# CABINET

| | |
|---|---|
| Report subject | **Transformation Programme Completion** |
| Meeting date | 15 January 2025 |
| Status | Public Report |
| Executive summary | This report:<br><br>Provides a summary of the Council's Transformation Programme and achievement against its original aims and objectives. |
| **Recommendations** | **It is RECOMMENDED that Cabinet:**<br><br>a) **Acknowledges that the Council has significantly transformed its ways of working and successfully consolidated and modernised its infrastructure since the beginning of its transformation journey in 2019**<br><br>b) **Notes the achievements of the Transformation Programme, and the outstanding objectives in relation to the implementation of pay and reward and a new housing management system**<br><br>c) **Notes the ongoing operational delivery of the People Strategy and Estates & Accommodation Programme beyond completion of the Transformation Programme**<br><br>d) **Approves completion of the Transformation Programme by the end of March 2025, with future governance of transformation, innovation and improvement initiatives to be undertaken by the Corporate Strategy Delivery Board** |
| Reason for recommendations | To enable the programme to be closed in line with its original business case and funding arrangements. |

| | |
|---|---|
| Portfolio Holder(s): | Councillor Jeff Hanna, Portfolio Holder for Resources |
| Corporate Director | Graham Farrant, Chief Executive |
| Report Authors | Sarah Chamberlain – Director of IT & Programmes<br>Jon Burrows – Programme Manager |
| Wards | Council-wide |
| Classification | For Decision |

**Background**

1. The Council's transformation programme was established and mobilised between April 2019 and June 2021 with the aim of integrating and modernising former council arrangements under a single operating model, a single technology and data architecture, a single set of office accommodation arrangements, and a single employment offer. This followed local government reorganisation across Dorset, whereby BCP Council was formed from Borough of Poole (unitary authority), Bournemouth Borough Council (unitary authority), Christchurch District Council (district council) and that part of Dorset County Council which covered the Christchurch area. Through that process, we amalgamated three versions of every service into the single service to be provided by BCP Council, serving as the unitary authority across the BCP area.

2. In doing so, the programme would deliver sufficient financial savings to cover its own costs, reduce the Council's carbon footprint, and lay the foundations for ongoing improvement to the delivery of Council services.

3. The programme was structured around three themes:

    a) **Our New Organisational Design** – the design and implementation of a new organisational design and operating model, as set out and approved by Cabinet in November 2019 and June 2020.

    b) **Where and How we Work** – the design and implementation of an Estates and Accommodation Strategy as set out and approved by Cabinet in February 2020 and November 2020.

    c) **Supporting Our Colleagues** – the design and implementation of a People strategy, including the introduction of a new pay & grading structure and employment terms and conditions, as set out and approved by Cabinet in September 2019.

4. Progress updates have been provided to Cabinet throughout the programme's lifecycle, as well as to members of the Transformation Working Group. In addition, the Transformation Working Group have received detailed briefings on specific areas of the programme's work. This has been a long and complex process of change, encompassing the entire council, all of our services and all of our colleagues in changing how they work and how we deliver services.

5. This report provides a summary of achievements against the programme's original business cases, the aims and objectives of each of the transformation programme's core themes and makes recommendations for its completion.

**Business Case – Savings**

6. The estimated savings from the programme were categorised against individual workstreams with the total original business case estimate being in the range of £26.7m to £43.8m. The workstreams, and the savings they were assumed to deliver, can be articulated as follows:

Figure 4: Transformation savings workstreams
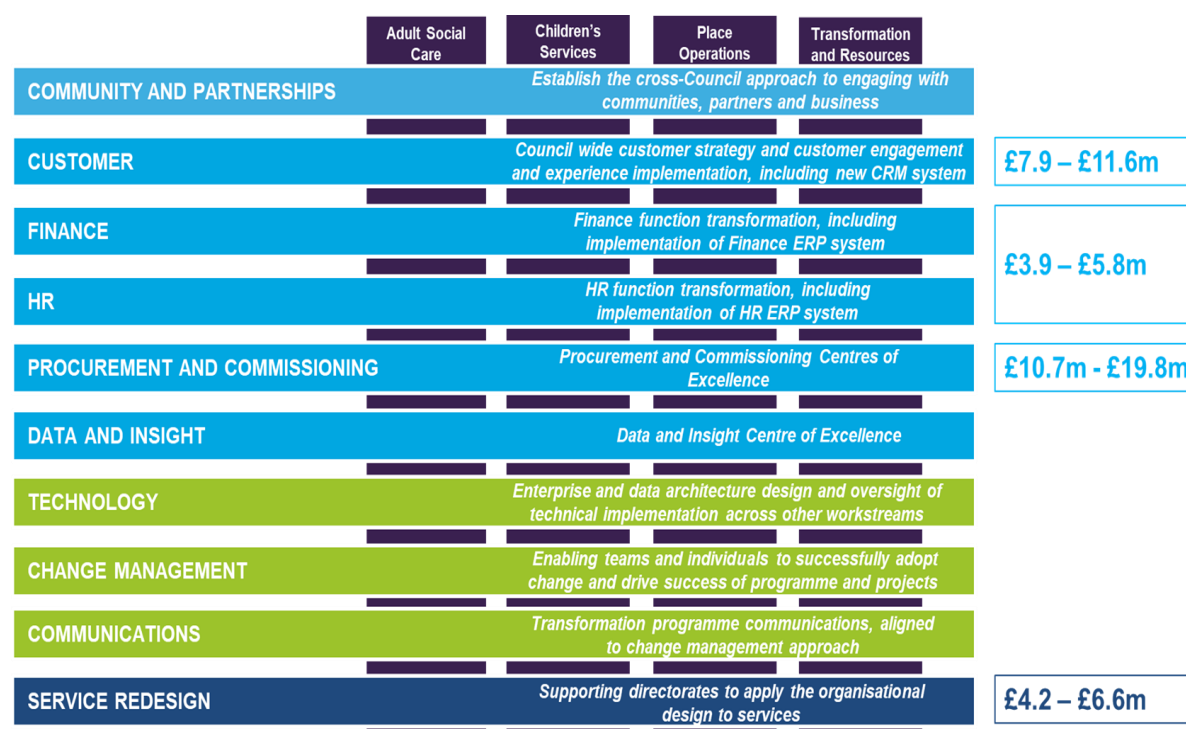


7. To enable the delivery of those savings, the Council has made a one-off investment of £41.4m in its main transformation programme. A full breakdown of investments and savings if provided in appendix 1, paragraph 5, figure 2, with the key messages being:

- As at the 31 March 2024, the programme had delivered £25.7m of ongoing (gross) revenue savings.

- As at the 31 March 2025, the programme is forecast to deliver a further £24.5m of ongoing (gross) revenue savings.

- The total (gross) revenue savings forecast to be delivered by the programme at the point of completion is therefore £50.2m

- The total (net) revenue savings forecast to be delivered by the programme at the point of completion is £34.7m taking into account ongoing revenue licencing and financing costs of £15.5m

- **This total (net) revenue savings forecast of £34.7m is in line with the original business case estimate being in the range of £26.7m to £43.8m, set out in para. 6, above.**

8. Through previous engagement with councillors, a standard document has been developed setting out the costs and savings associated with the Council's overall transformation agenda. Traditionally this has been included within the Council's annual budget and financial outturn reports and an updated version is attached as Appendix 1 for further detail. It should be noted that this version now includes the costs and savings associated with the service-specific transformation programmes in Adult Social Care and Children's Social Care which are outside the scope of this report. A full schedule of the savings categorised against the transformation programme is attached as Appendix 2.

9. It should also be noted that there remain elements of transformation activity which will lead to further expenditure over the next 12 to 18 months in closing down the main programme – this is primarily provision for redundancy costs associated with ongoing headcount reduction, as well as the service-specific programmes in Adults and Children's Services over the period to March 2028.

**Business Case – Carbon Reduction**

10. The Transformation Programme has contributed to the Council's target to be a carbon neutral organisation by 2030. The Council's greenhouse gas emissions in 2023/24 were 45,082 tCO2e (Carbon Dioxide Equivalent) – a reduction of 4,281 tCO2e from 2019/20 (8.7%). Transformation activities that have contributed to this reduction include:

- Disposal of Council assets, no longer requiring heating or lighting

- Increased use of e-conferencing, reducing business travel

- Increased incidence of homeworking, reducing the need for staff to commute

- Upgrading building energy efficiency, including £2m Government funding

- More energy-efficient office equipment and reduced need to photocopy

**Our New Organisational Design**

11. In November 2019, Cabinet approved a new operating model as the basis for the Council's Transformation Programme. The operating model was a direct response to several issues resulting from the local government reorganisation (LGR) process, and a need to deal with the operational realities of disaggregating and reaggregating the preceding local authorities into BCP Council. These included:

- the inheritance of multiple and complex legacy ways of working (e.g. assets, IT systems, processes and practices) from the preceding authorities, many of which were either at, or approaching, end-of-life

- a significant amount of duplication of effort in completing common tasks and processes across each of (what were then) five Directorates

- no consistent approach to the management and use of data to drive decision-making and organisational improvement

12. Over the past three and half years, we have been working in partnership with KPMG as our Strategic Implementation Partner to introduce the new operating model across the Council and become a model for local authorities on how to deliver modern

efficient and effective public services. From a structural perspective, we have made a series of changes to align organisational structures with the operating model – this includes senior leadership restructures, the Smarter Structures project, and several smaller, incremental changes. We have created brand new teams (Centres of Expertise) for Business Support, Programmes & Project Management, Data & Analytics and Workforce Development, by bringing together similar roles from across the organisation. We have also consolidated other functions into our central Centres of Expertise, including customer services, marketing and communications, legal services and financial services. This has provided greater resilience within our corporate support teams, and focussed our professional services in these areas, as well as providing access to new technologies, skills and career progression for colleagues. In addition, a significant amount of work has been undertaken with existing Centres of Expertise to introduce new service structures and modernise ways of working, including People & Culture, Finance and Customer Services.

