

# The right balance

Creating financially sustainable councils close to communities in Greater Essex

# Foreword



We have a once in a lifetime opportunity to transform local government for the people of Greater Essex. If we get this right, we will create councils that are tough enough to weather any storm, deliver excellent services and change the relationship between councils and communities into something more mature and empowering.

With opportunity comes risk. Getting this wrong means more councils doomed to failure before they even begin. In Thurrock we are still feeling the pain of the financial mistakes of the past, and so we know better than anyone the importance of creating strong, financially sustainable councils. We also know first-hand the importance of working with communities to build trusting relationships and focus public resources on delivering the services local people need.

It is not a time for political point scoring or plans that only work for the few. The stakes are too high.

Our proposal for four unitary councils in Greater Essex is driven by evidence and equity: evidence of what stacks up financially; evidence of what local people expect to see from their new councils and what they will need over time; evidence about how people move around the county; evidence of where the opportunities lie and how we can make sure everyone in Greater Essex benefits from the success these plans will bring.

Our role in shaping these plans is a privilege but also a huge responsibility. I have lived in Essex my whole life and I care deeply about its future. We must make sure we maintain what makes this place what it is, but also embrace the future and address the challenges and opportunities that lay ahead. We must create a system that drives prosperity for all and continues to protect the most vulnerable in our communities. We must step forward and think afresh what local government can and should be for the rest of this century.

Our proposal for four new councils is carefully thought through. All that matters to me is that it works for the people of Greater Essex, for the long term. I believe our plans create the right balance to secure a bright, prosperous and sustainable future for everyone.

**Cllr Lynn Worrall**

**Leader of Thurrock Council**

# Introduction

**We don't live our lives according to council maps or public service boundaries. But we do need our public services to work well to keep our communities and lives running smoothly.**

On any given street in Greater Essex, the people charged with keeping us safe, providing schools for our children, caring for our loved ones as they age and ensuring our access to good medical care, work for a multitude of organisations. Our residents have told us that their identity is not defined by the boundaries in which their local council operates. But the continuation and quality of services are of paramount importance. This is why the future sustainability of local government has been the guiding principle in developing our vision and proposal for local government reorganisation.

## **A once-in-a-generation moment of change**

Local government reorganisation provides a once-in-a-generation chance to think again. We have a responsibility to simplify this picture, create long term sustainable services, ones which meet current and future demand, run smoothly and quietly in the background, supporting our everyday lives.

Thurrock's intervention journey should not be seen as a weakness. We are a council that has had to regain the trust of its communities. We know what it means to rebuild services and make difficult decisions. The lessons we have learned and the hard work we have undertaken in the toughest of times, makes us a strong partner in Greater Essex. This, combined with our experience and expertise of service delivery as a unitary, means we understand and can overcome the challenges of creating a new approach to local government in our region.

## **Getting the balance right**

Our analysis has focused on identifying the right environment to achieve strong foundations for sustainable local government which support the services communities want. We have been careful to consider the benefits of commonly held beliefs and approaches. We recognise the advantages to both smaller and larger authorities, but there is too much risk in going to the extremes. Size does bring financial stability but compromises service delivery and creates distance from communities. Favouring one priority over the other risks destabilising the foundations and purpose of local government.

## **Building on what works well**

Local authorities do not deliver in a vacuum. Our four new councils build on commonality in the way residents interact with travel, work and the local economy. The geographies are coterminous with police and health partners and are big enough to wield a strong, equal and influential voice in the governance of Greater Essex but are also sufficiently grounded in communities to remain attuned and responsive to residents and partners.

We have carefully considered the place-leadership role of local authorities. Each of the four authorities in our model has the right conditions to convene partners to support social cohesion and create capacity to generate meaningful collaboration in communities.

## **Delivering better outcomes for the people of Greater Essex**

These pragmatic groupings, with the right level of demand and geographical spread, provide the foundation for optimal service delivery and unlock the potential for early intervention and prevention. The balance of wealth and deprivation in each of the new councils, alongside the potential for economic growth, provides an equal footing for addressing the social determinants of health both at a local level and within the new Greater Essex (mayoral) Combined County Authority (GECCA). Each council has the conditions to marshal strong partnerships which will deliver the right housing, transport and employment infrastructure required for each place.

