

Executive

Agenda
Item:

A.2

Meeting Date: Monday 7th December 2020

Portfolio: Cross Cutting

Key Decision: Yes

Policy and Budget
Framework: Yes

Public / Private: Public

Title: LOCAL GOVERNMENT REORGANISATION – APPROVAL OF
CARLISLE CITY COUNCIL'S SUBMISSION

Report of: Town Clerk & Chief Executive

Report Number: CE 07/20

Purpose / Summary:

The purpose of this report is for the Executive to consider the views and decisions taken at the special meeting of the City Council held on 1st December 2020, relating to Local Government Reorganisation and delegate approval of the final submission to the Chief Executive and the Leader of The Council.

The submission of the proposal is a decision of the Executive. Members of the Executive sought the views of Council to inform (but not direct) their decision on the final submission. The relevant minute excerpt from this meeting, together with the most recent draft of the submission (to follow). A copy of the report considered at the special Council meeting (CE.06.20) is attached for members' information.

Recommendations:

That members of the Executive approve the Carlisle City Council's draft proposal for local government reorganisation, attached to this report and delegate submission of the final document, with any minor amendments and corrections, to the Chief Executive in consultation with the Leader of the Council.

Tracking

Council:	1st December 2020
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1. BACKGROUND

- 1.1** As members will be aware the City Council has been invited, along with other local authorities in Cumbria, to submit proposals for reorganisation of local government in Cumbria to create one or more unitary councils. An outline submission was submitted on 9 November indicating that a final submission will be made by the deadline of 9th December in support of two unitary authorities being created in the county.

2. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 2.1** To enable Carlisle City Council to submit its proposals for Local Government Reorganisation to UK Government before the deadline of 9 December 2020.

Contact Officer: Jason Gooding

Ext: 7001

Appendices Report CE 06/20;

attached to report: Copy of detailed submission and minute excerpt (to follow)

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

Council

Agenda
Item:

5

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Title: Local Government Reorganisation
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The submission of the proposal is a decision of the Executive, and the members of the Executive seek the views of council to inform (but not direct) their decision on the final submission.

Recommendations:

It is recommended that the Council supports the submission of a full proposal for two unitary councils to be created in Cumbria based on the existing district boundaries of Allerdale, Carlisle & Eden in the North; and Barrow, Copeland and South Lakeland in the South.

1. BACKGROUND

UK Government has expressed its wish to agree devolution deals and establish combined authorities and elected mayors across England. A Devolution White Paper is expected in the new year outlining more detail. In order to make progress on devolution, Simon Clarke MP (then Minister for Regional Growth and Local Government) met with Cumbrian leaders on 9 July 2020. At that meeting it was confirmed that local authorities in Cumbria could ask the Secretary of State to invite proposals for local government reorganisation in Cumbria and that multiple proposals could be submitted covering the same area.

Subsequently all councils in Cumbria received an invitation on 9th October 2020 to submit proposals for local government reorganisation with a deadline for final submissions of 9th December 2020.

The Cumbrian district council leaders are in agreement that, if reorganisation is to happen, then it should be based on two unitary councils covering Cumbria. Some favour the creation of a 'Morecambe Bay' unitary that would include South Lakeland, Barrow and Lancaster City (along with a 'North Cumbria' comprising Allerdale, Carlisle, Copeland and Eden). Others favour a pair of unitaries based on triplets of existing district boundaries. The only possible coterminous triplets are Allerdale/Carlisle/Eden plus Barrow/Copeland/South Lakeland or Allerdale/Carlisle/Copeland plus Barrow/Eden/South Lakeland.

The Leaders of Allerdale, Carlisle, Copeland and Eden favour a model of two unitaries based on triplets and agreed to jointly commission KPMG to work with the four councils on an outline submission and subsequently a full proposal. We have been given just over eight weeks to do this work; the documents for submission will not be finalised until the 7th December. The Executive will meet on this date to agree the final submission. Officials at MHCLG (Ministry for Housing, Communities and Local Government) have been clear and firm that there is no prospect of extending the deadline.

