

Establish New Areas and Councils

Costs and Benefits Calculations

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Establishing New Areas and Councils

Introduction

Appendix A outlines a summary of the cost estimates for part 1 of the draft Regulatory Impact Assessment (RIA) focused on establishing new areas and Councils as part of the Draft Local Government (Wales) Bill. This Appendix must be read in conjunction with the relevant section within the main draft RIA to provide the context and associated details for the figures.

All costs are considered over a 10 year period. As the options considered are significant strategic changes it is considered appropriate that any costs and benefits are analysed over a sufficiently long time period.

Annual and weekly staff costs are provided throughout this draft RIA. Annual leave, sick leave and bank holidays are included in the estimates and the annual costs are divided by 52 to calculate weekly costs. For some policy intentions daily costs are considered the most appropriate way of estimating resource requirements. To calculate the resource required for a single day the weekly cost is divided by 5 (working days in a week). This approach is applied consistently throughout the draft RIA.

As this is a draft RIA, further analysis will be undertaken to inform the RIA to accompany the Local Government (Wales) Bill, as introduced into the Assembly for scrutiny. It is clear that Local Authorities will be exploring a range of approaches to achieve efficiency savings over the years leading up to Vesting Day; this will undoubtedly change the current financial and staffing structures. No assumptions have been made on how Local Authorities will make efficiency savings over the short term as it is not certain where or when these changes will be made. Where possible the most recent Local Authority data has been used to make estimates and calculate costs and benefits.

The below grading costs have been used throughout the draft RIA to estimate staff costs and savings.

Pay Scales 2014-15:

Pay Band	Grade	Annual Salary	Annual Gross Cost	Monthly Gross Cost
Team Band	TS	£21,000	£25,700	£2,100
Executive Officer	EO	£24,500	£30,700	£2,600
Higher Executive Officer	HEO	£32,200	£40,600	£3,400
Senior Executive Officer	SEO	£40,900	£51,900	£4,300
Executive Band 2	G7	£52,900	£69,400	£5,800
Executive Band 1	G6	£65,000	£85,900	£7,200
Deputy Director	SCS5	£75,000	£101,400	£8,400
Head of Group	SCS4	£80,000	£108,300	£9,000
Director	SCS3	£95,000	£129,000	£10,700
Director General	SCS2	£130,000	£177,300	£14,800

Option 1 - Do Nothing

There are no additional calculations associated with this Option.

Option 2 - Shared Administration Service

The following information was used to calculate the costs and benefits estimates provided within this draft RIA.

COSTS

Costs to Welsh Government

The below tables illustrate the potential structure of a Welsh Government support team. The size of this team is expected to reduce after 3 years once the new administrative service has been established.

Table 1 calculates the cost a possible team structure to support the initial 3 years of any new shared administration service.

Table 2 shows a reduced team compared to that set out in Table 1, this is based on the assumption that the team's role would reduce once the initial 3 year period has been completed and a smaller team structure would be required for the remainder of the 10 year period.

Table 1: Annual Estimated Welsh Government Support Team Costs 2019/20 to 2021/22

	Number of Staff Required	% of Official's Time Required per Year	Cost per Year	Total
Deputy Director	1	25%	£101,400	£25,300
Executive Band 2	2	100%	£69,400	£138,800
Senior Executive Officer	2	50%	£51,900	£51,900
Higher Executive Officer	3	100%	£40,600	£121,900
Executive Officer	2	100%	£30,700	£61,400
Team Support	1	100%	£25,700	£25,700
Lawyer	2	50%	£69,400	£69,400
Total Cost				£494,500

Table 2: Annual Estimated Reduced Welsh Government Support Team Costs 2022/23 onwards

	Number of Staff Required	% of Official's Time Required per Year	Cost per Year	Total
Deputy Director	1	25%	£101,400	£25,300
Executive Band 2	1	100%	£69,400	£69,400
Higher Executive Officer	2	100%	£40,600	£81,300
Team Support	1	100%	£25,700	£25,700
Lawyer	1	25%	£69,400	£17,400
Total Cost				£219,100

Costs to Local Government

Consultancy Support Costs

The implementation of any new all Wales shared administrative service would require management, technological and cultural change. Table 3 estimates the level of external consultancy that would be required to oversee such a change and the costs associated with this requirement.

