

## **LABOUR GROUP BUDGET PROPOSALS 2024/25**

The table below sets out the revenue proposals from the Labour Group. Table 1 and 2 shows the total revenue and capital budget implications and then whether this is assumed to be funded against the permanent base revenue budget or a one-off cost funded from reserves.

The revenue proposals total £3.0m, of which £769,000 will reduce the base revenue budget, £3.3m will be funded from the Budget Stabilisation Reserve, £50,000 from the Car Parking Reserve and £360,000 from the COVID-19/Cost of Living Reserve.

The capital proposals total £23.8m, including £24.5m capital growth and £700,000 capital savings. These would lead to net £769,000 increase in the base revenue budget as set out in table 2 below.

Therefore the overall impact of these proposals on the revenue budget is that it remains in balance:

<b>Reserve</b>	<b>Budget Implication £'000</b>	<b>Impact on Base Revenue Budget £'000</b>	<b>Funded from reserves £'000</b>
Revenue Proposals	2,986	(769)	3,755
Capital Proposals	23,810	769	460
<b>Total</b>	<b>26,796</b>	<b>0</b>	<b>4,215</b>

The forecast balance on the reserves that would be used as at 31<sup>st</sup> March 2024 are as follows:

<b>Reserve</b>	<b>Forecast Balance 31/3/24* (£'000)</b>	<b>Proposed use of reserves-revenue (£'000)</b>	<b>Proposed use of reserves-capital (£'000)</b>	<b>Total proposed use of reserves (£'000)</b>
Budget Stabilisation	(22,444)	3,345	100	<b>3,445</b>
Special Projects	(1,897)	0	0	<b>0</b>
Car Parking	(20,783)	50	360	<b>410</b>
COVID-19/Cost of Living	(3,982)	360	0	<b>360</b>
<b>Total</b>	<b>(49,106)</b>	<b>3,755</b>	<b>460</b>	<b>4,215</b>

\*There are already further commitments against these reserves after 31/3/24.

Although the budget proposals below are balanced this is via significant use of reserves. Reserves only offer a short-term funding solution for one off spend and using

£3.8m of reserves to fund ongoing revenue expenditure is not sustainable or advisable.

Reserves can only be used once and if the proposals below were to be maintained permanently going forward these would require permanent growth to the base budget. This would then need to be funded from either additional income/funding or from permanent savings elsewhere.

The Council's policy is to protect reserve balances to manage future uncertainties and for investment into change and transformation that lead to longer term sustainable reductions and stronger financial resilience. These reserves may also be required for future risks to the Council.

**Table 1: Revenue Proposals**

Ref. No.	Proposal- Revenue	Revenue Budget Implication £'000	Impact on Base Revenue Budget £'000	Funded from reserves £'000	Director of Financial Management Comment
1	<p>Do not support the £550,000 saving on continuation of prevention initiatives in Adult Social Care.</p> <p>This is a continuation of forcing vulnerable people into Direct Payments and Digital equipment that they may not know how to use.</p> <p>Fund from Budget Stabilisation Reserve.</p>	550	0	550	<p>Care packages are reviewed with service users and/ or their families and carers to support them to live more independently, in line with their desired health and wellbeing outcomes. Direct payments provide empowerment and choice to service users to organise their own care (if they want to do so). The use of digital equipment enables services users to have less intrusive care arrangements in their lives. Any adaptations to care packages are done following a review of care packages and agreed with service users and/or families and carers.</p> <p>Whilst this saving could be reversed for 2024/25 using Budget Stabilisation Reserve it is important to be clear that reserves can only be used once and if budgets were to be maintained at existing levels permanently going forward this would require a permanent growth bid. This would then need to be funded from either additional income/funding or from permanent savings elsewhere.</p>

Ref. No.	Proposal- Revenue	Revenue Budget Implication £'000	Impact on Base Revenue Budget £'000	Funded from reserves £'000	Director of Financial Management Comment
2	<p>Do not support the £250,000 saving related to staffing within Adult Social Care.</p> <p>Staff cutting at the Adult Social Care And Public Health department will have a direct impact on vulnerable people in our borough. Do not cut staff and transfer work to untrained volunteers. The council should be allowing provisions for staff to be trained and upskilled with scope for volunteering training.</p>	250	250	0	<p>The savings come from vacant posts, which will not make any staff redundant or impact on service delivery. The service has carefully reviewed the staffing budget before making this proposal.</p>

