



Decision Maker:	Cabinet Member for Planning and Economic Development
Date:	09 April 2024
Classification:	General Release
Title:	North Paddington Programme – Year 1 Underspend
Wards Affected:	Westbourne, Harrow Road, and Queen’s Park
Policy Context:	Delivery Programme (Fairer Westminster)
Key Decision:	Yes
Report of:	Debbie Jackson, Executive Director of Regeneration, Economy, and Planning

1. Executive Summary

- 1.1 The North Paddington Programme (which, covers the wards Harrow Road, Queen’s Park, and Westbourne) was formally approved by Cabinet in February 2023, with a total Capital expenditure budget of £20m, to be evenly split over a 4-year period (2023-2027).
- 1.2 On 2 October 2023, the Council attained Cabinet Member authorisation for the programme to initiate its first year of work. In this report, a total of 29 projects were listed and allocated funding, which totalled £4.273m as detailed in Appendix 1 ("Year One Projects") which includes spend of £3.358m capital and £0.915m revenue. The Cabinet Member report also formally agreed that of the annual £5m capital allocation, £1m could be allocated to revenue projects to allow for some funds to be allocated to elements of delivery, which are considered revenue within the Programme. This is because there are sufficient revenue contributions within the capital programme to allow for some changes to the £5m capital spend.

- 1.3 This £1m per annum revenue was in addition to the £0.750m revenue per annum (adjusted for inflation now £0.788m) budgeted for the appointment of dedicated WCC staff to deliver the programme.
- 1.4 Following further development and scoping of the Year One Projects there have been some delays in their delivery (as explained in **Section 4**), which has led to a re-profile of budgets and some unallocated spend.
- 1.5 Consequently, the Programme is forecasting an underspend, which also includes subsequent reprofiling of capital and revenue budgets of **£2.505m** to the next financial year (2024/25), enabling 11 projects to be delivered in 2024/2025 as detailed in Appendix 1 (“Reprofiled Projects”).
- 1.6 The Council is dedicated to optimising opportunities for the benefit of North Paddington communities and intends to enhance its investments and focus in the area to achieve this.
- 1.7 This paper recommends that unallocated funds for the Year One Projects (£0.310m revenue and £0.618m capital) as further detailed in the financial implications section of this report, are used to fund additional projects, to make full use of the available year one budget as detailed in Appendix 2 (“Additional Projects”). It is anticipated that the additional projects will be initiated as soon as possible, continuing into 2024/2025.
- 1.8 Subject to approving these recommendations, the Council will continue its on-going commitments to create a Fairer Westminster; improve community outcomes and tackle social-economic and health inequalities in the northwest of the Borough, where communities are known to experience some of the highest levels of multiple deprivation in Westminster.

2. Recommendations

- 2.1 To note the programme changes of the Year One Projects and Reprofiled Projects as detailed in Appendix 1, which are now scheduled to be delivered in Year 2 (2024/2025).
- 2.2 To approve the spend for the Additional Projects detailed in Appendix 2 and the Reprofiled Projects to Year 2 (2024/25).
- 2.3 To delegate authority to the Executive Director of Regeneration, Economy, and Planning in consultation with the Executive Director of Democracy, Law and People; the Executive Director of Housing and Commercial Partnerships; and the Executive Director of Environment, Climate and Public Protection, to deal with all matters in relation to delivery of the Additional Projects and Reprofiled Projects, including agreeing any commercial terms and entering into all associated legal agreements.
- 2.4 To delegate authority to the Executive Director of Regeneration, Economy and Planning to spend unallocated revenue staffing budget earmarked for the North Paddington Programme.

3. Reason(s) for Decision

- 3.1 Approval is sought to enable the commencement of the revised delivery to include the Additional Projects and the Reprofiled Projects to enable the Council to make full use of the unallocated Year One funds.

