

Budget Task Group

Environment, Climate & Public Protection

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Executive Summary

Environment, Climate & Public Protection (ECPP)

- In 2023/24 Environment, Climate & Public Protection had a gross controllable expenditure budget of **£132.693m** and a gross income budget of **£135.988m** (net budgeted contribution to General Fund of £3.295m).
- The projected outturn position for 2023/24 is a net contribution to general fund of **£3.455m** as at **Period 6** (Quarter 2 position), which is a projected underspend of **£0.160m** against the budget.
- The 2023/24 forecast includes net pressures/risks of **£1.6m** which mainly relate to projected income shortfalls in the current year (2023/24).
- In the context of ECPP's role in delivering a number of key strategic outcomes for the city's communities, the directorate has identified new savings proposals totalling **£7.755m** over the period of 2024/25 – 2026/27.
- New Capital Bids total **£21.521m** of which **£7.211m** are fully funded. The additional funding from WCC Capital resources is **£14.310m**.

ECPP Revenue 23/24 Budget Breakdown

The table shows the ECPP service area breakdown for 2023/24 net income budget of £3.3m.

In addition, an estimated £1.9m will be drawn from the Climate Emergency Reserve to support the Climate Team's expenditure.

Service Area	Gross Exp (£m)	Income (£m)	Net Exp (£m)
ECPP Directorate & Service Improvement	£1.008	£0.000	£1.008
Highways Infrastructure & Public Realm	£14.458	(£14.083)	£0.375
Parking	£28.207	(£93.068)	(£64.861)
Public Protection & Licensing	£19.984	(£10.095)	£9.889
Waste & Cleansing	£69.036	(£18.742)	£50.294
Total	£132.693	(£135.988)	(£3.295)

Budget shown by Spend and Income Type

The table shows the main areas of expenditure and income across the ECPP budget.

The main cost areas are employee costs, and the cost of contracts supporting these services.

The most significant area of income is Fees and Charges, primarily in Parking but also Commercial Waste, Roads Management and Licensing.

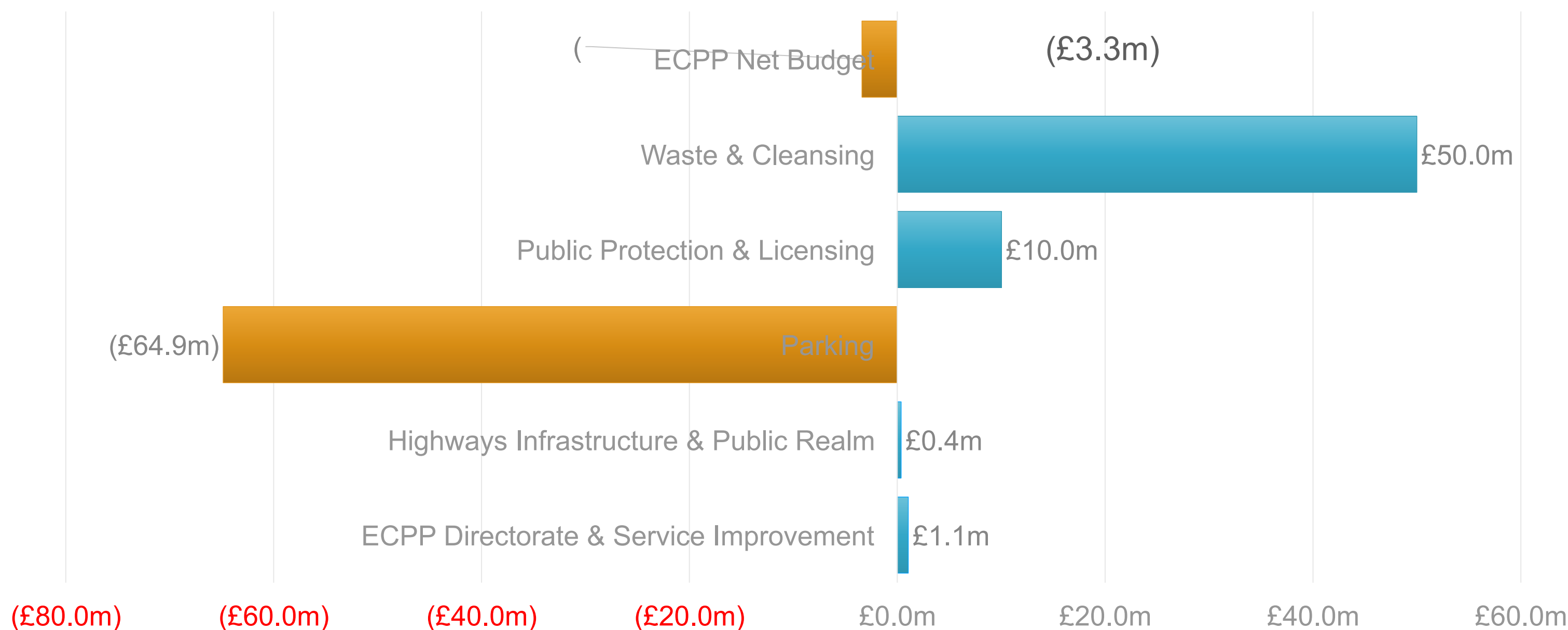
Spend Categories (£m)	
Employee Costs	£24.096m Staffing Salary Costs
FW Reserve Funding	(£0.585m) Fairer Westminster Investments funding from Reserves
Premises and Utilities Expenditure	£1.557m Primarily Electricity and Gas for Street Lighting
Supplies and Services	£4.147m Supplies of commercial waste bags, caddy & liner replacements, legal costs, printing, and programmes including School Travel Plans,
Third Party Payments	£102.662m Contract Payments
Other	£0.816m Recharges from Directorates and other expenditure
Total Spend	£132.693m
Income Sources	
Fees and Charges	(£108.524m) 67% Parking, 17% Waste, 10% Roads Mgt, 6% Licensing
Fines and Penalty Charges	(£20.544m) Parking, Fixed Penalty Notices
Non-Specific Grant Income	(£2.346m) TFL, and other specific grants
Recharges	(£1.694m) Public Health Grant
Other Income	(£2.880m) Contract based income, and recharges to other services
Total Income	(£135.988m)
Net Budget	(£3.295m)

