DRAFT – WORK IN PROGRESS

05 NOV 2025

LGR V 5.5 (PRE-DESIGN FORMATTING)

'OPTION B'

CONTENT SUBJECT TO CHANGE PRIOR TO SUBMISSION

LOCAL GOVERNMENT REORGANISATION PROPOSAL – **OPTION B**

SIMPLER COUNCILS, STRONGER SERVICES:

THE RIGHT SIZE TO THRIVE, AND LOCAL ENOUGH TO CARE

NORTH CAMBRIDGESHIRE & PETERBOROUGH

AND

GREATER CAMBRIDGE

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- **A1) FINANCIAL ANALYSIS OF OPTIONS A-E**
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Foreword

[Work in progress]

Executive Summary

Context

In December 2024, the Government launched the White Paper on English Devolution. It asked areas with two-tiers of councils, like Cambridgeshire, to create fewer, single-tier unitary councils. Peterborough was included because it is a relatively small unitary authority with fragile finances.

Local government arrangements in Cambridgeshire and Peterborough are amongst the most complex in England: seven councils, four different types - City, District, Unitary and County; a Mayoral Combined Authority; and the Greater Cambridge Partnership.

Our councils all face financial challenges, and rising demand for social care, Special Educational Needs & Disabilities (SEND), and affordable homes. The Government views reorganisation as a once in a generation reform to establish stronger councils equipped to drive economic growth, improve local public services, and empower communities.

Cambridgeshire and Peterborough councils have worked together collaboratively. Consensus on a single proposal to present to Government has not been possible. Four options for reorganisation have been developed (known as Options A, B, C, D and E).

Option B for Me!

Our proposal (Option B) would replace seven existing councils with two financially resilient unitary authorities that have similar sized and complementary economies.

Each council would have unique strengths and differing local needs. They each require distinct strategies to deliver services that will improve outcomes for their local communities.

Working in partnership with a Strategic Mayoral Authority they can help to overcome our region's challenges to unlock growth, accelerate housing delivery, and fund excellent public services.

Simpler councils, Stronger services:

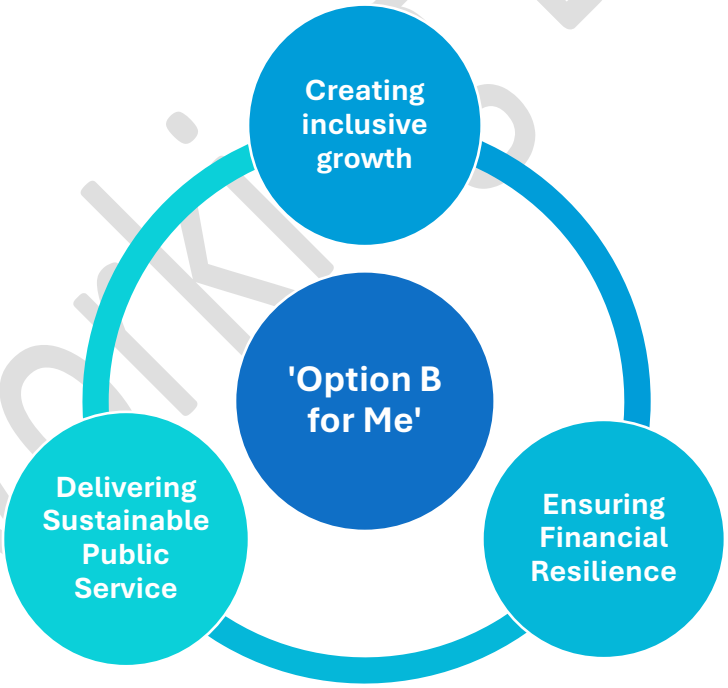
The right size to thrive, and local enough to care

North Cambridgeshire & Peterborough – a new unitary authority serving 612,000 people *(comprising Peterborough, Huntingdonshire, East Cambridgeshire and Fenland, and elements of Cambridgeshire County Council)*

Greater Cambridge – a new unitary authority serving 322,000 people *(comprising Cambridge City, South Cambridgeshire, and elements of Cambridgeshire County Council)*

Option B would help to create a "virtuous circle".

Two unitary councils designed around the region's economic strengths to maximise our growth potential and deliver excellent public services.



Increased economic growth will expand each council's tax base, strengthening their budgets and financial resilience.

Healthier budgets mean our councils can invest more in growth initiatives and high-quality services that deliver better outcomes for our residents, businesses, communities and visitors.

What our residents told us

Residents are open to change. Their support for reorganisation is conditional on new councils delivering tangible improvements: simpler access, greater responsiveness and investment in frontline services.

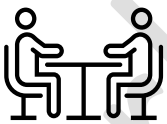
Residents want diverse local identities to be respected and would prefer new councils to take a locality or place based approach to service delivery.

Local partners tended to emphasise the importance of maintaining continuity of service provision during reorganisation as well as the reform leading to sound council finances.

When asked if they supported option B, 63.5% of residents agreed or strongly agreed, and 29% did not.

Feedback from the public and businesses about unitary council priorities

Operational focus	Future investment
Improving council services	Health infrastructure
Better responsiveness	Transport and connectivity
Councillors with good local knowledge	Community facilities



Other options considered and discounted

- Single unitary: not legally possible within an existing Mayoral Combined Authority area
- Three unitary proposals are not financially sustainable, too costly to implement and would lead to worse outcomes for our residents
- Only two unitary proposals have been independently assessed as being financially sustainable over the long term

Against the Government's key criteria for local government reorganisation (LGR) option B performs best.

Government criteria for reorganisation	Option A	Option B	Option C	Option D	Option E
Economy and housing	3	5	3	2	2
Financial resilience	3	4	2	1	1
Sustainable Public Services	4	4	3	2	2
Collaboration	3	4	3	2	3
Devolution	4	5	4	4	4
Democracy and engagement	4	4	4	4	4
OVERALL (out of 25)	**21**	**26**	**19**	**15**	**16**

The Benefits of B

Theme 1 – Economy and Housing

[image]

Cambridgeshire and Peterborough has one of the most important regional economies in the UK. We make a significant contribution to UK GDP (1.4%), innovation, and international competitiveness.

Our proposal meets the Government's criteria for sensible and equitable economic areas. Both councils would have distinct but complementary strengths; high growth prospects that support strong tax bases and financial resilience; and streamlined governance that accelerates housing delivery.

Benefit 1: A sensible balance built on the region's functional economic areas, which creates two councils of national economic significance without undue disadvantage for one area.

Option B achieves the best economic balance for the region - North Cambridgeshire & Peterborough £20bn (GDP, 2023 ONS latest estimates) and Greater Cambridge £17bn. Both councils would be ranked in the top 20 by economic size in the UK (excluding London).

Both councils reflect the realities of the region's functional economic areas.

The geographies build on established labour and housing markets, and consumer spending patterns. A very high proportion - around 88% - of working residents would live and work within their new council area, which Government guidance suggests is ideally suited to being a characteristic of unitary authorities.

Both councils would have national influence and contribute equally to the region's economic coordination via the Cambridgeshire and Peterborough Combined Authority (CPCA). Over time Greater Cambridge will grow more rapidly.

In Option B in 2040, Greater Cambridge will be 10% larger than North Cambridgeshire and Peterborough

In Option A in 2040 Greater Cambridge will be nearly 50% larger than the second unitary authority in the proposal.

In Option C in 2040 Greater Cambridge will be 100% larger than the second unitary authority in the proposal.

Both Options A and C struggle to meet the Government's criteria as one council would have an undue economic and fiscal (business rates) advantage over the other; Option B is the most balanced outcome.

Benefit 2: Two economies with distinct and complementary strengths to support the region's growth ambitions.

Option B creates two councils representing distinct economic areas with complementary strengths and the scale to attract national and international investment.

The proposal pairs North Cambridgeshire and Peterborough - a nationally significant 'industrial powerhouse' that has expansive agriculture and production facilities, with Europe's leading knowledge intensive innovation cluster centred in Greater Cambridge.

Both economies are interconnected, providing spillover benefits to each other and beyond. These complementary strengths can facilitate mutual interdependence rather than competition to support the region's shared prosperity.

Each area contributes in different ways to the region's economic punch. Each council can focus on and develop its core economic advantages and potential.

That will enable a clearer prioritisation of key sectors in the National Industrial Strategy and the CPCA's Local Growth Plan.

Benefit 3: Two councils capable of maximizing the housing and infrastructure potential of the whole region sustainably.

Our proposal aligns new councils with housing markets, planned housing growth and infrastructure investment patterns. This will ensure sustainable development that supports economic objectives while meeting environmental targets.

The economic coherence and scale of the two councils would provide confidence for investors and remove cross boundary barriers to housing and commercial development.

As a large council, North Cambridgeshire and Peterborough would be able to take a more strategic approach to its infrastructure and homebuilding needs. This would also reduce the risk of the council being forced to choose between land for food or homes.

The proposed Greater Cambridge Local Plan to 2025 increases the total number of homes allocated up to 77,000, with over 2 million square metres of commercial floor space.

Matthew Pennycook, Minister of State for Housing and Planning (October 2025)
"The economic growth of Cambridge has been a phenomenal success and the city and its environs are home to the most intensive science and technological cluster in the world. Yet, Cambridge's continued position as a world-leading centre of innovation is dependent on tackling infrastructure deficiencies, commercial accessibility and housing affordability."

The Government has identified Greater Cambridge as a key growth area. Aligning a unitary authority with a Government led Development Corporation will support the rapid housing, business and infrastructure development needed to meet the needs of its high-growth economy.

Theme 2 - Financial Sustainability

[image]

Financial sustainability is key to successful LGR and is one of the underlying principles that has driven our decision to support Option B. Councils need to balance their budgets if they are to meet rising demand, improve delivery of public services, grow their economies and deliver more housing.

Benefit 4: Substantial savings will be delivered - £42.8m in the base case and £57.3m in the stretch case - with a payback period by Year 4.

Rigorous financial modelling has been undertaken using real budget data assured by Chief Financial Officers from all Cambridgeshire and Peterborough authorities. That analysis demonstrates Option B creates two financially resilient councils that can generate substantial and achievable savings.

Our **base-case scenario** projects total annual savings of £42.8m by 2032/33, achieved through reduced duplication, digital transformation, and preventative approaches that address demand at source rather than managing failure.

Our **stretch-case scenario** increases annual savings to £57.3m with more ambitious service transformation, deeper integration of social care and housing services, and enhanced productivity. This represents what is possible when councils have the right scale and capacity for their local needs to genuinely innovate.

The £57m implementation investment across both new councils achieves **full payback by 2031/32 – just four years after Vesting Day.** From that point forward, the savings compound year-on-year, delivering cumulative **net savings of £167.4m by 2035/36**. This is reorganisation that pays for itself and continues to deliver value for our communities.

Critically, these savings create fiscal headroom to invest in the improvements our residents deserve, rather than simply managing decline. Option B provides the financial foundation for councils that can thrive and deliver excellent services, not just survive.

Benefit 5: Balanced and equitable finances across both new councils taking a range of factors into account, reducing the risk that local services cannot be funded in the future.

Option B is the most financially viable for the **whole area**, through aligning economic geography with governance.

It ensures that the northern unitary has the scale and financial capacity to achieve long-term sustainability and address areas of high public service need. The southern unitary benefits from a sound tax base that accompanies economic growth, allowing it to fund essential services and meet the needs of a rapidly growing population.

Option B creates two councils that perform best on key measures of financial sustainability:

- **Funding-to-budget ratio:** more funding available than budgets they inherit from existing councils, which creates financial certainty at the outset.

- **Reserves**: most balanced split of combined reserves (approximately £200m to each authority) to manage unexpected spending pressures, meet the costs of volatile people services and ensure continuity of provision.

- **Debt**: the lowest level of debt gearing of all options - 38% in Greater Cambridge and 58% in North Cambridgeshire and Peterborough.

Peterborough City Council has high debt gearing and below average council tax. If Peterborough becomes part of a larger unitary authority the financial resilience of the whole region will improve.

Theme 3 – Better Public services

[image]

Benefit 6 - Better financial resilience to future proof services for residents.

Our proposal would create two councils that are the right size to meet the rising costs of demand-led, statutory 'people services' (including Adult Social Care, Children's Social care, SEND and homelessness), which make the biggest call on council budgets.

Our existing children's services are 'inadequate' or 'require improvement'. Reorganising local government is an opportunity to deliver excellent children's services with the ambition to be outstanding.

While Greater Cambridge is smaller in population, it would be above the median size for authorities that have Ofsted rated 'outstanding' children's services, and, it would have a higher forecast children's social care grant per child than several of those outstanding councils.

As a larger council, North Cambridgeshire & Peterborough would have the financial scale needed to meet the higher levels of demand that exist in Peterborough and Fenland, inn particular, for adult social care and costly specialist services such as children's residential placements. This Council would have the buying power where it is needed most to reshape care markets.

Benefit 7 - Greater fairness and better outcomes for all residents.

Option B has the most equitable social needs distribution for key people services that are the priority for Government. This means that Greater Cambridge and North Cambridgeshire & Peterborough will each have lower needs initially and over the long term than under Options A and C.

Under our proposal the difference in the needs within each council's population are also narrower. All other options create greater inequality of social needs.

Option B splits higher-growth, lower-need Greater Cambridge from higher-need, predominantly rural North Cambridgeshire & Peterborough. This would support differentiated service strategies across distinct but complementary geographies. Specialisation means a better local offer, tailored to the needs of residents.

It would also allow clearer commissioning, workforce planning and risk management than Options A or C. Over time these comparative advantages could also improve the productivity and efficiency of the region's public services.

Each council is the right scale to work for the statutory social challenges they face.

Benefit 8 - Localised approach to service delivery with partners and communities that prioritises prevention and early intervention.

Option B can provide a platform for prevention and early-intervention, which would reduce costly crisis spending.

The new councils would want to join the national 'Test, Learn, Grow' programme to redesign services through a place-based approach. They would build on the preventative services already provided, use existing community centres and establish Best Start Family Hubs as the backbone of this approach.

Both new councils would adopt neighbourhood-based models of service delivery. This will enable them to begin the journey to genuinely integrate social care, education and health services, with housing, community safety and the wide range of preventative services currently provided by district councils to meet resident's needs.

In the North Cambridgeshire & Peterborough unitary in particular, a localised, 'patch-based' approach will help ensure that services meet the diverse needs of market towns, villages and rural communities across the area.

Benefit 9 - Putting residents first when transforming services.

Our proposal would create two new unitary councils with statutory people services that are 'safe and legal' from day one.

Where cross-boundary collaboration offers better outcomes and value for money, the new councils will maintain or establish joint commissioning arrangements.

We will create plans for public service reform during the transition period, so that the two new unitary councils can take forward transformation opportunities once they are established.

In addition to neighbourhood working, service integration and early intervention, these potentially include personalised care and support, co-designed services and digital transformation.

Theme 4 - Democratic representation, community engagement, local identity

[image]

Benefit 10: Respect for distinct historic identities that make Cambridgeshire and Peterborough unique.

Option B builds on historic identities and local governance arrangements that developed across our region over a millennia.

The North Cambridgeshire & Peterborough unitary mirrors the historic counties of Huntingdon, The Isle of Ely (including Fenland) and The Soke of Peterborough. The Greater Cambridge unitary restores the smaller, historic County of Cambridge

Benefit 11: Deliver strong democratic accountability while maintaining local connection.

Both new Councils will operate the Leader and Cabinet model of governance. This will provide clear, visible and accountable leadership, and quicker decision making. Ruling administrations will be held to account by independent scrutiny committees.

Our proposal would reduce the total number of Councillors in the region from 331 to 190 during the transition period - 125 in North Cambridgeshire & Peterborough, and 65 in Greater Cambridge.

That number of Councillors would support good governance and ensure democratic accountability and representation in both councils.

The average number of electors per councillor in North Cambridgeshire & Peterborough would be 3,463, with 3,300 electors per councillor in Greater Cambridge.

Benefit 12: Enhance community voice through flexible, place-based engagement.

Our proposal will enhance community engagement by adopting a flexible approach to governance arrangements across the region that reflect local community needs and existing best practice.

This could involve a range of different mechanisms, including structured approaches that involve Parish councils and area committees, and more informal settings such as neighbourhood forums and councillor drop-ins.

The councils will also adopt enhanced multi-agency, neighbourhood or 'patch-based' models of engagement in neighbourhoods where more significant change is planned, or in communities where there are higher levels of deprivation or barriers to accessing services in rural areas.

Theme 5 – Devolution

[image]

Benefit 13: Unlocking the full potential of devolution through balanced economic governance.

Option B will establish constituent councils with similar sized yet distinct and complementary economies within the CPCA area.

With two complementary councils of national significance ranked in the top 20 by GDP outside London, the Mayor and constituent council Leaders will be in the best position to influence Government policy and achieve policy outcomes.

This will enable a more equitable partnership that supports regional economic coordination and maximises the benefits of devolution. Neither unitary would dominate the region's economic policy agenda, which instead would work in harmony to benefit the whole area, including delivery of the CPCA's strategic growth plans.

Our proposal ensures strategic decisions on growth, transport, skills and investment reflect the distinct strengths and needs of both the Greater Cambridge and North Cambridgeshire & Peterborough economies.

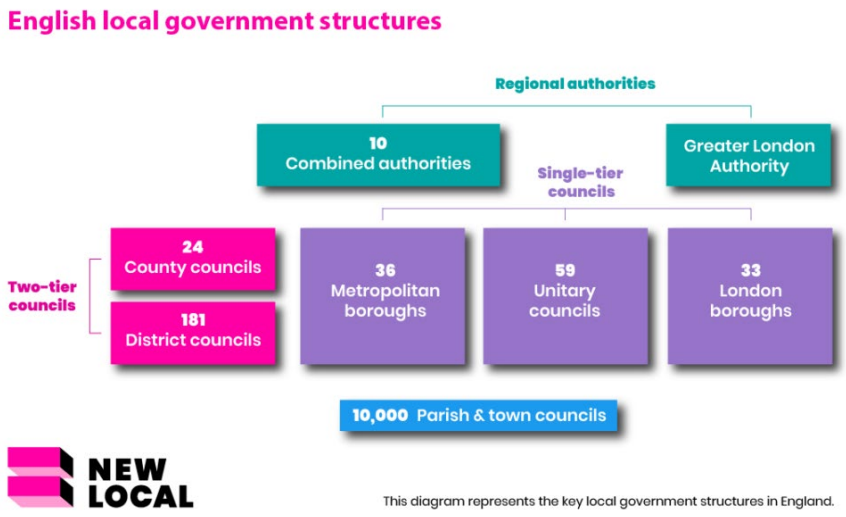
2. Local Government Reorganisation

Local Government in your area is changing

In December 2024, the Government launched the White Paper on English Devolution 'Power and partnership: Foundations for growth', promising a "rewiring of the state."

It proposes new Mayoral Strategic Authorities with more local powers over transport, skills, planning, regeneration, public safety and public service reform.

The White Paper requires areas with two-tiers of councils, like Cambridgeshire, to change to fewer, single-tier unitary councils.



Local Government Explained (2025)

Unitary councils provide services previously delivered by both district and county councils.

The Government's reorganisation plans include some existing unitary authorities. These include those that are adjacent to affected areas judged to be too small, or financially unsustainable. As a result, Peterborough has been included.

All eligible areas in England have agreed to submit reorganisation proposals.

Why Change?

The Government has stated that ending the two-tier system and replacing it with a single tier is a once-in-a-generation reform.

It wants to create stronger local councils, that are equipped to drive economic growth, improve local public services, and empower their communities.

All councils in Wales, Scotland, and Northern Ireland have been single-tier or unitary authorities for some time.

Cambridgeshire may have the most complex local government arrangements in England.

We are a two-tier area with County, City and District Councils; a unitary authority – Peterborough; a Mayoral Combined Authority; and the Greater Cambridge Partnership established to deliver the £1 billion 'City Deal'.

Ministers believe that simpler and stronger local government will help to drive up living standards – the Government's number one mission.

"With one council in charge in each area, we will see quicker decisions to grow our towns and cities, and connect people to opportunity."

Alison McGovern, MP, Minister of State (Housing, Communities and Local Government).

What does this mean for residents?

Change is coming. But it must be shaped carefully, with local people and communities at the centre.

Across England, the public recognise that local government is critical to the quality of life in their local areas[1].

Reorganisation offers the chance to build more resilient, responsive and sustainable councils for Cambridgeshire and Peterborough that deliver better outcomes for our residents.

Reorganisation will bring:

- Easier access: one council to contact for all local services
- Stronger local leadership through clearer accountability

[1] LGIU, 'State of the Locals 2025' (State of the Locals 2025 - LGiU)

- Simpler structures that reduce bureaucracy and costs, and deliver better services for residents
- Greater financial resilience for councils
- A clearer focus on jobs, skills and growth
- New opportunities for collaboration across councils, health, police, business, the voluntary sector and local communities

But challenges will remain:

- English councils face a £6bn funding gap over the next two years - the difference between demand for services and annual budgets
- The need and cost of providing some services is rising – homeless accommodation, support for children with Special Educational Needs & Disabilities (SEND), and social care as our population ages
- LGR needs to be funded locally – the Government will not finance the transition costs to new councils

This is just the beginning of the process. If our proposal is successful, we will embark on detailed rounds of engagement with local communities, businesses and other key partners to design councils that are fit for the future.

What this means for our Councils

The Minister for Local Government wrote to all our Councils inviting proposals to create new unitary authorities across Cambridgeshire and Peterborough.

Council Leaders responded and agreed to submit proposals to reorganise all local authorities in our area.

From April 2028, all local authorities in Cambridgeshire and Peterborough will cease to exist. They will be replaced by unitary authorities.

As Cambridgeshire and Peterborough already have devolved powers through the CPCA this will become a Mayoral Strategic Authority taking on additional powers under the Government's reforms.

What does successful reorganisation look like?

The Government has set out some tests it will apply to the proposals it receives.

These include:

- **Financial resilience:** "the right size [of council] to achieve efficiencies, improve capacity and withstand financial shocks".
- **Economy and housing:** "sensible economic areas that support growth", "with a strong and fair tax base that does not create an undue advantage or disadvantage for one part of the area" and helps "to increase housing supply and meet local needs".
- **Sustainable public services:** "prioritising the delivery of high-quality and sustainable public services to citizens" with "consideration given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety".
- **Democratic representation and community engagement:** "enabling stronger community engagement and neighbourhood empowerment".
- **Collaboration:** "Demonstrate how councils have worked together and engaged" to develop reorganisation proposals in the interests of the whole area.
- **Devolution:** "new unitary structures must support devolution arrangements".

2.1 Local Government Reorganisation: building blocks at a glance

Current Local Authority	Cambridge City	East Cambridgeshire	Fenland
GDP Per Head	£57,831 *(highest in the area)*	£27,002 *(2nd lowest)*	£23,162 *(lowest in the area)*
Index of Muliple Deprivation (IMD) Rank 2025	255 *(20% least deprived in England)*	242 *(20% least deprived in England)*	42 *(2nd most deprived in the area, 20% most deprived in England)*
Population aged 65+	11.4% *(youngest population in the area)*	21.1% *(older rural population)*	23.4% *(oldest demographic)*
Core local authority spending power per resident	£925 *(one of the highest in the area; no parish councils)*	£897 *(lower than average; parish councils average spend per resident £102)*	£931 *(highest; parish council average spend per resident £63)*
Total Council Tax inc. all precepts	**£2,355** *(+£11 above average for Shire areas)*	**£2,367** *(+£23 above average for Shire areas)*	£2,442 *(+£100 above average for Shire areas)*
Key Challenges	Cambridge has higher resources, low deprivation, and a younger population - but financial, housing, and infrastructure pressures driven by high growth and population increases.	East Cambs appears less deprived by rank, but its lower income and ageing profile hint at rising social care pressures.	Fenland faces combined challenges: high deprivation, an ageing population, and the lowest GDP per head - despite relatively high spending power per resident, underlying social and economic pressure is more severe.

Current Local Authority	Huntingdonshire	Peterborough City	South Cambridgeshire
GDP Per Head	£31,022 *(mid-low in the area)*	£36,839 (3rd highest but below national average)	£42,330 *(2nd highest)*
Index of Muliple Deprivation (IMD) Rank 2025	249 *(20% least deprived in England)*	42 *(20% most deprived in England, most deprived in area)*	281 *(least deprived in the area, 10% least deprived in England)*
Population aged 65+	20.5% *(ageing faster than Cambridge, South Cambs or Peterborough)*	14.4% *(lower than average, a demographic advantage)*	19.8% *(above average — demographic challenge, with related social are pressures)*
Core local authority spending power per resident	£897 *(lower end of the area; parish council average spend per resident £89)*	£915 *(below Fenland, above most others; average spend per resident in parished areas £46)*	£900 *(just below Cambridge; average parish spend per resident £92)*
Total Council Tax inc. all precepts	**£2,378** *(+£34 above average for Shire areas)*	**£2,218** *(-£148 below average for Unitary Authorities)*	£2,391 *(+£47 above average for Shire areas)*
Key Challenges	Huntingdonshire sits in the middle across most metrics but has a noticeably older population; not as deprived as Fenland, but less economically dynamic than South Cambs or Cambridge.	Peterborough has the highest child deprivation and a younger demographic, but not the highest resources due primarily to a low council tax base - reinforcing the challenge for a smaller unitary authority facing both city and rural pressures.	South Cambs combines affluence and resources with a steadily ageing population; the deprivation score is the lowest, suggesting less immediate social pressure than neighbours.

Council Tax Band D per authority area (2025/26)[2]

	City/ District share	County share	Local Authority Total	Average parish precept	Total including all precepts	Comparison to England averages
Cambridge	£232.13	£1,700.64	£1,932.77	n/a	£2,355.41	+£11 shire areas
East Cambridgeshire	£142.14	£1,700.64	£1,842.78	£101.53	£2,366.95	+£23 shire areas
Fenland	£254.79	£1,700.64	£1,955.43	£63.46	£2,441.54	+£100 shire areas
Huntingdonshire	£165.86	£1,700.64	£1,866.50	£88.54	£2,377.68	+£34 shire areas
South Cambridgeshire	£175.40	£1,700.64	£1,876.04	£91.98	£2,390.66	+£47 shire areas
Peterborough	n/a	n/a	£1,749.42	£46.43	*£2,218.49*	-£148 unitary areas

Peterborough has parished and non-parished areas; Cambridge does not have parish councils; average parish precepts for local authority areas include zero-rated parish precepts; averages have not been weighted by parish populations. The England average Band D parish precept in 2025-26 is £92.22.

** The England average Band D council tax 2025/2026 is £2,280. Average Band D can be compared by type of local government arrangements. In London, the average Band D council tax in 2025/2026 is £1,982; in metropolitan areas £2,289; in unitary areas £2,366; and in shire areas £2,344.

3.Cambridgeshire and Peterborough:

3.1 Economy, Housing and Infrastructure

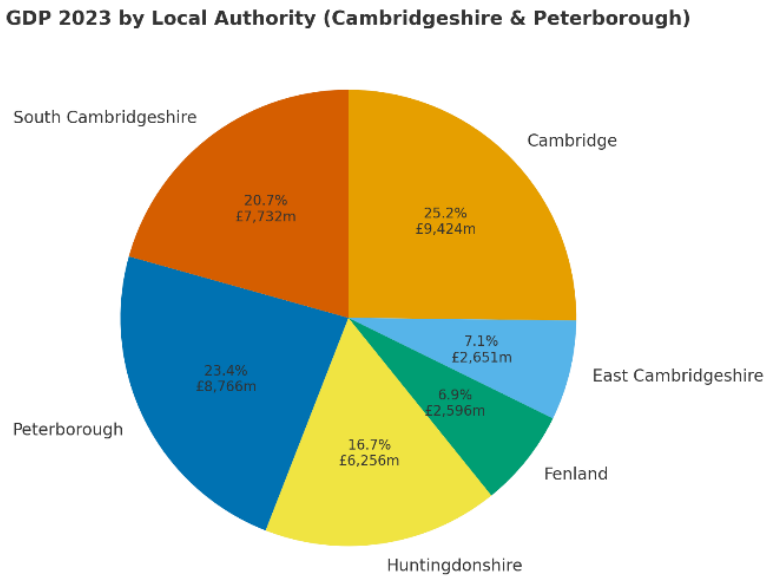
The Cambridgeshire and Peterborough economy generates around £37.5bn GDP annually[2]. Our region helps to power the Government's ambitions for growth.

Cambridgeshire and Peterborough has the third highest GDP per capita of any Mayoral Combined Authority area, behind only the West of England and Greater London[3].

We combine urban dynamism with thriving market towns and flourishing business parks, creating a dynamic and highly resilient rural-urban economy.

Fenland - 'Breadbasket of Britain'
Home to some of the UKs leading food brands, including Princes, McCain and Nestlé. HQ for H. L. Hutchinson a leading farming innovation company with an annual turnover of £276m.

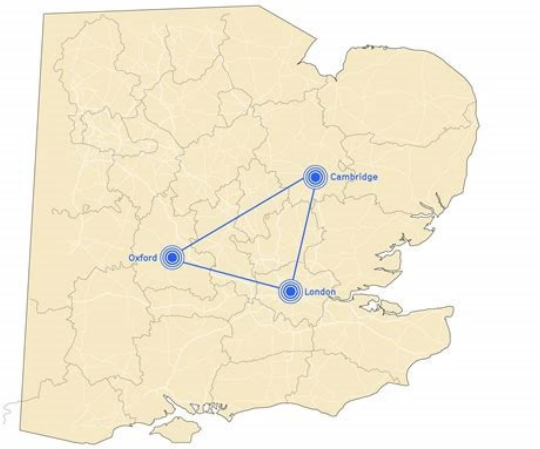
Peterborough, Cambridge and South Cambridgeshire make up nearly 70 per cent of the region's economy.



[2] (ONS 2025; latest data available for 2023)
[3] Regional economic activity by gross domestic product, UK - Office for National Statistics

Our region sits at the confluence of two strategic growth corridors that make up the 'Golden Triangle':

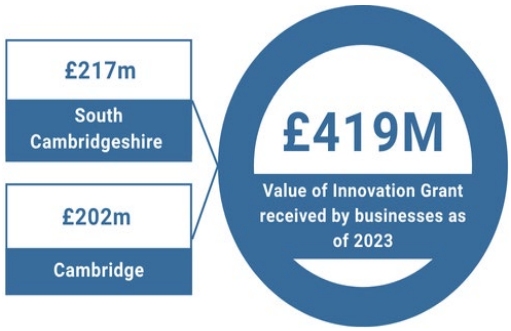
- Oxford to Cambridge Growth Corridor
- London to Cambridge - the UK Innovation Corridor[i]



Our region is anchored by two of England's most dynamic and rapidly expanding cities: Cambridge and Peterborough.

Peterborough[4] has one of the highest business formation rates in the UK. It is a great place to start a new business. Its affordability and regional connectivity also make it an attractive base for distribution, manufacturing, and a notable cluster of environmental firms. Its growth rate is double the national average at 1.5-2.5 per cent annually over the last few years.

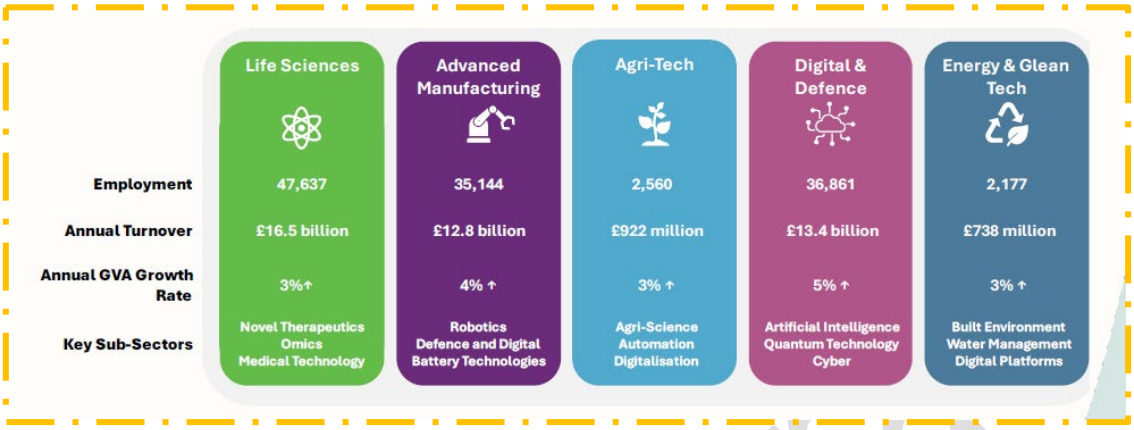
The **Cambridge city-region** contains 36 research parks, global companies and a thriving startup and investor community. This innovation cluster contains 26,000 companies which attracted the 2nd and 3rd highest proportion of innovation grants in the UK. Jobs growth among knowledge-intensive firms has been consistently increasing at 6% year-on-year.



