Appendix 5 - Summary of Changes to the Draft Submission

Following review and consideration of the various discussions at the Scrutiny and Council meetings across the eight Councils, the Leaders have informally agreed to support changes to the proposal in the sections set out below.

These changes are currently being drafted into the proposal document, but due to the short turnarounds from the Scrutiny and Council meetings across the eight Councils, have not yet been finalised.

Rather, a summary is provided below which sets out the general position and direction following that feedback. In accordance with the recommendation, approval is sought from Council to delegate authority to the Chief Executive in consultation with the Leader of the Council to continue working with the other seven councils to agree and finalise the document before being submitted.

SECTION	DETAILS
Executive Summary	A new document is in draft which will provide an executive summary to the main proposal. It is not yet ready for publication but will mirror the substance of the main document and will complement the main detailed submission and the previously provided four-page high level summary.
Foreword	This is being updated to include additional references highlighted during the scrutiny discussions. It will also make it explicit that the final proposal has been developed iteratively and the positive impact scrutiny has had on testing and shaping assumptions to ensure they are robust. Elements of the foreword will also be included in the covering letter to government.
Section 3.7.3 – 3.8	This section discusses aggregation and disaggregation of services and sets out how the Council will ensure a safe transition and that key services are 'safe and legal' from day 1. Additional detail is being added to this section, reflecting learning from other areas and providing more granular details to ensure we demonstrate sufficient clarity and detail in this area.
Section 5	This section discussed transitional arrangements and how the new unitary structures would be implemented up to vesting day. Again, additional detail is being added, having reflected on feedback and learning from other areas.
Appendix 1 – Criteria	This appendix wasn't included in the original suite of documents but is now in draft and being completed. It will set out a methodical assessment against the government's criteria and feedback from the Interim Plan, ensuring that each is met with appropriate references in the report highlighted.
Appendix 2 – Financial Analysis	Following feedback and further review, this section is being updated to include the following changes to assumptions within the financial model. 1. That our assumptions regarding council tax rises pre vesting day for predecessor councils reflects what actually happens, rather than that which is modelled in their MTFS to ensure it is more realistic. The assumption is therefore the City and County Councils will set council

SECTION	DETAILS
	tax at maximum levels in line with what they have typically done when facing structural deficits. This will add approximately £15m per year to our baseline income (based on maximising council tax for each council to April 2028). 2. To show £20m of IT costs in transition rather than being less explicit as part of the prudential borrowing. This does not affect the bottom-line of our model. 3. That we do not change our assumptions relating to inflation. 4. To increase the costs attributed to the costs of disaggregation, based on further discussions with independent experts and other councils who have gone through this process. 5. To remove the City from the share of the prudential borrowing and share the £100m between North and South only. This marginally improves the bottom-line for the City and marginally worsens the bottom line for N&S – by approximately £50k per year. 6. We have reduced our investment in prevention from £26.5m by year ten to £21.5m by year ten. The consequence on savings is that it drops from £91m by year ten to £71m by year ten. We have not altered our return rates of return that for every £1 spent on prevention the return is £3.17 on adults' services and £4 per every on children's services. The rationale for this is: a. In the first three years the new councils will be running a budget deficit. The investment we were modelling was therefore potentially a little too high. b. Before we invest as heavily as previously included, we would want to see some evidence of the return being delivered. Once that evidence appears, the investment can be scaled-up to our original figures or even beyond otherwise additional investment will not be made. Managing risks around these projections is included within the sensitivity analysis. 7. The financial model shows that all three councils would still have an in-year surplus by year 4. 8. Council tax assumptions within the model (as opposed to statements of policy) remain unchanged for the new councils, i.e. 5% for the first three years and 3% thereafter. 9. The short-term bottom-line is pretty much unchanged, but the medium-term position is improved by around £10m from the two baseline changes of CT (£15m income) and Disaggregation (£5m cost)
Appendix 3 – CIPFA Template	This appendix wasn't included in the original suite of documents but is now in draft and being completed, and will be submitted, so as to ensure the financial data is provided in the format Government requested
Appendix 4 – Case Studies and Testimonials	This appendix wasn't included in the original suite of documents but is now being drafted and the final version will be included in the final submission.

SECTION	DETAILS
Reference tourism, heritage, culture	A new section 3.9.4 is being created and incorporated into the updated draft, reflecting the importance of these sectors and community interests
Population data	An explanatory note is to be included to set out which population datasets we have used throughout
General typos / corrections	We are working through the document and making amends as necessary.