

Dept:	Ministry of Defence
Name of measure:	Armed Forces Covenant Duty Extension 2026

This report is an independent assessment compiled by the MOD Economist team and is based on a series of assumptions.

1) Please provide evidence supporting the consideration and discounting alternatives for regulation

- The Armed Forces community (comprising of Serving members of the Armed Forces, Veterans, their families and the bereaved) can experience disadvantage in their access to publicly provided services as a result of their connection to Service in the Armed Forces. This is classed as Covenant disadvantage.
- Since 2011, there have been many good examples of Covenant implementation and good procedures and initiatives have been put in place by many service providers. However, in practice, its consideration and application have been inconsistent in some areas of the UK.
- A statutory Duty was introduced in 2021 for health, housing, and education, and this is now being extended through the Armed Forces Bill 2026. The current Legal Duty has successfully raised Covenant awareness at the local level. Extending this duty to Government, Devolved Governments and at the local level in a broader range of policy areas could drive further improvements, enhancing support for the Armed Forces community.
- Where cases of Covenant disadvantage have occurred, in many cases a lack of awareness of how Service life can impact the Armed Forces community is a cause. Non-legislative approaches would be ineffective, creating confusion and a hierarchy where some policy areas have statutory backing while others do not. This would worsen the uneven application of the Covenant. The election manifesto committed to ‘putting the Armed Forces Covenant fully into law,’ and Ministers have directed a ‘maximalist’ approach.
- Strengthening the Covenant further by fully incorporating it into law raises awareness in key policy areas where most impact will be experienced. It allows policy and decision makers, in combination with service providers to have the information they require to honour the Covenant. Retaining a duty of “Due Regard” retains the established flexibility to best meet the needs of the local population and respond to wider national thematic issues at the department and devolved level.

Several options were presented to Ministers for consideration:

- **Option 1 (Recommended):** Introduce a new Duty on the UK Government, Devolved Governments, and Local Authorities across broad policy areas relevant to the Armed Forces. This Duty would legally require due regard to Covenant principles when developing policies and delivering services in these areas, extending beyond healthcare, education, and housing. This option aligns with the manifesto commitment, to put the Armed Forces Covenant fully into law and Ministerial direction for a ‘maximalist approach.’ It targets areas most likely to impact the Armed Forces community, maximising benefits such as increasing awareness and consideration of needs of the Armed Forces community and removal of disadvantage as a result of service.
 - **Option 2 (Not recommended):** Create a new Duty requiring due regard to Covenant principles across all Government functions. While this option is simple to explain publicly, it would extend the Duty to areas unrelated to the Armed Forces, such as offshore wind policy, animal welfare, agriculture & fisheries, foreign affairs & diplomacy, international aid, international treaties, trade & commerce, industrial strategy. This would create an unnecessary bureaucratic burden and achieve minimal to no additional benefit for the Armed Forces community. As this does not meet Ministerial intent or government ambition, this option has not been explored further.
 - **Option 3 (Not recommended):** Extend the current Duty to the UK Government and Devolved Governments. The existing Duty applies to specific services delivered under legislation, such as healthcare, housing, and education. This option would only bring a few departments, like the Department for Education, into scope, with limited impact on the MOD. While it could raise the Covenant’s profile, it would not hold most of central Government to account. Further legislation would still be required, and non-legislative approaches would create confusion and exacerbate uneven application.
- Legislative change is required to raise awareness of how Service life can impact on the Armed Forces Community. As the Armed Forces Covenant is already a voluntary commitment, to which most of the bodies affected are signed up, the base for costs is not considered zero. Therefore, the cost impacts are a lot smaller than had the Armed Forces Covenant not already existed. We acknowledge this is not the case for Northern Ireland, public bodies in Northern Ireland may face additional costs.
 - A wide variety of stakeholders were engaged in the development of this policy and considerable effort was put in to collect data on costs and benefits. It is expected that this policy will deliver improvements to the lived experience of the

Armed Forces Community, as consideration of their needs becomes embedded in policy and decision making over time. However, it has been difficult to assess precise costs and benefits for what is likely to be primarily a behavioural shift.

- A survey of Local Authorities (LAs) was conducted which helped inform the New Burdens Assessment: this collected data on implementation and ongoing costs. Whilst this contained gaps, it was clear that the range in costs LAs thought they would incur was large. This could be used to qualitatively register costs but was not enough to provide robust evidence and assumptions to quantify the cost. In addition, meetings with the Ministry of Justice and the Local Government Association have been positive, with their views taken into account within the costs.

