

Cumbria Local Government Reorganisation Case for Change

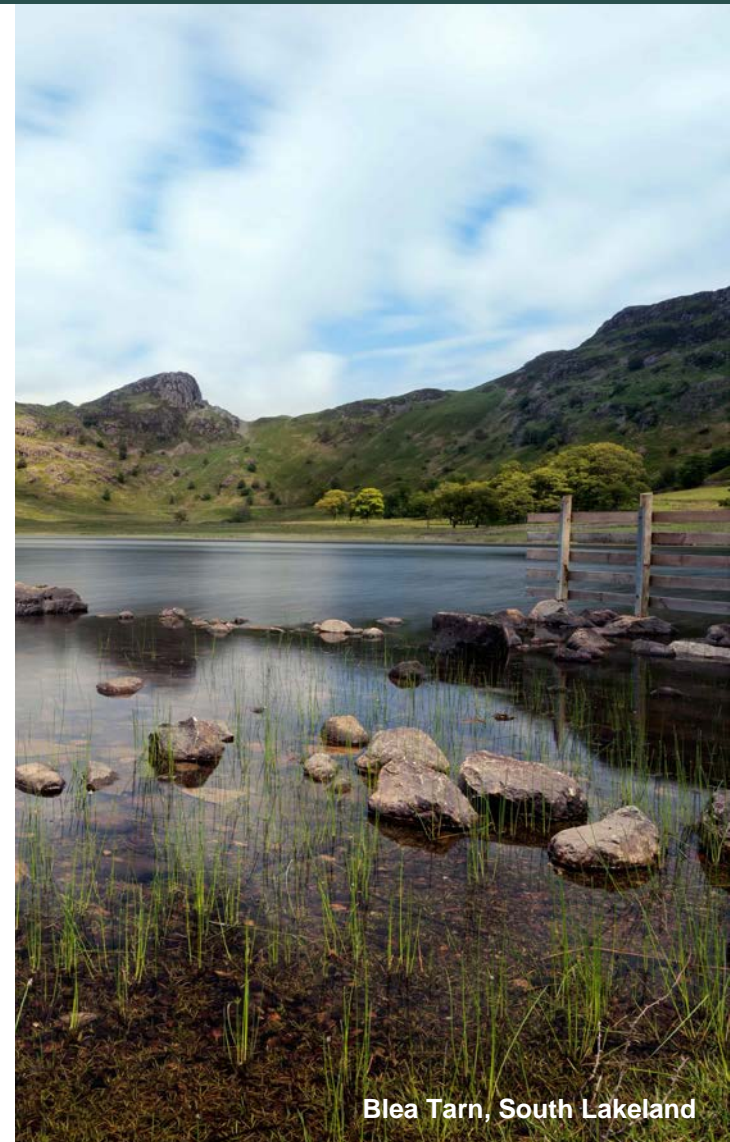
December 2020



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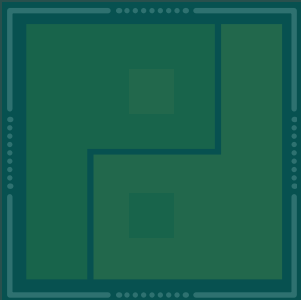
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Blea Tarn, South Lakeland

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 Carlisle City Council and Eden District Council.

Objectives of this report

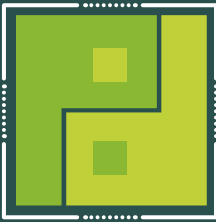
The key objectives of this Full Proposal are to:

- 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 Carlisle City Council and Eden District 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

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, reflect and strengthen local community identity
- Integrate local 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
- Strengthen 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



Support

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

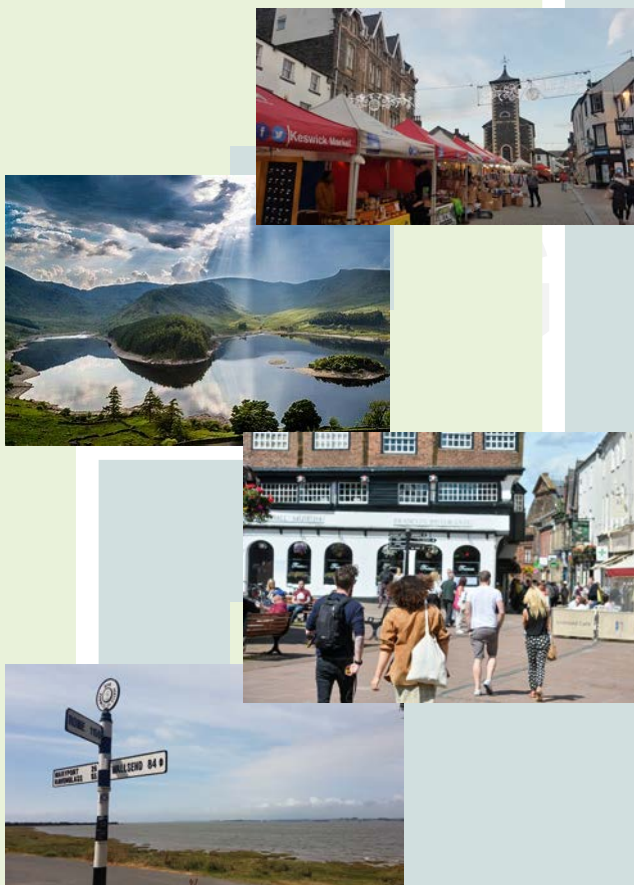


The case for a two unitary model

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

North Cumbria and South Cumbria summary

The North and South model for two unitary local government will best serve the communities across Cumbria to deliver the vision and design principles set out in in this case for change. Below are the summarised key reasons this is being advocated for Cumbria. Section six further expands on each of these.

North and South unitaries will...

- align closely with the healthcare geography of Cumbria.
- provide a balanced split of population and fit with the demographics of the area, reflecting rurality and the needs of communities.
- will both achieve significant savings through local government reorganisation which will quickly offset initial implementation costs and provide unitaries that are sustainable.
- provide strong unitaries that are well balanced within a Combined Authority.
- align strongly with parliamentary constituency boundaries.
- align with key commuter patterns, unifying functional economic areas.
- be well connected across the Cumbria Combined Authority and nationally.
- enable focus on common transport issues including pollution and rural connectivity.
- provide both the physical space and the technological drive to deliver on sustainability, food security, biodiversity and Net Zero carbon ambitions.
- have a strong sense of place which aligns with the economic geography of Cumbria.
- has a strong alignment of infrastructure investment with growth aspirations and rural connectivity at the heart.
- have strong but different economies, characteristics and industrial footprints that can drive mutually beneficial development and growth.



	North	South
Districts	Allerdale, Carlisle, Eden	Barrow, Copeland, South Lakeland
Population	259,692 (52%)	240,320 (48%)

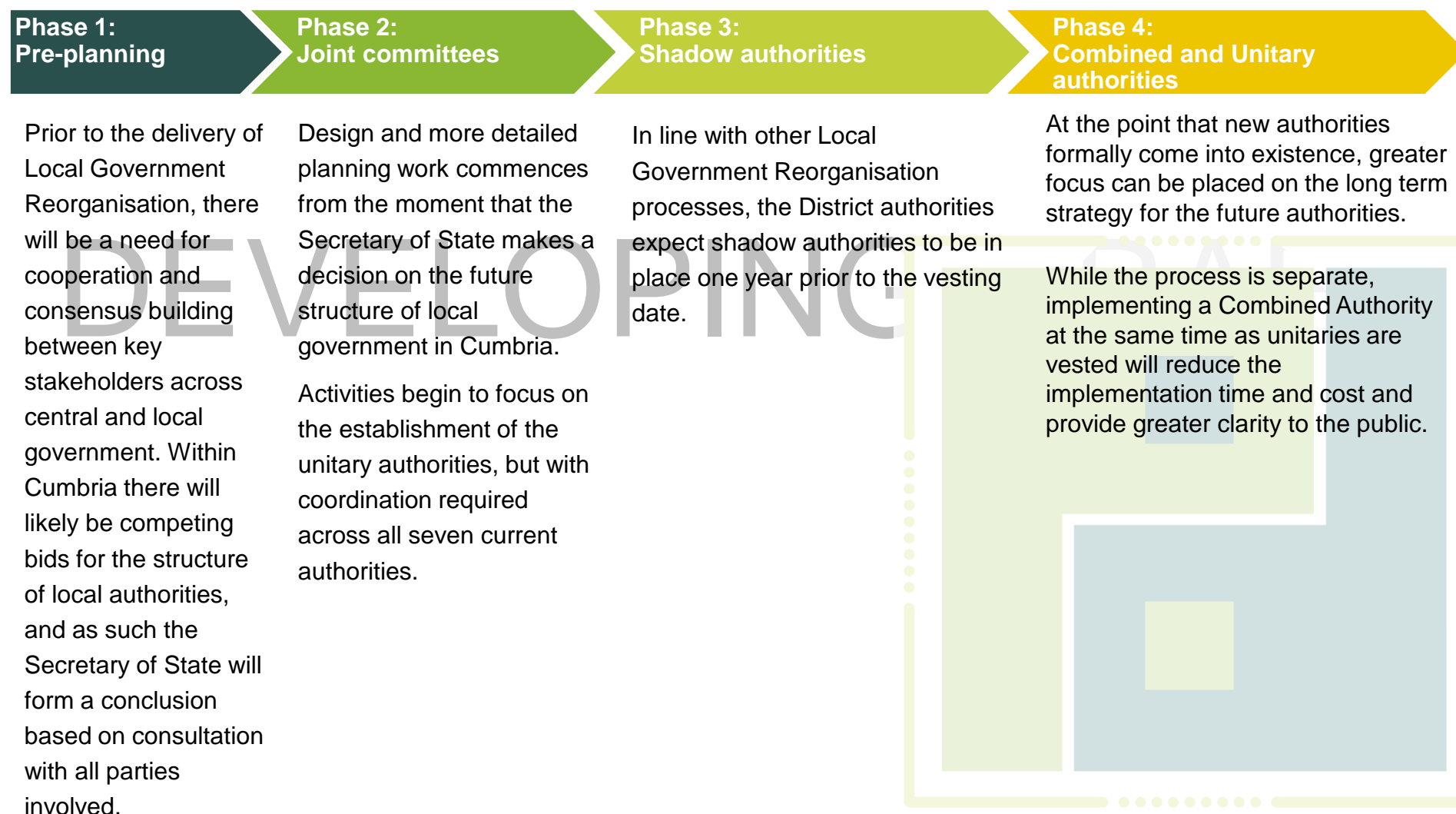
Financial efficiencies

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.

Category	Description	Existing cost base assessed*	Benefits		Percentage of existing cost base
			Base	Stretch	
Workforce	Number of full time employees including management	104.9	11.5	16.8	11% - 16%
Services					
Cultural Activities	Culture and heritage, recreation and sports inc. tourism and parks	18.5	1.1	2.3	6% - 12%
Planning & Related	Development applications and decisions	13.5	1.3	2.8	10% - 21%
Environmental & regulatory	Regulatory, bereavement, community safety, flood defence and drainage	11.7	0.4	2.0	3% - 17%
Waste	Waste collection and disposal	48.0	1.9	3.5	4% - 7%
Housing services	Housing benefits, homelessness and other welfare	6.9	0.4	1.1	6% - 16%
Systems	Software and technology requirements	10.3	1.1	1.6	11% - 16%
Office Space	Ability to centralise services in fit for purpose office space	1.2	0.3	0.3	23% - 25%
Democratic arrangements	Democratic process and number of members	1.9	1.0	1.2	53% - 63%
Total (£m)		217.0	19.1	31.6	7% - 11%

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.



