Cabinet

9 October 2025

Dorset Council Transformation Investment Update: Our Future Council

For Decision

Cabinet Member:
Cllr B Wilson, Corporate Development and Transformation

Local Councillor(s):
All

Senior Leadership Team:
C Howe, Chief Executive

Report author and job title:
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Statutory Authority:

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

Executive summary

Dorset Council is starting to deliver on key elements of the transformation programme as agreed in the January 2025 business case. At its heart, this business case committed to deliver a new operating model and the adoption of enabling technology. We have made significant progress in future service design, including a strategic realignment to better capture and realise the intended benefits. The programme is sponsored by our newly appointed Chief Executive, Catherine Howe, who is leading the transition to strengthened governance arrangements, including the establishment of a revised Design Authority to oversee decision-making and ensure alignment across all transformation activity.

Our plans follow a phased, whole-council delivery model, aligned with the Council Plan 2024–2029, our financial and resource planning processes and our long-term sustainability goals. We remain firmly committed to our published financial commitment as published in our medium-term financial plan. As set out in our original business case, Dorset Council is committed to delivering £18.8m of recurrent savings through transformation through the duration of the programme. These plans are being introduced in a phased and considered way, with all activity subject to continual review to minimise disruption and maximise value. Rather than large one-off investments we anticipate an investment drawdown every 6 months. In each six-month investment case as set out in section 4.3, we will substantiate savings and demonstrate progress against our benefits realisation framework.

This report sets out the context, progress to date, and the rationale for targeted investment that will ensure Dorset Council remains resilient and fit for the future, fully aligned with Council Plan priorities and our medium-term financial plan.

Recommendation(s)

1.1. **Note** update for Our Future Council including commitment to the financial and strategic context for transformation following initial consultation.

1.2. **Note** the high-level delivery plan, enabling Dorset Council to continue delivering critical improvements, modernising services, and preparing the organisation for future challenges and opportunities.

1.3. **Approve** the use of reserves to fund the investment of £12.4m in 2025/26:

- £7.93m in H2 2025/26 plus additional procurement costs which must be committed to up-front totalling £4.47m.
- Allocation of budget required as detailed in section 6, released incrementally every 6 months. This includes investment required for internal and external capacity and skills, delivery of technology including ERP, contact centre, automation and AI and corporate bookings.

The incremental release required for October 2025 to March 2026 is:

- ERP: £1.65m plus commitment to 3 years procurement costs for SI and licensing of product to the value of £2.98m (out of a total of £14.23m over 3 years).
- Contact Centre: £1.55m plus commitment to software licencing to the value of £0.99m and contracting of product team to the value of £0.5m (out of a total of £5.64m over 3 years).
- Extension of existing automation technology, Ui path: £0.057m (out of a total of £0.25m over 3 years).
- Whole council booking solution: £0.075m (£0.385m over 3 years).
- Internal resource: £2.1m for Transformation Management Office.
- Redundancy costs: £2.5m for voluntary and compulsory redundancies

1.4. **Approve** that authority be delegated to the Chief Executive in consultation with the Cabinet Member for Transformation and Corporate Development and Section 151 Officer to procure and award contracts for the following (within the budget defined in paragraph 1.3 and section 6):

- Strategic implementation partner for ERP at a total contract value of £2.1m, licensing costs of the new product to a total value of £0.98m
- Digital product team for contact centre of £0.5m for H2 2025/26 and commitment up front to £0.99m in licensing costs over 3 years.

1.5. **Note** the strengthened governance and leadership arrangements, with regular engagement, leadership, and oversight provided by the Chief Executive, Cabinet, and the wider Members Steering Group, supported by the Design Authority.

1.6. **Agree** that investment requests will be made to Cabinet every six months as needed as set out at section 4.3, with monthly monitoring by the cross-party Members Transformation Steering Group including:

- Delivery progress
- Evidence of benefits realisation and substantiated savings
- An updated request for the next investment increment, aligned to programme milestones

2. Reason for the recommendation(s)

The recommendations confirm Dorset Council's transformation strategy, reaffirming our commitment to delivering Our Future Council as a whole-council, cross-cutting programme. This approach reflects the revised financial and strategic context and builds on the significant progress made over the past year.

