BOUNDARY COMMITTEE REVIEW OF LOCAL GOVERNMENT STRUCTURES IN NORFOLK SUFFOLK AND DEVON

REVIEW TO TEST WHETHER AFFORDABILITY CRITERIA ARE LIKELY TO BE MET

FURTHER REVIEW IN RESPECT OF REPRESENTATIONS ON AFFORDABILITY FOLLOWING FURTHER DRAFT PROPOSALS, PUBLISHED ON 19 MARCH 2009

NORFOLK COUNTY – N1

SUMMARY REPORT OF THE INDEPENDENT FINANCIAL CONSULTANTS

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10 June 2009

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1. Executive Summary

1.1 Introduction

1.1.1 Background for the Further Review

1.1.1.1 The Boundary Committee published further draft proposals on 19 March 2009 and extended the period for representations on affordability to be received, to 14 May 2009. The deadline for advice has been extended by the Secretary of State to 15 July 2009.

1.1.1.2 The Independent Financial Consultants were asked to consider the representations on affordability and advise the Committee on the following:

> **Task A:** to advise the Committee on the likelihood of further draft proposals being likely to meet the affordability criterion, in the light of representations received.
>
> **Task B:** to advise the Committee on the general questions that have been received not directly relevant to the workbooks.
>
> Any other matters the Committee should take into account in reaching its conclusions.

1.1.1.3 Norwich City submitted a further workbook – described in our report as the Revised Submission May 09 - for Rural Norfolk. Since this is in effect a new submission, it has been treated as such and a separate report – Detailed Report for Norfolk Pattern B Two Unitary Option has been produced. The comments accompanying the Norwich submission have been treated as responses and are dealt with in the tasks shown above

1.1.1.4 We have considered 18 responses on affordability

1.1.2 Layout of the Report

1.1.2.1 The report is presented in a manner that is intended to provide the reader with an overview of the processes followed leading to the overall outcomes as follows:

- Objectives of the review – paragraph 2.1.1
- How we approached the review for all tasks – paragraph 2.2
- Issues that arose from Task A Rural Norfolk Revised submission – paragraph 3.1
- Issues that arose from Task B, Responses to further consultation – paragraph 3.2
- Other issues that the Committee should take into account – paragraph 3.3

- Our conclusions – paragraph 4.

1.1.2.2 The report is supported by 3 documents:

- Detailed Report for Norfolk Pattern B – Two Unitary Option – Revised Submission May 2009;
- Background Financial Information to the above report;
- Detailed Responses in Respect of Affordability Issues – Norfolk County.

1.1.2.3 The report also draws on information contained within our previous reports of 19 November 2008, 20 January 2009, and 12 March 2009.

2 Context and Background

2.1 Terms of Reference for the Further Review

2.1.1 The terms of reference are reproduced under Appendix A.

2.2 How we approached and undertook the Further Review

2.2.1 Task A - Norfolk Rural, Revised Submission May 2009

2.2.1.1 Full overview of new workbook and any supporting information completed and submitted by Norwich City Council.

2.2.1.2 Verified changes in the new workbook compared with previous submission.

2.2.1.3 Read Deloitte report and noted the caveats and reservations.

2.2.1.4 Noted risks identified by Deloitte as a result of their benchmarking review, and compared with our previous modelling.

2.2.1.5 Raised 11 clarification questions with the Lead Officer for Norwich City.

2.2.1.6 Noted and reviewed action by Norwich with regards to issues raised by Deloitte.

2.2.1.7 Undertook further modelling of risks.

2.2.1.8 Carried out ‘in aggregate’ assessment of the Norfolk Pattern B Two Unitary option.

2.2.1.9 Produced detailed report in respect of the revised submission.

2.2.2 Task B – Responses not directly related to the workbooks.

2.2.2.1 Received from the Boundary Committee 18 copies of responses from respondents within Norfolk County to the further consultation undertaken by the Boundary Committee during April 2009

2.2.2.2 Read all responses and extracted any parts that referred to affordability onto individual proformas similar to those published within our report "*Detailed Comments on Responses and Copies of Responses*", 20 January 2009. We have not attached copies of the full response on this occasion.

