



Statement of Accounts

Lambeth Council

2024/25

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Zena Cooke

Corporate Director of
Finance and Governance
and Section 151 Officer

I am pleased to present the council's 2024/25 statement of accounts.

This foreword provides a guide to the most significant matters reported in the council's accounts. Lambeth's financial statements for 2024/25 have been prepared in accordance with the standard format for local authority accounts as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) as prescribed by the Code of Practice on Local Authority Accounting in the United Kingdom, which is in turn based on the International Financial Reporting Standards.

The foreword provides:

- Financial context
- The Borough Plan and our 2030 goals
- Medium Term Financial Strategy (MTFS)
- Financial Performance – 2024/25
- Explanation of the key financial statements

FINANCIAL CONTEXT

Local authorities across the country are facing unprecedented challenges around financial uncertainty. Funding reforms are pushed further away, which doesn't help with the uncertainty we face and adds to the strain caused by a decade-long reduction in government funding.

The economic aftershocks of recent events, coupled with the lingering effects of the pandemic, have put further pressure on council finances. As prices rise, real terms funding for local government continues to fall. The increase in demand for services and funding not matching this demand is forcing councils to change the way they operate to meet the challenges they encounter.

The impact of high inflation, increased demand and tight government funding settlements are placing major pressure on service budgets across the council. Across the sector, dozens of councils have been subject to intervention by the Government with widespread agreement that the drivers for this are the inflationary pressures and insufficient government funding that councils receive. The House of Commons Levelling Up, Housing and Communities Committee report into "Financial distress in local authorities" states that "the financial crisis that local authorities are encountering comes after significant reductions in local authorities' spending power which has itself coincided with increasing demand for their services and inflationary pressures driving up costs."

In Lambeth, these pressures are not only felt in relation to contract inflation and increased costs which are driving directorate overspends, but are also reflected in major demand pressures in areas like temporary accommodation and adult social care which stretch the availability of resources like properties and placements and drive significant overspends in the council's General Fund. At the same time, there is widespread recognition that the self-financing model for Housing Revenue Accounts is unsustainable due to increased regulatory burdens to improve property conditions, inflationary cost increases and the government decision to restrict rental income. This places significant pressure on the HRA in Lambeth, as the council is one of the largest council landlords in the country with an ageing stock requiring increased levels of investment. These challenges restrict investment decisions and increase the need to find budget savings in services to offset these pressures.

The cost-of-living crisis reverberates across our borough, affecting not only council finances but also the lives of residents and businesses. Vulnerable communities bear the brunt of escalating essential needs costs, making it imperative for us to act swiftly.

The 2023/24 audit of the Council's financial statements by the External Auditor led to a disclaimed opinion as the Council's audit was not completed by the backstop date at the end of February. The audit also resulted in 5 statutory recommendations being issued. Responses to the statutory recommendations have been approved by Full Council and progress updates on the detailed actions are being presented to and overseen by the Corporate Committee.

Despite these challenges, Lambeth remains resilient. Our response is rooted in the ambitions outlined in Lambeth's Borough Plan, Lambeth 2030, which sets out a bold ambition to make Lambeth a borough with social and climate justice at its heart.

BOROUGH PLAN – LAMBETH 2030 - OUR FUTURE , OUR LAMBETH

Lambeth is a global destination, with strong institutions that help shape a unique cultural offer – from Waterloo and South Bank, to the vibrance of Brixton and local highstreets of Streatham and West Norwood, Lambeth has something for everyone. We are a place of sanctuary, and for hundreds of years, we have welcomed new communities who have left a lasting imprint on our borough.

We know it is this exceptional history and the contribution and kindness of the people of Lambeth that makes it so special. It is weaved throughout every neighbourhood and community and is why so many of us continue to visit, work in the borough, and have made Lambeth the place they call home. Recognising and reflecting this impact is important to us as we look to the future of Lambeth. We know that to be the best borough we can possibly be, we need to harness and nourish our assets, resources, and community energy, so that everyone in Lambeth can belong, can thrive, and so that nobody is left behind.

Doing this will not be easy and cannot be done alone. Despite all our strengths and our passion, we know a longer-term, nuanced and joined-up approach is needed to continue to tackle the economic, social and environmental challenges facing our residents, our businesses, our partners. We will continue to be ambitious – and have the courage and willingness to do things differently, in partnership, to deliver for our residents.

To address the challenges that lie ahead, we've developed our collective roadmap to 2030 – “Our Future, Our Lambeth” – a Borough Plan that unites us all.

To design the Borough Plan, we invited everyone who lives, visits, and works in Lambeth to have their say. Founded on what we were told matters to residents, the Borough Plan builds on the strengths that exist in the borough and in our communities, affirms our collective vision and ambitions and outlines how we will take forward our shared priorities, with a longer-term look to 2030 so that we can deliver sustainable change. Our Lambeth 2030 goals are: to make Lambeth neighbourhoods fit for the future, to make Lambeth one of the safest boroughs in London and to make Lambeth a place we can all call home – all underpinned by a commitment to make Lambeth a borough of equity and justice.

With bold political and civic leadership and strengthened partnerships with key institutions and local organisations, the council is working at pace to deliver these better outcomes for the people of Lambeth. Delivery against the plan is reported to Cabinet on a quarterly basis through the development of the Lambeth Outcomes Framework and associated reported key performance indicators, and delivery is taking place through a range of partnership groups and bodies including the Lambeth Strategic Partnership which was established in 2024.

More information on the Lambeth 2030 plan can be found on the council website at the following link:

<https://www.lambeth.gov.uk/better-fairer-lambeth/projects/lambeth-2030-our-future-our-lambeth>

The Medium Term Financial Strategy was agreed in March 2025 as part of the council's budget and council tax setting report. This sought to provide the financial framework for the four years from 2025/26 to 2028/29.

The main objectives of our MTFS are:

- Prioritise our resources in line with the Council's Borough Plan and priorities, to ensure we are in a position to achieve our 2030 ambitions.
- Ensure that the allocation of our financial resources and commitments are aligned to Lambeth being a Borough of Equity and Justice.
- Maintain a balanced budget position, and to always set a MTFS which maintains and strengthens that position.
- Provide a robust framework to assist the decision-making process within the Council.
- Manage the Council's finances with a forward looking four year rolling strategy.
- Deliver value for money to our taxpayers and protecting preventative services
- Exercise probity, prudence, and strong financial control.
- Manage risk, which includes holding reserves and balances at an appropriate and sustainable level as agreed by our S151 Officer.
- Continually review budgets to ensure resources are targeted on our key priorities.

These objectives are at the core of our current MTFS, and we will ensure that they are upheld throughout the duration of the MTFS and beyond. Value for money and risk management are at the heart of the strategy. In respect of value for money to our taxpayers, Cabinet Members have sought to identify efficiencies and savings that do not adversely impact on service delivery where possible and have identified options to enhance value for money through improving performance and/or reducing internal costs. This is becoming increasingly difficult as the Council is facing significant financial challenges and there are a number of risks to its financial position. The Section 25 statement on the Council's budget sets these out, starting on page 26:

The most recent Funding Settlement saw an increase in funding for 2025/26, at a level higher than the assumptions made in the MTFS, and together with the latest government announcements we have some indication of the level of funding for 2026/27 and beyond. The MTFS will continue to be updated as we gain greater certainty and clarity on the level of funding which is currently subject to a Government consultation, the outcome of which is expected to be implemented from April 2026. The delivery of agreed savings is an area of significant risk, and monitoring detailed plans is critical to ensure that the risk is mitigated and that savings are delivered in full and on time. The Council considers key corporate risks via the Council's risk register, which is monitored at Management Board in addition to Corporate Committee (the Council's audit committee).

The Council received Exceptional Financial Support (EFS) from the government in order to be able to set a balanced budget for the Housing Revenue Account (HRA) in 2025/26. This was required because revenue expenditure in the HRA is expected to exceed the available income and reserves in 2025/26, due to a number of factors, including the Government's rent policy which limited rent increases to below inflation, costs related to disrepair, the costs of maintaining an ageing stock and new unfunded regulatory burdens. EFS has taken the form of a capitalisation directive of £40m for 2025/26 which means that the Council can treat revenue expenditure as if it is capital and fund it from capital receipts or borrowing rather than revenue income. This is not a sustainable solution for the HRA and allows it to remain operational in 2025/26 but a more sustainable position is being developed for 2026/27 onwards with the aim of producing a sustainable 30 year business plan for the HRA.

Financial Performance 2024/25

The council is reporting a net overspend £60.5m. A significant part of this is a £28.4m overspend on corporately held budgets where the main overspends have related to debt financing costs and a need to increase bad debt provisions following review. Service departments overspent by £32.138m which is broken down into the following areas:

- £0.055m – Children's Families and Education & NRPF
- £35.360m – Housing Services (GF)
- (£0.412m) – Finance
- (£0.827m) – Climate and Inclusive Growth
- £2.741m – Adult Social Care
- £0.013m – Integrated Health & Care
- £0.000m – Chief Executive
- (£3.884m) – Resident and Enabling Services
- (£0.910m) – Communities, Governance and Change

Financial Performance by Directorate

Directorate		Annual Budget £'000	Outturn £'000	Outturn Variance £'000
Children's Services	Income	(14,768)	(17,241)	(2,473)
	Expenditure	133,224	135,835	2,611
	Net	118,456	118,594	138
Housing Services	Income	(49,992)	(54,486)	(4,494)
	Expenditure	80,429	120,283	39,854
	Net	30,437	65,797	35,360
Adult Social Care	Income	(50,183)	(81,533)	(31,350)
	Expenditure	159,396	193,487	34,091
	Net	109,213	111,954	2,741
Integrated Health & Care	Income	(55,025)	(56,705)	(1,680)
	Expenditure	57,080	58,774	1,694
	Net	2,055	2,068	13
Finance	Income	(1,024)	(2,433)	(1,409)
	Expenditure	15,803	16,800	997
	Net	14,779	14,367	(412)
No Recourse to Public Funds	Income	-	-	-
	Expenditure	2,928	2,845	(83)
	Net	2,928	2,845	(83)
Climate and Inclusive Growth	Income	(20,363)	(20,478)	(115)
	Expenditure	24,561	23,849	(712)
	Net	4,198	3,371	(827)
Chief Executive	Income	-	-	-
	Expenditure	846	849	3
	Net	846	849	3
Residents and Enabling Services	Income	(278,116)	(303,710)	(25,594)
	Expenditure	336,687	358,397	21,710
	Net	58,571	54,687	(3,884)
Communities, Governance and Change	Income	(1,532)	(7,890)	(67,115)
	Expenditure	19,925	25,373	100,164
	Net	18,393	17,483	(910)
Total	Income	(471,003)	(544,476)	(73,473)
	Expenditure	830,879	936,491	105,612
	Net	359,876	392,014	32,138
Corporate Items	Income	(415,975)	(402,575)	13,400
	Expenditure	56,099	71,053	14,954
	Net	(359,876)	(331,522)	28,354
Council Outturn		0	60,493	60,493

Dedicated Schools Grant

The £7.7m surplus brought forward has increased to a cumulative surplus of £10.7m carried forward at the end of 2024/25. There was a large underspend in Schools Block due the Falling Rolls funding within it, but which, due to its criteria, could not be used in year and will be allocated in 2025/26. There also a large underspend in Early Years following a significant expansion in provision and funding where uptake has been initially lower. The High Needs Block overspent as planned, to reduce the brought forward balance.

Dedicated Schools Grant (DSG)	22/23 B/F Balances £000's	Budget £000's	Outturn £000's	In-year Variance £000's	23/24 c/f Variance £000's
Schools Block	(918)	152,358	149,895	(2,463)	(3,381)
Central School Services Block	-	1,336	1,336	-	-
Early Years Block	(1,135)	37,041	34,523	(2,518)	(3,653)
High Needs Block	(5,639)	63,855	66,112	2,257	(3,382)
De-delegated budgets	(44)	-	(209)	(209)	(253)
				-	-
Total Expenditure	(7,736)	254,590	251,657	(2,933)	(10,669)

Housing Revenue Account

Housing Revenue Account (HRA) reported a £8.8m adverse variance. The most significant multi-year theme is the cost of disrepairs, legal costs and compensation. The HRA is required to balance overall. The variance will have to be covered from reserves.

Housing Revenue Account	Budget £'000	Outturn £'000	Variance £'000
Total Income	(212,756)	(226,560)	(13,804)
Total Expenditure	196,506	235,727	39,221
Net cost of HRA Services	(16,250)	9,167	25,417
CIES Below Cost of Services	16,250	(467)	(16,717)
(Surplus)/Deficit on the HRA	-	8,700	8,700
Below the Line - MIRS	-	(8,700)	(8,700)
(Increase)/Decrease in HRA Balances	-	-	(8,700)

Capital

The capital budget for 2024/25 was £209.8m, with £149.6m spent in year and £60.2m will be carried forward into future years.

The capital programme for 2025/26 was set in March 2025 at £232.9m. The capital investment programme (CIP) includes both General Fund and Housing Revenue Account capital schemes. Given the Council's financial position, a comprehensive review of the CIP is being undertaken in 2025/26 to ensure it is affordable and the use of borrowing is minimised, whilst still meeting the Council's statutory obligations and strategic priorities as reflected in the Borough Plan. It is expected that the main sources of capital funding in future years will be Section 106 and Community Infrastructure Levy (CIL) contributions from developers, grant funding and capital receipts.

Financing the 2024/25 Capital Investment Programme

- £34.3m of grant monies (£33.1 m in 2023/24)
- £38.3m (£27.6m in 2023/24) of HRA resources (including Section 20 receipts, the Major Repairs Reserve, and other HRA reserves)
- £11.4m from capital receipts (£12.9m in 2023/24)
- £62.7m from borrowing (£105.7m in 2023/24)
- £2.5m from developers' contributions (£6.4m in 2023/24)
- £0.5m from other internal resources (£3.6m in 2023/24)
- Total: £149.6m

Directorate	2023/24 Budget £'000	2023/24 Actuals £'000	2023/24 Carry Forward £'000
Integrated Health & Care	717	717	(717)
Resident & Enabling Services	33,452	26,956	(9,931)
Housing Services & Adult Social Care	9,630	3,830	(2,002)
Climate and Inclusive Growth	64,482	29,097	(17,358)
Finance	14,221	9,830	(461)
Childrens, Families and Education	16,181	9,063	(9,735)
Housing Revenue Account (HRA)	71,161	70,155	(36,953)
Total	209,844	149,648	(77,157)

Borrowing

The council has long-term borrowing of £926.3m sourced from the Government owned Public Works Loan Board. It also has short-term borrowing of £10m from other local authorities.

General and Earmarked Reserves

The council retains a level of earmarked reserves to fund exceptional items or pressures which are difficult to predict, and which are not included in revenue budgets or within the capital programme. There are also reserves for specific government funding that is carried forward from year to year.

The council planned for the use of reserves to help smooth the impact of government funding reductions and other budget pressures especially during the period of austerity. Not only did this help to protect council services but it has also allowed time to transition towards new ways of working, productivity improvements and efficiencies.

Much of the decrease in reserves in the previous year is the continuation of using funds set aside for dealing with the medium-term effects of the pandemic.

The General Fund reserves have also reduced to cover the overspend within the year and in the Housing Revenue Account (HRA), which is ring-fenced from the General Fund, reserves have decreased to cover in-year overspend.

Reserves	Balance as 31-Mar-23 £'000	Balance as 31-Mar-24 £'000	Balance as 31-Mar-25 £'000
General Fund Balance	(44,030)	(29,999)	(5,000)
GF Earmarked Reserves	(127,311)	(105,328)	(65,296)
General Fund Total	(171,341)	(135,327)	(70,296)
HRA Balances	(8,798)	(2)	-
HRA Earmarked Reserves	(18,051)	(14,381)	(5,683)
HRA Total	(26,849)	(14,383)	(5,683)
Council Total	(198,190)	(149,710)	(75,979)

Pension Fund

The Council's share of the assets and liabilities of the Pension Fund have moved from a net liability of £139.390m to a net asset of £197.592m. This included an asset ceiling adjustment of £96.574m. It is important to understand that the net pension asset is a position taken at just one point in time. Market prices can move up as well as down in the short term and it is therefore not possible to quantify what long term effect the movement in market prices will have on the Pension Fund.

EXPLANATION OF THE KEY FINANCIAL STATEMENTS

The Statement of Accounts presents the council's income and expenditure for the year, and its financial position at 31 March 2025. It shows the core statement as well as notes to the statements. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which in turn is underpinned by International Financial Reporting Standards.

They can be complex to understand, with entries such as asset depreciation and impairments and pensions accounted for under IFRS and then reversed out to meet regulatory requirements and not having the same prominence as they would in a private sector set of accounts.

Comprehensive Income and Expenditure Statement (CIES) - This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Movement in Reserves Statement (MiRS) - This statement shows the movement in the year on the different reserves held by Lambeth, analysed into 'usable reserves' (i.e., those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'surplus or (deficit) on the provision of services' line shows the true economic cost of providing services, more details of which are shown in the Comprehensive Income and Expenditure Summary (CIES). These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The 'Net increase/decrease before transfers to Earmarked Reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the council.

Balance Sheet - The Balance Sheet shows the value as at the Balance Sheet date of assets and liabilities. The net assets of the council (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e., those reserves that the council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Cash Flow Statement - The Cash Flow Statement shows the changes in cash and cash equivalents during the reporting period. The statement shows how Lambeth generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the council are funded by way of taxation and grant income or from the recipients of services provided by Lambeth. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e., borrowing) to the council.

There are various notes to the financial statements. One particular note that is specific to Local Government is the 'Adjustments between Accounting Basis and Funding Basis under Regulations' as this lists out the reversals from the financial statements to ensure the accounts comply with UK Statutory requirements and this should therefore be considered alongside the primary statements when reviewing the accounts. There are also a few supplementary statements that make up the accounts including:

The Housing Revenue Account – Income and Expenditure associated with Council Housing is ringfenced by law.

Collection Fund – Council Tax and Business Rates are separately accounted for with the impact of any surpluses and deficit in year impacting the council and other preceptors in future financial years.

Group Accounts – The accounts of the HFL group of companies, owned by the council, are amalgamated into the council's financial statements.

Pension Fund Accounts – The accounts for the Pension Fund are presented separately.

The Authority's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Chief Financial Officer
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- approve the statement of accounts.

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Statement of Accounts (which includes the financial statements) in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

I became the Council's Section 151 Officer on 2nd December 2024. As part of their audit of the 2023-24 financial year, which was significantly delayed due to the national backlog of unpublished audited accounts and covers the period I was not the Council's Section 151 Officer, the external auditors gave a disclaimed opinion in accordance with the national backstop position on the Council's Accounts, qualified their opinion on the Pension Fund Accounts and concluded that it was appropriate to make written recommendations under section 24 and Schedule 7 of the Local Audit and Accountability Act 2014 to the Council.

The 5 statutory recommendations were considered and responded to by the Council on 5 March 2025. The recommendations relate to the Council's financial position and cover the financial year 2024-25, the budget for 2025-26 and the Medium-Term Financial Strategy period, the Council's reserves position and the Council's progress on the financial considerations of the decision to bring Homes for Lambeth in house.

In response, I instigated a series of actions to address the 5 recommendations and have reported progress on these to the Council's Corporate Committee.

Based on the detailed work undertaken since my appointment in December 2024, the statement of accounts for 2024/25 have been updated with material transactions and balances either confirmed or restated as necessary. Whilst I cannot comment on the quality of the financial processes in operation prior to my appointment, I am satisfied that sufficient evidence has been obtained to support the overall Balance Sheet and the overall year-end position on balances and reserves.

In preparing this statement of accounts, the CFO has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;

The chief financial officer has also:

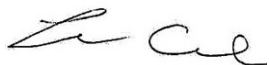
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS (continued)

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Certification of the Chief Financial Officer

I confirm, in the context of the above, that the Statement of Accounts presents a true and fair view of the financial position of the London Borough of Lambeth at 31 March 2025, including its income and expenditure, and of the London Borough of Lambeth Pension Fund for the year ended 31 March 2025.



Zena Cooke

Corporate Director of Finance
Section 151 Officer
London Borough of Lambeth

Date

Approval of the Statement of Accounts

I certify that the audited Statement of Accounts has been approved by resolution of the Audit Committee of the London Borough of Lambeth, in accordance with the Accounts and Audit Regulations 2015.

Councillor Rebecca Spencer

Chair – Corporate Committee

Date

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GROUP AND SINGLE ENTITY FINANCIAL STATEMENTS

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COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The **Comprehensive Income and Expenditure Statement (CIES)** records all of the Council's revenue income and expenditure for the year. Expenditure represents a combination of statutory duties and discretionary spend focussed on local priorities and needs.

