

An **EXTRAORDINARY MEETING** of the **CABINET** will be held in the **CIVIC SUITE (LANCASTER/STIRLING ROOMS), PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **WEDNESDAY, 19 MARCH 2025 at 8:00 PM OR ON THE RISING OF THE COUNCIL WHICHEVER IS THE LATER** and you are requested to attend for the transaction of the following business:-

AGENDA

APOLOGIES

1. MEMBERS' INTERESTS

To receive from Members declarations as to disclosable pecuniary, other registerable and non-registerable interests in relation to any Agenda item. See Notes below.

Contact Officer: Democratic Services - (01480) 388169

2. LOCAL GOVERNMENT REORGANISATION IN CAMBRIDGESHIRE AND PETERBOROUGH (Pages 3 - 28)

To consider a report by the Chief Executive Officer on background information regarding the extensive reforms to the local government framework across England set out in the White Paper on English Devolution published on 16 December 2024. To provide an update on Local Government Reorganisation progress for the Peterborough and Cambridgeshire area. To consider the feedback from Council and for Cabinet to compose the required submission to Government by 21 March 2025.

Contact Officer: M Sacks - (01480) 388116

11 day of March 2025

Michelle Sacks

Chief Executive and Head of Paid Service

Disclosable Pecuniary Interests and other Registerable and Non-Registerable Interests.

Further information on [Disclosable Pecuniary Interests and other Registerable and Non-Registerable Interests is available in the Council's Constitution](#)

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Please contact Democratic Services, Tel No: (01480) 388169 / e-mail: Democratic.Services@huntingdonshire.gov.uk if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Cabinet.

Specific enquiries with regard to items on the Agenda should be directed towards the Contact Officer.

Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business.

Agenda and enclosures can be viewed on the [District Council's website](#).

Emergency Procedure

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Public
Key Decision – Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	Local Government Reorganisation in Cambridgeshire and Peterborough
Meeting/Date:	Extraordinary Cabinet – 19 March 2025
Executive Portfolio:	Executive Leader, Chair of the Cabinet and Executive Councillor for Place (Cllr S Conboy)
Report by:	Michelle Sacks – Chief Executive Officer
Ward(s) affected:	All

Executive Summary:

To provide background information regarding the extensive reforms to the local government framework across England set out in the White Paper on English Devolution published on 16 December 2024.

To provide a Local Government Reorganisation (LGR) progress update for the Peterborough and Cambridgeshire area.

The Council is required to submit a formal response to Government by the 21 March 2025. The proposed letter is attached as Appendix 2 for Cabinet to consider. This letter has been drafted in collaboration with other authorities impacted by LGR in Cambridgeshire & Peterborough.

The government currently does not have power to direct local authorities to bring forward proposals, but they are planning to reintroduce this power (which expired when the legislation was first introduced). Advice from the Monitoring Officer has confirmed that in law, unless specified to the contrary, the responsibility for decision making sits with the Executive in this matter.

Recommendations:

The Cabinet is

RECOMMENDED

1. to consider the background to the English Devolution White Paper and its implications for residents of the District and Huntingdonshire District Council.

2. that authority be delegated to the Chief Executive, in consultation with the Executive Leader of the Council, to finalise the proposed letter to Government along with other Council Leaders, as the interim submission, to indicate our commitment to work towards achieving a consensus proposal by November 2025. It should be noted, it is the Executive Leader of the Council who will sign this letter.

1. PURPOSE OF THE REPORT

- 1.1. The report is intended to provide Members with background information regarding the extensive reforms to the local government framework across England set out in the White Paper on English Devolution published 16 December 2024.
- 1.2. To provide Members with an update on the LGR progress for the Peterborough and Cambridgeshire area.
- 1.3. To consider the proposed letter of submission to the Government by 21 March 2025. This letter has been drafted in conjunction with other authorities in Cambridgeshire and Peterborough following discussions between the Councils Leaders' and Chief Executives.

