



Date of Meeting: 5 November 2019

Cabinet Members: Cllr Peter Wharf, Cabinet Member for Corporate Development and Change

Local Member(s): All

Lead Officer: Aidan Dunn, Executive Director of Corporate Development

**Executive Summary:**

This report presents the draft of Dorset Council's Transformation plan (attached at appendix 1). It sets out the objectives of transformation, the timescales, proposed budget, proposed governance structure, design principles and anticipated benefits.

The Plan has been developed with portfolio holders, shared with the Resources Scrutiny Committee (30 September) and facilitated by officers. The Plan will continue to be developed over the next three months, including an all-councillor workshop, before going to full council on 13 February 2020, along with the budget and whole-council plan, as a key component of Dorset Council's first ever business plan.

Transformation should ultimately be self-funding, as long-term savings cover the cost of change, but a short-term investment fund is needed to initiate the projects within each transformation programme. £5million has been earmarked from funds made available by predecessor councils converging, which Cabinet is asked to agree.

Expectations on the Council's transformation activity are difficult to overstate. Not only must it contribute significantly to the funding deficit, it must do so in a way which meets the aspirations of local residents, businesses and public sector partners, and the expectations set out in the Future Dorset proposal. The governance of the plan is critical to ensuring benefits are realised, savings are delivered and projects meet their objectives. A proposed governance structure is show in section 2.

Councillors are asked to approve the draft plan at appendix 1, in accordance with the funding, governance and next steps outlined below.

**Equalities Impact Assessment:**

An assessment of the impact of the plan is attached at appendix 2.

**Budget:**

A transformation fund of £5million has been created to fund initial transformation activity. Details of the fund and proposed criteria are shown below.

**Risk Assessment:**

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: High

Residual Risk: High

The council has a corporate risk, identified as high, which is 'failure to adequately manage the financial position leads to an overspend which is untenable in the medium term'. The proposals contained within the report aim to mitigate it by providing the resourcing needed to deliver transformation, and the governance required to oversee its delivery.

**Climate implications:**

None identified in this report.

**Other Implications:**

None identified.

**Recommendation:** That the Cabinet:

1. Approves the draft Transformation Plan attached at appendix 1.
2. Approves the creation of a £5million transformation fund, and the allocation criteria detailed in section 3.
3. Delegates to the Transformation Board as an Executive Committee of the Cabinet (comprising the Leader, the Cabinet Member for Corporate Development and Change, and the Cabinet Member for Finance) responsibility for:
  - a. Oversight of the Transformation Plan; and
  - b. Allocation of the transformation fund according to the criteria.
4. Approves the proposed governance arrangements for transformation activity particularly the role of the Transformation Board and its accountability to Cabinet.
5. Notes the equality impact assessment and suggests any additional activity required (appendix 2).

**Reason for Recommendation:**

To ensure Dorset Council's first transformation plan delivers on its expectations.

**Appendices:**

1. Draft Transformation Plan
2. Draft Equality Impact Assessment

**Background Papers:**

Draft Council's Draft Plan 2020-24 (Item 7, Cabinet, 1 October 2019)

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**1. Background**

- 1.1 The Future Dorset proposal for local government reorganisation made it clear that LGR was never intended to stop at changing administrative boundaries, or even at creating a new council. LGR was intended to act 'as a catalyst to deliver a 21<sup>st</sup> century model of local government...to develop transformed operating models to deliver savings and improvements far in excess of simply reorganising'<sup>1</sup>. Furthermore, PwC estimated that transformation could release recurring annual savings of as much as £66million across both unitary councils in Dorset.
- 1.2 The council's response to these aspirations is set out in its first ever transformation plan, attached at appendix 1. Further work is needed to develop the plan, as detailed below, and a final version will be presented to full Council, along with the budget and council plan, on 13 February 2020.