The Leader has established an informal 'Member Reference Group', which has given those members some sight of the process and an opportunity to comment. However the very tight timescales have not permitted wider member engagement for example through Scrutiny. Therefore the Leader has requested that Council consider this issue, so that the Executive can make a decision on 7th December with the benefit of Council's consideration.

The latest draft of the submission is attached as Appendix 1 (to follow). This explains how two unitary councils strike the optimum balance between local government being close to

the communities it serves, while having the resources and influence to drive positive change. Importantly, two unitaries will also support the establishment of a mayoral combined authority that has a genuine strategic purpose and provides the basis for devolution to the area.

2. OPTIONS

As described above there are two sets of combinations of the existing district boundaries that will deliver two unitaries. Thus the options are 'North/South' (Allerdale/Carlisle/Eden plus Barrow/Copeland/South Lakeland) and 'East/West' (Allerdale/Carlisle/Copeland plus Barrow/Eden/South Lakeland).

MHCLG will reject any proposal with more than one option as 'non-compliant'. A submission from a local authority for two unitaries based within the existing boundary for Cumbria must express either 'North/South' or 'East/West' as a preference.

As part of the work that KPMG have done with the four authorities, an evaluation of the various models against agreed criteria scored 'North/South' as the strongest option followed by 'East/West', although there was little difference and, on that analysis alone, a credible case could perhaps be made for either option.

On balance, the Executive is minded that 'North/South' should be the preferred option and 'East/West' rejected for the following reasons.

- The population of 'East' would be c. 225,000 and 'West' c. 275,000, making 'West' around 22% more populous than its neighbour (the balance for N/S would be c260,000/c.240,000 an 8% variance).
- This population imbalance coupled with the strong economic footprint of Workington, Whitehaven and Carlisle would set a pattern of clearly unequal partners for decades. It would make it difficult for a combined authority to operate effectively.
- A geography which placed Armathwaite in the same council area as Barrow, and Longtown with Millom would stretch the definition of 'local' beyond its customary use.

Supporters of the 'East/West' model will point to the perceived importance of Workington and Whitehaven being in the same local authority area. Whilst it is true that 'West' would form a strong local authority, the concomitant weakness of the 'East' proposition is a fatal flaw. The strategic interests of the West Coast of Cumbria can however be supported by the cooperation of two strong, equal partner authorities within a mayoral combined authority.

3. CONCLUSION

This process, with its very tight timescale, the complexity of working with partners on a submission and the unprecedented disruption and uncertainty of a pandemic has made the level of member engagement that would normally be expected impossible. In spite of this, the Executive is firmly of the view that the interests of the City Council and the residents and businesses of Carlisle are best served by participation in it.

To that end members of the Council are invited to consider the draft proposal for local government reorganisation and support the recommendation as written.

