Appendix 3
Detailed options appraisal

Appendix 3: Detailed Options Appraisals

Option B – appraisal against criteria

Criteria	Score	Rationale
Economy and Housing	5	• Option B creates two unitary councils that reflect distinct but complementary, nationally significant economic geographies. The southern unitary will reflect the footprint of Cambridge's internationally significant innovation economy, while the Northern 'economic powerhouse' unitary has a strong export base and nationally significant sectors (advanced manufacturing, logistics, agri-tech) that support a balanced, dynamic and resilient economy. • Option B creates two councils that are more economically balanced than all of the other options: ○ GDP – the Northern unitary will have 54% of GDP (20.3bn) and the southern unitary will have 46% of GDP (£17.2bn) ○ Employees – the Northern unitary will have 53% of employees (250,300) and the southern unitary will have 47% of employees (226,000) (Beauhurst, 2024). ○ Business turnover – the Northern unitary will have 33% of annual business turnover (£40bn) and the southern unitary will have 67% (£80bn) (Beauhurst, 2024). • Option B is more "future-proofed" than Options A and C. Over time the southern unitary's economy will grow more rapidly than the southern unitary's (by 10% in 2040), but the gap between the two economies would be far greater in Options A (50% in 2050) and Option C (100% in 2050). Options A and C would result in one unitary having an undue economic and fiscal (business rates) advantage over the other. • The two unitary councils in Option B are closely aligned with functional economic areas, rather than landmass or population numbers. 88% of working residents will both live and work within their unitary areas • Alignment with functional economic areas would enable each unitary authority to develop ambitious Local Plans to reflect differing housing and economic needs in their local areas. • Both new councils will be well placed to deliver affordable housing. The two existing district councils in the southern unitary both own and manage council housing and have housing development programmes and capacity, while the northern unitary will have market-shaping opportunities as the existing councils have all transferred their housing stock to housing associations.

Criteria	Score	Rationale
Financial resilience	4	• Option B gives each new unitary the greatest long-term financial resilience of all options and reduces the risk that local services cannot be funded in the future. A balanced scorecard approach (analysing funding, budget, reserves and debt) identifies Option B as the most financially sustainable option. • Option B also achieves a more equitable division of resources and fairer funding for the whole area compared to other options. • Option B delivers both immediate sustainability and long-term value. Full payback of the initial implementation costs will be achieved by 2031/32 (Year 4). Option B will deliver annual recurring savings of £42.8m by 2032/33 (Year 5), and cumulative savings of £167.4m by 2035/36 (Year 8). • The Northern unitary will have a population of over 600,000, which exceeds Government guidance for resilience, but is smaller than average county councils, allowing greater accountability. • As a larger authority, the Northern unitary will have both the scale, financial resilience and capacity to tackle entrenched deprivation and inequality, particularly in Peterborough and parts of Fenland. The Northern unitary's larger size, will give it a stronger tax base, better scope to manage existing debt and reduced dependence on Government grants. • The southern unitary will begin with a population of around 340,000 in 2028, rising to over 400,000 within 10 years, well above the 300,000 minimum population that Government considers necessary to be financially sustainable. • The southern unitary will benefit from a resilient tax base driven by its fast-growing economy, which will enable it to fund local services and meet the needs of its rapidly-growing population.
Sustainable Public Services	4	• Option B will enable better and more sustainable public services than the other options, because resources will be divided more effectively and equitably across the whole area. • Both new unitaries will develop neighbourhood services tailored to meet distinct local needs. Public services will be better aligned to how people live and work, which will help meet community needs and reduce demand failure. A localised approach will also allow both councils to determine spending and strategies around prevention and early intervention. • The large Northern unitary will have economies of scale, the buying power to reshape care markets, the ability to address variations in community needs through localised services, and opportunities to integrate district council services, social care services and NHS neighbourhood teams.

