LOCAL GOVERNMENT REORGANISATION CAMBRIDGESHIRE & PETERBOROUGH

Business Case for Greater Peterborough Mid Cambridgeshire & Greater Cambridge

PETERBOROUGH CITY COUNCIL

Agenda Item 6

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1. EXECUTIVE SUMMARY

Our Vision for the Future Councils for Cambridgeshire and Peterborough

Three Councils, One Future: Better local services and shared prosperity for all

This document sets out our vision for the future of local government in Cambridgeshire and Peterborough, with a proposal to create three new unitary councils for our region. Two of these councils will be anchored by one of our region's major cities—Cambridge and Peterborough—reflecting longstanding historic community connections, established travel patterns, public service footprints, transport infrastructure, and the distinctive, yet interdependent, local economies. Mid Cambridgeshire brings together a strong rural identity, shaped by market towns, agricultural heritage, and close-knit communities, offering a distinct opportunity to design services that reflect the needs and strengths of its geography and population. Each new unitary authority will assume full responsibility for the entire range of local government services.

These new unitary councils will become responsible for the full range of local government services and, through an ambitious programme of public service reform, will transform the way residents use services, so they deliver improved outcomes, financial sustainability and increased levels of trust in local government.

The Future of Local Government in England

The Government has a clear vision for the future of local government in England, set out in the **English Devolution White Paper** published in December 2024. Central to this vision is the drive for improved economic growth and more empowered local communities. The intention is to achieve these goals through a widening and deepening of devolution across all regions of England, and through the simplification of local council structures via a process known as 'Local Government Reorganisation' (LGR).

Local government in Cambridgeshire and Peterborough is currently provided through seven different councils – a unitary council for the City of Peterborough, and a two-tier system in Cambridgeshire with Cambridgeshire County Council responsible for some services like Adult Social Care and highways, and five district councils responsible for services such as waste collection and housing. Through LGR the Government wishes to abolish all two-tier council areas in England and replace them with unitary councils. Where two-tier areas also border existing unitary councils considered too small to be financially viable, the Government has requested that these also be included in plans for the replacement of two-tier council areas.

The Minister of State for Local Government and English Devolution wrote to all seven existing councils in Cambridgeshire and Peterborough on 5th February 2025 with a statutory invitation requesting proposals for reorganising local government in our region to be submitted by **28th November 2025**. As part of this request, the Government asked that proposals align to six main criteria:

1. **Economy and Housing:** Sensible economic areas; helping to increase housing supply and meet local needs.
2. **Financial resilience:** Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.
3. **Sustainable Public Services:** Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.
4. **Collaboration**: 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. **Devolution:** New unitary structures must support devolution arrangements.
6. **Democratic representation and community engagement:** New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

How we got here

The development of this proposal has been rooted in robust local collaboration and evidence gathering. All seven councils worked together to establish a shared evidence base, while the region's Leaders and Chief Executives considered multiple options for LGR. Following independent analysis, a shortlist of three options initially emerged (options A-C), each allocated to a lead council for detailed proposal development, swiftly followed by the emergence of a fourth option 'Option D' and later a fifth option 'Option E'. These options were subject to rigorous assessment, including external expertise in social care and local government finance, to ensure financial sustainability and alignment with the Government's criteria.

Option A
North and South

North:
Peterborough
Fenland
Huntingdonshire

South:
East Cambridgeshire
South Cambridgeshire
Cambridge City

Option B
Horseshoe

North Cambridgeshire & Peterborough:
Peterborough
Fenland
Huntingdonshire
East Cambridgeshire

Greater Cambridge:
South Cambridgeshire
Cambridge City

Option C
East and West

East:
Peterborough
Fenland
East Cambridgeshire

West:
Huntingdonshire
South Cambridgeshire
Cambridge City

Option D
3 Unitary Authority Split

Greater Peterborough:
Peterborough
West Huntingdonshire

Mid Cambridgeshire:
Fenland
East Huntingdonshire
East Cambridgeshire

Greater Cambridge:
South Cambridgeshire
Cambridge City

Option E
Hunts 3 Unitary Authority Split

East:
Peterborough
Fenland
East Cambridgeshire

Huntingdonshire:
Huntingdonshire

Greater Cambridge:
South Cambridgeshire
Cambridge City

This business case puts forward clear and professional support for a three unitary model under 'Option D'. Although there were differing perspectives among regional leadership, the case for a three unitary model is underpinned by strong support from Peterborough's elected representatives. Endorsement for Option D is grounded in a deep commitment to the unique identities, diversity, and aspirations of each of the proposed unitaries.

There is a shared belief that a fairer funding review and the creation of three new unitary councils can deliver strong, focused leadership, resilience, and high-quality, responsive services for its communities.

The following three new unitary councils for Cambridgeshire and Peterborough would be created via Option D:

Greater Peterborough: comprising the West of Huntingdonshire District Council and the existing geography of Peterborough City Council.

Mid Cambridgeshire: comprising the East of Huntingdonshire District Council and the existing geography of East Cambridgeshire District Council and Fenland District Council.

Greater Cambridge: comprising the existing geography of Cambridge City Council and South Cambridgeshire District Council.

Meeting the Government's Criteria

This proposal for 'Option D' reflects a strong commitment to the Government's six criteria. While recognising that no single solution addresses every criterion in full, our proposal for three new unitary councils covering the Northern, Middle, and Southern parts of the region offers an ambitious approach that delivers significant advantages for our communities. By maximising the best possible fit to the Government's priorities, Option D represents a pragmatic path forward - one that combines robust local evidence, wide stakeholder engagement, and a clear focus on regional needs to benefit residents now and in the future. Option D meets the Government's criteria in the following way:

MHCLG CRITERIA FOR LGR	HOW OPTION D MEETS IT
1. Economy & Housing: Sensible economic areas; helping to increase housing supply and meet local needs.	Our proposal abolishes all existing unitary, district/city and county councils and replaces them with three new unitary councils that reflect functional economic geographies and will support growth. Our proposal reflects key travel to work economies for the area, embracing parts of the combined authority where communities look to these 3 localities for housing, employment, education, health, culture, leisure, hospitality and retail.
2. Financial resilience: Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks	Our proposal creates three new unitary councils that will serve populations of around 290,000, 315,000 and 320,000 residents respectively, reflecting the Government's population guidance as closely as possible. Creating councils with these population sizes will secure economies of scale in service delivery, providing both Value for Money and financial resilience.
3. Sustainable Public Services: Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens	Our proposal will create three new balanced authority areas with roughly equivalent and manageable population sizes and geographic boundaries. This approach enables each authority to tailor and improve services to meet their distinct needs, while strengthening strategic alignment with the Combined Authority. It also creates a strong foundation for effective devolution and ensures investment is directed where it can have the greatest impact.
4. Collaboration: 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	Councils across Cambridgeshire have worked collaboratively to develop a shared evidence base to support proposals for LGR. Two phases of resident and stakeholder engagement have provided a wide and deep understanding of local people's general feedback on LGR and their priorities for the future.
5. Devolution: New unitary structures must support devolution arrangements	Cambridgeshire and Peterborough already benefit from a devolution agreement with a directly elected Mayor leading our combined authority. Three unitary councils of more equal size will provide for balanced parity of representation the combined authority board.
6. Democratic representation and community Engagement: New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	Our proposal puts communities and neighbourhoods at its heart. Three new unitary councils across the region are grounded in its places' historic identities and reflects the daily routines of residents, such as travel to work patterns. Our proposal is respectful of the region's 260+ parish and town councils.

02 Context:

Setting the scene for change

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2. CONTEXT: SETTING THE SCENE

National Context

The national landscape for local government is shifting rapidly, demanding a more agile and forward-thinking response from councils. Structural reform is no longer a distant prospect—it is unfolding now, shaped by decentralisation, evolving policy priorities, and rising public expectations.

The **2024 Devolution White Paper** marks a pivotal moment, moving away from bespoke negotiation-based deals towards broader, systemic change. Over half of eligible areas have expressed interest in reorganisation, with proposals centred on creating new unitary authorities and regional bodies. These reforms aim to streamline governance, enhance service delivery, and strengthen strategic leadership across place-based systems.

At the heart of this agenda are imperatives around efficiency, transparency, inclusive growth, and empowered local leadership—all underpinned by the urgent need for financial sustainability. With a projected £6 billion funding gap and mounting pressures in areas such as social care and SEND, the case for reform is both timely and compelling.

Reorganisation is not simply about structural change—it is about creating a more resilient, innovative, and accountable system of local government. One that is equipped to meet national priorities, deliver for communities, and unlock the full potential of place-based leadership.

Total Area (Combined): 3,733km^2 approx

£43 billion total turnover generated in 2023-24

Key sectors: Health & Education, Professional & Technical Services, Manufacturing

921,600 population

79% of land is agricultural

62 areas (LSOAs) that are in top 20% most deprived in England

National Drivers for Change

- The operating context for local government is undergoing significant changes
- Government priorities will significantly impact local government
- Local government is experiencing rising financial demands
- Demographic shifts are increasing the need for council services
- LGR should be a catalyst, not just for simplifying local government structures but also for transforming the way public services are delivered

In Cambridgeshire and Peterborough

- "Region of contrasts" - featuring dynamic cities, renowned universities, historic towns, charming villages and vast countryside
- All local councils are under greater financial strain due to higher demand
- Fastest growing region in England
- Distinctive identity is formed by its rich history, diversity of people, communities and places
- Population is growing but 0-17 year olds are projected to decrease slightly, 65 years and over to continue increasing and working age population is relatively stable

Strategic Context: Unlocking the full potential of Cambridgeshire and Peterborough through Reorganisation

Cambridgeshire and Peterborough is a region of immense potential, an exceptional place to live, work and visit. Yet we must acknowledge that persistent inequalities and structural barriers continue to limit access to opportunity for some communities. This is not just a social challenge, it is a strategic imperative.

The Government's English Devolution White Paper and the forthcoming English Devolution and Community Empowerment Bill signal a fundamental shift in how local government is expected to operate. These reforms focus on two core ambitions: deepening devolution through the creation of Strategic Authorities, and simplifying local government structures through Local Government Reorganisation (LGR). Strategic Authorities will give local leaders greater control over investment decisions, while new unitary councils will deliver the full range of local services through a single accountable body—driving better outcomes, stronger accountability, and improved financial sustainability.

Cambridgeshire and Peterborough is well placed to lead this transformation. The region already benefits from a devolution deal agreed in 2017, which established the Cambridgeshire and Peterborough Combined Authority (CPCA). With nearly a decade of experience, the CPCA has built strong foundations in transport, planning, economic growth, business support and adult education. This proposal builds on that foundation, setting out how new unitary councils will strengthen the CPCA's ability to deliver its priorities and support its ambition to achieve 'Established Mayoral Authority' status—unlocking access to Integrated Financial Settlements and greater flexibility over local investment.

The proposal enables:

- Simplified and responsive service delivery, with each unitary council accountable for the full range of local services, tailored to the unique characteristics of its area.
- Integrated and efficient operations, bringing together functions such as housing, planning, and adult social care to reduce duplication and improve outcomes.
- Stronger community engagement, removing confusion over responsibilities and enabling more meaningful co-production through neighbourhood-based approaches.
- Enhanced collaboration with public sector partners, including health, police and education, to deliver joined-up responses to residents' priorities.

Importantly, the three-unitary model avoids the risks associated with overly large or overly small councils. It ensures:

- Financial viability and service resilience, with each council designed to be large enough to deliver complex services effectively, yet local enough to remain connected to communities.
- Respect for local identity, preserving historic and cultural ties and avoiding arbitrary administrative boundaries.
- Alignment with residents' lived experience, recognising travel patterns, service access routes, and economic geographies.

Currently, Cambridgeshire and Peterborough is served by one unitary council (Peterborough City Council), one county council (Cambridgeshire County Council), and five district councils. In addition, there are 262 parish and town councils, each playing a vital role in local democracy and community engagement. This proposal sets out a clear and deliverable option for reorganising these councils into three new unitary authorities, designed to work more effectively with neighbourhood-level structures, including parish and town councils and residents' associations.

By embracing reform, Cambridgeshire and Peterborough can create a more coherent, accountable and empowered system of local government—one that delivers for residents, supports inclusive growth, and strengthens public trust in our institutions.

Local Context

Cambridgeshire and Peterborough is often called a "region of contrasts", where vibrant urban centres, world-famous universities, historic market towns, picturesque villages, and expansive rural landscapes all exist side-by-side. Cambridgeshire and Peterborough's distinctive identity is formed by its rich history, diversity of people, communities, and places.

Our People

Cambridgeshire and Peterborough is a fast-growing area, home to two of the most rapidly growing cities in England, Cambridge and Peterborough (source: City Monitor, Centre for Cities). The region is currently home to a population of 940,240 people, an increase of 11% since 2011. This trend is expected to continue, and the region is estimated to reach a forecast of 1,096,790 people by 2040. Broken down by age, 2023-based estimates show around 196,500 0-17-year-olds, predicted to rise to 205,500 by 2040; 572,800 18-64-year-olds, estimated to rise to 658,400 by 2040; and 170,900 65 years old and over, expected to rise to 224,804 by 2040.

Whilst the overall population is growing, figure 2 shows that the percentage of 0-17-year-olds will decrease slightly, the percentage of 65 years and over will increase slightly with the working age population remaining at a relatively stable percentage.

11% population increase since 2011 Census set to increase to 1.09m by 2040

Cambridge City and Peterborough have greater levels of ethnic diversity

Christianity and Islam are the prevalent religions in the region

Data collected through Census 2021 included self-reporting of ethnic identity and paints a picture of the diversity within Cambridgeshire and Peterborough. This showed that the area is comprised of 85% white ethnicities (above the England average of 82%), with 8% Asian, Asian British or Asian Welsh ethnicities, 2% Black, Black British, Black Welsh, Caribbean or African ethnic groups, 3% Mixed or Multiple ethnic groups and 2% other ethnic groups.

Figure 1: Cambridgeshire and Peterborough forecasted populations by age group

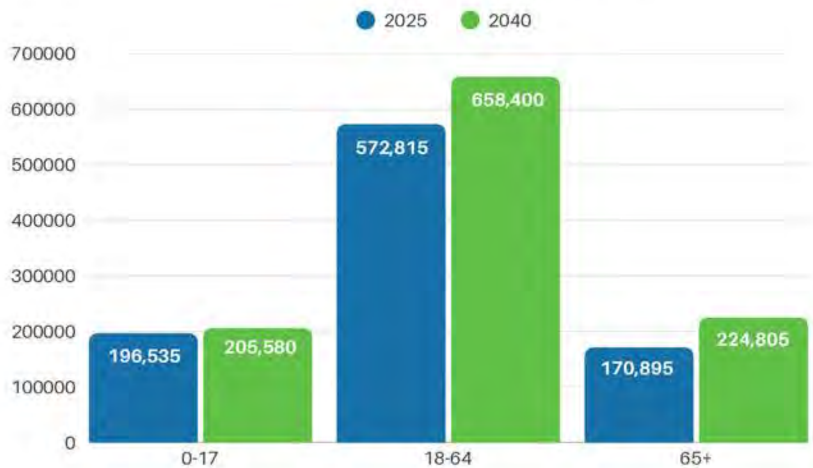
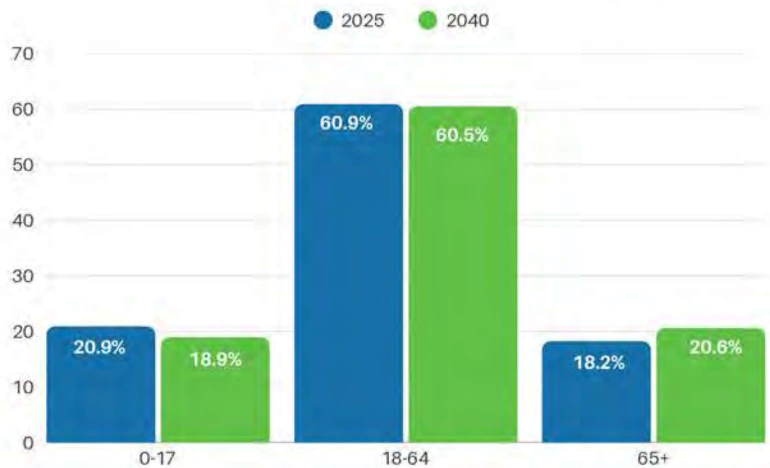
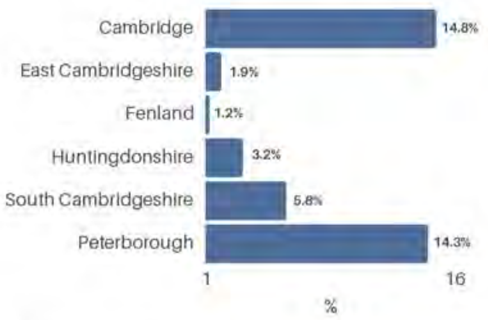


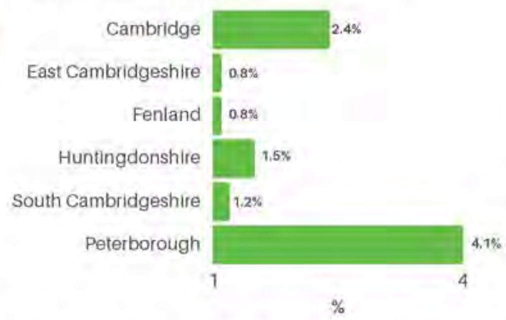
Figure 2: Cambridgeshire and Peterborough forecasted percentage of populations by age group



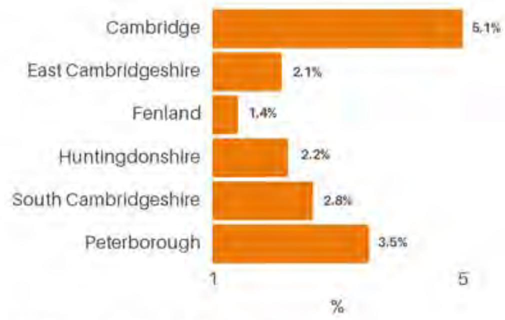
Asian, Asian British or Asian Welsh



Black, Black British, Black Welsh, Caribbean or African

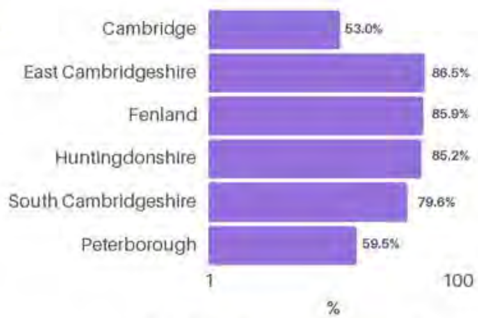


Mixed or Multiple ethnic groups

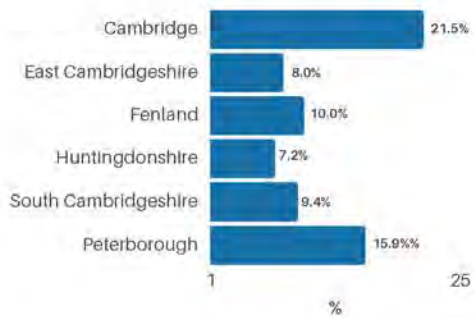


Other ethnic group

White: English, Welsh, Scottish, Northern Irish or British



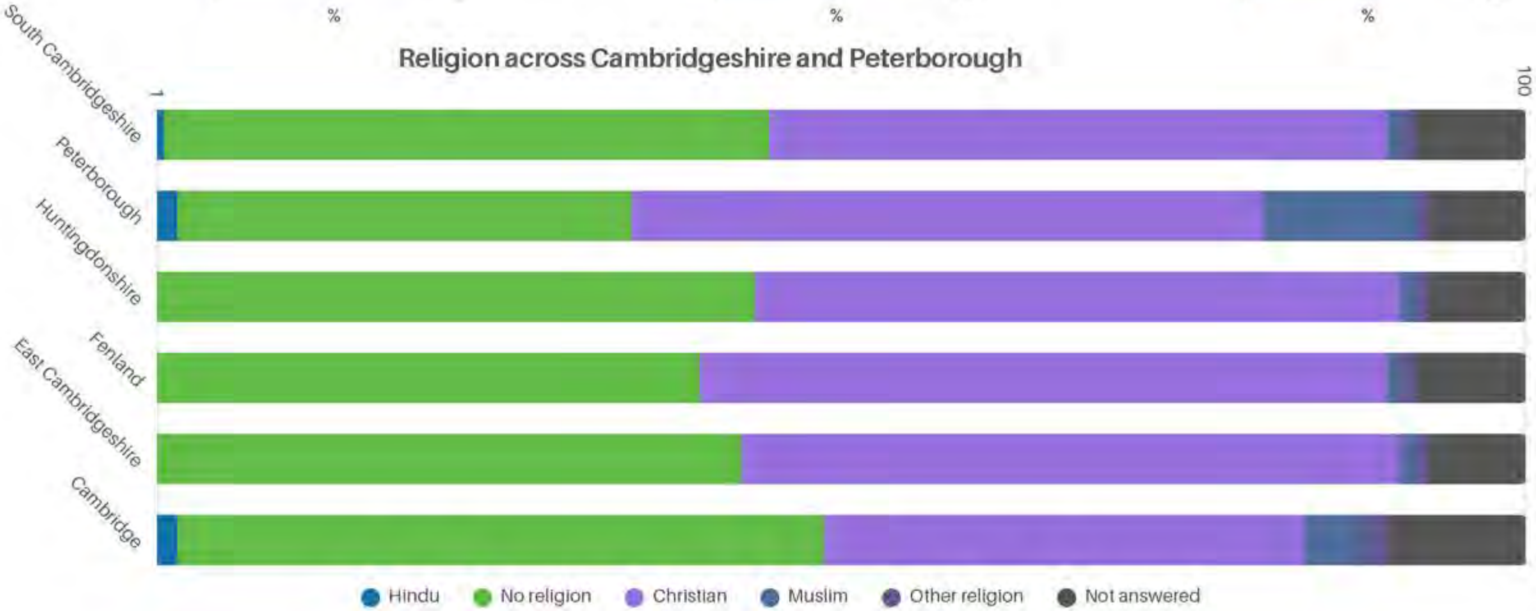
White: Other ethnic group



Ethnicity

Ethnic diversity across Cambridgeshire and Peterborough varies by district. Cambridge and Peterborough are the most diverse, with white ethnic groups making up 74.5% and 75.4% of their populations, respectively. In contrast, Fenland (95.9%), East Cambridgeshire (94.5%), Huntingdonshire (92.4%), and South Cambridgeshire (89.0%) have higher proportions of white residents. Cambridge and Peterborough also have the largest percentages of Asian (14.8%, 14.3%), Black (2.4%, 4.1%), and Mixed or Multiple ethnic groups (5.1% and 3.5% respectively).