2.2.2.3 The completed pro-formas have been compiled into a separate document for the Norfolk County area.

2.2.2.4 Recurring points and issues have been summarised within this report under paragraph 3.3 below.

3 Summary Outcomes of the Reviews

3.1 Task A

3.1.1.1 We have produced a separate report, *'Detailed report for Norfolk Pattern B – Two Unitary – Revised submission May 2009',* which concludes that the revised submission ' in aggregate' is High Risk, and is unlikely to pass all of the Affordability Criteria as set down by the Secretary of State.

3.1.1.2 We come to this conclusion by following our standard review procedure, and applying the 'in aggregate' analysis to the two submissions for the Two Unitary pattern in Norfolk.

3.1.1.3 Norwich has not resubmitted a revised submission May 09 for the Greater Norwich unitary. Although their external advisors, Deloittes, identified some intermediate and high risks when reviewing their figures, they say that these are 'fully addressed by the IFCs in their modelling'. Our modelling for Greater Norwich totalled £11.5m (46% of the net transitional plan as submitted).

3.1.1.4 Norwich have put forward a revised submission May 09 for Rural Norfolk which has made 3 changes from the new submission March 09. These relate to

- pay harmonisation ,
- additional staffing to meet disaggregation of county services,
- and reprofiling of staff release costs

3.1.1.5 These have reduced total costs by £9m and increased balances available in year 1 by £5m. These figures equate almost exactly to the

modelling adjustments which we undertook for the new submission March 09.

3.1.1.6 We have undertaken the same modelling as we undertook in March. We have also tested the effect if the changes which Norwich have made were not achieved by 25% and 50%, and find that criteria 4 balances is not likely to be met in years 1 and 2 , and therefore the 'in aggregate' submissions would score High Risk on our risk matrix.

3.1.1.7 The table below , extracted from the *Detailed Report for Norfolk Two Unitary Pattern* the shows the position

Norfolk Two Unitary Pattern -
Outcome of 'in aggregate' modelling at various levels of variance

Modelling undertaken	Change in transition plan net savings	Shortfall in balances in year 1 to meet the additional requirement for balances 0.25% above the minimum		Shortfall in balances in year 2 to meet the additional requirement for balances 0.25% above the minimum		Criteria 4 balances likely to be met?	Risk Matrix ranking
		£m	%	£m	%		
Applying the modelling we undertook for the new submission march 09 to the revised submission May 09		-0.3m	-0.06%	Nil	Nil	Arithmetically no - but as the margin is small could be met - YES	
To meet Risk matrix requirement 0.25% above minimum level		**-1.4m**	**-0.31**	**Nil**	**Nil**	**NO**	**HIGH**
25% of difference	£2.2m	-1.5m	-0.32%	Nil	Nil	**NO**	**HIGH**
To meet Risk matrix requirement 0.25% above minimum level	**£2.2m**	**-2.6m**	**-0.57%**	**-1.0m**	**-0.21%**	**NO**	**HIGH**
50% of difference	£4.4m	-2.7m	-0.59%	-0.9m	-0.2%	**NO**	**HIGH**
To meet Risk matrix requirement 0.25% above minimum level	**£4.4m**	**-3.8m**	**-0.84%**	**-2.1m**	**-0.45%**	**NO**	**HIGH**

Thus to meet the criteria of 0.25% above the minimum level would require additional balances of £5.9m over 2 years if the changes which Norwich have made are not realised by 50%. Calculations for this table are included in the separate report *Background Financial Information*

3.1.1.8 But our view is further informed by other risks which are not accounted for in our risk matrix, but which are discussed at 3.3.1 below.

