

## Executive Report

Committee: Executive

Meeting or Proposed Decision Date –  
02/12/2024

Key Decision – No



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### Improvement & Transformation Programme – November Progress Update

Chair of Committee: Cllr Bill Revans

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 Resources, Strategy and Transformation

#### Executive Summary

This report provides an update to Executive on the progress made with the Improvement and Transformation Programme in the month from 12 October – 8 November 2024. The report outlines the key areas of progress, including the Workforce Programme and the Council restructure, innovation and Change and Partnership, Localities and Devolution. Additionally, it highlights the current assessment of programme risks up to 13 November.

#### Recommendations

That Executive:

- Note the progress made in the month from 12 October – 8 November 2024.
- Note the current assessment of programme risks which includes those with a score of 16 or higher that may arise during the change process, along with the status of actions to mitigate these risks, as detailed in Appendix A.

#### 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.

To ensure continued awareness of the approach to transformation, noting the progress update and the management of risk associated with the Somerset Council Improvement Transformation Programme.

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## Main report and supporting information



### Background and purpose of report

1. The purpose of the report is to provide a progress update on the Improvement and Transformation Programme against the current scope of the Programme as set out in appendix B.

### Programme Delivery Progress

2. The Improvement & Transformation Programme continues to make significant progress across the various workstreams.

The current primary focus is on the **Workforce Programme** and whole Council restructure and progress is as follows:

- Formal Consultation launched as planned on 24 October with the Council Restructure Business Case (for layers 4-6+) shared with Trade Unions in advance.
- Staff and Member briefings led by the Chief Executive took place on 24 October alongside the launch of a SharePoint site containing access to the overarching business case, the supporting appendices, service specific business cases, FAQs, structure charts, role profiles and consultation feedback. The consultation period provides staff and Members with the opportunity to review proposals, provide insight, feedback and put forward alternative suggestions.
- A mid-point review of the Consultation feedback is planned - as of 7 November 387 responses had been received
- Detailed planning continues for the post Consultation phase including agreeing an approach for the appointment and recruitment phase.

Other areas of progress across the Programme include:

#### Innovation and Change

- The development of a corporate categorisation and prioritisation matrix which has been created and tested against the Digital Design and Technology (DDaT) pipeline of major projects. Service Directors have been introduced to the Matrix and feedback has helped form the next iteration.
- The AI Governance Board continues to oversee opportunities and optimisation, with AI licenses being increased.
- The Revenues and Benefits application consolidation is reporting as 'at risk' due to being behind schedule, following contractual delays. A revised plan is being produced to reduce the impact of the delay and ensure the most efficient sequencing of software migration, balancing project against business-as-usual activity.

- Investment property disposals - confidence levels remain high that the target of £50.8m from investment property disposals will be achieved within the financial year, exceeding early estimations of total redundancy costs.

### Partnerships, Localities and Devolution

- 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.
- Work taking place with other Council Services to join up our approach to grant funding.
- The Devolution Programme Board (DPB) continue to refine the requirements of the programme moving forward. Programme Products have been drafted however further refinement is needed to ensure the scope is deliverable

### 3. Programme Risks

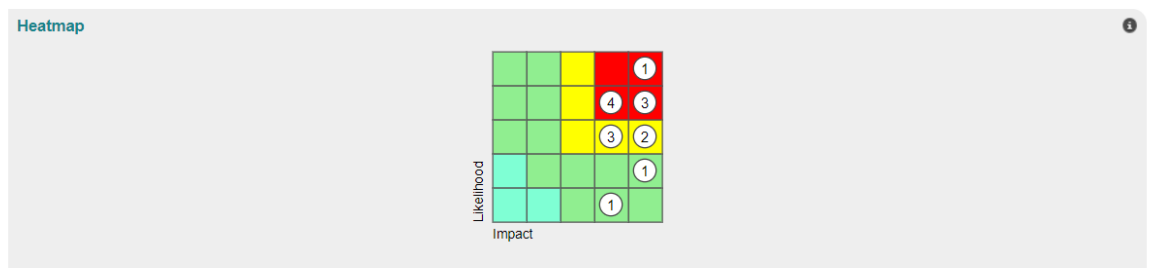
All programme risks are now managed through Ideagen. This includes risk scores, internal controls, monitoring of mitigating actions in progress and completed.

