Cumbria Local Government Reorganisation Case for Change
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Executive summary
This document is a Full Proposal recommending a two unitary model of local government reorganisation in Cumbria in response to the invitation dated 9th October 2020. This proposal has been developed in partnership between the four District, City and Borough Councils of north Cumbria and is submitted by Allerdale Borough Council and Copeland Borough Council.

Objectives of this report

The key objectives of this Full Proposal are to:

• Demonstrate the case for a two unitary system of local government in Cumbria as supported by Allerdale Borough Council, Carlisle City Council Copeland Borough Council and Eden District Council
• Describe the process undertaken to develop this proposal
• Clearly communicate the model of local government being proposed by Allerdale Borough Council and Copeland Borough Council
• Detail the benefits associated with the proposed model
• Set out high level considerations around how the proposed model could be implemented.

This proposal has been developed in partnership between the four District, City and Borough Councils of north Cumbria (Allerdale Borough Council, Carlisle City Council, Copeland Borough Council and Eden District Council) all of whom strongly support a two unitary approach to local government reorganisation in Cumbria.

The four councils have submitted two proposals between them reflecting the best of the options evaluated and on which they will further engage the public to gather their views. They believe residents, businesses and stakeholders should have the opportunity to make an informed decision between all viable options.

An East & West and a North & South model have therefore been submitted which represent the best two options for unitary structures across the whole of Cumbria. The proposals detail the clear strength of a two unitary approach to local government and provide the arguments that support each model to be considered through formal and appropriate public consultation.
Our vision for local government in Cumbria

We will promote Cumbria with strong and fair representation for our communities and businesses. Our services will drive sustainable economic growth, enable safe and healthy lives and deliver value for money for everyone.

How we will achieve it

- Two unitaries providing local representation, responsibility and accountability as part of a strong Cumbria Combined Authority
- Local, responsive, accessible services, integrating planning and service delivery
- Strengthening our economy to lead the UK towards a greener and more prosperous future
- Delivering high quality services efficiently and delivering value for our residents in collaboration with our partners
Executive summary

Principles for local government reorganisation in Cumbria

We have established principles, aligned with our evaluation criteria, to establish what local government reorganisation must achieve for Cumbria. It must...

<table>
<thead>
<tr>
<th>Impact on service delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Maintain, reflect and strengthen local community identity</td>
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<td>• Integrate local services around the needs and expectations of residents and businesses</td>
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<td>• Be agile and flexible to drive continuous service improvement</td>
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<td>• Understand and reflect the challenges of rurality and level up services that everyone can rely on</td>
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<td>• Minimise disruption and the impact of reorganisation on residents</td>
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<td>• Strengthen and grow strong local partnerships across public services, with business and with the third sector</td>
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<th>Financial benefits and sustainability</th>
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<tbody>
<tr>
<td>• Establish financially sustainable, fit for purpose local government organisations</td>
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<td>• Unlock efficiencies that can be reinvested in services to boost quality</td>
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<tr>
<td>• Develop greater self sufficiency through income generation and leveraging scale and buying power</td>
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<td>• Provide communities with strong local representation co-designed, run in partnership and delivered at a local level</td>
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<table>
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<th>Growth</th>
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<td>• Enable sustainable, inclusive economic development and encourage business investment in the local economy</td>
</tr>
<tr>
<td>• Represent Cumbria on the national stage through a strong leader and a single clear voice to attract investment</td>
</tr>
<tr>
<td>• Provide access to funding and increase the prosperity and wellbeing of businesses and communities</td>
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<table>
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<td>• Attract the support of the people and communities of Cumbria</td>
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<tr>
<td>• Reflect how the people of Cumbria identify with place</td>
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Executive summary

The case for a two unitary model

A two unitary model for local government reorganisation in Cumbria represents the right balance between scale and efficiency and local knowledge, understanding and delivery. Two unitaries will...

For people, place and the economy

• maintain and reflect local community identity
• provide communities with strong local representation through smaller, balanced electorates on which to develop effective functional relationships with Town and Parish Councils
• reflect, support and develop functional economic geographies in the county
• enable sustainable, inclusive economic development and attract business investment in the local economy
• provide access to funding and increase the prosperity and wellbeing of businesses and communities
• attract the support of the people and communities of Cumbria and reflect how they identify with place
• create a strong leader and voice to attract investment on the national stage

For services and the organisations

• integrate services around the needs and expectations of residents and businesses, utilising local knowledge
• offer opportunities to focus, target and improve children’s services
• enable culture change and develop a customer-first culture of collaboration
• reflect the structures of healthcare delivery, establishing local, integrated, all-age services over a viable footprint
• establish financially sustainable, fit for purpose local government organisations and unlock efficiencies that can be reinvested in services to boost quality
• develop greater self sufficiency through income generation and leveraging scale and buying power
• drive strategic leadership and collaborate on strategic issues through a mayoral Combined Authority
Unitaries built around communities in the East and the West of Cumbria are the best way to achieve the vision and ambitions for services and growth in Cumbria. This page outlines the key arguments supporting the model and there is further detail and evidence to support each argument in chapter 6.

East and West unitaries will…

- align with the existing road and rail infrastructure
- connect ports infrastructure to air links and across Cumbria
- provide focus to address the clear inequality in digital connectivity across Cumbria
- reflect different communities and will provide representation and services to address local priorities, building on existing outstanding services
- build upon existing service delivery footprints which demonstrates natural alignment and will minimise disruption while enabling improvement
- achieve efficiencies and financial sustainability
- build upon existing back office shared services and efficiencies demonstrating natural alignment in corporate functions
- provide democratic representation by establishing political entities that represent a culturally coherent population
- enable focused development and support for tourism assets
- have strong, balanced economies which are well diversified and provide a strong footprint to develop and grow
- provide a balanced division of growth projects but will also enable focused development
- protect, support and strengthen critical national projects including world-leading nuclear capabilities, carbon reduction and hydrogen fuels

East Cumbria and West Cumbria summary

<table>
<thead>
<tr>
<th>Districts</th>
<th>West Cumbria</th>
<th>East Cumbria</th>
</tr>
</thead>
<tbody>
<tr>
<td>districts</td>
<td>Allerdale, Carlisle,</td>
<td>Barrow, Eden, South</td>
</tr>
<tr>
<td></td>
<td>Copeland</td>
<td>Lakeland</td>
</tr>
<tr>
<td>Population</td>
<td>274,622 (55%)</td>
<td>225,390 (45%)</td>
</tr>
</tbody>
</table>
Executive summary

Financial efficiencies

The opportunity for annual efficiencies is estimated at between £19.1m and £31.6m subject to the decisions and ambitions of the future unitaries though there are opportunities for significant additional savings through wider transformation. Implementation costs are expected to range between £17.6m and £23.8m and we expect these to be paid back through savings in year 3 following the vesting of the new unitaries.

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Existing cost base assessed</th>
<th>Efficiencies</th>
<th>Percentage of existing cost base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce</td>
<td>Number of full time employees including management</td>
<td>104.9</td>
<td>11.5</td>
<td>16.8</td>
</tr>
<tr>
<td>Services</td>
<td>Cultural Activities</td>
<td>18.5</td>
<td>1.1</td>
<td>2.3</td>
</tr>
<tr>
<td></td>
<td>Planning &amp; Related</td>
<td>13.5</td>
<td>1.3</td>
<td>2.8</td>
</tr>
<tr>
<td></td>
<td>Environmental &amp; regulatory</td>
<td>11.7</td>
<td>0.4</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>Waste</td>
<td>48.0</td>
<td>1.9</td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td>Housing services</td>
<td>6.9</td>
<td>0.4</td>
<td>1.1</td>
</tr>
<tr>
<td>Systems</td>
<td>Systems</td>
<td>10.3</td>
<td>1.1</td>
<td>1.6</td>
</tr>
<tr>
<td>Office Space</td>
<td>Office Space</td>
<td>1.2</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Democratic arrangements</td>
<td>Democratic process and number of members</td>
<td>1.9</td>
<td>1.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Total (£m)</td>
<td>Total</td>
<td>217.0</td>
<td>19.1</td>
<td>31.6</td>
</tr>
</tbody>
</table>
Implementing local government reorganisation

Detailed implementation planning will be fundamental to successful local government reorganisation. Activities and milestones are considered against four high level phases, which are explained below.

**Phase 1: Pre-planning**

Prior to the delivery of Local Government Reorganisation, there will be a need for cooperation and consensus building between key stakeholders across central and local government. Within Cumbria there will likely be competing bids for the structure of local authorities, and as such the Secretary of State will form a conclusion based on consultation with all parties involved.

**Phase 2: Joint committees**

Design and more detailed planning work commences from the moment that the Secretary of State makes a decision on the future structure of local government in Cumbria. Activities begin to focus on the establishment of the unitary authorities, but with coordination required across all seven current authorities.

**Phase 3: Shadow authorities**

In line with other Local Government Reorganisation processes, the District authorities expect shadow authorities to be in place one year prior to the vesting date.

**Phase 4: Combined and Unitary authorities**

At the point that new authorities formally come into existence, greater focus can be placed on the long term strategy for the future authorities.

While the process is separate, implementing a Combined Authority at the same time as unitaries are vested will reduce the implementation time and cost and provide greater clarity to the public.
Purpose and approach
Purpose and approach

Purpose of this report

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Purpose and approach

Approach to developing the Case for Change

This document has been prepared through extensive research, analysis of public information, tailored information requests, financial modelling and stakeholder engagement.

Desktop research and baselining

All work has been informed by desktop research and analysis. Publicly available data and information has been used, alongside additional information from the District, City and Borough Councils. Sources of information and data are set out in Appendix B.

Stakeholder engagement

Understanding of the baseline information has been supplemented through engagement with Senior Officers and Councillors across the District, City and Borough Councils. Interviews have been held with Chief Executives and Council Leaders at each of the District, City and Borough Councils and with the Chief Executive of Cumbria County Council.

Virtual workshops have been held, attended by over 25 Leaders, Deputy Leaders, Members, Chief Executives and Senior Officers from across the District, City and Borough Councils.

The Councils have adopted a range of stakeholder engagement events including discussions with local business, Chamber of Commerce, education providers, Cumbria Association of Local Councils (CALC); and internally, cross-party working groups, full Council briefings and engagement through Overview and Scrutiny committees. Action with Communities in Cumbria were commissioned to engage with the community and voluntary sectors and received over 500 responses.

Throughout the process the Councils have engaged with businesses and external partners to gather insight, views and supporting information.
In assessing the options for local government reorganisation in Cumbria we established five criteria that any successful model would need to achieve.

These incorporate the criteria outlined in the invitation for proposals but also reflect the drivers, priorities and local circumstances of Cumbria through the process. There are five main evaluation criteria.

<table>
<thead>
<tr>
<th>Evaluation criteria</th>
<th>What LGR needs to achieve for Cumbria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact on service delivery</td>
<td>Providing integrated, effective and efficient services that enable people to lead healthy, happy and prosperous lives. Balancing disruption with service improvements and providing capacity and resilience for services.</td>
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<td>Growth</td>
<td>Promoting Cumbria to attract investment, enable inclusive and sustainable development and increase prosperity and wellbeing.</td>
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<td>Support</td>
<td>Supported by the people and communities of Cumbria and reflecting how they see their place.</td>
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</tbody>
</table>
To evaluate potential options in detail we developed subcriteria against each main criteria. These were weighted where 5 is critical to any future unitary model and 1 is less important.