[4] Good Growth for Cities: Unlocking the potential of our cities

From Agri-Tech to AI: diverse economies

Our region hosts enterprises and centres of excellence across multiple sectors that directly support the Government's National Industrial Strategy.



1 TO BE REMADE – graphic from CPCA local growth plan.

The Fens provide a fifth of the nation's crops and a third of its vegetable production; it is vital to the nation's food security[5].

NIAB (The National Institute of Agricultural Botany) and Ceres Agri-Tech, founded by Cambridge Enterprise, and Agri-Tech East are developing solutions to tackle hunger, disease resistance and climate change.

East Cambridgeshire

Ranks 5th in UK for number of international exporting businesses. It has the largest locally owned company by turnover (£550m): G's Fresh Ltd, located in Barway near Ely, and operates in Europe and the USA.

Huntingdonshire

HQ for mega employers including Anglian Water with over 4,500 employees, Hilton Foods Group nearly 3,000 employees and £1.2bn turnover; and advanced manufacturing, such as Paragraf, a graphene electronics spinout from Cambridge University.

Anglia Ruskin University, Peterborough has been a catalyst for skills development, social mobility and prosperity with the aim of attracting 12,500 students by 2032.

The University of Cambridge supports 86,000 jobs and delivers an estimated economic impact of £30bn across the UK annually.[6]

[5] National Farmers Union, 2019, Delivering For Britain: Food and Farming in the Fens
[6] Cambridge University, 2025, Cambridge Innovation in Numbers

Cambridge Can: bring AI to life

The Greater Cambridge Area is home to over 5,000 innovation-driven companies, including 120 AI-powered companies who employ 13,000 people and have a combined turnover of £6bn.

The region can lead the way in bringing the UK's vision for AI to life.

Benevolent AI enables scientists to uncover new insights from data, helping to accelerate innovation and increase the probability of discovering successful new drugs.

South Cambridgeshire
Home to Cambridge Science Park and the Wellcome Genome Campus. The latter played a key role in developing Covid vaccines. Wellcome is also the largest grant-making organisation in the UK. Last year, its global grants totalled £967m more than the combined total of the top 10 other philanthropic organisations in the UK.

Fast Growth Cities Network

Cambridge and Peterborough are members of the Fast Growth Cities Network, alongside Milton Keynes, Norwich, Oxford, and Swindon. These cities all make significant contributions to the national economy and hold strong potential for further growth.

Cambridge
The unicorn capital of Europe, with 26 companies that have grown to a public valuation of over $1bn (ARM, Darktrace, Bicycle Therapeutics, CMR Surgical). HQ for Astra Zenica the UK's third-largest company. If ARM was listed on the FTSE 100, it would be the UK's fourth-largest company by value.

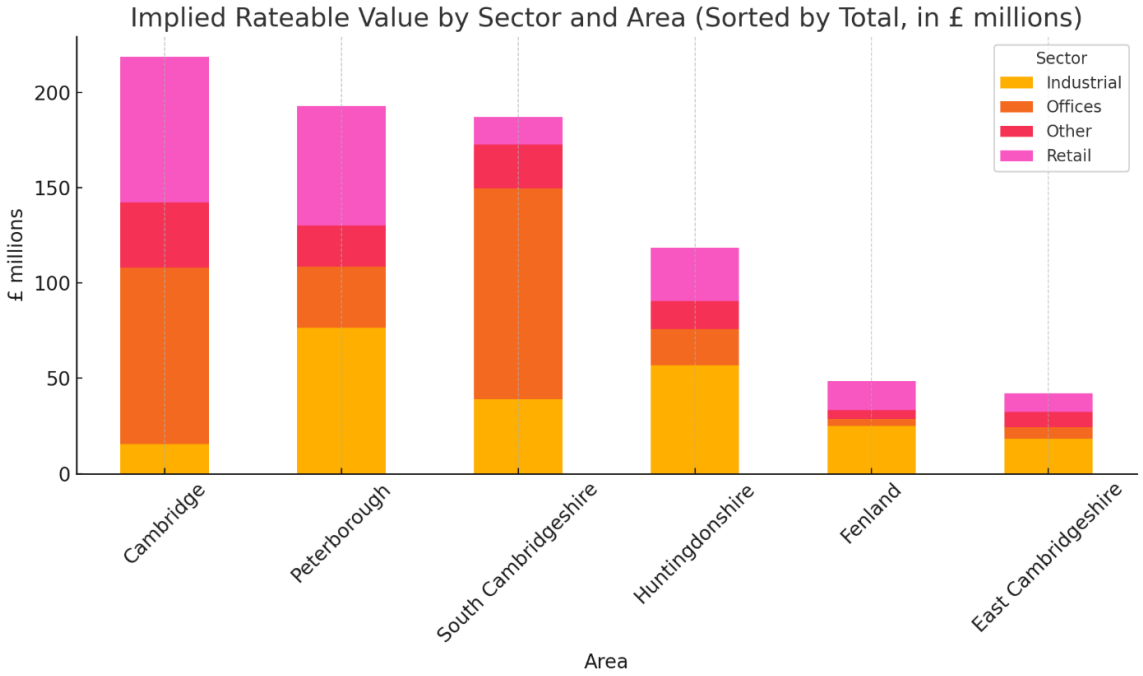
Peterborough
Headquarters for famous comparethemarket.com (BGL Holdings), the 2nd largest locally owned company, and the most profitable in the area too. Renowned for diesel engines, Perkins has its UK HQ in Peterborough and is the 4th largest foreign-owned company in Cambridgeshire.

Business Rates

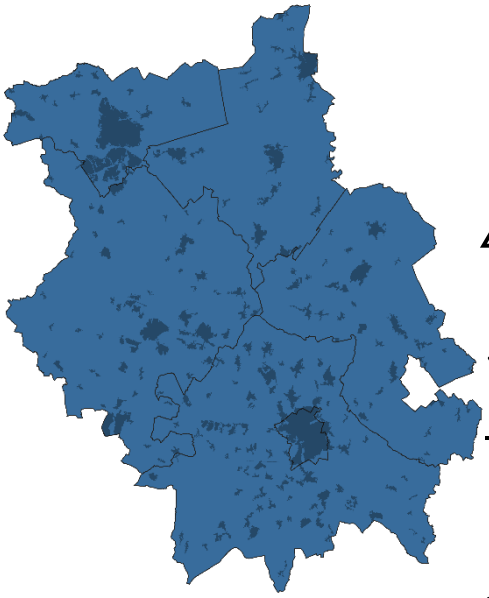
Total ratable values by local authority can be used to understand the variation between different areas' economic make-up.

This illustrates the strength of the office-based knowledge economy in the south, and the industrial strength of the north.

It also shows the importance of Cambridge and Peterborough as retail centres for the region.



Connectivity



The A1 and the M11 connect the region to London and the North, while a network of A roads link regional centres with small towns and villages

The nationally important East Coast Main Line runs through the region, enabling rapid transport to Scotland, the North East and London. Other routes connect to Norfolk, Suffolk, Essex and Hertfordshire.

Stansted airport, in bordering Essex, is well connected by road and rail to the region

Freight to and from the Port of Felixstowe passes through the region, and local riverine ports provide access to the North Sea

The area is a hub for domestic and international logistics. There are major transport routes and railway connections to London and the East Coast Mainline. The A14 connects our region to eastern ports and the midlands.

Locally based logistics companies including DHL, Amazon and Eddie Stobart, contribute £1.2 billion annually to the region's Gross Value Added (GVA).

Transport links within the region are less developed. Limited public transport and east-west rail and bus connections restrict access to jobs, education, and services, especially for rural communities.

Growing congestion in and around Cambridge and Peterborough undermines productivity and could deter investment unless addressed.

There are good active travel options in some areas and high rates of cycling in Cambridge and South Cambridgeshire.

Further active travel investment in and around strategic growth sites is required to sustain economic and housing growth.

Regional commuting patterns

Travel to Work Areas, (TTWAs) reflect local labour market catchments based on commuting patterns. Each TTWA represents an area where most people both live and work[7].

The Cambridge TTWA population is around 619,000 people - the 15th largest in England and Wales, encompassing large areas of Essex, Hertfordshire and Suffolk.

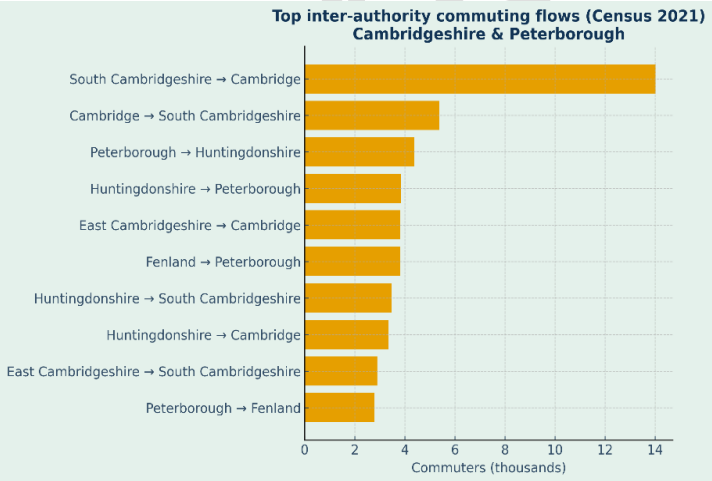
Cambridge is a large net importer of commuters; 56% of its jobs are filled by non-residents. Of these commuters, half reside in South Cambridgeshire, 7% in East Cambridgeshire, 7% in West Suffolk and 6% in Huntingdonshire.

East-West Rail (EWR),

A nationally significant infrastructure project to strengthen the east-west corridor. Its delivery will unlock the potential of the Oxford-Cambridge Growth Corridor, with the capacity to boost the regional economy by £6.7bn of GVA annually by 2050. Together with the East Coast Main Line improvements, EWR will position the area at the heart of the UK's innovation economy, reinforcing the region's role in driving national prosperity

Peterborough's TTWA has a population of 303,000, the 45th largest. Its jobs are predominantly filled by its own residents, with the largest flows from South Kesteven, Huntingdonshire and Fenland.

Huntingdon and Wisbech have relatively small but important TTWAs.



Headlines

Most self-contained: Peterborough (74%).

Least self-contained: South Cambridgeshire (39%).

Largest net importer of workers: Cambridge (+22,527).

Largest net exporter of workers: East Cambridgeshire (-4,444).

Biggest single flow: South Cambs to Cambridge (14,014 people).

[7] ONS Census 2021. Please note that these TTWA data was collected during the COVID19 pandemic. It is useful for comparative purposes but likely reflects the significant changes to working patterns during that period.

Regional consumer patterns

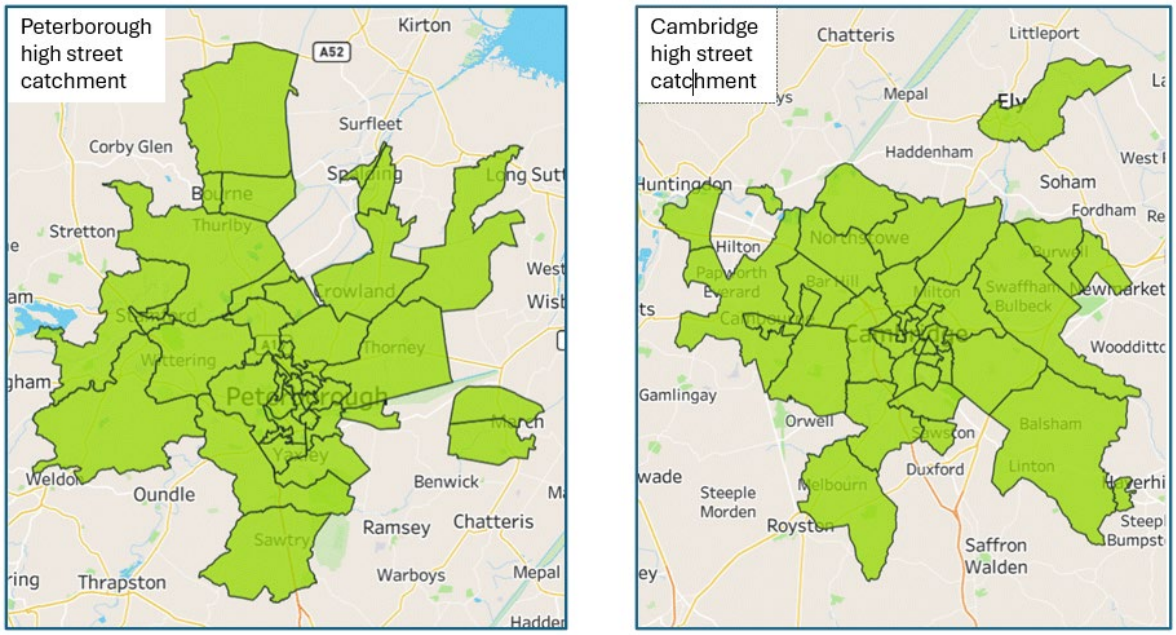
The catchment area of our major cities for high-street shopping reveals a different pattern of consumer behaviour compared with commuter flows.

Peterborough's catchment area is the 21st largest in UK with over 393,000 people[8].

The number of people who are drawn to shop regularly in Cambridge is 323,000 people, the 27th largest in UK.

While around a third of East Cambridgeshire residents shop in Cambridge, roughly half remain local, using Ely as their primary centre.[9]

When not using their own city's high streets, London is the next most popular shopping destination for residents of Peterborough and Cambridge.



High Street Catchment areas for Peterborough and Cambridge

[8] High streets catchment data tool | Centre for Cities

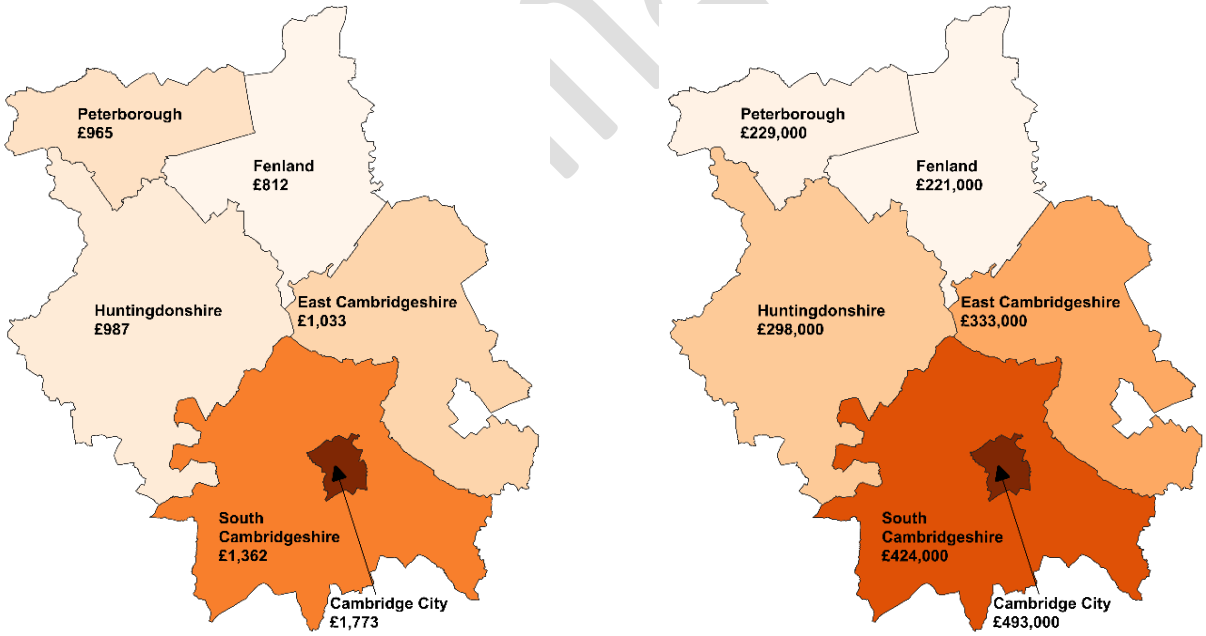
[9] CPCA Survey Results

Housing

Cambridgeshire and Peterborough have distinct housing markets.

In the majority of areas, average monthly private rental costs are below the England average of £1,386 per calendar month[10].

Only in Fenland and Peterborough are average house prices below the national average of £291,000.



Average private rental (PCM) and house prices[11]

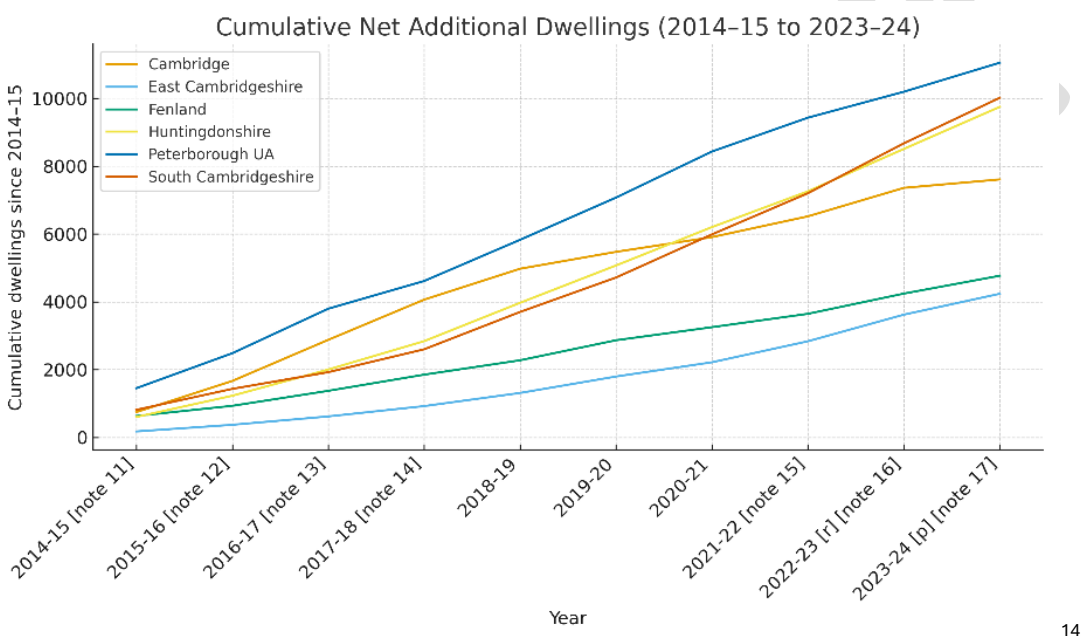
[10] Private rent and house prices, UK - Office for National Statistics

[11] ONS/Land Registry UK HPI "average price" for all property types. ONS monthly average private rent from the Price Index of Private Rents for that month (covers a broad set of private lets, not just new tenancies). ONS local pages, 17 September 2025.

The north of the region is more affordable relative to average incomes. Cambridge has the third highest house prices of any UK city behind Oxford and London[12].

Housing growth varies across the region. Peterborough has had the highest total increase in additional homes over the last 10 years.

Cambridge and South Cambridgeshire have also seen significant increases in the total number of homes. During the 2010s the number of homes in Cambridge increased by 16% - a higher proportion than any other city in England[13].



14

Delivering affordable and high-quality housing is an issue of national importance.

With the right support and resources, our region is ideally placed to underpin the Government's national aim of building 1.5 million new homes over the next five years.

Housing markets in Cambridge and South Cambridgeshire operate in a different context to the rest of the region.

[12] Data tool | Centre for Cities
[13] DLUHC Live tables on dwelling stock, cited, p44 https://www.cambridge.gov.uk/media/12916/state-of-the-city-report-2023.pdf
[14] https://www.gov.uk/government/statistical-data-sets/live-tables-on-net-supply-of-housing

3.2 Infrastructure and Skills

Accelerating housing and economic growth to provide jobs and affordable housing hinges on bold investment in three essentials: infrastructure, connectivity, and skills.

Infrastructure and Connectivity

Water scarcity is a critical barrier to attracting investment and delivering new homes and commercial development.

As one of the UK's driest regions, limited reservoirs and wastewater capacity coupled with climate change and population growth, are increasing the pressure on water resources.

Major infrastructure projects must be delivered urgently, as set out in the Cambridgeshire and Peterborough Local Growth Plan[15].

Fens Reservoir

Anglian Water working in partnership with Cambridge Water is proposing a new reservoir in the Cambridgeshire Fens that will secure water supplies to meet the needs of future generations.

The new reservoir will supply enough water for up to a quarter of a million homes every year.

In addition to these challenges, the provision of digital infrastructure varies across the region. Broadband and mobile coverage in rural and newly developed areas can act as a barrier to inclusion[16] and business productivity, particularly when compared with international competitors.

Energy infrastructure

A new 240MW substation for the West of Peterborough will deliver power to new homes and businesses with more reliable energy.

Sunnica is planning a new 500MW energy farm with solar photovoltaic (PV) and energy storage in East Cambridgeshire.

Energy is also a challenge. The grid capacity is limited in some areas. This slows the rollout of renewables and clean technology and impacts some of our key sectors, including Agri-tech and food processing, advanced manufacturing, life sciences and digital technologies.

Without investment in energy supply and grid upgrades, we will not be able to power our growth ambitions.

[15] CPCA Local Growth Plan 2025

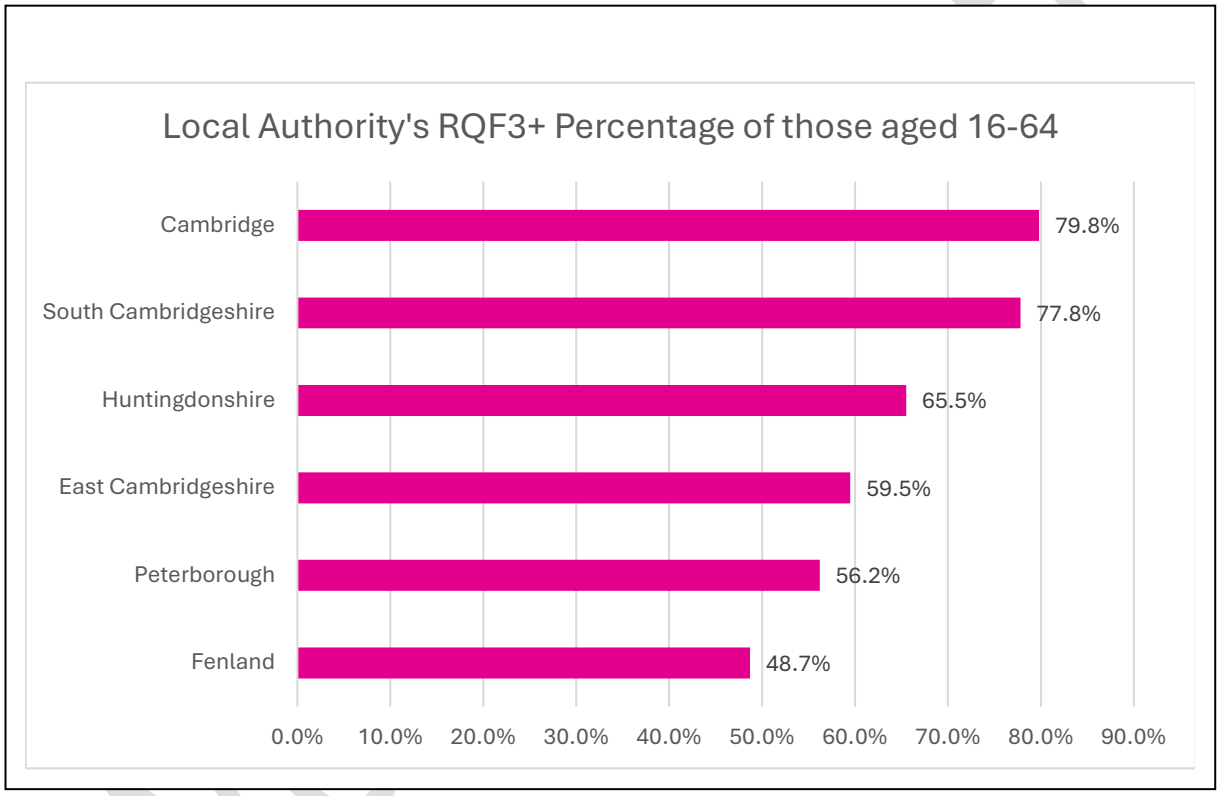
[16] Experiences-of-digital-exclusion-among-temporary-accommodation-and-social-housing-tenants-08.05.2025.pdf UoC

Skills and Education

Our industrial strengths, engineering, digital, health, and life sciences, depend on a steady supply of skilled workers. Nearly 1.1 million people will live and work in the region by 2040.

Supporting training, upskilling, and education is vital to ensure that future jobs are filled by local people, and to retain the competitiveness of the region

Cambridgeshire and Peterborough averages 2–3 percentage points below the England average of 65% for the proportion of 16-64 year olds with A-levels, BTEC National and advanced apprenticeships. However, there is significant regional variation.



Skills gaps are greatest in the following sectors: Information & Communication; Hotels & Restaurants, Transport & Storage, Health & Social Work[17]. High rates of economic inactivity are also a challenge in parts of the region, most notably in Fenland, threatening to entrench inequalities over the long term.

It is crucial that targeted interventions to reduce skills gaps are supported, in order to increase business competitiveness, up-skill residents to meet future labour market demands and support economic growth.

[17] Local Skills Improvement Plan (LSIP) - Cambridgeshire Chambers of Commerce

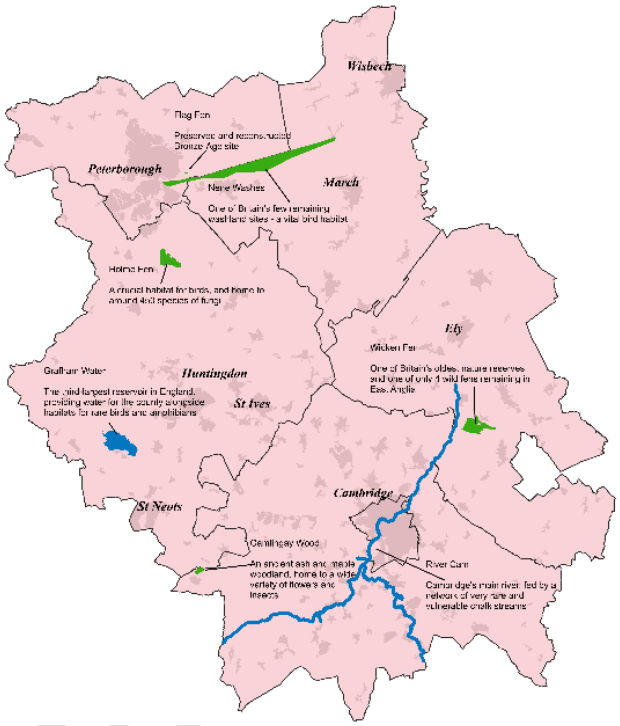
3.3 Cambridgeshire and Peterborough: Environment, Demography, and Quality of Life

Environment

Cambridgeshire and Peterborough have a diverse natural landscape: rare chalk streams, ancient fens, and nationally significant reserves.

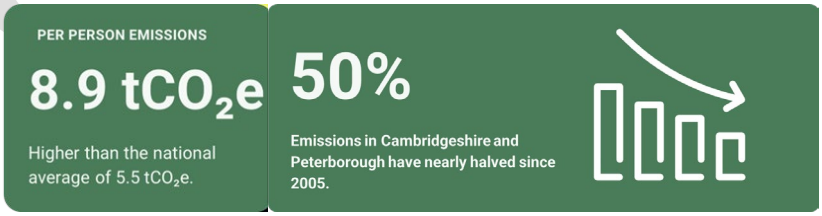
The area is home to 27% of England's peatland[18], which plays a valuable role in promoting biodiversity, minimising flood risk and storing carbon. Peatland is concentrated in East Cambridgeshire, Fenland, and Huntingdonshire.

Fenland and East Cambridgeshire contain over one third of England's Grade 1 agricultural land – the most productive farmland.

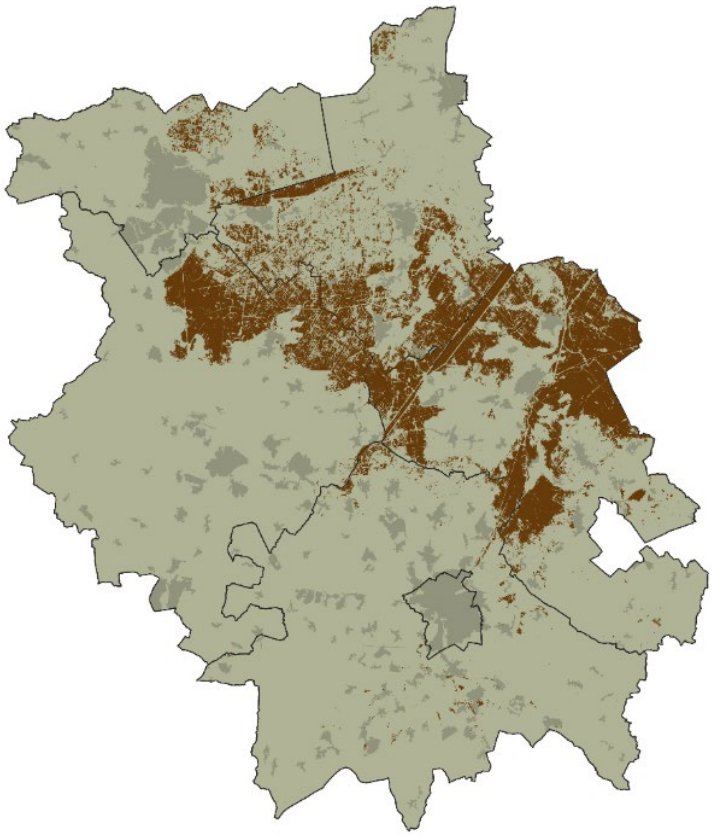


The region has above-average biodiversity - 8.6% is classified as nature rich compared with a nationwide average of 6%. This is mainly semi-natural grassland and broadleaved woodland, which play critical roles in carbon storage, water regulation and supporting wildlife.

Urban growth and land-use changes are putting pressure on our ecosystems. The area has experienced extreme weather in recent years. The second highest UK temperature was recorded in Cambridge in 2019 at 38.7 degrees Celsius.



[18] Cambridgeshire County Council, Peatland



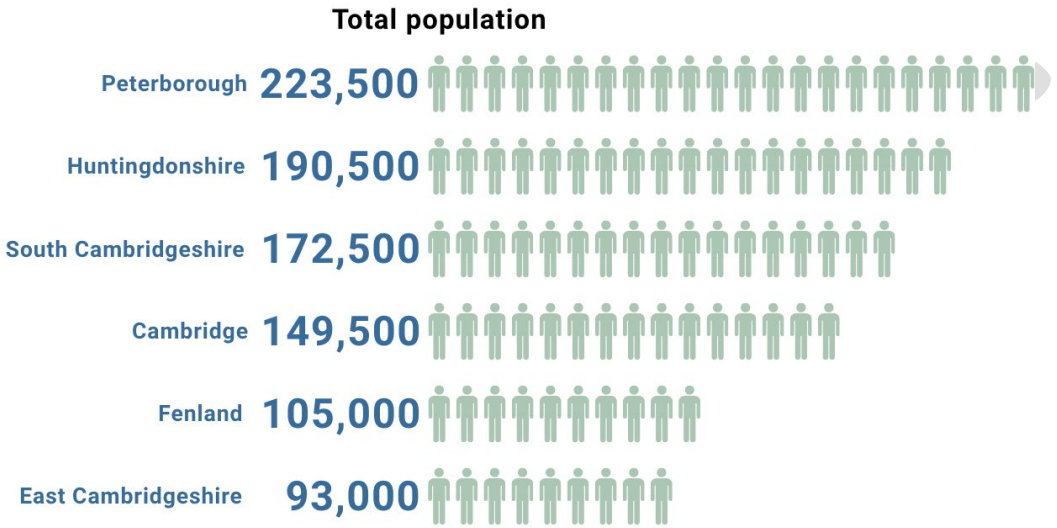
Distribution of peatland[19]

[19] Natural England, Peatland Map

Demography

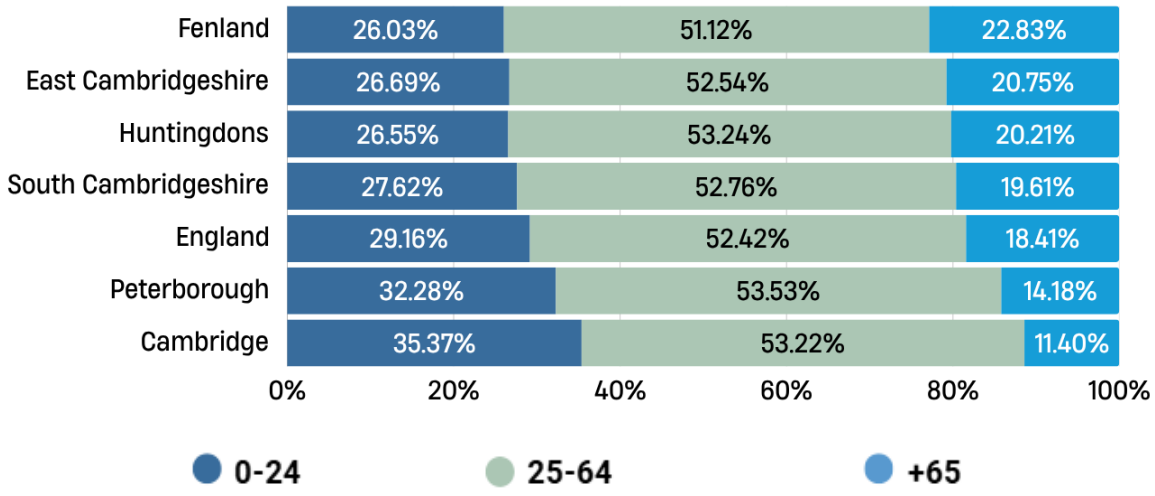
An area's demography is the fundamental driver of service demand. Core statutory services such as social care and education are affected hugely by the population profile of the area.

