

Cabinet

28 January 2025

Our Future Council Business Case and Transformation Plan

For Decision

Cabinet Member and Portfolio:

Cllr B Wilson, Corporate Development and Transformation

Local Councillor(s):

All

Executive Director:

A Dunn, Executive Director, Corporate Development

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Report Status: Public (the exemption paragraph is N/A)

Brief Summary:

In June 2024, Dorset Council accelerated its efforts to develop a comprehensive business case for transformation. With the support of a strategic advisor, we conducted an in-depth review of our current operations, assessed our readiness for change, and outlined a future target operating model.

Following Cabinet approval in November 2024, we refined this evidence and our future operating model to create a detailed investment business case. This plan aims to deliver sustainable improvements in customer services, process management, and digital and technology requirements, ensuring our council operates efficiently and effectively despite the challenging financial forecast detailed in our Medium-Term Financial Plan.

Following today's Cabinet decision, we are moving into the implementation stages. This will require a concerted effort from the entire council, including robust change management support for all our people and managers as they navigate these significant changes. Our goal is to foster a collaborative environment where everyone is equipped to contribute to, and enhance, our transformation plans now and in the future.

“Our Future Council” business case is a detailed document and is attached in appendix A. Councillors will be supported in the detail throughout this covering report.

Recommendations:

1. Endorse the overall vision and design of Our Future Council operating model and transformation programme as detailed in the business case at Appendix A.
2. Approve the proposed costs, savings and implementation plans based on scenario 4 as set out in sections 4 and 5 of this report and in more detail in the business case at Appendix A, sections 4 and 5.
3. Note that this business case is based on the proposal to transform the organisation, implement a new operating model, and increase productivity through the greater use of technology. The proposal identifies an estimated potential investment of £48.33M over the period 2025-28, which will release cumulative staff savings of £77.4M over the period 2025-30.
4. Note that the OFC programme will continue to be refined as we move into the implementation phase, but to fund the business case the Cabinet are asked to:
 - 4.1 Earmark a further £13M in addition to the £12M already committed to the capital programme for the Enterprise Resource Planning system. This will fund the potential investment in technology and process change – noting that individual funding decisions in excess of the key decision threshold will be subject to individual business cases to be brought before cabinet for approval
 - 4.2 Note and approve estimated redundancy costs of £9.5M over the programme, to be initially funded from reserves, noting that the reserves will need to be replenished through budget savings over subsequent years.
 - 4.3 Note and approve the need for investment in internal and external additional capacity to implement the project, to be reviewed on an annual basis, with year one of the capacity to be funded through the approved transformation reserve of £3M and the flexible use of capital receipts.
5. Note that political oversight will be provided by the Members transformation steering group.
6. Note recommendations from the Joint Overview Committee in section 6 of this report and approve the Dorset Council Transformation Plan 2025-29 attached at Appendix B as the framework for supporting, governing and delivering change across the council.

Reason for Recommendation:

Dorset Council's strategic plan, approved in December 2024, outlines our priorities for the next four years. The plan acknowledges that achieving these priorities requires us to work differently by adopting a new operating model.

The proposals outlined in this report lay the groundwork for a comprehensive programme of transformation and improvement, enabling Dorset Council to achieve its priorities within a sustainable medium-term financial strategy. The ambition and commitment to improvement and delivery as part of the "Our Future Council" initiative are aligned with the Council Plan priorities and our new operating model section.

At the heart of Our Future Council are five key programmes aimed at transforming our council and our relationship with residents and communities. These programmes focus on enabling Community Partnership, simplifying Customer Experience, transforming Business Management, streamlining Commissioning and Procurement, and redesigning Strategic, Enabling, and Technology delivery. This ambitious, council-wide transformation programme will require significant capacity and skills to deliver at scale and pace.

Our immediate plans are outlined in this report, presenting a focus on the delivery of our future operating model and streamlining and consolidating our ways of working.

Our Medium-Term Financial Plan concludes that we need to deliver £10M in savings in 2025/26 through this transformation.

1. Context and approach

- 1.1 Dorset Council's strategic vision for 2024-2029 focuses on creating a fairer, more prosperous, and sustainable Dorset. This vision emphasises collaboration with various partners, addressing social inequities, promoting economic growth, and tackling climate challenges. This strategic ambition has been used to inform the development of the Target Operating Model (TOM) set out in this document.
- 1.2 Nationally, local authorities are grappling with the combined pressures of reduced funding and increased service demands, prompting the need for strategic reforms, transformation and technological advancements. Dorset mirrors these challenges with financial pressures, an aging population, economic stagnation, and housing affordability issues. The council faces a significant budget gap by 2029-30, necessitating savings and transformative actions.
- 1.3 To address these challenges, Dorset Council is shifting from service-led transformation to a holistic approach, focusing on four key layers of the operating model: Customer, Commissioning and Procurement, Business Support, and Strategic and Enabling. This involves enhancing customer interactions and community partnership, optimising procurement and commissioning practices, streamlining internal processes, and leveraging technology. The full business case sets out the future ways of working for the organisation and the detailed plans and activity required to drive transformation over the next three years.
- 1.4 The new operating model is critical in addressing the challenges Dorset Council is facing. By implementing the model over three years the council can achieve significant financial and non-financial benefits to enable the council to deliver better outcomes and ensure a more sustainable future.