Purpose and approach



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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 from the District, City and Borough Councils. Sources of information and data are set out in Appendix B.

Stakeholder engagement

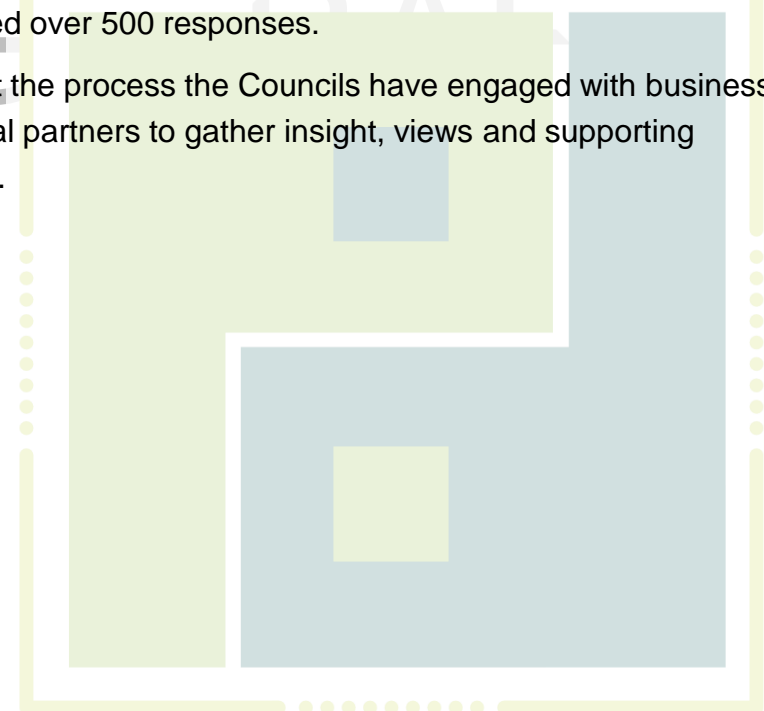
Understanding of the baseline information has been supplemented through engagement with Senior Officers and Councillors across the District, City and Borough Councils. Interviews have been held with Chief Executives and Council Leaders at each of the District, City and Borough Councils and with the Chief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






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.

	Evaluation criteria	What LGR needs to achieve for Cumbria
	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


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

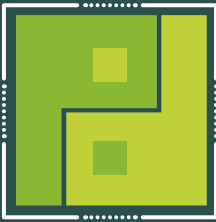
Financial benefits and sustainability 	Weighting
Long term financial sustainability	5
Costs and complexity of reorganisation	3
Council tax equalisation	3
Income potential	4
Reserves, assets and liabilities	4

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

Support 

Vision and principles for local government reorganisation





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Financial benefits and sustainability

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Democratic representation

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Growth

- Enable sustainable, inclusive economic development and encourage business investment in the local economy
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Support

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Challenges and opportunities

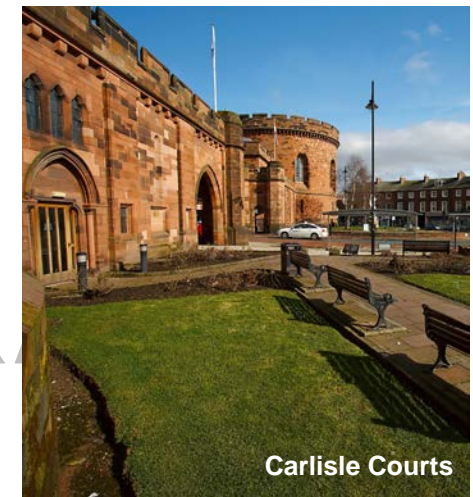


Key opportunities for Cumbria

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**: 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/>)

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 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

Scale and infrastructure

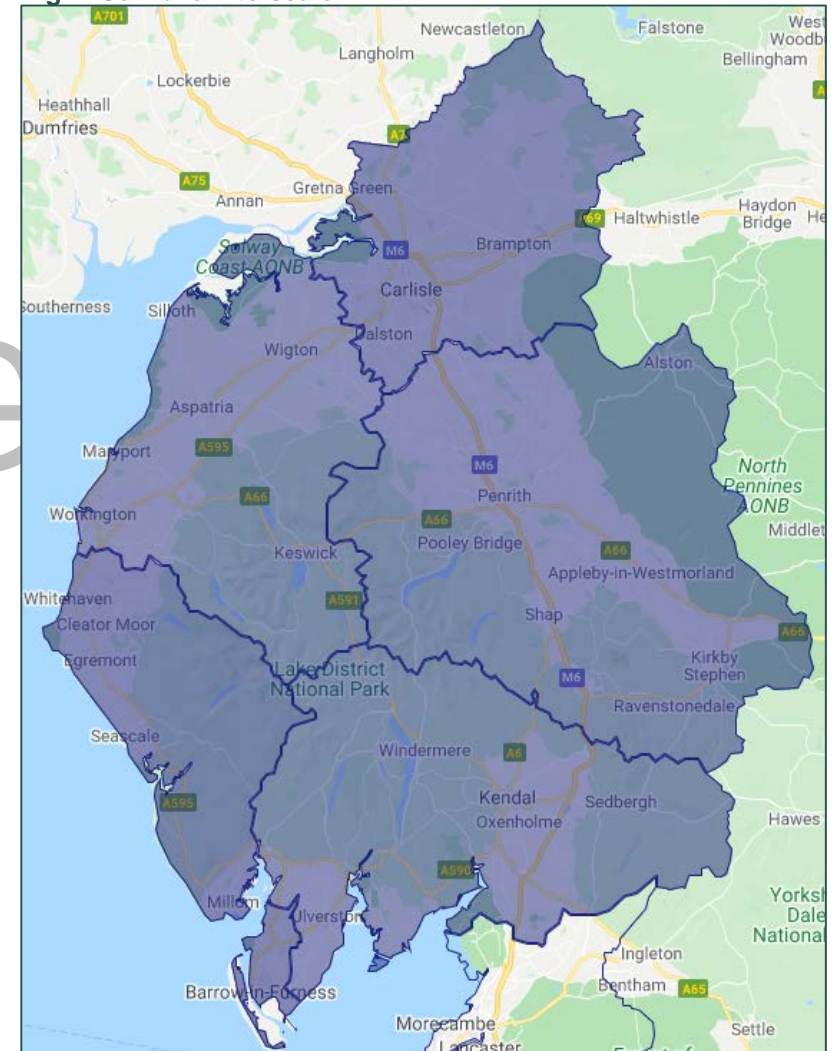
Cumbria covers 676k hectares which is larger than Essex, Greater London and Hertfordshire combined

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 massif in the centre of the county and 86% of the total road length in Cumbria consists of minor roads.²

Fig. 1 Essex, Greater London and Hertfordshire – to scale¹



Fig. 1 Cumbria – to scale¹



1. Google MyMaps
2. <https://www.gov.uk/government/statistical-data-sets/road-length-statistics-rdl>

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



Democratic representation



Support

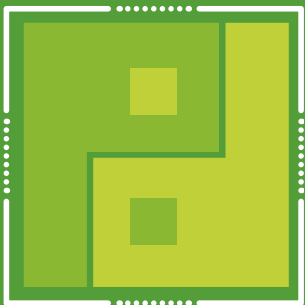


Financial benefits and sustainability



Growth

Impact on service delivery





The right structures for the population and geography

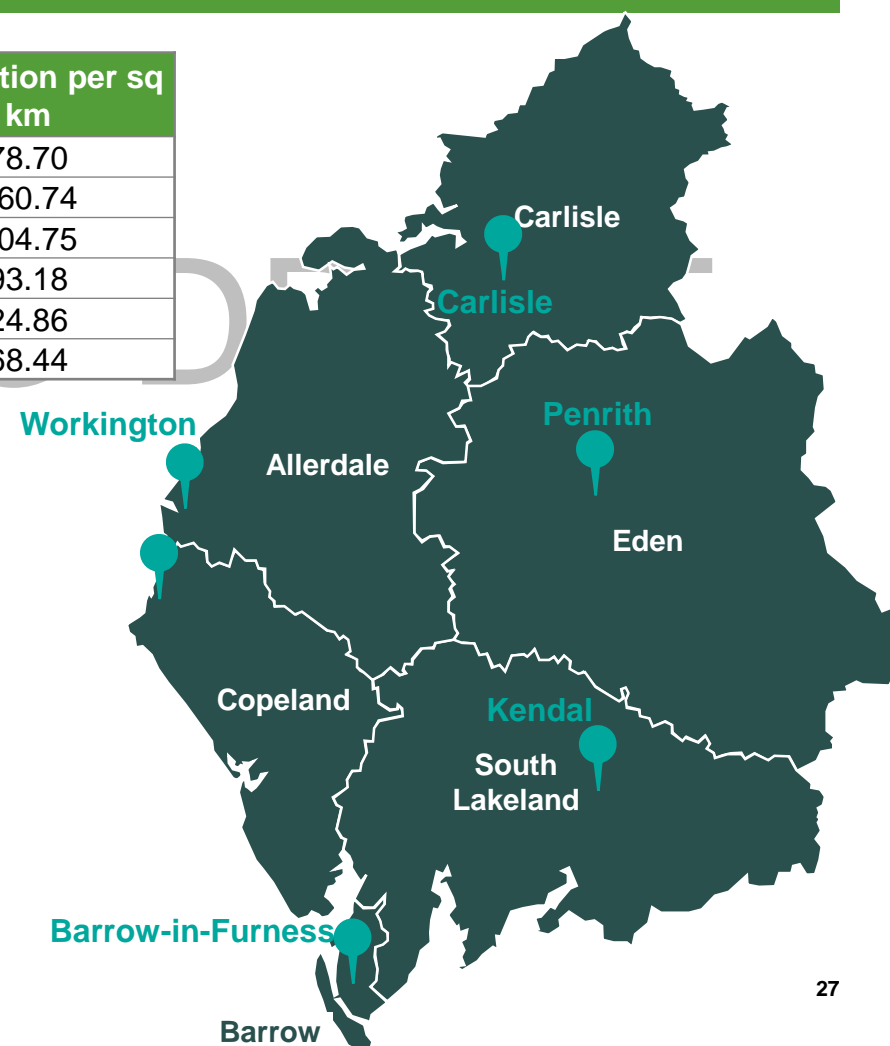
- Two unitaries will enable more local service delivery over a practical area with efficient and effective integration at scale but maintaining local delivery.

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.

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.