2. BACKGROUND

- 2.1. On 16 December 2024, The White Paper on English Devolution was published which proposes wide ranging changes to the framework of local government across England including devolution from central government to strategic authorities and local government reorganisation in two tier areas. The White Paper can be accessed here: [English Devolution White Paper](#).
- 2.2. Since Cambridgeshire & Peterborough already has devolved powers (through our Combined Authority), this report covers only the local government reorganisation aspects of the White Paper.
- 2.3. The Government intends to introduce local government reorganisation in two-tier areas and for those unitary councils where there is evidence of failure or where their size or boundaries may be hindering their ability to deliver sustainable and high-quality services for their residents. All councils in an area are expected to work together to develop unitary proposals that are in the best interest of the area as a whole and there is an expectation that new unitary authorities will usually have a population of 500,000 or more, although exceptions will be considered on a case-by-case basis. More detail is included in the letter from Minister Jim McMahon received on 5 February 2025, attached as Appendix 1 to this report.
- 2.4. Huntingdonshire District Council has 71 Town and Parish Councils. The nationally driven Local Government Reorganisation does not include any changes to Town and Parish Councils.
- 2.5. There are approximately 700,000 residents across Cambridgeshire, and 220,000 residents in Peterborough (which already has a unitary council).
- 2.6. The benefits of re-organisation are the opportunities to support transformation in the longer term by bringing services together which can support improvement in service delivery, including to support preventative and holistic services focused on the needs of local people and communities, while making it simpler for residents to understand who is

responsible for the services they receive. The government has also been very clear that financial savings are expected through the process of reducing the number of councils.

- 2.7. The White Paper sets out the government's intention to deliver reorganisation 'as quickly as possible, including through legislation when it becomes necessary to ensure progress' (p.100). Accordingly, in the medium term, reorganisation may arrive regardless of the Council's view on the subject and therefore it is important that Huntingdonshire District Council has a considered view as to the most optimal arrangements for Cambridgeshire and Peterborough.
- 2.8. Huntingdonshire District Council is working proactively with all local authorities within Cambridgeshire & Peterborough to develop the proposals to ensure maximum opportunity for our communities. The government recently announced that an initial proposal should be submitted by 21 March 2025, and a final business plan by November 2025. The Leaders across Cambridgeshire & Peterborough continue to meet regularly, and the proposed submission from the partner authorities to government is attached at Appendix 2.
- 2.9. It may be possible to reach agreement across Cambridgeshire and Peterborough in the final proposal, but it may also be the case that competing proposals will be submitted to the Government. There is therefore no guarantee that any proposal which Huntingdonshire District Council endorses would be adopted by Government. Similarly, if Huntingdonshire District Council chooses not to submit a proposal, Government can proceed if it wishes. Working together with all councils is the way that Huntingdonshire District Council can ensure greatest input into the process moving forward. This will ensure that the communities of Huntingdonshire will be fully represented in the debate on any emerging proposals.
- 2.10. In addition to the opportunities presented elsewhere in this paper (paragraph 2.6), it is clear that reorganisation presents significant risks. At present these risks can only be identified at a very high level. They have been split into 'strategic risks' which are more general risks related to reorganisation and 'implementation risks' which relate to the process of reorganisation itself. As we proceed then Huntingdonshire District Council and other councils will need to manage and mitigate those risks as best we can.

3. RISKS

1.1. STRATEGIC RISKS

- There will be significant one-off implementation costs of reorganisation, regardless of which proposal is agreed.
- Council tax harmonisation for the new areas will be required (although this can be phased in to avoid any sudden increases in bills, should the new unitary decide to harmonise upwards).
- Whatever new unitaries are agreed, they will be larger than the current districts and risk losing the 'local' element of local decision.
- There is a risk that the size of the new unitaries means that they will be more 'remote' from residents than current districts as they will serve many more people. Councillors may struggle to represent their residents in the way that district councillors currently do.
- There is a risk that prior to the dissolution of existing councils, some will decide to spend their financial reserves on legacy programmes for 'their' residents. If all councils do this the financial resilience and sustainability of the new councils will be impaired.
- Not all areas are parished and there will need to be a recognition of the current structural differences in any new unitary authority.

