



Notice of Meeting of

SCRUTINY COMMITTEE - CORPORATE AND RESOURCES

Monday, 28 October 2024 at 2.00 pm

John Meikle Room, The Deane House, Belvedere Road, Taunton TA1 1HE

To: The members of the Scrutiny Committee - Corporate and Resources

Chair: Councillor Bob Filmer
Vice-chair: Councillor Henry Hobhouse

| | |
|--------------------------|----------------------------|
| Councillor Shane Collins | Councillor Nick Cottle |
| Councillor Philip Ham | Councillor Tony Lock |
| Councillor Martin Lovell | Councillor Diogo Rodrigues |
| Councillor Peter Seib | Councillor Brian Smedley |
| Councillor Andy Soughton | Councillor Lucy Trimnell |
| Councillor Mike Murphy | |

For further information about the meeting, including how to join the meeting virtually, please contact Democratic Services democraticservicesteam@somerset.gov.uk.

All members of the public are welcome to attend our meetings and ask questions or make a statement **by giving advance notice** in writing or by e-mail to the Monitoring Officer at email: democraticservicesteam@somerset.gov.uk by **5pm on Tuesday, 22 October 2024**.

This meeting will be open to the public and press, subject to the passing of any resolution under the Local Government Act 1972, Schedule 12A: Access to Information.

The meeting will be webcast and an audio recording made.

Issued by (the Proper Officer) on Friday, 18 October 2024

AGENDA

**Scrutiny Committee - Corporate and Resources - 2.00 pm Monday, 28 October
2024**

Public Guidance Notes contained in Agenda Annexe (Pages 7 - 8)

Click here to join the online meeting (Pages 9 - 10)

1 Apologies for Absence

To receive any apologies for absence.

2 Declarations of Interest

To receive and note any declarations of interests in respect of any matters included on the agenda for consideration at this meeting.

(The other registrable interests of Councillors of Somerset Council, arising from membership of City, Town or Parish Councils and other Local Authorities will automatically be recorded in the minutes: [City, Town & Parish Twin Hatters - Somerset Councillors 2023](#))

3 Minutes from the Previous Meeting (Pages 11 - 18)

To approve the minutes from the previous meeting held on 30 September 2024.

4 Public Question Time

The Chair to advise the Committee of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public who have submitted any questions or statements, please note, a three minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue.

We are now live webcasting most of our committee meetings and you are welcome to view and listen to the discussion. The link to each webcast will be available on the meeting webpage, please see details under 'click here to join online meeting'.

5 Forward Plan 2024/25

To consider the Forward Plan for Executive and this Committee and propose items for consideration by the Committee.

[Somerset Council Executive Forward Plan](#)

[Somerset Council Scrutiny Corporate and Resources Forward Plan](#)

6 2024/25 General Fund Revenue Budget Monitoring Report - Month 5

To receive the 2024/25 General Fund Revenue Budget Monitoring Report – Month 5 Report to follow.

7 Medium Term Financial Strategy (MTFS) Update 2025/26 to 2029/30 (Pages 19 - 32)

To receive the latest Medium Term Financial Strategy (MTFS) position for the Council, setting out the forecast budget gap over the five-year planning period 2025/26 to 2029/30.

8 Improvement & Transformation Programme Progress Update (Pages 33 - 64)

To receive the report on the progress made on the Improvement and Transformation Programme over the past month (September to October) including the Monthly Programme Report Dashboard which provides an overview of programme and workstream status, product delivery, activity and risk.

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Guidance notes for the meeting

Council Public Meetings

The legislation that governs Council meetings requires that committee meetings are held face-to-face. The requirement is for members of the committee and key supporting officers (report authors and statutory officers) to attend in person, along with some provision for any public speakers. Provision will be made wherever possible for those who do not need to attend in person including the public and press who wish to view the meeting to be able to do so virtually.

Inspection of Papers

Any person wishing to inspect minutes, reports, or the background papers for any item on the agenda should contact Democratic Services at

democraticserviceteam@somerset.gov.uk or telephone 01823 357628.

They can also be accessed via the council's website on [Committee structure - Modern Council \(somerset.gov.uk\)](#)

Members' Code of Conduct requirements

When considering the declaration of interests and their actions as a councillor, Members are reminded of the requirements of the Members' Code of Conduct and the underpinning Principles of Public Life: Honesty; Integrity; Selflessness; Objectivity; Accountability; Openness; Leadership. The Code of Conduct can be viewed at: [Code of Conduct](#)

Minutes of the Meeting

Details of the issues discussed, and recommendations made at the meeting will be set out in the minutes, which the Committee will be asked to approve as a correct record at its next meeting.

Public Question Time

If you wish to speak or ask a question about any matter on the Committee's agenda please contact Democratic Services by 5pm providing 3 clear working days before the meeting. (for example, for a meeting being held on a Wednesday, the deadline will be 5pm on the Thursday prior to the meeting) Email

democraticserviceteam@somerset.gov.uk or telephone 01823 357628.

Members of public wishing to speak or ask a question will need to attend in person or if unable can submit their question or statement in writing for an officer to read out, or alternatively can attend the meeting online.

A 20-minute time slot for Public Question Time is set aside near the beginning of the meeting, after the minutes of the previous meeting have been agreed. Each speaker will have 3 minutes to address the committee.

You must direct your questions and comments through the Chair. You may not take a direct part in the debate. The Chair will decide when public participation is to finish. If an item on the agenda is contentious, with many people wishing to attend the meeting, a representative should be nominated to present the views of a group.

Meeting Etiquette for participants

Only speak when invited to do so by the Chair.

Mute your microphone when you are not talking.

Switch off video if you are not speaking.

Speak clearly (if you are not using video then please state your name)

If you're referring to a specific page, mention the page number.

There is a facility in Microsoft Teams under the ellipsis button called turn on live captions which provides subtitles on the screen.

Exclusion of Press & Public

If when considering an item on the agenda, the Committee may consider it appropriate to pass a resolution under Section 100A (4) Schedule 12A of the Local Government Act 1972 that the press and public be excluded from the meeting on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, as defined under the terms of the Act.

If there are members of the public and press listening to the open part of the meeting, then the Democratic Services Officer will, at the appropriate time, ask participants to leave the meeting when any exempt or confidential information is about to be discussed.

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Minutes of a Meeting of the Scrutiny Committee - Corporate and Resources held in the John Meikle Room, The Deane House, Belvedere Road, Taunton TA1 1HE, on Monday, 30 September 2024 at 2.00 pm

Present:

Cllr Bob Filmer (Chair)

Cllr Mandy Chilcott (In place of Cllr Diogo Rodrigues)
Cllr Martin Lovell

Cllr Peter Seib
Cllr Rosemary Woods (In place of Cllr Lucy Trimnell)

Cllr Dawn Denton (In place of Cllr Andy Soughton)
Cllr Leigh Redman (In place of Cllr Brian Smedley)
Cllr Mike Murphy

In attendance:

Cllr Liz Leyshon
Cllr Richard Wilkins

Cllr Heather Shearer

Other Members present remotely:

Cllr Sarah Wakefield

Cllr Philip Ham

45 Apologies for Absence - Agenda Item 1

Apologies for absence were received from the following:

- Councillor Henry Hobhouse (no substitute)
- Councillor Nick Cottle (no substitute)
- Councillor Tony Lock (no substitute)
- Councillor Andy Soughton (substituted by Cllr Dawn Johnson)
- Councillor Diogo Rodrigues (substituted by Cllr Mandy Chilcott)
- Councillor Lucy Trimnell (substituted by Cllr Rosemary Woods) and
- Councillor Brian Smedley (substituted by Cllr Leigh Redman).

Councillor Philip Ham joined the meeting remotely.

46 Declarations of Interest - Agenda Item 2

There were no declarations of interest received.

47 Minutes from the Previous Meeting - Agenda Item 3

Having been proposed by Cllr Filmer and seconded by Cllr Redman, it was resolved that the minutes of the Scrutiny Committee - Corporate and Resources held on 28 August 2024 be confirmed as a correct record, subject to the following amendment being made to Minute 43 – Recommendation 4:

Minute 43 - Regulation of Investigatory Powers Act 2000 (RIPA) Policy

Recommendation 4 – amended to read – “The Committee requested that officers incorporate the feedback provided is incorporated as part of the report going forward, including potentially tightening of some of the language before it is approved”.

48 Public Question Time - Agenda Item 4

There were no members of the public registered to speak.

49 2024/25 General Fund Revenue Budget Monitoring Report - Month 4 - Agenda Item 5

The Council's Interim Chief Finance Officer, Maria Christofi and the Service Director, Finance and Procurement, Nicola Hix presented the General Fund Revenue Budget Monitoring Report for the end of July 2024 - Month 4.

They advised that the Council is forecasting a revenue overspend of £8.4m within Service Directorates for the 2024/25 financial year, which is being offset by £6m corporate contingency leading to a total revenue forecast overspend of £2.3m. This equates to 0.1% of the net budget for the year and is an increase in the revenue forecast overspend of £2.5m from the previously forecast underspend.

The Committee was taken through the various appendices and in the discussion which followed Members made a number of comments and observations which were responded to:-

- income from beach car parks in Minehead – officers will respond to Cllr Woods on the specifics of this.
- how the information is presented in the report around the revenue overspend and details by Service Directorates – report going to the Executive will reflect the full picture / position so the relevant tables and the accompanying narrative at the front of the report are as clear as possible.
- need to also include a paragraph in report on contingencies position and link the tables to the narrative more clearly.
- legal agency spend and whether it is slowing devolution / asset transfers, sales and if there is capacity – explained the complexities, the use of the earmarked reserves and the time involved; also referred to information contained on page 23 of the report and making the income element clearer.
- need a central place where all acronyms used in the report are defined (with a link in a relevant report).
- page 39 – Children's Services budget – comments re planning issues and lack of social housing for young people to move on to – it was noted that resources have been put in to help situation for example a specialist planner is being funded from Children's Services budget (Homes and Horizons); also

expanded on progress made with the homes (6 and 7 have opened and 8 is in progress).

- question about mitigations / actions around the Children's Services budget position which is not reflected in the report – confirmed this is being worked on for future reports; are working to pull position back and for example mentioned work of the Transformation Board and the deep dive on CLA; also highlighted where the budget is showing an underspend, for example in the fostering budget and the impact and link to the overspend in residential placements.
- query about the Adults budget and how it is expressed in the report – referred to page 34 and the section on commissioning which helps explain this and the focus / actions on reablement at home.
- Climate and Place budget overspend (waste contract) and why the one off uplift is not coming out of the contingency budget – too early in the financial year to be allocating contingencies for any of the forecast overspends and role of the Directorates is to pull back a forecast overspend.
- a follow on question about whether this situation is sustainable – needs to be an ongoing response by the organisation and referred to the MTFP and necessary actions being taken.
- query about the position regarding the contingency budget – the contingency budget figure is £6m and it has all been released and the report fully reflects this.
- question on financial risk matrix detailed in the report – this is around the overarching risk to the Council.

At the conclusion of the discussion the Committee noted the report and the Chair summed up the discussion, as follows:

- thanked officers for the improvements which have been made to the report over time and thanked officers for this and will look forward to the next iteration.
- members had highlighted that if possible, the reports from the service areas will have more detail on mitigations around how they are addressing shortfalls in their respective budget areas.
- also thanked the Executive members for attending and responding to questions at the meeting.

The Committee noted the report and recommendations for Executive:-

- a) Notes the Service Directorate Revenue forecast overspend of £8.4m for the year.
- b) Notes the total Council Revenue forecast overspend of £2.3m.

50 2023/24 General Fund Revenue Budget Monitoring Report - Outturn - Agenda Item 6

The Council's Interim Chief Finance Officer, Maria Christofi and the Service Director, Finance and Procurement, Nicola Hix presented the 2023/24 General Fund Revenue Budget Monitoring outturn report. This outlines the outturn position including overall delivery on savings, transformation, and additional income plans, and reserves. There is an underspend of £1.8m (0.3%) for the 2023/24 financial year which will be added to the General Fund balance.

Members made a number of comments and observations which were responded to at the meeting:-

- tables on page 70/71 and how information is expressed – will take comment on board and will continue to develop and evolve how information is presented. The outturn position is a result of the hard work undertaken by the Council following the financial emergency being declared.
- query about wording of paragraph 2 of report on page 69, as there had been a number of 'one-off' items which helped contribute to the overall underspend; concern about use of earmarked reserves and reduction; unachieved savings – will take comments on board in terms of further reports produced.
- the risk around the Dedicated Schools Grant deficit and expenditure going forward was highlighted.
- trend figures and sustainability (value) needs to be part of the report.