4. Programme background and Year One project delays

- 4.1 As outlined in the February 2023 North Paddington Cabinet report, wards in the north-west of the borough are among the most disadvantaged in the City, facing significant income and health inequalities compared to neighbouring wards within Westminster.
- 4.2 Adopted in April 2021, Westminster Council's City Plan (2019-2040) outlines the existence of social-economic imbalances within the borough, alongside the Council's commitment to addressing this.
- 4.3 *"The NWEDA (North-West economic development area) has long contained some of Westminster's most deprived areas, with lower levels of qualifications, earnings and health, and higher levels of worklessness, than elsewhere in the city. It is an area requiring coordinated intervention to tackle persistent levels of inequality. Efforts through this plan will include providing for improved opportunities within the area itself, but also ensuring residents benefit from the opportunities offered by development in more central parts of Westminster."*
- 4.4 To address these inequalities and kickstart Programme delivery, the 2 October 2023 Cabinet Member report ("*North Paddington - Year One Delivery*") was approved. This Cabinet report outlined how, in Year One of the Programme, the Council worked in collaboration with multiple North Paddington stakeholders, to both form the North Paddington Partnership Board and identified the 29 recommended 'year 1 projects', which were subsequently approved on 2 October 2023. Please see **Appendix 1** for the Year One projects.

Year One Programme - progress

- 4.5 Following Year One Projects sign off (in October 2023), staff resourcing gaps and recruitment delays resulted in some of the projects' scoping starting later than expected, as it was not until January 2024, that each of the Year One Projects were assigned a WCC Project Delivery Lead.
- 4.6 Further, when the assigned delivery leads created improved internal join up, this in turn highlighted how some of the Year One projects required additional scoping to adhere to both internal systems and further checks and balances to ensure value for public funds. This led to delays in starting for some of the Year One projects.
- 4.7 Council officers have taken this learning on board for profiling future projects, including where this relates to streamlining corporate processes.

5. Year 1 Projects - Re-profiling and underspend

Re-profiling funds for delayed Year One Projects

- 5.1 **Capital** For the reasons outlined above, £1.077m of the allocated Capital sum is currently forecast to be spent in 2023/24. This means that £2.305m capital will be reprofiled into 2024/25.
- 5.2 **Revenue:** Of the £1m in 2023/24 to be allocated to revenue projects, the current forecast spend within 2023/24 is £0.600m, with £0.200m to be re-profiled into 2024-25 (for approved Year One Projects).
- 5.3 It is intended the Year One Projects, whose allocated funds have been reprofiled to 2024/25, will now be complete in 2024-25 (Year 2 of the Programme).

Table 1: Delayed Year One Projects where some or all allocated funds for each project will be reprofiled to 2024/25

(Full Year One Project list with costings provided in Appendix 1).

1. Greening Programme
2. Canalside strategy
3. Canalside enterprise
4. Harrow Road Neighbourhood strategy
5. Harrow Road High Street strategy
6. Holistic Mental Health
7. Global Majority fund
8. Queen's Park Family Hub
9. Environment Visual Audit
10. Community asset investment
11. Location for increased Police presence

Year One unallocated funds

Revenue (Staffing)	Budget (2023/24)	Underspend	
	£0.788m (£0.750m approved, plus impact of inflation)	£0.272m	<p>This was largely due to the North Paddington Communities and Corporate Programme management Office (CPMO) services completing recruitment of their dedicated North Paddington staff in January 2024 (mid-financial year). From Year 2, it is not anticipated that there will be an underspend for WCC staff delivery costs again.</p> <p>It has been recommended that some underspends against this budget should be transferred to an earmarked Reserve</p>

			for the North Paddington Programme, which can then be used in future periods at the discretion of the Senior Responsible Officer, as delegated. More details provided in Financial Implications.
Revenue (Delivery)	£1m	£0.200m	Year One programme the identified projects totalling £0.915m (£0.085m unallocated). Current forecasts indicate a further £0.115m as underspend.
Capital	£4m (following allocation of £1m to revenue)	£0.618m	Of the £4m budgeted in 2023/24, a total of £3.382m has been allocated to specific projects.

6. Additional project proposals

- 6.1 On receiving the above Year One revenue and capital un/allocation update, in February 2024, WCC officers explored whether opportunities could be considered, particularly where they aligned with the vast collection of community feedback from the North Paddington communities.
- 6.2 As the North Paddington programme has developed and gained profile in the community and across the Council, both internal staff and external partners from the North Paddington Partnership Board have put forwards additional suggested projects and investment ideas, which will benefit residents from the North Paddington wards.
- 6.3 For fairness and consistency, WCC officers have reviewed all additional requests against the same original year 1 framework.
- 6.4 It is recommended all additional proposed projects outlined in **Appendix 3**, are considered as these: -
- a) Can be initiated quickly
 - b) Have limited complexities
 - c) Do not require additional WCC project management resource
 - d) Have the support and endorsement from associated Council services and community partners
 - e) Clearly contribute to outcomes for vulnerable groups and the programmes' objectives.

