

Agenda Item No:	4	
Committee:	Cabinet	
Date:	21 July 2025	
Report Title:	Local Government Reorganisation	

1 Purpose / Summary

- 1.1 To provide a Local Government Reorganisation (LGO) progress update for the Peterborough and Cambridgeshire area.
- 1.2 For Members to review the feedback from Council and provide a steer in regards to the 3 emerging proposals for Cambridgeshire and Peterborough.

2 Key Issues

- 2.1 On 16 December 2024, the White Paper on English Devolution was published, outlining extensive reforms to the local government framework across England. These changes include increased devolution from central government to strategic authorities and local government reorganisation in two-tier areas, and in some adjoining Unitary Authority areas. The White Paper can be accessed here: [English Devolution White Paper: Power and partnership: Foundations for growth - GOV.UK](#)
- 2.2 As the Cambridgeshire & Peterborough area already has devolved powers through the Combined Authority, this report specifically addresses the local government reorganisation aspects of the White Paper.
- 2.3 The Government intends to implement local government reorganisation in all two-tier areas and in some adjoining Unitary Authority areas. All councils in an area are expected to collaborate on unitary proposals that serve the best interests of the region. Generally, the Government anticipates new unitary authorities will have populations of 500,000 to 1,000,000, but in exceptional cases the Government is believed to be willing to consider a new unitary authority which has a population as low as 300/350 thousand.
- 2.4 A response to Government was sent by the March deadline following Council and Cabinet on 14 March 2025 providing initial feedback on the LGR process.
- 2.5 The Council is expected to work with others to develop the thinking around LGR and a lot of work has been ongoing between the Leaders and Chief Executives of the 7 Councils in Cambridgeshire and Peterborough to develop a set of proposals.
- 2.6 Options were excluded in line with the criteria set by the government, either because they were less financially viable or because they did not meet the requirements of our Combined Authority geography (which must include at least two unitaries). 3 proposals for unitary government in Cambridgeshire and Peterborough now

remain as set out in section 2.3 of the report. Business cases for each proposal are currently being developed.

- 2.7 Members are requested to review the feedback from Council on the 3 proposals and provide initial feedback on their suitability for the Fenland area, and for Cambridgeshire and Peterborough as a whole. It should be noted that the government requires proposals that provide a solution for the whole geography, not just the area that includes our own district.
- 2.8 The Government has set deadlines for the LGR process and one or more final proposal(s) are required to be submitted by 28 November 2025.
- 2.9 Members should note that a Cambridgeshire and Peterborough wide engagement process on LGR took place between 19 June and 20 July 2025. More details can be found within the report in section 3.

3 Recommendations

- 3.1 For Cabinet to consider the feedback from Council on the 3 proposals and provide a steer to the Leader to support ongoing dialogue within the LGR process.

Wards Affected	All Fenland wards
Forward Plan Reference	N/A
Portfolio Holder(s)	Cllr Boden – Leader of the Council
Contact Officers	Paul Medd, Chief Executive Carol Pilson, Corporate Director and Monitoring Officer Peter Catchpole, Corporate Director and Section 151 Officer Amy Brown, Assistant Director Anna Goodall, Assistant Director Dan Horn, Assistant Director David Wright, Head of Policy and Communications
Background Papers	White Paper on English Devolution published on 16 December 2024 English Devolution White Paper: Power and partnership: Foundations for growth - GOV.UK Council Report: LGR – draft proposals; 14 March 2025 Cabinet Report: LGR – draft proposals; 14 March 2025 Council Minutes; 14 March 2025 Cabinet Minutes; 14 March 2025

1 BACKGROUND AND INTENDED OUTCOMES

- 1.1 On 16 December 2024, the White Paper on English Devolution was published, outlining extensive reforms to the local government framework across England. These changes include increased 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: Power and partnership: Foundations for growth - GOV.UK](#)
- 1.2 As the Cambridgeshire & Peterborough area already has devolved powers through the Combined Authority, this report specifically addresses the local government reorganisation aspects of the White Paper.
- 1.3 The Government intends to implement local government reorganisation in two-tier areas and in some adjoining Unitary Authority areas. All councils in an area are expected to collaborate on unitary proposals that serve the best interests of the region. Generally, the Government anticipates new unitary authorities will have resident populations of 500,000 to 1,000,000, but in exceptional cases the Government is believed to be willing to consider a new unitary authority which has a resident population as low as 300/350 thousand.
- 1.4 Cambridgeshire currently has approximately 700,000 residents, while Peterborough, which already operates as a unitary council, has around 220,000 residents.
- 1.5 The five districts within Cambridgeshire (Fenland, Huntingdonshire, East Cambridgeshire, South Cambridgeshire and Cambridge) have approximate resident populations, respectively, of 104,000, 186,000, 91,000, 169,000 and 150,000.
- 1.6 The Council responded to the Government's request for an initial response in regards LGR proposals which was sent following the Council and Cabinet meetings held on 14 March 2025 and can be found here:
https://www.fenland.gov.uk/media/21970/FDC-LGR-Letter-21-March-2025/pdf/FDC_LGR_Letter_21.03.25.pdf?m=1742572592553
<https://www.cambridgeshire.gov.uk/asset-library/210325-response-to-jm-lgr-invitation-to-leaders.pdf>
- 1.7 The next Government deadline in relation to LGR is the submission of a proposal(s) for unitary government across Cambridgeshire and Peterborough which is to be sent by the deadline of 28 November 2025.