### Purpose and approach

#### The evaluation criteria

<table>
<thead>
<tr>
<th>Impact on service delivery</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service improvement</td>
<td>5</td>
</tr>
<tr>
<td>Geography for service delivery</td>
<td>5</td>
</tr>
<tr>
<td>Minimal service disruption</td>
<td>4</td>
</tr>
<tr>
<td>Manageable demographics and demand</td>
<td>4</td>
</tr>
<tr>
<td>Partnership working</td>
<td>3</td>
</tr>
<tr>
<td>Capacity and resilience</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Growth</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic growth potential</td>
<td>5</td>
</tr>
<tr>
<td>Sustainable economic development</td>
<td>5</td>
</tr>
<tr>
<td>Inclusive economic growth, social mobility and levelling up</td>
<td>5</td>
</tr>
<tr>
<td>Unlocking investment</td>
<td>5</td>
</tr>
<tr>
<td>Housing development provision</td>
<td>4</td>
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</table>

<table>
<thead>
<tr>
<th>Financial benefits and sustainability</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term financial sustainability</td>
<td>5</td>
</tr>
<tr>
<td>Costs and complexity of reorganisation</td>
<td>3</td>
</tr>
<tr>
<td>Council tax equalisation</td>
<td>3</td>
</tr>
<tr>
<td>Income potential</td>
<td>4</td>
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<tr>
<td>Reserves, assets and liabilities</td>
<td>4</td>
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<table>
<thead>
<tr>
<th>Democratic representation</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective local representation</td>
<td>5</td>
</tr>
<tr>
<td>Identity</td>
<td>4</td>
</tr>
<tr>
<td>Functional economic geography</td>
<td>3</td>
</tr>
<tr>
<td>Representation in future Combined Authority</td>
<td>2</td>
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Vision and principles for local government reorganisation
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• Two unitaries providing local representation, responsibility and accountability as part of a strong Cumbria Combined Authority
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- Reflect, support and develop functional economic geographies in the county

**Growth**
- Enable sustainable, inclusive economic development and encourage business investment in the local economy
- Represent Cumbria on the national stage through a strong leader and a single clear voice to attract investment
- Provide access to funding and increase the prosperity and wellbeing of businesses and communities

**Support**
- Attract the support of the people and communities of Cumbria
- Reflect how the people of Cumbria identify with place
Challenges and opportunities
Challenges for Cumbria

Cumbria faces a number of local challenges and issues while managing the national issues of devolution and EU Exit and the international challenges posed by COVID-19 and climate change.

In addition to national issues such as COVID-19, forthcoming white papers on devolution and planning, EU Exit and other changes in legislation, health and social care integration, climate change and digitisation, Cumbria faces some specific challenges including:

Large, rural and sparsely populated - Cumbria is the second largest county in the country but has a small and mostly rural population which means delivering high quality services fairly across the whole area is challenging e.g. children’s services.

Shrinking and ageing population - The population is older than the national average and is expected to shrink which presents a challenge regarding education and skills, economic growth and adult social care.¹

Infrastructure – there is a lack of modern physical infrastructure including road, rail and air as well as inconsistent digital infrastructure.

Financial sustainability - Local government nationally is under significant financial pressure. Prior to COVID-19 the Councils in Cumbria required savings of £16.8m in 2020/21 on top of savings made since 2011.²

Inequalities - There are pockets of significant deprivation and significant variations in life expectancy, housing, connectivity, education and other key life factors across the county.

Economic diversity - There is significant reliance on tourism and the nuclear industry which are strengths of the area but pose challenges regarding economic resilience.

1. ONS population estimates
2. Medium Term Financial Plans of the seven councils
Cumbria covers 676k hectares which is larger than Essex, Greater London and Hertfordshire combined

The images below show that Cumbria is over 1% larger than Essex, Greater London and Hertfordshire combined. In addition the geography and infrastructure largely operates as a doughnut around the Lake District National Park and the Scafell Massif in the centre of the county and 86% of the total road length in Cumbria consists of minor roads.²

1. Google MyMaps
Cumbria has significant strengths and opportunities to grow and develop, from the existing strong tourism industry to nuclear and renewables assets that can enable it to lead the UK towards net zero ambitions.

Cumbria has significant assets and opportunities to develop and grow which include:

- The opportunity to establish an elected mayor to promote the region and give a clear voice for the people and economy of Cumbria through devolution and a Combined Authority.

- Cumbria is a Centre of Nuclear Excellence: a world leader in nuclear waste and decommissioning, decarbonising heat, power and transport, and driving clean growth as we head towards Net Zero by 2050. Through the Barrow shipyard we are also at the core of the UK’s defence industries and nuclear deterrent.

- Cumbria has significant assets for renewable energy including a large coastline and wide open spaces which can support the UK’s clean energy agenda and net zero ambitions, for instance through Offshore Wind Leasing.

- Cumbria is home to a wealth of natural assets including the Lake District world heritage site, three Areas of Outstanding Natural Beauty, parts of the Yorkshire Dales National Park and the Cumbria Coast Marine Conservation Zone. These cultural landscapes and their biodiversity supports tourism which brings over 47 million people and £3.1bn to the local and national economy every year.¹

- Cumbria makes a significant contribution to national rural economy with the commitment to innovate and the use of new technologies to support food self sufficiency and wider national agricultural policy.

- Cumbria has good connections and a high quality of life so is well placed to benefit and grow from changes to working practices resulting from COVID-19.

1. Cumbria Tourism (https://www.cumbriatourism.org/what-we-do/awards/)
The case for local government reorganisation

Local government reorganisation presents an opportunity to deliver better services to residents, more efficiently and will bring clarity to local government. It will enable stronger leadership for Cumbria and enable devolution to attract investment, strengthen the economy and level up the region.

The key benefits associated with a move to unitary local government are:

- **Stronger voice to central government** - Unitary government will give a strong voice for the region on local, regional, national and international stages.

- **Unlocking devolution** – Local Government Reorganisation will enable a devolution deal with a possible mayoral Combined Authority becoming carbon negative while creating jobs, promoting growth and ‘levelling up’ across the region.

- **More efficient governance** – appropriately scaled unitary authorities are more efficient than the two-tier system which creates duplication, political paralysis and overhead costs for residents which reduces the value for money that the people of Cumbria expect.

- **Scale in service delivery** – More efficient delivery will enable greater organisational sustainability to enable services to be resilient, efficient and improved. Many services delivered by the Districts are outstanding and can be used to improve other key services that are not at the standard communities deserve.

- **Integrating planning and delivery** – the two-tier system separates planning from delivery which weakens the effectiveness of economic development. This also prevents joined up services e.g. separating delivery of children’s services from services that support children, such as leisure and cultural services.

- **Clarity in democratic representation** – The two-tier system creates confusion regarding the role of District and County Councils. A unitary structure provides a single organisation to contact regarding residents’ local area.

This proposal assumes that local government reorganisation will take place in Cumbria, and focusses on the opportunities that it presents for the people and organisations of the county.
The case for a two unitary model
Summary of the case for a two unitary model

A two unitary model for local government reorganisation in Cumbria represents the right balance between scale and efficiency and local knowledge, understanding and delivery. Two unitaries will...

For people, place and the economy

- maintain and reflect local community identity
- provide communities with strong local representation through smaller, balanced electorates on which to develop effective functional relationships with Town and Parish Councils.
- reflect, support and develop functional economic geographies in the county.
- enable sustainable, inclusive economic development and attract business investment in the local economy.
- provide access to funding and increase the prosperity and wellbeing of businesses and communities.
- attract the support of the people and communities of Cumbria and reflect how they identify with place.
- create a strong leader and voice to attract investment on the national stage.

For services and the organisations

- integrate services around the needs and expectations of residents and businesses, utilising local knowledge.
- offer opportunities to focus, target and improve children’s services.
- enable culture change and develop a customer-first culture of collaboration
- reflect the structures of healthcare delivery, establishing local, integrated, all-age services over a viable footprint
- establish financially sustainable, fit for purpose local government organisations and unlock efficiencies that can be reinvested in services to boost quality
- develop greater self sufficiency through income generation and leveraging scale and buying power.
- drive strategic leadership and collaborate on strategic issues through a mayoral Combined Authority
The case for a two unitary model

A two unitary model is the most practical approach to supporting Cumbria, balancing population needs, size and efficiencies of scale with local geography, infrastructure and culture. Cumbria is a large, sparsely populated county.

Two unitaries provide the right balance of population size and economies of scale with the practicalities of Cumbrian geography, culture, society and economy. Cumbria is too large to enable a single authority to be efficient and effective but the population is too small for three authorities to be efficient. Two unitaries will enable us to meet and exceed the expectations of our communities, particularly through post-Covid recovery.

This section outlines how a two unitary model will achieve the best outcomes for Cumbria, structured by our evaluation criteria of:

- **Impact on service delivery**: Providing integrated, effective and efficient services that enable people to lead healthy, happy and prosperous lives. Balancing disruption with service improvements and providing capacity and resilience for services.

- **Financial benefits and sustainability**: Developing long term sustainability by generating efficiencies, limiting costs and complexity and establishing a strong financial baseline.

- **Democratic representation**: Representing people and communities effectively at all levels by reflecting local identity, place and functional economic geography.

- **Growth**: Promoting Cumbria to attract investment, enable inclusive and sustainable development and increase prosperity and wellbeing.

- **Support**: Supported by the people and communities of Cumbria and reflecting how they see their place.
Impact on service delivery
The right structures for the population and geography

Cumbria has over 500k people but they are spread over 676k hectares of the second largest county in England. This low population density makes efficient service delivery complex and requires locality arrangements which add another tier to how local government operates.

Different services require different footprints to be efficient and effective but the geography and infrastructure of Cumbria prevents services operating across the county. Services are currently delivered by varied locality structures or the six District, City and Borough Councils.

A two unitary model enables more local service delivery over a more practical area and enables consolidation of locality arrangements into more integrated, efficient and consistent forms of service delivery.

Two unitaries will enable more local service delivery over a practical area with efficient and effective integration at scale but maintaining local delivery.

### Fig. 2 Population Density

<table>
<thead>
<tr>
<th>Localization</th>
<th>Population per sq km</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allerdale</td>
<td>78.70</td>
</tr>
<tr>
<td>Barrow</td>
<td>860.74</td>
</tr>
<tr>
<td>Carlisle</td>
<td>104.75</td>
</tr>
<tr>
<td>Copeland</td>
<td>93.18</td>
</tr>
<tr>
<td>Eden</td>
<td>24.86</td>
</tr>
<tr>
<td>South Lakeland</td>
<td>68.44</td>
</tr>
</tbody>
</table>

1. ONS population estimates
Enabling local, integrated services

Many services are not currently managed close to the residents who receive them, particularly in rural areas. This lack of subsidiarity prevents services reflecting local need which makes them less responsive and less efficient.

A two unitary model for local government reorganisation will enable services to be more local, agile and responsive to their communities. By reflecting place and particularly rurality and sparsity, services can be designed to be more efficient and more effective.

One of the key benefits of unitary government is to integrate services, for example children’s services with many of the District services that enable safe, healthy childhoods, such as housing and leisure. This approach enables planning to be more effective and services to work in harmony provided integration is sufficiently local.

Existing District services are often excellent, trusted by residents and embedded in local communities to be agile to respond when they need to change. This approach should be maintained in unitary organisations.

Strategic functions such as strategic planning and economic development would function effectively in a pan-Cumbria Combined Authority but frontline services need to be embedded in their communities to deliver place-based policy and practice.

Fig. 3 Carlisle to Barrow travel times

1. Google maps
The district-wide picture of housing delivery masks weaknesses in local delivery and inequalities in provision. All Districts in Cumbria have significantly exceeded their housing target. However the distribution of this growth is unbalanced, favouring towns and villages in high value areas. For example, in Allerdale over 80% of recent housing growth has taken place in just three towns. Coastal and rural communities in particular have few opportunities to secure housing to meet their needs and future sustainability. Two unitaries will strengthen effective place making by bringing together spatial planning, housing, economic growth and infrastructure delivery while strengthening the ability to access funding from Homes England and for infrastructure projects to unlock housing projects across all communities.

