



# Title of report: Corporate Peer Challenge

<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>Thursday 25 September 2025</b>
<b>Cabinet member:</b>	<b>Cabinet member finance and corporate services</b>
<b>Report by:</b>	<b>Corporate Director Community Wellbeing</b>
<b>Report author:</b>	<b>Corporate Director Community Wellbeing</b>

## **Classification**

Open

## **Decision type**

Non-key

## **Wards affected**

(All Wards);

## **Purpose**

To receive the report on the outcome of the Local Government Association Corporate Peer Challenge, held 23 - 26 June 2025, and to approve the council's action plan in response to the recommendations for publication.

## **Recommendation(s)**

**That:**

- a) Cabinet receives the report and recommendations arising from the Local Government Association Corporate Peer Challenge held 23 - 26 June 2025; and**
- b) Cabinet approves the council's action plan in response to the recommendations for publication.**

## Alternative options

1. The council could choose not to develop and publish an action plan in response to the recommendations of the Corporate Peer Challenge. However, whilst not mandatory, it is a clear expectation of the Peer Challenge process that the action plan is in the public domain and this option has, therefore, been rejected.
2. The council could choose not to accept the recommendations of the Corporate Peer Challenge. This option has been rejected on the basis that the recommendations were shared informally at the end of the site visit and accepted.

## Key considerations

3. The Corporate Peer Challenge forms part of the improvement and assurance framework for local government and is delivered by the sector for the sector. Facilitated by the Local Government Association, it involves a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information. The Peer Challenge team spent four days at Herefordshire Council in June 2025, gathering information and views from more than 35 meetings, in addition to reviewing a range of information. In total, the team spoke to around 100 people, including a range of council employees, elected members and external stakeholders. The team comprised of:
  - i. Cllr Philip Broadhead, Bournemouth, Christchurch and Poole Council (Con)
  - ii. Richard Flinton, Chief Executive at North Yorkshire Council
  - iii. Cllr Deborah Harries, Birmingham City Council (Lib Dem)
  - iv. Dean Langton, Chief Finance Officer, Blackburn with Darwen Borough Council
  - v. Steve Evans, Head of Corporate Affairs, Durham Council
  - vi. Maria Rotaru, Impact Graduate Greenwich Council (shadowing the review)
  - vii. Eamon Lally, Peer Challenge Manager, LGA.
4. All Corporate Peer Challenges consider five core components, which are:
  - i. Local priorities and outcomes
  - ii. Organisational and place leadership
  - iii. Governance and culture
  - iv. Financial planning and management
  - v. Capacity for improvement

In addition, the peer team considered the council's approach to risk, use of data and insight and transformation.

5. The Corporate Peer Challenge report is attached at Appendix 1 to this report. The overall message is that: *"Herefordshire is a good council that is striving hard to improve further. It benefits from a strong sense of place, a maturing political culture, and a growing confidence in its leadership. The council has developed a respected identity among partners and is seen as a constructive and increasingly strategic player in the region. There is a clear recognition of the challenges ahead, particularly in relation to transformation, capacity, and financial sustainability, and the council is approaching these with determination and a willingness to learn."*

*The peer team found a council that is self-aware, committed to improvement, and increasingly outward facing. There is a shared understanding of the importance of transformation, and while the journey is still at an early stage, the council is laying the*

*groundwork for long-term change. The latest Ofsted monitoring visit confirms that children's services are improving at pace, and performance in most other service areas is broadly in line with statistical neighbours. The council's finances are currently in a good base position. There is a need to refresh the medium-term financial strategy (MTFS) and undertake more robust scenario planning to prepare for future uncertainties."*