2) Please provide consideration of any relevant past evaluation (including Post Implementation Reviews (PIRs))

- When the Duty was first introduced, the then Government committed to reviewing its effectiveness and impact within five years of it coming into force. That is, by November 2027. This was to allow sufficient time for any impacts to emerge.
- As a first step in this evaluation, between May and August 2024, MOD conducted a survey to assess the impact of the Covenant Legal Duty in the 18 months since it came into force in November 2022. The results from this survey are included in the [Armed Forces Covenant Annual Report 2024](#). It found that the Duty has led to increased understanding of the Covenant, increased understanding of the impacts of Service life, increased action to mitigate the negative impacts of Service life, and the establishing of various elements of a supporting infrastructure, among some of the bodies subject to the Duty. These key improvements have generally occurred in a majority of the Local Authorities and NHS bodies who responded, but in a minority of the schools and colleges who responded.
- Following the general election in July 2024, this evaluation of the current Duty was superseded by the new Government's manifesto commitment to put the Covenant fully into law as soon as possible, without waiting for any further evaluation of the current Duty. Therefore, work to evaluate the current Duty was suspended.
- The Royal British Legion also conducted a review of the impact of the new Duty: <https://www.britishlegion.org.uk/about-us/our-campaigns/campaigns/one-year-of-the-armed-forces-covenant-duty>

3) Please provide an assessment (or estimate) of direct business impacts (EANDCB) justifying the application of de minimis

- This policy proposal will have no direct impact on businesses.

- The original Manifesto Commitment made by the Prime Minister committed to bringing the Armed Forces Covenant fully into law, placing the Armed Forces community at the heart of decision-making. Given that service personnel and their families are the beneficiaries, and the wider Government is the policymaker, businesses are not affected by the extension. This has been confirmed by extensive correspondence with stakeholders impacted by the extension to the Armed Forces Covenant Duty¹, concluding that businesses are out of scope of the duty, and **thus will incur no costs** hence the De Minimis assessment of which the findings are detailed below.

4) Please provide a short qualitative summary of the wider impacts on the new regulatory scorecard

- The overall Net Present Social Value (NPSV) for the primary option (option 1) to extend the duty to all areas is -£42.0m over a ten-year appraisal period. The NPSV is inclusive of costs to Government Departments and Local Authorities across England, Scotland and Wales. Northern Ireland is excluded from this analysis. Of this amount, costs attributed to Central Government departments amount to £7m, representing 17 per cent of the policies total costs. The remaining 83 per cent is apportioned to Local Authorities.
- Of the £7m ten-year costs for Central Government Departments, £6m is attributed to Judicial Review costings. Of the £35m costings for Local Authorities, the majority is split between the administration costs and extra resourcing costs, estimated to be £19m and £21m respectively. The specific details of the costings and their breakdown are provided below.
- Efforts have been made to make the appraisal as accurate as possible, through correspondence with 28 Local Authorities and 14 Government departments, including Scotland and Wales Devolved Governments. However, where key uncertainties still exist, assumptions have been made. These can be found in ‘Annex C’. Modelling risks may also be found in ‘Annex D’.

Option 1 (preferred option) - Extend duty to: health and social care, education and training, housing, childcare, employment, personal taxation, social security benefits, criminal justice, immigration and citizenship, pensions, armed forces compensation, and transport.

Option 1: Extend Duty to all Policy Areas	
Costs	£48.9m
<i>of which are Judicial Review costs</i>	<i>£5.6m</i>
<i>of which are Training costs</i>	<i>£1.2m</i>
<i>of which are Administration costs</i>	<i>£19.0m</i>

¹ The stakeholders engaged with during the cost and benefit estimation exercise include MoD policy colleagues, Central Government Departments, Local Authorities and the Local Government Organisation.

<i>of which are Extra Resourcing costs</i>	£23.1m
Benefits	-
Discount Rate	-
Costs – discounted	£42.0m
Benefits – discounted	-
NPSV (Net Social Present Value)	-£42.0m

Option 3: omit pensions, compensation and transport	
Costs	£48.8m
<i>of which are Judicial Review costs</i>	£5.6m
<i>of which are Training costs</i>	£1.1m
<i>of which are Administration costs</i>	£19.0m
<i>of which are Extra Resourcing costs</i>	£23.1m
Benefits	-
Discount Rate	-
Costs - discounted	£41.9m
Benefits - discounted	-
NPSV (Net Social Present Value)	-£41.9m

Illustrative analysis has been presented below, where broad assumptions have been used to show the potential order of magnitude of the costs. The underlying assumptions could be subject to change as these are scrutinised further and challenged with stakeholders.

