



competitive

connected

captivating

creative • communities • caring

cutting edge

collaborative • commercial

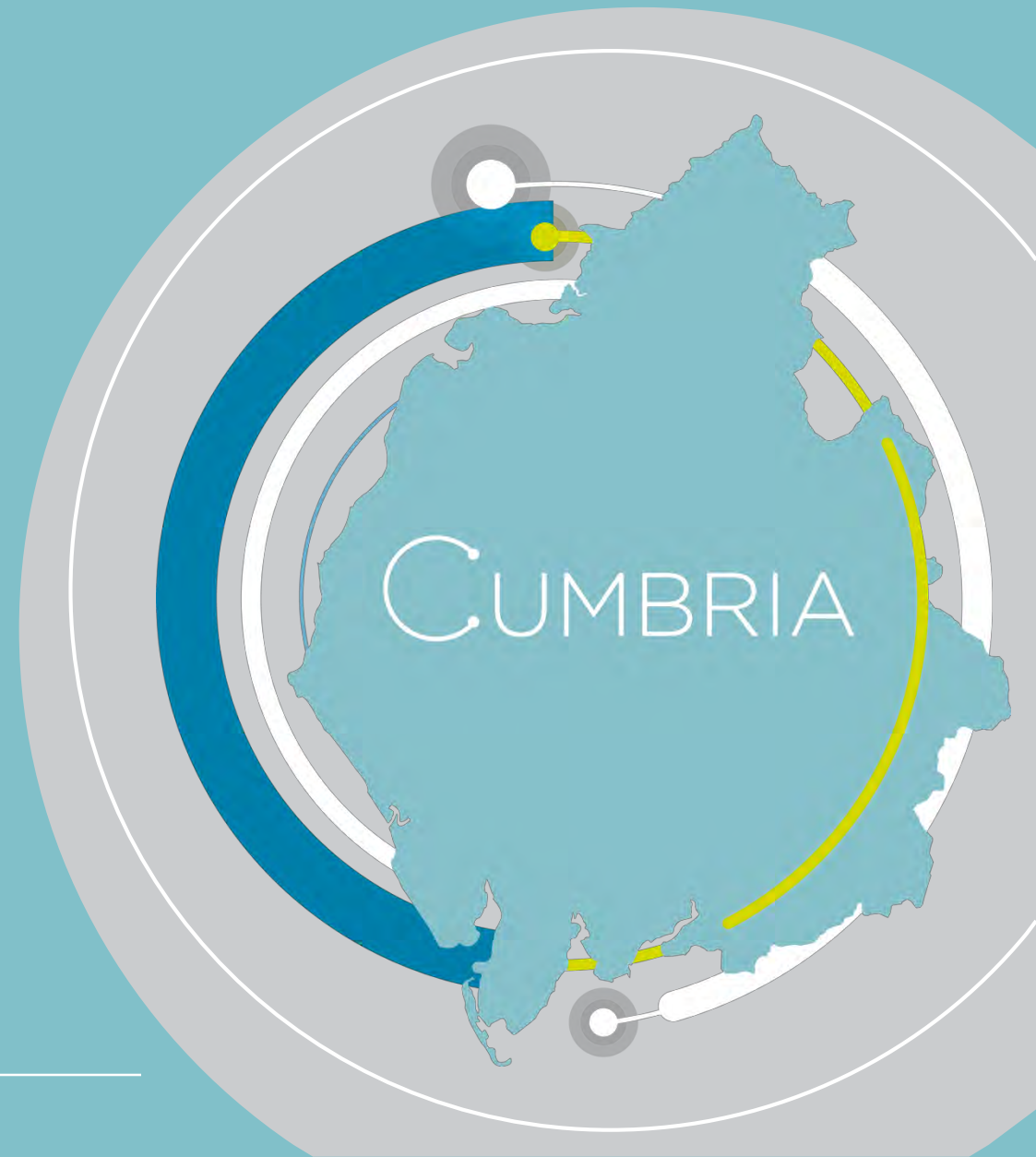
DECEMBER 2020

one cumbria

A STRATEGIC BUSINESS CASE FOR LOCAL GOVERNMENT REFORM FROM CUMBRIA COUNTY COUNCIL

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01

executive summary



Our vision

Through this proposal, we formally request agreement from the Secretary of State to replace Cumbria's existing seven councils with a single unitary authority with continuing authority status for the County Council. This will allow rapid and efficient transition to focus on transformation, delivery, and provide a strong foundation for a future devolution deal.

Only 'One' Council can deliver what is needed for all.

We have a vision for 'one' new council for the people of Cumbria

One council will deliver

A clear focus on the future – modernising local government for the 21st century

A strong, single, accountable voice

A firm foundation for a **future devolution deal**

Strengthened leadership to transform public services

Direct and simple accountability for residents

Stronger town and parish councils and locality working – more powers to Cumbria's many and varied local communities over what happens in their area

Better connected communities – bringing together people and place – celebrating their unique sense of place, protecting their history and working with them to secure a better collective future for all

An ambitious plan for clean, inclusive growth and innovation – contributing locally, regionally and nationally

Better outcomes for all – by building on the journey of improvement and transformation that is already well underway in Cumbria to create better and more joined up services, new delivery models and easier and simpler access to services for residents and customers

Significant savings – providing a catalyst for reinvestment in transformation and services

Delivering the very **best value for money** for Cumbria's taxpayers

Through one council we will remove artificial boundaries and layers of bureaucracy and place power in the hands of our communities. We will provide a single easy point of contact for partners, public and the government – removing the existing confusion for residents and customers.

The new council will build on and enhance the county's existing six localities. An approach that successfully balances strategic leadership with real community empowerment and locally led solutions. Working closely with all of our urban and rural communities, parish councils and the third sector. Cumbria has a proven track record here and it is an approach that shines out in times of real community need and crisis.

Cumbria comes from a place of strength and confidence. Only a single new council can provide the assurance, leadership and capacity needed to reshape the county's local government offer as well as delivering what is needed to drive transformation through at pace and help Cumbria build a better future.

Our offer

Making a significant contribution to the UK

One United Kingdom – one council will accelerate growth in the key priority sectors that will support the UK's post-COVID economic recovery. It will deliver food and energy security post-Brexit, advanced manufacturing opportunities, energy solutions, and agri-tech innovation.

Cumbria is uniquely placed to connect the four nations of the UK. Cumbria is the only county strategically placed at the very heart of the country providing Ports that access the Irish sea and a key route between England and Scotland with the M6 corridor. We are located at the centre of the UK.

We already have a successful cross-nation 'Borderlands' Inclusive Growth Deal showing the clear benefits of cross-border working. Further detail on this can be found as a case study in the Appendices.

Cumbria will make an even more significant contribution to a strong and growing economy of the North.

We have an international reputation as a centre of advanced manufacturing, tourism and nuclear excellence.

Levelling up the region

One economy – one council will lead delivery of inclusive and clean growth and the county's recovery from the impacts of the COVID-19 pandemic. Cumbria is strongly positioned to support the rebalancing of the UK economy to the benefit of our residents. A unitary council will align and unlock opportunities at a local level while bringing the strategic capacity and expertise needed to deliver strategic change.

Joining up economic development and business support, housing, spatial planning, education and skills provides a powerful platform for boosting the county's economic growth and recovery. This proposition will also create a single fully integrated, sustainable transport network across Cumbria.

The new council will work with local stakeholders and partners and will ensure levelling up is driven from the bottom up.

It will provide one strong voice and clear leadership for Cumbria. It will champion and contribute to a strong Northern economy alongside other regional and sub-regional economic plans.



one council

delivering better outcomes for all

One council alone can provide the capacity and skills required to successfully deliver major projects and programmes of investment and inclusive growth for our communities.

Our offer

Unleashing local opportunities...

For local residents

One council will lead delivery of the ambition to make Cumbria a great place to live, earn and learn.

Harnessing thriving communities that are well connected, that support each other and have a strong voice to co-design what they want from public services.

One council will celebrate our vibrant towns and their unique identity. Creating more opportunities for skills and jobs that are relevant for the future. Providing personalised support for families and individuals that need it.

Joining up services that work together around one community, one family and one individual to help them identify their strengths, and to access the right support for them. One council will deliver significant additional improvements for children and older people as a result of closer collaboration and even stronger system leadership.

Providing one point of contact – simpler to access and easier to understand.

Protecting and sustaining our breath-taking natural landscape for the benefit of residents and visitors alike.

For Cumbrian businesses

One council will provide one point of contact for businesses – providing easier access to the range of services which impact on them and their ability to grow. It will also provide a single strategic authority that provides the robust leadership of place to secure investment into the county – to unlock opportunities for growth and attract the workforce, skills, and facilities for the future.

For partners

One council will make the public service landscape in Cumbria less complex and easier to navigate. Through strong system leadership one Council will lead the transformation of public services. Strategic partners will be able to talk to 'one' council instead of seven – saving time and resources.

The new council will working closely and enhancing relationships with the Third Sector and strengthen town and parish councils. Providing them with support and capacity, so that they can build on opportunities to play a greater role with their local communities in decision-making and in service design and delivery.



one council

delivering better outcomes for all

One council alone can unleash local opportunities for Cumbrian businesses, partners and local residents.

Background and context

Detail on the background and context is found in section two, starting from page 13 

National context

The national context for local government is changing. As a result, local councils are facing a huge challenge to align to this new environment. Although local authorities can work to adapt in time and find ways to collaborate across the two tiers, the pace required to respond means that reform is essential.

These national challenges have particular resonance in Cumbria. We have some unique circumstances and these are highlighted in the right hand column.

Some progress has already been taken to address issues, such as climate change. We have already demonstrated in our response to COVID-19 that we have the ability and confidence to address these challenges. We have focused on a single common goal, speaking with one common voice and overcoming organisational boundaries.

2nd

Cumbria is the second biggest county in England

6,768 sq km

Area

500,012

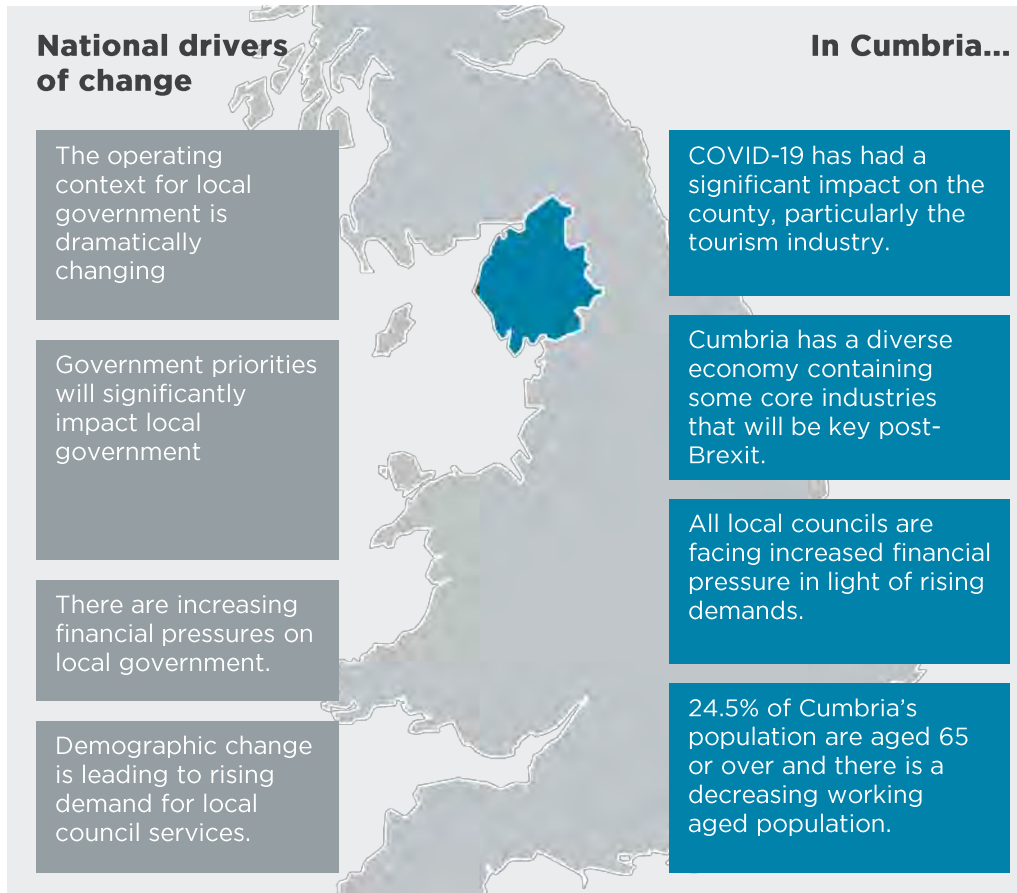
Population

£12bn

Economy

47m

Visitors annually



Cumbria's context

Cumbria is the second biggest and most rural county in England, with an area of 6,768 sq km and a population of 500,012 people, covering a landmass that equates to half of the North West of England. The economy is worth £12bn and its key sectors of advanced manufacturing, nuclear, visitor economy (attracting 47m visitors per year), and the rural economy (agriculture and food processing) are significant to the UK post-Brexit.

People are attracted to Cumbria for a range of reasons, including the unique natural landscape and outdoor activities, the employment and economic opportunities, the cultural offer, and the strong sense of community across our towns and villages. Cumbria has a rural geography, full of rich natural assets, but also areas of mixed conurbations. We have strong communities, heritage, a unique arts and cultural offer and a history of collaboration with local places. There is ample opportunity for making a bigger impact through economic recovery, inclusive growth, and helping the North to level up.

We come from an incredibly strong base that enables us to present a well-rounded case for reform. We are committed to delivering the best outcomes for people, we are well connected to our communities, and we have a history of collaborating with them to achieve great outcomes.

The case for reform in Cumbria

Detail on the case for reform in Cumbria is found in section three, starting from page 24 

Cumbria is a large county enriched by a tradition of strong, diverse communities, rich history and heritage with world-class and a unique combination of natural assets. We have made a success of county-wide, regional and national partnerships. We have managed connectivity on a county-wide footprint without disconnecting from our localities. However there are evident limitations of the current two-tier structure which is limiting the ability to improve outcomes for our residents.

Why Cumbria? Why now?

Why Cumbria

Our focus is our people and how we can improve outcomes for them. We have a strong track record on collaboration and a county steeped in history. We start from a position of strength and can take the opportunity to build on the best for more thriving communities, a better connected Cumbria, stronger systems leadership and a bigger contribution to the economy.

Now is the time for change

In the wake of Brexit, the UK must look to securing trade deals whilst emphasising the strength of UK industry. Cumbria is strongly positioned to support the rebalancing of the UK economy to the benefit of our residents. COVID-19 has amplified the clear benefits of a single strategic lead in the recovery of all aspects of life in Cumbria. Finally a unified approach is required to deliver in this current financial context, whilst removing duplication of delivery.

The current structure of local public services in Cumbria

Currently within Cumbria local government is represented by one County Council, six District or Borough Councils and over 230 Town and Parish Councils. In addition to this there are many other public and private organisations that councils work closely with. Many public services are organised on a County wide footprint e.g. Cumbria County Council, Cumbria Police. However, some represent parts of the county and this lack of co-terminosity and multiple interfaces provides further challenges for providing a unified approach and is a source of confusion for residents.

Limitations of the current two-tier structure

Although there is a strong history of collaboration between councils and services across Cumbria, in some services, for example Transport and Planning, and waste collection and disposal, there is a significant requirement for a more unified approach to providing services.

The impact on service delivery caused by the complexity has an impact on our ambitions and ultimately outcomes for residents.

Changing the current structure of local government in Cumbria would not only remove existing barriers but create an opportunity to 'build on the best' and better meet and stretch our ambitions. It will provide better, clearer connection with communities, a single strategic voice for the county on key issues like skills, transport and economic policy and more transparent and accountable local democratic representation.

Appraisal of reform options

Detail on the appraisal of reform options is found in section four, starting from page 33 

We are confident that our offer for a single unitary authority meets the necessary criteria. The table highlights the relative merits of each option, which clearly confirms why a single unitary council is the preferred option. It is important to note that some of the criteria might be considered more significant than others. The summary table outlines the extent to which the three options satisfy MHCLG's evaluation framework from a qualitative lens.

MHCLG criteria for Local Government reform	0 Status quo	1 Single unitary authority	2 Two unitary authorities
Improved outcomes and services	● More complexity due to County Council and district councils offering different services.	● Single voice to citizens, improved access to services.	● Unintended disruption to existing place based services, particularly social care.
Stronger and more accountable leadership	● Limitations of two tier government remain, with inherent complications for residents.	● Strong strategic leadership with clear accountability, that supports local devolution.	● Two separate management structures could create confusion and a lack of accountability.
Immediate and long term sustainability	● Increasing pressure from COVID-19 and Brexit places significant risk on current structure.	● Sustainability through stronger leadership and more joined up service delivery.	● There is no consensus over the composition of new unitary and so model not sustainable until this has been agreed.
Broad stakeholder support	● A low level of support for status quo.	● A number of stakeholders have expressed desire for reform.	● A number of stakeholders have expressed desire for reform.
Population size	● This criteria is not met at district level.	● Would fall within MHCLG criteria of c. 400-600,000.	● Would be much smaller than the MHCLG criteria of c. 400-600,000.
Overall	●	●	●

Key:

- Meets the criteria
- Partially meets the criteria
- Does not meet the criteria

Appraisal of reform options: the financial case

Detail on the appraisal of reform options is found in section four, starting from page 33 

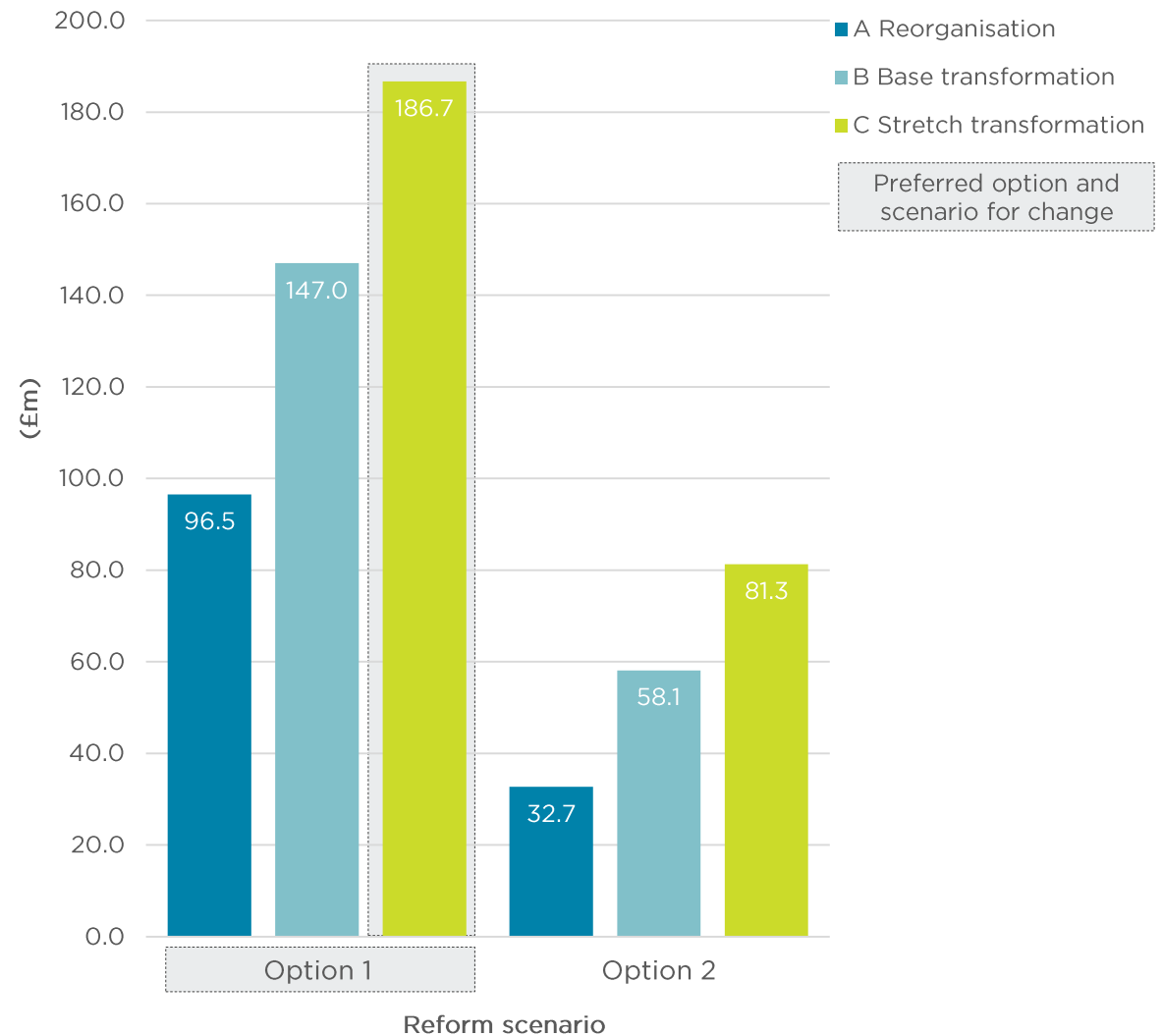
We are confident that one new council will deliver significant savings in a challenging financial context. Only one council delivers the maximum benefits. The lost benefits of any other model are too significant to be ignored.

The costs and benefits of Options 1 and 2 (reform to one and two unitaries respectively) have been assessed against the base position of option 0 (status quo). These have been modelled against three scenarios and the resulting net benefits are set out in the graph. Key headlines are:

- Reorganising of local government in Cumbria on its own based on Options 1 and 2 results in significant annual savings
- The net benefits (after taking account of the costs of change) of just reorganising to one unitary are £96.5m over five years, almost three times the benefits of creating two unitaries (£32.7m). It is therefore recommended that Option 1 is progressed
- Base transformation (a more conservative level of ambition for transformational reform) results in a significant increase in net benefits over five years (£147m for Option 1 and £58.1m for Option 2) but reorganising is still the biggest element of savings
- Stretch transformation (based on more ambitious assumptions reflecting the new council's objectives) results in the total annual savings being almost double those generated through reorganisation alone for Option 1 (£186.7m v £96.5m). It is therefore recommended that the stretch transformation scenario is progressed

In summary Option 1 (single unitary) based around the stretch transformation assumptions is built upon achieving the higher level of ambition for the new council and generating the greatest level of efficiencies

Estimated cumulative net benefit after five years



Our proposition for local government reform in Cumbria

Detail on our proposition for local government reform in Cumbria is found in section five, starting from page 56 

A transformation opportunity

This is a ‘once in a generation’ opportunity, to build a better future for Cumbria. Reform to a single unitary authority will be a catalyst for accelerating inclusive growth plans, reducing health and wellbeing inequalities across our places, and further strengthening communities to enable them to thrive.

Through this opportunity, we will drive improvements in how we deliver by:

- Reorganising to be more efficient as a single organisation, capitalising on economies of scale
- Being more effective in our strategic planning, by bringing together interconnected strategic threads that currently sit separately (e.g. housing, economy, health and wellbeing)
- Transforming how we deliver core services, as a result of better strategic planning and organisation
- Being more effective in how we engage with investors, businesses, public sector partners, government and our communities, as we will speak with a single voice for local government

There are opportunities for the new council to deliver improved services and outcomes whilst operating as a unitary authority:

Communities and families

Our communities will continue to thrive, supporting families, children and young people and the elderly. Young people in Cumbria will have the prospect to learn new skills, find work, and fulfil their potential. Families will be better supported by a more connected, tailored approach that brings together housing, jobs, and social care. Older people will be supported to live at home as long as they can and want to and we will provide quality care for those that need it.



Infrastructure, housing and physical assets

We will bring together strategic planning for housing, transport, natural assets and the economy to drive more inclusive growth and support our communities. We are already working hard to drive housing and economic growth; regenerating and improving poor quality housing; and supporting people to live independently. Investment in connectivity continues apace with key projects like the Carlisle Southern Link Road moving forward. We will continue to act as an enabler for digital and social inclusion - with our regional partnerships driving increased digital connectivity for all of our residents.



Contributing to strong economic growth

We will place Cumbria at the forefront of clean growth; accelerating opportunities available to Cumbrian people and across the region through our key sectors, including manufacturing, nuclear, energy industries, agri-tech and the tourism industry. We will help shape and develop Cumbria’s unique arts and cultural offer. We will grow new sectors, skills and our talent pool, building on our productivity, innovation and enterprise potential.



Public value for money

We will reimagine the delivery of services in a rural county in a modern way - digitally connected, and co-produced with communities. We will simplify and standardise support services and rethink how we use the public estate more innovatively. Our workforce will be engaged, equipped for the modern workplace and will focus on local people, families and communities in a proactive and emotionally intelligent way.

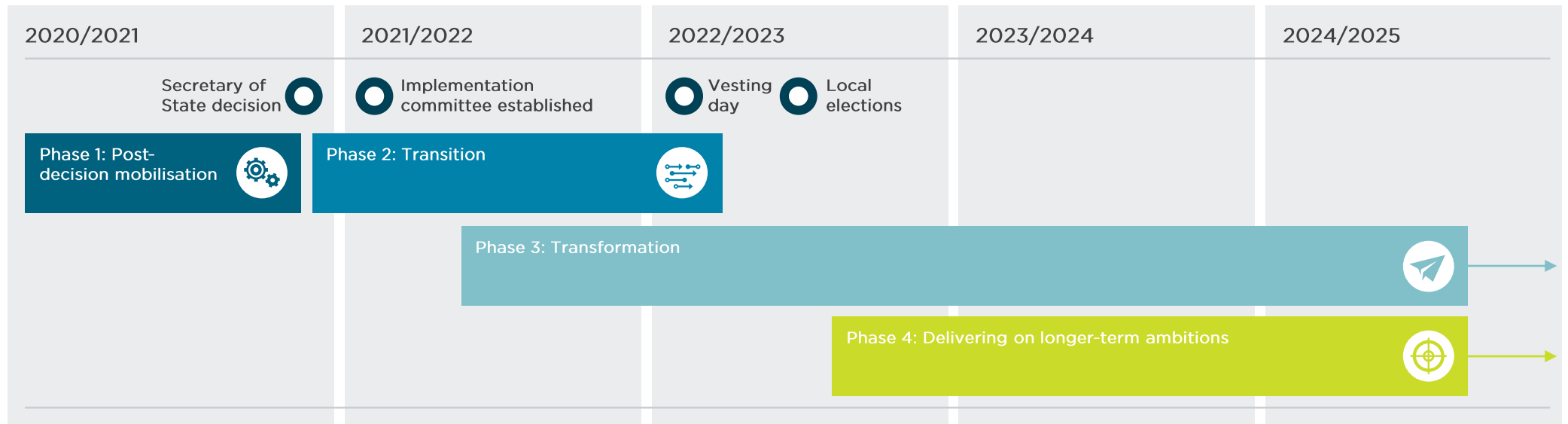


Delivering reform successfully

Detail on delivering reform successfully is found in section six, starting from page 71 

We are committed to reform, and ready to make this change happen. As the continuing authority, Cumbria County Council will be the basis of a new council building on the best of the existing local government system. We will collaborate with districts, town and parish councils and partners on the specifics of the new council and how it operates, whilst ensuring a public consultation takes place in order to capture the wants and needs of our residents.

We are confident in our proposal and will commence more detailed planning while it is being considered, to prepare for transition and transformation, using this change as a catalyst for our ambition – reforming the council in a way which ensures true value for money for our residents.



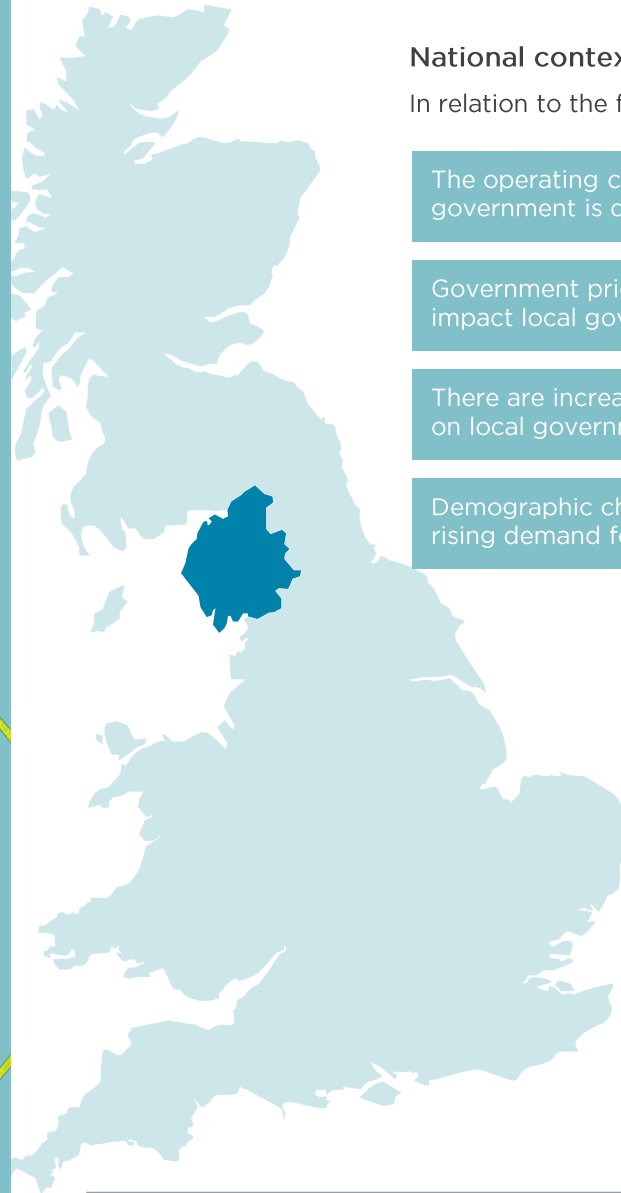
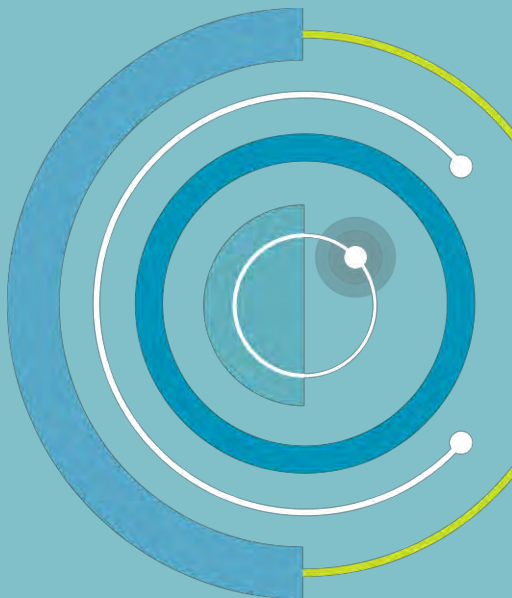
02

background and context



Background and context: section outline

This section outlines the current national context and local context for the opportunities and challenges faced in Cumbria.