13. The operating model has been underpinned by investment in three core technology platforms – Data, Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM). These platforms were procured, designed, built, tested and implemented at various stages during the programme, as follows:

- **Data Platform** (Microsoft Azure Data Lake & Semarchy Master Data Management) – launched in December 2022

- **ERP** (Microsoft Dynamics Finance & Operations (including HR)) – launched in April 2023

- **CRM** (Microsoft Dynamics Citizen Experience) – launched in January 2024

14. **Data Platform:** The new Data Platform is now being used across the organisation to automate the collation, processing and presentation of information, connect disparate and previously siloed data sets together, and provide new insight to support decision-making. This is helping us to break down the barriers that have previously constrained our ability to make optimal use of our data, unlocking its potential and providing a platform to drive further innovation in the use of analytics. We are already seeing some encouraging results from the new approach to data and our ability to sue data to make predictions about future service demands and prevention approaches that we might take, for example in homelessness and social care.

15. **Enterprise Resource Planning (ERP) System:** The new ERP system has replaced legacy HR and finance systems, bringing together information about our establishment and finances into a single platform for the first time. The ability for managers to access real-time information about their teams and drill-down into their budgets has been a huge benefit, and colleagues are now able to conduct many more transactions digitally and/or via self-service. This has also helped to generate a shift in accountability from the finance team supplying budget information, to the preferred position where managers are able to monitor their budgets in real time and therefore Finance officers provide more professional support to the budget management process. The new ERP system has also enabled a new suite of dashboards to be developed, providing information on organisational structures, reporting lines, headcount, turnover, absence levels and protected characteristics.

16. **Customer Relationship Management (CRM) System:** The new CRM system has replaced multiple legacy systems and provides a single platform for managing customer contact and digital service-delivery. This has been a great step forward, but there is still a huge amount of work required to fully transition to this new platform

and make best use of the capabilities that it provides, including deeper integration with back-office systems to streamline processes and enhance service delivery. This is a complex area of work with many moving parts, and requires careful planning, design and implementation using an agile mindset. There are approximately130 existing customer journeys that need to be migrated to this new platform (estimated to complete in August 2025) and a further 480 customer journeys that have been identified for development through high-level design work with service areas across the Council.

17. In addition to the investment we have made in Data, ERP and CRM, we have needed to address the issue of disparate, complex and siloed technology architecture inherited from legacy councils. This has included the consolidation of our wide-area network, consolidation of physical data centres and backup solutions, the creation of a new virtual data centre to enable the onboarding of new IT systems within a more secure and resilient 'cloud' environment, and consolidation of our major back-office IT systems, including:

- Mosaic (Adults & Children's) – launched in January 2023

- SkillGate (People & Culture, Learning Management) – launched in April 2023

- iCaseWork (Legal) – launched in July 2023

- OurTalent (People & Culture, Recruitment) – launched in October 2023

- Alloy (Environment) – launched October 2024

- Capita (Revenues & Benefits) – launched November 2024

- NetFM (Beach Huts/Lodges) – launched December 2024

- MasterGov (Planning) – going live March 2025

18. By consolidating, modernising and integrating our technology architecture, we have been able to reduce our operating costs, simplify our support model and establish a set of IT services that are fit-for-purpose for a modern organisation. The consolidation of back-office IT systems, has enabled those service areas to reduce their own operating costs, work more efficiently, and laid the foundations for further improvements in service delivery and analytics.

19. It should be noted that there is still a key systems consolidation objective outstanding from the transformation programme – this is the procurement and implementation of a new housing management system which is estimated to go-live in April 2027.

**Where and How We Work**

20. In February 2020, Cabinet endorsed the recommendation to refurbish the current Bournemouth Town Hall complex as the preferred approach to delivering a single BCP Council Civic Centre. This followed the outcome of the organisational design process reported to Cabinet in November 2019, and the recognition that BCP Council would require a single main office location and civic centre to support its future service delivery. Refurbishment works were undertaken between January 2021 and July 2023. This has transformed the Council's office space and created a working environment that is fit-for-purpose for a modern organisation, including the creation of team zones, and numerous meeting areas to facilitate collaboration across service areas.

21. Together with the roll-out of over 5000 new devices (laptops, tablets) and the Microsoft 365 product suite (Teams, Word, Excel, PowerPoint etc.), colleagues are

now able to work flexibly at a time and location that suits them and the needs of their customers. They are actively supported by a Digital Champions Network of over 300 users, that supports the adoption of new technologies and helps colleagues make the most of the tools at their disposal. Along with the BCP Council Civic Centre refurbishment, operational hubs with touchdown spaces that any member of staff can use, have been created in Poole and Christchurch to provide further flexibility for the Council's workforce.

22. In November 2020, Cabinet received an update on the Estates & Accommodation Strategy including a 3-stage delivery plan that had been developed in response to the Covid-19 pandemic. Stage 3 of the delivery plan included the requirement to transfer legacy Christchurch and Poole customer services centres to local libraries, to completely vacate the surplus civic buildings in Christchurch and Poole. These transfers were completed by October 2021 and ensured that there was a seamless continuation of service to our customers. The transfer of the legacy Bournemouth customer services function to the central Bournemouth library was not required as continued provision from the new BCP Civic Centre has been possible.

23. The delivery of the Estates & Accommodation Strategy has enabled the Council to co-locate colleagues and begin to release corporate assets located across BCP communities that are considered surplus to requirements. Poole Civic Centre and Annex, and Christchurch Civic offices were initial priorities for vacation, but several other buildings, either owned or leased by the council, have since also been vacated. Some of the sites now vacated have been subject to feasibility work to consider them for SEND or Temporary Housing use, and where they have been deemed appropriate, they are now being taken forward rather than disposed of. Where such feasibility is not considered viable, buildings will typically be disposed of for capital receipt. Additionally, a wider piece of work looking at the corporate estate with a view to consolidating services in fewer buildings is taking place to ensure the council's estate is fit for purpose for our customers and represents good value for money to taxpayers. This may lead to some buildings acting as hubs for a number of services that need to remain in the community, but which do not need an exclusive building of their own.

24. Work is also continuing in association with the Civic Members Working Group to identify and agree the next phase of improvements necessary to support modern, comfortable and accessible civic spaces. This work is primarily focused on the Council Chamber and associated committee meeting rooms (those in the west wing of the Civic centre) and will include the wider introduction of hybrid meeting technology and improved online streaming capability, plus accessibility improvements to ensure access and participation in the democratic process is available to as many people as possible.

**Supporting Our Colleagues**

25. **Pay and Reward:** in September 2019, the Council approved the delivery of a new pay and reward strategy, with the aim of ensuring equal pay for equal work. In doing so, the Council would also modernise legacy terms and conditions to enhance its offer as an employer and provide a platform for further organisational development (e.g. recruitment and retention, succession planning, career pathways, induction, organisational design, performance management).

26. This process has involved lengthy negotiations (collective bargaining) with trade unions, and whilst we have been able to use many of the outputs from the pay and reward process to support other organisational development activities, the

introduction of a new pay structure and terms and conditions remains an outstanding objective of the programme as despite numerous attempts to reach a collective agreement, the trade union ballots have not been successful to date. Work will continue to explore options to implement these objectives that are critical for our organisation

27. **People Strategy:** The Council's original People Strategy was approved by Cabinet in September 2019 and covered the period from 2019 to 2023. A new People Strategy has subsequently been developed for the period 2023 to 2027 and is based around three themes:

- **Getting the basics right** – covering culture, values and behaviours; wellbeing; equality, diversity and inclusion; reward and recognition

- **Growth opportunities** – covering learning and development; career development; leadership and management; high performing teams

- **Future focused** – covering workforce shaping; talent acquisition and retention; employee engagement; people insights

28. This is a broad and diverse programme of work in its own right and will extend beyond the proposed completion of the transformation programme. Some elements of its delivery have also been slower due to other organisational priorities (such as voluntary redundancy), but some significant milestones have still been achieved:

- **Culture, values and behaviours:** behavioural framework introduced to demonstrate examples of effective and ineffective behaviours against the values, including the development of a leadership framework which has been informed by 360 feedback; the OurStars recognition platform has been amended to help those nominating others to best describe how staff have demonstrated the corporate values; value-based interview questions have been devised and learning packs developed to support individual and team discussions around the values and how they are shown in the workplace

- **Wellbeing:** TRiM (Trauma Risk Management) pilot has been rolled out in Adult Social Care; 150+ health checks have been completed for eligible colleagues; pre-retirement wellbeing offer has been developed; new mental health and stress for managers sessions have been developed; teams are being supported with resilience and stress sessions; mental health first aiders have been re-accredited

- **Equality, diversity and inclusion:** unconscious bias leadership session has been run by external professionals to develop awareness and action planning; EDI resource bank has been developed for leaders to cascade activities and learning content around unconscious bias; anonymous applications have been introduced as part of the recruitment process to reduce bias; neurodiversity awareness training has been successfully launched and delivered; Disability Confident pledge has been renewed; Armed Forces Covenant pledge has been renewed; approach to making reasonable adjustments has been refreshed; communication campaign has been launched to encourage employees to complete their own protected characteristic data

29. **Learning and development:** a new learning management system (LMS) has been procured and embedded; a new traffic light reporting system on mandatory training has been introduced which has increased completion rates by 26.4% (from 52.4% Aug 23 to 78.8% Aug 24); skills audit functionality on the LMS has been developed

30. **Career development:** a leadership career development framework has been developed and launched; apprenticeship guidance has been refreshed; a consistent set of career grade principles for those services who operate career grades has been developed; new career grades have been introduced where there are difficulties in retention and recruitment

