deliver on such a vision. It brings together existing councils into four new unitary areas are bound by common characteristics and which share common challenges. It enables each council to develop the expertise and specialisms needed to respond to the specific challenges they each face: from rural isolation in North Essex to the focus in South Essex on growth in the Thames Gateway; from infrastructure and inclusive growth in West Essex to the sustainable development of rural and estuary landscapes in the Central Essex.

We provide a more detailed overview of these four councils, and their alignment to Government criteria, in the next section.

people living independently and with dignity; children and young people that are safe and able to thrive; better health all through collaboration and partnerships across the public and third sectors. They represent a local government that is responsive to local needs as well as future ambitions with local accountability, engagement and voice at its heart.

<sup>&</sup>lt;sup>3</sup> https://www.nomisweb.co.uk/query/asv2htm

## 2.4 | Local Government Stewarding Change

The map of Greater Essex was last redrawn in 1998 when the boroughs of Southend-on-Sea and Thurrock were separated from the administrative county of Essex and became unitary authorities. Since then, the two-tier system of local government has remained across the rest of Essex, with twelve districts and the County Council.

We now have an opportunity to consider LGR and devolution in parallel, a unique and possibly once in a lifetime chance to fundamentally rethink the local state for Essex. We must ensure our proposals work not only for today's citizens, but also for our future generations.

The new Mayoral Combined County Authority (MCCA) will strengthen the ability of Greater Essex to focus on place-shaping and making. The well-being and sense of agency of our residents and communities depend on our ability collectively to shape the places where people live.

The MCCA will have the tools to effect this change at scale in a meaningful way driving inward investment and economic benefits through scale and in the areas that will have the most impact on people's future prospects – their ability to access the skills they need for good jobs; our ability to attract employers into Greater Essex to provide those jobs; an

effective transport network to enable people to access jobs and a housing and planning system that creates the space for businesses and communities to grow.

The new local authorities in our proposal will be well placed to work as constituent authorities of the new MCCA alongside the Directly Elected Mayor and have the scale and expertise to effect this change based on local knowledge and connection with their communities, helping improve the quality of people's lives as they go about their day-to-day business and drive improved public services as the key delivery vehicles. New authorities that will be at the right scale to deliver and make a difference, small enough to care.

Our aim through our proposal is twofold: to derive the maximum benefit from a strategic institution focused on driving the economy of Greater Essex and securing growth, and to underpin the MCCA with local government organisations which understand their

communities and that have the scale and agility to both deliver efficient critical services and work collaboratively at a local level to address local needs.

It is therefore vital that proposals for unitary local government nest comfortably within this strategic picture. As we will see in future sections, there need to be enough unitary councils to cover Essex at a sensible geography that enables them to be locally responsive yet sustainable, and not so many as we revert to a fragmented picture that might undermine collaboration and strategic engagement.

We are keen to make the most of the strategic capacity and capability that the new Mayoral institution can bring alongside ambitious new local authorities that cover coherent geographies that are recognised by local people and communities.

We believe the Best4Essex proposal achieves this.

## 2.5 | Shaped by core design principles

New unitary local authorities must be designed in a way that can realise this vision. To achieve this, and address these drivers of change, any proposal must meet some core principles alongside the Government's criteria.

We've identified ten design principles.

	Design Principles	A proposal must
01	Provide best value for taxpayers	Enable the best possible service quality and outcomes
02	Generate efficiencies and innovations	Enable efficiencies, service improvements and new ways of working
03	Be based on coherent social and economic geographies	Be based on communities that make sense to how people lead their lives
04	Drive local economic and housing growth	Enable local places to be shaped and developed in line with their future needs
05	Create councils that are experts in their local communities	Ensure service delivery is informed by local knowledge and responds to local needs and demands and not too remote to create a disjoint between local democracy and communities
06	Deliver strong, quality public services	Enhance system-wide collaboration across public services
07	Deliver what matters most to local people	Enable the views and priorities of local people to be heard and addressed
08	Have clear accountability and representation	Have clear, accessible local accountability and democratic representation for local people
09	Support devolution to a sensible sub-council geography	Identify opportunities for local delivery and coordination of services
10	Be based on local identity and culture	Reflect the cultural and historical fabric of Essex and its communities retaining that local identity

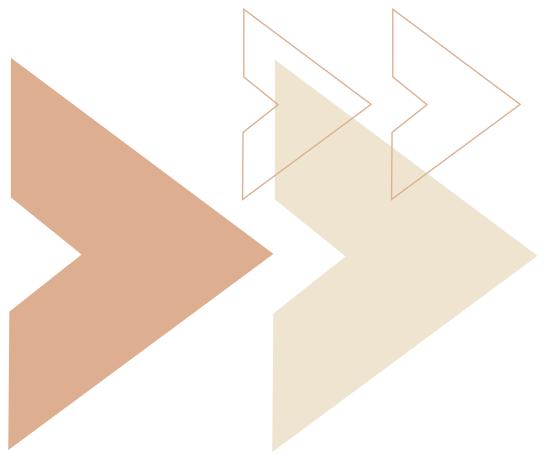
Table 2.1 Core design principles

In addition, each new local authority created through this process must be:

- based on coherent places that work in practice
- the right size for efficiency and transition
- designed for service sustainability
- based on a proven appetite to work together
- ready for devolution, not just reorganisation
- based on community-driven bottom-up priorities, not bureaucratically designed top-down solutions

We have adopted these principles in the development of this proposal and will continue to use them as our North Star, guiding the establishment of the new unitary authorities. They provide the shared direction and discipline we need to ensure the transition is safe and legal from day one, transformative in the first year, and sustainable for the long term. In doing so, we are setting a clear course for stronger, simpler and more resilient local government that will endure for future generations.





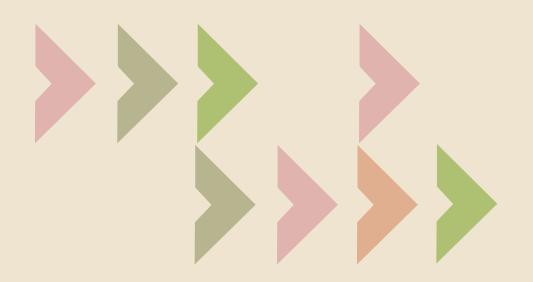
Risks and Dependencies linked to this section are summarised below. Full detail, including impact, likelihood and mitigations, is provided in the Risk and Dependency Log (Annex 3)

## 02 | Case for Change

**R9:** Risk of disruption to cross-boundary relationships with Hertfordshire, Cambridgeshire, Suffolk.

Part 1

# The Best4Essex Unitary Proposal



# 03 | Best4Essex Proposal

"We want councils that work for us, not distant structures we don't recognise"

## **MHCLG Criteria:**

- ✓ 01 | Single tier local government Four unitaries replace two tier system
- ✓ 02 | 'Right-sized' local government Each unitary should be of an appropriate scale and form coherent geographies
- ✓ 04 | Meets local needs Residents engaged; priorities: services, identity, resilience
- ✓ 05 | Supports Devolution Aligned to Mayoral Combined County Authority (MCCA)
- ✓ 06 | Local engagement & empowerment Neighbourhood Area Committees from vesting day



This section sets out the Best4Essex proposal in detail. It explains the geography and socio-economic profiles of the four unitary authorities, the design principles that shaped the model, and why this configuration offers the strongest and most deliverable solution for Greater Essex. The proposal is tested against the Government's core criteria and shown to be the preferred option when compared to alternatives.

## **Best4Essex**

#### What it avoids:

Fragile constructs that create too many small authorities, or unworkable variants that cannot be delivered

#### What it delivers:

The only configuration that meets every test and is deliverable on time with an effective future resilience-based approach

## 3.1 | Shaping Essex for the next generation

We believe, as do our residents and stakeholders (section 5), that this four-unitary authority proposal is the best option for Essex, its people, places and environment, not only now but also into the future. This option is positioned as an alternative to the five unitary, Thurrock led four unitary and the three unitary models that are also being submitted to government. It seeks to balance strategic capacity with strong local representation, aiming to create sustainable councils capable of delivering high quality services and contributing effectively to the wider Greater Essex system.

Our proposal, shaped around local priorities and identities, creates four new unitary councils that are based around local communities and cultures that make sense to local people and the ways they lead their lives. This enables each council to

- provide coherent and accountable responses to local needs and demands of people, communities and places.
- develop and hone their specialisms in tackling distinct local social, economic and housing challenges.
- deliver quality services that represent value for money to local taxpayers and be financially sustainable.



Figure 3.2 Best4Essex unitary proposal based on existing council footprints

 drive innovation and reform across the public and third sectors that generate better outcomes for local people.

Our analysis results in four councils that are coterminous with existing boundaries and are aligned in ways that make sense for the ways local people lead their lives, as illustrated below.

## 3.2 | Unitary profiles

Below is an overview of the characteristics of the four proposed new councils, which in turn shows that they largely meet Government guidance around population size. In a county such as Essex with a large rural component, we must also be cognisant of geographical size of each proposed council, as this affects service delivery.

New Unitary	Covers existing council areas	Population 2023	Descriptor	Core strengths
Central Essex	Brentwood Chelmsford Maldon Rochford	419,945	A balanced mix of market towns, coastal communities, and commuter hubs, with proven joint service delivery between Rochford and Brentwood. Positioned to lead on growth corridors and integrated transport, while protecting rural character. (Add population, GVA, and service baseline here).	<ul> <li>Sub-500k "pathfinder" size, still sustainable</li> <li>Proven joint services foundation</li> <li>Capable of integrated planning for commuter demand, flood resilience and balanced growth.</li> </ul>
North Essex	Braintree Colchester Tendring	510,162	Unites coastal regeneration priorities with Colchester's city economy and Braintree's logistics/manufacturing base. Key growth alignment of the cross boundary new garden settlements. Significant potential to drive cross-border economic growth with Suffolk while improving coastal health outcomes.	<ul> <li>500k+ population</li> <li>Strong economic complementarity.</li> <li>Potential to drive cross-border growth with Suffolk and improve coastal health outcomes.</li> </ul>
South Essex	Thurrock Basildon Castle Point Southend on Sea	640,874	Combines a major employment hub (Basildon) with Southend's city status and Castle Point's heritage, history and community focus. Well-placed to lead skills and housing growth on the Thames Estuary corridor.	<ul> <li>Largest unit (~640k) but still within MHCLG range</li> <li>Clear functional economic corridor</li> <li>Well placed to lead housing, regeneration and skills across the Estuary.</li> </ul>
West Essex	Uttlesford Harlow Epping Forest	325,609	Harnesses Harlow's innovation district, new shared settlements on the Herts border and emerging life sciences cluster with Uttlesford's strategic links to the vibrant Cambridgeshire economy and it's wider rural hinterlands and Epping's strategic London-Essex link. Can deliver on health tech, aviation, and green belt stewardship. Also connected by an existing delivery partner in the UK Innovation Corridor.	<ul> <li>Sustainable at ~325k population</li> <li>Clear transport and functional economic links</li> <li>Capable of delivering on health tech, aviation and Green Belt stewardship.</li> </ul>

Table 3.1 New unitary council profiles

We summarise each of the four councils in turn.

# Central Essex | Maldon, Chelmsford, Brentwood and Rochford: a new connected heart for Essex

# Our model proposes a new unitary authority comprising Chelmsford, Maldon, Brentwood and Rochford.

Uniting the historic riverside charm of Maldon, the dynamic city status and economic engine of Chelmsford, and the rural—coastal character of Rochford with the thriving commuter hub of Brentwood, this authority will be the civic and economic heart of Essex. It builds on the proven joint working between Rochford and Brentwood in regulatory and back-office services, offering a ready-made platform for integration. Chelmsford's role as the county's administrative and cultural centre provides a natural anchor for policy leadership, while Maldon's heritage coastline and visitor economy bring unique environmental and tourism opportunities. Together, these areas form a balanced and sustainable unitary with the scale to deliver county-wide responsibilities effectively and the local identity to engage communities in shaping their future.

This council will specialise in leveraging its connections to drive growth and meet local need: from Maldon and a focus on tourism and coastal management in the east to Brentwood and its road and rail connectivity into London in the West; connecting the more urban and densely populated south with the more rural north, through the (former) county town of Chelmsford. It will leverage its strengths in professional services, advanced manufacturing, tourism, and rural/coastal industries to ensure that its citizens receive the services they need.

# North Essex | Colchester, Tendring and Braintree - Driving growth from Coast to country

# Our model proposes a new unitary authority comprising Braintree, Colchester, Tendring.

This unitary brings together the city of Colchester, with its rich history and university-driven innovation, the market-town enterprise of Braintree, and the coastal economy of Tendring. With a combined offer of knowledge-based industries, thriving high streets, and tourism potential, it will be a growth engine for the north of Essex. The shared infrastructure corridors and transport links to London and the Midlands create opportunities for joined-up planning and inward investment with the proposed new garden settlements which have already brought the councils together in working practices and shared growth ambitions and would build on this already solid foundation alongside the previous strategic planning geography and alignment with Suffolk through the Haven gateway Partnership much of which will have new relevance as sub regional spatial development is reintroduced through new MSAs. From the historic Colchester Castle to the vibrant coastal resorts, this council will have the scale, diversity, and strategic vision to strengthen the local economy while ensuring services meet the needs of both urban and rural communities.

This council will combine rural service delivery and the relationships between Colchester and the market towns with the rural villages with new and renewed focus on building collaborative cross boundary relationships and capitalising on new and existing economic strengths. It will seek to sustainably harness the economic opportunities of what was previously the Haven Gateway, and collaboration between Colchester and Tendring on Freeport East, collaborating with a new local government ecosystem and strategic ambitions in Suffolk, with a laser focus on agriculture and environmental sustainability, port and coastal economies and tourism.

# West Essex | Harlow, Epping Forest and Uttlesford - Gateway to Essex and London

# Our model proposes a new unitary authority comprising Uttlesford, Harlow, Epping Forest.

Strategically positioned at the interface between Essex, London, Cambridgeshire and Hertfordshire, this unitary will leverage its location to maximise economic potential. Harlow's enterprise zones and life sciences cluster, the vibrancy of the shared functional geography of north Uttlesford with the vibrant Cambridge economy and Epping Forest's protected green space and heritage assets combine to create a diverse and sustainable offer with significant economic potential beyond its current configuration allows. As a gateway council, it will be ideally placed to secure investment, re- imagine cross boundary working at a strategic and local scale more efficiently to manage growth pressures from both the capital and Cambridgeshire and protect valued landscapes, while delivering strong local services that reflect the needs of fast-growing, mixed communities.

This council will specialise in sustainable growth nested in an innovation corridor that can effectively balance the sometimes-competing interests of new towns, housing growth, protected areas of green belt and ancient woodland, a growing international airport and strategic transport hub and the only motorway in Essex connecting into the London/Cambridge corridor. It will develop a hub-and-spoke service delivery model that focuses core services on the small pattern of towns and rural hinterland they are linked too whilst allowing space for sustainable growth, developing strategic relationships with the wider local government ecosystem and neighbouring areas to attract sustainable growth, talent and investment into Essex.

## South Essex | Thurrock, Basildon, Castle Point, Southend-on-Sea – a dynamic southern powerhouse

# Our model proposes a new unitary authority comprising Thurrock, Basildon, Castle Point, Southend on Sea.

Bringing together Southend's established unitary strength, Castle Point's rich heritage assets, and history and community-focused governance, Thurrock's port and logistics capacity, and Basildon's industrial and commercial base, this authority will be a powerful driver of opportunity in the south of the county. With a combined population and economic footprint that can support ambitious regeneration, transport improvements, and social infrastructure investment, it will be able to deliver at pace. This grouping blends urban vitality with strong local networks, ensuring that growth benefits residents and supports inclusive, resilient communities along the Thames Estuary.

This council will specialise in urban regeneration, leveraging its connections to London. It will address the unique challenges of providing services in more densely populated urban areas and tackling the socioeconomic challenges of deprivation. At the same time, the connection that is the Thames will provide a focus for tourism, sustainable growth and expertise around coastal protection.

## 3.3 | Community, culture, history and identity

Essex offers a rare blend of scenic landscapes, centuries-rich heritage, educational excellence, strong community, affordability, excellent access to amenities, and easy connectivity to London. Essex has a little bit of everything, wrapped up in that unique Essex pride. Our four unitary proposal respects these traditions and variations of culture and identity across Essex. Over time, our public and third-sector services have been designed and evolved to address the contrasting needs of these communities. Any work at any level must take some account of the social and community history that has led it to where it is and the challenges and opportunities that arise as a result.



Essex is clearly not a single, homogenous county. It is a patchwork of communities whose histories, economies, and identities differ sharply and vary across from coastal, rural, urban. environmentally protected areas and commuter belts. It is a county with a long and proud history. Boroughs like Colchester and Maldon maintain strong local heritage identities. Seaside towns such as Southend and Clacton have distinct socio-economic and cultural drivers compared to inland towns. The rural heartlands prioritise agricultural heritage, green space, and lower density living, with different infrastructure needs. Economically, the M11 corridor in the west ties communities to London and Cambridge; the east and south coast align with maritime and tourism sectors and central areas like Chelmsford serve as administrative, commercial, and retail hubs.

- North Essex has strong coastal and rural heritage, with Colchester and Tendring shaped by historic trade and tourism.
- West Essex is closely tied to the London commuter economy, especially around Epping, Harlow, and Brentwood, but retains rural market town character in Uttlesford.
- Central Essex blends the county's administrative and commercial hub with historic estuarial communities and agricultural hinterlands.
- South Essex has a strong urban-industrial identity linked to the Thames Estuary, with Basildon, Southend, and Thurrock sharing regeneration priorities but differing from the county's rural north.

## 3.4 | Headline population characteristics

The table below summarises some core data to present a pen portrait of the new councils. This shows that each council is of sufficient scale, in population and geographical terms, to effectively serve its communities, that each council has a fair balance of challenges and opportunities, and that they are each well-placed to develop their own specialities in service delivery.

Table 3.2 Core socio-economic data for each new unitary authority

New Unitary	Central Essex	North Essex	West Essex	South Essex
Population 2023	419,945	510,162	325,609	640,874
Population 2040	450,120	557,999	340,225	704,969
Size (miles²)	395	495	391	100
Sparsity ratio 2023^	1,063	1,030	833	6,409
Dependency ratio	62.4%	64.1%	59.4%	58.7%
Population 65+	21.4%	22.3%	18.7%	18.0%
Life expectancy at birth (female)	83.9	82.9	84.3	82.8
Life expectancy at birth (male)	81.1	78.9	80.3	79.3
Least deprived	24.8%	5.7%	9.6%	8.6%
Most deprived	0.0%	6.0%	0.0%	7.0%
Gross value add	£12,476m	£11,492m	£9,404m	£17,446m
Employment rate	82.9%	72.8%	72.8%	78.5%
Annual housing target	3,316	3,431	2,607	4,114
Largest settlement Population^^	Chelmsford 110,507	Colchester 119,441	Harlow 82,059	Southend 175,547

<sup>^</sup> citizens per square mile

<sup>^^ 2011</sup> data | Source: Grant Thornton Additional Configurations for LGR in Greater Essex

# 3.5 | Benefits and strengths

The data demonstrates that the Rochford four-unitary model balances scale and viability: each council is large enough to sustain statutory services but small enough to remain close to residents and local identities.

## **Core benefits**

This option is best for	Because the Councils are big enough to	And small enough to
Essex	Collaborate effectively on scale for the benefit of the whole of Essex and the region	Retain, celebrate and enhance local identity, culture and history
Citizens	Drive local inclusion and build real democratic representation for Essex	Care about, understand, and respond to their citizens needs and diverse voices
Communities	Ensure strategic decisions benefit communities and the Council area as a whole and create real collaborative structures from strategic through to grass roots	Ensure strong community voice and effective engagement mechanisms through neighbourhood community assemblies
Businesses	Support specific sectors and respond to collective needs to join up strategic local growth plans with national priorities and renewal	Deliver localised support for business growth, building on strengths and supporting real local needs and innovation
Services	Deliver high quality, VFM services with resilience and a demand management focus	Ensure those services are responsive to local need and for those who really need them
The economy	Functional economic geographies that make sense to business, investment and infrastructure delivery	Tailor support for the local economy in each Unitary council area
Housing delivery	Align planning and housing growth to deliver a strategic approach to the homes local people need	Deliver homes that reflect the different local needs across Essex while being the crucial enabler of fixing the housing crisis
Taxpayers	Be financially viable and resilient	Be accessible and connected to local people and local needs
Innovation	Have the capacity and capabilities to attract talent, design, integrate and test new ideas, technology and approaches to tackle vital local challenges	Ensure its public service reform agenda is informed by, and addresses, the real needs articulated by local people
Investment	Linked to Local Growth Plans and provide a coherent framing of opportunity areas for both institutional and inward investment	Bottom up local strengths and nuance can feed up to provide investable areas that will actually deliver

Table 3.3 Best4Essex Core benefits

## MHCLG criteria – aggregate assessment

The Best4Essex proposal also meets the core criteria set by the government, as evidenced throughout our proposal:

Criteria	Met by our proposal	Strengths	Section
A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.	Yes: four councils replacing 15 based on existing district / unitary footprints (County, two unitaries and 12 districts)	The proposal is based on a clear, functional economic geography, enabling each new unitary, and the MCCA, to drive forwards growth that builds on the exiting ways people live their lives. Growth is based around the M11 innovation corridor capacity in West Essex, Thames Estuary regeneration in South Essex, and A12/A120 infrastructure in North Essex.	3 Best4Essex Unitary Solution for Essex
b. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.	Yes: Council populations range in size between 325k and 640k; between 100 and 500 square miles; with service budgets (expressed at 2025/26 levels) ranging from £440m to £915m.	Economies of scale are realised through integrated waste management, shared procurement frameworks, rationalised back-office services, and joint commissioning in health and social care. Existing collaborations (e.g., Rochford–Brentwood regulatory services, shared ICT platforms in Central-Essex, coastal regeneration consortia) demonstrate the capacity to reduce duplication while improving service quality. The financial model projects significant annual savings reinvested into frontline priorities.	8 Financial case
c. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.	Yes: we set out how the proposal will deliver better outcomes for Essex's citizens, the plans to seize opportunities for improvement and innovation during- and post-transition and doing so within a sustainable financial envelope for each council.	Each grouping is focused on tangible service improvements: West Essex will integrate transport and housing delivery; North Essex will expand rural access to digital services and sustainable transport; East Essex will tackle coastal deprivation with targeted regeneration; South Essex will link health inequality reduction with housing and economic growth. Cross-boundary initiatives in flood resilience, skills development, and environmental management will ensure service improvements are immediate and visible.	10 Service delivery considerations
d. 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.	Yes: this proposal has been developed using shared data and intelligence.  Some working and community practices already in place between the likes of Southend and Castle Point, Thurrock and Basildon, Brentwood and Rochford, Epping and Harlow Braintree and Colchester. This Best4Essex proposal expands those natural and already key alignments	The model delivers clear political and operational leadership through local civic engagement, neighbourhood arrangements, clear electoral accountability and governance.  The new councils, collaborative bodies and MCCA representation will be formalised into the new governance structure, providing residents with a stronger, more accountable voice.	6 Resident and stakeholder views
e. New unitary structures must support devolution arrangements.	Yes: strong local leadership with close alignment across the four councils and wider public services will support engagement with the Mayoral Combined County Authority (MCCA) through the four constituent authorities working effectively with the Directly Elected Mayor	The configuration is fully aligned with the MCCA spatial framework and economic plan: M25/M11 innovation corridor in West Essex; A12/A120 and London–Cambridge–Stansted corridor in North Essex; Thames Estuary growth hub in South Essex; coastal and environmental priorities in East Essex. Groupings are designed to dovetail with MCCA investment pipelines, allowing joint delivery of housing, infrastructure, and skills programmes from day one.	11 Leadership and governance
f. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.	Yes: with clear proposals for area-based arrangements; community voice and empowerment; local coordination of services and partnership working; appropriate democratic representation and accountability, and strong engagement with town and parish councils.	Building on resident survey evidence, Beehive/NatCen focus groups, and partner engagement across Essex, initial engagement has helped shape priorities and inform this proposal, in which mechanisms for ongoing and deeper engagement are set out. This includes the creation of Neighbourhood panels or Committees within each of the proposed new unitaries.	11 Leadership and governance

Table 3.4 Meeting government criteria - in aggregate

We next review the fit of the **Best4Essex** model against the economic geography of Essex and the emerging views of residents and stakeholders, before providing an options appraisal, comparing this option with the others in development.

Risks and Dependencies linked to this section are summarised below. Full detail, including impact, likelihood and mitigations, is provided in the Risk and Dependency Log (Annex 3)

03 | Best4Essex Proposal

R7: Judicial review or political opposition to configuration.

# 04 | Economic geography considerations

"Decisions made miles away don't fit the realities of where we live and work"

## MHCLG Criteria:

- 02 | 'Right-sized' local government Each unitary should be of an appropriate scale and form coherent geographies
- ✓ 04 | Meets local needs Residents engaged; priorities: services, identity, resilience
- ✓ 05 | Supports Devolution Aligned to Mayoral Combined County Authority (MCCA)



This section demonstrates that the **Best4Essex** proposal creates four coherent economic areas. Each unitary reflects established travel-to-work, housing and infrastructure patterns, with population sizes that fall within the Government's guidelines. This ensures the model is both economically functional and demographically sustainable.

# **Best4Essex**

#### What it avoids:

Artificial economic units detached from where people live and work. Unsustainable without the ability to generate investment growth and financial resilience effectively.

#### What it delivers:

Functional economic areas that match how people live, and work, aligned with housing markets and infrastructure, maximising growth and levelling-up potential.

## 4.1 | Coherent Economic Areas

We believe that our proposal respects, so far is practicably possible, the way Essex functions economically. Our starting point for insight is the "Greater Essex Growth and Infrastructure Framework 2016-2036" (2017), which provides a map of major housing and employment sites in Essex. Based on local authority data and assessments, it shows:

 Important lines of connection between Epping Forest, Harlow and Uttlesford (notably the M11 motorway)

- Strong connections between Braintree, Colchester and Tendring in the form of A roads
- Good rail and road linkages between Brentwood, Chelmsford and Maldon, with Rochford positioned to developments both north (Chelmsford), and south (Southend-on-Sea)
- Strong connections in the form of rail and A road between Thurrock, Basildon, Castle Point and Southend-on-Sea.

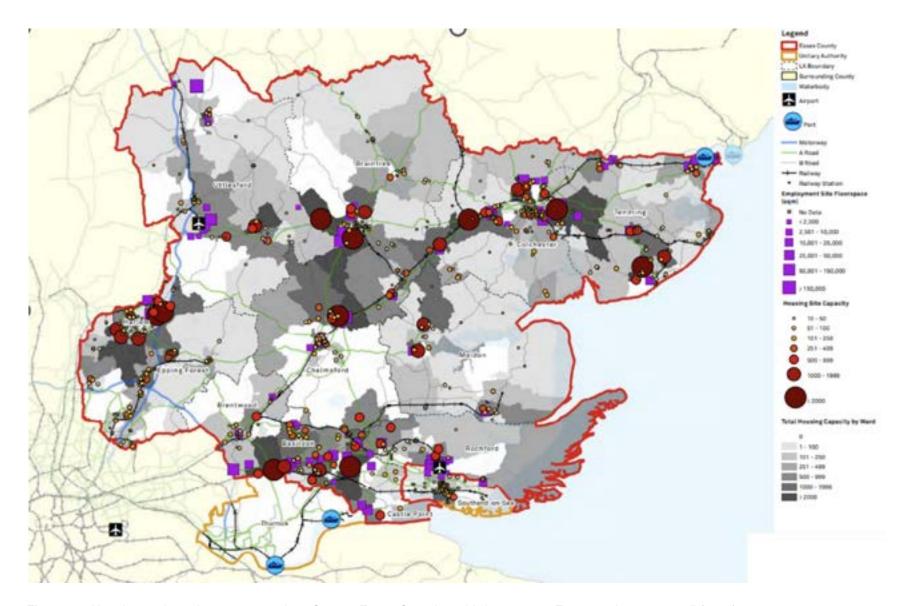


Figure 4.1 Housing and employment capacity - Greater Essex Growth and Infrastructure Framework 2016-2036" (2017)

## **Transport infrastructure**

This proposal is strengthened by a view of the transport infrastructure (fig 4.2) and railway links in Essex (Figure 4.3), taken from National Railway's London and South East map<sup>4</sup>. It shows:

- West Essex Links from Epping Forest (Roydon) to Harlow and Uttlesford (Stansted Airport)
- North Essex Rail lines between Braintree, Colchester, and Tendring
- Central Essex Rail lines between Brentwood, Chelmsford, Rochford and Maldon
- South Essex A southern rail line linking Thurrock (Tilbury Town) with Basildon, Castle Point and Southend.

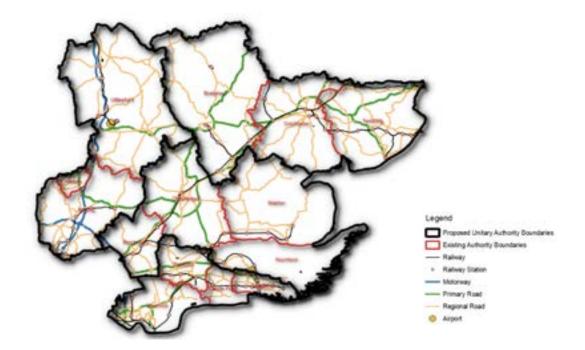


Figure 4.2 Rail Infrastructure

Key travel to works patterns are reflected in economic growth areas for the county, as shown below, with a strong western corridor based around the M11 heading towards Cambridge for Epping Forest, Harlow and Uttlesford; a northern cluster formed around the Haven Gateway for Braintree, Colchester and Tendring; a Great Eastern Mainline corridor for Brentwood, Chelmsford and Maldon; and an A13 and A127 corridor for Thurrock, Basildon, Castle Point and Southend.

Figure 4.3 Best4Essex geography mapped to transport infrastructure

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<sup>4</sup> https://assets.nationalrail.co.uk/e8xgegruud3g/6r0rzYCSpaMX3OJ9aec9tq/6749aef0a7a8cf550ec9a7e92af2192/LondonSouthEast NetworkRailcar map Feb25.pdf

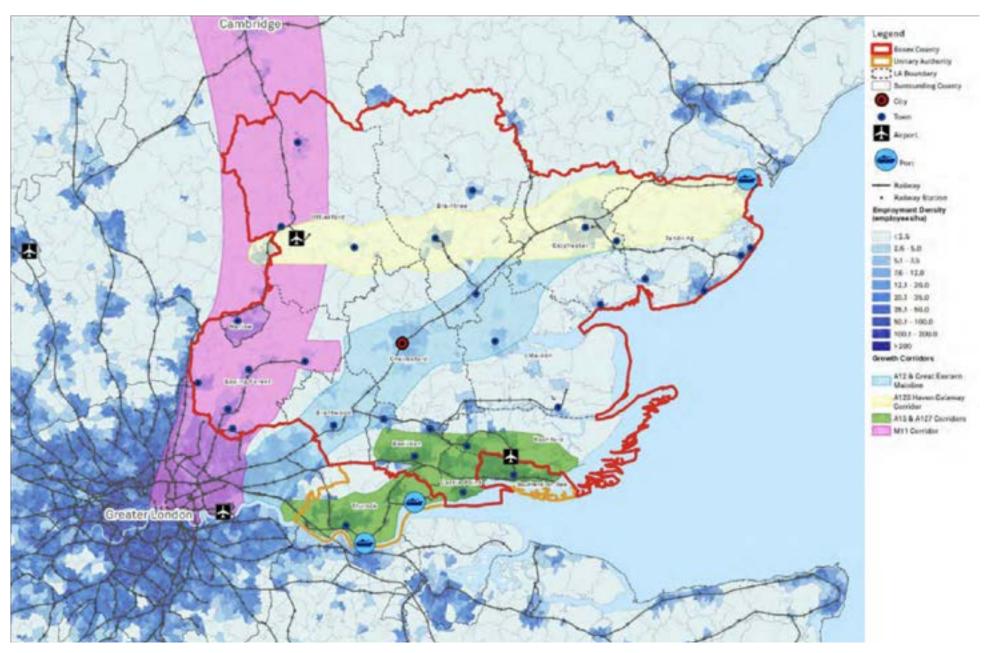


Figure 4.4 Economic growth corridors - Greater Essex Growth and Infrastructure Framework 2016-2036" (2017)

## 4.2 | Four unitaries, driving inclusive growth

It's not enough to drive economic growth, but local authorities must, so far as is practicable, ensure that growth benefits all communities and citizens in Greater Essex. At a local level, inclusive growth means<sup>5</sup> "an approach based on: deep understanding of local assets; connecting people to quality jobs; resourcing place regeneration as well as business investment; and helping businesses keep ahead ..."

This proposal builds on work already underway to help achieve inclusive growth in Essex, including:

### **Internalisation and Self-Containment:**

- Districts such as Colchester (65%), Tendring (60%), and Southend-on-Sea (55%) have the highest levels of internalisation, meaning a large proportion of residents live and work within the same district. This suggests a relatively self-contained local economy and less pressure on inter-district commuting.
- In contrast, Epping Forest (26%) and Castle Point (29%) have the lowest internalisation, indicating more residents commute out of the district for work, often to London or neighbouring areas.

### **Out-Commuting to London:**

 The highest levels of out-commuting to London are from Epping Forest, Brentwood, and Thurrock, reflecting their proximity and strong transport links to London. This outflow creates significant pressure on strategic transport corridors, especially rail and road routes serving these districts.  Districts with strong London commuting patterns often face congestion at key junctions and railway stations, for example, congestion at M25 junctions 28 and 29 near Brentwood, and overcrowding at Shenfield rail station.

### **Cross-Boundary Movements:**

From northern districts like Braintree,
 Colchester, and Tendring, there is notable
 commuting into neighbouring counties
 such as Suffolk (2%). Similarly, Harlow
 and Uttlesford see significant travel to
 Hertfordshire (8%) and Cambridgeshire
 (2%), showing that economic and employment
 catchments extend beyond Greater Essex
 boundaries

### **Mode of Travel Variations:**

 Car travel is the dominant mode across most districts (69%), especially in rural areas such as Uttlesford and northern Braintree where average commute distances exceed 22 km.

- Walking and cycling are more prevalent in urban centres like Southend-on-Sea (where 43% travel less than 5km to work), Colchester, and other towns, reflecting shorter distances and better infrastructure.
- Rail commuting is highest in districts close to London along the three main rail corridors (e.g., Epping Forest, Brentwood, Thurrock), with significant rail use for commuting into London.

# **Employment and Housing Growth Alignment:**

- Districts with larger housing growth projections (e.g., Chelmsford, Braintree, Colchester, Basildon, and Epping Forest) also have significant travel-to-work catchments and require integrated transport planning to accommodate increased travel demand (see section 10).
- Employment growth sites are often located along key transport corridors (A12, A13/A127, M11), aligning with districts that have high commuting flows and transport infrastructure needs.

<sup>&</sup>lt;sup>5</sup> https://www.thersa.org/reports/final-report-of-the-inclusive-growth-commission/

# 4.3 | Why the Best4Essex proposal is the best economic fit

Our proposed solution and community governance model recognises and respects these distinctions, rather than subsume them into an over-centralised structure.

- West Essex Centred on Epping Forest, Harlow, and Uttlesford, this is a London-facing area shaped by M11 corridor growth and commuter flows. Yet beyond the transport hubs, it retains rural market towns and open landscapes, with planning and service needs distinct from urban South Essex.
- North Essex Braintree, Colchester, and Tendring share strong rural and coastal heritage. Colchester's historic role as Britain's first city, Tendring's tourism-driven economy, and Braintree's manufacturing base create a different policy focus to the county's administrative core.
- Central Essex Brentwood, Rochford, Chelmsford, and Maldon blend the county's political and economic centre with estuarial towns, agricultural hinterlands, and commuter settlements. This mix requires governance that can balance growth, heritage, and environmental stewardship.
- South Essex Basildon, Southend-on-Sea, Thurrock, and Castle Point share a Thames Estuary identity, with industrial, maritime, and regeneration priorities. Their needs for infrastructure, housing, and health equality differ markedly from rural districts.

By grouping areas with shared cultural, economic, and geographic profiles, our four unitary model creates governance structures that are close enough to understand local needs but large er ough to deliver strategic capacity. It ensures that West Essex's commuter towns, North Essex's rural and coastal communities, Central Essex's mixed economy, and South Essex's industrial estuary all have their own strong voice while still collaborating through a Combined Authority to address county-wide priorities.

Risks and Dependencies linked to this section are summarised below. Full detail, including impact, likelihood and mitigations, is provided in the Risk and Dependency Log (Annex 3)

## 04 | Economic Geography Considerations

R9: Risk of disruption to cross-boundary relationships with Herts, Cambs, Suffolk.

**D5:** Synchronisation with Essex MCCA.

# 05 Resident and stakeholder views

"Keep services strong, finances stable, and decisions close to home"

## **MHCLG Criteria:**

- ✓ 04 | Meets local needs Residents engaged; priorities: services, identity, resilience
- ✓ 06 | Local engagement & empowerment Neighbourhood Area Committees from vesting day



This section brings together the views of residents and stakeholders across Essex. Engagement through surveys, focus groups and research confirms clear priorities: protecting vital services, ensuring financial resilience, and maintaining strong local identity. These findings are reinforced by national comparators and provide the foundation for the **Best4Essex** model of community engagement and empowerment.

## 5.1 | Resident engagement and views

Across Essex, local government reorganisation has been shaped not only by technical analysis but also by extensive public engagement. Since the start of the year, more than 8,000 residents have taken part in surveys, panels, and consultations. Their priorities are clear: protect vital services, respect community identity, ensure financial resilience, and keep decision making close to home. This section brings together those views. Engagement through surveys, focus groups and research confirms the same themes, reinforced by national comparators, and underpins the **Best4Essex** model of community empowerment. Best4Essex avoids ignoring resident priorities or repeating consultation fatigue. It delivers services protected, finances resilient, identity respected. Beehive focus groups (2025) found identity is overwhelmingly hyper-local, with pride rooted in towns, villages and parishes, and a strong desire for local control over planning, transport and amenities.

Beehive panels captured the essence in plain terms: "Need to keep it local" NatCen workshops reinforced this sentiment, with participants emphasising that "clear accountability matters more than structures."

NatCen workshops across Greater Essex showed priorities centred on safeguarding services, financial transparency, and maintaining local identity, with concerns that larger councils feel too remote. In a further county-wide survey (7,391 responses) reinforced this, showing that efficient use of council tax (99%), accountability (98%), and councillors' knowledge of the local area (97%) were rated as most important. Across Essex, over 70% of residents engaged by NatCen supported neighbourhood-level decision-making, echoing national feedback from other county reorganisations.

To complement this wider picture, a spotlight on the Rochford residents survey generated over 1,000 responses. The findings show that residents are not motivated by structural

# **Best4Essex**

### What it avoids:

Ignoring resident priorities or repeating consultation fatigue.

### What it delivers:

Services protected, finances resilient, identity respected.

reform itself, but by the outcomes it can deliver. A clear majority (75%) said they would not have chosen to reorganise local government, with only 14% expressing strong support. Respondents consistently highlighted priorities around protecting crucial services, maintaining local identity, ensuring financial resilience, and supporting the introduction of Neighbourhood Area Committees, with more than 60% in favour. This aligns with the county wide picture, where Beehive and NatCen evidence showed consistent demand for councils that are closer, more accountable, and financially resilient.

The pairing of Rochford and Brentwood reflects these sentiments. Both areas share commuter-rural characteristics and existing service partnerships, and residents were clear that they should not be subsumed into a larger South Essex model dominated by more urban authorities. Respect for community identity has therefore already influenced the preferred configuration.

Taken together, these insights point to the idea that residents, like those in other counties, are primarily concerned with service delivery, financial viability, and local identity. The top four priorities from the Rochford survey were:

- Crucial services not worse off
- Maintaining local identity
- High quality and sustainable services
- Financial resilience
- The Rochford survey reflected similar views, with 44.9% strongly opposing a five-unitary option that grouped Rochford with Southend and Castle Point, as residents did not feel a natural affinity with that configuration, and 75.4% strongly opposing the three-unitary option that grouped Rochford with Southend, Castle Point, Basildon and Thurrock, which was seen as too distant from local identity and community ties. The Rochford survey identity questions also showed negligible affinity with Thurrock, with only 0.2% of respondents identifying links there.
- In contrast, there was clear support for Neighbourhood Area Committees, with more than 60% of respondents agreeing that these should be introduced to give communities a stronger local voice. Residents therefore want councils that are closer to communities, easier to engage with, and more accountable. These concerns mirror those expressed nationally in counties such as Surrey, Hampshire and Cumbria, where continuity of services, financial resilience, and protection of local identity consistently dominate public feedback.

## People prefer local

The Essex LGR Resident Engagement Survey (July 2025) asked a representative sample of residents what they considered to be their "local area." The findings were clear:

- 63% saw their local town, city or village as their area
- 24% considered their district
- 8% identified the immediate area within a 5–10-minute walk
- Only 2% felt the whole of Essex was their local area.

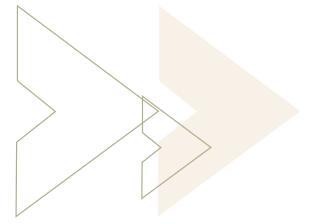
The message is unambiguous: residents strongly identify with smaller localities, not large administrative geographies. This reinforces the principle that local government reorganisation must work with the grain of people's everyday sense of place.

These insights add weight to this **Best4Essex** proposal, which is grounded in the socioeconomic geography of Essex and deliberately shaped around coherent, mid-sized units. They also differentiate this model from alternative configurations that risk diluting local identity. To be effective in addressing challenges and shaping future places, the new councils must reflect how communities actually live and identify, and this proposal achieves exactly that.

Taken together, Essex-wide engagement highlights five consistent priorities:

- Continuity of statutory services, particularly safeguarding, social care and children's provision
- Financial resilience and sustainability, including concerns about stranded debt
- High quality services focused on prevention
- Respect for local identity and stronger neighbourhood empowerment
- Ongoing engagement and accountability, not one-off consultation exercises.

These Greater Essex findings are consistent with national engagement on LGR. In Surrey, residents prioritised value for money (60%), clearer accountability (45%), and financial resilience (37%). In Hampshire, residents stressed continuity of services, protection of local identity, and stronger empowerment of parish and town councils. In Cumbria and North Yorkshire, residents highlighted safeguardingcontinuity, simple and accountable governance, and fair representation for rural communities. In North Yorkshire and Buckinghamshire, residents also stressed continuity of services and visible local accountability, reinforcing that Essex's priorities are consistent with areas where unitary reorganisation has already been successfully implemented.



Essex resident Insights	National Views
High quality and sustainable public services (top priority)	Residents consistently prioritised strong services, safeguarding, prevention
Protect crucial services (social care, children's, SEND, homelessness)	Statutory services continuity emphasised in all counties (esp. social care and children's)
Financial resilience: strong concern about council viability	Financial resilience and strandaed debt issues; efficiency and sustainability
Maintaining local identity: district/town/village before county	Local identity and representation highlighted through community boards and parish empowerment
Neighbourhood committees: strong support for local voice	Expectation of ongoing engagement models, not just one-off consultation

Table 5.1 Mapping Essex insights with national views



These will be tested further ensuring every community has the opportunity to engage directly



## 5.2 | Stakeholder Engagement

Recent Essex wide research reinforces these perspectives. Beehive focus groups highlighted that residents and local stakeholders are concerned about losing access to decision makers if governance becomes too remote and placed high value on councillors who are visible and accountable in their communities. NatCen workshops found that partners across Greater Essex expect new councils to deliver simpler, more transparent governance, but cautioned that rural and coastal communities in particular must not be marginalised. Further consultation analysis activity identified efficiency, accountability and responsiveness as the top stakeholder concerns, with 29% of respondents explicitly opposing the 5UA model because it risked weakening local identity and partnership links.

This evidence builds on early and structured collaboration across Greater Essex through the Grant Thornton configurations work, where district councils jointly assessed options and worked together to shape viable configurations. While technical in nature, that process provided an important form of engagement between leaders and councils, reflecting a shared commitment to align proposals with community identity and partner perspectives.

Stakeholder expectations in Essex closely mirror those seen in other counties already on the reorganisation journey. Partners consistently emphasise the importance of continuity of services, particularly safeguarding and frontline provision, during transition. They highlight the

need for financial resilience, stressing that new councils must avoid creating additional risks or costs. A further recurring theme is the need to protect local identity and place-based partnerships, ensuring that the relationships built with communities and voluntary organisations are not weakened under larger unitary arrangements.

In Essex, voluntary and community sector organisations underline the importance of maintaining close working relationships with councillors and officers, which are essential for supporting vulnerable groups and sustaining grassroots initiatives. Employers and service providers stress the need for clarity in contact points and decision making, to ensure residents continue to access services without confusion or delay. Staff groups across councils raise concerns about job security and the clarity of their roles, underlining the importance of regular communication throughout any disaggregation or aggregation process.

Lessons from other areas provide useful context for Essex:

- Hampshire: NHS, Police, and voluntary sector organisations emphasised clear service footprints, fewer points of contact, and stability in safeguarding services. Staff were particularly focused on job security and clarity of roles.
- Surrey: Partners stressed alignment withIntegrated Care Boards, Police, Fire, and voluntary networks. MPs and councillors highlighted stronger community empowerment and more visible representation at neighbourhood level.

These lessons highlight that, while geographies differ, stakeholder concerns are strikingly consistent. For Essex, it is reasonable to conclude that partners will prioritise:

- Alignment across systems: ensuring health, police, education, and voluntary sector partners can operate effectively within clear and consistent footprints
- Simplicity of governance: fewer points of contact and reduced duplication, not more layers of complexity
- Fair representation: guaranteeing that both rural and urban communities feel they have a voice and are not marginalised by larger units
- Staff reassurance: maintaining regular communication with the workforce to address concerns around job security, clarity of roles, and the implications of service disaggregation or aggregation.

As transition planning begins, these themes will continue to be tested and refined through active engagement with partners across Essex, including the NHS, Police, Fire and Rescue, education providers, voluntary and community organisations, and employers, to ensure their priorities are fully embedded in the design of new governance and service arrangements.

