

## **Decision Report**

Committee: Executive

Meeting Date – 15/01/2025

Key Decision – yes

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## **Improvement & Transformation Programme – December Progress Update**

Chair of Committee: Cllr Bill Revans – Leader of the Council

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

Local Member(s) and Divisions 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 11 November – 6 December 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 19 December.

### **Recommendations**

That Executive:

- Endorse the progress made in the month from 11 November – 6 December 2024.
- Consider 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.

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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:

- Continuation of formal Consultation which launched as planned on 24 October with the Business Case for layers 4-6 restructure shared with Trade Unions in advance.
- A review of consultation feedback at the mid-point of the formal consultation period to address any immediate issues which colleagues and Trade Unions had identified. Where applicable, structures were amended and addendums added to original Service Business Cases, for consideration throughout the remaining consultation period, up to midnight on 7 December.
- Revised Service Business Cases were shared with Trade Unions on 27 November.
- Executive Leadership Team agreed on Thursday, 5 December to extend consultation by one week, following a formal request from Trade Unions. The consultation will now close at midnight on 14 December. As of 6 December 1300, consultation responses had been received.
- Preparation for recruitment and selection has commenced following the approach being shared with Executive Leadership Team and Unions.
- Support for staff through the delivery of:
  - Planning Your Future roadshows taking place throughout December at offices across Somerset
  - Confidential HR face to face drop-in sessions
  - Confidential HR virtual sessions
- Online webinars provided external partner organisations to offering advice and guidance on CV writing, retirement guidance, interview techniques and redundancy support.

Other areas of progress across the Programme include:

### Innovation and Change

- Corporate wide categorisation and prioritisation of the existing project register with the purpose of identifying and prioritising corporate level projects.

- Implementation of a single Income Management System with all payment being processed successfully.
- The Revenues and Benefits application consolidation continue to report as 'at risk' due to being behind schedule, following contractual delays however, prior to next reporting cycle it is envisaged this issue will be resolved. A plan is now in place to mitigate the impacts of the delay.
- A business case for the wider adoption of Microsoft CoPilot (Artificial Intelligence) has been developed and is ready for sign-off.
- Recognition of Somerset's AI journey by winning the AI local government collaboration award at the Smarter Working Awards.
- Investment property disposals - confidence levels remain high that the target from investment property disposals will be achieved within the financial year, exceeding early estimations of total redundancy costs.

**Partnerships, Localities and Devolution**

- Further refinement of the scope of the Partnership & Localities Programme to ensure products are deliverable can be adequately resourced and aligned with the MTFs.
- The Devolution Programme Board (DPB) continues to refine the requirements of the programme, incorporating lessons from recent devolution projects. Progress on in-flight tranche 1 activity continues and scoping of tranche 2 activity is being considered.

**3. 3 Programme Risks**

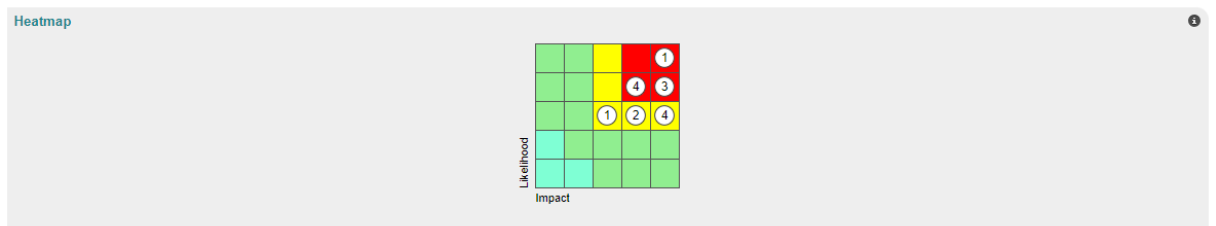
All programme risks are now managed through Ideagen. This includes risk scores, internal controls, monitoring of mitigating actions in progress and completed.

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-**



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Area of Programme	Number of Risks
Programme Level/Cross Cutting	1 Red, 4 Amber
Workforce	2 Red, 3 Amber,
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:

- **ITP0001 Insufficient budget for redundancies** – No change to the risk score. Capital receipts continue to be monitored and reported to Scrutiny, Corporate & Resources and Executive through budget monitoring reports. Cost of redundancies against Capital receipts continue to track against forecast figures.
- **ITP0002 Redesign of the Council does not deliver the required workforce savings** – No change to risk score. Products required to deliver consultation, recruitment and appointment phases have been identified enabling the mitigating action to be closed. Two additional mitigating actions have been added and relate to the principles of recruitment and appointment process. These mitigations are shared with ITP0019 (*Collective consultation period extended again beyond 14 December in response to additional feedback from Trade Unions*).
- **ITP0003 Financial savings counted twice so reducing the actual savings against the bottom line** – a process remains in place to ensure savings are only counted once, however there is no change to this risk whilst the budget for 2025/26 is being finalised with checks and amendments being made.
- **ITP0005 Unmotivated workforce** – Likelihood score has increased to “likely” this month moving it from Medium (Amber) to High (Red); this is primarily down to the restructure consultation. Varying levels of support interventions are 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** – No change to risk score. Progress made on pay and grading, with a Total Pay and Reward report prepared for ELT and discussions due to start in December regarding the resourcing and financing of the programme in 25/26.
- **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** – Despite mitigating actions, no change to the overall risk score. Prioritisation matrix received feedback from Transformation Board, and testing with services has begun.
- **ITP0008 Insufficient resource to deliver business as usual (to the same standard) following permanent exit of resources** – Reduced from High (red) to Medium (amber) following a review of the initial risks/issues identified by services through the workforce element of the transformation programme. Corporate priorities and associated actions now agreed. Service Impact and mitigation templates will be completed when finalising structure proposals, alongside service EIAs.