Two unitaries will support the local focus of the education system in Cumbria while enabling regional planning.

There are five further education colleges in Cumbria (Carlisle College, Furness College, Newton Rigg, Kendal College and Lakes College) as well as the University of Cumbria. Each cater to their local area and specialities, including the distinct campuses of the university, reflecting the challenges of travelling across Cumbria. They are partially in competition with each other and a regional skills and productivity plan under a Combined Authority will enable them to work together as part of a complementary system and achieve more focused and efficient use of adult education budgets. Two unitaries will provide tailored support to local colleges regarding their part of the skills plan to enable young people in Cumbria to achieve the skills they need.

Two unitaries will integrate waste services on a footprint that enables efficient delivery.

Two unitaries enables scale and efficiency through the integration of District services retaining the local knowledge of District teams. Waste services will be integrated under a Joint Waste Authority for management but maintaining delivery units which fit with the existing routes and operations including the two waste disposal facilities in Cumbria. This strategic oversight will enable waste services to deliver changes to help combat climate change.

Two unitaries with a Combined Authority provides the right balance of local knowledge with strategic planning.

Transport and infrastructure is a key concern for local people. A functioning transport system requires strategic planning regarding travel flows and connections, supported by local delivery to ensure roads are fit for purpose. A Combined Authority working across two unitaries will provide that balance to ensure potholes are fixed while implementing strategic infrastructure upgrades.

Two unitaries will offer opportunities to focus, target and improve children’s services. Children’s social care services are a critical factor when considering models of local government and require improvement in Cumbria. They support a large number of children over a large area and a two unitary model offers opportunities to improve outcomes for those children.

Children’s services operate across a spectrum, including universal services such as education, they include targeted/early help services and children who are in need of help and protection (social care).

Social care services exist to promote the wellbeing of, and protect the most vulnerable, people in our populations. They are dependent on a wide range of quality services delivered by the Local Authority (such as housing, leisure, economic regeneration) and those offered by partners (Community and Voluntary Sector, transport links, health services etc.).

They are regulated services, both in terms of overall approach and individual provision. Some provision is delivered and managed by the Local Authorities and other provision is commissioned from other providers (including other Local Authorities, where required).

Although it is for individual local authorities to determine their own organisational structures, reflecting local circumstances, each service must have a Director of Children’s Services (DCS) and a Lead Member for Children (LMCS). The DCS is appointed for the purposes of discharging education and children’s social services functions and should report directly to the Chief Executive.

Key statistics

- Last OFSTED inspection: Requires improvement (November 2017)
- Number of children: 112,000
- Spend per child: £3,522.32
- Children in low income families: 12% against England average of 17%
- Number of children starting to be looked after: 24 per 10,000 against England average of 33
- Vacancy rate: 8.7% against England average of 16.4%
- Caseload: 17.7 children per FTE against England average of 16.9

1. Children looked after in England including adoption: 2018 to 2019
Improving children’s social care

Cumbria’s children’s services require improvement, although progress to improve is underway.

At the last OFSTED inspection, Cumbria’s children’s services required improvement. There was a focused visit in 2019 which identified that some improvements had been made in the understanding and insight of leadership and through strengthened arrangements for managing referrals and contacts. Unfortunately progress had not been made regarding young people experiencing homelessness and the visit identified an issue with workforce stability and recruitment. This is despite Cumbria having a lower proportion of children in low income families, staff vacancies and children starting to be looked after than the average in England.

The current system does not enable collaborative working and creates a number of disruptive transition points between services and organisations in children’s lives.

Children’s services in Cumbria are large, both in terms of caseload and the geography that they need to cover.

At March 2019 Cumbria looked after 683 children, in the top quarter of caseloads in England and caseloads per social worker are higher than the national average. If managed through a two unitary model caseloads for both unitaries would be, on average, in the middle third of authorities and spread over a small area, enabling more focused care and support. Children’s services are run on a locality model so the disruption to frontline staff and the children receiving services would be minimised. In the short term there will be some disruption to staff through any form of organisational change. A rigorous approach to implementation should ensure that appropriate arrangements and oversight are established to ensure that this does not impact on children.
A two unitary system will provide culture and system change that will protect children.

Improvement has been slow in children’s services and will be put further at risk due to financial pressures on councils which will put services at risk. A two unitary model will provide an opportunity to reset the leadership and culture of the services. The change will enable new unitaries to establish governance with the appropriate balance between leadership skills and professionalisms and a more flexible collaborative approach. It will also enable a cultural reset to embed a compassionate approach and a vision for children’s services. This will be critical through the medium term financial pressures that COVID-19 will create to ensure that budget pressures do not put services for children at risk.

District services bring important local intelligence and support as part of a stronger, integrated service offering.

The work of children’s social care is supported by a wide range of universal services including education, leisure and public health. District Councils have a deep understanding of their local area through housing and community services which can be used as part of an integrated service to improve how children’s social care is delivered. This includes preventative work through leisure services but also creates opportunities for identifying issues and early help. Districts also play a key role with supporting services and in chairing Children and Family Locality Partnerships. They are embedded in multi-agency working in the local community. Two unitaries maintains that local knowledge while integrating all services that wrap around a child, young person and their family networks.

Case study: Local Focus Hubs

Local Focus Hubs are multidisciplinary teams, chaired by Districts, working across partner organisations including police, fire, probation, social housing and third sector. They act as the Tactical Delivery Groups for the West Cumbria Community Safety Partnership (CSP), taking direction and actions set by the Strategic Group whilst also advising the it on community priorities and links.

Their aims are to promote partnership working to prevent anti-social behaviour, crime and disorder, engage with local communities to proactively identify problem areas and tackle issues having a detrimental effect on the quality of life of the local community.

Local Focus Hubs are a good example of close collaborative working between organisations and demonstrate the deep local connection and expertise that District Councils bring as part of service delivery.
Improving children’s social care

Two unitaries represents a partial consolidation of children’s services enabling greater strategic focus and capacity.

Social care is currently managed on a locality footprint in the north, west and south of the County and some is supported by Districts. Therefore delivering services from a two unitary footprint represents an opportunity to consolidate geographic services (universal, targeted and social care) as well as integration of services and tiers of government.

It will also enable greater strategic capacity by giving each DCS a smaller population to focus on and increase the scope for early intervention and prevention work.

Case study: The National Centre for Remote and Rural Medicine (NCRRM)

NCRRM is an education provider specialising in training medics and healthcare professionals working in locations that may be isolated from additional medical support.

The Centre is in Whitehaven and is part of the University of Central Lancashire but attracts students internationally. Rural and remote healthcare poses clear challenges related to accessibility and limited clinical diagnostic support, but it is often exacerbated by less obvious inequalities: such as employment shortages in primary and secondary healthcare service, lack of investment in infrastructure and poor connectivity, all of which may impair the provision of healthcare and the quality of patient care.

The Centre seeks ways to help offset these inequalities to help achieve better outcomes for both staff and patients in rural and remote communities. NCRRM is not just an educational provider but also involved in research projects and is helping to guide policy around remote and rural healthcare.

What this could mean for social work

To increase recruitment and retention a similar Academy of Family could be set up for social work, specialising in a whole family approach to supporting children. By working in partnership future unitaries could establish pathways into social care in Cumbria through education and support social workers with accommodation and schemes to retain their skills and expertise in the area.

This would provide resilience in the care system such as strengthening fostering and adoption capacity which would reduce the significant costs of out-of-area placements.

Further support could be provided such as extending the Districts guaranteed interview scheme for NHS professionals moving to Cumbria.
The forthcoming White Paper and the impact of COVID-19 will change the landscape for children’s services.

A White Paper on health and social care integration is expected in 2021 which may require a review of governance and services. This will come on top of significant pressure on services caused by COVID-19. A new model for childrens services, designed after those developments, will enable services to reflect and recover from those changes and provide place-based leadership for the next phase of health and social care integration.

Alternative delivery models could operate across the unitaries subject to the decisions of the organisations

While the organisational structure will be a decision for the unitary councils, there is an option for children’s services to be delivered under a Trust or a host authority model. A Trust could provide a singular focus on children which could support driving improvement. However, dependent on the scope of the services to be included in a new arrangement, this could risk disconnects with universal services, early help and transitions to adult services. There are cost and governance implications to changing organisational form. The decision regarding the best governance model to improve service for children should be made with appropriate consultation with the Department for Education and Department of Health and Social Care.
Two unitaries will reflect the structures of healthcare delivery, establishing local, integrated, all-age services over a viable footprint. Healthcare is delivered through two footprints which cross County and District boundaries, reflecting the challenges of a pan-Cumbria service approach.

**Key statistics**

- Gross expenditure on adult social care: £178,651k
- Adults (18-64) accessing long term support during the year: 2,550
- Older adults (65+) accessing long term support during the year: 5,400
- North Cumbria Health and Care System, Lancashire and South Cumbria Sustainability and Transformation Partnership

**Healthcare is delivered on two different footprints reflecting local needs and differences.**

The healthcare geography of Cumbria is split between the North Cumbria Health and Care System and the Lancashire and South Cumbria Integrated Care System though these do not follow District boundaries. This reflects the complex nature of Cumbria’s service delivery landscape and reinforces the need for two organisations to provide appropriate coverage. In addition, recently announced changes to ICS responsibilities and CCG structures bring an opportunity to align to new unitary structures. Any unitary will therefore require relationships with two health systems. Both unitaries will retain their relationship with the North West Ambulance Service which operates across the region.
Universal services and vibrant communities can support people to live independently.

As two unitaries will be closer to the communities, culture, demographics and geography of their population they will be better able to stimulate community support and to provide services that promote resilience and independence for older adults. This will reduce some pressure on adult social care as well as promoting the wellbeing and quality of life of residents. Two unitaries will also provide more targeted commissioning arrangements for vulnerable adults and people with learning disabilities enabling services tailored to local needs and facilities.

There are clear links between children’s and adult’s provision and support. Therefore, having two common footprints for children’s and adult's services is an advantage.

Adults’ and children’s services operating in a two unitary footprint will be able to support young people who are vulnerable (including those who have been safeguarded) or have disabilities as they progress into adulthood. An all-age and ‘Think Family’ approach to core services will be appropriately tailored to enable seamless support at all ages, with well managed transitions.

These opportunities should be seen in the context of the expected White Paper on health and social care integration which may require a more fundamental review of services and governance.

Two unitaries will integrate services where people need them.

Integrating services that support adults will enable consistent support by understanding where systems overlap. Supported living allocations are made by the County but not integrated with the statutory housing, revenue and benefits functions that Districts deliver. Under two unitaries these will be integrated and embedded in the local community, supported by strong partnership working. There will also be opportunities to integrate environmental health, public health and the wider health and care system to provide an integrated and efficient range of services.

Case study: Home Improvement Agencies

Unitaries could establish Home Improvement Agencies to operate across each unitary, in a way that is not possible on the current Cumbria footprint.

These agencies would provide support to enable people to move from acute healthcare into social care. This may entail maintaining, adapting and improving their homes or providing support with planning and applications regarding grants. Such support would enable more people to live independently and ease pressure on the NHS both through new admissions and by enabling more effective transfers of care.
Financial benefits and sustainability
The case for a two unitary model - Financial benefits and sustainability

Significant long term financial efficiencies

Two unitaries will establish financially sustainable, fit for purpose local government organisations and unlock efficiencies that can be reinvested in services to boost quality.

We calculate that a two unitary model would generate savings of between £19.1m and £31.6m per year through reorganisation alone.

