

Ref	Key Area	Detail	Lead Member	Lead Officer	Finance Business Partner Lead/ Corporate Finance Lead	Revenue Savings			Capital	Update end September 2023
						Progress against existing savings	New Savings	In-year Pressure Reduction	Capital Savings/ Capital Receipts	
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1	Adults Services	Implementing opportunities identified in the Diagnostic of Adults by Newton. Prior to this work the MTFP assumed cost reductions of £10m split equally over 2023/24 and 2024/25. The detailed diagnostic work has identified a different profile of savings and opportunities more than those built into the MTFP in future years.	Cllr Dean Ruddle, Lead Member for Adult Services	Mel Lock, Executive Director Adult Services	Penny Gower					<p>The business case for this work has been approved by the Executive at its June meeting.</p> <p>This was taken to Transition, Transformation and Change Board (TTCB) on the 29 August for agreement on approach for benefits tracking (via Project Initiation Document).</p> <p>Currently projecting to achieve savings £200k this financial year with an expectation they will overachieve the £5m saving for 2024/25.</p>
2	Childrens Services	<p>Implementing the opportunities identified in the Diagnostic by Impower which identified potential, cumulative cost avoidance and savings ranging from £4.9m and £8.1m over three years.</p> <p>This includes developing new sufficiency strategies for placements and edge of care services to inform the transformation plan for Children Looked After. Transformation will include Homes & Horizons, recommissioning 16+, market development, reducing unregistered placements, and work with Impower consultancy to improve internal fostering and step-across options for children and young people.</p>	Cllr Tessa Munt, Lead Member for Children, Families, and Education	Claire Winter, Executive Director – Childrens, Families & Education	Siobhan Cleverly					<p>Impower work is underway to develop the recruitment and retention activity within our inhouse fostering team. Teams have been engaged from July 2023, so work is in its early stages. Sufficiency strategies for edge of care and placements are due to be in final draft at beginning of September. Homes and Horizons business case has been updated with recognition of different cohort of children who are high need/high cost. Projected savings for children in homes 1 to 6 by end of this year have increased from £1.2million to £2.78million due to the high level of their needs and the escalating costs of complex care in the wider market, compared to the static costs within this project. The post 16 recommissioning exercise is in its final stage with a number of positive bids coming forward. The number of children in unregistered provision has reduced from 11 to 5 and has been steady for just over a month. There are a number of children within the care system currently who could move to unregistered provision if existing providers are unable to support heightening needs and/or there are insufficient Homes and Horizons home places to provide contingency.</p>
3	Schools – High Needs Block	Delivering Better Value (DBV) in SEND Programme with Newton Europe & CIPFA which identified potential cumulative cost avoidance and savings ranging from £10.4m to £22.7m over three years.	Cllr Tessa Munt, Lead Member for Children, Families, and Education	Rob Hart, Service Director Inclusion	Jo Currie					<p>DBV review reported to DfE July 23. Any impact is not due to be seen until September 2024. All three workstreams underway.</p> <p>WS1 impact - improved knowledge of quality and confidence of SEND provision prior to requesting stat assessment which leads to sig pressure on High Needs deficit - First opportunity identified by Newton was to focus on SEN support to reduce growth in number of EHC plans.</p> <p>WS2 impact - forecasting and trajectory group presented to ILT August 23. Have produced tool to enable accurate forecasting of future sufficiency need but also increasing request for statutory assessment based on trends over time. Tool has potential to enable us to model scenarios that enable us to change trajectories but also pre-empt pressure. Tool is linking finance to sufficiency which is not a function any other regional LA has yet established. Tool will also enable us to set a trajectory and adjust based on real-time impact.</p> <p>WS3 impact - this workstream commences in September 23. External support has been identified to provide capacity for the project. Focus is on improving outcomes and provision for children with SEMH in mainstream schools - this area was identified as the most significant area of need causing additional pressure to high needs budget (by Newton). The majority of children in high-cost independent settings have identified primary need of SEMH. 11 schools identified for the project.</p>

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4	Review of School Transport	Implementing the recommendations and opportunities identified in the report from the Edge Public Solutions report that identified saving of £0.6m in year 1, £2.4m in year 2 rising to £2.6m in year 3.	Cllr Tessa Munt, Lead Member for Children, Families, and Education	Rob Hart, Service Director Inclusion and David Carter, Service Director, Infrastructure & Transport	Jo Currie Kerry Hepple					Further work is required to understand what level of the savings outlined in the review can realistically be achieved, and when, through a transformation programme. This will be completed through an officer Challenge Session in late August. The session will be shaped around a revised Specification Document (being drafted by EDGE Public Solutions) which will link indicative savings to specific activities in a transformation timetable. In the challenge session, officers will explore each saving-related activity in turn scrutinise the level of saving detailed, which school transport budget it affects and whether those savings will result in budget reductions or future cost-avoidance. The cost of the consultancy input over the 3-year period, which is to be taken from the combined school transport budgets, also needs to be factored in to the savings calculations.
