

Foreword

As Leader of Herefordshire Council, I'm proud to share the progress we've made since our last meeting. Our ambition to deliver the best for Herefordshire runs through every decision and action we take.

We're seeing strong delivery across schools, roads, transport, employment land and the public realm. Construction is underway on the £10 M Hereford Transport Hub, improving travel options and connectivity across the county. The ground-breaking ceremony in August marked a major step forward for infrastructure and economic opportunity.

Work has begun on Peterchurch School, expanding from 105 to 210 places, with new SEN and Nurture Hub facilities. Works are also due to begin on the £2.4 M redevelopment of Hampton Dene Primary School, delivering new classrooms, improved accessibility, and enhanced SEN provision.

We've approved £7.2 M to progress Ross Enterprise Park, unlocking space for up to 1,000 jobs and 29,400m² of employment floor space. We've also committed £2 M to flood resilience, protecting homes, businesses and infrastructure.

To tackle housing and homelessness, we've acquired the former John Haider building – now renamed after philanthropist John Venn – to provide emergency accommodation and reduce hotel reliance, saving over £600,000 annually. We've launched consultations on our Homelessness Prevention and Rough Sleeping Strategy to shape our approach over the next five years.

Our highways investment continues, with dozens of miles of roads improved or made safer. New quieter road schemes are starting soon, and essential bridge repairs – including at Mordiford – have been completed on time or ahead of schedule.

We're progressing regeneration at Merton Meadow, including a £2 M flood alleviation scheme and space for up to 400 homes. Our commitment to public services remains strong, with improvements in children's services, new bus routes, and upgrades to Hereford Leisure Pool that reduce energy costs.

Schools continue to perform well, with a 98.4% A-level pass rate and strong GCSE results. We acted swiftly to maintain critical services following NRS Healthcare's withdrawal, safeguarding support for over 12,000 residents.

We've launched a new Domestic Abuse Strategy (2025–2028) and been recognised as a Neighbourhood Health Pioneer, reflecting our focus on integrated care and wellbeing. September's Employment & Skills Conference brought together over 100 delegates to explore workforce planning and development. I have been delighted to have seen so much positive feedback about the conference, with one prominent local business leader saying it was the best event of its kind they've ever attended in Herefordshire.

We're preparing for the Local Government Boundary Commission's electoral review, with consultation expected in November.

Cabinet has taken strategic decisions aligned with our Council Plan, including progressing phase one of the Hereford Bypass, advancing the Children and Young Persons' Improvement Plan, and launching a new framework for alternative education provision.

We've written to the Secretary of State for Transport proposing a new approach to grant funding for the bypass's southern link road. This would guarantee delivery over three years and allow us to reallocate resources to accelerate future phases.

We've approved the use of retained business rates from the Hereford Enterprise Zone to fund a county-wide programme for business growth, skills and inward investment. With £1.4 M now available and future annual income expected at £1.1 M, this provides a sustainable funding stream for economic development. The programme will invest in:

- Skills: workforce planning, employer upskilling, and bursaries.*
- Business Growth: support for high-growth sectors and innovation.*
- Inward Investment: promoting Herefordshire to attract new businesses and investors.*

We welcomed the Care Quality Commission for its inspection of Adult Social Care Services and await formal feedback. Early impressions were encouraging.

The Local Government Association Corporate Peer Challenge recognised us as a "good council striving to improve," highlighting our strong sense of place, maturing political culture and confident leadership. I'm proud of the positive culture we've built and the direction we're heading. We've moved quickly on some of CPC's recommendations by strengthening our leadership team with a new Chief Technical and Data Officer to drive digital transformation.

Our updated Medium-Term Financial Strategy, published last month helps us understand the impact of the government's proposed fair funding formula. Modelling suggests a potential funding gap of £27.3 M in 2026/27 – 11% of our net budget – placing us below average for unitary councils. Despite delivering over £40 M in savings over five years, we must take decisive action to balance the budget and deliver our ambitions. We're disappointed by the proposed funding allocation and hope our consultation response will influence the final outcome.