2 DRAFT PROPOSALS

- 2.1 The White Paper sets out the Government's intent to progress reorganisation swiftly, including through legislative measures if it becomes necessary to

ensure progress. The reorganisation may arrive regardless of the Council's view; therefore, it is important that Fenland District Council has a considered view as to the optimal unitary arrangements for Cambridgeshire and Peterborough.

2.2 The Council has been encouraged by Government to work with others to develop proposals. It is FDC's intention to work closely with the other 7 principal Councils to produce an agreed proposal, or an agreed set of proposals, in time for the final submission in November 2025. Leaders across Cambridgeshire & Peterborough have met on several occasions and continue to work productively together to consider different initial proposals for unitary government.

2.3 The 3 proposals for unitary government have emerged across the Cambridgeshire and Peterborough area based on existing Council boundaries as follows:

Proposal A A North-West/South-East Option	Unitary 1	Peterborough City Council, Huntingdonshire and Fenland District Councils - along with County Council functions
	Unitary 2	Cambridge City Council, East Cambridgeshire and South Cambridgeshire District Councils - along with County Council functions
Proposal B A North/South Option	Unitary 1	Peterborough City Council, East Cambridgeshire, Fenland and Huntingdonshire District Councils - along with County Council functions
	Unitary 2	Cambridge City Council and South Cambridgeshire District Council - along with County Council functions
Proposal C An East/West Option	Unitary 1	Peterborough City Council, East Cambridgeshire and Fenland District Councils - along with County Council functions
	Unitary 2	Cambridge City Council, Huntingdonshire and South Cambridgeshire District Councils - along with County Council functions

2.4 Business cases for all three proposals are currently in development to enable Leaders and all Members to take an informed view in expressing their preference for a particular proposal prior to the submission date of 28 November 2025. Council will meet again near to the November submission date to provide further feedback to Cabinet for Cabinet to agree which proposal(s) will ultimately be submitted to government.

- 2.5 We are aware Peterborough MP's are in favour of the development of a 4th option which would be the development of a Greater Peterborough business case. This will be reflected upon at future Leaders' meetings.
- 2.6 While a unified agreement across Cambridgeshire and Peterborough is possible, more than one proposal may be submitted. Consequently, there is no guarantee that any proposal endorsed by Fenland District Council will be adopted by the Government. Furthermore, if the Council opts not to submit a proposal, with partners, the Government retains the authority to proceed with reorganisation. Active participation ensures the Council may have a say in shaping the future outlook for unitary government within our area.

3 PUBLIC ENGAGEMENT

- 3.1 In June, a survey asking for views on the future of local government in Cambridgeshire and Peterborough was launched and was live between 19 June and 20 July 2025. The engagement focused on the connections people have to different areas; where they work, socialise or receive healthcare, for example. It also covers what priorities they think new unitary Councils should have and what is important to them when it comes to interacting with local government.
- 3.2 Feedback from the survey will be used to help develop detailed business cases for each of the three preferred options set out at 2.3 for new unitary Councils across the area. These business cases will then be submitted to national Government in November. The Government will then consult on some, or all of the proposals, prior to a final decision being made.

4 Next Steps

- 4.1 The Chief Executives' group 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 transition costs and savings. This work will continue over the summer and be used in the development of the business cases of the 3 preferred options. Chief Executives have also commissioned consultants to complete modelling around Social Care and Health.
- 4.2 It is important to note that whilst the Council can influence reorganisation, the final decision is for the Secretary of State.
- 4.3 Following Council, the Cabinet will meet to review the feedback received and to provide initial feedback on which proposal(s) to support. Briefings will be presented to Members on a regular basis throughout the LGR process to shape the development of proposals in the best interests of Fenland's residents and businesses, and the Cambridgeshire and Peterborough area.
- 4.4 Any substantive proposals for reorganisation will be brought back to Cabinet/Council for discussion and decision in October/November. This may entail additional meetings of the Council/Cabinet. We will give as much notice of this as possible.