Our vision for local government in Greater Essex is based on what residents tell us are the areas of most importance to them: financial sustainability and improving services. The four-unitary councils in this model provide the best environment in which to achieve that vision, providing the optimal blend of financial sustainability, resilience, demand management and responsiveness to local needs.

Our model delivers the best opportunities for the people of Greater Essex. It is only this model which will deliver both financial sustainability and the services which people want and need. It is only this model which fairly distributes residents' needs, ensuring no one council carries too much burden and falls at the first hurdle. It is only this model which provides an equal playing field for the members of GECCA Board to deliver the strategic infrastructure which will enable all corners of Greater Essex to thrive.

### **Strong foundations**

Thurrock Council's financial history is well known. The lessons we have learned bring into sharp focus the importance of creating financially sustainable and resilient authorities. The challenge of sustaining good services within current budgets, however, is not unique to Thurrock. We recognise that to achieve our purpose, local government must be built on strong financial foundations. Each of the four-unitary councils in our model are financially viable.

Continuing the status quo will leave Thurrock Council with an unsustainable level of debt which the Government knows poses a significant pressure on public finances. Reorganisation must provide an alternative approach which lessens that pressure. The Government has a decision to make about any support they provide and our four proposal models a one-off long-term solution, whereas other options, including Thurrock continuing in its current form, may require greater or ongoing support from the Government.

Each council within the four-unitary model can achieve ambitious economic growth, shares a balance of GVA, council tax and business rates and has an international gateway to trade, as well as an equal say within GECCA.

### **Delivering on our purpose**

Delivering vital but effective services for people and businesses is best achieved when we understand the needs and challenges of local areas. Successful local democracy works when councillors who understand their local place use their knowledge to inform decision making. There is a balance to be struck through the economies of scale in larger authorities and delivering fit for purpose services. We believe we have struck that balance.

Each council within the four-unitary model is designed to create an even distribution of population and need, including health and social care outcomes. This avoids creating concentrations of demand, 'deserts' of service delivery and poor and weak relations among partner authorities. While the idea of creating 'mega' unitary authorities with high savings on paper may seem attractive, in reality this route is proven to risk the failure of care services, which would be an expensive mistake both financially and in the impact on the lives of individuals.

The four-unitary model helps to de-risk disruption to the continuation of support to our most vulnerable communities. It does this by taking full advantage of the existing good and outstanding capability in the current system. The existing upper tier authorities in Greater Essex will be leaders in this space and support two of the new councils. The county's upper tier capacity will support the remaining two new councils. This is particularly important when it comes to the continuance of statutory services, especially adults and children's social care, ensuring they are legal and robust from Day 1.

Our model provides the closest alignment to coterminous boundaries with local partners, making sure we elicit the biggest benefits when reforging partnerships.

### **Why these four?**

Because that is where the data points. Not only have we carefully considered a balanced distribution of key metrics and demographic characteristics of our residents. We have also considered the equal opportunity for growth through economic hubs, ports, housing growth, tourism and leisure facilities. We have grouped sensible geographic areas that share similar features and outlooks. These attributes, combined with the equal distribution of populations, means an even playing field when collaborating with the mayor and other partners, meaning no one corner of Greater Essex is immediately disadvantaged nor disproportionately powerful.

# Executive Summary

## Purpose and Approach

This proposal sets out a four-unitary model for the future of local government in Greater Essex. It has been developed in response to the Government's February 2025 invitation to submit options for reorganisation alongside the issues which residents tell us matter the most.

The English Devolution White Paper set out the challenges facing local government and the experience in Greater Essex is no exception. The status quo is not a sustainable option and was discounted due to the scale and urgency of the challenges facing the system and the need for LGR to provide a platform for transformational change. A two-unitary solution was also ruled out due to large geographies not aligning with government criteria and presenting significant risks.

A four, five and three-unitary model has been evaluated against the six criteria set out by Government:

1. Establishing a single tier of local government
2. Efficiency, capacity and withstanding shocks
3. High quality and sustainable public services
4. Working together to understand and meet local needs
5. Supporting devolution arrangements
6. Stronger community engagement and neighbourhood empowerment

The analysis finds that the four-unitary configuration provides the most balanced option, aligned with coherent geographies, with the right scale to deliver services effectively and support financial resilience.

