The Chartered Institute of
Public Finance & Accountancy

Somerset Council

External Assurance Review

September 2024

A Report by:

The Chartered Institute of Public Finance and Accountancy

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1 Executive Summary

1.1 Summary of Findings, Issues, Evidence and Analysis

At the time of drafting this report, Somerset Council ('the council') was launched on 1st April 2023 and has been in existence for just 16 months. It is acknowledged that the process of merging five authorities (Mendip, Sedgemoor, Somerset West and Taunton, and South Somerset) into a single unitary authority – together with associated management challenges – is very significant; indeed, these issues have contributed to the financial difficulties on the council's journey so far.

Notwithstanding the points raised in this report, and the recommendations made, the review team recognise the very significant effort being made by members and officers of the council, under the current leadership, to resolve challenges currently faced.

It appears likely that the business case for unitarisation may have under-estimated the timescales over which the benefits of the new council might reasonably come to hand. The 2023-24 savings have not yet been fully delivered, although significant progress in delivering savings has been made. Of the total saving of £18.5 million, £8.8 million has been delivered, with the remaining staffing savings to be accomplished by the end of 2025/26. The council is set to achieve this through the *Transformation Programme* currently running. There is reason to believe that the staffing savings can be delivered in balancing the 2025/26 budget.

The council is developing plans to leverage further savings through a further phase of *transformation* driven by technology gain. Overall, the council's transformation programme is well conceived, well led and deserves to succeed. However, it is also contributing to poor morale in parts of the workforce and the council should consider further steps to ensure that the workforce feels supported whilst continuing to pursue savings in a short timescale.

The council is currently facing a reported budget shortfall in 2025/26 of c. £50 million - £104 million. A significant proportion of this is attributable to decisions taken in the predecessor authorities to (a) freeze council tax; or (b) set council tax increases in some legacy councils at a very low level. These decisions, which at the time were supported for one year through receipt of Government grant, led to funding shortfalls in each future year in perpetuity. Government may wish to consider how this matter might be mitigated so that local residents are not disadvantaged by poor decision making on the part of the predecessor councils. Further, the council is unlikely to be the only council where this is an issue in setting budgets for 2025/26.

The financial position of the council is complex, and a number of key risks lie ahead. The review team feels that the council has a reasonable prospect of operating successfully within the financial targets presented, and in balancing the 2025/26 budget. That said, there is a need for rapid mobilisation and a need to increase the pace and co-ordination of the actions that are needed to achieve this. For this reason, the review team feels there is a significant risk that additional Exceptional Financial Support (EFS) may be needed if the council is unable to deliver its financial goals within the timescale set by statute for balancing the 2025/26 budget.

The council needs to do more to assure delivery of savings built into the 2023/24 and 2024/25 budgets. The savings target for 2023/24 undershot by up to £10m and, at the time of writing, remains undelivered in 2024/25. The review team is not aware of any process currently running to identify alternative savings.

The ‘downsizing exercise’ and restructuring of the senior management pool envisages that the Section 151 (S151) Officer will eventually (on permanent re-appointment) be reduced in seniority from Executive Director to Service Director level (a third-tier post). The review team considers this to be a high-risk approach in the present circumstances faced by the council. Similar concerns relate to the brigading of the Monitoring Officer as a fourth-tier post in the new structure.

The reduction of the council’s available reserves is a matter for concern. The council needs to begin living within its means. An important response is the Transformation Programme that has been formed, but this requires further development. There is the prospect that a sustainable future can be reached and at the time of writing, sustainability is theoretically attainable, but not assured.

There is a compelling risk that, following the inevitable dislocation arising from the merging of five councils, the council is unable to assure itself that all classes of short-term debt within its accounts are being managed to an optimal standard. The management of debt generally, which is highly distributed across the council, needs a more co-ordinated approach and should be more closely monitored.

Governance in the council generally is satisfactory but capable of improvement in some areas.

Steps have been taken to improve the identification and mitigation of strategic risks and new systems are being implemented. At the time of writing, these improvements remain in flight and have yet to come to hand.

The Adult Social Care service is being led and managed insightfully, has received significant additional resources, and confronts national rather than local challenges, which are being approached with pragmatic good sense. Against a background of significant and increasing overspends, there are signs of an improved approach to financial management in this Directorate.

Children’s Services remains on its improvement journey and whilst overspends remain, these have been mitigated in the current year with re-basing of the budget for 2024/25. Work continues to build on expenditure control within the Directorate.

1.2 Key Risks and Recommendations

This table provides the improvement plan and roadmap that we recommend the council follows with priority actions indicated by the RAG rating and the recommended timeline included with the recommendations.

Key risk	Risk rating (see details in Annex 1)	Recommendation (including Timeline)
1. Delays in the implementation of the Transformation Programme will have major financial consequences.	9	1. Press forward with the Transformation Programme to deliver the savings identified in the unitarisation business case. **Immediate and ongoing**
2. There are a number of strategic risks associated with the Medium Term Financial Plan (MTFP).	9	2. Obtain an opinion from the newly arrived Interim S151 Officer on the content of the Headline Review of the MTFP which has been handed over to the council by the retiring Director of Finance. **Immediate**
3. Risk that Earmarked and Unearmarked Reserves fall to a critical level i.e. less than £30 – 35m in the course of the MTFP in its final and agreed form.	9	3. Leadership Team consideration of the draft plan (i.e., the Headline Review) and (a) adopt it for implementation; or (b) otherwise implement as much of the plan as can reasonably be accomplished by commencement of financial year 2025/26; or (c) put forward a formal application to MHCLG for EFS. A key part of undertaking this work will be to minimise the risk that remaining earmarked and unearmarked reserves fall to a critical level i.e., less than £30 – 35m over the course of the MTFP in its final and agreed form. **As soon as possible**
4. Very significant activity is required to balance the 2025/26 Budget and the risk of requiring EFS for that year remains.	9	4. Take urgent steps following the review at recommendation (3) to ensure that all necessary actions are underway to maximise the prospects of bringing forward proposals for balancing the 2025/26 budget. **Immediate**
5. There is a significant risk that targeted savings that have been included in preceding budgets will not be achieved.	9	5. Take steps to monitor and review savings already included in preceding budgets. This is likely to mean assigning specific resource working to the proposed Director of Transformation and/or the Director of

Key risk	Risk rating (see details in Annex 1)	Recommendation (including Timeline)
		Finance to assure this position. The council should also commence a general programme of financial training for managers. **Immediate**
6. The achievement of savings is not given enough priority to ensure they happen.	9	6. Delivery of savings should be reported monthly to the Leadership Team and the Executive as part of the regular budget monitoring reports. This needs to be done in the context of a more sophisticated traffic light system to track progress with savings. **As soon as possible**
7. The information provided for budget monitoring (including ownership) is not clear enough for the required management and accountability.	9	7. Ensure that budget monitoring reports contain financial information about each Directorate to fully explain the reasons for adverse variances and to identify mitigating actions that will be taken by individual or groups of Directorates to manage the position. **As soon as possible**
8. Overspends in the Capital Programme and in revenue are not actioned early enough.	4	8. Ensure the monitoring of the Capital Programme is improved alongside improvements to the revenue budget monitoring reports that are used for Leadership Team and the Executive. **By June 2025**
9. The Scrutiny Committees may not have the financial information they need to fulfil their Scrutiny function.	6	9. Ensure that financial monitoring information should is reported routinely to the Scrutiny function and that Scrutiny Committees are invited to agree recommendations to the Executive where progress is, in the opinion of the Scrutiny function, not assured, **By April 2025**
10. Lack of forecast finance information (balance sheet) may be restricting the financial assurance and control.	4	10. Begin forecasting the balance sheet as part of financial monitoring processes. This should be undertaken on a quarterly basis alongside a (monthly) report which reports on budget monitoring and progress in the delivery of savings. **By April 2025**
11. Lack of forecast finance information (Reserves) may be	9	11. Develop forecasting to manage the position where earmarked and

Key risk	Risk rating (see details in Annex 1)	Recommendation (including Timeline)
restricting the financial assurance and control.		unearmarked reserves are in danger of sitting below the value of 5% of Net Revenue Expenditure (NRE). **As soon as possible**
12. In amalgamating the portfolios from five legacy councils, key management insight may have been lost.	9	12. Develop a sufficient understanding of corporate debt to provide assurance that the council's portfolio of debt can be successfully collected. An urgent review informed by specialists external to the council is required at pace. **As soon as possible**
13. The council is unable to assure itself presently that debts are being collected in line with best practice.	6	13. Centralise debt collection generally within the council, including this as part of the Transformation Programme for subsequent implementation. **During the course of 2025/26**
14. Risk of excessive draw down of reserves because of ineffective debt management	9	14. Understand the relationship between failure to optimise the collection of debt and the risk of drawdown of reserves that are becoming a scarce resource. **Immediate**
15. The reduction of the council's available General Reserves is a matter for concern and creates risks.	9	15. Put in place proposals to rebuild reserves as part of the MTFP and the emergent proposals to balance the budget in 2025/26. **As soon as possible**
16. The current controls on the Capital Programme expenditure may not be adequate.	4	16. Take steps to ensure that the monitoring of the council's Capital Programme is improved in terms of detail, forecasting quality, frequency, reporting lines and format. This is likely to be best achieved by creating a Project Management community within the council that can be led through these challenging activities. **By June 2025**
17. Risk that there is not enough capacity to manage the full Capital Programme	9	17. Consider the prospect of de-programming lower priority schemes from the Capital Programme even if, in some cases, this may imply turning down the offer of Government grants in cases where there is a need for match funding that introduces additional pressure in the revenue budget.

Key risk	Risk rating (see details in Annex 1)	Recommendation (including Timeline)
		As soon as possible
18. Risk that the council is spending too much of its limited resources in the management of investments that are not within their core function.	9	18. Continue policy to dis-invest from certain investments undertaken by the legacy district councils and establish benchmarks to govern such dis-investment in acknowledgement that management of these investments is not the council's core function. **Immediate and ongoing**
19. Risk that the council is holding commercial assets that do not have the necessary benefits.	9	19. Continue to review the business case for holding commercial assets and items of property generally on an ongoing basis. **Immediate and ongoing**
20. The council is missing opportunities to reduce its long term debts with income from asset sales.	9	20. Direct capital receipts from asset sales towards the repayment of long-term debt unless these have been incorporated in proposals related to Flexible Use of Capital Receipts. **In the course of 2025/26 and ongoing**
21. The council may miss opportunities for debt re-scheduling.	9	21. Retain the services of an independent specialist consultant to provide project assurance on the detail of the council's Treasury Management operations. **Q1 2025**
22. Recommendations from the balance sheet review undertaken by PDLB Financial Consultancy Ltd in December 2023 may not have been fully implemented.	9	22. Ensure that all recommendations from the review undertaken in December 2023 by specialist advisers on the council's balance sheet and Minimum Revenue Provision (MRP) Policy have been fully implemented. **Immediate**
23. The Transformation Programme (including the reduction in headcount) may be delayed or diluted.	9	23. Press forward with the Transformation Programme with all dispatch including the reduction in headcount which lies at the heart of financial recovery for the council. **Immediate and ongoing**
24. Lack of commitment by staff for the Transformation Programme may hinder progress.	6	24. Consider what steps can be taken without delaying or deferring progress to ensure that the workforce feels supported to a greater extent on the transformational journey, which includes very significant reductions to

Key risk	Risk rating (see details in Annex 1)	Recommendation (including Timeline)
		the council's staffing establishment. In doing so, the council needs to be mindful of the results of the recent staff survey. **As soon as possible**
25. Overlaps between existing savings projects and the new Transformation Programme may cause confusion and disruption.	9	25. Proceed at pace to gather all projects that have been undertaken to release financial savings and all transformation projects with the directorates into the overarching Transformation Programme. **As soon as possible**
26. Leadership of the Transformation Programme may not have the appropriate priority and visibility that it needs.	9	26. Appoint a Director of Transformation to help the council lead and shape the journey to secure cost reductions and provide a focus through a Transformation Board for monitoring, review and strategic decision making. **Immediate**
27. Membership of the Transformation Programme may not be adequate to cover the demands of the Programme.	4	27. Review the membership of the current Corporate Transformation Board with the aim of widening membership and experience so that the Board is not simply another version of the Leadership Team meetings which happen elsewhere in the practice of governance. **As soon as possible**
28. The council presently has no clear and agreed plan to exploit the Enterprise Resource Planning (ERP) system and improve services for *customers* using technology gain as part of a wider drive to delivering services at lower cost.	9	28. Develop, resource and set in place a project to exploit the capabilities of the council's new ERP system, Microsoft Dynamics. In doing so, the council should reach out to other councils which have experience of using this product and make use of external expertise, as required. **As soon as possible**
29. There are risks from immediate reductions in Finance staffing. It will be difficult to ensure that specific skills and corporate knowledge are retained. It may compromise capacity to drive through improvement and transformation.	6	29. Consider deferral of reducing the size of the staffing establishment in Finance Directorate given the character of the present 'Financial Emergency'. **Immediate but for 12 months**
30. The proposed downgrading of the S151 Officer's post in the intended	9	30. Ensure that the S151 Officer's post remains at Executive Director level in the forthcoming re-structure in