2. Our future council operating model

- 2.1 A Target Operating Model (TOM) is a strategic blueprint that outlines how an organisation can be structured and operate in the future to deliver its strategic objectives, serving as a guide for transforming current operations. An operating model is underpinned by a set of key 'design principles' which set the direction of the future organisation.
- 2.2 Work has been undertaken throughout 2024 to define Dorset's future operating model. This has been divided into a series of key areas of focus, these are: Customer, Commissioning and Procurement, Business Support, Strategic and Enabling.

2.3 The future operating model is designed to:

- **Improve outcomes for residents:** Residents will experience more consistent and positive interactions with the council, accessing a wider array of services through convenient channels and times, enhancing their overall satisfaction and trust in the council.
- **Enhance experiences for colleagues:** council employees will be equipped with the necessary skills to serve residents effectively. Clearer roles, defined career pathways, and increased opportunities for collaborative work across the council will foster a more motivated and cohesive workforce.
- **Boost efficiency and effectiveness:** the model aims to be cost-effective, enabling more efficient and sustainable operations to address the council's financial challenges. By consolidating key functions and activities, it will reduce duplication of processing effort and management, leading to streamlined operations and better resource allocation.

2.4 Work has been ongoing to define the future way of working for each of the layers of the target operating model and the key opportunities that will change how the organisation works. These are summarised below:

- **Customer** - The future model aims to enhance and simplify all customer interactions by implementing a triaging system to address queries at the appropriate level of the organisation. Effective triaging ensures the correct people resolve queries, allowing more time for specialists to resolve complex queries. A key feature of the model is the one front-door approach, which provides a clear entry point for residents to engage with the council, ensuring efficient routing of inquiries. This model leverages technology through improved websites, telephony, and a Customer Relationship Management (CRM) system to streamline experiences, reduce unnecessary demand, and manage costs.
- **Commissioning and Procurement** - The future Commissioning and Procurement model aims to enhance resource value by transitioning to a hybrid Hub and Spoke/ consolidated approach, addressing challenges like rising demand, market limitations, and service variability. This model focuses on strengthening commercial and strategic commissioning capabilities, supported by investments in capacity, standardised processes, and clear roles. By emphasising strategic supplier relationships and market shaping, the council seeks to become a preferred Commissioner of Choice
- **Business Support** - The future model plans to streamline support with a hub and spoke system, centralising general tasks and managing specialised functions in dedicated spokes. By automating transactions and expanding self-service options, the council aims to standardise services, reduce duplication, and enable staff to focus on complex tasks, enhancing overall efficiency.
- **Strategic and Enabling** - The role of the future Strategic and Enabling model has two distinct aims, the first is to drive, support and enable the wider

Organisation to deliver the Council Plan and its four priority outcomes. The second is to simplify and standardise colleagues' interactions with service areas (HR, Finance, IT etc.) to support the wider organisation in delivering these outcomes. The future model seeks to drive key outcomes and streamline interactions. The current multiple, unstructured access routes will be refined into a more structured system, with Business Partners aiding strategic tasks. By emphasising automation and standardisation, the model aims to reduce redundancy and enhance efficiency, allowing staff to focus on high-value activities while aligning services with the council's broader goals.

- **Community Partnerships / Facilitation** - working alongside communities, including town and parish councils and VCS organisations, to develop new models of service delivery that better meet local needs and help to prevent people reaching crisis point. Partnership working with statutory organisations including the NHS and Police is also vital to this approach.

3. Financial Implications

Financial Context

- 3.1. Transformation, change and service improvement projects have made significant contributions to the Council's Medium-Term Financial Plan since 2019 as well as delivering cost avoidance benefits. The council has a strong track record in developing and delivering efficiency programs, enabling it to operate within an increasingly constrained funding envelope – with a cumulative total of £123M in savings and cost avoidance across the period 2019 to 2024/25.
- 3.2. The 2025/6 Budget and Medium-Term Financial Plan Strategy Report identifies a savings requirement of £44.5M to set a balanced budget. This will be achieved through two mechanisms - the delivery of transformation savings through the Our Future Council (OFC) programme and through the delivery of Service review savings.
- 3.3. The 2025/6 budget sets OFC a savings target of £10M to be achieved during the 2025/26 financial year. In the medium term, the predicted budget gap by 2029/30 is £84.2M. There is recognition that transformation through Our Future Council alone is not going to solve the financial and budget position, but it should be recognized as one of the ways which the Council is able to address financial challenges in a more sustainable way.

