

*Since my last report in December the Cabinet have been principally focussed on preparing and seeking council's agreement on our budget proposals. Those proposals were agreed at the Budget Council meeting on 7 February.*

*Setting a balanced budget for 2025/26 has been a more challenging undertaking due to the Government's unexpected and complete removal of the Rural Services Delivery Grant. This grant has been essential for sustaining rural services. It represented £7 million to Herefordshire Council in 2024/25. It is being replaced and repurposed into the new Recovery Grant.*

*The Council is arguing strongly that the new fund unfairly favours urban areas, with urban areas gaining over 7 times more of the share of the £600m recovery grant than predominantly rural authorities. The fund neglects to recognise the unique needs and higher operational costs faced by rural local authorities. Supported by detailed analysis from the Rural Services Network (RSN), we identify a critical funding disparity where Government Funded Spending Power in urban areas is 41 % higher than it is in predominantly rural areas.*

*Despite this unexpected loss of funding, we have delivered a balanced budget and we continue to deliver the best for Herefordshire in everything we do. Just some examples of this are set out below.*

*Some of you may have noticed that in early December, as part of a drive to make recycling and waste collections across Herefordshire cleaner and greener, two brand new, state of the art all-electric Collection Vehicles (RCVs) have been procured. Purchased as part of the new recycling and waste collection services contract the two new eCollect vehicles join the 26 new RCV's which will serve residents and businesses alike across the County. All of these vehicles have been chosen to deliver the best solution for the residents of Herefordshire over the next eight years of their service.*

*As the winter weather continues, it was with great anticipation that the names of the Council's gritters were unveiled. Herefordshire Council ran a special competition for primary school pupils in October and received almost 100 entries. There were so many fantastic and imaginative names submitted. We had a really difficult time deciding the winners - such was the quality of all of the entries, we could have quite happily used them all. However, the winning names selected were:*

- **Snow-way!** – named by Theo Bezant, Stretton Sugwas
- **Ice-a-saurus Rex** – named by Harry Attwood, Shobdon
- **Sprinkle** – named by Benji Rowlands, Whitecross Nursery
- **Humpfreeze** – named by Robyn Stevens, Kingsland C of E
- **Sir Grit-a-Lot** – named by Daisy Hardman-McCabe, Trinity Primary
- **Julius Freezer** – named by Lucy Harris, Luston Primary
- **Ready Salted** – named by Eli-Jacob Howard, Walford Primary
- **Taylor Drift** – named by Lottie Wooles, Sutton Academy
- **Who Dares Grits** – named by Sienna Stead, Trinity

*Over the winter period additional resurfacing works have continued with over 17km of new and improved road surface being laid so far. The council is investing £8 million into resurfacing on the county's highway network, with £5 million being committed to A and B roads and a further £3 million for C and unclassified roads. Lengths of road have been identified for resurfacing works following detailed and comprehensive surface and structural condition surveys. These surveys help us to objectively prioritise where we need to invest across our highway network.*

*On a related theme, Herefordshire Council is investing an additional £2 million over the next two years, as well as growing the in-house team, to improve the county's flood resilience. Flooding is increasingly a major issue within the county and it is vital that we intervene. The flooding of properties and roads causes not just enormous emotional duress, but has wide-ranging consequences on emergency services, public services such as schools, and the ability of our economy to plan and prosper; as well as damaging roads, sport grounds, and public assets.*

*As the lead flood risk authority we will be working with other public or voluntary sector bodies, and indeed central government, to ensure a coordinated approach. The £2 million will be invested in measures including additional community flood support and local flood resilience schemes, building on the already existing drainage grants that help with localised solutions.*

*But we are not just taking direct local action, we are also looking at global solutions. For example, we held an excellent 'Climate Change' themed event with students from seven local schools organised by the charity InterClimate Network (ICN). The students took on the role of negotiating teams which emulated the real-life COP29 climate talks in Baku, Azerbaijan. The pupils generated joint proposals to speed up climate action and adaptation and set funding goals that reflect just how urgently extra support is needed around the world. The conference provided a welcome chance for young people to put forward their questions to a panel of local decision makers. The summit helped to raise the profile of what's already happening in schools and our local communities inspiring even more ways to work together.*