The region has an estimated population of 934,000 in 2024, with a possible upper bound of 965,000[20].



Age profiles vary across the area, with younger populations in cities and ageing populations in market towns and rural areas.

Age profiles of Cambridgeshire and Peterborough



[20] ONS 2024 Mid-year local authority population estimates

Cambridge and Peterborough are the most ethnically diverse areas in the region, with 25% of their populations self-identifying as being from ethnic minority backgrounds.

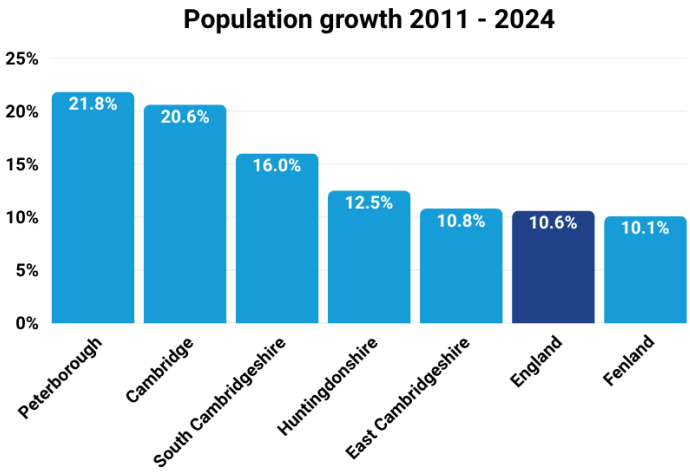
Market towns and rural areas in Fenland (4.1%), East Cambridgeshire (5.5%), Huntingdonshire (7.6%) and South Cambridgeshire (11%) are less ethnically diverse than the national average (19%).

Two-thirds of the population of Cambridgeshire and Peterborough live in urban areas[21].

Cambridge is entirely urban, while Peterborough is classified as over 3/4 rural, though nearly 90% of the population live in its urban areas.

Huntingdonshire, East Cambridgeshire, and South Cambridgeshire are the most rural areas. Though predominantly rural 89% of Fenland residents live in urban areas.

Population growth has been greatest in Cambridge and Peterborough. Both were ranked in the top 5 fastest growing UK cities between 2011-2024. Rural areas such as East Cambridgeshire and Fenland have had population growth close to the England average.



Population forecasts 2025-2040[22]

The population is forecast to grow by nearly 16 per cent or around 150,000 people by 2040 to nearly 1.1m people. The region will then account for 1.7% of England's total population.

The population will follow national demographic trends, which will lead to a large relative increase in the proportion aged over 65.

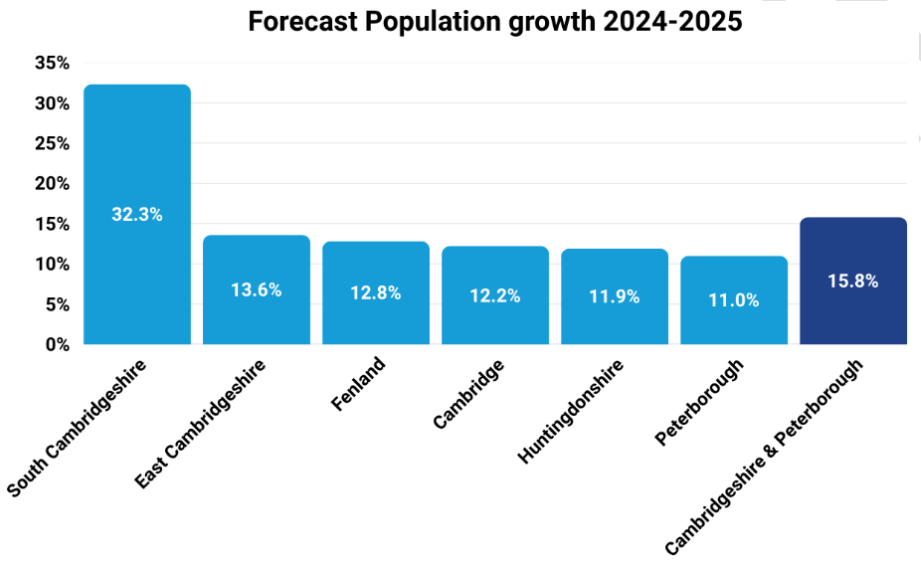
[21] ONS, Rural/urban classifications

[22] East Cambridgeshire, Fenland, Huntingdonshire and Peterborough are Cambridgeshire County Council's published 2023-based population forecasts. Greater Cambridge is a scenario informed by the 2024 housing trajectory plus emerging Local Plan allocations from Greater Cambridge Shared Planning.

A high proportion of population growth is due to planned housing development in urban areas and city fringes.

The most significant population increase is expected in South Cambridgeshire due to the tight boundary around Cambridge and expansion of new settlements in Northstowe, Waterbeach, and Cambourne.

This single district accounts for around 38% of the region's total population growth to 2040.



Life chances, health & quality of life

Cambridgeshire and Peterborough have a varied distribution of social needs, life chances and health outcomes.

Deprivation

Rural areas such as South Cambridgeshire, East Cambridgeshire and Huntingdonshire have relatively low levels of deprivation, though there is a notable pocket of deprivation within Huntingdon town.

Fenland and Peterborough are notably more deprived than other areas in the region.

Deprivation in Cambridgeshire and Peterborough

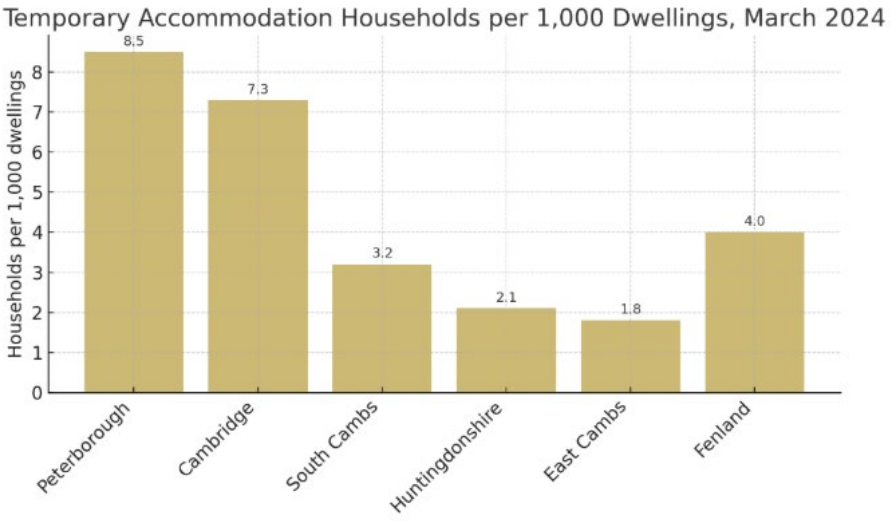
Local Authority	Index of Multiple Deprivation (IMD) Rank (2025)	Decile relative to all England LAs
Fenland	42	20% most deprived
Peterborough	51	20% most deprived
East Cambridgeshire	242	20% least deprived
Huntingdonshire	249	20% least deprived
Cambridge	255	20% least deprived
South Cambridgeshire	281	10% least deprived

The revised Indices of Multiple Deprivation published in 2025 provide a more nuanced view of each local authority area than their overall average rank suggests:

- Though one of the least deprived authorities in England, South Cambridgeshire is in the 20% most deprived in relation to 'barriers to housing and services'.
- Fenland ranks first in England in relation to 'education, skills and training deprivation'.
- Peterborough has the region's lowest 'income' rank and is in the 20% most deprived on that domain of all English local authorities.
- In Cambridge, only one neighbourhood ranks in the most deprived 20% in England.
- Huntingdonshire is the least deprived authority in our region in relation to 'living environment', while Cambridge is the region's outlier with the lowest score by far as it is entirely urban.

An urban-rural divide is evident in other metrics.

Temporary accommodation rates are rising in urban settings and market towns. Rates are highest in Peterborough (8.5 per 1,000 dwellings) and Cambridge (7.3), compared with much lower levels in rural districts, reflecting housing stress in urban centres.



Child poverty is particularly concentrated in Peterborough, with over 20% of children in poverty, in Fenland the figure is moderately lower at 16%. The rest of the region has significantly lower levels of child poverty, ranging from 8.5% in Cambridge to 6.4% in South Cambridgeshire.[23]

There is a complex pattern of social mobility amongst families with children eligible for free school meals (FSM).

Pupils on FSM in Peterborough and North-East Cambridgeshire parliamentary constituencies perform worse than their peers in South Cambridgeshire on a range of employment metrics.

Cambridge notably has the region's lowest rate of FSM children that go on to attain higher paid jobs[24].

[23] Cambridgeshire and Peterborough Insight: State of the Region HYPERLINK "https://cpca.dashboards.cityscience.com/health_and_wellbeing"State of The Region Data Portal
[24] Sutton Trust - Opportunity Index Interactive Map - The Sutton Trust

Health outcomes

Life expectancy is equally varied across the region. South Cambridgeshire has amongst the highest life expectancy at birth in the county, at 83.7 years. The north of the county has a notably lower life expectancy, with Peterborough the lowest at 78.9 years.

East Cambridgeshire and Huntingdonshire see high overall life expectancies, at 82.9 and 82.6 years respectively. Cambridge features a difference of 12 years life expectancy between different wards in the city, with an overall figure of 82.9 years.

In East Cambridgeshire and Huntingdonshire, outcomes are similarly varied. Women in Alconbury live on average 10 years less than those in Ely South ward.

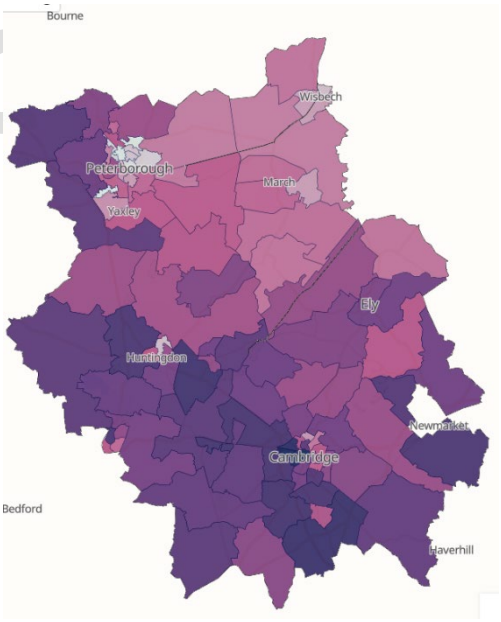
In the 2021 census, 50% of residents living in Cambridge and South Cambridgeshire reported 'Very Good Health', placing them within the top 40% of all areas in England and Wales.

East Cambridgeshire and Huntingdonshire residents place near the average. Fenland and Peterborough ranked in the bottom 20%, each reporting around 42%[25].

Healthy life expectancy (HLE) – the average number of years a person lives free from serious disease or disability shows even deeper divides in the region.

The highest area, in west Cambridge, sees an HLE of 73.5 years. Meanwhile, in north Peterborough, it is 55.8 years.

This has profound implications for quality of life, alongside labour force participation and social care demand.



2Healthy life expectancy by LSOA

[25] ONS Census 2021

3.4 Key public services

Fire and Police

Cambridgeshire and Peterborough local authorities share the same geographic footprint as Cambridgeshire Fire & Rescue and Cambridgeshire Constabulary.

LGR is not expected to have a disruptive impact on how these public services operate and how they deliver services in future alongside new unitary authorities.

NHS

The NHS is going through a period of significant reorganisation too.

From April 2026, the Cambridgeshire & Peterborough Integrated Care Board (ICB) will be abolished and merged with Bedfordshire, Luton and Milton Keynes ICB and Hertfordshire and West Essex ICB.

Together, they will form a larger NHS Central East ICB cluster. This is part of a national plan to reduce running costs by 50% and achieve economies of scale.

In future, some services will be commissioned at a regional level or by each ICB cluster. There will also be scope for joint commissioning of neighbourhood health services with new unitary authorities.

Most patient-facing services, such as GPs and urgent care, should remain locally led.

Hospital services

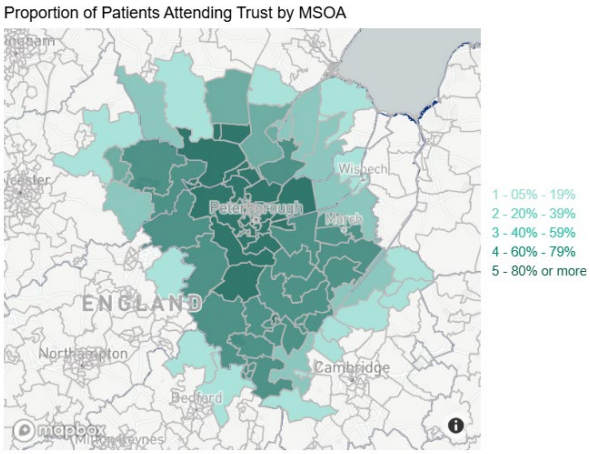
The Cambridgeshire and Peterborough Integrated Care Board serves around 1.2m people.

Hospital catchment areas are geographically large and do not map closely with local government administrative boundaries. Proposed changes to ICB footprints will embed larger regional patterns of commissioning and hospital attendance.

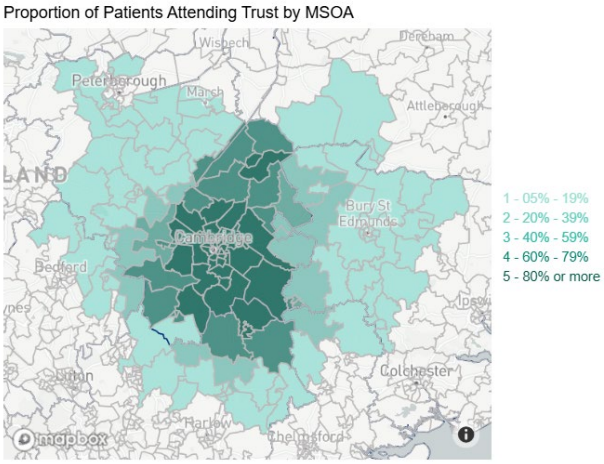
Annually around 425,000 people receive hospital treatment from Cambridge University Hospitals, North West Anglia Hospital Trust or Royal Papworth.

Our hospitals also treat 135,000 people - about one third of the annual total, from out of our area, mainly from Suffolk, Norfolk, Lincolnshire, Hertfordshire, Essex and Bedfordshire.

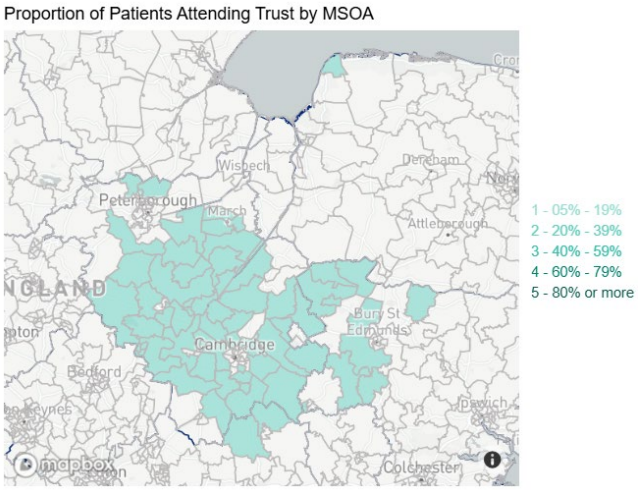
Nearly 10% of our residents receive treatment in hospitals outside our area. Most notably from East Cambridgeshire to the West Suffolk NHS Foundation Trust, and from Fenland to Queen Elizabeth Hospital, King's Lynn.



3Patient spread of NWAFT Hospital Trust



4Patient spread of CUH Hospital Trust



5Patient spread of Royal Papworth Hospital Trust

4. LGR – what did our communities tell us matters to them?

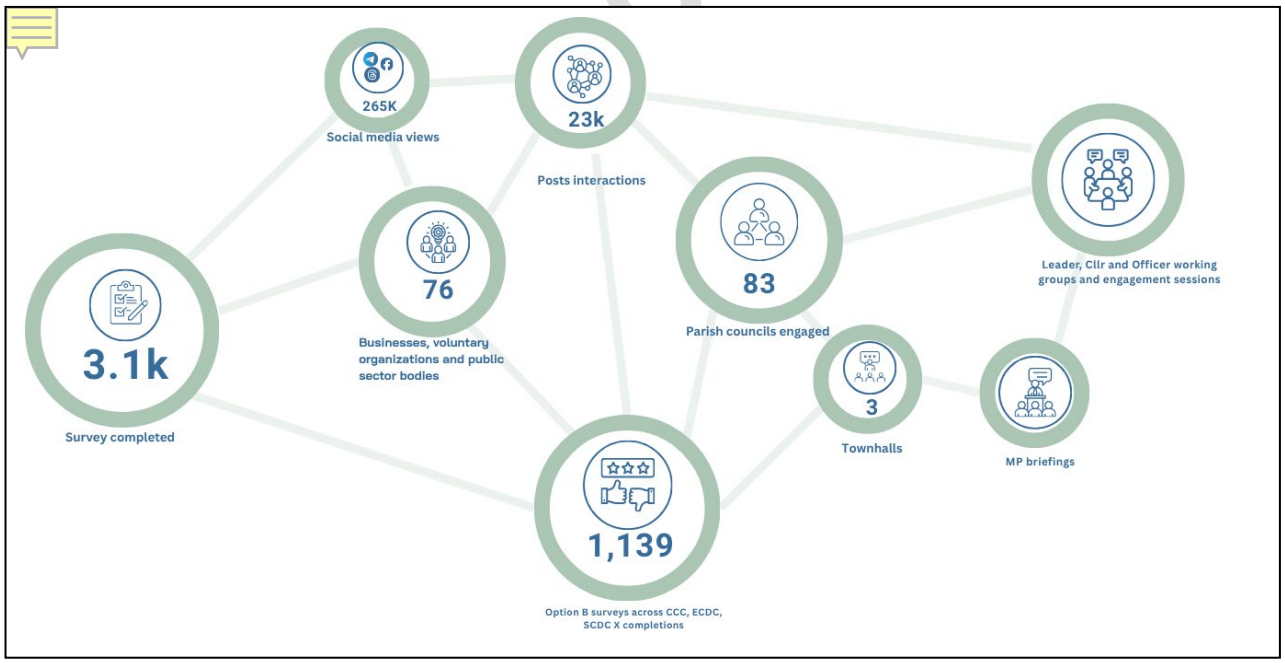
Engaging with our Communities and Stakeholders

All seven councils committed to engaging the public across the region together. The goal was to develop a shared understanding of how residents, stakeholders, and staff feel about LGR and their priorities or concerns regarding the creation of new unitary councils.

Subsequently, Cambridge City, South Cambridgeshire and East Cambridgeshire carried out further surveys to collect more information about our specific proposal.

This joint engagement across Cambridgeshire and Peterborough was anchored by a residents' survey, complemented by focus groups in each council area and a separate survey for stakeholders.

The results of the joint survey are set out below, followed by the results of the additional local surveys. These results have been reflected in the development of our proposal.

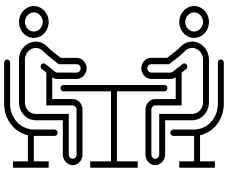


We found residents and stakeholders are open to change, but want reassurances about **service quality, representation, and local identity**.

Successful reorganisation will require balancing efficiency with community voice, embedding decision-making closer to people, and designing unitary councils that respect the diverse identities of Cambridgeshire and Peterborough.

Feedback from the public and businesses about unitary council priorities

Operational focus	Future investment
Improving council services	Health infrastructure
Better responsiveness	Transportation
Councillors with good local knowledge	Community facilities



Cambridgeshire and Peterborough Survey Findings

We engaged **2,407 residents, 767 staff, and 231 stakeholders**, who represent a broad cross section of the region. The findings show strong appetite for LGR, but only if it delivers **better services, stronger local voice, and clear accountability**.

Support for Change

- Residents, staff, and stakeholders overwhelmingly support reorganisation, frustrated by the complexity of multiple tiers.
- Backing is conditional on **tangible improvements**: simpler access, more responsive councils, and investment in frontline services.
- People in **rural areas, particularly East Cambridgeshire and Fenland, 81% worry about being overlooked or left behind**; stakeholders also fear loss of local representation.

Trust and Accountability

- **Trust in decision-making is low** (net –4). Residents want confidence that decisions reflect their community, not a one-size-fits-all model.
- Stakeholders stressed the importance of **local councillors with genuine local knowledge**, robust scrutiny, and clear engagement channels.
- Parish and Town Councils, alongside voluntary, community and social enterprise (VCSE) partners, are seen as vital to grounding services in community priorities.

> Across England the public have greater trust in local government and their local Councillors than MPs, and the UK Government
>
> State of the Locals 2025 - LGiU

Priorities for new unitary councils

- Top resident priorities: health infrastructure, transport, and community facilities.
- Businesses emphasised **economic infrastructure, efficiency, and streamlined delivery**.
- Both groups demand **faster response times** and **councillors who understand local contexts.**

Balancing scale and local voice

- Residents leaned towards **larger councils of 400,000–500,000**, recognising benefits of scale but wary of losing local identity.
- Nearly half of stakeholders preferred **smaller units of 300,000–400,000**, reflecting community identity and fears of remoteness.
- Focus groups revealed the central tension: larger councils bring efficiency and resilience, but smaller ones offer closer connection.

Current Performance

- Councils scored well on digital services (+44) and councillor knowledge (+43) and typically those in rural districts felt their local Councillor understood their community.

- Weaknesses: **investment in services (–32)**, **reducing complexity (–46)**, and unclear points of contact - except in Peterborough's single unitary model, which residents praised.
- This demonstrates the practical value of simplifying structures.

Community Identity

- Community belonging is generally strong (+43), though uneven: residents in East Cambridgeshire reported higher rates of belonging (76%) than Peterborough (47%) locals.
- Residents want unitaries that reflect **the distinct character of each area.**
- Older residents placed a higher value on community connection, whereas younger residents consistently reported weaker community connections. This highlights the need for tailored engagement.

Stakeholder Priorities

- **Foundations for success**: local representation, service efficiency, and financial stability.
- **Opportunities**: cost savings, economies of scale, reduced bureaucracy.
- **Risks**: loss of local voice, disruption during transition, and balancing urban and rural demands.
- Investment priorities: health, transport, local economy, and digital connectivity.
- Critical success factors: **responsiveness, devolved powers, and clear implementation planning.**

Additional community engagement

Cambridge City, South Cambridgeshire and East Cambridgeshire undertook additional engagement exercises to inform residents about the benefits of LGR, and specifically how our proposal could lead to better outcomes for residents.

These engagement exercises included a short survey and public forums.

East Cambridgeshire District Council led #OptionBforMe engagement focused on the benefits to residents of being in a larger rural unitary, how a larger unitary would provide financial resilience and give the rural areas a stronger combined voice.

The Cambridge City and South Cambridgeshire engagement emphasised the joint working already embedded in Greater Cambridge and the need for a unitary council to focus on the specific economic and housing needs of the growing city-region.

Cambridge City and South Cambridgeshire	East Cambridgeshire
890 responses. **69%** of respondents either 'Agreed' or 'Strongly Agreed' with Option B, while **24%** either 'Disagreed' or 'Strongly Disagreed' The most common name suggested for the new unitary authority was **Greater Cambridge**. Additional comments revealed that many supporters view it as **a sensible option, due to shared economic and cultural ties.** Many comments in opposition revealed **disagreement with LGR overall**. Others expressed preference for alternative options. 	**249** responses. **52%** expressed support for Option B, while **48%** did not support Option B. Of those who supported Option B, a majority did so out of an **opposition to merging with Cambridge,** especially regarding **concerns of being overshadowed** by the city. Of those who did not support Option B, many were **unhappy about merging with Peterborough and Fenland.** Many of these responses highlight a cultural connection with Cambridge instead. 

Residents and stakeholders consistently told us they value councils and councillors who understand their local areas and reflect their communities.

They emphasised the importance of ensuring that the new unitary authorities represent and protect the distinct cultural identities of each area.

If our proposal is successful, we will embark on detailed rounds of engagement with local communities, businesses and other key partners to design councils that are fit for the future.

The dual affinity of East Cambridgeshire and Huntingdonshire

Survey findings from East Cambridgeshire and Huntingdonshire – the two central districts of the region – reveal that both areas have strong connections in multiple directions.

To the south, some of their communities share practical, economic, and cultural ties with Cambridge, as well as Bedford and Newmarket.

To the north, some communities maintain close links with Peterborough and neighbouring areas outside our region. These include commuter flows, transport and infrastructure networks, shared service footprints, and community identities.

At first glance, these southern connections suggest a case for including East Cambridgeshire and/or Huntingdonshire within a Greater Cambridge unitary.

However, deeper analysis suggests this would risk positioning both districts as peripheral areas within a council dominated by Cambridge City and South Cambridgeshire.

Residents recognised this could weaken their influence in economic planning and service delivery, with 81% of residents in East Cambridgeshire expressing concerns they could be overlooked.

Greater Cambridge already functions as a single, integrated system — anchored by an internationally significant economy, a shared Local Plan, and coordinated housing, transport, and infrastructure strategies.

Cambridge City and South Cambridgeshire councils jointly manage housing stock and a wide portfolio of shared services, giving them a cohesive governance and delivery structure closely aligned to their shared growth priorities and communities of interest.

Merging an additional district into this framework would fracture that coherence, including decisions already embedded in the proposed joint Local Plan. That could risk slower decision-making, governance imbalances, and weaker democratic accountability.

Public engagement demonstrated that residents fear a new authority could find its local priorities overshadowed by the Cambridge high-growth agenda. This now has direct Government backing through the Cambridge Growth Company and a recently announced Development Corporation.

Option B avoids these pitfalls. East Cambridgeshire and Huntingdonshire residents will have greater voice and influence within a more balanced and coherent northern unitary alongside Peterborough and Fenland, with local design and delivery of services.

Option B reflects shared rural and market-town identities and interests and ensures that investment and service planning are distributed more equitably across the region.

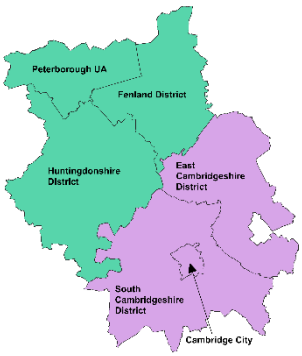
5. Options Appraisal

Introduction

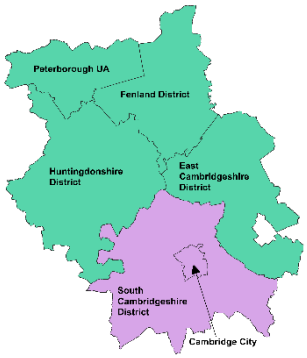
This section provides a balanced appraisal of the five lead proposals to Government from councils in Cambridgeshire and Peterborough. Each proposal is assessed against the Government's 6 key reorganisation criteria:

- economy and housing
- financial resilience
- sustainable public services
- collaboration
- devolution
- democratic representation and community engagement

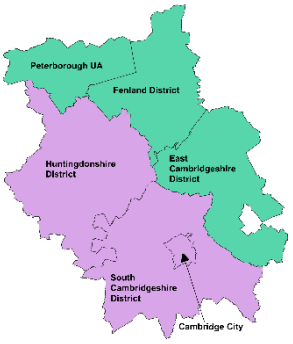
The appraisal demonstrates that Option B best supports inclusive and sustainable economic and housing growth for Cambridgeshire and Peterborough. Better economic prospects have a direct and positive impact on the fiscal outlook for local government through stronger business rates and council tax growth. As a result, this option can enable both new councils to be financially resilient and have better funded public services. Option B also supports devolution, democratic representation, and community engagement.



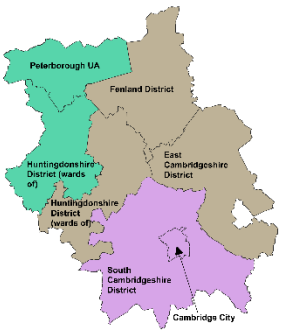
Option A



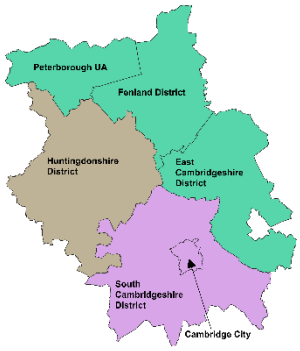
Option B



Option C



Option D



Option E

Option	Unitary 1	Unitary 2
A	**North-west unitary** • Peterborough • Fenland • Huntingdonshire • County Council functions	**South-east unitary** • Cambridge • East Cambridgeshire • South Cambridgeshire • County Council functions
	519,000 population £1,057 budget per head	415,000 population £945 budget per head
B	**North Cambridgeshire & Peterborough** • Peterborough • East Cambridgeshire • Fenland • Huntingdonshire • County Council functions	**Greater Cambridge** • Cambridge • South Cambridgeshire County Council functions
	612,000 population £1,055 budget per head	322,000 population £916 budget per head
C	**North-east unitary** • Peterborough • East Cambridgeshire • Fenland • County Council functions	**South-west unitary** • Cambridge • Huntingdonshire • South Cambridgeshire • County Council functions
	421,500 population £1,105 budget per head	512,500 population £926 budget per head

Option	Unitary 1	Unitary 2	Unitary 3
D	**North-west unitary** • Peterborough • Parts of Huntingdonshire • County Council functions	**Central unitary** • East Cambridgeshire • Fenland • Parts of Huntingdonshire • County Council functions	**Southern unitary** • Cambridge • South Cambridgeshire • County Council functions
	292,000 population	320,000 population	322,000 population
E	**North-east unitary** • Peterborough • East Cambridgeshire • Fenland • County Council functions	**Central unitary** • Huntingdonshire • County Council functions	**Southern unitary** • Cambridge • South Cambridgeshire • County Council functions
	421,500 population	190,500 population	322,000 population

Scoring

The table below provides a generic appraisal of one, two and three unitary options for Cambridgeshire and Peterborough's circumstances against the MHCLG criteria for LGR. It demonstrates that overall, two unitary options meet the criteria, but one unitary and three unitary options only partially meet the criteria.

MHCLG CRITERIA FOR LGR	One Unitary	Two Unitaries	Three Unitaries
Economy and housing - Sensible economic areas; helping to increase housing supply and meet local needs. Seek to achieve for the whole of the area concerned the establishment of a single tier of local government.	Not viable. Government has indicated there must be at least two principal authorities in a Strategic Mayoral Authority.	4	2
Financial resilience - Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks		4	1
Sustainable Public Services - Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens in particular adult social care, children's services, SEND and homelessness.		4	2
Collaboration - Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views. Proposals should consider issues of local identity and cultural and historic importance, and evidence of local engagement		4	3
Devolution - New unitary structures must support devolution arrangements		4	4
Democratic representation and community engagement - New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment		4	4
OVERALL	**N/A**	**24**	**16**

The table below provides an appraisal of the 5 options (A-E) considered by local authorities in Cambridgeshire and Peterborough. It demonstrates that overall, Option B best meets the MHCLG criteria. Options A and C partially meet the criteria, while Options D and E only slightly meet the criteria.

