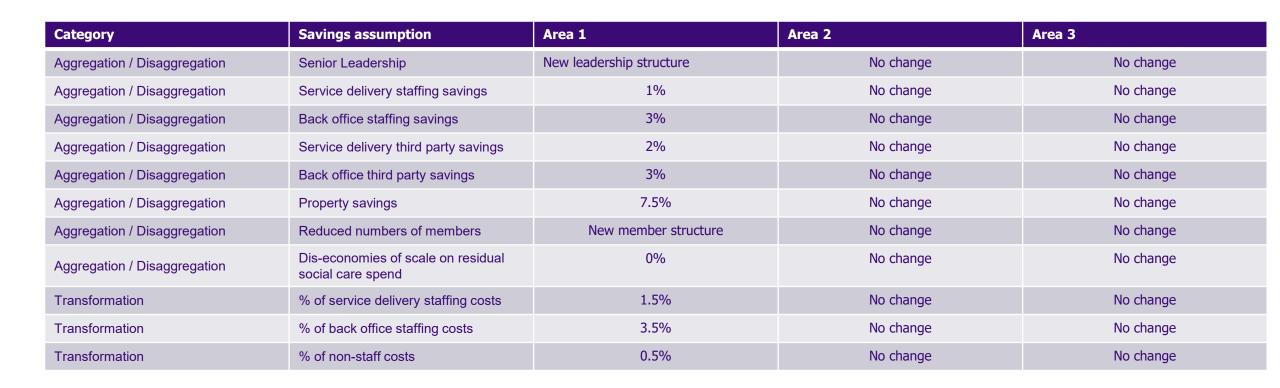
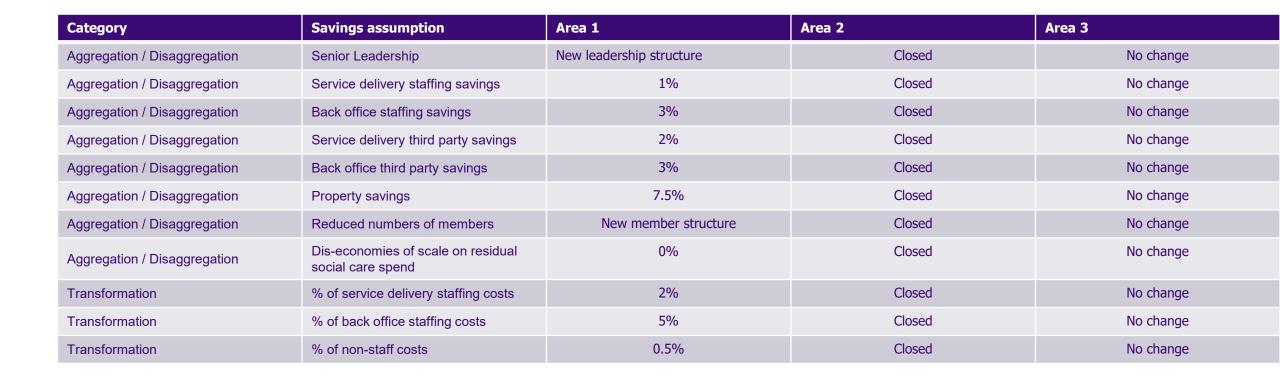


Leicester City & Leicestershire LGR Strategic Summary and Options Assumptions for financial model





