Shareholder Committee for Care Dorset Holding Ltd

28 September 2026

ANNUAL PERFORMANCE REPORT

For information and assurance

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Date: 14 September 2026

Report status: **PUBLIC**

Executive summary:

Care Dorset has continued to strengthen its performance and organisational maturity during its fourth year of operation, delivering over £4.1 million in savings since inception while maintaining strong occupancy, positive reablement outcomes and consistently good regulatory performance across inspected services. Workforce retention, training compliance and leadership capability have improved, supported by investment in organisational development and quality improvement. Despite ongoing financial, workforce and estate-related pressures, the organisation has maintained a strong partnership with Dorset Council and continued to develop new service provision, including specialist supported living. Governance, assurance and digital transformation arrangements have also been strengthened to support long-term sustainability and strategic delivery.

Recommendation(s):

The Committee is asked to note the annual performance report.

Reason for recommendation(s):

As an owned company of Dorset Council and a strategic partner in the delivery of adult social care services, this report provides the Shareholder Committee with an overview of Care Dorset's performance, achievements and key developments during the reporting period.

DELIVERY AGAINST INITIAL EXPECTATIONS

1. The Cabinet report of November 2021 established a number of key expectations for the Local Authority Trading Company. As these expectations have not subsequently been refreshed, they continue to provide the basis for assessing Care Dorset's performance nearly four years after commencing operations in October 2022.

2. Financially, Care Dorset has exceeded the original savings target. Against an expectation to deliver £3 million of gross savings by April 2025, the organisation has generated almost £4.1 million of savings since inception. This includes £896k arising from the closure of Sidney Gale House in August 2024, demonstrating the organisation's contribution to delivering value for money.

3. In relation to residential capacity, Care Dorset currently operates 175 block-contracted beds, lower than the original ambition of 220 beds. This reflects changes to the operating model following the closure of Sidney Gale House and an increase in the proportion of self-funded provision. Despite the reduced bed base, occupancy across block-funded residential services has averaged 90.4%, representing a significant improvement on the position at transfer. Services are also supporting people with increasingly complex needs, demonstrating Care Dorset's ability to provide care for individuals with higher levels of acuity.

4. Recovery and reablement services continue to make a significant contribution to system flow. While reablement bed capacity has reduced from 30 beds across three services to 12 beds at Castleman Plus, occupancy has remained strong and has increased further during 2026. Community Reablement has continued to perform well, supporting an average of almost 150 people each week, with short intervention periods and positive outcomes. Notably, 97% of people completing reablement do so without requiring an increased package of ongoing care.

5. Care Dorset has also continued to strengthen its presence within local communities through a range of engagement activities, including fundraising initiatives, intergenerational projects with local schools, and sponsorship of community sports teams. These activities support the objective of creating strong local connections and promoting community-based opportunities.

6. The relationship between Care Dorset and Dorset Council remains positive and constructive. Regular engagement and reporting arrangements are in place across both organisations, supported by quarterly service-level agreement meetings. While some property-related matters remain unresolved, there is a shared commitment from both organisations to address these challenges and maintain progress against strategic objectives. Overall, partnership working remains a significant enabler of Care Dorset's success.

STRATEGIC CONTEXT AND DIRECTION

7. Care Dorset's five-year strategy, Your Life, Your Way, continues to provide the overarching framework for organisational decision-making and development. The strategy is underpinned by the vision of creating "a world where people can thrive" and is delivered through four strategic pillars: Quality, Reputation, Effectiveness and Growth.

8. During the reporting period, the organisation has focused on strengthening the foundations required to deliver its long-term ambitions. This has included enhancing governance and

accountability arrangements, improving the quality and accessibility of performance information, developing more consistent operational standards, and investing in leadership capability across the organisation.

9. Alongside this, significant emphasis has been placed on ensuring resources are deployed effectively and sustainably, supporting both service quality and financial resilience. Collectively, these activities are establishing a stronger platform from which Care Dorset can continue to improve outcomes for people who use services, respond to future demand, and deliver against its strategic objectives.