2.1. The strategy is aligned with the Council Plan 2024–2029 and all service transformation activity, ensuring that every aspect of change is focused on delivering sustainable, modern services for residents. By prioritising joined-up working, digital enablement, and service redesign, Dorset Council is adopting a mature and forward-looking public sector reform model that supports long-term value, organisational resilience, and improved outcomes.

2.2. The recommended approach builds on the investment already made in our transformation strategy and the work undertaken over the past year to move away from siloed working. It ensures that future delivery is underpinned by the right technology, governance, and design to support modern, sustainable services. This includes the integration of the Enterprise Resource Planning (ERP) programme into wider transformation governance, enabling critical dependency management and alignment across all change activity.

2.3. The recommendations also support a transparent and phased investment model, with six-monthly investment requests to Cabinet and monthly updates to the cross-party Members Transformation Steering Group. These updates will include delivery progress, benefits realisation, and substantiated savings, aligned to requests for the next investment increment. This ensures continued oversight, accountability, and value for money.

3. Background and context

3.1. Dorset Council's transformation journey is grounded in a strong track record of delivering positive change, with measurable improvements across Children's Services, Housing, Adults, and Public Health and Prevention. These achievements, highlighted in our latest Medium Term Financial Plan period 4 report and regular progress reporting, demonstrate a culture of innovation and collaboration that has laid the foundation for our next phase.

3.2. The Our Future Council (OFC) business case, approved in January 2025, set out a bold vision for a modern, resilient, and sustainable council. It aimed to deliver whole-council transformation, improve customer and workforce experience, and strengthen financial sustainability. This firmly anchored our transformation journey in our strategic vision for 2024 to 2029: creating a fairer, more prosperous, and sustainable Dorset.

3.3. The business case set out a Target Operating Model (TOM), shifting from service-led transformation to a joined-up, organisation-wide approach underpinned by clear design principles. This model focuses on delivering a seamless customer experience through a single front-door, strengthening commissioning and procurement with strategic supplier relationships, centralising business support with automation and self-service, and driving organisational outcomes through standardised processes and enabling technologies.

3.4 Key benefit drivers included automation, consolidation, spend reduction, demand management, and new ways of working. Implementation was planned as a three-year, phased delivery across all layers, with milestones including the launch of a digital contact centre, ERP, new commissioning and procurement models, enhanced business support, and the establishment of a Transformation Office and Design Authority.

3.5 The Council's MTFP published in February 2025 projected a budget gap of £85 million by 2029/30. OFC is a key contributor to addressing this challenge, but it is not solely responsible for closing the gap. The council set a budget with a savings requirement of £10 million for OFC in 2025/26. This report is providing an updated position on the delivery of those savings and reframes the investment case.

3.6 The business case set out how transformation will deliver cashable recurring savings of £18.8 million. These savings are expected to come from enabling whole council savings and efficiencies through automation, consolidating roles, demand management, spend reduction, and new ways of working. All transformation and savings proposals are now assessed against the new operating model and invest-to-save criteria, ensuring a more transparent and accountable approach to delivery.

3.7 While we have made good progress towards turning these ambitions into reality, the journey from business case to delivery has revealed both the scale of the opportunity and the complexity of the challenge.

3.8 Key milestones include:

- Baseline establishment and process mapping for all prioritised areas, the procurement and design of our new digital contact centre and ERP solution, and the delivery of automation and AI initiatives that are already improving efficiency and outcomes for staff and residents.
- The design and planned procurement of our new digital contact centre technology is progressing at pace, fully aligned with the Customer Strategy adopted by Dorset Council on 30 January 2025. This work is focused on delivering significantly improved and simplified customer access, ensuring that residents can engage with council services more easily and effectively. Our approach integrates the latest automation and AI capabilities, enabling us to streamline routine enquiries and dedicate our skilled employees to supporting those who need our help the most, including individuals who are digitally excluded or require more personalised assistance.
- By embedding these new technologies, we are not only enhancing the customer experience but also ensuring our services are inclusive, accessible, and responsive to changing needs. Alongside this, the procurement of our enterprise resource planning (ERP) solution has been successfully completed. A dedicated working group is now ensuring that the design and implementation of ERP is closely aligned with our future ways of working across all council services, supporting our ambition to deliver modern, efficient, and customer-focused public services.
- Implementation of automation and AI following successful pilots using UiPath technology. This technology enables robotic process automation (RPA), which enables us to automate repetitive, rule-based tasks using software robots. Following mapping of over 300 processes, the programme (with further investment in the technology) will work with services to automate key processes customer, business support, and central support services as we transition to new ways of working. Pilots of early use cases in managing Care Home Vacancies and Freedom of Information