Ref. No.	Proposal- Revenue	Revenue Budget Implication £'000	Impact on Base Revenue Budget £'000	Funded from reserves £'000	Director of Financial Management Comment
3	<p>Do not support the £200,000 saving related to Placements and packages in Adult Social Care.</p> <p>Alternative social care provision should be provided by culturally aware staff with a sound understanding of care needs from health partners, non-profitable organisation and the cooperatives. Do not cut before exploring other opportunities. Stop further outsourcing.</p> <p>Fund from Budget Stabilisation Reserve.</p>	200	0	200	<p>Any changes to care packages for service users will be agreed with service users and their representatives and with service users' health and wellbeing goals as the guiding principle. The service works with disproportionately high numbers of people with protected characteristics, and it is focussed on improving outcomes for these service users. Therefore, this proposal should have a positive impact on services users.</p> <p>Whilst this saving could be reversed for 2024/25 using Budget Stabilisation Reserve it is important to be clear that reserves can only be used once and if budgets were to be maintained at existing levels permanently going forward this would require a permanent growth bid. This would then need to be funded from either additional income/funding or from permanent savings elsewhere.</p>
4	<p>Do not support the £50,000 saving related to Increased nomination to general needs in Adult Social Care.</p> <p>Fund from Budget Stabilisation Reserve</p>	50	0	50	<p>The intention to enhance integration with Housing will help make more appropriate, flexible housing available at the point of discharge into the community. This will help create accommodation options for people with learning and physical disabilities and service users with mental health needs.</p> <p>Whilst this saving could be reversed for 2024/25</p>

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					using Budget Stabilisation Reserve it is important to be clear that reserves can only be used once and if budgets were to be maintained at existing levels permanently going forward this would require a permanent growth bid. This would then need to be funded from either additional income/funding or from permanent savings elsewhere.
5	Halt 'Homecare Transformation' that will only lead to doubling outsourcing and reducing accountability.	0	0	0	The Homecare Transformation Programme responds to feedback from extensive engagement with residents, service users, homecare providers, care workers, Adult Social Care teams, Health and partners from the Voluntary and Community Sector. This work will help ensure that services continue to meet people's preferences and choices.
6	Propose to support local NHS Trusts to implement mass health screening across all Grenfell affected communities and to check for lung disease/cancer	0	0	0	<p>The NHS and the UK Health Security Agency are responsible for the current testing in place and this is funded from their budgets. This includes enhanced health checks and respiratory screening which is focused on survivors and the immediate community around the tower. The offer is being reviewed to ensure it is well utilised and responds to the needs of this cohort.</p> <p>The Public Health department allocates £80,000 a year on population health monitoring in the community around Grenfell. This includes health</p>

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					<p>trends analysis of the wards around North Kensington to check if there are any increases in diseases or reported concerns that could be linked to Grenfell. Additionally public health undertake an annual health and well-being survey of residents to review their needs. The outcomes of both initiatives are shared with the NHS, and to inform their screening and intervention programme. The Council's work through Public Health is funded from outside the Grenfell Recovery budgets.</p> <p>Any additional spend in these areas would require reduction to budgets in other areas of Public Health.</p>
7	Abolish all Home Care, Day Care, transport and home meals charges	1,653	1,653		The result of this will be a £1,653k increase on revenue spend.
8	<p>Commence research into alternative social care provision, such as co-operatives and non-profit organisations and to examine the impact long Covid has on our residents.</p> <p>Fund from COVID-19/Cost of Living Reserve.</p>	110		110	<p>Our Public Health team continues to research and review the impact of Covid on our residents. This will inform any new approach required to support our residents' health and wellbeing. Adult Social Care is always available to those people who meet the Care Act criteria regardless of their diagnosis.</p> <p>The COVID-19/Cost of Living Reserve could fund this proposal in 2024/25. However if this proposal was to require funding year-on-year a permanent growth bid would be required. This would then need</p>

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					to be funded from either additional income/funding or from permanent savings elsewhere.
9	<p>Increase grant support for voluntary sector organisations working in ASCH to cover increasing rents and ongoing costs.</p> <p>Fund from COVID-19/Cost of Living Reserve.</p>	250		250	The COVID-19/Cost of Living Reserve could fund this proposal in 2024/25. However if this proposal was to require funding year-on-year a permanent growth bid would be required. This would then need to be funded from either additional income/funding or from permanent savings elsewhere.
10	<p>Do not support the £300,000 saving related to the future of libraries in Children's Services.</p> <p>Moving libraries to other VCS sites means education is no longer a top priority for the council. Future of Libraries in RBKC signifies a decision to close local libraries.</p>	300	300		The savings proposal is for a budget adjustment following a reorganisation which has already taken place in the Bi-Borough Libraries & Archives function. The reorganisation has delivered a more cost-effective service model, including more streamlined management arrangements. It also lends itself to greater collaboration, working across the Councils and wider communities.
11	<p>Do not support the £420,000 saving related to staffing within Children's Services.</p> <p>Staff cutting will have a significant interruptions to service</p>	420		420	The majority of the savings identified will be delivered through posts which are vacant or expected to become vacant. In areas where there is still some scoping of precise delivery models, full EqIAs will be completed if a restructure is required. However, we expect to be able to minimise the