Religion across Cambridgeshire and Peterborough



Religions across the region:

Cambridgeshire and Peterborough have significant religious diversity. According to the 2021 Census, Christianity is most common (52.1% in Fenland, 35.2% in Cambridge), followed by those with no religion (44.7% in Cambridge, 32.5% in Peterborough). Cities show more diversity: Muslims make up 12.2% of Peterborough and 5.1% of Cambridge, while Hindus account for 1.8% and 2.3%, respectively.

Languages spoken across the region

The main languages spoken in Cambridgeshire and Peterborough are becoming more varied, with fewer residents using English as their primary language in every district. On average, 90.7% of Cambridgeshire residents mainly speak English, but this drops to 80% in Cambridge and Peterborough and rises to 95.1% in East Cambridgeshire. More people who don't have English as a main language can now speak it well, though there are also small increases in those who struggle with English, except in Peterborough where this number has decreased since 2011. About 1.2% of Cambridgeshire residents (8,200 people) have limited English skills, ranging from 0.6% in South Cambridgeshire to 2.5% in Fenland, while in Peterborough it's 4.5% (9,400 people). These figures reflect both increased diversity and ongoing language challenges in the region.

Deprivation

Cambridgeshire and Peterborough is a region of contrast. While many residents enjoy a high quality of life, persistent and deep-rooted inequalities continue to shape outcomes for others. Tackling deprivation is not only a moral imperative—it is central to achieving inclusive growth, improving public service outcomes, and building a fairer, more resilient system of local government.

The 2019 Index of Multiple Deprivation (IMD) data confirms that Peterborough remains the most relatively deprived authority in the region, followed by Fenland and Cambridge City. In contrast, South Cambridgeshire ranks as the least deprived. However, deprivation is not confined to specific districts—smaller pockets of disadvantage exist across all areas, including within otherwise affluent communities.

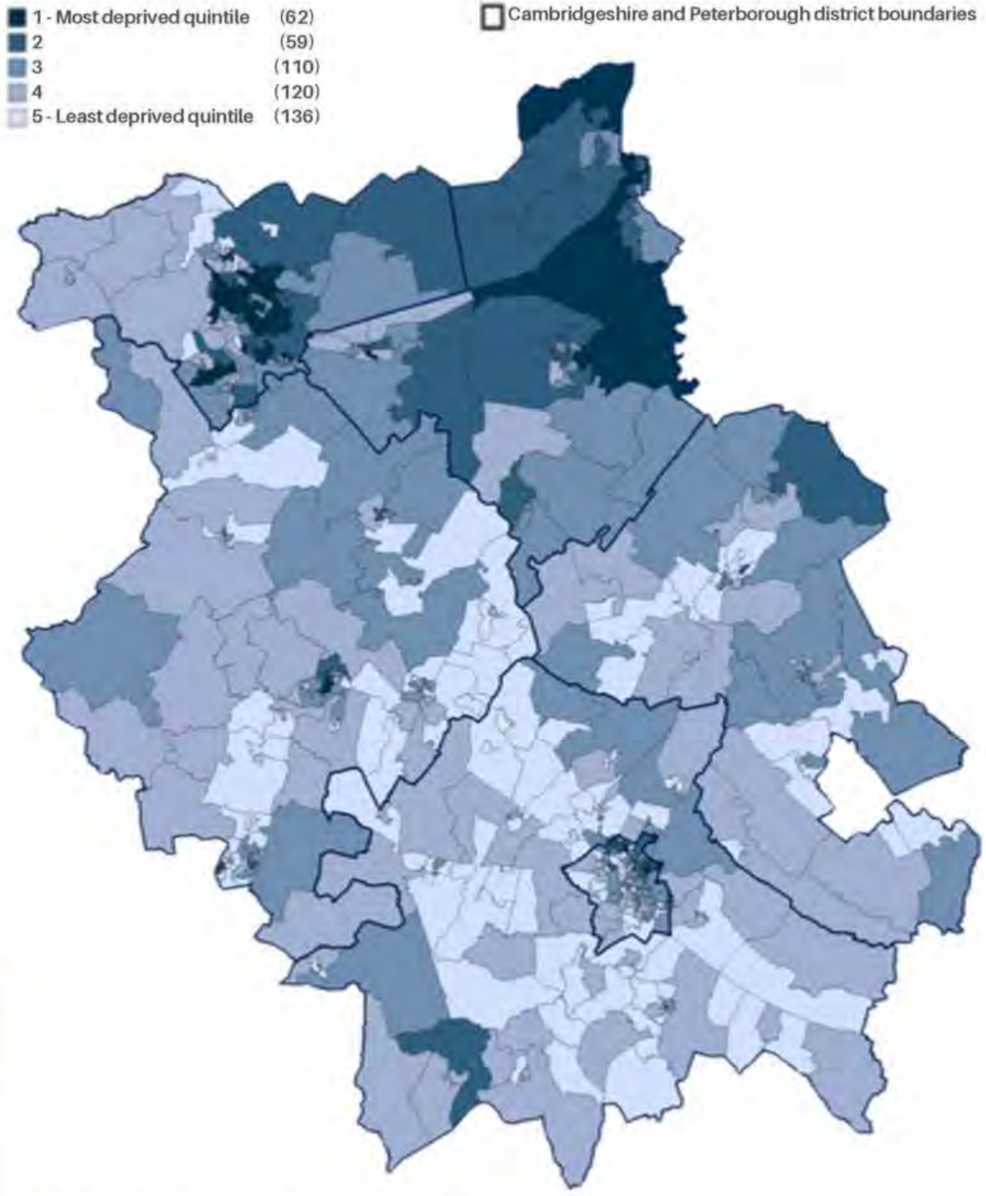
62 Lower Super Output Areas (LSOAs) fall within the 20% most deprived nationally (54% increase from previous IMD)

36% of Peterborough's LSOAs are in the most deprived quintile, with 16 LSOAs ranking in the bottom 10% nationally

South Cambridgeshire has no LSOAs in the most deprived 20%

Index of Multiple Deprivation (IMD) - National

Index of multiple deprivation 2019 (IMD) quintile by Lower Super Output Area (LOSA) for Cambridgeshire and Peterborough



Note: Darker blue is used to highlight areas of high deprivation
Source: Index of multiple deprivation (IMD) 2019, Ministry of Housing, Communities & Local Government
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Health Deprivation and Inequality

Health outcomes across Cambridgeshire and Peterborough reflect the region's wider patterns of inequality. While overall health is broadly in line with national averages, significant variation exists between districts. South Cambridgeshire consistently reports the highest healthy life expectancy and strongest self-reported health outcomes. In contrast, Fenland and Peterborough rank lowest across multiple indicators, including premature mortality, healthy life expectancy, and general wellbeing.

In Peterborough, men living in the most deprived areas experience life expectancy that is, on average, eight years shorter than those in the most affluent areas; for women, the gap is six years. Healthy life expectancy years lived in good health is also markedly lower, particularly for women, and has shown little improvement over the past decade.

These disparities are shaped by a complex interplay of factors including income, housing, education, and access to services. Public health data shows that healthcare itself accounts for only 10–25% of health outcomes, with wider social determinants playing a far greater role.

Although Cambridgeshire and Peterborough is often seen as a prosperous region, there are considerable pockets of deprivation. For example, Universal Credit claimant rates vary significantly: South Cambridgeshire has the lowest at 2.4%, while Peterborough has the highest at 8%. Cambridge City ranks third highest in the region, yet nationally it has one of the lowest claimant count rates among UK cities, according to the Centre for Cities Outlook report (November 2024).

These patterns reinforce the need for targeted, place-based interventions that address the root causes of inequality and support improved health and wellbeing across the life course.

Local Authority	Percentage of UC claimants as proportion of economically active residents aged 16+
Cambridge City	3.7
East Cambridgeshire	2.5
Fenland	5.2
Huntingdonshire	2.8
Peterborough	8.0
South Cambridgeshire	2.4

Income Deprivation Affecting Children (IDACI)

The Income Deprivation Affecting Children Index (IDACI) highlights further concern. Peterborough and Fenland score significantly higher than the national average, indicating a greater proportion of children living in income-deprived households. In Peterborough, 51 out of 112 LSOAs fall within the three most deprived IDACI deciles, while only 13 LSOAs are in the three least deprived deciles.

School-level data reinforces this, with some academies in Peterborough reporting over 50% of pupils eligible for free school meals, placing them among the most deprived nationally. Specific LSOAs such as Dogsthorpe, Paston and Walton, Orton Longueville, and Ravensthorpe consistently rank in the bottom decile for child income deprivation.

Our Geography and Environment

79% of total land area is agricultural

Cambridgeshire and Peterborough contains 19% of England's highest quality agricultural land (Grade 1), making it one of the most productive farming areas in the country

The geography of Cambridgeshire and Peterborough consists of bustling urban, historic market towns, picturesque villages, and expansive rural landscapes. The two anchor cities of Cambridge and Peterborough offer urban centres of industry and further education, whilst market towns such as St Neots and Wisbech offer semi-urban hubs surrounded by rural countryside.

Across the region there are plenty of opportunities in both the urban and rural areas for residents to connect with nature; the Cambridgeshire and Peterborough Parks Partnership estimates there are 2,900 parks, gardens, allotments, playgrounds, and other green spaces open to the public. Another nationally significant facet of Cambridgeshire and Peterborough's geography is the peatland, as the area is home to 27% of England's total stock. Peatlands are a type of wetland that are amongst the most valuable ecosystems on Earth owing to their role in preserving global biodiversity, providing safe drinking water, minimising flood risks and helping to address climate change. Whilst a lot of peatlands in Cambridgeshire are considered 'wasted peatlands' due to their poor condition, closer management through peat-sympathetic agricultural practice, new agricultural approaches and peatland restoration has the potential to significantly improve the county's peat soil while maintaining food security and ensuring that agriculture continues to thrive in Cambridgeshire. Some of this work has already begun, with projects such as the Wicken Fen Peatland Restoration4 aiming to restore peat, retain rainwater and manage water tables to maintain healthy and saturated peatlands for carbon storage, flood mitigation and wildlife habitats.

The diversity of the geography within Cambridgeshire and Peterborough brings with it a wealth of different economic opportunities, housing developments and lifestyles, as well as an array of differing challenges.

Our Economy

Cambridgeshire and Peterborough is a region of national and international significance, home to world-class innovation, research, and enterprise.

The region's economic contribution is substantial and growing—generating £34 billion in Gross Value Added (GVA) in 2023, with a total turnover of £43 billion in 2023-24. The region's economy is diverse and resilient, underpinned by high-performing sectors including Manufacturing (£12.6 billion), Life Sciences and Healthcare (£10 billion), and Wholesale and Retail Distribution (£9.4 billion).

Cambridge and South Cambridgeshire lead the region's Life Sciences and Healthcare sector

Peterborough and Huntingdonshire and South Cambridgeshire lead in Manufacturing

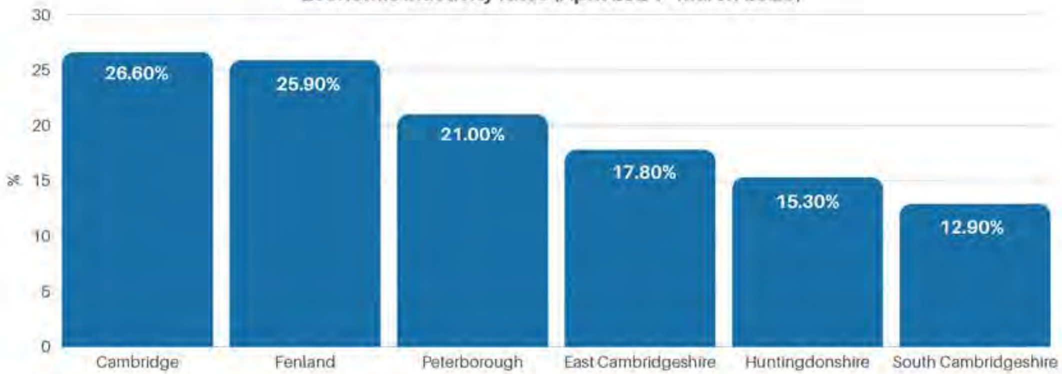
Cambridge is ranked as the world's top science and technology cluster for the third year running, attracting global investment and recognition

Cambridge ranks in the top 10 UK cities for GVA per hour, top 5 for average weekly workplace earnings, and top 3 for the proportion of residents with high-level qualifications, according to the Centre for Cities Outlook 2025.

Peterborough, while distinct in character, plays an equally important role in driving regional growth. It is among the top five fastest-growing UK cities by population and ranks in the top 10 for start-up rates in 2023, reflecting its entrepreneurial energy and economic dynamism.

While the overall economic picture is strong, there are notable variations in economic activity across the region. Economic inactivity rates range from 12.9% in South Cambridgeshire to 26.6% in Cambridge—largely due to its student population. Fenland (25.9%) and Peterborough (21%) also report higher levels of inactivity, contrasting with lower rates in East Cambridgeshire (17.8%) and Huntingdonshire (15.3%).

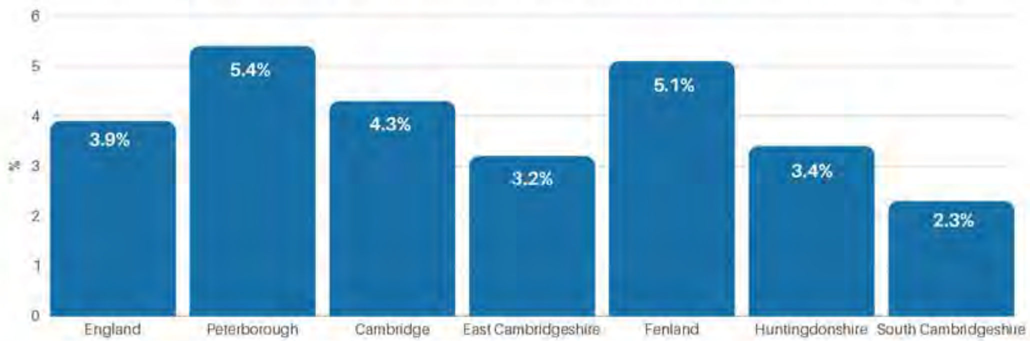
Economic inactivity rates (April 2024 - March 2025)



This economic diversity is a strength, but it also reinforces the need for place-based strategies that respond to local conditions. A restructured local government model—anchored in three unitary authorities—offers the opportunity to better align economic development with local needs, unlock further investment, and ensure that growth is inclusive and sustainable across all parts of the region.

Unemployment levels vary significantly across Cambridgeshire and Peterborough, with Peterborough and Fenland consistently reporting rates above the national average. These patterns closely align with wider indicators of deprivation in both areas, including lower healthy life expectancy, higher levels of economic inactivity, and increased reliance on income-related support. Addressing these disparities is critical to ensuring that economic growth is inclusive and that all communities are supported to participate fully in the region's prosperity.

Unemployment Rate in Cambridgeshire and Peterborough (January - December 2024)



Connectivity and Infrastructure

Cambridgeshire and Peterborough sits at the heart of the nationally significant Oxford-Cambridge Growth Corridor, connecting Cambridge, Milton Keynes and Oxford as a key area for commercial, housing and infrastructure development. The region's existing transport links to major cities such as London, Birmingham and Norwich offer strong cultural and economic advantages, and further investment in connectivity has the potential to deepen these benefits.

Transport infrastructure across the region is varied. Cambridge and Peterborough, as anchor cities, benefit from well-established networks—Cambridge with robust public transport options and Peterborough with strong road connectivity. However, this uneven distribution creates challenges for residents who rely on different modes of transport. For example, those without access to a car in Peterborough may struggle to reach employment or services, while in Cambridge, frequent cross-city travel to areas not served by public transport can be a barrier to opportunity.

Emerging infrastructure, such as the guided busway, is beginning to improve connectivity between district areas linking places like Huntingdonshire and Cambridge City. Yet gaps remain. There are no direct train connections between Huntingdonshire and Cambridge City, nor a direct bus route from Fenland to Huntingdon, limiting access and mobility for many residents.

Beyond the urban centres, market towns and rural communities are served by a mix of road and rail networks. However, soil conditions in parts of Fenland, East Cambridgeshire, Huntingdonshire and Peterborough present ongoing challenges for road maintenance and investment, increasing costs and impacting reliability.

A restructured local government model offers the opportunity to take a more strategic and place-based approach to infrastructure planning—ensuring that transport investment supports inclusive growth, connects communities, and enables residents across the region to access opportunity.

Our Public Service Landscape

Cambridgeshire and Peterborough's public service system is complex and multi-layered, shaped by a mix of governance arrangements, statutory partnerships, and devolved responsibilities. The region operates under both unitary and two-tier local government models, with Peterborough City Council functioning independently as a unitary authority, and Cambridgeshire governed through a county council and five district councils: Cambridge City, East Cambridgeshire, Fenland, Huntingdonshire, and South Cambridgeshire.

Overlaying this structure is the Cambridgeshire and Peterborough Combined Authority (CPCA), which provides strategic oversight for the region's devolution deal. The CPCA is responsible for transport, housing, economic growth, and adult education across both Cambridgeshire and Peterborough.

Statutory services such as policing, fire and rescue, and probation operate across the full Cambridgeshire and Peterborough footprint, ensuring coterminous coverage for all local authority areas. The Greater Cambridge Partnership, meanwhile, manages the City Deal for Cambridge and South Cambridgeshire, focusing on infrastructure, skills, and innovation.

Health services are coordinated through NHS Cambridgeshire and Peterborough, our local Integrated Care Board (ICB), which commissions and governs most NHS provision across the region. The ICB operates as part of a wider Integrated Care System (ICS), structured around four partnerships:

- **North Cambridgeshire and Peterborough** - covering Peterborough, Fenland and Huntingdonshire
- **Cambridgeshire South** - covering Cambridge City, East Cambridgeshire and South Cambridgeshire
- **Children's and Maternity**
- **Mental Health, Learning Disabilities and Autism**

The ICS includes a range of NHS trusts delivering acute, community, mental health, and specialist services:

- Cambridge University Hospitals NHS Foundation Trust (Addenbrooke's and The Rosie)
- Cambridgeshire Community Services NHS Trust
- Cambridgeshire and Peterborough NHS Foundation Trust
- North West Anglia NHS Foundation Trust (Peterborough City, Hinchingbrooke, Stamford and Rutland)
- Royal Papworth Hospital NHS Foundation Trust
- East of England Ambulance Service NHS Trust

Education provision is equally diverse, with over 350 state-funded schools across the region, including:

- **13 nursery settings**
- **273 primary schools**
- **47 secondary schools**
- **18 special educational needs schools**
- **2 hospital schools**
- **2 pupil referral units**
- **2 University Technical Colleges**

Post-16 education is delivered through 32 mainstream schools with sixth forms, one standalone sixth form school, and six further education colleges.

This landscape reflects the scale and complexity of public service delivery across Cambridgeshire and Peterborough. It also highlights the opportunity that reorganisation presents—to simplify governance, align service boundaries, and create a more coherent, accountable and responsive system that better meets the needs of our communities.

Local Challenges

Cambridgeshire and Peterborough is a region of national significance, economically strong, globally connected, and rich in opportunity. Yet beneath this success lies a complex set of challenges that future unitary councils will need to address with clarity, ambition and place-based leadership.

There are stark contrasts across the region. While some communities experience high levels of prosperity, others face deep-rooted deprivation, financial insecurity and social exclusion. High housing costs in Cambridge and rural isolation in parts of Fenland are compounded by the national cost-of-living crisis, widening inequalities and placing pressure on local services.

Population growth is a defining challenge. Cambridge and Peterborough are among the fastest-growing cities in England, and the region's population is forecast to reach nearly 1.09 million by 2040. This growth presents two distinct pressures: the strain on infrastructure and the rising demand for public services.

Infrastructure challenges are already emerging. Water scarcity is a critical issue, driven by low rainfall, high temperatures, environmental pressures and population growth. The proposed reservoir in Fenland—classified as a Nationally Significant Infrastructure Project—is a step towards addressing future demand, but longer-term solutions will be needed to secure sustainable water supply for housing and industry, particularly in South Cambridgeshire.

Public services are also under increasing strain. Between 2021/22 and 2023/24, Between 2021/22 to 2024/25. Peterborough City Council saw a 58% increase in new adult social care contacts. Forecasts suggest that by 2040, adult social care spending will increase by 104% in Cambridgeshire and 94% in Peterborough. This level of growth will place significant pressure on council finances and service resilience, particularly in areas such as SEND provision and homelessness prevention.

These challenges are compounded by the scale of change across the public sector. Councils must continue to deliver national reforms—such as Families First, Family Hubs, the 10-Year Health Plan and ICS clustering—while also responding to global pressures like climate change and rising flood risk. The convergence of global, national and local priorities creates a demanding environment for local government, requiring bold decisions and strategic reform.

Local Government Reorganisation offers a unique opportunity to respond to these challenges with a more coherent, accountable and resilient system—one that is better equipped to deliver for residents and lead the region into the future.