Fig. 2 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

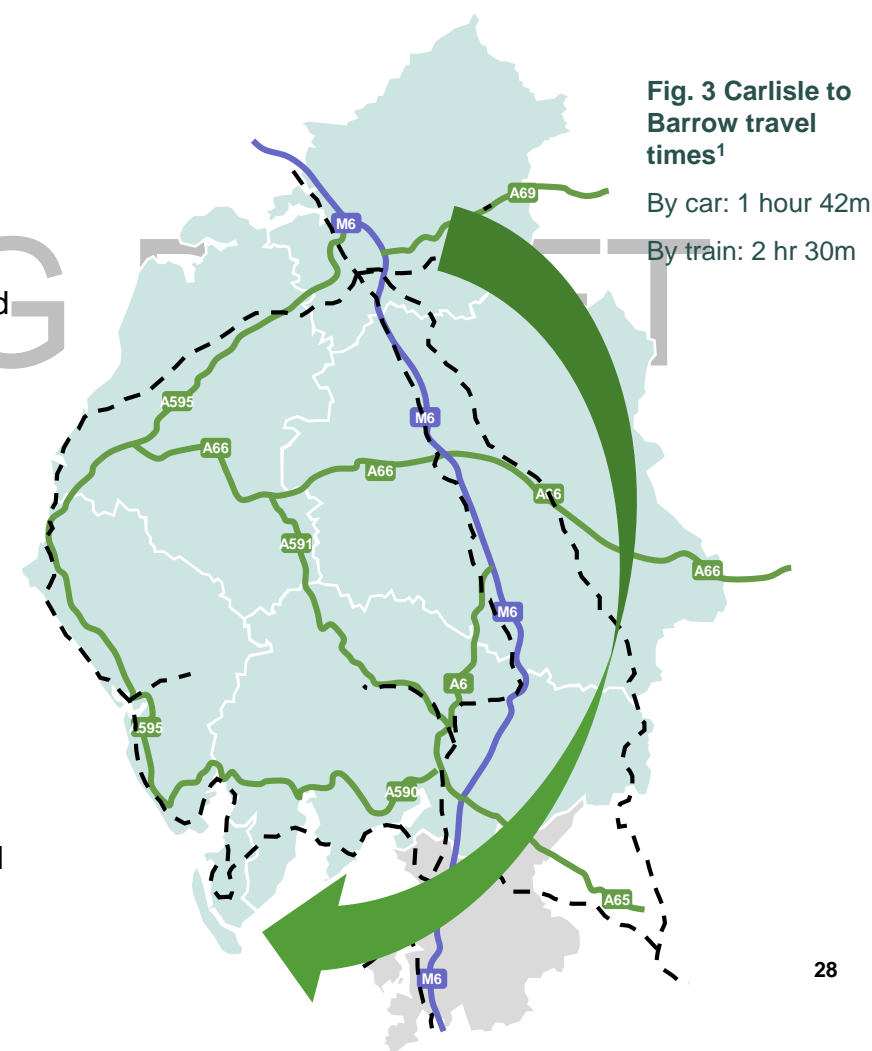
Many services are not currently managed close to the residents who receive them, particularly in rural areas. This lack of subsidiarity prevents services reflecting local need which makes them less responsive and less efficient.

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, 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 a embedded in local communities to be agile to respond when they need to change and 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.



1. Google maps



Enabling local, integrated services

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 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.

1. <https://www.gov.uk/government/publications/housing-delivery-test-2019-measurement>



Improving children's social care

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.

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, 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.



Improving children's social care

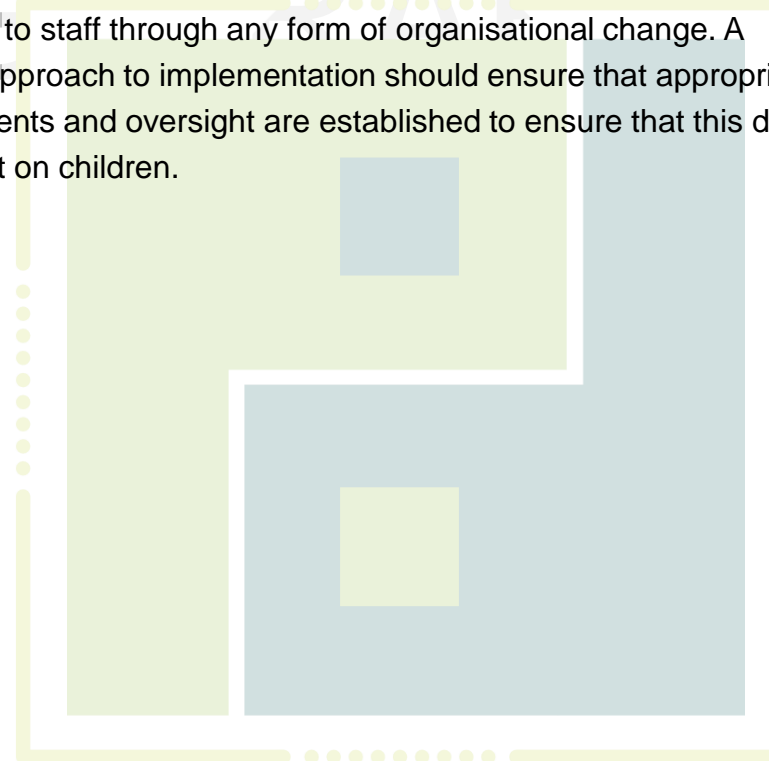
Cumbria's children's services require improvement, although progress to improve is underway.

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.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.





Improving children's social care

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 include 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.



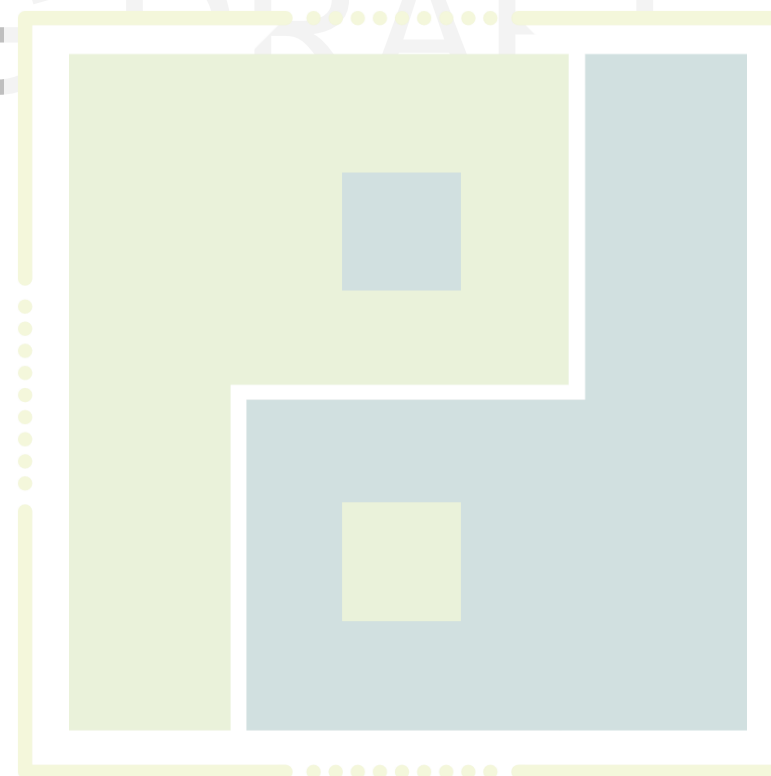
Improving children's social care

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 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.





Adult social care and healthcare

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

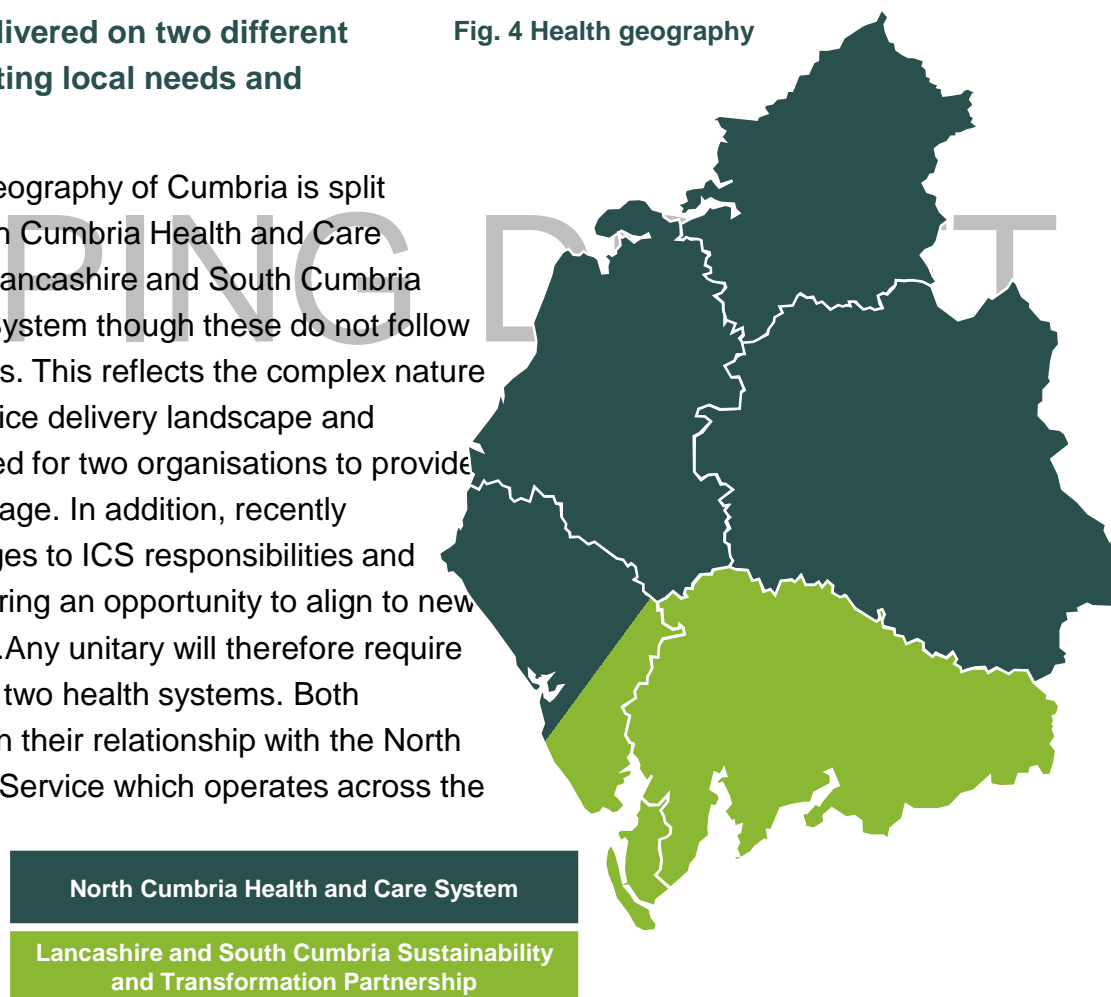
Older adults (65+) accessing long term support during the year: 5,400

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.