2023/24				2024/25			Note
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000		£'000	£'000	£'000	
245,830	(125,619)	120,211	Adult Social Care	245,254	(129,089)	116,165	
5,566	(159)	5,407	Chief Executive (1)	847	-	847	
454,007	(321,986)	132,021	Children's Services	456,038	(322,373)	133,665	
15,763	(4,049)	11,714	Corporate Items	19,432	(1,042)	18,390	
52,059	(24,313)	27,746	Finance & Governance	10,760	(2,344)	8,416	
86,886	(49,180)	37,706	Housing Services (1)	118,957	(53,157)	65,800	
226,866	(209,218)	17,648	Housing Revenue Account	226,612	(217,445)	9,167	
357,545	(284,171)	73,374	Resident & Enabling Services	383,685	(302,874)	80,811	
19,023	(14,912)	4,111	Climate & Inclusive Growth	62,734	(28,440)	34,294	
1,463,545	(1,033,607)	429,938	Cost of Services	1,524,319	(1,056,764)	467,555	
		3,220	Levies			3,576	
		697	Payments to the Government Housing Capital Receipts Pool			-	
		(6,293)	(Gains)/losses on the Disposal of Non-Current Assets			(17,584)	
		26	Other Expenditure			27	
		(2,350)	Other Operating (Income)/Expenditure			(13,981)	
		44,172	Interest Payable and Similar Charges - other			50,953	31c
		3,254	Net interest on the net pensions' liability			6,341	42b & e
		(3,817)	Investment Interest income			(58)	8
		-	Impairments on Receivables (2)			33,085	
		1,085	Impairment Losses / (Gains) on Investments			(4,177)	8
		44,694	Financing and investment income and expenditure			86,144	
		(409,161)	Taxation and non-specific grant income and expenditure			(450,999)	11
		63,121	(Surplus)/deficit on provision of services			88,719	
		86,857	Loss / (Gain) on revaluation of non-current assets			(5,100)	22
		35,010	Remeasurement of the net defined benefit liability			(328,700)	22
		121,867	Other Comprehensive income and expenditure			(333,800)	
		184,988	Total Comprehensive income and expenditure			(245,081)	

(1) A reorganisation of reporting segments resulted in the following changes: two new Directorates, the Chief Executive Directorate and the Housing Directorate. Legal Services moved to Finance and Investment.

(2) Impairments on receivables is included in the net cost of services. For more detail refer to note 13b

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2023/24				2024/25			Note
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000		£'000	£'000	£'000	
183,361	(65,844)	117,517	Adult Social Care	187,343	(73,247)	114,096	
62,469	(59,775)	2,694	Integrated Health & Care	57,911	(55,842)	2,069	
5,566	(159)	5,407	Chief Executive	847	-	847	
454,007	(321,986)	132,021	Children's Services	456,038	(322,373)	133,665	
15,763	(6,023)	9,740	Corporate Items	19,432	(1,042)	18,390	
52,059	(24,313)	27,746	Finance & Governance	10,760	(2,344)	8,416	
86,886	(49,180)	37,706	Housing Services	118,957	(53,157)	65,800	
226,866	(207,977)	18,889	Housing Revenue Account	226,612	(217,445)	9,167	
357,545	(284,171)	73,374	Resident & Enabling Services	383,685	(302,874)	80,811	
18,329	(11,347)	6,982	Climate & Inclusive Growth	62,734	(28,442)	34,292	
10,852	(5,198)	5,654	HFL Group	14,619	(9,791)	4,828	
1,473,703	(1,035,973)	437,730	Cost of Services	1,538,938	(1,066,557)	472,381	
		3,220	Levies			3,576	
		697	Payments to the Government Housing Capital Receipts Pool				
		(6,293)	(Gains)/losses on the Disposal of Non-Current Assets			(17,584)	
		26	Other Expenditure			27	
		(2,350)	Other Operating (Income)/Expenditure			(13,981)	
		44,173	Interest Payable and Similar Charges - other			49,443	31c
		3,254	Net interest on the net pensions liability			6,341	42b & e
		210	Investment Interest income			1,452	
		1	Impairments on Receivables			33,085	
		1,085	Impairment Losses / (Gains) on Investments			(4,177)	8
		48,723	Financing and investment income and expenditure			86,144	
		(409,161)	Taxation and non-specific grant income and expenditure			(450,999)	11
		74,942	Group (SURPLUS) OR DEFICIT ON PROVISION OF SERVICES			93,545	
		86,857	Loss / (Gain) on revaluation of non-current assets			(5,100)	
		35,010	Remeasurement of the net defined benefit liability			(328,700)	
		121,867	Other Comprehensive income and expenditure			(333,800)	
		196,809	Total Comprehensive income and expenditure			(240,255)	

This Group version of the Comprehensive Income & Expenditure Statement (CIES) includes a separate line for HFL Group showing Gross Expenditure and Gross Income as part of the Cost of Services. There are also costs incurred by HFL Group Limited within the lines for Interest Payable and Similar Charges and for Impairments on Receivables. Where other lines differ from the London Borough of Lambeth (LBL) CIES, this is due to consolidation adjustments to remove the impact of transactions between LBL and HFL.

MOVEMENT IN RESERVES STATEMENT

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LAMBETH COUNCIL • ANNUAL ACCOUNTS 2024/25 • GROUP AND SINGLE ENTITY FINANCIAL STATEMENTS

The **Movement in Reserves** Statement shows the movement in the year on the individual 'usable reserves' (that is those that can be applied to fund expenditure or reduce local taxation) held by the authority, and there is one column for unusable reserves. The Total Comprehensive Income and Expenditure line here shows the surplus / deficit on the provision of services in the total usable reserves column and the other comprehensive (income) and expenditure in the unusable reserves column. These show the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes.

	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	Note
Balance at 31 March 2023 brought forward	(151,791)	(14,383)	(40,114)	(6,800)	(49,274)	(262,362)	(2,686,064)	(2,948,426)	
Total Comprehensive Income and Expenditure	78,312	10,407	-	-	-	88,719	(333,800)	(245,081)	
Adjustments between accounting basis and funding basis	(6,661)	(1,707)	(10,852)	6,800	(1,082)	(13,502)	13,502	-	21
(Increase) or decrease in 2023/24	71,651	8,700	(10,852)	6,800	(1,082)	75,217	(320,298)	(245,081)	
Balance at 31 March 2024	(80,140)	(5,683)	(50,966)	-	(50,356)	(187,145)	(3,006,362)	(3,193,507)	
<i>GF and HRA Balance analysed over</i>									
Earmarked reserves (Note 24)	(65,296)	(5,683)							
LMS (Schools) Balance (Note 28b)	(9,844)								
Balances not earmarked (Note 24)	(5,000)								
Balance 31 March 2024	(80,140)	(5,683)							

	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	Note
Balance at 01 April 2022 brought forward	(188,569)	(26,848)	(42,678)	-	(54,135)	(312,230)	(2,821,184)	(3,133,414)	
Total Comprehensive Income and Expenditure	39,292	23,829	-	-	-	63,121	121,867	184,988	
Adjustments between accounting basis and funding basis	(2,514)	(11,364)	2,564	(6,800)	4,861	(13,253)	13,253	-	21
(Increase)/Decrease in 2022/23	36,778	12,465	2,564	(6,800)	4,861	49,868	135,120	184,988	
Restated Balance at 31 March 2023*	(151,791)	(14,383)	(40,114)	(6,800)	(49,274)	(262,362)	(2,686,064)	(2,948,426)	
<i>GF and HRA Balance analysed over</i>									
Earmarked reserves (Note 24)	(105,329)	(14,381)							
LMS (Schools) Balance (Note 28b)	(16,462)								
Balances not earmarked (Note 24)	(30,000)	(2)							
Restated Balance 31 March 2023*	(151,791)	(14,383)							

GROUP MOVEMENT IN RESERVES STATEMENT

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2024/25	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve (Capital)	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves	Subsidiary Reserves – HFL Group Limited	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2023 brought forward	(151,791)	(14,383)	(40,114)	(6,800)	(49,274)	(262,362)	(2,686,362)	(2,948,724)	74,986	(2,873,738)
Total Comprehensive Income and Expenditure	79,822	10,407	-	-	-	90,229	(333,800)	(243,571)	3,317	(240,254)
Adjustments between group accounts and authority accounts	-	-	-	-	-	-	-	-	182	182
Adjustments between accounting basis & funding basis under regulations	(6,661)	(1,707)	(10,852)	6,800	(1,082)	(13,502)	13,502	-	-	-
(Increase)/Decrease in 2023/24	73,161	8,700	(10,852)	6,800	(1,082)	76,727	(320,298)	(243,571)	3,499	(240,072)
Balance at 31 March 2023 carried forward	(78,630)	(5,683)	(50,966)	-	(50,356)	(185,635)	(3,006,660)	(3,192,295)	78,485	(3,113,810)
GF and HRA Balance analysed over										
Earmarked reserves	(65,296)	(5,683)								
LMS (Schools) Balance	(9,844)									
Balances not earmarked	(3,490)									
Balance at 31 March 2024	(78,630)	(5,683)								

2023/24	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve (Capital)	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves	Subsidiary Reserves – HFL Group Limited	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2022 brought forward	(213,862)	(26,688)	(42,680)	-	(54,134)	(337,364)	(2,821,796)	(3,159,160)	30,285	(3,128,875)
Total Comprehensive Income and Expenditure	39,293	23,829	-	-	-	63,122	121,867	184,989	11,820	196,809
Adjustments between group accounts and authority accounts	6,040	1,098	-	-	-	7,138	(694)	6,444	32,881	39,325
Adjustments between accounting basis & funding basis under regulations	(2,514)	(11,364)	2,564	(6,800)	4,861	(13,253)	13,253	-		
(Increase)/Decrease in 2022/23	42,819	13,563	2,564	(6,800)	4,861	57,007	134,426	191,433	44,701	236,134
Balance at 31 March 2022 carried forward	(171,043)	(13,125)	(40,116)	(6,800)	(49,273)	(280,357)	(2,687,370)	(2,967,727)	74,986	(2,892,741)
GF and HRA Balance analysed over										
Earmarked reserves	(105,329)	(14,381)								
LMS (Schools) Balance	(16,462)									
Balances not earmarked	(49,252)	1,256								
Balance at 31 March 2023	(171,043)	(13,125)								

GROUP AND SINGLE ENTITY BALANCE SHEET

The **Balance Sheet** shows the value of the assets and liabilities held by the council. The council's net assets (assets less liabilities) are matched by the reserves it holds. These reserves are shown in two categories – usable and unusable. Usable reserves may be used to provide services subject to statutory limitations and the need to maintain prudent levels of reserves for financial stability. Unusable reserves cannot be used to fund council services.

AUTHORITY 31-March-2024	GROUP 31-March-2024		AUTHORITY 31-March-2025	GROUP 31-March-2025	
£'000	£'000		£'000	£'000	Note
4,067,330	4,115,151	Property, Plant and Equipment	4,093,185	4,126,855	25b,26
2,595	2,595	Heritage Assets	2,680	2,680	28a
6,889	6,946	Intangible Assets	5,124	5,124	27
27,556	27,556	Long-term Investments	31,733	31,733	31a
64,737	27,362	Long-term Debtors	41,502	4,808	31a
-	-	Asset related to Pension Scheme	197,592	197,592	42b
4,169,107	4,179,610	Total Long-term Assets	4,371,816	4,368,792	
2,267	2,267	Assets Held for Sale (within one year)	1,925	1,925	28b
62	62	Inventories	64	22,907	
244,906	237,626	Short term debtors	268,701	262,164	32a
11,381	3,381	Short Term Investments	1,004	1,004	31a
7,493	12,643	Cash and Cash Equivalents	43,449	48,983	47
-	-	Current Tax Asset	-	-	
266,109	255,979	Current Assets	315,143	336,983	
(19,801)	(19,801)	Short-term Borrowing	(177,533)	(177,533)	31a
(188,742)	(218,939)	Short-term Creditors	(152,579)	(189,264)	33b
(17,758)	(17,758)	Short-term Provisions	(9,724)	(9,724)	39
(27,894)	(27,894)	Grants Receipts in Advance – Revenue	(20,930)	(20,930)	34
(77,102)	(77,144)	Grants Receipts in Advance – Capital	(75,781)	(75,822)	36
-	78	Current Tax Liability	-	132	
(331,297)	(361,458)	Current Liabilities	(436,547)	(473,141)	
(70,699)	(93,843)	Long Term Creditors	(72,752)	(127,747)	31a
(6,814)	(6,814)	Provisions	(9,181)	(9,181)	39
(926,256)	(926,255)	Long Term Borrowing	(962,696)	(962,696)	31a
(139,390)	(139,390)	IAS19 Net Pension Liability	-	-	42b
(12,334)	(15,089)	Grants Receipts in Advance - Capital	(12,276)	(19,497)	36
(1,155,493)	(1,181,391)	Long-term Liabilities	(1,056,905)	(1,119,121)	
2,948,426	2,892,740	Net Assets	3,193,507	3,113,513	
(262,362)	(280,357)	Total Usable Reserves	(187,145)	(185,636)	23a
(2,686,064)	(2,687,369)	Total Unusable Reserves	(3,006,362)	(3,006,362)	22
(2,948,426)	(2,967,726)	Total Authority Reserves	(3,193,507)	(3,191,998)	
	74,986	HFL Group Limited Reserves	-	78,485	
(2,948,426)	(2,892,740)	Total Reserves	(3,193,507)	(3,113,513)	

GROUP AND SINGLE ENTITY BALANCE SHEET (continued)

Certification by the Chief Financial Officer

I certify that the statement of accounts gives a true and fair view of the financial position of the authority as at 31 March 2024 and its income and expenditure for the year ended 31 March 2025.



Zena Cooke

Corporate Director of Finance
London Borough of Lambeth

Date

GROUP AND SINGLE ENTITY CASH FLOW STATEMENT

The **Cash Flow Statement** shows the changes in cash and cash equivalents of the Council during the reporting period. The Statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the authority.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery.

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e., borrowing) to the authority.

AUTHORITY 2023/24	GROUP 2023/24		AUTHORITY 2024/25	GROUP 2024/25	
£'000	£'000		£'000	£'000	Note
63,121	107,383	Net (surplus) or deficit on the provision of services	88,719	74,942	
(133,930)	(106,668)	<i>Adjust net surplus or deficit on the provision of services for non-cash movements</i>	(112,700)		
16,255	16,254	<i>Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities</i>	62,146	62,146	
(54,554)	16,969	Net Cash Flows from Operating Activities	38,165	137,088	
126,738	119,556	Investing Activities	118,541		
(66,190)	(66,190)	Financing Activities	(192,662)		
5,994	70,335	Net (increase) or decrease in cash and cash equivalents	(35,956)	137,088	
92,337	94,680	Cash and cash equivalents at the beginning of the reporting period	7,493		
86,343	24,345	Cash and cash equivalents at the end of the reporting period	43,449	(137,088)	

*Restated as per Prior Period Adjustment, Note 49

GROUP AND SINGLE ENTITY CASH FLOW STATEMENT (detail)

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AUTHORITY 2023/24	GROUP 2023/24		AUTHORITY 2024/25	GROUP 2024/25	
£'000	£'000		£'000	£'000	Note
63,121	74,942	Net (surplus) or deficit on the provision of services	88,179	534,939	
		<i>Adjust net surplus or deficit on the provision of services for non-cash movements</i>			
(65,052)	(65,778)	Depreciation and amortisation	(98,527)	(99,253)	
(43,763)	(43,763)	Impairment and revaluations	(53,558)	(37,947)	
(1,085)	(1,085)	Impairment (loss)/gain on investments		4,177	
(16,829)	5,431	(Increase)/Decrease in Creditors	41,617	72,081	
41,241	24,061	Increase/(Decrease) in Debtors	23,418	5,494	
(15)	(15)	Increase/(Decrease) in Inventories	2	2	
17,422	17,422	Contributions (to)/from Provisions		5,667	
11,943	11,943	Movement in pension liability	8,282	8,282	
(4,740)	(4,740)	Carrying amount of non-current assets sold (property plant and equipment, investment property and intangible assets)	(7,466)	(7,466)	
227	1,201	Other non-cash items charged to the net surplus or deficit on the provision of services	(26,468)	(49,872)	
(60,651)	(55,323)		(112,700)	(98,835)	
		<i>Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities</i>			
(99,000)	(99,000)	Net adjustment from the sale of short and long term investments	540	540	
11,032	11,032	Proceeds from the sale of property plant and equipment, investment property and intangible assets	22,261	22,261	
37,908	37,908	Any other items for which the cash effects are investing or financing cash flows	39,885	39,885	
(50,060)	(50,060)	Net Cash Flows from Operating Activities	62,686	62,686	
188,713	170,641	Investing Activities	118,541	143,381	44
(128,498)	(128,498)	Financing Activities	(192,662)	(194,715)	45
12,625	11,702	Net (increase) or decrease in cash and cash equivalents	(35,956)	447,456	
20,118		Cash and cash equivalents at the beginning of the reporting period	7,493	(11,702)	
7,493	(11,702)	Cash and cash equivalents at the end of the reporting period	43,449	(459,158)	

Notes to the Accounts (GENERAL)

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Note to the Accounts (GENERAL)

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Notes to the Accounts (General)

STATEMENT OF ACCOUNTING POLICIES

Note 1: Statement of Accounting Policies

a. Basis of Preparation

The Accounts and Audit (England) Regulations 2015 require the council to prepare a Statement of Accounts for each financial year in accordance with proper accounting practices. For 2024/25, these proper accounting practices principally comprise:

- The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code).
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003 No 3146, as amended) (the 2003 Regs).

The Statement of Accounts has been prepared using the going concern and accruals basis on the assumption that the council's functions and services will continue to operate for the foreseeable future; even if facing a situation that might challenge this assumption, the Code of Practice dictates that it would not be appropriate for local authority financial statements to be prepared on anything other than a going concern basis as central government would, if required, be able to make alternative arrangements for the continued provision of local services. Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods and services is recognised when the Authority satisfies a performance obligation by transferring promised goods or services to the purchaser.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

The historical cost convention has been applied, modified by revaluation of the following material categories of non-current assets and certain financial instruments.

Class of Assets	Valuation Basis
Property, Plant and Equipment: Dwellings	Current value, comprising existing use value for social housing. Dwellings are valued using market prices for comparable properties, adjusted to reflect occupancy under secure tenancies.
Property, Plant and Equipment: Other Land and Buildings	Current value, comprising existing use value. Where prices for comparable properties are available in an active market, properties are valued at market value taking into account the existing use. Where no market exists or the property is specialised, current value is measured at depreciated replacement cost.
Property, Plant and Equipment: Surplus Assets	Land, Office and Retail assets have been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions for these asset types are such that the level of observable inputs are significant leading to the properties being categorised at Level 2 in the fair value hierarchy.
Pensions Assets	Fair value <ul style="list-style-type: none"> • quoted securities – current bid price • unquoted securities – professional estimate • unitised securities – current bid price • property – market value.

Note 1: Statement of Accounting Policies (continued)**b. Adjustments Between Accounting Basis and Funding Basis**

The resources available to the council in any financial year and the expenses that are charged against those resources are specified by statute (the Local Government Act 2003 and the 2003 Regulations). Where the statutory provisions differ from the accruals basis used in the Comprehensive Income and Expenditure Statement, adjustments to the accounting treatment are made in the Movement in Reserves Statement so that usable reserves reflect the funding available at the year-end. This is also shown in the Expenditure and Funding Analysis. Unusable reserves are created to manage the timing differences between the accounting and funding bases. The material adjustments are:

Expense	Accounting Basis in CIES	Funding Basis in MiRS	Adjustment Account
Property, Plant and Equipment	Depreciation and revaluation/impairment losses	Annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance.	Capital Adjustment Account
Intangible Assets	Amortisation and impairment	Annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance.	Capital Adjustment Account
Investment Properties	Movements in fair value	Annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance.	Capital Adjustment Account
Revenue Expenditure Funded from Capital under Statute	Expenditure incurred in 2024/25	Annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance.	Capital Adjustment Account
Capital Grants and Contributions	Grants that became unconditional in 2024/25 or were received in 2024/25 without conditions.	No credit for capital grant income as this is accounted for via the capital adjustment account when applied.	Capital Grants Unapplied Reserve (amounts unapplied at 31 March 2025) Capital Adjustment Account (other amounts)
Non-Current Asset Disposals	Gain or loss based on sale proceeds less carrying amount of asset (net of costs of disposal).	No charge or credit in respect of carrying amount. The sales proceeds are taken to the Capital Receipts Reserve.	Capital Adjustment Account (carrying amount) Capital Receipts Reserve (sale proceeds and costs of disposal) Deferred Capital Receipts Reserve (where sale proceeds have yet to be received)

Note 1: Statement of Accounting Policies (continued)

b. Adjustments Between Accounting Basis and Funding Basis (continued)

Expense	Accounting Basis in CIES	Funding Basis in MiRS	Adjustment Account
Financial Instruments	Premiums payable and discounts receivable on the early repayment of borrowing in 2024/25.	Deferred debits and credits of premiums and discounts from earlier years in accordance with the 2003 Regs Historical cost gains/losses for money market fund investments disposed of in 2024/25.	Financial Instruments Adjustment Account
Pensions Costs	Movements in pensions assets and liabilities being the aggregate of service costs, net interest costs and actuarial gains and losses.	Employer's pensions contributions payable and direct payments made by the council to pensioners for 2024/25..	Pensions Reserve
Council Tax	Accrued income from 2024/25 bills	Demand on the Collection Fund for 2024/25 plus share of estimated surplus at 31 March 2025.	Collection Fund Adjustment Account
Business Rates	Accrued income from 2024/25 bills	Precept from the Collection Fund for 2024/25	Collection Fund Adjustment Account
Holiday Pay	Projected cost of untaken leave entitlements at 31 March 2025.	No charge	Accumulated Absences Adjustment Account
Dedicated Schools Grant Deficit	The cost of the deficit in the dedicated schools grant.	Set aside of the deficit for recovery in future financial years.	Dedicated Schools Grant Adjustment Account

Note 1: Statement of Accounting Policies (continued)**c. Financial Instruments**

Financial instruments are recognised on the Balance Sheet when the council becomes a party to their contractual provisions. They are initially measured at fair value.

Financial liabilities are subsequently measured at amortised cost. For the council's borrowing this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

Financial assets are subsequently measured in one of two ways:

- amortised cost – assets whose contractual terms are basic lending arrangements (i.e., they give rise on specified dates to cash flows that are solely payments of principal or interest on the principal amount outstanding, which the council holds under a business model whose objective is to collect those cash flows)
- fair value – all other financial assets Amortised cost assets are measured in the Balance Sheet at the outstanding principal repayable (plus accrued interest). Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) are based on the carrying amount of the asset, multiplied by the effective rate of interest for the instrument. Any gains or losses in fair value that might arise are not accounted for until the instrument matures or is sold.