I'm pleased to report a clean audit opinion for our 2024/25 accounts – the second consecutive year – and proud that Herefordshire was the first UK local authority to achieve this. My thanks to Rachael Sanders, our Finance Director and her team, and the Audit and Governance Committee for their key role in this outstanding achievement.

Finally, I was saddened at hearing the passing of former Cllr David Fleet, a respected public servant and former Mayor of Hereford. My condolences go to his family.

I also want to acknowledge our Chief Executive, Paul Walker, who will step down in March 2026 after more than four decades in public service. I'm deeply grateful for his outstanding contribution and know he will continue to serve with dedication until his departure.

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 2025 to 2026 – turning the strategic vision in to delivery

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: Alternative Provision Procurement Framework

Stated Delivery Plan Objective: Develop new Alternative Provision for children with needs that require additional support to enable them to remain in, or return to, mainstream education.

This year we will: Identify a provider

In August, the Cabinet Member for Children and Young People approved a framework of commissioned providers who are able to deliver alternative provision. This provision being for children who are not able to attend school and those needing additional support. Herefordshire Council has a duty (under Section 19 of the Education Act, 1996) to commission alternative provision for pupils who face challenges accessing mainstream education. This can be as a result of mental or physical health issues, exclusion (fixed and/or permanent), or special educational needs (SEN).

Herefordshire Council will commission an alternative provision framework to provide compliant high-quality education to help improve outcomes for children and young people who require alternative forms of education. The framework consists of three lots enabling potential providers to demonstrate how they can meet the council's requirements, needs, and quality measures to deliver successful outcomes.

This will include full access to relevant education provision following a permanent exclusion and access to full time education for looked after children where no school has been identified. It will also cater for children who are placed into the county who have difficulties in accessing education due to specific needs. The framework will provide fair and equitable services which will offer:

- a. more choice of provision to meet need
- b. centralised service for education and SEN team to purchase
- c. the broker team to coordinate the process for timely responses
- d. standardised forms and processes
- e. build strong relationships with the council
- f. robust quality assurance, and
- g. supported reintegration to mainstream schools.

This arrangement will commence at the start of January 2026 and will be in place for up to 7 years. Alternative Provision is funded from the Dedicated Schools Grant (DSG) via the High Needs Budget (HNB).

2: Domestic Abuse Strategy

Stated Delivery Plan Objective: Develop a Domestic Abuse Strategy

This year we will: Develop and implement the Domestic Abuse Strategy and action plan.

In July, Cabinet approved the Domestic Abuse Strategy for Herefordshire 2025 to 2028, in accordance with the requirements of the Domestic Abuse Act 2021.

Domestic abuse has a huge impact on society and is one of the most pervasive of all social problems. It causes long term pain and suffering for those affected and their families. It is

often a hidden crime that disproportionately affects women, with people experiencing domestic abuse often reluctant to report their situation.

The Safe Lives prevalence tool uses data from the Crime Survey for England and Wales merged with local population and Multi Agency Risk Assessment Conference (MARAC) data. This allows the council to capture a true understanding on the prevalence of domestic abuse in a local area. The latest available data estimates that:

- a. There are 25,000 adult victims in Herefordshire who have experienced domestic abuse at some point in their lives since aged 16
- b. Of the total estimated adult victims 19,000 (68%) are female
- c. 8,000 victims have experienced domestic abuse in the last year, of these 68% were female
- d. Only a third of female victims and a quarter of male victims in the past year were 'visible' (visible relates to the number of victims who told a support professional organisation).
- e. 4,500 children were living in a household with domestic abuse present in the last year, and
- f. 4,500 people were using abusive behaviours in their intimate partner relationships in the past year, of these 20% were estimated to be serial perpetrators of domestic abuse.

The impact on individuals and families results in a variety of needs arising across a wide-range of public services, from police and health care through to education, housing support and criminal justice. The council recognise that a collaborative approach to developing and delivering services is fundamental to preventing and responding to domestic abuse.

