

COUNCIL

11 MARCH 2025

REPORT OF THE CHIEF EXECUTIVE

A.1 LOCAL GOVERNMENT REORGANISATION

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

This report sets out for Council an update in relation to Local Government Reorganisation, following the decision made by Council on 21 January 2025, and in readiness for the submission of an Interim Plan to Government by 21 March 2025, as formally required by the invitation from the Minister of State for Local Government and English Devolution to all Leaders of Councils in two-tier areas and Unitary Councils in Essex.

EXECUTIVE SUMMARY

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 committing to local government reorganisation, an announcement was made by the Deputy Prime Minister on 5 February 2025 confirming 'Greater Essex's' inclusion on the Priority Programme.

The Government has also legislated that the elections scheduled for May this year for Essex County Council and Thurrock Council would be suspended, as confirmed by the Local Authorities (Changes to Years of Ordinary Elections) (England) Order 2025.

On 5 February 2025, the Minister of State for Local Government and English Devolution wrote to Leaders of Councils in two-tier areas and Unitary Councils in Essex, formally inviting them, together with the other council leaders in the area, to develop a proposal for local government reorganisation. The formal invitation set out further detail on the criteria against which proposals will be assessed, guidance for the development of the proposals and the timeline for this process. The formal invitation is attached as Appendix A.

Councils will be expected to submit a final proposal on Local Government Reorganisation by 26 September 2025 and the formal invitation requires an Interim Plan to be provided to Government on or before 21 March 2025, setting out progress on developing proposals in line with the criteria and guidance. The level of detail that is possible at this stage may vary from place to place but the expectation is that one Interim Plan is jointly submitted by all councils in the area. It may be the case that the Interim Plan describes more than one potential proposal for the area, if there is more than one option under consideration. The invitation set out a list of matters the Interim Plan should cover as set out at (a) to (h) in Appendix A.

The Invitation stated, that the final proposals must be made by 26 September 2025, and have regard to the guidance from the Secretary of State set out in the Schedule to the invitation, and to any further guidance on responding to this invitation received from the Secretary of State. An authority responding to this invitation may either make its own proposal or make a proposal jointly with any of the other authorities invited to respond.

Guidance within the Schedule set out the Criteria for unitary local government (* relating to the final proposal) such as:

1. A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.
2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.
3. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.
4. 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.
5. New unitary structures must support devolution arrangements.
6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

The Interim Plan, as at Appendix B (to follow) sets out the progress made to date by Greater Essex's local authorities in developing proposals for local government reorganisation within the area. It has been developed by councils working collaboratively, both to explore new unitary structures, and the working arrangements required to enable the development of full reorganisation proposals, in the interests of local residents.

The development of Local Government Reorganisation (LGR) proposals is being led by Essex's local authority Leaders, through Greater Essex's Leaders and Chief Executives' Forum (which includes the Police, Fire & Crime Commissioner). All are committed to taking forward the joint work within the context of the Nolan principles—ensuring honesty, respect, integrity, accountability, openness, objectivity, and selflessness and have begun work on a vision for change.

Four working groups of political leaders and chief officers have been established, so far, to respond to the invitation from the Minister and to ensure that we marshal the evidence to support our business case collaboratively. These working groups are focused on:

- 1) **Scale and Value for Money**, to ensure that our new structures are capable of delivering great services and securing good outcomes at best value to taxpayers.
- 2) **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.
- 3) **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.
- 4) **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 of these fundamental change activities simultaneously.

Further working groups will be established around other priority topics as the programme develops.

At the meeting of the Essex Leaders and Chief Executive's forum on 28th February, all leaders agreed to support the Interim Plan finalised through their discussions being taken through each authority's formal governance arrangements.

Apart from initial details around the signatories to the Interim Plan, an overview of Greater Essex, the Interim Plan is structured under separate sections with the following headings:

- Section 1 – working together to develop proposals for reorganisation.
- Section 2 - working with others to develop and refine our proposals.
- Section 3 – emerging concepts for reorganisation.
- Section 4 – shaping LGR to support our devolution ambitions.
- Section 5 – the costs of mobilising change.
- Section 6 – support from government.

The response is structured covering the areas set by government but whilst each section references the relevant criteria as set out by the Minister in his formal invitation, they will not necessarily be referenced under the same headings.