At the conclusion of the discussion the Committee noted the report and the Chair summed up the discussion, as follows:

- value the monthly updates coming forward which will help with planning.
- helpful to highlight outcomes looking to achieve as a Council in reports.

The Committee noted the report and recommendations for Executive:-

- a) Notes the underspend of £1.8m (0.3%) for the 2023/24 financial year which will be added to the General Fund balance.
- b) Approves the draws and contributions to earmarked reserves set out in appendix 11.
- c) Approves to release £0.7m of available earmarked reserves funding to the General Fund balance.
- d) Agrees to continue to receive monthly budget monitoring reports in 2024/25 which sets out the forecast outturn for the year with details of any mitigations and actions being taken to address any forecast variances.
- e) To note that the Collection Fund outturn position is still being finalised. Any over/underspend will be funded from/contributed to reserves. Any material changes to the reserve position will be noted in a future report.
- f) Approve the amendment to the Flexible Capital Receipts Strategy to include the Adult Social Care transformation programme, My Life, My Future (section 34/appendix 12).

51 2023/24 General Fund Capital Budget Monitoring Report - Outturn - Agenda Item 7

The Council's Service Director, Finance and Procurement, Nicola Hix presented the outturn on the Council's 2023/24 capital programme i.e. the total spend for the year and how this compares with the agreed budget for the year: with explanations for the main differences. It also summarised what has been delivered through the capital invested and how this has been funded.

There is slippage (variance) of £196.890m from 2023/24 into 2024/25 and beyond whilst a further review of the capital programme takes places during 2024/25. The

report also highlighted changes to the capital programme approvals (detailed in section 26 of the report).

Members made a number of comments and observations which were responded to at the meeting:-

- discussed reporting and challenges across the organisation and need for profiling to highlight potential slippages going forward – finance officers continue to challenge service areas.
- oversight and who is keeping eye on the ‘bigger picture’ and where is the scrutiny happening of all the Boards – in response, Glastonbury Town Deal provided as an example and the reporting in place.
- concern about staff changes and the loss of corporate knowledge.

At the conclusion of the discussion the Committee noted the report and the Chair summed up the discussion, as follows:

- highlighted concerns about oversight around some of the capital projects particularly in light of personnel changes.
- the Committee would like to re look at the capital programme and slippages and to also consider outcomes and where this sits in terms of the scrutiny role and need for the monitoring of project outcomes (to avoid duplication).
- welcomed there will be more information coming forward, especially in terms of Quarter 2.

The Committee noted the report and recommendations for Executive:-

- a) Notes the capital outturn position for the financial year 2023/24 of £117.8m.
- b) Approves the slippage of £196.890m from 2023/24 into 2024/25 and beyond whilst a further review of the capital programme takes places during 2024/25.
- c) Approves the removal of the underspend.
- d) Approves the changes to the capital programme approvals, as detailed in Section 26 of this report.

52 2023/24 Housing Revenue Account Revenue & Capital Budget Monitoring Report - Outturn - Agenda Item 8

The Council’s Management Accounting & Reporting Lead, Kerry Prisco presented the financial outturn position of the Council’s Housing Revenue Account (HRA) for both revenue and capital positions for the financial year 2023/24. The report has already been considered by the Council’s Executive.

Ms Prisco advised that overall there is a revenue underspend of £810k and the reasons for those variances are as detailed in the report. The underspend has been transferred to supplement general reserves to give a balance of £12.859m. She advised about the capital outturn position. There is a virement of £1m to provide match funding for energy efficiency works from net capital budget returns and proposed reductions to the Capital Programme of net £0.171m for underspends on schemes where budget is no longer required, and the continuation of £57.317m approved budget rolled forward for the 2024/25 Housing Revenue Account Capital Programme.

Members made a number of comments and observations which were responded to at the meeting:-

- would be helpful if the report were presented in the same format as other financial reports, for consistency – going forward officers may look at the feasibility of including HRA reporting in other reports or alternatively the HRA reporting will be kept separately and will follow the same format.
- query about the fire safety budget, detailed in Appendix B – officers will provide a written response to the Committee.
- referring to the voids information on page 171 and the overspend reported, comment about the unintended consequences of decisions taken and the impact on other areas.
- proposed virement to provide match funding for energy efficiency works and how many properties it will affect - officers will provide a written response to the Committee.
- outturn variances figures detailed at bottom of page 176 – officers will investigate this further.
- query about level of reserves detailed on page 174 – have decided will be set & will stand above the recommended minimum balance.

At the conclusion of the discussion the Committee noted the report and the Chair summed up the discussion, as follows:

- like HRA reports coming forward to be more consistent with format of other financial reports.
- HRA reports do need to be separate to other financial accounts / reporting.

The Committee noted the report and recommendations for Executive:-

- a) Note the reported Housing Revenue Account Budget underspend of £810k in 2023/24 to be transferred to Unearmarked Reserves.
- b) Note the reported HRA Unearmarked Reserves Balance of £12.859m as at 31 March 2024.
- c) Note the Capital Outturn position.
- d) Approve a virement of £1m to provide match funding for energy efficiency works from net capital budget returns.
- e) Approve the proposed reductions to the Capital Programme of net £0.171m for underspends on schemes where budget is no longer required, and the continuation of £57.317m approved budget rolled forward for the 2024/25 Housing Revenue Account Capital Programme (as per Appendix B).

53 Forward Plan 2024/25 - Agenda Item 9

The Committee discussed and noted the Committee's forward work plan for future meetings.

The Chair and lead officers will meet for an agenda setting meeting to discuss the items for the next meeting and meetings going forward. The next meeting will be held on 28 October 2024 beginning at 2 pm and the following items are currently set to be considered:

- 2024/25 General Fund Revenue Budget Monitoring Report – Month 5
- Improvement and Transformation Programme Update

The Committee made the following comments on the forward work plan:

- the aim should be that reports are considered by Scrutiny prior to decisions being taken and reports need to be presented and considered in as timely a manner as is possible.
- include an item on the capital programme generally and on Transformation.

(The meeting ended at 4.23 pm)

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CHAIR

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Decision Report

Committee: Executive

Meeting or Proposed Decision Date – 07 October 2024

Key Decision – Yes

Medium Term Financial Strategy (MTFS) Update 2025/26 to 2029/30

Chair of Committee: Cllr Bill Revans Leader of the Council and Lead Member for Governance & Communications

Executive Member(s): Cllr Liz Leyshon Deputy Leader of the Council and Lead Member for Finance, Procurement and Performance

Local Member(s) and Division(s) affected: All

Executive Director: Maria G Christofi Interim Chief Finance Officer (S151 Officer)

Executive Summary

1. The purpose of this report is to provide the Executive with an update on the latest Medium Term Financial Strategy (MTFS) position for the Council. Setting out the forecast budget gap over the five-year planning period 2025/26 to 2029/30.
2. The Medium Term Financial Strategy provides the framework for the development of annual budgets in line with the aims of the Council's strategy and priorities. The Medium Term Financial Plan (MTFP), approved as part of the annual budget process, provides a detailed breakdown of how the Council plans to manage its finances to create a balanced budget and achieve its objectives. The MTFP includes detailed projections of income, expenditure, cost of borrowing, savings, and pressures, etc. over the medium-term. The assumptions in the MTFP are being updated in this report following on from the February 2024 Budget setting and April 2024 MTFP report.
3. The background to the current Medium Term Financial Strategy (MTFS) continues to be one of increased uncertainty, with inflationary and interest pressures, the national and global economy, lack of progress on social care reform, continued real term reductions in government funding, and lack of clarity around Local Government funding all adding to the uncertainty.
4. The Council's MTFP (April 2024) recognised that there was still a significant funding gap of £103.896m in 2025/26, and £198.583m across future years to 2028/29. The MTFP has been extended to 2029/30, scenarios have been modelled for 2025/26, and assumptions have been reviewed and updated in the MTFP for all 5 years.

5. Since the Council declared a 'Financial Emergency' in November 2023, the focus has been on working hard to avoid a Section 114 notice by taking the following actions:
 - Reducing the forecast overspends for 2023/24 and now 2024/25
 - Reviewing and reducing budget pressures by taking action to mitigate them
 - Identifying further saving options and delivering them
 - Reducing the capital programme and bids for new schemes
 - Maximising funding and income to the Council
 - Generating capital receipts from asset disposals
 - Disposing of commercial assets
 - Completing the outstanding statement of accounts from South Somerset District Council and the 2023/24 statement of accounts for Somerset Council
 - Reviewing Earmarked Reserves and repurposing them to support the budget
 - Agreeing plans to 'resize' the organisation (workforce transformation) in 2024/25-2025/26 to enable it to become financially sustainable in the future
 - Working with MHCLG on finalising the capitalisation direction.

Recommendations

The Executive are recommended to:

6. Approve the Medium Term Financial Strategy (MTFS) for 2025/26 to 2029/30.
7. Agree that the Council continues with the aim of avoiding a section 114 notice by taking all of the necessary actions and continuing to operate as if one had been issued.

Reasons for Proposals

8. In February 2024, Full Council agreed the Budget for 2024/25, at which time it was recognised that there was a significant funding gap in 2025/26 and across the remaining years of the Medium Term Financial Planning horizon to 2028/29. Earmarked Reserves have been used in both 2023/24 and 2024/25 to close the budget gap. This report provides the Executive with an update to the Medium Term Financial Forecast based on the latest information and assumptions and extends these assumptions to the fifth year 2029/30.

Report Author: Maria G Christofi, Interim Chief Financial Officer (S151 Officer)
Contact Details: Maria.Christofi@somerset.gov.uk

Main report and supporting information

Background and purpose of report



9. The financial challenges facing the Council are significant and the 2024/25 budget was set with significant one-off resources. General use of Earmarked Reserves of £36.800m and Exceptional Financial Support a Capitalisation Directive of £36.884m from Ministry of Housing Communities and Local Government (MHCLG) have been used for 2024/25 to close the budget gap and set a balanced budget for 2024/25.

10. The Medium Term Financial Strategy (MTFS) provides a strategic financial framework and a forward-looking approach to achieving financial sustainability for the Council. The key overriding aim of the MTFS is:

“To provide a financial framework within which financial stability can be achieved and sustained in the medium-term to deliver the Council’s key strategic priorities and sustainable services.”

11. The MTFS aids robust and methodical planning as it forecasts the Council’s financial position over a five-year period, considering a number of factors including pressures, major issues affecting the Council’s finances, external economic influences, and local factors. This is particularly important during a period when the Council faces a significant financial challenge. The MTFS recognises the key role that financial resources play in the future delivery of priorities and in enabling the effective planning, management, and delivery of services.

12. The six key objectives of the MTFS are to:

- i. Provide financial parameters within which budget and service planning should take place.
- ii. Ensure that the Council sets a robust balanced and sustainable budget.
- iii. Focus and re-focus the allocation of resources so that, over time, priority areas receive additional resources. Ensuring services are defined on the basis of clear alignment between priority and affordability.
- iv. Ensure that the Council manages and monitors its financial resources effectively. Ensuring that spending commitments do not exceed resources available in each service area. Where ring-fenced government funding is reduced, the service area takes action to reduce expenditure accordingly.
- v. Plan the level of fees, charges, and taxation in line with levels that the Council regard as being necessary, acceptable, and affordable to meet the Council’s aims, objectives, policies, and priorities.

- vi. Ensure that the Council's long term financial health and viability remain sound and that the financial resilience and sustainability is improved and sustained.
13. In February 2024, Full Council agreed the budget for 2024/25 at which time it was recognised that there was a significant funding gap in 2025/26 and across the remaining years of the Medium Term Financial Planning horizon to 2028/29. Earmarked Reserves have been used in both 2023/24 and 2024/25 to close the budget gap.
 14. The former government only announced a single year Local Government financial settlement for the 2024/25 financial year. At the time of writing, and with a new government following the general election on 4 July 2024, there is no certainty about what future funding settlements may look like, beyond the indications that could be derived from the Autumn Statement made on 22 November 2023 and the 2024/25 Funding Settlement.
 15. There is no indication regarding council tax or adult social care precept increases for 2025/26 and beyond, or indeed future grant streams. There is therefore no certainty regarding funding for 2025/26, notwithstanding that any decisions about council tax will not be made until Council meet in February 2025 to set the Budget and Council Tax for 2025/26.
 16. There are a number of pressures in local government Adult Social Care, Children's Social Care, Homelessness and Temporary Accommodation, Inflation, interest rates, and cost of borrowing intensified by insufficient funding following more than 13 years of Austerity.
 17. There are pressures forecast within the 2024/25 revenue budget totalling a £8.4m projected outturn overspend within Service Directorates. £7.1m of this pressure relates to Children's Social Care placements. Mitigating action is required by all services with forecast overspends to reduce the pressures so that the Contingency budget of £6m is not fully utilised, and there is no further reduction on the Council's Earmarked Reserves.
 18. There are several key uncertainties such as inflation, impact of the cost-of-living crisis, service demographic and demand pressures, future local government funding, whether there will be a continuation of the DSG deficit statutory override, and interest rates which need to be understood as part of the budget setting process. Given the number uncertainty, various scenarios have been modelled to provide low, central, and high scenario estimates for the projected budget gap for 2025/26.