5	Schools Capital Programme	Review of capital programme for schools considering maintenance backlog, current schemes, future requirements with revised pupil numbers forecast & estimated academisations	Cllr Tessa Munt, Lead Member for Children, Families, and Education	Amelia Walker, Service Director Education Partnerships & Skills and Oliver Woodhams, Service Director – Strategic Asset Management	Jo Currie/Ian Trunks	N/A	N/A	N/A		The Learning Infrastructure Board has reviewed the entirety of the capital programme across Education and Asset Management. This has produced a drastically scaled back list of priorities for 24-25 based on projects with identified need being reduced, removed, or delayed. Work is underway to look at the interconnected issues arising in Western Bridgwater in relation to place pressures in that area. More information is needed about where the threshold lies in monetary terms where capital spending would begin to require external rather than internal borrowing, to provide greater clarity about where the imperative lies to avoid external borrowing costs across the capital programme overall. This has been requested from Corporate Finance colleagues. Officers from the Education and Assets teams are developing a shared risk report so that as our data develops all teams will share the same view on priorities for DfE capital allocations and so that we are fully prepared for any bidding windows. This risk report will be updated early in the autumn when survey programmes conclude.

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6	School Balances	There are a significant number of schools setting deficit budgets for 2023/24 which projected forward would see a significant reduction to the current £20m surplus in school balances. This would include a programme to identify some of the themes within school budgets to target support in the most effective way, and to lobby government if appropriate	Cllr Tessa Munt, Lead Member for Children, Families, and Education	Amelia Walker, Service Director Education Partnerships & Skills Nicola Hix, Service Director Finance & Procurement	Jo Currie	N/A	N/A	N/A		<p>PLEASE NOTE: This Key Area will not produce savings for the council as it relates solely to LA Maintained Schools which are not Council budgets.</p> <p>The new benchmarking tool that was developed by Business Intelligence over the summer it has been completed and sessions are now diarised for budget scrutiny. The focus is on maintaining a rapid pace to review budgets and agree actions while there is still time for movement in-year.</p> <p>A significant key issue to this project has been the lack of ability to reconcile financial transactions between schools' finance systems and MS Dynamics. Schools have now received all their reconciliation files for Month 1- 6, Month 7 will be issued in the usual timescale and be sent to schools on the 2nd November. Schools are now working through the backlog but this is far more labour intensive than how they used to do reconciliations due to the additional files they now receive with payroll being on SAP and non salary on MS Dynamics. There are constant requests for additional support from EFS to help with this but limited capacity due to their own backlog of work due to MS Dynamics. Schools are aggrieved they need to pay for support to help with this work and very vocal about this. Schools have been notified what timescale they fall into to provide a financial report to the LA, and we have listened to concerns where schools feel they are categorised incorrectly and accommodated requests to move groups where possible.</p>
7	Staffing Establishment Control	Management control of vacant posts, temporary posts, agency staff etc in order to minimise redundancy costs and help deliver the staff savings in the LGR business case.	Cllr Theo Butt, Lead Member for Transformation and Human Resources	Dawn Bettridge, Interim Service Director - Customers, Digital & Workforce Nicola Hix – Service Director of Finance & Procurement	Emily Collacott	N/A	N/A	N/A		<p>Payroll and Finance have been working together to ensure SAP (payroll data) and the establishment budget in Finance reconcile. This has involved:</p> <ul style="list-style-type: none"> - Reviewing positions against people and establishing why there are variances. - Reviewing temp positions that have a permanent employee, this could be correct if a secondment to a fixed term funded position, but this will be properly documented and monitored. - Working to establish Agency staff placements with the intention these will be set up in the SAP structure. - Reviewing vacancies - an updated list of these will be provided to TTCB in September. - Budget virements for employees identified as being in the wrong cost centre. <p>We are also:</p> <ul style="list-style-type: none"> -Monitoring all in place recruitment and retention allowances, ensuring that they are reviewed and extended or terminated prior to the end date. -Monitoring all in place acting up payments, ensuring they are reviewed and extended or terminated prior to the end date. <p>Once budgets are set and structures in place, it is the intention to monitor changes to the establishment regularly, ensuring managers are meeting all establishment control requirements, including going through a process to seek funding if they want to increase their establishment, which the Workforce Team and Finance will work together on.</p>