MHCLG Criteria for LGR	Option A	Option B	Option C	Option D	Option E
Economy and housing - Sensible economic areas; helping to increase housing supply and meet local needs. Seek to achieve for the whole of the area concerned the establishment of a single tier of local government.	3	5	3	2	2
Financial resilience - Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks	3	4	2	1	1
Sustainable Public Services - Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens in particular adult social care, children's services, SEND and homelessness.	4	4	3	2	2
Collaboration - Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views. Proposals should consider issues of local identity and cultural and historic importance, and evidence of local engagement	3	4	3	2	3
Devolution - New unitary structures must support devolution arrangements	4	5	4	4	4
Democratic representation and community engagement - New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	4	4	4	5	4
OVERALL	**21**	**26**	**19**	**16**	**16**

1	Does not meet criteria
2	Slightly meets criteria
3	Partially meets criteria
4	Meets criteria
5	Exceeds criteria

A summary of the rationale for the scoring is set out below and a detailed appraisal of each option in the annex.

The key issues highlighted by the options appraisal are:

Economy and housing

- Option B would create two councils of most similar economic size (in terms of GDP, employee numbers and business turnover) now and over the longer-term. Options A and C would advantage or disadvantage one area over another, which would increasingly widen over time.

- Option B creates two unitary councils that reflect distinct, nationally significant economic geographies, that are complementary and provide spillover benefits to each other. The Southern 'innovation' unitary would reflect the footprint of Cambridge's internationally significant knowledge economy (life sciences, AI and clean-tech). The Northern 'powerhouse' unitary would be amongst the largest in England, with nationally significant sectors (advanced manufacturing, digital, defence, logistics and agri-tech) supporting a balanced, dynamic and resilient economy.

- By aligning governance and public service delivery most closely with Cambridgeshire and Peterborough's three functional economic areas and housing markets, Option B would support inclusive and sustainable economic and housing growth and maximise the sub-region's contribution to national economic growth.

Financial resilience

- Option B is the clear choice for financial sustainability. Using a balanced scorecard approach, it delivers the most equitable and resilient solution for Cambridgeshire and Peterborough as a whole. It gives both new councils the financial resilience needed for long-term stability, reducing the risk that essential local services cannot be funded.

- 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 after vesting). 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).

- Option B is the only proposal that genuinely addresses regional inequality for Peterborough and northern Cambridgeshire. It ensures the northern unitary has both the scale, financial resources and resilience, and capacity to tackle entrenched deprivation and inequality.

- Option B also aligns economic geography with governance. By matching council boundaries to areas designed for growth, it creates the conditions for economic

expansion to generate the tax base needed to fund improving public services – a virtuous cycle that benefits all our communities.

Public services

- Option B is more likely to deliver high-quality and sustainable public services than Options A and C, because resources would be divided more equitably across the whole area.

- The size of the northern unitary will also help balance the higher social care needs and levels of deprivation in Peterborough and Fenland, creating a council with needs that will be below the national average, whereas Options A and C will create smaller councils with more concentrated demand. The fast-growing economy of the southern unitary will provide the tax base needed to meet the increasing social care needs of a rapidly growing population.

- Both new unitary councils 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.

- In the longer-term, Option B will best support improvement of children's services (from the current "inadequate" and "requires improvement" Ofsted ratings), adult social care services and SEND provision in the area through new delivery models and opportunities for prevention and transformation.

Collaboration

- Option B has involved the most collaboration between councils of all the proposals. 3 of the 7 council's Leaders (Cambridge City, East Cambridgeshire and South Cambridgeshire) are supporting the proposal, and 3 other councils (Huntingdonshire, Fenland and Peterborough) have significantly contributed to its development.

Democratic representation and community engagement

- Option B best reflects current and historic local identities and enables local communities to influence the future of their area. The northern unitary will be large enough to accommodate distinct local governance and community engagement arrangements to meet the diverse needs of urban Peterborough, market towns and rural villages. The southern unitary reflects the Cambridge city region and has a

coherent, interdependent identity that makes sense to local people and how they live their lives.

- The southern unitary will reflect the historic county geography of Cambridgeshire, while the northern unitary will contain the three historic counties of Huntingdonshire, Isle of Ely and Soke of Peterborough.

Devolution

- Option B creates two economically balanced constituent member councils. This will result in more balanced representation around the CPCA table than other options, resulting in more effective strategic decision-making. It will also minimise the risk of policy, investment or delivery bias towards either member council.

- Option B will support the CPCA more than other options to deliver growth, jobs and housing across the Cambridgeshire and Peterborough area by allowing plans, strategies and investments to focus on each area's unique strengths and challenges, whilst creating opportunities to harness the complementary strengths of each area.

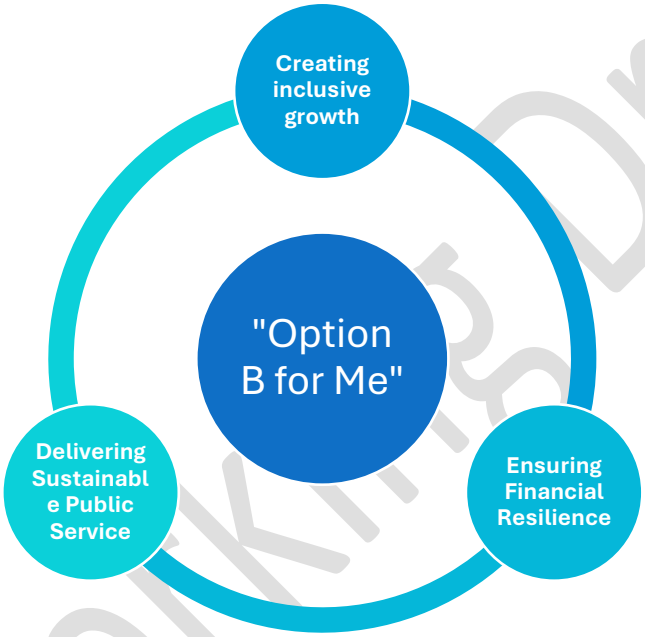
- Option B will support the Government's continued focus on the Greater Cambridge economy as a driver of UK economic growth. The geographic alignment between the Greater Cambridge unitary and the Cambridge Growth Company will protect and enable more coherent governance of economic growth, infrastructure and housing issues. It supports delivery of the Government's growth ambitions for Cambridge and the CPCA's Local Growth Plan.

6. Our proposal for Cambridgeshire and Peterborough

All options for LGR have been carefully appraised against the Government's criteria. Our proposal scores the highest and is the clear front-runner.

'Option B for Me'

It will deliver better services for residents because it builds on the area's strengths and opportunities for **growth and public service reform.**



Inclusive growth and public service reform

Growth and public service reform go hand in hand and are vital to the success of our area and the well-being and prosperity of our residents.

Taking advantage of the growth potential of our region's unique economies requires councils that can think and act at the right scale.

Our proposal will deliver that change by creating a North Cambridgeshire & Peterborough Council and a Greater Cambridge Council.

The Benefits of Option B

The benefits of Option B are numerous and include:

1. A sensible balance built on the region's functional economic areas
2. Distinct and complementary economies
3. Alignment of housing and infrastructure investment
4. Substantial and achievable savings will be delivered
5. Balanced and equitable finances across both new councils, now and in the future
6. Better financial resilience to future poof services
7. Greater fairness and better outcomes
8. Localised approach to service delivery
9. Councils committed to putting residents first when transforming services
10. Respect for distinct historic identities
11. Delivery of strong democratic accountability while maintaining local connection
12. Enhancement of community voice through flexible, place-based engagement.
13. Unlocking the full potential of devolution through balanced strategic governance
14. Supporting delivery of the Government's growth ambitions for Cambridge and the CPCA's Local Growth Plan

Theme 1 - Economy and Housing

Balanced and inclusive: two functional economic areas of national importance

> ***Government Criteria**...to support and create "sensible economic areas that support growth [...] with a strong and fair tax base which does not create an undue advantage or disadvantage for one part of the area" and help "to increase housing supply and meet local needs[1]"*

Cambridgeshire and Peterborough already have one of the UK's most important combined regional economies. LGR can deliver additional economic benefits for residents and businesses in both proposed new authorities.

There will be a single front door for growth, infrastructure and housing decisions. Each Council will have the capacity to promote and attract new investment and jobs.

Each council will be anchored by two of England's most dynamic and fast-growing cities - Cambridge and Peterborough - and complemented by rural areas and market towns creating strengths across multiple critical growth sectors.

Outside London, both councils will be in the top 20 authorities by GDP in the UK[26]. They will both have the attention of the Government and the ability to influence and deliver regional and national policy.

Our proposal delivers on the Government's economic and housing objectives for LGR:

1. A sensible balance built on the region's functional economic areas, which creates two councils of national economic significance without undue disadvantage for one area.

2. Two economic areas with distinct and complementary strengths, and spillover benefits to support the region's growth ambitions.

[26] ONS 2025 – based on 2023 chained volume GDP compared to existing authorities.

3. Two councils capable of maximizing the housing and infrastructure potential of the whole region sustainably.

[image/image collage: economy; apprentices; industrial, agri-tech, distribution; wet lab; tech]

Our proposal creates the scale and focus needed to accelerate inclusive growth so important for local jobs, the national economy and council finances.

North Cambridgeshire and Peterborough [612k pop.]	**Greater Cambridge** [322k pop.]:
The regional backbone of industrial production and distribution, including key rail freight routes and motorways. The area boasts nationally significant advanced manufacturing, logistics and agri-food. Key growth sites are located along the A1/A14/A47 corridors, the Fens provide critical national food supply. With £20.3 billion GDP and over 250,000 employees, generating £40 billion annual business turnover, this unitary council will represent one of England's most diverse and resilient industrial powerhouses.	Europe's most successful science and technology cluster, ranked second globally for innovation (footnote - Global Innovation Index 2025 - Cluster ranking). The area contains a high value bio-medical and AI-tech ecosystem, anchored by the world-renowned science and business parks and the University of Cambridge. With £17.2 billion GDP and 226,000 employees generating £80 billion annual business turnover it is in the top 15 largest UK employment clusters and has one of the highest densities of knowledge intensive businesses in the world.

Three compelling economic benefits

Benefit 1: A sensible balance that reflects the region's functional economic areas

Economic balance for the region

Councils with national economic significance

If North Cambridgeshire & Peterborough were around today it would have the equivalent sized economy of Liverpool. Outside London, the 10th largest local authority economy ranked by GDP in the UK.

Greater Cambridge's GDP would be larger than Cardiff's, making it the 17th largest outside London.

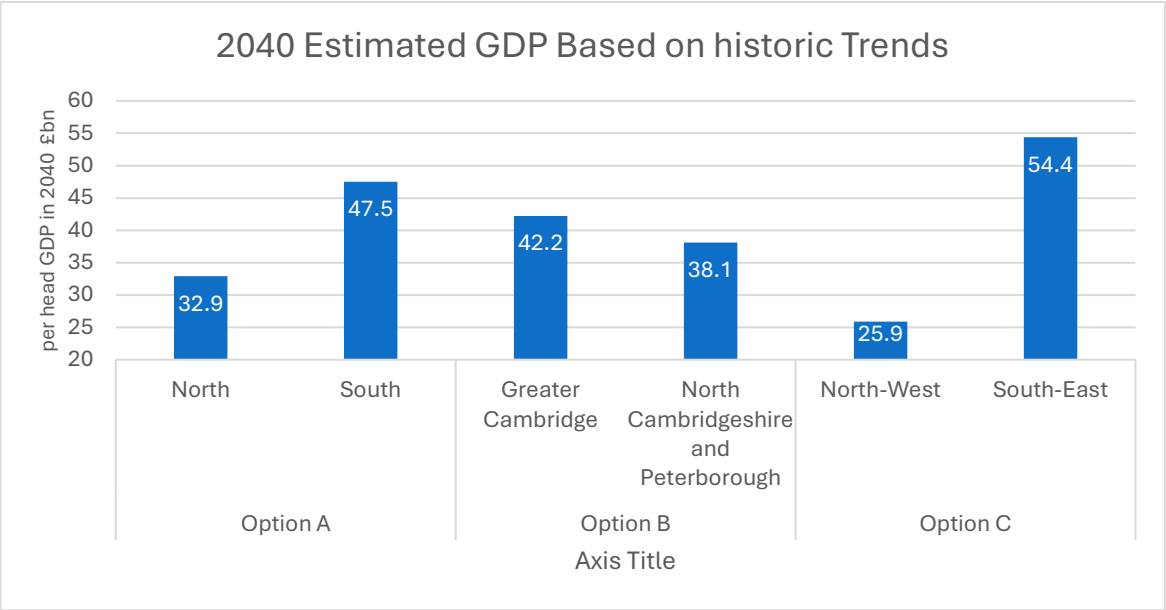
The two council geographies are different sizes, but each has a similar sized economy.

North Cambridgeshire & Peterborough's geography has a slightly larger economy, around £20bn compared with Greater Cambridge at £17bn (Gross Domestic Product, ONS 2023) [27].

Both councils will also have fiscal balance. They will have a similar total rateable value of commercial space at around £400m per annum.

If economic trends continue and populations increase as forecast, by 2040 the Greater Cambridge economy will be 5-15% larger than North Cambridgeshire & Peterborough[28].

[27] ONS 2025, 'Regional gross domestic product: local authorities'.
[28] Based on 2014-2023 per head GDP cumulative annual growth rate by local authority trends continuing to 2040; for example, Greater Cambridge GDP per head growth 4.25%; North Cambridgeshire & Peterborough 3.1% (ONS 2025, Regional gross domestic product: local authorities).



Options A and C would lead to distinctly imbalanced and inequitable economies across the region.

Option A would lead to the southern council with an economy 40-50% larger than the northern council in 2040, and Option C more than double the size of the northern council.

Both these options struggle to meet the Government's criteria as one council would have an undue economic and fiscal advantage over the other. See table X below to illustrate these disparities in more detail.

Option B achieves the best economic balance for the region, now and in the future.

Increasing the size of a southern unitary, as in Options A and C, would increase economic and fiscal disadvantage for the northern unitary.

Functional economic areas

Each council area represents a functional economic area with a high level of alignment with local labour markets and consumer patterns (see page XX [31]).

Distinct Economies
Greater Cambridge has a high value knowledge intensive economy which accounts for 2/3rd of the region's total annual business turnover. Average ratable values are 2.5 times higher due to the concentration of premium office and lab space. **North Cambridgeshire & Peterborough** by comparison is an industrial giant with nearly five times the amount of industrial floorspace. It has competitive land values, and an advanced manufacturing heartland combined with high value agricultural sectors.

Our proposal creates new councils that align with the economic realities or the way people live and work:

- **Coherent geographies** for existing business clusters, supply chains and CPCA economic policy
- Each area will **facilitate specialist sectors**, skills and further education strategies that align with the Local Growth Plan[29]
- **Across the region nearly 88% of working residents** will live and work within their council area[30].

Working patterns	Self-containment % (incl. WFH/No-fixed)	Self-containment % (commuters only)
Greater Cambridge	91	81
North Cambridgeshire & Peterborough	86	75

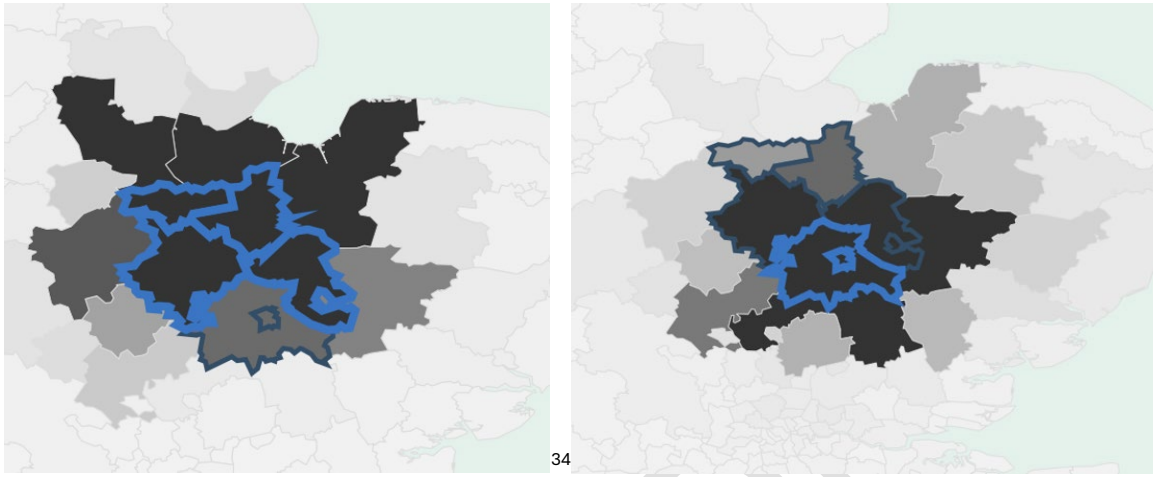
Employment self-containment for proposed authorities[31]

There are several positive benefits that flow from the high level of labour market self-containment in each council area:

- **Productivity** through alignment of residents' skills and local employers' needs[32]
- **Fiscal stability** - a larger share of income tax and business-rates receipts are retained locally, improving fiscal resilience and making infrastructure investment more efficient

[29] C220817 CPCA Prospectus
[30] Includes working from home and no-fixed place of work; ONS Census 2021 was conducted during the Covid pandemic and patterns may since have changed.
[31] ONS Census 2021, residents in employment
[32] **OECD** (2020). *Functional Urban Areas: Economic and Spatial Integration;* **Centre for Cities** (2022). *Small Business Outlook.*

- **Economic coherence** across housing and jobs markets, and transport systems
- **Greater wellbeing and social inclusion** outcomes[33] – higher life satisfaction and enhanced social mobility



[34]

Commuting heatmaps for proposed authorities

These diagrams indicate the TTWAs for the Greater Cambridge and North Cambridgeshire & Peterborough unitary authorities using ONS data mapped to their boundaries. Darker areas indicate a greater intensity of commuter flows.

Conclusion

Options A and C create economic imbalance for the region which would:

Functional economic areas and unitary local government
Where self-containment exceeds 75–80%, Government guidance suggests an area likely constitutes a complete functional economic market area, which could serve as the logical geography for a unitary authority. (Department for Levelling Up, Housing and Communities (DLUHC, 2020). *Functional Economic Market Areas Guidance*.

- give the southern unitary significant advantage over the northern unitary that would widen over time
- lead to policy tensions and the risk of neither council being able to maximise its own or the region's potential to maximise the benefits of devolution, and

[33] ONS (2019, Personal Well-being and Commuting Distance); **Public Health England (PHE)** (2020). *Healthy Places: Promoting Well-being in the Built Environment.*
[34] ONS Census 2021

- cut across existing functional economic areas and sectors

Option B ensures economic balance built on functional economic areas, achieved by:

- both councils having sufficient scale to attract investment and speak powerfully to Government
- the conditions for an equitable partnership that supports regional economic coordination and the devolution agenda
- neither unitary dominating the regional economic policy agenda co-ordinated through the CPCA
- greater opportunities to lift-up communities and share prosperity for all in the region

Our proposal achieves critical economic balance and ensures both councils are nationally significant. The functional economic areas reflect the realities of established labour markets and consumer spending patterns and provides confidence for investors.

Key economic indicators for proposed unitary authorities

	Option B		Option A		Option C	
	North Cambridgeshire & Peterborough	Greater Cambridge	North Unitary	South Unitary	NW Unitary	SW Unitary
GDP total (ONS 2023)	£20.3bn (54%)]	£17.2bn (46%)	£17.6 (47%)	£19.8bn (53%)	£14bn (37%)	£23.4bn (63%)
Annual Business turnover (2023[35])	£40.1bn (33%)	£80.3bn (66%)	£33.7bn (28%)	£86.3bn (72%)	£20.9bn (17%)	£99.5bn (83%)
Implied non-domestic Rateable Value (2023)[36]	£402m (49.8%)	£406m (50.2%)	£360m (44.5%)	£448m (55.5%)	£283m (35%)	£524m (65%)

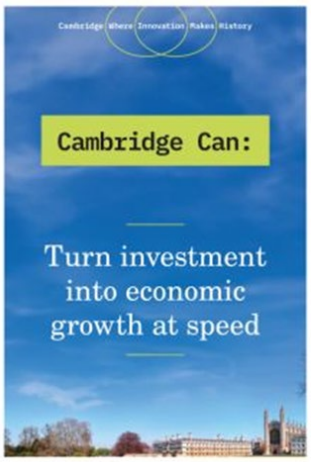
Option B delivers greater economic equity and balance for the whole region now and over the long term.

[35] https://www.beauhurst.com/blog/uk-council-ranking/ (2024)
[36] Non-domestic rating: stock of properties including business floorspace, 2023 - GOV.UK

Benefit 2: Distinct and complementary economies

Each council will focus on and develop its core economic advantages. This will enable clearer focus on key sectors that are prioritised in the National Industrial Strategy and the CPCA's Local Growth Plan.

Greater Cambridge is geographic footprint critical to national economic growth and builds on an established global brand. Cambridge-based companies have now raised £7.9bn in investment since 2015[37]. The Government has established the Cambridge Growth Company to accelerate economic development across the area.



- Focus on attracting high-value R&D, life sciences and biotech, digital technology and AI, and knowledge-intensive companies and developing a deep skills pool
- Nurture partnerships with the globally recognised innovation and technology clusters
- Maintain investor confidence in internationally competitive sectors
- Absorb the Greater Cambridge Partnership, reducing governance complexity and enhancing growth opportunities

North Cambridgeshire & Peterborough specialises in growing, making and moving. It can become a manufacturing and logistics powerhouse that can:

Image to follow

- Promote nationally significant advanced manufacturing, industrial and agri-food sectors, including the UK's 'bread-basket'
- Build upon the areas with the highest proportion of exporting businesses in the region
- Develop defence sector opportunities linking southern R&D with northern manufacturing
- Focus on supply chains, services, and jobs that support regional growth to increase workforce participation and reduce statutory service demand

[37] Cambridge start-ups raised £0.8bn of private equity investment during 150 funding rounds in 2023 (Beauhurst 2024); and £1.7bn in 2024 (Dealroom 2025). Cambridge tops UK for science investment as US capital surges into tech and life sciences | Cambridge Network

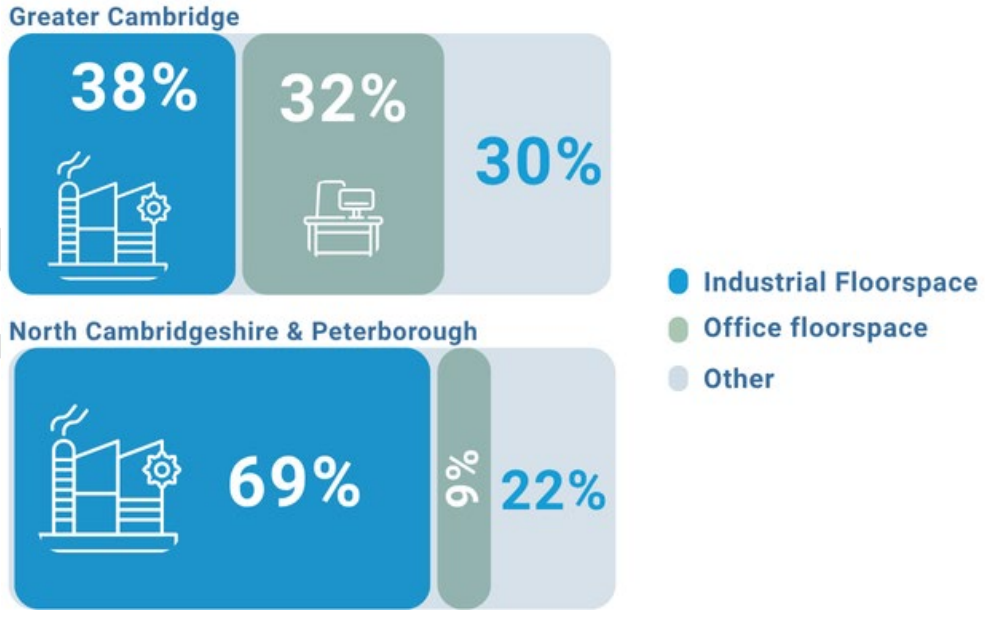
Each council has different economic strengths and specialisms, supported by distinctive place offers. This allows the councils and the CPCA to focus investment and support on the key sectors in their area.

Innovation to production pathway
R&D and HQ functions cluster in Greater Cambridge alongside global brands, and a deep graduate and skills pool. Scale-up, assembly, and distribution gravitate to North Cambridgeshire & Peterborough where space, manufacturing expertise and transport connectivity adds greater value.

Other proposals for the area would create councils with more mixed or fragmented economies, with the risk that investment flows to particular dominant sectors at the expense of others.

The comparative advantage and specialism of each council area is currently reflected in their make-up of commercial floorspace.

Commercial floorspace[38]



[38] VOA Business Floorspace, 2023

Each economy is interconnected. Each provides spillover benefits to each other as well as beyond Cambridgeshire and Peterborough. These complementary strengths – through Option B - can facilitate mutual interdependence rather than competition.

Peterborough's national connectivity, supply chains and logistics, and competitive land prices provide significant benefits for the whole region.

ARU Peterborough delivers skills to support technical roles in bio-medical research and technology companies in the south. Agritech research in Cambridge is applied to agricultural settings in the Fens, which stretch across North Cambridgeshire and Peterborough.

University of Cambridge spin-outs, such as a CMR Surgical (robotic surgery) and Paragraf (graphene based electronic devices), have established significant headquarters and new employment in East Cambridgeshire and Huntingdonshire.

Option B pairs North Cambridgeshire and Peterborough - a nationally significant 'industrial powerhouse' that has expansive agriculture and production facilities, with Europe's leading knowledge intensive innovation cluster in Greater Cambridge.

Two councils representing distinct economic areas with the scale to attract national and international investment. Each area contributes in different ways to regional and national economic competitiveness. Each area can focus on and develop its core economic advantages and potential.

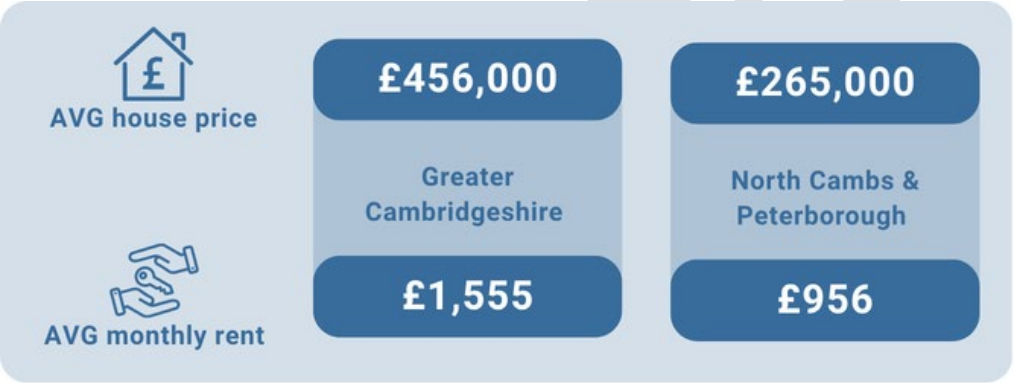
Benefit 3: Alignment of housing and infrastructure investment

Our proposal aligns new councils with housing markets, planned housing growth and infrastructure investment patterns. This will ensure sustainable development that supports economic objectives while meeting environmental targets.

This is ideal to support ambitious Local Plans for each council that focus on the differing economic strengths and housing needs of their functional economic area.

Complex cross-boundary coordination in the north will end[39]. This will strengthen regional housing and infrastructure delivery via the CPCA's anticipated spatial strategy.

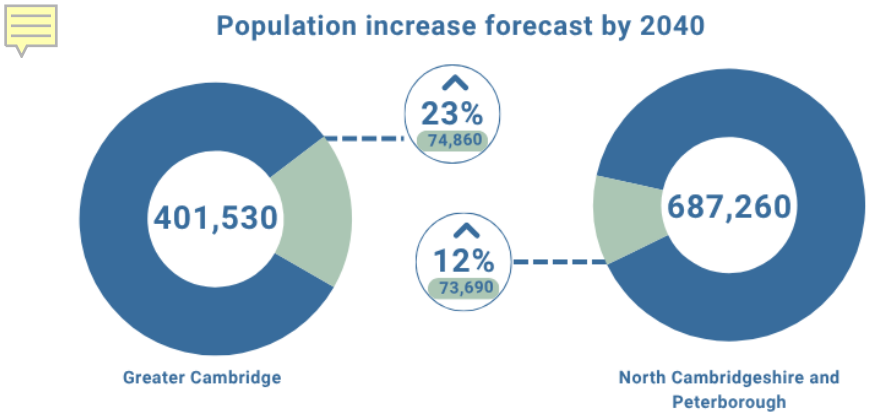
Housing strategies can be tailored for different local needs and markets.



The populations of North Cambridgeshire & Peterborough and Greater Cambridge are each forecast to increase by around 74,000 people by 2040.

However, as Greater Cambridge has a smaller total population than North Cambridgeshire & Peterborough, the rate of population growth in the southern unitary (23% by 2040) will be more than double the rate in the northern unitary (12%).

[39] Greater Cambridge already has a shared planning service and is consulting on a Joint Local Plan.



Greater Cambridge is forecast to increase in population by 74,860 or 23% over the by 2040 to 401,530; Over the same period North Cambridgeshire and Peterborough by 73,690 or 12% by 2040, to 687,260

Greater Cambridge: major planned growth is strategically positioned to capitalise on infrastructure investment by the Greater Cambridge Partnership. East-West Rail will enable connections between new settlements and employment centres. Planning permission is already in place for over 35,000 homes and 1.2m sqm of commercial floorspace. The Cambridge Growth Company, a subsidiary of Homes England, has been established to further facilitate development, this could increase the forecast rate of growth.

Greater Cambridge will be well placed to deliver affordable housing, as the existing councils both own and manage significant council housing stock and already have housing development programmes and capacity. Over 1 in 10 homes will be council-owned.

North Cambridgeshire & Peterborough: Planned and emerging growth proposals are informed by existing infrastructure connections and planned enhancement. This includes heavy rail and the strategic road network, including the strategic A1 corridor. Peterborough and connected market towns in Huntingdonshire, Fenland and East Cambridgeshire provide complementary employment and housing opportunities to underpin the city-regions' continued economic growth.

The existing councils in the proposed North Cambridgeshire & Peterborough unitary area have all transferred their housing stock to different housing associations, which will focus attention on the significant opportunities for shaping the market for affordable housing.

"The Link" Wellbeing Community Hub — Stretham

The Link is a transformative infrastructure project, aiming to harness the power of community-led development though a Community Land Trust.

It will deliver affordable housing at the edge of Stretham, and provide a lasting foundation for health, connection and wellbeing.

Funded in part by £1.2m from East Cambridgeshire District Council, the Link brings together a GP surgery, café, meeting/work units, and complementary holistic health service spaces. The Link looks to provide a lifeline of community gathering, support, and economic opportunity.

23 high quality homes have already been built, including shared ownership tenures. An additional 6 homes will be owned by Hundred Houses.

Strategic development sites

Planning for sustainable growth

To keep pace with demand for affordable homes, business growth and 73,000 forecast jobs the proposed Greater Cambridge Local Plan increases new homes that can be built up to 2045 to 77,000, including up to 2.5m square meters of commercial and lab space – equivalent to 350 football pitches.

These spatial plans are based on a longstanding strategy that:

- Maximises the value of major transport infrastructure investments
- Ensures new housing supports rather than constrains economic growth
- Creates sustainable travel patterns that reduce carbon emissions

Neighbouring districts, East Cambridgeshire and Huntingdonshire, do not have the same affordability and growth challenges. Neither do they require the transformative scale of development the Government has identified as necessary to support the Greater Cambridge economy.

LGR proposals that interfere with the Greater Cambridge spatial framework risk fragmenting and slowing down these ambitious plans.

For **North Cambridgeshire & Peterborough** outside the A1 corridor and other key growth sites, large scale homebuilding opportunities face different infrastructure constraints.