Table 3: Local Government Consultancy Cost Calculations

Number of Local Authorities	22	22
Consultancy Cost per Day	£500	£500
<u>Days Required per Local Authority</u>	Min	Max
Pre-implementation (Days)	150	200
Post-implementation (Days)	100	150
Post-implementation (Days)	50	100
Cost per Local Authority	£150,000	£225,000
Cost per Year	Min	Max
Pre-implementation	£1,650,000	£2,200,000
Post-implementation	£1,100,000	£1,650,000
Post-implementation	£550,000	£1,100,000
Total Cost to Local Government	£3,300,000	£4,950,000

Training Costs

As part of the possible shared administrative service option there would be a requirement for a new IT platform to be rolled out throughout Wales, replacing each Local Authorities' existing systems. With the implementation of any new IT system, the staff working on the system would require a reasonable amount of training.

Table 4 estimate the average hours of training required from each Administrative FTE. An average training requirement has been estimated for each administrative FTE, this has been based on the assumption that Officials working with the system on a regular basis would require extensive training on the new system, whereas other less frequent users are expected to require considerably less.

Table 4: Shared Administrative Service IT Training Costs

IT Training Requirement

Number of staff employed in FTE Administrative rolls 9,350

Estimated number of staff required following shared service implementation

Maximum 8,883

Minumim 8,415

Average training hours required per employee 10

Estimated average cost per hour of training £50

Total training costs (rounded)

Maximum £ 4,441,300

Minimum £ 4,207,500

Additional Travel Costs

It is expected that a small proportion of administration staff would be required to travel further as a result of a new shared administrative service. This number is estimated to be minimal as Local Authorities would fully consider flexible ways of working where possible.

Additional travel costs should only be incurred over the first 3 years; Local Authorities would not be expected to incur additional travel costs beyond this date.

Table 5: Additional Travel Costs

Estimated number of staff required to travel

Maximum	250
Minimum	150

Estimated additional mileage per day	40
Cost per mile	£0.45

Number of working days per year	225
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Total annual additional travel cost

Maximum	£1,012,500
Minimum	£607,500

Staff Redundancy and Early Retirement Costs

A product of a more efficient and effective administration centre would be a reduction on administration posts. The below calculations estimate a range of reductions, this is based on the assumption that all 22 Local Authorities would continue to require a large proportion of their existing administrative posts locally with a range of overall efficiencies being achieved throughout local government.

Reducing the number of administrative posts would inevitably result in redundancy and early retirement costs. Table 6 provides details on the estimated range of additional costs associated with reducing the number of administrative posts.

Table 6: Estimated Redundancy and Early Retirement Costs

Total number of administration posts in local government (2013/14) **9,350**

Estimated level of post reductions possible due to a shared administrative service

Maximum	10%	935
Minimum	5%	468

Estimated average costs of an administrative post	£32,000
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Estimated average number of years of service 10

Estimated average Local Authority multiplier 1.5

Estimated percentage of administrative staff under 55 80%

Redundancy costs

Maximum £6,904,600

Minimum £3,452,300

Estimated percentage of administrative staff over 55 20%

Estimated number of staff taking early retirement

Maximum 187

Minimum 94

Estimated early retirement cost per person*

Maximum £70,000

Minimum £50,000

Estimated early pension costs

Maximum £13,090,000

Minimum £4,675,000

Total Cost

Max £19,995,000

Min £8,127,000

*Further information is being sought on average pension costs for the final RIA

Governance Requirements

Table 7: Shared Administrative Services Board and Joint Overview and Scrutiny Committee Costs