ECPP Revenue – 2023/24 Budgets

- In 2023/24, ECPP is budgeted to make a net contribution of **£3.3m**.
- The expenditure budget of **£132.7m** is driven largely by Contracts (**69%**), Employee costs (**18%**), and the Concessionary Fares payment (**8%**). The expenditure budget includes reserve-funded commitments of **£0.6m** for Fairer Westminster priorities.
- The income budget of **£136m** is primarily Fees & Charges (**80%**) and Fines & Penalty Charges (**15%**).

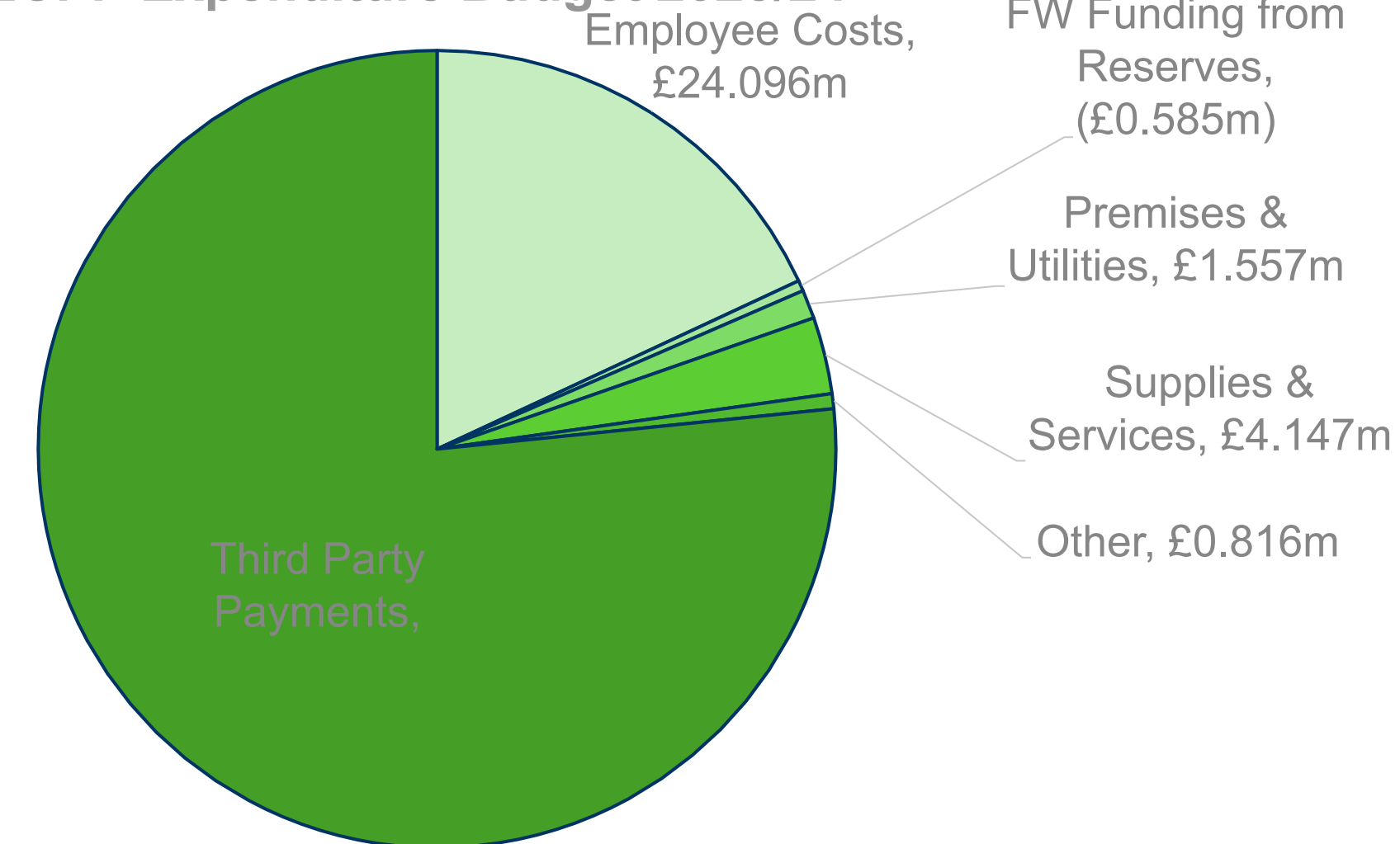
Directorate Budgets

2023/24 Net Budget per ECPP Directorate

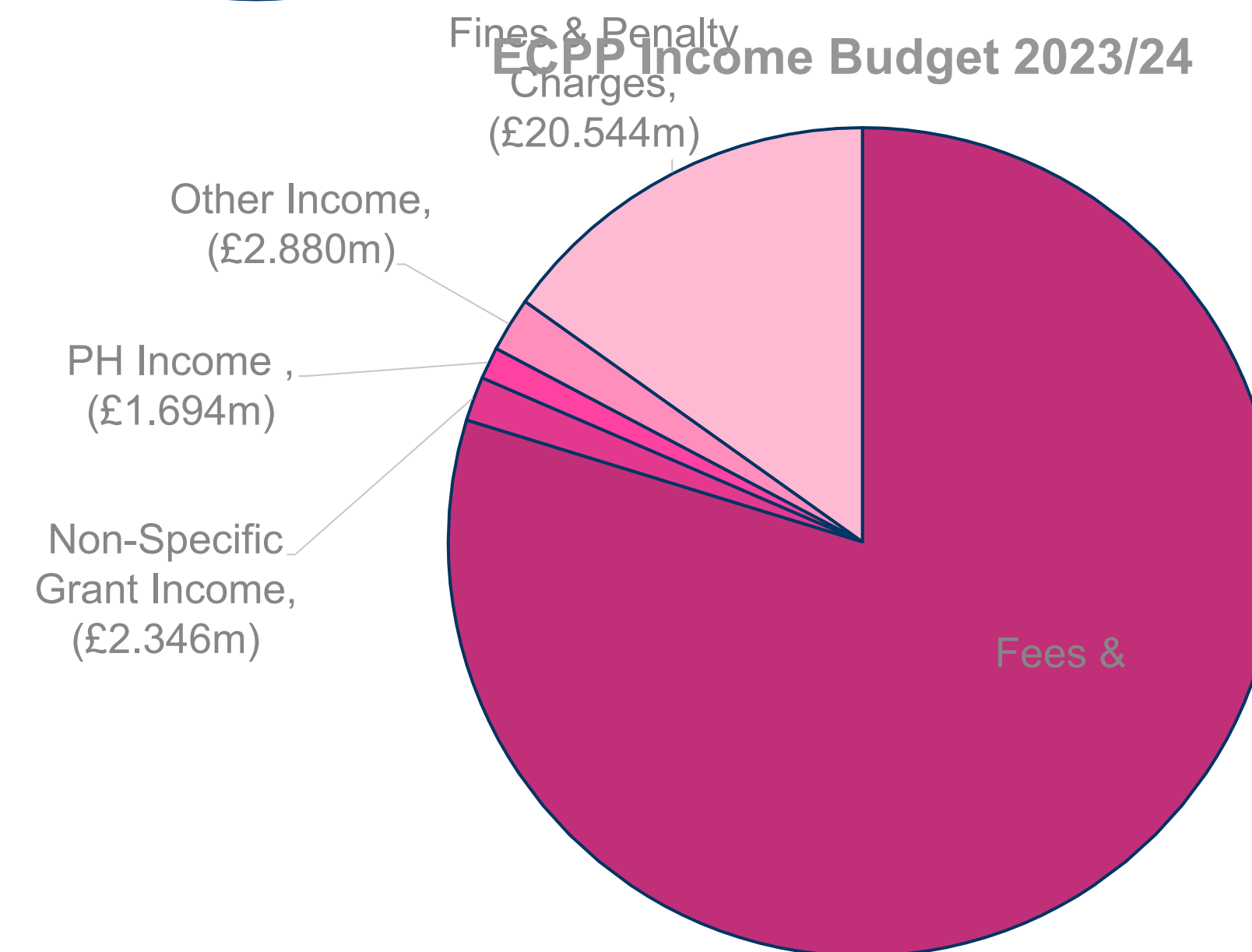


Subjective Budgets

ECPP Expenditure Budget 2023/24



ECPP Income Budget 2023/24



Environment, Climate & Public Protection - Key Issues

- Economic uncertainty and the potential adverse financial impact arising from the cost-of-living crisis and economic pressures (inflation, interest rates, post Covid pandemic impacts etc.) will continue to impact on demand for services, cost pressures and commercial income.
- The re-let and extension of major contracts within the Directorate will impact on long term costs due to inflationary increases.