While the specific savings achieved will be subject to the ambition and decisions of the new unitaries, our modelling indicates that substantial savings can be achieved through moving to a two unitary model. These efficiencies sit alongside the quality improvements referred to in the previous chapter.

Two unitaries would realise savings more quickly than less transformative approaches

A two unitary model will enable savings to be realised quickly as unitaries will have a clear break from previous authorities. This enables them to make decisions free from cultural and systemic inertia that can develop within authorities.

### Fig. 5 Efficiencies (£m per year)

<table>
<thead>
<tr>
<th>Category</th>
<th>Efficiencies</th>
<th>Percentage of existing cost base</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workforce</td>
<td>11.5</td>
<td>11% - 16%</td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cultural Activities</td>
<td>1.1</td>
<td>4% - 10%</td>
</tr>
<tr>
<td>Planning &amp; Related</td>
<td>1.3</td>
<td>10% - 21%</td>
</tr>
<tr>
<td>Environmental &amp; regulatory</td>
<td>0.4</td>
<td>3% - 17%</td>
</tr>
<tr>
<td>Waste</td>
<td>1.9</td>
<td>3% - 6%</td>
</tr>
<tr>
<td>Housing services</td>
<td>0.4</td>
<td>6% - 16%</td>
</tr>
<tr>
<td>Systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estates; office space</td>
<td>1.1</td>
<td>11% - 16%</td>
</tr>
<tr>
<td>Democratic arrangements</td>
<td>1.0</td>
<td>53% - 63%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19.1</strong>*</td>
<td><strong>7% - 11%</strong></td>
</tr>
</tbody>
</table>

* Total rounded
A two unitary model gives far greater potential for change and transformation to deliver further efficiencies.

Two new unitaries provides an opportunity for transformational change as they are not tied to the history of a previous entity. This provides the potential for investment in digital enablement and modern IT systems that could enable efficiencies that significantly exceed the stretch case identified.

Other areas for further efficiencies include:

- Consolidating third party contracts to a unitary wide approach, enabling; savings on the internal and external supply chain, and partnership opportunities across the local public sector.
- Design of a digital services platform to enhance customer experience and accessibility as well automating simple services and increasing data integrity.
- Making better use of adult and children social care data to focus preventative measures, such as public health, targeted promotion of leisure and well being services

This summary financial analysis is supported by Appendix B.
Two unitaries will develop greater self sufficiency through income generation and leveraging scale and buying power as well as two unitaries providing an opportunity to set a new culture for the organisations.

Two unitary authorities offers significant scale that can enable efficiencies through buying power.

District spend that is currently commissioned six times across Cumbria can be delivered through two larger contracts enabling economies of scale, such as in waste management. These contracts can be designed for the local needs of each unitary while achieving significant savings across the region.

Two unitaries will have the potential to enhance income streams to achieve greater self sufficiency.

Through supporting local businesses and attracting inward investment unitaries will benefit from economic growth through business rates and council tax. They will have opportunities to generate further income streams through integrated services and joined up planning. Establishing modern, fit-for-purpose, digital organisations may also enable unitaries to generate new income streams through shared, hosted or traded services with other organisations.

Two unitaries provide an opportunity to develop new, modern organisations with a new culture that will enable effective planning and decision making.

The current local government system in Cumbria is weakened by the culture within some organisations and the impact that poor organisational culture and working practices have on relationships and partnership working. Two new unitaries will not inherit the cultural and leadership issues of any single previous organisation so provide an opportunity to establish a new, productive and constructive culture. This will build on the solutions-focused culture in District Councils and enable both unitaries to be more efficient and effective, creating long term sustainability in the local government structures.
Democratic representation
The case for a two unitary model - Democratic representation

Strong democratic representation

Two unitaries will provide communities with strong local representation through smaller, balanced electorates on which to develop effective functional relationships with Town and Parish Councils.

Local government reorganisation will reduce the ratio of elected members to electorate but a two unitary model retains local representation for our communities without placing undue pressure on town and parish councils.

There are currently 84 County Councillors and 246 District Councillors representing an electorate ratio of 1,515 per post in Cumbria. While specific councillor numbers will be a matter for future councils, Cumbrian residents will lose a level of local representation through local government reorganisation.

A two unitary model enables residents to maintain greater local representation through smaller, balanced electorates. This will enable them to develop effective functional relationships with town and parish councils, where they are in place, providing the right combination of service delivery and representation.
Enabling a strong Combined Authority

A Combined Authority requires balanced, strong unitary authorities to combine. This dynamic ensures that the democratic mandate of both authorities is clear and ensures the system is effective, accountable and continues to develop.

A mayoral Combined Authority is a clear path to developing Cumbria and a two unitary model is required to provide clarity to residents regarding the role of unitary and Combined Authorities. Unitary authorities need to be local to deliver services that address the needs and expectations of residents. A Combined Authority needs to take a strategic perspective so can operate over a wider area. Clearly these roles cannot both be delivered effectively on the same footprint.

Running two unitary authorities also provides clarity to the electorate regarding the role of a Combined Authority across the unitaries. It will enable people to understand unitaries as delivering local services and the Combined Authority operating at a strategic level across those unitaries with a clear role for both.

Key areas that require the strategic approach of a Combined Authority in Cumbria are:

- Strategic transport planning including bus franchising and network subsidy under a Passenger Transport Executive to better meet transport needs across the region and connect local travel infrastructure with tourism planning
- Integration of police and fire services, emergency planning and the Local Resilience Forum to enable integrated operations
- Strategic spatial planning to coordinate and inform local plans
- Strategic approach to education and skills including a regional productivity and skills plan
- Relationship with the LEP to reset the approach and provide a strategic approach that works for both authorities. This will include focus on a sustainable agricultural sector and coordination to become a trailblazer for climate change in the UK.
Supporting identity, towns and rurality

Two unitaries will reflect, support and develop functional economic geographies in the county. This will enable them to better reflect the individual communities and identities of the region.

Local government reorganisation enables local government to better reflect the communities and identities of the region, rather than grouping them together.

Cumbria is a large county with varied geography, culture and many different local identities within it. Local government reorganisation provides an opportunity to establish smaller authorities that can better reflect how people in the area identify themselves.

The Cumbria brand has been successful in developing tourism but it covers over many different local perspectives, historical differences and socioeconomic divides.

The six largest towns and Carlisle City are in separate Districts so establishing two unitaries enables them to have a greater voice and representation in their local government.

There is an opportunity to establish a strong, modern rural economy as rural areas need a particular approach to reflect rurality and sparsity, different conceptions of service delivery, and different rules on planning as reflected in the recent ‘Levelling up our communities report’.

1. Levelling up our communities: proposals for a new social covenant, Danny Kruger MP
Growth
Strong, strategic leadership

Mayoral devolution is a key driver for local government reorganisation in Cumbria. It provides an opportunity to strengthen and level up the region through new policy and financial powers, access to funding and an elected mayor to promote the region on national and international stages.

Devolution provides Cumbria with an opportunity to unlock many of its economic assets and address inequalities across the county which will enable green growth, a modern and sustainable rural economy and help address food security. A two unitary model will ensure that the varied local economies and assets are appropriately considered and will provide local intelligence to support investment priorities.

Cumbria has a diverse economy from defence industries in Barrow, through tourism in the Lakes, Dales and Fells and nuclear excellence on the west coast to manufacturing in Carlisle and with agriculture prevalent across much of the area. Two unitary model will ensure that the local economic profile of each unitary and key industries are appropriately represented in devolution discussions which will support economic development nationally as well as for Cumbria.

Two unitaries will collaborate on strategic issues through a mayoral Combined Authority which will provide a strong leader and single clear voice to attract investment on the national stage.
A Combined Authority across a two unitary model in Cumbria will enable clear responsibilities and accountabilities between organisations. The Combined Authority will be able to develop strategic leadership and plans for transport, education and skills, sustainable development, employment and housing around a shared vision for the future.

Two unitaries supports the principles of local leadership and subsidiarity. It will enable local concerns to be managed by unitaries with leaders that are close to the population while enabling strategic planning and decision-making to be made at a Combined Authority level.

Two strong unitaries, working with a Combined Authority will provide a clear delineation of roles and responsibilities between unitaries and the Combined Authority. The model also enables constructive tension and competition to improve decision-making, leadership and funding allocation across Cumbria.
A two unitary model of local government enables sustainable, inclusive economic development and will attract business investment in the local economy.

Cumbria experiences significant inequalities and wages are lower than the national average. A two unitary model of local government reorganisation will provide greater support and a stronger voice to more deprived, rural and under invested communities to support levelling up across Cumbria as well as the UK.

Economic development in Cumbria needs to be inclusive as the county includes some of the least and most deprived communities in the UK. Under a single unitary model there is a risk that investment, jobs and the benefits they bring will be focused on existing economic hubs causing greater socioeconomic disparities.

Two balanced unitaries will provide a stronger voice for underrepresented towns, communities and industries enabling more balanced growth and addressing some of the fundamental inequalities that Cumbria faces.

An elected mayor across Cumbria will strengthen those local voices on a national scale, attracting inward investment and supporting firms to invest further in Cumbria.

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1. ONS, Earnings and hours worked, place of residence by local authority
2. IMD
Cumbria has significant assets to support the UK in achieving the target of net zero greenhouse gas emissions by 2050. These include natural and renewable energy assets, academic and agricultural innovation and nuclear capabilities which are internationally regarded.

The Cumbria LEP has a pathway to become the northern ‘Living Lab’ for clean energy, decarbonising heat, power and transport. This includes a clean energy park to develop nuclear, hydrogen and future fuels adjacent to Sellafield and alongside substantial offshore wind capability. The nuclear and wider energy supply chain capability is reflected in the Britain’s Energy Coast Business Cluster (BECBC), a 325-strong member organisation including global multinationals and local SMEs from public, private, academic and third sectors.¹

Cumbria has large areas of open space which could be further improved to make significant contributions to biodiversity and carbon capture at regional and national levels.

A two unitary model of local government, as part of a Combined Authority will give a strong, strategic voice to these industries as critical parts of national infrastructure and policy. It will also give greater access to funding and investment to support the development of future innovations to support the UK.

¹ Cumbria: Nuclear Prospectus, LEP
The two tier system of local government in Cumbria creates inconsistencies, tensions and potential safety implications within the planning and approvals process. This results in uncertainty for investors and developers and weakens Cumbria’s economic development.

The communities and businesses of Copeland and Allerdale have been at the centre of national nuclear and radioactive waste management policy and operations for over the last 70 years. Throughout this time the local community and businesses have generated a wealth of knowledge and intelligence about the issues and (the national and international) economic development opportunities associated with national nuclear policy, about future low carbon ambitions, the challenges of decommissioning of legacy nuclear facilities and the management of the nations’ radioactive waste. Notwithstanding this local perspective, the Government’s Managing Radioactive Waste Safely process in 2014 was brought to a halt, despite support from Copeland and Allerdale Borough Councils, due to inconsistency and confusion in the two tier system. A two unitary system will maintain this local knowledge, intelligence and support for projects but reduces the bureaucratic and administrative tension created by the current system.
Enabling sustainable, inclusive economic development

Two unitaries will provide access to funding and increase the prosperity and wellbeing of businesses and communities. Two unitaries will provide focus to address the clear inequality in digital connectivity across Cumbria.

Cumbria has missed out on significant funding and investment through lack of a strong voice, friction between tiers of government and not having access to funding pools. A two unitary system will provide scale, streamlining of policy and a clear voice to access funding and support the prosperity and levelling up of businesses and communities.

Operating as two unitaries across Cumbria will provide Councils with strengthened governance and scale for funding and financing. This will enable cheaper borrowing with lower administration costs than seven separate organisations seeking to access resources. It will also provide coordination and prioritisation with regard to new and existing funding streams being accessed by councils e.g. Towns Fund and any successor to the Local Growth Fund while retaining a local understanding of where that funding is needed most.