A different approach is required. Large scale development in these areas would:

- present significant infrastructure funding challenges reflecting development, land values and viability challenges
- strain existing transport networks beyond capacity undermining productivity
- perpetuate car dependency and increase carbon emissions
- result in the loss of valuable agricultural land which is key to national food production and food security

As a large geographic council, North Cambridgeshire & Peterborough will facilitate a more strategic approach to housing and infrastructure delivery to optimise financial efficiency and economic impact. This will enable a focus on development in areas where it is most needed to support economic growth, while preserving areas of high-value food production or environmental importance.

Our proposal ensures each council can develop focused housing strategies that align with their distinct infrastructure capacities and investment programmes, maximising delivery while maintaining sustainability.

Growth, financial resilience and funding public services

Local economic growth and funding for local services are mutually reinforcing (NAO 2025; IFS 2018). Growth increases locally retained revenues and homebuilding broadens the Council Tax base. This is particularly important to fund statutory services and address deprivation in parts of Peterborough and the Fens.

Councils designed for growth will have more funding to meet statutory needs and **invest in the core drivers of productivity**: housebuilding, transport, skills, business support and place-making. Well targeted investments that support prevention and productivity broaden the local tax base and reduce spend on crisis services, strengthening fiscal resilience (Institute for Government 2025).

National economic significance

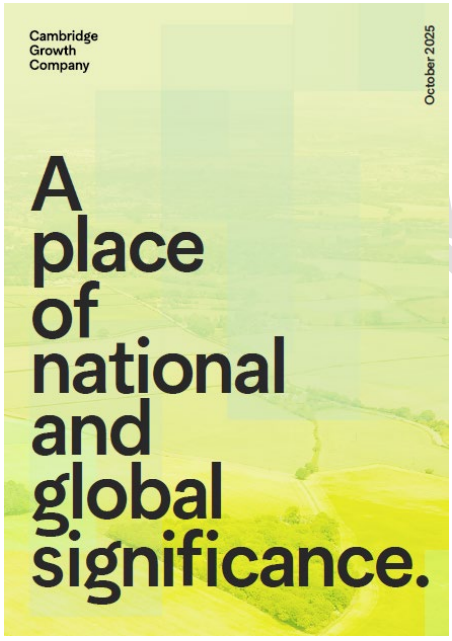
This Government's decision about where to draw local authority boundaries has national significance.

LGR has the potential to assert the national and international significance of our region, or the potential to disrupt sectors, supply chains, development and investment plans so crucial to the national economy.

Our proposal plays to each area's strengths, to enhance business confidence and accelerate growth sustainably.

With two councils of national scale and importance Option B will enhance what makes Cambridgeshire and Peterborough an economic powerhouse.

Our proposal delivers sensible and equitable economic areas that have distinct but complementary strengths; exceptional growth prospects that support strong tax bases and financial resilience; and streamlined governance that will accelerate housing delivery across the region.



Development Corporation for Greater Cambridge

The Government intends to establish a Development Corporation for Greater Cambridge. The Chancellor, Rachel Reeves, announced £400 million of initial Government funding which the Development Corporation will deploy to kickstart the development of affordable homes, infrastructure and business expansion.

Science Minister and Oxford-Cambridge Innovation Champion, Lord Vallance: "Cambridge is one of the world's most fertile grounds for innovation to take root, and blossom into opportunities for investment, job creation, and progress in fields ranging from life sciences to deep tech."

Theme 2 - Financial Sustainability

Summary

Financial sustainability is key to successful LGR.

It is arguably the most important of the Government's criteria. Residents, businesses and other local stakeholders also placed it in their top three priorities.

No council can hope to improve its delivery of public services, grow its economy, or deliver more housing if it is always struggling to balance the budget.

Financial sustainability underpins our support for Option B – it is not just desirable, it is essential. This option **delivers the strongest financial foundation for the whole area**, creating two robust councils with the capacity and resources to not only deliver excellent services effectively but also invest in the improvements our communities need and deserve.

Our financial benefits

Option B delivers two significant financial benefits:

1. Substantial savings will be delivered - £42.8m in the base case and £57.3m in the stretch case - with a payback period by Year 4.

2. Balanced and equitable finances across both new councils taking a range of factors into account, reducing the risk that local services cannot be funded in the future.

Why discount three unitary options?

A number of other three unitary options were also considered early on and discounted by Council Leaders for the following reasons:

- Setting up three councils will be more costly and result in a longer pay-back period
- Operating three councils will be more expensive than operating two councils[40]
- Three-unitary options struggle to achieve sufficient population and financial scale[41]

[40] Newton p. 13, final report
[41] Pixel, 6 May report, p. 31

Options D and E propose three unitary councils for Cambridgeshire and Peterborough which would not be financially sustainable for the region.

Financial Sustainability Assessment: Two unitary options

Independent financial analysis by Pixel confirms that all 'two unitary' options for Cambridgeshire and Peterborough are viable. However, viability is not enough – **the differences between Options A, B and C are significant and will determine whether our new councils simply survive or thrive**.

The financial analysis, detailed in Appendix XX, goes beyond theoretical viability. It compares the actual funding position of each council: budget, the starting reserves, and the debt implications of each proposal using **real budget data provided by the Chief Financial Officers** across Cambridgeshire and Peterborough.

This rigorous, evidence-based approach reveals critical distinctions between the options. The high-level findings are summarised in Table X:

Ratings of options A,B and C on key financial themes

	Funding: budget ratio	**Reserves**	**Debt**
Option A	✓	-	-
Option B	✓	✓	✓
Option C	X	-	-

The ratings are defined as follows:

- **Red** – Significant concern which brings into question the financial sustainability of one (or both) of the new unitary councils in the option
- **Amber** – Moderate concern warranting consideration
- **Green** – No material concern.

Option B is the clear choice for financial sustainability. Using a balanced scorecard approach, it delivers the most equitable and resilient solution for Cambridgeshire and Peterborough as a whole. Option B provides balanced strength. It gives both new councils the financial resilience needed for long-term stability, reducing the risk that essential local services cannot be funded. With projected savings of £42.8m and payback achieved by 2030/31, Option B delivers both immediate sustainability and long-term value.

Option A creates significant imbalances. While the funding-to-budget ratio appears healthy, it leaves the Northern council with a more challenging debt position and severely inadequate reserves – inheriting only 57% of the value of the Southern council's reserves. For a council serving communities with higher care needs and more volatile spending pressures, this reserves deficit represents a concern from day one.

Option C is financially unsustainable. The Northwest council would face an immediate budget gap in Year 1, carry the highest debt gearing of any two-unitary option, and hold the lowest reserves of all scenarios. This is not a viable foundation for effective local government.

What would Option B save – and what would it cost to set up?

Efficiencies, savings and transition costs

This section outlines how our proposal for two new unitary authorities for Cambridgeshire and Peterborough will deliver financial resilience and reduce costs.

We will achieve this through reducing duplication, achieving economies of scale, and delivering more cost-effective services through transformation and improvement.

While each council faces unique financial challenges, a number of themes are common to all:

- Growth in demand for services, particularly social care, SEND and homelessness
- Inflationary pressures in nearly all areas of spend
- The impact of the Fair Funding reform and uncertainty around future grant funding streams.

The transition to two new unitary councils will inevitably bring further uncertainty. However, because there are already two upper tier authorities within Cambridgeshire and Peterborough, the current proposal will not create additional *ongoing* costs.

Independent modelling by Newton suggests that any of the proposed two-unitary options will be marginally cheaper than the status quo[42].

[42] Newton Leaders and CEX final report p. 16

Savings and transitional costs for Option B are shown below. A detailed explanation of the approach and assumptions is set out in Appendix XX.

Projected savings

We have set out two scenarios – a base case and a stretch case.

The 'base-case' refers to highly achievable benefits that are built into the proposal, the majority of which will be delivered in 3-4 years from vesting day.

A 'stretch-case' is more ambitious and would require careful, planned implementation but could achieve further benefits through deeper transformation.

Using the base case, our financial analysis demonstrates that Option B will generate annual savings by 2032/33 of £42.8m.

While the specific savings achieved will be subject to the ambition and decisions of the new unitary councils, our modelling indicates that substantial savings can be achieved through moving to a two unitary model and specifically Option B.

The financial benefits of our '**base-case**' two-unitary model include:

- Reducing duplicated costs arising from seven councils
- Using digital technology to improve customer/resident experience and accessibility as well as automating simple services and increasing data integrity
- Making better use of social care, public health and benefits data to focus on preventative measures, such as targeted promotion of leisure and wellbeing services

The financial benefits of our '**stretch case**' two-unitary model include in addition:

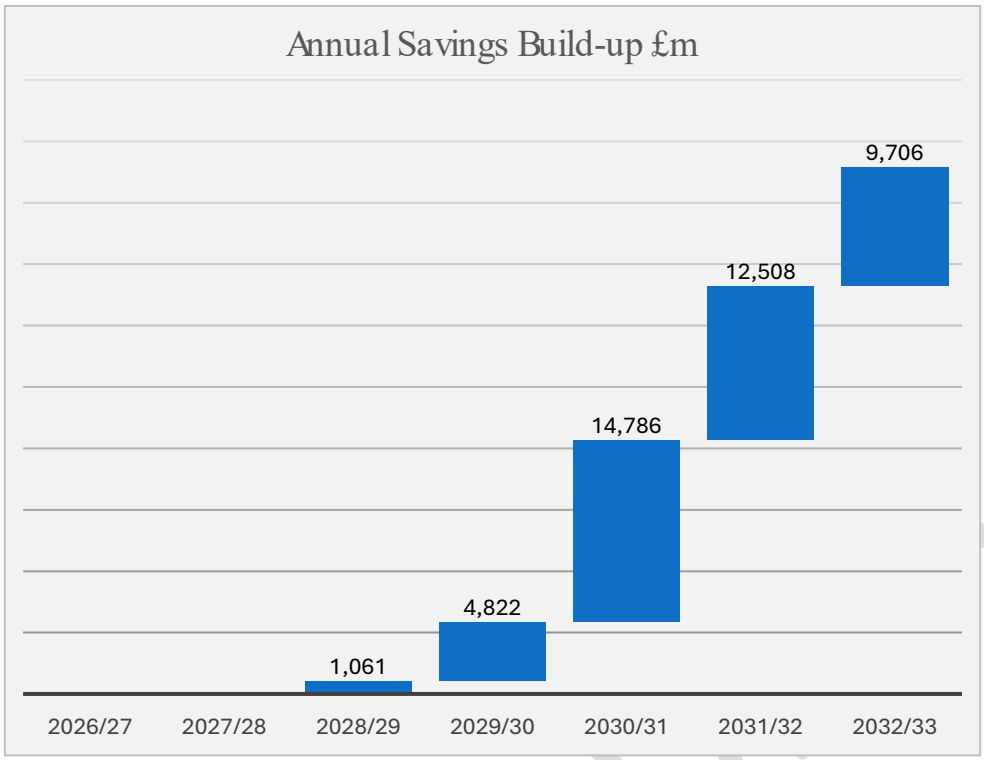
- A more radical approach to service transformation
- Closer integration of social care and housing to create holistic support systems that don't just serve residents better, they cost less to deliver over the longer term
- Development of workforce capabilities and new technology to drive productivity gains across every part of our services

Forecast savings are set out in Table X below, and detailed explanation of all assumptions made for each saving are set out in Table 1 at Appendix XX

Financial efficiencies (savings across both new councils; £m per annum)

	Total spend 7 councils 24/25 £m	Base Savings £m	Stretch Savings £m	Base Saving % of Existing Cost Base
Senior Management	15.4	6.3	6.3	41%
All Remaining Workforce excluding Education, Social Care, ICT	224.1	17.9	26.9	8%
ICT Systems and Workforce	34.6	9.6	11.0	28%
Office Accommodation	10.9	2.7	5.5	25%
Democratic Arrangements (1) Councillor Costs	4.2	0.9	0.9	23%
Democratic Arrangements (2) Election Costs	3.5	1.5	1.5	44%
Supplies and Services (non-ICT, non-Office Accommodation	50.9	3.8	5.1	7.5%
Total savings across both new councils		**42.9**	**57.3**	**10%**

These savings build up over five years, with the entire £42.8m being delivered by 2032/33 as shown in the chart below:


Annual Savings Build-up £m
9,706
12,508
14,786
4,822
1,061
2026/27
2027/28
2028/29
2029/30
2030/31
2031/32
2032/33

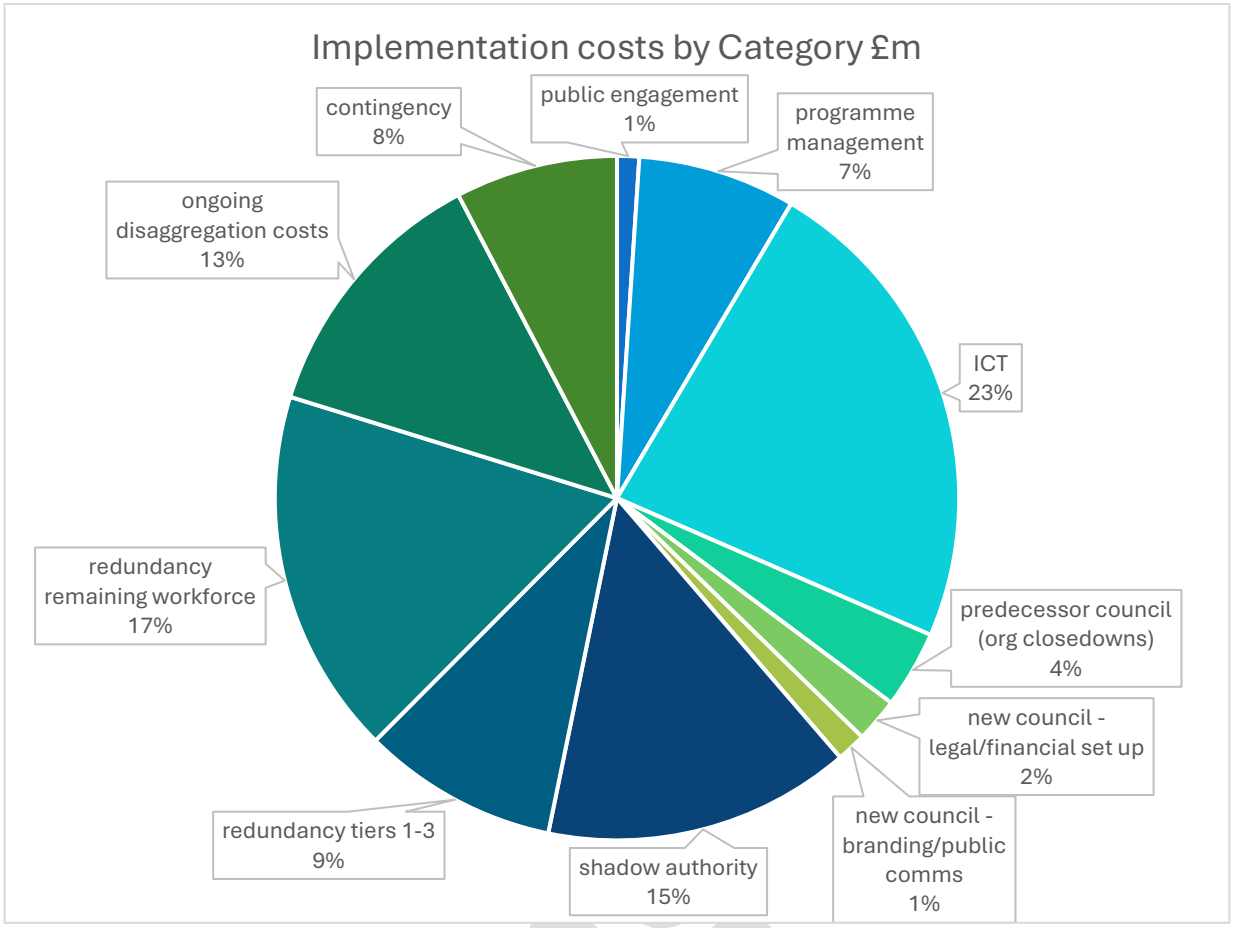
Projected transition and ongoing costs

Set against the savings are the one-off and ongoing costs of reorganisation, which are outlined in Table Y below, and explained in more detail at Appendix XX:

One off and ongoing additional costs (across both new councils)

	Pre-Vesting Day		Post-Vesting Day				Line item total
	26-27 £m	27-28 £m	28-29 £m	29-30 £m	30-31 £m	31-32 £m	
Public Engagement		0.3	0.3				0.6
Programme Management	1.4	1.4	1.4				4.3
ICT		4.2	6.5	2.1	0.4		13.2
Predecessor Council (organisation closedowns)			2.1				2.1
New councils Legal/Financial set up		1.2					1.2
New councils Public Comms/Branding		0.4	0.4				0.8
Shadow Authority Costs		8.3					8.3
Redundancy Tier 1-3			5.3				5.3
Redundancy Remaining Workforce				4.9	4.9		9.9
Ongoing Disaggregation Costs			1.8	1.8	1.8	1.8	7.2
Contingency	0.1	1.6	1.8	0.9			4.4
Total	**1.5**	**17.5**	**19.7**	**9.7**	**7.1**	**1.8**	**57.4**

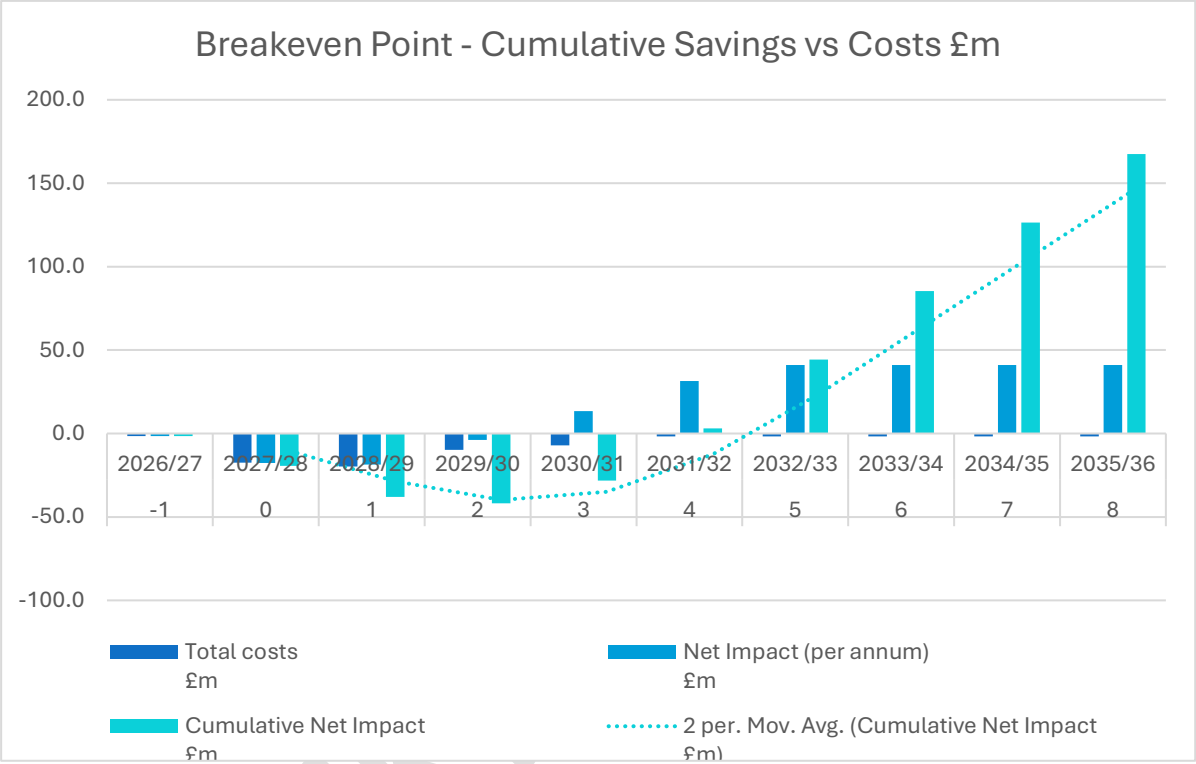
The Implementation Costs by Category and percentage of overall spend are shown below (using the data from the above table):


Implementation costs by Category £m
public engagement 1%
programme management 7%
ICT 23%
predecessor council (org closedowns) 4%
new council - legal/financial set up 2%
new council - branding/public comms 1%
shadow authority 15%
redundancy tiers 1-3 9%
redundancy remaining workforce 17%
ongoing disaggregation costs 13%
contingency 8%

Payback Period

Option B pays back by Year 4 of the new authorities, meaning the savings will outweigh the upfront costs in only four years, freeing up recurring savings to support the cost of delivering frontline services and deeper transformation – creating a virtuous cycle.

Cumulative Savings vs. Cost of Implementation



Payback Period, using the base case savings scenario

Year	Financial Year	One off Costs £m	Recurring Costs £m	Total Costs £m	Recurring Savings £m	Net Impact (per annum) £m	Cumulative Net Impact £m
-1	2026/27	-1.6	0.0	-1.6	0.0	-1.6	-1.6
0	2027/28	-17.5	0.0	-17.5	-0.2	-17.7	-19.3
1	2028/29	-17.9	-1.8	-19.7	1.1	-18.6	-37.9
2	2029/30	-7.9	-1.8	-9.7	5.9	-3.8	-41.8
3	2030/31	-5.3	-1.8	-7.1	20.7	13.5	-28.2
4	2031/32	0.0	-1.8	-1.8	33.2	31.4	3.1
5	2032/33	0.0	-1.8	-1.8	42.9	41.1	44.2
6	2033/34	0.0	-1.8	-1.8	42.9	41.1	85.3
7	2034/35	0.0	-1.8	-1.8	42.9	41.1	126.4
8	2035/36	0.0	-1.8	-1.8	42.9	41.1	167.5

Comparison of savings and costs for all LGR options

	Savings	Costs	Payback year
Option A	£12.1m	£34m	6
Option B	£42.8m	£57.4m	4
Option C	£6.2m	£14m	2
Option D	£1.4m	£41m	50+
Option E	£2.3m	£17m	8

Council Tax Harmonisation

New unitary authorities are required to harmonise their Band D council tax within 7 years (council taxes must be fully harmonised by year 8). In practice, though, most new unitary authorities harmonise within 1 or 2 years.

A detailed explanation of the impact on each existing authority's council tax levels is set out at Appendix XX.

Conclusion: financial sustainability

Option B creates two genuinely sustainable councils with the financial strength to deliver for residents over the long term.

The £57.4m implementation investment delivers clear value: full payback by 2031/32 (year 4 after Vesting Day) and cumulative net savings of £167.4m by 2035/36. This is not simply reorganisation – it's a strategic investment that pays for itself and generates substantial ongoing savings.

Critically, Option B is the only proposal that genuinely addresses the levelling-up agenda for Peterborough and northern Cambridgeshire. It ensures the northern unitary has the scale, financial resilience and capacity to tackle entrenched deprivation and inequality.

Option B also aligns economic geography with governance. By matching council boundaries to areas designed for growth, it creates the conditions for economic expansion to generate the tax base needed to fund improving public services – a virtuous cycle that benefits all our communities.

Theme 3 – Better Public services

> "prioritising the delivery of high-quality and sustainable public services to citizens" with "consideration given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety".

Transformation and public service reform

Reorganising councils presents an opportunity to be innovative, address current challenges and to make sure they are fit for the future. It can act as a catalyst to improve outcomes for all our residents, alongside wider reforms including:

- The NHS 10-year plan (analogue to digital; treatment to prevention; and hospitals to community)
- Planned reforms to Children's Services, SEND and Adult Social Care (Casey Commission and the development of a national adult social care reform plan).

We should take an ambitious and localised approach to transformation so that services are organised for our local communities to thrive as they have requested.

People, Powered, Places is a preventative-led approach, with strong roots in local communities, building on evidenced based practice to reduce demand for statutory care, increase responsiveness and provide greater value for money for the taxpayer.

Well targeted investments that support prevention reduce spend on crisis services, strengthen councils' fiscal resilience and improve labour market outcomes[43].

Four key public service benefits of Option B:

- **Better financial resilience to future poof services**
- **Greater fairness and better outcomes**
- **Localised approach to service delivery**
- **Councils committed to putting residents first when transforming services**

[43] Institute for Government 2025

North Cambridgeshire & Peterborough and Greater Cambridge Councils will provide measurably better outcomes than the status quo and achieve better value public services for the taxpayer.

Each council will have distinct qualities and strengths and the best prospects to address their particular local challenges compared with alternative options.

Greater Cambridge faces significant housing affordability challenges and rising SEND pressures, while North Cambridgeshire & Peterborough has greater deprivation, higher working age care needs and an ageing population

The new councils will seek join the national 'Test, Learn, Grow' programme to redesign services through a place-based approach.

This will build on preventative services already provided, use existing community centres and establish Best Start Family Hubs as the backbone of this approach.

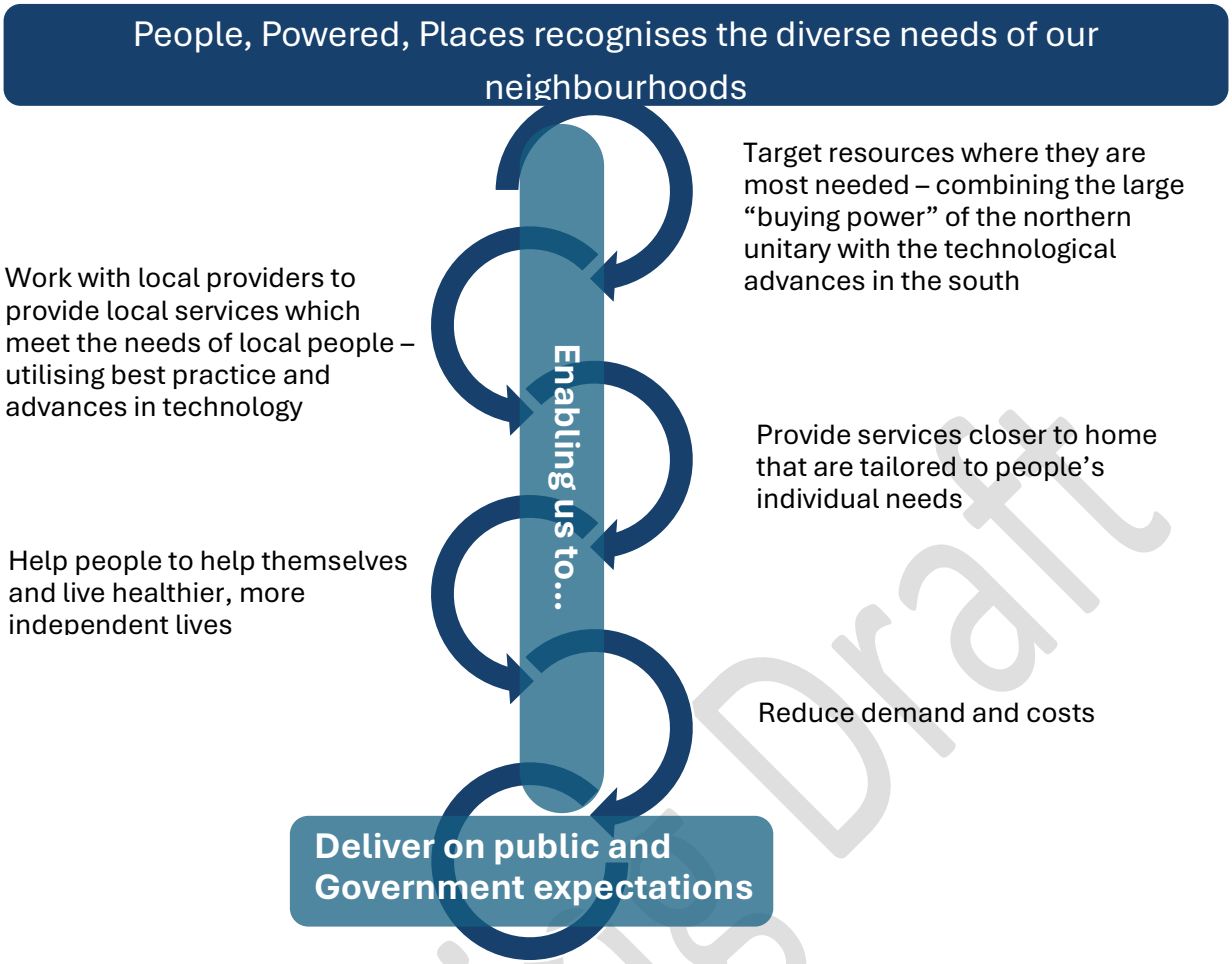
Adoption of neighbourhood-based models of service delivery will enable both councils to begin the journey to genuinely integrate social care, education and health services, with housing, community safety and the wide range of preventative services currently provided.

Both councils will be designed to deliver more effective and more responsive services that residents have called for in response to surveys about their reorganisation priorities.

Other reorganisation proposals **do not** provide these benefits. They would:

- create a greater imbalance in social needs between each council area, which could risk perpetuating inequalities in health and employment outcomes
- place additional strain on council budgets
- create the risk of a postcode lottery for residents with housing needs by mixing areas with council owned homes and areas with no council owned homes
- not support growth prospects for the whole area, which will affect future funding for local services

Over time these disadvantages could create greater unfairness between the quality and funding for public services that residents living in each council area receive.



Simply "lifting and shifting" existing services into the new councils will not resolve these demand and cost pressures. That approach is likely to result in cost and demand trajectories continuing to rise unsustainably.

People, Powered, Places is a new approach for the area which redesigns the way services are delivered to help reduce demand for statutory services and support greater independence and community resilience.

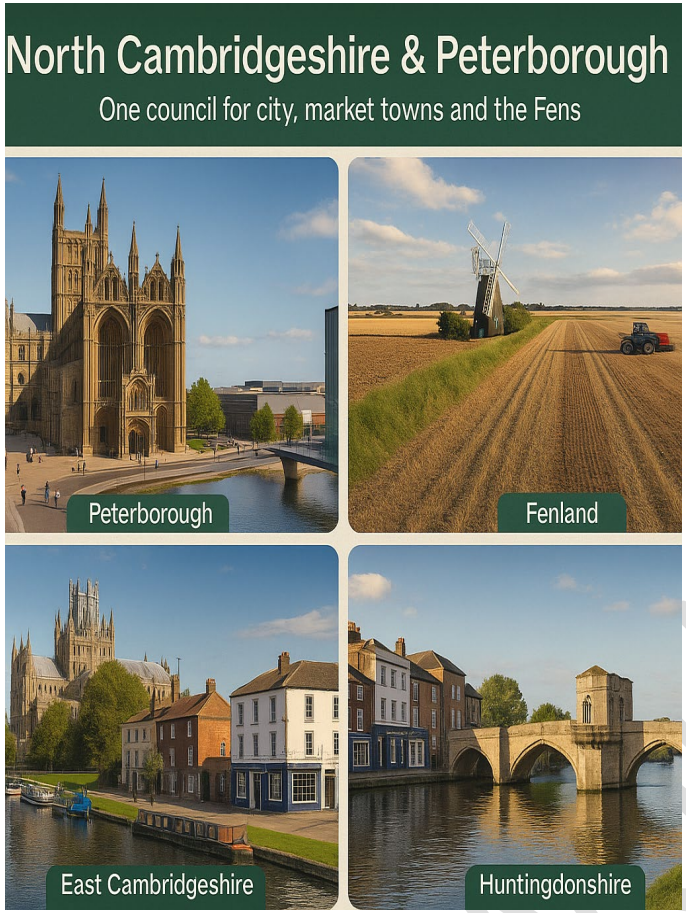
Each council has the right scale to fund services that can enable communities to thrive but is local enough to care.

Summary

Option B offers the best opportunity to deliver better outcomes for the whole region's residents.