31. **Leadership and management:** a new twelve-month executive leadership programme has been developed which includes 360 feedback based on the leadership framework; an external insight framework has been established to identify strengths and blind spots with executive one-to-one external coaching available based on these insights; externally facilitated sessions have been run to improve team and corporate strategic alignment; audit of financial management skills for Directors has been undertaken and learning interventions developed

- **High performing teams:** a new performance framework was introduced in April 2024 introducing ratings, and minimum performance criteria linked to incremental pay progression; managers now record personal objectives online, making this reportable across BCP Council; online one-to-one functionality has been introduced

- **Workforce shaping:** we have introduced spans of control to ensure that organisational structures are aligned with best practice design principles; entry career pathways have been developed linking through to corporate ambitions; new pay structure introduced for apprenticeships

- **Talent acquisition and retention:** Procured, designed new processes to embed a new automated recruitment system; developed automation in system to send out contracts; retention of early career talent by linking to career pathways and role profiles; developed a refer a friend scheme to reduce agency spend; reviewed off contract workers to manage spend more effectively; simplified the candidate experience by removing barriers to the application process

- **Employee engagement:** organisational 'Pulse' survey has been designed and actioned

- **People insights:** interactive real-time data dashboards have been developed for key establishment measures (e.g. headcount, turnover, absence) and to facilitate trend analysis; performance management reporting has been developed to provide assurance on completion of mandatory training, performance reviews and tracking of performance objectives

**Programme Completion**

32. In assessing the success of any change programme, it is important to recognise the relationship between the **outputs** of the programme (i.e. the tangible, measurable results achieved within the programme's timeframe) and the **outcomes** (i.e. the broader, longer-term impacts) brought about by those outputs.

33. The transformation programme is now in its fifth year and final year of funding and its outputs have established the foundations of a modern and accessible Council in line with its original ambition and the Corporate Strategy (A Shared Vision for Bournemouth, Christchurch & Poole 2024-2028). The original objectives of the Transformation Programme have mostly been met and the core services and culture have largely been achieved. However, there is still more to be done to continue to develop the Council in the way that we want, to be more responsive to our customers and faster to react.

34. We have built an organisation and established systems that can enable rapid adaptation and evolution, that is working with modern and innovative technologies to drive efficiency and productivity throughout its operations and has the tools and infrastructure it needs to improve the lives of our local communities.

35. We will continue to build on these foundations to drive further change, embed a culture of continuous improvement and introduce more efficient and effective ways of working. This includes ongoing work to improve our digital service-delivery, make effective use of data and insight, and exploit new and emerging technologies such as artificial intelligence (AI).

36. Ongoing governance has been established with the introduction of a Corporate Strategy Delivery Board which will oversee the delivery of the Council's vision and ambitions under the priorities outlined in the corporate strategy. This group consists of the Chief Executive, Corporate Directors and Resource Directors or their representatives, and is chaired by the Chief Executive and deputised by the Director of Marketing, Communications and Policy. The Board is supported by the Corporate Performance and Programme & Project Management teams and sits within the Council's established governance framework, reporting to Cabinet and working closely with Director's Strategy Group.

## Summary of financial implications

37. The financial outcomes of the Transformation Programme have been clearly set out in the body of this report (paragraphs 6 to 9). The are no additional financial implications associated with the decision to complete the Programme in March 2025.

## Summary of legal implications

38. There are no legal implications associated with this decision.

## Summary of human resources implications

39. There are number of staff funded from the transformation budget across the Resources Directorate. Options for extending these arrangements to support ongoing improvement work are currently being reviewed.

## Summary of sustainability impact

40. There are no sustainability implications associated with this decision.

## Summary of public health implications

41. There are no public health implications associated with this decision.

## Summary of equality implications

42. Equality impact assessments were undertaken for each of the programme's workstreams prior to changes being implemented. The decision to close the programme will not have any direct equality implications.

## Summary of risk assessment

43. Robust risk management processes have been integral to the programme's approach, with risks and mitigation strategies reviewed regularly through the programme's governance arrangements. Risks to the successful delivery of the programme will be closed at the end of March subject to approval of this report.

There is a residual risk that the momentum for change and improvement that has been built up during our transformation journey is not maintained, and that the organisation does not maximise opportunities to build on the foundations that the programme has established.

**Background papers**

- Cabinet 11 September 2019: Implementation of Pay & Reward Strategy

- Cabinet 11 September 2019: People Strategy 2019-2023

- Cabinet 13 November 2019: Organisational Development – Design Outcomes

- Cabinet 12 February 2020: Organisational Development - Estates & Accommodation Strategy

- Cabinet 24 June 2020: Organisational Design - Implementation & Budget

- Cabinet 11 November 2020: Estates & Accommodation Project

- Cabinet 27 October 2021: Organisational Design - Implementation Progress

- Cabinet 25 October 2023 Transformation Programme Update

- Cabinet 10 April 2024: Transformation Programme Update

- Cabinet 17 July 2024: Pay and Reward - Update on Progress in Introducing New Terms and Conditions of Employment

- Cabinet 4 September 2024: Pay and Reward - Final Position

**Appendices**

# Transformation Investment Programme

## Including the Flexible Use of Capital Receipts

1.  As might be expected the council inherited a range of legacy staffing arrangements, processes and systems and therefore had an opportunity to remove duplication, remove inefficiencies, and to leverage economies of scale whilst improving governance. Much of this formed the foundation of the argument for establishing the new council alongside the opportunity to fundamentally transform public services. Achievement of these benefits was delivered by the adoption of a radically different operating model and specifically via:

    - Investment in technology

    - Investment in data and insight

    - Investment in new ways of working

    - Engaging and empowering our communities

    - Leveraging our partnerships

    - Creating equity in pay & conditions

    - Investing and rationalising the civic estate

2.  Investment in three core technologies, along with the rationalisation and effective integration of our core service technologies, was designed to enable the council to become the leading digital and insight driven local authority in the UK. Specifically, these were an investment in a Customer Relationship Management (CRM) system, investment in an Enterprise Resource Planning (ERP) systems (Finance and Human Resources), alongside establishing an appropriate data platform.

3.  A high-level business case was presented to Cabinet in November 2019 which set out the original scope of the council's organisation design project, which was facilitated by KPMG, and identified that it could potentially deliver up to £43.9m of gross annual savings by year 4 based on an investment of £29.5m. The original profile of these savings was assumed to accumulate as £7.8m in year 1 growing to £16.5m in year 2, £36.9m in year 3 and £43.9m in year 4. It should be highlighted that these savings impact on the whole council including both General Fund and Housing Revenue Account (HRA) services.

**Figure 1:** Our Operating Model



We treat everyone with **respect**

We are **passionate** about our communities

We have **integrity**

We embrace **innovation**

We take **pride** in what we do
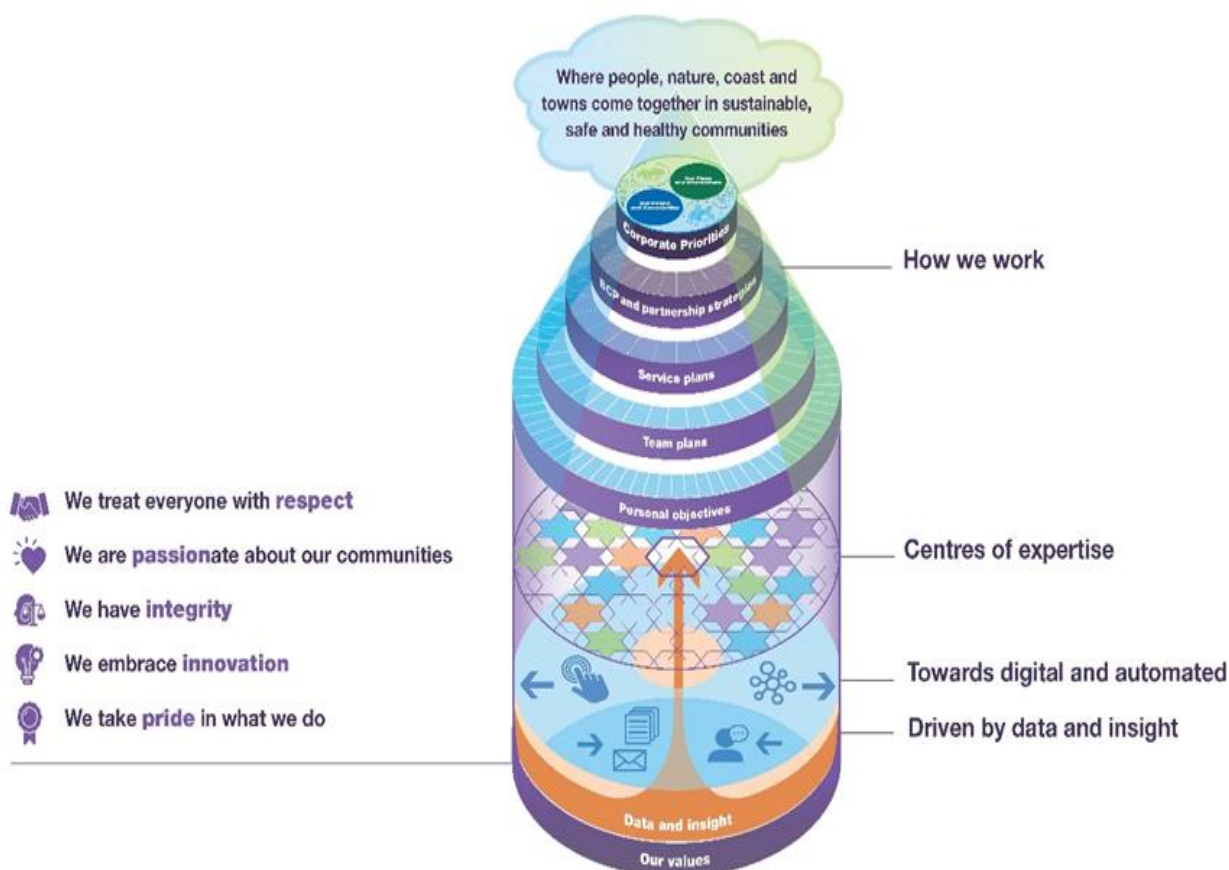
4. Council on 7 July 2020 agreed to the extension of the project to a £38m programme referencing the accelerated leap forward in different ways of working because of the Covid-19 public health emergency and the need to accelerate the pace at which we generate savings and efficiencies. This report also approved the procurement of a strategic partner, approved oversight of the programme by a Cabinet Working Group as part of the governance arrangements and set out that the £43.9m was adopted as the minimum expectation of savings and efficiencies. Key milestones in the development of the Transformation Investment programme can therefore be set out as follows.

   a) November 2019. First presented to Cabinet based on a report, costing £314,650, commission from KPMG.

   b) June 2020 Cabinet (July Council). Establishment of a £37.62m budget for the implementation of the programme.

c) February 2021 (part of the 2021/22 budget report). Increase in the budget to £44.52m to allow an additional £6.9m for redundancy costs.

d) February 2022 (part of the 2022/23 budget report). Further increase in the budget to £67.86m to reflect the following additional elements.