A Mayoral Combined Authority across the unitaries will also enable access to new, additional funding for strategic transport and economic development including Gain Share funding (typically spanning 30 years and allocated in 5-yearly settlements), as well as functionspecific funding streams. While the details of a devolution deal require negotiation with central government, it should reflect the local needs of residents across Cumbria and a two unitary structure of local government reorganisation is a clear step to understanding those needs and achieving local ambitions for devolution. An MCA will also provide consensus and a strategic approach to address the challenges of a diverse place with different drivers which has previously resulted in competition rather than collaboration between organisations.

Two unitaries will provide focus to address the clear inequality in digital connectivity across Cumbria.

7% of premises do not have access to superfast broadband and the issue is particularly acute in Eden in the east and across the Lake District National Park. Two unitaries will be able to better understand and address ‘coldspots and notspots’ in their area which will be a key priority to level up connectivity across Cumbria.

This issue is particularly important when considering post-COVID-19 recovery when digital connectivity can enable more flexible working patterns to attract people to live and work from Cumbria.

1. https://www.thecumbrialep.co.uk/infrastructure
Public support
Our approach to support

A two unitary model of local government will attract the support of the people and communities of Cumbria and reflect how the people of Cumbria identify with place.

In advance of formal consultation on the options for local government reorganisation we have undertaken some initial work to gather evidence of support for a two unitary model. This has been constrained by the timelines of the process and current restrictions so we have included a sample of responses to be built upon following this proposal and through government consultation.

We have worked with over 500 stakeholders including:

- Cumbria residents
- Local businesses and community groups
- Town Boards
- District Council staff and officers
- Cumbria Association of Local Councils
- Cumbria Police and Crime Commissioner
- Action with Communities in Cumbria
- Local Members of Parliament
- Britain’s Energy Coast Business Cluster
- Prospect Union
- University of Central Lancashire
- Lakes College

We have listened to our residents, businesses and communities through a range of media including:

- Meetings and calls
- Inviting letters of support
- Online surveys
- Social media engagement
We have included a small sample of the evidence of support for the two unitary model of unitary government in Cumbria.

“A two unitary authority model provides the right balance of population size and economies of scale – taking into account the practicalities of the Cumbrian economy and geography. Cumbria is too large for a single authority to be effective” Mark Jenkinson, MP for Workington

“A council leadership structure comprising of two-unitary authorities, overseen by a combined authority, headed by an elected mayor would benefit the local area and allow consideration for the different needs of the more remote and rural aspects” Cathy Jackson, Executive Dean, Faculty of Clinical and Biomedical Sciences, University of Central Lancashire

“Due to the wide geographical expanse of Cumbria as a whole I would agree that there should be two unitary authorities overseen by a combined authority and a directly elected Mayor. I believe this will deliver the best option for economic growth and a concentrated drive of investment.” John Coughlan, Chief Executive of TSP Engineering and Chair of the Workington Towns Fund programme

“We want our voice to be valued and taken more into account up here for our local communities and be seen as more of a part of the rest of the country” Resident (anonymous)

“The opportunity to create two unitary authorities spearhead by an elected mayor will ensure robust service delivery and democratic representation that delivers economic benefit and support for all residents and communities.” Michael Pemberton, Chief Executive of BEC

“What this county needs is joined-up thinking, a clear structure that allows for transparency, efficiency, and accountability whilst respecting the relationships between our communities. In my view, your proposals do just that.” Trudy Harrison, MP for Copeland

Survey delivered by Copeland and Allerdale Councils ended 2nd December 2020 – 213 responses
Evidence of support

ACTion with Communities in Cumbria, a rural and community development charity in Cumbria, delivered a survey which asked people to list things local government currently do well and not so well, as well, as ranking issues of most importance to rural areas. The survey gathered responses from 491 residents and is summarised on their website, we have provided some key findings.

“Responders were positive about the delivery of waste collection and recycling services, Education – particularly village schools and Social Services. They were less happy with public transport, planning and affordable housing.” Lorraine Smyth, CEO of ACTion with Communities in Cumbria

75% wanted decisions made at the most local level

80% wanted local services to stay in their local area

68% wanted local services to be improved

“Consistently people say they want public transport, local healthcare, locally affordable housing and local services. A new inclusion on the priority list is action on climate change. Other issues people rated highly were Broadband, Bio-diversity and Flooding as issues any new authority should address.”
The case for East Cumbria and West Cumbria
Unitaries built around communities in the East and the West of Cumbria are the best way to achieve the vision and ambitions for services and growth in Cumbria. This page outlines the key arguments supporting the model and there is further detail and evidence to support each argument in this section.

East and West unitaries will...

• align with the existing road and rail infrastructure
• connect ports infrastructure to air links and across Cumbria
• provide focus to address the clear inequality in digital connectivity across Cumbria
• reflect different communities and will provide representation and services to address local priorities, building on existing outstanding services
• build upon existing service delivery footprints which demonstrates natural alignment and will minimise disruption while enabling improvement
• achieve efficiencies and financial sustainability
• build upon existing back office shared services and efficiencies demonstrating natural alignment in corporate functions
• provide democratic representation by establishing political entities that represent a culturally coherent population
• enable focused development and support for tourism assets
• have strong, balanced economies which are well diversified and provide a strong footprint to develop and grow
• provide a balanced division of growth projects but will also enable focused development
• protect, support and strengthen critical national projects including world-leading nuclear capabilities, carbon reduction and hydrogen fuels

### East Cumbria and West Cumbria summary

<table>
<thead>
<tr>
<th></th>
<th>West Cumbria</th>
<th>East Cumbria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Districts</td>
<td>Allerdale, Carlisle, Copeland</td>
<td>Barrow, Eden, South Lakeland</td>
</tr>
<tr>
<td>Population¹</td>
<td>274,622 (55%)</td>
<td>225,390 (45%)</td>
</tr>
</tbody>
</table>

1. ONS
East and West unitaries align with the existing road and rail infrastructure

Travel infrastructure in Cumbria needs to operate around the Lakes District National Park and flows in the east and west of the county.

- East Cumbria is connected by the A680, M6 and A6 and local train lines and the LEP identified a strong travel to work zone between Barrow-in-Furness and South Lakeland.
- West Cumbria is linked by the Cumbria Coast Line and the A66 and there is a strong commuter relationship between Allerdale and Copeland and between the north of Allerdale and Carlisle.
- Both authorities will have nationwide connections through the M6 motorway and West Coast Main Line which stops at Oxenholme, Penrith and Carlisle and which can connect Carlisle Lake District Airport to the wider region.

East and West unitaries connect ports infrastructure to air links and across Cumbria

Port connections are important as they support the growing offshore wind industry as well as defence, cargo and energy transport. Both unitaries will have port access, through Barrow in the east and Silloth and Workington in the west. The Port of Workington is in the south of Allerdale and is only 4 miles from the district border with Copeland so a West Cumbria unitary supports links between the port and the local area and industries. It also connects the port to Carlisle Lake District Airport which runs commercial flights and now operates passenger services to London Southend, Belfast and Dublin.

These connections may grow in importance in light of the Government’s Freeports strategy. This aims to establish Freeports as national hubs for global trade and investment across the UK, promote regeneration and job-creation and create hotbeds for innovation.1 Cumbria would be a prime site for Freeports and a number of sites including the Port of Barrow and Carlisle Lake District Airport may submit proposals for Freeport status.

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1. HM Government, Freeports, October 2020
East and West unitaries reflect significant differences in the demographics of Cumbria so provide strong unitaries that can focus on priority issues in their local area.

Cumbria has very different communities and challenges within it. East and West unitaries reflect and understand those differences and will provide representation and services to address local concerns and priorities.

The population will be slightly larger in West Cumbria which will have a slightly lower ratio of residents over 65 to working age residents. However the number of residents over 65 is forecast to grow evenly in both unitaries and these factors will balance the economic impact of the ageing population across Cumbria.

All districts have achieved their housing delivery targets but the need for housing is different between the two unitaries. Affordability is particularly challenging in the east and south of the county and east and west unitaries can be more agile in responding to local housing markets.

There are stark contrasts in levels of deprivation across Cumbria. All districts in West Cumbria have between 6 and 12% of the most deprived communities nationally. East Cumbria has areas with low deprivation in Eden and South Lakeland but 24% of communities in Barrow are in the most deprived 10% nationally. Across the unitaries this results in relatively even levels of deprivation between unitaries, an East & West model will enable greater local focus on the socioeconomic development of those areas.

There are also important similarities between the unitaries which ensure the model is balanced between two health unitaries. Average household income is evenly balanced as the average median weekly wage is just £5 different between unitaries. Population density is also most evenly distributed in an East and West model rather than any other possible unitary model.
Enhancing existing service collaboration

East and West unitaries will minimise disruption by building upon existing shared patterns of service delivery and collaboration. There are already strong collaborative arrangements in both unitary footprints and an East & West model will enable them to grow and develop.

**East and West unitaries build upon existing service delivery footprints which demonstrates natural alignment and will minimise disruption caused to residents through local government reorganisation. For instance:**

**Waste services:** fit neatly within the East and West unitary footprints as both will have access to waste disposal facilities in Barrow and Carlisle.

**Highways:** under the current system highways are already managed under structures that align with an East and West footprint (Copeland and Allerdale and Barrow and South Lakeland). The highways services in the north of Cumbria can be integrated into the two unitary model representing a consolidation of service delivery.

**Children’s safeguarding:** The Cumbria Local Safeguarding Children Board operate through three locality groups and the East & West model maintains two (Allerdale and Copeland and Barrow and South Lakeland) within single unitaries. The group that covers Carlisle and Eden would be split but a two unitary structure is likely to negate the need for locality structures as unitaries will be an appropriate size to manage services.

There is an opportunity to rationalise front office services within the two unitary model that allows services to remain local and drives both staff productivity and reduced asset costs. The unitaries can build on the model in Cockermouth where the Borough, County and Town Councils deliver local services in one building to enable local residents to get a one-stop service.
Achieve efficiencies and financial sustainability

East and West unitaries will both achieve significant savings through local government reorganisation which will quickly offset initial implementation costs and provide unitaries that are sustainable.

The opportunity for annual efficiencies under an 'West & East' model is estimated at between £19.1m and £31.6m.

