



Notes from Cllr Peter Stoddart Cabinet Member Finance

FINANCE

Revenue

The revenue budget for 2026/27 totals £234.1M and includes a 4.99% increase in total council tax. This increases the Band D charge to £2,067.63, which represents an increase of £8.19 per month or £1.89 per week. As I explained in a previous email this is significantly better than either Worcestershire or Shropshire. I would like to remind everyone that as a result of the (un) Fair Funding review 2: Urban councils are expected to receive around 32% more per head in Government-funded spending power for 2026/27. That rural residents will pay around 17% more in council tax compared to Urban residents in 2026/27. That by 2028/29, urban authorities' spending power is expected to allow them to spend around £100 more per resident on services than the most rural councils and that by 2028/29, Government-funded spending power for the most urban authorities is estimated to rise by around 20%, compared with around 2% for the most rural councils. I do think that it is worthy of noting that Birmingham City Council a Labour ran local authority which was bankrupt, states that its financial situation for 2026-27 will be "balanced", with services set for £130m investment. I think this shows the true impact of the fair funding review which moves funding from rural to urban authorities. This FY we will be required to make £20M of savings which will be met by controlling costs of service delivery, increasing income from fees and charges, managing demand for council services in high-cost, demand led budgets (an example is entering into long-term agreements with care home providers which can enable £2.5M of savings) and finally delivering efficiencies through review and transformation of services (use of AI in support of social workers reduces their time spent writing up minutes of interviews and thus makes them more efficient.) Of the £20M of savings, 35% or £6.9M are expected to be delivered on 1 April.

We are now working on plans for the 27/28 budget and its required savings of another £20M.

Capital

The capital programme reflects capital investment which generates benefit to the County for a period in excess of one year. The additions for the 2026/27 Capital programme which total £44M of prudential borrowing will: deliver increased temporary and emergency accommodation to respond to homelessness and housing demand across the county; This is the largest addition to the programme at £10M and demonstrates this administration's commitment to address this significant issue. It will mitigate key revenue budget pressures through alternative school provision and Pupil Referral Units (in county cost £17,500PA against out of county cost of £75k not including transport, it is also right and proper that we educate our young people in their county). It will improve the use of technology to deliver efficiencies and innovation in services to residents (enhance use of AI). It will also deliver new infrastructure to support growth opportunities for housing, strengthen resilience of our school and property assets, improve public rights of way access and provide continued investment in the county's road network. Together with supporting the commencement of Phase 1 of the bypass in December 2026.

Performance

We continue to provide open and transparent reports on the performance of the council across the four areas of the Council Plan, People, Place, Growth and Transformation.

Risk

The quarterly risk report provides a review of the corporate risks and highlights any changes to them.

CORPORATE SERVICES

Digital Services. I am investigating the creation of a digital officer to take on the responsibility for broadband provision across the county, management of our terrestrial mobile phone coverage and supporting the take up of new and improved digital services across the county.

ICT: the Chief Digital and Information Officer (CDIO) is reviewing how we use our data and will make recommendations on how we can improve our data usage across the council. He is also producing the Digital Transformation Roadmap. The rollout of the new planning software has been well received and is delivering significant efficiencies in the department.

Employment survey, this year's employee survey is currently starting and will provide me with a report after the summer. The last survey in 2024 provided us with information that Herefordshire Council was a good place to work.

Employee Survey. The latest employee survey reported on the top five positive themes: staff feel their roles have purpose, teams are committed to quality work, teams support each other, staff understand how their jobs fit into council priorities, and willingness to go beyond expectations.

Health and safety. This continues to focus on Lone Working solution which has seen the rollout of lone-working devices and the Health and Safety Executive (HSE) Asbestos planned Visits.