03 Options Appraisal

3. OPTIONS APPRAISAL

The first stage of the options appraisal approach was to consider the evidence for one, two and three unitary councils, alongside a no change option for a single county unitary council. For consistency and to ensure a robust process, all options were included in a high-level options appraisal looking at the Government's six criteria (see table below). Each criterion has been scored on a High, Medium and Low scale:

Adequately / Fully satisfies criteria	High
Partially satisfies criteria	Medium
Does not adequately satisfy criteria	Low

MHCLG CRITERIA FOR LGR	One Unitary	No change	Two Unitaries	Three Unitaries
1. Economy & Housing: Sensible economic areas; helping to increase housing supply and meet local needs. Seek to achieve for the whole of the area concerned the establishment of a single tier of local government.	The Government has indicated there must be at least two principal authorities under each Strategic Mayoral Authority. As this would not be possible under a single unitary model, this model is not viable.	Medium	High	High
2. Financial resilience: Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks		Low	High	Medium
3. Sustainable Public Services: Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens		Medium	High	Medium
4. Collaboration: 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		Medium	High	Medium
5. Devolution: New unitary structures must support devolution arrangements		Medium	High	High
6. Democratic representation and community Engagement: New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment		Medium	High	Medium
OVERALL	N/A	Medium	High	Medium

The initial phase found the 'one unitary' options unviable as it failed to meet MHCLG criteria. Although the 'No Change' option scored slightly higher than the 'Three Unitary' option, the 'One Unitary' option was not considered any further.

Rationale for discounting the One Unitary Model: Although a single county unitary alongside Peterborough City Council would yield the most savings through simplified services, it would leave Peterborough much smaller than the ideal size of 500,000. This creates sustainability concerns, limits improvement opportunities and safety risks with the disruption to vital services, especially social care for vulnerable residents. Additionally, it would produce a significant imbalance between the two councils, affecting their relationship within the Cambridgeshire and Peterborough Combined Authority. Based on this rationale the two and three unitary authority models were advanced for further detailed evaluation.

The second stage of the options appraisal evaluated the two and three Unitary options in greater detail, where each of the two and three unitary options were examined against the Government's criteria, and a set of local principles. A high-level overview of the options appraisals are detailed in the following two tables (see Appendix A for detailed analysis of options A-E), followed by a detailed explanation as to why Option D was the preferred option.

MHCLG CRITERIA FOR LGR	OPTION A NORTH/SOUTH	OPTION B HORSESHOE	OPTION C EAST/WEST	OPTION D 3 UA (GP, MC, GC)	OPTION E HUNTS 3 UA
1. Economy & Housing: Sensible economic areas; helping to increase housing supply and meet local needs. Seek to achieve for the whole of the area concerned the establishment of a single tier of local government	**North** - Powerhouse city (Peterborough) can drive growth; supports regeneration and housing supply **South** - Global innovation hub; strong housing demand	**Horseshoe** - Powerhouse city (Peterborough) can drive growth **Greater Cambs** - Global innovation hub; strong housing demand	**East** - Powerhouse city (Peterborough) can drive growth, but less balanced **West** - Global innovation hub; strong housing demand	Enables GP to drive transformative economic and housing improvements. With focused leadership and investment, the new authority will better address local needs, spur regeneration, and foster a resilient, inclusive economy	Largely meets the criteria. Reflects economic geographies and supports housing growth
2. Financial resilience: Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks	**North** - higher needs and social service costs, with limited tax growth and greater reliance on grants **South** - larger elderly population; care costs may rise faster than tax revenue growth, straining funding for other services	**Horseshoe** - Large scale, but higher needs **Greater Cambs** - Strong, but smaller scale	**East** - Weaker due to size and needs **West** - Stronger, but diverse needs	**MC** - This option does not completely address the lack of financial resilience in the north of the county, although it does offer improvement. Three unitary authority option carries the highest transition costs (£40.7m) and the lowest net benefit (£1.4m/year), with a payback period exceeding 50+ years	**Hunts** - Three unitary authority option carries the highest transition costs (£40.7m) and the lowest net benefit (£1.4m/year), with a payback period exceeding 50+ years **ECDC, FDC & PCC** - Weaker due to size and needs **SCDC & CC** - Stronger, but diverse needs
3. Sustainable Public Services: Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens	**North** - Potential for high-quality services, but complexity in meeting diverse needs **South** - Easier to deliver, but risk of under-provision	**Horseshoe** - Potential for high-quality services, but complexity **Greater Cambs** - Easier to deliver	**East** - Risk of fragmentation **West** - Easier to deliver, but risk of fragmentation	Potential for service re-design and transformation, particularly for Mid Cambs, and for more responsive and agile service models. Risk of service fragmentation and service delivery	Potential for service re-design and transformation - dependent on strong collaboration. Risk of service fragmentation and service delivery
4. Collaboration: 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	This option is only supported by 1 of the 7 councils in Cambridgeshire and Peterborough and has not been developed with input from other Councils	6 of the 7 Councils have worked collaboratively to develop this proposal. This option is supported by 4 of the 7 councils in the area (Cambridge City, East Cambridgeshire, Fenland and South Cambridgeshire)	This option has been developed and is supported by Huntingdonshire only	This option has been developed and is supported by Peterborough only.	This option has been developed and is supported by Huntingdonshire only.
5. Devolution: New unitary structures must support devolution arrangements	Both Unitaries are well-placed for devolution deals	Both Unitaries are well-placed for devolution	**East** - Less well-placed **West** - Well-placed for devolved powers	**GP & GC** - well-positioned for devolved powers and strategic investment **MC** - offers a rural lens for tailored devolution deals	**Hunts** - Less well-placed **ECDC, FDC & PCC** and **SCDC & CC** - Both Unitaries are well-placed for devolution
6. Democratic representation and community Engagement: New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	**North** - Strong in urban areas, but rural voices may need protection **South** - Strong, but risk of dominance by Cambridge	**Horseshoe** - Urban/rural balance **Greater Cambs** - Strong, but risk of dominance by Cambridge	**East** - Urban/rural balance, but less cohesion **West** - Strong, but risk of dominance by Cambridge	As broad support grows, this reorganisation presents a valuable opportunity to foster clear communication and strengthen consensus across regions, paving the way for greater collaboration and shared understanding	**Hunts** - strengthens local identity and engagement **ECDC, FDC & PCC** - Strong in urban areas, but rural voices may need protection **SCDC & CC** - Strong, but risk of dominance by Cambridge

Each of the five options proposes a different configuration of unitary authorities, reflecting variations in geography, population, and local identity. The table below sets out the make-up of each option, summarising the number of unitaries proposed and the constituent areas for each.

This comparative overview provides a foundation for understanding how each option aligns with local communities, balances urban and rural interests, and addresses the challenges of scale, service delivery, and representation. The subsequent analysis explores how these structural differences impact each option's ability to meet the local principles.

OVERVIEW OF UNITARY AUTHORITIES	OPTION A NORTH/SOUTH	OPTION B HORSESHOE	OPTION C EAST/WEST	OPTION D 3 UA (GP, MC, GC)	OPTION E HUNTS 3 UA
Number of Unitaries	2	2	2	3	3
Unitary Make up	 **North:** Peterborough Fenland Huntingdonshire **South:** East Cambridgeshire South Cambridgeshire Cambridge City	 **North Cambridgeshire & Peterborough:** Peterborough Fenland Huntingdonshire East Cambridgeshire **Greater Cambridge:** South Cambridgeshire Cambridge City	 **East:** Peterborough Fenland East Cambridgeshire **West:** Huntingdonshire South Cambridgeshire Cambridge City	 **Greater Peterborough:** Peterborough West Huntingdonshire **Mid Cambridgeshire:** Fenland East Huntingdonshire East Cambridgeshire **Greater Cambridge:** South Cambridgeshire Cambridge City	 **East:** Peterborough Fenland East Cambridgeshire **Huntingdonshire:** Huntingdonshire **Greater Cambridge:** South Cambridgeshire Cambridge City
Size of population	**North** - 509,110 **South** - 409,970	**Horseshoe** - 600,580 **Greater Cambs** - 318,500	**East** - 414,510 **West** - 504,570	**Greater Peterborough** - 287,220 **Mid Cambs** -313,360 **Greater Cambs** - 318,500	**Hunts** - 179,700 **ECDC, FDC & PCC** - 405,900 **SCDC & CC** - 307,800
Equal distribution of landmass (approx.)	✓	✗	✓	✗	✗

LOCAL PRINCIPLES	OPTION A NORTH/SOUTH	OPTION B HORSESHOE	OPTION C EAST/WEST	OPTION D 3 UA (GP, MC, GC)	OPTION E HUNTS 3 UA
Population Need / Demographic	North - Higher levels of deprivation and social care need. South - Lower deprivation, but rapidly ageing population	Horseshoe - High deprivation in Fenland and Peterborough; younger in Peterborough, older in rural areas Greater Cambs - Lower deprivation, but ageing population	East - High deprivation in Fenland and Peterborough; older population in rural areas West - Lower deprivation, but ageing population	GP - Younger demographic and a growing older population requiring social care MC - Older demographic profile GC - Younger, highly mobile population	Hunts - Ageing population in rural areas ECDC, FDC & PCC - High deprivation in Fenland and Peterborough; younger in Peterborough, older in rural areas SCDC & CC - Lower deprivation, but ageing population
Diversity of population	North - High in Peterborough, moderate elsewhere. South - Highly diverse in Cambridge	Horseshoe - Highly diverse in Peterborough Greater Cambs - Highly diverse in Cambridge	East - High in Peterborough, less elsewhere West - Highly diverse in Cambridge	GP - Highly diverse MC - Less diverse GC - Highly diverse	Hunts - Increasing diversity but less than PCC and FDC ECDC, FDC & PCC - Highly diverse in Peterborough SCDC & CC - Highly diverse
Local identity and history	North - Strong Peterborough identity, weaker elsewhere South - Strong, with global reputation for innovation	Horseshoe - Some shared history, but less cohesion Greater Cambs - Strong in Cambridge, less so in East Cambs	East - Less cohesion; mix of urban and rural West - Strong in Cambridge	GP - Strong, well-established civic identity and historical coherence MC - Weaker sense of shared identity GC - Strong identity as a global innovation hub	Hunts - Strong identity ECDC, FDC & PCC - Less cohesion; mix of urban and rural SCDC & CC - Strong identity as a global innovation hub
Deprivation	North - Significant pockets, especially in Fenland and Peterborough South - Lower overall	Horseshoe - Significant in Fenland and Peterborough Greater Cambs - Lower overall	East - Significant in Fenland and Peterborough West - Lower overall	GP - Higher levels of deprivation MC - The area has some deprived rural wards, but most are more prosperous GC - Lower overall	Hunts - Lower levels of deprivation ECDC, FDC & PCC - Significant pockets, especially in Fenland and Peterborough SCDC & CC - Lower overall
Digital Transformation Savings (Approx. savings associated with Staffing, Licences, and other costs)	15% savings anticipated, equating to approx. £5.1m. This option generates highest savings.	14% savings anticipated, equating to approx. £4.7m.	13% savings anticipated, equating to approx. £4.4m.	8% savings anticipated, equating to approx. £2.5m. This option generates least savings.	8% savings anticipated, equating to approx. £2.7m.
Sustainability - proposals should support long-term financial stability of new unitary councils to enable efficient service delivery.	North - Stronger financial base due to size, but higher service demand and reliance on grants South - Strong tax base, but risk of insufficient critical mass	Horseshoe - Stronger financial base, but high service demand Greater Cambs - Strong tax base, but smaller scale	East - Weaker financial base; high service demand West - Stronger tax base, but diverse needs	GP & MC - This option does not completely address the lack of financial resilience in the north of the county, although it does offer improvement. GC - Strongest financial sustainability	Hunts - smaller in size with limited and weaker tax base ECDC, FDC & PCC + SCDC & CC - Stronger tax base, but diverse needs
Safety – proposals should minimise disruption to vital services, especially social care for vulnerable residents	North - Large scale supports resilience, but risk of service fragmentation due to diverse needs South - Lower service pressures, but risk of under-resourcing.	Horseshoe - Large scale supports resilience, but diverse needs Greater Cambs - Lower service pressures	East - Risk of service fragmentation West - Large scale supports resilience	GP - Some risk to service continuity, especially in social care MC – Risk of service fragmentation and disruption GC - Larger scale supports robust service delivery and resilience, risks with transition and service integration	Hunts - Risk of service fragmentation ECDC, FDC & PCC - Risk of service fragmentation SCDC & CC - Lower service pressures
Simplicity - proposals should use existing district council as the 'building blocks' for new unitary councils to limit the complexity and costs of implementation.	Uses existing district boundaries, relatively straightforward transition	Uses existing boundaries	Uses existing boundaries	Complex due to the split of Huntingdonshire – so changes to boundaries will be required	Uses existing boundaries
Synchronicity - proposals should seek to align the boundaries of new unitary councils with other public sector boundaries to enhance partnership working and service integration with organisations like the NHS and police.	Good alignment with NHS and police boundaries, supporting partnership working.	Good alignment with NHS and police boundaries	Poorer alignment with NHS and police boundaries	Boundaries do not align well with NHS or police geographies, which could complicate partnership working and integrated service delivery.	Poorer alignment with NHS and police boundaries

Rationale for supporting Option D - Three Unitary Authority Model

Having examined the two unitary and three unitary options, Option D - the three Unitary model - comprising of Greater Peterborough, Mid Cambridgeshire, and Greater Cambridge — has emerged as the preferred approach in the business case.

The three Unitary model is fundamentally rooted in the principle of place-based leadership, offering a unique opportunity to celebrate and harness the distinctiveness of each area. By aligning each authority with its own local identity - Peterborough's vibrant urban energy, Cambridge's renowned spirit of global innovation, and Mid Cambridgeshire's rich rural heritage, the model empowers authorities to deliver service innovation that is closely attuned to the aspirations and needs of their communities. Meaningful engagement with the public and stakeholders, especially in Peterborough, has revealed enthusiastic support for this direction, highlighting a widespread appetite for greater local accountability and empowerment.

One of the outstanding strengths of the three Unitary model is its capacity to drive transformative change in local services. Each authority is well positioned to redesign and enhance services in ways that specifically address their unique challenges and opportunities, whether that involves urban regeneration, tackling rural inequality, or responding to the needs of a dynamic and diverse population, as seen in both Peterborough and Cambridge. The model further strengthens strategic alignment with the Combined Authority, supporting effective devolution and focused investment where it is most needed. With the ability to tailor economic and housing strategies, each authority can champion growth, regeneration, and the delivery of affordable housing, ensuring that local priorities are placed firmly at the heart of decision-making.

Whilst the two Unitary model offers some benefits such as economies of scale and stronger alignment with NHS and police boundaries in certain configurations, it risks diluting local identity and creating imbalances between urban and rural communities. The three unitary authority model, by contrast, fosters stronger local leadership and public engagement, and is better positioned to deliver transformation in service delivery and economic development. However, it is appreciated that these benefits are not evenly distributed, and the model introduces new complexities, particularly for Mid Cambridgeshire.

The Impact of the three Unitary model on Mid Cambridgeshire: Risks of Marginalisation

Mid Cambridgeshire occupies a pivotal position within the proposed three Unitary model. As a predominantly rural area, it boasts a unique character and a wealth of opportunities to shape its own future. While it does not have a central urban hub, this distinctiveness presents a chance to pioneer innovative approaches to service delivery and community engagement, tailored specifically to the needs of its diverse rural communities.

Naturally, there are important challenges to address. The options appraisal recognises that Mid Cambridgeshire currently faces a weaker economic base, higher initial transition costs (£40.7m), a comparatively modest net financial benefit (£1.4m/year), and a longer payback period (over 10 years). Its population remains below the government's 500,000 guideline, which raises valid questions about long-term financial sustainability and the ability to deliver consistently high-quality services at scale.

It is essential to note that, without careful planning and targeted support, there is a risk of service fragmentation in Mid Cambridgeshire. The wide rural spread and absence of a central hub make service delivery more complex, and challenges such as digital exclusion and barriers to access persist in some of the most deprived wards. There is a genuine concern that, if left unaddressed, Mid Cambridgeshire could risk being overshadowed by the urban momentum of Peterborough and Cambridge, potentially diminishing its distinct identity and its ability to attract new investment or talent. Furthermore, governance could become complicated, and robust local engagement in strategic decisions might be harder to secure without strong external partnerships.

Nevertheless, these challenges are by no means insurmountable. With proactive leadership, Mid Cambridgeshire can harness external government funding, develop shared services, and embrace innovative delivery models to achieve economies of scale and financial resilience. Investing in digital infrastructure and empowering community-led initiatives will help ensure that high-quality services remain accessible across even the most remote areas. Strong strategic communications and advocacy will be vital in championing Mid Cambridgeshire's strengths and securing its rightful place in regional decision-making.

To ensure the area's continued success, governance frameworks should be strengthened, with transparency, accountability, and clear mechanisms for local participation at their core. By forging formal partnerships with neighbouring authorities and regional bodies, Mid Cambridgeshire can mitigate the risk of isolation, secure strategic investment, and align with broader policy priorities. A phased and well-supported implementation, underpinned by effective leadership, will be crucial to navigating the transition smoothly and delivering positive outcomes for all residents.

Summary

Overall, the three Unitary authority model sets out an inspiring and forward-thinking vision for Cambridgeshire and Peterborough, placing local leadership, responsive services, and targeted economic growth at its heart. Option D not only meets national criteria for geography, devolution, and democratic legitimacy, but also opens up exciting possibilities for innovation and community empowerment—even though it poses important challenges related to financial sustainability, service delivery, and strategic cohesion, particularly for Mid Cambridgeshire.

Despite populations below the 500,000 guideline, this model encourages creative solutions to enhance economies of scale and maintain robust core services such as Children's Social Care. While cost savings may be less pronounced than in a two-unitary configuration, the model's emphasis on local distinctiveness, engagement, and place-based leadership provides a strong foundation for resilient service delivery.

Success will be built on a focused and pragmatic approach, with strong political leadership championing Mid Cambridgeshire's interests through targeted investment and robust governance. By actively managing risks and seizing opportunities for collaboration and innovation, the three Unitary model is well placed to empower communities, strengthen local accountability, and deliver outstanding outcomes for every part of our region.

04

OUR PROPOSAL

Cambridgeshire & Peterborough

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4. OUR PROPOSAL FOR CAMBRIDGESHIRE AND PETERBOROUGH

"Three Councils, One Future: Better Local Services and Shared Prosperity for All" captures a bold and optimistic vision for the future of local government in Cambridgeshire and Peterborough. Grounded in a strong belief that reform should be purposeful, locally responsive, and truly tailored to the needs of our communities, this vision is set to deliver lasting benefits now and for generations to come.

THREE COUNCILS, ONE FUTURE: BETTER LOCAL SERVICES AND SHARED PROSPERITY FOR ALL

There is widespread recognition that local government reorganisation presents a valuable opportunity to secure long-term financial sustainability, deliver improved public services, and enhance democratic accountability. The proposed three-unitary model comprising Greater Peterborough, Mid Cambridgeshire, and Greater Cambridge, champions a fresh, identity-driven approach with deep local roots. By reflecting the diversity and unique character of our sub-region, this model has the potential to strengthen community engagement, foster dynamic local leadership, and reinforce democratic accountability.

All options have been thoroughly appraised in line with the Ministry of Housing, Communities and Local Government (MHCLG) criteria. The three-unitary model aligns well with national expectations, especially in terms of local responsiveness and clarity of accountability. By empowering councillors to take responsibility for all local government services, residents will benefit from greater transparency—making it easier to understand who is accountable and encouraging active democratic participation.

Strategically aligned boundaries that mirror economic and housing geographies will bolster more effective planning and delivery in vital areas such as housing, transport, health, and social care. This model also ensures that each unitary authority has a stronger and more representative voice on the national stage, amplifying the priorities that matter most to our communities.

While the model introduces considerations around the distribution of resources and integration of services, these are challenges that can be proactively addressed. Careful planning and investment can unlock efficiencies, reduce duplication, and ensure that all councils, regardless of size, are able to invest in innovation and transformation. Through collaboration and shared ambition, the three-unitary approach can enable all residents to access excellent public services and benefit from local growth.

Rather than seeing these risks as obstacles, we view them as opportunities to innovate and ensure that no community is left behind. With robust governance, strong leadership, and a commitment to partnership, Mid Cambridgeshire can thrive alongside its neighbours, attracting investment, retaining talent, and achieving the high standards of service delivery our residents deserve.

Ultimately, this proposal is about more than just structural change, it is about setting the foundations for sustainable success. The three unitary model is growth-focused, community-driven, and designed to ensure local voices are heard and valued. It offers compelling advantages in terms of local identity, democratic accountability, and deep-rooted community engagement. By weighing its strengths and actively managing its challenges, we are confident that this model can deliver equitable, efficient, and sustainable public services across the whole sub-region.

Strategic Case for 3 UA Model

This section provides a balanced yet optimistic evaluation of the proposal to restructure Cambridgeshire and Peterborough into three distinct unitary authorities—Greater Peterborough, Mid Cambridgeshire, and Greater Cambridge based on MHCLG's criteria for Local Government Reorganisation (LGR). Each criterion is thoughtfully considered for every proposed authority, highlighting clear advantages in governance, geography, service delivery, financial sustainability, community identity, and strategic alignment. The three-unitary proposal champions innovation and localism, and while it encourages reflection on ensuring the resilience of all Unitaries especially Mid Cambridgeshire, it ultimately supports a positive trajectory for the region as a whole.

By recognising both the inspiring potential and the areas deserving further focus, this assessment sets the stage for constructive dialogue and informed, forward-thinking decision-making. We are confident that, with collective resolve and collaboration, the three-unitary model can unlock new opportunities, drive shared prosperity, and deliver outstanding outcomes for every part of our region.

