

## 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)<sup>1</sup>; 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

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<sup>1</sup> [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 25<sup>th</sup> 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