

BUSINESS PLAN

2026/27

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1. FOREWORD BY THE CHAIR AND CEO

Our plan this year not only looks ahead to the next 12 months but also considers what our world might look like in 2030.

We retain our ambition to be the trusted professional partner of choice for public interest support services across the South West and an employer of choice of those who want to work in public service. Our continued growth suggests that we remain on track to deliver against that ambition.

The most significant development last year was North Somerset Council joining Delt as a shareholder. In light of this, our new plan has a balance of consolidation and aspiration.

Changes in the world and nationally driven reorganisation of some of our customer sectors brings both risk and opportunity. We manage risk to the best of our ability and seize opportunity with enthusiasm. We do this not for fame or fortune, but because there is nothing better than helping other people do amazing things.

We have built this plan by listening to our staff and partners and incorporating their viewpoints and how we can address them. As such, it is the product of collaboration and at times you may hear different voices - this is a deliberate attempt to keep the many contributions to the plan authentic.



Giles Letheren,
Chief Executive Officer



Mark Greaves,
Non-Executive Chair

2. STRATEGY ON A PAGE

HELPING PEOPLE DO AMAZING THINGS

2026 2027

! OUR BUSINESS PRIORITIES FOR 2026/27

- **Operational excellence:** including the onboarding of North Somerset Council customer services
- **Agility:** being responsive to a changing business landscape
- **Strategic growth and regional influence:** growing Delt both horizontally and vertically across the region
- **Relationship and governance management:** Strengthen customer relationships Board/Shareholder governance
- **Innovation and thought leadership:** Develop business models for proactively promoting sustainable AI and innovation opportunities
- **Reengineering:** to deliver change at greater pace and lower cost

OUR COMMUNICATIONS

- Customer insight and storytelling
- Trusted professional partner positioning
- Consistent, coordinated, high-quality engagement

OUR PEOPLE

- Building a collaborative work environment
- Creating a culture of continuous learning
- Ongoing commitment to safe, healthy and happy employees

OUR OBJECTIVES

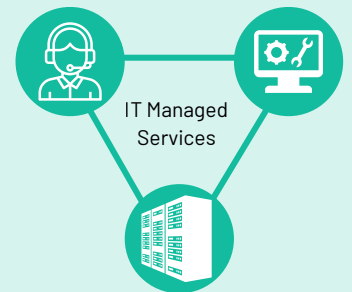
- To create a platform for sustainable economic **growth**.
- To enable closer **collaborative working** between our customers.
- To improve the **value for money** of all Delt services year on year.
- To **reduce risk** for our customers.
- To actively promote the **health and wellbeing** of both our staff and our customers.
- To help our customers **innovate and transform**.

OUR VALUES

- We have **integrity** and **transparency**.
- We **develop** and **empower** our people.
- We **strive** to be the **best** at what we do.
- We believe in **partnership** and **collaboration**.
- We value both **innovation** and **creativity**.

WHAT WE DO

Technology enabled business support services, delivered in the public interest.



IT Consultancy



Cyber Security



Print and Mail



Facilities Management



Training and Education



Payroll and Pensions



HR / OD Advisory



Procurement and Finance

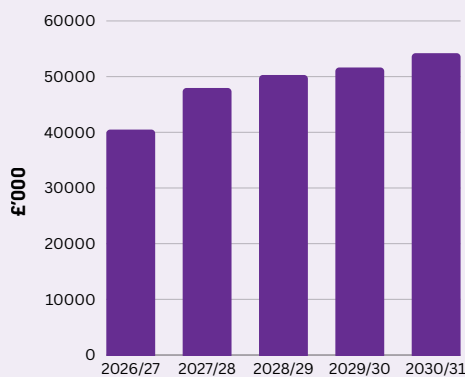


Fleet

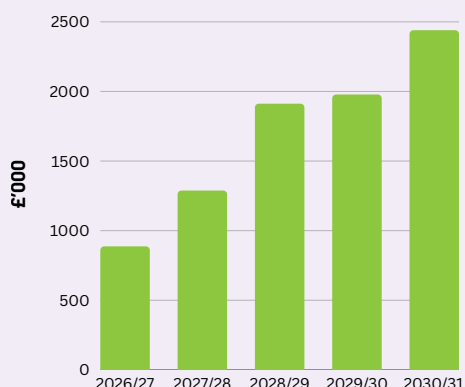


Customer Services

Financials



Turnover - with growth



Surplus - with growth

3. EXECUTIVE SUMMARY

Our 2026 Business Plan marks a transition from short-term stability to a long-range vision targeting 2030. Following the significant addition of North Somerset Council as a shareholder, we are balancing consolidation with an ambitious aspiration to be the "trusted professional partner of choice" for public interest services across the South West.

STRATEGIC VISION AND MARKETPLACE

We are navigating a landscape of radical organisational change, including NHS reform, local government reorganisation (LGR), and devolution.

- **A plan for 2030:** Our goal is to do more, for more customers, return higher value to the public sector, and facilitate truly shared services.
- **Relationship-driven growth:** We maintain our strategy of building business through relationships rather than formal bids.
- **Healthcare evolution:** A major focus is the clustering of NHS Devon and Cornwall ICBs and the closure of NHS Commissioning Support Units (CSUs), which presents both a risk to service continuity and a significant growth opportunity.
- **Devolution:** The creation of new Regional Strategic Authorities offers a prime opportunity to win new business as these entities will lack existing support provision.