THEME 1: INCLUSION & SUSTAINABLE GROWTH

Context: Cambridgeshire & Peterborough Economy

Cambridgeshire and Peterborough is one of the UK's top places for innovation and new ideas and when it comes to competition, only Boston, USA, comes close

- **In 2022, this area produced £31 billion in goods and services making up 1.6% of England's total value**
- **Varied local economy with a city and rural mix**
- **Strategically positioned between the Cambridge-Milton Keynes-Oxford corridor and the London-Cambridge route**
- **Fastest growing region in England for last 10 years**
- **One of the UK's top places for innovation and new ideas**

Over the past decade, Cambridgeshire and Peterborough have consistently outpaced growth across the East of England — and even nationally — positioning the region as one of the UK's fastest-growing areas. The area benefits from strong connectivity with direct links to London, the East Midlands, and key ports, giving the region a competitive edge. It's home to nationally significant industries including science, technology, manufacturing, and engineering, which collectively generate £8.5 billion and attract substantial domestic and international investment.
The region includes two of England's fastest-growing cities, alongside a diverse mix of market towns and rural communities. Its economic profile is shaped by a unique blend of farming, defence, advanced manufacturing, and expanding business parks.

The cities are growing fast and need more workers, new homes, and places for businesses to grow. Each city has its own unique character but together they cover all the major sectors the government wants to focus on for future growth. Peterborough is a leader in manufacturing, logistics, and digital services, and it's one of the fastest-improving cities in the whole country, coming second in the PwC Good Growth for Cities Index 2023. Cambridge is famous worldwide for its incredible science, technology, and clean energy work, especially in areas such as life sciences and artificial intelligence.

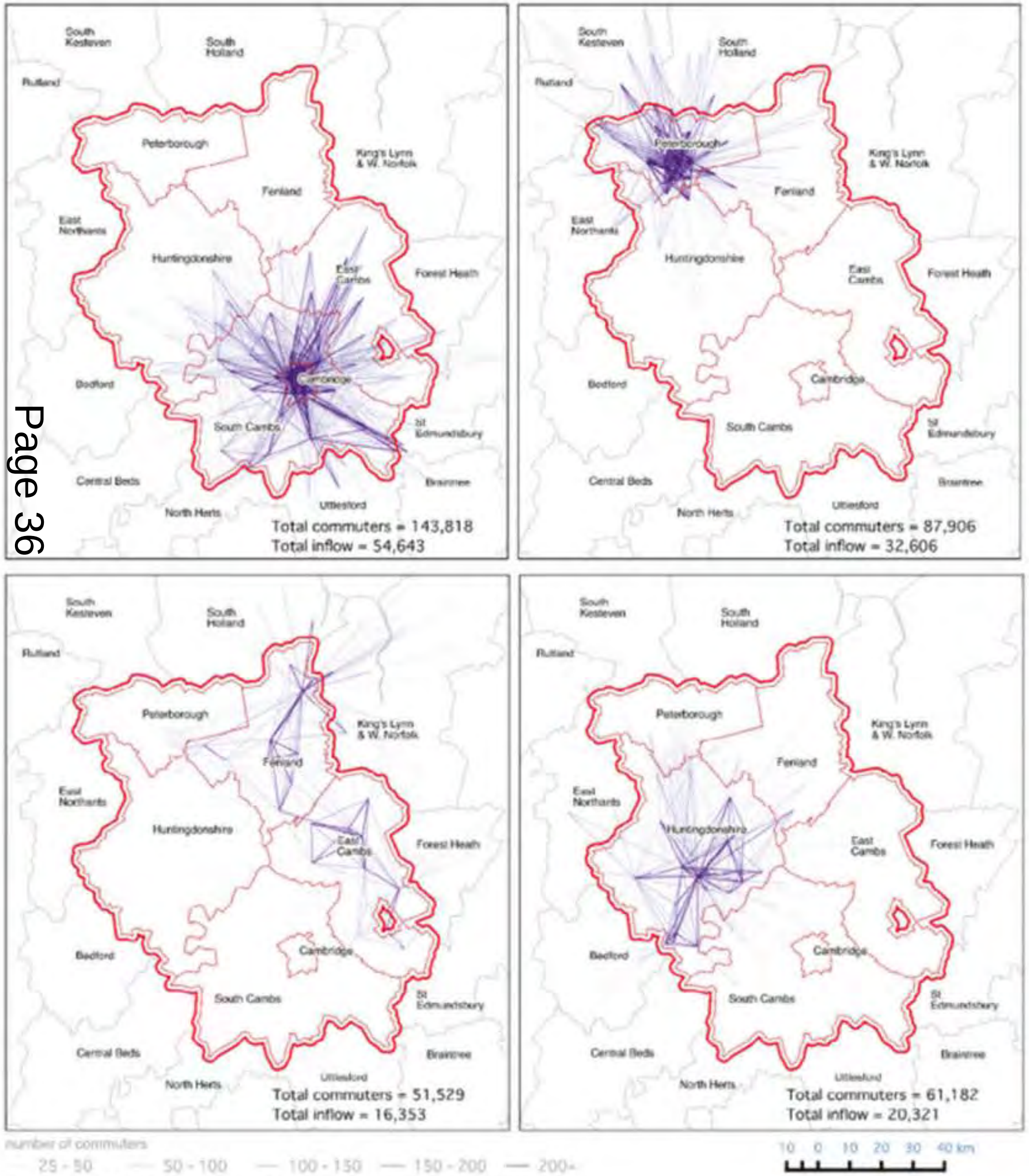
Outside the cities, towns like Ely, Chatteris, Huntingdon, St Ives, and St Neots are also important—they support the cities, offer cheaper places for businesses to start, provide attractive, affordable places for people to live, and help with the region's growth.

There is also The Fens, a vast area of marshes and wetlands. This land is incredibly important for farming—it has much of England's best farmland and grows a fifth of the country's crops and a third of its vegetables. What happens in The Fens affects food prices everywhere, which is important for food security in the UK. There are also big food companies like McCain and Del Monte here, exporting from factories mainly in the northeast of the county. Farming and related jobs make up 24% of business in East Cambridgeshire and 17% in Fenland.

The 3 Unitary Authority Model

This plan is based on a model first explained in the 2018 Cambridgeshire and Peterborough Independent Economic Review (CPIER), which pointed out that Cambridgeshire and Peterborough have three different but connected economic areas. These were previously called Greater Peterborough, the Fens, and Greater Cambridge, but we now refer to them as Greater Peterborough, Mid Cambridgeshire, and Greater Cambridge.

Travel to work patterns and commercial activity data strongly reinforce this way of segmenting the region — both clearly reflect the distinct economic roles and functional relationships across each area.



Source: 2011 Census Origin Destination Table WU03EW

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The three Unitary Authority model takes the six local councils—which are all quite different from each other in terms of economy and society...

	Peterborough	Huntingdonshire	Fenland	East Cambridgeshire	South Cambridgeshire	Cambridge
Population	215,680	179,672	102,460	87,754	162,116	145,675
GVA (£m)	£7,957	£5,548	£2,267	£2,345	£7,068	£8,900
GVA/Capita	£36,893	£30,878	£22,126	£26,722	£43,598	£61,095
Business count	7,835	7,785	3,680	4,005	8,105	4,970
In employment	98,800	91,400	44,300	47,600	85,200	63,700
Unemployment	5.70%	3.20%	5.00%	3.2%	2.4%	4.0%
Economic inactivity	21%	15.30%	25.90%	17.8%	12.9%	26.6%

...and turns them into three new larger councils, each with about the same number of people. Each new area keeps its own special features, strengths, and challenges, but the split makes them more balanced overall.

	Greater Peterborough	Mid Cambridgeshire	Greater Cambridge
Population	281,058	304,508	307,791
GVA (£m)	£9,976	£8,141	£15,968
GVA/Capita	£35,494	£26,735	£51,879
Business count	10,669	12,636	13,075
In employment	98,800	91,400	44,300
Unemployment	5.0%	3.7%	3.1%
Economic inactivity	19.7%	19.5%	19.3%

Employment Sectors

Greater Peterborough

Greater Peterborough extends beyond the city itself, encompassing parts of northwest Huntingdonshire and key settlements including Yaxley, Sawtry, Huntingdon, and Kimbolton. This wider geography reflects a cohesive and fast-growing economic area with shared strengths and ambitions.

Peterborough is one of the UK's fastest-growing cities (Appendix B Case for Cities), with a youthful, diverse population and a strong appetite for growth. The city is delivering new housing at pace, but its role is evolving — it's becoming a powerful engine of regional prosperity. The opening of Anglia Ruskin University Peterborough in 2022 marked a major milestone, expanding access to higher education locally and attracting new talent into the area.

Significant investment is already underway. The £65 million first phase of the Peterborough Station Quarter is due to begin in Autumn 2025, and major housing developments at Hampton, Great Haddon, and Norwood are progressing. Along the A1 corridor, new homes and businesses are emerging at strategic sites such as Alconbury Weald Enterprise Campus, with further growth planned in Huntingdonshire at RAF Wyton and Molesworth — unlocking new jobs and opportunities.

Peterborough and northwest Huntingdonshire share a strong industrial heritage and are well-positioned for manufacturing, logistics, and transport-led growth. However, Peterborough's ability to expand is constrained by current boundaries. By aligning with northwest Huntingdonshire, the area opens up to the south and west, creating space for new communities, business investment, and international companies — all of which support inclusive, sustainable growth.

ARU Peterborough is also working closely with local employers to align education with workforce needs — helping residents gain the skills for high-quality, secure jobs. This approach is about creating real career pathways for young people, enabling them to thrive locally and contribute to the region's long-term success. Plus, ARU Peterborough is working closely with local businesses so people can learn the right skills for good jobs. The idea is to create more high-paying, secure jobs that need special skills, so young people can have great career options close to home.

Mid Cambridgeshire

Mid Cambridgeshire brings together Fenland, East Cambridgeshire, and the southern and western parts of Huntingdonshire — including towns such as St Neots, St Ives, and Ramsey. It's a region defined by vibrant market towns, rich agricultural landscapes, and the historic city of Ely.

East Cambridgeshire is a standout location for international business, ranked 5th in the UK for export-oriented companies (Beauhurst, 2024). G's Fresh Ltd, based in Barway near Ely, is the largest local employer, generating £550 million annually and operating across Europe and the US.

Fenland, often referred to as the 'Breadbasket of Britain', plays a nationally significant role in food production. Major employers include Princes, McCain, and Nestlé Purina PetCare in Wisbech. H. L. Hutchinson Ltd, a leading agricultural supplier, generates £276.1 million annually and is Fenland's largest business.

When combined with southern and eastern Huntingdonshire, the area emerges as a hub for manufacturing and agri-food production — sectors that are vital to both local livelihoods and national resilience.

Key opportunities for Mid Cambridgeshire include:

- Supporting businesses to adopt new technologies and improve packaging and logistics.
- Investing in Agri-Tech to enhance productivity and sustainability in farming.
- Upgrading digital and transport infrastructure to improve connectivity and access to jobs, training, and services.
- Revitalising market town high streets to strengthen local economies and community life.

This is a region with deep economic roots and real potential — and with the right investment and leadership, it can continue to thrive.

Greater Cambridge

Greater Cambridge is globally recognised for its academic excellence and innovation ecosystem. It's home to over 2,400 high-tech and science-based businesses working in life sciences, AI, software, cybersecurity, semiconductors, and green technology — generating over £15 billion annually and employing more than 41,000 people.

Business growth in Greater Cambridge has been strong, particularly in innovation-led sectors, with annual revenue increases of 7.1% overall and 8.6% for the most technology-intensive firms. Cambridge is also known as the "Unicorn Capital of Europe", with 26 companies valued at over £750 million, including ARM, Darktrace, Bicycle Therapeutics, and CMR Surgical. AstraZeneca, the UK's third-largest public company, has its global HQ here. The University of Cambridge plays a pivotal role in the UK economy, contributing £29.8 billion and supporting 86,000 jobs nationwide. Its global reputation and research excellence continue to attract investment and talent, with 125 Nobel Prize winners linked to the institution.

A new proposal aims to position Greater Cambridge among the UK's top 15 areas for employment, supercharging its tech and science sectors. The city also plays a leading role in the Oxford to Cambridge Partnership, which is set to create an internationally significant super-cluster of innovation and drive housing growth.

However, challenges remain — including housing affordability, transport congestion, and a shortage of lab and workspace. A unified governance model, bringing together Cambridge City and South Cambridgeshire, would enable more coordinated action to address these issues, attract further investment, and maintain the area's global competitiveness.

Summary

The case for establishing three distinct local government areas in Cambridgeshire and Peterborough is compelling. By empowering each area with its own leadership, we enable tailored decision-making that better reflects the specific needs and aspirations of local communities, creating the conditions for targeted growth and genuine opportunity.

For the two city regions, this approach safeguards their rapid growth trajectories and allows them to fully leverage their unique competitive advantages. In:

- **Greater Peterborough**, the focus can be on building upon its established strengths in manufacturing and logistics, maximising the economic potential of its strategic position along the A1 corridor, and drawing on the expertise of the local university to foster new industries. These steps will drive investment and ensure a pipeline of jobs, skills, and opportunities for residents.
- **Mid Cambridgeshire**, with its vital agricultural and manufacturing sectors, targeted action can be taken to sustain its market towns and rural communities, ensuring access to employment, training, and essential services for all.
- **Greater Cambridge** must be well-positioned to address infrastructure challenges—most notably transport congestion and housing shortages—while maintaining its role as a national and global hub for science and technology. Prioritising the provision of laboratory space and securing ongoing investment will reinforce Cambridge's status as a leading centre for innovation.

Crucially, this three-authority model offers the flexibility for each area to capitalise on its strengths, while cooperating on cross-cutting issues such as housing delivery, energy infrastructure, and water management. This structural reform is an enabler: it affords each community the autonomy to flourish while ensuring collaborative solutions to the challenges that extend across regional boundaries. In essence, it is a strategy that supports equitable, place-based prosperity and resilience for the whole of Cambridgeshire and Peterborough.

THEME 2: FINANCIAL SUSTAINABILITY

As part of developing the case for a three unitary authority model in Peterborough and Cambridgeshire an evidence-based assessment has taken place. This assessment has not only considered this option but the other two unitary options being considered within the region. The analysis draws upon financial data, that over the last 5 months Finance Officers representing each of the Local Authorities in scope have worked together to collate. This process has been supported by the work of advisors such as Newton, Pixel Financial Management, LG Improve Local Partnerships and PwC.

The assessment has centred around developing an understanding of how the new model ensures the new unitary authorities are **"the right size to achieve efficiencies, improve capacity and withstand financial shocks"**, in line with the criteria set by MHCLG.

This section presents the details of that assessment and demonstrates how our proposal for three new unitary authorities in Cambridgeshire & Peterborough will improve financial resilience and generate efficiencies, through reducing duplication, achieving economies of scale, and delivering cost-effective services through the wider opportunities for transformation and improvement.

Efficiencies and delivering value for money for council taxpayers

Collectively with Cambridgeshire County Council, we have worked with PwC to undertake analysis of the implementation costs and financial benefits of local government reorganisation in the region. This analysis used the same model adopted by MHCLG in its own White Paper, illustrating the value that can be achieved through reorganisation.

PwC's broader modelling demonstrates that the costs of running the local government system increase the more councils you create. Therefore, it shows that although there are financial benefits of creating a three unitary model, these benefits are lower than those that can be achieved in a two unitary authority model, additionally the costs of achieving this are greater, which extends the payback period.

Table 1 on the right shows the costs, financial benefits and payback periods associated with creating two and three unitary authorities.

Table 1: Summary of Financial Benefits and Costs

	Number of Unitary Authorities	
	Two	Three
Net annual savings post transition	£12.1m	£1.4m
One off costs of implementation	£34m	£41m
Initial payback period in years	6 years	50 years +
Service delivery transformation		
Transformation Potential - Low	£17.4m	£11.7m
Transformation Potential - High	£22.9m	£16.9m
One off cost of Delivering Transformation	£11-16m	£7-12m

Note: the two unitary model savings are the same for the 3 options being considered across Peterborough and Cambridgeshire

The annual savings are based on prudent assumptions around what could be achieved from streamlining and amalgamating services. This can be broken down into the following categories:

Workforce
Removal of duplicating roles and maximising operating efficiencies in the back office as a result of service integration

Senior Management
Consolidation of the current management structures resulting from less local authorities

Third Party Expenditure and Contracts
Economies of scale that can be achieved via greater buying power and removing duplication

Property Rationalisation
Reducing the number of operational buildings across the estate and therefore reducing the associated running costs

Members allowances and Democracy
Resulting from a reduced number of members and fewer elections

Whilst transitioning to the new unitary authorities, we will be ambitious and seize the opportunity to redesign and transform services. Bringing lower and upper tier functions together will unlock wider system opportunities:

- Work collectively with public sector partners, voluntary sector, and health to align services with community need - building on the strengths and successful models that each of the authorities share.
- Deliver integrated and holistic services which are connected, place based and digitally enabled.
- Making better use of data to focus on early intervention and prevention measures to target services where the need is the greatest.
- Develop modernised and streamlined customer centric processes which both simplify contact for customers and focus on need.
- Creating an operating model that embeds strong governance, efficiency and maximising productivity.

Work to establish the new unitary authorities will be complicated due to the various moving parts and difficulties with merging systems and processes. Due to the scale of the overall programme, it is anticipated that service transformation would be phased alongside and beyond transition and the full financial benefits will take time to come to fruition.

The potential financial benefits of transformation are more difficult to quantify; therefore, a range has been set out in the modelling. This will require further investment, but the savings yield is greater than initial cost of implementation demonstrating the financial opportunities of delivering LGR- this is the case for both the two and three unitary authority models.

Transition costs

There will be significant costs incurred while transitioning to the new unitary authorities. This will cover:

- **Closing down the current councils** from a legal and financial perspective and creating effective systems, controls and governance structures.
- **Shadow Authority (including Chief Executive and members) costs** resulting from establishing and running the shadow leadership team ahead of the new unitary authorities taking control.
- **Public consultation, engagement and rebranding** covering the cost of communication and creating a new united corporate branding.
- **Office Consolidation costs** associated with consolidating office spaces, disposing of surplus properties, operating dual locations for a period and potentially investing in new facilities.
- **ICT costs** incurred during the process of integrating IT systems across organisational boundaries to create one coherent unitary structure.
- **External professionals** who may be engaged to offer expertise or guidance in areas such as legal matters, financial considerations, service disaggregation, and contractual negotiations.
- **Internal Programme Management Team** to support and oversee the transition programme.
- **Redundancy and Pension strain costs** resulting from a reduction in management structures and workforce.

At this stage, cost estimates are informed by insight from previous instances of LGR. However, every situation is different, some costs of transition will be simpler to model and profile, for example redundancy and pension strain costs will likely be in year one and will reflect a reduction in the workforce, particularly senior management. Other costs such as managing the transition of multiple and critical ICT systems are inherently complex, necessitating comprehensive planning and involving various risks.

As with all programmes, there is an element of uncertainty, particularly for a programme of this size, therefore a contingency amounting to 20% of the one-off costs has been included within the estimated implementation cost.

As set out in table 1, the projected costs for transitioning to the three unitary model are expected to be higher. This increase is attributable to the greater complexity involved, as it requires not only disaggregation of services and systems currently provided by Cambridgeshire County Council to form a third unitary authority, but also the separation of Huntingdonshire District Council services due to the proposed boundary changes.

Payback

The payback period is essential to rebuild balances, to mitigate financial shocks, and to enable continued investment in transformational change and service improvement- therefore the sooner this can be achieved the greater the resilience and financial standing of the new unitary authorities.

The government has made clear that the cost of Local Government Reorganisation must be funded locally, therefore this leaves the option of using Reserves, Capital Receipts (from the sale of assets) or Exceptional Financial Support. None of these options are ideal, particularly when focussing on creating a solid foundation for the future. Based on the collective reserves balances as at 31 March 2024, the cost of transitioning to the new unitary authorities could deplete reserves balances by as much as 10%.

Sustainability and Resilience

It is well documented that local authorities have been operating in an extremely challenging environment, fraught with unprecedented levels of demand for services such as Social Care, Special Educational Needs and Housing. These challenges are compounded by financial constraints arising from inflation, which impacts all areas of expenditure, as well as increased interest rates. When implementing LGR, it is important to ensure that the new unitary authorities can withstand financial shocks and maintain the delivery of public services over the long term, with secure financial sustainability as a key foundation.

Understanding a Local Authorities Financial Resilience provides greater understanding of their financial health and can highlight warning signs such as the symptoms of financial stress. CIPFA have produced a resilience index tool, using available financial data of all authorities, as a starting point for CFO's when assessing financial risk, developing financial strategies and budgets. Table 2 shows the CIPFA Index tool results for Cambridgeshire and Peterborough Local Authorities.

Unsurprisingly the tool highlights that financial resilience of Peterborough is of the greatest risk due to its low reserves balances, high levels of debt and difficulty raising income via council tax due to our lower band D rate and tax base. Peterborough financial challenges have been well documented with Exceptional Financial Support being approved in 2021 and non-statutory intervention being in place until the beginning of 2025.

Across the other local authorities there are pockets of risk, but none are significant enough to indicate an authority under financial stress.

