



# Title of report: Appointment of an external transformation partner for Community Wellbeing Directorate

**Decision maker: Cabinet Member – Adults, Health and Wellbeing**

**Decision date: 30 March 2026**

**Report by: Corporate Director - Community Wellbeing**

## **Classification**

Open

## **Decision type**

Non-key

## **Wards affected**

(All Wards);

## **Purpose**

To approve the procurement of an external specialist partner to work with the Community Wellbeing directorate to identify and design transformation activity that delivers sustainable, recurrent savings over the Medium-Term Financial Strategy period, in addition to the savings already identified for 2026-2027.

## **Recommendation(s)**

**That:**

- a) An external specialist partner is procured to identify and design transformation activity in the Community Wellbeing Directorate to deliver sustainable, recurrent savings over the Medium-Term Financial Strategy period in addition to the savings already identified for 2026-2027; and**
- b) Delegated authority is given to the Corporate Director Community Wellbeing to take all operational decisions necessary to implement the procurement and award of contract.**

## Alternative options

1. Do nothing. This is not recommended. The Community Wellbeing Directorate has committed to deliver £7.3m savings in 2026-2027. Further savings will be required in subsequent years of the Medium-Term Financial Strategy and it will be difficult to identify further savings without specialist external support.

## Key considerations

2. Herefordshire Council is managing unprecedented financial pressures and evolving service demands. The Community Wellbeing Directorate has the largest budget in the council and in 2026-2027 will be delivering £7.3m of savings. Further savings will be required in future years of the Medium-Term Financial Strategy and as part of the council's Future Financial Strategy, the directorate is looking to work with an external specialist partner to identify, design and implement recurrent, sustainable savings. The partner will bring external expertise to co-design and implement change initiatives, accelerate delivery of projects, and build internal capability for sustained improvement
3. The work will be undertaken in two phases. Phase 1 will comprise a 12-week diagnostic exercise, principally focused on adult social care, which will identify the best opportunities for controlling future spend through optimising productivity, managing demand into the service and ensuring that people who draw on services and their carers are at the heart of designing their own support, and future service models.
4. Subject to identification of sufficient, recurrent savings in Phase 1, the council will have the option to proceed with Phase 2 implementation. The expectation would be that the external partner would continue to support the directorate to deliver the savings over a 12-18 month period, using their specialist staff, whilst at the same time providing a development programme for internal staff to improve their knowledge and skills to deliver further change. The projected savings would be guaranteed using a 100% contingent commercial fee model.
5. Should the council decide not to proceed with the partner to Phase 2, a fixed fee for the Phase 1 work would be payable, likely to be around £350,000.
6. This approach has been successfully delivered in a number of authorities, and suitable partners with the requisite skills and expertise can be procured through a Crown Commercial Services Framework.
7. It is important to be clear that the diagnostic work is intended to identify sustainable savings. A further decision on whether to implement those savings and the impact of those savings on communities and residents will be thoroughly assessed and signed off by the Director of Finance and Corporate Director Community Wellbeing, prior to moving forward with implementation. Continuation to Phase 2 will, therefore, be subject to a key decision.

## Community impact

8. There are no community impacts as a result of making this decision. However, a key consideration of any savings identified through this work will be the impact on communities and the quality of care that can continue to be delivered, before decisions are made on whether to pursue.

## Environmental impact

9. Whilst this is a decision on back office functions and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the Council's Environmental Policy. Meetings will largely be held online to reduce travel.

## Equality duty

10. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
11. The mandatory equality impact screening checklist has been completed for this activity and it has been found to have no equality impact.
12. Any savings identified through this work and subsequently proposed for implementation will be the subject of a full Equality Impact Assessment before commencement.

## Resource implications

13. There would be a one-off fixed fee for Phase 1, expected to be around £350,000 but less than £500,000. If the same partner was retained to support the delivery of the identified savings in Phase 2, 100% of their fee for Phases 1 and 2 would be contingent on delivery of the savings, with the expectation that the partner would guarantee to deliver more than their one-off fee in recurrent, annual financial benefit. At the end of Phase 2, if the final benefits are less than the guaranteed savings, the expectation would be that the partner will reduce their fees proportionately, with no negative impact financially on the council.

Revenue or Capital cost of project (indicate R or C)	2026/27	2027/28	2028/29	2029/30	Total
	£000	£000	£000	£000	£000
<i>Diagnostic work to identify and design transformation activity</i>	350				350
<b>TOTAL</b>	350				350

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2026/27	2027/28	2028/29	Future Years	Total
	£000	£000	£000	£000	£000
<i>Flexible capital receipts as per approved Capital Investment Budget</i>	350				350
<b>TOTAL</b>	<b>350</b>				<b>350</b>

Revenue budget implications	2026/27	2027/28	2028/29	Future Years	Total
	£000	£000	£000	£000	£000
<i>Recurrent savings to be identified and agreed</i>		TBC	TBC	TBC	TBC
<b>TOTAL</b>					

## Legal implications

14. There are no specific legal implications in this report.
15. The relevant legal provisions for this decision can be found in the council's constitution, [www.herefordshire.gov.uk/constitution](http://www.herefordshire.gov.uk/constitution).

## Risk management

16. The identified risks and opportunities are set out below

Risk / opportunity	Mitigation
There is a risk that there is a lack of external agencies to undertake the work	Use of a Crown Commercial Services Framework will enable a range of suitable partners to be identified who could carry out the work.
Lack of availability of internal staff to support the work	Resources will be prioritised for the diagnostic phase with clear programme sponsors and project support.
The outcome of the diagnostic does not identify sufficient, sustainable, recurrent financial benefits for the council	Robust challenge throughout the diagnostic will give early warning of any potential issue. The outcome of the diagnostic will provide useful analysis and understanding of the current service model.

17. All risks will be managed at directorate level.

**Consultees**

18. None.

**Appendices**

None.

**Background papers**

None identified

**Please include a glossary of terms, abbreviations and acronyms used in this report.**