Financial Benefits Overview

- 3.4 The Outline Business Case (OBC) identified potential financial benefits for the council across three areas, totalling between £18M and £38.5M:
 - **Council Employee Spend:** Potential savings of £7.6M to £23.5M, based on a baseline of £150.6M and 3,800 full-time equivalent employees in FY23/24.
 - **Commissioned Spend:** Potential savings of £1.1M to £5.7M, based on a baseline of £182.3m on third-party spend in FY23/24.

- **Service Income:** Potential additional income of £9.3M, based on a baseline of £93.8M in service income for FY22/23.

3.5 Further analysis and adjustments, detailed in 1.5 in the attached business case, have refined the potential savings for council employee spend to between **£6.2M and £18.8M**, while the savings for commissioned spend and service income remain unchanged.

3.6 The financial case, in section 4, is purposely only focused on FTE savings associated with the implementation of the future operating model and confirms that the several potential benefits, included within the Outline Business Case, are still relevant and will continue to develop within their separate programmes (tackling third party spend under commissioning and procurement) or tactical savings reviews (increasing service income). The summary of how we will achieve savings of £10M in 2025/26 is set out in Table 4:

4. Financial Business Case

4.1. Our future council aims to develop and implement a 'target operating model.' We have identified five key benefit drivers to guide this process:

- Automation and Technology Enablement
- Consolidation and Standardisation
- Spend Reduction and Income Generation
- Demand Management
- Ways of Working

4.2 Benefit Drivers

For the purpose of the financial case we are treating these drivers for change as falling into two themes: 1) drivers that directly impact the Council's financial baseline, and 2) those which provide the rationale for savings that can be taken from the financial baseline.

- 1) Consolidation and standardisation and Spend reduction and income generation directly impact the FTE baseline and commissioned spend baseline. These are the primary levers.
- 2) Automation and technology enablement, Demand management and Ways of working will help drive improvements in productivity. These will be used to provide the rationale for the level of saving that can be achieved through consolidation and standardisation. These are the secondary levers.

4.3 Savings Proposals

On the basis of the validation and refinement set out above, this Transformation Business Case provides the Council the opportunity to achieve £18.8m of recurrent savings. *Subject to implementation pace, capacity available and progress.*

Based on our analysis, the Transformation Business Case offers the potential savings against a number of Full-Time Equivalent (FTE) employees in **Table one**.

Implementation pace and progress

In the business case, four scenarios of High, Medium, Low and a Hybrid option have been applied using a percentage reduction anticipated as a result of the application of the levers above. These are based on experience at other similar sized and structured unitary authorities.

- **Conservative Savings Approach (Scenario 1):** focuses on releasing customer and business support savings in Year 1, with other areas following in Year 2.
- **Balanced Savings Approach (Scenario 2):** targets savings across all areas in Year 1, with additional releases in Year 2
- **Ambitious Savings Approach (Scenario 3):** aims to achieve all savings by the first release point (30.09.25) in Year 1.
- **Ambitious Savings Approach over 2 years (Scenario 4):** ambitious benefits supported by a balanced delivery approach over 2 years. A hybrid approach which targets release points for all four areas of the Operating Model in Year 1 (to varying levels) with further releases in Year 2.

4.4 This report recommends the scenario 4 hybrid approach, delivering the maximum benefit option over 2 years instead of 1. This will deliver recurring savings of £18.8m from 2027 in an incremental delivery approach over 2 years, reducing the size of the organisation by 386.2 FTE. Profiled across 5 years, this would realise savings of £77.4m by 2029.

4.5 An appraisal of Scenario 4 is provided below Table 1. With further detail on each scenario provided in the business case in Appendix A, sections 4.3.1 – 4.3.4.

Table 1.

	2025/26	2026/27	2027/28	2028/29	2029/30
Savings £m	5.8	15.2	18.8	18.8	18.8
FTE reduction	249.1	137.1	0	0	0
Cumulative FTE reduction	249.1	386.2	386.2	386.2	386.2
Cumulative £m	5.8	21.0	39.8	58.6	77.4

4.6 **Scenario 4 appraisal.** When compared to all scenarios, scenario 4 is the preferred option for the following reasons:

- **Impact on staff** - Scenario four balances the need to reduce staffing levels with ensuring there are enough staff left in the organisation to deliver. There will be impacts to performance and productivity by removing the level of staff set out in the scenario which will be similar to that which is set out by scenario three, however this will be managed over a longer period of time than scenario three. An effective change management approach and workforce support will be needed to

support staff through this period of change.

