

**Response from the meeting of the Cabinet on the
O&S Committee's Comments – 29 September 2022**

Item Number 4 – Quarter 1 Budget Report

Scrutiny Comment:

The Committee noted the report and thanked officers for their time in producing it. The Committee noted the positive impact the new financial system is having already and would like to thank officers and Members for the collaborative work on that.

Members highlighted their concerns on the impact of the energy crisis on Council finances and look forward to receiving an action plan on that in the near future.

Members have also asked that where emergency powers are used, full details should be made available in the Cabinet report to enable scrutiny to take place efficiently.

Cabinet Response:

The Leader advised that in terms of the cost-of-living crisis, there was a package of measures that was originally going to come through the Leadership Coordinating Group (LCG), but this was postponed due to the funeral of the Queen. There was a special LCG session organised for 3 October to deal with this work, and the drafts he had seen so far had been very impressive and he was confident a strong package would be put forward. With the Medium-Term Financial Strategy (MTFS), there was a need to get a grip on the projected £3 million deficit, however there had been similarly eye-watering amounts projected in previous years and the Council had managed to do something about it. There was a plan to take the budget development through the Resources Programme Advisory Board (PAB) as well as through LCG, to ensure that this was done on a cross-party basis and to give the full disclosure of the thinking behind decisions. The Leader offered to sit down with Councillor Davison to go through the details of the Spencer Yard project, in order to give him the confidence he was looking for.

Councillor Hales noted the concerns regarding the increase in gas, electric, but it was important to note the steps already taken, for example the use of reserves for the applause package for staff, as well as the use of funds for the Energy Rebate scheme. He thanked the support of Group Leaders, and officers for their efforts in working to produce the balanced budget that was required. He then proposed the report as laid out.

The recommendations in the report were approved.

Items 5 – Final Accounts 2021/22

Scrutiny Comment:

The Committee noted the report and congratulated officers on their efforts.

Cabinet Response:

The recommendations in the report were approved.

Item 6 – Relocation of Kenilworth Wardens

Scrutiny Comment:

Members were concerned about the level of financial risk inherent in the project.

The Committee recommended that the Cabinet should fully understand all different scenarios including project overspend, and that the Resources PAB should review the business case prior to disbursement.

Cabinet Response:

In response to the comments and recommendation made by the Overview & Scrutiny Committee, Councillor Hales proposed the following amended additional condition:

“That Cabinet agrees to release £300,000 from the Council’s Reserves/Balances, the precise source to be determined by the Head of Finance and asks that the Resources PAB reviews the business case and reports its findings to the Leadership Co-ordinating Group (LCG) prior to the release of the funding”.

The Leader gave the opportunity to the Chair of the Overview Scrutiny Committee to comment on whether the amended additional recommendation satisfied the concerns raised by the Committee. He stated that although it was noted that the money was recoverable with the sale of the land, there were other potential consequences where if the project were considerably overspent, that money would need to be recovered from somewhere, having consequences both to the Council and the Wardens.

The Deputy Chief Executive and Monitoring officer advised that he agreed with that concern, and a review of the business case would include that scenario, and he gave his assurance that he would work with the Resources PAB on this, which the Chair of the Overview and Scrutiny Committee was satisfied with. The PAB would review concerns about the sustainability of the club, its business model going forward, the cost of the move to pay for the relocation, scenario planning, for example an exit strategy if needed. The homework behind this would also come through the LCG, whereby a view on whether to progress or reverse the decision that the Cabinet would take at this meeting.

The recommendations in the report were approved, along with an additional recommendation that Cabinet agrees to release £300,000 from the Council’s Reserves/Balances, the precise source to be determined by the Head of Finance and asks that the Resources PAB reviews the business case and reports its findings to the Leadership Co-ordinating Group (LCG) prior to the release of the funding.

Item 9 – Notices of Motion from July Council

Scrutiny Comment:

The Committee supported the report. In respect of Motion 1, the Committee asked that the legal advice provided by the Council’s solicitors should be circulated to Cabinet ahead of its meeting. The Committee asked Cabinet to consider this advice before making its decision on the item.

With regards to Motion 2, the Committee received reassurance from the Head of Development Services that Policy H6 Guidance would be updated in due course, and that an updated Local Development Scheme would be brought to Cabinet in December.

Cabinet Response:

The recommendations in the report were approved.

(The legal advice had been circulated as requested in respect of Motion 1.)

Item 12 – Hydrogen Strategy

Scrutiny Comment:

The Committee welcomed the report and recognised the complexity of the topic. The Committee welcomed the reassurance from the Portfolio Holder for Climate Change that this was an evolving situation and that a revised Hydrogen Strategy document would be brought forward in early 2023, alongside the business case.

Cabinet Response:

The recommendations in the report were approved.

Item 13 – Covent Garden Car Park

Scrutiny Comment:

The Committee welcomed the report and thanked officers for their efforts in bringing it forward.

The Committee recommended to Cabinet that the feasibility study should look at the potential for generating electricity for future, in line with the Council's ambitions.

Cabinet Response:

The recommendations in the report were approved, along with the following recommendation from the Overview and Scrutiny Committee:

"the feasibility study should look at the potential for generating electricity for future, in line with the Council's ambitions".