

Appendix A – Revenue and Capital Proposals

This appendix sets out by Lead Member Portfolio the following information:

Budget Pressures – This table provides information of the financial pressures that are emerging for 2022/23. The estimates are based on the latest evidence and intelligence. The additional budget provision will be built into the budget for 2022/23.

Budget Growth – This table provides information on the requests that have been put forward for increased budget in 2022/23 to fund increased service provision. The Council in March could choose not to agree this additional budget.

Budget Reductions – This table provides the full details of the proposed cost reductions and additional income for 2022/23. These are subject to consultation until 12 January 2022. Leadership Team will consider the feedback from the consultation in developing the final budget for 2022/23 that will be presented to Council in March for approval. These savings are required to achieve a balanced budget for 2022/23. Any reductions not approved will need to be replaced with alternatives on a £ for £ basis.

Capital Review - This table provides the outcome of the review of the existing capital programme. Some schemes are proposed for deletion, some are proposed to move to the pipeline and others for re-phasing to future years. This review process is ongoing. All schemes that remain in the programme will need to be underpinned by a robust business case setting out costs and timescales for delivery.

New Capital Investment - This table provides details of the bids that have been put forward for new capital investment. These are subject to consultation until 12 January 2022. Leadership Team will consider the feedback from the consultation in developing the final capital programme for 2021/22 to 2023/24 that will be presented to Council in March 2022 for approval. Some schemes are recommended for including in the programme and some in Capital Pipeline 1. All schemes that go into the programme will need to be underpinned by a robust business case setting out costs and timescales for delivery.

- A Adult Social Care and Public Health
- B Family and Children Services
- C Grenfell, Housing and Social Investment

- D Communities
- E Culture, Leisure and Community Safety
- F Planning, Place and Environment
- G Finance and Customer Delivery
- H Cross Cutting / Council Wide

E Cllr Emma Will – Culture Leisure and Community Safety

Budget Pressures

£'000	Description
Environment and Communities	
92	CCTV – There is a current budget pressure of £92,000 related to the Service Level Agreement with Hammersmith and Fulham. This is currently funded in year from contingency but will need ongoing funding whilst the new service is being developed.
30	Modern Slavery - The Council published its inaugural modern slavery procurement statement in October 2020. The council committed to producing a Modern Slavery Strategy as part of its key decision process for the statement. To deliver on the Strategy, the Council have recently recruited a Bi-Borough MSE Coordinator. This post is shared with WCC. The full cost of the post is circa £60k annually where WCC have agreed to share the cost at 50%.
122	

Proposed Budget Reductions

Current Budget	2022/23 £'000	2023/24 £'000	2024/25 £'000	Description
Environment and Communities				
(1,306)	-	(10)	(10)	Registrars Income - Registrars aim to further increase revenue from ceremony services by: (a) increasing numbers of bookings through an improved customer offer (part of a wider commercialisation plan) and increased marketing and communications, and (b) increasing fees to ensure they start to match market rate and cover the real cost associated with delivering ceremonies.

Current Budget	2022/23 £'000	2023/24 £'000	2024/25 £'000	Description
9	(9)	-	-	Community Safety - The Independent MARAC Chair post has been vacant since May 2020. At the time when the MARAC was established over 10 years ago, there was a skills shortage in this area of expertise, as such the decision was taken to recruit an independent Chair. As the MARAC has become established and embedded locally and nationally these have been chaired by statutory organisations such as the Police and therefore savings can be realised on the salaries budget.
118	(118)	-	-	Community Safety - The Council is part of a three-year agreement with the Police that will end on 31 March 2022. When the contract comes to an end in March 2022, the proposal is that the contract will not be renewed or extended.
(1,179)	(127)	(10)	(10)	

New Capital Investment – Recommended for inclusion in the Capital Pipeline

2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/14 and Beyond	Total	
Environment and Communities					
-	400	-	-	400	Library Community Events Space – This scheme will refurbish the lecture theatre at the main library and will include painting rooms, replacing flooring, outside ramp installation costs, equipment costs, lighting, glass doors/partitions, decanting IT server and associated costs. <u>This is recommended for inclusion in Capital Pipeline 1 until further details on the works and timescales are agreed.</u>
-	200	-	-	200	Virtual Library – This scheme will develop a new and innovative Bi-Borough Virtual Library that builds on the value of our physical libraries to enable access to those residents who would otherwise be unable to read, learn and connect. <u>This is recommended for inclusion in Capital Pipeline 1 until further details on the works and timescales are agreed.</u>
	170			170	Environmental Health – This scheme will upgrade from Acolaid to IDOX Cloud - a new database system to allow officers to access data/ upload data whilst out in the field.
-	770	-	-	770	