QUALITY AND THE EXPERIENCE OF PEOPLE WE SUPPORT

10. Maintaining and improving the quality of care and support remained the organisation's primary focus throughout the reporting period. This was achieved against a challenging operating environment characterised by increasing complexity of need, workforce pressures, ageing estate infrastructure and the need to maintain consistent service delivery across a geographically dispersed portfolio of services.

11. Priority attention was given to strengthening key areas of quality assurance, including care planning and record keeping, medicines management, workforce deployment, safeguarding, leadership oversight and engagement with families and professionals. Alongside this, continued emphasis was placed on ensuring improvement actions were completed in a timely manner and that learning was embedded across services.

12. Progress has been made in strengthening oversight, standardising operational practice and improving assurance arrangements. This work will continue as the organisation seeks to embed sustainable improvements, demonstrate consistency across services and provide ongoing assurance regarding the quality, safety and effectiveness of care and support delivered to the people it serves.

PEOPLE, LEADERSHIP AND CULTURE

13. Our colleagues remain central to delivering high-quality services, maintaining our reputation and supporting the long-term sustainability of the organisation. During the reporting period, Care Dorset has continued to embed its servant leadership approach through the introduction of the CARE Leadership Model, which is being rolled out across the organisation to promote consistent leadership behaviours, accountability and culture.

14. While leadership within residential services experienced some instability earlier in the reporting period, this has now largely stabilised. Managers in post are making positive progress in developing their teams, strengthening performance and modelling the values and behaviours that underpin a positive organisational culture.

15. Investment in leadership development has also been a key priority. In April 2026, Care Dorset held its first Leaders' Summit, bringing together local and senior leaders from across the organisation to strengthen collaboration, align strategic priorities, share learning and reinforce a collective commitment to delivering high-quality care and support.

16. The organisation has continued to invest in workforce capability through its partnership with the British Institute of Learning Disabilities (BILD). This programme has supported the rollout of Positive Behaviour Support (PBS) and the introduction of PBS coaches across

services, strengthening professional practice and improving outcomes for the people we support.

17. This work has also enabled the development of THRIVE, Care Dorset's organisational model of support. THRIVE brings together Positive Behaviour Support, Active Support, Capable Environments and Practice Leadership into a single framework designed to promote independence, choice, inclusion and quality of life. The model provides a clear and consistent approach to delivering person-centred care and will continue to underpin leadership development, workforce practice and service improvement across the organisation.

18. Table 1 sets out the key workforce metrics position from October 2025 to July 2026.

TABLE 1:

Key metric	October 25	July 26
Colleague voluntary turnover	15%	15.04%
Colleague retention	71.2%	79%
Sickness *(average number of sick days per FTE in a 12-month period)*	10.3 days	10 days
Colleague engagement score	80%	79%
Training compliance	82%	91%

OPERATIONAL PERFORMANCE

19. Care Dorset continues to deliver a diverse portfolio of services across residential care, bedded and community reablement, day opportunities, extra care and supported living. Demand for services remains strong, with increasing complexity of need across many service areas, requiring continued focus on quality, workforce capability and operational resilience.

20. Regulatory performance remains a significant strength for the organisation. During the reporting period, Anglebury Court and The Lawns were inspected by the Care Quality Commission (CQC), with both services achieving an overall rating of Good. Notably, The Lawns improved from a previous rating of Requires Improvement in August 2024 to Good following its July 2026 inspection, demonstrating the effectiveness of targeted quality improvement activity and the commitment of colleagues across the service.

21. All currently inspected Care Dorset services hold an overall Good CQC rating. Several newer services, including Castleman Plus and St Martin's, have not yet received their first inspection since opening or registration changes.

FINANCIAL PERFORMANCE

22. Financial sustainability remained a key area of focus throughout the reporting period. Like many organisations operating within the care sector, Care Dorset faced increasing cost pressures, including the impact of national policy changes such as increases to employer National Insurance contributions. In addition, changes to arrangements with Dorset Council resulted in Care Dorset assuming greater responsibility for leased properties, alongside the

delivery of unplanned savings totalling £500k to support the Council's wider financial position. Despite these challenges, the organisation has continued to take action to strengthen financial resilience and improve operational efficiency.