requests have improved efficiency, accuracy, compliance, and customer satisfaction.

- We are discovering real impact through automation and AI, including a pilot of the automation of Education, Health and Care Plan (EHCP) processes, business support automation, and the introduction of AI in adult social care. These initiatives are already improving efficiency, accuracy, and outcomes for both staff and residents.
- As part of our evolving technology architecture, the design authority has supported the move to a single technology to manage bookings which will enable residents, customers, and employees to book services, spaces and activities more efficiently and quickly without duplicating log-on activity and reducing repeated data input. Once implemented, this will enable duplicative ICT tools to be rationalised, releasing a financial benefit.
- We have made significant progress in designing and modelling future customer and business support models. These designs have formed the basis for our consultation and will underpin the delivery of future savings and improved service outcomes. We are now working on the future state design of all strategic and enabling functions and commissioning & procurement functions which will be embedded with the design and implementation of our ERP.
- The design and modelling of our Transformation Office is now focused on connecting and aligning portfolios of change across the whole council. This approach will ensure that the design of our future organisation is coordinated as "one council", supporting a culture of shared ownership and strategic alignment.
- Extensive engagement with staff, trade unions, and stakeholders has ensured that transformation is collaborative and responsive to feedback, with lessons learned actively shaping our approach.

3.9 Reflecting on the scale of financial pressures, rising demand, and the cumulative impact of ongoing service-level changes we have underscored the limitations of incremental improvements. These challenges reinforce the need for a more integrated, whole-council approach. Under the leadership of our Chief Executive, Dorset Council has adopted a clear 'one council' focus, bringing together all change, transformation, and financial activity under a single strategic framework to ensure that every pound spent or saved is aligned to our corporate priorities and the outcomes we want to achieve for Dorset's residents.

4 Delivery plans and strategy

4.1 Dorset Council's transformation strategy is built on a staged, sustainable approach to delivery and investment. Our goal is to ensure that we have the right internal capacity across change, transformation, ERP, digital contact centre, people change, and ICT to deliver the programme over three years. This incremental investment approach will enable us to implement the new Transformation Office, stabilise our change capacity, and deliver the required savings and efficiencies in line with our Medium-Term Financial Plan**.**

4.2 Key Principles

- **Staged delivery:** Transformation will be delivered in phases, with clear milestones every six months. Each phase will focus on delivering tangible improvements, embedding new ways of working, and realising cashable savings.
- **Internal capacity first:** Investment will prioritise building and retaining internal capacity for change, reducing reliance on external partners over time

- **Rolling investment and savings:** Investment will be profiled to reduce over time, with each six-month period intended to show a reduction in external spend and an increase in internal capability and delivered savings.
- **Skills and capability**: Upskilling our workforce is central to our future success, this will be dedicated to how we manage all future solutions and products with the right digital, technology and business change skills. These will be developed in-house, aligned to our people strategy.
- **Sustainable change:** The approach is about connecting and enabling the organisation, not centralising or creating new silos. We will embed learning from recent audits (e.g., SWAP) and ensure commissioning, procurement, and enabling services are aligned to the ERP and strategic model.

Oversight and assurance

4.3 To ensure transparency, accountability, and value for money, the transformation programme is strengthening ongoing reporting through key governance channels. This includes forums such as Members Transformation Steering Group and the Design Authority and other committees including Place and Resources Scrutiny Committee and Audit and Governance Committee.
Additionally, Cabinet will receive requests for further investment every 6 months. This will ensure that rather than one-off significant investment, a regular draw-down every 6 months will be required supported by an investment case.