- **Scale and funding where it is needed most because this achieves greater fairness, in particular to improve outcomes for our more vulnerable residents**
- **Designing into the new councils the priorities that residents have told us they want: better health infrastructure, better community facilities, and respect for community identity**
- **A focus on community powered health that puts residents front and centre; going to where residents need us most – to their neighbourhoods and homes**
- **More responsive authorities that are better at listening to communities to understand and respond to feedback in a timely manner that delivers results**

Public services in North Cambridgeshire & Peterborough



At a glance:

- Population: ~612,000 (4th-largest unitary by population)
- GDP/head ~£31,120 (England median)
- Settlement mix: 57% rural / 43% urban.
- Budget per head ~£916
- 8/10 residents live and work in council area

Needs profile :	• Below English average population needs, but unevenly spread. Deprivation hotspots in Peterborough and Fens market towns • Ageing rural communities; higher working-age social care in urban areas; rising adolescent Learning Disability (LD) and autism
Value for money & governance	• Buying power where it is most need to deliver better value for money people services • Localised governance to enable district level accountability: 'buy big – deliver locally'
Adult Social Care	• Scale to reshape care markets by developing local providers • Joined up prevention, social care and NHS neighbourhoods to keep people independent - home adaptations, reablement, community support, hospital discharge
Children's & SEND	• Single children's services for c. +60,000 additional young people (beyond Peterborough), covering child protection, SEND and school admissions. Focus on early help and attainment • Reduced costs by sharing best practice (Peterborough currently 2× County spend per child); • Scale comparable to Leeds and North Yorkshire, which have 'outstanding' Ofsted ratings
Housing & Homelessness	• One housing authority to set strategy, align with Housing Associations to increase homes and standardise tenancy support (all council homes already transferred to HAs). • Integrate homelessness prevention with social care; expand Housing First and targeted support for care leavers and older people
Planning & Transport	• Residents have one body to hold to account for potholes, traffic calming and major schemes. One Local Plan supporting key growth sites. One voice to influence CPCA on bus networks and stations and deliver CPCA policy • Build on Peterborough's strengths in skills, highways, and planning for market-town renewal
Waste & Street Cleansing	• Standardise recycling/collections across the area; larger fleet can lower unit costs; • Smaller back-office allows more frontline work; rural areas benefit from shared kit/crews; crews directed to fly-tipping and litter hotspots regardless of old boundaries
Overall outcomes	• Increased resident satisfaction, lower cost through scale, smoother transition (building on Peterborough's unitary footing), and neighbourhood-level delivery tailored to different communities

Public services in Greater Cambridge

At a glance:

- Population. ~322,000 (ONS 2024); 40th-largest unitary.
- GDP/head ~£49,260; budget per head ~£1,055
- Settlement mix: 64% urban / 36% rural.
- Age profile: U18s 19.2% / 65+ 16.0%.
- 9/10 residents live and work in council area

Needs profile	Below England average population need; low children's social care but rising SEND needs with population growth Housing affordability and above-average rough sleeping; pockets of deprivation (North/East Cambridge) and isolated rural poverty; ageing population in rural villages
Value for money & governance	• Strong emphasis on prevention and community resilience to manage demand as the council receives lower care grant • One council to simplifying complex governance and accountability building on existing shared services
Adult Social Care	• Care joined up with housing and community health to reduce inequalities and keep people independent - home care, adaptations, reablement and care-tech pilots • Streamlined hospital discharge with Addenbrooke's and GPs; single accountable pathway, with fewer hand-offs
Children's & SEND	• Integrated approach to safeguarding and school place planning; family hubs and early help aligned to district community assets and housing services • One council coordinating education, transport and inclusion leading to better SEND provision and planning • Social investment in local care homes supporting the most vulnerable children
Housing & Homelessness	• Back-office consolidation to reinvest savings in new supply and support. One landlord authority (c. 1 in 10 homes council-owned) with significant opportunity for integration with ASC to support prevention agenda • Integrate homelessness prevention with ASC/Children's; scale Housing First and key-worker housing offers
Planning & Transport	• Already shared Local Plan; integrate GCP for one growth plan for labs, homes and infrastructure • Local control of roads/traffic management for faster schemes and better bus/active-travel integration
Waste & Street Cleansing	• Extend Greater Cambridge Shared Waste to waste disposal for higher recycling rates, and stronger commercial income • Integrated street cleansing and highways so city and villages get consistent standards; less back-office duplication and more frontline time
Overall outcomes	• Prevention-led, integrated services to address complex area profile (rising SEND, housing/rough sleeping pressures, and complex transport challenges) • Workforce plan for mental health practitioners, occupation therapists (Ots), Educational Psychologists. • Clearer accountability, quicker delivery, and better value for Greater Cambridge residents

Benefit 6 - Better financial resilience to future proof services for residents

The largest pressure on councils' budgets comes from "people services" - Children's Services, SEND, Education, Adult Social Care, Housing, Homelessness, Community Safety, and Public Health.

These statutory, demand-led services must be provided whenever residents meet eligibility criteria, and therefore account for most council spending.

These services are also the most complex and high-risk areas of council delivery.

Both Cambridgeshire County Council and Peterborough City Council spend a higher proportion on these services than the national average.

On different measures of financial resilience, both existing upper tier councils have a higher exposure to financial risk than councils nationally.

	CIPFA Financial Resilience	LGA Financial Stress	% High Demand Services	Main drivers
Cambridgeshire	3rd quartile – above average exposure	4.3 medium	61%	Rising SEND deficit (£63m tbc.), adult social care inflation, but healthy tax-base and capital financing ratio
Peterborough	4th quartile – highest exposure	7.6 high	67%	Minimal reserves, history of in-year overspends, high debt charges, SEND deficit & homelessness pressures.

Why Costs areRising

Adult Social Care, Children's Social Care and Special Educational Needs and Disabilities (SEND) will keep driving cost growth due to:

- **rising population:** our region's population is growing well above the UK average – we need to plan for increased demand in a coherent and effective way
- **rising complexity of need** due to a variety of social and economic factors and better diagnosis
- **ageing populations,** which drive demand for adult social care, and place additional costs on councils when fewer people will be responsible for the costs of their own care
- **increasing working age population**, which will lead to more adults of working age with care and support needs, including younger adults with disabilities
- **increasing SEND demand**, partly resulting from rising children's mental health and neurodevelopmental referrals.[1]
- **higher than average inflation** due to workforce challenges and a lack of in-area supply resulting in costly out-of-area placements, for example for children's care and SEND placements

Financial Sustainability

It is essential to consider the distribution of statutory needs across the region when designing new unitary councils, as discussed in section XX

It is also essential to protect early help and preventative support. Earlier intervention can prevent needs and costs unnecessarily escalating.

Our proposal will give each new council greater resilience because financial risks are pooled and/or diversified more effectively across the whole region than in other options.

Services will be configured to support affordable housing and economic growth, and joint commissioning arrangements will be fully exploited.

This creates more sustainable council finances and is ultimately better for our residents and provides better value public services for the taxpayer.

Both councils are the right size to work effectively for their needs profile.

North Cambridgeshire & Peterborough

- Population of over 600,000 exceeding the Government's guidance for resilience; and a larger share of the total adult social care, children's services and public health budget and resource, increasing its ability to benefit from economies of scale.

- Additional £50m per annum due to anticipated reforms to local government finance to reflect population size and needs profile.

- Total reserves at £203.3m are higher per capita than any other northern unitary option - greater resilience against more volatile costs of demand led statutory services.

- Commissioning scale where demand pressures are greatest. Buying power is concentrated exactly where it is needed most with Peterborough and Fenland part of a larger unitary. This offers better value for money and better-quality specialist services. It could include promoting the expansion of local micro providers and micro enterprises to meet the needs of rural communities.

- Independent modelling by Newton suggests that its characteristics (population, need, funding) give it the best chance of achieving Ofsted 'Good' for Children's Services than other northern unitary options.

- Comparable budget per head (£1,055) to the northern unitary in Option A (£1,057).

Greater Cambridge

- Population of over 322,000[44] exceeding the Government's minimum for resilience. It would be the 20th largest of the 64 existing unitary authorities in England; and is forecast to grow to over 400,000 by 2040 based on existing plans.

- It would have higher than England average homelessness pressures and rising demand for SEND. Smaller commissioning scale could add a premium for specialist care provision. However, the population is above median size for authorities that achieve 'Outstanding' children's services.

- Independent modelling by Newton suggests its characteristics give it the same chance of achieving Ofsted 'Good' for Children's Services as other southern unitary options.

[44] 63 Unitary Authorities in England, mean population 269,397; median 230,185 (ONS, 2024)

- It would have sufficient per capita budget at £916 to meet lower social needs; and following council tax harmonisation it would have the same Council Tax rate but lower statutory needs than other southern unitary options.

- Total reserves at £206.8.m are higher per capita than other southern unitary options, which provides greater mitigation against financial volatility for demand led statutory services.

- Anticipated reforms to local government finance will reduce annual funding by £5m because it has lower social care needs.

- Opportunities to collaborate with the world-leading research and innovation economy on care-tech and workforce development programme, including integrated-care models, and digital innovation pilots for early intervention.

- Over 1 in 10 homes would be council-owned. Theis would facilitate significant opportunities to integrate social care, social housing and health services to enable a stronger preventative approach and improve vulnerable resident outcomes.

Commissioning at the right scale

Where cross-boundary collaboration offers better outcomes and value for money, and support national reforms to the NHS, social care and SEND the new councils could maintain existing or establish joint commissioning and other arrangements.

Services	Collaboration	Rationale
Community Equipment & Assistive Technology	Joint commissioning with NHS across Greater Cambridge and NC&P	**Economies of scale; consistent specification**
Hospital Transfer of Care Hubs	Shared cross-boundary hubs at acute hospitals	**Supports timely discharge, avoids duplication**
Learning Disability Respite and Day Services	Reciprocal access agreements across Greater Cambridge and NC&P	**Protects continuity where current services cater for specific cohorts**
High cost children's services and specialist mental health and learning disabilities services	Joint commissioning arrangements/unit across Greater Cambridge and NC&P	**Economies of scale; consistent specification**
Safeguarding Adults Boards and Community Safety Partnerships	Shared/adapted arrangements across Greater Cambridge and NC&P	**Maintains strong partnerships and critical expertise**
Homelessness and Rough Sleeping Services	Shared best practice approaches across Greater Cambridge and NC&P, aligned with health, community safety and welfare	**Integration across housing, social care and public health to reduce risk of rough sleeping**

Financial modelling by Newton for the County Council's Network

Newton's analysis suggests that Option B achieves £1.6m lower overall costs from year one for 'people services' (CSC, ASC, SEND, and Homelessness) than current arrangements.

Newton also suggests Option A would lead to higher forecast costs for people services than are currently provided. Over the longer term to 2040, Option B will be £13m better value than Option A – the County Council's preferred option.

Newton forecasts that Greater Cambridge and North Cambridgeshire & Peterborough would not have the extremes of per-resident costs and demand-led growth that other options would have. This means that high demand exposure is more sensibly spread.

Our proposal therefore balances financial risks more effectively than other proposals. This is better for financial resilience and sustainable council finances, and ultimately better for our residents.

Residents can have greater confidence that both councils can afford decent public services that will be fit for purpose in the future, including areas in the north with current financial challenges and higher deprivation.

Is Greater Cambridge large enough for Outstanding Children's Services?

The role of children's services is to ensure that all children, particularly the most vulnerable, are safe, supported, and can achieve good outcomes in every aspect of their lives.

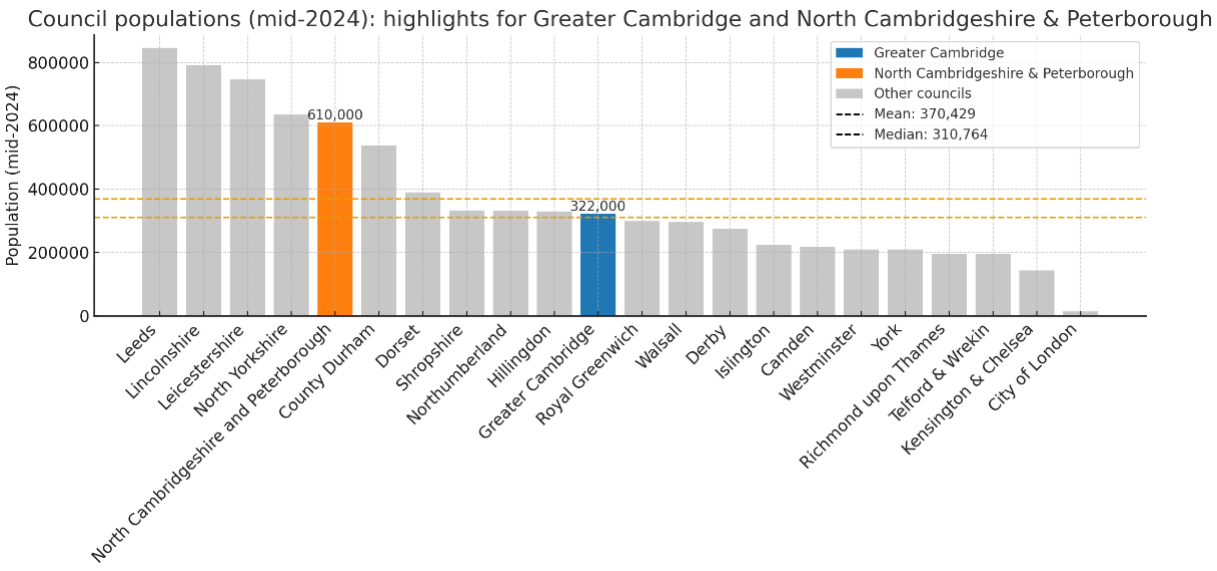
Peterborough City Council is currently rated 'Inadequate' and Cambridgeshire County Council 'Requires Improvement' by Ofsted. Reorganising local government is an opportunity to deliver excellent children's services with the ambition to be outstanding.

It has been suggested that a Greater Cambridge authority would be too small to have effective Children's Services. In practice, it would receive a higher level of grant per under 18's than several authorities with 'Outstanding' Children's Services. Each of these authorities have the same and higher rates of children in care (CiC; national average 7 per 1000 under 18s) and populations that are smaller, of a similar size and larger.

- **Greater Cambridge: £992 per U18; 2.8/1000 CiC; pop 318,500**
- Richmond upon Thames: £689 per U18; 2.9/1000 CiC; pop. 195,500
- York: £952 per U18; 8/1000 CiC; pop 207,000
- Shropshire: £982 per U18; 10.4/1000 CiC; pop. 329,000
- North Yorkshire: £936 per U18; 3.8/1000 CiC; pop. 627,500
- (North Cambridgeshire and Peterborough - tbc)

**2022 ONS mid-year population estimate and DfE CIC used to be consistent with Pixel financial model inputs used to calculate Graeter Cambridge Children's Social Care Relative Needs Formula*

Comparison of population size with 'Outstanding' Ofsted rated Children's Services



Benefit 7 - Greater fairness and better outcomes for all residents

Our proposal creates the most balanced and equitable distribution of needs and demand for key people services. These services account for the majority of council spending.

This is fairer and better for everyone in Cambridgeshire and Peterborough than any of the alternative options (see options appraisal pgXX).

It would allow each council to develop distinct people services and strategies to meet the different demands upon statutory services from their unique local communities. Designing councils to reflect the region's variation in local needs profiles supports better outcomes.

Better outcomes: each authority can develop specialist people services and strategies tailored for the different statutory needs of their communities.	
North Cambridgeshire & Peterborough Older profile and greater deprivation, with children's and ASC demands concentrated in Peterborough and the Fens. Its scale offers the advantage to address higher cost services by buying better and building local alternatives to costly out of area placements. It will need to focus on growing provision and workforce capacity to address family homelessness, adolescent edge of care, SEND sufficiency and travel; and shaping the market in supported living and rural home-care across Huntingdonshire, Fenland, and East Cambridgeshire.	**Greater Cambridge** Lower statutory needs, a younger and healthier population but fast-growing with pressures on housing affordability and SEND provision. With lower budget per capita and less buying power the council will need to focus its plans and strategies on a prevention first approach. In particular, building schools and SEND inclusion in fast-growing new communities, building affordable housing, improving rough-sleeping pathways, and developing a tech-enabled care offer.

Our proposal will encourage ongoing collaboration and partnership between the two councils. They will be stronger by working together; sharing best practice and local insights, co-commissioning and looking ahead at how public services will continue to change in future, including due to anticipated government reforms.

Two councils, each built around what their communities need.

Greater Cambridge focuses on *prevention and inclusion* (lower statutory demand, fast growth).

North Cambridgeshire & Peterborough focuses on *stronger protection and support* (higher need today, more complex cases).

One size doesn't fit all. Option B creates scale where it is needed most. It lets both councils specialise in what works best for their places and encourages ongoing cross-council collaboration for service delivery.

The average level of need for children's services, adult social care and homelessness is lower for our proposed councils than the national average across all key metrics, and lower than the alternative options (Options A, C, D and E). The exception is rough sleeping due to the higher concentration in Cambridge.

Options A, C, D and E concentrate levels of need, neglect and deprivation in the northern unitary. When combined with the significant financial challenges in Peterborough and higher ASC needs in Fenland, these options risk creating greater inequality of outcomes across Cambridgeshire and Peterborough.

All other options risk deepening social inequalities and placing disproportionate pressure on a single authority, which lacks the scale or financial resilience to respond effectively.

Population-weighted metrics: People Services

	Children in Care (CiC) per 1,000 (0-17)	Children in Need (CiN) per 1,000 (0-17)	EHCP (%)	ASC per 1,000 adults	Temporary accommodation households per 1,000 dwellings	Rough sleepers per 100,000
Option B: Greater Cambridge	**2.8**	**11.3**	**4.7**	**11.9**	**5**	**9.3**
Option B: North Cambridgeshire & Peterborough	**5.6**	**21.7**	**4.8**	**15.3**	**4.7**	**7.6**
Option A: South	3	12.1	4.8	11.7	4.3	7.5
Option A: North	6	22.8	4.7	16	5.2	8.8
Option C: Southwest	3.3	13.7	4.6	12.5	3.9	6.8
Option C: Northwest	6.3	23.5	4.9	16	5.9	9.9
England (average)	**7**	**33.3**	**5.3**	**19.7**	**5.1**	**8.1**

To enable a more meaningful comparison of social needs across key people services (Children's, Adults, SEND and Homelessness) for each option individual metrics can be integrated and presented as an index.

Social Needs Index

The table below illustrates a composite of indicators in the table above (table X). It also illustrates forecast changes in demand to 2040 based on Newton assumptions and ONS Subnational Population Projections which enable disaggregation by age group[45].

Option B has the most balanced and equitable social needs distribution between the two councils of all the options. This means that Greater Cambridge and North Cambridgeshire & Peterborough would both have lower needs initially and over the long term than options A and C.

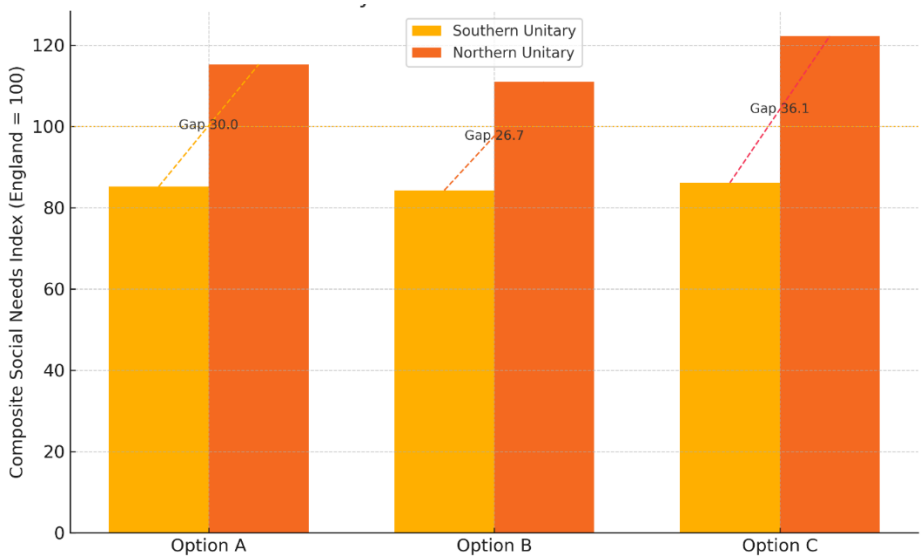
Under our proposal the difference in the social needs between each council's population are also narrower than alternative options (Options A, C, D and E).

(England average = 100; 2024)

	Social Needs Index (2024)	Social Needs Index (2040)	Key Characteristics
Option A	South 61 North 83	South 85 North 115	Moderate balance; mixes higher and lower need areas, less coherent than B.
Option B	Greater Cambridge 61 North Cambridgeshire & Peterborough 79	Greater Cambridge 84 North Cambridgeshire & Peterborough 111	Lower social needs in each authority now and over the long term, and greater balance between each authority.
Option C	South-West 63 North-East 85	South-West 86 North-East 122	Creates highest need northern unitary; least balanced.

[45] See Annex XXX; the composite Social Needs Index (SNI) weighted domains as follows: Adult Social Care 45 %; Children's 30 %; SEND 20 %; Homelessness 5 %.

‘Comparison of Social Needs Index in 2040



Option B separates higher-growth, lower-need Greater Cambridge from higher-need, predominantly rural North Cambridgeshire & Peterborough. Each authority has a clearer differentiation of needs that are more fairly distributed that the alternatives.

Family Psychology Mutual: helping families stay together

Huntingdon based social enterprise that empowers families using evidence-based practice.

Since being established 10 years ago, by former Cambridgeshire County Council staff, FPM have provided family therapeutic interventions to families whose children were on a trajectory to care. This work has avoided over ½ million care days, improving outcomes for young people and saving over £250m for councils.

Though Cambridgeshire based they are not currently operating here. That is a missed opportunity to grow local provision and adopt best practice that has been proven to work.

This would enable greater specialisation in each council area which means a better local offer, tailored to the needs of residents.

North Cambridgeshire & Peterborough would have the commissioning scale and buying power where demand and costs for specialist services are greatest, whilst enabling governance models that support localised delivery.

Differentiated service strategies across distinct but complementary geographies would also allow sharper commissioning, workforce planning and risk management than Options A or C. This could include greater use of local exemplar providers[46].

[46] helping_families_stay_together.pdf; Family Psychology Mutual | Explore Evidence-Based Family Therapy

Over time these comparative advantages could also improve the productivity and efficiency of the region's public services, though this has not been considered in the modelling.

Because our proposal provides a fairer and a lower distribution of social needs across the two new authorities it is structurally set-up to support better outcomes for local people. Each council is the right scale to work for the statutory social challenges they face and are set up to succeed.

Ferry Project, Wisbech, Fenland

The Ferry Project provides wrap-around person centred support to help homeless people and prevent homelessness.

As well as providing hostel and independent living accommodation for individuals with complex needs it also teaches the skills they need to live independently and access services.

By bringing council and health services 'into their home environment', trust is built between homeless people and care and health professionals.

The local GP practice also runs a drop-in service at the project with nurses and health and wellbeing coaches.

This has significantly improved health outcomes and reduced missed appointments achieving savings for stretched NHS budgets.

Benefit 8 - Localised approach to service delivery with partners and communities that prioritises prevention and early intervention

Neighbourhood and 'patch-based' working

In Option B, both new unitary councils will adopt neighbourhood and "patch-based" service delivery models, in both urban settings and more dispersed rural areas.

By adopting a localised approach, services will be better aligned to how people live and work and be shaped around the specific needs and characteristics of communities.

Community Powered: Health at the Hub

In Melbourn in South Cambridgeshire residents can access a range of health and wellbeing services provided by Meridian Primary Care Network's Personalised Care Team at Cambridgeshire ACRE Melbourn Hub.

Services include help with anxiety, pressure of being a carer, giving up smoking, cervical screening, healthier eating and the menopause, amongst many other aspects of general wellbeing.

The initiative has brought services out of GP surgeries and into a community setting, to provide easier access for patients. Members of the team include Social Prescribers, Health Coaches and Care Co-ordinators.

Understanding local needs and addressing them through hyper-local service delivery – particularly in the larger North Cambridgeshire & Peterborough Unitary, with its broad diversity of market towns, villages, and rural communities – will lead to better outcomes for residents.

This more tailored approach will also increase trust in services within communities, reduce demand failure and unleash greater levels of volunteering.

A localised approach provides opportunities to work more closely with other public and voluntary sector organisations that are also delivering services on an area or neighbourhood basis, including the police and NHS partners.

For example, the two councils will build on work by **integrated neighbourhood teams,** which are already operating with NHS partners, local government representatives and members of the voluntary and community sector.

A localised approach also unlocks the ability to work with smaller, grassroots organisations that are deeply embedded within their communities and have trusted relationships with residents. These groups are often best placed to identify emerging needs early and deliver

culturally relevant, accessible, and preventative services that reduce demand on more expensive statutory provision.

Our localised approach will build on existing local and national good practice, such as:

- Support for children, family and community centres, including the introduction of **Best Start Family Hubs**
- **Community hubs -** taking key services such as housing and financial advice into local areas and closer to vulnerable residents
- **Health, fitness and rehabilitation –** provided through a network of leisure centres, health centres and open spaces to support health, fitness and rehabilitation

Overall, this locally-led approach will strengthen community partnerships, improve service responsiveness, and reduce demand failure - creating a more sustainable and equitable model for delivering public services.

Case Study: Shaping Abbey, Cambridge

The Shaping Abbey programme is a collaborative, resident-centric approach to shaping services and investment priorities in Abbey and Barnwell neighbourhoods.

Community engagement is focused on regeneration and future growth, addressing ASB, and co-designing youth services.

This approach has been recognised in the UK Government's Civil Society Covenant as a national example of empowering local people to positively influence their neighbourhoods, or community wealth building.

Shaping Abbey - Abbey People

Prioritising prevention and early intervention

Option B will provide a platform for preventative approaches and early-intervention, which will help address the significant demand pressures for people services identified above and reduce long-term spending on costly crisis interventions.

Neighbourhood and patch-based delivery facilitates greater focus on prevention and early intervention. It enables each unitary authority to determine spending priorities and strategies around prevention and early intervention, ensuring that public services are better aligned with how people live and work.

It will enable the two unitary councils to begin the journey to genuinely integrate social care, education and health services, with the wide range of district council-led, locally-based preventative services, such as social housing, homelessness prevention, financial and debt advice, community safety, leisure services, and open space provision.

Neighbourhood-level service integration will bring valuable community insights into provision of social care, education and health services and help ensure that vulnerable households are identified earlier and supported more holistically.

Furthermore, commissioning through local models enables greater flexibility to engage community groups, voluntary and community sector (VCS) organisations, and parish councils as delivery partners for prevention, wellbeing, and low-level support services.

Accessing early support can improve independence and resilience for residents and prevent escalation and demand for statutory services.

The two unitary councils will build upon and strengthen existing preventative services that are working well and use them as the backbone of our approach.

For example, there are a number of existing hubs that can act as nodes for a neighbourhood service delivery network:

- **Early Help** - large numbers of families in Cambridgeshire and Peterborough are supported by Early Help, with assessment rates that are above the English average
- **Family Hubs** supporting parents and young children, with examples in place already in Peterborough (e.g. Honey Hill and Orton Family Hubs)
- **Community Hubs and Centres** providing a wide range of resources for communities
- **Breakfast clubs** currently being piloted in 12 Cambridgeshire schools as part of the national programme

Our proposal can enable a range of joined-up, preventative services at a neighbourhood level to help individuals and families to access the services they need, when they need them – building their own personalised support system.

Best Start Family Hubs

Better support during early years can improve education outcomes and reduce inequality. The government is investing £1.5 billion to improve support for babies, children and families.

Best Start Family Hubs serve as a one-stop-shop, where families can access joined-up services:

- **community services and support networks**
- **parenting classes and health services**
- **financial and housing advice**
- **early education resources**, including for children with additional needs

Lauren, 22, a first-time mum in Peterborough attends two perinatal mental health groups, which she says has transformed her mental health and helped her son's development.

"I turned up for a Babbling Babies. All my friends are [now] from the groups. It's made a real difference."

Benefit 9 - Putting residents first when transforming services

Local government presents an opportunity to be innovative, address current challenges and ensure that we have council services that are fit for the future.

Moving towards a model of integrated, neighbourhood-based, preventative services will involve significant transformation for both of the new unitary councils.

Our proposal will put residents first as part of this transformation through:

- Co-designed and community-led services
- Whole system approaches
- Digital transformation to improve the experience of people using council services
- Ensuring that statutory people services are safe and legal on day one

Co-designed services

Residents have consistently told us through consultations and feedback that they want councils to put users first when designing services.

The two unitary councils will co-design services with users wherever possible, as this will enable the councils to improve services and better meet people's needs.

As part of the service redesign process for people services, the councils will engage and collaborate with people with lived-experience, including children in care and care-leavers, supported older people, disabled people, people with mental health needs, families and carers.

Once new services are established, the two councils will also work closely with residents (through the community engagement approaches outlined in Theme 4) to shape service priorities around the needs of users.

Best Start Family Hubs

An iterative place-based approach to redesigning services at local level with communities – rewiring the state from the bottom up and also changing Whitehall too.

The initiative includes increasing the uptake of **Best Start Family Hubs** to support parents and young children, establishing neighbourhood health services, better support for children with special needs, getting more people into work, rolling out breakfast clubs, and tackling violence against women and girls.

We want to be part of the national programme to embed a 'Test, Learn, and Grow' approach as we establish new councils by becoming an accelerator area.

Community Powered Health: making prevention a reality

A central London primary care network employs local people as Community Health Workers. The results have been promising. From reducing hospital admissions and GP appointment by 10 per cent and 7 per cent to tackling loneliness and detecting and preventing illness early.

This example and other initiatives are changing the way communities engage with healthcare, particularly for those most in need and are helping to join-up disconnected local and NHS services.

'Healthier Fleetwood', in Lancashire has had similar results by working with local communities to bridge the gap between services and residents to help people improve their own health and wellbeing. Within a year, A&E attendance had dropped by over 17 per cent.

In Sheffield, a group of GPs have transferred 25 per cent of their additional roles budget to a local community anchor organisation – the Heeley Trust. Their health coaches report significant improvements in people's weight, blood pressure and measures of confidence.

People, Powered, Prevention works.

A Community-Powered NHS - New Local

Hospital discharge and community support

The NHS and local authorities work together to support patients discharged from hospital that are eligible to get the right social care support at home.

In Cambridgeshire, 79% of people remain at home 91 days after being discharged and receiving reablement. The figure for Peterborough is 71%. [*Microsoft Power BI (ASCOF)]*

Cambridgeshire and Peterborough perform poorly on this measure, ranked at 112th and 141st respectively, out of 153 nationally. The average is 84%.

Areas that send patients for treatment to our hospitals have higher reablement outcomes. Norfolk 82.7%; Suffolk 85.7%; Hertfordshire 83.4%; Essex 87% and Lincolnshire 91.7%.

This suggests that being treated at hospital in your local authority has less bearing on the outcome than the quality of local social care provided.

LGR offers significant scope for improvement in reablement outcomes by adopting a community powered approach.

Whole system approaches

When designing new services, the two new councils will put users' needs first, and design services around them, rather than starting with operational requirements or the structure of services.

As well as integrating upper tier and district council services, the two new councils will develop strong partnerships with public, voluntary and community organisations to develop whole-system solutions around the needs of residents and service users.

Changing Futures in Cambridgeshire and Peterborough
We can build on the platform provided by our existing whole-system partnership for individuals with multiple and complex needs. Changing Futures is a cross-government initiative supporting people facing multiple disadvantage, such as homelessness, mental ill-health, substance misuse and domestic abuse. In Cambridgeshire and Peterborough, the programme focuses on trauma-informed approaches, relational practice, peer support, and better coordination across services that too often operate in silos. Early evaluations highlight improved engagement, stronger partnerships, and opportunities to reshape services around prevention and recovery. [Impact data to follow]

Digital transformation

The transition to the new councils and the transformation of services will be underpinned by digital transformation and innovation.

We will build on best practice to design digital systems and services around the needs of services users, so that they help improve outcomes for residents and communities.

To ensure that residents benefit from more seamless and joined-up services, the two councils will implement efficient and effective data sharing systems, both across council services and with other public sector organisations.

Case management systems will be configured for the new authority footprints, with interoperability built in to ensure information sharing with NHS, housing, and education partners.

The councils will also use predictive analytics to identify where early support could be offered and intervention activity targeted to prevent needs escalating. For example, sharing with adult services data about people who have requested assisted bin collections and may be at greater risk of falls or isolation, or data about cases of self-neglect and hoarding.

The two unitaries will work with the globally significant technology and life sciences sectors to develop digital innovation pilots for early intervention and integrated care.

There are opportunities to leverage the expertise that exists in world leading tech companies located in Greater Cambridge, together with the research and clinical skills present in the NHS (including Cambridge University Hospitals, Papworth Hospital, Cambridge Children's Hospital, and the proposed new Cancer Hospital)

Case study - Low Income Family Tracker – LIFT

LIFT is an innovative data analytics tool used to identity vulnerable families. It integrates multiple datasets to provide insights at the household level.

South Cambridgeshire, Cambridge City and Peterborough are using LIFT to:

- prevent homelessness
- increase benefit uptake – in South Cambs supporting over £3.5m of pension credit claims and 377 families to access Healthy Start
- provide targeted debt advice support

There are plans to use LIFT to increase uptake of free school meals; support residents at risk of loneliness and isolation and take advantage of reduced water tariff to help reduce the cost of living and the impact of water use on the environment.