Cumbria Local Government Reorganisation Case for Change

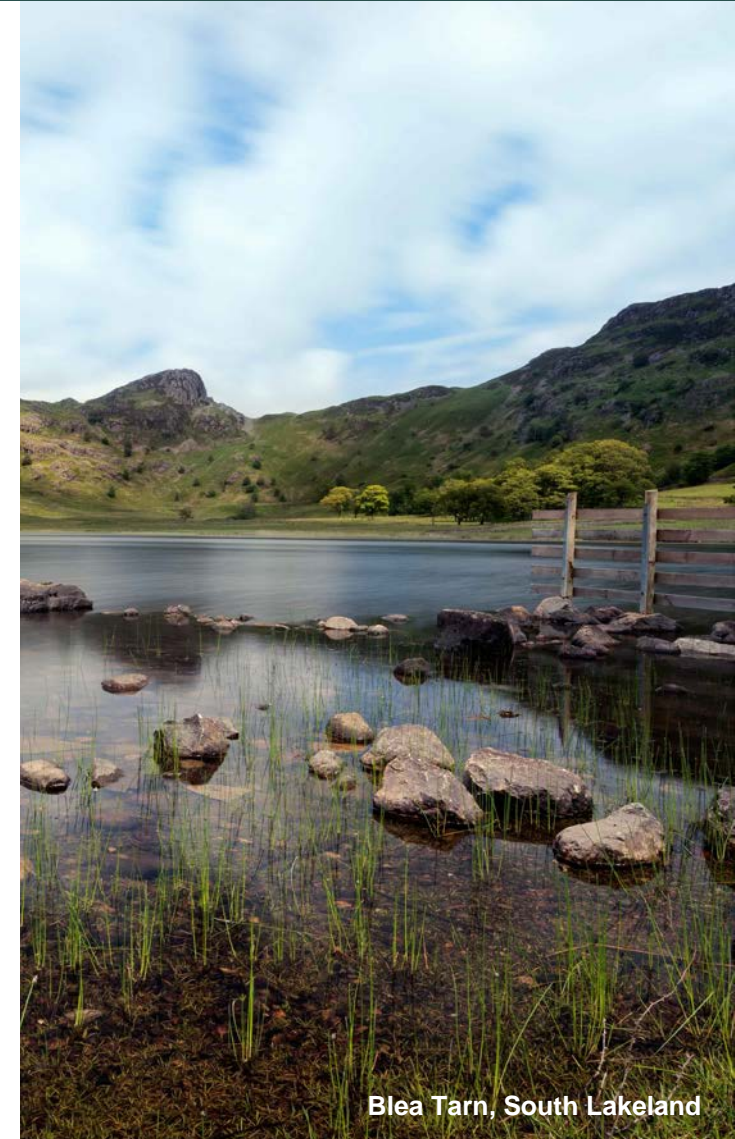
November 2020



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Blea Tarn, South Lakeland

Executive summary



Purpose of this report

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 **XX and XX** on behalf of the people of Cumbria.

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 District 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 **XXX and XXX**
- 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 District 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 as, due to the timeline for submission and disruption caused by COVID-19, it has not been possible for sufficient and appropriate consultation regarding public support to be able to submit a single proposal.

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.

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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 requested from the District, City and Borough Councils.

Sources of information and data are set out in Appendix XX.

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.

Throughout the process the Councils have engaged with external partners to gather insight, views and supporting information.

The evaluation criteria

In assessing the options for local government reorganisation in Cumbria we established five criteria that any successful model would need to achieve.

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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.

Impact on service delivery

Financial benefits and sustainability

Democratic representation

Growth

Public support

The evaluation criteria

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.

Impact on service delivery	Weighting
Service improvement	5
Geography for service delivery	5
Minimal service disruption	4
Manageable demographics and demand	4
Partnership working	3
Capacity and resilience	4

Growth	Weighting
Economic growth potential	5
Sustainable economic development	5
Inclusive economic growth, social mobility and levelling up	5
Unlocking investment	5
Housing development provision	4

Financial benefits and sustainability	Weighting
Long term financial sustainability	5
Costs and complexity of reorganisation	3
Council tax equalisation	3
Income potential	4
Reserves, assets and liabilities	4

Democratic representation	Weighting
Effective local representation	5
Identity	4
Functional economic geography	3
Representation in future Combined Authority	2

Public support

Vision and principles for local government reorganisation



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 cleaner, prosperous future
- Delivering high quality services, efficiently and delivering value for our residents in collaboration with our partners

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...

Impact on service delivery

- Maintain and reflect local community identity and integrate services around the needs and expectations of residents and businesses
- Be agile and flexible to drive continuous service improvement
- Understand and reflect the challenges of rurality and level up services that everyone can rely on
- Minimise disruption and the impact of reorganisation on residents
- Leverage and grow strong local partnerships across public services, with business and with third sector organisations

Financial benefits and sustainability

- Establish financially sustainable, fit for purpose local government organisations
- Unlock efficiencies that can be reinvested in services to boost quality
- Develop greater self sufficiency through income generation and leveraging scale and buying power

Democratic representation

- Provide communities with strong local representation co-designed, run in partnership and delivered at a local level
- Drive strategic leadership through a Combined Authority
- 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 voice to attract investment
- Provide access to funding and increase the prosperity and wellbeing of businesses and communities