National context

In relation to the following themes:

The operating context for local government is dramatically changing

Government priorities will significantly impact local government

There are increasing financial pressures on local government

Demographic change is leading to rising demand for local council services

Local context

In relation to the following themes:

Cumbria's unique potential

Cumbria's geography and public organisations

Rural geography, rich natural assets, and mixed conurbations

Strong communities, heritage and culture and collaboration

Opportunity for recovery, inclusive growth and levelling up

Demographic change and outcomes in for people and places

Climate change

Housing infrastructure

National context



This proposal will deliver improvements for Cumbria and contribute to government priorities. This includes 'levelling up', devolution, economic growth strategy, putting jobs and infrastructure at the heart of what we do and Britain's low carbon future. These national agendas are priority considerations leading this case and the need for reform in Cumbria. There are also a number of broader contextual challenges that are being faced, such as climate change and COVID-19. Reform will be the driving force needed to address these challenges.

The operating context for local government is dramatically changing

The national policy environment in which local government operates is shifting. The COVID-19 pandemic will have long-term impacts on the country's society, economy and environment. National and local government will respond to new challenges, and some new opportunities. Local government will be key to achieving the national ambitions in respect of the environment and the climate, and the Government's call for a green recovery. The legislation setting the target of net zero greenhouse gas emissions by 2050 will require a joined-up local approach to reduce the area's carbon footprint. Cumbria's role in this national agenda is unique – an area of significant opportunities and expertise in energy, land management and food production and nationally significant natural assets. Cumbria is key to a green recovery for the UK.

This year has seen the acceleration of societal and technological changes that had been in train for some time. COVID-19 has changed the way we live and work permanently. Technology has provided the tools to do things differently – and the development of these technologies will continue at pace over the coming years. This provides new opportunities to engage and collaborate with people and communities in different ways, to do jobs differently and to do different jobs for the future, and to spend our leisure and creative time differently.

But we also know that as the country recovers there will be many people who will need new and increased support. Demand for public services is increasing, and will continue to increase.

Government priorities will significantly impact local government

The Government's ambitions of 'levelling up' will be vital to secure an inclusive and green recovery from the COVID-19 pandemic. The Government's forthcoming Devolution and Local Recovery White Paper will be important in setting the framework for local areas for recovery and for securing the devolution of decision-making and funding that will enable the achievement of local ambitions for clean, inclusive growth.

The Government is now looking to simplicity, and empowering citizens to shape place, with community networks having more of a say in local spending.

The end of the transition period following the UK's exit from the EU is also presenting challenges and opportunities for local economies. The development of new UK policy in the context of Brexit is also re-setting the policy framework in some major areas including agriculture, economic development and the environment.

The events so far of 2020 have highlighted more than ever before the importance of the health and care system in supporting communities and families when they are most in need, the vital role of local public health services, and the future focus on health and wellbeing – on the promotion of healthy lifestyles and the prevention of ill health.

The development of proposals for reform of social care will shape a key element of the future of local services and how the local public service system works. This will have a significant impact on how local authorities can meet future demand for services and how services are resourced.

Ideas on the future of public health, and investment in active travel and other measures to support people to lead healthy lives and prevent illness, are beginning to emerge nationally.

Sources: Institute for Fiscal Studies [https://www.ifs.org.uk/uploads/a/Presentation/2019-07-15%20%20\(David%20Phillips\)_1563207763.pdf](https://www.ifs.org.uk/uploads/a/Presentation/2019-07-15%20%20(David%20Phillips)_1563207763.pdf), LGA- Evidence provided to the HCLG Select Committee on 27th April 2020

National context

There are increasing financial pressures on local government

There is a
£3.9 billion

predicted funding shortfall to the public service sector in 2019/2020 and there have been reductions in funding for local councils for almost a decade.

Alongside this is the rising demand that has resulted from the ageing population and the rising costs and complexity for care services. This has led to unprecedented pressure on councils. Post COVID-19, the cost of health and care is likely to increase further. There are risks to the financial sustainability of authorities if they do not make significant savings or use their reserves extensively.

The additional financial pressure on public sector revenue streams and the additional costs of tackling COVID-19 is estimated by the LGA to be £12.8 billion. This financial pressure is likely to be impacted further by the consequences of COVID-19, with a likely fall in income received by local councils. Health and social care demand is also rising dramatically nationally. This is likely to increase due to rising unemployment rates and the expected economic downturn. District councils are particularly vulnerable due to loss of business revenue, council tax revenue and loss of income from property.

The total expected funding gap in 2024-25 is
£8bn

COVID-19 has dramatically changed society and there is now a drive towards economic recovery. Recovering from COVID-19 provides an opportunity to address regional economic disparity and further the country's economic growth with Councils looking to collaborate with government to help play a role in England's economic recovery.

Sources: Institute for Fiscal Studies [https://www.ifs.org.uk/uploads/a/Presentation/2019-07-15%20\(David%20Phillips\)_1563207763.pdf](https://www.ifs.org.uk/uploads/a/Presentation/2019-07-15%20(David%20Phillips)_1563207763.pdf), LGA- Evidence provided to the HCLG Select Committee on 27th April 2020, Gov.uk

Demographic change is leading to rising demand for local council services

In the wake of COVID-19, we are even more certain that there needs to be a change in the government's response to the care of older people. The cost of health and care is likely to increase and there may be the need for greater employment for younger people to fill significant gaps in the health and care workforce.

The working-age to elderly population ratio is decreasing, and this will be felt acutely in Europe.

For every four working age people per elderly person in 2015 there will be just **two** by 2050.

Government policies will now have to consider this demographic change and how this will impact demand for local councils moving forwards.



Cumbria's unique potential

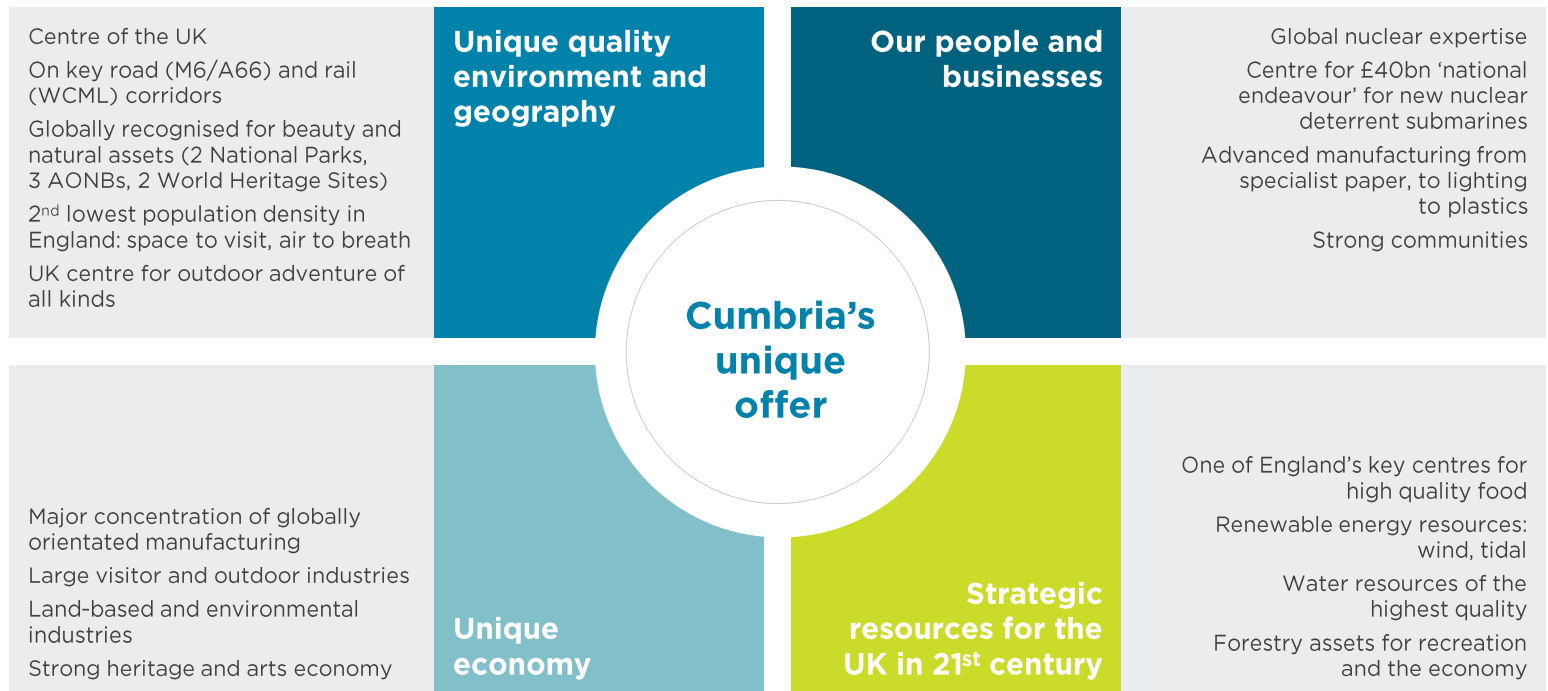
Cumbria is a large county enriched by a tradition of strong, diverse communities and world-class and unique natural assets – a large area of land with a relatively small population. We are proud of our heritage and the strong identities fostered within these communities.

We are a county that has gathered momentum over the last few years in mobilising thriving communities, collaborating across all sectors and with communities to improve outcomes, and securing major investment to improve our infrastructure and in to our communities, towns and villages.

We must keep this momentum – building on the best and achieving the transformation of public services that are in the best position possible to maximise the opportunities and overcome significant emerging challenges.

Our proposition will deliver the simple and streamlined public service landscape that will enable us to accelerate our progress and achieve our ambitions for the residents and businesses of Cumbria faster, more efficiently, and with less complexity. Cumbria is a complex place with a significant amount of capacity for simplification.

This section will outline Cumbria's geography and public organisations before focusing on the following themes relating to Cumbria: rural geography, rich natural assets, and mixed conurbations; strong communities, heritage and collaboration; opportunity for recovery, inclusive growth and levelling up; demographic change and outcomes in for people and places; climate change; housing and infrastructure.



Sources: LGA Corporate Peer Challenge Position Statement (June 2020), Cumbria Ministerial Stocktake (June 2020); Cumbria Local Industrial Strategy (March 2019)

Local context

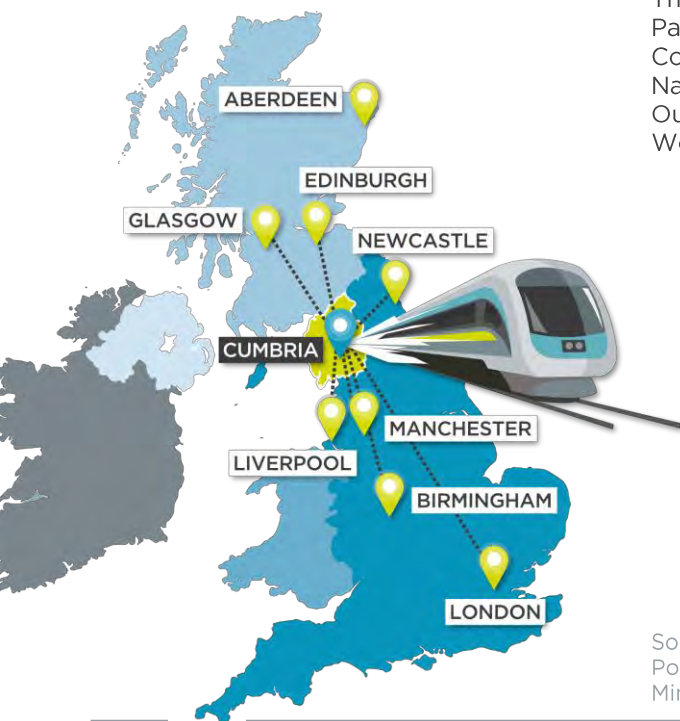
Cumbria's geography and public organisations

Cumbria is the second largest county in England, with an area of 6,768 sq km and a population of 500,012 people. Cumbria sits at the heart of the UK, connecting all four nations. Cumbria supports the north and south through the M6 as well as east and west links via the A66 and A69. The geography is diverse, with great variances ranging from the Lake District to the largest settlements of Barrow and Carlisle.

There is the County Council and six district Councils (Allerdale Borough Council, Barrow Borough Council, Carlisle City Council, Copeland Borough Council, Eden District Council, and South Lakeland District Council).

There are seven NHS organisations, including two Clinical Commissioning Groups (CCGs), which govern 70 GP practices, and three provider Trusts.

There are also six Members of Parliament and 235 Parish and Town Councils. The area also hosts two National Parks, three Areas of Outstanding Natural Beauty, and two World Heritage Sites.



Sources: LGA Corporate Peer Challenge Position Statement (June 2020), Cumbria Ministerial Stocktake (June 2020)



2nd Cumbria is the second biggest county in England	6,768 sq km Area	500,012 Population
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6 District Councils	6 Members of Parliament	235 Parish and Town Councils
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2 National Parks	3 Areas of Outstanding Natural Beauty	2 World Heritage Sites
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Local context

Cumbria's geography and public organisations

The majority of public services are organised on a Cumbria footprint through countywide organisation and key strategic partnerships. The key exception is NHS services which are organised on a wider geography over Cumbrian borders with local delivery and engagement mechanisms. Key Cumbria wide organisations include:

Cumbria Local Enterprise Partnership (LEP) - leading clean, inclusive growth through the delivery of the Cumbria Local Industrial Strategy for the functional economic geography of Cumbria.

Cumbria Local Resilience Forum (LRF) - providing leadership and coordination for planning, response and recovery to emergencies and major events.

Cumbria Children's Safeguarding Board - providing leadership and coordination to improve outcomes for our most vulnerable children and young people.

Cumbria Safeguarding Adults Board: providing leadership and coordination to improve outcomes for our most vulnerable adults.

Cumbria Associations Local Councils - providing support and coordination for Cumbria's 235 Parish and Town Councils.

Cumbria Third Sector Network - providing support and coordination to the county's vibrant community and voluntary sector.

The Cumbria Police and Crime Commissioner - providing democratic leadership and oversight to Cumbria Police.

Safer Cumbria - providing leadership and coordination to improving community safety outcomes and a forum for blue light collaboration.

Cumbria Children's Trust - a strategic county-wide board which consists of six local multi-agency partnerships providing leadership and coordination to improve outcomes.

Cumbria Health and Wellbeing Board and Cumbria Public Health Alliance - providing leadership and coordination to improve health and wellbeing outcomes across the county.

Like most two-tier local government areas, the current model is complex, and this model has limitations in how it supports collaboration with partners, and delivers consistent and strategically joined up services across the county.

Although Cumbria is a rich and diverse place with strong identity, history and heritage across all communities, it has particular challenges. This is a key driver for change, and local government reform is an opportunity to address these challenges. This section highlights some of the key areas of strength and challenge across Cumbria that reform will help to strengthen or address.

Sources: LGA Corporate Peer Challenge Position Statement and Cumbria Ministerial Stocktake

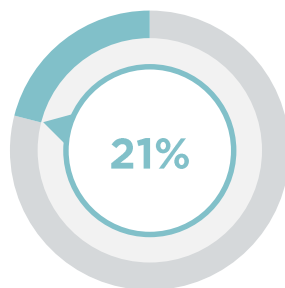
Local context

Rural geography, rich natural assets, and mixed conurbations

Cumbria is at the heart of the UK. Our potential contribution to UK economic growth is significant – with substantial natural capital providing water, energy, food and drink, and attractive landscapes for the whole of the UK. There are rich natural assets within Cumbria: the Lake District, which is a designated World Heritage Site; large parts of the Yorkshire Dales National Park; Hadrian's Wall World Heritage Site; and three Areas of Outstanding Natural Beauty.



54% of our population live in rural communities, and the blend of rural and urban communities provides a connectivity challenge.



In Cumbria, 21% of households are without access to a car which is a significant issue when the majority of people live rurally without access to public transport. The government's 'levelling up' agenda is looking to address this.

Sources: ONS population estimates 2019, 2011 Census

Strong communities, heritage and culture and collaboration

Cumbria has more experience than most in responding to major events and emergencies. This includes devastating weather events such as the major flooding in 2005 and 2009, Storm Desmond in 2015/16 and the 'Beast from the East' in 2019. The lessons and experience of these previous recovery programmes provide invaluable insight and learning upon which to build.

The impact and response to the COVID-19 pandemic over this year has brought significant sadness, hardship and anxiety to our communities – and that will have an impact on residents, businesses, and communities for many years to come. But alongside this, there are some positive experiences and learning that we can look to for the future.

Cumbria already has a framework for recovery in place, based on a strategic approach for the county with local flexibility and delivery. The COVID-19 pandemic once again saw Cumbrians respond with astounding energy, creativity, focus and compassion.

Collaboration was the key – Cumbria County Council provided strategic leadership that enabled mobilisation of services and volunteers on a huge scale and at great speed. In these circumstances – the complexity of the county's public service landscape cannot be a barrier to action. We have been successful in working round these complexities in these crisis situations – but we recognise that this takes critical energy and time.

We also recognise the transformative power that culture and creativity has in place making, place shaping and wellbeing. Cumbria's creative and cultural strategy is in place to create the foundations for creativity and culture to flourish and promote the county's unique cultural offer.

As the UK prepares for future events, and Cumbria in particular prepares for more frequent extreme weather events, the future of local government in the county must secure a simpler landscape which will make preparation and response to emergencies less complex and enables maximum time and energy to be focused where needed.



Local context



Opportunity for recovery, inclusive growth and levelling up

Cumbria's economy has a GVA of £12 billion with tourism attracting 48 million visitors, contributing £3.1 billion to the local economy and employing 20% of the county.

We really excel in advanced manufacturing, nuclear energy, and the rural economy where there are land-based and environmental industries. Cumbria's manufacturing strength is reflected by the presence of companies like GSK and Siemens in Ulverston, James Cropper Plc and Mardix in Kendal, James Walker in Cockermouth, Innovia in Wigton, Iggesund in Workington, Pirelli in Carlisle and BAE and Kimberly Clark in Barrow. Cumbria also has a large presence of micro businesses, making up 89.5% of the 23,670 enterprises that exist in Cumbria.

Cumbria's economy has been significantly affected by COVID-19, with significant increases in unemployment and universal credit claims. 4.8% of all persons aged 16-64 in Cumbria in July were on the claimant count, significantly higher than the rate of 2.3% in March before the major impact of COVID-19 had been felt. In the early weeks of COVID-19, Barrow foodbank saw a 400% increase in demand and in South Lakeland the number of foodbanks has risen from 5 to 14. We are approaching these opportunities and challenges on some strong foundations through well-established local and regional partnerships. The Strategic Coordinating Group (SCG) activated and collaborated with the Recovery Advisory Group to develop a strategy to facilitate an approach to recovery in Cumbria that included community voices, building community resilience which supported communities to thrive. Further detail on this programme can be found as a case study in the Appendices.

Sources: Local Industrial Strategy, Cumbria Tourism, Strategic Recovery Coordinating Group Presentation – Coronavirus and Financial Hardship



£12 billion GVA

Cumbria's economy

47.3 million

Visitors annually

£2.9 billion

generated by visitors each year

8% of GVA

supported by Cumbria tourism

22%

of Cumbrians employed in the tourism industry

89.5%

of the 23,670 enterprises that exist in Cumbria are micro businesses

Local context

Opportunity for recovery, inclusive growth and levelling up

Cumbria – in partnership with Northumberland, Dumfries & Galloway and the Scottish Borders – has secured the Borderlands Inclusive Growth Deal which is critical to delivering improved connectivity, inclusive growth and supporting local towns and high streets over a large region crossing the England and Scottish Border supporting a population of over a million.

The governments have collectively committed to up to

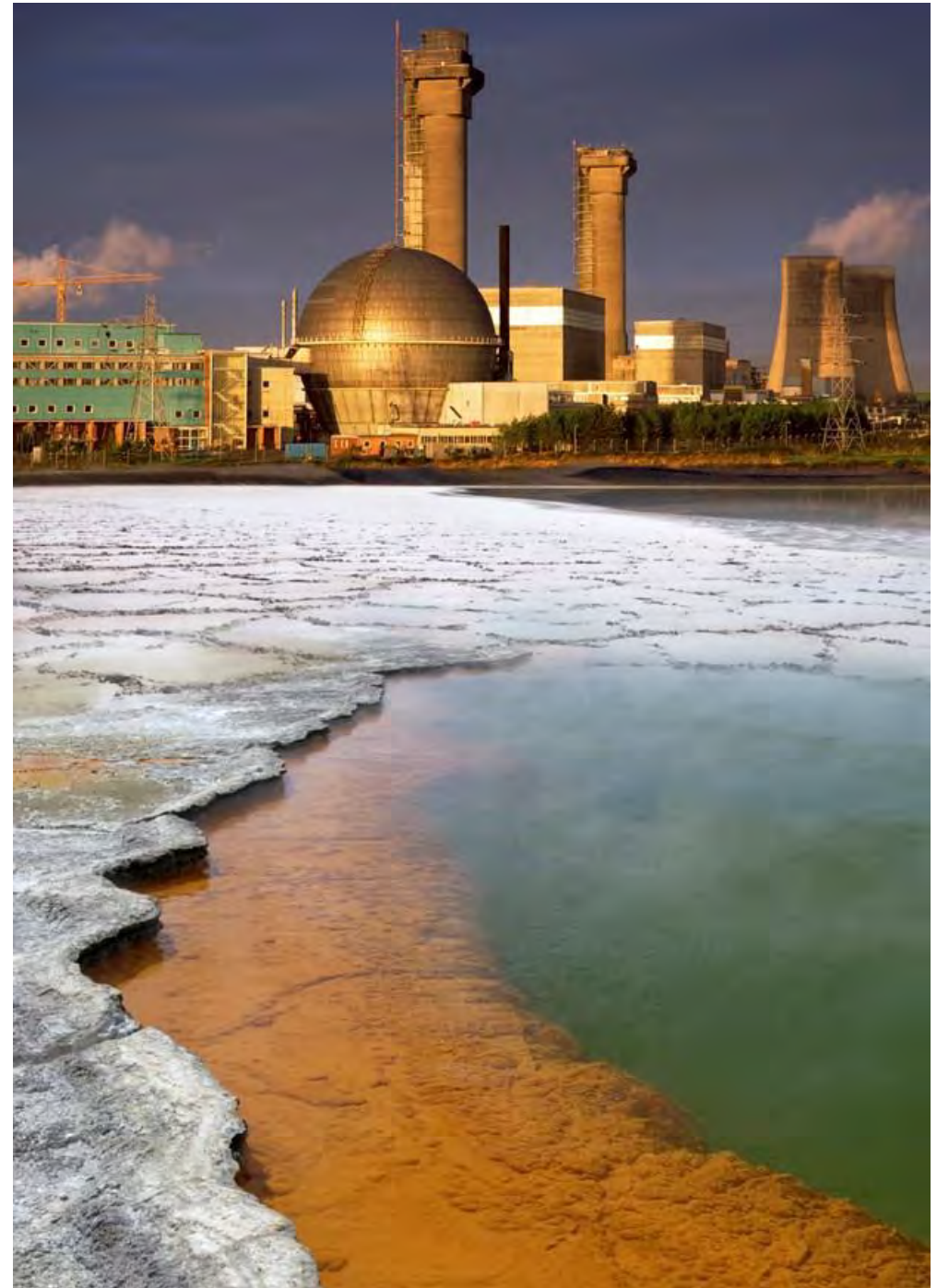
£350million

of investment and it is expected that the return on investment will be

£1.1 billion

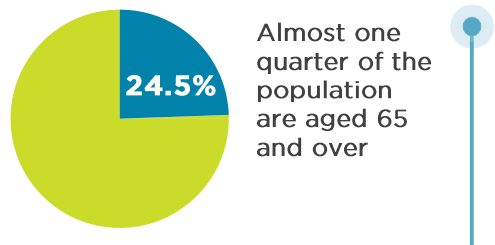
Cumbria has a strong voice within this partnership and is key to driving growth for the whole region. Cumbria's strong voice in Transport for the North has also proved successful in helping to secure some of the vital infrastructure and transport improvements to support growth and connectivity for Cumbria and across the North of England and up to Scotland.

It is still unclear as to how the economy in Cumbria might be affected by changes to the UK's economy from Brexit as Cumbria benefits from multinationals locating themselves in the county. There is a challenge to maximise the potential of a small number of anchor institutions – including Sellafield and BAE systems – to achieve a more diverse and resilient local economy. There is also a challenge to build on recent successes in securing major investment to improve our infrastructure by improving digital and physical connectivity to connect our businesses and our communities.



Local context

Demographic change and outcomes in for people and places



24.5% of Cumbria's population are aged 65 and over and the number of residents aged 65 and over is projected to increase by 36,000 by 2043. The projected working age population is projected to decrease by 29,100 (-9.8%) by 2043 – this is the greatest proportional decrease of all counties and contrary to the projected national trend (England +3.8%). The number of 0-15 year olds is projected to decrease by 7,900 persons (-9.6%) by 2043 – the 2nd greatest projected decrease amongst all counties and much greater than the projected national decrease (England -0.9%). These events will lead to a greater demand on the health and social care sector. There is a challenge to: attract working age people to Cumbria, and to increase the number of people with higher level skills, to ensure our future workforce is able to drive clean, inclusive growth.

There is also a challenge to harness the full contribution of our older population to our local communities and our local economy.

There are 26 Cumbrian communities that rank within the top 10% most deprived areas of England, with up to 1/3 children claiming free school meals in some areas of the county. The highest levels of deprivation are in Barrow and the urban areas of West Cumbria.

1 in 5

of Cumbria's most deprived communities are rural

It is estimated that 28,060 people are fuel poor households. There are clear pockets of deprivation linked to low income and skills, particularly in some urban areas, whereas it is often our more rural areas that have difficulty accessing goods and services. Such differences in poverty, power and resources, exposure to health damaging environments, and opportunities in early life are the main drivers of health inequalities. There is a challenge to improve outcomes in the county's pockets of intense deprivation.

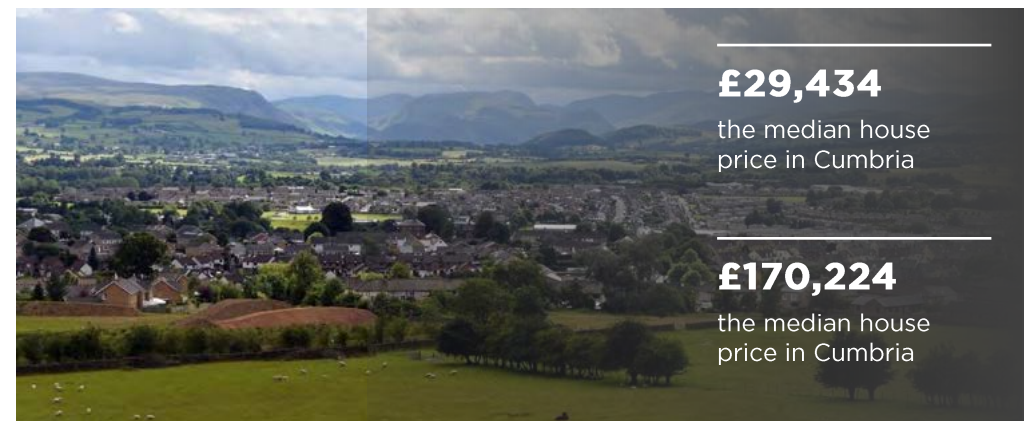
Climate change

Climate change is a very real threat with councils needing to play a central role in taking action and addressing the issue. The Cumbria County Council Carbon Management Strategy will be considered by Cabinet in October 2020.

Cumbria emits 7.8 Kt per capita of CO₂, compared to 5.4 nationally. However, Barrow also hosts one of the world's largest offshore wind farms. Additionally, Round 4 licensing off the west coast presents significant further offshore opportunities with the potential for hydrogen, battery, wave and tidal power. This presents Cumbria a significant opportunity to promote green, economic growth.

Housing and infrastructure

In Cumbria, the median household income in Cumbria is £29,434, compared to £33,278 in the UK. The median house price is just over £170,224 which is significantly lower than the English average which is £235,173. In certain parts of the county, such as the Lake District, prices far exceed the national average and affordability is a major problem – house prices can be more than ten times local incomes. The county also contains large areas (mainly urban) of deprivation, for example Barrow falls within the 10% most deprived nationally for overall deprivation. There is a challenge to improve our housing and local environments and to provide a mix of housing to meet the needs and aspirations of current and future residents.



Sources: LGA Corporate Peer Challenge Position Statement, Cumbria Joint Public Health Strategy, Cumbria Housing Statement 2020, Cumbria Observatory and Cumbria Ministerial Stocktake; CACI 2020

03

the case for reform



The case for reform in Cumbria: section outline

This section explores the current status of local public services in Cumbria, the relative successes and limitations provided by a two-tier system in Cumbria. This outlines our case for change – showcasing the true ambition expressed by Cumbria, the importance of reform, and transformation in particular, in meeting this ambition. This is outlined in the following sections:

Why Cumbria? Why now?

The current structure of local public services in Cumbria

Limitations of the current two-tier system. This is detailed in these key areas:

Communities and families



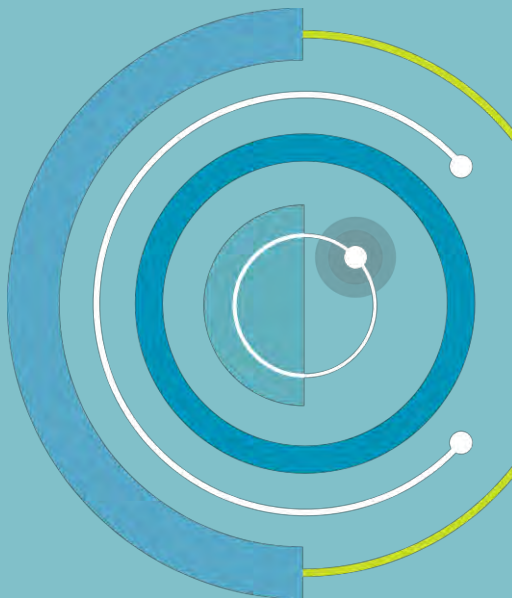
Infrastructure, housing and physical assets



Public value for money



Contribution to strong economic growth



The case for reform: Why Cumbria?