Fig. 4 Health geography





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. 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 and 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





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. 5 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%

* Total rounded



Significant long term financial efficiencies

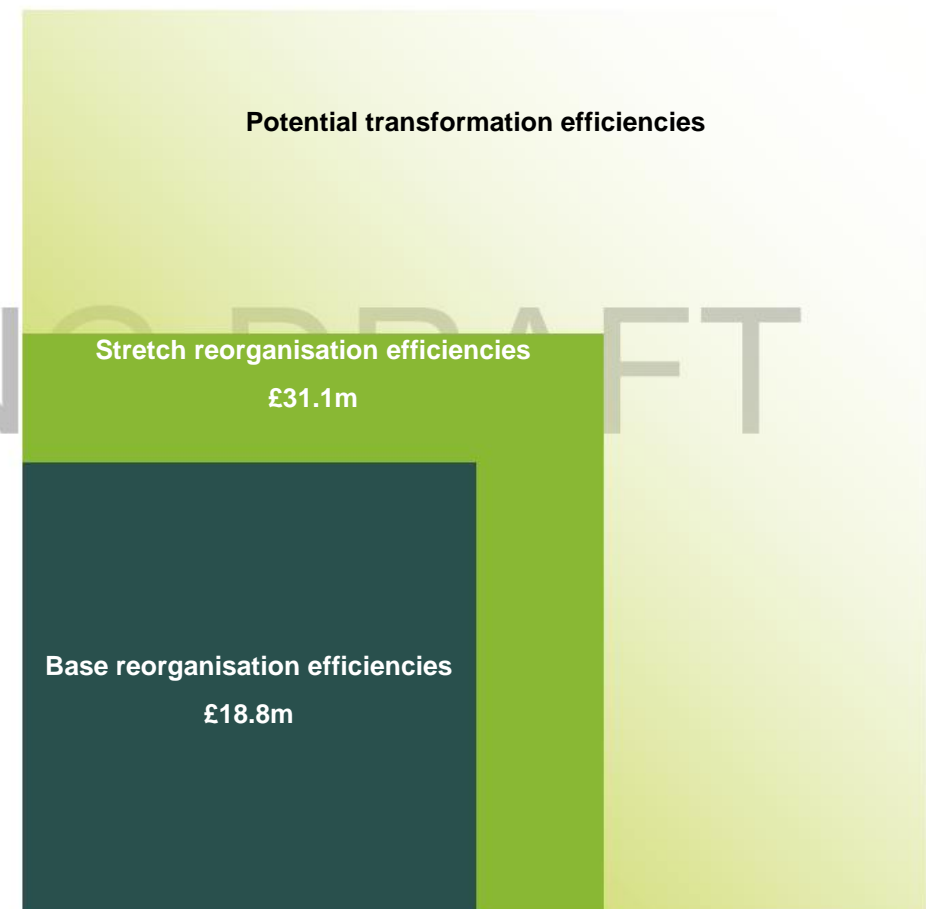
A two unitary model gives far greater potential for change and transformation to deliver further efficiencies.

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 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.





Significant long term financial efficiencies

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.

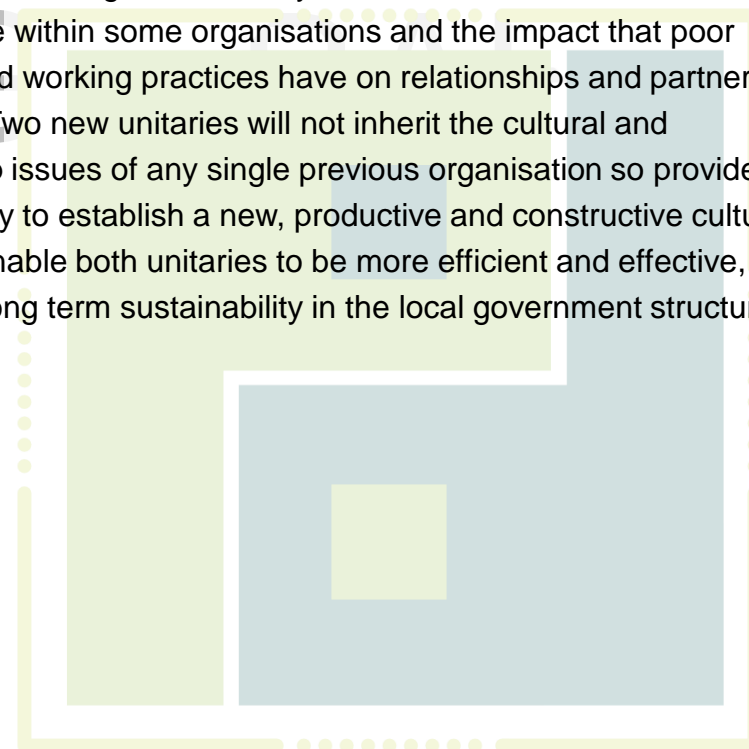
District spend that is currently commissioned six times across Cumbria can be delivered through two larger contracts enabling economies of scale, such as in waste management. These contracts can be designed for the local needs of each unitary while achieving significant savings across the region.

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

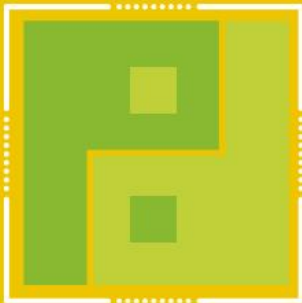
Through supporting local businesses and attracting inward investment unitaries will benefit from their growth through business rates and council tax and will have opportunities to generate further income streams through integrated services and joined up planning. Establishing modern, fit-for-purpose,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

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 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 that will enable both unitaries to be more efficient and effective, creating long term sustainability in the local government structures.



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

Two unitaries will drive strategic leadership through a Combined Authority. A future mayoral Combined Authority enables strategic planning and leadership while two balanced unitaries provide local service delivery, placemaking and community involvement as a strong basis for inclusive, green 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 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.

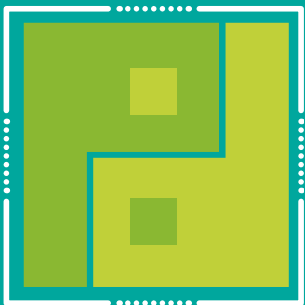
There is an opportunity to establish a strong, modern rural economy as rural areas need a particular approach to reflect rurality and sparsity, different conceptions of service delivery, and different rules on planning as reflected in the recent 'Levelling up our communities report'.¹



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.

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.

Fig. 6 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, 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.

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. 7 Median weekly pay

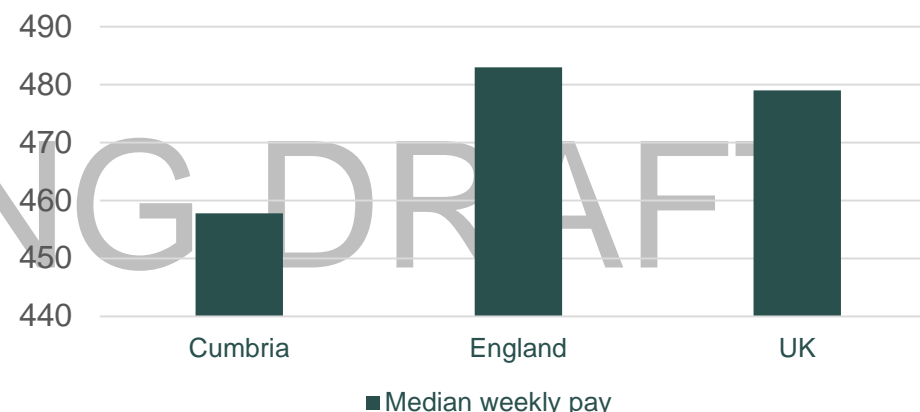


Fig. 8 Indices of Multiple Deprivation	IMD Average Score	Proportion of LSOAs in most deprived nationally (10%)
Allerdale	22.94	12%
Barrow	31.12	24%
Carlisle	22.00	6%
Copeland	25.01	6%
Eden	16.33	-
South Lakeland	12.50	-



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, 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



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. 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 function-specific 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.

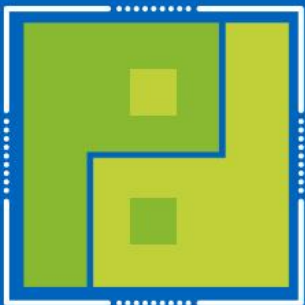
Two unitaries will provide focus to address the clear inequality in digital connectivity across Cumbria

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.¹ Two unitaries will be able to better understand and address blackspots 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.

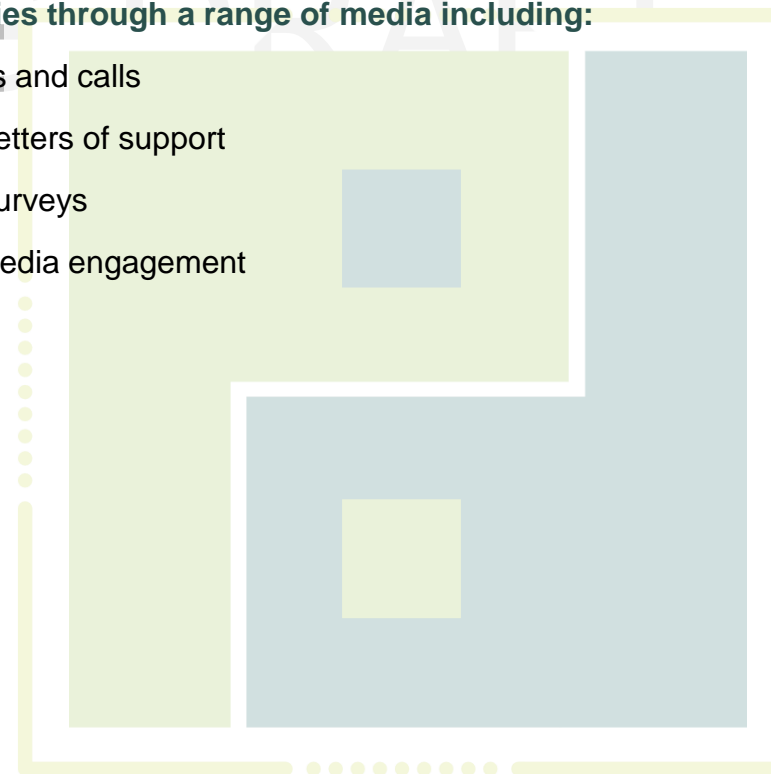
In advance of formal consultation on the options for local government reorganisation we have undertaken some initial work to gather evidence of support for a two unitary model. This has been constrained by the timelines of the process and current restrictions so we have included a sample of responses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

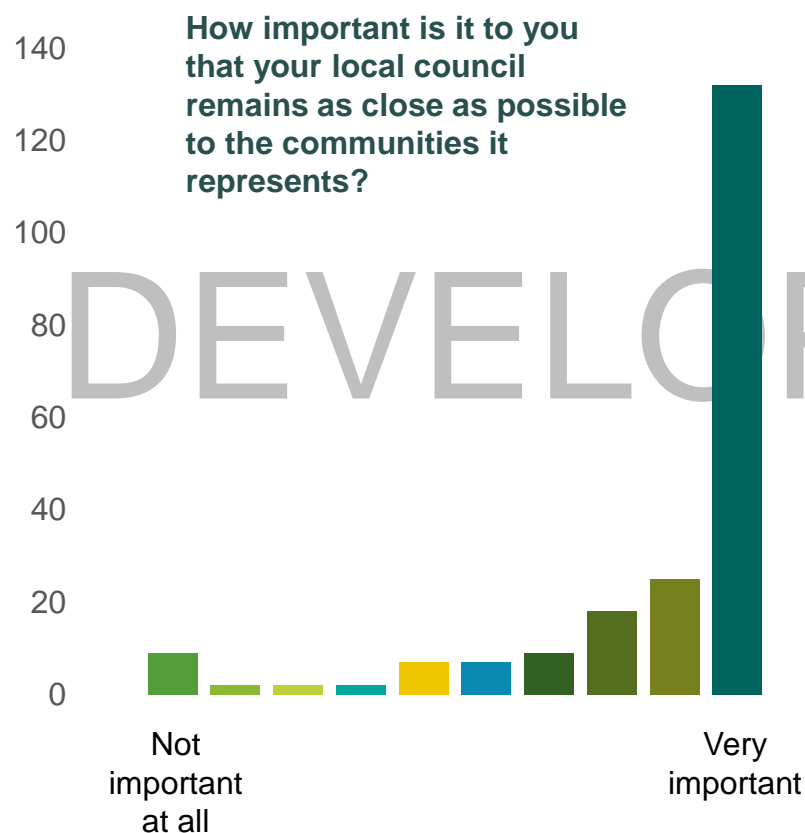
- Meetings and calls
- Inviting letters of support
- Online surveys
- Social media engagement





Evidence of support

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, Chair of the Workington Town Board and Chief Executive of TSP Engineering

“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)

“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

“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



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 North Cumbria and South Cumbria



North Cumbria and South Cumbria summary

The North and South model for two unitary local government will best serve the communities across Cumbria to deliver the vision and design principles set out in in this case for change. Below are the summarised key reasons this is being advocated for Cumbria. This section looks to further expand on each of these.

