

How Lambeth Council's money will be spent

The last year has presented great challenges to Lambeth as we've continued to grapple with the Covid-19 pandemic which has changed so much of our daily lives. The year ahead will also present further challenges as we continue to learn to live with Covid-19 amidst a growing cost-of-living crisis.

Each year the council assesses the amount of Central Government funding available and our Council Tax requirement, whilst considering the additional pressures, which have predominately been due to demand for our already stretched services.

We are expanding the council tax support (CTS) scheme for those residents that find increases in council tax increasingly unaffordable. This support will permanently reduce the bills of almost 7,000 vulnerable households eligible for CTS, with most seeing their bills reduced to nil. We are also committed to enhanced funding to support local, independent advice agencies for those residents that require the additional support to manage their finances and access the support they are entitled to.

We will continue to take every opportunity to support vulnerable people in our communities and deliver on our residents' priorities, but we must also be honest in our ability to do so in the face of gradually reducing grant funding, rising inflation, and ever-increasing demand on our essential day to day services. Despite all the pressures and uncertainties, we have maintained a balanced budget position without the need for further cuts or new savings, allowing us to continue to provide essential day to day services and deliver on the priorities of the people of Lambeth.

General Fund

The 'General Fund' is an account which summarises the revenue cost (see Revenue Expenditure below) of providing services (excluding Social Housing) which are funded by Central Government through the Settlement Funding Assessment, and other grants, and by our own locally generated income, for example, Council Tax from residents. The key point here is that the General Fund excludes costs and income from the provision of Social Housing which is legally accounted for separately in the 'Housing Revenue Account' and is funded by rents payable.

Revenue Expenditure

Revenue Expenditure is defined as the regular day-to-day running costs that an organisation incurs in the provision of services. For example, this could include the cost of employing staff, paying for supplies and utilities, maintaining buildings etc.

2022/23 Revenue Budgets (Compared with 2021/22)

Directorates	2021/22 Net Budget £'000	2022/23		
		Council Spending £'000	Money Raised from Grants, Fees & Charges £'000	2022/23 Net Budget £'000
Adults & Health	94,009			96,391
Children's Services	75,291			78,136
No Recourse to Public Funds	2,734			2,734
Resident Services	69,322			66,873
Sustainable Growth & Opportunity	3,050			2,868
Finance & Investment	12,831			13,903
Strategy and Communications	2,265			2,190
Legal and Governance	5,481			5,858
Corporate Items	65,935			81,255
Budget Requirement	330,918	962,663	(612,455)	350,208
Less: Settlement Funding Assessment and Other Income	(194,775)			(209,628)
Lambeth Council Tax Requirement	136,143			140,580
Add: Greater London Authority (GLA) Council Tax requirement	40,920			43,974
Total Council Tax Requirement	177,063			184,554

Calculating the Council Tax Rate

	2021/22	2022/23
Council Tax Base (Number of Band D Equivalent Properties)	110,872	111,161
Lambeth Band D Council Tax	£1,227.93	£1,264.65
GLA Band D Council Tax	£363.66	£395.59
Total Band D Amount	£1,591.59	£1,660.24

The Total Council Tax Requirement is the sum required to run the services of Lambeth and the GLA share, after Government grants and other income. This total is divided by the Council Tax Base (the number of Band D equivalent properties) to work out the council tax for Band D.

Change in Net Revenue Budget

	£'000
Lambeth Budget 2021/22	330,918
Growth pressures, inflation, and technical adjustments	32,988
Savings and increased income	(13,698)
Lambeth Budget 2022/23	350,208

Capital Budgets

The council's 2022/23 budget for capital expenditure is shown in the table below, summarised by our Borough Plan priorities. Capital budgets can be funded through capital grants, capital reserves, S106 income, and proceeds from selling assets as well as borrowing.

2022/23 Capital Projects by Priority	£'000
Enabling growth and development in the borough	53,800
Ensuring that the benefits of growth increase community resilience	25,788
Reform the way we commission and deliver services with our partners to provide and promote care and independence	7,728
Making Lambeth a place where people want to live, work and invest	159,839
Grand Total	247,155

Capital Expenditure

Capital Expenditure is defined as expenditure that is incurred in the purchase, creation or enhancement of non-current assets. Examples include: improving roads, expanding facilities in a school building, or development of a new library or leisure centre.

Outstanding Loans forecast as at 31 March 2022

Type of Borrowing	£'000
Opening Public Works Loans Board Debt	641,658
In Year Movement	80,000
Closing Public Works Loans Board Debt	721,658

The council borrows money from the Public Works Loans Board, a Government agency, to assist in funding its capital expenditure.