All councils support the need for a robust evidence base, in accordance with the Government's criteria in order to help them decide how many unitary authorities are appropriate for Greater Essex. The evidence as to the best configuration is multi-dimensional, including:

- Financial sustainability
- Socio-demographics
- Geography (coastal, urban and rural)
- Economic corridors
- Travel corridors, such as work / home routes
- Communities and community clusters

The decision to agree the Interim Plan is an Executive Decision made by the Cabinet or Leader, although the views of all District Councillors can be sought and fed into the overall process. Through this report and the holding of the extra-ordinary meeting of Council, the views of all Councillors are being sought.

RECOMMENDATION(S)

It is recommended that Council:

- i) notes the update on Local Government Reorganisation for Greater Essex and the formal invitation, as set out in Appendix A;**
- ii) supports the opportunity for Full Council to provide its views through debate prior to the Leader making an Executive Decision on the Interim Plan setting out progress on developing proposals in line with the criteria and guidance;**
- iii) acknowledges the efforts of both the Leader and the Chief Executive in representing Tendring District Council on the development of the Interim Plan;**

- iv) subject to feedback through debate, endorses the direction of discussion on developing plans as set out in the Interim Plan, as set out in Appendix B; and
- v) welcomes the continuation of providing periodically, briefings to Members (and reports to this Council as necessary) as the agenda around devolution and local government reorganisation develops locally.

REASON(S) FOR THE RECOMMENDATION(S)

The Government's policy position for local government reorganisation has significant implications for this Council, the residents and businesses of the District and local Town and Parish Councils and those in unparished areas. Consequently, it is appropriate to enable all District Councillors to have this opportunity to consider the policy positions and intentions for the District and provide the Leader of the Council and Chief Executive with feedback prior to an Executive Decision being made by the Leader on the Interim Plan. As referenced in the consultation section of this report, before finalised plans for local government reorganisation are submitted (in the autumn) there would be an intention to consult more widely and thereby give an opportunity for residents, businesses and Town/Parish Councils to have their say as the proposals are developed further.

ALTERNATIVE OPTIONS CONSIDERED

Although Government encourages local authorities to work together there is nothing to stop competing proposals being submitted and, in that case, the Secretary of State can select one proposal for consultation or may consult on competing proposals before making a decision as to which is to be taken forward. However, the Invitation from the Minister (Appendix A) includes the following paragraphs, setting out a clear expectation:

“Developing proposals for reorganisation - We expect there to be different views on the best structures for an area, and indeed there may be merits to a variety of approaches. Nevertheless, it is not in council taxpayers’ interest to devote public funds and your valuable time and effort into the development of multiple proposals which unnecessarily fragment services, compete against one another, require lengthy implementation periods or which do not sufficiently address local interests and identities”.

The option of submitting an alternative Interim Plan submission was considered and discounted given the Government's criteria as set out in the formal invitation. It was further discounted in view of the healthy collaborative working between Leaders and Chief Executives of Councils in Greater Essex on this matter.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

This Council's Corporate Plan sets out its ambitions for the District of Tendring and the Council's services in the period 2024-28. The Council will continue to focus on delivering the Corporate Plan for that full term or until any new Unitary Council were to replace it.

At the heart of the Corporate Plan is the vitally important role of Community Leadership. Harnessing the power of partner organisations to address the socio-economic challenges of

the District and recognise the demographics of the population locally. Maintaining this community leadership role, continuing to deliver for the communities we serve and ensuring any successor Council is equally committed to these must be our shared endeavour in this coming period.

OUTCOME OF CONSULTATION AND ENGAGEMENT (including with the relevant Overview and Scrutiny Committee and other stakeholders where the item concerns proposals relating to the Budget and Policy Framework)

The local government reorganisation proposals in the White Paper would require extensive public consultation in due course. The White Paper also addressed devolution proposals and the Government has commenced consultation on those proposals for Greater Essex. These proposals centre on establishing a Mayoral Combined County Authority across Essex, Thurrock and Southend-on-Sea. The link to that consultation is here:
<https://www.gov.uk/government/consultations/greater-essex-devolution/greater-essex-devolution-consultation>

The focus of this report related to the imperative under the Devolution Priority Programme for initial proposals for local government reorganisation in Greater Essex to be submitted to Government by 21 March 2025. The holding of the extraordinary meeting of Council and submission of this report is to facilitate the involvement of all District Councils in discussions prior to the Leader making an Executive Decision in respect of the Interim Plan set out at Appendix B (to follow).

