

Report to	Council, 24 July 2025
Lead Cabinet Member	Councillor Cameron Holloway, Leader of the Council
Lead Officer	David Kidston, Strategy and Partnerships Manager
Key Decision	No
Director Approval: The Chief Executive confirms the report author has sought the advice of all appropriate colleagues and given due regard to that advice; that the equalities impacts and other implications of the recommended decisions have been accurately presented in the report; and that they are content for the report to be put to Council for decision.	

UPDATE ON LOCAL GOVERNMENT REORGANISATION




1.	Recommendations
1.1	<p>It is recommended that Council:</p> <ul style="list-style-type: none"> • Notes the progress to date on Local Government Reorganisation. • Notes that of the proposed geographies, 'Option B' best meets key MHCLG criteria for Local Government Reorganisation, as outlined at paragraph 4.6. • Agrees to hold an Extraordinary Council meeting to discuss the final proposal(s).
2.	Purpose and reason for the report
2.1	To provide Council with an update on Local Government Reorganisation (LGR), and the preferred options for new unitary councils recently proposed by Council Leaders from Cambridgeshire and Peterborough.
2.2	<p>Previous papers and background</p> <ul style="list-style-type: none"> • 'A Unitary Council', Council motion, 19 October 2023

	<ul style="list-style-type: none"> • ‘The Future of Local Government for Cambridge’, Council meeting, 28 November 2024 • English Devolution White Paper, HM Government, 16 December 2024 • Letter to Minister of State, Jim McMahon MP from Leaders of Cambridge, Exeter, Ipswich, Oxford and Norwich, 21 January 2025 <i>[see separate attachment]</i> • Letter to Cambridgeshire and Peterborough Council leaders from Minister of State, Jim McMahon MP, 5 February 2025 • ‘Update on Local Government Reorganisation’, Extraordinary Council meeting, 17 March 2025 • Letter to Minister of State, Jim McMahon MP from leaders of Cambridgeshire and Peterborough councils, 21 March 2025 • A news statement announcing the three preferred unitary council options, Cambridgeshire and Peterborough Council Leaders, 11 June 2025. • Devolution and Local Government Reorganisation - Cambridge City Council, information and frequently asked question, council website.
3.	Context
3.1	On 16 December 2024, The White Paper on English Devolution was published. It proposes extensive reforms to the framework of local government across England and its relationship to central government, described as a ‘rewiring of the state’. This includes devolution to strategic mayoral authorities and local government reorganisation in two-tier areas. Adjoining unitary councils have been included where there is evidence of failure or their size hinders their ability to deliver sustainable and high-quality services.
3.2	Cambridgeshire & Peterborough already has devolved powers via the ‘deal’ that established the Cambridgeshire and Peterborough Combined Authority in 2017. Under the Government’s proposals all Mayoral Combined Authorities will become Mayoral Strategic Authorities with additional responsibilities and powers, including for aspects of

	transport and infrastructure, skills and employment, strategic planning, economic regeneration, public safety, and public service reform.
3.3	On 5 February 2025, Jim McMahon, Minister of State for Local Government and English Devolution, invited proposals to establish unitary authorities across Cambridgeshire and Peterborough (see link above). Proposals are required to be submitted to government by 28 November 2025.
3.4	Six of the seven Council Leaders submitted a joint interim response to Government on 21 March 2025 (see link above). The Leader of Fenland District Council also submitted a letter. These responses did not commit the Councils to a particular course of action and do not fetter future decisions.
3.5	<p>The Ministry of Housing, Communities and Local Government (MHCLG) issued guidance on 5 February 2025. This sets out detailed criteria for the creation of new unitary authorities, which the government will use to assess proposals it receives. The key criteria include:</p> <ul style="list-style-type: none"> • Financial resilience: “the right size to achieve efficiencies, improve capacity and withstand financial shocks”. • Economy and housing: “sensible economic areas” and helping “to increase housing supply and meet local needs”. • Sustainable public services: “prioritising the delivery of high-quality and sustainable public services to citizens” with “consideration given to the impacts for crucial services such as social care, children’s services, SEND and homelessness, and for wider public services including for public safety”. • Democratic representation and community engagement: “enabling stronger community engagement and neighbourhood empowerment”. • Devolution: “new unitary structures must support devolution arrangements”.
3.6	The guidance currently states that proposals should ideally use existing district areas as the building blocks for new councils. Although government has not ruled out boundary changes it has indicated there would need to be a strong justification, and the reorganisation process could take longer. In addition, the Local Government and Public

