

How Lambeth Council's money will be spent

Lambeth Council is on a path to financial sustainability. We have taken a number of significant steps to improve our financial resilience against a backdrop of continued funding pressures for local authorities and the effects over a number of years of major budget pressures in demand-led services. The increase to local government funding and a return to multi-year settlements by this Government is welcomed and much needed but it will take years to make up for the real terms reduction in funding experienced for well over a decade. The national housing crisis persists, reflected in the significant pressure on the Council's resources, with spend on temporary accommodation expected to reach nearly £105m this year. This is a pressing issue across London as boroughs spend £5m a day collectively on housing homeless households.

Lambeth Council will keep making our case to Government to recognise the challenges we face as a result of national funding reforms. It will not be easy to balance the resources needed to discharge our statutory duties and target support to our vulnerable residents who rely on our services the most. But the council is committed to transforming its services and ways of working to reduce costs and improve services and outcomes for Lambeth residents.

We know significant challenges remain for some of our most vulnerable residents. Lambeth's Council Tax Support scheme will still provide more than £27 million of support to tens of thousands of the lowest paid households, and maintain protections for pensioners, in addition to the council's Tackling Poverty programme which will provide over £5 million of support to vulnerable residents.

General Fund

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

Revenue Expenditure

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

2026/27 Revenue Budgets (Compared with 2025/26)

Directorates	2025/26 Net Budget £'000	2026/27		
		Council Spending £'000	Money Raised from Grants, Fees & Charges £'000	2026/27 Net Budget £'000
Integrated Health and Adult Social Care	119,399	249,646	(106,868)	142,778
Children, Families and Education	114,971	131,584	(10,147)	121,437
Housing	42,455	98,931	(55,069)	43,862
Resources	63,154.00	227,297	(165,963)	61,334
Growth And Environment	(1,885.00)	155,319	(167,086)	(11,767)
Corporate Items*	105,356	114,208	-	114,208
Budget Requirement	443,450	976,985	(505,133)	471,852
Less: Settlement Funding Assessment and Other Income	(270,275)			(292,694)
Lambeth Council Tax Requirement	173,175			179,158
Add: Greater London Authority (GLA) Council Tax requirement	58,968			59,522
Total Council Tax Requirement	231,199			238,680

*The directorate breakdown includes funding that is being held centrally and will be allocated during the year based on actual growth demands in those directorates.

Calculating the Council Tax Rate

	2025/26	2026/27
Council Tax Base (Number of Band D Equivalent Properties)	118,324	116,594
Lambeth Band D Council Tax	£1,463.57	£1,536.60
GLA Band D Council Tax	£490.38	£510.51
Total Band D Amount	£1,953.95	£2,047.11

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

Change in Net Revenue Budget

	£'000
Lambeth Budget 2025/26	443,450
Growth pressures, inflation, and technical adjustments	94,982
Savings and increased income	(46,580)
Exceptional Financial Support	(20,000)
Lambeth Budget 2026/27	471,852

Capital Budgets

The council's 2026/27 budget for capital expenditure is shown in the table below, summarised by our Borough Plan priorities. Capital budgets can be funded through capital grants, capital reserves, S106 income, and proceeds from selling assets as well as borrowing.

2026/27 Capital Projects by Lambeth 2030 Ambition	£'000
Making Lambeth neighbourhoods fit for the future	63,559
Making Lambeth one of the safest boroughs in London	3,926
Making Lambeth a place we can all call home	71,345
Grand Total	138,830

Capital Expenditure

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

Outstanding Loans forecast as at 31 March 2026

Type of Borrowing	£'000
Opening Public Works Loans Board Debt	1,093,900
In Year Movement	(22,000)
Closing Public Works Loans Board Debt	1,071,900

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

Levying Bodies for Lambeth

	2025/26 (£)	2026/27 (£)	Change (£)
London Pensions Fund Authority	687,062	664,557	(22,505)
Environment Agency	282,735	280,942	(1,792)
Lee Valley Regional Park Authority	308,475	307,312	(1,164)
Western Riverside Waste Authority	1,164,521	1,165,241	720
Total	2,442,793	2,418,052	(24,741)

London Pensions Fund Authority

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

For 2026/27, the income to be raised by levies is set out below. The Greater London levy is payable in all boroughs, the Inner London levy only in Inner London Boroughs (including the City of London). The figures show the total to be raised.

- Inner London £7,000,000
- Greater London £1,000,000
- Total £8,000,000

From 2022 onwards, a portion of the amount previously raised as levies is being paid into the LPFA Pension Fund to address a funding deficit in respect of former GLC, ILEA, and LRB employees.

Environment Agency

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

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

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

	2025/26 '000	2026/27 '000
Gross Expenditure (£)	138,500	103,602
Levies Raised (£)	13,020	13,289
Total Council Tax Base	5,453	5,515

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

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

The total Local Levy raised has increased from £13,029,850 in 2025/2026 to £13,289,144 for 2026/2027.

Lee Valley Regional Park Authority

Lee Valley Regional Park is a unique leisure, sports and environmental destination for all residents of London, Essex and Hertfordshire. The 26 mile long, 10,000 acre Park, much of it formerly derelict land, is partly funded by a levy on the council tax. This year there has been a 2.25% increase in this levy. Find out more about hundreds of great days out, world class sports venues and award winning parklands at www.visitleevalley.org.uk

Budget/Levy Changes	2025/26 £m	2026/27 £m
Authority Operating Expenditure	15.6	16.5
Authority Operating Income	(8.0)	(8.5)
Net Service Operating Costs	7.6	8.0
Financing Costs - Debt servicing/repayments	2.1	2.0
Financing Costs - Capital investment	1.6	2.1
Total Net Expenditure	11.3	12.1
Net use of reserves	(0.0)	(0.6)
Total Levy	(11.3)	(11.5)

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

Western Riverside Waste Authority

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

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

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

The Authority and its constituent councils agreed on a basis of cost apportionment from 2009/10. Under the agreement, which has been extended to run for a further ten years from 2017/18 to 2026/27, the Authority recovers the costs of waste delivered by its constituent councils at a rate per tonne according to the nature of the waste recycled or disposed of. There is a residual annual levy, apportioned on the basis of council tax-base, for overheads and Household Waste and Recycling Centre waste.

The estimated costs to constituent councils for 2026/27 compared to the original budgeted cost in 2025/26 are shown in the table below.

Council	2026/27	2026/27	2026/27	2025/26	Increase/	Increase/
	Direct costs	Levy	Total costs	Total Costs	(Decrease)	(Decrease)
	£'000	£'000	£'000	£'000	£'000	%
Hammersmith & Fulham	9,863	917	10,780	10,367	413	4.0
Kensington and Chelsea	10,813	1,064	11,877	11,391	486	4.3
Lambeth	16,712	1,165	17,877	17,515	362	2.1
Wandsworth	15,188	1,479	16,667	15,730	937	6.0
Total	52,576	4,625	57,201	55,003	2,198	4.0

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