Public support

- Attract the support of the people and communities of Cumbria
- Reflect how the people of Cumbria identify with place

Challenges and opportunities

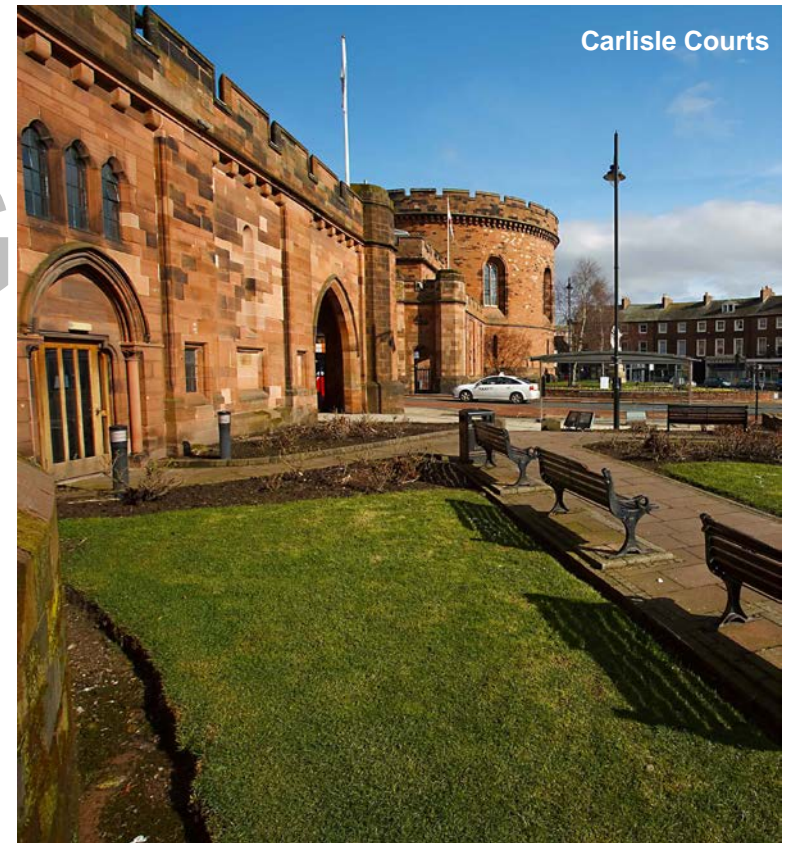


Key opportunities for Cumbria

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**: 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.
- We have significant assets for **renewable energy** including a large coastline and plenty of wind which can support the UK's clean energy agenda and net zero ambitions.
- 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 open spaces and their biodiversity supports tourism which brings over 47 million people and £3.1bn to the local economy every year.¹
- We make 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.



1. Cumbria Tourism (<https://www.cumbriatourism.org/what-we-do/awards/>)

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.



Blea Tarn, South Lakeland

In addition to national issues such as COVID-19, forthcoming white papers on devolution and planning, EU Exit, 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.

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 2011.¹

Shrinking and ageing population - The population is older than the national average and is expected to shrink which presents a challenge regarding skills, economic growth and adult social care.²

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

1. Medium Term Financial Plans of the seven councils
2. ONS population estimates

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 a regional, national and international stage.
- **Unlocking devolution** – Local Government Reorganisation may enable a devolution deal with a possible mayoral Combined Authority and the region has ambitions to lead the way towards carbon negativity while creating jobs, promoting growth and 'levelling up' across the region.
- **More efficient governance** - The two-tier system creates duplication 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.
- **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



The case for a two unitary model

A two unitary model is the only 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 provides 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