Allowances for impairment losses have been calculated for amortised cost assets, applying the expected credit losses model. Changes in loss allowances (including balances outstanding at the date of derecognition of an asset) are debited/credited to the Financing and Investment Income and Expenditure line in the CIES.

Changes in the value of assets carried at fair value (described as Fair Value through Profit or Loss) are debited/credited to the Financing and Investment Income and Expenditure line in the CIES as they arise.

d. Revenue from Contracts with Service Recipients

The council recognises revenue from contracts with service recipients when it satisfies a performance obligation by transferring promised goods or services to a recipient, measured as the amount of the overall transaction price allocated to that obligation.

Note 1: Statement of Accounting Policies (continued)**e. Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the council when there is reasonable assurance that:

- the council will comply with any conditions attached to the payments, and
- the grants or contributions will be received

Amounts recognised as due to the council are not credited to the Comprehensive Income and Expenditure Statement until the council has satisfied any conditions attached to the grant or contribution that would require repayment if not met. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-specific Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the CIES.

Community Infrastructure Levy

The authority has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the authority) with appropriate planning consent. The council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport and schools) to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a proportion of the charges may be used to fund revenue expenditure.

f. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the council as a result of past events (e.g., software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the council.

Intangible assets are measured at cost. These are amortised over 4 years.

The amount of an intangible asset to be amortised is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that it might be impaired – any losses recognised are posted to the relevant service line(s) in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

Note 1: Statement of Accounting Policies (continued)**g. Leases**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Property, plant and equipment held by the council under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Premiums paid on entry into a lease are applied to writing down the lease liability. Subsequent payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability
- financing charges and contingent rents (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the authority at the end of the lease period).

The authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Rentals paid by the council under operating leases are charged to the CIES as an expense of the services benefitting from use of the leased property, plant or equipment.

Where the council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal, with the gain/loss attributable to the difference between the carrying amount of the asset and the council's net investment in the lease being credited/debited to the Other Operating Expenditure line in the CIES. The net investment in the lease is recognised as a lease asset in the Balance Sheet, net of any premium paid. Lease rentals receivable are apportioned between:

- a credit for the disposal of the interest in the property – applied to write down the lease asset
- finance income (credited to the Financing and Investment Income and Expenditure line in the CIES).

Where the council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the CIES. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Note 1: Statement of Accounting Policies (continued)**h. Overheads and Support Services**

The costs of overheads and support services are charged to the Housing Revenue Account (HRA), to Public Health and against the Dedicated School Grant for their share of the supply or service in proportion to the benefits received. However, the full absorption costing principle is no longer applied with the remainder of the General Fund's share of overheads and support services remaining in the Finance and Investment directorate in accordance with the authority's arrangements for accountability and financial performance.

i. Post-Employment Benefits

Employees of the council are members of four separate pension schemes:

- The NHS Pension Scheme, administered by NHS Business Services Agency (NHSBSA).
- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The Local Government Pensions Scheme, administered by the London Borough of Lambeth.
- The Local Government Pensions Scheme, administered by the London Pension Fund Authority.

The NHS and Teacher's Schemes provide defined benefits to members. However, Scheme arrangements mean that liabilities for these benefits cannot be attributed to the council. The Schemes are therefore accounted for as if they were defined contribution schemes and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's and Education Services and Public Health lines in the Comprehensive Income and Expenditure Statement are charged respectively with the employer's contributions payable to Teachers' and NHS Pensions in the year.

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- the liabilities of the Lambeth and London Pension Funds attributable to the council are included in the Balance Sheet on an actuarial basis using the projected unit method
- liabilities are discounted to their value at current prices using a discount rate of which is based on the indicative rate of return available on a basket of AA-rated bonds with long terms to maturity (the iBoxx AA rated over 15 year corporate bond index)
- the assets of the Lambeth and London Pension Funds attributable to the council are included in the Balance Sheet at their fair value as set out in Policy A.

The change in the net pension liability is analysed into the following components:

- Service cost comprising:
 - i) current service cost – allocated in the Comprehensive Income and Expenditure Statement (CIES) to the services for which the employees worked
 - ii) past service cost – debited to the Surplus or Deficit on the Provision of Services in the CIES.
- Net interest on the net defined benefit liability:
 - i) charged to the Financing and Investment Income and Expenditure line of the CIES
- Re-measurements comprising:
 - i) the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
 - ii) actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
 - iii) Contributions paid to the Lambeth pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities, not accounted for as an expense.

Note 1: Statement of Accounting Policies (continued)**i. Post-Employment Benefits (continued)**Discretionary Benefits

The authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

j. Property, Plant and Equipment and Heritage Assets

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

The authority does not capitalise borrowing costs incurred whilst assets are under construction.

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Assets such as infrastructure, community assets and assets under construction are carried at depreciated historical cost. Surplus Assets are held at Fair Value, Heritage assets are held at historic cost. For assets currently providing a service, if they have no active market then they are held at Depreciated Replacement Cost, for Council Dwellings these are held at Existing Use Value – Social Housing, and for other assets with an active market these are held at Existing Use Value.

Assets included in the Balance Sheet are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their valuation basis at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for in the following ways:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Note 1: Statement of Accounting Policies (continued)**j. Property, Plant and Equipment and Heritage Assets (continued)**

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Assets are assessed at each year-end as to whether there is any indication that items may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for in the same way as revaluation losses.

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts (based on their brought forward value) over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).

Useful Economic Lives

Asset Category	Useful Economic Life
Council Dwellings	60 Years
Other Buildings	40 Years
Vehicles & IT equipment	4 Years
<i>Plant, furniture & equipment</i>	<i>10 Years</i>
Commercial properties & surplus assets	40 to 60 Years
Infrastructure	10 – 40 years depending on type of infrastructure asset
Community assets	10 – 100 years depending on type of community asset
Heritage assets	Held in perpetuity

The periods over which assets are depreciated are determined by the valuer on an asset by asset basis. In the absence of such a determination the useful lives in the table above apply.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES against any receipts arising from the disposal as a gain or loss on disposal.

Council Dwellings that are earmarked for regeneration will be valued using the Existing Use Value for Social Housing (EUV-SH) method provided that they are still operational/occupied at the balance sheet date.

Once a formal decision has been made and a clear timetable agreed, including a change in use of the homes; i.e., they are vacant/non-operational, it is this change in use that will drive any change in the valuation method used for the purposes of the annual accounts.

For those properties valued within the financial year, the valuer will determine the assets value as at 31 December with an impairment review at the end of the financial year to highlight any financially material changes to the value of these assets between 31 December and 31 March.

Note 1: Statement of Accounting Policies (continued)**k. Private Finance Initiative and Similar Contracts**

As the council is deemed to control the services that are provided under its PFI contracts, and as ownership of the Property, Plant and Equipment will pass to the council at the end of the contracts for no additional charge, the assets used are recognised on the Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

The amounts payable to the PFI operators each year are analysed into five elements:

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement (CIES)
- finance cost – debited to the Financing and Investment Income and Expenditure line in the CIES
- contingent rent – debited to the Financing and Investment Income and Expenditure line in the CIES
- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator
- lifecycle replacement costs – a proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out

l. Provisions

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement where an event has taken place that gives the council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g., from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

The government has provided the ability to capitalise specific future costs relating to the redress scheme set up by the council in 2017/18 for payments pertaining to historic child abuse. The provision set up for these costs is matched with a reserve on the balance sheet. As payments are made these are debited against the provision and are matched by drawing down the reserve by an equal sum to the capital adjustment account.

m. Termination Benefits

Termination benefits are amounts payable as a result of a decision by the authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Note 1: Statement of Accounting Policies (continued)**n. Changes in Accounting Policies**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise or the CIPFA code specifies no retrospective implementation) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

o. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in a specified period, no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management strategy.

p. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

q. Rounding

It is not the council's policy to adjust for immaterial cross-casting differences between the main statements and disclosure notes.

r. Council Tax and Non-domestic Rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e., the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Note 1: Statement of Accounting Policies (continued)**s. Employee Benefits Payable During Employment**

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

t. Schools

The Code of Practice on Local Authority Accounting in the United Kingdom confirms that the balance of control for local authority maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority financial statements. Therefore schools' transactions, cash flows and balances are recognised in each of the financial statements of the authority as if they were the transactions, cash flows and balances of the authority.

u. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

v. Single Entity Financial Statements and Group Accounts

We have presented single entity financial statements, in which Lambeth's interest in wholly owned subsidiaries are accounted for on the basis of the direct equity interest (i.e. at cost) rather than on the basis of the reported results and net assets of the investees.

The council prepared a review of group interests in the companies that have the nature of subsidiaries during the 2021/22 financial year. It has concluded that there are material interests in subsidiaries, and therefore Group Accounts have been prepared. See Group Accounts for more details.

CRITICAL JUDGEMENTS AND ASSUMPTIONS

Notes 2&3: Critical Judgments and Assumptions

The Statement of Accounts contains estimated figures that are based on assumptions made by the council or relevant professionals engaged by the council, such as actuaries, about the future. Estimates are made taking into account historical experience, current trends, professional advice and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates

Items in the council's Balance Sheet at 31 March 2025 for which there is a risk of material adjustment in the forthcoming financial year include pensions liabilities, property, plant and equipment valuations, insurance provisions and impairments on receivables.

Assumptions Made About the Future and Other Major Sources of Uncertainty

Future of Local Government Finance

There is a high degree of uncertainty about future levels of funding for local government. However, the council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the council might be impaired as a result of a need to close facilities and reduce levels of service provision.

Cost of Living Crisis

The economic impact of the war in Ukraine and Middle East, and the resulting increase in inflation together with the challenges post pandemic has had a significant impact on the council, local businesses and individuals. It has also resulted in a cost of living crisis and there is a great deal of uncertainty at this stage regarding what the precise impact will be over time.

Pensions Liabilities

Estimation of the net liability to pay pensions depends on a number of complex judgements agreed with the council's actuaries, Hymans Robertson LLP and Barnett Waddingham (the actuaries of the London Pension Fund Authority (LPFA)).

The sensitivities regarding the principal assumptions used to measure the pension liability in respect of the Lambeth scheme are set out in the table below:

	Approx. increase to pension liability		Approx. increase to monetary amount	
	LPFA	Lambeth	LPFA	Lambeth
	%	%	£'000	£'000
1 year increase in member life expectancy	6	4	2,649	70,635
0.1% increase in salary increase rate	-	-	8	1,789
0.1% increase in pension increase rate	1	2	471	27,265
0.1% decrease in real discount rate	1	2	471	28,431

Notes 2 & 3: Critical Judgments and Assumptions

Critical judgements made in the Statement of Accounts are:

London Pension Fund Authority (LPFA) Pension Scheme Asset Ceiling

In calculating the net pensions asset for the London Pension Fund Authority (LPFA), the Council has made a judgement that the statutory framework for setting employer's contributions under the scheme constitutes a minimum funding requirement. As a result, the Council's ability to realise the full economic benefits of the net pensions asset of £44.110m calculated under the Accounting Code's provisions for post employment benefits through reductions in future employer's contributions is limited. An asset ceiling therefore applies. The fact that the Council has a commitment under the current funding strategy for the Scheme to fund the deficit means that the asset ceiling has reduced what would otherwise be the net pensions asset of £44.110m to a net pensions liability of £2.031m.

Local Government Pension Scheme (LGPS)

A similar situation applies to the LGPS, where an asset ceiling adjustment increases the liability calculated under the Accounting Code provisions from £36.501m to £137.359m.

The practical effect of this is to move the basis of measurement for the net pensions asset/liability closer to the assumptions made in the triennial valuation of the Schemes under which the employer's contributions were set by the Scheme's actuaries. It does not indicate that the Council has paid excess amounts into the Scheme that it will never be able to recover.

Property Valuations

Properties are subject to full valuation by a qualified valuer under a rolling programme at least once every five years. Where there has been significant works carried out to the asset during the year, the asset is subject to a full valuation on completion of those works. The valuation in 2024/25 was conducted by Wilks Head and Eve LLP.

The valuers have arrived at their opinion of Existing Use Value - Social Housing, Existing Use Value and Fair Value from referring to recent comparable market transactions. For specialised properties the Value has been measured using Depreciated Replacement Cost methodology.

The Housing Revenue Account (HRA) residential portfolio was valued utilising a beacon methodology. In order to value the whole portfolio, it was necessary to research a number of information sources. These include sales of directly comparable property, changes of income flow for non-residential HRA property, information available at a local level showing house price movement plus regional and National Indices.

Impairment on financial assets

IFRS 9 requires that credit losses on financial assets are measured and recognised using the 'expected credit loss (ECL) approach. The ECL approach is used on applicable assets held at amortised cost or FV through other comprehensive income. The ECL approach results in the early recognition of credit losses because it includes, not only losses that have already been incurred, but also expected future credit losses – it is a forward looking model. Where the council identifies an expected credit loss the impairments on appropriate assets are amended were material.

Provisions and Contingent Liabilities

IAS 37: Provisions, Contingent Liabilities and Contingent Assets, determines whether a provision or contingent liability should be recognised in the accounts. The interpretation of the rules is particularly challenging with respect to legal cases as a judgement needs to be made as to the outcome of litigation. The experience of the council's internal legal function is utilised to determine how current legal cases are likely to conclude and the possible financial impact of the outcome of the case.

Notes 2 & 3: Critical Judgments and Assumptions

Critical judgements made in the Statement of Accounts are:

Redress Scheme

In December 2017 the council launched a redress scheme to compensate survivors of sexual, physical and psychological abuse in Lambeth Children's Homes dating back to the 1930s up to the 1990s. The scheme enables compensation to be paid out without using the court system enabling compensation to be paid more quickly and without sums being spent in legal fees. The scheme closed for new applications on 1 January 2022.

The council received a capitalisation direction from Central Government enabling it to treat payments up to £175m as capital expenditure and fund the costs from external borrowing. The council has set aside a provision for the full amount of the capitalisation direction and each year has reversed the general fund impact of costs incurred on settling claims to the capitalisation direction reserve up to 31 March 2024.

There remains uncertainty in the total value of payments that may be required to be made as a result of the establishment of the redress scheme. The uncertainties in valuing the liability arise from the following factors:

- It is not known, of the final claims received in January 2022, what proportion of the claims will be successful.
- There is also uncertainty in the value of redress payments that will be awarded to the accepted claims.
- The scheme comprises two elements: Harms Way Payments which are set amounts dependent on the length of time an individual was resident in a Children's Home, and Individual Redress Payments which are compensation for actual harm incurred following medical and legal review.

Costs associated with the scheme have been monitored throughout 2024/25. The most recent actuarial assessments of the outstanding cases have estimated the total cost of the scheme to be £155.3m

Insurance Fund

The council holds a fund to act as a means of self-insurance. This is split between a consideration held in provisions to cater for incurred and reported claims where there is a probability that a payment may be required, and a reserve to cater incurred but not reported claims.

Service Concessions

The council is deemed to control the services provided under PFI agreements as detailed in note 38. The accounting policies for PFI schemes and similar contracts have been applied to the arrangements and the assets recognised as Property Plant and Equipment on the council's Balance sheet.

Note 4: Accounting Standards Issued but Not Yet Adopted

There are no changes in accounting requirements for 2024/25 that are anticipated to have a material impact on the council's financial performance or financial position.

Note 5: Post Balance Sheet

NOTES TO COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

Note 6: The Expenditure and Funding Analysis

The Expenditure and Funding Analysis is a note to the accounts that shows for each of the council's directorates:

- the amount spent under the council's rules for monitoring expenditure against the funding in the annual budget for the General Fund
- the resources actually consumed in the year as measured by proper accounting practices in the Comprehensive Income and Expenditure Statement

The reasons for differences between the two amounts for each service are explained further in Note 7.

2023/24					2024/25			
Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments required to arrive at the Net amount chargeable to the GF & HRA	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments required to arrive at the Net amount chargeable to the GF & HRA	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
116,059	-	1,458	117,517	Adult Social Care	111,954	(119)	2,262	114,097
2,807	(113)	-	2,694	Integrated Health & Care	2,068	-	-	2,068
5,407	(7)	7	5,407	Chief Executive	849	(3,254)	3,254	849
118,501	(5,294)	18,814	132,021	Children's Services	121,439	1,964	6,545	129,948
14,084	(2,467)	97	11,714	Corporate Items Cost of Services	26,119	(82)	(7,633)	18,404
29,124	28	(1,406)	27,746	Finance & Governance	14,367	(15,782)	9,832	8,417
37,703	3	-	37,706	Housing Services (1)	65,797	3	-	65,800
56,105	(895)	18,164	73,374	Resident & Enabling Services	54,687	(3,646)	29,782	80,823
9,301	(3,890)	(1,300)	4,111	Climate & Inclusive Growth	20,853	(265)	13,643	34,231
389,091	(12,635)	35,834	412,290	Net Cost of Services excl HRA	418,133	(21,181)	57,685	454,637
10,863	(8,536)	15,321	17,648	Housing Revenue Account	8,283	(18,583)	19,467	9,167
399,954	(21,171)	51,155	429,938	Net Cost of Services incl HRA	426,416	(39,764)	77,152	463,804
(350,711)	21,171	(37,277)	(366,817)	Other Income and Expenditure	(346,066)	39,764	(51,472)	(357,774)
49,243	-	13,878	63,121	(Surplus)/Deficit	80,350	-	25,680	106,030
			(215,417)	Opening General Fund and HRA Balance 1 April	(166,172)			
			49,243	Less/Plus (Surplus) or Deficit on General Fund and HRA Balance in Year	80,351			
			(166,174)	Closing General Fund and HRA Balance at 31 March*	(82,821)			-

*Restated as per Prior Period Adjustment, Note 49

(1) For a split of this balance between the General Fund and the HRA – see the Movement in Reserves Statement.

Note 7: Note to the Expenditure and Funding Analysis

Decisions about resource allocation are taken by the council's Cabinet on the basis of budget reports analysed across departments. For the purpose of the initial budget and reports during the year, these reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisation are charged to services in the CIES)
- the cost of retirement benefits is based on cash flows (payment of employer's pension contributions) rather than current service cost of benefits accrued in the year

However, in the outturn report, the department analysis for the General Fund is reported using the same accounting policies used to prepare the financial statements, except that expenditure includes a charge for appropriation of schools' net surpluses to an earmarked reserve. General Fund cash limits are adjusted in that report to reflect in full the effect of converting to the accounting policies used in the financial statements so that the conversion has no impact on the departments' performance against their cash limits. HRA amounts are not converted.

The following note breaks down the adjustments between funding and accounting basis by adjustments for capital purposes, pensions and other adjustments.

2023/24					2024/25			
Adjustments for Capital Purposes	Net Change for Pension Adjustments	Other Adjustments	Total Adjustments		Adjustments for Capital Purposes	Net Change for Pension Adjustments	Other Adjustments	Total Adjustments
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
1,458	-	-	1,458	Adults & Health	2,262	-	-	2,262
-	-	-	-	Integrated Health & Care	-	-	-	-
7	-	-	7	Chief Executive	3,254	-	-	3,254
18,814	-	-	18,814	Children's Services	6,545	-	-	6,545
13,323	(13,273)	47	97	Corporate Items Cost of Services	4,668	(12,661)	360	(7,633)
(1,406)	-	-	(1,406)	Finance & Governance	9,832	-	-	9,832
-	-	-	-	Housing Services*	-	-	-	-
17,316	(1,950)	(45)	15,321	Housing Revenue Account	21,432	(1,989)	23	19,466
18,164	-	-	18,164	Resident & Enabling Services	29,782	-	-	29,782
(1,300)	-	-	(1,300)	Climate & Inclusive Growth	13,643	-	-	13,643
66,376	(15,223)	2	51,155	Net Cost of Services	91,418	(14,650)	383	77,151
(37,815)	3,280	(2,742)	(37,277)	Other income and expenditure from the Funding Analysis	(58,729)	6,368	(10,876)	(63,237)
28,561	(11,943)	(2,740)	13,878	Difference between (Surplus)/Deficit and the CIES Statement (Surplus)/Deficit on Provision of Services	32,689	(8,282)	(10,493)	13,914

Note 8: Expenditure & Income Analysed by Nature

2023/24		2024/25
£'000		£'000
	Expenditure	
405,966	Employee benefits expenses	436,485
952,043	Other services expenses	1,028,791
108,815	Depreciation, amortisation, impairment	107,756
44,173	Interest payments	50,953
3,220	Precepts and levies	3,574
697	Payments to Housing Capital Receipts Pool	-
(6,293)	Loss/(Gain) on the disposal of assets	(17,584)
-	Impairments on Receivables	33,085
1,085	Impairment Losses / (Gains) on Investments	(4,177)
1,509,706	Total expenditure	1,638,883
	Income	
(373,076)	Fees, charges and other service income	(406,857)
(3,817)	Interest and investment income	(81)
(259,889)	Income from council tax, non-domestic rates	(284,238)
(809,803)	Government grants and contributions	(858,988)
(1,446,585)	Total income	(1,550,164)
63,121	(Surplus) or Deficit on the Provision of Services	88,719

*Restated as per Prior Period Adjustment, Note 49

Note 9: Material Items of Income and Expense

Revaluation Gains / Losses

In 2024/25 there was a total net revaluation loss of 71.0m to the surplus / deficit on provision of services, comprising a net loss of £22.0m recorded in the HRA and a £49.0m net revaluation loss in the General Fund. The loss was due to macro-economic factors.