6. The Corporate Peer Challenge recognised that Herefordshire is a rural county with demographic challenges, such as an ageing population and inequalities in service access, housing, and education. The Council Plan, with its focus on people, place, growth, and transformation, was noted as being well understood and shaped through engagement with residents and partners.
7. The peer team reflected that the council's leadership - both political and managerial - is increasingly confident and respected. There is a level of political maturity, with members working constructively across party lines and a strong emphasis on consensus-building. The chief executive and leader are seen as visible and accessible, and their leadership has contributed to a positive shift in organisational culture. Staff and partners spoke of a more open, listening council that is focused on delivery and collaboration.
8. Partnership working was noted as a strength with the council engaged in a range of strategic partnerships. Partners were positive about the council's leadership and the peer team cited the phosphate credit scheme as an example of innovative, place-based leadership. Partnerships with the voluntary and community sector are positive, with a desire on the part of the sector for deeper collaboration and involvement in strategic commissioning.
9. Governance is generally strong with clear structures and ongoing improvements in risk management. Audit and scrutiny have been strengthened. However, while performance management is embedded across the council, there is a need for better data integration and corporate-level insights to drive transformation. Transformation underpins the council's future ambitions, but internal capacity needs strengthening to deliver change at scale, especially in digital transformation.
10. The council's financial position is stable with a positive outturn in 2024-2025 and a healthy level of reserves. There is a recognition that future years' financial settlements may be challenging, and the council is reviewing the Medium Term Financial Strategy alongside scenario planning to test different assumptions. The team noted an ambitious capital programme with the need to keep management and capacity to deliver the programme under review.
11. The team noted that the council has traditionally operated a thin-client model with many services outsourced but that this is being rebalanced with investment in in-house capacity to support change and ensure more effective oversight.
12. The conclusion of the peer challenge was that: *"Herefordshire Council is a good council with a strong foundation and a clear ambition to improve. It has made significant progress in key areas, particularly children's services, and is increasingly confident in its leadership and identity. The council is self-aware and understands the scale of the transformation required. With continued focus on capacity, data, and financial planning, it is well-placed to deliver on its ambitions and improve outcomes for its communities."*
13. The team identified five key recommendations which form the basis of the council's action plan, attached at Appendix 2. They are:

#### **Recommendation 1: Transformation**

Now need to focus on corporate transformation and provide the resources needed to deliver.

**Recommendation 2: Data and Insights**

Use of data must be improved so that insights can flow to support service improvement and framing the scope of the transformation programme. There are lots of examples where this is taking place elsewhere and the council should draw on the experience of others to support this development.

**Recommendation 3: Medium Term Financial Planning**

Carry out planned refresh of Medium Term Financial Strategy and provide some scenario planning for future years.

**Recommendation 4: Internal Capacity**

Strengthen and stabilise the internal capacity to overcome challenges in the thin-client model of delivery.

**Recommendation 5: Working with partners to deliver**

Partners are very supportive, and the council can build on this to develop strategic engagement with the voluntary sector and others to help deliver services.

14. It is proposed that progress against the action plan is monitored through the quarterly performance reports to Cabinet.
15. In addition, the peer review team undertakes a one-day follow up progress review visit. Not all of the team will visit but the purpose is to review progress against the action plan and a follow up letter is then issued by the team. The progress review visit is provisionally agreed for week commencing 23 March 2026.

## Community impact

16. There is no direct community impact as a result of the Corporate Peer Challenge Report. However, the action to develop more strategic engagement with the voluntary and community sector responds to the vision of Delivering the best for Herefordshire in everything we do and will have a positive long term impact on the sector in terms of genuine co-production and involvement in strategic commissioning.

## Environmental Impact

17. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
18. The decision to receive the corporate peer challenge report and publish an action plan to respond to the recommendations will have no environmental impacts.

## Equality duty

19. 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.
20. The mandatory equality impact screening checklist has been completed for this decision and it has been found to have no impact for equality.

### **Resource implications**

21. There are no resource implications arising from the decision to receive the Corporate Peer Challenge report and publish the action plan in response to the recommendations. Any resource implications associated with individual activities within the action plan will be subject to the normal governance processes.

### **Legal implications**

22. There are no direct legal implications arising from this recommendation.

### **Risk management**

23. The risk of not responding to, and progressing, the recommendations made by the peer challenge team is that opportunities for improvement are not taken which may have an adverse effect on the council's longer term strategic plans.

### **Consultees**

24. Consultation on the action plan has been undertaken with the Corporate Leadership Team and the wider Leadership Group to shape the responses to the recommendations.

### **Appendices**

Appendix 1 – LGA Corporate Peer Challenge: Herefordshire Council, 23 – 26 June 2024

Appendix 2 – Herefordshire Council Corporate Peer Challenge action plan, September 2025

### **Background papers**

None identified.