In addition to the work being led by Council leaders, engagement has been taking place with other partners across the Greater Essex system - including senior business leaders from across the county through the Greater Essex Business Board, the Chairs and CEOs of the three integrated Health and Care Partnerships (ICPs), our local MPs and the Essex Association of Local Councils which represents the Town and Parish Council sector.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	YES/NO	If Yes, indicate which by which criteria it is a Key Decision	<input type="checkbox"/> Significant effect on two or more wards <input type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	Formal notice of the intention of determining the Council's formal response to the invitation for initial proposals for local government reorganisation was given on 25 February 2025. This notice can be accessed here: Issue details - TDC's Formal Response to Local Government Reorganisation Initial Proposals Leader cannot make decision post 28 days; therefore an exemption will be required, prior to the Executive

Part 3 – Schedule 3 - Responsibility for Executive Functions:**RESPONSIBILITIES OF THE LEADER OF THE COUNCIL (Part 3.28)**

1. The Leader of the Council is responsible for the overall operation of the Council's portfolios through effective management of their Cabinet.
2. To ensure effective communication of Cabinet business including appropriate liaison with Overview and Scrutiny.
3. To be the leading voice of the Council on all executive functions and for overall policy.
4. To be the member representative for executive functions of the Council working with the Council's partners and stakeholders, on statutory bodies, the voluntary sector, the business community and other national and local organisations.
5. Ensure that their actions are taken in accordance with Section 3 below when making formal decisions.

Local Government Reorganisation:

Local government reorganisation is governed by Part 1 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act'). The Secretary of State can at any time invite proposals for unitary local government from local authorities and also has the power to direct authorities to submit proposals. The criteria against which proposals are to be judged can be set out in the invitation/direction. The law says that local authority boundaries may not cross police force boundaries but can otherwise be whatever best meets the criteria.

On 5 February 2025, the Secretary of State for Housing, Communities and Local Government, in exercise of her powers under Part 1 of the 2007 Act, formally invited any principal authority in the area of the county of Essex, to submit a proposal for a single tier of local government.

This may be one of the following types of proposal as set out in the 2007 Act:

- Type A – a single tier of local authority covering the whole of the county concerned
- Type B – a single tier of local authority covering an area that is currently a district, or two or more districts
- Type C – a single tier of local authority covering the whole of the county concerned, or one or more districts in the county; and one or more relevant adjoining areas
- Combined proposal – a proposal that consists of two or more Type B proposals, two or more Type C proposals, or one or more Type B proposals and one or more Type C proposals.

Greater Essex would fall under Type C.

The Invitation stated, proposals must be submitted in accordance with paragraphs 1 to 3:

- (1) Any proposal (*final) must be made by 26 September 2025.
- (2) In responding to this invitation an authority must have regard to the guidance from the Secretary of State set out in the Schedule to this invitation, and to any further guidance on responding to this invitation received from the Secretary of State.
- (3) An authority responding to this invitation may either make its own proposal or make a proposal jointly with any of the other authorities invited to respond.

Guidance within the Schedule set out the Criteria for unitary local government (* relating to the final proposal):

- A proposal should seek to achieve for the whole of the area concerned the

establishment of a single tier of local government.

- Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.
- Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.
- 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.
- New unitary structures must support devolution arrangements.
- New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

By virtue of the constitutional position in the UK, local government is created and reorganised by statute. In Essex it is unlikely that any of the 15 councils would continue to exist, and the new councils would be created in 'shadow form' the year before implementation.

The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:

The Monitoring Officer is the author of the Report. Attention, however, is drawn to the Interim Plan Submission being in direct response to the invitation from the Minister following acceptance onto the Government's Priority Programme. Further work will be required, as highlighted throughout this report and within the Interim Plan (to follow) with a number of decisions required following 21 March 2025, as more information and evidence becomes available.

FINANCE AND OTHER RESOURCE IMPLICATIONS

Based on historic experience elsewhere in the country, there are significant costs involved in both preparing for and implementing such Local Government reforms.

The cost of preparing a detailed business case to meet the current September deadline set out within this report, is estimated to be several million pounds. Such costs primarily reflect the need for additional capacity, including consultancy and external support and advice. However, it is important to highlight that seeking financial support from the Government to meet these costs will form a key 'ask' of the Government as part of the proposed interim plan submission. Although, subject to the outcome of the Government's consideration of the interim plan and the request for financial support, if there is any shortfall in funding then this will need to be met by contributions from across the various Essex Authorities as necessary. If contributions are required by the Council, then this will be considered as necessary, either as part of future financial performance reports or as separate standalone decisions.