	Involvement in Health Act 2007, requires that Local Authority boundaries do not cross police force boundaries but can otherwise be whatever best meets government guidance.
3.7	The government initially placed significant emphasis on new unitary authorities aiming to have a population of 500,000 or more. This expectation has diminished over time. Proposals of less than this population figure have not been discouraged as the government recognises it may not make sense for some areas. Informally, there has been an indication that the minimum population the government would consider to be financially sustainable is around 300,000. This is consistent with previous government criteria from 2019, which ‘ <i>expected</i> ’ proposals to have a population ‘ <i>in excess of 300,000</i> ’.
3.8	There are approximately 920,000 residents (ONS mid-year estimates; 2023) in Cambridgeshire and Peterborough: around 150,000 in Cambridge; 91,000 in East Cambridgeshire; 104,000 in Fenland; 186,000 in Huntingdonshire; and 169,000 in South Cambridgeshire – making a total of 700,000 in the County area; plus 220,000 people in Peterborough, which is already a unitary authority.
3.9	Based on conservative assumptions the population of Cambridgeshire and Peterborough is expected to grow to over 1,060,000 over the next 15 years. That forecast does not include, for example, the emerging Greater Cambridge Local Plan for around 50,000 homes or 120,000 people, or any population increases arising from plans to be developed by the Government owned Cambridge Growth Company.
	History and local identity
3.10	Ministers have also encouraged proposals to consider local history and identity.
3.11	Cambridge has a longstanding civic history and identity. The town was a strategically significant centre for trade, civil, legal, and military administration from the Anglo-Saxon period. In 1086, the Domesday Book described Cambridge as a principal English borough with 10 wards. Residents have had local arrangements for governing themselves with a degree of independence from the Crown since the 12th century.
3.12	Townsppeople lobbied for Royal Charters in the early 13th century which established their right to appoint a Mayor, levy taxes, regulate trade and administer local justice. Last year was the 800-year anniversary that local government has operated from the site of the Guildhall. In recognition of its history, administrative importance, and economic success

	Cambridge was granted City status by King George VI in 1951. The University of Cambridge had opposed the previous proposal for city status in 1616.
3.13	Prior to the last significant local government reorganisation in 1974, which created the current 'two tier' arrangements, Cambridge City Council enjoyed wide ranging delegated powers. These included for example, responsibility for education, health and welfare, wastewater treatment, libraries, highways, planning, and weights and measures.
3.14	On the last occasion that local government reorganisation was seriously considered, in 1994, six out of seven councils supported reorganisation. Five out of the seven councils supported the creation of four new unitary authorities: City of Cambridge Council based on expanding the boundary fixed in 1935; Huntingdonshire County Council; Greater Peterborough Council (including Fenland), and Cambridgeshire County Council (South Cambridgeshire and East Cambridgeshire).
3.15	The proposals for four unitary authorities estimated transition costs of around £26m and ongoing savings from reorganisation of £5.1m (2024 prices), which would take around 5 years to 'payback'.
3.16	The rationale presented then for a Cambridge unitary reflected the city's growing urban geography and identity, long tradition of self-government as well as its importance as a centre of excellence for science and technology.
4.	Progress to date: local government reorganisation
4.1	All councils in an area are expected to work together in the best interests of the whole area to develop and submit proposals by 28 November 2025. However, Government recognises that there will be some cases where agreement on a single proposal will not be possible despite best efforts. A Leaders and a Chief Executives LGR group has met regularly since the invitation from Government to develop proposals collaboratively.
4.2	Cambridge City Council has also been working with other historic fast-growing cities, including Oxford, Exeter, Ipswich and Norwich. Leaders from these Councils wrote to Minister of State Jim McMahon in January 2025, to make the case for the economic, historic and civic importance of smaller cities, and the contribution they make to new housing. The letter provided evidence that unitary authorities between 200,000 and