Criteria	Score	Rationale
		• The smaller southern unitary will have a lower level of need, but as the sole housing stock-owning authority it will have opportunities to integrate social care, social housing and health services to improve outcomes for vulnerable residents. • While the unitary boundaries proposed in Option A will align more closely with the geography of the current Cambridgeshire and Peterborough North and South Care Partnerships, these 'Place' partnership are not statutory arrangements. The NHS has indicated that the new ICSs will realign 'place' footprints to match the new unitary councils that emerge through LGR[1] . Alignment with Option B can be accommodated by moving 2 of the 9 Integrated Neighbourhood Teams (Ely North and Ely South) into the North Care Partnership.
Collaboration	4	• 6 of the 7 Councils have worked collaboratively to develop proposals. Option B is supported by 3 of the 7 councils in the area (Cambridge City, East Cambridgeshire, and South Cambridgeshire). Huntingdonshire, Fenland and Peterborough have also contributed to the proposal for Option B. • The sustainable public services theme in Option B is informed by a collaborative workshop in August 2025 involving Chief Executives and social care leads from Peterborough, Cambridge City, East Cambridgeshire, Fenland, Huntingdonshire and South Cambridgeshire councils. • Option B is most reflective of historic identities and governance arrangements in the area. The Southern unitary will reflect the historic county geography of Cambridgeshire, while the Northern unitary will reflect the three historic counties of Huntingdonshire, The Isle of Ely and The Soke of Peterborough. • Resident engagement surveys found that 69% of Cambridge City and South Cambridgeshire respondents and 52% of East Cambridgeshire respondents supported Option B.
Devolution	4	• By creating two more balanced member councils than Options A and C, Option B will support existing devolution arrangements and strategic decision making on growth, jobs and housing through the CPCA. • Each unitary council will have functional economic geographies and similar-sized but distinct economies. This allows CPCA plans and inward investment to focus on each area's unique strengths and challenges, reducing the need for competing priorities and the risk of policy, investment or delivery bias towards each member council.

[1] NHS England » Strategic commissioning framework; NHS England » Planning framework for the NHS in England (2025)

Criteria	Score	Rationale
		Ultimately this enables better outcomes both for the area as a whole and enables the CPCA to deliver the Government's priorities. • The northern unitary will be able to represent the diverse economy, population and needs of its area in strategic decision-making by the CPCA and national Government. • The southern unitary will provide a single, unified voice for the needs of the fast-growing economy and population in the Cambridge city-region in CPCA and national decision-making. • The alignment of the southern unitary authority's geography with the Cambridge Growth Company area will also support effective decision-making and delivery.
Democratic representation and community engagement	4	• Option B best allows for local distinct local identities to flourish and ensures that residents will have more equal voice and influence in the future of their areas. • The northern unitary will be of sufficient scale to sustain distinct local governance and robust community engagement arrangements, combined with locally delivered public services. This model ensures the flexibility to meet the diverse needs of urban Peterborough, while maintaining a unified and effective voice for market towns and rural villages by keeping these areas together. • The southern unitary reflects the Cambridge city region, which has a coherent identity that makes sense to local people and how they live their lives day to day. It is made up of interconnected and interdependent urban and rural areas.

Option A – appraisal against criteria

Criteria	Score	Rationale
Economy and Housing	3	• Option A creates greater imbalance than Option B in total economic output, jobs and planned housing development between each council. It would favour the more economically dominant South-east unitary more than Option B, by adding the economic assets of East Cambridgeshire (for example, the district has the 5th highest share of UK exporting businesses):

Criteria	Score	Rationale
		• GDP – the North-west unitary would have 47% of GDP (£17.6bn) and the South-east unitary would have 53% of GDP (£19.8bn) • Employees – the North-west unitary would have 44% of employees (207,400) and the South-east unitary would have 56% of employees (268,900) (Beauhurst, 2024). • Business turnover – the North-west unitary would have 28% of annual business turnover (£33.7bn) and the South-east would have 72% (£86.3bn) (Beauhurst, 2024). • Over time the gap between the two economies would widen further, with the economy of the South-east unitary being 50% larger than the economy of the North-west unitary by 2040 under Option A. • The proposed South-east unitary would not align with the functional economic area as well as the Southern unitary of Option B. It would combine an area with one of the greatest concentrations of high-growth enterprises in the UK (Greater Cambridge) with a district with the least high growth enterprises in the sub-region (East Cambridgeshire). • Unlike Option B, Option A would split the distinctive, high value agricultural economy of the Fens (currently in East Cambridgeshire and Fenland) across the two unitary authorities. There is a risk that Fenland agriculture would not be prioritised for investment and support in a Southwest unitary dominated by the high-growth Greater Cambridge knowledge economy. • It would be challenging to integrate the ambitious housing and economic growth strategy in the emerging Greater Cambridge Local Plan with the paused planning framework in East Cambridgeshire.
Financial resilience	3	• Option A provides lower annual savings (£12.1m) than Option B (£42.8m) and it has a longer payback period (6 years) than Option B (4 years). • Option A would create councils that are more exposed to financial risks and financial shocks compared with Option B. • While the North-west unitary would have comparable budget per head as the northern unitary in Option B it would have a greater concentration of need and proportionally higher unit costs for social services. It would be less able to grow its tax base and more reliant on social care grants to fund services.