Case Study – Hey Geraldine!

Geraldine Jinks, a well-respected care expert at Peterborough City Council, worked with a leading AI company to transform herself into a ChatBot.

The 'Hey Geraldine' ChatBot gives advice to social workers 24 hours a day, 365 days a year and saves on average 15 mins per conversation.

It means staff have instant access to advice on the technology-enabled care equipment they need to help residents stay in their own homes for longer.

Safe and legal statutory services from Day 1

Adult Social Care, Children's Services, SEND and education, Public Health, Housing, Homelessness, and Community Safety are vital statutory services. They are also the most complex and high-risk of our service areas.

While our proposal will take forward longer-term service transformation to improve outcomes for residents in Cambridgeshire and Peterborough, it recognises that individuals and families must be safeguarded by robust transition and strong partnership arrangements. This will be vital to ensure that vulnerable people do not fall through the gaps during the transition period to the new unitary councils.

Our proposal will create two new unitary councils with statutory people services that are 'safe and legal' from day one. To achieve this we will disaggregate existing statutory Cambridgeshire County Council and Peterborough City Council services into the two new authorities.

Service Area	Day 1	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, Learning disabilities and mental health)	Teams lifted and shifted; existing Section 75 agreements continued	Renegotiate Section 75 to support local integration; embed Learning Disabilities 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 and 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
Specialist Legal Functions (e.g. Deprivation of Liberty Safeguarding)	Shared service across Greater Cambridge and NC&P to maintain critical mass	Long-term review of Liberty Protection Safeguards and shared resilience models

Theme 4 - Democratic representation, community engagement, local identity

Healthy democracy requires meaningful local connection and good governance. Our proposal delivers this balance through three key benefits:

- **Respect for distinct historic identities** that make Cambridgeshire and Peterborough unique
- **Strong democratic accountability while maintaining local connection**
- **Enhancement of community voice** through flexible, place-based engagement

Local Government: a brief history and 'why is it so complicated?'

Local government emerged from our urban centres in Peterborough, Cambridge, Huntingdon and Ely a thousand years ago.

Beyond these self-governing towns, from the 13th to 19th century, in rural areas county courts performed basic administration on behalf of the Crown.

In 1888, these became elected county councils:

- the County of the Isle of Ely,
- the County of Huntingdon
- the County of Cambridge
- the Soke of Peterborough (a self-governing area within the County of Northamptonshire)

The Borough of Cambridge was not affected. However, it tried to become a 'County borough' or a unitary in 1912, 1946 and 1960.

These arrangements with five principal local authorities lasted until 1965.

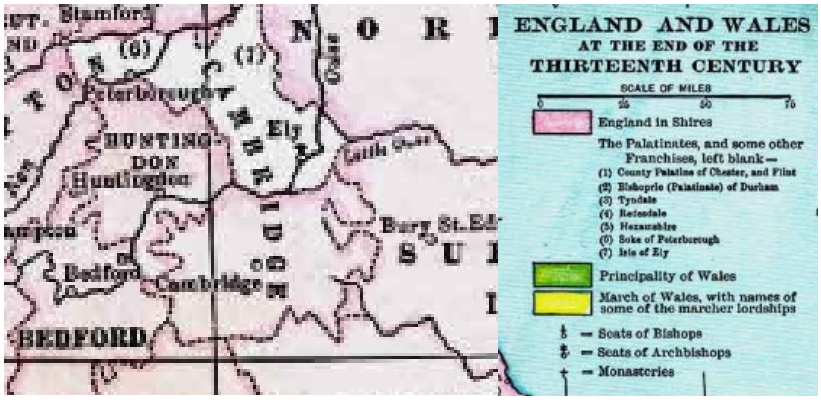
Local origins

'The Liberty (or Soke) of Peterborough' was administered by the church from 972 until 1790, under powers bestowed by King Edgar. It was granted city status in 1541 by King Henry VIII.

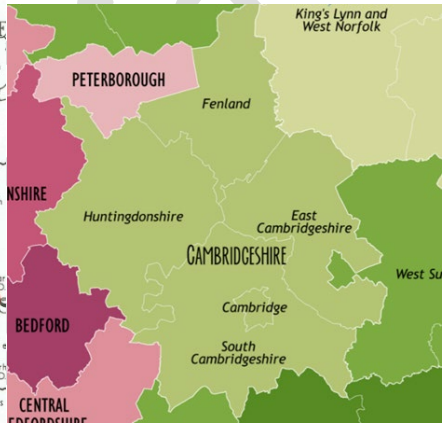
Cambridge was noted as a key English borough with 10 wards in the Domesday Book in 1086. It received powers of self-government from King Henry I as early as 1120 and became a city in 1951.

'**The Liberty of the Isle of Ely**' was run by the Bishops of Ely from 1109 until 1836 - which included present day Fenland. Regarded as a city since the 12th century, Ely was granted city status in 1974.

Huntingdon became a self-governing borough in 1205 under power granted by King John I. Since 1630 it has continued to appoint a Mayor.



Evolution of local administration reflects complex identities and history



From 1965 to 1974, the four county councils merged into two to create Cambridgeshire and the Isle of Ely County Council, and Huntingdon and Peterborough County Council.

The last major local government reorganisation in 1974 gave us the arrangements we have today.

Those reforms created an enlarged Cambridgeshire County Council. The County took on powers previously held by the two cities, and former county councils became districts.

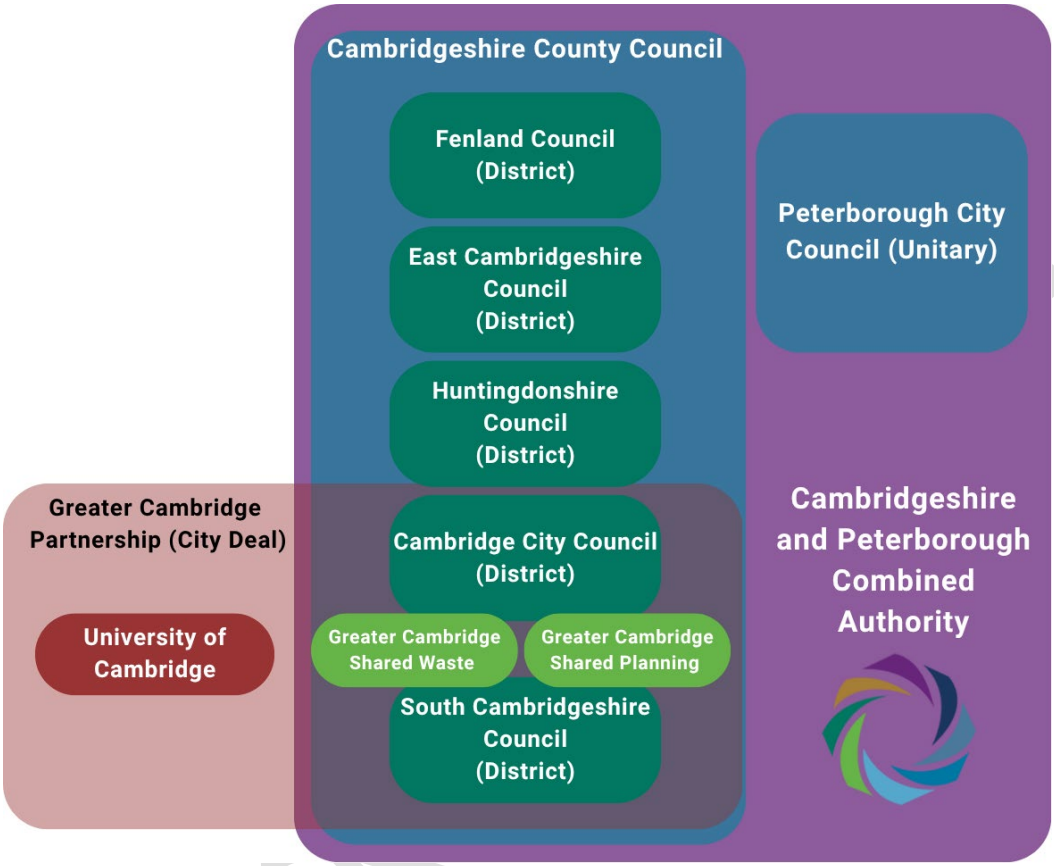
There have been more changes since then:

- **Peterborough City Council** became a unitary authority in 1998. The ceremonial County of Cambridgeshire, the Lieutenancy, was then changed to 'Cambridgeshire and Peterborough'.

- In 2014, the Greater Cambridge City Deal led to the creation of the **Greater Cambridge Partnership** – a joint committee of Cambridge City Council, Cambridgeshire County Council and South Cambridgeshire District Council.

- **In 2017, the Cambridgeshire and Peterborough Combined Authority,** with a directly elected mayor, was established.

Current Local Government governance arrangements across Cambridgeshire and Peterborough



Local Government: what next?

Local government has changed as the area has changed. Today is no different.

Central Government's proposed reorganisation is a once in a generation opportunity to simplify uniquely complex arrangements across Cambridgeshire and Peterborough.

Our proposal builds on the longstanding sub-regional identities and local governance that developed over millennia.

- the ancient administrative geographies of Peterborough, Huntingdonshire and the Isle of Ely, including Fenland – **North Cambridgeshire & Peterborough Council**

  and

- a southern council that reflects the historically smaller County of Cambridge – **Greater Cambridge Council**

Democratic Representation: How will you be represented in future?

The ideal number of Councillors a local authority requires should take into account the capacity required to provide[47]:

- **Strategic Leadership**
- **Accountability (Scrutiny, Regulatory and Partnerships) and**
- **Community Leadership**

There are currently 331 elected councillors serving Cambridgeshire and Peterborough.

Both Councils will operate with a Leader and Cabinet model of governance in accordance with the Government's clear position. This will ensure clear, visible and accountable leadership, and the Cabinet will be able to make decisions faster and with a strong strategic focus.

Leaders and Cabinets will be held to account by independently minded Scrutiny Committees. These committees will act as critical friends and offer constructive challenge to improve decision making on behalf of our communities.

The decision-making structures of the Councils will be reinforced with effective regulatory committees for Planning and Licencing, and a further range of committees to meet the governance needs of each Authority.

Councillors

Our proposal has carefully considered how many councillors each unitary council requires in order to achieve a strong level of democratic representation and maintain a deep connection to communities during the transition period.

The number of councillors must ensure democratic accountability and representation are sufficient to support good governance taking into account the geographic scale, mix of urban and rural areas, and the levels of deprivation.

[47] Local Government Boundary Commission for England (2023)

During the transition period, the Shadow Authorities must also maintain the confidence of the citizens they represent so that local needs, issues, and identities are fully reflected in the formation of the new unitary authorities.

North Cambridgeshire & Peterborough

Currently 217 councillors represent an electorate of 432,904. This consists of:

- 183 district and unitary councillors, over 80 wards (Peterborough City, Fenland, Huntingdonshire, East Cambridgeshire Councils) and;
- 34 county councillors over 33 divisions (Huntingdonshire, Fenland, East Cambridgeshire areas)

The elector-to-councillor ratio is as follows:

- District councillors serve an **average** ratio of 1:2,366
- County councillors serve an **average** ratio of 1:8,404

The proposal is that 125 councillors will be elected to the new authority. This will result in an elector-to-councillor ratio of 3,463.

This results in a reduction in the number of Councillors of 42%.

Greater Cambridge

Currently 114 councillors represent an electorate of 214,830. This consists of:

- 87 district and city councillors, over 40 wards (South Cambridgeshire and Cambridge City) and;
- 27 county councillors over 26 divisions (South Cambridgeshire and Cambridge City)

The elector-to-councillor ratio is as follows:

- District councillors serve an **average** ratio of 1:2,469
- County councillors serve an **average** ratio of 1:7,957

The proposal is that 65 councillors will be elected to the new authority. This will result in an elector-to-councillor ratio of 3,305.

This results in a reduction in the number of Councillors of 44%.

Community Engagement and Local Representation

Our proposal will create two new unitary councils that are committed to increasing community input into decision-making and ensuring that engagement is meaningful, inclusive, and responsive.

We are confident it can deliver:

1. Enhanced community voice through neighbourhood and area-based engagement
2. Improved engagement with diverse communities
3. Better democratic governance and increased civic trust

Reflecting the views of our communities, set out in Section 2 above, we will ensure:

- the needs of rural areas are not overlooked,
- all communities are well represented by knowledgeable councillors who understand their locality, and
- that partners including parish and town councils as well as the voluntary sector continue to play their key roles and are supported by the new councils in doing so

Our approach to engagement will be nuanced, recognising the differing needs in urban and rural communities and strike a balance between neighbourhood or patch-based engagement and the need to engage communities of interest.

The proposal recognises the learning and feedback from established mechanisms for local decision-making and community engagement from several of our existing local authorities, as well as examples of good practice from elsewhere.

Enhanced community voice through neighbourhood engagement

The two Councils will adopt a flexible approach to engage local communities on issues that are of interest to them and where community views add value to the decision-making process. This involves a range of different mechanisms, including both structured approaches and more dynamic, informal settings (see diagram below).

We will address the potential imbalance that our engagement exercise identified, by ensuring the scale of the new councils does not result in loss of local voice and that we maintain and protect a deep understanding of our local places.

The Councils will also adopt enhanced models of engagement in neighbourhoods where more significant change is being proposed (e.g. major housing development or regeneration schemes), or in communities where there are higher levels of deprivation or need or where rurality may act as a barrier to accessing services.

A range of public service providers (including local government, health and police services) and the VCSE will work collaboratively at a neighbourhood level and jointly engage with local residents.

In the North Cambridgeshire & Peterborough unitary, where communities are more dispersed across market towns, villages and rural areas, the new council will need to adopt hyper-local, "patch-based" approaches to engagement and service delivery.

This will be built on experience of the Integrated Neighbourhoods model that brings together health and social care resources to deliver hyper-local, community-focused care. Alternatively, similarly sized authorities such as in North Yorkshire have established Area Constituent Committees and provide a different approach. The new councils will need to reflect on best practice to establish localised forms of governance that are right for their communities and traditions.

Case Study: Haddenham CLT Scheme, East Cambridgeshire
Community Land Trusts (CLTs) are organisations run by local people for local benefit. East Cambridgeshire Trading Company and Haddenham CLT worked in partnership to deliver the West End Gardens housing development, providing a mixture of private homes and affordable housing for residents with village ties. Local residents were involved in decisions around the land, house types, layout and design. The project was also designed to foster vibrant, cohesive communities, through balanced tenures and shared green areas and play spaces to encourage social interaction. [image]

Case Study: Using CIL to Strengthen Local Democracy, Huntingdonshire
In Huntingdonshire, local communities shape development-led investment through Community Infrastructure Levy (CIL) funding. Each year, parish and town councils receive a share of £6m CIL funding to reinvest locally. Residents and elected members influence how growth funds are invested, balancing immediate priorities with longer-term projects. A wide range of projects have been funded including community buildings, sports, play, green space, public realm and traffic management schemes. [image]

Resident Engagement Pathways

Improved engagement with diverse communities

We recognise that for some communities of identity or interest, neighbourhood or area-based engagement structures may not always reflect their needs and hopes. For example, young people told us in our engagement exercise that they do not feel well connected to their communities. The two new unitary councils will carry out targeted engagement with communities that are often underrepresented by traditional approaches.

This engagement will recognise the important role of:

- Councillors supporting these conversations in line with portfolio or service or ward responsibilities, helping to ensure insights from community groups to scrutinise, and to influence policy and delivery

- Community leaders convening conversations and engagement. Building on experience from existing councils, the two new authorities will enable engagement and community-building through partnership working, enhancing their relationships with communities of interest and faith groups
- When working with communities, embedding a process of continuous learning, empathy and dialogue is important as councils will need to adapt as communities and places change, and new priorities emerge

Our proposal will ensure:

- Clarity of responsibility, so residents understand how to hold democratic representatives to account
- All residents, no matter their location, have good local representation and a variety of opportunities to engage and influence decision-makers
- Historic identities are respected, fostering and promoting pride-in-place

Case Study: Youth Assembly, Cambridge
Throughout 2024 Citizen UK and partners including the Police, City and County Councils, Combined Authority, Housing Providers and Youth Charities commissioned the development of a Youth Assembly to work with young people over a number of months to hear directly from them about their hopes and needs of public services. This culminated in an Assembly, where the public sector got to hear directly from young people regarding their priorities for Cambridge. [image]

Case study: Islamophobia statement, Peterborough
Peterborough City Council have worked with the Joint Mosque Council to produce an Islamophobia statement highlighting the issues that many Muslims encounter. The statement will be used for the Council, Police, NHS, schools and other stakeholders to demonstrate their support to the Muslim community and develop bespoke actions.
[image]

Better democratic governance and increased civic trust and safety

We recognise elected members are central to community leadership. Councillors in the two new unitary councils will be empowered to act as champions of their communities, whether through place-based roles in neighbourhoods or interest-based roles aligned to themes and portfolios. Elected members will play a convening role, helping to lead local

conversations, support place-based work, and connect residents with council services and partner organisations.

Undertaking community engagement in this way is critical to ensuring that the new governance structures, including Cabinet and other committees make decisions based on local views and knowledge. It also complements the role that parish Councillors play, in areas where parish councils already exist.

Community Safety Partnerships (CSPs) – a local approach to build into unitary governance

All six CSPs bring together councils, police, fire, NHS/ICB, probation/CRC and others local partners to set annual priorities informed by local strategic assessments.

CSPs in urban areas, Cambridge and Peterborough, tend to focus on the night-time economy, city-centre violence and ASB. There is more emphasis on visible patrols, guardianship and late-night hotspot policing around transport hubs and retail cores.

In rural areas - South Cambridgeshire, East Cambridgeshire, Fenland, Huntingdonshire, CSPs focus on place-based problem solving, often coupling ASB prevention with community capacity building and small-grant interventions. They give more attention to vulnerability and rural isolation, fraud/scams/cyber, and practical deterrence.

Localised multi-agency partnerships put safety and wellbeing at the heart of community life. This type of approach could act as a model for local engagement and delivery in unitary councils.

Conclusion

Our proposal for two unitary councils recognises that effective local government must balance strategic scale with meaningful local connection.

The historic complexity of Cambridgeshire and Peterborough's administrative arrangements reflects a millennium of distinct identities – from the ancient boroughs and counties to modern partnerships like the Combined Authority and Greater Cambridge Partnership.

Rather than imposing a one-size-fits-all solution, our proposal respects these deep-rooted identities while creating the conditions for more effective democratic representation and community engagement.

By reducing councillor numbers by approximately 42-45% whilst maintaining elector-to-councillor ratios of around 1:3,400, we will create more strategic, accountable leadership without losing local voice.

The commitment to flexible, neighbourhood-based engagement – from hyper-local patch working in rural North Cambridgeshire & Peterborough to collaborative approaches in Greater Cambridge – demonstrates how the new unitary councils will maintain and strengthen community connections.

Building on proven approaches such as Community Infrastructure Levy reinvestment, integrated neighbourhoods, and targeted engagement with diverse communities, the two councils will be well-positioned to enhance civic trust and ensure all residents can influence the decisions that affect their lives.

Reorganisation is not simply an administrative exercise – it is an opportunity to create local authorities that are both more efficient and more responsive to the communities they serve, whilst preserving the distinct character and identity of the places that make up Cambridgeshire and Peterborough.

Theme 5 - Devolution

Benefit 13: Unlocking the full potential of devolution through balanced strategic governance

Option B positions Cambridgeshire and Peterborough to unlock the benefits of devolution by creating two economically balanced constituent councils that can engage effectively with the CPCA and national Government. This structure ensures strategic decisions on growth, transport, and investment reflect the distinct strengths and needs of both the Cambridge city-region and the North Cambridgeshire economy.

Governance arrangements

The CPCA was established as a Mayoral Combined Authority in 2017.

Following the English Devolution and Community Empowerment Bill, all Mayoral Combined Authorities (including the CPCA) will automatically become Mayoral Strategic Authorities (MSAs). The Bill proposes further devolution to MSAs such as the CPCA, including additional powers for transport, housing, strategic planning, economic development, skills, regeneration, health and public safety.

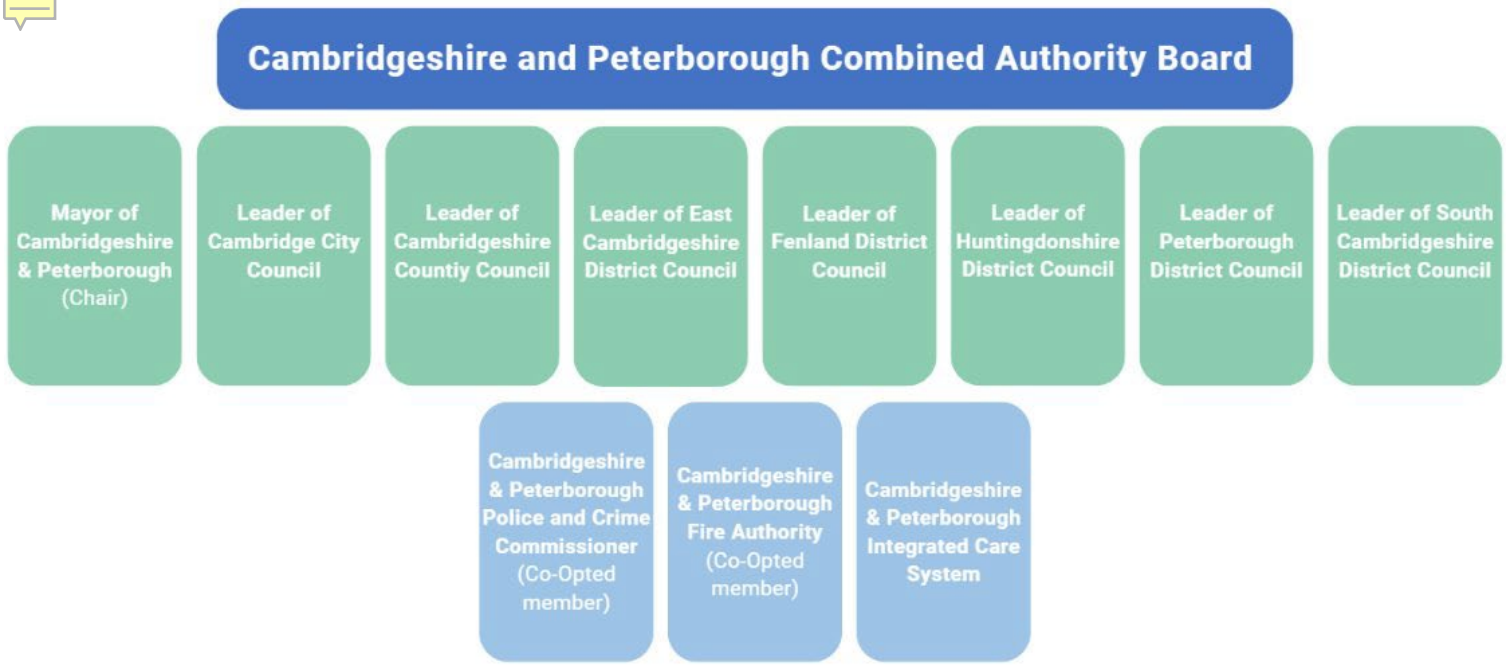
In future the powers and responsibilities of the Police and Crime Commissioner may also be taken on by the Mayor of Cambridgeshire and Peterborough.

Our ambition is for greater devolution for Cambridgeshire and Peterborough, bringing more powers, decision-making and funding closer to our local communities. If our proposal is chosen by Government, we will work with the Mayor and MHCLG to ensure the right governance arrangements are in place to support further devolution.

There will need to be changes to the current governance arrangements of the CPCA, including its Executive Board, to reflect a reduction from seven constituent councils to two. It will be essential to ensure that new governance arrangements support the integrity and fairness of decision making, whilst ensuring that strategic decision-making enables economic growth and addresses the needs of the area as a whole.

We propose changes to CPCA governance arrangements to achieve this.

Current CPCA governance arrangements



Proposed CPCA governance arrangements

Each of the constituent local authorities will appoint two representatives to the Executive Board, following the approach adopted by the recently established North Yorkshire Combined Authority, which also has two constituent member councils.

This could improve decision-making by ensuring a greater plurality of views and perspectives, in particular where constituent member councils may have 'no overall control'.

Balanced decision-making

Our proposal will create more balanced representation around the CPCA table than other options, leading to more effective strategic decision-making.

Although Option B leads to different population sizes between North Cambridgeshire & Peterborough and Greater Cambridge), it more importantly creates two constituent member councils with the same sized economics.

The two constituent members will represent two distinctly different and functional economic areas. Option B will support good governance and enable growth, jobs and housing across Cambridgeshire and Peterborough by:

- allowing CPCA plans, strategies and investments to focus on each area's unique strengths and challenges. For example, it will allow the CPCA to develop strategic transport and infrastructure planning and delivery around functional economies, rather than administrative boundaries
- creating opportunities to harness the complementary strengths of each area and address unique challenges with shared solutions, ultimately delivering balanced and inclusive growth across the whole region
- minimising the risk of policy, investment or delivery bias towards either member council, due to the equal economic balance between the two constituent authorities

Unlocking further growth and devolution

Option B will support the delivery of key national and regional priorities, act as a system enabler and help unlock future devolution opportunities.

It will support the Government's continued focus on the Greater Cambridge economy as a driver of UK economic growth, including the recent announcement of £400 million additional funding for affordable homes, infrastructure and business expansion.

For example, the geographic alignment between the Greater Cambridge unitary and the Cambridge Growth Company will enable more coherent governance of economic growth, infrastructure and housing issues.

The priority sectors identified in the CPCA's Local Growth Plan[48] will be concentrated in either Greater Cambridge (Life Sciences, Digital and Technology) or North Cambridgeshire & Peterborough (Advanced Manufacturing and Materials, Agri-Food and Tech and Energy and Clean-Tech) rather than dispersed across two or more different administrative footprints.

The NHS is going through a period of significant structural reform. From April 2026, the Cambridgeshire & Peterborough Integrated Care Board (ICB) will be abolished and merged with Bedfordshire, Luton and Milton Keynes ICB and Hertfordshire and West Essex ICB. It is expected the Chair of the new Central East ICS will be a co-opted member of the CPCA Executive Board.

The boundaries of the proposed two unitary councils will largely align with the current geography of the Cambridgeshire & 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[49].

Conclusion

Option B will complement the CPCA's increased spatial planning, transport and infrastructure, skills and housing powers with two council's representing coherent functional economic areas. T**he Mayor and constituent council Leaders will be in a better position to influence and deliver Government policy as both councils are of national significance ranked in the top 20 by GDP outside London.**

Our proposal enables a more equitable partnership that supports regional economic coordination and maximises the benefits of devolution. Neither unitary will dominate the region's economic policy agenda, which will benefit the whole area, including delivery of the CPCA's strategic growth plans.

[48] CPCA Local Growth Plan
[49] NHS England » Strategic commissioning framework; NHS England » Planning framework for the NHS in England (2025)

7. Implementation and Transition Plan

Overview

This section sets out the high-level roadmap, milestones and governance for a safe, legal and well sequenced transition to new unitary arrangements in Cambridgeshire and Peterborough. It also outlines our communications and engagement approach and the risk management framework across the transition period.

Our Commitment

We are committed to delivering purposeful reform to create two stable unitary authorities that will help us achieve our proposed benefits

We will do this by:

- Residents first: Safe and Legal from Day 1 pledge
- Data-Driven decision making with strong financial stewardship
- Consistent area-wide design, localised adaptation as needed
- Meaningful workforce engagement in partnership with trade unions and stakeholders
- Rigorous programme controls and assurance
- Openness and transparency with the public

High-level roadmap

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

The transition will be delivered in **five staged phases** with clear entry/exit criteria and an overarching objective that services are *safe and legal on Vesting Day* and residents experience continuity of service. The proposed approach and key steps are outlined in the following sections:

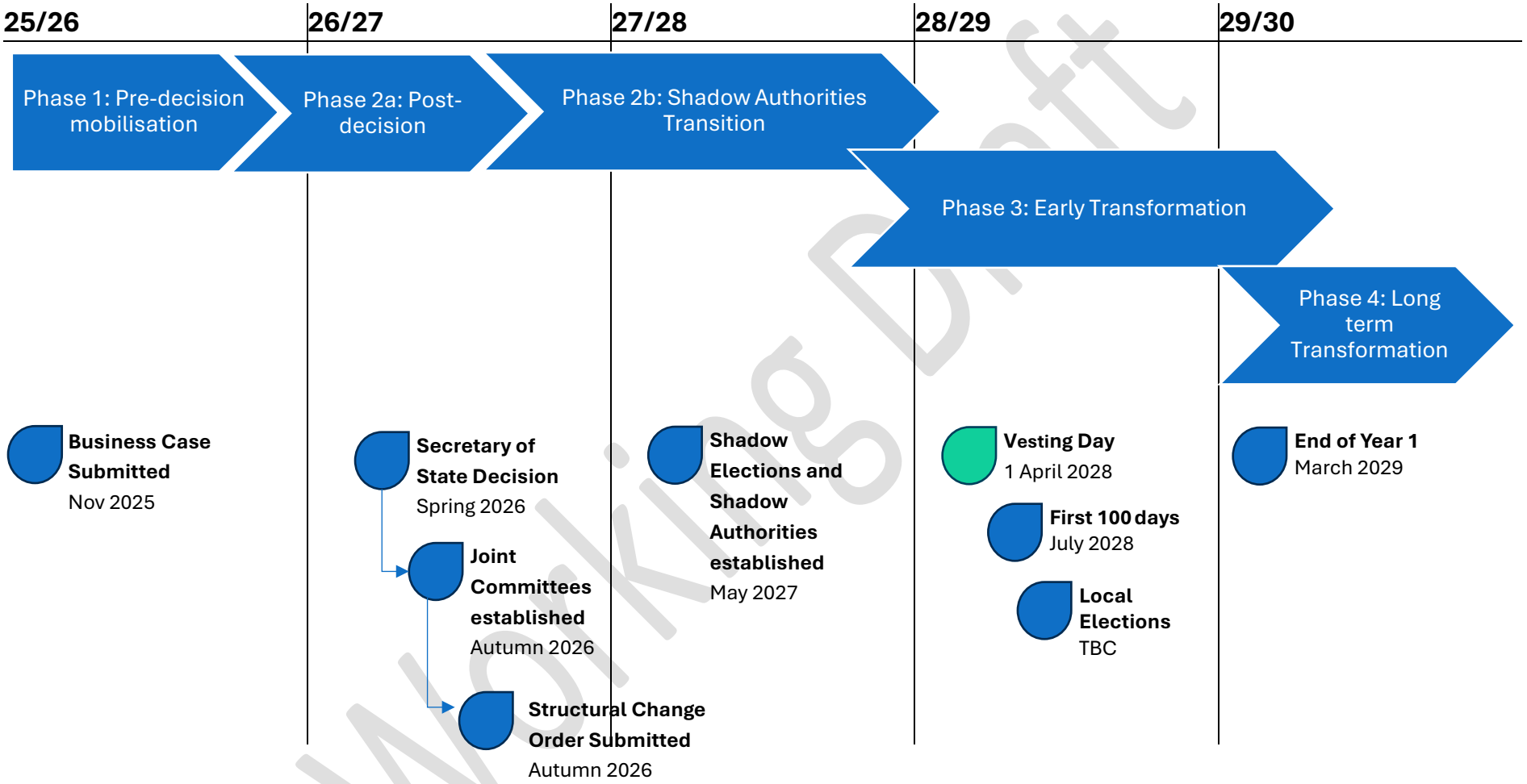
Phases at a glance

1. Pre-decision mobilisation (now → Ministerial decision/statutory consultation) – risk mitigation, stakeholder engagement, programme mobilisation including data and contract gathering, and establishing governance framework and boards.
2. Post-decision → Shadow elections – Formal cross council design and readiness, mobilisation of Joint Committees to oversee the transition process. Standup of the Programme Office (TPO); creation of service blueprints and baseline assessments of services, finances, assets, and workforce; Initial legal scoping for the structural change order will begin, laying the groundwork for the subsequent implementation phases§
3. Shadow Authorities (Shadow elections → Vesting Day): Shadow authorities will be established to prepare for Vesting Day with relevant elections. Priorities include service continuity, senior appointments, budget setting, council tax alignment, system integration, HR policy finalisation, asset rationalisation, and regular communication. Joint Committees will oversee these tasks in accordance with legal and statutory requirements.
4. Early Transformation (Vesting Day → Year 1) – Focus on stabilising, harmonising, and beginning transformation. This phase includes benefits tracking and post-implementation review, with an emphasis on innovating service delivery, integrating teams and systems, and driving digital transformation. Collaboration with staff and partners will be central to achieving efficiencies and improved outcomes, as well as realising the full benefits set out in the business case. The overall aim is to establish modern, efficient, and responsive organisations, with local elections potentially taking place during this period.
5. Long term transformation (Day 365 onwards): Delivering our longer term ambitions in line with public sector reform. Work will be prioritised by each of the two unitary authorities in conjunction with CPCA staff, building partnerships, and tracking long-term goals.