## The Greater Essex Context

Greater Essex is a large and economically significant region, home to 1.9 million people and forecast to exceed 2 million by 2043. It includes a mix of urban centres, coastal communities and rural areas, with 72% of the land designated as rural. The region supports a £50 billion economy, anchored by major ports, two international airports and nationally important growth corridors such as the Thames Estuary and UK Innovation Corridor. Sector strengths include logistics, clean energy, advanced manufacturing and digital technology, supported by a growing network of innovation hubs and skills programmes. Strategic housing and regeneration schemes are in progress, alongside ambitious plans for green growth and inclusive development.

Despite these strengths, Greater Essex faces deep-rooted challenges. Pockets of deprivation, particularly in coastal and urban areas, limit life chances and drive demand for public services. Productivity is uneven, health inequalities persist and infrastructure is under strain. An ageing population is increasing pressure on adult social care, while housing delivery and homelessness vary widely across districts. Climate risks such as flooding and coastal erosion are growing and fragmented governance makes it difficult to respond at scale. Thurrock's financial position, alongside wider sustainability concerns, highlights the need for structural change.

The current local government setup is complex and fragmented, with 15 councils operating across two tiers including two unitary councils. This creates duplication, inconsistency and confusion for residents and limits the region's ability to coordinate services, plan strategically and respond to demand. The Devolution Priority Programme provides a clear opportunity to address these issues. The creation of the Greater Essex (mayoral) Combined County Authority (GECCA) and new unitary councils offers a route to simplify governance, unlock investment and deliver better outcomes for residents.

See Appendix 3: Strengths and challenges of Greater Essex for further detail.

# The Vision for unitary government in Greater Essex

A vision has been developed to provide a simple articulation of what the four-unitary model will provide for the people of Greater Essex. It sets out a shared ambition for transformational change, rooted in the priorities of communities and the strengths of place. The vision was shaped by what residents in Essex tell us is important to them and provides a clear strategic direction for the future of local government in Greater Essex.

“

The residents of Greater Essex deserve councils that are strong and resilient, and that understand and respond to their ambitions and needs. Our proposal will deliver sustainable public services, focused on the priorities of our communities. By building on local strengths, removing duplication, and enabling joined-up delivery, we will support inclusive growth, tackle inequality, and ensure every corner of Essex can thrive. Together, we can build a new kind of local government, one that truly works for local people.

”

Four unitary authorities representing the North, South, East and West of Essex are best placed to deliver this vision:

## West Essex (Brentwood, Epping Forest, Harlow and Thurrock)

- The abundance of forest and country parks compliments the urban areas of Harlow and along the Thames estuary.
- Connected by the M25 and strong transport links into London.
- Balance of wealth and deprivation within its communities.
- Looks to London for work, travel and leisure but with a strong and protective sense of pride in their distinct identity.

## North Essex (Braintree, Chelmsford and Uttlesford)

- Combines the economic strength of Chelmsford, the rural and historic character of Uttlesford and the industrial and logistical capacity of Braintree.
- Strong links to Hertfordshire and Cambridge
- Strong transport infrastructure and strong rail and road links to London, Cambridge and the wider East of England.
- High quality of life and capacity to deliver sustainable growth.
- Home to major employers in advanced manufacturing, logistics, life sciences, public services and Stansted Airport.

## East Essex (Colchester, Maldon and Tendring)

- Nationally significant heritage sites and a strong visitor economy.
- Strategic infrastructure such as Harwich International Port and the A12/A120 corridors.
- Enables further strengthening of Colchester-Tendring relationship.
- Joining with Maldon and its similar coastal terrain will enable a more strategic approach to infrastructure and unlock housing and employment growth.
- Strong links to Suffolk.

## South Essex (Basildon, Castle Point, Rochford and Southend-on-Sea)

- Framed by the sea and rivers to the north, east and south and served by the A13 and A127 and Southend international airport.
- Balanced mix of urban density and rural communities.
- Lively seaside resort in Southend-on-Sea supported by major centre of employment in Basildon.
- Brings together strengths in advanced manufacturing, health, logistics and tourism.

