

SUPPLEMENT TO THE AGENDA FOR

Council

Monday 18 February 2013

10.00 am

Council Chamber - Brockington

**SUPPLEMENT – ANSWERS TO QUESTIONS FROM MEMBERS OF THE PUBLIC AND
FORMAL QUESTIONS FROM COUNCILLORS**

NOTE: No questions were received from members of the public for this meeting.

Question from Councillor RI Matthews

1. *As part of our savings proposals, it has been suggested that the Council considers recovering the full cost of school transport. Can you tell us how much parents pay at present, and what the sum would be if such a scheme was implemented?*

Answer from Councillor GJ Powell Cabinet Member Education & Infrastructure

Answer to question 1

Where the council has a statutory duty to provide free home to schools transport this will not change.

We do offer discretionary transport provision to enable young people to attend post-16 education, to enable children to attend faith schools outside their normal catchment area and to maximise the use of existing provision we offer vacant places on school transport at a cost.

The council has a duty to ensure that our resources are directed at supporting those most in need. In line with our agreed charging principles we endeavour to, where possible, recover the full cost of the services we provide, while working to reduce the costs of those services.

The current fee for discretionary transport averages £172 per term for the 2012/13 academic year; if the subsidy for these services were removed that fee would currently rise to £283 per term.

We propose that the subsidy will be removed over a two year period. At the same time, as a result of the Transport & Travel Root & Branch Review, we will be integrating the transport network with the aim of reducing the overall cost.

Support for low income families remains available for post-16 transport through the Further Education Bursary Scheme administered by schools and colleges, and for denominational transport or the vacant seat payment scheme (under extended rights legislation) for those in receipt of free school meals or maximum Working Tax Credits.

Question from Councillor C Nicholls

2. *Quote from "A Tourism Strategy for Herefordshire 2010-2015" c/o Stevens & Associates:*

"Herefordshire's visitors (combining overnight tourist and day visitor spending) produced almost £416 million for the local economy in 2009. That is approximately £2,311 for every resident in the County per annum – a pretty good return for the Council's current investment in supporting tourism of £465 per person: a 900% ROI. Visitor spending also helps support over 8,500 jobs in the County."

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In the light of these findings, and recognising that building a strong economy in Herefordshire is one of this Council's top 2 priorities, why is this Council proposing to cut its support to tourism?

Answer from Councillor RJ Phillips, Cabinet Member Enterprise & Culture

Answer to question 2

I recognise the importance of tourism in the wider economic well-being of the county. In line with the strategy agreed by Cabinet in 2010, the recent commissioning of Visit Herefordshire to manage and oversee the development of a modern and vibrant tourism strategy in the county has reaped many benefits; the Food Festival in Hereford City Centre last year being a very obvious example of how we can work in partnership with the private sector to benefit the wider economy, in line with our corporate priorities.

Nevertheless it is entirely appropriate that the Council should seek efficiencies in its commissioning with Visit Herefordshire, as we are with all our service delivery arrangements, given the very major financial pressures to be faced both in 2013/14 and beyond. Productive discussions have already taken place with Visit Herefordshire, and Visit Herefordshire is an active member of the Local Enterprise Partnership through which they may seek support in the future. I am confident that the proposed savings can be achieved without affecting the delivery of front-line services.

Question from Councillor AJW Powers

3 *We are told that for 2013-14 there is a "very high risk" of failing to deliver the identified savings in Adult Social Care. What assurance can be given that the proposed budget for the People's Directorate - given both the pressures faced by this directorate and its record over recent years - is realistic, robust and achievable?*

Answer from Councillor PM Morgan, Cabinet Member Health and Wellbeing

Answer to question 3

I will not pretend that the challenge faced – not by one directorate but the whole council - is not significant.

In setting the budget we have taken into consideration a wide range of factors in determining our budget requirements, including projected demographic pressures, changes in national funding, and the resources needed to deliver the transformation. This has been a much more robust and considered piece of work than in the past. The New Leadership Delivery Board will play an essential part in delivery of this budget as the challenge must be seen in the context of the whole Council budget.

While setting the budget I invited the Health & Social Care Overview and Scrutiny Committee to review the proposed budget, and I am grateful for their consideration of the matter. The Health & Social Care Overview & Scrutiny Committee has reviewed the

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proposed budget and, whilst acknowledging the risks to delivery, did not suggest the budget proposals were not realistic, robust or achievable. I also welcome their continued commitment to playing a key part in the monitoring and assurance of delivery going forward.

It is also true that, even with the best planning possible, the adult social care sector has to contend with a degree of volatility over which we have no control. I cannot say strongly enough that the solution to the challenge we face in Herefordshire (which is not unique), is not restricted to the adult social care service. It requires a whole organisation – and indeed a whole community response. Whilst there is much we can, and will do, to deliver the most efficient service possible targeting our resources at those in most need, the fundamental issue is that we must all look again at our own contribution to ensuring that, as we age, we remain as healthy as possible for as long as possible, and that people can access the information and advice they need at an early enough stage to prevent them needing high cost services at a later date.

Every member of this council, every organisation in Herefordshire, and every resident has a part to play in helping to ensure that we are able to provide the best possible service to our vulnerable people – within the resources available to us.

Question from Councillor AJW Powers

- 4 *Further 'prudential borrowing', for the capital expenditure programme to 2016 (Medium Term Financial Strategy, 5.15.7), is projected to be £60.5m. The council's treasury adviser (Arlingclose) forecasts Public Works Loan Board rates "to increase by only 0.10% per annum", but also warns that these "could be up to 1% higher" than forecast. PWLB rates (see Treasury Management Strategy, Appendix 3) for 2013-14 have already risen by up to 0.15% during the last month alone. An increase in rates of 1% would add £605K to these borrowing costs to be met from revenue, and the Operational Boundary for external debt (MTFS Appendix 2, 7.4) is based on a "prudent but not worst case scenario". What modelling and risk management has been done to ensure the viability of the MTFS if rates on PWRB and other loans turn out to be higher than forecast?*

Answer from Councillor AW Johnson, Cabinet Member Financial Management

Answer to question 4

It is important to remember that our borrowing is undertaken to deliver projects that meet community needs and support the council's agreed priorities; whether that is delivering essential flood alleviation work, environmental improvements such as energy saving measures, construction of schools, improvements to our roads condition and network, or to enable the council itself to operate more cost effectively and therefore reduce the cost to the revenue budgets.

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The council's treasury management team continues to take advice from our advisors on issues such as recent changes in Public Works Loan Board rates. This helps ensure we have up to date advice to respond to any changes in borrowing rates. We model changes in rates to understand the potential impact of any such variations. The most effective mitigation is to move borrowing to lower levels of interest as and when these become available. This has given us certainty for existing borrowing.