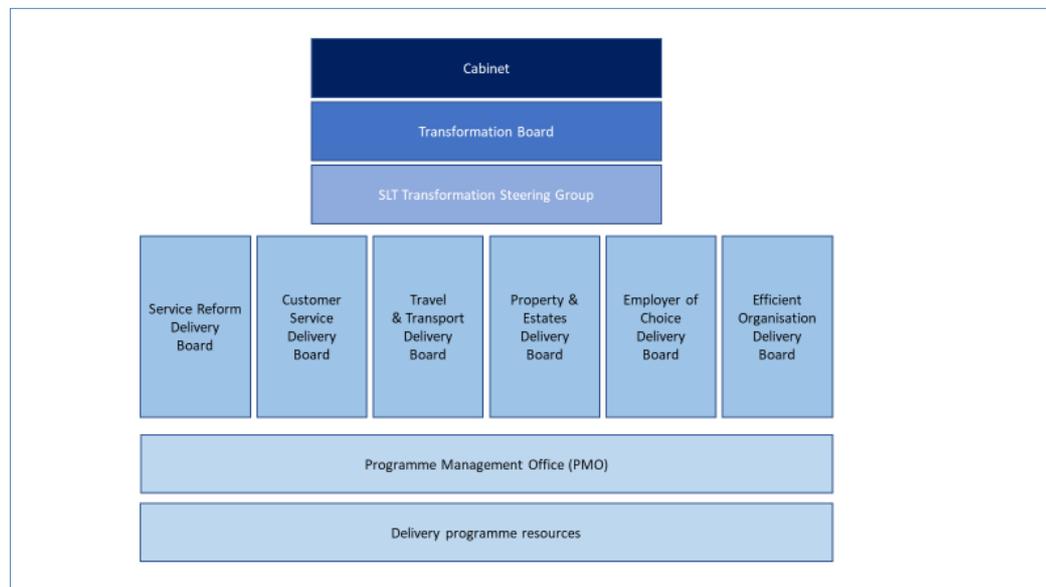
**2. Dorset Council's Draft Transformation Plan: Overview**

- 2.1 The transformation plan is a four-phase programme to be delivered over 5 years. Phase 1 – discovery – concluded on 30 September. The draft Council plan adopted by Cabinet on 1 October identified six transformation themes, which are:
- **One council service reform** - *rethinking our services and using co-design with our customers and partners*
  - **Customer service** - *understanding customer experience and making services accessible*
  - **Property and estate** - *delivering services in the right place by making best physical and financial use of our estate*
  - **Travel and transport** - *improving integrated travel options for residents of all ages and in all communities*
  - **Employer of choice** - *working together to maximise our workforce potential, shape our culture and help our people adapt to, and engage in, change*
  - **Efficient organisation** - *modernising the way we work so we are leaner, digital and modern in the way we deliver services across the council*

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<sup>1</sup> Case for Change: Local Government Reorganisation in Dorset (pgs 9-10), PwC, December 2016

- 2.2 In terms of governance, it is proposed that the Transformation Board oversees the transformation plan on behalf of Cabinet, as shown below.



- 2.3 The transformation plan was discussed at Resources Scrutiny Committee on 30 September. The medium-term financial plan – one of the three elements of the business plan – is due to be scrutinised at their meeting in November, and at time of writing, another meeting is expected to be scheduled for January 2020.

### 3. Transformation Fund

- 3.1 £5million of reserves from within the current budget framework has been repurposed to create a transformation fund, which Cabinet is asked to agree.
- 3.2 In terms of criteria, it is proposed that successful applications to the fund must:
- Deliver the priorities for Dorset Council
  - Fundamentally change systems, processes, people or technology across the whole organisation to improve outcomes for residents
  - Be able to deliver the proposal straight-away
  - Be costed and financially viable
  - Demonstrate cross-council working
  - Evidence the rationale using robust data and customer insight/research
- 3.3 Given the pressure on the budget, it is also proposed that priority be given to proposals that deliver the most immediate financial savings.
- 3.4 Applications will be assessed and shortlisted by senior officers, who will identify areas of alignment, seek opportunities to join up similar work for whole-council benefit and consider resourcing.
- 3.5 It is proposed that final allocation of the fund sits with the Leader, the Cabinet Member for Corporate Development and Change, and the Cabinet Member for Finance (the Transformation Board) in consultation with the Executive Director of Corporate Development.