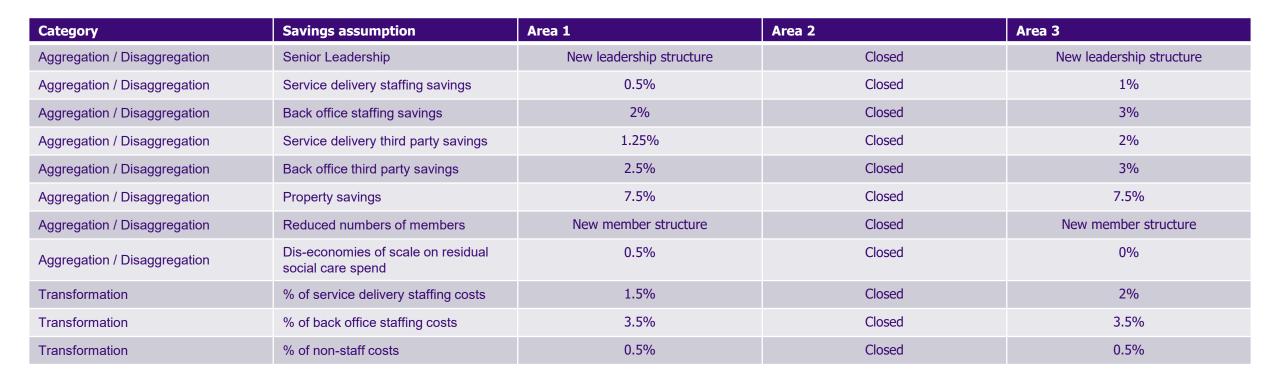










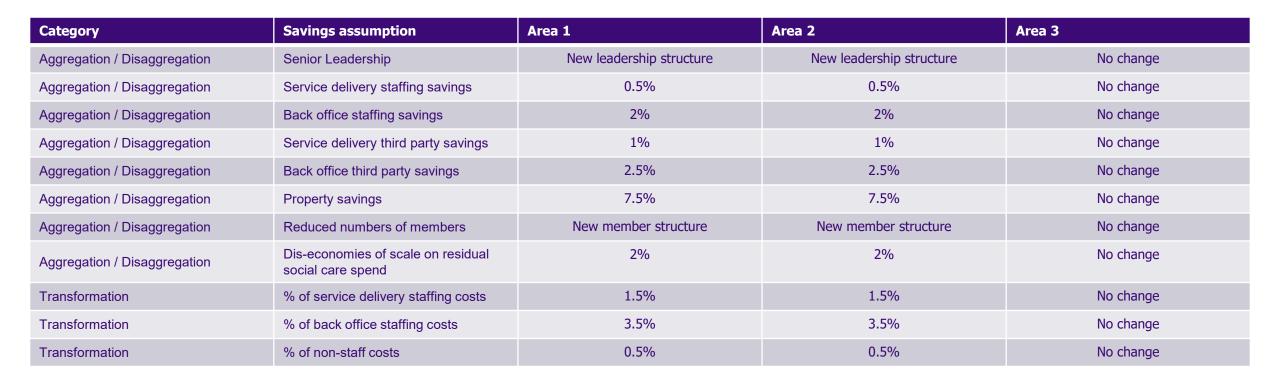






Category	Savings assumption	Area 1	Area 2	Area 3
Aggregation / Disaggregation	Senior Leadership	New leadership structure	Closed	New leadership structure
Aggregation / Disaggregation	Service delivery staffing savings	0.5%	Closed	1%
Aggregation / Disaggregation	Back office staffing savings	2%	Closed	3%
Aggregation / Disaggregation	Service delivery third party savings	1.25%	Closed	2%
Aggregation / Disaggregation	Back office third party savings	2.5%	Closed	3%
Aggregation / Disaggregation	Property savings	7.5%	Closed	7.5%
Aggregation / Disaggregation	Reduced numbers of members	New member structure	Closed	New member structure
Aggregation / Disaggregation	Dis-economies of scale on residual social care spend	0.6%	Closed	0%
Transformation	% of service delivery staffing costs	1.5%	Closed	2%
Transformation	% of back office staffing costs	3.5%	Closed	3.5%
Transformation	% of non-staff costs	0.5%	Closed	0.5%