3.2 Task B

3.2.1 The following were identified as the key issues which arose from the representations:

Issue raised	Comments in response
➢ Concerns about the comparability of data contained in the published synopses and that the data may be misinterpreted.	➢ The role of the IFCs was to advise the Boundary Committee whether or not a submission met a threshold that indicated whether or not it was likely to achieve the affordability criterion. The only ranking indicated was Low, Medium or High risk. ➢ The figures are therefore not meant to be comparable.
➢ Figures used based on out of date data.	➢ The IFCs report dated 12 March 2009 provides a view of potential risks and recommends that the Secretary of State seeks assurance about the financial position of constituent authorities before making a final decision on implementation.
➢ The option of 'Status Quo' needs to be put to the Secretary of State.	➢ The base information used in the workbooks was confirmed by Sec 151 officers of constituent authorities as being correct. Any cost reductions or increases calculated by Lead Officers were projected from that base data, and supported by extensive working papers for the submissions received in July 2008. The premise of the statements, in this column, is that "Status Quo" is already affordable; however they do not reflect the affordability criterion determined by the Secretary of State in her request to undertake the review.
➢ Critical of Boundary Committee's conduct of the review, and indigestible presentation of financial information.	➢ The financial information provided by the IFCs was intended to demonstrate whether or not a submission was likely to meet the Affordability Criterion. It was not intended for the purpose of making direct comparisons of relative affordability between submissions. ➢ In addition each report indicated

	in tabular form as part of the summary whether we considered the submission would be likely or not to meet each of the individual criteria.(e.g. see page 2 para 1.2.2 19th November Summary report)
➢ Timescales faced by all concerned with the review and fundamental and potentially serious weaknesses in the process	➢ The timescales were dictated by the deadlines determined by the Secretary of State.

3.3 Other Issues the Committee should take into account

3.3.1 Issues from Responses

3.3.1.1 In reviewing the responses, we found issues which were for the Boundary Committee itself to consider. Some of these we have given some advice on in our review of Task B. We have listed these below

Synopses using non comparable figures likely to lead to the wrong conclusions
No reference in the consultation paper to the level of risk associated with the Greater Norwich/Rural Norfolk proposal
No reference to the back up evidence supporting the new submissions presented by Norwich as highlighted by the Peer Reviewer
There should be no change in local government structure in Norfolk. The option of status quo needs putting to the Secretary of State. No comparison with status quo.
Lack of support for unitary patterns across the County
Opposition to Rural Norfolk option
Support for Lowestoft remaining in Suffolk
Criticism of Boundary Committee conduct of review
'In aggregate' Secretary of State's guidance and the effect that it may have had if issued earlier
Deteriorating global economy
What were the outcomes of the 1600 responses?
The requirement for value for money has been down played
Implementation date for new authorities

3.3.2 Background of changing figures – Two Unitary Pattern

3.3.2.1 There has been a background of changing figures relating to the two unitary pattern in Norfolk, and many disagreements between Norfolk County and Norwich on principles in the plans, and the calculation of figures in the submissions. This is well documented in all our reports. A summary of the different submissions is included here at **Appendix C**.

3.3.2.2 We pointed our in our March report that '*The new submissions have been constructed and developed within short timescales and utilising a very recently developed outline business case sponsored by Norwich City Council, overtly developed to meet the Secretary of State's new guidance'.*

3.3.2.3 The new approach changed the basis of the submission for Norfolk Two Unitary pattern completely. Norwich moved away from their 'transformational approach' which included cost of extending the present PFI contract, to an approach which aimed to share certain service between the two unitaries, and renegotiated the PFI contract and brought a large measure of the IT cost in house. Figures originally put forward to substantiate that new approach have been changed dramatically during the process.

3.3.2.4 In our review of the new submission March 09 constructed on this basis we modelled the effect of significant risks we saw to this overall approach and the figures supplied.

3.3.2.5 The adjustments that Norwich has made in the Rural Norfolk revised submission May 09 almost exactly match the total of the modelling adjustments which we undertook for the Rural Norfolk new submission March 09.

