



Local Government Re-organisation

Why Option C works for Cambridgeshire and Peterborough



Executive summary	3
1. Introduction	5
2. Cambridgeshire & Peterborough (strategic context)	13
3. Options appraisal	30
4. A proposal for Cambridgeshire & Peterborough – strategic case for change	56
Theme 4.1 – Inclusive and sustainable growth	61
Theme 4.2 – Financial sustainability	78
Theme 4.3 – Public services	98
Theme 4.4 – Democratic representation, community engagement, local identity	164
Theme 4.5 – Devolution	181
5. Stakeholder Engagement and Local Support	185
6. Implementation and transition plan	194
7. Risk management and legal compliance	205
Conclusion	210
Appendix A	211
Appendix B	212



Executive summary

This proposal sets out how local government reorganisation could create simpler, more effective councils that improve services and strengthen local identity across Cambridgeshire & Peterborough.

Cambridgeshire & Peterborough are home to some of the fastest growing places in the UK. Together they contribute more than £30bn a year to the national economy, from the world-leading research and innovation of Cambridge to Peterborough's growing green industries, logistics and manufacturing base. This growth also brings challenges, particularly around housing and transport pressures and the need to protect rural services and identity.

The Government has invited areas with two-tier councils to consider new ways of working through local government reorganisation (LGR). The national aim is to simplify local government structures and support devolved decision-making through single-tier councils. In response, councils across Cambridgeshire & Peterborough have come together to explore what this could mean for residents, and how services could be delivered more efficiently and locally in future.

After extensive analysis and engagement, this proposal sets out **Option C**. This option proposes the creation of two new unitary councils to replace the current seven local authorities. Each would bring together existing district and county responsibilities to provide all local services within a single organisation. One council would serve the **North-East** (Peterborough, Fenland and East Cambridgeshire) and the other the **South-West** (Huntingdonshire, South Cambridgeshire and Cambridge City).

This balanced approach reflects the area's two economic strengths. Two councils of roughly equal size would have the scale to be efficient, but remain close enough to communities to stay responsive and representative. More than 3,000 residents and 200 organisations were engaged with across all districts. 84% said they support reorganisation if it leads to better services.

People's top priorities were:

- Having councillors who understand their local area.
- Simpler, easier access to services.
- Greater transparency and accountability in decision-making.

Across every part of the region, people also emphasised protecting local identity, keeping services local and safeguarding rural representation. Many, particularly those in rural districts, expressed concern about being overlooked or treated unfairly.

Option C provides a clear and achievable path to a modern local government. It offers better services and simpler structures, with one council responsible for all local services. It replaces a complex system with a single point of contact for residents, businesses and partners, making it easier to access help and hold decision-makers to account.

The new councils have been designed around real communities and travel-to-work patterns, aligned with economic geography to support jobs and infrastructure across the North-East and South-West.

The efficiencies from shared systems and leadership have projected savings of around £6m per year after the transition period. It protects the things residents value most, such as good services and local identity, while creating the scale and capacity needed to meet future challenges. It is a balanced and practical proposal designed to improve outcomes for people across the region, and to ensure that growth benefits everyone.



1. Introduction

Section summary

This proposal outlines a plan to reform local government across Cambridgeshire & Peterborough by creating two new unitary councils and replacing the current seven council system.

The vision is to design new councils that reflect the region's historic communities, travel patterns and economic links, while improving service delivery and financial resilience.

The proposal responds directly to the Government's English Devolution White Paper (2024), which encourages streamlined council structures through Local Government Reorganisation (LGR) to promote devolution. The Minister for Local Government formally invited Cambridgeshire & Peterborough councils to submit reorganisation proposals by 28 November 2025, based on six core criteria including efficiency, sustainability and local engagement.

After collaboration among all seven existing councils, including financial analysis and public engagement, multiple structural options were considered. **Option C**, the focus of this proposal, recommends establishing two new unitary councils:

North-East: Peterborough, Fenland, East Cambridgeshire.

South-West: Cambridge, South Cambridgeshire, Huntingdonshire.

1.1 The future councils for Cambridgeshire & Peterborough

This document sets out a proposal for the future of local government in Cambridgeshire & Peterborough, with a view to create two new unitary councils for the region in the North-West and South-East.

Each of these new councils will be anchored by one of the region's major cities – Cambridge and Peterborough – and reflect historic community ties and established places, travel to work and leisure patterns, public service footprints, transport infrastructure and distinctive but interconnected economies.

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 proposal also seeks to position growth as a key driving force behind the vision, in line with the government's focus, and seeks to create a proposal that bolsters key industries, creates housing opportunities and contributes to regional and national prosperity, as well as building communities that are supported and thriving.

1.2 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 2024.¹ 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).

This proposal rises to that challenge.

Local government in Cambridgeshire & 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 like waste collection and housing. In order to deliver LGR at scale, the Government

¹ [English Devolution White Paper – GOV.UK](#)

has invited all two-tier council areas in England to submit proposals for replacement of the existing organisations with unitary authorities. 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 & Peterborough on 5 February 2025 with a statutory invitation requesting proposals for reorganising local government in the region to be submitted by 28 November 2025.² As part of this request, the Government asked that proposals align to six main criteria:

1. The creation of a single tier of local government for the whole area concerned.
2. New unitary councils that are of the right size to achieve efficiencies, improve capacity and withstand financial shocks.
3. New unitary councils that must prioritise the delivery of high quality and sustainable public services to citizens.
4. Plans for new unitary councils should be developed collaboratively and demonstrate how they meet local needs and are informed by local views.
5. New unitary councils must support devolution arrangements.
6. New unitary councils should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

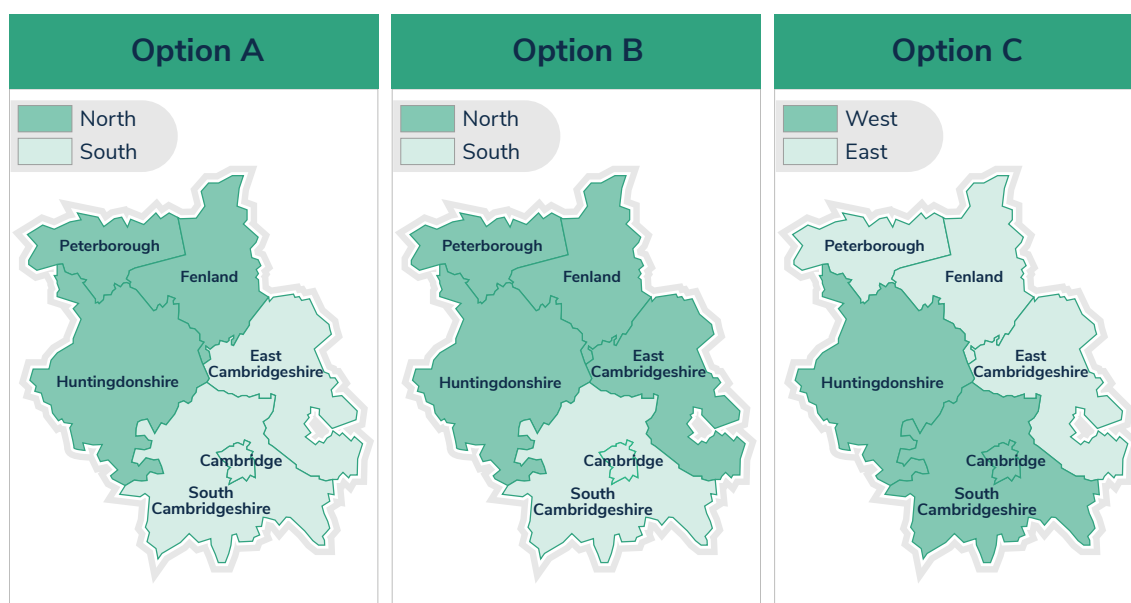
1.3 The process so far

This proposal is the result of collaboration across a range of local stakeholders, including all seven of the existing councils who developed a shared evidence base to inform the work.

Following the statutory invitation from the Government in February, the Leaders and Chief Executives of the seven councils tabled a range of potential options for LGR in the region. To support consideration of this 'long list' options were reviewed alongside the Government's criteria and subject to independent financial analysis. This process highlighted that several 'long list' options were not likely to meet the Government's criteria or be financially viable. A 'short list' of three options was approved by Leaders and Chief Executives and each one of these allocated to a lead council to develop into a proposal, but it was recognised that none of the Councils would be bound by those informal decisions. Councils were therefore at liberty to develop alternative proposals.

² [Local government reorganisation: invitation to local authorities in two-tier areas – GOV.UK](#)

The 'short list' options were A, B and C below, which were based on a two unitary model:



To enhance the evidence base for the 'short list' options, a range of analyses were completed including further independent work from specialists in social care³ and local government finance.⁴ This has provided assurance to in-house analysis undertaken by the seven existing councils themselves and confirms the robustness of the evidence base included in the proposal.

In addition, a joint public engagement exercise was conducted, generating over 3000 survey responses, alongside a number of focus groups in each council area.⁵ Other councils in the region have conducted their own engagement pieces. However, for Option C, this proposal has focused on the existing evidence and analysis rather than reaching out to residents again.

Following the above work, two further proposals were also developed.

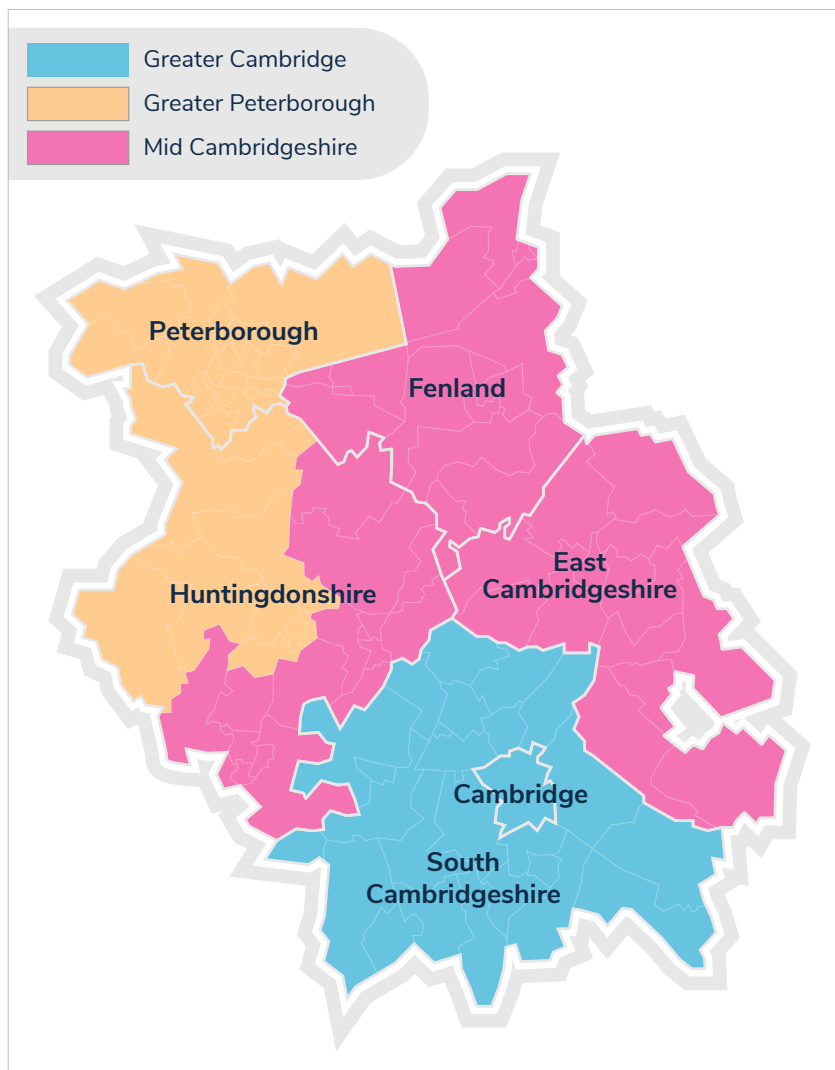
The first was Peterborough City Council, who suggested a three-unitary model that split Huntingdonshire's district boundaries in half. The map is outlined below and it would see Peterborough take on the North of Huntingdonshire, the South of Huntingdonshire joined with Fenland and East Cambridgeshire and Cambridge City and South Cambridgeshire together. This option was first published at a council meeting in July⁶ and has since been taken forward to full business case.

³ Newton Report – [LINK TO COME]

⁴ PIXEL report – [LINK TO COME]

⁵ Survey reports – [LINK TO COME]

⁶ [Agenda for Council on Wednesday 23rd July, 2025, 6.00 pm | Peterborough City Council](#)



[Figure ●: Three-unitary model suggested by Peterborough City Council]

At the end of September, Huntingdonshire District Council announced they would be exploring an 'Option E' through a press release by the Leader of the Council. This would be a three unitary model; utilising existing boundaries. This option would see Huntingdonshire remain a stand-alone unitary based on existing district boundaries with Peterborough/Fenland/East in the North and Cambridge/South Cambridgeshire in the South. The Council has since pulled together an additional business case for consideration, see figure [●].

The proposal set out in this document makes the case for 'Option C' that would create two new unitary councils for Cambridgeshire & Peterborough.

One for the 'North-East' comprising the existing geography of Fenland District Council, East Cambridgeshire District Council and Peterborough City Council, and one for the 'South-West' comprising the existing geography of Cambridge City Council, Huntingdonshire District Council and South Cambridgeshire District Council.

This proposal presents Option C as the best option for the region as it provides two balanced, distinct geographies allowing for a truly transformational approach to LGR and unlocking significant economic growth.

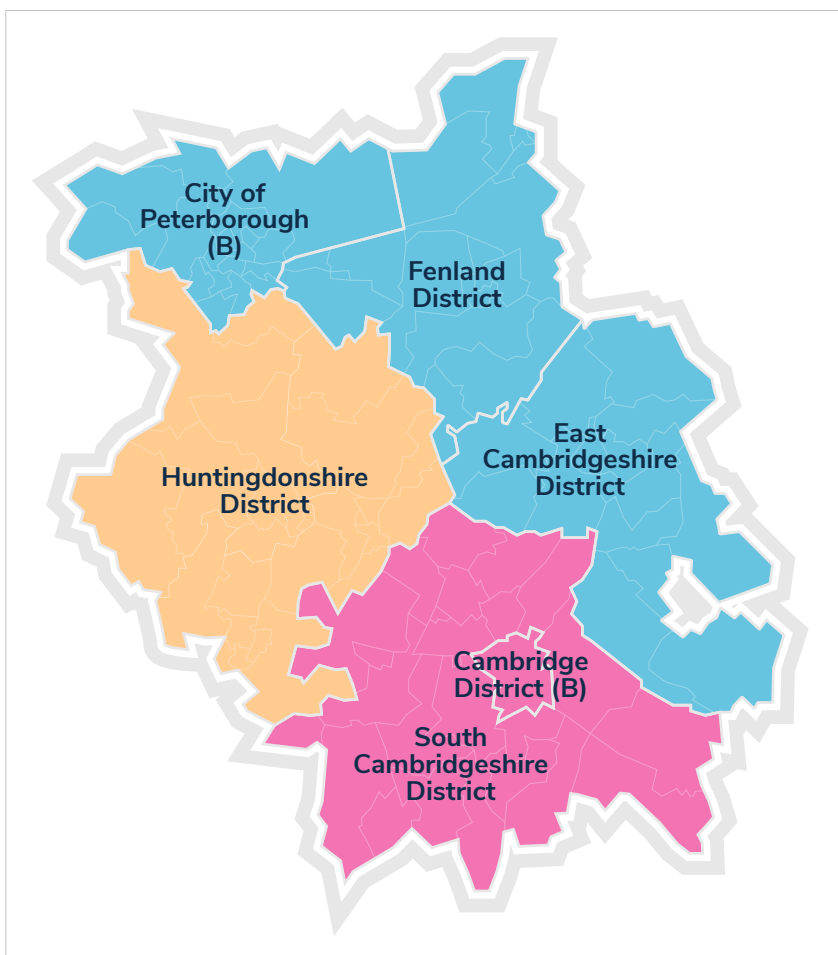


Figure [*]: Option E



Figure [*]: Option C

1.4 Meeting the Government's criteria

The proposal for Option C clearly meets the Government's six criteria and this proposal has been developed with explicit reference to them. Further detail on this is outlined in the options appraisal, but in summary, this proposal meets the criteria in the following ways:

The creation of a single tier of local government for the whole area concerned:

This proposal abolishes all existing unitary, district/city and county councils and replaces them with two new unitary councils that reflect functional economic geographies with distinct identities that support growth and increase housing supply. It uses existing district boundaries as its building blocks and does not unduly advantage or disadvantage any one part of the region by ensuring equitable distribution of resources, need and growth opportunities. This proposal has used shared evidence to come to its conclusions along with publicly available data.

New unitary councils that are of the right size to achieve efficiencies, improve capacity and withstand financial shocks:

This proposal creates two unitary authorities that serve populations of 425k and 517k, respectively,⁷ in line with the 500k population size guidance. It creates effective economies of scale to meet service demand and withstand shocks, providing significant opportunities for efficiency savings and transformation. The evidence base has highlighted that the option is financially sustainable.

New unitary councils that must prioritise the delivery of high quality and sustainable public services to citizens:

The proposal highlights a vision for public service delivery that is truly transformative in approach, whilst ensuring safe and legal delivery. It effectively highlights the role that prevention can play in improving outcomes and the benefits that can be realised by bringing services together. The option ensures that key joint services remain together whilst ensuring a balance in demand across the region.

⁷ [Total population – ONS](#)

Plans for new unitary councils should be developed collaboratively and demonstrate how they meet local needs and are informed by local views:

Councils across Cambridgeshire have worked collaboratively to develop a shared evidence base to support proposals for LGR. Resident and stakeholder engagement surveys have been used to inform this proposal alongside the focus group activity. It can be argued that Option C provides the best solution for directly addressing the concerns raised by residents, which has also informed the risk management approach.

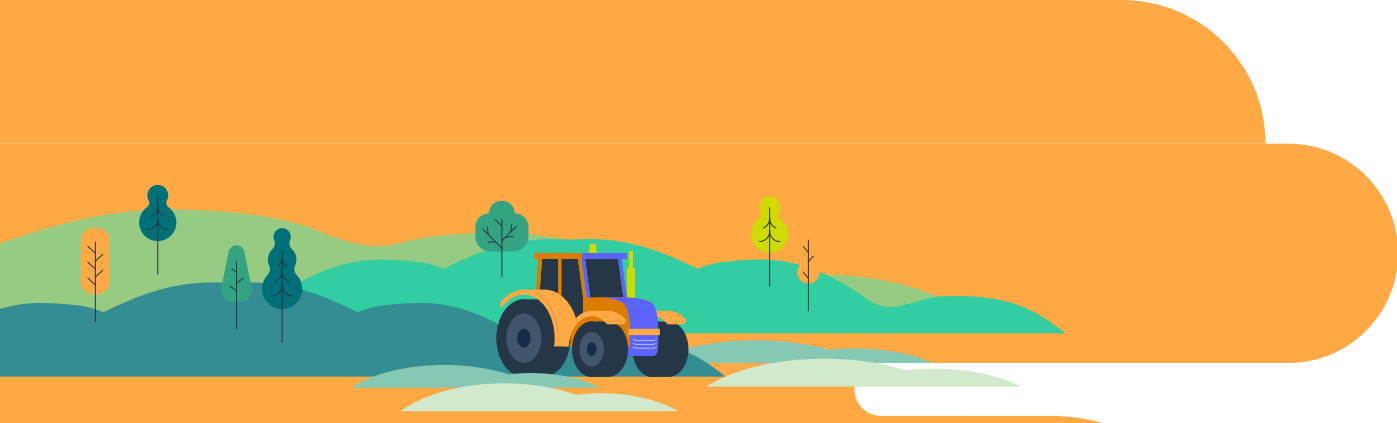
New unitary councils must support devolution arrangements:

Cambridgeshire & Peterborough already benefit from a devolution agreement⁸ with a directly elected Mayor leading the combined authority. This proposal for LGR will support the combined authority to achieve 'Established Mayoral Strategic Authority' status and access a range of additional devolution benefits. Two unitary councils of more equal size will provide for balanced parity of representation on the combined authority board; and allow for efficient and effective decision making; as well as simpler structures for lobbying on government policy.

New unitary councils should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment:

Within the proposal, an approach to neighbourhood empowerment has been set out. This approach is based on the principle of engagement according to the needs of residents, bringing decision-making closer to communities and ensuring an enhanced level of trust in the council. The proposal wishes to enhance the role of town and parish councils, and it does so by creating new authorities which reflect community ties and cultural connections. These factors will be at the forefront of thinking once the new authorities are established.

⁸ [Cambridgeshire and Peterborough devolution deal – GOV.UK](#)



2. Cambridgeshire & Peterborough (strategic context)

Section summary

The Government has set out plans to give more power to local areas through new “Strategic Authorities” with directly elected mayors. To support this, two-tier areas like Cambridgeshire & Peterborough have been invited to put forward proposals for single-tier “unitary” councils. Since then, all councils in the area have been working together to design plans that could improve local services.

Cambridgeshire & Peterborough are regions with deep history and character. Each area has its own identity and challenges, with a fast-growing and ageing population of over 900,000. The region combines busy urban centres with rural and agricultural landscapes, with issues like flooding, drought and uneven transport links.

It is a dynamic economic area. Together, it generates over £34bn a year through sectors such as life sciences, technology, manufacturing and retail. Cambridge is a global hub for innovation, while Peterborough is among the fastest-growing cities in the country with a strong focus on green industries. Market towns and small businesses also play a vital role in sustaining local jobs and communities.

Creating councils that are large enough to be efficient but local enough to reflect community needs will help tackle long-term issues like transport and social care. As a result of previous mergers, today’s structure of five district councils and one unitary council, alongside the Cambridgeshire & Peterborough Combined Authority led by a directly elected Mayor, provides a strong foundation for this next phase.

2.1 National policy context

On the 16 December 2024, the UK Government set out in their English Devolution White Paper an ambition for transforming Local Government by decentralising power to local and regional leaders, through the creation of Strategic Authorities led by directly elected mayors with additional powers. To facilitate this vision, 21 two-tier council areas have been formally invited to participate in the Local Government Reorganisation process to create new unitary authorities that allow for devolution to be unlocked. On 5 February 2025, Cambridgeshire & Peterborough received the region's formal invitation to take part, and councils have been working at pace ever since to deliver a proposal that aligns with the criteria outlined by Government.

This move to unitarization comes at a time when local governments across the UK are facing unprecedented challenges, particularly in terms of increased demand for services (especially social care and SEND) thus impacting financial sustainability and creating uncertainty throughout the sector. A projected £6bn funding gap over the next two years⁹ highlights the need for significant cost savings and increased local funding.

The shift to Local Government Re-Organisation and the accompanying Devolution Bill acknowledges the need for public sector reform to address these nation-wide challenges by ensuring that:

- Services are joined-up and no longer fragmented.
- Local decision-making can be truly 'local' and co-designed with residents.
- Decision-making is transparent and accountability is maintained.
- Local Authorities have the right tools and scale to reform service delivery and generate efficiencies that create a stable financial future for their organisation.

The seven Local Authorities in Cambridgeshire & Peterborough have continued to work together to develop a shared evidence base for all three proposals submitted, in line with the interim feedback received on the 15 May 2025. Despite the region's difference in opinion as to which proposals to support, this collaborative working has allowed us to develop robust proposals with all councils cited on content. This is demonstrated by the depth of knowledge and understanding of issues, often with specific people and place-based nuance, which is apparent in all of the cases submitted for consideration. This collaboration and depth of understanding will serve us well in the later implementation phase.

⁹ [Council funding requirement and funding gap – technical document | Local Government Association](#)

For this proposal, the feedback given in May has been actively acknowledged as well as the initial guidance in the invitation letter by developing an option that ensures:

- Alignment with the existing Combined Authority.
- Compliance with the government's guiding principle of 500k population size.
- The use of the existing district areas as building blocks.

This submission is structured in line with the guidance from MHCLG, including sections on improvements to service delivery for Adults, Children, SEND and homelessness, stakeholder engagement, financial sustainability and the approach to community engagement and neighbourhood empowerment.

It is important to note that LGR comes at a time when wider public sector reform is being pursued. This includes the NHS 10-year plan¹⁰ and the reforms to Integrated Care Boards,¹¹ the Fair Funding Review,¹² the upcoming SEND white paper in Autumn 2025¹³ and the longer-term Casey Commission,¹⁴ aimed at developing a national care service within the next decade. All these reforms are aimed at improving service delivery, particularly through prevention and targeting need earlier to minimise strain on high-demand services. These reforms actively compliment LGR as it allows District and County services to also address prevention by ensuring joint-up working between district and county services – facilitating stronger relationships between social care services and enabling services like housing and leisure. Further, within the region we have a long-standing commitment to partnership with other public sector partners at all levels, for example the Combined Public Sector Board (Chief Executives of all Councils, CPCA, and representatives of Police, Fire, and Health) to assist strategic relationships; and place-based responses such as joint working between CCTV, Police, and Community Safety teams on local issues - alongside the work of our combined resources working with, and alongside, our communities to deliver prevention and local resilience – solving the long term, not just dealing with the here and now.

This proposal recognises the Devolution White Paper's focus on neighbourhood empowerment and community decision-making as well as its focus on ensuring greater alignment of public service boundaries. The proposal places itself in the context of the government's wide-ranging public sector reform by offering an option that ensures alignment and unlocks the capacity

¹⁰ [NHS Long Term Plan](#)

¹¹ [NHS England » Implementing integrated care board mergers and boundary changes to take effect in April 2026 and 2027](#)

¹² [The Fair Funding Review 2.0 – GOV.UK](#)

¹³ [New era of accountability to drive up standards for all children – GOV.UK](#)

¹⁴ [caseycommission.co.uk](#)

for local decision-making. It also seeks to provide a solution in line with the Government's vision for greater preventative services, less fragmentation, and increased sustainability through the creation of efficiencies.

2.2 Local context – where does the region look like now?

2.2.1 History

Both Cambridgeshire & Peterborough are areas rich in history and culture. Cambridgeshire dates back to the 6th century when it was settled by the Angles however later became part of Danelaw in the 9th century.¹⁵ In particular, the Isle of Ely played a significant role in medieval politics,¹⁶ often acting as a stronghold in national conflicts, before gaining later significance as a centre for Christian worship through the architectural prowess of Ely Cathedral – a site for historical tourism, to this day.

Cambridgeshire is a historically agricultural region, with the Fens, through drainage projects, becoming a cornerstone of English agriculture. Alongside this, the 19th century saw a boom in coprolite mining used to produce phosphate fertilisers. This was alongside the strong manufacturing base that Peterborough developed through the 19th and 20th centuries, particularly in engineering, brickmaking, and railway-related industries. This move to manufacturing extended down to the Huntingdonshire region where new technology allowed a shift from agriculture to manufacturing, including brickmaking, textiles, aviation and light engineering.¹⁷

The region is also home to Cambridge City – an urban centre with a rich history dating back to the Bronze and Iron Ages. The City has largely prospered due to its location on the River Cam, facilitating extensive trade, but has gained international fame through the historic University of Cambridge. The University was founded in 1209 and quickly became a centre for mathematics and physics, producing well-known figures like Isaac Newton, James Clerk Maxwell and JJ Thomson.¹⁸ Since then, the university has evolved to expand its curriculum throughout the 19th and 20th centuries, producing 124 Nobel laureates and remaining a global leader in research and education.

Cambridgeshire has also produced several notable historical figures. Oliver Cromwell, a controversial figure in British politics and the unification of Great Britain, was born in Huntingdon and studied in Cambridge. He also

¹⁵ [Cambridgeshire | England, Map, History, & Facts | Britannica](#)

¹⁶ [The History of Ely, Cambridgeshire](#)

¹⁷ [Huntingdonshire's Economic Strategy – Huntingdonshire.gov.uk](#)

¹⁸ [Alumni](#)

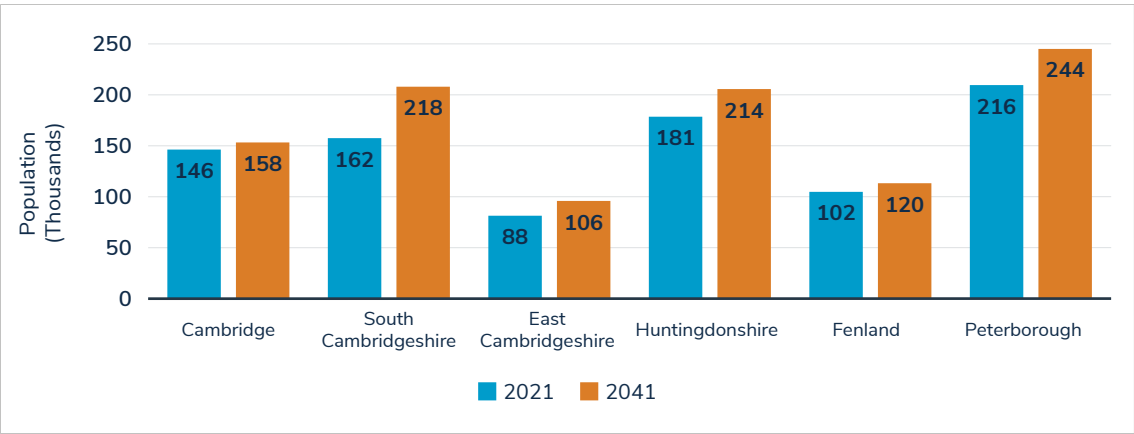
served as the MP for Huntingdon and later, Cambridge. The region was also the birthplace of John Maynard Keynes, one of the most influential economists of the 20th century and Thomas Clarkson, a leader campaigner against the transatlantic slave trade.

The region is home to three cities steeped in history and culture, alongside the agricultural heartland of the Fens and the market towns of Huntingdonshire, South and East Cambridgeshire. The area’s history is reflective of its diverse region and the multiplicity of identities that make up its residents and places.

2.2.2 Demography

The total population of Cambridgeshire & Peterborough in mid-2023 was 921,600 people (around 1.6% of the total population of England) (CPCA, 2025). This population is anticipated to grow by 20% between 2021 and 2041, an increase of over 180,000, with the fastest growth (36%) expected in South Cambridgeshire.

Figure [•]: Census 2021 population estimates and Cambridgeshire County Council's 2023 – based population forecast for 2041 (thousands) by Local Authority Area.¹⁹



2.2.3 CPCA, state of the region, 2025

Within this number, Peterborough and Cambridge combined account for more than a third of a million people (38% of C&P’s population) followed by smaller settlements, with populations of ten thousand or less, accounting for 35% of the region. The next largest settlements include Huntingdon, St Neots, March, Wisbech and Ely. These figures highlight the diversity of the region, with urban and rural hubs existing alongside each other. However, the spatial distribution is in line with the national average.

19 [Appendix F State of the Region 2025 Place draft version.pdf](#)

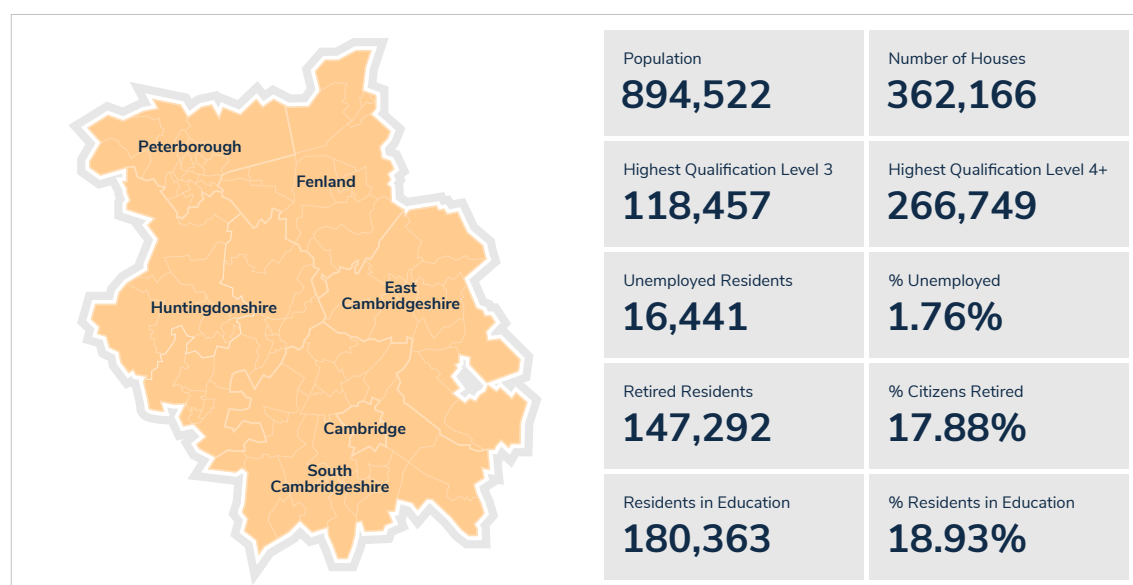
White ethnic groups comprise around 85% of the region's population but clusters of ethnic diversity exist where 70% of the population identify as ethnic minorities. These are particularly located in Peterborough demonstrating the difference in demographics between the urban and the rural areas.

One of the major challenges that the region faces, particularly in terms of social care need, is the ageing population. This is a challenge felt nationally. However, due to the rurality of the region and significant planned housing developments, it is expected that Cambridgeshire will feel this acutely. The two urban centres in the region are the only ones below the national average for % aged 65+, highlighting once again, the disparities in the region.

Table [*]: (Cambridgeshire insight based on 2021 census).

District	% Aged 65+ (2021)	Projected % Aged 65+ (2035)
Fenland	23.6%	~30%
East Cambridgeshire	20.2%	~26%
Huntingdonshire	19.4%	~25%
South Cambridgeshire	18.7%	~24%
Cambridge City	11.6%	~15%
Peterborough	15.3%	~20%
England (National Avg)	18.6%	~23–26%

Figure •: Demographic dashboard of the Cambridgeshire & Peterborough region.



The above image provides a snapshot of the region's population, including residents in education, retired residents, unemployment rates and qualifications. The % unemployment is below the national average (1.76% vs 4.7%) alongside the % of residents in education (18.93% vs 20.4%) whereas the % citizens retired is above the national average (17.88% vs 16%). This highlights the region's ageing population, particularly given the rural nature of the area, and the focus needed for the new unitary authorities to manage further demand.

Life expectancy and deprivation vary across the County, with the South of the region showing higher life expectancy and Fenland and Peterborough consistently showing lower life expectancy, significantly below the national average.²⁰ The pattern is similar with deprivation. The northern districts are the most deprived and the South is the least, noting that there are pockets of deprivation in Cambridge City.²¹ This range demonstrates the complexities of the region and the importance of getting the balance right, addressing those 'left behind' whilst also ensuring that prosperous areas continue to prosper.

Table [*]: (Office for National Statistics, 2021-23).

Area	Male life expectancy (years)	Female life expectancy (years)
Cambridge City	~81.5	~85.0
East Cambridgeshire	~82.0	~84.5
Fenland	~77.0	~81.0
Huntingdonshire	~80.5	~83.5
South Cambridgeshire	~83.0	~86.0
Peterborough	~78.0	~81.5
East of England	80.0	83.6
England (overall)	79.1	83.0

²⁰ [National life tables: England – Office for National Statistics](#)

²¹ [English indices of deprivation 2019: Postcode Lookup](#)

Table [*]: (IMD, 2019).

Area	IMD Rank (of 317 LAs)	Relative deprivation
South Cambridgeshire	~300	Least deprived in the area
East Cambridgeshire	~280	Second least deprived
Huntingdonshire	~250	Mid-range
Cambridge City	205	Slightly below average
Fenland	~100	High deprivation
Peterborough	~50	Most deprived in the area

2.2.4 Geography

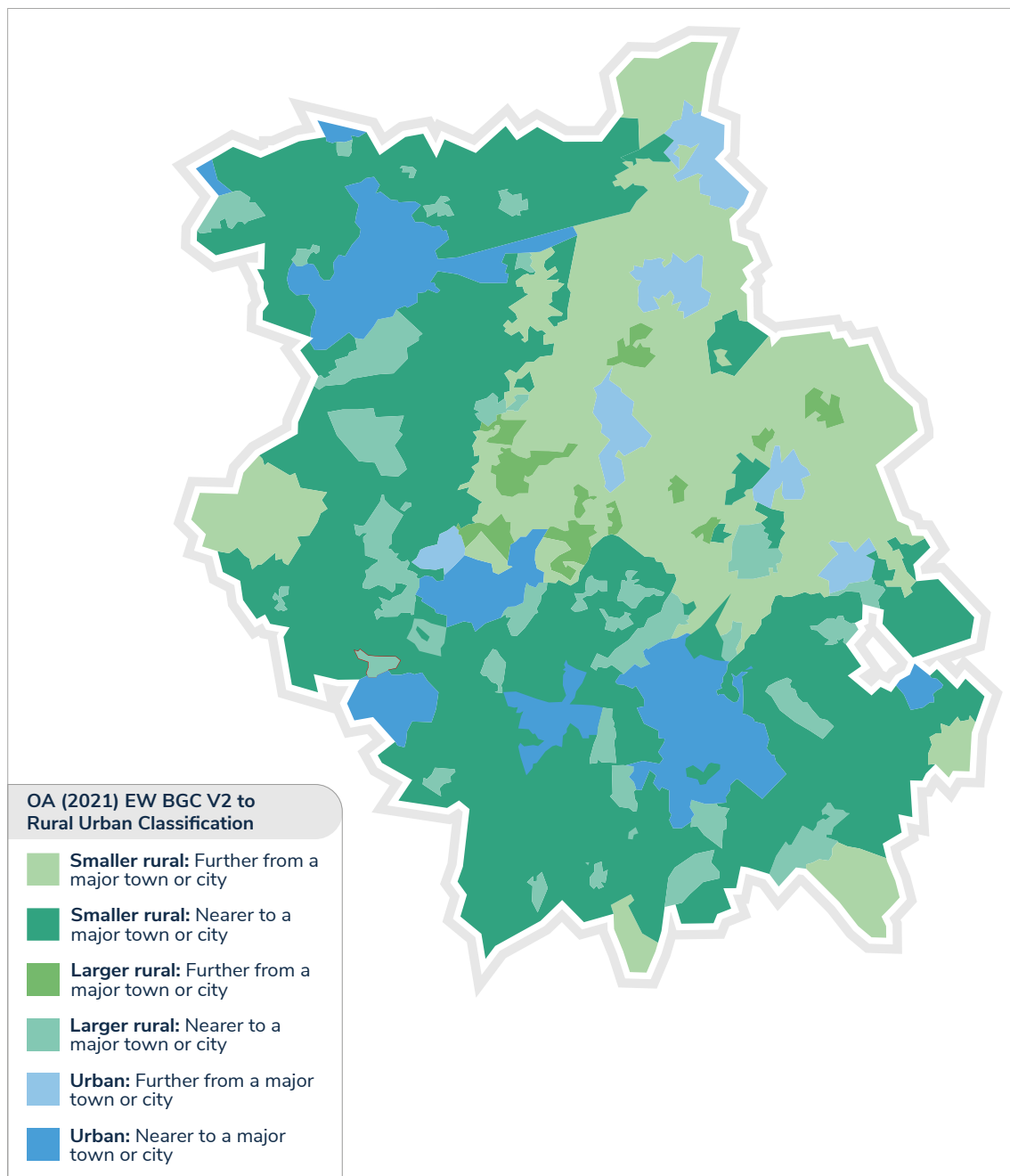
The geography of Cambridgeshire & Peterborough consists of bustling urban vast rural landscapes, historic market towns, picturesque villages, and expansive rural landscapes. The two anchor cities of Cambridge and Peterborough offer urban centres of industry and further education, whilst the historic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

Within Cambridgeshire & Peterborough, 8% of land is developed and 92% is non-developed. Agriculture plays a key land use role accounting for 79% of total land use, compared to the UK average of 63%. The region also has a significant amount of Grade 1 agricultural land (19% of England's total), demonstrating an important regional asset. The below map highlights the distribution of urban-rural classification in the region alongside the population spread across these identifications.²²

The above figures highlight the importance of agriculture to the region, particularly with reference to the Fens, a vast, flat, low-lying area of reclaimed marshland. But the region is also home to significant rivers, including the River Nene, the River Great Ouse and the River Cam as well as significant natural and protected areas such as Wicken Fen and the Cambridge Green Belt. These are positive characteristics but also represent long-term challenges in respect of climate change, flooding, and environmental pressures.

²² [Appendix F State of the Region 2025 Place draft version.pdf](#)

Figure [●]: Rural urban classification.



Connectivity is a major challenge that the region faces – the connection in the West of the district is strong with transport links like the A1(M) and A47 connecting Peterborough down through Huntingdonshire and into Cambridge City. However, the East of the district and more rural areas face challenges with transport – particularly, in Fenland and East Cambridgeshire where car

use is higher, but road infrastructure is still limited, and often poor quality. There are recognised challenges in road maintenance costs with high use in some areas; and high construction costs due to soil make up in others.

The region does deal with significant geographic challenges – including its increased chance of flooding, drought risks during heatwave and identified water scarcity in areas like South Cambridgeshire.²³ There have been various projects initiated to address these challenges, particularly through the creation of Grafham Water and the upcoming Fens Reservoir. However, they will also need to be addressed by the new unitary authorities, working closely with the CPCA and regulators.

Table [*]: (State of the Region, CPCA, 2025).

	Small: area nearer to a major town or city	Smaller rural: nearer to a major town or city	Larger rural: further from a major town or city	Larger rural: nearer to a major town or city	Urban: further from a major town or city	Urban: nearer to a major town or city
Cambridge	0%	0%	0%	0%	0%	100%
East Cambridgeshire	6%	16%	26%	12%	37%	3%
Fenland	7%	5%	9%	1%	64%	14%
Huntingdonshire	4%	13%	10%	25%	14%	34%
Peterborough	0%	5%	0%	6%	0%	89%
South Cambridgeshire	1%	29%	0%	37%	0%	33%
C&P Population	20,400	102,500	51,100	132,400	124,500	476,700
C&P %	2%	11%	6%	15%	14%	53%

²³ [Addressing water scarcity in Greater Cambridge: update on government measures – GOV.UK](#)

2.2.5 Economic overview

The Cambridgeshire & Peterborough region has a thriving economy, generating £34bn in GVA (Gross Value Added) in 2023. Cambridge and Peterborough combined account for around half of this figure (49.5%) and the region's total economic growth outpaced the national economy, with GVA having increased by 182.7% locally compared to England's 176.1% since 1998.²⁴

The above figures outline the area's position as an economic powerhouse but where do the regions strengths truly lie?

The total turnover for Cambridgeshire & Peterborough was £62.3bn in 2023-24,²⁵ according to the University of Cambridge's Centre for Business Research and the largest sectors by turnover were:

- High-tech Manufacturing, Life Sciences & Healthcare (£10bn).
- Wholesale & Retail Distribution (£9.4bn).

These powerful sectors are accompanied by a strong market towns focus, as demonstrated by the CPCA's recent market-towns masterplans.²⁶ The region is defined by vibrancy and resilience in its market areas, highlighted by recent investments in St Neots, Littleport and Whittlesey. This focus on market towns encourages small business start-ups, with the region having a start-up growth rate of 12.1% (higher than the national average of 11.8%).²⁷ These are also home to many foundation sectors and services which are essential to every day life, and vibrant places.

The region also outscored England in the proportion of innovation-active businesses (49% vs 37% of businesses), with Cambridge City particularly excelling in innovation and research, highlighted by their ranking as the world's leading science and technological cluster by the Global Innovation Index in 2024.²⁸ However, innovation is also happening in other sectors, particularly in defence in Huntingdonshire and the chance to develop a cluster with RAF Wyton and RAF Molesworth, where house building and employment parks such as the Alconbury Weald Enterprise Zone and Brampton Cross are strategically positioned to support the district's connection to the sector.²⁹

²⁴ [Appendix B State of the Region 2025 Business Enterprise draft version.pdf](#)

²⁵ [Growth in the Cambridgeshire and Peterborough economy 2018-24](#)

²⁶ [Supporting Our Market Towns | CPCA | The Combined Authority](#)

²⁷ [Company Start-Ups in Cambridgeshire hit record high – Cambridgeshire Chambers of Commerce](#)

²⁸ [Global Innovation Index 2024 – GII 2024 results](#)

²⁹ [Brampton Cross – A new, world class employment park Huntingdonshire](#)

Peterborough is also a fast-growing economic centre, ranking amongst the top five fastest-growing cities by population,³⁰ and amongst the top 10 cities with the highest start-up rates for 2023.³¹ The city is also home to Anglia Ruskin University, a newly established university campus that opened in September 2022. The university has a strong focus on sustainability, aligning with Peterborough's goal to become the UK's Environment Capital.³² The university is well-placed to support the health and finance sectors, in particular, with some of the core research themes focusing on health, performance and wellbeing and business data analytics and sustainable supply chains.

Within the wider national context, Cambridgeshire & Peterborough will play an integral role in unlocking the 'Oxford Cambridge Growth Corridor' that connects Cambridge, Milton Keynes and Oxford as an area of national and regional interest for commercial, housing and infrastructural development.³³ The region is also home to a significant number of pipeline infrastructure developments, including Grafham Water and RAF Wyton, and is impacted by developments beyond its borders, including the new Universal Studios in Bedford, and expansion at Luton airport.

The region is home to the Port of Wisbech which is used for small-scale commercial and leisure traffic, handling around 800,000 tonnes of cargo annually. It is also connected to major coastal ports in King's Lynn and Felixstowe. King's Lynn is historically linked to Cambridge via the River Great Ouse and Felixstowe supports international trade for the region's businesses.

The region is well-connected to London Stansted Airport, with a direct rail link to the region. The airport's expansion has been supported by the region's Mayor due to its role in enhancing international connectivity,³⁴ There are also bus connections to London Luton and London Heathrow, alongside smaller airports in Cambridge and Peterborough which are mainly used for private and corporate aviation.

The Strategic Road Network manages a number of motorways and A roads in the region, including the A1 which runs through Peterborough and Huntingdon, the A14 which connects the region to the Midlands and the A47 linking Peterborough to King's Lynn and Norwich. The A428 is also a major road that connects Cambridge to Bedford that has strategic importance for the Oxford-Cambridge Arc.

³⁰ [Where population is growing – Milton Keynes, Northampton and Peterborough | Centre for Cities](#)

³¹ [Peterborough named as one of top 10 best places for startup businesses](#)

³² [Welcome to our ARU Peterborough campus – ARU](#)

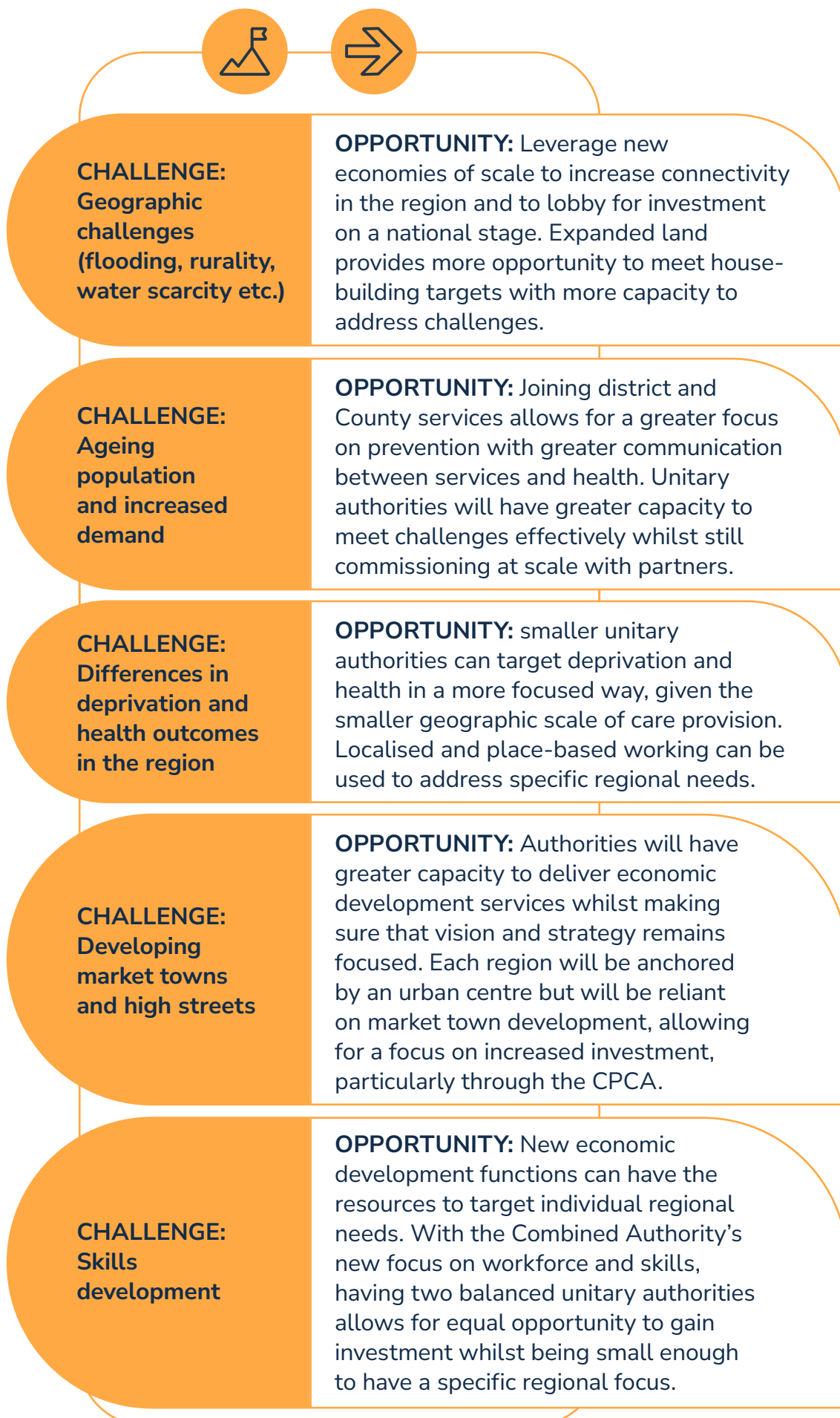
³³ [Written statements – Written questions, answers and statements – UK Parliament](#)

³⁴ [Cambridgeshire mayor backs London Stansted Airport expansion | Saffron Walden Reporter](#)

One of the key challenges that the region faces is lack of transport infrastructure, with varied accessibility across the region. As the anchor cities, both Peterborough and Cambridge have well-established transport links, with robust public transport options in Cambridge and strong road networks around Peterborough. Whilst these give a strength to each city, these positives diminish as you move beyond the city limits and greater area; it also creates a bias that presents challenges for residents unable to engage with the different transport networks. For example, some residents can struggle to access opportunities if they do not drive (Peterborough), or if their work requires traveling across the city area multiple times a day to locations away from public transport connections (Cambridge).

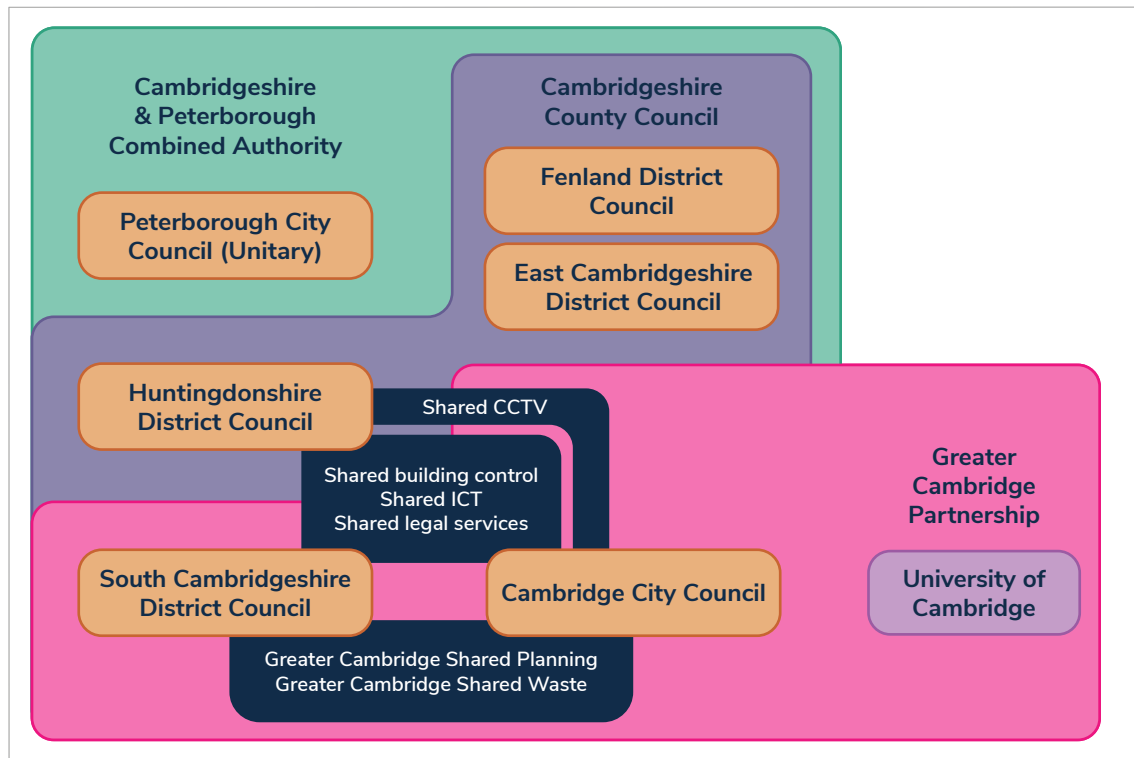
The additional options becoming available, specifically the guided busway, are creating more connections between district areas. However, many residents consistently face challenges when trying to travel between other district areas on public transport. For example, there are no train connections between Huntingdonshire and Cambridge City, or a direct bus connection from Fenland to Huntingdon. LGR and increased devolution could be an opportunity to improve infrastructure and unlock investment in transport by leveraging the stronger voice of new authorities. It's also important for increased public transport infrastructure to be unlocked to take the pressure off high costs associated with road networks.

2.2.6 Challenges that should be addressed through LGR



2.3 Local Government context

Figure •: Local Government Structure in Cambridgeshire & Peterborough.



The administrative structure of Cambridgeshire has evolved significantly over time, with the establishment of Cambridgeshire County Council taking place in 1888.³⁵

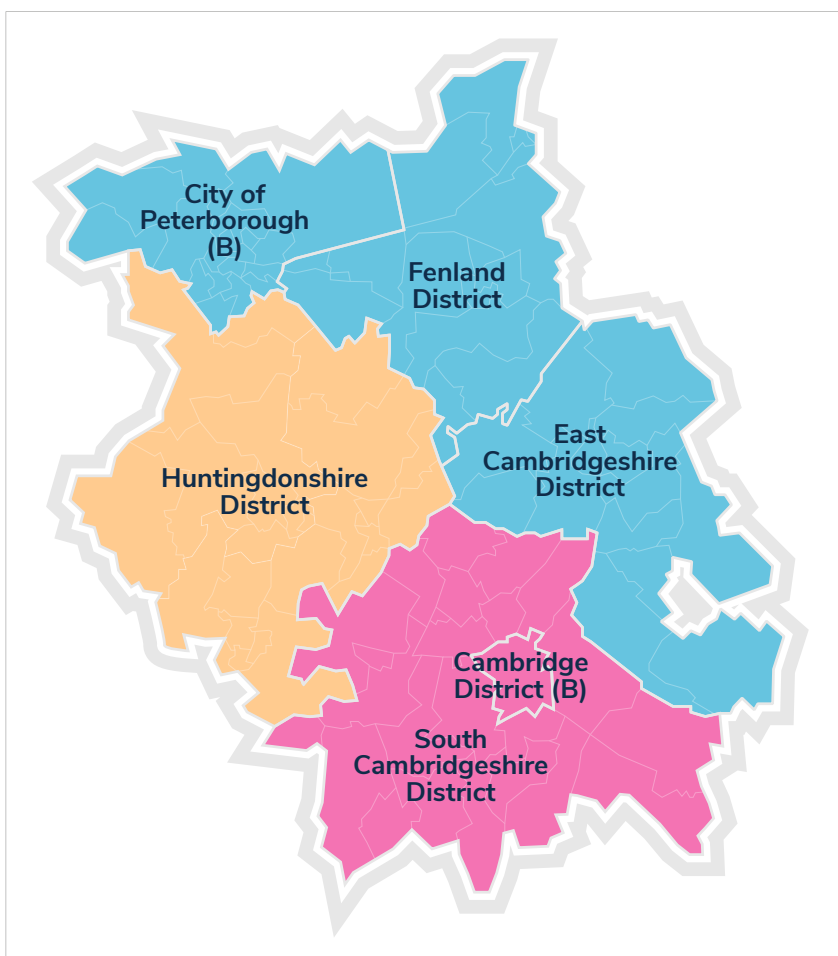
In 1965, the council merged with the Isle of Ely County Council and later with Huntingdon and Peterborough in 1974 to form the non-metropolitan county of Cambridgeshire.

The County of Cambridgeshire comprises four District and one City council:

- Cambridge City Council.
- East Cambridgeshire District Council.
- Fenland District Council.
- Huntingdonshire District Council.
- South Cambridgeshire District Council.

³⁵ [19th Century Maps | Cambridge Antiquarian Society](#)

Figure •: Current map of district areas in Cambridgeshire & Peterborough
(Source: Cambridgeshire Insight).



In 1998, Peterborough City Council became a unitary authority. This change allowed them to take over the delivery of district and county-level functions for the Peterborough region. A majority of services such as IT Digital Services, Education, People Services, Adult Social Care and Public Health have now decoupled from Cambridgeshire.

Following the Cities and Local Government Devolution Act 2016,³⁶ local leaders proposed a Mayoral Combined Authority to unlock devolved powers and funding. This led to the creation of the Cambridgeshire & Peterborough Combined Authority in March 2017, including the seven local councils, a directly elected mayor and the Local Enterprise Partnership as a non-constituent member.

³⁶ [Cities and Local Government Devolution Act 2016](#)

The CPCA was granted powers over transport, housing, skills and employment and infrastructure investment and has, since its creation, coordinated major infrastructure projects, such as the development of Peterborough Station Quarter and the development of the emerging town of Northstowe. It works alongside the Greater Cambridge Partnership and other regional bodies to align growth strategies and represents the area on a national stage.

The area covered by the Office of the Police and Crime Commissioner,³⁷ Fire and Rescue Service³⁸ and Probation Trust³⁹ are all coterminous with the Cambridgeshire & Peterborough boundary, delivering their services for all existing local authority areas. Whilst the Greater Cambridge Partnership⁴⁰ (covering the geographical districts of Cambridge and South Cambridgeshire) is responsible for managing the current City Deal.

NHS Services for the area are overseen by NHS Cambridgeshire & Peterborough – the local Integrated Care Board.⁴¹ It is responsible for planning, commissioning and governance of most of the NHS services in the area, to meet the needs of local people now and in the future. It works as part of the Integrated Care System, which operates through four partnerships: North Cambridgeshire & Peterborough (covering health and social care services for Peterborough, Fenland and Huntingdonshire), Cambridgeshire South (covering services across Cambridge city, East Cambridgeshire and South Cambridgeshire), Children's and Maternity, and Mental Health, Learning Disabilities and Autism (both of which cover the wider Cambridgeshire & Peterborough area).

³⁷ [Find your PCC – The Association of Police and Crime Commissioners](#)

³⁸ [Fire and Rescue Authorities \(December 2022\) Boundaries EN BFE - Dataset - data.gov.uk](#)

³⁹ [MoJ4961_HMPPS Graphic MAPS Regions and areas_v4 AW.indd](#)

⁴⁰ [Greater Cambridge Partnership](#)

⁴¹ [NHS Cambridgeshire & Peterborough | CPICS Website](#)



3. Options appraisal

Section summary

One of the key stages in developing this proposal was assessing the different options for how local government in Cambridgeshire & Peterborough could be reorganised.

Five possible versions were explored and tested against the Government’s six criteria, with options for having either two or three new unitaries. After detailed analysis, it was agreed that creating two new unitary councils would be the most effective and sustainable approach, offering the right balance between efficiency and local identity.

Among the three-unitary models, Option E scored highest, but it would be more complex and expensive to deliver.

3.1 Options appraisal

The first stage of the options appraisal within the region was to consider the evidence for one, two and three unitary councils, alongside a no-change option for a single county unitary council. Based off external analysis from PIXEL, it was agreed that two unitary authorities were the optimum number for the region, particularly given the Government’s guidance on population size.

Regional leaders also considered the financial implications of creating three unitary authorities and were conscious to note that economies of scale must be met. This was also a consideration when assessing the ‘status quo’ or two unitary authorities on current boundaries. The below table highlights the initial scoring of unitary numbers, based off the Government’s guidance.

Criteria	One Unitary	No change	Two Unitaries	Three Unitaries
1. Proposal should 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.	2	3	1
2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks		2	3	1
3. Unitary structure must prioritise the delivery of high quality and sustainable public services to citizens		3	3	1
4. Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views		2	3	2
5. New unitary structures must support devolution arrangements		2	3	2
6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment		2	2	3
Total	Not viable	13 (Middle ranked)	18 (Highest ranked)	10 (lowest ranked)

The above approach highlights initial scoring in the region to come to an agreed set of options and is not reflective of further options appraisal. It instead provides necessary context for the regional process.

Following the above assessment, the region agreed three options to be taken forward – **all based off two unitary models, using existing boundaries**. These include:

Option A

Peterborough City Council / Fenland District Council / Huntingdonshire District Council and East Cambridgeshire District Council / South Cambridgeshire District Council / Cambridge City Council with disaggregated County Council functions

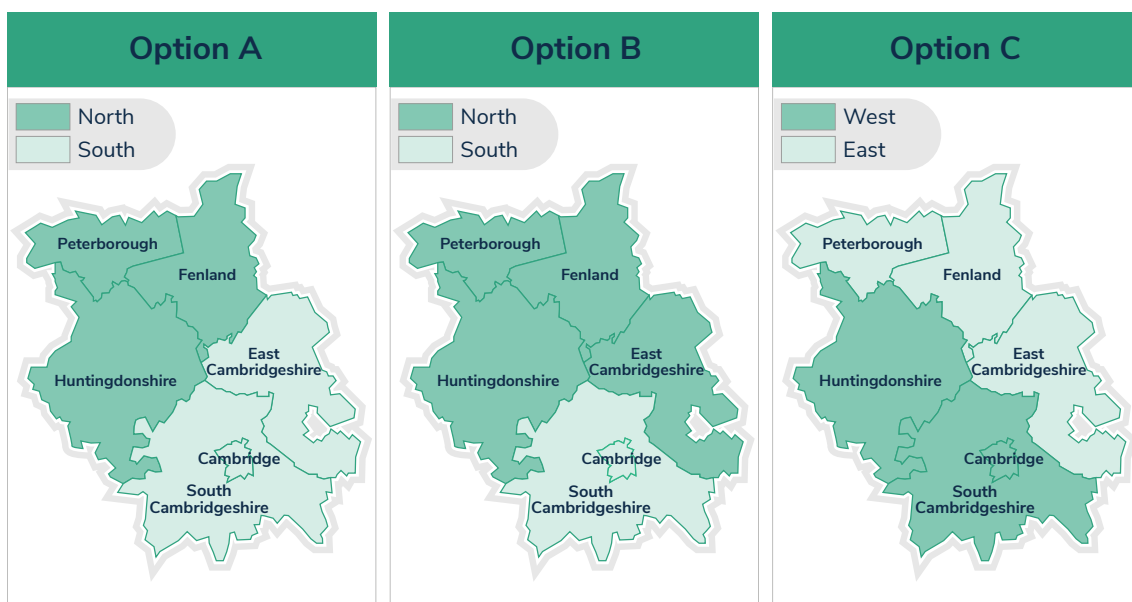
Option B

Peterborough City Council / Fenland District Council / Huntingdonshire District Council / East Cambridgeshire District Council and South Cambridgeshire District Council / Cambridge City Council with disaggregated County Council functions

Option C

Peterborough City Council / Fenland District Council / East Cambridgeshire District Council and Huntingdonshire District Council / South Cambridgeshire District Council / Cambridge City Council with disaggregated County Council functions

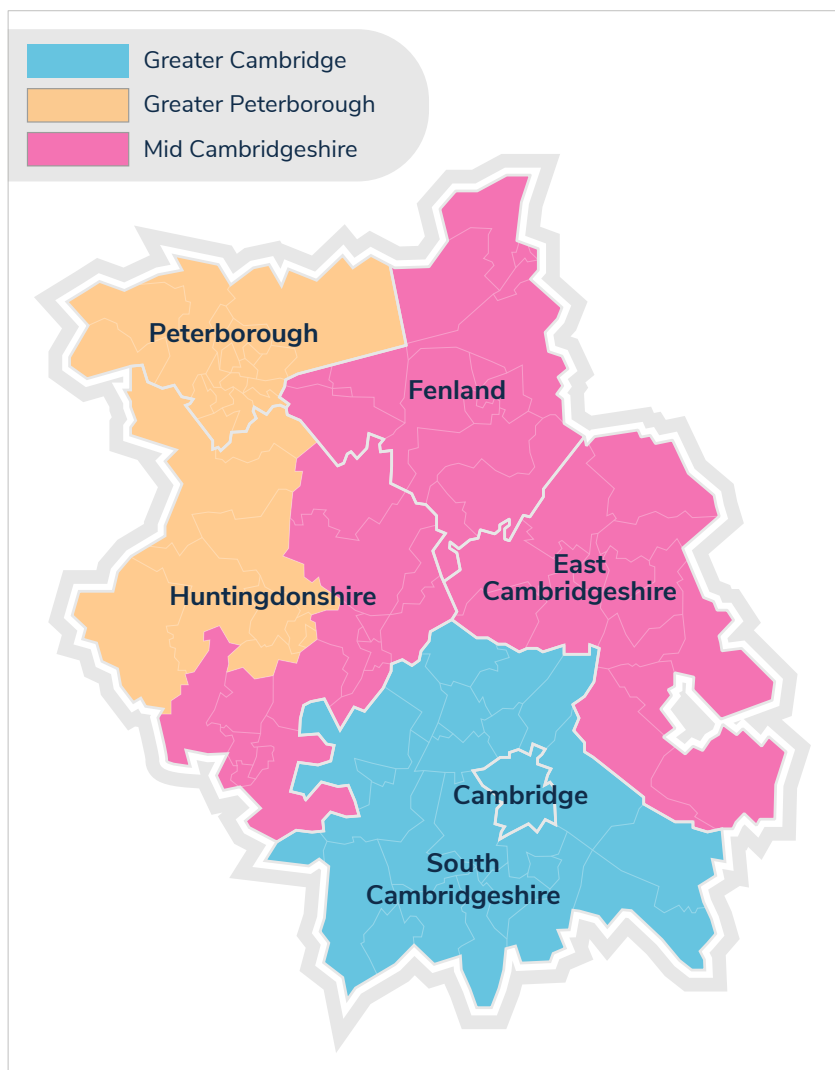
The below map highlights the options:



Following this agreement, a fourth option has been developed by Peterborough City Council titled 'Option D.' This option was brought forward at a council meeting and has since been taken forward – it explores the possibility of **three unitary authorities with a boundary split in Huntingdonshire**. It includes:

- Peterborough City Council with some parts of Huntingdonshire and disaggregated County Council functions.
- Fenland District Council / East Cambridgeshire District Council with the remaining areas of Huntingdonshire and disaggregated County Council functions.
- South Cambridgeshire District Council / Cambridge City Council with disaggregated County Council functions.

Figure •: Greater Peterborough Option



This announcement was followed by a later agreement by Huntingdonshire District Council to pursue a fifth option that would keep Huntingdonshire as a stand-alone unitary authority – titled ‘Option E.’ Huntingdonshire has commissioned Local Partnerships to lead on this option, providing a balanced case that can be brought to government’s attention. This is a **three unitary model, using existing district boundaries**. This option would see:

- Huntingdonshire District Council with disaggregated County Council functions.
- Peterborough City Council / Fenland District Council / East Cambridgeshire District Council with disaggregated County Council functions.
- South Cambridgeshire District Council / Cambridge City Council with disaggregated County Council functions.

Figure •: Option E.



One of the fundamental differences between the options explored is whether they are a three or two unitary model. There are different considerations that make a two or a three unitary model desirable such as:

- Two unitary options are more in line with government's guidance for population size and economies of scale and will see lower transitional costs. It may be seen to be more financially viable for the immediate term, with greater capacity and resources to deliver services. Two unitary options can provide greater stability however, it may be more difficult to provide localised working and neighbourhood engagement, with councils that could be further removed from residents with less distinct priorities.
- Three unitary options will have greater up-front costs and therefore will have a greater financial impact on councils in the immediate term, with less capacity and resource to deliver. However, analysis has shown that the three councils presented in Option E can be viable for the long-term. A three-unitary model can deliver greater neighbourhood engagement and localised working, particularly in the preventative space. It can create sharper economic focus for the unitary authorities to lobby for investment and greater scope for organisations to continue good practice and existing strategies.

This proposal argues that a two-unitary model is best for the region due to its sustainability, simplicity and viability. It presents a balanced option that meets the Government's criteria and is in alignment with natural connections between places and local identity. It provides an option with distinct economic focus in the North and South. It is worth noting that a two unitary model is more in the line with the Government's guidance in terms of population size, scale and balance. Therefore, a two unitary model that is well-balanced and can satisfy community engagement needs, will naturally score higher against the criteria.

Given the nature of the decision members are facing, the options appraisal has been staged to focus on the two unitary options, then the three unitary options, respectively.

All of the options that are being explored in the region have been included in the below options appraisal. The assessment has been formed using a combination of external evaluation and in-house officer assessment. Each option has been rated from 1-5 with 1 meaning it meets very little of the requirements, 3 indicating that it meets some of the requirements and 5 indicating that it meets all of the requirements. The justification is included in each box. The creation of two unitary authorities with existing upper-tier geographies has been included as a point of comparison. No weighting has been added to the assessment as the government have indicated that all six criteria are equally important. More detailed analysis of each option follows below.

Two-unitary option appraisal:

MHCLG criteria for LGR	Existing County Boundaries: Dual UA (PCC Status Quo) – 2x2	Option A: North and South – 3x3	Option B: North and South – 4x2	Option C: East and West – 3x3
Economy and housing – local economic priorities; facilitates investment; sensible geography that increases housing supply. (Analysis informed by Local Partnerships).	1 – Fails to meet the needs of Peterborough's growth. Un-even in scale for investment.	4 – Meets criteria for balance in resource/size/capacity but a questionable alignment of East Cambridgeshire to Cambridge in comparison to Huntingdonshire with the Innovation Corridor, from an economic perspective.	4 – Meets criteria but the South faces risks around delivery capacity due to smaller scale. Imbalance of geography.	5 – Core growth aspects of the South are well connected to Huntingdonshire's ambitions and similar sectors are aligned in the North to facilitate growth. Offers greatest alignment with the established Functional Economic Market Areas (economic geographies) across the region.
Financial sustainability – long-term viability, financial resilience; savings and transition costs; right size to achieve efficiencies.	2 – Fails to address Peterborough financial sustainability or achieve any efficiencies.	5 – Well-balanced with the right scale to achieve efficiencies and resilience.	4 – Imbalance of scale with financially diverse Councils. The smaller scale of C could struggle to produce savings to cover transition costs in a 5-year window but still ultimately viable.	5 – Well-balanced with the right scale to achieve efficiencies and resilience.

MHCLG criteria for LGR	Existing County Boundaries: Dual UA (PCC Status Quo) – 2x2	Option A: North and South – 3x3	Option B: North and South – 4x2	Option C: East and West – 3x3
Better service delivery – integrated services, prevention, and improved outcomes.	2 – Would not meet the right scale for Peterborough to implement improvements.	4 – Right balance and scale to achieve efficiencies. Would require the disaggregation of shared services in the South.	3 – Smaller scale to create efficiencies with commissioning with the South and lack of critical mass (PIXEL). Larger unitary may struggle to carry out localised working/may be further from community.	4 – Balanced scale to integrate services whilst providing local approach. Shared services in the South wouldn't have to be split. Not in line with partnership arrangements for health – but not a barrier to operation as per current examples.
Supports local needs and place identity – stakeholder and resident support; maintenance of local identity and cultural importance.	2 – Keeps boundaries as is so no disruption but residents greatly in support of change for improved outcomes. Local identity potentially subsumed by a large South.	4 – Strong stakeholder and resident support but potentially loses Huntingdonshire's connection to Cambridge and Fenland's connection to Ely in the North.	3 – Supported by residents in the South but concerns of losing rural perspectives in the North due to large scale. Protects the South's identity more than the North.	4 – Supported by Huntingdonshire residents. Local identity of Huntingdonshire connection to Cambridge is maintained and rurality is preserved in the North but no widespread support.
Devolution – complements devolution, Population, Identity & Economic areas.	2 – Imbalance of economic areas and population.	4 – Balance of economic areas although the South's 'economic identity' is undermined by the severance of Huntingdonshire from Cambridge.	3 – Imbalance in economic areas with no clear identity for the North.	4 – Balance of economic areas with strong sectoral links in the Northern and Southern unitary. The North can have a sharper focus on rurality. However, it does sever Ely's connection to Cambridge.

MHCLG criteria for LGR	Existing County Boundaries: Dual UA (PCC Status Quo) – 2x2	Option A: North and South – 3x3	Option B: North and South – 4x2	Option C: East and West – 3x3
Community engagement and empowerment – unlocks community engagement and strengthens existing work. To note – it will be up to the new unitary authorities to determine how they approach community engagement and empowerment. This scoring is subjective and based on the criteria of capacity to deliver, connection to local areas and continuing best practice.	3 – Maintains existing patch. Cambridgeshire boundary would be too large to ensure effective representation.	5 – Strong balance of population/ capacity and is in line with existing partnerships. No splitting districts means community engagement can be strengthened.	4 – Community engagement could be undermined in the North by having such a large unitary.	5 – Strong balance of population/ capacity and builds on existing connections in the North and South. No splitting districts means community engagement can be strengthened.
Is the option being supported by all seven councils?	NO	NO	NO	NO
Overall	12/30	26/30	21/30	27/30
Ranking	4	2	3	1

As the above scoring concludes, Option C successfully fulfils all the Government’s criteria – providing a balanced geography that meets the needs of development and housing growth whilst ensuring that the size of the unitary authorities allows for a community focus and for place-based working to be maintained.

Three-unitary options appraisal:

MHCLG criteria for LGR	Option D: Split Huntingdonshire (GP, MC, GC) – 3x3	Option E: Stand-alone Huntingdonshire – 3x2
Economy and housing – local economic priorities; facilitates investment; sensible geography that increases housing supply. (Analysis informed by Local Partnerships)	2 – Meets the priorities of the two urban centres but the ‘mid’ option sees issues around connectivity with little capacity for delivery.	4 – Meets the economic priorities of Huntingdonshire and aligns existing connections in the North through PCC/FDC/ECDC. The option is in line with the three FEMA model, building on the economies of ‘Greater Cambridge’, ‘Greater Peterborough’ and Fenland. However, it has an imbalance of geography allowing less capacity for delivery.
Financial sustainability – long-term viability, financial resilience; savings and transition costs; right size to achieve efficiencies.	3 – Payback of transition costs for two of the three councils should be possible within a medium term, 5-year window but the third may struggle to produce sufficient savings to do so.	3 – The two smaller councils are unlikely to generate sufficient savings to recover transition costs within a medium term, 5-year window and, at least one, may be left with a recurring cost pressure but this should not impact long term viability.
Better service delivery – integrated services, prevention, and improved outcomes.	2 – Disaggregation to three unitary authorities, rather than two, would greatly increase transition costs and affect service delivery.	4 – The North has sufficient capacity to address high needs but would have to address rurality. Still creates a small unitary in the South and potential lack of critical mass – this is the same for Huntingdonshire. This lack of critical mass however should not be seen as a barrier to provide high quality services; as this option would allow for efficient, agile, place-based and networked solutions to come forward. Scope for use or continuation of shared-service models (as existing) more possible with smaller authorities. Whilst this option has the same risk of increased transition costs and service delivery effects, this option does not include splitting boundaries and allows greater continuity of shared services with greater financial sustainability in all authorities to deliver.

MHCLG criteria for LGR	Option D: Split Huntingdonshire (GP, MC, GC) – 3x3	Option E: Stand-alone Huntingdonshire – 3x2
Supports local needs and place identity – stakeholder and resident support; maintenance of local identity and cultural importance.	2 – Smaller scale could mean that local identity is preserved in Peterborough however there is a major impact on Huntingdonshire's identity. No outward support for the option.	4 – Smaller unitary authorities could mean that local identity is preserved. The North is larger; but would retain connections in rural identity and preserve the historic significance of Ely as the city of the rural eastern part of the region. This option was not part of the formal engagement undertaken, although feedback since its launch has been positive. This option would also protect and support the identity of Cambridge and its greater city region.
Devolution – complements devolution, Population, Identity & Economic areas.	3 – less scale = less capacity to influence funding decisions although can be more focused on certain identities. Three Leaders on the CPCA board could provide balance.	3 – less scale could mean less capacity to influence funding decisions however economic focus can be sharper and three Leaders on the CPCA board could provide balance. Honours functional economic areas. Allows for opportunities of shared-services to be retained/maintained.
Community engagement and empowerment – unlocks community engagement and strengthens existing work. To note – it will be up to the new unitary authorities to determine how they approach community engagement and empowerment. This scoring is subjective and based on the criteria of capacity to deliver, connection to local areas and continuing best practice.	3 – Unitary authorities will be closer to the community but may not have the resilience to effectively deliver community engagement. Severs existing connections and footprints in Huntingdonshire.	5 – Unitary authorities will be closer to the community, but resilience can be questioned. However, due to no cutting boundaries, existing methods of community engagement can be strengthened. Huntingdonshire has established connections across public, private and voluntary sectors which can be maintained and further developed as evidenced by the Place Strategy; Community work etc.

MHCLG criteria for LGR	Option D: Split Huntingdonshire (GP, MC, GC) – 3x3	Option E: Stand-alone Huntingdonshire – 3x2
Is the option being supported by all seven councils?	NO	NO
Overall	15/30	23/30
Ranking	2	1

Noting the above, Option E comes out on top in respect of a three unitary appraisal whereas Option C comes out on top when looking a two unitary model. Overall, Option C scores higher in that it satisfies the government's criteria.

Summary appraisal:

	Option A	Option B	Option C	Option D	Option E
RAG RATINGS	GREEN	AMBER	GREEN	RED	GREEN
Criteria 1: A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.	4	4	5	2	4
Criteria 2: Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.	5	4	5	3	3

	Option A	Option B	Option C	Option D	Option E
Criteria 3: Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.	4	3	4	1	4
Criteria 4: Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.	4	3	4	2	4
Criteria 5: New unitary structures must support devolution arrangements.	4	3	4	3	3
Criteria 6: New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.	5	4	5	3	5

	Option A	Option B	Option C	Option D	Option E
Overall	26/30	21/30	27/30	15/30	23/30
Conclusions	Well-balanced but less aligned with place identity of Huntingdonshire.	Imbalance in population size with very large authority in the North. Risk of less place identity and ability to deliver services over large geography.	Well-balanced with more alignment to place identity for Huntingdonshire.	Major concern – Splitting districts with a disadvantaged mid area.	Contains elements of Option B (namely the southern unitary) and strong place identity. Service delivery and demand needs can be addressed in a more targeted way. May struggle on capacity and sustainability but the scoring does not reflect transformation opportunities or service re-design.

It is worth noting that, as part of the appraisal process, Local Partnerships were commissioned by Huntingdonshire District Council to carry out two assessments of viability (although these assessments did not include Option E). The first was a financial analysis⁴² that came to the conclusion that all three two-unitary options were worth exploring further (A/B/C) with Option B scoring lower, given its financial divisiveness and doubts around saving returns. This analysis later included Options D and E – both were deemed to incur greater transition costs and less savings with more financial divisiveness and less sustainability. It is noted that this analysis did not include transformation savings.

42 Local Partnerships Financial Assessment

Overall position:

Option	Option A			Option B			Option C		
	U1	U2	Total	U1	U2	Total	U1	U2	Total
Baseline implications – comparison to ‘As-Is’	U2 represents an enhanced financial baseline for East Cambridgeshire, Cambridgeshire City and South Cambridgeshire. U1 results in a weaker financial baseline for other areas.			U2 represents an enhanced financial baseline for Cambridgeshire City and South Cambridgeshire. U1 results in a weaker financial baseline for other areas.			U2 represents an enhanced financial baseline for Huntingdonshire, Cambridgeshire City and South Cambridgeshire. U1 results in a weaker financial baseline for other areas.		
Council tax base – based on ‘25/26 Band D equivalents	162,599	149,812	312,411	196,203	116,209	312,411	129,286	183,125	312,411
Recurring net savings at Y5 (£’000s)	4,633	1,780	6,413	5,984	275	6,259	3,106	3,199	6,305
Saving share	72%	28%	100%	96%	4%	100%	49%	51%	100%
Share of regional council tax base	52%	48%	100%	63%	37%	100%	41%	59%	100%
Saving share relative to share of regional council tax base	1.4	0.6		1.5	0.1		1.2	0.9	
Payback (years)	3	4		3	n/a		3	3	
Contribution to Y5 budget surplus/ (deficit)	-23%	-5%		-54%	n/a		-26%	-7%	
Projected return from LGR	Green	Amber		Green	Red		Green	Green	
Proceed with further and more detailed analysis			Green			Amber			Green

[NOTE green / amber / red: Words have been added to table for accessibility]

Option	Option D				Option E			
	U1	U2	U3	Total	U1	U2	U3	Total
Baseline implications – comparison to ‘As-Is’	U3 represents an enhanced financial baseline for Cambridgeshire City and South Cambridgeshire, while U1 represents a largely unchanged financial baseline for Peterborough and residents of one half of Huntingdonshire. U2 represents in a weaker financial baseline for remaining areas.				U3 represents an enhanced financial baseline for Cambridgeshire City and South Cambridgeshire, while U1 represents a largely unchanged financial baseline for Fenland but a weaker financial baseline for Peterborough and East Cambridgeshire. U2 represents in a weaker financial baseline for Huntingdonshire.			
Council tax base – based on ‘25/26 Band D equivalents	87,581	108,621	116,209	312,411	129,286	66,917	116,209	312,411
Recurring net savings at Y5 (£’000s)	1,485	1,459	293	3,237	3,144	(1,151)	286	2,279
Saving share	46%	45%	9%	100%	138%	-51%	13%	100%
Share of regional council tax base	28%	35%	37%	100%	41%	21%	37%	100%
Saving share relative to share of regional council tax base	1.6	1.3	0.2		3.3	-2.4	0.3	
Payback (years)	4	n/a	n/a		3	n/a	n/a	
Contribution to Y5 budget surplus/ (deficit)	-4%	n/a	n/a		-26%	n/a	n/a	
Projected return from LGR	Amber	Amber	Red		Green	Red	Red	
Proceed with further and more detailed analysis				Amber				Amber

The second analysis focused on economic growth considerations⁴³ which concluded that A, B and C are equal in terms of economic prospects. D was ruled to be inefficient in terms of meeting priorities and implementing strategic change. The two-unitary options scored at a similar level due to the existing Combined Authority and the mitigation it provides when assessing risks of different geographies. Option E also scores highly as, despite the option presenting three unitaries, it successfully builds on existing high-growth areas with no advantaged or disadvantages in the region. This is in

43 Local Partnerships Economic Growth Analysis

comparison to Option D which splits Huntingdonshire's growth in two and creates a mid-unitary that would not see any significant growth. Their scoring is highlighted below.

Criteria category	Evaluation criteria – what will be considered	Option A	Option B	Option C	Option D	Option E
Alignment with economic growth and regeneration ambitions and policies	• Option supports / maximises national growth ambition for the region.	4	5	4	5	5
	• Option supports the subregional growth ambitions of existing councils.					
	• Option supports specific economic growth policies (i.e. Oxford Cambridge Corridor).					
	• Balance of economic and housing opportunities within each area.					
	• Economic growth provides opportunity to reduce social – economic imbalance.					
Sector specific strategies	• Option aligns with the national sector strategies and clusters (e.g. Life science, medical science and defence).	4	3	4	2	4
	• Option aligns with strengths of different sub-economic areas.					
Transport policy other infrastructure	• Influence of transport strategy and funding (via MCA EEH and DfT).	4	4	4	2	3
	• Priorities that can align with Regional / sub national priorities.					
	• Option aligns with planning areas adopted by other national infrastructure providers (Network Rail, Highways England, Water etc).					
Delivery / implementation	• Option aligned with existing local plan areas.	4	4	4	3	4
	• Realistic opportunity of delivering housing targets.					
	• Option area aligns with operating area of a delivery vehicle/mechanism or shared service.					
	• Option provides necessary capacity and capability to prioritise economic growth alongside other high priority services.					
	• Option provides opportunity to reduce fragmentation of services (geographically and hierarchically).					
	• Ability to develop a strong relationship with CA and Government etc – to influence strategy and funding decisions.					
Score		16	16	16	12	16
Efficient movement / commuting patterns supporting growth (See table in appendix 3)	Note: Drawing out specific elements for Huntingdonshire • Option aligns with travel to work areas. • Infrastructure aligns with movement patterns. • Infrastructure and travel to work areas align with economic growth objectives and spatial strategies.	5	4	5	–	

Note ref to Appendix 3

3.2 In-depth options appraisal

3.2.1 Option A – Total score: 26/30

Criteria	Score	Rationale
Economy and Housing	4	- Supports national and economic growth policies and provides unitary authorities with equal capacity to deliver growth. - Alignment of East Cambridgeshire to Cambridge over Huntingdonshire is questionable, particularly when noting the connection of Huntingdon to Cambridge through the innovation corridor. - Challenges could occur when integrating the development strategies in Cambridge⁴⁴ with the paused planning framework in East Cambridgeshire.⁴⁵ - Could be argued that it doesn't respect Functional Economic Market Areas, as outlined by CPIER, as it severs the Fens.⁴⁶ - The option creates two unitary authorities with equal amount of turnover with Huntingdonshire and Peterborough providing high output in the North and South Cambridgeshire and Cambridge in the South.⁴⁷
Financial Resilience	5	- The PIXEL financial management analysis has deemed the option financially viable and able to withstand financial shocks. This has been backed up by Local Partnership's analysis. - Balanced resources per head at 1,023 in the South and 1,100 in the North (PIXEL). - Balanced council tax per head at 677 and 577 (PIXEL). - Creates two balanced unitary authorities with equal population sizes (510k North and 410k South).
Public Services	4	- Balance of demand and need between the two unitary authorities – balance in U18 population (22.1% and 19.4%) and older population (18.8% v 17.4%) with balanced spend per resident (£857 v £677 in 2025 – Newton). - Less balanced total resources compared to Option C under fair funding, with the South-East losing out under the new formulas. This could impact the delivery of public services (PIXEL). - Requires the disaggregation of shared services in the South. - The geography of the current Cambridgeshire North and South Care Partnerships align with the unitary boundaries proposed in Option A. However, NHS governance and the Integrated Care System are going through a period of significant change so this may not remain the case.

⁴⁴ [Greater Cambridge Local Plan: Development Strategy Update \(Regulation 18 Preferred Options\)](#)

⁴⁵ [East Cambs new Local Plan put on hold | East Cambridgeshire District Council](#)

⁴⁶ [cpier-report-151118-download.pdf](#)

⁴⁷ [Local indicators for Cambridgeshire and Peterborough \(E47000008\) - ONS](#)

Criteria	Score	Rationale
Local support & place identity	4	- Stakeholder support for Option A is strong, off the back of the engagement survey, based off free-text comments. - The disconnecting of Huntingdonshire to Cambridge doesn't respect cultural alignment, particularly in market town areas like St. Neots and St. Ives. - The proposal was carried out in isolation and has had no support from other councils in the region. - Potentially distils rural culture in the North by severing East Cambridgeshire from Fenland. - However, keeps East Cambridgeshire's connection to Cambridge and is aligned with general travel patterns (although not as strongly as C).
Devolution	4	- Two balanced unitary authorities that would have equal representation on the CPCA board. - Less sharpened economic focus as the North would not encapsulate all of the Fens economy – potentially creating too much diversity in focus.
Stronger community engagement	5	- The option allows for two balanced unitary authorities that could effectively deliver equal democratic representation. - The new unitary authorities would need to outline an approach to stronger community engagement. However, they are of an appropriate size to bring decision-making closer to residents and maintaining district boundaries allows best practice to be developed.

3.2.2 Option B – Total score: 21/30

Criteria	Score	Rationale
Economy and Housing	4	- Creates a larger Northern unitary with diverse sectors and lack of economic focus. - Keeps functional economic market areas together allowing the ability to develop strong strategies. However, the North is potentially distilled by larger geographic area. - Southern unitary faces risks around delivery capacity due to smaller scale. However, the Southern unitary does have a stronger tax base (£680 per head – PIXEL). - Imbalance in housing need (3,020 vs 2,000/year) and land mass (72% vs 28%) could potentially hinder growth. - Ultimately viable but potentially imbalanced.
Financial Resilience	4	- PIXEL identifies Option B as being potentially high risk due to smaller scale in the South. It must also be noted that additional resources will be lost in the South due to the fair funding review although it may be offset by their tax base. - Local Partnerships analysis raised concerns about Option B's financial divisiveness and the potential inability for the Southern unitary to deliver sufficient returns to payback transition costs. - The analysis also determined that it puts all but the two least financially challenged councils at a worse starting position.

Criteria	Score	Rationale
Public Services	3	- PIXEL has outlined the smaller scale of the Southern unitary as higher risk – particularly in relation to Children’s services and the concentration of low need. - The Northern unitary is potentially too large to address key challenges like rurality within social care and could impact the cost-of-service delivery due to the widened area (requiring additional spend on properties and travel for operational assets). - The Southern unitary does keep two councils together that both deliver housing stock as well as existing shared services, like planning and waste. However, it would require the disbanding of 3CICT which could pose risks during the implementation process. - Overall, the option is too imbalanced to effectively deliver public services at a high standard, providing challenges to localised working in the North whilst producing a Southern unitary that has too small economies of scale.
Local support & place identity	3	- The South does retain historical identities by creating an established ‘place’ with Cambridge City and South Cambridgeshire and the North keeps the Fens connection together through Fenland and East. Doesn’t recognise the scale and importance of Huntingdonshire. - This proposal was also created in collaboration with 6/7 councils in the region. - However, severing the connection between Huntingdonshire and Cambridge City does not make sense when looking at commuter data – the survey results outlined that 15% of Huntingdonshire respondents travel to Cambridge for work vs 3% to Peterborough. In the other categories of Health and Social, the same pattern occurs. - There is less outright support for Option B from the stakeholder engagement results.
Devolution	3	- The option will allow for two leaders to sit on the CPCA board. However, they will represent an imbalanced population. - The North’s larger geographic scale could mean that it is less focused in terms of economic growth with too diverse a region to support. - The smaller scale of the Southern unitary could be at risk of failing to accommodate its rapid growth, potentially hindering the CPCA’s plans. - However, it should be noted that the Southern unitary will have a strong economic identity and focus, given its existing establishment as a FEMA.
Stronger community engagement	4	- It will be up to the Option B proposal to outline a future approach to community engagement and neighbourhood empowerment. - However, the large scale of the Northern unitary could face more challenges when implementing localised decision-making.

3.2.3 Option C – Total score: 27/30

Criteria	Score	Rationale
Economy and Housing	5	- There is a balance between the two unitary authorities, in terms of landmass (45% vs 55%) and housing need (40% vs 60%). Both unitary authorities are therefore well matched in terms of geographic size and future demand. - This balance allows both unitary authorities to effectively accommodate different forms of growth and urban needs can be well matched by rural needs. - The option is in line with the 3 FEMA model as it doesn't sever the Fens. - Both unitary authorities have a distinctive economic focus with similar sectors and industries – the North can effectively focus on manufacturing, logistics and housing development whilst the South is more knowledge-intensive. - Huntingdonshire and Greater Cambridge have existing complementary strengths in growth prospects. - Benefits can be felt equally across the region, with no undue disadvantage to any areas.
Financial Resilience	5	- The PIXEL Financial Management Report showed no signs of concern regarding the financial viability of Option C. - Current population numbers are evenly matched (424k vs 516k) with both areas expected to rise to 476k and 600k respectively by 2040. This option is therefore in line with the 500k guidance set by government. - Further analysis carried out by Local Partnerships highlighted that Option C is well-balanced, showing no cause for concern for viability.
Public Services	4	- Option C creates two unitary authorities with well-balanced demand forecasts, as highlighted by the Newton report. This is particularly true for Children's residential care, EHCPs and expected working age adult residential care demand. Service spending is also balanced and Option C actually sees the most savings achieved in the first year. % pop. Supported by social care is only 0.05% different between the Southern unitary authorities in A and C. - Retains existing shared services in the South, including ICT, legal services and business control. - There is a lack of alignment with ICB Place Partnerships. However, given the scale of public sector reform and the additional powers of the Mayor to serve the whole region with regard to health, this can be considered low-risk. This is bolstered by the fact that guidance states that ICB boundaries should align with strategic authorities rather than local authorities. - This option is well-balanced in terms of geographic scale, allowing for services to be delivered across a sensible-sized area. PIXEL highlighted that smaller scale authorities could have more significant spend in certain areas, such as environmental services. Increased scale works to balance this out. - Whilst there is quite a large distance between East Cambridgeshire and its anchor city of Peterborough, there is an argument that this option consolidates the best travel connections, particularly in terms of rail links and public transport. It must be caveated that each option will have long distances between anchor cities due to the rurality of the region.

Criteria	Score	Rationale
Local support & place identity	4	- Option C maintains the connection between Huntingdonshire and Cambridge. The survey results highlighted that most Huntingdonshire residents travel to Cambridge for work, health and shopping. It also keeps the innovation zone intact. - Option C has a high number of internal commuting, with 80% of residents staying in the Southern unitary and 72% of residents staying in the North.⁴⁸ Whilst this internal rate is lower than Option A, it must be noted that Cambridgeshire & Peterborough residents also have strong ties to areas outside of the region's borders. For example, the Southern unitary sees more residents commute outside the boundaries rather than to the North (14% vs 6%). The North's patterns are evenly balanced (13% vs 15%). Containment rates are therefore high whilst recognising that there will always be movement between the unitary authorities and outside the region. - Strong local support from Huntingdonshire residents. - Retains the rural identity of the North – addressing concerns from East Cambridgeshire and Fenland residents about being 'over-looked.' - Maintains existing strong transport connections in the East and West. - The option is limited by lack of partner support.
Devolution	4	- Creates sensible economies with the potential to support ambitious economic growth in collaboration with the CPCA. Each region will be able to sharpen their focus due to strong economic alignment in the North and South. - Creates balanced representation on the CPCA board with leaders representing equal populations. - Does sever Ely's connection to Cambridge however it can be argued that this isn't as impactful as severing Huntingdonshire from Cambridge.
Stronger community engagement	5	- The option allows for two balanced unitary authorities that could effectively deliver equal democratic representation. - The new unitary authorities would need to outline their approach to stronger community engagement. However, they are of an appropriate size to bring decision-making closer to residents and lack of splitting districts means that best practice can be developed.

3.2.4 Option D – Total score: 15/30

Criteria	Score	Rationale
Economy and Housing	2	- The option is in line with FEMA's and does retain a strong focus on each individual economic area. - It does not create sustainable councils, particularly in the mid region, affecting the capacity of the authorities to deliver economic growth and housing. - Growth in the mid will be severely limited due to geographic constraints. Whilst this will be a factor in any option, it creates an authority with no high growth areas, making it ultimately unsustainable. - Creates a clear disadvantage with resources concentrated in 'Greater Peterborough' and 'Greater Cambridge.' The mid will have no anchor city for support.

⁴⁸ cambridgeshireinsight.org.uk/population/census-2021/topic-summaries/travel-to-work

Criteria	Score	Rationale
Financial Resilience	3	- Local Partnerships analysis confirmed that the option is less financially attractive given the scale of transition costs relative to savings in two of the three councils. - This must be caveated with the fact that Local Partnerships analysis of the disaggregation of deficits was based on population. However, it clearly shows an imbalance in budget position between the three. - The option does not meet the 500k guideline – each unitary would see around 300k population based on current figures. Whilst this means a balance in population between the three, it does not meet the Government's view on effective scale.
Public Services	1	- Option D sees upper-tier services disaggregated into three unitary authorities, resulting in increased costs of implementation and over-heads given that there will need to be three directors in the region for each service. This negatively impacts sustainability. - It splits districts resulting in fragmentation and increasing risks and complexity when implementing. - There will be a high concentration of need in the 'Mid' region, particularly in Fenland, without the scale or capacity to address challenges. The South unitary still sees viability questions around their small scale.
Local support & place identity	2	- The option is supported by several local MPs – but fails to respect Government criteria regarding splitting districts and no exceptional circumstances demonstrated. - Lack of support from residents. However, this option wasn't published when the engagement survey went out. - Lack of support from council partners. - Does respect the 3 FEMA model and keeps the Fens geography together in the North. - However, it doesn't respect the cultural identity and history of Huntingdonshire – splitting up a district that has been established for 50 years and severing strong cultural ties. The survey results demonstrated that a majority of respondents in Huntingdonshire stay in Huntingdonshire for healthcare, work and shopping. Splitting the district in half and removing key market town areas from the new authority makes little sense and isn't aligned with local behaviour.
Devolution	3	- The option would see three partners represented on the CPCA board representing similar population sizes. - The option respects the 3 FEMA model and leaders would be able to sharpen their focus on regional economic issues, particularly in the 'Mid' region with rurality. - This model could impact pipeline infrastructure projects between Huntingdonshire and Cambridge (A14 improvements) and Peterborough and Fenland (A47 developments).
Stronger community engagement	3	- It will be up to the Option D proposal to outline their future approach to community engagement and neighbourhood empowerment. - All three areas are small enough to allow localised decision-making and address key local issues. - There are concerns around the capability of the unitary authorities to carry out localised decision-making and neighbourhood engagement alongside statutory responsibilities given the lack of sustainability identified above. - Splitting districts means that existing footprints of community engagement in Huntingdonshire may be severed.

3.2.5 Option E – Total Score: 23/30

Criteria	Score	Rationale
Economy and Housing	4	- Honours the FEMA's by keeping the Fens together along with Greater Cambridge and Peterborough. - Maintains Huntingdonshire's borders, recognising the districts strong identity as a bridge between the FEMA's and a place that provides key infrastructure to both cities. - The option is in line with the three FEMA model, building on the economies of 'Greater Cambridge', 'Greater Peterborough' and Fenland. - Huntingdonshire can retain a focus on its identity and existing growth and house-building plans. However, this is off-set by limited capacity and scale to deliver. - Southern unitary faces risks around delivery capacity due to smaller scale however the Southern unitary does have a stronger tax base to off-set this.
Financial Resilience	3	- Two of the three councils are unlikely to derive a financial benefit from LGR with one likely to incur a net recurring cost due to its scale. - However, all three should be financially viable with apparent opportunities to significantly grow the local tax base in the two smaller councils which could be financially beneficial dependent on the outcome of local government funding reform.
Public Services	4	- Option E sees upper-tier services disaggregated into three unitary authorities, resulting in increased costs of implementation and over-heads given that there will need to be three directors in the region for each service. This negatively impacts sustainability. - The Northern unitary has sufficient scale to address local needs and rurality challenges with an acceptable level of demand and need. - The Southern unitary suffers from low economies of scale, as outlined by PIXEL, resulting in challenges around social care provision due to concentration of low need. - Huntingdonshire would have smaller capacity to deliver services although it could be argued that the process of implementation will be simpler as it will only include disaggregating from the upper-tier and not bringing districts together. There will be the scope for continuation of shared-service models which can be made more possible through smaller authorities. Place-based and networked solutions may be more readily available. Prevalence is also relatively balanced based off additional Newton analysis (REF). - Adds complexity to the shared service model for IT/Legal/Building Control that would need resolution.
Local support & place identity	4	- No local support for the option and wasn't included in initial engagement, although feedback since its launch has been positive. - Maintains Huntingdonshire's strong local identity and heritage whilst preserving the economic geography of the Fens and the established place of Greater Cambridge. - The survey results highlighted that Huntingdonshire's residents are self-contained – when they travel out of the district, they travel to Cambridge, but Huntingdonshire itself provides work, health and shopping facilities. This option maintains travel patterns in that respect as well as the strong travel connections between Peterborough and Fenland. - Severs Huntingdonshire's connection to Cambridge.

Criteria	Score	Rationale
Devolution	3	- The option would see three partners represented on the CPCA board providing balance although they would be representing significantly different population sizes. - The option respects the 3 FEMA model and could allow sharpened economic focus with rurality in the North and market towns in Huntingdonshire alongside Greater Cambridge's focus on high-tech industries. - This option could impact Huntingdonshire's voice on the CPCA board, given its smaller size and scale. - Allows for opportunities of shared-services to be retained/maintained.
Stronger community engagement	5	- It will be up to the Option E proposal to outline a future approach to community engagement and neighbourhood empowerment. - All three areas are small enough to allow localised decision-making and address key local issues although the North may find it more difficult due to increased size. - Less sustainability could impact Huntingdonshire's ability to carry out localised engagement and decision-making. - Existing methods of community engagement in Huntingdonshire could be strengthened as boundaries are intact. This includes connections across public, private and voluntary sectors which can be maintained and developed, as evidenced by work such as the Place Strate and Community Health.

3.3 Conclusion

As the above analysis demonstrates, Option C provides a strong option for unitarisation of Cambridgeshire and Peterborough as it:

- Creates two balanced unitary authorities with distinct economic focus.
 - Neither unitary is disadvantaged by the Option, allowing for both unitary authorities to have a strong focus on economic growth, building on their existing sector alignments in the North and South. The option is also in line with the 3 FEMA model and keeps the Fenland economy together in the North.
- Financial analysis has demonstrated that the option is viable and well-balanced for future sustainability.
 - This has been increased by the Fair Funding Review. Both unitary authorities are also in line with the Government's population guidance.
- Both unitary authorities have sufficient scale to effectively deliver public services with a balance of demand and need across the region.
 - Neither unitary is too small to effectively deliver social care services and it keeps other shared services together, minimising the risk of disruption.

- The option retains local identity by keeping the Fens geography together as well as ensuring Huntingdonshire's connection to Cambridge is intact.
 - Both unitary authorities have a strong containment rate for commuting, highlighting strong local identity and neither unitary is too big to retain localised, place-based working. The survey results highlighted the shared principles and concerns in both authorities as well as support from Huntingdonshire residents.
- Allows for balanced representation on the CPCA board with a strong economic identity for both unitary authorities, allowing greater focus on regional needs for investment and growth.
- The unitary authorities will be able to deliver on greater community engagement and neighbourhood empowerment due to their similar size and scale. Neither unitary will be disadvantaged regarding their capacity to deliver localised decision-making.



4. A proposal for Cambridgeshire & Peterborough – strategic case for change

Section summary

This section introduces Option C, the preferred model for reorganising local government in Cambridgeshire & Peterborough. It explains how the proposal meets the Government's criteria across five key themes: economic growth, financial sustainability, public service improvement, democratic representation and devolution.

A vision for the future

The below sections outline the proposal for Option C and why it can deliver the best outcomes for Cambridgeshire & Peterborough. The proposal has been structured using the Government's criteria to highlight how the option meets all the requirements. There is a focus on growth, financial sustainability, public services and devolution to make the case for Option C. This is built on by demonstrating how the proposal can also deliver strong democratic representation as well as how the stakeholder engagement exercise highlights why Option C could work for residents.

It must be noted that LGR can bring risks and as such, there are some key principles that should be kept in mind throughout the process. These principles are focused on 'safe and delivery' implementation and does not cover a vision for transformation. Option C delivers on these principles as it:

- Ensures safety with a focus on not fragmenting services and delivering on requirements to be 'safe and legal' on Day 1. Option C allows for equal distribution of demand and need and maintains existing shared services in the South, allowing for a smoother transition.
- Ensures sustainability through effective and balanced economies of scale delivered through balanced geographies and population sizes. The analysis has demonstrated that Option C does not disadvantage any one area and is sustainable for the long-term of the region.
- Delivers on simplifying resident engagement with councils by creating one authority that delivers all services. It allows the two unitary authorities to create one strong brand identity, one number and one website so residents, stakeholders and businesses can no longer deal with fragmented services. This joint-up working will allow for greater efficiencies and communication between services.
- It ensures alignment with key public sector partners and the national vision for greater co-ordination in service delivery. Alignment with NHS, Police and Fire boundaries means that the new authorities will be well placed to deliver on the prevention agenda. The creation of two strong economic regions allows for greater balance on the CPCA board and effective delivery of the Mayor's vision for growth in the region.

The unitary authorities at a glance

Option C North – East / Fen / Pet	
Current population	424,864
2040 population estimate	476,900
Current working age population (20-64)	57%
Current young population (0-19)	24%
Current older population (65+)	19%
Geographical area (hectares)	149,400 hectares
Population density (2025), per sq km	284.38 per sq km
Forecast dwelling growth rate	21%
Anchor City	Peterborough
% of travel to work within the Unitary area	72% work within the Northern Unitary area 15% travel to work in the Southern Unitary area 13% outside of Cambridgeshire & Peterborough area
Number of businesses per 10,000 population (2023 data)	392
Average employment rate (2023 data)	76.53%
Number of education settings	178 Early Years Settings 121 Primary Schools 48 Secondary Schools 18 SEND Schools
Highest Level of qualification	9% Level 1 11% Level 2 12% Level 3 20% Level 4+ 5% Apprenticeship

Option C South – Hunt / South / City	
Current population	516,565
2040 population estimate	600,085
Current working age population (20-64)	60%
Current young population (0-19)	22%
Current older population (65+)	18%
Geographical area (hectares)	185,425 hectares
Population density (2025), per sq km	272.65 per sq km
Forecast dwelling growth rate	23%
Anchor City	Cambridge
% of travel to work within the Unitary area	80% work within the Southern Unitary area 6% travel to work in the Northern Unitary area 14% outside of Cambridgeshire & Peterborough area
Number of businesses per 10,000 population (2023 data)	417
Average employment rate (2023 data)	80.73%
Number of education settings	264 Early Years Settings 154 Primary Schools 51 Secondary Schools 16 SEND Schools
Highest Level of qualification	6% Level 1 9% Level 2 13% Level 3 35% Level 4+ 3% Apprenticeship

The above tables provide an overview of the two unitary authorities suggested by Option C. Both unitary authorities are balanced with similar prevalence for a number of indicators. For example, the age distribution of the population⁴⁹ is similar between both areas and both unitary authorities keep high levels of containment rates for commuting.⁵⁰ Population density differences are also minimal highlighting that both the North-East and the South-West have similar geographic make-ups.⁵¹

Notably, both unitary authorities are going through periods of rapid growth – by 2040, the North-East is expected to have a population of 476k whilst the South-West is expected to reach 600k. Both unitary authorities will remain well-matched in population size and the new economies of scale created through LGR will help to boost this growth even further by driving further development alongside the CPCA.

Employment rates⁵² and business numbers⁵³ are also equally matched in both unitary authorities highlighting the strong economic background of both the North-East and South-West. This is further backed by a balance in qualification outcomes.⁵⁴ However, there is an imbalance in Level 4+ qualifications due to the presence of Cambridge university in the South-West. Despite this difference, both unitary authorities will be well balanced without any significant advantages or disadvantages between them highlighting how Option C can work for the entire region.⁵⁵

It is worth noting that Option C allows a greater balance in life expectancies (see strategic context), demonstrating how both unitaries can benefit from existing good practice in health outcomes. In comparison, other options (particularly A) create a significant imbalance in life expectancy, potentially generating a greater North-South divide. Option C would therefore have the least variation in life expectancies, generating an equitable balance in outcomes.

49 [Cambridgeshire & Peterborough Insight – Population – Local Population Estimates and Forecasts](#)

50 [Cambridgeshire & Peterborough Insight – Population – Census 2021 – Topic Summaries – Travel To Work](#)

51 [Explore local statistics – ONS](#)

52 [Economic activity status – Office for National Statistics](#)

53 [Count of Active Enterprises | Cambridgeshire & Peterborough Insight – Data Explorer](#)

54 [Highest level of qualification – Office for National Statistics](#)

55 [Find Best School for Your Child](#)

Theme 4.1 – Inclusive and sustainable growth

Section summary

The Cambridgeshire & Peterborough region is a national economic powerhouse, combining world-leading innovation around Cambridge with manufacturing and agri-tech industries in Peterborough and the Fens. Option C's two balanced unitaries would align naturally with these economic geographies. One would focus on research and technology, the other on housing, infrastructure and growth. This would make it easier to plan investment, attract funding and deliver inclusive prosperity.

4.1.1 Economic landscape

The Cambridgeshire & Peterborough region has a particularly strong economic significance, contributing approximately £22–34bn annually to the UK economy. Cambridge City and the wider area is on track to become a global leader in the life sciences, food production, artificial intelligence, defence and advanced manufacturing sectors, attracting inward investment both the region and UK. Peterborough's growing bioscience and logistics sectors position it as a gateway economy. The emerging Combined Authority Growth Plan has an aim to triple the size of economy by 2050.

Maximising this growth will have a significant benefit for the UK economy and should be a test against which LGR options are considered.

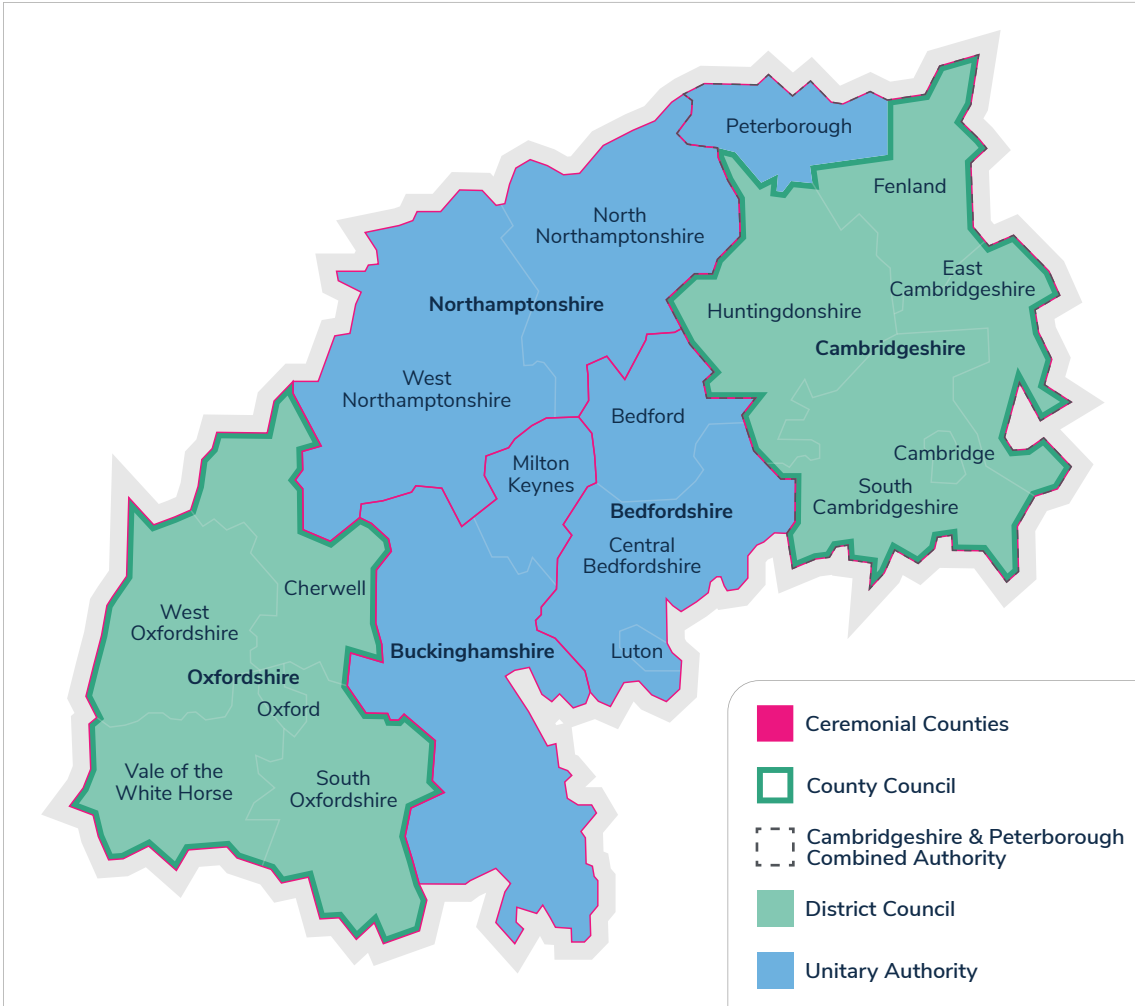
The North-East of the region has an economic engine featuring logistics, housing growth, and agri-tech, whereas the South-West, including Huntingdonshire, is the anchor of science, innovation, and R&D. This allows a “twin growth poles” story: one focused on productivity in knowledge and innovation, the other on scale in housing, logistics, and food security. The roles are clear and complimentary.

The economic profile and different economic characteristics of the North-East and South-West subregions support the justification for the creation of two unitary authorities. In terms of the options being considered as part of LGR this is reflected to the greatest extent in Option C.

The economic growth opportunity provided by the region is underpinned and supports the National Industrial Strategy and the Oxford–Cambridge Growth Corridor (figure • below) a globally significant economic growth area between Oxford, Milton Keynes and Cambridge. The Oxford to Cambridge

Arc is intended to maximise economic growth, investment opportunities and connectivity across five counties, with the opportunity of adding over £110bn in GVA to the economy.

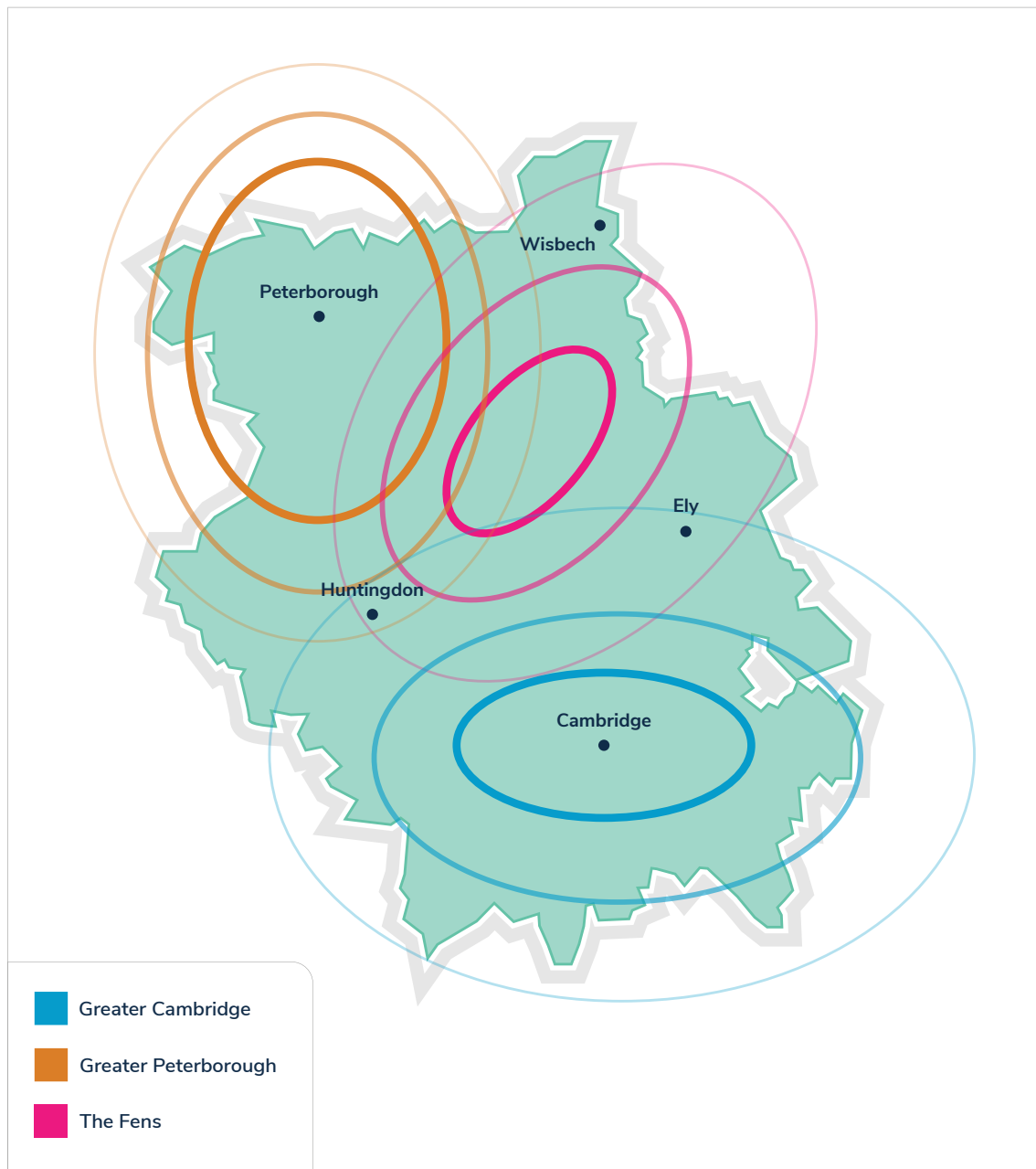
Figure [•]. Oxford-Cambridge Growth Corridor geographical area



The economic profile of Cambridgeshire & Peterborough comprises three distinct sub-economies⁵⁶ – Greater Cambridge, Greater Peterborough and The Fens.

⁵⁶ www.gov.uk/government/publications/oxford-cambridge-arc-local-industrial-strategies/cambridgeshire-and-peterborough-local-industrial-strategy

Figure •. Map of the three main sub-economies of the Cambridgeshire & Peterborough region.



Greater Cambridge is one of the UK's most dynamic and high-growth economic areas, centred around the city of Cambridge, with key economies focussed on:

- Knowledge and Innovation Economy ("Silicon Fen" & Biotech and Life Sciences).
- Higher Education and Research.
- Professional and Financial Services.
- Tourism and Culture and Property and Construction.

The key economic sectors for Greater Peterborough are Logistics and Distribution supported by its location in the cross hairs of major North-South and East-West transport corridors. It is also a centre for advanced

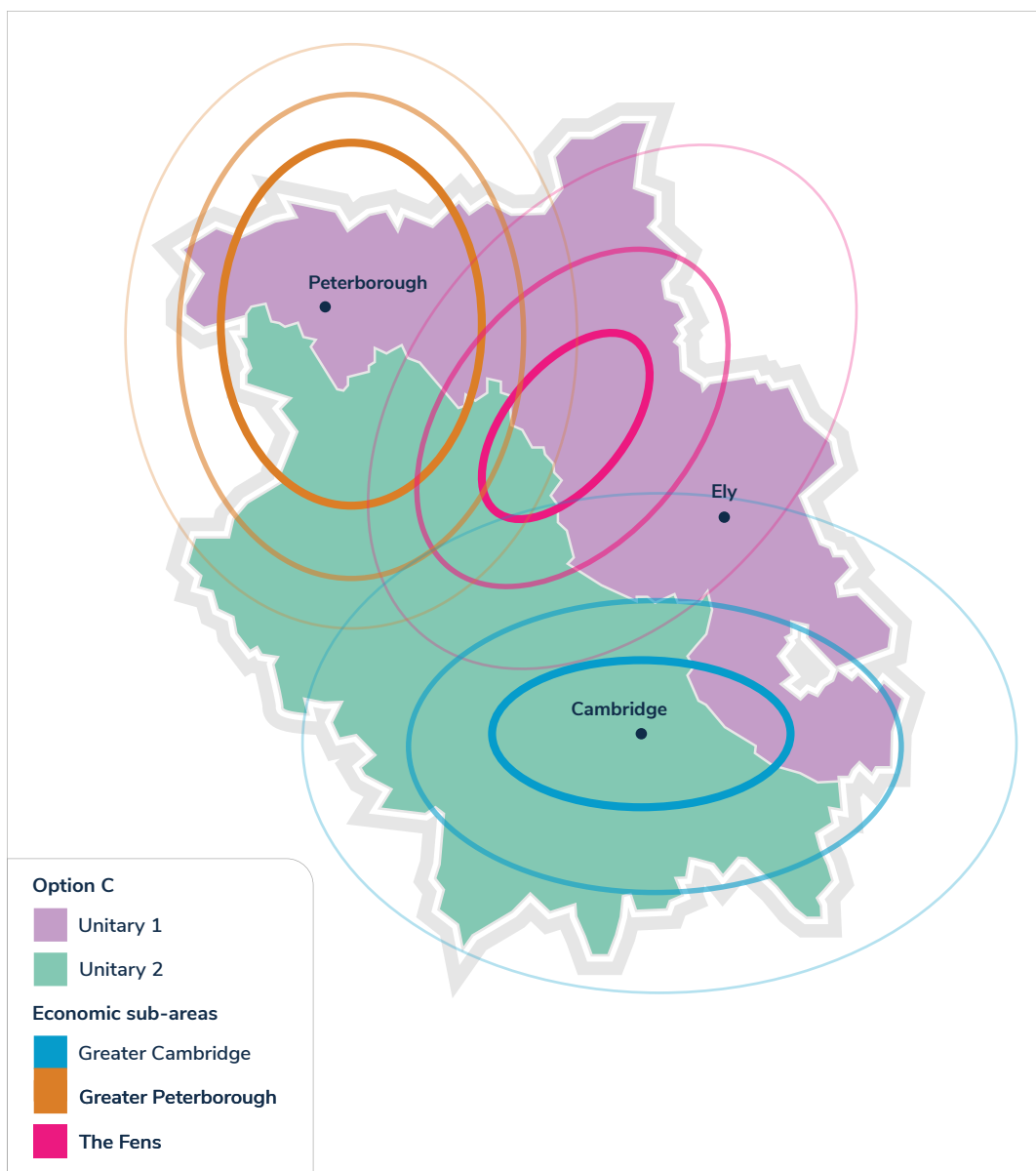
manufacturing and engineering, digital and environmental technologies, retail and services, and construction and housing with a strong public sector and education sector.

The Fens has a more rural focus with agriculture and agri-tech providing an opportunity for growth complemented by a broad range of key economic sectors covering food processing and packaging, logistics and freight, rural tourism and heritage, and energy and environment.

In the current Local Government structure, the council areas can be seen to complement each other economically. This provides the base on which to build in the future.

The map below shows where the footprints of the two option C unitary councils would sit in relation to these three economic areas.

Figure [•]. Economic sub-areas and Option C boundaries.



The region's employment rate stands at around 78%.⁵⁷ This is above the national average (c. 75%). Its unemployment rate is lower than the national average (c. 2.2% vs 3.5%).

Within the region, there are some notable features which highlight features of the economy and differences in opportunity across the region. South Cambridgeshire boasts employment rates that are amongst the highest in the UK—about 83%, median weekly earnings in the Greater Cambridge area are exceptionally high when compared to the national average i.e. around £709 vs national average of £575.⁵⁸ The different opportunities across the regions are illustrated by the educational and skills deficiencies apparent in Fenland.

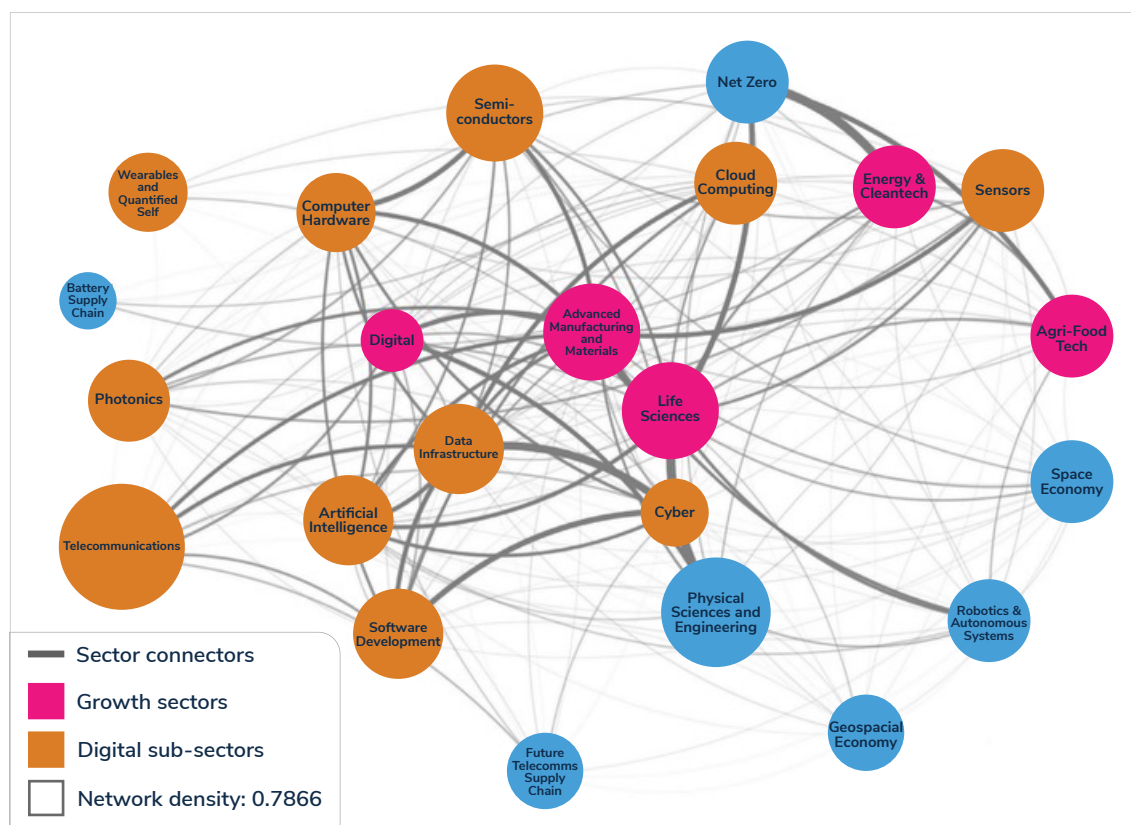
Whilst the regional economy can be divided in to sub areas, there are links which underpin the Cambridgeshire & Peterborough economic area as a whole. With growth in one area and sector providing benefit across the region.

The diagram below shows the large network of relationships across the various sectors. Where one sector is growing, it supports the growth and development of another through interconnected industries, talent pools and supply chains. With many different innovation parks, academic resources, research facilities, and manufacturing operations in such close proximity, the sector relationship network is dense and strong. This drives growth by allowing easier collaboration, knowledge sharing, and synergies that provide a multitude of high-level jobs attracting investment and in turn more innovation. It extends beyond the boundaries of the two main growth poles across the region.

⁵⁷ [Local Government Association Office for National Statistics/Office for National Statistics](#)

⁵⁸ [Institute for GovernmentGOV.UK](#)

Figure [•]. Sector Relationship Network – CA Local Growth Plan.



4.1.2 Economic opportunities through simpler governance structures and joined-up services

The LGR Economic analysis report commissioned by Huntingdon District Council in the summer of 2025⁵⁹ highlighted that opportunities exist to simplify governance structures with the creation of two unitary authorities, with a North-Eastern and South-Western Unitary, as in Option C, being able to capitalise on realigning and refocusing the three existing sub economies.

This simplification has the potential to feed through into simpler decision-making opportunities benefiting inward investment and infrastructure funding. In this respect two balanced authorities with the necessary delivery capacity have advantages over either two authorities, with one large and one small, or three smaller authorities.

⁵⁹ LGR Economic analysis – alignment of economic policies against options report, Local Partnerships, 2025

This simpler decision making will be important in resolving a number of infrastructure constraints including water and power. Whilst these apply to the region as a whole Huntingdonshire's role in the new structure will be important in resolving them, both in terms of land and leadership.

Ther two unitaries would have complementary roles in relationship to option C and in relation to sector specific strategies. The North-Eastern Unitary could have a focus on housing, regional growth and infrastructure, whilst the South-Western Unitary focus would be principally on high-tech jobs, connectivity, life sciences and innovation - supported by housing growth. Both could develop the necessary services and delivery capacity. Specifically planning and regulatory services could develop operational specialisms in these sectors within the two new councils, and in turn more effectively supporting the growth ambitions of both business and CPCA. This would optimise the use of existing capacity and capability both before and after transition to the new authorities

Option C avoids an over-concentration of investment in one area (as per Options A/B) and instead creates balanced growth opportunities north and south. Both Unitaries already have distinctive, well-performing clusters as identified in the CA Local Growth Plan. With Government endorsement and investment to support strategic economic growth through the National Industrial Strategy, Oxfordshire-Cambridgeshire Arc,⁶⁰ CPCA Economic Growth Strategy and the Local Growth Plan. The two unitary proposals present an excellent means of capitalising and delivering on the growth potential.

Under Option C, a North-Eastern Unitary with greater focus on housing, regional growth and infrastructure would be able to take advantage of the link to Homes England Strategic Plan 2023- 2028 priorities and Homes England Strategic Place Partnership (the latter being a key mechanism in delivering CPCA's housing and infrastructure objectives). There is a strong recognition that boosting diversification in the housing sector and stimulating private-sector investment, especially enabling SMEs to increase involvement in the sector, and promote the use of modern methods of construction would be critical to delivering the region's housing growth. This Unitary covers a large and diverse supply chain; growing, manufacturing base and housing delivering. Achieving a high level of growth will provide the opportunity to develop and fund the supporting public services required in the area.

Similarly a South Western Unitary, focusing more specifically on life sciences, innovation and high- tech connectivity can capitalise on the link to National Industrial Strategy priorities being tailored locally to emphasize life sciences, advanced manufacturing, AI, and food production, with actions to improve

60 www.ft.com/content/57286a31-9a56-4a1c-a253-2a3ea7178519

skills, infrastructure, and productivity, and the Government's significant investment, for example, £500m Greater Cambridge City Deal and £600m Devolution Deal, dedicated to infrastructure, skills and doubling the area's economic output over 25 years.

Strategic transport links and connectivity are an important enabler and the South-Western Unitary would be in full control of the Guided Busway for example, (which simplifies planning governance and investment) and is well placed to deliver the Government commitment to advancing the East West Rail (Oxford–Cambridge) to unlock productivity and innovation along this science-rich corridor. Around £78bn of GDP could be added to the UK economy by 2035 according to research commissioned by the Oxford-Cambridge Supercluster Board.

The South-Western Unitary, focused on existing Huntingdonshire area, includes the recently upgraded A14. This is a key piece of infrastructure linking the different opportunity zones identified in the Local Growth Plan, and also a key link improving the accessibility of rural parts of the region such as Fenland.

4.1.3 Cambridgeshire and Peterborough Local Growth Plan

The emerging Local Growth Plan reflects both the economic opportunity of the area as well as Government aspirations and priorities. Option C has a clear alignment with both.

The Local Growth Plan illustrates three growth scenarios to 2050, ranging from a GVA increase to £42.5bn, with business as usual, to £97.2bn, for the high growth scenario. Maximising growth is clearly a regional ambition which aligns with national policy. Whilst none of the LGR options bring with them an increase in the constituent economic assets or tools, it is likely that different options will have an impact on the extent to which achieving maximum growth is supported.

In this context it can be argued that option C is the option which most supports the regional and national growth ambition.

In terms of the opportunity zones identified in the Local Growth Plan there is a very close alignment between the North Huntingdonshire Growth Cluster and Global City Cambridge. Both areas have a sector focus including life science, defence and advanced materials and manufacturing. Within the South-West authority Huntingdonshire would take a leading role in terms of defence growth opportunities – one of the few areas where growth could be underpinned by significant increases in public sector spending. As highlighted in 'Huntingdonshire: Supporting defence and Accelerating Economic Growth' sites such as RAF Wyton provide the opportunity to attract new investment, support existing defence activity and develop new defence related supply chains All provide the opportunity to develop knowledge intensive

industries to benefit the region. Option C would create a new authority that could focus on this growth, invested in helping to deliver this element of Combined Authority's economic policy.

Within the new authority, the Huntingdonshire area would have both a complementary and bridging role to the Cambridge City and wider area. It could provide alternative and affordable delivery solutions to the three key sectors underpinning the opportunity zones. It could also provide supporting infrastructure, supply chains and housing, based on the interventions and projects already identified in the Local Growth Plan (and spatial plans). The rationale for this activity would be clear, and self-evident to government, infrastructure providers and private sector investors. It would also be significantly more powerful in terms of delivery capacity and robustness than a small authority only covering the constrained area of Cambridge City and its more immediate surroundings.

Option C would also enable the wider area of Cambridgeshire & Peterborough to better benefit from the growth generated by this growth strategy. In terms of placemaking and reducing inequality, success is often based on using areas as stepping stones, or bridges between the areas of greatest inequality. A unitary authority including the existing Huntingdonshire area could perform this function by delivering Combined Authority policies on economic growth, accessibility, educational attainment and health outcomes.

Alternative options would create unitaries featuring conflicting priorities and reduce any cross- subsidising merits that could come from coupling them together. Such an approach is also likely to undermine the regional and national growth ambition and the objective of delivering GVA of £97bn by 2050.

An issue exists that will need to be resolved which ever option is selected – how investment is prioritised across the new authority areas and region, when the main determinant i.e. BCR tends to be highest for projects focused in and around the Cambridge City area. This will need to be resolved by the two new authorities as well as by the Combined Authority. Using a football analogy, how do you value the 'assists' alongside the 'scorers'?

4.1.4 How can Option C deliver for all areas in Cambridgeshire and Peterborough?

The proposal for Option C to form two new unitary authorities seeks to reflect the interests, strategic priorities and ambitions of each council and positive outcomes for each local authority. The region has recognisable economic geographies and places. Their distinct identities complement one other, and the ambition is to complement each other in the future to support regional growth.

The North-Eastern Unitary could see the creation of significant capacity for housing delivery and logistics and fulfil a strategic role in agri-tech and food security. It could also serve as the housing and logistics engine for wider regional growth and help strengthen skills and employment access via links to Cambridge's innovation economy. This unitary would be able to focus on the issues of educational attainment and connectivity providing a key role in reducing inequality within the region.

The South-Western Unitary would represent an anchor authority for the country's innovation and R&D economy. It would support the Oxford–Cambridge Arc vision and work to build upon Cambridge's reputation as a global science and tech leader. Within this new authority, the Huntingdonshire area offers growth potential via land availability which can support key sectors with complementary and affordable development opportunities - helping to balance and support economic growth more widely. It is not just growth but reducing the gap between the two in terms of deprivation, raising Fenland and Peterborough's performance, while allowing the South-West to keep scaling its global knowledge economy.

4.1.5 Key and emerging sectors in the North-East and South-West unitary areas

The analysis of economic sectors undertaken by England's Economic Heartland (EEH), the Sub-national Transport Body spanning the existing Combined Authority area and wider sub-region, highlights sectoral strengths across both proposed councils (Connecting Economies, 2024). Similarly, the Innovation Clusters Map prepared by the Department for Science, Innovation and Technology (DSIT) identifies the extent and strength of existing sectoral footprints within the geographies under consideration; this includes across local authority boundaries as well as concentrations of specific sectors.

Across the entire geography under consideration there are currently two distinct Innovate UK (IUK) clusters; one concentrated around Peterborough to the north and Cambridge (including Huntingdon) to the south, respectively. Both are classified as 'Research and Development Collaborating' clusters.

Table [•]. IUK Funding. (Source: DSIT, IUK funding data to January 2023).

Breakdown of Innovate UK funding across both Clusters	Peterborough Innovate UK cluster	Cambridgeshire Innovate UK Cluster
IUK funding (% of all companies across the UK)	0.3%	2.4%
Companies benefiting from IUK funding	133	988 companies
Estimated number of employees benefiting from IUK funding	24,500	40,700
Collective company turnover IUK recipients	£5bn	£18bn
IUK Funding distribution by company size (where known)	28% established 9% scale up companies 14% SMEs 12% start-up	16% established 19% scale up companies 21% to SMEs 23% start-ups

There are sectoral similarities in both Peterborough and Cambridgeshire clusters; namely, Life Sciences, Food Technology, Net Zero, Digital, Cyber and Electronics Manufacturing. Specifically, Peterborough also has a distinct and growing Bio Science sector. Alongside this, there is evidence of clearly defined and concentrated sectoral footprints in the south of the geography across multiple sectors including Advanced Materials, Advanced Manufacturing, Photonics, Quantum Economic, Medical Technologies, Omics (Biochemical), Pharmaceuticals, Computer Hardware, Agricultural Technology, Artificial Intelligence, Clean Tech, Telecommunications and Life Sciences (Source: DSIT Innovation Clusters Map).

This current level of economic activity coupled with significant public investment in innovation demonstrates the presence of two distinct and high performing clusters when compared to other clusters across the UK. This provides a strong foundation to enable economic growth across established and emerging sectors under the proposed governance arrangement.

Overall, Option C could make it simpler for stakeholders to understand, engage and work with the authorities through the creation of a brand identity with a clear and distinguishable brand for each council area. This is also supported by the sector analysis from 'Cambridge Ahead' which highlights that over the past decade sectoral clustering has increased. Supporting the existing clusters

and providing an economic bridge to the surrounding parts of the region is a realistic approach to maximising the benefit of growth.

4.1.6 How Option C can provide capacity to deliver economic growth

All the existing councils have demonstrated strong capabilities to plan and agree a local economic strategy, define clear economic priorities and develop and deliver projects in accordance with local, regional and national strategies. They each ensure that pipeline projects within their respective local authority boundary or cross-boundary are captured by the Cambridgeshire & Peterborough Combined Authority to ensure effective monitoring and engagement with national infrastructure partners and central government.

Following reorganisation, the two new unitary councils would continue to work proactively with CPCA to secure further funding, progress project delivery and ensure economic benefits are realised to maximum effect. Under any new governance arrangement, they will remain resolute in retaining enablement and delivery of economic growth as a guiding and core principle.

As already highlighted, option C provides the opportunity to use existing delivery capacity most efficiently. The scale of the two authorities will enable them to dedicate the necessary resources to economic growth. The division and different economic opportunities will enable each to focus and develop more specialist skills and knowledge. All of these factors make it more likely that this option will support the maximisation of growth in the region.

4.1.7 The importance of place connections

As Cambridge is the major employment hub in the region, large numbers of people travel from South Cambridgeshire, East Cambridgeshire and Huntingdonshire into Cambridge daily for the innovation sectors and universities. The Guided Busway and key roads support this flow.

The travel data shows that both Unitaries are very self-contained in terms of commuting compared to some areas. The North-West Unitary has an internal containment rate of 78% with inbound commuters (40,000) coming mostly from South Kesteven. The South-West Unitary also has a containment rate of 78% with inbound commuters (72,000) coming mainly from West Suffolk. (source: Local Partnerships Travel to Work Analysis).

This supports the case for Option C, which keeps the City and commuter belt areas within what would be the South-West Unitary and will support the development of a cohesive strategy for transport, housing and skills. In what would be the North-West Unitary, Peterborough attracts commuters from the more residential district council areas of Fenland and East Cambridgeshire to work in priority sectors such as manufacturing and logistics.

The alignment of land use, housing, and transport planning can be jointly managed by the two new unitary councils to reduce congestion and support workforce needs, with each developing a focus on the sectors specific to their area to support local employment and productivity.

4.1.8 How can Option C help deliver pipeline infrastructure projects?

The Cambridgeshire & Peterborough Combined Authority Pipeline Tracker consolidates approximately 140 pipeline projects across all relevant local authorities; detailing project type, project status and potential project value coupled with other known expected outputs and benefits.

Based on available project data as of August 2025, Option C results in 51% (61) of all projects falling in the north (U1 option) and 49% (59) of projects in the south (U2 option). Similarly, under this option, 60% (27) of infrastructure projects would be captured in the north and 40% (18) in the south. By comparison, options A and B, would result in a less balanced apportionment of projects with the number of projects for Option A at 60%:40% and Option B, 70%:30%. Under Option A, 64% (29) of infrastructure projects would fall under option U1 with 36% (16) under option U2. Overall, Option B could potentially lead to a less balanced apportionment of infrastructure projects with 76% (34) located under Option U1 and 24% (11) under Option U2.

Of the known total value of projects, Option C results in a significant proportion of potential investment in the north (77%) to the benefit of Peterborough, Fenland and/or East Cambridgeshire. Similarly, Option A could potentially result in 78% of investment in the north.

Table •: Pipeline tracker (Source: Analysis of CPCA Pipeline Tracker, August 2025)

	Option A		Option B		Option C		Option D		
	U1	U2	U1	U2	U1	U2	U1	U2	U3
Overall distribution of pipeline projects (%)	60%	40%	70%	30%	51%	49%	34%	31%	35%
Distribution of infrastructure projects by total	29	16	34	11	27	18	19	15	14
Potential investment (%)	78%	22%	79%	21%	77%	23%	4%	75%	21%

As CPCA would act as Sponsor for specific projects, with the local authority acting as delivery lead, no option would significantly hinder the delivery of existing or planned infrastructure arrangements.

It is important to stress that the Pipeline Tracker provides a snapshot of pipeline projects to date, and this will fluctuate based on project progression, approvals and prioritisation against combined authority and local strategic objectives, respectively.

At both the authority and regional level partners will need to continue to work to ensure that an equitable share of infrastructure and other investment is delivered in both unitary areas. Both private and public sector needs to be understood in the context of return on investment. In many cases the benefit cost ratio (BCR) used to assess public sector investment will be easier to demonstrate in the Cambridge area. This should not be to the exclusion of other investment that will assist growth and contribute to the wider objectives for the region.

4.1.9 The importance of housing

All three authorities in the North-East Unitary have significant housing growth ambitions reflected in local plans via large scale developments, emerging new settlements and targeted growth supported by local plan allocations and housing approvals.

- Peterborough is pursuing a high rate of delivery through large-scale settlements and annual targets of over 1,000 homes.

- Fenland is focusing on concentrated growth, supported by both Local Plan allocations and housing approvals across the district.
- East Cambridgeshire is accelerating delivery via emerging new settlements and evolving Local Plan objectives.

With respect to the South-West Unitary, the merging of the three existing authorities provides the opportunity to enable the delivery of sustainable housing, with access to community and social infrastructure. This will meet the needs of existing residents and support the economic growth of the area. The Greater Cambridge Housing Strategy (2024–2029), identifies the key objectives for increasing overall housing supply with an emphasis on affordable homes and meeting diverse housing needs. Greater Cambridge has increased its housing target significantly, driven by a need to address affordability, sustainability, with several large-scale development projects. Huntingdonshire is scaling up its delivery ambitions, aiming to increase completions to meet future population and housing demand, via a new local plan. The Huntingdon Housing Strategy 2020–2025 (mid-term review) highlights the capability that the area will bring to housing delivery. It highlights that key actions around affordability and needs of specific groups have been achieved. This has been parallel to the ongoing delivery of strategic sites and the general housing targets set by the Huntingdonshire Local Plan (2011–2036).

Housing ambitions are facilitated by Option C in the following ways:

- Growth prospects supported by complementary Huntingdonshire and Greater Cambridge strengths.
- New unitary boundaries aligning with local plan areas and facilitating improvements in cross boundary coordination.
- It makes land available to support housing growth and underpin economic development.
- Creates moderate to high potential to meet housing targets, which can be readily managed.
- Housing delivery will be integrated with infrastructure and transport improvements.
- Enables consistent approaches to affordability, design quality and environmental standards.
- Supports Homes England CPCA Strategic Place Partnership initiative.

To meet the local growth plan, sufficient affordable housing will be needed. This is particularly the case in the North-East, which is very people-centric, with industries reliant on people being located nearby. The South-West by contrast is more tech-focused with workers more widely spread and drawn from a wider travel to work area.

The larger geographic area provides more scope to deal with these housing needs and challenges, balancing challenges and opportunities linked to varying values across the area.

4.1.10 Transport and connectivity

Two unitary councils will be simpler than three to administer from a transport perspective. Having a simpler structure will also help to provide more cohesion with regional planning, to be able to negotiate with the CPCA and other bodies such as Highway England. However, option C will result in the county priorities splitting, with the South-West Unitary focusing on innovation and high-tech connectivity. There will be the ability to pull different levers to support growth and streamline processes such as highways consents alongside planning which could reduce time and cost of work.

The Guided Busway sits entirely in the proposed South-West Unitary, simplifying governance, investment, and planning for its future expansion. The North-East Unitary has capacity for new housing and infrastructure beyond that unlocked by existing Levelling Up funding. Transport planning will need to be cognisant of development proposals that emerge on the back of such investment, and also the desire to support the further growth of the logistics sector.

Overall, the North-East, South-West split enables strategic investment and should mitigate against planning friction with the latter more focused on growth emerging from Cambridge while the former looking to develop wider connectivity into the Midlands. There will, however, be a need for collaboration on certain major transport infrastructure such as the A14, for example, which is the backbone across the whole region. This will also be the case for the A142 which will have to play an important role in linking Fenland and East Cambridgeshire to the A14.

4.1.11 Challenges that Option C can effectively address

The Cambridgeshire & Peterborough region is home to both high-growth economic areas (such as Cambridge and Peterborough) and economically challenged places (such as parts of Fenland and Huntingdonshire). Option C addresses challenges of economic growth in the following ways:

- Providing scale and leadership needed to attract public and private investment into key growth corridors, including the A14, A47, and the Oxford–Cambridge Arc.
- Creation of two larger authorities with more financial resilience and capacity to respond to opportunities and potential threats in relation to economic growth.
- Creates simpler, more effective local governance structures.
- Removes duplication and complexity, fragmented economic governance.
- Drives forward long-term housing and economic growth ambitions with clearer strategic alignment and unlocks full potential of innovation clusters.
- Positions both Unitaries to better engage in future infrastructure funding opportunities.
- Provides an efficient structure to help engage with infrastructure providers, enabling the delivery of infrastructure which could otherwise become a barrier to growth. This is particularly relevant in relationship to water and power where land and connections are required.

The North-East Unitary has a focus on building upon key regional strengths in logistics and agri-tech. It has regeneration potential through targeted investment and new housing delivery including the supply of affordable housing to underpin economic growth and prevent economic disparities between the two unitary areas.

The South-West unitary provides innovation-led growth, an R&D hub and a corridor anchor, with land availability to facilitate housing and commercial growth which in turn enables more efficient leveraging of the Cambridge innovation cluster.

In each area these will support the building of a brand with businesses being able to engage with a single authority to good effect as a unified voice.

Theme 4.2 – Financial sustainability

Section summary

This section looks at the financial sustainability of Option C. Having just one council might seem cheaper on paper, but it would be too large and difficult to manage effectively. A three council model was also tested, but found costly to set up and slow to pay back.

Option C offers the best balance, spreading savings more fairly and creating a more stable outcome for residents. The change would cost around £14m to deliver but is expected to save about £6m a year, paying for itself within four years.

There will be some extra costs from separating existing county services like staff, systems and assets, but these are likely to be lowest under this option. Overall, the region's reserves and debt levels are healthy. While council tax changes will need careful management, the financial case for Option C is strong and achievable.

4.2.1 The financial benefits of Option C

Instinctively, the cost base of a single unitary for the entirety of the region should be lower than the cost of two or more unitaries and this is illustrated through the work of the County Councils Network and PricewaterhouseCoopers.⁶¹ Although there are larger savings in management and back-office costs with a single unitary, there are wider financial and non-financial costs from operating a single authority across such a significant geography that need to be taken into account, and which make a two unitary option preferable. The reasons for this are explored in Section 3 – Option appraisal.

⁶¹ countycouncilsnetwork.org.uk/updated-financial-analysis-evaluating-the-importance-of-scale-in-proposals-for-local-government-reorganisation

It should be noted that a three unitary option has been subject to a high-level assessment based on the following configuration:

Option D

Unitary 1 Peterborough / Huntingdonshire – partial

Unitary 2 Fenland / Huntingdonshire – partial / East Cambridgeshire

Unitary 3 South Cambridgeshire / Cambridge City

Option E

Unitary 1 Peterborough / Fenland / East Cambridgeshire

Unitary 2 Huntingdonshire

Unitary 3 South Cambridgeshire / Cambridge City

However, the level of apparent recurring savings relative to the transition costs involved in establishing Unitary 2 and Unitary 3 gave insufficient confidence that those councils could get to a net benefit, positive payback position within a sufficient time period of five years. Hence, this option has not been progressed.

A two unitary option based on Huntingdonshire being part of a South-West Unitary, along with South Cambridgeshire and Cambridge City, should deliver a similar level of benefits in total as the other ‘two unitary’ options under consideration.

The preference for the combination under Option C, i.e. combining Huntingdonshire with Cambridgeshire City and South Cambridgeshire is based upon three reasons.

Firstly, it results in a more equitable distribution of the savings across the North East and South-West unitaries. This is largely a result of the greater scale that is created in the South-West Unitary by coupling Huntingdonshire with Cambridgeshire City and South Cambridgeshire rather than East Cambridgeshire, the only geographic but smaller alternative as proposed under Option A.

Secondly, having an additional district alongside Cambridgeshire City and South Cambridgeshire results in a more equitable impact for council taxpayers, in terms of the projected general fund positions of the new councils, compared to the positions projected by other options and the position if LGR did not occur.

Thirdly, it eliminates the payback concern that exists for a two-district unitary as proposed under Option B and which was part of the reason, as noted above, that the three unitary option was dismissed.

4.2.2 Estimated transitional costs, ongoing costs, and ongoing savings, using the CIPFA model

In estimating the transition costs for Option C, an assessment was undertaken of the level of management resource that each unitary council would need, relative to what exists currently across the seven existing councils. The resulting saving would be dependent on a redundancy programme and an approximate cost has been computed for that. A proportion of the staff being made redundant may be eligible for retirement benefits which would produce an additional pension cost and an approximation has been included for that too. Under wider transition costs, account has been taken of the need to resource:

- Public consultation.
- The creation and operation of shadow councils.
- Induction of new staff and members.
- Recruitment.
- A transition programme.
- Changes to ICT systems.
- The closedown of legacy councils.

There will also be the cost of reconfiguring service provision which could be significant and for which no assessment has been made at this stage. It would be expected that the payback economics would be tested as part of service level business cases. These will start to be commissioned once a decision is made on the unitary models being taken forward.

On the same basis, the savings that have been assessed exclude those that could come from reconfigured services. The savings that are included account for expected reductions in:

- Management resource.
- The cost of the democratic function, principally councillors and therefore the cost of allowances.
- Third party spend.

It may be that once new delivery models are defined capital may be realisable from the administrative and operational property portfolio, but experience from other authorities indicates that this can take a significant period of time and beyond five years post-merger to achieve. The prevailing, post-pandemic, operating model for councils means that staff reductions arising from reorganization are unlikely to generate any further property mothballing savings of significance beyond those achieved already.

The table below is taken from the completed CIPFA Financial Template model and summarises the modelled estimates of costs and savings described above.

Table [x]: Summary profile of projected savings and transition costs.

Financial information	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
	1 Apr 26 to 31 Mar 27	1 Apr 27 to 31 Mar 28	1 Apr 28 to 31 Mar 29	1 Apr 29 to 31 Mar 30	1 Apr 30 to 31 Mar 31	1 Apr 31 to 31 Mar 32	1 Apr 32 to 31 Mar 33	1 Apr 33 to 31 Mar 34	1 Apr 34 to 31 Mar 35	1 Apr 35 to 31 Mar 36	1 Apr 36 to 31 Mar 37	Total Year 0 to Year 10
Set up transitional costs (without inflation) £'000s	Sign convention: additional costs or loss of income are +ve.											
Total	–	7,024	5,956	–	–	–	–	–	–	–	–	13,980
Annual on-going incremental costs (without inflation) £'000s	Sign convention: additional costs or loss of income are +ve.											
Total	–	–	–	–	–	–	–	–	–	–	–	–
Annual on-going incremental benefits/savings (without inflation) £'000s	Sign convention: savings -are +ve in brackets.											
Total	–	–	(3,572)	(6,395)	(6,350)	(6,305)	(6,261)	(6,218)	(6,218)	(6,218)	(6,218)	(53,754)
Grand total	–	7,024	3,384	(6,395)	(6,350)	(6,305)	(6,261)	(6,218)	(6,218)	(6,218)	(6,218)	(39,774)

The table shows that upfront costs have been modelled of c. £14m during the shadow council and first year of unitary operation with recurring savings starting in the first year of unitary operation and maximising in the second year at c. £6.2m per annum.

4.2.3 Expected payback period

The CIPFA template table above shows that the total transition costs of £13.98m are distributed across two years, the first representing the year of the shadow councils and the second year representing the first year, post Vesting Day.

There are immediate recurring savings in the first year, largely attributable to staff and councillor allowances, which increase into the second year and are supplemented from the savings from third party spending as a result of scale economies secured through re-procurements and contract negotiations.

This profile achieves payback in year 4 of the analysis which equates to year 3 of the new council's existence.

4.2.4 Estimated disaggregation costs of County functions

Irrespective of the two unitary option that is ultimately chosen, the strategy for disaggregating the functions of the county council will be the same. In practical terms, the operational footprint of Peterborough City Council's tier one level services will expand across the district areas that fall into the North-East Unitary and the footprint of the county council's services will contract back to the footprint of the remaining district areas that create the South-West Unitary. The main financial implications of this are with respect to the workforce, systems, assets and associated borrowing as detailed in the table below.

Table [x]: disaggregation costs

Element	Financial implications
Workforce	- The North-East Unitary will contain a mix of city and county council staff performing the same roles on different terms and conditions. - Terms and conditions will need to be harmonised as part of a wider programme of work involving service re-design and job evaluation. It is worth noting the potential timescales involved with this recent example taking place six years after the new councils came into being as a result of LGR.⁶² - There will need to be an actuarial assessment of how the assets and liabilities of the county pension fund that Peterborough and the five districts all participate in are re-assigned across the North-East Unitary and South-West Unitary based on current and past employees. It is expected that the South-West Unitary will inherit the administering authority responsibility for the pension scheme.

⁶² bpcouncil.gov.uk/news-hub/news-articles/trade-unions-accept-new-proposal-on-new-pay-structure-for-bcp-council-staff

Element	Financial implications
Systems	• The transition phase will require data sharing protocols to cover data transfer exercises and access rights to legacy council systems. • There will be a period where both new councils will need access to legacy systems which will increase licensing costs. • Legacy systems will also need upgrading and potentially replacing to accommodate the needs of the new councils.
Assets	• The ownership of county council assets located within the footprint of North-East Unitary will need to be transferred and will include a number of depots, offices and libraries.
Debt	• An exercise will need to be undertaken to assign borrowing linked to transferring assets. This can be a complex exercise and has proved difficult for other local authorities formed through LGR.⁶³

At this stage, there has been no quantification of the costs involved in the above work. However, much of it will cost the same regardless of which option is chosen. There are some costs that will be driven by the scale of the North-East Unitary. For example, the more officers that transfer from the county into the North-East Unitary, the larger the likely costs of terms and conditions harmonisation. The county also has existing shared service partnerships with other existing unitary councils which are likely to remain more economic for the South-West Unitary to retain, rather than terminate, the larger the South-West Unitary is. For both these reasons, Option C is likely to be the most preferable from a cost of disaggregation perspective.

4.2.5 Reserves for each constituent council

The published usable reserves position for each council, excluding, where applicable, the reserves ring-fenced in housing revenue accounts is shown in the table below for the last three years.

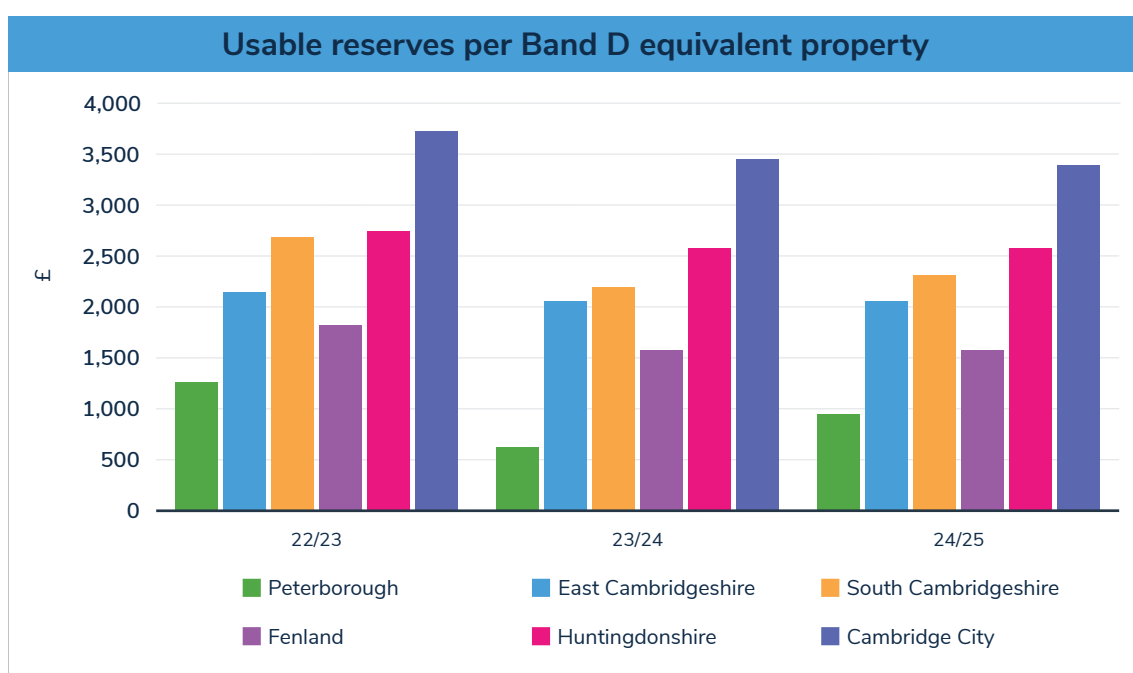
⁶³ [bbc.co.uk/news/articles/c8994w3zed5o](https://www.bbc.co.uk/news/articles/c8994w3zed5o)

Table [x]: Usable reserves balances for Cambridgeshire & Peterborough councils over the last three years.

Usable reserves	2022/23	2023/24	2024/25
Peterborough	77,959	48,176	29,799
East Cambridgeshire	27,758	30,071	33,464
Cambridgeshire County	322,681	280,702	263,373
South Cambridgeshire	92,168	73,352	84,644
Fenland	16,978	17,037	16,551
Huntingdonshire	92,281	96,789	103,137
Cambridge City	113,781	107,202	105,849
Total	743,606	653,329	636,817

The graph below is based upon the values above, divided by the number of Band D equivalent council tax properties in each council. The amount per property attributable to the county council has been added to the equivalent district value to get a total per property by district.

Graph [x]: Usable reserves position per Band D equivalent property.



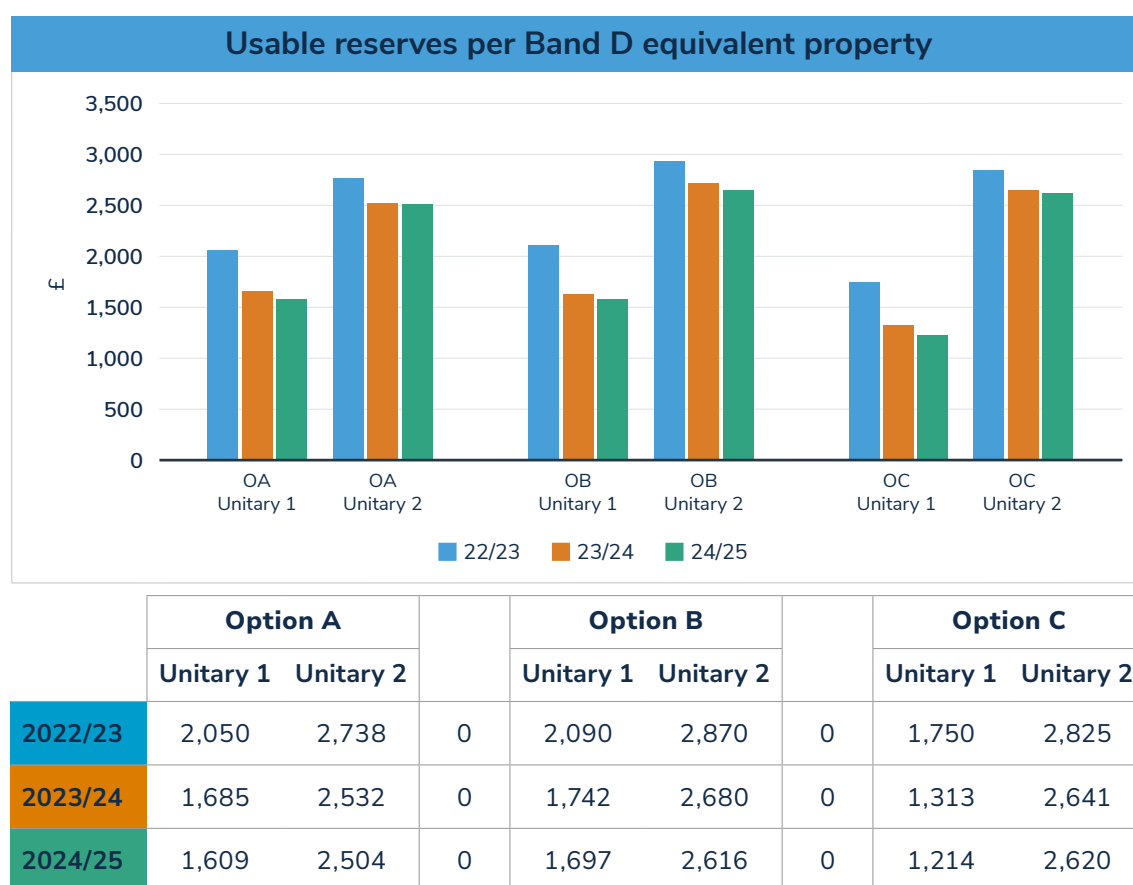
The values above reflect funds retained for general fund activity and, as part of which, can be used to help achieve the annual balance required. It also includes funds for capital activity, generated through either capital grants, capital receipts or development activity i.e. via Section 106 agreements or community infrastructure levy. These funds will be transferred into the new councils under LGR with the table below showing how each option would compare had they existed in the proposed combinations at each of the year end dates.

Table [x]: Usable reserves balances for Cambridgeshire & Peterborough councils over the last three years, grouped into the unitary options.

Option A	2022/23	2023/24	2024/25
Unitary 1	333,373	273,939	261,646
Unitary 2	410,233	379,390	375,171
Total	743,606	653,329	636,817
Option B	2022/23	2023/24	2024/25
Unitary 1	410,115	341,865	332,860
Unitary 2	333,491	311,464	303,957
Total	743,606	653,329	636,817
Option C	2022/23	2023/24	2024/25
Unitary 1	226,203	169,691	156,961
Unitary 2	517,403	483,635	479,853
Total	743,606	653,329	636,817

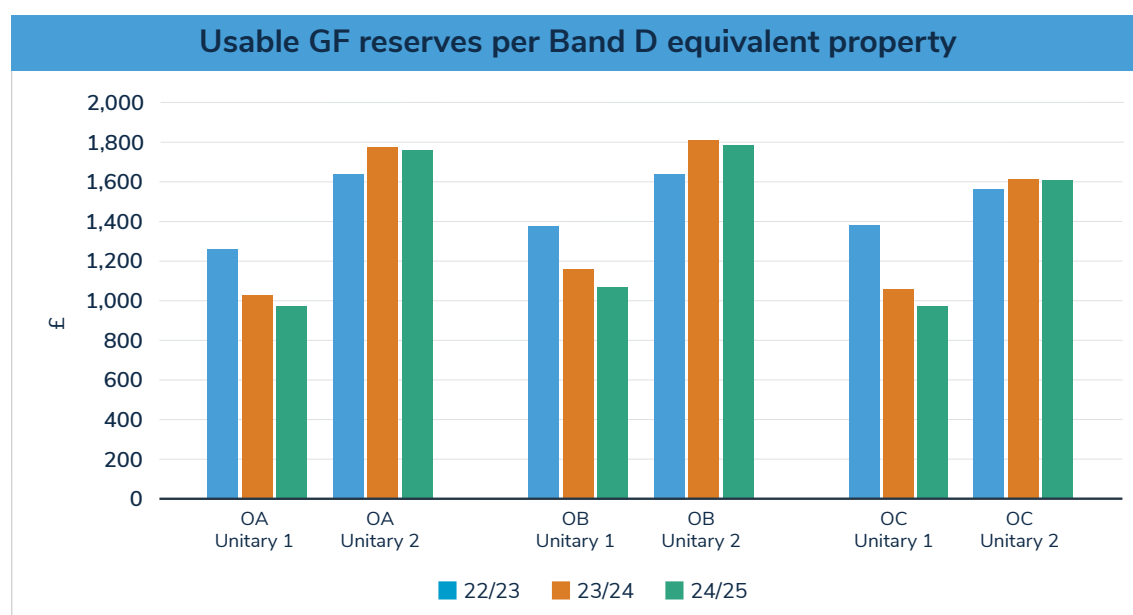
The values above have also been analysed on a per Band D equivalent council tax property. The graph and table below shows the position across all three years.

Graph [x]: Usable reserves position per Band D equivalent property for LGR options.



In each of the options, a significant element of the apparent mismatch between reserve balances across the two unitaries is largely due to the capital associated with development activity. This is more significant for Huntingdonshire, South Cambridgeshire and Cambridge City reflecting the greater development activity in these districts compared to the more rural districts of East Cambridgeshire and Fenland. The same graph and table are shown below but solely based on reserves held for revenue purposes which is more reflective of financial resilience as these are the funds that could be used to help achieve balanced general fund positions going forward.

Graph [x]: Usable revenue reserves position per Band D equivalent property for LGR options



	Option A			Option B			Option C	
	Unitary 1	Unitary 2		Unitary 1	Unitary 2		Unitary 1	Unitary 2
2022/23	1,293	1,668	0	1,367	1,651	0	1,369	1,546
2023/24	1,044	1,768	0	1,130	1,816	0	1,055	1,628
2024/25	960	1,762	0	1,085	1,782	0	949	1,624

4.2.6 Debt implications and potential impacts on sustainability

A review of the level of indebtedness of each of the existing Cambridgeshire & Peterborough authorities does not suggest the need for any red flags to be raised. The debt positions are stable and where levels are higher than national benchmarks, these are sufficiently covered by the revenues generated by the assets being financed.

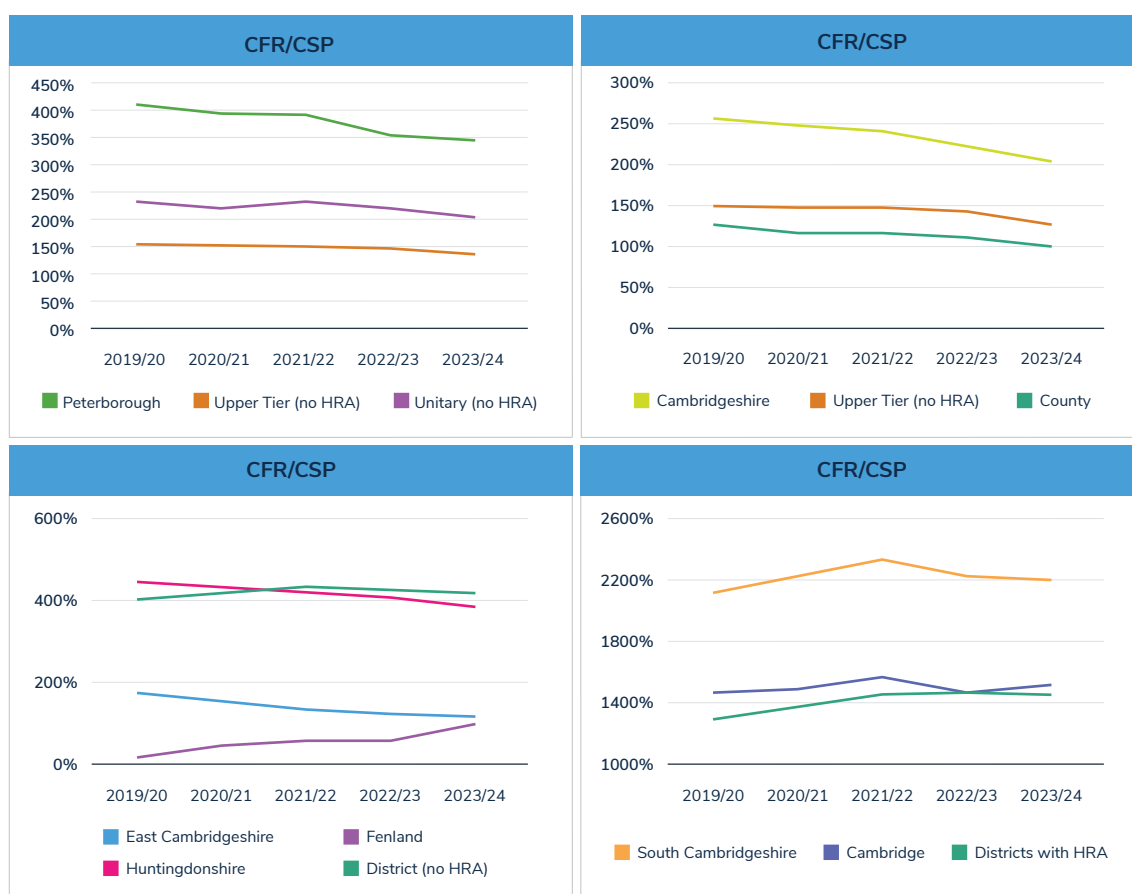
The table below shows each council's capital finance requirement (CFR) as a percentage of its core spending power (CSP) for 2023/24 and compares this to national benchmarks for equivalent council types.

Table [x]: Council debt levels as a % of core spending power and compared with national benchmarks.

2023/24 Data	CFR £'000s	CSP £'000s	CFR/ CSP	Bench- mark	
Peterborough	638,328	186,945	341%	130%	Unitary – no HRA
East Cambridgeshire	10,571	9,171	115%	428%	District – no HRA
Cambridgeshire County	1,074,600	515,130	209%	102%	County
South Cambridgeshire	384,844	17,491	2,200%	1,461%	District – HRA
Fenland	13,471	13,765	98%	428%	District – no HRA
Huntingdonshire	72,341	18,615	389%	428%	District – no HRA
Cambridge City	288,721	19,172	1,506%	1,461%	District – HRA

The table shows that Cambridgeshire, Peterborough, South Cambridgeshire and Cambridge City all have higher borrowing when compared to their respective benchmarks. However, analysis of their debt trajectories, based on previous five-year values shows that debt levels, as a percentage of CSP, are either stable or decreasing.

Fig [x]: Five year historic CFR/CSP trajectories.



High levels of debt are often associated with financial vulnerability. However, levels of debt should be looked at alongside equity and asset values as well as incomes that arise from those assets. For instance, HRA authorities have high levels of debt but also high asset and equity values. In these cases, those assets provide income, in the form of dwelling rents (as well as commercial property income), that contributes to servicing and paying down the debt.

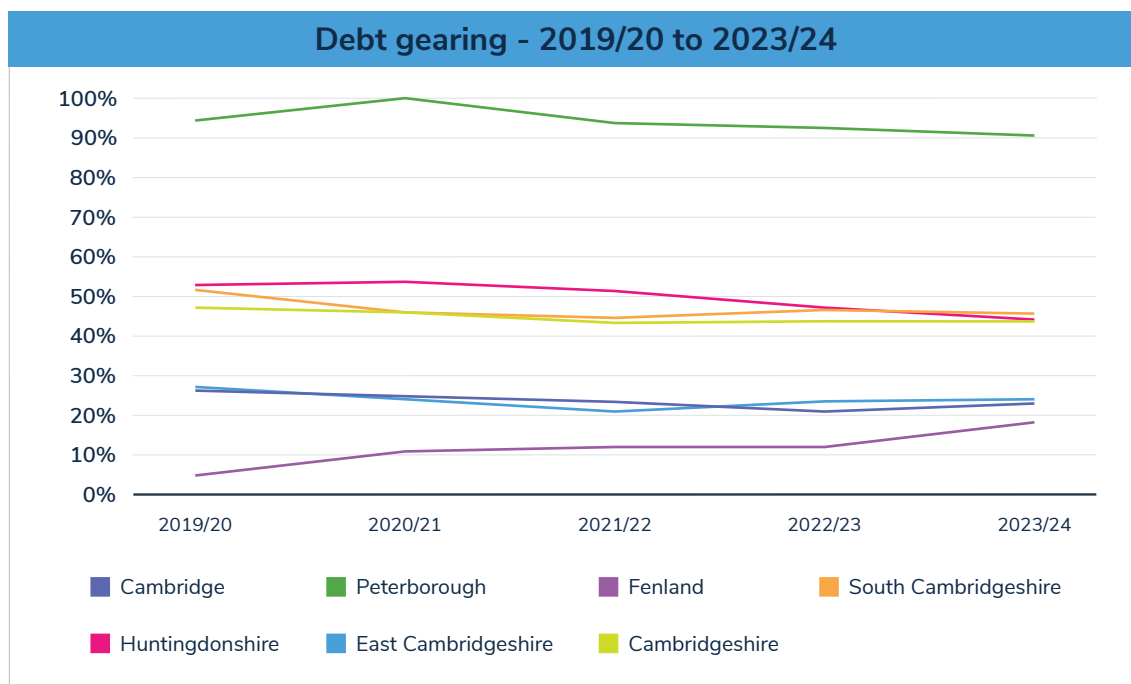
Debt gearing is also important to consider as it is a measure of the level of debt to equity and provides additional context in respect of capital health. Councils with high debt gearing have a higher proportion of assets underpinned by borrowing and will likely have debt financing costs over a longer period and might be more susceptible to interest rate changes over that period as well as the uncertain funding outlook.

Table [x]: Council debt gearing compared with national benchmarks.

2023/24 Data	CFR £'000s	Equity £'000s	Gear- ing	Bench- mark	
Peterborough	638,328	66,373	91%	50%	Unitary – no HRA
East Cambridgeshire	10,571	33,789	24%	40%	District – no HRA
Cambridgeshire County	1,074,600	1,353,569	44%	35%	County
South Cambridgeshire	384,844	488,372	44%	37%	District – HRA
Fenland	13,471	60,876	18%	40%	District – no HRA
Huntingdonshire	72,341	84,846	46%	40%	District – no HRA
Cambridge City	288,721	972,086	23%	37%	District – HRA

Debt gearing is higher than the relevant benchmark average at Peterborough, Cambridgeshire, Huntingdonshire and South Cambridgeshire, three of whom also have higher than average debt levels as per the earlier Table [••]. However, as Graph [••] below shows, for each of these councils, the trajectory is either stable or declining based on the last five years of data.

Graph [x]: Five year historic debt gearing trajectories



There are two types of debt financing costs; i) Interest payments – the interest payable on external borrowing; and ii) Minimum Revenue Provision – an amount set aside in the revenue budget to repay debt.

Debt financing costs as a proportion of CSP is used as a measure of the extent to which an authority's resources are used to service and pay down borrowing. This measure should be reviewed with care as it can be misleading to conclude that high debt financing costs are necessarily a sign of vulnerability because making additional (voluntary) provision for debt repayment, arguably prudent, would result in higher debt financing costs and the measure takes no account of income including HRA dwelling rents and commercial property rental income.

So as a gauge for debt affordability, debt financing costs and incomes from assets should be considered together as set out in the analysis in Table [x] below.

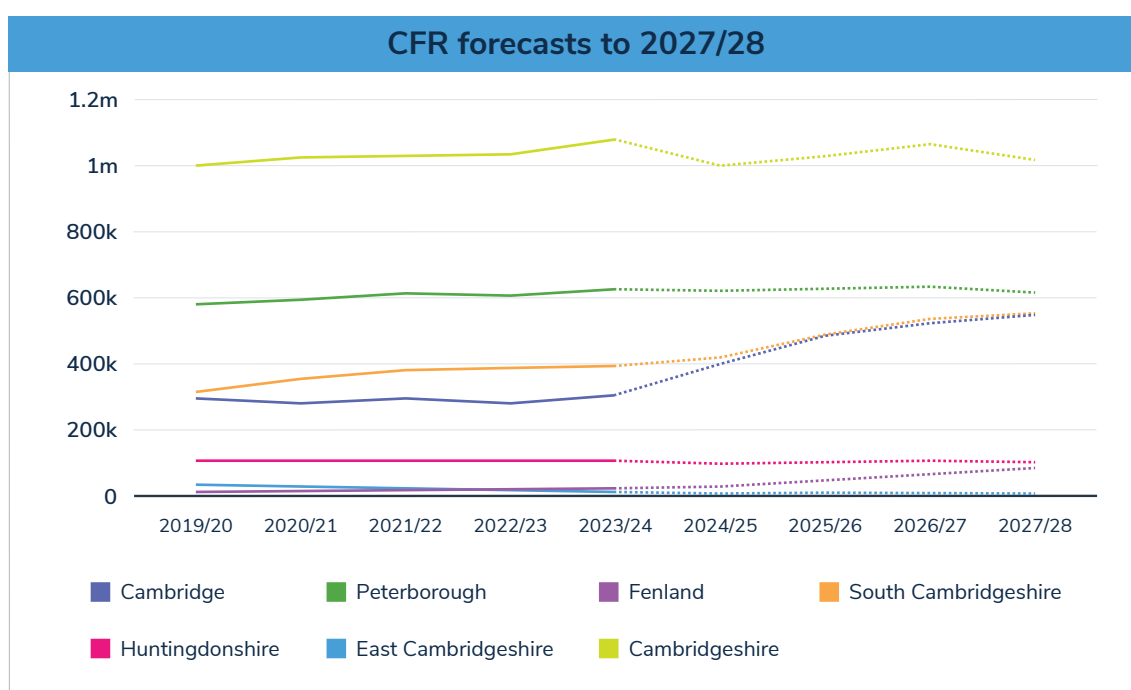
Table [x]: Council debt financing costs.

2023/24 Data	Interest payable £'000s	MRP £'000s	Total £'000s	% of CSP	HRA rents £'000s	Invest- ment property income £'000s
Peterborough	18,788	18,693	37,48	20%		
East Cambridgeshire	91	319	410	4%		
Cambridgeshire County	34,690	25,774	60,464	12%		8,678
South Cambridgeshire	8,533	1,147	9,680	55%	34,162	2,079
Fenland	683	383	1,066	8%		90
Huntingdonshire	394	2,660	3,054	16%		3,922
Cambridge City	7,494	314	7,808	41%	44,460	10,547

Debt financing costs do stand out as high for Cambridge and South Cambridgeshire, but both these authorities have significant rental income in order to cover financing costs.

Looking ahead, the capital and asset strategies for each council project CFR requirements are as shown in the graph below.

Graph [x]: CFR forecasts to 2027/28.



This shows a fairly static position for all but the two HRA authorities, where the CFRs are projected to increase, driven by stock investment requirements.

4.2.7 Council tax base implications

The table below shows the number of Band D equivalent properties in each of the Cambridgeshire & Peterborough councils.

Table [x]: Analysis of council tax bases⁶⁴

Option A			Option B			Option C		
Unitary 1			Unitary 1			Unitary 1		
Peterborough	62,606		Peterborough	62,606		Peterborough	62,606	
Fenland	32,129		Fenland	31,129		Fenland	32,129	
Huntingdonshire	66,254		Huntingdonshire	66,254		East Cambridgeshire	33,271	
			East Cambridgeshire	33,271				
Sub-total	160,989	52%		194,260	63%		128,006	41%
Unitary 2			Unitary 2			Unitary 2		
East Cambridgeshire	33,271		South Cambridgeshire	68,458		South Cambridgeshire	68,458	
South Cambridgeshire	68,458		Cambridge City	46,600		Cambridge City	46,600	
Cambridge City	46,600					Huntingdonshire	66,254	
Sub-total	148,329	48%		115,058	37%		181,312	59%
Total	309,318	100%		309,318	100%		309,318	100%

Each council has made, within their medium-term financial plans (MTFP), an assumption about the rate of growth in their tax bases which averages out as c. 1% per annum. Using this growth rate as an assumption and also assuming each council will increase council tax at the maximum rate allowed, produces a baseline level of council tax revenue against which the impact of council tax harmonisation can be assessed i.e. the need for residents in the new unitary councils to, sooner or later, be paying the same rate of council tax rather than the rate associated with their previous council.

⁶⁴ https://assets.publishing.service.gov.uk/media/67cab2ba8247839c255ae419/Council_Taxbase_Local_Authority_Level_Data_2024.ods

The table below shows how much the council tax rate would need to change in each of the legacy areas under LGR to achieve a Day 1, harmonised rate that results in no loss of income relative to the baseline. The percentage movement assumes the 4.99% has already been applied. For example, under Option A, residents in Peterborough would experience a rise of over 10% in council tax in their first year, with the rate for residents in the ex-Fenland district being less than the previous year.

Table [x]: Day 1 harmonisation rate changes.

Option A		Option B		Option C	
Unitary 1		Unitary 1		Unitary 1	
Peterborough	5.10%	Peterborough	5.14%	Peterborough	4.34%
Fenland	-5.97%	Fenland	-5.93%	Fenland	-6.65%
Huntingdonshire	-1.49%	Huntingdonshire	-1.45%	East Cambridgeshire	-0.94%
		East Cambridgeshire	-0.18%		
Unitary 2		Unitary 2		Unitary 2	
East Cambridgeshire	2.37%	South Cambridgeshire	1.22%	South Cambridgeshire	0.59%
South Cambridgeshire	0.55%	Cambridge City	-1.75%	Cambridge City	-2.36%
Cambridge City	-2.40%			Huntingdonshire	1.11%

4.2.8 Challenges and risks associated with LGR and impacts on sustainability

There are a range of constraints, risks, issues and dependencies associated with the financial case for LGR.

Constraints – the main constraint is securing sufficient capacity and capability to deliver the LGR programme. A budget of £3m has been included in the transition cost estimate, for all two unitary options, to cover the costs of recruiting and backfilling the additional staff that will be needed to deliver the LGR programme.

Risks – there are a range of financial risks surrounding the LGR process, the most prominent and their mitigations are shown in Table [●●] below.

Table [x]: Key risks and mitigation

Risk	Mitigation
Sub-optimal decision making by existing councils with respect to their assets and resources	Protocols and agreements will be put in place around recruitment, contracts, major projects and transactions in advance of shadow councils being created that will then have approvals over such decisions
It becomes difficult to both retain staff and recruit into vacancies within existing councils	A strategy will be developed for working with the interim and consultancy market as well as retaining talent, in a cost effective manner, within the local government sector across Cambridgeshire & Peterborough
Projected savings are not realised at either the scale or within the timescales predicted	A prudent approach has been taken in assessing the potential savings attached to Option C, with only the most visible and deliverable included in the projections
Projected costs are higher and more expansive than estimated	Further work is on-going to investigate areas that have yet to be fully explored, for example, the aspects of disaggregation noted in Table [●●] above
Dependent upon decisions taken with council tax harmonisation, LGR could result in the new councils being financially worse off than their predecessors	Members to be briefed early on the different harmonisation options available and the consequences for residents

Issues – the main financial issue is that council tax will need to be harmonised and that this will result in a permanent and, potentially, material loss in income for local government in the Cambridgeshire & Peterborough region unless a decision is taken to harmonise at the inception of the new councils, requiring varied changes in tax rates for council tax payers that could be considered inequitable.

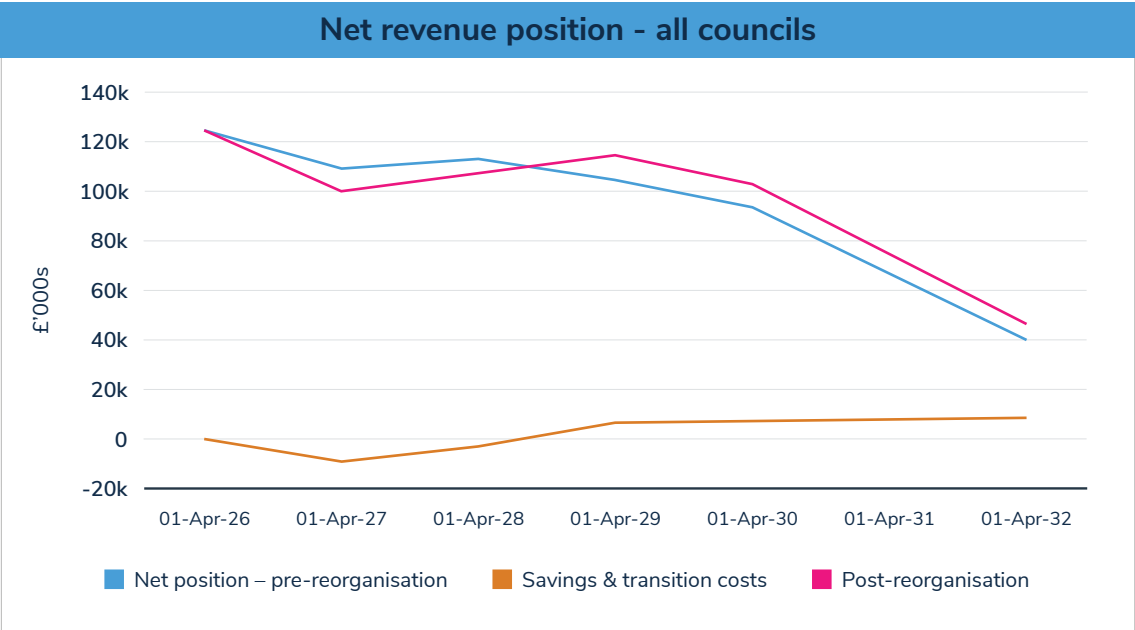
Dependencies – the financial implications of LGR are being calculated and considered in advance of the full impact of the forthcoming Fair Funding Review being known. The financial option work and its conclusions are dependent upon the outcome of the Fair Funding Review not being materially different to what has been advised at the time of this work. The projections are also based on timescale assumptions which are dependent upon timely decision making around the national programme. Finally, there will be

significant service restructuring required, the costs of which have not been included for reasons noted above. However, the viability of LGR is dependent upon these being achievable within an affordable payback period.

4.2.9 The finance picture for both authorities over 5-10 years

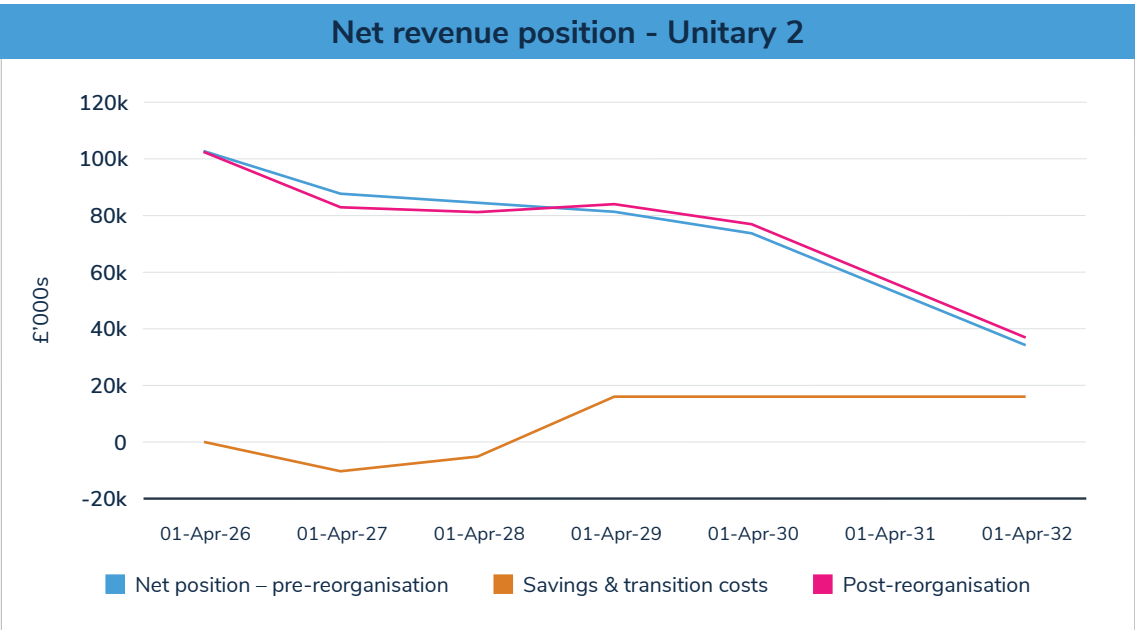
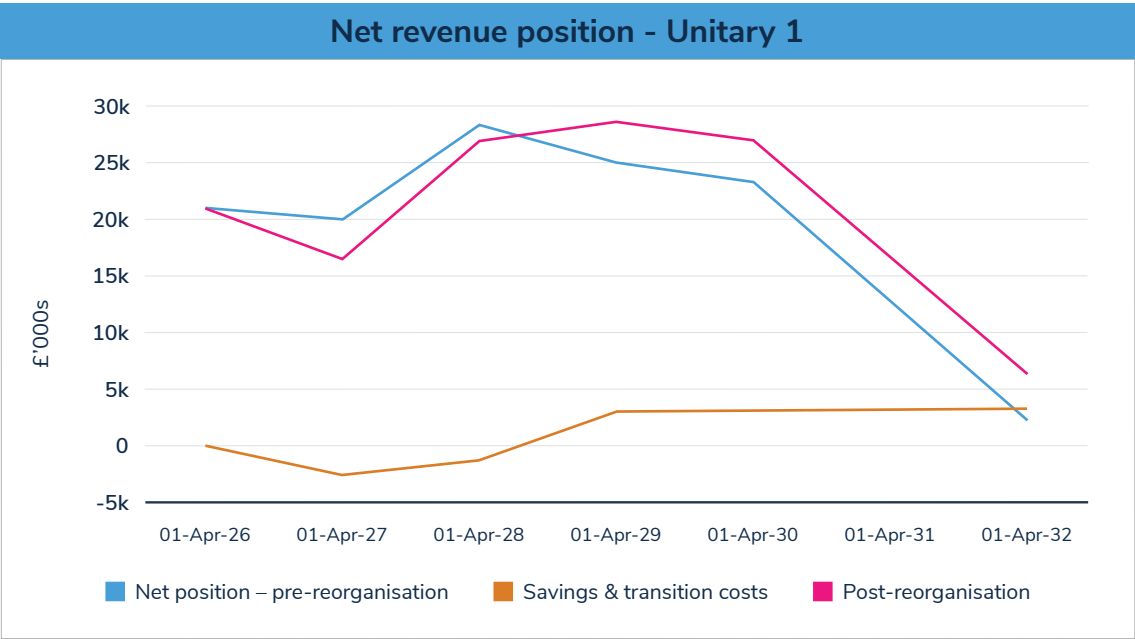
The graph below shows the combined baseline position for existing councils in Cambridgeshire & Peterborough based on Fair Funding estimates produced by Pixel Financial Management. It overlays this position with the savings and transition costs discussed above to produce a post-reorganisation net position.

Graph [x]: Combined baseline position for all authorities – pre and post re-organisation.



The graphs below are replicates of Graph [x] above but show the position for each of the two new unitaries based on the combined values, pre-reorganisation and then as a single unitary, post re-organisation i.e. baseline plus savings and transition costs.

Graph [*]: Net revenue position for each unitary authority under Option C.



Theme 4.3 – Public services

Section summary

This section looks at how public services would work under the new councils. It examines how two new unitary authorities could keep essential services stable from Day 1, while also creating space for long-term improvements. By joining county and district services together, the new councils could reduce duplication and improve communication.

High-risk services such as adult social care, children's services and homelessness will have strong transition plans to protect vulnerable people. Over time, the new councils can use shared data and knowledge to deliver more joined-up services that focus on outcomes rather than bureaucracy.

4.3.1 Overview

The Option C proposal prioritises safe, legal, and sustainable public service delivery whilst maintaining a strong ambition for longer-term transformation and continuous improvement. The proposal outlines how statutory functions will be ensured to continue up to and beyond Vesting Day alongside establishing key principles for ensuring that challenges in the region are addressed and opportunities for positive outcomes are met.

This theme directly addresses Adult Social Care, Children's Services (including SEND and Education), Public Health, and interconnected local government responsibilities such as housing, homelessness and community safety. There is also a focus on operational services such as waste and street cleaning to highlight how disruptions will be managed and ensuring a maintained focus on delivering a 'first-class' service.

The proposal recognises the need to focus on high-risk services, such as Adult's, Children's, SEND and homelessness, not only because of their inclusion in the government's guidance, but also due to their complexity and potential for severe negative impacts on vulnerable residents if not delivered safely. The proposal therefore prioritises robust transition arrangements, clear service models, and strong partnership working.

4.3.2 Key principles for the region's approach to service delivery

- **Place-based focus** – service design that makes sense for specific localities; addressing the challenge of balancing urban/rural needs in the area.
- **Prioritising inclusive growth** – ensuring that both unitary authorities service delivery works to ensure a vibrant and growing economy with a focus on housing development to build healthy, vibrant communities.
- **Joined-up working and a 'one-team' collaborative culture** – combining district and county services will provide opportunities for open channels of communication and advanced data sharing to aid with early help.
- **Prevention as the guiding star** – a prevention focus maintained in all high-risk areas, capitalising on existing district-level services like housing and leisure to support a wrap-around approach.
- **Use what works well already** – the identification of positive working in the region and a focus on maintaining this going forward.
- **Capitalising on existing assets and scale** – use of additional resources through LGR to support high-risk services.
- **Partnership working and collaboration** – maintain strong connections and existing partnerships with the NHS, Police, ICB, VCSE, whilst ensuring that new opportunities for partnership working are explored, particularly within front-line neighbourhood support.
- **Commissioning at scale** – use existing relationships with partners to collaborate on commissioning to achieve value for money and efficiencies.
- **Value for money** – the two unitary authorities should work to increase productivity, efficiency and innovation in all aspects of service delivery. They should be outcome-focused with a view to continuously improve.

These principles have been used to create a suggested Target Operating Model for the new unitary authorities – the domains of which are:

Outcome driven

Solutions which are based on providing demonstrable outcomes and making a difference, rather than being driven by process; underpinned by data, insight and analysis; streamlining delivery and balancing risk and reward as opposed to red-tape and bureaucracy; focusing on what really matters and who is best placed to secure the outcomes needed.

Innovation in productivity and efficiency

Making services more efficient to deliver value for money. This includes improving enabling services to ensure effective operational support and a smooth customer experience. Digital transformation is integral to this.

People

Ensuring that on-the-ground services deliver for people and are place-based. Growth should prioritise the needs of residents and the new unitary authorities should be forward-thinking in their approach to delivering positive outcomes, hailing prevention as a key driver.

Governance and effective decision-making

Ensure that the new authorities can make effective decisions that are evidence-led. It is important that risks are effectively managed and that a robust PMO is in place to manage programme delivery.

Strategic thinking

Ensuring that service delivery links back to the authority's corporate plan and the strategic vision for the future. This helps the new authorities deliver on key priorities.

Stability

Ensuring financial stability and the effective capacity to deliver all of the above.

4.3.3 Safe and Legal Requirements alongside future transformation options

Table [*]: Potential delivery models underneath Option C

Service area	Day 1 delivery model	Future transformation options
Adult Early Help & Reablement	Existing locality teams transferred to new councils.	Embedded into neighbourhood models; potential use of digital triage and reablement services.
Care & Support Planning (Older People, LD, MH)	Teams lifted and shifted; existing Section 75 agreements continued.	Renegotiate Section 75 to support local integration; embed LD and Autism into neighbourhood teams.
Children's Social Care	Locality-based teams, Early Help, SEND and safeguarding transferred.	Strengthened locality integration; expansion of in-borough fostering and residential provision.
Education & SEND	Admissions, school improvement, SEND casework transferred.	Co-commissioning with schools; expand in-area SEND provision to reduce out-of-county placements.
Public Health	Statutory services (sexual health, substance misuse, health checks) transferred.	Closer integration with ICS and neighbourhood health networks; stronger prevention-led focus.
Housing & Homelessness	Housing and homelessness prevention teams transferred from districts into new councils.	Integration of housing, health, and social care responses; early intervention to prevent homelessness; and ensuring pipeline of delivery. Focus on getting people into work and staying there. Maximise system wide prevention alongside greater focus on enablement of people and places to solve problems for themselves.

Service area	Day 1 delivery model	Future transformation options
Operational Services	Ensure safe and legal delivery of services, including waste collection, disposal and highways management (amongst other duties). Teams lifted and shifted and operating by locality.	Combine services into one, allowing for collective oversight of the area and greater efficiencies. Maintain localized hubs where needed.
Planning	Ensure safe and legal delivery of statutory services, including processing of planning applications and statutory committees. Teams lifted and shifted and maintained by locality.	Bring teams together to create one shared planning service with increased oversight. Streamline planning processes and create efficiencies by taking a risk-based approach. Work together with the CPCA to create a strategic vision for the area that moves beyond district geographies.
IT/Digital	Colleagues have access to all systems and data to enable effective continuation of service and to reduce occurrences of communications being misrouted and missed interventions.	Developing joined-up proactive services utilising data-informed decisions, and citizen-centric design, working across peer councils, blue light services and the third sector to ensure early interventions and outcome focused support.
Leisure	Existing locality provision maintained, and assets transferred to new authorities.	Greater interconnection of leisure to social care and wider provision of the service to enable end-to-end health provision. Leverage connections to health partners to create a holistic view of residents. Expand existing leisure provision to the new unitary geography, to ensure equitable service delivery across the patch.

Service area	Day 1 delivery model	Future transformation options
Transport	Shared service to begin with to manage re-negotiation of contracts.	Disaggregation of transport service by locality.
Customer Services/ Revenues & Benefits	Customer service 'front door' in place for Day 1 – one website and one phone number established for residents. Revenues & Benefits service in place for collection and payment of monies. Team potentially still localised.	Revenues & benefits team harmonised and brought together in line with council tax harmonisation. Customer services team structure fully established with shared service priorities and opportunities for one-front door for residents and businesses.
Corporate support services	Teams brought together on Day 1 – harmonise high priority systems such as payroll, finance. Maintain separate systems for low priority. Harmonise key HR policies and terms and conditions.	Create new shared culture and team organisation with new teams fully aligned.

Please note – the above table does not include all county and district services but provides a snapshot of those high-risk services and how the new unitary authorities might approach service delivery.

4.3.4 Budget position

Table [*]: Estimated budget position per service for each unitary

All figures are in £	Adult social care	Central services	Children's social care	Cultural and related services	Education services	Environment and regulatory services	Highways and transport services	Housing services (GFRA only)	Planning and development services	Public health	Total budget
North East Unitary	183,833	28,177	101,459	7,745	39,656	43,206	22,352	6,816	9,788	22,750	465,782
South West Unitary	185,355	9,642	64,163	17,301	57,755	65,768	16,118	17,938	15,905	24,767	474,712
Total budget	369,188	37,819	165,622	25,046	97,411	108,974	38,470	24,754	25,693	47,517	940,494

The budget position for Option C is outlined above⁶⁵. It highlights the major role that Adult's and Children's play in the financial picture of the two new unitary authorities, taking up a major percentage of the overall budget.

In total, Adult's accounts for roughly 40% of each unitary budget, with Children's accounting for 21% of the North-East unitary budget and 13% of the South-West budget. It is therefore crucial that high-quality services are delivered that also generate efficiencies and value for money whilst retaining safe and legal delivery – especially, given the size of the service in the councils' budgets.

[Table **:] Spend per resident (2025). (Source: Newton).

Service	North-East	South-West	Metric
Adults Social Care	£401	£332	Spend per resident
Childrens Social Care	£295	£148	Spend per resident
SEND	£220	£181	Spend per resident
Homelessness	0.9%	0.7%	% of households in TA

⁶⁵ Budget Report – LINK

Estimated spend per resident for Option C is outlined above. Whilst there is sometimes imbalance between the two unitary authorities, it should be noted that the North-East unitary will have sufficient scale to address challenges and there is scope for the new authorities to commission at scale to generate service improvement at lower cost.

[Table *:] Demand increases (Option C). (Source: Newton).

Unitary	% Total pop. supported by People Services 2025	% Total pop. supported by People Services 2040	% Change from 2025-2040	% Change ASC (2025-2040)	% Change CSC (2025-2040)	% Change SEND (2025-2040)
North-East	4.33%	5.68%	47%	22%	-2%	129%
South-West	2.70%	3.50%	54%	27%	9%	105%

Demand increases are also outlined above. These increases will see additional resource needs within each authority. However, the impacts of the fair funding review have highlighted a more equitable balance in the region, particularly with Option C (Option 6), which sees minimal difference in RNF between the two unitary authorities.

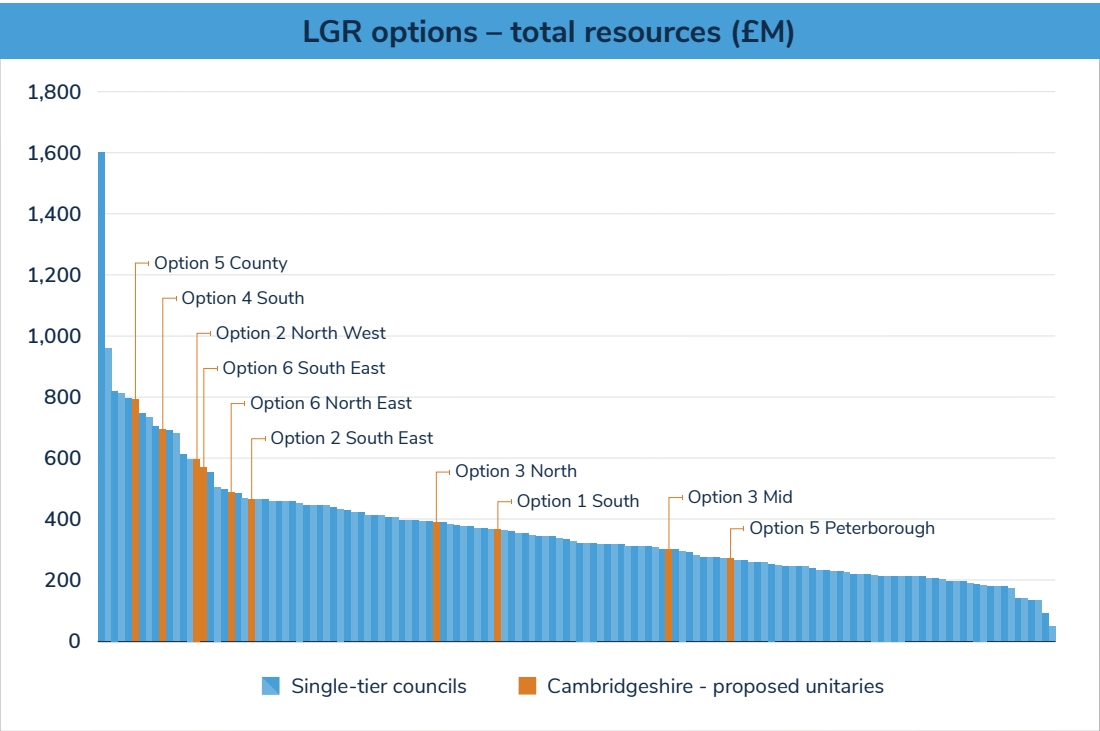


Figure {•}: Total resources according to RNF (PIXEL).⁶⁶ (Source: PIXEL Fair Funding).

66 PIXEL Fair Funding – Link

4.3.5 Adults/Health

National picture

Adult Social Services is one of the most high-risk services that councils provide, given the services position as one of high spend and high demand. However, it is vital that the work is done now to get delivery right, given the complexity of the services provided as well as the potential negative impact on service users if there is failure to ensure continuity on Vesting Day.

The main services that Adult Social Care provides includes:⁶⁷

- Assessment, information, advice, and guidance.
- Personal care and domiciliary support.
- Supported living and day opportunities.
- Residential and nursing care.
- Reablement and post-hospital recovery.
- Community-based prevention and advice.
- Market shaping.
- Safeguarding.

The Care Act 2014⁶⁸ is the main legislation that informs Adult Social Care Services, outlining the duties of Local Authorities to provide assessment against a national eligibility threshold, develop care and support plans for vulnerable adults and ensure personal budgets are received. There are two distinct but overlapping client groups in ASC:

- **Working Age Adults, 18-64 (WAA)** – including those with physical disabilities, learning disabilities, autism, or mental health needs.
- **Older Adults (OA)** – often requiring support with frailty, dementia, or recovery post-hospitalisation.
- ASC services also provide support for children aged 14-18 in their transition from Children's to Adult's Services.

There are several challenges faced by ASC services nationally – particularly, demographic pressure and rising demand, workforce challenges in recruitment and retention and the fragility of markets as well as financial pressure and cost inflation. This proposal seeks to address the challenges that are acutely felt in Cambridgeshire & Peterborough by adhering to the principles outlined above – particularly, by maintaining a focus on prevention and place-based delivery.

⁶⁷ [Impower-DCN-ASC-LGR-Report-2025-FINAL-compressed-version.pdf](#)

⁶⁸ [Care Act 2014](#)

Cambridgeshire & Peterborough – what does the region look like now?

In Cambridgeshire & Peterborough, Adult Social Care Services are provided by two upper-tier authorities in an area where demand and type of need changes substantially according to geography.

Quality assurance and inspections – There is currently no published CQC local-authority ratings for either Cambridgeshire or Peterborough. However, both areas run mostly Good-rated services except for improvements needed in Learning Disability community teams in Cambridgeshire.

Demand and need trends – The below table highlights the district-level difference in % of cases throughout Cambridgeshire & Peterborough as well as the level of spend per adult. There's a higher % of cases in Huntingdonshire and South Cambridgeshire. However, the highest spend per adult is felt in Fenland, Cambridge City and Peterborough.^{69 70}

Table [•]: Distribution of adult social care cases and spend in the region.

	Approx. adults receiving care	% of cases	Approx. annual spend (£m)	Spend per adult (£)
Huntingdonshire	~2,000	25%	44.0	~£22,000
South Cambridgeshire	~1,600	20%	33.6	~£21,000
Fenland	~1,400	18%	33.6	~£24,000
Cambridge City	~1,400	18%	32.2	~£23,000
East Cambridgeshire	~800	10%	16.0	~ 20,000
Cambridgeshire total	~7,900	100%	~159.4	~£22,100 avg.
Peterborough	~2,900	N/A	~£65.0	~£22,400

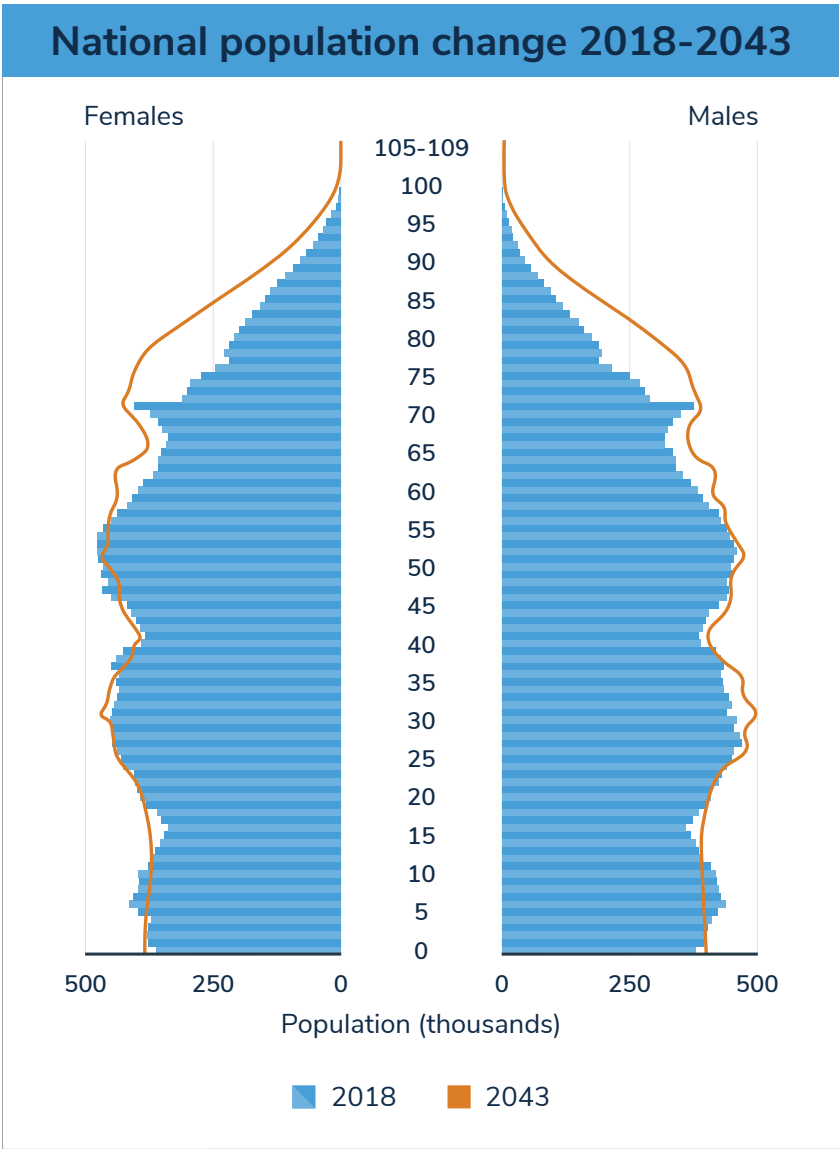
* District population estimates: Based on ONS 2021 mid-year estimates. Caseload: Based on proportional estimates derived from Cambridgeshire County Council Adult Social Care Account, JSNA 2023 data and other public sources. Illustrative and estimated Annual Spend based on weighted averages (£m) reflecting historic caseload and cost-per-user averages rather than actual spend. Cambridgeshire average reflects build-up of spend by district, if 700 'unallocated' cases are included the County average falls to around £20,200 per adult.

69 [Population estimates for the UK, England, Wales, Scotland and Northern Ireland - Office for National Statistics](#)

70 [Cambridgeshire & Peterborough Insight – JSNA 2023](#)

The region is also facing an increase of 48% for the 65+ population from 2021-2036. The 85+ population is estimated to increase by 110% with predicted increases for people living with dementia, people experiencing a fall, people with complex conditions and people with multiple co-morbidities.

Figure •: National population change 2018-2043.



The chart above shows the increase in the 65+ population. We focused on 2021-2036.

Table •: Market demand in older people's accommodation by district.

	Total market demand in 2021	Total market demand in 2026	Total market demand in 2031	Total market demand in 2036
Cambridge City	687	722	756	791
East Cambridgeshire	556	581	606	631
Fenland	930	972	1,013	1,055
Huntingdonshire	1,077	1,125	1,174	1,222
Peterborough	1,231	1,287	1,343	1,399
South Cambridgeshire	928	969	1,011	1,052
Total	5,409	5,656	5,903	6,150

The total market demand for residential and nursing homes is highlighted above.⁷¹ By 2036, the North-East unitary would see a market demand of 3,085 units and the South-West unitary would see a market demand of 3,065 units. This demonstrates an even split between the two unitary authorities and a relative balance in demand for residential homes.

The greatest % increase in older adults will be felt in East Cambridgeshire, South Cambridgeshire and Huntingdonshire. However, the chart below highlights that the trend is felt throughout the region with Cambridgeshire & Peterborough as a whole facing a 26.1% rise in older adults. It is a challenge that each unitary will have to face and address.

⁷¹ [Older People's accommodation demand profiles](#)

[Figure •]: Cambridgeshire & Peterborough, older people (65+), all age bands, persons. Change between 2021 and 2031. (JSNA, 2023⁷²).

Population Numbers at 2021	Population Numbers at 2031	Change between 2021 and 2031	Change % between 2021 and 2031
Cambridge 16,620	Cambridge 20,160	Cambridge 3,540	Cambridge 21.3%
East Cambs. 18,225	East Cambs. 23,960	East Cambs. 5,735	East Cambs. 31.5%
Fenland 23,405	Fenland 29,180	Fenland 5,775	Fenland 24.7%
Hunts. 36,540	Hunts. 46,200	Hunts. 9,660	Hunts. 26.4%
South Cambs. 31,800	South Cambs. 40,765	South Cambs. 8,965	South Cambs. 28.2%
Cambs. 126,585	Cambs. 160,270	Cambs. 33,685	Cambs. 26.6%
Peterborough 30,590	Peterborough 37,915	Peterborough 7,325	Peterborough 23.9%
Cambs. & P'boro. 57,175	Cambs. & P'boro. 198,190	Cambs. & P'boro. 41,015	Cambs. & P'boro. 26.1%

A similar trend is also felt in working age adults with complex needs demands with a population increase of 21% up to 2040, leading to a steady rate of increased need for 38 units per annum in Cambridgeshire.⁷³

Workforce data – In 2023/24, the staff turnover rate in Cambridgeshire & Peterborough currently stands at 27% and the vacancy rate was 7.4%. The number of total posts needs to increase by 31% to manage additional population growth.

Recruitment and retention is therefore a challenge felt in the sector and the unitary authorities configured in Option C will need to use initiatives to garner workforce morale and support. This could include building on some of the work that Peterborough City have been doing in their workforce support plan with their upskilling initiatives or Cambridgeshire County's localised initiatives, such as the Care Home Support Team and their improved appraisal and progression systems.⁷⁴ Connectivity can also be utilised in the region to attract talented staff. Option C allows well-connected areas to stay together, that is in line with the FEMA model, allowing greater opportunity for retention and recruitment.

⁷² [Cambridgeshire & Peterborough Insight – JSNA 2023 – Demography – Predicted future change](#)

⁷³ [Cambridgeshire Specialist Supported Accommodation Needs Assessment 2024](#)

⁷⁴ [ICB summary 2024_Cambridgeshire and Peterborough](#)

Current partnership working – In Adult Social Care, there are five partnership boards in the region, co-ordinated and supported by Cambridgeshire County Council and Peterborough City Council.⁷⁵ They are:

- Older People's Partnership Board.
- Carers Partnership Board.
- Learning Disability Partnership Board.
- Physical Disability Partnership Board.
- Sensory Impairment Partnership Board.

Each partnership board includes residents who frequently use health and/or social care services (Independent Members), voluntary sector service providers and statutory services, operational managers and commissioners from health and social care services.

The region also has the Integrated Care System which brings together health and care organisations with councils and the VCSE sector which is focused on tackling issues within the region that can impact residents' ability to live independently and healthily.

Existing examples of best practice and opportunities

A national innovation programme involving Cambridge University Hospitals and SCDC integrates health effectively into urban planning through the development of Northstowe. The initiative includes accessible housing for care workers, integrated community facilities and a focus on wellbeing through design and infrastructure.⁷⁶

The Network for Addressing Isolation and Loneliness in Cambridgeshire & Peterborough (NAILCAP) is a collaborative initiative aimed at reducing social isolation among older adults. It brings together voluntary sector partners, local authorities, and health services to co-produce solutions to tackle loneliness. The aim is to share best practice among organisations, improve signposting and help each other to meet demand and gaps in services.⁷⁷

⁷⁵ [ICB summary 2024_Cambridgeshire and Peterborough](#)

⁷⁶ [health-and-wellbeing-update-in-and-around-northstowe.pdf](#)

⁷⁷ [Network for Addressing Isolation and Loneliness in Cambridgeshire and Peterborough \(NAILCAP\) | Cambridgeshire County Council](#)

Key challenges in the region that need to be addressed

Ageing populations – constitute around 60% of social care recipients in both Cambridgeshire & Peterborough, with numbers rising.

Cost pressures – driven by demographic changes, high inflation, wage pressures, and complexity of care needs, resulting in projected increases of around 25% in five years and 60% in 10 years.

Managing inequalities – high demand and deprivation is concentrated in the North, with notable disparities with the South. For example, there is currently a 10-year life expectancy gap between men in the poorest areas of Peterborough and the most affluent areas of Cambridge.

Market shaping – risk of lasting resilience in smaller providers.

Workforce shortages – recruitment and retention remain critical issues with high turnover and vacancy rates.

System fragmentation and integration challenges – despite the ICS, fragmentation between health and social care still affects continuity. Transitions from Children's to Adult's are also noted as needing improvement, highlighting an opportunity for more joint-up working.

Why Option C is a sustainable option for ASC?

Option C		
	Unitary Authority 1 ECDC / FDC / PCC	Unitary Authority 2 CC / HDC / SCDC
Total population	424,000	516,000
% population 65+	18.5%	17.9%
% population under 18	22.5%	19.6%

Population distribution is fairly evenly split in terms of the % of WAA's and OAA's. Capacity needed is also evenly distributed between both options – the North sees 41% capacity needed with the South at 39%.

Both unitary authorities will have the scale and size needed to deliver an effective adult's and children's service. Challenges with workforce recruitment can therefore be more easily addressed and greater scale will also give more commissioning power to the new unitary authority.

Option C. 1 – In the Southern unitary, Huntingdonshire’s high caseload will be balanced by South Cambridgeshire’s below-average care needs and spend per adult resident. Despite the difference in care needs, both authorities also face similar challenges in their ageing populations and increased complexity of need. This will be alongside City’s focus on complex urban care needs. The new Adult Social Care service will need to be well equipped to manage both. However, Option C allows a balanced spread of resources with sufficient scale to manage demand.

Option C. 2 – In the Northern Unitary, similar differences will be felt in that Peterborough’s focus on working-age adults with complex mental health issues will have to be balanced by the focus on ageing populations of East and Fenland. However, the high spend per adult and high care needs in Fenland can be offset by the low needs felt in East Cambridgeshire. Localised, place-based working will be seen as vital in this unitary to manage rurality challenges.

A vision for reform in Option C

LGR provides significant opportunity for re-thinking how councils deliver Adult Social Care Services – particularly, with how district and county services can be aligned more closely to deliver on prevention and capitalise off districts’ knowledge of local communities.

It is important that both unitary authorities drive reform that truly answers local need, addressing the challenges identified above. Option C provides the best configuration for this reform as it allows:

- Balanced scale and size to manage service delivery effectively.
- **Combines similar challenges and needs** – the North can effectively address rurality whilst the South combines the ageing population focus of South and HDC.
- **Demand/need is well-balanced in both areas** – the low-need of East balances out the high needs of Peterborough and Fenland and the low-need of South balances out the high caseload of Huntingdonshire.

Key focus for reform will be:

- Providing a hyper-local approach that seeks to involve service users in co-designing services. This will particularly address the challenge of rurality as well as disparity of needs between the urban and the rural.
- **Collaborating for scale** – joint commission services where cross-boundary collaboration offers better outcomes and value for money, such as safeguarding adults board, transfer of care hubs.

- **Joined-up working for prevention** – combining district and county services through organisational structures that provide constant connection and communication. For example, ensuring housing sits within or next to social care.
- **Micro-providers and neighbourhood teams** – support the micro-provider market in the region by bringing together providers with residents to support the wider use of personal budgets.
- **Expansion of district services that provide prevention** – implementing wider operations of services that are already doing work in the prevention space, for example leisure. This includes scaling up what works well – for example, the existing work Huntingdonshire is doing with the NHS/ICB on co-located health hubs.⁷⁸ This work could be a model for wider expansion and could create savings for health services through place-based prevention.

Case studies for prevention

The below case studies outline some of the positive work that district councils are already doing to support prevention in Cambridgeshire & Peterborough. Local Government Re-Organisation and the creation of unitary authorities provides an opportunity to join-up District and County services to ensure a stronger connection between prevention and care. This can be achieved through shared data and information but also through referrals to prevention initiatives and analytics to predict demand and need. The below examples highlight the initiatives that could be scaled up and connected more closely to care.

Active for Health

Active for Health⁷⁹ is a Tier 2 equivalent Adult Weight Management Programme, led by Huntingdonshire District Council and scaled outwards to Fenland. It is for adults 18+ with a BMI of at least 25 or 23.5 for BAME groups. The Scheme runs over 12-weeks initially and is aimed at achieving weight loss, thus alleviating obesity pressures on health services. In total, the scheme has successfully reduced 698 kg throughout the entire programme. This successfully reduces the BMI of participants which can save the NHS and social care significant amounts of money. Whilst this can be hard to measure, a cardiovascular event can cost around £4,855 – if the scheme reduces the likelihood of cardiovascular events occurring, then it can effectively create value for money.

⁷⁸ [Journey 3: Health Embedded - Huntingdonshire.gov.uk](#)

⁷⁹ [Active for Health - Huntingdonshire.gov.uk](#)



Figure [●]: Active for Health.



Figure [●]: Falls Prevention.

Falls Prevention

Active Lifestyles at Huntingdonshire District Council deliver a wide-ranging programme of regular classes for older adults. A section of these classes are evidence-based falls prevention classes. These classes include Strength and Balance (Otago), Postural Stability Exercise and Chair Based Yoga.

The team has also developed a nine-week course, 'Staying Active', aimed at preventing frailty. This includes functional fitness testing at week one and week nine which measures progress against key activities that help with daily living.

In total there are twelve different older adult type activities delivered and 72% of participants have successfully completed the course. Whilst it is again hard to measure the exact financial impact of this work, the average cost of a fragility fracture in older adults is £8,350, again presenting an argument for a prevention-focus in health and social care.

4.3.6 Childrens

National picture

Children's Services is another high-risk and vulnerable service that is again, high spend and high demand.⁸⁰ The pandemic has only served to exacerbate these pressures, due to the limitations it imposed on children's social development, in turn affecting their learning and achievements and health and wellbeing.

It is more important than ever that the new authorities get children's services delivery right to manage this increased complexity and demand. Children tend to represent at least 20% of the residents in an area and children's services can provide a positive influence on this cohort, that can contribute to creating happy adults thus managing future demand and reducing reliance on the care system.

The main services that Children's Social Care provides includes:

- Safeguarding and Protection.
- Supporting children in need.
- Promoting wellbeing.
- Children in Care.
- Care Leavers.
- Early Help and Prevention.
- Special Educational Needs and Disabilities (this to be covered separately).
- Education.
- Working with partners.

⁸⁰ [DCN-Staff-College-Childrens-Services-report.pdf](#)

There are a few pieces of legislation that govern Children's Services but a key one is the Children Act 2004.⁸¹ This sought to build on its predecessor from 1989 to improve inter-agency cooperation – introducing duties for agencies such as police and health services to safeguard children. It also defines the role of the DCS to discharge the education and children's services functions of the local authority. They are ultimately responsible for:

- Providing support to families to help them stay together where possible.
- Protecting children from harm.
- Arranging alternative care when necessary.
- Ensuring access to education.
- Identifying and addressing issues impacting the social and economic wellbeing of children.

There are several challenges faced by children's services nationally – particularly, increased demand and complexity of demand, an increase in child poverty, financial pressures including a shift away from early intervention spending and an increase in need for temporary accommodation, thus increasing spend.

There are several key national strategies that will also impact the role of Children's Services in the future.

These include:

- The Best Start in Life Strategy⁸² – includes the ambition to create Best Start Family Hubs in every local authority area.
- Health reforms designed to rebalance spending towards preventative and community services.
- A Curriculum and Assessment Review in Autumn 2025,⁸³ with a focus on making the assessment process more inclusive and equitable.

It is important that any proposal is in line with the national government's vision for children's service delivery. This proposal keeps in line with the UK government's shift towards prevention which is why it is a key aspect of the vision for future service delivery.

⁸¹ [Children Act 2004](#)

⁸² [Giving every child the best start in life – GOV.UK](#)

⁸³ [Curriculum and Assessment Review: interim report – GOV.UK](#)

Cambridgeshire & Peterborough – what does the region look like now?

In Cambridgeshire & Peterborough, Children's Social Care Services are provided by two upper-tier authorities in an area where demand and type of need changes substantially according to geography.

Quality assurance and inspections – In Peterborough, the Ofsted rating for Children's services recently moved from Good to Inadequate⁸⁴ due to a lack of support for care-leavers. Cambridgeshire maintained a requires improvement grade, but improvements have been made since the split from Peterborough.⁸⁵

Both areas are getting early help right with support marking positive across the board. However, the quality of social care assessments is generally considered poor and there's a lack of capacity and stability of the workforce in both councils. Youth help also consistently performs worse than early years – both in terms of homeless youth and care leavers. Out-of-hours support was seen as a key challenge with consistency and responsiveness a concern.

Demand and need trends – The below table highlights the financial trends felt in the region.^{86 87} It demonstrates a regional increase in Children Looked After and Children In Care and highlights the different causes for budgetary pressures. In Cambridgeshire, rurality has had a greater impact on SEND transport provision and both areas are facing significant workforce challenges.

⁸⁴ [Peterborough City Council – Open – Find an Inspection Report – Ofsted](#)

⁸⁵ [Cambridgeshire County Council – Open – Find an Inspection Report – Ofsted](#)

⁸⁶ [Appendix A- MTFS 2025-28.pdf](#)

⁸⁷ [Integrated Finance Monitoring Report – Outturn 2024-25](#)

Table [•]: Financial trends.

	Cambridgeshire	Peterborough
Cash growth 2023/24 to 2024/25	+£19m (+26%) – inflation on placements, SEND transport and a £4.8m demographic pressure for rising numbers of children in care.	+£7m (+14%) – mainly to cover a 5% rise in children looked after and agency social worker costs.
Share of council net revenue budget	~25% (adult social care 39%, place and others 36%).	~25% (adult social care 33%, place and others 42%).
Cost-drivers called out in MTFS	• Inflation on external residential / IFA fees (+7%). • Home-to-school SEND transport inflation (+8%). • Demographic step-ups for 30 extra high-cost CLA and complex-disability packages. • £3m contingency for agency social work.	• Sharp rise in 10-17 year-old CLA (422 at March 24). • Care-leaver accommodation costs up 18%. • £1.5m Children's Social-Care Prevention Grant built into base. • Reliance on agency social workers still >20%.

The below table also highlights a comparison against national trends in terms of caseload. The region tends to be below average – particularly, with regard to Child in Need. For Children in Care and Child Protection Plans, Peterborough exceeds the national average with Fenland having the highest rate in Cambridgeshire demonstrating a higher level of need in the North of the region and potentially more instances of children at risk of harm.⁸⁸ Throughout the region, the Early Help Assessment rate is higher than the England average, highlighting a strong preventative offer. Whilst this is plateauing due to demand pressures, it demonstrates an area of good practice that should be maintained.

⁸⁸ [Cambridgeshire & Peterborough Insight – 2024 Children and Young People JSNA](#)

Table •: Childrens Social Care Case rate by District

Authority	Approx. under-18 pop. ONS 2023	CiC rate per 1,000 ⁸⁹	CiN rate per 1,000	CPP rate per 1,000	Early help cases per 1,000
Cambridge City	~21,500	4.5	19.0	2.3	13.0
East Cambridgeshire	~18,600	3.5	14.8	1.8	12.1
Fenland	~24,400	6.1	23.5	3.1	14.3
Huntingdonshire	~40,200	3.9	17.4	2.1	11.8
South Cambridgeshire	~38,800	1.9	7.0	0.8	7.2
Cambridgeshire	~143,500	4.8	19.2	1.9	11.2
Peterborough	~54,500 ⁹⁰	7.4	26.4	7.0	29.5 ⁹¹
National average	–	7.0	33.3	4.2	N/A

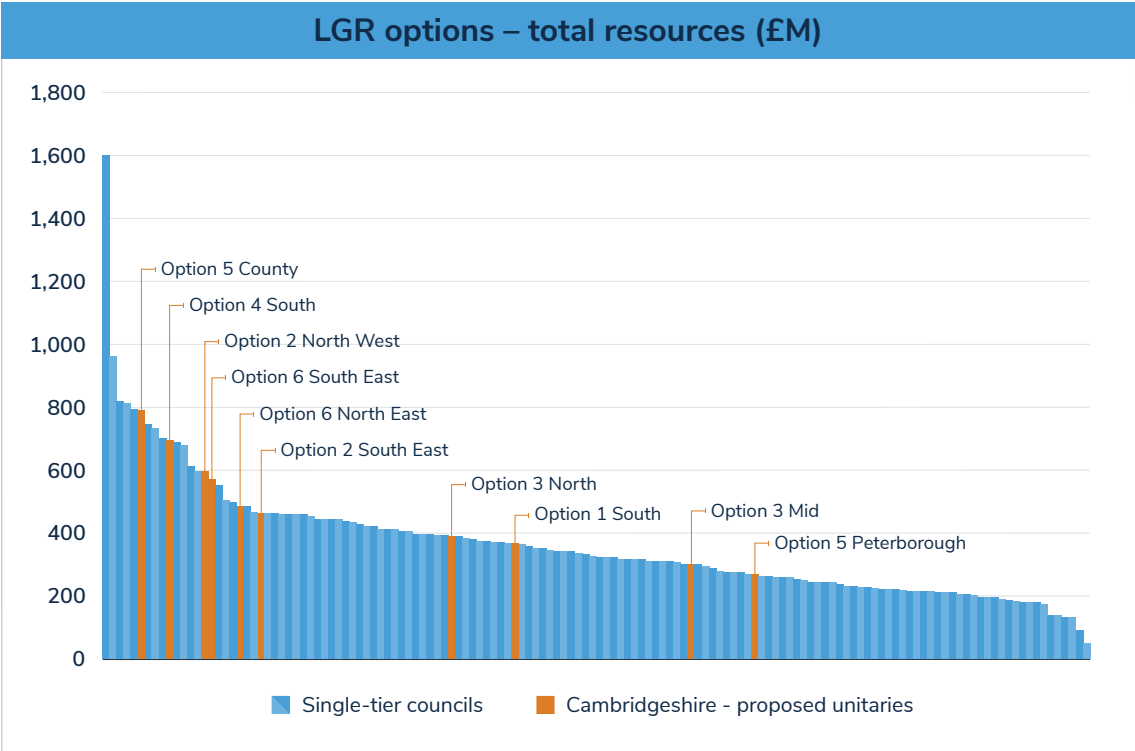
Table •: Childrens Social Care Prevalence Rates under Option C
(Source: Newton).

Unitary	Under-18 pop. ONS 2023	CiC preva- lence	CPP preva- lence	CiN preva- lence	Early help preva- lence
North-East	~97,500	68	31	132	602
South-West	~100,500	41	25	41	256
National Average	–	70	51.8	332.9	No national rate collected

⁸⁹ Cambridgeshire and Peterborough rate from cambridgeshireinsight.org.uk/2024-cyp-jsna⁹⁰ Rates for Peterborough are calculated using 42,000 under 18's from 'Children's Social Care Caseload 2023-24' compiled by their Business Intelligence team before the ONS mid-2023 population estimate (54,500) was published. This more recent population estimate is expected to be incorporated in future DfE returns, which may lead to adjustments in published rates.⁹¹ Peterborough's figure represents Early Help Assessments (EHAs) and is not directly comparable to 'active cases' data from other authorities. The Association of Directors of Children's Services estimate that EHAs average around 26 per 1000 (authorities with family-hub funding ~29; without ~23).

Despite a lower-than-average care rate, it must be noted that sharp differences are felt between the districts. Geographical inequality is demonstrated in the stark difference in need between Fenland and South Cambridgeshire. It is important that the new unitary authorities can sufficiently address geographical differences and rurality through targeted place-based responses. This is further highlighted by the table above, outlining the different prevalence rates for the unitary options. Whilst the table highlights some discrepancies in terms of demand and need, this isn't to say that the two unitary authorities aren't viable as they are still significantly below the national average in all measures. The increased demand and need in the North-East can also be met by the recent fair funding review which sees a more equitable balance of resources in the region, as demonstrated by the below graph (Option C = Option 6).

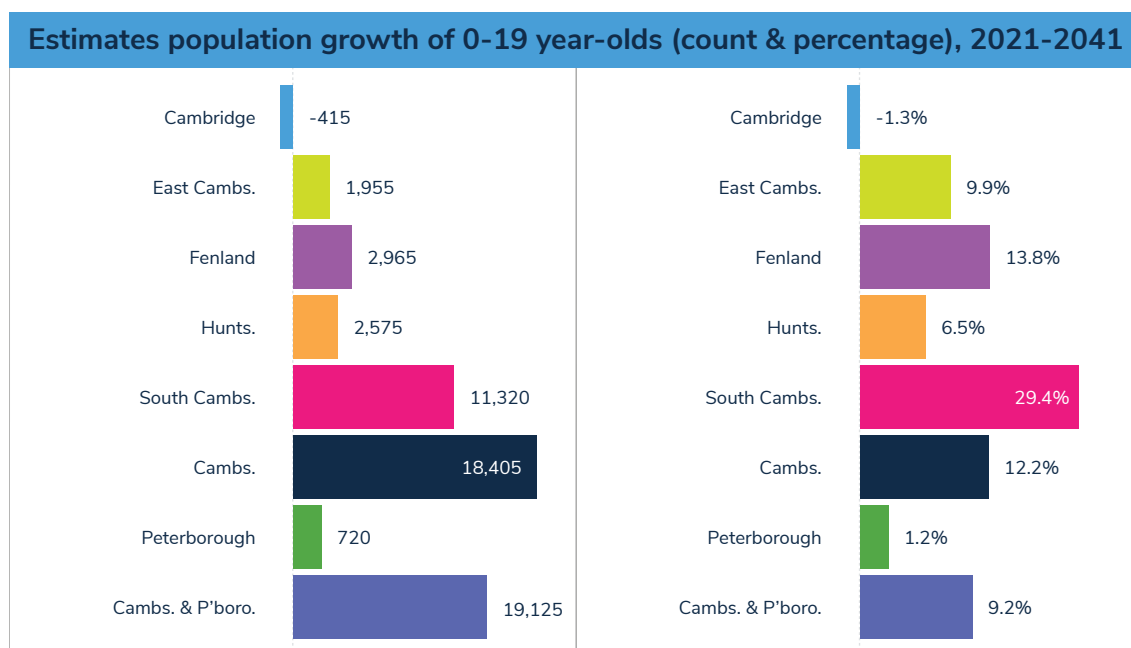
Figure [•]: Total resources according to RNF (PIXEL).



The below graph from Cambridgeshire Insight⁹² highlights population trends up to 2041. Children under five numbers are increasing at a steady rate. However, there has been considerable growth of those aged 5-14, particularly in the cities of Cambridge and Peterborough. The demand for Children's social care services will therefore only increase alongside increased complexity – the 2024 JSNA highlighted an increase in mental health, neurodivergence and physical and/or learning disability cases alongside adverse childhood experiences.

92 [CYP-JSNA-exec-sum_FINAL_Jan25.pdf](#)

Figure [•]: Estimates population growth of 0-19 year-olds (count and percentage), 2012 to 2041. (Source: ONS 2021 Census and 2041 Cambridgeshire County Council population forecasts.)



These regional trends in demand and need are not dissimilar to those felt nationally but it is important that any proposal considers planning for the future as well as addressing key regional challenges.

Workforce trends – According to a 2022 workforce development framework for Children's Services by Cambridgeshire & Peterborough,⁹³ agency work has increased dramatically in the region. The table below highlights the distribution.

More than 70% of posts in 2022 were unfilled in some front-line teams, with Family Safeguarding and Assessment feeling the biggest impact. The strategy outlined some key interventions for workforce support, including retention payments, partnerships with external agency to support the Assessment Service and apprenticeships with the Step Up to Social Work programme. However, this strategy is yet to be reviewed and workforce challenges are still an area that the new unitary authorities will have to address. However, the strong connectivity in Option C can bolster recruitment and retention by attracting talented staff the region, particularly in well-connected hubs like Huntingdonshire.

⁹³ [5. Appendix 1 Workforce Development Framework_August 22.pdf](#)

Current partnerships – the Cambridgeshire & Peterborough Safeguarding Children Partnership Board⁹⁴ is a central multi-agency body coordinating Children's safeguarding efforts in the region. It includes statutory partner membership from both upper-tier authorities, the Integrated Care Board and Cambridgeshire Constabulary. It is also supported by several other relevant agencies, including education providers, VCSE, youth offending services, district councils, probation services and NHS trusts.

The partnership is currently focused on three key areas: neglect, child sexual abuse and child criminal exploitation and some of their recent developments have focused on separating the front door to increase local responsiveness, launching a new referral pathway to address risks in peer and community contexts and updating the threshold documents for referrals.

Other relevant partnerships/collaborations in the region include: the Children's & Maternity Partnership led by Cambridgeshire Community Services NHS Trust;⁹⁵ FullScope Collaboration focused on supporting Mental Health Services;⁹⁶ and Integrated Neighbourhood Teams.⁹⁷

Current examples of best practice in the region – Cambridgeshire & Peterborough Public Health recently supported peer-led mental health guidance for young people. This was developed with Fullscope and was aimed at empowering youths to support each other. The "Help You, Help Them" toolkit⁹⁸ was co-created with local youth to provide practical, accessible guidance for supporting peers and to respond safely and effectively to mental health crises.



⁹⁴ [Peterborough Information Network | Cambridgeshire and Peterborough Safeguarding Children Board](#)

⁹⁵ [Children's & Maternity Partnership | CPICS Website](#)

⁹⁶ [Fullscope – Home](#)

⁹⁷ [Integrated Neighbourhood Teams \(INTs\) – Cambridgeshire & Peterborough](#)

⁹⁸ [Help You Help Them](#)



Figure [●]:
Fenland Youth
Work Network.

Cambridge Junction⁹⁹ supports CYP mental health through inclusive arts programmes. Their Creative Learning department prioritises access and empowerment through free, inclusive programmes like Junction Young Company, co-creation and professional mentorship and targeted support through partnerships and film projects.

The Fenland Youth Work Network¹⁰⁰ was launched in 2024, introducing youth-led initiatives like “Inspire Youth Through Sports” and “Fenland Youth Tribe.” The projects fostered safe spaces, resilience and community ties with over 200 young people engaged, leading to improved wellbeing and reduced exploitation. Tangible outcomes included improved access to food, clothing and services, successful youth-led campaigns for skate park lighting, and reduced risk of exploitation.

Key challenges in the region that need to be addressed

Cost pressures – reactive services that don’t adequately address prevention and post-pandemic increases in complex adolescent case work as well as unaccompanied asylum-seeking children has led to an increase in cost pressures and demand.

Managing inequalities – high demand and deprivation is concentrated in the North, with notable disparities with the South. Peterborough and Fenland both have comparably high needs therefore any proposal would have to address disparity.

⁹⁹ [Cambridge Junction | Music, Comedy, Theatre & Community Venue](#)

¹⁰⁰ [Supporting a community response to the emerging local needs of young people in Fenland through the creation of a place-based youth work network | Local Government Association](#)

Inadequate youth provision – particularly in Peterborough but also Cambridgeshire. Youth provision is consistently labelled inadequate, particularly in terms of care leavers and transition into Adult's Services. Specialist mental-health provision is also becoming a core service under this banner.

Workforce shortages – recruitment and retention remain critical issues with high turnover and vacancy rates.

System fragmentation and integration challenges – despite the ICS, fragmentation between health and social care still affects continuity. Transitions from Children's to Adult's are noted as needing improvement.

Why Option C is a sustainable option for CSC?

The below table highlights the district-level difference in case figures by authority in the region. The Northern Unitary (PCC/FDC/ECDC) has a combination of low-need (East) with the higher needs of Peterborough and Fenland. Peterborough's needs tend to come from their higher under-18 population and need for youth provision whereas Fenland is due to deprivation-driven cases and a higher concentration of children's homes.

The Southern Unitary (HDC/SCDC/CCC) combines the high caseloads of Huntingdonshire with the low needs of South Cambridgeshire and the diversity of City which sees a higher proportion of older teens as well as several high-demand geographic areas. Whilst Huntingdonshire has a high case load, it does have average intervention rates and a strong early help presence.

Table •: Approximate caseload breakdown by authority (2023/24).

	Approx. children in care	Children in need	Child protection plans	Early help cases	Approx. % of Cams. under 18s
Cambridge City	97	410	50	280	15
East Cambridgeshire	65	275	35	225	13
Fenland	150	575	75	350	17
Huntingdonshire	155	700	85	475	28
South Cambridgeshire	75	275	30	280	27
Cambridgeshire total	*646	*2,755	275	1,610	(100)
Peterborough	409	1,477	277	1,861	(100)

* Figures for Cambridgeshire city/districts are approximate estimates based on available data from Cambridgeshire County Council and JSNA documents for 2023-24, figures for Peterborough are drawn from Council reports. The discrepancy between the total number of children in care and in need across Cambridgeshire and the sum of children assigned to specific districts is likely to reflect children placed outside Cambridgeshire; children that have no fixed or permanent address; and administrative categorisation, where some children receiving services may not have a clearly recorded district designation.

Table •: Numbers of childrens social care cases by proposed unitary authorities.

Unitary	Approx. children in care	Child in need	Child protection plans	Early help cases
North-East: PCC/FDC/ECDC	624	2,327	387	1,050
South-West: CCC/HDC/SCDC	327	1,385	165	1,035

Table● : % population within proposed unitary authorities. (Source: Newton).

Option C		
	Unitary Authority 1 ECDC/FDC/PCC	Unitary Authority 2 CCC/HDC/SCDC
Total population	424,000	516,000
% population 65+	18.5%	17.9%
% population under 18	22.5%	19.6%

Population distribution is evenly split in terms of the % of U18's. Both unitary authorities have a strong balance of urban and rural need, with the North being able to address rurality challenges and the South has the scale to effectively address population and demand growth. As both unitary authorities will be effectively balanced in terms of size and scale, there will be greater capacity for both to effectively work together where needed but to maintain a sharp focus on the specific needs of geographic areas.

Smaller unitary authorities will also be better placed to deliver a localised approach – something that is sorely needed for addressing rurality changes and difference in needs across the rural and urban nature of the region. A “one size fits all” approach will be quite limited in achieving this and smaller scale can allow greater opportunity for exploring co-designing services with the VCSE with a more intimate knowledge of local communities.

Opportunities for reform

LGR provides significant opportunity for re-thinking how councils deliver Children's Social Care Services – particularly, with how to align district and County services more closely to deliver on prevention and capitalise off districts' knowledge of local communities.

It is important that both unitary authorities drive reform that truly answers local need, addressing the challenges identified above. Option C provides the best configuration for this reform as it allows:

- Balanced scale and size to manage service delivery effectively.
- **Combines similar challenges and needs** – the North can effectively address rurality and high youth provision whilst the South can effectively strengthen their early help focus.
- **Demand/need is well-balanced in both areas** – the low-need of East balances out the high needs of Peterborough and Fenland and the low-need of South balances out the high caseload of Huntingdonshire.

The key focus for reform will therefore be:

- Providing a hyper-local approach that seeks to involve service users in co-designing of services. This will particularly address the challenge of rurality as well as disparity of needs between the urban and the rural.
- **Collaborating for scale** – joint commission services where cross-boundary collaboration offers better outcomes and value for money.
- **Joint-up working for prevention** – combining district and county services through organisational structures that provide constant connection and communication. For example, ensuring housing sits within or next to social care as well as leisure, etc.
- **Ensuring that wider organisational strategies deliver for high-risk services** – in particular, using a strong focus on inclusive growth to deliver on house-building targets and ensure investment in skills opportunities for young people. This links back to joint-up working and ensuring that teams talk to each other to understand how they can collectively work to reduce demand on the system.
- **Micro-providers and neighbourhood teams** – support the micro-provider market in the region by bringing together providers with local residents to support the wider use of personal budgets.
- Ensuring that the voice of the child is heard effectively and that case work focuses on achieving the best outcomes possible.
- Early intervention in school settings to support independence and positive choices in youth. This includes health provision, such as allowing external funding for sports and PE sessions that are on top of current provision in schools. This could have multiple positive outcomes, particularly for youth mental health as well as physical development.

Case studies for prevention

Childhood Healthy Weight Initiative

A place-based targeted intervention for St John's and Thongsley Primary schools in the North Huntingdonshire 'Oxmoor' catchment area. This locality has the highest childhood obesity rates in the district which correlates to the higher indices of deprivation. To align with Government's National Childhood Measurement Programme (NCMP) to tackle childhood obesity, reception and year 5 age groups were selected to participate in advance of their year 6 assessment.

The programme featured 12-weekly physical activity sessions interspersed with fun and informative healthy eating elements to improve children's understanding of leading a healthy lifestyle. Fitness challenges were measured at baseline, week six and week 12 to assess changes in their physical activity levels.

The average cost of weight management for children annually is around £6,100, including interventions, medications, direct healthcare costs and mental health costs. At the end of the scheme, 194 children improved their fitness challenge score from baseline to week 12. It can be safely assumed that the programme could have successfully reduced weight management costs for the NHS.

Youth work case study

In Huntingdonshire, the Resident Advice Team provide direct support to vulnerable residents before they reach the point of potentially needing care. An example of this is in their recent support of a youth struggling with food and money – the Resident Advice Team supported them to get food from their local food bank and through an application to the household support fund to help with food and energy costs. They also contacted the support worker to ensure that they were aware of her attempts to contact the council as well as the posts they were putting on social media, making them more vulnerable to exploitation.

The above example highlights the need to ensure joint-up working is successfully achieved and that relevant agencies are connected and speaking to each other. Re-organisation will make this process easier to facilitate and will ensure there is 'one front door' for residents.

4.3.7 SEND/Education

National picture

In a recent report by the Isos Partnership in 2025, the current SEND system in England was described as ‘broken.’ The reasons for this assessment were outlined as ‘a combination of unexpected need and unintended perverse incentives in the system... alongside a general squeeze on public resources,’¹⁰¹

The report later outlines four key facts:

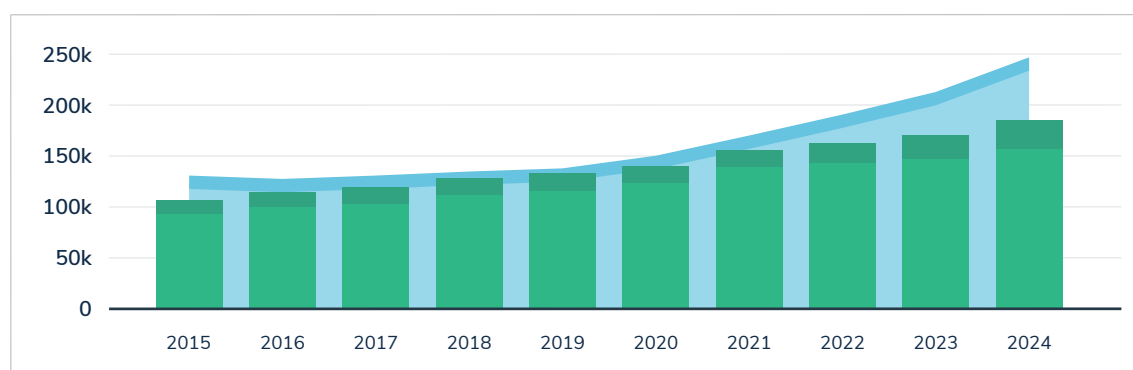
- There are many more children and young people than ever before in England being identified as having special educational needs.
- There are more children than ever before whose needs are not being met in their local mainstream school and are requiring special provision.
- More money than ever before is being invested in special needs, but even that is very significantly less than what is actually being spent by schools and local government.
- And, despite that rapidly rising expenditure, on average outcomes for children and young people with SEND have not improved and neither has the overall satisfaction of families.

On a national scale, councils are seeing increased demand and pressure on SEND provision, with an increase in EHCPs of 140% over 10 years. This increase has massively outstripped population increases and the age groups responsible for 85% of the growth are 5-10 year-olds, 11-15 year-olds and 16-19 year-olds.

This rise exacerbates cost pressures – the average cost of placing a child with an EHCP in a mainstream school in 2023/24 was £8,200 whereas placing a child in a state-funded special school was £25,000. The below graph highlights how placements in special schools is only rising, squeezing the budgets of Local Authorities even further.

¹⁰¹ static1.squarespace.com/static/5ce55a5ad4c5c500016855ee/t/669fcedacd1a1f608546f52b/1721749338168/SEND+report.pdf

Figure [•]: Chart showing the numbers of children and young people with EHCPs placed in mainstream schools and units and special schools between 2014/15 and 2023/24. (Source: Education, health and care plans, 2024, DfE).



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State-funded special	96,655	100,174	103,568	111,387	118,999	125,398	132,131	140,036	145,850	155,045
INMSS	12,827	13,721	14,942	15,483	17,532	19,641	21,746	24,412	25,886	29,802
Mainstream schools	108,640	106,708	103,910	108,615	117,360	129,967	147,004	165,125	186,842	219,012
Units	13,129	12,943	17,816	16,271	17,652	18,235	20,464	21,284	20,122	22,236

In wider education, national trends indicate that there are still inequality gaps with parental education remaining a strong predictor of attainment in England. According to the OECD, 76% of young adults with tertiary-educated parents attain a degree, compared to 37% of those whose parents didn't complete secondary education.¹⁰²

The Education Policy Institute recently highlighted some key challenges that schools are facing nationally. In particular, there is a lack of clarity around funding with improved targeting needed for disadvantaged children, the need for a child poverty strategy and consistent increases in absences and declines in participation.¹⁰³ These widened gaps in attainment have been multiplied by the Covid-19 pandemic which led to significant learning losses, especially in maths and literacy, with 98% of teachers surveyed reporting that their students were behind.¹⁰⁴

¹⁰² [Education at a Glance 2025: United Kingdom](#)

¹⁰³ [Foreword & executive summary – Education Policy Institute.](#)

¹⁰⁴ [Learning during the pandemic: review of research from England – GOV.UK](#)

These challenges have meant that SEND and Education are high on the Government's and Council's radar due to the pressures it puts on local government. As such, there are several policy initiatives taking place which this proposal bears in mind with its approach:

- Transformation of the SEND system with recent fairer funding announcements retaining the DSG statutory override until the end of 2028 with a new bespoke formula to recognise home to school transport costs.
- A curriculum and assessment review, reporting in Autumn 2025, with a focus on making assessment more inclusive and equitable and ensuring that the subject offer is relevant to future economic, social and environmental needs.
- Alignment of inspections of schools and social care reforms.

Cambridgeshire & Peterborough – what does the region look like now?

Quality assurance – Ofsted Full Area SEND inspection outcome 'Arrangements lead to inconsistent experiences and outcomes for children and young people with SEND' (May 2025).¹⁰⁵

Ofsted Joint Area SEND Revisit (2016 Framework) outcome 'Progress judged sufficient in 4 of 5 previously identified weaknesses; not sufficient in preparing for adulthood' (March 2022).

Local SEND inspections have highlighted major areas of improvement within the region. Some consistencies include timeliness concerns in response to EHCP issuance, assessment pressures and improvements needed in communication and transparency with families.

In terms of differences, Peterborough is experiencing significant budget strain pressures with a need to increase specialist placements whereas Cambridgeshire's access to mental health services is poor as well as their preparation for adulthood. The North unitary will need to consider Peterborough's challenges whilst both organisations will have to grapple with the improvements needed in Cambridgeshire.

¹⁰⁵ [Cambridgeshire County Council - Open - Find an Inspection Report - Ofsted](#)

Demand/Need trends

In Cambridgeshire, EHC plans have increased by 90.7% from 2019-2025. This is in comparison to Peterborough's 53% increase and the national average of 80.4%. The region is therefore facing a significant rise in demand.¹⁰⁶

The time taken to issue EHC plans is vastly different in each upper-tier authority. Peterborough City Council are significantly quicker at issuing, with 89.4% of cases responded to within 20 weeks. In comparison, Cambridgeshire County only has 8.8% of EHCPs responded to – in law, 20 weeks is the threshold for which a plan should be issued once applied for. The below data could perhaps be explained by the difference in size and scale between the unitary authorities – Peterborough is smaller and therefore more reactive, with a lower caseload. This highlights how smaller unitary authorities could demonstrate similar strengths in response times.

Chart • :Cambridgeshire County Council.

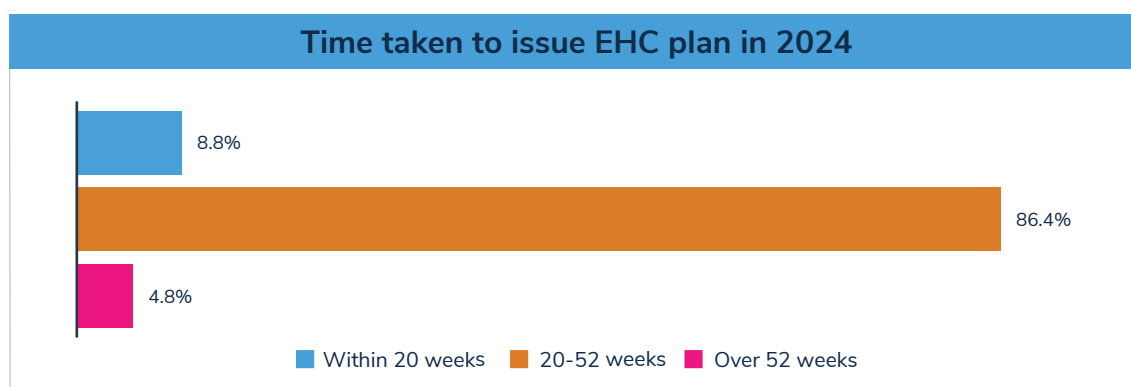
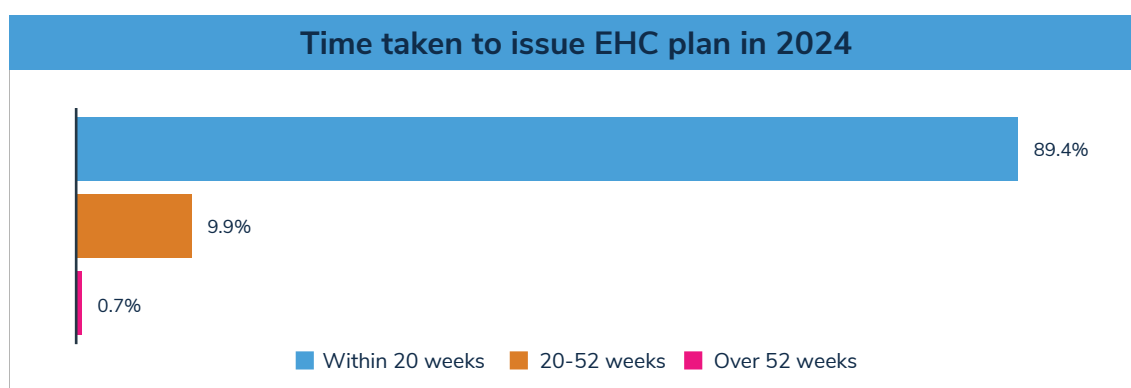


Chart • : Peterborough City Council:



(Source: Local Area SEND Dashboard, House of Commons Library).

¹⁰⁶ Local area dashboard: Special educational needs and disabilities (SEND) in England Local area dashboard: Special educational needs and disabilities (SEND) in England

Table •: SEND, approximate EHCP breakdown by authority (2023).
(Source: Derived from overall 2023 EHCP counts (~7,000 Cambridgeshire pupils), SEND Sufficiency Statement 2023 projections, and recent place-planning data)^{107 108}

	Under-18 population	Estimated EHCP pupils	EHCP prevalence (%)
Cambridge City	~21,500	~1,190	5.5%
South Cambridgeshire	~38,800	~1,610	4.2%
Huntingdonshire	~40,200	~1,750	4.4%
Fenland	~24,400	~1,470	6.0%
East Cambridgeshire	~18,600	~980	5.3%
Cambridgeshire total	~143,500	~7,000	4.9%

The above table highlights the EHCP breakdown by district in Cambridgeshire. Fenland Cambridge City and East Cambridgeshire have the highest SEND prevalence. In the North-East, Fenland's has a higher concentration of need with their special school (Meadowgate Academy) operating at or over capacity. Workforce recruitment is a challenge and SEMH expansion is needed. This contrasts with East Cambridgeshire mixed needs profile with ASD, hearing impairment and MLD common. The area faces challenges in that limited local specialist places mean a reliance on out-of-area placements. Peterborough's prevalence is at 4.7%, demonstrating a slightly lower percentage with most of their need coming from 'communication and interaction' issues (mainly autism).

In the South-West, City's prevalence at 5.5% reflects their urban challenges and potentially better access to diagnostic services. Autism spectrum disorder dominates their need profile, perhaps due to proximity to autism-specialist provision. Huntingdonshire sees a lower rate of 4.4% with speech, language and communication needs and ASD dominating. Rurality creates challenges for specialist provision access but the new Prestley Wood school in Alconbury Weald has absorbed their growing complex-need cohort. South Cambridgeshire has a low prevalence rate at 4.2% but is seeing rapid growth through new developments. Autism and moderate learning difficulties dominate.

¹⁰⁷ [CCC-SEND-Sufficiency-Statement-March-2023.pdf](#)

¹⁰⁸ [SEND-Sufficiency-Strategy-PCC.pdf](#)

Table [•]: SEND budgets.

Authority	High-Needs Block 2024-25*	Change on 2023-24	Notes
Cambridgeshire County Council	£89.7m (after place-funding deductions)	+£2.2m (+2.5%)	Pupil-driven share of the national High-Needs formula plus an extra £3.9m “safety-valve” top-up for 2024-25. (Dedicated schools grant (DSG) 2024 to 2025 This allocation)
Peterborough City Council	£42.2m (after deductions)	+£2.0m (+5.1%)	Allocation rises faster than Cambridgeshire’s because of higher EHCP growth (35% in three years).

* The High-Needs Block is part of the DSG that funds statutory SEND duties: special-school budgets, mainstream top-ups, independent placements, alternative provision and SEN Support services. Figures refer to DSG High-Needs Block allocations after place-funding deductions, as defined by the DfE in March 2025.

Table [•]: Financial trends in SEND in Cambridgeshire & Peterborough.

	Cambridgeshire	Peterborough
Per-pupil High-Needs funding (2024-25)	~£3,350 per 0-24 resident	~£4,550 per 0-24 resident – among the highest in the East of England
In-year pressure	Forecast overspend £11m (mainly out-county places and EHCP top-ups); DSG deficit forecast to be £49m in 2026/2027	Forecast overspend £5.7m ; DSG deficit £6.3m despite 1% transfer from Schools Block Grant
Recovery actions	500 new special-school places (2023-27), branding-review and inclusion funding panel	Repurposing PRU capacity, expanding SEMH free-school places; bid for DfE “Delivering Better Value” wave-2 support

The above tables highlight the financial positions of both upper-tier authorities, taken from the most recent MTFS. Notably, Cambridgeshire County Council have signed up to a safety valve agreement with additional DSG funding – this increases year on year as per the table below. This was to support the

repayment of their current deficit and commits Cambridgeshire to meeting certain saving targets and conditions to balance the books. This is something to bear in mind when the new unitary authorities take on the service.

Table [•]: DSG Safety Valve Payments to Cambridgeshire County Council.

Year	The Department agrees to pay to the authority an additional £m of DSG by year end
2022-23	£19.60m
2023-24	£5.88m
2024-25	£5.88m
2025-26	£5.88m
2026-27	£11.76m

Table •: Education snapshot. (Source: 2024 JSNA)¹⁰⁹

Theme	Metric	Cambridgeshire	Peterborough	National average
Free School Meals	Proportion of pupils eligible for FSM (2022/23)	20.5%	27.6%	23.8%
SEND	% of pupils with an EHCP (2022/23)	17.8%	15.4%	18.4%
SEND	% of children receiving SEN support (2022/23)	12.3%	11.1%	13.6%
School readiness	% of pupils with a good level of development at end of Reception (2022/23)	66.2%	63.1%	67.2%

¹⁰⁹ [DSG Agreement between Cambridgeshire and Government](#)

Theme	Metric	Cambridgeshire	Peterborough	National average
School readiness	% of pupils eligible for FSM with a good level of development at end of Reception (2022/23)	39.8%	48%	51.6%
Educational Attainment	Average attainment 8 score at GCSE	48.6%	43.2%	46.2%
Pupil absence	Pupil absence rates	6.6-7.5%	6.6-7.5%	7.4%

The above table provides a snapshot of attainment metrics in the region. It is worth noting that school readiness is the only metric that is below national average throughout the region. Cambridgeshire tends to perform better than Peterborough with regard to the other themes. However, this may mask potential regional inequalities. One key theme in the region is that, whilst services are sometimes performing well on the whole, the area is geographically and demographically diverse, so inequalities persist.

Home to school transport provision is another challenge that both upper-tier authorities are facing. Rising demand has shown an increase in spend on school taxis, particularly in Cambridgeshire. This isn't helped by an uneven distribution of school provision in the County. In urban centres, schools are more densely populated. However, in areas like South Cambridgeshire and Fenland District Council/East Cambridgeshire District Council, there are larger catchment areas where more pressure will be placed due to new developments and growth. This is an area that both unitary authorities will need to focus on when addressing SEND and Education Provision.

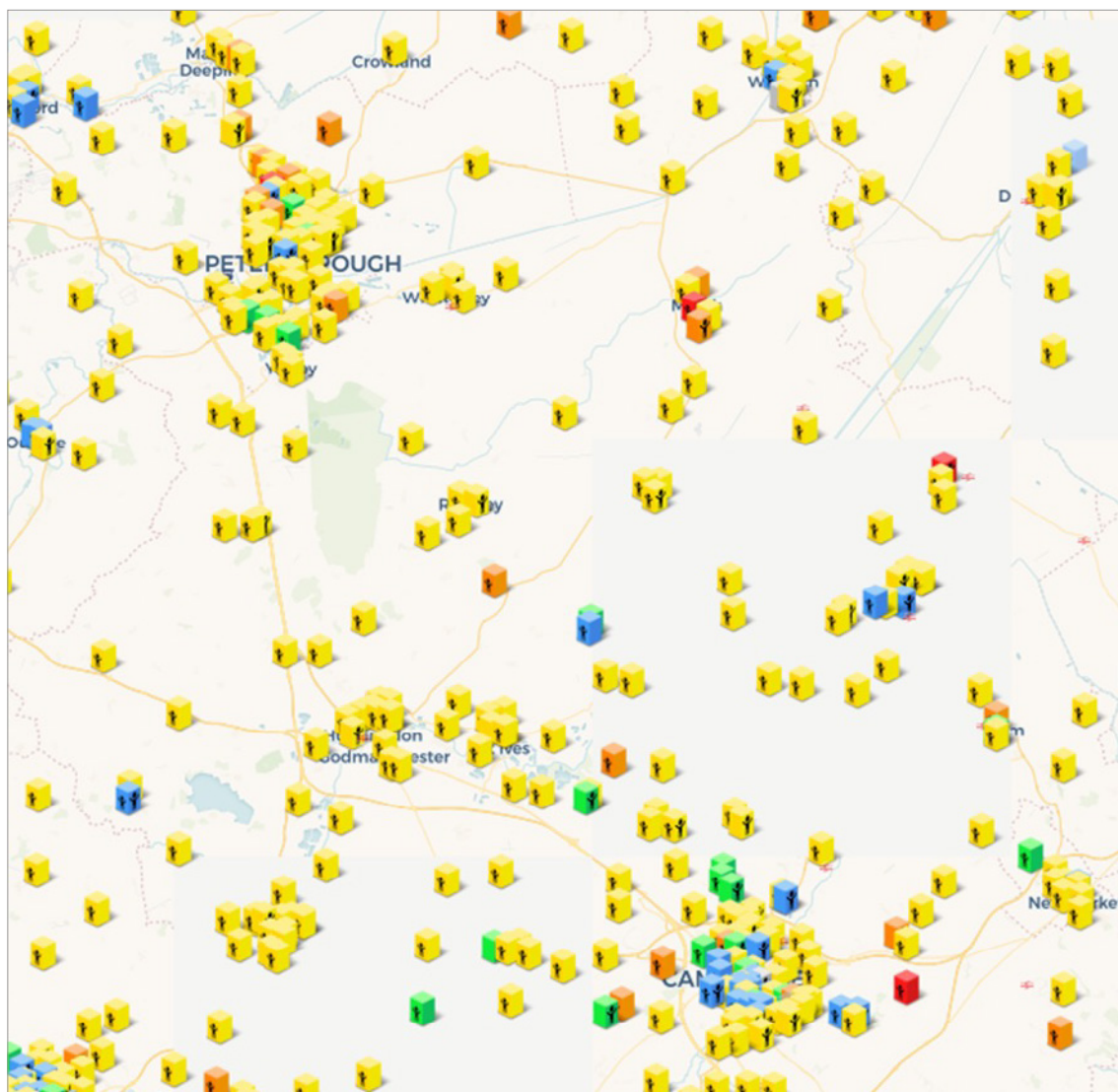


Figure [•]: (Source: Locating School Finder)¹¹⁰

Workforce – there are a number of workforce challenges felt in the region in education and SEND. The recent Local Skills Improvement Plan highlighted a 22% drop in teaching employment in Fenland and Peterborough since 2022 and teaching vacancies have rose by 81% compared to pre-pandemic levels.¹¹¹ Both councils have outlined significant staffing pressures and challenges in workforce ageing and staff retention.

Current best practice – despite the above challenges, there are several positive initiatives taking place in the region. These include:

- The Inclusion for All Strategy¹¹² focused on early identification, mainstream inclusion, and financial sustainability.

¹¹⁰ [The Best School Finder & School Catchment Area Checker | Locating](#)

¹¹¹ [Local Skills Improvement Plan](#)

¹¹² [New 'Inclusion for All' SEND Strategy to focus on early support | Cambridgeshire County Council](#)

- **SEND Ordinarily Available Toolkit¹¹³** – providing guidance for mainstream schools on support for those without an EHCP.
- **The SEND Hubs Network in Peterborough¹¹⁴** – hosted by schools, each hub focuses on a specific SEND area (e.g. autism, ADHD).
- Shared regional strategies including the Cambridgeshire & Peterborough SEND strategy¹¹⁵ focused on inclusive education, multi-agency collaboration, and lifelong learning and the All-Age Autism Strategy, promoting autism-friendly services and environments across both authorities.
- **Alconbury Weald** – a collaborative, cost-effective and forward-thinking approach was taken between HDC/CCC/Developer to deliver SEND provision as part of embedding a new sustainable community to meet future identified need.

Partnerships in the region – there are several existing partnerships in the region to build on with the new organisations, including:

- **Cambridgeshire & Peterborough SEND Executive Board¹¹⁶** – attended by both upper-tier authorities, the Integrated Care Board, Parent Carer Forums, Education, health and social care leaders and VCSE. Aims are to: improve EHCP timeliness and quality; enhance co-design with families; strengthen transitions to adulthood; and expand specialist provision.
- **Cambridgeshire Area SEND Partnership** – including the ICB and local authorities working together on joint commissioning of services; coordinated assessments and therapies and early help and inclusion initiatives. Their recent Inclusion for All strategy has been praised by Ofsted for improving early identification.

Key challenges in the region

The above analysis has highlighted several challenges that need to be addressed through LGR, including:

- **Regional disparities** – educational attainment is often unbalanced in the region, with areas like Fenland and Peterborough achieving less than South Cambridgeshire and City, due to differences in affluence and deprivation.
- **Rurality and accessibility** – rural areas face increased barriers to access, particularly in villages in South, Fenland and East. Unitary authorities will

¹¹³ [SEND Ordinarily Available Provision Toolkit](#)

¹¹⁴ [Peterborough Information Network | Peterborough Specialist SEND Hub Network](#)

¹¹⁵ [Peterborough Information Network | Peterborough Specialist SEND Hub Network](#)

¹¹⁶ [SEND Strategy & Pledge – Pinpoint](#)

- need to address transport and connectivity issues as well as ensuring maintained service provision.
- **Differences in demand growth** – whilst the North faces higher need, the greatest growth will be felt in the South leading to an increase in demand. A greater connection between Education and Planning will be needed to address demands and ensure that provision is given.
- **Workforce pressures** – both upper-tier authorities are facing cost pressures with agency provision due to lower retention rates and higher turnover/vacancies.

Why Option C is a sustainable option?

Table •: Predicted spend underneath Options A/B/C/D in SEND. (Source: Newton).

Scenario	Proposed authority	Predicted spend for scenario 2025	SEND services cost 2025 (gross placements cost and staffing)	Predicted spend for scenario 2040	SEND services cost 2040 (gross placements cost and staffing)
Baseline	CCC	£186.7m	£137m	£661.6m	£457m
	PCC		£50m		£205m
Option A	UA 1: FDC/HDC/PCC	£186.7m	£110m	£661.6m	£400m
	UA 2: CC/ECDC/SCDC		£77m		£261m
Option B	UA 1: CC/SCDC	£186.7m	£60m	£661.6m	£204m
	UA 2: ECDC/FDC/PCC		£127m		£458m
Option C	UA 1: ECDC/FDC/PCC	£186.7m	£93m	£661.6m	£348m
	UA 2: CC/HDC/SCDC		£93m		£313m
Option D – Three Unitary Authorities	UA 1: FDC/PCC	£186.7m	£76m	£661.6m	£291m
	UA 2: ECDC/HDC		£51m		£167m
	UA 3: CC/SCDC		£60m		£204m

The cost of service for SEND in both unitary authorities is evenly balanced, with the North spending £86m and the South spending £87m. This is the most balanced option in terms of cost of the service, with the fairer funding review also providing a bolster to high needs areas in the North. In 2040, Option C still provides the most balance, in comparison to others, demonstrating an even distribution of cost and need.

Table •: Predicted spend on educational provision underneath Option A/B/C/D
(Source: Newton)

Scenario	Proposed authority	Mainstream				Maintained Special Schools			
		2025	2030	2040	% change	2025	2030	2040	% change
Baseline	CCC	£201	£237	£329	64%	£250	£295	£409	64%
	PCC	£201	£237	£329	63%	£251	£296	£411	63%
Option A	UA 1: FDC/HDC/PCC	£198	£233	£324	64%	£245	£289	£402	64%
	UA 2: CC/ECDC/SCDC	£206	£242	£336	64%	£260	£306	£425	63%
Option B	UA 1: CC/SCDC	£211	£248	£344	63%	£266	£313	£435	63%
	UA 2: ECDC/FDC/PCC	£197	£232	£322	64%	£245	£289	£401	64%
Option C	UA 1: ECDC/FDC/PCC	£202	£238	£330	63%	£248	£292	£406	64%
	UA 2: CC/HDC/SCDC	£201	£237	£329	64%	£254	£299	£415	64%
Option D	UA 1: FDC/PCC	£205	£241	£334	63%	£249	£294	£408	64%
	UA 2: ECDC/HDC	£187	£220	£306	63%	£236	£278	£385	63%
	UA 3: CC/SCDC	£211	£248	£344	63%	£266	£313	£435	63%

Scenario	Proposed authority	Independent Non-Maintained Special Schools				Other			
		2025	2030	2040	% change	2025	2030	2040	% change
Baseline	CCC	£1,327	£1,562	£2,167	63%	£313	£370	£514	64%
	PCC	£1,319	£1,554	£2,156	63%	£314	£370	£513	63%
Option A	UA 1: FDC/HDC/PCC	£1,367	£1,609	£2,230	63%	£298	£352	£490	64%
	UA 2: CC/ECDC/SCDC	£1,282	£1,509	£2,095	63%	£343	£405	£562	64%
Option B	UA 1: CC/SCDC	£1,376	£1,619	£2,245	63%	£364	£429	£595	64%
	UA 2: ECDC/FDC/PCC	£1,296	£1,528	£2,120	64%	£297	£351	£488	64%
Option C	UA 1: ECDC/FDC/PCC	£1,329	£1,565	£2,169	63%	£299	£353	£491	64%
	UA 2: CC/HDC/SCDC	£1,323	£1,558	£2,163	63%	£331	£391	£544	64%
Option D	UA 1: FDC/PCC	£1,461	£1,711	£2,362	62%	£301	£356	£495	64%
	UA 2: ECDC/HDC	£1,141	£1,343	£1,862	63%	£291	£343	£475	63%
	UA 3: CC/SCDC	£1,376	£1,619	£2,245	63%	£364	£429	£505	64%

There is also little variation in unit costs with both unitary authorities seeing roughly the same % change up to 2040.

SEND and Education provision is therefore **evenly balanced** underneath Option C, with both unitary authorities grappling with similar challenges in terms of balancing urban need with rurality.

One key reason Option C is the best option for Education provision is the **natural transport links** inherent in both the North and the South. Connections between East Cambridgeshire and Fenland are stronger than those between East Cambridgeshire and Huntingdonshire. This is similar to the fact that Huntingdonshire's connection to Cambridge is greater than to the Eastern part of the region. In turn, Fenland has greater public transport connections to Peterborough and East Cambridgeshire, compared to Huntingdonshire. These transport connections are vital in addressing home to school transport issues but also, the strong economic identities of each unitary can work to increase funding and address regional issues like rurality.

Balance in population and scale is also necessary for addressing the sharp increases in demand expected in the South due to new developments. The below table highlights the estimated population increase for school aged residents. South Cambridgeshire sees the greatest population increase therefore there is an expected increase in demand for services. Scale and resources will be needed to meet this demand –existing transport connections to Huntingdonshire can be leveraged to support need. It will also provide the Northern unitary with sufficient scale whilst allowing the ability to implement localised, place-based working.

Table •: School age population numbers and % by district (Source: Newton).

District	School aged population by year			Percentage growth in school aged population from 2025-2040	Average percentage of Authority school aged
	2025	2030	2040		
Cambridge	16.6k	15.8k	15.8k	-5%	10%
East Cambridge	13.1k	12.6k	12.7k	-3%	13%
Fenland	14.2k	14.3k	14.2k	0%	13%
Huntingdonshire	26.5k	26.1k	26.8k	1%	13%
Peterborough	39.3k	38.1k	36.6k	-7%	16%
South Cambridgeshire	27.2k	27.9k	31.5k	16%	15%

Opportunities for reform

In order to deal with the challenges above, the opportunities for reform in SEND/Education should be the following:

- **Organisational structures that facilitate effective communication and joint working** – the connection of planning to education provision as well as leisure and health can provide greater outcomes for young people.
- **Economic growth that complements care** – the economic visions of the two unitary authorities should work to address social care provision and provide the connections needed address rurality challenges. Looking at the location, and models for delivery of new facilities and services.
- **A hyper-local approach** – as outlined above, disparities in the region exist and no two childrens' experience is the same. The two unitary authorities are small enough to provide hyper-local, place-based approaches to SEND provision that can be effectively tweaked to support regional differences.
- **Prevention** – improved prevention and placing importance on district-level services to provide early support and care for SEND students.
- **Improved workforce strategies and incentives** – increase in incentives for SEND support workers and teachers, with clear pathways for progression. Greater economic focus on transport provision could also clear barriers to workplace access.

Whilst there will be disparities and key regional differences between the two unitary authorities, there are similar challenges felt throughout the region. The above list should be the focus of both unitary authorities to effectively address the rural/urban divide, demand growth in the South and deprivation in the North.



Figure [●]:
PEDALs.

Case Studies of district prevention

SEND Pledge Art Competition¹¹⁷ – artwork competition held in Peterborough and Cambridgeshire to launch the joint SEND strategy. Winning artworks were used to create the posters to illustrate the qualities that the councils will display.

PEDALS¹¹⁸ – inclusive cycling initiative in Huntingdonshire offering instructor-led sessions using adapted bikes for children and adults who require additional support. It promotes physical activity, social inclusion, confidence building and family participation. It's a local SEND-friendly initiative combining recreation with accessibility.

4.3.8 Homelessness

National picture

In the UK, homelessness affects a wide range of people, including those who are sleeping rough and sofa surfing. It also includes those without a permanent home and those in temporary accommodation.

In line with UK legislation on housing and homelessness, local authorities are responsible for:

- **Assessment** – assessing all eligible applicants who are homeless or at risk.
- **Advice and information** – provided to all, including those not eligible for assistance.
- **Interim accommodation** – required if applicants are eligible and in priority need.
- **Main housing duty** – applies if homeless is not prevented or relieved and the applicant meets eligibility criteria.

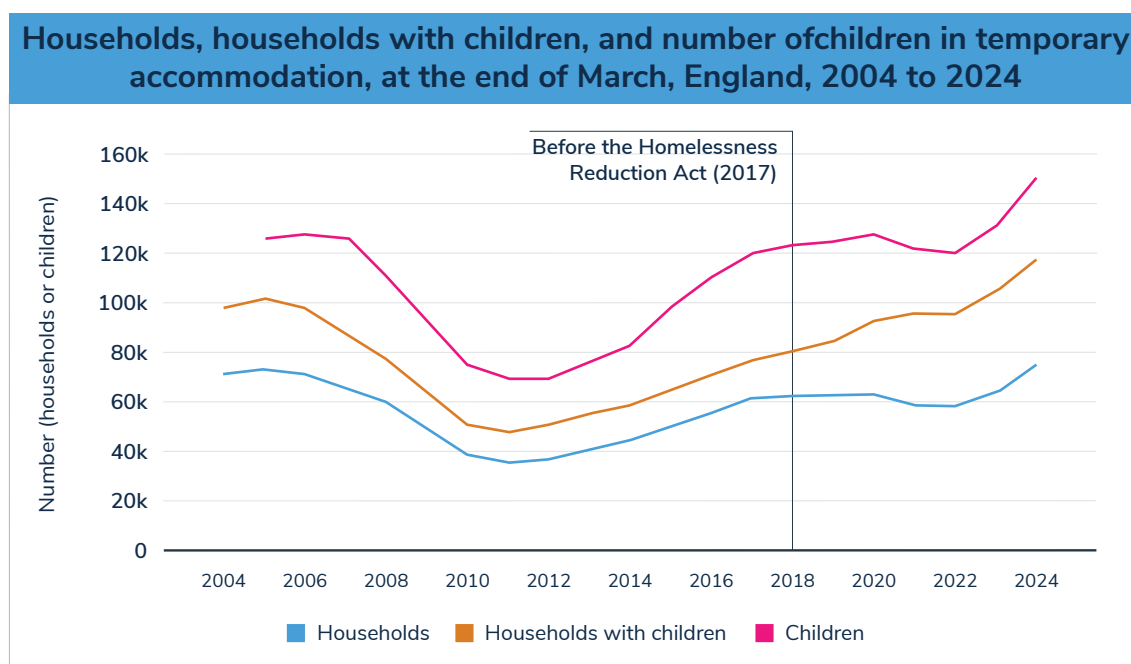
One statutory duty that local authorities have is the provision of settled accommodation. According to the Office for National Statistics,¹¹⁹ 2024 saw the highest level recorded for number of homeless households owed a homelessness duty. 324,990 households in the UK make up this number, an increase of 8.8% from 2022/3. A similar trend has been seen in number of households in temporary accommodation, particularly with households with children. Demand and need for accommodation is therefore increasing, causing more pressure on districts and unitary authorities to provide capacity.

¹¹⁷ [Peterborough Information Network | SEND Strategy 2019 – 2024 \(Local Offer\)](#)

¹¹⁸ [PEDALS – Huntingdonshire.gov.uk](#)

¹¹⁹ [Homelessness in the UK - Office for National Statistics](#)

Figure •: The number of household, and households with children, in temporary accomodation in En gland are at record highs. (Source: ONS).



According to the LGA, councils' budgeted net spend on homelessness services has increased by £604m (77.4%) from 2019/20 to 2024/5. This figure is due to the increasing costs of providing services but also complex contributory factors such as asylum and resettlement issues.¹²⁰

Rising costs have also been driven by extensive use of temporary/emergency accommodation, and private sector leasing schemes due to insufficient social housing. More households have been pushed into crisis due to increased cost of living and rent increases.

The UK government have recently announced significant measures to address homelessness, including an increase in funding by £1bn, plans to abolish Section 21 'no fault' evictions and the development of a new cross-government homelessness strategy, aimed at reducing reliance on B&Bs, streamlining funding structures and building more social and affordable housing.

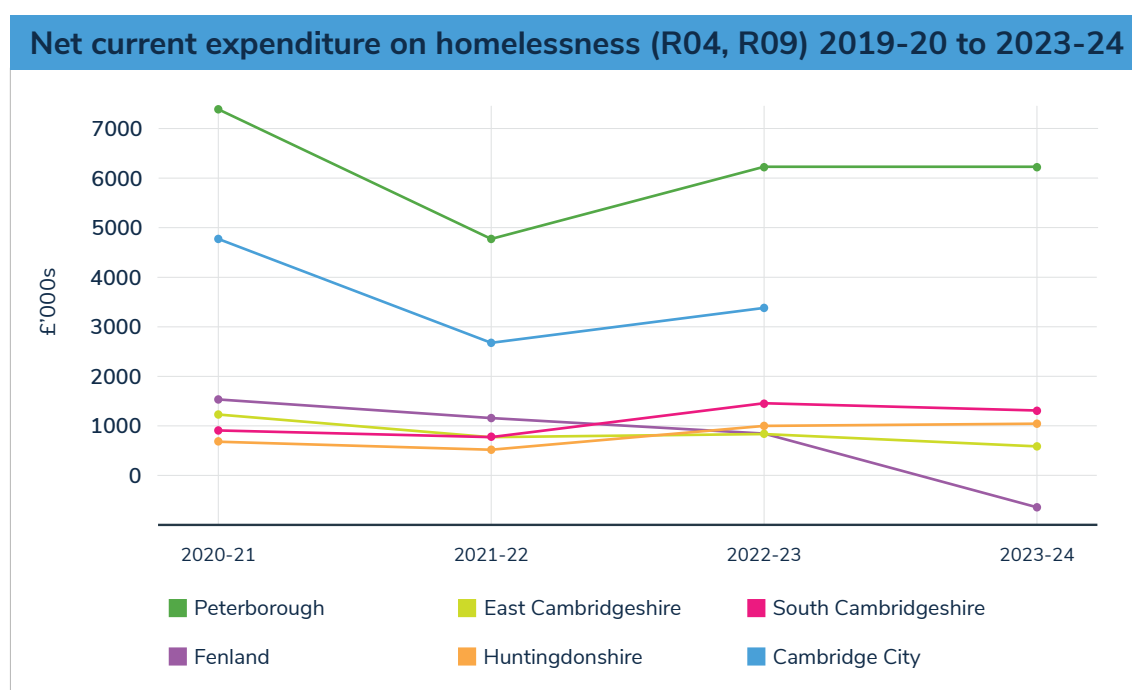
This cross-departmental strategy is particularly important for ensuring that a pro-active approach to homelessness is taken through preventative measures whilst tackling the root causes of demand that is affecting local authority budgets. This proposal seeks to position itself in alignment with the Government's vision for tackling homelessness and works to tackle the issues acutely felt in Cambridgeshire & Peterborough.

¹²⁰ [Homelessness and Rough Sleeping Strategy Position Statement | Local Government Association](#)

Cambridgeshire & Peterborough – what does the region look like now?

Demand/Need trends

Chart •: Title. (Source: MHCLG Revenue Outturn – Net current expenditure, line H09 ‘Homelessness’, which captures all revenue spend on assessment, prevention/relief work, temporary accommodation, Housing First projects, rough-sleeping services, etc., **net** of specific grants and client income. Some capital and other revenue spend related to homelessness from other council budgets will not be picked up in these official statistics.)¹²¹



Current expenditure on homelessness up to 2023/24 is outlined in the graph above. It highlights how Peterborough and Cambridge account for two-thirds of homelessness spend in the region, due to urban pressures and high temporary-accommodation use. The more rural areas see less spend. However, South Cambridgeshire and Huntingdonshire are seeing a steady increase in demand.

¹²¹ [Local authority revenue expenditure and financing England: 2024 to 2025 – first release – GOV.UK](#)

Table •: Homelessness Demand by District (Cambridgeshire & Peterborough)

District	Homelessness Applications (2024/25)	Rough Sleepers in Autumn 2024	Duties owed – either prevention or relief	Number of families in TA at end of Q4 2024/25 (Snapshot on the date)
Cambridge City	772	26	772	163
Peterborough	1,679	16	1,679	327
Fenland	630	7	470	75
South Cambridgeshire	620	1	591	75
East Cambridgeshire	448	3	434	17
Huntingdonshire	870	9	864	114

The above table provides a snapshot of homelessness data in the region. The highest homelessness figures are in the urban centres of Cambridge and Peterborough, closely followed by Huntingdonshire due to its built-up market town areas. The lowest need is felt in the more rural districts of South Cambridgeshire, East Cambridgeshire and Fenland.

Table •: Homelessness cases by unitary authority under Option C.

Unitary	Homelessness applications (2024/25)	Rough Sleepers in Autumn 2024	Duties owed – either prevention or relief	Number of families in TA at end of Q4 2024/25 (Snapshot on the date)
North-East	2,757	26	2,583	419
South-West	2,262	36	2,227	352

Consequently, Option C allows a balance in need across the region, with Peterborough's very high caseload balanced with the low needs of Fenland and East Cambridgeshire. The above table provides a summary of need in 2024/25 by the unitary authorities suggested in Option C. As the table shows, there

is a balance in demand across the region, with neither authority significantly worse off, or disadvantaged.

Unitary specific challenges

North-East – the North-East unitary will have significantly high TA needs and family homelessness rates in Peterborough although rough sleeping has recently stabilised. Fenland's family homelessness rates have also increased alongside their B&B usage due to a significant shortage of move-on housing. In comparison, East Cambridgeshire has the lowest homelessness caseload for any Local Authority in the country but has a strong focus on prevention, with a 76% success rate in threatened evictions. It must be noted that rural hidden homelessness could also persist. However, the low needs of East Cambridgeshire balances out the high needs of Peterborough whilst providing increased scale of resources to address TA needs and established best practices in prevention. Shared issues such as hidden homelessness could also be effectively addressed.

South-West – a similar pattern can be seen in the South-West unitary, with Cambridge City dominating homelessness provision. High rates of applications and increases in family homelessness is brought on by the housing affordability pressures felt in the city. Visible homelessness is also quite acute. In comparison, South Cambridgeshire faces moderate levels of homelessness but a rise in family homelessness and more relief rather than prevention cases. Huntingdonshire has a combination of both urban and rural homelessness with again, an increase in family homelessness. This is a key issue that the South-West unitary will have to address.

However, need is balanced across the geographic area of Option C and the new unitary authorities will be better placed to connect homelessness/housing services to partner organisations or other services, such as social care.

Currently, there is a lack of alignment in working practices in the region, in terms of data collection and statistics used. It can therefore be difficult to determine and compare homelessness rates in the region. During the lead-up to implementation, it will be important for councils to start working together to understand differences in approach and to focus on harmonising data. The high rates felt due to housing affordability can be addressed more readily through ensuring alignment of working practices, particularly with South Cambridgeshire and Cambridge City, as stock-holding authorities.



Figure [●]: Off the streets project.

Current best practice – despite the above challenges, several initiatives have been introduced in the region to address issues. This includes:

- **The Cambridgeshire & Peterborough Homelessness Transformation Report¹²²** – outlines a collaborative, multi-agency approach with practices of integrated commissioning, co-design with service users and data-driven planning.
- **‘Housing First’ initiatives¹²³** – particularly in Cambridge City, where a pilot programme was launched to provide housing as the first support mechanism to rough sleepers and provide wrap-around care after.
- **‘Off the Streets’ project¹²⁴** – pioneered by Peterborough City Council and the Light Project Peterborough, the project focused on providing immediate and longer-term support for people sleeping rough. This included providing emergency night shelter pods in local churches, multi-agency support with personalised action plans for individuals and the ‘Garden House,’ Peterborough’s homeless hub with a central access point for advice.

Partnerships – there are several existing homelessness partnerships in the region that should be maintained and/or strengthened by LGR. This includes:

- **The Housing Board** – covering the six Local Housing Authorities of the Combined Authority area, plus West Suffolk as an original partner to the Cambridge Sub-Region. The Board works collaboratively on strategic

¹²² cambridgeshireinsight.org.uk/wp-content/uploads/2020/08/Cambridgeshire-Homeless-Transformation-project-Main-Report-June20.pdf

¹²³ [Housing First In Cambridge - Interim Report.pdf](#)

¹²⁴ [Safer Off The Streets Peterborough](#)



Figure [●]:
Housing First
initiatives.

housing issues across the seven districts. It also includes representation from Public Health, Social Care, criminal justice partners as well as the major Registered Providers of Social Housing across the area.

- **The Sub Regional Homelessness Group** – which sits beneath the Housing Board brings together the homelessness leads from each authority to work collectively on strategic and operational issues to tackle homelessness. This includes multiple pathways to highlight early intervention opportunities, particularly between public sector partners, to ensure that prevention activity is prioritised where possible. These pathways cover areas such as care leavers, hospital discharges and prison leavers and the continuation of these partnerships to address homelessness will be key moving forwards.

Key challenges in the region

In line with the above overview of demand and need, the following key challenges will need to be addressed by the new unitary authorities:

- **Increase in TA usage and lack of provision/capacity** – this is particularly acute in rural areas where B&Bs are predominantly used.
- **Prevention focus** – prevention initiatives could potentially control the cost and demand of services, particularly with TAs. Increased resources through LGR could help to drive this focus.
- **Family homelessness** – currently the fastest-growing cohort in the region. Joint-up services with social care could work to provide greater data analytics to predict demand but also to provide wrap-around care and support. Both unitary authorities will have to focus on this growth.

- **Greater housing provision** – the growth focus of both unitary authorities will be key to providing more social housing which could combat the rental gap that drives homelessness. The rise in rent is most acutely felt in the South so the South-West should prioritise this. However, the economic coherence of the region will be well-placed to drive this.
- **Balancing urban/rural demands** – both unitary authorities will have to face balancing the urban demands of Peterborough/Cambridge and their challenges around visible homelessness with rural challenges around provision and invisible homelessness.

Why Option C is sustainable/the best to deliver?

Option C provides an effective balance of geography and scale to effectively address homelessness challenges, with more commissioning power to leverage external providers for temporary accommodation provision. Both unitary authorities will have a greater voice to reach out to public sector partners and community organisations to effectively create multi-partner solutions to complex problems and more resources allows more capacity for prevention.

The joining-up of homelessness and housing provision with social care allows for wrap-around solutions and clearer pathways for vulnerable residents to access advice and support, particularly for those with multiple disadvantages.

Homelessness: households owed a duty

Demand for homelessness support for 2025 has been modelled.

This analysis has modelled the demand for homelessness support for 2025. This analysis shows the variation in 2025 demand for homelessness support based on what duty is required. This will identify if certain scenarios are creating unitary authorities that have a high demand variation in 2025 as well as an increased demand to baseline scenario. This is shown both as a % of total households in that scenario and a total number of households. See the table below.

Table [●]: % of households owed duties underneath Options A/B/C/D.
(Source: Newton)

Scenario	Proposed authority	% of total households assessed as owed a prevention duty	% of total households assessed as owed a relief duty	% of total households assessed as owed a main duty*
Baseline	CCC	0.63%	0.49%	0.25%
	PCC	1.20%	0.69%	0.26%
Option A	UA 1: FDC/HDC/PCC	0.92%	0.55%	0.27%
	UA 2: CC/ECDC/SCDC	0.55%	0.52%	0.22%
Option B	UA 1: CC/SCDC	0.48%	0.54%	0.23%
	UA 2: ECDC/FDC/PCC	0.89%	0.54%	0.26%
Option C	UA 1: ECDC/FDC/PCC	0.93%	0.62%	0.24%
	UA 2: CC/HDC/SCDC	0.62%	0.47%	0.26%
Option D – Three Unitary Authorities	UA 1: FDC/PCC	0.99%	0.67%	0.26%
	UA 2: ECDC/HDC	0.79%	0.40%	0.26%
	UA 3: CC/SCDC	0.48%	0.54%	0.23%

* Main duty is households assessed, following relief duty end, as unintentionally homeless and priority need. Therefore, there may be cases of a household included in both relief and main duty count.

In terms of demand, the above table highlights the variations between the two unitary authorities. Option C has the lowest demand variation for households owed a prevention duty with a 0.31% difference between the two authorities (A = 0.37% and B = 0.41%). C also has the smallest variance for households owed a main duty although the difference is minimal. C does have the greatest variance in relief duty provision, but this is again, minimal, between the options.

Both geographies are similar in their vision of place and identity – they both have an anchor city that provides growth and balance for the remaining rural areas. As such, the high homelessness needs of the urban centres are balanced by the low-needs in rurality areas – it will be important for both unitary authorities to consider the differences between the two and to maintain place-based working to solve regional issues.

Both geographies also allow for growth provision in housebuilding, as explored in the inclusive growth section. Increased scale of resources and land in the North-East allows the expansion of Peterborough and the South-West's current house-building agendas are aligned, with rapid growth expected in

South Cambridgeshire. This provision of growth will support with managing homelessness demand and need over time, potentially providing capacity for housing-first schemes and more affordable housing generally.

Vision for reform

In order to deal with the challenges above, the opportunities for reform in homelessness should be the following:

- **Organisational structures that facilitate effective communication and joint working** – the connection of housing delivery and homelessness services to social care will allow more effective data-sharing, a greater understanding of local need and clear accessibility for residents. This could work to support residents with complex needs.
- **Economic growth that complements homelessness need** – the economic visions of the two unitary authorities should work to increase affordable housing supply and providing capacity for temporary accommodation to deal with local challenges. Ability to design outcome focused delivery of housing, ensuring the right type and mix in the right locations. Building in flexibility to respond to changing needs such as Afghan / Ukraine etc to provide wrap-around support for vulnerable residents.
- **A hyper-local approach for rural and urban needs** – different approaches for the urban centres in comparison to rural districts to address differing needs and challenges.
- **Prevention** – initiatives to improve prevention and provide more wrap-around care, including pursuing housing first pilots. RAIT work – examples such as Barking & Dagenham where they were looking at early indicators of homelessness (such as missing Council Tax) and using that to get in before it became costly. Data-informed, insight and outcome driven.
- **Prioritise family homelessness** – both unitary authorities should prioritise addressing family homelessness by connecting more closely with social care and prioritising S106 negotiations for affordable three-bed units.
- **Wider commissioning** – collaborate with partners to commission provision at scale, particularly with regard to temporary accommodation. In the South-West Unitary, there will be a need to bring together stock-holding and non-stock holding LAs. However, the two unitary authorities can still leverage their close relationships to commission at scale for those areas not covered.



Figure [●]:
Homes for
Ukraine scheme.

Case studies of district prevention

Resident Advice Team at Huntingdonshire – have provided support for form-filling to vulnerable residents, particularly for those not suitable for TA or pressed for time. This simple support can save residents being evicted and made homeless, providing tangible outcomes for local people. Their work also helps save the council money by reducing demand on services.

Homes for Ukraine scheme – the support provided to Ukrainian guests arriving with sponsors under the HfU scheme has focussed on resolving issues that may have led to homelessness situations within this cohort. Providing resources to work on negotiation and mediation with host sponsors, rematching to alternative hosts where necessary, and assisting households into more settled housing solutions in either the private or social rented sectors has meant that there have been very few instances of actual homelessness from within the HfU scheme. This has meant that this cohort have not placed significant additional demands and pressures on temporary accommodation and the homelessness responsibilities of the council.

The Action on Energy Initiative is a partnership involving Cambridgeshire County Council and all the districts below. It is a partnership that works to provide advice on how to maximise the energy efficiency of residents' homes allowing them to save money on bills and cut their carbon emissions. In particular, the member councils help administer government grants to help low-income households install energy-efficiency improvements and low-carbon heating. This work helps to alleviate some of the negative effects of the cost-of-living crisis, allowing residents to feel more financially secure and comfortable in their homes and reducing the likelihood of homelessness or negative health impacts.

4.3.9 Wider public service delivery

Whilst this proposal has explored in depth the services outlined by the Government as ‘high-risk’, there is a vast array of services that councils provide beyond those that are classed as ‘people centred.’ This includes place-based services such as planning, operations and leisure alongside corporate enabling services and digital/customer services. In this section, the proposal considers how Option C can best facilitate the delivery of these public services and an approach to ensuring safe and legal delivery alongside transformation.

Principles for delivery

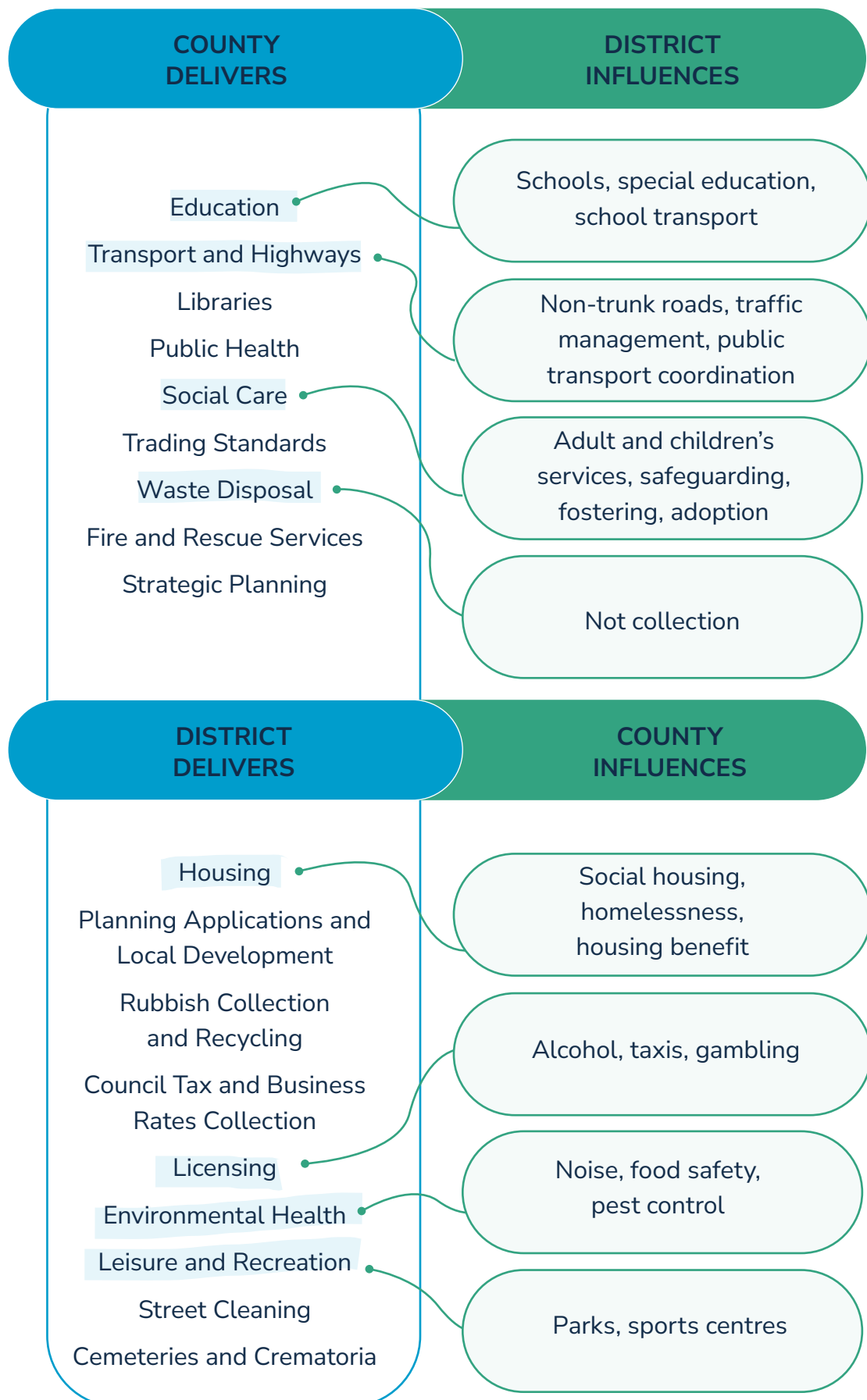
Earlier, a set of principles for delivering public services in the new unitary authorities were outlined. These principles are centred around the opportunities that LGR can bring by combining two tiers of governance, allowing for a more localised, preventative approach with the breaking down of organisational barriers and a greater voice to lobby and commission at scale. This could be commissioning within social care as explored above or having a greater seat at the table within the CPCA or on a national scale. This proposal leverages these opportunities to outline a new vision for delivery, that strives to be:

- Localised and tailored to specific community needs – place based/focused.
- Pro-active and forward-thinking, using digital solutions and shared data to predict need and providing a strong offering of prevention.
- Collaborative and joint-up, with services that have the digital means to talk to each other and share data across the organisation for more efficient working.
- Interconnected with other public service providers, allowing a greater understanding of the local area and the ability to use multiple services and providers to solve complex issues.

Place-based service delivery

There are several place-based services that both lower and upper-tier authorities deliver in the area – particularly planning, operations, leisure, community centres/libraries and highways. The delivery of these services should remain focused on local areas and needs, with two balanced unitary authorities allowing an appropriate size and scale for the two authorities to remain closely connected to local communities and to understand their pinch-points and challenges.

Delivery by tier



Economic development

Transformation opportunities

- **Growth and waste** – combining waste planning/collection/disposal with planning and economic development can provide opportunities to streamline services and find outcome-driven solutions, rather than passing on responsibility. Services can more readily talk to each other, with waste routes potentially being optimised by greater integration with highways and planning and take account of future growth. This could also result in long-term benefits around recycling and carbon reductions as well as greater operational efficiencies. Procurement and Asset maintenance are both huge areas in waste management; and there are examples of combining the procurement at scale, with localised asset management which allows scope for innovation, and potential growth of private sector SMEs. For example, HDC Food Waste vehicles were jointly procured with SCDC and we work with Envar on Garden Waste disposal.
- **Improving service spend** – increasing the scale of local authorities gives the opportunity to provide economies of scale and to balance spend with capacity. For example, the regional Pixel report outlined that Cambridge City currently has a very high share of RNF for Environmental, Protective and Cultural Services. A greater size and scale in the South could balance this out.
- **Breaking down barriers between ‘tiered’ services** – creating connections between services like planning and highways can lead to more efficient ways of working to solve local issues with the opportunity to improve local places and connectivity quicker. Residents can also easily access a ‘one-stop-shop’ leading to the quicker identification of issues with quicker response rates. Streamlining processes such as S278 highway agreements to better align with district planning outcomes to enable development more quickly.
- **Additional assets** – the combination of County and District assets allows for a greater base to deliver services across the area, with community and leisure centres potentially being used for social care or support services. Whilst this way of working is already occurring across the tiers, having control under one authority allows for quicker implementation and a greater understanding of where needs should be met and delivery should be prioritised. This also allows for efficient use of and retention of space, as well as asset disposals to alternative uses, without diminishing access to services.

- **Combining economic development with cultural and museum services** – allows for growth and development of local businesses to build on existing cultural offerings, improving a visitor economy focus in each unitary. Collaboration could lead to increased footfall and economic growth through joint initiatives that capitalise on existing strengths. For example, development of a programme of cultural events which can leverage the opportunities from Universal Studios, and increase footfall to museums, and embed pride in place.
- **Boosting prevention** – harnessing existing leisure and health offerings such as country parks and sports centres can provide a better prevention offering in social care by supporting local health and well-being. Promoting these spaces with existing businesses helps to create healthier and economically active workforces. Data could be more easily accessed between services, identifying vulnerable residents more quickly through operational services local knowledge. Health and well-being strategies can be more readily aligned with local communities to finance community-based delivery for the benefits of all.
- **Greater alignment and reducing variation** – one single authority could allow less variation in planning policies, waste strategies or economic development functions. This means that a coherent identity can be formed in the North-East and South-West, working to maximise positive outcomes and creating efficiencies and positive environmental outcomes. The two new unitaries could also work together on aligned initiatives that benefit the whole region, alongside the CPCA.
- **Social Value Impacts from Procurement** – the combined spend of the new organisation will be impactful and more able to stimulate a return by acting at scale and in an aligned way.
- **Digital transformation in place-based service delivery** – LGR provides an opportunity to re-set how aspects are provided and develop “best practice” in the way that we deliver place-based services, rather than just lifting and shifting traditional methods. An example could be licensing, using digital methods to provide licenses with simplified access for residents to services. This has been implemented in Cornwall¹²⁵ and Trafford Council,¹²⁶ leading to more efficient services and robust compliance tracking.

¹²⁵ [Street trading licence – Cornwall Council](#)

¹²⁶ [Street trading licences](#)

- **Why Option C works for place-based services?**
- Option C joins the **most well-connected areas together with a balanced population size**. Services that are operational like waste and street cleansing will therefore be more efficient without having to travel over a vast geographic area, wasting time and resource.
- **Alignment of local plan and growth objectives** – it joins the high-growth areas of the South together with their high housing objectives, allowing for more focused delivery across the patch. It also couples the more rural areas together in the North, allowing for growth outside Peterborough but with different infrastructure objectives surrounding the geography of the Fens. Linking sectors and opportunities – housing delivery in Hunts whilst Cambs sorts water challenges etc linking R&D to defence cluster; logistics in North Hunts supporting Peterborough.
- **Effective economies of scale** – having equally sized unitary authorities allows for additional capacity to deliver place-based services whilst also remaining close to communities. Both unitary authorities can capitalise on district councils' knowledge of the local area and district strengths to deliver transformation at scale that suits the distinctive identities of North-East and South-West. The North-East unitary will be placed to capitalise on Peterborough's strong economic growth team to bolster the lack of current provision in Fenland and East Cambridgeshire whilst the South-West has an existing alignment of capacity and expertise that can be strengthened.

How will the new authorities safely deliver place-based services?

There are several statutory duties that councils are responsible for adhering to with regard to place-based services, including waste collection and disposal duties, duties to be able to process planning applications and provide environmental health and licensing services.

As such, the priority will be to provide all statutory services on Day 1 through retaining separate service delivery with the ability to harmonise later. This allows focus on maintaining local delivery, giving time to harmonise systems and organisational structures. The priority will be to establish any statutory committees in shadow form and then within the new unitary authorities to ensure centralised oversight before eventually bringing the services together.

Digital Transformation

LGR provides opportunities for digital transformation, allowing opportunities for developing a digital offering to customers through resident-facing services whilst also improving the way that information is managed internally. This is a 'once in a generation' opportunity to fundamentally redesign services and ensure a digital-enabled future, that will benefit from new capabilities and initiatives.

LGR allows new unitary authorities to be a 'one-stop-shop' for residents with the ability for them to contact the council directly about any issues they are facing, alongside a 'tell us once' approach. Digital solutions should facilitate quick and efficient responses to local issues with services that talk to each other through data to allow a strong reactive approach.

If strong communication can be harnessed, councils can also become more proactive going forward, allowing for stronger data analytics to predict need and provide a well-rounded view of local issues to lead to more positive outcomes.

The key principle driving digital transformation is that the councils should be 'outcome-focused' – the new authorities won't be harnessing technology for the sake of technology but rather, to deliver for residents, improving their quality of life.

The creation of two new unitary authorities also creates an opportunity to ensure CPCA initiatives are delivered through the new authorities, and that data sharing and service partnering are available and built-in from Day 1. A common regional digital approach would create operational efficiencies, improve services and enable joint future developments.

What are the opportunities for digital transformation?

- **One single 'front door' with one customer channel strategy** – opportunities to deliver digitisation of resident services with one front door to manage responses. This makes interactions with the council easier for residents, but it is vital that the back-office is managed effectively to ensure data flows easily between services.
- **Movement from reactive to proactive services through modern data platforms** – shared data platforms within the new authorities can allow for data between services to flow more easily. This means that councils can predict need and demand more easily, but it also allows for a 'single view' of the customer, reducing resident frustrations with councils by harnessing a single citizen view and holding resident circumstances in one place. This also mitigates against government data protection regulations risks of decision-making without knowledge of the full circumstances that could impact outcomes.

- **Better insight and intelligence with partners** – having one single voice of a new unitary authority can sharpen relationships with partners to share data easily, allowing scope for creating single data platforms with Health, Police, Fire and CPCA partners that take into account all service delivery data.
- **Investing at scale for innovative solutions** – the new authority will have the ability to invest at scale due to increased resources and capacity. This means innovative solutions can be utilised more readily, spend can be reduced, and shared software can increase efficiencies.
- **Staff learning and development** – more joined-up services allows for greater opportunity to train and develop staff learning in digital solutions and technology.
- **Digital by design backed up by other approaches for complex/unique cases** – Digital first approach to delivery to enable us to capture data and be efficient, freeing up resources for more complex or dedicated support needs. Recognising that generations are shifting and technology solutions are becoming easier and more inclusive through things like AI and Communication technology. Enabling solutions that allow 24/7 and 365 access; and allow people to access services at home with the potential to be innovative through digital health approaches

Why Option C can help us to deliver digital transformation?

- Both unitary authorities will have sufficient buying power to innovate at scale with the capacity to collaborate, if appropriate.
- Option C keeps the current Southern partnership of 3C ICT intact, without the need to disaggregate services. This also includes current partnerships in 3C Legal and 3C Building Control and Greater Cambridge Shared Waste and Planning. Option C therefore mitigates against any risks of disruption through breaking these up.
- Option C provides us with the opportunity to grow the benefits already in place with joint investment in the 3C ICT structure, ensuring greater certainty and stability in the future due to retained knowledge. Keeping this service will dramatically reduce transition costs and the authority's ability to be safe and legal on Day 1.

How will the new authorities safely deliver digital, IT and corporate services?

It is important that the new authorities recognise the safe and legal requirements for service delivery on Vesting Day. This includes priority systems that need to be harmonised/delivered including HR/payroll, finance, revenues and benefits and ensuring effective contact methods for customers.

This also includes the technology needed to continue working on Day 1, such as customer access cards, laptops, emails, and a phone line/website. The initial focus should also be on cleansing current data, allowing for a swift collation and harmonisation when appropriate. If the authorities data is in good shape, then the disaggregation and aggregation of systems will be simplified, and councils can continue to utilise existing platforms.

The new authorities should effectively prioritise the following within IT for 'Day 1':

- Staff access to systems and data needed to deliver services.
- Payroll system.
- Telephony systems.
- VPN and mobile access to applications.
- Access to data centres and relevant access control.
- Accommodation planning and a clear process for deploying equipment, including door access.
- Ensuring skills/resource/capacity in the ICT service.
- Data compliance is in place including information sharing policies and acceptable use policies.
- Communications and email routing – ensuring that staff are able to communicate with each other and residents.
- Ensuring efficient cyber-security.
- Who's who directories.
- Novation of ICT contracts.
- Websites in place for new authorities and a CRM front door.
- Implementing regional IT leadership joint working groups.
- DPIA's.
- ICT helpdesk in place.

The following will be prioritised for Corporate Services:

- Clear health and safety policies and protocols.
- Compliance with FOI requirements and data protection.
- Clear records management processes, including both online and physical.
- Confirmation of location of working with sufficient office accommodation and file storage.
- PMO capacity and a clear transformation plan beyond Vesting Day.
- Administration processes in place including booking meeting rooms, ID badges, placing orders, etc.
- Finance systems in place, including Revs & Bens, bank account set-ups, HRA processes, etc.
- Single election and committee systems.

The implementation plan outlined below is focused on delivering the above Day 1 requirements, with transformation coming later. Priority systems will be harmonised early, and it is paramount that staff have access to what they need to deliver services. There may be a need to support and share services and systems over the first few years as the independence of the unitary authorities develops.

The scope of the above work cannot be under-estimated. However, Option C allows for a simplified process for implementation due to existing joint platforms and shared services. There is therefore less risk in pursuing Option C, and a smoother transition can be met, particularly in the South-West unitary.

Theme 4.4 – Democratic representation, community engagement, local identity

Section summary

This section focuses on how democracy and local voice will work in the new councils. At present, Cambridgeshire & Peterborough has seven councils and 331 councillors, which can be confusing for residents. Option C proposes two clearer systems with around 74 councillors in the North-East and 86 in the South-West.

The new authorities would adopt modern, efficient governance to make councils easier to understand and more attractive to future councillors and officers.

4.4.1 Democratic representation

As part of the submission to government, councils have been asked to consider the democratic and electoral arrangements for new unitary authorities, subject to later review by the LGBCE.¹²⁷ There is a recognition that through LGR, councillor numbers should be reduced with the LGBCE recommending that numbers should be between 30 and 100. As Cambridgeshire & Peterborough is home to a significant number of county and district councillors, a lot of work has taken place to review the current numbers and to provide a view of the future that outlines an appropriate council size alongside warding arrangements.

4.4.2 Current elector:member ratios

In Cambridgeshire & Peterborough, there are currently 331 elected councillors representing the region. Of this, 270 are district and city councillors and 61 are county councillors. The current system of governance can therefore be confusing for residents, with multiple layers of representation across the two-tier system. The below table highlights the electoral arrangements for each district council:

¹²⁷ Electoral Arrangements Paper

Table •. Electorate numbers and ratios by district using wards as a base.

Council	Electorate June 25	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

The elector to member ratios across the district and city councils range from 1784:1 in Fenland through to 2858:1 in South Cambridgeshire. At ward level, these differences are even more pronounced, with 1398:1 in Newnham Ward of Cambridge City through to 3365:1 in Brampton Ward of Huntingdonshire.

An analysis of elector:member ratio shows that representation at ward level varies significantly, with 15 wards having fewer than 1,800 electors per councillor and 12 wards with more than 3,000 electors per councillor. This means that on balance there are relatively poor levels of electoral equality across the district and city wards of Cambridgeshire & Peterborough.

Table •: Electorate totals of District and City Councils in Cambridgeshire, the number of county divisions, and their overall elector to member ratios.

Council	Electorate June 25	Number of divisions	Number of county councillors	County electorate to member – council wide
CCC	86,235	12	12	7,186
ECDC	68,825	8	8	8,603
FDC	76,695	8	9	8,522
HDC	140,201	17	17	8,247
PCC	N/A	N/A	N/A	N/A
SCDC	128,595	14	15	8,573
TOTAL	500,551	59	61	Average 8,206

In comparison, the above table highlights the electoral arrangements for county council divisions in the region. The council wide elector to member ratio between the district and city councils for their county divisions range from 7186:1 in Cambridge City through to 8603:1 in East Cambridgeshire. It should be noted that these ratios are skewed by two Cambridge City divisions with markedly low electorates (Newnham and Market). With the numbers for those two divisions removed, the average ratio in Cambridge City becomes 7797:1. Analysis has demonstrated that only six divisions are below 7,000 electors per member and three divisions are more than 9,500 electors per member. This means that on balance the county divisions offer somewhat better levels of electoral equality when compared with district and city wards.

In conclusion, it is prudent to use county divisions as the building blocks of new unitary wards as it would lead to largely fairer and more consistent levels of representation.

4.4.3 Option C recommendations

Within Option C, using the county divisions as building blocks, the following electoral arrangements are proposed.

Table •: North-East (East Cambridgeshire/Peterborough City/Fenland) and summary.

Council	Current division	Electorate	Potential councillors	Per member
ECDC	Burwell	9,327	2	4,664
ECDC	Ely North	7,908	2	3,954
ECDC	Ely South	8,094	2	4,047
ECDC	Littleport	7,534	2	3,767
ECDC	Soham North & Isleham	8,490	2	4,245
ECDC	Soham South & Haddenham	9,422	2	4,711
ECDC	Sutton	9,399	2	4,700
ECDC	Woodditton	8,651	2	4,326
FDC	Chatteris	8,335	2	4,168
FDC	March North & Waldersey – Half 1	9,072	2	4,536
FDC	March North & Waldersey – Half 2	9,072	2	4,536
FDC	March South & Rural	8,636	2	4,318
FDC	Roman Bank & Peckover	9,239	2	4,620
FDC	Whittlesey North	8,644	2	4,322
FDC	Whittlesey South	8,939	2	4,470
FDC	Wisbech East	7,544	2	3,772
FDC	Wisbech West	7,213	2	3,607
PCC	Barnack	2,793	1	2,793
PCC	Bretton	6,743	2	3,372
PCC	Central	9,151	2	4,576

Council	Current division	Electorate	Potential councillors	Per member
PCC	Dogsthorpe	6,913	2	3,457
PCC	East	7,602	2	3,801
PCC	Eye, Thorney & Newborough	7,475	2	3,738
PCC	Fletton & Stanground	7,407	2	3,704
PCC	Fletton & Woodston	7,688	2	3,844
PCC	Glington & Castor	5,203	1	5,203
PCC	Gunthorpe	6,804	2	3,402
PCC	Hampton Vale	5,704	2	2,852
PCC	Hargate & Hempsted	7,402	2	3,701
PCC	North	7,221	2	3,611
PCC	Orton Longueville	7,559	2	3,780
PCC	Orton Waterville	7,257	2	3,629
PCC	Park	7,143	2	3,572
PCC	Paston & Walton	7,349	2	3,675
PCC	Ravensthorpe	7,524	2	3,762
PCC	Stanground South	7,745	2	3,873
PCC	Werrington	7,712	2	3,856
PCC	West	4,242	1	4,242
PCC	Wittering	2,546	1	2,546

Summary			
Number of wards/divisions	Number of councillors	Average elector:member ratio	Councillors per unitary division
38	74	4,006	2

The above analysis proposes 38 new unitary wards with 74 councillors with an average elector:member ratio of 4,006. Two councillors per unitary division has been suggested with the exceptions four smaller PCC wards. Peterborough City Council's wards are roughly consistent in size (though broadly smaller) to the county divisions with three elected members each. This proposal recommends that the number of members is reduced to two per ward to ensure equity in representation. Four smaller wards have been maintained and the member number has been reduced from two to one.

March North & Waldersey has been split into two as the division currently elects two county councillors rather than one. By maintaining the electorate ratio, four councillors would have to be suggested for the area if it were to remain the same size. This number of councillors is unwieldy and isn't in line with LGBCE guidance. By splitting the area in two, there is more even representation in both halves of the division.

Table •: South-West (Huntingdonshire/South Cambridgeshire/Cambridge City) and summary.

Council	Current division	Electorate	Proposed councillors	Per member	Deviation
CCC	Castle	6,080	2	3,040	-26.36
CCC	Abbey	6,846	2	3,423	-17.08
CCC	Arbury	6,990	2	3,495	-15.34
CCC	Queen Edith's	7,702	2	3,851	-6.72
CCC	Chesterton	7,925	2	3,963	-4.02
CCC	Petersfield	7,982	2	3,991	-3.33
CCC	Newnham & Market	8,262	2	4,131	0.07
CCC	Cherry Hinton	8,336	2	4,168	0.96
CCC	Kings Hedges	8,518	2	4,259	3.17
CCC	Trumpington	8,563	2	4,282	3.71
CCC	Romsey	9,031	2	4,516	9.38
HDC	St Neots East & Gransden	6,230	2	3,115	-24.54
HDC	Huntingdon West	7,619	2	3,810	-7.72
HDC	Somersham & Earith	7,743	2	3,872	-6.22

Council	Current division	Electorate	Proposed councillors	Per member	Deviation
HDC	Warboys & The Stukeleys	7,802	2	3,901	-5.51
HDC	St Neots Eynesbury	7,856	2	3,928	-4.85
HDC	St Ives North & Wyton	7,972	2	3,986	-3.45
HDC	The Hemingfords & Fenstanton	8,022	2	4,011	-2.84
HDC	St Ives South & Needingworth	8,142	2	4,071	-1.39
HDC	Godmanchester & Huntingdon South	8,172	2	4,086	-1.02
HDC	Alconbury & Kimbolton	8,202	2	4,101	-0.66
HDC	St Neots Priory Park & Little Paxton	8,250	2	4,125	-0.08
HDC	Yaxley & Farcet	8,297	2	4,149	0.49
HDC	Huntingdon North & Hartford	8,344	2	4,172	1.06
HDC	Ramsey & Bury	8,825	2	4,413	6.89
HDC	St Neots The Eatons	9,464	2	4,732	14.62
HDC	Brampton & Buckden	9,580	2	4,790	16.03
HDC	Sawtry & Stilton	9,681	2	4,841	17.25
SCDC	Bar Hill	7,169	2	3,585	-13.17
SCDC	Fulbourn	7,599	2	3,800	-7.96
SCDC	Papworth & Swavesey	7,899	2	3,950	-4.33
SCDC	Sawston & Shelford – Half 1	8,244	2	4,122	-0.15
SCDC	Sawston & Shelford – Half 2	8,244	2	4,122	-0.15
SCDC	Duxford	8,418	2	4,209	1.96
SCDC	Melbourn & Bassingbourn	8,457	2	4,229	2.43

Council	Current division	Electorate	Proposed councillors	Per member	Deviation
SCDC	Histon & Impington	8,551	2	4,276	3.57
SCDC	Longstanton, Northstowe & Over	8,657	2	4,329	4.85
SCDC	Gamlingay	8,785	2	4,393	6.40
SCDC	Linton	8,875	2	4,438	7.49
SCDC	Cottenham & Willingham	9,093	2	4,547	10.13
SCDC	Waterbeach	9,288	2	4,644	12.49
SCDC	Hardwick	9,484	2	4,742	14.87
SCDC	Cambourne	9,832	2	4,916	19.08

Summary			
Number of wards/divisions	Number of councillors	Average elector:member ratio	Councillors per unitary division
43	86	4,128	2

The above table outlines our approach to the South-West unitary – this would see 86 proposed councillors with 43 wards with an average elector:member ratio of 4,128. It is suggested that each ward has two councillors with no variations in the unitary.

In summary, the above recommendations allow the creation of two unitary authorities with balanced elector:member ratios (4,006 vs 4,128) that also factors in district variances, such as smaller divisions in Peterborough and larger ones in Fenland. Both councils are well within the LGBCE's guidance with the number of councillors sitting between the recommendation of 30 and 100.

As per the new legislation in the Devolution Bill, the new unitary authorities will have a Leader and Cabinet model. Currently, the region has two councils with the committee system – Cambridgeshire County Council and East Cambridgeshire District Council. Work will need to be done to determine the new governance and committee structures when the shadow authority is elected however both unitary authorities will comply with the government's recent announcements for a Leader and Cabinet structure.

The reorganisation presents a significant opportunity to reset constitutional frameworks by developing clear, simple, and modern governance structures that embody best practice and reflect the ambitions of the new unitary authorities. This clean slate approach will enable the creation of more efficient and accessible governance arrangements, moving beyond legacy challenges that may have constrained predecessor authorities and building confidence in the new organisational culture. The constitutional reset will embrace digital transformation, incorporating innovative practices such as proxy voting and virtual attendance—both subjects of recent government consultation—to enhance democratic participation and operational flexibility. Furthermore, this foundational work will establish a progressive framework for Member and Officer relationships, supported by comprehensive training and development programmes designed to attract the next generation of talent into local government. By embedding these principles from inception, the new unitary authorities will be positioned as modern, forward-thinking employers and democratic institutions that set the standard for effective local governance.

4.4.4 Community engagement and neighbourhood empowerment

As part of the guidance for LGR, MHCLG have outlined that proposals should ‘enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.’ The above analysis and approach to democratic governance works to ensure effective decision-making. However, it is important that the proposal recognises the importance of the ‘third-tier’ and other public sector organisations whilst also allowing residents to participate in various forms of engagement. It is vital that the new unitary authorities continue to recognise the role that elected members play as central to community leadership and that their relationship with residents is strengthened by widening participation to other relevant groups.

The approach to community engagement builds on the existing structures for local decision-making that exist within the area and draws on examples of best practice. It also identifies examples of best practice elsewhere nationally, particularly in those areas where LGR has already occurred.

Our approach is centred around the following priorities:

- Ensuring clear pathways for residents to access councillors and decision-making so that issues can be raised quickly.
- **Co-design of services with service users** – increased methods of participation for service users to co-produce solutions to complex problems.
- **Cultivating effective partnerships** – ensuring relationships between partners is strengthened by a strong community engagement approach.

- **Inclusive and accessible** – approaches that are accessible to all and inclusive of different user groups and diverse communities.
- **Trust** – making sure that residents trust council services and councillors with decision-making and that outcomes are effectively communicated, providing accountability and transparency.
- These principles are important for ensuring that decision-making is based on local views and knowledge and works to address local need.

How could residents and councillors take ownership and influence decisions?

There are a few examples below of opportunities to expand resident influence in decision-making through the LGR process:

- Structured input into the Community Infrastructure Levy – CIL is already in place in Peterborough, Huntingdonshire and East Cambridgeshire and is currently being explored by South and City. Residents could have a more direct influence on local investment priorities, ensuring that needs are met and that infrastructure design considers the needs of different user groups.
- Involvement in place-based decision-making such as on planning applications, traffic management, refuse collection, pathways and roads. Inclusion of parish and town councils in delivery of key local assets – a previous example in Cambridgeshire is the priory centre in St Neots where the town council was essential in delivering the redevelopment of the community hub.
- Establishing local priorities, particularly through connections to other public sector bodies, such as the police, fire, and health.
- Participatory budgeting trials, allowing local people to allocate funding, building greater understanding of council processes and ownership of allocation. This could include expanding the use of health and wealth funding opportunities whereby local partners and people make decisions on project funding – this approach is currently being used in Huntingdonshire and could be expanded outwards to allow more joint ownership of investment in priority areas to residents.¹²⁸
- Open space meetings where participants create their own agendas, allowing for informal and inclusive discussion with relevant public sector organisations.
- Advisory Groups focused on specific user needs, such as Youth provision or social care. These allow forums for underrepresented residents to access decision-making beyond traditional communications methods.

¹²⁸ [Huntingdonshire Community Health and Wealth Building Strategy – Huntingdonshire.gov.uk](https://www.huntingdonshire.gov.uk/CommunityHealthandWealthBuildingStrategy)

- Committees/forums in response to area-specific issues – these bodies may have a more specific focus and could be tailored to individual areas specific needs. For example, the North-East unitary’s increased deprivation and poverty could be worked through by a ‘deprivation commission.’
- Neighbourhood planning embedded – potential scope to delegate further planning functions (e.g. decision making) down to them; true local decision making.
- The potential transfer of additional assets to parish and town councils, particularly in light of the Devolution Bill’s Community Right to Buy provisions.
- Promoting and championing the model and the funding opportunities available to the community via the Health and Wealth Building work in Huntingdonshire.

How could the above approaches work in practice?

Currently, residents engage through parish structures where they exist through case work, local drop-ins, community events and informal neighbourhood forums, where opportunity is given to shape priorities and raise local concerns. Members play a convening role as part of this work, facilitating local conversations, supporting place-based work and connecting residents with council services. It is important that through LGR, these forms of engagement are continued. However, more formalised committees and forums would work to strengthen this convening power and could ensure that regular connections with partners are established.

The above approach to neighbourhood engagement is empowered by Option C’s alignment to existing partnerships, including the ICB, Police, Fire and NHS boundaries. Each area’s distinct economic identities will help the new authorities pin down the key issues that should be addressed through neighbourhood engagement, allowing a more localised, place-based approach. This is also strengthened by the balance in geography between the two areas, allowing for a more focused approach whilst still ensuring collaboration across boundaries.

Responsive engagement

One approach to neighbourhood engagement is one of flexibility, where enhanced models will be implemented when significant change is taking place or a certain issue is considered significant and greater collaboration is necessary. This can be termed as ‘responsive engagement’ – engagement that is aimed at tackling arising issues in geographic areas. A key focus of this will be to align with public service providers to address and solve complex problems. An example of where this approach has worked effectively is

through Truth Poverty Commissions in various councils.¹²⁹ These are set up in response to poverty and social exclusion in local communities through engagement with those with lived experience. Public sector partners are effectively pulled into the commission to work through the root causes of deprivation. This is an example of when neighbourhood engagement has been tailored to specific areas to solve pertinent issues.

Participatory budgeting is another area that can be effectively explored through LGR. An example of where this has worked well is in Newport City Council¹³⁰ where ideas for projects are submitted by community groups and citizens come together at a decision-making event to decide on allocation of funding. The process allows joint ways of working to be established whilst ensuring that residents can effectively allocate funding according to their needs. The regions current relationships with the VCSE can therefore be leveraged to contribute to participatory budgeting exercises. This approach can also be tweaked to encompass rural or urban specific issues, according to locality and the specific geographic needs of the North-East or South-West.

Pro-active engagement

Whilst the above approach has been highlighted as an effective reactive response to neighbourhood issues, a second approach is termed ‘pro-active engagement.’ Pro-active engagement could include targeted approaches to communities that are traditionally underrepresented in decision-making or through establishing forums/committees for issues that are on-going and will need to be continually addressed. Therefore, rather than being in response to arising issues, the groups and committees are formed to continually address certain groups needs and particular thematic areas that require on-going collaboration.

For example, London Borough of Waltham Forest recently started their ‘Young Advisors & Youth Independent Advisory Group’¹³¹ which is aimed at bringing young people into the heart of decision-making. The group creates ‘Young Advisors’ who essentially become youth consultants in their community, as experts in the place they grew up and live. The group takes referrals from partners such as the Youth Offending Service, Children’s Social care and Victim Support. Similar approaches have begun to be explored in the region, with Cambridge Youth Assembly bringing together young people to raise concerns to local decision-makers.

¹²⁹ councils.coop/case-study/salford-poverty-truth-commission

¹³⁰ [Participatory budgeting | Newport City Council](#)

¹³¹ [Waltham Forest Young Advisors](#)

Vital to this work will be to use any existing relationships with the VCSE and local community groups to establish new or strengthen existing communications with residents. One example of how these connections are already being leveraged was the ‘Movement for Recovery’ collaboration. This was a move to bring together various church leaders from different denominations to establish conversations with public sector providers, including Cambridge City Council and the police.¹³² Church leaders began to meet once a term to address key local issues, including in Peterborough and Fenland. This is an example of how the region has already begun to make these connections, and the increased leveraging power of the new unitary authorities will work to strengthen these.

Town Deal Boards are another example of pro-active engagement that can be utilised following LGR. Town Deal Boards are local partnerships established under the UK Government’s Towns Fund initiative¹³³ and are designed to drive economic regeneration and community-led development in selected towns. They often have representation from multiple stakeholders including local authorities, local MPs, business leaders, community representatives, public sector agencies and cultural and educational institutions. The purpose is to develop evidence-based town investment plans and to ensure effective community engagement in decision-making. An example of where this has worked well is in Truro in Cornwall¹³⁴ – the town was awarded £23.6m and delivered improvements to waterfront areas, created pedestrian and cycling routes and developed ‘The Hive,’ a creative and digital innovation centre.

The new unitary authorities will be well placed to develop our relationships with local community organisations, through the two-pronged approach outlined above. This approach allows scope and flexibility for the new authorities to solve complex issues whilst allowing an increase in accessibility for protected groups. Increased capacity and scale means unitary authorities can afford to be pro-active. A balance in geography and shared characteristics and need in the two unitary authorities demonstrates how Option C can effectively deliver this approach.

Essential to the above is the role of elected members. councillors will hold responsibility for cultivating relationships with community groups and ensuring that issues are responded to efficiently and effectively. Members with portfolio or service responsibilities can provide reassurance that insights will influence policy, delivery and scrutiny.

¹³² [A new era unity in Cambridge | Gather Movement](#)

¹³³ [Towns Fund: supplementary guidance for Town Deal Boards – GOV.UK](#)

¹³⁴ [Truro Town Deal Public engagement boards](#)

Strengthening our relationship with Town and Parish councils

Town and parish councils are important stakeholders in the above approach to neighbourhood engagement. However, it is important that their position is up-held as key local forums and organisations within their own right. Whilst LGR does not directly change third-tier council arrangements, their relationship with existing council structures will fundamentally shift.

In Cambridgeshire & Peterborough, all the rural districts are parished. Peterborough City Council is mostly parished and Cambridge City is completely unparished. Through LGR, it is important that the South-West and North-East unitary retain strong relationships with parish councils whilst also ensuring effective local governance in the urban centres. Neighbourhood governance mechanisms could therefore be immediately prioritised in Cambridge City and Peterborough to ensure that all areas are covered effectively for hyper-local decision-making. This work will build on those forums that already exist such as South Newnham Neighbourhood Forum in Cambridge.¹³⁵

It is also possible through LGR to explore the devolution of assets to parish and town councils, allowing greater local control over vital community infrastructure. An example of this is Horncastle Town Council where East Lindsey District Council transferred a number of assets down to the third tier, including a town hall, a car park and local sport and play facilities.¹³⁶ The devolution of assets will be an area that the new unitary authorities can effectively discuss and collaborate with parish councils over, potentially bridging the gap between the new larger authorities and the third tier.

Another example of best practice that should be maintained and strengthened by the new unitary authorities are town and parish forums. In Huntingdonshire, an annual town and parish forum¹³⁷ is held for various third tier organisations to come together and discuss any issues or concerns with officers whilst strengthening relationships amongst themselves. It is also an opportunity for the council to keep them informed of any shifts or updates – for example, LGR-themed forum was held recently to establish effective ongoing methods of communication with the third-tier and to make sure that they were clearly cited on what the process means for their organisations. Huntingdonshire District Council has also sought to connect local engagement to the national stage through forums like the “Pride in Place” event. The event was intended to showcase the district’s potential as a prime location for investment and growth however, it included local representation from parish and town

¹³⁵ [Home | SNNE](#)

¹³⁶ [Issue – items at meetings – Proposed Transfer of Assets to Horncastle Town Council: – East Lindsey District Council](#)

¹³⁷ [Town and Parish Council Forum | Let’s Talk Huntingdonshire](#)

councils. This local perspective should be recognised as vital to pursuing strategic aims and unitarization should work to strengthen parish and town councils further.

Regional councils also regularly keep councillors informed through regular monthly bulletins – this is a practice that should be maintained within the new unitary authorities, particularly to alleviate any concerns around more ‘remote’ authorities.

Parish and town councils are vital organisations that will be included at all stages of establishing improved neighbourhood engagement. Option C provides effective balance in size and scale to provide a localised approach whilst also increasing the authorities voice with local partners to effectively pull them into decision-making forums. The two unitary authorities will have the ability to strengthen third-tier councils themselves, allowing them to take greater ownership of their local area.



Figure [●]:
Community
Infrastructure
Levy.

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number
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Case study: Using CIL to strengthen local democracy

In Huntingdonshire, Community Infrastructure Levy (CIL) funding illustrates how local communities shape development-led investment. Each year, parish and town councils receive a share of CIL to reinvest locally, with funding across the district amounting to over £6m. While some councils hold funds for major capital schemes, others quickly channel spending into smaller but visible projects.

In 2023/24, projects funded through CIL included:

- **Community buildings** – new or refurbished village halls, sports pavilions and public toilets.
- **Sports and play** – play areas, skate parks, youth shelters, and lighting for 3G pitches.
- **Green spaces and public realm** – cemetery works, benches, landscaping, and allotments.
- **Traffic management and safety** – 20mph schemes, speed signs, and pedestrian improvements.
- **Health and resilience** – provision of defibrillators and flood response equipment.

Annual reports published by each parish provide transparency and accountability. The framework ensures residents and elected members influence how growth funds are invested, balancing immediate priorities with longer-term projects.¹³⁸



Figure [●]:
Community
Infrastructure
Levy.

¹³⁸ [Community Infrastructure Levy \(CIL\) – Huntingdonshire.gov.uk](https://www.huntingdonshire.gov.uk/cil/)

Case study: Peterborough Parish Liaison Committee

Many parts of the Peterborough Local Authority are parished, including both urban city centre and rural areas with 26 parish councils forming part of the local government landscape. The parishes and city council have developed a member-led Parish Liaison Committee to enhance the voice of parishes within the city council, identify areas of common interest and develop new methods of service delivery that can improve efficiency and reduce costs.¹³⁹

Case study: Huntingdonshire Health and Wealth Strategy

The Community Health and Wealth Building Strategy is the council's long-term commitment to tackling the root causes of poor health and economic inequality. It focuses on creating the conditions for people to thrive, through better physical and mental wellbeing, stronger local economies, and more connected communities.

The Community Health and Wealth Building Delivery Fund is a £750,000 investment by HDC to support the delivery of its Community Health and Wealth Building Strategy over the next three years. The fund is a dedicated resource to support projects that align with the strategy's goals. It aims to:

- Maximise local social benefits, such as employment and housing.
- Support community-led initiatives that foster connection and well-being.
- Encourage innovative solutions to improve health, economic resilience, and social connection.

The fund will empower local communities, organisations, and partners to lead initiatives that address the root causes of inequality and poor health. While the initial funding comes from HDC, the fund is open to contributions from external partners to expand its reach and impact – and crucially the decisions on which projects are progressed is taken jointly by members of the community, health representatives, the Police and Council officers – true local ownership.

¹³⁹ [Committee details – Parish Council Liaison Meeting | Peterborough City Council](#)

Theme 4.5 – Devolution

Section summary

‘New unitary structures must support devolution arrangements.’

The above statement was included as part of the guidance in the invitation to submit an LGR proposal. Its inclusion represents the current focus of the UK government to strengthen local decision-making through a transfer of powers to new ‘Strategic Authorities,’ as highlighted by the English Devolution and Community Empowerment Bill.¹⁴⁰

Most areas going through LGR will be expected to provide a detailed assessment of how their unitary structures can allow the formation of these new Strategic Authorities. However, in Cambridgeshire & Peterborough, the existing Combined Authority acts to unify strategic planning and investment in the region, with a focus on transport, housing and skills. The argument for Option C and its alignment with devolution is therefore not about creating a new organisation, but about strengthening existing relationships and unlocking further abilities for the region.

4.5.1 History of the CPCA

The CPCA was created in 2017 as a devolved mayoral authority, covering a population of approximately 890,000 people in Cambridgeshire & Peterborough. It is made up of a directly elected Mayor who chairs the Combined Authority Board and seven constituent councils: Cambridge City Council; Cambridgeshire County Council; East Cambridgeshire District Council; Fenland District Council; Huntingdonshire District Council; Peterborough City Council and South Cambridgeshire District Council.

The Combined Authority Board is responsible for major decisions, including transport and funding allocations. Decisions on key issues require: all members present and a two-thirds majority of members in favour, with Cambridgeshire County and Peterborough in that majority.

¹⁴⁰ [English Devolution and Community Empowerment Bill – Parliamentary Bills – UK Parliament](#)

4.5.2 Looking to the future

The English Devolution and Community Empowerment Bill proposes further devolution which will significantly broaden the Combined Authority's powers and responsibilities across a wide range of policy areas, including transport, strategic planning, economic development, regeneration, health and public safety.

Further, it is expected that, at the conclusion of the Police and Crime Commissioner's term of office, the powers and responsibilities for this role will be assumed by the Mayor of Cambridgeshire & Peterborough.

As a consequence of the Devolution Bill, the CPCA will eventually take the title of 'strategic authority,' following the devolution of powers outlined above. This proposal seeks to support this move and places itself in alignment with the Mayor's vision for the future, outlined in various CPCA strategies, including their Corporate Strategy,¹⁴¹ Local Growth Plan and Spatial Development Strategy.¹⁴²

The region already works together to ensure that there is alignment – an example of this is the region's attendance at UKREIFF as team Cambridgeshire & Peterborough. Option C works to strengthen the existing alignment by creating two authorities with strong economic identities that can effectively deliver growth for the region.

As noted earlier, the CPCA's geography will remain unchanged as part of this proposal. However, a reduction from seven constituent councils to two unitary authorities requires some thought to any changes in the organisation's governance.

4.5.3 Why Option C is best aligned to the CPCA:

Under this proposal, the population sizes are as follows:

Unitary	Population size (approximate)
PCC/FDC/ECDC	405,900
HDC/SDCDC/CCC	488,500

In Cambridgeshire & Peterborough, Cambridge City and Peterborough City account for almost half of the total GVA, followed by SCDC, then HDC. FDC and ECDC each account for around 7-8%. A two-unitary model is therefore seen as optimum for achieving a strong balance of GVA due to the pull of the two distinct cities.

¹⁴¹ Corporate Strategy 2023-26 – Cambridgeshire & Peterborough Combined Authority

¹⁴² [C220817 CPCA Prospectus](#)

Table •: GVA distribution by district.¹⁴³

District	GVA (£m)	% of Total GVA
Cambridge	6,200	25.2%
South Cambridgeshire	5,100	20.7%
East Cambridgeshire	2,000	8.1%
Huntingdonshire	4,000	16.3%
Fenland	1,800	7.3%
Peterborough	5,500	22.4%

Option C creates two distinct economic areas that are anchored by two different yet powerful cities. The North-East unitary creates a strong rural identity whilst accommodating for Peterborough's growth and ensuring alignment in key industries such as logistics and manufacturing. The unitary will also be notably distinct in its rural focus on agriculture.

The South-West unitary draws on the power of Cambridge City whilst ensuring that the strong connection to Huntingdonshire is maintained, allowing knowledge-intensive sectors like defence and life sciences to thrive.

This option therefore creates strong economic identities with a relative balance of GVA – 62.2% in the South and 37.8% in the North. This balance of population and GVA allows for an equal seat at the table within the CPCA whilst retaining strong economic identities in each unitary that can focus on lobbying for their own goals for growth and optimise geographic ambitions for the benefit of the region.

4.5.4 Changes to governance

The governance of the CPCA will need to reflect the changes brought by LGR – the CPCA will therefore be made up of the directly elected Mayor, the Combined Authority Board and two Unitary Authorities: North-East and South-West.

The make-up of the Combined Authority Board will need to reflect the make-up of the Unitary Authorities to ensure that any risk of economic distortion is mitigated.

¹⁴³ [Gross Value Added \(GVA\) – Office for National Statistics](#)

The proposed Board will be chaired by the Mayor and consists of two representatives from each Unitary Authority, the chair of the Business Board and co-opted members; the Cambridgeshire & Peterborough Police & Crime Commissioner (until such time this role is absorbed by the Mayor) and representatives from the Cambridgeshire & Peterborough Fire Authority and the Cambridgeshire & Peterborough Clinical Commissioning Group.



5. Stakeholder Engagement and Local Support

Section summary

Thousands of residents, staff and local organisations took part in surveys and focus groups to share their views. The feedback showed strong support for change if it improves services, keeps rural voices heard and makes councils easier to deal with.

Top priorities that emerged were having councillors who understand their area, simpler access to services and more transparent decision-making. Many also highlighted concerns about rural neglect, transport, infrastructure and fairness between communities.

Residents in Huntingdonshire in particular expressed a wish to stay linked with Cambridge.

5.1 Engaging with stakeholders

To support the development of this proposal, each council committed to engage with the public across the region jointly, to develop a shared understanding of how residents, stakeholders and staff feel about LGR.

Underpinning this joint engagement has been a survey for residents and a separate survey for stakeholders.¹⁴⁴ The engagement focused on the connections that people feel they have to different areas; where they work, socialise or get healthcare, for example. It also covered what priorities they

¹⁴⁴ Survey reports.

think new unitary authorities should have and what is important to them when it comes to dealing with local government. It did not explicitly ask residents for preferences on options.

The two surveys were intended to inform the creation of this proposal, and their feedback has effectively shaped the argument for Option C. Option C provides a solution that aligns well with the aspirations and priorities that residents have for the area can effectively address the concerns they may have about the process of re-organisation. This proposal has built on resident views on what can be improved in current structures to inform a vision for the future.

A number of focus groups were also conducted with a total of 38 residents across six locations (all districts in the region). The intention was to identify current service experiences, delivery preferences, an understanding of local identity, development priorities and reorganisation concerns. The focus groups therefore built on the survey findings and both methods have been used to inform this proposal.

5.2 Levels of engagement

Through an accessible survey, representations were received from 2,407 residents, 767 local government staff, 83 parish and town councils, 76 businesses across multiple sectors and sizes, and 72 voluntary and community organisations, public sector bodies, and individual responses from councillors. These responses were from a diverse cohort of residents, particularly with regard to location. Huntingdonshire and East Cambridgeshire are the most represented. However, all other areas sit comfortably within 10-15% of the response rate.

Over 900,000 people reached via social media views with over 22,000 people interacting or commenting directly. Direct engagement with parish councils took place through online forums, MPs were briefed monthly, all partners were engaged, and resident focus groups were held in each of the council areas. Explainer videos have also been developed, based on FAQ's alongside a dedicated webpage on each Council's site to try and address key concerns.

Each council has undergone their own staff engagement processes, which have included regular briefings and online corporate news posts.

It is also important to note the limitations of the survey. The resident survey only received 3,174 responses during the four-week collection period, with public responses taking up 2,407 of those and council workers accounting for 767. The stakeholder survey received 231 representations. Whilst the analysis has demonstrated that the cohort were representative, it is important to note that this survey will not capture the full picture of opinion. The survey also didn't ask residents about their preferences for particular Options – so

any analysis that has been conducted to demonstrate direct support for an Option has been taken from free-text comments and the focus groups.

5.3 What residents told us

Overwhelmingly, residents stated that they would strongly support reorganisation if it improved services (84% of responses). This was caveated with the fact that the reorganisation should safeguard rural representation and identity as well as deliver tangible benefits in investment and quicker response times.

The top three priorities of the unitary authorities were identified as:

- Having local councillors who understand their area.
- Simplifying access to services.
- Increasing the transparency and accountability of local government decision-making.

These priorities were reflected in the areas for improvement identified. Transparency and accountability were identified as weak points alongside attempts to reduce costs for residents.

Conversely, local councillors are seen to know their local area well (61%) – this is therefore a strength that needs to be built upon. Similarly, residents felt that they have a strong sense of community identity (62%) so it's important for the new authorities to retain individual areas identities through a community focus.

Through the analysis conducted of the survey results, it is clear to that Huntingdonshire residents believe in Option C and that there is a strong desire for residents to be aligned to Cambridge and to retain the existing cultural and physical connections between the two areas. Whilst the other arguments in this proposal justify the exploration and submission of Option C, it has been made clear by Huntingdonshire residents that this configuration is something that they desire.

In terms of size preference, the results for each unitary are highlighted below. The preferred size of both unitary authorities is around the 500,000 mark. However, the North-East unitary expresses a more general preference for smaller scale. This demonstrates the importance of having smaller, well-balanced unitary authorities that can be responsive to people's needs – particularly, in the North to ensure rural representation is maintained. Option C delivers two unitary authorities that are around the 400-500,000 population mark thus meeting the desires of residents.

Chart ●: North-East.

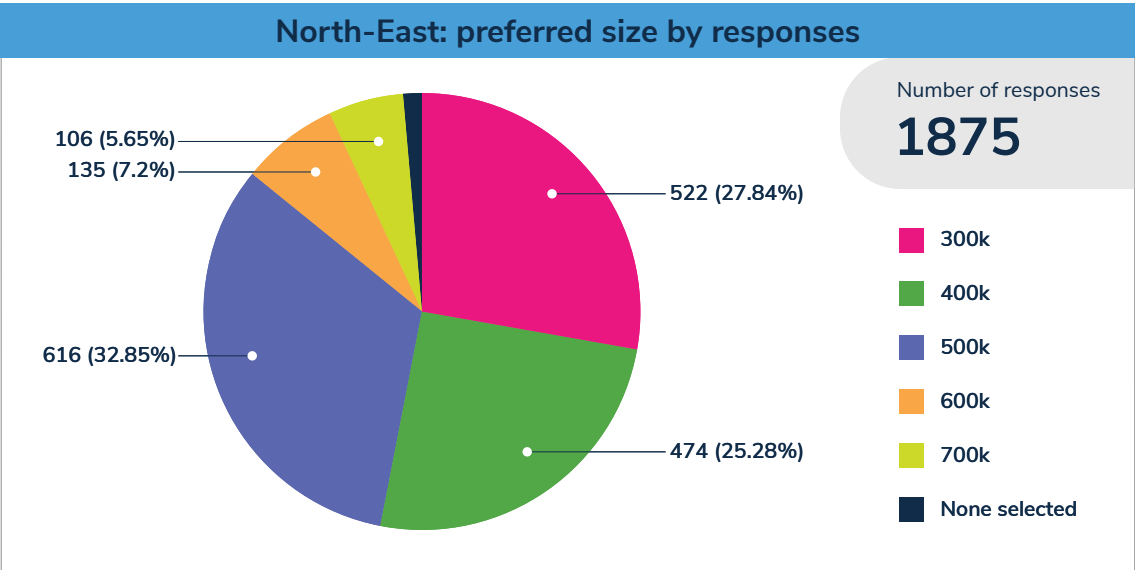


Chart ●: South-West.

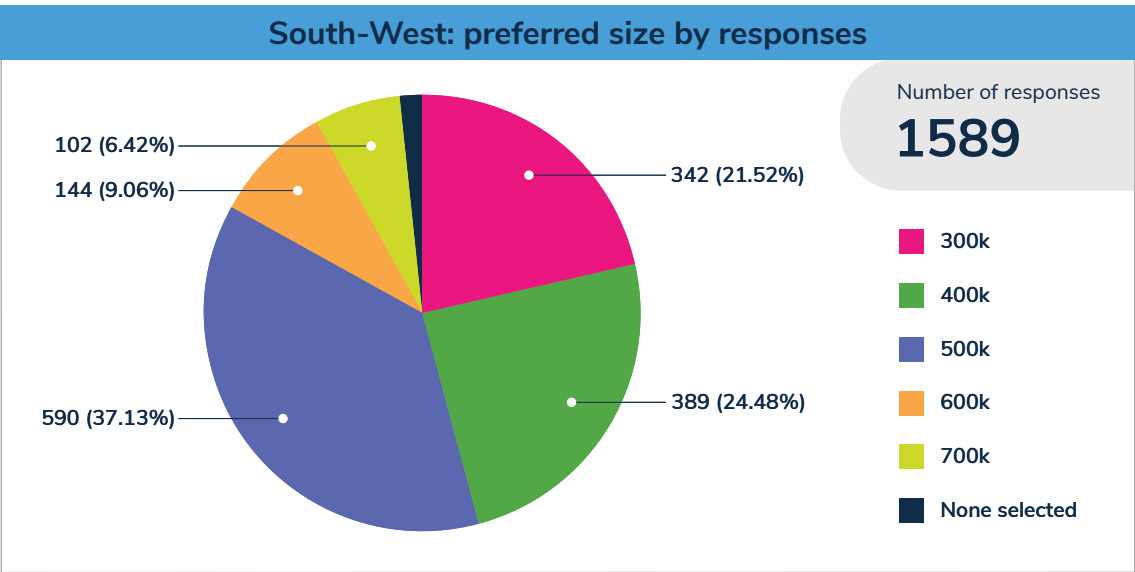


Figure •: Travel patterns in survey responses for Option C, Unitary 1.