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

This reorganisation represents a pivotal opportunity to drive public sector reform and deliver enhanced value for our communities.

Timeline for successful delivery



Workstream and deliverables

We will organise delivery through **seven workstreams**, each with clearly defined ownership and deliverables

1. **Governance, Democracy & Legal** – constitutions, standing orders, regulatory committees, election logistics, shadow structures, Equalities reviews, Boundary Commission interface, member development; Day-1 legal and policy framework.
2. **Finance, Commercial & Assets** – MTFP, reserves strategy, council tax equalisation trajectory, fees and charges policy approach, single balance sheet, asset register, contracts novation strategy, procurement pipeline.
3. **People & Culture** – Target Operating Model, staffing models, pay, terms and conditions, and grading roadmap, organisational development, culture plan, Change Management and communications to staff, leadership development, equality impacts.
4. **Customer, Digital & Data** – contact model (telephony, web, face-to-face), CRM and case management approach, identity and access management, data and system migration, integration and retention schedules, new websites and branding, cyber posture.
5. **Service Alignment, Continuity & Delivery** – Day-1 readiness; phased integration plans for Adults, Children & Education (including SEND), Housing & Homelessness, Public Protection, Waste, Planning & Growth, Highways & Transport, Libraries & Culture, Revenues & Benefits, Environmental Health, Regulatory Services, Equality Impact Assessments.
6. **Partnerships, Locality & Communications** –parish/town council agreements, community boards, partner governance interfaces (ICB, Police/Fire, CPCA), Public and Stakeholders communications.
7. **Programme Management** – PMO, planning and coordination, RAID, dependency management, benefits management, reporting, configuration and document control; independent assurance.

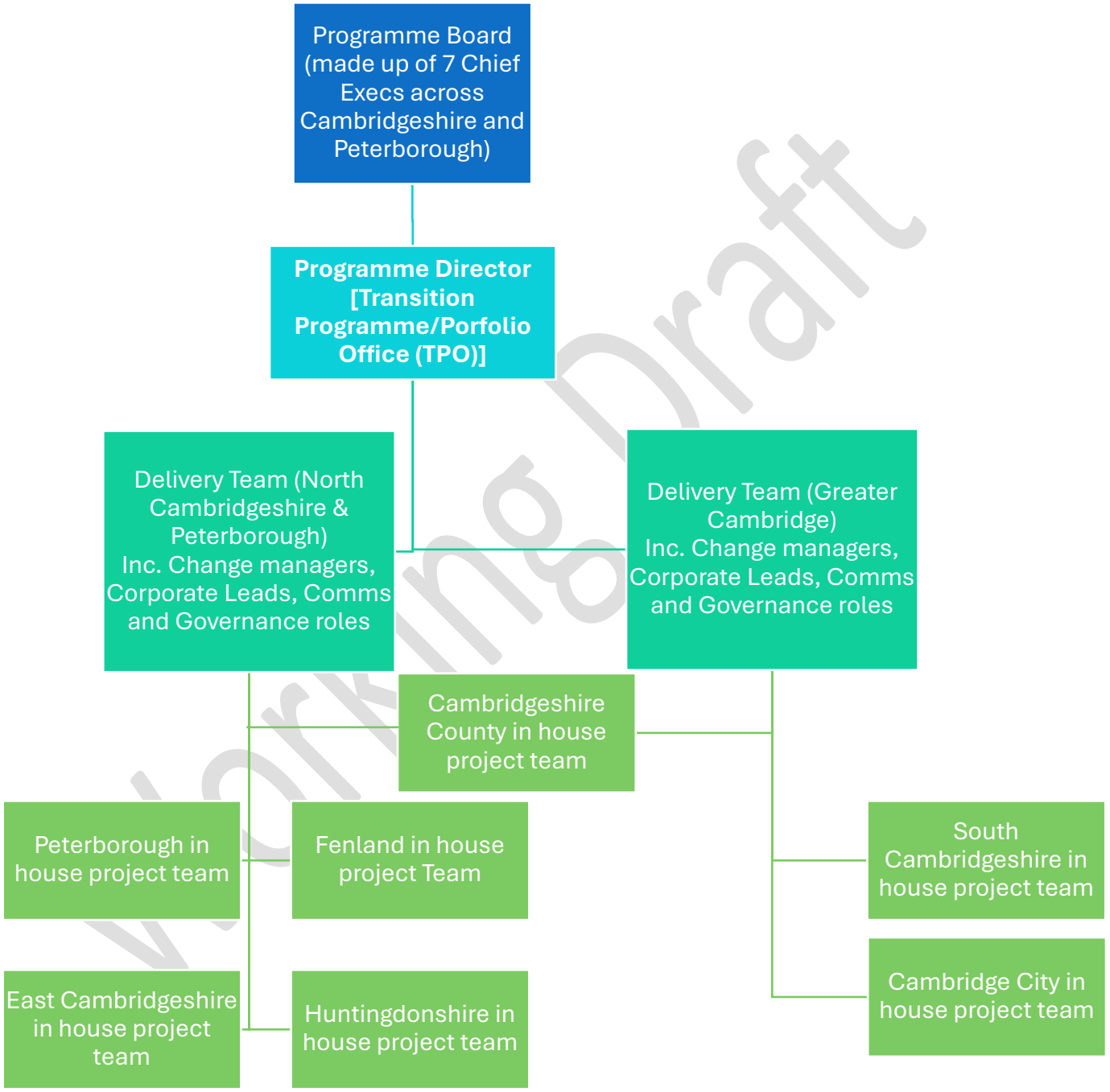
Roadmap

The following roadmap provides indicative key activities at each phase. This will be developed into a full implementation programme plan. The activities within stages three and four are dependent on the ambitions determined by the new authorities:

	Governance, Democracy & Legal	Finance, Commercial & Assets	People & Culture	Customer, Digital & Data	Service Alignment, Continuity & Delivery	Partnerships, Locality & Communications	Programme Management
Phase 1: Pre-decision mobilisation	• Governance arrangements established	• Budget Baseline defined • Shared Assets database established • Shared contracts database	• HR transition plan • HR shared data established	• Digital maturity assessment • Data maturity assessment • Shared database developed	• Additional As Is service analysis for both front line and back office • Enabling functions identified	• Internal readiness workshops • Communication and Engagement Plan	• Programme Team recruited and trained
Phase 2a: Post-decision	• Constitution developed • Elections logistics • Shadow structures • Standing orders	• Contract novation strategy • Procurement pipeline	• Staffing models • Roles T&Cs defined • Job evaluation • People and Workplace culture model	• Customer interaction model • Digital design	• Day 1 readiness • Integration plan for both front line and back office services	• Internal and external workshops	• Implementation Plan Finalised • Ongoing programme monitoring and reporting
Phase 2b: Shadow Authorities Transition	• Day one legal and policy framework • Council structures and boards in place	• MFTP and Reserves strategy	• Job matching, selection, and recruitment into new structure	• CRM and Case management transition • Data Migration	• Agreement on future service offer	• New branding agreed	• Benefits realisation • Programme closure
Phase 3: Early Transformation	• HQ and Civic buildings transition	• Asset strategy developed	• Culture change implemented • New ways of working established	• Day one readiness and testing	• Services reorganised • SLAs developed • Service improvement initiated	• Organisation rebranding	• 3-5 year Transformation plan finalised

Transition Governance Arrangements

Below is a governance overview of how the Transition Programme/Portfolio office will interact with the Programme Board and the delivery teams, with one delivery team establish for each future unitary:



Implementation Risk Management and Benefits Tracking

The table below outlines the key risks to successful LGR delivery, along with proposed mitigation strategies. Effective management of these risks is essential to ensure the programme is delivered successfully – see Appendix ?? for the LGR Risk Management Framework

High-Level LGR Implementation Risks and Mitigations

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

Success measures and benefits tracking

Success and the realised benefits of the programme will be monitored as follows:

- Day 1 success tests: All statutory services operational; no missed payments (payroll, suppliers, benefits); customer access channels live; legal frameworks in force.
- 12-month 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 non-recurring) and quality outcomes through a central benefits register; align to Medium Term Financial Plan and transformation roadmap; publish quarterly progress updates.

Commitments

- **Residents first/Safe & legal Day-1 pledge:** All statutory services operating; executive/financial delegations in force; customer access live; payroll/suppliers/benefits payments uninterrupted on Vesting Day.
- **Public transparency commitment:** Launch and maintain a public LGR microsite (timeline, board summaries, FAQs, myth-busters, document library) with monthly updates through to Vesting Day and quarterly thereafter in Year 1.
- **'Once for the area' Dual-track readiness:** Maintain option-flexible artefacts (TOM options, ICT cutover variants, council tax trajectories) up to the Ministerial decision.
- **Workforce engagement:** early appointment of statutory officers; retention and wellbeing measures; regular staff briefings and a change-champion network.
- **Data and Financial discipline:** Ring-fenced transition budget; published benefits register; monthly Delivery Confidence Assessments; council tax harmonisation plan agreed pre-Vesting. Single, shared evidence base.
- **Programme Assurance:** Independent gateway reviews at each phase gate (decision to consult → Order drafting → Shadow go-live → Vesting → 100-day review).

Additional measures for sustainability

- Establish a three to five year **Transformation Focus** beyond Vesting Day (digital, demand management, commercial pipeline) with non-recurring vs recurring benefits separated.
- Embed **locality boards/community panels** with devolved micro-budgets and service standards to protect place responsiveness within larger units.
- Introduce a **supplier and contract consolidation plan** (12–18 months) to rationalise legacy contracts and unlock procurement savings while safeguarding continuity.

8. Risk Management and Legal Compliance

8.1 Risk Management Strategy

We have outlined in section 6 [Theme 3] our 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 we wish to address some of the wider key risks associated with LGR including legal, governance, and reputational. 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, we 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. Our TPO will also implement wrap-around assurance with regular risk horizon scans to ensure that we are on top of any emerging risks.

The above outlines our approach going forward but our approach so far has also been collaborative. As part of the proposal phase, we set up a democracy, governance and risk workstream attended by the monitoring officers in the region to ensure shared understanding of key risks and statutory duties.

The below table highlights some of the top-level risks with mitigations that are or will be implemented to manage safe and legal implementation:

Risk	Mitigation
Effective leadership – ensuring clarity of leadership and decision-making processes to keep implementation activities on track with effective oversight.	We will move swiftly to implement our 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 business as usual service delivery to avoid disruptions to services for residents, potentially harming public confidence and trust.	Our approach to service delivery in this proposal is one that recognises the statutory requirements of the new unitaries. We recognise that transformation is a later task with safe transition taking priority. Within our TPO, we will work to effectively prioritise 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	Within our TPO, we will have dedicated communications capacity to ensure that communication is timely and effective. A communications strategy will be built to

communication could result in reputational damage and lack of trust.	ensure that communication is targeted and consistent.
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 is not effective, there may be additional increases in time and cost.	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 morale – LGR will lead to significant changes for staff potentially resulting in a drop in morale and capacity. It is important that we manage change effectively and maintain strong engagement to make sure our workforce is on board.	Our communications strategy will work to embed staff feedback and co-design with our processes, making sure that the workforce has an opportunity to build our identities for the new organisations. Our dedicated HR & OD workstream will also be responsible for managing that change, allowing dedicated time and capacity to ensure a smooth workforce transition.

8.2 Assessment of legal compliance

The below table highlights our 'safe and legal' checklist for vesting day. This list is not exhaustive and there will be other areas that need to be incorporated however it provides an initial assessment of how we will ensure compliance.

Compliance area	How will we ensure this is met?
Data-sharing and GDPR	Data-sharing agreements have already been established between regional local authorities. We will always ensure that sensitive data is collected in compliance with GDPR and our information governance officers are in conversation to ensure this is met.
TUPE/HR considerations	Transfer of staff will be in line with TUPE regulations – all Ts & Cs will be maintained and continuity protected. We will ensure that 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. We have continuously kept in conversation with MHCLG and will continue to do so to shape the SCO. The region has already begun forming implementation plans and are aware

	that our 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 major financial decisions. The SCO will put the process for managing this in place however we have begun to set up procurement working groups to ensure effective oversight of major contracts that directly feeds up to our monitoring officers.
Budget setting	Once the decision is made by Government, the shadow authority will be responsible for budget setting and ensuring financial management (including systems) and financial reporting is in place for vesting day. We will ensure this is completed in line with the shadow authorities' remits.
Democratic Arrangements	The SCO will also outline electoral arrangements for the new authorities. We have outlined our recommendation for arrangements in this proposal however our 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. We will ensure that there is one phone number, website and front door to avoid confusion for residents.
Liabilities/asset transfers/intellectual property/legal company agreements	We are undertaking the work now to ensure that all asset registers are up to date. Our IT staff are also creating a centralised repository to manage IT contracts. A procurement sub-group has also been set up to manage our existing procurement regulations to ensure that contracts have clear exit strategies. Once the decision has been made by Government, we will work with our partner Councils to ensure that transfers can be managed legally and as smoothly as possible.
Bank accounts/collection of CTax/payment of benefits	We will ensure that the new authorities' bank accounts are set up for day 1 to avoid any disruptions in the collection of Council Tax and the payment of benefits. We will work to

	harmonise Council Tax within the 7 year limit, as legislated, using member working groups with the new administrations.
Statutory roles recruited	As soon as elections take place, we will advertise for our statutory roles, starting with the Chief Executives. We will begin work on this prior to elections to ensure that the national recruitment happens swiftly with sufficient time for the new corporate Leaderships to play a key role in implementation.
Statutory policies	We will ensure that all statutory policies are a priority for the new shadow authorities, such as the housing allocation scheme, licensing policies, equalities impact assessments, and a homelessness strategy. We will start work swiftly to ensure that a new Local Plan is implemented within the 5 year limit.

Conclusions

[Work in progress]

9. APPENDICES AND SUPPORTING EVIDENCE [SEPARATE ATTACHMENTS]

Appendix XX - Financial analysis of Options A-E

Our analysis followed a two-stage process. First, we eliminated the three-unitary configurations (Options D and E)[50] as financially unviable. Second, we conducted a comparative assessment of the remaining two-unitary options (A, B, and C) to identify which offers the strongest long-term financial sustainability. We assessed each option against three critical financial metrics:

1. Funding-to-budget ratio
2. Reserves position
3. Debt levels

Why discount three unitary options?

Options D and E create three unitary authorities across Cambridgeshire and Peterborough. A number of other three unitary options were considered early on by leaders, and discounted for the following reasons:

- Operating three councils will be more expensive than operating two councils[51]
- The three-unitary options would all struggle for population and financial scale. Specifically, 'it might be difficult to persuade Government that they will be financially robust'[52]
- Setting up three councils (including one option which splits a district) will be more costly, complex, time-consuming and result in a longer pay-back period in both cases

No further financial analysis has therefore been undertaken on these options.

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Any of the 'two unitary' options in Cambridgeshire and Peterborough would appear, at face value, to deliver broadly comparable financial sustainability. However, closer analysis, set out in this section, confirms that there are important differences between Options A, B and C.

[50] early work by leaders identified other 'three unitary' options, and these are referred to in the Pixel 6 May 2025 report as Option 1 and Option 3. Option 1 is closest to Option D, although the Option D boundaries do not include any part of Fenland District Council, unlike Option 1.

[51] Newton p. 13, final report

[52] Pixel, 6 May report, p. 31

Financial Sustainability Assessment Summary

To evaluate the financial viability of each option, we have assessed three critical metrics of local authority financial sustainability: funding-to-budget ratio, reserves position, and debt levels. Each metric has been assigned a RAG (Red/Amber/Green) rating in the table below.

	Funding:budget ratio	Reserves	Debt
Option A			
Option B			
Option C			

The ratings are defined as follows:

- **Red** – Significant concern which brings into question the financial sustainability of one (or both) of the new unitaries in the option
- **Amber** – Moderate concern warranting consideration
- **Green** – No material concern identified

Funding to budget ratio analysis

The Fair Funding Review, expected to be implemented from April 2026, redistributes funding in a number of ways. These are set out in the Pixel Report. While a detailed understanding of funding is critical, it is incomplete without comparing the funding-to-budget ratio. All of the new unitary authorities will inherit budgets from their 'joining' councils.

Further analysis therefore combines funding with projected expenditure. Using the funding analysis by Pixel, and the 25/26 budgets of each council, the Finance Workstream created a funding-to-budget model. Cambridgeshire County Council's budget was disaggregated using a range of proxy measures signed off by the section 151 officers. All 25/26 budgets were uplifted by 6.3%[53] to create 26/27 notional new unitary budgets. The Pixel Fairer Funding model was then used to predict the likely funding-to-budget ratio of each new unitary in Options A, B and C. The figures do not assume any unitary savings/costs. Table X shows the funding-to-budget ratio for the new unitaries in each option.

Option C identifies a predicted funding shortfall of £5m for the North East Unitary, creating financial instability from the outset.

[53] Table 2: Local authority revenue expenditure and financing England: 2025 to 2026 budget - GOV.UK

Table X – Funding-to-budget ratio

	Funding (£m) 2026/27	Predicted Net spend (£m) 2026/27	Difference £m	Difference (%)
Option A				
SE (City, East, South Cambs)	465	417	49	11.6%
NW (Fen, Hunts, P'boro)	595	583	13	2.1%
Option B				
Gtr Camb (City, South Cambs)	367.7	314	54	17.3%
Northern Cambs (Fen, Hunts, P'boro, E Cambs)	694.1	686	8	1.2%
Option C				
NE (E Cambs, Fen, P'boro)	490	495	-5	-1.1%
SW (Hunts, City, S Cambs)	572	505	67	13.4%

Funding taken from new Pixel model for Fairer Funding formula
Net spend taken from Finance workstream leads disaggregated county and reaggregated unitary budget models, uplifted by 6.3% (average increase in local government spend as per RAdata table 2: https://www.gov.uk/government/statistics/local-authority-revenue-expenditure-and-financing-england-2025-to-2026-budget

In the context of funding-to-budget, the North East unitary in Option C is therefore financially concerning and has been scored 'red' on the Financial Sustainability Assessment summary (Table X). **Creating a new unitary that starts with a budget deficit, despite the Fair Funding model drawing more funding into Peterborough and Fenland is clearly unsustainable. On this metric alone, Option C should be excluded.**

Reserves

Moving on to the second key metric of any council's financial sustainability - its reserves. Reserves are critical for any council to manage one off and unexpected spending pressures, volatile people services and to create a safety net to ensure residents have continuity of service provision. They are a core element of any council's financial sustainability.

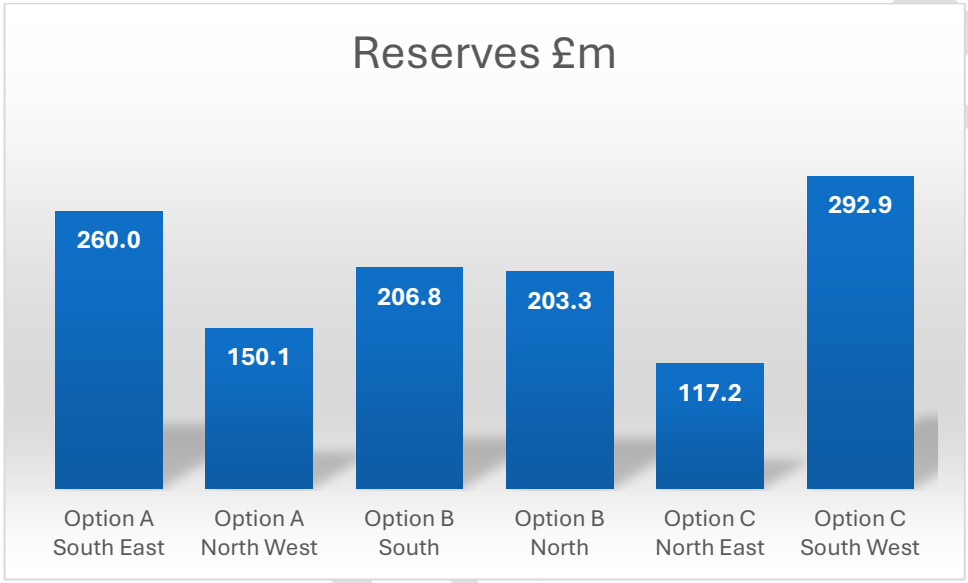
An analysis of reserves[54] at year end 2024/25 was undertaken, to identify any concerns related to each proposed new unitary authority's financial health.

[54] general fund and earmarked

Reserves data were obtained from each council's published draft 2024/25 accounts; Cambridgeshire County Council's reserves have been split on a population basis. The analysis assumes that there will not be an excessive use of reserves to balance budgets up to vesting day.

Chart A shows the level of reserves for each of the possible unitary options and demonstrates that both Option A and Option C start with much greater imbalance in terms of reserves. **This is concerning for both Option A North West and Option C North East, where it is already known that demand for social care is higher and likely to experience more financial volatility. In terms of the overall RAG rating, options A and C are therefore scored amber.**

Chart A



Debt

All Cambridgeshire and Peterborough authorities commissioned work on the councils' debt levels (as at 2024/25), to identify any potential risks related to unitarisation. This work was undertaken by LGFinance. The full report is attached at Appendix X. Summary findings show that:

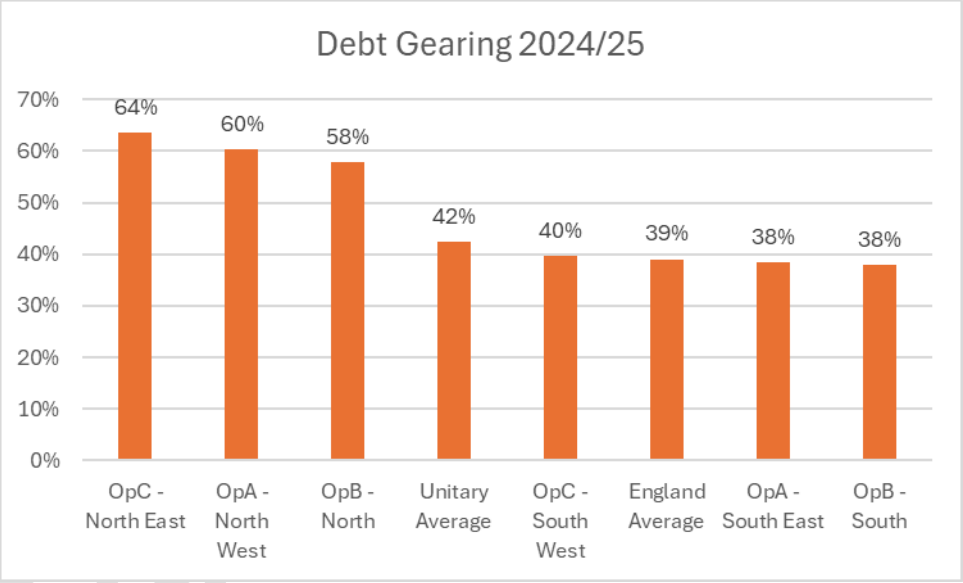
- Generally, those proposed unitaries that incorporate Peterborough will have more challenging issues as Peterborough has lower than average usable revenue reserves, a higher than average 'need to borrow' and higher debt gearing.

- The more districts that are combined with Peterborough the more this reduces the challenge, as the districts have reasonable levels of financial resilience.

- Cambridge, East Cambridgeshire and South Cambridgeshire all have better than average levels of financial health and this reflects in the proposed unitary authorities that incorporate these authorities. Even though Cambridge and South Cambridgeshire have high 'need to borrow', they both have considerable levels of equity (primarily through their social housing stock) and therefore lower than average debt gearing.

- Cambridgeshire County Council has a higher-than-average Dedicated Schools Grant (DSG) deficit. This is reflected in all proposed unitary authorities but higher levels of usable revenue reserves provides resilience against these deficits. Peterborough has a lower DSG deficit so the northern proposed unitary authorities will have lower DSG deficits.

The Debt Gearing for each Option is set out below, which clearly shows that the more authorities that are combined with Peterborough, the better the financial impact (ie. the lower the debt gearing).



The assessment made of debt levels has therefore resulted in an amber rating for Options A and C (due to their higher debt gearing).

Financial Sustainability Assessment Conclusion

In summary, from a financial sustainability perspective, Option B offers the most balanced and equitable solution for Cambridgeshire and Peterborough as a whole.

Council Tax Harmonisation

Unitary authorities in a single county area do not have to harmonise at the same time or over the same number of years. There are three broad approaches to council tax harmonisation:

- **harmonising to the lowest district rate:** this would result in a loss of expected income, and could compromise a new unitary authority's financial stability;
- **harmonising to the average of all districts:** known as a 'weighted average Band D', which is often considered the fairest approach;
- **harmonising to the highest district rate:** maximises potential revenue, but can create significant increases in council tax for most residents.

Our proposal follows the standard approach that both future councils would use a weighted average Band D calculation. This protects future funding streams and reduces the possibility of large increases in council tax for the majority of residents.

Our proposal would harmonise Band D council tax over the standard two-year period. This would mean that from year three all residents living in the same unitary council area would pay the same amount of council tax.

Taking any longer creates an inherent unfairness as residents in the same council pay different amounts of council tax.

In all options residents of Peterborough face an increase of 4-5%. This is because council tax levels in Peterborough are significantly lower than other local councils in the area (as set out in Table X below) and lower than the England average.

25/26 Council Tax Band D for each authority area

	City/ District share	County share	Local Authority Total	Average parish precept	Total including all precepts	Comparison to England averages
Cambridge	£232.13	£1,700.64	£1,932.77	n/a	£2,355.41	+£11 shire areas
East Cambridgeshire	£142.14	£1,700.64	£1,842.78	£101.53	£2,366.95	+£23 shire areas
Fenland	£254.79	£1,700.64	£1,955.43	£63.46	£2,441.54	+£100 shire areas
Huntingdonshire	£165.86	£1,700.64	£1,866.50	£88.54	£2,377.68	+£34 shire areas

South Cambridgeshire	£175.40	£1,700.64	£1,876.04	£91.98	£2,390.66	+£47 shire areas
Peterborough	n/a	n/a	£1,749.42	£46.43	*£2,218.49*	-£148 unitary areas

Council Tax levels set by local authorities in England 2025 to 2026 (revised) - GOV.UK

* Peterborough has parished and non-parished areas; Cambridge does not have parish councils; average parish precepts for local authority areas include zero-rated parish precepts; averages have not been weighted by parish population. The England average Band D parish precept in 2025-26 is £92.22.

** The England average Band D council tax 2025/2026 is £2,280. Average Band D can be compared by type of local government arrangements. In London, the average Band D council tax in 2025/2026 is £1,982; in metropolitan areas £2,289; in unitary areas £2,366; and in shire areas £2,344.

COMPARISON OF HARMONISATION COSTS OVER TWO YEARS

Council Tax Harmonisation - to Band D Weighted average

Option A			Option B			Option C		
Predecessor area	Target Band D and variations	Increase/ Decrease in Band D	Predecessor area	Target Band D and variations £	Increase/ Decrease in Band D	Predecessor area	Target Band D and variations £	Increase/ Decrease in Band D
	£1,886.09			£1,898.48			£1,886.79	
Cambridge	-46.68	-2.4%	Cambridge	-34.29	-1.8%	Cambridge	-45.98	-2.4%
South	10.05	0.5%	South Cambridgeshire	22.44	1.2%	South Cambridgeshire	10.75	0.6%
East Cambridgeshire	43.31	2.4%				Huntingdonshire	20.29	1.1%
	£1,838.55			£1,839.26			£1,825.12	
Fenland	-116.88	-6.0%	East Cambridgeshire	-3.52	-0.2%	Fenland	-130.31	-6.7%
Huntingdonshire	-27.95	-1.5%	Fenland	-116.17	-5.9%	East Cambridgeshire	-17.66	-1.0%
Peterborough	89.13	5.1%	Huntingdonshire	-27.24	-1.5%	Peterborough	75.70	4.3%
			Peterborough	89.84	5.1%			

Differential Council Tax Charges: Special Expenses

Under the Local Government Finance Act 1992, provisions allow for different amounts of council tax to be calculated for different parts of a district (e.g. parished and unparished areas), depending on what, if any, special items relate to those parts.

The Special Expenses provision gives authorities a mechanism to ensure that taxpayers do not get taxed twice for the same type of expenditure. For example, in an authority where parish councils maintain play areas, residents pay through their parish precept; in unparished areas where the authority maintains play areas, residents may pay an additional special expense charge.

The new unitary councils would have the option to implement 'special expenses' if councillors considered there was a lack of equity in council tax charges for residents across the precepting area.

The context is more complex when councils with parished and non-parished areas are integrated into new unitary authorities and have gone through a process of council tax harmonisation. Residents in an unparished part of the new unitary would historically already pay for such services through their district/city/borough council tax precept.

Annex X: 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).
		• The two unitary councils 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 will 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.

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 of funding, budget, reserves and debt) identifies Option B as the most financially sustainable option.

Criteria	Score	Rationale
Sustainable Public Services	4	• Option B also achieves a more equitable division of resources and fairer funding for the whole area compared with 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. • 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 unitary authorities will develop district and 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. • 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.

Criteria	Score	Rationale
	4	• While the unitary boundaries proposed in Option A would align more closely with the geography of the current Cambridgeshire North and South Care Partnerships, 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. NHS governance is going through a period of significant reform and uncertainty, and these changes will be minor in the context of wider reforms to the Integrated Care System (ICS).
Collaboration		• 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. • 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.
Devolution	5	• Option B will support existing devolution arrangements through the CPCA, with each unitary authority having distinct economic geographies reducing the need for competing priorities and focusing on where the area can provide better outcomes both for itself and the CPCA and to deliver the Government's policies. • 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.

Criteria	Score	Rationale
		• 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):
		  ◦ 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 Northern unitary would have 28% of annual business turnover (£33.7bn) and the South-east would have 72% (£86.3bn) (Beauhurst, 2024).
		• 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 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
Sustainable Public Services	4	• 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. • 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. • 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. • 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 patients 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 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.

Criteria	Score	Rationale
Collaboration	3	• Option A is supported by just 1/2 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 authority'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 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.
		• The developing Local Plans for Greater Cambridge and Huntingdonshire would need to bridge two distinct

Criteria	Score	Rationale
		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	• Option C is only supported by X of the 7 councils in Cambridgeshire and Peterborough (Huntingdonshire District Council). There has been greater engagement on this proposal with other councils than Option A. • Option C does not reflect the historic identities and governance arrangements of the area to the same extent as Option B.
Devolution	4	• The South-east 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 authority would have a less coherent identity than the southern unitary of Option B, which more closely represents the Cambridge City region.

Criteria	Score	Rationale
		• The fundamental geographic distribution of population centres across both councils could act as an impediment to good governance.

Option D and E (3 unitary proposals) – appraisal against criteria

Criteria	Score	Rationale
Economy and Housing	2	• The three unitary councils proposed in Options D and E would broadly align with the 3 functional economic areas identified in the CPIER report (Peterborough, Cambridge and the Fens). • However, Options D and E would create the greatest imbalance in total economic output, jobs and planned housing development of all options. • 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 authorities in both proposals 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	• Options D and E would be the least financially resilient of all the options, 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". • Both Options also have the longest payback period of any implementation plans which cause greater long-term financial risks, in the case of Option D the payback period is 50+ years. • While the Southern unitary 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 in both proposals would be less financially viable. • Both options would concentrate deprivation in Northern unitary authorities that lack the scale and financial resources to meet the greater demand for people services.

Criteria	Score	Rationale
		• In Option D, the population of the Northwest/Greater Peterborough council (287,000) would be below the 300,000 population that government considers necessary to be financially sustainable. • Any three unitary option will be more expensive both to set up and to operate.
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 authority. 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 only supported by 1 of the 7 councils in Cambridgeshire and Peterborough (Peterborough City Council). However, there has been greater engagement on this proposal with other councils than Option A. • 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 would potentially lack a unifying identity beyond its rurality.
Devolution	4	• The greater imbalance in economic output and housing growth between the Southern/Greater Cambridge authority and the other two proposed unitary councils could create policy tension and unfairly favour the Southern unitary authority's growth agenda.
Democratic representation and community engagement	5	• Options D and E 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.