- £20.09m Inclusion of internal base revenue budget staff costs, £6.7m for 3 years, where staff are not available to support day to day or statutory improvement duties, and will be apportioned and charged against the transformation investment programme.
- £1.75m Investment in the data and insight capability
- £1.5m Extra contingency

e) February 2023 (as part of the 2023/24 budget report). Reduced the transformation investment programme to £57.36m to reflect.

- (£10.5m) Reduction in the annual recharge of internal base revenue costs to £3.2m for 3 years.

f) July 2023 (as part of this 2022/23 Financial Outturn report). Reduce the transformation investment programme to £56.87m to reflect.

- (£0.5m) Reduction in the annual recharge of internal base revenue costs to £2.7m for 2022/23.

g) February 2024 (as part of the 2024/25 budget report). Reduced the transformation investment programme to £52.13m to reflect.

- (£4.7m) Reduction in the annual recharge of internal base revenue costs to £0.8m for both 2023/24 and 2024/25.

h) July 2024 (as part of the 2023/24 financial outturn report). Reduced the transformation investment programme to **£50.48m** to reflect.

- (£1.65m) Remove the annual recharge of internal base revenue costs both 2023/24 and 2024/25.

5.   Figure 2 below provides a summary table of the return on investment for the transformation investment programme. This indicates that at the end of the 2024/25 financial year the council will have made net revenue savings of **£35m** (£50.2m - £15.46m) for a total one-off estimated investment of **£41m.** Thereafter there will be a minimum net annual revenue saving of **£21m** (£27.25m - £6.4m) with a further one-off investment of a maximum of £9m in 2025/26.

**Figure 2:** Summary of Return on Investment

| Summary Table | 2020/21 Actual £m | 2021/22 Actual £m | 2022/23 Actual £m | 2023/24 Actual £m | Total Actuals £m | | 2024/25 Estimate £m | Overall Total £m | | 2025/26 Estimate £m | 2026/27 Estimate £m | 2027/28 Estimate £m | Overall Total £m |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **One-Off Investment** (Capital and Revenue) | 1.50 | 5.93 | 16.37 | 11.36 | 35.16 | | 6.27 | 41.43 | | 9.05 | 0.00 | 0.00 | 50.48 |
| **Ongoing Revenue Savings** (actual and budgeted) | 0.00 | (3.95) | (7.10) | (14.66) | (25.71) | | (24.50) | (50.20) | | (27.25) | (27.78) | (27.78) | (133.01) |
| **Ongoing Revenue Licensing & Financing Costs** | 0.34 | 2.52 | 2.36 | 4.10 | 9.31 | | 6.15 | 15.46 | | 6.40 | 6.12 | 6.12 | 34.11 |

6. A more detailed consolidated position in respect of the transformation investment programme is set out in figure 3 below.

**Figure 3:** Consolidated Transformation Programme Table

## Transformation Investment Programme — One-off / time-limited budget provision for the delivery of the programme

| | | 2020/21 Actual £m | 2021/22 Actual £m | 2022/23 Actual £m | 2023/24 Actual £m | Total Actuals £m | 2024/25 Estimate £m | Overall Total £m | 2025/26 Estimate £m | 2026/27 Estimate £m | 2027/28 Estimate £m | Overall Total £m |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Capital Spend | **Expenditure** | | | | | | | | | | | |
| | Capital expenditure | 1.19 | 0.05 | 0.76 | 0.89 | 2.89 | 0.71 | 3.60 | | | | 3.60 |
| | | 1.19 | 0.05 | 0.76 | 0.89 | **2.89** | 0.71 | **3.60** | | | | **3.60** |
| | **Funding** | | | | | | | | | | | |
| | Prudential Borrowing (funded from General Fund MRP) | 0.00 | 0.00 | (0.56) | (0.89) | (1.45) | (0.71) | (2.16) | | | | (2.16) |
| | Prudential Borrowing (funded from HRA land tfr) | (1.19) | (0.05) | (0.20) | 0.00 | (1.44) | 0.00 | (1.44) | | | | (1.44) |
| | | (1.19) | (0.05) | (0.76) | (0.89) | **(2.89)** | (0.71) | **(3.60)** | | | | **(3.60)** |
| Revenue Spend | **Expenditure** | | | | | | | | | | | |
| | One-off costs - including data and insight and capability | 0.31 | 5.32 | 12.90 | 7.21 | 25.74 | 3.46 | 29.20 | 1.28 | | | 30.48 |
| | Redundancy costs | 0.00 | 0.56 | 0.01 | 3.26 | 3.83 | 2.10 | 5.93 | 6.97 | | | 12.90 |
| | Contingency | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.80 | | | 0.80 |
| | Staff costs apportioned to Transformation | 0.00 | 0.00 | 2.70 | 0.00 | 2.70 | 0.00 | 2.70 | 0.00 | | | 2.70 |
| | | 0.310 | 5.880 | 15.610 | 10.473 | **32.27** | 5.56 | **37.83** | 9.05 | | | **46.88** |
| | **Funding** | | | | | | | | | | | |
| | Assumed fundable by Capital Receipts | (0.31) | (3.88) | (15.61) | (10.47) | (30.27) | (5.56) | (35.83) | (9.05) | | | (44.88) |
| | Contributions from outside of the General Fund | 0.00 | (2.00) | 0.00 | 0.00 | (2.00) | 0.00 | (2.00) | 0.00 | | | (2.00) |
| | | (0.31) | (5.88) | (15.61) | (10.47) | **(32.27)** | (5.56) | **(37.83)** | (9.05) | | | **(46.88)** |
| Total | **Total expenditure** | **1.50** | **5.93** | **16.37** | **11.36** | 35.16 | **6.27** | **41.43** | **9.05** | | | **50.48** |
| | **Total funding** | **(1.50)** | **(5.93)** | **(16.37)** | **(11.36)** | (35.16) | **(6.27)** | **(41.43)** | **(9.05)** | | | **(50.48)** |

## Transformation Investment Programme — Ongoing base revenue budget of the council

| | | 2020/21 Actual £m | 2021/22 Actual £m | 2022/23 Actual £m | 2023/24 Actual £m | Total Actuals £m | 2024/25 Estimate £m | Overall Total £m | 2025/26 Estimate £m | 2026/27 Estimate £m | 2027/28 Estimate £m | Overall Total £m |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue Budget | **Expenditure** | | | | | | | | | | | |
| | Licences and other revenue costs of the programme | 0.34 | 2.24 | 2.08 | 2.75 | 7.41 | 4.50 | 11.91 | 4.50 | 4.50 | 4.50 | 25.41 |
| | | 0.34 | 2.24 | 2.08 | 2.75 | **7.41** | 4.50 | **11.91** | 4.50 | 4.50 | 4.50 | **25.41** |
| | **Savings and efficiencies** | | | | | | | | | | | |
| | Transformation Programme Savings | 0.00 | (3.95) | | | (3.95) | | (3.95) | | | | (3.95) |
| | *Budgeted savings from 2022/23* | | | | | | | | | | | |
| | 2022/23 In year - Savings delivered | | | (7.10) | (7.10) | (14.20) | (7.10) | (21.30) | (7.10) | (7.10) | (7.10) | (42.60) |
| | *Budgeted savings from 2023/24 excluding any previously unidentified savings* | | | | | | | | | | | |
| | 3rd Party savings - Included within budgeted savings proposals | | | | (0.91) | (0.91) | (0.91) | (1.81) | (0.91) | (0.91) | (0.91) | (4.53) |
| | Staff savings - Included within budgeted 23/24 services savings proposals | | | | (5.76) | (5.76) | (5.76) | (11.52) | (5.76) | (5.76) | (5.76) | (28.81) |
| | Additional 2023/24 in-year savings | | | | (0.89) | (0.89) | (0.89) | (1.78) | (0.89) | (0.89) | (0.89) | (4.45) |
| | *Budgeted savings from 2024/25 onwards* | | | | | | | | | | | |
| | **2024/25 Estimate: Identified transformation savings** | | | | | | (9.84) | (9.84) | (11.48) | (11.48) | (11.48) | (44.29) |
| | **2025/26 Estimate: Identified transformation savings** | | | | | | | 0.00 | (1.11) | (1.11) | (1.11) | (3.34) |
| | **2026/27 Estimate: Identified transformation savings** | | | | | | | 0.00 | | (0.52) | (0.52) | (1.04) |
| | | 0.00 | (3.95) | (7.10) | (14.66) | **(25.71)** | (24.50) | **(50.20)** | (27.25) | (27.78) | (27.78) | **(133.01)** |