1.2. IMPLEMENTATION RISKS

- Implementation will take significant time away from senior managers.
- Existing transformation projects may lose momentum, with the focus being on the new authority.
- There is a risk that key staff will leave during the transition period and that we will not be able to recruit replacements as Cambridgeshire may be seen as a less stable environment than areas not going through reorganisation

1.3. None of these issues necessarily outweighs the benefits but it is important that members understand the main identified issues and that we develop the most appropriate mitigation plans.

1.4. Detailed evidence and analysis will need to be undertaken to inform, shape proposals and understand any impact of potential options. This will be undertaken in advance of, and to inform final submission later in the year. There is consensus across the Councils in working together to understand and consider relevant issues to enable informed conclusions to be drawn.

1.5. Over the last 30 years the number of district councils has reduced by around half, mainly as a result of unitarisation. The government's proposed move toward 'devolution by default' and unitarisation creates the

risk that in the longer-term Cambridgeshire could be restructured whether local authorities are involved or not, and it may therefore be more palatable to actively shape proposals locally that will work best for residents. Furthermore, local authorities of a smaller scale and size have proven more prone to failure in recent years. Unitarisation appears to be the government's preferred way of managing this risk.

4. NEXT STEPS

- 4.1. The Chief Executives' group has commissioned Finance Officers to create a financial model based on 2024/25 budget data that will allow the Leaders to review the financial implications of various options, including potential savings. This work has commenced and will continue over the Spring and Summer.
- 4.2. The Chief Executives' group has also initiated meetings of the collective Monitoring Officers off the constituent councils to ensure there is a consistent approach to decision-making and the legalities arising from the White Paper. The same approach will be taken with the collective Heads of Communication.
- 4.3. There is an internal LGR project group that meets regularly to gather information on best practice and map actions that the Council should be considering and factoring into work programmes. By way of example, there will be a number of tasks that should be initiated to ensure that effective due diligence is undertaken to support the new unitary, such as an alignment of procurement and review of existing contracts.
- 4.4. As a result of forecast underspend for 2024/25, a reserve will be established that will be used to support key activities relating to LGR that cannot be accommodated within current resources allocations.
- 4.5. There is no option considered to be on or off the table, as we do not yet have the data available to assess the financial sustainability of any proposal. Thus, future decision making is not fettered in any way.
- 4.6. It is important to note that whilst the Council can influence reorganisation, the final decision is for the Secretary of State.
- 4.7. Following the Extraordinary Council meeting, there will be an Extraordinary Meeting of Cabinet to consider the letter at Appendix 2, taking the views of the whole Council into consideration. Briefings and reports have been undertaken to date and will continue to be provided to members on a regular basis throughout the process to shape the development of proposals in the best interests of Huntingdonshire District Council's residents and businesses.
- 4.8. Any substantive proposals for reorganisation will be brought back to Council for discussion. This may entail additional meetings of the Council.

5. OPTIONS CONSIDERED

- 5.1. The Council could decide not to sign the letter attached at Appendix 2, and either send its own letter, a letter with a smaller number of Cambridgeshire councils, or not send a letter at all.
- 5.2. It is considered, based on the request detailed in Appendix 1, that the strength of a combined letter is more likely to carry weight with Government. This is because it shows alignment with the specific request to seek to find consensus or local agreement and is demonstrative of the collaboration in place between councils.

6. KEY IMPACTS

- 6.1. There are a multitude of impacts as set out within sections of this report, and many of these will lead to individual work streams as the work continues over the next few months. However, these impacts do not prevent the signing of the letter at Appendix 2.

7. WHAT ACTIONS WILL BE TAKEN

- 7.1. Set out in the report above in Section 4 - NEXT STEPS.

8. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 8.1. This is a requirement of Government but the process of unitarisation is intended to bring benefits to the wider community. Once the details of proposals emerge, the links to the Corporate Plan, Strategic Priorities and Corporate Objectives will be able to be set out more clearly.

9. CONSULTATION

- 9.1. No consultation has taken place so far. Paragraph 10.5 below sets out the government's role in consultation. Depending on how the work proceeds, it is likely that the Council will engage with our residents once a clearer option(s) for unitary government is developed.
- 9.2. The Town and Parish Forum, which will take place on the 19 June 2025, will be themed around The Journey to LGR and be an opportunity to continue to engage with the 71 Towns and Parishes within Huntingdonshire, in addition to the quarterly briefings which have already commenced.

10. LEGAL IMPLICATIONS

- 10.1. Local government reorganisation is governed by the Local Government and Public Involvement in Health Act 2007. The Secretary of State can at any time invite proposals for unitary local government from local authorities and also has the power to direct authorities to submit proposals. The criteria against which proposals are to be judged can be set out in the invitation/direction.

- 10.2. The government currently does not have power to direct local authorities to bring forward proposals but they are planning to reintroduce this power (which expired when the legislation was first introduced).
- 10.3. Advice from the Monitoring Officer has confirmed that in law, unless specified to the contrary, the responsibility for decision making sits with the Executive in this matter.
- 10.4. The law says that local authority boundaries may not cross police force boundaries but can otherwise be whatever best meets criteria. The invitations issued under previous governments often say that existing districts must be used as the 'building blocks' from which new authorities are to be constructed, and the current advice from MHCLG is that any proposals which disaggregate district boundaries must be thoroughly justified.
- 10.5. Although Government encourages local authorities to work together there is nothing to stop competing proposals being submitted and in that case the Secretary of State can select one proposal for consultation or may consult on competing proposals before making a decision as to which is to be taken forward. The Secretary of State may also introduce modifications to a proposal. Any authority in the area that does not sign off the final business proposal(s) must be consulted by the government as part of their deliberations.
- 10.6. It should be noted that local government reorganisation is currently controlled by central government who can reorganise local authorities against the wishes of local authorities in an area.
- 10.7. In Cambridgeshire and Peterborough, it is unlikely that any of the current councils will continue to exist and the new councils would be created in 'shadow form' the year before implementation. The likely timetable indicates that shadow elections will take place in May 2027, creating shadow authorities, with new unitary councils coming into effect on Vesting Day on 1 April 2028. The shadow authorities have power to recruit staff and plan for implementation but do not have any local government powers until they 'go live'. Shadow authorities would be governed by councillors elected in 2027, and these councillors would become councillors of the new unitaries on 'go live' date.

11. RESOURCE IMPLICATIONS - FINANCIAL

- 11.1. There are limited direct financial implications at this stage.
- 11.2. Across all the existing councils in the Cambridgeshire and Peterborough system, extensive partnership working will be essential to inform reliable financial modelling, which is inevitably complicated as it requires both disaggregation of upper tier functions and aggregation of district functions into whatever unitary councils are proposed. It will be necessary to carry out a comprehensive assessment of financially viable future structures for

consideration and also assess which configurations of the new unitary authorities present the best value for money to taxpayers.

- 11.3. A significant financial consideration is the level of debt currently held across the Cambridgeshire and Peterborough local government footprint. Any business case proposal and any form of LGR will need to adequately consider and deal with the underlying debt positions.
- 11.4. There are many factors to take into account when thinking about the creation of new, financially sustainable organisations. All councils are struggling with forecast budget gaps in future years due to national pressures being experienced in demand for services and huge uncertainty around future government funding levels.
- 11.5. There will be additional costs associated with the planning, development and implementation of any new structures. There is an expectation (but no guarantee) that the government will provide capacity funding; confirmation of this is pending from Government. We should expect long term that value for money improvements can be achieved through streamlined structures for some service delivery arrangements and rationalised overheads. These potential opportunities will be explored through the options appraisals, alongside the costs of re-organisation.
- 11.6. A further risk is that the government has committed to introducing a multi-year settlement in 2026/27 and a complete overhaul of grants and allocation methodologies. It is expected that there will be more weighting applied to distribute funding to areas with the greatest need, in communities with a high level of deprivation, and to authorities that are unable to raise significant funding from council tax rises. This creates significant uncertainty around Cambridgeshire funding streams in the medium-term