4.4 All delivery plans are subject to clear oversight by the newly appointed Design Authority, with whole-council budget monitoring and spend controls in place. This ensures that any shortfall in planned savings will be addressed through additional budget-saving initiatives, including rolling savings and efficiencies.

4.5 **Cabinet – Six-monthly investment case:** These will provide strategic oversight and enable informed decision-making on future investment. These investment cases will include:

- **Delivery progress**: summary of achievements against planned milestones and timelines
- **Benefits realisation**: evidence of outcomes aligned to strategic and financial objectives set out in the benefits realisation framework
- **Substantiated savings***:* financial efficiencies and cost avoidance, supported by data
- **Requests for next investment increment**: justification case for next increment of funding, linked to delivery and benefits

4.6 **Members Transformation Steering Group – monthly updates:** The cross-party Members Transformation Steering Group will continue to receive monthly updates to maintain momentum, provide challenge, and support delivery. These updates will include:

- **Steer or endorsement:** where Member backing is needed to shape, unblock or accelerate progress
- **Delivery progress:** detailed reporting on activities, outputs, and milestones
- **Emerging risks and issues:** identification of delivery risks and proposed mitigations
- **Early indicators of benefits realisation**: qualitative and quantitative impacts
- **Engagement and communications activity**: overview of employee, stakeholder, and public communications and engagement

- **Alignment with strategic priorities:** assurance that delivery remains focused on agreed outcomes

4.7 Key deliverables and milestones: Staged Delivery Plan (2025–2028)

Phase	Key Deliverables	Internal Capacity Focus	External Support	Savings/Benefits Realised	Next Investment Trigger
H2 2025	• Stand up Transformation Management Office • Launch digital contact centre product team • Begin ERP implementation (strategic partner onboarded) • Redesign of customer, business support, and enabling services • Contract new single booking solution • Automation of customer processes – priority 1	• Core change team in place • Product team established • Internal ERP project roles filled	• Digital partner for contact centre (short-term) • ERP implementation partner (strategic, time-limited)	• Initial process redesign savings • Management of establishment • Third-party spend controls	• Review delivery and savings at 6 months • Reprofile investment for next phase
H1 2026	• Digital contact centre live • ERP build and configuration • Further service redesign (Place, Housing, Adults, Children's/Public Health & Prevention) • Build and configuration of booking solution • Automation of customer priority 2 and business support processes	• Upskilling of internal teams • Change and ICT roles embedded • Begin transition of product/digital skills in-house	• Reduced digital partner input • ERP partner focused on knowledge transfer	• Increased cashable savings • Workforce and third-party spend reductions	• Review and adjust internal/external mix • Trigger next investment if needed
H2 2026	• ERP testing, change management and training • Customer Hub model expanded • Strategic and Enabling model foundations in place • Commissioning/procurement model embedded • Internal capability leads product/digital delivery • Go live of single booking solution	• Internal product and change teams lead delivery • Ongoing upskilling	• Minimal external support • Only for specialist skills	• Ongoing savings • Reduced cost of delivery	• Confirm final phase investment • Plan for business-as-usual transition
2027–28	• ERP data migration and moving to go live and hypercare in late 2027. • All significant technology in delivery or completed delivered • Internal teams own and develop products • Continuous improvement embedded	• Sustainable internal capacity • Change/ICT fully in-house	• External support only for exceptional needs	• Target £18.8m workforce savings achieved • Ongoing efficiency gains	• No further major investment required

Building Sustainable Change Capacity

4.8 To deliver the scale and pace of transformation required, Dorset Council will invest in a stable, dedicated internal change and transformation capacity over the next three years. This investment will enable the establishment of a new Transformation Office (as indicated in the OFC business case) to support the council-wide portfolio, including service and directorate transformation, ERP and digital contact centre delivery, and people and ICT change.

4.9 We will create multidisciplinary product teams, initially supported by external partners, with a clear plan to transition skills and ownership in-house. This approach is not just about increasing technical capacity, it reflects our commitment to embedding the right skills within teams, ensuring transformation is shaped and sustained by those closest to delivery. By the end of the programme, Dorset Council will have the internal capability to independently sustain and evolve its digital and ERP products.