SERVICE OPERATIONS AND INNOVATION

The next year sees the launch of several new capabilities while strengthening core IT Services:

- **New offerings:** April 2026 marks the launch of a digital-first customer services and contact centre. A new, affordable recruitment service will also debut to support public interest organisations. Significant opportunity exists to add new service lines with the closure of CSUs.
- **IT & cyber security:** A key focus remains delivering IT stability, resilience, and embedding a continuous Service Improvement culture. Cyber security efforts will include restructuring teams to meet evolving threats and expanding the use of advanced security tools.
- **Pragmatic AI:** We adopt a 'pragmatic optimist' stance on AI, acting as a cheerleader for its benefits while remaining a critical friend that challenges hype and demands clear ROI.

Our "Your Kind of People" framework emphasises that success is driven by human connection.

- **Wellness:** Our strategy is built on four pillars of Wellness: mental, physical, financial, and social.
- **Engagement:** We aim to move our Best Companies accreditation from very good to outstanding.
- **Collaboration:** A new leadership development programme will hold leaders accountable for fostering a shared accountability mindset.



FINANCIAL OUTLOOK

Our financial forecast is ambitious, with income potential to grow from £40.5 million in 2026/27 to over £54 million by 2030/31.

- **Growth assumptions:** Key drivers include expanding our new customer services contact centre, taking on corporate IT for Cornwall ICB, and absorbing approximately £4 million in services following the CSU closures.
- **Social value:** Delt continues to generate significant annual socio-economic benefits for the South West.



4. A PLAN FOR 2030

In 2025 we set ourselves a number of short-term goals to support our strategic objectives:

- Focus on IT through service stability
- Successfully onboarding North Somerset Council
- Deepening connections with partners and customers to cultivate trust, better understand organisational requirements and challenges and fostering innovation
- Measure the right things in respect of our partners and customers' satisfaction and performance management
- Review internal processes to lead on innovation where possible
- Exploring opportunities to continue our growth
- Mobilising our people to collaborate and break down silos
- Improving both internal and external communications

These have either been achieved or are well under way and for 2026 we want to take a longer view, one that targets not just 2026-2027 but that looks ahead to 2030.

In 2030, we aspire to be able to do more: to do more things for more customers; to return more value to the public sector; to have more of a positive social and economic impact. We want to facilitate more truly shared services with efficient systems and processes.

To achieve this, we recognise the need to be adaptive, but not bespoke. Finding a balance between the risks of dogma led sharing (our way is the only way) and the desire for everyone to have their own solution.

We recognise that both our key markets are undergoing radical organisational change with NHS

reform, local government reorganisation and devolution all playing a part, alongside a rapidly evolving technology landscape. We will need to be ready to respond to these changes, whatever they may bring, noting there are both risks and opportunities.

We will:

- Seek to adopt, when possible, the lessons learnt from the iTrent project delivery, where a project of significant scale and complexity was delivered in real partnership with the customer, on time and on budget.
- Model how Delt would adapt in the event of a significant recession, including the possibility of one caused by a bursting of the so called 'AI Bubble'.
- Take a leading position on the longer-term narrative around a single NHS Devon/Cornwall shared function for support services, encouraging good decision making by and on behalf of the whole system, whether those decisions are beneficial to Delt or not.
- In the short term, seek to offer both economies of scale and improved IT service delivery for primary and community care and the corporate centre for the new Devon/Cornwall NHS region.
- Identify and pursue suitable opportunities that will arise from the winding up of NHS Commissioning Support Units.
- Identify and pursue suitable regional opportunities that may arise from either Local Government Reorganisation or the Creation of new Regional Strategic Authorities under the Devolution agenda.
- Fully develop an account management function, under the Chief Customer Officer to proactively maintain and strengthen relationships with shareholders and customers.

- Actively seek to increase the ability, reach and influence of the Delt and Delt Trading Boards, supported by an independent board effectiveness review and improved new director induction.
- Support Delt Rad in their relaunch, whilst maintaining relationships with Trade Unions. Enable the new Rad to actively help make Delt a successful company (through identifying and helping to address common operational challenges) as well as making it a good place to work.
- Redesign, from the ground up and from end to end, our approach to delivering technological change for customers, addressing:
 - long term planning,
 - resource allocation,
 - resource skilling,
 - resource utilisation,
 - scalability,
 - quality of estimating, governance and billing.

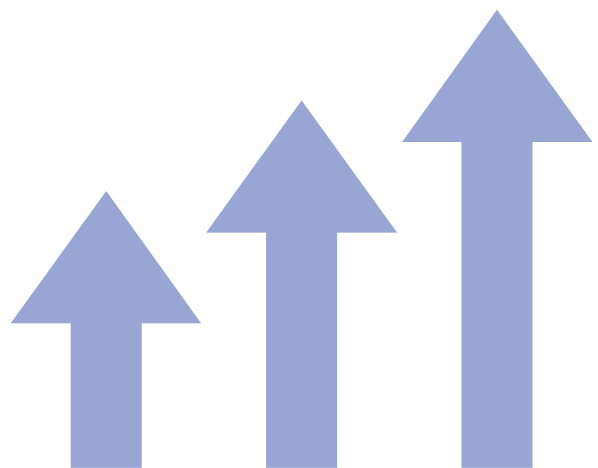
This work coincides with the need to replace our current scheduling and resource planning toolset, which has a clear hard stop of September 2026 for all the work to be completed. We will fund dedicated resource to work on this (a lesson from the iTrent project).

- Manage the cessation and transition of the Transforming Futures contract in a way that best maximises ongoing teaching and learning outcomes for the Trust schools.
- Onboard the new customer contact centre service from North Somerset in April 2026, without any interruption to service delivery of this, or existing services, looking to bring additional customers to the new service within 12 months of go live.
- In partnership with customers, develop a financial model that will let us fund specific effort in innovation, automation and AI without exposing Delt to unrecoverable overhead costs.