Financial benefits and sustainability

Democratic representation

Growth

Public support

Impact on service delivery





The right structures for the population and geography

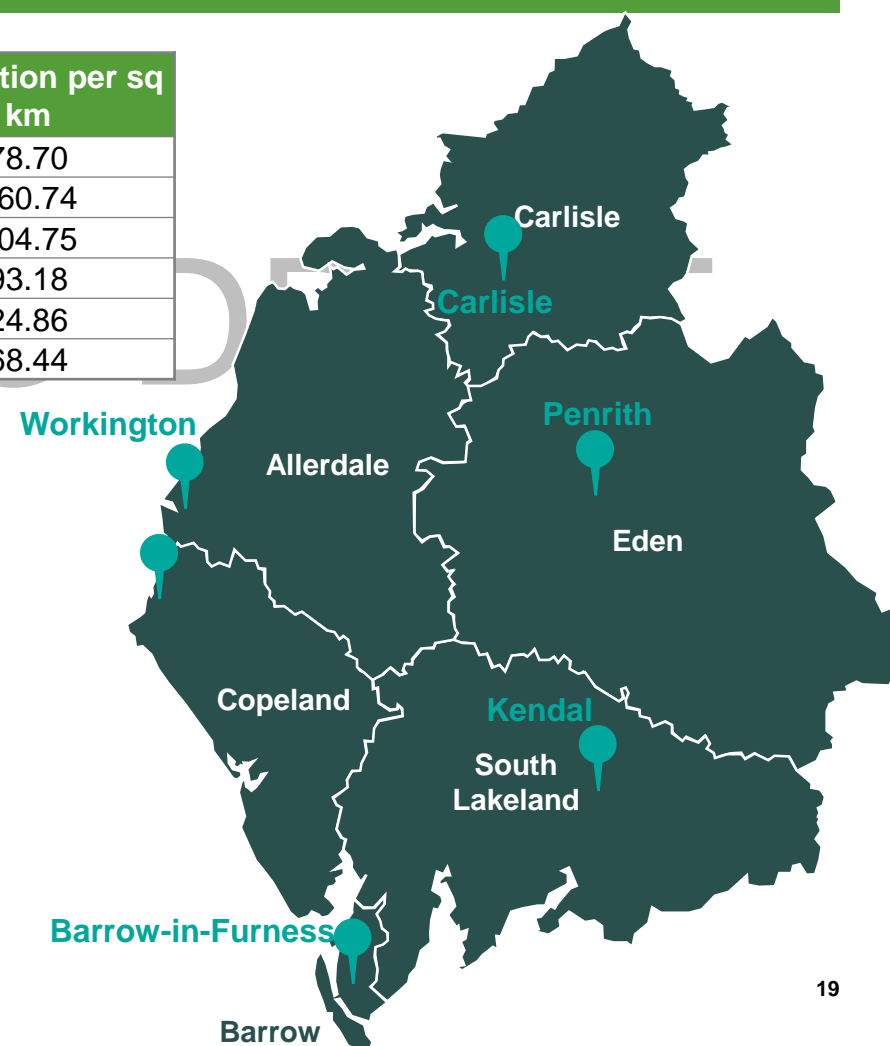
Cumbria has a low population density so, while the 500k population would be viable for a unitary, the population is spread over a large area which makes service delivery for the whole area more complex. Existing County services are delivered over multiple different footprints within Cumbria so two unitaries represents a consolidation of service delivery.

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.

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

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 so a two unitary model represents a consolidation of services which will enable more efficient and consistent services across the area.

Fig. X Population Density	Population per sq km
Allerdale	78.70
Barrow	860.74
Carlisle	104.75
Copeland	93.18
Eden	24.86
South Lakeland	68.44





Enabling local, integrated services

Two unitaries will maintain and reflect local community identity and integrate services around the needs and expectations of residents and businesses. They will be agile and flexible to drive continuous service improvement and understand and reflect the challenges of rurality and level up services that everyone can rely on

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. This approach enables planning to be more effective and services to work in harmony though not if they are integrated on a pan-Cumbria footprint.

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.



Fig. X Carlisle to Barrow travel times¹

By car: 1 hour 42m

By train: 2 hr 30m

1. Google maps



Improving children's social care

Children's social care services are a critical factor when considering models of local government. Services in Cumbria require improvement and support a large number of children over a large area and a two unitary model offers opportunities to target and focus services.

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

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, every top tier local authority 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 the education and children's social services functions of the Local Authority, and should report directly to the Chief Executive.



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.