Note 10: External Audit Costs

The council has incurred the following costs in relation to the audit of the Statement of Accounts performed by Mazars and the certification of grant claims performed by KPMG:

2023/24		2024/25
£'000		£'000
193	Fees with regard to external audit services carried out by the appointed auditor for the year	401
51	Fees for the certification of grant claims and returns for the year	33
244		434

GRANT INCOME, CONTRIBUTIONS AND TAXATION

Note 11: Breakdown of Taxation and Non-Specific Grant Income

2023/24		2024/25
£'000		£'000
(27,808)	Capital grants and Contributions – other (see note 12)	(29,286)
(146,260)	Council Tax income	(160,702)
(46,336)	NNDR Retained Income	(52,404)
(67,293)	Top-Up grant – business rates retention scheme	(39,729)
(28,246)	NNDR S31 Grant	(32,710)
(37,260)	Revenue Support Grant	(70,503)
(55,958)	Other Non-service related grants (see note 13)	-
(409,161)	Taxation and Non-Specific Grant Income	(385,334)

Note 12: Capital Grants and contributions

2023/24		2024/25
£'000		£'000
	Credited to Taxation and non-specific grant income	
(2,815)	Transport for London	(4,740)
(4,381)	Business Energy & Industrial Strategy	(131)
(1,700)	Section 20 Receipts	(2,470)
(3,933)	Standard Fund	(7,339)
(4,363)	S106 developers' contributions	(1,402)
(1,559)	GLA	(3,651)
(3,740)	Heritage Lottery fund	(2,143)
(3,043)	Community Infrastructure Levy	-
-	Department for Levelling Up, Housing & Communities	(3,905)
-	Energy Security & Net Zero	(2,493)
(2,273)	Other Grants - Capital (under £1.5m)	(5,935)
(27,807)	Total of Non-ringfenced government grants	(34,209)
	Credited to services	
(161)	Business Energy & Industrial Strategy	-
(44)	Standards Fund	-
(2,392)	S106 developers' contributions	-
-	Communities & Local Government	(3,791)
(150)	GLA	(1,612)
(1,001)	City of London	-
(1,038)	Other Grants-Capital (under 1.5m)	(273)
(4,786)	Total Credited to Services	(5,676)
(32,593)	Grand Total	(39,885)

Note 13: Other Revenue Grant Income

The council credited the following other revenue grants to the Comprehensive Income and Expenditure Statement:

2023/24	Credited to Taxation and Non Specific Grant Income	2024/25
£'000		£'000
(25,839)	Adult Social Care Support	
(7,260)	Community Infrastructure Levy	
-	Contain Outbreak Management Fund	
-	Covid-19 Additional Funding	
-	Covid-19 Hardship Fund	
-	Discretionary Grants Fund	
-	Homelessness Reduction Act NB	
(4,511)	Services Grant	
(14,946)	Improved Better Care Fund	
(17)	New Homes Bonus & New Homes Bonus Top Slice	
-	Sales, Fees and Charges Compensation (Covid income loss)	
(1,462)	Tackling Troubled Families	
(1,923)	Grants Under £1.5m	
(55,958)	Total Credited to Taxation and Non Specific Grant Income	-

Note 13: Other Revenue Grant Income (continued)

2023/24 £'000	Credited to services	2024/25 £'000
-	Additional Restrictions Grant	
-	Additional Restrictions Grant Phase 3	
(6,797)	Additional Grant for Schools	
(2,952)	Adult and Community Learning	
-	Adult Social Care Infection Control Fund	
(2,357)	Covid catch-up Premium - Schools	
(238,390)	Dedicated Schools Grant	
-	Discretionary Housing Payment	
-	Discretionary Fund	
(6,527)	Household support fund	
(171,875)	Housing Benefit Subsidy	
(1,835)	Homes for Ukraine	
(1,931)	PFI Lilian Baylis PFI Project - DfE Grant	
(7,729)	PFI Support Grant Income - Lambeth Myatts Field North HRA PFI Project	
(2,786)	PFI Support Grant Income – Other	
(35,521)	Public Health Grant	
(12,840)	Pupil Premium	
(2,124)	Rough Sleeping Grant	
-	Teachers' Pay Grant	
-	Test and Trace	
(4,361)	Unaccompanied Children's Grant	
(2,040)	Universal Infant Free School Meals	
(8,643)	YPLA (LSC) 6th Form Grant	
-	Other Covid-19 grants below £1.5m	
(16,536)	Other government grants - Revenue (under £1.5m)	
-	Non-government grants - Revenue	
(13,872)	Better Care Fund - S75 Pooled Budget	
(35,347)	Contributions from health authorities	
(2,610)	Section 106	
(13,868)	Other contributions income for schools	
(33,838)	Other contributions under £1.5m	
(624,779)	Total Credited to Services (Grants and Contributions)	-
(680,737)	Grand Total	-

Note 14: Dedicated Schools Grant (DSG)

The council's expenditure on schools is funded by grant monies provided by the Department for Children, Schools and Families – the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget. The Schools Budget has two components – one for a restricted range of services provided on an authority-wide basis and the other for the Individual Schools Budget, which is divided into a budget share for each school. The council is required to account separately for overspends and underspends on the two components. Details of the deployment of DSG receivable for 2022/23 are as follows:

	Central Expenditure	Individual Schools Budget	Total
	£'000	£'000	£'000
Final DSG for 2024/25 before academy and high needs recoupment			337,450,264
Academy and high needs figure recouped for 2024/25			82,860,938
Total DSG after academy and high needs recoupment for 2024/25			254,589,326
Plus: Brought forward from 2023/24			10,479,702
Less: Carry-forward to 2025/26 agreed in advance			
Agreed initial budgeted distribution in 2024/25	75,095,873	190,558,493	265,069,028
In year adjustments	(585,339)		
Final budget distribution for 2024/25	74,510,534	190,558,493	265,069,028
Less: Actual central expenditure	61,097,577		61,097,577
Less: Actual ISB deployed to schools		190,558,493	190,558,493
Plus: Local authority contribution for 2024/25			-
In Year Carry-forward to 2025/26	13,412,957	-	13,412,958
Plus/Minus: Carry-forward to 2025/26 agreed in advance			-
Carry-forward to 2025/26			13,412,958
DSG unusable reserve at end of 2023/24			
Addition to DSG unusable reserve at end of 2024/25			(2,743,063)
Total of DSG unusable reserve at end of 2024/25			(2,743,063)
Net DSG position at end of 2024/25			10,669,895

Note 14: Dedicated Schools Grant (DSG)

	Central Expenditure	Individual Schools Budget	Total
	£'000	£'000	£'000
Final DSG for 2022/23 before academy and high needs recoupment			318,534
Academy and high needs figure recouped for 2023/24			79,716
Total DSG after academy and high needs recoupment for 2023/24			238,818
Plus: Brought forward from 2022/23			4,856
Less: Carry-forward to 2024/25 agreed in advance			-
Agreed initial budgeted distribution in 2023/24	62,523	181,151	238,818
In year adjustments	(427)		(427)
Final budget distribution for 2023/24	62,095	181,151	243,246
Less: Actual central expenditure	51,616		51,616
Less: Actual ISB deployed to schools		181,151	181,151
Plus: Local authority contribution for 2023/24			-
In Year Carry-forward to 2024/25	10,479	-	10,479
Plus/Minus: Carry-forward to 2024/25 agreed in advance			-
Carry-forward to 2024/25			10,479
DSG unusable reserve at end of 2022/23			(2,743)
Addition to DSG unusable reserve at end of 2023/24			-
Total of DSG unusable reserve at end of 2023/24			(2,743)
Net DSG position at end of 2023/24			7,736

Note 15: Better Care Fund (Pooled Budget)

The council entered into a pooled budget arrangement with Lambeth Integrated Care Board (ICB) in 2014/15. This ongoing agreement is for the provision of services to improve the health and wellbeing of the people living in Lambeth and is extended annually. Services provided through this pooled fund cover mental and physical health, care and support for carers, and are focused on enabling people to recover quickly following a hospital stay, improving mental health care and staying independent.

The arrangement is made in accordance with Section 75 (S75) of the National Health Service Act 2006 and any surplus or deficit generated will be the responsibility of the respective partner to whom it is attributed. The pooled budget includes all income and expenditure relating to the Better Care Fund (BCF), whether funded by the local authority or the NHS. It is hosted by Lambeth Council, however not all transactions pass through the council's accounting system.

Since 2017-18, the Better Care Fund has been widened to encompass funding known as the Improved Better Care Fund (iBCF). This funding is received direct from the Department for Levelling Up, Housing and Communities (DLUHC). One of its key purposes is to manage the level of delayed transfers of care from acute settings to those in the community.

2023/24		2024/25
£'000		£'000
(18,720)	Lambeth Council	(20,270)
(32,585)	CCG	(35,085)
(51,305)	Total funding provided to the pooled budget	(55,355)
	Expenditure met from pooled budget	
33,510	Lambeth Council	37,335
17,795	CCG	18,020
51,305	Total expenditure met from the pooled budget	55,355
-	Net surplus / deficit arising on the pooled budget during the year	-

Note 16: Members Allowances

2023/24		2024/25
£'000		£'000
852	Members' Allowances	1,127
513	Special Responsibility Allowance	535
-	Members' Expenses	-
1,365		1,662

Note 17: Remuneration Details – Higher Earners

Remuneration band	Number of school employees		Number of other employees		Total number of employees	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£50,000 - £54,999	156	163	313	313	469	476
£55,000 - £59,999	194	155	219	321	413	476
£60,000 - £64,999	131	162	125	148	256	310
£65,000 - £69,999	69	107	72	84	141	191
£70,000 - £74,999	54	68	84	72	138	140
£75,000 - £79,999	44	52	32	54	76	106
£80,000 - £84,999	13	31	13	25	26	56
£85,000 - £89,999	20	24	19	28	39	52
£90,000 - £94,999	9	13	9	10	18	23
£95,000 - £99,999	7	9	17	20	24	29
£100,000 - £104,999	5	4	8	11	13	15
£105,000 - £109,999	5	6	6	7	11	13
£110,000 - £114,999	7	6	6	7	13	13
£115,000 - £119,999	5	5	5	2	10	7
£120,000 - £124,999	1	4	3	3	4	7
£125,000 - £129,999	2	3	1	7	3	10
£130,000 - £134,999	2	1	2	1	4	2
£135,000 - £139,999	2	5	4	5	6	10
£140,000 - £144,999	-	-	-	2	-	2
£145,000 - £149,999	1	2	-	2	1	4
Over £150,000		3		3	-	6
Total for £50,000 to £139,999	727	823	938	1,125	1,665	1,948

Note 18: Senior Officers' Remuneration

Name and Title	Notes	Year	*Salary, Fees & Allowances	Expense Allowances	Redundancy / Severance payments	Total Remuneration excl employers' pension contributions	Employers' pension contributions	Total Remuneration incl employers' pension contributions
			£	£	£	£	£	£
Chief Executive - Ian Davis	1	2024/25	4,946	-	-	4,946	309	5,255
Acting Chief Executive - Fiona Connolly	2	2024/25	149,982	-	-	149,982	8,257	158,239
Corporate Director of Housing and Adult Social Care - Fiona Connolly	2	2024/25	42,781	-	-	42,781	28,947	71,728
Corporate Director of Integrated Health and Care		2024/25	8,359	-	-		12,058	
Acting Corporate Director of Housing Adult Social Care - Ruth Hutt	3	2024/25	122,513	-	-	122,513	23,645	146,158
Statutory Director of Public Health - Ruth Hutt	3	2024/25	36,527	-	-	36,527	7,050	43,577
Corporate Director of Children, Families and Education - Andrew Carter		2024/25	182,302	-	-	182,302	35,184	217,486
Corporate Director of Climate & Inclusive Growth - Nabeel Khan		2024/25	168,062	-	-	168,062	32,501	200,563
Corporate Director of Residents and Enabling Services - Venetia Reid-Baptiste		2024/25	181,383	-	-	181,383	35,007	216,390
Corporate Director of Finance and Governance - Zena Cooke	4	2024/25	55,681	-	-	55,681	10,746	66,427
Corporate Director of Communities, Governance and Change - Amy Buxton Jennings		2024/25	139,399	-	-	139,399	27,641	167,040
Director of Strategy, Communications and Change		2024/25	111,802	-	-	111,802	23,573	135,375
Director of Legal and Governance		2024/25	137,405	-	-	137,405	26,519	163,924
Director Community Safety & Resilience		2024/25	152,418	-	-	152,418	29,417	181,835
Interim Corporate Director of Finance and Governance	5	2024/25	-	-	-	-	-	-
One Lambeth Transformation Director	6	2024/25	-	-	-	-	-	-
Executive Head Teacher - Samantha Palin		2024/25	174,952	-	-	174,952	50,176	225,128
The below senior officers left the council during the year:		2024/25		-	-	-		-
Chief Executive - Bayo Dosunmu	7	2024/25	108,147	-	-	108,147	10,521	118,668
Director of Infrastructure and Capital Delivery - Sandra Roebuck	8	2024/25	152,594	-	67,687	220,281	28,146	248,427
Director, HR and Organisational Development - Melanie Medley	9	2024/25	152,711	-	59,986	212,697	13,168	225,865

1 Chief Executive - Ian Davis started on 24/03/2025, the annualised salary is £230,000.

2 From 26/06/2024 to 31/03/2025, Fiona Connolly served as Acting Chief Executive. Before this role, Fiona held the substantive position of Corporate Director of Housing and Adult Social Care.

2 From 26/06/2024 to 31/03/2025, Ruth Hutt served as the Acting Corporate Director of Housing and Adult Social Care. Prior to this, Ruth held her substantive position as the Statutory Director of Public Health.

4 Corporate Director of Finance and Governance - Zena Cooke started on 02/12/2024, the annualised salary is £168,401.

5 The Interim Corporate Director of Finance and Governance was paid via an agency, the total amount that was paid to the agency by the council (£194,768) does not necessarily represent the remuneration which was paid to the post holder. The Corporate Director of Finance and Governance left the council on 06/12/2024

6 The One Lambeth Transformation Director was paid via an agency, the total amount that was paid to the agency by the council (£43,589) does not necessarily represent the remuneration which was paid to the post holder. The One Lambeth Transformation Director left the council on 31/05/2024.

7 Chief Executive - Bayo Dosunmu left the council on 15/07/2024.

8 Director of Infrastructure and Capital Delivery - Sandra Roebuck left the council on 31/01/2025.

9 Director, HR and Organisational Development - Melanie Medley left the council on 04/10/2024.

Note 18: Senior Officers' Remuneration (continued)

Name and Title	Notes	Year	*Salary, Fees & Allowances	Expense Allowances	Redundancy / Severance payments	Total Remuneration excl employers' pension contributions	Employers' pension contributions	Total Remuneration incl employers' pension contributions
			£	£	£	£	£	£
Chief Executive - Bayo Dosunmu		2023/24	187,775	-	-	187,775	36,241	224,016
Corporate Director of Intergrated Health & Care		2023/24	79,866	-	-	79,866	11,484	91,350
Corporate Director of Housing and Adult Social Care - Fiona Connolly		2023/24	176,769	-	-	176,769	34,116	210,885
Corporate Director of Children, Families and Education - Andrew Carter		2023/24	176,769	-	-	176,769	34,331	211,100
Corporate Director of Climate & Inclusive Growth - Nabeel Khan		2023/24	159,300	-	-	159,300	31,482	190,782
Corporate Director of Residents and Enabling Services - Venetia Reid-Baptiste		2023/24	176,574	-	-	176,574	34,079	210,653
Acting Director of Strategy & Communications		2023/24	105,564	-	-	105,564	20,374	125,938
Director of Legal and Governance		2023/24	134,054	-	-	134,054	25,872	159,926
Interim Corporate Director of Finance and Governance	1	2023/24	-	-	-	0	-	-
One Lambeth Transformation Director	2	2023/24				0		-
Director of Infrastructure and Capital Delivery - Sandra Roebuck	3	2023/24	184,926	-	-	184,926	35,691	220,617
Executive Head Teacher - Samantha Palin	4	2023/24	184,326			184,326	43,648	227,974
Executive Head Teacher - Andrea Parker	5	2023/24	157,640	-	-	157,640		157,640
						0		-
The below senior officers left the council during the year:						0		-
Acting Strategic Director of Finance & Investment - Christina Thompson	6	2023/24	48,788			48,788	8,872	57,660
Strategic Director - Fiona McDermott	7	2023/24			99,500	99,500		99,500

1 The Corporate Director of Finance and Governance is paid via an agency, the total amount that is paid to the agency by the council (£253,770) does not necessarily represent the remuneration which is paid to the post holder

2 The One Lambeth Transformation Director is paid via an agency, the total amount that is paid to the agency by the council (£256,346) does not necessarily represent the remuneration which is paid to the post holder

3 Sandra Roebuck was seconded to a position at Homes for Lambeth Ltd a subsidiary of the authority

4 Samantha Palin is the Executive Head Teacher for Woodmanstene and Crown Lane School

5 Andrea Parker is the Executive Head Teacher of Jessops, Bonnaville and Stockwell and Primary Schools and also the councils Director of Education for 2 days a week during the year

6 Christina Thompson left the council on 02.07.2024, the annualised salary was £170,790

7 Fiona McDermott left the council on 31.03.2023

Note 19: Exit packages

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
0 – 20,000	18	13	35	64	53	77	356,644	515,878
20,001 – 40,000	7	6	8	19	15	25	462,142	675,276
40,001 – 60,000	2	3	5	8	7	11	337,112	567,906
60,001 – 80,000	2	3	1	4	3	7	187,105	486,692
80,001 – 100,000	1	-	-	-	1	-	99,500	-
100,001 – 150,000	1	1	-	4	1	5	127,500	587,217
150,001 – 500,000	-	1	-	1	-	2	-	762,200
Total	31	27	49	100	80	127	1,570,003	3,595,169

This note includes employees who received exit packages payments in 2024/25, even if their redundancy was agreed in the previous financial year.

Note 20a: Related Parties

This disclosure note has been prepared using the council's Register of Members' Declarations of Interest in respect of related party transactions from Members and using specific declarations obtained in respect of related party transactions from Chief Officers. The council is required to disclose material transactions with related parties - bodies and individuals that have the potential to control or influence the council or to be controlled or influenced by the council. There were no outstanding balances at the 31 March 2025 unless otherwise stated.

Central Government

Central government has effective control over the general operations of the council – it is responsible for providing the statutory framework within which the council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the council has with other parties (e.g. council tax bills and housing benefits). Details of transactions with government departments are set out in note 9.

Revenue and capital grants which have not yet been credited to the Comprehensive Income and Expenditure Statement are shown in notes 16 and 18 to the balance sheet respectively. Other amounts due to or from central government at the relevant balance sheet dates are included in the figures in notes 14 and 15.

Members

Members of the council have direct control over the council's financial and operating policies. During 2024/25 £10.5m (£8.6m in 2023/24) was paid to organisations in which 28 members (27 members in 2023/24) were on the governing body. (Excluding NHS and WRWA.)

Organisation	Payments made during 2024/25
	£'000
We are Waterloo Ltd	483
Black Cultural Archives	3
Brixton BID Ltd	742
Clapham Business Improvement District	430
Clapham Common Management Advisory Committee	25
Clapham Park Project	96
HFL Build Limited	978
Local Government Association	14
London Councils	2,917
London Youth Games Ltd	8
South Bank Bid Ltd	1,097
South Bank Colleges	1,835
Station to Station Business Improvement District	266
SW9 Community Housing	41
Vauxhall One	1,136
WATMOS Community Homes	2
inStreatham Ltd	402
	-
Total	10,476

Note 20a: Related Parties (continued)

During 2024/25 £0.82m (£0.52m in 2023/24) was **received** from organisations in which 22 members (22 members in 2023/24) were on the governing body. These figures are excluding the Homes for Lambeth and Western Riverside Waste Authority transactions which are shown in separate sections of this note. It also excludes transactions with NHS bodies.

Details of all these relationships are recorded in the Register of Members' Interests or the List of Council's Representatives on Other Bodies and outside organisations which are open to public inspection at Lambeth Town Hall during office hours. Further information is available in note 16 on allowances paid to members.

Senior Officers

In 2024/25 no Senior Officer declared a related party interest. In 2023/24 £32k (£51k in 2022/23) was paid to organisations in which 1 senior officer (1 in 2022/23) had related parties which excluded the HFL Group and NHS bodies.

Other Public Bodies

In addition, the council paid £15.23m (£15.01m in 2023/24) to Western Riverside Waste Authority in respect of waste disposal charges and £1.11m (£1.08m in 2023/24) in respect of levies. Amounts due to or from other local authorities at the relevant balance sheet dates are included in the figures in notes 14 and 15.

The Council has borrowings (including accrued interest) of £810.2m (£728.9m in 2021/22) with the Public Works Loan Board (PWLB) and other Local Authorities. Interest payable on these loans was £29.0m (£27.4m in 2021/22). The Waste Authority and PWLB are under common control of central government.

Material transactions with the Pension Fund are disclosed in the Pension Fund accounts. The Fund owed the Council £1.44m as at 31 March 2023 (£1.72m as at 31 March 2022). During the year, no trustees or Council Chief Officers with direct responsibility for the Pension Fund have undertaken transactions with the Pension Fund. The Council charged the fund £1.42m (£1.70m in 2021/22) for expenses incurred in administering the fund. Details are in the Pension Fund Accounts.

Wholly owned Subsidiaries

In July 2017 Lambeth Council setup four Limited Companies to deliver housing within the council area.

These are called:

HFL GROUP LIMITED

HFL BUILD LIMITED

HFL HOMES LIMITED

HFL LIVING LIMITED

The council is the sole 100% shareholder of the companies.

The subsidiary accounts have been consolidated into the Council's Group Accounts as at 31 March 2025. Related transactions are summarised below:

In April 2019, HFL Group Limited issued 80,000,000 shares of 10p, in consideration of a head lease for 70 council level rent properties at Lollard Street, the market value of which is £8,000,000 and is reflected as a Long Term investment in the Council's financial statements. The company granted a sublease of these properties to HFL Homes.