Further views from Stakeholders and Partners are set out in Annex 5.

# 5.3 | Community engagement: plans for the future

Local government reorganisation in Essex is more than structural reform. It provides a unique opportunity to design a system where residents, communities, and partners are fully empowered to shape decisions and services through principles of engagement, coproduction and subsidiarity. We have already seen where people's views, and those of our stakeholders, can shape these plans. We view this not as a series of one-off 'set pieces' designed simply to meet the requirements of this process. Instead, through this process we will create a stronger, simpler model of local democracy where residents and communities are empowered to shape outcomes. Every town, village, and neighbourhood will have a voice, supported by councillors who are visible, accessible, and accountable. This vision also aligns with the ambitions of the future Mayoral Combined Authority (MCCA), ensuring that local voice is hard wired into both local and county wide governance structures.

We explore these in more detail in section 10 on leadership and governance, in which we set out our ambitions for neighbourhood governance and partnership working. A sub-council geography, on the principle of subsidiarity, enables each unitary to cascade both the delivery of and accountability for an agreed set of services to the community level. It is this level at which public engagement can really add value, closing the gap between the planning and delivery of services and those they are intended to benefit from certain local planning and licencing decisions to the allocation of discretionary grants and community assets.

The Essex community engagement model is also directly informed by what residents have already told us. Across Essex, Beehive and NatCen research found strong appetite for neighbourhood level decision making, with residents consistently saying they

want control over local infrastructure, planning and services taken closer to their communities. Further survey evidence showed overwhelming support for accountability and transparency as the basis of trust in new councils. Survey evidence shows that people want councils which are closer to communities, easier to engage with, and more accountable.

The strong support for neighbourhood committees in Rochford, alongside consistent Essex wide and national findings, demonstrates the appetite for stronger local voice and representation. Taken together, this provides a countywide mandate to embed Neighbourhood Area Committees within the new unitary framework, ensuring visible, empowered and accountable structures from vesting day. This engagement approach therefore builds on that evidence, translating priorities into a clear Essex wide framework.

## **Vision for community engagement in Essex**

We intend to use Local Government Reorganisation to create a stronger, simpler model of local democracy where residents and communities are empowered to shape outcomes. Every town, village, and neighbourhood will have a voice, supported by councillors who are visible, accessible, and accountable. This vision also aligns with the ambitions of the future Mayoral Combined Authority (MCCA), ensuring that local voice is hard wired into both local and countywide governance structures.

To deliver this, Essex will adopt the following principles:

- Neighbourhood empowerment: councillorled local leadership with devolved influence at the most local level.
- Strong parish/town links: working with existing community institutions as anchors of local democracy.
- Prevention and resilience: shifting focus from crisis intervention to long-term community wellbeing.
- Transparency and co-production: engaging residents openly and shaping services with them, not for them.

 Test-learn-grow approach: piloting community boards or committees in selected areas, learning from experience, and scaling up across Essex.

This approach reflects what residents across Essex have consistently asked for and is reinforced by lessons from Buckinghamshire and North Yorkshire, where area committees and community boards have been embedded to strengthen neighbourhood voice within new unitary structures

## **Essex Community Engagement Model – MCCA Aligned**

These principles will be embedded in tangible arrangements that make engagement real and accessible for residents, with a consistent Essex wide framework that can be adapted locally. New councils will commit to:

- Neighbourhood committees or boards, providing collaborative spaces within the community that support engagement and dialogue on issues that matter most to local communities
- Local committees/partnerships at appropriate footprints, enabling collaboration across parishes, community groups and service providers, based on clusters of electoral divisions.

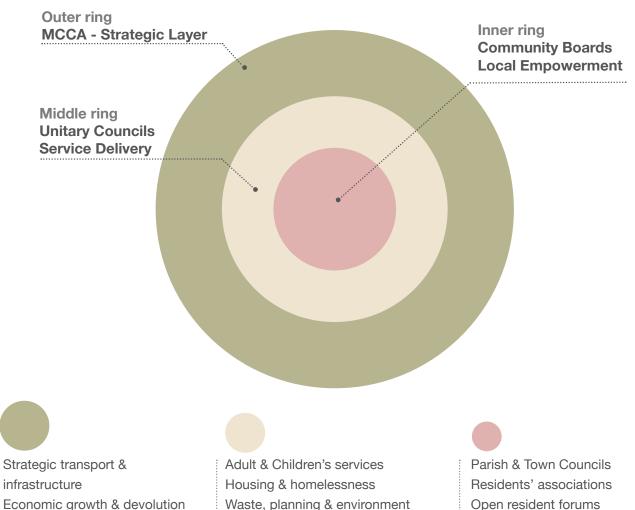
- Inclusive engagement methods, combining digital channels (online surveys, virtual forums) with in-person activities (public meetings, roadshows, community assemblies), and exploring with the MCCA Mayor the potential for a county-wide Citizens' Assembly.
- Accessible communications, ensuring participation by all groups, with offline options through libraries, community hubs and local newsletters.

Alongside these mechanisms, Essex proposes a layered model of engagement that connects community voice with both unitary delivery and the Mayoral Combined County Authority. By hard wiring this into new governance, Essex will demonstrate that engagement is not an afterthought but a countywide design principle.

The model is illustrated in the diagram below:

- Outer ring (MCCA): Sets county-wide strategy and convenes partners around the big levers of change..
- Middle ring (Four Unitary Councils): Deliver statutory local government services at scale, ensuring resilience while staying responsive to community needs.
- Inner ring (Neighbourhood level):
   Neighbourhood boards bring residents and local partners into decision-making, linked to parish/town councils and the unitary authorities.

## **Best4Essex Community Engagement Model**



Public safety (links with Police & Fire)

Service level partnerships with

Culture & leisure

NHS / Schools

Figure 5.1 Essex Community Engagement Model

Housing & climate resilience

Skills & employment support

Environment & climate change

Parish & Town Councils
Residents' associations
Open resident forums
Voluntary & community sector
Education providers
NHS / ICB / Primary care
Police & Fire

This layered model reflects what communities across Greater Essex have consistently called for: stronger neighbourhood voice and empowerment, closer accountability, and councils that remain visible and connected. It draws on practice in Surrey and Hampshire, where neighbourhood boards and parish councils are embedded as the foundation of engagement. By adopting this approach, Essex will demonstrate that engagement is not an afterthought but a system-wide design principle, carried through into transition planning.

Building on strong resident support with over 60% of Rochford respondents backing Neighbourhood Area Committees, and hundreds citing service quality, protection of crucial services, and financial resilience as priorities Essex will ensure that Neighbourhood Area Committees are established consistently across all four new unitary authorities. These will be visible, empowered and accountable, with delegated responsibilities and clear links into both unitary governance and the Mayoral Combined County Authority.

Greater Essex will resource and sustain these arrangements as part of transition planning, drawing on lessons from Buckinghamshire, Somerset and North Yorkshire, where devolved budgets and area committees have strengthened local accountability. By embedding neighbourhood empowerment Essex will lead the way nationally in turning community engagement into a deliverable and highly effective governance model.

Risks and Dependencies linked to this section are summarised below. Full detail, including impact, likelihood and mitigations, is provided in the Risk and Dependency Log (Annex 3)

### 05 | Resident and Stakeholder Voices

**R6:** Perceived loss of local identity and democratic voice undermines legitimacy

R12: Resident engagement fatigue through repeated consultations.

**D10:** NACs design must be co-designed and agreed before vesting to embed accountability.

Part 2
Appraisal



# 06 | Appraising the Unitary Options for Essex

"Some options just don't make sense for Essex, they're too big, too remote, or too fragile"

### MHCLG Criteria:

- ✓ 01 | Single tier local government Four unitaries replace two tier system
- ✓ 02 | 'Right-sized' local government Each unitary should be of an appropriate scale and form coherent geographies
- ✓ 04 | Meets local needs Residents engaged; priorities: services, identity, resilience
- ✓ 05 | Supports Devolution Aligned to Mayoral Combined County Authority (MCCA)
- ✓ 06 | Local engagement & empowerment Neighbourhood Area Committees from vesting day



This section appraises the main options for the future of local government in Essex. Each option is assessed against MHCLG criteria, including population scale, affordability, service resilience and governance. This analysis shows why the Best4Essex model performs most strongly overall and is the preferred option for delivering sustainable, accountable local government.

# **Best4Essex**

#### What it avoids:

Box-ticking boundary comparisons

#### What it delivers:

Evidence led choice of the strongest model

# 6.1 | Why appraisal matters

Undertaking a structured appraisal is essential because as we have seen in previous sections, new councils have challenges to address and opportunities to seize. The challenge is to establish councils at an appropriate scale to build on strong city economies in Colchester, Chelmsford and Southend, as well as the patchwork of towns, on globally significant transport assets, innovation corridors and proximity to London. They must be local enough to understand and respond effectively to deep

contrasts in wealth, health, and opportunity, address demographic pressures impacting social care and housing, and respond to climate impacts across its 562-mile coastline. At the same time, Greater Essex is pursuing a devolution deal through the new Mayoral Combined County Authority (MCCA. The reorganisation of local government and the establishment of devolved governance are therefore running in parallel, creating both opportunity and risk.

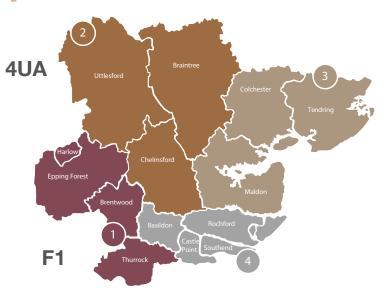
Figure 6.1 The different unitary models proposed for Essex

# **Best4Essex**



Unitary	Covers existing councils	Population 2023
Central Essex	Brentwood, Chelmsford, Maldon, Rochford	419,945
North Essex	Braintree, Colchester, Tendring	510,162
South Essex	Thurrock, Basildon, Castle Point, Southend on Sea	640,874
West Essex	Uttlesford, Harlow, Epping Forest	325,609

# 4UA



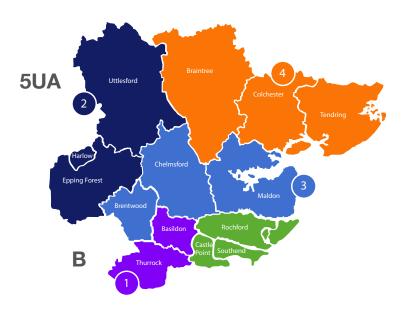
	Council	Population
UA1	Thurrock, Brentwood, Epping Forest, Harlow (West)	488,368
UA2	Uttlesford, Braintree, Chelmsford (North)	438,829
UA3	Colchester, Tendring, Maldon (East)	418,532
UA4	Southend, Basildon, Castle Point, Rochford (South)	550,861

# 3UA



	Council	Population
UA1	Thurrock, Southend, Basildon, Castle Point, Rochford (South)	729,062
UA2	Harlow, Epping Forest, Brentwood, Chelmsford, Maldon (Central)	563,772
UA3	Uttlesford, Braintree, Colchester, Tendring (North)	603,756

# 5UA



	Council	Population
UA1	Thurrock, Basildon (Southwest)	368,745
UA2	Uttlesford, Harlow, Epping Forest (Northwest)	325,609
UA3	Brentwood, Chelmsford, Maldon (Central)	331,757
UA4	Braintree, Colchester, Tendring (Northeast)	510,162
UA5	Southeend, Castle Point, Rochford (Southeast)	360,317

Resident and stakeholder voices confirm why this appraisal matters. Early consultation in Rochford, alongside insights drawn from other areas already progressing local government reorganisation, shows that people are less concerned with structures than with outcomes. Three themes consistently emerge: the safe continuity of statutory services such as social care, children's services, SEND and homelessness; financial resilience and value for money; and the protection of local community identity.

Most residents identify primarily with their towns, villages or districts, not the county, and would prefer to see councils that are responsive to the local needs of their communities and not be so remote as to feel inaccessible or bureaucratic. More than 60% supported the creation of Neighbourhood Committees or similar such arrangements, demonstrating a strong appetite for visible local voice and empowerment.

Stakeholder engagement echoes these priorities. Other areas already going through reorganisation have heard partners in health, police, education and the voluntary sector emphasise the importance of service continuity, clear service footprints, and avoiding duplication, clear governance and consistent contact points. Cross-area lessons reinforce this: Hampshire stakeholders stressed safeguarding and clarity; Surrey partners focused on alignment with Integrated Care Boards and neighbourhood empowerment; Cumbria and North Yorkshire highlighted the importance of rural representation and simpler governance.

Taken together, this evidence makes the case that any structural reform in Essex must:

 deliver financially sustainable councils with credible payback periods and manageable transition costs

- create groupings that align with functional economic areas and service geographies recognised by partners
- safeguard and improve the quality of highcost, high-risk services, as well as maintaining delivery of core services
- embed local identity and neighbourhood voice as a core outcome, not an afterthought; and
- nest within the MCCA to accelerate, not delay, devolution

In short, the options appraisal is not simply a technical exercise in comparing boundaries. It is about identifying which configuration can best meet Essex's immediate challenges while positioning the county to thrive in the longer term. It shows how local voices; partner perspectives and government tests combine to shape a preferred option that is both deliverable and legitimate.

# 6.2 | Options for review

### In Essex, four main configurations have been advanced:

Number of Unitary Authorities Proposed	Referred to as	Led by
3	3UA	Essex County Council
4	Best4Essex Option	Rochford Council
4	Alternative Four Option	Thurrock Council
5	5UA	Southend Council

configuration against the statutory tests, Essex's specific challenges, and the requirements of the Mayoral Combined County Authority (MCCA).

In the following sections we have appraised each

Risks and Dependencies linked to this section are summarised below. Full detail, including impact, likelihood and mitigations, is provided in the Risk and Dependency Log (Annex 3)

### 06 | Appraising the unitary options

R10: Failure to realise modelled savings.

**D11:** Ongoing programme risk management oversight.

Figure 6.1 The different unitary models proposed for Greater Essex

# 07 | Financial appraisal

"We want every pound of council tax used wisely, not wasted on bureaucracy"

### **MHCLG Criteria:**

- 02 | 'Right-sized' local government Each unitary should be of an appropriate scale and form coherent geographies
- ✓ 03 | High quality, sustainable services Strong, joined-up services; financially resilient
- ✓ 05 | Supports Devolution Aligned to Mayoral Combined County Authority (MCCA)
- ✓ 06 | Local engagement & empowerment Neighbourhood Area Committees from vesting day



This section sets out the financial case for the Best4Essex model. It compares costs and savings across the options and shows that the economies of scale claimed for larger unitary authorities are overstated. The evidence demonstrates that mid-sized geographies provide the most sustainable route to resilient finances, efficient services, and value for residents and businesses.

# **Best4Essex**

#### What it avoids:

False economies of scale, no payback and unsustainable transition costs. Hidden costs in technology rationalisation will leave a long tail of transformation costs which will reduce long term delivery.

### What it delivers:

Sustainable mid-sized councils, efficient services, and better value. Optimised No. of councils to effectively transition technology and structures

## 7.1 | Financial case: costs and savings

The financial case presented below draws on work undertaken for councils in Essex by consultancy firm PWC and the consultancy section of CIPFA.

Over the past five months Finance Directors (Section 151 Officers) and their teams across Essex have worked together to provide financial data to both PWC and CIPFA to allow detailed analysis to be carried out of financial data using a top-down approach. The PWC model uses a top-down approach to forecast the costs and benefits of the various models, in which it starts with a broad, "big picture" view and gradually narrows down to specific details.

Although the input data has largely been agreed and signed off, it has not been possible for the Chief Financial (Section 151) Officers to sign off on the assumptions used in the work completed by PWC to stage 2 (the Outline Business Case stage). Our assessment of the financial case for different options for LGR is largely based on the Greater Essex work completed by PWC up to stage two, using the following framework for costs and benefits for the three, four and five unitary models:

 Transition costs. These include anticipated redundancies due to duplicated leadership structures, and elements of one-off spending relating to creating, marketing and programme managing transition to a new council)

- Benefits from aggregation of district services. These come in the form of streamlining front office, service delivery, and back-office staffing, as well as potential to obtain third-party goods and services more cheaply
- Disbenefits from disaggregation of unitary services. These relate to the need to recruit several top-management teams, as well as the potential for costs of procurement to rise (unless shared arrangements can be put in place)
- Governance changes. If and when the number of councillors reduces there are potential savings pro-rata to the scale of change
- Benefits from integration of district and county functions, enabling performance and value for money to increase.

Nonetheless, though many reports on local government reorganisation have been produced across the country, each locality has different features that mean that top-down assessments, as used in the PWC analysis, should be treated with caution. For example, research findings have very different conclusions as to whether scale makes a difference to unit costs and quality in social care. While we support the base numbers in the PWC report we have made adjustments to the PWC assumptions taking into account wider evidence where available. The table below shows sources and implications for our assessments.

Table 7.1 Summary of finance considerations

Issue	Sources	Issues and Implications
Transition costs (assumes all transition costs incurred in year one)	PWC analysis Brentwood and Rochford shared council case study	Brentwood and Rochford experience indicates that costs of change are lower than those suggested by PWC. Reasons for a much more level set of transition costs include the effects that savings gained by reducing the number of ICT systems for the 3UA will be negated by the need to transition from a larger number of systems. Conversely the need to merge and end a lower number of systems will be negated by the higher costs of having more systems. Further, transitional expenditure on ICT has benefits for efficiency that should be recognised.
Benefits from aggregating district services	PWC analysis Copus (2022)	Copus (2022), a literature review for the District Councils Network, questions the frequent assumption that "Bigger is better" on efficiency. Previous LGR business cases have often put forward plans for ambitious savings based on larger unitary authorities – but backward views on actual savings indicate that these have not, on the whole, been achieved.  We therefore treat the PWC analysis with caution, noting, for example, that revamped leadership teams may contain many more assistant and deputy managers than assumed in the PWC report. In addition, there will likely be some impact from pay harmonisation (both financially and in complexity) as the number of UA's is reduced, especially down to 3UA.
Disbenefits from disaggregating county spend	PWC analysis Peopletoo benchmarking Newton Europe	Peopletoo benchmarking questions the frequent assumption that "Bigger is better" in terms of efficiency. Further, RedQuadrant analysis of unit costs of social care shows that adult social care shows little sign of economies of scale, though there is some difference for children's services.  PWC and Newton Europe assert that there is statistical modelling underpinning for their view that larger unitary authorities produce savings
Governance changes	Numbers of councillors Copus (2022)	Savings are calculated on basis of changes in number of councillors. However, this may overstate the benefits, as councillors will have less time available to spend on given issues, less time to meet and engage with constituents, with detrimental effects as highlighted in Copus (2022)
Benefits from integration of functions		Place-based, integrated perspective enables preventative approach to adult social care, working for wellbeing improvements in mid-life for people at risk etc

We consider in turn the following aspects of costs and benefits within the PWC assumptions:

- Re-organisation transition costs one-off implementation costs
- Disaggregation costs ongoing, due to disaggregation of services from county arrangements
- Reorganisation benefits ongoing, due to aggregation of services among districts and the two unitary authorities

## Re-organisation transition costs and transformation savings

### **Transition costs**

Greater Essex has a two-tier system, with Essex County Council delivering county-wide services and district, city, and borough councils handling local functions. Southend-on-Sea and Thurrock are unitary authorities, providing all services independently. The work required to produce new unitary authorities will be complicated, as there are several moving parts and difficulties with merging systems and processes.

PWC's top-down analysis has examined contingency costs, organisational closedown, public consultation, ICT costs, shadow governance costs, external support, programme management and workforce costs. It predicts large variations between models with significant additional costs estimated for smaller unitary authorities.

In practice, however, the main differences between the three unitary model and the four unitary model proposed here are (a) an additional unitary consisting of Uttlesford, Harlow and Epping Forest, and (b) the requirement to separate Rochford from its partnership with Brentwood Borough Council.

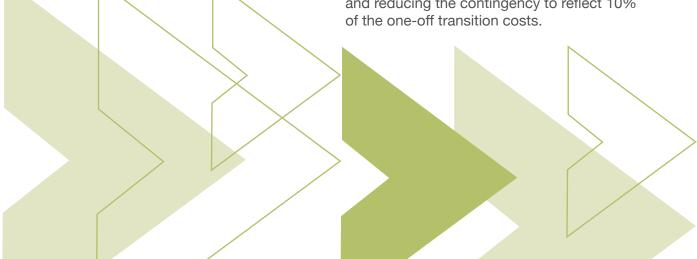
Past practice, including the Rochford and Brentwood experience, shows that the costs of disaggregating County services and merging lower tier should be marginal compared to the overall costs and complexities of combining existing unitary authorities and streamlining current district, borough and city systems and processes.

Some of the transition costs are simpler to model, with redundancy and pension strain most likely to be incurred in year 1 and reflect the reduction in workforce, especially at a senior level. Other costs around managing the transition to the new unitary authorities are, outside of ICT costs, likely to be similar for all models as savings from having less unitary authorities is reduced by the need to cover a with much wider geography. Costs for external support and initial management costs will likely be more for the smaller unitary authorities.

ICT system integration across Essex will be complicated due to the number of different systems used, especially within the districts. This will be an area where significant costs and work will be required, and this will likely be over a period of longer than one year. Greater complexity often brings higher costs, and we believe that such diseconomies of scale must be set against the requirement for more localities to implement systems in the four and five unitary models. Our expectation is that transition costs for ICT will be similar across options, based on the average of the costs modelled by PWC, especially if allocated to year one.

Contingency has been assumed at 10% for all the one-off costs and this has been adjusted in the revised figures.

Table 7.2 below shows the impact of revising the ICT costs for the 3UA, 4UA (both our proposal and the Thurrock option) and 5UA and reducing the contingency to reflect 10% of the one-off transition costs.



One-off Costs (£000s)	3UA	4UA	5UA	Basis used by PWC including adjustments made		
Contingency	5,650	5,950	6,300	Provision for extra expenses potentially incurred through reorganisation, uplifted by inflation in line with the Bank of England CPI. Assumed 11% for each authority based on revised costs. PWC estimates range from £6m (2UA) to £11.6m (5UA).		
Organisation Closedown	900	1,200	1,500	Costs from legally and financially closing down councils and creating sound budgetary control systems, estimated as averages of similar costs for other councils. PWC figures from £0.6m to £1.5m.		
Public consultation	500	600	700	Assuming costs for adverts in local media and surveys to consult public on proposed changes. PWC figures range from £0.4m (2UA) to £0.9m (5UA)		
ICT costs	30,000	30,000	30,000	Average PWC cost used. Savings will be incurred over time for 2UA and 3UA as systems are streamlined but the transition to more unitary authorities is likely to less complex and so much easier to implement, especially in the short-term. PWC estimated £30m (2UA) to £60m (5UA)		
Shadow Chief Exec / Member costs	1,050	1,300	1,600	· · · · · · · · · · · · · · · · · · ·		
External support	11,600	13,900	16,500	Assuming costs for external Comms, branding, external implementation support, creation of the new council. Note: Assumption amended to increase the external support costs to the next UA option band with an additional 5% included. This is for Implementation, reorganisation and Transition only. PWC figures used		
Internal Programme Management Costs	3,800	4,800	5,700	Aligned with previous local government reorganisations, uplifted for inflation and long-term programme management requirements. PWC figures used		
Redundancy and Pension Strain	8,600	7,800	7,300	Surrey County Council's model has assumed an additional 43% of salary to cover pension strain which has been used here. PWC figures used		
Total One-Off Transition Costs	62,100	65,550	69,600			

Table 7.2 One-off transition costs

Source: PWC (2025) Greater Essex LGR financial analysis (p25), RedQuadrant modelling and assumptions

### **Transformation savings**

The **Best4Essex** proposal outlines a comprehensive transformation of local government in Greater Essex, with the creation of four new unitary authorities. The transformation benefits are extensive and span governance, service delivery, financial sustainability, community empowerment, and economic development.

Savings from transformation is difficult to quantify as each unitary will need to carryout a comprehensive review of systems, services and processes and savings will differ between councils. Savings will not be immediate and will likely be achievable only in year 3 onwards.

Reviewing other Councils who have been through LGR, highlights the difficulty in fully achieving savings and it can be difficult to identify savings from transformation and savings from cuts due to financial pressure.

External factors (e.g. inflation, service demand) can shift between the business case and implementation, making comparisons difficult

Achieving savings will require initial expenditure to fund programme management, dedicated transformation teams and management of legacy systems and disaggregation. Two Council's who have recently been through LGR and have reported on the savings achieved and are summarised below:

i. Somerset Council proposed a business case with savings of £52m over 5 years

(in 2020) from reducing duplication across five councils, streamlining management and back-office functions, improved commissioning and procurement and digital transformation and service redesign. This was revised down but still had the maximum potential of £20.9m.

ii. **North Yorkshire's** LGR proposal forecast £30m annual recurring savings (£252m over 10 years). The 2025/26 Budget reports that £27.5m in savings were delivered in 2025/26, with a significant portion attributed to unitarisation.

Both Somerset and North Yorkshire's population is around a third of Essex and therefore at least similar savings should be possible to achieve.

A summary of potential transformation savings, with high level savings amount per year are summarised below:

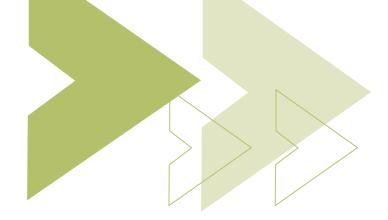
### 1. Governance and Structural Reform

Simplification of local government as will replaces the current two-tier system with four unitary councils.

## 2. Service Delivery Transformation

Integrated public services: Aligns care, housing, health, and local services within each unitary footprint, enabling joined-up delivery and better outcomes.

Digital and data innovation: Plans for predictive maintenance, digital twins, participatory budgeting, and ethical data governance.



### 3. Financial Sustainability

With a payback period of 4.5 years, the Best4Essex proposal achieves financial viability faster than alternative models (3UA, 5UA). It will provide efficiencies from aggregation by streamlining of back-office functions and service integration.

The proposal will provide resilience against future demand from Councils sized to manage pressures in adult social care, children's services, and housing.

### 4. Economic Growth and Housing Delivery

Aligned to functional economic geographies: Each unitary matches key growth corridors (e.g., M11 Innovation Corridor, Thames Estuary, Haven Gateway) and supports coherent infrastructure, transport, and housing development.

Accelerated housing delivery: Better alignment with green belt constraints and local plans.

Based on work carried out by other Councils and by other Essex Councils, a prudent forecast of total savings over 10 years is £200m, with annual savings of around £20m per year.

## **Disaggregation costs**

Greater Essex has a population of 1.8 million across some 1,400 square miles, making it one of the largest Counties in England. Consequently, amongst the options under consideration, even a five unitary approach would result in unitary authorities that are significant in size by both population and geography, while a two or three unitary model would have unitary authorities that among the largest in England.

The PWC model tends to predict greater efficiencies from fewer localities, despite the problems incurred as services are provided over a wider geography and decisions are made a significant distance away from residents and businesses. Similarly, on social services,

the Newton Europe model (reported in Local government reform: impact on people services – Essex) "shows a small increase in total cost of provision for scenarios with more unitary authorities, driven by increased unit costs and increased staffing needs ...".

However, the Newton Europe report goes on to say: "A much more significant lever on future demand and spend will be service performance, and therefore prevalence of need. This is particularly acute for Children in Care in Essex, where ECC have 50% of the national average of children in care per 10,000. This varies significantly between districts and is much higher in Southend and Thurrock. Maintaining

and improving this practice and performance will be a significant lever to demand and cost once the new geography is set."

We endorse the view that the focus should be on maintaining and improving practice and performance, since alternative perspectives such as the Peopletoo analysis of average unit costs for major aspects of social care are top-down perspectives not rooted in local circumstances. In line with this, our assumption is that, initially, the services formerly provided by Essex County Council will be largely novated to the new unitary authorities.

## **Reorganisation benefits**

Reorganisation benefits relate to the reduced numbers of senior management teams, as well as the requirement for fewer councillors, after a reduction in the number of localities. Details on forecast numbers of councillors are given in Section 11 on Leadership and Governance, positing a 64% drop in councillor numbers; while in terms of senior management teams, when the combined Brentwood and Rochford council is taken into account, LGR implies a reduction from 14 to 5 such teams, or fewer.

In the PwC model, the assumption is that reducing senior management posts in Greater Essex by,

for example, 50% results in an equivalent 50% reduction in salary costs. This implies there is no distinction in pay between a Finance Director in a large unitary authority and one in a small or medium-sized council.

We believe that this assumption of geographical size and the complexity making not reflecting a difference to pay scales, as used in the PWC model, is unrealistic (as can be seen by comparing the salary of Essex County Council's chief executive officer with the average salary of Essex district councils' CEOs). If. If the 3UA is assumed to be nil as the base for the costs and benefits of the various models, then an estimated

10% increase in salary costs has been used for 2UA senior management costs, a 10% decrease for 4UA and 15% decrease for 5UA. In addition, the number of deputies and support staff for larger authorities at a senior level would also be higher and the same adjustments of a 10% increase in salary costs has been used for 2UA senior management costs, a 10% decrease for 4UA and 15% decrease for 5UA, has been used.

Assumptions on contracted spend savings of double for 3UA compared to 4UA is at the high end and achieving the 3UA benefits will be challenging, especially within the first two years. Dividing the transition costs by the total benefit in that year provides the payback period.

Impact of phased costs and benefits (£000s)	Year 1	Year 2	Year 3	Year 4	Year 5	Payback
Phasing	50%	75%	100%	100%	100%	
3UA - Three Unitary Authorities						
Annual Benefit	18,797	28,195	37,593	37,593	37,593	
One off Transition costs	-62,100	0	0	0	0	
Additional Salary costs and Layers against Senior Management Costs	0	0	0	0	0	
Annual Cost	0	0	0	0	0	
Cumulative Net Benefit	-43,303	-15,108	22,485	22,485	97,672	2.4 years
		·				
4UA - Four Unitary Authorities						
Annual Benefit	15,523	23,284	31,046	31,046	31,046	
One off Transition costs	-65,550	0	0	0	0	
Additional Salary costs and Layers against Senior Management Costs	331	331	331	331	331	
Annual Cost	-12,700	-12,700	-12,700	-12,700	-12,700	
Cumulative Net Benefit	-62,396	-51,481	-32,804	-14,127	4,550	4.5 years
5UA - Five Unitary Authorities						
Annual Benefit	13,892	20,839	27,785	27,785	27,785	
One off Transition costs	-69,600	0	0	0	0	
Additional Salary costs and Layers against Senior Management Costs	993	993	993	993	993	
Annual Cost	-25,414	-25,414	-25,414	-25,414	-25,414	
Cumulative Net Benefit	-80,129	-83,711	-80,348	-76,984	-75,621	Not within 5 year

Table 7.3 Impact of phased costs and benefits

The implication of these adjustments is that the 3 unitary authority model has the greatest efficiency, with a payback period of 2.4 years. The 4 unitary authority models have a payback period of 4.5 years, while the 5 unitary authority model does not payback within the period of analysis conducted by PWC as the annual benefits are not significantly more than the additional costs.

#### Our overall assessment would be that:

- 3UA option has the fastest payback due to economies of scale, but creates larger/remote councils that potentially hinder integration of services and certainly keep decision-making highly centralised and less responsive to local circumstances
- Best4Essex is a balanced option, with manageable transition costs and sustained efficiencies
- Alternative 4UA has fewer natural partnerships than our proposal (as it splits existing functional economic geographies and collaborations, such as UK Innovation Corridor - UKIC, North Essex, Thames Gateway), which limits its efficiency and effectiveness
- 5UA option has higher ongoing costs and transition costs, with questions as to whether the reform achieves pay-back and associated level of financial fragility

# **Sensitivity test** alternative approaches to financial modelling

An alternative approach to the PWC model is a bottom-up analysis that starts with detailed, specific information progressing from the lowest level of detail to the highest. This approach has been used to support the business case for 5UA and has the support of several district and borough councils. Although the data analysis was not available to support the **Best4Essex** UA model, overall, this approach also supports it, showing it outperforms the 3UA model (note that it does not provide the savings forecast for the 5UA model). The bottom-up analysis does not assume that contracts held by Essex are the most cost effective and that breaking them into separate contracts is a negative. It relies instead on analysis that in social care, smaller unitary authorities have lower cost per resident than larger ones, as well as the local example of Southend having similar if not lower adult social care costs than Essex County Council.



A key message of this sensitivity test, therefore, is that disaggregation to 4 or 5 localities offers new scope for alternative, transformative approaches.

We next turn to an overall assessment of financial sustainability.

# 7.2 | Financial case: sustainability

The three main elements of sustainability for consideration are:

- Funding gaps the ability of income (through council tax, commercial rates and central government funding) to match local authority expenditure
- Reserves and debt the current level of debt, and the ability to service that debt
- Future prospects expectations for future matching of income and expenditure in the light of demographic change

We consider these in turn.

### **Funding gaps**

Data to assess the extent of funding gaps for the different options is available in the Essex County Council report "LGR - ECC Cost Disaggregation" (May 2025), which disaggregates county funding and expenditure on the basis of 2025/26 budgets. The patterns that these data reveal are subject to change in the light of decisions on local government funding formulae.

In the Three Unitary and both versions of the Four unitary there is one locality that has sustainability somewhat at risk with deficits of more than 3%. With the Five Unitary, there are two localities that are potentially at risk, which would double the opportunity for adverse outcomes and hamper strategic co-ordination in Greater Essex. By contrast, the 3 unitary model appears to have a better pattern of funding gaps than the two Four unitary options, although the differences are relatively small.

Three Unitary	Funding (£m)	Net spend (£m)	Difference (£m)	Difference (%)
North	479	502	-22	-4.6%
Mid	443	422	20.3	4.8%
South	652	649	3.5	0.5%

Alternative 4	Funding (£m)	Net spend (£m)	Difference (£m)	Difference (%)
North West	343	342	0.2	0.1%
North East	336	357	-21.3	-6.0%
South West	412	395	16.3	4.1%
South East	484	478	5.6	1.2%

Best4Essex	Funding (£m)	Net spend (£m)	Difference (£m)	Difference (%)
North Essex	407	434	-26.8	-6.2%
West Essex	255	239	16.9	7.1%
Central Essex	326	306	19.9	6.5%
South Essex	586	595	-9.1	-1.5%

Five Unitary	Funding (£m)	Net spend (£m)	Difference (£m)	Difference (%)
North West	255	239	-16.9	7.1%
North East	407	434	-26.8	-6.2%
Central	259	252	7.3	2.9%
South West	318	328	-9.9	-3.0%
South East	334	321	13.4	4.2%

Table 7.7 Funding gaps for the five unitary model

### **Debt and Reserves**

### **Debt and Non-Current Assets**

CIPFA were commissioned by all authorities in Essex to assess the debt and non-current assets held across Essex councils.

The data was verified by Finance Directors at all authorities, but this assessment included some caveats as the data was based on positions as of 31st March 2025. A first important point was that the positions are shifting - some Councils are continuing to borrow, while other Councils are repaying debt (for example, Brentwood have recently repaid over £44m of debt). The detailed analysis is included at Annex 2 with the key findings below:

- Total debt in Greater Essex is £4 billion, of which £2.85 billion is General Fund debt
- Given the size of Essex, no undue concern over Essex's overall debt levels.
- No major barriers to any proposed unitary options.
- Higher-debt authorities have strong investment property portfolios exceeding their General Fund debt.
- Debt profiles are broadly consistent, though further analysis is needed on the sources of debt and refinancing risks

- Financial sustainability concerns are moderated by new unitary proposals.
- Debt repayment provision across Greater Essex is reasonable (>2%), but variations will need addressing during reorganisation.
- Further asset analysis will follow once a configuration decision is made

A second fundamental point is a substantial debt problem at Thurrock. Central government acknowledges that Thurrock holds significant unsupported debt that cannot be locally managed. It must be stressed that the viability of any unitary configuration is contingent on substantial Government support both around a reduction in debt and the removal of Exceptional Financial Support. This can only happen if the high interest costs currently being paid by Thurrock is significantly reduced. MHCLG is expected to outline proposals soon, including details on level of support offered, and apportionment of any remaining debt. As the debt situation at Thurrock has consequences for the financial sustainability for the whole of Essex. we believe that central government has a crucial role to play.

For illustrative purposes, the assessments that we present here assume that central government provides support for Thurrock of the order of half its debt level at £400m (as an essential step towards sustainability), and we highlight a set of practical principles for central government action later in this section.

The following tables illustrate the debt per unitary in each of the models. The following tables illustrate the debt per unitary in each of the models. Key CIPFA financial sustainability figures are shown in Annex 2 (Essex LGR-Debt and Non-Current Assets sections 4.6, 5.7, 6.8 and 7.7)

Note that balanced budgets have been assumed for each year until vesting year. It is further assumed that the new unitary authorities will begin with a balanced budget and without the need for Exceptional Financial Support or its equivalent.



### **Three Unitary Model**

Table 7.8 Debt per unitary – Three Unitary

Debt	Braintree, Colchester, Tendring, Uttlesford	Brentwood Chelmsford, Epping Forest, Harlow, Maldon	Basildon, Castle Point, Rochford, Southend, Thurrock	Total
GF Debt (£m)	633.2	671.9	1,548.4	2,853.5
Investment property (£m)	389.7	423.4	157.2	960.3

### **Best4Essex 4UA**

Table 7.9 Debt per unitary – Four Unitary (Best4Essex)

Debt	Epping Forest, Harlow, Uttlesford	Braintree, Colchester, Tendring	Brentwood, Chelmsford, Maldon, Rochford	Basildon, Castle Point, Southend, Thurrock	Total
GF Debt (£m)	617.3	339.7	391.1	1,505.4	2,853.5
Investment property (£m)	550.6	109.1	145.8	154.8	960.3

### **Thurrock 4UA**

Table 7.10 Debt per unitary – Four Unitary (Thurrock 4UA)

Debt	Brentwood, Epping Forest, Harlow, Thurrock	Braintree, Chelmsford, Uttlesford	Colchester, Maldon, Tendring	Basildon, Castle Point, Rochford, Thurrock	Total
GF Debt (£m)	1,122.6	477.9	287.7	965.4	2,853.6
Investment property (£m)	352.2	390.0	60.9	157.2	960.3

### **Five Unitary Model**

Table 7.11 Debt per unitary – Five unitary

Debt	Epping Forest, Harlow, Uttlesford	Braintree, Colchester, Tendring	Brentwood, Chelmsford, Maldon	Basildon, Thurrock	Castle Point, Rochford, Southend	Total
GF Debt (£m)	617.3	339.7	348.2	1,168.2	380.0	2,853.5
Investment property (£m)	550.6	109.1	143.4	110.6	46.6	960.3

### Reserves

unforeseen spend.

The EFOA (Essex Finance Officers Association) has estimated the level of reserves of local authorities in Essex, taking into account estimates of the potential reserve positions for each of the unitary configurations once the Essex CC reserves have been disaggregated. Some reserves are not usable because they are set aside for very specific reasons or are held on behalf of other organisations. Other reserves may be earmarked for specific purposes and are likely to be part of MTFS spending plans. The un-allocated GF reserve ensures there is a buffer between planned spend and

The level of this reserve is generally based on a percentage of net or gross budget and more importantly, an analysis of risk. At a summary level there is over £1bn of reserves in the Essex in 2025/26, reducing to £943m in 2028/29, which is the vesting year. The table below shows a summary of all of the Essex authority reserves excluding Essex CC.

Overall, even at the lowest level of reserves. there is a sufficient reserves position for all models (subject to a satisfactory solution being found to the issue of Thurrock debt). The following table shows the current level of reserves mapped to the options.

£000s	3 Option	Alternative 4	Best4Essex	5 Option
Unitary 1	368,713	239,663	192,468	192,468
Unitary 2	328,277	263,369	310,818	310,818
Unitary 3	404,098	254,485	238,503	193,705
Unitary 4		343,573	359,300	165,154
Unitary 5				238,944
Total	1,101,088	1,101,090	1,101,089	1,101,089

Table 7.12 Reserves per unitary (2025/26 figures)

As noted, by vesting year (2028/29) reserves are anticipated to have slightly reduced as follows, mapped to the options.

£000s	3 Option	Alternative 4	Best4Essex	5 Option
Unitary 1	305,687	201,263	154,980	154,980
Unitary 2	264,616	218,744	253,814	253,814
Unitary 3	372,701	210,821	195,991	161,509
Unitary 4		312,176	338,219	144,650
Unitary 5				228,051
Total	943,004	943,004	943,004	943,004

Table 7.13 Reserves per unitary (2028/29 projections)

### **Council Tax Harmonisation**

Council Tax harmonisation is a critical issue in the reorganisation process. MHCLG has not mandated a specific approach but expects proposals to:

- Demonstrate how harmonisation will be achieved.
- Consider impacts on residents, especially in areas with significant disparities in council tax levels.
- Include transitional arrangements to mitigate sudden changes in tax levels.

In terms of Council Tax Rates (Band D), there is a range of £133 (excluding parish precepts) across Essex, with the highest overall Council Tax rate of £2,232 excluding parish precepts, with Rochford having the highest overall Council Tax rate of £2,295 including precepts.

Although Council Tax harmonisation is critical, the impact in Essex is not significant - apart from one major factor - regardless of whether a three, four or five unitary approach is undertaken.

Thurrock's financial position complicates harmonisation due to its unsupported debt and potential need for higher council tax rates to support debt repayment. MHCLG has indicated that Thurrock's debt will be treated separately, but no central write-off is planned. Instead, local solutions and efficiency savings are expected to support financial sustainability.

### **Future Prospects**

Fair Funding is currently out for consultation with most authorities in Essex providing a response and raising concerns over some of the proposals. The outcome from the consultation is not available for analysis but it is likely to impact the overall funding for Essex as well as each unitary, regardless of the configuration.

This business case assumes that a solution to significant ongoing deficits in SEND services will be found at national level. As elsewhere in the country, the issue faced in Greater Essex cannot

be fully resolved by existing authorities or in any unitary configuration.

Within this context, we examine the extent to which different options face different levels of funding gap pressures in the light of demographic change. Our analysis focusses on the unitary councils identified as having significant funding gaps, and in the table below we contrast these against ONS forecasts of the percentage change in those aged 65 or over. The maps in section 6.2 illustrate the localities.

Proposal	3 Unitary Option	Best4Essex	Alternative 4	5 Unitary Option
Unitary Authority	North	North	North-East	North-East
Funding gap (£m)	-22.9%	-26.8%	-21.3	-26.8%
Difference (%)	-4.6%	-6.2%	-6.0%	-6.2%
Increase those aged 65 or over (2025 to 2040)	29.6	28.0%	28.6%	28.0%

Table 7.14 Funding gap pressures in light of demographic change

It can be seen that the level of pressure on the locality with greatest funding issues would be similar whichever option is adopted. For example, while the North locality in the 3 unitary model would have a smaller proportional funding gap, it is expected to have a larger increase in those aged 65 or more, who tend to be the main drivers of expenditure in adult social care. Similarly, while the North locality in the **Best4Essex** unitary model has a slightly bigger funding gap than the North East locality in the alternative 4 unitary model, it has a smaller expected increase in those aged 65 or more.

# 7.3 | Required government action

### Debt

In respect to debt at Thurrock, we believe that the following principles are essential:

- 1. The viability of any unitary configuration is contingent on substantial Government support both around a reduction in debt and the removal of Exceptional Financial Support, which can only happen if the high interest costs and Minimum Revenue Provision currently being paid by Thurrock is significantly reduced.
- 2. Central government should implement a fair and equitable solution focussed on the locality that caused the 'stranded debt'. 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 interestfree 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, together with how any remaining debt will be apportioned. We look forward to working with MHCLG to find a suitable solution.

A second fundamental point is a substantial debt problem at Thurrock. Central government acknowledges that Thurrock holds significant

unsupported debt that cannot be locally managed. It must be stressed that the viability of any unitary configuration is contingent on substantial Government support both around a reduction in debt and the removal of Exceptional Financial Support. This can only happen if the high interest costs currently being paid by Thurrock is significantly reduced. MHCLG is expected to outline proposals soon, including details on level of support offered, and apportionment of any remaining debt. As the debt situation at Thurrock has consequences for the financial sustainability for the whole of Essex, we believe that central government has a crucial role to play.

Turning to the localities as a whole, central government should develop a sustainable solution that provides capacity for the new unitary authorities to manage future risk:

- Operational revenue savings from LGR should be hypothecated for reinvestment in future known demands notably key demand-led statutory services
- Central government should recognise the significant volatility risk that comes with LGR change (tax equalisation, public sector reform) and the need for capacity in revenue and reserves to respond to volatility
- Central government must not impose savings solutions on future authorities to pay off stranded debt, given mind to the wider financial sustainability challenges for authorities.

#### SEND

This business case assumes that a solution to significant ongoing deficits in SEND services will be found at national level. As of May 2025, there was a backlog of in excess of 3000 cases awaiting an Education Health and Care plan EHC with a reported monthly demand of between 300-400 cases per month. As is the case in many areas across the country, the scale of the issue facing Greater Essex cannot be fully resolved by existing authorities or in any unitary configuration.

See Annex 1 - CIPFA template, Annex 2 -Essex LGR Reserves Summary & LGR Debt and Assets, Risks and Dependencies (Annex 3)

### 07 | Financial appraisal

R1: Thurrock legacy debt.

R2: Transition costs higher than modelled (ICT, estates, HR).

R10: Failure to realise modelled savings.

R13: Dedicated School grants deficit

R14: Fairer funding

**D4:** Central government intervention required on Thurrock debt.

**D11:** Ongoing programme risk management oversight.

# 08 | Options appraisal

"'Need to keep it local'"

### MHCLG Criteria:

- ✓ 01 | Single tier local government Four unitaries replace two tier system
- ✓ 02 | 'Right-sized' local government Each unitary should be of an appropriate scale and form coherent geographies
- ✓ 04 | Meets local needs Residents engaged; priorities: services, identity, resilience
- ✓ 05 | Supports Devolution Aligned to Mayoral Combined County Authority (MCCA)
- 06 | Local engagement & empowerment Neighbourhood Area Committees from vesting day



This section presents the full appraisal of the options for Essex. It demonstrates that the Best4Essex four-unitary configuration is the only option that balances immediate financial and service challenges with long-term sustainability. The appraisal draws together local voices, partner perspectives and MHCLG's criteria to identify a preferred option that is both deliverable and legitimate.