Cumbria is a large county enriched by a tradition of strong, diverse communities, rich history, heritage and culture with world-class and a unique combination of natural assets. However, within the current structure of local government in Cumbria there is a limit to what we can achieve. Reform will allow us to unleash opportunities and improve outcomes for residents.

Our focus is our people and how we can improve outcomes for them all

Cumbria focuses on delivering better places for people to live and work. We have a strong and improving transport infrastructure, with key roads, rail links, ports, airports, but there is an opportunity to do more. There is a need to enhance road and rail links and further promote active, sustainable and low carbon travel in order to influence a modal shift to sustainable travel. We want to improve the jobs and skills of our people. We want to reduce inequalities through inclusive growth, meaning that “nobody is left behind”.

We have a strong collaboration across partners combined with flexible and local delivery

We have strong partnerships and collaborations with others. Cumbria supports regional and cross-border development and we are a key part of the Transport for the North strategy and the Borderlands Partnership and work closely with districts, town and parish councils.

We have a credible geography

We have a strong identity, both at a local and county level, and our residents, communities, and organisations feel a strong sense of local identity. We have a natural community where functions are joined up as a functional economic area. The LEP’s geography mirrors the county boundaries.

This is an opportunity for us to build on the best

We are a confident county; we have a track record of good financial management, strong county system leadership and collaboration with districts, communities and wider partners. When we reform, we are not starting from scratch, we will build on what has already been achieved.

Communities and collaboration

Our ‘thriving communities’ initiative sums up our approach to putting communities at the heart of everything we do in Cumbria. Cumbria’s communities are diverse, and each has its own heritage and identity, and different set of needs. Our service delivery will be focused on supporting this.

Confident, strong system leadership

Cumbria County Council has a strong track record of system leadership bringing together the wider public sector, communities and business in response to our key challenges. For example, the highly visible role that the Director of Public Health played in successfully leading our COVID-19 response.

Our economy is worth £12bn and has had fast growth in GVA and productivity growth over the last decade. Our industries have an international reputation, and a key role to play in post COVID-19 economic recovery; and supporting defence, food and energy security alongside our global standing post-Brexit.

Cumbria is uniquely placed to connect the four nations of the UK. Cumbria is the only county strategically placed at the very heart of the country providing ports that access the Irish Sea and home to the key route between England and Scotland with the M6 corridor.

Track record of economic contribution

Connected places

The case for reform: Why now?

We have made a success of county-wide, regional and national partnerships. We have managed connectivity on a county-wide footprint without disconnecting from our localities. We have played a major role in shaping the Northern economy, working with Transport for the North and helping connect the four nations through our work on the Borderlands project. Now is the time to build on this solid base due to a number of factors – both locally and nationally focused.

Brexit

Overcoming a national challenge

In the wake of Brexit, the UK must look on the one hand to securing trade deals to ensure continuity for businesses, whilst emphasising the strength of UK industry.

Cumbria is strongly positioned to achieve clean and inclusive growth and with that support the rebalancing of the UK economy to the benefit of our residents. Cumbria has significant pockets of deprivation, often sat alongside major and innovative industries. A single unitary council will be able to align and unlock opportunities at a local level.



COVID-19

A new context for our ambition

A crisis like COVID-19 has amplified the clear benefits of a single strategic lead in the recovery of all aspects of life in Cumbria. Providing one strategic voice that speaks to government and key partners, whilst supporting local communities through a coordinating role to regiment available local resources.

Delivering change in the current financial context

The County Council has a track record of extremely strong financial management. Now, more than ever, a unified approach is required to deliver in this current financial context, whilst removing duplication of delivery.

The collective public spending power needs to ensure that no one is left behind, and improve value for money in procurement, commissioning and local spend.

The current structure of local public services in Cumbria

We have achieved successes through collaboration and partnership working – but we can do more. One unitary provides the opportunity to build on the best of local government across Cumbria to deliver collective ambitions and better outcomes. In order to understand the limitations of the two-tier structure of local public services in Cumbria, it is important to understand the current landscape, and the interactions between the different organisations which comprise the local system.

Services on a Cumbria footprint

The majority of public services are organised on a Cumbria footprint through county-wide organisation and key strategic partnerships. This includes the County Council, and organisations which drive key county-wide priorities including Cumbria Local Enterprise Partnership (LEP), Cumbria Health and Wellbeing Board, Cumbria Public Health Alliance, the Cumbria Police and Crime Commissioner, the Cumbria Local Resilience Forum (LRF), and the Cumbria Children's Trust.

Services on a local or non-coterminous boundary

The primary services which operate on a local level are the six local councils – Allerdale District, Barrow-in-Furness Borough, Carlisle City, Copeland Borough, Eden District and South Lakeland District. This tier of local government is responsible for different services to the County Council (shown on the right).

Although there is a strong history of collaboration between councils and services across Cumbria, some services, for example Transport and Planning, and waste collection and disposal, will benefit from a more unified countywide approach. This two-tier approach is also a source of confusion for residents.

In addition, the lack of co-terminosity and multiple interfaces in other areas provides further challenges for providing a unified approach. For example, both the national park and healthcare governance include splits within the county, with two national park authorities across Cumbria, and seven NHS organisations which are not coterminous with county boundaries. This makes effective collaboration and clear decision-making more challenging, especially in a time when health and care services must take a unified approach to guide Cumbria through the COVID-19 pandemic.

The challenges of the two-tier structure and opportunities for change are explored overleaf.

County Council



The County Council is responsible for the organisation and provision of:

- Children & Families services
- Education
- Special Educational Needs and Disabilities (SEND)
- Adult social care
- Public Health
- Libraries and archives
- Registration
- Trading standards
- Specialist planning
- Highways
- Transportation
- Economic development
- Waste disposal
- Fire and Rescue & Emergency planning

District and borough councils




The district and borough councils are responsible for the organisation and provision of:

- Revenues and benefits
- Waste collection
- Planning and development control
- Housing and homelessness
- Community and leisure services
- Culture and heritage
- Cemetery and crematoria
- Environmental health
- Licencing
- Environment
- Economic development

Limitations of the current two-tier structure: communities and families

There are evident limitations of the current two-tier structure which is a barrier to improving outcomes for residents. The limitations of operating under the current two-tier system become opportunities for a unitary authority to deliver beyond what has been achieved already, and drive inclusive growth for our communities.

Key areas of ambition in Cumbria	Two-tier system disadvantages	Opportunities presented by reform
<p>Communities and families Supporting both communities and families to thrive through providing the right support framework and devolution to shape their localities whilst creating the opportunities to raise the aspirations of young people, help them develop their skills and improve the health and wellbeing of communities.</p> 	<p>We have such strong ambition for our communities and third sector – in bringing together diverse portions of the county and encouraging everyone to have a voice in how our county functions. Our communities are making these ambitions happen, but they are often undermined by the lack of transparent decision-making, with several different layers of local government making rapid action impossible. A support system is required which simplifies this by removing layers, and makes decision-making clear and easy.</p> <p>While we are driving improvement in our social care services, differing boundaries for local authorities and healthcare trusts mean one approach to investigate the deprivation causing these issues is impossible – failing to provide our families with the opportunities they deserve. A county-led approach supported by single local government leadership is required to improve health and wellbeing throughout the life course – emphasising our focus on young people and families.</p>	<p>The chance to build thriving communities through coordinating resources and focusing on a county-wide strategy for example a) improving the digital infrastructure across Cumbria and b) tackling digital exclusion in a consistent way, having one voice in making the case for change.</p> <p>Existing countywide services will be brought closer to related services such as housing and leisure, and provide a robust platform for further health and social care integration.</p>

Sources: Digital Exclusion Heatmap 2017; Cumbria’s Local Industrial Strategy, 2019; LGA Corporate Peer Challenge Position Statement

Limitations of the current two-tier structure: infrastructure, housing and physical assets

58%

of workers travel to their place of employment by car

£170,224

the median house price in Cumbria

Key areas of ambition in Cumbria

Infrastructure, housing and physical assets

Housing growth and affordability with infrastructure and physical assets that allows for more connected and sustainable communities.



Two-tier system disadvantages

The coordination of transport and infrastructure initiatives is difficult in the current set up of local government in Cumbria where clear direction and focus are especially relevant due to the sparsity in parts of the county. The limitations of the current ways of working are evidenced by the fact that 58% of workers travel to their place of employment by car, compared to a national average of 55%. To change behaviours and put the infrastructure in place to make a difference there needs to be a unified response to change which is aligned across the county and beyond. This is difficult to achieve when there are multiple voices and priorities from the county and district councils.

Each of the Districts has its own local housing development plan that sets out objectives around housing growth. However the challenge in Cumbria is not only to increase the housing stock but to address the gaps in affordability across the county. The median house price in Cumbria is just over £170,224 which is lower than the English average of £235,173. However, in certain parts of the county, the average house prices are ten times greater than the median annual income. Affordability should be a priority and although the Cumbria Housing Statement is a joint statement, fragmented responsibility for housing across Cumbria fails to address this priority.

Opportunities presented by reform


Local government reform presents an opportunity to create a county-wide transport plan which is linked to economic development. Reform allows a more holistic view of the county's transport needs with the ability to work with partner organisations in a more agile way.

There is an opportunity to focus on the priorities of housing growth, affordability and community sustainability and implement these at a faster pace. Drawing together the housing functions of assessing needs, design, planning, infrastructure with those services where the consequential impacts are felt e.g. homelessness, adult social care, children and families. Reform will enable us to re-evaluate the impact that housing has on other ambitions, such as ensuring housing meets changing needs over time and supporting older and vulnerable people to live independently at home for longer.

Sources: Cumbria's Local Industrial Strategy, 2019; Cumbria Observatory (using JSNA data); Cumbria Housing Statement 2020; CACI 2020

Limitations of the current two-tier structure: public value for money

Moving to a unitary authority and away from the two-tier model would provide much clearer transparency and accountability for the provision and leadership of public services for residents and partners.

Key areas of ambition in Cumbria	Two-tier system disadvantages	Opportunities presented by reform
<p>Public value for money Delivering outcomes for our residents which justify our provision of services to them</p> 	<p>Although districts and the County Council have a history of collaboration, some services are delivered by the County Council, such as Social Care, Public Health, Highways and Education, and others are delivered by the local councils, such as housing, leisure and refuse collection. Each Council has its own elected councillors, Chief Executive, senior management team and staff, whilst both the national park and healthcare governance include splits within the county, with two national park authorities across Cumbria, and seven NHS organisations which are not coterminous with county boundaries. This presents significant duplication of effort, bureaucracy and cost.</p> <p>Current arrangements across two tiers and seven separate organisation is a confusing landscape for residents. This creates a lack of clarity of which organisation to contact for service issues or with whom to direct community voices. This confusion can also be played out for local businesses, and other potential partners.</p> <p>Multiple sources of leadership in the system can also be challenging – particularly where there is no consensus, effort is spent on campaigning and persuasion rather than delivering outcomes. This also disperses and weakens the voice of local government from the county to central government, to partners, and to the public – where councils cannot speak with one voice.</p> <p>It is widely recognised that current ways of working in two-tier areas are reaching the limits of what can be achieved, given continuing increases in demand, pressure on funding and on the finances of council tax and business rate payers. Re-thinking the way in which services are delivered will be essential if the country is to secure a fair recovery which focuses on improved outcomes for all citizens, maximises the effectiveness of services and minimises the cost of government.</p>	<p>A unitary authority model would provide much clearer transparency and accountability for the provision and leadership of public services for residents and partners. Currently disjointed and separate services could more easily collaborate from within the same organisation, and work more coherently to a single strategy – whilst removing service duplication.</p> <p>The creation of a unitary authority also offers more flexibility for achieving double devolution and local empowerment – for Cumbria’s parish and town councils, area boards and community networks to make decisions and take on budgetary powers. This will support more truly local empowerment and delivery.</p>

Limitations of the current two-tier structure: contribution to strong economic growth

The average age is growing rapidly, with the active workforce decreasing

6%

between 2009-2019

Key areas of ambition in Cumbria

Contribution to strong economic growth
Driving economic recovery, delivering inclusive growth, growing skills, and attracting talent



Two-tier system disadvantages

Cumbria is home to a diverse range of communities, with different levels of income, employment, and opportunities. A two-tier system cannot guarantee the development of single economic growth, skills development and workforce strategies that are coherent across the county, and make a cohesive contribution to levelling up in the North. Two tiers risks competing strategies, cannibalisation of the labour market, and incoherent priorities between different places in the county. We need a system that creates simplicity and clear leadership so that we can face the significant challenges of post COVID-19 recovery, economic recession, declining working population, and disruption in our key industries in a clear and consistent way.

Opportunities presented by reform

Local government reform in Cumbria will allow clearer and stronger leadership to drive economic recovery, growth, and social inclusion. Bringing together the different partners as required to create career opportunities and attract and retain talent to live and work in Cumbria. The creation of a unitary authority presents an opportunity to do this through a single voice, and a more coordinated approach in a way that the two-tier system does not.



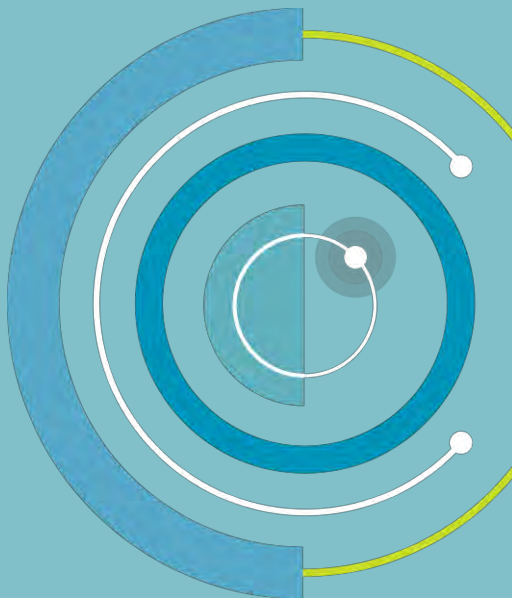
04

appraisal of reform options



Options appraisal: section outline

This section sets out three options for the future of local government in Cumbria and an assessment of each against the Government's criteria for local government reform. These three options have been selected based on discussions with key Cumbria County Council stakeholders, experience of local Government reform elsewhere and previous consideration of local government reform proposals within Cumbria.



The options have been assessed against seven criteria within a framework set out by the Ministry for Housing, Communities and Local Government (MHCLG). The contents of this section are summarised in the table below:

Summary of options

Qualitative analysis of the options. This is a high level view of the advantages and disadvantages of each option from a qualitative perspective with an indication of the level of impact on the criteria for each option. This is assessed against the following MHCLG criteria:

Improves outcomes and services



Stronger & more accountable leadership



Immediate and long-term sustainability



Broad stakeholder support



Population size



Financial analysis of the options. This includes the overall cost / benefit analysis; the required level of investment; the payback period (when total benefits exceed total costs); the breakdown between reorganisation and transformation costs and benefits; and the ongoing benefits of each option. This is assessed against the following MHCLG criteria:

Value for money and efficiency



Cost savings & recovering costs of change



Options appraisal summary

Summary of options

Background and Introduction

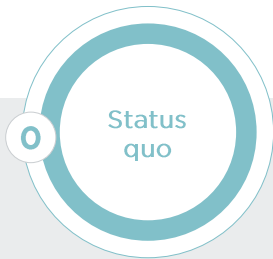
The three options for the future of local government in Cumbria are set out in the table opposite. The table shows the geographical attributes of the option, the estimated population and the rationale for selecting that option.

	Scope	Geography	Estimated population*	Rationale
0	Status quo	As-is, retaining all existing councils i.e. one county council and six district councils.	c500k	The status quo option has been selected to demonstrate the 'as is' position and provides a baseline against which the other two options can be measured.
1	Single unitary authority	The creation of a new single tier county wide Unitary Council.	c500k	These options have been selected given their identification as potential options in previous local government reforms both within Cumbria and nationally.
2	Two unitary authorities**	The creation of two new single tier unitary Councils which between them cover the county.	c250k	

* Based on 2018 population estimates.

** It should be noted that Option 2 has not been modelled on a specific configuration of existing districts within Cumbria but using average figures taken across all six districts as there is no clear consensus across the county as to what the configuration of a two unitary model would be.

The three options



Cumbria is currently administered by Cumbria County Council and six district councils (with Town and Parish Councils in many areas across the county). The first option is for the current local government arrangements to continue, this options does not involve any structural reform. It is a 'do nothing' scenario and reflects current ways of working. There would be the retention of existing democratic and representative arrangements and the six district councils and Cumbria County Council would continue to develop their collaborative ways of working, with an aim of improving customer experience.

Given that this scenario does not involve any change to the existing model, there are no additional financial or qualitative benefits from the current position.



This option would create a new single tier authority that covered all of Cumbria and provided all local government services within the area. This would be a new organisation and replace the existing six district councils and County Council. Although this would be a new council the County Council would be the 'continuing authority' to help to smooth transition and utilise existing arrangements where appropriate. There would be no structural change to existing Town and Parish Councils, but the intention would be to strengthen their role through local devolution, and options would be explored for unparished areas and opportunities for networks / clusters.



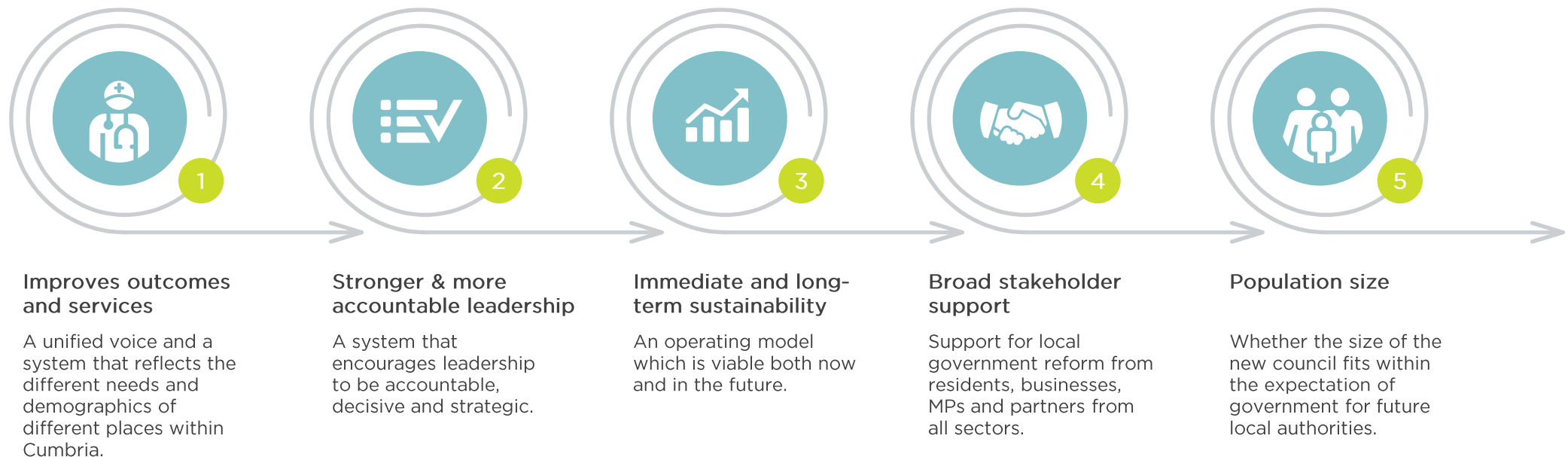
This option would lead to the creation of two unitary authorities that covered Cumbria. There is no clear consensus as to what the make up of each of these unitary councils would be i.e. which existing district councils would form part of the two new unitaries. Whatever the final boundaries of two unitaries, by its nature it will create artificial boundaries for our communities. Therefore this option has been assessed based on the assumption that three existing districts would form each new unitary and average across the districts have been used to assess the financial impact. There would be no structural change to existing Town and Parish Councils, but the intention would be to strengthen their role through local devolution, and options would be explored for unparished areas and opportunities for networks / clusters.



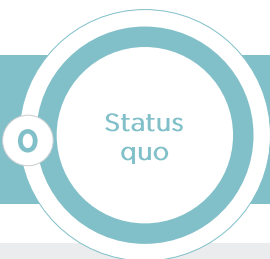
Qualitative analysis

Approach to our qualitative analysis

As part of this business case, we have considered how each option might satisfy the qualitative criteria within a framework set out by the MHCLG. Any proposal or business case must satisfy these criteria. Below are the five criteria and the following slides will set out the advantages and disadvantages of each option against these five criteria.



Qualitative analysis

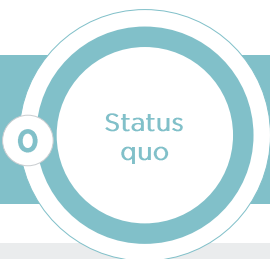


Option 0: status quo

Set out opposite is a high level view of the advantages, disadvantages and impact of Option 0 on the criteria:



Criteria		Impact
Improves outcomes and services	Advantages Existing plans to transform services can take place without any structural disruption. There are already plans for transformation for the residents of Cumbria. Existing relationships, collaboration and partnerships in place.	Low
	Disadvantages Limitations of two-tier local government remain. Although there is some positive partnership working, there are inherent complications for residents and businesses in the current system of local government within Cumbria. This option is unlikely to be able to deliver the scale and pace of transformation required to fully meet national and local challenges.	High
Stronger and more accountable leadership	Advantages There is well established leadership across Cumbria within the public sector. Existing alignment already in place with key strategic partnerships reduces complexity during the transition period.	Low
	Disadvantages Retaining both county and district leadership structures is complex and potentially confusing for residents. It provides less clarity on who should be accountable for what. Key strategic issues such as transport and economic growth are impacted by having a variety of voices across Cumbria slowing decision making and often providing less clarity. This option doesn't address this issue.	High

Qualitative analysis



Option 0: status quo

Set out opposite is a high level view of the advantages, disadvantages and impact of Option 0 on the criteria:


Criteria		Impact
Immediate and long-term sustainability 	Advantages Local government in Cumbria has a proud track record of delivering successful outcomes for our people.	High
	Disadvantages Although local government in Cumbria has shown its resilience, current challenges around COVID-19 and Brexit have put the current ways of working under increasing pressure. There is a significant risk that this situation is not sustainable.	High
Broad stakeholder support 	Advantages The retention of the status quo would incur the lowest cost and would result in no structural change so would be an easier 'sell' for many stakeholders.	Low
	Disadvantages Based on work to date there appears to be no appetite across the public or private sector to continue with the local government status quo in Cumbria.	Medium

Qualitative analysis



Option 1: single unitary authority

Set out opposite is a high level view of the advantages, disadvantages and impact of Option 1 on the criteria:


Criteria		Impact
Improves outcomes and services 	Advantages This will serve as a catalyst for reforming and transforming public services in Cumbria to improve outcomes for Cumbrians, building on the best. There is also an opportunity to rethink, reform, and reimagine service delivery - both rural and urban - using data which allows us to look forwards, not backwards. A joint single-organisational approach would be simpler for customers to understand and access, improving their experience. An opportunity to build on the work during COVID-19 to support and facilitate local communities by having a single coordinating role for local government. More effective collaboration on a regional and national basis to enable Cumbria's voice to be heard more and deliver better outcomes. One unitary authority allows for consistency of a strategic approach and the ability to address inequalities across the county in a way that two unitaries does not.	High
	Disadvantages The potential impact on services during transition, reorganisation and transformation could impact on short term service delivery.	Medium

Qualitative analysis



Option 1: single unitary authority



Set out opposite is a high level view of the advantages, disadvantages and impact of Option 1 on the criteria:

Criteria	Impact
<p>Stronger and more accountable leadership</p>	<p>Advantages</p> <p>A single authority will strengthen our leadership model, providing single system leadership that will have the freedom to be more ambitious in striving for better outcomes. Accountability for residents and partners will be clearer.</p> <p>Cumbria local government will speak with one voice. This option will support businesses to set up and grow through creating a single, integrated offer for the support they need.</p> <p>Simplicity with single leadership. This will ensure the county secures the investment, devolution and support to achieve our economic aspirations and deliver Cumbria's Industrial Strategy.</p> <p>Our ability to collaborate with businesses, the third sector, and local communities will be far stronger.</p> <p>Existing county-wide authorities such as the Police & Crime Commissioner, the Local Enterprise Partnership, Cumbria Tourism, and Cumbria Association of Local Councils will be able to work with a single, accountable authority.</p> <p>Strengthened town and parish councils, empowering local places to take on more powers and responsibilities and play a greater role in local decision making and service design and delivery.</p>
	<p>Disadvantages</p> <p>Perception of reduced representation at a local level which may lead to residents not feeling a sense of identity with the new unitary authority.</p>

Qualitative analysis

1 Single unitary authority

Option 1: single unitary authority
 Set out opposite is a high level view of the advantages, disadvantages and impact of Option 1 on the criteria:


Criteria		Impact
 Immediate and long-term sustainability	Advantages Organisational efficiency will improve our ability to modernise local government more rapidly and bring it into the 21st century. Our workforce will be more connected and agile. Residents will be digitally empowered and be able to navigate support more easily. Cumbria has a credible geography for reform, with the LEP aligned to the county boundaries. This provides a strong basis for long-term sustainability.	Medium
	Disadvantages The operating model is not immediately sustainable as it requires upfront investment for both reorganisation and transformation.	Medium
 Broad stakeholder support	Advantages Many stakeholders and partners are backing the need for change. We have support from across the county in favour of local government reorganisation. The system of public services in Cumbria have been discussed over many months and years. We all want greater collaboration and a modern public service model fit for the 21st century. Better more meaningful engagement with customers and the need to strengthen our connections and devolve more power to local communities.	Medium
	Disadvantages There would be a number of local government stakeholders resistant to a single unitary.	Medium

Qualitative analysis



Option 2: two unitary authorities

Set out opposite is a high level view of the advantages, disadvantages and impact of Option 2 on the criteria:


Criteria		Impact
Improves outcomes and services 	Advantages A two unitary system would be simpler for customers to understand and access, improving their experience. An opportunity to review existing community engagement and deliver more localised engagement, through the Thriving Communities framework. The ability to be more aligned in some e.g. housing, social care, leisure to meet ambitions set out in the JSNA etc.	Medium
	Disadvantages The potential impact on services during transition, reorganisation and transformation could impact on short term service delivery. Creating two standalone organisations would lead to difficulties in establishing two parallel children’s, adult social care and public health teams. This would lead to a risk of disruption of children’s service improvement. There may be unintended consequences for place based services. This is in particular relation to healthcare arrangements which is split between Lancashire and South Cumbria and NHS and North Cumbria NHS Foundation Trust. Having two Directors of Public Health, two Public Health teams, and two commissioning functions would not be deliverable within the current resource allocated to Cumbria due to the strategic and cross-cutting role of Public Health across all policy and delivery areas, a shared service across two councils would pose significant risks.	Medium to high

Qualitative analysis



Option 2: two unitary authorities

Set out opposite is a high level view of the advantages, disadvantages and impact of Option 2 on the criteria:



Criteria		Impact
Stronger and more accountable leadership 	Advantages The proposition is to create two new councils which allow for a more focused voice for Cumbria – to ensure the county secures the investment, devolution and support to achieve our economic aspirations and deliver Cumbria’s industrial strategy. This option will support businesses to set up and grow through creating a single, integrated offer for the support they need. Place based leadership to support the COVID-19 recovery and help regiment local resources. Clearer accountability and transparency for the public by having a single tier of local government with clear line of sight on elected Members within an area.	Medium
	Disadvantages Cumbria will need two separate management teams for operations, for instance, in social care where there is a large service delivery. This could create confusion over accountability and leadership between the two authorities. Reduced representation at a local level which may lead to residents not feeling a sense of identity with the new authorities.	Medium to high

Qualitative analysis



Option 2: two unitary authorities

Set out opposite is a high level view of the advantages, disadvantages and impact of Option 2 on the criteria:

Criteria		Impact
Immediate and long-term sustainability 	Advantages	
	Sustainability through reorganisation and transformation of local government. There would be the opportunity to develop a shared service approach across the two organisations as part of a transformation programme.	Medium
	Disadvantages	
	There is no consensus over the composition of new unitary and it may not have a historical basis to sustain its profile.	Medium
Broad stakeholder support 	Advantages	
	Many stakeholders and partners are backing the need for change. A two unitary model will gain some support with some local government stakeholders.	Medium
	Disadvantages	
	There appears to be no consensus on what a two unitary model might look like in Cumbria.	Medium

Qualitative analysis



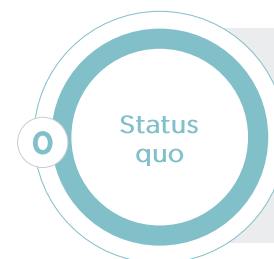
Population analysis

As part of MHCLG's evaluative framework, the size of the population, that a new organisation administers, is assessed. Previous guidance suggests that this should be between 400,000-600,000. The current district and county boundaries are coterminous and so the single authority would cover the same geography as the seven existing councils and therefore, the same population size would continue to be covered. Current and projected populations are set out below*, which shows which of the three options would satisfy this criteria.

District	2018 population estimates (updated April 2019)	2031 projected population
Allerdale Borough Council	97,761	96,800
Barrow Borough Council	67,049	62,900
Carlisle City Council	108,678	109,600
Copeland Borough Council	68,183	64,900
Eden District Council	53,253	52,600
South Lakeland District Council	105,088	102,800
Total	500,012	489,600

Source: ONS

Assessment of the three options



Option 0: The status quo would not require any structural changes to local government in Cumbria so this consideration is **not applicable**.



Option 1: A single Unitary Council would result in a population of c500k, **meeting** the Government's population criteria.



Option 2: If the assumption is that two unitaries were based on average population sizes then this would result in two councils covering populations of approximately 250,000 people. This **would not meet** the Government's population criteria.

Financial analysis

Introduction to the financial case

This section will outline the overall financial costs and benefits for options 1 and 2 and evaluates whether the options satisfy MHCLG’s criteria of providing ‘value for money and efficiency’ and ‘cost savings and recovering costs of change’. Option 0 will not be modelled as there will be no additional financial benefit or cost of maintaining the status quo which is a ‘do nothing’ scenario.

This table summarises the financial analysis undertaken. A tick represents where the benefits and costs have been analysed and a cross symbolises where the benefits and costs are not applicable.

These figures are based on certain assumptions (which can be found in the Appendices) and further detail will be required through the progression of this proposal into implementation. Where referenced, some of these assumptions have been based on PwC’s experience in working in the local government sector. We have modelled the impact of council tax harmonisation over a five year period for both options 1 and 2. This covers the scenario where council tax levels will converge on the lowest current council tax figure.