12. HEALTH IMPLICATIONS

- 12.1. None to directly report at this stage.

13. ENVIRONMENT AND CLIMATE CHANGE IMPLICATIONS

- 13.1. None to directly report at this stage.

14. OTHER IMPLICATIONS - STAFFING

- 14.1. This is an unsettling time for colleagues. It is important to note that reorganisation will not itself lead to large scale redundancies or job losses. The overwhelming majority of employees will transfer automatically (under TUPE arrangements) to one of the new authorities and they may not see much difference in their day to day working patterns.
- 14.2. Although senior managers are unlikely to automatically transfer, reorganisation often creates new opportunities for people, particularly as the new Mayoral Strategic Authority expands to take on new devolved responsibilities.

14.3. We are at such an early stage in the process that it is impossible to give any more details than these headlines. The Council is clearly mindful of the importance of colleagues in delivering our services and of the importance of ensuring that colleagues continue to feel valued, consulted and engaged in the process. The Chief Executive in her capacity as Head of Paid Service, with overall responsibility for the workforce, has initiated regular staff briefings and there are updates through the FAQs that are revised on a weekly basis (when there has been new information to provide updates).

15. REASONS FOR THE RECOMMENDED DECISIONS

15.1. As set out above, it is preferable that Huntingdonshire District Council works in partnership with all other councils across Cambridgeshire & Peterborough to achieve the best possible outcome for our residents.

16. LIST OF APPENDICES INCLUDED

Appendix 1: Letter from Minister McMahon dated 5 February 2025

Appendix 2: Proposed letter of submission to Government

CONTACT OFFICER

Name/Job Title: Michelle Sacks, Chief Executive Officer
Tel No: 01480 388116
Email: Michelle.Sacks@huntingdonshire.gov.uk



Ministry of Housing,
Communities &
Local Government

Correspondence

Letter: Cambridgeshire and Peterborough

Published 6 February 2025

Applies to England

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To: Leaders of two-tier councils and unitary council in Cambridgeshire

Cambridge City Council
Cambridgeshire County Council
East Cambridgeshire District Council
Fenland District Council
Huntingdonshire District Council
South Cambridgeshire District Council
Peterborough City Council

From: Jim McMahon OBE MP
Minister of State for Local Government and English Devolution

5 February 2025

Dear Leaders,

This government has been clear on our vision for simpler, more sustainable, local government structures, alongside a transfer of power out of Westminster through devolution. We know that councils of all political stripes are in crisis after a decade of decline and instability. Indeed, a record number of councils asked the government for support this year to help them set their budgets.

This new government will not waste this opportunity to build empowered, simplified, resilient and sustainable local government for your area that will increase value for money for council taxpayers. Local leaders are central to our mission to deliver change for hard-working people in every corner of the country through our Plan for Change, and our councils are doing everything they can to stay afloat and provide for their communities day in, day out. The government will work closely with you to deliver these aims to the most ambitious timeline.

I am writing to you now to formally invite you to work with other council leaders in your area to develop a proposal for local government reorganisation, and to set out further detail on the criteria, guidance for the development of proposals, and the timeline for this process. A formal invitation with guidance for the development of your proposals is attached at Annex A. This invitation sets out the criteria against which proposals will be assessed.