The single entity financial statements include income receivable from HFL Group Limited and its subsidiaries of £1.6m (excludes loan interest) (£2.8m in 2023/24) and expenditure payable of £0m (£0.7m in 2023/24).

The GLA grants paid to Hfl Homes in 24-25 are £3.2m (£0.5m for Hydethorpe and £2.7m for Patmos Lodge)

Note 20a: Related Parties (continued)

As at 31 March 2025 the council’s balance sheet includes short term debtors relating to HFL Group Limited and its subsidiaries plus short term lease premiums of £2.5m (£5.1m in 2023/24) and short term creditors of £0m (not incl. HfL Management Contract) (£1m in 2023/24).

In 2023/24 Lambeth issued £20.4m of loans to HFL Group Limited and its subsidiaries (£19.2m in 2023/24). Total interest charges for the year on all loans were £4.8m (£4m 2023/24). The outstanding balance of loans at 31st March 2025 was £101.9m (£90.3m in 2023/24).

Other long term debtors (lease premiums due after 1 year) are n/a in 24/25. (2023/24 n/a).

The directors in office for HFL Group Ltd, as at 31 March 2025 are as follows:

Directors of HFL Group Limited	Date of Appointment
Cagdas Canbolat	09 May 2022
Cllr Tim Windle	20 Feb 2023

Note 20b: Related Parties - Group Structure

The Group Accounts are a consolidation of the financial statements of London Borough of Lambeth and its wholly owned subsidiary HFL Group Limited.

HFL GROUP LIMITED is a parent company to:

- HFL BUILD LIMITED
- HFL HOMES LIMITED
- HFL LIVING LIMITED

The accounts of HFL GROUP LIMITED that have been consolidated into the following Group Accounts, are themselves a consolidation of the financial statements of the four companies.

The following statements and notes are presented in addition to the council's 'single entity' financial statements. We have included here only the statements and notes considered necessary to show the full picture of the council's economic activities and financial position when viewed in conjunction with the single entity accounts.

The Group Accounts include the following:

- Group Comprehensive Income & Expenditure Statement
- Group Movement in Reserves Statement
- Group Balance Sheet
- Group Cash Flow Statement
- Notes to the Group Accounts

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

Note 21: Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure

2024/25	Usable Reserves						Corresponding Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserves	Major Repairs Reserves	Capital Grants Unapplied	Unusable Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	
Adjustments to Revenue Resources							
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement differ from increases / decreases in revenue for the year calculated in accordance with statutory requirements:							
• Financial instruments	4,188	-	-	-	-	(4,188)	Financial Instruments Adjustment Account
• Pension costs	6,293	1,989	-	-	-	(8,282)	Pensions Reserve
• Council tax & business rates	11,334	-	-	-	-	(11,334)	Collection Fund Adjustment Account
• Holiday pay	(361)	(23)	-	-	-	384	Accumulated Absences Account
• Dedicated Schools Grant Deficit	-	-	-	-	-	-	Dedicated Schools Grant Adjustment
Reversal of entries in the Surplus/Deficit on the Provision of Services in relation to capital expenditure:							
• Amortisation of intangible assets	(4,367)		-	-	-	4,367	Capital Adjustment Account
• Charges for depreciation and impairment	(84,931)	(51,543)	-	-	-	136,474	
• Revenue expenditure funded from capital under statute	(18,162)	-	-	-	-	18,162	
• Carrying amounts of non-current assets written off on disposal or sale		(7,466)	-	-	-	7,466	
			-	-	-	-	
Transfers between Revenue and Capital Resources:							
• Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve and Deferred Capital Receipts Reserve	3,323	21,727	(25,050)	-	-	-	Capital Adjustment Account
• Administrative costs of non-current asset disposals		(2,789)	2,789				
• Posting of HRA resources from revenue to the Major Repairs Reserve		29,497		(29,497)	-	-	
• Statutory revenue provisions for the financing of capital investment	23,736	4,238			-	(27,974)	
• Capital expenditure financed from revenue balances	510	-			-	(510)	
• Capital grant income	4,216	365			(4,581)	-	
					-	-	
Adjustments to Capital Resources:							
• Use of the Capital Receipts Reserve to finance capital expenditure			11,409			(11,409)	Capital Adjustment Account
• Use of the Major Repairs Reserve to finance capital expenditure				36,297		(36,297)	
• Application of capital grants to finance capital expenditure					3,499	(3,499)	
• Application of CIES capital grants to finance capital expenditure	30,747					(30,747)	
• Application of CIES capital contributions to Finance New Capital	2,259	2,298				(4,557)	Redress capitalisation reserve
• Redress capitalisation reserve movements	14,555					(14,555)	
• Cash payments in relation to deferred capital receipts	(1)					1	
Total Adjustments	(6,661)	(1,707)	(10,852)	6,800	(1,082)	13,502	

Note 21: Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

2023/24	Usable Reserves						Corresponding Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserves	Major Repairs Reserves	Capital Grants Unapplied	Unusable Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	
Adjustments to Revenue Resources							
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement differ from increases / decreases in revenue for the year calculated in accordance with statutory requirements:							
• Financial instruments	(1,074)	-	-	-	-	1,074	Financial Instruments Adjustment Account
• Pension costs	9,993	1,950	-	-	-	(11,943)	Pensions Reserve
• Council tax & business rates	(8,595)	-	-	-	-	8,595	Collection Fund Adjustment Account
• Holiday pay	(47)	45	-	-	-	2	Accumulated Absences Account
• Dedicated Schools Grant Deficit	-	-	-	-	-	-	Dedicated Schools Grant Adjustm
Reversal of entries in the Surplus/Deficit on the Provision of Services in relation to capital expenditure:							
• Amortisation of intangible assets	(2,517)	-	-	-	-	2,517	Capital Adjustment Account
• Charges for depreciation and impairment	(46,582)	(59,716)	-	-	-	106,298	
• Revenue expenditure funded from capital under statute	(21,198)	-	-	-	-	21,198	
• Carrying amounts of non-current assets written off on disposal or sale	(210)	(4,530)	-	-	-	4,740	
• Capital grant income	-	5,427	-	-	-	(5,427)	
Transfers between Revenue and Capital Resources:							
• Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve and Deferred Capital Receipts Reserve	(246)	11,279	(11,032)	-	-	(1)	Deferred Capital Receipts
Use of capital receipts for revenue purposes:							
• Payments to the Government housing receipts pool	(697)		697		-	-	Capital Receipts Reserve
• Posting of HRA resources from revenue to the Major Repairs Reserve	-	30,732		(30,732)	-	-	Capital Adjustment Account
• Statutory revenue provisions for the financing of capital investment	17,488	3,449			-	(20,937)	
• Capital expenditure financed from revenue balances	3,642				-	(3,642)	
• Application of CIL Receipts to Finance New Capital	1,366				-	(1,366)	
Adjustments to Capital Resources:							
• Use of the Capital Receipts Reserve to finance capital expenditure	-	-	12,899	-	-	(12,899)	Capital Adjustment Account
• Application of S. 106 Receipts to Finance new Capital	4,277	-	-	-	-	(4,277)	
• Use of the Major Repairs Reserve to finance capital expenditure	-	-	-	23,932	-	(23,932)	
• Application of capital grants to finance capital expenditure	26,839	-	-	-	4,861	(31,700)	
• Redress Capitalisation Scheme	15,048	-	-	-	-	(15,048)	Redress Capitalisation Directive Reserve
• Cash payments in relation to deferred capital receipts	(1)	-	-	-	-	1	Deferred Capital Receipts
Total Adjustments	(2,514)	(11,364)	2,564	(6,800)	4,861	13,253	

Note 22: Unusable Reserves

Adjustments between Accounting and Funding Basis 2024/25

2024/25	Adjustments between Accounting and Funding Basis						
Unusable Reserves	Opening Balance 1 April	Other Comprehensive Income and Expenditure	Adjustments to Revenue Resources	Transfers Between Revenue and Capital Resources	Adjustments to Capital Resources	Other Movements	Closing Balance 31 March
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revaluation Reserve	(1,040,144)	(5,100)	-	-	-	11,890	(1,033,354)
Financial Instruments Adjustment Account	2,574	-	(4,188)	-	-	-	(1,614)
Pensions Reserve	139,390	(328,700)	(8,282)	-	-	-	(197,592)
Collection Fund Adjustment Account	13,052	-	(11,334)	-	-	-	1,718
Accumulated Absences Account	4,898	-	384	-	-	-	5,282
Capital Adjustment Account	(1,822,746)	-	166,469	(28,484)	(86,509)	(11,890)	(1,783,160)
Deferred Capital Receipts	(386)	-	-	-	1	-	(385)
Dedicated Schools Grant Adjustment Account	2,743	-	-	-	-	-	2,743
Redress Capitalisation Directive Reserve	14,555	-	-	-	(14,555)	-	-
Total adjustments	(2,686,064)	(333,800)	143,049	(28,484)	(101,063)	-	(3,006,362)

Adjustments between Accounting and Funding Basis 2023/24

2023/24	Adjustments between Accounting and Funding Basis						
Unusable Reserves	Opening Balance 1 April	Other Comprehensive Income and Expenditure	Adjustments to Revenue Resources	Transfers Between Revenue and Capital Resources	Adjustments to Capital Resources	Other Movements	Closing Balance 31 March
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revaluation Reserve	(1,139,766)	86,857	-	-	-	12,765	(1,040,144)
Financial Instruments Adjustment Account	1,500	-	1,074	-	-	-	2,574
Pensions Reserve	116,323	35,010	(11,943)	-	-	-	139,390
Collection Fund Adjustment Account	4,457	-	8,595	-	-	-	13,052
Accumulated Absences Account	4,896	-	2	-	-	-	4,898
Capital Adjustment Account	(1,840,554)	-	134,753	(24,579)	(79,600)	(12,766)	(1,822,746)
Deferred Capital Receipts	(387)	-	-	-	1	-	(386)
Dedicated Schools Grant Adjustment Account	2,743	-	-	-	-	-	2,743
Redress Capitalisation Directive Reserve	29,604	-	-	-	(15,049)	-	14,555
Total adjustments	(2,821,184)	121,867	132,481	(24,579)	(94,648)	(1)	(2,686,064)

Note 22: Unusable Reserves (continued)

Revaluation Reserve - Contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Pensions Reserve - Absorbs the timing differences arising from the different accounting arrangements between statutory provisions and accounting practice for post-employment benefits and funding benefits. The council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as benefits are earned by employees.

The balance sheet is updated to recognise the movement in liabilities due to changes in assumptions (including inflation and longevity) and investment returns on resources set aside to meet the cost of the employee benefits. However, statutory arrangements require benefits earned to be financed as the council makes employer's contributions to pension funds. The Pensions Reserve balance reflects the substantial shortfall between the benefits Pension Fund members have earned and the resources the council set aside to meet them.

The movement in balances on the Pensions Reserve are for both the Lambeth Pension Fund and Lambeth's share of the LPFA during the year.

Capital Adjustment Account - Absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 27 to the MIRs provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Deferred Capital Receipts Reserve - Absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The council uses the Account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund Balance and Housing Revenue Account (HRA) to the Financial Instruments Adjustment Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance and HRA in accordance with statutory arrangements for spreading the burden on council tax. In the council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed (maximum of 10 years on the HRA). As a result, the balance on the Account at 31 March 2019 will be charged to the General Fund over the next 10 years and to the HRA for the next three years.

Collection Fund Adjustment Account - Manages the differences arising from the recognition of council tax and business rates income in the Comprehensive Income and Expenditure Statement as it falls due from taxpayers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund. The deficit in 2022/23 has arisen due to the government announcing business rates relief in response to the pandemic. These have been compensated by a section 31 grant funding and are held in Earmarked Reserves.

Note 22: Unusable Reserves (continued)

Accumulated Absences Account - Absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March.

Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

Redress Capitalisation Directive Reserve - The government has provided the ability to capitalise specific future costs relating to the redress scheme setup by the council in 2017/18 for payments pertaining to historic child abuse. The provision setup for these costs is matched by this reserve. As payments are made these will be debited against the provision and will be matched by drawing down the reserve by an equal sum to the capital adjustment account.

Note 23a: Usable Reserves

2023/24		2024/25
£'000		£'000
(30,000)	**General Fund	(5,000)
(16,462)	LMS Balances	(9,844)
(105,329)	Earmarked Reserves – General Fund*	(65,296)
(14,381)	Earmarked Reserves - HRA	(5,683)
(2)	Housing Revenue Account	-
(40,114)	Capital Receipts Reserve	(50,966)
(49,274)	Capital Grants Unapplied Account	(50,356)
(6,800)	Major Repairs Reserve	-
(262,362)	Total Usable Reserves	(187,145)

** General Fund – Used for any non-housing purpose of a revenue or capital nature.

Note 23b: LMS Balance – Ring-fenced for the local management of schools

2023/24		2024/25
£'000		£'000
(17,507)	Balance at 01 April	(16,462)
5,094	Overspent School Balances	9,555
(4,049)	Underspent School Balances	(2,937)
(16,462)	Balance at 31 March	(9,844)

Note 24: General Fund and Housing Revenue Account Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2024/25.

	Balance at 31- March-2024	Transfers in	Transfers out	Balance at 31- March-2025
	£'000	£'000	£'000	£'000
General Fund (GF) Reserves				
Capital	(22,820)	(9,527)	5,222	(27,125)
Technical	(12,012)	-	1,094	(10,918)
Departmental	(40,533)	(13,326)	30,491	(23,368)
Corporate	(4,622)	(700)	1,438	(3,884)
Financial Risk	(25,341)	-	25,341	-
GF Balances / Unallocated reserves	(29,999)	-	-	(29,999)
GF Sub-total	(135,327)	(23,553)	63,586	(95,294)
Housing Revenue Account (HRA) Reserves				
HRA	(14,381)	(108)	8,806	(5,683)
HRA Unallocated Reserve	(2)	-	2	-
HRA Sub-total	(14,383)	(108)	8,808	(5,683)
Council Total	(149,710)	(23,661)	72,394	(100,977)

Name	Purpose
Capital	Intended to support investment in the council's assets
Technical	to provide for technical liabilities and other potential such as insurance
Departmental	to carry forwards resources for specific projects and commitments
Corporate	to provide financing to meet known or predicted future General Fund expenditure plans
Financial Risk	To support the council through future shortfalls in funding and challenges in balancing its budget over the medium term
GF Balance / Unallocated reserves	to meet unexpected events or emergencies

NOTES TO THE BALANCE SHEET

Note 25a: Property, Plant & Equipment valuation dates

31-March-2025	Council dwellings	Other land and buildings	Vehicles, plant and equipment	Infrastructure assets	Community assets	Surplus assets	Assets under construction	Right of Use	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	5,672	15,746	36,687	168,152	13,477	-	46,971	-	286,705
Valued at current value as at:									
31-Mar-19	-	584	-	-	-	-	-	-	584
31-Mar-20	-	10,099	-	-	-	-	-	-	10,099
31-Mar-21	-	13,919	-	-	-	-	182	-	14,101
31-Mar-22	-	47,854	-	-	-	-	6,806	-	54,660
31-Mar-23	-	884,729	-	-	-	2,164	10,240	-	897,133
31-Mar-24	-	182,351	-	-	-	-	2,590	-	184,941
31-Mar-25	2,382,139	194,775	-	-	-	24,250	-	43,798	2,644,962
Total cost or valuation	2,387,811	1,350,057	36,687	168,152	13,477	26,414	66,789	43,798	4,093,185

Note 25b: Single Entity Property, Plant and Equipment

Balances as at 31-March-2025	Council dwellings	Other land and buildings	Vehicles, plant and equipment	Community assets	Surplus assets	Assets under construction	Right of Use Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation	2,396,638	1,365,023	141,558	13,492	26,695	66,789	43,798	4,053,993
Accumulated Depreciation	(8,827)	(14,966)	(104,871)	(15)	(281)	-	-	(128,960)
Carrying Amount	2,387,811	1,350,057	36,687	13,477	26,414	66,789	43,798	3,925,033
Owned	2,346,156	1,292,899	36,687	13,109	26,414	66,789	43,798	3,825,852
PFI	41,655	57,158	-	368	-	-	-	99,181
Carrying Amount	2,387,811	1,350,057	36,687	13,477	26,414	66,789	43,798	3,925,033

Balances as at 31-March-2025	Council dwellings	Other land and buildings	Vehicles, plant and equipment	Infrastructure assets	Community assets	Surplus assets	Assets under construction	Right of Use Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

Movements in Carrying Amount

At 1 April 2024	2,378,171	1,341,335	37,529	160,736	12,102	69,160	68,297	-	4,067,330
Reclassifications	4,979	(27,881)	71	-	221	(18,165)	(4,716)	45,658	167
Additions	61,468	35,007	8,956	19,126	1,153	663	3,208	1,687	131,268
Revaluation gains/(losses) recognised in the revaluation reserve	9,235	19,207	-	-	-	(2,690)	-	962	26,714
Revaluation gains/(losses) recognised in the surplus / deficit on the provision of services	(30,840)	(1,597)	-	-	-	(752)	-	(4,508)	(37,697)
Depreciation	(27,787)	(15,414)	(9,868)	(11,710)	-	(662)	-	-	(65,441)
Impairments recognised in the revaluation reserve	-	(473)	-	-	-	(21,141)	-	-	(21,614)
Impairments recognised in the surplus / deficit on the provision of services	-	(76)	-	-	-	1	-	-	(75)
Disposals and Decommissioning	(7,415)	(51)	-	-	-	-	-	-	(7,466)
Assets reclassified (to) / from Held for Sale	-	-	-	-	-	-	-	-	-
At 31 March 2025	2,387,811	1,350,057	36,688	168,152	13,476	26,414	66,789	43,799	4,093,186

Note 25b: Property, Plant and Equipment (continued)

Balances as at 31-March-2024	Council dwellings	Other land and buildings	Vehicles, plant and equipment	Community assets	Surplus assets	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation	2,386,998	1,345,863	132,532	12,102	69,165	68,297	4,014,957
Accumulated Depreciation	(8,827)	(4,528)	(95,003)	-	(5)	-	(108,363)
Carrying Amount	2,378,171	1,341,335	37,529	12,102	69,160	68,297	3,906,594
Owned	2,337,009	1,271,266	37,529	11,897	69,160	68,297	3,795,158
PFI	41,162	70,069	-	205	-	-	111,436
Carrying Amount	2,378,171	1,341,335	37,529	12,102	69,160	68,297	3,906,594

Balances as at 31-March-2024	Council dwellings	Other land and buildings	Vehicles, plant and equipment	Infrastructure assets	Community assets	Surplus assets	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Movements in Carrying Amount								
At 1 April 2023	2,528,868	1,302,225	32,374	153,454	10,154	37,956	59,602	4,124,633
Reclassifications	(555)	8,412	-	-	194	(214)	(8,433)	(596)
Additions	44,836	47,902	12,425	18,204	1,571	543	17,376	142,857
Revaluation gains/(losses) recognised in the revaluation reserve	(139,538)	22,574	1	-	183	33,737	77	(82,966)
Revaluation gains/(losses) recognised in the surplus / deficit on the provision of services	(19,669)	(9,687)	-	-	-	(2,378)	(95)	(31,829)
Depreciation	(29,516)	(14,551)	(7,061)	(10,922)	-	(484)	-	(62,534)
Impairments recognised in the revaluation reserve	(1,515)	(2,375)	-	-	-	-	-	(3,890)
Impairments recognised in the surplus / deficit on the provision of services	(208)	(13,165)	-	-	-	-	(100)	(13,473)
Disposals and Decommissioning	(4,530)	-	(210)	-	-	-	-	(4,740)
Assets reclassified (to) / from Held for Sale	(2)	-	-	-	-	-	(130)	(132)
At 31 March 2024	2,378,171	1,341,335	37,529	160,736	12,102	69,160	68,297	4,067,330

Note 25b: Property, Plant and Equipment (continued)

31-March-2024		31-March-2025
£'000	Reconciliation of infrastructure assets to PPE	£'000
	Infrastructure assets	
149,451	<i>Owned</i>	157,110
11,285	<i>PFI</i>	11,042
	Other PPE Assets	
3,795,158	<i>Owned</i>	3,825,852
111,436	<i>PFI</i>	99,181
4,067,330		4,093,185

Infrastructure assets are measured on a depreciated historical cost basis. However, the accounting rules that applied before 1 April 1994 mean that the carrying amount only reliably includes expenditure of acquisition and enhancement incurred after this date. Expenditure incurred before this date is only included to the extent that it had not been financed before the end of the 1993/94 financial year.

In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements. All replaced infrastructure components are determined to have fully depreciated and have a net amount of nil.