Following feedback at the October Scrutiny meeting, all risks are now being updated monthly, regardless of risk score. The template has also been amended to include wider narrative against mitigating action and the overall risk update by the Risk Owner.

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.

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	2 Red, 1 Amber, 2 Green
Innovation & Change	1 Red
Partnerships, Devolution & Localities	4 Red
Total Live Programme Risks	15

Since the last report, the following amendments have been made through the management of Programme risks:

- **ITP0002 Redesign of the Council does not deliver the required workforce savings** - target score has been reduced due to the mitigating activity and proposed savings of c£34m being identified, reducing the likelihood of this risk materialising.
- **ITP0004 Payroll costs continue to increase despite key lines of enquiry (KLOE) to reduce workforce costs being implemented** - Recruitment and establishment controls continue to restrict non-essential recruitment and other payroll costs including agency staffing and are monitored on a monthly basis - current risk score has increased. Payroll costs continue to increase despite key line of enquiry (KLOE) to reduce workforce costs being implemented.
- **ITP0005 Unmotivated workforce** - risk score has increased this month due to the commencement of restructure consultation; there is a direct impact on motivation as certain colleagues find themselves at risk or in ringfences. Varying support interventions in place.
- **ITP0006 Council struggles to recruit and retain required talent and knowledge, whilst the restructure progresses this will impact on morale, retention and attraction of talent** – current risk score has increased. Positive progress has been made on mitigating actions over this period.
- **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** - Additional mitigating actions have been identified. Alternative resource models and sources of funding will be identified to ensure sufficient resource and capabilities within digital, data and technology. Also, whilst the restructure is live and in consultation phase, the mechanism to put in place additional resource is by contracting. This is a short-term tactical one-off mitigation to address urgent capacity challenge in data engineering and data science.
- **ITP0008 Insufficient resource to deliver business as usual (to the same standard) following permanent exit of resources** - risk score remains the same. Impacts on services continue to be monitored through performance reporting.
- **ITP0009 Excessive loss of staff with talent and organisational knowledge, as turnover is expected to increase because of voluntary and compulsory redundancies** - risk score has increased. We are utilising recruitment and retention allowances to retain and attract talent into hard to fill essential roles. The Knowledge Transfer and Retention toolkit is supporting the retention of organisational knowledge.
- **ITP00010 Non delivery of the organisational restructure by 31st March 2025** - risk score remains the same due to the uncertainty associated with the feedback that may be received during staff consultation. Measures have been put in place to enable ongoing review of consultation feedback to assist in the management of the volume and complexity should this arise.
- **ITP00011 Damage to Trade Union relations and risk of industrial action** – positive progress on mitigating actions re contacting other

authorities re insight on pay and grading, and sharing of formal consultation with Trade Unions

- **(ITP00013-ITP00017) Devolution risks** - scores remain unchanged this month and positive progress has been taken on mitigating actions. New devolution risk wording has been slightly amended to ensure clarity about the risk relating to devolution to City, Town and Parish Councils.

There have been no new or retired risks during the reporting period.

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

A full review of the mitigating actions against each risk will be conducted prior over the next reporting period to take into consideration the feedback from the staff consultation.

### **Links to Council Plan and Medium-Term Financial Plan**

4. 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 (£32-£40m) and is therefore an essential element toward future financial stability.
5. 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**

6. 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:**

7. Since the last update to Executive views from Corporate and Resources Scrutiny Committee have been sought in October on the Improvement and Transformation Programme.