North and South unitaries will...

- align closely with the healthcare geography of Cumbria.
- provide a balanced split of population and fit with the demographics of the area, reflecting rurality and the needs of communities.
- will both achieve significant savings through local government reorganisation which will quickly offset initial implementation costs and provide unitaries that are sustainable.
- provide strong unitaries that are well balanced within a Combined Authority.
- align strongly with parliamentary constituency boundaries.
- align with key commuter patterns, unifying functional economic areas.
- be well connected across the Cumbria Combined Authority and nationally.
- enable focus on common transport issues including pollution and rural connectivity.
- provide both the physical space and the technological drive to deliver on sustainability, food security, biodiversity and Net Zero carbon ambitions.
- have a strong sense of place which aligns with the economic geography of Cumbria.
- has a strong alignment of infrastructure investment with growth aspirations and rural connectivity at the heart.
- have strong but different economies, characteristics and industrial footprints that can drive mutually beneficial development and growth.



	North	South
Districts	Allerdale, Carlisle, Eden	Barrow, Copeland, South Lakeland
Population ¹	259,692 (52%)	240,320 (48%)

1. ONS



Integrating local government and healthcare

North and South unitaries align closely with the healthcare geography of Cumbria enabling focused integrated delivery. They also provide balanced populations and fit with the demographics and needs of the communities of Cumbria.

North and South unitaries align closely with the healthcare geography of Cumbria

The healthcare geography of Cumbria is split between the North Cumbria Health and Care system and the Lancashire and South Cumbria Integrated Care System and the North and South model largely aligns with that split. It is important to align to the health geography and health services provision, particularly around public health, health services and additional pressures and challenges resulting from COVID-19.

A North and South model can help focus on local variance in health issues.

For example people in North Cumbria with specific long-term conditions, which should not normally require hospitalisation, are more likely to be admitted to hospital as an emergency.¹ The model would also support delivering a more localised health provision in more remote and rural areas.

A devolved and integrated healthcare system on a North and South footprint should help improve links between the NHS, youth services, early years and social care to provide the best quality services for local people.

Case study: Older people

A CQC review found that older people in Cumbria did not have a 'consistent' experience in terms of health and social care and that the plans differed in their interpretation of the health and wellbeing strategy, with no links between the two plans.

North and South unitaries will enable service integration and quality improvements by providing local authorities that can influence and contribute to health planning and can work with health partners to address specific local issues.

1. Public Health England, 2017



Fit with communities and levels of need

North and South unitaries provide a balanced split of population and fit with the demographics of the area, reflecting rurality and the needs of communities

The North and South model has a balanced population size which will provide sufficient scale for efficient delivery while maintaining a clear grounding in the communities of North and South Cumbria. The unitaries also provide a proportionate split of the working age population (age 20-64). There will be 144,000 people of working age in the North and 132,000 in the South which will support a balanced tax base for unitaries to support the ageing population across Cumbria.¹

The Cumbrian population is forecast to shrink overall though the North population will grow slightly. The North has a lower population density over a large rural geography (54% of the population live in rural communities).² Therefore, grouping in this geography will enable the authority to have a specific focus on challenges regarding rurality and sparsity.

Fig. 9 Age splits of population by unitary

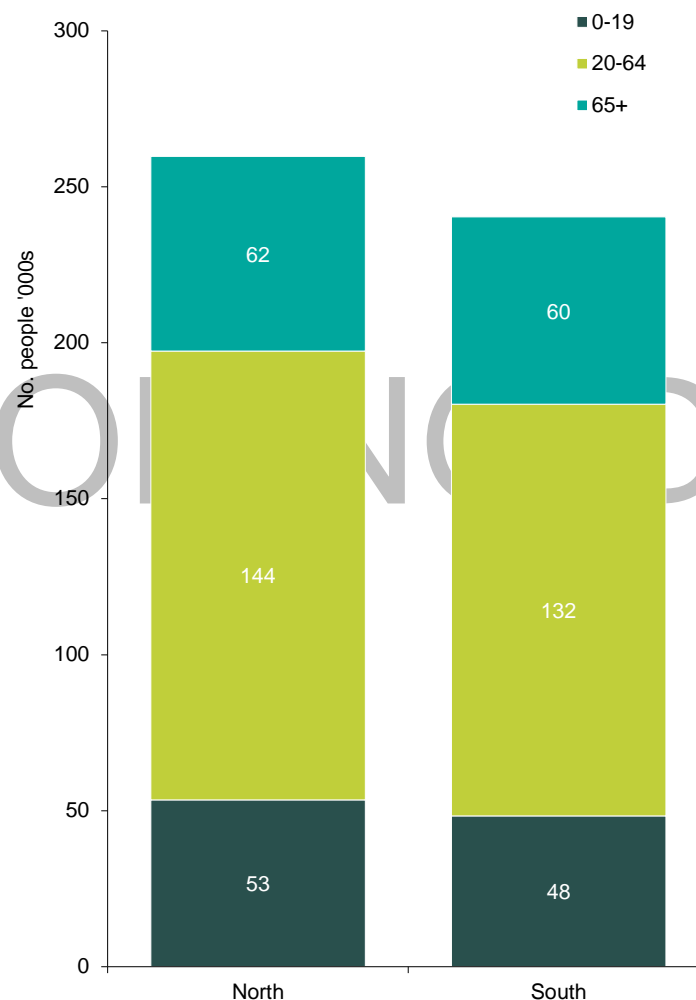
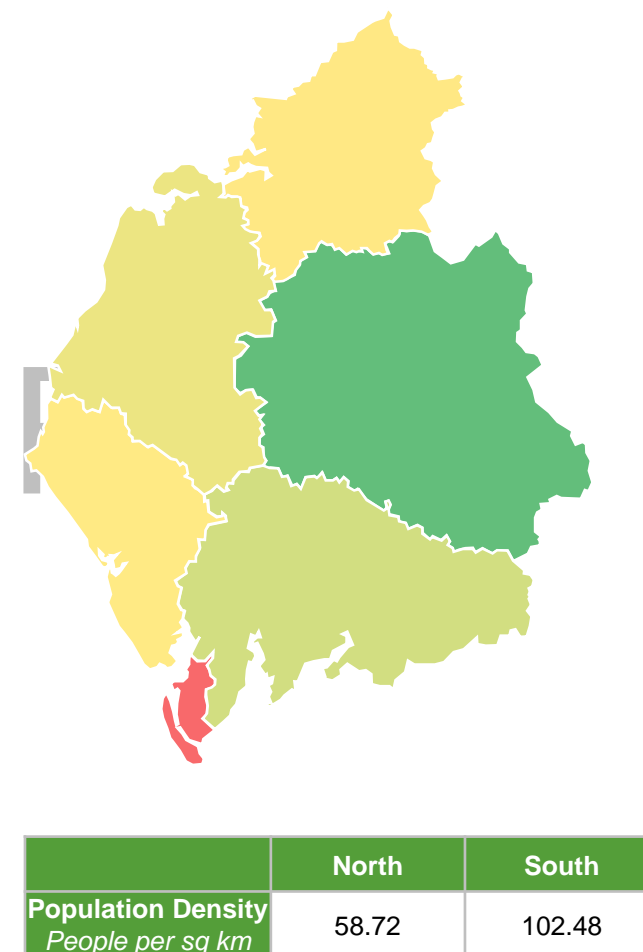


Fig. 10 Population density across Cumbria



1. ONS Mid-year 2019

2. <https://www.gov.uk/government/statistics/2011-rural-urban-classification-of-local-authority-and-other-higher-level-geographies-for-statistical-purposes>



Achieve efficiencies and financial sustainability

North and South 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 a North and South model is estimated at between £19.1m and £31.6m.

Fig. 11 Efficiencies (£m per year)*		Existing cost base assessed*	Benefits		Percentage of existing cost base
Category	Description		Base	Stretch	
Workforce	Number of full time employees including management	104.9	11.5	16.8	11% - 16%
Services					
Cultural Activities	Culture and heritage, recreation and sports inc. tourism and parks	18.5	1.1	2.3	6% - 12%
Planning & Related	Development applications and decisions	13.5	1.3	2.8	10% - 21%
Environmental & regulatory	Regulatory, bereavement, community safety, flood defence and drainage	11.7	0.4	2.0	3% - 17%
Waste	Waste collection and disposal	48.0	1.9	3.5	4% - 7%
Housing services	Housing benefits, homelessness and other welfare	6.9	0.4	1.1	6% - 16%
Systems	Software and technology requirements	10.3	1.1	1.6	11% - 16%
Office Space	Ability to centralise services in fit for purpose office space	1.2	0.3	0.3	23% - 25%
Democratic arrangements	Democratic process and number of members	1.9	1.0	1.2	53% - 63%
Total (£m)		217.0	19.1	31.6	7% - 11%
North (Allerdale, Carlisle, Eden)	Estimate of efficiencies achievable by North Cumbria	111.2	9.7	16.0	3% - 6%
South (Copeland, Barrow, S. Lakeland)	Estimate of efficiencies achievable by South Cumbria	105.9	9.4	15.6	3% - 6%

Assumptions supporting these savings are provided in Appendix B



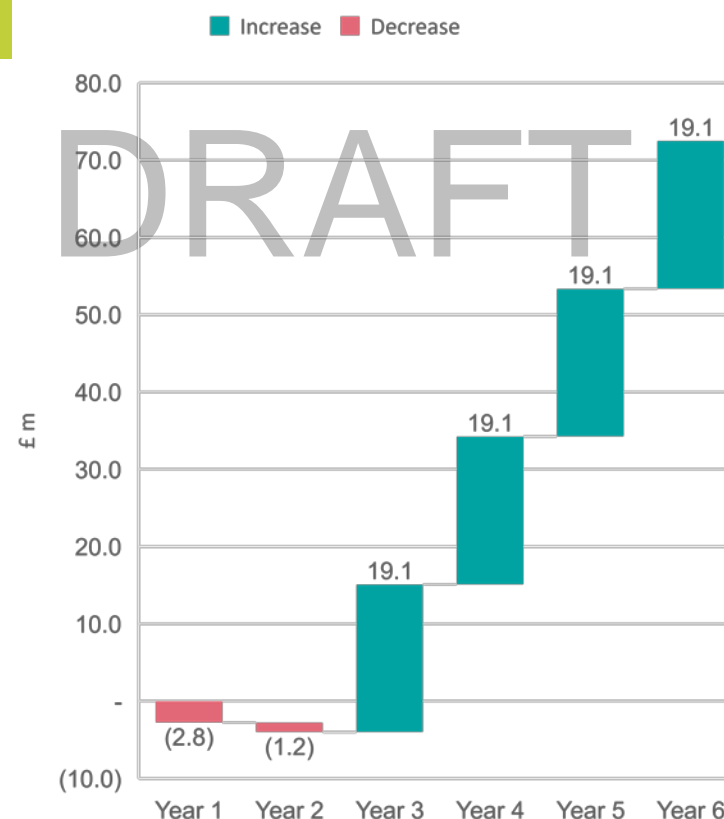
Achieve efficiencies and financial sustainability

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 North and South model will provide a net contribution in the third year after implementation.