## Draft Council plan

- 3.6 The Monitoring officer has advised that the creation of the £5M transformation fund and the agreement of the criteria to be applied in making decisions about the allocation of the fund amount to key decisions by the Cabinet. Subsequent allocations from the fund by the Transformation Board (applying the criteria agreed by the Cabinet) will not amount to further key decisions requiring publication in the Cabinet's forward plan.

## 4. Next Steps

- 4.1 The transformation plan will continue to be developed over the next three months, and activity will include:
- A councillor workshop in December
  - An initial round of the transformation fund
  - Further meetings with lead members
  - Further project development
  - An employee workshop
  - Discussion at Scrutiny Committee
  - Feedback as part of the whole-council plan conversation
- 4.2 Feedback from these activities will inform the development of the plan before it goes to full council on 13 February, along with the council plan and budget.
- 4.3 An equality impact assessment has been undertaken and attached at appendix 2. This process will inform the EqIA of the business plan as a whole, and will accompany the final suite of documents to full council on 13 February.



Version:	V2.0
Date:	10 October 2019

## 1. Introduction

This document sets out the council's Transformation Plan 2019-2024. It has been written by officers as an internal guide for colleagues and Councillors about how the transformation of the new Council will be prioritised, funded, governed and measured.

## 2. Background

On 1 April 2019, employees and Councillors delivered a 'safe and legal' new council for Dorset, four years after LGR was first discussed. A final audit of the process was undertaken in May, and the Shaping Dorset Council programme formally closed on 30 April.

The Future Dorset proposal made it clear that LGR was never intended to stop at changing administrative boundaries however, or even at creating a new organisation. LGR was intended to 'act as a catalyst to deliver a 21st century model of local government...to develop transformed operating models to deliver savings and improvements far in excess of simply reorganising'.

Our ambition 'to design, build and implement a system of local government that is streamlined, entrepreneurial, agile, innovative, ambitious and sustainable' is undiminished, and we still have 'the potential to be used as the template for the development of new councils elsewhere in the country'<sup>2</sup>. Furthermore, PwC estimated that recurring annual savings of £66 million would be possible from transformation and reorganisation (across both unitary councils in Dorset).

More recently, the Council commissioned a Corporate Peer Review, which reiterated the importance of the council's transformation plan. Amongst other things, the review recommended that:

- The transformation plan should be phased, with initial activity focussed on financial savings for 2020-21 and a clear read-across to the medium term financial plan
- Attention is needed on *building, resourcing and sustaining* transformation, to secure the benefits we need
- The transformation plan (indeed all activity) needs to sit within the context of a wider Dorset 'brand' (how we want our residents, staff, partners and stakeholders to experience and perceive the council).

The council's response to these aspirations is to develop this plan in more detail, and a final version will be presented to full Council, along with the budget and council plan, on 13 February 2020.

## 3. Purpose and Objectives of the Transformation Plan

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<sup>2</sup> Case for Change: Local Government Reorganisation in Dorset' (pages9-10). PwC, December 2016.

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The Council's objective with this transformation plan is to bring whole-council projects into a coherent, joined-up approach to change, that meet the council's priorities, as set out in the Dorset Council Plan, and achieve our financial targets in the medium-term financial plan. This will enable wider benefits to be realised than if managed through traditional directorate silos. This will also provide bigger opportunities, by linking similar objectives in different services to maximise benefits across the system, and make better use of the investment in terms of people, time, money and other resources required to effect change.

The Council Plan will be achieved through a combination of transformation projects and business as usual activities, and we need to differentiate between them. Transformation projects are formalised and governed through programme delivery boards and a Transformation Steering Group, and the business as usual activities are managed through directorate plans governed by directorate management teams (DMTs) and overseen by the senior leadership team (SLT). Both sets of plans are in development and will be finalised and adopted before 1 April 2020.