8	Commercial Investments	Review of the current portfolio and identification of opportunities for disposals and reduction of risks	Cllr Ros Wyke, Lead Member for Economic Development, Planning, and Assets	Oliver Woodhams, Service Director – Strategic Asset Management	Paul McClean	N/A	N/A	N/A	t.b.c.	<p>A detailed review of the commercial investment portfolio was undertaken in June and July by senior estates surveyors in the Strategic Asset Management department, with detailed financial modelling of various options now also complete. A report on the findings will be presented to the December Executive committee, following consideration by a task and finish group established by the Scrutiny Committee for Resources and Corporate Services.</p> <p>Other options for the potential disposal of the council's non-property commercial interests are being considered.</p> <p>This area of work will focus on improving the council's balance sheet position and exposure to risk, rather than developing revenue savings directly.</p>

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9	Review of Assets	Review of assets and identification of pipeline of disposals including council office rationalisation	Cllr Ros Wyke, Lead Member for Economic Development, Planning, and Assets	Oliver Woodhams, Service Director – Strategic Asset Management	Paul Matravers	The anticipated rental of Broughton House fell through, and this site has now been re-purposed to accommodate the SCIL trading service, which in turn enables the disposal of Dillington House. Achievement of the associated MTFP saving will be dependent on resolution on recharges / overhead accounting for this service. Detailed feasibility studies are underway to evaluate the cost of relocating staff out of Petters House, Yeovil, and to rationalise accommodation in West Somerset.	We are exploring a number of opportunities for leasing surplus office space in Bridgwater and Taunton, as well as options for the disposal of council offices.	Opportunities to mothball buildings during the winter heating season are limited due to existing tenancy arrangements and the inflexibility of some of our heating controls, some minor savings can be achieved through limited relocation of staff and this is being discussed with the relevant services.		<p>The first phase of the property rationalisation programme is well underway, focussing on four specific opportunities for delivery across the first three years of the programme. The position on Broughton House is outlined in column G; detailed feasibility work to develop options for rationalising property in Yeovil and Williton is underway, and we have agreed heads of terms for the disposal of the Seahorse Centre in Minehead to Avon and Somerset Police (retaining space for a satellite site for the Somerset Academy for Health and Social Care Training). Agents and architects have been appointed to develop an option to dispose of C Block, County Hall for use as Key Worker Accommodation, and we are in discussions with a potential buyer for this site. However, MTFP Board need to be aware that all of these options are time-consuming and challenging and will not deliver revenue savings quickly.</p> <p>Building on the first phase of the programme, the wider One Public Estate review of core office accommodation (alongside key public partners in Somerset) is progressing and we hope to develop an initial view of options by December. We are also evaluating the impact of options for Somerset Council, should we decide to discontinue the One Public Estate work and focus on asset disposals rather than co-location. ,</p> <p>Outside of the property rationalisation programme which focusses on operational property, we are also reviewing disposal opportunities in the non-operational estate (excluding investment for yield assets). Our current pipeline of disposals indicates that £15m-£20m of sales could be achieved during 2023/24 and 2024/25; work to identify and quantify further opportunities is ongoing.</p>
