



7 May 2025

## **LOCAL GOVERNMENT REORGANISATION**

### **INTERIM PLAN FEEDBACK: ESSEX, SOUTHEND-ON-SEA AND THURROCK**

To the Chief Executives of:  
Basildon Borough Council  
Braintree District Council  
Brentwood Borough Council  
Castle Point Borough Council  
Chelmsford City Council  
Colchester City Council  
Epping Forest District Council  
Essex County Council  
Harlow District Council  
Maldon District Council  
Rochford District Council  
Tendring District Council  
Uttlesford District Council  
Southend-on-Sea City Council  
Thurrock Council

#### **Overview:**

Thank you for submitting your interim plans. The amount of work from all councils is clear to see across the options being considered. For the final proposals, each council can submit a single proposal for which there must be a clear single option and geography and as set out in the guidance we expect this to be for the area as a whole; that is, the whole of the area to which the 5 February invitation was issued.

Our aim for the feedback on interim plans is to support areas to develop final proposal(s). This stage is not a decision-making point, and our feedback does not seek to approve or reject any option being considered.

The feedback provided relates to:

- *Local Government Reorganisation in Greater Essex Interim Plan* submitted jointly by Greater Essex's local authorities.

We have provided feedback on behalf of central government. It takes the form of:

1. A summary of the main feedback points;
2. Our response to the specific barriers and challenges raised in your plans;
3. Annex A with more detailed feedback against each of the interim plan asks; and
4. Annex B setting out the Government's approach to Thurrock Council's debt.

We reference the guidance criteria included in the invitation letter throughout, a copy of which can be found at [Letter: Essex, Southend-on-Sea and Thurrock – GOV.UK](#). Our central message is to build on your initial work and ensure that the final proposal(s) address the criteria and are supported by data and evidence. We recommend that final proposal(s) should use the same assumptions and data sets or be clear where and why there is a difference.

We welcome the work that has been undertaken to develop local government reorganisation plans for Greater Essex. This feedback does not seek to approve or disprove any option, but provide some feedback designed to assist in the development of final proposal(s). We will assess final proposal(s) against the guidance criteria provided in the invitation letter and have tailored this feedback to identify where additional information may be helpful in enabling that assessment. Please note that this feedback is not exhaustive and should not preclude the inclusion of additional materials or evidence in the final proposal(s). In addition, your named area lead in MHCLG, Rebecca Griffith, will be able to provide support and help address any further questions or queries.

We are providing written feedback to each invitation area individually.

### **Summary of Feedback:**

We have summarised the key elements of the feedback below, with further detail provided in Annex A.

1. The criteria asks that a proposal should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement (see criterion 1c). As your plan sets out, you are still identifying potential options for reorganisation. We recognise that plans are at an early stage and further analysis is planned in the run up to submitting the final proposal(s). **Further detail on a proposed geography for new unitary authorities and evidence on the outcomes that are expected to be achieved for the whole area would be welcome.**
2. Criterion 2e asks 'for areas covering councils that are in Best Value intervention and/or in receipt of Exceptional Financial Support, proposals must additionally demonstrate how reorganisation may contribute to putting local government in the area as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable.'

Criterion 2f also states ‘In general, as with previous restructures, there is no proposal for council debt to be addressed centrally or written off as part of reorganisation. For areas where there are exceptional circumstances where there has been failure linked to capital practices, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation.’ **The Government is setting out its specific approach to the treatment of Thurrock’s debt, given the significant unsupported debt held by the Council – further detail on this is at Annex B. Given the scale of the challenge, and in the context of this approach, we would continue to welcome further detail on how the ability to manage debt compares across different options you are developing, as per criterion 2f. More information on how options will meet the financial sustainability criteria would be helpful, including the risks of disaggregation and the approach to the management of debt.**

3. In some of the options you are considering populations that would be above or below 500,000. As set out in the Statutory Invitation guidance and in the English Devolution White Paper, we outlined a population size of 500,000 or more. This is a guiding principle, not a hard target – we understand that there should be flexibility, especially given our ambition to build out devolution and take account of housing growth, alongside local government reorganisation. **All proposals, whether they are at the guided level, above it, or below it, should set out the rationale for the proposed approach clearly.**
4. The criteria ask that consideration should be given to the impacts for crucial services such as social care, children’s services, SEND and homelessness, and for wider public services including for public safety (see criterion 3). **You set out that you are considering the impact on public services. For any options where there is disaggregation, further detail will be helpful on how the different options might impact on these services and how risks can be mitigated (see criterion 3). You also refer to thinking on different models for sustainability of care services; it would be very helpful to have further information on those.**
5. We welcome the steps you have taken to come together to prepare your proposal, as per criterion 4.
  - a. **Effective collaboration between all councils will be crucial; we would encourage you to continue to build strong relationships and agree ways of working, including around effective data sharing. This will support the development of a robust shared evidence base to underpin final proposal(s).**