4.10 For ERP and the digital contact centre, we will engage specialist partners to support initial implementation and knowledge transfer. This is part of a deliberate transition strategy focused on moving people into the roles required to maintain and develop these services and products. As internal capability grows, reliance on external support will reduce, ensuring Dorset Council has the right people, in the right teams, with the right skills to take full ownership of our digital and ERP platforms.

4.11 This approach will be fully aligned with the council's budget strategy, focusing on demand reduction, process redesign, and spend control. Commissioning and procurement models will be strengthened, embedding learning from recent audits and aligning with the ERP and enabling services model.

5 Legal considerations

5.1 The transformation strategy continues to be implemented in close consultation with Legal and Democratic Services to ensure compliance with all relevant statutory duties and governance requirements. The programme's design and delivery are underpinned by legal considerations across procurement, employment, data protection, and equality legislation.

5.2 Key legal implications include:

- **Governance and delegation**: The transformation programme will be governed through strengthened internal structures, including the Design Authority and Transformation Management Office. Delegations for investment drawdown and delivery will be clearly defined to ensure legal accountability and transparency. Where appropriate, Cabinet will retain oversight of major investment decisions, with operational delivery delegated to designated boards or officers under existing constitutional arrangements.
- **Procurement and contracting**: All external partnerships, including those for ERP implementation, contact centre technology, and automation platforms, will be procured in accordance with Dorset Council's procurement policies the Public Contracts Regulations 2015 or the Procurement Act 2023 depending on the legislation which applies to the procurement route. Legal oversight will ensure that contracts are robust, risk-managed, and aligned to the council's strategic objectives.
- **Employment law**: The transformation programme includes workforce redesign and redundancy planning. All changes will be managed in accordance with employment law, including the Employment Rights Act 1996 and relevant case law. The council will continue to engage constructively with Trade Unions and employee representatives, ensuring fair consultation and adherence to statutory obligations.

- **Data Protection and information governance**: The implementation of new digital systems, including ERP, contact centre and AI-enabled services, will involve the processing of personal and sensitive data. All systems and processes will be designed to comply with the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. Data protection impact assessments (DPIAs) will be undertaken where required, and legal advice will be sought to ensure appropriate safeguards are in place.
- **Audit and Scrutiny**: Legal and democratic oversight will be maintained through regular reporting to Cabinet, Audit and Governance Committee, and Overview and Scrutiny Committees. This ensures that the transformation programme remains transparent, accountable, and legally sound.

6 Financial implications

6.1 The transformation strategy is underpinned by a financial framework that aligns investment with delivery, savings, and long-term sustainability. The council remains committed to its published financial ambition, with transformation activity designed to contribute directly to the Medium-Term Financial Plan. We are working with finance to ensure that tracking is visible in the MTFP and budget monitoring. This section outlines the investment required to deliver the next phase of transformation, including internal capacity, technology enablement, and workforce change. It also sets out the expected savings profile, demonstrating how transformation will deliver recurrent efficiencies through automation, process redesign, and spend reduction.

All investment is recommended to be subject to a six-monthly review cycle, ensuring that funding is only released when benefits are evidenced. This approach supports transparency, accountability, and a robust invest-to-save model that enables Cabinet to monitor progress and make informed decisions.

6.2 The original final investment envelope has been rebased in this report from a position of £48m in January. This reflects estimated costings and allocations for technology, internal capacity, external support, and redundancy costs.