Table 2: CIPFA Local Authority Financial Resilience Index analysis:

INDICATORS OF FINANCIAL STRESS		PETERBOROUGH	C'SHIRE	EAST CAMBS	FENLAND	HUNTS	SOUTH CAMBS	CAMBRIDGE CITY
Level of Reserves	Overall level of reserves	H	A	L	H	L	L	NA
	Unallocated reserves	H	A	H	H	A	L	NA
	Earmarked reserves	H	A	L	H	A	A	NA
Change in Reserves	Overall change in reserves	A	L	L	A	A	L	NA
	Change in unallocated reserves	L	A	L	A	L	L	NA
	Change in earmarked reserves	A	L	L	A	A	L	NA
	Change in Housing Revenue Account reserves	NA	NA	NA	NA	NA	A	NA
External Debt	Interest payable/net revenue expenditure	H	H	A	A	A	H	NA
	Gross external debt	H	H	L	L	A	H	H
Social Care	Overall social care debt	L	L	NA	NA	NA	NA	NA
	Children social care ratio	A	L	NA	NA	NA	NA	NA
	Adult social care ratio	L	L	NA	NA	NA	NA	NA
Income and Funding	Fees and charges to service expenditure ratio	H	A	H	A	A	A	NA
	Council tax requirement/ net revenue expenditure	H	A	A	A	A	A	NA
	Growth above baseline	H	H	A	L	H	H	H

**Cambridge City information- Not available. Source: Resilience Index*

Risk level:

Low
Average
High

Replicating every aspect of the CIPFA resilience index for the new unitary authorities is challenging, but we have analysed key factors affecting local authority financial resilience—funding, reserves, and debt. The following sections outline our assessment and highlight potential risks.

Funding

Ensuring the right funding in place to meet local need is at the heart of financial sustainability. At the time of writing this business case, significant national reforms are underway through the 'Fairer Funding Review' (FFR), which will change future funding allocations for local authorities. Whilst this is causing a degree of uncertainty regarding future funding levels, it also offers hope to those authorities that have historically been underfunded.

During the recent government consultation, data has been published by Pixel Financial Management which has enabled us to better understand the impact of FFR on local authorities at a national level, but also the options as set out within this report.

Significant changes are anticipated within Cambridgeshire as a result of the FFR. Peterborough is projected to benefit considerably, with more than £25m in additional funding expected by the time it is fully implemented. Additionally, Cambridgeshire County Council is set to gain in the region of £30m. Conversely, all of the district councils with the exception of Fenland are expected to experience reductions in funding.

This will have an impact on the potential funding levels of the new unitary authorities; therefore this has been evaluated alongside disaggregated expenditure budgets to assess any risks to service delivery and meeting needs. Table 3 sets out this analysis.

This indicates that most of the unitary authorities possess a degree of headroom, albeit some more than others. Notably the new unitary authorities in the south of the region appear to be in a stronger financial position across all options. However, there are concerns regarding two proposed unitaries, North East Cambridgeshire and Greater Peterborough, where there is a risk that available funding may not be sufficient to meet need. To mitigate this, new authorities would need to resize services in line with the funding available.

Table 3: Funding and Expenditure Analysis

	Funding £m 2026/27	Net spend £m 2025/26	Difference £m	Difference (%)	Resources per head of population
Option A (2UA)					
South East Cambridgeshire (SC,CC, EC)	465.3	416.8	48.5	10.4%	£1,121.16
North West Cambridgeshire (FDC, HDC, PCC)	595.4	582.9	12.5	2.1%	£1,147.21
Option B (2UA)					
Greater Cambridge (SC,CC)	367.7	313.5	54.2	14.7%	£1,141.81
North Cambridgeshire (FDC, HDC, PCC, EC)	694.2	686.3	7.9	1.1%	£1,134.24
Option C (2UA)					
North East Cambridgeshire (EC FDC, PCC)	489.7	495.1	(5.5)	-1.1%	£1,161.79
South West Cambridgeshire (HDC, CC, SC)	572.0	504.6	67.4	11.8%	£1,116.06
Option D (3UA)					
Greater Peterborough (PCC, HDC)	344.6	335.8	8.8	2.6%	£1,180.25
Mid Cambridgeshire (HDC, FDC, EC)	349.5	350.5	(1.0)	-0.3%	£1,092.08
Greater Cambridge (SC,CC)	367.7	313.5	54.2	14.7%	£1,141.81
Option E (Hunts 3UA)					
North East Cambridgeshire (EC FDC, PCC)	489.7	495.1	(5.5)	-1.1%	£1,161.79
Huntingdon (HDC)	204.5	191.1	13.4	6.5%	£1,073.49
Greater Cambridge (SC,CC)	367.7	313.5	54.2	14.7%	£1,141.81

Source: Funding- Pixel Financial Management FFR model 2026/27 funding figures & Net spend- Collaborated Local LGR Budget Model, uplifted by 6.3% (average increase in national Local government spend as per RA data https://www.gov.uk/government/statistics/local-authority-revenue-expenditure-and-financing-england-2025-to-2026-budget (table 2)

Low
Average
High

Debt

Cambridgeshire & Peterborough as a region has higher than average levels of debt when compared with other areas. This is attributable to higher debt at Cambridgeshire County Council, Peterborough, and the two authorities—Cambridge and South Cambridgeshire—that maintain council housing through a Housing Revenue Account. In addition to holding housing stock, there will be various other reasons for debt, including meeting statutory duties by building and improving schools to provide adequate places, maintaining the highways and road network and investment in assets. The latter, potentially generating a return and having a positive impact on the councils' expenditure budget.

The relative cost of debt, regardless of how it was incurred, should be evaluated to determine to financial risk exposure and therefore potential weaknesses in resilience. The interest and repayment obligation associated with the level of debt can affect an authority's ability to respond to other financial pressures or shocks if significant. The importance of balancing ambition with an authority's financial capacity when taking on debt cannot be over-emphasised.

Table 4 examines the allocation of debt and net investment income and debt financing (repayment and interest) costs across the proposed new unitary authorities. It outlines the proportion of funding this would absorb, in order to continue meeting existing commitments. It shows that the unitary authorities within the south would be strong financially, with low levels of commitment relative to their funding. The proposed increase in scale (resulting from increasing the remit of the authority into part of Huntingdonshire), which in turn increases the funding and expenditure base, does reduce our percentage of debt to revenue budget.

Table 4: Debt Analysis based on the modelled options:

	Funding (£m)	Debt (£m)	Net Investment Income & Debt Financing Costs (£m)	Debt Financing costs as a % of Funding
Option A (2UA)				
South East Cambridgeshire (SC,CC, EC)	465.3	582.9	18.2	4%
North West Cambridgeshire (FDC, HDC, PCC)	595.4	927.4	48.6	8%
Option B (2UA)				
Greater Cambridge (SC,CC)	367.7	471.5	14.7	4%
North Cambridgeshire (FDC, HDC, PCC, EC)	694.2	1,038.9	52.0	7%
Option C (2UA)				
North East Cambridgeshire (EC FDC, PCC)	489.7	776.0	41.6	8%
South West Cambridgeshire (HDC, CC, SC)	572.0	734.4	25.2	4%
Option D (3UA)				
Greater Peterborough (PCC, HDC)	344.6	625.5	38.3	11%
Mid Cambridgeshire (HDC, FDC, EC)	349.5	413.4	13.7	4%
Greater Cambridge (SC,CC)	367.7	471.5	14.7	4%
Option E (Hunts 3UA)				
North East Cambridgeshire (EC FDC, PCC)	489.7	776.0	41.6	8%
Huntingdon (HDC)	204.5	262.8	10.5	5%
Greater Cambridge (SC,CC)	367.7	471.5	14.7	4%

Source: Debt taken from individual LA 2024/25 Statement of Accounts and Net investment income and debt costs from Local authority revenue expenditure and financing England: 2025 to 2026 budget - GOV.UK

Low

Average

High

Reserves

Reserves are essential to a local authority's financial resilience because borrowing is restricted to specific functions and authorities are required to balance budgets annually. Reserves function as a safeguard against unforeseen events and to address expected challenges.

Analysis of general fund and earmarked reserves as at March 2025 has been undertaken to ensure that reserves balances for the new authorities are at a level sufficient to provide protection from any unexpected financial challenge. The analysis compares the reserves balances against the modelled level of funding, setting out the 'headroom' (% reserves proportionate to funding). It also assumes that there will not be an excessive use of reserves balances between now and vesting day. If reserves were used to fund the implementation costs associated with LGR this would have a detrimental impact on the balances available.

All options have sufficient reserve levels. Although the proportion of reserves to funds is provided in comparison to the current arrangements, Option D provides significantly lower levels, leaving it more vulnerable to shocks.

Table 5: Reserves analysis

	Funding (£m)	Reserves (£m)	% Reserves of Funding
Option A (2UA)			
South East Cambridgeshire (SC,CC, EC)	465.3	260.0	56%
North West Cambridgeshire (FDC, HDC, PCC)	595.4	150.1	25%
Option B (2UA)			
Greater Cambridge (SC, CC)	367.7	206.8	56%
North Cambridgeshire (FDC, HDC, PCC, EC)	694.2	203.3	29%
Option C (2UA)			
North East Cambridgeshire (EC FDC, PCC)	489.7	117.2	24%
South West Cambridgeshire (HDC, CC, SC)	572.0	292.9	51%
Option D (3UA)			
Greater Peterborough (PCC, HDC)	344.6	55.8	16%
Mid Cambridgeshire (HDC, FDC, EC)	349.5	147.5	42%
Greater Cambridge (SC, CC)	367.7	206.8	56%
Option E (Hunts 3UA)			
North East Cambridgeshire (EC FDC, PCC)	489.7	117.2	24%
Huntingdon (HDC)	204.5	86.1	42%
Greater Cambridge (SC, CC)	367.7	206.8	56%

Source: Debt taken from individual LA 2024/25 Statement of Accounts and Net investment income and debt costs from Local authority revenue expenditure and financing England: 2025 to 2026 budget - GOV.UK

Low

Average

High

Council Tax Harmonisation

The new unitary authorities must harmonise their Band D council tax within 7 years (council taxes must be fully harmonised by year 8). In practice, though, most will harmonise within 1 or 2 years. If there are two or three unitaries within one county area, they do not have to harmonise at the same time or over the same number of years. For the purposes of this business case we have assumed the future unitary authorities would move using a weighted average approach. If they did this, the total council tax yield (income) would remain the same and the Band D council tax updated accordingly.

We propose to harmonise Band D council tax in year one, this avoids local inequalities resulting from residents paying differing amounts of council tax for the same services. Table 6 sets out the proposed band D rate for each of the unitary authorities within our proposed option (D). It also sets out how this compares to the current band D rate. We have not applied any proposed increase in Band D (eg 4.99% - maximum referendum limit), this is so that the pure impact of harmonisation can be understood.

The modelling shows that under this option residents in East Cambridgeshire will face the highest increase £39.29 or 2.1%, with residents in Huntingdonshire expecting to see a reduction of £85.56 or 4.8%.

As the proposal requires a boundary change within Huntingdonshire, this adds an additional layer of complexity when it comes to harmonisation. Every effort has been made to undertake bespoke calculations, but there is a reduced degree of accuracy due to these factors.

Table 6: Council Tax Harmonisation (Option D - three unitary model)

Option D	Proposed Band D £	Current Band D £	Difference £ (-reduction/+ increase)	Difference % (- reduction/ + increase)
Greater Peterborough				
Peterborough	£1,780.94	£1,749.42	£31.52	1.77%
Huntingdon		£1,866.50	-£85.56	-4.80%
Mid Cambridgeshire				
Huntingdon	£1,882.23	£1,866.50	£15.73	0.84%
Fenland		£1,955.43	-£73.20	-3.89%
East Cambridgeshire		£1,842.78	£39.45	2.10%
Greater Cambridge				
South Cambridgeshire	£1,898.48	£1,876.04	£22.44	1.18%
Cambridge City		£1,932.77	-£34.29	-1.81%

Conclusion

The three unitary model offers localised governance, preserves local identity and delivers efficiencies in comparison to the current local government structure.

The modelling shows that Local Government Reorganisation will improve financial resilience across Cambridgeshire with the reallocation of resources and risk, however this doesn't eradicate current concerns, and some risks remain in respect of the funding allocation and the level of reserves available in some of the authorities, particularly within the three unitary model. It also has the highest implementation costs, lower financial returns, and longest payback period.

Taking a closer look at the proposed unitary authorities within that model you can conclude:

- **Greater Peterborough** – Peterborough has an existing unitary base to build on which will support transition and potentially ease some costs. However, as Peterborough has historically required exceptional financial support and comes from the most financially challenged position, increasing the scale doesn't necessarily provide the desired resilience. Reserves still remain low, the cost of servicing debt continues to eat into a significant proportion of the net budget, and the funding headroom is tight. This could be mitigated by resizing services in line with available funding.

- **Mid Cambridgeshire** – Although reserves balances appear healthy, its proposed lower level of funding, may result in difficulty in being able to deliver services to residents within its budget envelope. A significant transformation programme will be required to ensure services are 'resized' accordingly.

- **Greater Cambridge** – has a strong tax base, with high growth potential, healthy reserves and debt levels and sufficient head room within the budget. The main risk for this authority will be the future implications of phasing in the benefits and cost of growth, whilst at the same time seeing a reduction in funding via the proposed Fairer Funding review. Robust financial planning and multi-year settlements will be required.

THEME 3: SUSTAINABLE PUBLIC SERVICES

The plan to create three new unitary authorities offers the potential to better tailor public services to local needs. However, this structure also brings substantial risks and financial pressures, notably regarding variability and resilience in service delivery.

Areas such as Peterborough and Fenland are expected to face significant demand and cost challenges. Both have some of the county's highest spending and prevalence rates for Special Educational Needs and Disabilities (SEND) services. Smaller authorities typically incur higher adult social care costs per resident, experience more high-cost placements, and are more susceptible to sudden demand or cost fluctuations.

Projected shortfalls in school capacity, as well as heightened risks in housing—including increasing homelessness and greater reliance on temporary accommodation—are likely to hit smaller authorities hardest, especially as these issues intensify towards 2040. These pressures highlight the need for robust planning and investment to ensure transformation succeeds and fragmentation is avoided.

Service Delivery and Infrastructure

The establishment of three unitary authorities brings an opportunity to transform service delivery and create operational models that respond to regional priorities. For example, Mid Cambridgeshire would be positioned to provide services tailored to rural communities, while the new structure would support more responsive and integrated approaches to social care, SEND, and housing. Nonetheless, without careful planning and strong transitional arrangements, the reorganisation could cause disruption, especially in critical services like housing and social care.

Peterborough, as an established unitary authority, is well-placed with independent service delivery capability. The new authorities, however, currently depend on Cambridgeshire County Council for social care and would require substantial investment in infrastructure and workforce capacity to take on these functions. If not addressed, these challenges could lead to fragmented services.

The tables below provide an overview of the three unitary authority option advantages and disadvantages per service area and spend, including variation in demand/spend.

Area	Advantages	Disadvantages
Improving Children's Services	» **Targeted Interventions:** Smaller authorities may be able to focus more on the specific needs of their children and families » **Potential for Innovation:** New authorities could introduce innovative practices tailored to their local context	» **Service Quality Variation:** high variation in demand and spend per resident which could lead to inconsistent service quality and outcomes for children across the region » **Resource Inequality:** Authorities with higher prevalence of need (e.g., those containing Peterborough and Fenland) will face greater demand and cost pressures, potentially straining resources and impacting service delivery
Adult Social Care and Healthcare	» **Potential for Localised Service Delivery:** Smaller authorities may be able to tailor services more closely to local needs and demographics » **Closer Community Engagement:** More focused authorities could foster stronger relationships with local providers and communities » **Ease of communication and logical co-ordination point for information and advice:** The population in the identified area would look toward Peterborough City as their local city and this would streamline the provision of both online and face to face information and advice	» **Increased Variation in Demand and Cost:** high variation in demand and spend per resident, leading to potential inequalities in service provision and » **Higher Management Overheads:** More authorities mean more senior leadership teams, increasing fixed costs » **Smaller Scale, Higher Unit Costs:** Smaller authorities may face higher unit costs for placements and care due to reduced economies of scale. » **Misalignment with NHS boundaries:** Would lead to further confusion and difficulties in streamlining pathways for support between health and care services » **Impact for front line staff:** Teams currently set up on the geographical footprint of Huntingdonshire would need to be split leading to instability for front line and direct care workers
SEND / Education	» **Local Responsiveness:** Smaller authorities may be more agile in responding to local SEND needs and trends » **Focused Planning:** Each authority can develop SEND strategies that reflect their unique demographic and educational landscape	» **Significant Demand Growth in Some Areas:** The authority containing Peterborough is projected to see the highest growth in SEND demand, leading to disproportionate pressure on resources and budgets » **Wider Variation in Service Experience:** increased risk of uneven access to SEND support, with some authorities potentially struggling to meet rising demand or maintain quality
Homelessness	» **Local focus:** Smaller authorities could potentially design homelessness strategies that are more responsive to local housing markets and needs » **Integration with local services:** Closer alignment with local voluntary sector and housing providers	» **Resource variation:** high variation in demand and spend per resident. Authorities with higher deprivation (e.g., those including Peterborough and Fenland) may face greater homelessness pressures and struggle to meet demand. Potential for inequality: Smaller authorities with high need may have less resilience to spikes in homelessness or housing crisis, leading to inconsistent support across the region » **Management overheads:** More authorities may mean duplicated efforts and less efficient use of resources for homelessness prevention and support

Source: Newton

ASC Spend/Resident	CSC Spend/Resident	SEND Spend/Resident	% Households in TA	Variation (spend/demand) compared to other Options
£332-£401	£148-£335	£181-£230	0.4%-1.2%	Highest

Source: Newton - indicative figures. See Appendix C - for full comparison table

Table below outlines the key service cost metrics (indicative) for each proposed unitary geography reflecting the 2025 position, providing an evaluation of the financial and service implications of the three unitary authority model.

Service	Greater Peterborough	Mid Cambridgeshire	Greater Cambridge	Metric
Adult Social Care	£396	£375	£326	Spend per resident
Children's Social Care	£335	£151	£147	Spend per resident
SEND/Education	£230	£181	£183	Spend per resident
Housing & Homelessness	1.2%	0.4%	0.7%	% Households in TA

Source: Newton

Adult Social Care (ASC)

Under the proposed three-unitary model, adult social care would be delivered by smaller, more locally focused authorities. This presents a valuable opportunity to tailor services more closely to the needs of individual communities, ensuring that care is responsive, inclusive, and place-based. Financial modelling highlights variation in projected spend per resident, reflecting differing levels of need across the region. Greater Peterborough, with higher levels of deprivation, is expected to have the highest adult social care spend per resident (£396), followed by Mid Cambridgeshire (£375) and Greater Cambridge (£326). These figures reinforce the importance of designing services that are both equitable and sustainable.

Smaller authorities may face challenges in absorbing financial shocks, maintaining market leverage, and managing fluctuations in demand and workforce availability. These risks are most pronounced in areas with higher levels of need, and will require careful planning to ensure resilience and continuity of care.

There are also operational considerations, particularly in areas where adult social care teams are currently aligned to the footprint of Huntingdonshire District Council. Transitioning to new structures may result in staff moving across boundaries, requiring new line management arrangements and support to ensure continuity and wellbeing. Similarly, existing contracts based on geographical boundaries will need to be reviewed to ensure they remain fit for purpose.

For the Voluntary, Community and Social Enterprise (VCSE) sector, particularly organisations operating across district boundaries in Huntingdonshire, there is a need to ensure continued collaboration and coherence. The Hunts Forum provides a strong foundation for voluntary sector infrastructure, and its role could be expanded to support development across the Greater Peterborough area.

In Mid Cambridgeshire, rurality presents specific challenges for care delivery, particularly for people living independently in more remote areas. Travel distances can increase costs and impact service coverage unless localised recruitment strategies are in place. This may lead to a more diverse provider landscape, with implications for commissioning and contract management that will need to be carefully considered.

Overall, while there are complexities to navigate, the proposed model offers a real opportunity to reshape adult social care in a way that is more responsive to local needs, builds on existing strengths, and supports long-term sustainability.

Children's Social Care (CSC)

The transition to a three-unitary authority model presents both opportunities and challenges for children's social care. Each authority will face distinct pressures, requiring tailored responses and collaborative solutions to ensure equity and resilience across the region.

Greater Peterborough is likely to experience the highest spend per resident (£335), reflecting a greater prevalence of children in care (75 per 10,000 under-18s) and a higher reliance on external placements. There will be an even greater need to attract additional foster carers, which may lead to greater use of independent fostering an residential care. These pressures underscore the need for investment in local provision and workforce capacity to improve outcomes and reduce long-term costs. The other two authorities may see lower spend and prevalence, but will need to navigate risks around sustaining specialist services and maintaining resilience during demand surges. Smaller, more deprived authorities often face challenges in achieving Good or Outstanding Ofsted ratings, which highlights the importance of robust improvement planning and shared learning.

The transition to a three-unitary authority model will inevitably increase demand for key roles across children's services. This includes Directors of Children's Services, social workers, and alternatively qualified professionals. Recruitment at senior levels is already a recognised challenge, and without a coordinated workforce strategy, there is a risk of fragmentation and competition between authorities. A shared approach to recruitment, retention, and professional development will be essential to attract and sustain the talent needed to deliver high-quality services across the region.

One of the strengths of the three-unitary model is its potential to preserve family and community identity. Each authority will have the opportunity to grow and evolve while maintaining its local character and responsiveness to the specific needs of its communities. This balance between scale and localism is important for building trust and ensuring services remain rooted in the lived experiences of children and families.

Dividing resources across three authorities will reduce economies of scale and may complicate strategic resource allocation. Duplication of services—particularly in fostering, SEND, Early Help, and Safeguarding—could make it difficult to deliver consistently and efficiently. To mitigate this, a shared approach to commissioning and service design will be vital. Collaborative planning can help ensure that services are sustainable, equitable, and responsive to local needs.

Ofsted places particular scrutiny on the disaggregation of authorities that have previously been rated Inadequate or Requires Improvement. The formation of three new authorities will bring renewed attention, and it is essential that each embeds strong governance, quality assurance, and improvement frameworks from the outset. This will help ensure that all three authorities are well-positioned to deliver safe, effective, and high-quality services.

The formation of Greater Peterborough presents a pivotal opportunity to reform children's services. National policy, recent government reviews, and sector reforms provide a clear direction of travel—focusing on early intervention, stable placements, family-led decision making, multi-agency collaboration, and enhanced early years support. However, there are significant challenges to address. These include care entry rates above the national average, driven by high levels of vulnerability and historic under-investment in early help and edge-of-care services. There is also a high reliance on external residential placements, which increases financial pressure and affects placement stability. Limited specialist and supported accommodation further compounds these issues, and population growth—alongside revised child population estimates—will impact both demand and financial modelling.