The strategy has been developed in consultation with a wide range of stakeholders through the Domestic Abuse Local Partnership Board. It uses data which incorporates qualitative data gathered from practitioners and people with lived experience of domestic abuse in Herefordshire. The strategy will be implemented and monitored via an action plan held by the Local Partnership Board. The Board includes representatives from

- a. Herefordshire Council including representatives from Community Wellbeing and Children and Young People
- b. West Mercia Women's Aid
- c. West Mercia Rape and Sexual Assault Centre
- d. Local NHS organisations, including the Integrated Care System (ICS)
- e. West Mercia Police
- f. Registered Landlords of Social Housing
- g. Lived experience advisory network
- h. The perspective of people with "protected characteristics", who are often under represented among people seeking support.

The strategy and action plan includes specific tasks to promote, publicise and provide regular communications targeted at raising awareness and sign-posting support services to victims of domestic abuse.

3: Children and Young Persons' Improvement Plan - Phase 3

Stated Delivery Plan Objective: 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.

Children's Services was inspected by Ofsted in July 2022 under the Inspecting Local Authority Children's Services (ILACS) framework. The overall judgement was that Herefordshire Children's Service is 'inadequate'.

Six Ofsted monitoring visits have taken place to date; this is their seventh report. The last two monitoring visits in November 2024 and February 2025 found that the Phase 2 plan was having impact and services were improving. The Improvement Plan Phase 3 was

reported to Cabinet in July. The Council is expecting their full and final inspection of Children's Services (ILACS) by the end of 2025.

The Phase 3 Improvement Plan has been developed to bring continuity and continued focus, pace and measures to the improvement journey. The Phase 3 plan continues the approach and has re-set actions for improvement and development against each of the Ofsted recommendations.

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: Merton Meadows Flood Alleviation - delivery of construction works

Stated Delivery Plan Objective: Commence the flood alleviation works on the Merton Meadow and Essex Arms sites in Hereford

This year we will: Commence development of the flood alleviation works

In September 2021 the council was awarded £2M from the Government's Brownfield Land Release Fund (BLRF) to procure infrastructure works relating to flood alleviation on the Merton Meadows sites.

In August, this year, the Cabinet Member for Economy and Growth approved the draw-down of the remaining £1.2 M from the BLRF to procure, appoint, commission and commence the works to deliver the scheme. This decision enables the first £800,000 of the grant to be spent on the required site investigation and design works. This latest decision approved the spend of the remaining £1.2M to appoint a contractor and implement the flood alleviation works.

The grant was awarded to the council to achieve the following outcomes;

- a. address flooding issues associated with these key city centre sites to unlock strategic sites for regenerative development,
- b. address the strategic need to regenerate this gateway area of the city, deliver much needed affordable and social housing as defined in the Herefordshire Housing Market Needs Assessment
- c. provide key worker accommodation to support local health and education institutions,
- d. address flooding issues affecting this and surrounding properties,
- e. improve biodiversity, and
- f. improve access links between the new station transport hub and city centre.

The flood alleviation scheme has been designed to include capacity to accommodate up to 400 new homes across the Merton Meadow sites, which has been determined by the initial high level masterplan exercise. These works are expected to be concluded by January, 2028.

5: Ross Enterprise Park Phase 1: Construction Phase

Stated Delivery Plan Objective: Commence development works on Ross Enterprise Park

This year we will: Procure a contractor and Commence works to create access to the site, and four acres of service development ready plots

In July, the Cabinet Member Community for Services and Assets approved expenditure of up to £7.229M to progress delivery of Ross Enterprise Park (phase 1) into the next phase of construction. This decision also enabled the council to undertake procurement for a main contractor and other essential suppliers to deliver those works.

Ross Enterprise Park is one of the largest strategic employment sites in Herefordshire. It has excellent road transport links including easy access to the Midlands, Wales, the Southwest corridor and to the Northwest. The 15-hectare site is allocated to provide 10 hectares of employment land that could in the fullness of time accommodate 29,400 square metres of new employment floor space and support up to 1,000 jobs. The entire site is in council ownership and has benefited from planning permission approved by the Planning and Regulatory Committee on 21 February 2018.

The Herefordshire Economic Plan identifies a critical need for employment land in strategic locations to support the growth of higher value jobs in the county. There remains a strong demand for employment land in Ross on Wye. This decision will encourage and enable local business and employers to stay in Herefordshire and continue their growth ambitions.