7. Financial Implications

- 7.1 Taking both the revenue and capital spend together, the programme is currently forecast to spend £2.193m in 2023/24 out of a total budget of £5.788m.

7.2 Table 1 below, provides a Year One breakdown for each funding stream (Capital, revenue and WCC North Paddington staff costs).

Table 2: Funding stream breakdown.

Spend type	Original budget (£000's)	P9 forecast (£000's)	Allocated to 24/25 (£000's)	Unallocated (£000's)	Underspend (£000's)	Total (£000's)
Capital spend	4,000	1,077	2,305	618	-	2,923
Revenue project spend	1,000	600	200	-	200	400
Revenue Staff costs (£0.750m adjusted for inflation)	788	516	-	-	272	272
Total	5,788	2,193	2,505	618	472	3,595

Capital

7.3 In March 2023 Full Council approved funding totalling £20m for the delivery of the North Paddington Programme. Within the Capital Programme this had been profiled as £5m per annum from 2023/24 – 2026/27 and is to be spent on priority projects within the 3 North Paddington wards.

7.4 During 2023/2024 £2.4m of budget has been re-allocated to Corporate Property to deliver the Queens Park Family Hub. Furthermore, it has been agreed that the capital budget will be reduced (via underspend reporting) by £1m per annum to fund revenue projects within the programme. Following these adjustments there is £13.6m of available North Paddington Programme capital budget remaining.

7.5 A re-profiling exercise was also undertaken in 2023/24 to ensure that the revised budget profile better reflects the current programmes capital spend ambitions. The tables below detail the budget movements and the current budget profile.

North Paddington budget	(£000's)
Approved capital budget	20,000
Less revenue allocation	(4,000)
Less Queen's Park family hub budget virement	(2,400)
Remaining budget	13,600

Budget profile	(£000's)
2023/24	1,077
2024/25	6,123
2025/26	2,400
2026/27	4,000
Total	13,600

7.6 It is expected that part of the North Paddington Programme capital budget will continue to contribute towards existing projects currently being delivered across the Council. Where this occurs, finance will either (a) transfer costs incurred by service areas to the North Paddington capital cost centre or (b) as

with the Queens Park family hub, transfer capital budget from the North Paddington Programme to the service area via budget virement.

- 7.7 All future capital spend requests against the North Paddington budget will be sought in line with the Council's financial regulations.

Revenue

- 7.8 Revenue funding of £0.788m (£0.750m approved budget adjusted for inflation) for the North Paddington programme from 2023/24 was agreed in the Council budget with sign off for the allocation of all revenue funds to granted to the Programme's Senior Responsible Officer (SRO), the Executive Director of Regeneration, Economy, and Planning. With inflation applied this budget is now £0.788m.
- 7.9 The North Paddington budget is allocated within the Communities area as the Programme delivery is largely from Communities staff. The SRO has approved use of the budget in this area.
- 7.10 The finance recommendation will be that some underspend in a financial year is moved to an earmarked Reserve for the North Paddington Programme and is used for the additional engagement activity costs (e.g. The newsletter and Community events) that are occurring as part of the Programme, but ultimately this can be allocated to additional projects as required. As at period 9 the forecast underspend against budget was £0.272m, but this is subject to change in the final quarter of the year.
- 7.11 An additional £1.0m revenue has been allowed for each year in the Programme, which is making use of the sufficient revenue contributions in the capital programme to allow for flexibility. This £1m will be funded from Reserves and will be drawn down as required. Of this, for year 1 the identified projects were £0.915m (£0.085m unallocated). Current forecasts spend within 2023/24 is £0.600m, with £0.200m to be re-profiled into 2024/25, and £0.115m as underspend. Therefore, there is £0.200m underspend that can be allocated to additional projects.
- 7.12 Should this position change to increased or decreased underspend, the proposed additional spend on the projects can be adjusted accordingly.