Note 26: Group Property, Plant and Equipment

Balances as at 31-March-2025	Council dwellings	Other land and buildings	Vehicles, plant and equipment	Community assets	Surplus assets	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation	2,396,638	1,365,023	141,558	13,492	26,695	66,789	4,010,195
Accumulated Depreciation	(8,827)	(14,966)					(23,793)
Carrying Amount	2,387,811	1,350,057	141,558	13,492	26,695	66,789	3,986,402
Owned							-
PFI							-
Carrying Amount	-	-	-	-	-	-	-

Balances as at 31-March-2025	Council dwellings	Other land and buildings	Vehicles, plant and equipment	Infrastructure assets	Community assets	Surplus assets	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Movements in Carrying Amount								
At 1 April 2024	2,378,171	1,341,335	37,529	-	12,102	69,160	68,297	3,906,594
Reclassifications	4,979	(27,881)	71	-	221	(18,165)	(4,716)	(45,491)
Additions	61,468	35,007	8,955	-	1,153	664	3,208	110,455
Revaluation gains/(losses) recognised in the revaluation reserve	9,236	19,206		-		(2,690)	.	25,752
Revaluation gains/(losses) recognised in the surplus / deficit on the provision of services	(30,840)	(1,597)		-		(752)		(33,189)
Depreciation	(27,788)	(15,414)	(9,868)	-		(662)		(53,732)
Impairments recognised in the revaluation reserve	-	(473)		-		(21,141)		(21,614)
Impairments recognised in the surplus / deficit on the provision of services	-	(76)		-				(76)
Disposals and Decommissioning	(7,415)	(51)		-				(7,466)
Assets reclassified (to) / from Held for Sale				-				-
At 31 March 2025	2,387,811	1,350,056	36,687	-	13,476	26,414	66,789	3,881,233

Note 26: Group Property, Plant and Equipment (Continued)

Balances as at 31-March-2025	Council dwellings	Other land and buildings	Vehicles, plant and equipment	Community assets	Surplus assets	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation	2,386,998	1,372,590	133,446	12,102	69,165	90,234	4,064,535
Accumulated Depreciation	(8,827)	(5,396)	(95,894)	-	(5)	-	(110,122)
Carrying Amount	2,378,171	1,367,194	37,552	12,102	69,160	90,234	3,954,413
Owned	2,337,009	1,297,126	37,552	11,897	69,160	90,234	3,842,978
PFI	41,162	70,069	-	205	-	-	111,436
Carrying Amount	2,378,171	1,367,195	37,552	12,102	69,160	90,234	3,954,414

Balances as at 31-March-2025	Council dwellings	Other land and buildings	Vehicles, plant and equipment	Infrastructure assets	Community assets	Surplus assets	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Movements in Carrying Amount								
At 1 April 2022	2,528,868	1,328,766	32,938	-	10,154	37,956	82,778	4,021,460
Reclassifications	(555)	8,412	-	-	194	(214)	(8,433)	(596)
Additions	44,835	47,903	12,425	-	1,571	542	17,247	124,523
Revaluation gains/(losses) recognised in the revaluation reserve	(139,538)	22,573	-	-	183	33,738	77	(82,967)
Revaluation gains/(losses) recognised in the surplus / deficit on the provision of services	(19,669)	(9,687)	-	-	-	(2,378)	(95)	(31,829)
Depreciation	(29,516)	(14,867)	(7,471)	-	-	(484)	-	(52,338)
Impairments recognised in the revaluation reserve	(1,515)	(2,375)	-	-	-	-	-	(3,890)
Impairments recognised in the surplus / deficit on the provision of services	(208)	(13,165)	-	-	-	-	(100)	(13,473)
Disposals and Decommissioning	(4,530)	(365)	(340)	-	-	-	(1,240)	(6,475)
Assets reclassified (to) / from Held for Sale	-	-	-	-	-	-	-	-
At 31 March 2023	2,378,172	1,367,195	37,552	-	12,102	69,160	90,234	3,954,415

Note 26: Group Property, Plant and Equipment (Continued)

2023/24		2024/25
£'000	Reconciliation of infrastructure assets to PPE	£'000
	Infrastructure assets	
149,451	<i>Owned</i>	
11,285	<i>PFI</i>	
	Other PPE Assets	
3,834,314	<i>Owned</i>	
111,436	<i>PFI</i>	
4,106,486		-

Infrastructure assets are measured on a depreciated historical cost basis. However, the accounting rules that applied before 1 April 1994 mean that the carrying amount only reliably includes expenditure of acquisition and enhancement incurred after this date. Expenditure incurred before this date is only included to the extent that it had not been financed before the end of the 1993/94 financial year.

In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements. All replaced infrastructure components are determined to have fully depreciated and have a net amount of nil.

Note 27: Intangible Assets

The council accounts for its software as intangible assets to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include only purchased licenses. The value of the licences held by the council is immaterial and is written off on a straight-line basis over the estimated useful life of four years. The charge is in Cost of Services within the CIES.

The movement on Intangible Asset balances during the year is as follows:

Software Licences		Software Licences	
31-March-2024		31-March-2025	
£'000		£'000	
6,016	Balance at start of year:	6,889	
22,564	Gross carrying amounts	25,954	
(16,548)	Accumulated amortisation	(19,065)	
6,016	Net carrying amount at start of year	6,889	
	Additions:		
3,390	Purchases	2,602	
(2,517)	Amortisation for the period	(4,367)	
6,889	Net carrying amount at end of year	5,124	
	Comprising:		
25,954	Gross carrying amounts	28,557	
(19,065)	Accumulated amortisation	(23,433)	
6,889	Balance at end of year	5,124	

Note 28a: Heritage Assets

Heritage assets held by the council, principally for their contribution to knowledge or culture, comprise the following:

- **Historic Buildings** - The Brixton Windmill, built in the 19th century, has been restored to its original condition.
- **Art Collection** - Includes a granite sculpture and permanent oak sculptures, part of an ongoing programme of regeneration.
- **Water Features** – Include a number of drinking fountains in need of refurbishment
- **Memorials** – Include sculptures and statues in several Lambeth Parks

They are recognised and measured in accordance with the council's accounting policies on property, plant and equipment.

There are some heritage assets held at zero value because the cost of obtaining a valuation would outweigh the benefit to users of the accounts.

Note 28b: Assets Held for Sale

31-March-2024		31-March-2025
£'000		£'000
-	Balance at start of year	2,267
-	Assets sold	-
728	Assets Reclassified as Assets Under Construction	(167)
1,539	Revaluations	(175)
-	Assets newly classified as held for sale:	-
-	Property, Plant and Equipment	-
2,267	Balance at year-end	1,925

Note 29: Capital Commitments

31-March-2024		31-March-2025
£'000		£'000
-	Finance & Governance	15
13,366	Resident & Enabling Services	10,213
16,527	Housing Services (HRA)	20,160
1,369	Housing (GF)	623
14,545	Climate & Inclusive Growth	4,388
851	Children's Services	89
46,657	Total	35,488

The figures in the note above are based on outstanding purchase order amounts.

The largest capital commitments within Resident Services (GF) are for Lambeth Archives, the new build of an Adult Day Centre, Sudbourne School and a Waste and Cleansing Fleet Replacement programme. Somerleyton Road works are the largest capital commitment within Sustainable Growth & Opportunity. The HRA includes LHS works and expenditure relating to Fire Risk Assessment works.

Note 30: Capital Expenditure and Capital Financing

31-March-2024		31-March-2025
£'000		£'000
1,178,028	Opening Capital Financing Requirement	1,279,582
20,171	Adjustment to prior year closing	
	Capital Investment:	
142,857	Property, Plant and Equipment	131,268
46	Heritage Assets	85
3,390	Intangible Assets	2,602
21,198	Revenue Expenditure Funded from Capital under Statute	16,935
24,946	Investments	25,181
	Sources of Finance:	
(6,874)	Repayment of loan	(50,021)
-	141 Capital Receipts	(5,978)
(12,899)	Capital Receipts	(5,431)
(33,380)	Government grants and other contributions	(34,245)
(23,932)	Major Repairs Reserve	(36,297)
(3,659)	Section 20	(2,105)
(4,363)	S106 contributions	(1,402)
(1,367)	Community Infrastructure Levy	(1,051)
-	Direct revenue contributions	
(3,642)	Sums set aside from revenue	(510)
(20,937)	MRP / loans principal	(27,974)
1,279,583	Closing Capital Financing Requirement	1,290,639
	Explanation of movements in year:	
101,555	Increase / (decrease) in underlying need to borrow	11,057
101,555	Increase / (decrease) in Capital Financing Requirement	11,057

Note 31a: Financial Instruments

2023/24				2024/25		
Non-Current	Current	Total		Non-Current	Current	Total
£'000	£'000	£'000		£'000	£'000	£'000
	(16,503)	(16,503)	*Rents		20,368	20,368
	(5,185)	(5,185)	Right to buy service charges and s20 creditors			-
	(99,212)	(99,212)	Other payables			-
	(19,801)	(19,801)	Short-term Borrowing – PWLB		(177,620)	(177,620)
	(5,399)	(5,399)	Short-term Creditors – IFRIC 12			-
(926,256)		(926,256)	Long-term Borrowing – PWLB	(962,696)		(962,696)
		-	Long-term Borrowing – Housing Zone Loan			-
(70,699)		(70,699)	Long-term Creditors – IFRIC12			-
(996,955)	(146,100)	(1,143,055)	Total Financial Liabilities at Amortised Cost	(962,696)	(157,252)	(1,119,948)
	19,721	19,721	Rents			-
	22,015	22,015	Right to buy service charges and S20 works		23,004	23,004
	103,643	103,643	Other receivables			-
64,737		64,737	Long-term Debtors			-
27,556		27,556	Long-term Investments -FVPL			-
	11,381	11,381	Short-term Investments		1,004	1,004
92,293	156,760	249,053	Total Financial Assets at Amortised Cost unless otherwise stated above	-	24,008	24,008

*In previous years, housing rents were not categorised as financial instruments.

The balances on both the non-current and current categories of financial liabilities does not include all elements of creditors.

The reason for exclusions is that some sections of creditors relate to statutory functions, not contractual arrangements and therefore do not meet the definition of a financial instrument or is deferred income.

Similarly, and for the same reason, the balance on financial liabilities and financial assets consists of short-term loans and excludes some elements of debtors.

All liabilities arising from financing activities, as shown above are from cash flows.

Note 31b: Impairment (credit) losses on receivables

Reconciliation of Allowance for Credit Account (Provision for doubtful debts)	Long-term Debtors	Rent Debtors	Sundry Debtors	RTB and S20 Leaseholders	Parking Debtors	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2023						-
<i>Adjustment to prior year opening balance</i>						-
Write-offs						-
Set up/Release						-
Balance as at 31 March 2024	-	-	-	-	-	-
<i>Adjustment to prior year opening balance</i>						-
Write-offs						-
Set up/Release						-
Balance as at 31 March 2025	-	-	-	-	-	-

Note 31c: Income, Expense, Gains and Losses

Details of the council's income and expenditure in relation to interest payable and receivable.

31-March-2024		31-March-2025
£'000		£'000
(3,817)	Interest Receivable	(205)
44,172	Interest Payable	43,090
(6,999)	Impairment Loss on financial assets	
33,356	Total	42,885

Note 31d: Fair Values of Assets and Liabilities

The fair value of PWLB debt has been assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments discounted by interest rates at the balance sheet date based on PWLB new loan interest rates. To provide a fair value which provides a comparison to the carrying amount, we have used a financial model valuation provided by Link Asset Services. This valuation applies the net present value approach, which provides an estimate of the value of payments in the future in today's terms as at the balance sheet date.

As the New Loan rate borrowing comparison would not reflect the effect of the penalty charge that PWLB would raise on early repayment of debt, a supplementary measure of the fair value has been assumed to be the PWLB Premature Repayment Rate under PWLB debt redemption procedures (£982m as at 31 March 2025)

Where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value.

The fair value of trade and other receivables and payables is taken to be the invoiced or billed amount. Liabilities arising from service concession arrangements and finance leases are calculated on the life of the arrangement or lease using the implicit rate of interest in the lease. The liability is therefore assumed to be approximate to fair value. Trade and other receivables and payables and liabilities arising from service concession arrangements and finance leases have therefore not been included in the table below.

31-March-2024			31-March-2025	
Carrying amount	Fair value		Carrying amount	Fair value
£'000	£'000		£'000	£'000
27,556	27,566	Financial assets – Resonance Fund investment		
(926,256)	(895,199)	Financial liabilities – PWLB debt		
-	-	Financial liabilities – Housing zone loan		

Fair Value Hierarchy

Asset and liability valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur

Level 1 - those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - those where quoted market prices are not available, but taken from observable market data. All PWLB loans are classified as level 2

Level 3 - those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

The following table provides an analysis of the financial assets assessed as level 3, based on the level at which the fair value is observable.

Reconciliation of Fair Value Measurements within Level 3	Market Value 31-March-2024	Unrealised gain	Market Value 31-March-2025
	£'000	£'000	£'000
Long Term Investment			

The carrying amount of the Resonance Fund investment is the same as the fair value because it is held in the balance sheet at 'fair value through profit + loss'. The £996k gain resulting from this valuation (valuation dated 31 March 2023) is recognised in Financing & Investment income / expenditure for 2022/23 in the CIES (£1,349k gain in 2021/22). It does not impact the general fund balance as it is reversed through the MIRS as an adjustment between accounting and funding basis under regulations.

All other financial assets are held at amortised cost unless otherwise annotated in the tables above.

Note 31d: Fair Values of Assets and Liabilities (continued)

The fair value of the liabilities for PWLB debt is higher than the carrying amount because the council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the prevailing rates for similar loans at the Balance Sheet date.

This commitment to pay interest above the market increases the amount the council would have to pay if the PWLB agreed to early repayment of the loans.

Note 31e: Nature and Extent of Risks Arising from Financial Instruments

The Council has put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of its treasury activities. The procedures for risk management are set out through a legal framework based on the Local Government Act 2003, and associated regulations, which require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and investment guidance issued through the Act. The Council, in complying with this framework, acknowledges that effective management and control of risk are the prime objectives of its treasury management activities and responsibility for these lie clearly within the organisation. The key policy documents including the Council's Treasury Management Strategy approved by full Council are available on the Council's website.

Credit risk

Credit risk principally arises on deposits with bank and other financial institutions in relation to deposits. The risk is mitigated through the Council's treasury management strategy. This requires that:

- Deposits are made with banks and other financial institutions that have been rated by independent credit rating agencies with a minimum score of BBB-.
- Deposits can be made with other institutions that have not found it necessary to maintain a credit rating e.g. certain building societies and local authorities, subject to an assessment of risk that is carried out internally. Deposits to these bodies are limited to a percentage of the asset value of the institution.
- No more than £20 million is held with any one institution, regardless of standing or duration, except for the council's main bank (NatWest) and the government DMADF facility. A range of counterparties are used to diversify and spread risk.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits but there was no evidence at 31 March 2023 that this was likely to crystallise. Deposit protection arrangements as outlined in the Council's Treasury Management Strategy will limit any losses that may arise.

The Council's external Treasury advisors, have valued the Council's fixed term deposits (maturity investments) by comparison of the fixed term investment with a comparable investment with the same/similar lender for the remaining period of the deposit. For loans from the PWLB, they have provided fair value estimates using redemption discount rates.

The council has a low credit risk arising from other financial assets. The council has an investment in the Resonance Fund, and it is renewable every 7 years. It is for the provision of accommodation for residents. This is deemed low risk as the investments are tied to specific properties and the council is carrying the investments at fair value on its balance sheet. Debtors are not subject to internal credit rating and expected credit losses are calculated using provision matrices based on historical data for defaults. Impairments on receivables are outlined in note 13b.

Note 31f: Term deposits with banks and financial institutions

31-March-2024	Term deposits with banks and financial institutions	31-March-2025
£'000		£'000
11,416	Investments with Banks	429
-	Investments with Building Societies	

The authority has UK Banks on its lending list and the limits are set out in the Annual Treasury Strategy Report approved by the authority. The figure above shows the maximum exposure for all banks at that date. Building Societies on the counterparty list are ranked based on level of assets held. The list and risk is reviewed based on the market indicators available.

Note 31g: Analysis by Maturity

31-March-2024		31-March-2025
£'000		£'000
187,365	Maturing in 1 to 10 years	380,027
40,846	Maturing in 10 to 20 years	40,846
78,411	Maturing in 20 to 30 years	87,951
189,634	Maturing in 30 to 40 years	180,094
440,000	Maturing in more than 40 years	440,000
936,256	Total	1,128,918

Market Risk

The Council is not exposed to any significant risks in terms of interest rate movements on its borrowing and investments. The spread of investments takes account of prevailing and as far as possible future market forecasts from different sources of the trend and future interest rates risks. Most of the borrowing is with the Public Works Loan Board on a fixed term and fixed interest basis. Interest receivable on call accounts, which move in parallel with the money markets, is credited to the Comprehensive Income and Expenditure Statement. Based on the amount of cash held in such accounts at 31 March 2023 a 1% change in interest rates would change the interest receivable by £0.01m.

Note 32a: Short-Term Debtors by category of counterparty

31-March-2024		31-March-2025
£'000		£'000
44,508	Central government bodies	47,287
11,208	Other Local Authorities	16,441
17	Public Corporations and Trading Funds	18
3,746	National Health Service Bodies	6,222
185,427	Other Entities and Individuals	198,887
244,906	Total	268,855

Note 32b: Short-Term Debtors by Type

31-March-2024		31-March-2025
£'000		£'000
550	BRS Crossrail	(68)
5,649	Court Costs	6,114
(1,865)	Court Costs BDP	(2,663)
41,671	CTAX	49,818
(22,740)	CTAX BDP	(22,685)
18,412	Government Grants	20,577
30,539	Housing Benefit Overpayment	29,315
(13,311)	Housing Benefit Overpayment BDP	(16,324)
6,058	Loans	6,052
19,274	NNDR	22,617
(395)	NNDR BDP	(3,687)
47,725	Parking	53,950
(22,129)	Parking BDP	(25,648)
3,488	Payments in Advance	3,728
-	Pension Fund	493
36,899	Rents	38,311
(17,179)	Rents BDP	(17,913)
16,770	RTB Service Charges	17,986
5,245	Section 20	5,018
74,848	Sundry	89,039
(8,705)	Sundry BDP	(8,826)
21,745	VAT	20,811
2,357	Other	2,686
244,906	Total	268,701

Note 33a: Short-Term Creditors by category of counterparty – which includes Note 34 as a subset

31-March-2024		31-March-2025
£'000		£'000
(45,104)	Central government bodies*	(45,985)
(1,072)	Other Local Authorities	(83,002)
(30)	Public Corporations and Trading Funds	(25)
(1,705)	National Health Service Bodies	(5,993)
(168,725)	Other Entities and Individuals	(45,467)
(216,636)	Total	(180,472)

* Revenue Grants Receipts in Advance have been included above although they appear on a separate line on the face of the Balance Sheet.

Note 33b: Short-Term Creditors by Type

31-March-2024		31-March-2024
£'000		£'000
-	Amount Owed by LBL to Preceptor (GLA)	
-	BRS Crossrail	
(8,493)	Central Government Creditor (NNDR)	(6,210)
(8,013)	CTAX	(11,357)
4,057	GLA Creditor (NNDR)	(1,550)
(5,185)	Leasehold Service Charge, Accounts in Credit	(5,185)
(5,712)	NNDR Creditors	(5,108)
(6,721)	PAYE/NI	(7,149)
(36,694)	Pension Fund	(102,608)
-	Pooled Capital Receipts Due to CLG	
(6,161)	Receipts in Advance	(8,851)
(16,503)	Rents	(17,766)
(86,727)	Sundry	(78,112)
(868)	Trust Fund	(989)
-	VAT	(7,748)
(11,722)	Other	(10,049)
(188,742)	Total	(262,682)

Note 34: Revenue Grants Receipts in Advance

31-March-2024		31-March-2025
£'000		£'000
(30)	Additional Grant for Schools	-
(777)	Adult and Community Learning	(884)
(361)	Community Discharge Grant	-
(6,500)	COVID-19 Additional Relief Fund (CARF)	(12)
(834)	COVID-19 CEV Support Funding	-
(710)	Covid Catchup Premium - Schools	(312)
(532)	Childcare Reform	(10)
(427)	Dedicated Schools Grant	(585)
(3,838)	Local Digital Fund	(3,412)
(44)	National Leisure Recovery Fund	-
(440)	Rough Sleeping Grant	(549)
(3,037)	S31 NDR Retail Relief	(3,953)
(3,622)	Homes for Ukraine	(3,410)
(583)	UKSPF - Communities & Places	-
(352)	TFL Grant	(397)
(5,502)	Government Grants (under £500k)	(6,897)
(27,589)	Government Grants Subtotal	(20,421)
(305)	Non-Government Grants	(508)
(27,894)	Total Revenue Grant Receipts in Advance	(20,929)

Note 35: Debtors for Local Taxation

31-March-2024					31-March-2025			
Lambeth	GLA	Central Government	Total		Lambeth	GLA	Central Government	Total
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
				Under 1 year				
8,892	3,012	N/A	11,904	Council Tax	9,164	2,990	-	12,154
578	713	636	1,927	Non-domestic rates	1,393	1,717	1,532	4,642
				Over 1 year				
8,241	2,791	N/A	11,032	Council Tax	18,843	6,148	-	24,991
5,735	7,073	6,308	19,116	Non-domestic rates	1,751	2,159	1,926	5,836
23,446	13,589	6,944	43,979	Closing balance	31,151	13,014	3,458	47,623

Note 36: Capital Grant Receipts in Advance

The Authority has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver if the condition is not met.

The balances at the year-end are as follows:

31-March-2024		31-March-2025
£'000		£'000
(46,434)	Developers' contribution	(25,811)
(10,416)	Standard Fund	(8,401)
(8,971)	Greater London Authority	(9,155)
(4,626)	Ministry of Housing, Communities & Local Government	(5,455)
(6,655)	Other Grant	(7,755)
(77,102)	CURRENT LIABILITIES	(56,577)
(10,671)	Developers' contribution	(36,926)
(220)	Standard Fund	(236)
(448)	Greater London Authority	(448)
(80)	Ministry of Housing, Communities & Local Government	-
(915)	Other Grant	(915)
(12,334)	NON-CURRENT LIABILITIES	(38,525)
(89,436)	Total Capital Grants Receipts in Advance	(95,102)

Note 37a: Leases – Authority as Lessee

The future minimum lease payments due under non-cancellable leases in future years are:

31-March-2024		31-March-2025
£'000		£'000
544	Not later than one year	770
319	Later than one year and not later than five years	831
753	Later than five years	1,109
1,616	Total	2,710

The leases relate to land, buildings, and vehicles, and are charged to the relevant service line in the Comprehensive Income and Expenditure Statement. The total expenditure in 2024/25 was £0.8m, comprising £0.8m Minimum Lease Payments (£0.6m in 2023/24) and £0.0m (£0.0m in 2023/24) Contingent Rental.