#### **4. What transformation means for Dorset Council**

The standard definition of transformation is "fundamentally changing the systems, processes, people and technology across a whole organisation to achieve measurable improvements in efficiency, effectiveness and stakeholder satisfaction"

For Dorset Council this means fundamentally changing the way we deliver our services and the way we operate, to achieve our council priorities within our financial constraints. It means approaching this as a whole system change, applying solutions that meet the needs of our residents as a whole.

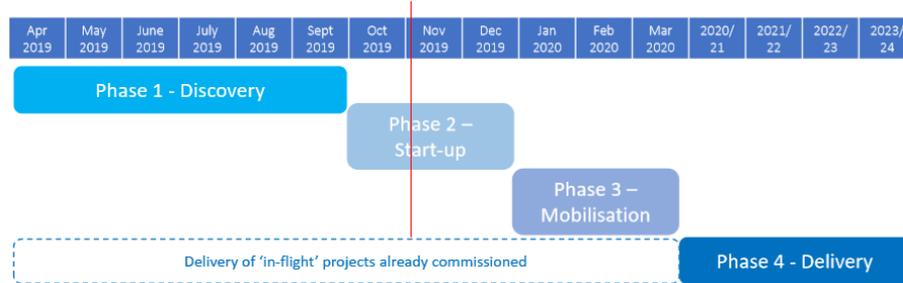
The transformation plan operates alongside business as usual (BAU) projects or activities set out in directorate plans, both contributing to the achievement of the Council's priorities. A BAU project or activity is one that contributes to the achievement of a service or directorate plan, has no cross-council implications, and does not need transformation investment or resourcing.

#### **5. Transformation Phasing**

The transformation plan is a four-phase programme delivered over 5 years. This diagram set out the activities within each phase that are required to enable the council to deliver its first programme of transformation in 2019-24.

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# Transformation Plan Timeline



- **Phase 1 - Develop objectives and one central picture of current and proposed change**  
Determined all change activity being undertaken at the point of the councils merging. Added transformation propositions from a financial modelling exercise.
- **Phase 2 – Define and set-up the programmes**  
Six programmes defined and delivery board for each set-up. Transformation fund of £5m made available for bids to aid the realisation of benefits. Governance of the new whole-council programme approach developed. Further details in transformation document circulated previously
- **Phase 3 – Mobilisation**  
Delivery plans developed, resources assigned and project teams assembled. Overall dependencies mapped.
- **Phase 4 – Deliver transformation**  
In 4 stages: year 1 - 2020/21, year 2 - 2021/22, year 3 - 2022/23, year 4 - 2023/24

Discovery was undertaken from 1 April 2019, with an exercise to determine all the change activity that was being undertaken at the point of the councils coming together. This elicited a list of around 250 projects and ideas and began to present a single view of:

- Legacy projects already in flight from a previous council
- Tactical projects initiated post day 1 as a direct result of the Shaping Dorset Council programme
- Transformation projects identified by a legacy council but put on hold pending LGR
- Transformation projects identified by the Shaping Dorset Council programme for initiation post day 1

This phase concluded on 30 September, and on 1 October the Cabinet agreed a transformation plan based on the following six themes:

- **One council service reform** - rethinking our services and using co-design with our customers and partners
- **Customer service** - understanding customer experience and making services accessible
- **Property and estate** - delivering services in the right place by making best physical and financial use of our estate
- **Travel and transport** - improving integrated travel options for residents of all ages and in all communities
- **Employer of choice** - working together to maximise our workforce potential, shape our culture and help our people adapt to, and engage in, change
- **Efficient organisation** - modernising the way we work so we are leaner, digital and modern in the way we deliver services across the council

The legacy projects have been mapped into these programmes with an acknowledgement that during phase 2 start-up, each programme's scope would be refined accordingly.