Key risk	Risk rating (see details in Annex 1)	Recommendation (including Timeline)
staffing structure does not reflect the seriousness of the financial risks		preference to being demoted to Service Director level – a third-tier post. **On expiry of interim arrangements**
31. The proposed downgrading of the Monitoring Officer's post in the intended staffing structure does not reflect the seriousness of the financial risks.	9	31. Ensure that the Monitoring Officer's post remains at Service Director level (as a minimum) in the forthcoming re-structure in preference to being demoted to Head of Service level – a fourth-tier post. **Immediate**
32. The conclusions from the earlier Governance Review report may not have been fully adopted by Members and officers.	4	32. Ensure that the Governance Review undertaken in early 2024 by the Governance Team is disseminated to members and officers to increase knowledge and awareness. **As soon as possible**
33. Members may not be aware of the information on Members' Resource presented in the council's website.	2	33. Ensure that the Members' Resource area of the corporate website is further drawn to members' attention. **As soon as possible**
34. Too much information being presented at the Audit Committee may be reducing its focus.	4	34. Review the volume of material presented to meetings of the Audit Committee, seeking reductions to enable the Committee to better focus on key issues and controls without impairing the breadth and depth of subjects brought before the Committee. **As soon as possible**
35. Risks that there are not enough controls in place to deter spending over budget.	4	35. Consider making a failure to comply with budgetary constraints a disciplinary matter within appropriate council contracts of employment. **By end April 2025**
36. Continued use of differing terms of employment for staff will cause confusion and staff dissatisfaction.	9	36. Move quickly towards a position where a single set of terms and conditions of employment is used for all staff. **By end December 2025**
37. Lack of support for staff during the forthcoming transformation will demotivate staff.	9	37. Consider taking additional steps to ensure that the workforce feels

Key risk	Risk rating (see details in Annex 1)	Recommendation (including Timeline)
		supported in undertaking the council's transformation journey. **As soon as possible**
38. There is currently a lack of an appropriate risk management system in place.	4	38. Ensure that the new risk management system is installed successfully and that a plan is in place to exploit it fully. **By March 2025**
39. Implementing the new risk system has not been adequately resourced.	3	39. Ensure that the new risk management system is used dynamically to identify, manage and mitigate risks fully. **By summer 2025**
40. Not tight enough control is currently being applied for the 2024/25 financial targets	9	40. Ensure that financial targets will be met and take urgent action in 2024/25 if this is not the emergent trend in the forecasting process within the Directorate, noting that any overspend on the scale of 2023/24 is likely to oblige the S151 Officer to engage with MHCLG on potential further support in 25/26. **By June 2025**
41. Opportunities to top up General Reserves at year-end are missed.	6	41. Ensure any underspend in Adult Social Care is allocated to the General Reserve at year-end. **By June 2025**
42. There is a lack of comprehensive visibility and monitoring of the full set of savings projects.	4	42. Include the transformational and savings projects variously operating in the council in the overall Transformation Programme for purposes of visibility, transparency, monitoring and strategic direction. **As soon as possible**
43. Controls in the forecasting process within Directorates are not tight enough.	9	43. Ensure that financial targets will be met and take urgent action if this is not the emergent trend in the forecasting process within the Directorate. **By June 2025**
44. There are potential problems in achieving the required transformation in Children's Services.	9	44. Ensure that transformational approaches are developing in Children's Services and take urgent steps to obtain suitable external advice

Key risk	Risk rating (see details in Annex 1)	Recommendation (including Timeline)
		on framing such approaches if this is not the case. **As soon as possible**
45. There is not enough performance management of the procurement service.	**9**	Ensure that regular performance reports describing performance by Directorates in complying with (a) corporate policy; and (b) the latest statutory changes are presented by the Head of Procurement to the Leadership Team and the Executive. **As soon as possible**

2. Introduction

2.1 Background

Somerset Council is a relatively new unitary local authority located in the South West of England. It was brought into existence from 1 April 2023 resulting from Local Government Reorganisation, which saw the county council and four district authorities (Mendip, Sedgemoor, Somerset West and Taunton, and South Somerset) merged to create the new Somerset Council.

The council formally requested EFS from the then Department for Levelling Up, Housing and Communities (DLUHC) (now the Ministry of Housing, Communities and Local Government, (MHCLG)) in December 2023.

Somerset received in-principle capitalisation support of £77.9m, which included £37.9m to balance the 2024/25 budget and £40m to resize the organisation to deliver workforce transformation.

2.2 Requirement

MHCLG asked CIPFA to undertake the external assurance review on which the in-principle EFS is conditional. They invited us to provide an assessment of the council's financial resilience, financial management, governance arrangements, capital programme, debt position, and service delivery, with a view to providing recommendations for improvement.

To provide this assessment, we were asked to look at five key themes:

- financial management and sustainability: an assessment of the council's financial management and management of risk to reach a view on the council's overall financial resilience and sustainability.
- capital programme, debt, investments and assets: an assessment of the council's capital programme / overall debt position including short and long-term borrowing, and approach to investment / asset management to reach a view on the suitability, Value for Money (VfM) and risk exposure of the council in this space, and how this may impact on the overall financial resilience / sustainability of the council.
- governance: an assessment of the council's approach to overall governance / management processes, leadership, operational culture, capacity and capability to reach a view on whether the council is operating in line with the Nolan Principles and in a way to secure continuous improvement.
- service delivery: an assessment of the effectiveness of council service delivery reflecting the importance of delivering outcome orientated, citizen focused services to reach a view on the council's ability to deliver services that are economic, efficient and effective, striking the right balance between cost and quality of service.
- improvement plan and roadmap: in consideration of the findings of the review areas, targeted, tangible and timely recommendations to assist the council in designing and implementing an improvement plan to address the identified risks and issues.

At MHCLG's request, particular attention was paid to progress made by the council against its original business case for unitarisation.

2.3 Methodology

In our approach, we were mindful of the five broad areas for review, and the particular areas of focus, as set out above.

Our approach comprised the following elements:

Desktop analysis

MHCLG provided appropriate background. We reviewed the material and made supplementary document requests to the council. The team has analysed around 60 documents together with other records that have been shared by the council as being relevant for the review. A list of documents reviewed is shown in Appendix 2. We also examined relevant comparator material. We would like to record our thanks to officers for their ready compliance with our request for reports and data.

Specialised inputs

Some comparative data analyses were conducted on issues such as revenue spend, and indebtedness. These are based on analysis undertaken by CIPFA using published public data from MHCLG such as the Revenue Account (RA) and Revenue Outturn (RO) forms. Service performance data has been extracted from a wider range of sources including: The Office for Local Government (Oflog), the council's own surveys of residents and staff, and work undertaken by LG Futures.

Interviews

The bulk of the fieldwork comprised of interviews. These provided the invaluable 'triangulation' of our analysis. Council officers, members, auditors, and other experts were invited to give views and respond to queries provoked by documentary evidence. Council officers at senior and junior levels, members, auditors, and other experts were invited to give views and respond to queries provoked by documentary evidence. We would like to thank everyone involved for their courtesy and constructiveness. A list of interviewees is shown in Appendix 3.

Report drafting, feedback and fact-checking

The above inputs were then analysed and subjected to our professional and expert judgement. The result is this report.

This report was fact checked as far as possible and is based on the fieldwork completed within the time frame for the review. It is not a comprehensive audit of the council's finances or its governance arrangements. Consequently, the conclusions do not constitute an opinion on the status of the council's financial accounts. Our review of the council's Minimum Revenue Provision (MRP) considers the reasonableness of the council's MRP policy and does not constitute an audit of the full application of the policy. Similarly, our review of the council's productivity does not constitute an audit of the council's productivity plan but represents an overview of the arrangements in place to consider productivity and take account of any publicly available information on historic or relevant performance.

CIPFA's review team consisted of an experienced finance consultant and two service specific consultants with relevant backgrounds in Social Care and Children's Services. All three consultants have also had career experience at Corporate Director or S151 Officer level. Further specialist advice has been provided by CIPFA's Technical Services Team, as required.

CIPFA would like to take this opportunity to thank the council for being so amenable and open to meeting with the review team and for the considerable effort that has been expended in collating and sharing key documents with CIPFA. We also thank everyone involved for the openness, tact, and honesty in what is a sensitive issue for the council.

Report Structure

The key findings and analysis, together with supporting evidence, are set out under each of the review areas requested (as detailed in the commission). Risks and recommendations are detailed under each of the review areas.

3 Areas Reviewed

3.1 Review Area 1: FINANCIAL MANAGEMENT / SUSTAINABILITY

An assessment of the council's financial management and management of risk to reach a view on the council's overall financial resilience and sustainability.

Key findings and analysis

Somerset Council declared a Financial Emergency in November 2023 as recognition by the Members of the Council of the financial challenges it was facing . Although the S151 Officer (with the support of the Chief Executive) raised concerns earlier in the 2023/24 financial year, there is evidence to suggest that the Financial Emergency could have been declared at an earlier point. That said, the S151 Officer has (with the support of the Leadership Team) set in place Control Boards to oversee ordering and recruitment. Alongside one-off solutions (which the council cannot afford to repeat), these Boards have helped to constrain the overspend from £28.6 million in that year to a forecast underspend of £1.6 million.

The reduction of the council's available General Reserves is a matter for concern. The council needs to begin living within its means by developing savings and transformational plans over at least 3 years and preferably 5 years. The council has drawn on reserves to balance part of its overspend in 2023/24 and fund budget pressures in 2024/25. General Reserves (earmarked and unearmarked) are £50 million at the time of writing, which includes the c. £30 million (5% of the Net Revenue Budget) that should be held as unearmarked reserves as a matter of good practice. The council's current transformation programme aims to achieve a sustainable future and, at the time of writing, that sustainability is theoretically attainable but not assured.

The council has responded in a very supportive way to services that reported large overspends in financial year 2023/24 and has advanced, through the 2024/25 budget process agreed on 20 February 2024, very significant sums to both Adult Social Care (£58 million) and Children's Services (£16 million), significantly financed from reserves. The overall pressures (aside from pay inflation) admitted to the budget were £110 million, of which £38 million was met from reserves, and the balance from savings and other resources. Contributions from reserves will not be available in future years, but more positively there is an expectation that the greater part of the pressure in Adult Social Care and Children's Services has been dealt with through the re-basing of those budgets. Investment of this kind is courageous but will not be affordable in future. This reinforces the importance of transformational approaches in delivery of these services and implementing the business processes that underpin such delivery.

Following the inevitable dislocation arising from the merging of five councils, there is a compelling risk that the council is unable to assure itself that all classes of short-term debt within its accounts are being managed to an optimal standard. For this reason, the council needs to commission, as a matter of urgency, a review of the structures, systems and procedures used to collect all classes of debt including National Non-Domestic Rates (NNDR), Council Tax, Sundry Debt, Housing Benefit overpayments, Housing Rentals and others.

The management of debt generally, which is highly distributed across the council, needs a tighter and more co-ordinated approach. This is because the receipt of the debt raised has a clear and compelling relationship with the financial health of the council looking forward, and critically, may undermine the level of General Reserves (unearmarked reserves) assumed to be in hand at the present time.

There are significant challenges regarding the attainment of financial sustainability and the council is aware and active in these areas. The council, correctly, is attempting to move away from using Reserves to pursue savings through a set of disparate initiatives brigaded under its Transformation Programme. The steps that are being taken may have contributed to low morale in some areas of the council, but the transformation journey is the only feasible solution, and the council is pursuing this aim. However, the support of Government through additional EFS may be needed.

Risks

- 2. There are a number of strategic risks associated with the MTFP (MTFP).
- 3. Risk that Earmarked and Unearmarked Reserves fall to a critical level i.e. less than £30 million – 35 million in the course of the MTFP in its final and agreed form.
- 11. Lack of some forecast finance information (reserves) may be restricting the financial assurance and control.
- 15. The reduction of the council's available General Reserves is a matter for concern and creates risks.
- 22. Recommendations from the balance sheet review undertaken by PDLB Financial Consultancy Ltd in December 2023 may not have been fully implemented.

Recommendations

- 2. Obtain an opinion from the newly arrived Interim S151 Officer on the content of the Headline Review of the MTFP which has been handed over to the council by the retiring Director of Finance.
- 3. Leadership Team consideration of this draft plan (i.e. The Headline Review) and (a) adopt it for implementation or (b) otherwise implement as much of the Plan as can reasonably be accomplished by commencement of financial year 2025/26 or (b) put forward a formal application to MHCLG for EFS.
- 11. Develop forecasting to manage the position where Earmarked and Unearmarked Reserves are in danger of sitting below the value of 5% of Net Revenue Expenditure (NRE).
- 15. Put in place proposals to rebuild reserves as part of the MTFP and the emergent proposals to balance the Budget in 2025/26.
- 22. Ensure that all recommendations from the review undertaken in December 2023 by specialist advisers PDLB Financial Consultancy Ltd on the council's balance sheet and Minimum Revenue Provision (MRP) Policy have been fully implemented.

