Cabinet
21 April 2026
Transformation Update
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: Nina Coakley, Head of Transformation and Design
Email: nina.coakley@dorsetcouncil.gov.uk

Statutory Authority:

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

1. Executive summary

1.1 This report is a transitional transformation update setting out progress since the last Cabinet report in October 2025, seeking approval to move into the next phase of work, and detailing the required investment for 2026/27.

1.2 Since the last report, the council has created a new Transformation Management Office which has brought together delivery capacity and transformation plans from all directorates for the first time.

1.3 The Transformation Management Office is now assembling a whole council transformation portfolio that reflects several programmes including Our Future Council, ERP - HR, Procurement and Finance, Adults & Housing, Children's and Place amongst others. Future reports to Cabinet will therefore reflect reporting across the whole portfolio.

1.4 The continued development of the council's transformation portfolio depends on a shared vision for what it means to operate as a modern, sustainable, unitary council. This transitional update is provided in advance of a fuller vision and strategy report which will be brought to Cabinet in May.

1.5 The Our Future Council transformation programme is already working to the direction of this vision, with a focus on preventing issues earlier, modernising services, supporting a skilled and flexible workforce, and working more closely with communities, partners and the wider system.

1.6 This vision is rooted in the principles which place partnership working at the heart of how we design and deliver services. The council's refreshed vision will make clear that the council cannot achieve its long term outcomes alone with progress reliant on working confidently as part of a wider system with communities, public sector partners, providers, the voluntary and community sector, and local businesses.

1.7 Our Future Council applies this system wide approach through programmes in customer services, business support, commissioning, digital and enabling services, which have been deliberately designed to strengthen shared outcomes, reduce fragmentation, and align effort with partners around prevention, earlier help and improved lived experience. This includes moving from transactional relationships to deeper collaboration, using shared evidence, local insight and clearer data to understand need and shape joined up responses.

1.8 All programmes in the reshaped transformation portfolio enable strengthening of services that matter most to residents and communities by making them easier to access, more consistent and focused on preventing issues from escalating.

2. Recommendation(s)

2.1 Note the progress to date in delivery of the 2025/26 plans including realised benefit outcomes.

2.2 Approve the 2026/27 delivery plan, including benefits, key milestones, and intended outcomes for the year.

2.3 Agree the adjusted business change model for the HR, Procurement & Finance programme including the approach to resourcing, engagement, training, readiness, and adoption across all services.

2.4 Recommend to Full Council the use of up to £5.3m of flexible use of capital receipts and approve the remaining balance of £1.97m of the investment request of £7.27m be funded from reserves, for the transformation portfolio, enabling continued delivery of priority workstreams and associated benefits, including ERP – HR, Finance and Procurement system investment. To recommend approval of the updated use of flexible use of capital receipts strategy policy, summary of which is attached at Appendix B.

2.5 Delegation of spend decision of £2.34m for digital initiatives pending final business case sign off across the next 6 months. Decision to be delegated to the Chief Executive in consultation with the Section 151 officer.

2.6 Agree the updated governance and reporting cadence outlined in the report, including frequency, format, and escalation routes for programme oversight and decision making.

3. Reason for the recommendation(s)

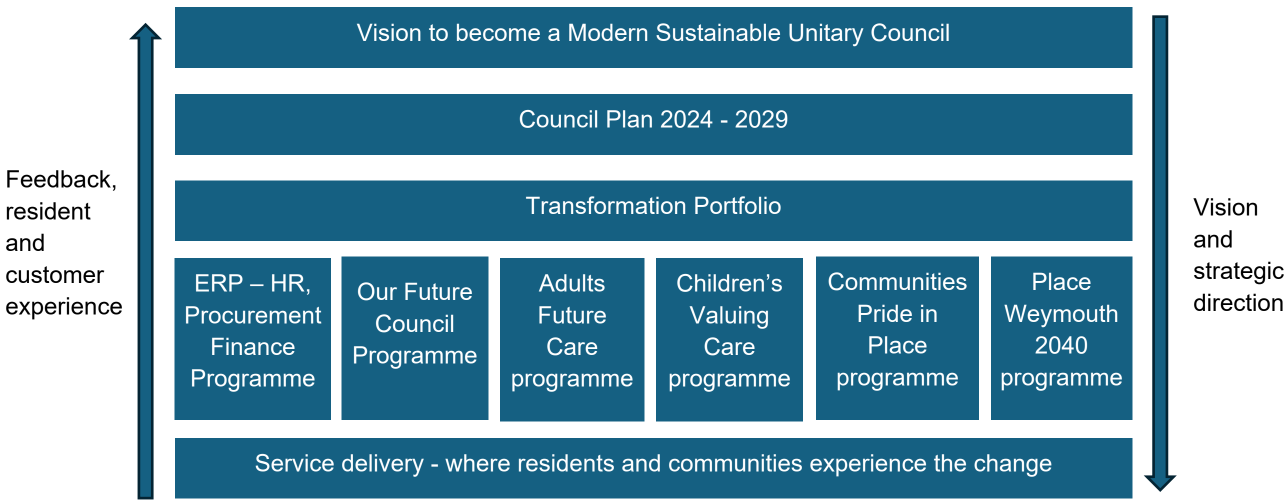
3.1 The recommendations give the council the direction, resources and oversight needed to deliver the 2026/27 transformation plan. They also make sure the ERP - HR, procurement and finance programme has the right support for business change. This allows the next stage of investment to go ahead, keeps track of progress and risks, and helps ensure the planned benefits are achieved.