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 which can be used as part of an integrated service to improve how children's social care is delivered. This include preventative work through leisure services but also creates opportunities for identifying issues and early help. Two unitaries maintains that local knowledge while integrating all services that wrap around a child, young person and their family networks.



Improving children's social care

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.¹ 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.

Two unitaries represents a partial consolidation of children's services.

Social care is currently managed on a locality footprint in the north, west and south of the County. Districts also play a key role with supporting services and in chairing Children and Family Locality Partnerships. 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.

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 children's services, designed after those developments, will enable services to reflect and recover from those changes.

A Children's Trust could operate across the unitaries if the model does not achieve the improvements required

While the organisational structure will be a decision for the unitary councils, there is an option for children's services to be delivered under an alternative delivery form, such as a Trust. This would 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 potential 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.

Adult social care and healthcare

Healthcare is delivered through two footprints which cross County and District boundaries, reflecting the challenges of a pan-Cumbria service approach. A two unitary approach provides an opportunity to establish local, integrated, all-age services over a viable footprint.

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 Integrated Care System in North Cumbria and the Sustainability and Transformation partnership in South Cumbria and Lancashire 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. 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.

Fig. X Health geography



North Cumbria Health and Care System

Lancashire and South Cumbria Sustainability and Transformation Partnership



Adult social care and healthcare

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.

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 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.

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 £18.8m and £31.1m 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. X Efficiencies (£m per year)*

Category	Benefits		Percentage of existing cost base
	Base	Stretch	
Workforce	11.5	16.8	11% - 16%
Services			
Cultural Activities	0.8	1.8	4% - 10%
Planning & Related	1.3	2.8	10% - 21%
Environmental & regulatory	0.4	2.0	3% - 17%
Waste	1.9	3.5	3% - 6%
Housing services	0.4	1.1	6% - 16%
Systems	1.1	1.6	11% - 16%
Estates; office space	0.3	0.3	23% - 25%
Democratic arrangements	1.0	1.2	53% - 63%
Total	18.8	31.1	7% - 11%



Significant long term financial efficiencies

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 thirty 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 targeted promotion of leisure and well being services

More financial details are included in section X and supported by Appendix X.





Significant long term financial efficiencies

Two unitaries will develop greater self sufficiency through income generation and leveraging scale and buying power.

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 unitaries will benefit from their growth through business rates and 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.

Placeholder for examples of collaboration realising financial benefits and improved outcomes

Democratic representation





Strong democratic representation

Two unitaries will provide communities with strong local representation through smaller, balanced electorates which avoids the need to place significant responsibilities onto 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 councilor 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 avoids the need to place significant responsibilities onto town and parish councils which are not used to such a role, are not consistently managed and are not in place across all of Cumbria.



Whitehaven Marina, Copeland



Enabling a strong Combined Authority

Two unitaries will drive strategic leadership through a Combined Authority. A future mayoral Combined Authority enables strategic planning and leadership while two balanced unitaries provides local service delivery and a strong basis for inclusive, clean growth.

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 and will enable them to more easily engage with authorities rather than creating a new two-tier model of local government.

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 cities are in separate Districts so establishing two unitaries enables them to have a greater voice and representation in their local government.

Rural areas also need a particular approach to reflect 'rurality and sparsity', different conceptions of service delivery, and different rules on planning as we reflected in the recent 'Levelling up our communities report'.¹



Keswick market, Allerdale

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

Growth



Strong, strategic leadership

Two unitaries will collaborate on strategic issues through a mayoral Combined Authority which will provide a strong leader and voice to attract investment on the national stage.

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. 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 Lake District and nuclear excellence on the west coast to manufacturing in Carlisle. 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.

Fig. X Top 100 firms in Cumbria



Strong, strategic leadership (continued)

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, 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 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 in 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.



Enabling sustainable, inclusive economic development

A two unitary model of local government enables sustainable, inclusive economic development and 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.