*Our road strategy and infrastructure plans are beginning to move forward at pace. We reported in February that detailed plans for the first phase of the Hereford Western Bypass is set to progress following the appointment of specialist support. The first phase of the Hereford Western Bypass will see a new road joining the A49 to the A465. The planned new route will help ease traffic flow in south Hereford, make it easier to access employment land and support growth south of the river.*

*Planning permission is already in place for this section of the road, and the development of detailed plans will now be progressing at pace following the appointment of specialist support. Global infrastructure consultancy AECOM will be working closely with the council over the next two years to review and update the plans already in place. They will then support the council in consolidating the final plans and finalising the necessary agreements and funding arrangements which will allow for the construction of phase 1.*

*Improving the local infrastructure has also been continuing to Leominster town centre. The enhancements to the heart of the town include attractive road surfacing, improved paving, wider pavements and major junctions making it safer and easier for pedestrians. The improvements to the public spaces complement the renovation work on a number of shopfronts and buildings including the restoration of facades to reflect the original detail and character of key historic buildings. This major multi-million pound investment funded by Historic England and Herefordshire Council in partnership with Leominster Town Council – is transforming the local historic character and with it making the town an even more vibrant place to live, work and visit.*

*Following the successful introduction of two new schemes last year, work has also continued with Parish and Town Councils to improve Public Rights of Way and local drainage in their areas.*

*There's around 1,873 miles of Public Rights of Way (PROW) footpaths and 257 miles of bridleways in the county. Maintaining the PROW network is important so that residents and visitors can access and enjoy the countryside.*

*£250,000 of the funding will continue to help communities to improve sections of their local PROW network which, for various reasons, may have become inaccessible to some users. £445,000 will be made available via the Local Drainage Fund which gives Parish and Town Councils the chance to request funding for ditching and minor drainage projects which they have identified as a local priority to alleviate flooding. As part of this scheme, Parish and Town Councils are able to request 100% of the funding for a project and appoint local contractors to complete the work on their behalf.*

Herefordshire Council is also offering grants of £15,000 to £250,000 to voluntary and community organisations to create or improve multi-purpose spaces that will benefit local residents. The funding demonstrates the council's commitment to building resilient communities by supporting local initiatives that help people access services, connect with others and create vibrant, welcoming spaces.

The grants can only be used to cover capital costs - physical works and professional fees. Eligible items would include equipment, furnishings and other major material purchases, construction of new facilities or the purchase of land. Applicants will need to demonstrate how they plan to transform or improve existing or unused buildings in order to offer opportunities for people to access services or to come together within their local community.

Successful projects will include elements such as IT equipment for statutory service delivery, physical access points for residents to gain information and advice from trained staff or volunteers, community spaces for events, and full accessibility to serve all community members.

Progress is also being made on our plans to transform the Shire Hall into the new library and learning centre for Hereford, which will include further development of the building to create more community space. Planning permission and listed building consent has been given full approval, meaning that work can now begin on this exciting project to deliver a new, state-of-the-art community space and permanent home for Hereford's Public Library.

The initial phases of work will focus on getting the building structurally sound, watertight and safe for public use while repairing and preserving the building's important heritage features. The main entrance will be transformed into a large welcoming area with exhibition space and improvements to provide greater accessibility. The plans have been developed and refined over many months through workshops, consultations and surveys. Public feedback is being analysed and will also inform the design of the new library to ensure best fit to users' needs.

Members will be aware that Herefordshire council has adopted a new cashless parking service, with over 32,400 bookings completed so far. The partnership between Herefordshire Council and JustPark launched in January, and has been used by more than 14,000 individuals, with user ratings averaging 4.55 out of 5 across 390 responses. For those yet to use the app, parking sessions can be booked via the JustPark app, available on iOS and Android, which is free to download and is rated highly for its simplicity and ease of use.

Moving to our work on children's services. Improvements in several areas of the support we provide for children and young people with additional needs and disabilities have been recognised by Ofsted and the Care Quality Commission (CQC). Their report noted many areas of good practice across the partnership. Co-production with children and young people with Special Educational Needs and Disability and their families was recognised as being in a strong position. The inspectorate noting that, 'The development of Herefordshire Helpers has raised the profile of children and young people at the highest levels.' Parent Carer Voice Herefordshire told inspectors that they feel heard and that their views are acted on by the partnership.