8. Legal Implications

- 8.1 The Council has a general power of competence under Section 1 of the Localism Act 2011; this is the power to do anything an individual can do provided it is not prohibited by other legislation.
- 8.2 The Council has the power under Section 111 of the Local Government Act 1972 to do anything which is calculated to facilitate or is conducive or incidental to the discharge of its functions.
- 8.3 Section 3 LGA 1999 requires an authority "to make arrangements to secure continuous improvement in the way in which its functions are exercised,

having regard to a combination of economy, efficiency and effectiveness" ("the best value duty"). It also obliges the authority to consult certain groups of persons "for the purpose of deciding how to fulfil the duty".

9. Carbon Impact

- 9.1 Climate impacts hit the most vulnerable communities the most. Those affected by social, economic or cultural inequalities are more likely to feel the effects of poor air quality, heat stress and flooding.
- 9.2 These communities are typically less able to prepare for and recover from climate related risks and extreme weather such as heatwaves, cold spells, draughts, flooding, and storms, and are more likely to feel the effects of poor air quality.
- 9.3 Climate adaptation and mitigation measures to address climate and carbon impact will be integrated into the entire programme and its outcomes, extending beyond the boundaries of the Climate theme.
- 9.4 Climate will be embedded across all other project areas so that each project will consider its links with climate and its carbon implications as part of its individual governance processes.
- 9.5 Projects to reduce and mitigate carbon emissions are already underway within the North Paddington area resulting from the Council's work to deliver the Climate Emergency Action Plan and achieve a net zero city by 2040.
- 9.6 Additional work is underway to build the evidence base on local sources of emissions and identify opportunities for new climate mitigation projects and increase existing delivery within the North Paddington area.

10. Equalities

- 10.1 The Equality Act (2010) requires the Council when taking decisions to have due regard to the need to: a. eliminate discrimination, harassment, victimisation, or other prohibited conduct. b. advance equality of opportunity between persons who share a relevant protected characteristic and those that do not share it; c. fosters good relations between those who share a relevant characteristic and those that do not share it.
- 10.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and care leavers.
- 10.3 The Council needs to pay due regard to its findings when exercising its functions and making decisions regarding impacts on local communities.
- 10.4 The Council has conducted a screening Equality Impact Assessment (**Appendix 3**), which includes an assessment of the population data within the

North Paddington area, and cross examined this against average borough-wide stats.

- 10.5 When reviewing recommendations, no initial adverse impacts were identified to any protected groups at this stage of the Programme (a copy of which is appended to this report as Appendix 4). Indeed, by the nature of the programme's ambition of reducing inequalities, positive impacts and opportunities were identified.
- 10.6 The Additional Projects in the report will be further assessed during further scoping and in advance of initiating delivery.
- 10.7 Further, it was found the Programme's delivery approach, to provide cross council support and embed continuous engagement with communities and local stakeholders, heightens opportunities to develop and foster economic opportunities in these areas, in turning improving community outcomes across groups.

11. Consultation

- 11.1 A key tenet of the programme is to work collaboratively with local communities across the three wards, to better understand priorities, challenges and opportunities from their perspective and involve them in the development of initiatives to improve community outcomes.
- 11.2 We will ensure that community input through engagement is valued and has a meaningful impact on the North Paddington Programme and service delivery.
- 11.3 We will ensure that our engagement is fair, accessible and inclusive, and that we consider how to address barriers that may limit community participation (for example time, caring responsibilities, childcare, work commitments, financial barriers and disabilities).
- 11.4 Consultation and engagement will be planned and delivered for each project underneath the North Paddington Programme to provide a broad range of opportunities for community members to engage and input into the shape of the Programme.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact Sarah Crampton – scrampton@westminster.gov.uk

APPENDICES

LIST APPENDICES ABOVE BACKGROUND PAPERS

Appendix 1 - Year One North Paddington Delivery Programme

Appendix 2 - Proposed additional projects

Appendix 3 – EQIA (Equality Impact Assessment)

For completion by the Cabinet Member for Planning and Economic Development

Declaration of Interest

I have no interest to declare in respect of this report

Signed: _____ Date: _____
NAME: **Cllr Geoff Barraclough**

State nature of interest if any

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(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled North Paddington Programme – Year 1 Underspend and reject any alternative options which are referred to but not recommended.

Signed

Cabinet Member for Planning and Economic Development

Date

If you have any additional comment which you would want actioned in connection with your decision, you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:
.....
.....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.