Note 37b: Leases – Authority as Lessor

(i) The Council has leased out three properties in the borough on a finance lease (Brixton Enterprise Centre, Gothic Lodge and The Young Vic Theatre). The Council's gross investment in the leases of £2.01m (£2.04m in 2022/23), represents future minimum lease payments, with no anticipated residual values at the end of the lease term (unchanged from 2022/23).

The gross investment in the lease and the minimum lease payments will be received over the following periods:

31-March-2024			31-March-2025	
Gross Investment in the Lease	Minimum Lease Payments		Gross Investment in the Lease	Minimum Lease Payments
£'000	£'000		£'000	£'000
30	6	Not later than one year	30	6
119	20	Later than one year and not later than five years	119	19
1,866	62	Later than five years	1,836	58
2,015	88	Total	1,985	83

Of the total of £1,984k, the element of unearned finance income was £1,572k, with £411k going towards repayment of the lease debtor (£2,014k and £412k in 2023/24). There was no contingent rent corresponding to these lease arrangements.

Notes to the Accounts (General) (continued)

Note 37b: Leases – Authority as Lessor (continued)

(ii) The future minimum lease payments due under non-cancellable operating leases in future years are:

31-March-2024		31-March-2025
£'000		£'000
6,469	Not later than one year	6,998
19,089	Later than one year and not later than five years	19,947
31,852	Later than five years	27,696
57,410	Total	54,641

The increase in future minimum lease payments not later than 5 years is due to a change in the number of long term leases renewed, and the decrease in payments later than 5 years is due to the revision of the lease end date on one lease.

The total contingent rent relating to these arrangements in 2024/25 was £0.00m (2023/24 £0.00m).

Note 38a: IFRIC 12 – Service Concession Arrangements (including PFI / PPP contracts)

The council has recognised four contracts on its Balance Sheet:

Norwood Hall Norwood Hall is a PFI that started in June 2014 and £8.8m of new asset were recognized accordingly. £1.41m of payments were made in 2024/25. The contract will last for 24 years and the asset will revert to Lambeth at that time. It is a multi-purpose health and leisure facility for the benefits of the community.

The **Lilian Baylis** contract provided the rebuild of the secondary school in Kennington (which became operational in January 2005), and continues to provide further investment in infrastructure and maintenance at the site. The contract runs until July 2030, with payments in 2024/25 totalling £3.79m. Currently payments vary only with changes in RPIX and no other factor.

Lambeth Lighting Services Ltd provides replacements, upgrades and new installations of street lighting throughout the borough. Payments in 2024/25 amounted to £2.75m and the contract will run until 2031. The authority will take full ownership of all created and refurbished lighting at the end of the contract.

Myatt's Field North Estate is being transformed by the construction of 305 new homes, refurbishment of 172 existing homes, and the creation of new streets, play areas and green spaces. The 25 year PFI contract started in 2012, with the construction phase of the project lasting until March 2017, with a total value of £80.7m recognised since the start of the contract. Payments on this contract in 2024/25 were £11.60m. 357 homes will be sold; the council will retain ownership.

Note 38b: The value and movement of assets held under PFI and similar contracts.

	Lilian Baylis	Norwood Hall	Lambeth Lighting	Myatts Field North	Total
	£'000	£'000	£'000	£'000	£'000
01-April-2024	42,417	27,653	11,285	41,366	122,721
Additions	37	427	24	163	651
Revaluations	-	(12,672)	-	1,095	(11,577)
Depreciation	(548)	(454)	(434)	(480)	(1,916)
Disposals	-	-	-	(120)	(120)
31-March-2025	41,906	14,954	10,875	42,024	109,759

Note 38c: The value and movement of outstanding liabilities resulting from PFI, finance leases and similar contracts at each Balance Sheet date.

	Lilian Baylis	Norwood Hall	Lambeth Lighting	Myatts Field North	Total
	£'000	£'000	£'000	£'000	£'000
01-April-2024	(4,986)	(4,091)	(9,033)	(61,917)	(80,027)
Liability in year	-	-	-	-	-
Payments in year	1,110	794	461	4,238	6,603
31-March-2025	(3,876)	(3,297)	(8,572)	(57,679)	(73,424)

Note 38d: Details of payments due to be made under PFI, finance leases and similar contracts

(separated into repayments of liability, interest and service charges) as at 31 March 2025 are set out in the table below.

Lilian Baylis 31 March 2025

	Liability	Interest	Service	Total
	£'000	£'000	£'000	£'000
Within 1 Year	1,215	423	934	2,572
2-5 Years	1,321	276	905	2,502
6-10 Years	1,340	221	2,414	3,975
Total	3,876	920	4,253	9,049

Note 38d: Details of payments due to be made under PFI, finance leases and similar contracts (continued)
(separated into repayments of liability, interest and service charges) as at 31 March 2025 are set out in the table below.

Lambeth Lighting 31 March 2025

	Liability	Interest	Service	Total
	£'000	£'000	£'000	£'000
Within 1 Year	590	191	2,175	2,956
1-2 Years	589	312	2,175	3,076
3-5 Years	1,742	18	6,526	8,286
Over 5 Years	377	-	1,453	1,830
Total	3,298	521	12,329	16,148

Myatt's Field 31 March 2025

	Liability	Interest	Service	Total
	£'000	£'000	£'000	£'000
Within 1 Year	3,754	3,402	4,717	11,873
1-2 Years	3,893	3,174	4,806	11,873
3-5 Years	11,745	8,106	15,767	35,618
Over 5 Years	38,287	9,797	36,142	84,226
Total	57,679	24,479	61,432	143,590

Norwood Hall 31 March 2025

	Liability	Interest	Service	Total
	£'000	£'000	£'000	£'000
Within 1 Year	506	673	296	1,475
1-2 Years	534	634	307	1,475
3-5 Years	1,439	1,644	1,256	4,339
Over 5 Years	6,093	2,724	3,910	12,727
Total	8,572	5,675	5,769	20,016

Note 39: Provisions

	Balance at 31- March-2024	Additional provision	Amounts Utilised	Amounts Released	Balance at 31- March-2025
	£'000	£'000	£'000	£'000	£'000
Insurance Fund GF	(4,348)	(528)	1,143		(3,733)
NNDR Provision for Appeals	(1,729)	-			(1,729)
Redress Scheme	(14,555)	-			(14,555)
Tax & VAT Assessments	(235)	-			(235)
ASC PY Invoice Provision	-	(2,367)			(2,367)
Small Provisions	(15)	(56)			(71)
Disputes	(814)				(814)
Sub-Total GF Provisions	(21,696)	(2,951)	1,143	-	(23,504)
Insurance Fund HRA	(2,336)	(900)	899		(2,337)
HRA Litigation Provision	(500)	(7,906)			(8,406)
Sub-Total HRA Provisions	(2,836)	(8,806)	899	-	(10,743)
Total Council Provisions	(24,532)	(11,757)	2,042	-	(34,247)

All provisions are reviewed annually to ensure they are at an appropriate level. Below are further details on material provisions.

- **The Insurance Fund**

The Insurance Fund provisions hold the balances set aside for potential liabilities in respect of insurable items for which the council has elected to self-insure and for payments that fall within the insurance excesses, split between the General Fund and the Housing Revenue Account. The review of insurance provisions is carried out annually using an actuarial forecasting approach which is designed to review the appropriateness of the provisions and reserves for the council's self-insured claims as at the date of the valuation. This valuation takes into account all known and outstanding (unpaid) claims received from 1992 to date, and also makes a calculation for any incurred but not reported claims (IBNR).

- **Provision for Appeals**

Provision for Appeals was introduced alongside the business rates retention scheme. The provision is calculated through applying the change in past rateable values based on successful appeals and applying this to current outstanding appeals, as supplied by the Valuations Office Agency, and the council's share is shown above and below.

- **Redress Scheme**

Note 22 - part where it says redress, please say The council has setup a provision to fund payments made under the Redress scheme pertaining to historic child sexual abuse. The scheme ran until 1 January 2022.

- **Term Time Ruling**

In August 2019 The Court of Appeal in Brazel V The Harper Trust handed down a ruling regarding the calculation of annual leave entitlement impacting permanent staff employed on a term time contract, stating that their basic statutory annual leave entitlement could not be pro-rated to reflect the number of weeks actually worked. The council has been reviewing its current and past contracts to ensure it is compliant with the new ruling and has setup a provision to cover the financial liability associated with any backdated adjustments.

Note 39: Provisions (continued)

- HRA Litigation Provision**

The council, along with a number of other authorities, entered into agency agreements to collect water rates on behalf of Thames Water, with discounts to cover the council's cost of collection. Following the case of Ross -v- R B of Kingston Upon Thames where it was determined that discounts should have been passed to the consumer, the council has setup a provision to repay sums to current and former tenants. The council's agreement with Thames Water was terminated on 31 March 2020.

The following table analyses provisions on the basis of the profile of their use, based on best estimates where the information is not known.

2024/25	Less than one year	Between one year and five years	Greater than five years	Balance at 31-March-2025
	£'000	£'000	£'000	£'000
NNDR Provision for Appeals	(1,728)	-	-	(1,728)
Insurance Fund Provision - GF	(4,348)	-	-	(4,348)
Development Management Provision	(15)	-	-	(15)
2017/18 Provision - Adoption Support	-	-	-	-
Redress Scheme Provision	(14,556)	-	-	(14,556)
Tax & VAT Assessments due	(285)	-	-	(285)
PLT Legal Dispute Provision	(804)	-	-	(804)
TTO Settlement Provision	-	-	-	-
Sub-Total GF Provisions	(21,736)	-	-	(21,736)
Insurance Fund HRA	(2,336)			(2,336)
HRA Litigation Provision	(500)			(500)
Sub-Total HRA Provisions	(2,836)	-	-	(2,836)
Total Council Provisions	(24,572)	-	-	(24,572)

Note 40: Contingent Liabilities

Contingent liabilities are possible obligations arising from a past event whose existence will be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Council or a present obligation arising from past events where it is not probable that there will be an associated cost or the amount of the obligation cannot be accurately measured.

The council has no contingent liabilities.

Note 41: Pensions Schemes Accounted for as Defined Contribution Schemes

The council participates in the Teachers' Pension Scheme and the NHS Pension Scheme, which are themselves defined benefit schemes. These schemes are unfunded and the relevant department uses a notional fund as the basis for calculating the employers' contribution paid by the employer. Valuations of the notional fund are undertaken every four years. However, these are multi-employer schemes and due to the number of participating employers it is not possible to identify the council's share of the underlying liabilities in the scheme attributable to its own employees with sufficient reliability for accounting purposes, they are accounted for on the same basis as a defined contribution scheme. The council is not liable to the schemes for any other entity's obligations under the plan.

Teachers employed by the authority are members of the Teachers' Pension Scheme, administered by the Department for Education. The council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries. In 2023/24 the council paid £17.1m to the TPA (£16.9m in 2022/23), representing 23.68% of pensionable pay (23.68% in 2022/23). The contributions due to be paid in the next financial year are estimated to be £20.8m in 2024/25 or 28.68% of pensionable pay. For 2023/24 the council made contributions to the NHS Pension Scheme of £0.05m (£0.05m in 2022/23). The contributions due to be paid to the NHS Pension Scheme in the next financial year are estimated to be £0.05m in 2024/25.

Note 42a: Defined Benefit Pension Schemes

Participation in pension schemes

As part of the terms and conditions of employment of its officers, the council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the council has a commitment to make the payments for those benefits and to disclose them at the time that employees earn their future entitlement.

The council participates in two funded defined benefit final salary schemes under the Local Government Pension Scheme (LGPS). The first is administered locally by Lambeth Pension Fund, to which most non-teaching Council employees belong.

The governance of the scheme is the responsibility of the London Borough of Lambeth. The second is administered by the London Pensions Fund Authority (LPFA) to which most non-teaching staff employed in schools belong and the governance of the scheme is the responsibility of the Authority. The LGPS rewards years of service with rights to retirement lump sums and pensions based on final salaries. The Scheme also provides additional benefits for ill-health retirement, early retirement attributable to redundancy or in the interests of business efficiency and death in service. Both of these funds are part of the national Local Government Pension Scheme (LGPS), which as of 1st April 2014, changed from being a final salary scheme to a career average scheme.

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Note 42b: Net Defined Benefit Pension Scheme liabilities

The liabilities of the LBL Pension Fund and the LPFA Pension Fund attributable to the council are assessed on an actuarial basis using the projected unit credit method, an estimate of the current value of benefits payable in future years, dependent on assumptions about future mortality rates, salary levels etc. The London Borough of Lambeth liabilities were assessed by Hymans Robertson LLP and the LPFA liabilities were assessed by Barnett Waddingham Public Sector Consulting, both of whom are independent firms of actuaries. Both are included in the following table. Council liabilities are based on the latest full valuation of the scheme as at 31 March 2025.

2023/24					2024/25			
Scheme Assets	Pensions Obligations	Asset Ceiling	Net Pensions Liability		Scheme Assets	Pensions Obligations	Asset Ceiling	Net Pensions Liability
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
1,730,655	(1,807,108)	(39,870)	(116,323)	Opening Balance at 1 April	1,820,941	(1,813,332)	(146,999)	(139,390)
-	(34,518)	-	(34,518)	Current Service Cost	-	(37,003)		(37,003)
-	(84)	-	(84)	Past Service cost and gains/losses on curtailments	-	(1,220)		(1,220)
81,450	(84,704)	-	(3,254)	Interest Income and Expense	86,888	(86,150)	(7,079)	(6,341)
				- Admin Expense:	-	-		-
(95,490)	95,490	-	-	- Retirement Grants and Pensions	(86,693)	86,693		-
-	-	-	-	- Settlements	-	-		-
(14,040)	(23,816)	-	(37,856)	Total post employment benefit charged to the (surplus)/deficit on provision of services	195	(37,680)	(7,079)	(44,564)
				Remeasurements				
42,880	-	-	42,880	- Return on Plan Assets	(64,374)	-		(64,374)
-	12,593	-	12,593	- Actuarial Gains and Losses arising from changes in demographic assumptions	-	3,192		3,192
-	75,527	-	75,527	- Actuarial Gains and Losses from changes in Financial Assumptions	-	263,952		263,952
-	(58,881)	-	(58,881)	- Experience loss /(gain) on defined benefit obligation	-	22,277		22,277
-	-	(107,129)	(107,129)	Changes in the effect of the Asset Ceiling	-	-	103,653	103,653
42,880	29,239	(107,129)	(35,010)	Post-Employment Benefits Charged to other Comprehensive Income and Expenditure Statement	(64,374)	289,421	103,653	328,700
				Contributions				
49,799	-	-	49,799	- The Council	52,846	-	-	52,846
11,647	(11,647)	-	-	- Employees	12,640	(12,640)	-	-
61,446	(11,647)	-	49,799	Employers contributions payable to scheme	65,486	(12,640)	-	52,846
1,820,941	(1,813,332)	(146,999)	(139,390)	Closing Balance at 31 March	1,822,248	(1,574,231)	(50,425)	197,592

The effect of the asset ceiling has been determined by the schemes actuaries on the basis of the limitation on the Council's ability to recover the full economic benefit of its assets through reductions in future employer's contributions because of the minimum funding requirement imposed on it by the funding strategy for the schemes in place at 31 March 2025.

The Scheme actuaries have assessed the Council's estimated future service costs less the estimated minimum funding requirement contributions to establish the economic benefit that is available to the Council. The net pensions asset has therefore been adjusted by this effect of the asset ceiling. The total pre-asset ceiling adjustment position across the Council's pension schemes is an asset of £248m (2023/24: £7.61m); the post-adjustment position is an asset of £197.59m (2023/24: £139m).

Note 42c: Defined Benefit Pension Scheme assumptions

A change in any of the key assumptions can have a significant impact upon the size of the council's pension liabilities, which would require the council during its triennial review to adjust the amount it must pay the Lambeth Pension Fund. The biggest risks include an increase in member life expectancy, salary and pension accumulation rate or a decrease in the real discount rate, which would have an impact on the council's liability to the Pension Fund.

The discount rate is the amount in today's money that is required to pay future obligations – a higher discount rate means a lower requirement to meet future payments. This is why the actuaries prudently use a discount rate based on highly rated corporate bond yields, as a small change in these would have a very large impact upon the size of the liability, which taxpayers are statutorily bound to pay.

The principal assumptions used by the actuaries have been:

Mortality assumptions:	LPFA		Lambeth	
	2023/24	2024/25	2023/24	2024/25
Longevity at 65 for current pensioners:				
<i>Men</i>	19.9 years	19.9 years	21.0 years	21.0 years
<i>Women</i>	23.2 years	23.2 years	23.8 years	23.8 years
Longevity at 65 for future pensioners:				
<i>Men</i>	21.1 years	21.1 years	22.5 years	22.4 years
<i>Women</i>	24.5 years	21.1 years	25.4 years	25.4 years
Rate of increase in salaries	3.95%	3.90%	3.30%	3.30%
Rate of increase in pensions (CPI)	2.95%	2.90%	2.80%	2.80%
Rate for discounting scheme liabilities	4.85%	5.65%	4.80%	5.80%

A sensitivity analysis of the key methodological assumptions of the actuarial valuation can be found in note 2

The Council is entitled to 97% of the assets and liabilities of the Pension Fund, details of which can be found within the Pension Fund notes 1-24.

Note 42d: Defined Benefit Pension Scheme assets

31-March-2024		LPFA Employer Asset Share – Bid Value	31-March-2025	
£'000	%		£'000	%
55,426	61	Equities	53,386	59
-	-	LDI/Cashflow matching	-	-
15,792	17	Target Return Portfolio	16,438	18
10,516	11	Infrastructure	10,324	11
-	-	Commodities	-	-
8,374	9	Property	8,249	9
1,434	2	Cash	2,116	2
91,542	100	Total	90,513	100

The following is the Asset Breakdown for the Lambeth Pension Fund scheme assets.

31-March-2024		LBL Pension Fund Employer Asset Share – Bid Value	31-March-2025	
£'000	%		£'000	%
		Equity Securities		
212,421	12	Consumer	229,165	13
98,979	6	Manufacturing	76,092	4
34,928	2	Energy and Utilities	30,395	2
246,857	14	Financial Institutions	156,447	9
90,025	5	Health & Care	88,999	5
284,441	16	Information Technology	275,951	16
146,796	8	Other	233,152	13
-	-	Debt Securities		-
-	-	UK Government		-
247,939	14	Other	207,813	12
52,146	3	Private Equity	41,413	2
42,996	2	Real Estate - UK Property	53,098	3
103,997	6	Real Estate - Overseas Property	95,072	5
-	-	Investment Funds and Unit Trusts		-
-	-	Equities		-
-	-	Bonds		-
-	-	Hedge Funds		-
143,254	8	Other	206,317	12
24,597	1	Cash and Cash Equivalents	37,767	2
1,729,376	100	Total	1,731,682	100

Note 42d: Defined Benefit Pension Scheme assets (continued)

There has been an overall decrease in the net pension liability for 2024/25. The council's obligations are an estimate, based on the best evidence that the actuaries have at 31st March 2025.

The council's agreed strategy with the actuary is to achieve a funding level of 100% over 20 years (March 31st 2033). Funding levels are monitored annually, and the triennial valuation was completed on 31 March 2019. The estimated employers' contributions for the year ending 31 March 2023 will be approximately £40.2m.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales).

The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

Note 42e: Transactions relating to retirement benefits

2023/24 £'000	Comprehensive Income and Expenditure Statement	2024/25 £'000
	Cost of Services	
(34,518)	Current Service Cost	(37,003)
(84)	Past Service cost and (gains)/losses on curtailments	(1,220)
-	Effect of settlements	
	Other Operating (income)/expenditure	
-	Admin Expense	
	Financing and Investment Income and Expenditure	
(3,254)	Interest Income and Expense (Net)	(6,341)
(37,856)	Total Post-Employment Benefits Charged to the Surplus or Deficit on the Provision of Services	(44,564)
	Re-measurements of the Net Defined Benefit Liability	
42,880	Return on Plan Assets	(64,374)
-	Other actuarial (gains) and losses on assets	-
75,527	Actuarial (Gains) and Losses from changes in Financial Assumptions	263,952
12,593	Actuarial (Gains) and Losses arising from changes in demographic assumptions	3,192
(58,881)	Experience Adjustments	22,277
(107,129)	Changes in the effect of the Asset Ceiling	103,653
(35,010)	Total Re-measurements Recognised in CIES	328,700
(72,866)	Total Post-Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	284,136

Note 43: Trust Funds

The council acts as trustee for various funds including bequests and legacies, comfort funds and individual trusts. Some of these are not recognised on the council's own balance sheet.