10	Business Rates & Council Tax	Review of business rates and council tax following the creation of the new unitary and the financial impacts this has on funding forecasts and collection fund positions	Cllr Liz Leyshon, Deputy Leader of the Council and Lead Member for Resources and Performance	Nicola Hix – Service Director of Finance & Procurement	Rebecca Hall	N/A	There is the potential for additional once off income in 2024/25	N/A		Following the completion of the 2022/23 statement of accounts for the 5 processor councils work can now start on the analysis of the position of the business rates and council tax collection fund position for Somerset Council. This work will take until October to complete. More information on Council Tax for future years will be known once the estimated Council Tax base is run in October 2023. All updates will be fed into the 2024/25 MTFP once known. This will include the impact of the policy changes agreed by Council on 23 Nov 2022 for the 2023/24 financial year and the potential for increased Council Tax income when the Government enact the proposed second homes premium in the Levelling Up Bill.
11	Review of Capital Programme	Reduce number and costs of all existing capital schemes & restrict funding for new capital schemes to urgent Health & Safety schemes or schemes that are 100% externally funded.	Cllr Liz Leyshon, Deputy Leader of the Council and Lead Member for Resources and Performance	Nicola Hix – Service Director of Finance & Procurement	Duncan Moss	N/A	Removal of any schemes from the programme will reduce bowing costs and produce revenue savings			We now have the final outturn position of the five legacy council's and have a combined capital programme showing the starting position for Somerset Council. We will now use this combined programme to start working with Officers and Members through the MTFP Board to identify schemes that are not yet contractually committed. For all schemes in process, there is an expectation that these will be kept within budget and scaled back if necessary to ensure this.
12	Reserves	Review the reserves from across the five councils, amalgamate them and ensure sufficient General Fund Reserves are set aside. The risk-based assessment of reserves identified that General reserves should be in the range £30m to £50m.	Cllr Liz Leyshon, Deputy Leader of the Council and Lead Member for Resources and Performance	Nicola Hix, Service Director - Finance & Procurement	Rebecca Hall	N/A	N/A	Any overspend in 2023/24 will be funded from reserves		The 2022/23 outturn report has been produced and was considered by the Executive on 6 Sept and Corporate & Resources Scrutiny on 7 Sept. The report proposed a transfer of £23m from Earmarked to General Reserves which will mean the level of General Reserves will be £49.8m. The level of Earmarked Reserves will be £111.9m and work is underway to amalgamate and rationalise them with a report going to the November Executive.
13	Capital Receipts	Review capital receipts available along with the commitments in the capital programme and disposal programmes. Identify and recommend the most effective use within the MTFP	Cllr Liz Leyshon, Deputy Leader of the Council and Lead Member for Resources and Performance	Nicola Hix, Service Director - Finance & Procurement	Duncan Moss	N/A	Potential to produce saving on borrowing costs if capital receipts used to fund transformations or reduce borrowing costs	N/A	Work will identify available capital receipts	Now that the 2022/23 statement of accounts have been produced for the five processor authorities, we have the starting position of the available capital receipts. A reconciliation is being carried out between Finance and Property on the pipeline disposals programme to identify likely future receipts and any variance in the budgeted capital receipt assumptions. There will be further work required to assess the best use of available capital receipts given the requirements of capital programme and the potential use to fund transformational activities through the flexible use of capital receipts policy

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14	Treasury Management	Review of the Borrowing & Investments portfolio. Identify a strategy of rationalisation of investments that takes account of future needs and interest rate forecasts.	Cllr Liz Leyshon, Deputy Leader of the Council and Lead Member for Resources and Performance	Nicola Hix, Service Director - Finance & Procurement	Anton Sweet	N/A	Review of the portfolio has identified savings of £3m that will be reported as part of the budget monitoring report	N/A		Developing an accurate cashflow forecast for the first six months of the new council was never going to be easy. The payments processes have now started to stabilise and over the next couple of weeks, we should have a better idea of the cashflow pattern of the new council. Work to take place to review options for replacing maturing short-term debt with a mixed portfolio of debt (short and long term) based on cash flow need, which linked to above, should soon give a clearer picture of need. Work with Arlingclose will continue on reviewing our portfolio for opportunities to maximise return within our agreed risk appetite.