The capacity and capability of the council to deliver an effective finance function to the council commensurate with the complexity of its particular circumstances, this should include the ability to undertake any transformation activity as required, and consider whether officers / members are provided with the right information and training to take necessary financial decisions.

Key findings and analysis

The council has sought to be an early implementer of Microsoft Dynamics 365 an Enterprise Resource Planning (ERP) system of a type often used in large commercial and public sector organisations. It is not unusual for the implementation of ERP systems of this type to be associated with technical implementation issues which delay for an initial period the attainment of the full potential of such systems. However, at the present there appears to be limited planning for resolving the current difficulties which the council is experiencing and the reporting tools used appear to compromise to a significant degree the ability for managers to use the toolset to plan, forecast and manage budgets in the way that should be possible from investment in such a system.

These issues require urgent resolution. Further, it appears that the council has no clear and agreed plan to exploit the ERP system to improve services for customers using technology gain as part of a wider drive to delivering services at lower cost.

Given the budget variances seen in 2023/24 (which are to some extent emergent in 2024/25), there is a compelling need for cultural change generally in the management of financial resources, and in Adult Social Care and Children's Services specifically, to ensure that service delivery is constrained within the resources approved by full council in setting the Annual Budget. A programme of training in financial management needs to be set in place to assist in attainment of this goal.

A pre-requisite for attainment of these factors is further development of a business partnering approach, enablement of which is likely to be facilitated by exploitation of the new ERP system as previously referred.

As part of the downsizing programme currently being pursued, the council is planning to reduce the number of Full-Time Equivalent (FTE) in the Finance function. This might be justifiable if:

- financial management was operating well at service level within the two largest services (Children's and Adults Services).
- the council held an MTFP that was balanced with £nil variances in the medium term.
- there was assurance that savings and transformational endeavour were being delivered to target across the council.
- the implementation of the new ERP system delivered process and information accessibility benefits to the council.

As none of these apply under current circumstances the reduction in the size of the Finance function appears inadvisable and represents a risk to the successful financial management of the council in the period ahead.

Budget monitoring, which should be undertaken monthly, needs to be improved generally with a clearer set of numerical information than is focused on outturn forecasting, and commentary that provides a headline explanation of key variances in the various business units and Directorates, together with future action to be taken to manage emergent variances.

Furthermore, the monitoring and reporting of budget savings to the Leadership Team, to the Executive, and to Scrutiny functions, needs to be improved with a greater frequency of reporting and a more sophisticated traffic light system. Leadership of the overall system for ensuring that savings are encashed when agreed also needs to be strengthened.

Reference is made elsewhere in this report (Area 1 Financial Management / Sustainability - *The capacity and capability of the council to deliver an effective finance function*) to the need for a review of debt collection procedures and performance across the council as the council is unable to assure itself presently that this is being collected in line with best practice and that the financial implications are being taken into account fully in financial planning.

The council has acknowledged some issues but not taken the steps to address them and in others, has actively begun tackling the problems. Overall further action is required to strengthen key areas.

Risks

- 24. Lack of commitment by staff for the Transformation Programme may hinder progress.
- 25. Overlaps between existing savings projects and the new Transformation Programme may cause confusion and disruption.
- 28. The council presently has no clear and agreed plan to exploit the ERP system and improve services for customers using technology gain as part of a wider drive to delivering services at lower cost.
- 29. Consider deferral of reducing the size of the staffing establishment in Finance Directorate given the character of the present Financial Emergency.
- 36. Continued use of differing terms of employment for staff will cause confusion and some staff dissatisfaction.
- 37. Lack of support for staff during the forthcoming transformation will demotivate staff.

Recommendations

- 24. Consider what steps can be taken – without delaying or deferring progress - to ensure that the workforce feels supported to a greater extent on the transformational journey which includes very significant reductions to the council's staffing establishment. In doing so the council needs to be mindful of the results of the recent Staff Survey.
- 25. Proceed at pace to gather all projects that have been undertaken to release financial savings and all transformation projects with the directorates into the overarching Transformation Programme.
- 28. Develop, resource and set in place a project to exploit the capabilities of its new ERP system Microsoft Dynamics. In doing so the council should reach out to other councils which have experience of using this product and make full use of external expertise as required.
- 29. Consider deferral of reducing the size of the staffing establishment in Finance Directorate given the character of the present Financial Emergency.
- 36. Move quickly towards a position where a single set of terms and conditions of employment are used in employing all staff.
- 37. Consider taking additional steps to ensure that the workforce feels supported in undertaking the council's transformation journey.

The council's approach to financial risk management including identification, management and treatment of risk.

Key findings and analysis

The management of risk has moved functionally from Finance to the Performance team and is now the responsibility of the Service Director (Strategy and Performance). This move reflects the concern felt by the council that performance risk and budget monitoring had to be linked in a meaningful way to improve oversight overall. Accordingly, the Performance, Risk & Budget Board has been created, which in conjunction with the Leadership Team, has started a process of reviewing and refreshing the strategic risks for the council.

The council is in a period of transition with regard to risk management. The Service Director responsible for risk has only recently taken over this responsibility and the organisation is currently replacing the JCAD risk management system (installed in 2010) with a new combined performance and risk system IDEAGEN. Between July 2024 and March 2025 there is to be a transition between these two systems.

The Audit Committee meetings in January and March 2024 indicated that there was an inconsistency across the organisation towards risk and the management of that risk that needed to be addressed. The introduction of the new Board along with a work plan is evidence of the council's response to this issue. The report that was provided to the Audit Committee in May 2024 entitled 'Strategic Risk Management Update and Plan' sets out a comprehensive work plan.

The council has a list of strategic risks, and these include those associated with the MTFP. Other strategic risks include commercial investment and workforce capability. Mitigation activity is agreed by officers and referenced in this report. In the case of the sustainability of the MTFP, none of the mitigation activities in place have yet reduced the risk score. That said, the strategic risk report includes information under several headings which include risk description, causes, consequences, a scoring system, mitigation, review dates and risk owners, and this represents good practice.

The report is provided to the Audit Committee and there is evidence of robust challenge. A newly appointed independent member of the audit committee with a strong background in risk management has strengthened the ability of the Audit Committee to challenge risk and this has influenced the new higher profile approach to risk management. The changes that have been implemented reflect acknowledgement by the council that, until recently, risk management was not given the priority required. Changes include bringing a level of consistency to how information is presented within the risk templates, and a new Risk Scoring Matrix (RSM) has been introduced from June 2024, which simplifies the process and ensures that updates by officers are reflected in the reports.

Notwithstanding the improvements noted above, the consistency with which risk reviews and updates are carried out is variable across the council and a number of risk reviews are noted as overdue in the Strategic Risk Report. Further effort is needed in this area. While there is a strong determination at leadership level to improve risk management, this must be disseminated throughout the organisation. Risk appetite should be clearly understood by all staff if there is to be a significant change in the council's financial position, and the re-structuring activities which are underway, together with implementation of a new risk management system, may imperil the improvements for which the council is reaching.

Although the direction of travel sought by the council is commendable, there is not yet a significant track record of success within this area. Going forward, the council must ensure that there is sufficient capability and capacity to assure that the desired improvements are secured.

It is recommended that a structured project plan is developed to accompany the introduction of the new IDEAGEN system, and that training takes place to enable the council's managers to maximise the potential of the new system. Training should also be extended to members to build on the momentum of the recent training event provided with the council's insurers. It should also be noted that the Indicative Audit Plan (year ending 31 March 2024) from Grant Thornton LLP includes a recommendation regarding the need for robust risk management reporting arrangements.

The council is aware and active in this area and improvements are being reached for, albeit that further work is needed to assure delivery of those benefits.

Risks

- 38. There is currently a lack of an appropriate risk management system in place.
- 39. Implementing the new risk system has not been adequately resourced.

Recommendations

- 38. Ensure than the new Risk Management system is installed and exploited fully and that a plan is brought into existence to achieve this
- 39. Ensure that the new system is used dynamically to identify, manage and mitigate risks fully

The underlying drivers of any financial fragility and risk and the council's ability to successfully manage those drivers so that issues do not materialise. This should include an assessment of the council's approach to managing increased demand in adult social care and children's services due to the demographic growth in both populations in the borough, which the council describes as the key driver of its EFS request.

Key findings and analysis

From the review team's perspective, the drivers of financial risk include but are not confined to:

- the proposed downgrading of the S151 Officer's and Monitoring Officer's posts in the intended staffing structure, which does not reflect the seriousness of the financial risks presently faced by the council and this proposal should be re-considered as a matter of urgency.
- the fact that the current S151 Officer has been released through the voluntary redundancy programme when that officer had a great deal to offer in the future financial management of the council.
- significant overspends in recent times in both Adult Social Care and Children's Services, which have resulted in £74 million of additional service pressures being funded in the 2024/25 budget and which follow on from a history of overspends in these service areas when they were delivered by Somerset County Council.
- with the benefit of hindsight, the adoption of a business case for unitarisation which appears not to have been expressed in sufficient detail to allow early capture of savings after vesting day, and which may have been overly optimistic as to the timescales for delivery, which creates a financial risk in relation to the non-delivery of the full business case, albeit that there are reasons to believe that these savings will be delivered in the short to medium term.
- the fact that the Transformation Programme, although launched purposefully and under capable leadership, lacks at the present time a detailed and over-arching plan which fully describes the transformation journey across the council (although this is understandable to some extent given the recent establishment of the council) and the remaining risks in this area.
- the lack of assurance around debt recovery, as referenced elsewhere in this report.

There are positive points to which attention is drawn:

- the high calibre of members generally within the council in all political groups and their focus and understanding of the financial challenges the council now faces.

- the way in which the Chief Executive, the S151 Officer and other senior staff have worked closely and effectively to grip financial issues presented in the course of 2023/24 is commendable.

- the Statutory Officers have led, with the wider management community, effective responses to the Financial Emergency declared in November 2023.

- the business case for unitarisation – in terms of financial savings – is likely to be achieved within the next 1 to 2 years.

- the council has an MTFP which is used to guide its financial operations, although this needs to be updated quarterly moving forward and reported to the Executive and Senior Leadership Teams, the Scrutiny function and the Executive at those junctures.

- the latest iteration of the MTFP suggests that the council has the framework within which the budget for 2025/26 may be balanced, although there is a great deal of work which needs to be done to successfully accomplish this aim, and we note the work done by members and senior officers to focus on the council's financial challenges.

The council is aware and active in this area, but significant challenges remain to strengthen its grip in these areas and over mitigation activities. The fuller acknowledgement of key risks and their impact will strengthen both accountability and responsibility shouldered by managers in mitigation of these risks.

Risks

- 10. Lack of some forecast finance information (balance sheet) may be restricting the financial assurance and control.
- 30. The proposed downgrading of the S151 Officer's post in the intended staffing structure does not reflect the seriousness of the financial risks
- 31. The proposed downgrading of the Monitoring Officer's post in the intended staffing structure does not reflect the seriousness of the financial risks

Recommendations

- 10. Begin forecasting its balance sheet as part of financial monitoring processes. This should be undertaken on a quarterly basis alongside a (monthly) report which reports on budget monitoring and progress in the delivery of savings.
- 30. Ensure that the S151 Officer's post should remain at Executive Director level in the forthcoming re-structure in preference to being demoted to Service Director level – a 3rd tier post.
- 31. Ensure that the Monitoring Officer's post should remain at Service Director level (as a minimum) in the forthcoming re-structure in preference to being demoted to Head of Service level – a 4th tier post.

An assessment of steps the council is undertaking to ensure it remains within its spending envelope, including deliverability and appropriateness of current savings / transformation plans, income generating activity, and ensuring activities that are no longer required are being scaled back (e.g. teams that were previously expanded during COVID) etc.

Key findings and analysis

The council has:

- successfully forecast the overspend in 2023/24 and set in place Control Boards and other means of reducing spend, and appears to have supressed a degree of non-essential expenditure.

- constructed a detailed model to forecast expenditure in Adult Social Care and Children's Services in a way that was not previously possible.

- successfully included large additional resources for Adult Social Care and Children's Services in the 2024/25 budget, partly through use of reserves, and set a lawful budget on this basis in February 2024.

- monitored the 2024/25 budget noting a small forecast underspend in Adult Social Care but a further overspend in Children's Services in the region of £6 million, suggesting an ability to identify these variances and to consider management action in response.

- set in train a downsizing programme to reduce the number of staff in the council by 1000 FTE, and while this programme appears to be struggling to deliver to target at the present time, there is the prospect that it will do so in the short to medium term.

- recently been in the process of completing a headline review of its MTFP to gauge the level of assurance that the 2025/26 budget year can be successfully balanced.

The council is aware and active in this area and has taken a number of appropriate actions, although work remains to be done.