In terms of implementation costs, these are likely to be in the order of tens of millions of pounds for the whole of the Greater Essex Area. However, work will remain ongoing over the coming months to better inform the position, which will in turn form part of the detailed business case for submission in September. Similarly to the 'ask' of Government highlighted above, representations will be made to the Government to seek the necessary financial support and flexibilities, which will form part of the associated decision making nearer the time.

Additional financial details relating to the impact of the proposed local government reforms are set out within the interim plan referred to elsewhere in this report. Once the interim plan is finalised, further updates can be provided ahead of or directly at the meeting as necessary. As highlighted above and within an earlier report, the required preparation and implementation

activities associated with Local Government reform are significant utilising internal and external resources, which would therefore have to be balanced against the need to continue to deliver Council Services on a 'business as usual basis', as well as delivering key priorities and projects.

Significant uncertainty would also be introduced in terms of financial planning over the coming years, which would therefore introduce challenges in terms of the Council's medium term financial plans, including cost pressures, savings and investment.

Within the above context, plans will need to be put in place to address the associated risks as part of the agreed way forward.

The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:

There are no significant comments over and above those set out elsewhere in this report, although it is worth highlighting that subject to the approach agreed, it may be helpful to learn from other local government areas that have recently gone through similar reorganisation processes, which in turn would likely help mitigate risks both financially and non-financially.

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	During this period, the Council will continue to apply its resources to secure the sustainability of its services to the public.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	During this period, the Council will apply its usual robust approach to decision-making and consideration of risks.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	During this period, the Council will continue to apply value for money considerations to all decisions it takes.

MILESTONES AND DELIVERY

Tendring District Council timelines:

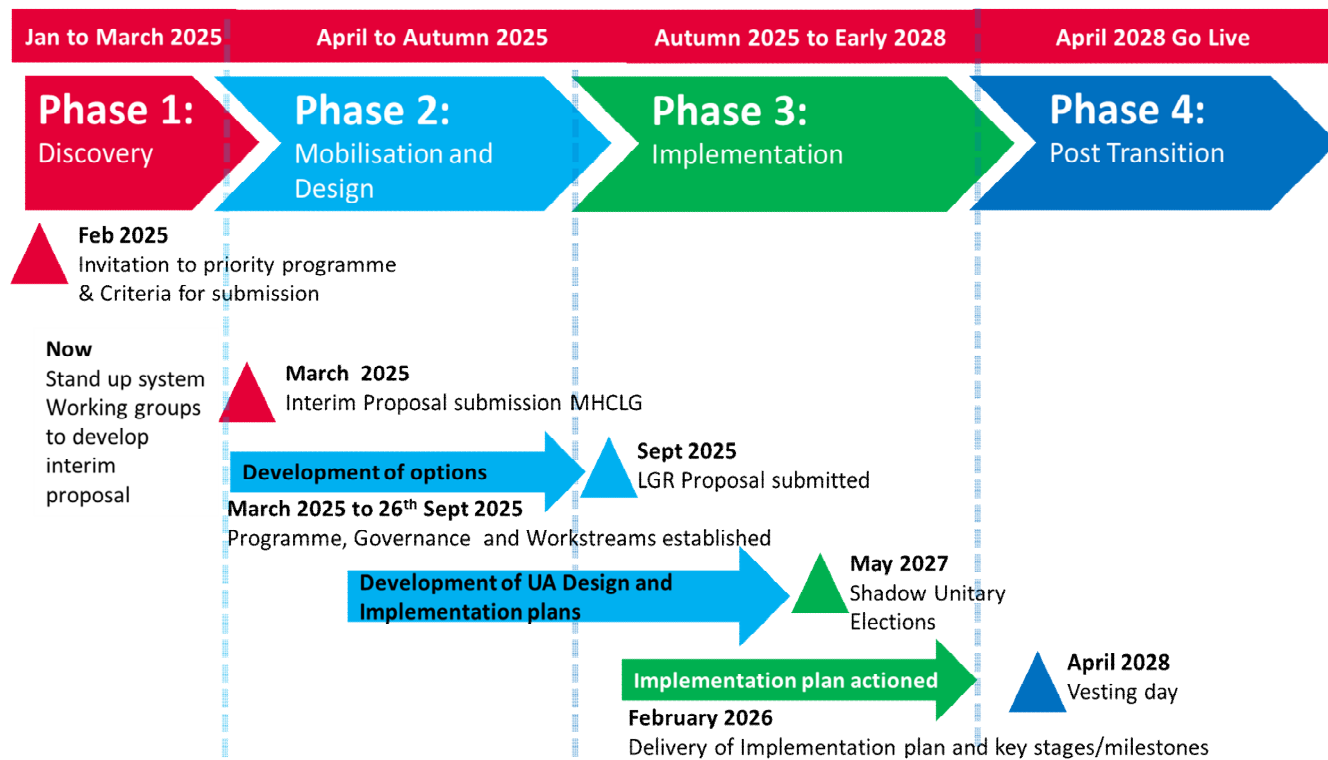
11 March 2025: Full Council to provide comments to the Leader ahead of any decision to support the Interim Plan submission on behalf of Greater Essex.