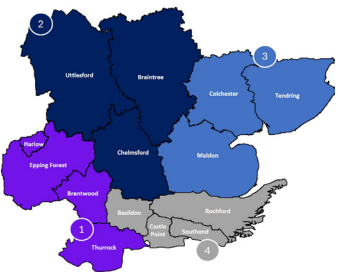
## How we have met the government's criteria to deliver for our residents

Criteria	Why the four-unitary model meets the criteria and offers the best option for residents of Greater Essex
<b>1 Establishing a single tier of local government</b>	<ul style="list-style-type: none"> <li>✓ The design of four resilient and balanced single-tier authorities means that Greater Essex residents receive high-quality services, delivered according to their needs and how they live their lives, no matter where they live.</li> <li>✓ Economic balance (e.g. GVA, an international port in each area) means equal access to opportunity for all.</li> <li>✓ Residents can rely on a council that is close to their communities, equipped with the right experience and resources to respond effectively to local priorities.</li> </ul>
<b>2 Efficiency, capacity and withstanding shocks</b>	<ul style="list-style-type: none"> <li>✓ The financial case makes prudent, realistic and evidence-based assumptions to show that residents can be assured that the four-unitary model offers the best possible value.</li> <li>✓ Residents can be sure that their council is fit to withstand financial shocks with the four-unitary model best-placed to deal with legacy issues, as well as manage future demand.</li> <li>✓ Continued access to crucial services will be safeguarded during the transition led by three high-performing top tier authorities, while creating the platform to maximise their future financial efficiency.</li> </ul>
<b>3 High quality and sustainable public services</b>	<ul style="list-style-type: none"> <li>✓ Making best use of strong service leadership and experience means that valued and crucial services to the most vulnerable adults and children will remain high-performing, while becoming ever more efficient through the effective management of future demands, are equipped to meet future demands and avoid the drop-offs in performance experienced by other unitarisation.</li> <li>✓ Postcode lotteries are eliminated through a model that spreads demand and service capabilities evenly.</li> <li>✓ The structure creates strong foundations for joint working and place leadership, aligning with health and police to ensure better integration of services and improved public safety for residents.</li> </ul>
<b>4 Working together to understand and meet local needs</b>	<ul style="list-style-type: none"> <li>✓ All residents can see that local views from across Greater Essex have been listened to in the development of this proposal with clear links to outputs from engagement and joint working with partners.</li> <li>✓ The proposal is built to deliver the residents' priorities to keep decision-making local, financial stability and not disrupt the local towns and villages with which they identify.</li> <li>✓ Residents will recognise carefully considered geographic areas which share similar characteristics (such as sharing a unique coastline in the North, to sharing an outlook to London for work and play in the West) and match their travel habits.</li> </ul>
<b>5 Supporting devolution arrangements</b>	<ul style="list-style-type: none"> <li>✓ The model is best placed to unlock devolution and ensures that residents can benefit from a mayor who can champion their interests</li> <li>✓ No area is left behind with fair representation from balanced constituent councils with an equal voice.</li> <li>✓ Supports good, sustainable growth which will have direct benefit and opportunity to residents.</li> </ul>
<b>6 Stronger community engagement and neighbourhood empowerment</b>	<ul style="list-style-type: none"> <li>✓ All residents benefit from a balanced landscape across Greater Essex with a council large enough to ensure financial sustainability, while small enough to effectively hear and respond to them.</li> <li>✓ Residents have access to a Neighbourhood Area Committee that will actively connect with existing forums, partnerships, community networks and voluntary organisations to listen to and champion their needs to ensure that their views are central to council decisions.</li> <li>✓ The proposal has been developed from best practice, which demonstrates how to elicit strong engagement and coproduction of services with residents.</li> </ul>

Options Appraisal

To identify the most effective model, a structured options appraisal was undertaken. A long list of configurations was tested against red-line criteria covering geography, population scale, financial viability and implementation feasibility. This proposal reflects a refined shortlist based on objective evaluation. The four-unitary model emerged as the strongest option and is the focus of this business case, alongside evaluation of and comparison with three-unitary and five-unitary models.