3.3.3 Risks not modelled elsewhere within our reviews

3.3.1.1 With regard to Norfolk County we have no further comments. However with regard to Pattern B Two Unitary option we have the following comments

3.3.1.2 We summarise here risks which in our view could be over and above those include in our arithmetic process. (More detailed review is contained in the report *Detailed Report for Norfolk Pattern B Two Unitary Option*, and the summary section from that report is included as **Appendix B**)

- These include not only the two key issues identified in the March 2009 report

- the risks inherent in the 'in aggregate' approach, (which are significant in that Norwich will need to pass £13.3m to Rural Norfolk in years 1 and 2)

- and the further delay over and above our modelled levels which could arise due to the co-operative working which would be necessary and the risk to smooth implementation which that would bring
  - but also further risks that

- Rural Norfolk, which would presumably inherit the Norfolk County shared services plans and ownership of the 'Norse' Group of

trading companies, and being by far the larger of the two unitaries will ‘go it alone’ seeking financial independence, and not initially, at least, wish to operate on a shared service basis with another new authority from vesting day - this would undermine the principles of the Norwich version of the Rural Norfolk plan

- The lack of evidence on costings and proper advice could mean substantial further delays, both to service implementation and savings predicted.

4 Likelihood of a Submission achieving the Affordability Criterion

4.1 Norfolk County – Single Unitary submission - Summary

Criterion 1	Transitional Costs overall likely to be more than offset by Savings in the payback period	**YES**
Criterion 2	Payback period, likely to be no more than 5 years	**YES**
Criterion 3	Capital transitional costs likely to be fully funded	**YES**
Criterion 4	Other transitional costs likely to be financed as defined by Secretary of State (Balances likely to be at or over prudent level each and every year)	**YES**
Criterion 5	All costs incurred to be met locally without increasing Council Tax on average	**YES**
Overall Risk Assessment (in terms of the extent by which each criteria are met)		**LOW RISK**

4.1.1 Other risks to be considered

4.1.1.1 There are no additional risks other than those shown in the body of the report for Norfolk County that need to be drawn to the Committee's attention.

4.2 Norfolk Two Unitary Pattern B – Norfolk Rural and Greater Norwich 'in aggregate' - Summary

		Greater Norwich	Norfolk Rural
Criterion 1	Transitional Costs overall likely to be more than offset by Savings in the payback period	**YES**	**YES**
Criterion 2	Payback period, likely to be no more than 5 years	**YES**	**YES**
Criterion 3	Capital transitional costs likely to be fully funded	**YES**	**YES**
Criterion 4	Other transitional costs likely to be financed as defined by Secretary of State (Balances likely to be at or over prudent level each and every year)	**YES**	**NO – even after transferring £13.3m balances from Greater Norwich to Rural Norfolk**
Criterion 5	All costs incurred to be met locally without increasing Council Tax on average	**YES**	**YES**
Overall Risk Assessment under in aggregate analysis (in terms of the extent by which each criteria are met or not met)		**HIGH RISK**	

Note – on an in aggregate basis we take the view that overall the risk assessment must revert to the higher level of the two submissions

4.2.1 Other risks to be considered

4.2.1.1 The 'in aggregate' approach requires transfers of savings and balances from one organisation to another. Greater Norwich may be required to transfer £13.3m to Rural Norfolk. Each organisation will have its own aims and objectives. There may need to be special powers or arrangements to ensure such sums are available to meet such transfers. In addition some of the cash to be transferred may have to be generated from the savings to be achieved through the transitional plan.

4.2.1.2 The figures include sums for opportunity modelling – it should not be assumed that these savings can be achieved without a committed sponsor and detailed review.

4.2.1.3 The figures are drawn from a business plan originally produced by Norfolk County for Rural Norfolk using a different concept for the provision of shared services. Figures for IT, pay harmonisation, and additional staff for disaggregation of County services, and profiling of staff release costs are not supported by properly costed statements.