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Phase 2 will be delivered from 1 October – 31 December 2019 with the set-up of six programmes. The following start-up activities will be undertaken for each new programme board:

- Sponsor assigned
- Board membership agreed
- Roles and responsibilities confirmed
- Terms of reference agreed
- Monthly meetings diarised
- Review of other corporate meetings to remove duplication and free up officer time

The following activities will be undertaken to refine the scope of each programme:

- Review legacy projects and recommend the closure of any projects that do not meet the new priorities and/or are don't represent best value
- Review legacy projects and consolidate as required
- Liaise with other programmes if there are projects in the current scope which would be better managed in another programme
  - Identify other transformation projects to be included in scope

To initiate the proposed change, a transformation fund of £5m will be available for applications to aid the realisation of financial, customer and efficiency benefits. Priority will be given to applications that give a return on investment in 2020/21.

During phase 3 detailed plans will be developed and approved which will include individual projects, resources, risks and issues, dependencies. It is worth noting that some work is underway, and this will continue under the governance of the new programme. The set up and mobilisation phases bring it all together into a co-ordinated programme.

The Peer Review emphasised the need to adequately resource and sustain transformation activity. Assigning resource now is complicated because, as a corporate function, the council's new Programme Management Office (PMO) is within the scope of Tranche 2 so people will not be confirmed in post until late November. What is clear, looking at the proposed structure for the PMO, is that two programme managers and six project managers will not be sufficient to deliver all of the transformation activity, and so the detailed planning will include identifying resource within services, and quantifying the need to supplement capacity from external sources.

## **6. Scope**

To deliver the transformation objectives, the programmes listed below will be set up. Each will include a set of projects that will meet its objectives. Each programme will have a sponsor accountable to the Transformation Steering Group, and who will chair a delivery board made up of senior officers from the relevant services. The delivery board will be responsible for its scope, plan, resource, budget and benefits. The programme management office (PMO) will support all delivery boards and manage the interdependencies, budget and risks across the whole transformation plan and track progress of the consolidated plan.

### **i. One council service reform**

Rethinking our services and using co-design with our customers and partners

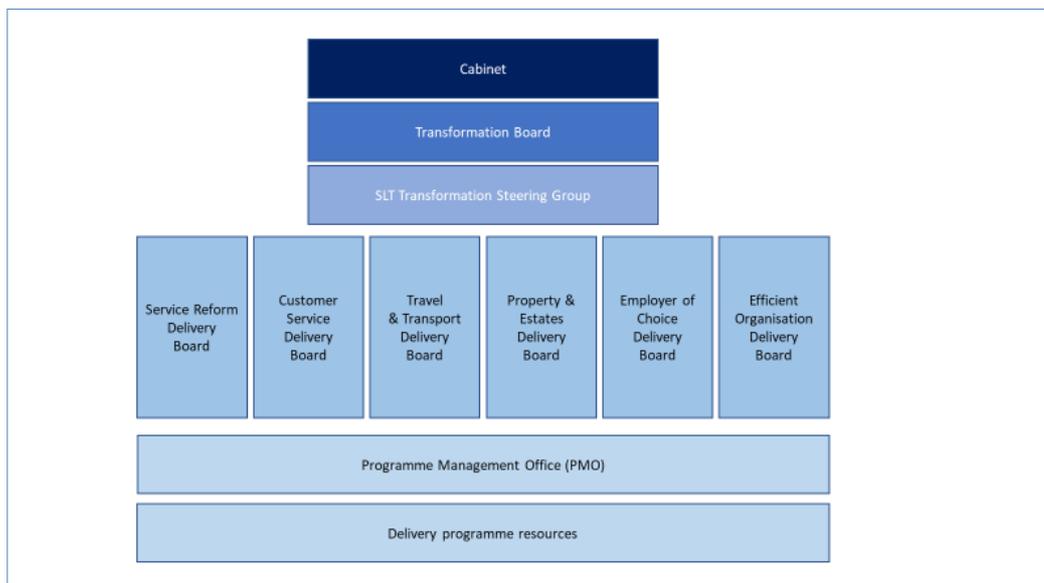
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- ii. **Customer service**  
Understanding customer experience and making services accessible
- iii. **Travel and transport**  
Improving integrated travel options for residents of all ages and in all communities
- iv. **Property and estates**  
Delivering services in the right place by making best physical and financial use of our estate
- v. **Employer of choice**  
Working together to maximise our workforce potential, shape our culture and help our people adapt to, and engage in, change
- vi. **Efficient organisation**  
Modernising the way we work so we are leaner, digital and modern in the way we deliver services across the council