- *Scenario Four follows the same release points as Scenario 2 and will target the same sequencing of areas across each area of the operating model, the main difference is that there is a greater FTE target against each area and therefore a likely greater impact on staff.*
- **Impact on residents** - Scenario four tries to minimise impact on residents by excluding service delivery benefits which will already be impacted by service change. If the decision was made to agree to a further, additional service delivery target this impact would increase. Residents will be impacted by changes in key areas such as customer contact - these will be more significant than in scenario one but happen over a shorter period of two years as opposed to three.
- **Capacity to deliver** - Scenario four balances the need to transform with the need to realise benefits. Scenario three prioritises making savings, whilst scenario one prioritises transformation, with scenario two forming the mid-point. Scenario four balances the same capacity to deliver as scenario two but with a greater emphasis on savings delivery as it is based on the high benefit target. The benefits set out in scenario four are significant and will require effective decision making, capacity to deliver and leadership investment to deliver.
- **Financial risk** - Scenario four achieves a high level of financial benefits, which when combined with potential additional benefits from third party spend, service delivery, vacancies and income would set the Council up to achieve the £10m needed from Our Future Council in FY25/26. The level of benefit identified in scenarios one and two are likely to be too low for the Council's needs next year. Scenario four also sets out a clear route to an agreed set of benefits to help close the gap for FY26/27 which will be needed.

4.7 Cost and investment

To achieve the benefits outlined in table 1 above the council will need to invest in the following construct and implementation costs. These costs have been broken down across four key areas:

- technology
- internal capacity
- additional capacity
- redundancy costs

Table 2.

	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Technology	8.8	12.8	3.4	-	-	25.00
Internal capacity	1.28	1.22	0.88	-	-	3.38
Additional capacity	6.0	3.1	1.4	-	-	**10.50
Redundancy	6.15	3.30	-	-	-	9.45
	22.23	20.42	5.68	-	-	48.33

** £3M already funded through previously allocated transformation fund

4.8 Explanation of Costs

The one-off costs outlined in Table 2 will enable the council to construct and implement its Target Operating Model (TOM). This includes new ways of working and technologies needed to achieve the savings identified in this revised case for change.

4.9 The investment in technology illustrates the **potential** costs for implementing and designing the infrastructure and processes for our future enterprise resource planning (ERP) solution, contact centre, and customer relationship management (CRM) solutions including the solutions for integrating automation and generative artificial intelligence capabilities. The investment in technology also includes the cost of developing our current and future state technical architecture. Once this is in place further savings will be available through rationalisation of our current technical estate. These costs are illustrative and will be refined with full business cases. Future reports will consider full business cases related to procurement, software, licensing, and implementation costs.

4.10 Funding for our future ERP solution, which is our main platform for back-office services like accounting, payroll, and human resources, has already been committed to our ICT capital programme. This includes some implementation costs. The current allocation is £11.3 million, which will be refined in future business cases. All other major technology investments will also be subject to further business cases as per our recommendations in paragraph 4.5.

4.11 Our outline business case, approved by Cabinet in November 2024, included £3 million for a core transformation fund. Table 2 includes estimates for all additional and internal capacity costs, which the £3 million will help cover. Any additional capacity costs will be funded through the flexible use of capital receipts, as per our recommendations.