Which can be summarised as:

- **Operational excellence:** including the onboarding of NSC Customer Services
- **Agility:** being responsive to a changing business landscape
- **Strategic growth and regional influence:** growing Delt both horizontally and vertically across the region
- **Relationship and governance management:** Strengthen customer relationships and Board/Shareholder governance
- **Innovation and thought leadership:** Develop business models for proactively promoting sustainable AI and innovation opportunities
- **Reengineering:** to deliver change at greater pace and lower cost



5. SERVICE OPERATIONS

CUSTOMER SERVICES / CONTACT CENTRE

April 2026 sees Delt launching a new service offering – Customer Services and Contact Centre. This will be enabled by the transfer of a North Somerset Council service from Agilisys to Delt. Worth approximately £1.8m a year, with around 50 staff, this best-in-class capability will be working with councils and other public sector organisations to deliver a digital-first approach to customer service.

The development journey will include modernising the traditional telephone contact centre by exploiting Generative AI, web bots, chatbots, and other technological advances. We will significantly accelerate the channel shift for our customers by creating a ‘digital front door’ on their websites and a corporate mobile phone application to allow customers to easily self-serve.

CYBER SECURITY

Cyber security remains a critical priority. Recognising that all of our customers are frequently targeted by cyber criminals, there is a need to ensure that there is no long-term absence of either systems or data. With the threat continually evolving, we will complete and embed a restructure of the cyber and data protection teams so that they better reflect the evolving threat landscape and demonstrate appropriate risk management. Achieving this will result in a clearly defined operating model with explicit ownership, accountability and role clarity. It will also ensure that consistent, standardised processes replace previous inconsistent practices across the customer base.

We will also work with our customers to maximise the value of existing technology investments by making greater use of advanced security capabilities already available within customer platforms. This will improve threat detection, accelerate incident response, and provide clearer performance reporting so that cyber risk can be better understood and managed.

Working closely with our customers, we will continue to strengthen core cyber security controls, including improved monitoring of devices and systems, stronger user access controls, and more effective asset management. These improvements will increase visibility of cyber risks and ensure stronger protection of critical systems and data.

Finally, there will be a continued focus on maintaining up-to-date systems and reducing unnecessary complexity across the technology estate.

Alongside this, we will embed clear cyber service definitions with our customers to ensure a shared understanding of the services provided and consistent delivery across organisations.





IT

Our overarching objective is to continue strengthening IT stability and resilience across Delt and its customers. Achieving this will ensure that critical IT services remain consistently available, enabling the organisation to reliably meet or exceed its service level targets.

A key priority is embedding a culture of continuous improvement across all IT services. This will ensure that improvements are systematically identified, prioritised, and delivered, enabling measurable enhancements to service quality, operational efficiency, and customer experience.

We will strengthen technology governance and promote the adoption of consistent technical standards. This will support better technology decision-making, reduce complexity, and enable solutions that are more scalable, secure, and efficient.

Improving operational efficiency by streamlining processes, expanding automation capabilities that already exist, and maximising the use of existing platforms to free up technical capacity. This will release capacity within IT teams to focus on higher-value activities that support organisational priorities and innovation.

We aim to establish a unified, high performing business applications function. This involves creating a single operating model with consistent ways of working, resulting in increased delivery efficiency and clearer accountability across the applications landscape.

Another key objective is to implement and embed a modernised IT governance framework. This will provide a governance structure that strengthens prioritisation, investment decision-making, and risk management. Embedded service ownership, covering all IT services including governance, risk and compliance (GRC), will ensure clarity and accountability across the organisation.

To further support changing business needs, we will also develop a more flexible IT delivery model

through strategic partnerships, enabling access to specialist skills when required and improving our ability to respond to peaks in demand.

We expect to implement ServiceNow Customer Service Management (CSM) to increase internal capacity and improve the customer experience. Achieving this will result in a refreshed customer portal designed to boost self-service adoption. It will also enhance both the service request catalogue and the product catalogue, enabling improvements for internal teams and external customers alike.

We will support delivery of the internal change programme to improve delivery within Delt. This will introduce replacement tooling that strengthens Delt's workforce management approach, alongside improved workflows that enhance organisational capacity and governance.

We anticipate implementing the foundational capabilities needed to adopt Microsoft Frontier AI tools. Doing so will enable and support AI initiatives aligned to Delt's strategic objectives, while establishing the core capabilities required to drive innovation and transformation across Delt and its customers.

We commit to improve Delt's data quality. This will be delivered through an agreed data strategy, followed by an approved delivery plan and the implementation of the outcomes it describes. Some of the improvements will naturally emerge from the broader rollout of ServiceNow CSM.

Finally, each IT service area will set a clear long-term strategy by creating a vision and plan for 2030, along with an operational strategy and delivery plan covering the next one to two years. These plans will address near-term objectives, while also building towards the broader 2030 strategic vision and roadmap. The process includes updating the workforce plan to assess future skill and capacity needs and producing a prioritised delivery roadmap that highlights key risks, required investments, and dependencies.

PROJECT MANAGEMENT

Feedback on project delivery from customers has been generally positive, but we appreciate that there is a real need to deliver technological change faster for our customers. To that end we have initiated a programme to review all aspects of how Delt deliver change activity for customers, particularly those that affect the speed of delivery.

We will work with customer teams to develop our understanding of the projects which need to be delivered for them. This enhanced view of the project pipeline will enable an improvement in resource planning and assignment which will facilitate faster delivery.