Peterborough's above-average Early Help Assessment rates reflect a strong commitment to early intervention. This provides a solid foundation for Greater Peterborough to build a more preventative and sustainable system, aligned with national reform. Key priorities include strengthening early help infrastructure in areas of high deprivation, embedding Family Hubs and Start for Life programmes to deliver integrated early years support, and enhancing partnerships across health, education, and voluntary sectors to identify needs early and reduce escalation to statutory services.

The shared challenges across the three authorities make a compelling case for continued collaboration. There is a clear opportunity to establish a Children's Services Improvement Alliance to support practice improvement, peer learning, and consistency. Joint commissioning arrangements for high-cost placements, supported accommodation, and therapeutic services will improve market engagement, quality, and cost control. A shared workforce development strategy will also be critical—focusing on recruitment, retention, and professional growth across children's social care and the wider children's system. These arrangements will be key to achieving system-wide improvement and ensuring resilience during and after transition.

Children's services across the region face significant financial pressures. These include high-cost external placements due to limited local sufficiency, rising demand for supported accommodation for older young people with complex needs, and projected population growth following revised mid-2025 figures. Strategic investment in local provision, workforce capacity, and early help is essential to reduce reliance on expensive placements and improve long-term outcomes. A holistic, preventative approach that builds family resilience will be central to tackling these challenges and delivering value for money.

Overall, the move to a three-unitary model creates a unique opportunity to reshape children's services. While there are clear risks, particularly around fragmentation and financial pressure, there is also a strong foundation for collaborative improvement. With a dedicated transformation programme, regional alignment, and strategic investment, the model can deliver high-quality, sustainable support for children, young people, and families across all three authorities.

SEND and Education

The proposed three-unitary authority model offers a valuable opportunity to reshape SEND and education services in a way that is more locally responsive and community-focused. With thoughtful planning, shared ambition, and collaborative delivery, the model can support equitable outcomes and build resilience across all three authorities.

Greater Peterborough is projected to carry the highest SEND spend per resident (£230), the highest EHCP prevalence, and the greatest risk of SEND deficit escalation highlighting the importance of robust financial planning. The division of Cambridgeshire's existing SEND deficit (£62m) will require careful negotiation to ensure fairness and sustainability. While smaller authorities may face challenges in absorbing demand fluctuations, there is scope to develop agile, locally tailored solutions that reflect community priorities. A shared approach to managing the High Needs Block (HNB) and associated pressures will help ensure that all three authorities are well-positioned to deliver high-quality support.

The creation of three authorities will increase demand for specialist roles, including educational psychologists and SEND social care professionals. This presents an opportunity to invest in workforce development through "grow your own" strategies—such as apprenticeships, EP traineeships, and career pathways. While recruitment costs may rise, a coordinated regional approach can help attract and retain skilled professionals, ensuring that each authority has the capacity to meet growing demand. The introduction of three Directors of Education will bring fresh leadership perspectives and allow for more focused strategic oversight.

Delivering SEND and education services across three authorities will require careful consideration of scale and efficiency. With 125 establishments serving 51,000 pupils, the model represents a compact footprint with significant reach. While this may present financial challenges, it also offers the chance to innovate and streamline service delivery. Peterborough's current position outside the safety valve agreement provides flexibility, while Cambridgeshire's experience within the programme can inform future planning and risk management.

Rising EHCP prevalence—particularly in mainstream settings—signals a growing need for specialist and inclusive provision. Strategic sites in Greater Peterborough and South Cambridgeshire support future growth, and while evidencing demand for new specialist schools may be more complex across three authorities, collaborative planning and joint bids (e.g. for free schools) can help secure the necessary investment. A regional approach to pupil place planning will ensure that all children and young people have access to appropriate education settings.

As SEND prevalence increases, so too will demand for home-to-school transport. Peterborough's projected rise from 726 to 1,815 journeys highlights the need for sustainable transport solutions. Personal transport budgets are being explored and show promise. Rural areas within Greater Peterborough will require tailored approaches, and collaboration across authorities can help manage costs and improve accessibility. Strategic planning will be key to ensuring that transport supports inclusion and sufficiency.

Mainstream inclusion is being strengthened through SEND Hubs and advisory services, and the rise in ASD prevalence (41.6% in Peterborough) underscores the importance of inclusive pathways. OAIP documents have been shared with schools, and national SEND reforms are expected to further support mainstream inclusion. Investment in early help and targeted support remains a cost-effective way to prevent escalation, and all three authorities have the opportunity to build strong, community-based early intervention offers.

There is a clear statutory duty and shared ambition to jointly commission SEND services across health, education, and care. Updated governance structures and commissioning statements are being developed to align priorities and reduce duplication. While joint commissioning of niche or high-cost services may be more complex across three authorities, it remains a key area for improvement and innovation. With strong collaboration and shared vision, the model can deliver value for money and improved outcomes.

Overall, the three-unitary authority model presents a unique opportunity to reshape SEND and education services in a way that is more locally responsive and community-focused. To realise the full potential of this model, a coordinated and strategic approach will be essential. This includes investing in early intervention, strengthening inclusive practice, and developing shared commissioning and workforce strategies. By working together across the three authorities, we can build a resilient and equitable system that delivers high-quality support for children and young people, regardless of where they live.

Housing and Homelessness

The three-unitary authority model offers a valuable opportunity to strengthen housing and homelessness services through more locally responsive and coordinated approaches. While Greater Peterborough is expected to carry the highest rates of households owed a homelessness duty and temporary accommodation usage (1.2% of households compared to 0.4–0.7% elsewhere), this concentration of need also presents a clear case for targeted investment and innovation in prevention and support.

Smaller authorities may have more limited capacity to absorb economic shocks or rapidly scale services, but the model encourages shared learning and joint planning to build resilience. By working together, the three authorities can develop consistent, high-quality housing support that reflects the diverse needs of their communities.

There are clear opportunities for alignment, particularly between Northern Huntingdonshire and Peterborough City, where similarities in urban deprivation suggest shared challenges and potential for joined-up approaches to homelessness prevention and response. The creation of three mid-sized authorities also helps distribute the pressures of rough sleeping more evenly across the region, supporting a balanced and coordinated effort.

With a shared commitment to improving outcomes, the three-unitary model can enable more agile, place-based solutions while fostering regional collaboration. This will be key to ensuring that housing and homelessness services are not only sustainable but also responsive, inclusive, and impactful for the people who need them most.

Sustainable Services

There are significant considerations regarding the sustainability and efficiency of service delivery associated with the establishment of smaller unitary authorities, particularly in relation to workforce capacity and the financial implications of creating three separate service structures and corresponding senior management teams. For instance, Mid Cambridgeshire may face particular challenges in both capacity and funding for high-cost statutory services, including social care and housing support for those experiencing homelessness.

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Health Services

The three-unitary authority model presents a promising opportunity to enhance local responsiveness and tailor services more closely to community needs. While there are important considerations around resource allocation, statutory alignment, and financial sustainability, these challenges are not insurmountable. With robust planning, strategic investment, and a commitment to collaboration, the model can evolve to deliver high-quality, consistent services across the region.

Recognising the existing variation in demand - particularly the higher levels of statutory service need in the north - provides a valuable starting point for targeted improvement. By working together, the three authorities can build a resilient system that supports equitable outcomes, strengthens specialist provision, and ensures long-term service viability. With the right leadership and shared ambition, the model has the potential to deliver meaningful change for communities across Cambridgeshire and Peterborough.

However, the proposed reorganisation also introduces notable risks for service delivery and the delivery of statutory duties. At present, health services, including workforce planning and hospital provision, are organised along an established North/South geography. This geographic alignment provides clarity in oversight, facilitates efficient collaboration, and supports effective service delivery. Transitioning to a three-unitary authority model would disrupt this cohesive framework, complicating coordination and potentially undermining the integrated approach that currently exists. This could be mitigated by reorganising the health service across the new Local Authority Boundaries over time.

- **North Place** - Peterborough, Fenland & Huntingdonshire hosted by North-West Anglia Foundation Trust;
- **South Place** - East Cambridgeshire, Cambridge City and South Cambridgeshire hosted by Cambridge University Hospital.

Public Health

While being more responsive to local needs is a positive, the following challenge arises for Public Health (PH) provision by dividing the area into three separate authorities:

- Responsibilities and grant allocations would be logistically complex given the interconnected nature of public health initiatives and the need for unified strategy.
- Creating three distinct public health teams would add further pressure to an already stretched system, particularly as recruiting professionals with the necessary qualifications, skills, and experience is a persistent challenge.
- Fragmentation could lead to inconsistent service delivery and a dilution of expertise, with smaller teams finding it harder to respond to emerging public health needs at scale.
- The recently published NHS Planning Framework indicates that Neighbourhood health plans will be drawn up by local government, the NHS and its partners at single or upper tier authority level under the leadership of the Health and Wellbeing Board, incorporating public health, social care, and the Better Care Fund. How this is achieved across three unitaries will have to be worked through.

The combined impact of these changes risks eroding the resilience and responsiveness of health and public health services, especially during periods of heightened demand or crisis. Travel patterns for both patients and staff are currently oriented along a north-south axis, reflecting both established infrastructure and habitual use. A move to a three-unitary model would not align with these patterns, potentially impeding both service access and operational responsiveness.

A further risk relates to the collaborative, multi-agency approach underpinning delivery of the Prevent agenda, especially in relation to safeguarding and coordinated intervention. Currently, Prevent is delivered via a multi-agency Channel Panel, coordinated by the local authority and involving key partners such as police, NHS, education, and social care.

Fragmentation into three separate authorities could result in:

- Inconsistent safeguarding standards
- Reduced intelligence sharing
- Weakened early intervention and prevention capabilities

Mitigating these risks would require a comprehensive transition plan, underpinned by shared governance arrangements and a commitment to unified training, safeguarding pathways, and referral processes across all new authorities.

Summary

The three-unitary authority model presents a promising opportunity to enhance local responsiveness and tailor services more closely to community needs. While there are important considerations around resource allocation, statutory alignment, and financial sustainability, these challenges are not insurmountable. With robust planning, strategic investment, and a commitment to collaboration, the model can evolve to deliver high-quality, consistent services across the region.

Recognising the existing variation in demand—particularly the higher levels of statutory service need in the north—provides a valuable starting point for targeted improvement. By working together, the three authorities can build a resilient system that supports equitable outcomes, strengthens specialist provision, and ensures long-term service viability. With the right leadership and shared ambition, the model has the potential to deliver meaningful change for communities across Cambridgeshire and Peterborough.

THEME 4: DEMOCRATIC REPRESENTATION

Context and Statutory Position

The Local Government Boundary Commission for England (LGBCE) has confirmed it will not partake in the LGR process due to statutory limitations. Specifically:

- The Commission lacks authority to conduct electoral reviews for councils that do not yet exist.
- It will not have capacity to undertake reviews prior to the vesting dates of any new unitary authorities.

As a result, the responsibility for developing initial electoral arrangements rests with local authorities. These arrangements must be included in the business case submissions to government and should address:

- Proposed council size
- Interim warding arrangements

The LGBCE acknowledges that initial arrangements may not meet its standards for electoral equality or community representation. Full electoral reviews will be conducted post-vesting and prior to subsequent elections. Therefore, all arrangements proposed at this stage are interim and must be pragmatic, deliverable, and aligned with existing boundaries.

Proposed Electoral Configuration

Given the compressed timelines and the complexity of redrawing ward boundaries across diverse geographies, it is neither feasible nor practical to develop entirely new ward structures. Initial proposals will therefore be based on existing ward boundaries.

The LGBCE is responsible for establishing and maintaining fair electoral and boundary arrangements for local authorities in England. Each council area undergoes a review on a different cycle, resulting in significant variance in electoral equality across Cambridgeshire's district and city wards.

The table to the right illustrates the current elector-to-member ratios per local authority area:

Council	Electorate June 2025	Number of wards	Number of district / city councillors	District/City electorate to member - Council wide
CCC	86,235	14	42	2,053
ECDC	68,825	14	28	2,458
FDC	76,695	18	43	1,784
HDC	140,201	26	52	2,696
PCC	147,183	22	60	2,453
SCDC	128,595	26	45	2,858
TOTALS	647,734	120	270	Average 2,399

Council Size and Governance

Each new unitary authority must propose a council size that supports effective governance, decision-making, and scrutiny.

The table below presents all district and city wards across Cambridgeshire and Peterborough, ranked by their elector-to-member ratios. The data reveals a notable variation in representation at ward level, with ratios ranging from fewer than 1,800 electors per councillor in 15 wards, to more than 3,000 electors per councillor in 12 wards. Importantly, the distribution is even across the range, with no statistical outliers skewing the overall picture.

This variation points to a broader issue: **electoral equality across the region is relatively poor.** If existing council wards were used as the basis for new unitary wards, this imbalance would be carried forward—potentially resulting in unfair representation. Areas with lower elector-to-member ratios could end up with disproportionately higher representation on the new councils, while areas with higher ratios risk being underrepresented.

By contrast, the County Council operates as a single electoral area. Its divisions are designed to balance electoral equality with community interests across the whole county. This approach offers a more consistent and equitable foundation for future governance structures.

Unitary Authority	Number of Wards	Number of Members (approx.)	Number of Electorates	Variance of electorates per Member	Less than 1800	More than 3000
Greater Peterborough	31	79	197,084	1627 - 3365	1	2
Mid Cambridgeshire	49	104	235,820	1491 - 3221	11	2
Greater Cambridge	40	87	214,830	1398 - 3336	3	8

To mitigate the risks associated with poor electoral equality across Cambridgeshire and Peterborough, particularly if existing ward boundaries are used to shape new unitary councils, a more balanced and transparent approach will be essential. This should begin with a comprehensive review of ward boundaries, ensuring that elector-to-member ratios are recalibrated to reflect current population data. Engaging the Local Government Boundary Commission early in the process will help ensure that any new arrangements meet statutory requirements and uphold principles of fairness and representation.

In parallel, transitional governance arrangements could be introduced to safeguard against disproportionate representation during the changeover period. This might include temporary structures or weighted voting mechanisms to ensure no area is unduly advantaged or disadvantaged. Clear communication with residents and stakeholders will also be key, explaining how representation will be balanced and how community identity will be protected. Finally, a commitment to ongoing review post-implementation will help maintain electoral fairness as populations shift and communities evolve.

Boundary Changes

Our proposal is based on the existing district boundaries, and we are not proposing any changes to those boundaries as part of this submission. However, we would wish for the Boundary Commission to undertake an urgent and early review of our arrangements, before the first term of office of a new administration, with a particular focus on Huntingdonshire and the split of this authority in line with the Greater Peterborough and Mid-Cambridgeshire unitary proposals.

Greater Peterborough: possesses a strong identity and opportunities for collaborative working but faces challenges in reconciling urban and rural service needs and in streamlining governance and delivery systems.

Mid Cambridgeshire: rural area with strong heritage and community identity but splitting Huntingdonshire could weaken this cohesion and reduce its prominence relative to neighbouring authorities.

Greater Cambridge: history and strong local identity. It is a strategic powerhouse with local roots.

Identity

Identity is fundamental for new unitary authorities as it underpins legitimacy, fosters public trust, and enables effective place-based leadership. A clear and distinct identity helps residents understand who represents them, what services are provided locally, and how their area differs in priorities and character from neighbouring authorities. Without a strong identity, new authorities risk low engagement, blurred accountability, and difficulty in aligning services with community needs—undermining both the Localism agenda and long-term strategic coherence.

Localism Agenda

The Localism agenda aims to shift power from central government to local communities, giving residents and local authorities greater influence over public services, planning, and decision-making. It is about enabling communities to shape what happens locally, encouraging more responsive and accountable governance.

The proposal to create three unitary authorities reflects key Localism principles - especially around local identity and responsiveness. Smaller authorities could be well placed to design services around community needs, with clearer accountability and more visible leadership that builds trust and engagement.

That said, there are risks to manage. Fragmentation of strategic services like adult social care, transport, and public health could lead to inefficiencies. Shared service models and joint commissioning can help maintain consistency and quality.

Loss of economies of scale may increase costs, but collaborative procurement and back-office integration could preserve value for money. Regional strategy might weaken without coordination on infrastructure, climate resilience, and growth - so a strengthened regional partnership or combined authority could be vital.

Differences in capacity and resources across the three areas could create inequity. Fair funding formulas and redistribution mechanisms will be key to ensuring all communities benefit. Smaller authorities may also face challenges in attracting specialist talent or managing complex commissioning—regional talent pipelines and shared roles can help build resilience.

In summary, while the proposal aligns with Localism, its success depends on thoughtful design, strong collaboration, and proactive risk management. With the right safeguards, it offers a real opportunity to deliver empowered, equitable, and strategically coherent local governance.

Why It Partially Supports Localism	Why it falls short
» **Local Identity & Responsiveness:** Smaller authorities could better reflect local priorities and enable more targeted service design. » **Democratic Visibility:** Residents may benefit from clearer lines of accountability and more accessible leadership.	» **Fragmentation of Strategic Services:** Disaggregating services like adult social care, transport, and public health risks inefficiencies and inconsistent outcomes. » **Loss of Economies of Scale:** Duplication of functions across three authorities may increase costs and reduce value for money. » **Weakened Regional Strategy:** Cross-cutting issues such as infrastructure, climate resilience, and economic growth require coordinated planning that may be diluted. » **Risk of Inequity:** Disparities in capacity and resources between the three areas could exacerbate inequalities without robust redistribution mechanisms. » **Capacity Constraints:** Smaller authorities may struggle to attract specialist talent or manage complex commissioning effectively.

Summary

The development of initial electoral arrangements for new unitary authorities presents a complex but necessary challenge. With the Local Government Boundary Commission for England unable to undertake reviews prior to vesting, local authorities must take the lead in proposing interim configurations that are both practical and deliverable.

Current data shows significant variation in elector-to-member ratios across Cambridgeshire and Peterborough, highlighting uneven levels of representation at ward level. While existing boundaries offer a pragmatic starting point, they do not provide a consistent foundation for electoral equality. Without intervention, these disparities risk being embedded into the new governance structures, undermining fairness and public confidence.

To mitigate this, proposals must be transparent, evidence-led, and subject to ongoing review. A commitment to recalibrating ward boundaries post-implementation—supported by the Boundary Commission—will be essential to ensure long-term electoral integrity. In the interim, transitional governance arrangements and clear communication with residents will help safeguard representation and maintain trust.

Ultimately, democratic legitimacy will depend not only on the mechanics of representation, but on how well the new councils reflect local identity, uphold community voice, and deliver accountable leadership. These principles must remain central as the reorganisation progresses.

THEME 5: DEVOLUTION:

The three-unitary model proposing Greater Peterborough, Mid Cambridgeshire, and Greater Cambridge, provides a strong foundation for advancing devolution and strengthening place-based leadership across the sub-region. By aligning governance with distinct local identities and functional economic geographies, the model enhances the ability of councils to shape and deliver priorities that matter most to their communities.

Each proposed unitary council offers sensible population sizes and clear economic differentiation, which can play out effectively at the Cambridgeshire and Peterborough Combined Authority (CPCA) level.

Greater Peterborough:
brings a dynamic urban economy with strong growth potential

Mid Cambridgeshire:
offers a more rural and mixed economy with opportunities for inclusive development

Greater Cambridge:
consolidates the innovation-led strengths of the southern corridor

This differentiation supports a more tailored approach to investment, infrastructure, and service delivery—ensuring that devolution is responsive to local context.

The model also provides a platform for more accountable and representative leadership. With councillors responsible for all local government services, residents will benefit from clearer lines of accountability and stronger democratic engagement. This clarity is essential for effective participation in devolved governance and for building trust in local institutions.

However, the shift to three unitary councils will require changes to CPCA's governance arrangements. The current structure, designed around a two-tier system, will need to evolve to reflect the new landscape. This includes:

- Rebalancing representation to ensure each unitary has an equitable voice in decision-making.
- Reviewing voting and funding mechanisms to reflect the differentiated scale and capacity of each council.
- Strengthening collaboration frameworks to support joint working on strategic priorities such as transport, housing, skills, and climate resilience.

Without these adjustments, there is a risk that fragmentation could undermine the coherence and effectiveness of the CPCA. Mid Cambridgeshire, in particular, may require additional support to ensure it can participate fully and equitably in regional initiatives.

With the right safeguards and governance reforms, the three-unitary model can enhance the CPCA's ability to deliver on its devolution ambitions. It enables councils to act with greater purpose, speak with stronger voices, and deliver with greater impact—ensuring that reform translates into tangible improvements for residents across the sub-region.

Summary

This three unitary authority proposal has been shaped locally to meet the LGR criteria set by MHCLG and the ambitions outlined in the Government's White Paper. The model is designed to put local needs first, with single points of contact and streamlined governance that make services more accessible and responsive. Each authority is balanced in size, serving between 290,000 and 320,000 residents—large enough to realise efficiencies, but small enough to keep a sharp focus on what matters locally.

Investment will be targeted where it's needed most, health, transport, education, and housing, with decisions shaped by robust engagement with our communities. The aim is to ensure public services are high quality and sustainable, and that local voices are heard throughout.

Central to this approach is genuine collaboration with residents and stakeholders. Their input has been vital in shaping the new arrangements, and ongoing co-production will remain at the heart of how we work. The model strengthens local leadership, builds capacity for further devolution, and embeds neighbourhood empowerment, scrutiny, and regular communication.

In line with the White Paper's objectives, this model tackles regional disparities by directing investment to where it will have the greatest impact and puts residents at the centre of decision-making.

While the opportunities are significant, we recognise the challenges, particularly around transition, representation, and financial legacy. With careful planning, ongoing engagement, and a relentless focus on local needs, this model offers a credible route to sustainable, high-quality local government for Cambridgeshire and Peterborough.