Number of board meetings per year	12
Estimated number of non-executive board members	5
Cost of non-executive board member per meeting	£300
Administrative support per meeting	£100
Total cost per meeting	£1,600
Total Annual Cost	£19,200
Number of joint overview and scrutiny committee meetings per year	4
Administrative support per meeting	£100
Travel and subsistence per meeting	£1,100
Total	£4,800
Total Cost	£24,000

BENEFITS

Reducing the overall number of administration posts required within local government would result in annual savings. Using the estimated reduction in administrative posts, the below savings have been calculated. These estimates have been calculated using the estimated average cost of an administration employee taken from data collected for KPMG's administrative cost review.

Table 8: Estimated Administration Savings

Estimated total number of administration posts in local government		9,350
Estimated level of post reductions due to a shared administrative service		
Maximum	10%	935
Minimum	5%	468
Estimated average cost of an administration post		£32,000
Annual reduction in administrative costs		
Maximum		£ 29,920,000
Minimum		£ 14,960,000

Option 3a and 3b – Local Authority Mergers

Option 3a reduces the number of Local Authorities in Wales from 22 to 12, whilst Option 3b reduced the number of Local Authorities in Wales from 22 to 8 or 9. The below tables provide further details on the costs and benefits estimates presented in the draft Regulatory Impact Assessment's main text.

COSTS

Costs to Welsh Government

The below table provides details on the estimated cost of establishing a Welsh Government support team to assist in the implementation of the new local government structure. These calculations are consistent for both Option 3a and Option 3b.

Table 9: Estimated Welsh Government Staff Costs

Staff Grade	Average Annual Cost	Number of Staff Required	2016/17	2017/18	2018/19	2019/20	Total	Total (Present Value)
<u>Programme Team</u>								
Deputy Director	£101,400	3	£304,200	£304,200	£304,200	£304,200	£1,216,800	£1,156,500
Executive Band 1	£85,900	1	£85,900	£85,900	£85,900	£85,900	£343,600	£326,600
Executive Band 2	£69,400	8	£555,200	£555,200	£555,200	£555,200	£2,220,800	£2,110,700
Senior Executive Officer	£51,900	5	£259,500	£259,500	£259,500	£259,500	£1,038,000	£986,500
Higher Executive Officer	£40,600	6	£243,600	£243,600	£243,600	£243,600	£974,400	£926,100
Team Support	£25,700	2	£51,400	£51,400	£51,400	£51,400	£205,600	£195,400
<u>Legal Support</u>								
Deputy Director	£101,400	1	£101,400	£101,400	£101,400	£101,400	£405,600	£385,500
Executive Band 1	£85,900	1	£85,900	£85,900	£85,900	£85,900	£343,600	£326,600
Executive Band 2	£69,400	4	£277,600	£277,600	£277,600	£277,600	£1,110,400	£1,055,300
Total			£1,964,700	£1,964,700	£1,964,700	£1,964,700	£7,858,800	£7,469,100

Costs to Local Government

Shadow Authority Costs

The below table uses elections expenditure data provided to the Welsh Government by Local Authorities through Revenue Outturn forms. The overall estimated cost of Shadow Authority elections has been calculated through adjusting 2012/13 election expenditure, adjusted to take into account the expenditure by the Isle of Anglesey in 2013/14.

Table 10: Option 3a - Estimated Cost of Elections to the Shadow Authorities

Costs	2019/20		2020/21	
	Min	Max	Min	Max
Total cost of LA Elections 2012/13 (RO Forms - adjusted for Isle of Anglesey expenditure in 2013/14)	£9,179,800	£9,179,800	£9,179,800	£9,179,800
Percentage of existing Local Authorities requiring elections	86%	86%	14%	14%
Estimated inflation factor*	1.05	1.15	1.05	1.15
Total election cost	£8,324,400	£9,117,200	£1,314,400	£1,439,600