# **Best4Essex**

#### What it avoids:

Tick-box boundary comparisons with no vision for sustainable, outcome-focused services.

#### What it delivers:

A fair, evidence-led appraisal that identifies the strongest, sustainable option.

# 8.1 | Headline benefits and challenges

We start with a geographical overview of the options. Clearly the financial and service delivery appraisal is a vital component of the options appraisal, but these are, in turn, driven by the choice of geography. Drawing on the overview provided in sections 4 and 5, we provide here a summary of the options.

# Geographical considerations and benefits

The **Best4Essex** model is grounded in functional economic geography and reflects how communities actually work. It provides a configuration that is closer to communities and better aligned with local identity. By contrast, the three-unitary option, while simple on paper, creates remote authorities with footprints that do not match local identity or localism. The alternative four-unitary option creates a London-facing authority, but this risks being politically divisive and does not serve Essex as a whole.

### Challenges and risks

The five-unitary option fragments Essex into economically smaller councils that may struggle to drive growth at scale, requiring complex cross-boundary arrangements. The three-unitary option risks remoteness and a loss of local connection, while the London-facing alternative four-unitary configuration diverts focus away from Essex priorities and results in a sub-optimal solution for the county overall. **Best4Essex** avoids these pitfalls by balancing scale with local identity and ensuring each unitary is viable, resilient and connected to its communities.

# 8.2 | Comparison of options against government criteria

All options have been assessed against the six MHCLG statutory tests, which form the core framework for government decisions on reorganisation. These provide a consistent yardstick to judge whether proposed configurations are coherent, financially sustainable, service-resilient, and supported by residents and stakeholders.

MHCLG Criterion	3UA	Best 4 Essex 4UA	Alternative 4UA	5UA
1. Single tier & coherent geographies	<b>4.0</b> Large units (570k–730k) align to economic corridors, strong coherence, but risk dilution of identity.	<b>4.5</b> Balances coherence with identity; subregional groupings naturally align to M11, A12/A120, the Tech Corridor and Thames Estuary. Fewer boundary tensions than other 4UA proposal, 3UA or 5UA.	3.5 West Essex grouping functional and in line with commuter flows (with exception of Thurrock) but breaks countywide coherence. Localities would cut across growth corridors.	3.5 Smaller units (326k–510k) preserve local identity, but weaker integration across economic corridors.
2. Right size & efficiencies / transition	<b>4.0</b> Significant economies of scale from three large unitary authorities; payback in 2.4 years.	4.0 Creates four sustainable councils of medium to large size (325k–640k). 3 units near ~500K, Central Essex ~420K positioned as a pathfinder. Shared services (Rochford–Brentwood, ICT) reduce transition risk. Payback in 4.5 years.	<b>4.0</b> Creates four sustainable councils of medium to large size (431k-554k). Transition risk high.	2.5 Several units below 500k; reduced scale weakens efficiency. Payback not in period covered by PWC analysis.
3. Sustainable services & VFM	4.0 Scale supports resilience in ASC/CSC, though complex amalgamation process runs risk of higher costs. Scale also reduces service responsiveness.	<b>4.0</b> Sympathetic to existing public service Quadrants, with only two areas needing adjustment, supporting smoother implementation. Achieves the second shortest payback period of all options.	3.0 Reliant on new collaborations changes four LAs from Quadrant arrangements - and splits Brentwood/Rochford partnership, undermining VFM.	<b>3.0</b> Smaller units risk fragility in ASC/CSC - Changes several LAs from Quadrant arrangements, hampering delivery.
4. Working together & local views	3.5 County led coordination is strong but with limited local differentiation or bottom-up engagement.	4.0 Essex-wide collaboration evidenced through the building additional LGR configurations. Rochford survey (1000 + responses) provides a strong resident mandate, with 60%+ backing Neighbourhood Committees. Demonstrates how Councils and communities have shaped this proposal.	2.5 Political alignment in Thurrock leadership but limited evidence of wider support across Essex .	3.5 Engagement via YourSay hub is strong, but governance consistency across 5 UAs uncertain.
5. Devolution fit	<b>3.5</b> High negotiating power with MCCA; but fewer voices risks overlooking local variation. Creates two large tiers.	<b>4.0</b> Clear MCCA alignment to growth corridors and strategic investment areas M11, Thames Estuary, A12/A120 simplifying delivery of growth and reducing point of entry complexities to attract inward and institutional investment; dovetails with Essex MCCA sequencing.	3.5 Devolution ambition stated, but sequencing unclear. Not well aligned to growth corridors.	<b>3.0</b> Requires joint governance for MCCA; multiple voices reduce negotiating leverage.
6. Community engagement & empowerment	2.5 Locality boards suggested but not defined; empowerment model light, risk of diluted voice and no clear mechanism to engage communities, which feel out of touch	4.5 The only option with a credible Essex wide empowerment model providing a credible framework to embed community voice in future governance, ensuring accountability, identity and resilience are hard wired into the new councils and aligned to MCCA.	2.5 Consultation underway, but no structured empowerment model defined. Weak on community voice.	<b>4.0</b> Strong identity retention, but empowerment approach inconsistent across councils.
Total (out of 30)	21.5	25.0	18.5	19.5

Table 8.1 Comparison of options against MHCLG criteria

### Methodology

- **Scoring scale:** 0–5, half points allowed. Higher = better.
- Criteria: Six MHCLG tests as per July 2025 Statutory Guidance and Commons Library briefing.
- Approach: Each model scored against the same criteria using publicly available and internal draft evidence.
- Weighting: All criteria equally weighted for a total out of 30.

The scoring is designed to show relative positioning against MHCLG's six criteria. It should be treated as indicative only, because the **Best4Essex** model is supported by detailed modelling, survey data, and independent configuration analysis. The three, alternative four, and five options are drawn primarily from public statements, consultation hubs, and high-level government feedback.

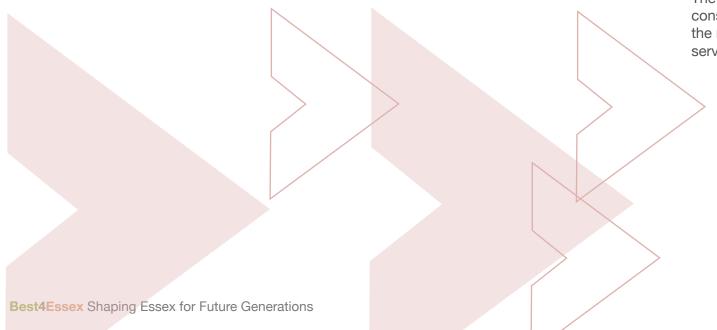
Narrative and scoring are therefore indicative, not definitive. The table should be read as showing relative strengths and risks across options rather than a precise MHCLG scorecard, reflecting what can be reasonably inferred from the available information. Risks include:

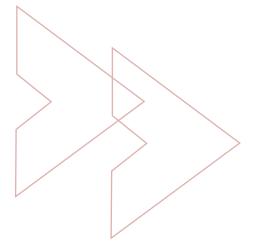
- Three Option: Efficiency and scale advantages are relatively clear, but assumptions about service resilience and local identity are not yet evidenced in detail.
- Alternative 4: Scoring depends heavily on political preference statements and MHCLG's debt treatment letter. No detailed financial case is available.
- Option: Engagement evidence is strong, but financial and service fragility is extrapolated from the Essex financial modelling, not a formal business case.

That said, with the best data we have available, the above assessment shows the options rank as follows:

- 83% Best4Essex and delivers the most balanced outcome across all six tests, with no major weaknesses.
- 72% 3 Option sacrifices local identity and with higher transition risks.
- 66% 5 Option is strong on identity but fragile in financial and service sustainability with challenges of service disaggregation.
- 60% Alternative 4 scores lowest reflecting weaker geographical cohesion and limited stakeholder evidence.

We also provide an assessment of each individual authority against the Government criteria at Appendix B, which shows that they satisfy these individually and collectively. The **Best4Essex** configuration performs consistently well across all six tests, striking the most balanced profile of financial viability, service resilience and legitimacy.





# 8.3 | Implementation feasibility

Implementation feasibility is a critical factor: proposals must be deliverable within the government's timetable for shadow elections in 2027 and vesting day in April 2028. Lessons from Hampshire and Surrey show that transition feasibility depends on scale, existing collaboration, leadership capacity, and alignment with wider governance reforms.

Implementation feasibility is an integral part of appraisal. Hampshire explicitly weighted this factor; Surrey embedded it within their options scoring. In Essex:

- The Best4Essex option has the clearest path to implementation, building on existing shared service partnerships (e.g. Rochford-Brentwood, North Essex Garden Communities). It aligns with functional economic areas and avoids creating authorities that are either too small or too unwieldy.
- The 3 option would require extensive new governance arrangements and complex harmonisation of larger authorities, extending transition timelines.
- The 5 option risks instability: multiple small councils would face stretched leadership capacity, fragmented systems, and higher stranded ICT costs.

Option	Implementation Feasibility	Summary Assessment
Best4Essex	Builds on existing shared services (Rochford–Brentwood, North Essex Garden Communities). Each unitary sized for resilience but not over-large. Aligns with functional economic areas and ICB footprints. Implementation can be phased to align with MCCA establishment.	Most feasible Balanced, credible delivery pathway.
3 Option	Creates strong, large units but requires extensive new governance arrangements. Risk of remote authorities and more complex harmonisation (ICT, HR, services). Greater risk of disruption during transition.	Feasible but complex Can be delivered, but higher disruption risk and weaker local legitimacy.
Alternative 4	Similar scale to Best4EssexUA but lacks the same shared service foundations. Groupings less natural, leading to weaker collaboration. Risks of contested identity and lower public legitimacy.	Feasible but fragile Deliverable in principle, but higher risk of governance disputes.
5 Option	Requires establishing 5 new councils, each with limited capacity.  Multiple ICT and HR transitions. Leadership stretch across 5 units undermines safe delivery of statutory services.	Not feasible Timetable unachievable; service fragility likely.

Table 8.2 Comparison of Implementation feasibility

A phased transition plan, aligned with MCCA establishment, means the Best4Essex is the most realistic to implement on the 2027 vesting day timetable. The table below provides a concise overview of transition costs, payback, and implementation risks across all options.

Option	Transition Costs	Payback Period	Implementation Risks
Best4Essex	Significant (ICT, redundancy, service disaggregation)	4.5 years	Manageable; each unitary has critical mass
3 Option	Significant (ICT, redundancy, service disaggregation though to lesser extent than 4 unitary approaches	2.4 years	Risk of over-large, less local
Alternative 4	Similar to <b>Best4Essex</b> , though more disruption implies higher costs	Not within PWC period	Political/identity misalignment
5 Option	Highest (5x councils, ICT duplication)	No payback	Unsustainable; service fragility

Table 8.3 Comparison of Transition costs

### 8.4 | Comparing the two 4-unitary options

The high-level conclusion is that a three unitary solution would create councils that are too large for Essex, both now and in the future, while a five unitary model would result in too many councils, raising risks around resilience and value for money. On that basis, attention turns to a detailed comparison of the two proposals for four unitary authorities that have been developed, but they are quite different geographically.

### **Best4Essex**



Unitary	Covers existing councils	Population 2023
Central Essex	Brentwood, Chelmsford, Maldon, Rochford	419,945
North Essex	Braintree, Colchester, Tendring	510,162
South Essex	Thurrock, Basildon, Castle Point, Southend on Sea	640,874
West Essex	Uttlesford, Harlow, Epping Forest	325,609

### Thurrock



	Council	Population
UA1	Thurrock, Brentwood, Epping Forest, Harlow (West)	488,368
UA2	Uttlesford, Braintree, Chelmsford (North)	438,829
UA3	Colchester, Tendring, Maldon (East)	418,532
UA4	Southend, Basildon, Castle Point, Rochford (South)	550,861

### **Best4Essex**

### - West Essex

The **Best4Essex** proposal recognises the M11 innovation corridor as a crucial driver of growth in the West of the county. For this reason, we don't split Epping Forest and Harlow from Uttlesford but align them to take advantage of the resulting growth opportunities. This is crucial from a strategic planning, investment and economic growth perspective as Epping Forest, Harlow and Uttlesford are already part of the existing UK Innovation Corridor which has an established cross political and organisational boundary working and an emerging government backed growth strategy. This is a key gateway for Essex and connects it with Cambridge and London, as part of a world-leading in tech and life sciences cluster. It would be against the natural economic geography, planned growth and established and effective collaboration between councils and wider partners if these were to be split and the Rochford four option could improve and accelerate the economic performance of the area bringing greater prosperity and resilience to Essex as a whole.

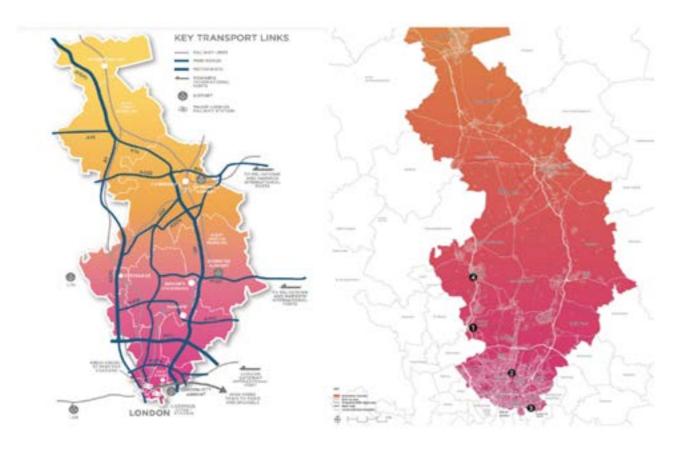


Figure 8.2 West Essex and the M11 Growth corridor

### **Best4Essex - Central Essex**

The creation of a new unitary council for Brentwood, Chelmsford, Maldon, and Rochford would harness a powerful and distinct 'Central Essex' identity, building on a robust foundation of existing collaboration. This is not an arbitrary grouping but a strategic consolidation of councils that share profound geographical, economic, and demographic characteristics. Unlike proposals that might seek to separate Thurrock or align Rochford with Southend to areas with vastly different urban challenges and Thames Estuary priorities this unitary model unifies a coherent corridor with an established social and geographic history that can optimise a shared future. This consolidation builds upon proven partnerships, such as the shared services already successfully delivered between Brentwood and Rochford, and the natural geographical and economic alignment with Chelmsford the county town and economic engine and Maldon's pivotal coastal and rural economy.

### **Best4Essex – North Essex**

Keeping Braintree, Colchester and Tendring together in a single unitary authority presents a transformative opportunity to harness the region's full economic potential whilst more efficiently tackling the challenges of rural sparsity and ensuring thriving urban centres. It would possess the strategic scale and vision to drive inward investment and deliver integrated planning across a dynamic and diverse economic geography and be locally focussed enough to ensure permeation of the economic benefits encompassing urban centres, historic market towns, to areas of social deprivation such as many parts of the extensive rural and coastal communities. The councils are aligned

through the North Essex Garden Communities programme, a nationally significant project planning for over 43,000 new homes and 56,000 jobs. A unitary model would streamline the delivery of this vision, ensuring joined-up infrastructure, transport, and housing strategies. This is critical for leveraging key assets like the A12 and A120 corridors, which provide direct links to global gateways at London Stansted and Harwich International Ports, as well as the Midlands Engine. This option also builds on the legacy of the Haven Gateway Partnership, reigniting nascent strategic collaboration with the emerging Essex County Combined Mayoral Authority and cross boundary approaches established with neighbouring Suffolk to maximise the economic potential.

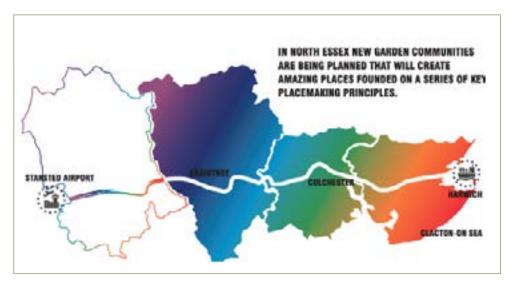


Figure 8.3 North Essex Garden Communities

Key benefits of the configuration include:

- Port & Logistics: Capitalising on Harwich's status as a key ro-ro freight port and partner in the Freeport East enterprise zone, stimulating advanced manufacturing and green energy initiatives.
- Agriculture & Environmental Sustainability:
   Leading the way in sustainable agriculture across
   a predominantly rural landscape and driving forward
   green energy projects, including those associated
   with Freeport East and the North Sea.
- Tourism & Heritage: Strategically managing a world-class tourism asset base that generates over £1 billion annually for the wider Essex coast, from Colchester's Roman heritage, Britain's first city, to the vibrant resorts of Clacton and Frinton-on-Sea.

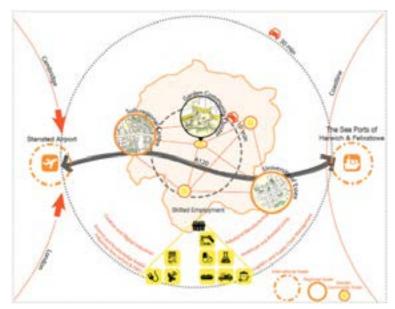


Figure 8.4 A120 Corridor

### Best4Essex - South Essex

This creates a critical mass of economic power by combining Thurrock's global logistics hub, Basildon's industrial strength and commercial base, Castle Point's rich medieval heritage. history and community focus, and Southend's established unitary expertise and coastal economy. This "Thames Estuary Powerhouse" has the scale and clout to deliver transformative regeneration and strategic transport projects. This authority will be a powerful driver of opportunity in the south of the county. With a combined population and economic footprint that can support ambitious regeneration, transport improvements, and social infrastructure investment, it will be able to deliver at pace. This grouping blends urban vitality with strong local networks, ensuring that growth benefits residents and supports inclusive, resilient communities along the Thames Estuary.

### The best four-unitary option

Key Differentiators for the **Best4Essex** proposal from the alternative four unitary model include:

- Best4Essex balances coastal, rural, and commuter areas.
- Best4Essex strengthens MCCA links across all groupings, not just in South Essex.
- Best4Essex has a more balanced geography that avoids over-concentration of urban centres, while ensuring equitable resource allocation.



# 8.5 | Alignment with devolution and public service reform agenda

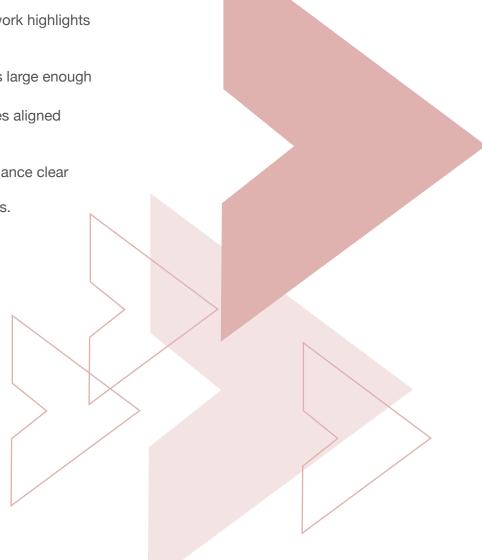
Our four-unitary authority proposal offers the balance Whitehall needs: local government that is at the right scale to deliver, local enough to care. It creates councils of a scale that can deliver real efficiencies and credible savings, while preserving the local identity and governance links that make reforms stick. This is not just about meeting DLUHC's statutory tests it is about creating a framework that works for every department with a stake in the success of Local Government Reorganisation.

### **Devolution**

Local government reorganisation in Greater Essex cannot be separated from the parallel establishment of the Mayoral Combined County Authority (MCCA). Government has been clear that deeper devolution deals require stable, sustainable unitary authorities as building blocks for MCCAs. The reorganisation of local government in Greater Essex is running in parallel with the establishment of the Mayoral Combined County Authority (MCCA). Government's expectation is clear: shadow elections will be held in May 2026, with the MCCA fully operational from vesting day in April 2027. This section tests each configuration against its ability to support devolution and ensure Greater Essex has the clarity, resilience and legitimacy needed for the new MCCA to succeed.

- The English Devolution Framework highlights three conditions for MCCA success:
- Stable unitary partners councils large enough to sustain devolved powers.
- Coherent functional geographies aligned to economic corridors and service footprints.

 Visible and accountable governance clear leadership links from mayor to councils and neighbourhoods.



Option	Alignment	Summary Assessment
Best4Essex	<ul> <li>Aligns with economic corridors (London–Stansted–Cambridge, Thames Estuary, Colchester–Tendring)</li> <li>Takes a place-based approach. Aligns coherent economic geographies around with new strategic planning and investment approach which will be mandated through the Planning and Infrastructure Bill simplifying delivery for existing functional economic strengths</li> <li>Creates four sustainable councils (325k–640k), each capable of engaging in MCCA governance</li> <li>Embeds neighbourhood voice, providing legitimacy to the MCCA.</li> <li>Minor boundary sensitivities (e.g. Basildon/Castle Point) do not undermine overall fit.</li> </ul>	Strongest fit balanced scale, coherence and legitimacy
3 Option	<ul> <li>Larger sub-regional blocks (600k–700k) offer negotiating weight.</li> <li>Risks remoteness from residents, weakening legitimacy</li> <li>Transition complexity may divert capacity from MCCA set-up</li> <li>High technology, digital and data transition complexity and costs of reducing multiple business critical systems into the lowest number of UA's.</li> </ul>	Strong but remote powerful at MCCA level, weaker on local accountability
Alternative 4	<ul> <li>Links Thurrock with London-adjacent districts; aligns with commuter flows but breaks countywide coherence</li> <li>Creates asymmetry across Essex; less clarity in MCCA governance</li> <li>Limited evidence of broad partner support.</li> </ul>	Weak fit undermines Essex-wide coherence
5 Option	<ul> <li>Smaller councils (&lt;300k) risk fragility and weak negotiating power</li> <li>Fragmented geographies complicate MCCA governance</li> <li>Would require new joint governance mechanisms.</li> </ul>	Poor fit fragmented and unstable at MCCA level

Table 8.4 Alignment of options against devolution framework

Implementation of the **Best4Essex** proposal will require new representation arrangements for the Combined County Authority. The MCCA will be established with representation from Essex County Council (3 members) and Thurrock and Southend councils (2 members each) on the MCCA. Under this proposal, each new Unitary local authority will nominate one representative to the MCCA, ensuring each part of Essex is fairly represented. A simple majority of 3, to include the MCCA Mayor, will be required in any decision-making.

### Wider government agenda

For **DLUHC**, it delivers coherent geographies rooted in existing community and economic linkages, with shared service history proving deliverability. For **HM Treasury**, it offers a clear, Green Book-compliant glidepath to sustainability, with manageable transition costs and a lower risk profile than over-scaled alternatives.

For **DHSC** and **NHS** England, the model aligns naturally with Integrated Care Board footprints, ensuring stability in adult social care and public health services while enabling place-based innovation. **DfE** benefits from unitary areas small enough to maintain oversight of children's services and SEND, while still collaborating across boundaries for specialist provision.

Home Office and PCCs will find a model that respects police and community safety geographies, enabling integrated crime prevention and resilience. DfT gains a structure that supports coherent transport and infrastructure planning, avoiding the governance sprawl that can slow delivery.

For **DEFRA**, the grouping of coastal and rural authorities protects environmental priorities and flood risk management within councils that understand those challenges. **DWP** and **MoJ** can rely on local knowledge and jurisdictional alignment to deliver welfare, skills, and justice services effectively.

Above all, this model is designed for **delivery confidence** minimising risk, preserving local legitimacy, and enabling faster, cleaner transitions. It is a model that government can back with confidence, knowing it will stand up to cross-departmental scrutiny and deliver visible public service improvement from day one.

### 8.6 | Options Appraisal Conclusions

The Best4Essex model is the only configuration that is financially viable, service-resilient, locally legitimate, and strategically aligned with the Mayoral Combined County Authority. It offers a realistic balance of deliverability, legitimacy, and alignment with devolution timelines. The three-unitary option is complex; the Thurrock variant fragile; the five-unitary model simply financially undeliverable within the government's timescales.

Having considered scale, service baselines, financial viability, and the MHCLG tests, the following configurations are not recommended.

We have already seen the financial analysis demonstrates that only the **Best4Essex** and Three Options achieve credible payback within the modelling period. **Best4Essex** balances efficiency with local identity, delivering payback within 4.5 years. The 3 option offers faster payback but at the cost of complexity and remoteness. Thurrock 4UA is financially comparable to **Best4Essex** but weaker in resilience and coherence. The five UA option is unsustainable, with disaggregation costs outweighing benefits.

Option	Rationale for Discounting
Alternative 4	Weakens Essex-wide coherence by linking Thurrock with London-adjacent districts; undermines natural community and economic alignments; smaller units reduce service resilience; limited stakeholder support evident.
3 Option	Creates over-large councils (600k–700k) that risk becoming remote from residents; dilutes local identity; significantly higher transition complexity; while financially efficient, less legitimate locally.
5 Option	Several councils fall below sustainability threshold (<300k); fragile in high-cost services (Adults, Children's, SEND); disaggregation costs outweigh benefits, delivering no credible financial payback; fragmented economic geographies.

Table 8.5 Summary rationale for discounting proposals

- Best4Essex: Net benefits achieved within 4.5 years. Transition costs are significant due to disaggregation of county services, but offset by efficiencies in leadership, back-office, and third-party spend.
- Three option: Delivers the fastest payback (2.4 years) due to larger economies of scale. However, it requires higher upfront transition costs and creates more complex service disaggregation.
- Alternative 4: Similar cost profile to Best4Essex but weaker economies of scale and less scope for service integration. Payback not within PWC appraisal timeframe, with higher ongoing risks.
- Five options: Transition costs multiplied by the need to create more new councils. Disaggregation costs outweigh efficiencies; the option does not achieve payback within the modelling period. Has two localities facing major funding gap (other options have one).

Experience from Surrey and Hampshire shows that the most costly and disruptive aspect of reorganisation is often the disaggregation of county-wide services such as Adults, Children's, SEND and Public Health. In Essex:

- The Alternative four unitary configuration spreads these risks across four councils, each of which remains large enough to sustain specialist provision.
- The three unitary option concentrates risk in larger units, with significant ICT and HR aggregation/disaggregation challenges in merging multiple systems from across a larger number of existing district councils.
- The five option introduces the highest risk, with smaller councils unable to absorb the duplication of statutory services.

The **Best4Essex** strikes the balance: disaggregation costs are manageable and supported by critical mass in each unitary. The appraisal demonstrates that this configuration is the only option that balances financial sustainability, service resilience, local identity, and devolution alignment. It performs consistently across the six MHCLG tests and is the most legitimate and deliverable option for Essex.

# Why The Best4Essex is right for Essex

The four-unitary model achieves the optimal balance between efficiency and localism.

- Fewer than four unitary authorities' risks creating remote, over-large authorities.
- More than four fragments Essex into councils too small to sustain services and create clear strategic alignment.

Each council in the **Best4Essex** proposal sits within the recognised "sweet spot" of 325k–640k population. This scale ensures resilience in high-cost services (adults, children's, SEND) while preserving local identity and democratic legitimacy.

### This proposal is

- Genuinely place-based: Boundaries reflect natural communities and functional economic areas (Thames Estuary, London–Cambridge corridor, Colchester–Tendring).
- Optimised for resilience: Councils are large enough for financial stability but not so large as to lose connection with communities.
- Catalyst for devolution: Provides four stable, credible partners for the Mayoral Combined County Authority.
- Built for collaboration: Builds on existing partnerships (Rochford–Brentwood, North Essex Garden Communities). Aligns with NHS, Police and Fire service footprints
- Community powered: Embeds
   neighbourhood governance (committees,
   parish/town councils, citizen assemblies).
   More than 60% of residents supported
   Neighbourhood Committees

It delivers clear benefits for Essex

- **Residents:** Safer, higher quality services; stronger neighbourhood voice.
- Businesses: Clearer, investable geographies with strategic infrastructure planning.
- Taxpayers: Significant long-term savings from reduced duplication and stronger financial resilience.
- Essex as a whole: A simplified structure with a unified voice for securing devolved powers and investment.

Best4Essex offers the strongest balance of scale, identity, and deliverability for Essex. It creates councils that are financially sustainable, aligned to natural economic and social geographies, and sized to deliver high-quality services efficiently while keeping decisions close to the communities they serve. Each unitary builds on existing partnerships and shared services, combining sufficient scale to achieve efficiencies with the local insight needed to protect place identity.

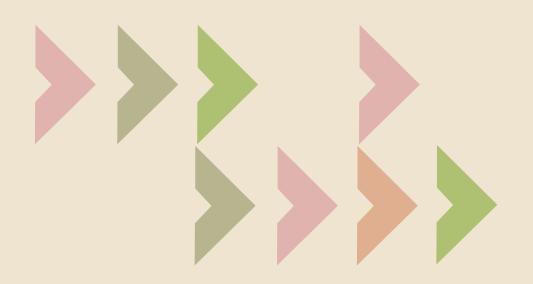
The model is future ready, with coherent boundaries for devolution, a clear transition pathway, and a commitment to empowering neighbourhoods. It meets government tests for scale, sustainability, service quality, collaboration, and community engagement offering a structure that can deliver better outcomes, protect local identity, and drive generational change across Essex.

Risks and Dependencies linked to this section are summarised below. Full detail, including impact, likelihood and mitigations, is provided in the Risk and Dependency Log (Annex 3)

### 08 | Options appraisal

**R8:** Service continuity risk in Adults, Children's and SEND at vesting.

Part 3 **Transformation and Transition** 



# 09 | Service delivery considerations

"What matters is that care, housing and local services stay close to the people who need them"

### MHCLG Criteria:

- ✓ 02 | 'Right-sized' local government Each unitary should be of an appropriate scale and form coherent geographies
- ✓ 03 | High quality, sustainable services Strong, joined-up services; financially resilient
- ✓ 04 | Meets local needs Residents engaged; priorities: services, identity, resilience



This section shows how the Best4Essex model will improve local government and service delivery. By joining up services and driving reform, the four-unitary configuration creates the conditions for better value, stronger safeguarding, and more responsive councils. It also sets out how this model can underpin housing and economic growth that is essential for Essex's future.

# **Best4Essex**

#### What it avoids:

Fragmented services and diluted accountability for care, housing, and safety.

### What it delivers:

Safe & legal day one, transformation second. Reimagining more effective and digitally mature joined up councils that protect care, housing, and safety while driving reform and continuous improvement.

# 9.1 | Route to stronger public services

A public service reform board, or similar, could usefully draw representatives from these new councils and other public service providers to ensure these benefits are realised and to share best practices and learning.

Each council will determine, with its citizens and partners, its priorities and the outcomes it wants to see for its communities and then coordinate efforts across the wider public service estate towards them. In doing so, and in addition to this overarching role of systems leadership, the work of the councils will be built on three foundations:

- Providing services: delivering of high quality and sustainable public services to our citizens
   from getting the basics right, such as emptying the bins, to more complicated and/ or responsive services such as noise nuisance and adult social care.
- Shaping places: leading strategic and structural investments to ensure that our communities develop in the long term to be sustainable, inclusive and liveable for future generations - from building houses and schools to protecting the biodiversity of the natural environment.
- Solving problems: responding quickly and appropriately to the issues and challenges that arise in the everyday lives of people and communities - from emergency responses to flooding to helping someone whose life has tipped into crisis.

Across all these areas there are opportunities for improvement and innovation, afforded by the

structural change that creates a space for new thinking and practice and that can make new ways of working possible. It won't be possible to have all these in place for day one; indeed, experience from other areas suggests that this isn't realistic. However, in the lead up to vesting day these opportunities can be spotted and actively brought into a transformation and innovation programme that can be a core thread of the transition into, and through, the early years of these new councils.

### Vision for local government

In section 2 we set out a broad vision for the future growth and development of Essex and its communities. In addressing critical socioeconomic factors, and focusing on its longerterm shaping role, each new council will work for the benefit of its communities. We also see that how this work is done, the means and values and cultures through which these local authorities will work, is just as important. We set out in section 11.2 how each local authority will need to do this work as part of the transition process. It represents a genuine opportunity to move away from outdated modes of operating, such as new public management, and towards new, innovative models of working as are emerging in pockets within the UK and globally.

# **Opportunities for improvement**

There are some areas in which we know we want to make public service improvements:

"In the process of considering different local governance scenarios, there is a significant opportunity to not only reorganise, but actually redesign the organisations to optimise service delivery." (EY - Independent Analysis of Governance Scenarios and Public Service Reform in County areas)

These opportunities include, but are not limited to, the following:

### Geography

- Reducing boundary issues eliminating confusion and/or overlap between tiers
- Partnerships seeking alignment with other public service providers - to drive collaboration and realise efficiency saving between organisations (and not just within the council)
- Focusing on local issues developing stronger, more meaningful, and empowered communities through Neighbourhood Area Committees.

### Workforce

- Capacity recruiting, retaining and developing our best staff to deliver on our ambition for change
- Managerial savings with fewer organisations and more streamlined functions, reviewing middle and senior management as well as operational staff
- Culture Establishing a high-performance culture - actively modelling the behaviours and actions that will form the DNA of each new council.

### **Services**

- Economies of scale operating on a larger population footprint
- Service quality focusing on what really matters to local people
- Demand management understanding, aggregating and managing demand
   to offer a better service to our citizens in ways that best meet their needs
- Prevention A renewed focus on early intervention so that upstream investment in the short term repays a long-term dividend for people and communities

- Business support More streamlined and coherent offer to local businesses - removing barriers and joining up support to enable our local businesses to grow and thrive
- Property and assets review the potential for asset rationalisation and reflecting new forms of working
- Contracts review services to identify opportunities to redesign, recommission or renegotiate contract.

### Governance

- Structure not simply recreating a larger organisation on existing and familiar design principles and service clusters, but instead creatively assessing new organisational forms and ways of working
- Representation Clearer and streamlined representation and decision-making - with fewer councillors and elections and greater transparency over who makes which decisions the costs of democracy will be reduced
- Insights and local knowledge joining up data and leveraging tech to analyse and support the evidence-led identification of opportunities and challenges in local communities.

### **Opportunities for Innovation**

In addition to organisational cost savings and improvements, there are multiple opportunities for innovation that can deliver stronger, more responsive public services. As noted above, it will be for each new council to identify and take forward innovation opportunities suited to their local context. We suggest establishing innovation labs in each new authority to build the capability and capacity to pursue this agenda.

To illustrate the breadth of opportunity, examples from the UK and globally are set out below.

### **Participatory Budgeting Platforms**

**What:** Residents propose and vote on small capital projects.

**UK Fit:** Allocate 1–3% of capital budget; combine online voting with ward workshops.

**Quick Win:** Pilot in 2–3 deprived wards to build visible trust and accountability.

### **Digital Twin (Lightweight)**

**What:** 3D models simulate planning, transport, and flood scenarios.

**UK Fit:** Start with a regeneration zone using Ordnance Survey and Environment Agency open data.

**Quick Win:** Apply in planning consultations to visualise traffic, flooding and housing massing impacts..

### **Predictive Highways Maintenance (AI)**

**What:** Cameras, drones and machine learning predict potholes and asset failures.

**UK Fit:** Pilot on high-complaint corridors during winter; integrate with FixMyStreet.

**Quick Win:** Launch a pre-winter sealing programme.

# Nature-Based Flood and Heat Resilience

**What:** Rain gardens, swales, green roofs and water plazas.

**UK Fit:** Retrofit flood-prone streets and parks, aligned with Active Travel priorities.

**Quick Win:** Convert a council car park row into a rain-absorbing bio-swale.

# Place Based Integrated Community Service Hubs

**What:** Co-locate housing, benefits, employment and health in accessible community venues.

**UK Fit:** Partner with NHS Integrated Care Systems and Primary Care Networks; single triage, shared case management.

**Quick Win:** Establish one hub in a high-demand ward with extended hours.

### **Circular Economy Procurement**

**What:** Require reuse, repair, recycled content and end-of-life plans in contracts.

**UK Fit:** Apply to all contracts >£50k, starting with uniforms, furniture and construction.

**Quick Win:** Adopt a "Circular First" procurement specification pack.

# **Data Trusts and Ethical Data Governance**

What: Citizen-governed data sharing for mobility, planning and health.

UK Fit: Establish a resident advisory panel; publish datasets by default.

Quick Win: Release cycling, air-quality and wellbeing data through a community dashboard.

Overall, we contend that the Best4Essex unitary model offers the greatest opportunity to deliver on the promise of innovation. By combining scale, resilience and local responsiveness, it creates the conditions for councils to integrate health and care, devolve services to communities, and invest in digital and green innovation. These opportunities are rooted in the issues communities face every day and therefore play out most powerfully at local level.

# Service disaggregation and aggregation: Opportunities and risks

We also acknowledge here that all proposals will require a combination of disaggregation of county services and the aggregation of a range of district council functions and services.

### We recognise the challenges:

- High-cost, high-risk county services (Adults, Children's, SEND, Public Health, Education, Transport, Libraries) must be disaggregated carefully.
- District services (Planning, Refuse, Housing including homeless services, Benefits) aggregated into new unitary footprints.
- There will also be critical dependencies with current County Minerals and Waste Planning and Strategic Development in terms of disaggregation and also which resources will move to the MCCA as new responsibilities around strategic planning are implemented

   this will be dynamic and will need careful alignment and consideration.

But there are also opportunities in these times of structural change. In such moments of disruption, things that were previously thought to be impossible become possible (as we saw during COVID-19). Reorganisation is an opportunity not to be missed. To rethink and redesign things afresh, with innovation as a core driver of change. Not just rebuilding a new version of what went before, but fundamentally reimagining the way we can work, embedding a systems leadership role at the core of the new authorities, and drawing on staff and resident ideas for change.



# 9.2 | Route to improving outcomes for children and adults with care and support needs

### **Children's Services and SEND**

The latest Ofsted judgments across Essex councils show strong performance "Outstanding" in both Essex County (2023) and Thurrock (2024), and "Good" in Southend (2024). Similarly, Ofsted SEND visits have reported strong performance across the area.

To ensure safe and legal services on day one and sustained improvement thereafter, each new unitary will confirm statutory leadership by securing the appointment of an experienced Director of Children's Services (DCS). The legacy of the strong performance of Children's Services across the current three councils and the proposed configuration in the **Best4Essex** model will ensure that each unitary will be led by senior teams with experience of delivering good and outstanding children's services.

This will be supported by a shadow period transition plan, and a common practice framework for Early Help, edge-of-care

and permanence, aligned to MHCLG's July

guidance on continuity and parnership working. Through these measures the risk of fragmenting current safeguarding practice and oversight will be minimised.

Our **Best4Essex** model will build upon these strengths and further enhance outcomes for all by building stronger and more effective local collaborative working at locality level and maximising the benefits of linking up with other council functions, including housing and leisure services.

In South Essex (Southend, Thurrock, Basildon, Castle Point) we will align improvement to a single Mid & South Essex ICB footprint, a single Better Care Fund plan, and s.75 pooled budgets for Family Help interfaces (including perinatal/0–5, adolescent risk and youth justice pathways). This concentrates accountability where need is greatest and enables targeted, place-based support.

### **Current performance**

There are variations in volumes of children in care and children in need, with higher rates in the urban unitary authorities (Southend, Thurrock) reflecting deprivation rather than performance; Essex County rates are below peers. The table below shows rates for Essex, Southend-on-Sea and Thurrock, compared against benchmarks.

Table 9.1 Looked after children – Rates per 10,000 children (2023/24)

Looked-after children	Outcome in LA area	Peers	Region	England
Essex	35.6	58.4	50.3	69.7
Southend-on-Sea	79.3		50.3	69.7
Thurrock	63.9		50.3	1.7

Source: Department for Education (2024) Children looked after in England including adoptions

The table below shows rates per 10,000 children for Essex, Southend-on-Sea and Thurrock, compared against benchmarks.

Table 9.2 Children in Need - Rates per 10,000 children (2023/24)

Children in need	Outcome in LA area	Peers	Region	England
Essex	184	303	237	325
Southend-on-Sea	265		237	325
Thurrock	321		237	325

Source: Department for Education (2024) Children in Need



The Greater Essex data covers a large diverse population with both densely populated urban centres and sparsely populated rural areas. There are areas of significant deprivation as well as more prosperous areas with lower levels of need. Hence there will be considerable variation of need and outcomes contained within the overall Essex figure. The **Best4Essex** model will be better placed at identifying areas where the greatest needs are located, and by closer working across all council services, be best placed to address those variations.

The **Best4Essex** proposes North East and North West unitary authorities which are consistent with existing Children's Services Quadrants. Mid and South Essex quadrants cover the area of central Essex plus Castle Point and Basildon. These would become part of the South Essex Unitary together with Southend and Thurrock.

### **Family support integration**

Thurrock has 10 Family Hubs and Southend 9 (Children's Centres) whilst there are 12 covering the whole of Essex County delivered in partnership with NHS and the voluntary sector. These are located one in each District Council area and aligned to children's services operational quadrants). **Best4Essex** provides the opportunity of extending Family Hubs across all new Essex unitary authorities through linking up and co-location with libraries, leisure and housing services made more achievable through joining up with former District Council services integration not achievable in the current two-tier system.

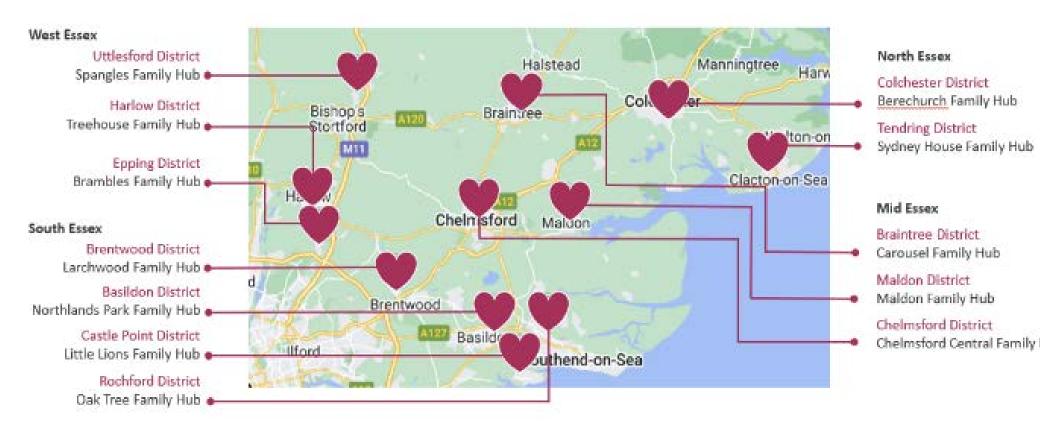


Figure 9.1 Essex Family Hubs

https://essexfamilywellbeing.co.uk/about-us/your-family-hubs-in-essex/

The table shows family support costs averaged out across all children in the area, for Essex, Southend-on-Sea, Thurrock and associated benchmarks

Family support costs	Own	Peers	Region	England
Essex	188	121	149	129
Southend-on-Sea	105		149	129
Thurrock	148		149	129

Table 9.3 Family support costs per capita (2023/24)

Source: Department for Education (2024) LA expenditure on children's services - unrounded data

The relatively lower level of recorded spend on Family Support services in Thurrock and Southend whilst delivering a higher volume of Family hubs / Children's Centres per head of population is indicative of the added value that can be obtained by linking up the delivery of family support services with other parts of the council – which is not immediately available to a county council in a two-tier system.

Each of the new unitary authorities will be able to focus the development of Family Hubs in areas with greatest needs, taking account of health inequalities and deprivation data contained within the current Joint Strategic Needs Assessment for Essex which shows Tendring (in the proposed North East unitary) as the 32nd most deprived district in England with the highest workless households and the

highest percentage of children in low income households across Essex.

The new unitary councils would be able to use a common set of shared demand-reduction KPIs (e.g. CiN and LAC rate trajectories, re-referral rates, EIP timeliness), supported by monthly multi-agency performance boards and measure the effectiveness of this investment on overall performance and outcomes.

### How Best4Essex delivers for Essex residents - Children and families:

- Balanced outcomes ECC has significantly lower rates of Children in Care (35.6 per 10,000) compared with Southend (79.3) and Thurrock (63.9). Children in Need rates are also much higher in Thurrock (321 per 10,000) than in Essex (184). Best4Essex balances these extremes by pooling resilience across four footprints.
- Meeting demand Best4Essex ensures that the unitary including Thurrock and Southend are of a scale which results in it having sufficient resource – budget and staffing allocation – to be able to manage the levels of demand and need.
- Public Health funded services (e.g. health visiting and school nursing) and preventative and promotional health programmes such as weight management and smoking impact on outcomes for families.

Table 9.4
Public Health
Grant

Council	Public Health Grant (2025/26) (£m)	Grant per head of population (£)	Total Public health spend (£)
Essex	72.57	47.04	76.75
Southend-on-Sea	11.15	58.56	11.33
Thurrock	13.49	72.81	(n/a)

### How Best4Essex delivers for Essex residents - Children and families:

- South Essex, encompassing Thurrock, Southend. Basildon and Castle Point has a higher overall concentration of deprivation and health need. It will have a significantly higher Public Health grant than other unitary authorities in Best4Essex, reflecting the higher levels of demand in relation to children in need and children in care. The Best4Essex model provides clear accountability within one system footprint (one ICB, one BCF, one housing/employment strategy) so resources and decisions follow need. This avoids averaging-out need in a larger, less accountable geography and is entirely consistent with MHCLG's expectation to prioritise continuity, partnership working and place-based integration through transition.
- North East which includes the most deprived area within Essex (Tendring) will have a Public Health team able to focus on addressing health inequalities and the impact of high numbers of children being in low income households.
- Operational continuity Best4Essex best aligns with Essex's existing Children's Services quadrants, reducing disruption. By contrast, Thurrock's preferred "London-centric" model would cut across quadrant boundaries and risk the disruption of established services.
- Family support integration Thurrock has 10 Family Hubs and Southend 9 (Children's Centres) whilst there are 12 covering the

- whole of Essex County. **Best4Essex** provides the opportunity of extending Family Hubs across all Essex unitary authorities through linking up and co-location with libraries, leisure and housing services made more achievable through joining up childrens services with former District Council services integration not achievable in the current two-tier system.
- Financial Case The Best4Essex model complements the programme's 4UA payback and avoids double-counting. We signpost the financial narrative (transition costs, phasing, payback) in Section 7, consistent with the latest model outputs.