23. A significant development during the year was the introduction of Neuven as Care Dorset's neutral vendor for agency staffing. Implemented in May 2025, the arrangement has improved oversight and control of agency staffing requirements, increased transparency in agency utilisation, and reduced premium agency costs. This has contributed to a more effective approach to workforce management and has saved the organisation £280,000.

24. The organisation has also continued to invest in digital transformation as a key enabler of future efficiency and growth. The appointment of a Head of Digital Services and Systems has provided dedicated leadership for the development of a comprehensive digital roadmap, designed to simplify the technology landscape, improve system integration, and strengthen the quality of management information available to support decision-making. The benefits of this programme will be realised progressively over the coming years as new systems and processes are embedded across the organisation.

25. Further progress has been made through the implementation of a new electronic rostering system, which went live in April 2026. The system has improved the experience of colleagues by providing greater flexibility and visibility over working patterns and leave arrangements, while also enhancing organisational oversight of workforce deployment, productivity and resource utilisation. Collectively, these initiatives are strengthening organisational effectiveness and establishing a more robust platform to support the delivery of Care Dorset's strategic ambitions.

GROWTH AND COMMERCIAL DEVELOPMENT

26. Sustainable growth remains an important strategic objective for Care Dorset, enabling the organisation to support more people, diversify its income streams and increase its contribution to the wider health and care system. Consistent with the organisation's strategic approach, growth opportunities continue to be assessed against clear criteria, including strategic alignment, quality impact, workforce capacity, financial viability, capital requirements and overall deliverability.

27. The organisation has also expanded its service portfolio through the successful mobilisation of Littlemoor Road, a specialist transition service for younger adults with learning disabilities and/or autism. This builds on the success of the Dorchester Road service and demonstrates Care Dorset's ability to develop innovative services that respond to identified local demand.

28. Alongside service development, increasing self-funded occupancy has remained a key commercial priority. Care Dorset now has 46 residential care home beds funded outside of the block contract arrangement. While occupancy across these beds has averaged 66.4% during the reporting period, increasing utilisation remains an important opportunity to strengthen income generation and improve financial performance.

29. The organisation's commercial development capacity was impacted during the period by the removal of the Chief Commercial Officer role from the structure as part of wider cost-saving measures. While the direct effect on growth outcomes is difficult to quantify, the reduction in dedicated commercial resource presents a challenge in progressing business development opportunities at pace. Notwithstanding this, Care Dorset continues to pursue

growth opportunities that align with its strategic objectives and deliver sustainable benefits for the organisation, the Council and the people it supports.

PARTNERSHIPS AND REPUTATION

30. Care Dorset's ability to deliver its strategic objectives is underpinned by strong partnerships across the health and care system. Productive relationships with Dorset Council, NHS partners, commissioners, regulators, community organisations, and the people we support and their families continue to support service quality, organisational development and positive outcomes for local communities.

31. The relationship with Dorset Council remains particularly important given its role as shareholder, commissioner, landlord and strategic partner. Throughout the reporting period, constructive engagement has been maintained through established governance, reporting and operational forums, supporting collaborative working and alignment of shared priorities.

32. These strong partnership arrangements have enabled continued progress across service delivery, transformation programmes and strategic development initiatives. They have also supported Care Dorset's growing reputation as a trusted provider, evidenced through improved regulatory outcomes, sector engagement and increasing recognition of the organisation's innovative approaches to care and support.

GOVERNANCE, ASSURANCE AND STRATEGIC RISKS

32.1. The governance framework continued to evolve during the reporting period, reflecting both changes in Board membership and the organisation's ongoing commitment to maintaining effective oversight and assurance. The Board saw the departure of Andrew Billany following his move from Dorset Council. As Care Dorset's first Company Director and a longstanding advocate for the organisation, Andrew made a significant contribution to the establishment and development of the business.