*Inflation range is based on recent GDP figures

Table 11: Option 3b - Estimated Cost of Elections to the Shadow Authorities

Costs	2019/20		2020/21	
	Min	Max	Min	Max
Total cost of LA Elections 2012/13 (RO Forms - adjusted for Isle of Anglesey expenditure in 2013/14)	£9,179,800	£9,179,800	£9,179,800	£9,179,800
Percentage of existing Local Authorities requiring elections	95%	95%	5%	5%
Estimated inflation factor*	1.05	1.15	1.05	1.15
Total election cost	£9,200,700	£10,076,900	£438,100	£479,900

*Inflation range is based on recent GDP figures

It has been estimated that each Shadow Authority would require additional administration staff to assist the Shadow Authorities. The below table calculates the estimated cost of additional administrative support.

Table 12: Option 3a - Estimated Cost of Interim Officers Required to Serve the Shadow Authority

	Min	Max
Administrative staff cost (per person)*	£32,000	£32,000
Number of administration staff required per new LA	3	4
Number of Shadow Authorities required	9	9
Total staff cost	£864,000	£1,152,000

*Costs of an average administration LA official

Table 13: Option 3b - Estimated Cost of Interim Officers Required to Serve the Shadow Authority

	Min	Max
Administrative staff cost (per person)*	£32,000	£32,000
Range of administration staff required per new Local Authority	3	4
Number of shadow authorities required (Option 3b)	7	8
Total admin staff cost	£672,000	£1,024,000

*Costs of an average administration LA official

The below tables estimate the additional Chief Executive and senior management costs associated with creating Shadow Authorities. An estimate for the percentage of

senior managers appointed to Shadow Authorities who do not currently hold roles as senior managers in Local Authorities has been made.

Table 14: Option 3a - Estimated Cost of Shadow Authority Chief Executives

	2019/20	
	Min	Max
Number of Chief Executives per Shadow Authority	1	1
Total number of new Chief Executives appointed (9 Shadow Authorities)	9	9
Percentage of senior management team who are new to local government in Wales	20%	30%
Average cost of a Chief Executive	£154,000	£154,000
Number of months Chief Executive will be required by Shadow Authorities	6	6
Total Senior Management Cost	£138,600	£207,900

Table 15: Option 3b - Estimated Cost of Shadow Authority Chief Executives

	2019/20	
	Min	Max
Number of Chief Executives per Shadow Authority	1	1
Total number of new Chief Executives appointed (7 or 8 Shadow Authorities)	7	8
Percentage of senior management team who are new to local government in Wales	20%	30%
Average cost of a Chief Executive	£154,000	£154,000
Number of months Chief Executive will be required by Shadow Authorities	6	6
Total senior management cost	£107,800	£184,800

Table 16: Option 3a - Estimated Cost of Shadow Authority Senior Management Teams

	2019/20	
	Min	Max
Number of senior managers per Shadow Authority	8	15
Total number of new senior managers appointed	72	135
Percentage of senior management team who are new to local government in Wales	20%	30%
Median cost of a senior manager	£100,000	£100,000
Number of months senior managers will be required by Shadow Authorities	4	4
Total Senior Management Cost	£480,000	£1,350,000

Table 17: Option 3b - Estimated Cost of Shadow Authority Senior Management Teams

	Min	Max
Number of senior managers per shadow authority	8	15
Total number of new senior managers appointed	56	120
Percentage of senior management team who are new to local government in Wales	20%	30%
Median cost of a senior manager	£100,000	£100,000
Number of months senior managers will be required by Shadow Authorities	4	4
Total senior management cost	£373,300	£1,200,000

Recruitment Costs

Table 18: Option 3a - Estimated Cost of Recruiting for Shadow Authorities

	Min	Max
Number of Shadow Authorities	9	9
Cost of recruitment per Shadow Authority	£60,000	£80,000
Total	£540,000	£720,000

Table 19: Option 3b - Estimated Cost of Recruiting for Shadow Authorities

	Min	Max
Number of Shadow Authorities	7	8
Cost of recruitment per Shadow Authority	£60,000	£80,000
Total cost	£420,000	£640,000

Additional Councillors would be required during the Shadow Authority period. Estimates have been made on the percentage of Councillors what would be re-appointed and additional allowances provided to existing Councillors who are re-appointed.