	0 Status quo	1 Single unitary authority	2 Two unitary authorities
Scenario A The reorganisation of local government across Cumbria with no transformation of current ways of working.	⊗	✔	✔
Scenario B Assesses the impact of transformation based on PwC’s experience of the lowest expected costs and benefits from local government transformation, it is not Cumbria specific.	⊗	✔	✔
Scenario C An assessment of transformation in a ‘Stretch’ case to reflect the current progress of transformation work in Cumbria and the ambition for further transformation within Cumbria (see our proposition section).	⊗	✔	✔

Context

Cumbria County Council has demonstrated a strong track record of delivering quality outcomes for its residents. However, like many local government areas, the council has been experiencing increasing financial and service demand pressures and we now face a significant challenge to meet our funding gaps and continue effective public service delivery.

Over the past decade the Council has made savings of over £272m, with latest estimates highlighting savings of £44m to be delivered between 2020-2025

Financial analysis: our approach

Methodology

Our approach to the financial case for reorganisation and transformation assesses the benefits, costs and payback period for the three options identified. This enables us to understand the length of time for these savings to cover the costs of reorganisation and transformation and then compare the financial impact across the three options. Further work will be undertaken to refine these benefits and costs in future stages of the proposal for reform.

1

The financial calculations will consider the costs and benefits of the following scenarios:

- i. Transition from a two-tier model to a single unitary
- ii. Transition from a two-tier model to a two unitary model

2

The following costs and benefits will be considered:

- i. **Benefits of aggregation:** Weightings applied to three types of spend, with percentage reductions then applied. Democracy benefits use the number of districts multiplied by an average cost.
- ii. **Transition costs:** Fixed costs and proportional redundancy costs incurred (excluding disaggregation). These are one off costs of reorganisation.
- iii. **Disaggregation costs:** This is the additional recurring cost of splitting county-wide services into multiple unitaries. This would also include the **reduction in benefit from reorganisation to multiple unitaries**, as opposed to a single unitary option.
- iv. **Transformation benefits and costs:** The further potential benefits associated with base and stretch transformation.

3

Data sources and assumptions applied

The data sources and assumptions that are applied are a combination of publicly available data, some benchmarking, data from Cumbria County Council and experience of completing similar work on local government reform business cases in other areas. The assumptions have been refined and validated with representatives from Cumbria County Council.

Financial analysis: our approach

Approach to reorganisation

At its most basic level, the proposal to move from seven councils offers a clear opportunity to reduce the level of duplication present in the current system. A single unitary authority for Cumbria will need fewer councillors and senior managers, smaller support functions, fewer offices and IT systems than the current structures. The new organisation would be larger and therefore also benefit from economies of scale. Furthermore, reorganisation presents an opportunity to simplify service provision, which would lead to savings that arise from the rationalisation of services and delivery staff currently being provided across a two-tier model at both a county and district level.

Approach to transformation

Should reorganisation take place in Cumbria, we believe there is an opportunity to do something more ambitious than simply rearrange the existing administrative boundaries and responsibilities. The process of reorganisation could also be used as the catalyst to deliver a 21st century model of local government, and genuine transformation of the way in which local government in Cumbria operates.

Creating a new organisation presents Cumbria with an opportunity to make major changes to the way outcomes are achieved and services are delivered. Reorganisation combined with an ambitious transformation programme would strengthen the council's system leadership role as well as re-design interactions with customers and partners, back office services and other enabling activities.

This assessment has taken into account the following elements of Cumbria's operating model that would be transformed in Scenarios B and C:

- **Customer contact and assessment:** how residents, businesses etc initially interact with a Council be it through enquiries, payments, assessments etc
- **Service delivery:** how services are actually delivered
- **Support Services:** the support process transactional activities e.g. the procure to pay process occur across all service areas covering processes such as property, HR, finance etc

Scenario B assesses the impact of transformation based on PwC's experience of the lowest expected costs and benefits from local government transformation, it is not Cumbria specific. The assumptions for this are set out in the Appendices.

Scenario C is an assessment of transformation in a 'Stretch' case to reflect the current progress of transformation work in Cumbria and the ambition for further transformation within Cumbria (see our proposition section). This has been factored into more ambitious assumptions around potential efficiencies, these are set out in the Appendices.

Financial analysis



Financial summary: The costs and benefits of Options 1 and 2 (reform to one and two unitaries respectively) have been assessed against the base position of Option 0 (status quo). These have been modelled against the three scenarios set out. The graphs below summarise the costs and benefits for each scenario. A more detailed breakdown of the figures can be found in the Appendices.

Scenario A: Reorganisation only headlines

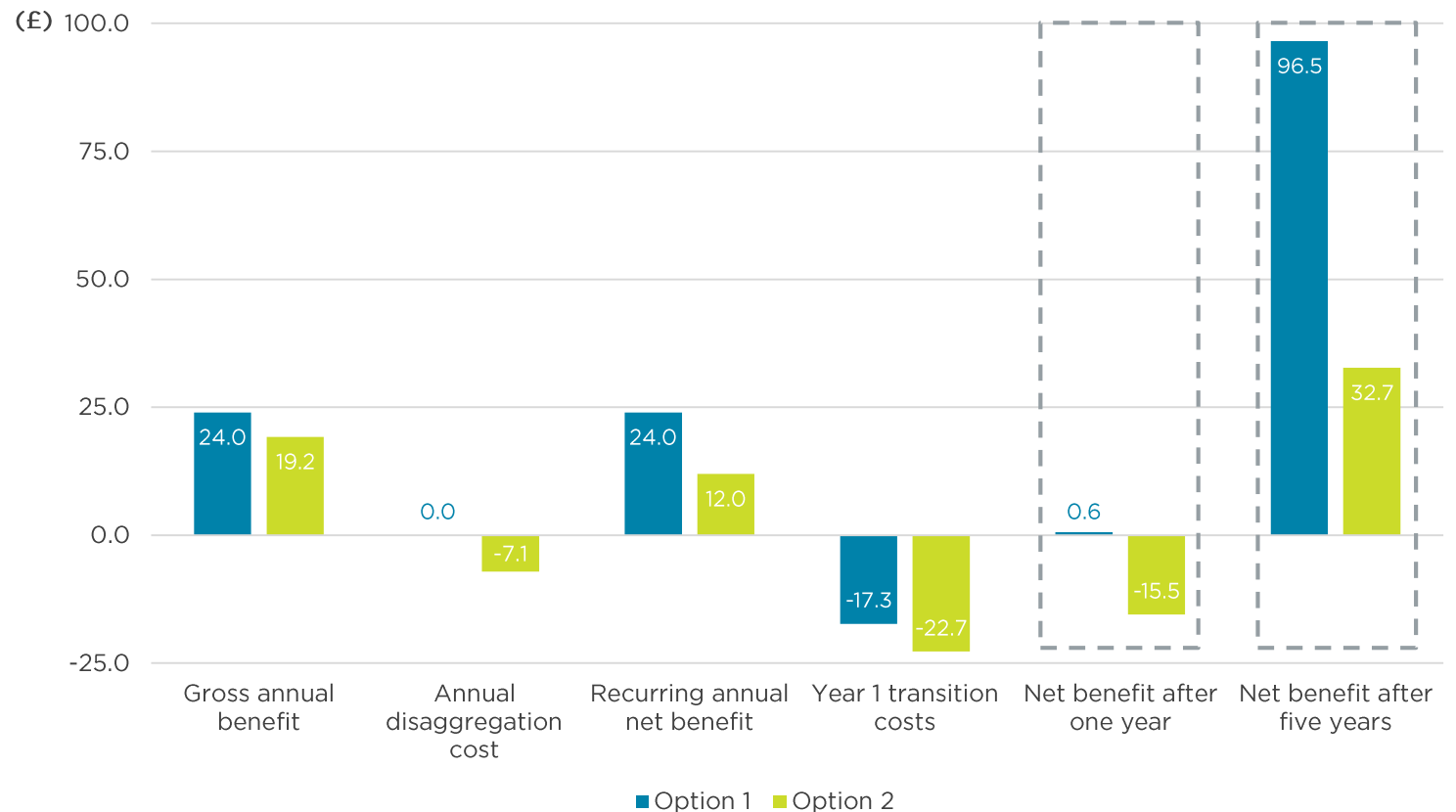
The analysis shows that for both Options 1 and 2 over a five year period a net benefit is generated in comparison with Option 0.

The recurring net benefit of **Option 1 is double that of Option 2 (£24m against £12m).**

The payback period i.e. when savings generated exceed costs incurred is **less than a year for Option 1**, a net cost of over £15m would be incurred for Option 2 after one year.

The net benefits of Option 1 over five years are almost three times higher than the benefits for Option 2 (£96.5m against £32.7m).

Reorganisation only: key benefits and costs for Options 1 and 2



Financial analysis



Financial summary: The costs and benefits of Options 1 and 2 (reform to one and two unitaries respectively) have been assessed against the base position of Option 0 (status quo). These have been modelled against the three scenarios set out. The graphs below summarise the costs and benefits for each scenario. A more detailed breakdown of the figures can be found in the Appendices.

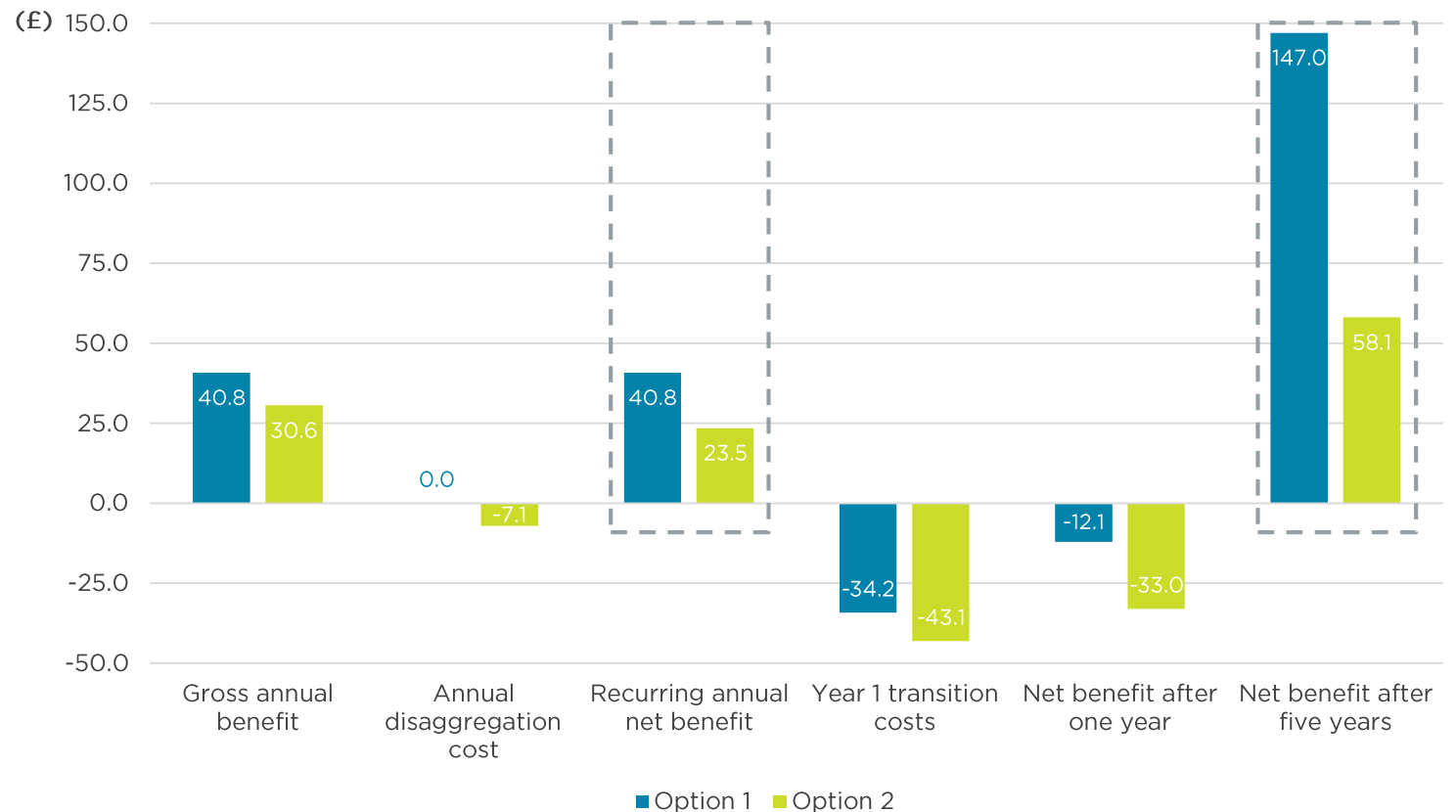
Scenario B: Base transformation headlines

The annual recurring net benefits for Option 1 are an additional £16.8m per annum higher than those generated by just reorganising (£40.8m against £24m).

Transition costs for transformation are all incurred in the first year, whilst only 25% of benefits are assumed to be realised.

The five year net benefits of Option 1 are **more than double** those of Option 2 (£147m against £58.1m).

Base transformation: key benefits and costs for Options 1 and 2



Financial analysis



Financial summary: The costs and benefits of Options 1 and 2 (reform to one and two unitaries respectively) have been assessed against the base position of Option 0 (status quo). These have been modelled against the three scenarios set out. The graphs below summarise the costs and benefits for each scenario. A more detailed breakdown of the figures can be found in the Appendices.

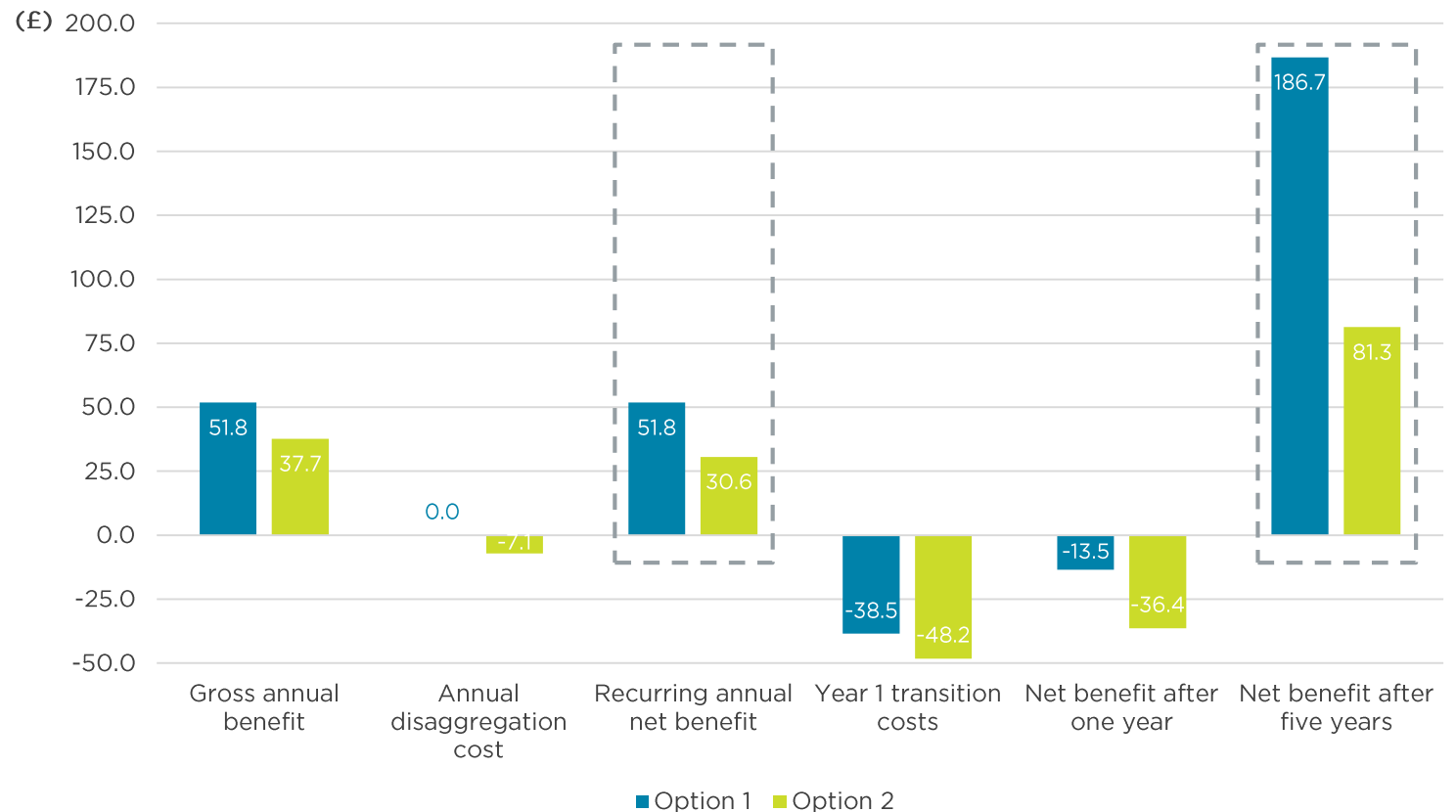
Scenario C: Stretch transformation headlines

The annual recurring net benefits in this scenario are an additional £11m for Option 1 compared to the base transformation taking the annual savings to £51.8m to reflect a greater degree of ambition in the transformation.

These savings are c.£21m per annum more than Option 2 (£51.8m against £30.6m).

Over a five year period net benefits for Option 1 are **more than double** those of Option 2 (£186.7m against £81.3m).

Stretch transformation: key benefits and costs for Options 1 and 2



Financial analysis

Council tax harmonisation

When capturing the impact of reform, it is important to think about the need for the current varying district rates to equalise in the near future, whilst protecting income for residents and the council. The table opposite shows the differences in income lost to the Council, through an example five year harmonisation period **to the lowest** district rate for Option 1 and Option 2, where at the end of the five years the rates are equal. The harmonisation has been **to the lowest** district rate as to harmonise to the average or highest rate of council tax would require an increase in annual council levels of beyond 1.99% which is the maximum level permitted. It should be noted that the difference in Band D council tax rates in the six districts of Cumbria are already closely converged compared to many other counties with the difference between the highest and lowest district being **less than £30 per annum**.

As Option 2, a move to two unitary councils, does not yet specify a combination of districts in each unitary. An example scenario has been used in which the two districts with the highest and lowest current rates (Copeland and Carlisle respectively) are in different unitaries, so the least income is lost for the new unitary councils combined. Once approval is given, it is assumed that harmonisation would begin in the year the new unitary council is established.

Harmonisation to the lowest district rate	Annual income lost (£000s)					Total income lost (£000s):
	Year 1	Year 2	Year 3	Year 4	Year 5	
Option 1 Single unitary	349	711	1,085	1,472	1,873	5,489
Option 2 Two unitaries	Example Unitary A	107	219	334	454	578
	Example Unitary B	213	433	660	894	1,137
						5,027

It is clear that, even given the lower impact of harmonisation in a two unitary scenario which has been modelled, the difference in **impact on council funding is unusually small between unitary options**, and the total impact over five years only totals a **maximum of £5.5m**. This in addition means £5.5m additional to the taxpayer over these five years - ensuring reform is maintaining and growing public value for money.

This is due to the current district rates being relatively close together, so the highest rate in a unitary authority is not significantly slowed in order to meet the lowest rate over five years. The current council tax landscape in Cumbria, therefore, does not pose a significant challenge to reform.

Options appraisal summary

Qualitative summary

The relative merits of each option have been considered during the decision making process. Overall, based on the qualitative analysis, the preferred option is Option 1. We are confident this meets the necessary criteria.

MHCLG criteria for Local Government reform

	0 Status quo	1 Single unitary authority	2 Two unitary authorities
Improved outcomes and services	<ul style="list-style-type: none"> More complexity due to County Council and district councils offering different services. 	<ul style="list-style-type: none"> Single voice to citizens, improved access to services. 	<ul style="list-style-type: none"> Unintended disruption to existing place based services, particularly social care.
Stronger and more accountable leadership	<ul style="list-style-type: none"> Limitations of two-tier government remain, with inherent complications for residents. 	<ul style="list-style-type: none"> Strong strategic leadership with clear accountability, that supports local devolution. 	<ul style="list-style-type: none"> Two separate management structures could create confusion and a lack of accountability.
Immediate and long term sustainability	<ul style="list-style-type: none"> Increasing pressure from COVID-19 and Brexit places significant risk on current structure. 	<ul style="list-style-type: none"> Sustainability through stronger leadership and more joined up service delivery. 	<ul style="list-style-type: none"> There is no consensus over the composition of new unitary and so model not sustainable until this has been agreed.
Broad stakeholder support	<ul style="list-style-type: none"> A low level of support for status quo. 	<ul style="list-style-type: none"> A number of stakeholders have expressed desire for reform. 	<ul style="list-style-type: none"> A number of stakeholders have expressed desire for reform.
Population size	<ul style="list-style-type: none"> This criteria is not met at district level. 	<ul style="list-style-type: none"> Would fall within MHCLG criteria of c. 400-600,000. 	<ul style="list-style-type: none"> Would be much smaller than the MHCLG criteria of c. 400-600,000.
Overall	<ul style="list-style-type: none"> Does not meet the criteria 	<ul style="list-style-type: none"> Meets the criteria 	<ul style="list-style-type: none"> Partially meets the criteria

Key:

- Meets the criteria
- Partially meets the criteria
- Does not meet the criteria

Options appraisal summary

Financial summary

Reorganisation

By merging the seven councils to create a single unitary authority, Cumbria could achieve an annual net benefit of **£24m** (once fully realised). This would be for a one-off investment of **£17m** and the cost would be recovered within less than a year. The savings in option 1 are double the reorganisation savings than what would be achieved in option 2 (£12m) by creating two unitaries.

Local government reorganisation that creates a single unitary council is the most cost effective model for Cumbria.

Transformation

Reorganisation alone would not realise the full range of potential for saving opportunities. For Option 1, a transformation approach could deliver a recurring annual net benefit of between £41m to £52m in the base and stretch transformation respectively. By 2024-25 this is expected to produce a cumulative net benefit of between £147m to £187m.

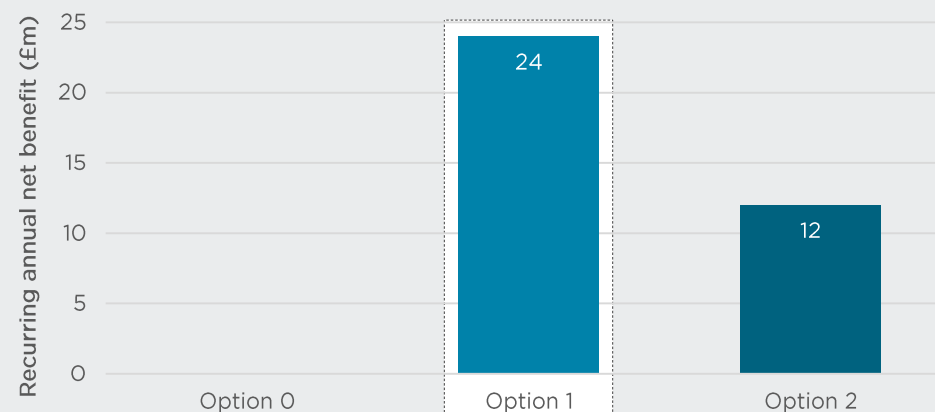
Through the process of reorganisation and transformation, these benefits should also facilitate a clear focus on sustainable and inclusive growth, and strengthen the opportunity around future devolution. Local government in Cumbria will be able to invest these efficiencies into its strategic objectives to make a significant difference at a local, regional and national level.

The stretch transformation scenario would give the greatest efficiencies and contribute most to re-investing in priority outcomes for Cumbria.

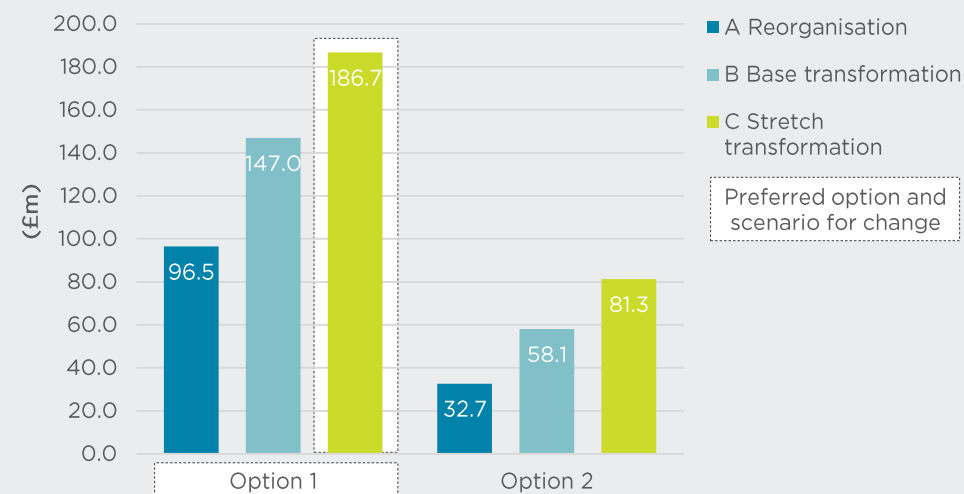
Meeting the MHCLG criteria

Option 1 clearly meets the criteria of being *'value for money and efficiency'* and *'cost savings and recovering costs of change'*. Option 2 would still generate savings, although the loss of benefit from disaggregation would limit the extent to which this option meets the criteria of *'cost savings and recovering costs of change'*.

Recurring annual net benefit following reorganisation



Estimated cumulative net benefit after five years



05

our proposition



Our proposition: section outline

This section details our proposition for local government reform in Cumbria.

This is outlined in the following sections:

A single unitary for Cumbria and building on the best

Our vision for Cumbria

Our transformation ambitions: the following key areas will be explored:

Communities and families



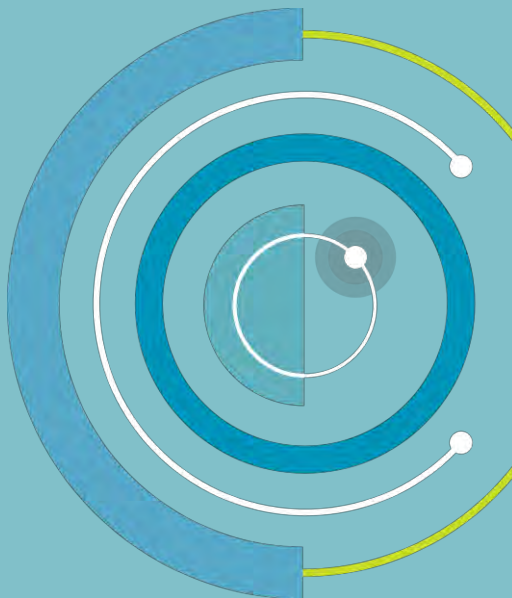
Infrastructure, housing and physical assets



Public value for money



Contributing to strong economic growth



A single unitary for Cumbria



We are proposing reform to a single unitary

Selecting Cumbria as part of the first wave of local government reform in 2020 will help the UK's economic recovery by securing improved performance at pace in key industries. Strengthen food, water and energy security in the wake of Brexit. Help the North to 'level up' through more inclusive economic growth and improve outcomes for both people and places in Cumbria.

Simplifying the current complex structure of local government to a single unitary authority will provide a springboard for accelerated change and improvement into the future.

Cumbria comes from a strong base which enables us to present a well-rounded case for reform. We have a track record of robust financial management and competent delivery despite increasing service demand pressures; and can deliver the transformation that is needed. We are committed to delivering the best outcomes for residents, we are well connected to communities, and have a history of collaborating with them to achieve great outcomes.

Cumbria has a credible geography for reforming to a single unitary. We have a strong sense of identity and natural community. We are a joined up functional economic area.

Reform from seven councils across Cumbria to a single unitary organisation will achieve transition at pace and will provide a catalyst for rapid reform, building on the best but with greater ambition for the future – delivering a modern 21st century local government solution for the whole of Cumbria.

A single authority will further strengthen our leadership model, simplifying local government into one voice – providing single system leadership and clear accountability in a way that multiple local government organisations cannot. This will enhance our abilities to deal with the challenges of the future – climate change, economic recovery, and creating a more inclusive society.

Reform will help create and deliver simpler access to services for citizens – putting the customer at the heart of everything – removing confusion from having to interact with multiple local government organisations by providing a single customer point of access.

A draft set of design principles for a new council can be found in the Appendices.



Building on the best

A single unitary authority in Cumbria will be a vote to build on the best of Cumbria, using this to accelerate future change and improve outcomes from an already strong base.

Further strengthening our local government's leadership of the system on key strategic priorities: education and skills, economic growth, health and wellbeing outcomes, public health. Allowing us to serve residents and the national agenda in an even more effective and focused way.

A track record of collaboration led by the county to drive change and improve outcomes. We have strong, positive relationships with Cumbria's districts, town and parish councils, communities, and wider partners that make us the natural facilitator to collaborative working.

As a county, our services and outcomes are strong and improving. Our Children's and Adults services continue to improve. Our approach to quality, affordable, mixed housing has exceeded targets; and our investment in infrastructure to strengthen connectivity (digital and physical) continues in partnership with the region and across nations.

Our vision for Cumbria

Reform will create one simple, strategic voice allowing for better connection with communities enabling Cumbria to deliver services even more effectively and efficiently, leading to better value for money for Cumbrian taxpayers.



Cumbria will be...

A great place to live

We will put people at the heart of everything we do. We will work with communities to help them to thrive and strengthen the role of Town and Parish councils. Thriving communities that are well connected, that support each other and have a strong voice to co-design what they want from public services.

Inclusivity will be our core aim. We will create opportunities for all, and refocus strategic housing, infrastructure and economic planning to be more inclusive of our communities that need it most.

We will continue to protect and sustain our breath-taking natural landscape for the benefit of the health and wellbeing of residents and visitors.

Joined up and simplified services that work together around one community, one family and one individual to help them identify their strengths, and to access the right support for them.

A great place to learn and earn

We will provide a great place to live, work, and play. More opportunities for skills and jobs that are relevant for the future. Personalised support for families and individuals that need it.

Access to the right skills and talent to help grow business; and innovation and world class facilities to support research and development.

Our young people will have opportunities to fulfil their potential in strong and growing industries – old and new.

Our economy will be a source of growth and innovation, attracting talent, facilitating collaboration, and growing skills locally.

Coupled with great connectivity, and beautiful natural assets that make Cumbria a great place to live and work.

Strong system leadership and a less complex public service landscape – with strategic partners able to talk to ‘one’ council instead of seven.