Levying Bodies for Lambeth

	2021/22 (£)	2022/23 (£)	Change (£)
London Pensions Fund Authority	1,601,578	1,578,857	(22,721)
Environment Agency	260,426	261,870	1,444
Lee Valley Regional Park Authority	266,884	262,989	(3,895)
Western Riverside Waste Authority	1,149,516	1,164,878	15,362
Total	3,278,404	3,268,594	(9,810)

London Pensions Fund Authority

The London Pensions Fund Authority (LPFA) raises a levy each year to meet expenditure on premature retirement compensation and outstanding personnel matters for which LPFA is responsible and cannot charge to the pension fund. These payments relate to former employees of the Greater London Council (GLC), the Inner London Education Authority (ILEA) and the London Residuary Body (LRB).

For 2022/23, the income to be raised by levies is set out below. The Greater London levy is payable in all boroughs, the Inner London levy only in Inner London Boroughs (including the City of London). The figures show the total to be raised and, in brackets, the percentage change on the previous year.

- Inner London £13,065,200
- Greater London £10,317,753
- Total £23,382,953 (0%)

Environment Agency

The Council Tax (Demand Notices) (England) Regulations 2011

The Environment Agency is a levying body for its Flood and Coastal Erosion Risk Management Functions under the Flood and Water Management Act 2010 and the Environment Agency (Levies) (England and Wales) Regulations 2011.

The Environment Agency has powers in respect of flood and coastal erosion risk management for 5200 kilometres of main river and along tidal and sea defences in the area of the Thames Regional Flood and Coastal Committee. Money is spent on the construction of new flood defence schemes, the maintenance of the river system and existing flood defences together with the operation of a flood warning system and management of the risk of coastal erosion. The financial details are:

	2021/22 £'000	2022/23 £'000
Gross Expenditure	116,470	148,034
Levies Raised	12,042	12,282
Total Council Tax Base	5,127	5,214

The majority of funding for flood defence comes directly from the Department for the Environment, Food and Rural Affairs (Defra). However, under the new Partnership Funding rule not all schemes will attract full central funding. To provide local funding for local priorities and contributions for partnership funding the Regional Flood and Coastal Committees recommend through the Environment Agency a local levy.

A change in the gross budgeted expenditure between years reflects the programme of works for both capital and revenue needed by the Regional Flood and Coastal Committee to which you contribute. The total Local Levy raised by this committee has increased by 1.99%.

The total Local Levy raised has increased from £12,042,289 in 2021/2022 to £12,281,930 for 2022/2023.

Lee Valley Regional Park Authority

Lee Valley Regional Park is a unique leisure, sports and environmental destination for all residents of London, Essex and Hertfordshire. The 26 mile long, 10,000 acre Park, much of it formerly derelict land, is partly funded by a levy on the council tax. This year there has been a 0% increase in this levy. Find out more about hundreds of great days out, world class sports venues and award winning parklands at www.visitleevalley.org.uk

Budget/Levy Changes	2021/22 £m	2022/23 £m
Authority Operating Expenditure	20.9	15.1
Authority Operating Income	(12.7)	(7.0)
Net Service Operating Costs	8.2	8.1
Financing Costs / Debt servicing/repayments	0.5	0.5
Financing Costs / Capital investment	0.8	1.3
Total Net Expenditure	9.5	9.9
Total Levy	(9.8)	(9.8)

Further details on how this budget is spent and the amount each council contributes can be found at www.leevalleypark.org.uk.

Western Riverside Waste Authority

The Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003 (as amended)

The Western Riverside Waste Authority, as a levying body under the above regulations, provides the following information.

Western Riverside Waste Authority is the statutory waste disposal authority for the London Boroughs of Hammersmith & Fulham, Lambeth and Wandsworth and for the Royal Borough of Kensington and Chelsea. The Authority's waste management policies are led by the waste hierarchy principles of waste reduction, reuse and recycling, with the balance of residual waste being transported from the Authority's two transfer stations via the River Thames to an Energy from Waste Facility on the Thames at Belvedere. The Authority has therefore already achieved the Mayor of London's 2025 target of zero municipal waste direct to landfill.

The Authority and its constituent councils agreed on a basis of cost apportionment from 2009/10. Under the agreement, which has been extended to run for a further eight years from 2017/18, the Authority recovers the costs of waste delivered by its constituent councils at a rate per tonne according to the nature of the waste recycled or disposed of. There is a residual annual levy, apportioned on the basis of council tax-base, for overheads and civic amenity waste.

The estimated costs to constituent councils for 2022/23 compared to the original budgeted cost in 2021/22 are shown in the table below.

Council	2022/23 Direct costs £'000	2022/23 Levy £'000	2022/23 Total costs £'000	2021/22 Total costs £'000	Increase/ (Decrease) £'000	Increase/ (Decrease) %
Hammersmith & Fulham	9,757	862	10,619	10,269	350	3.4
Kensington and Chelsea	9,392	1,019	10,411	9,010	1,401	15.5
Lambeth	15,463	1,165	16,628	16,356	272	1.7
Wandsworth	14,389	1,446	15,835	15,475	360	2.3
Total	49,001	4,493	53,494	51,111	2,383	4.7

For more information on Western Riverside Waste Authority visit www.wrwa.gov.uk