

Appendix A and B – Budget Proposals

This appendix sets out by service area the following information:

Budget Pressures/Growth – This table sets out details by service area of the budget pressures/growth that have been identified and evidenced for 2025/26. This excludes pay and contract inflation.

Budget Reductions – The table below sets out by service area all the proposed budget reductions for 2025/26. This report launches them for consultation and the feedback will be considered when Leadership Team recommend the final budget to Council in February 2025. Equalities Impact Assessment (EqIA) – A preliminary EqIA has been completed for all savings proposals. When the impact has been assessed as negative a full EqIA will be carried out.

G – Corporate

Budget Growth/Pressures

Growth Proposal	2025/26 (£'000)	Narrative	EQiA Impact
Contingency			
Contingency	3,700		
Contingency Total	3,700		

Budget Reductions

Capital/Funding			
Public health funding review	(502)	Agreement on centralised review of ongoing cross-cutting public health spend. An internal board has been set up to allocate funding.	No impact
Review of capital funding	(500)	Major Projects Board to review and agree projects to prioritise on the capital programme. Agreement to the reduction of CIL and S106 reserve – but with some limitations for pro-active projects. Request for a cleaned-up Capital Programme list and that makes clear which projects are eligible for CIL and s106 funds.	No impact
Capital/Funding Total	(1,002)		
Commercialisation			
Advertisement	(725)	Expand the current contract for digital advertising on bus stops. Explore advertisement opportunities across the borough. Support for digital conversion of existing paper billboards. Explore all location proposals.	Neutral
Event spaces	(150)	Business case for the event spaces at KTH, including installing a commercial kitchen. Audit of COTH to understand the ROI from the recent expenditure. Explore renting the events spaces to external companies to run.	Impact is unknown
Commercialisation Total	(875)		

Enabling Services and Process Reviews	(500)	The Enabling Services Workstream, part of the Council's Savings and Transformation Programme, aims to generate £500k in savings by reviewing support functions, cross-cutting services, and key business processes. The Enabling Services review targets £150k of savings by examining business support, project roles, and the span of control for heads of service. The Cross-Cutting Services review aims to save £200k by streamlining staff functions across sustainability, digital, grants, events, and employment & skills, focusing on consolidating roles across the organisation and reducing management layers. Finally, the Process Reviews, supported by business analysts, seek to save £150k by improving resource-intensive processes in Customer Services and Environment & Neighbourhoods. Processes such as licensing, noise/nuisance, land charges, and building control will be assessed for quick wins, potentially reducing FTEs and improving service efficiency through better resource utilisation. Longer-term improvements are also planned for areas like construction management and regulatory services.	Impact is unknown
Operational Estate	(733)	This is saving is coming from either renting out or the revenue impact of selling (through a subsequent saving in borrowing costs as capital receipts can be used to reduce the borrowing requirement) parts of the estate the Council is not using for operational reasons. Buildings in scope include parts of Chelsea Old Town Hall, Kensington Central Library, Pembroke Road, Kensington Town Hall and the lodges.	Impact is unknown
Corporate Total	(3,110)		