

London Borough of Lambeth



The Budget Book 2012/13

Table of Contents

Foreword	ii
Introduction and Structure of the Budget Book	iii
Section 1: Local Government Finance and the Calculation of Council Tax	1
Formula Grant.....	4
Service and Financial Planning.....	7
Council Tax.....	9
Section 2: Lambeth General Fund Budget 2012/13	11
Section 3: The Departments	17
Adults and Community Services (ACS)	20
Children and Young People's Services (CYPS).....	26
Finance and Resources (F&R).....	33
Housing, Regeneration and Environment (HRE)	41
Office of the Chief Executive (OCE).....	48
Appendices	53
Appendix A: Capital Accounting and Budgeting.....	55
Appendix B: The Housing Revenue Account (HRA)	59
Appendix C: Glossary of Local Government Finance	60
Appendix D: Contacts and Further Reading	66

Foreword

A message from Mike Suarez, Executive Director of Finance and Resources



Welcome to the 2012-13 Budget Book. Recent changes such as the treatment of Council Tax Freeze Grants have unfortunately made some sections more complex, but throughout the book plain English is used where possible, and a glossary is included as an appendix. We hope that this book is set out clearly and logically and will help the reader to understand the complex environment in which we operate, and how we have risen to the challenges we face.

Lambeth's Formula Grant, on a like-for-like basis, was reduced in 2011-12 but the "rolling-in" of specific grants made it difficult to compare Formula Grant allocations year-on-year. In 2012-13, however, with no "rolling-in" to adjust for, it is very clear that Formula Grant is reducing further, and the reductions show no signs of abating in the next years of the Spending Review and beyond. With the decision to freeze Council Tax for a fourth consecutive year, it is more difficult than ever to deliver a balanced budget without making cuts to some services. However, we have tried to look at more wide-ranging and transformational savings rather than simply slicing service budgets.

April 2013 will see the introduction of sweeping reforms to both the Business Rates system, and the Council Tax Benefit system, which are likely to fundamentally alter the structure of local government funding. This, along with the reforms to the Housing Revenue Account which are implemented in April 2012, mean that local government is about to enter one of the most uncertain periods in recent times. I believe, however, that the 2012/13 budget, as described in this book, delivers a firm foundation for Lambeth to meet the challenges ahead.



Mike Suarez

A message from Councillor Paul McGlone, Cabinet Member for Finance and Cooperative Resources

The context within which the Council is operating continues to be extremely challenging. Fast paced and significant economic changes nationally and internationally, coupled with national government's policy changes, continue to have a considerable impact on Council activity. This has required that the Council respond more swiftly than ever before to these challenges, with greater emphasis on strategic financial planning.

The current financial envelope under which the Council is planning its medium term strategy is to find savings of £94.5m during the four year Spending Review period – 2011/12 to 2014/15. This book demonstrates that the Council has made significant progress towards this goal by delivering a balanced budget for the second year of the period. Future annual Local Government Finance Settlements will result in a reassessment of the requirements but there is no reason to believe that the position will improve for the Council.



The Council has continued to work to deliver the corporate plan and is, in doing so, enabling the transition towards the cooperative council. The focus on delivering our locally determined outcomes remains, and progress in enabling the transition has been positive.



Paul McGlone

Introduction and Structure of the Budget Book

This Budget Book provides details of Lambeth's 2012/13 budget and Council Tax, set by Council at its meeting on 29 February 2012. For reasons outlined below, Housing Revenue Account (HRA) and capital budgets are presented separately, but the focus of this book is the General Fund (GF) revenue budget. This budget is the result of the authority's rigorous Service and Financial Planning (SFP) process. The scope of the process is aligned to that of the 2010 Spending Review, which cut government grant funding over a period of four financial years from 2011/12 to 2014/15. Lambeth has set a target of saving £94.5m from its GF budget over these four years.

The Council must set its Council Tax so that income from Council Tax receipts balances the budget. The Council Tax Requirement is the shortfall between external grant funding (over which the council has little or no direct control) and service net expenditure budgets (over which the council has some control, subject to statutory requirements to provide a minimum level of service). **Section 1** details the steps in this calculation, and provides some general background to local authority finance. The section also details how the budget reflects the priorities and outcomes of the cooperative council.

Section 2 presents a subjective analysis of the GF revenue budget for the whole organisation, and a series of diagrams that break down gross expenditure and income budgets by type, and net budget by department and by service.