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Existing cost base assessed</th>
<th>Efficiencies Base</th>
<th>Efficiencies Stretch</th>
<th>Percentage of existing cost base</th>
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</thead>
<tbody>
<tr>
<td>Workforce</td>
<td>Number of full time employees including management</td>
<td>104.9</td>
<td>11.5</td>
<td>16.8</td>
<td>11% - 16%</td>
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<tr>
<td>Services</td>
<td>Cultural Activities, Culture and heritage, recreation and sports inc. tourism and parks</td>
<td>18.5</td>
<td>1.1</td>
<td>2.3</td>
<td>6% - 12%</td>
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<tr>
<td></td>
<td>Planning &amp; Related Development applications and decisions</td>
<td>13.5</td>
<td>1.3</td>
<td>2.8</td>
<td>10% - 21%</td>
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<td></td>
<td>Environmental &amp; regulatory Regulatory, bereavement, community safety, flood defence and drainage</td>
<td>11.7</td>
<td>0.4</td>
<td>2.0</td>
<td>3% - 17%</td>
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<tr>
<td>Waste</td>
<td>Waste collection and disposal</td>
<td>48.0</td>
<td>1.9</td>
<td>3.5</td>
<td>4% - 7%</td>
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<tr>
<td>Housing services</td>
<td>Housing benefits, homelessness and other welfare</td>
<td>6.9</td>
<td>0.4</td>
<td>1.1</td>
<td>6% - 16%</td>
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<tr>
<td>Systems</td>
<td>Software and technology requirements</td>
<td>10.3</td>
<td>1.1</td>
<td>1.6</td>
<td>11% - 16%</td>
</tr>
<tr>
<td>Office Space</td>
<td>Ability to centralise services in fit for purpose office space</td>
<td>1.2</td>
<td>0.3</td>
<td>0.3</td>
<td>23% - 25%</td>
</tr>
<tr>
<td>Democratic arrangements</td>
<td>Democratic process and number of members</td>
<td>1.9</td>
<td>1.0</td>
<td>1.2</td>
<td>53% - 63%</td>
</tr>
<tr>
<td>Total (£m)</td>
<td></td>
<td></td>
<td><strong>217.0</strong></td>
<td><strong>31.6</strong></td>
<td><strong>7% - 11%</strong></td>
</tr>
<tr>
<td>West (Allerdale, Carlisle, Copeland)</td>
<td>Estimate of efficiencies achievable by the West Cumbria authority</td>
<td>121.0</td>
<td>10.7</td>
<td>17.6</td>
<td>4% - 6%</td>
</tr>
<tr>
<td>East (Eden, Barrow, S. Lakeland)</td>
<td>Estimate of efficiencies achievable by the East Cumbria authority</td>
<td>96.0</td>
<td>8.4</td>
<td>14.0</td>
<td>3% - 5%</td>
</tr>
</tbody>
</table>

Assumptions supporting these savings are provided in Appendix B
Achieve efficiencies and financial sustainability

Implementation costs reflect the estimated investment required to receive the benefit of the potential savings. The transition would require a total one-off investment of £17.6 – 23.8m. Based on the forecast savings and implementation costs we calculate that the East and West model will provide a net contribution in the third year after implementation.

<table>
<thead>
<tr>
<th>Fig. 12 Implementation costs (one off costs, £ m)*</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Category</td>
<td>Description</td>
</tr>
<tr>
<td>Workforce and Services</td>
<td>Redundancy and pension allowances and service contract termination costs and transaction fees</td>
</tr>
<tr>
<td>Systems</td>
<td>Aligning systems and digital infrastructure</td>
</tr>
<tr>
<td>Estates and facilities</td>
<td>Reconfiguration of buildings, disposal costs and lease termination fees</td>
</tr>
<tr>
<td>Transition team</td>
<td>Implementation programme team including; Legal, contract negotiations and specialist support</td>
</tr>
<tr>
<td>Culture and communications</td>
<td>Communications, branding and training</td>
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<tr>
<td>Contingency (10%)</td>
<td></td>
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<tr>
<td>Total (£m)</td>
<td></td>
</tr>
<tr>
<td>West (Allerdale, Carlisle, Copeland)</td>
<td>Estimate of implementation costs for the West Cumbria authority</td>
</tr>
<tr>
<td>East (Eden, Barrow, South Lakeland)</td>
<td>Estimate of implementation costs for East Cumbria authority</td>
</tr>
</tbody>
</table>

Figure 13: Payback period
Build upon existing back office collaboration

East and West unitaries build upon existing back office shared services and efficiencies demonstrating natural alignment in corporate functions. Local government reorganisation should build upon these footprints through an East and West model to accelerate those efficiencies.

Districts in Cumbria have been developing shared corporate service functions to achieve financial efficiencies and to take advantage of natural alignments. Local government reorganisation should build upon these footprints through an East and West model to accelerate those efficiencies.

Allerdale, Carlisle and Copeland (Districts in the west) operate a shared revenue and benefits ICT platform and performance management team which provides resilience as well as efficiency and have previously explored a shared revenue and benefits office.

Eden and South Lakeland districts also use a shared and integrated IT service which could be built upon within the east unitary. Barrow and South Lakeland operate a Joint Committee on economic development and have looked at shared functions for facilities management and grounds maintenance.
Aligning political geography with cultural geography

East and West unitaries provide democratic representation by establishing political entities that represent a culturally coherent population. The model reflects the cultural, historical and social communities of Cumbria which will ensure they are accurately reflected in the political process.

**East and West unitaries provide democratic representation by establishing political entities that represent a culturally coherent population. We have outlined some key points regarding the cultural geography of East Cumbria and West Cumbria below.**

<table>
<thead>
<tr>
<th>West Cumbria</th>
<th>East Cumbria</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sports:</strong> rugby league and football are part of the lifeblood of west Cumbria, both professionally and at the amateur level. Local leagues include strong tribal rivalries and an interrelated competitive history within West and East boundaries.</td>
<td><strong>Tourism and the Lake District:</strong> the Lake District plays a prominent role in the culture and economy of Eden and South Lakeland, creating jobs and supporting healthy and active lifestyles.</td>
</tr>
<tr>
<td><strong>Industrial and post-industrial community:</strong> west Cumbria has a strong manufacturing, industrial and mining history which is embedded in culture and society.</td>
<td><strong>Rurality:</strong> communities in east Cumbria face common challenges of rurality and sparsity which are reflected in culture.</td>
</tr>
<tr>
<td><strong>Strong town links:</strong> the coastal area between Egremont and Maryport, Whitehaven and Workington in particular, have strong connections. They also have a strong cultural and commercial relationship with Carlisle including nightlife, shopping, retail and supply chains.</td>
<td><strong>Town centres:</strong> Kendal in South Lakeland works as a hub for many residents across the south of Eden.</td>
</tr>
<tr>
<td><strong>Educational relationships:</strong> there are no further education colleges in Copeland as there is a strong interrelationship with Allerdale and both travel to learn to Carlisle who commute daily between the districts.</td>
<td><strong>Historical relationships:</strong> the history of Barrow and parts of South Lakeland are deeply interrelated and are supported by road and rail links.</td>
</tr>
</tbody>
</table>
Case study: Whitehaven and Workington

The towns of Workington and Whitehaven on the west coast of Cumbria are under 8 miles apart and under 18 minutes travel time by train or car but are in different districts. An East and West split keeps Allerdale and Copeland together, maintaining the close social links between the towns regarding shopping, education, nightlife.

There are also strong economic links, exemplified by collaboration regarding nuclear and energy facilities on the west coast and the current joint proposal to host a Heathrow Hub for logistics in the area.

These connections are critical for Copeland as the Lake District National Park cuts across the south of the District making connections to the south and east inefficient.

Case study: Heathrow Hub

Business and community leaders in Allerdale and Copeland worked together to submit a bid for the area to host one of four logistics hubs to support the planned expansion of Heathrow. The expansion project was expected to deliver up to £16 billion worth of economic benefits and create 15,300 jobs across the North West. The local bid was led by Sellafield Ltd as part of its work to help develop the area’s economy and make it less reliant on the nuclear industry.

It was supported by Copeland and Allerdale Borough Councils, Cumbria Local Enterprise Partnership, Britain’s Energy Coast Business Cluster, Workington and Copeland MP’s. The Lillyhall Industrial Estate in Workington was a shortlist of 18 UK sites to host Heathrow Airport’s off-site construction hub. The 18 sites have been narrowed down from a longlist of 65 from over 130 initial expressions of interest.

1. Google maps
East Cumbria and West Cumbria - Growth

Diversify our tourism industry

East and West unitaries will enable the greater focus on the tourism assets of West Cumbria which are often overshadowed by the Lake District and the east of Cumbria.

The Lake District National Park is a valuable asset for Cumbrian tourism but East and West unitaries will enable focused development and support for tourism assets in the west.

Cumbrian tourism is often overshadowed by the Lake District National Park which brings in over 19 million tourists. However there are a wealth of assets in the west of the county which do not receive the same focus. These include historic Carlisle City, the Solway Coast Area of Outstanding Natural Beauty, the wider coastline and beaches, roman history including Hadrian’s Wall, the start of the Coast to Coast cycle route, nuclear history, towns like Maryport and Ravenglass and a wealth of adventure and active tourism opportunities. Strengthening the west Cumbria tourism identity and industry will strengthen and diversify the existing strong industry, provide jobs and opportunities to level up wider Cumbria. A stronger west Cumbria tourism industry would also balance out some of the pressure on tourism hotspots in the Lake District, particularly during summer months.

Case study: Solway Coaster Work is currently underway to construct a £1.25 million multi-user pathway between the coastal towns of Allonby and Silloth in West Cumbria. Opening in early 2021 the ‘Solway Coaster’ will form part of Hadrian’s Cycleway (National Route 72) and will be the latest piece of the jigsaw of the stunning route through Copeland, Allerdale and Carlisle. Set against a backdrop of the Solway Coast Area of Outstanding Natural Beauty and Hadrian’s Wall World Heritage Site, the new route will further boost north and west Cumbria’s credentials as fantastic place to live and visit, and in particular, the new authority’s ability to drive coastal tourism.

East and West unitaries will have strong, balanced economies which are well diversified and provide a strong footprint to develop and grow.

An East and West model provides two balanced and inclusive economies, reflected in quite even GVA per head (£22,815 in east and £25,048 in the west). While the total GVA is higher in the west this is balanced out by a slightly larger population.

Business rates are well balanced between the two unitaries with 51% of the £35.7m total being received by authorities in the west and 49% received by authorities in the east.

The industry mix in both authorities will be quite similar with clear strengths for both in manufacturing, logistics, accommodation and food, real estate and public administration and healthcare. There is a significantly higher percentage of businesses in the agriculture forestry and fishing industry than the national average.

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1. ONS, Gross Value Added, 2017
2. Council accounts, 2019-20 unaudited
3. ONSIDBR, 2020
East and West unitaries provide a balanced division of growth projects but will also enable focused development

The sixteen projects under the current Cumbria Growth Deal are evenly balanced between the two unitaries but there is significant scope to enhance the growth potential of Cumbria. An East & West model would provide two partners to work with a stronger LEP and to bring greater focus to the rural economy, particularly in Eden. Authorities in west Cumbria have been collaborating on economic development and exploring growth deal across west Cumbria, building upon the strong nuclear, energy and industrial footprint in the area. This collaboration would be strengthened through an East & West model and a Combined Authority working across both can bring coherence to the many growth projects across Cumbria, developed due to the untapped and uncoordinated economic potential.

Projects under current Cumbria Growth Deal

<table>
<thead>
<tr>
<th>West Cumbria</th>
<th>East Cumbria</th>
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</thead>
<tbody>
<tr>
<td>Port of Workington Access and Infrastructure</td>
<td>Ulverston Infrastructure Programme</td>
</tr>
<tr>
<td>Carlisle College</td>
<td>Barrow Advanced Manufacturing Technology Centre</td>
</tr>
<tr>
<td>Carlisle Airport</td>
<td>Barrow Waterfront</td>
</tr>
<tr>
<td>Carlisle City Centre Developments</td>
<td>Kendal Transport Improvements</td>
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<tr>
<td>Whitehaven Town Centre</td>
<td>South Ulverston Junction Improvements</td>
</tr>
<tr>
<td>Lilyhall North</td>
<td>Pan Cumbria</td>
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<tr>
<td>Durrannah Industrial Estate</td>
<td>Connecting Cumbria Phase 2</td>
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<td>Leconfield Industrial Estate</td>
<td>Cumbria Skills and Capital Investment Programme</td>
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<tr>
<td></td>
<td>Growing our Potential</td>
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<td></td>
<td>Optimising Connectivity</td>
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</tbody>
</table>

Protect and support our nuclear expertise

East and West unitaries will protect, support and strengthen the nuclear industry and capabilities at Sellafield. This is a critical part of the national infrastructure and will support the UK’s nuclear strategy through world-leading expertise.