The difference in central case costings between option 1 and option 2 are £0.1m. This difference is explained by the omittance of pensions, compensation and transport policy areas.

Whilst the overall NPV combines the overall cost to society of the extension to the Duty, costings detailed below are split out between the impact to central Government Departments and Local Authorities. This is because assumptions differ between the two. The Local Authority costings are consistent with the New Burdens Assessment (NBA) as per the [New Burdens Doctrine](#) paragraph 5.30.

The costings are detailed below, split out by each option.

Option 1 (preferred option) - Extend duty to: health and social care, education and training, housing, childcare, employment, personal taxation, social security benefits, criminal justice, immigration and citizenship, pensions, armed forces compensation, and transport.

Training and familiarisation costs

As per the Green Book², the cost of using assets and resources is defined by the value which reflects the best alternative use a good or service could be put to. This is known as the opportunity cost. The opportunity cost of labour should include the total value of the output produced by employees. This is the cost of employees' time, based on Full Time Equivalent (FTE) costs and includes pension costs, National insurance, allowances, benefits and basic salary. **This is an economic cost not a financial cost.**

Initial analysis of the Covenant Duty extension suggests that the main costs of the changes will be to the Government Departments and Devolved Governments who are not currently legally bound to adhere to the Duty, however under the proposals will have a statutory obligation to pay due regard to the Duty.

The illustrative estimates below do not include the time taken to then consider the Duty in day-to-day decisions or the implication of this consideration on policy formulation. This estimate also does not consider familiarisation costs from legal professionals within scope of the duty.

Central Government Departments

For Central Government Departments, illustrative analysis suggests this could result in initial training and familiarisation costs of between £307k and £1.5m. This estimate reflects the **economic cost** of the potential time taken to read new guidance, attend teach-ins and updating submission templates/processes. Scenarios have been created based on assumptions set out in Annex C and through correspondence with other Government departments and Local Authorities.

Local Authorities

For Local Authorities, training and familiarisation costs could amount between £160k and £740k, with a central estimate being £380k. Local Authorities are subject to the same assumptions as Government Departments, as seen below, but rather than updating submission templates, will engage in e-learning modules.

		Reading new guidance			Attending teach-ins			Updating submissions and other admin tasks
Scenario	Proportion of policy professionals who read	Proportion of HR professionals who read	Reading speed (words per minute)	Length of guidance document	Number of teach-ins attended (hour)	Proportion of policy professionals who	Proportion of HR professionals who	Time Taken (FTE hours)

²https://assets.publishing.service.gov.uk/media/6645c709bd01f5ed32793cbc/Green_Book_2022__updated_links_.pdf

	guidance (%)	guidance (%)		(words)	sessions	attendance (%)	attendance (%)	
Low	25	15	400	11,730	1	20	6	5
Central	50	30	300	13,033	2	20	6	10
High	75	45	200	14,337	3	20	6	15

Local Authorities are subject to completion of e-learning modules for training purposes. The costs for these are calculated through estimating the annual active users of these modules over a given period and multiplied up by the time taken to complete the module, and again by the annual salary, to generate the overall estimates. The e-learning modules are those created internally by the MOD, charities (e.g. Armed Forces Covenant Trust) and LA's (e.g. Warwickshire County Council e-learning modules).

The costs incurred from engagement with the e-learning modules may represent an underestimation, as the data was recorded three years after the 2022 duty was first implemented.

For both Government Department and Local Authorities, the familiarisation costs above are estimated to be front-loaded, primarily appearing in year 1 of the appraisal period in 2027/28 when the duty is first enacted. In years 2 onwards, training costs are 3.7 per cent of their year 1 costs, with new staff engaging in the training.

Extra Resourcing costs

As well as the up-front training and familiarisation costs, Government departments and Local Authorities may also require additional FTE resource to support their work in adhering to the Duty.

Government Departments

For Government departments, it has been assumed this could range from no extra resourcing cost to 1x HEO in each Government Department. This could result in a total ongoing cost of £0 to £760,000 per annum. In the central case, consideration could be placed on establishing a centralised MOD team to offer an advisory service in addition to training and guidance that will be provided, however, this is dependent on funding as it will be an addition to the existing policy team.

