

Decision Report

Committee: Executive

Meeting Date – 5 August 2024

Key Decision – No



Improvement and Transformation Programme – August Progress Update

Chair of Committee: Cllr Bill Revans

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

This report updates Executive on the progress made on the Improvement and Transformation Programme over the past month. The attached Monthly Programme Reporting Dashboard provides an overview of programme and workstream status, product delivery, activity and risk. The dashboard will evolve to include benefits as the Programme matures.

The key points to note:

- The overall programme remains on track, with the exception of the Partnerships, Devolution, and Localities workstream, which has been impacted by resourcing pressures but is now resolved. The Workforce Programme has a revised date for the launch of the 45-day consultation on layers 4-6 restructure, moving from July to September, with restructuring still concluding in March 2025.
- The current programme risks are presented in Appendix B, with 11 active risks being monitored, with the following risk scores.

Red-Current-Risk-Score ^{xx}	2 ^{xx}
Amber-Current-Risk-Score ^{xx}	6 ^{xx}
Green-Current-Risk-Score ^{xx}	3 ^{xx}
Total-Live-Programme-Risks ^{xx}	11 ^{xx}

There are 6 emerging risks being reviewed by Programme Steering Group.

Recommendations

That the Executive consider the latest progress update report, which includes:

- Progress made since the last update to Executive on 5 June, including the timeline and milestones for delivery, contained within Appendix A.
- The current assessment of programme risks that score 16 or higher and the status of actions to reduce the identified risks, contained within Appendix B.

Reasons for Proposals

To ensure continued awareness of the approach to transformation, noting the progress on delivery of the expected outputs of the component parts and the management of risk associated with the Somerset Council Improvement and Transformation Programme.

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Background and purpose of report

<p>1.</p>	<p>The approach to whole Council Transformation (Improvement and Transformation Programme) was initially presented to Executive on 07 February 2024. The 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.</p>
<p>1.1</p>	<p>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 12th July can be found in appendix A.</p>
<p>1.2</p>	<p>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 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>1.3</p>	<p>Programme Risks 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)

	<ul style="list-style-type: none"> • 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 Risk Scoring Matrix 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. 								
1.4	<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> <table border="1" data-bbox="284 1373 1283 1711"> <tr> <td>Red Current Risk Score</td> <td style="background-color: red; color: white; text-align: center;">2</td> </tr> <tr> <td>Amber Current Risk Score</td> <td style="background-color: orange; text-align: center;">6</td> </tr> <tr> <td>Green Current Risk Score</td> <td style="background-color: lightgreen; text-align: center;">3</td> </tr> <tr> <td>Total Live Programme Risks</td> <td style="text-align: center;">11</td> </tr> </table> <p>Table 1: Overview of current Programme risks by RAG score as at 12/07/2024.</p>	Red Current Risk Score	2	Amber Current Risk Score	6	Green Current Risk Score	3	Total Live Programme Risks	11
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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 Programme

within the Improvement and 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](https://www.somerset.gov.uk/transformations/developing-the-approach-to-transformation.pdf) ([somerset.gov.uk](https://www.somerset.gov.uk))

Key considerations for the Council

Scrutiny comments / recommendations:

5. Since the last update to Executive in June, views from Corporate and Resources Scrutiny Committee have been sought in May and July on the Improvement and Transformation Programme.
6. Scrutiny continues to note that the volume of change required to deliver a financially sustainable council would impact service delivery. Continued awareness and scrutiny of the Programme is required, so the impact of resizing the workforce, devolving services, or stopping services is understood by all stakeholders and relevant scrutiny boards. To assist in continued awareness, regular all Member briefings are now taking place. The first series of all Member briefings took place on 24 April and the second was held on 10 June. A future briefing is scheduled for 14 August.
7. To improve oversight by Scrutiny a monthly dashboard has been developed providing an overview of progress and covering the delivery that is due the following month.
8. Scrutiny raised concerns that some of the risk scores may not accurately reflect the level of risk and would undertake a review of the risk register and provide feedback.

Consultation and feedback

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

Financial and Risk Implications

10. The report is not asking for Members to agree any savings in a particular area. The wider transformation programmes, within the transformation approach, will bring forward individual business cases, where financial implications will be detailed for approval.
11. The risks related to the delivery of the Council's Improvement and Transformation Programme, including delivery of financial savings, are detailed in the is report in section 1.6 and Appendix B.

Current Risk Score:

Likelihood		Impact		Risk Score	
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Projected risk score if recommended actions are agreed and delivered:

Likelihood		Impact		Risk Score	
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Legal and Procurement Implications

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

HR / Workforce Implications

13. 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 within Appendix C.

Equalities Implications

14. 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

15. 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

16. 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

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

Health and Wellbeing Implications

18. 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.
19. 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

20. There are no Social Value implications directly arising from this update 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

21. 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 \(somerset.gov.uk\)](#)

22. Improvement and Transformation Programme, report to Scrutiny Corporate and Resources, 29th May 2024. [Improvement and Transformation Programme pdf \(somerset.gov.uk\)](https://www.somerset.gov.uk/Improvement%20and%20Transformation%20Programme%20pdf)

23. Developing the Approach to Transformation – Future Council, report to Executive 8th April 2024. [Developing the Approach to Transformation pdf \(somerset.gov.uk\)](https://www.somerset.gov.uk/Developing%20the%20Approach%20to%20Transformation%20pdf)

24. Developing the Approach to Transformation, report to Scrutiny 7th March 2024. [Developing the Approach to Transformation pdf \(Somerset.gov.uk\)](https://www.somerset.gov.uk/Developing%20the%20Approach%20to%20Transformation%20pdf)

25. Developing the Approach to Transformation, report to Executive 7th February 2024. [Developing the Approach to Transformation.pdf \(somerset.gov.uk\)](https://www.somerset.gov.uk/Developing%20the%20Approach%20to%20Transformation.pdf)

Note For sight of individual background papers please contact the report author.

Appendices

26. Appendix A – Monthly Programme Reporting Dashboard to 12th July 2024

27. Appendix B – Improvement & Transformation Programme Risk Register – position as at 12th July 2024

28. 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	24/07/2024
Finance & Procurement	Nicola Hix	25/07/2024
Workforce (*)	Dawn Bettridge	23/07/2024
Asset Management (*)	Oliver Woodhams	23/07/2024
Executive Director	Alyn Jones	23/07/2024
Executive Lead Member	Cllr Theo Butt Philip	24/07/2024
Consulted:	Councillor Name	
Local Division Members	N/A	
Opposition Spokesperson(s)	Cllr Faye Purbrick Opposition Spokesperson for Transformation and Human Resource	Report shared on 22.07.24
Relevant Scrutiny Chair(s)	Cllr Bob Filmer for Scrutiny Corporate & Resources Committee	Report shared on 22.07.24