This high-level budget translates at an operational level to cash limits for individual budget holders. **Section 3** presents a subjective analysis of the 2012-13 GF net expenditure budget, and year-on-year movements in cash limits, for each division in the organisation, so that users of this book can see the impact to budget holders "on the ground" of the budget setting process. A brief introduction is included for each division, explaining the sorts of services it provides and how these fit in with the cooperative council agenda. Any significant movements due to budget transfers, growths or savings are also given an explanatory note.

Statute, and good accounting practice, dictate that a distinction must be made between revenue and capital expenditure. Revenue expenditure is essentially the Council's running costs. It includes the costs of employees, supplies and services, premises and utility costs. Capital expenditure is money spent on acquiring and improving the Council's assets – its buildings and infrastructure, for example. In accounting terms, expenditure is classed as capital only if it is of use or benefit in providing services for more than one financial year. Councils, unlike private businesses, get separate funding for revenue and capital expenditure. Councils can spend excess revenue money on capital items but, critically, cannot spend capital money on revenue expenditure. It would be misleading to present one year's capital budgets in isolation, as we do with revenue budgets. The Council's Capital Investment Programme is set over a four-year period and the approved programme for 2011/12-2014/15 is outlined in **Appendix A**.

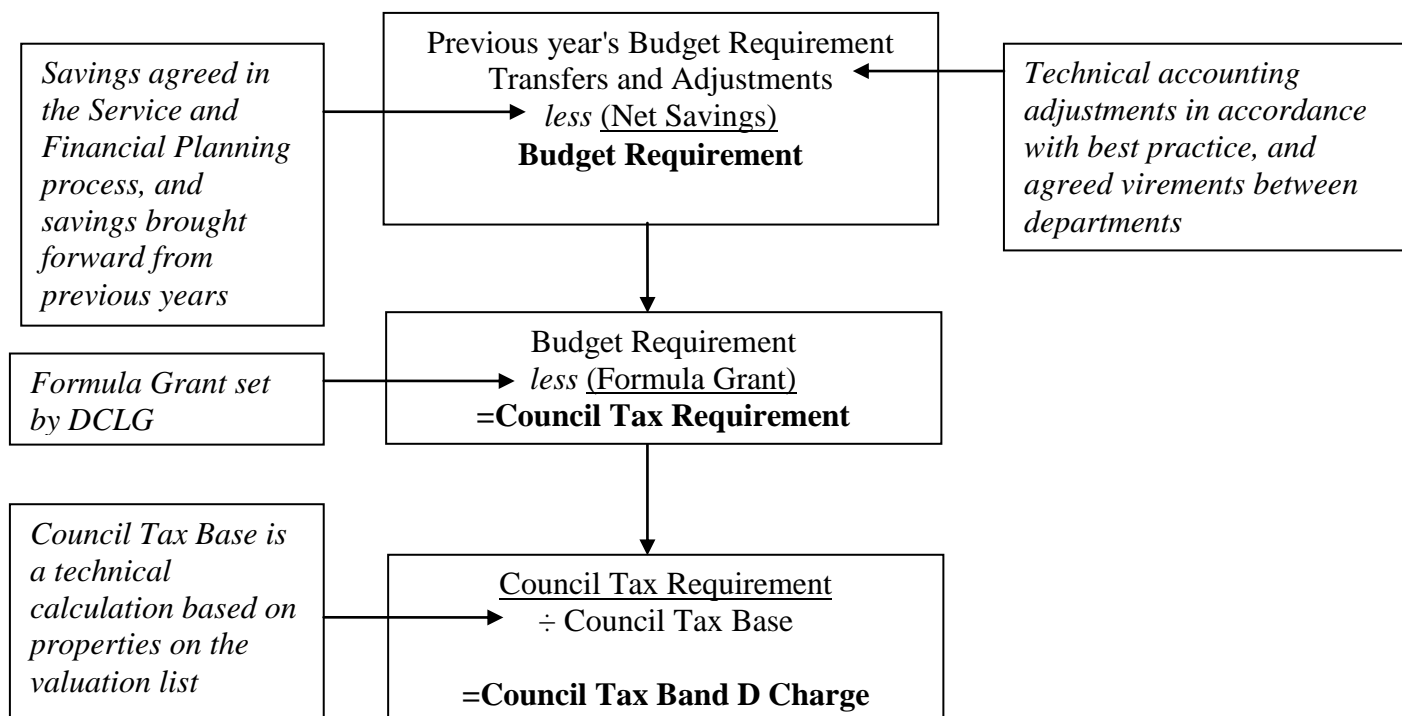
It is also important to distinguish between the General Fund and the Housing Revenue Account (HRA). Councils that directly own and provide council housing must by law separate all income and expenditure related to the council being a landlord into a separate fund known as the HRA. Anything that does not relate to the landlord function of council housing is accounted for in the General Fund. The HRA budget is covered in **Appendix B**.

