

From: [Owen Mapley](#)
To: [Steven Pilsworth](#); [David Williams](#); [Scott Crudgington](#)
Subject: RE: Draft PWC report - confidential
Date: 14 January 2020 16:58:02
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)

Thanks Steven for getting this through and for the work that you and colleagues have put into this in recent weeks.

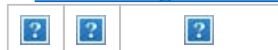
Will be interested to see the details idc. Immediate comment is to note how high the proposed transformation (stretch) savings are. For the stretch case, assuming each DC has a current operating budget of around £14m, that assumes that with transformation, the equivalent of the work of all ten districts and all of their staff could be consumed within the new council. That would indeed be some transformation! Will also be interested to read how long it is anticipated to take to get to these levels of savings through each of re-org, base case trans and stretch trans.

Finally, will also be interested to see what if anything it includes as potential non-financial "costs" of a change – eg what risk to the current excellent collaboration around the Growth Board might there be if this genie comes out the bottle.

Will stop as am sure there are lots more Qs for us all to work through as we reflect on the first draft report.
Owen



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Sent: 14 January 2020 16:00

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<xxxx.xxxxxx@xxxxxxxxxxxxx.xxx.xx>; Scott Crudgington <Scott.Crudgington@hertfordshire.gov.uk>

Subject: Draft PWC report - confidential

We have received the first draft of the report from PWC this afternoon.

We have not had chance to review the full report (65 pages) – we have a meeting with PWC on Thursday to go through, and in particular to review assumptions and data quality.

As it stands the 3 key scenarios deliver the savings (and have the costs) outlined below. For the joint working option (no reorganisation) there is a low/high range of savings/costs. For the unitary options, then there are three levels of savings/costs, depending on how far transformation is pushed.

		Annual Savings		transition costs	
		low	high	low	high
Option		£m	£m	£m	£m
greater collaboration		12.7	31.1	23.1	43.2
two unitaries	reorganisation		24.3		22.4
	reorg + transformation (base)		74.4		44.9
	reorg + transformation (stretch)		109.6		50.9
single unitary	reorganisation		34.3		16.5
	reorg + transformation (base)		97.5		36.7
	reorg + transformation (stretch)		142.7		43.4

For example, the single unitary is forecast to deliver savings between £34.3m and £142.7m per annum, with transition costs ranging from £16.5m to £43.4, depending on the level of transformation undertaken.

Please let me know if you have any queries, and I will look to respond in time for tomorrow morning

Thanks

Steven

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