Criteria	Score	Rationale
		• The South-east unitary would have slightly higher budget per head than the Southern unitary in Option B, but it would have a proportionally larger aging population. Care costs could increase faster than tax-base growth as the population ages, which could crowd out spending on universal services.
Sustainable Public Services	4	• Option A would create unitary authorities with a greater difference in social care need, making it harder to design sustainable public services. • The North-west unitary would have the second highest per-capita social care burden of any of the unitary Councils in the 2 unitary options under consideration. The unitary would have reduced economies of scale and buying power compared to the Option B northern unitary to address those challenges. • The South-east unitary would have care needs below the England average, but the financial pressures described above (similar budget per head to Option B combined with a larger aging population) could put a strain on non-care budgets. • It could be more difficult to integrate services in the South-east unitary, compared to the Option B Southern unitary. The South-east area brings together two authorities which own council housing (Cambridge City and South Cambridgeshire) and one which does not (East Cambridgeshire). It also brings together 2 councils that share services (waste, planning) and one that does not. • While the geography of the current Cambridgeshire and Peterborough North and South Care Partnerships align with the unitary boundaries proposed in Option A, these 'Place' partnerships are not statutory arrangements. The NHS has indicated that the new ICSs will realign 'place' footprints to match the new unitary councils that emerge through LGR.2 • Hospital treatment patterns are broadly aligned with Option A. The majority of Peterborough, Huntingdonshire and Fenland patients are treated at Northwest Anglia Foundation Trust hospitals, while the majority of Cambridge, East Cambridgeshire and South Cambridgeshire patient are treated by Cambridge University Hospitals Trust. • However, there is a significant flow of patients from outside the Cambridgeshire and Peterborough area, which makes up one-third of all patients treated. There is also a flow Cambridgeshire and Peterborough

[2] NHS England » Strategic commissioning framework; NHS England » Planning framework for the NHS in England (2025)

Criteria	Score	Rationale
		that are treated outside the area, with around 10% of East Cambridgeshire patients going to West Suffolk NHS Foundation Trust, and 36% of Fenland patients going to Queen Elizabeth Hospital, King's Lynn.
Collaboration	3	• Option A is supported by just 1 of the 7 councils in Cambridgeshire and Peterborough and has had limited input from other Councils. • Option A does not reflect the historic identities and governance arrangements of the area to the same extent as Option B.
Devolution	4	• The greater imbalance in economic output between each authority could create policy tension and unfairly favour the South-east unitary's growth agenda giving undue advantage. Additional economic governance challenges are more likely, which could cut across the devolution agenda because the Cambridge Growth Company focus would not reflect the South-east unitary authority's geography.
Democratic representation and community engagement	4	• The North-west unitary would be smaller, so it would be less able to accommodate localised decision making than the northern unitary of Option B. The South-east unitary would have a less coherent identity than the southern unitary of Option B, which more closely represents the Cambridge City Region. • The public survey identified connected community identities and practical realities (e.g commuting and shopping between areas of East Cambridgeshire and Cambridge), however this finding was also reflected by Huntingdonshire residents. Rural areas outside of the Greater Cambridge region expressed concerns about being overlooked if connected to Cambridge

Option C – appraisal against criteria

Criteria	Score	Rationale

Economy and Housing	3	• Of the two unitary options, Option C has the greatest imbalance in total economic output, jobs and planned housing development between each unitary.
		  • GDP – the North-east unitary would have just 37% of GDP (£14bn) and the South-east unitary would have 63% of GDP (£23.4bn) (Beauhurst, 2024).
		  • Business turnover – the North-east unitary would have 17% of annual business turnover (£20.9bn) and

