

## Audit Committee Report

Committee: Audit Committee  
Meeting or Proposed Decision Date –  
12/11/2024  
Key Decision – No



### Improvement and Transformation Programme – October Progress Update

Chair of Committee: Cllr Mike Hewitson

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

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

Executive Director: Alyn Jones, Executive Director for Resources, Strategy and Transformation

#### Executive Summary

This report provides the Audit Committee with an update on the potential risks associated with the Council's Improvement and Transformation Programme. Managing risk is integral to the programme management approach, encompassing regular evaluations, oversight, and reporting procedures.

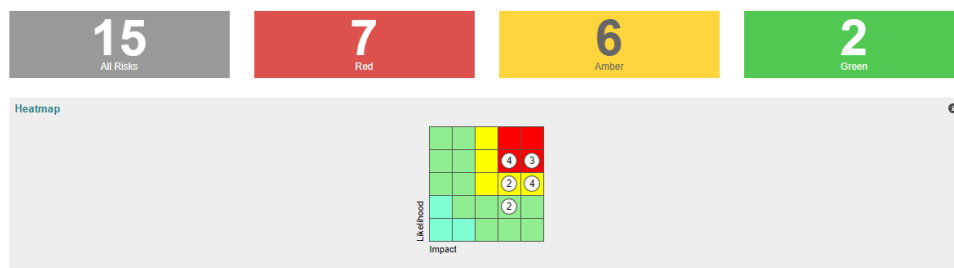
The last update to Audit Committee was in August 2024, work to deliver the approach to whole Council transformation – a critical element of creating long-term financial sustainability for Somerset Council – has continued to progress since the last update.

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

The programme risks are presented in Appendix A, with 15 active risks being monitored and includes 7 high (red), 6 medium (amber) and 2 low (green) level risks.

Improvement and Transformation Risks-



## **Recommendations**

That the Audit Committee consider the latest risk update report and:

- Note the risks associated with the Improvement and Transformation Programme set out in Appendix A.
- Consider whether the proposed mitigating actions are adequate and appropriate to address concerns.

## **Reasons for Proposals**

To ensure risks associated with the Improvement and Transformation Programme are being effectively managed, reviewed and any areas of concern identified and addressed.

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

Contact Details: [louise.routley@somerset.gov.uk](mailto:louise.routley@somerset.gov.uk)

**Background and purpose of report**

**1. 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**

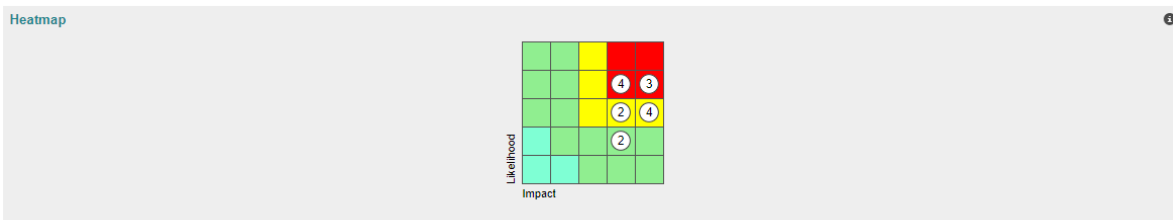
- High (red) risks are next due for updates 1 Nov 2024
- High and Medium (amber) risks are next due for updates 6 Dec 2024
- High, Medium and Low (green) risks are next due to updates 3 Jan 2025

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.

**2. Risk Overview Report**

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 (transfer of assets and services from Somerset Council to city, town and parish councils) (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 A details the full risk report including an update on the progress of 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 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 \(somerset.gov.uk\)](#)

### **Key considerations for the Council**

#### **Scrutiny comments / recommendations:**

5. Since the last update to Audit in August, views from Corporate and Resources Scrutiny Committee have been sought in October on the Improvement and Transformation Programme.
6. Scrutiny continues to note that the volume of change required to deliver a financially sustainable council at pace 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 the continued awareness, regular all Member briefings have taken place since April. Frequency and content of the briefings varies and the most recent in September and October have focussed on the Workforce restructure.
7. In September an informal joint Audit and Corporate and Resources Scrutiny workshop took place, providing Members with an update on overall programme process with a focus on Workforce.
8. To improve oversight by Scrutiny the monthly dashboard was introduced providing an overview of progress and covering the delivery that is due the following month.
9. In October, Scrutiny raised concerns that the risk review cycle was too infrequent for low and medium risk, and the review cycle should be assessed.

### **Consultation and feedback**

10. 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**

11. Risks related to the delivery of the Council's Improvement and Transformation Programme, including delivery of financial savings, are detailed in this report and Appendix A.
12. The report is not asking 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.

### **Legal and Procurement Implications**

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

### **HR / Workforce Implications**

14. 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 the workforce budget by c.22% across the whole Council, affecting all levels of management to ensure Somerset Council is resilient and sustainable.

### **Equalities Implications**

15. 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 have been developed for the application for the component Programme parts and will continue to be developed as a result of any consultation requirements for individual service change (where applicable).

### **Community Safety Implications**

16. 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**

17. 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**

18. 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**

19. 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.
20. 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**

21. 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**

22. Somerset Council Improvement and Transformation Progress Update – October update report to Scrutiny, Corporate & Resources [Agenda for Scrutiny Committee - Corporate and Resources 28 October 2024](#)
23. 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 –](#)
24. 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 \(somerset.gov.uk\)](#)
25. Somerset Council Improvement and Transformation Programme – June update, report to Executive 5<sup>th</sup> June 2024. [Agenda for Executive on Wednesday, 5th June, 2024, 10.00 am - Modern Council \(somerset.gov.uk\)](#)
26. Improvement and Transformation Programme, report to Scrutiny Corporate and Resources, 29<sup>th</sup> May 2024. [Improvement and Transformation Programme pdf \(somerset.gov.uk\)](#)
27. Developing the Approach to Transformation – Future Council, report to Executive 8<sup>th</sup> April 2024. [Developing the Approach to Transformation pdf \(somerset.gov.uk\)](#)

28. Developing the Approach to Transformation, report to Scrutiny 7<sup>th</sup> March 2024.  
[Developing the Approach to Transformation pdf \(Somerset.gov.uk\)](#)

29. Developing the Approach to Transformation, report to Executive 7<sup>th</sup> February 2024. [Developing the Approach to Transformation.pdf \(somerset.gov.uk\)](#)

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

## Appendices

30. Appendix A – Improvement & Transformation Programme Risk Report – position as at 4 October 2024

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

	Officer Name	Date Completed
Legal & Governance Implications	Scott Woodridge	30/01/2024
	Jill Byron	31/10/2024
Finance & Procurement	Maria Christofi / Nicola Hix	31/10/2024
Workforce (*)	Dawn Bettridge	23/10/2024
Asset Management (*)	Simon Lewis	N/A
Executive Director	Alyn Jones	25/10/2024
Executive Lead Member	Cllr Theo Butt Philip	31/10/2024
<b>Consulted:</b>	Councillor Name	
Local Division Members	N/A	
Opposition Spokesperson(s)	Cllr Faye Purbrick Opposition Spokesperson for Transformation and Human Resource	Shared on 31/10/2024
Relevant Scrutiny Chair(s)	Cllr Bob Filmer for Scrutiny Corporate & Resources Committee	Shared on 31/10/2024

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