32.2. To strengthen Board capability and provide additional assurance in relation to the organisation's growing clinical responsibilities, Dr Felix Davies joined the Board as a Non-Executive Director in August 2025. His clinical expertise and experience have enhanced Board discussions and strengthened oversight of quality, safety and clinical governance.

32.3. The organisation's strategic risk profile remains stable overall, although work continues to reduce a number of risks to their target levels. Oversight arrangements remain in place through the Board and its committees, with regular monitoring of controls, mitigations and risk trends.

32.4. The principal strategic risks facing Care Dorset relate to changes in policy and commissioning arrangements, financial pressures arising from the wider economic environment, the condition and suitability of the estate, digital resilience and information security, the ongoing delivery of high-quality care, and the organisation's ability to deliver its strategic priorities and growth ambitions. These risks are regularly reviewed to ensure that emerging issues are identified early and that mitigating actions remain effective.

32.5. While the operating environment continues to present challenges, the Board is satisfied that appropriate governance, risk management and assurance arrangements are in place to support informed decision-making and maintain oversight of the organisation's most significant strategic risks.

32.6. Care Dorset operates a well-established governance structure designed to provide effective oversight, assurance and accountability across the organisation. Supporting the work of the Board are four Chief Officer-led committees, each responsible for overseeing defined areas of organisational performance, risk and strategic delivery.

32.7. The committees play a key role in providing assurance to the Board through the monitoring of key performance indicators, oversight of strategic and operational risks, and scrutiny of progress against agreed business plan objectives. This approach enables the Board to maintain visibility of performance and emerging issues while ensuring appropriate challenge and accountability throughout the organisation.

32.8. The four committees are:

- Clinical Governance and Best Practice Committee
- People and Resources Committee
- Property and Assets Committee
- Business Development Committee

32.9. Collectively, these committees provide a structured framework for oversight and decision-making, supporting the effective delivery of Care Dorset's strategic priorities and ensuring that risks, performance and opportunities are subject to regular review and scrutiny.

CHIEF EXECUTIVE'S CLOSING REFLECTIONS

33. As Care Dorset approaches its fourth year of operation, it is in a stronger and more mature position than when it was established in October 2022. The period has been marked by significant external pressures, including financial constraints, workforce challenges, increasing complexity of need, and ongoing change across the health and social care sector. Despite this, the organisation has remained focused on its core purpose of supporting people to live fulfilling lives while delivering value for Dorset Council and local taxpayers.

34. The report highlights a number of noteworthy achievements. Care Dorset has delivered savings in excess of those originally anticipated, maintained strong occupancy across contracted services, secured positive regulatory outcomes, strengthened workforce capability and retention, and continued to develop services that promote independence and community inclusion. Progress has also been made in strengthening governance arrangements, leadership capability and organisational effectiveness. Underpinning these achievements is a continued commitment to a culture centred on compassion, accountability, respect and empowerment.

35. The organisation remains realistic about the challenges that lie ahead. Sustained focus will be required to continue improving quality, manage ongoing financial pressures, address estate-related risks and ensure sufficient organisational capacity to deliver both operational priorities and long-term strategic ambitions. Growth opportunities will continue to be pursued where they align with Care Dorset's purpose, values and commitment to delivering high-quality care and support.

36. Looking ahead, the priorities set out within Your Life, Your Way remain unchanged. The organisation will continue to focus on strengthening quality, developing leadership, improving organisational effectiveness, advancing digital capability and maintaining long-

term financial sustainability. Achieving these ambitions will depend on the commitment of colleagues and the continued support and collaboration of Dorset Council, health and care partners, families, carers and the people who use our services.

37. On behalf of the Board, I would like to thank our colleagues, volunteers, directors, shareholder representatives, stakeholder partners and families for their continued commitment and support. Most importantly, I would like to thank the people we support, whose experiences, aspirations and feedback continue to shape our services and provide the clearest reminder of why our work matters. Care Dorset enters the next stage of its journey with a strong foundation, a clear sense of purpose and a continued determination to deliver outstanding care and support for the people and communities of Dorset.

APPENDICES

38. Appendix A: Impact Report

BACKGROUND PAPERS

39. None