Risks

- 4. Very significant activity is required to balance the 2025/26 Budget and the risk of requiring EFS for that year remains.
- 5. There is a significant risk that targeted savings that have been included in preceding budgets will not be achieved.
- 6. The achievement of savings is not given enough priority to ensure they happen
- 7. The information provided for budget monitoring (including ownership) is not clear enough for the required management and accountability.
- 35. Risks that there are not enough controls in place to deter spending over budget
- 40. Not tight enough control is currently being applied for the 2024/25 financial targets.
- 43. Controls in the forecasting process within Directorates are not tight enough.

Recommendations

- 4. Take urgent steps following the review at recommendation (3) to ensure that all necessary actions are underway to maximise the prospects of bringing forward proposals for balancing the 2025/26 Budget.

- 5. Take steps to monitor and review of the savings already included in preceding budgets which is likely to mean assigning specific resources working to the Finance to assure this position and to commence a general programme of financial training for managers.
- 6. Delivery of savings should be reported monthly to the Leadership Team and the Executive as part of the regular budget monitoring reports. This needs to be done in the context of a more sophisticated traffic light system to track progress with savings.
- 7. Ensure that budget monitoring reports need to contain financial information about each directorate to fully explain the reasons for adverse variances but also to identify mitigating actions that will be taken by individual or groups of directorates to manage the position.
- 35. Consider making a failure to comply with budgetary constraints a disciplinary matter within some contracts of employment used within the council.
- 40. Ensure that financial targets will be met and take urgent action in 2024/25 if this is not the emergent trend in the forecasting process within the Directorate, noting that any overspend on the scale of 2023/24 is likely to oblige the S151 Officer to issue a S114 Notice.
- 43. Ensure that financial targets will be met and take urgent action if this is not the emergent trend in the forecasting process within the Directorate.

An assessment of the council's efforts to maximise productivity and minimise waste. This should include consideration of the council's approach to EDI activity.

Key findings and analysis

The council is taking steps to undertake widespread review of its service delivery, reducing staffing numbers, seeking to form all change and transformational activities currently running into a series of coherent workstreams, and continuing to develop the Transformation Board to strategically drive and form these activities. This work includes the continued development of technology driven transformation.

The council is set up to make progress in this area and is to be commended for making significant progress in setting these arrangements in place in a constrained period of time.

A significant issue that is worthy of note is that, at the time of writing, the workforce is still employed on several different sets of terms and conditions of service, reflecting the employment contracts that originated with legacy councils. Although this is a matter of concern, and the council should take steps in the short term to bring employees onto a common set of such conditions, it is understood that this matter – together with related matters of pay and grading – are set to be handled within the ambit of the Transformation Programme that is running and continues to develop.

The council has a good understanding of the current workforce structure and has acknowledged that the numbers of managers is very significantly higher than expected norms. Further, it is aware that managers have fewer direct reports than should be expected. These insights have been validated using specialist external advice. The re-structuring activity within the Transformation Programme is designed to correct these issues and attain savings of £40 million.

The council is aware of the issues in this area and is active in mitigating them. Delivery risks, which are acknowledged and are being managed by a motivated team, have yet to be fully mitigated.

Risks

No additional risks

Recommendations

No additional recommendations

An overall view on the ability of the council to manage identified budget pressures through its own resources. This should include a view on whether the council could and should take further action to minimise the need to use / seek a capitalisation direction. If it is apparent the council requires capitalisation to manage its budget, an assessment of how the council expects to 'fund' the capitalisation (i.e. through external / internal borrowing or through capital receipts), and the viability / risks of their proposed approach.

Key findings and analysis

The council has recently undertaken a review (August 2024) of its MTFP. This review suggests that the budget is capable of being balanced through delivery of a number of challenging actions which need to be appropriately led.

The summary MTFP seen by the review team suggests that the council has realistic prospects of balancing the 2025/26 budget. That said, there is a risk that EFS will be needed in 2025/26, reflecting the nature of the risks associated with the various proposals put forward to balance the position, and which would result in balance being achieved in 2026/27. The review team sees this risk as medium at this time.

The council intends to use Flexible Use of Capital Receipts to manage certain costs within its overall change programme. The generation of capital receipts has challenging targets based on extensive asset disposal, but attainment of the target is likely to be achieved in the medium term.

The council is aware and active in this area, but very significant activity is required to balance the 2025/26 budget, and the risk of requiring EFS for that year remains.

Risks

No additional risks

Recommendations

No additional recommendations

3.2 Review Area 2: CAPITAL PROGRAMME / DEBT / INVESTMENTS / ASSETS

An assessment of the council's capital programme / overall debt position including short and long term borrowing, and approach to investment / asset management to reach a view on the suitability, VfM and risk exposure of the council in this space, and how this may impact on the overall financial resilience / sustainability of the council.

The council's management / governance of its capital programme, major projects (whether delivered in house or via companies) and investments including the adequacy of internal processes, scrutiny of investment decisions, use of external expertise where required, risk management and capacity and capability to deliver. This should include an assessment of the council's exposure to refinancing and any other risks identified as a result of its chosen borrowing strategy.

Key findings and analysis

In 2023/24, the council held a Capital Programme in the General Fund of up to c. £400 million. For the first time, the council faced the prospect of merging five separate work programmes from the legacy authorities into a single and coherent programme of work. This appears to have been accomplished through a rigorous review process, and there is evidence that schemes were rejected as part of this process. Of the programme value adopted, £118 million was supported by prudential borrowing, with the balance largely supported by Government grants and other contributions.

The investment priorities appear to be appropriate to the council and the level of borrowing in the General Fund appears manageable at the present time. The links between the Capital Programme and the council's priorities are up to the standard currently seen widely in local government but are likely capable of being strengthened moving forward.

That said, given the financial pressure on the council, it is recommended that the council further reviews the Capital Programme in seeking to balance the 2025/26 budget and to consider de-programming to reduce at the margin additional cost pressures. This might be achieved by deleting all elements of the Capital Programme that are geared towards 'improvements' which are not strictly necessary for the successful delivery of services or removing all but non-essential schemes, even if this entails the loss of Government grant in some areas.

The council is to be commended on seeking to dis-invest from investment decisions made in the past by the legacy district councils.

The council is making progress in dealing with final accounts for 2023-24 and it is not apparent that there are serious issues with valuation methodologies across the council's asset base. The council appears to be aware of instances where changes in the value of items in its asset registers have changed.

The council has produced a set of Capital Programme papers for the 2024/25 budget decision in a satisfactory format. It appears that an adequate governance path exists for these materials.

Discussions with officers indicate that external advice has been procured to inform aspects of the Transformation Programme, that specialist advice has been procured to identify options in certain technical and operational matters (including treasury matters) and to support projects where this is a necessary part of preparation for delivery.

In the management of its commercial portfolio, the council has employed a Head of Commercial Services with suitable private sector experience to ensure it is suitably represented in commercial discussions with partners and to represent the council on relevant boards.

The council has clearly reflected on its ability to manage wider commercial investments successfully entered into by the legacy authorities and has drawn conclusions from these reflections.

With regard generally to the Investment Programme of £280million, all of which was created by the legacy district councils, and which involved acquisition of commercial property for rental, it appears that the business cases were approved on the availability of cheap short-term borrowing – much of it available through inter-authority lending – which was available in the money markets in years past. In view of the rising costs of borrowing (which should have been predicted at the time of investment), it appears that there is no longer a business case for holding some of these assets. Accordingly, the council is seeking to dis-invest from these assets on a progressive basis. It is noted that senior experience in the property management area may be lost to the organisation through the re-structuring of the senior staffing structure and the council should consider the impact of this on these key areas of activity.

In this area, the council appears to be adopting approaches which are appropriate to the circumstances, although significant work remains in some areas. Residual risks have existed but are being mitigated in respect of the commercial portfolio through a programme of dis-investment driven by an acknowledgement that such investments are not part of the council's core business. It is reasonable to suppose that the legacy councils' investment in this portfolio, and the council's response, will be part of the usual external auditor's review as a matter of course.

Risks

- 8. Overspends in the Capital Programme and in revenue are not actioned early enough.
- 12. There is a compelling risk that the council is unable to assure itself that all classes of short term debt within its accounts are being managed to an optimal standard.
- 13. The council is unable to assure itself presently that debts are being collected in line with best practice.
- 14. Risk of excessive draw down of Reserves because of ineffective debt management.
- 16. The current controls on the Capital Programme expenditure may not be adequate.
- 18. Risk that the council is spending too much of its limited resources in the management of investments that are not within their core function.

- 19. Risk that the council is holding commercial assets that do not have the necessary benefits.
- 20. The council is missing opportunities to reduce its long term debts with income from asset sales.

Recommendations

- 8. Ensure the monitoring of the Capital Programme is improved alongside improvements to the revenue budget monitoring reports that are used for Leadership Team and the Executive.
- 12. Develop a sufficient understanding of corporate debt to provide assurance that the council's portfolio of debt can be successfully collected given that there is a compelling risk that in amalgamating the portfolios from five legacy councils' key management insight has been lost. Accordingly, an urgent review informed by specialists external to the council is required at pace.
- 13. Centralise debt collection generally within the council, including this as part of the Transformation Programme for subsequent implementation.
- 14. Understand the relationship between failure to optimise the collection of debt and the risk of drawdown of Reserves that are becoming a scarce resource.
- 16. Take steps to ensure that the monitoring of the council's Capital Programme is improved in terms of detail, forecasting quality, frequency, reporting lines and format. This is likely to be best achieved by creating a Project Management community within the council that can be led through these challenging activities.
- 18. Continue its policy to dis-invest from certain investments undertaken by the legacy district councils and establish benchmarks to govern such dis-investment in acknowledgement that management of these investments is not the council's core function
- 19. Continue to review the business case for holding commercial assets and items of property generally on an ongoing basis.
- 20. Direct capital receipts from asset sales towards the repayment of long term debt unless these have been incorporated in proposals related to the Flexible Use of Capital receipts

Where applicable, an assessment of the council's approach to any part or wholly owned companies and any associated risk these companies expose the council to.

Key findings and analysis

The council is involved in a joint venture company which owns an array of batteries which are capable of supplying electric current to the national grid. The investment was undertaken by legacy authority South Somerset District Council and the council has already decided to dis-invest from this project in the months ahead. Like all councils that have invested in commercial assets of this character, there are risks for the council associated with acquisition of the necessary commercial skills and knowledge to manage these assets and the associated relationships in a satisfactory manner. The council is aware that, in continuing to hold its interest in the joint venture company, it may be exposed to re-financing risks and costs relating to replacement of obsolescent infrastructure.

The council also owns a further company which was established to receive transfers of services from the council. It is understood that no transfers have taken place, and the company is planned to be dissolved.

The council is aware and active in this area, although much remains to be accomplished, and significant risks remain which may require dis-investment in relation to some assets at a level below the inherited cost of acquisition.

Risks

No additional risks

Recommendations

No additional recommendations

A view on the alignment of the capital programme with the broader strategic direction of the council including an assessment of the deliverability and affordability of its capital programme including consideration of how the council plans to fund its programme (i.e. grants, borrowing etc.) set against the overall debt position and potential impact on longer term sustainability, including liability benchmarking.

Key findings and analysis

The council has produced a Capital Programme for 2024/25 that relates the programme to council priorities.

Despite the Financial Emergency, the council is still intending to increase borrowing in the medium term. Although this may be due to committed capital schemes, we recommend a process of de-programming from the Capital Programme in forming the 2025/26 budget in order to reduce the associated revenue costs, where possible.

When regarded as % of NRE, the council's cost of borrowing is at the higher end of the range for its statistical peer group.

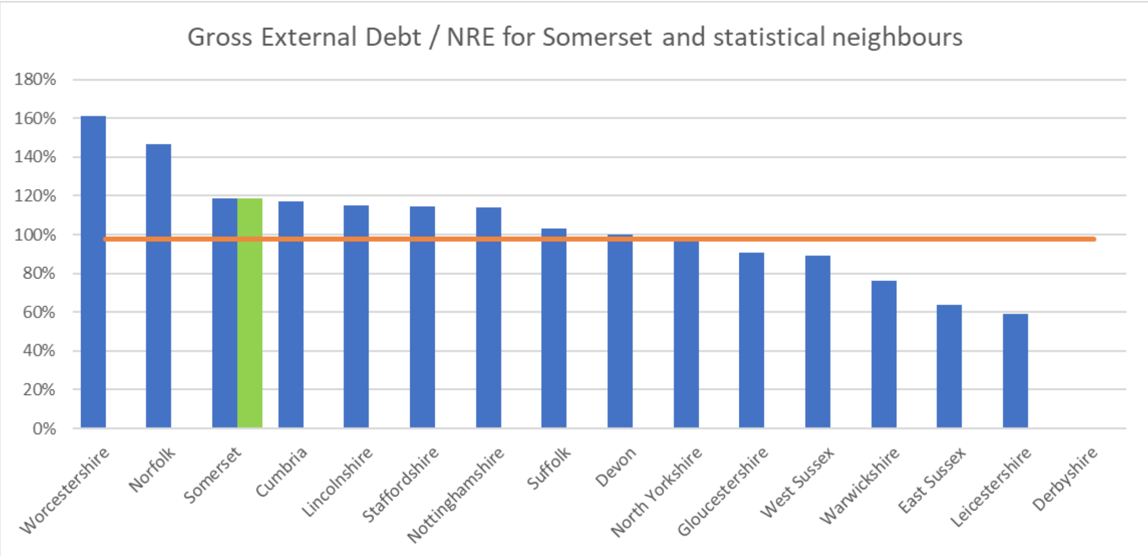

Table 1 : 2023/24

This should represent a prejudicial burden on the revenue budget. Indeed, if the proceeds of dis-investment activity are applied to the long-term debt portfolio, this position should significantly reduce. The liability benchmark shows a reasonable position in respect of future debt repayments and a reasonable position in respect of refinancing. The overall borrowing position remains within the capital financing requirement but the council needs to continue to monitor its capital financing commitments closely to reduce the impact on revenue budgets. However, at the present time, there is no cause for alarm. There should be opportunities to repay elements of long-term debt when the proceeds of dis-investment from the commercial portfolio come to hand.