## 7. Governance

The Councillor Transformation Board oversees the transformation plan on behalf of Cabinet. It directs the Transformation Steering Group, which oversees progress of the overarching plan, acts as the escalation route for strategic risks and issues, provides advice and direction to the programmes, and manages key stakeholders. It provides assurance of quality and objectives, tracks overall investment and realisation of benefits. It Makes key decisions for scope, investment, risk management.

Each programme delivery board governs the detailed progress of its projects, manages the resources and monitors its risks and issues. Cabinet members will also be invited to sit on the Programme boards to observe and support.



## 8. Transformation Plan benefits

Benefits are grouped in three categories; financial, efficiency and customer. Benefits need to be measurable, validated through the programme benefits realisation process and approved by the Transformation Steering Group. Each programme delivery board

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will set out its own benefits profile delivered by the projects within its scope, and report progress to the Transformation Steering Group, who will track overall progress towards meeting the five year £40m budget gap, alongside savings delivered through BAU activities. The financial oversight will ensure benefits are incorporated into the council's overall budget monitoring.

**Financial benefits** are quantified in terms of money saved that contribute towards closing the council's budget gap. These are cashable savings, measurable cost avoidance, and income generation opportunities.

**Efficiency benefits** relate to people or processes being more productive (ie doing more for less), reducing the cost of service delivery, reducing errors, duplication and multiple hand-offs, but do not necessarily result in a cashable saving.

**Customer benefits** relate to improved satisfaction, a better experience (quicker response and resolution time, direct access to information), including online and digital experience.

Each programme theme will quantify the benefits from its component projects, and the Transformation Steering Group will monitor the rolled-up total of all six themes. The estimated benefits will be set out in the project brief, to be monitored by the relevant programme delivery board. Related to this, each programme delivery board will set out any opportunities for external investment for the projects to cover, for example, resources.

## 9. Approach to delivery

To realise our ambition of becoming a 21st century Council we need to change the way we approach our work to enable us to create an organisation that is more flexible, adaptive and focused on the needs of our customers. This means applying a Digital approach.

Digital in Dorset is not just about technology, it's a way of thinking and working - designing services around the needs of people, making the most of modern technology to provide the solutions and experiences we should expect today.

We will use the Design Council's design methodology and the Government national service standard to help us design services based on the needs of our users. All work will start with discovery which includes talking to our users and using data to define the problems, understand opportunities, and the potential benefits.

We will work with our users to design accessible services together, experimenting with ideas before deciding what we want to change and how. Services will be designed from a whole system, whole of life perspective, working around the customer rather than organisational silos, using design principles to challenge existing delivery models and common service performance measures across the Council.

We will make decisions based on the insight gained through activities such as user research, service performance metrics, and other available evidence. This will enable us to develop a whole Council portfolio of work that focuses resources on the right activities.

We will maximise the use of modern technology in the design of services, developing platforms that enable us to join up data, rapidly build and continuously improve digital services, re-use and exploit the technology we have, adopting the Technology Code of Practice.

We will use Agile delivery methods, developing a mindset of iterative ongoing continuous improvement, working in multi-disciplinary teams to ensure we design services considering people, process, technology, and policy together to get the best outcome.

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We will help to change the culture in the organisation through working as openly as we can using collaboration and communication tools to share what we are learning, and ideas to get feedback and suggestions.