2025/26 Budget Gap Scenarios

19. The previous 2025/26 budget gap was £103.896m. **Table 1** below summarises the individual components that were included in the original MTFP assumptions to arrive at this gap.

Table 1: Original 2025/26 Budget Gap

| Changes to Budget | 2025/26 £m |
|-------------------------------|----------------|
| Budget Gap 2024/25 | - |
| Inflation Non Contractual | 25.087 |
| Inflation Contractual | 2.904 |
| Pay Inflation | 6.155 |
| Demographic & Demand | 13.373 |
| Other Pressures | 3.648 |
| Previous Agreed Savings | (10.184) |
| Capital Financing | 12.050 |
| Collection Fund Surplus | 7.713 |
| Change in Use of Reserves | 38.800 |
| Capitalisation Direction | 36.884 |
| | |
| Council Tax | (21.795) |
| Settlement Funding Assessment | (10.739) |
| Budget Gap | 103.896 |

20. The approach to the assumptions in the MTFP has been to assess the current assumptions and model to reflect the outcomes of some of the work that is being taken. Three scenarios have been produced low, central and high estimates for the potential budget gap for 2025/26. The Central scenario is considered to be the one that will be included in the updated 2025/26 MTFP.

Low: a better view for a lower inflation environment and the Council's ability to contain demand pressures to a minor level.

Central: a realistic view on inflation, coupled with a challenging, but prudent view on the Council's ability to contain and reduce demand pressures.

High: a worse view on inflation, coupled with a more pessimistic view regarding the Council's ability to manage demand and other pressures.

21. It is important to note that these are assumptions and that they could be even worse or better than the three illustrative scenarios. **Table 2** below shows the revised budget gap after the changes listed above.

Table 2: Revised Budget Gap for 2025/26

| Revised Budget Gap for 2025/26 | Low £m | Central £m | High £m |
|--------------------------------|-----------|---------------|------------|
| Budget Gap MTFP at April 2024 | 103.896 | 103.896 | 103.896 |
| Changes to Budget Gap | (35.650) | (15.100) | 25.690 |
| Revised Budget Gap | 68.246 | 88.796 | 129.586 |

22. There are a number of assumptions that have been updated including inflation (non-contractual and contractual, capital financing, demographic pressures, pressures other, adult social care precept, and the impact of the in-year forecast outturn pressures rolling forward into the following year's budget. **Table 2** below shows details the changes in each of these categories.

Table 3: Changes in Estimates based on the Central Scenario

| | 2025/26 £m | 2026/27 £m | 2027/28 £m | 2028/29 £m | 2029/30 £m |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
| Inflation Non Contractual | (16.000) | (16.000) | (16.000) | (19.000) | 4.000 |
| Inflation Contractual | 7.000 | 2.200 | - | - | 4.000 |
| Pay Inflation | - | - | - | - | - |
| Demographic & Demand | (5.000) | (6.000) | (12.000) | (15.000) | 5.000 |
| Other Pressures | (1.000) | (8.000) | 2.000 | 1.000 | 1.000 |
| Previous Agreed Savings | - | - | - | - | - |
| Rolled Forward Pressures | 5.900 | 4.000 | 4.000 | 4.000 | 1.000 |
| Capital Financing | (6.000) | 2.000 | 2.000 | 2.000 | - |
| Adult Social Care (ASC) Precept | - | 7.729 | 8.196 | 8.691 | - |
| Total Changes | (15.100) | (14.071) | (11.804) | (18.309) | 15.000 |

Assumptions:

- Inflation Non Contractual: to work to hold back increases for non contractual inflation to be managed.
- Inflation Contractual: inflation included as per the contractual obligations that have been advised.
- Pay Inflation: no change in assumptions from previous model of approximately 2% of estimated pay.
- Demographic & Demand: revised to reflect the future potential demand. Following the implementation of Demand Management approaches, to help manage demand and prevent it increasing as previously modelled.
- Other Pressures: revised and reduced to recognise that all should be actively finding ongoing mitigations to offset pressures and prevent these being required.
- Previous Agreed Savings: no change to savings previously agreed - all savings must be delivered to time, profile and value.
- Rolled Forward Pressures: new to reflect estimated pressures that may roll forward from previous year - all should be actively finding ongoing mitigations to offset pressures and prevent these being required.
- Capital Financing: capital programme to be reviewed and reprofiled and will then enable the revenue cost of borrowing to be reprofiled too.
- ASC Precept: revised to be including an estimate of 2% for 2025/26 only, 0% for all other years.
- General Council Tax: estimating 2.99% increase for the first four years and 0% for 2029/30. Also, an assumed increase in tax base growth of 1% for the first four years.

- 2029/30: an additional year has been included with assumptions for growth provision consistent with previous years and no Council Tax or ASC Precept included.

Table 4: Revised MTFP 2025/26 to 2029/30

| | 2025/26 £m | 2026/27 £m | 2027/28 £m | 2028/29 £m | 2029/30 £m | Total £m |
|-----------------------------------------------------|----------------|---------------|---------------|---------------|---------------|-----------------|
| Budget Gap as Per Council Budget Report 2024 | 103.896 | 43.907 | 22.152 | 28.592 | - | 198.583 |
| Changes | (15.100) | (14.071) | (11.804) | (18.309) | 15.000 | (44.284) |
| Revised Budget Gap | 88.796 | 29.836 | 10.348 | 10.283 | 15.000 | 154.263 |

Table 5: Summary of Changes to Budget Gap

| | 2025/26 £m | 2026/27 £m | 2027/28 £m | 2028/29 £m | 2029/30 £m |
|--------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Service Base Budgets | 601.775 | 587.795 | 600.630 | 623.764 | 647.954 |
| Changes to Budget | 74.816 | 42.671 | 33.482 | 34.473 | 15.000 |
| Budget Gap | (88.796) | (29.836) | (10.348) | (10.283) | (15.000) |
| Service Budgets | 587.795 | 600.630 | 623.764 | 647.954 | 647.954 |
| Total Income from Grants and Council Tax* | (587.795) | (600.630) | (623.764) | (647.954) | (647.954) |

- * General Council Tax increases have been included at 2.99% for modelling for the years 2025/26 – 2028/29. Adult Social Care Precept has been revised to only include a 2% increase for 2025/26.

A more detailed table of the revised MTFP is in **Appendix A**.

Medium Term Financial Strategy (MTFS)

23. The Council has identified a number of Budget Themes within the MTFS that are being undertaken to deliver savings and balance the 2025/26 budget. **Table 6** shows these themes, as well as the lower and upper ranges of the savings.

Table 6: Analysis of Savings Themes for 2025/26

| Summary | Lower end of range £m | Upper end of range £m |
|------------------------------|--------------------------|--------------------------|
| Efficiency Savings | 7 | 26 |
| Service Levels | 32 | 48 |
| Alternative Service Delivery | 1 | 3 |
| Asset Management | 1 | 3 |
| Financing of Activities | - | 2 |
| Income Generation | 6 | 34 |
| Total | 47 | 116 |

Reserves

24. General Fund and Earmarked Reserves forecast balances are within **Table 7** below. It is important to continue to work to reduce any further reductions in reserves and preserve the remaining reserves to ensure financial resilience and sustainability of the Council.

Table 7: General Fund and Earmarked Reserves Forecast Balances

| Somerset Council Reserves* | Forecast balance as at 31/03/2024 £m | Forecast net transfers to/(from) Reserves £m | Forecast balance as at 31/03/2025 £m |
|-----------------------------|--------------------------------------------|-------------------------------------------------|--------------------------------------------|
| General Fund Reserve | 52.374 | - | 52.374 |
| Earmarked Reserves** | 104.672 | (49.203) | 55.469 |

* Subject to 2023/24 External Audit being completed

** Excludes reserves held for accountable bodies, Schools' balances, Housing Revenue Account (HRA), Dedicated School Grant (DSG).

25. The Dedicated School Grant (DSG) negative reserve is not shown in the figures below due to the current statutory override. The current balance is a deficit of £35.940m.

Links to Council Plan and Medium-Term Financial Plan

26. The MTFP will link pressures, growth, and savings to the delivery of the Council's key priorities within the Council Plan which are:

- a greener, more sustainable Somerset
- a healthy and caring Somerset
- a flourishing and resilient Somerset
- a fairer, ambitious Somerset

Other options considered

27. It is a requirement of good financial management to have a Medium Term Financial Strategy (MTFS) and a forecast of the future financial picture through a Medium Term Financial Plan (MTFP). Scenarios have been modelled for 2025/26, which are illustrated in this report.

Key considerations for the Council

Scrutiny comments / recommendations:

28. The 2025/26 budget preparation and proposals will be considered by the relevant Scrutiny Committees in line with the budget setting timetable.

Consultation and feedback

29. Consultation on any relevant budget proposals shall be considered as part of the budget setting programme and completed in line with the Council's consultation policy.

Financial and Risk Implications

30. It is clear that the scale of financial challenges facing the Council are significant, with the forecast cost of services increasing at a faster rate than the income received. The 2024/25 budget could not be balanced without General use of Earmarked Reserves of £36.800m and Exceptional Financial Support a Capitalisation Directive of £36.884m from MHCLG.
31. The Section 25 Statement from the Section 151 Officer to the 20 February 2024 Council, highlighted the risks regarding a Section 114 notice given the MTFP forecast, and the estimated level of reserves. A clear and significant programme of activities is required in order to avoid the position where a section 114 notice needs to be issued. This programme of activities has commenced.
32. The Medium Term Financial Forecast has identified a budget gap of just under £154.263m over the next five years, with costs in relation to Adults, and Children's social care continuing to rise if actions to manage and reduce these pressures, including future savings are not identified.
33. The deficit on the Dedicated Schools Grant is a major risk. The deficit is projected to continue to increase despite a number of mitigations. The current statutory override is due to finish at the end of the 2025/26 financial year. After this point, if there is no solution from Government and the deficit remained with the Council, then as the forecast DSG deficit would exceed the current level of reserves, a S114 notice would have to be issued.
34. Given the issues set out in this report and despite all the actions taken and mitigations put in place, the risk score on Strategic Risk ORG0057 – Sustainable MTFP remains at 25 the highest risk score possible.

Current Risk Score:

| | | | | | |
|-------------------|----------|---------------|----------|-------------------|-----------|
| Likelihood | 5 | Impact | 5 | Risk Score | 25 |
|-------------------|----------|---------------|----------|-------------------|-----------|

Projected risk score if recommended actions are agreed and delivered:

| | | | | | |
|-------------------|----------|---------------|----------|-------------------|-----------|
| Likelihood | 5 | Impact | 5 | Risk Score | 25 |
|-------------------|----------|---------------|----------|-------------------|-----------|

Legal and Procurement Implications

35. Section 151 of the Local Government Act 1972 states that every local authority shall make arrangements for the proper administration of their financial affairs.
36. Under Section 114(2) of the Local Government Finance Act 1988, the Section 151 Officer has a duty to make a report when it appears to them that the Council has made or is about to make a decision incurring unlawful expenditure, or has taken or is about to take a course of action which "if pursued to its conclusion" would be unlawful and is likely to cause a loss or is about to enter an unlawful item of account. Under Section 114(3), the Section 151 Officer has a duty to make a report when it appears to them that the expenditure the Council has incurred or proposes to incur in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure (note: this report is the one commonly referred to as a Section 114 "notice"). A Section 114 report must be sent to the auditor and every member. Section 115 of the Act then requires the Council to hold a meeting within 21 days to decide whether it agrees or disagrees with the views contained in the report and what action (if any) it proposes to take in consequence of it.
37. The Local Authorities (Functions & Responsibilities) (England) Regulations 2000 (as amended) set out the respective functions of Council and of the Executive. With regard to the setting of the budget and Council Tax for the forthcoming year, the Regulations provide that the Executive formulates the plan or strategy (in relation to the control of the Council's borrowing or capital expenditure) and the preparation of estimates of the amounts to be aggregated in making the calculations under Section 32 of the 1992 Act. However, the adoption of any such plan or strategy/calculations is the responsibility of Full Council.
38. Full Council is responsible for setting the overall budget framework. However, some of the proposed savings will be subject to further analysis and decision making and as such the savings are an estimate. Individual service decisions will be subject to officer or Executive approval. This will take account of the statutory framework, any requirement to consult and consideration of overarching duties, such as the public sector equality duty. A contingency has been set aside to deal with a risk that when Executive considers these proposals it does not agree that the savings can be met within the specific statutory framework. In an extreme case, the Executive may have to refer the budget to Full Council to reconsider the overall budget framework.