Fig. 12 Implementation costs (one off costs, £ m)*

Category	Description	Total	
		Base case	Stretch case
Workforce and Services	Redundancy and pension allowances and service contract termination costs and transaction fees	9.0	12.1
Systems	Aligning systems and digital infrastructure	1.3	1.8
Estates and facilities	Reconfiguration of buildings, disposal costs and lease termination fees	1.5	2.1
Transition team	Implementation programme team including; Legal, contract negotiations and specialist support	3.5	4.7
Culture and communications	Communications, branding and training	0.7	0.9
Contingency (10%)		1.6	2.2
Total (£m)		17.6	23.8
North (Allerdale, Carlisle, Eden)	Estimate of implementation costs for North Cumbria	9.1	12.4
South (Copeland, Barrow, S. Lakeland)	Estimate of implementation costs for South Cumbria	8.4	11.4

Figure 13: Payback period





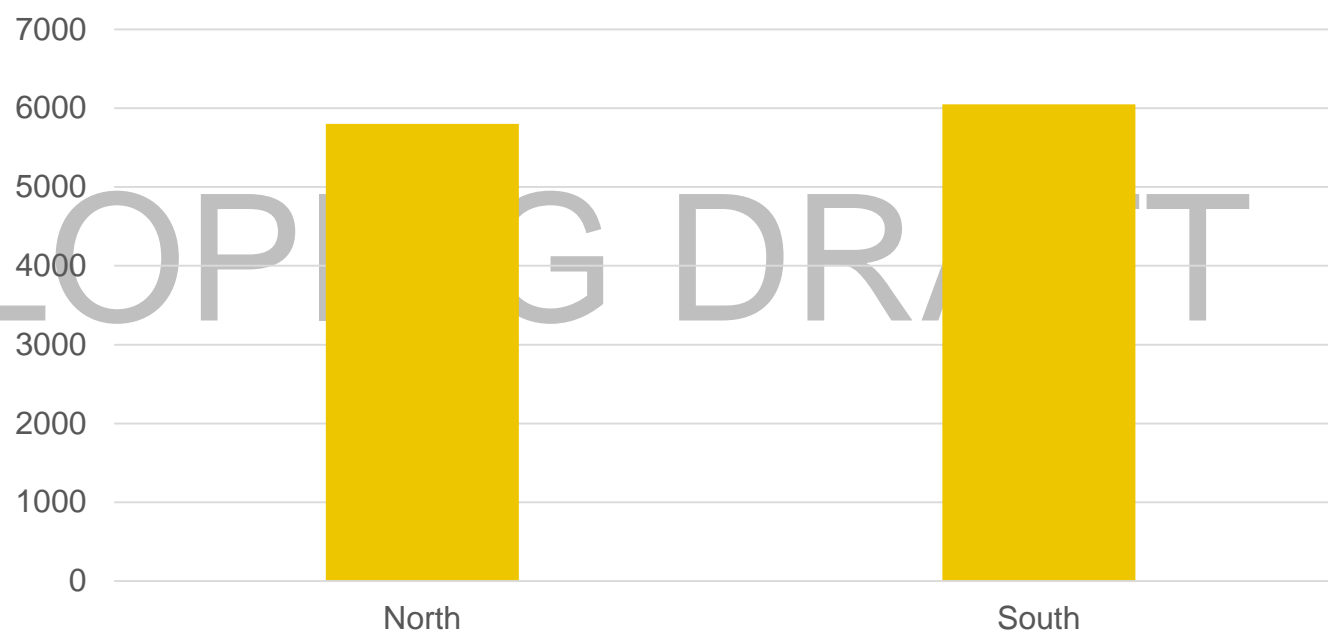
Key democratic representation argument

North and South unitaries will provide a strong partnership, constructive challenge and fair representation within a Combined Authority. North Cumbria and South Cumbria is the most balanced possible model regarding population size and GVA and there is less variance in levels of deprivation which make it the most viable two unitary model.

North and South unitaries provide strong unitaries that are well balanced within a Combined Authority

A successful Combined Authority in Cumbria requires two strong and equal unitaries to work together. North Cumbria and South Cumbria is the most balanced possible model regarding population size and GVA and there is less variance in levels of deprivation. This will ensure that there is not a dominant partner in the Combined Authority, provide constructive challenge and ensure that the voices of everyone in Cumbria are fairly represented in strategic decision making.

Fig. 14 Total GVA



	Cumbria	North	South
Population Size (ONS 2020 estimate)	499,801	259,806	239,995
Population Size Aged 65+ (ONS 2020 estimate)	123,154	62,901	60,254
Area Size (Hectares, ONS Standard Area Measurements 2019)	676,792	442,280	234,512
Population Density (per Sqkm)	73.8	58.7	102.3
Population with Disability or Long Term Illness (ONS)	101,721	50,118	51,603
IMD Average Score	21.65	20.42	22.88

Key democratic representation argument

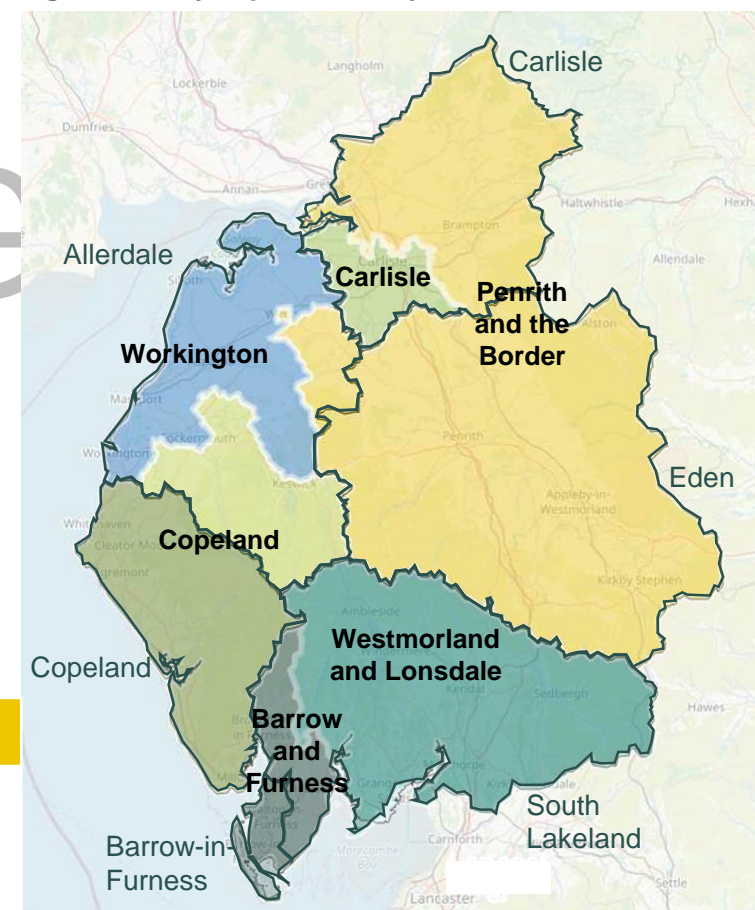
North and South unitaries align strongly with parliamentary constituency boundaries allowing a flowing relationship between place, local and national representation which will enable key issues to have a stronger voice in national politics and support the levelling up agenda.

North and South unitaries align strongly with parliamentary constituency boundaries

The existing parliamentary boundaries fit well with the North and South unitary model, with Carlisle, Penrith and the Border and Workington constituencies covering the North and Barrow and Furness, Westmorland and Lonsdale and Copeland covering the South (with Copeland constituency overlapping).

This model allows for a flowing relationship between place, local and national representation which will enable key issues to have a stronger voice in national politics and support the levelling up agenda. A simpler model with local and parliamentary boundary alignment will also enable local people to better understand and engage with the democratic process.

Fig. 15 Overlay of parliamentary constituencies with Districts



Label	Border or shading	Designation
Text	White borders, shaded in colour	Parliamentary constituency
Text	Grey borders	District council



Aligning with local journeys and national connectivity

North and South unitaries align with key travel routes within Cumbria, reflecting the communities that live and work together in the North and in the South of Cumbria. Both unitaries will be connected to the national rail and motorway networks to enable fast travel across the Combined Authority and nationally.

North and South unitaries align with key commuter patterns, unifying functional economic areas

The North and South model clearly aligns with two of the LEPs three travel to work zones, maintaining links between Barrow and South Lakeland in South Cumbria and between Allerdale, Carlisle and Eden in North Cumbria.

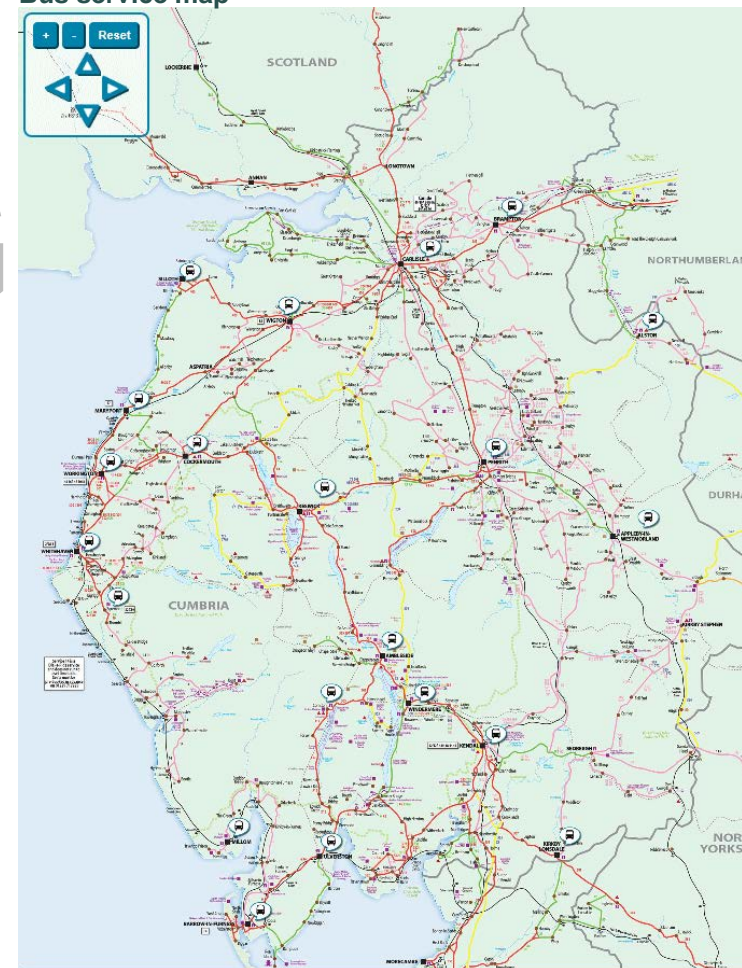
Many bus links connect communities in the North and South areas as shown in the map opposite. In the North there is a clear travel triangle between Carlisle, Penrith and Workington. The South has a similar set of connections between Barrow, Ambleside, Kirby Lonsdale and Kendal.

North and South unitaries will be connected across the Cumbria Combined Authority and nationally

Within Cumbria the unitaries will be connected by the M6 motorway, the A591, A6, other local bus and road routes and local train services that run between the north and south which will support strategic planning in a Mayoral Combined Authority.

Both unitaries will have access to national connections through the West Coast Main Line and the M6 motorway which both unitaries will have access to. Plans submitted for a phased pipeline of rail investment, including developing Carlisle station and addressing freight network capacity will further enable these key connections to the North and South.