Local Authorities

The impact to Local Authorities could result in an initial extra resourcing cost of between £0k and £14m, with a central estimate being £6m. It is assumed that 20 per cent of LA's will decide to recruit additional resource to cover the duties of the extension. This is not a mandated requirement. This is based on the same percentage of LAs who had recruited since the initial implementation of the Duty in November 2022. The remaining 80 per cent of Local Authorities will absorb the burden into their existing resource (monetised under admin costs below).

The modelling also assumes that the Local Government Reorganisation (LGR) will begin in the FY2028/29, resulting in the creation of unitary authorities in England. This means that the total number of LAs in England appraised fall from 317 to 153 from 2028/29 onwards as the district councils become obsolete. The date for which the LGR occurs is still highly uncertain; if it were to be implemented a year later in 2029/30, then the additional resourcing costs would increase by £1.5m. The number of LAs in Scotland will remain the same, at 32. Wales has not been included in this element of the appraisal as they currently adhere to a different model, with the currently-employed six covenant officers expected to absorb any additional work resulting from the extension of the Duty.

The following tables outline the assumptions used to calculate the extra resource and administration costs, ex-ante and ex-post the implementation of the LGR.

2027/28 Costings					
Scenario	% of LAs who recruit	Cost Type	No. LAs facing this cost	Cost (£)	Total Cost (£)
Low Scenario	0	Extra Resource	0	0	1,363,845
		Admin	349	1,363,845	
Central Scenario	20	Extra Resource	70	3,373,790	6,383,003
		Admin	279	3,009,213	
High Scenario	45.5	Extra Resource	159	7,663,324	12,613,286
		Admin	190	4,949,963	
2028/29 > Costings					
Scenario	% of LAs who recruit	Cost Type	No. LAs facing this cost	Cost (£)	Total Cost (£)
Low Scenario	0	Extra Resource	0	0	722,955
		Admin	185	722,955	
Central Scenario	20	Extra Resource	37	1,783,289	3,379,574
		Admin	148	1,596,285	
High Scenario	45.5	Extra Resource	84	4,048,548	6,679,844
		Admin	101	2,631,296	

Admin Costs

Government Departments

After correspondence with all ministerial Government departments, 63 per cent of surveyed respondents suggested that there would be no additional admin costs incurred beyond what is already appraised in the 'training and familiarisation' costs. It has therefore been assumed that, in the central case, 10 hours of admin will be required to update ministerial submission forms and produce internal communications.

Local Authorities

Local Authorities will incur administration costs if deciding not to recruit additional resource. In the central estimate, it is assumed that 80 per cent of LAs will absorb the burden into their existing resource. The opportunity cost of this admin time has been appraised. It is estimated that, in the central case, 0.22 FTE is taken up on these activities, an average sourced from correspondence with LAs. These activities may include producing internal Covenant-related communications, analysing the Armed Forces population within the LA, producing strategic needs' assessments or building partnership approaches to bodies, such as education providers.

Modelling outputs suggest that the admin costs could have an impact on LA's of between £2.8m and £10.2m, with a central estimate of £6.2m over a three-year appraisal period. This is highly dependent on the FTE used, where it is assumed that existing staff will commit between 0.08 FTE and 0.54 FTE on Covenant activities, outside of their day-to-day roles. These were the ranges provided to us through consultation with LGA's and LAs.

Judicial Review-related costs

Another area of potential cost is the risk of Judicial Reviews (JRs) relating to the expanded Covenant Duty. Costings below reflect the cost to Government Departments of defending any additional claims, the potential costs to the Justice System because of additional court cases and the private legal fees for the claimant. Costings are incurred only for Government Departments and not for Local Authorities. It should be noted that to date, no JR challenge has been brought against the Covenant.

Government Departments

At the Central Government level, illustrative analysis suggests the extension of the Duty could create justice-related costs of between approximately £100k and £1.3m per annum. These costs are made up of:

1. The cost to the public sector of defending a JR. There is a high degree of uncertainty around how many potential Judicial Reviews could occur in the future but it has been assumed that the expansion could result in an additional 1 to 5 Judicial Reviews per annum, with an associated cost of between £23k and £313k per annum to defend these claims.