4.2.1.4 Since the revised submission continues to assume joint working with the Greater Norwich Authority, there remain high risks about the assumptions made and the sparseness of supporting information on how long the achievement of savings is likely to take.

4.2.1.5 There is no recognition that a 'championed' Rural Norfolk authority may not share the 'shared service vision' of Greater Norwich, or other issues in the approach and may 'go it alone' leading to a

substantial replanning requirement for Greater Norwich. 4.2.1.6 The level of risk identified could require a higher level of prudential balances than provided.
4.2.1.7 The workbooks assume an implementation date of 2010, which the planning assumes the date would b 2011.

Appendix A – Remit from the Boundary Committee

A1 The IFCs are asked to consider the representations on affordability and advise the Committee of the following:

A2 Task A: To advise the Committee on the likelihood of the further draft proposals being likely to meet the affordability criterion in the light of the representations received.

- The Committee expects that each individual representation is addressed in turn. It is expected that the response provided will reflect the level of detail that the respondents have provided.
- The Committee also requests that the original IFCs summarise the representations and submit a summary report on how, together, the representations considered have, if at all, affected the outcomes of the reports presented to the Committee previously.
- The approach used by the IFCs to considering this advice should be summarised in this outline report.

A3 Task B: Advice to the Committee on the general questions that have been received not directly related to the workbooks.

- There may be financial questions within the responses that are sent to the Committee that do not directly relate to the workbooks. The IFCs are requested to provide a separate commentary on these issues. The review team of the Committee will direct the original IFCs as to which aspects of the representations it requests particular commentary on. The original IFCs are asked to provide commentary on any other issues raised in representations that the review team do not specifically highlight but which are relevant to the Committee's consideration.
- The IFCs are not expected to provide any comments that do not relate to financial information.

A4 **Process –** The review teams of the Committee will forward to the IFCs all representations on affordability that are received by 14 May 2009.

A5 The IFCs are requested to provide a report to the Committee by 10 June 2009 in advance of its meeting on 15 June 2009, subject to the complexity of the representations received. The report should include any other matters that the Committee should take into account in reaching its conclusions.

Appendix B - Extract from Detailed Report Norfolk Two Unitary Pattern 10th June 2009

1.3 Key Issues

We list below the key issues which we think show themselves in considering the revised submission -

1.3.1 Acceptance of our modelling for Greater Norwich by Norwich
Our modelling undertaken in respect of the Greater Norwich new submission, February 2009, was based on the identification of 14 significant risks and 5 significant reservations (see our report of 12 March 2009) This resulted in modelling the effect of reductions of net savings by £11.5m (46% of the net transitional plan as submitted). This has been accepted by Norwich, with the explanation that the risks identified by Deloitte have "*already been fully addressed by the IFCs in their modelling and so no further adjustments have been made.*"

1.3.2 Use of benchmarking without properly costed support – Whilst it can indicate areas for review, benchmarking is not a substitute for a properly costed assessment of the proposals, since it assumes that the base situation and implementation plans between authorities are roughly similar. There is no evidence provided to indicate that this is the case.

1.3.3 Need for properly costed supporting statements
No evidenced case has been supplied for the three major changes despite specific requests.

- Norfolk County, the previous lead for the Norfolk Rural submission, commissioned a detailed review for Pay Harmonisation which resulted in the original costs being built up on an apparently reasonable basis.(*see the separate report Background Financial Information*)

- Norwich have reduced this provision by £5m (56%).In response to our specific question asking for a properly costed statement, Norwich say, '*It has not been possible to undertake a detailed costing exercise in the very limited time provided.' Request for Information 03 – See separate report Background Financial Information*. It is difficult to understand this when Norwich have been lead officer for this submission since at least January 2008.

- We have not seen satisfactory supporting evidence for the reduction in additional staffing (originally included by Norfolk County, supported by documentation - *see Page 256 of Compilation of Background Information, November 2008* - and accepted in the March 2009 new submission by Norwich). We have always taken the view that this provision may be high and have consistently modelled it at 10% less than the figure included by Norfolk.