F Cllr Johnny Thalassites – Planning, Place and Environment

Budget Pressures

2022/23 £'000	Description
Environment and Communities	
35	Building Control - Lessons learnt thus far from Module 2 of the Grenfell Inquiry is the importance of having Mechanical and Electrical (M&E) engineering expertise within the Building Control Service. Currently for major projects the service utilises an M&E consultant at additional cost, however the consultancy does not provide the full remit of M&E engineering required for Building Control such as site inspections. This will contribute towards Kensington and Chelsea being an exemplary Building Control Service.
61	Flood Prevention - The post will ensure that the Council meets the requirements set out in the Flood and Water Management Act 2010, the Flood and Risk Management Regulations 2009 and related regulations and guidance.
400	Planning Income – The Council had a steady increase in planning development income pre-2017/18, despite a general economic downturn. This led to an increase in income targets as part of budget planning during those years. However, recent years have seen a significant reduction in income due to reduced development activity. There are several interconnected reasons for this: economic uncertainty; reduction in major development opportunities and developers' reduced use of the Pre Planning Application process. The shortfall in income is £900,000 but the proposal is to include £400,000 in the base budget for 2022/23. Monitoring will be carried out in year to assess if additional provision is needed .
113	Planning - Funding for two years – This will fund two posts in Building Control/ Environmental Health to undertake work arising from the Building Safety Fund programme.

2022/23 £'000	Description
383	Waste Disposal – There is expected to be an increase in disposal costs due to gate fee increases and increased tonnage collected compared to pre-pandemic levels but a reduction over the years for recyclables and general waste which constitutes a substantial proportion of the waste disposed by the Council. There is a forecast shortfall of £1.2m over the next three years of which £383,000 is required for 2022/23. This would have been higher but Western Riverside Waste Authority are subsidising the recycling rate from 2021/22 to 2024/25.
167	Waste Contract - The demand for HGV drivers is a national concern and is starting to impact locally. Within the waste contract, increased salary has been agreed for drivers to retain staff. This is a shared cost with the provide, of which £167,000 is the Council's contribution.
1,159	

Proposed Budget Reductions

Current Budget	2022/23 £'000	2023/24 £'000	2024/25 £'000	Description
Environment and Communities				
(76)	(10)	-	-	Garden Waste - Increased income from the garden waste service than originally expected due to higher demand.
174	(20)	-	-	Street Lighting – Savings from greater efficiency and longevity of LED's. This means the Council has reduced costs for maintaining lighting at the Zebra Crossings in the borough.
4,036	(140)	-	-	Highways Contract – Savings through the negotiation and extending our highways contracts to 2025 efficiency savings have been identified.

Current Budget	2022/23 £'000	2023/24 £'000	2024/25 £'000	Description
1,103	(56)	-	-	Network Management - Annual savings of £56k reflect the increase in fees related to Section 50 work and Crane licences and an approximate 20% of additional income associated with Temporary Traffic Orders. In the shorter term, an increase in the amount of Street Works activity over the last 18 months has led to increased income being generated. This has primarily been driven by the roll out of Fibre to the Premise broadband. This level of activity is likely to continue for the next 18-24 months. Proposed legislation changes by the DfT which are likely to be introduced late 2022/23 may have a negative impact on some income streams because of incentivising good performance by utility companies so budgets may need to be reviewed as a result of this in 2022/23.
2,357	(60)	-	-	Parking – Introduction of a new suspensions system within parking to facilitate on street suspensions, single yellow line dispensations, skip licenses, plant and material and temporary structure licenses. The new solution will create more opportunities for customers to self-serve. Customers would be able to book and pay for their system online. This will result in staff savings.
26	(9)	-	-	Parking services vehicles - The number of vehicles will be reduced from 9 petrol vehicles to 7 hybrid/electric vehicles, which will reduce the carbon footprint and result in savings on fuel.
90	-	(90)	-	Parking - The current IT solution is limited in its online capabilities such as not having an account for a customer to log into online that allows them to self-serve more efficiently and effectively. Adding more self-serve options will reduce the amount of handling and checking by officers and result in staff savings.
(10,989)	(250)	-	-	Parking - Improvement in penalty charge notice recovery rate by 2% from 76% to 78% which will increase income.
7,459	(50)	-	-	Parking - Ongoing underspend on expenditure budget linked to cashless parking and no cash collection costs