A great place for business

We will capitalise on our assets and strengths to revive the visitor economy, pioneer new industry, create and attract talent, and promote an inclusive and green recovery from COVID-19.

Our diverse economy, will support the backbone of British manufacturing, nuclear, clean energy and agri-tech industries.

Our infrastructure will be more resilient; and we will be a well-connected, modern rural county – open for business and work. Our digital infrastructure will support our businesses to grow.

A stronger voice and leadership for Cumbria to champion and contribute to growth across the North, and a number of other regional and sub-regional economic plans.

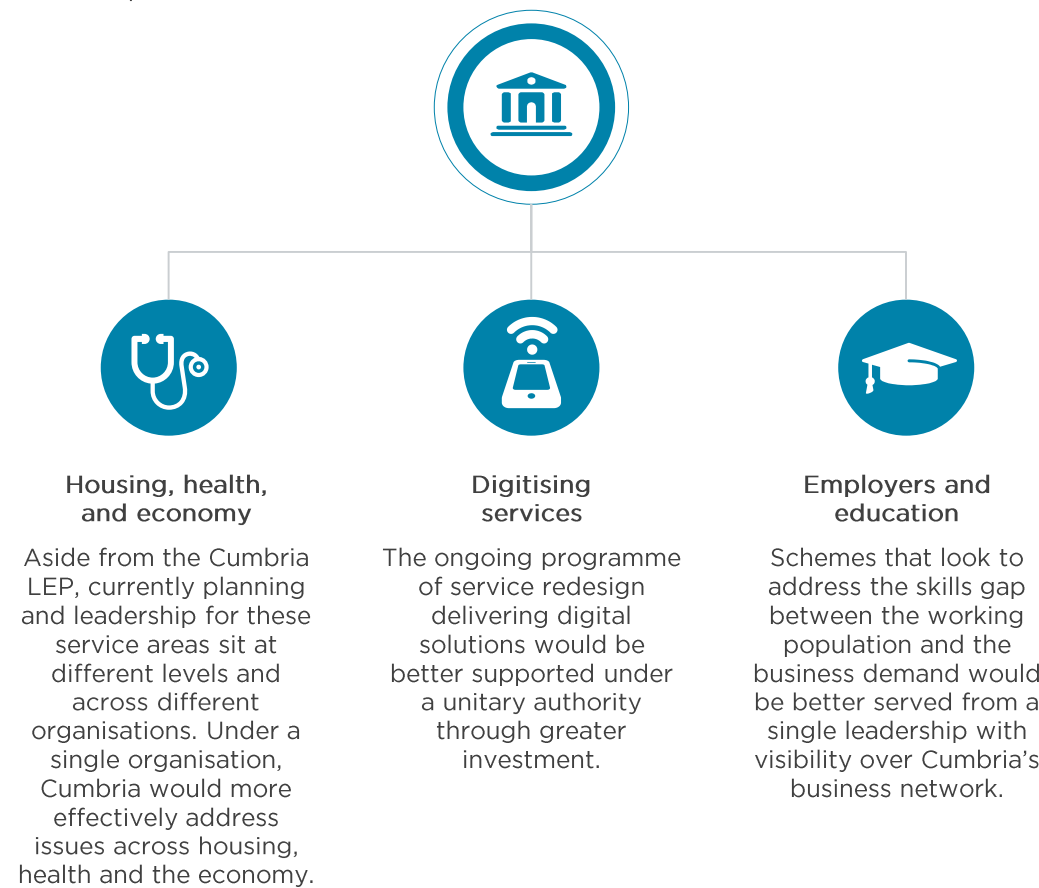
We will successfully drive delivery of the Borderlands Inclusive Growth Deal, and build on Cumbria’s geographical position connecting the four nations of the UK – our ports accessing the Irish Sea, and our position as a key route between England and Scotland – we are at the centre of the UK.

Our transformation ambitions





We have outlined our vision for Cumbria, and highlighted where reform to a single organisation will help to accelerate achievement of these goals and strengthen delivery.

The creation of a unitary authority allows the new council to optimise the links and strategy between some services areas that are currently disparate – to potentially improve outcomes and address holistically wider determinants of inequalities.

For example:



The following section covers the opportunities for Cumbria to deliver improved services and outcomes whilst operating as a unitary authority across a number of key categories:

-  **Communities and families**
-  **Infrastructure, housing and physical assets**
-  **Public value for money**
-  **Contributing to strong economic growth**

Our principles for designing our future organisation can be found in the Appendices.

Our transformation ambitions



Communities and families

A single, unified local government voice will enable Cumbria to engage more effectively with health and other partners on social care and the wider determinants of health and wellbeing outcomes. It is through the strong presence and voice of a single leadership, that stronger partnership relationships will be made and change will be delivered to improve outcomes for people in Cumbria. Our communities will continue to thrive and families will be better supported by a more connected, tailored approach that brings together housing, jobs, and social care.

Thriving communities

Cumbria's communities are so diverse – with different traditions and heritage, aspirations, experiences, skills and strengths. The diversity of our people is a major asset, and has been integral to our extremely strong social capital – with a strong base of willing volunteers as the bedrock of communities who have really looked after each other in the most trying of times. The Cumbria Social Enterprise Partnership (CSEP) Sector Support Programme is an example of supporting resilient communities. Further detail on this can be found as a case study in the Appendices.

Reform will build on the existing community networks. The new council, working with these different communities to co-design service delivery, will be at the core of the new council's offer; ensuring our support is tailored to local priorities, and supporting solutions that build on communities' unique strengths, aspirations and needs.

Together, we will tackle key areas of challenge: taking community action against isolation and disconnection; using local knowledge and experiences to tackle crime and antisocial behaviour alongside partners such as the police; and addressing other sources of inequality across the county.

Our proposal will ensure that there is not reduced representation at a local level. We will reimagine local service delivery by using this as an opportunity to accelerate a simplified digital offer. We will use the assets in our communities to deliver new approaches to face-to-face and local public service hub models.

Double devolution for communities

A unitary authority is a foundation for a future devolution deal for the county, but also locally. We will build on the strengths of our town and parish councils, and area networks, to empower local places to take on more powers and responsibilities. Given the size of some parish councils there is an opportunity for clusters to work together. We will review the roles of Area Boards and how they could support effective devolution. This will build on community networks, community engagement and power. We will use the strength of Cumbria's county identity to support consistency in the approach and maintain strategic direction.

For communities that do not have a town and parish council, such as Barrow-in-Furness and Carlisle, we will explore options for devolution that support their empowerment. We will seek ways to maximise local decision-making and local service delivery, for example co-design of solutions with communities, devolution of budgetary powers, local decision-making, and co-delivery of services. All with meaningful engagement with communities at the core.

We will review the democratic representation across the county and look at options to balance the need for a local democratic voice within a county wide framework.

We will begin by exploring devolution to enable local communities to improve the places they live – the local environment, the local cultural and leisure offer. We will build on Cumbria's strong tradition of resilient and vibrant communities; with a thriving community, voluntary and social enterprise sector to identify priorities and design services with our communities – not for them.

Our transformation ambitions



Communities and families

Raising the aspirations of children and young people

We will accelerate delivery of our aspirations for children and families. Building on our recent successes with partners in the Cumbria Children's Trust, we will have a renewed focus on achievement for our children and young people – and a whole-family, strength-based approach to support.

The Focus Family programme exemplifies a county-wide, multi-disciplinary and multi-agency team which aims to improve support for families with two or more serious issues. Further detail on this can be found as a case study in the Appendices.

We will develop a coherent approach to growing skills and opportunities for the future. All young people in Cumbria will have opportunities to learn new skills, find work, and fulfil their potential. There will be a single county strategy that brings together priorities for economic growth, opportunities for business, and developing local skills and talent to make sure they are mutually reinforcing. This will help support our goals to raise aspirations and provide opportunities for our young people, with a particular focus on those who come from more disadvantaged backgrounds.

We are creating a more supportive environment for creativity and cultural sectors to grow and flourish; and are promoting what Cumbria has to offer to national and international audiences.

Significant progress has been made for children and young people in Cumbria. We have achieved significant improvement over the last five years in Ofsted inspections. Further progress in improving opportunities and outcomes for our young people can be better delivered through a single organisation providing system leadership.

Improving population health and wellbeing

The Public Health Strategy – a partnership strategy with district councils and partners through the Cumbria Public Health Alliance – sets out a strengths-based approach to the wider determinants, whilst the Health and Wellbeing Strategy has also provided an example of effective collaboration which has had a positive impact on outcomes for people.

We will build on our population health approach to wellbeing, focused on reducing inequalities as well as improving outcomes for all Cumbrians. We have an ambition to enable Cumbrian communities to be healthier, have access to solutions that support local needs, and tackle health inequalities that exist across the county.

A county-led approach, supported by single local government leadership that can lead the wider system, will provide more impetus and weight in tackling some of our most difficult challenges. We will strengthen our commitment to:

- Protecting the health of the population as a whole
- Providing high quality, integrated, person-centred care
- Tackling the wider determinants of health and wellbeing – through some of our wider ambitions set out here, including in areas such as housing, jobs, and skills
- Improving health and wellbeing throughout the life course – emphasising our focus on young people and families

This will be achieved through an outcome oriented approach embedded in communities and services ensuring that:

- People in Cumbria are healthy and make positive choices about their wellbeing
- People remain independent and healthy for longer
- People access the right services in the right place at the right time

Sources: Cumbria Joint Health and Wellbeing Strategy 2019-2029; Cumbria Joint Public Health Strategy

Our transformation ambitions



Infrastructure, housing and physical assets

A single unitary organisation will allow us to bring together strategic planning for housing, transport, other physical assets and the economy – to create a dynamic, simplified and integrated approach to planning across the county. We are already working hard to drive housing and economic growth; regenerating and improving poor quality housing; and supporting people to live independently. Our investment in connectivity continues apace with projects like the Carlisle Southern Link Road moving forward and we will continue to act as an enabler for digital and social inclusion – with our regional partnerships driving increased digital connectivity for all of our residents.

Connectivity

Reform is an opportunity to reimagine how our diverse mix of rural and urban communities are supported and served. Our ambitions cover physical, digital and social connectivity to drive better outcomes for Cumbria's communities.

Access to digital connectivity is absolutely critical for accessing services, for businesses, and to sustain Cumbria's connected communities.

We will accelerate improvement of our digital connectivity, critical in the rural geography of the county – through our fibre connectivity and mobile connectivity. This ambition is already supported by our Borderlands Inclusive Growth Deal, building on the successful Connected Cumbria project which has secured the roll-out of superfast broadband across a large part of the county.

Physical infrastructure is the key enabling factor which connects communities and families, businesses, workers to jobs, and residents to education and learning, green spaces, leisure and cultural activities and other services. Cumbria benefits from some effective transport links, like the M6 motorway and the West Coast Mainline but improving connectivity within the county and to this national infrastructure is vital.

Cumbria's location is a key strength, connecting the four nations.

Reform will put the county in a better position, and with a stronger voice, to secure and deliver the necessary improvements to the reliability and resilience of transport links within Cumbria and out to Scotland, the North East and the rest of England.

Our ambition is Cumbria as a central transport link for the North; and strategic links with the East and West are improved. We can further build on the strong North-South links along the M6 corridor and the future arrival of HS2.

A new council, as a single highways and transport authority for the county, will provide the leadership to secure a stronger transport system which will facilitate greater inward investment and clean, inclusive economic growth, that will connect the workforce of the future with the learning and skills, and that connects communities.

Our transformation ambitions



Infrastructure, housing and physical assets

Regenerating town centres

A new council would have both the local focus and strategic capacity to support a more coordinated approach to the development of town centres and high streets – how they support local communities and their connectivity. Making sure best use is made of the Future High Street, Town Deal and Borderlands funding. Alongside physical regeneration of places, cultural regeneration will be central, building on Cumbria’s creative and cultural assets (festivals, venues, museums and heritage buildings, organisations, enterprises, and networks) and promoting this unique offer widely.

We will apply lessons learnt from the COVID-19 response to work with communities to co-design what the future of town centres and high streets will look like; considering radical and innovative changes to these spaces that can better support communities. We want these to be physical spaces that communities genuinely own, feel connected to, and feel supported by.

Equally, local businesses and social enterprises will be able to have their say and do business through a single, streamlined access point to local government guidance and support.



Our transformation ambitions



Infrastructure,
housing and
physical assets

2,000

new homes are targeted to be built in
Cumbria each year

£170,224

the median house price in Cumbria
(versus English national average of
£235,173)

Housing

We aim to bring strategic planning and housing closer together in a more holistic approach to 'place'. This will simplify this service offer and would enable Cumbria to continue to drive new housing delivery, providing the right mix of accommodation, in the right places and the right connections to support our broader economic and communities' outcomes.

Cumbria faces the challenge of a declining working population and needs to attract and retain talent in the future to support its industries, the economy and the region. Making our voice heard nationally and regionally, improving access to services and jobs, decarbonisation of networks as well as driving changes holistically across the county that bring housing, employment and skills agenda together, is something which can be done much more effectively following reform.

Overall, housing in Cumbria appears more affordable than across England but in certain parts of the county, house prices can be more than ten times median income, making housing affordability a major problem.

Index of Multiple Deprivation data also shows that Cumbria's rural areas face significant barriers in access to housing and services, and in the quality of their living environment. These are challenges that must be addressed if we are to attract and retain talent, and provide quality housing outcomes for Cumbria's residents.

Our housing stock priorities are to ensure there is continuous housing growth that is affordable, to support the planned increase in housebuilding, and ensure new housing supports its communities. For example, ensuring that second homes do not dominate housing markets, that there is adequate quality stock for new demand, and that rural communities are sustained and supported.

Regeneration of poor housing stock is also important. We will drive improvement of housing quality and choice. More carefully designed housing is needed to better flex to the changing needs of occupiers and enable residents to live independently, especially vulnerable populations.

There are targets to build 2,000 new homes each year in Cumbria – including a Garden Village in Carlisle. This would comprise a new mixed use development, including up to 10,000 new homes. This would mean building on our track record to further align infrastructure planning and delivery with housing growth.

As a single unitary organisation, local government engagement and partnership working with other relevant organisations (including the Health and Wellbeing Board and Local Enterprise Partnership) will be much simpler, and more connected. These partnerships are and will continue to play a vital role using improving physical assets to facilitate better outcomes and more inclusive communities.

Sources: Cumbria's Local Industrial Strategy, 2019; Cumbria Housing Statement 2020; CACI 2020

Our transformation ambitions



Infrastructure, housing and physical assets

Cleaner and greener growth

Our aim is to develop Cumbria's infrastructure to support greener growth and economic activity. This includes sustainable transport options, such as electric cars, cycling and walking, and making sure our economic priorities are balanced with the pressing need to address climate change.

A number of our key aims for creating cleaner and greener growth in Cumbria are:

- To develop the physical transport infrastructure to make it low carbon and more active
- To protect and enhance Cumbria's green and blue spaces, ensuring that everyone in the county has good access to a high quality natural environment
- To become a "carbon neutral" county and to mitigate the likely impact of existing climate change
- To improve air quality in Cumbria through action on transport, industrial, agricultural and domestic emissions
- To reduce the amount of waste produced in Cumbria through reduced material use, promoting greater product re-use, and improving recycling rates
- To ensure that economic development supports health and wellbeing and tackles inequalities by focusing opportunities on the most disadvantaged parts of Cumbria

Cumbria has a high quality natural environment and we are committed to protecting this environment for future generations. Reform will help drive and deliver a more holistic and consistent plan across the county, and allow Cumbria to be more ambitious in achieving better environmental and health outcomes.

Sources: Cumbria Joint Public Health Strategy



Our transformation ambitions



Public value for money

The County Council has delivered over a quarter of a billion pounds worth of savings since 2011 resulting in balanced budgets whilst improving key outcomes for our residents. Although there are many examples of effective partnership working between the County and district councils, seven different local government organisations limit the value for money for the residents of Cumbria.

Value for money is not only about reducing costs, it is also about how outcomes can be improved and resources targeted in the most effective way.

Immediate and long-term sustainability

As a single unitary authority, local government in Cumbria will be able to deliver at scale, with increased capacity, greater simplicity, and greater strategic coherence. We will be more streamlined, removing areas of duplication, and become more efficient in how we operate. Economies of scale will improve value for public money in the county. The efficiencies generated will allow us to think about our service delivery in a different way.

Organisational efficiency will improve our ability to modernise local government more rapidly and bring it into the 21st century.

We will simplify and standardise support services such as finance, HR, ICT, operating automated processes which facilitate self-service as the norm, to reduce costs and rethink how we use the public estate more innovatively. Our workforce will be engaged, equipped for the modern workplace and will focus on local people, facilities and communities in a proactive and emotionally intelligent way.

We will take up opportunities to further improve commissioning by having a single view across the county and increase our value for money by rationalising our third party spend.

Collaboration and partnership working with other organisations and communities both within and outside of the county will be easier to navigate, manage, and have the potential to achieve more ambitious goals as a result.

Cumbria has already demonstrated successful partnerships in the past. It has a good platform from which to further develop shared place leadership that delivers better outcomes, and to transform service delivery models to be more innovative and effective across local government boundaries.

Reimagining digital service delivery

We will simplify and transform the way that our customers, businesses and partners interact with the new council. Transforming digitally across a single organisation will provide a more seamless and simpler experience for customers, and allows Cumbria to be more ambitious in its digital transformation.

We will use the creation of a unitary authority as a catalyst to improve digital access, paired with better use of customer insight to personalise customer interactions. We will consolidate data assets across local government, rationalise and generate greater insight to inform and drive more targeted service development and decision-making. A simpler, clearer interface will also benefit the vulnerable population, reducing barriers to access the services they need.

There is also an opportunity to rethink, reform, and reimagine service delivery – both rural and urban – using data and intelligence which allows us to look forwards, not backwards. We will drive change at a pace and scale we have not achieved before. We will devolve budgets to localities to enable co-design of future services and make decisions for themselves.

By doing this, we can impact the outcomes of more communities across Cumbria, more quickly, in a more holistic and consistent way.

Our transformation ambitions



Public value for money

Stronger and more accountable leadership

The move to a single unitary authority will strengthen leadership across the county. A single council will simplify how we engage and work with partners (public, private, community and charity alike) by providing a single voice, clearer direction with less potential for disagreement within local government, and will allow us to be bolder and more ambitious in our collective aims.

A single strategic voice from leadership will not only be better able to communicate with the communities it serves to address their needs, it will be better placed to interact with central Government.

Moving to a single unitary model and away from the two-tier model provides much clearer transparency and accountability for the provision of public services for residents and partners. Our ability to collaborate with businesses, the third sector, and local communities will be far stronger. Existing county-wide authorities such as the Police & Crime Commissioner, the LEP, Cumbria Tourism, and Cumbria Association of Local Councils will be able to work with a single and accountable authority.

Joined up services will be much better placed to share information and removes the challenge of competing local authority voices which can often make achieving the desired outcome problematic.

A more modern, digitally connected authority will support 21st century councillors to connect with a broader cross-section of the communities of Cumbria. Delivering modern, digitally connected public services will allow Cumbria to build on its strengths and previous experiences to deliver improved outcomes and empower communities and businesses to fulfil their potential and achieve their ambitions.

There will be local devolution from the strategic county unitary to parish and town councils. Some areas of Carlisle and Barrow are unparished and this would need to be considered, providing them more choice and control around certain services. Also, given the numbers and size of some parish and town councils there is an opportunity for clusters to work together or potentially create area / community networks / boards.

Moving to a single unitary authority will also provide the means to establish arrangements which helps elected members to encourage community participation in decision-making as well as engaging town and parish councils in discussions about the devolution of service responsibilities.

Our transformation ambitions



Contributing to strong economic growth

Cumbria will be the forefront of clean growth; accelerating opportunities available to Cumbrian people and across the region through our key sectors including manufacturing, nuclear, energy industries, agri-tech and the tourism industry. We will innovate to grow new sectors and skills, building on our strong base of GVA and productivity growth over the last decade.

Innovative, inclusive, and clean growth

Cumbria's economy and natural assets make a unique contribution to the UK. The county has particular strengths in advanced manufacturing, agri-tech and food production, energy and nuclear, and substantial potential to deliver decarbonisation. Tourism is also a significant part of the local economy.

We are also a world centre for advanced manufacturing which supports around £2.6 billion in GVA, or 25% of Cumbria's economy, comprising 39,000 jobs.

There are opportunities to be more innovative in other areas – to help attract inward investment and create new jobs.

We want to create more diversity in our future economy, taking advantage of underdeveloped opportunities, to increase innovation and further boost the county's productivity and resilience to economic shocks.

We will build on our major role in research and innovation, our relationships with excellent universities in the North, and existing initiatives such as that being undertaken by the Lancashire and Cumbria Innovation Alliance who are looking at digital healthcare technologies to combat challenges presented by an ageing population.

We are also committed to harnessing innovation to achieve cleaner growth through developing new clean technologies, ensuring our industrial growth meets carbon reduction targets, and delivering more sustainable transport.

Developing future-focused skills

The county's workforce will have the appropriate skills to meet the demands of future industries. We will provide opportunities for young people to develop a diverse range of new skills, providing a foundation for them to reach their potential, and reducing over-reliance on single industries.

Cumbria experiences a skills gap with only 32.6% of the Cumbrian working age population holding qualifications at Level 4 or above, compared to the national figure of 40.7%.

We will innovate to grow new sectors and create learning opportunities through new centres of excellence, building on our manufacturing and engineering strength, and exploiting underdeveloped areas – linked to our key industries. This will be supported by our plans and ambitions to improve connectivity – digital and physical.

A new council will bring the system leadership to drive collaboration on new education, skills and employment opportunities that will be the platform for fully inclusive growth – tackling areas of inequality and disadvantage, and 'levelling up' in the North.

A single unitary authority will give Cumbria the simplicity and focused leadership to provide a more coherent and comprehensive skills, jobs, economic and social inclusion offer that will enable everyone to benefit from local economic growth and fulfil their potential.

Sources: Cumbria's Local Industrial Strategy, 2019

Our transformation ambitions



Contributing to strong economic growth

Strategic approach to commissioning

As a single unitary organisation, the new council will have significant weight in the local economy – as a commissioner of services, a buyer of supplies, and as a large employer.

Our ambition for the new, single unitary council is that it will be an exemplar of responsible commissioning, supply chain management, and actively support the local economy. Cumbria's market of providers is diverse – with many small local providers and less large providers than other parts of the country.

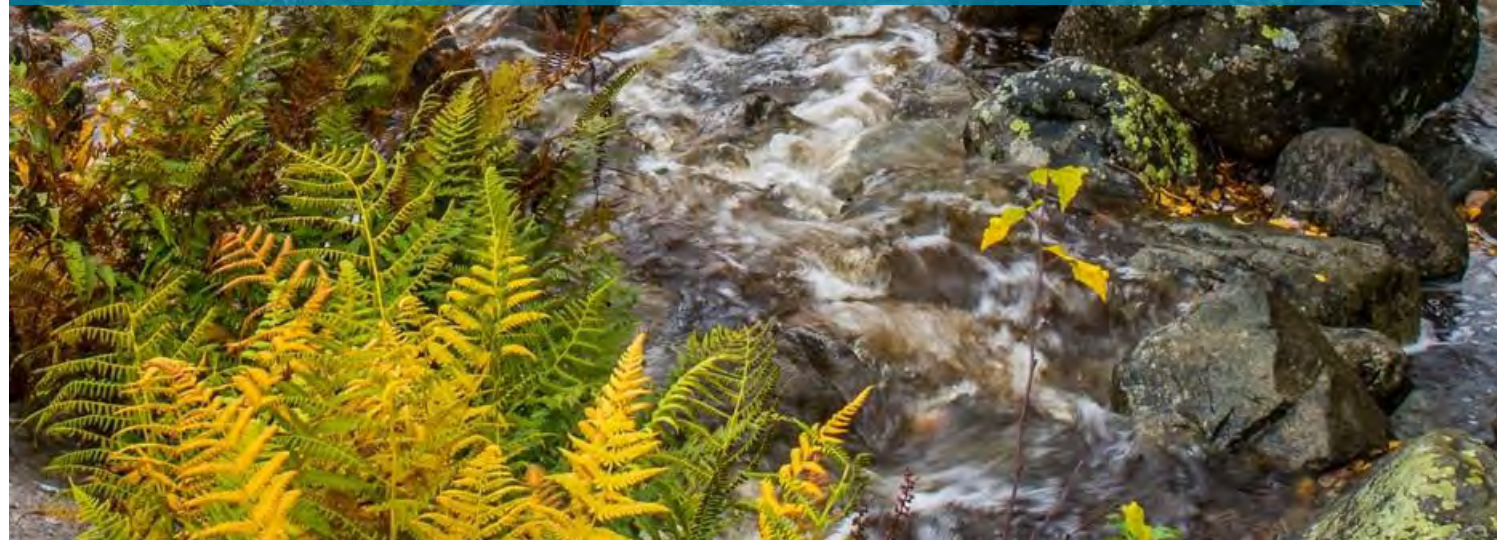
The new authority will have a critical role in providing strategic capacity and scale to enable flexible and efficient local delivery, and support local organisations to thrive. The organisation will use its buying power responsibly and support local businesses, organisations, skills development, and opportunities as much as possible.

The new single unitary authority will also be a major employer in the county. Our ambition is that the council will be an employer of choice, with modern career options to attract new talent and experiences, rich and rewarding careers for existing staff and a clear commitment to investing in our people – for personal growth and developing new skills fit for the future.



06

delivering
reform
successfully



Delivering reform successfully: section outline

This section outlines the steps to delivering reform successfully. If Cumbria is minded to pursue structural change.

We are committed to reform, and are ready to make this change happen. As the continuing authority, Cumbria County Council will be the basis of a new council building on the best of the existing local government system.

It will be important to further develop the operating model for the new organisation, governance arrangements, and ways of working for staff. Our focus will remain on meaningful engagement and co-design with residents, businesses and partners from all sectors throughout this process. We are fully committed to effective consultation with all stakeholders as we move forwards through the next stages of the reform process. This will be complex and require great foresight, momentum and consensus among partners and politicians. As part of this detailed planning this would also include deciding whether to have a mayor and a combined authority.

We are confident in our proposal and will commence more detailed planning while it is being considered, to prepare for transition and transformation, using this change as catalyst for our ambition – reforming the council in a way which ensures true value for money for our residents.

This is outlined in the following sections:

Timeline for the four phases of delivering reform successfully:

Phase 1: Post-decision mobilisation



Phase 2: Transition



Phase 3: Transformation

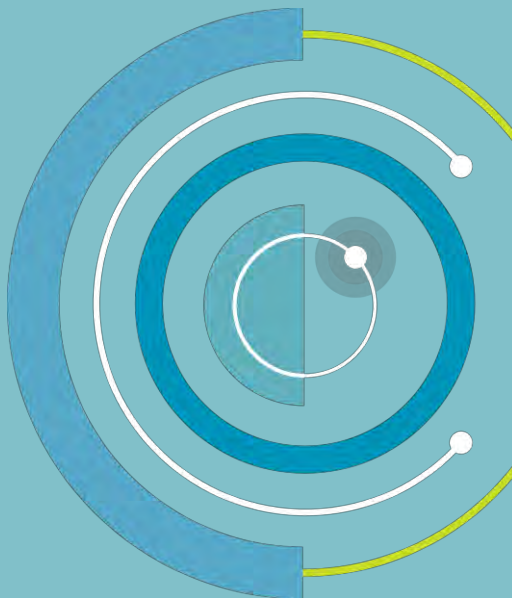


Phase 4: Delivering on longer-term ambitions

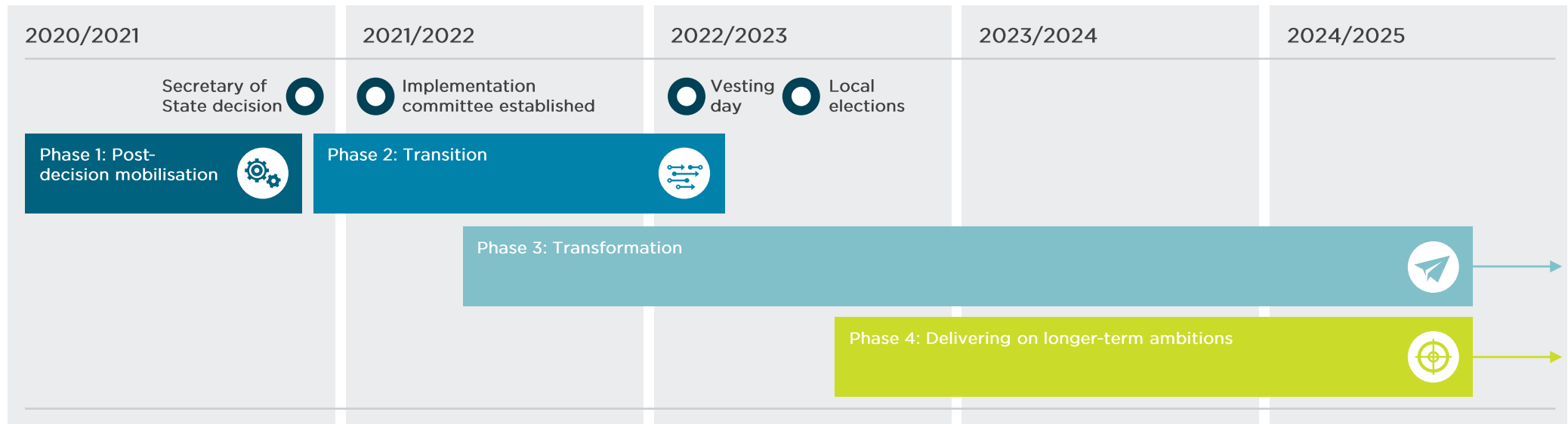


Implementation roadmap

Key risks of implementation



Timeline for delivering reform successfully



Post-decision mobilisation

The immediate actions following the Secretary of State decision, including mobilising the implementation team.

A detailed operating model and implementation plan would need to be developed, in preparation for public consultation. A draft set of design principles for the new council can be found in the Appendices.

One element will involve working with districts and parishes to agree what county-wide boards/forums are put in place, finalising which powers are devolved to town and parishes etc. There will be detailed planning with the districts and parishes, preparing the programme for success and beginning the process in a structured and coordinated way with agreement from all parties. It is assumed that a public consultation would be Cumbria-led, with guidance from MHCLG.

01

Transition

This phase begins once the implementation team are mobilised and the plan is signed off. This stage involves planning and delivering transition activities for priority areas, including legal change orders, payroll, contracts, IT systems etc. By the end of the phase, key changes should be implemented but there is still a need for an element of optimisation and solving teething problems. The end of this phase is marked by vesting day.