Inspectors found that, 'There has been investment in appointing additional staff and improved training and that across the partnership 'professionals know children and young people well' and that 'children and young people with SEND known to early help services access swift support from education, health and social care teams where appropriate.'

The report highlights good practice within Herefordshire mainstream schools where, 'Staff typically spot emerging needs of children and young people quickly and identify whether there is a need for further assessment and provision.' Inspectors also found, 'Specialist settings are innovative in finding appropriate solutions for meeting the most complex learning and health needs.'

We received our sixth monitoring visit on 17 February. Ofsted will publishing their findings shortly and we look forward to their report.

Over the Christmas holidays thousands of Herefordshire children and young people in nurseries, schools and colleges continued to receive free school meals. Over 4,700 primary and secondary school pupils were entitled to benefits related free school meals – they receive a free food voucher up to the value of £30 or equivalent directly through their schools, to cover the cost of a lunchtime meal during the holidays. Children who are eligible for the early year's pupil premium but are not in a school setting, also receive a voucher posted to them direct from the council.

There is, of course, no substitute for seeing at first hand the work of our partners in their support for families and young people. I recently visited the South Meadow Childrens Centre - the base for the Family Links team. This is the main centre used for Supervised Family Time for care experienced children, who are either living with foster carers, extended birth family, kinship or Senior Guardianship Support. The centre provided a warm, inviting space for children to spend time with their birth parents and family in a safe and caring environment. The team work hard to support both the children and parents to ensure that the time they spend together is meaningful and as stress free as possible.

The Family Links team also write Life Story Books and Later Life Letters for children with a care plan of adoption. The books are written in language that children are able to understand whilst still telling the story of their journey through the care system and why decisions were made for them to be adopted. They are told about their birth family and their family history so they have a sense of their own identity

Turning to supporting the career aspirations of the County's younger people. We have recently opened a new hub offering education, employment and training information and advice to young people aged 16 – 24 years. The 'Herefordshire YEH' Youth Employment Hub is a partnership between Herefordshire Council and the Department for Work and Pensions. Young people have been involved in co-designing and developing the hub and will continue to do this as the service expands.

Working in partnership with a range of existing agency and community groups, the hub's principal aims are to upskill, enable and empower young people, building their confidence and experience. Youth Employment Hub support is offered to all young people, including those with Special Educational Needs and Disabilities (SEND). In addition to the hub, an online service has been launched, offering young people 24/7 access to a wide range of career and employment information and advice on the new [Youth Employment Hub website](#).

I really enjoyed attending a cultural business support event hosted by Mountain Perspective through a UKSPF initiative that is designed to provide tailored business support to improve their business performance or operations. This includes advice, marketing and branding expertise, advice on innovation and the adoption of digital technology to improve operations, help to reach new customers and markets, staff training and support in applying for arts funding to improve future sustainability.

The event was well attended by those entrepreneurs who have benefitted from this initiative. As well as Mountain Perspective, I would like to thank Herefordshire Council colleagues for their help and dedication in also providing necessary support for those businesses.

Finally, with regard to devolution, our current position is that we continue to engage, listen, research and learn about what devolution means for Herefordshire. The Government's focus has been on appointing councils to its devolution priority programme (DPP). The DPP has two tracks to it. One of which is for groups of local authorities who have already established (or are on the way to establishing) outline plans in relation to Strategic Mayoral Authorities. The other track is for unitary councils who need to undergo a programme of Local Government Reorganisation (LGR) to enable further devolution opportunities to become available to them.

We are awaiting further announcements to help shape and inform our planning; in the meantime we will continue to proactively engage with key government departments to ensure that we make our position as a council clear. That being; we will not let external influencing factors inhibit our ability to progress with our own ambitions and commitments to deliver the best for Herefordshire in everything that we do. We continue to set out the funding and

*strategic support we need to deliver against our growth and wellbeing priorities. We aim to be in the strongest possible position once the opportunity for further discussion and planning with our neighbours opens up.*

## My formal report to Council

**Herefordshire Council Plan – 2024 to 2028.** Through the development of the Herefordshire Council Plan, four corporate priorities have been identified. These are:

- I. **People** – We will enable residents to realise their potential, to be healthy and to be part of great communities who support each other. We want all children to have the best start in life.
- II. **Place** – We will protect and enhance our environment and ensure that Herefordshire is a great place to live. We will support the right housing in the right place, we will support access to green spaces and we will do everything we can to recover the health of our rivers.
- III. **Growth** – We will create the conditions to deliver sustainable growth across the county; attracting inward investment, building business confidence, creating jobs, enabling housing development along with providing the right infrastructure, and
- IV. **Transformation** – We will be an efficient council that embraces best practice, delivers innovation through technology and demonstrates value for money.