- Climate change, air quality and the wider environmental agenda will impact on traditional sources of council income e.g. extension of Ultra Low Emission Zone. In addition, a modal shift in transportation will continue to impact upon parking income.
- An increasing demand for services arising from a variety of internal and external sources e.g. anti-social behaviour, Fairer Westminster Priorities etc. will lead to an increase in costs.
- Finally, the integration of Housing into the existing department presents an opportunity to be explored.

Savings Proposals (1)

2024/25 to 2026/27

Outcome objective	Proposal	Amount (£m)
Climate emergency, emissions reductions and improvements in air quality	<p>Waste and recycling collection – Electric Waste Fleet</p> <p>Following the successful launch of the Landmann Way Electric Depot in July 2023, the second phase of the fleet project is planned to replace the remaining 40 diesel trucks with electric trucks (50% of total fleet). Once completed the council will have a 100% electric waste and recycling fleet. The project will take approximately 24 months to complete and will reduce current and future waste contract costs by reducing fuel and maintenance costs and removing the requirement for the contractor to purchase or hire vehicles to deliver the service. This project will not only eliminate CO₂ emissions supporting the Councils Net Zero objectives but will also reduce existing running costs.</p>	1.000
Climate emergency / air quality – reducing emissions reductions and pollution from vehicles and incentivising the use of cleaner vehicles / active travel	<p>Parking Charges Policy Review – Pay to Park and Resident Parking Environmental Charging Strategy</p> <p>This initiative looks to introduce alternative tiered charging structures based on a vehicles' emissions. The objective is to improve air quality and reduce vehicle emissions by encouraging use & ownership of less polluting/discouraging more polluting vehicles.</p>	2.900
Balancing emissions reductions through energy efficiency and ensuring streets remain safe	<p>Energy Efficient Adaptive Lighting</p> <p>It is proposed to lower street lighting output levels, while still meeting the national standards, dependent on road classification, user types/numbers and local conditions. This action was agreed in June 2020 by the Cabinet Member in the Lighting Master Plan. The saving is made possible by LED lighting programme and the remote control of lighting levels across the City and will result in lower energy and carbon consumption.</p>	0.125

Savings Proposals (2)