- In response to our specific request for a properly costed statement Norwich has said '*in the short time available, to conduct an analysis of only a small number of employees would be misleading*

as it would be necessary (as we will need to do in the lead up period) to look across all management tiers, in all authorities to identify the net requirement/reduction.' Request for Information 03 – see separate report Background Financial Information

- With regard to the timing of redundancy and pension contribution payments we note that the profile of staff release costs has been changed to move costs into year 2, whilst the profile of the savings has not changed. Norwich says that the profile has been altered to better reflect the profile of the staff savings contained in their new submission March 09. We note that the profile for the Greater Norwich submission showed all staff release cost in year 1, with savings in years 1 and 2. We have graphed the changes in profile in the separate report *Background Financial Information*

- There are conflicting views on this issue between Norfolk – who calculated the original figures – and Norwich about when these costs would fall and the profile of savings which would arise from them. Norfolk makes the point that CDC costs would have to be incurred early for the new structure to achieve savings. We have been provided with no proper costing by Norwich on this issue.

1.3.4 **Lack of evidence of advice –** The following are the key points of the exchange of questions and answers with Norwich to seek evidence of advice and research:

- We have asked to see the advice that Norwich indicated had come from Deloitte's specialist advisory and consultancy division regarding the Norwich City IT issues and the renegotiation of the Steria PFI contract.

- In response to our specific request for sight of that advice the Norwich response says '*There is no additional written advice to forward.' Request for Information 02 see separate report Background Financial Information*

- Norwich also told us '*Our research with similar reorganisations has shown that ICT will be one of the most important transfer issues. There is therefore considerable previous evidence to underpin the renegotiation or novation of existing ICT (and other) contracts.'*

- When we asked to see a synopsis of that research Norwich replied: '*Again there is no additional written research to forward. Our research has involved discussions with officers at Councils which have been preparing to become unitary in April 2009.'Request for Information 01 - see separate report Background Financial Information*

1.3.5 **Lack of Sponsor –** There remains the problem of no sponsor or champion for the Norfolk Rural pattern.

1.3.6 **Implementation plan** - No outline implementation plan has been made available to support specific proposals relating to Rural Norfolk.

Given that the business plans are in theory the same there must be a risk that the two need to move at the same pace so that delays in one authority may cause delays in the other.

1.3.7 **Cooperation between the two authorities -** Since the revised submission continues to assume joint working with the Greater Norwich Authority, there remains high risks about the assumptions made and the sparseness of supporting information on how long the achievement of savings is likely to take.

1.3.8 **Rural Norfolk may 'go it alone'**
There is no recognition that a 'championed' Rural Norfolk authority may not share the 'shared service vision' of Greater Norwich, or other issues in the approach and may 'go it alone' leading to a substantial Replanning requirement for Greater Norwich

1.3.9 **Level of prudential balances**
In our view the S151 officer of the new Rural Norfolk unitary, taking into account the risks shown in this review, if this approach were approved, may for prudency wish to recommend a higher level of balances than the 3.25% which is included in this analysis. Each 0.5% would require additional balances of some £2.5m.

1.3.10 **Implementation Date**
All workbooks are submitted on the basis that the implementation date would be 2010. But Norwich has indicated that they are working to an implementation date of 2011.