2. Additional costs to the Ministry of Justice from financing legal aid. The cost to the Civil Justice System from claims for Legal Aid and court time costs are estimated to be between £11k and £54k.³
3. Funding the private legal costs to the claimant. Private legal costs can vary greatly depending on the complexity of the case and level of legal expertise involved. Private legal costs for the claimant are estimated to be between £70k and £940k per annum; these are either paid by the claimant or the Government, depending on the result of the Judicial Review. This assumes that the Covenant Duty is the main grounding for the Judicial Review and assumes that a full case would cost between approximately three times the government's cost.⁴

In addition to the cost of the Judicial Review taking place, it is possible that policy implementation could be delayed by the time taken to see through the legal process. This could be true in cases where the legal challenge is both successful and unsuccessful. This cost has not been quantified or monetised. There may also be out-of-court settlements between the claimant and the Government department which have not been monetised, given the uncertainty and lack of data around this.

Local Authorities

Local Authorities may be subject to Judicial Reviews on the grounds of non-compliance with the legal duty. However, since the original implementation of the Duty in November 2022, evidence and correspondence suggest that no JRs have been lodged against LA's, hence this cost not being appraised.

Additional Costs

There may be additional costs in terms of policymaker's time and increased administration costs from altering existing policy where disadvantage is found. It is not possible to monetise these costs as the number of policy decisions this will affect, and the magnitude of the additional impact is unknown.

The cost consultation exercise by the Ministry of Defence (MOD) with Local Authorities indicates that systems updates may be required to enable the capture and reporting of Armed Forces data. The uncertainty around the scale of these adjustments, related costs have not been included in the Net Present Value calculations.

Benefits

The main benefit of this proposal is to raise awareness of the disadvantages that can face members of the armed forces community, compared to their civilian counterparts, and to ensure that consideration of the needs of this community is embedded in policy and decision making across the UK.

³ Figures provided by Ministry of Justice.

⁴ Figures provided by the MoD Legal Advisors.

Providing guidance could deliver efficiency savings by helping the bodies subject to the Duty more easily identify the relevant factors to consider when meeting their legislative obligations. All LAs are familiar with existing statute guidance, therefore burden will be minimised. This improved clarity supports more proportionate, consistent, and resource efficient decision making. Furthermore, at local level the impact of functions in scope is unlikely to rise given localised and centralised duties. For instance, local authorities are not required to oversee policy and decision making for immigration and citizenship.

Option 2 – As per Option 1, but omit: pensions, compensation, and transport.

It has been assumed that removing these policy areas will result in the Ministry of Defence and the Department for Transport (DfT) being removed from the analysis, as well as the Department of Work and Pensions (DWP) facing reduced costs. The impact of omission to these areas on Local Authorities has not been appraised, as the impacts are judged to be negligible.

Training and familiarisation costs

The impact of removing these policy areas from the scope of the proposal will reduce the number of individuals in MoD, DfT and DWP who have to read the new guidance and attend teach-ins. There is uncertainty around exactly how many members of staff this reduction in scope will affect, however an illustrate example of removing MoD and DfT from the analysis and reducing the cost to DWP by 50 per cent results in the initial Central Government training and familiarisation costs falling by £77k.

Ongoing resource costs

It is assumed that this option could result in ongoing resources costs of £0 to £650k per annum, as a result of removing the MoD and DfT requirement from this estimate. This is a reduction of £107k in the high estimate. The central estimate remains the same as option 1 at £171k as a centralised MoD team is still required for cross-Governmental support.

Judicial Review-related costs

The reduced scope of this option could result in fewer additional Judicial Reviews compared to Option 1, as the Duty will be a legal obligation in fewer policy areas. However, the potential impact of this has not been quantified.

Benefits

The benefits of including pensions and compensation in the duty could be limited as it is likely that Central Government already largely meets the Covenant principles in these areas. Transport is a much lower priority area, with a lower scale of issues. Therefore, excluding them could result in similar overall benefits to those achieved under Option 1, however this has not been possible to quantify.

There is, however, a political risk that this option is not perceived as fully meeting the manifesto commitment.