Bus service map¹



1. <https://www.cumbria.gov.uk/roads-transport/public-transport-road-safety/transport/publictransport/busserv/busservmap.asp>



Aligning local place with economic geography

North and South unitaries have a strong sense of place which aligns with the economic geography of Cumbria. This model will fit local government organisations around their communities and functional economic geographies. This will enable focus on common issues including congestion, pollution and rural connectivity

North and South unitaries have a strong sense of place which aligns with the economic geography of Cumbria

There is a strong sense of place in North Cumbria and South Cumbria respectively which aligns with what 'makes sense' economically and culturally. In terms of the established economic centres and a strong, balanced economic pull, the North has Carlisle and Workington and the South Barrow and Kendal. This supports a balanced socio-economic demographic model with proportionate economic bases in each unitary.

People feel passionate about their place identity and economic affinity with neighbouring towns. There are strong relationships between localities, including Carlisle and Eden where there are historical ties and natural flows in population movement and economy; and Penrith and Keswick with strong links across the North.

North and South unitaries enable focus on common transport issues including congestion, pollution and rural connectivity

As outlined on the previous page the North and South unitaries fit around functional travel zones and there is a local passion to improve transport connectivity, especially in the more rural areas. A North and South model would support geographies working on common themes, such as localised congestion and air quality in busy centres and a more locally responsive approach in rural areas to ensure better accessibility.

North and South unitaries provide an even footprint from which to push towards sustainability and Net Zero targets

Total CO2 emissions are quite evenly split between North and South unitaries. This places councils on an even footing regarding ambitions for a low carbon economy which are a core part of UK strategy and the ambitions of Cumbria through devolution.



Aligning local place with economic geography

North and South unitaries have strong but different economies, characteristics and industrial footprints and the unitaries will be able to reflect, support and champion their industrial footprint to enable inclusive growth across Cumbria.

North and South unitaries have strong but different economies, characteristics and industrial footprints that can drive mutually beneficial development and growth.

North Cumbria and South Cumbria both have strong, productive economies with the most similar total GVA of all possible models of local government reorganisation. This will provide economic sustainability for both unitaries.

	North	South
GVA Total (£m) ¹	5,802	6,051
GVA Per Head (£)	22,342	25,179

The visitor economy is a core element in Cumbria, bringing in £3.13 billion to the region and 65,500 jobs.² Tourism is well balanced between the two models. While South Lakeland in the south accounts for 44% of the revenue, Carlisle and Allerdale in the north represent 34%.³

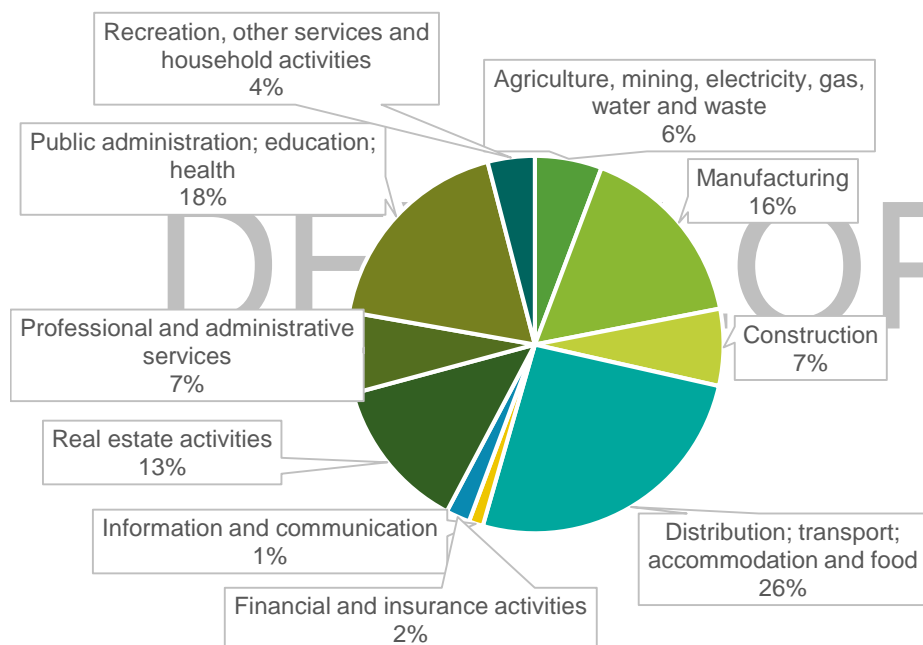
1. <https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regionalgrossvalueaddedbalancedbylocalauthorityintheuk>
2. <https://www.cumbriatourism.org/>
3. Scarborough Tourism Economic Activity Monitor, 2019



Aligning local place with economic geography

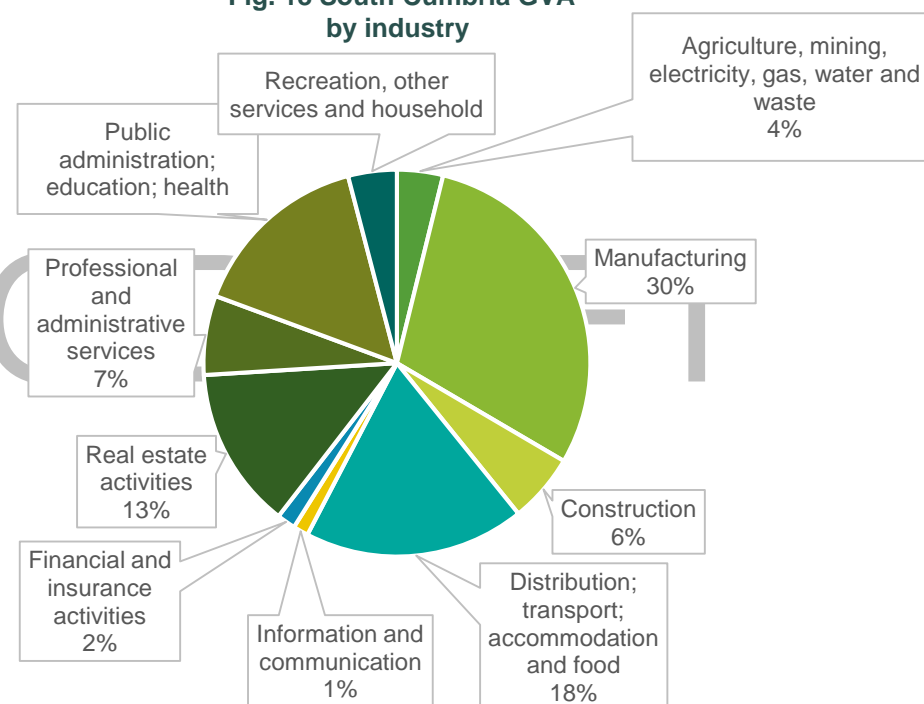
Outside the visitor economy, the economic picture across the North and South is very different in terms of its characteristics and industries. This demonstrates that the North and South have different industrial footprints and need a unitary model that understands the local economy. Though both are healthy, as business rates receivable is fairly even between the unitaries.

Fig. 17 North Cumbria GVA by industry



The economy of North Cumbria produces £1.5bn GVA from distribution, transport, food and accommodation which are its largest industry. It also has a strong real estate industry which generates over £700k GVA per year and public administration, education and health represents 18% of GVA. It has a strong manufacturing sector representing 16% GVA but this is significantly smaller than South Cumbria.

Fig. 18 South Cumbria GVA by industry



The South has offshore energy, advanced manufacturing and Barrow Port all providing excellent growth potential. Manufacturing is the largest industry and makes up 30% of the GVA generated in the south. The second largest sector is distribution, transport, accommodation and food though the south generates 43% of the GVA across Cumbria. Public administration, education and health represents 15% of GVA.

Implementing local government reorganisation



Implementation phases (1/4)

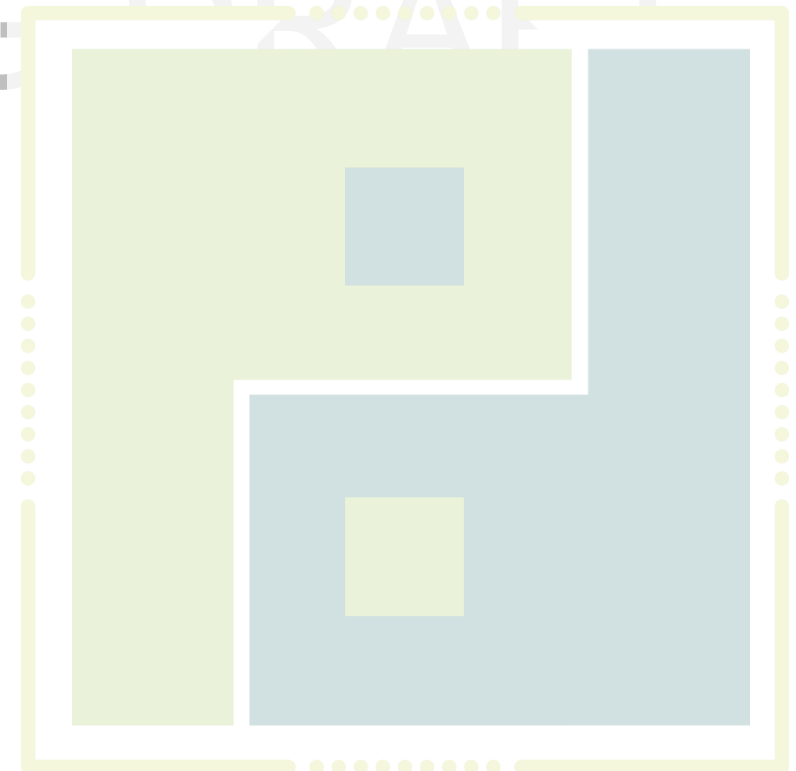
Phase 1: Pre-planning

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

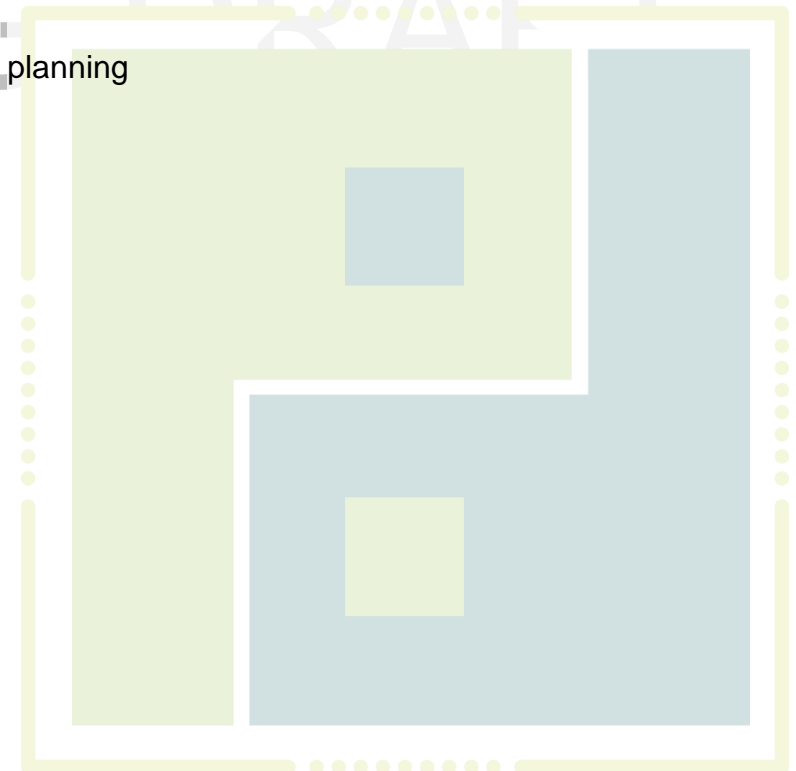
Design and more detailed planning work commences from the moment that the Secretary of State makes a decision on the future structure of local government in Cumbria. Joint Committees will sit under a Leaders Oversight Group to ensure each council is represented and to reflect the political makeup of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