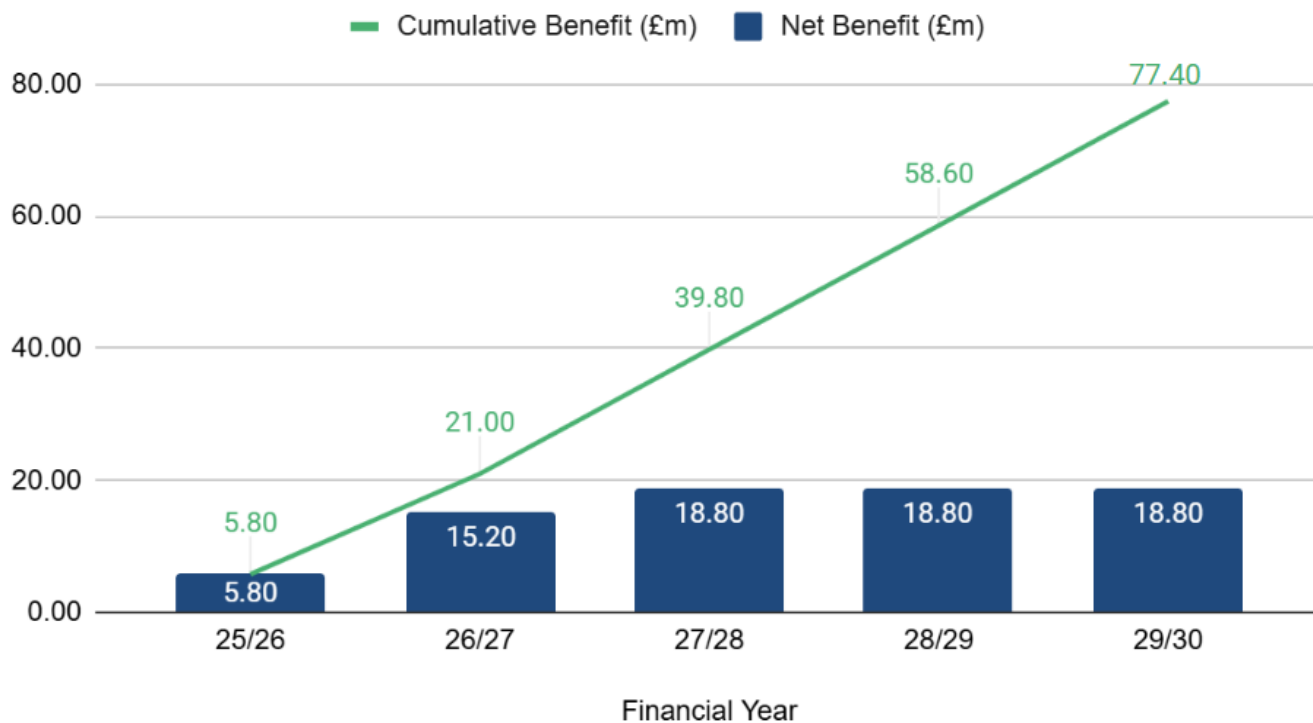
4.12 Our investment and potential costs also include scenarios for change management and potential redundancy costs. This is based on the maximum number of potential full-time equivalent roles that will be reduced. We will mitigate these costs through strict vacancy and change management controls, including redeployment and development for alternative roles where appropriate.

4.13 The realisation of benefits outlined in Table 1 and the investments detailed in Table 2 result in the following benefits profile for Our Future Council, with a return on investment by year 4. This is set out in Table 3.

Table 3.

	2025/26	2026/27	2027/28	2028/29	2029/30
Benefit realised £m	5.8	15.2	18.8	18.8	18.8
Cumulative benefit realised £m	5.8	21.0	39.8	58.6	77.4
Annual one-off cost £m	22.23	20.42	5.68	-	-
Cumulative one-off cost £m	22.23	42.65	48.33	-	-
Return on investment £m	- 16.43	- 21.6	- 8.53	10.27	29.07

Chart 1.



4.14 Whilst this paper points to significant financial benefits, it is recognised that the Our Future Council transformation programme alone will not solve the overall financial and budget position the council is grappling with. This will be one way in which the council can address financial challenges in a more sustainable manner.

4.15 Other Potential Financial Benefits

In addition to FTE savings, the Outline Business Case (OBC) identified several other potential financial benefits:

- **Third Party Spend Savings:** Potential savings of £1.1m to £5.7m from better management of third-party spend, with an assumed realisation of at least £1m in FY25/26.
- **Third Party Technology Spend:** Savings from rationalising licences and applications, though not yet quantified due to data limitations.
- **Vacancies:** Closing vacancies could increase in-year savings, all vacancies will be mapped against Service Review savings to avoid double counting
- **Service Delivery:** Potential savings of £880,000 to £4.4m through improved efficiency and a review of spans and layers in service delivery roles.
- **Service Income:** A 10% increase in service income could generate an additional £9.3m, based on a baseline of £93.8m in FY22/23.

4.16 Delivering our required savings target of £10m in 2025/26

The potential benefits, detailed above, have been included in part in the current benefit profile based on conservative estimates. This reflects the further validation required following budget scrutiny and approval. It also demonstrates acknowledgment that there is a high risk of duplication with service review and

vacancy management opportunities. In table 4 below we demonstrate how these conservative estimates will be applied in addition to the benefit profiles in table 1 to meet the financial requirements of 2025/26. As the service reviews and vacancy data are fully considered during the budget decisions we will continue cross-referencing to ensure confidence in delivery.

Table 4.