The Herefordshire Council Plan, alongside the Medium Term Financial Strategy, provides the overarching policy framework within which decisions will be taken and resources allocated over the next 4 years.

### **Delivery Plan 2024 to 2025 – turning the strategic vision in to delivery**

Central to the realisation of the Council Plan is the Delivery Plan 2024-25, which sets out the milestones and progress against our priorities of People, Place, Growth and Transformation. As members of this council you will be able to mark our progress through quarterly reporting into Cabinet and routine financial monitoring against the approved revenue budget and capital programme. Alongside this we are developing annual service plans within each of the directorates which will be reporting progress monthly to the corporate leadership team.

In my report below, I have outlined where the cabinet and cabinet members decisions begin the delivery of those stated objectives.

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**Theme 1 - People:** We will enable residents to realise their potential, to be healthy and to be part of great communities that support each other.  
We want all children to have the best start in life.

### **1: Recommissioning of the stop smoking strategy**

**Stated Delivery Plan Objective:** Support all residents to live healthy lives within their communities.

**This year we will:** Increase capacity and capability of addiction programmes to reduce harm from smoking, alcohol and drugs. We will increase capacity of the Herefordshire Stop Smoking Service by recruiting additional Stop Smoking Advisors and increase smoking quit rates amongst smokers by 25% aligned to the Smoke Free Generation Funding targets.

In December, the Cabinet Member for Adults and Wellbeing approved the decision to recommission the pharmacotherapy function of the Herefordshire Stop Smoking Service. These include services for the early identification, treatment, and interventions to prevent the onset of avoidable disease and development of long-term conditions caused by smoking. Without these services the council would see much higher levels of demand being placed on health and social care resources.

The existing contract is due to expire in March 2025. This decision enables the procurement of a number of targeted pharmacies across Herefordshire to provide stop smoking behavioural support to complement the community stop smoking service offer. It will be effective from 1 April 2025 up until 31 March 2029.

Councils have, since 1 April 2013, been responsible for improving the health of their local population and for commissioning the range of public health services transferred to them from the NHS, by the Health and Social Care Act 2012. An increasing proportion of ill health, and consequential expenditure on health and social care, derives from lifestyle factors rather than communicable diseases. Smoking is one of the most significant risk factors across England contributing to premature deaths and it remains the leading risk factor for mortality, with 15% of all deaths attributable to it, which is down from 18% in 2018.

Smoking rates in the county have fallen from 13% in 2020 to 10.1% in 2023. This can be linked to an increase year on year of smokers accessing the service. Smoking, however, remains a leading cause of health inequalities and there are certain population groups who are much more likely to smoke in Herefordshire than the general population. Specifically, 20.5% of routine and manual workers, 40% of adults with severe mental illness, 27.8% of adults with long-term mental health conditions, and 8.3% of pregnant women, smoke. These groups require a more targeted approach to support them to quit smoking.

Upskilling and training staff will enhance existing support, extend reach, and explore additional interventions, providing greater choice and treatment options for the smoking population. The behavioural support service delivered by the pharmacy will involve one-to-one advice and counselling about why or how to stop smoking, or a combination of the two. Pharmacies will be commissioned via a procurement framework and reimbursed for the pharmacotherapy supplied to people engaging with stop smoking service support.

## **2: Corporate Parenting Strategy**

**Stated Delivery Plan Objective:** Support all children to have the best start in life.

**This year we will:** Develop, approve and launch the updated Corporate Parenting Strategy and produce an implementation plan.