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	<p>delivery for families and children which could impact children's education and wellbeing.</p> <p>Fund from Budget Stabilisation Reserve</p>				<p>need for redundancy and will protect front-facing roles.</p> <p>Whilst this saving could be reversed for 2024/25 using Budget Stabilisation Reserve it is important to be clear that reserves can only be used once and if budgets were to be maintained at existing levels permanently going forward this would require a permanent growth bid. This would then need to be funded from either additional income/funding or from permanent savings elsewhere.</p>
12	<p>Do not support the £200,000 additional staffing saving within Children's Services.</p> <p>Fund from Budget Stabilisation Reserve.</p>	200		200	<p>The additional staffing savings will be achieved from already delivered staffing savings linked to the repurposing of Olive House for care leaver accommodation. The impact of these changes will be neutral. The Olive House staffing savings have already been achieved and have been managed through a formal staff consultation process.</p> <p>Whilst this saving could be reversed for 2024/25 using Budget Stabilisation Reserve it is important to be clear that reserves can only be used once and if budgets were to be maintained at existing levels permanently going forward this would require a permanent growth bid. This would then need to be funded from either additional income/funding or from permanent savings elsewhere.</p>

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13	<p>Do not support the £40,000 Youth Offending Team saving within Children's Services.</p> <p>The new model that has been developed to support better integration across teams has not been used longer enough to know whether is working or not. Keep reviewing.</p>	40		40	<p>We have recently undertaken a service redesign project to create an adolescent service, encompassing our Youth Offending Team and other services. The project has involved staff and feedback from service users and we have developed a new model which will support better integration across teams. The new ways of working will mean that cases can be managed more efficiently. Staffing savings will primarily be delivered through vacancies and will be subject to formal staff consultation. The new service model will improve the support available to children and their families.</p> <p>Whilst this saving could be reversed for 2024/25 using Budget Stabilisation Reserve it is important to be clear that reserves can only be used once and if budgets were to be maintained at existing levels permanently going forward this would require a permanent growth bid. This would then need to be funded from either additional income/funding or from permanent savings elsewhere.</p>

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14	<p>Free school uniforms for those who need them.</p> <p>Fund from Budget Stabilisation Reserve.</p>	100		100	<p>The Budget Stabilisation Reserve could fund this proposal in 2024/25. However if this proposal was to require funding year-on-year a permanent growth bid would be required. This would then need to be funded from either additional income/funding or from permanent savings elsewhere.</p>
15	<p>Restore free swimming for under 16s.</p> <p>Fund from Budget Stabilisation Reserve</p>	60		60	<p>The Budget Stabilisation Reserve could fund this proposal in 2024/25. However if this proposal was to require funding year-on-year a permanent growth bid would be required. This would then need to be funded from either additional income/funding or from permanent savings elsewhere.</p>
16	<p>Introducing Pollution regulatory team in and around Acklam Road New Homes to monitor the air quality near the highway.</p>	50		50	<p>£50,000 would be able to fund a level of resource for monitoring pollutants in and around Acklam Road. However the proposal would need to be developed in more detail before an exact cost could be confirmed.</p> <p>The Car Parking Reserve could then fund this proposal in 2024/25. However if this proposal was to require funding year-on-year a permanent growth bid would be required. This would then need to be funded from either additional income/funding or from permanent savings elsewhere.</p>

Ref. No.	Proposal- Revenue	Revenue Budget Implication £'000	Impact on Base Revenue Budget £'000	Funded from reserves £'000	Director of Financial Management Comment
17	Increase income from construction management	(30)	(30)		The service have undertaken due diligence on income earning potential as part of 2024/25 budget setting and have already proposed a saving of £50,000 from increased income from construction management. Therefore the total saving would be £80,000 and there is a risk this would not be realistic and therefore not achievable meaning a non deliverable budget would be being set.
18	Promote and increase income generation from location filming.	(20)	(20)		The service have undertaken due diligence on income earning potential as part of 2024/25 budget setting and have already proposed a saving of £50,000 from increased income from location filming. Therefore the total saving would be £70,000 and there is a risk this would not be realistic and therefore not achievable meaning a non deliverable budget would be being set.