- b. It would be helpful if in final proposal(s), you continue using the same assumptions and data sets as you have in the interim plan.**
- c. It would be helpful if your final proposal(s) set out how the data and evidence support all the outcomes you have included, and how well they meet the assessment criteria in the invitation letter.**
- d. You may wish to consider an options appraisal that will help demonstrate why your proposed approach in the round best meets the assessment criteria in the invitation letter compared to any alternatives.**

### **Response to your requests for support from government**

Please see below our response to the specific barriers and challenges that were raised in your interim plan.

#### **1. Direct ministerial engagement with Leaders**

You asked for ongoing ministerial engagement with Leaders to ensure discussions are held directly with key decision-makers, providing confidence that resources are effectively directed.

We are committed to supporting all invited councils equally while they develop their proposal(s). Rebecca Griffith has been appointed as your MHCLG point person and is ready to engage with the whole area and support your engagement with government.

#### **2. Audit and due diligence risk management**

You raised issues of managing audit and due diligence risks, highlighting the high risk in a system with fifteen bodies and the need to address unexpected financial pressures due to audit system failures.

It would be helpful to see in your final proposal(s) a consideration of financial sustainability both through the period to the creation of new unitary council(s) as well as afterwards, including risk management and any anticipated due diligence costs.

#### **3. Capacity funding support**

You asked for capacity funding support from the government to cover the costs of preparatory work, estimated between £5m to £7.5m, acknowledging these costs come on top of existing service pressures.

£7.6 million will be made available in the form of local government reorganisation proposal development contributions, to be split across the 21 areas. Further information will be provided on this funding shortly.

#### **4. Clarity about criteria – including the population threshold**

You asked about clarity on the application of criteria, including the population threshold, to ensure efforts are not wasted on business cases that do not meet baseline criteria.

We recognise and welcome the aim to produce a single submission and have included a criterion for local government to be the right size to achieve efficiencies, improve capacity and withstand financial shocks. However, this is not a decision point, so we are not able to direct you towards a position on which of your emerging options you should pursue. As set out in the Statutory Invitation guidance and in the English Devolution White Paper, we outlined a population size of 500,000 or more. This is a guiding principle, not a hard target – we understand that there should be flexibility, especially given our ambition to build out devolution and take account of housing growth alongside local government reorganisation. All proposals, whether they are at the guided level, above it, or below it, should set out the rationale for the proposed approach clearly.

#### **5. Speed of decision-making**

You asked for speed in government decision-making, requesting timely decisions and feedback to enable efficient progress across a complex geography.

This is our feedback to support you to develop your final proposal(s). Rebecca Griffith has been appointed as your MHCLG point person and will be ready to engage with the whole area, to enable this work to continue at pace.

#### **6. Discussions with other government departments**

You asked for access to and facilitation of discussions with other government departments, emphasising the importance of direct communication with key departments to test operating models.

Rebecca Griffith, your MHCLG point person, will be able to support your engagement with other government departments, and MHCLG colleagues will continue to work with HMT on issues regarding debt in Thurrock.

#### **7. Parameters of discussions on public sector boundaries**

You asked about the parameters of discussions on public sector boundaries, seeking to understand the government's appetite for rationalising boundaries and aligning them with longer-term ambitions.

We welcome the desire to maximise the opportunity for public service reform, and it would be helpful for you to provide more details on your plans so we can explore how best to support your efforts.

## **8. Inspection furlough**

You asked for an inspection furlough for core services that have been inspected in the last eighteen months without significant issues, to focus on formulating proposals and operating models for new unitaries.

We recognise the additional demands on councils during reorganisation. However, it would be inappropriate to furlough inspections and assessments. Inspectorates are independent of central government and set their own timelines and frameworks. Inspectorates and regulators (such as Ofsted and the CQC) are a vital part of accountability, and support improvement for the benefit of local people. We will seek to work with them to ensure that they are well-informed of local government reorganisation and devolution processes and they can, at their discretion, factor them into their independent plans. For example, by tailoring or scheduling inspections and assessments to support local government reorganisation.

