

Scrutiny Report

Committee: Scrutiny Committee – Corporate and Resources

Meeting or Proposed Decision Date – [24/07/2024]

Key Decision – no



Improvement & Transformation Programme – July Progress Update

Chair of Committee: Cllr Bob Filmer

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

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

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

Executive Summary

Work to deliver the approach to whole Council transformation – a critical element of creating long-term financial sustainability for Somerset Council – has continued to progress since the last update to Scrutiny on 29 May and Executive on 5 June.

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 comprises five component interrelated parts which will run concurrently:

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

This report provides a progress update for the Corporate and Resources Scrutiny Committee for consideration and review, to support ongoing scrutiny of the Programme.

The progress update is presented in the form of the Monthly Programme Reporting Dashboard which provides an overview of programme and workstream status, delivery, progress of activity and risks to programme delivery, including how these are being managed. The dashboard will evolve to include benefits as the Programme matures.

Recommendations

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

- Progress made since the last update to Scrutiny on 29 May, including the timeline and milestones for delivery.
- 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.

It is important that the Council learns from the lessons of the past and builds a future Council that is more sustainable and productive, whilst having to do less with less. The Improvement and Transformation Programme is aligned to the Council Strategy, MTFP (Medium Term Financial Plan) and new core Values and will be an essential part of meeting the assurance requirements set out by the former Department of Levelling Up Housing and Communities (DLUHC) for Somerset Council's capitalisation Direction. In addition to internal scrutiny, we will be inviting external assurance support from the LGA to ensure that the programme remains transparent and fit for purpose.

Report Author: Alyn Jones, Executive Director for Strategy, Workforce and Localities
Sarah Hawkins, Programme Management Office Manager, Strategy and Performance

Contact Details: alyn.jones@somerset.gov.uk , sarah.hawkins@somerset.gov.uk,
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 brings together transformation and change programmes across the organisation, fundamentally redesigning the whole Council 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 scope and organisation of the Programme is set out in appendix C.
1.2.	On 27 February 2024, the Council was advised of the approval in principle to its request for Capitalisation Direction via the Governments Exceptional Financial Support framework. Any final agreement to support Somerset is conditional upon the completion of rigorous external assurance reviews to assess, at a minimum, the local authorities’ financial management practices, and the production of an Improvement and Transformation Plan that will focus on securing the local authorities’ medium-term financial position. The Improvement and Transformation Programme forms a significant part of this plan as a vehicle for managing the delivery of change. It has also helped the Council fulfil the Government’s requirements to prepare a Productivity Plan.
1.3.	Programme Delivery Progress The Monthly Programme Reporting Dashboard has been developed to complement the weekly 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 delivery that is due over the next month. The dashboard will evolve in the next couple of months to include an overview of benefits and anything else deemed beneficial to monitoring progress. The dashboard to 12 th July can be found in appendix A.
1.4.	The overall programme remains on track with all workstreams reporting as on track with the exception of Partnerships, Devolution and localities (PDL). Progress with planning and delivery of PDL has been impacted by resourcing pressures, however, these are now resolved with project leadership and management resource now in place. A revised date of week commencing 30 September 2024 has been agreed by

	<p>the Design Authority for the launch of 45-day consultation on the layers 4-6 restructure and has been communicated to staff and Trade Unions. Associated risks have been carefully considered and are being closely managed as detailed in Appendix B.</p>
<p>1.5.</p>	<p>Programme Risks</p> <p>Since the last report a thorough review of programme risks and our approach to risk management has been undertaken in line with the corporate approach to risk management. Changes that have been made include:</p> <ul style="list-style-type: none"> • Scoring risks by the likelihood and impact of the inherent risk (without mitigation), current risk (based on mitigation progress so far) and target risk (based on completion of all mitigating activity) • Risk mitigations – distinguishing between those mitigations in place (and therefore aiding the current risk score) and those which are yet to be implemented (thus informing the target risk score) • The introduction of themes to enable similar risks to be reviewed together, making the management of dependencies between risks and mitigations clearer. The themes are: <ul style="list-style-type: none"> ○ Financial Sustainability ○ Capacity & Resources ○ Non-Delivery (of the programme) ○ Ways of Working ○ Emerging (used short term only for new risks to be captured whilst information is still being assessed) • Adopting the Corporate Risk Framework which was approved by Audit Committee in May 2024, and working with the Risk Manager to prepare for moving programme risks onto the new corporate risk solution, Ideagen, once it is live. • Clear differentiation between project/workstream risk registers and the programme risk register – the programme register comprises programme level risks, cross cutting risks and escalated project risks where the current risk score is 16 or higher. Project/workstream risks below a current score of 16 sit on the project/workstream risk register. • Programme Steering Group acting as the escalation route for review and approval of emerging and current risks, with regular reviews scheduled to ensure and assess effectiveness of mitigations.
<p>1.6.</p>	<p>The current Programme Risks are presented in table 1 below. All programme risks are detailed in appendix B, including the progress with mitigations. In addition there are also six emerging risks that are currently being reviewed with the Programme Steering Group (these relate to legal challenge by staff, members or the public; alignment of organisational design with ways of working; Data and Tech (staff and funding) for Innovation & Change Programme; requirement for additional savings; meeting Transformation Plan requirements; and Delivery of Council priorities).</p>