### Four-unitary authorities



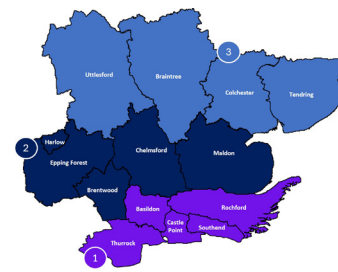
Unitary	Population
West	488,368
North	438,829
East	418,532
South	550,861

Assessment against government criteria 1 - 6		
1. High	2. Medium	3. High
4. High	5. High	6. Medium

**The only model that performs well across all criteria without requiring additional external financial support.**

- Provides the optimal environment to achieve residents' priorities for financial sustainability and quality service delivery.
- Most balanced population with each unitary close to the 500,000 population guideline, with sufficient scale to deliver services efficiently and absorb financial shocks.
- Thurrock's debt can be managed within the new authority by £400 million of government support, without the risk of additional ongoing support.
- All four areas are coherent geographically and economically viable, with recognised hubs and ports supporting future growth.

### Three-unitary authorities



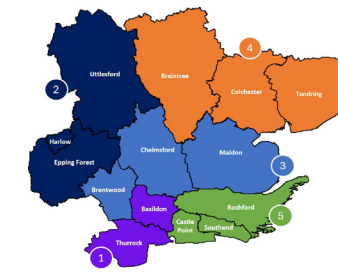
Unitary	Population
South	729,062
Central	603,756
North	563,772

Assessment against government criteria 1 - 6		
1. Medium	2. Medium	3. Medium
4. Medium	5. Low	6. Low

**Most significant challenges relate to large geographic areas that do not align to sense of place or functional economic areas.**

- Potential to take advantage of greater economies of scale, with one unitary at c.730,000 population.
- Achieves balance across key metrics but does so by joining areas which do not align to functional economic areas and recognised geographies.
- Larger geographies over less established footprints risk distancing decision-making from communities
- Significantly larger South population and economy and creates imbalance in representation.

### Five-unitary authorities



Unitary	Population
Southwest	368,745
Northwest	325,609
Central	331,757
Northeast	510,162
Southeast	360,317

Assessment against government criteria 1 - 6		
1. Low	2. Low	3. Medium
4. Medium	5. Medium	6. Medium

**Most significant challenges relate to financial sustainability and increased fragmentation of crucial services.**

- Most councils fall well below the 500,000 population guideline, even factoring in growth up to 2047.
- Lack of scale risks financial sustainability and ability to invest in critical services.
- Performs poorly on efficiency and resilience.
- Smaller councils would struggle to absorb £4.1 billion in regional debt and may require ongoing support to the value of £400–600 million in government support.
- Increased fragmentation risks reduced delivery capacity and therefore quality.

- Reflects local identity and sense of place, enabling tailored, prevention-focussed services.
- Avoids the additional complexity of merging existing unitaries and provides a stable foundation for transformational change.
- Equal representation is built into the combined authority, with the mayor holding a tie-breaking vote, providing the best environment for unlocking devolution.
- Aggregating Thurrock and Southend-on-Sea while disaggregating county services introduces significant additional transition complexity and risk.
- Potential for decision-making deadlock within the combined authority.
- Creates an imbalance in representation of the combined authority, with a significantly larger North population.
- Faces a significant imbalance of need in the Southwest region due to combining Thurrock and Basildon.

## Case for Change: key arguments for the four-unitary model aligned to Government Criteria

Below are key reasons why a four-unitary model is best placed to deliver for the people of Greater Essex. In development of this proposal, we have directly considered the views of residents, partners, and other stakeholders and this is incorporated within arguments across all criteria (see Section 4: Criteria 4). We have also considered lessons from previous LGR submissions and the strengths of the models which were ultimately selected and implemented.

	The argument for four-unitaries	Comparison to other proposed models	Key Criteria
<b>1 Strong economic growth prospects for each unitary</b>	The four new councils are aligned to functional economic geographies and balanced in strength and potential. Each unitary has a recognised economic hub and international port (including airports), providing each with a gateway to trade, a key enabler of growth. There is balance in GVA, council tax base and business rates tax base, enabling long-term financial sustainability.	<b>3U</b> does not align to functional economic geographies, connecting areas without obvious links over large geographic areas. <b>5U</b> has highly uneven population and economic indicators with the greatest variance between councils.	<b>1</b>
<b>2 Recognisable and coherent council geographies</b>	All four councils are internally coherent, reflecting sense of place and with strong transport links, avoiding the need to travel outside authority boundaries to access core services.	<b>3U</b> or <b>5U</b> do not align to sense of place or functional economic areas. <b>3U</b> has weak internal public transport, high car dependency and limited internal connectivity across large geographic areas.	<b>1</b>
<b>3 Balanced and equal unitary population sizes</b>	Populations are equally distributed and close to the government guideline 500k figure and is best positioned once population growth projection.	<b>3U</b> is less balanced, with one unitary at c.730k significantly larger than the others. <b>5U</b> has four councils under 400k, well under government guidelines, with the added imbalance of one significantly larger authority at c. 510k.	<b>2</b>
<b>4 Financial sustainability</b>	Costs of LGR are expected to be paid back within 4 years and the long-running annual benefit is estimated to be £28.3m.	<b>3U</b> creates additional complexity and risk (and therefore cost) in implementation due to combining the two existing councils. <b>5U</b> will struggle to payback the upfront cost of implementation.	<b>2</b>