Balance at 31-March-2024	Comprehensive Income and Expenditure Statement	Balance at 31-March-2025
£'000		£'000
(8,824)	Monies Held on behalf of adult care clients	
(14)	Monies Held on behalf of children in care	
(317)	Wellington Mills - Housing Co-operative	
(610)	Others	
(9,765)	Total Trust Funds	-

NOTES TO THE CASH FLOW STATEMENT

Note 44: Investing Activities

2023/24		2024/25
£'000		£'000
146,293	Purchase of property, plant and equipment, investment property and intangible assets	177,753
80,000	Purchase of short-term and long-term investments	-
24,946	Other payments for investing activities	25,181
(11,032)	Proceeds from the sale of property, plant and equipment and intangible assets	(22,262)
-	Proceeds from short-term and long-term investments	(10,000)
(51,493)	Other receipts from investing activities	(52,131)
188,714	Net cash flows from investing activities	118,541

Note 45: Financing Activities

2023/24		2024/25
£'000		£'000
(225,000)	Cash receipts of short and long-term borrowing	(337,000)
	Council Tax and NNDR adjustments	-
5,091	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	
91,411	Other Investing Activities	144,338
(128,498)	Net cash flows from investing activities	(192,662)

Note 46: Operating Activities (Interest)

The cash flows for operating activities include the following items

2023/24		2024/25
£'000		£'000
(313)	Interest received	(377)
2,228	Interest paid	37,906
1,915	Total	37,529

Note 47: Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

2023/24		2024/25
£'000		£'000
(147)	Cash held by the Authority	(147)
7,224	Bank current accounts in current assets	42,163
416	Short-term deposits with banks	1,433
7,493	Total Cash and Cash Equivalents	43,449

Note 48: Reconciliation of Liabilities Arising from Financing Activities

	Balance at 31- March-2024	Financing Cash Flows	Acquisition	Other non-cash changes	Balance at 31- March-2025
	£'000	£'000	£'000	£'000	£'000
Long-term borrowings	(926,255)				(926,255)
Short term borrowings	(19,800)				(19,800)
On balance sheet PFI liabilities	(70,699)				(70,699)
Total liabilities from financing activities	(1,016,754)	-	-	-	(1,016,754)

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HOUSING REVENUE ACCOUNT (HRA) - INCOME AND EXPENDITURE STATEMENT

The Housing Revenue Account (HRA) is a statutory statement, which summarises the transactions relating to the provision, maintenance and management of the council's housing stock. The Local Government and Housing Act 1989 required the ring-fencing of the Account with effect from 1 April 1990, thereby prohibiting cross subsidy between the HRA and the General Fund.

2023/24		2024/25	
£'000		£'000	Note
	Income		
(149,836)	Dwelling rents	(159,796)	
(3,589)	Non-dwelling rents	(4,039)	
(47,785)	Charges for services and facilities*	(50,596)	
(425)	Contributions Towards Expenditure	(4,400)	
(7,729)	PFI Credit	(7,729)	
(209,364)	Total income	(226,560)	
	Expenditure		
53,629	Repairs and maintenance	60,574	
103,363	Supervision and management	117,526	
9,066	Rents, rates, taxes and other charges	3,455	
457	Impairments on receivables	2,013	
30,732	Depreciation of property, plant and equipment	29,497	
28,983	Impairment / Revaluation (gain) / loss	22,046	
226,230	Total expenditure	235,111	
16,866	Net cost of HRA services included in the Comprehensive Income and Expenditure Statement	8,551	
783	HRA services share of Corporate and Democratic Core	618	
17,649	Net cost of HRA Services	9,169	
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement		
19,734	Interest payable and similar charges – other	18,165	
(6,750)	Gain or Loss on disposal	(14,261)	
(1,170)	Interest and investment income	-	
(5,634)	Capital Grants and Contributions - other	(2,663)	
23,829	(Surplus) or deficit for the year on HRA Services	10,410	

STATEMENT ON THE MOVEMENT ON THE HOUSING REVENUE ACCOUNT

The objective of this statement is to reconcile the outturn from the HRA Income and Expenditure Statement to the surplus or deficit on the HRA Balance calculated in accordance with statutory requirements.

2023/24	Expenditure	2024/25
£'000		£'000
(8,798)	Balance on the HRA as at 1 April	(2)
23,829	(Surplus)/deficit for the year on the HRA Income and Expenditure Statement	10,407
(11,364)	Adjustments Between Accountancy Basis and Funding Basis under Statute	(1,707)
12,465	Net (increase)/decrease before transfers to/(from) reserves	8,700
(3,669)	Transfers to/(from) earmarked reserves	(8,700)
8,796	(Increase)/decrease in year on the HRA balance	-
(2)	HRA Balance at 31 March	(2)

Note 50: Analysis of the movement on the HRA balance

2023/24 No.	Type of accommodation	2024/25 No.
-	Difference between amounts charged to Income and Expenditure for amortisation of premiums and discounts and the charge for the year determined in accordance with statute	-
(28,984)	Impairments / Revaluation loss	(22,046)
5,241	Capital Grants and Contributions	365
(30,732)	Depreciation of non-current assets	(29,497)
(4,530)	Carrying amount of non-current assets disposed of	(7,466)
45	Mitigation of accumulated absences provision	(23)
6,344	Net charges made for retirement benefits in accordance with IAS 19	6,623
85	S106 Reversal	-
-	Capital expenditure financed from revenue balances	-
3,449	Minimum Revenue Provision	4,238
30,732	Transfer to Major Repairs Reserve	29,497
11,280	Transfer to Capital Receipts Reserve of proceeds from disposal of non-current assets	21,727
-	Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserves)	(2,789)
-	Application of CIES capital grants to finance capital expenditure	2,298
(4,394)	Employer's contributions payable to the Lambeth Pension Fund and retirement benefit payable direct to pensioners	(4,634)
(11,464)	Total Adjustments Between Accountancy Basis and Funding Basis under Statute	(1,707)

Note 51: Housing Stock

Type of accommodation	31-March-2024	Movement	31-March-2025
	No.		No.
Flats	19,847	(34)	19,813
Houses	3,875	6	3,881
Multi-occupied	311	(118)	193
Total	24,033	(146)	23,887
Right to buy sales		(50)	
Rent to Mortgage Buy Backs*		23	
New creations		12	
Total		(15)	

* The above Housing stock includes buy backs within the analysis since these are used for the provision of housing. Buy backs are General fund assets.

Note 52: HRA Assets

2023/24		2024/25
£'000		£'000
2,362,184	Council dwellings	2,384,354
109,017	Other Land & Buildings	115,681
205	Community Assets	474
1,975	Surplus	2,549
2,100	Assets held for sale	1,925
1,588	Vehicles, Plant & Equipment	1,215
14,129	Assets under Construction	10,019
-	- Intangibles	2,879
-	- Infrastructure	-
2,491,198	Total	2,519,096

Note 53: Capital Expenditure, Financing and Receipts

2023/24		2024/25
£'000		£'000
	HRA capital expenditure	
44,829	Works to dwellings	61,440
1,700	Other Land & Buildings	7,461
1,208	Vehicles, Plant & Equipment	7
3,640	Assets under construction	-
-	- Community Assets	173
-	- Surplus Assets	217
-	- Right of Use Assets	15
-	- Work in Progress	869
51,377	Total HRA capital expenditure	70,182
	Financing of capital expenditure	
19,952	Borrowing	11,051
23,932	Major Repairs Reserve Less Decent Homes	36,298
-	- Usable Capital Receipts	11,409
3,748	Grants	9,126
3,659	Section 20	-
86	Section 106	193
-	- Reserves / Revenue	2,105
51,377	Total financing of capital expenditure	70,182

Note 54: Depreciation and Impairment

2023/24		2024/25
£'000		£'000
	Depreciation charged to the HRA I&E for the year	
	Operational assets	
29,463	- dwellings	29,497
1,228	- other property	-
	Non-operational assets	
41	- dwellings	-
-	- other property	-
30,732	Total Depreciation	29,497
	Impairments and revaluation losses charged to the HRA I&E for the year	
	Operational assets	
28,939	- dwellings	22,898
1,760	- other property	
	Non-operational assets	
(1,377)	- dwellings	-
100	- other property	392
29,422	Total Impairments and revaluation losses charged to the HRA I&E for the year	23,290
	Revaluation / Impairment (gains) reversed in the HRA I&E for the year	
	Operational assets	
-	- dwellings	(1,244)
(399)	- other property	
	Non-operational assets	
(39)	- dwellings	-
(438)	Total Revaluation / Impairment (gains) reversed in the HRA I&E for the year	(1,244)
28,984	Net Impairment	22,046

Note 55: Rent Arrears

2023/24		2024/25
	Rent arrears comprise:	
16,394	Arrears as at 31st March	23,236
(8,518)	Impairment on receivables	(7,514)
7,876	Collectable amount	15,722

Note 56: Vacant Possession Value

The vacant possession value of dwellings within the HRA at 31 March 2025 was £9.560 bn (£9.477 bn at 31 March 2024) which has been reduced to £2.390 bn (£2.369 bn at 31 March 2023) to reflect social housing use subsidised housing. This shows the economic cost to the government of providing council housing at less than market rents.

Note 57: HRA Share of Contributions to the Pension Reserve

The HRA Income and Expenditure account has suffered a charge from the Pension Reserve of £9.20m in 2024/25 (charge of £9.20m in 2023/24), as per proper practice. The impact of this on the HRA balance is nullified by means of a reversing entry in the Movement in Reserves Statement

COLLECTION FUND STATEMENT

The Collection Fund is a statutory statement relating to the collection of income received from Council Tax and business rates, known as National Non-Domestic Rates (NNDR). The account shows how the income received is distributed between the Council's General Fund, Central Government and the Greater London Authority.

2023/24				2024/25			Note
NNDR	Council Tax	Total		NNDR	Council Tax	Total	
£'000	£'000	£'000		£'000	£'000	£'000	
			INCOME				
	(201,634)	(201,634)	Council Tax receivable		(216,946)	(216,946)	
	(1,168)	(1,168)	Transfer for Transitional Relief, S13A Reliefs and discount for prompt payment		(451)	(451)	
(144,852)		(144,852)	Business Rates receivable	(181,092)		(181,092)	
(10,867)		(10,867)	Transitional Protection Payments Payable	(3,862)		(3,862)	
(4,243)		(4,243)	Business Rates Supplement	(4,843)		(4,843)	
(159,962)	(202,802)	(362,764)	Total income	(189,797)	(217,397)	(407,194)	
			Expenditure				
50,829	149,680	200,509	LB Lambeth	52,475	159,592	212,067	
55,911		55,911	Central Government	57,722		57,722	
62,689	48,941	111,630	Greater London Assembly (GLA)	64,719	53,968	118,687	
			Business Rates Supplement				
4,777		4,777	Payment to GLA		4,754	4,754	
9		9	Administrative Costs		9	9	
			Charges to Collection Fund				
2,008	6,389	8,397	Write-offs of uncollectable amounts	1,360	2,450	3,810	
(284)	3,301	3,017	Increase/(Decrease) in Impairment on receivables	10,886	(74)	10,812	
(1,872)		(1,872)	Increase/(Decrease) in Provision for Appeals	(2,759)		(2,759)	
-		-	Transitional Protection Payments	-		-	
236		236	Interest on Refunds	354		354	
-		-	Disregarded Amount	221		221	
491		491	Cost of Collection	487		487	
174,794	208,311	383,105	Total expenditure	185,465	220,699	406,164	
14,832	5,509	20,341	(Surplus)/Deficit carried forward	(4,332)	3,302	(1,030)	
17,417	(985)	16,432	Collection Fund (Surplus)/Deficit at 1 April	16,609	2,916	19,525	
(15,096)	(1,608)	(16,704)	Fund balance distributed in year	(14,934)	-	(14,934)	
14,288	5,509	19,797	(Surplus)/Deficit arising during the year	512	(1,461)	(949)	
16,609	2,916	19,525	(Surplus)/Deficit carried forward	2,187	1,455	3,642	
			Analysis of Fund balance distributed in year:				
(4,529)	(1,225)	(5,754)	LB Lambeth	(4,480)		(4,480)	
(4,982)		(4,982)	Central Government	(4,928)		(4,928)	
(5,585)	(383)	(5,968)	GLA	(5,526)		(5,526)	
(15,096)	(1,608)	(16,704)		(14,934)	-	(14,934)	

SHARE OF BALANCES BETWEEN LONDON BOROUGH OF LAMBETH AND ITS PRECEPTORS

The Collection Fund Income and Expenditure Account is prepared on an accruals basis. Lambeth, as the billing agent, includes appropriate shares of the year end balances in its balance sheet and those of its preceptors. The apportionment is detailed in the table below.

COLLECTION FUND	Total Collection Fund		Central Government		London Borough of Lambeth		Greater London Assembly	
	CTAX	£'000 NNDR	CTAX	£'000 NNDR	CTAX	£'000 NNDR	CTAX	£'000 NNDR
Apportionment Basis	100%	100%	NiA	33%	75%	30%	25%	37%
Arrears	67,760	24,924	NiA	8,225	51,091	7,477	16,669	9,222
Impairment on receivable	(29,848)	(12,290)	NiA	(4,056)	(22,505)	(2,687)	(7,343)	(4,547)
Appeals Provision	N/A	(3,000)	NiA	(990)	N/A	(900)	N/A	(1,110)
Overpayments & Pre-payments	(15,162)	(16,075)	NiA	(5,305)	(11,432)	(4,823)	(3,730)	(5,948)
(Surplus)/Deficit	1,453	2,187	NiA	722	1,096	656	357	809

Notes to the Collection Fund

Note 58: Council tax income

Council tax is charged on residential properties and is based on the value of the property. Each property falls into one of eight bands A-H based on estimated market values at 1 April 1991. During the annual budget setting process the Council determines the charge for its band D properties by dividing its budget requirement by the tax base. The council tax base is the total number of chargeable dwellings (adjusted for dwellings where discounts and exemptions apply). The tax for the other bands is calculated as a proportion of the band D tax.

For the year ended 31 March 2025, the band D council tax was set at £1,865.41 based upon a tax base of 114,484 (for 2023/24 £1,761.90 based upon a tax base of 112,731) and includes £471.40 requirement for the Greater London Authority (£434.14 in 2023/24)

The table below shows the calculation of the Council Tax Base for 2024/25.

Valuation Band	Total no. of dwellings on valuation list	Total equivalent dwellings after adjustments	Ratio	Band D equivalent dwellings
A	4,968	3,501	6 / 9	2,334
B	31,543	22,308	7 / 9	17,351
C	41,368	33,351	8 / 9	29,645
D	32,480	27,348	9 / 9	27,348
E	15,830	13,942	11 / 9	17,040
F	10,153	9,362	13 / 9	13,523
G	5,680	5,501	15 / 9	9,168
H	1,115	1,113	18 / 9	2,226
Total	143,137	116,426		118,635
Less Adjustment for collection rate				(4,152)
Council Tax Base				114,483

Note 59: National Non-Domestic Rates

National Non-Domestic Rates also known as business rates are based on the local rateable values of commercial properties multiplied by a uniform collection rate known as the multiplier after taking into account transitional arrangements. The rateable values are set by the Valuation Office Agency (VOA) and multiplier rates are set annually by Central Government. In 2023/24 the standard multiplier was set at 54.6p (51.2p in 2023/24) and the small business rate multiplier was set at 49.9p (49.9p in 2023/24). The total rateable value at the end of March 2025 was £451.9m (£452.5m on 31 March 2024).

The total business rates income is based on the 2024/25 estimated collection and the 2023/24 deficit. However, as this is determined before the end of 2023/24 an adjustment is required in 2024/25 to account for the difference between the estimated position and the actual position. This difference (surplus/deficit) is distributed/clawed back in the following financial year. In 2024/25 the NDR collection fund reported an in-year deficit of £0.5m.

Note 60: Business Rate Supplements (BRS)

BRS were introduced by the Business Rate Supplements Act 2009. A Business Rate Supplement is a non-exchange transaction, and as such is accounted for under IPSAS 23 (International Public Sector Accounting Standard) Revenue from Non-Exchange Transactions (Taxes and Transfers). Lambeth (LBL) bills its ratepayers for the Crossrail BRS. Supplements are charged on commercial properties whose rateable value is more than £75,000 multiplied by the BRS multiplier which is 2p (unchanged from previous years). This income is not the income of the authority and is not included in the Comprehensive Income and Expenditure Statement. Amounts deducted from BRS income to meet administrative expenses are the authority's income.

The accounting statement shows the amounts required by statute to be credited to the Collection Fund after cost of collection and other adjustments and payments made to GLA.

To Follow

For the purposes of compiling the Statement of Accounts the following definitions have been adopted:

ACCRUALS

The accruals concept means that transactions within the Comprehensive Income & Expenditure Statement are recognised as they are earned or incurred and not as money is received or paid. For example, if an invoice relating to March 2023 is expected to arrive in April 2023, it will be accounted for in the 2022/23 accounts (the financial year it relates to), not the 2023/24 accounts (the financial year it arrives in.)

BALANCE SHEET

This statement is fundamental to the understanding of an authority's financial position at year end. It shows:

- the balances and reserves at an authority's disposal
- long-term indebtedness (which is over one year)
- the long-term and net current assets employed in its operations
- summarised information on the long-term assets (items that are held for more than one year) by category

CAPITAL EXPENDITURE

Expenditure on the purchase, construction improvement of significant assets including land, buildings, equipment, or even investments which will be of use or benefit in providing services for more than one financial year. Expenditure can only be treated as "Capital" if it meets the statutory definitions and is in accordance with "Proper Accounting Practices".

COLLECTION FUND

A statutory fund used to record the billing and collection of council tax and non-domestic rates. Though it is independent of the General Fund, payments are made from it to support the General Fund services of the billing and precepting authorities (in our case, the London Borough of Lambeth and the Greater London Authority respectively) and to the national business rate pool.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

A statement that reports the net cost for the year of all the functions for which the authority is responsible and demonstrates how that cost has been financed from general government grants and income from taxpayers. The most obvious difference from the Income and Expenditure Statement (which, under IFRS, it replaces) is that it now includes the Statement of Total Recognised Gains and Losses (STRGL).

CONDITION

With reference to grants, a condition typically means that the grant awarding body may ask for it back if it is not used for a stated purpose. This is not the same as a specific grant, which is given for a specific purpose but which may legally be spent on something else if the recipient sees fit.

Grants may either be "with conditions" or "without conditions" – the nearest equivalent terms previously used were "ring fenced" and "non-ring fenced."

CONTINGENT ASSET AND LIABILITY

A contingency is a condition which exists at the balance sheet date, the outcome of which depends on one or more uncertain future events and which cannot, therefore, be reliably or accurately estimated. Contingencies in the council's favour are called contingent assets; contingencies which, if realised, would incur a cost to the council are called contingent liabilities.

DEPRECIATION

The measure of wearing out, consuming, or other reduction in the useful economic life of a fixed asset, whether arising from use, passing of time or obsolescence. It means that, rather than the whole cost of an asset being charged to revenue in the year in which it is acquired, the cost is spread out over the life of the asset.

FAIR VALUE

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

GENERAL FUND (GF)

The account that summarises the revenue cost of providing services that are met by the council's demand on the collection fund, specific government grants and other income.

GOING CONCERN

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

HOUSING REVENUE ACCOUNT (HRA)

A statutory account that contains all expenditure and income to on the provision of council housing for rent. The HRA is ring-fenced account outside the General Fund. Local authorities are not allowed to make up deficit on the HRA from its own resources.

MATCHING

The matching concept says that expenditure and income transactions, including accruals, are matched with one another so far as their relationship can be established, or justifiably assumed, and dealt with in the period to which they relate.

MINIMUM REVENUE PROVISION (MRP)

The minimum revenue provision (MRP) is the minimum amount that must be charged to an authority's revenue account each year and set aside as a provision for debt repayment or other credit liabilities.

MOVEMENT IN RESERVES STATEMENT (MiRS)

This replaces the Statement of Movement on the General Fund Balance (SMGFB), reconciling the Comprehensive Income and Expenditure Statement for the year with the authority's budget requirement, which is governed by statute and differs in certain key respects from accounting conventions.

PROVISION

Amounts set aside for any liability or loss that is likely to be incurred, but where the exact amount and date is uncertain.

PRIVATE FINANCE INITIATIVE (PFI)

PFI offers a form of Public-Private Partnership in which local authorities do not buy assets but rather pay for the use of assets held by the private sector.

PRECEPT

This is the method by which a precepting authority (Greater London Authority in London) obtains income from the billing authority to cover its net expenditure. This is calculated after deducting its own Revenue Support Grant. The precept levied by the precepting authority is incorporated within the Council Tax charge. The Council pays the amount demanded over an agreed time scale.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation or enhancement of Council Owned assets.

RESERVES

Funds set aside to meet future expenditure which falls outside the definition of provisions. Reserves can be for general contingencies and to provide working balances or earmarked for specific future expenditure.

Note that certain reserves are statutory in nature – for example, the council is obliged to hold a revaluation reserve and its use is closely prescribed under the IFRS as interpreted for use in local government. The council has no discretion in the existence or use of these reserves.

STATEMENT OF MOVEMENT ON THE HRA BALANCE

Similar to the General Fund's Movement in Reserves statement, this reconciles the HRA Income and Expenditure account for the year with the surplus or deficit for the year on the HRA Balance, calculated in accordance with the requirements of the Local Government and Housing Act 1989.

STATUTORY PROVISION FOR THE FINANCING OF CAPITAL INVESTMENT

Formerly known as the Minimum Revenue Provision (MRP), this is the minimum amount that must be charged to a local authority's revenue account each year and set aside to provide for debt repayment or other credit liabilities.

SUBSTANCE OVER FORM

The concept of substance over form requires that transactions and other events are accounted for and represented in financial statements with regard to their economic substance and financial reality rather than just their legal form.

ABBREVIATIONS USED IN THE ACCOUNTS:

BRS – Business Rate Supplement

CIPFA – Chartered Institute of Public Finance and Accountancy

CIES – Comprehensive Income and Expenditure Statement

CPI – Consumer Price Index

DSG – Dedicated Schools Grant

EIP – Equal Interest and Principal

EIR – Effective Interest Rate

FRS – Financial Reporting Standard

HRA – Housing Revenue Account

IAS – International Accounting Standards

IFRS – International Financial Reporting Standards

MIRS – Movement in Reserves Statement

MRR – Major Repairs Reserve

NNDR – National Non-Domestic Rates

PFI – Private Finance Initiative

PPE – Property, Plant and Equipment

PWLB – Public Works Loan Board

REFCUS – Revenue Expenditure Funded From Capital Under Statute

RICS – Royal Institution of Chartered Surveyors

RPI – Retail Price Index

RSG – Revenue Support Grant

RTB – Right to Buy