Table 20: Option 3a & 3b - Estimated Cost of Additional Councillors

	Min	Max
Number of Councillors appointed because of mergers	700	900
Percentage of new Councillors to Wales	25%	40%
Average cost of a Councillor	£17,000	£17,000
Percentage of Councillors re-appointed	75%	60%
Additional allowance for re-appointed councillors	£5,000	£5,000
Additional travel allowance per Councillor	£500	£500
Total cost	£5,970,000	£9,310,000

Staff and Senior Management Costs

Through the implementation of Option 3a and 3b there would be adjustments to the senior management requirements of local government. The below calculations estimate the additional costs associated with making these adjustments.

Senior Officials Early Retirement Calculation

Estimated early retirement costs of Senior Official	£100,000
Estimated early retirement costs of Chief Executive Officer	£150,000

Senior Officials Redundancy Calculation

Weekly cost x Years Service x Multiplier = Cost of Redundancy

Minimum	£100,000/52 weeks x 15 x 1.5	£43,300
Maximum	£100,000/52 weeks x 20 x 1.5	£57,700

CEO Redundancy Calculation

Weekly cost x Years Service x Multiplier = Cost of Redundancy

Minimum	£154,000/52 weeks x 15 x 1.5	£66,600
Maximum	£154,000/52 weeks x 20 x 1.5	£88,800

Early retirement costs would vary considerably and are completely dependent on individual's personal circumstances. The below estimates have been used to calculate overall early retirement costs. Further analysis will be undertaken on early retirement costs to support the final RIA.

An estimated range has been provided for the reduction in Chief Executives and senior managers. The range provided includes the potential for roles in the newly established County Councils to be allocated to people currently not working in local government in Wales. This range has been used to estimate the number of potential senior officials eligible for early retirement.

Table 21: Option 3a - Estimated Redundancy and Early Retirement Costs

Reduction in Senior Officials (Option 3a - Williams)		Total Cost
Min	36	£2,351,900
Early retirement	14	£1,400,000
Redundancy	22	£951,900
Max	115	£8,580,800
Early retirement	46	£4,600,000
Redundancy	69	£3,980,800
Reduction in CEOs (Option 3a - Williams)		Total Cost
Min	12	£1,216,400
Early retirement	5	£750,000
Redundancy	7	£466,400
Max	13	£1,460,800
Early retirement	5	£750,000
Redundancy	8	£710,800
Total Reduction in CEO and Senior Officials Costs		
Min		£3,568,000
Max		£10,042,000

Table 22: Option 3b - Estimated Redundancy and Early Retirement Costs

Reduction in Senior Officials (Option 3b - 8 or 9 LAs)		Total Cost
Min	78	£5,133,700
Early Retirement	31	£3,100,000
Redundancy	47	£2,033,700
Max	142	£10,603,800
Early Retirement	57	£5,700,000
Redundancy	85	£4,903,800
Reduction in CEOs (Option 3b - 8 or 9 LAs)		
Min	15	£1,499,700
Early Retirement	6	£900,000
Redundancy	9	£599,700
Max	16	£1,788,500
Early Retirement	6	£900,000
Redundancy	10	£888,500
Total estimated cost of reducing CEOs and senior management		
Min		£6,633,400
Max		£12,392,300

Alongside a reduction to the number of senior officials it has also been estimated that there would be a reduction in the number of administrative posts within local government. The below tables sets out an estimated range and costs associated with reducing the number of administrative posts within Local Government.

