

**Supplement to the agenda for**

# **General scrutiny committee**

**Friday 30 November 2018**

**10.15 am**

**Council Chamber, The Shire Hall, St Peter's Square, Hereford,  
HR1 2HX**

**Supplement 3 – Briefing document relating to public questions**

**Pages**

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| <b>7. SETTING THE 2019/20 BUDGET, CAPITAL INVESTMENT AND UPDATING<br/>THE MEDIUM TERM FINANCIAL STRATEGY</b> | <b>3 - 6</b> |
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<b>Meeting:</b>	<b>General Scrutiny Committee</b>
<b>Meeting date:</b>	<b>30 November 2018</b>
	SUPPLEMENTARY BRIEFING REGARDING ISSUES RAISED BY MEMBERS OF THE PUBLIC

### **Introduction:**

This briefing note provides further information on the points raised by members of the public following publication of General Scrutiny Committee agenda and papers and is published in advance of the committee meeting to inform committee discussions as they scrutinise the Cabinet's budget proposals.

### **Issues:**

#### **1. Hereford Transport Package Business Case / Funding**

The 2018/19 approved bypass budget and 2019/20 budget request if approved will fund development costs of the Hereford Transport Package (HTP). The budget enables detailed design of the red route selected by cabinet in July 2018 to commence and to continue in 2019/2020 for further consultation. It will also fund the design and consultation of the active travel measures which along with a new bypass route comprise the HTP. The HTP (Hereford Bypass) is a key infrastructure project which will support the planned core strategy growth and is a priority for the council to deliver. It will be delivered to provide the infrastructure capacity which will ensure much needed new homes in Hereford and jobs for Herefordshire people and to ensure that Hereford city becomes a healthy and prosperous place to live.

In accordance with Department for Transport (DfT) process for funding major infrastructure schemes a strategic outline business case (SOBC) was developed for the Hereford Transport Package in 2014 based on the level of scheme detail at that time. This document set out an estimate of the benefit cost ratio (BCR) for each section of a possible bypass scheme and an estimated BCR of 12.6 for a bypass from the end of the Southern Link Road (SLR) to the A49 north of Hereford. The estimated BCR of the South Wye Transport Package (SWTP) including the SLR is 3.55 and this is set out in the SOBC for that scheme. Both documents confirm that these projects represent strong value for money to justify investment. The process of updating the business case documents for each scheme as they are developed and progressed and consents are secured is part of the normal DfT process for major scheme funding and whilst the BCR may vary from that set out in the SOBC these projects will deliver benefits which will ensure the DfT value for money test will be met.

## **2. Southern Link Road Business Case / Funding**

Funding for the Southern Link Road (SLR) as part of the South Wye Transport Package (SWTP) has been secured and some funding has been draw down from the Department for Transport (DfT) to fund SWTP development costs This was secured on the basis of the Strategic Outline Business Case (SOBC) which confirmed that the scheme demonstrated strong value for money using DfT criteria and guidance. The process of updating this document as the SLR scheme is developed and consents are secured is part of the normal DfT process for major scheme funding. There is no reason not to progress the bypass scheme alongside the detailed design of the southern link road and statutory consents process. The benefits of the SWTP were clearly demonstrated in the SOBC and the full business case will update these with a more detailed case for the scheme.

## **3. Savings proposal for public and school transport**

Savings in relation to public and school transport have been identified over each year of the Medium Term Financial Strategy. The savings proposals outlined in the report highlight the public consultation and decisions already taken in relation to the delivery of the savings identified. Savings over the period have been delivered through contracting efficiencies, integrating school and bus contracts, some service reductions and withdrawal of subsidy for evening and Sunday services. These reflected the priorities of users established through public consultation. Further consultation was undertaken in 2016 to review service priorities and inform any further decisions which might be required to achieve ongoing savings. The savings identified for 2019/20 are currently planned to be delivered through contracting efficiencies and no further decisions are expected. However if this were to change, then a full consultation and EIA would be completed as part of the decision making process.

## **4. Approach to developments being delivered through the Development and Regeneration Partnership**

The Cabinet member decision dated 12<sup>th</sup> November 2018, in response to the motion passed by Full Council on 13<sup>th</sup> July 2018, states that ‘the development and regeneration partnership arrangements as set out in the report provide assurance that full consideration will be given on a project by project basis to the social, environmental, and economic dimensions of planned development’. The report states that the Development Partnership contains contractual requirements that will ensure that the regeneration programme is delivered in a manner that is responsive to local needs and priorities by enhancing the county’s natural and built environments through the provision of quality housing that meets specified building code standards that will reduce running costs. It is expected that developments will, in addition, enhance the quality of life for residents including through the creation of open space and maximising sustainable transport. Importantly, the Development Partnership also contains a range of contractual requirements that will benefit the community by promoting quality of life for all and enables support for volunteering, community groups and third sector organisations who, for instance, could work to maintain and enhance the natural environment. The decision as to what standards are applied to a development lies with the council and will be balanced against development returns and other outcomes on a case-by-case basis. It has been agreed that the development partner will be requested, on new housing developments, to identify enhancements to any basic standards that could be considered on each development and the associated benefits and impacts will be considered as part of the assessment of the business case by the Council and its partners.

## **5. Corporate Fleet Procurement**

Ensuring the best environmental performance is a key objective of the Council's carbon management plan and has been considered during the development of the business case for replacement of corporate fleet vehicles. This included consideration of alternative fuelled vehicles, and both electric cars and electric vans have been trialled.

Unfortunately the electric vans were unsuitable for the services that require vans and mini-buses due to the current limitations on range and recharging times.

The Council is committed to continuing to seek to introduce the most effective and beneficial technologies to improve environmental performance and deliver cost savings. Performance on the Council's carbon management plan is published annually and current performance is a 36.5% reduction in carbon dioxide in 2017/18 against an ambitious 34% reduction target. The baseline year was 2008/09.

The Council has recently invested in 5 hybrid pool cars and will shortly receive delivery of an additional 5 fully electric pool cars. In addition, the Council also uses Herefordshire Pedicargo for the courier service which uses zero emission vehicles.

As electric vehicle technology develops this will continue to be monitored and considered as part of future vehicle replacement programmes.

The 10% improvement in fuel efficiency within the business case is the minimum which I expected to be achieved and it is anticipated that due to the age of the current fleet the actual efficiency improvement is likely to exceed this.

## **6. Consultation on capital items**

The budget consultation sought views on the strategic priorities for capital investment. The proposals for inclusion in the capital programme identify individual allocations. If these individual requests, are support by Council, where appropriate they will be subject to further consultation prior to implementation.

## **7. Potential savings in relation to waste contracts**

Herefordshire Council is a Unitary Authority which means it is both a Waste Collection and a Waste Disposal Authority. The waste services are carried out by private sector waste management companies that have successfully tendered for this work. Waste collection is undertaken by FCC through a direct contract with Herefordshire Council and waste disposal is undertaken through a joint waste management contract with Worcestershire County Council. Any savings have to be negotiated and agreed with our contractors and go through the council's governance process before any savings can be realised. Savings may be realised during the current contract periods in a variety of ways for example through working with current contractors to identify efficiency improvements and innovations to ensure service is delivered at a lower cost.

## **8. Potential Adults and communities savings**

The savings targets have been reviewed and those contained in the medium term financial strategy are considered achievable. The service regularly reviews the support packages with clients as clients' needs change over time. On occasion the package that we agree with clients that best suits their needs and allows them to live independently and remaining safe and in good health may cost less than the previous package. In these occasions the savings flow back to the council.