2024/25 to 2026/27

Outcome objective	Proposal	Amount (£m)
Improved operational delivery	Street Cleansing Efficiency Option 1 This proposal targets a reduction in the provision of weekend street sweepers according to seasonal requirements in the quieter winter months.	0.110
	Street Cleansing Efficiency Option 2 The proposal looks to reduce the provision of additional street sweepers to cover seasonal requirements in the summer months.	0.170
	Footway/Carriageway – Contract Efficiencies This proposal is for a £100K reduction in the lump sum from the Reactive Footway and Carriageway Maintenance budget with no impact on service delivery. The level of service for footway and carriageway reactive maintenance will be maintained and will have no impact upon our Fairer Westminster manifesto commitments.	0.100
	Drainage & Lighting – Contract Efficiencies This proposal looks to make efficiencies in both our drainage and lighting contracts. In respect of drainage, the use of silt analysis records has enabled a rebalancing of routine drainage works, with the number of annual cleanses being based on need rather than a systematic bi-annual cleanse. For lighting, the investment in LED lighting and new control systems has meant that the number of reactive jobs has declined and with it the budget requirement.	0.160

Savings Proposals (3)

2024/25 to 2026/27

Outcome objective	Proposal	Amount (£m)
Improved operational delivery	<p>Asset Management and Programme Coordination Service Efficiencies</p> <p>Asset management arrangements have been improved and condition inspections/surveys automated at a lower cost than previous manual processes. The proposal is to reduce the Asset Management and Programme Coordination budgets with no impact on service delivery.</p>	0.100
	<p>Trees Contract Efficiencies</p> <p>The trees service has important targets to reach in the coming years to support climate resilience and biodiversity net gain deliverables and both capital and revenue positions have been strengthened in the last three years to support that effort. However, a review of the services' budget position enables the budget reduction proposed without impacting the planting or ongoing maintenance programme. As a result, no change in service delivery will result from the revenue budget reduction proposed for 2025/26.</p>	0.070
	<p>Reactive and Routine Service checks - Revised focus on high risk revenue areas</p> <p>The Highways Service regularly checks their contractor in terms of scope, quality and value for money. This proposal aims to target audit resource on the larger and higher value schemes. Checks on the smaller scale and value works will remain but at a lesser frequency than previously. No change is proposed to those areas of the service where service risk is highest which includes elements of the lighting and drainage services.</p>	0.040

Savings Proposals (4)

2024/25 to 2026/27

Income Proposals	Amount (m)
<p>Commercial Waste Income</p> <p>This proposal assumes the ongoing increase in commercial waste income following recovery from the pandemic due to the increase in sales as well as the expansion of market share. This proposal assumes an additional £1.0m income offset by circa £0.440m additional disposal costs.</p>	0.560
<p>Traffic Sensitive Streets (TSS)</p> <p>Cabinet Member approval was given in March 2023 for kerbside permission charges (bay suspensions, yellow line dispensations and special permissions) to be revamped on the basis of Traffic Sensitive Streets (TSS) status. TSS is a formal highways definition & currently applies to 854 (c.43%) of Westminster's streets where parking restrictions are enforced by the Council. The proposal involves a complete overhaul of the kerbside permissions charging regime, from one based on activity & parking zone to one based primarily on location, dependent upon whether the location booked is classed as a TSS or not, with higher charges applying on TSS.</p>	0.600
<p>Third party lamp column attachment licence income</p> <p>The Lighting Service supports the installation of third party assets on the columns (e.g. developer traffic count sensors and other sensors). It is proposed to licence this increase activity and yield an income to recover the officer time in relation to the coordination and asset condition check activity. Other local authorities already levy a charge for a lamp column attachment licence.</p>	0.020
<p>Fees and Charges increases in 2024-25</p> <p>The proposal covers the potential impact of fees and charges increases across all areas within the Directorate following a review in 2023-24. The review takes account of inflationary pressures and other demand factors giving rise to the increases.</p>	1.800