4. Establishing a cross-council transformation portfolio

4.1 Over the past 6 months, the council has brought together transformation activity into a single, cross council portfolio. This portfolio is deliberately joined up across Adults & Housing, Children's Services, Place, Corporate and Central services, and Community focused work, ensuring that change is aligned to shared priorities rather than delivered in isolated service silos.

4.2 The transformation portfolio provides the overall framework for major enabling work, including the ERP - HR, Procurement & Finance Transformation programme. This is a programme with its own controls and own governance structure. Experience across the local government sector has shown that large-scale ERP programmes can face significant challenge where governance becomes diluted and risks are not given sufficient focus, leading to cost pressures and delivery issues. Managing ERP as part of the wider transformation portfolio ensures stronger alignment between service redesign, new technology, workforce change and investment decisions, and improves overall value for money.

4.3 *Figure 1.* Visual representation of the portfolio.
Note: this is indicative and does not reflect all programmes and projects in the portfolio. A summary of the activities that are managed within the refreshed transformation portfolio is included at Appendix A.



4.4 This approach supports a move towards operating as a modern, sustainable unitary council by focusing transformation effort on the areas that will make the greatest difference for residents, communities, and the council's long term financial sustainability. Digital and data capability is embedded throughout the portfolio, with a clear emphasis on building digital skills, increasing automation, and modernising how services are designed and delivered.

4.5 To support this joined up approach, a review of internal governance arrangements is being progressed to reduce duplication, clarify decision making, and strengthen collective oversight of transformation activity. This has enabled clearer prioritisation, stronger leadership grip, and improved alignment between transformation, budget setting, and delivery

4.6 Alongside this, the council is developing a new cross council benefits framework and scorecard which will be embedded by June 2026. This is beginning to provide a consistent way to define, track, and report benefits across all transformation activity, including financial savings, service improvement, workforce impact, prevention, and longer-term sustainability. The scorecard strengthens accountability by clearly identifying benefit owners, baselines, targets, and delivery status, and supports more transparent reporting.

4.7 Together, these changes will provide a stronger foundation for coordinated, outcomes focused transformation across the council, ensuring that investment, capacity, and effort are directed towards delivering a modern, sustainable way of working for Dorset.

5. Our Future Council programme progress 2025/26 – year one

5.1 In 2025/26 we built strong early momentum by putting the right foundations in place for a more preventative, joined up and sustainable council. This includes simplifying processes, reducing duplication, improving digital access and strengthening how we make and oversee decisions.

5.2 Key achievements include:

- a commitment to new ways of working and a refreshed target operating model for the organisation
- launch of a new Customer Hub
- launch of a new Business Support Hub,
- establishment of a new Transformation Management Office
- introduction of an Adults Early Intervention and Prevention team
- procurement of a new ERP HR, Procurement & Finance solution.
- initial steps to reduce fragmentation and duplication across process and technology change with the procurement of a new contact centre that will provide case management tools
- strengthening internal governance arrangements

5.3 Together, these changes are making it easier for residents to get the help they need, reducing duplication, improving how decisions are made, and creating a strong foundation for long term efficiency and financial stability.

5.4 Early benefits already achieved include:

- Financial sustainability: The programme contributes directly to the Medium-Term Financial Plan through recurrent savings and improved cost control. Early delivery has already secured workforce and service efficiency savings, with full-year effects realised from 2026/27. In addition, redesigned commissioning and stronger commercial governance are delivering significant third-party spend reduction, improving value for money and strengthening long-term financial resilience.
- Efficiency and capacity release: By simplifying processes, removing duplication and introducing hub-based operating models, Our Future Council is starting to

free up staff capacity for higher-value work. Productivity improvements across Customer, Business Support and Strategic & Enabling services are starting to reduce manual effort, improve turnaround times and lower reliance on temporary and external support.

- Reduced demand through earlier intervention: A core benefit of the programme is shifting from reactive, high-cost responses to earlier, preventative support. This is being achieved through improved triage, increased first-contact resolution and clearer service ownership, reducing repeat contact and unnecessary escalation into statutory services.
- Improved customer experience and access: Early benefits include easier-to-navigate services through the new Customer and Business Support hubs. Consolidated customer channels, clearer information through web improvements and intelligent virtual tools are all contributing to these improvements.

5.5 A phased investment approach is in place so we can closely track how money is being spent and what benefits are being delivered. This follows the business case agreed by Cabinet in January 2025 and reinforced through updates during the year. Regular reporting helps us ensure that all transformation work continues to support the council's long term vision and the priorities in the Council Plan.

5.6 **Key milestones for 2025/26 (year one)**

This section gives an overview of the key transformation milestones delivered in 2025/26. It shows the progress we've made in building the council's new ways of working and the core building blocks that support them.

Table 1.