Phase 1 of the project will deliver an initial four development plots (circa 1 acre) potentially delivering between 77,000 and 100,000 sq ft of floorspace and between 150 to 600 jobs. It will also include all public highway and active travel improvements necessary to satisfy the sites planning obligations.

6: Hereford Enterprise Zone Retained Business Rates – Herefordshire Growth Programme

Stated Delivery Plan Objective: Support existing and new businesses on Hereford Enterprise Zone to increase productivity and provide better paid jobs.

In August, the Cabinet Member for Economy and Growth approved the expenditure of retained business rates from the Hereford Enterprise Zone held in the Enterprise Zone Business Rates Growth Reserve. This will be used to deliver a county-wide business growth, skills and inward investment programme.

A key benefit of a government designated Enterprise Zone is that the council is able to retain 100% of business rates generated in the specified area for a defined period. The rates retention scheme has been in existence at the Hereford Enterprise Zone since 1 April 2023 and is due to continue until 31 March 2038.

Whilst the Enterprise Zone has been in existence for a number of years, there is a time lag between generating significant new funds for reinvestment, as land is remediated, sold and developed. To date the retained business rate income has met the operational costs of Hereford Enterprise Zone.

It is anticipated that the Hereford Enterprise Zone will generate c£1.1 M of additional income per year up until the end of 2038. From the balance of income from 2023/24 and 2024/25 there is currently a reserve available of circa £1.4m to support economic development activity.

The cabinet member's decision approved the utilisation of these funds to support the economic growth in the county in the following core areas:

- a. A Skills Programme – this will include activities such as creating a dedicated employment skills officer to support businesses to plan their workforce;
- b. A Herefordshire skills boost programme to support local employers to upskill their workforce and to provide bursaries to enable local people to seek higher education opportunities in the county;
- c. A Business Growth Programme - establishing a range of interventions to support businesses in key growth sectors including activities such as scale up support for

high growth, a research & development innovation fund automation, AI, and innovation improving productivity.

- d. An Inward Investment Programme – to raise awareness of Herefordshire’s offer, seeking investment from businesses to attract developers to support the growth of the county, and attract private investors.

7: Work with partners to provide high quality and affordable housing to meet all needs

A commitment from the leader to provide Council with updates on the delivery of housing.

Work continues to progress well on the Merton Meadow Urban Village Programme. The target start date is 14 October, subject to planning conditions discharge, with completion of phase 1 expected towards the end of the year. A further round of public engagement which will be focussed on young people, is due to place take during October.

The freehold acquisition of the John Venn Building (*formally known as the John Haider building*) was completed in August. Tender documents, to commence works to the site, are in preparation with a target start date on site for December. The completion of the works is expected to be in November 2026.

Buttercross, in Leominster, is progressing well. The plans to convert the upper floors for affordable housing have taken a step closer with the recent submission of a buildings regulations application. The tender for a main contractor is due to go out this month (October) with a target start date of December. The duration of the work is estimated to be 6 to 9 months with a target date for the first occupants being June 2026.

The total number of affordable homes delivered by the Council (collectively with the Registered Providers) in the County are as follows:

- Yr – 2023 to 2024 = 268 dwellings
- Yr – 2024 to 2025 = 276 dwellings
- Yr – 2025 to 2026 (*to date*) = 161 dwellings

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.

8: City and Market Town Public Realm Investment

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

Key Milestones to achieve the Deliverable: Identification and delivery of appropriate projects across Bromyard, Kington, Ledbury, Leominster and Ross-on-Wye, working in partnership with the Town Councils of each.

On 7 February 2025, following Council’s approval of the Capital Programme Review, £1.2 M additional budget was allocated for City and Market Town Public Realm Investment during 2025/26. This additional funding is provided for targeted investment in highway

maintenance and public realm improvements. The investment will improve accessibility, overall condition and active travel across the city and market towns. The works will be delivered as part of existing investment plans or to supplement existing s106 funding that is insufficient to deliver the required projects.