	400,000 can strike the right balance between efficiency, effectiveness and community engagement.
4.3	Chief Executives commissioned chief finance officers and data analysts from each authority to develop a financial model to evaluate different unitary options. This is being supplemented by analysis from Pixel, a leading local government financial advisor. The modelling to date is based on the existing approach to local government funding. The government is currently consulting on changes to it and as a result the draft model will need to be updated.
4.4	Leaders have considered the implications of several options for the geography of new unitary councils based on available evidence. Some of these options were excluded as they did not meet criteria set by the Government or because the financial analysis showed that they were less financially viable. Leaders also felt that three unitary authorities for the area would be less likely to meet the Government's financial resilience criteria.
4.5	On 11 June 2025, council Leaders announced that they had identified three preferred options to establish new unitary councils across Cambridgeshire and Peterborough. Each of these options would lead to the creation of two unitary councils. In future, these councils would be responsible for providing all local government services across the Cambridgeshire and Peterborough area and replace all seven existing local authorities.
4.6	<p>The three options set out below are all based on existing authority boundaries.</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p>Proposal A</p> </div> <div style="text-align: center;">  <p>Proposal B</p> </div> <div style="text-align: center;">  <p>Proposal C</p> </div> </div>

	<table><tr><th>Proposal</th><th>Unitary 1</th><th>Unitary 2</th></tr><tr><td>Proposal A: North-west / South-east</td><td>Peterborough City Fenland District Huntingdonshire District and County Council functions</td><td>Cambridge City East Cambridgeshire District South Cambridgeshire District and County Council functions</td></tr><tr><td>Proposal B: North / South</td><td>Peterborough City East Cambridgeshire District Fenland District Huntingdonshire District and County Council functions</td><td>Cambridge City South Cambridgeshire District and County Council functions</td></tr><tr><td>Proposal C: North-east / South-west</td><td>Peterborough City East Cambridgeshire Fenland District and County Council functions</td><td>Cambridge City Huntingdonshire District South Cambridgeshire District and County Council functions</td></tr></table>	Proposal	Unitary 1	Unitary 2	Proposal A: North-west / South-east	Peterborough City Fenland District Huntingdonshire District and County Council functions	Cambridge City East Cambridgeshire District South Cambridgeshire District and County Council functions	Proposal B: North / South	Peterborough City East Cambridgeshire District Fenland District Huntingdonshire District and County Council functions	Cambridge City South Cambridgeshire District and County Council functions	Proposal C: North-east / South-west	Peterborough City East Cambridgeshire Fenland District and County Council functions	Cambridge City Huntingdonshire District South Cambridgeshire District and County Council functions				
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4.7	Members are requested to review the three proposals and consider their suitability for the Cambridge City area, and for Cambridgeshire and Peterborough as a whole. The government requires proposals to provide a viable solution for the whole geography not just the area that includes our own authority.																
5	High-level appraisal of options																
5.1	A high-level appraisal against the government’s key reorganisation criteria is set out below. The appraisal is provisional, as the proposals are yet to be worked up in detail, though some shared data is already available from which emerging conclusions can be drawn. Appendix 1 contains commentary on the appraisal below.																
5.2	<table><tr><td></td><td>Option A</td><td>Option B</td><td>Option C</td></tr><tr><td>Financial resilience: Right size to achieve efficiencies, improve capacity and withstand financial shocks</td><td>3 (amber)</td><td>4 (green)</td><td>3 (amber)</td></tr><tr><td>Economy and housing: Sensible economic areas; helping to increase housing supply and meet local needs.</td><td>3 (amber)</td><td>4 (green)</td><td>3 (amber)</td></tr><tr><td>Sustainable Public Services Delivering high-quality and sustainable public services; in particular adult social care, children’s services, SEND and</td><td>3 (amber)</td><td>3 (amber)</td><td>2 (amber/ red)</td></tr></table>		Option A	Option B	Option C	Financial resilience: Right size to achieve efficiencies, improve capacity and withstand financial shocks	3 (amber)	4 (green)	3 (amber)	Economy and housing: Sensible economic areas; helping to increase housing supply and meet local needs.	3 (amber)	4 (green)	3 (amber)	Sustainable Public Services Delivering high-quality and sustainable public services; in particular adult social care, children’s services, SEND and	3 (amber)	3 (amber)	2 (amber/ red)
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	homelessness.			
	Total scores	9/12	11/12	8/12
<p>Scoring / RAG rating:</p> <p>1 - does not meet criteria (red)</p> <p>2 - unlikely to meet criteria (amber/red)</p> <p>3 - likely to meet criteria (amber)</p> <p>4 - meets criteria (green)</p> <ul style="list-style-type: none"> Appraisal against the government's criterion for '<i>democratic representation and community engagement</i>' was not undertaken as this will largely depend on proposal details. At this stage differentiation between proposals is not feasible. Other criteria such as the implications for '<i>devolution</i>', is less relevant as Cambridgeshire & Peterborough already has devolution arrangements in place unlike nearly all other 'two-tier' areas. 				
6.	Next Steps			
6.1	The three options are being further developed and may all be submitted as proposals to Government by 28 November 2025. Each option has different strengths and different implications for services, local communities, and businesses. A motion invites Council to consider a preferred option for reorganisation it is inclined to support.			
6.2	Officers will continue to share data and information to prepare the proposals. At the direction of the Leader, City Council officers have been engaged in developing Option B with other supportive authorities. The County Council is developing option A, and Huntingdonshire is developing option C.			
6.3	By submitting a final proposal or proposals in November, powers in the Local Government and Public Involvement in Health Act 2007 would be triggered. That will give the Secretary of State (MHCLG) the final decision on any proposed unitary structures and does not require the affected councils to give formal consent to the Secretary of State's preferred approach.			
6.4	At this stage, it seems likely that multiple proposals for Cambridgeshire and Peterborough will be submitted to Government. Ministers will then decide which proposal(s) will be subject to a statutory consultation in early 2026. Ministers would then make a final			

	determination on the proposal they intend to implement. There is no guarantee that any proposal which the City Council endorses will be chosen by Ministers.
6.5	The decision regarding which proposal to support is a matter for the Leader and/or Cabinet to determine. However, a final proposal for reorganisation may be brought to Council for discussion at an appropriate point to inform that decision. This may entail an Extraordinary Council meeting, potentially in November.
6.6	Based on current Government timelines from April 2028 Cambridge City Council and all other existing Councils in Cambridgeshire and Peterborough would likely be abolished and replaced with new unitary authorities. The new unitary authorities would take on all the powers, responsibilities, assets and liabilities, and civic functions of the existing authorities within their new boundaries.
6.7	The new unitary authorities are expected to operate in a shadow form from May 2027 so that they can plan for and manage a smooth transition. Shadow authorities have power to recruit staff and plan for implementation, but they do not have statutory local government powers until they 'go live'. The City Council would continue to provide services to residents and retain its full powers and responsibilities up to and until those become vested in a new unitary authority.
7.	Consultation, engagement and communication
7.1	The Government expects councils to decide how best to engage locally in a meaningful and constructive way and to evidence that in their proposals.
7.2	The City Council previously engaged residents about the ‘Future of Local Government for Cambridge’ in summer 2024. Almost half of over 500 respondents indicated they <i>‘don’t know or don’t think it is easy’</i> to find out how to access the services they want under the current ‘two tier’ arrangements. Nearly 71% <i>‘agreed or strongly agreed’</i> that a unitary authority would serve their and the city’s interests more effectively; and nearly 83% <i>‘agreed’</i> that options for a unitary council for the Cambridge area should be explored. The council unanimously endorsed recommendations arising from that exercise at a council meeting on 28 November 2024.
7.3	Views on a preferred geography for a new unitary authority for the Cambridge area were not sought as part of that engagement, however, many respondents offered suggestions.