Ref. No.	Proposal- Revenue	Revenue Budget Implication £'000	Impact on Base Revenue Budget £'000	Funded from reserves £'000	Director of Financial Management Comment
19	Examine options to hand over care and ownership of Leighton House and 18 Stafford Terrace to National Trust or similar	(358)	(358)		<p>The National Trust has strict acquisition guidelines that need to be met if there is to be any opportunity for the National Trust taking on the property. These include:</p> <ul style="list-style-type: none"> <li>- The property must be of national importance</li> <li>- The ownership should increase benefit to the nation</li> <li>- The property must be under threat</li> <li>- The Trust must be the most appropriate owner</li> <li>- The property should be financially self-supporting</li> </ul> <p>This proposal would need to be subject to further discussions with the National Trust. The Council has an existing relationship and contract with the Heritage Lottery Fund, as the owner of the property. The lottery funding may be at risk if any change in ownership. If this proposal was progressed, there would be some savings associated with running costs.</p> <p>The net revenue budget is £358,000 which would be saved by this proposal</p>

Ref. No.	Proposal- Revenue	Revenue Budget Implication £'000	Impact on Base Revenue Budget £'000	Funded from reserves £'000	Director of Financial Management Comment
20	<p>Do not support the £125,000 saving related to staffing within Housing and Social Investment.</p> <p>Housing staff are needed more than ever to prevent homelessness and support residents' housing needs.</p>	125	0	125	<p>These savings are linked to unutilised funds which are not impacting on individuals or service delivery and recharges for services.</p> <p>Whilst this saving could be reversed for 2024/25 using Budget Stabilisation Reserve it is important to be clear that reserves can only be used once and if budgets were to be maintained at existing levels permanently going forward this would require a permanent growth bid. This would then need to be funded from either additional income/funding or from permanent savings elsewhere.</p>
21	Increase Hard Facilities Management contract saving by a further £200,000	(200)	(200)		Hard Facilities Management refers to the delivery of physical works to buildings, including repairs and statutory testing. The contract is currently being reprocured and is expected to lead to a budget saving of £250,000 which has been included in the budget proposals. Therefore the total saving would be £450,000 and would require further contract negotiations resulting in a reduction in the contract specification.
22	Increase saving from maximising benefits from property and physical assets by a further £100,000	(100)	(100)		The 2024/25 budget proposals include a saving here of £250,000. Further savings are expected to be possible from this area in the future with a review of the Council's assets one of the workstreams that is being considered as part of 2025/26 budget setting. However there is a risk a

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					further £100,000 target for 2024/25 would not be realistic and could lead to a non deliverable budget being set.
23	Contributions to study leading to support for African Caribbean Centre in North Kensington	100	0	100	The Budget Stabilisation Reserve could fund this proposal in 2024/25. However if this proposal was to require funding year-on-year a permanent growth bid would be required. This would then need to be funded from either additional income/funding or from permanent savings elsewhere.
24	Re-establish the Grenfell Scrutiny Committee	0	0	0	Grenfell related issues continue to be a large element of the workplan across the Scrutiny Committees. However, arrangements could be reviewed and depending on the outcome of this review there may be direct financial implications.  The preferred officer approach would be to absorb any changes to committee structures within existing resources and therefore result in no increased costs.
25	Increase Soft Facilities Management contract saving by a further £150,000	(150)	(150)		Soft Facilities Management refers to services required to keep the buildings running smoothly, consisting mainly of cleaning and security. The contract is currently being reprocured and is expected to lead to a budget saving of £450,000 which has been included in the budget proposals.

Ref. No.	Proposal- Revenue	Revenue Budget Implication £'000	Impact on Base Revenue Budget £'000	Funded from reserves £'000	Director of Financial Management Comment
					Therefore the total saving would be £600,000 and would require further contract negotiations resulting in a reduction in the contract specification.
26	Increase Procurement efficiency saving by a further £150,000	(150)	(150)		The 2024/25 budget proposals include a saving here of £350,000, therefore the total saving would be £500,000. Further savings are expected to be possible from this area in the future but the high inflation environment makes this challenging to predict accurately.
27	Do not support the £240,000 saving related to staffing within Customer Delivery  Cutting customer delivery staff will have impact on council service delivery.	240	240		This would increase revenue spend by £240,000.
28	Increase Advice Agencies Consortium saving by a further £100,000	(100)	(100)		The 2024/25 budget proposals include a saving here of £50,000. There is a risk a further £100,000 target for 2024/25 would not be realistic and could lead to a non deliverable budget being set.