Appendix C - Background to submissions – Norfolk Two Unitary Pattern

Background to submissions received regarding Two Unitary Pattern – Norfolk – Pattern B			
Document version	**Greater Norwich Submission**	**Rural Norfolk Submission**	**Comments**
A - July 2008	Initial submission by Norwich received on deadline Submission found to included RSG for Fire but not expenditure	Initial submission by Norfolk received on deadline	Disaggregation for Education expenditure and specific grants did not balance to control totals of combined figures of both submissions
B – July 2008	Resubmission by Norwich including Combined Fire Authority	Resubmission including Combined Fire Authority	Disaggregation for Education expenditure and specific grants did not balance to control totals of combined figures of both submissions
November 2008 *Report made to Boundary Committee* *Concludes that the Norfolk Pattern B two unitary pattern is high risk and that the business plan for Greater Norwich using the proposed PFI extension leads to marginal savings which are at risk to marginal changes in estimates*			
December 2008 *Secretary of Sate issues new guidance about in aggregate analysis*			
December 2008 *Norwich submits 5 responses objecting strongly to IFCs conclusions and the IFCs process, and indicates that IFCs and Boundary Committee do not understand the 'transformational' process they wish to put in place.* *Norwich accept that there may be some additional risk but 'these additional risks would be closely managed through a contractual agreement, and so key elements such as ICT investment and efficiency savings would be a contractual agreement with the partner'*			
January 2009 *Norwich submit a revised workbook not in the standard format including £12.3m plus £2.3m for interest for the ending of the Steria Contract - which they say demonstrates a 'bolt together' approach*			

Background to submissions received regarding Two Unitary Pattern – Norfolk – Pattern B

Document version	Greater Norwich Submission	Rural Norfolk Submission	Comments
March 2009 *Norwich submit their new submission and the Rural Norfolk Submission, now based on a shared services option, deleting the cost of ending the Steria contract at £12.3m plus £2.3m for interest, and substituting with a commutation figure of £2.7m and other changes* *Education spending and specific grant disaggregation now agreed with Norfolk* *In response to IFCs questions, Norwich say* *'.. we remain of the view that a full transformation approach would be the most ideal approach to ensure that new unitary authorities would achieve the most significant benefits for local people. However, the affordability evaluation model had a disproportionate effect on the major investment needed to achieve such a transformation approach, and this served to assess our proposals "high risk".* *We have therefore reviewed this approach, and explored an alternative shared services approach, which relies on lower upfront investment costs, but still delivers good efficiency and improvement potential.* *Following further investigation of the Norfolk CC shared services model, including discussions with the County Council, we are now satisfied that this will deliver significant efficiency savings with a modest investment in new technology and change management.* ***This is also a more appropriate model for a two unitary solution in Norfolk, where clearly the two new councils would be able to work in collaboration to develop joint working solutions.*** *We can confirm that we would use this approach should our submission be approved, we will follow this business model.'*			
C – March 2009	New submission , based on shared services option submitted by Norwich	New submission, based on shared services option submitted by Norwich	Submission found to already include adjustments to meet the 'in aggregate 'criteria. in contrast to requests by Boundary Committee
C – March 2009	Corrected New submission , based on shared services option submitted by Norwich	Corrected New submission, based on shared services option submitted by Norwich	In response to questions Norfolk dispute the approach to shared services Norwich also confirm that their figures indicate significant savings from ending or renegotiating the PFI contract
IFCs report to Boundary Committee dated 12-03-2009 indicates that after modelling the 'in aggregate' submission under Method B fails the criteria 4 Balances by £5.1m in year 1 and £3.4m in year 2 (£8.5m in total) after allowing for modelling net increased provisions of £8.91m			
D – May 2009	No new submission - Norwich appear to accept modelling by IFCs	Revised submission using Deloitte's review to justify reducing provisions for pay harmonisation by 56% and additional staff by 50%, and reprofiling staff	Whilst Deloittes have highlighted risks to the Greater Norwich new submission March 09, Norwich say '*However, this has already been fully addressed by the IFCs in their*

Background to submissions received regarding Two Unitary Pattern – Norfolk – Pattern B			
Document version	**Greater Norwich Submission**	**Rural Norfolk Submission**	**Comments**
		release costs submitted by Norwich, - total net cost down by £9m and year 1 balances up by £4.9m - equating to the modelling undertaken by IFCs in March 09	*modelling, and so no further adjustments have been made'* The modelling we undertook for Greater Norwich totalled a reduction in net savings of £11.5m (a reduction of 46% of the net savings submitted by Norwich)