Risks

- 17. Risk that there is not enough capacity to manage the full Capital Programme.

Recommendations

- 17. Consider the prospect of de-programming lower priority schemes from the Capital Programme even if – in some cases – this may imply turning down the offer of Government grant in cases where there is a need for match funding that introduces additional pressure in the revenue Budget.

The council's approach to asset management and valuation, the appropriateness of its asset portfolio, and a view on a proposed asset disposal plan set against broader Value for Money considerations.

The council's commercial investment portfolio (property, bonds etc.) and forward strategy, including dependence on commercial income, exposure to debt costs and whether, in CIPFA's view, it is prudent to reduce the council's exposure and over what timeframe.

Key findings and analysis

The council has undertaken a searching review of its Capital Programme and has also reviewed its legacy property holdings. Management documents exist to indicate that the council is aware of where assets are no longer required. As rehearsed elsewhere in this report, the commercial portfolio inherited from the legacy authorities is being reduced progressively, although the benchmarks used for this process will need to be reviewed as part of the process for balancing the 2025/26 budget.

Risks

No additional risks

Recommendations

No additional recommendations

Whether and to what extent the council is complying with statutory guidance / following best practice with regards its capital programme, wholly / part-owned companies and investments including but not limited to investment guidance, minimum revenue provision guidance and accounting codes.

Key findings and analysis

The council has faced challenges in building the various MRP policies of the legacy councils into a single policy approach that demonstrates compliance with the guidance and demonstrates prudence in the approaches adopted. This is because information from the legacy councils, and the basis of their accounting judgements, have not always been readily available.

Work undertaken by independent specialist consultants at the council's request, and which was reported to the council in December 2023, is understood to have identified issues which the council was recommended to review and/or address, including the fact that the council (historically) had a lower MRP charge than councils within its comparator group based on a recent review. It appears that the current MRP policy has been adjusted in line with advice given but further research into missing records was recommended by the consultants.

The council should revisit technical advice recently received and assure itself that it has delivered fully on the action plan supplied.

Risks

- 21. The council may miss opportunities for debt re-scheduling.

Recommendations

- 21. Retain the services of an independent specialist consultant to provide project assurance on the detail of its Treasury management operations

3.3 Review Area 3: GOVERNANCE

An assessment of the council's approach to overall governance / management processes, leadership, operational culture, capacity and capability to reach a view on whether the council is operating in line with the Nolan Principles and in a way to secure continuous improvement.

The adequacy of the council's decision-making processes including presence / absence of clear schemes of delegation, scrutiny arrangements, quality of council papers and whether there is a clear understanding of governance arrangements across all levels of the council. This should include a view on the effectiveness of the adopted Governance model and whether it is suitable to drive the right outcomes for the area.

Key findings and analysis

The Leader of the council has formed a single party Executive of ten members. In addition, there are five cross-party Scrutiny Committees as well as other committees and boards such as Licensing and Planning. There are 110 elected members, many of whom served in the legacy councils before unitarisation.

The governance model is relatively new as the organisation has only existed since April 2023. A large number of councillors are represented on one or more of the committees or boards. Evidence gathered from recorded meetings and papers suggests that the adopted model operates effectively which is expected to improve as councillors gain more experience and the organisation matures.

Recognising the fact that the council was only formed 16 months ago following Local Government Reorganisation, there is a need to ensure sufficient time is allowed for strategies and plans supported by the new governance structure to bed in.

From the evidence gathered, there appears to be a good understanding of the roles and responsibilities of the committees and boards. The chairs of the Scrutiny Committees meet together on a regular basis to talk about commonalities. It is positive to see that this group now includes the chair of the Audit Committee.

The Scrutiny function operates to hold the Executive to account and there is an effective working relationship, evidenced by council papers. The Corporate and Resources Scrutiny Committee has been aware of the challenges around balancing the MTFP and felt able to comment. The papers support the view that the Financial Emergency was declared appropriately and was taken seriously by members through the governance framework.

The additional option for Scrutiny chairs to attend the Executive Committee when they feel a specific issue needs to be raised is one that indicates a degree of transparency. For the Scrutiny Committees to operate effectively it is important that Scrutiny happens prior to the Executive meetings, allowing concerns to be raised in a timely fashion. This sequencing has not always been prioritised and the recent changes to timings reflect good practice.

The council has an Audit Committee which deals with the discharge of its powers and duties in connection with financial governance, risk management and audit. The chair of the Audit

Committee is clear on the role of audit and the difference between the Audit Committee and the Scrutiny function. Further, action taken by the council to appoint an independent (non-political) member on the Audit Committee, who has specific responsibilities and experience around risk management, has been a welcome addition and has strengthened the ability of the Audit Committee when discussing assurance.

There was a Governance Review conducted by the Governance Team including the Monitoring Officer in early 2024, which identified challenges concerning schemes of delegation. Action has been taken to drive improvement and, in April 2024, the Constitution and Governance Committee reviewed the officer scheme of delegation. This was a report of some length, and it is essential that the contents of this are clearly disseminated through the organisation, both to members and to officers and staff.

There is a Members' Resource area on the council's intranet site, which is available to all staff and members so that they are aware of the governance structures and the decision-making process in the council. The site explains the role of Scrutiny and is updated as needed by the Governance Team. It was not clear from interviews that members were always aware of this site or the importance of the material available on it.

Papers prepared specifically for the Audit Committee are voluminous. While it was acknowledged that papers are provided 10 days before Committee meetings, it was also mentioned by interviewees that, since June 2024, the volume of material has run to 3,500 pages. Further, the January 2024 Audit Committee pack was over 900 pages and, while a number of these documents are standard pro forma sent out with agenda as a matter of course, this raises questions as to the efficiency of information transmission between advising officers and members of the Committee. The Committee should seek to reduce the volume of material to enable a greater focus on the key issues and controls on which it needs to seek assurance.

The review team has been assured that all members have been offered training in order to fulfil their Audit Committee role, including training on the importance of the Nolan Principles, as part of their induction training. It was noted by interviewees that the briefing and updates provided by officers are helpful.

From a finance viewpoint, the council appears to have a functional process for Executive decision-making and suitable arrangements for Scrutiny and Audit Committee functions. These are capable of further improvement in line with our recommendations.

Risks

- 9. The Scrutiny Committees may not have the financial information they need to fulfil their Scrutiny function.
- 27. Membership of the Transformation Programme may not be adequate to cover the demands of the Programme.
- 32. The conclusions from the earlier Governance Review report may not have been fully adopted by Members and officers.
- 33. Members may not be aware of the information on Members' Resource presented in the council's website.
- 34. Too much information being presented at the Audit Committee may be reducing its focus.

Recommendations

- 9. Ensure that Financial Monitoring information should be reported routinely to the Scrutiny function and the Scrutiny Committees are invited to agree recommendations to the Executive where progress is in the opinion of the Scrutiny function, not assured.

- 27. Review the membership of the current Corporate Transformation Board to be reviewed with the aim of widening membership and experience so that the Board is not simply another version of the Leadership Team meetings which happen elsewhere in the practice of governance.
- 32. Ensure the Governance Review undertaken in early 2024 by the Governance Team is disseminated to Members and officers of the council to increase knowledge and awareness.
- 33. Ensure that the Members' Resource area of the corporate website to be further drawn to Members' attention.
- 34. Review the volume of material presented to meetings of the Audit Committee seeking reductions to enable the Committee to better focus on key issues and controls; this without impairing the breadth and depth of subjects brought before the Committee.

The presence / absence of a clear, outcome orientated, measurable and performance driven strategic direction for the council and whether this is clearly set out through alignment of the key strategy documents (Corporate / Strategic Plan, Annual Governance Statement and MTFP). This should include an assessment of the extent to which the strategic direction of the council is present throughout operational implementation or whether it exists in 'name only'.

Key findings and analysis

The council's MTFP provides a focus on both revenue and capital expenditure and sets out the council's overall financial strategy. The council has also produced a separate Capital Strategy that sits alongside the MTFP. In the Audit Committee papers for January 2024, there is evidence that there is an alignment between the corporate plans and the MTFP evidenced through the Capital Strategy.

The strategic direction of the council has been significantly influenced by the declaration, in November 2023, of the Financial Emergency. With this declaration came a clear strategic direction which was to "To ensure that the future council is capable of setting a robust and sustainable MTFP (2024-2029) that enables the most effective delivery of services that are beneficial to the local area, population, and economy". This declaration contained measurable outcomes and outputs.

With the emphasis on budgetary control and risk, there is a current focus on delivering this priority for the council. The review team found a good understanding on the part of officers and members of the issues facing the council and the seriousness of the decisions that need to be made. There was also a clear recognition of the need for action to be taken and a willingness to take that action.

The Leadership Team and members have been supportive of the S151 Officer (recently retired) when difficult decisions have been framed but need to continue to offer that level of support when the new Interim S151 officer takes up the post.

The council has presented evidence that a coherent programme of activity has been set in place to guide decision-making and that there are suitable links to the council's strategic planning documents.

Risks

No additional risks

Recommendations

No additional recommendations

A view on the effectiveness of council leadership including their ability to work effectively together, set and communicate a clear vision and set of priorities for the local area, as well as their ability to lead the delivery of those priorities (as set out in key strategy documents) through the fostering of a cohesive organisation built on cooperation, trust and respect.

A view on the working culture and working relationships across all levels of the council including between political and officer leadership, and senior officers and junior staff.

Key findings and analysis

The strategic direction and vison for the council can be found In the Council Plan 2023-2027, which sets out the vision and priorities for the council. The vision is supported by four priorities and underpinned by principles and council documents, including the business plan, the corporate governance framework, and the operating model. However, there is evidence from the interviews that the messages around vision and priorities have not been disseminated adequately in all areas across the council. One interviewee remarked that “we need clarity about where we are going as an organisation”. The Leadership Team needs to reflect on further action to reinforce these messages and to gain assurance that they are being heard in all parts of the council. The council should ensure that any work to increase staff engagement does not delay or defer delivery.

The delivery of these priorities is ambitious especially when the focus of the council has been on securing the financial security of the organisation and reducing the funding shortfall that exists. When the council is on a more secure financial footing it will be important to return to this plan.

Relations between members and officers appear to be cordial, respectful and mutually supportive. Members were knowledgeable and appeared to have been well briefed with well-formed views on the various matters that lay before the council.

Risks

No additional risks

Recommendations

No additional recommendations

The council's capacity and capability to improve and transform at an operational level (i.e. sufficient expertise, staff etc.) and at a cultural level (i.e. acknowledgement of problems, openness to constructive criticism and change, delivery with local partners, and collaboration with sector support).

Key findings and analysis

The council has recently been through a significant Local Government Reorganisation (LGR) process moving from five councils to one, and it is evident and unsurprising that this journey is ongoing. The formation of the council is now complete in a practical sense, but it was evident from our interviews that there is still some way to go in developing the cultural identity of the new unitary council.

While there is openness and challenge within the governance model, it was stated by one interviewee that the "…organisation is immature and needs a clear set of values, standards and behaviours and this needs to come from the leaders". There is evidence to suggest that the Leadership Team is aware of this issue as part of the Transformation Programme and is on a journey to attain this goal.

Recognising that cultural change is long term and often difficult to achieve, it is important to recognise and plan for this rather than assume there will be a natural assimilation. The council's Transformation Programme acknowledges the role of cultural change, and the review team accepts that expecting cultural change to have been completed within 16 months is unrealistic; it will remain as 'work in progress' for a period of at least three years. That said, the Leadership Team must not lose focus on this strand of the change programme that has been launched.

