

Public questions to Council: 3 March 2017

Question from Mrs E Morawieka, Breinton.

Question 1

Potential risk to the council.

Herefordshire Council is a joint owner of Hoople Ltd with Wye Valley NHS Trust.

The latest published accounts for the two years to 31st March 2016 state that this company:

1. has accumulated losses of £1.369million;
2. the amount of its pension deficit has gone from £101,000 to £2.097million;
3. it's turnover year on year has decreased by 8%.

During the 2015/16 financial year five of the six non-executive directors resigned in just one month and none of them signed their emolument certificates. Would the cabinet member with responsibility for the company please confirm that Hoople Ltd's financial situation poses no risk to the council's current budget or the medium term financial strategy?

Answer from Cllr Tony Johnson, cabinet member corporate strategy and finance

Yes. The council's budget and its medium term financial strategy appropriately reflect the obligations of the operating agreement between the council and Hoople, and the trading relationship is fully disclosed in the council's own financial statements as a related party. The council has, and will continue to work with Hoople to reduce operating costs and improve profitability.