In December, Cabinet approved the new corporate parenting strategy 2025-2027. The strategy sets out the ambition, actions and outcomes we, as a local authority, need to achieve for our children and young people as a Corporate Parent. The Children and Social Work Act 2017 introduced a duty on councils to have regard to the following corporate parenting principles when exercising their functions in relation to looked after children and young people to;

- I. act in the best interests, and promote the physical and mental health and wellbeing, of those children and young people
- II. encourage those children and young people to express their views, wishes and feelings
- III. take into account the views, wishes and feelings of those children and young people
- IV. help those children and young people gain access to, and make the best use of services provided by the local authority and its relevant partners
- V. promote high aspirations, and seek to secure the best outcomes, for those children and young people
- VI. for those children and young people to be safe, and for stability in their home lives, relationships and education or work; and
- VII. prepare those children and young people for adulthood and independent living.

The key priorities of the strategy are that our children and young people have safe, stable and caring places to live and call home. That they are emotionally, physically and mentally healthy; have inclusive and enriching environments to learn, develop, have fun, and achieve and able to build trusted relationships with the people in their lives. We want all children and young people to be able to make their voice heard and shape how services are designed and delivered.

A central aim of the strategy is to enable young people to leave care and become independent and thriving adults; able to live rich and fulfilling lives that are safe and protected from harm, abuse and exploitation. We will look to report and track the progress of the strategy in to the Corporate Parenting Board who will receive regular progress updates.

## **3: Ofsted Monitoring Visit - Feedback.**

**Contributes to Delivery Plan Objective:** Support all children to have the best start in life.

On 19 December, Cabinet noted Ofsted's fifth monitoring visit which had taken place on 22nd and 23rd of October. It's focus was on children at risk of extra familial harm.

Inspectors reported a wide range of positive findings, including effective and timely multi-agency working to identify, support and protect children at risk from experiencing extra familial harm and exploitation.

Of principal interest to members will be the progress reported around the Get Safe specialist team. Ofsted found that "Children at risk of extra familial harm in Herefordshire benefit from a committed specialist team, which reduces risk for many of these vulnerable children". They

found the Get Safe team to “work effectively to reduce risks for children and young people and their work to be “timely and well structured”.

Early Help, support, and identification of risk; Ofsted found that a range of early help services were available to support children at risk of exploitation and that for most children who come to the attention of children services, their needs and risks are promptly identified through effective systems in place in MASH (Multi Agency Safeguarding Hub).

Partnership Working; Ofsted found the external partnership collaboration is helping to protect vulnerable children through targeted interventions and/or disruption activity and that this collaboration and information sharing between partners was improved since previous visits.

Quality of practice; Ofsted found that the child and family assessments that they had reviewed in other parts of the service, from front door to children in care, to care leavers in recent months, were “an improved quality” to those they have historically observed. Ofsted found these assessments as being “detailed and reflecting overarching needs, with an exploration of risks to the child”.

Cabinet are pleased that the report acknowledges positive signs of improvement. We recognise that we have some work to do but we are in a considerably better place than we were two years ago.

**Theme 2: Growth** - We will create the conditions to deliver sustainable growth across the county; attracting inward investment, building business confidence, creating jobs, enabling housing development along with providing the right infrastructure.

#### **4: Council requested update: Strategic Housing Provision**

**Stated Delivery Plan Objective:** Work with partners to provide high quality and affordable housing to meet all needs.

**This year we will:** Enable the delivery of affordable properties in the county, including council owned land, through registered providers and developers

Herefordshire is seeing increased applications for ‘Home Point’. The waiting list for affordable rented accommodation with numbers currently in excess of 2,100 households with 156 households being accommodated in temporary accommodation. The gap in provision grows significantly year on year.

The county also has an increasingly ageing population, driven by demographic changes including increasing life expectancy. This is a key driver of the need for housing which is capable of meeting the needs of older people. The total number of people aged 65 and over projected to increase by 42% over the next 16 years, this equates to an increase in the population aged 65 and over of 20,400 people.

The Housing Market Area Needs Assessment, updated in July 2021 is a countywide assessment of all housing needs, (open market and rental) projected need for 2011-2031 to meet demand identified that 846 dwellings are required annually in the County. For the period 2011 – 2020 total net completions equated to 4,725 dwellings (525 per annum). This equating to a demand increase from 2020 – 2030 to 1,070 dwellings per annum.