	The most popular were a unitary for Cambridge and the immediate surrounding area and a unitary council based on the administrative geography of Cambridge City Council and South Cambridgeshire District Council.
7.4	A joint survey by all Cambridgeshire and Peterborough was carried out from 19 June to 20 July 2025. It asked residents and businesses for views on the future of local government for the whole area. The engagement focused on the connections people have to different areas, including where they work, socialise or receive healthcare, and their priorities for the new unitary Councils. Feedback from the survey will be analysed and supplemented by focus groups in each local authority area to inform proposals.
9.	Implications
9.1	<p>There are a range of potential benefits of creating new unitary councils, including:</p> <ul style="list-style-type: none"> • Reducing complexity and increasing democratic accountability by giving Councillors responsibility for all local government services in their area. • Public service reform and more joined up provision of services delivering better outcomes and better value for money for residents. • Ensuring that local government is more financially sustainable. • Clarity for residents about who is responsible for services they receive. • A stronger and more cohesive voice for an area in discussions with central government and key partners to amplify the issues of most concern to residents. • Boundaries that better reflect the economic geography and housing markets so that new councils can support sustainable and inclusive economic growth.
9.2	<p>Local government reorganisation also presents risks. It is important that members understand the potential risks and that proposals include the appropriate mitigation. Key risks include:</p> <ul style="list-style-type: none"> • Establishing new unitary councils will incur one-off implementation costs, which will need to be met from existing budgets. Government has provided a grant of £318,000 to councils across Cambridgeshire and Peterborough to develop proposals

	<p>and supports the use of capital receipts to fund transition costs and service transformation.</p> <ul style="list-style-type: none"> • Reorganisation may have a negative impact on staff capacity during the transition period, and in the short-term uncertainty could affect retention and recruitment. • The new unitary council would have responsibility for adult social care, children’s services, Special Educational Needs and Disability (SEND), and homelessness where increasing demand could create financial pressures. Proposals will need to ensure any new unitary councils are able to meet current and future demand for services in their area through available resources, such as Council Tax, Business Rates, Government grants, fees and charges, and income generation. • The new authorities will be required to harmonise Council tax rates so that all residents are treated fairly. This can be phased to mitigate increases in bills should the new authorities decide to harmonise upwards. • Unitary authorities will be larger, have fewer Councillors, and could feel more ‘remote’ from residents. Proposals will need to ensure the number of Councillors balances efficient and effective decision-making with local representation and manageable workloads.
10	Financial Implications
10.1	At this stage, direct financial implications are minimal. Once Ministers decide which proposal to proceed with, detailed plans will need to be developed which will provide a more accurate picture of disaggregation and integration costs, efficiency savings as well as the benefits of unitary local government.
10.2	It is expected that there will be significant financial implications associated with the implementation of local government reorganisation, both during the transition phase and once new unitary councils are established. Some of the key financial benefits include opportunities to ensure long-term financial sustainability through the integration of service provision, streamlining of back-office costs and assets, and economies of scale. Key risks include one-off transition costs, council-tax harmonisation, financial pressures from rising social care demand and any debt inherited from dissolved authorities.

	Legal Implications
10.3	The Local Government and Public Involvement in Health Act 2007 provides the key statutory framework for local government reorganisation. The Secretary of State can at any time invite proposals for reorganisation. The criteria against which proposals are to be judged are set out in the invitation letter from Minister of State, Jim McMahon MP – see link above.
10.4	Shadow authorities would be governed by councillors elected in 2027. These ‘shadow members’ would likely become councillors in the new unitary authorities at the ‘go live’ date. Property and assets belonging to the existing councils would be split between the new councils by agreement or determined by the Secretary of State if agreement cannot be reached.
	Staffing
10.5	Beyond reducing duplication, local government reorganisation does not necessarily imply or require large scale redundancies. The overwhelming majority of employees will transfer automatically to one of the new authorities. Senior officers are more likely to be at risk as separate services from different authorities are integrated. Reorganisation will also create new opportunities and career development for many staff.
10.6	It is not possible to give more details in relation to the workforce implications at this stage. However, Councillors should be mindful of the importance of maintaining high quality service delivery in the meantime and ensure that council staff continue to feel valued and are engaged in the reorganisation process.
	Equalities and socio-economic Implications
10.7	There are no significant equalities or socio-economic implications arising from the submission of an interim response to Government on local government reorganisation.
	Net Zero Carbon, Climate Change and Environmental implications
10.8	There are no significant Net Zero Carbon, Climate Change and Environmental implications arising from the submission of an interim response to Government on local government reorganisation.

	Procurement Implications
10.9	The Council procured some initial financial advice on LGR options and procured another consultant to provide advice on how LGR proposals can address the Government's criteria on public services, financial sustainability, democratic accountability and community engagement.
	Community Safety Implications
10.10	There are no community safety implications arising from the submission of an interim response to Government on local government reorganisation.
11	Background documents
11.1	English Devolution White Paper
12	Appendices
	Appendix 1 – Narrative summary against key appraisal criteria
	To inspect papers or if you have a query on the report please contact david.kidston@cambridge.gov.uk

Appendix 1: summary of proposals against key appraisal criteria

Context

The narrative summary in this appendix reflects the appraisal set out in paragraph 5.2. It provides commentary against key government criteria for each preferred option, including an overall assessment of how likely each option is to meet the government's criteria.

The appraisal is provisional. The full proposals for the different options are yet to be worked up. However, some shared data and evidence is already available, including from public sources, from which emerging conclusions can be drawn.

The financial information provided below for each unitary authority is also provisional and should be treated with caution. It is based on forecast resources that each new unitary might expect to receive under the existing local government finance system. The current approach uses population and needs data that in some cases is more than 10 years out of date but is still used in the government's modelling, so is the most accurate data available currently.

The expected financial position of new unitary authorities will be updated in the proposals to government. The proposals should be able to give a more accurate picture and should reflect the likely implications of the current consultation on the Fair Funding Review, which sets out the Government proposals to reform the local government finance system. The consultation is open until 15 August.

The Fair Funding Review proposals are complex. At a strategic level they would place greater weight on a fairer redistribution of local government funding to reflect current population needs and deprivation; population growth, and different cost pressures associated with urban, rural and coastal authorities. This impact of the proposals on the reorganisation options for Cambridgeshire and Peterborough is currently being assessed.

The options below are ranked in order of scoring. Highest first.

Option B: 11/12 – ‘most likely to meet government criteria.’



Peterborough, Huntingdonshire, East Cambridgeshire, Fenland
601,000 population; approx. resources per head £1,092

Cambridge, South Cambridgeshire
319,000 population; approx. resources per head £1,021

Financial resilience: of the three options, option B is best able to mitigate financial risks, withstand financial shocks and achieve efficiencies over the long term. Each unitary would have different comparative strengths: one a large population, below average needs, diverse economic base and higher resources per head; the other a smaller, lower need but fast-growing population and economy, with lower resources per head. These comparative strengths complement each other to maximise financial resilience for the whole area and help alleviate the inherent financial challenges which all reorganisation options will have to address to meet government criteria.

- **North unitary:** incidence of weaker tax base, higher needs and greater dependency on government grants in Peterborough and Fenland, mitigated as far as possible by being part of a unitary with a large population that would have the scale to have greater resilience and manage financial shocks more effectively.
- **South unitary:** lower level of government grants due to lower per capita population needs; funding risks offset by resilient and fast-growing tax base better able to support anticipated population increase to over 400,000 in 10-15 years.