Greater Essex has a large backlog of cases awaiting an assessment for an Education Health and Care plan EHC). This included over 3000 in Essex where the average completion rate in early 2025 was 345 days (far exceeding the 20 days statutory target). The County Council receives between 300-400 requests for EHC assessments each month. Southend had, until recently a backlog of 300 cases. This has been reduced over the last 12 months to 19. The size of Thurrock's backlog is not within the public domain.

The **Best4Essex** model will be well placed to manage this demand by apportioning the current backlog and the current/future demand to a dedicated team focusing on particular communities.

There will be opportunity of strengthening the overall delivery of SEND and EHCs with a more localised Education team and through closer integrated working with local community NHS teams.

Each council will have sufficient scale to be able to attract key professional staff, vital to addressing the demand for these assessments. Southend Borough Council reported to the Ombudsman https://www.lgo.org.uk/decisions/education/special-educational-needs/24-017-502 in June 2025 that it had succeeded in recruiting 20 additional locum education psychologists and an additional 12 SEND assessment staff in order to address the backlog. Our proposed 4 unitary councils will be well placed to work in a similar fashion to tackle the inherited backlog.

However, the potential costs of funding resultant EHC plans for all of those children and young people currently awaiting an assessment, and the continuing heavy demand for new assessments will remain a major financial risk to all post LGR unitary authorities, whether that is a 3, 4 or 5 unitary model. We have highlighted this as an issue that will needs to be addressed by Government in section 7.3

### **Adults Services**

The Best4Essex model creates councils of a scale to shape resilient care markets, while remaining local enough to avoid remote commissioning and overreliance on out-of-area placements. The 4 unitaries within the **Best4Essex** model align with the current NHS Integrated Care Board areas (West, North-East, Central and South). This will ensure that there is continuity of current relationships and partnerships in each of the new unitaries. There will be opportunities for a further strengthening of place-based working and an avoidance of the risk of split accountabilities. This strengthened place-based working and integration will be vital once the NHS's emerging plan for the merger of Essex ICBs to form a single Greater Essex ICB by 2027-28 comes to passIntegration with housing and community assets (extra care, libraries, leisure) will be easier when these services sit under the same council.

Currently extra care provision is uneven (for example larger in Colchester/Chelmsford, less in Rochford/ Castle Point). Unitary council based commissioning can directly address this, as is the case in Thurrock and Southend. In addition, much of the current provision in Essex is owner-occupied and unavailable to publicly funded residents.

### **Current Performance**

CQC have published Assurance Reports for Essex, Southend and Thurrock during 2025. Essex is rated "Good" across all areas except for timeliness of "assessing needs". Southend is also rated as "Good" with two areas for improvement - care provision/ continuity and Safe pathways/transition. Thurrock's Assurance report is also rated as "Good" with one area for improvement, Equity in experience and outcomes, and one area of outstanding performance, partnerships and communities. There are though variations across the county and local authorities in some key outcome measures where improvements could be achieved.

For older residents, there is strong support to maintaining people's independence and avoiding or delaying admission to long-term residential care. There is some variation across the county and moving to the **Best4Essex** unitary structure will have positive benefits in strengthening links with community support networks and promoting the role of local VCFS organisations, so enhancing opportunities for people to remain at home with support. The numbers of permanent admissions to residential care for adults aged 65+ there is variable picture with Thurrock exceeding the national average but both Southend and Essex performing better.

Southend and Thurrock perform strongly on the numbers of people supported to live at home (over 65) exceeding the national average. Essex's figures are below the national average, although this may reflect the numbers of older people who fund their own care at home, given the higher proportion of more affluent older people in many areas of Essex. The numbers of permanent admissions to residential care for adults aged 18-64 shows a strong performance across Essex with numbers substantially below the national average in Essex, Southend and Thurrock.

Measures of the effectiveness of reablement indicate below average performance across Essex, Southend and Thurrock, although this is stronger in Essex County. For Direct payments, Southend and Thurrock exceed national averages whilst Essex is performing at or around the national average.

To ensure a safe and legal transition on day one, and to maintain the quality of outcomes thereafter, each new unitary will appoint an experienced Director of Adult Services supported by a senior team drawn from the strongest managers across the three existing councils. Current good performance in safeguarding, overseen and assured by the all-Essex Safeguarding Adults Board, will continue under the Best4Essex model. with the preservation of this assurance and governance framework forming a key component of the proposals.

ASCOF <sup>9</sup> Measure	Description	Essex	Southend	Thurrock	England
1C2A	Adults receiving direct payments (%)	24.20%	27.00%	33.70%	25%
2A1	Permanent admissions to residential/nursing care (18-64) per 100,000	6.9	6.5	11.1	15.2
2A2	Permanent admissions to residential/nursing care (65+) per 100,000	349.3	435.6	676.3	578
2D	Reablement: % at home 91 days after hospital discharge (65+)	77.10%	55.00%	53.00%	81.8%
SALT	Number of people (per 100,000) aged 65 and above receiving local authority long-term adult social care support in the community (at home)	2,036	2,981	3,743	2,283

Table 9.5 Headline performance data

### Extra care housing

This is a vital and valuable alternative to residential care for many if available throughout the county, but with greater numbers of developments in some areas than others. Essex County Council's Adult Services Map10 indicates that across the County, including Thurrock and Southend, there are just 221 people over 65 accommodated in Extra Care schemes funded by the council, compared to 3,839 in residential or nursing home care. The opportunities of linking up council's housing and development functions with adult social care commissioning teams can help to encourage these developments in areas where there is a shortfall. The Best4Essex model creates councils which have the size and therefore the added ability to influence the market as well as being small enough to be able to focus of particular community requirements.

### Working with the NHS

Adult Social Care works closely with the NHS and partnership working with Integrated Care Boards (ICBs), with NHS provider Trusts - hospitals, mental health trusts and community health services is vital to delivering joined up services AND better outcomes for the population. There are currently three ICBs covering Essex: Suffolk and North East Essex. Mid & South Essex and Hertfordshire and West Essex. Our 4 unitary proposal ensures that each unitary council relates to just one of the current ICBs responsible for health services across Essex:



ICB	<b>Current Local Authority Areas</b>	Best4Essex Unitary
Hertfordshire and West Essex ICB	Epping Forest, Harlow, Uttlesford	West Essex
Suffolk and North East ICB	Braintree, Colchester, Tendring	North East Essex
Mid & South Essex ICB	Chelmsford, Maldon Rochford, Brentwood	Central Essex
Mid & South Essex ICB	Thurrock, Basildon, Castle Point, Southend on Sea	South Essex

Table 9.6 Alignment with ICBs

However, there are plans for a reduction in the overall number of ICH across England and plans for a clustering of ICBs in the East of England are emerging with the potential direction of travel of the creation of a single ICB for Greater Essex by 2027-2811. This will result in all **Best4Essex** unitaries relating to a single ICB and providing for greater opportunities for co-ordinated and collaborative working between Councils and the NHS across Greater Essex.

There has been an emphasis on developing placed-based working relationships and partnerships with key NHS agencies, including Primary Care Network. This strengthens our place-based approach for Best4Essex and provides a solid foundation on which to plan for even better outcomes and a greater consistency of performance across the greater Essex area.

Building on the strong working relationships with Primary Care Networks, this four unitary authority proposal provides the opportunity to further enhance integrated working between Adult Social Care and primary care.

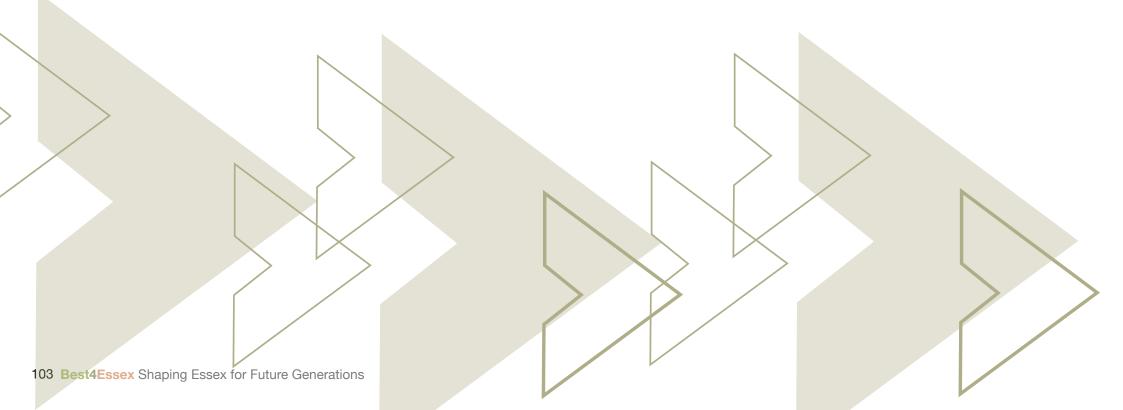
### **Market Shaping**

Each of the new unitary councils will be well placed to develop the effectiveness of market shaping, aimed at ensuring that there is a strong, high quality care market thriving within the footprint of the council. It is critical that the area is not too large which risks some areas remaining less well served by local services, nor too small which can limit the commissioning potential of the council and lead to restricted markets and more risks of reliance on out of area placements.

### How Best4Essex delivers for Greater Essex residents - Adult Social Care

- Right-sized commissioning Best4Essex creates unitary authorities large enough to shape resilient care markets but avoids the over-centralisation risk of the three unitary option or the fragmentation of the Five unitary option.
- Promoting independence and reducing reliance on residential care Best4Essex creates unitary authorities which are best able to focus its commissioning on local services designed to promote independence and reduce/delay the need for older residents to need residential care. Close collaboration with primary care through alignment with Primary Care Networks, expanded
- collaboration with local Voluntary sector organisations and closer working with housing services and deployment of Disabled Facilities grant are all features of the **Best4Essex** model.
- Performance variation On direct payments, Southend (27%) and Thurrock (33.7%) outperform Essex (24.2%). But Essex is stronger on reablement (77% vs 53% in Thurrock). Best4Essex allows pooling of strengths and consistent levelling-up.
- Housing and care linkage Across Essex,
   Southend and Thurrock, only 221 older
   people are in council-funded extra care
   compared with nearly 3,839 in residential care.

- **Best4Essex** prioritises combining housing and ASC commissioning to expand extra care provision.
- ICB co-terminosity Best4Essex ensures each new unitary aligns with just one Integrated Care Board (ICB). Currently ECC spans three ICBs, creating split accountabilities.
- Neighbourhood model By linking community assets (libraries, leisure, housing, VCFS) with health and care pathways, Best4Essex strengthens prevention. Thurrock's London-alignment option risks integration drifting towards outer-London providers.



# 9.3 | Route to economic growth

Key levers for economic growth are actions by the local authority either directly or indirectly (through influence on public sector partners) to:

- Encourage business development
- Attract investment, and
- Invest in local infrastructure (including transport networks and digital connectivity)

Work undertaken for the Greater Essex Growth and Infrastructure Framework 2016-2036 (2017) identified employment growth sites with capacity over 1,000m<sup>2</sup>, as shown below.

The report notes that many of these identified housing sites are located along four key corridors - The A12 & Great Eastern Mainline Corridor (Brentwood-Chelmsford-Colchester), the A120 Haven Gateway Corridor, the M11 London Stansted Cambridge Corridor and the A127 and A13 Corridors.

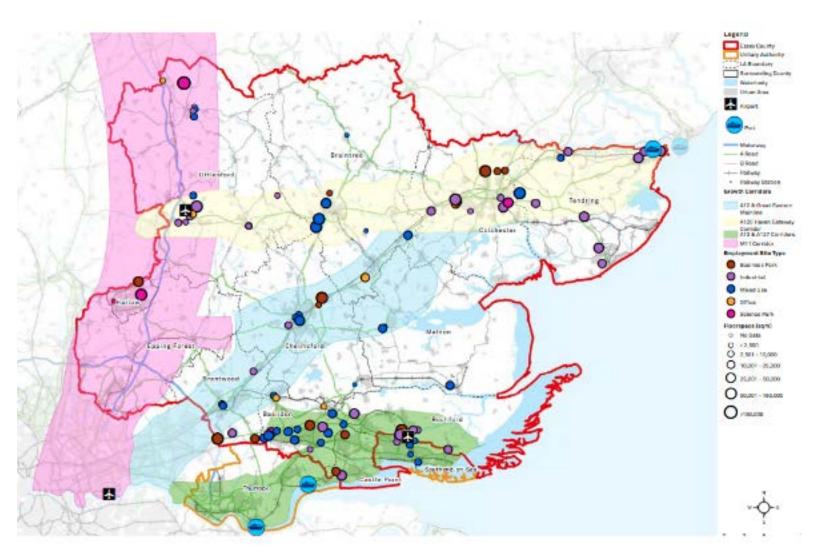


Figure 9.2 Economic Growth Corridors

Our proposal, with its choice of geographical boundaries very much underpinned by the four key corridors, offers the best opportunity for clear and coherent local authority strategic direction to bring in investment and achieve the potential of these employment sites, working closely with the new MCCA.

In addition, because our option for LGR is centred around a sense of locality and coherent economic geography, it promotes the deployment of a place-based focus. This means that actions can be more readily undertaken that revitalise town centres and support rural businesses to diversify. Such potential actions include:

- Promote the advantages of the area to attract start-ups, entrepreneurs and growing businesses
- Align with economic growth corridors to simplify delivery sequencing with local growth planning and MCCA and build investment security for both institutional and inward investment
- Foster a culture of innovation by encouraging collaboration between local businesses
- Strengthen hubs where residents, businesses and visitors come together, blending heritage with growth and cultural events, and redeveloping underutilised spaces for mixed use

 Enhance business support with mentoring programmes, access to training and signposting to national and regional opportunities.

Through a coherent place based approach and strong identity, these and similar actions would be facilitated in all of the four localities of Essex.



### 9.4 | Route to housing delivery

Emerging Local Plans in Essex will bring forward land to deliver some 148,000 homes by the mid-2030s, around 9,700 a year. It should be noted that planning reform changes and specifically the reintroduction of strategic planning responsibilities will affect broad locations for housing as new spatial development strategies come into force. As these will take a strategic infrastructure and investment first approach these changes will support our configuration as it is based on existing economic growth corridors, structures and infrastructure.

The specific distribution of local authorities has a significant impact on flexibility for housing. Below we compare the **Best4Essex** and Alternative 4 locality models. The four localities covered by the Best4Essex model would have a green belt component ranging from 0% to 60%, whereas the four localities in the Alternative 4 model would have up to 82% of their land covered by green belt, a significantly tighter restriction.

Best4Essex	North Essex	West Essex	Central Essex	South Essex	Total
Green-belt (hectares)	0	35100	37940	21650	94,960
Total area (hectares)	128,30	101,070	102,020	36,020	367,140
% green belt	0%	35%	37%	60%	25.8%
Alternative 4	North West	North East	South West	South East	Total
Green-belt (hectares)	16,640	0	56,250	21,800	94,960
Total area (hectares)	159,510	102,640	68,640	36,350	367,140
% green belt	10%	0%	82%	60%	25.8%

Table 9.7 Green Belt comparison

Source: MHCLG (2024) Live tables on local authority Green Belt statistics: 2023-24



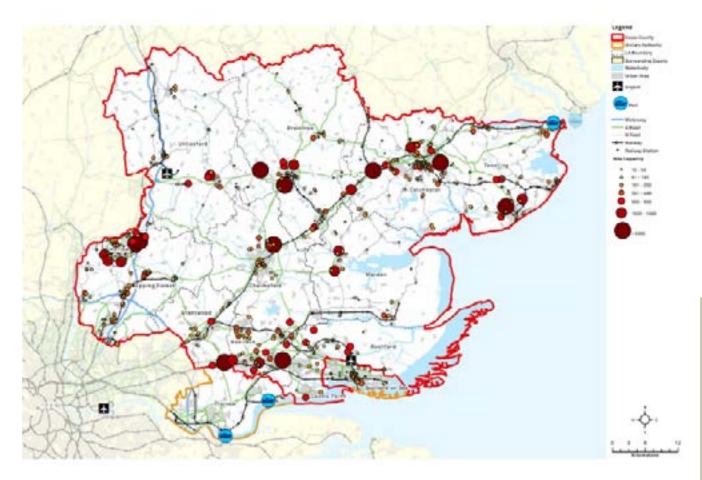
However, it should be noted that the challenges of the housing targets are considerable for Essex - with overall targets representing a level 85% higher than current building annual rates (over the period 2021/22 to 2023/24) - and particularly challenging for South Essex, with a 310% aspiration. By contrast, the planned increase in housing levels is up to 250% in the Alternative 4 proposal. The table below compares the housing targets for the two four unitary options. This means a coherent investment/economic based approach which our model supports is even more critical to diversify and accelerate delivery.

Best4Essex	North Essex	West Essex	Central Essex	South Essex	Total
Current housing targets	2,626	1,914	2,056	3,719	10,315
Proposed housing targets	3,431	2,607	3,316	4,414	13,768
Average net new housing stock	2,864	1,344	2,175	1,077	7,460
% change proposed housing vs net new housing stock	20%	94%	52%	310%	85%
Alternative 4	North West	North East	South West	South East	Total
Current housing targets	2,401	2,089	2,908	2,917	10,315
	· · · · · · · · · · · · · · · · · · ·	_,	_,	2,017	10,010
Proposed housing targets	3253	2877	3615	4023	13768
Proposed housing targets  Average net new housing stock	3253 2,599	,	ŕ	,	,

Table 9.8 Housing growth comparison

Source: LGC (2025) "Mapped: Housing targets for each council under proposed method) for current and proposed housing targets", MHCLG (2024) Net additional dwellings by local authority district, England 2001-02 to 2023-24 (Live Table 122), RedQuadrant analysis

Work undertaken for the Greater Essex Growth and Infrastructure Framework 2016-2036 (2017) identified sites for meeting housing growth requirements, as shown below.



The report notes that many of these identified housing sites are located along four key corridors - The A12 & Great Eastern Mainline Corridor (Brentwood-Chelmsford-Colchester), the A120 Haven Gateway Corridor, the M11 London Stansted Cambridge Corridor and the A127 and A13 Corridors.

Our proposal, with its choice of geographical boundaries very much underpinned by the four key corridors, offers the best opportunity for reduced boundary frictions between local authorities to accelerate and simplify delivery. bring in investment and achieve these identified housing sites.

Risks and Dependencies linked to this section are summarised below. Full detail, including impact, likelihood and mitigations, is provided in the Risk and Dependency Log (Annex 3)

#### 09 | Service delivery considerations

R6: Perceived loss of local identity and democratic voice undermines legitimacy.

R12: Resident engagement fatigue.

D10: NACs design and pilots must be in place for vesting.

# 10 | Leadership and governance

"We want councillors who are visible and accountable in our neighbourhoods"

#### MHCLG Criteria:

- ✓ 01 | Single tier local government Four unitaries replace two tier system
- ✓ 04 | Meets local needs Residents engaged; priorities: services, identity, resilience
- ✓ 06 | Local engagement & empowerment Neighbourhood Area Committees from vesting day



This section sets out how the Best4Essex model will provide strong and accountable leadership. It outlines electoral arrangements that ensure effective local representation, the neighbourhood structures that will empower citizens, and the partnership working needed across systems and geographies. Together, these arrangements will guarantee visible, engaged and responsive local government.

## **Best4Essex**

#### What it avoids:

Remote councils without visible. accountable councillors.

#### What it delivers:

Safe & legal day one, Transformation, Visible councillors, empowered neighbourhoods, accountable governance.

## 10.1 | Indicative electoral arrangements

It is helpful to consider the potential for localising accountability, decision-making, service delivery and partnership working, as part of the proposals for Greater Essex.

First, we turn to accountability and arrangements for democratic representation. While this may well be subject to review by the electoral commission as part of transition, it is helpful to offer some thoughts as to the impact of our proposal on elected councillors and representation, in line with the criteria shared in the Minister's letter of 5th February 2025:

d) include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decisionmaking arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.

The idea of "electoral equality" is fundamental to any council's democratic function - within a council area, the number of electors per councillor should be as even as possible across wards and division. It is achieved by defining an electoral geography which ensures a broad measure of parity in the number of electors per councillor per division. Given the reduction in Councillor numbers, it is important that new councils develop ways of working that enable councillors to effectively connect with, engage and empower the communities they represent.

Effective representation must therefore strike an appropriate balance between ensuring:

- there are enough elected councillors that local people know who they are and feel represented by them; it is important that as the councils get bigger, citizens don't feel they are more remote and detached from decision-making
- there are sufficient councillors in each new authority to effectively run the council and fulfil all the obligations required of them in the discharge of their duties; it is important that there are neither too few, in which case the Council won't operate effectively, nor too many, in which case there will be many without a clear role, and which will place a cost burden on the new councils.

As has been noted elsewhere, this is not an exercise in reducing local democratic accountability. We see it, instead, as an opportunity to simplify and clarify arrangements, therefore enhancing representation and accountability. The following sets out what that may look like for our four unitary solution.

#### **Current situation**

There are currently almost 700 councillors in Greater Essex, excluding local Town and parish councillors (620 district and unitary councillors and 78 County councillors). This is an average of one councillor for every 2,005 electors, ranging from 1:1543 in Brentwood to 1:3,299 in Basildon. Put another way, it is a ratio across Essex of 5.1 councillors to every 10,000 electors.

Councillors in single-tier areas across England typically represent between 2,000 and 4,600 electors. Indeed, Ernst + Young's<sup>12</sup> analysis of recent unitary authorities shows an average number of councillors per authority to be 92 with an average ratio of one councillor for every 3,296 electors.

This equates to between 2.2 and 5.7 councillors per 10,000 electors. 90% of all single-tier councils operate within this range. Looking only at unitary councils, the average number of councillors per 10,000 population is 3.1.

This data suggests that the current number of councillors in Essex, in aggregate, needs to be reduced. To reach the average of 3.1 councillors per 10,000 electors suggests a total across all four new councils of 434, ranging from 74 in Essex West to 148 in Essex South. Clearly, these numbers are too high to be workable.

#### Essex The 78 divisions in Essex align with district boundaries - there are no divisions which lie in two or more districts. The table below shows the number of divisions per district: District Number of division Basildon Braintree Brentwood Castle Point Chelmsford Colchester Epping Forest Harfow Maldon Rockford Tendring



Data from Boundary Commission - Essex County Council boundaries 2024

Figure 10.1 Electoral Divisions within Essex

#### **Proposal**

In exploring potential scenarios, we have used the boundary commission's recommended geography as a pragmatic starting point for modelling future councillor numbers across Greater Essex. Through this modelling work we have identified 95 electoral wards across Greater Essex:

- 78 in the Essex CC area (based on the ECC divisions from the ECC boundary review).
- 8 in Thurrock (grouping the new Thurrock wards from the Thurrock boundary review which give electoral parity with the units in the wider Essex area); and
- 9 in Southend (grouping existing wards to ensure electoral parity with the wider Essex area).

Looking at the numbers, by applying the maximum number of three councillors per division, as advised by the electoral commission we would achieve the following levels of representation across the four councils proposed in the **Best4Essex**:

- North (75 councillors)
- West (51 councillors)
- Central (66 councillors)
- South (93 councillors).

In total this provides 285 councillors across all four councils, a drop of 513 councillors (64%). In aggregate, these 285 councillors will serve greater Essex's 1,399,365 electors at a ratio

of 1 for every 4,910 electors and 2.04 per 10,000 electors. These are on the low side to the comparator information, but as noted above, are broadly comparable with recent unitary councils: Somerset (4,898 proposed) and North Yorkshire (5,390). Specifically:

- the number of divisions range from 17 in the West to 31 in the South, therefore with 51 and 93 councillors respectively
- this provides a range of electors per councillor from 4.663 in the West and 5.083 in the North
- in turn, the number of councillors per 10,000 electorate ranges from 1.97 in the North to 2.14 in the West.

This modelling is illustrated in the table below.

Table 10.1 Councillor numbers - Detail

New Unitary	Existing councils	Electorate	Divisions	3 Councillors per division	Electorate per Councillor	Councillors per 10,000 electorate
North	Braintree	120,169	8	24	5,007	
West	Colchester	141,251	9	27	5,232	
Central	Tendring	119,818	8	24	4,992	
South	North	381,238	25	75	5,083	1.97
	Epping Forest	100,057	7	21	4,765	
	Harlow	65,849	5	15	4,390	
	Uttlesford	71,898	5	15	4,793	
Central	West	237,804	17	51	4,663	2.14
	Brentwood	60,179	4	12	5,015	
	Chelmsford	135,577	9	27	5,021	
	Maldon	53,510	4	12	4,459	
	Rochford	68,534	5	15	4,569	
South	Central	317,800	22	66	4,815	2.08
	Thurrock	122,245	8	24	5,094	
	Basildon	138,569	9	27	5,132	
	Castle Point	69,076	5	15	4,605	
	Southend	132,633	9	27	4,912	
	South	462,523	31	93	4,973	2.01
<b>Greater Essex</b>		1,399,365	95	285	4,910	2.04

In summary form, then, electoral representation for the four new unitary councils are as follows:

Table 10.2 Councillor numbers - Summary

New Unitary	Electorate	Divisions	3 Councillors per division	Electorate per Councillor	Councillors per 10,000 electorate
North	381,238	25	75	5,083	1.97
West	237,804	17	51	4,663	2.14
Central	317,800	22	66	4,815	2.08
South	462,523	31	93	4,973	2.01
<b>Greater Essex</b>	1,399,365	95	285	4,910	2.04

This modelling illustrates the four proposed unitary councils are viable and sustainable in terms of arrangements for local democratic representation.

## 10.2 | Civic and ceremonial arrangements

It is important that Essex's long-standing civic traditions are preserved through reorganisation. The county's ceremonial roles Lord Lieutenant and High Sheriff will continue unchanged, as they have in other areas. In Cheshire, for example, the Lieutenancies Act 1997 was amended to reflect new unitary authorities, while the ceremonial county remained intact. The same principle applies here. Greater Essex will remain a single ceremonial county, with continuity in historic offices and functions. Alongside this, each new unitary council will be able to establish or retain its own civic identity, through Mayors, Chairs or other traditions, ensuring both countywide heritage and local pride are safeguarded.



## 10.3 | Indicative neighbourhood arrangements

Resident voice, community and neighbourhood empowerment are at the heart of our proposal and thinking. The criteria for LGR includes the requirement that "new unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment". Further, MHCLG's feedback to the interim plan (7th May 2025), stated:

"In your final proposal(s) we would welcome detail on your plans for neighbourhood-based governance, the impact on parish councils, and thoughts about formal neighbourhood partnerships and area committees."

The forthcoming English Devolution and Community Empowerment Bill will introduce a requirement on all local authorities, in England, to establish effective neighbourhood governance. The main goal of neighbourhood governance is to move decision-making closer to residents, so decisions are made by people who understand local needs. Additionally, developing neighbourhood-based approaches will provide opportunities to organise public services to meet local needs better.

**Essex will therefore establish Neighbourhood** Area Committees (NACs) across all four new unitary councils, ensuring consistent coverage and a clear framework for neighbourhood empowerment.

#### **Neighbourhood Area Committees**

In its wider feedback to the sector. Government stated a clear steer towards Neighbourhood area committees (NAC)s:

Neighbourhood Area Committees, led by frontline ward councillors, offer a model of place-based engagement and leadership which maximises the structural efficiencies brought about by Local Government Reorganisation and strengthens localism and community participation across all areas. Neighbourhood Area Committees help councils fulfil their commitments to working in partnership with communities at the neighbourhood level. They can also include other service providers, such as town or parish councillors, when applicable, along with co-opted members from local community organisations.

The interim report of the Commission for Neighbourhoods 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 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."

Essex wide engagement confirms this mandate. The Beehive resident panels and NatCen survey work show strong support for neighbourhoodlevel decision-making across the county, cutting across urban, coastal and rural areas (see Section 5.1-5.3). NatCen found that three in four residents backed stronger neighbourhood governance, while Beehive panels captured the sentiment in plain terms: "Need to keep it local." These findings underline that appetite for local empowerment is not confined to one district but is a consistent theme county wide. Within that broader picture, Rochford provides a clear spotlight: more than 60% of residents backed the introduction of Neighbourhood Area Committees. with top priorities including 431 responses for high quality services, 361 for protection of critical services, and 257 for financial resilience.

#### **Principles**

Neighbourhood arrangements need to be appropriate for a county as large and geographically diverse as Essex; there is unlikely to be a one-size fits all approach. We have seen how, to strike a balance between population size and area, the new councils for Essex vary from 100 to 500 square miles with population per square mile of 800 to 6,500. Arrangements need to reflect this urban / rural diversity.

Core principles to guide the establishment of area-based arrangements must include:

- Hyper-local representation Essex will establish clear, structured local governance arrangements that give communities an active role in setting priorities and influencing delivery from day one, through Neighbourhood Area Committees with local elected membership and leadership
- Delegated powers NACs will operate with delegated powers that enable action on, and ownership of local issues, transparent budgets, and direct accountability of local elected members
- Community engagement offering an open forum and/or clear engagement mechanisms for local people to convene, discuss what matters most to them, and engage with councillors and other public services
- Strategic links formalised links into the Council and Combined Authority/MCCA framework to align hyper-local priorities with regional investment plans

- Consistent coverage across the unitary footprint, with flexibility for different geographies (urban, rural, unparished areas)
- Subsidiarity taking decisions and delegating assets and services at the lowest effective level, closest to those affected by them
- Integration with devolution Forum chairs or representatives will have a formal route into the Unitary Cabinet or a cross-cutting Leadership Board. Each forum will also map to MCCA growth corridors, ensuring community priorities feed directly into devolved funding bids
- Co-ordination providing a forum for local service providers across the public and third sectors to connect, collaborate, and join up services
- Co-terminosity wherever possible neighbourhood arrangements should be based on geographies that make sense to local people and align with existing service delivery boundaries
- Visible accountability Standardised local action plans, open public meetings and reporting, and quick-impact projects co-designed with residents to demonstrate value within the first year of operation.

By embedding these principles Essex will quarantee that NACs are consistently in place across all four unitary authorities. adapted locally but working to a common Essex-wide framework. We've applied some of these principles to review approaches to neighbourhood working in recent unitary authorities, as summarised in the table 10.3.

Aspect	Somerset	Cheshire East	Buckinghamshire
Hyper-local representation	Local Community Networks (LCNs) covering geographic areas, include elected members, parish/town reps, plus police, health, education, VCFSE, and business.	Neighbourhood and Local Area Partnerships evolving from previous models; councillors lead local meetings with partners and residents.	16 Community Boards across the county, chaired by local councillors and designed to retain a strong local voice.
Devolved budgets/ financial power	Influence council budgets; scope for service/asset devolution to parishes.	Small devolved budgets for local priorities and community projects.	£3.9m devolved budgets across Community Boards to support local priorities and voluntary sector projects.
Community engagement	High engagement through regular LCN meetings, pilots, and "You said / We did" reporting.	Public meetings with voluntary and faith groups, open channels for resident engagement.	Regular public meetings, consultations, and ongoing engagement channels with communities and partners.
Delivery of hyper-local services	Pilots delivering local services (e.g. street scene, youth services), with potential to expand.	Partnerships able to commission small-scale services or community projects.	Community Boards fund local environmental improvements, youth projects, and safety initiatives, often in partnership with parishes.

Table 10.3 Neighbourhood working examples

Essex intends to go further than these examples by ensuring Neighbourhood Area Committees are consistently embedded across all four new unitary authorities, formally linked to MCCA governance, and underpinned by wide ranging delegated responsibilities and discretionary budgets that facilitate and enable localised action and ownership, whilst complementing and partnering with existing governance networks including town and parish councils and the voluntary and community sector. Building on lessons from North Yorkshire and Buckinghamshire, across these arrangements will be established through a structured co-design process during transition, working with residents, parish and town councils, voluntary groups and service providers

to ensure NACs are active swiftly following vesting day. In the first instance, neighbourhoods will be aligned to existing county council divisions to simplify councillor involvement and avoid confusion. Neighbourhood budgets will be drawn from existing allocations, ensuring no new bureaucracy and no additional costs.

To make this real, Essex will prioritise delivery from the outset. During the shadow authority period, each new unitary will pilot at least two Neighbourhood Area Committees in contrasting localities for example, one urban ward and one parished town so that NACs are up and running on vesting day. These NACs will operate with small but ring-fenced budgets for community

priorities, carved out of existing allocations to remain cost-neutral while making spend more transparent and locally accountable. Chairs will have a formal reporting line into the Unitary Cabinet, ensuring neighbourhood priorities are considered in corporate decisions and devolved funding bids. Drawing on Somerset's Local Community Networks and Buckinghamshire's Community Boards, the model will be adapted locally but built on proven practice, including quarterly " / We Did" reporting. With a clear majority of Essex residents expressing support for neighbourhood committees, this ensures empowerment is visible from day one and embedded through the Transition & Implementation plan.

#### **Challenges**

These commitments must also be viewed in light of the risks. We must be careful to avoid some challenges, too. Clearly, creating a Unitary Council with local neighbourhood area committees must not simply recreate a version of the two-tier structure it is replacing. It must look, feel and be different. However, we don't believe this is an excuse for inaction. As we have seen elsewhere in this proposal, people lead their lives locally and want to feel they have a say and some sense of control over what happens in their communities. Neighbourhood Area Committees are one such way to achieve that, while countering arguments, famously articulated during the Redcliffe-Maude review, that new councils are too remote.

We must take care not to lose the efficiency gains of moving to a single unitary, or the resulting benefits for Council Tax and business rate payers. Nor do we want to simply create more bureaucracy when what residents value most is, responsiveness. But equally, we must not lose the local knowledge and community relationships that currently exist with those providing local services.

Neighbourhood governance in Greater Essex will not recreate the inefficiencies of the two-tier system. NACs will be visible, empowered and accountable, with delegated responsibilities and real influence. This is what makes the Best4Essex proposal stand out: a credible and deliverable framework for neighbourhood empowerment that strengthens local voice and aligns with financial sustainability.

## 10.4 | Collaboration and partnership working

The proposed four-unitary arrangement for Greater Essex is not starting from scratch. Across the county, there is already a rich network of formal and informal collaborations, shared services, and strategic partnerships that cut across proposed unitary boundaries and, in some cases, sit entirely within them. These partnerships provide operational foundations, political trust, and practical examples of what integrated leadership and service delivery can achieve.

## Partnership arrangements and shared services

In Essex we are used to collaborating and working collectively through a broad set of service delivery arrangements and have therefore developed significant expertise in this space.

- Brentwood–Rochford Strategic Partnership
   Since 2022, the councils have shared a joint
   Chief Executive and are actively pursuing
   service integration in areas such as housing,
   environmental health, and licensing—under
   a "OneTeam" strategic partnership.
- Basildon, Brentwood & Castle Point
   Joint Working These three councils entered
   a Memorandum of Understanding (MOU)
   to explore shared services and partnerships
   aimed at efficiency.
- Epping Forest Collaboration with Colchester & Braintree Formal collaboration includes a digital customer services partnership, shared procurement planning for future websites, and exploration of shared services across planning and waste.

- North East Essex Economic & Planning Alignments Braintree, Colchester, and Tendring already collaborate on shared Local Plan work garden communities, and delivery frameworks, forming a functional economic area.
- South Essex Digital Infrastructure Initiative
  The "South Essex Councils" partnership
  (ASELA) invested in digital connectivity—
  deploying over 200 km of full fibre to connect
  public sector sites (schools, GP surgeries,
  care homes) with high-speed broadband
  to drive shared service innovation.
- Essex-Datakind Data Analytics
   Collaborations Essex County Council,
   local district councils, and Datakind UK are
   co-developing shared data analytics capacity
   and establishing data-sharing assurance
   frameworks for joint problem solving
   and insight-driven planning.
- County-wide Devolution and Engagement Partnerships In 2025, 15 Greater Essex councils plus the Police, Fire & Crime Commissioner commissioned a NatCen-led survey of 1,400 residents to gather priorities for LGR, demonstrating cross-council alignment on public engagement.
- Greater Essex Devolution Programme North East Essex councils issued a joint statement supporting the establishment of a Mayoral Combined County Authority (MCCA) and collaborated on the rationale for a Braintree– Colchester–Tendring unitary tied to existing delivery relationships. The Government has confirmed that Greater Essex passed the legal tests for devolution, enabling continuation of MCCA framework development.

We have also mapped these on to the proposed new unitary councils to illustrate the breadth of coverage:

Type of Collaboration	Examples	Mapped Grouping(s)	Notes
Joint Leadership & Service Integration	Brentwood-Rochford strategic partnership	Central Essex	Directly within proposed unitary demonstrates existing operational integration between two member councils.
Shared Working Frameworks (MOU-based)	Basildon, Brentwood & Castle Point	Central Essex & South Essex	Shows cross-boundary cooperation that could be formalised or retained under the model.
Digital & Customer Service Partnerships	Epping Forest with Colchester & Braintree	West Essex & North Essex	Current digital collaboration links across two different proposed unitary authorities, indicating possible service hubs/shared ICT.
Planning & Economic Collaboration	North East Essex (Shared Local Plans, garden communities)	North Essex	Well-established functional economic area within proposed unitary boundary.
Digital Infrastructure Collaboration	South Essex Councils (ASELA broadband rollout)	South Essex & partially Central Essex	ASELA includes Southend, Basildon, Thurrock, Castle Point, and sometimes Rochford, fibre investment benefits two proposed councils.
Data & Analytics Partnerships	Essex councils with Datakind UK	All 4 groupings	Countywide partnership: data-sharing standards could underpin new unitary structures.
Resident Engagement & Devolution Programme	NatCen survey with 15 councils; Greater Essex passing legal devolution tests	All 4 groupings	Countywide engagement and alignment; supports democratic legitimacy across all unitary authorities.

Table 10.4 Collaboration and partnership working

We believe these examples provide evidence that the core foundations that will assist the transition, establishment and future cooperation between the new councils already exist across Essex:

- Foundation for our model: These longstanding partnerships provide both moral and functional precedence that strategic alignment under four unitary authorities can thrive.
- Intellectual and operational compatibility: Existing shared service frameworks ease transition, minimizing disruption and resistance.
- Local and regional confidence: Recent tech and data collaborations signal a readiness among Essex actors for integrated service delivery and community-led decision-making.
- Engagement legitimacy: The structured, independent resident engagement model (NatCen) adds weight to claims of democratic accountability under a unitary model.



# Neighbourhood working geography and coterminosity

In responding to these social challenges, Essex partners already use recognised community footprints for planning and engagement, though these aren't yet formalised into a single framework. These include:

- Essex Police Safer Neighbourhood Areas
   These exist county-wide and are already
   well understood by partners, making them
   a potential building block for local
   engagement and performance reporting.
- Health & Wellbeing Footprints NHS and public health planning is based on "Neighbourhood" areas (populations in the range of 30k–50k), often aligned to Primary Care Network (PCN) boundaries.
- Economic & Regeneration Zones South
   Essex and North Essex Economic Boards
   already work with sub-county spatial clusters
   that reflect travel-to-work and functional
   economic areas.
- Voluntary Sector Networks Several areas operate Community Voluntary Service (CVS) zones, which align loosely with district boundaries but sometimes cut across for thematic reasons (e.g., coastal vs inland).
- Parish/Town Council Boundaries
   274 parishes across Essex provide a hyper-local governance layer, especially in rural parts of the county.

There is precedent for place-based segmentation in Essex, meaning the unitary design can adopt existing and trusted geographies for engagement and data reporting. Building on Safer Neighbourhood Areas or PCN footprints and aligned with the proposed electoral divisions (section 11), this will ensure that local voice and service targeting won't be lost in transition. We have looked in particular at the Shropshire Place Partnerships as a model of local, community-based service co-ordination, data analysis and insight, and public engagement and will map out a similar approach for Essex.

Risks and Dependencies linked to this section are summarised below. Full detail, including impact, likelihood and mitigations, is provided in the Risk and Dependency Log (Annex 3)

#### 10 | Leadership and Governance

**R11:** Shadow elections and governance arrangements fail to gain traction.

D3: Shadow elections required for legitimacy.

**D6:** Boundary Commission determinations required to underpin new wards/divisions.

# 11 | Transformation and implementation

"Change must protect services today and make councils fit for tomorrow"

#### **MHCLG Criteria:**

- ✓ 03 | High quality, sustainable services Strong, joined-up services; financially resilient
- ✓ 04 | Meets local needs Residents engaged; priorities: services, identity, resilience
- 06 | Local engagement & empowerment Neighbourhood Area Committees from vesting day



This section demonstrates that the Best4Essex model is ready to deliver. From day one, it will safeguard vital services, control transition costs, and reinvest savings into transformation drawing directly on lessons from other successful unitary transitions.

## **Best4Essex**

#### What it avoids:

Hidden transition technology costs, retrofitting existing failure demand and new bureaucracy.

#### What it delivers:

Safe services, manage down failure demand to redesign service delivery and build a transformation and innovation culture from day one.

The transition to new unitary authorities in Essex will be managed in connected phases:

- Transitional arrangements: existing local authorities working with other councils in the same new unitary authority pre and post Shadow Council Elections in May 2027 to enable the most effective platform and for the new authority to hit the ground running.
- Safe and Legal on Day One: ensuring all statutory services continue without interruption and that the new councils are operationally functional from vesting day in April 2027.
- Transformation thereafter: using reorganisation as a platform for transformational service redesign. Informed and stewarded by stronger local democratic engagement, underpinned by modern digital, data and technology foundations, agile and flexible business processes and resourcing to build a new resilient public services delivery model. Seamlessly sequencing alignment with the development of the new Greater Essex Mayoral Combined County Authority (MCCA) as part of a One Public Sector ecosystem for Essex.

The timetable for Greater Essex is fast tracked due to it being part of the Governments Devolution Priority Programme (DPP). We will submit this business case in September 2025, this will be followed by MHCLG consultation in the autumn, with decisions expected in Spring

2026. Shadow authority elections for the new UAs will take place in May 2027, providing twelve months of preparation before vesting day in April 2028. Learning from other areas, we recognise that vesting day is a starting point, not an end point. Transition followed by comprehensive transformation will be sequenced to prepare, minimise disruption, protect critical services such as Adults, Children's, SEND and Homelessness, and build confidence among staff, residents, and partners.

As the former leader of Ryedale District Council reflected on the creation of North Yorkshire Council: "Reorganisation is all-consuming. Decision-making slows down. Major projects are paused or shelved altogether as resources are diverted to the transition effort... Management's top priority for Day 1 was ensuring the bins were emptied. Nothing would signal a dysfunctional start more blatantly than uncollected rubbish by the kerbside. With intense work, the authority achieved its stated ambition to be 'safe and legal'. North Yorkshire Council exists, but it will not truly be one authority for many years yet."

This example underlines the importance of realistic planning and the principle that vesting day is only the beginning of a longer journey of transformation.

## 11.1 | Governance & Programme Structure

Effective governance will underpin a successful transition. Our model combines political oversight, officer and operational leadership, and programme management capacity, sequencing with the MCCA timetable.

#### **Shadow Authorities**

Shadow authorities will be established from May 2027 following elections.

#### Each will:

- Consist of elected members representing the new geography.
- Appoint a Shadow Executive (Leader and Cabinet) to provide political leadership during the pre-vesting period.
- Prepare the first budgets, Medium Term Financial Strategies (MTFS), Business planning, council tax harmonisation plans, and service transition strategies.
- Recruit Chief Executives and senior leadership teams, ensuring organisational leadership is in place before vesting.

#### **Oversight Group**

To ensure countywide coherence, we propose an Essex Leaders' Implementation Oversight Group. Its role will be to:

 Provide joint decision-making across the four shadow authorities and the MCCA programme.

- Ensure dependencies with the MCCA timetable are tracked and resolved and work closely with the new Mayor (from May 2026).
- Maintain regular dialogue with MHCLG, local MPs, and Whitehall departments.
- Co-ordinate strategic communications both internally and externally.

We recognise that Ministers have discretion to decide the level of council representation on the joint committees and implementation executives established as part of the transition arrangements. We advocate for all predecessor councils, including districts, to have equal representation (as was the case in Cumbria (2023) and Northamptonshire (2021) where all councils had the same number of seats on the committee). We believe this forms a vital principle for the transition process, reflecting as it does the creation of brand new organisations out of the legacy of fifteen. All involved to this point need to play a role in honouring their collective past while shaping a new future.

## **Programme Management Office** (PMO)

A dedicated Transition PMO will be established in 2025, integrating with both Greater Essex MCCA and local transition teams.

- Remit: Coordinate transition activities. delivery planning and roadmap, manage risks and interdependencies, monitor costs, and ensure consistent and standardised reporting.
- Resource plan: Staffed through a blend of redeployed council officers and specialist support.
- Integration with MCCA: The PMO will maintain a single transition roadmap, aligning unitary creation with MCCA milestones.

#### Governance

During the consultation and decision-making period (Autumn 2025 to early 2026), we will not stand still. Work will continue at pace to establish the foundations for transition including collating baseline data across staffing, contracts, assets and ICT, and begin service design workshops and developing delivery plans and roadmaps. All while being careful to do work which provides value whichever business case solution is ultimately agreed upon. Partner engagement with the emerging MCCA and devolution dependencies will be of significant

focus, especially harmonisation of strategic areas or functions where cross organisation working practices will need to be established early to accelerate delivery and aggregation/ disaggregation of our business-critical services into the new UA organisational design. Specific cross cutting structures and existing collaboration will be embedded with other key partners including the NHS, Police, Fire and the voluntary sector and we will ensure continuity planning is co-designed, while early governance frameworks for the shadow authorities are

drafted. This proactive approach means that, once MHCLG confirms its decision, Essex can move immediately into detailed delivery planning rather than losing valuable time.

To deliver this timetable, a robust governance model is required. The framework below shows the complementary roles of the political, strategic, programme and partner tiers, ensuring local democratic legitimacy, effective oversight, and alignment with the MCCA.