Capability and capacity remain challenging for the council in the light of the current restructuring and staffing reductions. It will be difficult, during a period of voluntary redundancies, to ensure that specific skills and corporate knowledge are retained. There is a risk that priorities are being driven by budget savings, which may compromise capacity to drive through improvement and transformation. The workforce plan must reflect and recognise this staffing need. However, some areas may find they have greater capacity to support transformation and improvement than others.

There are a number of risks in relation to the council's capacity to effect change successfully.

The council has set in place a Transformation Programme using a layered methodology where savings are sought from efficiencies in existing operating models and then progressing to a technology-led programme to exploit digital technology in service delivery. Given the financial challenges faced by the council, this is a suitable ambition, but time for delivery is constrained by the need to achieve financial targets. The programme consists of the three elements set out below.

- a downsizing exercise to remove 1000 FTE from the council's establishment has been introduced, which aims to drive out efficiency savings from the staff resources inherited from the legacy councils based on the needs of the current operating model.
- Directors have been challenged to make significant reductions by making efficiencies to the current business processes.
- a suite of work driven by new technology is in the process of development, which is to be associated with drawing together a pool of change and transformation initiatives, some of which are already running within Directorates, and which will

create workstreams and develop governance processes and structures at corporate level to oversee, direct and control the overall Transformation Programme

There are risks associated with adopting challenging targets to reduce staff numbers across the council. This is the correct thing to do from a cost reduction viewpoint (and to comply with the business case for unitarisation) but it appears as if more could have been done to ensure that all staff and members understand the implications for the adoption of the new Target Operating Model for the council that this implies.

It appears that morale within the council is, in some areas, at a suboptimal level. It has been reported to the review team that the working environment does not feel supportive. In the recent staff survey (summer 2024), 42% of respondents did not agree with the statement 'The wellbeing support I need at work is readily available to me'. The review team feels that the Chief Executive and the Leadership Team need to give further consideration to how staff might be led to feel more supported on the forward journey but without compromising the compelling need to press on with financial savings. Wider review of the staff survey results suggests that the council has work to do in order to assure that its communication channels are valued by staff. In making this statement, it is acknowledged that the need to make progress with financial targets has been and remains urgent.

In the staff survey, respondents were asked 'On a rating of 1-10 with 1 being the lowest and 10 the highest how do you feel as an employee of Somerset Council right now?'. The results were as follows:

Option	Total	Percent
1	150	6.47
2	156	6.73
3	276	11.91
4	287	12.39
5	400	17.26
6	265	11.44
7	352	15.19
8	277	11.96
9	98	4.23
10	54	2.33
Not answered	2	0.09

This suggests that the council needs to take further steps in order to improve morale, and the active delivery of largescale business change will make this very challenging. The Leadership Team is already active in this space, but it is likely that more needs to be done in this area.

The delivery of the Transformation Programme is a key ingredient for overcoming financial challenges in the short <u>and</u> medium term and needs to be finalised without delay. It is acknowledged that the senior team are taking vigorous steps in this direction, but the matter remains a risk for the reasons set out above, and the long lead in time to encash transformational savings from the work already done and remaining to be undertaken.

The council needs to do more to assure delivery of savings built into the 2023/24 and 2024/25 budgets. The review team is not aware of any process currently running to identify alternative savings.

The Transformation Programme, although developing in a useful way, is not yet mature in form or character and the council appears to be engaged in discovery activities to enable the eventual programme to encompass all such activity and to form the relevant workstreams. Equally, the arrangements for the corporate governance of the Transformation Programme are not yet in their final form and there is work to do to ensure that the Transformation Board which currently exists is fit for purpose to support the delivery at pace of the results that are required.

The review team recommends that a Director of Transformation with suitable experience and skills is appointed to lead the existing Transformation Board, and that the membership of that Board is re-constituted. Board membership largely comprises the Senior Leadership Team, which while understandable, it may mean that the skills and experience in the organisation to enhance delivery are not being fully exploited in the delivery of change.

It is also understood that certain large consultancy commissions have been let by the council in the areas of Adult Social care and SEND. It is recommended that the council looks carefully at the financial benefits that have been captured from these expenditures and learns from this experience in continuing to develop its future transformation endeavours.

The council has created an ambitious Transformation Programme in a short period of time. This Programme is well led and – in part – coherent and well structured. Attention is needed to build on existing efforts to brief and re-assure staff, although this will be challenging in the context of the number of staff reductions that are planned. Critically, these activities must not be allowed to delay or defer delivery of financial savings which is the overriding imperative for the council. Governance arrangements from transformation also need to be re-considered, building on the important work already done.

Risks

- 1. Delays in the implementation of the Transformation Programme will have major financial consequences.
- 23. The Transformation Programme (including the reduction in headcount) may be delayed or diluted.
- 26. Leadership of the Transformation Programme may not have the appropriate priority and visibility that it needs.
- 42. There is a lack of comprehensive visibility and monitoring of the full set of savings projects.

Recommendations

- 1. Press forward with its Transformation Programme to deliver the savings identified in the Unitarisation Business case.
- 23. Press forward with its Transformation Programme with all dispatch including the reduction in headcount which lies at the heart financial recovery for the council.
- 26. Appoint a Director of Transformation to help the council lead and shape the journey to secure cost reductions and provide a focus through a Transformation Board for monitoring, review and strategic decision making.
- 42. Include the transformational and savings projects variously operating in the council in the overall Transformation Programme for purposes of visibility, transparency, monitoring and strategic direction.

3.4 Review Area 4: SERVICE DELIVERY

An assessment of the effectiveness of council service delivery reflecting the importance of delivering outcome orientated, citizen focused services to reach a view on the council's ability to deliver services that are economic, efficient and effective, striking the right balance between cost and quality of service.

The efficiency of service delivery, including against comparator Local Authorities, sector metrics and wider public sector metrics.

Key findings and analysis

It is difficult to compare the council across its peer group as it has existed for such a short period of time. Medium-term comparisons looking backwards are skewed by the savings taken in the business case for unitarisation, and different governance arrangements have applied in the past. In addition, the Revenue Outturn (RO) Form data, which is a key dataset from such comparisons, is not available for the council at the time of writing.

For these reasons, limited insights are available from comparing the council with its geographic peer group and/or its Nearest Neighbours (NN)[1] but the overall position is shown below.

The Geographic peer group comprises the following councils:

- Bath and Northeast Somerset
- Bournemouth, Christchurch & Poole
- Bristol
- Cornwall
- Dorset
- Isles of Scilly
- North Somerset
- Plymouth
- South Gloucestershire
- Swindon
- Torbay
- Wiltshire

[1] The nearest neighbour analysis features 40 metrics that use a wide range of social-economic indicators. The tool is designed to interpret results and assess how the statistical distance between other authorities arises. It allows authorities to see how the statistical relationship between a council and its statistical relevant neighbours has changed.

Overall, the historic expenditure in Somerset shows that the area was relatively low-spending per capita and spent more on the care of children and less on the care of adults than its statistical neighbours. This position may have changed in 2024/25 following the additional resources provided to Adult Social Care by the council.

There is evidence that, historically, Somerset had relatively high levels of borrowing compared with its statistical neighbours, but this is likely due to the commercial investments worth some £280m undertaken by the legacy district councils. The levels of borrowing should reduce as these assets are disposed of and the proceeds used to pay off the associated borrowing. There is no reason to believe that borrowing costs are problematic at the present time.

Based on historic data, Somerset appears to have a high ratio of fees and charges compared to NRE among the geographical peer group.

Risks

No additional risks

Recommendations

No additional recommendations

Identification of particular service areas that are underperforming and the ability of the council to rectify the issue within its own resources and activity. This should include a view on the council's management of customer feedback and complaints procedures.

Key findings and analysis

The review team has been asked to specifically consider Adult Social Care and Children's Services in the context of service delivery. From a financial perspective, we make the following observations:

- each of these services forecast an overspend in 2023/24 to a combined total of £28.6m at the time of the Financial Emergency.

- alongside other services, each of these services appears to have engaged with the S151 Officer and Leadership Team to manage this position towards a balanced position by June 2024.

- high levels of additional resources were supplied to both services in the build of the 2024/25 budget (mostly to Adult Social Care), but Children's Services has continued to forecast outturn as an overspend of £6 - £10m by 31 March 2025, suggesting that there is still work to do and that additional support may be required to help leaders deliver services against the challenging budget set by the council.

- Children's Services owns an accumulated Dedicated Schools Grant (DSG) Deficit (estimated to be £96m by March 2026) driven by overspends against the High Needs Block. The council is not alone in experiencing deficits of this sort and is looking to manage this through a deficit management plan in place through the DBV programme.[2]

The council has configured coherent responses to the Financial Emergency which was driven by poor financial control in both Adult Social Care and Children's Services. Adult Social Care has been provided with resources to deal with the pressures highlighted but more needs to be done in Children's Services where cultural values regarding financial control could be strengthened. This could be developed as part of their transformational programme to assure that costs can be reduced in the medium-term whilst maintaining essential services.

Adult Services

Efficiency

Adult Social Care has been operating on a low budget comparative to other councils, 102nd in spend out of 125 authorities which participated in the LG Futures benchmarking exercise 2023/24, 11.2% below the Nearest Neighbour (NN) average of 16 authorities, and 14.1% below the England average. Within this, older peoples' services were 19.2% below the NN average and services for younger people with learning disabilities 10.8% above the NN average. This is based on projected expenditure (i.e., budget) rather than actual expenditure. Somerset experiences lower than average deprivation (92nd out of 151 authorities) which has a relationship with spend on older people's services with higher deprivation generally linked to higher spend.

The council has, however, been experiencing a growing level of overspend and last year the service delivered an overspend of £21.4 million, reduced to £17.4 million through the use of one-off resources. In particular, pay rates for residential and nursing care were inadequate and required a step change, some contracts came up for renewal, some continuing healthcare (CHC) funding was stopped, and there were some new placements. Some of these would produce a greater full year cost effect in 2024/25, although some such as CHC funding could be subject to renegotiation. The council, to its credit, recognised that this was unsustainable.

Accordingly, the budget was completely rebased for 2024/25 and given a 32% uplift, from £179.3 million to £237.3 million, the additional funding consisting of £59.8 million provider inflation and £9.3 million demographic growth. This is unusual, and the detailed budget build was informed by inflation, changes to the national living wage, placement patterns and fee levels, and demography. As part of the rebasing, the Directorate put forward savings proposals of £9.8m. The methodology and the proposed uplift were examined in detail by independent experts and taken through the council's Scrutiny processes. The relative spend compared to other authorities with the rebased budget will not be known for several months. This should be kept under review within the overall context of the council's finances, and regularly benchmarked.

The service commissioned a report from consultants *Newton Europe* to assist in approaches to savings and, in particular, to reducing numbers of residential placements. It is important that these insights and savings are brought into the over-arching

[2] This does not currently affect the council's revenue budget due to the statutory override. We note that this arrangement is expected to come to an end nationally in 2026/27, at which point the deficit will be charged to the revenue ledger in that year and would likely result in the issuance of a section 114 notice, as would be the case for any authority in a similar position.

Transformation Programme that the council is seeking to deliver. The service has good information on its services and uses it well in its planning.

Underperforming areas and rectification

In 2023/24, *Newton Europe* applied a diagnostic which concluded that 60 extra people could benefit from reablement per month, reducing ongoing care by 10%; the number of older people entering residential care could be reduced by 82 per year; 45% of adults in learning disability placements could be supported more independently; and 27 younger people per year could achieve more independent outcomes. This analysis was developed into a transformation programme entitled “My Life, My Future” which has informed strategies and budget proposals, specifically looking at prevention, reablement, reductions in residential placements, culture change in decision-making, and better use of data. This work and its adoption by the council is commended.

The service is working closely with providers to enhance the Shared Lives service for adults with learning disabilities as an alternative to residential care, to achieve shifts around transitions work, and to produce a good housing model for people with mental ill health, and these are all areas where possible improvements are indicated. It is also reviewing its use of extra care and supported housing to produce more genuine alternatives to residential care.

The service has experienced capacity issues and has had to operate waiting lists for assessments and reviews. It has worked to increase productivity with an increased throughput of around 20% and waiting lists have been reduced by 25%. Agency staffing levels are running at 22%. There is a comprehensive workforce strategy which has had successes including overseas recruitment and converting agency to permanent staff.

There is evidence that prevention is effective and progress has been made on plans, including that there is a 20% increase in community-based support packages and feedback from the 3 Independent Living Centres is very positive, over 30% more people now receive effective reablement, the length of stay in nursing and residential care has reduced to around 18 months indicating that older people are entering residential care when they have higher levels of need. The service is very high nationally in its use of direct payments, working with many “micro-providers” in rural communities to control costs and prevent escalation of need. The Local Government Association (LGA) Peer Review of March this year commented on a strong and effective approach to prevention.

The service has worked with staff to develop the community asset approach. It has established peer panels which meet daily to challenge spend and approaches before services are agreed and this is affecting practice and controlling spend. It also has such panels across health and social care addressing practice in relation to hospital discharge and other joint health and social care issues. The council has commissioned services to support this approach and in 2023 signed a memorandum of understanding with the NHS and the voluntary sector around developing community support.