East and West unitaries maintain the linkages between Copeland and Allerdale which support the nuclear energy site at Sellafield

Sellafield is a large site at the heart of a community which employs 13,000 people and the nuclear industry in Cumbria brings £3.5bn GVA to the UK economy.\(^1\) The jobs and opportunities it, and the wider industry, creates, are critical to the districts of Copeland and Allerdale and an East and West model maintain those districts in a single unitary. This retains the specialist skills and expertise regarding a nuclear licensed site within one unitary that is aligned to a community in the west that is supportive of the nuclear industry.

Sellafield is a critical site at the forefront of safe decommissioning and has provided expertise to nuclear projects internationally but is just part of wider nuclear capabilities in Cumbria. The National Nuclear Laboratory is a leading centre for nuclear fuel research and development, the Nuclear Decommissioning Authority is based in Cumbria and a wealth of companies work in the energy ecosystem on the west coast. These assets will be critical to achieving the UK’s net zero ambitions which include small and advanced reactors and which will rely on the unique experience of Cumbria’s nuclear sector.\(^2\) The East and West model provides a local authority which can promote that experience and a community that is supportive of the industry.

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1. Cumbria Nuclear Prospectus, LEP
The nuclear industry has a significant positive social and economic impact on Cumbria and the national economy and the East and West model has garnered significant support from businesses and stakeholders looking to protect it through local government reorganisation. Below are a sample of letters of support received.

Steve Nicholson, on behalf of the Prospect union: “Copeland and Allerdale must be allowed to continue its successful working in partnership position, as this reform is critical for the economic future of West Cumbria and to keep Sellafield the Centre of Nuclear Excellence in the UK.”

Julia Pyke, Director of Sizewell C Financing and Economic Regeneration: “We agree that a twin-unitary structure could further drive the economic growth and development engine in Cumbria. Such a framework, shows clear potential for a structure that is large enough to receive devolved powers, but small enough that important links with residents and businesses will be maintained. This, if set up and accompanied by robust governance and vision, will provide a stronger voice, maintain responsiveness, and deliver real and lasting change to the region. On the above basis, we are supportive of the model proposed by Copeland and Allerdale Borough Councils, in respect of local government reorganisation in Cumbria.”

David Peattie, Chief Executive of the Nuclear Decommissioning Agency: “We see merit in a unitary approach in Cumbria. We have always sought to work in partnership in areas such as planning and economic regeneration. But there is no doubt that the current splits between county and district levels introduce complexity and additional cost into our work.”
Implementing local government reorganisation
Detailed implementation planning will be fundamental to successful local government reorganisation. Activities and milestones are considered against four high level phases, which are explained in the following pages.

### Fig 15. Timeline for transition to a unitary structure

<table>
<thead>
<tr>
<th>Phase 1: Pre-planning</th>
<th>Phase 2: Joint committees</th>
<th>Phase 3: Shadow authorities</th>
<th>Phase 4: Combined and Unitary authorities</th>
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</thead>
<tbody>
<tr>
<td><strong>2020</strong></td>
<td><strong>2021</strong></td>
<td><strong>2022</strong></td>
<td><strong>2023</strong></td>
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<tr>
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<td><strong>Formation of Joint Committees</strong></td>
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<tr>
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<td><strong>Establish shadow authorities</strong></td>
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<tr>
<td>Jan 2023</td>
<td><strong>New Council Budgets finalised</strong></td>
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<td>May 2023</td>
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</table>
Phase 1: Pre-planning

Stakeholder engagement and consultation is ongoing, as set out in the Public Support section.

Prior to the delivery of Local Government Reorganisation, there will be a need for cooperation and consensus building between key stakeholders across central and local government. Within Cumbria there will likely be competing bids for the structure of local authorities, and as such the Secretary of State will form a conclusion based on consultation with all parties involved.

The following key activities take place:

• Finalise a structured engagement plan for all partner authorities, impacted bodies, and key stakeholders;
• Further consultation on the options put forward, seeking wider citizen engagement on the topic of local government reorganisation; and
• Challenge sessions to build consensus.
Phase 2: Joint Committees

Design and more detailed planning work commences from the moment that the Secretary of State makes a decision on the future structure of local government in Cumbria. Joint Committees will sit under a Leaders Oversight Group to ensure each council is represented and to reflect the political makeup of the area.

Activities begin to focus on the establishment of the unitary authorities, but with coordination required across all seven current authorities.

The following key activities will take place:

• Establish formal governance and programme management arrangements to be taken forward into new shadow authorities;
• Agree detailed programme implementation plan;
• Confirm future service requirements and commence detailed service transition planning;
• Appoint programme team to support transition;
• Align existing change activity across constituent authorities;
• Review baseline IT architecture;
• Baseline property portfolio and commence planning;
• Agree communications strategy;
• Agree high level HR transition plan; and
• Ongoing staff and trade union engagement and communications.
Phase 3: Shadow authorities

In line with other Local Government Reorganisation processes, the District authorities expect shadow authorities to be in place one year prior to the vesting date.

The two shadow authorities will be made up of Councillors and Officers from the current authorities, who will oversee the following key activities:

- Detailed integration planning and transition of services to the new unitary authorities, identifying cost and timelines;
- Organisation and operating model design, and initial structures for the new authorities;
- Appointment of Chief Executives and leadership teams;
- Staff transition process, focussed on the need to retain a skilled workforce with the right culture. TUPE of staff to new authorities;
- Establishment of new payroll arrangements;
- Management of data as part of initial IT systems transition;
- Ongoing stakeholder engagement, including reinforcing current partnerships and formation of new partnerships, where appropriate;
- Budget setting for the new authorities;
- Consolidation of funding arrangements, council tax equalisation, business rates collection, harmonisation of HRA, alignment of treasury management and reserves; and
- Ongoing staff and trade union engagement and communications.
Phase 4: Combined and Unitary authorities

At the point that new authorities formally come into existence, greater focus can be placed on the long term strategy for the future authorities. While the process is separate, implementing a Combined Authority at the same time as unitaries are vested will reduce the implementation time and cost and provide greater clarity to the public.

Authorities may vary in their level of ambition, but likely activities include:

- Establishment of a transformation programme, with responsibility for confirming and implementing a target operating model for the new authority and leveraging synergies. This is likely to include detailed review of:
  - Customer contact;
  - Service delivery;
  - Back office/enabling services;
  - IT and data strategy;
  - People, organisational development and culture; and
  - Estates.
- Implementation of new Enterprise Resource Planning (ERP)/Customer Relationship Management (CRM) systems, or further consolidation of current systems;
- Detailed review of existing contracts and third part spend, consolidating and rationalising spend whilst seeking to take advantage of economies of scale;
- Consolidation of fees and charges;
- Alignment of pay, terms and conditions; and
- Ongoing change management and communications.
As part of initial planning, ten workstreams have been identified to support detailed planning. These workstreams are described below. During Phase 1 and 2 activities require significant contribution and co-ordination from all authorities. At the start of Phase 3, when shadow authorities form, the majority of activities take place within unitaries individually but collaboratively.

### Workstream scope

1. **Programme management & governance**
   - Ensure that all planning, governance and delivery activities that support the programme and the other workstreams are in place and tracked. Ensure that effective governance structures are established in the new unitary authorities and oversee development and delivery of a target operating model for the new authorities.
   - Establish the constitutions of the new authorities integrate into new legal entities. Manage all changes required to deliver elections under the new structure. This will include ensuring strong Overview and Scrutiny functions are developed in both unitaries.

2. **Legal & democratic**
   - Develop and deliver a communications strategy. Carry out engagement with communities, parishes, towns and businesses.

3. **Engagement & communications**
   - Plan and manage the HR process and overall people and cultural change for each of new authorities. Carry out staff and trade union engagement.
   - Plan, design and deliver the new approach to customer engagement in each authority across all services. Integrate services within each of the new Councils, ensuring all existing services are aligned to new policies and process.

4. **People**
   - Review the existing IT assets and systems before designing and implementing the IT solutions for the new authorities, linked to the target operating model. Ensure that data is transferred and managed effectively during the transition, setting the authorities up to become data driven organisations.
## Implementation workstreams

<table>
<thead>
<tr>
<th>Workstream</th>
<th>Workstream scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 Finance</td>
<td>Manage the financial transition to the new authorities, including setting the first budget for each of the new authorities. Develop and deliver a financial strategy for each of the new authorities.</td>
</tr>
<tr>
<td>8 Estates</td>
<td>Analyse the estate portfolio of the constituent authorities and determine the appropriate estate strategy for each of the new authorities.</td>
</tr>
<tr>
<td>9 Contracts &amp; commercial</td>
<td>Manage the contractual changes required, and ensure that the two new authorities are set up to take advantage of commercial opportunities.</td>
</tr>
<tr>
<td>10 Combined Authority</td>
<td>Undertake the Review and Scheme Preparation elements of a Cumbrian Combined Authority to sit across the Unitary authorities.</td>
</tr>
</tbody>
</table>
Transition of county and unitary services, including social care

Existing operating models will be used as the basis for future operations.

Key activities will include:

- Review of current locality structure and workforce to identify appropriate allocation to future authorities;
- Agreement of future delivery structures with service providers and shadow authorities;
- Refinement of functional operating models and services, aligned to new geographies;
- Review and refinement of service policies, processes and procedures, including Service Level Agreements for each level of service provision;
- Restructure of membership on boards, reviewing local representation; and
- Detailed transition planning development to ensure continuity of services.

Transition of district services

District level services will be consolidated into each of the two unitary authorities. However, decisions will be required regarding the estates and working locations to be retained, with many of the current District offices likely to continue in a different form under the new authority.

Next Steps

As set out in this section, the District and Borough Councils have commenced high level implementation planning, and are seeking to engage the County Council to progress more detailed joint planning. Recent local government reorganisation processes, for example in Dorset, will provide invaluable insight, as well as confidence that the formation of two unitary authorities across a County area can be delivered successfully and on time.
Appendices
## Tables, figures and references

### Tables, figures

<table>
<thead>
<tr>
<th>Fig.</th>
<th>Title</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Essex, Greater London, Hertfordshire and Cumbria maps</td>
<td>Google MyMaps</td>
</tr>
<tr>
<td>2</td>
<td>Population density</td>
<td>ONS population estimates</td>
</tr>
<tr>
<td>3</td>
<td>Carlisle to Barrow travel times</td>
<td>Google maps</td>
</tr>
<tr>
<td>4</td>
<td>Health Geography</td>
<td>NHS England, CCG Directory</td>
</tr>
<tr>
<td>5</td>
<td>Financial efficiencies</td>
<td>See Appendix C</td>
</tr>
<tr>
<td>6</td>
<td>Top 100 firms in Cumbria</td>
<td>Cumbria LEP</td>
</tr>
<tr>
<td>7</td>
<td>Median weekly pay</td>
<td>ONS</td>
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<td>8</td>
<td>Indices of Multiple Deprivation</td>
<td>English Indices of Deprivation 2019</td>
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<tr>
<td>9</td>
<td>Median weekly pay</td>
<td>ONS</td>
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<td>10</td>
<td>Indices of Multiple Deprivation</td>
<td>English Indices of Deprivation 2019</td>
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<td>Efficiencies</td>
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</tr>
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<td>12</td>
<td>Implementation costs</td>
<td>Appendix B</td>
</tr>
<tr>
<td>13</td>
<td>Payback costs</td>
<td>Appendix B</td>
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<td>GVA of East and West unitaries</td>
<td>ONS GVA 2017</td>
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<tr>
<td>15</td>
<td>Implementation timeline</td>
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</table>

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Appendix B - Financial assumptions and benchmarking
Financial assumptions and benchmarking

Existing cost base

This page details the total expenditure across all councils included in the model which was used to calculate savings. County Council expenditure on cultural and related services, environmental and regulatory services, planning and development services and central services has been included but adult social care and education have not as they do not provide opportunities for integration efficiencies. Systems, office space, and democratic expenses have been subtracted from the County County’s central services expenses as reported in revenue outturn data.