## Funding Implications on the revenue budget

| | | 2020/21 Actual £m | 2021/22 Actual £m | 2022/23 Actual £m | 2023/24 Actual £m | Total Actuals £m | 2024/25 Estimate £m | Overall Total £m | 2025/26 Estimate £m | 2026/27 Estimate £m | 2027/28 Estimate £m | Overall Total £m |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue Budget | **One-off Capital Investment** | | | | | | | | | | | |
| | Minimum Revenue Provision and interest implications | 0.00 | 0.28 | 0.28 | 0.47 | 1.03 | 0.69 | 1.72 | 0.87 | 0.59 | 0.59 | 3.77 |
| | | 0.00 | 0.28 | 0.28 | 0.47 | **1.03** | 0.69 | **1.72** | 0.87 | 0.59 | 0.59 | **3.77** |
| | **One-off Revenue Investment** | | | | | | | | | | | |
| | Revenue foregone on asset disposed off | 0.00 | 0.00 | 0.00 | 0.88 | 0.88 | 0.96 | 1.83 | 1.04 | 1.04 | 1.04 | 4.94 |
| | | 0.00 | 0.00 | 0.00 | 0.88 | **0.88** | 0.96 | **1.83** | 1.04 | 1.04 | 1.04 | **4.94** |

Appendix 1

**Transformation Expenditure**

7.    The £16.37m of expenditure incurred in **2022/23** can be analysed as follows.

£0.76m        Laptops

£11.03m       Strategic Investment Partner – work package costs
£1.65m        Internal direct staff costs
£0.09m        Agency staff costs
£0.01m        Redundancy costs
£0.14m        ICT costs
£2.70m        Apportioned staff costs

**£16.38m        Total 2022/23 costs**

The work packages costs of the strategic investment partner include those supporting the delivery of the new integrated Finance and Operations (Enterprise Resource Planning) system.

8.    The £11.361m of expenditure incurred in **2023/24** can be analysed as follows

£0.822m       Laptops
£0.066m       Other Capital Expenditure

£4.815m       Strategic Investment Partner – work package costs
£3.262m       Redundancy costs
£1.709m       Internal direct staff costs *
£0.606m       ICT costs
£0.081m       Agency staff costs

**£11.361m       Total 2023/24 costs**

\*        £0.51m  ICT Services
         £0.43m  Project Management Office and Communications
         £0.36m  People & Cultural Services
         £0.20m  Procurement and Commissioning
         £0.14m  Financial Services
         £0.06m  Other Services

9.    In respect of the £6.27m of expenditure estimated in the current year **2024/25** financial year this can be analysed as principally.

£0.34m        Laptops
£0.37m        Other Capital Expenditure

£0.58m        Strategic Investment Partner – work package costs
£2.10m        Redundancy costs from reducing the headcount of the authority
£2.47m        Internal direct staff costs *
£0.41m        IT costs

**£6.27m        Total remaining costs 2024/25**

\*        £0.70m  ICT Services
£0.41m  People & Cultural Services
         £0.74m  Financial Services

£0.21m  Other Services
£0.01m  Procurement and Commissioning
£0.40m  Project Management Office and Communications

10. The main residual cost for 2025/26 is the remaining element of the amount set aside to cover redundancy costs associated with a head count reduction that as of yet has not been applied. An ongoing review will determine the extent to which these resources will need to be drawn down.

**Transformation Savings**

11. The savings from the programme can be broken down into 10 separate workstreams with the total original business case estimate being in the range £26.7m to £43.8m. These workstreams, and the savings they are assumed to deliver, can be articulated as follows.

**Figure 4:** Transformation savings workstreams.
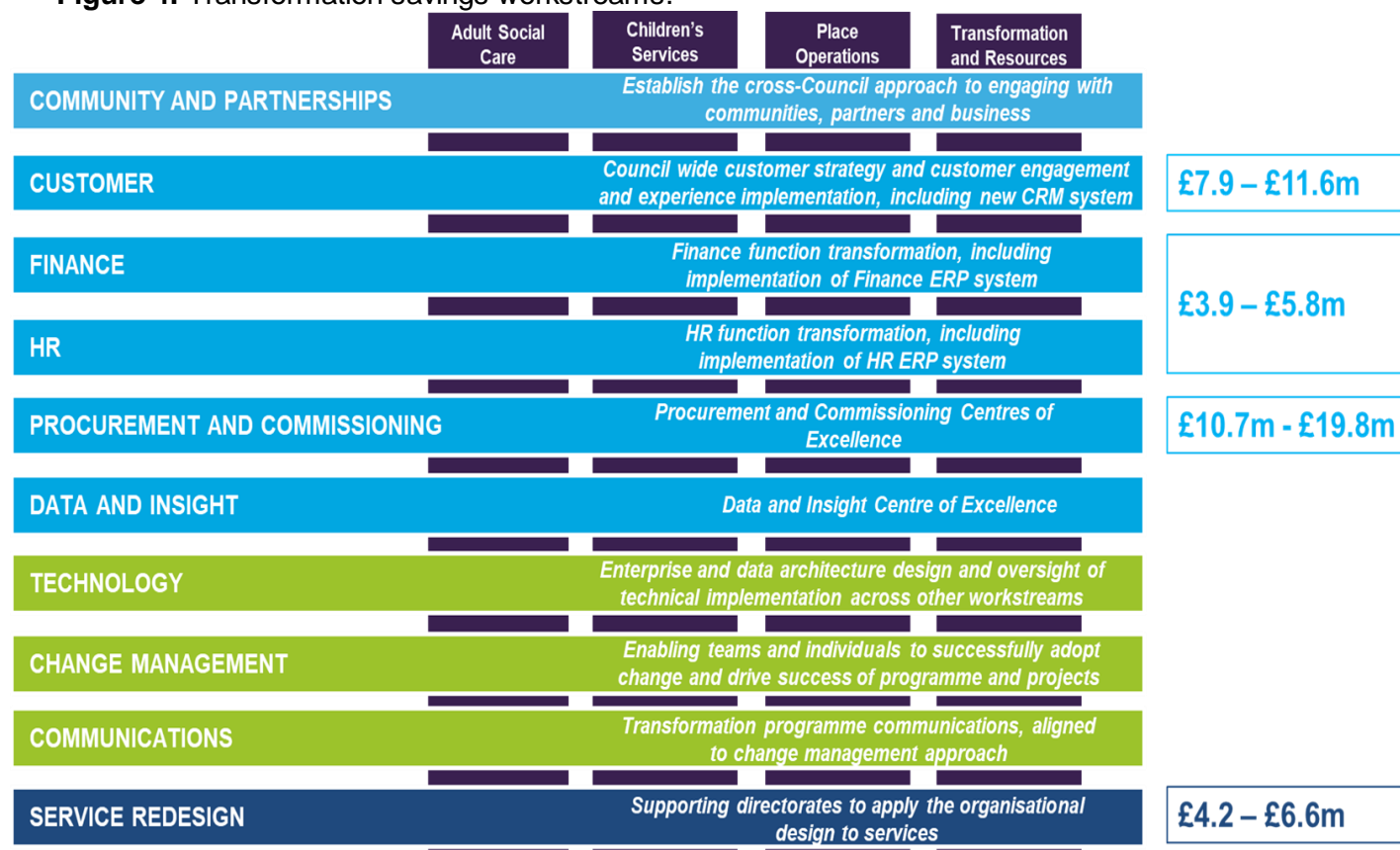
12. Savings from the transformation investment programme are therefore specifically associated with.

(a) Reduction in employee headcount through the consolidation of common roles/work.

(b) Reduction in employee headcount through the consolidation of organisational layers/structures.

Appendix 1

(c) Reduction in third-party spend through more robust procurement and contract management. This will include smarter ways of working such as the digital mail and the reduction of spend throughout the council by the centralisation of spending on items such as stationery, photocopying and printing.

(d) Review of the corporate structure to enable the council to continue to reflect and realign its management structure to ensure we are continuously improving towards being the organisation that we aspire to be and to ensure we deliver our priorities for our residents. This includes the integration of the library services with customer facing services and community hubs.

(e) The Council's estate and accommodation project.

**Transformation Savings**

13. The (£7.1m) of ongoing savings delivered in **2022/23** can be analysed as follows.

| | |
|---|---|
| (£3.327m) | Third Party expenditure reductions |
| (£1.726m) | Implement of new Smarter Staff Structures |
| (£1.141m) | Estate workstream - lease surrender, operating costs civic buildings |
| (£0.793m) | Business Support savings via vacancy management |
| (£0.111m) | Cost recovery – additional income |
| **(£7.100m)** | **Total Savings 2022/23 onwards** |

14. The (£7.56m) of additional ongoing savings delivered in **2023/24** can be analysed as follows.

| | |
|---|---|
| (£5.761m) | Staffing savings including £2.3m from increasing the vacancy drag. |
| (£1.171m) | Third party spend. |
| (£0.625m) | Utility (Electricity/Gas) savings from contract arrangements |
| **(£7.557m)** | **Total additional savings from 2023/24 onwards** |

15. The (£10.15m) of further ongoings forecast savings for delivery in 2024/25 were set out in detail as part of the Quarter 2 Budget Monitoring report to Cabinet on the 10 December 2024. This can be compared to £13.533m assumed as part of the 2024/25 February 2024 budget report. In summary this can be analysed as follows.

| | |
|---|---|
| (£2.168m) | Wellbeing Directorate (Budgeted £3.847m). |
| (£2.429m) | Children's Directorate (Budgeted £4.162m) |
| (£3.829m) | Operations Directorate (Budgeted £3.829m) |
| (£1.226m) | Resource Directorate (Budgeted £1.192m) |
| (£0.503m) | Authority-wide Transformation Savings (Budgeted £0,503m) |
| **(£10.152m)** | **Total further forecast savings from 2024/25 onwards** |

16.    Details of the Transformation savings being assumed for 2025/26 onwards are subject to confirmation at this time as part of the 2025/26 budget process and the 2025/26 budget report will provide and update of this statement.