Table 23: Option 3a - Estimated Administrative Staff Reduction Costs

Current number of FTEs employed in admin roles (KPMG)	9,350	
	Minimum	Maximum
Estimated Percentage reduction in administration posts due to mergers	10%	15%
Estimated reduction in administration posts	935	1,403
Average administration post cost	£32,000	£32,000
Average years of service	10	10
Multiplier	1.5	1.5
Redundancy Costs	£7,336,000	£10,357,000
Estimated percentage of staff taking early retirement	15%	20%
Estimated number of staff taking early retirement	140	281
Estimated cost per staff member taking early retirement*	£50,000	£70,000
Early Retirement Cost	£7,013,000	£19,635,000
Total Staff Reduction Cost	£14,349,000	£29,992,000

*An estimate has been made for early retirement costs, further information will be sought in time for

Table 24: Option 3b - Estimated Administrative Staff Reduction Costs

Current number of FTEs employed in admin roles (KPMG Report)		9,350
	<u>Minimum</u>	<u>Maximum</u>
Estimated percentage reduction in administration posts due to mergers	15%	20%
Estimated reduction in administration posts	1,403	1,870
Average administration post cost	£32,000	£32,000
Average years of service	10	10
Multiplier	1.5	1.5
Estimated number of staff taking redundancy	1,192	1,496
Redundancy Costs	£11,004,200	£13,809,200
Estimated percentage of staff taking early retirement	15%	20%
Estimated number of staff taking early retirement	210	374
Estimated cost per staff member taking early retirement*	£50,000	£70,000
Early Retirement Cost	£10,518,800	£26,180,000
Total Staff Reduction Cost	£21,523,000	£39,989,200

The draft RIA estimates that a number of staff would be required to travel further due to the implementation of Option 3a or 3b; these estimates are based on the assumption that Local Authorities fully consider flexible working arrangements where possible.

Table 25: Option 3a and 3b - Estimated Additional Travel Costs

Additional Travel Costs	2019/20		2020/21		2021/22		Total	
	Min	Max	Min	Max	Min	Max	Min	Max
Estimated number of staff required to travel further	500	1,500	500	1,500	500	1,500	500	1,500
Average additional miles per staff member	40	40	40	40	40	40	40	40
Cost per mile	£0.45	£0.45	£0.45	£0.45	£0.45	£0.45	£0.45	£0.45
Total per day	£9,000	£27,000	£9,000	£27,000	£9,000	£27,000	£9,000	£27,000
Working days in a year	225	225	225	225	225	225		
Total Cost	£2,025,000	£6,075,000	£2,025,000	£6,075,000	£2,025,000	£6,075,000	£6,075,000	£18,225,000

IT Service Costs Estimates

The draft RIA considers the need for common IT platforms within the newly formed County Councils. An assumption has been made in the main narrative of the draft RIA regarding the cost of implementing a shared IT platform for each newly formed County Council. Alongside the requirement for additional IT support teams, existing staff would require additional training. The below estimates have been used to calculate the additional IT training requirements.

Table 26: Option 3a – Estimated IT Training Costs

IT Training Requirement

Number of staff employed in FTE administrative rolls	9,350
<u>Number of staff required following Option 3a</u>	
Maximum	8,415
Minimum	7,948
Average training hours required per employee	10
Estimated average cost per hour of training	£50
<u>Total training cost</u>	
Maximum	£ 4,207,500
Minimum	£ 3,973,800
<u>Annual training cost</u>	
Maximum	£ 1,402,500
Minimum	£ 1,324,600

Table 27: Option 3b – Estimated IT Training Costs

IT Training Requirement

Number of staff employed in FTE administrative rolls	9,350
<u>Number of staff required following Option 3b implementation</u>	
Maximum	7,948
Minimum	7,480
Average training hours required per employee	10
Estimated average cost per hour of training	£50
<u>Total training cost</u>	
Maximum	£3,973,800
Minimum	£3,740,000
<u>Annual training cost</u>	
Maximum	£1,324,600
Minimum	£1,246,700

Estimated Change Management Costs

Consultancy estimates have been based on the average cost per day of this sort of consultancy. An estimate has also been made on the number of days of consultancy required to support this level of change over a 3 year period.