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, is understood by all stakeholders and relevant scrutiny boards. To assist in continued awareness, regular all Member briefings are now taking place. Member briefings have taken place in April, June, August and October. With the next briefing planned for January 2025.

Scrutiny raised concerns that the current risk review cycle wasn't sufficient, and all risks should be reviewed on a monthly basis to provide more assurance. Following feedback, the risk cycle has now been changed to reflect the request. The risk template has also been amended to provide further narrative regarding how mitigating actions are being managed and the risk owner monthly summary.

Feedback from Corporate and Resources, Scrutiny Committee regarding the monthly progress update report and programme report will be obtained at the meeting on 25 November 2024, with a verbal update being provided to Executive on 2 December 2024.

### **Consultation and feedback**

8. Consultation with staff and Trade Unions on the proposed structure and impacts are underway. There is no requirement for further public consultation at this stage.

### **Financial and Risk Implications**

9. 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 3 and Appendix A.

### **Legal and Procurement Implications**

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

### **HR / Workforce Implications**

11. 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. 22% 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 in implementation (September 2024 – March 2025) to ensure Somerset Council is financially resilient and sustainable from April 2025. The Workforce Programme scope is detailed in Appendix C.

### **Equalities Implications**

12. An organisation wide Staff focused Equality Impact Assessment (EIA) was completed for the organisation redesign. This supports the staff consultation and identifies any areas where we could be having a disproportionate impact on our staff from Protected Characteristics. This could be a greater proportion of reductions in a certain characteristic or disproportionate impact of a restructure process on a characteristic. This organisational wide EIA is being supported by service specific

EIAs which require further development and will be subject to changes once the consultation has completed and proposals have been confirmed.

### **Community Safety Implications**

13. 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**

14. 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**

15. 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**

16. 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.
17. 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**

18. 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

19. Somerset Council Improvement and Transformation Progress Update – November update report to Scrutiny, Corporate & Resources [Agenda for Scrutiny Committee - Corporate and Resources on Monday, 25th November, 2024](#)
  19. Somerset Council Improvement and Transformation Progress Update – October update report to Executive 4 November 2024 [Agenda for Executive on Monday, 4th November, 2024, 10.00 am](#)
  20. Somerset Council Improvement and Transformation Progress Update – October update report to Scrutiny, Corporate & Resources [Agenda for Scrutiny Committee - Corporate and Resources 28 October 2024](#)  
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 -](#)
  21. 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 \(somerset.gov.uk\)](#)
  22. 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 \(somerset.gov.uk\)](#)
  23. Improvement and Transformation Programme, report to Scrutiny Corporate and Resources, 29<sup>th</sup> May 2024. [Somerset County Council](#)
  24. Developing the Approach to Transformation – Future Council, report to Executive 8<sup>th</sup> April 2024. [Agenda for Executive on Monday, 8th April, 2024, 10.00 am - Modern Council \(somerset.gov.uk\)](#)
  25. Developing the Approach to Transformation, report to Scrutiny 7<sup>th</sup> March 2024. [Somerset County Council](#)
  26. 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

28. Appendix A – Improvement & Transformation Programme Risk Register – position as at 13 November 2024
29. Appendix B – Scope of Improvement & Transformation Programme



## Report assurance

	Officer Name	Date Completed
Legal & Governance Implications	Scott Woodridge Jill Byron	20/11/2024 20/11/2024
Finance & Procurement	Nicola Hix	20/11/2024
Workforce (*)	Dawn Bettridge	20/11/2024
Asset Management (*)	Simon Lewis	N/A
Executive Director	Alyn Jones	20/11/2024
Executive Lead Member	Cllr Theo Butt Philip	20/11/2024
<b>Consulted:</b>	Councillor Name	
Local Division Members	List local members	N/A
Opposition Spokesperson(s)	Cllr Faye Purbrick	Report shared on 21/11/2024
Relevant Scrutiny Chair(s)	Cllr Bob Filmer	Report shared on 21/11/2024