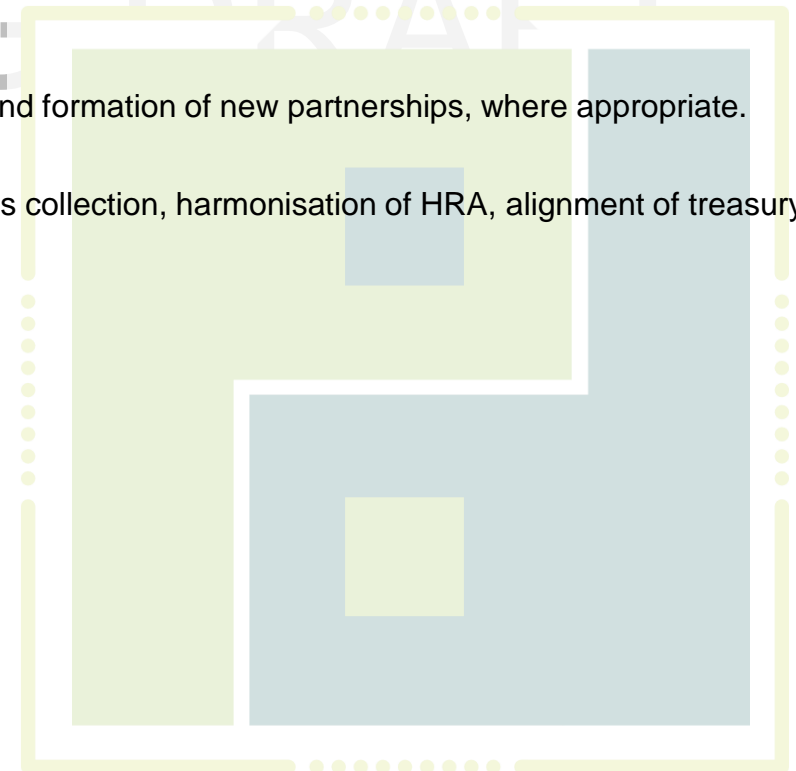


Implementation phases (3/4)

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.

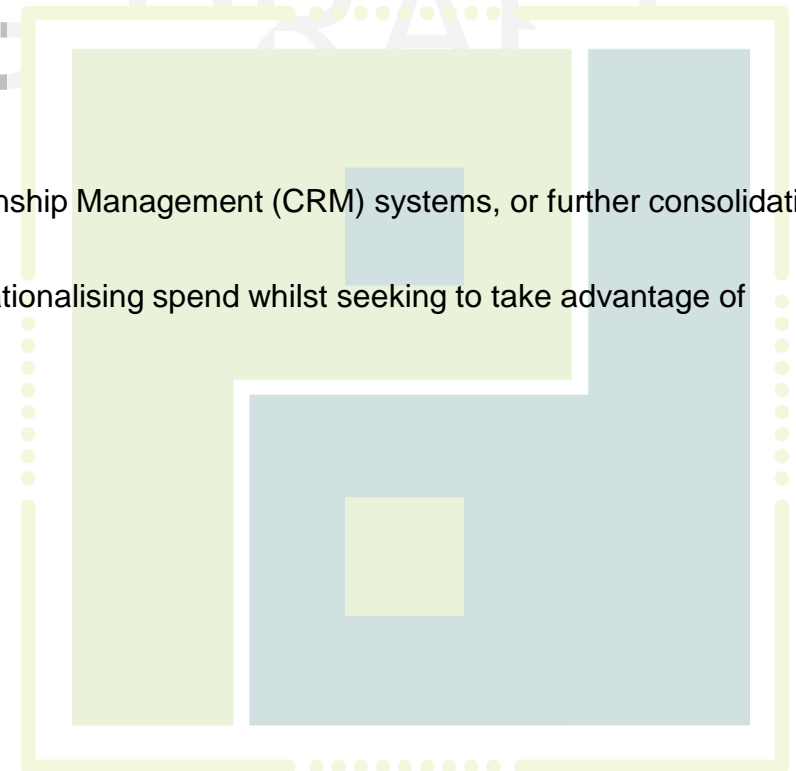


Implementation phases (4/4)

Phase 4: 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;
 - 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.



Implementation workstreams

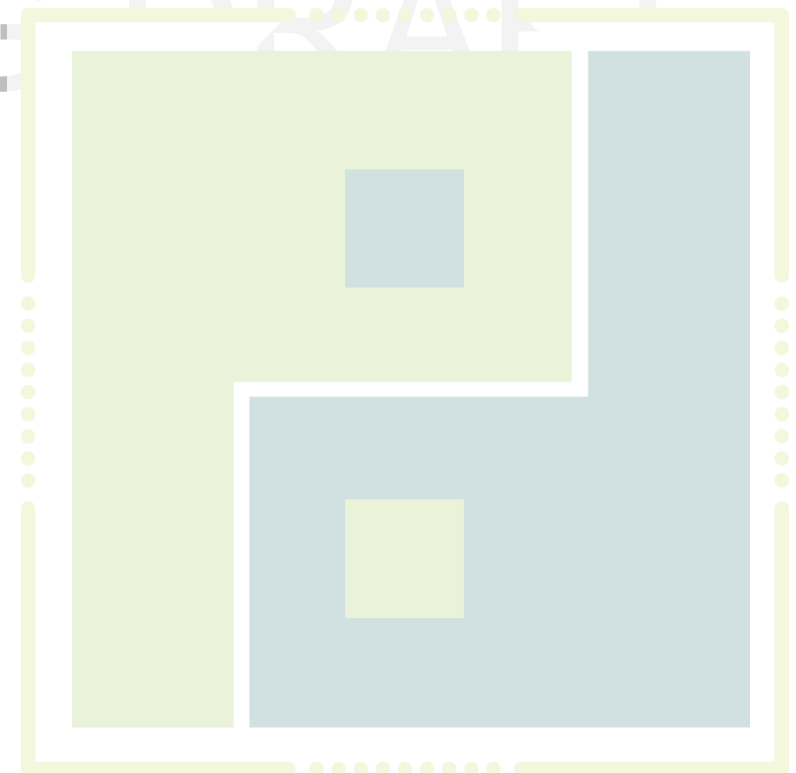
As part of initial planning, ten workstreams have been identified to support detailed planning. These workstreams are described below. During Phase 1 and 2 activities require significant contribution and co-ordination from all authorities. At the start of Phase 3, when shadow authorities form, the majority of activities take place within unitaries individually but collaboratively.

Workstream	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.
2 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. This will include ensuring strong Overview and Scrutiny functions are developed in both unitaries.
3 Engagement & communications	Develop and deliver a communications strategy. Carry out engagement with communities, parishes, towns and businesses.
4 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.
5 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.
6 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.

Implementation workstreams

Workstream	Workstream scope
7 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.
8 Estates	Analyse the estate portfolio of the constituent authorities and determine the appropriate estate strategy for each of the new authorities.
9 Contracts & commercial	Manage the contractual changes required, and ensure that the two new authorities are set up to take advantage of commercial opportunities.
10 Combined Authority	Undertake the Review and Scheme Preparation elements of a Cumbrian Combined Authority to sit across the Unitary authorities.

DEVELOPING DRAFT



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

Tables, figures		
Fig.	Title	Source
1	Essex, Greater London, Hertfordshire and Cumbria maps	Google MyMaps
2	Population density	ONS population estimates
3	Carlisle to Barrow travel times	Google maps
4	Health Geography	NHS England, CCG Directory
5	Financial efficiencies	See Appendix C
6	Top 100 firms in Cumbria	Cumbria LEP
7	Median weekly pay	ONS
8	Indices of Multiple Deprivation	English Indices of Deprivation 2019

Tables, figures		
Fig.	Title	Source
9	Age spits of population by unitary	ONS Mid-year 2019
10	Population density	ONS Mid-year 2019
11	Efficiencies	Appendix B
12	Implementation costs	Appendix B
13	Payback costs	Appendix B
14	Total GVA	ONS GVA 2017
15	Overlay of parliamentary constituencies with Districts	R mapping
16	Bus service map	Cumbria County Council
17	North Cumbria GVA by industry	ONS GVA by local authority
17		ONS GVA by local authority

Appendix B - 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 demographic expenses have been subtracted from the County Council's central services expenses as reported in revenue outturn data.

Total Expenditure (£m)	Districts	County
Workforce	62.3	42.6
Cultural Activities	15.1	3.4
Planning & Related	10.7	2.8
Environmental & regulatory	5.3	6.4
Waste	15.4	32.6
Housing services	6.9	0.0
Systems	8.1	2.3
Office Space and facilities	0.3	0.9
Democratic arrangements	1.2	0.7
Total (£m)	125.3	91.7

Total Workforce expenditure included (£m)	Workforce breakdown	
	Districts	County
Highways and transport services	1.4	0.0
Housing services (GFRA only)	5.6	0.0
Cultural and related services	4.3	5.4
Environmental and regulatory services	12.9	1.9
Planning and development services	7.0	3.6
Central services	31.1	31.7
Other services	0.1	0.0
Total (£m)	62.3	42.6

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.

Category	% reduction of existing cost base	Savings Rationale/Assumptions
	Base - Stretch Case	
Workforce	11 - 16%	<ul style="list-style-type: none"> 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 focus' 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, the cited industry study on automation per sector reports a 39% decrease in administration 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%	<ul style="list-style-type: none"> 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 the district council services will all move to at least the existing median performance of the six councils. 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 district council services 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 comes effective at the start of year 3.
Planning & Related	10 - 21%	<ul style="list-style-type: none"> 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 the district council services will all move to at least the existing median performance of the six councils. A median cost per planning decision is the driver of the base case with the saving assuming all district councils above the median move to the median value (note this saving is capped for the base case at 20% savings in any given 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 comes effective at the start of year 3.
Environmental & Regulatory	3 – 17%	<ul style="list-style-type: none"> Assesses the annual cost of Environmental & Regulatory services per capita. Per capita was chosen over alternatives 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 the district councils will all move to at least the existing median performance of the six councils. 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 the district council 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 comes effective at the start of year 3.

Estimated savings (2/3)

Category	% reduction of existing cost base	Savings Rationale/Assumptions
	Base - Stretch Case	
Waste	4 - 7%	<ul style="list-style-type: none"> 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 the district council services will all move to at least the existing median performance of the six councils. 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 the district council 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 authority. 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%	<ul style="list-style-type: none"> 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 the district council services will all move to at least the existing median performance of the six councils. A median cost per claimant is the driver of the base case with the saving assuming all district councils above the median move to 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 all district councils 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.
Other Services	N/A	<ul style="list-style-type: none"> Four District Councils provided financial data for 'other services'. This has assisted in reconciling RO data, however does not allow for the basis of any meaningful assumption on estimated savings to be formed.
Systems	11 - 16%	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 line 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.

Estimated savings (3/3)

Category	% reduction of existing cost base	Savings Rationale/Assumptions
	Base - Stretch Case	
Estates and Office Space	23 - 25%	<ul style="list-style-type: none"> 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%	<ul style="list-style-type: none"> 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.

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.

Category	Rationale and Assumptions
Workforce and Services	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.