The £1.2m will be distributed to Hereford City and the five market towns of Bromyard, Kington, Ledbury, Leominster and Ross-on-Wye (all of whom will receive a £200k share). Officers will work with each of the city and town councils to help them identify appropriate, affordable and deliverable highway maintenance and public realm improvements. These improvements will need to meet the requirements of the original business case associated with the funding being made available. A list of agreed and costed schemes will be approved by the Corporate Director of Economy and Environment. Herefordshire Council will deliver the necessary works within the 2025/26 financial Year.

9: Road Safety Schemes

Stated Delivery Plan Objective: Deliver highway improvement schemes at known collision cluster sites

Key Milestones to achieve the Deliverable: Design and commence delivery of works at top ranking sites including (i) A465 junction with B4348 Locks Garage, Allensmore, and (ii) B4203 junction with B4204 High House Crossroads, Upper Sapey.

In 2024/25, the Local Transport Annual Plan budget provided through central government allowed for a further £200k of investment into local road safety schemes. With this level of investment, the Council is unable to deliver major schemes that would address road safety concerns at known collision cluster sites. It will, however, focus on minor safety improvements.

In 2024, 112 killed or seriously injured casualties were recorded on the road network in Herefordshire. There were also 357 slight injury casualties that occurred on a public highway which were reported by the police.

Public safety is always a principal concern when investing in road safety schemes. The human impacts of road traffic accidents is, of course, at the forefront of everyone's mind when they happen. There are other associated costs, however, when road accidents happen. These include medical care, vehicle and property repairs, emergency services, and the indirect costs such as loss of work days whilst recovering from injuries. Making the right interventions with investment not only saves lives by making our roads safer, it also reduces costs in other areas.

In September, the Cabinet member for Roads and Regulatory Services approved the spend of £3M investment for road safety schemes split over 2025/26 and 2026/27. This funding will be directed toward delivering highway improvement schemes at known collision cluster sites.

Based on existing data, this funding will permit schemes to be delivered at top ranking sites including

- (i) A465 junction with B4348 Locks Garage, Allensmore, and
- (ii) B4203 junction with B4204 High House Crossroads, Upper Sapey.

These sites are considered to require significant investment in large scale improvements, such as signalisation and realignment. Both schemes are expected to be completed by the end of March 2027.

10: Wye Valley Natural landscapes – acceptance of grant funding

Stated Delivery Plan Objective: Support the Wye Catchment Partnership Catchment Management Plan

Key Milestones to achieve the Deliverable: Work with both governments to secure funding to support delivery of the plan

Under the 25 Year Environment Plan, the Department for Environment, Food and Rural Affairs (DEFRA) have been providing enhanced resources for the management of National Landscapes across England. Government have also consolidated funding through the Sustainable Development Fund (SDF), and Sustainable Landscape Sustainable Places (SLSP) which is now focused as a 'Nature & Carbon Fund' to address the nature and climate emergencies.

In August, the Cabinet member for environment approved the council's acceptance of a number of funding awards from the National Grid, DEFRA, the Welsh Government and Natural Resources Wales. These grants, totalling £3.8M, will contribute to the future management and duties of the Wye Valley National Landscape, formerly known as an Area of Outstanding Natural Beauty (AONB).

The Wye Valley National Landscape is managed as a cross-border multi-authority partnership under a Joint Advisory Committee (JAC). The council has entered into a Memorandum of Understanding with the other constituent local authorities, namely Forest of Dean District Council, Gloucestershire and Monmouthshire County Councils.

The Landscape Enhancement Initiative (LEI) is a grant scheme that is part of National Grid's Visual Impact Provision (VIP) targeted at reducing the impact of National Grid's existing electricity transmission lines in English and Welsh National Landscapes.

The Welsh Government are also making new revenue and capital allocations, including the new Designated Landscapes Farming grants programme. This includes the continuation of the Sustainable Development Fund (SDF) and Sustainable Landscape Sustainable Places (SLSP) fund. The Wye Valley National Landscape Team may bid for other grants and funding to deliver the Work Programme for the Wye Valley National Landscape/AONB Management Plan as agreed by the Joint Advisory Committee.