Prior to 21 March 2025: Leader produces an Executive Decision in respect of the Interim Plan submission for Greater Essex on behalf of Tendring District Council. In order to ensure that the Leader is able to act on any decision ahead of the 21 March 2025 deadline it is likely to require an exemption from call-in. This predicament arises from the wish to hold the extraordinary meeting of Council on 11 March.

MHCLG to provide feedback on the plan to help support develop final proposals.

26 September 2025 – Full plans for local government reorganisation to be submitted to Government.

It is recognised that there is more extensive and detailed work to be undertaken between now, the September submission of the full business case, and preparing for and transitioning into new Councils. The indicative timeline and high-level milestones through to April 2028 are set out below.



ASSOCIATED RISKS AND MITIGATION

The associated risks and mitigation for Local Government Reorganisation generally were covered in the report to Full Council in January 2025, which is included at Appendix C to this report for reference and are not repeated here.

In relation to the Interim Plan proposal, there is a risk that not all Councils within Essex will agree with its content, however this is covered elsewhere in the report, in that Government will decide what will happen in such circumstances.

Within Essex Leaders and Chief Executives, 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.

Government, through the invitation, has requested areas where additional support could be provided. There is an inherently high risk in a system with fifteen bodies, that the process of due diligence through to vesting day, will result in unexpected financial pressures. The Interim Plan submission will set out areas where support is required and the reasons why.

EQUALITY IMPLICATIONS

The Council is subject to the Public Sector Equality Duty, which applies in Great Britain and requires public authorities to have due regard to certain equality considerations when exercising their functions, including making decisions. If local government reorganisation results in new Unitary Councils, the duty will apply to those.

SOCIAL VALUE CONSIDERATIONS

The Public Services (Social Value) Act came into force on 31 January 2013. It requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. If local government reorganisation results in new Unitary Councils, the requirement will apply to those.

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050

In respect of devolution, one function of a Strategic Authority would be in respect of collaboration by that Authority with Government, including on the Great British Energy's Local Power Plan and Warm Homes Plan. This in turn would influence progress with the Council's own net zero ambition (or the policy of a future successor Unitary Council).

OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

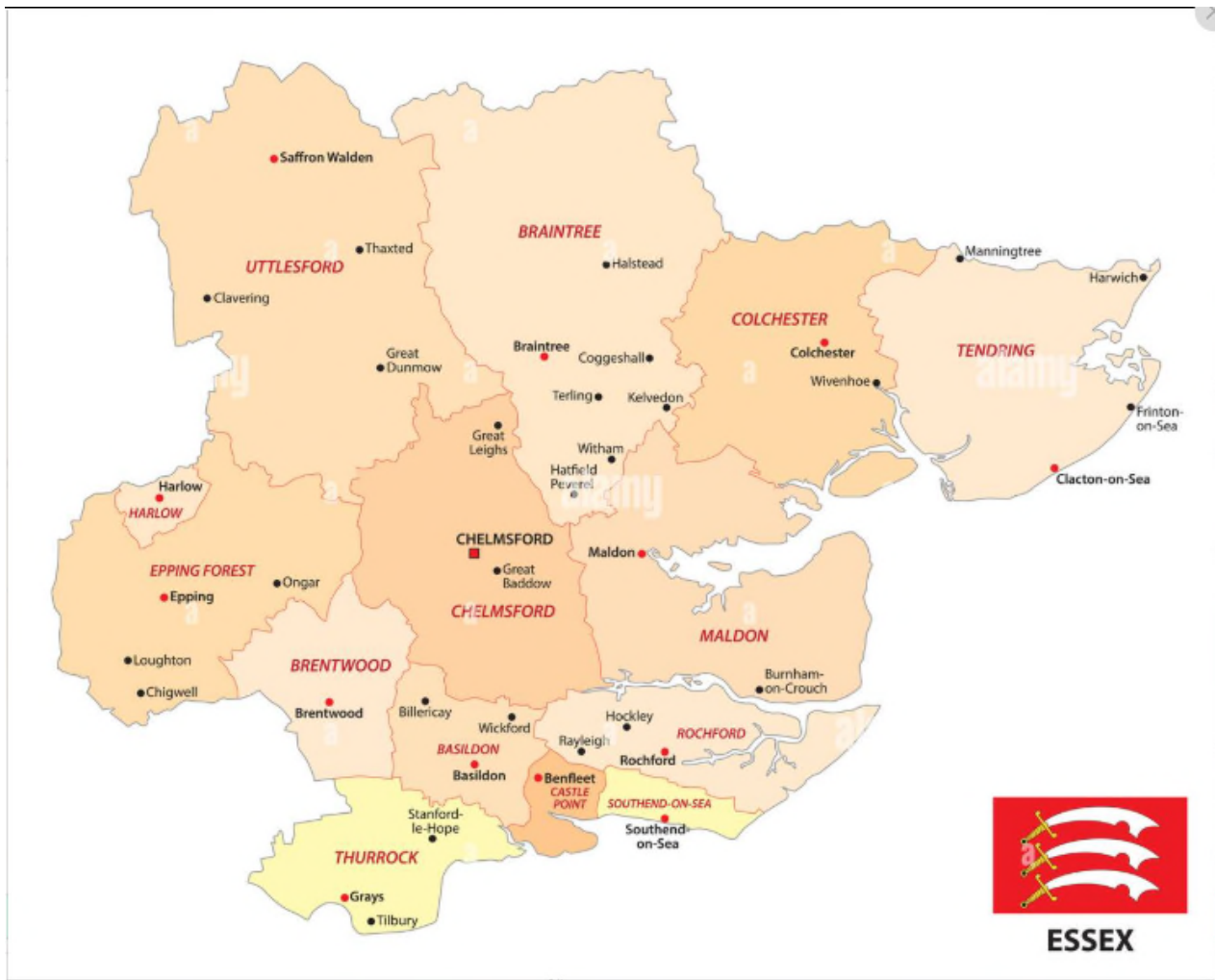
Crime and Disorder	One implication of establishing a new Mayoral-led Strategic Authority for the whole of Essex (including Thurrock and Southend-on-Sea) would likely be that Mayor's Office would take on the role of Police, Fire and Crime Commissioner for Essex Police Area.
Health Inequalities	The Interim Plan will set out how partners are working together across the area in respect of the health agenda.
Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	Not applicable.
Area or Ward affected	All wards

PART 3 – SUPPORTING INFORMATION

BACKGROUND

At its meeting in January 2025, Council had before it a detailed report of the Chief Executive (A.1) which set out for Council a summary of the Government's "English Devolution" White Paper published on 16 December 2024 in respect of its proposals in this policy area and the Government's intentions for local government re-organisation; including the relevant timelines for those two separate but parallel strands of Government policy. Associated with this was the potential deferral (at that time) of elections scheduled for May 2025 to May 2026 (initially) – now confirmed through legislation. This Report is attached as **Appendix C** for ease of reference.

The area of Essex County, Thurrock and Southend-on-Sea Councils is as follows:



PREVIOUS RELEVANT DECISIONS

Meeting of Full Council on 21 January 2025 (Minute No. 94) it was **RESOLVED** that Council –

- i) acknowledges work will continue to ensure that the District of Tendring is in the best possible position should devolution and/or local government reorganisation go ahead;
- ii) mandates the Leader of the Council and Chief Executive to seek to ensure that the voice of Tendring (and north Essex more generally) is as strong as possible in any negotiations around devolution and local government reorganisation recognising its opportunities and challenges;
- iii) recognises that Members and Officers will continue to deliver this Council’s best value and other statutory duties for the benefit of its residents, businesses and communities every day that it exists; and
- iv) welcomes the intention to provide periodically, briefings to Members (and reports to this Council as necessary) as the agenda around devolution and local government reorganisation develops locally.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

The 16 December 2024 Government White Paper on English Devolution and letter to Leaders

of Councils in two tier areas of the same date.

APPENDICES

Appendix A – Formal Invitation from the Minister of State for Local Government and English Devolution develop a proposal for local government reorganisation, setting out the criteria against which proposals will be assessed, guidance for the development of the proposals and the timeline for this process.

Appendix B – Draft Local Government Reorganisation in Essex, Southend-on-Sea and Thurrock: Interim Plan - **to follow**

Appendix C – Report to Full Council on 21 January 2025 in respect of Devolution and Local Government Reorganisation

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