Criteria	Score	Rationale
		the South-east would have 83% (£99.5bn) (Beauhurst, 2024). • The stronger South-west unitary would have the greatest proportion of total economic activity of all options, posing greater risk to regional economic imbalance over time. • Over time the gap between the two economies would widen further, with the economy of the South-west unitary being 50% larger than the economy of the North-east unitary by 2040 under Option C. • The developing Local Plans for Greater Cambridge and Huntingdonshire would need to bridge two distinct functional economic areas, as well as address the economic needs of the growing Peterborough city region which may present operational and political challenges.
Financial resilience	2	• Option C would concentrate financial risks in one unitary, creating a North-east unitary with the weaker tax base and higher population needs. • The South-west unitary would have a lower level of need and social care spend, but it would have greater social care financial pressures arising from a larger aging population than the southern unitary authorities in both Options A and B.
Sustainable Public Services	3	• Option C would have the greatest difference in needs between each new unitary, which could make it more difficult to deliver sustainable public services across the sub-region. • The North-east unitary would have the highest per-capita social care needs of any of the six unitary options. The South-west unitary would have below England average care needs, though it would have a greater pressure on social care services due to a larger older population • All former council housing in the North-east unitary would be managed by existing registered providers, but the South-west area brings together two authorities which own council housing (Cambridge City and South Cambridgeshire) and one which does not (Huntingdonshire), making integration of housing services with health and social care more complex.
Collaboration	3	• Although it was developed by Huntingdonshire District Council, Option C was ultimately not supported by any of the 7 councils in Cambridgeshire and Peterborough. • Option C does not reflect the historic identities and governance arrangements of the area to the same extent as Option B.

Criteria	Score	Rationale
		• An engagement survey has not been carried out to establish whether Cambridgeshire and Peterborough residents support this option.
Devolution	4	• The greater imbalance in economic output between each authority could create policy tension and unfairly favour the South-west unitary's growth agenda giving undue advantage. • The South-west unitary authority's geography would be less aligned with the Cambridge Growth Company area than the Southern unitary of Option B.
Democratic representation and community engagement	4	• The North-east unitary would be smaller, so it may be more challenging to accommodate localised decision making than the northern unitary of Option B. • The South-west unitary would have a less coherent identity than the Southern unitary of Option B, which more closely represents the Cambridge City Region. • The fundamental geographic distribution of population centres across both councils could act as an impediment to good governance.

Option D – appraisal against criteria

Criteria	Score	Rationale
Economy and Housing	2	• The three unitary councils proposed in Options D would broadly align with the 3 functional economic areas identified in the CPIER report (Peterborough, Cambridge and the Fens). • However, Option D would create a significant imbalance in total economic output, jobs and planned housing development. • The internationally significant innovation economy in the Southern unitary would have 46% of GDP (£17.2bn), 47% of employees (226,000) and 67% of annual business turnover (£80bn), leaving the remaining economic output and employment split between the other two unitary authorities. • There is a particular risk that without a major anchor city, the predominantly rural central unitary authority could have limited visibility, creating poor growth in the area and reduced capacity to attract investment or talent which will lead to a weaker tax base

Criteria	Score	Rationale
Financial resilience	1	• Three unitary proposals such as Option D would be less financially resilient than two unitary proposals, with a greater risk that local services cannot be funded in future than other options. Financial analysis by Pixel concluded that "three-unitary options would all struggle for population and financial scale". • Option D has by far the longest payback period of all the options (50+ years), which will cause greater long-term financial risks. It delivers much lower maximum annual savings (£1.4m) than Option B (£42.8m). • While the Southern unitary in Option D is forecast to experience further rapid population growth and would generate sufficient taxation income to support service delivery, it is likely that the proposed northern and central unitary authorities would be less financially viable. • Both options would concentrate deprivation in northern and central unitary authorities that lack the scale and financial resources to meet the greater demand for people services. • In Option D, the population of the Northwest (Greater Peterborough) council (292,000) would be below the 300,000 population that Government considers necessary to be financially sustainable.
Sustainable Public Services	2	• Option D has the highest cost for people services (adult social care, children's social care and SEND) of all the options, primarily due to the increased staffing overheads associated with 3 unitary councils. The Newton analysis shows that in total Option D would cost £0.6m more than current arrangements in 2025, rising to £3.7m more in 2040. This represents a 52.3% increase in spend per resident. • The risk of service fragmentation would be particularly acute in the central unitary. The rural spread and lack of any central urban hub would complicate service delivery, while issues such as digital exclusion and access to services would persist in the council's most deprived wards.
Collaboration	2	• Option D is supported by 2 of the 7 councils in Cambridgeshire and Peterborough (Peterborough City Council and Fenland District Council). However, Huntingdonshire District Council opposes splitting the district. • While the Northwest (Greater Peterborough) and Southern (Greater Cambridge) councils would have a clearer local and civic identity based around the two major cities, the central unitary authority would potentially lack a unifying identity beyond its rurality. • An engagement survey has not been carried out to establish whether Cambridgeshire and Peterborough residents support this option.