Developing proposals for reorganisation

We expect there to be different views on the best structures for an area, and indeed there may be merits to a variety of approaches. Nevertheless, it is not in council taxpayers' interest to devote public funds and your valuable time and effort into the development of multiple proposals which unnecessarily fragment services, compete against one another, require lengthy implementation periods or which do not sufficiently address local interests and identities.

The public will rightly expect us to deliver on our shared responsibility to design and implement the best local government structures for efficient and high-quality public service delivery. We therefore expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.

This will mean making every effort to work together to develop and jointly submit one proposal for unitary local government across the whole of your area. The proposal that is developed for the whole of your area may be for one or more new unitary councils and should be complementary to devolution plans. It is open to you to explore options with neighbouring councils in addition to those included in this invitation, particularly where this helps those councils to address concerns about their sustainability or limitations arising from their size or boundaries or where you are working together across a wider geography within a strategic authority.

I understand there will be some cases when it is not possible for all councils in an area to jointly develop and submit a proposal, despite their best efforts. This will not be a barrier to progress, and the government will consider any suitable proposals submitted by the relevant local authorities.

Supporting places through change

It is essential that councils continue to deliver their business-as-usual services and duties, which remain unchanged until reorganisation is complete. This includes progress towards the government's ambition of universal coverage of up-to-date local plans as quickly as possible. To support with capacity, I intend to provide some funds for preparing to take forward any proposal, and I will share further information later in the process.

Considering the efficiencies that are possible through reorganisation, we expect that areas will be able to meet transition costs over time from existing budgets, including from the flexible use of capital receipts that can

support authorities in taking forward transformation and invest-to-save projects.

The default position is that assets and liabilities remain locally managed by councils, but we acknowledge that there are exceptional circumstances where there has been failure linked to capital practices. Where that is the case, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation, and Commissioners should be engaged in these discussions. We will continue to discuss the approach that is proposed with the area.

I welcome the partnership approach that is being taken across the sector to respond to the ambitious plans set out in the White Paper. My department will continue to work closely with the Local Government Association (LGA), the District Councils Network, the County Councils Network and other local government partners to plan how best to support councils through this process. We envisage that practical support will be needed to understand and address the key thematic issues that will arise through reorganisation, including managing service impacts and opportunities for the workforce, digital and IT systems, and leadership support.

Timelines and next steps for interim plans and full proposals

We ask for an interim plan to be submitted on or before 21 March 2025, in line with the guidance set out in the attached Annex. My officials will provide feedback on your plan to help support you to develop final proposals.

I will expect any full proposal to be submitted by **28 November**. If I decide to implement any proposal, and the necessary legislation is agreed by Parliament, we will work with you to move to elections to new 'shadow' unitary councils as soon as possible as is the usual arrangement in the process of local government reorganisation.

Following submission, I will consider any and all proposals carefully before taking decisions on how to proceed. My officials are available throughout to discuss how your reorganisation and devolution aspirations might work together and what support you think you might need to proceed.

This is a once in a generation opportunity to work together to put local government in your area on a more sustainable footing, creating simpler structures for your area that will deliver the services that local people and businesses need and deserve. As set out in the White Paper, my

commitment is that clear leadership locally will be met with an active partner nationally.

I am copying this letter to council Chief Executives. I am also copying this letter to local Members of Parliament, to the Mayor of the Combined Authority and to the Police and Crime Commissioner.

Yours sincerely,

Jim McMahon OBE MP
Minister of State for Local Government and English Devolution

Annex A

Local Government and Public Involvement in Health Act 2007 Invitation for proposals for a single-tier of local government

The Secretary of State for Housing, Communities and Local Government, in exercise of his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act'), hereby invites any principal authority in the area of the county of Cambridgeshire, to submit a proposal for a single tier of local government.

This may be one of the following types of proposal as set out in the 2007 Act:

- Type A – a single tier of local authority covering the whole of the county concerned
- Type B – a single tier of local authority covering an area that is currently a district, or two or more districts
- Type C – a single tier of local authority covering the whole of the county concerned, or one or more districts in the county; and one or more relevant adjoining areas
- Combined proposal – a proposal that consists of two or more Type B proposals, two or more Type C proposals, or one or more Type B proposals and one or more Type C proposals.