## **9. Debt**

You asked about the treatment of debt, particularly for Thurrock, to ensure new unitary councils are not unfairly burdened by legacy debt, and to discuss potential tax rises to support Council Tax equalisation. We note the desire for clarity and further discussions around the area's debt position. We have set out the Government's approach to Thurrock Council's debt as detailed at Annex B.

Given the scale of the challenge, and in the context of this, we continue to welcome further detail on how the ability to manage debt compares across different options you are developing, as per criterion 2f.

This could include for example, projections of unitaries' core funding, operational budget, debt servicing costs (MRP and interest), General Fund debt/CFR, and the contribution of transformation/efficiencies.

## **10. Funding reforms**

You asked for temporary protection from any negative impacts of the government's proposed funding reforms during the transition period, seeking stability to accommodate financial adjustments.

Government recently consulted on finance reforms and confirmed that some transitional protections will be in place to support areas to their new allocations.

Further details on finance reform proposal(s) and transition measures will be consulted on after the Spending Review in June.

We are open to discussing assumptions further if we can assist in financial planning.

**11. Request for a dedicated civil service official to be involved in Essex discussions.**

You asked for the involvement of a senior civil servant in discussions, suggesting that their real-time guidance would be beneficial for progressing with the complex reorganisation.

Rebecca Griffith has been appointed as your MHCLG point person and will be ready to engage with the whole area and support your engagement with government.

**ANNEX A: Detailed feedback on asks for interim plan**

<b>Ask – Interim Plan</b>	<b>Feedback</b>
<p>Identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.</p> <p>Relevant criteria:</p> <p>1) A proposal should seek to achieve, for the whole of the area concerned, the establishment of a single tier of local government.</p> <p>1c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement.</p> <p>1d) Proposals should describe clearly the single tier local government structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.</p> <p>and</p> <p>2 a-f) Unitary local government must be the</p>	<p>We welcome the initial thinking on the options for local government reorganisation in Greater Essex and recognise that this is subject to further work. We note the local context and challenges outlined in the proposals and the potential benefits that have been identified for the options put forward. Your plan sets out your intention to undertake further analysis, and this further detail and evidence, on the outcomes that are expected to be achieved of any preferred model, would be welcomed.</p> <p>For the final proposals, each council can submit a single proposal for which there must be a clear single option and geography and as set out in the guidance we would expect this to be for the area as a whole; that is, the whole of the area to which the 5 February invitation was issued.</p> <p>You may wish to consider an options appraisal against the criteria set out in the letter to provide a rationale for the preferred model against alternatives.</p> <p>As per criterion 1d, proposal(s) should describe clearly the footprint of single tier local government structures that are being put forward for the whole area.</p> <p>Proposals should be for a sensible geography which will help to increase housing supply and meet local needs, including future housing growth plans. All proposals should set out the rationale for the proposed approach.</p> <p>Given the financial pressures you identify it would be helpful to understand how efficiency savings have been considered alongside a sense of place and local identity.</p> <p>We recognise that the options outlined in the interim plans are subject to further development. In final proposal(s) it would be helpful to include a high-level financial assessment which covers transition costs and overall forecast operating costs of the newew unitary councils.</p>