02

Transformation

This involves new ways of working in the unitary structure. This will align to the governance model taken forwards. As part of this phase, there may be local elections, although the timing of this is not yet confirmed.

03

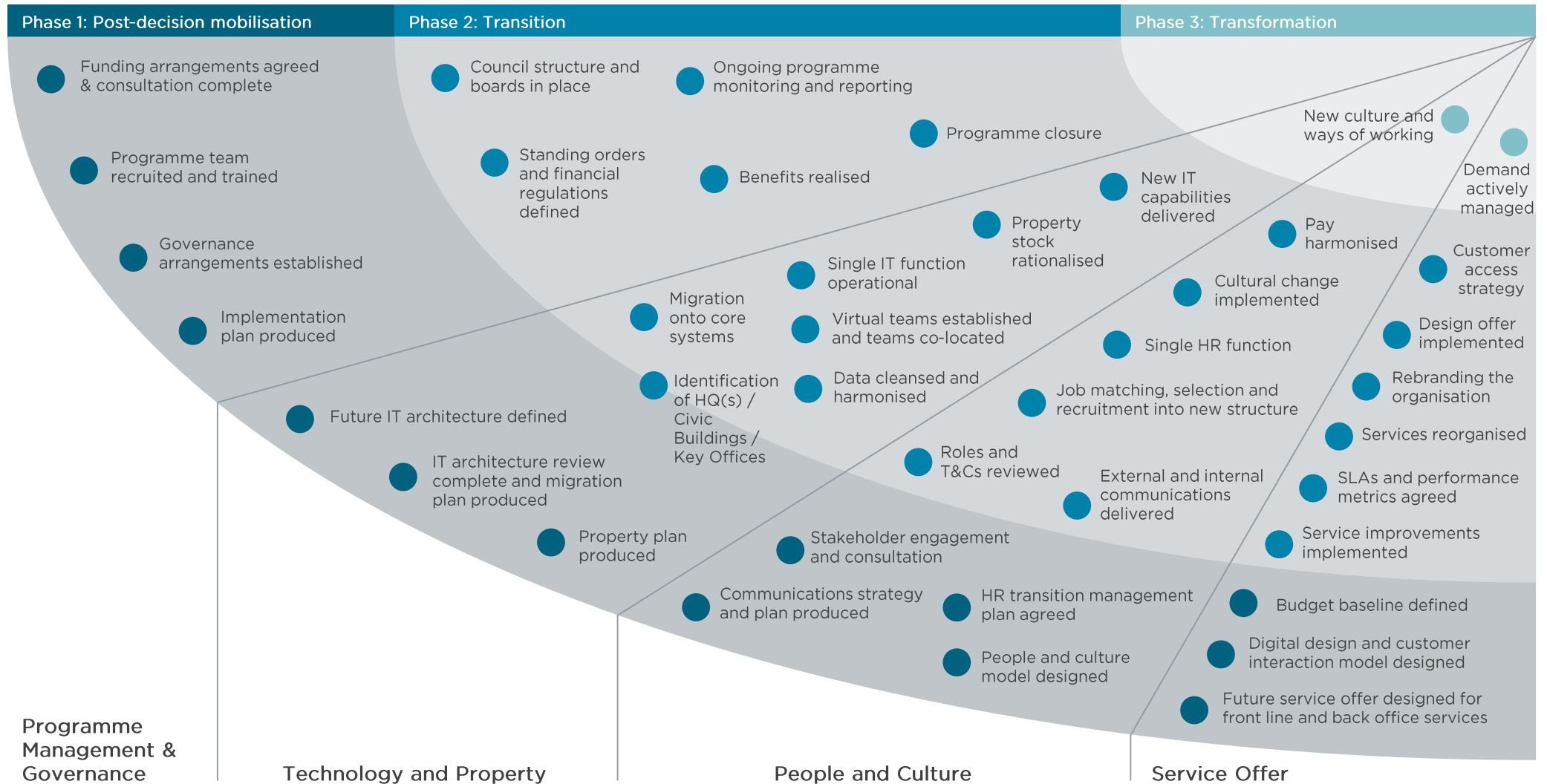
Delivering on longer-term ambitions

Delivering on longer-term ambitions for public sector reform. The extent of the ambitions is to be determined by the new authority.

04

Implementation roadmap

The following roadmap provides a high level detail of the key activities at each phase. This will be developed into a full implementation programme plan. The activities within stage four, delivering on longer-term ambitions for public-sector reform, is dependent on the ambitions determined by the new authority.



Key risks of implementation

The table below outlines key risks to delivering reform successfully, and the proposed mitigation. It must be noted that reform is difficult to deliver successfully which is why it is difficult to carefully mitigate the below risks. This is also why the external costs of reform (outlined in the Appendices) are a good investment.

Risk description	Mitigation
Delivery of financial benefits is not carefully managed and so the estimated savings are not delivered.	Development of a clear approach to benefits realisation and establishment of appropriate monitoring arrangements.
Staff may not have the capacity and capability within the new authority to both manage the reform and deliver services.	Robust resource planning would be required to identify skills and capabilities needed to implement the programme. It might be required to invest in external advice.
During the reform process in the first 18 months, there may be a lack of awareness and understanding of the vision and design of the new council.	Invest time in socialising the proposal for reform, including the vision and design of the new council, and build leadership alignment around it.
The workforce for the new organisation may be experiencing change fatigue and the introduction of a new way of working may not have the desired effect and further increase siloes and disaffection.	Engage with all staff in scope to encourage new thinking and innovation bottom-up.

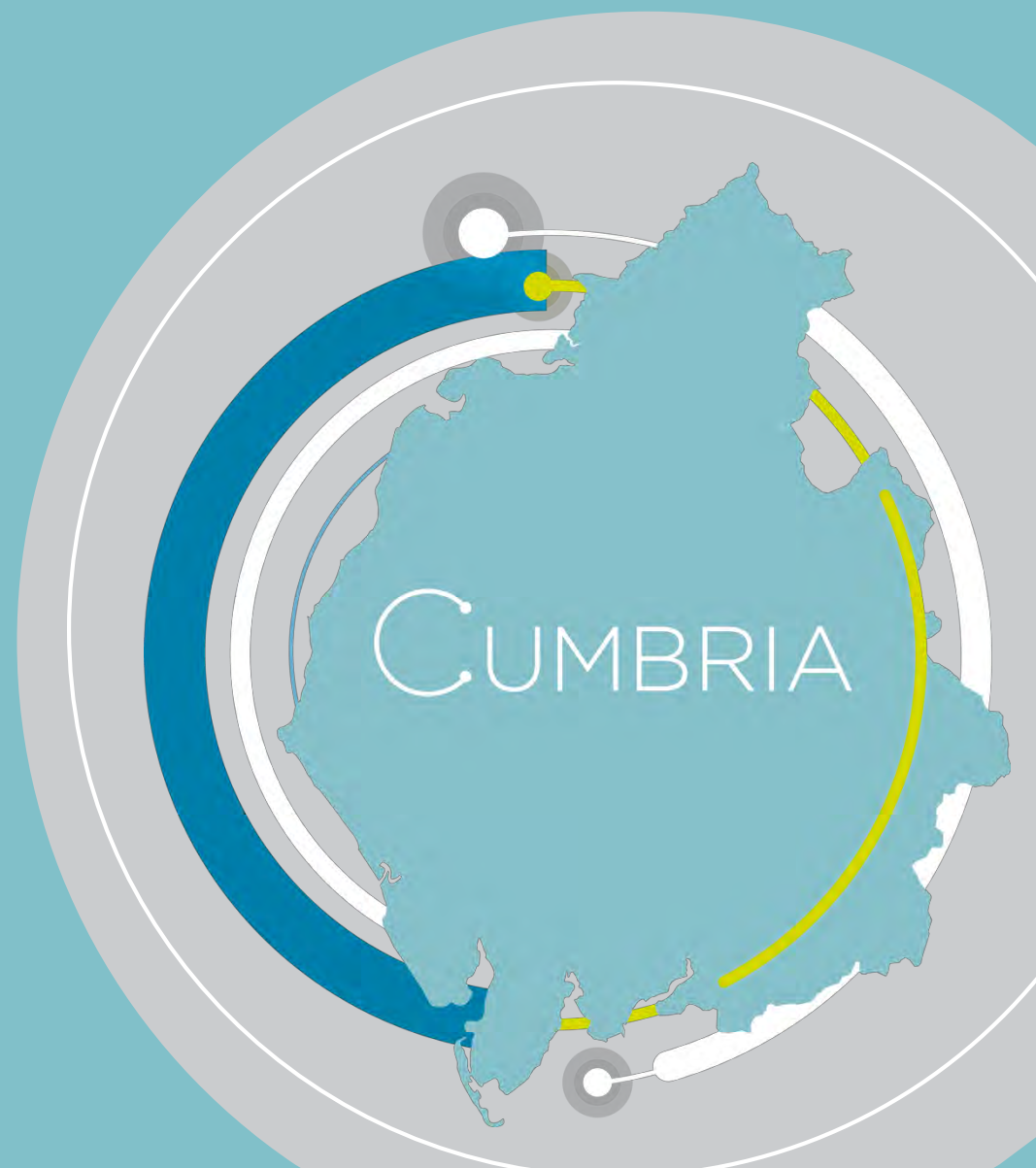
07

appendices



appendices

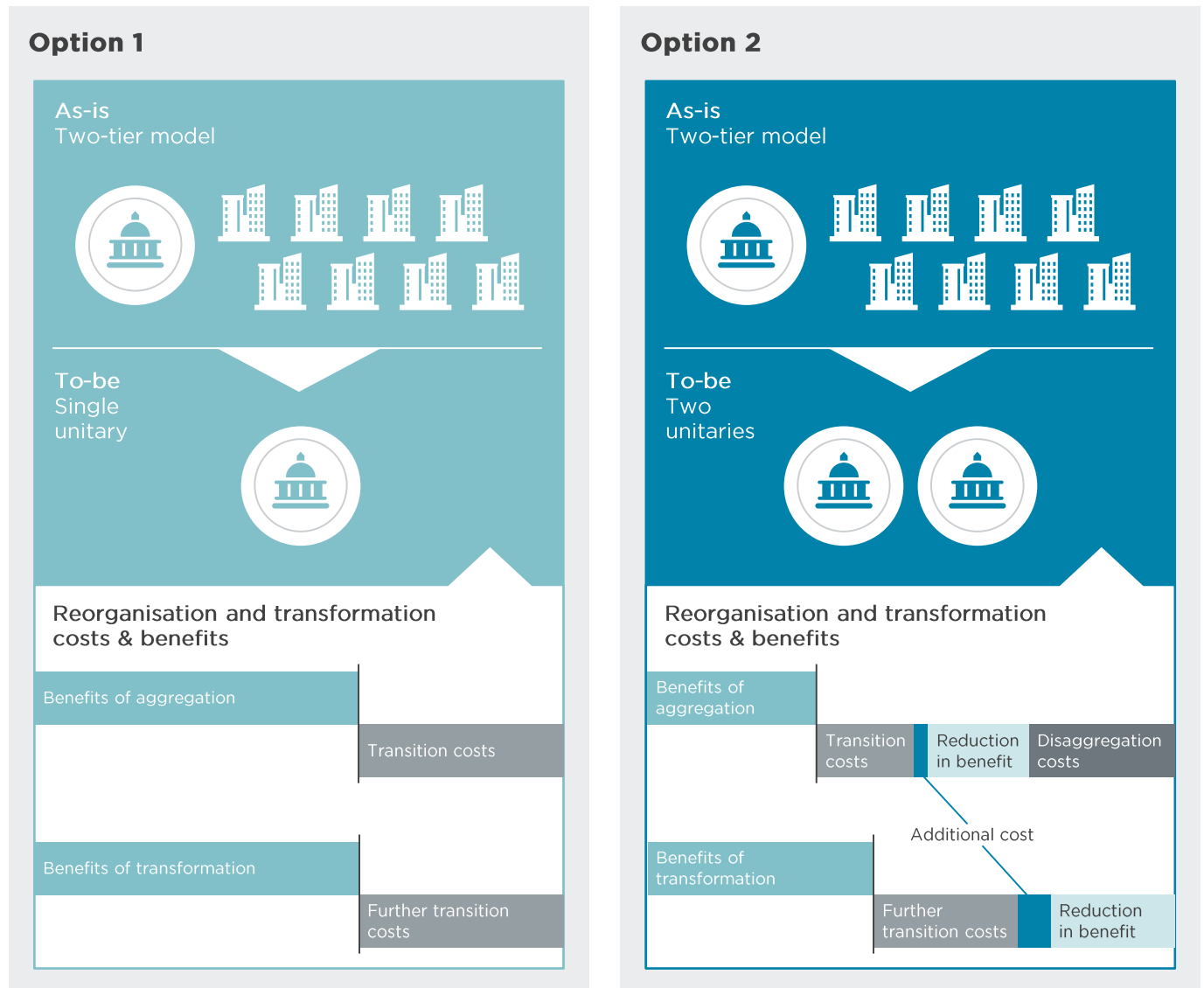
financial analysis



Our approach to financial modelling

The diagram outlines the overarching approach to determine costs and benefits of reorganisation and transformation for Options 1 and 2. It considers the current 'as is' financial position for both the County Council and districts. It then breaks down costs and benefits into the following categories:

- **Benefits of aggregation:** what savings will be made by re-organising local government in Cumbria
- **Transition costs:** the costs associated with aggregation
- **Disaggregation costs:** the additional costs for Option 2 of maintaining two councils
- **Benefits of transformation:** the efficiency savings that will be made as a result of transforming future ways of working
- **Further transition costs:** the costs associated with any transformation initiatives



Inputs and outputs to the calculations

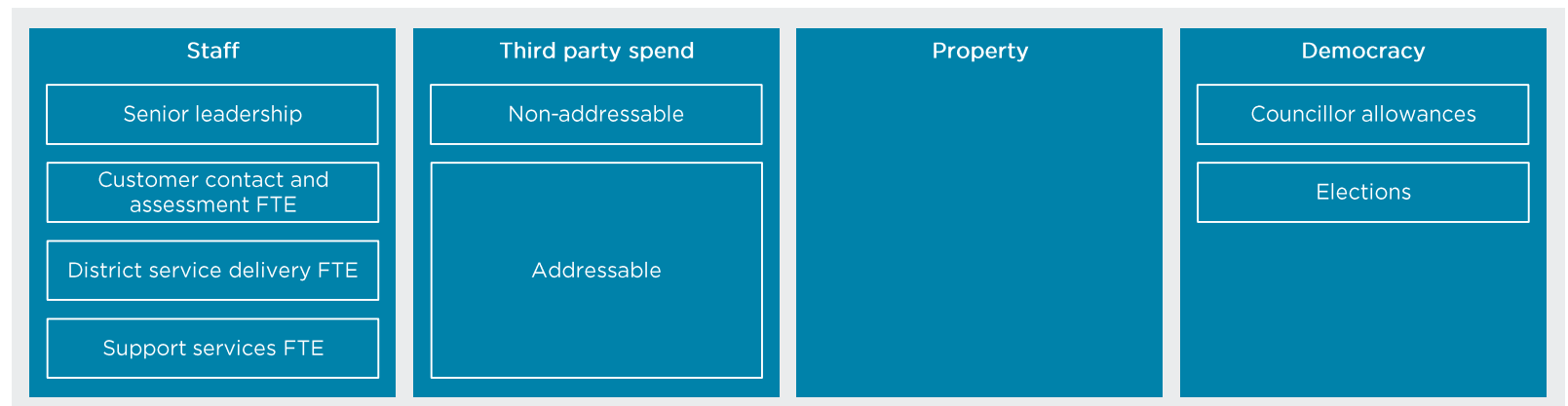
INPUTS

Data required from Councils



BENEFITS OF AGGREGATION

Weightings applied to three types of spend, with percentage reductions then applied. Democracy benefits use the number of districts multiplied by an average cost



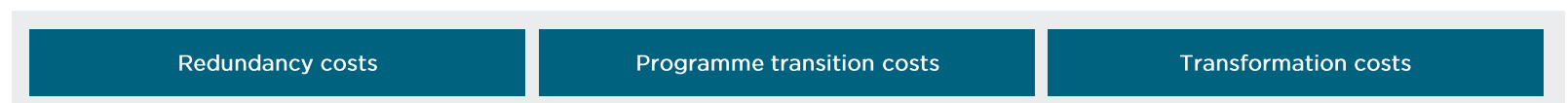
DISAGGREGATION COSTS

Costs to duplicate county delivery and structures



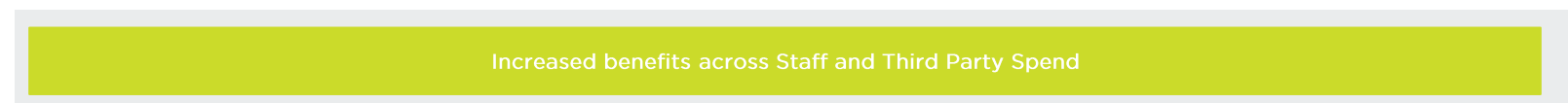
TRANSITION COSTS

Fixed costs and proportional redundancy costs incurred (excluding disaggregation)



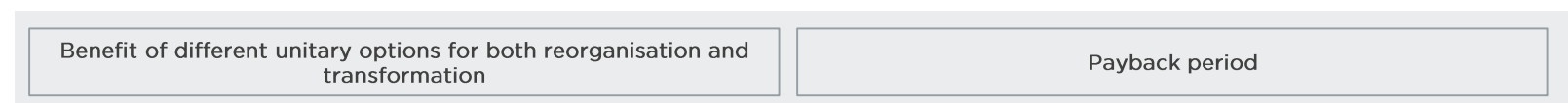
BENEFITS OF TRANSFORMATION

Increased benefits available through transformation



OUTPUTS

Projected benefits from different re-organisation scenarios



Costs and benefits overview

The following slides provide an analysis of the costs and benefits for Options 1 and 2 (single unitary authority and two unitary authorities), using three different scenarios. These scenarios are:

- A. The reorganisation of local government across Cumbria with no transformation of current ways of working.
- B. Assesses the impact of transformation based on PwC's experience of the lowest expected costs and benefits from local government transformation, it is not Cumbria specific. The assumptions for this are set out in the Appendices.
- C. An assessment of transformation in a 'Stretch' case to reflect the current progress of transformation work in Cumbria and the ambition for further transformation within Cumbria (see our proposition section). This has been factored into more ambitious assumptions around potential efficiencies, these are set out in the Appendices.

For each option and scenario, there is a summary table of costs and benefits analysis outputs. Each element of this summary table is explained below. More detail on the assumptions made are contained within the Appendices.

	Costs and benefits	Description
Net Benefits	Net benefit after one year (£)	This shows the financial position after one year to highlight whether there is a net saving or cost after the first year.
	Recurring annual net benefit (£)	This is a key figure that shows what the final steady state financial position is for a scenario. It will take different periods of time for the different cases depending on the profile of the costs and benefits.
	Net benefit after five years (£)	This is the accumulated net benefit after five years. It should be noted that all costs and benefits are not realised in the first year and some are profiled over a number of years.
	Payback period (years)	This is the period of time it takes cumulative benefits to exceed cumulative costs.
Gross Benefits	Gross annual benefit (£)	The annual benefit before any costs of implementing are taken into account.
	Gross benefit after five years (£)	This is the accumulated gross benefit after five years. It should be noted that all benefits are not realised in the first year and some are profiled over a number of years.
Transition costs	Year 1 transition costs (£)	These are non recurring costs required either to reorganise and/or transform.
Unrealised benefits	Year 1 unrealised benefits (25%) (£)	This is the element of the full benefits (25%) that have not been realised – not all benefits are realised in the first year.
Disaggregation Costs	Annual disaggregation cost (£)	This is the final annual 'cost' of having two unitaries. It is made up of a reduction in benefits and increased cost of running two unitaries.
	Difference of disaggregation - one-year impact (£)	This is the 'cost' of disaggregation in year 1 to demonstrate the level of investment required.
	Difference of disaggregation - five-year impact (£)	This is the 'cost' of disaggregation over a five year period to demonstrate the level of investment required.

Benefits and costs of reorganisation

Scenario A

The reorganisation of local government across Cumbria

The table sets out the costs and benefits of reorganisation for Option 1 and 2 (reform to one and two unitary authorities respectively). Scenario A shows the impact of reorganisation only, and includes no consideration of benefits or costs of transforming current service delivery.

The key headlines are:

- The recurring net benefit (fully-realised) for a single unitary is **£24m** and for two unitaries is **£12m**
- The annual benefits of creating one unitary is **£24.0m** per annum, **£19.1m** per annum for a two unitary scenario. These benefits are gross, that is before the cost of implementation has been considered
- It is assumed that **75% of benefits** will be realised in year 1 with the remaining **25% in year 2**
- Non-recurring transition costs will occur in year 1 and cover items such as programme management, digital migration costs, and contingencies
- Annual disaggregation costs are the recurring costs with setting up an additional unitary authority, equating to over **£7m** per annum
- The difference of disaggregation combines the loss of benefit through this model and the increased cost. The year one impact of this is over **£16m** for the two unitary model
- The payback period for a single unitary is **just under a year**; for two unitaries it is **2.3 years**

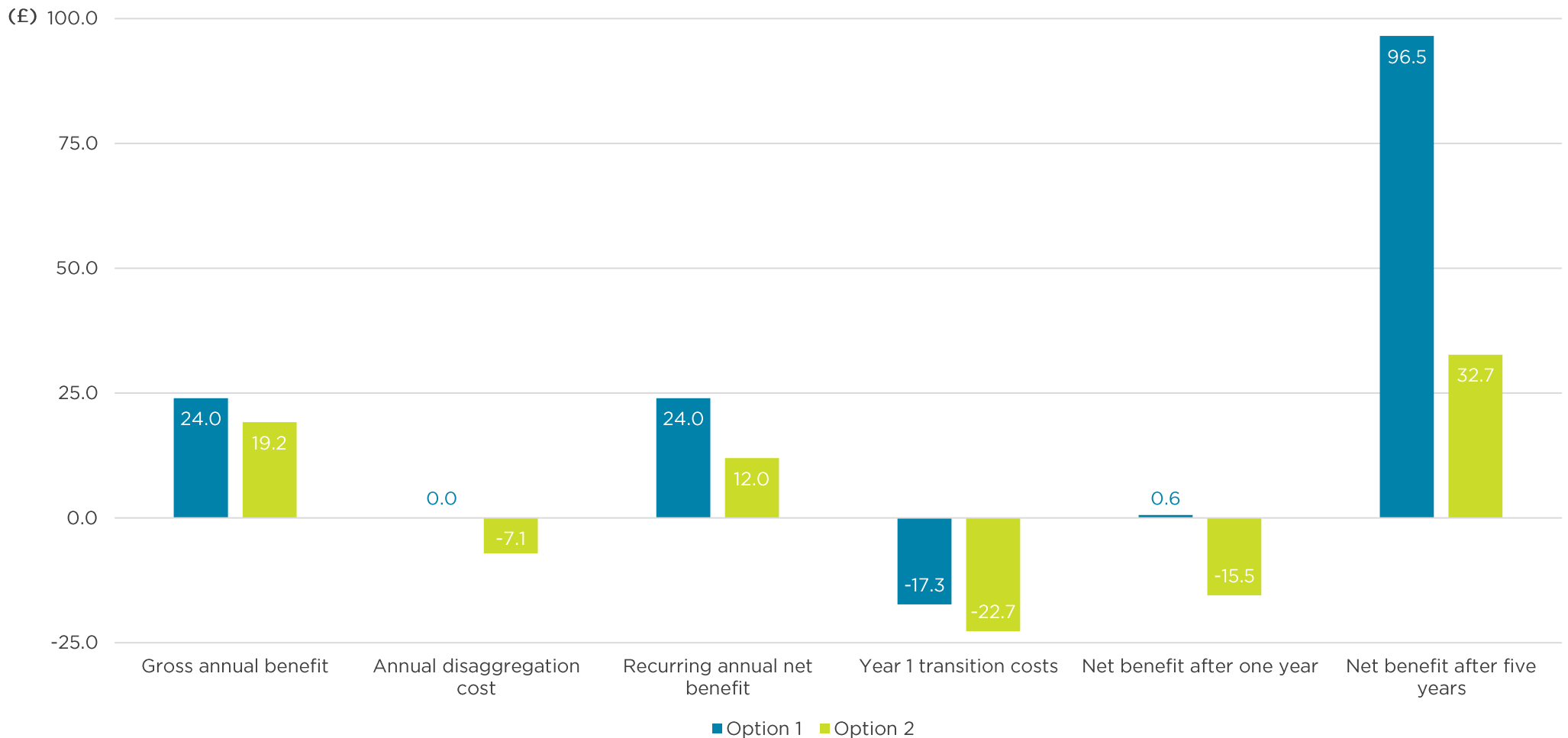
Reorganisation over one year	Option 1 (£m)	Option 2 (£m)
Gross annual benefit	24.0	19.1
Annual disaggregation cost	0.0	(7.1)
Recurring annual net benefit	24.0	12.0
Year 1 transition costs	(17.4)	(22.7)
Year 1 unrealised benefits (25%)	(6.0)	(4.8)
Net benefit after one year	0.6	(15.5)
Difference of disaggregation – one-year impact		(16.1)

Reorganisation over five years	Option 1 (£m)	Option 2 (£m)
Annual net benefit x5	119.8	60.2
Year 1 transition costs	(17.3)	(22.7)
Year 1 unrealised benefits (25%)	(6.0)	(4.8)
Net benefit after five years	96.5	32.7
Difference of disaggregation – five year impact		(63.8)

Benefits and costs of reorganisation

The chart below summarises the findings from the previous page.

Reorganisation only: key benefits and costs for Options 1 and 2



Benefits and costs of transformation

Scenario B

The impact of transformation based on PwC's experience of the lowest expected costs and benefits from local government transformation, it is not Cumbria specific.

The table sets out the costs and benefits of transformation in the base case for Option 1 and 2 (reform to one and two unitary authorities respectively). Scenario B outlines the impact of a base transformation case in addition to pure reorganisation of the local government structure, and therefore models further benefits and costs.

The key headlines are:

- **Recurring net annual benefits for Option 1 will be £40.8m per annum as opposed to £23.5m per annum for Option 2.** This is a significant difference between the outcomes of the potential scenarios for reform, with the potential for transformation further emphasising the benefits of Option 1
- The costs and benefits increase significantly in both cases to reflect the likely investment e.g. in technology to achieve the transformation
- There will be a deficit i.e. costs will be greater than benefits, in the first year to reflect the investment in transformation and a longer period for benefits to be realised (estimated to take place over three years)
- The composition of recurring net benefits for Option 1 are **59% the result of aggregation and 41% down to transformation**

Base transformation over one year	Option 1 (£m)	Option 2 (£m)
Gross annual reorganisation benefit	24.0	19.2
Gross annual transformation benefit	16.8	11.4
Annual disaggregation cost	0.0	(7.1)
Recurring annual net benefit	40.8	23.5
Year 1 reorganisation transition costs	(17.2)	(22.7)
Year 1 transformation transition costs	(16.8)	(20.5)
Year 1 unrealised reorganisation benefits (25%)	(6.0)	(4.8)
Year 1 unrealised transformation benefits (75%)	(12.7)	(8.6)
Net benefit after one year	(12.1)	(33.0)
Difference of disaggregation – one-year impact		(20.9)

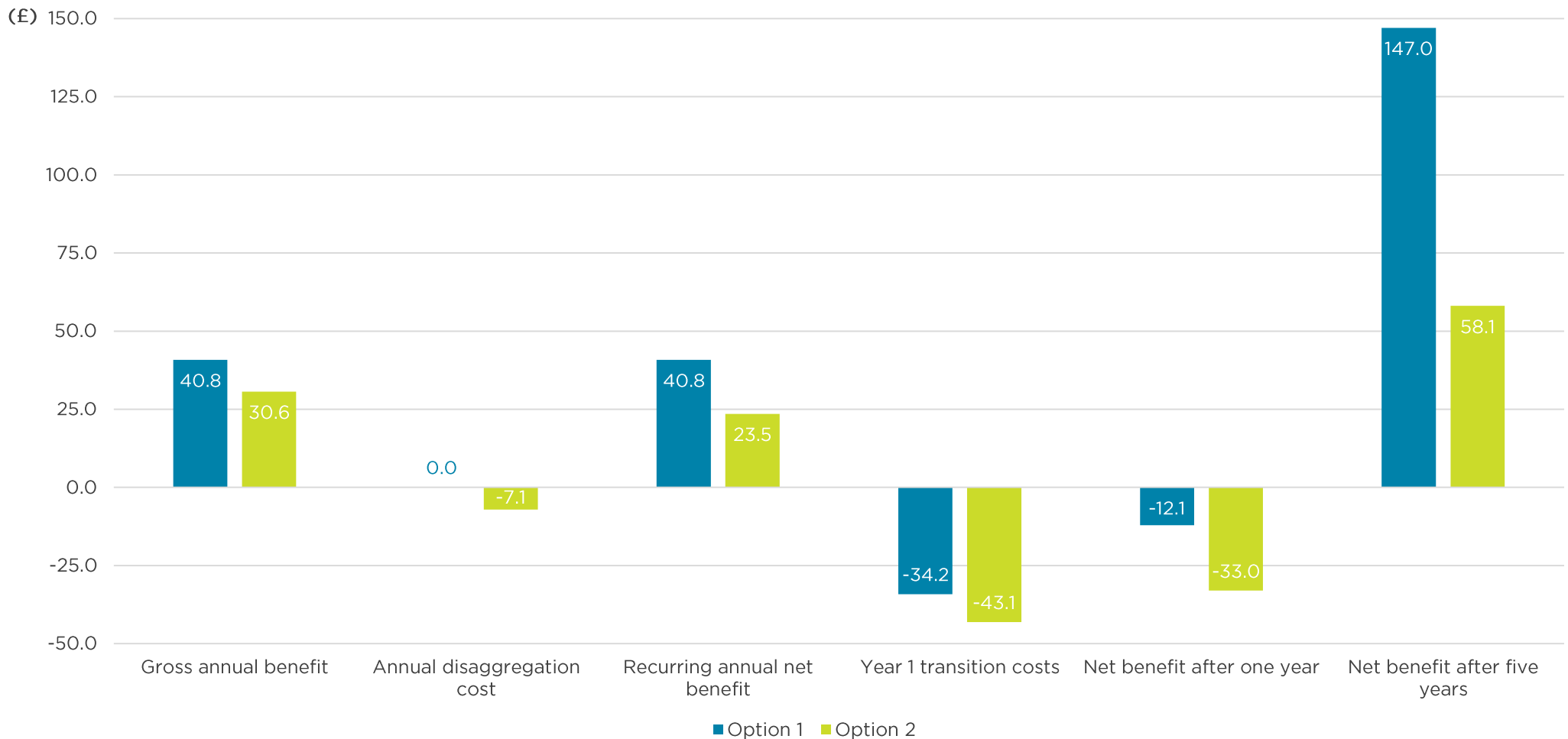
Base transformation over five years	Option 1 (£m)	Option 2 (£m)
Annual net benefit x5	204.1	117.5
Year 1 reorganisation transition costs	(17.2)	(22.7)
Year 1 transformation transition costs	(17.0)	(20.4)
Total unrealised reorganisation benefits (25%)	(6.0)	(4.8)
Total unrealised transformation benefits (75% + 25%)	(16.9)	(11.5)
Net benefit after five years	147.0	58.1
Difference of disaggregation – five-year impact		(88.9)

Payback period (years)	1.3	2.5
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Benefits and costs of transformation

The chart below summarises the findings from the previous page.