Proposals must be submitted in accordance with paragraphs 1 to 3:

1. Any proposal must be made by **28 November 2025**.
2. In responding to this invitation an authority must have regard to the guidance from the Secretary of State set out in the Schedule to this invitation, and to any further guidance on responding to this invitation received from the Secretary of State.
3. An authority responding to this invitation may either make its own

proposal or make a proposal jointly with any of the other authorities invited to respond.

Signed on behalf of the Secretary of State for Housing, Communities and Local Government.

F Kirwan

A senior civil servant in the Ministry of Housing, Communities and Local Government

5 February 2025

Schedule

Guidance from the Secretary of State for proposals for unitary local government.

Criteria for unitary local government

1. A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.

a) Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.

b) Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.

c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement.

d) Proposals should describe clearly the single tier local government structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.

2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.

a) As a guiding principle, new councils should aim for a population of 500,000 or more.

b) There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.

c) Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.

d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

e) For areas covering councils that are in Best Value intervention and/or in receipt of Exceptional Financial Support, proposals must additionally demonstrate how reorganisation may contribute to putting local government in the area as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable.

f) In general, as with previous restructures, there is no proposal for council debt to be addressed centrally or written off as part of reorganisation. For areas where there are exceptional circumstances where there has been failure linked to capital practices, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation.

3. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.

a) Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services.

b) Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.

c) Consideration should be 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.

4. Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.

a) It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal.

b) Proposals should consider issues of local identity and cultural and historic importance.

c) Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.

5. New unitary structures must support devolution arrangements.

a) Proposals will need to consider and set out for areas where there is already a Combined Authority (CA) or a Combined County Authority (CCA) established or a decision has been taken by Government to work with the area to establish one, how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA /Mayor.

b) Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.

c) Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.

6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

a) Proposals will need to explain plans to make sure that communities are engaged.

b) Where there are already arrangements in place it should be explained how these will enable strong community engagement.

Developing proposals for unitary local government

The following matters should be taken into account in formulating a proposal:

Boundary Changes

a) Existing district areas should be considered the building blocks for your proposals, but where there is a strong justification more complex boundary changes will be considered.

b) There will need to be a strong public services and financial sustainability related justification for any proposals that involve boundary changes, or that

affect wider public services, such as fire and rescue authorities, due to the likely additional costs and complexities of implementation.

Engagement and consultation on reorganisation

a) We expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.

b) For those areas where Commissioners have been appointed by the Secretary of State as part of the Best Value Intervention, their input will be important in the development of robust unitary proposals.

c) We also expect local leaders to engage their Members of Parliament, and to ensure there is wide engagement with local partners and stakeholders, residents, workforce and their representatives, and businesses on a proposal.

d) The engagement that is undertaken should both inform the development of robust proposals and should also build a shared understanding of the improvements you expect to deliver through reorganisation.

e) The views of other public sector providers will be crucial to understanding the best way to structure local government in your area. This will include the relevant Mayor (if you already have one), Integrated Care Board, Police (Fire) and Crime Commissioner, Fire and Rescue Authority, local Higher Education and Further Education providers, National Park Authorities, and the voluntary and third sector.

f) Once a proposal has been submitted it will be for the government to decide on taking a proposal forward and to consult as required by statute. This will be a completely separate process to any consultation undertaken on mayoral devolution in an area, which will be undertaken in some areas early this year, in parallel with this invitation.

Interim plans

An interim plan should be provided to government on or before **21 March 2025**. This should set out your progress on developing proposals in line with the criteria and guidance. The level of detail that is possible at this stage may vary from place to place but the expectation is that one interim plan is jointly submitted by all councils in the area. It may be the case that the interim plan describes more than one potential proposal for your area, if there is more than one option under consideration. The interim plan should:

a) identify any barriers or challenges where further clarity or support would be helpful.

b) identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.

c) include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.

d) include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.

e) include early views on how new structures will support devolution ambitions.

f) include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.

g) set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.

h) set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area.