17.    Currently, the programme is focused on the final piece of work with the council's strategic investment partner, KPMG, in respect of the Customer Relationship Management technological platform.  This investment will help move us to further forward with the implementation of the Target Operating Model and put us in a position to make further headway with service redesign and benefit realisation. The next step will be the ongoing support to services specific transformation investment programmes and to ensure the fulfilment of the programme's objectives.

18.    Transformation Programme Managers have worked closely with heads of service and directors throughout the vision and validate activity. Care has been taken to ensure the correct categorisation of the 2025/26 savings and to avoid duplication or double counting.

19.    Work at this point, having not yet completed all the system and process changes has not identified any further savings over and above everything already set out in the MTFP, indeed the transformation work already done to date helps to make those savings easier to achieve.  The Voluntary Redundancy scheme headcount reductions have been made easier to translate into deliverable savings by the council making the most of the new systems for financial management, customer relationship management, data analysis and artificial intelligence.

**Service Specific Transformation Programmes**

20.    Building on the success of the main Transformation Investment Programme Cabinet and Council have also agreed a number of service investment programmes within both Adult Social Care and Children's Services. As set out in Figure 5 below this highlights for a one-off investment of £5m the Council is aiming to lever annual savings of circa £11m per annum by 2027/28.

**Figure 5:** Service Specific Transformation Programme

| Service Specific Investment Programmes | 2020/21 Actual £m | 2021/22 Actual £m | 2022/23 Actual £m | 2023/24 Actual £m | Total Actuals £m | 2024/25 Estimate £m | Overall Total £m | 2025/26 Estimate £m | 2026/27 Estimate £m | 2027/28 Estimate £m | Overall Total £m |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Expenditure** | | | | | | | | | | | |
| Children's Service Specific Investment Programme | 0.00 | 0.00 | 0.00 | 0.66 | 0.66 | 0.35 | 1.01 | 0.70 | | | 1.71 |
| Adult Social Care -Assistive Technology | 0.00 | 0.00 | 0.00 | 0.20 | 0.20 | 0.16 | 0.36 | 0.04 | | | 0.40 |
| Adult Social Care -Transfer of catering services to Tricuro | 0.00 | 0.00 | 0.00 | 0.14 | 0.14 | 0.07 | 0.21 | 0.00 | | | 0.21 |
| Adult Social Care - July 2023 Business Case | 0.00 | 0.00 | 0.00 | 0.09 | 0.09 | 1.53 | 1.61 | 1.12 | | | 2.73 |
| | 0.000 | 0.000 | 0.000 | 1.085 | 1.09 | 2.11 | 3.19 | 1.86 | | | 5.05 |
| **Funding** | | | | | | | | | | | |
| Assumed fundable by Capital Receipts | 0.00 | 0.00 | 0.00 | (1.09) | (1.09) | (2.11) | (3.19) | (1.86) | | | (5.05) |
| | 0.00 | 0.00 | 0.00 | (1.09) | (1.09) | (2.11) | (3.19) | (1.86) | | | (5.05) |
| **Savings and efficiencies** | | | | | | | | | | | |
| Children's Service Specific Investment Programme | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (0.22) | (0.22) | (0.56) | (1.46) | (3.06) | (5.30) |
| Adult Social Care -Assistive Technology | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (0.07) | (0.07) | (0.69) | (0.84) | (0.90) | (2.49) |
| Adult Social Care -Transfer of catering services to Tricuro | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) | (0.09) |
| Adult Social Care - July 2023 Business Case | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (1.21) | (2.17) | (3.23) | (6.61) |
| Adult Social Care - UEC Transformation Net Savings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (0.10) | (1.10) | (3.60) | (4.80) |
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (0.31) | (0.31) | (2.58) | (5.59) | (10.81) | (19.29) |
| **Net Position of Service Specific Transformation** | 0.00 | 0.00 | 0.00 | 1.09 | 1.09 | 1.79 | 3.50 | (0.72) | (5.59) | (10.81) | (14.24) |

21. Once the main and the service specific Transformation Programmes are combined, they indicate that at the end of the 2024/25 financial year the council will have made net revenue savings of **£35m** (£50.5m - £15.5m) for a total one-off estimated investment of **£45m.** Thereafter there will be a minimum net annual revenue saving of **£23m** (£29.83m - £6.4m) with a further one-off investment of a maximum of £11m in 2025/26. This minimum annual revenue saving is forecast to grow to **£32m** per annum from 2027/28 onwards.

**Figure 6:** Combined Transformation Investment & Service Specific programmes

| Summary Table | 2020/21 Actual £m | 2021/22 Actual £m | 2022/23 Actual £m | 2023/24 Actual £m | Total Actuals £m | 2024/25 Estimate £m | Overall Total £m | 2025/26 Estimate £m | 2026/27 Estimate £m | 2027/28 Estimate £m | Overall Total £m |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **One-Off Investment** (Capital and Revenue) | 1.50 | 5.93 | 16.37 | 12.45 | 36.25 | 8.38 | 44.62 | 10.91 | 0.00 | 0.00 | 55.53 |
| **Ongoing Revenue Savings** (actual and budgeted) | 0.00 | (3.95) | (7.10) | (14.66) | (25.71) | (24.81) | (50.52) | (29.83) | (33.36) | (38.58) | (152.30) |
| **Ongoing Revenue Licensing & Financing Costs** | 0.34 | 2.52 | 2.36 | 4.10 | 9.31 | 6.15 | 15.46 | 6.40 | 6.12 | 6.12 | 34.11 |

**Flexible Use of Capital Receipts (FUCR)**

22.    As part of 2015 Spending Review (SR15), the government announced that to support local authorities to deliver more efficient and sustainable services it would allow local authorities to spend up to 100% of their fixed asset receipts on the revenue costs of service reform and transformation. Guidance on the use of this flexibility stipulated that it applied to the three financial years to end March 2019. However, this was extended for a further three years to 31 March 2022 as part of the 2018/19 local government finance settlement, for a further three years to 31 March 2025 in April 2022, and for a further 5 years to 31 March 2030 as part of the 2024/25 local government finance settlement.

23.    The current guidance makes it clear that local authorities cannot borrow to finance the revenue costs of service reforms or improvements. In addition, local authorities can only use capital receipts from the disposal of property, plant and equipment assets received in the years the flexibility is offered. Local authorities may not use any existing stock (pre-2016) of capital receipts to finance the revenue costs of reforming their services. Set up and implementation costs of any new processes or arrangements that will generate future ongoing savings and/or transform service delivery to reduce or improve the quality-of-service delivery in future years can be classified as qualifying expenditure. Costs associated with business-as-usual activity and the council's statutory duty to improve cannot be classified as qualifying expenditure. The ongoing revenue costs of any new processes or arrangements can also not be classified as qualifying expenditure. In addition, the guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 specifies that.

- The key determining criteria to use when deciding whether expenditure can be funded by the new capital receipts flexibility is that it is forecast to generate ongoing savings to an authority's net service expenditure.

- In using the flexibility, the council will have due regard to the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of Practice and the current edition of the Treasury Management in Public Services Code of Practice

24.    Council has previous engaged with both CIPFA Consultancy and the External Auditor to provide assurance that any such costs which it wishes to fund from the FUCR accords with the statutory guidance.

25.    For 2022/23 the Council has funded the £15.61m of revenue expenditure on its transformation programme via the FUCR set out as follows.

| | |
|---|---|
| **(£5.069m)** | **31.3.22 Brought Forward Capital Receipts** |
| (£19.039m) | In-year capital receipts (excluding those from vehicle sales) |
| £0.136m | Costs of disposal |
| £15.610m | Transformation Investment Programme expenditure |
| **(£8.362m)** | **31.3.23 Capital Receipts carried forward.** |

Capital receipts delivered included £12.6m for the Wessex Trade Industrial Centre in Poole, and £5.642m for most of the units the council owned at Airfield Industrial Estate, Christchurch.

26.    For 2023/24 the Council has funded £11.558m of revenue expenditure on its transformation programme via the FUCR set out as follows.

**(£8.362m)**    **31.3.23 Brought Forward Capital Receipts**

(£4.545m)    In-year capital receipts.

£0.029m    Costs of disposal

£10.473m    Transformation Investment Programme expenditure

£0.656m    Children's Services service specific transformation expenditure

£0.429m    Adult Social Care service specific transformation programme

**(£1.320m)**    **31.3.24 Capital Receipts carried forward.**

Capital receipts delivered included the councils share of the Bargates site, 35 Willis Way Fleet Industrial Park Poole and 3 of the remaining units previously owned by the council on the Airfield Industrial Park in Christchurch.

27.    In relation to 2024/25 the Council is planning to spend £7.666m of revenue expenditure on its transformation programme funded via the FUCR as follows.

**(£1.320m)**    **31.3.24 Forecast Brought Forward Capital Receipts**

(£9.451m)    Forecast in-year capital receipts.

£0.057m    Costs of disposal

£5.560m    Transformation Investment Programme expenditure

£0.350m    Children's Services service specific transformation expenditure

£1.756m    Adult Social Care service specific transformation programme

**(£3.048m)**    **31.3.25 potential capital receipts to be carried forward**

Capital receipts currently forecast in 2024/25 include those from Southbourne Crossroads, the Christchurch By-pass car park, and the land at Wessex Fields.

28.    In relation to 2025/26 the Council is planning to spend £10.906m of revenue expenditure on its transformation programme funded via the FUCR as follows.