Base transformation: key benefits and costs for Options 1 and 2



Benefits and costs of transformation

Scenario C

An assessment of transformation in a 'Stretch' case to reflect the current progress of transformation work in Cumbria and the ambition for further transformation within Cumbria (see our proposition section). This has been factored into more ambitious assumptions around potential efficiencies.

The table sets out the costs and benefits of transformation in the Stretch case for Options 1 and 2 (reform to one and two unitary authorities respectively). Scenario C outlines the impact of the Stretch assumptions with additional transformation benefits.

The key headlines are:

- The Stretch case of transformation ambitions and assumptions increases the recurring net annual benefit to **£51.8m for Option 1** (£11.0m above the base transformation) and £30.6m for Option 2 (£7.1m above the base transformation)
- This results in separate transformation benefits (Scenario B & C) **exceeding pure aggregation benefits** (Scenario A) in both Options 1 and 2 which displays significant ambition primarily focused on Option 1. The quantitative ambition signalled through these estimates reflects previous discussion around the key areas with potential for transformational change already highlighted in the Cumbria local government system
- One-off transition costs increase significantly for Options 1 and 2 to reflect higher investment in this long-term transformation

Stretch transformation over five years	Option 1 (£m)	Option 2 (£m)
Gross annual reorganisation benefit	24.0	19.2
Gross annual transformation benefit	27.8	18.5
Annual disaggregation cost	0.0	(7.1)
Recurring annual net benefit	51.8	30.6
Year 1 reorganisation transition costs	(17.3)	(22.7)
Year 1 transformation transition costs	(21.1)	(25.4)
Year 1 unrealised reorganisation benefits (25%)	(6.0)	(4.8)
Year 1 unrealised transformation benefits (75%)	(20.9)	(13.9)
Net benefit after one year	(13.5)	(36.4)
Difference of disaggregation – one-year impact		(22.9)

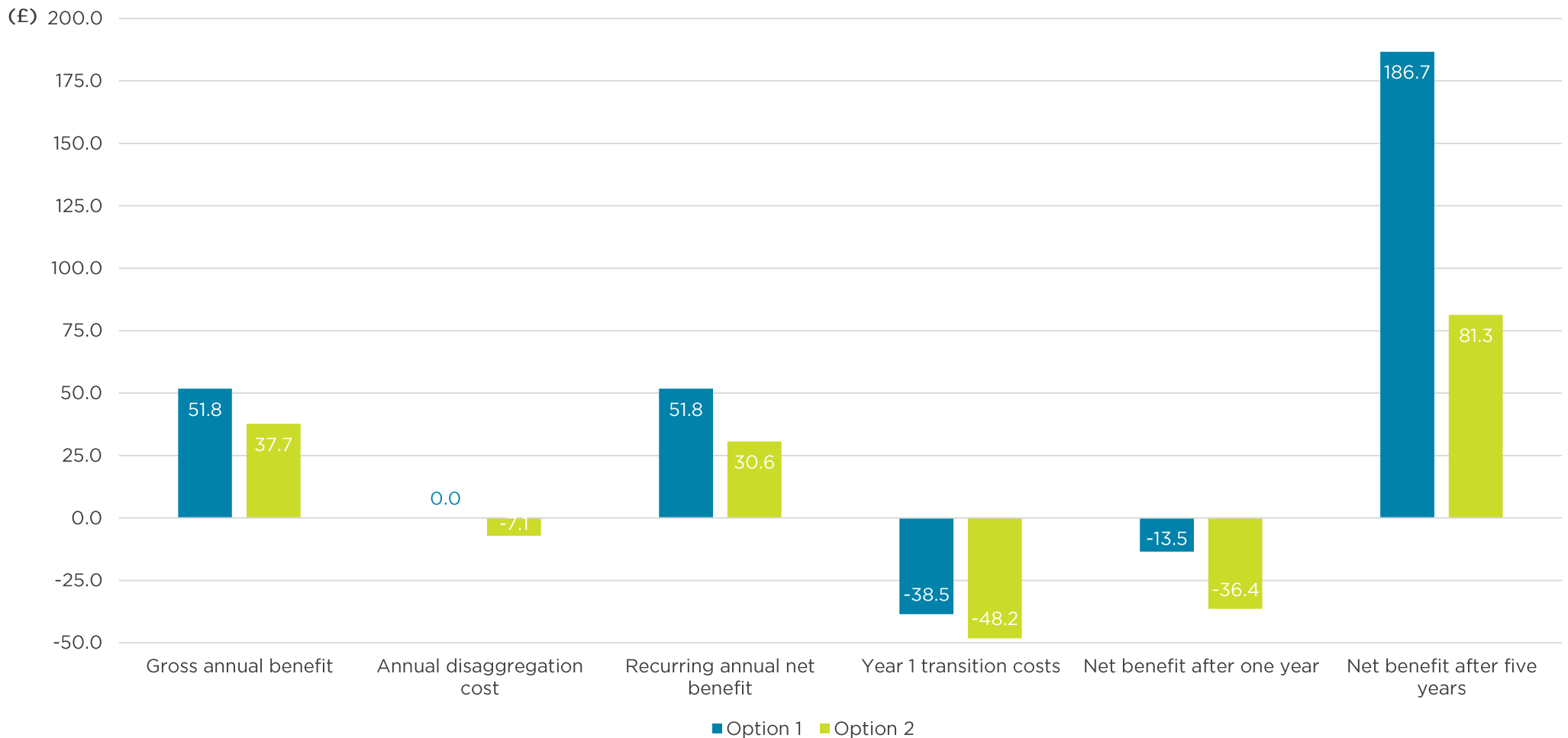
Stretch transformation over five years	Option 1 (£m)	Option 2 (£m)
Annual net benefit x5	259.0	153.0
Year 1 reorganisation transition costs	(17.3)	(22.8)
Year 1 transformation transition costs	(21.2)	(25.6)
Total unrealised reorganisation benefits (25%)	(6.0)	(4.8)
Total unrealised transformation benefits (75% + 25%)	(27.8)	(18.5)
Net benefit after five years	186.7	81.3
Difference of disaggregation – five-year impact		(105.4)

Payback period (years)	1.3	2.3
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Benefits and costs of transformation

The chart below summarises the findings from the previous page.

Stretch transformation: key benefits and costs for Options 1 and 2



Data inputs

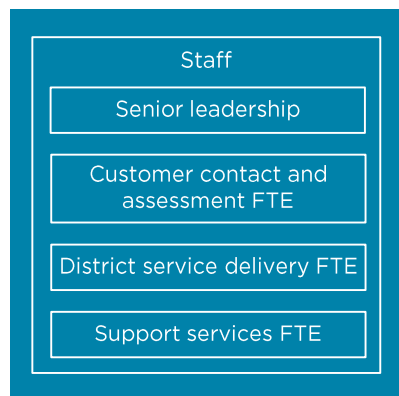
Area	Data input	Notes
County Council net revenue expenditure	484,331,076	Used for reorganisation analysis, taken from Council-provided data (RO 19/20) excluding schools
County Council gross revenue expenditure	660,069,374	Used for transformation analysis, taken from Council-provided data with income sources added back in to 'gross up' expenditure as appropriate to reflect the actual spend subject to potential transformation (excluding education spend)
Combined district net revenue expenditure	79,916,000	Taken from most recent revenue outturn data (2018/19 -line 800)
Number of districts	6	Taken from publicly available data
Election turnout for all districts over four years	274,700	Using Electoral Commission turnout data
Number of county councillors	84	Taken from publicly available data
Number of district councillors	241	Taken from publicly available data
County Council base allowance costs	8,573	Taken from publicly available data
County Council SRA costs	186,246	Taken from publicly available data
District base + SRA costs	260,836	Average for the six districts, estimated from publicly available data
Number of directorates	4	Taken from consultation with CCC



Key assumptions: reorganisation benefits

Scenario A: Reorganisation

Element of the model



Methodology

This approach is a result of work PwC has completed with the County Councils Network. The key elements are:

1. The combined County and district councils spend on staff has been estimated, and grouped into customer contact and assessment, service delivery, and support services spend based on local authority averages.
2. Percentage reductions have been applied to customer contact and assessment, district service delivery and support services FTE as a result of efficiencies from removing duplicated activity.
3. These percentage reductions are higher for a single unitary authority and revised down for a two unitary authority model due to forgone economies of scale.
4. An additional benefit has been calculated from removed district senior leadership posts, including on-costs.

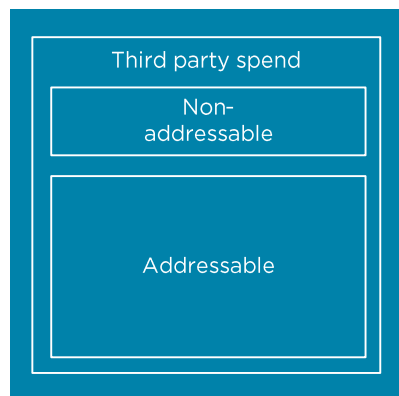
Assumptions applied

Area	Key figures		Rationale
	1UA	2UA	
Proportion of net revenue expenditure spent on staff	21.4%		Taken from Council-provided data.
Customer contact and assessment FTE	38.0%		Average proportions of effort previously calculated by PwC through unitary authority activity analyses.
Service Delivery FTE	35.0%		
Support services FTE	27.0%		
Reduction in customer contact and assessment FTE	5.0%	4.0%	Percentage reductions in line with previous work undertaken for the County Councils Network.
Reduction in district service delivery FTE	3.5%	1.5%	Percentage reductions in line with previous work undertaken for the County Councils Network and applied only to district staff spend as it is assumed that County services will not experience a significant benefit from pure consolidation.
Reduction in support services FTE	4.0%	3.0%	Percentage reductions in line with previous work undertaken for the County Councils Network.
Senior leadership costs in districts	£990k per district		Senior leadership costs calculated for the top tiers of leadership of district councils including on-costs, using averages of publicly available pay policy statements.

Key assumptions: reorganisation benefits

Scenario A: Reorganisation

Element of the model



Methodology

1. The addressable third party spend combined between County and district councils has been calculated using proportioned net expenditure to provide a baseline. Third party spend relating to property has been excluded.
2. A percentage reduction in third party spend has been applied as a result of the greater purchasing economies of scale that will be gained through consolidation.
3. These percentage reductions are higher for a single unitary authority and revised down for a two unitary authority model due to forgone economies of scale.

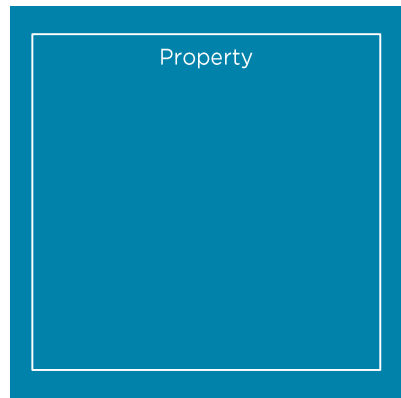
Assumptions applied

Area	Key figures		Rationale
	1UA	2UA	
Proportion of net expenditure spent on third parties	71%		Taken from Council-provided data.
Proportion of third party spend which is addressable	78%		Taken from analysis of Council-provided data. Where the data provided has been classified as 'miscellaneous', an assumption of 75% of this being addressable has been used, in line with estimates from elsewhere.
Reduction in third party spend	2.5%	1.5%	This reduction has been estimated in line with reductions found in other local authorities. A lower reduction in third party spend has been applied to the addressable spend in a two unitary authority model to reflect the lower purchasing economies of scale that can be achieved, and increased competition for services.

Key assumptions: reorganisation benefits

Scenario A: Reorganisation

Element of the model



Methodology

1. The combined net expenditure on property has been calculated using net expenditure figures for the County Council and district councils.
2. This is spend relating to the ongoing running costs of office spaces such as those used in energy, cleaning and routine repairs rather than from the one-off sale of rationalised council office space. In addition any benefits resulting from the rental of available office space has been excluded.
3. A percentage reduction has been applied to the property baseline to provide the estimate property benefit.

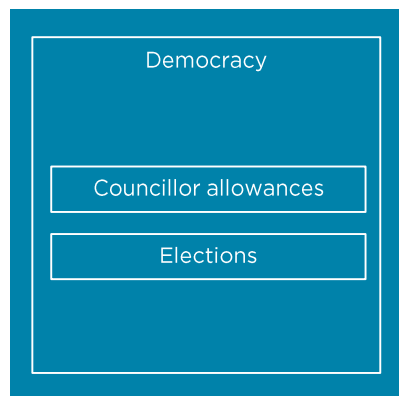
Assumptions applied

Area	Key figures		Rationale
	1UA	2UA	
Proportion of net expenditure spent on property	6%		Taken from Council-provided data, including both premises and capital spend.
Reduction in property spend	15.0%	12.5%	This reduction has been estimated in line with reductions found in other local authorities.

Key assumptions: reorganisation benefits

Scenario A: Reorganisation

Element of the model



Methodology

1. By aggregating districts into one or two unitary authorities, fewer councillors will be required and therefore a saving can be made from base and special responsibility allowances. The average cost of a district council democratic structure has been estimated and multiplied by the number of district councils present within the boundary.
2. Consolidating local authorities will also reduce the number of elections required, thus presenting a benefit. The average annual cost of a district election has been calculated and multiplied by the number of district councils.
3. The calculation for both the single and two unitary model is the same, as the two unitary model also incurs an additional disaggregation cost of duplicating a larger, more expensive councillor structure than in district councils.

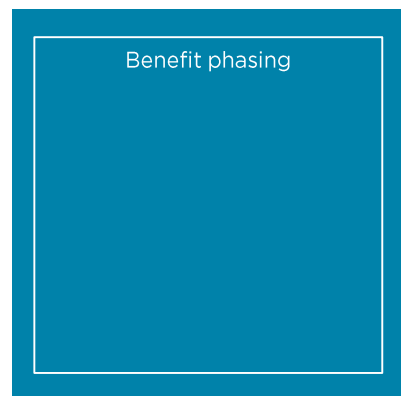
Assumptions applied

Area	Key figures	Rationale
District SRA and base allowances incurred as part of the democratic structure	£260,836	Average for the six districts, estimated from publicly available data.
Annual cost incurred for district elections	£159k	The annual cost of a district election has been calculated by multiplying the cost per vote and the average voter turnout during representative district council elections. This has been divided by four to estimate the annual saving that can be achieved in a year.
Cost per vote during an election	£2.32	The cost per vote used to calculate the cost of an election has been estimated at £2.32 by the Government from the 2015 General Election.

Key assumptions: reorganisation benefits

Scenario A: Reorganisation

Element of the model



Methodology

1. When considering the impact of change over a number of years, the full range of reorganisation benefits cannot be assumed to immediately be fully realised, as this would fail to accurately portray the outcome of the first year following the creation of the unitary authority.
2. Instead, a phasing approach for benefit realisation is taken, based on previous experience of benefit realisation following structural change.

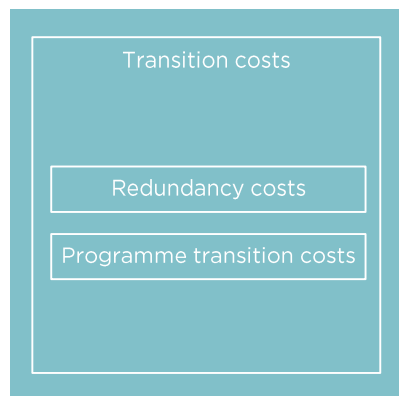
Assumptions applied

Area	Key figures		Rationale
Benefit phasing	Cumulative Benefit Realisation	Year	Reorganisation benefits are estimated to be realised primarily in Year 1 of the new unitary structure due to the immediacy of the operational change. However, some of these benefits will take longer than one year to be fully realised.
	75%	1	
	100%	2+	

Key assumptions: transition costs

Scenario A: Reorganisation

Element of the model



Methodology

1. One-off redundancy costs will be incurred when re-organising local authorities. These have been calculated as a proportion of the benefit resulting from FTE reductions and therefore is higher in a single unitary model than a two unitary model.
2. There are a number of transition costs that will be incurred when closing down existing local authorities and creating new authorities. In transitioning to a single unitary authority, these costs will only be incurred once, whereas in a two unitary model, many of these costs will be incurred twice.

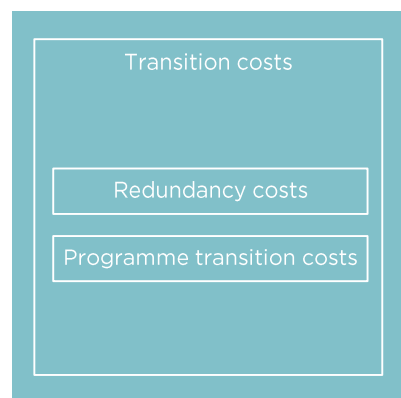
Assumptions applied (part 1)

Area	Key figures		Rationale
	1UA	2UA	
Redundancy cost	£5.2m	£4.7m	Using seven year rolling average redundancy cost, and applying this to the projected benefits through reductions in FTE.
External communications, rebranding and implementation	£300k	£450k	Promoting changes to the public, developing a new local authority brand and implementing new signage and logos.
External transition, design and implementation support costs	£3,500k	£5,250k	Costs for external support to ensure effective transformation: change management, benefits realisation, business and technology design authority, process redesign and consolidation, and a review of shared services for each authority.
Internal programme management	£1,560k	£2,340k	Costs incurred for internal programme management and support and enabling services input. This has been calculated as a team of 10 for three years with an average salary of £40.0k and on-costs applied.
Creating the new council	£500k	£1,000k	Includes legal costs, developing the constitution, contract novation, setting budgets, and carrying out BAU in existing councils.

Key assumptions: transition costs

Scenario A: Reorganisation

Element of the model



Methodology

1. One-off redundancy costs will be incurred when re-organising local authorities. These have been calculated as a proportion of the benefit resulting from FTE reductions and therefore is higher in a single unitary model than a two unitary model.
2. There are a number of transition costs that will be incurred when closing down existing local authorities and creating new authorities. In transitioning to a single unitary authority, these costs will only be incurred once, whereas in a two unitary model, many of these costs will be incurred twice.

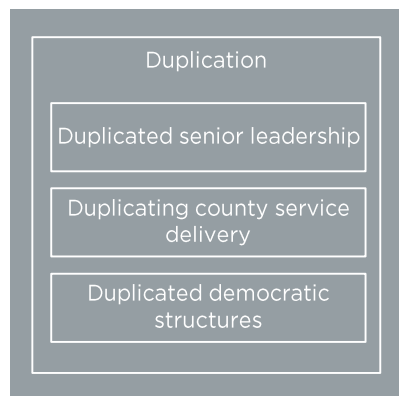
Assumptions applied (part 2)

Area	Key figures		Rationale
	1UA	2UA	
Contingency	45% of transition cost		Provision for extra expenses potentially incurred through reorganisation.
Organisation Closedown	£250k	£500k	Costs involved with financially closing down councils and creating sound budgetary control systems, estimated through averages of similar costs for other councils.
Public consultation	£225k	£337.5k	Assuming costs for adverts in local media and surveys to consult public on proposed changes.
ICT costs	£1750k	£2000k	Assuming costs for changed reporting requirements, system licenses, storage capacity, and data cleansing / migration.
Shadow Chief Exec/ member costs	£255k	£510k	Costs for a year of shadowing from Chief Executives per authority (assumed £195.0k salary with on-costs) and 6 members per unitary with additional responsibilities, each receiving £10k in SRA.

Key assumptions: costs of disaggregation

Scenario A: Reorganisation

Element of the model



Methodology

1. The following costs of disaggregation only apply in the two unitary authority scenario. Two sets of senior leadership will be required to run two distinct authorities. This cost has been calculated using the costs of senior leadership at a representative council to tier 3.
2. By disaggregating services that are currently county-wide, for example Adults and Children's services, additional FTE will be required to account for lost efficiency. The amount of effort used in service delivery management & supervision has been used as a proxy to estimate the size of the increase required in a two unitary model.
3. The cost of a representative county democratic structure has been estimated as an additional cost that would be incurred having two unitary authorities.

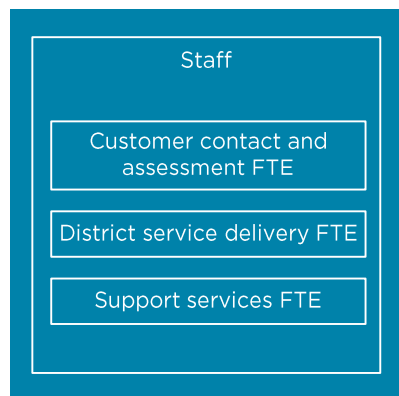
Assumptions applied

Area	Key figures		Rationale
	1UA	2UA	
Senior management cost per directorate		£578k	Using representative salaries for senior leadership posts and including oncosts.
Proportion of additional FTE undertaking service delivery management & supervision	0%	4.2%	Additional FTE will be required when disaggregating services currently delivered by the County Council as centralised delivery resources may have a level of duplication. Proportion of effort spent on management and supervision has been used as a proxy to estimate this cost. This percentage has been taken as the average effort recorded against front line management and supervision across unitary authority activity analyses conducted by PwC.
Members across all unitaries		84	This assumption has been made based on previous work around local government reform, which has indicated that the number of members across all unitaries would be similar to the number of current county members.
Member base allowance		£8,574	This cost has been estimated in line with the average base allowance found in other local authorities.
SRA costs per unitary authority	£365k per unitary authority		The SRA cost per new unitary authority has been estimated at £40k for a Leader, £30k for a Deputy Leader, £20k each for six Cabinet Members, £15k each for five Upper Committee chairs, and £10k each for 10 Lower Committee Chairs

Key assumptions: transformation benefits

Scenario B and C: Reorganisation and transformation (base and stretch)

Element of the model



Methodology

1. The combined County and district councils spend on staff has been estimated, using full FTE costs for transformation as detailed in Data Inputs, and grouped into customer contact and assessment, service delivery, and support service spend based on local authority averages.
2. Further reductions to those applied during reorganisation have been applied to customer contact and assessment, service delivery and support services FTE as a result of significant further efficiencies from removing duplicated activity.
3. These percentage reductions encompass the original reorganisation percentage reductions, and are similarly higher for a single unitary authority and revised down for a two unitary authority model due to forgone economies of scale.

Assumptions applied

Area	Key figures						Rationale
	1UA			2UA			
	Reorg	Base	Stretch	Reorg	Base	Stretch	
Reduction in customer contact and assessment FTE	5.0%	15%	20%	4.0%	8.0%	15.0%	Percentage reductions in line with previous work undertaken around local government reform. Now, County Council figures are included in the % reductions for service delivery FTE, as transformation would facilitate the reshaping of the way services are delivered.
Reduction in service delivery FTE	3.5%*	8.0%	10.0%	1.5%*	4.0%	6.0%	
Reduction in support services FTE	4.0%	10.0%	12.0%	3.0%	4.0%	8.0%	

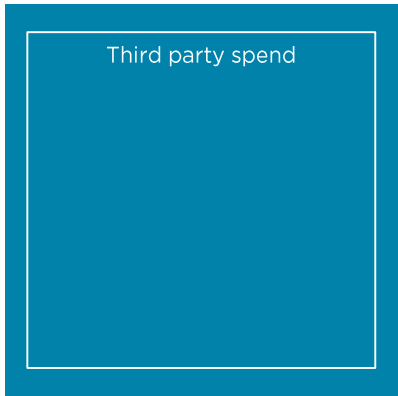
*Percentage assumptions initially applied to district service delivery capabilities during reorganisation.

Key assumptions: transformation benefits

Scenario B and C: Reorganisation and transformation (base and stretch)

Element of the model

Methodology



1. The increased expenditure viewed as addressable through transformation also increases the benefits available through reductions in third party spend.
2. The percentage assumptions which underpin these reductions in third party spend can also be examined, as we also assume a larger proportion of this addressable transformation figure can be reduced through transformational change. The figures below include and build on the existing savings for reorganisation.

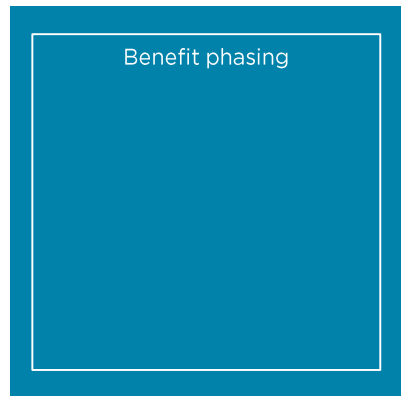
Assumptions applied

Area	Key figures						Rationale
	1UA			2UA			
	Reorg	Base	Stretch	Reorg	Base	Stretch	
Reductions in third party spend	2.5%	4.0%	6.0%	1.5%	3.0%	5.0%	Percentage reductions in line with previous work undertaken around local government reform.

Key assumptions: transformation benefits

Scenario B and C: Reorganisation and transformation (base and stretch)

Element of the model



Methodology

1. When considering the impact of change over a number of years, the full range of transformation benefits cannot be assumed to immediately be fully realised, as this would fail to accurately portray the outcome of the first two years following the creation of the unitary authority – before true transformational change has taken effect across the system.
2. Instead, a phasing approach for benefit realisation is taken, based on previous experience of benefit realisation following structural change.

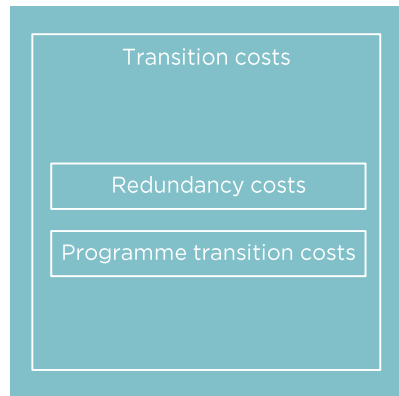
Assumptions applied

Area	Key figures		Rationale
Benefit phasing	Cumulative Benefit Realisation	Year	Transformation benefits will involve significant change in infrastructure and ways of working, as well as a longer-term change programme. It is estimated that some of the benefits will be realised initially, but further savings will be realised in Years 2 and 3 due to the complex nature of the change.
	25%	1	
	75%	2	
	100%	3+	

Key assumptions: transformation costs

Scenario B and C: Reorganisation and transformation (base and stretch)

Element of the model



Methodology

1. Further one-off redundancy costs will be incurred when re-organising local authorities. These have been calculated as a proportion of the benefit resulting from FTE reductions and therefore is higher in a single unitary model than a two unitary model.
2. There are a number of further transition costs, additional to the transition costs for reorganisation, that will be incurred when using reform as a catalyst for transformational change. These broadly fall into the buckets of investment in IT, internal programme management costs, and external transformation support costs.

Assumptions applied

Area	Key figures				Rationale
	1UA		2UA		
	Base	stretch	Base	Stretch	
IT investment costs (£m)	£6.0m	£8.0m	£8.0m	£10.0m	Further costs for transformation estimated on the basis of previous work with local authorities around reform, combined with analysis of Cumbria's ambition for true transformational change, with willingness to invest.
Internal project management (£)	£1.0m	£1.0m	£2.0m	£2.0m	
External support costs (£)	£4.0m	£4.0m	£8.0m	£8.0m	
Redundancy cost	£5.9m	£8.1m	£2.4m	£5.5m	Using seven year rolling average redundancy cost, and applying this to the projected benefits through reductions in FTE.

Key assumptions: council tax harmonisation

Council tax

In order to model council tax collection for unitary authorities following reorganisation, it is proposed to harmonise council tax levels to the lowest level in the new unitary area, with this level increasing at the maximum rate of 1.99% and all other levels slowing to meet this over a period of five years.

Band D-equivalent tax bases are taken from the most recent ONS population projections*, and updated Band D rates have been used for 2020/21**.