- **ITP0009 Excessive loss of staff with talent and organisational knowledge, as turnover is expected to increase because of voluntary and compulsory redundancies** – score remains very high due to the impact of the Council Restructure programme.
- **ITP00010 Non delivery of the organisational restructure by 31st March 2025** – No change to risk score. Additional existing project and change resource has been reprioritised to the programme to provide dedicated resource to Directors to assist with the consultation end point reviews and finalise the new structure. Additional HR resource is being recruited to provide sufficient HR Advisory and HR Business Partnering capacity from December 2024 – March 2025. Four mitigations are shared with ITP0019 (*Collective consultation period extended again beyond 14 December in response to additional feedback from Trade Unions*).
- **ITP00011 Damage to Trade Union relations and risk of industrial action** – Moved from Low (Green) to Medium (Amber) to reflect feedback from Trade Unions on consultation process, the consultation period extension and potential impact on delivery of financial savings.
- **ITP00013-ITP00017 (Devolution risks)** – No change to risk scores, and mitigating actions underway.

A new risk (ITP0019) has been identified in the November reporting period.

**ITP0019 – Collective consultation period extended again beyond 14<sup>th</sup> December in response to additional feedback from Trade Unions** – The inherent risk score is 4 (likely) and 5 (critical impact). The current risk score has a likelihood score of 3 and an impact score of 5 resulting in a Medium (amber) risk score of 15. The mitigating activity to manage the risk includes continued engagement with Trade Unions, providing additional resource to the Workforce programme to enable key programme milestones to be achieved, extending notice periods into 25/26 and Directors providing support to the programme where intervention is required. Mitigations are shared with risks ITP0002 or ITP00010 as highlighted above.

A single risk has closed in this reporting period.

**ITP0004 Payroll costs continue to increase despite key lines of enquiry (KLOE) to reduce workforce costs being implemented** – the risk has been closed in this reporting period. Internal controls that are in place are managing this risk reducing the current risk score to be nearer the target risk score which means the risk can be monitored through the project risk register rather than the programme register.

Appendix A details the full risk report including an update on the progress of mitigating activity that is being taken. There are 49 mitigations, of which 15 are fully complete and have transferred to being existing controls in place. 34 are in progress with none being overdue

## **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 November 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 latest monthly progress update report and programme risk report will be obtained at the meeting on 6 January 2025, with a verbal update being provided to Executive on 15 January 2025.

## **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 B.

## **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 – December update report to Scrutiny, Corporate & Resources [Agenda for Scrutiny Committee - Corporate and Resources on Monday, 6th January, 2025, 10.00 am - Modern Council](#)
20. Somerset Council Improvement and Transformation Risk Management Update to Audit Committee 19 December 2024 [Agenda for Audit Committee on Thursday, 19th December, 2024, 10.00 am - Modern Council](#)
21. Somerset Council Improvement and Transformation Progress Update – November Update report to Executive 2 December 2024 [Agenda for Executive on Monday, 2nd December, 2024, 10.00 am - Modern Council](#)
22. 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](#)
23. 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](#)



24. 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 -](#)
25. 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 \(somerset.gov.uk\)](#)
26. 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 \(somerset.gov.uk\)](#)
27. Improvement and Transformation Programme, report to Scrutiny Corporate and Resources, 29<sup>th</sup> May 2024.  
[Somerset County Council](#)
28. 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 \(somerset.gov.uk\)](#)
29. Developing the Approach to Transformation, report to Scrutiny 7<sup>th</sup> March 2024.  
[Somerset County Council](#)
30. 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

31. Appendix A – Improvement & Transformation Programme Risk Register – position as at 19 December 2024
32. Appendix B – Scope of Improvement & Transformation Programme

## Report assurance

	Officer Name	Date Completed
Legal & Governance Implications	Scott Woodridge Jill Byron	03/01/2025 02/01/2025
Finance & Procurement	Nicola Hix	20/12/2024
Workforce (*)	Dawn Bettridge	23/12/2024
Asset Management (*)	Simon Lewis	N/A
Executive Director	Alyn Jones	19/12/2024
Executive Lead Member	Cllr Theo Butt Philip	02/01/2025
<b>Consulted:</b>	Councillor Name	
Local Division Members	List local members	N/A
Opposition Spokesperson(s)	Cllr Faye Purbrick	Report shared on 03/01/20245
Relevant Scrutiny Chair(s)	Cllr Steven Pugsley	Report shared on 03/01/2025