HR / Workforce Implications

39. There are considerable HR implications as a result of the savings targets where staff may be impacted by decisions made. The relevant business cases for these savings will outline the HR implications.

Equalities Implications

40. This report is a high-level update of the medium term financial strategy. The equalities implications will be assessed as part of the final budget proposals and considered before any final decision is made.

Community Safety Implications

41. There are no direct Climate Change and Sustainability implications arising from this report and any implications will be reviewed as part of the final budget proposals.

Climate Change and Sustainability Implications

42. There are no direct Climate Change and Sustainability implications arising from this report and any implications will be reviewed as part of the final budget proposals.

Health and Safety Implications

43. There are no direct Climate Change and Sustainability implications arising from this report and any implications will be reviewed as part of the final budget proposals.

Health and Wellbeing Implications

44. There are no direct Climate Change and Sustainability implications arising from this report and any implications will be reviewed as part of the final budget proposals.

Social Value

45. There are no direct Climate Change and Sustainability implications arising from this report and any implications will be reviewed as part of the final budget proposals.

Background Papers

- Medium-Term Financial Strategy (MTFS) 2025/26 to 2029/30 report to 08 April 2024 Executive
- 2024/25 Revenue Capital & HRA Budget reports to 20 February 2024 Council
- Section 25 Report from the Section 151 Officer to 20 February 2024 Council
- Letter from DLUHC 28 February 2024
- 2024/25 Financial Strategy report to July 2023 Executive.

Appendices

- Appendix A: MTFP Five Year Projection

Report assurance checklist ahead of report publication (for Audit, Executive, Full Council and Scrutiny Committees)

| | Officer Name | Date Completed |
|---------------------------------|------------------------|-----------------------|
| Legal & Governance Implications | David Clark | 26/09/2024 |
| Finance & Procurement | Nicola Hix | 26/09/2024 |
| Workforce | Dawn Bettridge | N/A |
| Asset Management | Oliver Woodhams | N/A |
| Executive Director | Maria G. Christofi | 26/09/2024 |
| Executive Lead Member | Cllr Liz Leyshon | 26/09/2024 |
| Consulted: | Councillor Name | Date Completed |
| Local Division Members | N/A | N/A |
| Opposition Spokesperson(s) | Cllr Mandy Chilcott | 27/09/2024 |
| Relevant Scrutiny Chair(s) | Cllr Bob Filmer | 27/09/2024 |

MTFP 2025/26 to 2029/30

The table shows the changes to the budget gaps for all years 2025/26 to 2029/30 to reflect the central scenario.

| | 2025/26 £m | 2026/27 £m | 2027/28 £m | 2028/29 £m | 2029/30 £m |
|-------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Service Base Budgets | 601.775 | 587.795 | 600.630 | 623.764 | 647.954 |
| Inflation Non Contractual | 9.087 | 8.360 | 9.387 | 8.043 | 4.000 |
| Inflation Contractual | 9.904 | 6.003 | 4.011 | 4.236 | 4.000 |
| Pay Inflation | 6.155 | 6.144 | 6.144 | 6.144 | - |
| Demographic& Demand | 8.374 | 7.609 | 5.717 | 5.219 | 5.000 |
| Other Pressures | 2.648 | 3.834 | 2.181 | 4.782 | 1.000 |
| Previous Agreed Savings | (10.184) | 0.291 | 0.011 | 0.019 | - |
| Rolled Forward Pressures | 5.900 | 4.000 | 4.000 | 4.000 | 1.000 |
| Capital Financing | 6.050 | 6.431 | 2.031 | 2.032 | - |
| Capitalisation Direction | 36.884 | - | - | - | - |
| Change in Use of Reserves | - | - | - | - | - |
| Budget Gap | (88.796) | (29.836) | (10.348) | (10.283) | (15.000) |
| Service Budgets | 587.795 | 600.630 | 623.764 | 647.954 | 647.954 |
| Settlement Funding Assessment* | (243.730) | (202.381) | (209.202) | (216.094) | (216.094) |
| Council Tax** | (382.865) | (398.249) | (414.562) | (431.860) | (431.860) |
| Change in Use of Reserves | 38.800 | - | - | - | - |
| Total Income from Grants and Council Tax | (587.795) | (600.630) | (623.764) | (647.954) | (647.954) |

* Some of the grants are shown within the service base budgets and some are shown within the settlement funding.

** General Council Tax increases have been used at 2.99% for modelling for years 2025/26 to 2028/29. Adult Social Care Precept has been revised to only include a 2% increase for 2025/26.

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Scrutiny Report

Committee: Scrutiny Committee – Corporate and Resources

Meeting or Proposed Decision Date – [28/10/2024]

Key Decision – No



Improvement & Transformation Programme – October Progress Update

Chair of Committee: Cllr Bob Filmer

Executive Member(s): Cllr Theo Butt Philip – Lead Member for Transformation, Human Resources and Localities.

Local Member(s) and Division(s) affected: N/A

Executive Director: Alyn Jones, Executive Director for Strategy, Workforce and Localities

Executive Summary

This report updates Scrutiny, Corporate and Resources on the progress made on the Improvement and Transformation Programme over the past month (September to October). The attached Monthly Programme Report Dashboard provides an overview of programme and workstream status, product delivery, activity and risk. The dashboard will evolve as the Programme matures.

The approach to whole Council transformation is encompassed within the **Improvement and Transformation Programme** which brings together the activity required to deliver our vision, redesign our organisation, reshape our workforce, transform our services, and deliver our savings. The Programme currently comprises five component parts which run concurrently:

- New Organisational Design
- Workforce Programme
- Innovation and Change Programme
- Partnerships, Devolution and Localities Programme
- Savings Delivery Plan

Recommendations

That the Corporate and Resources Scrutiny Committee note the latest progress report including:

- Progress made in the month from 12 September – 11 October, including the product and milestones for delivery contained within Appendix A.
- The current assessment of programme risks, which includes the programme risks that have a score of 16 or higher and that might occur during the change process, and the status of actions to reduce these.

Reasons for Proposals

To support delivery of the programme, Scrutiny's views are sought on the approach, progress, as well as the strategic risks that may arise during the transformation process and mitigating actions that have been identified.

Report Author: Louise Routley, Improvement and Transformation Lead, Strategy and Performance

Contact Details: louise.routley@somerset.gov.uk

Background and purpose of report

1. The approach to whole Council Transformation was initially presented to Scrutiny on 07 March 2024, following Executive approval on 07 February 2024 to reset the Council's approach to transformation and open a voluntary redundancy (VR) scheme as one of a number of actions that will be undertaken to reduce the pay-bill. This recognised the need to deliver a radically different way of working as a Council, operating with fewer staff and with a reduced sustainable budget, whilst increasing our influence and impact.
 - 1.1. The new Council transformation approach will bring together transformation and change programmes across the organisation in line with the new Values, Behaviours, Organisation Design Principles, and a new operating model that delivers our purpose and vision for the people of Somerset. The approach will establish the foundations to enable future organisational wide change that is necessary for financial sustainability and implementation of the new organisation vision and design. The current scope and organisation of the Programme is set out in appendix C.
 - 1.2. **Programme Delivery Progress**

The Monthly Programme Reporting Dashboard has been developed to complement the fortnightly workstream progress reporting, by providing a monthly overview of progress that can be shared with programme stakeholders, including members. The overview is compiled in a dashboard format, covering the period of reporting as well as product delivery that is due over the next month. The dashboard has evolved and now includes an overview of benefits associated with the Workforce Programme. The dashboard will continue to be developed as the Programme develops. The dashboard to 11 October can be found in appendix A.
 - 1.3. The previous update report was presented to Scrutiny, Corporate & Resources in July, since this update the following has been achieved:
 - LGA Transformation Peer Review - The LGA Transformation Peer Review was undertaken in July over 2 days. The observations and considerations for next steps were provided at the end of the 2 days and we subsequently converted these observations and next steps into an action plan to enable improvements for the whole council transformation approach to be developed and implemented.
 - Submission of the Improvement and Transformation Plan to the Ministry for Housing, Communities and Local Government on 27 August.
 - Target Operating Model adopted by Executive on 2 September.
 - Rescoping of the Partnership, Localities and Devolution Programme.
 - Layer 2 – 3 recruitment and selection completed with the new structure due to be live on 1 November.

The Workforce Programme previously reported in July that consultation on the restructure would launch on 30 September. It was identified in the last reporting period (Aug/Sept) that this wasn't possible due to further mapping of financial data being required.

The Design Authority approved in this reporting cycle (Sept/Oct) a revised timeline and approach to informal engagement launching on 2 October to be followed by formal consultation on 24 October.

The changes to the timescales associated with the Workforce Programme have been communicated to both staff and members through:

- Staff briefings led by the Chief Executive followed by a question-and-answer session
- All staff emails and Dragons Pens (Chief Executive Blog)
- Joint Scrutiny and Audit committee workshop held on 30 September
- All member briefing sessions held on 14 August and 2 October

Future briefing sessions and the formal consultation period will provide further opportunities for engagement and influence.

1.4. **Programme Risks**

All programme risks are now managed through Ideagen. This includes risk scores, internal controls, monitoring of mitigating actions in progress and completed. All risks were updated at the end of September; therefore, the next review cycle is outlined below. Automated prompts for updates have been implemented as part of the review cycle which run concurrently with risks being actively managed and updated to maintain real-time risk oversight.

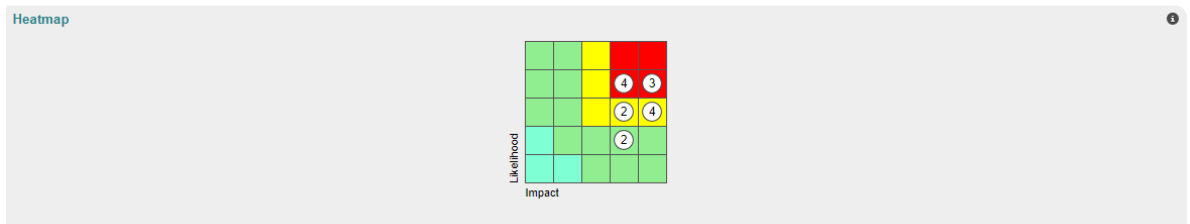
Review cycle

- High (red) risks are next due for updates 1 Nov 2024
- High and Medium (amber) risks are next due for updates 6 Dec 2024
- High, Medium and Low (green) risks are next due to updates 3 Jan 2025

High risks are reviewed monthly, medium risks are reviewed bi-monthly (every 2 months) and low risks are reviewed quarterly. The risk report is collated on the first Friday of each month and is used for onward reporting.

The current programme risk overview is:

Improvement and Transformation Risks-



| Area of Programme | Number of Risks |
|---------------------------------------|-------------------------|
| Programme Level/Cross Cutting | 1 Red, 4 Amber |
| Workforce | 1 Red, 2 Amber, 2 Green |
| Innovation & Change | 1 Red |
| Partnerships, Devolution & Localities | 4 Red |
| Total Live Programme Risks | 15 |

Since the last report, there have been some additions and amendments to Programme risks:

- Four new high risks added this period – relating to Devolution (specifically regarding resource and ability to deliver desired outcomes of the Devolution programme):
 - ITP0013 Devolution programme does not have a sufficient number of lead officers with the required knowledge and experience to lead devolution projects
 - ITP0014 Devolution process does not have sufficient draw on resources in key service areas (such as Assets, Legal etc.) to support and deliver the programme
 - ITP0016 Devolution process does not have sufficient project management resource capacity to assist the lead officers to support and deliver the programme
 - ITP0017 Somerset Council is unable to deliver the desired outcomes of the devolution programme.
- Two Workforce programme risks have increased as a result of progressing the Council restructure:

- ITP0006 Council struggles to recruit and retain required talent and knowledge has moved from medium to high.
- ITP0009 Excessive loss of staff with talent and organisational knowledge has moved from low to high.