Opportunity	Approach	£m in 25/26
Our Future Council employee spend	Highest benefit, medium risk	5.8
Third party spend	Outline business case estimate, lower end of £1.1 - 5.7m range	1.0
Removal of vacancies	50% of vacancies removed to ensure protection of front line essential role	2
Review of spans and controls of service delivery roles	3% of £88,022,693 spend Medium benefit, medium pace	2
		10.8

Funding the implementation costs

4.17 Dorset Council has access to several potential sources of funding for the transformation programme including:

- Capital funds
- Flexible use of capital receipts (i.e. through sale of assets)
- Reserves
- Repurposing and reprioritizing existing revenue budgets
- External funding (such as government grants)

4.18 The proposed transformation programme identifies an investment requirement of £48.33M over the period 2025-28, which will release cumulative savings of £77.4M over the period 2025-30. The release of funds will be based on the implementation schedule and will only occur when individual business cases clearly demonstrate the need for funding.

4.19 It is anticipated that the technological investment will be funded as far as possible from the capital budget. The intention is that where individual systems cost over £500k they will be brought to cabinet for approval.

4.20 The staffing costs associated with implementation include employing additional capacity (and consultancy) to support the implementation of the change as well as redundancy costs. It is anticipated that this investment will be funded through a combination of existing budgets, reserves and through the flexible use of capital receipts. The funding will be overseen by the Members Transformation steering group, with any funding decisions taken in accordance with the Councils scheme of delegation. An updated flexible use of capital receipts policy will be brought forward alongside the individual business cases.

5. Implementation Roadmap

5.1 The transformation roadmap outlines a three-year plan to implement a new Target Operating Model (TOM) across the four key layers, detailing the changes needed across a series of managed steps for the organisation to move towards the future way of working.

5.2 Successfully implementing the TOM is going to require robust governance and the management of significant risks. Key likely risks the programme will need to manage include delays in mobilisation, organisational capacity to deliver, scale and pace of delivery and decision making. If not managed these will all affect the ability of the council to realise the financial savings set out above.

5.3 Key areas of focus for the council in the first year of the programme include:

- **Customer** - Go-live of the new customer contact model, standing up the customer platform, maximising the use of voice automation capabilities, improving the support residents receive around key 'life events'.
- **Commissioning and Procurement** - Standing up a new Commissioning and Procurement model, establishing spend control boards and governance to manage third party spend, begin process improvement leveraging key digital tools such as robotic process automation (RPA) and Generative AI (GenAI).
- **Business Support** - Standing up the new Business Support hub and improving the delivering of key business support activities using digital tools.
- **Strategic and Enabling** - Establishing the foundations needed for digital transformation, commencing the implementation of a new ERP system, delivery of the asset management strategy and further work on the Communities for All strategy.

5.4 Chart 2 sets out the high-level implementation plan across the three year programme.

This is supported by detailed plans that set out the changes across interim state one, two and three. These are set out in the business case in Appendix A, section 5.2.

Chart 2.

	Year 1 January 2025 - December 2025	Year 2 January 2026 - December 2026	Year 3 January 2027 - December 2027
Customer	Technology architecture, roadmap and channel strategy Ongoing build of CRM (agile - sprint based approach based on blocks of design, build and release) CRM mobilisation Customer model refinement and build IS1 Contact Centre build Go-live IS1 Contact Centre Voice automation and initial RPA work Assessment of customer journey opportunities Multiple phases of Customer journey delivery Develop communities for all strategy	IS2 Contact Centre build Go-live IS2 Contact Centre Implement communities for all strategy	Development/implementation of operational excellence capability
Commissioning and Procurement	Identification of RPA and GenAI use cases Overarching model construct People construct Commissioning Hub construct Go-Live C+P IS 1 Third party spend controls and governance	Targeted process improvement activity & RPA/ Gen AI implementation Place construct Go-Live C+P IS 2 Establish operational excellence programme	Implement any changes identified in the Communities for All strategy
Business Support	GenAI and RPA use case development Phase 1 automation rollout Business support model construct and build Go-Live Business Support IS 1 Targeted process improvement	Continued automation rollout, change capacity supporting adoption of GenAI tools and insights Continued development of Business Support Hub Establish operational excellence programme	Continuous improvement embedding Ad-hoc Operational excellence support
Strategic and Enabling	TMO Implementation S+E Model Construct Go-live IS 1 Tech and Data strategy Licenses and application rationalisation OD & Workforce Principles Data infrastructure changes Asset review - acceleration of disposals and repurposing ERP mobilisation ERP implementation GenAI and RPA use case identification	S+E model IS 2 construct + build Go-live of IS 2 RPA Development and Implementation Build out colleague self-serve offer Agree changes needed to improve IAG GenAI, RPA and End-to-End Process Improvement activity	Delivery of changes to IAG to help colleagues self serve ERP Go live Feb 2027

6. Joint Overview Committee

6.1 The transformation plan was reviewed by the Joint Overview Committee on 9 January and consequently the following amendments have been made to the transformation plan:

- To more explicitly celebrate the commitment and skills of employees working for Dorset Council. This includes the delivery of past and current transformation activities
- To make explicit reference to the continuation of planning service change and the Local Plan
- Reference the impact on people who experience digital exclusion explored within the Equality Impact Assessment
- Reference the arrangements for monitoring of the plan at least annually to ensure delivery through Audit and Governance and Place and Resources Scrutiny Committees.