**(£3.048m)**    **31.3.25 Forecast Brought Forward Capital Receipts**

(£7.550m)    Forecast in-year capital receipts.

£0.048m    Costs of disposal

£9.050m    Transformation Investment Programme expenditure

£0.700m    Children's Services service specific transformation expenditure

£1.156m    Adult Social Care service specific transformation programme

**£0.356m**    **31.3.26 potential shortfall in capital receipts**

Capital receipts currently forecast in 2025/26 include those from the south part of Beach Road Car Park, Christchurch Civic Centre, site of the previous Westbourne Plus day centre, and the former deport site in Cambridge Road. Proposals to

generate a healthy pipeline of capital receipts to support the council's future financial health and sustainability continues and any asset no longer identified as suitable for either its current, or a potentially alternative, service delivery.

# Appendix 2: Schedule of Transformation Savings

| | 2021/22 £000's | 2022/23 £000's | 2023/24 £000's | 2024/25 £000's | 2025/26 £000's | 2026/27 £000's | 2027/28 £000's |
|---|---|---|---|---|---|---|---|
| Third Party Spend - Stationery | (100) | (100) | (100) | (100) | (100) | (100) | (100) |
| ASC - Third Party Spend - Adult Social Care front door | (1,250) | (1,250) | (1,250) | (1,250) | (1,250) | (1,250) | (1,250) |
| Estates Workstream - Surrender Newfield's Lease | (121) | (121) | (121) | (121) | (121) | (121) | (121) |
| Economic Development - Third Party Spend | (53) | (53) | (53) | (53) | (53) | (53) | (53) |
| Financial Services - Cost Recovery - charge to Charter Trustees | (11) | (11) | (11) | (11) | (11) | (11) | (11) |
| Financial Services - Employee Budget saving - Revenue and Benefits (Bmth element) | (127) | (127) | (127) | (127) | (127) | (127) | (127) |
| Financial Services - Employee / Operation savings - Revenue & Benefits (SVPP & Bmth) | (187) | (187) | (187) | (187) | (187) | (187) | (187) |
| Financial Services - Established resources deal with higher workload | (40) | (40) | (40) | (40) | (40) | (40) | (40) |
| Third Party Spend - PPE Spend | (300) | | | | | | |
| Third Party Spend - Mobile Data | (82) | (140) | (140) | (140) | (140) | (140) | (140) |
| Executive - Smarter Structure Saving | (131) | (131) | (131) | (131) | (131) | (131) | (131) |
| Third Party Spend - Civica Regulatory Services | (9) | (18) | (18) | (18) | (18) | (18) | (18) |
| ASC - Third Party Spend - Adult Social Care front door | | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) |
| Financial Services - Third Party Spend - Oyster Bay System | | (41) | (41) | (41) | (41) | (41) | (41) |
| Financial Services - Third Party Spend - Cash Receipting Systems Consolidation | | (1) | (1) | (1) | (1) | (1) | (1) |
| Estates Workstream - Surrender Newfield's Lease | | (40) | (40) | (40) | (40) | (40) | (40) |
| Estates Workstream - Poole/Christchurch Civic Centre | | (980) | (980) | (980) | (980) | (980) | (980) |
| Communications & Marketing - Third Party Spend - Advertising | | (30) | (30) | (30) | (30) | (30) | (30) |
| Destination & Culture - Third Party Spend - Small Sundry | | (3) | (3) | (3) | (3) | (3) | (3) |
| Libraries - Third Party Spend - Books | | (90) | (90) | (90) | (90) | (90) | (90) |
| Stationery | (130) | (46) | (46) | (46) | (46) | (46) | (46) |
| Printing and photocopying | (90) | (30) | (30) | (30) | (30) | (30) | (30) |
| Telephone Costs | (80) | (25) | (25) | (25) | (25) | (25) | (25) |
| Seafront Income | | (100) | (100) | (100) | (100) | (100) | (100) |
| Adult Social Care Commissioning & Improvement | (138) | (138) | (138) | (138) | (138) | (138) | (138) |
| Environment | (220) | (220) | (220) | (220) | (220) | (220) | (220) |
| Facilities | (71) | (71) | (71) | (71) | (71) | (71) | (71) |
| Housing | (87) | (87) | (87) | (87) | (87) | (87) | (87) |
| Communications & Marketing | (51) | (51) | (51) | (51) | (51) | (51) | (51) |
| Transport | (180) | (180) | (180) | (180) | (180) | (180) | (180) |
| Environment | (34) | (34) | (34) | (34) | (34) | (34) | (34) |
| Leisure | (60) | (60) | (60) | (60) | (60) | (60) | (60) |
| Destination & Culture - Senior Staff Review | (72) | (72) | (72) | (72) | (72) | (72) | (72) |
| Legal and Governance | (54) | (54) | (54) | (54) | (54) | (54) | (54) |
| IT, Data and Analytics | (12) | (12) | (12) | (12) | (12) | (12) | (12) |
| Leadership Team | (79) | (79) | (79) | (79) | (79) | (79) | (79) |
| Customer | (55) | (55) | (55) | (55) | (55) | (55) | (55) |
| Libraries | (128) | (128) | (128) | (128) | (128) | (128) | (128) |
| Business Support Vacancy Management Savings | | (793) | (793) | (793) | (793) | (793) | (793) |
| | | | | | | | |
| ASC Alternative Meals provision | | | (250) | (250) | (250) | (250) | (250) |
| Children's Services - Quality Performance Information & Gov. | | | (250) | (250) | (250) | (250) | (250) |
| Children's Services - Education Revised Delivery Models | | | (200) | (200) | (200) | (200) | (200) |
| Children's Services - Corporate Parenting | | | (143) | (143) | (143) | (143) | (143) |
| Children's Services - Safeguarding & Early Help | | | (106) | (106) | (106) | (106) | (106) |
| Communities - Individual savings proposals less than £100k | | | (138) | (138) | (138) | (138) | (138) |
| Communities - Explore shared Trading Standards Service | | | (28) | (28) | (28) | (28) | (28) |
| Communities - Reshape Out of Hours Noise & Nuisance Svs | | | (49) | (49) | (49) | (49) | (49) |
| D&C - Reshape Cultural Compact Activity with Partners | | | (100) | (100) | (100) | (100) | (100) |
| D&C - Reshape Leisure Team | | | (20) | (20) | (20) | (20) | (20) |
| D&C - Efficiencies Bmth Tourist Information Service | | | (10) | (10) | (10) | (10) | (10) |
| Environment - Reshape Parks Operations | | | (170) | (170) | (170) | (170) | (170) |
| Environment - Strategic Greenspace - Delete vacant posts | | | (121) | (121) | (121) | (121) | (121) |
| Environment - Household Waste Recycling Centre | | | (100) | (100) | (100) | (100) | (100) |
| Housing - Delete Vacant Posts | | | (48) | (48) | (48) | (48) | (48) |
| T&E - School Crossing Patrols capital investment | | | (15) | (15) | (15) | (15) | (15) |
| Planning - Reshape non-statutory elements service | | | (100) | (100) | (100) | (100) | (100) |
| Marketing - Delete vacancies, reduce marketing, PR & Web support | | | (238) | (238) | (238) | (238) | (238) |
| Finance - Target Operating Model Savings - part 1 | | | (108) | (108) | (108) | (108) | (108) |
| Finance - Staff Savings in Audit & Management Assurance | | | (97) | (97) | (97) | (97) | (97) |
| Finance - Revenue & Benefits Service - insource from SVPP | | | (65) | (65) | (65) | (65) | (65) |
| Corporate - Reduction in Regeneration Resources | | | (56) | (56) | (56) | (56) | (56) |