The service has produced a comprehensive self-assessment in preparation for its Care Quality Commission (CQC) assessment. It uses data to understand its strengths and areas for development and has ample evidence that it acts on its analysis and can deliver. It faces challenges that are national issues and requires the continuing support and understanding of the council, whilst it must continue to demonstrate efficiency.

Alignment of service plans with the council's strategic priorities

The key active strategies for the service are as follows:

- the Adult Social Care Strategy 2023-26, which focuses on prevention and early help, the right support in the right place the right time, a supported skilled and flexible workforce, and being future focused.

- the Commissioning Strategy, which includes horizon scanning, and which feeds directly off of the Adults Social Care Strategy.

- the 2-year workforce strategy.

- the Transformation Plan, "My Life, My Future".

All these strategies are current, although some relate to long-standing approaches pre-unitarisation. They are informed by the *Newton Europe* diagnostic, and there is read across between them. The Council Plan 2023-27 has 4 priorities and the work of Adult Social Care fits within the priority "A Healthy and Caring Somerset". The workforce strategy is aligned with the Integrated Care System People Plan 2023/28. The Transformation Plan reports into the Corporate Transformation Board. There is good evidence of a 'golden thread'.

There is comprehensive governance within the service, plus a range of monitoring arrangements within the council. Scrutiny is used appropriately to examine strategies, performance and budget.

A great deal of work was carried out last year to develop an understanding of Adult Social Care, including the responsibilities and cost-effective approaches, but there is a natural tension. The first port of call when savings are required is prevention. Adult Social Care will need to continue to demonstrate that its strategies are effective, and that they are controlling expenditure. That being the case, the council will need to offer continuing support to these approaches, or it will experience more unavoidable expenditure further down the line. It is understandable that there will be continued detailed focus on Adult Social Care as the largest call on the council's budget. Monitoring should be proportionate and effective and, wherever possible, avoid duplicated effort so that enough management time remains available in the service. It is notable that Adult Social Care is presently reporting a small underspend in financial year 2024/25.

Effectiveness of approaches

In terms of the budget savings programme for 2024/25, all savings items are either delivered or projecting on target. There is detailed monitoring, including where relevant on a case by case basis, and supporting paperwork. There is clear governance within the service and the wider council. New residential placements are coming in at average £825 as opposed to £950 last year, which the service puts down to the changes being affected by the enhanced peer panels. The service began working with providers in good time to deliver contractual savings. Presently, Adult Social Care is projecting an underspend of £2.1 million. Adult Social Care is subject to many pressures and sometimes unforeseen developments; however, further work and progress, in particular in the market, could lead to an end of year underspend in the region of £10 million.

Management in the care market is well informed and partnerships are positive. The council is about to go out to procurement and in some cases reshape a number of block contracts. Managing well in the market will be crucial going forward. The Directorate will, later this year, incorporate Housing Services, which will present further opportunities around prevention and strategic shifts away from residential care.

In terms of core governance within the service, the Quarterly Assurance Board oversees delivery of the Adult Social Care Strategy; the monthly Adult Social Care Workforce Board oversees the Workforce Strategy; the monthly Adult Social Care Practice Board oversees learning from reviews and audits and translation into practice; the Working Together Board is a partnership arrangement with people with lived experience which includes co-production; the monthly Finance Board is chaired by the council's Finance Director and attended by NHS Somerset Integrated Care Board (ICB) finance managers; the Fortnightly Adult Social Care Transformation Steering Group oversees the transformation projects.

Adult Social Care is demonstrating the capacity and capability to deliver on its approaches and evidence was presented in interviews and in comprehensive documents to support this. The issues that the service is facing are largely national ones. The approaches are well informed by good use of information, and the service is subject to regular scrutiny within the council, via commissioned peer challenges such as the LGA Peer Review, and the South West Auditing Partnership which is looking at My Life, My Future, and it will shortly be subject to a full CQC inspection.

Conclusion

The council has rebased the budget for Adult Social Care with a very significant increase in 2024/25 following years of overspending against a low comparative base by Somerset County Council.

The service is now forecasting to remain within budget and further endeavour and resulting progress should enable the service to remain within budget and may produce an underspend at the end of 2024/25. The council has a clear understanding of its use of resources, and appropriate approaches to work to achieve strategic shifts in service where these are indicated by its performance and spend, including its approach to prevention, and to partnership work with health colleagues and care providers. The care market is well understood.

The approach of Adult Social Care is well linked into wider approaches in the council and the senior managers have worked hard to ensure that the service and its pressures are understood corporately and politically. Challenges are largely national ones. Adult Social Care has strong governance and, in the context of the financial pressures in the council, will need to continue to demonstrate effective prevention and cost-effective services, with costs benchmarked. At the same time, it will need to be supported in its cost-effective approach, with proportionate monitoring, so that the service has the capacity to manage a complex set of services.

Children's Services

Efficiency

Somerset's relative spend on Children's Services has historically been 10.2% less than geographic neighbours' average in 2022/23. In broad terms, the main drivers of expenditure in children's social care (CSC) are numbers of children looked after (CLA). Somerset had

569 CLA per million compared with geographic neighbours (684) and also statistical neighbours (704) in that year. [3]

This relatively low figure (though now increasing, as elsewhere) will, in part, be a consequence of the continuing investment in services designed to support families early and prevent admissions to care. At the same time, managers are keen to tackle relatively high school exclusion rates which are viewed as linked with some preventable admissions to care. Use of predictive analytics and algorithms is also beginning to support early identification of children and families in potential need of support.

Monitoring should be proportionate and effective and, wherever possible, avoid duplicated effort so that enough management time remains available in the service. Expenditure control and authorisation has over time brought pressure to justify expenditures and the established corporate monitoring and governance arrangements together give assurance that baseline efficiencies have been taken over time. With some agreed exceptions (e.g., care leavers' allowances), spending control processes require Director authorisation above *de minimis* levels. In the council's circumstances, this is understood by the service area, and monthly meetings review exceptions for unanticipated consequences such as decision delays or spend increases needing remedial action.

Savings

Significant budget increases have been allocated to Children's, Families and Education Services in 2024/25 but are considerably short of declared pressures, and a recent influx of children requiring care (up 15% over the last year) is already placing pressure on spend. Savings targets of around £9.6 million for the directorate included in the MTFP are largely aimed at achieving social care efficiency through alternative service models, in particular, via new contracts for local housing related support and accommodation for young people with complex high needs in innovative partnership relationships, and enhanced foster care recruitment.

These are all sensible strategic measures representing good practice and not straight cuts. It appears that, despite the pressures, Children's Services are, therefore, not under pressure to identify "short term fix" savings targets which would compromise planning and delivery either of existing service plans or the wider strategic direction towards early help and prevention which will deliver better and cheaper services in the medium to longer term.

Budget progress and savings achievement is appropriately monitored, scrutinised and challenged in directorate and corporate forums, including the Finance Board which reports to the Children's Transformation Board which is independently chaired by a previous Director of Children's Services (DCS) and local authority Chief Executive. The Children's Transformation Board in turn reports to the Corporate Transformation Board. However, despite this robust accountability, the level of savings achievement is considered high risk by senior managers. Therefore, the risk of some savings non-achievement, when combined with already emerging pressures, must make 2024/25 overspend likely.

This suggests that cultural change is required in the management of financial resources and that additional training may be beneficial for resource managers in the Directorate.

[3] Comparative expenditure data is subject to the qualifications referred to elsewhere in this report.

Underperforming areas and complaints

OFSTED concluded in 2022 that Somerset County Council's Children's Services are "good" in all areas. However, a particular area for improvement was the need for greater "placement sufficiency for older children with complex needs". A key initiative in building this sufficiency has been Homes and Horizons, a ten-year strategic partnership between Somerset County Council, Shaw Trust, and Somerset NHS Foundation Trust. This initiative, set to deliver ten family-sized homes for children across Somerset, twenty specialist fostering households, and a therapeutic education service, provides greater local capacity for providing personalised care for children with complex needs and gives the council better control and value for money. Projected cost avoidance through this better value approach is projected as £1.8 million in 2024/25.

The 18 July inspection report to the Local Safeguarding Partnership comments on the effectiveness of the multi-agency response to children aged ten and over who are at risk of, or affected by, serious youth violence and/or criminal exploitation. The report concludes "Ineffective partnership working between agencies has led to a failure to identify, understand and respond to the extent of serious youth violence and the criminal exploitation of children in Somerset. As a result, children are being left at risk of significant harm. In addition, serious weaknesses in multi-agency safeguarding practice, professional curiosity and information-sharing mean that, for many children with increased vulnerability to serious youth violence, the risks are not identified at the earliest opportunity." The council has responded rapidly with a detailed action plan submitted to the Partnership. The importance of addressing the range of issues is recognised and progress will be monitored by the relevant inspectorates. The 2022 OFSTED inspection rated "The experiences and progress of children who need help and protection" as "good", and internal monitoring and assurance arrangements include the Quarterly Safeguarding Review Meeting led by the council leader, portfolio holder and Chief Executive.

Regarding complaints, in line with statutory requirements, the council produces annual reports. The most recent report is comprehensive, both in its reporting and analysis, and provides evidence of learning to support service improvement.

Alignment with the council's strategic priorities and long-term plan

The Council's June 2024 Improvement and Transformation update reports progress on the five areas of focus in the plan running to March 2025 i.e., *new organisation design, workforce programme, innovation and change programme, partnerships, devolution and localities programme, and savings delivery plan.* This is a high-profile whole-council commitment involving a series of Leadership Team away days bringing Executive and Service Directors together to lead the transformation programme planning and delivery.

Reporting to the Corporate Transformation Board is the Children's Transformation Board, independently chaired by a respected national figure to add appropriate support and challenge. The Children's Transformation Programme has four themes: l*ocal mainstream school is the right choice for most children; developing an excellent workforce for children; families can access support early; and sufficient homes for children in care and school places for children with additional needs in Somerset*. These themes are the focus of detailed supporting structures and service plans and can be viewed as well aligned with the vision and priorities set out in the 2023-27 Council Plan. The robust governance arrangements driving transformation across the council should ensure continued joined up focus and use of resources.

Effectiveness of approaches

OFSTED concluded in 2022: “The director of children’s services and senior leaders across the council work together effectively to improve services for children… The council is committed to driving up standards for Somerset’s children and is rightly proud of the significant progress it has made since the last inspection in 2017”. Interviews with senior managers demonstrated ambition for children while recognising a context of unprecedented financial pressure and did not present as defensive or protectionist about the need to find efficiencies and savings wherever possible. The culture appears to be outward looking, both in terms of engagement with regional and national bodies and readiness to respond to external reviews. The service area has clear ambitions and direction and there is no obvious case in performance or VFM terms for consideration of different delivery models at this time.

Regarding commissioning and procurement, the council’s 2023-28 Sufficiency Strategy sets out plans for the “provision of safe, secure and appropriate homes for children in care and care leavers…” The Homes and Horizons ten-year strategic partnership between Somerset County Council, Shaw Trust, and Somerset NHS Foundation Trust is a well-developed initiative set to deliver ten family-sized homes, twenty specialist fostering households, and a therapeutic education service which is geared to supporting more children locally. Many of these children would otherwise be in expensive out of area placements in a market where there are calls nationally for greater oversight into structure and functioning. The Executive Director and colleagues work with other authorities in managing placements issues strategically through joint commissioning approaches as best as possible, and Somerset is part of the Peninsula fostering and residential frameworks which is a sub-regional commissioning arrangement with Devon, Plymouth and Torbay Councils.

Assessment of progress

Improvement requirements from the 2022 OFSTED inspection were located in children’s service plans. Verbal feedback from senior managers indicates OFSTED satisfaction with progress based on the recent Annual Conversation with the Executive Director. Children’s Services have been subject to various reviews aimed at improving children’s experiences and outcomes and delivering better efficiency and value for money over recent years. It is encouraging that consultants Empower and PeopleToo proposals around foster care group support arrangements and modelling to help manage pathways and avoid drift for children in care have for example been taken up by the service with actions built into service plans. Progress will continue to be monitored internally through weekly Head of Service meetings and monthly at senior management level, and upwards through the Transformation Programme machinery.

The newly drafted service plan for 2024/26 appears well geared to supporting further progress in delivering the four Transformation Programme priority workstreams: *local mainstream school is the right choice for most children; developing an excellent workforce for children; families can access support early; and sufficient homes for children in care and school places for children with additional needs*. The four key action areas appear well-focused, summarised as:

- retention of staff and development of the workforce, including foster carers.
- excellent practice with children and families.
- partnership working to enable children to play an active role in their community and access education and leisure activities.

- promoting permanence for children, with a focus on children remaining in / returning to family networks where safe and improving placement stability.