In addition to the social and affordable housing needs, through the revisions to the National Planning Policy Framework (NPPF) government has assigned a mandatory housing growth

target to the county of 27,260 over the next 20 years compared to 16,100 previously. To meet this increased target the current private sector build out rate will need to double each year.

The private sector and Registered Providers have and continue to play a critical role in the delivery of affordable and social housing across Herefordshire. However, they are not in position to meet all of the need outlined above on their own. Therefore, like other councils across the country, the council will need some direct interventions over some elements of housing development and delivery.

There are three options as to how this can be achieved;

- I. Housing Revenue Account – the council directly develops, owns and manages council housing.
- II. Establishing a joint venture (s) with the private sector as a route to controlling the type and the location of accommodation to be developed (in agreement with the private sector).
- III. Council Owned Housing Delivery Vehicle - a company would be owned and directly controlled by the council, enabling delivery in priority locations, and the range of type accommodation to meet resident needs.

The Connected Communities Scrutiny Committee (CCSC) considered the findings with one of their recommendations being to 'Identify and begin the process of setting up a development company, using the lessons learned from other local authorities. The Cross Party Housing Working Group, also supported the recommendation that the council should progress the development of a housing development company.

On Thursday 6 March Cabinet considered the proposed decision to explore the development of a council-owned housing development company.

***Theme 3: Place - We will protect and enhance our environment and ensure that Herefordshire is a great place to live. We will support the right housing in the right place, and do everything we can to improve the health of our rivers.***

**5:** Value nature and uphold environmental standards to minimise pollution and maximise biodiversity.

At the point of drafting, £1,351,198.52 (up by £52,904 since my last report in December) in phosphate income has been received. To date these actions have released planning permissions for 794 dwellings (an increase of 43 dwellings since December). The Council will receive a further £268,956 on commencement of development on these sites.

## **6: 2025/26 Capital Investment in Existing Highway Infrastructure**

**Stated Delivery Plan Objective:** Expand and maintain the transport infrastructure network in a sustainable way and improve connectivity across the county.

**This year we will:** Deliver the highways maintenance investment programme across the county utilising Department for Transport (DfT) Highways Maintenance additional funding to deliver the Resurfacing Herefordshire Highways scheme

In December, the Cabinet Member for Roads and Regulatory Services authorised the ongoing 2025/26 capital investment in existing highway infrastructure. The programme of works will complement the Council's Public Realm Contract and is in addition to the Department for Transport's Highways Maintenance and Integrated Transport Block Funding. Our investment (£1M) in carriageways is focussed on delivering resurfacing schemes on C and Unclassified roads across the County.

A further £1M investment in 'structures' (such as bridges, walls, culverts) will slow further deterioration, helping to avoid the risk of closure and associated disruption across the highway network.

We are also working with local Town and Parish Councils, to direct investment of £250K for enhancement schemes to improve safety. This will address defined instances of inappropriate driving behaviour within local communities. Our investment of £250K in street lighting and traffic signals will also ensure that safety is maintained on the highway network.

### **Budget and Performance reporting**

**Annual Review of Earmarked Reserves** - A balanced draft revenue budget which totals £231.5 million was proposed for 2025/26. The draft 2025/26 revenue budget assumed a total council tax increase of 4.99%: 2.99% increase in core council tax and a 2% adult social care precept. This increases the band D equivalent charge to £1,969.36, representing an increase of £7.80 per month (£1.80 per week). The 2% adult social care precept will generate approximately £2.7 million of additional income to contribute to continuing adult social care pressures: reflecting increases in demand, complexity of need and cost for services to support the county's residents.

The Medium Term Financial Strategy for 2024/25 to 2027/28 published as part of the 2024/25 revenue budget includes a planned reduction in the increase in council tax in 2025/26 to 3.99% (1.99% increase in core council tax and a 2% adult social care precept).

As a result of unexpected reductions in the funding provided by Central Government following the Local Government Policy Statement in November 2024, the council is increasingly reliant on funding raised locally through council tax. Whilst this planned reduction has not been possible in 2025/26, the revised MTFS for 2025/26 to 2028/29 assumes the rate of increase in future years will be at the reduced level of 3.99%.

An increase to the base budget for 2025/26 will fund identified budget pressures of £25.7 million. Savings and efficiencies of £6.9 million are proposed to mitigate these pressures to deliver a balanced budget. Nationally, local authorities continue to face significant financial pressures whilst demand and cost of statutory services continues to rise; increasing the challenge of delivering transformation and improvements in the delivery of services.