Our customers also tell us that they'd like to be kept informed of project progress more frequently. Improved project management office (PMO) governance will be introduced to ensure that customers consistently receive updates when they need them.

Our project and portfolio management toolset will be replaced this year. The selection of a next generation tool will enable improvements in customer and Internal Delt collaboration, and AI will enable more effective planning and governance.

We will learn from the success of the iTrent programme and incorporate these lessons into the projects we will deliver in the coming year. The approach to working in partnership with customers throughout project delivery will significantly increase the likelihood of delivering on time and to budget.



PRINT AND MAIL

The print and mail service will continue to deliver steady performance, with a significant focus on delivering quality output quickly at an affordable price. The USP of the service is quick turnaround with an agile approach to delivering the right products.

In a move to improve our carbon footprint we are working with our supply chain to introduce online digitisation into the print channel, effectively capturing traditional print and sending it via email to those customers who request this option.

Digitisation will reduce both emissions and cost and transform how our customers communicate with their end users.



PAYROLL AND PENSIONS

During 2026/27 we intend to realign the structure and roles within payroll and HR systems services to prioritise deliverables for fully managed payroll services and iTrent development and support. We will transition payroll services from a task-based approach to a lateral, end-to-end service delivery model. This ensures streamlined workflows, consistent client contact points, and clear accountability across the service. We expect this to deliver Delt payroll and pension services which are efficiently structured around distinct client types, including local authorities, schools, academies, and third sector organisations. Processes will be clearly owned within defined delivery teams, enabling scalability to absorb additional customers, either small/medium-sized clients within the existing structure or entire organisations through service transfers (e.g., local authority with associated TUPE of staff).

We will use Delt expertise, the iTrent toolset and our partnership with the solution provider MHR to grow Delt payroll services by acquiring new customer(s). We expect to expand our existing customer base by successfully onboarding new organisations of varying size and complexity and through using the iTrent platform, delivering a fully managed payroll solution. Such growth strengthens Delt's market position, increases revenue streams, and demonstrates the scalability and efficiency of the iTrent platform combined with Delt's expertise.



FACILITIES MANAGEMENT

At the time of writing, we expect the entirety of our facilities management workforce to be in scope of TUPE to a new employer as part of the Transforming Futures merger. Although FM is an aspirational service offering in the future, for either current or new customers, the current service will cease customer facing operations on 1st April 2026, though we will retain responsibility for managing our own facilities.

FINANCE

Delt's finance team are responsible for all aspects of the company's financial affairs including budgeting, management accounts, cash flow management, financial compliance and risk management as well as strategic financial planning.

The team support internal departments to ensure accurate and timely information for internal and external project finances and to ensure service owners have a thorough understanding of their budgets, financial performance, and resource utilisation. A key objective for 2026/27 will be driving change to improve internal controls and processes. This will be focused on improved project finance governance and reporting, improved process for the allocation of resources and analysis of resource utilisation.

In 2026/27 the team will continue to support Transforming Futures Trust. They will produce the final accounts and close out their financial affairs, following their merger.



PEOPLE AND CULTURE

HR and OD consultancy

Although our transactional Human Resources service for Transforming Futures Trust will transfer as part of the MAT merger, we will continue to offer HR/OD on a consultancy basis.

Training services

In 2025 we relaunched IT Training Services to one of our partners; providing end user training on digital systems. We will be looking to expand this to both current partners and new customers as well as offering training on all aspects of employee and leadership development.

Recruitment services

In 2026 we will be launching our new recruitment service by offering an affordable, high-quality alternative to traditional recruitment agencies across the South West with our target customers including SMEs across Plymouth, Exeter, and wider Devon; private and public-sector organisations struggling with recruitment or spending heavily on agencies. The service will be another opportunity to extend Delt's value proposition externally, strengthen community relationships, and demonstrate the continued evolution and capability of our services.

PROCUREMENT

Delt's procurement team's purpose is to deliver compliant, valuable and commercially/socially responsible procurement pathways to its shareholders and customers via a category management approach. Using collaborative procurement and delivery, Delt leverages shared opportunities between stakeholders to ensure maximum value in each instance of procurement.

The team is continuously developing its skills to stay aligned with evolving public sector procurement

legislation and principles. Combined with an experienced and professional approach to sourcing for the benefits of all stakeholders.

Our category management model prioritises contracts and tenders according to their financial value, supply chain risk and service criticality, allowing Delt to identify and assign the correct resources to deliver the greatest impact. Governance is maintained through the centralised management of contractual data, expenditure, and market intelligence. This provides the evidence base for strategic decision-making and delivery.

Our objective is to meet public sector standards and customer requirements through a shared service model. By pooling expenditure and resources, we streamline administrative/sourcing processes to achieve reliable supply and measurable outcomes. This base allows us to scale delivery and support our customers. Recent legislative changes in public sector procurement have expanded the scope for collaboration between contracting authorities. The expanded shareholder base and these opportunities provide the ability to combine expenditure, create consistency of supply and strategies for mutual gain.

Our focus is leveraging shared procurement opportunities for all current customers and potential other contracting authorities through open frameworks, delivering leverage, standardisation and aligning procurement strategies between all stakeholders. During 26/27 we will be creating a Delt Procurement Framework allowing partners to procure standardised and shared services through Delt with a reduced framework commission to reflect the nature of Delt as a trusted professional partner driving best value for our shareholders and key partners.

Our collaborative approach scales procurement activity to support regional social value priorities, such as local job creation and carbon reduction targets. By pooling requirements, authorities can also achieve greater supply chain resilience and improved value for money, shifting the focus from the lowest purchase price to the "most advantageous tender" through a holistic assessment of long-term economic and social impact.