	The argument for four-unitaries	Comparison to other proposed models	Key Criteria
<b>5 The answer to the debt challenge</b>	<p>Essex councils have combined external debt of £4.1billion, with Thurrock's well publicised financial challenges a significant element of this. All four councils have sufficient scale and strong growth prospects. With almost 500,000 people across Thurrock, Brentwood, Epping Forest and Harlow, the new West authority would be well connected to London, with nationally significant infrastructure projects and ability to deliver growth at scale across housing, employment and regeneration.</p> <p>Following initial government support, as modelled in table 4.11, this new authority is best placed to be on a stable footing to deliver the future services required.</p>	<p><b>3U</b> Over burden of debt in the new South authority creating an unequal playing field in the new configurations.</p> <p><b>5U</b> combines Thurrock with Basildon and likely requires on-going government support in the region of £400-600m for this authority to be financially viable.</p>	<b>2</b>
<b>6 Avoiding unbalanced concentrations of need</b>	The model avoids over-concentration of need into a single authority, including for adult social care and children's services. We know that these services account for a major proportion of spend and it is too risky to over concentrate need, especially given projected increases in demand.	<p><b>3U</b> concentrates high-pressure districts such as Thurrock, Southend-on-Sea and Basildon into one authority, which could reduce responsiveness and increase long-term costs.</p> <p><b>5U</b> may struggle to sustain complex services or respond to demand shocks given concentrations of need such as in the Northeast region which has both the highest SEND support levels and adults 18-64 accessing long-term support.</p>	<b>3</b>
<b>7 Benefiting from capability of existing unitaries</b>	The model builds on the existing infrastructure, capability and skills within the existing Thurrock and Southend-on-Sea unitary authorities and therefore avoids unnecessary additional complexity and implementation cost.	<b>3U</b> includes Thurrock, Southend-on-Sea and three districts in one new unitary authority. We know from experience of recent LGR programmes (e.g. BCP Council in Dorset) that this added complexity can directly lead to major delivery challenges in critical services post-LGR.	<b>3</b>
<b>8 Creates the environment which best responds to resident priorities and local needs</b>	The model provides the best balance for responding to issues such as financial stability, service quality and local decision making, which residents tell us matter to them the most.	<p><b>3U</b> does not provide the optimal environment for local decision making which reflects community needs, given the size, scale and disconnected geographies of new councils.</p> <p><b>5U</b> risks inadvertently creating artificial and impractical boundaries, and cannot meet residents' needs on ensuring financial sustainability</p>	<b>4</b>

	The argument for four-unitaries	Comparison to other proposed models	Key Criteria
<b>9 Delivering public service reform and improved outcomes</b>	The model prioritises long-term outcomes, recognising that public service reform through outcome-focussed service delivery and prevention will reduce service demand and costs longer-term. Demand is so large in the system that neither efficiency nor prevention alone will deal with the growing pressures.	<b>3U</b> creates overly large authorities that dilute local responsiveness and complicate place-based and partnership working, particularly at the neighbourhood level. <b>5U</b> lacks the scale and capacity for strategic partnership and risks fragmentation and inconsistent performance of smaller authorities in delivering services and transformational change.	<b>3</b>
<b>10 Equal representation to unlock devolution</b>	The model creates four balanced new unitary authorities, enabling effective representation from all four corners of Greater Essex. Four authorities are more effective than three or five as it provides the mayor with tie-break power and the ability to unlock progress where it may otherwise stall or deadlock. Four balanced councils can build on existing district strengths to deliver locally while supported by the strategic scale of the combined authority to deliver major programmes across the region.	<b>3U</b> or <b>5U</b> models creates an imbalance in voting, exacerbated by having one unitary with a significantly larger population.	<b>5</b>
<b>11 Hardwiring community engagement into governance and delivery</b>	The four new councils will support a size of population and geographic area that allows for effective community and neighbourhood engagement.	<b>3U</b> creates councils across large, incoherent geographies, bringing challenges which meaningfully link local engagement with council operations. <b>5U</b> brings the risk of excessive fragmentation, which could complicate the coordination of engagement across broader public sector systems.	<b>6</b>