<p>right size to achieve efficiencies, improve capacity and withstand financial shocks.</p> <p>and</p> <p>3 a-c) Unitary structures must prioritise the delivery of high-quality and sustainable public services to citizens.</p>	<p>We will assess final proposal(s) against the criteria in the invitation letter. Referencing criteria 1 and 2, you may wish to consider the following bullets:</p> <ul style="list-style-type: none"> <li>• high level breakdowns, for where any efficiency savings will be made, with clarity of assumptions on how estimates have been reached and the data sources used, including differences in assumptions between proposal(s)</li> <li>• given the financial pressures you identify, it would be helpful to understand how efficiency savings have been considered alongside a sense of place and local identity</li> <li>• information on the counterfactual against which efficiency savings are estimated, with values provided for current levels of spending</li> <li>• in your final proposal(s) further detail would be helpful on potential service transformation opportunities and invest-to-save projects from unitarisation across a range of services e.g. for front line services, and whether different options provide different opportunities for back-office efficiency savings</li> <li>• a clear statement of what assumptions have been made and if the impacts of inflation are taken into account</li> <li>• a summary covering sources of uncertainty or risks, with modelling, as well as predicted magnitude and impact of any unquantifiable costs or benefits</li> <li>• where possible, quantified impacts on service provision, as well as wider impacts</li> </ul> <p>We recognise that the interim plan setting out the financial assessment is subject to further work. Referencing criteria 1 and 2, the bullets below indicate where further information would be helpful across all options:</p> <ul style="list-style-type: none"> <li>• additional data and evidence to set out how your final proposal(s) would enable financially viable councils and better public services across the whole area, including identifying</li> </ul>
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	<p>which option best delivers value for money for council taxpayers</p> <ul style="list-style-type: none"> <li>• further detail on potential finances of new unitaries, for example, funding, operational budgets, potential budget surpluses/shortfalls, total borrowing (General Fund), and debt servicing costs (interest and MRP); and what options may be available for rationalisation of potentially saleable assets</li> <li>• clarity on the assumptions underpinning any modelling e.g. assumptions of future funding, demographic growth and pressures, interest costs, Council Tax, savings earmarked in existing councils' MTFS</li> <li>• financial sustainability both through the period to the creation of new unitary councils as well as afterwards</li> <li>• given the scale of the financial challenges facing Thurrock, we would welcome further detail on how the ability to manage debt compares in each of the different options. Likewise, more information on how you will meet the financial sustainability criteria would be helpful, including the risks of disaggregation as well as the approach to local management of debt. Relevant commissioners should be engaged on these discussions</li> </ul> <p>In reference to criterion 2, it would be helpful to provide evidence how options would produce sensible economic areas and would not create undue advantage or disadvantage across an area. This may consider the spread of wealth/deprivation across an area.</p> <p>In reference to criterion 3 we would welcome more information on how each option would deliver high-quality and sustainable public services or efficiency saving opportunities.</p> <p>We welcome the thinking you have already begun around mitigating risk regarding social care, the engagement you have undertaken with Integrated Care Boards, the facilitating of discussions with key</p>
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	<p>decision-makers, and the thinking around the impact different local government reorganisation models will have on social care.</p> <p>For proposals that would involve disaggregation of services, we would welcome further details on how services can be maintained where there is fragmentation, such as social care, children’s services, SEND, homelessness, and for wider public services including for public safety. Under criterion 3c you may wish to consider:</p> <ul style="list-style-type: none"> <li>• what would the different options mean for local services provision, for example: <ul style="list-style-type: none"> <li>• do different options have a different impact on SEND services and distribution of funding and sufficiency planning to ensure children can access appropriate support, and how will services be maintained?</li> <li>• what is the impact on adults and children’s care services? Is there a differential impact on the number of care users and infrastructure to support them from the different options?</li> <li>• what partnership options have you considered for joint working across the new unitaries for the delivery of social care services?</li> <li>• do different options have variable impacts as you transition to the new unitaries, and how will risks to safeguarding be managed?</li> <li>• do different options have variable impacts on schools, support and funding allocation, and sufficiency of places, and how will impacts on schools be managed?</li> <li>• what are the implications for public health, including consideration of socio-demographic challenges and health inequalities within any new boundaries and their implications for current and future health service needs. What are the implications for how residents access services and service delivery for populations most at risk? How will public health expertise and intelligence be embedded?</li> </ul> </li> </ul>
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	<p>Further detail would be welcomed on what opportunities for wider public service reform are enabled by the options.</p> <p>We have set out Government’s position on Thurrock Council’s debt at Annex B.</p>
<p>Include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.</p> <p>Relevant criteria:</p> <p>2) Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.</p> <p>2d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.</p>	<p>As per criterion 2, the final proposal(s) should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.</p> <p>As Thurrock has received exceptional financial support, proposal(s) must additionally demonstrate how reorganisation may contribute to putting local government in the area as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable (as per criterion 2e).</p> <p>We have set out Government’s approach to Thurrock Council’s debt at Annex B. Given the scale of the challenge, and in the context of this approach, we would continue to welcome further detail on how the ability to manage debt compares across different options you are developing, as per criterion 2f.</p> <p>Specifically:</p> <ul style="list-style-type: none"> <li>• we recommend providing detailed analysis on expected transition and/or disaggregation costs and potential efficiencies of each option. In addition, it would be helpful to include clarity on methodology, assumptions, data used, what year these may apply and why these are appropriate</li> <li>• where it has not been possible to monetise or quantify impacts, we recommend providing an estimated magnitude and likelihood of impact</li> <li>• please summarise any sources of risks, uncertainty and key dependencies related to the modelling and analysis</li> </ul>