Appendix C gives a brief glossary of some of the terms and abbreviations used in this book, and **Appendix D** is a list of documents and departmental contacts should any further clarification be required.

SECTION 1 - Local Government Finance and the Calculation of Council Tax

Local Government Finance and the Calculation of Council Tax

Lambeth's Council agreed on 29 February 2012 to freeze 2012/13 Council Tax at 2008/09 levels for a fourth successive year. This decision was not taken in isolation, but is the result of a series of calculations arising from both the internal Service and Financial Planning (SFP) process, and external funding determinations:



Council Tax is a significant source of income for Lambeth but the largest single source of General Fund finance is Formula Grant. Lambeth's 2012/13 allocation and some background to the Formula Grant system are outlined in the section "Formula Grant" below.

The General Fund Budget Requirement is the budgeted expenditure amount that must be funded from Formula Grant and Council Tax income. In accordance with Local Government convention, Lambeth presents its budget by subtracting all other income budgets¹ from total gross expenditure budgets to give a net budget, or "cash limit," for the entire organisation. Lambeth uses a rolling budget process, where the previous year's cash limit is used as a basis for the current year's. Savings and growths, whether agreed in prior years or identified in the current SFP cycle, are applied to the previous year's cash limit, along with any other adjustments necessary, to give a cash limit for the current year. An outline of the SFP process, and a summary of year-on-year cash limit movements, are given in the "Service and Financial Planning" section below.

Statute² dictates that the Council cannot budget to make a deficit; so Council Tax must always be set at a level that balances the budget. The net of the two amounts above (net expenditure budget, less Formula Grant allocation) gives the Council Tax Requirement (CTR): the total that must be raised in Council Tax that year from all households. In order to translate this to individual property charges it must be apportioned across the Council Tax Base: the number of properties within the Council's boundaries. This calculation is set out in the "Council Tax" section below. The final output of this calculation is an amount equal to Lambeth's portion of the Council Tax charge for each band of property.

¹ "Other income" includes all income outside Council Tax and Formula Grant. This comprises other grants, income from fees and charges, and miscellaneous other smaller income streams.

² Localism Act 2011

Formula Grant

The amount of Formula Grant each authority will receive is determined, usually in the December preceding the budget year, according to a series of formulae over which authorities have no direct influence. This section outlines the calculation of Lambeth's Formula Grant for 2012-13.

Formula Grant can be defined as Revenue Support Grant (RSG) plus redistributed National Non-Domestic Rates (NNDR), also known as business rates. The amount received reflects how much the government thinks the Council needs to spend, taking into account local circumstances and capacity to raise income from Council Tax.

It was previously built up through a model with four components ("the four-block model"), each of which takes a specific set of factors into account. The rolling-in of specific grants from 2011/12 led some commentators to talk of a "five-block model."

A further complication arises in 2012/13, as DCLG has from this year included the 2011/12 Council Tax Freeze Grant in headline Formula Grant allocations. This additional element means the model can now be viewed as a "six-block model."

This is briefly explained in the table below.

Block	Description
Relative needs	This block contains formulae based on factors such as population and deprivation that are designed to reflect Lambeth's need to spend on services relative to other councils.
Relative resource	This block actually reduces the grant payable to Lambeth. It is intended to reflect the Council's ability to raise resources locally through Council Tax (see "Council Tax" in section 1).
Central allocation	This is an amount additional to the needs-based element that is distributed on a per head rate based on population data. Central allocation can be thought of as paying for the very basic level of service that all residents need, regardless of the wealth and local circumstances of the borough they live in.
Floor damping	This block is intended to reduce the effect of changes in the data behind the preceding three blocks so that there are not large fluctuations in the level of Formula Grant received from one year to the next. A minimum increase (or floor) is therefore guaranteed. To meet the cost of this, councils whose increases are above the floor are reduced. The 2012/13 floor for authorities like Lambeth is -7.4% – in other words, not so much a minimum increase as a maximum decrease.
Rolled-in grants	The decision to roll in certain specific grants changed the shape of the Formula Grant. The grants in question were formerly given for a specific purpose and passported to departments; now the responsibility for allocating them sits with the Council. 2012/13 is the second year in which rolled-in grants form part of Formula Grant. While the components that make up the "rolled-in grants" block can no longer be isolated, at least Formula Grant can this year be compared with the previous year without adjusting for rolled-in grants. ³