6. OUR PEOPLE AND CULTURE

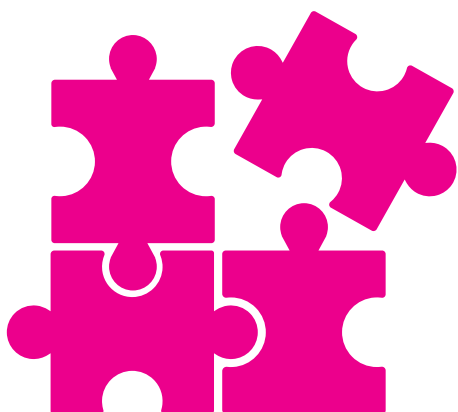
To keep growing and creating positive impact for shareholders and the community, we need to invest in our people and build a culture where employees feel engaged, productive and happy. We will support this through a range of initiatives, focused on three key strategic areas.

1. Building a collaborative work environment

We know that collaboration leads to better and faster delivery of our services, but this doesn't happen just because people are working together in the same room.

Collaboration happens when individuals are demonstrating the behaviours that lead to a partnership approach. Communication, cooperation and teamwork are critical values at Delt, and we will continue to embed them into all our people plans with key highlights including:

- Enhancing our current reward programmes in 2026 to ensure they are not just recognising an employee's output but are reinforcing how they have achieved success by collaborating through others.
- Delivering a new Leadership Development Programme through 2026 and 2027 which holds our leaders accountable for creating teams who have an understanding that collaboration is not optional because they have a "shared accountability" mindset.



2. Creating a culture of continuous learning

We understand that learning isn't just about obtaining a new skill in a training workshop or by getting a qualification. Learning happens when our people have time to reflect, experiment with new ideas, be mentored and exchange knowledge with their peers so we are always looking for new ways to encourage and promote continuous learning on the job. Key priorities include:

- Leveraging our new leadership development initiative to ensure our leaders are creating the spaces where people feel safe to ask questions, try new approaches and stretch their skills.
- Recognition for individuals who are demonstrating growth as well as business outcomes, so we can reinforce that development is ongoing and for life.

3. Ongoing commitment to safe, healthy and happy employees

We always take a proactive and personal approach to ensure our wellbeing strategy is about enhancing employees' lives and not just about business outcomes. In 2026 and beyond we will continue our commitment to enhance our employee benefits to ensure they align to our wellness pillars and meet needs of our staff in an ever-evolving world. We will...

- Improve our Best Companies accreditation standing from very good to outstanding, not to gain a badge, but because they provide an effective way for measuring employee engagement and providing us feedback on areas of the business we can improve.
- Deliver on our commitments as a member of the 'Charter for Employers Positive about Mental Health', by creating a supportive and open culture, where colleagues feel able to talk about mental health confidently, and aspire to appropriately support the mental wellbeing of all staff.



DELT'S PILLARS OF WELLNESS



MENTAL WELLBEING

Learning about our own mental health, and that of others can empower us to thrive and feel supported in our everyday lives.



PHYSICAL WELLBEING

Taking care of our physical wellbeing, and implementing healthy habits that work for us, keeps us motivated and energised.



FINANCIAL WELLBEING

Understanding how we can look after our finances, particularly during a cost of living crisis, helps us feel more secure.



SOCIAL WELLBEING

Supporting our community, and giving others a helping hand, makes us feel connected while also doing some good.

7. OUR MARKETPLACE

Our marketplace will remain predominantly those organisations working in the public interest. Opportunity exists to both gain new shareholders and new customers. We will manage work up to the Teckal threshold through Delt Shared Services Ltd with selected customer contracts being operated through Delt Trading Ltd.

We will continue our approach of building our business through relationships, not bids. Whilst there may be circumstances where we will compete for work in formal procurement, this will be the exception rather than the rule and requires us to have already well-developed relationships with the contracting authority. A significant part of the unique Delt proposition is the ability, through shareholding partnership, to direct award work and confidently control performance outcomes throughout the delivery lifecycle.

The public interest marketplace in the South West is very significant with roughly 1.4 million public sector employees¹ who Delt could help to do amazing things. With a current supported user base of approximately 18,000, we are not short of opportunity.

Both our key markets: local government and healthcare are undergoing significant change that could impact Delt.

LOCAL GOVERNMENT REORGANISATION AND DEVOLUTION

There is expected to be little to no impact of LGR at North Somerset Council. However, the authority does anticipate joining the West of England Mayoral Combined Authority.

The options for LGR with respect to Devon are many and varied! However, all of them see Plymouth City Council staying as it exists today or expanding by 13 parishes in the South Hams. This mitigates any risk to Delt of Plymouth City Council being dissolved or absorbed into another council and the resulting question over who would deliver support services.

Still in Devon but beyond Plymouth, some of the alternative proposals for new unitary authorities could present opportunities for Delt, though the existing operations of Strata (Exeter, West Devon, Teignbridge Councils) and SCOMIS (Devon County) are also likely to be in play. Whilst these organisations are smaller and offer a more limited range of services than Delt, they will have the benefit of familiarity to those responsible for building any new authorities. Delt will hold fire until decisions are taken by the government in the summer and can then assess whether it should position itself as potential supplier to any new body. In addition to the restructuring of existing organisations, there is also the expectation of a new regional Strategic Authority. As any Strategic Authority would be a new organisation without existing support service provision, this provides the best opportunity for Delt to win new business (noting that we are already the IT and payroll supplier to the West of England Mayoral Combined Authority).