Fig. X Median weekly pay

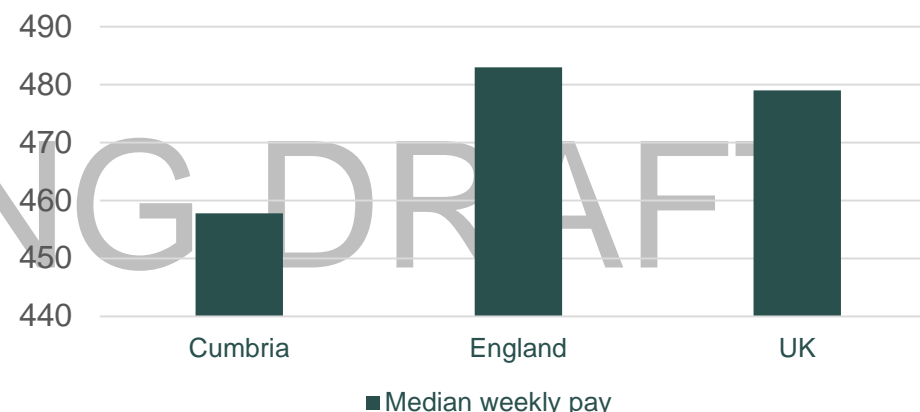


Fig. X Indices of Multiple Deprivation	IMD Average Score	Proportion of LSOAs in most deprived nationally (10%)
Allerdale	22.94	12%
Barrow	31.12	24%
Carlisle	22.00	6%
Copeland	25.01	6%
Eden	16.33	-
South Lakeland	12.50	-



Enabling sustainable, inclusive economic development (continued)



Oldside Wind Farm

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, decarbonizing heat, power and transport.

This includes a clean energy park to develop nuclear, hydrogen and future fuels. 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

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.

Needs better photo



Enabling sustainable, inclusive economic development (continued)

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.

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 and a clear voice to access funding and support the prosperity of businesses and communities.

Operating as two unitaries across Cumbria will provide Councils with scale for funding and financing. This will enable cheaper borrowing with lower administration costs than seven separate organisations. It will also provide coordination and prioritisation with regard to new and existing funding streams being accessed by councils e.g. Towns 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 gainshare funding, as well as function-specific funding streams. While the details of a devolution deal require negotiation, 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.

Public support





Our approach to public 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.

To evidence the widespread public support for a two unitary model of local government in Cumbria we have worked with a wide range of stakeholders including:

Districts to confirm who they have spoken to/worked with

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

Districts to confirm what they have done

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Evidence of public support

We have included a small sample of the evidence of public support for the two unitary model of unitary government in Cumbria. Due to the timescales required by this submission we do not have a statistically representative sample.

Evidence from public support work

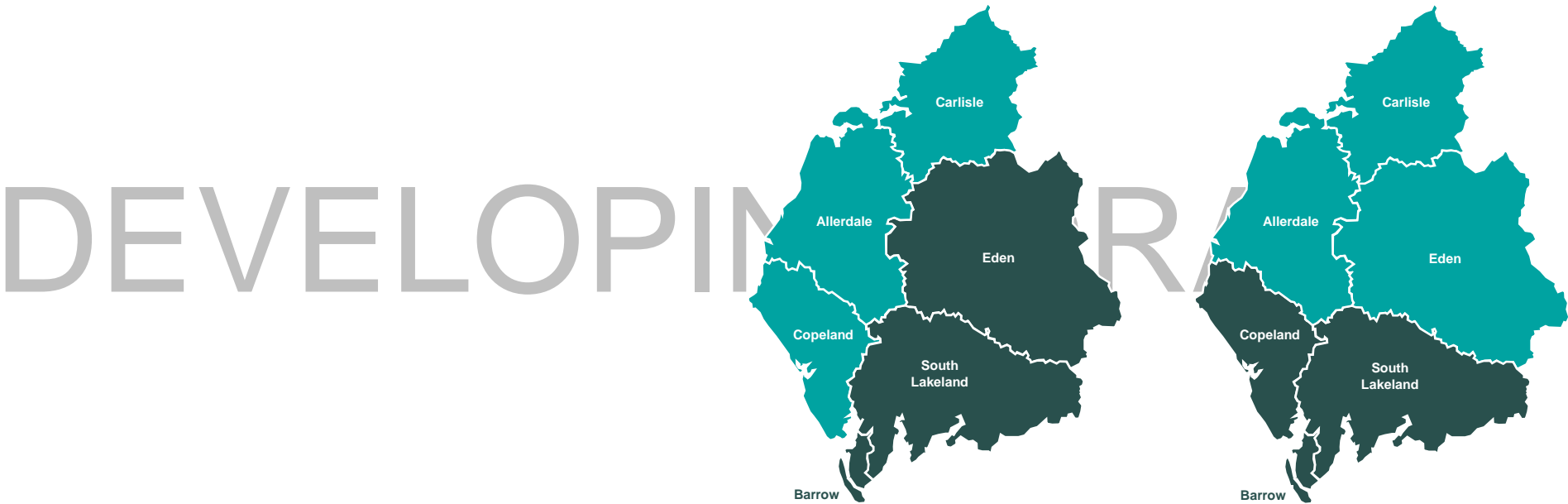
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The case for
East & West/
North & South
Not included in
this draft