| | | | | | | |
|---|---|---|---|---|---|---|
| Corporate - Restructure of the Corporate Management Board | | | (244) | (244) | (244) | (244) | (244) |
| Communities - Community Development | | | (400) | (400) | (400) | (400) | (400) |
| Planning - Additional Reshaping of the non-statutory plan service | | | (100) | (100) | (100) | (100) | (100) |
| Economic Development - Smart Places Budget | | | (134) | (134) | (134) | (134) | (134) |
| Corporate Areas - Regeneration Resources | | | (129) | (129) | (129) | (129) | (129) |
| Commissioning Centre of Excellence - Vacancy Drag | | | (68) | (68) | (68) | (68) | (68) |
| Children's Services - Vacancy Drag | | | (307) | (307) | (307) | (307) | (307) |
| Resources - Vacancy Drag | | | (1,124) | (1,124) | (1,124) | (1,124) | (1,124) |
| Operations - Vacancy Drag | | | (843) | (843) | (843) | (843) | (843) |
| | | | | | | |
| ASC Work in Partnership with Tricuro to reduce contract value | | | (400) | (400) | (400) | (400) | (400) |
| ASC Reduce Social Workers mileage budget to current use | | | (59) | (59) | (59) | (59) | (59) |
| Children's Services - P Card Spend | | | (70) | (70) | (70) | (70) | (70) |
| Children's Services - Subscription Research in Practice | | | (12) | (12) | (12) | (12) | (12) |
| Operations DC - Reduction of Seafront Operational Budget | | | (50) | (50) | (50) | (50) | (50) |
| Operations DC - Remove Blue Flag & Seaside Awards | | | (10) | (10) | (10) | (10) | (10) |
| Operations DC - Staff Mileage, premises costs etc. | | | (156) | (156) | (156) | (156) | (156) |
| Operations DC - Poole Quay and Bmth Summer Fireworks | | | (2) | (2) | (2) | (2) | (2) |
| Economic Development - Reduce non staffing budget | | | (147) | (147) | (147) | (147) | (147) |
| | | | | | | |
| iLearn (Replaced by Skills Gate) | | | (33) | (33) | (33) | (33) | (33) |
| Legal Norwell system (Replaced by Civica) | | | (10) | (10) | (10) | (10) | (10) |
| Environment Asset Management System | | | (41) | (41) | (41) | (41) | (41) |
| Telephones, mobiles, printing and photocopying | | | (181) | (181) | (181) | (181) | (181) |
| Utility (Electricity/Gas) savings from contract arrangements | | | (625) | (625) | (625) | (625) | (625) |
| | | | | | | |
| Reconfiguration of Care Home Beds Purchasing Structure | | | (1,000) | (2,000) | (2,000) | (2,000) |
| Additional income - client contributions (budget rebase) | | | (300) | (300) | (300) | (300) |
| Recoup costs not within Section 22 of the Care Act (rebase) | | | (200) | (200) | (200) | (200) |
| Social Care running costs (budget rebase) | | | (20) | (20) | (20) | (20) |
| No Recourse to Public Funds (budget rebase) | | | (20) | (20) | (20) | (20) |
| Commissioning running costs (rebase) | | | (60) | (60) | (60) | (60) |
| Third Party Spend - Stationery | | | (70) | (70) | (70) | (70) |
| Public Protection – Reconfiguration of tier 5 and 6 management/senior posts | | | (187) | (296) | (296) | (296) |
| Reduce by one Head of Service, including reduction in non essential expenditure | | | (139) | (139) | (139) | (139) |
| Community Safety and Engagement - Community grants rebase budget | | | (93) | (93) | (93) | (93) |
| Reduce budget for Housing Related Support in relation to a small scheme that has moved from supported housing to general needs | | | (55) | (55) | (55) | (55) |
| Early Help Delivery Model | | | (1,060) | (1,060) | (1,060) | (1,060) |
| Transformation - Commissioning | | | (994) | (994) | (994) | (994) |
| Transformation - Health leverage health spend | | | 0 | (500) | (500) | (500) |
| Transformation - Other smaller third party spend efficiencies | | | (130) | (130) | (130) | (130) |
| Unused conditions survey budget | | | (23) | (23) | (23) | (23) |
| Upton Country Park - Move to full cost recovery - Transitional funding provided to cover 2025/26 impact | | | (171) | (171) | (171) | (171) |
| Highcliffe Castle - Move to full cost recovery over a 4 year period - transitional funding provided to cover 2025/26 impact | | | (162) | (162) | (162) | (162) |
| Destination and Culture - Leisure Centres | | | (100) | (100) | (100) | (100) |
| Queens Park Golf course - Full Cost Recovery | | | (47) | (47) | (47) | (47) |
| Bring car parking staff into operational buildings | | | (10) | (10) | (10) | (10) |
| Efficiencies against short term vehicles hire contract spend | | | (100) | (100) | (100) | (100) |
| Reduction in head of service post | | | (95) | (95) | (95) | (95) |
| Efficiencies from move to perennial plants and flowers | | | (50) | (50) | (50) | (50) |
| Amalgamate Environment & Planning Arboricultural Teams | | | (30) | (30) | (30) | (30) |
| Kingfisher barn move to Full Cost Recovery | | | (14) | (14) | (14) | (14) |
| Economic Development - Move service to full cost recovery - Transitional funding provided to cover 2025/26 impact | | | (655) | (655) | (655) | (655) |
| Destination Team move to full cost recovery | | | (142) | (142) | (142) | (142) |
| Smart Places - Move service to full cost recovery - Transitional funding provided to cover 2025/26 impact | | | (104) | (104) | (104) | (104) |
| Change all subway lighting to LED | | | (64) | (64) | (64) | (64) |
| Capital investment in alternative to School Crossing Patrols at specific locations | | | (12) | (12) | (12) | (12) |
| FCERM - Service Efficiency | | | (3) | (3) | (3) | (3) |
| Externalisation of Russell Cotes Museum with transitional funding provided for the period to 1 October 2025. | | | (626) | (626) | (626) | (626) |
| Externalisation of Russell Cotes Museum - Reduction in corporate maintenance funding with transitional funding provided for the period to 1 October 2025 | | | (50) | (50) | (50) | (50) |
| Operational Savings in Libraries in 2024/25 | | | (500) | (500) | (500) | (500) |
| Reduce business support staff | | | (250) | (250) | (250) | (250) |
| Remove PA functions below Service Directors | | | (240) | (240) | (240) | (240) |

Appendix 2

| | 2021/22 £000's | 2022/23 £000's | 2023/24 £000's | 2024/25 £000's | 2025/26 £000's | 2026/27 £000's | 2027/28 £000's |
|---|---|---|---|---|---|---|---|
| Reduce Customer service staff provision | | | | (100) | (100) | (100) | (100) |
| Further reduce Business Support | | | | (100) | (100) | (100) | (100) |
| Delete Sales and Marketing post | | | | (55) | (55) | (55) | (55) |
| Capitalise Telecare Equipment | | | | (149) | (149) | (149) | (149) |
| Democratic Services Budget - Rebase in line with 2022/23 Outturn | | | | (63) | (63) | (63) | (63) |
| Consolidating Advertising Opportunities across services | | | | (80) | (80) | (80) | (80) |
| Centralise marketing purchasing 2023/24 | | | | (50) | (50) | (50) | (50) |
| Centralise marketing purchasing 2024/25 | | | | (20) | (20) | (20) | (20) |
| Payroll System – Budget rebase | | | | (49) | (49) | (49) | (49) |
| Disclosure & Barring Service - Budget Rebase in line 2022/23 Actuals | | | | (12) | (12) | (12) | (12) |
| Procured framework for future executive recruitment | | | | (8) | (8) | (8) | (8) |
| Accountancy - 10% Net Budget Savings - Fast track delivery of Target Operating Model savings via a voluntary redundancy process - Vision & Valid savings | | | | (139) | (175) | (175) | (175) |
| Accountancy - replacement of the old Oracle Fusion | | | | (59) | (59) | (59) | (59) |
| Accountancy - Cash collection contract (1 supplier instead of 3) | | | | (60) | (60) | (60) | (60) |
| Estates - Third Party Spend saving - Accounts valuation | | | | (50) | (50) | (50) | (50) |
| Health & Safety Team reduced budget to reflect operational efficiences | | | | (46) | (46) | (46) | (46) |
| Audit & Management Assurance - Third Party Spend savings - Rebase budget | | | | (35) | (35) | (35) | (35) |
| Service Director Budget Rebase | | | | (21) | (21) | (21) | (21) |
| Estates - Rebase recharges in line with levels achieved | | | | (5) | (5) | (5) | (5) |
| Revenue and Benefits System - Target Operating Model - Vision and Valid savings | | | | (44) | (44) | (44) | (44) |
| Contract Management - Vodafone | | | | (234) | (234) | (234) | (234) |
| Microsoft Enterprise Licencing Agreement | | | | (100) | (100) | (100) | (100) |
| Contract Management - Centralise IT contracts and challenge vendors | | | | (50) | (50) | (50) | (50) |
| Move from PAYG Azure Instances to Reserved Instances | | | | (27) | (27) | (27) | (27) |
| Reduce the number of virtual machines supporting Process Automation | | | | (4) | (4) | (4) | (4) |
| Across authority savings inline with 2022/23 actuals e.g. Subscriptions, Staff milage and volunteer expenses | | | | (503) | (503) | (503) | (503) |
| | | | | | | | |
| Public Protection – Reconfiguration of tier 5 and 6 management/senior posts | | | | | (186) | (186) | (186) |
| Transformation - Commissioning | | | | | (249) | (249) | (249) |
| Beech House lease not renewed in June 2025 | | | | | (125) | (125) | (125) |
| Beech House apportionment to the Housing Revenue Account | | | | | 107 | 107 | 107 |
| Reduce Customer service staff provision | | | | | (100) | (100) | (100) |
| Revenue and Benefits System - Target Operating Model - Vision and Valid savings | | | | | (400) | (400) | (400) |
| Revenue and Benefits - System rationalisation | | | | | (159) | (159) | (159) |
| | | | | | | | |
| Transformation - Commissioning | | | | | | (497) | (497) |
| Capital investment in alternative to School Crossing Patrols at specific locations | | | | | | (21) | (21) |
| Beech House lease not renewed in June 2025 | | | | | | (25) | (25) |
| Beech House apportionment to the Housing Revenue Account | | | | | | 21 | 21 |
| | | | | | | | |
| **Total Itemised Savings** | **(3,951)** | **(7,098)** | **(14,655)** | **(24,494)** | **(27,251)** | **(27,773)** | **(27,773)** |
| | 2021/22 £000's | 2022/23 £000's | 2023/24 £000's | 2024/25 £000's | 2025/26 £000's | 2026/27 £000's | 2027/28 £000's |

| **Service Specific Transformation Savings** | 2021/22 £000's | 2022/23 £000's | 2023/24 £000's | 2024/25 £000's | 2025/26 £000's | 2026/27 £000's | 2027/28 £000's |
|---|---|---|---|---|---|---|---|
| Transformation - New delivery models | | | | (222) | (560) | (1,455) | (3,061) |
| Investment in care technology | | | | (69) | (685) | (842) | (896) |
| Vision & Validation savings linked to business case under preparation | | | | 0 | (1,211) | (2,170) | (3,230) |
| Catering Services - Transfer to Tricuro (budget rebase) | | | | (22) | (22) | (22) | (22) |
| UEC Transformation - January 2026 Onwards | | | | 0 | (100) | (1,100) | (3,600) |
| **Total Itemised Savings** | **0** | **0** | **0** | **(313)** | **(2,578)** | **(5,589)** | **(10,809)** |
| | 2021/22 £000's | 2022/23 £000's | 2023/24 £000's | 2024/25 £000's | 2025/26 £000's | 2026/27 £000's | 2027/28 £000's |

Appendix 2