Overall position

The range of documents seen, senior management interviews, specific financial approval processes, the various departmental and corporate reporting and monitoring arrangements, and the independently chaired Transformation Board together represent sound arrangements for accountability in this very difficult financial climate. Importantly too, Children's Services is keeping an appropriate focus on strategic direction which will, over time, lead to better experiences and outcomes for children, at lower cost and better value. However, the serious risk of further overspend indicated earlier suggests it is worth reinforcing.

In an environment where tough decisions will continue to be required, every effort needs to continue to be made to demonstrate commitment to cost reduction openly and constructively at corporate level. Inviting periodic reviews and participating in learning events will continue to indicate an open learning organisation as well as help retain cross-council confidence in the tight financial environment.

Although Somerset – unlike in some other areas – has maintained levels of investment in services to prevent admissions to care, the business case will need to be continually demonstrated as providing better medium term value and cost avoidance.

Summary

OFSTED's judgments on Children's Services in Somerset have shown steady progress from Inadequate (2015) to Requires Improvement to be Good (2018) to the current rating of Good in July 2022. The ambition to be rated Outstanding is evident in documents and discussions with senior managers. The challenge facing the council is how to maintain and build upon the progress of recent years amid rising demand and subsequent pressure on caseloads and resources. This challenge is by no means unique but exacerbated by the wider council's financial position, creating difficulties and requiring tough choices for the council:

- in meeting current presenting needs amid increasing demand in Somerset as elsewhere.

- critically, in maintaining and building on the council's evident commitment to prevention, early help and family support which leads to better experiences and outcomes for children and families and is a significantly cheaper and better value approach.

For these reasons, although the council's Children's Services have improved significantly, and ambitions are there to progress further, without continued financial commitment and a continued cultural change in Children's Services with regard to resource management, performance and continued improvement must be seen as carrying risk. This also includes further developing the business transformation approach in Children's Services.

Risks

- 41. Opportunities to top up General Reserves at the year-end are missed.

- 44. There are potential problems in achieving the required transformation in Children's Services.

Recommendations

- 41. Ensure any underspend in Adult Social care into its General Reserves at year end.
- 44. Ensure that transformational approaches are developing in Children's Services and take urgent steps to ensure that suitable external advice on framing such approaches if this is not the case.

A view on the extent to which service plans are aligned to the council's strategic priorities and long term plan.

Key findings and analysis

The council is engaging in planning activities which appear to relate satisfactorily to council priorities. The council has set out its priorities, corporate values and the content of service plans in a way that is broadly comparable with the generality of local authorities. The materials prepared by the council draw out suitable cross cutting themes. The corporate priorities are stated as follows:

- a greener, more sustainable Somerset
- a healthy & caring Somerset
- a fairer, ambitious Somerset
- a flourishing & resilient Somerset

Risks

No additional risks

Recommendations

No additional recommendations

A consideration of the effectiveness of the chosen approach in delivering services (i.e. in house or external). This should include a consideration of how the operation of the procurement functions is geared towards effective service delivery, including overall management of the pipeline, capacity and capability of officers, the adequacy of the processes, and culture and attitude towards procurement.

Key findings and analysis

The council has a Procurement Team which, like the majority of such teams across local government, has challenges in recruiting sufficiently skilled and experienced professional staff, in rising to the training and implementation challenges of the new Procurement Regulations recently promulgated by Government, and in developing systems that will enable procurement endeavour across the council to be cohered and improved. The council has a detailed procurement pipeline that is held by the Procurement Team.

The council is pursuing the correct courses of action to develop these services by seeking to update systems, develop subject matter experts, and build relationships with

Directorates. In this regard, more needs to be done but is constrained by the small size of the Procurement Team and the diminished resources that are available in the new council structure which is driven by the Transformation Programme. Further, many managers harbour outdated cultural assumptions about the best way of engaging with suppliers to provide VfM in procurement. It is suggested that performance by directorates in the procurement sphere is brought regularly to the Leadership Team table by the Head of Procurement.

The council, driven by the need to merge the services inherited from the legacy councils, has developed and continues to develop its ability to review business proposals in detail. In the opinion of the review team, it is suitably equipped to form and undertake option appraisals to inform strategic choices in delivery methods.

Overall, while the Procurement Team has done a great deal of valuable work, ,more needs to be done by the council in this area.

Risks

- 45. There is not enough performance management of the procurement service

Recommendations

- 45. Ensure that regular performance reports describing performance by directorates in complying with (a) corporate policy and (b) the latest statutory changes are presented by the Head of Procurement to the Leadership Team and the Executive.

3.5 Review Area 5: TRANSFORMATION

An assessment of the council's original unitarisation business case and the progress it has made against this plan.

Key findings and analysis

It appears likely that the business case for unitarisation may have under-estimated the timescales over which the benefits of the new council might reasonably come to hand. The savings have not yet been fully delivered, although significant progress in delivering savings has been made.

Of the total saving of £18.5m, £8.8m has been delivered with the remaining staffing savings to be accomplished by the end of 2025/26. The council is set to achieve this through the Transformation Programme currently running. There is reason to believe that the staffing savings can be delivered in balancing the 2025/26 Budget. The previous sections of the report provide an overall picture of the progress made and the risks and recommendations are reflective of that.

Risks

No additional risks

Recommendations

No additional recommendations

An assessment of the council's future transformation plans and ambitions around service delivery.

Key findings and analysis

The council is proceeding at pace with initiatives that it describes as a Transformation Programme and which contains a number of layers which, taken together, have the prospect of assisting the council in right-sizing its workforce to meet the business case for unitarisation, to drive out inefficiencies from existing business processes, and which is planned to develop into a technology driven transformation programme (although that element is in discovery/development at this time). All of these are appropriate and necessary.

However, the very large re-structuring and downsizing exercise is critically important but has been formed with risks around the downsizing of resources without the agreement of detailed target operating model or models across the council. The cost savings will be critically important but run the risk of some disruption to service should the judgements around remaining resource levels emerge as untested. This could have been avoided by agreement of detailed target operating model(s) before re-structuring commenced.

The line of sight between transformation boards in Adult Social Care and Children's Services and the Transformation Board at corporate level is not yet clear and needs further development.

Although the council has several strands of business change running, these are not necessarily focused on business transformation. That said, some strands of work undertaken by major consultancies appear to have been undertaken, but it is not clear what – if any – financial benefits are arising as a result. These projects and initiatives need to be assembled into an all-embracing business transformation programme that includes all change activity (transformational and otherwise) in a single and coherent programme.

Workshops have recently taken place about using technology to drive change and these are vitally important to enable essential services to remain affordable in the medium term.

The council is taking action to set in place a suitable programme to deliver a wide-ranging Transformation Programme in the short to medium term. It is to be commended for the progress made. However, much remains to be done in an operational arena where there are competing priorities. The council's Leadership Team is seeking to proceed at pace and this is supported by the review team.

Risks

No additional risks

Recommendations

No additional recommendations

A view on the robustness of the governance arrangements for managing the Council's savings delivery and transformation programme.

Key findings and analysis

It is difficult to see how these arrangements can be regarded as satisfactory at the present time.

In 2023/24, £10m of savings were not delivered. These additional costs have been built into the MTFP moving forwards but there appears to be no system to support managers to unlock delivery, insufficient grip to ensure that agreed savings are delivered and overall weaknesses in responsibility and accountability. At period 2 in the new financial year 2024/25 savings are already being classified as undeliverable.

There appears to be no single Director of Transformation to lead the corporate programme, to control its thrust and boundaries, to promulgate new consultancy commissions, to assist with the development of business cases, and to operate systems to assure attainment of both savings and performance in the adopted change streams.

At member level there is no portfolio holder for Transformation alone as this responsibility is brigaded alongside Human Resources. This position needs to change to allow a more focused approach to the overall transformation journey

The need to engage in monthly reporting of progress with delivery of agreed savings has been noted elsewhere in this report and the need to develop a more sophisticated traffic light system as an aid to management, noted.

Concerns regarding the fact that the Corporate Transformation Board is to be regarded as the Leadership Team in another form have also been raised elsewhere in this report.

The Leadership Team has done well to create a transformational approach within the council and have done so at pace and with considerable skill, but further progress is needed to encash savings. Further, improvements to governance arrangements and provision of additional focused leadership will be important moving forward. This is not to be seen as a negative comment on the quality of existing leadership, simply an acknowledgement that additional resources are needed to ensure decisions are formed and presented for decision at pace in the short and medium term.

Risks

No additional risks

Recommendations

No additional recommendations

Annex

A1 Risk Assessment – Method

Likelihood \ Impact	Critical:3	Moderate:2	Marginal:1
Probable:3	High - 9	High - 6	Medium - 3
Occasional:2	High - 6	Medium - 4	Low - 2
Improbable:1	Medium - 3	Low - 2	Low - 1

Likelihood:

- Improbable – possible, but unlikely to happen.
- Occasional – might happen, might not happen, in the order of 50/50
- Probable – most likely will happen.

Impact:

- Marginal – some minor (less than £1000) costs involved, possible minor operating difficulties largely contained within the council, some awareness / action may be required by members.
- Moderate – financial losses / costs up to £100,000, operating impacts hitting services for some of the community, a significant issue for members to deal with
- Critical – major financial losses / costs in excess of £100,000, subsequent intervention by MHCLG or other 3rd parties, reaches national press interest, major political embarrassment for members.

A2 Documents Reviewed

A. <u>Children's Services</u>

Somerset Council 2024/25 General Fund Budget and MTFP

Ofsted Children's Services Inspection, September 2022

Joint Area Child Protection Inspection, July 2024

Homes and Horizons MJ Awards application, Steering Group and cost avoidance reports, 2023/25

Children's Transformation Corporate Transformation Report and Governance Diagram, June 2024

Children and Families Scrutiny Committee Workplan 2024/25

Children's Social Care draft submission to Joint Targeted Area Inspection Action Plan, June 2024

Draft Children's Social Care Priorities September 2024 – Sept 2026

Minutes of Quarterly Safeguarding Meeting, August 2023

Somerset Council Improvement and Transformation Programme Update, June 2024

Somerset Council Sufficiency Strategy 2023-28

B. <u>Adult's Services</u>

CIPFA data pack

Our Somerset – Together we can – Mo September 2023

2024/25 General Fund Budget and Medium Term Financial Strategy

Somerset Adults Social Care Self-Assessment July 2024

LGA Peer Support Presentation

Council Plan 2023-27

Market Position Statement 2023-26

Adult Budget Setting February 2023 Presentation

Adult Social Care Risk Register

Adults finance update: My Life, My Future programme July 2024

Adult social care workforce strategy 2024-26

Medium Term financial plan tracker 2024/25

Adult Social Care Strategy 2023-26

LGA Adult Social Care Preparation for Assurance Peer Challenge March 2024

C. <u>Finance & Corporate</u>

Medium Term Financial Strategy

Council Budget papers 2024/25 presented and approved at February Council

Document: debtor management

HRA Outturn Report 2023/24

HRA MTFP 2023/24

HRA 30 Year Business Plan

Finance & Procurement Staffing structure

Corporate Structure Chart

Procurement Interim Structure Chart

Example of Power BI Report

MRP Policy

Document: showing DSG cumulative deficit

Treasury Management Strategy & Monitoring

Balance Sheet Review undertaken by external consultants December 2023

General Fund Budget Monitoring 2024/25; emerging issues

Provisional Outturn 2023/24

Letter to DLUHC from SCC for LGR December 2020

Council Plan 2023-2027

Procurement Strategy

Headline Review of MTFP July 2024

Staff Survey 2024

Review of the MRP Autumn 2023 by specialist consultants

Developing the Approach to Transformation – Executive report

New Staffing Structure

Property Disposal Programme

Annual report to Somerset Council 2022/23

Sundry financial reports on various aspects of the Council's operations

Paper on Control Boards

Improving Contract Management: briefing paper

Council Tax trends

Service Plans

Transformation Board Terms of Reference

A3 Interviews Conducted

Service Director of Workforce

Interim Head of Legal

Deputy Leader of the Opposition (Con)

Service Director Legal & Democratic (MO)

Service Director - Adults & Health Commissioning

Service Director - Strategy & Performance

Chair of Corporate & Performance Scrutiny Committee

Leader of the Opposition (Conservative Group)

Service Director - Adults & Health Operations

Service Manager - Adults & Public Health Finance

Executive Director - Community Services

Chair of Audit & Risk Committee

Service Director for Finance & Procurement

Executive Director of Strategy, Workforce & Locations

Project Lead for Dynamics 365

Portfolio Holder- Finance

Executive Director of Adult Services

External Auditor: Partner (Grant Thornton)

Head of Commercial Investment

Senior HRA Business Partner

Leader of the Council (Liberal Democrat Group)

Service Director - Commissioning & Performance

Chief Executive & Head of Paid Service

Service Director - Adults & Health Strategy, Transformation & Performance

Portfolio Holder for Education, Children & Families

Service Director - Children & Families

Head of Procurement

Director of Finance & S151 Officer

Portfolio Holder for Adult Social Care

Director of Children's Services

Service Director - Strategic Asset Management

Assistant Director South West Audit Partnership (Internal Audit)

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