	<p>We welcome the joint work you have done to date and recommend that final options and proposal(s) should use the same assumptions and data sets or be clear where and why there is a difference (linked to criterion 1c).</p>
<p>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 decision-making 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.</p> <p>Relevant criteria:</p> <p>6) New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.</p>	<p>We welcome the early views you have provided for councillor numbers, which we will be sharing with the Local Government Boundary Commission for England. You have indicated that, for the five unitary option, each unitary would have 60-90 members. It would be helpful to include consideration of the likely number of councillor numbers required for your final proposal(s).</p> <p>New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.</p> <p>Additional details on how the community will be engaged, specifically how the governance, participation and local voice will be addressed to strengthen local engagement and democratic decision-making, would be helpful.</p> <p>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.</p>
<p>Include early views on how new structures will support devolution ambitions.</p> <p>Relevant criteria:</p> <p>5a-c) New unitary structures must support devolution arrangements.</p>	<p>We note you are considering the best unitary structures to enhance the capabilities of a new Mayoral Strategic Authority (MSA).</p> <p>We also note the interim plan has the full support and has been signed off by Roger Hirst, the Police, Fire &amp; Crime Commissioner for Essex. We would welcome continued engagement with the PFCC as you develop your final proposal(s).</p> <p>Further detail would be welcome in all plans on how the proposed new structures would support</p>

	<p>arrangements for the proposed Greater Essex Mayoral Strategic Authority (MSA) area.</p> <p>We would recommend collaboration and data sharing with partners across the proposed Greater Essex MSA area, to work towards local government reorganisation proposal(s) that will enable a sensible solution for all areas in the context of the proposed MSA.</p> <p>Across all proposals, looking towards a potential future MSA, it would be beneficial to provide an assessment that outlines if there are benefits and disadvantages in how each option would interact with an MSA and best benefit the local community, including meeting devolution statutory tests.</p> <p>More detail would be welcome on the implications of the various local government reorganisation options for the timelines and management of devolution across the Greater Essex area. While we cannot pre-judge devolution decisions, we are happy to discuss further any eventual transition period as the new unitary authorities and potential MSA are established.</p> <p>To note, an MSA is the same as a Mayoral Combined Authority or Mayoral Combined County Authority.</p>
<p>Include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.</p> <p>Relevant criteria:</p> <p>6) New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.</p> <p>a) Proposals will need to explain plans to make sure</p>	<p>We welcome your update against criterion 6, setting out your engagement thus far, and note the full engagement plan you have in development. It is for you to decide how best to engage locally in a meaningful and constructive way with residents, voluntary sector, local community groups and councils, public sector providers, such as health, police and fire, and local businesses to inform your final proposal(s).</p> <p>For proposals that involve disaggregation of services, you may wish to engage in particular with those residents who could be affected. It would be helpful to see detail that demonstrates how local ideas and views have been incorporated into the final proposal(s).</p>

<p>that communities are engaged.</p> <p>b) Where there are already arrangements in place it should be explained how these will enable strong community engagement.</p>	
<p>Set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.</p> <p>Relevant criteria:</p> <p>2d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.</p>	<p>At this stage, you have only provided a single high-level figure of between £5m and £7.5m.</p> <p>Further clarity on how you arrived at the estimated costs and more detail on the underlying assumptions and data that have informed this figure would also be helpful, as the £7.6 million we are making available for local government reorganisation development contributions is to be split across the 21 areas. Further information will be provided on this funding shortly.</p>
<p>Set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with</p>	<p>We welcome the ways of working together you have outlined in the interim plan (see criterion 4).</p> <p>Specifically, we welcome your establishment of four working groups focused on VFM, quality public services, identity &amp; community, and supporting devolution.</p> <p>We recommend that your final proposal(s) should use the same assumptions and data sets or be clear where and why there is a difference.</p>

those key decisions that will affect the future success of any new councils in the area.

Relevant criteria:

4 a-c) 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.

**ANNEX B: Government's current position on the treatment of Thurrock Council's debt**

1. The Government accepts that Thurrock Council holds significant unsupported debt that cannot be managed locally in its entirety.
2. The Government is committed to providing an initial tranche of financial support for debt repayment for Thurrock Council in 2026-27, ahead of the implementation of reorganisation in Greater Essex.
3. The Government would need to consider the terms of any financial support for debt repayment in relation to assurance over the Council's financial position, the Council's continued commitment to reduce the debt locally within their capacity, overall Value for Money for the local and national taxpayer, and how any financial support could be implemented in the context of specific reorganisation proposals from Greater Essex.
4. As per the guidance accompanying the statutory invitation, proposals should ensure that criterion (2f)<sup>1</sup> is fully considered.

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<sup>1</sup> Criterion 2f: "In general, as with previous restructures, there is no proposal for council debt to be addressed centrally or written off as part of reorganisation. For areas where there are exceptional circumstances where there has been failure linked to capital practices, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation."