

TITLE: Local Government Reorganisation – Submission to Government

Committee: Extraordinary Council

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1.0 Issue

- 1.1. To update the Council on Local Government Reorganisation (LGR) proposals and next steps.

2.0 Recommendations

Members are requested

- 2.1. To note the progress of LGR in Cambridgeshire and Peterborough.
- 2.2. To delegate authority to the Chief Executive, in consultation with the Leader of the Council, to finalise the proposed letter as set out in Appendix 1 along with other Council Leaders, as our interim submission to Government by 21 March 2025.

3.0 Background/Options

- 3.1. On 16 December 2024, The White Paper on English Devolution was published, which proposes wide ranging changes to the framework of local government across England including devolution from central government to strategic authorities and local government reorganisation in two tier areas. The White Paper can be accessed here: [English Devolution White Paper](#).
- 3.2. Cambridgeshire & Peterborough (C&P) already have devolved powers (through our Combined Authority); therefore, this report covers only the LGR aspects of the White Paper.
- 3.3. The Government intends to implement LGR in two tier areas and for those unitary councils where there is evidence of failure or where their size or boundaries may be hindering their ability to deliver sustainable and high-quality services for their residents.
- 3.4. On 5 February 2025, Jim McMahon, Minister of State for Local Government and English Devolution, invited proposals to establish unitary authorities across C&P (Appendix 2). Leaders have been asked to jointly submit an 'Interim Plan' or update to Government on or before 21 March 2025. This update does not commit the Councils to a particular course of action or fetter future decisions.
- 3.5. The Government want new unitary councils to be the right size to withstand financial shocks, achieve efficiencies, and avoid unnecessary fragmentation of services. Proposals that reflect 'sensible economic areas', help to increase housing

supply, and consider local history and culture are encouraged. The criteria for Councils to consider, when developing proposals, are appended to the Minsters letter.

- 3.6. Government have stated that new unitary authorities should aim for a population of 500,000 or more. However, the Government recognises that this may not make sense everywhere. Where an area believes that is the case it should set out the rationale in its proposal. Informally, there has been an indication that the minimum population the Government would consider is between 300,000 - 350,000. This is consistent with the previous Government's criteria which expected proposals with a population 'in excess of 300,000'.
- 3.7. There are approximately 930,000 (2024 estimate) residents across Cambridgeshire and Peterborough: around 150,000 in Cambridge; 90,000 in East Cambridgeshire; 104,000 in Fenland; 186,000 in Huntingdonshire; and 175,000 in South Cambridgeshire – making a total of 705,000 in the County area; plus 225,000 in Peterborough, which is already a unitary authority
- 3.8. Based on conservative assumptions the population of Cambridgeshire and Peterborough is expected to grow to over 1,060,000 over the next 15 years. That forecast does not include, for example, the emerging Greater Cambridge Local Plan for around 50,000 homes or 120,000 people, or any potential population increases arising from plans to be developed by the Government owned Cambridge Growth Company or arising from East West Rail.

4.0 Conclusions

- 4.1 The White Paper sets out the Government's intent to progress reorganisation swiftly, including through legislative measures if it becomes necessary to ensure progress. The reorganisation of local government in C&P may arrive regardless of the Council's view; therefore, it is important that East Cambridgeshire District Council has a considered view as to the most optimal arrangements for East Cambridgeshire residents and the wider C&P region.
- 4.2 The indicative LGR timeline for all 2 -Tier areas (other than Surrey and those in the Devolution Priority Programme) is as follows:

Activity	Period
Govt issues statutory invite for LGR proposals	5 February 2025
Councils respond to 5 February MHCLG letter	21 March 2025
Councils submit final LGR proposals	28 November 2025
Govt consultation	January to April 2026
Govt decision on proposals	May – August 2026
LGR legislation prepared and laid	May – August 2026
Any transitional legislation required prepared and laid	May – December 2027
Shadow Unitary Elections (as soon as possible)	May – December 2027
New Unitaries Go – Live	April 2028