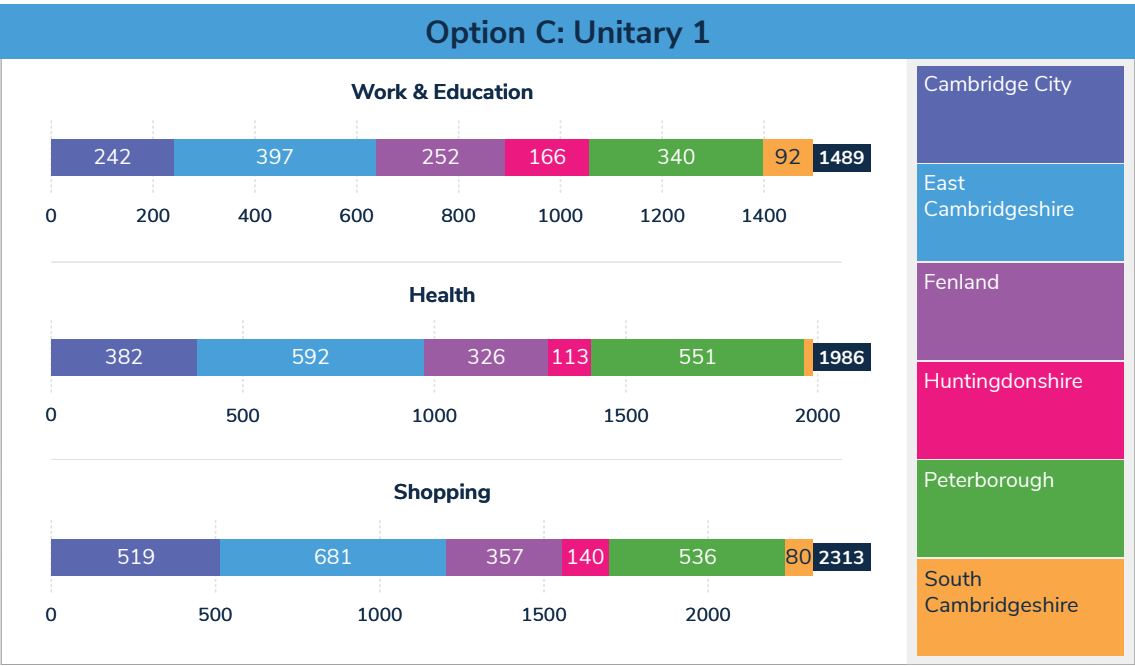
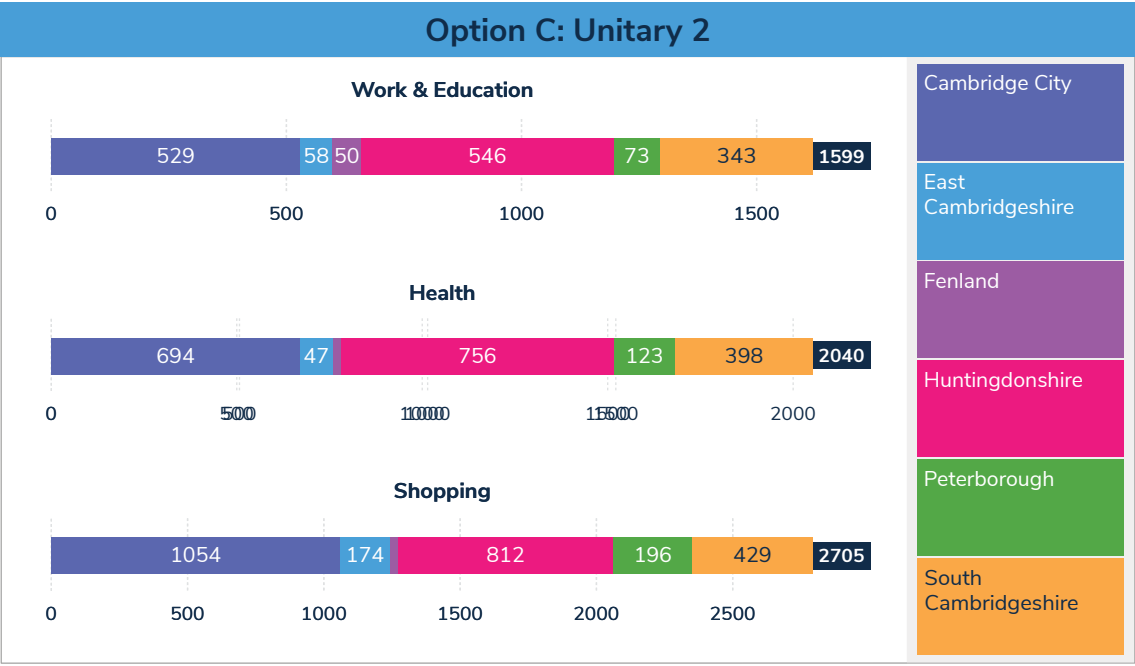


Figure •: Travel patterns in survey responses for Option C, Unitary 2.



The above two charts highlight the travel patterns identified by the survey respondents. In Unitary 1 (North-East), most respondents tend to travel to Peterborough or within East Cambridgeshire for work, health and shopping. Whilst Cambridge still has a strong recreational draw, travel is mainly towards the opposite direction. Whilst the Southern unitary is more self-contained than the Northern, there is still clearly an alignment of travel patterns, particularly in those travelling to Huntingdonshire for health, work and education.

In the South-West unitary, travel is much more concentrated in Cambridge City and Huntingdonshire with little to no alignment to Peterborough. This highlights the strong connection between Huntingdonshire and Cambridge and the natural flow Southwards of travel patterns.

5.4 Shared priorities

The survey also demonstrated a coherent set of shared concerns within both the Option C unitary authorities, reflected in both the stakeholder and resident engagement survey. These shared concerns have been reflected throughout this proposal and have helped shape a distinct vision for both unitary authorities.

5.4.1 Some key themes that arose for Unitary 1 (PCC/FDC/ECDC)

- **Fear of rural neglect** – concerns that a rural focus won't be kept through joining with urban centres, including uneven funding distribution. 82% and 81% of Fenland and East residents, respectively, expressed concern about being overlooked through LGR.
- **Retaining local identity** – emphasis on maintaining local knowledge and accessibility of council services. Maintaining 'what works well,' and village character.
- **Transport improvement** – particularly in Fenland, there are concerns around rail connections and improvements to roads. Investment was seen as the biggest priority in the Northern Unitary (21%).
- **Infrastructure concerns** – improving access to social care and health services. Fear of overdevelopment without infrastructure.

In comparison to the Southern unitary, the Northern counter-part is much more concerned with improving service delivery and ensuring that 'what works well' is maintained. Peterborough's frustration with council performance is counter-balanced by East Cambridgeshire's and Fenland's desire to retain some of the current positives. This demonstrates how Peterborough's need for improvement could potentially be supported by the positive performances of the two rural councils.

Similarly to the Southern unitary, the North is also concerned with accountability and transparency (21% of residents) and reducing complexity (20%). Whilst creating unitary authorities will reduce complexity, Option C also allows for a balanced geography that can provide localised accountability with access to neighbourhood decision-making. This is explored more in the democratic representation theme. However, that balance of population size means that decision-making won't be as remote as bigger unitary authorities could be. It also helps to ensure equal representation on a national stage and with the CPCA.

Loss of local identity was a major concern in all areas, highlighting a similar view that the new unitary should keep important cultural aspects of each area and ensure that work in the community is localised and place-based. Maintaining rurality and ensuring equal distribution of funding was also a concern in general about LGR. This concern can be met by the fact that both unitary authorities are equally balanced in terms of population and will also have equal representation on the Combined Authority – the Northern Unitary can focus on the needs of its rural communities whilst having the space to expand Peterborough's geography.

This expansion of Peterborough's geography could work to improve road and rail links across the patch as there will be a need for greater connections between the City and the rural areas. This improved connection could help to increase access to social care and health services. However, it is important that the unitary delivers place-based working and solutions for addressing rurality within social care.

5.4.2 Some key themes that arose for Unitary 2 (CCC/HDC/SCDC), include:

- **Concerns around infrastructure and transport** – poor roads, inadequate school and healthcare capacity. 25% of respondents in the Southern Unitary believed that investment should be a priority.
- **Social equity** – support for vulnerable groups and retaining community hubs alongside improving SEND services and youth disengagement.
- **Environmental concerns** – Cambridge City/South Cambridgeshire had concerns about water supply and overdevelopment as well as general opposition to building on farmland.
- **Fear of rural neglect** – both South Cambridgeshire and Huntingdonshire expressed concerns about rural neglect and the loss of local knowledge.

Another theme that translated across all three areas was the need for simplification and improved local representation. Residents in the South placed 'reducing complexity' (27%) and having a 'single council to contact' (26%) as the top two priorities for the new authorities.

The above concerns are all significantly aligned across the three areas, highlighting the key areas that the unitary should focus on when establishing their target operating model and vision. It is important that the unitary addresses the rural/urban divide but by creating a majority rural council in the South, areas can focus more sharply on the needs and wants of villages and towns.

It can also be argued that the road/transport connections between Huntingdonshire, South Cambridgeshire and Cambridge City are relatively strong compared to other areas within the region. In the region, public transport connections include the Guided Busway, the East Coast Main Line and regular bus services as well as the new 'Tiger on Demand Service.' The recent upgrade to the A14 improved the capacity of the connection between Cambridge and Huntingdon and there are pipeline opportunities for improving the A141 corridor as well as implementing Active Travel Projects.

The Southern Unitary in Option C therefore adequately addresses the concerns residents have around transport by retaining an area that is wellconnected. This also provides a basis for improving high-risk social care services and provision of community support by ensuring that areas are accessible.

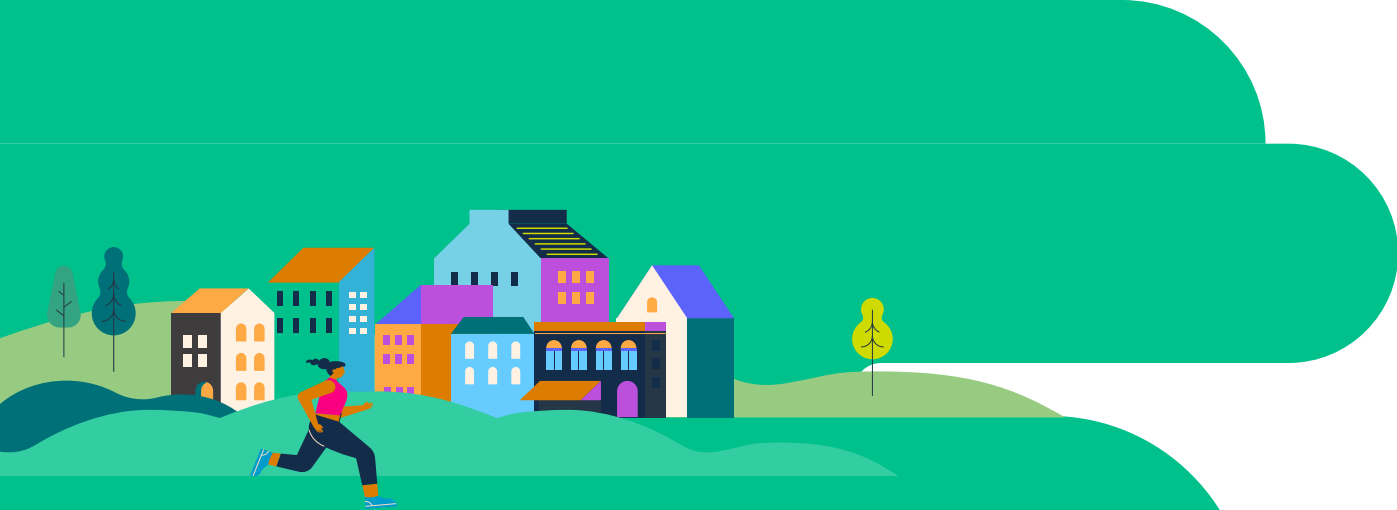
5.5 Focus group results

The focus group results demonstrated a similar view to the key concerns outlined above in each unitary. The findings suggested several critical implications for re-organisation design, including:

- **Preservation of local connection** – highlighted through the concerns felt by rural residents in both unitary authorities and the care that councils need to take to address balance in focus.
- **Respecting natural boundaries** – Option C addresses this concern through the existing transport connections highlighted above and established commuter patterns.
- **Maintaining a service focus** – the above shared themes that have been identified can work to sharpen a vision for service delivery.
- **Management of transition risks** – ensuring safe and legal delivery will be key for all options, not just C.
- **Build rather than assume trust** – it will be important for the new unitary authorities to recognise the trust deficit felt in the region and to ensure that competence is a number one priority.

5.6 Conclusion

The survey results highlighted that Option C successfully addresses the concerns of both residents and stakeholders within Cambridgeshire & Peterborough and these shared concerns have helped create a clear vision for the two new unitary authorities and what the key challenges are that should be addressed. The clear support for Option C from Huntingdonshire residents also highlights the strong connection that the district feels with Cambridge City and the connections that should be strengthened, rather than severed.



6. Implementation and transition plan

Section summary

This section explains how the move from seven existing councils to two new unitary authorities would be delivered smoothly and safely. It sets out a clear, phased plan for transition, covering governance, finance, people, digital systems and communications.

The plan is built around putting residents first, protecting essential services, and maintaining strong collaboration between councils.

Progress will be tracked against clear success measures to ensure services stay stable on Day 1, savings are achieved and the new councils are set up for long-term transformation.

6.1 Purpose of this section

This section details the approach that will be taken to ensure successful implementation and transition from the current two-tier model of service delivery into a unitary local government structure. It will set out the high-level roadmap of phases, workstreams and milestones that will form the structure and governance for a safe, legal and well-sequenced transition to new unitary arrangements in Cambridgeshire & Peterborough. It will then move on to explore the strategies that underpin this approach, including a communications and engagement strategy and the risk management framework across the transition period.

It is important to note that a decision will not be made on LGR by the government until July 2026. Until that time, councils in the region intend to work together on formulating plans for implementation. It is important that organisations work to strengthen positive relationships and that sight of this is not lost during the wait for decision.

6.2 The guiding principles for delivery

The principles for the implementation plan are as follows:

- **Residents first:** maintain essential statutory services without disruption.
- **Single, shared evidence-base:** common assumptions for costs/benefits.
- **‘Once for the area’ design where appropriate:** comprehensive, unified design approach for the area where possible to ensure cohesion of service delivery and local variation where necessary.
- **Early engagement** with workforce, trade unions and partners.
- **Rigorous programme management:** governance, risks, benefits and finances.
- **Transformation:** identifying transformation opportunities throughout the implementation and transition phase to inform design of service delivery.
- **Collaboration:** setting a standard for the Transition Management Office to maintain a collaborative approach and establishing a “One Team” culture.

6.3 Timeline for implementation

A high-level timeline for implementation on the next page. It outlines the following phases:

Phase 1 – Pre-decision mobilisation (Jun 2025 – Jul 2026)

Phase 2 – Post-decision and joint committees (Jul 2026 – May 2027)

Phase 3 – Shadow authorities (May 2027 – Vesting Day on Apr 2028)

Phase 4 – Year 1 of new authorities (Apr 2028 – Apr 2029)

Phase 5 – Delivering on longer-term ambitions (Apr 29 and beyond)

The focus and deliverables for each phase are outlined alongside the key milestones set by Government. These phases will be referred to throughout this section.

June 2025 – July 2026

Phase 1: Pre-Decision Mobilisation

Focus: collating evidence base, options refinement, preparing for standing up joint committees.

Deliverables: submission document produced for November, mobilisation of programme and setting of common standards, agree draft implementation order standards.



Business Case Submission – November 28

July 2026 – May 2027

PHASE 2: Post-decision and joint committees

Focus: establishing programme management and formalising the Transition Programme Office.

Deliverables: creation of service blueprints and joint committees are established. Confirm programme plan, critical path and budget envelope.



Secretary of State decision – July 26
Implementation committee established – July 26

May 2027 – April 2028

PHASE 3: Shadow Authorities (Shadow elections – Vesting Day)

Focus: delivery of safe and legal implementation, closure of legacy systems and establish new culture.

Deliverables: safe and legal requirements met (finance management, constitution, TUPE of contracted staff and appointments), legal readiness with procurement and contracts. CTax migration plan and ICT cut-over plan, Council operating model.



Local elections – May 27

April 2028 – April 2029

PHASE 4: Transition post shadow authorities & burgeoning Transformation plans

Focus: stabilise, harmonise and begin transformation.

Deliverables (first 100 days): Back-office streamlined and systems rationalised. Harmonise urgent policies (e.g., financial regs, scheme of delegation, customer contact). Target Operating Models and phased service integrations.

Post-100 days: benefits realisation and post-implementation review.



Vesting Day – April 2028 – organisation assumes all legal powers

April 2029 & beyond

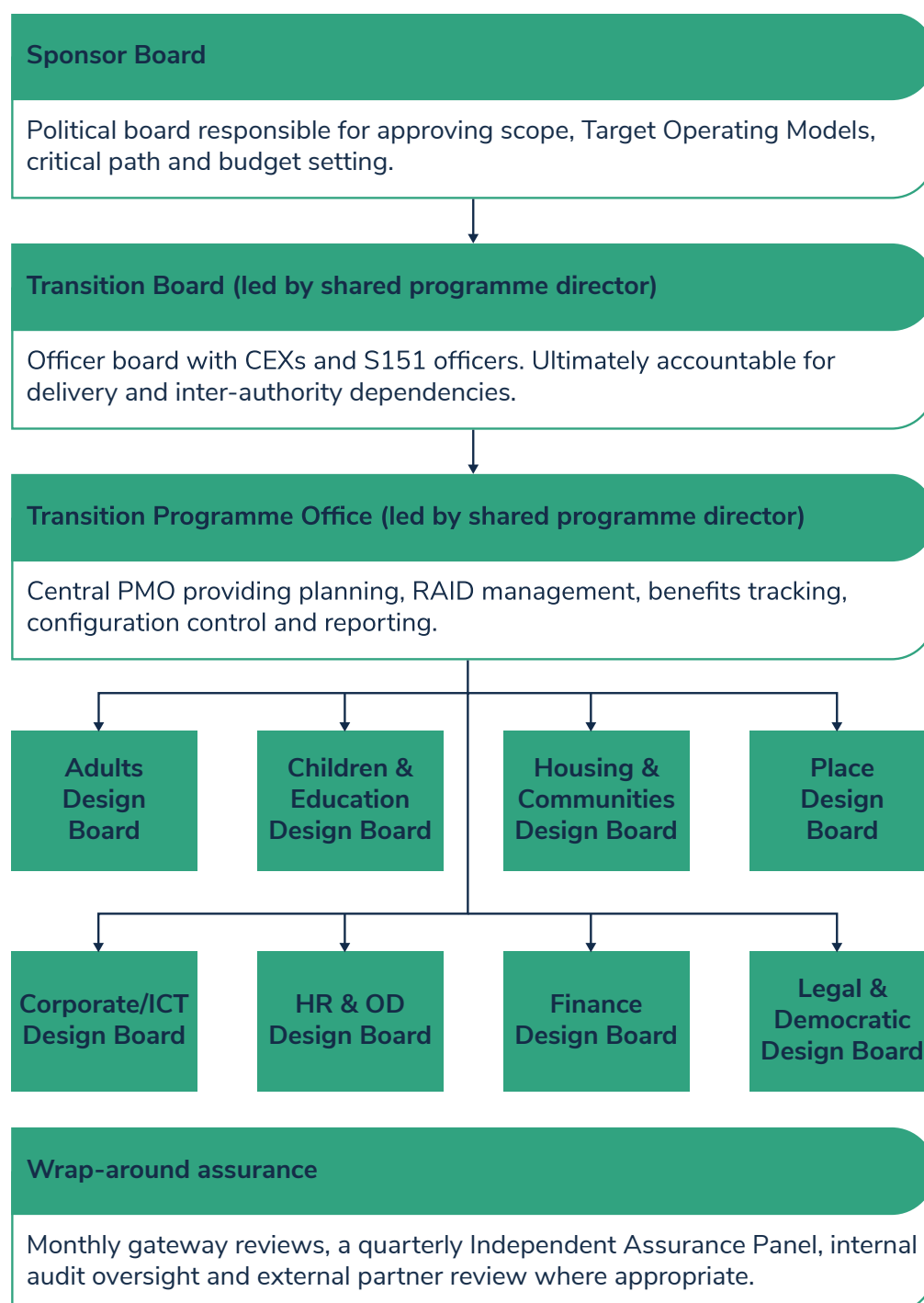
PHASE 5: Delivering on longer term ambitions

Focus: early stage public-service reform and innovation in delivery. Trialling new service delivery models.

Deliverables: clear transformation plan; vision for reform established and pilots started.

6.4 Transition governance arrangements

Suggestions for governance arrangements are outlined in the diagram below:



It is important to note that the above approach may differ dependent on the number of unitary authorities taken forward. There is already an agreed approach in the region for a joint programme director however the number of assistant directors that sit below this may vary.

6.5 Programme workstreams

Underneath the above design board (Remove beginning when comment resolved) There will be seven programme workstreams responsible for reporting upwards. The seven workstreams are outlined below with their key focus and outputs/milestones.

The workstreams will form the basis of the work breakdown structure to govern the end-to-end transition programme. They run across all phases with specific deliverables per phase and the scope of the work will shift as the councils enter different phases of the programme.

Table •: Programme workstreams by implementation phase.

Workstream	Deliverable during Joint Committees	Deliverable during Shadow Authority	Deliverable post Vesting
Governance, Democracy and Legal Reports to Legal and Democratic Design Board	Shadow election logistics, establishing shadow structure plans, ensuring 'safe and legal' compliance, legal agreements on information-sharing, alignment of decision-making. Registration of legal seal for each unitary.	Constitutions through Constitution Working Group, standing orders, implementing shadow structures and regulatory committees, creating a Day 1 legal and policy framework, member development, local place arrangements, scheme of delegation. Data protection registration changes.	Ensuring legal compliance on Day 1 and post.

Workstream	Deliverable during Joint Committees	Deliverable during Shadow Authority	Deliverable post Vesting
Finance, Commercial and Assets Reports to Finance Design Board	Identify current baselines and forecasting models, create LGR cost pressure model, mapping of commercial assets, contract novation strategy, transfer of debt and procurement pipeline.	Creation of MTFP, reserves strategy, council tax equalisation trajectory, fees and charges approach, ensure single balance sheet, ensure Day 1 readiness and compliance.	Carry out council tax harmonisation over time, assess income growth models.
People and Culture Reports to HR and OD Design Board	Pay and grading road-map, TUPE and staffing models, continuous communications to staff and equality impacts.	Organisational development, culture plan, leadership development, TUPE of all staff, terms and conditions.	Ensure continuous culture and strong values. Ensure TUPE carried out safe and legally on Day 1.
Customer, Digital and Data Reports to Corporate/ICT Design Board	CRM and case management approach, develop digital design principles, data migration, integration and retention schedules. Establish phased or big bang approach for delivery.	Contact model, plan new websites and branding, cyber posture, identity and access management.	Ensure prioritised IT and customer contact is in place for vesting. Ensure alignment of systems continues for those that haven't already.

Workstream	Deliverable during Joint Committees	Deliverable during Shadow Authority	Deliverable post Vesting
Service Alignment, Continuity and Delivery Reports to service-specific design board (Place, Childrens, Adults and Housing and Communities)	Target Operating Models for services.	Day 1 readiness plans, phased integration plans for services and prioritisation.	Ensure integration plans are carried out efficiently and effectively.
Partnerships, Locality and Communication Reports to Housing and Communities Design Board and/or Legal and Democratic	Double-devolution design, plan partner governance arrangements, manage external communications.	Parish/town council agreements, community boards, manage external communications.	Ensure locality work is implemented and managed effectively. Strong branding is rolled out with continuous communications.
Programme Management Reports directly to Transition Programme Office	Set up PMO, planning for implementation, maintain RAID log.	Maintain continuous reporting and dependency management, ensure independent assurance and document control. Escalate risks/issues where needed.	Benefits management and post-implementation review. Begin to focus on transformation.

In addition to the above, there are a number of opportunities for advance work to be carried out before the joint committees are formed.

This includes:

- Developing model constitutions for the new authority.
- Contract management and ensuring contract registers are up-to-date and reviewed.

- Comparison of staff terms and conditions across the councils to ensure as much alignment as possible.
- Review of procurement terms and conditions to ensure break-out clauses are in place with appropriate contract lengths.
- Establish strong data-sharing agreements to ensure a timely flow of information.

The councils in Cambridgeshire & Peterborough will work to be as well prepared as possible for LGR implementation. The region will utilise the outputs of the pre-work that already exists in the region through three established workstreams (finance/governance/communications) as inputs into the seven workstreams listed above to continue the progress already made. This will ensure a 'hit the ground' running approach so that all councils in the region do not lose momentum.

6.6 Communications and engagement strategy

6.6.1 Objectives

- Provide clear, concise and timely information about what is changing and when.
- Protect staff morale and retention; support cultural integration.
- Secure stakeholder confidence (residents, businesses, VCS, parish/town councils, NHS/ICB, police, fire, education, universities).
- Evidence 'good deal of local support' through inclusive and proportionate engagement.

6.6.2 Audiences and channels

- **Staff and Trade Unions:** fortnightly bulletins, Q&A webinars, service level briefings, dedicated intranet hub; change champion network.
- **Residents and Businesses:** public microsite, FAQs, social media, e-news, local media, roadshows with a focus on rural and hard to reach communities; targeted materials in multiple languages/formats.
- **Partners:** monthly partner forum (ICB, Police and Fire, CPCA, universities, housing providers); joint statements at key milestones.
- **Members:** weekly Member Brief; Member/officer design workshops; all member briefings at phase gates.

6.6.3 Standards and safeguards

- Consultation designed to Gunning principles; accessible formats and representative reach; publish feedback and ‘you said, we did’ summaries.
- Coordinate a single engagement calendar across councils to avoid duplication; use a shared evidence-base and common assumptions in all public materials.

6.7 Devolution and Combined Authority strategy

- Maintain alignment with Combined Authority strategic functions and any transition to a Strategic Mayoral Authority; agree protocols for strategy, funding and delivery interfaces (e.g. transport, skills, housing, net zero).
- Joint scenario planning for shared programmes (e.g. growth deals, transport improvements) to avoid disruption during the transition.
- Formal partner MoUs to set expectations on data-sharing, governance, and escalation.

6.8 Risk management during transition

6.8.1 Risk framework

- Central RAID register managed by the TPO; RAG thresholds and escalation routes agreed by the Transition Board.
- Rolling 30 day risk horizon scans; monthly ‘deep dives’ on top risks; independent assurance at each phase gate.

Table •: Initial key risk areas and mitigations.

Risk area	Initial risk	Mitigation measures
Service Continuity	Disruption to critical services (Adults, Children/SEND, Safeguarding, Revenues and Benefits)	• Day 1 Readiness Assessments for all critical services. • Dual-running where required. • Dedicated incident room during cutovers.

Risk area	Initial risk	Mitigation measures
Stakeholder Engagement	Lack of support or confusion among stakeholders	• Single narrative. • Consolidated FAQs. • Structured engagement plan. • Publish design standards and decisions. • Early engagement with MPs and key partners.
Workforce Capacity and Retention	Insufficient capacity or loss of key staff	• Early appointments to key roles. • Retention incentives for scarce skills. • Leadership visibility. • Change champion network. • Wellbeing support.
ICT and Data Migration	Technical failures or data issues during migration	• ‘Minimise change for Day 1’ principle. • Rigorous migration rehearsals. • Robust IAM and cyber controls. • Independent technical assurance. • Ensure consistency of data collection across councils. Work to harmonise data collection to similar formats, content and definitions.
Financial Risks	Transition costs, harmonisation impacts, legacy liabilities	• Ringfenced transition budget with benefits tracking. • Monthly review of prudential indicators. • Pre-vesting reserves strategy. • Transparent council tax harmonisation plan.
Complexity and Pace of Change	Overwhelming complexity or unrealistic timelines	• Realistic critical path. • Clear scope control. • Timeboxed discovery for unknowns. • Early legal drafting for Orders. • Structured decision escalations.

6.9 Success measures and benefits tracking

The following criteria set out the standards against which progress against timeline will be measured as well as transformation benefits and ongoing post-unitary success.

Day 1 success tests

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

12 month 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

Baseline and track savings (recurring and nonrecurring) and quality outcomes through a central benefits register; align to MTFP and transformation roadmap; publish quarterly progress updates.



7. Risk management and legal compliance

To note – this section is applicable to all proposals.

Section summary

This section explains how risks will be carefully managed to ensure a smooth and legal transition to the new councils. It outlines clear plans to protect essential services and keep residents and staff informed throughout the process. Strong governance and clear accountability will make sure everything runs safely and on time.

7.1 Risk management strategy

In section 4.3 the proposal outlined an approach to service delivery which includes ensuring legal compliance with statutory legislation and duties whilst also making sure that services aren't disrupted on Vesting Day. This section outlines in more detail how some of the key risks associated with LGR can be addressed, including mitigations. It is vital that all proposals submitted address the below risks to protect residents and ensure services are operational on Day 1.

In the implementation plan section, the proposal outlined some of the key programme-level risks that will be addressed by a centralised risk register managed by the TPO during the implementation phase. The TPO will also implement wrap-around assurance with regular risk horizon scans to ensure that the authorities are on top of any emerging risks.

The above outlines the approach going forward but the approach so far has also been collaborative. As part of the proposal phase, a democracy, governance and risk workstream was set up and attended by the monitoring officers in the region to ensure a shared understanding of key risks and statutory duties.

The below table highlights some of the key risks that should be monitored going forward with mitigations that are or will be implemented to manage safe and legal implementation. In comparison to the above risk table in the implementation section, this is a more strategic level view and outlines a more generalised approach in comparison to specific actions raised above.

Table •: Key risk areas and mitigations.

Risk area	Mitigation measures
Effective leadership – ensuring clarity of leadership and decision-making processes to keep implementation activities on track with effective oversight.	Move swiftly to implement a transition programme office and sponsor board. A single responsible officer for each unitary will be appointed, allowing for a central leader to guide decision-making.
Service continuity – balancing LGR with BAU service delivery to avoid disruptions to services for residents, potentially harming public confidence and trust.	The approach to service delivery in this proposal is one that recognises the statutory requirements of the new unitary authorities. There is a recognition that transformation is a later task with safe transition taking priority. Within the TPO, tasks will be effectively prioritised accordingly whilst ensuring that roles are back-filled to continue services in the existing authorities.
Stakeholder engagement – providing clarity to stakeholders on the LGR transition process and ensuring different priorities are accounted for. Lack of clear communication could result in reputational damage and lack of trust.	Within the TPO, there will be dedicated communications capacity to ensure that communication is timely and effective. A communications strategy will be pulled together to ensure that communication is targeted and consistent.

Risk area	Mitigation measures
Complexity and pace of change – there is a shortened timetable between decisions on the proposal and the go-live date in April 2028. If programme management isn't effective, there may be additional increases in time and costs.	The implementation plan section of this proposal establishes a clear plan for accelerating into the transition phase of LGR. It places capacity to deliver as a priority with robust programme management arrangements to manage risk and embed oversight.
Workforce capacity and retention – LGR will lead to significant changes for staff potentially resulting in a drop in morale and capacity. It is important change is managed effectively and strong engagement is maintained to make sure the workforce is on board.	The communications strategy will work to embed staff feedback and co-design with existing processes, making sure that the workforce have an opportunity to build strong identities for the new organisations. A dedicated HR & OD workstream will also be responsible for managing that change, allowing dedicated time and capacity to ensure a smooth workforce transition.

7.2 Assessment of legal compliance

The below table highlights a 'safe and legal' checklist for Vesting Day. This list is not exclusive and there will be other areas that need to be incorporated. However, it provides an initial assessment of how the new authorities will ensure compliance.

Table •: Legal compliance areas and assurance.

Compliance area	How will we ensure this is met?
Data-sharing and UK General Data Protection Regulations	Data-sharing agreements have already been established between regional local authorities. Sensitive data will be collected in compliance with GDPR and information governance officers are in conversation to ensure this is met.

Compliance area	How will we ensure this is met?
TUPE/HR considerations	Transfer of staff will be in line with TUPE regulations – all terms and conditions will be maintained and continuity protected. Payroll systems are high priority and will be aligned by Vesting Day to ensure consistency and continuity.
SCO	The Structural Change Order will outline the statutory requirements for implementation and electoral arrangements. Regular conversations have been held with MHCLG and will continue to do so to shape the SCO. The region has already begun forming implementation plans and are aware that the implementation team should be in line with the Government's provisions.
Major financial decisions	Once the SCO comes into effect, the relevant authorities will be responsible for not binding the future unitary through any major financial decisions. The SCO will put the process for managing this in place. However, a procurement working group has been set up to ensure effective oversight of major contracts that directly feeds up to the regions monitoring officers.
Budget setting	Once the decision is made by Government, the shadow authority will be responsible for budget setting and ensuring financial reporting is in place for Vesting Day. This will be completed in line with the shadow authority's remit.
Democratic Arrangements	The SCO will also outline electoral arrangements for the new authorities. This proposal has outlined the recommendation for arrangements. However, the MO working group will ensure compliance with the arrangements outlined, including the remit of the shadow authorities decisions on schemes of delegation, constitutions and committees.
Customer services and website	It is key that residents have a way to access the council. On Day 1, new councils will have one phone number, website and front door to avoid confusion for residents.

Compliance area	How will we ensure this is met?
Liabilities/ asset transfers/ intellectual property/ legal company agreements	Councils are undertaking the work now to ensure that all asset registers are up to date. IT staff are also creating a centralised repository to manage IT contracts. A procurement sub-group has been set up to manage existing procurement regulations to ensure that contracts have clear exit strategies. Once the decision has been made by government, partner councils will work together to ensure that transfers can be managed legally and as smooth as possible.
Bank accounts/ collection of council tax/payment of benefits	The new authority's bank account will be set up for Day 1 to avoid any disruptions in the collection of council tax and the payment of benefits. council tax will be harmonised within the seven year limit, as legislated, using member working groups with the new administration.
Statutory roles recruited	As soon as elections take place, statutory roles will be advertised, starting with the Chief Executive. Work will start on this pre-elections to ensure that the national recruitment happens swiftly with sufficient time for the new leader to play a key role in implementation.
Statutory policies	All statutory policies will be a priority for the new shadow authority, such as the housing allocation scheme, licensing policies and a homelessness strategy. Work will start swiftly to ensure that a new Local Plan is implemented within the five year limit.

Conclusion

Option C represents a balanced and practical path to Local Government Reorganisation in Cambridgeshire & Peterborough. It proposes two new unitary councils: North-East (Peterborough, Fenland and East Cambridgeshire) and South-West (Huntingdonshire, South Cambridgeshire and Cambridge City).

This structure strikes the right balance between efficiency and local connection. It brings together all services under one council in each area, replacing the current layers of responsibility.

This option builds on the economic strengths of each area. The North-East would combine Peterborough's fast-growing economy and manufacturing base with the rural and market town strengths of Fenland and East Cambridgeshire. The South-West would unite Cambridge's global innovation economy with the wider growth potential of South Cambridgeshire and Huntingdonshire.

Across the five criteria set out by government (growth, financial sustainability, public services, democratic representation and devolution) the analysis shows that Option C performs strongly in each area.

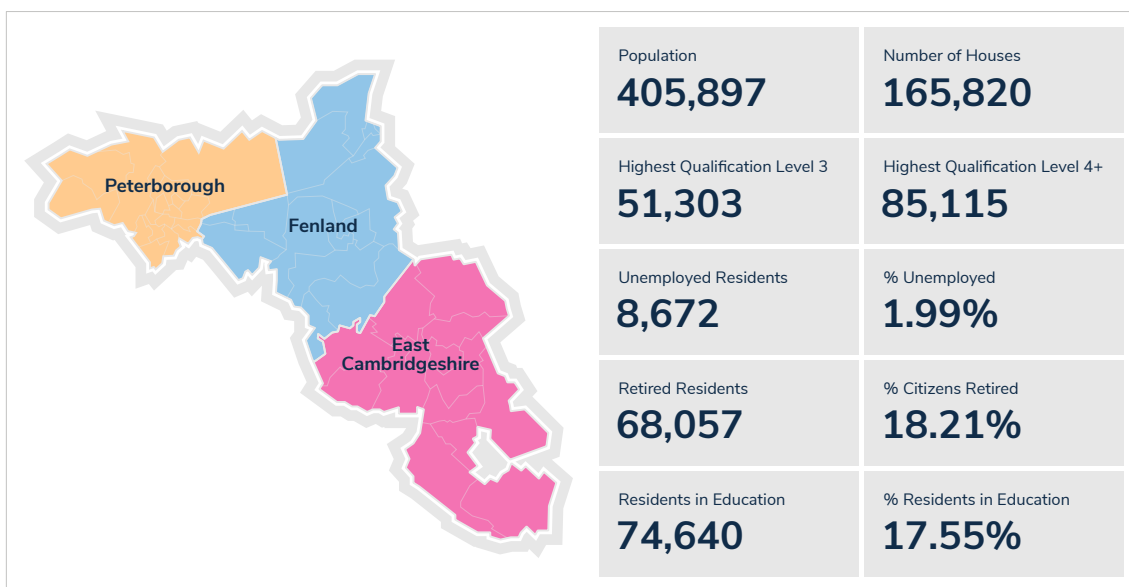
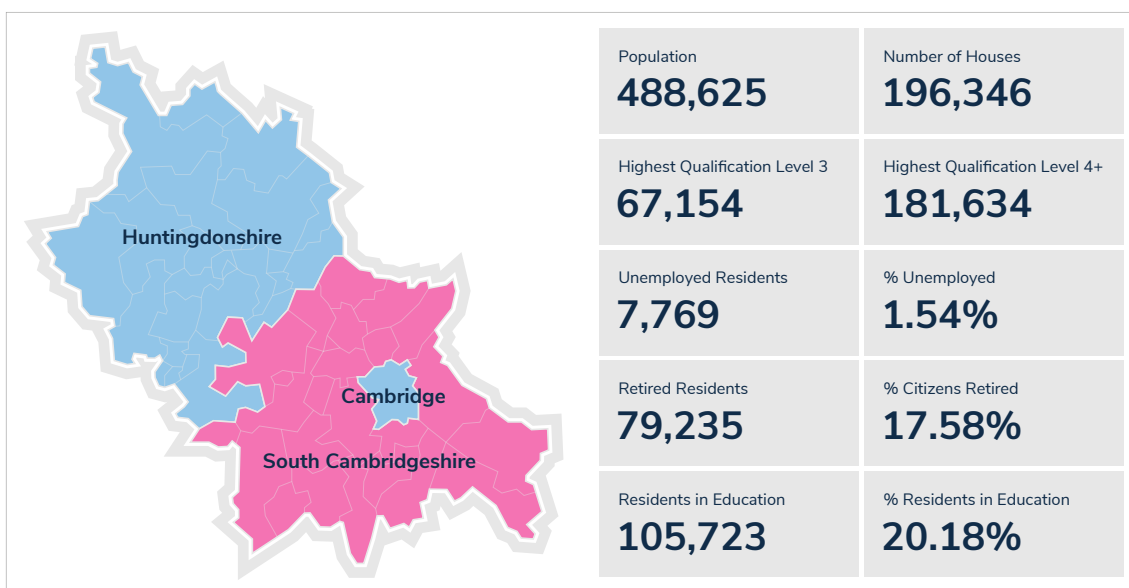
It provides a structure that supports sustainable economic growth while maintaining fairness and local identity. Financially, it delivers meaningful savings without creating risk or disruption, with projected savings of around £6m a year once fully implemented.

The two new councils would improve public services by joining up local delivery and simplifying access for residents. Democratic representation would be clearer and more balanced, with councillors closer to their communities and simpler routes for residents to have their say. The proposal aligns with existing devolution arrangements, ensuring that local voices remain influential in regional and national decision-making.

Option C provides a stable and deliverable route to better services and a structure that supports both economic growth and community identity. The model works fairly for the whole region, built on what already works well.

Appendix A

Comparison Zone Builder



Appendix B

Although Cambridgeshire & Peterborough councils did not submit an interim plan, we have reviewed the feedback given to those areas that did and used this as a source of guidance for the type and extent of financial information you would like to see in our full proposal. We note the following generic feedback that was given to areas and have provided a response to each of the points below.

You suggested that the following should be considered:

High level breakdowns for where any efficiency savings will be made, with clarity of assumptions on how estimates have been reached and the data sources used, including differences in assumptions between proposals.

There are expected to be cash savings from reducing the number of local authorities in the area and our analysis has focussed on those that are more readily apparent and deliverable i.e. reduction in management posts, reduction in the number of ward councillors and cash efficiencies in third party spend. There will also be a need to increase spending on management resources as a result of splitting county level services across the new unitary councils and our assessments of savings are presented on a net basis.

The following elements make up the savings calculation:

Management costs

The published list of roles earning more than £50k in each council were relied upon. An on-cost assumption of 25% was applied to the salary rates. The roles were categorised into four seniority levels e.g. level 1 would be a chief executive, level 2 would be a senior leadership team member, level 3 would be a service director or head of service, level 4 would be assigned to the remaining roles. For each unitary combination, the role lists from the legacy councils were aggregated and where duplicated roles existed at level 1-2, one of the roles was removed, where similar or duplicated roles existed at level 3, a reduction in role numbers may have been applied dependent upon the size of the unitary. No changes were made at level 4. Adjustments were also made to account for the size of each unitary and the

disaggregation of legacy county level resource into both a unitary featuring legacy city council roles and an adjoining unitary (ies) featuring smaller tier 1 services.

Member allowances

The current cost of Members was taken from the 2024/25 accounts of each of the councils. An average ward density, based on unitary councils across the country, was calculated from Local Government Boundary Commission data and used to determine an estimate of the number of councillors likely to be required in the new unitaries. The average cost of allowances per councillors taken from eleven of the most recent county unitary reorganisations was applied to this number to produce an estimate of the likely members budget required for the shortlisted unitary council combinations.

Third party spend

The third party spend of all councils for 2024/25 was identified and analysed in terms of common areas of spend and common suppliers. This identified energy, ICT, external audit, FM, leisure, insurance, recruitment, postal and couriers as areas offering high potential for savings from consolidation. A 5% saving was assumed for spend where three or more councils shared a common supplier in these categories. The exception being for external audit where an average audit fee of £700k was assumed for each new unitary with the saving being the difference between that and the amalgamated fees for the current councils.

How efficiency savings have been considered alongside a sense of place and local identity.

We have not considered the potential savings that may be achievable from the opportunity that LGR presents to change the way services are delivered to places and respond better to local needs and identity. These are far less certain and more recent examples of LGR have struggled to realise these within 3 years post re-organisation. Such changes will come with costs associated with investments in, for example, new IT hardware and software. The costs of these have been similarly excluded from our analysis at this stage.

Information on the counterfactual against which efficiency savings are estimated, with values provided for current levels of spending.

We have used the figures in the latest published MTFPs of each council as the basis of our assessment of the financial sustainability of the different short-listed options. This has been achieved by consolidating the MTFP figures for each council based on the combinations in each of the options.

The county council's financial position has been disaggregated on the following basis:

Allocation basis	
Net revenue expenditure (NRE)	
Children, Education and Families	% of population aged Under 17
Adults, Health and Commissioning	% of population aged Plus 65
Place and sustainability	Area (km2)
Finance and Resources	Households
Strategy and Partnerships	Households
Capital financing	Households
Income	
Business rates	% of district business rates
Council tax	% of Band D equivalent properties
RSG	% of NRE
Unringfenced grants	Households
Fair funding formula adjustment	% of NRE

This has enabled an MTFP for each of the unitary options to be produced which represents a baseline from which potential savings and costs from consolidation have been assessed against.

A clear statement of what assumptions have been made, and if the impacts of inflation are taken into account.

The following assumptions have been applied to standardise MTFP projections over a five year period

- Annual growth in council tax base of 1.0%.
- Application of the maximum council tax rise in each year.
- Growth in net revenue expenditure of 2% for the district councils and 4% for the county council and city council.

A summary covering sources of uncertainty or risks with modelling, as well as predicted magnitude and impact of any unquantifiable costs or benefits.

The main areas of uncertainty with respect to the modelling are as follows:

- Timings of savings release.
- Level of unquantified savings from transformation.
- Level and timing of transition costs – particularly in respect of cost of retirement and system alignment.
- Extent to which published MTFs are a reliable projection of future spending pressures.
- Impact of the Fair Funding Review.

We have not attempted to predict the magnitude of variability or uncertainty with any of these areas.

We have undertaken significant analysis of the implications of council tax harmonisation and noted the levels of income loss in the event council tax is not harmonised in the first year of unitarisation.

Quantified impacts, where possible, on service provision as well as wider impacts.

There has been no assessment of the financial impact on service provision of unitarisation at this stage – whether that be in terms of savings potential or transition cost. The limits on time and resourcing have meant that this has not been possible.

You noted a desire for:

Additional data and evidence to set out how our final proposals would enable financially viable councils, including identifying which option best delivers value for money for council taxpayers.

Value for money for council tax payers has been assessed in terms of both payback and the movement in the council tax requirement per resident that results from the different LGR options.

The payback has been calculated by profiling assumed savings (net of on-going disaggregation costs) against the estimated upfront transition costs. The movement in council tax requirement per resident has been based on the MTFs for the existing councils relative to the ones that result from the new unitary councils based on the consolidation and disaggregation modelling described above.

Further detail on potential finances of new unitaries, for example, funding, operational budgets, potential budget surpluses/shortfalls, total borrowing (General Fund), and debt servicing costs (interest and MRP); and what options may be available for rationalisation of potentially saleable assets.

The projected position of each of the new councils under the favoured options are shown in the Financial sustainability section of the main document. These are based on existing MTFs, put on a consistent basis for key variables such as council tax increases, council tax base increases and inflation, and then consolidated based upon the method described above. This takes into account the features above including debt servicing costs but does not account for any rationalisation of potentially saleable assets. The reserves position has been assessed and is sufficient to cover the projected transition costs. Over time, there will need to be work undertaken on service re-design as a result of merging common district level services that may generate further savings in staff, spend and property but we have not provided an estimate for these for any of the options due to timing and resourcing limits noted above. In terms of property specifically and potentially saleable assets, it may be that once new delivery models are defined that capital may be realisable from the administrative and operational property portfolio but experience from other authorities indicates that this can take a significant period of time and beyond five years post merger to achieve. The prevailing, post-pandemic, operating model for councils means that staff reductions arising from reorganisation are unlikely to generate any further property mothballing savings of significance beyond those achieved already.

Clarity on the underlying assumptions underpinning our modelling
e.g. assumptions of future funding, demographic growth and pressures,
interest costs, Council Tax, savings earmarked in existing councils' MTFs.

These are as explained above.

Financial sustainability both through the period to the creation of new unitary councils as well as afterwards.

The overall net spend of councils in the region is c. £1bn so the modelled savings and costs associated with re-organisation represent a very small %, irrespective of which option is adopted. The reserves are sufficient to meet projected transition costs, requiring between 3 and 4% in aggregate and up to 6% of individual unitary usable reserves. It is important to note, however, that whatever savings are generated from LGR, they are unlikely to be sufficient to mitigate against the structural funding issues in local government and the cost pressures that aspects of provision in children, adult and housing in particular, are presenting. This will mean a continual need for efficiencies and savings across the new councils, irrespective of the chosen option.

Your feedback also referenced the need to set out how we will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects:

Within this it would be helpful to provide more detailed analysis on expected transition and/or disaggregation costs and potential efficiencies of proposals. This could include clarity on methodology, assumptions, data used, what year these may apply and why these are appropriate.

The following has been assumed for transition costs:

Redundancy, retirement and recruitment

An average age, length of tenure and statutory redundancy terms were applied to the reduction in staff cost assumed in the savings figures. The average age and tenure assumption was based on data in the people strategy documents produced by Cambridgeshire County Council and Cambridge City Council. An assumption was made about the proportion of redundancies who would be eligible for pension access (13%) based

upon age profiles and who would therefore produce a pension strain. A pension strain cost factor of 10 was applied with the salary costs reduced by 25% to adjust for average career earnings with time spent in the LGPS assumed at 25 years. A provision has been made for recruitment at 20% of salary cost where additional resource has been assumed as per Management costs savings narrative.

Other costs

A provision of c. £11m (£14.5m for three unitary option) has been made for the following elements based on more detailed work we have previously done elsewhere and the assessments made by other areas in their Initial Plan submissions to MHCLG in March: Job Evaluation, Transitional Programme Resources, ICT, Public Consultation, Shadow Council, Induction, Closedown. The provision excludes the cost of service reconfigurations which would be material but for which we have also excluded the savings potential. It would be expected that those changes are subject to a business case process that would determine payback metrics. A contingency of c. 10% has also been included.

The different elements of transition costs have different phasing assumptions but the result is that the overall quantum is spread c. 50:50 over the initial shadow council year and first year of unitarisation.

Detail on the potential service transformation opportunities and invest-to-save projects from unitarisation across a range of services – e.g. consolidation of waste collection and disposal services, and whether different options provide different opportunities for back-office efficiency savings.

There has been no assessment of transformation or invest to save opportunities from unitarisation at this stage.

Where it has not been possible to monetise or quantify impacts, you may wish to provide an estimated magnitude and likelihood of impact.

Not applicable given the response above.

Summarise any sources of risks, uncertainty and key dependencies related to the modelling and analysis.

The same response applies to the similar question posed above i.e: Timings of savings release.

- Level of unquantified savings from transformation.
- Level and timing of transition costs – particularly in respect of cost of retirement and system alignment.
- Extent to which published MTFs are a reliable projection of future spending pressures.
- Impact of the Fair Funding Review.

We have not attempted to predict the magnitude of variability or uncertainty with any of these areas.

We have undertaken significant analysis of the implications of council tax harmonisation and noted the levels of income loss in the event council tax is not harmonised in the first year of unitarisation.

Detail on the estimated financial sustainability of proposed reorganisation and how debt could be managed locally.

A detailed analysis of the debt position at both an individual council and Cambridgeshire & Peterborough level was commissioned by the authorities and has been provided in the Financial sustainability section of the main document.

END