

Local Government Reorganisation Update



Report to:	Cabinet
Date:	12 June 2025
Portfolio Holder:	Councillor Michael Hardware, Portfolio Holder for Local Government Reorganisation and Devolution
Lead Officer:	James Gardner, Managing Director
Key Decision:	No
Forward Plan:	Forward Plan number I018290
Call In:	This item is not subject to call in procedures
Corporate Mission:	Transform our council
Wards Affected:	None specifically

Executive Summary

- A** In respect of the corporate mission to ‘transform our council’, the Building Harlow’s Future plan states that the council will “*champion Harlow’s interests in the local government reorganisation*” to ensure that “*the town emerges in a position of strength and influence*”.
- B** This report provides Cabinet with an update on the work ongoing across all local authorities across Essex in respect of local government reorganisation and Harlow Council’s role within that work.

Recommended that Cabinet:

- A** Notes the update on Local Government Reorganisation for Greater Essex and the Interim plan feedback: Essex, Southend-on-Sea and Thurrock from the Ministry of Housing, Communities and Local Government (MHCLG), as set out in Appendix A to the report.
- B** Endorses Harlow Council’s continued participation with the production of Business Case A and Business Case B.

Reason for decision

- A** In respect of the corporate mission to ‘transform our council’, the Building Harlow’s Future plan states that the council will “*champion Harlow’s interests in the local*

government reorganisation” to ensure that “the town emerges in a position of strength and influence”.

- B** To ensure that the council meets required timelines for a final submission by 26 September 2025, in line with guidance provided by the Government.

Other Options

- A** Submit a competing proposal: Although the Government encourages local authorities to collaborate, there is no restriction on submitting competing proposals. In such cases, the Secretary of State may select one proposal for consultation or may consult on multiple proposals before deciding which one to advance.
- B** Consider active participation with development of only one of the Business Cases being developed: This approach would limit Harlow’s ability to inform the different options being considered and would limit representation of the town and its specific requirements and ambitions.

Background

1. In respect of the corporate mission to ‘transform our council’, the Building Harlow’s Future plan states that the council will *“champion Harlow’s interests in the local government reorganisation”* to ensure that *“the town emerges in a position of strength and influence”*.
2. In December 2024, the Government set out its English Devolution White Paper which proposed a radical overhaul to local government in England. The White Paper focussed on both devolution and local government reorganisation. Devolution means the creation of a Mayoral Combined Authority for Essex with a directly elected Mayor with powers devolved from Government as has been done across the country. Local government reorganisation refers to the unitarisation of councils by aggregating district councils together and disaggregating Essex County Council so that residents are served by one unitary authority.
3. The White Paper included the creation of the Devolution Priority Programme which would identify those areas which would see fast-tracked devolution and local government reorganisation. The Government asked for upper-tier authorities which wished to be considered to be on the priority programme to make a formal submission.
4. Following the submissions by Essex County Council, Thurrock, and Southend-on-Sea Unitary Councils on 10 January 2025 to join the Government’s new Devolution Priority Programme and commit to local government reorganisation, the Deputy Prime Minister announced on 5 February 2025 the inclusion of 'Greater Essex' in the Priority Programme.
5. An invitation from local government reorganisation for Greater Essex outlined the criteria for assessment, guidance for proposal development, and the timeline.

6. Councils are required to submit a final proposal by 26 September 2025, and an Interim Plan was submitted ahead of the deadline date of 21 March 2025, detailing progress towards a final proposal. The Interim Plan was endorsed by Cabinet on 19 March 2025 alongside all local authorities in Greater Essex.
7. On 7 May 2025, the Greater Essex local authorities received feedback to the Interim Plan from the Ministry of Housing, Communities and Local Government (MHCLG), and this can be reviewed in Appendix A. Both senior officers and members from all Greater Essex local authorities met with officials from MHCLG to review the feedback and ask further questions about the Government's response to the Interim Plan.
8. The non-binding feedback is intended to support councils in developing their final proposals, which must present a single preferred option for the entire area.
9. As part of the feedback, the Government *“removed the reference to benchmarking against 500k, as it was only intended to be illustrative”* as MHCLG officials *“recognise it does not neatly align with the options under development in some areas”*.
10. A summary of the feedback is as follows:
 - a) Evidence and Clarity Required - Final proposals must be underpinned by robust data, including:
 - Clear geography of proposed unitary authorities
 - Expected outcomes and benefits
 - Financial modelling and cost/benefit analysis
 - Local engagement evidence
 - b) Financial Sustainability - Proposals must demonstrate how reorganisation will:
 - Improve financial resilience across the area
 - Address Thurrock's exceptional debt (see Annex B)
 - Manage transition and disaggregation costs
 - Government funding of £7.6 million will be shared across 21 areas to support proposal development.
 - c) Impact on Public Services - Detailed analysis is required on how reorganisation will affect:
 - Social care
 - Children's services and SEND
 - Homelessness and public safety
 - How Risks of service fragmentation will be addressed
 - d) Collaboration and Governance - Councils are encouraged to:
 - Maintain strong collaboration
 - Use consistent data and assumptions