Tier	Body	Main Role
Political	Shadow Authorities (4)	Provide local political leadership; prepare budgets and service transition plans; oversee staff and resident engagement
Strategic	Essex Leaders' Implementation Oversight Group	Coordinate across the four shadow authorities; ensure dependencies with Essex MCCA; act as interface with MHCLG
Programme	Transition and Transformation PMO	Day-to-day programme management; risk and cost tracking; reporting; shared resource for all councils, efficiencies and rationalisation, critical operational dependencies both external and internal). Early transformation and business planning function to build in new corporate strategy to MTFS/Transformation pathway for year 2 onwards. Critical programme governance function.
Partner	MCCA Programme Board	Ensure alignment of LGR transition with MCCA devolution milestones and strategic priorities across partner ecosystem.

Table 11.1 Governance framework

These governance and timeline arrangements provide a credible pathway for Essex to deliver four new unitary authorities that are safe and legal from day one, while building strong foundations and alignment of critical dependencies (operational, strategic and political) to ensure deeper organisational transformation and fit for purpose redesign of the Essex Local Government ecosystem. By aligning transition with the Essex MCCA, the programme will maximise the benefits of devolution early, maintain resident and partner confidence, and ensure that the new councils are not only operationally ready in 2027 but positioned to drive long-term transformational change and improvement.

#### **Principles**

Core principles<sup>13</sup> we will apply to the management of transition include:

- Ensure there is a completely fresh start to create a separation between the old and new organisations while retaining areas of innovation that align with the delivery plan and transformation roadmap.
- The critical dependencies with the new MCCA, and Essex public services ecosystem are mapped, and data sharing, governance and ways of working are in place.
- Ensure there is a quality delivery plan in place and appropriate structures and feedback loops within it for reflexive iteration and pivot where necessary.
- A comprehensive and collaborative digital, data and technology (DDaT) rationalisation delivery roadmap is in place.
- Recruit the right people and skills early on, starting with the chief executive, and ensure they are used effectively from the very beginning.
- Create a focussed internal design panel from the onset of the transition to build internal ownership and delegate decision sign off for agreed elements from transition through transformation.

- Once shadow elections have taken place, create a strong vision and objectives for each of the new organisations and ensure a focus is put on achieving the outcome and goals that have been outlined. Build this into a new corporate strategy properly aligned with the business planning and Medium-Term Financial Strategy (MTFS) cycle and transformation delivery plan.
- Develop a strong, innovative and adequately resourced financial model and capability and embed this as the foundations of the new authorities.
- Build long term and effective communication structures throughout the reorganisation process both to internal staff and our external stakeholders with iterative feedback mechanisms. Embed in Business-as-usual post transformation.
- Work closely with councillors to ensure there is a strong and supportive relationship built on trust with agreed and appropriate operational/political boundaries.
- Draw on the experiences and lessons learned from those that have reorganised previously but also be forward looking and build in innovation and new ways of working where appropriate.

<sup>&</sup>lt;sup>13</sup> Looking back on the local government reorganisation of 1995-1998: reflections and learned SOLACE (2006)

## 11.2 | Transition Timeline

The timeline below sets out the fast-track pathway for Essex, integrating MHCLG's statutory decision-making process14 with local preparations and the parallel Essex MCCA timetable. It illustrates how each stage from business case submission through to vesting day and beyond will be sequenced to ensure both safe and legal transition and readiness for transformation.

Government Stage	Programme Phase	Key Activities	Governance Responsibility	Timing
Stage 1: Inviting unitary proposals		Invitation to prepare and submit proposals, with guidance	MHCLG	5th February 2025
Stage 2: Submission of formal unitary proposals		Submit final Best4Essex case to MHCLG	Essex Councils	26th Sept 2025
Stage 3: Statutory Consultation		National and local consultation on Essex options	MHCLG	Nov 2025 – Jan 2026
	Phase 1 Mobilisation (while awaiting decision)	Establish Transition PMO; baseline data (staff, ICT, contracts, assets); partner/stakeholder engagement; draft shadow authority frameworks; initial service design workshops; risk & finance modelling	Essex Leaders' Oversight Group & PMO	Autumn 2025 – Winter 2026
Stage 4: Decision to implement a proposal		Secretary of State decision	MHCLG	March 2026
Stage 5: Making secondary legislation		Statutory Instruments laid Legislation made, subject to parliamentary approval	MHCLG	Before Summer recess - Autumn 2026
Stage 6: Transition Period	Phase 2 Preparation	Detailed service design (aggregation/disaggregation); HR and TUPE planning; ICT/data rationalisation plans; align with Essex MCCA programme. Pilot Neighbourhood Area Committees (NAC) and develop engagement and local democracy roadmap in at least two contrasting localities per unitary. Transition and transformation draft roadmap and interdependency mapping, delivery planning	Oversight Group & PMO	Spring 2026 – Spring 2027
		Mayoral Election for new MCCA	Essex County Council / MCCA	7th May 2026
	Phase 3 Shadow Authorities	Local elections to four new unitary shadows	MHCLG / Returning Officers	6th May 2027
Stage 7: New unitary authority goes live		Appoint leaders & Chief Execs; budget setting & council tax harmonisation; staff engagement & TUPE prep, integrate NAC pilots and new committees into shadow authority governance and reporting lines. Implementation/iterations of early phase delivery planning. Formalised working with MCCA	Shadow Authorities, MCCA	May 2027 – Apr 2027

Phase 4 Vesting Day	Four new unitary councils go live; statutory services continue safe & legal. NACs meeting regularly with delegated budgets and "You Said / We Did" reporting from day one. Transition and transformation delivery planning and roadmap delivery/development/iteration. Critical integrations with wider public service delivery partners including MCCA, NHS, Blue lights	New Councils, MCCA, Critical Public/Private/ Voluntary Service Partners,	1st April 2028
Phase 5 Transformation	Full transformation plan delivery. Service redesign; digital/data modernisation; full integration with Essex MCCA and wider public, private, voluntary service delivery partners	New Councils, MCCA, Critical Public/Private/ Voluntary Service Partners	2028 onwards

Table 11.2 Timeline and core transition stages

The transition will be delivered through five distinct phases as shown in table 11.2. Each phase is designed to ensure clarity of responsibility, strong political oversight, and minimal disruption to services.

## Phase 1 - Mobilisation (from Sept 2025)

This phase culminates in the submission of the final Essex 4UA business case to MHCLG in September 2025. Alongside this, we will establish the Transition PMO to provide central programme oversight and begin baseline data collection across staffing, finance, contracts, ICT and estates. We will establish strong foundations for the transition and transformation phases early delivery plan roadmaps and dependencies. All while being careful to do work which provides value whichever business case solution is ultimately agreed upon. Political leaders will agree interim arrangements for the Essex Leaders' Oversight Group, ensuring early alignment with the emerging Essex MCCA programme.

**Example**: Learning from North Yorkshire, where the council underestimated the complexity of transition, we will commit early resources to baselining contracts and ICT to avoid last-minute risks to payroll, benefits and waste collection.

## Phase 2 - Preparation (Spring 2026 – Spring 2027)

While MHCLG undertakes consultation and prepares its decision, Essex will continue to prepare actively. This includes drafting constitutions for shadow authorities, continuing to develop delivery plans and initiating service design workshops (covering both aggregation and disaggregation), and building risk registers for critical statutory services such as Adults, Children's, SEND and Homelessness. Engagement with NHS, Police, Fire and voluntary sector partners will be used to stresstest continuity plans and embed system-wide

confidence. This period will also coincide with the establishment of the new MCCA Essex County Combined Authority and election of a Mayor. It will be imperative to begin early alignment and dependency mapping (See critical dependency below) across the new local government ecosystem to ensure both effective aggregation and disaggregation of services and collaboration on policy and strategy. We are acutely aware of change and transformation occurring with partners within the public service ecosystem and will use agile methodology to manage risk and iterate through complex change and uncertainty.

Critical Dependency: The new Mayor will assume comprehensive planning powers which are legislated in the Planning and Infrastructure Bill (PIB). These include call in powers for strategic sites and the development of statutory spatial plans which will inform growth requirements for all constituent councils. The PIB is likely to receive royal ascension in early 2026, most likely prior to Mayoral elections. This will mean that all authorities within the MCCA area will need to begin developing early relationships, governance structures and collaborative cross boundary data and working practices from this date with the MCCA. This is a critical dependency and will affect planning, housing and economic development functions within the emerging UAs. It will also affect ICT and data sharing practice, governance and new committee structures. Full details are not fully understood yet as there will be immediate secondary legislation and guidance following the ascension of the PIB. However, we should ensure our transition and transformation plan allows for these dependencies and the likely work involved in addressing them from June 2026.

**Example:** Somerset's experience showed that early "Local Community Network" pilots created clarity for residents and partners, even before vesting. We will use the consultation period to test engagement models at community level, providing visible reassurance that services will not stand still.

In Essex this will include piloting Neighbourhood Area Committees in at least two contrasting localities within each new unitary, ensuring they are fully operational on vesting day. This will give visible, cost-neutral neighbourhood governance from day one, reinforcing local identity and accountability.

# Phase 3 – Shadow Authorities (May 2027 – April 2028)

Shadow elections will take place in May 2027. The four shadow authorities will then take responsibility for preparing budgets, council tax harmonisation, and setting organisational structures. Chief Executives and senior leadership teams will be recruited, supported by clear HR and TUPE plans for staff. This twelve-month period will be critical for embedding a new organisational culture and ensuring readiness for vesting.

**Example:** In Buckinghamshire, a decisive early appointment of a permanent Chief Executive provided stability, while in Northamptonshire the absence of early senior leadership caused disruption. We propose following the former model, ensuring the right leadership is in place quickly and used effectively.

Neighbourhood empowerment should also be embedded during this phase. The Neighbourhood Area Committees piloted in Phase 2 can be formally integrated into shadow authority governance, with Chairs linked into shadow Cabinets and reporting lines agreed. This would ensure that by vesting day NACs are not only operational but already connected into the democratic and budget-setting framework of the new councils

# Phase 4 – Vesting Day (1st April 2028)

On vesting day, the four new unitary councils will assume full legal and financial responsibility. The focus will be on ensuring all statutory services are delivered safely and legally from day one. Critical areas include payroll, revenues and benefits, social care, homelessness prevention, housing, planning, environmental services and democratic functions. Public communication will emphasise continuity of front-line services, supported by visible branding and clear access channels.

**Example:** Cornwall and Cheshire showed that strong early communication and branding helped reassure staff and residents, while lack of clarity elsewhere caused confusion. We will invest in simple, clear messages to explain what is changing and what is not, ensuring confidence at the point of vesting.

Neighbourhood Area Committees will also be fully in place from vesting day, meeting regularly with delegated budgets and "You Said / We Did" reporting mechanisms. Their Chairs will participate in formal reporting lines to Cabinet, ensuring neighbourhood priorities are embedded into council decision making and linked into devolved funding bids. This provides visible and accountable neighbourhood governance from day one.

## Phase 5 - Transformation and full MCCA Integration (2028 onwards)

From vesting day onwards, attention will shift towards transformation. The new unitary authorities will use their combined scale to redesign services, rationalise digital and data platforms, and drive financial efficiencies. They will also build on the early work undertaken in phase 2 to accelerate delivery of service reform developed in tandem with the MCCA to align strategic functions such as planning, transport, health, skills and housing. This phased approach ensures that the immediate priorities of service continuity and public reassurance are balanced with a long-term commitment to system change and innovation.

**Example:** We will take forward lessons from other local authorities that have been through the process of forming a new unitary authority. By building a pipeline of redesign projects, undertaking comprehensive dependency mapping and building an early draft delivery roadmap during the shadow period, we will be ready to accelerate transformation from Day One of vesting.

These phases make clear that the transition will not be a single event but a carefully sequenced journey. By learning from other reorganisations, we can give government, citizens and partners the confidence that both the technical mechanics and the human elements of transition are well understood and planned for.

## 11.3 | Service Transition Planning

Transition planning will need to cover both aggregation of district and borough services into new unitary footprints and disaggregation of current county and unitary functions into the four new authorities. The guiding principle will be to protect statutory services, maintain continuity for residents, and use the transition as a platform for longer-term redesign.

The challenges of disaggregation are two-fold: to mitigate the risks, especially for high risk and critical services such as adult social care and children's services, and to identify and harness the opportunities for service improvement.

Creating four Unitary authorities will enable economies of scale to be made when considering the development of a 'one service' approach and enable the redesign of service delivery, making them fit for the area, the communities and the future.

It's vital the opportunities for improvement and change are also harnessed, which will require a user centred approach allowing staff to identify, capture, review and feed them into the broader transformation programme. An innovation and design team or function working alongside the 'nuts and bolts' of transition will offer the capacity and capability required to help leverage these opportunities.

#### Service aggregation

Many services will be aggregated from local and district-based delivery into the new, larger authorities. Our model has three and four existing councils coming together to form new unitary authorities. Other functions -notably back-office, such as IT, HR, finance, call centres, etc are common to all councils and can be merged.

Creating four new unitary authorities will enable economies of scale to be made when considering the development of a 'one service' approach especially with ICT and digital rationalisation which will be significantly more complex for the 3UA model and is a 'hidden cost' usually born through the longer transformation process (i.e. housing management systems, Planning, Revs and Bens, Building Control). The creation of four new authorities enables more efficient and economic redesign of service delivery. Making them fit for the area, the communities and the future.

The similarities between local authorities are many as such back-office services form a common back bone to them and seek to deliver similar outputs under the same legislation or directive. It is the method by which they are delivered that often differs from Council to Council. Therefore, the platform and opportunity for back-office services to come together and develop new improved services with a new approach to delivery is obvious.

District services that can be aggregated include:

- ICT
- Human Resources
- Financial Services
- Customer Contact whether through digital methods or physical
- Revenues and Benefits
- Democratic and Corporate Core
- Planning
- Environmental Services
- Housing
- Economic Development
- Communities.

Integration offers two core challenges: how best to maximise these opportunities, which may require a responsive approach to change, as well as programming opportunities into the early years of the new councils, for example to align contracting arrangements, and to manage the risks around aggregating services, which range from merging different IT systems and delivery models to alignment of policies and the loss of core staff during the process:

- IT and systems integration: phased migration plans, with "safe and legal" interim arrangements (e.g., parallel running or bridging solutions) to ensure uninterrupted payroll and benefits.
- Contract alignment: early identification of contract end dates and novation requirements, with central support from the PMO.
- Workforce impacts: strong HR engagement and TUPE planning to retain skills and mitigate the risk of staff loss.

#### Service disaggregation

Disaggregation is the effect of splitting up services currently provided by Essex County Council, Thurrock and Southend Council who are all current unitary authorities, and any relevant cross-district arrangements, into the new configuration of four unitary councils. This includes separating staffing teams, finances, services, assets, data, contracts and more. As roughly seven-eighths of local authority spend (excluding schools and police) is in countywide services compared to district services, disaggregation represents a major structural shift.

- County-wide services requiring disaggregation include:
- Children's Services
- Adult Social Care
- Public Health
- Highways and transport
- Registrars and Coroners
- Flood management
- Waste Disposal
- Trading Standards
- Museums Service and Record Office
- Corporate Policy
- Education and SEND
- Capital Delivery
- Planning and Environment.

We have already looked at the opportunities for service delivery reform in section 10.2; below we summarise the challenges of aggregation/ disaggregation for some of the more complex and high-profile services. Many of these have specific commissioning arrangements in place which will need careful review and nuanced approach how they are included in delivery plans.

Adult Social Care services will be disaggregated into the new unitary authorities, ensuring continuity for all individuals receiving care. Key risks include quality assurance and safeguarding, continuity of provider relationships, staff recruitment and retention and maintaining statutory duties under the Care Act. Mitigation will involve:

- Maintain current Essex-wide Safeguarding Board which is built upon strong relationships with NHS, Police and voluntary sector partners
- Retain integrated arrangements that add value (e.g. Section 75 agreement for delivery of Adult Mental Health services)
- Ensure day one access to placement agreements and frameworks for purchasing of domiciliary care services
- Transition and renegotiation of block contracts and frameworks in phases, using a risk-based prioritisation
- Shared data protocols and digital care records across new unitary authorities from Day One.

**Children's Services** disaggregation of statutory functions must protect improvements already achieved in Essex. Key priorities will include:

- Continuity of social work case management and safeguarding functions.
- Maintaining confidence of statutory and voluntary sector partners through a time of change.

- Alignment of early help and education support with local housing and community services to strengthen preventative approaches.
- Alignment with ASC and SEND / Education services with critical dependency mapping and transformation and integration plan
- Data sharing agreements and protocols in place.

#### **Homelessness and Temporary**

**Accommodation** – District responsibilities will transfer into the new unitary authorities, requiring alignment with county safeguarding and support services. Key priorities will include:

- Developing a joint planning framework for transitional housing and homelessness prevention
- Avoiding duplication of statutory duties or gaps in provision for vulnerable groups
- Ensuring continuity of temporary accommodation supply during transition
- Linking housing and homelessness strategies to wider social care and health services
- Alignment with housing and planning strategy, direct delivery and HRA forward plan.

Education and SEND – ECC remains the Local Education Authority (LEA) for the majority of Essex schools, carrying duties for admissions, school place planning, SEND and school improvement. It also has a significant backlog of ECHP applications which have been subject to media scrutiny. This has significant hidden costs as successful applications will require financial support for children subject to them

and will impact education budgets and social care with EHCPs transcending ASC/CSC as they apply from 0-25years, in addition there are significant backlogs in health in terms of assessment for complex needs such as Autism and ADHD which will also impact service demand. Key priorities will include:

- Equitable division of Dedicated Schools Grant and SEND High Needs Block, negotiated with DfE
- Proper dependency mapping and forecasting of upstream demand and data sharing with health
- Critical Continuity of admissions, appeals, and school improvement functions, embedded improvement plan in all disaggregated functions
- Alignment of home to school transport, early help and SEND support with new unitary footprints
- Maintenance of a county-wide Schools Forum during transition to provide stability.

# Planning and Development Management – Currently divided between districts (development control and local plans) and county (minerals, waste, strategic planning). Challenges will include:

- Retaining specialist planning capacity for minerals, waste and environmental planning
- Ensuring consistency and continuity of Local Plan preparation
- Avoiding delay to major development schemes during transition.

- Development of interim joint planning frameworks and interdependencies with new MCCA
- New committee structures including cross boundary and strategic sites.

Housing, HRA and Delivery – District councils currently manage HRAs, housing stock, and homelessness duties. Disaggregation will require transfer into new unitary structures. Key priorities will include:

- Legal transfer of housing stock, HRA balances, and associated borrowing
- Tenant engagement and continuity of landlord services
- Alignment of homelessness and temporary accommodation with wider safeguarding and support services
- Development of unitary-wide housing strategies linked to regeneration and health outcomes.

**Revenues and Benefits** – Currently delivered at district level, with variation in systems and processes. Risks and mitigations will include:

- Migration and integration of multiple systems, supported by phased parallel running
- Early consultation on harmonisation of council tax support schemes and universal credit to protect vulnerable groups
- Application of consistent fraud and error controls across all new unitary authorities
- Ensuring uninterrupted collection of council tax and business rates.

Commissioning and Procurement – ECC currently leads major commissioning for Adults, Children's, Public Health, Highways and Corporate Services. This will need to be disaggregated and realigned. Key priorities will include:

- Avoiding fragmentation of provider relationships and market instability
- Establishing transitional joint commissioning boards for high-value contracts
- Use of shared procurement frameworks to retain economies of scale
- Phased novation of block contracts and frameworks to maintain service continuity.

Other statutory services Public Health, Highways, Waste Disposal, Trading Standards and Registrars will be mapped and transferred to ensure uninterrupted provision, using shadow authority structures to agree policy alignment before vesting.

Disaggregating county wide services (Adults, Children's, SEND, Public Health, ICT, HR) is one of the most disruptive and costly elements of reorganisation. Risks that the transition period will need to address include service fragmentation; loss of faith in the service; unpacking commissioning arrangements;

safeguarding; implications for partners, especially in the health and care sectors.

In addition to the county-wide services above, further areas such as Education, Capital Infrastructure Delivery, Planning, Housing, Revenues and Benefits, and Commissioning will also need to be disaggregated. The risks for these will need comprehensive dependency mapping as Delivery Plans are developed. Table 11.3 provides a high-level comparative assessment of disaggregation complexity across the four models.

Option	Key Disaggregation Risks	Overall Assessment
Best4Essex	<ul> <li>Adults, Children's and SEND must be divided into 4 new footprints</li> </ul>	Manageable Costs are significant but offset by
	<ul> <li>ICT and HR systems require migration, but scale manageable</li> </ul>	critical mass in each unitary; risks spread evenly
	<ul> <li>Existing shared services (e.g. Rochford–Brentwood, North Essex partnerships) provide a base for smoother transition</li> </ul>	
3UA	<ul> <li>Disaggregation required across only 3 units, but each much larger meaning more technology rationalisation from existing district architecture - disruption especially with housing management, planning and Revenue  and Benefits</li> </ul>	Challenging Efficiencies achievable but transition more complex; risks of disruption during scale-up
	<ul> <li>Complex restructuring of large-scale ICT, HR, and finance systems</li> </ul>	
	Higher upfront costs from large-scale harmonisation	
Alternative 4	<ul> <li>Similar disaggregation requirements to Best4Essex</li> </ul>	Riskier Costs comparable to Best4Essex,
	<ul> <li>Fewer pre-existing shared services in some groupings</li> </ul>	but weaker baseline collaboration makes transition
	More political/organisational misalignment across units	harder
5UA	<ul> <li>Highest disaggregation requirements: 5 sets of ICT, HR, Adults, Children's, SEND, Public Health</li> </ul>	Unmanageable Disaggregation costs outweigh efficiencies; high risk of service fragility
	<ul> <li>Smaller units struggle to absorb specialist services</li> </ul>	
	<ul> <li>Cost multipliers from duplicating corporate functions</li> </ul>	

Table 11.3 Disaggregation risk by proposed model

As shown above, **Best4Essex** spreads disaggregation risk evenly, while 3UA and 5UA models amplify disruption at either end of the scale. It's vital the opportunities for improvement and change are also harnessed, which will require staff to identify, capture, review and feed them into the broader transformation programme. In Somerset, a dedicated "service" design team" worked alongside the safe and legal transition programme to test, challenge and embed innovation proposals, ensuring that ideas were systematically assessed and built into the longer-term transformation plan. In Buckinghamshire, the creation of Community Boards was accompanied by innovation funding to trial local projects, demonstrating how new unitary structures could deliver visible change from the outset. A similar function in Essex would provide the capacity and capability to ensure new councils move beyond structural change, capturing frontline ideas and service redesign opportunities and feeding them directly into the transformation portfolio. This would build directly on the Essex LGR Hub and the NatCen engagement programme, which have already generated a pipeline of resident and stakeholder insight that can be tested and embedded through transition. This approach ensures that innovation is not an afterthought but hardwired into the transition process from day one.

### Council Tax and **Pay Harmonisation**

Variation in council tax bases and service costs means that harmonisation will require detailed financial modelling, phased implementation strategies, and clear communication with residents particularly for localities that embed Thurrock council.

Pay harmonisation is a critical enabler of successful reorganisation, particularly in ensuring fairness, consistency, and workforce stability across newly formed unitary authorities. The complexity of merging different pay structures, terms, and conditions across councils is a major challenge requiring careful planning and support.

Detailed analysis will be required on the following areas:

- Equal Pay to assess and mitigate risks of unequal pay practices
- Job Evaluation and Equality Impact Assessments to ensure harmonised pay structures are equitable
- TUPE considerations for managing staff transfers and harmonisation during reorganisation
- Heads of HR Network for Combined Authorities: Facilitates sharing of best practices and peer support.

Based on other LGRs, the best approach to address pay harmonisation is a phased harmonisation over several years to manage the cost and disruption. Some roles will see pay increases; others decrease (with pay protection applied). A range of approaches have been taken in other councils, as summarised below:

- Somerset is taking a structured and externally supported approach, with clear timelines and financial modelling
- Buckinghamshire focused on performancebased pay and achieved early savings but faced cultural challenges
- Dorset struggled with programme governance, delaying harmonisation efforts
- Cumberland embedded pay harmonisation within a broader financial strategy but faced reputational risks due to senior pay levels.

## 11.4 | Phasing of service change

The transition to a four-unitary model will follow a proven safe and legal first approach within a fully road mapped transformation pathway. drawing on lessons from recent and proposed reorganisations in Northamptonshire, Somerset, Buckinghamshire, Surrey, and Norfolk as well as developing best practice through agile and iterative processes and embedded feedback loop. The approach balances service continuity, risk management, and early opportunities for reform.

Essex partners have already undertaken detailed financial modelling of transition costs. including redundancy, ICT migration, service disaggregation, branding, and programme management. Initial working groups have focused on:

- Scale and Value for Money, to ensure that our new structures can deliver great services and securing good outcomes at best value to taxpavers
- Quality public services, to ensure that as we engage in the complex disaggregation and aggregation of sensitive service systems we do so without compromising our ability

- to serve our residents effectively and maximise the opportunities to accelerate our transformation ambitions
- Identity and Community, to ensure that our new councils continue to reflect the identities and communities of our residents to support their sense of control, agency and trust in local government
- Supporting Devolution, to ensure that the new arrangements we put in place dovetail with the new Greater Essex Combined County Authority (MCCA) and enable us to capture the benefits of undertaking both fundamental change activities simultaneously.

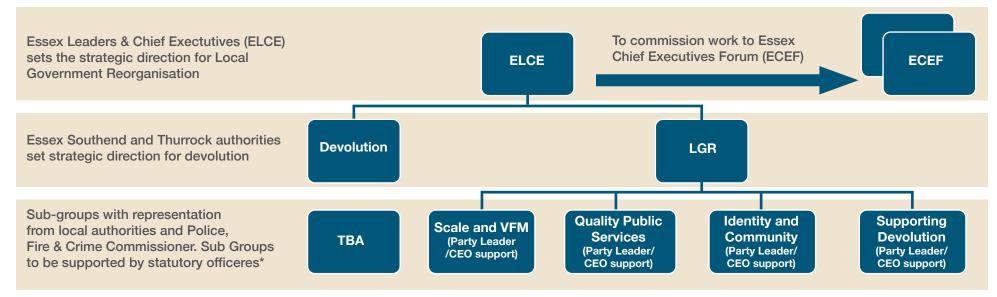


Figure 11.1 Current Governance for Devolution and LGR in Greater Essex

Working groups have already started to map out the type of insight and evidence we will need to manage the disaggregation/aggregation of key budgets; mitigate risk, particularly across social care and education, and maintain service quality. We have already started to explore the role of local councillors as the key conduit for community engagement and leadership for

residents in their places; as well as how best to ensure future structures support local identities.

Following best practice from Somerset and North Yorkshire, we will separate immediate service continuity ("Day One safe and legal") from longerterm redesign ("Year Two onwards").

Day One priorities: statutory compliance, payroll, revenues and benefits, safeguarding functions, democratic governance, and critical ICT.

Year Two onwards: service redesign, new digital platforms, integration with MCCA strategic functions, and transformation of customer experience.

Service Area	Transition Type	Day One Requirement	Year Two+ Transformation	Key Risks	Mitigations
Back Office (ICT, HR, Finance)	Aggregation	Safe payroll, finance, ICT bridges	ERP system consolidation	ICT incompatibility	Phased migration, PMO oversight
Adult Social Care	Disaggregation	Continuity of existing care packages, access to placement and domiciliary care provider frameworks for purchasing packages of care. Safeguarding arrangements and partnership in place.	Extending service redesign to align with council housing functions and public health.	Rising demand, recruitment and retention of skilled workforce	During the shadow period we will put in place joint commissioning protocols, a common DPS for domiciliary care and supported living, and shared quality assurance (with escalation routes) across the four unitary authorities to give providers a single, stable market signal from day  Maintaining current Safeguarding Board and partnerships. Risk based transition/ novation of contracts
Children's Services	Disaggregation	No disruption to casework.  Continuity of placements and support for children in care and families in need.  Commissioning teams and brokerage teams have capacity to secure packages of care and/or placements.	Expansion of preventative integrated early help. Family hubs in partnership with NHS and voluntary sector rolled out across all areas. Common/shared KPIs measuring effectiveness of family support services.	Rising demand, recruitment and retention of skilled workforce. Shortage of suitable placements for children with complex needs	Develop clear narrative and maintain a robust focus on outcomes.  DfE agreement, shared protocols.  Exploration of Regional Commissioning Co-operative approach across Best4Essex unitary authorities and other regional neighbours.
Education and SEND	Disaggregation	Safe, no disruption to SEND case work and wider critical education services including home to school transport	Clear data sharing agreements in place, new business processes mapping and digital roadmap aligned with health, social care and admissions.  Transformation underway to understand	Rising demand, lack of integration with health, social care and academies	Develop clear narrative and maintain a robust focus on outcomes.

Service Area	Transition Type	Day One Requirement	Year Two+ Transformation	Key Risks	Mitigations
Homelessness & Housing	Aggregation + Integration	Duty continuity, aligned safeguarding, Commissioning and RP's statutory responsibilities in place, HRA	New unitary-led housing & prevention model, reform of housing management and delivery	Service duplication/ gaps/ Service delivery disruption	Joint planning, MCCA housing strategy, Technology risk register
Waste & Environmental and Transport. Inc Minerals and Waste Planning	Aggregation + Partial Disaggregation	Safe waste collection & disposal, no casework disruption and continue processing applications from day 1	Integrated countywide recycling strategy, Integrated within wider planning and transport	Contract misalignment, technology integration	Early novation planning Standardisation, comprehensive critical dependencies, alignment with wider planning reform support for specific functions
Public Health	Disaggregation	Maintain statutory public health duties.  Determine which public health programmes to continue across new unitary boundaries.	Preventative model aligned to MCCA.  Develop Joint Strategic Needs Assessment based on Best4Essex boundaries	Data/system splits	Shared protocols, digital health records.  DPHs across Greater Essex to consider where alignment of programmes and contracts add value.
Planning and Regulatory Services	Aggregation	No disruption to case work applications and plan preparation timetables	Full technology integration, shared service model efficiencies and income generation model	Data/systems, culture, political sensitivities	Standardisation, comprehensive critical dependencies, alignment with wider planning reform support

**Table 11.4** Transition planning for key services

#### **Service Continuity Principles**

To ensure a seamless transition and maintain resident confidence, the following principles will guide all service changes. Essex partners have already undertaken detailed financial modelling of transition costs, including redundancy, ICT migration, service disaggregation, branding, and programme management. Initial working groups have focused on:

 Safe and Legal from Day One statutory duties will be met without interruption. including safeguarding, care, benefits, and democratic functions.

- Continuity First, Transformation Second no immediate service redesign on vesting day; change programmes will follow once stability is assured.
- Protecting the Vulnerable Adults, Children's, SEND, and Homelessness services prioritised for continuity planning and additional risk oversight.
- **Resident Clarity** clear communication channels, branding, and access arrangements to minimise confusion about "who delivers what".
- Data and Digital Integrity secure transfer of records and interim ICT bridging solutions to avoid gaps in case management or payments.

- Workforce Stability TUPE and HR transition plans in place early, with strong engagement to retain skills and morale.
- System Alignment disaggregation and aggregation aligned with NHS, Police, Fire and MCCA programmes to ensure whole-system continuity.

This combined approach to aggregation and disaggregation ensures that residents will continue to receive critical services without disruption on Day One, while creating a platform for redesign in later years. By sequencing statutory continuity ahead of transformation, and by working with partners across health, police, and the voluntary sector, Essex can manage transition risks confidently and unlock the long-term benefits of a four-unitary model.

## 11.5 | Transition Costs

Managing the costs of transition will be a decisive factor in ensuring our proposal is financially credible and deliverable. Experience from Somerset, Buckinghamshire, and North Yorkshire shows that transition costs can be managed with clear phasing, use of capital flexibilities, and early investment in ICT and workforce retention.

The most visible form of transition costs is one-off implementation costs associated with programme management, ICT/data migration, rebranding, legal work, staff redundancy, and double running during the shadow year. These costs will occur in the short term.

In the medium term, we envisage transformation investment in the form of early redesign programmes, service, process and technology integration, and community empowerment initiatives that will generate savings and improvements to outcomes. We have not modelled these as they are subject to future review by the leadership of the new localities.

Government guidance (MHCLG, 2025) emphasises that transition plans should alsodemonstrate how councils will utilise the flexible use of capital receipts and other "invest-to-save" mechanisms to minimise

the call on revenue budgets. This approach has been successfully deployed in both Somerset and Buckinghamshire, where capital receipts were earmarked for ICT harmonisation and redundancy costs.

The table below shows for each cost category the main elements within that category and estimated costs.

Cost Category	Illustrative Elements	Estimated Cost (£m)
Programme Management & Shadow Year	PMO staffing, legal & governance, comms, double-running costs	£4.8m internal PMO, £13.9m external support, £1.3m shadow year
ICT & Data Migration	System harmonisation, new platforms, licences, cyber & security upgrades	£45m ICT and data migration
Workforce & HR	Redundancy, TUPE, retention packages, recruitment	£7.8m on redundancy and pension strain
Estates & Assets	Rationalisation, legal transfers, branding, customer contact hubs	Not included in our calculations, but outweighed by value of assets released
Transformation Investment	Innovation labs, community governance, digital redesign	To be determined by leadership of new localities

Table 11.5 Transition costs

As noted in the table, we have not undertaken a review of transition costs and asset sales, as this will require detailed work. We would, however, expect that any additional costs in respect of rationalisation, legal transfers and branding would be greatly outweighed by prospects for assets sales releasing cash for re-investment.

The **Best4Essex** strikes a balance between efficiency and local legitimacy, delivering viability within a 6.4-year payback period. Importantly, costs will be actively managed through:

- Early establishment of a Transition and Transformation PMO to track and control spend
- Use of capital receipts and invest-tosave approaches to reduce revenue impact
- Clear sequencing of disaggregation and aggregation to avoid stranded costs
- Alignment with the Essex MCCA, unlocking devolved funding streams and commercial or investment pipelines to offset transition costs.

This combination ensures that Essex will deliver councils that are not only safe and legal on Day One, but financially sustainable and ready for medium and long-term transformation.

## 11.6 Community & Local Engagement

We are entering a period of significant reform, grounded in deliberate design and focused execution. Our priority is to develop a clear target operating model for the new organisation, refine governance arrangements, and establish ways of working that enable staff to operate effectively and with purpose.

At the heart of this journey lies deep, genuine engagement: co-designing with residents, businesses and civic partners in every sector. ensuring that change isn't done to people. but with them.

As we progress into the next stage, we remain committed to robust consultation with all stakeholders. We recognise that the challenges ahead will require strategic foresight, sustained momentum, and alignment between partners and political leadership. We're confident in the clarity of our vision.

Effective community engagement and democratic representation will be essential to the success of the **Best4Essex**-unitary model. While vesting day will bring about new structures, the real test of reorganisation will be whether residents feel services remain local, accessible and accountable. Our approach builds on lessons from Surrey and Somerset, where new councils invested early in community level governance, as well as on the priorities identified by Essex residents through consultation.

Each of the four new unitary authorities will establish community-level governance structures from vesting day. These will act as the bridge between the unitary authority, the Essex MCCA, and local towns and parishes. As we have seen in section 11.4, options under consideration include:

- **Community Boards or Neighbourhood** Area Committees comprising unitary councillors and local representatives, operating at appropriate levels of communities, on a footprint that builds on the existing geography of electoral Divisions. Surrey tested a "Community Boards" approach during its LGR preparation, convening local councillors, partners and residents to agree shared priorities. Essex will adopt a similar "test, learn, adapt" approach in 2026-27, piloting Boards in selected areas before full roll-out.
- Parish and Town Council partnerships giving a stronger voice to existing parish structures and enabling delegation of specific local services and assets to a more local level where appropriate and which provide value for money.
- Neighbourhood partnerships involving voluntary, community, and faith groups alongside local NHS partners, building on the Integrated Neighbourhood Team model.

Clear and consistent communication will be vital to maintain trust. Key commitments include:

- A "no wrong door" customer contact promise - residents can use existing access channels during transition, with redirection handled behind the scenes
- Early and simple branding each new unitary will have a clear identity from day one
- Transparent messaging on what is changing and what is not, so residents understand that essential services (e.g. waste collection, social care, housing) will continue without disruption.

Reorganisation is an opportunity to strengthen system-wide partnerships. Our model will ensure that:

- Health partners (ICBs and NHS Trusts) are embedded in neighbourhood and unitary governance, supporting integrated care and prevention
- Police and Fire services continue to operate at scale but remain linked into local priorities via community boards
- **Voluntary and community organisations** are involved in shaping local services, with dedicated officer support for co-production.

Structures will be aligned with the Essex MCCA, ensuring that local voices inform decisions on transport, skills, housing, and climate change. This dual layer of governance will ensure that residents see both the benefits of local responsiveness and the strategic strength of devolution.

By embedding community boards, strengthening parish and voluntary sector partnerships, and aligning with the Essex MCCA, the four-unitary model will deliver councils that are local enough to care while scaled to deliver. Residents will see continuity in vital services, a stronger local voice, and visible channels for democratic accountability. This approach ensures that the benefits of reorganisation are not only structural but genuinely felt in communities across Essex.

Risks and Dependencies linked to this section are summarised below. Full detail, including impact, likelihood and mitigations, is provided in the Risk and Dependency Log (Annex 3)

#### 11 | Transition and Implementation

- R3: Delay in government approval/legislation creates slippage to vesting day.
- R4: Staff retention and morale issues during transition.
- R5: ICT and data migration complexity.
- **D1:** MHCLG invitation and Secretary of State approval required.
- **D2:** Primary legislation / Orders.
- D7: TUPE and HR frameworks.
- **D8:** ICT and systems migration.
- **D9:** Contract and asset novation.
- **D11:** Ongoing risk management oversight.

# 12 | Coherent, Credible, Compelling and Best4Essex

#### MHCLG Criteria:

- ✓ 01 | Single tier local government Four unitaries replace two tier system
- ✓ 02 | 'Right-sized' local government Each unitary should be of an appropriate scale and form coherent geographies
- ✓ 04 | Meets local needs Residents engaged; priorities: services, identity, resilience
- ✓ 05 | Supports Devolution Aligned to Mayoral Combined County Authority (MCCA)
- ✓ 06 | Local engagement & empowerment Neighbourhood Area Committees from vesting day



This section demonstrates that the case is clear. After deep analysis, community engagement, and financial testing, only the **Best4Essex** four-unitary model delivers a future-fit solution for Essex.

## Best4Essex

It meets every one of the government's criteria as well as our own, resident-informed design criteria:

- Single tier & coherent geographies Our four new councils align with the natural sub-regions of Essex: Thames Estuary, Central-Essex, North-East Essex, and West Essex, Each reflects functional economic areas and existing community ties, avoiding the fragmentation seen in three or five-unitary proposals.
- Right size & sustainable Three of the four councils sit close to the 500k population guideline, with Central Essex (c.420k) offering a strong, viable pathfinder. This balance gives scale for efficiency while retaining identity.
- **Improved services** The model protects and enhances services that matter most children's services, adult social care, SEND, and housing by keeping them at a scale that is both resilient and responsive. Integration with housing, health and local services will allow us to go further in reform than the status quo ever could.
- Financial resilience Independent modelling shows **Best4Essex** pays back within six years, faster than alternative options. Fewer new councils mean lower transition costs, and shared services (already operating between Rochford and Brentwood) reduce risk.
- Community voice & accountability We will embed stronger neighbourhood arrangements area committees, local boards, and empowered parish/town councils ensuring decisions are rooted in local voice and that representation is brought closer to residents.

Oher proposals cannot match this balance. A three-unitary model risks creating unwieldy councils, diluting identity, and stretching services across geographies too wide to be responsive. A five-unitary model increases cost and complexity, with higher disaggregation risks and longer payback periods. Thurrock's London-centric proposal may suit one borough, but it fragments Essex and fails the test of coherence.

By contrast, **Best4Essex** is coherent, credible, and compelling. It creates councils that are:

- Large enough to deliver major infrastructure. housing, and economic growth
- Local enough to care, protecting Essex's strong civic identities
- Financially sustainable, with proven payback and resilience
- Future-focused, designed to unlock devolution and deliver public service reform at pace.

This is a once-in-a-generation opportunity. Best4Essex is the only model that delivers certainty, sustainability, and ambition for every part of the county. It is the right plan for government, the right plan for partners, and above all the right plan for the people of Greater Essex.



# **Appendices**

## A | Mapping Best4Essex to MHCLG Criteria – Overall assessment

Business Case Section	Criterion 1: Local support	Criterion 2: Single tier coverage	Criterion 3: Population size & geography	Criterion 4: Working together & local views	Criterion 5: Improved services & efficiency	Criterion 6: Strong leadership & governance
01 Executive Summary	Summarises engagement and support	Sets out single tier model	References population scale & optimal range	Signposts collaboration & views	Headline benefits & service outcomes	Governance commitments & future leadership
02 Case for change	Links to resident concerns (financial resilience, safeguarding services)	Argues for ending two-tier	Frames population scale challenge	Highlights early collaboration	Service pressures & demand management	Identifies leadership gap
03 Best4Essex Proposal	Reflects resident and stakeholder priorities	Four UA model	Within 300–700k	Joint work across Essex	Benefits, innovation & strengths	Vision for future governance
04 Economic geography	Identity and local support		Population and economic coherence	Resident identity evidence	Efficient functional economies	Strategic leadership links
05 Resident & stakeholder views	Core evidence base			Collaboration & views	Links to safeguarding and services	Empowerment and neighbourhood accountability
06 Appraising the options	Incorporates resident support in appraisal	Compliance with single tier	Scale analysis	Views considered in appraisal	Efficiency comparison	Leadership feasibility
07 Financial appraisal	Addresses resident concerns on financial resilience and council tax transparency				Savings & sustainability, payback	Governance of finance
08 Options appraisal	Criteria assessed, includes engagement evidence	Assesses unitary compliance	Population & geography tested	Views factored into scoring	Efficiency and resilience assessed	Governance feasibility considered
09 Service delivery	Anchored in resident demand to protect crucial services		Scale for services		Service improvement, integration	Links to accountable delivery
10 Leadership & governance	Neighbourhood empowerment aligns with resident priorities			Partnership working (health, police, VCS)		Governance & accountability
11 Transformation & implementation	Ongoing engagement and community voice in transition			Continued collaboration with partners	Efficiencies through transition & reform	Programme structures & leadership resilience

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## **Best4Essex**

## **Shaping Essex for** the Next Generation

## Supporting documents pack

Annex 1 - CIPFA template

Annex 2 - Essex LGR Reserves summary

& LGR debt and assets

Annex 3 - Risk and dependencies log

Annex 4 - Resident views

Annex 5 - Letters of support





## **Annex One**

CIPFA Template (Available Separately)

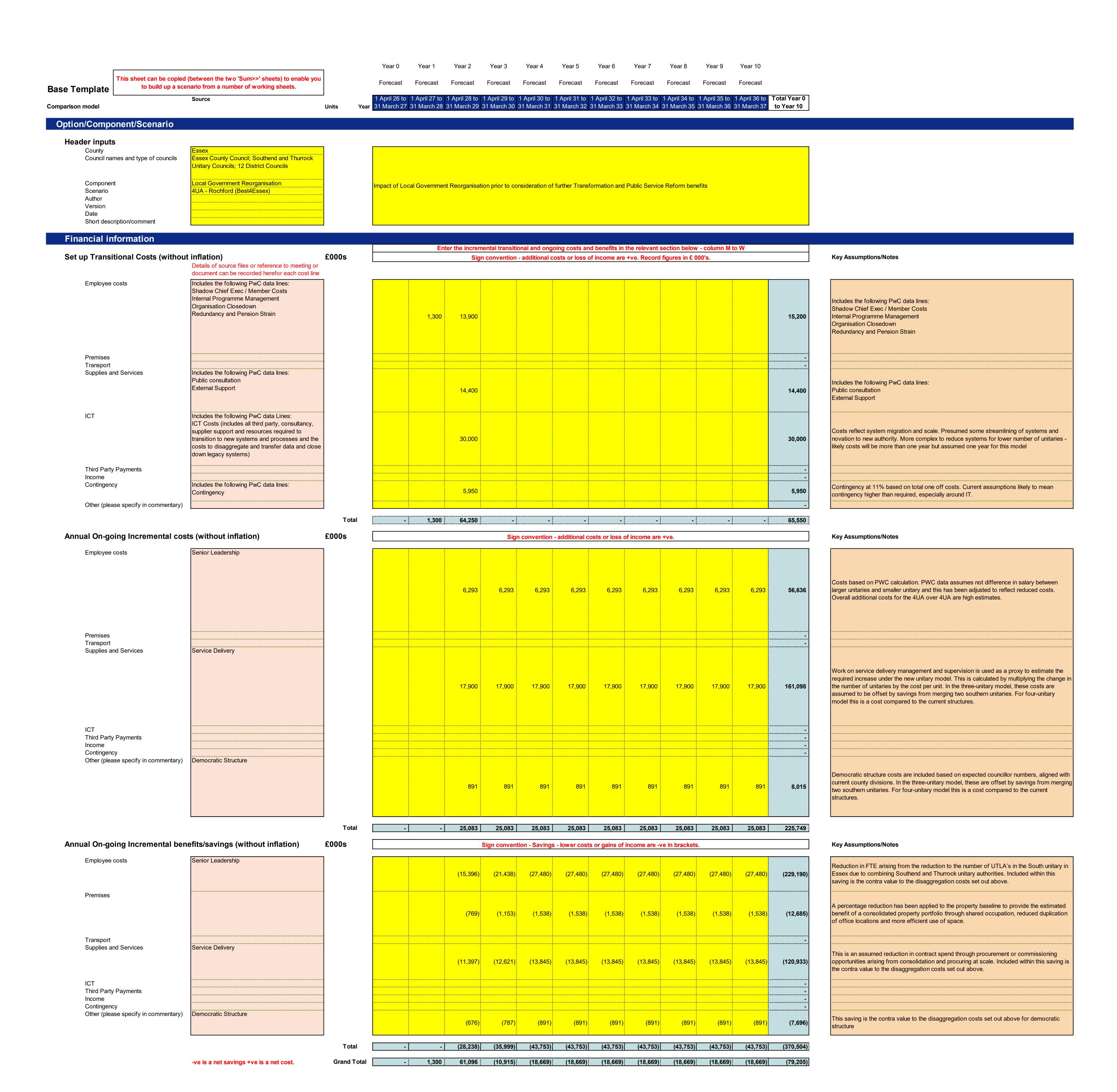
High Level Review of Four Different Cases

This sheet is the output to summarise the final position. No data entry is required and it adds up the base templates.

Comparison model

### Region/Option/Component/Scenario Header inputs County Essex County Council; Southend and **Thurrock Unitary Councils; 12 District** Council names and type of councils Component Scenario Author Version Year 0 Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7 Year 8 Year 9 Year 10 Total 1 April 26 to 1 April 27 to 1 April 28 to 1 April 29 to 1 April 30 to 1 April 30 to 1 April 31 to 1 April 32 to 1 April 33 to 1 April 34 to 1 April 35 to 1 April 36 to 1 April 37 to 1 April 38 to 1 April 37 to 1 April 38 to 1 April 37 to 1 April 38 to 1 April 37 to 1 April 37 to 1 April 38 to 1 April Date Short description/comment 31 March 27 31 March 28 31 March 29 31 March 30 31 March 31 31 March 32 31 March 33 31 March 34 31 March 35 31 March 36 31 March 37 Year 10 Financial information £000s Set up Transitional Costs (without inflation) Sign convention - additional costs or loss of income are +ve. 15,200 13,900 Employee costs 1,300 Premises Transport Supplies and Services 14,400 14,400 30,000 30,000 Third Party Payments 5,950 5,950 Contingency Other (please specify in commentary) NOTE: Where breakdown of costs / benefits are not available, they are included in the Other line in all totals 65,550 Total £000s Annual On-going Incremental costs (without inflation) Sign convention - additional costs or loss of income are +ve. 56,636 Employee costs 6,293 6,293 6,293 Premises Transport 161,098 Supplies and Services 17,900 17,900 17,900 17,900 17,900 17,900 17,900 17,900 Third Party Payments Income Contingency Other (please specify in commentary) - - 25,083 25,083 25,083 25,083 25,083 25,083 25,083 25,083 25,083 25,083 Annual On-going Incremental benefits/savings (without inflation) Sign convention - Savings -are -ve in brackets. (229,190) - (15,396) (21,438) (27,480) (27,480) (27,480) (27,480) (27,480) (27,480) Employee costs Premises (1,153) (1,538) (1,538) (1,538) (1,538) (1,538) (12,685) Transport Supplies and Services - (11,397) (12,621) (13,845) (13,845) (13,845) (13,845) (13,845) (13,845) (120,933) Third Party Payments Income Contingency Other (please specify in commentary) (891) (891) (891) (891) (891) (891) - (28,238) (35,999) (43,753) (43,753) (43,753) (43,753) (43,753) (43,753) (43,753) Grand Total - 1,300 61,096 (10,915) (18,669) (18,669) (18,669) (18,669) (18,669) (18,669) (18,669)

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Base Template

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Totals  Annual On-going Incremental costs (wind inflation)  Totals  Totals  Annual On-going Incremental benefits/s				30,000								
Totals  Annual On-going Incremental costs (winflation)  Totals  Totals  Annual On-going Incremental benefits/s (without inflation)				30,000								
Totals  Annual On-going Incremental costs (wind inflation)  Totals  Totals  Annual On-going Incremental benefits/s				-								

Year 10 Year 6 Year 8 Year 9 **Base Template** Forecast to build up a scenario from a number of working sheets.
Source 1 April 26 to 1 April 27 to 1 April 28 to 1 April 29 to 1 April 29 to 1 April 30 to 1 April 31 to 1 April 32 to 1 April 33 to 1 April 34 to 1 April 35 to 1 April 36 to 1 April 37 to 1 April 38 to 1 Comparison model Option/Component/Scenario **Header inputs** County Essex County Council; Southend and Thurrock Council names and type of councils Unitary Councils; 12 District Councils Transformation Net Benefits Component The Best4Essex approach has not considered transforamtion. Transformation is not part of LGR and the new unitaries will need to determine their own 4UA - Rochford (Best4Essex) Scenario transformation programmes once the organisations have bedded in. **Author** Version Date Short description/comment **Financial information** Enter the incremental transitional and ongoing costs and benefits in the relevant section below - column M to W **Set up Transitional Costs (without inflation)** £000s **Key Assumptions/Notes** Sign convention - additional costs or loss of income are +ve. Record figures in £ 000's. Details of source files or reference to meeting or document can be recorded herefor each cost line Employee costs **Premises** Transport Supplies and Services Third Party Payments Income Contingency Other (please specify in commentary) **Total** Annual On-going Incremental costs (without inflation) £000s **Key Assumptions/Notes** Sign convention - additional costs or loss of income are +ve. Employee costs Premises Transport Supplies and Services Third Party Payments Income Contingency On-going costs are shown netted off the benefits below Other (please specify in commentary) Total Annual On-going Incremental benefits/savings (without inflation) £000s **Key Assumptions/Notes** Sign convention - Savings - lower costs or gains of income are -ve in brackets. Employee costs **Premises** Transport Supplies and Services ICT Third Party Payments Income Contingency Other (please specify in commentary) **Grand Total** 

- | - |

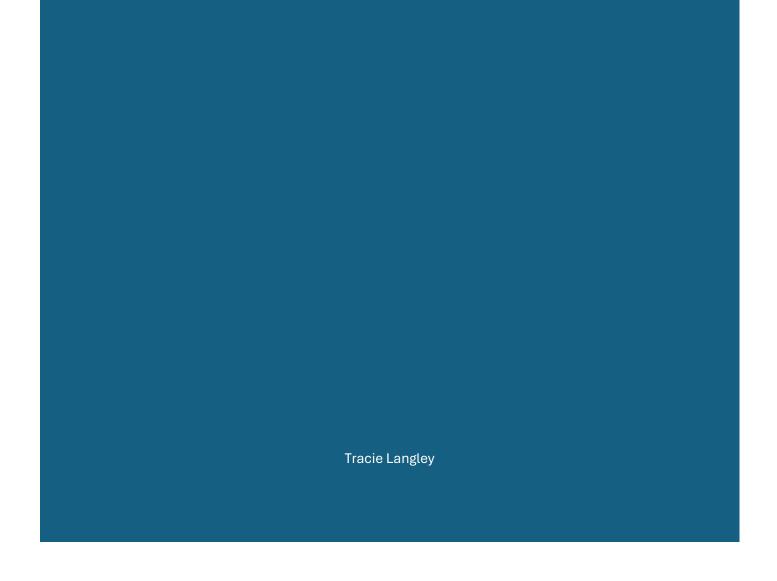
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-ve is a net savings +ve is a net cost.

4UA Rochford Cipfa Template 060925 1 / 1 25/09/2025 Transformation Template



FINAL V6 (18/09/2025)



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### 1. Introduction

This report has been commissioned in order that there is one document, written independently, showing the material differences between the four Essex Local Government Review financial business cases which are referred to as follows:

- 3UA supported by Essex County Council and Epping Forest District Council
- 4UA Thurrock supported by Thurrock Council
- 4UA Rochford supported by Rochford
- 5UA supported by 10 Councils
- Braintree are yet to make a decision about which option to support

The scope of the report is to identify and explain the reasons for the material differences in financial elements, both costs and benefits of the business cases. To ensure that there is the ability to make reasonable comparisons across the whole of the business case financial assumptions, the numbers over the ten years have been analysed to take out any phasing anomalies and by which time it is assumed that all the new organisations have reached maturity.

It is important to note that the report will only identify the material differences between the stated numbers and the high-level assumptions. The report has not been written to duplicate any of the context or nuance in the main business case documents. The report will not make any comment about the merits of any assumptions. This report will also not make any comment about the non-financial arguments put forward in the business cases. This report cannot be used to make a decision about which of the business cases is better than another which must be left to the decisions makers in government.

### 2. Executive Summary

As an overall summary all of the business cases are compelling in their arguments, and all of the financial calculations have been based on what seem to be reasonable methodologies in order to develop the financial parts of the business cases. Each of the business cases have used convincing evidence to prove that their methodology is accurate with the end result being that the numbers in each of the categories show wide ranging differences across the board.

The numeric differences do not lead to a conclusion that all of the numbers are right or wrong, they are different dependent on how much the authors believe setting up the new authorities will cost, when those costs will be incurred, and what benefits will accrue from the investments. And, more fundamentally, how much has been included for IT, transformation and pay harmonisation as there are huge costs associated with each.

As can be seen from the analysis below, whether IT, transformation and pay harmonisation costs have been included or not, there will be a very significant amount of money invested by each of the new organisations with an expectation of significant benefits. These decisions will be made by each of the new organisations in their shadow form and will rely on the financial information available to them at that point. It is impossible to determine from the analysis which business case is more accurate than another.

There are 4 significant issues that make the biggest difference to the numbers and should be noted when looking at the business cases. They are:

### Transitional cost of IT

There will be a significant cost attributable to making sure that all of the many different IT systems work well for the new single unitary councils on Day 1 (Table 1, Transitional Costs). All of the business cases have recognised, to a greater or lesser degree, the high cost of IT in the first 3 years, they also recognise that the cost should not be underestimated and the risks of getting this wrong are extremely high. It is also true to say that there would be an expectation that any decisions regarding the transitional cost of IT should include elements of transformational IT as you would expect any new systems to incorporate automation and cloud versions of new IT. Given this, it's difficult to disentangle what is transitional IT cost and what is transformational unless you assume that all costs in years 0-3 are transitional.

Regardless of which configuration is chosen, Essex authorities should urgently commission a piece of work to audit their current IT systems to ensure that no unintended additional IT costs are incurred before the new organisations are created.

### **Transformation**

The 3UA and 5UA business cases have included significant transformation costs/benefits whereas the 2\*4UA business cases have excluded transformation costs and benefits however have included higher costs for pay and premises harmonisation. The 3UA and 5UA argue that LGR should be used as a platform to deliver significant transformational benefits and have developed their business cases to reflect this. The 2 \* 4UA business cases state that transformation is not part of LGR and that the new organisations will determine their own transformation programmes once the organisations have bedded in. Neither of these assumptions incorrect and the transformation numbers, as far as possible, have been identified separately in the detail below.

### Pay harmonisation

All of the business cases have identified that pay harmonisation will be a factor and will be variable dependent on the number of unitaries and therefore the number of senior posts required. The cost of redundancy will also have a bearing however will be unknown until it occurs. The cost of pay harmonisation has been treated differently in each of the business cases hence the wide differences in the numbers.

### Debt

The Essex councils commissioned a report from CIPFA on the Essex debt positions. The findings showed that there are no red flags or unknown issues of note. All debt positions are backed with assets and MRP arrangements are deemed to be reasonable.

The Thurrock debt position is an area of much debate and, there is no doubt that without government intervention the financial position of Thurrock is precarious although being rigorously managed. The government have made it known to Thurrock that they will support £400m of write off and this has been recognised in the business cases to a larger (assumed in the numbers) or lesser (acknowledged but not contained in the numbers) extent. Whilst the government have promised this level of intervention, it is yet to be confirmed. The overall Thurrock budget position including debt is being managed and is felt to be manageable in the future. The business cases recognise that without government intervention, the new unitary that Thurrock joins will inevitably have a level of debt which will be higher which is why government intervention here is vital.

There is a chapter at the end of the report outlining the main findings of the CIPFA debt report.

### 3. Methodology

Each of the four business cases has a "base case" that sets the financial implications of its own LGR proposal across ten years starting with Year 0 (2026/2027) to Year 10 (2036/2037) when it is assumed that each new organisation becomes mature. The analysis in this report has extracted the financial details contained in each of the four "base cases" each of which has been set into a standard CIPFA template to enable more meaningful comparison. The standard CIPFA template has three categories:

- Category 1 Set up and transition costs
- Category 2 Annual, on-going incremental costs
- Category 3 Annual, on-going incremental benefits/savings

Each category is split further into these sub-categories which have further detailed spreadsheets showing how the calculations were made:

- Employee costs
- Premises
- Transport
- Supplies and Services
- ICT
- Third Party Payments
- Income
- Contingency
- Other

All of the numbers in the tables are in £'000's and none have been increased for inflation.

There are summary tables in the report (one for each category) summarising each of the detailed lines. A final table in the "pay back" chapter summarises the grand total of all 3 categories to show the overall impact after costs and benefits have been calculated over the 10 year period.

The definition of "difference" for analysis purposes is whether there is more than 40% of a difference between the highest and lowest summarised cost or benefit. The % differences are shown on the summary table. Any difference which is less than 40%, less than £10m or where there is a single figure (therefore showing 100%) has not been analysed because it is not significant in the context of the whole.

There are two issues with significant risks to the future organisations which have been assessed for risk in all of the business cases but not explicitly included in the financial positions, they are:

- DSG reserve positions have not been included financially in any business case because the landscape is too complex and the outcomes of the future unknown. This is not however a reason to ignore the risks surrounding this issue which will be very high in any configuration.
- The impact of Fair Funding review has not been included as the outcome is not yet known.

### 4. Analysis within each of the three categories of the CIPFA templates

The CIPFA templates have been used to standardise the cost structures and so enable more meaningful comparison. There are 3 categories in the template each of which has been summarised for each business case and the differences explained.

### Category 1 - Set up and transition costs

**Table 1 Total Set and Transition Costs over 10 years** 

				4UA	4UA	^40%
	Note	3UA	5UA	Roch	Thurrock	Difference
		£'000	€'000	€'000	€'000	
Employee costs	1	14,157	21,811	15,200	51,330	72%
Premises		-	0	-	6,467	100%
Transport		-	0	-	0	
Supplies and Services	2	11,662	11,694	14,400	3,233	78%
ICT	3	40,000	16,304	30,000	5,658	59%
Third Party Payments		-	0	-	0	
Income		-	0	-	0	
Contingency		7,800	4,981	5,950	8,083	38%
Other	4	114,696	19,101	-	6,063	83%
Total		188,315	73,891	65,550	80,834	65%

### **Analysis of difference**

There are widespread differences in calculations across all lines in the set up and transition costs where the different business cases are making different assumptions about what will happen and when. In total over the 10 years, the set up and transition costs in the 5UA and 2 \* 4UA's are reasonably consistent with each other where the 3UA which sees costs of 65% more than the lowest (4UA Rochford). This is largely explained by the inclusion of £30m and £85m of transformation/PSR costs in the "other" line. The detail is below.

### 1. Employee Costs

 4UA Thurrock's business case which shows a higher calculation of transitional employee payments, which includes redundancy and pension strain costs. See Pay harmonisation in Executive Summary

### 2. Supplies and Services

The 3UA, 4UA Rochford and 5UA are consistent with their calculations for the cost
of transition for contracts, it is Thurrock that have made a calculation that the costs
will be 72% less than the highest (4UA Rochford). This is based on Thurrock's
assumptions that there will be significant costs to premises harmonisation.

### 3. IT

See Executive Summary. The transitional cost of IT is the additional cost of implementing systems in the new authorities so that on day one they are able to deliver services. These are enterprise-wide systems (finance, HR, legal etc), the disaggregation of unitary systems the aggregation of the district systems. None of this will come without a cost and IT costs are notoriously under costed.

In reality, all new configurations will need to invest in automating and digitalising systems, in fact, all organisations will already have their own IT change programmes in place and will have amounts set aside in capital programmes and reserves to deliver on those programmes. Some of this resource will be able to be re-directed to support the transitional costs of IT however this is difficult to assess unless there is a wholescale IT audit undertaken.

### 4. Other

There is a significant difference of 83% between the 5UA/2\*4UA and the 3UA business cases in this "other" category.

In the 3 UA case, there is a £30m cost in 2029/10 and £84m in 2011/12 categorised as "other" which counts for the bulk of the difference.

£30m is the cost of transformation (not IT) linked to the need for health and social care transformation. This is a necessary requirement in the new unitaries as local government work with the health sector to transform health and social care.

There is £84m is contained in the Public Sector Reform detailed sheet of the 3UA business case in 2011/12. This is not explicitly replicated in any other of the business cases although the cost of PSR could be translated as further investment in transformational activity.

### Category 2 - Annual, on-going incremental costs

Table 2

Annual On-going Incremental costs

	Note	3UA £'000	5UA £'000	4UA Rochford £'000	4UA Thurrock £'000	^40% Difference
Employee costs	1	29,807	109,842	56,636	145,605	80%
Premises		-	0	-	18,344	100%
Transport		-	0	-	0	
Supplies and Services	2	80,549	52,989	161,098	9,172	94%
ICT	3	-	75,157	-	16,051	79%
Third Party Payments		-	0	-	0	
Income		-	0	-	22,930	
Contingency		-	0	-	17,197	100%
Other		4,008	12,524	8,015	0	68%
Total		114,364	250,512	225,749	229,299	54%

### **Analysis of differences**

The table shows that 3 of the business cases (5UA, 2\*4UA) have in total, more than double the amount for annual on-going and incremental costs than the 3UA business case.

### 1. Employee Costs

See executive summary

### 2. Supplies & Services

This element of the category contain the calculations on the additional cost of contracts on an on-going basis. There is a wide range of calculation in this category dependent on the business case view of procurement and commissioning costs.

### 3. IT

See Executive Summary

### Total of all costs aggregated over the 10 year period

It has already been established that the 3UA and the 5UA business cases explicitly include transformation costs and costs of public sector reform and associated benefits. Whilst it is relatively easy to extract these costs/benefits from the 3UA business case as they are stated separately however this is not the case for the 5UA which have not explicitly separated the transformation costs. It also apparent from the numbers that whilst the 2\*4UA business cases explicitly state that they have not included the costs of transformation, their total on-going costs and the costs of transition, when added together are not dissimilar from the 3UA and the 5UA business cases. The table below shows the total of all costs across the 10 years to be largely similar.

### **Total costs over 10 years**

### Table 3

	3UA	5UA	4UA Rochford	4UA Thurrock
	£'000	£'000	£'000	£'000
Total Set and Transition Costs over 10 year	ars 188,315	73,891	65,550	80,834
Annual On-going Incremental costs	114,364	250,512	225,749	229,299
Total Costs	302,679	324,403	291,299	310,133

### Category 3 - Annual, On-Going incremental Benefits/Savings

Table 4

Annual On-going Incremental benefits/savings£'000's

	Note	3UA	5UA	4UA Rochford	4UA Thurrock	^40% difference
		£'000	£'000	£'000	€'000	
Employee costs		-250,423	-260,423	-229,190	-208,127	20%
Premises	1	-17,007	0	-12,685	-42,571	70%
Transport		-	0	-	0	
Supplies and Services	2	-153,071	-5,039	-120,933	-47,302	97%
ICT	3	-	-11,196	-	-42,571	74%
Third Party Payments	4	-	-500,089	-	-94,603	81%
Income		-	0	-	0	
Contingency		-	0	-	-18,921	100%
Other	5	-349,803	0	-7,696	-18,921	98%
Total		-770,304	-776,747	-370,504	-473,016	52%
Grand Total		-467,625	-452,344	-79,205	-162,882	83%

### **Analysis of differences**

There is a significant difference between the overall benefits received from each business case where the 3UA and 5UA are stating more than £770m savings over the 10 years and the 2\*4UA both stating less. This is explained by the fact that the 3UA and 5UA business cases are explicit about adding in costs and associated benefits of transformation where as the 2\*4UA business cases do not.

### 5. Other Areas of Note

### **Payback Periods**

The pay-back period is defined as the time it takes to recover from the original cost of investment so the assumptions made about transitional costs, on-going costs and phasing of the benefits is crucial to the calculation of the payback period. All of the business cases show positive benefits at the end of 10 years to a greater or lesser extent. The benefits are higher in the 3UA and 5UA because they have both made statements about the ability to make significant savings in services but with significant investment in transformation.

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
	Forecast											
	1 April 26 to 31 March 27	1 April 27 to 31 March 28	1 April 28 to 31 March 29	1 April 29 to 31 March 30	1 April 30 to 31 March 31	1 April 31 to 31 March 32	1 April 32 to 31 March 33	1 April 33 to 31 March 34	1 April 34 to 31 March 35	1 April 35 to 31 March 36	1 April 36 to 31 March 37	Total Year 0 to Year 10
3UA	0	900	43,686	-11,189	-65,420	10,740	-80,652	-88,268	-95,884	-95,884	-95,884	-467,625
5UA	5,634	27,395	12,810	17,340	23,215	-43,930	-77,484	-104,331	-104,331	-104,331	-104,331	-452,344
4UA R	0	1,300	61,096	-10,915	-18,670	-18,670	-18,670	-18,670	-18,670	-18,670	-18,670	-79,205
4UA T	0	37,583	26,247	-28,339	-28,339	-28,339	-28,339	-28,339	-28,339	-28,339	-28,339	-162,882

### **Debt**

The authorities across Greater Essex have jointly commissioned CIPFA to undertake an analysis of debt under different unitary options with reference to latest available 2024/25. The headline results from this analysis are:

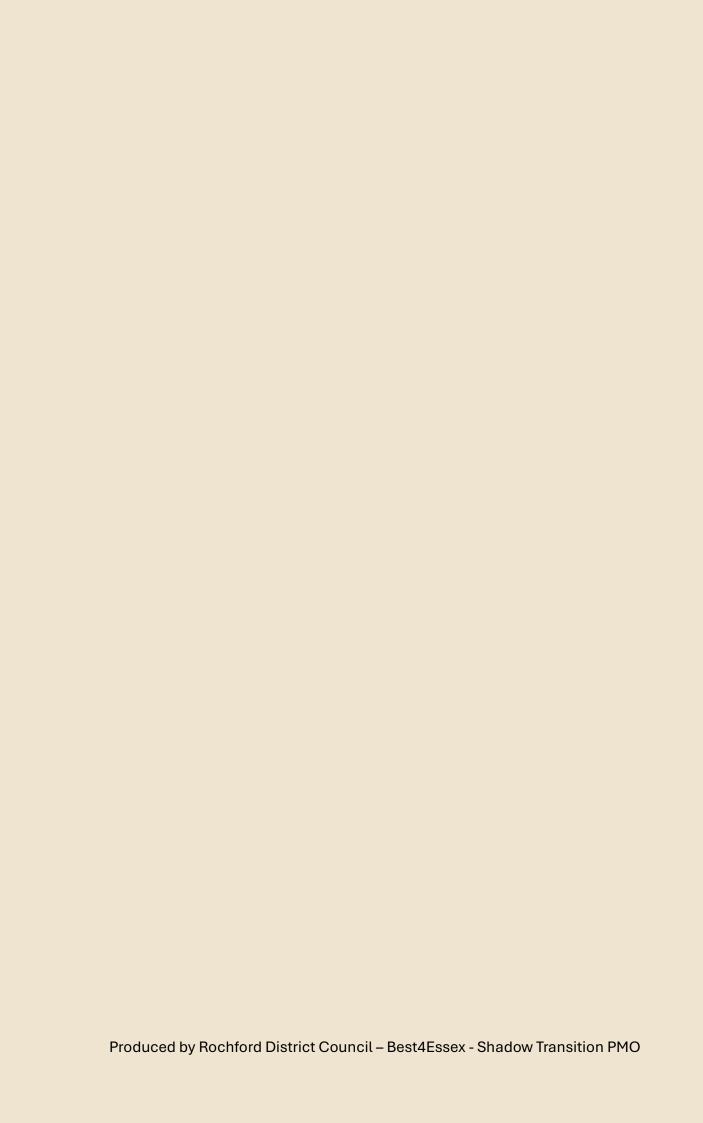
- There were no red flags in any of the business case modelling and no new issues raised by the review.
- Higher debt councils have a strong investment portfolio
- Asset rationalisation plans will be an important feature of all configurations
- Overall provisions for MRP across the board are reasonable but will need to be reviewed for any new configuration.
- All authorities, including Thurrock have programmes in place to manage their debt positions
- The overall debt position can be seen in the tables 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	o	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.





## **Annex Two**

# Essex Reserves, Debt and Assets

### Report on Analysis of Reserves – Essex LGR – Revised August 2025

### Introduction

This report seeks to analyse the reserves positions of the local authorities in Essex and to make some estimate of the potential reserve positions for each of the unitary configurations once the Essex CC reserves have been disaggregated. The Essex CC reserve disaggregation was a separate exercise undertaken by Essex CC and the analysis is contained in the summary spreadsheet attached. The data in the data room is not wholly consistent across the seven years (2023/2024 to 2029/30) as not authorities have different reserve categories, and not all authorities have presented all years. The 2029/30 year looks low, probably because not all authorities plan that far out. For this reason, the analysis gives summaries for 2025/26 and 2028/29 only to ensure a consistent summary.

The report starts by giving a description of the types of technical reserves that are in place. Some reserves are not "usable" because they are set aside for very specific reasons or are held on behalf of other organisations. These reserves are clearly marked in the statement of accounts although too numerous to list each one in this report. Of the other reserves, some are earmarked for specific purposes (transformation, MRP etc) and are likely to be part of MTFS spending plans. The "un-allocated" or "un-earmarked general fund reserve" is there to ensure there is a buffer between planned spend and unforeseen spend and is a reserve that the external auditors and other scrutineers look to be in place as a financial sustainability measure. The level of this reserve is generally based on a percentage of net or gross budget and more importantly, an analysis of risk. All the new unitary councils will be required to hold a larger unearmarked general reserve reflecting their increased size and risk. The new S151 officers of the unitaries will need to advise on the General Fund Reserve level once the budgets for the new unitaries are put in place.

### **Executive Summary**

The data collection required all authorities to provide to the data room line by line details of all their reserves including HRA reserves (which are ring fenced). These are itemised in detail in the annual accounts.

The summary shows that in total there are just over £1bn of reserves in the Essex system in 2025/26, this reduces to £943m in 2028/29 which is the vesting year. Many of these reserves are unusable because:

- They are ringfenced (DSG, HRA)
- They are held on behalf of other bodies
- They are held against PFI, MRP payments or for future budget smoothing (waste etc)
- They are being used in MTFS plans to set off budget gaps.

For the purposes of this report, we have not tried to disaggregate usable and unusable reserves as this would require significant amounts of detailed work. We have however deducted HRA reserves from the unitary analysis as they are ringfenced to those authorities with HRA's.

### **Types of Reserves**

### 1. General Fund Reserves

These are the main reserves held by local authorities and include:

- General Fund Unallocated Reserves (sometimes called un-earmarked): Held to cushion the impact
  of unexpected events or emergencies. Can be used for any legal purpose but typically only in
  exceptional circumstances. Used by auditors to test sustainability
- General Fund Earmarked Reserves: Set aside for specific policy purposes or future liabilities.
   Examples include Insurance Reserve, Transformation Reserve, Business Rates Equalisation
   Reserve, Capital Reserves (where revenue is used to fund capital), Pension Reserve, and Service-Specific Reserves.

An example of an earmarked general fund reserve would be the waste reserve. The funding for waste under the current funding regime, especially where there are PFI arrangements coming to an end, means that at some given point in the future (in the 2030's mostly) there is a funding cliff edge which is so big that no authority will be able to fund the gap in one go. Most waste authorities will be setting aside reserves to cover the cliff edge risk. So whilst it may look like there is a large unused reserve, it will be there to cover a very specific future risk.

### 2. Housing Revenue Account (HRA) Reserves

These reserves are specific to council housing services and must be ring-fenced:

- HRA Working Balance: General contingency for housing services.
- Major Repairs Reserve: For maintaining and improving housing stock.
- Other HRA Reserves: May include reserves for decanting, buy-backs, and attributable debt.

### 3. Capital Reserves

Used to fund future capital expenditure:

- Capital Receipts Reserve: Proceeds from asset sales, used to fund capital expenditure.
- Capital Grants Unapplied: Grants received but not yet used.
- Major Repairs Reserve (Capital): Used for capital improvements to assets (outside of the HRA).

### 4. Dedicated Schools Grant (DSG) and School Reserves

These reserves relate to Dedicated Schools Grant (DSG) and individual school balances:

- DSG Reserve: Must be used in accordance with education funding regulations.
- School Balances: Held by individual schools, often ring-fenced for specific educational purposes.
- DSG override reserve: This reserve has been put in place to comply with the government issuing of a "DSG statutory override", see note below.

Note: The DSG (Dedicated Schools Grant) statutory override is a temporary measure allowing local authorities in England to create deficit reserves and essentially exclude these deficits related to Special Educational Needs and Disabilities (SEND) (part of the ringfenced DSG) from their main revenue budgets. This means that these deficits don't immediately impact the council's overall financial health, preventing potential insolvency. The override was initially in place until 2020/21, 2021/22, and 2022/23, but has been extended and is currently set to expire at the end of March 2028. Although the government are suggesting that these deficits would not impact overall financial health, external auditors have been red rag rating authorities that do not have reserve levels available to cover the deficit believing that the risk of the government not funding these deficits in the future to be too great.

For more information on DSG overrides see <a href="https://www.local.gov.uk/parliament/briefings-and-responses/westminster-hall-debate-dedicated-schools-grant-23-april-2025">https://www.local.gov.uk/parliament/briefings-and-responses/westminster-hall-debate-dedicated-schools-grant-23-april-2025</a>

This is a major risk to the financial health of the new unitary authorities. Essex CC's DSG deficit is estimated to be £230m by 2028/29 however there is more work to do on the level of the deficit across the three current unitaries. They have not been disaggregated.

### **Summary of Total Reserves Positions**

The total reserve positions for each authority between 2023/24 and 2029/30 have been collected and the whole data collection with details of each line can be found in this spreadsheet (Reserves forecast.xlsx) with tabs for each authority and a summary sheet.

There are data differences that need to be acknowledged.

Not all authorities were able to give data for 7 years and some assumptions have been made

- Not all authorities have HRA's therefore no HRA reserves available.
- Only unitaries (Essex, Southend, Thurrock) have DSG reserves
- Capital reserves can be either purely capital (capital grants, capital receipts etc) or maybe revenue contributions to capital – there has been some interpretation of those – most are revenue reserves for capital purposes
- There are some detailed anomalies which will need to be sorted out nearer vesting
- Forecasts from 2026/27 onwards are formally part of each authorities MTFS/P where decisions have been made by the incumbent Councils. The new unitaries would need to consider their financial positions through the shadow year to enable budget setting on vesting.

### **Summary of Districts and Unitaries Reserves (exc Essex CC)**

The table below shows a summary of all of the Essex authority reserves excluding Essex CC.

### Table showing Districts and Unitaries Reserves (from summary info of reserves in data room)

Note: The year 2030 looks low and has been discounted from the analysis to ensure consistency. HRA reserves are only available for 2026-2029.

	31/03/2024	31/03/2025	31/03/2026	31/03/2027	31/03/2028	31/03/2029	31/03/2030
	£000's						
Total GF Unearmarked Reserves	50,638	75,043	81,647	80,900	80,031	74,123	20,690
Total GF Earmarked Reserves	243,937	273,603	281,815	256,170	249,819	250,754	95,409
Total General & Earmarked Reserves	294,575	348,646	363,462	337,070	329,850	230,362	116,099
Total HRA Reserves	100,090	111,277	68,416	76,186	84,144	84,604	74,822
Total Capital Reserves	83,078	115,279	76,978	78,588	81,936	85,714	88,155
Total Reserves	477,743	575,202	508,856	491,844	495,930	500,680	279,076
Reserves less HRA			440,440	415,658	411,786	416,076	

In reality, the **HRA**, **DSG** and **Schools Balances** are ring fenced and are irrelevant in the LGR context. They will be aggregated as per the LGR models as they stand.

**Capital reserves**, including revenue contributions to capital, will be in place to pay for capital programmes with longer term strategies and plans. Reserves are likely to be linked to capital grant holding or borrowing repayment strategies therefore will need to be in place until there is a new capital strategy for the new unitaries agreed.

### **Disaggregation of Essex CC Reserves**

The most sensible basis for distribution of the Essex CC reserves is the net expenditure % in each of the years. There are some reserves that are held for instance Waste PFI smoothing, Children's and Adults reserves where a different basis has been used. The details of the allocation of each of the reserves can be found in the "ECC workings" tab of the <a href="UA Models.xlsx">UA Models.xlsx</a> spreadsheet. The bases for each reserve distribution will be evaluated as part of the overall validation process. Below shows a summary table of the CC reserves which are significant being a large county authority.

### **Table showing Essex CC Reserves (from ECC disaggregation report)**

	31/03/2025	31/03/2026	31/03/2027	31/03/2028	31/03/2029
	£000's	£000's	£000's	£000's	£000's
GF Unallocated Reserves					
ECC	68,092	68,092	68,092	68,092	68,092
GF Earmarked Reserves					
ECC	545,022	525,544	494,255	476,760	467,063
Total ECC Reserves	613,114	593,636	562,347	544,852	535,155

### **Summary of the Unitary Models**

The table below acts as a reminder to which configuration of authorities are in which model and has formed the basis of the reserve distribution.

Essex LGR Mode	ls in one table 24-07-	2025															
Authorities	Populations	3 Model			5 Mode	ı				4 Model	(Thurrock	)		4 Model	(Rochfo	rd)	
		Unit 1	Unit 2	Unit 3	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	W Essex	N Essex	E Essex	SEssex	Rf 1	Rf 2	RF3	RF4
Basildon	190,544																
Braintree	159,957																
Brentwood	78,152																
Castlepoint	89,858																
Chelmsford	185,278																
Colchester	196,998																
Epping Forest	135,975																
Harlow	96,040																
Maldon	68,327																
Rochford	88,188																
Southend	182,271																
Tendring	153,207																
Thurrock	178,201																
Uttlesford	93,594																
	1,896,590	602 756	562 77	720.062	225 600	510.16	221 75	7 260 741	5 360,317	400 260	438,829	410 522	550 961	225 600	510.16	2 419,94	5 640 9

### 3 Model reserves distribution

The model below allocates the Essex CC reserves into the 3 unitary areas. The detail can be found in the "3 model" tab on the <u>UA Models.xlsx</u> spreadsheet.

### 3 Model Reserves Positions for 2025/26 and 2028/29

Total Reserves (less HRA)	31/03/2026 £000's	31/03/2029 £000's
Unitary 1	04.470	00.500
Braintree	34,470	28,528
Colchester	27,285	27,844
Tendring	19,494	15,662
Uttlesford	20,025	21,732
Total Non ECC ECC add	101,274	93,766
	267,439 368,713	211,921 305,687
Total Unitary	300,/13	303,667
Unitary 2		
Brentwood	13,572	12,808
Epping Forest	10,002	5,804
Harlow	28,660	20,829
Maldon	17,224	16,531
Chelmsford	23,736	20,529
Total Non ECC	93,194	76,501
ECC add	235,083	188,115
Total Unitary	328,277	264,616
,	,	•
Unitary 3		
Basildon	18,647	15,275
Castlepoint	21,952	19,781
Rochford	14,673	10,270
Southend	130,175	139,958
Thurrock	60,525	60,525
Total Non ECC	245,972	226,028
ECC add	158,126	126,892
Total Unitary	404,098	372,701
w		
Total Reserves Non ECC	440,440	416,076
Total Reserves (ECC)	660,648	526,927
Total Reserves	1,101,088	943,003

### **5** Model reserves distribution

The model below allocates the Essex CC reserves into the 5 unitary areas. The detail can be found in the "5 model" tab on the <u>UA Models.xlsx</u> spreadsheet.

### 5 Model Reserves Positions for 2025/26 and 2028/29

		31/03/2026	31/03/2029
	s'000 <del>2</del>	£000's	£000's
Total Reserves (less HRA)			
Unitary 1			
Epping Forest		10,002	5,804
Harlow		28,660	20,829
Uttlesford		20,025	21,732
Total Non ECC		58,687	31,536
ECC add		133,781	106,615
Total Unitary 1		192,468	154,980
Unitary 2		202,100	20 1,000
Braintree		34,470	28,528
Colchester		27,285	27,844
Tendring		19,494	15,662
Total Non ECC		81,249	72,034
ECC add		229,569	181,780
Total Unitary 2		310,818	253,814
Unitary 3		•	•
Brentwood		13,572	12,808
Chelmsford		23,736	20,529
Maldon		17,224	16,531
Total Non ECC		54,532	49,868
ECC add		139,173	111,641
Total Unitary 3		193,705	161,509
Unitary 4			
Basildon		18,647	15,275
Thurrock		60,525	60,525
Total Non ECC ECC add		79,172 85,982	75,800 68,850
Total Unitary 4		165,154	144,650
Unitary 5		,	•
Castlepoint		21,952	19,781
Rochford		14,673	10,270
Southend		130,175	139,958
Total Non ECC		166,800	150,228
ECC add		72,144	58,042
Total Unitary 5		238,944	228,051
Total Reserves Non ECC		440,440	416,076
Total Reserves (ECC)		660,648	526,927
Total Reserves		1,101,088	943,003

### 4 Model (Thurrock) reserves distribution

The model below allocates the Essex CC reserves into the 4 unitary (Thurrock) areas. The detail can be found in the "4 model (Thk)" tab on the <a href="UA Models.xlsx">UA Models.xlsx</a> spreadsheet.

## 4 Model (Thurrock) Reserves Positions for 2025/26 and 2028/29

Total Reserves (less HRA)  West Essex  Brentwood 13,572 12,808 Epping Forest 10,002 5,804 Harlow 28,660 20,829 Thurrock 60,525 60,525 Total Non ECC 112,759 83,137 ECC add 126,904 101,297 Total West Essex 239,663 201,263 North Essex Braintree 34,470 28,528 Chelmsford 23,736 20,529 Uttlesford 20,025 21,732 Total Non ECC 78,231 70,789 ECC add 185,138 147,955 Total North Essex 263,369 218,744 East Essex Colchester 27,285 27,844 Maldon 17,224 16,531 Tendring 19,494 15,662 Total Non ECC 64,003 60,037 ECC add 190,482 150,784 Total East Essex 254,485 210,821 South Essex Basildon 18,647 15,275 Castle Point 21,952 19,781 Rochford 14,673 10,270 Southend 130,175 139,958 Total Non ECC 185,447 165,503 ECC add 158,126 126,892 Total Reserves Non ECC 440,440 416,076 Total Reserves (ECC) 660,648 526,927		31/03/2026	31/03/2029
West Essex           Brentwood         13,572         12,808           Epping Forest         10,002         5,804           Harlow         28,660         20,829           Thurrock         60,525         60,525           Total Non ECC         112,759         83,137           ECC add         126,904         101,297           Total West Essex         239,663         201,263           North Essex         8         239,663         201,263           North Essex         23,736         20,529           Uttlesford         23,736         20,529           Uttlesford         20,025         21,732           Total Non ECC         78,231         70,789           ECC add         185,138         147,955           Total North Essex         263,369         218,744           East Essex         20clchester         27,285         27,844           Maldon         17,224         16,531           Tendring         19,494         15,662           Total Non ECC         64,003         60,037           ECC add         190,482         150,784           Total East Essex         254,485         210,821           Sou		£000's	£000's
Brentwood       13,572       12,808         Epping Forest       10,002       5,804         Harlow       28,660       20,829         Thurrock       60,525       60,525         Total Non ECC       112,759       83,137         ECC add       126,904       101,297         Total West Essex       239,663       201,263         North Essex       8       239,663       201,263         North Essex       23,736       20,529         Uttlesford       23,736       20,529         Uttlesford       20,025       21,732         Total Non ECC       78,231       70,789         ECC add       185,138       147,955         Total North Essex       263,369       218,744         East Essex       27,285       27,844         Maldon       17,224       16,531         Tendring       19,494       15,662         Total Non ECC       64,003       60,037         ECC add       190,482       150,784         Total East Essex       254,485       210,821         South Essex       254,485       210,821         Rochford       14,673       10,270         Southend	Total Reserves (less HRA	<b>A)</b>	
Epping Forest 10,002 5,804 Harlow 28,660 20,829 Thurrock 60,525 60,525 Total Non ECC 112,759 83,137 ECC add 126,904 101,297 Total West Essex 239,663 201,263 North Essex Braintree 34,470 28,528 Chelmsford 23,736 20,529 Uttlesford 20,025 21,732 Total Non ECC 78,231 70,789 ECC add 185,138 147,955 Total North Essex 263,369 218,744 East Essex Colchester 27,285 27,844 Maldon 17,224 16,531 Tendring 19,494 15,662 Total Non ECC 64,003 60,037 ECC add 190,482 150,784 Total East Essex 254,485 210,821 South Essex Basildon 18,647 15,275 Castle Point 21,952 19,781 Rochford 14,673 10,270 Southend 130,175 139,958 Total Non ECC 185,447 165,503 ECC add 158,126 126,892 Total Reserves Non ECC 440,440 416,076 Total Reserves (ECC) 660,648 526,927	West Essex		
Harlow         28,660         20,829           Thurrock         60,525         60,525           Total Non ECC         112,759         83,137           ECC add         126,904         101,297           Total West Essex         239,663         201,263           North Essex         8         239,663         201,263           North Essex         23,736         20,529         20,529           Uttlesford         20,025         21,732         70,789         20,529           ECC add         185,138         147,955         70,789         147,955         147,955         147,955         147,955         147,944         147,955         147,944         146,531         147,955         147,944         146,531         147,955         146,531         147,955         146,531         146,531         146,531         146,631         146,631         146,631         146,631         146,631         146,631         146,631         146,631         146,631         146,631         146,631         146,632         146,631         146,673         146,673         146,673         146,670         146,673         146,673         146,670         146,673         146,670         146,6892         146,673         146,6892         146,6892 <td>Brentwood</td> <td>13,572</td> <td>12,808</td>	Brentwood	13,572	12,808
Thurrock 60,525 60,525 Total Non ECC 112,759 83,137 ECC add 126,904 101,297 Total West Essex 239,663 201,263 North Essex Braintree 34,470 28,528 Chelmsford 23,736 20,529 Uttlesford 20,025 21,732 Total Non ECC 78,231 70,789 ECC add 185,138 147,955 Total North Essex 263,369 218,744 East Essex Colchester 27,285 27,844 Maldon 17,224 16,531 Tendring 19,494 15,662 Total Non ECC 64,003 60,037 ECC add 190,482 150,784 Total East Essex 254,485 210,821 South Essex Basildon 18,647 15,275 Castle Point 21,952 19,781 Rochford 14,673 10,270 Southend 130,175 139,958 Total Non ECC 185,447 165,503 ECC add 158,126 126,892 Total Reserves Non ECC 440,440 416,076 Total Reserves (ECC) 660,648 526,927	Epping Forest	10,002	5,804
Total Non ECC         112,759         83,137           ECC add         126,904         101,297           Total West Essex         239,663         201,263           North Essex         Braintree         34,470         28,528           Chelmsford         23,736         20,529           Uttlesford         20,025         21,732           Total Non ECC         78,231         70,789           ECC add         185,138         147,955           Total North Essex         263,369         218,744           East Essex         263,369         218,744           Maldon         17,224         16,531           Tendring         19,494         15,662           Total Non ECC         64,003         60,037           ECC add         190,482         150,784           Total East Essex         254,485         210,821           South Essex         254,485         210,821           Rochford         14,673         10,270           Southend         130,175         139,958           Total Non ECC         185,447         165,503           ECC add         158,126         126,892           Total Reserves Non         ECC         440,4	Harlow	28,660	20,829
ECC add         126,904         101,297           Total West Essex         239,663         201,263           North Essex         Braintree         34,470         28,528           Chelmsford         23,736         20,529           Uttlesford         20,025         21,732           Total Non ECC         78,231         70,789           ECC add         185,138         147,955           Total North Essex         263,369         218,744           East Essex         20,285         27,844           Maldon         17,224         16,531           Tendring         19,494         15,662           Total Non ECC         64,003         60,037           ECC add         190,482         150,784           Total East Essex         254,485         210,821           South Essex           Basildon         18,647         15,275           Castle Point         21,952         19,781           Rochford         14,673         10,270           Southend         130,175         139,958           Total Non ECC         185,447         165,503           ECC add         158,126         126,892           Total Reserves Non	Thurrock	60,525	60,525
Total West Essex         239,663         201,263           North Essex         Braintree         34,470         28,528           Chelmsford         23,736         20,529           Uttlesford         20,025         21,732           Total Non ECC         78,231         70,789           ECC add         185,138         147,955           Total North Essex         263,369         218,744           East Essex         2000         218,744           Colchester         27,285         27,844           Maldon         17,224         16,531           Tendring         19,494         15,662           Total Non ECC         64,003         60,037           ECC add         190,482         150,784           Total East Essex         254,485         210,821           South Essex         254,485         210,821           Rochford         14,673         10,270           Southend         130,175         139,958           Total Non ECC         185,447         165,503           ECC add         158,126         126,892           Total South Essex         343,573         312,176           Total Reserves Non         ECC         44	Total Non ECC	112,759	83,137
North Essex         Braintree       34,470       28,528         Chelmsford       23,736       20,529         Uttlesford       20,025       21,732         Total Non ECC       78,231       70,789         ECC add       185,138       147,955         Total North Essex       263,369       218,744         East Essex       27,285       27,844         Maldon       17,224       16,531         Tendring       19,494       15,662         Total Non ECC       64,003       60,037         ECC add       190,482       150,784         Total East Essex       254,485       210,821         South Essex         Basildon       18,647       15,275         Castle Point       21,952       19,781         Rochford       14,673       10,270         Southend       130,175       139,958         Total Non ECC       185,447       165,503         ECC add       158,126       126,892         Total South Essex       343,573       312,176         Total Reserves Non       ECC       440,440       416,076         Total Reserves (ECC)       660,648       526,927 <td>ECC add</td> <td>126,904</td> <td>101,297</td>	ECC add	126,904	101,297
Braintree       34,470       28,528         Chelmsford       23,736       20,529         Uttlesford       20,025       21,732         Total Non ECC       78,231       70,789         ECC add       185,138       147,955         Total North Essex       263,369       218,744         East Essex       27,285       27,844         Maldon       17,224       16,531         Tendring       19,494       15,662         Total Non ECC       64,003       60,037         ECC add       190,482       150,784         Total East Essex       254,485       210,821         South Essex         Basildon       18,647       15,275         Castle Point       21,952       19,781         Rochford       14,673       10,270         Southend       130,175       139,958         Total Non ECC       185,447       165,503         ECC add       158,126       126,892         Total South Essex       343,573       312,176         Total Reserves Non       ECC       440,440       416,076         Total Reserves (ECC)       660,648       526,927	Total West Essex	239,663	201,263
Chelmsford         23,736         20,529           Uttlesford         20,025         21,732           Total Non ECC         78,231         70,789           ECC add         185,138         147,955           Total North Essex         263,369         218,744           East Essex         200,025         27,285           Colchester         27,285         27,844           Maldon         17,224         16,531           Tendring         19,494         15,662           Total Non ECC         64,003         60,037           ECC add         190,482         150,784           Total East Essex         254,485         210,821           South Essex         Basildon         18,647         15,275           Castle Point         21,952         19,781           Rochford         14,673         10,270           Southend         130,175         139,958           Total Non ECC         185,447         165,503           ECC add         158,126         126,892           Total Reserves Non         ECC         440,440         416,076           Total Reserves (ECC)         660,648         526,927	North Essex		
Uttlesford         20,025         21,732           Total Non ECC         78,231         70,789           ECC add         185,138         147,955           Total North Essex         263,369         218,744           East Essex         27,285         27,844           Maldon         17,224         16,531           Tendring         19,494         15,662           Total Non ECC         64,003         60,037           ECC add         190,482         150,784           Total East Essex         254,485         210,821           South Essex         254,485         210,821           South Essex         254,485         210,821           South Essex         254,485         210,821           South Essex         13,952         19,781           Rochford         14,673         10,270           Southend         130,175         139,958           Total Non ECC         185,447         165,503           ECC add         158,126         126,892           Total Reserves Non         ECC         440,440         416,076           Total Reserves (ECC)         660,648         526,927	Braintree	34,470	28,528
Total Non ECC         78,231         70,789           ECC add         185,138         147,955           Total North Essex         263,369         218,744           East Essex         200 Colchester         27,285         27,844           Maldon         17,224         16,531         16,531         Tendring         19,494         15,662         15,662         Total Non ECC         64,003         60,037         ECC add         190,482         150,784         150,784         150,784         150,784         150,784         150,784         150,275         160,784         160,275         160,275         160,275         160,275         160,275         160,275         160,275         160,270         16	Chelmsford	23,736	20,529
ECC add         185,138         147,955           Total North Essex         263,369         218,744           East Essex         27,285         27,844           Maldon         17,224         16,531           Tendring         19,494         15,662           Total Non ECC         64,003         60,037           ECC add         190,482         150,784           Total East Essex         254,485         210,821           South Essex         8asildon         18,647         15,275           Castle Point         21,952         19,781           Rochford         14,673         10,270           Southend         130,175         139,958           Total Non ECC         185,447         165,503           ECC add         158,126         126,892           Total Reserves Non         ECC         440,440         416,076           Total Reserves (ECC)         660,648         526,927	Uttlesford	20,025	21,732
Total North Essex         263,369         218,744           East Essex         27,285         27,844           Maldon         17,224         16,531           Tendring         19,494         15,662           Total Non ECC         64,003         60,037           ECC add         190,482         150,784           Total East Essex         254,485         210,821           South Essex         254,485         210,821           Roshford         18,647         15,275           Castle Point         21,952         19,781           Rochford         14,673         10,270           Southend         130,175         139,958           Total Non ECC         185,447         165,503           ECC add         158,126         126,892           Total South Essex         343,573         312,176           Total Reserves Non         ECC         440,440         416,076           Total Reserves (ECC)         660,648         526,927	Total Non ECC	78,231	70,789
East Essex         Colchester       27,285       27,844         Maldon       17,224       16,531         Tendring       19,494       15,662         Total Non ECC       64,003       60,037         ECC add       190,482       150,784         Total East Essex       254,485       210,821         South Essex         Basildon       18,647       15,275         Castle Point       21,952       19,781         Rochford       14,673       10,270         Southend       130,175       139,958         Total Non ECC       185,447       165,503         ECC add       158,126       126,892         Total South Essex       343,573       312,176         Total Reserves Non ECC       440,440       416,076         Total Reserves (ECC)       660,648       526,927	ECC add	185,138	147,955
Colchester       27,285       27,844         Maldon       17,224       16,531         Tendring       19,494       15,662         Total Non ECC       64,003       60,037         ECC add       190,482       150,784         Total East Essex       254,485       210,821         South Essex         Basildon       18,647       15,275         Castle Point       21,952       19,781         Rochford       14,673       10,270         Southend       130,175       139,958         Total Non ECC       185,447       165,503         ECC add       158,126       126,892         Total South Essex       343,573       312,176         Total Reserves Non ECC       440,440       416,076         Total Reserves (ECC)       660,648       526,927	Total North Essex	263,369	218,744
Maldon       17,224       16,531         Tendring       19,494       15,662         Total Non ECC       64,003       60,037         ECC add       190,482       150,784         Total East Essex       254,485       210,821         South Essex         Basildon       18,647       15,275         Castle Point       21,952       19,781         Rochford       14,673       10,270         Southend       130,175       139,958         Total Non ECC       185,447       165,503         ECC add       158,126       126,892         Total South Essex       343,573       312,176         Total Reserves Non ECC       440,440       416,076         Total Reserves (ECC)       660,648       526,927	East Essex		
Tendring         19,494         15,662           Total Non ECC         64,003         60,037           ECC add         190,482         150,784           Total East Essex         254,485         210,821           South Essex         254,485         210,821           Basildon         18,647         15,275           Castle Point         21,952         19,781           Rochford         14,673         10,270           Southend         130,175         139,958           Total Non ECC         185,447         165,503           ECC add         158,126         126,892           Total South Essex         343,573         312,176           Total Reserves Non ECC         440,440         416,076           Total Reserves (ECC)         660,648         526,927	Colchester	27,285	27,844
Total Non ECC         64,003         60,037           ECC add         190,482         150,784           Total East Essex         254,485         210,821           South Essex         254,485         210,821           Basildon         18,647         15,275           Castle Point         21,952         19,781           Rochford         14,673         10,270           Southend         130,175         139,958           Total Non ECC         185,447         165,503           ECC add         158,126         126,892           Total South Essex         343,573         312,176           Total Reserves Non ECC         440,440         416,076           Total Reserves (ECC)         660,648         526,927	Maldon	17,224	16,531
ECC add         190,482         150,784           Total East Essex         254,485         210,821           South Essex         254,485         210,821           Basildon         18,647         15,275           Castle Point         21,952         19,781           Rochford         14,673         10,270           Southend         130,175         139,958           Total Non ECC         185,447         165,503           ECC add         158,126         126,892           Total South Essex         343,573         312,176           Total Reserves Non ECC         440,440         416,076           Total Reserves (ECC)         660,648         526,927	Tendring	19,494	15,662
Total East Essex         254,485         210,821           South Essex         18,647         15,275           Castle Point         21,952         19,781           Rochford         14,673         10,270           Southend         130,175         139,958           Total Non ECC         185,447         165,503           ECC add         158,126         126,892           Total South Essex         343,573         312,176           Total Reserves Non ECC         440,440         416,076           Total Reserves (ECC)         660,648         526,927	Total Non ECC	64,003	60,037
South Essex         Basildon       18,647       15,275         Castle Point       21,952       19,781         Rochford       14,673       10,270         Southend       130,175       139,958         Total Non ECC       185,447       165,503         ECC add       158,126       126,892         Total South Essex       343,573       312,176         Total Reserves Non ECC       440,440       416,076         Total Reserves (ECC)       660,648       526,927	ECC add	190,482	150,784
Basildon       18,647       15,275         Castle Point       21,952       19,781         Rochford       14,673       10,270         Southend       130,175       139,958         Total Non ECC       185,447       165,503         ECC add       158,126       126,892         Total South Essex       343,573       312,176         Total Reserves Non ECC       440,440       416,076         Total Reserves (ECC)       660,648       526,927	Total East Essex	254,485	210,821
Castle Point       21,952       19,781         Rochford       14,673       10,270         Southend       130,175       139,958         Total Non ECC       185,447       165,503         ECC add       158,126       126,892         Total South Essex       343,573       312,176         Total Reserves Non ECC       440,440       416,076         Total Reserves (ECC)       660,648       526,927	South Essex		
Rochford         14,673         10,270           Southend         130,175         139,958           Total Non ECC         185,447         165,503           ECC add         158,126         126,892           Total South Essex         343,573         312,176           Total Reserves Non ECC         440,440         416,076           Total Reserves (ECC)         660,648         526,927	Basildon	18,647	15,275
Southend         130,175         139,958           Total Non ECC         185,447         165,503           ECC add         158,126         126,892           Total South Essex         343,573         312,176           Total Reserves Non ECC         440,440         416,076           Total Reserves (ECC)         660,648         526,927	Castle Point	21,952	19,781
Total Non ECC         185,447         165,503           ECC add         158,126         126,892           Total South Essex         343,573         312,176           Total Reserves Non ECC         440,440         416,076           Total Reserves (ECC)         660,648         526,927	Rochford	14,673	10,270
ECC add         158,126         126,892           Total South Essex         343,573         312,176           Total Reserves Non ECC         440,440         416,076           Total Reserves (ECC)         660,648         526,927	Southend	130,175	139,958
Total South Essex         343,573         312,176           Total Reserves Non ECC         440,440         416,076           Total Reserves (ECC)         660,648         526,927	Total Non ECC	185,447	165,503
Total Reserves Non ECC	ECC add	158,126	126,892
ECC         440,440         416,076           Total Reserves (ECC)         660,648         526,927	Total South Essex	343,573	312,176
ECC         440,440         416,076           Total Reserves (ECC)         660,648         526,927			
Total Reserves (ECC) 660,648 526,927		440.440	416.076
	•	1,101,088	943,003

### 4 Model (Rochford) reserves distribution

The model below allocates the Essex CC reserves into the 4 unitary (Rochford) areas. The detail can be found in the "4 model (Rofd)" tab on the <u>UA Models.xlsx</u> spreadsheet.

### 4 Model (Rochford) Reserves Positions for 2025/26 and 2028/29

	31/03/2026 £000's	31/03/2029 £000's
Total Reserves (less HRA)	2000 3	2000 3
RF1		
Epping Forest	10,002	5,804
Harlow	28,660	20,829
Uttlesford	20,025	21,732
Total Non ECC	58,687	31,536
ECC add	133,781	106,615
Total RF 1	192,468	154,980
RF 2		
Braintree	34,470	28,528
Colchester	27,285	27,844
Tendring	19,494	15,662
Total Non ECC	81,249	72,034
ECC add	229,569	181,780
Total RF 2	310,818	253,814
RF3		
Brentwood	13,572	12,808
Chelmsford	23,736	20,529
Maldon	17,224	16,531
Rochford	14,673	10,270
Total Non ECC	69,205	60,138
ECC add	169,298	135,853
Total RF 3	238,503	195,991
RF4		
Basildon	18,647	15,275
Castle Point	21,952	19,781
Southend	130,175	139,958
Thurrock	60,525	60,525
Total Non ECC	231,299	215,758
ECC add	128,001	102,680
Total RF 4	359,300	338,219
Total December New FOO	440.440	440.070
Total Reserves Non ECC	440,440	416,076
Total Reserves (ECC)	660,648	526,927
Total Reserves	1,101,088	943,003



## 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 Conclusions

In summary, we have highlighted the following position:

- There are no 'red flags' that prevent any of the options being put forward and no 'Woking' or 'Spelthorne' Councils in Essex or 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)
- 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

In relation to the proposed Unitary Models:

- The 3 Unitary Model can be taken forward for consideration when considering the debt and assets position
  - It creates one Unitary (Unitary C Basildon, Castle Point, Rochford, Southend and Thurrock) which would carry more debt than the other two (Unitary A and B)
  - This model combines the two existing Unitaries (Southend and Thurrock) in the new Unitary C.
  - Unitary C would have a far lower share of Investment Property Assets to potentially sell to reduce the debt
- The 4 Unitary Model can be taken forward for consideration when considering the debt and assets position
  - The 4 Unitary Model creates two larger Unitaries (Unitary A and D) and two much smaller Unitaries (B and C) with lower levels of debt and a smaller asset base
  - Unitary A consists of Brentwood, Epping Forest, Harlow and Thurrock
  - Unitary D consists of Basildon, Castle Point, Rochford and Southend
  - As a result, the two existing Unitaries (Southend and Thurrock) are separated in the 4 Unitary Model
- The 5 Unitary Model can be taken forward for consideration when considering the debt and assets position

- The 5 Unitary Model creates a larger Unitary, Unitary D (Basildon and Thurrock) with a higher share of debt
- There are three much smaller Unitaries relative to the others (Unitary B, C and E) when considering the level of debt and assets
- Unitary A (Epping Forest, Harlow and Uttlesford) would hold the largest value of Assets which cover their debt positions
- As a result, the two existing Unitaries (Southend and Thurrock) are separated in the 4 Unitary Model

### The Alternate 4 Unitary Model can be taken forward for consideration when considering the debt and assets positions

- o Unitaries A and B are the same in this Model as in the 5 Unitary Model
- There are two much smaller Unitaries relative to the others (Unitary B and C) when considering the level of debt and assets
- This model also combines the two existing Unitaries (Southend and Thurrock) in the new Unitary D

### 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.

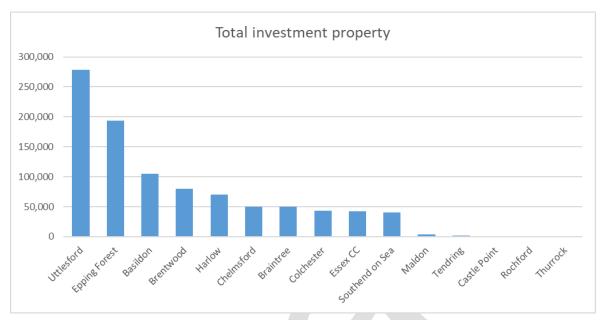
	HRA Debt	GF Debt	<b>Total Debt</b>	% Total	% GF
Council	£'000	£'000	£'000	Debt	Debt
Thurrock	287,189	582,942	870,131	21.1%	20.4%
Essex CC	0	699,556	699,556	17.0%	24.5%
Basildon	197,887	498,511	696,398	16.9%	17.5%
Southend on Sea	72,199	288,977	361,176	8.8%	10.1%
Uttlesford	70,407	250,915	321,322	7.8%	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 and Basildon account for 71.5% of total debt and 81.3% of GF 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 31<sup>st</sup> 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.

	Investment		Investment	
	Property	<b>GF Debt</b>	Property as	
Council	(£'000)	(£'000)	%	
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, 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%).

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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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).

			<b>Total Group</b>	Interest		
Council	Total CFR/CSP	GF CFR/CSP	Assets/CSP	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%. 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%	5 <b>2</b> %	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. This model combines the two existing Unitaries (Southend and Thurrock) in the new Unitary C.

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		
<b>Investment Property</b>	£'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.

3 Unitary Model	Unitary A	Unitary B	<b>Unitary C</b>	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 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 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%

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.

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.

	2024/2	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.

<b>Alternate 4 Unitary Model</b>	Unitary A	Unitary B	Unitary C	<b>Unitary D</b>	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.

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%

### 2 Background

CIPFA was commissioned by Chelmsford City Council to undertake an examination 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 a 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.

The Financial Sustainability Measures used are:

- Total Capital Financing Requirement/Core Spending Power (Total CFR/CSP)
- General Fund Capital Financing Requirement/Core Spending Power (GF CFR/CSP)
- Total Group Non-Current Assets/Core Spending Power (Total Group Assets/CSP)
- Interest payable/Core Spending Power (Interest Payable/CSP)
- Minimum Revenue Provision/Total Capital Financing Requirement (MRP/Total CFR)
- Minimum Revenue Provision/General Fund Capital Financing Requirement (MRP/GF 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	HRA £'000		GF £'000		Total £'000	
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	% 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 31<sup>st</sup> 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.

	HRA Debt	GF Debt	Total Debt	% Total	% GF	Thurrock has
Council	£'000	£'000	£'000	Debt	Debt	the highest
Thurrock	287,189	582,942	870,131	21.1%	20.4%	total debt.
Essex CC	0	699,556	699,556	17.0%	24.5%	However, Thurrock's debt
Basildon	197,887	498,511	696,398	16.9%	17.5%	reduced by
Southend on Sea	72,199	288,977	361,176	8.8%	10.1%	£395.922
Uttlesford	70,407	250,915	321,322	7.8%	8.8%	million (31%) in
Harlow	208,837	105,387	314,224	7.6%	3.7%	2024/25 (with
<b>Epping Forest</b>	154,556	112,731	267,287	6.5%	4.0%	
Colchester	166,445	96,736	263,181	6.4%	3.4%	reducing by
Brentwood	57,019	180,256	237,275	5.8%	6.3%	£426.784
Castle Point	25,735	7,246	32,981	0.8%	0.3%	million (42%).
Tendring	30,776	312	31,088	0.8%	0.0%	
Chelmsford	0	16,787	16,787	0.4%	0.6%	Debt in Maldon
Braintree	0	10,317	10,317	0.3%	0.4%	
Rochford	0	2,775	2,775	0.1%	0.1%	relates to PFI &
Maldon	0	34	34	0.0%	0.0%	Leases (Credit
	1,271,050	2,853,482	4,124,532	100.0%	100.0%	Arrangements)
						only.

#### Financing Costs by Council

In the table below total financing costs (MRP plus interest payable) in 2024/25 by Council is set out.

				% of
		Interest	Total	Total
	MRP	Payable	Financing	Financing
Council	£'000	£'000	Costs £'000	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.

#### 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	C	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 GI	F Non-Curren	t Assets			938,441	960,323	13%
Assets Held for Sale as a proportion of GF Non-C	sets Held for Sale as a proportion of GF Non-Current Assets					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.

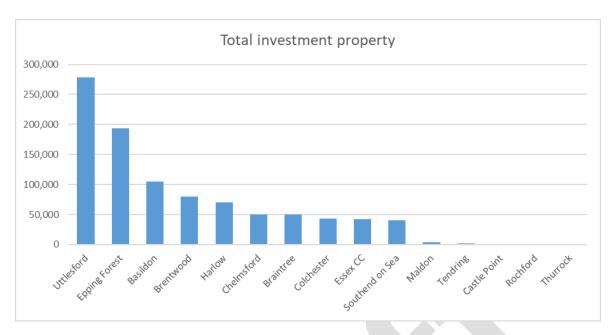
Of this, £960.323 million was in relation to assets categorised as Investment Property. This represents 13% of General Fund Non-Current Group Assets across Essex.

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 31<sup>st</sup> March 2025 was £31.936 million which represented 0.43% of General Fund Non-Current Assets.

### 3.3 Investment Property

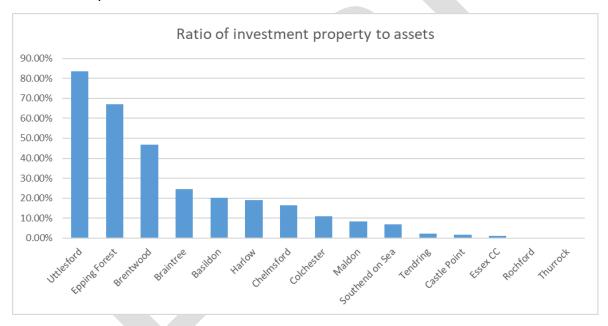
#### Value and Proportion of General Fund Non-Current Assets

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	<b>Balance Sheet Location</b>
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

	Investment		Investment
	Property	GF Debt	Property as
Council	(£'000)	(£'000)	%
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.

#### 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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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 C	FR/CSP	GF C	GF CFR/CSP		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 Pa	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.

			Total Group	Interest		
Council	Total CFR/CSP	GF CFR/CSP	Assets/CSP	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%. The majority of Councils in Essex fall below this with only 6 Councils having a MRP/Total CFR ratio above 2%.

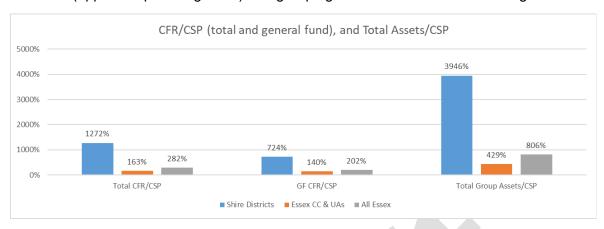
In 2023/24, the last financial year for which we have national data, the mean and median averages for lower-tier, single-tier (Unitary) and upper-tier (Shire County) councils for MRP/CFR are set out below.

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%.

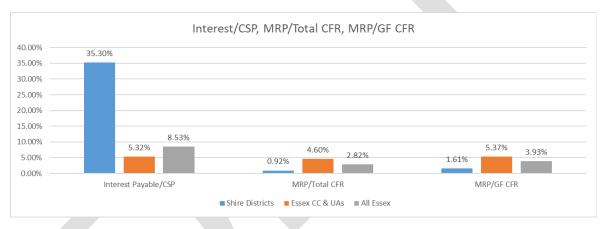
The overall MRP/Total CFR ratio in Essex is 2.82% though, as is demonstrated above, there is wide range in the ratios recorded for the 15 Essex Councils.

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 :	E'000	Tota	I £'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%
			0.0,220	555,255	110,000	000,000	
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%
	0.,,.00	70,000	200)110		32.1,2.17		21,70
	HRA	£'000	GF:	E'000	Tota	£'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	
	1,111		- ,				
	HRA	£'000	GF:	E'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%
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Total Investment Property as a proportion of GF Non-Current Assets					380,924	389,692	17%
					,	,	
ssets Held for Sale as a proportion of GF Non-Current Assets 7,768 10,173							

### 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 :	E'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%
.,	-,				7, .	, ,	
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%
<u> </u>							
	HRA	£'000	GF :	E'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	7	-	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 :	E'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%
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Total Investment Property as a proportion of GF Non-Current Assets					404,558	413,416	17%
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### 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 s	E'000	Tota	£'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%
	550,.55	555,525	_,,	2,0 10,000	_,_,_,	_,,	
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%
	20,0		5,000			,	
	HRA	£'000	GF f	E'000	Tota	£'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	
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	HRA	£'000	GF f	E'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%
		1					
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%
•	1			, ,			
otal Investment Property as a proportion of GF Non-Current Assets						157,215	6%
					152,959	, , , , , ,	
Assets Held for Sale as a proportion of GF Non-Current Assets 3,993 16,366 3,993 16,366 19							

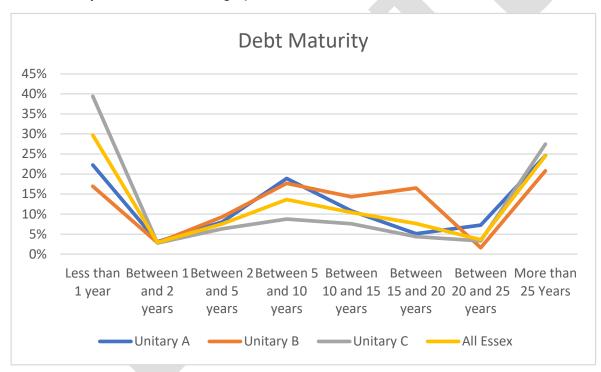
### 4.4 Debt and Assets Key Metrics

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		
<b>Investment Property</b>	£'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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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 £	E'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%
	LIDA	close	65.4	rione	T-4-1	l close	0/ -f.T-+-I
Minimum Revenue Provision (MRP)	2023/24	£'000 2024/25	2023/24	E'000 2024/25	2023/24	£'000 2024/25	% of Total 2024/25
MRP on Borrowing	2023/24	2024/25	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	_	_	-	20,233	-	20,233	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	10070
Total Financing Costs	23,143	26,700	233,077	117,421	256,220	144,121	
	1, 1			,	,	,	
	HRA	£'000	GF £	E'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%
			T			1	
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%
Tatallin and Burnarda and St. C	CE Name Com				240.455	252.425	4=0/
Total Investment Property as a proportion of	Gr Non-Curren	t Assets			340,466	352,195	17%
Assets Held for Cale as a managetic f CE No.	. C		7.420	4 200	7.420	4 200	60/
Assets Held for Sale as a proportion of GF Nor	1-Current Asset	S	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 f	E'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%
	ЦДА	£'000	GE 4	E'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	HRA £'000		E'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%
	1						
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 C	E Non Curron	t Accotc			383,072	390,062	22%
Total investment Property as a proportion of C	ar Non-Curren	ı ASSELS			363,072	290,062	
Assets Held for Sale as a proportion of GF Non-	Current Asset	<u> </u>	4,527	7,861	4,527	7,861	0%
reservation of sale as a proportion of dr Non-	Carrent Mastel	•	4,34/	7,001	4,547	7,001	U/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 f	E'000	Tota	£'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%
		Class	-	close		closs	o/ f=
Minimum Devenue Descriptor (MADD)	2023/24	£'000 2024/25	2023/24	E'000 2024/25	2023/24	£'000 2024/25	% of Total 2024/25
Minimum Revenue Provision (MRP) MRP on Borrowing	2023/24	2024/25	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			203	-	283	-	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	10070
Total Financing Costs	6,679	1,820	31,256	37,288	37,935	39,108	
5			, , ,		,		
	HRA £'000		GF f	E'000	Tota	£'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%
	T _						1
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	-	-	4.500	-	4 500	-	0%
Long Term Investments	-	-	- 1,580	-	- 1,580	2.022	0%
Other Non-Current Assets	644,861	704,618	- 57,380	- 2,028	- 57,380	- 2,028	0% <b>100</b> %
Non-Current Assets Group	044,861	704,618	1,348,960	1,455,731	1,993,822	2,160,349	100%
Total Investment Property as a proportion of G	Total Investment Property as a proportion of GF Non-Current Assets					60,852	4%
The state of the s					61,944	55,552	1 470
Assets Held for Sale as a proportion of GF Non-	Current Asset	S	5,169	4,601	5,169	4,601	0%

# 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.

			E'000	Total	£'000	% of Total
2023/24	£'000 2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
290,795	283,679	534,599	574,243	825,394	857,922	68%
12,188	12,081	69,747	148,741	81,935	160,822	13%
129	61	203,484	242,383	203,613	242,444	19%
303,112	295,821	807,830	965,367	1,110,942	1,261,188	100%
12,256	12,142	76,499	159,252	88,755	171,394	14%
7,178	19,482	12,898	39,428	20,076	58,910	5%
44,001	42,576	74,523	91,569	118,524	134,145	11%
62,627	67,179	121,774	117,372	184,401	184,551	15%
88,872	87,411	76,628	73,185	165,500	160,596	13%
47,528	32,917	38,174	40,579	85,702	73,496	6%
15,592	9,057	40,885	59,740	56,477	68,797	5%
25,058	25,057	366,449	384,242	391,507	409,299	32%
303,112	295,821	807,830	965,367	1,110,942	1,261,188	100%
372,108	387.778	1.046.110	1.155.038	1.418.218	1.542.816	100%
	-					82%
	-		-			18%
	0_,000			301,210		
HRA	£'000	GF f	E'000	Total	£'000	% of Total
2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
-	-	22,532	20,397	22,532	20,397	63%
58	68	7,143	11,454	7,201	11,522	35%
-	-	249	557	249	557	2%
-	-	-	-		-	0%
58	68	29,924	32,407	29,982	32,475	100%
14,731	13,594	25,555	28,469	40,286	42,063	
14,731	13,594	55,479	60,877	70,268	74,539	
			GF £'000			% of Total
2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
1 ' '		-	-			44%
13,345	24,254					45%
-	-	,	,	,		4%
-	-	,	,	•	•	2%
				-	-	5%
1,605,851	1,639,286	1,896,466	2,051,757	3,502,317	3,691,043	100%
1.605.851	1,639,286	1.896.466	2.051.757	3,502.317	3,691.043	100%
	-,:::0,=00	_,,	-,552,757	-,,,-	-	2007
_	-	73.959	78.149	73.959	78.149	2%
_	_	566	568	566	568	0%
_	_	- 23,701	- 32,001	- 23,701	- 32,001	-1%
_	_	,	,	•	,	-1%
1,605,851	1,639,286	1,920,107	2,051,513	3,525,958	3,690,799	100%
	, , , , , , , , , , , , , , , , , , , ,		, ,		, , , , , , , , , , , , , , , , , , , ,	
						00/
<b>GF Non-Curren</b>	t Assets			152,959	157,215	8%
GF Non-Curren	t Assets			152,959	157,215	8%
	290,795 12,188 129 303,112 12,256 7,178 44,001 62,627 88,872 47,528 15,592 25,058 303,112 372,108 303,112 68,996 HRA 2023/24 - 58 14,731 14,731 HRA 2023/24 1,592,163 13,345 343 1,605,851	290,795 12,188 12,9 12,188 129 61 303,112 295,821 12,256 12,142 7,178 19,482 44,001 42,576 62,627 67,179 88,872 87,411 47,528 32,917 15,592 9,057 25,058 25,057 303,112 295,821  372,108 387,778 303,112 295,821  372,108 387,778 303,112 295,821  HRA £'000 2023/24 2024/25  58 68 58 68 14,731 13,594  HRA £'000 2023/24 2024/25  1,592,163 13,345 24,254 343 228 1,605,851 1,639,286	290,795	290,795   283,679   534,599   574,243   12,188   12,081   69,747   148,741   129   61   203,484   242,383   303,112   295,821   807,830   965,367   12,256   12,142   76,499   159,252   7,178   19,482   12,898   39,428   44,001   42,576   74,523   91,569   62,627   67,179   121,774   117,372   88,872   87,411   76,628   73,185   47,528   32,917   38,174   40,579   15,592   9,057   40,885   59,740   25,058   25,057   366,449   384,242   303,112   295,821   807,830   965,367   372,108   387,778   1,046,110   1,155,038   303,112   295,821   807,830   965,367   68,996   91,957   238,280   189,672	290,795	290,795

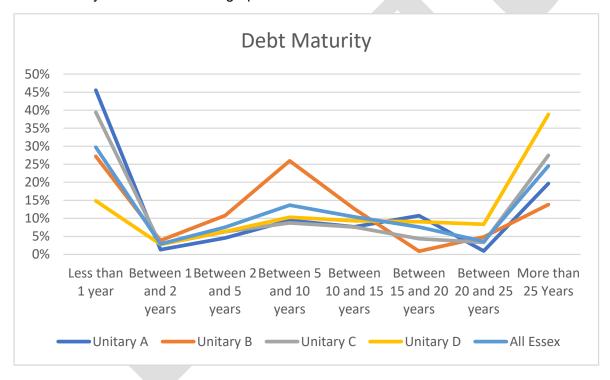
### 5.5 Debt and Assets Key Metrics

The table below sets out ke	debt and asset metrics	for Unitary A	<ol> <li>B.</li> </ol>	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			
<b>Investment Property</b>	£'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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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%	<b>2.95</b> % -3.5	
MRP/GF CFR	9.50%	4.41%	-5.08%

4 Unitary Model: Unitary B	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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.



# 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 f	E'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%
		£'000		E'000		£'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	
		£'000	_	E'000		£'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%
	1	1				I	
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 G	F Non-Curren	t Assets			527,013	550,583	32%
Assets Held for Sale as a proportion of GF Non-	Current Asset	s	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 :	E'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 :	E'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 :	E'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%
	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,	,,	, ,	,,	, , - 5	
Total Investment Property as a proportion of	GF Non-Curren	t Assets			109,209	109,130	6%
						_55,250	1 2/0
Assets Held for Sale as a proportion of GF No	n-Current Asset	s	5,866	8,137	5,866	8,137	0%
		-	5,550	-,,	5,550	5,25,	

### 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 :	E'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 :	E'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 :	E'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-Curren	t Assets			149,261	143,395	11%
Assets Held for Sale as a proportion of GF Non	-Current Asset	s	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 f	E'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 f	E'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 f	E'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%
- P	, -,-		, , -,	, ,	, -,	,	
Total Investment Property as a proportion of GF	Non-Curren	t Assets			106,926	110,588	7%
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Assets Held for Sale as a proportion of GF Non-C	urrent Asset	s	2,639	12,247	2,639	12,247	1%
The state of the s		-	_,	,	_,	,	2,0

# 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	Tota	£'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%
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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%
		55,255			= 10,000		
	HRA	£'000	GF	£'000	Tota	l £'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	20070
Total Financing Costs	5,207	5,238	27,357	29,422	32,564	34,660	
Total Financing costs	3,207	3,230	27,337	23,422	32,304	34,000	
	HRΔ	£'000	GF	£'000	Tota	LE'000	% of Total
Non-Current Assets	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
Property, Plant and Equipment	2023/24	2024/23	2023/24	2024/23	2023/24	2024/23	2024/23
Council Dwellings	585,422	600,062	_	_	585,422	600,062	35%
Other Property, Plant and Equipment	303,422	-	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	363,422	000,002	1,042,771	1,031,363	1,026,193	1,091,047	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	363,422	000,002	1,042,771	1,031,365	1,026,193	1,091,047	33/0
·	_	-	- 15,267	14,973	- 15,267	14,973	1%
Property, Plant and Equipment	_	-	-	,	,	,	
Investment Property	-	-	566	568	566	568	0%
Long Term Investments	-	-	2.574	2.575	2.574	2.5=5	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%
					46.000	46.65-	
Total Investment Property as a proportion o	t GF Non-Curren	t Assets			46,033	46,627	4%
Assets Held for Sale as a proportion of GF No	n-Current Asset	S	1,353	4,119	1,353	4,119	0%

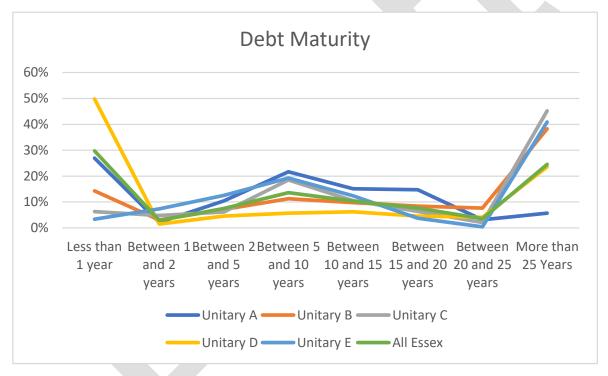
### 6.6 Debt and Assets Key Metrics

The table below sets out ke	v debt and asset metrics for	r Unitary A. B. C. D and E.
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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.

	2024/25			
<b>Investment Property</b>	£'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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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%
		£'000		GF £'000		£'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	-	-	- 40.246		- 40.246		0%
Total MRP	14.070	15 245	18,246	22,040	18,246	22,040	100%
Interest Payable	14,879 14,879	15,345 15,345	22,695 40,941	24,114 46,154	37,574 55,820	39,459 61,499	
Total Financing Costs	14,879	15,345	40,941	46,154	55,820	61,499	
	ЦВА	£'000	GE A	E'000	Total	£'000	% of Total
Non-Current Assets	2023/24	2024/25	2023/24	2024/25	Total £'000 2023/24 2024/		2024/25
Property, Plant and Equipment	2023/24	2024/23	2023/24	2024,23	2023/24	2024/23	2024/23
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%
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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 G	F Non-Curren	t Assets			527,013	550,583	32%
Assets Held for Sale as a proportion of GF Non-	Current Asset	s	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 f	E'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%		
		<u> </u>							
		£'000		GF £'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	-	-	23,986	27,014		27.014	0%		
Total MRP	6,679	1,820		,	23,986 21,402	27,014	100%		
Interest Payable		•	14,723	17,993		19,813			
Total Financing Costs	6,679	1,820	38,709	45,007	45,388	46,827			
	HRA	£'000	GE 4	E'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%		
	<u>'</u>								
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%		
							1		
Total Investment Property as a proportion of	GF Non-Curren	t Assets			109,209	109,130	6%		
			ı				ı		
Assets Held for Sale as a proportion of GF No	n-Current Asset	S	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%
		£'000		E'000		£'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	2 440	2.665	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	
	LIDA	£'000	GE 4	E'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	2023,24	2024,23	2023/24	1024,25	2023/24	102-1,25	202-1,25
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	- 1,000		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%
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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%
P	,		, , , ,	,,	, ,,,,,,	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Total Investment Property as a proportion of	GF Non-Curren	t Assets			151,411	145,833	10%
. , , , , , , , , , , , , , , , , , , ,						,	
Assets Held for Sale as a proportion of GF Non	-Current Asset	s	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%
	шра	£'000	GE 4	E'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	2023/24	2024/25	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	_	_	114,500	20,234	-	20,254	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	20070
Total Financing Costs	23,260	24,928	249,193	136,618	272,511	161,614	
<b>5</b>		,			,-		
	HRA	HRA £'000		GF £'000		£'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 o	F Non-Curren	t Assets			150,808	154,777	7%
Assets Held for Sale as a proportion of GF Non	-Current Asset	S	3,322	14,113	3,322	14,113	1%

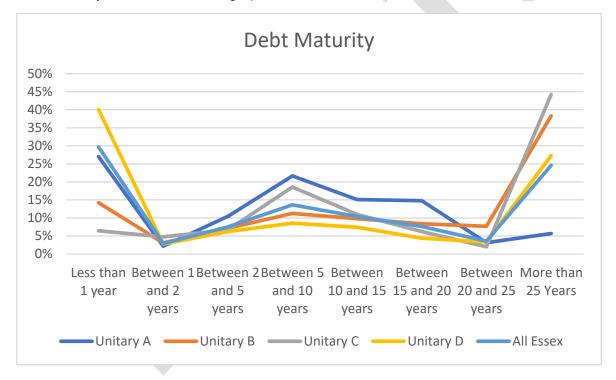
# 7.5 Debt and Assets Key Metrics

The table below sets out ke	debt and asset metrics	for Unitary A	<ol> <li>B.</li> </ol>	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

	2024/2	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.



# 7.7 Financial Sustainability Measures

## Financial Sustainability Measures - Unitary A, B, C and D

Alternate 4 Unitary Model: Unitary A	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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	2023/24	2024/25	Change in
Financial Sustainability Measures	Value	Value	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%

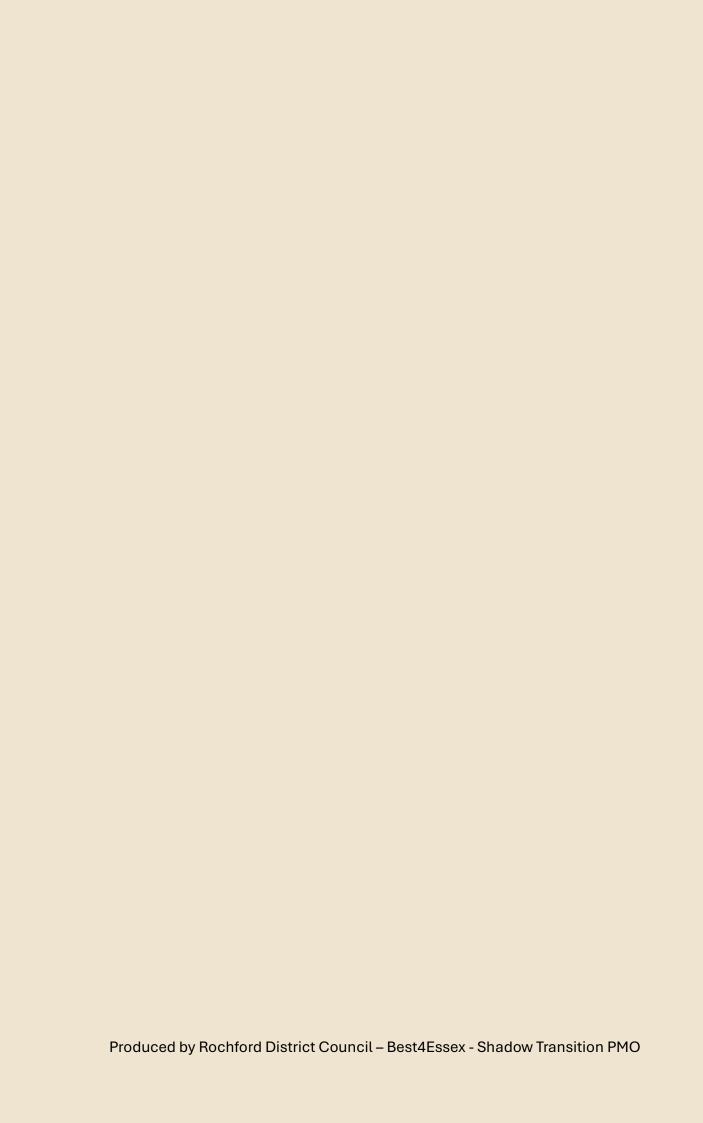
Unitary A and B have higher ratios for the two CFR/CSP measures and for Total Group Assets/CSP. Unitary A has the lowest MRP ratios.



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# **Best4Essex**

Annex - 2

# Risks and Dependencies

September 2025

#### Introduction

Delivering a Local Government Reorganisation of this scale inevitably involves risks and dependencies. These are not unique to Essex: they are common to all successful transitions such as in Cumbria, Somerset, and North Yorkshire. At this proposal stage we have identified the principal areas that require careful management and mitigation, while recognising that the detail will evolve as the programme progresses.

The risks we have set out focus on internal factors that could affect transition and implementation including finance, workforce, ICT, and service continuity. Alongside these are a set of external dependencies that are critical to delivery, such as government approval, legislation, and Thurrock's debt position. Some mitigations sit directly with local partners; others require active support and timely decisions from central government.

Our intention is to demonstrate delivery realism: acknowledging where challenges exist, showing how we will manage them, and drawing on lessons from previous reorganisations. The Best4Essex Shadow Transition Programme Management Office, led by Brentwood and Rochford Councils, once established, will take ownership of these registers and maintain them as live tools.

## **Annex B – Programme Risk Register – Best4Essex Transition and Implementation**

This register identifies the principal risks to successful delivery of the Best4Essex proposal, assessing their impact and likelihood, and setting out the mitigations we have already acknowledged within the business case.

Risk ID	Risk	Impact	Likelihood	Mitigation / Management	Section Reference
R1	Thurrock legacy debt and EFS exposure could undermine South Essex unitary financial viability.	High – weakens sustainability case.	High	Seek central government intervention as pre-condition; CIPFA debt analysis; cross-ref in Financial Case.	7.3 Required government action
R2	Transition costs higher than modelled (e.g. ICT separation, estates, HR).	High – delays payback, reduces savings.	Medium	Sensitivity testing; phased integration; shared procurement frameworks.	7.1 Financial case: costs and savings / 11.5 Transition Costs
R3	Delay in government approval/legislation (DPP, Orders) creates slippage to Vesting Day.	High – timetable missed.	Medium	Early alignment with MHCLG; contingency planning; extend shadow period if needed.	11.2 Transition Timeline
R4	Staff retention and morale issues during transition.	High – service continuity risk.	High	Clear TUPE/HR framework; staff comms and engagement plan; early Chief Exec appointments.	11.3 Planning Service Transitions
R5	ICT and data migration complexity.	High – potential disruption to statutory services.	Medium	Early ICT audit; staged migration; joint PMO oversight.	11.3 Planning Service Transitions
R6	Perceived loss of local identity and democratic voice undermines legitimacy.	Medium – reputational and political risk.	Medium	Neighbourhood Area Committees piloted in the shadow period to ensure visibility on vesting day, with small ringfenced but cost-neutral budgets, quarterly "You Said / We Did" reporting, Citizens' Assemblies, and a coordinated comms plan.	10.3 Empowering Neighbourhoods / 5.1 Residents' Priorities

### Cont.

Risk ID	Risk	Impact	Likelihood	Mitigation / Management	Section Reference
R7	Judicial review or political opposition to configuration.	High - potential delay or redesign.	Low	Ensure statutory criteria are evidenced; legal review; cross-party engagement.	6.1 Why appraisal matters
R8	Service continuity in high-pressure services (Adults, Children's, SEND) at vesting.	High – safeguarding/public safety risk.	Medium	Service-specific transition plans; peer review from Somerset/North Yorks.	9.1 Building Service Resilience / 9.2 Outcomes for Families
R9	Cross-boundary relationships with Herts, Cambs, Suffolk disrupted.	Medium - impacts growth corridors, transport.	Medium	Formal MoUs; MCA cross boundary forums.	4.3 Why Best4Essex is the Right Economic Fit
R10	Failure to realise modelled savings (efficiency/reform slower than assumed).	High - undermines financial case.	Medium	Benefits tracker; QA of financial model; shadow MTFS. Relatively cautious estimates of pay-back period	7.1 Financial case / 8.2 Comparison of options
R11	Shadow elections and governance arrangements fail to gain traction.	Medium - weakens local legitimacy.	Low	Early engagement with Electoral Commission; comparators from Somerset/North Yorks.	10.1 Indicative electoral arrangements
R12	Resident engagement fatigue through repeated consultations.	Medium - weakens mandate.	Medium	Co-ordinate LGR/MCA comms; feedback loops ("you said, we did").	5.3 Next Steps for Empowerment / 11.6 Community Engagement
R13	<b>Dedicated Schools Grant Deficit</b> No funded plan provided by Government to address the current deficit in DSG	High - weakens sustainability case.	High	Require guidance and funding from government and strategy to manage the forecast deficits.	7.3 Required government action
R14	Fairer Funding due to SEND issues, there remains uncertainty on the outcome of consultation and potential changes to funding	High - weakens sustainability case.	High	Respond to consultation based on what is best for unitaries in Essex and update financial data when clarified	7.2 Financial Case, Sustainability

# **Annex C – Critical Dependencies – External and Statutory Preconditions for Best4Essex**

This table sets out the external approvals, legislative steps, and statutory dependencies that must be secured for the Best4Essex proposal to proceed to vesting, aligned with the timeline and sections already referenced in the business case.

Dependency ID	Dependency	Description / Why Critical	Timeline	Lead Responsibility	Section Reference
D1	MHCLG Invitation & Approval	Formal invitation and Secretary of State approval needed to proceed. Without this, programme cannot commence.	Feb 2025 invitation; Decision expected late 2025 / early 2026.	Leaders' Oversight Group / MHCL liaison	2.3 Linking Reorganisation & Devolution / 11.2 Transition Timeline
D2	Primary Legislation / Orders	Local Government Reorganisation Orders and related statutory instruments (incl. DPP, Boundary Commission).	2025–2026 parliamentary timetable.	MHCLG / Government Legal Dept	11.2 Transition Timeline
D3	Shadow Elections	Elections for new unitary authorities must be held to enable Shadow Cabinets to form.	Target: May 2026.	Electoral Commission / Returning Officers	10.1 Indicative electoral arrangements
D4	Thurrock Debt Resolution	Central government intervention required on legacy debt/EFS position to ensure financial sustainability of South Essex.	Pre-vesting decision required by early 2026.	HMT/MHCLG / Transition Finance Lead	7.3 Required Government Action
D5	Mayoral Combined County Authority (MCCA) Establishment	Synchronisation of LGR with MCA structures critical to avoid governance clash.	Shadow MCA by 2026; full Mayor 2027.	GECCA Programme Office / Local Leaders	2.3 Linking Reorganisation & Devolution / 8.5 Aligning with Devolution

Cont.