## Financial Case for Change

The four-unitary model is the most fiscally secure approach for the future of Greater Essex. It will establish four financially sustainable authorities, each well-positioned to manage resources effectively, withstand financial shocks and deliver high-quality local services.

The financial costs and benefits associated with LGR have been estimated for the four-unitary model, as well as three and five-unitary models for comparative purposes. The four-unitary model performs strongly. It offers the best return on investment longer-term. This combination of four unitaries prevents the imbalances seen in alternative models and will enable stable, long-term delivery for all communities across the region.

The financial model is underpinned by realistic, prudent assumptions, developed in line with best practice, taking a similar approach to the County Councils Network (CCN) and PwC model. It draws directly on benchmarks and evidence from previous successful local government reorganisations and is tailored to the unique context of the 15 existing councils in the region.

Our financial modelling shows:

- The **four-unitary model** will have net annual savings of **£28.3m**, after one-off costs of implementation of **£80.8m**, meaning an estimated payback period of **less than 4 years**.
- A **three-unitary model**, whilst avoiding long-running disaggregation costs, introduces additional complexity and therefore implementation cost and risk by combining two current unitary authorities (Thurrock and Southend-on-Sea).
- A **five-unitary model** will result in a very similar cost of local government delivery to the current position and therefore may never deliver a return on the significant upfront investment in implementation costs.

The four-unitary model provides a credible structure to place local government in Greater Essex on a firmer financial footing, including in areas currently subject to Best Value intervention and Exceptional Financial Support. It enables a viable, place-based solution to legacy debt issues, while maintaining overall system stability.

The fundamental principle that reducing the number of councils lowers the cost base of local government is valid. However, it is essential to recognise the unique landscape of authorities within Greater Essex, as well as the experience of previous unitarisations. Any proposed model must build upon the strengths of existing top-tier authorities that are already delivering high-quality services. By doing so, savings will be sustainable, and the transition can be simplified at a reduced cost and minimal risk to service continuity.

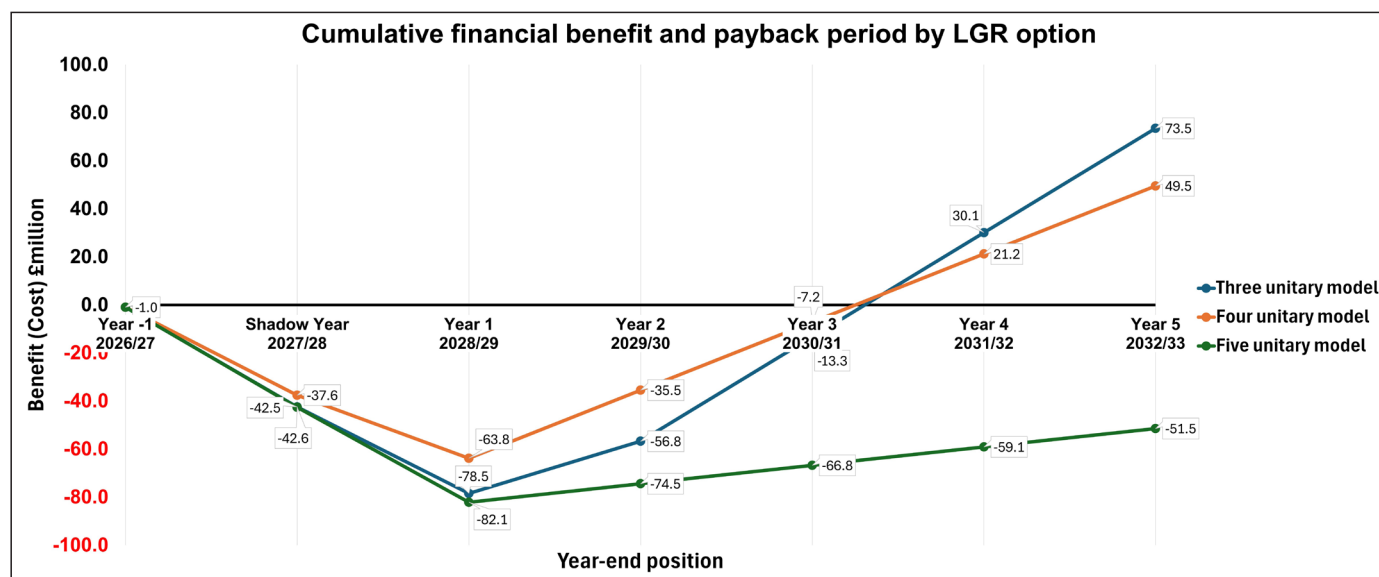
LGR is proven to deliver savings, but it should not be seen as a silver bullet for realising financial savings in service delivery. The experience of previous reorganisations show that the bulk of realised savings have been concentrated within administrative functions and improved buying power, so any proposal that is based on reduction of unit costs of services, such as social care, would not be grounded in reality.