Appendix B details the full risk report including an update on the mitigating activity that is being taken.

Links to Council Plan and Medium-Term Financial Plan

2. The overarching transformation approach is key to closing the budget gap for 2024/25 and to support long-term financial stability. The workforce reduction programme within the transformation portfolio delivers the single largest financial benefit in 2025/26 (c.£40m) and is therefore an essential element toward future financial stability.
3. The ambitions within our Council Plan are enabled by the resources available. Our budgetary position affects the level of impact that can be achieved for our communities. Moving towards a financially sustainable council will help safeguard our ambitions.

Other options considered

4. See February 2024 Executive Report on Developing the Approach to Transformation - [Developing the Approach to Transformation.pdf \(somerset.gov.uk\)](#)

Key considerations for the Council

Scrutiny comments / recommendations:

5. N/A – This report is for Scrutiny

Consultation and feedback

6. There is no requirement for consultation or engagement with customers, communities, partners and providers as part of the progress update report.

Financial and Risk Implications

7. Risks related to the delivery of the Council’s improvement and Transformation Programme, including delivery of financial savings, are detailed in this report in section 1.4 and Appendix B.

Current Risk Score:

| | | | | | |
|-------------------|--|---------------|--|-------------------|--|
| Likelihood | | Impact | | Risk Score | |
|-------------------|--|---------------|--|-------------------|--|

Projected risk score if recommended actions are agreed and delivered:

| Likelihood | | Impact | | Risk Score | |
|------------|--|--------|--|------------|--|
|------------|--|--------|--|------------|--|

Legal and Procurement Implications

8. There are no legal or procurement implications resulting from this progress update.

HR / Workforce Implications

9. The workforce and HR implications associated with the Improvement and Transformation Programme will be significant and will be considered separately as the Workforce Programme develops. The workforce reduction element of the Improvement and Transformation Programme will reduce FTE by c. 20-26% across the whole Council, affecting all levels of management and staff. As detailed in this progress update, phase 2 of the Somerset Council restructuring business case is currently under development for implementation September 2024 – March 2025 to ensure Somerset Council is resilient and sustainable. The Workforce Programme scope is detailed in Appendix C.

Equalities Implications

10. An Equality Impact Assessment (EIA) has been developed for the Workforce Programme element of the Improvement and Transformation Programme and shared with Executive in February 2024. EIAs are currently under development for the other elements of the Programme and will be developed as a result of any consultation requirements for individual service changes (where applicable).

Community Safety Implications

11. There are no community safety implications associated with this report, but any service specific impacts on community safety will be considered separately as the programme develops.

Climate Change and Sustainability Implications

12. Somerset Council have declared both a Climate and Ecological Emergency. Through that, the Council has committed to working towards making the whole county, including our own estate and operations, 'Carbon Neutral' by 2030 and to take positive action to reverse the damage on our natural habitats by man-made activity. We have also pledged to ensure that Somerset is resilient to, and prepared for, the effects of Climate Change. There are no climate change and sustainability implications directly arising from this report however separately it would be appropriate for the Council to consider the impact of this programme and other national changes on our targets.

Health and Safety Implications

13. There are no direct health and safety implications from this decision. However, any specific impacts and implications will be considered separately as the programme develops.

Health and Wellbeing Implications

14. We recognise that any period of change can be unsettling. Our employee assistance programme has a range of resources available to staff to help with their physical and mental wellbeing. As part of the Workforce programme, we will ensure that an extensive communication and engagement approach is maintained through the 'Supporting People Through Change' workstream. A SharePoint site has been created as a one stop shop for all existing and new manager and staff health and wellbeing resources.
15. Any specific impacts and implications on population health and wellbeing and impacts on preventing ill-health or reducing health and social inequalities, will be considered as part of any decision making as the programme develops.

Social Value

16. There are no Social Value implications directly arising from this report. However, any specific impacts and implications will be considered separately, for example, social value will be a key consideration particularly for the Partnerships, Devolution and Localities programme and will be built into measures of success and impact.

Background Papers

17. Somerset Council Improvement and Transformation Progress Update – August update report to Executive 5 August 2024. [Agenda for Executive on Monday, 5 August 2024, 10.00am -](#)
18. Somerset Council Improvement and Transformation Progress Update – July update report to Scrutiny, Corporate & Resources [Agenda for Scrutiny Committee - Corporate and Resources on Wednesday, 24th July, 2024, 10.00 am - Modern Council \(somerset.gov.uk\)](#)
19. Somerset Council Improvement and Transformation Programme – June update, report to Executive 5th June 2024. [Agenda for Executive on Wednesday, 5th June, 2024, 10.00 am - Modern Council \(somerset.gov.uk\)](#)
20. Improvement and Transformation Programme, report to Scrutiny Corporate and Resources, 29th May 2024. [Somerset County Council](#)

21. Developing the Approach to Transformation – Future Council, report to Executive 8th April 2024. [Agenda for Executive on Monday, 8th April, 2024, 10.00 am - Modern Council \(somerset.gov.uk\)](#)
 22. Developing the Approach to Transformation, report to Scrutiny 7th March 2024. [Somerset County Council](#)
 23. Developing the Approach to Transformation, report to Executive 7th February 2024. [Developing the Approach to Transformation.pdf \(somerset.gov.uk\)](#)
- Note** For sight of individual background papers please contact the report author.

Appendices

24. Appendix A – Monthly Programme Reporting Dashboard to 11 October 2024
25. Appendix B – Improvement & Transformation Programme Risk Register – position as at 4 October 2024
26. Appendix C – Scope of Improvement & Transformation Programme

Report assurance checklist ahead of report publication (for Audit, Executive, Full Council and Scrutiny Committees)

| | Officer Name | Date Completed |
|---------------------------------|-------------------------------|-----------------------------|
| Legal & Governance Implications | Scott Woodridge Jill Byron | 16/10/2024 |
| Finance & Procurement | Nicola Hix | 16/10/2024 |
| Workforce (*) | Dawn Bettridge | 16/10/2024 |
| Asset Management (*) | Oliver Woodhams | N/A |
| Executive Director | Alyn Jones | 16/10/2024 |
| Executive Lead Member | Cllr Theo Butt Philip | 17/10/2024 |
| Consulted: | Councillor Name | |
| Local Division Members | List local members | N/A |
| Opposition Spokesperson(s) | Cllr Faye Purbrick | Report shared on 17/10/2024 |
| Relevant Scrutiny Chair(s) | Cllr Bob Filmer | Report shared on 17/10/2024 |

Note:

Directors may nominate additional officers to act on their behalf

(*) – these areas only need to be consulted on proposals if the proposals have workforce or asset management implications

Reports will not be published if assurance checklist has not been adequately completed – report author to liaise with Democratic Services well ahead of publication deadlines

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Appendix A – Monthly Programme Reporting Dashboard to 11 October 2024

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Improvement & Transformation Programme - Monthly Dashboard summary to 11th October

| Current delivery RAGs | | Programme Progress Summary / overview | |
|---------------------------------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Overall Programme | | <p>Workforce</p> <ul style="list-style-type: none"> The launch of formal Consultation planned for 30 September, has been postponed until 24 October. In August it was identified that savings targets hadn't been achieved following initial HR and financial mapping. Additional Design Panels with the purpose of reviewing the new organisational structure and identify further savings took place in late August and September. Indicative savings targets are now within tolerance of those identified within the MTFS. The Design Authority approved on 16 September a revised timeline and approach with informal engagement launching on 2 October to be followed by formal consultation on 24 October. Functional structures were shared with all staff on 2 October, which signified the launch of informal engagement. With staff and member briefing taking place. <p>New Organisation Design</p> <ul style="list-style-type: none"> The Target Operating Model was agreed and adopted at Executive on 2 September. Communication and engagement with the organisation has begun and a plan to embed this further has been created. <p>Partnership, Localities and Devolution</p> <ul style="list-style-type: none"> Project Initiation Document for Partnerships & Localities has been fully reviewed and consolidated with clearly stated deliverables. The senior officer working group has reconvened as Devolution Programme Board and a draft programme scope has been produced. Both are awaiting sign off from I&T programme steering group and until deliverables are agreed are unable to report on RAG status. <p>Innovation and Change</p> <ul style="list-style-type: none"> A prioritisation proposal for the Digital, Data and Technology projects over the next 6 months has been developed and will be shared with Transformation Board at the next session in early November. Confidence levels remain high that the target of £50.8m from investment property disposals will be achieved within the financial year, exceeding the early estimations of total redundancy costs Full Council sign off on dismissals & appointments for layers 2&3 | |
| New Org Design | | | |
| Workforce | | | |
| Partnerships, Devolution & Localities | Not yet reporting | | |
| Innovation & Change | | | |
| PMO | | | |
| Savings Delivery | Not yet reporting | | |
| Programme Risk Register | | Programme Management Office (PMO) progress update | |
| Red Current Risk Score | 7 | <ul style="list-style-type: none"> Ongoing work to develop recommendation report for the Improvement and Transformation Programme, to be taken to Transformation Board on 4 November. This will be informed by the 'as-is' baseline review of current approaches to transformation across the organisation. Informal workshop with Audit and Scrutiny C&R on 30 September. Opportunity for both boards to jointly be briefed on the programme and allow Members to contribute to the review of programme risks. Supported the Exceptional Design Panels and HR / Finance mapping issue resolution. Subject Matter Expert & Equalities Impact Assessment Group – Service Directors have completed service impact assessments, in view of the new structures. A number are reporting service impacts, and a meeting has been arranged to review these and identify where any Member decisions, or Consultation, is required. Any impact requiring a Member decision happen concurrently with the budget setting process. Draft Council Delivery Plan to be reviewed against service impacts | |
| Amber Current Risk Score | 6 | | |
| Green Current Risk Score | 2 | | |
| Total Live Programme Risks | 15 | | |
| | | <p>*Savings Delivery Plan: Work packages/opportunity areas now underway via the Lead Officer and Finance Lead . Medium Term Financial Strategy (budget setting) and budget monitoring currently reporting through Executive Leadership Team (ELT).</p> | |

Timeline for restructure

| Phase | Start date | Activity |
|-------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Wednesday 2 October | Launch informal engagement on high level proposals - Service Directors and managers to meet with groups and individuals at risk of redundancy before the detail is shared through formal consultation |
| 2 | Thursday 24 October until 7 December | Formal collective consultation begins for a 45-day period with Trade Unions – affected staff will also be individually consulted and can feedback on consultation proposals |
| 3 | From 9 December until 10 January | Service Directors to review feedback and finalise structures, update documentation and feedback changes to teams / whole organisation (this will include a review of targeted voluntary redundancy applications for agreement). |
| 4 | From 13 January until 28 February | Expression of Interest and Appointments process |
| 5 | 1 April 2025 | New budgeted establishment and structures go live |