Dependency ID	Dependency	Description / Why Critical	Timeline	Lead Responsibility	Section Reference
D6	Boundary Commission Determinations	Finalisation of ward/division boundaries for new councils to underpin democratic legitimacy.	2026 (pre-vesting).	Boundary Commission / Shadow Governance Lead	10.1 Indicative electoral arrangements
D7	TUPE & HR Frameworks	Smooth transfer of staff terms and conditions across new employers essential for service continuity.	Frameworks agreed by early 2026; implementation from Vesting.	Transition HR & Workforce Lead	11.3 Planning Service Transitions
D8	ICT & Systems Migration	Consolidation of multiple ICT systems (finance, HR, social care) required to avoid service disruption.	Migration planning 2025–2026; phased cut- over 2026–2027.	Transition ICT Lead	11.3 Planning Service Transitions
D9	Contract & Asset Novation	Legal transfer of contracts, estates, and PFI agreements required to ensure continuity.	Asset baseline by 2025; novation complete pre- vesting (Apr 2027).	Transition Commercial/Legal Lead	11.3 Planning Service Transitions
D10	Neighbourhood Area Committees (NACs) Design	Must be co-designed and agreed before vesting to embed local accountability.	Co-design during 2026; pilots established in the shadow period; fully operational at vesting (April 2027).	Engagement & Governance Leads	10.3 Empowering Neighbourhoods / 11.6 Community Engagement
D11	Risk Management (This dependency underpins the management of Risks R2, R3, R4, R5, R6, R8, R10 and R12)	Covers risk/dependency management, statutory milestones, safe & legal assurance, costs/benefits, ICT/HR/contracts/assets, MCA alignment, workforce/comms, neighbourhood pilots, and innovation (as in Somerset's Design Authority), with consolidated reporting to Leaders' Oversight Group and MHCLG.	Autumn 2025 to post- vesting (2028) – strengthened during shadow authority period.	Transition and Transformation PMO	7.1–7.3 Financial Case; 8.2 Options Comparison; 11.2 Transition Timeline; 11.3 Service Transitions; 11.4 Implementation Governance; 11.6 Community Engagement.

## **Closing Note**

Taken together, the risks and dependencies identified are recognised and manageable. With clear mitigations, shared accountability between local partners and government, and oversight by the Best4Essex Shadow Transition Programme Management Office, led by Brentwood and Rochford Councils, these registers will be maintained as live tools rather than static documents.

Good governance will underpin delivery. The programme will be managed in line with established P3M methodologies, such as *Managing Successful Programmes*, but with a sharper focus on what matters most in local government reorganisation: ensuring the new councils are safe and legal on vesting day, protecting critical services, and maintaining continuity for residents and staff. Risks will be actively monitored, with structured escalation routes into local leadership, ensuring transparency and early intervention where required.

Lessons from previous reorganisations reinforce this approach. Experience in Cumbria, Somerset and North Yorkshire shows the importance of early service specific transition planning in Adults, Children's and SEND, strong workforce engagement, and independent assurance to safeguard delivery. Similarly, Surrey's proposals highlighted the need to balance programme discipline with visible community governance to protect public trust.

By embedding these disciplines, the Best4Essex PMO will ensure that risk management is not just a compliance exercise but a practical driver of resilience and confidence. This is intended to provide MHCLG with assurance that the new councils will be safe and legal on vesting day and sustainable thereafter.



# Annex – 4

# Residents and Partner views

#### Introduction

This annex brings together the evidence from resident and partner engagement that has informed the Best4Essex proposal. It draws on independent studies, local surveys, and facilitated focus groups to show how the priorities of Essex communities and stakeholders have shaped the model. Externally coordinated research on community sentiments was commissioned at a Greater Essex County level in early 2025, with the results made available to all councils. These included general investigations into views on LGR, and key priorities in engagement with council services.

In line with production of the Best4Essex proposal a dedicated consultation was conducted to ensure local resident views directed work on the business case. Questions included explorations of identity, priorities in council services and options appraisals. In a matter of weeks over 1000 responses were received, strongly supporting the outline geography of the Best4Essex proposal and echoing sentiments showing that efficient, simple and undisrupted services is what communities want to see as the outcomes of LGR.

Charts, graphics, and extracts from the Beehive, NatCen, Peopletoo and Rochford engagement exercises are included in this annex to illustrate the consistency of resident and partner priorities. Together, they provide a clear evidence base showing that the Best4Essex model is built on consistent and robust engagement.

Across all sources, the message is consistent:

- Councils need to be closer to communities
- They must be financially resilient
- Vital services must be protected

Residents and partners also expect governance that empowers neighbourhoods, respects local identity, and provides visible, accountable leadership.

# Sources

Source	Method	Sample/scale	Key findings
Beehive (Mar 2025)	Essex wide - Resident panels / focus groups	6 sessions across urban, coastal and rural areas	Strong sense of hyper-local identity (towns/villages), concern about losing access to decision-makers, call for services shaped at neighbourhood level.
NatCen (Jul 2025)	Essex wide - Independent workshops & survey	Representative Greater Essex sample	3 in 4 residents want neighbourhood-level say; priorities = safeguarding services, financial transparency, and maintaining identity. Broad support for NACs.
Rochford Council (2025)	District resident survey	Over 1097 responses from majority residents including wards across Rochford District.	60%+ backed NACs; top priorities = high quality & sustainable services (431), protection of crucial services (361), and financial resilience (257). Strong opposition to 3UA/5UA models.



# Place and identity

Exploring Essex residents' sense of community

March 2025



# Aims of this research & who we spoke to

#### Sense of identity and belonging

Understand how connected residents feel to the place they live, explore what drives community identities within Essex, how sense of place identity is formed

#### Perception of locality

Understand what residents mean by 'local' and how this looks geographically, explore the role of travel within local communities and how services and amenities are used

#### Local democracy & decisions

Explore the role of **groups** and **democracy** in fostering a sense of community, the sense of **empowerment** in **influencing** decisions, and views on **how decisions** are **made** currently

4 focus groups were held in Feb-Mar 2025 Recruited via the Essex Residents' Panel managed by Beehive

FG1, 25 Feb: 4 participants

- 1 from large inland town
- 1 from small inland village
- 1 from coastal area
- 1 from mid sized inland village

Mix of age groups; social grades

FG2, 26 Feb: 5 participants

- 2 from mid sized inland towns
- 2 from large inland towns
- 1 from large inland village

Working age residents; social grades C2DE

FG3, 5 Mar: 4 participants

- 1 from large inland town
- 1 from mid sized coastal town
- 1 from mid sized inland town
- 1 from large coastal village

Retired residents; mix of social grades

FG4, 6 Mar: 5 participants

- 1 from rural inland hamlet
- 1 from large inland town
- 2 from mid sized inland town
- 1 from large inland village

Working age residents; social grades ABC1

This research was commissioned by Essex County Council via its Policy and Insight team | Enquiries to Poppy.Reece@essex.gov.uk



# 4 key takeaways from this research



THREATS TO SENSE OF PLACE IDENTITY



# Considerations for policy-makers in the context of local government reform

This research did not specifically explore options for local government reform (LGR) in Essex.

However, there are key insights from the research that policy-makers may wish to consider as they develop thinking about LGR:

Residents' sense of identity and belonging is hyper-local

Identity and belonging is driven by personal connections; appreciation of local environments, history and heritage; and by engagement with the local community (e.g. through schools, sports clubs and volunteering opportunities).

There is also clear affection for regional-level (Essex-level) landmarks and symbols, and a sense that Essex has a strong identity (albeit one that many are concerned is misunderstood).

Local government structures simply do not figure as a significant factor in shaping

people's sense of local identity.

All unitary solutions bring risk of feeling remote to residents

Whether Greater Essex moves towards a two, three, four or five unitary solution is **unlikely to have** a bearing on residents' personal sense of identity.

Similarly, there is little in residents' own subjective sense of identity to help guide policy-makers' choice on the right number of authorities, or where boundaries should be drawn on the map.

Community engagement should be at the centre of UA configuration

There is a clear appetite for effective and meaningful involvement. Residents made clear their desire for very local control over local infrastructure, transport, planning and amenities. They also highlight an appetite to have decisions taken close to the community.

The important thing, therefore, will be to invest in effective mechanisms to enable meaningful community engagement and empowerment.

**Gaining support for UA options** 

This research suggests that the UA options that are most likely to enjoy popular support will be those which demonstrate enhanced community-level involvement in decision-making on issues such as road repairs, public realm maintenance, neighbourhood planning etc.

Resourcing levels for local/parish councils, and their decision-making remit was a key theme, as was the ability of any UAs to gather and act on intelligence from the local level.

All UA configurations risk being remote from the hyper-local level where identify is formed and developed.

Engagement and empowerment will enable UA proposals to best reflect a sense of local identity, rather than the definition of geographical boundaries.

UAs should not be overly focused on larger population centres and instead make freedoms and resources available to smaller, rural and coastal communities.



## **Essex Local Government Reorganisation research - Conducted July 2025**

#### Research background

Local Government infrastructure in Essex is due to be reorganised. However, the shape and priorities of the new arrangement are yet to be fully determined. To inform these decisions, Essex's existing councils want to understand how residents feel about the general direction of the forthcoming changes.

The National Centre for Social Research (NatCen) was commissioned to conduct research with residents of Greater Essex, exploring their views on Local Government Reorganisation (LGR). This research was co-ordinated by Essex County Council or Appeal of the 15 councils across Greater Essex.

This slide deck discusses the insights from the qualitative research; a separate slide deck on quantitative survey findings is available.

#### What is LGR?



Central Government has set out plans to replace Essex's two-tier system of local government with a single-tier system of unitary authorities. The goal is to have simpler council structures, improving efficiency and capacity.



Currently, there are 15 councils across Greater Essex. These councils will be replaced with a smaller (but still undetermined) number of unitary authorities, which will be responsible for all local services in the area.



NatCen's research findings will inform the development of business cases which set out different plans for how the new unitary authorities should be arranged.

#### Methodological overview

LGR is a complex process, the outcome of which remains uncertain. Nevertheless, whatever form it takes, the effects of LGR will be felt across the county. To ensure a diverse range of Essex residents were able and empowered to contribute to discussions about the future of their county, we took a two-pronged methodological approach:

# Deliberative workshop

(1 x 3-hour workshop) Purpose: Deliberative engagement exposes participants to new information about the subject under discussion, ensuring all participants work from a shared evidentiary basis. The aim is to make sure participants feel equally empowered to contribute.

Length: The workshop's longer duration gives participants the time and space to reflect, engage with (and be challenged by) others.

Subgroups: Breakout rooms were convened by location (North Essex, Mid Essex, West Essex, South Essex) to explore whether/ how views differed by area.

#### Focus groups

(3 x 2-hour focus groups) Subgroups: Additional focus groups were held with young people, disabled people, and people from minority ethnic backgrounds.

Purpose: To ensure attentiveness to underrepresented constituencies – residents who are less likely to engage in public policy research, but whose experiences are likely to be meaningfully impacted by LGR.

#### Aims of the research

The research explored:

- · Residents' views and perceptions of Local Government Reorganisation
- What residents see as the key opportunities and considerations around LGR for themselves, their families, and their communities, in relation to 5 key areas: services, transparency and accountability, the economy, resident engagement and local identity.
- · Ultimately, what residents value, and want to see prioritised, in the context of LGR

#### Notes on research findings

- The research did not suggest, or seek residents' views on, specific LGR proposals (i.e. specific institutional arrangements).
- We aimed to elicit residents' overarching priorities for Essex's reorganised local government, not their views on how exactly that reorganisation should look or be realised (participants did not reflect on their preferred number of unitary authorities, and their geographical boundaries, for example).
- The sample represents a small subset of the population, so the findings may not
  capture the views of all Greater Essex residents.

#### Recruitment and sample

Deliberative workshop (30 participants total) Participants recruited through Criteria Recruitment, a trusted recruitment provider.

The sample was reflective of the wider population of Essex in terms of gender, age, ethnicity and social grade

Quotas were set for the below four areas to ensure a spread of participants from across the county and to identify different viewpoints by geographical area.

- 6 x North Essex (Colchester and Tendring)
- 6 x Mid Essex (Maldon, Chelmsford and Braintree)
  10 x West Essex (Harlow, Uttlesford and Epping Forest)
- 8 x South Essex (Harlow, Uttlesford and Epping Forest)
- Rochford, Southend, and Thurrock)

Focus groups (22 participants Participants recruited through mixed approach; Essex County Council shared focus group invitation with Essex-based community groups, supplemented by Criteria

The sample was made of residents from across the county

- 8 x Young people (aged 16-25)
- 8 x People from ethnic minority backgrounds
- 6 x People with disabilities and/or health conditions

# **Priority areas**

Participants discussed their priorities in depth; what was a low priority for some was a high priority for others. Many valued multiple areas; it was commonly said that all the priority areas were important. The following list seeks to capture this diversity, as well as common themes; it does not reflect an order of priority, as participants did not agree on this.



#### Public services

This was the highest priority for most participants.

- Participants noted public services was the most tangible priority area and would therefore directly benefit the most people.
- Some noted improving services will also lead to positive outcomes in other areas, e.g. improving public trust as
  people see their money as being put to good use.
- Many residents said it was important that disruption to services caused by LGR be kept to a minimum.



#### Resident engagement

This was a top priority for some.

- · Residents disagreed on whether this was a high or low priority for them.
- Many thought resident's views needed to be included in council decision-making processes so that residents are kept in the loop and their thoughts shape the actions of the councils.
- Others thought that people may not have time to be involved in <u>decision-making. or</u> were doubtful that engagement would lead to improvements for residents.



# Transparency and accountability

This was important to some participants.

- Some residents noted this was important to them.
- Increasing transparency was noted by some as affecting other areas e.g., increased transparency would mitigate against disruptions to services; young people thought making residents aware of disruption and reassuring them of long-term benefits would boost morale.



#### Local identity

This was important but not a top priority for most.

- This was seen as important to residents, but for many it was not their top priority.
- Whilst some residents thought the areas comprising the new UAs should be cohesive to protect local identities.
   others did not think that local identity was connected to the boundaries of their local authority.



#### **Economy**

Effects on economy will come from other changes.

- This is important to some residents, but others said improvements to the economy will come with other things in place.
  - For example, according to young people, building affordable housing will create jobs and ensure good housing conditions for vulnerable groups of residents. Having good housing will attract people to live in the area and attract investment.
- However, some noted that boosting the economy would also boost morale for residents.

# Key takeaways for local authorities

#### Involve local communities



Residents expressed a desire to be involved in decision making throughout the LGR process. This meant regular and meaningful engagement within their communities. At a minimum, residents wanted developments clearly explained and transparency around who was responsible for those actions, and the impacts in the short, medium and long term.

## Prioritise public services



Business cases should prioritise improving service delivery and ensuring as smooth a transition as possible. Residents favoured a more gradual transition over rapid changes that would lead to major disruption. Consideration should also be given to the future of local services and projects which bring value to communities.

#### Consider local identities



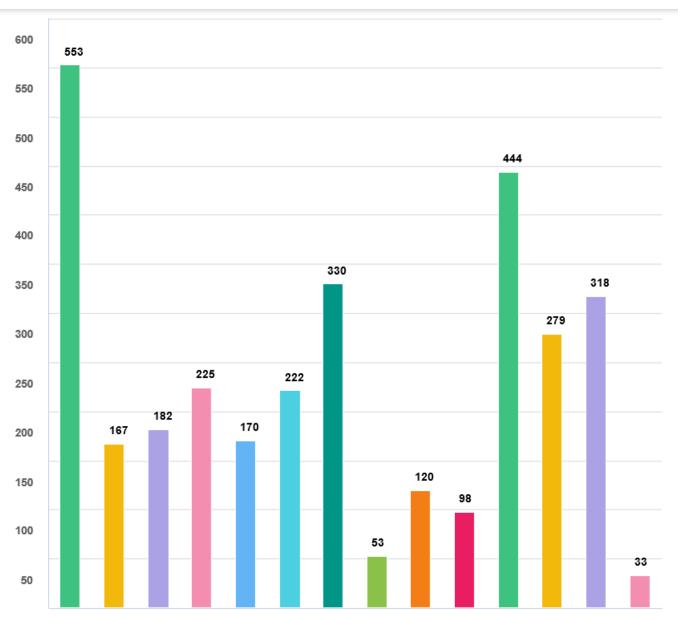
Despite not citing preservation of local identity as a key priority, across our discussions, residents expressed reservations about the impact of reorganisation on the attentiveness to local needs and identities. It is therefore important for local authorities to be clear about how the final decision is reached and be responsive to residents' concerns about these changes.

# **Rochford District Council Residents Survey:**

5<sup>th</sup> August – 1<sup>st</sup> September (1097 Responses)

# Local Government Reorganisation Consultation

Q3 What issues do you feel should be prioritised when considering changes to local government? (Tick 3 most important to you)



## Question options

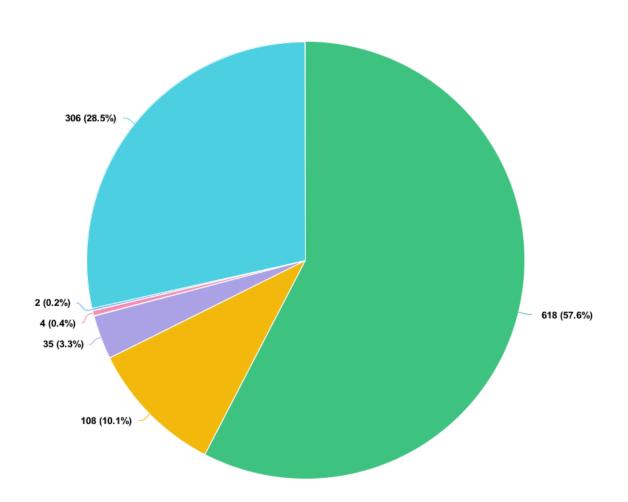
Ensuring high quality and sustainable public services
 Creating unitary councils that serve sensible geographies
 Enabling stronger community engagement and neighbourhood empowerment
 Ensuring a strong community voice
 Increasing efficiency and capacity
 Ensuring financial resilience and ability to withstand financial shocks

- Ensuring crucial services such as social care, children's services, Special Educational Needs and Disabilities (SEND), homelessness
  are no worse off under new arrangements
- Creating a single tier of local government replacing District / Borough and County Council with one council that covers all functions
- Creating unitary councils that are viable and capable of covering their costs
   Council size and size of population it serves
- Maintaining local identity
   Respecting local heritage and historical significance

Ensuring access to local decision-making 

Other (please specify)

Q4 Rochford District Council serves a local population of approximately 87,000 residents. It is proposed that new unitary council's should serve a population of approximately 500,000 residents, although this is a guide rather than a target. What do ...



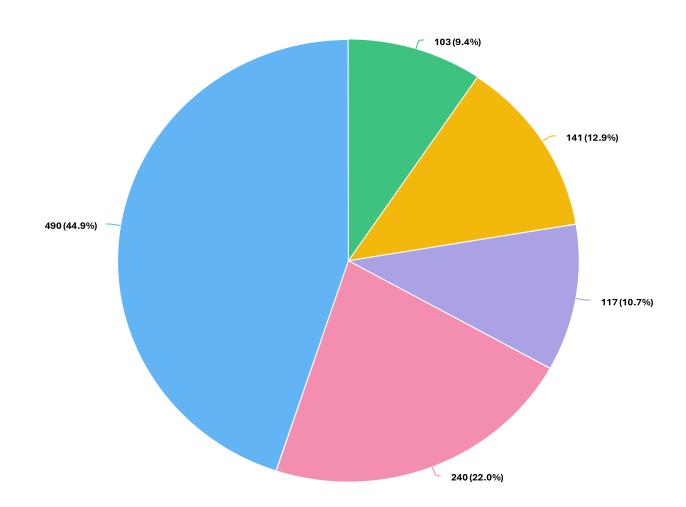
## **Question options**

- **300,001-400,000**
- 600,001 700,000
- Don't Know

- 400,001 500,000
- 700,001 or more
- 500,001 600,000

Optional question (1073 response(s), 24 skipped) Question type: Radio Button Question

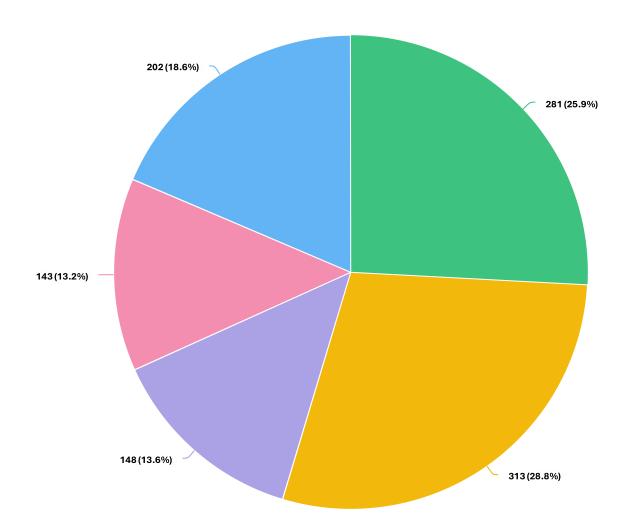
Q8 Option 5.2Essex split into 5 new unitary authorities with Rochford District placed with Southend and Castle Point



## **Question options**

Strongly support
 Support
 Neither Support nor Against
 Against
 Strongly Against

Optional question (1091 response(s), 6 skipped) Question type: Radio Button Question



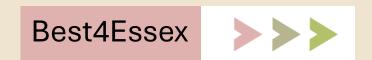
## **Question options**

Strongly support
 Support
 Neither Support nor Against
 Against
 Strongly Against

Optional question (1087 response(s), 10 skipped) Question type: Radio Button Question

# **Closing Note**

This evidence shows that the Best4Essex model reflects the clear and consistent views of residents and partners. These insights will continue to inform design and transition planning through the Best4Essex Shadow Transition Programme Management Office, led by Brentwood and Rochford Councils, once established. This will ensure that the new councils remain rooted in community priorities and accountable from day one.



# **Annex Five**

# Letters of Support

# EHINGDON STATES

# ASHINGDON PARISH COUNCIL

Clerk to the Council:

Kath Parkin, 51 Rochford Garden Way, Rochford, Essex, SS4 1QH Tel: 07950947731 clerk@ashingdonparishcouncil.gov.uk

Cllr. Danielle Belton, Rochford District Council Leader, Council Chamber, Civic Suite, 2 Hockley Road, Rayleigh, Essex SS6 8EB

Dear Cllr. Belton,

#### **Best4Essex**

I write on behalf of Ashingdon Parish Council (APC) and the residents of Ashingdon to congratulate you and your administration on the work completed on the proposed Local Government Reorganisation (LGR) for the District of Rochford.

During the short time your administration has had to produce the proposal for Essex it is very clear that the Best4Essex option is by far the best option for Essex as a whole. A three Unitary proposal comprising of 500K residents in each area if far too large and almost unmanageable over such a large geographical area. The five unitary option is probably too small and will not give the financial savings the Government is trying to achieve.

The Best4Essex option brings together four of the mid-Essex councils who are closely linked both geographically and in some cases financially, Rochford District Council (RDC) are already sharing administration and other services with Brentwood. Chelmsford, Maldon and Rochford are all rural or semi-rural districts and overall are in a sound financial position.

Compare them with authorities like Thurrock and Southend-on-Sea who are in a massive debt situation, why would residents of the Rochford district wish to be linked with failing authorities like these. In the recent RDC survey on LGR is was clear that residents were in favour of the 4 Unitary option with 45% voting in favour.

In recent weeks APC has had a number of meetings with residents attending and the consensus of opinion was overwhelmingly in favour of the 4 Unitary option. APC and the residents of Ashingdon wish you every success in your submission to Government and hope that they will listen to the will of the people.

Yours sincerely,

#### **Kath Parkin**

Clerk to Ashingdon Parish Council



Unit 9 Buckingham Square **Hurricane Way** Wickford SS11 8YQ

info@savingenergyuk.co.uk www.savingenergyuk.co.uk

0800 9549689

Tuesday 16th September 2025

To whom it may concern,

#### RE: Best4Essex Four Unitary Authority Model

On behalf of Saving Energy, I am writing to express our full support for the proposed Best4Essex initiative, which outlines the creation of four new unitary authorities across the Essex region. We believe this model represents a significant opportunity to improve local governance, streamline decision making, and drive long term economic development.

The reorganisation into four unitary authorities is likely to create a more agile and efficient administrative structure. By consolidating services and responsibilities, the new model can help reduce bureaucratic delays, particularly in critical areas such as planning and infrastructure development. This increased responsiveness is essential for fostering a business environment where investment is encouraged and operational barriers are minimised.

Local enterprises, especially small and medium sized businesses, will benefit from a governance system that is more locally attuned and better equipped to understand and address the specific needs of individual communities. A decentralised model with decision making closer to residents and businesses can help ensure that local services are more tailored, proactive, and impactful.

At Saving Energy, we are deeply invested in supporting and empowering the business community across Essex. We believe the Best4Essex framework offers the potential to boost confidence among existing businesses, attract new investment to the region, and create the conditions necessary for sustainable, inclusive growth. Furthermore, it presents an opportunity to revitalise local high streets and strengthen the overall economic resilience of our towns and districts.

In summary, we view the Best4Essex proposal as a forward-thinking step that will enhance public service delivery, strengthen community engagement, and unlock new opportunities for economic and social progress. We urge stakeholders to support this model and help realise its full potential.

Yours sincerely, **LChandler** 

Louise Chandler **Head of Compliance** 



















### **CANEWDON PARISH COUNCIL**





22<sup>nd</sup> September 2025

To whom it may concern,

It was resolved at the Extraordinary Full Council meeting of Canewdon Parish Council held on Wednesday 17<sup>th</sup> of September 2025 that Canewdon Parish Council support the Best4Essex proposal put forward by Rochford District Council within the following minute extract.

FC25/26-114 To consider supporting the Best4Essex proposal from Rochford District Council.

**RESOLVED** that Canewdon Parish Council Support the Best4Essex proposal and the Deputy Clerk would confirm this within the following comment:

Canewdon Parish Council agree with the Best4Essex four unitary authority proposal and concur with the views and advantages of this option as set out in the Rochford District presentation.

Yours sincerely,

X Hayden

Kathryn Hayden
Deputy Clerk/RFO to Canewdon Parish Council

Dear Cllr Belton,

Thank you for your emailed letter of September 11th relating to Rochford District Council's (RDC) "Best4Essex" proposal.

Earlier this year Hullbridge Parish Council (HPC) set up a sub-committee specifically to provide oversight and support in managing parish-level changes arising from local government reform; ensuring financial and administrative impacts are understood and addressed, and that residents are kept informed and reassured that the Parish Council is actively engaged in the process.

In line with this remit both the RDC "Best4Essex" proposal document and the Local Government Reform Survey Response Report have been reviewed and discussed by the sub-committee in detail.

It is quite evident that two strands stand out in the survey responses. Firstly, that residents would really prefer not to become part of a larger Unitary Authority at all. Secondly, that residents consider that an amalgam with Maldon, Chelmsford and Brentwood (with whom we already have a working relationship) would be the best outcome if Rochford has to be part of a Unitary Authority and for the reasons stated in your proposal.

These outcomes mirror exactly what Parish Councillors have heard when speaking to Hullbridge residents.

Given all of the above, we (LGR Sub-Committee) therefore give our full support to RDCs "Best4Essex" proposal. We will follow the progress of this proposal with keen interest and with fingers crossed for a positive outcome.

Kind regards

Kevin O'Brien

Chair - Local Government Reform Sub-Committee

Hullbridge Parish Council

# Rayleigh and District Chamber of Trade. Rayleigh Lanes, 89 High Street Rayleigh Essex SS67EJ

franknash@charfleets.com

10/9/25

To whom is may concern,

Re; Best4Essex Four Unitary Authority Model

I write on behalf of The Rayleigh Chamber to offer our support for the proposed Best4Essex model, which seeks to establish four unitary authorities across Essex. In Rayleigh we have a wide range of businesses and this proposal will no doubt improve what the authority can deliver to the business community.

A streamlined four-unitary authority that will be simpler to run, will act faster in planning issues and deliver local services more efficiently vital for growth and business confidence.

Best4Essex also promises better use of public funds through the reduction of duplication, allowing the council to focus on initiatives that deliver tangible benefits to residents and businesses alike. We envisage that smaller enterprises in particular stand to gain from the governance model that is closer to the communities it serves and more responsive to local needs.

The Rayleigh Chamber of Trade is committed to championing local businesses, and we are confident that The Best4Essex model will create sustainable growth, a stronger high street and business environment.

Our belief is that the councillors who are championing Best4Essex, are very capable people who understand the needs of business and the community. We have been impressed by their achievements to date, we trust them and hope that their proposal is a success.

Yours faithfully,

Frank Nash

**President, Rayleigh Chamber of Trade** 

From: Gary Nicholls <\*\*\*\*\*\*\*\*

Sent: Wednesday, September 17, 2025 3:47 pm

**To:** Cllr Danielle Belton <\*\*\*\*\*\*\*\*\*\*\*>

Subject: Best4Essex



Hello

Please take this email as my support as a local business leader employing 85+ staff for the Best4Essex proposal

Kind regards

**Gary Nicholls** 

**Managing Director** 

# **SUTTON PARISH COUNCIL**

www.suttonwithshoplandparishcouncil.com

CHAIRMAN.

Councillor Mr R Gaylor, 5, Templegate Cottages, Sutton Road, Essex SS2 5QR 07850 772867

richard.gaylor@btinternet.com

CLERK:
Mr B. Summerfield CiLCA,
Sutton Hall Cottage,
Sutton Road,
Rochford, Essex.
SS4 1LG.
01702 549308.
bsummvint@hotmail.com

Councillor Danielle Belton, Leader of Rochford District Council Rochford Library, 8 Roche Close, Rochford. SS4 1PX

16/09/2025

Dear Councillor Danielle Belton,

re: Local Government Reorganisation.

Please be aware that Sutton Parish Council fully support the 4-way split with Rochford,

Maldon, Brentwood and Chelmsford.

Yours sincerely,

Barry Summerfield (Sutton Parish Council Clerk/RFO).

### RAWRETH PARISH COUNCIL

#### Clerk to the Council:

Mrs Hayley L Bloomfield PO Box 2206 Rayleigh Essex SS6 ODS Telephone 07773 952455

Email: clerk@rawrethparishcouncil.co.uk



11th September 2025

Dear Cllr Belton

At the Meeting of Rawreth Parish Council held on the 3<sup>rd</sup> of September 2025, under Agenda Item 108, Devolution and Local Government Reform, Members discussed the Rochford District Council proposal for a "Four Unitary Version" of Local Government Reorganisation and unanimously agreed that the proposed "Central Essex" option to include, Rochford District Council, Brentwood Borough Council, Maldon District Council and Chelmsford City Council was by far the best for residents, communities and the Parish Council.

The Council have formally recorded this decision in their Minutes dated 3<sup>rd</sup> September 2025 and hereby confirm their full support to Rochford District Council for the proposed Central Essex Four Unitary option.

Kind regards, Yours sincerely

Hayley Bloomfield Clerk and Responsible Finance Officer Rawreth Parish Council

#### Rayleigh, Rochford and District Association for Voluntary Service



(A Company Limited by Guarantee)
The Courtyard, The Parish Centre, Rectory Garth, Rayleigh, SS6 8BB +44 (0) 1268 772796 info@rravs.org.uk

20 September 2025

www.rravs.org.uk

#### RRAVS Letter of Support for Best4Essex LGR Proposal

Best4Essex has looked beyond the obvious to create a proposal that looks at not just the key government principles but a focus on the communities that will be impacted by the changes. The proposal is based on place and local assets while unifying with similar local authorities who align to the geography and needs of the residents.

The resident survey demonstrated that High Quality Public Services, support for marginalised groups within our communities, maintaining local identities and protecting localism and maintaining local decision making came out strongly from resident responses.

RRAVS as the CVS for the Rochford District, has localism and resident need at the heart of everything we do. Network and collaboration with community and statutory partners to ensure that support is delivered from a 'bottom up' approach with a focus on co-production with our residents ensures that we are delivering what is needed to improve health & wellbeing and community resilience.

This aligns to the work of RRAVS, where engagement with Parish and Town Councils, and neighbouring authorities has enabled us to develop dementia support projects and community supermarkets, amongst other elements of our work.

Our rural, river and coastal communities within the Best4Essex proposal have opportunities to work together that in the past has been hampered by boundaries, the issues are all the same and a collective voice is a positive approach.

Best4Essex has community engagement as a 'golden thread' through its proposal where the alignment with authorities whose geography, community need, environment, infrastructure and demographics would be stronger under a unified offer rather than a focus on boundaries.

RRAVS submit this Letter of Support for the Best4Essex Proposal.

Victoria K Marzouki

Victoria K Marzouki RRAVS CEO



## **Building Back Better: Embedding Civil Society in Essex's Local Government Reorganisation - September 2025**

Joint Statement from Essex Community Foundation and Local Infrastructure Organisations

We, the undersigned, issue this statement as leaders of Essex's local infrastructure organisations, including the CVSs, ECVYS, Rural Community Council of Essex (RCCE), Essex Association of Local Councils (EALC) and Essex Community Foundation (ECF).

As Essex prepares for the most significant reorganisation of local government in a generation, the creation of up to five new unitary authorities presents both a challenge and a rare opportunity. For the Voluntary, Community, Faith and Social Enterprise (VCFSE) sector, the stakes are high. The decisions made over the coming months will determine whether community-led work is enabled to thrive, whether local voices are genuinely embedded in the system, and whether public services are equipped to shift towards prevention, wellbeing, and inclusion.

The Structure, Dynamics and Impact of the Third Sector in Essex report, Durham University states that the VCFSE sector delivers £1 billion in value annually, including volunteer time, and engages over 17,500 staff and 95,000 volunteers in every part of Essex. This is not a peripheral system, it is a vital infrastructure and foundation. Reorganisation must strengthen this sector, not displace or marginalise it.

This is our moment to make the ambitions of the Civil Society Covenant real: placing the VCFSE sector not at the margins, but at the heart of decision-making. Together, Essex Community Foundation and infrastructure organisations across the county call for all unitary proposals to embed five core design principles, grounded in practical experience, the Covenant's values, and the NHS plan's prevention agenda, to secure a healthier, fairer, and more resilient Essex.

#### 1. Community Power to Be Built In

Even in a five-unitary model, larger authorities risk distancing governance from the communities they serve. Proposals must guarantee inclusive, locally rooted structures that uphold subsidiarity. Parish and Town Councils, as the closest tier of democratic governance, and VCFSE organisations, embedded in communities, both play a vital role in sustaining local identity and trust. Their reach and ability to convene diverse voices make them essential partners in shaping neighbourhood governance and ensuring services meet real-world needs.

"Natural communities are not defined only by boundaries; they are defined by belonging." VCFSE Roundtable, July 2025

The Covenant commits to "involving people in decisions that affect their lives, ensuring their voices are heard and removing barriers to democratic participation".

#### We propose that every LGR proposal ideally should:

- Commit to community-level governance structures across all areas
- Ensure these bodies have clear remits, resources, and real influence



- Reflect natural communities and neighbourhoods, including cultural and thematic identities, not just administrative borders
- Actively connect with parish/town councils, community networks, and trusted local individuals, groups and voluntary organisations

#### What the VCFSE Sector Adds:

We are the trusted connectors and deliverers who can reach those least likely to engage with statutory processes. Our networks from faith groups to youth clubs are embedded in local life, enabling early dialogue, sustained participation, and culturally competent engagement

#### 2. Embed the VCFSE in Programme Governance

The VCFSE sector brings trust, deep place-based knowledge, and strong relationships with communities whose voices may otherwise be overlooked. This insight must be embedded from the start and not added later as consultation.

Caring Communities Commission report states, "The future system must reflect community voice, lived experience and a shared vision across sectors. The role of the voluntary and community sector in prevention and early intervention must be better recognised and embedded in place-based systems."

#### To deliver effective change we call for:

- A dedicated VCFSE Transition Taskforce to advise throughout the LGR process
- Formal VCFSE representation on LGR Programme Boards and shadow authorities
- Sustained involvement in governance structures post-reorganisation, including in Combined Authority frameworks and ICB locality models

"Co-design only works if community insight is structurally embedded from the outset." VCFSE Roundtable, July 2025

#### What the VCFSE Sector Adds:

We bring lived experience, place-based knowledge, and insight into communities that statutory systems often can't engage. Our inclusion ensures that governance decisions are informed by real-world conditions, not just data models.

#### 3. Sustain and Grow Strategic Investment

With over two-thirds of Essex VCFSEs operating below £50,000 annually, and many relying on reserves, financial fragility threatens the sector's stability just when it is needed most.

The socio-economic risk of failing to embed the VCFSE sector is profound. The King's Fund, "What are the priorities for health and social care?" (2017), highlights that cuts to prevention and community-based services are a false economy and they put people's health at risk and store up problems for the future.



#### We recommend:

- Multi-year, unrestricted investment for both large anchor organisations and smaller grassroots groups
- Pooled place-based prevention budgets, supported by cross-sector Investment & Impact Panels
- A culture of partnership and collaboration, recognising and resourcing the unique contribution of the VCFSE
- Invest in core funding allowing organisations to respond swiftly to emerging needs, grounded in their long-term understanding of local communities.

"The share of total NHS budgets at ICS level going towards prevention should be increased by at least 1 per cent." The Hewitt Review (2023). Targeting part of this investment toward the VCFSE sector could have a transformative impact on community resilience and system demand.

#### What the VCSFE Sector Adds:

Every £1 invested in the sector returns multiple benefits and social value, from reducing hospital admissions and building social cohesion to boosting local employment. We leverage philanthropic and social investment alongside public funds, increasing the total system capacity and resources available for prevention.

#### 4. Simplify VCFSE Commissioning Without Losing Localism

Fragmented funding processes, multiple portals, and short cycles create administrative burdens and competition where there should be collaboration.

The Covenant calls for "developing collaborative commissioning and procurement arrangements" that "remove barriers to participation".

The NHS 10-Year Plan urges "co-designed funding approaches that are proportionate, inclusive, and encourage joint delivery".

#### From our shared experience, we recommend:

- A shared commissioning framework across all new UAs
- Locally devolved grant pots for thematic and place-based priorities (e.g. youth, coastal towns, rural services, health equity)
- Co-designed funding approaches that are proportionate, inclusive, and encourages joint delivery

The Caring Communities Commission warns that short-term, fragmented funding erodes trust and diverts energy from innovation to survival.

#### What the VCFSE Sector Adds:

We deliver high-value, cost-effective and community embedded delivery with agility, on smaller budgets than public, national charities and larger providers. By making commissioning VCFSE friendly, the system gains innovation, speed of response, and access to micro-level intelligence.



#### 5. Align with NHS and Prevention Agendas

The VCFSE sector plays a central role in prevention, early intervention, and recovery. Its insight and presence in underserved communities make it a vital partner in health and wellbeing.

The NHS 10-Year Plan's Neighbourhood Health Service is designed to "co-locate NHS, local authority and voluntary sector services, to create an offer that meets population need holistically".

#### Based on the needs of our communities in Essex LGR proposals should:

- Enable joint commissioning between UAs, ICBs, public health teams and VCFSEs for prevention and early intervention.
- Support data-sharing partnerships to target investment and monitor outcomes
- Invest in VCFSE-led pilots in areas of high need, inequality, or isolation

The Caring Communities Commission highlights that relationships, trust, and rooted local action are the foundations of prevention and resilience.

#### What the VCFSE Sector Adds:

We have built trust with our communities, making us a frontline partner in prevention and early intervention. Our preventative work from mental health peer support to ageing well programmes reduces pressure on hospitals and improve quality of life.

#### What's Next? A Shared Commitment to Action

This is a call to action not only for the system, but for our sector. We recognise that if we are to be equal partners in reorganisation, we must also lead as partners; co-producing, acting in unity and moving at pace.

We are already taking coordinated steps to strengthen our collective VCFSE voice. Across Essex, infrastructure bodies, anchor organisations, thematic and place-based networks are working together to ensure the sector is equipped to engage strategically, act collectively, and deliver practical solutions.

This includes efforts to:

- Build a cross-sector leadership model that brings together the VCFSE
- Establish place-based and thematic representation structures that reflect the diversity of Essex's communities
- Build links with new governance structures as they come into being (e.g. ICB reconfiguration, unitary transition boards, the new Mayor and the Combined Authority)

We will step up to support reorganisation that empowers communities, creating a stronger Essex. We are not asking to be consulted. We are offering to partner in the design, transition and delivery of this change, bringing with us community networks, lived experience, knowledge, insight and commitment.



The Civil Society Covenant commits to "a new model of partnership between civil society and government... where the voices, expertise, and independence of civil society are respected and valued".

#### What's Next?

- We invite local authorities and delivery partners to co-design with us community governance, funding models, and investment structures that embed the VCFSE as a strategic partner to enable effective place-led working.
- We ask that all LGR proposals formally adopt these five principles, with clarity on how each will be delivered.
- In line with the Civil Society Covenant, we are committed to working in partnership with public bodies to deliver long-term, systemic change grounded in mutual respect, trust, and shared outcomes.
- We also look ahead to our role in shaping the new Combined Authority and mayoral structures, ensuring communities are represented at all levels of decision-making from the outset.

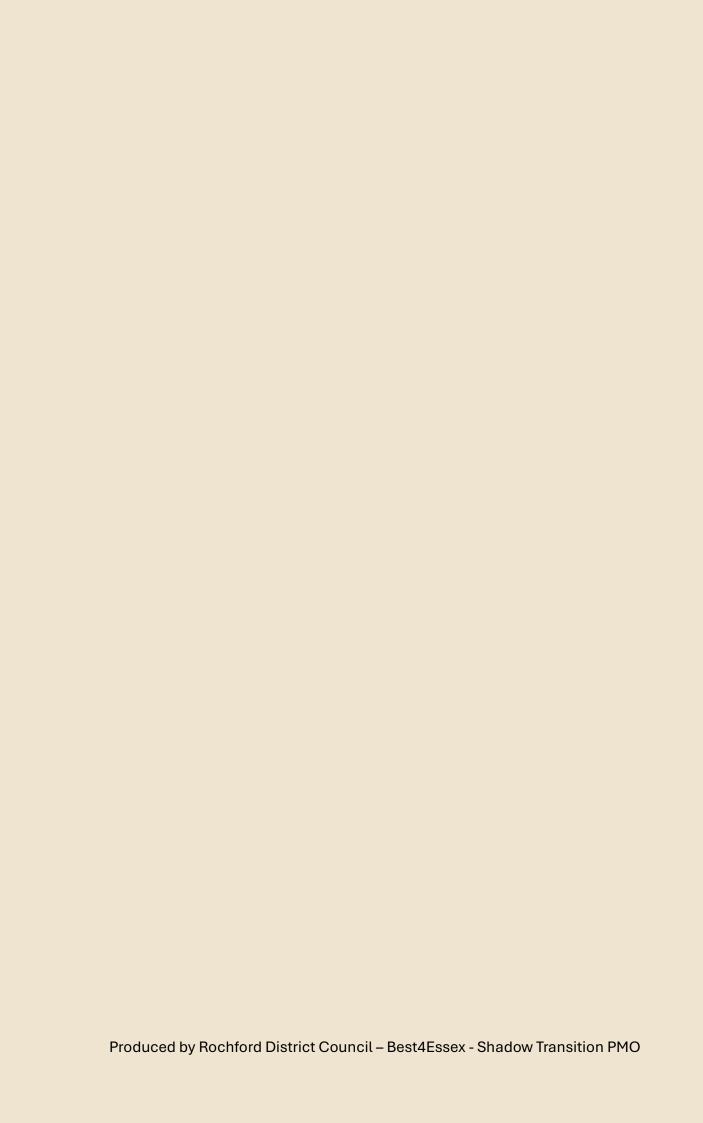
To contribute contact: policy@essexcf.org.uk | www.essexcf.org.uk

Let us make this transition a turning point where we build trust, not just structures. Together, we can ensure this reorganisation builds a future where Essex is shaped by its communities, not just for them

#### **Signatories:**

Lisa Andrews, Chief Officer, Community Voluntary Services Tendring
Rachel Brett, Chief Executive Officer, Essex Council for Voluntary Youth Services
Clive Emmett Chief Officer, Uttlesford Community Action Network
Diane Fairchild Director, Brentwood CVS
Jacqui Foile, Chief Officer, VAEF and Director, WECAN
Tracy Harris, Chief Executive Officer, Castle Point Association of Voluntary Services
Cristina Huddleston, Chief Executive Officer, Community360
Lorraine Jarvis, Chief Officer, Chelmsford CVS

Victoria Marzouki, Chief Officer, Rayleigh, Rochford and District Association for Voluntary Services Andy Payne Worpole, Director of Policy and Programmes, Essex Community Foundation Anthony Quinn, Chief Executive Officer, Southend Association of Voluntary Services Nick Shuttleworth, Executive Director, Rural Community Council of Essex Charlene Slade, Chief Executive Officer, Essex Association of Local Councils Sharon Summerfield, Chief Executive Officer, Rainbow Services (Harlow) and Director, WECAN Mark Tebbs, Chief Executive Officer, Thurrock CVS Sarah Troop, Director, Maldon and District CVS



#### gwakering@greatwakering-pc.gov.uk

Thurs 25/09/2025 11:17

Good morning Kirsty

This is to let you know that at the Full Council Meeting of the 24<sup>th</sup> September 2025 Great Wakering Parish Council resolved to support Rochford District Council's Best4Essex proposal.

Kind regards

Sharon

S Hyatt LLB (Hons)

CEO/Clerk/RFO to Great Wakering Parish Council,

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