Crucially, the four-unitary approach creates a stable platform to design and deliver whole-system solutions with partners that will lead to better management of demand and financial savings, but does not obligate future authorities to deliver unrealistic and potentially harmful short-term savings in service areas such as social care. The approach will empower the four new authorities to make informed, sustainable decisions by providing a framework for a long-term solution to increasing pressures through early intervention and prevention.

## Summary of financial modelling

LGR option	Reorganisation savings (gross) (£m)	Disaggregation costs (£m)	Recurring revenue savings (£m)*	Implementation costs (one-off) (£m)	Net annual impact after five years (£m)	Estimated payback period
Three-unitary model	43.4	-	43.4	(93.7)	73.5	Within 4 years
Four-unitary model	55.0	(26.7)	28.3	(80.8)	49.5	Within 4 years
Five-unitary model	52.1	(44.4)	7.7	(86.7)	(51.5)	Over 10 years

\*Recurring revenue savings = gross reorganisation savings less disaggregation costs



# Implementation Plan

Delivering local government reorganisation in Greater Essex will require a structured, multi-phase programme supported by robust governance, targeted workstreams and active risk management. The programme is designed to ensure safe and legal Day 1 delivery while enabling long-term transformation.

The implementation programme will follow five defined phases:

1. **Discover (to Oct 2025):** Initiate stakeholder engagement, begin data collection and remediation, submit proposal.
2. **Prepare (Oct 2025 – Mar 2026):** Mobilise governance, define service requirements, baseline data and agree communications and engagement strategy. Develop the high-level implementation plan and critical path.
3. **Design (Mar 2026 – May 2027):** Expand programme delivery, develop service blueprints, plan elections and legal compliance and begin ICT and contract planning.
4. **Transition & Launch (May 2027 – Mar 2028):** Appoint leadership, finalise service and financial plans, test systems and governance and prepare Day 1 readiness.
5. **Go-Live (Apr 2028 – Onwards):** Launch new authorities, ensure service continuity, embed governance and begin post-LGR transformation.

A structured governance framework will oversee delivery. The LGR Programme Board will manage strategic oversight, supported by Unitary Delivery Groups, Shadow Authorities, District Area Representatives and a Day 1 Board focused on operational readiness.

Key risks include service disruption, staff retention, leadership clarity and missed transformation opportunities. These are actively managed through a programme-wide risk register, with mitigations embedded in governance and delivery plans.

Experience from Cumbria's successful LGR programme highlights the importance of early mobilisation, strong programme management, collaborative governance and clear accountability. These lessons have informed the design of Greater Essex's implementation approach. Critical success factors include:

- Starting early and planning proactively
- Maintaining service continuity
- Designing around residents and communicating clearly
- Establishing transparent governance
- Supporting staff and building inclusive culture
- Balancing technical delivery with cultural change
- Ensuring financial sustainability and rigorous assurance



Thank you to everyone who has contributed to the development of this proposal.

You can read the full proposal here:

**[www.essexlgrhub.org/stronger-greater-essex](http://www.essexlgrhub.org/stronger-greater-essex)**