Red Current Risk Score	2
Amber Current Risk Score	6
Green Current Risk Score	3
Total Live Programme Risks	11

Table 1: Overview of current Programme risks by RAG score as at 12/07/2024.

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 25/26 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 1.6 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. 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 change (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 Programme – June update, report to Executive 5 th June 2024. Agenda for Executive on Wednesday, 5th June, 2024, 10.00 am - Modern Council (somerset.gov.uk)
18.	Improvement and Transformation Programme, report to Scrutiny Corporate and Resources, 29 th May 2024. Somerset County Council

19.	Developing the Approach to Transformation – Future Council, report to Executive 8 th April 2024. https://democracy.somerset.gov.uk/documents/s28048/Future%20Council%20-%20Transformation%20Approach%20Report.pdf
20.	Developing the Approach to Transformation, report to Scrutiny 7 th March 2024. Somerset County Council
21.	Developing the Approach to Transformation, report to Executive 7 th February 2024. Developing the Approach to Transformation.pdf (somerset.gov.uk)
	Note For sight of individual background papers please contact the report author.

Appendices

22.	Appendix A – Monthly Programme Reporting Dashboard to 12 th July 2024
23.	Appendix B – Improvement & Transformation Programme Risk Register – position as at 12 th July 2024
24.	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	David Clark	
Finance & Procurement	Nicola Hix	15/07/2024
Workforce (*)	Dawn Bettridge	15/07/2024
Asset Management (*)	Oliver Woodhams	N/A
Executive Director	Alyn Jones	15/07/2024
Executive Lead Member	Cllr Theo Butt Philip	15/07/2024
Consulted:	Councillor Name	
Local Division Members	List local members	N/A
Opposition Spokesperson(s)	Relevant Opposition Spokesperson	N/A
Relevant Scrutiny Chair(s)	Relevant Chair	08/07/2024

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

Somerset Equality Impact Assessment

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer or www.somerset.gov.uk/impactassessment

Organisation prepared for (mark as appropriate)	 Somerset Council		 NHS Somerset		 NHS Somerset NHS Foundation Trust
Version	Text		Date Completed	Text	
Description of what is being impact assessed					
Text					
Evidence					
What data/information have you used to assess how this policy/service might impact on protected groups? Sources such as the Office of National Statistics , Somerset Intelligence Partnership , Somerset's Joint Strategic Needs Analysis (JSNA) , Staff and/ or area profiles ,, should be detailed here					
Text					
Who have you consulted with to assess possible impact on protected groups and what have they told you? If you have not consulted other people, please explain why?					
Text					

Analysis of impact on protected groups

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	<ul style="list-style-type: none">Text	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	<ul style="list-style-type: none">Text	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<ul style="list-style-type: none">Text	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage and civil partnership	<ul style="list-style-type: none">Text	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Pregnancy and maternity	<ul style="list-style-type: none">• Text	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race and ethnicity	<ul style="list-style-type: none">• Text	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion or belief	<ul style="list-style-type: none">• Text	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sex	<ul style="list-style-type: none">• Text	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	<ul style="list-style-type: none">• Text	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Armed Forces (including serving personnel, families and veterans)	<ul style="list-style-type: none">• Text	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other, e.g. carers, low income, rurality/isolation, etc.	<ul style="list-style-type: none"> Text 	□	□	□
--	--	---	---	---

Negative outcomes action plan
 Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
Text	Select date	Text	Text	□
Text	Select date	Text	Text	□
Text	Select date	Text	Text	□
Text	Select date	Text	Text	□
Text	Select date	Text	Text	□
Text	Select date	Text	Text	□
Text	Select date	Text	Text	□
Text	Select date	Text	Text	□

If negative impacts remain, please provide an explanation below.

Text

Completed by:

Text

Date

Text

Signed off by:

Text

Date

Text

Equality Lead sign off name:

Text

Equality Lead sign off date:

Text

To be reviewed by: (officer name)

Text

Review date:

Text