- 4.3 Leaders and Chief Executives across C&P have met on several occasions to discuss how each local authority will work together to progress any final proposals for LGR that are required to be submitted in November 2025

- 4.4 To meet the governments first deadline a letter has been drafted (Appendix 1) as the proposed submission to Government by 21 March 2025. This letter has been endorsed by all Councils in C&P, with the exception of Fenland District Council.
- 4.5 While a unified C&P agreement on a final submission to Government is possible and optimal, competing proposals may emerge. The Government has also indicated that only one proposal is required from an area, and it does not need to be endorsed by all impacted local authorities. If more than one proposal is submitted, then Ministers would make the final determination on their preferred option to progress. Therefore, there is no guarantee that any proposal which East Cambridgeshire District Council endorses would be adopted by Government. However, active participation ensures the Council may have a say in shaping the future structure of local government in C&P.
- 4.6 The Government expects councils to decide how best to engage locally in a constructive way and to evidence that in their proposals. An initial survey of residents was launched on 14 February 2025. Over 890 residents have responded to date. A summary of the results are provided in Appendix 3. These early findings will help to shape the initial proposals coming forward. However more consultation with residents, partners and key stakeholders will be required at the appropriate time.

Next Steps

- 4.7 Chief Executives have commissioned finance and data analysts from each authority to develop a financial model to evaluate different unitary options. This will allow the Council to review the financial implications of various options, including the potential for savings and efficiencies. An options analysis will be undertaken once the model has been developed and assured. Changes to the system of local government finance expected to be announced in the summer will have an impact on that modelling but are not expected to change the fundamental conclusions. This work has commenced and will continue over the Spring and Summer.
- 4.8 There is currently no agreed single proposal for unitarisation across C&P. Detailed analysis will begin once a short-list of preferred options has been agreed. It is realistic that agreement on a single preferred option for Cambridgeshire and Peterborough can be reached by 28 November 2025.
- 4.9 Substantive proposals for reorganisation will be brought back to Council for discussion and approval. This may entail additional meetings of the Council.

5.0 Additional Implications Assessment

Financial Implications NO	Legal Implications NO	Human Resources (HR) Implications NO
Equality Impact Assessment (EIA) NO	Carbon Impact Assessment (CIA) NO	Data Protection Impact Assessment (DPIA) NO

Financial Implications

- 5.1 There are no financial implications associated with the interim response. However, there will be costs associated with planning and developing a final proposal. Government has indicated that it will provide some resources to support the preparation of proposals and that this would be confirmed later in the process.

Legal implications

- 5.2 The Local Government and Public Involvement in Health Act 2007 provides the key statutory framework for local government reorganisation. The Secretary of State can at any time invite proposals for reorganisation
- 5.3 The Government does not currently have power to direct local authorities to bring forward proposals as these expired shortly after the legislation was first introduced. However, the Government has indicated it is planning to legislate to reintroduce the power to direct.
- 5.4 The invitations issued under previous governments often state that existing districts must be used as the 'building blocks' from which new authorities are to be constructed. The current advice from MHCLG is that proposals which disaggregate district boundaries must have a strong justification.

Human Resources

- 5.5 There are no staffing implications associated with the interim response; however it is likely to be an unsettling time for some staff. It is important to note that all staff will transfer automatically to one of the new authorities under 'TUPE' regulations (Transfer of Undertakings (Protection of Employment)). As the process is at such an early stage it is impossible to provide further information on this, however the Council is mindful of the valuable contribution Officers make in delivering services. A separate staff communications and engagement plan is being developed, so that staff are kept informed, consulted and engaged in the process.

6.0 Appendices

Appendix 1 - Council initial submission to MHCLG

Appendix 2 - Letter from Minister Jim McMahon received on 5 February 2025

Appendix 3 – Resident survey draft results

7.0 Background documents

English Devolution White Paper December 2024