Current Budget	2022/23 £'000	2023/24 £'000	2024/25 £'000	Description
260	(100)	-	-	Parking – Integration of the Council's Web payments platform HeyCentric with the primary parking system, SiDem and its online portal OCM. This would remove the need to use the current third-party solution Credit Call where the Council incurs a 1.48% transaction fee on top of normal card charges. The journey for the customer would remain the same.
5,235	(40)	-	-	Parking - Review of NSL's management team to reduce costs whilst maintaining service standards
19	(10)	-	-	Parking - Currently we send approximately 600 resident permit reminders by post each week. This project will develop email reminders to customers, saving money on printing and posting and allowing customers to receive reminders in a timely manner.
5,235	(26)	-	-	Parking - Change to the car pound opening hours so that it closes at 9pm rather than midnight.
347	(48)	-	-	Planning - The main legal costs incurred by the Planning department are for ad-hoc advice relating to complex issues, and appeals relating to major applications. Over the past few years, costs have been on a downward trajectory. This provides an opportunity to reduce the legal budget by £48k
1,586	(500)	-	-	Waste - The levy charge from Western Riverside Waste Authority has been reduced in recent years. However, the charge is set by Western Riverside Waste Authority and therefore there is a risk it could increase in future years.
(10)	(6)	-	-	Environmental Health – This saving is from recurrent underspends on budgets that are no longer required.
0	(20)	-	-	Environmental Health - The Control of Pollution Act 1974 gives Local Authorities the power to control noise and nuisance from construction projects. A S61 notice is obtainable from the Authority, for a fee. Expected income from this is £20,000 per annum.
16,852	(1,345)	(90)	-	

Capital Programme Review – Schemes Recommended for moving to the Capital Pipeline

2021/22 £'000	2022/23 £'000	Description
Environment and Communities		
-	4,500	North Kensington Footbridge - Construction of a footbridge to link North Kensington (Freston Road/ Bard Road) with White City (Westfield/White City Underground and Bus stations). The scheme would deliver improved access to employment and services, attract investment in the local community, and greatly improve walking and cycling links to White City from North Kensington, with consequent benefits for public health. The large office block development on the site needs to be completed first and revised plans are due to be submitted by the developer but this has not yet been confirmed. <u>This is recommended to move to Capital Pipeline 2 until further details on the scope and timescales are known.</u>
-	4,500	

New Capital Investment – Recommended for inclusion in the Capital Programme

2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 and Beyond	Total	Description
Environment and Communities					
-	60	2,500	100	2,660	Waste Fleet – The Council has committed to making its fleet fully electric, and this includes our waste collection fleet. Major upgrade works are required. In 2025, 18 of our Refuse Collection Vehicles are up for renewal, 17 in 2026 and then 26 vehicles in 2028.
-	60	2,500	100	2,660	

New Capital Investment – Recommended for inclusion in the Capital Pipeline

2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 and Beyond	Total	
Environment and Communities					
-	85	-	-	85	<p>Acoustic Cameras As part of the Public Space Protection Order (PSPO) Nuisance Vehicles extension and expansion proposals, this investment will fund 6 acoustic cameras. Neighbourhood CIL will be used to fund the operating costs.</p> <p><u>Recommendation Capital Pipeline 1 until further developed into a proposal.</u></p>
-	100	700	700	1,500	<p>Streetscape Improvements - Gloucester Road from Crowell Road to Stanhope Gardens is a key corridor in the Borough. It is both a retail hub, residential centre and key tube line destination with Central/District and Piccadilly Lines stopping at Gloucester Road tube station. This scheme will improve this corridor and make it safer, provide better pedestrian and, cyclist facilities to help rejuvenate the area. There is an opportunity to develop the plans and construct the improvements to streetscape.</p> <p><u>Recommendation Capital Pipeline 1 until further details of the scheme are known.</u></p>

2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 and Beyond	Total	
-	250	250	250	750	<p>Highway Improvements - The Highways Improvements Budget has been the Council's commitment to improvements to highways and the public realm and the ability to deliver localised projects, which meet Council and local ambitions to reduce accidents and improve Active Travel. Further £250k is needed for 2025/26.</p> <p><u>Recommendation Capital Pipeline 1 until further details of the localised projects are known.</u></p>
-	100	700	2,400	3,200	<p>Portobello Streetscape - Portobello Road is one of the Borough's iconic locations, famed for its street market, culture and the venue for many film productions. Golborne Road was part of an improvement in 2017, and the Market Plan and gas main replacement has highlighted that Portobello Road needs improvements to manage the safety of the market and improve the streetscape of the street. This is an opportunity to investigate improvements to streetscape and give the local community and traders the opportunity, through the Market Action Plan, to help develop the streetscape.</p> <p><u>Recommendation to bring this from Capital Pipeline 2 to Capital Pipeline 1</u></p>

2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 and Beyond	Total	
-	600	600	600	2,400	Streetscene Improvements - The Street Scene Improvements Budget has been the Council's commitment to improvements to highways and the public realm and the ability to deliver localised projects, which meet Council and local ambitions to improve local Place Making. A further £600,000 will be required for 2025/26 <u>Recommendation Capital Pipeline 1 until further details of the localised projects are known.</u>
-	1,800	-	-	1,800	CCTV Control Room – This proposal covers the establishment of a new CCTV Control Room service for the monitoring of the council's public space and Housing Management CCTV cameras in the borough. This project will bring together the two currently separate networks of cameras as directed by the borough's CCTV Strategy agreed in June 2021. The feasibility study and internal communication between the two teams will be carried out during the current year and a detailed business case developed. <u>This will be part funded through potential developer contribution (£1.2m)</u>
600	2,935	2,250	3,950	9,735	