Savings Proposals - Summary

Ref	Saving Title	2024/25 over 2023/24 £m	2025/26 over 2024-25 £m	2026/27 over 2025-25 £m	Total £m
1	Street Cleansing Efficiency Option 1 - Targeted reduction in the provision of weekend street sweepers according to seasonal requirements (Quieter Winter months)	0.110			0.110
2	Street Cleansing Efficiency Option 2 - Targeted reduction in the provision of additional street sweepers to cover seasonal requirements (Summer months)	0.170			0.170
3	Electrification of the second set of Waste and Recycling vehicles			1.000	1.000
4	Improved income for Commercial Waste due to increased activity in line with covid recovery (net of additional disposal costs)	0.280	0.280		0.560
5	Traffic Sensitive Streets - Designation of streets for Parking Suspension Charges	0.500	0.100		0.600
6	Parking Charges Policy Review - Pay-to-Park and Resident Parking Environmental Charging Strategy	2.900			2.900
7	Footway/Carriageway – Contract Efficiencies	0.100			0.100
8	Drainage & Lighting – Contract Efficiencies	0.160			0.160
9	Asset Management and Programme Coordination Service Efficiencies		0.100		0.100
10	Energy savings from Adaptive Lighting system		0.125		0.125
11	Trees - Contract efficiencies.	0.070			0.070
12	Reactive and Routine Service checks -Revised focus on high risk revenue areas.		0.040		0.040
13	Third party lamp column attachment licence income		0.020		0.020
14	Fees & Charges Review	1.800			1.800
	Total	6.090	0.665	1.000	7.755

Investments - 2024/25 to 2026/27

Information on key pressures and investments are provided below:

Enhancement of the Waste and Cleansing Team (£0.785m) – Following a review of the service, additional staffing is required to enable the team to take forward a number of projects in support of the development of a clear strategy for Waste and Cleansing ahead of the procurement of a new contract. This includes the acquisition, planning and redevelopment of land to operate the service from, a programme of engagement and behavioural change insights to underpin our approach to recycling, a full review of collections in the West End and delivery of a new cleansing strategy. The bid will also enable the Council to fully resource the Public Conveniences Service.

Residential EHO Provision (£0.650m One Off) – Funding is required to provide additional resource and capacity to align the service offer with the Fairer Westminster Strategy, and specifically to deliver (a) proposals for the improved regulation of the Private Rented Sector Housing (including the options for licensing); (b) pilot a proactive approach to working with vulnerable tenants who seek intervention of the Council, thereby protecting their rights with their landlords; (c) pilot additional capacity to work with tenants of Registered Social Landlords who otherwise are being denied access to regulatory support; (d) to provide a dedicated resource for the enforcement of empty properties. The work will align with a review of the PRS strategies and work programmes and allow time to prepare a new operational model which, if licensing is appropriate, will provide an additional sustainable funding source for these work activities.

Declaring of Ecological Emergency and recommendations from Climate Assembly (£0.150m) – The Councils adoption of an Ecological Emergency will require the following activities. The establishment of a one off provision for data collection and baselining our position, identifying and delivering ecological projects with an estimate of some ongoing costs for co-ordinating across other council services including specialist advice and support where necessary. This will require £0.450m in 2024-25 and 2025-26 (funded by reserves) then £0.150m ongoing (funded by base budget) from 2026-27.

Investments

Service Area	2024/25 over 2023/24 £m	2025/26 over 2024-25 £m	2026/27 over 2025-25 £m	Total £m
Enhancement of the Waste and Cleansing team	0.785			0.785
Residential EHO Provision	0.450	0.200	(0.650)	0.000
Declaring of Ecological Emergency and recommendations from Climate Assembly	0.450		(0.300)	0.150
Total	1.685	0.200	(0.950)	0.935

Pressures - 2024/25 to 2026/27

Information on key pressures affecting the Department are provided below:

Decline in recycling rebate income due to economic changes impacting on material prices (£0.360m): Due to economic changes in the market of the sale of recycling materials, there has been a downward trend in the material prices resulting in less income for the Council.

Rephasing of HMO income budget increase (£0.270m): HMO licensing increased fees and charges by 48% in 2022-23. This led to an increase in income budget in of £270k. The license however, spans over 5 years, with most being taken in the first year of the programme. As a result, Westminster will not see the reality of the 48% increase until current licenses need renewing from 2026-27 onwards. Therefore, rephasing of the income budget increase is required to take effect in the 2026-27 budget planning process.

Street Trading Income reduction (£0.100m): Isolated pitches have reduced post Covid with a decline in activity between financial year 2019 to 2022 of 8.3%. This has led to the income target becoming untenable with an estimated under achievement of £100k pa.

Massage, Special Treatments and Sex Shops reduction in vendor sites post covid (£0.100m): There has been a general decline in Massage & Special Treatment shops as a result of Covid. Sex shops and entertainment venues have also declined as a result of Covid along with the general shift towards more digital vendor sales leading to less demand for physical store/venue presence. This has resulted in reductions in Licensing income.

Additional funding for relet of Highways Contract (£0.500m One off): Funding is required for the re-procurement of the Highways contract.