05 Stakeholder engagement and local support

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5. STAKEHOLDER ENGAGEMENT AND LOCAL SUPPORT

Built from the Ground Up: Residents and Stakeholders at the Centre

This proposal is not a top-down restructure. From the very beginning, residents and key stakeholders have been placed at the heart of the process, with each council pledging to maintain meaningful public engagement across the county. This collaborative approach has featured comprehensive surveys for both residents and stakeholders, complimented by targeted focus groups within each council area and a dedicated stakeholder survey.

The aim has been to develop a shared understanding of views on local government reorganisation (LGR), including both priorities and concerns regarding the creation of new unitary councils.

By keeping residents at the heart of our work, this proposal has been shaped by their voices. It reflects their ambitions for the region, highlights their priorities for local government, and thoughtfully responds to their queries and apprehensions about the reorganisation process and the prospective advantages of various unitary models.

The engagement focused on identifying the key principles that any reorganisation should meet.

The proposed approach and key steps are outlined in the following sections:

Residents and Stakeholders overwhelmingly told us that they valued having councils and councillors that reflected and knew their local area.

People across the Cambridgeshire and Peterborough area want councils to be simpler, more transparent, and more responsive to local voices. There is support for LGR, and success will depend on protecting local identity, delivering real service improvements, and ensuring communities retain a meaningful voice in governance.

Engagement

Extensive engagement took place with residents, local government staff and stakeholders all participating in the formal survey and/or social media campaign, including parish and town councils, businesses, voluntary and community organisations, and public sector partners. The public survey attracted broad participation across all districts, with robust representation from urban, rural, and minority communities.

Through an accessible survey we heard from
- **2,407** residents
- **767** local government staff

Social media campaign
- **900,000** views
- over **22,000** people interacting or commenting directly

Engaged with parish and town councils through online forums, briefed MPs frequently, worked closely with our partners

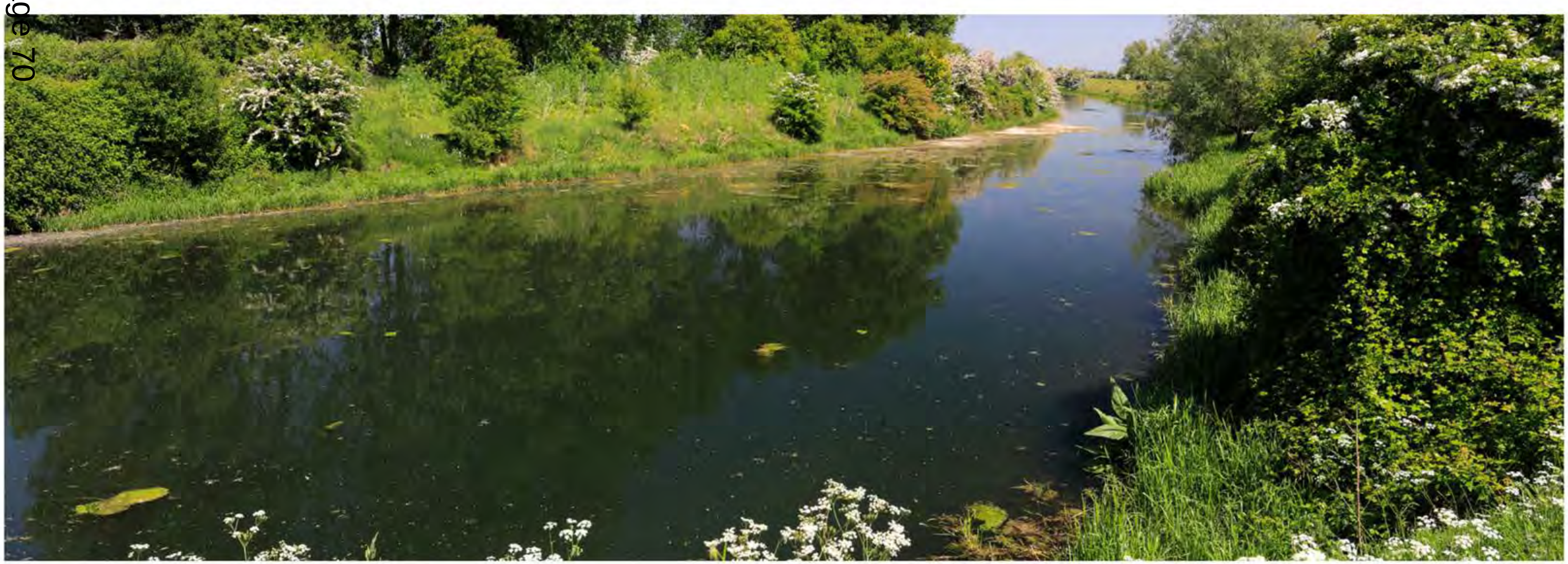
Best Practice Engagement

Our approach exceeded statutory requirements, voluntarily aligning with the Gunning principles for fair consultation. We engaged at a formative stage, provided clear information, allowed adequate time for response, and committed to conscientiously considering all feedback.

Engagement Methods:

- Online and paper surveys
- Targeting communications
- Workshops
- Focus groups
- Sector-specific events
- Frequent MP briefings
- Developed FAQ videos
- Reached out to under represented groups

- **Feedback Loops:** Stakeholders and residents have shaped every stage of the business case. Their priorities—local identity, service quality, accountability, and quick response—are reflected in the design of the three unitary authorities model.
- **Ongoing Involvement:** 77% of stakeholders want to continue shaping services, and 95% want regular updates. We have established mechanisms for ongoing dialogue, ensuring the new authorities remain responsive and accountable.



Common themes across Residents, Local Government Staff and Stakeholders:

Trust and satisfaction: Needs significant improvement

Local identity and representation are critical - stakeholders and public alike fear loss of local voice

Simplified governance and a single point of contact widely desired

Openness to reform: but residents want guarantees that reorganisation will improve services

Representation: People want councillors with strong local knowledge and more accountability

Engagement: In Peterborough, **95%** of people want regular communication, and **77%** are willing to help shape services. Similar demands for engagement appear across other districts

Investment priorities: Investment in core services - health, transport, education, housing, waste, digital services, local economic development and high street investment.

Responsiveness: swift response from service. Remove bureaucratic delays

Risks include loss of local representation, service fragmentation, and financial burden

Strong desire to retain distinct identity and unitary status

Want councillors to have strong local knowledge and for community values to be reflected in decision-making

Want quick service response when issues arise

Support for LGR and are open to change BUT tangible improvements are essential

Residents and Staff insights per each proposed Unitary Area:

Greater Peterborough

People in Peterborough currently feel the least satisfied and trusting of their local council compared to other parts of the region. Trust levels are low, and only a small number of residents say they're satisfied with how things are run. Interestingly, council staff feel much more positive than the public, showing a clear gap between internal and public perceptions.

In Huntingdonshire, satisfaction is higher and people feel a stronger sense of belonging to their community. However, trust in how decisions are made is still low, with many residents feeling their views aren't being properly considered.

Local identity matters deeply in both areas. In Peterborough, 26% of stakeholders say the biggest risk of council reorganisation is losing their local voice. Residents are strongly opposed to merging with other areas because they fear Peterborough could lose its unique character. Many also feel councillors don't know the area well enough, which undermines trust. Huntingdonshire residents express similar worries. They want councillors to have strong local knowledge and for community values to be reflected in decision-making. They also stress the importance of keeping community cohesion intact if councils are reorganised.

Both areas show dissatisfaction with how councils are run. In Peterborough, residents are highly negative about both complexity and transparency. People want simpler structures, clearer responsibilities, and more regular communication. They also want local committees to have more say in governance. In Huntingdonshire, the concern is less about complexity and more about whether decisions reflect community values. With decision-making, many feel their views aren't being taken into account.

When it comes to services, Peterborough residents use them less often and rate them poorly—especially for responsiveness and face-to-face contact. Staff, however, see things more positively. The most used services are waste collection, transport, and council tax. In Huntingdonshire, residents use services more regularly and want quick responses when issues arise. They're also concerned about whether council tax offers good value for money.

Both areas agree that more investment is needed, though their priorities differ. Peterborough residents want better funding for health, transport, education, housing, and waste services. They're especially unhappy with current investment levels. Huntingdonshire residents also want more investment, but they're focused on protecting local identity and making sure councillors are accountable. Like Peterborough, they're worried about the cost of council tax. Despite these concerns, there is strong support for council reorganisation—especially in Peterborough, where both the public and staff are overwhelmingly in favour. In Huntingdonshire, people are open to change, but want reassurances that their area won't be overlooked.

High concern about being overlooked

Community belonging is strong, showing cohesive local identities and a shared value placed on community connections

Positive view of how councils respond to local issues

Residents indicate a reasonably positive experience with local services

Mid Cambridgeshire

Across Mid Cambridgeshire, concerns about being overlooked during council reorganisation are prominent. Huntingdonshire residents are among the most worried, with a notably high level of anxiety about their area being ignored. Fenland shares this apprehension, with residents feeling even more concerned about being overlooked than those in Cambridge and South Cambridgeshire. East Cambridgeshire also expresses significant concern, reflecting a widespread sentiment across the region.

Satisfaction with council services varies between districts. In Huntingdonshire, satisfaction is moderate, while Fenland is also thought to have moderate satisfaction levels. East Cambridgeshire stands out with much higher satisfaction, indicating a more positive experience with local services. Community belonging is strong in both Huntingdonshire and Fenland, although younger people in these areas tend to feel less connected. East Cambridgeshire is similarly positive about community belonging, suggesting a cohesive local identity.

When considering alignment with community values, East Cambridgeshire is the most positive, with residents feeling that council decisions reflect their cultural values. In contrast, Huntingdonshire and Fenland are less positive on this measure, indicating a disconnect between local expectations and council actions. Trust in council decision-making is low in both Huntingdonshire and Fenland, whereas East Cambridgeshire reports the highest trust in its council's decisions.

Reliance on council services also differs across the area. Huntingdonshire shows moderate reliance, Fenland's reliance is low, and East Cambridgeshire demonstrates high engagement with council services. Perceptions of council responsiveness follow a similar pattern: Huntingdonshire residents see responsiveness as moderate, Fenland residents perceive it as high, and East Cambridgeshire residents rate it as very high.

Investment in council services is viewed negatively in both Huntingdonshire and Fenland, with residents expressing concerns about the adequacy of resources. East Cambridgeshire, however, stands out for its positive views on investment, suggesting greater satisfaction with how resources are allocated. Council tax is a particular concern in Huntingdonshire, while Fenland and East Cambridgeshire are more positive about affordability and the council's efforts to keep costs manageable.

Appetite for change - especially if it brings service improvements

Support for a one stop shop for services

Want a simpler and less complicated system - want simpler access to services

Younger residents want more change, while older residents are more satisfied and feel connected to their communities

Greater Cambridge

In Greater Cambridge, the themes change slightly. In South Cambridgeshire, people are generally more relaxed about the idea of joining up with other areas. They're less worried about being overlooked and more open to having a bigger council that covers more ground. Satisfaction with council services is somewhere in the middle—not great, but not bad either. Older residents (aged 75 and over) tend to trust the council more, while younger people (under 35) are less trusting and more frustrated with how things are run.

Support for change is very strong with 88% backing reform if it improves services. Cambridge City residents are less concerned about being overlooked and are the most supportive of reorganisation if it improves services. However, they have the lowest trust in decision-making of all districts and low satisfaction overall.

Both South Cambridgeshire and Cambridge City are frustrated by how complicated the system is, with people wanting simpler access. In South Cambridgeshire, 62% rate the current system poorly, and Cambridge City residents dislike the lack of a one-stop shop for services. Investment priorities in South Cambridgeshire include education, social housing, roads, waste, health services, transport, and community facilities. Cambridge City's younger residents want more change, while older residents are more satisfied and feel connected to their communities.

What our stakeholders told us

A survey of 231 stakeholders across Cambridgeshire and Peterborough captured perspectives from 83 parish and town councils, 76 businesses, voluntary organisations, and public sector bodies.

Foundations for Success:

Stakeholders identified three essentials for successful unitary councils, highlighting the need to balance local connection with administrative simplification

- **Local councillors with genuine local knowledge**
- **Operational efficiencies in service delivery**
- **Sound financial foundations**

Governance Expectations:

All stakeholders expressed a desire for stronger relationships with new councils and the majority of parish and town councils wanted enhanced roles in place-shaping and community voice.

Key requirements include:

- **Meaningful consultation and engagement**
- **Clear engagement channels**
- **Robust scrutiny**
- **Local committees with delegated powers**

Opportunities and Challenges

Stakeholders recognised the potential of opportunities including cost savings, streamlined services, enhanced coordination, reduced bureaucracy, economies of scale, and single points of contact. However, over a quarter expressed concern about loss of local voice and representation, service continuity during transition, financial challenges from inherited debts, and balancing rural and urban demands.

Opportunities

- **Local Identity and Representation:** The 3UA model preserves the unique identities of Greater Peterborough, Mid Cambridgeshire and Greater Cambridge, ensuring each area retains its own governance and priorities. Local representation and councillors with community knowledge build trust and reflect local values.
- **Service Delivery and Efficiency:** Residents benefit from a single point of contact for services, reducing confusion. Each authority can focus investment on local priorities, improving satisfaction and outcomes.
- **Accountability and Engagement:** The model enables robust local scrutiny and effective engagement, with most stakeholders wanting to help shape and communicate about services.
- **Financial Sustainability:** It combines cost savings from shared back-office functions with a strong local focus, avoiding the risks of large, impersonal councils.

Challenges

- **Risk of Overlooked Communities:** Concerns exist, especially in Fenland and Huntingdonshire, about communities being ignored. Boundaries must reflect genuine connections, and rural areas require safeguards to ensure fair investment and representation.
- **Service Continuity and Transition:** Service disruption during transition is a risk, especially for planning, social care and waste. A phased approach and transparency over financial legacies are essential.
- **Maintaining Local Voice:** There is a significant risk of losing local representation. The model must guarantee ongoing engagement and neighbourhood empowerment.
- **Complexity of Change:** Rapid and large-scale changes may lead to stakeholder fatigue. Consistent communication and support are crucial

Summary

This three unitary authority proposal has been shaped locally to meet the LGR criteria set by MHCLG and the ambitions outlined in the Government's White Paper. The model is designed to put local needs first, with single points of contact and streamlined governance that make services more accessible and responsive. Each authority is balanced in size, serving between 290,000 and 320,000 residents—large enough to realise efficiencies, but small enough to keep a sharp focus on what matters locally.

Investment will be targeted where it's needed most, health, transport, education, and housing, with decisions shaped by robust engagement with our communities. The aim is to ensure public services are high quality and sustainable, and that local voices are heard throughout.

Central to this approach is genuine collaboration with residents and stakeholders. Their input has been vital in shaping the new arrangements, and ongoing co-production will remain at the heart of how we work. The model strengthens local leadership, builds capacity for further devolution, and embeds neighbourhood empowerment, scrutiny, and regular communication.

In line with the White Paper's objectives, this model tackles regional disparities by directing investment to where it will have the greatest impact and puts residents at the centre of decision-making.

While the opportunities are significant, we recognise the challenges, particularly around transition, representation, and financial legacy. With careful planning, ongoing engagement, and a relentless focus on local needs, this model offers a credible route to sustainable, high-quality local government for Cambridgeshire and Peterborough.

06

Implementation and Transition Plan

6. IMPLEMENTATION AND TRANSITION PLAN

We are committed to delivering meaningful reform and ensuring the transition is smooth and effective.

The move towards establishing three new unitary authorities across Cambridgeshire and Peterborough will necessitate a carefully structured and phased implementation programme. This approach is designed to ensure continuity of statutory services, minimise disruption for residents, and accelerate the realisation of reorganisation benefits.

Preparatory work for this transition is already underway. While the final locations for principal council offices in each of the new unitary authorities are yet to be confirmed, the initial strategy will utilise existing facilities to maintain stability and reduce interruptions. In parallel, detailed development of future operating models, governance frameworks, and workforce arrangements will be undertaken. Extensive engagement and co-design with residents, businesses, and strategic partners will form a core component of this process, with stakeholder consultation integrated at key stages.

We acknowledge the complexity of this undertaking and recognise that its success will depend on strong cooperation, comprehensive planning, and consensus among all partners and elected representatives. Our proactive approach includes advancing detailed planning in anticipation of the proposal's approval, ensuring readiness for both transition and transformation.

This reorganisation represents a pivotal opportunity to drive public sector reform and deliver enhanced value for our communities. The transition will be delivered in five staged phases, with clear entry/exit criteria and an overarching objective that services are safe and legal on Vesting Day and residents experience continuity of service.

Residents first: maintain essential statutory services without disruption

Single shared evidence base: common assumptions for costs/benefits

'Once for the area': design where appropriate; local variation where neccesary

Early engagement: with workforce, trade unions and partners

Rigorous programme controls: scope, schedule, cost, benefits, risk, quality

Timeline for successful delivery

- PHASE 1: Pre-decision
- PHASE 2: Post-decision
- PHASE 3: Transition
- PHASE 4: Transformation
- PHASE 5: Delivering on longer term ambition

Implementation Roadmap

Risk Management and Benefits Tracking

Timeline for successful delivery

2025/2026

- Business Case Submission

2026/2027

- Secretary of State decision
  - Joint Implementation committees established

2027/2028

- Shadow elections and Shadow

2028/2029

- Vesting Day
- Activate Day 1 - operating model, implement comms trip to new Unitary Councils
  - First 100 days - Stabilise, harmonise and begin transformation (service integration)
    - Local elections

2029/2030

- End of Year 1 - Council Tax Harmonisation, Plan adopted, Priority Service Integration concluded, benefit realisation checkpoint, Post-Implementation Review published

Phase 1: Pre-Decision

During this period authorities will maintain momentum, manage risks, keep stakeholders informed, and ensure that, if the proposal is approved, they are ready to move quickly into detailed design and implementation. LGR Programme Teams/ Boards established- workstreams

Phase 2: Post-Decision

Following the Secretary of State's decision, immediate actions will centre on the mobilisation of Joint Committees to oversee the transition process. A high-level programme plan and timeline will be developed to provide strategic direction, while baseline assessments covering services, finances, assets, and workforce are commissioned to establish a clear starting point. Engagement will commence with MHCLG and neighbouring councils to co-ordinate efforts and ensure alignment. In parallel, initial legal scoping for the structural change order will begin, laying the groundwork for the subsequent implementation phases

Phase 3: Transition

As the transition continues, shadow authorities will be established to prepare for Vesting Day in April 2028. Elections will be held, with priorities including effective programme management, service continuity, senior appointments, budget setting, council tax alignment, TUPE, system integration, HR policy finalisation, asset rationalisation, and regular communication. Joint Committees will oversee these tasks in accordance with legal and statutory requirements

Phase 4: Transformation

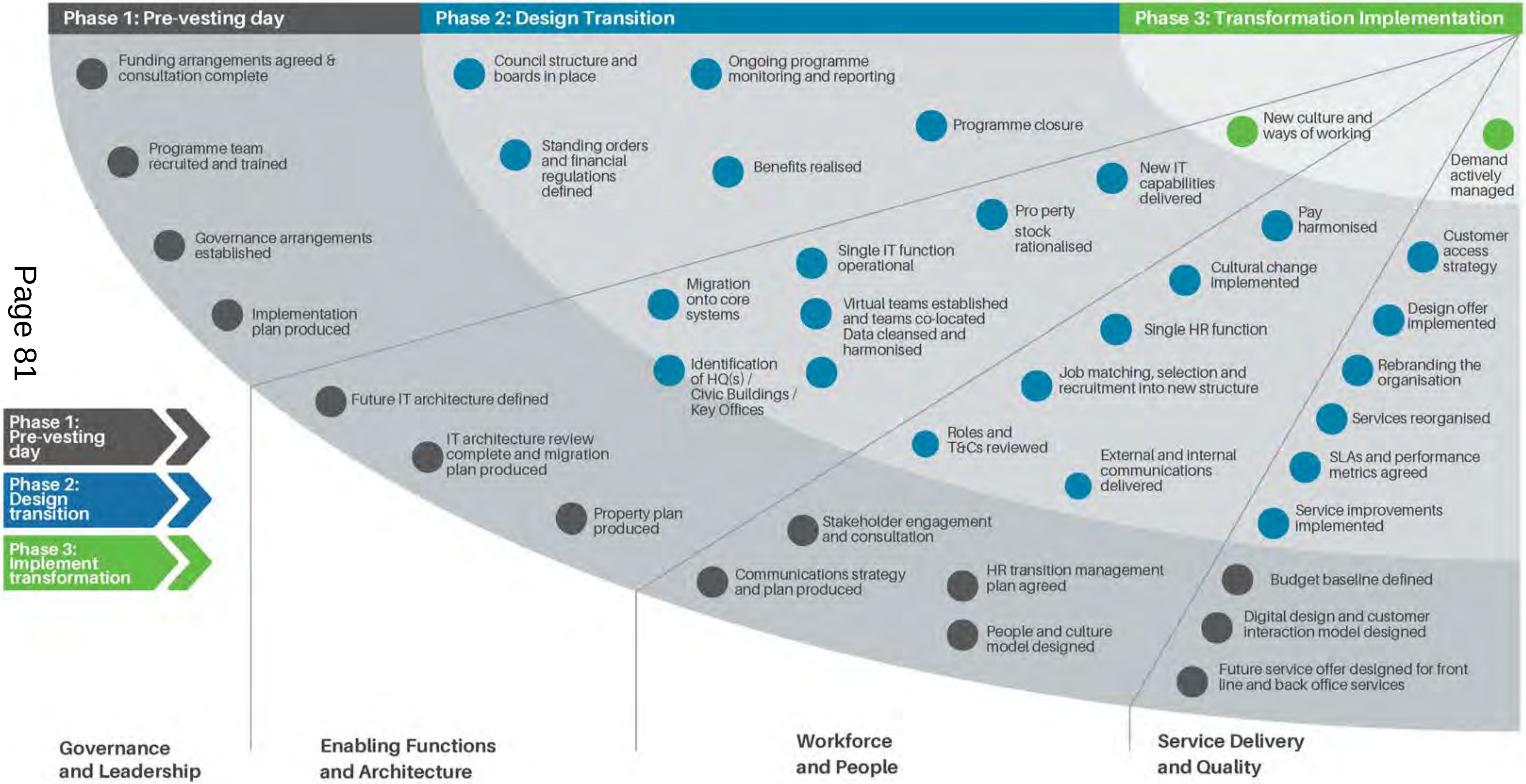
In this phase, the new councils will focus on innovating service delivery, integrating teams and systems, driving digital transformation, and working collaboratively with staff and partners to achieve efficiencies and improved outcomes. Focus is also on continuous improvement, and realising the full benefits set out in the business case. The aim is to create a modern, efficient, and responsive organisation, with local elections

Phase 5: Delivering on longer term ambitions

Public sector reform will be shaped by the new authorities, aligning with the chosen governance model. After transition, new councils will prioritise ongoing improvement, innovation, and strategy-optimising services, developing staff, building partnerships, and tracking long-term goals

Implementation Roadmap

The following roadmap provides a high-level detail of the key activities at each phase. This will be developed into a full implementation programme plan - see Appendix D for further details on the phases. The activities within stage five, delivering on longer-term ambitions for public-sector reform, is dependent on the ambitions determined by the new authority.