6.2 The Overview Committee made recommendation that scrutiny of Our Future Council transformation should be undertaken within 12 months at Place and Resources Scrutiny Committee, and for overall assurance of risk and governance to be conducted at Audit and Governance Committee.

7. Next steps

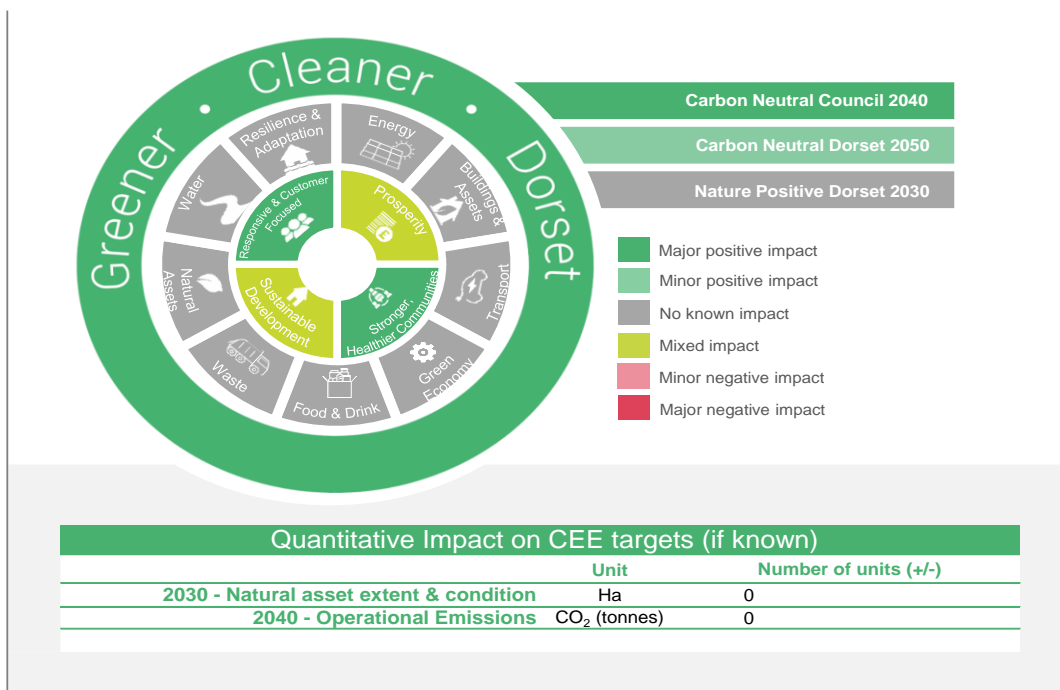
7.1 The business case provides the council with a comprehensive design for a more efficient and effective organisation, whilst also recognising that there is further work required to refine the future operating model in early 2025.

The critical actions are developed in full in the business case in Appendix A, section 6 and are summarised below.

7.2 These are the key next steps for action:

- Engage Task Groups with the final designs for each layer of the Operating Model
- Stand up the Design Authority and the Technical Design Authority
- Establish key financial controls
- Prioritisation of key processes to be targeted in the first waves of delivery
- Implementation of the Transformation Management Office

8. Natural Environment, Climate & Ecology Implications



Natural Environment, Climate & Ecology Strategy Commitments	Impact
Energy	No known impact
Buildings & Assets	No known impact
Transport	No known impact
Green Economy	No known impact
Food & Drink	No known impact
Waste	No known impact
Natural Assets & Ecology	No known impact
Water	No known impact

Resilience and Adaptation	No known impact
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Corporate Plan Aims	Impact
Prosperity	neutral
Stronger healthier communities	strongly supports it
Sustainable Development & Housing	neutral
Responsive & Customer Focused	strongly supports it

9. Well-being and Health Implications

- 9.1 The anticipated benefit of this transformation programme is to improve the efficacy and value for money of services to residents and customers. This includes providing help and information more quickly and directly therefore positively impacting those in need. The wellbeing of residents is at the heart of the Dorset Council plan and transformation will be responsible for the delivery of these identified changes.
- 9.2 Launching transformation of this scale can be an unsettling and concerning time for employees, especially in financially challenging times. We want to ensure that our workforce feel supported through change.
- 9.3 We have established a people and change workstream which is being led by a member of the senior leadership team and our head of human resources. They are ensuring that safe and successful conditions are in place to support our people and leaders through change. The workstream aims to work alongside the organisation to both drive change and to aspire to be a great place to work, ensuring decisions are made in line with our organisation's values and with our employees' wellbeing in mind. Detail on the scope and role of this workstream is set out in the transformation plan.
- 9.4 The council has been engaging with Trade Unions colleagues since 2023 as the plans for this business case have been developed. This has included engagement through discovery work and sharing the findings as the council has developed its baseline for change. We are committed to engagement with the Trade Unions in the development of the full business case and this will take place through formal monthly meetings alongside more regular engagement in the people and change workstream.