Workstream	Milestone	Date	Status	
ERP: HR, Procurement & Finance	Technology procurement	31 July 2025	Completed	Delivered
Commissioning & procurement	Operating model design agreed	31 August 2025	Completed	Delivered
Customer	Early Intervention and Prevention Team launch within Adults Access Team in the Customer Hub	31 October 2025	Completed	Delivered
Strategic & Enabling	Redesign and launch of Transformation Management Office	1 December 2025	Completed	Delivered
Customer	Redesign and launch of Customer Hub	1 February 2026	Completed	Delivered
Business Support	Redesign and launch of Business Support hub	1 February 2026	Completed	Delivered
Customer	Delivery of new intelligent virtual agents across waste processes	1 February 2026	Completed	Delivered

Strategic & Enabling	Redesign and launch of communications and marketing	31 March 2026	Completed	Delivered
ERP: HR, Procurement & Finance	System integrator procurement	31 March 2026	Completed	Delivered
Commissioning & Procurement	Design of future ways of working for commissioning and procurement	31 March 2026	Completed	Delivered
Commissioning & procurement	Third party spend reduction to realise full financial benefit	31 March 2026	Completed	Partially delivered

5.7 **Delivery has focused across key workstreams delivering outcomes identified in the business case.**

Table 2.

Workstream	Deliverables	Outcome delivered and benefit realised	
Customer	Design and launch of the new Customer Hub • Adults Early Intervention and Prevention team launch • Consolidation of specialist and generalist support teams • Out of Hours review and transition into Customer Hub • Delivery of new technology including intelligent virtual agents • Specialist teams in place for building control, planning, parking, highways, trees, revenues & benefits, school admission set up in the Customer Hub	• Improved access, increased independence and faster, more consistent customer experiences. • Residents receive timely, practical support at first contact, reducing the need for full assessments. • Services experience reduced duplication and more reliable triage across all enquiries. • Faster, more accurate responses 24/7 improve satisfaction and reduce avoidable demand. • Building a preventative, outcomes focused model by intervening earlier, resolving issues at first contact and reducing escalation into higher cost statutory services.	£0.078m Part year realisation 2025/26 £0.064m Full year effect realised in 2026/27.
Business Support	Design and launch of the new Business Support Hub • New generalist and executive support team established • Specialist spoke for children's business support launched	• More consistent, efficient and accessible business support that reduces duplication and frees up capacity across services.	£0.147m Part year realisation 2025/26 £0.326m Full year effect realised as recurrent savings in 2026/27 and beyond

Strategic & Enabling	• Redesign and workforce restructure of the Communications and Marketing Service, consolidating activity across the council
	• Design and launch of the new Transformation Management Office
	  ○ Integration of transformation and change capacity across adults, children's, corporate and place.
	  ○ Integration of service design, user adoption, content design, project
		• A revised communications function that delivers consistent messages, stronger campaigns, and better reach, improving resident understanding and trust.
		• Consistent, professional, and evidence led approach to change that improves delivery confidence, strengthens governance, and accelerates benefits realisation.
		• This work supports a 'one council' approach, strengthening how the organisation designs, governs and delivers change across services
			£0.461m
			Part year realisation 2025/26
			
			£1.381m
			Full year effect realised as recurrent savings in 2026/27 and beyond

Workstream	Deliverables	Outcome delivered and benefit realised	
	and programme management, solutions architecture, digital services and inclusion and automation functions • Design and development of outline matrix management approach	while acting confidently as part of a wider system.	
ERP: HR, Procurement & Finance Transformation	• HR, Procurement & Finance Transformation technology procurement (awarded to Oracle) • Develop resourcing model • System integration partner procurement • Definition of governance and engagement models • Implementation prerequisites planned	• A transparent, well governed procurement that reduces risk and ensures the council makes an evidence based, value for money choice. • Compliant, competitive procurement that secures a skilled systems integrator partner to derisk implementation and ensure the HR, Procurement & Finance Transformation is delivered effectively, on time, and to scope.	N/A
Commissioning & Procurement	• New commissioning and procurement model designed which will improve consistency and capability across services. • Stronger governance and contract visibility to improve value for money and contract compliance, reduce duplication, and secure better commercial outcomes. • One council approach to contract uplifts and changing behaviour to improve commercial approach	• Tighter commercial controls to enabled reduction in unnecessary or duplicated spend across the council and deliver better commercial terms. • The redesigned commissioning and commercial approach strengthens council's ability to work with communities, providers and partners as part of a wider system, improving market insight, consistency and outcomes across all ages.	£4.0m One-off benefit 2025/26 £0.244m Full year effect realised as recurrent savings in 2026/27 and beyond

6. Plans for Our Future Council delivery in 2026/27 (year two)

6.1 In year two, we will focus on making sure the changes from year one are fully in place and working well, and then building on them. This includes:

- continuing to roll out the new ways of working across customer services, business support, commissioning and procurement, and enabling corporate services - redesigning services to cut manual work, simplify processes, and use more modern technology; and
- continuing preparations for (and starting delivery of) the new HR, procurement and finance system (ERP), supported by stronger change management, training and making sure staff are ready to use it

6.2 This will create deeper integration between services and technology as changes continue from 2026 to 2028.

6.3 The delivery of the council's whole council transformation portfolio relies on implementing the new ERP - HR, Procurement and Finance system. This system is a key enabler of modern, digital ways of working and will provide consistent processes, better data and a reliable digital platform to:

- support redesigned services
- improve financial management
- strengthen workforce insight
- create more efficient and consistent ways of working across the organisation.

Delivering the ERP alongside service and organisational change is essential to ensuring benefits are sustained, scalable and fully realised over time.

6.4 Key milestones for 2026/27 (year two)

Table 3.