11: Procurement Strategy for the Hereford Western Bypass - Phase 1

Stated Delivery Plan Objective: Progress the necessary work to tender for the design and construction of Phase 1 of the Hereford Western Bypass

Key Milestones to achieve the Deliverable: Progress the Design and Construction tender for the Hereford Western Bypass Phase 1

In July, Cabinet approved the first phase of the Procurement Strategy for the Hereford Western Bypass. This decision gives authority to procure a pre-construction services agreement for the design and enabling works. A two-stage procurement process enables designs to be undertaken in parallel with construction preparations. This decision enables the council to bring a contractor in at an early stage (Early Contractor Involvement); this is industry best practice and will ensure that buildability issues are considered when finalising the designs.

Contractors go through a competitive process to be appointed to a framework which in turn gives assurance to the council that the contractors have met quality standards and are able to demonstrate value for money. The use of a framework to procure a construction partner enables a partner to be on board considerably quicker than through an open competitive tender route.

A further report will be brought to Cabinet in 2026 seeking approval to award the construction contract. To this end, securing the early engagement of a contractor through a two-stage procurement process provides the best solution for meeting the scheme's delivery objectives.

The council is also seeking to procure land from landowners along the length of the scheme. Whilst it is very much preferred that this can be achieved through negotiation, where this is not possible, use of the council's powers of compulsory purchase (CPO) may be required. A report to Cabinet will be brought later in the year to provide a further update.

12: Phosphate income/credits

Stated Delivery Plan Objective: Value nature and uphold environmental standards to minimise pollution and maximise biodiversity.

At the point of drafting, £1,402,242.52 (up by £38,808.00) since my last report in July in phosphate income has been received. To date these actions have released planning permissions for 876 dwellings (an increase of 65 dwellings since July). The Council will receive a further £423,614.00 on commencement of development on these sites.

Other Cabinet Decisions and progress reports

13. Herefordshire Suicide Prevention Strategy

In September, Cabinet approved the Suicide Prevention Strategy for Herefordshire 2025 - 2029. The strategy has been developed in collaboration with local partners and highlights our commitment to reduce the number of local lives lost to suicide. The strategy takes a whole-county, all-age, collaborative approach to reducing the number of suicides in Herefordshire. Partners will be jointly responsible for the delivery of the strategy and will lead the development of a coordinated action plan. Each respective partner will be responsible for delivering their own actions within the plan.

Our local strategy outlines seven commitments that align with, and bring local focus to, national priorities. These are:

- Commitment 1 – Making suicide everyone's business - encouraging all partners to play their part in suicide prevention
- Commitment 2 – Strengthen mental health and early intervention support - increasing awareness of local support, training and activities
- Commitment 3 – Improving data and evidence, to provide up to date local data to inform service delivery
- Commitment 4 – Expanding partnership - working to maintain and build trusted relationships to improve accessibility and delivery of services
- Commitment 5 – Identify at risk priority groups and ensuring support is available and accessible.
- Commitment 6 – Provide effective crisis support - ensuring that the right support is available at the right time including enhanced accessibility to crisis support.
- Commitment 7 – Offer suicide bereavement information and support to increase awareness of suicide bereavement services and support, improve understanding of those affected by suicide and ensure accessibility of support for all ages.

Review of progress made in meeting the commitments of the strategy will be undertaken annually, taking account of key changes in data, trends, national guidance, strategy and policy.

14. Corporate Peer Challenge, held 23 - 26 June 2025

In September, Cabinet received the report on the outcome of the Local Government Association Corporate Peer Challenge, held 23 - 26 June 2025, and to approved the council's action plan in response to the recommendations for publication.

The core messages from the CPC 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.

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 CPC noted that the council's finances are currently in a good base position. A refresh of the medium-term financial strategy (MTFS) will enable the council to undertake more robust scenario planning to prepare for future uncertainties. It also recognised that Herefordshire is a rural county with demographic challenges, such as an ageing population and inequalities in service access, housing, and education.

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. Governance is generally strong with clear structures and ongoing improvements in risk management.

The CPC team identified five key recommendations which form the basis of the council's action plan, these are:

- Recommendation 1: Transformation - focus on corporate transformation and provide the resources needed to deliver.
- Recommendation 2: Use of data must be improved so that insights can flow to support service improvement and framing the scope of the transformation programme.
- 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. And,
- 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.