Improvement & Transformation Programme– Delivery status

| | | | | |
|-----------|----------|---------|-----------|-------------|
| Delivered | On Track | At Risk | Off Track | Not Started |
|-----------|----------|---------|-----------|-------------|

| PRODUCTS (recent & upcoming) | Workstream | Due Date & Status |
|--------------------------------------------------------------|--------------------------------------------|-------------------|
| Productivity Plan | Corporate Strategy, Governance & Assurance | 19/07/2024 |
| KornFerry Report on pay grading | Workforce | 22/07/2024 |
| LGA Peer Support Feedback | Programme | 23/07/2024 |
| Programme Architecture | Programme | 31/07/2024 |
| MHCLG Improvement & Transformation Plan | Programme | 27/08/2024 |
| Target Operating Model | New Org Design | 30/09/2024 |
| Voluntary Redundancy Scheme | Workforce | 01/10/2024 |
| Business Case for consultation for layers 4 to 6 restructure | Workforce | 18/10/2024 |
| Organisation Prioritisation Approach | Programme | 31/10/2024 |
| Corporate Performance Framework | Corporate Strategy, Governance & Assurance | 31/10/2024 |
| Risk Management Framework | Corporate Strategy, Governance & Assurance | 31/10/2024 |
| Council Delivery Plan | Corporate Strategy, Governance & Assurance | 31/10/2024 |
| Service Director Team development plan | Workforce | 08/01/2025 |
| People Strategy | Workforce | 10/01/2025 |
| ELT Team Development Plan | Workforce | 31/01/2025 |
| New Organisational Structure | Workforce | 01/04/2025 |

| MILESTONES (recent & upcoming) | Due Date & Status |
|-----------------------------------------------------------------------------------------------------------------|-------------------|
| All structures locked down | 13/09/2024 |
| DA to agree revised timeline and agree approach to informal engagement | 16/09/2024 |
| (Layer 2&3) - Full Council sign off on dismissals & appointments | 26/09/2024 |
| Joint Audit and Scrutiny C&R Informal Workshop | 30/09/2024 |
| Meeting with Trade unions to formally launch informal engagement | 02/10/2024 |
| Final Mapping completed (covering everything) | 11/10/2024 |
| EIA for Service directors completed | 18/10/2024 |
| Final overarching business case approved including links to Service specific business cases | 18/10/2024 |
| Share consultation material with Trade Unions 1 week in advance of consultation starting | 21/10/2024 |
| New organisation formal consultation commences (45 days) | 24/10/2024 |
| All Members Briefing | 24/10/2024 |
| Completion of draft Service/Workforce Equalities Impact Assessments by Service Directors | 04/11/2024 |
| Support for staff- Planning your future roadshows commence | 05/11/2024 |
| Service Directors have shared impact assessments with their Exec Member prior to publication of Scrutiny papers | 13/11/2024 |
| Scrutiny Meeting- including figures for the final operational structure | 25/11/2024 |
| Support for staff- partner support webinars conclude | 30/11/2024 |
| Audit and Scrutiny Committee Briefing | 30/11/2024 |
| Consultation concludes after 45 days | 07/12/2024 |
| Commence review of feedback and proposals from consultation | 09/12/2024 |
| Service Director Team development plan agreed | 08/01/2025 |
| Review of feedback and proposals from consultation finalised | 09/01/2025 |
| Final structures feedback to staff and other stakeholders | 10/01/2025 |
| People Strategy launched and promotion begins | 10/01/2025 |
| Launch of the EOI / Appointments process | 13/01/2025 |
| Executive Report- to endorse section 4 report | 13/01/2025 |
| Final ELT Development plan agreed | 31/01/2025 |
| Special Full Council- to endorse new Council Structure | 31/01/2025 |
| Support for staff- Planning your future roadshows conclude | 10/02/2025 |
| Appointments process concludes | 28/02/2025 |
| New budget and establishment controls for new structure go live | 01/04/2025 |

Improvement & Transformation Programme – Delivery status

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>New Org Design</p> <ul style="list-style-type: none"> The Target Operating Model was agreed and adopted at Executive on 2 September. Comms and engagement with the organisation has already begun, using feedback from Staff Focus Groups as a guide, and a plan to embed this further has been created. Draft Corporate Glossary of Transformation terms and phrases is currently being reviewed Design Panels Have been supporting the 'New Organisation Structure' Product, providing assurance throughout the validation process and the revision of structure proposals. Exceptional Panels have been in place, finishing on 16 September, reviewing all Structure Proposals following the most recent financial validation in August which identified insufficient savings against the target of £40m. | <p>Innovation & Change</p> <ul style="list-style-type: none"> In response to the high scoring risk on Digital Design and Technology (DDaT) resources, a proposal for the prioritised DDaT projects over the next 6 months was designed at a Technology Change meeting on 18 September, which included some new potential projects as a result of the Exceptional Design Panels. The initial proposal was shared with Transformation Board on 23 September. Further iteration of will return to Transformation Board in early November to accommodate the feedback from the initial proposal. AI Governance Board has been established to ensure we are using AI responsibly and oversee opportunities / optimisation. AI licenses are being scaled up and the measuring of use cases for CoPilot continues with success Technology - Application Consolidation- Income Management System is on track with a go-live planned for the beginning of December. Revenues and Benefits software consolidation is 6 weeks behind schedule due to data migration complexity and key resource absence. Additional resource has been identified. Property Rationalisation has a new Programme Manager, and is reporting Amber. Operational Property – New Ways of Working - progress continues across the portfolio of projects however due to vacant posts some projects have had to be paused. One impacted projects is Taunton Phase 2 (Winter moth balling). West Somerset asset rationalisation project tender period has commenced- potential contractors have visited West Somerset House Yeovil asset rationalisation project tender period is about to commence Corporate Prioritisation Matrix has been drafted and tested following a review of best practice from both internal best practice and external learnings. Formal approval of this, and the prioritisation approach, will be part of the I&T review at Transformation Board in early November. |
| <p>Workforce</p> <p>Formal consultation go-live date, of 30 September, was no longer achievable due to the ongoing identification of greater savings in the services blueprints. A revised timeline and approach to informal engagement, with a new set of milestones, was approved by Design Authority on 16 September.</p> <p>Functional structures were shared with all staff on 2 October, which signified the launch of informal engagement. This included the launch of the SharePoint site</p> <p>On 24 October Formal consultation begins for a 45 day period enabling staff to review and feedback on the proposals. The Consultation business case will be shared with trade unions a week in advance, on 17 October</p> <ul style="list-style-type: none"> HR mapping complete, with Structures having been locked down, following final quality assurance and review of leavers, starters, movers and family protection. Any issues to be overseen at a Design Panel session, with any changes to be considered through consultation Full Council sign off on dismissals & appointments for layers 2&3 Meetings with Service directors have taken place to prepare for comms and engagement during informal engagement. Detailed planning has commenced regarding the post consultation phase and reviewing of feedback Programme continues to make progress on the pay and grading project. The working group have met to update on the discovery phase and agreed the next steps, which involves the drafting of a business case Supporting People Through Change workstream have refreshed their products/milestone in light of delays with the restructure Work continues to explore pay bill key lines of enquiry to identify realistic outline of opportunity for real savings against budgets rather than spend (further details are included in this update) Confidence levels remain high that the target of £50.8m from investment property disposals will be achieved within the financial year, exceeding the early estimations of total redundancy costs. | <p>Partnerships, Devolution & Localities</p> <ul style="list-style-type: none"> Project Initiation Document (PID) for Partnerships & Localities has been fully reviewed and consolidated with clearly stated deliverables supported by products, risks and milestones being proposed- this is awaiting sign off from I&T programme steering group LCN staff recruitment complete and year 1 of meetings concluded with AGMs for all LCNs Somerset Board endorsed the Integrated Neighbourhoods vision and underlying principles and proposed four SROs to champion this work across the system Work taking place with other Council Services to join up our approach to grant funding and utilise existing grant mechanisms through Somerset Community Foundation Highways Enhancement Scheme Pilot started on the 2nd Sep The senior officer working group reconvened as Devolution Programme Board (DPB) in mid September and began to set out the requirements of the programme moving forward. A draft programme scope including Products has been produced and is awaiting sign off by steering group Asset Management Group (AMG) agreed an approach to the next set of priority partners for devolution. Conversations are continuing to take place with City Town & Parish councils to confirm interest ahead of the DPB confirming the scope of the next tranche Until deliverables are agreed, unable to report on RAG status |

Workforce Programme – October update

Workforce Pay bill reduction (in year savings)

Approach

In addition to restructuring, we are focusing on reducing the spend in the following areas during this financial year and to support ongoing management of spend within revised establishment costs from March 2025

- Agency / interims / consultants / vacancies
- Expenses, overtime and allowances
- Increase number of people purchasing additional annual leave

Overall summary (23/24 vs 24/25)

Page 48

| OVERVIEW/KLOE'S | Average month 24.25 vs 23.24 with monthly trend | Latest Update | Comparison to August: Average month 24.25 vs 23.24 with monthly trend |
|-----------------------------------|-------------------------------------------------------|---------------|--------------------------------------------------------------------------------|
| PAY BILL | ↑ -4.6% | Sept | -3.8% |
| HEADCOUNT | ↑ -5.1% | Sept | -3.9% |
| FTE | ↑ -4.5% | Sept | -3.4% |
| HIRES | ↑ -18.2% | Sept | -28.1% |
| VOLUNTARY CONTRACT HOUR REDUCTION | | | |
| FIXED TERM CONTRACTS | | | |
| VOLUNTARY REDUNDANCY | | | |
| MATRIX AGENCY | ↑ 1.8% | Sept | 0.9% |
| NON-MATRIX AGENCY | | | |
| ANNUAL LEAVE (INCOME) | → 8.0% | Sept | 8.0% |

NB: Arrows indicate monthly trend

Workforce Programme – October update

Workforce Pay bill reduction (in year savings)

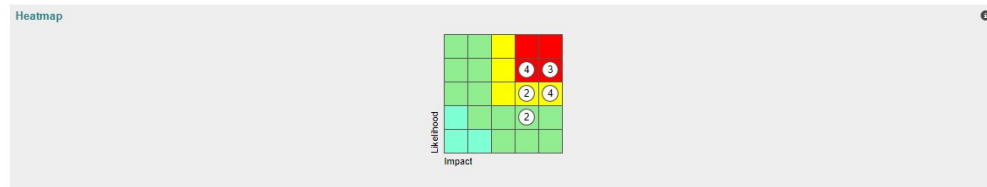
Achieved so far

| Key line of enquiry | November 2023 | September | Diff (Nov-Aug 24) | Diff (Nov-Sep 24) |
|----------------------------------|----------------------|-------------|-------------------|-------------------|
| Headcount | 5280 | 4869 | -281 | -411 |
| FTE | 4626 | 4277 | -230 | -349 |
| Monthly Hires | 153 | 98 | -101 | -55 |
| Monthly Paybill | £13,536,687 (dec 23) | £12,600,248 | -£707,500 | -£936,439 |
| Monthly agency spend | £1,435,743 | £1,139,783 | -£384,921 | -£295,960 |
| Monthly spend- time enhancements | £269,037 | £158,389 | -£96,084 | -£110,648 |
| Monthly travel expenses | £197,896 | £129,926 | -£45,066 | -£67,970 |

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Improvement & Transformation Programme– Risk Overview

Improvement and Transformation Risks-



Mitigation



| Area of Programme | Number of Risks |
|---------------------------------------|-------------------------|
| Programme Level/Cross Cutting | 1 Red, 4 Amber |
| Workforce | 1 Red, 2 Amber, 2 Green |
| Innovation & Change | 1 Red |
| Partnerships, Devolution & Localities | 4 Red |
| Total Live Programme Risks | 15 |

Progress summary:

- Four new high risks added this period – relating to Devolution (specifically regarding resource and ability to deliver desired outcomes of the Devolution programme)
- Two Workforce programme risks have increased as a result of progressing the Council restructure:
 - ITP0006 Council struggles to recruit and retain required talent and knowledge has moved from medium to high.
 - ITP0009 Excessive loss of staff with talent and organisational knowledge has moved from low to high.
- All programme risks are now managed through Ideagen, with live updates taking place and reminder cycles agreed in line with the programme risk score matrix.

The Improvement & Transformation Programme Level Risk Log can be found here : [ImprovementTransformationRiskRegister_08102024.docx](#)

Appendix B – Improvement & Transformation Programme Risk Register – position as at 4 October 2024

Improvement & Transformation Risk Register

Generated on: 08/10/2024



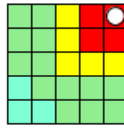
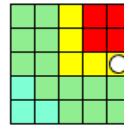
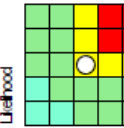
| Ref | Risk Description | Cause | Consequence | Inherent score | | Mitigation | Current score | | Target score | | Risk Owner | |
|------------------------|--------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------|------------|------------|
| | | | | L | I | | L | I | L | I | | |
| ITP0001 Page 51 | Insufficient budget for redundancies | Lack of sufficient funding for the programme and no receipt of the Capitalisation Directive | <ul style="list-style-type: none"> • Cannot initiate redundancies without a budget to fund them. • Without redundancies, savings associated with workforce reduction will not materialise. • Inability to deliver the £40m savings targets in 25/26 or delay savings. Capitalisation Directive only approved in principle. • Take longer to deliver a leaner more efficient Council. | 4 | 5 | | Existing Controls | 3 | 5 | 2 | 5 | Nicola Hix |
| | | | | 20 | | Actions | | 15 | | 10 | | |
| | | | | | | | | | | | | |
| | | | | <p>Continued work to progress the Improvement and Transformation Plan setting out how we will deliver the Council's key objectives, secure a medium term financial position and the broader Productivity Plan. 100%</p> <p>Programme Steering Group to regularly review actual receipt and projected quarterly forecast of capital receipts against quarterly profile of redundancy costs, to ensure sufficient budget is available or early escalation of any challenges. 50%</p> <p>Continue dialogue with MHCLG to ensure progression on the capitalisation directive and the internal and external assurance measures outlined by DLUHC in February 2024, This includes the 60%</p> | | <p>Continued work to progress the Improvement and Transformation Plan setting out how we will deliver the Council's key objectives, secure a medium term financial position and the broader Productivity Plan. 100%</p> <p>Programme Steering Group to regularly review actual receipt and projected quarterly forecast of capital receipts against quarterly profile of redundancy costs, to ensure sufficient budget is available or early escalation of any challenges. 50%</p> <p>Continue dialogue with MHCLG to ensure progression on the capitalisation directive and the internal and external assurance measures outlined by DLUHC in February 2024, This includes the 60%</p> | | <p>Continued work to progress the Improvement and Transformation Plan setting out how we will deliver the Council's key objectives, secure a medium term financial position and the broader Productivity Plan. 100%</p> <p>Programme Steering Group to regularly review actual receipt and projected quarterly forecast of capital receipts against quarterly profile of redundancy costs, to ensure sufficient budget is available or early escalation of any challenges. 50%</p> <p>Continue dialogue with MHCLG to ensure progression on the capitalisation directive and the internal and external assurance measures outlined by DLUHC in February 2024, This includes the 60%</p> | | | | |