<table>
<thead>
<tr>
<th>Total Expenditure (£m)</th>
<th>Districts</th>
<th>County</th>
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<tbody>
<tr>
<td>Workforce</td>
<td>62.3</td>
<td>42.6</td>
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<tr>
<td>Cultural Activities</td>
<td>15.1</td>
<td>3.4</td>
</tr>
<tr>
<td>Planning &amp; Related</td>
<td>10.7</td>
<td>2.8</td>
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<tr>
<td>Environmental &amp; regulatory</td>
<td>5.3</td>
<td>6.4</td>
</tr>
<tr>
<td>Waste</td>
<td>15.4</td>
<td>32.6</td>
</tr>
<tr>
<td>Housing services</td>
<td>6.9</td>
<td>0.0</td>
</tr>
<tr>
<td>Systems</td>
<td>8.1</td>
<td>2.3</td>
</tr>
<tr>
<td>Office Space and facilities</td>
<td>0.3</td>
<td>0.9</td>
</tr>
<tr>
<td>Democratic arrangements</td>
<td>1.2</td>
<td>0.7</td>
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<tr>
<td>Total (£m)</td>
<td><strong>125.3</strong></td>
<td><strong>91.7</strong></td>
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<table>
<thead>
<tr>
<th>Total Workforce expenditure included (£m)</th>
<th>Workforce breakdown</th>
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<tr>
<td></td>
<td>Districts</td>
</tr>
<tr>
<td>Highways and transport services</td>
<td>1.4</td>
</tr>
<tr>
<td>Housing services (GFRA only)</td>
<td>5.6</td>
</tr>
<tr>
<td>Cultural and related services</td>
<td>4.3</td>
</tr>
<tr>
<td>Environmental and regulatory services</td>
<td>12.9</td>
</tr>
<tr>
<td>Planning and development services</td>
<td>7.0</td>
</tr>
<tr>
<td>Central services</td>
<td>31.1</td>
</tr>
<tr>
<td>Other services</td>
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<tr>
<td>Total (£m)</td>
<td><strong>62.3</strong></td>
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</table>
Financial assumptions and benchmarking

Estimated savings (1/3)

We have provided supporting detail regarding assumptions used in the financial modelling of estimated savings and implementation costs. Further work would be required to develop an accurate model reflecting the decisions of future unitary authorities.

<table>
<thead>
<tr>
<th>Category</th>
<th>% reduction of existing cost base</th>
<th>Savings Rationale/Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base - Stretch Case</td>
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</table>
| Workforce         | 11 - 16%                         | • Assumes each authority would implement a single management structure, including single post holders for statutory positions in each unitary authority. This is estimated to reduce the total workforce cost by 1%.
• Assumes all duplicated senior roles across the authority would be phased out over 3 years.
• Assumes a further reduction in FTE workforce of 10-15% (i.e. excluding senior management). This reduction focuses on non-complex roles such as data entry, administration, non-specialist, non-leadership roles due to increased automation and digital disruption over time.
• As a comparative reference, industry studies on automation per sector forecast over 30% reduction in cost through digital disruption. 10-15% is therefore a conservative estimate for reorganisation reflecting that some councils function using more manual operations than others. The 11% applied in the base case is also aligned to planned workforce savings in similar reorganisation programmes of 10 – 13%.
• Assumes no savings occur in year 1, 20% occur in year 2 and 80% occur in year 3. The full annual potential workforce savings commences at the start of year 4.                                                                                                                                 |
| Cultural Activities | 6 – 12%                          | • Assesses the annual cost of Cultural Activities services per capita.
• The base case of savings assumes that by sharing resources and best practice as well as integrating infrastructure, supply chains and management teams unitaries will achieve at least the existing median performance of the six Districts. A median cost per capita is the driver for the base case, and top quartile performance is used for the stretch case. The stretch case assumes that the unitaries will perform in the top quartile. There may be further opportunities to save on sports and recreation facilities. Estimated Cultural Activities services could be decided and rolled out within 24 month of the vesting date and therefore becomes effective at the start of year 3. |
| Planning & Related | 10 - 21%                         | • Assesses the annual cost of Planning and Related services per planning decision.
• The base case of savings assumes that by sharing resources and best practice as well as integrating infrastructure, supply chains and management teams unitary council will achieve at least the existing median performance of the six districts. A median cost per planning decision is the driver for the base case with the saving assuming net performance at the current median value (note this saving is capped for the base case at 20% savings for any individual district council). The stretch case assumes that all district councils perform in the top quartile.
• Estimated planning and related services could be decided and rolled out within 24 month of the vesting date, and therefore becomes effective at the start of year 3.                                                                                                                                 |
| Environmental & Regulatory | 3 – 17%                         | • Assesses the annual cost of Environmental & Regulatory services per capita. Per capita was chosen over alternative measures such as per hectare due to disproportionate impacts of geographically larger councils such as Eden.
• The base case of savings assumes that by sharing resources and best practice as well as integrating management teams unitaries will achieve at least the existing median performance of the six districts. A median cost per capita is the driver for the base case and the quartile per capita is used for the stretch case. The stretch case assumes that unitary services will perform in the top quartile.
• Estimated environmental & regulatory services could be decided and rolled out within 24 month of the vesting date, and therefore becomes effective at the start of year 3.                                                                                                                                 |
## Financial assumptions and benchmarking

### Estimated savings (2/3)

<table>
<thead>
<tr>
<th>Category</th>
<th>% reduction of existing cost base Base - Stretch Case</th>
<th>Savings Rationale/Assumptions</th>
</tr>
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</table>
| Waste                     | 4 - 7%                                                 | • Assesses the annual cost of Waste services per capita. As a family of six would be expected to have more waste units than a household of one, it is considered that population is the best measure, over say, dwellings.  
  • The base case of savings assumes that by sharing resources and best practice as well as integrating management teams unitaries will achieve at least the existing median performance of the six districts. A median cost per capita is the driver of the base case and a top quartile performance is used for the stretch case. The stretch case assumes that unitary services will perform in the top quartile.  
  • Since some councils use a third party to deliver waste collection services, contracts would need to be exited or renegotiated for the new unitary authorities. It is understood this could take around two years from the date of transfer and therefore the estimated saving is assumed to be effective from the start of year 3. |
| Housing Services (GFRA only) | 6 - 16%                                               | • Assesses the annual cost of Housing Services per claimant.  
  • The base case of savings assumes that by sharing resources and best practice as well as integrating management teams unitary councils can achieve at least the existing median performance of the six districts. A median cost per claimant is the driver of the base case with the saving assuming net performance at the median value (note this saving is capped for the base case at 10% savings in any given district council). The stretch case assumes that unitaries perform in the top quartile (capped at 20% saving in any given existing district council budget).  
  • This is assumed to take two years to implement, therefore commencing at the start of year 3. |
| Systems                   | 11 - 16%                                               | • Reduction of 11-16% on IT spend in relation to a reduction in licences (associated with the reduced number of FTE).  
  • Data for the County Council IT/systems costs is not available. Information obtained from district councils, indicates that IT/Systems spend equates to 20% of the combined districts Central Services annual expenditure. It is therefore assumed County IT/Systems costs are 20% of the current County Central Services expenditure. |
| SLAs/Contracts            | N/A                                                    | • Whilst a common area of savings identified in local government reorganisations, it is not costed separately here due to potential duplication with savings identified by service lines above. There were limited contracts exceeding 5% of total expenditure that would have merited being considered separately on their own merits.  
  • Assumed a third party contracts exists for delivery of a given service where RO data shows little or no employees costs and substantial running expenses.  
  • No additional third party contract cost reductions are estimated for the service categories mentioned in the preceding rows of this table. |
## Financial assumptions and benchmarking

### Estimated savings (3/3)

<table>
<thead>
<tr>
<th>Category</th>
<th>% reduction of existing cost base</th>
<th>Savings Rationale/Assumptions</th>
</tr>
</thead>
</table>
| **Estates and Office Space** | 23 - 25%                          | • Accommodation savings will be realised through a reduction in office space requirements.  
  • Saving is the reduction in cost per desk and assumes all office space is leased.  
  • Assumes each of the current local authorities is using 25 sq. ft. per FTE. This is based on consideration in line with minimum HSE regulation of 15 sq. ft. per FTE and industry best practice of approximately 100sq. Ft. per FTE.  
  • Assumes 40% of FTEs undertake tasks that require desk space.  
  • Assumes a ratio of 4 desks to 5 FTE, however due to the change in working behaviours prompted by Covid, it is assume a ration of 3 desks to 5 FTEs.  
  • In line with the estimated reduction of FTE in the Workforce category, the new councils would have a total of 27 to 29 thousand sq. ft. in unused office space. While it can be reasonably assumed that this would result in reduced running and maintenance costs, it is assumed that this surplus office space would results in either termination of office leases, or if owned by the Council could be rented out.  
  • Office space for lease in the Cumbria region is estimated to be a maximum of £20 per sq. ft p.a. for A-B grade offices. It is expected this saving will come into effect at the start of year 3, from the date of transfer to unitary authorities. |
| **Democratic arrangements**   | 53 - 63%                          | • There will be only one election for each unitary every four years, replacing the six district and one county election. The number of polling stations will be maintained, and the number of people required to run them.  
  • There would be a reduction in members in each unitary area. The districts currently have between 36 and 71 members per 100,000 people, compared with the average benchmark of 20 members per 100,000 people across Cornwall, Wiltshire, Dorset, Buckinghamshire, BCP Council and the envisaged unitary authority for Somerset.  
  • Assumes the 84 Cumbria Country elected members are replaced in a two unitary structure by a single election in each unitary and therefore total members allowances reported in the Cumbria County 2019/20 Statement of Accounts is a saving.  
  • In addition, the estimated savings stretch case is realised by calculating current district elected members per 100,000 of population * cost per elected member per council p.a., less, 20 members per 100,000 population per existing district council * current cost per elected member per council p.a., and adding the above mentioned County level saving. The base case is determined by applying a differential of 10%.  
  • The first election is assumed to take place in May 2023. |
Financial assumptions and benchmarking

Implementation costs

The following table sets out the sources of benchmarks used to estimate implementation costs. The Rationale/assumptions describes key assumptions made for each of the categories where the date of transition to a unitary authority is assumed to take place on the 1 April 2023.

<table>
<thead>
<tr>
<th>Category</th>
<th>Rationale and Assumptions</th>
</tr>
</thead>
</table>
| Workforce and Services                  | • Redundancy costs will reflect the age / length of service profile  
• Termination costs of existing service contracts and transaction fees  
• Assumes no costs are incurred in year 1, 20% incurred in year 2 and 80% incurred in year 3.                                                      |
| Systems                                 | • Costs reflect previous examples of system implementation  
• Some benchmarks do not include allowance for ERP and data migration, cleansing and interface development  
• Assumes 50% of total implementation cost incurred in year 1, and 50% in year 2.                                                                  |
| Office Space / facilities               | • Some benchmarks do not include capital receipts, which can be used to fund, for example transformation or regeneration.  
• Assumes 50% of total implementation cost incurred in year 1, and 50% in year 2.                                                                      |
| Transition Team and change management   | • A significant transition team required for each unitary authority  
• Some benchmarks include public consultation  
• Some benchmarks include change management and creation of new councils  
• Assumes 50% of total implementation cost incurred in year 1, and 50% in year 2.                                                                      |
| Culture Change and Communications Training | • Cost allowed for other culture change such as retraining and inductions  
• Assumes 50% of total implementation cost incurred in year 1, and 50% in year 2.                                                                      |