³ £54k of specific grants were rolled in this year but this amount is immaterial in the context of a £300m+ net budget requirement.

Council Tax
Freeze Grants

To incentivise keeping residents' bills down, billing authorities were offered additional grant funding in exchange for freezing 2011/12 Council Tax at 2010/11 levels. Those who froze or reduced Council Tax would receive a non-ringfenced grant, equivalent to a 2.5% Council Tax increase, and guaranteed for the four years of the Spending Review period (2011/12 to 2014/15).

All councils in England froze or reduced Council Tax in 2011/12, and are therefore entitled to the funding for four years. The second year of the funding was included within Formula Grant allocation in the final 2012/13 Settlement. This means an adjustment is required to enable like-for-like comparison with the previous year. For consistency with previous Budget Books, and comparability with presentation in Cabinet and Council Budget Reports, throughout this book the 2012/13 Formula Grant is shown net of the Council Tax Freeze Grant element (ie Formula Grant in this book is the amount stated in the Settlement less the Council Tax Freeze money).

In October 2011 a second grant was offered, for one year only, in exchange for freezing Council Tax in 2012/13. Lambeth froze its Council Tax and therefore will receive this grant, but it has not been included in Lambeth's final 2012/13 Formula Grant allocation.

Excluding Council Tax Freeze Grant, Lambeth will receive a total of **£203.7m** in Formula Grant in 2012/13, which breaks down as follows:

Name of block	Allocation 2011/12 £000	Allocation 2012/13 £000	Change £000	Change %
Relative needs	174,452	153,921	(20,531)	(11.8)
Relative resource	(43,103)	(39,814)	3,289	(7.6)
Central allocation	39,765	35,580	(4,185)	(10.5)
Floor damping	22,704	27,134	4,430	(19.5)
Sub-total	193,818	176,821	(16,997)	(8.8)
Rolled in grants	26,977	26,922	(55)	(0.0)
2011/12 Adjustments*	(770)			
Total	220,025	203,743	(16,282)	(7.4)
<i>Council Tax Freeze Grant**</i>	<i>0</i>	<i>2,463</i>	<i>2,463</i>	<i>-</i>
<i>Total in Finance Settlement**</i>	<i>220,025</i>	<i>206,206</i>	<i>(13,819)</i>	<i>(6.3)</i>

*This line shows a notional adjustment to the original 2011/12 Formula Grant allocation following the removal of responsibilities from local government (£654k for private sewers, and £116k for Academies). This allows comparison between 2012/13 and 2011/12 on a like-for-like basis.

**The lines in italics are for information only; they allow a reconciliation to the figures in DCLG's Settlement by adding Council Tax Freeze Grant to the total Formula Grant allocation. In Lambeth's budget this amount is shown as an income line, reducing the net budget requirement.

In terms of the proportion of RSG to redistributed NNDR, the breakdown is as follows:

	2011/12 £000	2012/13 £000	Change £000	Change %
RSG	52,068	3,921	(48,147)	(92.4)
NNDR	168,727	202,285	33,558	19.9
Formula Grant	220,795	206,206	(14,589)	(6.6)
Removal of Freeze Grant and 2011/12 adjustments	(770)	(2,463)	(1,693)	
Adjusted Formula Grant	220,025	203,743	(16,282)	(7.4)

While DCLG has included the Council Tax Freeze Grant in Formula Grant, it has not apportioned this funding between the two elements of Formula Grant, so it is impossible to compare the two years on a like-for-like basis. Nor is it possible to determine the apportionment of the £770k adjustment between the two elements. However, as these items form such a small proportion of total DCLG funding, and the proportion of Formula Grant from RSG has fallen so much, the effect on the percentages above is immaterial.