East Cumbria and West Cumbria/ North Cumbria and South Cumbria

The...



	East/West		North/South	
	East	West	North	South
Districts	Barrow, Eden, South Lakeland	Allerdale, Carlisle, Copeland	Allerdale, Carlisle, Eden	Barrow, Copeland, South Lakeland
Population	225,390 (45%)	274,622 (55%)	259,692 (52%)	240,320 (48%)

Key strengths/challenges addressed

Use this slide to summarise the key arguments

DEVELOPING DRAFT

Key statistics

Use this slide to summarise the key arguments

	North/South	
	North	South

DEVELOPING DRAFT



Key service delivery argument

Insert key strength from earlier slide

Key argument

Explanation and evidence

DEVELOPING DRAFT



Key long term financial efficiencies argument

Insert key strength from earlier slide

Key argument

Explanation and evidence

DEVELOPING DRAFT



Key democratic representation argument

Insert key strength from earlier slide

Key argument

Explanation and evidence

DEVELOPING DRAFT



Key growth argument

Insert key strength from earlier slide

Key argument

Explanation and evidence

DEVELOPING DRAFT

Implementing local government reorganisation



Implementation workstreams

As part of initial planning, nine 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 separately, but with ongoing engagement and co-operation.

Workstream	Workstream scope
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.
Legal & democratic	Establish the constitutions of the new authorities integrate into new legal entities. Manage all changes required to deliver elections under the new structure.
Engagement & communications	Develop and deliver a communications strategy. Carry out engagement with communities, parishes, towns and businesses.
People	Plan and manage the HR process and overall people and cultural change for each of new authorities. Carry out staff and trade union engagement.
Customer contact & service delivery	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.
Data, systems & technology	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.
Finance	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.
Estates	Analyse the estate portfolio of the constituent authorities and determine the appropriate estate strategy for each of the new authorities.
Contracts & commercial	Manage the contractual changes required, and ensure that the two new authorities are set up to take advantage of commercial opportunities.

Implementation phases (1/4)

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.
- Challenge sessions to build consensus.

Implementation phases (2/4)

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.

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
- Ongoing staff and trade union engagement and communications

Implementation phases (3/4)

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.
- Ongoing staff and trade union engagement and communications.

Implementation phases (4/4)

Phase 4: 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.

- 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;
 - 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.
- Ongoing change management and communications.

Transition of services

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;

— Detailed transition planning development, in order 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

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Glossary

Glossary of terms		Glossary of terms	
Reference	Description	Reference	Description
	Title		Title
	Title		Title
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	Title		Title
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	Title		Title
	Title		Title

Appendix [] - Financial assumptions and benchmarking





Expected implementation timeline

Detailed implementation planning will be fundamental to successful local government reorganisation.

Whilst timings are uncertain, the timeline that the District and Borough Councils are working to is set out below. Activities and milestones are considered against four high level phases, which are explained in the following pages.

Fig X. Timeline for transition to a unitary structure