6.3 Table – original financial targets set out in the January business case.

Year	Savings (£m)	FTE Reduction	Cumulative Savings (£m)	Annual Investment (£m)	Cumulative Investment (£m)
2025/26	5.8	249.1	5.8	25.23	25.23
2026/27	15.2	137.1	21.0	20.42	45.65
2027/28	18.8	0	39.8	2.35	48.0
2028/29	18.8	0	58.6	-	-
2029/30	18.8	0	77.4	-	-

6.4 Other financial benefits profiled for delivery in-year and future years:
- Third-party spend savings: £1.1m–£5.7m
- Service income uplift: up to £9.3m
- Efficiency gains from process redesign and vacancy management

6.5 The targets in place:

- Workforce cost reduction of £18.8m by 2028 delivered incrementally.
- Third-party spend and process savings: delivered in parallel, tracked and reported every six months. The Our Future Council business case set out expected spend reduction of between £1.1m - £5.7m.
- Technology rationalisation in line with emerging architecture roadmap. This is currently a conservative target pending work underway to map all existing capabilities and applications. Current benefits align to solutions that are known to be decommissioned. This list is predicted to grow as we streamline the organisation's software portfolio and enhance operational efficiency.

6.6 Rebased investment and capacity table

Year	Internal Capacity (£m)	External Digital/Product Partner and data costs (£m)	ERP Implementation Partner (£m)	Technology costs and contingency (£m)	Licensing (£m)	Upskilling / Training (£m)	Redundancy / Change Costs (£m)	Total Investment (£m)
2025/26 H2	2.8	1.5	0.10	0.23	0.3	0.5	2.5	**7.93**
2026/27 H1	2.15	1.75	0.55	0.69	0.41	0.25	3.25	**9.05**
2026/27 H2	2.15	1.75	0.55	0.69	0.41	0.25	3.25	**9.05**
2027/28 H1	1.65	1.2	0.90	0.52	0.43	0.15	0	**4.84**
2027/28 H2	1.65	1.2	0.00	0.52	0.43	0.15	0	**3.94**
	10.4	**7.4**	**2.10**	**2.6**	**1.9**	**1.3**	**9**	**34.81**

6.7 This investment includes:

- ERP costs: implementation costs, data migration, internal and external capacity and skills, licensing, system integrator, training
- Contact centre: implementation costs, technical resource, product team, licensing, training,
- Automation: UiPath platform cost, AI units, automation developer, RPA units
- Corporate booking: technology and implementation cost
- Community partnerships: resource to continue to support our community in developing double devolution, place-based partnerships etc.
- Transformation Management Office: annual cost of resource

ERP investment profile

Year	Internal Capacity (£m)	External Digital / Product Partner and data costs (£m)	ERP Implementation Partner (£m)	Technology costs (£m)	Licensing (£m)	Upskilling / Training (£m)	Redundancy / Change Costs (£m)	Total Investment (£m)
2025/26 H2	0.2	1	0.1	0.1	0	0.25	0	**1.65**
2026/27	1.7	2.5	1.1	1.1	0.49	0.25	0	**7.14**
2027/28	1.2	1.9	0.9	0.8	0.49	0.15	0	**5.44**
	3.1	**5.4**	**2.1**	**2**	**0.98**	**0.65**	**0**	**14.23**

Contact Centre investment profile

Year	Internal Capacity (£m)	External Digital / Product Partner and data costs (£m)	ERP Implementation Partner (£m)	Technology costs (£m)	Licensing (£m)	Upskilling / Training (£m)	Redundancy / Change Costs (£m)	Total Investment (£m)
2025/26 H2	0.5	0.5	0	0	0.3	0.25	0	**1.55**
2026/27	1	1	0	0	0.33	0.25	0	**2.58**
2027/28	0.5	0.5	0	0	0.36	0.15	0	**1.51**
	2	**2**	**0**	**0**	**0.99**	**0.65**	**0**	**5.64**

TMO, automation, bookings and overarching OFC costs

Year	Internal Capacity (£m)	External Digital / Product Partner and data costs (£m)	ERP Implementation Partner (£m)	Technology costs (£m)	Licensing (£m)	Upskilling / Training (£m)	Redundancy / Change Costs (£m)	Total Investment (£m)
2025/26 H2	2.1	0	0	0.1325	0	0	2.5	**4.7325**
2026/27	1.6	0	0	0.275	0	0	6.5	**8.375**
2027/28	1.6	0	0	0.235	0	0	0	**1.835**
	5.3	**0**	**0**	**0.6425**	**0**	**0**	**9**	**14.9425**

UiPath automation platform 2025/26: £57.5k will provide the required units of development across development, RPA and AI needed.