5 CONSULTATION

- 5.1 The 2024 White Paper on English Devolution states that:
- Any changes to public service boundaries will be made in consultation with stakeholders and considering the impact on service delivery

6 ALTERNATIVE OPTIONS CONSIDERED

- 6.1 The White Paper sets out the Government's intent to progress reorganisation swiftly, including through legislative measures if it becomes necessary to ensure progress. Therefore, alternative options are not available.

7 IMPLICATIONS

7.1 Legal Implications

- 7.2 Local government reorganisation is governed by the Local Government and Public Involvement in Health Act 2007. The Secretary of State has the authority to invite or direct proposals and make final decisions.
- 7.3 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 whilst this is not required by Government, it is expected unless there are compelling reasons to split an existing district between more than one new unitary authority.
- 7.4 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, or Government may decide upon an entirely different arrangement.
- 7.5 Existing Councils in Cambridgeshire are unlikely to continue in their current form, with new councils expected to operate in a shadow capacity from May 2027 before full implementation in April 2028.

7.6 Financial Implications

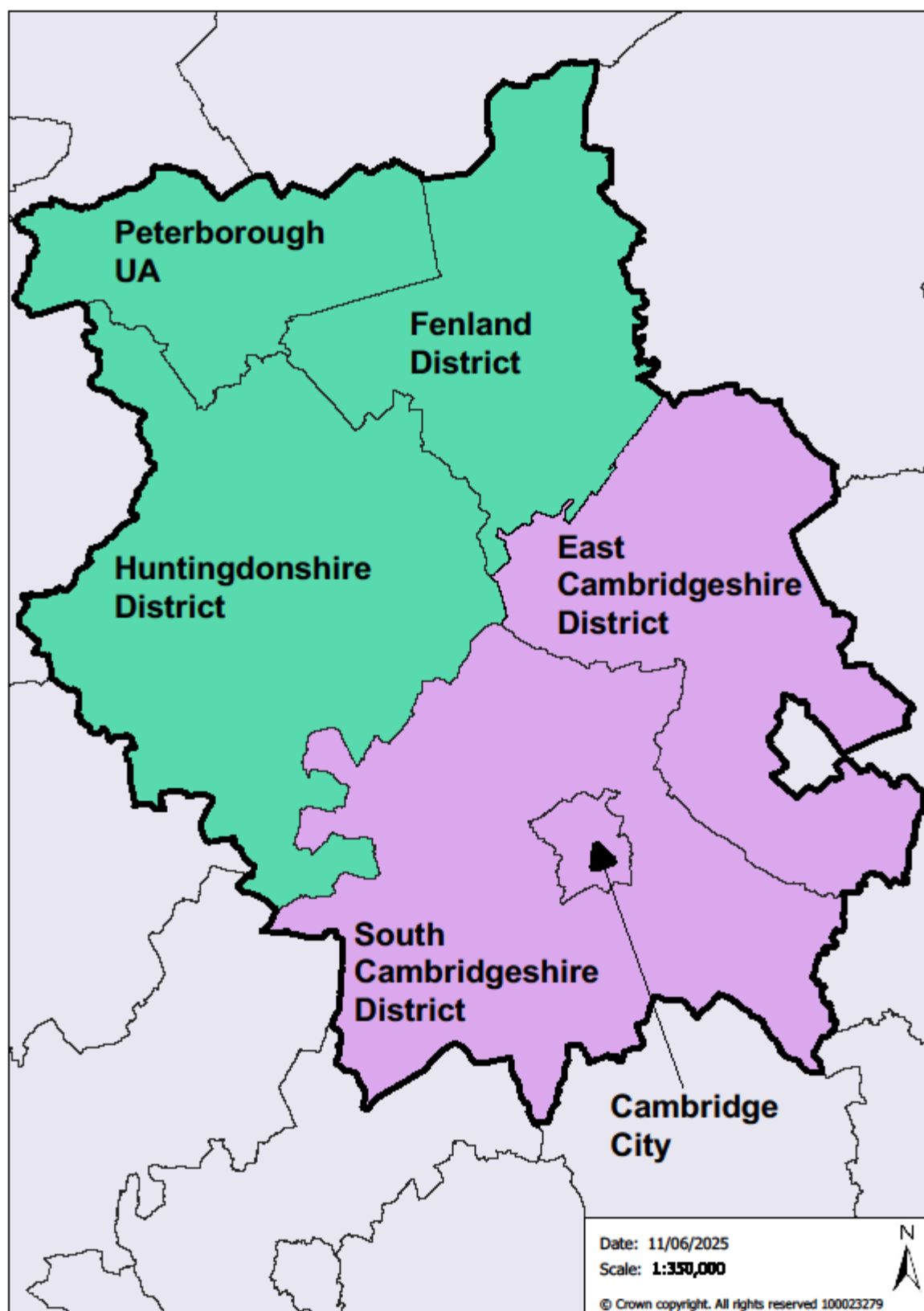
- 7.7 At this stage, direct financial implications are minimal. However, extensive partnership working will be essential to inform reliable financial modelling, which is inevitably complicated as it requires both disaggregation of upper tier functions and aggregation of district functions into whatever unitary councils are proposed. Evaluations of financially viable future structures will be necessary, along with assessments of the best value-for-money configurations for taxpayers.