Ref. No.	Proposal- Revenue	Revenue Budget Implication £'000	Impact on Base Revenue Budget £'000	Funded from reserves £'000	Director of Financial Management Comment
29	<p>Set up a Kensington and Chelsea Community Entrepreneurship to deal with disparity in the borough.</p> <p>A partnership with the VCS to create local community entrepreneurship which can create jobs for local people to encourage economic growth that will lessen the environmental impact.</p>	1,500		1,500	The Council has no specific funding available for this but it could be funded from the Special Projects or Budget Stabilisation reserve if the spend was one-off. There would likely be a cost to administering any programme including developing eligibility criteria which would need to be funded from this budget and would therefore reduce the level of support available.
30	Do not transfer £1m to Ward Implementation Reserve	(1,000)	(1,000)		This would mean a lower level of reserves available for investment in ward initiatives.
31	Do not transfer £1.1m to Reorganisation Reserve	(1,104)	(1,104)		This would mean a lower level of reserves available for investment in transformation initiatives.
<b>TOTAL</b>		<b>2,986</b>	<b>(769)</b>	<b>3,755</b>	<p><b>The recommendations and funding sources proposed above would continue to result in a balanced budget.</b></p> <p><b>The use of £3.8m reserves is not a sustainable long term solution to manage the budget and is only a recommended funding sources for one year while work is undertaken to find long term sustainable funding solutions.</b></p>



## **Table 2: Capital Proposals**

The following table sets out the proposals for changes to the capital programme and any subsequent revenue impact.

<b>Ref. No.</b>	<b>Proposal- Capital</b>	<b>Capital Budget Implication £'000</b>	<b>Impact on Base Revenue Budget £'000</b>	<b>Funded from reserves £'000</b>	<b>Director of Financial Management Comment</b>
32	Use CIL funding for step-free access at Ladbroke Grove	12,000			As funded from Community Infrastructure Levy (CIL) the only revenue impact would be the loss of interest on cash balances. This would mean CIL balances are not available for other priorities
33	Convert Acklam Road car park into green space	50	0		<p>This would be capital investment and is assumed to be funded from CIL so there would not be a revenue impact. This would mean CIL balances are not available for other priorities.</p> <p>The ongoing maintenance costs need to be costed and funding identified. Until this is known and funding sources identified this proposal can not be supported by the Director of Financial Management.</p>
34	Plant native trees that absorb air pollution	100	50	100	It is estimated a £100,000 capital investment would provide around 200 trees. This assumes the capital investment is funded from Budget Stabilisation plus an ongoing revenue impact of £500 a tree (£50,000)

Ref. No.	Proposal- Capital	Capital Budget Implication £'000	Impact on Base Revenue Budget £'000	Funded from reserves £'000	Director of Financial Management Comment
35	Remove funding for Kensal Creative Economy Capital scheme	(700)	(45)		This would save the borrowing costs related to the scheme currently in the capital programme.
36	Use £12m capital bid to increase supply of temporary accommodation to buy more street properties/former HMOs/RTB flats to create homes in the borough for residents.	12,000	764		This capital bid is currently in the capital pipeline and therefore no revenue financing costs are currently in the budget. Moving this into the programme would increase the programme by £12m and have a revenue impact of approximately £764,000 a year

Ref. No.	Proposal- Capital	Capital Budget Implication £'000	Impact on Base Revenue Budget £'000	Funded from reserves £'000	Director of Financial Management Comment
37	Use of Lots Road receipt to provide care home provision and social rented homes across the borough				<p>The site will now be leased to a development partner who will install 65 Extra Care Units and pay a land premium to the Council in return.</p> <p>It would not be able to be used to fund residential care placements as these are revenue expenditure. This proposal cannot be supported by the Director of Financial Management as it is not an allowable use of a capital receipt.</p>

<b>Ref. No.</b>	<b>Proposal- Capital</b>	<b>Capital Budget Implication £'000</b>	<b>Impact on Base Revenue Budget £'000</b>	<b>Funded from reserves £'000</b>	<b>Director of Financial Management Comment</b>
38	Reinstate segregated cycle lane in Kensington High Street	360		360	As funded from Car Parking reserve the only revenue impact would be the loss of interest on cash balances. This would mean the reserve balances are not available for other priorities
<b>TOTAL</b>		<b>23,810</b>	<b>769</b>	<b>460</b>	<b>The recommendations and funding sources proposed above would continue to result in a balanced budget.</b>