Workstream	**Milestone**	**Date**	**Status**	
Strategic & Enabling	Launch of new matrix management approach	30 April 2026	In progress	On track
Commissioning & Procurement	Targeted third party spend reduction and contract reviews launched informed by baselined analysis	30 April 2026	In progress	On track
Enabling digital tools	Completion of 15 business cases for digital innovation tools completed. This is supported by an external partner, funded from the previously approved Cabinet investment	1 May 2026	In progress	On track
Customer experience	Leadership preparation sessions held with 12 functions for the customer hub	1 May 2026	In progress	On track
Customer experience	Design sprints held with 12 functions for the customer hub resulting in future state opportunity packs	31 May 2026	In progress	On track

Workstream	Milestone	Date	Status	
Strategic & Enabling	Leadership preparation sessions held with 7 strategic & enabling services	31 May 2026	In progress	On track
Business support	Adults specialist business support teams lift and shift to the new Business Support Hub	31 May 2026	In progress	On track
Business support	HR payroll teams lift and shift to the new Business Support Hub	31 May 2026	In progress	On track
Business support	Phase 1 lift and shift of some elements of finance to the Business Support hub	31 May 2026	In progress	On track
ERP: HR, Procurement & Finance programme	A-Is SAP architecture landscape documented	31 May 2026	In progress	On track
ERP: HR, Procurement & Finance programme	ERP programme governance implemented	31 May 2026	In progress	On track
Strategic & Enabling	Design sprints held with 7 strategic & enabling services resulting in future state opportunity packs	19 June 2026	In progress	On track
Customer experience, Strategic & Enabling	Decisions agreed for changes in line with opportunities identified in future state packs	30 June 2026	Not started	N/A
Customer experience, Strategic & Enabling, Commissioning & Procurement	Design work concludes and workforce consultation commences (where applicable and staggered service by service, led by the Manager)	30 June 2026	Not started	N/A
ERP: HR procurement & Finance programme	Data cleansing of current HR and finance data	30 June 2026	In Progress	On track
ERP: HR, Procurement & Finance programme	As-Is Process catalogues (Finance, Procurement & HR) Completed	30 June 2026	In Progress	On track
ERP: HR, Procurement & Finance programme	Business Backfill resource profile agreed and onboarded	30 June 2026	In Progress	On track
ERP: HR, Procurement & Finance programme	Core programme team, Business subject matter experts in place. Programme kick off	31 July 2026	Not started	N/A
Business support	Phase 2 lift and shift of some elements of finance to the Business Support hub	31 July 2026	Not started	N/A
Enabling digital tools	Procurement for 15 digital innovation tools completed. Dependent on business case decisions in May 2026.	31 July 2026	Not started	N/A
ERP: HR, Procurement & Finance programme	System integrator mobilisation	31 July 2026	Not started	N/A
Customer, Strategic & enabling	Redesign work across all customer and strategic & enabling services, prioritised into minimum viable product delivery sprints based on benefit	31 August 2026	Not started	N/A

Workstream	Milestone	Date	Status	
Customer, Strategic & enabling	Go live of redesigned customer and strategic & enabling services (staggered service by service, led by the Manager)	28 September 2026	Not started	N/A
Enabling digital tools	Upgrade to council web platform	31 September 2026	Not started	N/A
Commissioning & Procurement	Go live of new commercial services and procurement hub	31 October 2026	Not started	N/A
ERP: HR, Procurement & Finance programme	Future state processes defined	30 October 2026	Not started	N/A
Enabling digital tools	Implementation of 15 digital innovation tools	31 March 2027	Not started	N/A
Customer, Strategic & enabling	Further redesign work across all customer and strategic & enabling services including incremental release of technology upgrades as the contact centre technology matures	31 March 2027	Not started	N/A

6.5 Delivery will focus across key workstreams to outcomes identified in the business case

Table 4.

Workstream	**Activity**	**Outcome delivered and benefit realised**	
Customer Hub	• New contact centre technology rolled out including telephony and early pilots of case management across the Customer Hub • Further refine ways of working for services that moved into the Customer Hub in year one to deliver further customer experience improvements • Align further services to the new Customer Hub to deliver efficiency and financial benefit from process and workforce changes • Hold design sprints to determine opportunity sizing and validate benefit assumptions.	• Faster, more consistent customer responses enabled by upgraded telephony and early case management pilots. • Improved first contact resolution and reduced avoidable contact through refined ways of working. Reduction in call response times. • Efficiency and financial benefits delivered as more services transition into the Customer Hub and duplicated processes are removed. • Clearer, evidence based prioritisation of improvements through design sprints that validate opportunity size and expected benefits.	Target based on 20% savings of in scope roles £1.170m Part year benefit 2026/27 (Pending review of funded roles)
Business Support Hub	• Delivery of new contact centre technology including telephony and early pilots of case management across the Business Support Hub • Further refine ways of working in the Generalist and Executive Support Team and the Children's specialist business support team to deliver further process efficiencies and improvements • Align further specialist services to the new Business Support Hub to deliver benefits from process and workforce changes. This will include a specialist Adults business support team, Payroll specialist team and a finance specialist team.	• More consistent and efficient internal customer support through upgraded telephony and early case management pilots across the Business Support Hub. • Process efficiencies and faster turnaround times from improved ways of working in the Generalist & Executive Support Team and Children's specialist business support team. • Financial and operational benefits delivered by aligning further specialist services (Adults, Payroll, Finance) into the Hub and removing duplicated activity. • Better prioritisation of improvements and clearer benefit tracking through design work and validated opportunity sizing.	Target based on 18% of in scope roles £0.127m Part year benefit 2026/27 (Pending review of funded roles)