NHS REFORM

Local

The NHS currently is undergoing significant organisational change, both locally and nationally. Our shareholding partner in NHS Devon Integrated Care Board (ICB), is formally clustered with NHS Cornwall ICB ahead of a full merger in 2027.

¹ [Great-South-West-Independent-Economic-Review-Evidence-Encyclopaedia.pdf](#)

The shape of many reorganised bodies is still evolving. At this point in time, making definitive statements about the future state of our NHS operations would be without clear foundation. What we can say is:

We place significant value on our NHS relationships and aspire to see these become both closer and larger, whether in the provision of existing or new services.

Notwithstanding our desire to do more, the scale of the reorganisation is such that Delt might at some point, no longer be the most appropriate vehicle for delivery of support services for some or all of our NHS contracts. Our commitment to the success of the system outweighs our individual aspiration for growth.

We remain confident that our provision of corporate IT services to the clustered, then merged ICBs is the best value option available and will strongly advocate for this outcome.

Our large-scale provision of services to Devon primary care produces consistently strong performance against key performance indicators. We believe there would be material quality improvements in us adopting the handful of Devon practices not currently supported by Delt. There would be an equivalent improvement in adoption of primary care support services provision across Cornwall and the Isles of Scilly. However, changes to the delivery model for IT are likely to deliver only moderate financial economies of scale with a significant cost of change. Whilst the currently fragmented delivery is operationally inefficient, we are not sure that there is a burning platform to change the status quo. Non-IT services like information governance, registration authority and Training would be more immediate targets for consolidation.

Regional

Following the June 2025 announcement of the 10-Year Health Plan, NHS England is closing its four regional Commissioning Support Units (CSUs), with a target of completing this work by the end of FY26/27. The CSUs provide a wide range of often shared, support services. The closure will impact

over 5,000 staff and hundreds of millions of pounds of support service contracts, mostly with ICBs. Many of these services will still need to be delivered post the closure of the CSUs. This may happen by:

1. A transfer to a national body like the Department of Health
2. A transfer to a regional shared service, hosted by an NHS body (an ICB or a Trust) or a suitable alternate provider
3. A breakup of the shared service and transfer of the components to individual ICBs who may then deliver in-house or commission a suitable alternate provider

At the time of writing, for the South Central West CSU, which covers the Delt operating area, there is limited clarity on the direction of travel for many key services. ICBs, including Devon, have expressed concern about service continuity.

Some regional conversations are underway and the south part of the region appear to favour the creation of a regional shared capability, but as yet there is no agreement on where or how this will be hosted. There is a risk that some currently shared services will fragment into locally delivered offerings that risk losing the economies of delivering at scale. With the overall goal of reducing NHS administrative costs, this is counterproductive.

There are a number of issues to be resolved including the mechanism for transfer, which may require the support of NHS Devon and the need for VAT to be applied to any Delt delivered services, which is not currently the case for the CSU.

Provided that these issues can be resolved, Delt has the capability to assist not just NHS Devon, but ICBs throughout our region (and potentially beyond) by providing a mechanism to 'lift and shift' some existing shared services, maintaining service provision with minimum disruption. At the time of writing there is enthusiasm for this option from both the CSU and at least some of the regional ICBs. Discussions will continue at pace with the potential of seeing service transfer before the end of 2026, subject to business case and shareholder approval, where appropriate.

8. OUR GROWTH

With significant growth in late 2025 and early 2026, we should consolidate and develop those new services ahead of chasing new opportunities. That said, growth of Delt, at least such growth as can be achieved without negative impact to current services, remains the single most impactful way that Delt can improve outcomes against its objectives. For this reason, growing shareholders, customers and services all remain in focus for 26/27 as well as future years. The nature of our operating environment makes forecasting where such opportunity may arise to be not just difficult, but potentially foolhardy.

Some growth will doubtless emerge from the ongoing building of long-term customer relationships, but history tells us that even when

such things appear certain, last-minute diversions or abrupt stops are normal rather than the exception. History also tells us that opportunities arise frequently but the majority do not progress, not because of the failure of Delt to grasp them but because the world turns.

Our sales strategy of not chasing work but responding to asks for help or offering when there is self-evident need has worked well and remains our primary growth strategy. We look to recruit talented people, with a broad range of business capability, sometimes in services we do not currently deliver.

We develop our existing people, investing significantly in skills. This means that when a request comes in that asks 'Can you help us', more often than not, the answer is yes.



9. OUR CUSTOMER RELATIONS AND COMMUNICATIONS

CONTEXT

Delt operates within a public sector landscape that is undergoing rapid transformation. Local government and healthcare are experiencing significant structural and financial pressures, accompanied by a national policy drive towards consolidation, cross-organisation collaboration, and efficiency. At the same time, digital acceleration and the expansion of AI are reshaping expectations of public services and the partners that support them.

In this environment, Delt must ensure it is not a passive participant in change, but a visible, valued and strategic partner. Our communications and customer relations approach is therefore central to safeguarding relevance, influencing decisions and positioning Delt as the provider of choice for shared and back-office services.

PURPOSE OF COMMUNICATIONS

The primary purpose of communications at Delt is to strengthen and deepen relationships with our shareholders, customers, staff and wider public sector partners. Communications must help us:

- Build strategic trust with decision-makers
- Demonstrate value to customers across all service lines
- Align internal and external messaging
- Support organisational growth and reputation
- Showcase the breadth of Delt's impact on end users (our customers and their customers) and communities



A NEW APPROACH: STRATEGIC COMMUNICATIONS AND CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

Historically, much of this relationship management has relied heavily on operational leaders. This model is no longer sustainable. It creates pressure on delivery teams, reduces consistency and limits our ability to influence at a strategic level.