15	Grants	Review the grants provided by the 5 Councils. Understand the source of the grants and the priorities within the Council Plan and rationalise.	Cllr Theo Butt, Lead Member for Transformation and Human Resources	Alyn Jones, Executive Director – Strategy, Workforce & Localities	Paul Matravers	N/A	N/A	N/A		Systems are not in place to easily identify voluntary, community, faith, and social enterprise (VCFSE) related agreements and so it is difficult to baseline VCFSE expenditure. Work is underway to consolidate agreements to previously identified strategic partners and a cross-council working group is being established to understand and review individual service arrangements and proposals. Initial impact assessment re: VCFSE funding produced and details re: previous District / County Council grants is being updated. The proposal is for an update and proposed approach to go to MTFS Board on 2 October 2023.
16	Transformation Programme	Outline the pipeline of transformation projects that deliver on-going savings / reductions in cost over the MTFP.	Cllr Theo Butt, Lead Member for Transformation and Human Resources	Alyn Jones, Executive Director – Strategy, Workforce & Localities	Donna Parham	We have identified £17.38m of the £18.5m savings as per the LGR Business Case. We have achieved £3.8m (out of the £5.5m due in 23/24) of these savings in Q1. NB This includes staff savings related to Ref 7.	We are working to understand the potential for new savings via the TTC projects that are currently being assessed.	£811k related to temporary labour contracts has been identified as an additional in-year pressure reduction.		Transition, Transformation & Change is being mobilised and completion of Project Initiation Documents (PIDs) requested. This has enabled early assessment of potential for additional financial benefits, which we are exploring. We are continuing to monitor the PIDs and are currently in the process of feeding back to teams and managers for further information, and to establish timescales when additional details will be known, including full details of expected financial benefit. The benefits realisation approach has recently been endorsed via the South West Audit Partnership (SWAP) and we are collating an action plan, including clear comms, to help embed the approach and thus help provide the intelligence and insight required. The Transition Programme for the next two years is being mobilised with effort focused on providing assurance that fundamentals that are required for successful project delivery are in place, as well, as visibility to Transition, Transformation and Change Board of the cumulative impacts/requirements to provide a baseline of prioritised activity. Work is also under way across programme workstreams, Adults and Children's Transformation Teams to produce a baseline of all transformation activity (as well as the transition programme) planned and in-delivery across the council. By baselining what's happening now, next or in the future and developing an understanding of the benefits (those already committed to the MTFP and new opportunities) we will have a clearer understanding of where resource, effort and investment should be targeted from which to develop an understanding of the impact this is having, including risk management for both transition and transformation activities.
17	Financial Resilience & Sustainability Review	Complete a financial sustainability and resilience review for Somerset Council in the light of the 2022/23 outturn from the 5 predecessor councils.	Cllr Liz Leyshon, Deputy Leader of the Council and Lead Member for Resources and Performance	Jason Vaughan, Executive Director – Resources & Corporate Services	Donna Parham	N/A	N/A	N/A	N/A	The 2022/23 outturn report has been produced and was considered by the Executive on 6 Sept and Corporate & Resources Scrutiny on 7 Sept. The five statement of accounts for 2022/23 have now all been produced and published. These provide the starting point for Somerset Council's finance and will enable work on reviewing the amalgamated finances to commence. It is expected that the review will be completed by November and will be able to assist with the 2024/25 budget setting process.