07 Risk Management and Legal Compliance

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7. RISK MANAGEMENT AND LEGAL COMPLIANCE

Risk Management and Benefits Tracking

The table below lists key risks to successful reform delivery and proposed mitigation strategies. Managing these risks effectively is vital to ensure that the project is delivered successfully.

High-Level LGR Risks and Mitigations

Risk Description	Mitigating Actions
Service Disruption - Disruption to statutory and critical services (e.g. Adults, Children/SEND, Safeguarding, Revenues & Benefits) during transition, risking continuity of care and essential payments.	• Day 1 Readiness Assessments for all critical services • Dual running of systems where required • Dedicated incident room during cutover • Scenario-based rehearsals and continuity plans
Workforce Capacity & Retention - Loss of key staff, low morale, or insufficient capacity to deliver both transition and ongoing services.	• Early appointments to critical roles • Retention incentives for scarce skills • Visible leadership and change champion network • Wellbeing support and clear TUPE processes
ICT & Data Migration - Data loss, cyber risk, or system failure during migration, risking service continuity and data integrity.	• 'Minimise change for Day 1' principle • Rigorous migration rehearsals and validation • Robust IAM and cyber controls • Independent technical assurance
Financial Risks - Uncertainty over transition costs, council tax harmonisation, legacy debts, and ongoing financial resilience.	• Ring-fenced transition budget with benefits tracking • Monthly review of prudential indicators • Pre-vesting reserves strategy • Transparent council tax harmonisation plan
Stakeholder Engagement & Public Confidence - Lack of buy-in or clarity among residents, staff, partners, MPs, and other stakeholders, risking resistance and loss of confidence.	• Single, coherent narrative and consolidated FAQs • Structured engagement plan for MPs, partners, and communities • Early and ongoing engagement • Transparent communications strategy
Programme Complexity & Pace - Overambitious timelines, unclear scope, or failure to control programme complexity, risking delivery failure.	• Realistic critical path and clear scope control • Time-boxed discovery for unknowns • Early legal drafting for Orders • Structured escalation and decision protocols
Loss of Local Representation & Community Cohesion - Perceived or actual reduction in local democratic voice and accountability; risk of community tensions or loss of local identity.	• Design governance structures to protect local representation • Empower town/parish councils and area boards • Thematic and neighbourhood engagement models • Monitor and respond to emerging tensions
Failure to Deliver Transformation Benefits - Estimated savings and service improvements not realised, undermining the business case and future delivery.	• Clear benefits realisation approach • Establishment of appropriate monitoring arrangements • Regular reporting and corrective action plans • Invest in long-term programme management capability

Success measures and benefits tracking

Success and the realised benefits of the 3 Unitary model will be monitored as follows:

Day 1 success tests
All statutory services operational; no missed payments (payroll, suppliers, benefits); customer access channels live; legal frameworks in force.

12 month 1 success tests
Harmonised core corporate policies; measurable improvements in customer contact performance; planned integrations completed; delivery of Year-1 efficiency targets; independently validated lessons-learned review.

Benefits Management
All statutory services operational; no missed payments (payroll, suppliers, benefits); customer access channels live; legal frameworks in force.

LGR Risk Management Framework

Risks are managed proactively and systematically via a risk management framework, with clear processes for identification, ownership, mitigation, review, and escalation. This ensures that risks are not only tracked but actively managed, and that the programme remains resilient and responsive to emerging challenges.

Risk Description	Mitigating Actions
Central Risk Register (RAID)	All risks, assumptions, issues, and dependencies (RAID) are logged in a central register, maintained by the Transition Programme Office (TPO). This register is regularly updated and reviewed.
2. Risk Identification & Assessment	Risks are identified at all levels (programme, workstream, service) and assessed for likelihood and impact. Risks are categorised (e.g. service, financial, legal, reputational) and prioritised.
3. Ownership & Accountability	Each risk is assigned a clear owner (usually a senior responsible officer or workstream lead) who is accountable for monitoring and managing the risk.
4. Mitigation Planning	For each risk, specific mitigating actions are defined, with clear responsibilities and deadlines. These are tracked and updated as the programme progresses.
5. Regular Review & Escalation	Risks are reviewed at regular intervals (e.g. monthly by the Transition Board, weekly by the TPO). High or escalating risks are escalated to the Sponsor Board or political leadership for decision or intervention.
6. Gateway Reviews & Independent Assurance	Key programme milestones include gateway reviews, where risks are independently assessed and assurance is provided (e.g. by internal audit, external consultants, or government reviewers).
7. Communication & Transparency	Risk status and mitigation progress are communicated to all stakeholders, including staff, partners, and elected members, to ensure transparency and collective ownership.
8. Continuous Learning & Adaptation	Lessons learned from previous reorganisations and ongoing delivery are incorporated into risk management, with the framework adapted as new risks emerge or circumstances change.

Legal Compliance - Legal and Precedent Considerations

- No precedent for splitting a single council into multiple authorities since 1974 - rather, the trend has been towards consolidating smaller councils into larger unitary authorities, or establishing combined authorities, which group multiple existing councils.
- Government policy has historically favoured mergers over splits.
- Legal mechanism exists via the Local Government and Public Involvement in Health Act 2007, but requires Secretary of State approval.

08 Conclusion

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8. CONCLUSION

In putting forward **Option D**, we are not simply proposing a structural change, we are setting out a confident, bold, locally-driven and forward-looking vision for the future of our region. This model, which creates three new unitary authorities Greater Peterborough, Mid Cambridgeshire, and Greater Cambridge, reflects the distinct identities of our communities and responds directly to the aspirations of residents, partners, and stakeholders.

It aligns strongly with the Government's criteria as set out by the Ministry of Housing, Communities and Local Government (MHCLG), offering a future-ready framework for growth, resilience, and democratic renewal.

Meeting the Government's Criteria

» Economy and Housing
Each authority is shaped around functional economic geographies, enabling targeted regeneration, housing delivery, and economic development that reflect local strengths and priorities.

» Financial Resilience
While the model involves higher transition costs and a longer payback period, it creates councils of a scale capable of delivering efficiencies, absorbing financial shocks, and achieving long-term value for money—supported by a strong commitment to transformation and sound financial management.

» Sustainable Public Services
By aligning services with local identity and need, each authority will be empowered to deliver high-quality, sustainable services—particularly in vital areas such as social care, SEND, and housing.

» Collaboration and Engagement
This proposal is the result of extensive partnership working and engagement. It ensures that local voices remain central to decision-making, supported by a shared evidence base and a commitment to inclusive governance.

» Devolution and Strategic Alignment
The model enhances our region's capacity for devolution, giving each authority a clear and balanced voice within the Combined Authority and unlocking new opportunities for investment and leadership.

» Democratic Representation
Smaller, more focused councils will strengthen community engagement, increase visibility of leadership, and empower neighbourhoods—making local government more accessible, accountable, and responsive.

Unlocking Local Potential

- **Greater Peterborough** can harness its urban energy, university presence, and transport connectivity to drive inclusive growth and regeneration.

- **Mid Cambridgeshire** is well-positioned to lead rural innovation, invest in agri-tech, and revitalise market towns—ensuring rural communities are supported and celebrated.

- **Greater Cambridge** can consolidate its global leadership in science and technology, while addressing infrastructure and housing needs to attract talent and investment.

Option D enables each authority to build on its unique strengths. Each authority will have the autonomy to focus on local priorities while collaborating on shared challenges such as climate resilience, transport, and housing.

Addressing Challenges with Confidence

We recognise the challenges—particularly for Mid Cambridgeshire—but we are confident in our ability to overcome them. Through targeted investment, shared services, and innovative delivery models, we can ensure financial sustainability and service continuity. Strong governance, inclusive participation, and phased implementation will safeguard against fragmentation and ensure all communities benefit equitably.

Strong Support and Clear Governance

Extensive engagement with residents, staff, councils, businesses, and public sector partners has revealed strong support for reform—especially in Peterborough and Cambridge. There is a clear appetite for simpler, more accountable local government. Option D responds to this call, offering a governance model that strengthens community voice and improves transparency, scrutiny, and decision-making.

A Deliverable, Future-Ready Model

This business case presents a transformative opportunity to reshape local government in a way that is ambitious, pragmatic, and deeply rooted in local evidence and engagement. Option D meets the Government's criteria, supports meaningful service transformation, and places community empowerment at the heart of reform.

With strong leadership, robust governance, and a shared commitment to collaboration, this model offers a credible and compelling pathway to a stronger, fairer, and more prosperous future for every part of Cambridgeshire and Peterborough.

09 Appendices

APPENDIX A - DETAILED ANALYSIS OF OPTIONS A-E

Option A
North and South

Option A proposes dividing the region into two unitary authorities: a northern authority encompassing Peterborough, Fenland, and Huntingdonshire, and a southern authority comprising East Cambridgeshire, South Cambridgeshire, and Cambridge City. While this configuration offers the advantage of scale, particularly in the North, it risks creating an imbalance in population and service demand. The North would inherit higher levels of deprivation and social care need, while the South would face the challenges of a rapidly ageing population. Critically, this model does not fully reflect the functional economic geographies or the distinct identities of our communities. The North/South split may deliver financial efficiencies, but it risks diluting local leadership and undermining the ability to tailor services to the unique needs of each area. The lack of broad support among councils further weakens its viability, and the model's alignment with NHS and police boundaries, while positive, does not outweigh the strategic drawbacks of diminished local responsiveness and identity.

Option B
Horseshoe

The **Horseshoe** model also proposes two unitaries, with one large authority (Peterborough, Fenland, Huntingdonshire, East Cambridgeshire) forming a 'horseshoe' around Greater Cambridge (South Cambridgeshire and Cambridge City). This option benefits from a degree of urban-rural balance and is supported by a majority of councils. However, the scale of the Horseshoe authority introduces complexity in governance and service delivery, with high deprivation concentrated in Fenland and Peterborough and an ageing population in rural areas. While the model is well-placed for devolution and offers good alignment with public sector boundaries, it risks overshadowing the distinct identities of Cambridge and Peterborough, potentially stifling innovation and local engagement. The financial savings are notable, but the model's ability to deliver truly place-based leadership and responsive services is limited compared to Option D.

Option C
East and West

Option C divides the region into East (Peterborough, Fenland, East Cambridgeshire) and West (Huntingdonshire, South Cambridgeshire, Cambridge City) unitaries. This configuration attempts to balance urban and rural interests but ultimately results in weaker cohesion and less effective alignment with economic geographies. The East authority would inherit significant deprivation and a younger population, while the West would be characterised by lower deprivation but an ageing demographic. The risk of fragmentation is pronounced, with service delivery potentially suffering from a lack of strategic coherence. Financially, the East authority faces sustainability challenges, and the overall model does not sufficiently address the need for robust local identity or the empowerment of communities. The lack of widespread council support and poorer alignment with NHS and police boundaries further diminish its appeal.

Option D
3 Unitary Authority Split

Option D stands out as the most forward-thinking and locally responsive solution. By establishing three unitary authorities—Greater Peterborough, Mid Cambridgeshire, and Greater Cambridge—this model directly reflects the region's functional economic geographies and distinct community identities. Greater Peterborough is positioned to harness its urban energy and drive inclusive growth, Mid Cambridgeshire can champion rural innovation and revitalise market towns, and Greater Cambridge consolidates its global leadership in science and technology. While the three-unitary model involves higher transition costs and a longer payback period, it offers unparalleled opportunities for service transformation, targeted investment, and genuine community engagement. The model empowers each authority to tailor services to local needs, strengthens strategic alignment with the Combined Authority, and enhances democratic accountability. Importantly, Option D has garnered strong support from Peterborough's elected representatives and resonates with the aspirations of residents across the region. The challenges—particularly for Mid Cambridgeshire—are recognised and can be mitigated through proactive leadership, robust governance, and strategic investment. Option D is not just a structural change; it is a bold vision for a resilient, innovative, and empowered future for Cambridgeshire and Peterborough.

Option E
Hunts 3 Unitary Authority Split

Option E proposes three unitaries with a standalone Huntingdonshire authority, a combined Peterborough, Fenland, and East Cambridgeshire authority, and a South Cambridgeshire and Cambridge City authority. While this model strengthens local identity in Huntingdonshire and maintains urban-rural balance elsewhere, it suffers from limited scale and financial resilience in the standalone authority. The risk of fragmentation is significant, and the model does not fully leverage the economic synergies or strategic opportunities available in the region. The alignment with public sector boundaries is weaker, and the model lacks the broad-based support and transformative potential of Option D. Ultimately, Option E falls short in delivering the scale, efficiency, and place-based leadership required to meet the government's criteria and the region's ambitions.

APPENDIX B - A CASE FOR CITIES

LINK A Case for Cities - Inner Circle Consulting Sept 2025.pdf

Recommendations in the Report

- Empower cities through single-tier governance via city-led unitaries: Address the lack of coherence in the structure of local government across the UK and use LGR to create a new generation of city-led unitary authorities - distinct from rural county-unitaries - that reflect functional geography and allowing each one to act at the scale necessary to deliver growth, prevention, and innovation.
- 'Right size' cities to match their communities of interest: Use this moment of reform to address misalignment in boundaries so they instead support cities to plan effectively for growth across a broader urban area that reflects how people actually live, work, and move rather than outdated administrative lines.
- Commit to a long-term national cities strategy: Establish a long-term cross-government strategy that recognises cities' role in delivering on key commitments such as the spending review and industrial strategy and gives them the tools to power economic growth, innovation, Net Zero, housing, and inclusive prosperity.
- Back a polycentric UK and invest in a network of high-performing cities: End the over-concentration of growth in a few metros by investing in a distributed network of city nodes (e.g. through corridors like Oxford to Cambridge growth arcs), giving a voice and value to cities beyond those which have become the strongest.
- Hardwire prevention into public services at the right scale: Reform service delivery, giving cities the power to deliver effectively on prevention by aligning services across health, housing, and welfare at the urban scale, with the data, powers, and partnerships needed to act early.
- Recognise city-led unitaries within devolution: Ensure the next generation of MSAs is led by poly-urban areas, each with distinct identities. Ensure MSAs have strong, enabled city-led unitaries across each region who understand local needs, can convene partners, and can lead delivery. Ensure that all cities have an equal seat at the table and access to a Mayoral Combined Authority that has powers, funding mechanisms, and autonomy to drive growth.

About Inner Circle Consulting

Inner Circle Consulting is a management consultancy working with councils and local authorities across the UK to help them sustain amid modern challenges such as fiscal restraint, rising demand and increased public expectations. We help clients to grow inclusive economies and realise the opportunities afforded by their place and potential and we support organisations to create immediate change while building their long term capability to deliver for their communities, setting them up for independent success.

APPENDIX C - NEWTON DATA: SPEND PER RESIDENT

Option	ASC Spend/Resident	CSC Spend/Resident	SEND Spend/Resident	% Households in TA	Variation (spend/demand)
Status Quo	£360-£374	£171-£358	£191-£222	0.6%-1.6%	Low
East/West	£347-£377	£147-£269	£183-£211	0.6%-0.9%	Lowest
North/South	£326-£382	£147-£250	£183-£207	0.7%-0.8%	Low
Horseshoe	£332-£401	£148-£295	£181-£220	0.7%-0.9%	High
Three unitary authority	£332-£401	£148-£335	£181-£230	0.4%-1.2%	Highest

APPENDIX D - LGR RISK MANAGEMENT FRAMEWORK

Risks are managed proactively and systematically via a risk management framework, with clear processes for identification, ownership, mitigation, review, and escalation. This ensures that risks are not only tracked but actively managed, and that the programme remains resilient and responsive to emerging challenges.

Framework Element	Description
1. Central Risk Register (RAID)	All risks, assumptions, issues, and dependencies (RAID) are logged in a central register, maintained by the Transition Programme Office (TPO). This register is regularly updated and reviewed.
2. Risk Identification & Assessment	Risks are identified at all levels (programme, workstream, service) and assessed for likelihood and impact. Risks are categorised (e.g. service, financial, legal, reputational) and prioritised.
3. Ownership & Accountability	Each risk is assigned a clear owner (usually a senior responsible officer or workstream lead) who is accountable for monitoring and managing the risk.
4. Mitigation Planning	For each risk, specific mitigating actions are defined, with clear responsibilities and deadlines. These are tracked and updated as the programme progresses.
5. Regular Review & Escalation	Risks are reviewed at regular intervals (e.g. monthly by the Transition Board, weekly by the TPO). High or escalating risks are escalated to the Sponsor Board or political leadership for decision or intervention.
6. Gateway Reviews & Independent Assurance	Key programme milestones include gateway reviews, where risks are independently assessed and assurance is provided (e.g. by internal audit, external consultants, or government reviewers).
7. Communication & Transparency	Risk status and mitigation progress are communicated to all stakeholders, including staff, partners, and elected members, to ensure transparency and collective ownership.
8. Continuous Learning & Adaptation	Lessons learned from previous reorganisations and ongoing delivery are incorporated into risk management, with the framework adapted as new risks emerge or circumstances change.

APPENDIX D - IMPLEMENTATION PLAN - DETAILS PHASES

Phase 1 - Business Case and Mobilisation

- Submit the Final Plan to government by 28 November 2025.
- Await government review and potential consultation in early 2026 on this and any alternative proposals.
- Establish the Programme Management Office (PMO) and delivery structure —initially for Peterborough City Council, with future integration expected.
- Begin intelligence gathering on:
- Budgets, staffing, contracts, IT systems, enterprise architecture.
- Engage stakeholders to build awareness, cooperation, and consensus across central and local government.

Phase 2 - Post Decision

- Triggered by government decision on Cambridgeshire and Peterborough's future structure (expected July 2026).
- Focus shifts to establishing unitary authorities with cross-council coordination.
- Key activities:
  - Formalise governance and programme management for shadow authorities.
  - Develop detailed implementation plans for statutory and essential services.
  - Confirm future service needs and operating models.
  - Align with existing/planned change programmes across councils.
  - Review IT architecture and operational readiness (e.g. email, Wi-Fi, systems).
  - Assess equipment and cloud services (e.g. M365 tenant separation).
  - Define security protocols and access controls.
  - Review business continuity and disaster recovery plans.
  - Baseline property portfolios and initiate transition planning.
  - Agree communications strategy and HR transition plans.

Phase 3 - Transition

- Establish shadow authorities one year prior to Vesting Day (April 2028).
- Responsibilities include:
  - Detailed service integration and disaggregation planning.
  - Finalise organisational and operating models.
  - Appoint Chief Executives and senior leaders.
  - Manage staff transition and TUPE processes.
  - Continue staff and union engagement.
  - Set budgets, harmonise council tax and business rates.
  - Approve governance decisions with financial/long-term implications.
  - Establish payroll and manage initial IT/data transitions.
  - Maintain stakeholder engagement and build new partnerships.
  - Design customer interaction models (web, phone, service continuity).

Phase 4 - Launch of New Councils - Transformation

- Submit the Final Plan to government by 28 November 2025.
- Await government review and potential consultation in early 2026 on this and any alternative proposals.
- Establish the Programme Management Office (PMO) and delivery structure —initially for Peterborough City Council, with future integration expected.
- Begin intelligence gathering on:
- Budgets, staffing, contracts, IT systems, enterprise architecture.
- Engage stakeholders to build awareness, cooperation, and consensus across central and local government.

Key workstreams

- **Strategic**
  - Legal Services
  - Democratic/Electoral Services
  - Corporate Governance
  - Workforce
  - Finance
  - Data and Digital
  - Procurement and Contract Management
  - Assets
- **Service Delivery:**
  - Shared Transactional Services
  - Planning, Economic Development and Regulatory Services
  - Transport and Highways
  - Bin, Waste and Recycling
  - Adult Social Care
  - Children's Service (including Schools and Education)
  - Public Health
  - Housing
  - PMO Office
- **Democratic Target Operating Model: service blueprints.**
- **HR and cultural change.**
- **Estate strategy and asset analysis.**
- **Disaggregation of county services (e.g. social care) with resident outcomes prioritised.**
- **Enablers of success:**
  - SME-led design and delivery.
  - Robust governance and oversight.
  - Clear stakeholder and resident communications.
- **Activities for service disaggregation:**
  - Review locality structures, demand, and workforce.
  - Agree service blueprints and functional models.
  - Refine policies, systems, and procedures.
  - Restructure boards and representation.
  - Develop detailed transition plans and emergency arrangements.
  - Explore models to mitigate risks in social care disaggregation.

LOCAL GOVERNMENT REORGANISATION CAMBRIDGESHIRE & PETERBOROUGH

Greater Peterborough Business Case

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