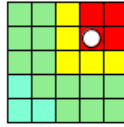
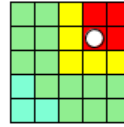
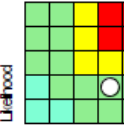
| | | | | | | |
|--|--|--|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| | | | | <p>CIPFA review which is commenced in July 2024.</p> <p>Regular monitoring of the forecast of capital receipts from the disposal of assets including commercial properties that are actively managed through the Property and Investment Executive Sub Committee and Asset Management Group. 50%</p> <p>Ensure progression of action against the approved Strategy in place for disposal of assets to generate capital receipts that could be used via flexible use of capital receipts policy. 50%</p> <p>Finance to closely monitor the redundancies, their timing and cost against that forecast, and report regularly to Programme Steering Group. 80%</p> | | |
|--|--|--|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|

| Ref | Risk Description | Cause | Consequence | Inherent score | | Mitigation | Current score | | Target score | | Risk Owner |
|---------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----|--------------|---|------------|
| | | | | L | I | | L | I | L | I | |
| ITP0002 | Redesign of the Council does not deliver the required workforce savings | <ul style="list-style-type: none"> Quality of blueprints Quality of SAP data Inconsistences between SAP & Finance data Capacity of HR & Finance staff Multiple DA panel queries Complexity and size of whole organisation redesign | <ul style="list-style-type: none"> Savings requirements are not delivered Further restructuring is required Impact on staff morale | 4 | 4 | Costings exercise completed before consultation | 3 | 4 | 3 | 4 | Alyn Jones |
| | | | | | | Monitoring of process through tracker | | | | | |
| | | | | | | Established weekly calls to run through progress, raise concerns and blockers has been set up with all HR and Finance Leads and Programme Leads on this work every Thursday. | | | | | |
| | | | | | | Clear lines of accountability and responsibility identified for HR and Finance validation process | | | | | |
| | | | | 16 | | Actions | 12 | 12 | | | |

| | | | | | | | | | | |
|--|--------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------|--|--|------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|
| | enquiry (KLOE) to reduce workforce costs being implemented. | | in the Section 151 Officer issuing a Section 114. | | | PMO to implement / support in benefits tracking process. | | | | |
| | | | | | | Data dashboard now in place to evidence and ensure oversight of the data is moving in right direction | | | | |
| | | | | | | Financial dashboard being produced to demonstrate reduction in paybill lines of enquiry are resulting in reduced spend for council | | | | |
| | | | | | | Financial dashboard to be presented to Workforce programme board monthly from October. | | | | |
| | | | | | | 15 | | | | |
| | Design Authority challenge panels scheduled for August 2024 to challenge KLOEs 100% | | | | | | | | | |
| | Agreement of aligned establishment list with data definitions (HR & Finance data) 60% | | | | | | | | | |

| Ref | Risk Description | Cause | Consequence | Inherent score | | Mitigation | Current score | | Target score | | Risk Owner |
|-----------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---|----------------------------------------------------------------------------------------------------------------------------------------------|---------------|---|--------------|---|--------------|
| | | | | L | I | | L | I | L | I | |
| ITP0005 | Unmotivated workforce | Delay in release of level 4-6 structure details and the lack of clarity for individuals and teams paired with necessary volume of change. Also, depleting workforce which staff believe will increase their own workloads. | <ul style="list-style-type: none"> Drop in productivity, morale and engagement Potential increase in retention risks and higher turnover of staff Potential reduced responsiveness to customer needs (residents, members, staff, vulnerable etc) | 5 | 5 | Supporting People through Change Workstream mobilised focusing on staff personas and providing targeted support to ensure motivation remains | 3 | 5 | 3 | 3 | Clive Mallon |
| | | | | | | Regular management and staff briefings. | | | | | |
| | | | | | | Monthly All Staff Q&As led by the Chief Executive. | | | | | |
| | | | | | | Launch of Shout Out Page on Viva Engage set up where staff can recognise and celebrate colleagues/good work | | | | | |
| | | | | | | Survey to benchmark staff wellbeing | | | | | |
| 25 | Actions | 15 | 9 | | | | | | | | |

| | | | | | | | | |
|--|--|--|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--|
| | | | <ul style="list-style-type: none"> • Reputational damage • Higher sickness absence |  | Release of Layers 4-6 structure in September to organisation as planned <input type="text" value="100%"/> |  |  | |
| | | | | | Total Reward offers/incentives to remind staff positives/benefits of working for somerset council <input type="text" value="10%"/> | | | |
| | | | | | Dedicated support to different staffing groups <input type="text" value="50%"/> | | | |

| Ref | Risk Description | Cause | Consequence | Inherent score | | Mitigation | Current score | | Target score | | Risk Owner |
|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---|----------------|
| | | | | L | I | | L | I | L | I | |
| ITP0006 | Council struggles to recruit and retain required talent and knowledge | <ul style="list-style-type: none"> • Strong competition nationally for hard to fill specialist roles • Less attractive to external candidates, impacted by known financial sustainability challenges facing Somerset Council • Volume of change, impact of change and ongoing uncertainty for existing staff | <ul style="list-style-type: none"> • High turnover which might impact negatively on service performance • More difficult to recruit to and retain hard to fill roles • Increased costs due to use of agency staff • Reputational damage | 4 | 4 | Knowledge Transfer and Retention Toolkit launched and in place | 4 | 4 | 2 | 4 | Dawn Bettridge |
| | | | | | | Utilising existing Pay Policies such as recruitment and retention allowances. | | | | | |
| | | | | | | Conducted staff survey to understand how staff feel about working for Somerset Council, results will inform an action plan to address issues raised | | | | | |
| | | | | | | Delivery of Job Evaluation Action Plan | | | | | |
| | | | | | | Launched 'My Conversations' - replacing annual appraisals and promoting regular conversations between staff and line managers about the future | | | | | |
| Recruitment and retention allowance being piloted across the council to mitigate services with hard to fill posts. | | | | | | | | | | | |
| | | | | | | 16 | | 16 | 8 | | |
| | | | | | |  | |  |  | | |
| | | | | | | Progress pay & grading project to review opportunities with pay and grading for Somerset staff <input type="text" value="15%"/> | | | | | |
| | | | | | | Contacting other authorities to ascertain their own approaches to pay and grading to establish benchmark to compare against <input type="text" value="40%"/> | | | | | |

| | | | | | | | |
|--|--|--|--|-----------------------------------------------------------------------------------------------------------------------------------|-----|--|--|
| | | | | Managing people's exit ensuring it is made pleasant, and using the intelligence from exit interviews to inform retention policies | 50% | | |
|--|--|--|--|-----------------------------------------------------------------------------------------------------------------------------------|-----|--|--|

| Ref | Risk Description | Cause | Consequence | Inherent score | | Mitigation | Current score | | Target score | | Risk Owner | | | |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----|---------------------------------------------|---------------|------------------------------------------------------------------------------------------------------------------------------|--------------|------------|--------------|--------|--|--|
| | | | | L | I | | L | I | L | I | | | | |
| ITP0007 | Insufficient resource in Data and Tech skills to deliver requirements of Innovation & Change Programme and DDAT capabilities that enable service redesign and sustainable change | <ul style="list-style-type: none"> more committed activity organisationally requiring digital and data skills / resource than there is resource to deliver. potential restructure reduction in resources Additional deliverables and resource requirements expected to be identified to deliver Innovation & Change Programme which will further exacerbate the resource gap. mechanism for strategic prioritisation of projects requires review & approval. Volume of existing pipeline and current projects is also impacted by pending introduction of new Procurement Legislation which will accelerate re-contracting required for Council Applications and Systems. Risk will become greater if these skills are lost / reduced due to org resizing. | <ul style="list-style-type: none"> Inability to deliver the existing outputs and capabilities Inability to deliver innovation and change programme outcomes. Non delivery of associated financial savings | 4 | 4 | 12 month DDAT Action Plan developed. | 4 | 4 | 3 | 3 | Sara Cretney | | | |
| | | | | | | Regular monitoring via Transformation Board | | | | | | | | |
| | | | | | | 16 | | Actions | | 16 | | 9 | | |
| | | | | Likelihood | | Impact | | Develop DDaT Project Register to baseline current position mapping existing Projects (live and pipeline with business cases) | 100% | Likelihood | | Impact | | |
| | | | | | | | | Create a Prioritisation Matrix and approach to be applied across the whole council | 55% | Impact | | | | |
| | | | | Recruitment of additional staff, initially ICT | 0% | | | | | | | | | |

| Ref | Risk Description | Cause | Consequence | Inherent score | | Mitigation | Current score | | Target score | | Risk Owner | |
|---------|----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------|--------------|----------|------------|--|
| | | | | L | I | | L | I | L | I | | |
| ITP0008 | Insufficient resource to deliver business as usual (to the same standard) following permanent exit of resource | Permanent exit of people through voluntary and compulsory redundancy reducing head count. | <ul style="list-style-type: none"> Inability to achieve KPI's Inability to meet demand Reputational damage Impact on health and wellbeing Higher levels of sickness Annual leave cancelled Unable to meet the need of our customers (residents, members, staff, vulnerable etc) | 4 | 4 | Manage voluntary redundancy with phased exit, e.g. Knowledge retention toolkit | 3 | 4 | 2 | 3 | Alyn Jones | |
| | | | | 16 | | Existing Controls | | 12 | | 6 | | |
| | | | | | | Review corporate priorities with members | <input type="text" value="80%"/> | | | | | |
| | | | | | | Understand impacts of organisational change by reviewing service standards and performance with SDs and ensure appropriate decisions taken where required | <input type="text" value="60%"/> | | | | | |
| | | | | | | Strategic approach to prioritisation and resourcing to effectively sequence and execute change | <input type="text" value="60%"/> | | | | | |
| | | | | | | Manage compulsory redundancy with phased exit, e.g. knowledge retention toolkit | <input type="text" value="60%"/> | | | | | |
| | | | | | | Defining council priorities and associated business plan | <input type="text" value="60%"/> | | | | | |
| | | | | | | | | | | | | |

| Ref | Risk Description | Cause | Consequence | Inherent score | | Mitigation | Current score | | Target score | | Risk Owner | |
|---------|------------------------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---|----------------------------------------------------------------|----------------------------------|-----------|--------------|----------|----------------|--|
| | | | | L | I | | L | I | L | I | | |
| ITP0009 | Excessive loss of staff with talent and organisational knowledge | People leave the organisation ahead of the process or without proper handover | <ul style="list-style-type: none"> Loss of key talent and skills Loss of organisational memory Inability to deliver the Improvement | 3 | 5 | Knowledge Transfer and Retention Toolkit launched and in place | 4 | 5 | 2 | 4 | Dawn Bettridge | |
| | | | | 15 | | Existing Controls | | 20 | | 8 | | |
| | | | | | | Continued promotion of the Knowledge Transfer toolkit | <input type="text" value="80%"/> | | | | | |

| | | | | | | | |
|--|--|--|-------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------|--|--|
| | | | and Transformation Plan | | <p>managed through central comms plan</p> <p>Managers guidance to support managers who have staff leaving the authority</p> <p>75%</p> | | |
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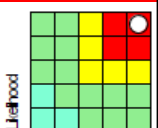
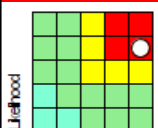
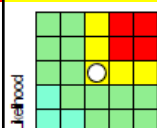