Booking solution H2 2025/26: £75k total includes one-off setup fees in addition to the subscription costs for the solution.

6.8 Savings and Efficiencies

In 2025/26, workforce savings are being delivered through restructuring across customer services, business support, and the Transformation Management Office, alongside voluntary redundancies and vacancy management. These savings are profiled in the table below.

Future years remain aligned to the January business case, which sets a recurrent annual saving of £18.8m.

Efficiencies are being driven by Phase 1 of our new operating model, already underway. This is delivering a part-year saving of £0.24m in H2 2025/26 (with a full-year effect of £0.9m), as we transition to an interim workforce profile (this is subject to the outcomes of consultation). Key changes include:

- Establishing an internal customer hub
- Creating a business support hub
- Realigning strategic and enabling functions (Transformation Management Office, Communications & Engagement, Strategy & Policy, ICT, People & Workforce, Finance, Data & Performance)

To supplement these savings, we launched a voluntary redundancy (VR) scheme aligned to the future requirements of the Our Future Council programme. This is expected to release an additional £1.7m full year, with £457k savings in year one and a payback period of 12 months. We're also maintaining establishment control over vacancies for the rest of the year to deliver a further £1m, ensuring all workforce changes are strategically aligned and overseen by the Design Authority. These measures were taken to mitigate compulsory redundancies.

Alongside workforce measures, we're releasing £4m of third-party savings from the work of the Commercial Board by proactively avoiding costs, renegotiating contracts, challenging uplifts, and tightening controls, we've contained third-party spend. A further £1m is estimated by March 2026. Our line of sight to the residual savings requirement will be maintained through rigorous vacancy and spend control, with governance through our Design Authority assuring that we flexibly deploy further initiatives to close any remaining gap and deliver the full £10m savings this year and a sustainable trajectory for future years.

Period	Cumulative workforce Reduction (£m)	Third-Party Spend Reduction (£m)	Tech rationalisation savings (£m)	Total Cashable Savings in-year (£m)	Total Cashable Savings cumulative (£m)
H2 2025/26	1.71	5.00	0.00	**6.71**	**6.71**

* consolidation, voluntary redundancy and in year held vacancies

6.9 As we move into the second half of the year, we remain committed to the original business case benefits profile through to 2028. A structured review and reprofiling of future savings is being undertaken in line with budget setting for future years and the reframe of the council's strategic plans led by the Chief Executive. This alignment of these three levers, will ensure that transformation, the medium-term financial plan and the delivery of key priorities are integrated. This will continue to be governed through our established arrangements, namely the Design Authority, Members' Steering Group, and corporate senior leadership budget oversight. This approach ensures that all future savings are transparently integrated into whole-council delivery, maintaining our commitment to the financial savings while adapting to the pace and scale of transformation.

7 Natural environment, climate & ecology implications

7.1 The council's transformation strategy is aligned with the council's commitment to environmental sustainability and climate action, as set out in the Council Plan 2024 to 2029 and the Climate & Ecological Emergency Strategy.

7.2 Key implications include:

- Reduced carbon footprint: Investment in digital technologies, automation, and new ways of working will enable greater remote and flexible working, reducing the need for staff travel and office space. This is expected to lower the council's operational carbon emissions over time.
- Resource efficiency: The rationalisation of technology platforms and business processes will reduce paper use, energy consumption, and waste, supporting more sustainable service delivery.
- Sustainable procurement: All procurement activity associated with the transformation programme will be undertaken in line with the council's sustainable procurement policy, ensuring that environmental and social value are considered in supplier selection and contract management.
  Climate resilience: The strategy supports the council's wider efforts to build climate resilience into its operations and service delivery, ensuring that transformation activity contributes positively to Dorset's long-term environmental goals.

8. Well-being and health implications

8.1 The council is committed to digital inclusion, recognising it as fundamental to delivering modern, accessible, and equitable public services. As we continue to transform through digital innovation, we are committed to ensuring that no one is left behind, whether they are residents, employees, or partners.