- 7.8 A crucial factor is the current level of debt across Cambridgeshire's local government. Any reorganisation proposal must adequately address financial liabilities to ensure sustainability.
- 7.9 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.
- 7.10 Government announced funding for all Councils affected by LGR. Cambridgeshire and Peterborough received £318,000 which has funded the development of financial modelling, social care and health modelling and support to public engagement. Any residual funding amount will support the development of the 3 business cases.
- 7.11 **Equality Implications**
- 7.12 Not applicable.

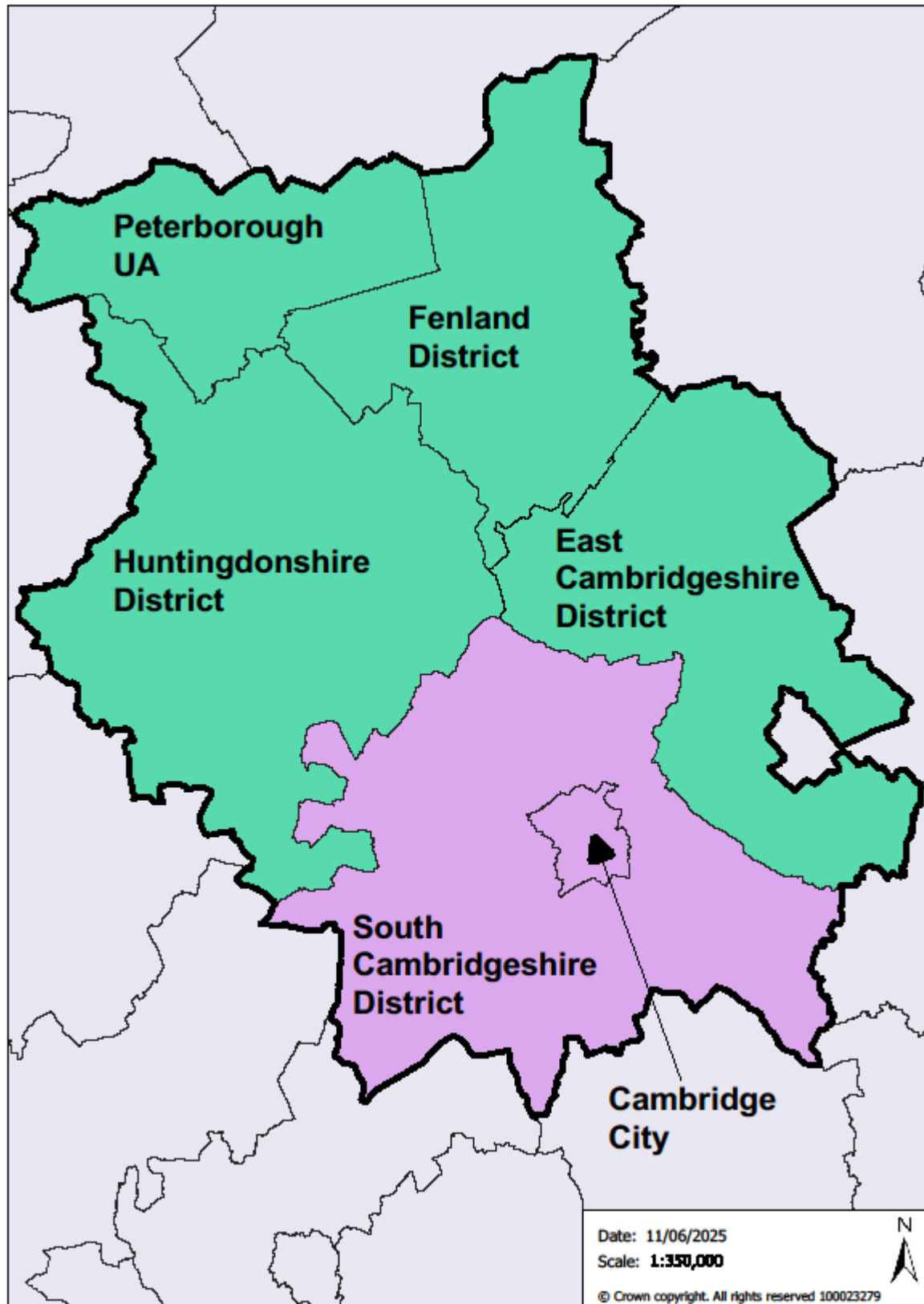
8 SCHEDULES

Appendix 1: Proposals Maps

Option A



Option B



Option C