Workstream	Activity	Outcome delivered and benefit realised	
Strategic & Enabling	• Review and redesign of further core or corporate enabling service areas (example: ICT, HR, Finance) to realise efficiency and financial benefit in 2026/27. • Hold design sprints to determine opportunity sizing and validate benefit assumptions. • Launch matrix management and head of practice model • Complete internal governance review	• Efficiency and cashable savings from redesigned functions and removal of duplicated activity • Stronger capability and resilience through a matrix model and heads of practice including balanced workloads, shared expertise, and reduced reliance on external support. • Clearer roles and smarter ways of working through defined service offers, with simplified, standardised and automated processes that cut duplication and free up time for higher value work. • Stronger governance and performance management, with shared practices and insight led prioritisation to target effort where it delivers the greatest impact.	Target based on 18% of in scope roles £0.725m part year benefit 2026/27 £0.8m leadership review full year target. (pending review of funded roles)
ERP: HR, Procurement & Finance programme	• Data cleansing of current HR and finance data • As-Is Process catalogue documented • As-Is SAP Architecture (inc 3rd party systems/processes) documented • Backfill resources defined • Core programme delivery team confirmed to enable programme kick off • Future state processes defined • Mobilise system integrator	• Reliable data foundation for configuration, testing and reporting • Fully mobilised core team and clear roles, enabling the programme to start at pace and stay on track. • Reduced implementation risk and faster time to value by mobilising the systems integrator early, ensuring expert technical guidance, structured delivery and smoother adoption. • A well defined future operating model for HR, finance and wider enabling services, supporting standardisation, simplified processes and improved user experience.	N/A
Commissioning & Procurement	• Refresh policy, procedure and governance for the way we commission and procure • Review the procurement and legal capacity alongside the refreshed procurement pipeline • Design and launch the new Commercial Services Hub • Design and launch a new All Age Commissioning Service	• Stronger commercial control and compliance through clearer policies and governance, improved consistency, reduced risk. • More efficient, higher quality commissioning through redesigned Commercial Services Hub and new All Age Commissioning Service. • Single coordinated approach that reduces duplication, improves market insight and strengthens contract management. • Financial benefits from targeted spend reduction	£4m Full year target 2026/27

Workstream	Activity	Outcome delivered and benefit realised	
	• Targeted third party spend reduction informed by baselining analysis, monitored and assured by commercial board		
Enabling digital tools	• Upgrade the existing council web platform to mitigate cyber risk • Run a full procurement and design process for a new Content Management System. • Complete 15 business cases for digital innovation opportunities supported by a digital partner funded by Cabinet in October 2026. • Procure technologies to promote digital innovation across the council • Implement technologies and realise benefit in line with business cases	• Council prepared for a high quality migration by September 2027 to improve accessibility and customer experience across the council's online platform. • Improved outcomes whether quality of services, resident, patient or customers. • Improved experiences of interactions across the services provided, both for employees and customers. • Improved efficiency in service of reducing friction and transactional costs	£0.283m full year target

6.6 Delivery approach

Delivery of the 2026/27 plan will continue to follow a phased, outcome led approach aligned to the approved business case, enabling the council to manage risk, maintain service continuity, and realise benefits progressively.

Strategic support for people and workforce

6.7 Change activity will place strong emphasis on workforce readiness with a particular focus on equipping managers and teams to lead change confidently and consistently. Early engagement with managers and teams will be supported through structured communication, consultation, and targeted learning and development. This supports the development of a skilled, enabling workforce with the capability, capacity and authority to embed new ways of working and deliver improved outcomes.

6.8 New opportunities, such as manager forums and dedicated change leadership sessions, will help managers understand upcoming changes, introduce them well, and support their teams through transition. Design workshops and service sessions will focus not only on process redesign, but also on the cultural shifts needed to embed new ways of working. Trade Unions and employee networks will be engaged throughout delivery to ensure fair, inclusive, and legally compliant change.

6.9 As the scale and complexity of transformation increases, additional specialist expertise will be required to work alongside our internal teams. This will ensure we have the technical capability to guide change management, strengthen workforce planning, and create focused support for managers as they navigate significant change. This blended approach will help the council adopt new ways of working at pace, maintain service continuity, and ensure employees are supported throughout. A proposal for the required investment and capacity is included later in the report.

Product and service led delivery approach

6.10 Delivery will use a product based, multidisciplinary model where appropriate, bringing together service expertise, digital, technology, data, change and design capability. Design sprints and minimum viable product (MVP) approaches will be used to test and refine solutions, validate benefit assumptions, and enable incremental delivery while maintaining service stability. This approach supports faster problem solving and more consistent ways of working across the council.

6.11 This approach has been tested in the latter part of year one to deliver technology change for the new Customer Hub and will be expanded during 2026/27. Additional capacity to enable delivery will be required to ensure delivery at pace during a period of change to the delivery approach.

6.12 As the council moves to this new delivery model across more services and technologies, additional capacity will be required to work alongside teams and maintain delivery pace. This will ensure we have the right expertise available at the right time, reduce delivery risk, support workforce adoption, and enable the council to fully realise the benefits set out in the business case. A proposal for this additional investment and capacity is included later in the report.