Economy and Housing: three distinct economies¹ and four travel to work areas² form two complementary economic geographies. At least three quarters of all working residents would live and work in the council area where they reside. Each unitary authority would have greater scope to develop ambitious Local Plans to reflect the distinct housing and economic needs in their areas.

- **North unitary:** has a diverse and resilient rural-urban economy with advanced manufacturing, logistics, and agritech and a growing number of business parks. It also benefits from the direct economic spillover effects from the southern innovation cluster including by creating demand for non-knowledge intensive businesses, jobs and

¹ Fens; Huntingdonshire/Peterborough; Greater Cambridge (CPIER 2018)

² [Productivity in towns and travel to work areas, UK - Office for National Statistics](#)

services. The unitary has the potential for spatial plans to identify strategic housing and growth sites unconstrained by former administrative boundaries between existing authorities; £40bn annual business turnover with 250,300 employees³, and the majority of the sub-region's smaller businesses.

- South unitary: fast-growing city region with globally significant innovation economy. The new unitary would be in the top 15 largest UK employment clusters and have one of the highest densities of knowledge intensive businesses in the UK. The economy would have £80bn annual business turnover with 226,000 employees (Beauhurst 2024). 80% of working residents would live and work in the unitary area. There is scope to enhance long-term investor and business confidence by integrating the Greater Cambridge Local Plan and Greater Cambridge Partnership. This is also the economic geography that is the focus of the government owned Cambridge Growth Company. Cambridge and South Cambs both have existing investment partnerships to build new affordable and social housing.

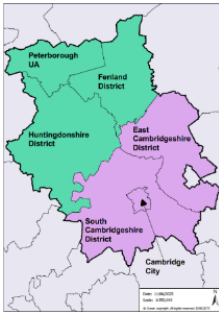
Sustainable public services: resources would be divided most effectively of all options to enable sustainable public services, based on more equal distribution of existing needs, future demand pressures and financial resources across the sub-region. Both councils would have below England average social care needs. Both unitary authorities would have strong in-built incentives to implement public service reform to improve outcomes, achieve service improvements and efficiencies to address social care performance and financial constraints.

- North Unitary: would have economies of scale and buying power to reshape existing inefficient care markets. There would be significant scope to integrate 'lower tier' preventative services with social care and work jointly with NHS community teams to improve resident outcomes. Peterborough already has experience of shared social services and successful disaggregation from Cambridgeshire County Council. All former council housing would continue to be managed by registered providers, reducing integration challenges for all housing related services.
- South Unitary: would have a low level of care needs and opportunity to collaborate with the local innovation economy on care-tech and workforce development. There would be significant opportunities to integrate social care with housing and health services to improve resident outcomes. Existing Greater Cambridge shared services for planning, bin collection, transport, housing strategy and others make integration more straightforward. The new unitary inherits council housing from both former stock owning

³ 50+ employees and/or £5.1m balance sheet or £10.2m turnover ('Local Growth Index', Beauhurst, 2024).

authorities making service integration more straightforward.

Option A: 9/12 - 'likely to meet government criteria.'



Peterborough, Huntingdonshire, Fenland

510,000 population; approx. resources per head £1,100

Cambridge, South Cambridgeshire, East Cambridgeshire

410,000 population.; approx. resources per head £1,023

Financial resilience: good scope for resilience, though not as effective mitigation of financial risks and potential for greater exposure to financial shocks compared to option B. One authority would inherit a higher concentration of former councils with lower tax bases, higher needs and greater dependency on government grants than option B.

- North-west unitary: weaker overall tax base, higher population needs, and reduced economies of scale than option B to enable efficiencies. While it would have equivalent resources per head as option B the unitary inherits proportionally higher unit costs for social services, lower overall performance, and less capacity to grow its tax base reducing long term financial resilience. The authority would have greater reliance on social care grants to fund services compared to B, which would put greater pressure on budgets for universal services.
- South-west unitary: maintains relatively low social care profile and low level of government grants though has proportionally larger aging population and equivalent resources per head as option B. There would be an increased risk of care costs increasing faster than tax-base growth as the population ages. This could crowd out discretionary spending on universal services, such as community grants, and maintenance of public spaces.