The budget and strategy for 2025/26 builds on the prudent approach and robust financial management exercised in 2024/25 and prior years. This will mitigate and protect the council's future financial resilience and sustainability at a time of increasing cost pressures, reduced Central Government grants, uncertainty over future funding arrangements and planned reorganisation of the local government framework. As a result of the robust management of the revenue budget and responsible stewardship of the council's financial resources, the council is able to evidence that it is in a strong and resilient position to respond to and withstand future financial pressures.

### **2025/26 Capital Investment Budget and Capital Strategy**

Also in January, Cabinet set out its proposed capital programme for onward consideration by Council. The agreed programme, by Council in February, for 2025/26 presents an ambitious programme of capital investment aligned to the priorities of the Council Plan across People, Place, Growth and Transformation. This includes projects to:

- I. mitigate key revenue budget pressures;
- II. improve the use of technology to deliver efficiencies and innovation in services;
- III. deliver new infrastructure to support growth opportunities for housing and businesses;
- IV. encourage active lifestyles for children and young people through a £1million investment in play areas;
- V. develop cultural and community spaces for residence and visitors;
- VI. strengthen resilience and reduce the impact of flooding with investment of £2million;
- VII. improve road safety across the county; and
- VIII. provide continued investment in the county's road network.

### **Council Tax reduction scheme:**

In February, Council agreed the Cabinet's proposed Council Tax Reduction scheme (CTR). CTR is available to working age and pensioner claimants. More than 11,000 bill payers in Herefordshire are currently in receipt of CTR, with over 6,000 claims from working age applicants.

A 100% discount is awarded under CTR (unless income breaches the threshold) irrespective of the council tax band the property falls into. During recent years, the number of working age CTR claimants has increased; reflecting the national picture and the impact of increases in the cost of living and inflation on working age residents.

## **Q3 2024/25 Budget Report**

### **Revenue Outturn**

The council's approved net revenue budget for 2024/25 is £212.8 million which includes planned savings of £19.5 million comprising £11.6 million of Directorate Savings and £7.9 million of Council-wide budget savings. The forecast outturn position for 2024/25 at Quarter 3 (December 2024) highlights continuing in-year cost pressures to support increases in demand across social care budgets, temporary accommodation and Special Educational Needs (SEN) transport services.

The Quarter 3 revenue outturn position for 2024/25 shows a forecast variance from budget of £7.0 million (3.3% of net budget), an improvement of £3.2 million compared with the position reported at Quarter 2. Whilst underlying cost pressures in demand-led budgets remain, the successful delivery of management actions identified at Quarter 2 has had a positive impact on the overall outturn position.

Of the £8.2 million of management actions and planned mitigations reported at Quarter 2, £4.9 million have been delivered in the period from October to December 2024. It is expected that further planned activity in Quarter 4 (January to March 2025) will reduce the forecast overspend to £1.1 million (0.5% of budget) by 31 March 2025.

### **Delivery of Savings**

Council approved a total of £19.5 million of savings for 2024/25 comprising Directorate Savings of £11.6 million and £7.9 million of Council-wide Savings. At Quarter 3, the revised assessment reflects robust challenge of savings targets previously assessed as

'in progress' and the deliverability of these savings over the remainder of the financial year.

This review confirms delivery of £10.2 million (52%) of the total savings target for 2024/25 at Quarter 3. A further £1.1 million are expected to be delivered by 31 March 2025 to bring the total savings delivered in year to £11.3 million (58% of the full year target).

**Capital Outturn** The 2024/25 approved capital budget of £160.0 million has been revised to £96.7 million. The revised capital budget includes £15.3 million of unspent project budgets brought forward from 2023/24, approved movements of £0.3 million, £3.8 million additional grants and a reduction of £82.7 million reprofiled into future years.

### **Q3 Performance Report**

This headline summary of the activities demonstrates that 140 out of 179 milestones (78%) that were due to be in progress by Q3 under the new Delivery Plan for 2024/25 were completed or are on track to be delivered by the end of the financial year. The full and detailed performance position across each of the four directorates of the council can be viewed here [Q3 Performance Report](#)