Digital platforms and channels

6.13 Investment in our core digital platforms will continue to be central to delivering consistent, accessible and efficient services for residents. This includes the next phase of improvements to the council's contact centre technology and the content management system that underpins the Dorset Council website. These platforms are critical to supporting new ways of working across the Customer Hub, Business Support Hub, and Core Enabling / Corporate services.

6.14 Building on work delivered in 2025/26, the council will continue to implement digital solutions iteratively, allowing services to mature over time while responding to user feedback and operational insight. This approach ensures we can release improvements quickly, test them in real environments, and refine them based on what works best for residents and staff.

6.15 During 2026/27, we will also progress a programme of up to 15 new digital innovation opportunities that have the potential to reduce demand, improve accuracy, strengthen financial sustainability and enhance outcomes for residents. These include automation opportunities for council tax and education health and care plans, fraud detection, application rationalisation, financial assessment, pre-empting demand for Adults Services, digital administration, and conversational AI to increase aged debt recovery.

6.16 These digital opportunities will require targeted investment and specialist capability to deliver at pace and to ensure solutions are safe, accessible, scalable and aligned to council priorities. A proposal for the required investment and capacity is set out later in this report.

HR, Procurement & Finance Transformation (ERP) Implementation model

6.17 The council is preparing to deliver a new HR, Procurement & Finance Transformation programme (Oracle Fusion Cloud) to replace SAP. To do this well, we need a delivery model that is clear, accountable and gives us the best value for money.

6.18 The ERP programme will be delivered through a partnership between council teams, the system integrator and the technology supplier. This includes setting up the system, defining to-be processes, changes to ways of working (Adopt), moving data across, testing, managing the Business change including training and supporting staff through the change. We will have clear roles, decision points and responsibilities to make sure the programme stays on track and delivers the improvements we need.

6.19 Subsequent to previous reports to Cabinet, we are proposing to move away from the previously agreed 'Business Integrator' model, where a third party sits between the council and the system integrator, and instead strengthen our in-house capability. This change is recommended because early assurance work has shown that this would reduce cost and complexity, create clearer accountability, and ensure our ability to make independent decisions that support our Medium-Term Financial Plan.

6.20 The revised approach brings expert capability into the council to work directly with the system integrator. This will give us clearer control, stronger governance, and better value for money over the life of the programme. It also reduces the need for rework, lowers ongoing support costs and keeps key decisions, such as design choices, risk management and go live approval, squarely with the council.

6.21 Cabinet is therefore asked to approve the revised delivery model and investment profile set out in the financial implications section of this paper.

Governance and reporting

6.22 The transformation portfolio operates within a reshaped, member led governance framework that provides strategic direction, robust assurance, and effective oversight of risk, progress and benefits realisation. This structure ensures proportionate Member oversight, clear accountability, and early engagement ahead of formal decision making.

6.23 The governance structure comprises:

- *Cabinet:* Sets strategic direction, approves investment decisions, and monitors delivery of benefits through six monthly reports.
- *Audit and Governance Committee:* Provides assurance on portfolio governance, risk management and areas of exposure through quarterly updates.
- *Place and Resources Scrutiny Committee:* Scrutinises Cabinet decisions and reviews progress to ensure accountability and transparency.
- *Members Transformation Steering Group:* An informal, cross party advisory group providing ongoing oversight of progress across all transformation programmes.

6.24 To support the reshaped governance model, reporting arrangements have been refined. Actions arising from each forum are tracked and escalated through the appropriate routes, ensuring continuous oversight and effective assurance.

6.25 The proposed reporting cycle is:

- Members Transformation Steering Group: Monthly
- Audit and Governance Committee: Quarterly
- Cabinet: Six monthly
- Place and Resources Scrutiny Committee: Six monthly

7 Alternative options considered

None

8 Legal considerations

8.1 We are working closely with Legal and Democratic Services to make sure the transformation portfolio follows all laws and governance rules. Regular reporting to Cabinet and council committees will ensure the portfolio remains open, accountable and legally compliant.

8.2 All new technology contracts follow national procurement laws and Dorset Council’s policies. Legal teams work with project teams to check contracts to make sure they are strong and protect the council.

8.3 Changes to roles or structures follow employment law and we will continue to consult with Trade Unions and staff representatives.

8.4 New systems will handle personal data, so they will be configured to meet UK GDPR and Data Protection Act requirements, and Data Protection Impact Assessments will be carried out where needed.

9. Financial implications

9.1 In October 2025, Cabinet approved an initial investment draw down of £12.4m, allocated across the following categories.

Table 5. Investment October 2025

	Internal capacity (£m)	**External partner & data (£m)**	**ERP partner (£m)**	**Tech costs (£m)**	**Licensing (£m)**	**Upskilling / training (£m)**	**Redundancy (£m)**	**Total (£m)**
ERP: HR, Procurement & Finance	0.2	1	2.1	0.1	0.98	0.25	0.00	**4.63**
Contact centre	0.5	1.3	0	0	0.99	0.25	0.00	**3.04**
TMO & automation	2.1	0.00	0.00	0.13	0.00	0.00	0.00	**2.23**
Workforce changes	0.00	0.00	0.00	0.00	0.00	0.00	2.5	**2.50**
Total	2.8	2.3	2.1	0.23	1.97	0.5	2.5	**12.40**
Forecast out-turn at period 11 for 2025/26	0.05	0.2	0.2	0.12	0.28	0.00	1.6	2.45

This investment was a commitment to fund:

- 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,
- Transformation Management Office and automation: UiPath platform cost, AI units, automation developer, RPA units, resource to continue to support our community in developing double devolution, place-based partnerships, annual cost of transformation management office core resource

The forecast outturn is lower than profiled in October 2025 due to the following:

- The ERP programme has adjusted its delivery approach following a reassessment of the time needed to safely validate and migrate data, and to ensure the right capacity is in place. As a result, some costs planned for 2026/27 have been re-profiled. Rather than appointing a single Business Integrator, the Council will recruit specialist expertise on a role-by-role basis. This approach offers better value for money while ensuring the programme has the right skills to be delivered safely. The delivery and resourcing approach has now been stabilised, as set out in this paper.