- Consider councillor numbers and governance models that support local representation and neighbourhood empowerment
- e) Devolution and Strategic Alignment - Proposals should support the development of a Greater Essex Mayoral Strategic Authority (MSA):
- Engagement with the Police, Fire & Crime Commissioner and other partners is encouraged
- f) Population Threshold - The government has outlined a population size of 500,000 or more as a guiding principle for new unitary authorities. This figure is not a hard target, but rather a flexible benchmark intended to:
- Support efficiency
 - Improve capacity
 - Enhance resilience to financial shocks
- g) The government recognises that some of the options being considered may involve populations above or below 500,000. Councils are encouraged to:
- Clearly justify the rationale for any proposed population size
 - Explain how the proposed structure will still meet the criteria for effective governance and service delivery
 - Consider future housing growth and devolution ambitions in their planning
- h) All final proposals must:
- Provide a clear rationale for the chosen population size
 - Demonstrate how the proposed structure will deliver value for money, service quality, and local identity
 - Align with the broader goals of local government reorganisation and devolution
- i) Community Engagement - Final proposals must show how local communities, including those affected by service disaggregation, have been engaged and their views incorporated.

Issues/Proposals

11. Greater Essex's local authorities are collaboratively working on proposals for submission, with two business cases now in active development; these are named Business Case A and Business Case B. Harlow council is, at present, actively participating with both business cases.
12. It is likely that these will represent two separate submissions to Central Government.
13. Business Case A is being developed by the large majority of local authorities which proposes five new unitary authority areas.

14. These areas vary in size and propose a unitary authority area for Harlow that would bring together the geography and populations of Harlow District Council, Epping Forest District Council and Uttlesford District Council.
15. The Business Case A group have invited all fifteen local authorities within Greater Essex to participate in briefings and update sessions to provide transparency and a collaborative approach.
16. Business Case B is being developed by far fewer councils.
17. The participation in Business Case B (over Business Case A) has elected to understand the benefits and limitations of the different options of unitary authority areas before selection for a final proposal can be determined.
18. Business Case B is currently considering options for the number of unitary authorities that include two, three, four or five final geographical and population areas.
19. These potential areas will be considered against an options appraisal methodology to establish a final proposed configuration.
20. The options appraisal will utilise several data sources and projections that consider the following:
 - a) **Scale and Value for Money:** to ensure that our new structures can deliver great services and securing good outcomes at best value to taxpayers.
 - b) **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.
 - c) **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.
 - d) **Supporting Devolution:** to ensure that the new arrangements we put in place dovetail with the new Greater Essex Combined County Authority (GECCA) and enable us to capture the benefits of undertaking both fundamental change activities simultaneously.
21. Business Case A and Business Case B are likely to be submitted as separate propositions to MHCLG, rather than as separate annexes to one overall submission.
22. Considering this, Essex Leaders and Chief Executives (ELCE) have agreed on the importance of collaboration being maintained across all authorities during this part of the process.
23. This is also consistent with MHCLG feedback on the initial business case, which asked authorities in an area, even if working on different business cases, to continue to use a shared evidence base and shared assumptions where possible. This will help

strengthen the robustness of business cases and will also give Government a stronger basis for assessing and comparing business cases.

24. Collaboration between Business Cases A and B will be maintained by:
 - Continuing to share and jointly assess the relevant evidence – which on the financial side will be co-ordinated through the Essex Finance Officers Association (EFOA);
 - Having joint sessions on the main policy workstreams with subject matter experts;
 - Jointly commissioning work on underpinning evidence; and
 - Co-ordinating an approach to communications and engagement across the business cases.
25. ELCE has also commissioned support from a specialist consultancy named Newtrality to act as a critical friend for the Local Government Reorganisation programme and they will work with both Business Case A and Business Case B to review and help strengthen the business cases ahead of final submission.
26. Both businesses cases are now progressing, with several data sources being reviewed against the required criteria.
27. A resident survey that will be used for a county-wide engagement process has been drafted, with feedback from authorities being considered currently ahead of the final question set being finalised.
28. Once completed, the survey will be distributed to residents for completion with findings informing strategic narrative, options appraisals and final proposals.
29. The Portfolio Holder for Local Government Reorganisation and Devolution will bring a further update on the development of the final proposal to the Cabinet meeting in July 2025.
30. The full and final proposal will be brought before Full Council by the Leader of the Council ahead of the final submission date.

Implications

Equalities and Diversity

There are no direct implications at this stage.

Climate Change

There are no direct implications at this stage.

Finance

Essex Finance Officer Association (EFOA) of Essex finance leaders and Section 151 Officers meet on a regular basis to share and support information for the production of both business cases.

Harlow Council will continue to monitor resources required for Local Government Reorganisation alongside future budget setting cycles and set out within the medium term financial plan.

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Governance

The governance implications in terms of what is required next, and by when to stay on track with the LGR Programme are set out in the report. Future reports will include commentary on governance implications relevant for the stage in question as proposals develop.

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Appendices

Appendix A – MHCLG feedback to Interim Plan

Background Papers

Building Harlow's Future plan

English Devolution White Paper – Ministry for Housing, Communities and Local Government

Glossary of terms/abbreviations used

LGR – Local Government Reorganisation

MHCLG – Ministry for Housing, Communities & Local Government

ELCE – Essex Leaders and Chief Executives