The introduction of a dedicated customer relations team, aligned tightly with our communications and marketing function, will reshape how we engage stakeholders, ensuring Delt remains front-of-mind during a period of major public sector change.



CUSTOMER INSIGHT AND STORYTELLING

Aligning communications activity with the CRM customer profiling model ensures we can produce targeted, insight-led messaging that speaks to customer priorities, risks and ambitions.



TRUSTED PROFESSIONAL PARTNER POSITIONING

Our narrative must consistently reaffirm that Delt is:

- an embedded part of the public sector
- a strategic enabler, not a transactional supplier
- aligned with the values, pressures and ambitions of our customers



CONSISTENT, COORDINATED, HIGH-QUALITY ENGAGEMENT

Communications, marketing and CRM activity will operate from a shared forward plan, ensuring clarity, consistency and professionalism across all interactions.

COMMUNICATIONS: FUTURE FOCUS

To support the new operating model for customer relations and communications, Delt is strengthening its communications capability through a series of targeted interventions.

These include embedding strategic communications leadership within the customer relations and communications team, improving alignment with senior leadership through the new Chief Customer Officer role and building two-way engagement with customer communications teams.

Communications will now be integrated into all project and change governance, with insight-led messaging shaped by data insights and CRM-driven customer profiling. We will also elevate Delt's visibility by celebrating impact through case studies and success stories; while fostering a stronger internal culture of communication to ensure we make full use of our professional communications expertise.

These improvements lay the foundation for a new communications and marketing strategy that strengthens the connection between communications, customer relations and business growth.

- better internal information flows so staff always feel informed
- support for using stories, examples and insight to showcase Delt's impact
- ensure our staff walk in our customers shoes and better understand their business through visits and shadowing

This approach reflects the evidence that strong relationships – built on trust, clarity and shared values – drive better business outcomes for everyone involved.

The updated communications approach aimed to strengthen Delt's position as a trusted professional partner, ensures alignment with the new CRM operating model, and supports organisational resilience and growth in a rapidly changing public sector landscape.

Communications at Delt will now be:

- strategic, insight-led, and proactive
- aligned with customer priorities and CRM intelligence
- professional, consistent, and values-driven
- focused on relationships, trust, and long-term impact

This integrated model ensures Delt maintains visibility, influence and credibility – not just today, but throughout the significant transformation ahead.

STAFF AS AMBASSADORS

Many staff already work in embedded or semi-embedded roles within shareholder and customer environments. These individuals are uniquely positioned to shape perceptions of Delt.

The communications strategy introduces:

- training for all staff in best-practice communication
- guidance on ambassadorial engagement
- clear messaging and narrative packs



10. FINANCIALS

Growth is a key objective for Delt, and we are setting out an ambitious and challenging forecast. To achieve the growth will require the collaboration of our existing partners and contains some significant factors that are beyond Delt's control, such as the outcome of Local Government Reorganisation and wider decisions in the NHS around support services. Actual results are likely to differ depending on the actions of all parties involved.

£'000	2026/27	2027/28	2028/29	2029/30	2030/31
Income	40,489	47,961	50,294	51,641	54,211
Cost of Sales	35,026	41,878	43,502	44,660	46,683
Overhead (incl. depreciation)	4,577	4,795	4,880	5,004	5,089
Surplus	887	1,288	1,912	1,978	2,440
Closing unreserved cash	3,995	5,037	7,009	8,767	11,335

This table represents a consolidated position for both Delt Shared Services Ltd and Delt Trading Ltd.

The key assumptions supporting our forecast are:

- Customer service/contact centre function which starts on 1 April 2026 grows as a service over the following years. The service starts with NSC and then expands to include PCC in 2027/28 and other external customers after that.
- Growth from Local Government Rationalisation from 2027/28, based on PCC aspirations to increase in size between 10% and 20% over three years.
- Delt takes on corporate IT services for Cornwall ICB in the second half of the 2026/27 financial year.
- Following the successful implementation of iTrent to strengthen our payroll service offering, we aim to secure growth over the next 5 years. Assumes growth in the next year
- via smaller customers with a local authority size customer in 2027/28.
- The largest growth within the projections is linked to opportunities with the closure of the NHS Commissioning Support Units (CSU). Delt are in conversation with the ICB and the CSU that covers the South West to see which services we could take over. There are certainly opportunities but landing them will be challenging because of the amount of organisations involved. We have assumed that we will take over £4m (of the £100m) of the services provided by the CSU in 2027/28.
- Inflation of 3.4% in 2026/27 and 2% in subsequent years.

CAPITAL PLAN

Capital contribution per year is forecast at £400k (£280k PCC, £120k ICB). The key assumptions for the capital plan are summarised below and driven by the IT strategic roadmap:

- Move to subscription-based licencing for Cisco devices
- There will be a 10% reduction in storage requirements by financial year 28/29, and that the on-premises data centre will reduce in size by 50% by 33/34
- By financial year 34/35 the requirement for complex routing within buildings will have reduced by 20%
- Network hardware deployed in buildings has a lifecycle of between 7 and 8 years
- Data centre hardware has a 5 year lifecycle which includes a 5 yearly refresh of the top of rack (cumulus) devices. Detailed planning for the replacement/upgrade of the data centre is taking place during 2026/27 which will likely change the numbers below.
- Acceptance of the transition from capital to revenue expenditure as part of cloud migration



Delt Shared Capital Plan

Capital Items (£'000)	FY 25/26	FY 26/27	FY 27/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	10 year total
ITSM - Improvements to ServiceNow/Replace Hornbill		£45	£50								£95
Hosting and Backup	£55	£60	£195	£239	£303			£161	£130		£1,143
Connectivity and Communications		£100	£150	£120	£236	£290	£120	£160		£193	£1,369
Data Centre Hardware			£319								£319
Replacement for Project Server		£70									£70
Other	£4	£50	£50	£50	£50	£50	£50	£50	£50	£50	£454
Provision for growth			£50	£100	£200	£100	£100				£550
Total Capital (£k)	£59	£325	£814	£509	£789	£440	£270	£371	£180	£243	£4,000

11. CORPORATE SOCIAL RESPONSIBILITY

WE DON'T WANT TO JUST HELP PEOPLE TO DO AMAZING THINGS, BUT WE WANT TO DO AMAZING THINGS OURSELVES TOO.