- ERP and Contact Centre licensing costs are contractual commitments for the next 12 months. These budgets are currently unspent but will be drawn down in line with delivery.
- ERP partner investment is a contractual commitment which will be spent from the approved funds over the coming 24 months.
- Funding for the Transformation Management Office (TMO) will commence from January 2026, following the service restructure completed in December 2025. Spend is therefore expected to align with forecast in the next reporting period.

9.2 In addition to the investment approved in October 2025, further investment is required with a commitment to draw down these additional funds in 2026/27 and 2027/28.

Table 6.

	Internal capacity (£m)	External partner & data (£m)	ERP partner (£m)	Tech costs (£m)	Licensing (£m)	Upskilling / training (£m)	Redundancy (£m)	Total
ERP: HR, Procurement & Finance	0	1.28	0.00	0.25	0.15	0.00	0.00	**1.68**
Contact centre	0.61	0.80	0.00	0.00	0.00	0.00	0.00	**1.41**
Digital initiatives	0.31	0.15	0.00	1.88	0.00	0.00	0.00	**2.34**
TMO and automation	0.34	0.00	0.00	0.00	0.00	0.00	0.00	**0.34**
Strategic partners	0.00	0.50	0.00	0.00	0.00	0.00	0.00	**0.50**
Workforce changes	0.00	0.00	0.00	0.00	0.00	0.00	1.00	**1.00**
Total	**1.26**	**2.73**	**0.00**	**2.13**	**0.15**	**0.00**	**1.00**	**7.27**

9.3 Combined investment for 2025/26 and 2026/27

Table 7.

	Total (£m)	Already approved – Oct 2025 (£m)	Additional Request – April 2026 (£m)
ERP: HR, Procurement & Finance	6.31	4.63	1.68
Contact Centre	4.45	3.04	1.41
Transformation Management Office and automation	2.57	2.23	0.34
Workforce changes	3.50	2.50	1.00
Digital initiatives	2.34	0.00	2.34
Strategic partners	0.50	0.00	0.50
Total	**19.67**	**12.40**	**7.27**

9.4 Detail of ERP - HR, Procurement & Finance transformation investment

Table below describes the additional spend required for ERP

Table 8.

Category of spend	Description	Cost 26/27 (£m)
Technology Costs	ERP tooling to support implementation. Oracle Fusion Test Data, Payroll Comparison, Integration & Process automation. Config Snapshot (this is required to automatically move agreed Solution configuration between the different environments. This will save the programme time and remove human error)	0.25
Licencing	OGL & OGL Managed services	0.15
External Partner and Data Costs	ERP programme has re-profiled and detailed the actual External partner resource and data requirements to support the Implementation of ERP.	1.28
	Total	1.68

9.5 Detail of additional investment in new contact centre technology

To successfully implement Microsoft Dynamics 365 Customer Service and deliver service transformation, additional specialist resources are required to design user-centred processes, build and integrate the technical solution, and ensure the new platform meets the needs of our new operating model. A dedicated product manager provides technical leadership and alignment, while M365 and web developers deliver the core system configuration, automation, integrations, and customer-facing components. Service designers will be dedicated to working with teams to redesign end-to-end journeys and support new ways of working, and a content designer ensures all digital information, forms, and messages are clear, consistent, and accessible to all our customers. By adding these resources to our multidisciplinary team we will be able to ensure the solution is user-focused and capable of improving internal efficiency and customer experience at scale (internal and external).

Table 9.

Category of spend	Description	Cost 26/27 (£m)
Internal Capacity	Product Manager x 1, M365 Developer x 4, Web Developer x 2, Content Designer x 1 Service designer x 2 - all posts for 12 months	0.61
External Partner and Data Costs	Implementation support	0.8
	Total	1.41

9.6 Detail of additional delivery capacity investment that will work across the whole portfolio

With significant change activity ongoing and further planned for 2026/27, additional change management capability and capacity is required. This will enable delivery of change across the portfolio including effective leadership and cultural support to employees.

Table 10.

Category of spend	Description	Cost 26/27(£m)
Internal capacity	People and workforce additional capacity for 12 months: HR change lead x 1, HR change consultant x 3, OD consultant x 2.	0.34

9.7 Detail of additional investment for digital initiatives in 26/27

Investment in digital innovation technology solutions following business case completion in summer 2026. Estimated total investment of £2.34m should all initiatives be prioritised for delivery in summer 2026. Delegated spend decision is sought to the Chief Executive in agreement with the S151 Officer following review and evaluation of business cases by the Design Authority to inform the delegated decision.

Table 11.

