

## Executive Summary

The Bay is affordable and creates an authorities that will deliver sustainable and recurring efficiencies reducing our funding gap

**Our proposal for the Bay Council is an affordable and realistic plan that will deliver public value. We can make savings from the transition through internal efficiencies but also bring forward reform and recovery plans that have substantial wider benefits.**

We used publicly available data, sector and local insight to develop our assessment of the strategic and economic case for the Bay and alternatives. Given the limitations in the MHCLG criteria ruling out two Type B unitaries within Cumbria the choice is between business as usual as the baseline, a county unitary or the Bay Council and either a North Cumbria unitary or retaining a two-tier arrangement in that part of Cumbria.

The baseline position uses a total net service expenditure of £797m for Cumbria options (the seven councils) and £1,040m across the Bay due to the inclusion of Lancaster and relevant Lancashire spend.

Transition to unitary local government in Cumbria and Lancaster is estimated to cost in the range of £12-20m for all options. This is consistent with recent experience, other proposals that we are aware of and the scale of challenge involved.

Although implementing the Bay and a North Cumbria unitary option is initially more expensive than a single unitary because it involves two new authorities, by doing so in parallel and across a larger baseline, the costs are not double that of creating a county unitary.








The Cumbria County proposal, and intention to pursue Scenario C, suggests benefits that are double previous estimates produced at the end of 2018. It is questionable if these are deliverable, and if so, if they will create a resilient and sustainable solution authority.

The Bay is a more viable and more credible. We have made prudent evidence based assessments of what is achievable, linked to a clear reform programme. We are not seeking to compete in a race to the bottom. We are seeking agreement to organise in a way that supports communities and the potential of the Bay, and will deliver longer term financial returns for the Bay and UK plc.

**Notes:**

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	Total implementation costs (£m)	(£12.7)	(£19.9)	(£16.0)	(£16.0)
	Direct benefits (£m)	£47.9	£100.5	£76.6	£99.3
Direct costs (£m)	(£15.0)	(£27.2)	(£22.2)	(£22.2)	
Indirect benefits (£m)	£20.0	£41.8	£27.3	£93.2	
Indirect costs (£m)	(£9.0)	(£15.2)	£-	(£21.0)	
Net costs/benefits (£m)	£31.2	£80.0	£65.7	£133.3	
NPV (£m)	£25.3	£66.7	£55.8	£113.2	