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## 10. Design Principles

Our design principles help people to understand the future vision and translate it into day to day practice. They provide guidance and ground rules to provide a consistent approach and framework to work within, to shift the whole organisation to a new way of working. Dorset Council have committed to deliver their priorities by transforming how they provide services according to these principles:



Description	Design Principles
A sustainable organisation	<ul style="list-style-type: none"> <li>We will deliver the best outcomes for our customers at an affordable cost</li> <li>We will re-use common processes, systems and functions where it makes sense to do so</li> <li>We will prioritise limited resources and make the most of opportunities to generate income and funding</li> </ul>
A customer focussed organisation	<ul style="list-style-type: none"> <li>We will involve our customers in designing our services</li> <li>We will work to enable, greater independence, smarter services and empowered people</li> <li>We will move as much work forward, to self-service or customer facing roles as possible</li> <li>We will tell customers what to expect and keep them up to date along the way</li> </ul>
An employer of choice	<ul style="list-style-type: none"> <li>We will work as one council and collaboratively in partnership with others to meet the needs of our customers</li> <li>We will empower employees to make decisions as locally as possible to enable continuous improvement of services</li> </ul>
An effective, modern organisation	<ul style="list-style-type: none"> <li>We will use customer insight, research and data to make decisions and design services that meet the needs of our customers</li> <li>We will seek to innovate and use technology to transform services</li> <li>We will simplify, simplify, simplify</li> </ul>

## 11. Transformation budget

The Transformation Plan will ultimately be self-funding, as the long-term savings will cover the up-front investment. However, in the short term an investment fund will be made available to cover the costs of projects within each programme. Each programme

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board will bring forward applications for this fund by the end of October 2019 and the member Transformation Board will oversee the allocation.

## 12. Communications and engagement

The work of the Transformation programme will have its own communications and engagement plan, and dedicated resource from the communications team to deliver this.

Communications are needed to ensure that employees, members and stakeholders are appropriately informed about and involved in Dorset Council's transformation work. This is essential for the success of the programme.

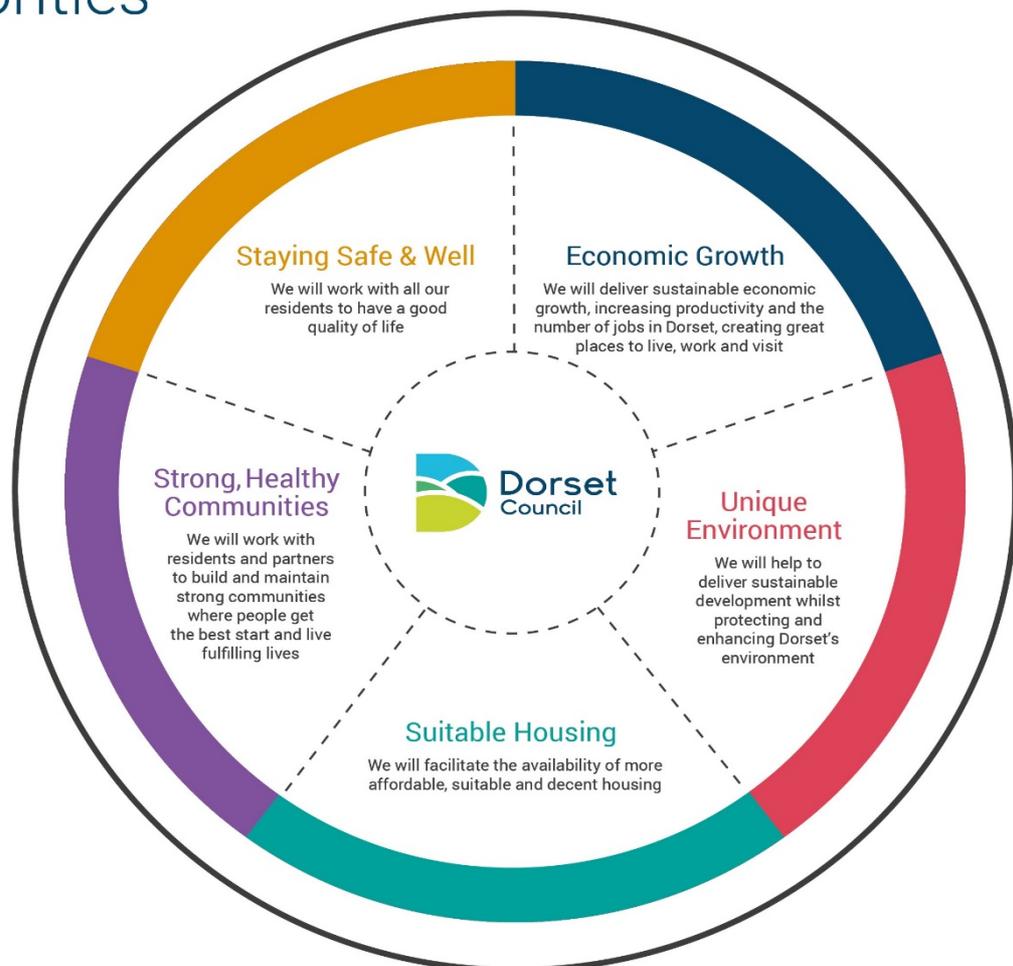
## 13. Connecting the council's priorities and transformation objectives