Category of spend	Description	Cost 26/27 (£m)
Technology costs	Pre-empting adult social care demand	0.06
Technology costs	Reducing adult social care supply issues	0.20
Technology costs	Adults domiciliary care in-home technology	0.41
Technology costs	Digital administration including minute integration to Mosaic	0.30
Technology costs	Digitally unblocking independence	0.15
Technology costs	Automating financial assessments	0.20
Technology costs	Council tax automation	0.20
Technology costs	Applications rationalisation	0.09
Technology costs	Reducing homelessness	0.06
Technology costs	Digital marketing to increase number of foster carers	0.10
Technology costs	Automation of education health and care plans	0.11
Internal resource	ICT capacity to deliver	0.1
External partner & data	Implementation delivery costs	0.16
Internal resource	Procurement and legal surge capacity (3 FTE for 12 months)	0.2
	Total	2.34

9.8 Additional investment for strategic partnership support 2026/27

The council requires capacity and capability to enable workforce readiness and to ensure that managers and teams are equipped to lead change confidently and consistently. This is coupled with delivery capacity to enable a product led approach to be embedded across the organisation.

Table 12.

Category of spend	Description	Cost 26/27 (£m)
External partner & data costs	One or more strategic partners to meet requirements for strategic change management and delivery capacity and capability	0.5

9.9 Savings for 2025/26 and 2026/27

Table 13.

	Year	Workforce Reduction (£m)	Third Party Spend Reduction (£m)	Tech / ICT rationalisation (£m)	Total Target (£m)	Total delivered (£m)	Recurrent savings Delivered (£m)
Target	2025/26	2.00	4.00		6.00		
Delivered	2025/26	1.71	4.00			5.71	0.71
Target	2026/27	5.13	4.00	0.30	9.43		
Delivered from 2025/26	2026/27	2.01		0.02		2.03	2.72

There is a risk that achieving the target for third party spend reduction may be affected by wider economic pressures, including global factors such as fuel price volatility, particularly in light of economic impacts experienced over the past three months. This risk is compounded by current uncertainties relating to existing contractual commitments. These factors will be considered and reflected during delivery and progress reported in future updates.

10. Environment, climate & ecology implications

10.1 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.

10.2 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.

11 Well-being and health implications

11.1 The council is committed to making sure everyone can benefit from digital services. As we modernise and introduce new technology, we want to make sure that no one is excluded, whether they are customers, residents, employees, or our partners. How we are doing this is set out in our Customer Strategy.

11.2 Our workforce are key to our digital journey. We are committed to:

- giving all employees the digital tools, skills and confidence they need to do their jobs well.
- providing learning and development opportunities that suit different roles and needs.
- making digital inclusion part of how we work, so that change supports employee wellbeing, flexibility and teamwork.
- thinking carefully about how change affects individuals and supporting a healthy and productive workforce where everyone can succeed.

11.3 We want our transformation work to open new opportunities for our employees. To support this, we are:

- building digital skills into career development across all services.
- helping employees progress by offering targeted training, apprenticeships and leadership development in digital skills.
- making sure that change creates new chances for people, not new barriers.

11.4 We value our positive relationships with Trade Unions. They play an important role in helping us create fair and inclusive change. We will continue to work together to shape plans that reflect the needs and ambitions of our workforce.

12. Other implications

None

13. Risk implications

13.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:
Current Risk: High Residual
Risk: High

13.2 Delivering the council's transformation strategy is complex and comes with a number of risks. These include:

- Possible delays when introducing new technology
- Not achieving the savings we have planned
- Challenges linked to changes in the workforce and how the organisation operates
- Making sure services continue to run smoothly while changes take place

13.3 We have strong checks and oversight in place to keep the programme on track. Progress is reviewed 6-monthly by Cabinet, 6 monthly by the Place and Resources Scrutiny Committee; and quarterly by the Audit and Governance committee.

13.4 To reduce risks, we have put the following controls in place:

- delivering changes in phases, with investment and benefits reviewed every six months
- strengthening our internal skills and capacity
- accountable responsibilities for delivering expected benefits
- ongoing engagement with employees, Trade Unions, and other stakeholders

We also keep detailed risk registers, which are reviewed by programme oversight groups. This helps us spot new risks early and deal with them quickly.

13.5 Our approach ensures that transformation is delivered in a controlled, open, and sustainable way. This helps minimise disruption and ensures we get the best value and outcomes for residents, staff, and the council.

14. Equalities

14.1 Dorset Council is committed to making fair and inclusive decisions when we change how services are delivered. We follow the Equality Act 2010, which means we must promote equality and reduce discrimination for everyone.

14.2 As we bring in more digital tools, automation and artificial intelligence, we are making sure that we design new systems with employees and users, making them accessible and easy to use. This includes regularly checking the impact of changes and listen to feedback to make sure services remain fair and inclusive.

14.3 Our Artificial Intelligence Policy sets clear rules to make sure we use AI safely, transparently and in line with our values.

14.4 Our Digital Infrastructure and Inclusion Strategy aims to make sure no individual or community is left behind. This includes:

- Improving digital connectivity, especially in rural and deprived areas.
- Helping people of all ages build digital skills and confidence.
- Working with partners to reduce the digital divide and support local economic growth.

14.5 We work with our Equality, Diversity and Inclusion Reference Group, Trade Unions and Employee Networks to support employees through change.

15. Appendices

Appendix A: Transformation Portfolio summary
Appendix B: Flexible use of Capital Receipts Strategy

16. Background papers

16.1 Cabinet 9 October 2025: Dorset Council Transformation Investment Update: Our Future Council

17. Report sign-off

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