Pressures

Service Area	2024/25 over 2023/24 £m	2025/26 over 2024-25 £m	2026/27 over 2025-25 £m	Total £m
Fall in recycling rebate income due to economic changes impacting material prices	0.360			0.360
Rephasing of HMO income budget increase	0.270		(0.270)	0.000
Street trading - post covid reduction in stalls	0.100			0.100
Massage, Special Treatments and Sex Shops Licensing income reduction	0.100			0.100
Additional funding for relet of Highways Contract		0.500	(0.500)	0.000
Total	0.830	0.500	(0.770)	0.560

Capital Programme

New Capital Schemes Proposed – Westminster Funded

New Capital Bids total £21.521m of which £7.211m are fully funded. The additional funding required from WCC Capital resources is £14.310m.

Scheme Name	Gross Expenditure £000's	Gross Income £000's	Net Expenditure Funded from WCC Capital resources £000's	Scheme Description
Piccadilly Underpass - Replacement of Ventilation Fans (Phase 2)	8,800	-	8,800	Replacement of the existing fans that are end of life (installed in the 1960s) with new modern equivalents. Any new fans will perform a fire control function as well as pollution control making the tunnel safer in the event of a fire.
Charlotte Street	225	-	225	Improved public realm and associated active travel benefits, including increased number of pedestrian crossings and tactile paving. To complement scheme on the Camden side of street.
Kilburn Lane Traffic Management	300	-	300	One-way working leading to reduced rat-running, and improved cycle links through Ilbert Street
London Lorry Control Scheme - Signs audit and replacement	90	-	90	Audit, design, implementation and asset recording of the substantial stock of WCC London Lorry Control Scheme signs across key strategic routes. Replacement of signs where inaccurate or end of life.
Cycle Loan Restart	95	-	95	To procure a supplier to purchase bikes then loan or lease these out to residents and commuters
Automatic Public Conveniences and Urinals	1,800	-	1,800	Replace existing public conveniences that are at the end of their life span and replace with new units fitting of Westminster.
Flood Risk Reduction Initiatives	3,000	-	3,000	installation of various sustainable urban drainage initiatives to slow down the flow of surface water and reduce flood risk.
Total	14,310		14,310	

Capital Programme

New Capital Schemes Proposed – Fully Funded

Scheme Name	Gross Expenditure £000's	Gross Income £000's	Net Expenditure £000's	Scheme Description
40 Eastbourne Terrace	720	(720)	-	Proposal of additional cycle parking, new street tree and widened footway
Knightsbridge Green	850	(850)	-	Part-pedestrianisation of the Green with enhanced public realm with parking changes, proposed benches, etc.
Opera Quarter	720	(720)	-	Large scale public realm scheme funded by Shaftesbury, including public realm improvements in the form of footway widening in Catherine St, Tavistock St and Wellington St (Covent Garden).
London School of Economics (LSE) St Clement's Lane	715	(715)	-	Medium sized public realm scheme funded by LSE, including pedestrianisation of St Clement's Lane (Covent Garden). Works include high spec material and proposed planters.
Bond Street Station Western Ticket Hall - Schedule 7 obligated Highways and Public Realm Improvements	902	(902)	-	Developer scheme funded by TfL Crossrail, renewal of footway and carriageway surfaces in high quality materials, upgraded Street lighting infrastructure, shared use surface in reclaimed granite setts to St Anselm's Place.
North Audley Street Highways and Public Realm Improvements	1,100	(1,100)	-	Developer scheme funded by Grosvenor, scheme looks to provide widened York Stone Paving footways, resurfaced carriageway, Street lighting improvements, new surface water drainage infrastructure, introduction of SuDS, and kerbside control amendments.
Eccleston Street	765	(765)	-	Proposal is to build on the existing temporary Alfresco Scheme at Eccleston Street that had enabled outside dining during the pandemic.
Elizabeth Street	89	(89)	-	Proposal is to build on the existing temporary Alfresco Scheme at Elizabeth Street that had enabled outside dining during the pandemic.
South Molton Street	350	(350)	-	Proposal to plant additional trees within the footway along South Molton Street
Bayswater Rd Junction Improvements	1,000	(1,000)	-	Improvements to the junctions of Queensway and Bayswater Road and Inverness Terrace and Bayswater Road. Improved pedestrian crossing facilities and cycling infrastructure as well as resurfacing of the footway and carriageway.
Total	7,211	(7,211)	-	