10. Other Implications

None

11. Risk Assessment

- 11.1 **HAVING CONSIDERED:** the risks associated with this decision; the level of risk has been identified as:

Current Risk: High

Residual Risk: High

The risks of each proposed scenario are set out within the business case.

The table below shows an overview of the key risks the programme which will implement the target operating model could face. In order to ensure that the transformation delivers its intended outcomes, these risks will be managed and governed by the Programme Board.

Risk Description	Impact	Probability	Mitigation
Delay in mobilisation: There is a risk that delays in establishing the governance and programme infrastructure (e.g. transformation management office) will delay the mobilisation and delivery of the projects.	H	H	Conduct rapid design and agreement of governance and identify and allocate PMO resources to this programme within the next four weeks.
Delay in mobilising cost and establishment controls: There is a risk that the programme delays the mobilisation of relevant cost and establishment controls, both of which are outlined as key next steps in the implementation plan. Delays would reduce the potential full and part year benefits associated with FTE reduction and Third Party Spend savings.	H	H	Rapidly stand up relevant cost and establishment control groups, and outlining the critical path to the key release points outlined in the financial case (30th September 2025, 31st March 2026)
Organisational capacity: There is a risk that there is insufficient organisational capacity for change to support the delivery of the opportunities identified.	H	H	Rapidly develop a detailed delivery and resource plan, setting out the additional capacity required.
Enabler capacity: There is a risk that requirements for support from key enablers (e.g. HR, IS, Comms) is not coordinated across the programme, and limited capacity impedes progress on delivery.	H	M	A consolidated work plan for each enabler should be defined, based on the individual plans for each project.
Engagement: There is a risk that low levels of engagement and ownership of change across the organisation may limit the impact of changes and the value they can realise.	H	M	The extended leadership team has been heavily involved in the design of the TOM. The transformation communications lead has also spent thinking through the 'Council we Need' narrative and how to get staff onboard.
Speed to value: There is a risk that speed to value is slow and that the Council does not realise the cash benefits within the timeframes of this financial year, impacting the budget position.	H	M	The forward plan for the year ahead, included in this document, sets out the priority activities for the coming year and how and when they would lead to the realisation of value.
Scale and pace of delivery: There is a risk that the Council will not be able to deliver the proposed changes at the required scale and rate.	H	M	The transformation needs to be managed by a strong transformation office, which proactively monitors and escalates any slippage in delivery.
Pace of decision making: There is a risk that decisions are not made at the pace required and may impede delivery progress.	H	M	A governance structure needs to be designed to delegate and authorise decision making to correspond to agile ways of working. Work has been completed to design and stand up the Design Authority and Technical Design Authority.

12. Equalities Impact Assessment

12.1 A draft equality impact assessment is attached at appendix C. This is an overarching impact assessment that will be supported by multiple specific impact assessments for each change across the programme. The business case sets out change across five broad programmes and each programme will contain multiple projects that will deliver these changes over 3 years.

12.2 Each project and or proposed restructure will be subject to a specific impact assessment related to that change. Further engagement will be undertaken at a detailed level to ensure the impact has been appropriately considered in advance of each change taking place.

12.3 Questions that this EqIA will address:

- a) What are the potential impacts of the proposed changes on Dorset residents, particularly those protected under equality legislation and our local characteristics?
- b) What are the potential impacts of the proposed changes on employees of Dorset Council, particularly those protected under equality legislation and our local characteristics?

12.4 This report makes reference to reductions in staff and other workforce changes. The detail of this in relation to specific posts, is not yet known and will be clarified through the work of the programme following Cabinet decision. The potential impacts are explored further in the impact assessment in relation to:

- Holding vacancies
- Removing vacancies
- Temporary workforce
- Redeployment and reskilling
- Redundancy
- New ways of working

13. Appendices

Appendix A: Our Future Council Business Case

Appendix B: Transformation Plan 2025-29

Appendix C: Equalities Impact Assessment

14. Background Papers

Cabinet 19 November 2024: [Our Future Council Transformation Plan](#)

Joint Overview Committee 9 January 2025: [Our Future Council Transformation Plan](#)

15. Report Sign Off

15.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)