Council	2019/20 Annual Band D Council Tax Level (Inc. Parish Precept) (£)	2020/21 Annual Band D Council Tax Level (Inc. Parish Precept) (£)	Net Revenue expenditure (£)
Cumbria County Council	1,332	1,441	484,300,000***
Allerdale Borough Council	245	254	15,889,000****
Barrow Borough Council	245	248	10,509,000****
Carlisle City Council	231	237	17,403,000****
Copeland Borough Council	259	264	8,413,000****
Eden District Council	244	252	10,612,000****
South Lakeland District Council	233	239	17,090,000****

*2018-based subnational population projections (Table 2: Local authorities and higher administrative areas within England)

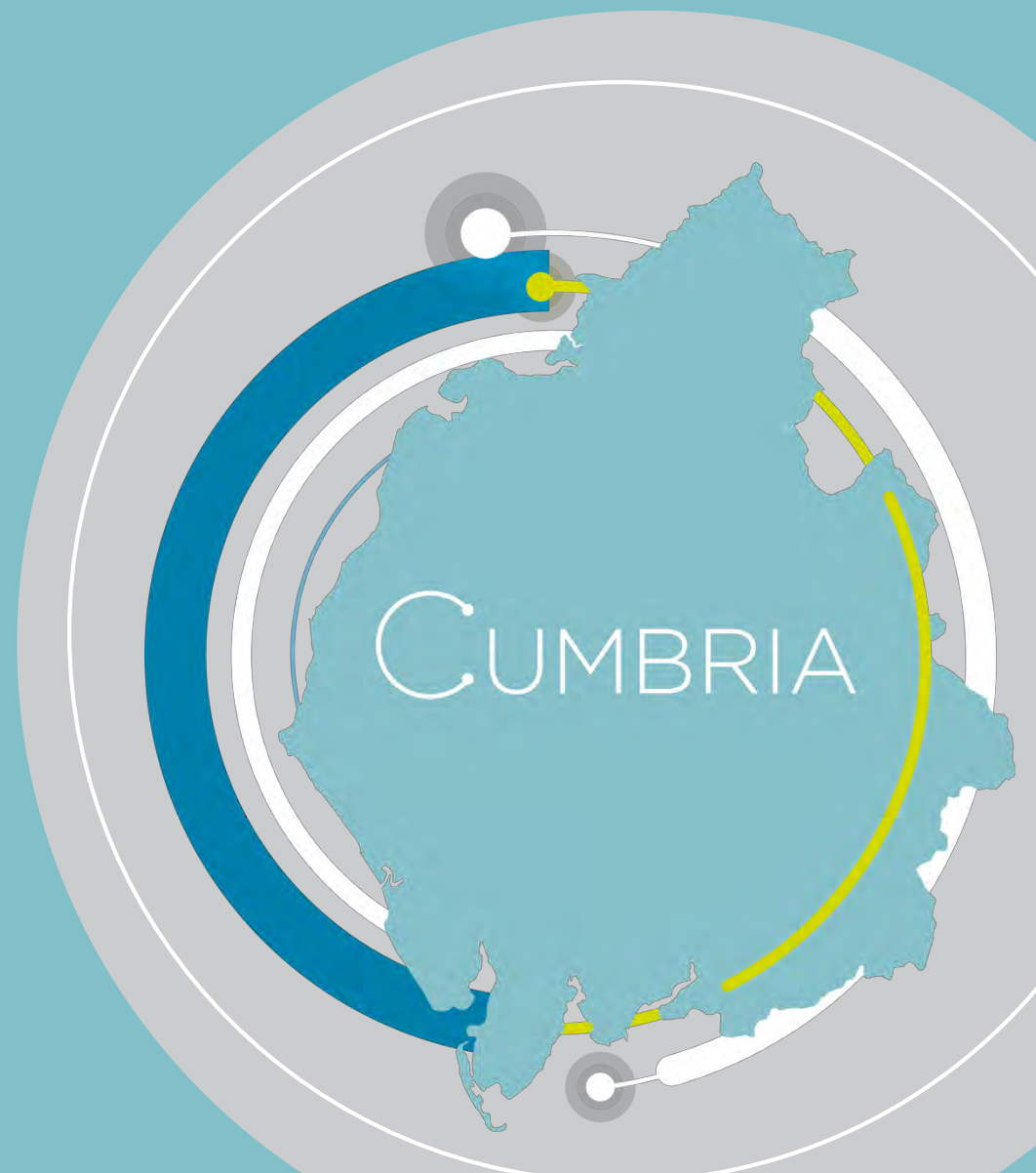
**Council Tax levels set by local authorities in England 2020 to 2021 (Table 7: 2020-21 Council tax (average Band D) and % change on 2019-20: individual local authorities)

***Taken from Council-provided data

****Taken from 2018/19 Revenue Outturn figures - most recent publicly-available data

appendices

democracy



Democracy

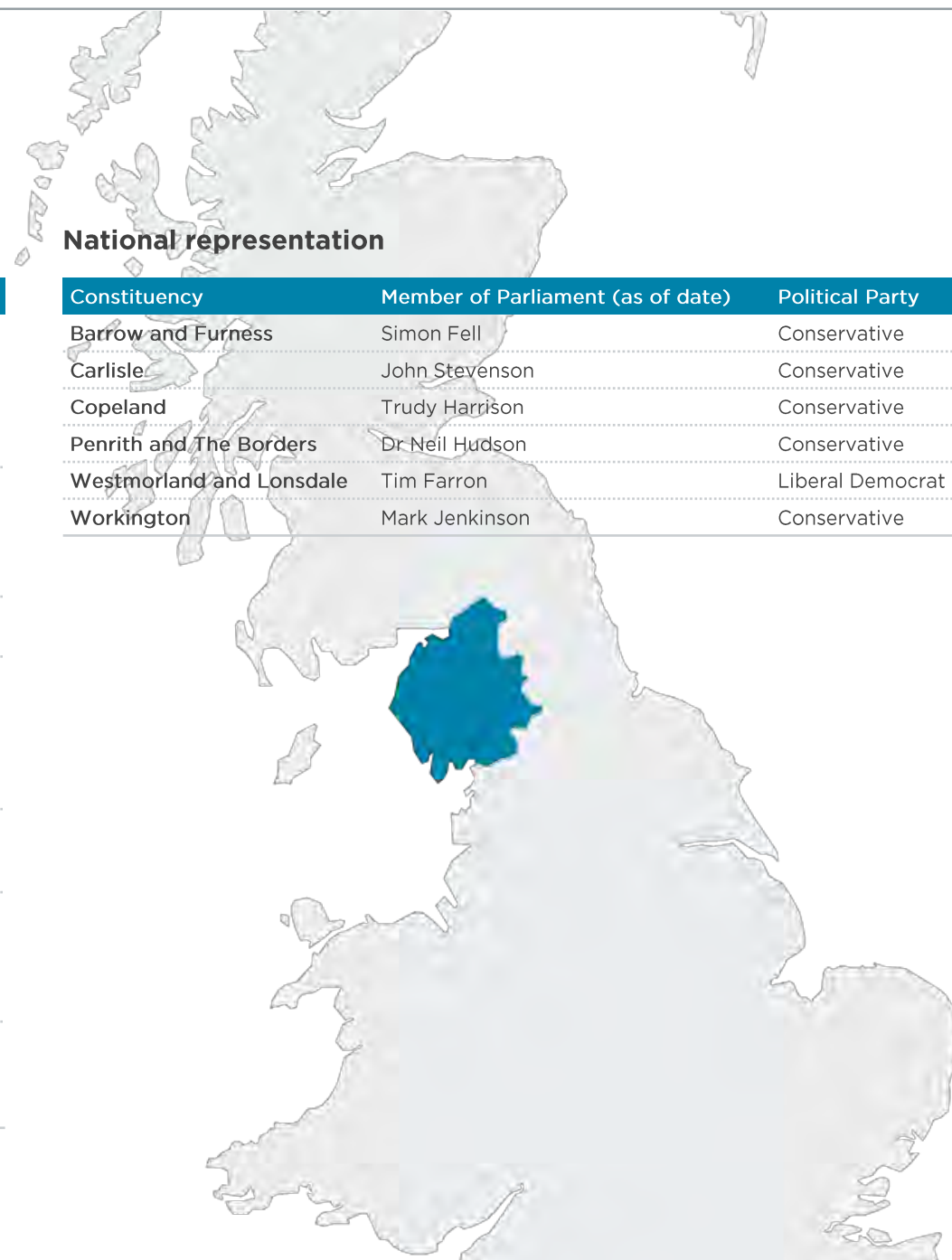
Local representation

Council	Political composition	Additional info
Cumbria County Council	36 : Conservative 26 : Labour 16 : Liberal Democrats 5 : Independent	Following the elections on 4 May 2017 there was no one party with overall control. The current administration is a Labour and Liberal Democrat alliance. Vacancy in Brampton division.
Allerdale Borough Council	16 : Allerdale Independents 15 : Conservative 12 : Labour 1 : Independents 1 : Moorclose Independent	As of July 2020, vacancies in Aspatria, Christchurch, Ellen and Gilcrux & Seaton Wards.
Barrow Borough Council	25 : Labour 11 : Conservative	
Carlisle City Council	17 : Conservative 14 : Labour 4 : Independent 1 : Green Party 1 : Liberal Democrats 1 : UKIP	
Copeland Borough Council	18 : Labour 11 : Conservative 4 : Independent	
Eden District Council	14 : Conservative 11 : Liberal Democrats 9 : Independent 2 : Labour 2 : Green Party	
South Lakeland District Council	52 : Liberal Democrats 15 : Conservative 3 : Labour 1 : Green Party	

Sources: Cumbria County Council and district council websites (July 2020)

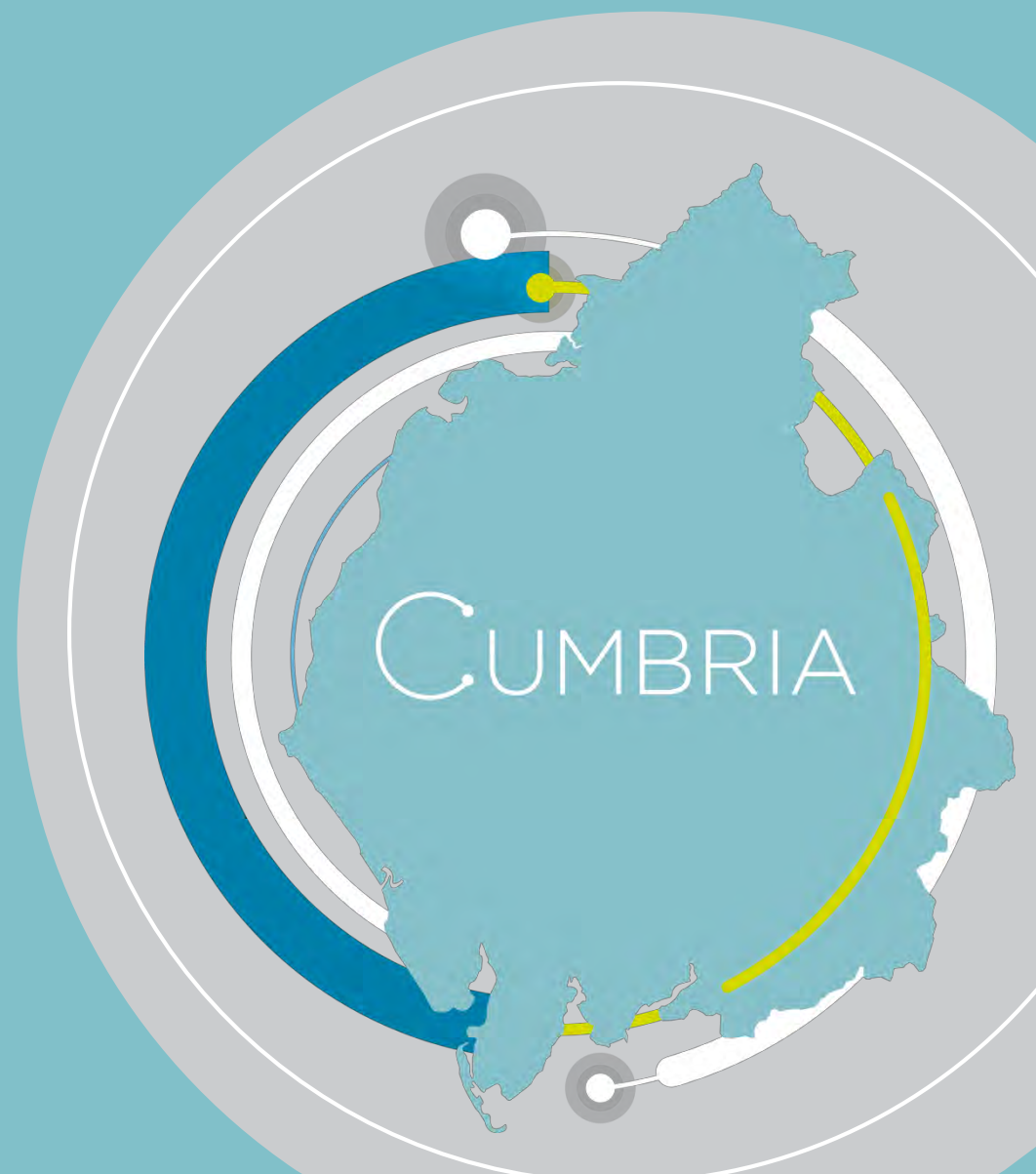
National representation

Constituency	Member of Parliament (as of date)	Political Party
Barrow and Furness	Simon Fell	Conservative
Carlisle	John Stevenson	Conservative
Copeland	Trudy Harrison	Conservative
Penrith and The Borders	Dr Neil Hudson	Conservative
Westmorland and Lonsdale	Tim Farron	Liberal Democrat
Workington	Mark Jenkinson	Conservative



appendices

our future organisation



Our future organisation: design principles



Our design principles for our future organisation: we have defined the following initial design principles to guide us the design of the future single unitary organisation.

Customer

- We will be a customer-centred organisation, placing the aspirations and needs of customers at the centre of our strategic and service planning
- We will collaborate and co-produce with communities (& partners) to develop and deliver our collective ambitions
- We will have a single point for initial contact with local government by residents and business within Cumbria
- We will be digitally led, with face-to-face contact in localities based on need and provided at the most appropriate venue
- We will ensure that the potential role of local government as investors, customers and enablers in the local economy



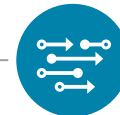
Government and strategic partners

- We will present a single, clear and compelling narrative around key strategic issues/opportunities for Cumbria as a place
- We will provide strong place and system leadership
- We will lead on a multi-agency approach, bringing partners together to deliver more complex services



Organisation

- We will be a data and intelligence led organisation, with this driving and informing decision making and service design/delivery
- We will operate simple, consistent, automated processes, which facilitate self-service as the norm
- We will maintain locally engaged, effective, streamlined, democratically accountable local government for Cumbria



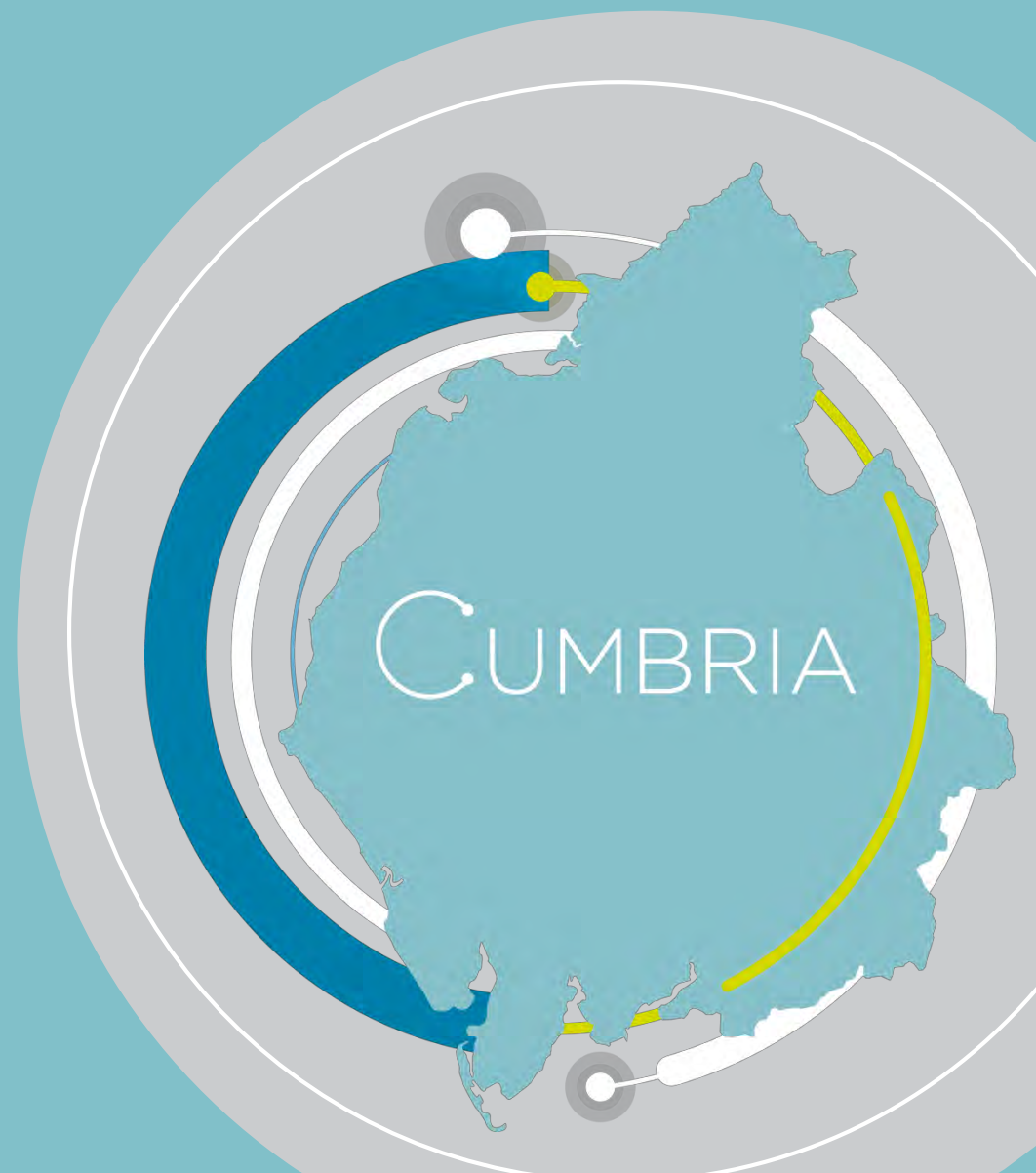
Employees

- We will empower our workforce to be innovative and collaborative in developing, testing and embedding new ways of working
- We will provide the tools, technology and facilities to create a healthy and productive working environment
- We will ensure all employees work together and share a common set of values and behaviours that enable us to deliver the best services



appendices

case studies



Case study – Economy : Borderlands Inclusive Growth Deal

The **Borderlands Partnership** is an ambitious approach to cross-border working by five local authority partners, united by a shared ambition of improving the economic future for our communities – in a way which ensures no-one gets left behind.

This is a first class example of collaboration, and what we can achieve through team working and with engagement from business and political leaders. It is totally unique in its approach, and has overcome political and cross-border differences to provide tremendous opportunities for the region's future economic sustainability.

The Borderlands Partnership has now secured a **£345 million deal** from the UK and Scottish Governments, through the Borderlands Inclusive Growth Deal. This covers five key programmes:

- Digital
- Borderlands Energy Investment Company
- Destination Borderlands
- Quality of Place
- Business Infrastructure

The County Council has already used skill and expertise in shaping and delivering county-wide programmes, such as Connecting Cumbria. Leading by example in ensuring our region is thriving in key areas – including access to customers and markets for businesses and residents, digital upskilling of the county's workforce, and entrepreneurship and growth in new start-up businesses.

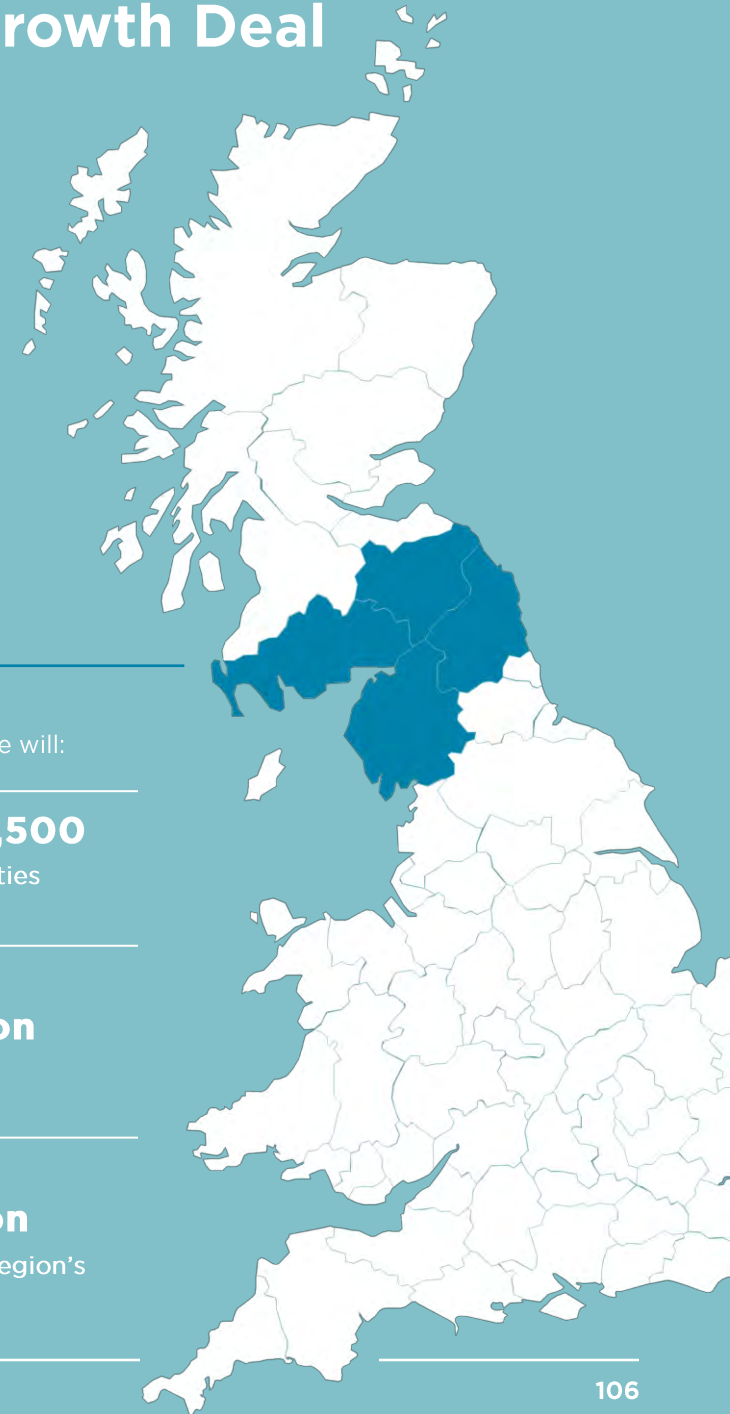
This means both the local economy and the regional economy will benefit – narrowing the productivity gap and increasing the working age population, whilst strengthening trade across borders and developing the regional offer to the world.

As a result of Borderlands we will:

Create 5,500
job opportunities

**Attract
> 4 million**
extra tourists

**Secure
£1.1 billion**
boost to the region's
economy



Case study – Families : Focus Family programme

The Focus Family programme aims to improve support for families with two or more serious issues, such as domestic abuse, health problems, crime and anti-social behaviour, reliance on out of work benefits, poor school attendance and children requiring additional support. Approximately 65% of the families in our target cohort were known to social care, with the remaining 35% known to early help services.

This is a countywide, multi-disciplinary and multi-agency team with 11 FTE employees covering: performance monitoring, area coordinators and co-located staff from Department for Work and Pensions (DWP) and the Police. The team offers physical and tangible support to those in need. This approach involves frontline staff providing direct support, with the Focus Family team acting as a conduit for other means of support for families which are time consuming for frontline staff to track down and secure.

This support has been made possible due to excellent working relationships with our community and voluntary sector partners, Children's Centres, schools, Police, Youth Offending Service and youth support services. The co-location of DWP staff has enabled a rapid response for families in crisis and improved the relationship between benefit claimants and DWP.

The multi-agency team have brought skill and dedication to the task, **successfully supporting well over 3000 families over the last five years** and making Cumbria the first large Local Authority to achieve the Government's Payments by Results target. This has secured an additional £2.7m of income for the council, supporting a range of innovative services for families in need of help and support, and avoided an estimated £4m of additional costs.

Since the introduction of the programme, there has been the provision of new roles in the safeguarding hub; the introduction of the Nightstop project to address youth homelessness; funding into frontline early help roles and strengthened contracts with our Children's Centre delivery partners. The latter contract improved support for parents of teenagers, an area that had been identified as needing a consistent countywide approach. Additionally, investment has been put in into for two Signs of Safety officers to develop a train the trainer approach for whole workforce education of this assessment method.



As a result of this programme we have:

Supported > 3,000

families successfully over the last five years

Secured £2.7 million

additional income to support families in need

Case study – Communities : COVID-19 response

When the threat of COVID-19 became clear, Cumbria were to quick to act. After a period of active monitoring, Cumbria's Local Resilience Forum activated its **Strategic Coordinating Group (SCG)** on 4 March 2020.

The SCG provided the leadership that delivered meaningful activity and support on the ground for local communities.

Through effective engagement with the third sector and as a direct result of the County Council's strategic leadership we quickly established an **emergency support service** comprising a call centre and a network of welfare coordination hubs to provide essential support to those in need.

As well as providing much needed support directly to vulnerable residents, the hubs have been central in locally matching offers of support (from a network of community groups, volunteers, redeployed council employees and local business) to those requesting this, thereby supporting the co-ordination of the very positive local response to COVID-19 in our communities.

Key to this success was our ability to rapidly mobilise and co-ordinate over two thousand **volunteers**.

The County Council is now leading and chairing the Strategic Recovery Coordinating Group which is overseeing Cumbria's **recovery** from the COVID-19 pandemic.

The framework for recovery in Cumbria envisions an approach built on the leadership of existing partnerships and programmes rather than through the establishment of a new set of recovery sub-groups. The key **strategic partnerships** are the Health and Wellbeing Board, Local Enterprise Partnership, Safer Cumbria and the Children's Trust Board.

The SRCG has a real focus on facilitating an approach to recovery in Cumbria that includes **community** voices, builds community resilience and so supports communities to thrive. Various locality partnership structures such as community safety partnerships and health and wellbeing fora provide opportunities to enable and facilitate recovery at local level.



Case study – Third Sector : The Cumbria Social Enterprise Partnership (CSEP) Sector Support Programme

The Social Enterprise sector complements many of the services which the public sector provides, and are often part of the preventative work which makes communities more resilient and self-supporting. In 2016, the County Council and the Cumbria Social Enterprise Programme developed a tender specification to contract with a suitably qualified organisation to provide business support services to the Social Enterprise sector in the county. The winning bidder, a social enterprise, leads a consortium of other social enterprises and professional business advisers to deliver the following:

- Support packages to help develop new start-ups
- Support existing social enterprises to write business, trading and sustainability plans
- Support local community groups wishing to take on the running of former council buildings and services, through initiatives such as Community Asset Transfers

The council has shown leadership and worked closely with partners and the third sector to explore the potential of how social enterprise can change how we work with communities, staff and school-aged learners to make efficiencies, improve health, attendance and learning outcomes.

In the three years to March 2019, the Council and CSEP has helped form 32 new social enterprises, supported 48 existing organisations and helped three local community groups through asset transfers. There are now 1,114 social enterprises operating in the county and it is estimated they contribute over £325m to the local economy and provide employment for over 4,000 people. We have also been successful in gaining a Social Enterprise UK accolade for the county and are now recognised as a Social Enterprise Place, (one of only 8 counties in the UK, and the only one in the North West), which complements Alston Moor's status as being the World's First Social Enterprise Town. This initiative is shortlisted for this year's LGC awards.

As a result of this programme we have:

Formed 32

new social enterprises with help by the Council and CSEP in the three years to March 2019

Supported 48

existing organisations by the Council and CSEP in the three years to March 2019

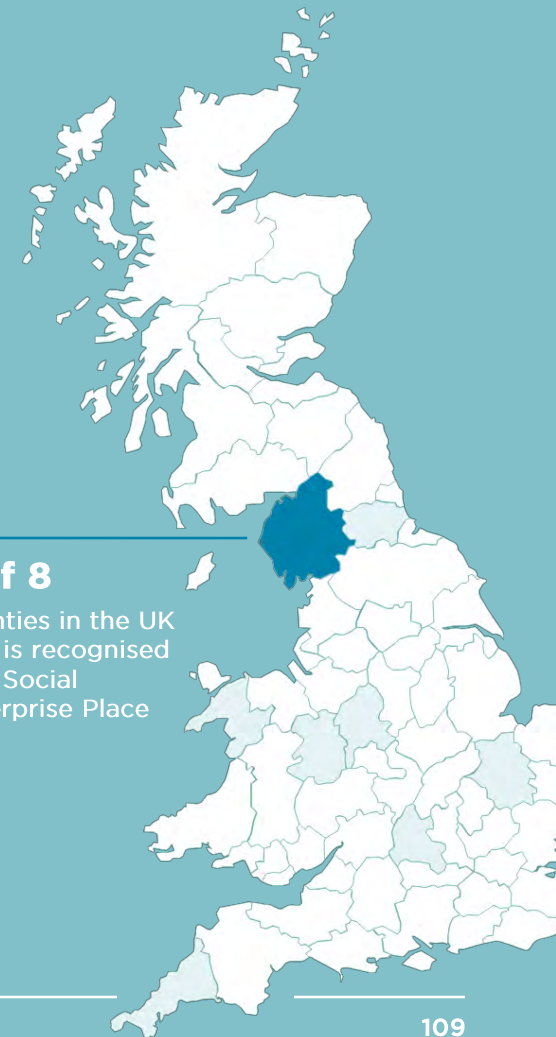
Delivered £325m

estimated contribution to the local economy

Employed 4,000

people through social enterprises

LGC Awards
2020



1 of 8

counties in the UK that is recognised as a Social Enterprise Place

Case study – Partnerships : Tackling drug related deaths in Barrow-in-Furness

With 12 drug-related deaths in four months of 2018, Barrow-in-Furness had one of the highest rates of drug related deaths in England. In response, Cumbria County Council worked collaboratively with the district councils, police, NHS and ambulance service and the local voluntary sector (The Well Communities and Unity Drug and Alcohol Recovery Service) to set up the South Cumbria Drugs Poisoning Death Response Group.

The group aims to tackle the root problems of drugs misuse: health, criminality and social problems. They implemented a number of new initiatives, including:

- A **'trigger plan'** for near misses developed to try and minimise the risk of death after a 'near-miss' event. The Police act as a central hub for reporting of near misses, and people identified to be at risk are supported with assertive outreach provided by local voluntary agencies. There were almost 30 near misses identified during 2018
- **Naloxone** issued to every known opiate user – a drug which can reverse the effects of opioids, and prevent death if used following an opioid overdose. This has required use of our partnerships to identify and issue as accurately as possible
- **Education:** Education sessions have been held for the prescribing leads at G.P. practices across South Cumbria, sharing best practice in terms of prescribing for long-term pain management. Unity has also delivered training sessions to junior doctors at Furness General Hospital
- **Police operation:** There has been a successful 10-month police operation to target county lines gangs that has resulted in the arrests of 30 people, impacting on the supply of drugs available in the town.

In addition, partners worked together to create a **Well-being Hub** at Egerton Court. This opened in January 2019 and is a ground floor that has been transformed into a support facility for people living in the area. It is staffed by employees of The Well and trained volunteers, who provide access to facilities for cooking and cleaning, as well as food via Barrow Foodbank. Staff are also on hand to provide advice, guidance and referral into other services. The Police also support the Hub by ensuring their proactive response team are available during Hub opening hours. At Egerton Court there has been police call-outs have reduced by 75% and tenants are regularly using the hub, with direct work being undertaken with around a third, including people previously unknown to services.



The work of this group has:

Saved 18 lives

Supported 40

high risk drug users to get clean

ONE CUMBRIA

cumbria.gov.uk