Beyond our core operations, we are driven by a commitment to making a positive difference in our community through our five Pillars of corporate social responsibility (CSR).

Our teams collectively deliver significant financial impact, generating £24 million in socio-economic benefits per year for the South West through local jobs, investment, and community initiatives. By supporting over 300 roles that might otherwise have left the region, we help keep talent and opportunity local. In addition, £5.6 million has been returned as dividends to our public sector shareholders, reinforcing the positive cycle between our work and the communities we serve.

We are proud of our 1.6 % absence rate, not because we make our employees come to work when they are sick but because our priority on wellbeing programmes and support packages are a top priority for us, meaning our employees are happy and healthy at work and for their families.

£5.6m

has been returned as dividends to our public sector shareholders.



£24m+

in social and economic gain is created each year through local jobs, investment, and community benefit.



Nearly 2m

people in the South West benefit from our services.



400+

locations are supported by our services.



150+

customers trust us to deliver vital public sector solutions.



18,000

public sector colleagues (in councils, NHS, schools) rely on us daily.



We are signed up to the Armed Forces Covenant with a Silver Award based on the support we provide service leavers and veterans with employment opportunities with the aim to achieve a gold award in 2026.

We are signed up to the Care Leavers Covenant which is a national inclusion programme that supports care leavers aged 16-25 to live independently. As part of this commitment, we offer real opportunities, guidance, and support to help care leavers build skills, grow their confidence, and find long-term career paths. We know that for many young people, leaving care can mean facing the world without the support or connections others might have.

We encourage a company culture where every voice is welcome, heard and respected by providing multiple channels for staff feedback, including engagement surveys and staff forums. This commitment to our people has earned us recognition as the 6th Most Loved Workplace on Newsweek's 2024 list and a spot among the Top 15 Best Business Services Companies to Work For in 2025.

As environmental sustainability becomes a growing priority, we recognise the importance of minimising our carbon footprint and have committed to a path to Net Zero by 2050.




ENVIRONMENT

We are committed to reducing our environmental impact across our organisation and the services which we deliver to our customers.




COMMUNITY INVOLVEMENT

We aim to tackle the issues that impact society and contribute positively to our communities.



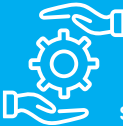
WELLBEING

We strive to promote a health culture to enable our people to feel more resilient and cope, successfully, with both personal and work life.



DIVERSITY AND INCLUSION

We will develop a diverse and enabled workforce. We will promote equal opportunities for all.




OPERATING PRACTICES

We operate our business in an open, honest and ethical manner. We actively strive to implement socially responsible supply chains.

6TH MOST LOVED IN THE UK.



WE ARE VERY GOOD TO WORK FOR.



WE PROUDLY SUPPORT THOSE WHO SERVE.



WE CREATE OPPORTUNITIES FOR CARE LEAVERS.



12. OUR APPROACH TO ARTIFICIAL INTELLIGENCE



Delt is taking a pragmatic optimistic approach to the benefits of AI, balancing its advantages and potential with the risks AI poses to some of our objectives.

We recognise that many of our customers have an appetite to explore AI opportunities at pace. As their support services provider, it is incumbent upon us to build the skills and capabilities to support these ambitions, and we will continue to do so. Our role should be one of cheerleader, critical friend and pragmatic optimist. We will bring a balance of business experience and technical capability to help our customers maximise the likelihood of successfully adopting AI into their business.

We will continue to promote user cases for AI where the business case can show:

- **A clear return on investment** - measurable in productivity increases or direct financial benefit.

Whilst we see many small or individual user cases for AI, we have not yet found compelling evidence to show that large AI projects in the public sector have delivered material return on investment. In general, the current approaches to implementation are not proving successful, many complicated by failing to address basic or underlying issues such as technology and operational debt, fragmented data and disjointed decision making.

We also need to be realistic in quantifying the promised benefits which AI projects will deliver,

much of which is founded on reducing headcount which contrasts with some of our objectives and values.

- **It does things better than people**, that people cannot do at all or that they cannot do efficiently.
- **The full long-term costs of the technology have been considered**, including the impact on the planet from increased Co2 production, water and land usage.

AI is not yet profitable for vendors, who are selling AI services at a considerable loss. This means that either vendors input costs have to significantly reduce or prices will have to significantly rise. As each successive generation of AI is costing more to deliver, this suggests that at some point significant price rises are inevitable. This makes business cases for long term AI investments challenging.

Overall, we clearly see a place for AI as a tool that can do some very clever and useful things, and the picture continues to evolve at a frenetic pace. We will continue to be a passionate advocate for doing things differently, including using AI when appropriate. This will include supporting clients in their change journeys and horizon scanning to highlight new opportunities.

We also will continue to test the hype - AI is not a magic solution to every problem and we should learn from the reality experienced by early adopters and challenge the hype of AI salespeople.