Cabinet have agreed an action plan to report our progress against these recommendations. These will be monitored and reported upon through the quarterly performance reports to Cabinet.

15. Quarter 1: Performance Report

Cabinet has reviewed performance for Quarter 1, 2025/26 across all Directorates for this period. The performance reports align to the Council Plan 2024-2028 and the associated annual Delivery Plan for the 2025/26. They provide a summary of the activities undertaken

to deliver the key priorities and goals in Quarter 1 and highlights progress in delivery of the key performance indicators.

The report notes that the 199 out of 226 milestones (88%) profiled as being 'in progress' by the end of Quarter 1. In 2025/26 these projects are on track to be delivered by the end of the financial year.

16. Quarter 1: 2025/26 Budget Report

Cabinet has received the Q1 budget report which forecasts the position for 2025/26. The report includes explanation and analysis of the drivers for budget variances, and outlines the current and planned recovery activity to reduce the forecast overspend. The report also provides assurance that progress has been made towards delivery of the agreed revenue budget and service delivery targets, and that the reasons for major variances are understood and are being addressed to the cabinet's satisfaction.

The forecast 2025/26 outturn shows a net overspend of £4.3 M at Quarter 1, before management action estimated at £3.3 M to reduce the forecast overspend for 2025/26 to £1.0 M.

17. Medium Term Financial Strategy – Update

Council approved the 2025/26 Revenue Budget and Medium Term Financial Strategy (MTFS) for the 4-year period to 2028/29 on 7 February 2025. The approved MTFS highlighted significant uncertainty in terms of future funding arrangements and allocations across local authorities over the medium-term period as a result of planned funding reform and reset of Business Rates during 2025.

Informed by assumptions and estimates of funding available at the time of preparation, the MTFS identified an estimated potential funding gap for the medium-term period 2025/26 to 2028/29 of £4.2 M and recognised the need to revise the MTFS to reflect updated levels of funding as information is received from Government. The MTFS report also sets out the approach and timetable for development of the 2026/27 budget and MTFS for the 4-year period 2026/27 to 2029/30, to be recommended for approval by full Council in February 2026.

Key priorities for the council in the current financial year (2025/26) are summarised below:

- a. The delivery of services within the approved revenue budget;
- b. Robust monitoring of in-year performance against the approved revenue budget to ensure timely identification of appropriate management recovery actions;
- c. Delivery of savings comprising £3.9 M of savings in the approved 2025/26 Revenue Budget and £11.9 M of savings not delivered recurrently in prior years which have been carried forward for delivery in 2025/26; and
- d. Development of the 2025/26 Revenue and Capital Investment Budgets, review and update of the MTFS.

The updated estimate of funding represents a potential loss to the 2025/26 baseline position of £12.0 M over the three-year period to 2028/29. Work to challenge and review the previous estimate of net expenditure requirement has been undertaken. The impact of this reduction in funding through the Fair Funding Review requires a revised estimate – this indicates a funding gap of £27.3 M in 2026/27 rising to £54.4 M in 2028/29.

It is expected that this estimate will be subject to change over the months leading up to the publication of the Provisional Local Government Finance Settlement, in December 2025. As a result of further expected updates to data and formulae which determine funding allocations, the MTFS, and underlying income and expenditure estimates and assumptions, will be further reviewed, modelled and tested over the budget development period through to February 2026.

This work will also model and incorporate the impact of transformation and planned savings and efficiencies on the estimated funding gap in 2026/27 and future years.

18. Risk Management Update Quarter 1 2025-26

Cabinet received an update on the status of corporate risks at the end of Quarter 1 2025/26 (June 2025) at their September meeting. The revised Risk Management Strategy 2025/26 and Risk Appetite Statement were approved by Cabinet in June 2025. The Strategy sets out the approach and principles of risk management, outlining the council's risk appetite, to inform the management of risks by Members and Officers across the council.

The council's 2025/26 Internal Audit Plan has been reviewed to ensure it is aligned to the refreshed Risk Strategy and risks identified in the Corporate Risk Register. The development of a comprehensive risk-based plan ensures that internal audit activities are focused on the highest-impact risks to the council's objectives.