Table 28: Option 3a - Estimated Change Management Costs

Number of new Local Authorities	9
Average consultancy rate per day	£500
Estimated number of days required per LA	230
2019/20	100
2020/21	80
2021/22	50
Total cost per LA	£115,000
Total cost	£1,035,000

Table 29: Option 3b - Estimated Change Management Costs

	Min	Max
Number of new Local Authorities	7	8
Average consultancy rate per day	£500	£500
Estimated number of days required per LA	230	230
2019/20	100	100
2020/21	80	80
2021/22	50	50
Total cost per LA	£115,000	£115,000
Total cost	£805,000	£920,000

BENEFITS

Benefits to Local Government

Staff Management Benefits

Option 3a and 3b are expected to reduce the overall expenditure on local government senior management teams; the below tables provide an estimated range of possible senior management structures for the new County Councils.

The estimated savings figures are calculated by subtracting the estimated total cost of senior management in the newly formed County Councils from the published total cost of senior management (£24 million) presented in the Local Government accounts.

Table 30: Option 3a - Estimated Savings Due to a Reduction in the Number of Senior Managers

Management structure per LA	Total cost per LA	Number of LAs	Estimated total cost	<i>£ per year</i>
				Estimated savings
1 CEO + 8 Senior Managers	954,000	12	11,448,000	12,536,000
1 CEO + 15 Senior Managers	1,654,000	12	19,848,000	4,136,000

Table 31: Option 3b - Estimated Savings Due to a Reduction in the Number of Senior Managers

Management Structure per LA	Total cost per LA	Number of LAs	Estimated Total Cost	<i>£ per year</i>
				Estimated savings
1 CEO + 8 Senior Managers	£954,000	8	£7,632,000	£16,352,000
1 CEO + 15 Senior Managers	£1,654,000	9	£14,886,000	£9,098,000

Option 3a and 3b would reduce the number of Councillors, the estimated annual savings a result of fewer Councillors is set out in the table below.

Option 3a and 3b is estimated to reduce the number of administration posts required within Local Government. The estimated savings for both options have been calculated by multiplying the average estimated cost of an administrative post with the estimated reduction to the total number of administrative posts.

Table 32: Option 3a - Administrative Savings

	Minimum	Maximum
Estimated reduction in the number of admin posts	935	1,403
Average administration post cost	£32,000	£32,000
Annual estimated saving	£29,920,000	£44,880,000

Table 33: Option 3b - Administrative Savings

	Minimum	Maximum
Estimated reduction in the number of admin posts	1,403	1,870
Average administration post cost	£32,000	£32,000
Annual estimated saving	£44,880,000	£59,840,000

Reducing the Number of Councillors

Table 34: Option 3a and 3b - Estimated Savings Due to a Reduction in the Number of Councillors

Saving due to a reduction in Councillors	2020/21	2021/22 to 2029/30	Total
553 fewer Councillors	£9,462,500	£85,162,500	£94,625,000
353 fewer Councillors	£6,040,300	£54,362,700	£60,403,000

Estate Management Benefits

Estimated Consolidated Office Space

Creating fewer, larger Local Authorities would provide opportunities for Local Authorities to find efficiencies in the way they manage their estates.

The estimated savings as a consequence of fewer administrative staff has been calculated below.

Table 35: Option 3a – Estimated Accommodation Savings

Total administration posts	9,350
<u>Reduction in number of administration posts</u>	
10%	935
15%	1403
Cost of accomodating a Full Time Equivalent (FTE) (State of the Estate)	£3,100
<u>Accomodation accomodation savings</u>	
Min	£2,934,800
Max	£4,402,200

Table 36: Option 3b – Estimated Accommodation Savings

Total number of administration posts	9,350
<u>Reduction in number of administration posts</u>	
15%	1,400
20%	1,900
Cost of accomodating a Full Time Equivalent (FTE) (State of the Estate)	£3,100
<u>Estimated accomodation savings</u>	
Min	£4,402,200
Max	£5,869,600

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