The transformation plan will deliver transformed services, systems, processes, people and technology. In doing so, it will make a significant contribution to the £40m savings target by 2024. By meeting Dorset Council's priorities, applying the transformation principles and organisational values as set out below.

As a result, it is the council priorities that will set the framework upon which decisions and outcomes about prospective transformation projects will be based.

The council priorities set the expected outcomes to be achieved from 2020-2024:

# Our Priorities



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Responsibility • Respect • Recognition • Collaboration

Our Council Behaviours set out:

- How we expect to be treated
- What we say and how we say it
- How we treat others
- How we do things

#### **14. Critical success factors**

In order for the Transformation plan to succeed, the following factors need to be in place.

- Councillor leadership
- Strategic officer management and ownership
- Sufficient resources, investment and financial planning
- Clarity of purpose and a shared understanding of objectives and agreed priorities
- The right communications at the right time
- Clear benefits realisation
- Consistent, easy-to-use programme management process

#### **15. Measures of success**

We measure our success against how well we have delivered against our principles.

Customer focussed:

- Improved level of insight to better predict demand
- Best delivery model used to deliver appropriate and timely services to residents
- Delivery of services that offer value for money and contribute to council priorities

**Effective and modern:**

- Unnecessary duplication of functions removed
- Incidents of innovation increased
- Consistent use of intelligence to enable the Council to make informed decisions
- Use of digital approach and technology increased

**Employer of choice:**

- Culture change achieved

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- More responsive to changing needs of residents
- Independent, agile workforce

**Sustainable organisation:**

- Budget gap reduction achieved
- Benefits realised and changes embedded
- Increased commercial opportunities and income generation

**16. Risks and opportunities**

Initial risks are likely to include:

- Insufficient resources – having the right people available at the right time
- Benefits not being clearly defined, delivered or communicated
- Lack of buy-in/support
- Financial imperatives overriding transformation ambitions - ‘savings’ and ‘transformation’ being perceived as separate, potentially competing activities

Top level programme level risks are reported to the Transformation Steering Group if they cannot be mitigated at programme level. Programmes will manage their own risk registers.

**17. Constraints, assumptions and dependencies**

The transformation plan is constrained by:

- limited resources available from within the council’s existing staffing structure.
- A fixed investment fund of £5m

The programme assumes that:

- The council priorities will be approved by full council in February 2020
- The savings target and investment fund will not change significantly
- The programme delivery boards will set out their detailed scope and plans by 31st December 2019

The programme is dependent on:

- The corporate leadership team (including the senior leadership team) supporting the plan and drive delivery through membership on the programme delivery boards