Economy and Housing: this option creates greater imbalance in total economic output, jobs and planned housing development between each new unitary due to the more economically dominant southern unitary.

- North-west unitary: would retain only 28% of business turnover and 44% of jobs (Beauhurst 2024), in the Cambridgeshire and Peterborough area. It would lose economic diversity (East Cambs has 5.4% of total UK exporting businesses - 5th highest) and some of the economic spillover benefits from the Cambridge economy that Option B 'north unitary' would enjoy.

- South-west unitary: this council's greater economic strength could lead to sub-regional imbalance over time. The unitary would also have significant economic difference by combining an area with one of the greatest concentrations of high-growth enterprises in the UK with a district (East Cambs) with the least high growth enterprises in the sub-region. It may be challenging to integrate the ambitious growth strategy in the emerging Greater Cambridge Local Plan with the paused planning framework in East Cambridgeshire.

Sustainable public services: similar geographic size and population masks greater difference in needs within and between each new authority.

- North-western Unitary: has the second highest per-capita social care burden of any of the six unitary options under consideration. The unitary would have reduced economies of scale and buying power compared to the option B 'north unitary' to address those challenges. This would be compounded by inherent financial pressures described above, which could put a strain on non-care budgets. All former council housing would continue to be managed by existing registered providers.
- South-western Unitary: would have below England average care needs, but the inherent financial pressures described above (similar resources per head to option B combined with a larger aging population) could put a strain on non-care budgets. It would be more challenging to integrate existing shared services, and transport and planning strategies than the option B 'south unitary' option. That could impact growth prospects and reduce tax base growth affecting budgets to deliver public services. The area includes existing authorities which own and do not own council housing, increasing the complexity of service integration.

Option C: 8/12 – ‘less likely to meet government criteria.’



Peterborough, Fenland, East Cambridgeshire

415,000 population; approx. resources £1,121 per head.

Cambridge, South Cambridgeshire, Huntingdonshire

505,000 population; approx. resources £1,023 per head.

Financial resilience: this option has less scope for long-term resilience for the whole area as financial risks are concentrated in one unitary. Overall, it has greater exposure to financial shocks than other options and compounds the financial challenges described in option A.

- North-east unitary: greatest concentration of financial risk of all unitary options due to having the weakest tax bases and highest population needs.
- South-west unitary: this option has a similarly low social care spend profile compared to the Southern unitary in option B, though it would have greater social care pressures arising from a larger aging population than the southern councils in both options B and A.

Economy and Housing: this option has greatest imbalance in total economic output, jobs and planned housing development between each unitary. It has lowest proportion of residents living and working in the same council area of all options.

- North-east unitary: the council would have only 17% of business turnover and 35% of jobs in Cambridgeshire and Peterborough (Beauhurst, 2024) and the lowest level of planned housing development of all the unitary council options
- South-west unitary: would have the greatest proportion of total economic activity of all options posing greater risk to sub-regional economic imbalance over time. Distinct Local Plans progressing to similar timetables for Greater Cambridge and Huntingdonshire would need to bridge two distinct functional economic areas, as well as address the economic needs of the growing Peterborough city region which may present operational and political challenges.

Sustainable public services: This option would have the greatest difference in needs between each new unitary council of all the options, which could overall make it more difficult to deliver sustainable public services across the sub-region.

- North-east Unitary: would have the highest per-capita social care needs of any of the six unitary options. All former council housing would be managed by existing registered providers.

- South-west Unitary: the council would have below England average care needs, though it would have a greater pressure on social care services than the south unitary in option B due to a larger older population. The council would combine existing authorities which own and do not own council housing, making integration of housing services with health and social care more complex.