Balance of resources

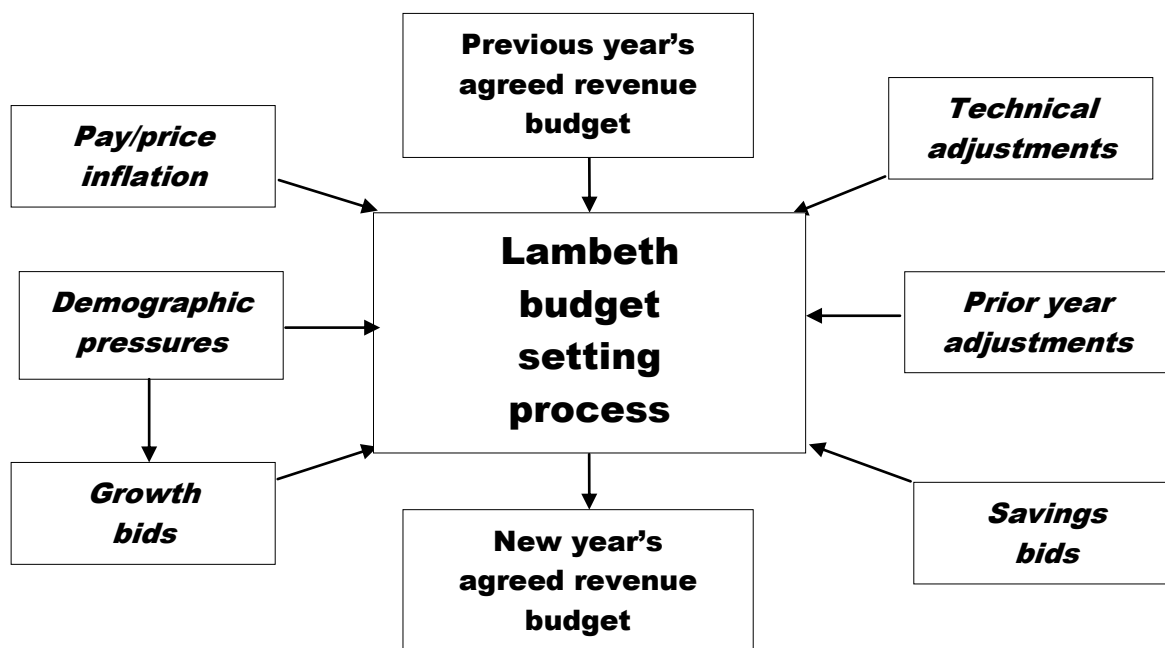
Formula Grant and Council Tax together provide all of the resources to support the General Fund net revenue budget. The table below shows the balance of this funding for 2012/13.

Source	2011/12 £000	2011/12 %	2012/13 £000	2012/13 %
Council Tax yield	98,505	30.9%	100,416	33.0%
Formula Grant	220,795	69.1%	203,743	67.0%
Sub-total	319,300		304,159	

Service and Financial Planning

While the Council is the body that legally sets Council Tax, technically the only element of the calculation over which the Council has any control is its net expenditure budget. The level of Council Tax is then calculated based on the Council Tax Requirement that will balance the budget. In practice authorities generally model a specified annual increase in Council Tax, usually 2.5%, and then try to set a net revenue budget that will result in the specified increase in Council Tax.

Lambeth operates a **medium term financial strategy (MTFS)** linked to the period covered by the Spending Review 2010. The Council sets its revenue budgets over this four-year planning horizon, updating them through a rigorous planning and review cycle each year known as Service and Financial Planning (SFP). A range of factors influence the proposed budget finally presented to Members for approval.



The result of this process is a budget that balances the services Lambeth plans to deliver, and the resources available to deliver them. The movements in cash limits are summarised in the table below:

	ACS	CYPS	F&R	HRE (GF)	OCE	Corporate Items	Total
	£000	£000	£000	£000	£000	£000	£000
2011/12 net budget	123,806	66,557	24,840	40,042	5,831	58,224	319,300
Transfers and adjustments	2,042	2,697	5,625	504	0	4,894	15,762
Savings and growth	(8,335)	(5,344)	(1,551)	(5,148)	(220)	(7,795)	(28,393)
Council Tax Freeze Grant						(2,510)	(2,510)
2012/13 net budget	117,513	63,910	28,914	35,398	5,611	52,813	304,159

Although each year is different, there are certain steps that are common to the budget setting process in each cycle. Some events, while not directly forming part of the process, nevertheless have an impact on the budget or the MTFS. The table below shows some of the key elements of the budget-setting process for 2012/13.