Criteria	Score	Rationale
Devolution	4	• The greater imbalance in economic output and housing growth between the Southern unitary council and the other two proposed unitary councils could create policy tension and unfairly favour the Southern unitary council's growth agenda.
Democratic representation and community engagement	5	• Option D would create 3 smaller councils than Options A, B and C, which could provide greater opportunities for local democratic representation and community engagement. • However, the North-west council could be dominated by Peterborough members, leading to reduced democratic representation for other more rural areas. Similarly, residents living in the central unitary authority would lose out on the opportunity for a democratic say over Peterborough, a city with strong economic ties to the region.

Option E – appraisal against criteria

Criteria	Score	Rationale

Economy and Housing	2	• The three unitary councils proposed in Option E would broadly align with the 3 functional economic areas identified in the CPIER report (Peterborough, Cambridge and the Fens).
		• However, Option E would create a significant imbalance in total economic output, jobs and planned housing development. The Southern (Greater Cambridge) unitary council would have a significantly larger economy than both the other 2 unitary councils:
		  ○ Business turnover - the Southern unitary would have 67% of annual business turnover (£80bn), compared to 17% in the North-east unitary (£20.9bn) and 16% in the central unitary 16% (£19.2bn).
		  ○ GDP – the Southern unitary would have 46% of GDP (£17.2bn), compared to 37% in the North-east unitary (£14bn) and only 17% in the central unitary (£6.2bn).
		• There is a particular risk that without a major anchor city, the predominantly rural central unitary authority could have limited visibility, creating poor growth in the area and reduced capacity to attract investment or talent, which will lead to a weaker tax base.

Financial resilience	1	• Three unitary proposals such as Option E would be less financially resilient than two unitary proposals, with a greater risk that local services cannot be funded in future than other options. Financial analysis by Pixel concluded that "three-unitary options would all struggle for population and financial scale". • Option E has the second longest payback period of all the options (8 years). It delivers much lower maximum annual savings (£2.3m) than Option B (£42.8m). • While the Southern unitary in Option E is forecast to experience further rapid population growth and would generate sufficient taxation income to support service delivery, it is likely that the proposed northern and central unitary authorities would be less financially viable. • Option E would concentrate deprivation in northern and central unitary authorities that lack the scale and financial resources to meet the greater demand for people services. • In Option E, the population of the central (Huntingdonshire) council (190,500) would be significantly below the 300,000 population that Government considers necessary to be financially sustainable.

Criteria	Score	Rationale
Sustainable Public Services	2	• The risk of service fragmentation would be particularly acute in the central unitary in Option E, which would be by far the smallest of all the 12 unitary councils proposed in Options A-E. It could be particularly challenging to deliver financially viable and high-quality people services (adult social care, children's social care and SEND) at this scale. • While Newton did not model Option E because it emerged later in the process, it is likely that it would have higher people services costs than options A, B and C. As with Option D, this would be due to the increased staffing overheads associated with 3 unitary councils.
Collaboration	3	• Option E is supported by only 1 of the 7 councils in Cambridgeshire and Peterborough (Huntingdonshire District Council). • However, the central unitary (Huntingdonshire) and southern (Greater Cambridge) councils would have a clear local and civic identity based around Huntingdon and Cambridge. • An engagement survey has not been carried out to establish whether Cambridgeshire and Peterborough residents support this option.
Devolution	4	• The greater imbalance in economic output and housing growth between the Southern unitary council and the other two proposed unitary councils could create policy tension and unfairly favour the Southern unitary council's growth agenda.
Democratic representation and community engagement	5	• Option D would create 3 smaller councils than Options A, B and C, which could provide greater opportunities for local democratic representation and community engagement. • However, residents living in the central unitary authority would lose out on the opportunity for a democratic say over Peterborough, a city with strong economic ties to the area.