Annex A: 10-year Net Present Social Values (central estimates) against appraised options for Central Government departments

Years	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2045/35	2035/36	2036/37	2037/38	Total
Option 1: Extend Duty to all Policy areas												
Discounted Costs	£1,416k	£655k	£633k	£611k	£590k	£571k	£551k	£533k	£515k	£497k	£481k	
Discounted benefits	NQ*	NQ										
NPSV												- £7.06m
Option 2: As per Option 1, but omit: pensions, compensation, and transport												
Discounted costs	£1,338k	£665k	£633k	£611k	£591k	£571k	£551k	£533k	£515k	£498k	£481k	
Discounted benefits	NQ											
NPSV												-£7.0m

Note: *not quantified. Figures may not sum due to rounding.

Annex B: 10-year Net Present Social Value tables against appraised options for Local Authorities, discounted and central estimates

	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2045/35	2035/36	2036/37	2037/38	Total
Option 1: Extend Duty to all Policy areas & Option 2: As per Option 1, but omit: pensions, compensation, and transport												
Discounted costs	£6.8m	£3.3m	£3.2m	£3.06m	£2.95m	£2.85m	£2.76m	£2.66m	£2.57m	£2.46m	£2.40m	
Discounted benefits	NQ*	NQ										
NPSV												- £35.0m

Note: *not quantified. Figures may not sum due to rounding.

Annex C: Modelling Assumptions

Assumption Category	Assumption
Green Book related	Costs and benefits have been quantified and monetised where possible in line with HMT Green Book guidance.
	Costs have been monetised against a baseline option of 'Do Nothing', in which no costs are incurred.
	All quantified economic costs and benefits are presented in 2024/25 prices.
	Figures have been rounded.
Judicial Review Costs	In the central case estimate, the costings for the Government defending a Judicial Review are assumed to be £40k p/annum and an estimated 3 JRs are expected to be brought against the Government, post implementation. This figure has been provided to us by MOD Legal Advisors.
	If a Judicial Review is brought against the Government, it is assumed that the Armed Forces Covenant Duty will be the main grounding in the Judicial Review.
	The delay to implementing policies, arising from Judicial Reviews has not been appraised beyond the cost of the Judicial Reviews themselves.
	The Government Legal Department recommend the legal costs for the claimant to be three times that incurred by the Government.
	The legal aid cost is estimated to be £5.1k, this is the average cost of legal aid for Judicial Reviews. The opportunity cost to the court system of a Judicial Review is estimated to be £5.8k.
Extra Resourcing Costs	In the low estimate, it is assumed that no Government Departments recruit additional resource. In the central estimate, it is estimated that there will be a centralised MoD team comprised of 2x HEO's and x1 SEO. In the high estimate, it is estimated that an additional HEO member is required in all core Government Departments.
	For Local Authorities, it is estimated that in the low case, no LA recruits additional resource. In the central case, 20 per cent recruit and in the high case, 45.5 per cent

	<p>recruit an additional member. This is based off 20 per cent of surveyed local authorities recruiting in the 2022 duty, while 45.5 per cent surveyed expressed a desire to recruit for the extended duty.</p> <p>For Local Authorities, the Welsh Government has not been appraised as they currently adhere to a different model with six covenant officers absorbing all work arising from the extension of the Duty.</p>
<p>Training Costs</p>	<p>The opportunity costs to the Policy profession of reading the guidance is estimated to be that of 1xSEO.</p> <p>We assume that the only profession to read the guidance will be policy colleagues and human resource colleagues.</p> <p>We assume a median HR civil servant salary for all HR colleagues.</p> <p>HR Colleagues are assumed to have a lower engagement rate with the guidance than policy colleagues, as not all HR colleagues will work within employment.</p> <p>The reading speed, for the guidance paper, is assumed to be 300 words per minute in the central case, +/- 100 words per minute for low and high estimates.</p>
<p>Administration Costs</p>	<p>Based on correspondence with Local Authorities, it is assumed in the low case that admin costs are 0.08 FTE, in the central case 0.22 FTE and in the high case 0.54 FTE. This is informed by the minimum, mean and max of Local Authorities responses.</p> <p>We assume that Local Authorities will either face additional resourcing costs or will face admin costs. This is because if a LA were to not recruit, the existing staff would face additional burden.</p>

Annex D: Modelling Risks

Uncertainty Category	Assumption
Local Government Reorganisation	Local Government Reorganisation (LGR) is due to take place in 2028/29. Plans have not currently been announced for the impact to Local Authorities. The working assumption within the De Minimis assessment is that District Councils will be omitted from the total LA count. This reduces the costs incurred on the LAs past the LGR implementation in 2028/29.
Political Environment	The political landscape may change over the policy's appraisal period.