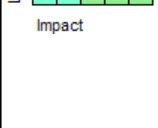

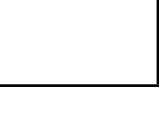
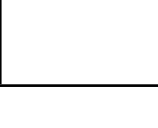
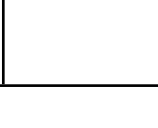
| Ref | Risk Description | Cause | Consequence | Inherent score | | Mitigation | Current score | | Target score | | Risk Owner |
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| | | | | L | I | | L | I | L | I | |
| ITP0010 Page 58 | Non delivery of the organisational restructure by 31st March 2025 | <ul style="list-style-type: none"> Inconsistences between SAP & Finance data Capacity of HR & Finance staff Volume and complexity of HR, Finance , Executive & Service Director and DA panel queries Complexity and size of whole organisation redesign Lack of monitoring and oversight of the process Impact of parallel restructuring for LGR and Layers 2&3 Consultation on Layers 4-6 is delayed beyond September '24. Structure proposals do not meet required reductions and design principles Volume and complexity of consultation responses Tight timelines | <ul style="list-style-type: none"> Impact on savings delivery for both 24/25 and 25/26 Impact on staff morale and uncertainty could negatively impact service delivery Continued issues with unaligned Finance & HR data Reputational damage | 4 | 5 | Project plan reviewed daily by the Programme Manager | 3 | 5 | 3 | 5 | Alyn Jones |
| | | | | | | Weekly updates on programme performance DA highlighting any early indicators of slippage | | | | | |
| | | | | | | Weekly review of programme performance via the Programme Steering Group | | | | | |
| | | | | | | Enhanced assurance processes in place include: weekly SME review sessions | | | | | |
| | | | | | | Enhanced assurance processes in place include: four weekly Design Authority query review sessions | | | | | |
| | | | | | | Enhanced assurance processes in place include: weekly review of comms & engagement plan | | | | | |
| 20 | | 15 | | 15 | | | | | | | |
| | | | | | | Validation of data to be carried out by Finance team | | | | | |
| | | | | | | Dedicated Finance and HR resource in place until 30th March 2025 | | | | | |

| Ref | Risk Description | Cause | Consequence | Inherent score | | Mitigation | Current score | | Target score | | Risk Owner |
|-----|------------------|-------|-------------|----------------|---|-------------------|---------------|---|--------------|---|------------|
| | | | | L | I | | L | I | L | I | |
| | | | | | | Existing Controls | | | | | |

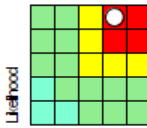
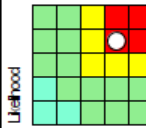
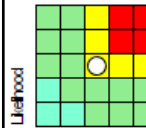
| | | | | | | | | | | | |
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| ITP0011 | Damage to Trade Union relations and risk of industrial action | <ul style="list-style-type: none"> Failure to consult and engage Failure to reach agreement on the VR scheme/CR details in regards to criteria/approach | <ul style="list-style-type: none"> Loss of trust Loss of confidence in management | 3 | 4 | Engagement with Trade Unions on a regularly basis throughout the process | 2 | 4 | 2 | 3 | Dawn Bettridge |
| | | | | Timeline now includes lead in time for sufficient engagement with Trade Unions between Business Case being completed and consultation starting | | | | | | | |
| | | | | 12 | | Actions | | 8 | | 6 | |
| | | As part of the informal engagement, have agreed to share the 'material' with TUs in advance of staff and members. | | 100% | | | | | | | |
| | | As part of formal consultation, we will share the consultation material a week in advance of sharing with staff and managers to ensure they are comfortable with what's being presented before formal consultation can commence | | 40% | | | | | | | |

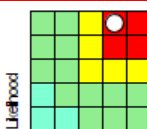
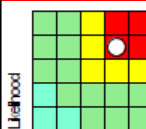
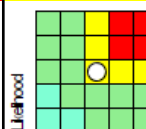
| Ref | Risk Description | Cause | Consequence | Inherent score | | Mitigation | Current score | | Target score | | Risk Owner |
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| | | | | L | I | | L | I | L | I | |
| ITP0013 | Devolution programme does not have a sufficient number of lead officers with the required knowledge and experience to lead devolution projects | <ul style="list-style-type: none"> Knowledgeable and experienced staff leaving the organisation due to VR/CR Knowledge transfers not taken place | <ul style="list-style-type: none"> Devolution programme is ineffective, inefficient and fails to deliver the best outcomes possible Failure to deliver related financial savings Reputational damage Loss of services and assets locally | 5 | 5 | Knowledge transfers taken place | 4 | 5 | 2 | 4 | Sara Skirton |
| | | | | Upskilling of remaining staff to replace those leaving | | | | | | | |
| | | | | 25 | | Actions | | 20 | | 8 | |
| | | Reduce single points of failure through resourcing plans and gain identified lead officers for allocation to projects. | | 0% | | | | | | | |
| | | Develop clear processes and policies based on best practice to alleviate the workload required by building on what work has come before. | | 0% | | | | | | | |

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| | | | <ul style="list-style-type: none"> Unable to progress tranche 2 and complete tranche 1 | | | | |
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| Ref | Risk Description | Cause | Consequence | Inherent score | | Mitigation | Current score | | Target score | | Risk Owner | |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---|-------------------------------------------------------------------------------------------------------------------------|---------------|--------------------------------------------------------------------------------------|--------------|--------------------------------------------------------------------------------------|--------------|--|
| | | | | L | I | | L | I | L | I | | |
| ITP0014 | Devolution process does not have sufficient draw on resources in key service areas (such as Assets, Legal etc.) to support and deliver the programme | <ul style="list-style-type: none"> Lack of sufficient resource in key supporting services Competing priorities for subject matter expert capabilities. | <ul style="list-style-type: none"> Devolution programme is ineffective, inefficient and fails to deliver the best outcomes possible. Failure to deliver related financial savings. Reputational damage Loss of services and assets locally Unable to progress tranche 2 and complete tranche 2 | 5 | 5 | Dedicated resources to deliver in flight projects | 4 | 5 | 3 | 3 | Sara Skirton | |
| | | | | | | 600k EMR strategically utilised to fund additional resource | | | | | | |
| | | | | Local service agreements around prioritisation of competing workloads | | | | | | | | |
| | | | | 25 | | | | 20 | | 9 | | |
| | | | | Actions | | | | | | | | |
| | | | |  | | Clearer formal prioritisation of devolution activity over other work <input type="text" value="0%"/> | |  | |  | | |
| | | | |  | | Resourced pipeline allowing for clear articulation of required resources and timescales <input type="text" value="0%"/> | |  | |  | | |
| | | | |  | | Additional prioritised draw on the 600K EMR <input type="text" value="0%"/> | |  | |  | | |

| Ref | Risk Description | Cause | Consequence | Inherent score | | Mitigation | Current score | | Target score | | Risk Owner |
|---------|----------------------------------|----------------------------------------------------------------|--------------------------------------|----------------|---|--------------------------------------------------------------|---------------|---|--------------|---|--------------|
| | | | | L | I | | L | I | L | I | |
| ITP0016 | Devolution process does not have | Lack of resource assigned to deliver the devolution programme. | Devolution programme is ineffective, | 5 | 4 | Dedicated resources to deliver in flight projects. | 4 | 4 | 3 | 3 | Sara Skirton |
| | | | | | | 600k EMR strategically utilised to fund additional resource. | | | | | |

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|--|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| | sufficient project management resource capacity to assist the lead officers to support and deliver the programme. | <ul style="list-style-type: none"> Competing priorities for project management capabilities. | inefficient and fails to deliver the best outcomes possible. <ul style="list-style-type: none"> Failure to deliver related financial savings. Reputational damage Loss of services and assets locally Unable to progress tranche 2 and complete tranche 3 | 20 | Actions | 16 | 9 |
| | | | |  | Resourced pipeline allowing for clear articulation of required resources and timescales <input type="text" value="0%"/> |  |  |
| | | | | | Clearer formal prioritisation of devolution activity over other work <input type="text" value="0%"/> | | |
| | | | | | Additional prioritised draw on the 600K EMR <input type="text" value="0%"/> | | |

| Ref | Risk Description | Cause | Consequence | Inherent score | | Mitigation | Current score | | Target score | | Risk Owner |
|------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---|--------------|
| | | | | L | I | | L | I | L | I | |
| P0017 Page 61 | Somerset Council is unable to deliver the desired outcomes of the devolution programme | <ul style="list-style-type: none"> Devolution process is inefficient The approach to devolution is not joined up or managed across functions adequately Insufficient organisational prioritisation Lack of strategic aims for devolution and localisation | <ul style="list-style-type: none"> Failure to deliver related financial savings. Reputational damage Loss of services and assets locally Failure of delivery of key aims Missed opportunities | 5 | 4 | Ongoing review by service directors and devolution working group | 4 | 4 | 3 | 3 | Sara Skirton |
| | | | | 20 | Actions | | 16 | 9 | | | |
| | | | | | |  | A clear strategic agreement around devolution and localisation of services <input type="text" value="0%"/> |  |  | | |
| | | | | | | 'Boilerplate' agreed T&Cs for devolution types e.g. Open Spaces to aid delivery and reduce admin costs <input type="text" value="0%"/> | | | | | |
| | | | | | | Agreed clear devolution programme and related policy decisions to establish the future for asset and service delivery <input type="text" value="0%"/> | | | | | |

Appendix C – Scope of Improvement & Transformation Programme

| Programme | Overview | Deliverables |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Organisation Design | This programme will deliver a new organisational design and structure for the Council. | <ul style="list-style-type: none"> • A new vision and strategic design principles as set out in the report to Executive on 6 December 2023 which will be used to support the redesign of our organisation, • A new Target Operating Model which will describe the kind of council we want to be and how we will work, and • A new Council structure top to bottom redesign of the whole organisation. |
| Workforce | This programme will enable a redesigned and reshaped workforce that is smaller, costs less, is more efficient and productive, and demonstrates a values-led people culture. | <ul style="list-style-type: none"> • A reduction to our pay-bill of c.£49m to help close the 25/26 budget gap whilst minimising the need for compulsory redundancies. Ten pay bill reduction key lines of enquiry are being implemented and monitored including a VR Scheme, robust recruitment and establishment controls, a reduction in agency spend, a reduction of interims and consultants, removal of vacant budgeted posts, and a reduction in management costs through a whole Council restructure. • Values and Behaviours to be understood and embedded through our people management practices - ensuring organisational development basics are in place to improve employee performance, employee engagement and organisational efficiency, • Supporting staff through change - targeted initiatives including various interventions to support employee wellbeing, resilience and cultural change. • Total Reward - to address improvements to how we manage Job Evaluation, development of a new Somerset Council Pay & Grading framework, and a review of affordable reward and recognition solutions to attract and retain talent. |
| Innovation and Change | This programme will bring together innovation and change activity across the whole council including Adults and | <ul style="list-style-type: none"> • Service Redesign – fundamentally rethinking the way we work and how we design and deliver services. • Digital and Data – ensuring we have the systems, skills and capabilities we need to deliver our vision. |

| Programme | Overview | Deliverables |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Children’s Services transformation programmes. | <ul style="list-style-type: none"> • Property rationalisation – reviewing our assets to support new ways of working and drive more cost-effective use of our buildings. |
| Partnerships, Devolution and Localities | This programme comprises three inter-related workstreams aimed at reviewing and transforming how we work with our partners and communities, to sharpen focus, increase effectiveness and deliver devolution objectives. | <ul style="list-style-type: none"> • Partnerships – understanding, rationalising and refocussing how the Council works with partners including Voluntary, Community, Faith and Social Enterprise Sector (VCFSE), NHS and City, Town and Parish Councils. • Devolution – delivering a prioritised programme of devolution activity aimed at sustaining valued local services, mitigating financial challenge and delivering savings. • Localities – comprehensive review of all the ways in which the Council works with and in localities, ensuring future arrangements are streamlined, effective and aligned with organisational design principles and Council priorities. |
| Savings Delivery Programme | This programme will provide a Council wide view of all current savings commitments and future savings opportunities. It will drive the implementation of the Council’s refreshed Financial Strategy to support the effective identification, analysis, planning, prioritisation and sequencing of new savings delivery. | <ul style="list-style-type: none"> • Task and finish reviews and work packages to understand the savings opportunities for each target area within the Council’s Financial Strategy. • A framework for identifying, maturing, validating and assuring new savings proposals, ready for decision, on a fluid basis, i.e. throughout the year. • Identification and management of dependencies between new savings proposals and/or existing savings commitments. • Coordination of assurance via subject matter experts to ensure robust assessment of deliverability, risks and impacts of new savings proposals and clarity on decision making requirements. • Proactive assurance, monitoring and tracking of all 24/25 and 25/26 savings delivery. |

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