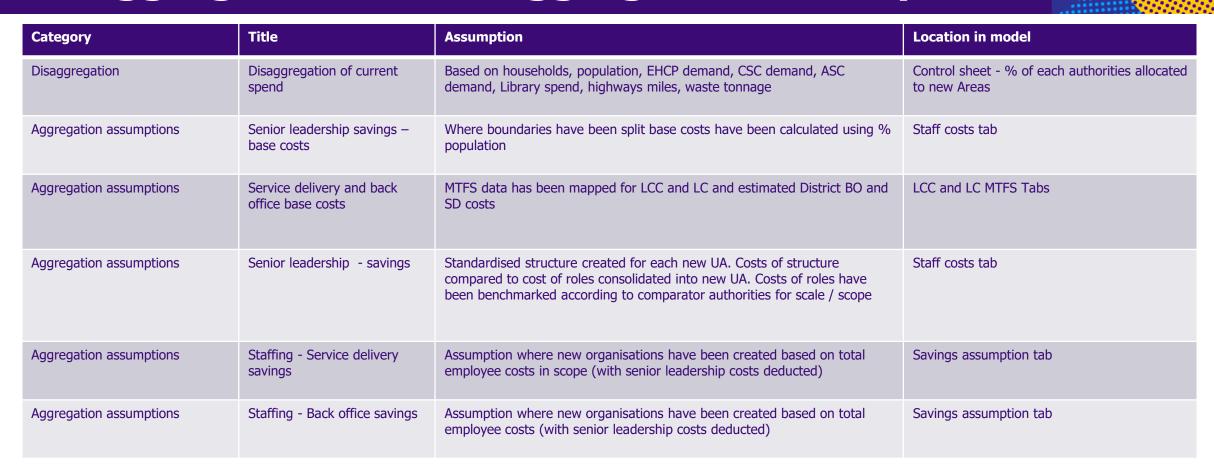




1a. Aggregation and Disaggregation impacts

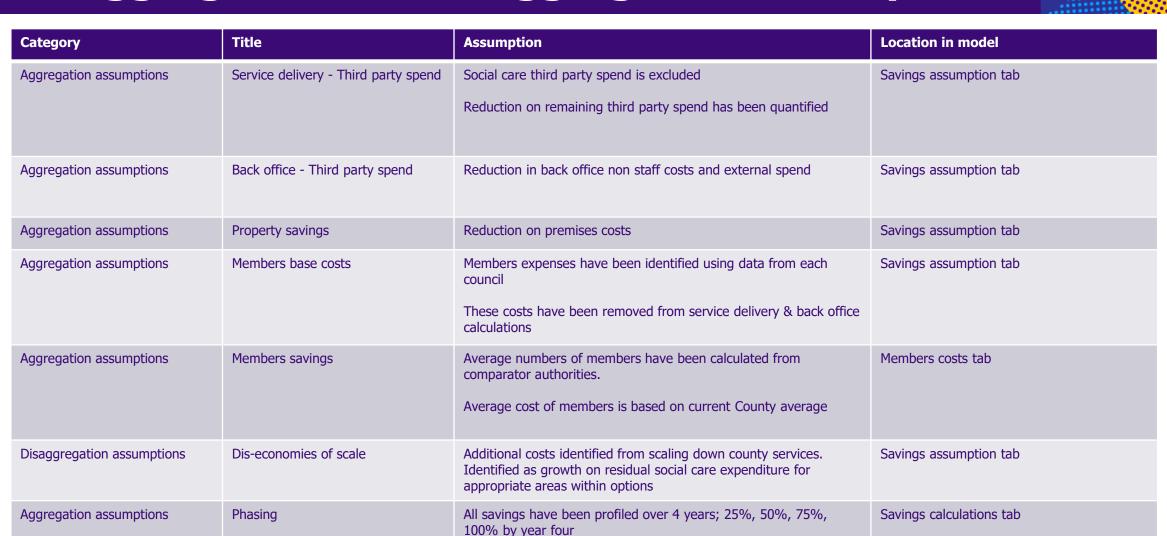


Aggregation and disaggregation assumptions





Aggregation and disaggregation assumptions





1b. Transformation assumptions



Transformation assumptions

Category	Title	Assumption	Location in model
Transformation	Service delivery costs - staffing	Savings for further reductions in staff costs relating to synergies in outcomes	Savings assumptions tab
Transformation	Back office costs - staffing	Savings for further reductions in back office roles due to duplication	Savings assumptions tab
Transformation	Additional savings - % of non staff costs	Duplication in suppliers and expenditure for non staff costs	Savings assumptions tab



1c. Transition costs



Transition assumptions

Category	Title	Assumption	Location in model
Transition costs	Redundancy costs	Calculated at 43% of staffing costs saving based on previous LGR reports	Savings assumptions tab
Transition costs	Organisation set up	£500,000 per UA	Savings assumptions tab
Transition costs	Closed down districts	£100,000 per UA. Where district boundaries are split close down costs have been allocated by population to new UAs	Savings assumptions tab
Transition costs	Closed down county	£250,000 per UA	Savings assumptions tab
Transition costs	Shadow authority costs	£700,000 per new authority based on estimate of full cost of CEO, s151, leader and deputy leader for 1 year	Savings assumptions tab
Transition costs	Comms and marketing	£600,000 per new authority	Savings assumptions tab
Transition costs	Programme costs	£3.3m (team of 10 @ £500 per day @ 220 days per year for 3 years) for +500,000 population Scaled for 75% of costs for option 6.	Savings assumptions tab
Transition costs	IT costs	£500,000 - £1,000,000 IT transition costs established for new UAs (adding headcount) tailored to the scale of individual options.	Savings assumptions tab
Transition costs	Contingency	10% of all transition costs	Savings assumptions tab

NOTE – the transition costs have been uplifted based on the PWC model to ensure more prudence. Programme Management, IT and Contingency have been increased.