8.2 People and workforce: our workforce is central to our digital journey and as such, we are committed to:

- equipping all employees with the digital tools, skills, and confidence needed to thrive in a modern workplace.
- promoting inclusive access to learning and development, tailored to diverse roles and needs.
- embedding digital inclusion into our culture, ensuring that transformation supports wellbeing, flexibility, and collaboration.
- Considering the impact of change on individuals. We will continue to help maintain a healthy and productive workforce, where culture, conditions and policy can help colleagues to thrive.

8.3 We want transformation activities to unlock opportunity so we will:

- consider the integration of digital competencies into career development frameworks across all service areas.
- continue to support progression through targeted upskilling, apprenticeships, and leadership development in digital capability.

- ensure that change creates new pathways for growth, rather than barriers to participation.

8.4 We value our strong, constructive relationships with Trade Unions and recognise their vital role in shaping inclusive change. We will continue to:
- cocreate digital strategies that reflect the needs and aspirations of our workforce.
- maintain open dialogue to ensure transparency, fairness, and shared understanding of impacts from digital change.
- work collaboratively to promote equity and support employees through change.

9. Other implications

None

10. Risk implications

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

Current Risk: High
Residual Risk: High

The delivery of the transformation strategy is inherently complex and carries a range of strategic, operational, financial, and reputational risks. The most significant risks include the potential for delays in technology implementation, challenges in achieving planned savings, workforce and organisational change impacts, and the need to maintain service continuity during periods of transition.

To mitigate these risks, the programme is governed by robust oversight arrangements, including regular review by Cabinet, Audit and Scrutiny Committees, and the Design Authority. Key controls include phased delivery with six-monthly investment reviews, strengthened internal capacity, clear accountability for benefits realisation, and ongoing engagement with staff, Trade Unions, and stakeholders. Risk registers are maintained and reviewed throughout the programme to ensure that emerging risks are identified early and managed proactively.

The council's approach is designed to ensure that transformation is delivered in a controlled, transparent, and sustainable way, minimising disruption and maximising value for residents, staff, and the organisation.

11. Equalities

11.1 Dorset Council is committed to ensuring that all decisions regarding changes to how we deliver services are made with careful consideration of our legal obligations under the Equality Act 2010, which imposes a positive duty to promote equality and reduce discrimination across all protected characteristics. This duty is central to our approach to transformation, particularly as we advance our use of digital tools, automation, and artificial intelligence.

11.2 We recognise that technology-driven change can reshape job roles and service delivery. To ensure equality, diversity, and inclusion, we will:
- Design systems with input from teams, embedding accessibility and usability from the outset.

- Provide equitable access to training, with a focus on supporting underrepresented groups to adapt and thrive.
- Monitor and evaluate impact regularly, using feedback loops to ensure changes remain positive and inclusive.

11.3 In line with our service design principles, we will start with user needs, not council needs, design with data based on real customer feedback, build digital services, not just websites, ensuring accessibility across devices.

11.4 Our Artificial Intelligence Policy guides how we responsibly integrate AI into our workplace and service delivery, ensuring transparency, accountability, and alignment with our values.

11.5 Aligned to our Customer Strategy, we aim to deliver services that are simple to use, accessible and inclusive, are responsive to customer needs, with joined-up systems and data, designed around customer journeys, not organisational structures and are digitally ready, while recognising and supporting those who are digitally excluded.

11.6 Our Digital Infrastructure and Inclusion Strategy reinforces our commitment to ensuring no individual, community or place is left behind. We are working to expand digital connectivity, especially in rural and deprived areas, promote digital skills and confidence across all age groups, partner with stakeholders to close the digital divide and support economic growth through inclusive digital transformation.

11.7 We are committed to working collaboratively with our Equality, Diversity and Inclusion Reference Group, Trade Unions, and Employee Networks to support staff through change. By embedding inclusive design, digital equity, and customer-centred thinking into our transformation programmes, we will foster a supportive and future-ready council.

12. Appendices

Not applicable.

13. Background papers

Cabinet 28 January 2025: Our Future Council Business Case and Transformation Plan

14. Report sign-off

14.1 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 Corporate Director for Finance (Section 151 Officer) and the appropriate Portfolio Holder(s)