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Appendix 2: DRAFT LETTER TO MHCLG

Jim McMahon OBE MP
Minister of State for Local Government and English Devolution
2 Marsham Street
London
SW1P 4DF

21 March 2025

Dear Jim

Thank you for your letter of 5 February.

Cambridgeshire and Peterborough is in a unique position in relation to the Government's proposals. We are the only Mayoral Combined Authority area with two-tiers of local government, and in addition includes a unitary authority.

All authorities in Cambridgeshire and Peterborough have set legal budgets for 2025/26. Looking ahead, both upper tier authorities are at risk from the current uncertainty surrounding the future of the high needs block statutory override due to expire in April 2026, and the anticipated business rates reset and Fair Funding review will put funding in the area at further risk of reduction.

Cambridgeshire and Peterborough, with its three cities (Cambridge, Peterborough and Ely), is a diverse area with a large rural population, three economic areas (CPIER final report)¹; and a number of challenges including an ageing population, significant infrastructure gaps, high growth areas, demand for housing and extreme housing affordability challenges in some areas.

Around 25% of the population of Cambridgeshire and Peterborough live in areas that are below the national median for indices of multiple deprivation, with areas across Fenland and Peterborough that are within the 10% most deprived areas

¹ [cpier-report-151118-download.pdf](#)

nationally. Cambridge and Peterborough are two of the fastest growing cities in England, and the government has given Cambridge a prominent role in its national plans for sustainable economic growth and innovation.

Leaders from Cambridgeshire and Peterborough have been working closely and effectively together and have been meeting regularly with Chief Executives to work through the various options in relation to local government reorganisation (LGR). A working group of officers from all our authorities is also meeting regularly to develop a shared evidence base that can inform subsequent proposals.

We are entering into LGR with an open mind and spirit of wanting the best for all our residents and for the local area as a whole. Not all of us would have chosen this path but we accept that it is the path we are on.

We are not currently in a position to respond to all the points raised in your letter in the time available. Our Councils have been focused on setting legal budgets, driving efficiencies and improving services. Pre-election period begins on 25th March and local attention is now turning to Mayoral and County Council elections which may have a bearing on the development of our LGR plans.

Currently leaders are considering different unitary scenarios. However, further work will be required following local elections to reach a shared understanding of how best to progress these to the next stage/business case. These scenarios will take account of historic community identities, the interests of residents, economic geographies, and local politics. A strong economic base is a priority for us to counteract the significant pressures around Children's services (including education) and Special Educational Needs and Disability, Adult Social Care and Housing.

We will be spending the next few months considering the options, using data to inform our thinking, and using the LGR structures at officer and political level that have been put in place to enable a collaborative approach based on a jointly developed evidence base. We are focused on ensuring that any proposals ensure that future unitarities are financially sound – this is a shared principle amongst all leaders. This may require us to look at boundary changes for districts although this is not our preference.

We recognise that any new council configurations will reduce the number of leaders compared with our current arrangements for the Mayoral Combined Authority, which under the government's plans would become a Strategic Mayoral Authority. There is a risk this could have an impact on democratic accountability across our area which will need careful consideration.

We welcome a further meeting with MLCHG where we can work through the areas where we would appreciate more support.

Yours sincerely

Cllr Anna Bailey, Leader, East Cambridgeshire District Council

Cllr Sarah Conboy, Leader, Huntingdonshire District Council

Cllr Mike Davey, Leader, Cambridge City Council

Cllr Dennis Jones, Leader, Peterborough City Council

Cllr Lucy Nethsingha, Leader, Cambridgeshire County Council

Cllr Bridget Smith, Leader, South Cambridgeshire District Council

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