Month	Activity
December 2010	Provisional grant allocation for 2012/13 (and final allocation for 2011/12)
April 2011	Monthly monitoring against 2011/12 Budget begins
July 2011	July Finance Review: virements to realign 2011/12 budget
July-November 2011	New savings bids proposed, refined and agreed at a series of Away Days
November 2011	November Finance Review: virements to realign 2011/12 budget
December 2011	Formula Grant confirmed, "snapshot" of 2011/12 budget taken
January 2012	Council Tax Base agreed by Corporate Committee
February 2012	Precept agreed by GLA; budget, Council Tax and rent agreed by full Council
March 2012	Budgets loaded to computer system; Budget Book printed and distributed
From April 2012	Monthly monitoring against 2012/13 budget begins

The Cooperative Council, its impact on the SFP process and on Lambeth's financial strategy

The cooperative council aims to alter the relationship between the citizen and the state. This is based on exploring new methods of service delivery developed through various forms of coproduction, and a range of projects are in place which are driving this work forward. For example, the 'Community Freshview' programme continues to work closely with communities in specific locations to deliver neighbourhood initiatives across the borough that are helping to put together successful and sustainable community groups. Officers in the Sustainability Unit are continuing to work with Lambeth's Green Community Champions to deliver projects for the borough, such as working with the Incredible Edible Lambeth network to coproduce a food strategy for the borough. The snow wardens' programme has encouraged nearly 200 people and organisations to come forward to support and take action when the borough is faced with adverse weather conditions.

The future aim for the cooperative council is that by 2014 the Council will be operating a new way of commissioning services that brings together citizens, service users and Council staff to identify and understand local need; develop participatory approaches to commissioning services; to coproduce service specifications and to bring together service providers to enable cross-cutting service specifications to be developed. This aspiration has been a consideration in developing all proposals for savings and has been central to the development and delivery of the financial strategy and the approach to service and financial planning.

New ownership models (alternative service delivery vehicles) for Lambeth's services are being tested, such as the Lambeth Resource Centre and some of the youth services which continue to make progress towards becoming mutual and cooperative organisations. It is anticipated that some of these new organisations will formally commence, providing services for the community in 2012. The Council has also been able to secure the support to enable these transitions. Support from a Joint Venture between the Cooperative Group, Mutuo and Cobbetts; from Social Enterprise London (funded by Capital Ambition) and through the Cabinet Office has been secured to support these transitions and enable the creation of "spin out" organisations.

Work continues to progress in developing a menu of incentives to support the cooperative council. This includes the development of the Brixton Pound into an electronic currency, as well as a bid to secure European funding to develop the currency borough-wide. Additionally, work continues on timebanking - the ambition is to better understand how reciprocal exchange currently operates and how it can be expanded and developed into a platform that incentivises participation.

Service leads across the organisation are engaging with the early adopters to develop a flexible and comprehensive package of ongoing support that can be made available to these initiatives. Several of the early adopters are already well advanced and in a strong position to share their experience, expertise and knowledge with others. Indeed, even those in their earliest stages of development offer excellent learning opportunities.

Council Tax

The difference between the Cash Limit and Formula Grant must be funded from locally raised tax revenues. Currently Council Tax is the only tax which local authorities have legal discretion to set and to charge⁴. This section outlines the calculation of Lambeth's Council Tax for 2012-13.

This local tax is based on the value of property, with a range of discounts and exemptions according to circumstances.

The District Valuer assesses all properties in the borough and assigns each property to one of eight "valuation bands", labelled A to H. The "standard" property is a Band D property, and the other bands are defined proportionally in terms of this one. For example, the residents of a Band A property pay two thirds of the Band D charge, while those living in a Band H home pay twice as much as they would in a Band D. Authorities have no discretion over the valuation of any property, or the proportions used to calculate the bands' charges.

The number of properties in each band is multiplied by the relevant proportion to calculate the number of Band D equivalent properties in the area (the "Council Tax Base"). The calculation is then adjusted for exemptions and discounts, appeals and a provision for non-collection. The Council Tax Requirement (the difference between the Cash Limit and Formula Grant), divided by the Council Tax Base, determines the Band D charge.

The Band D Council Tax for Lambeth services in 2012/13 is **£925.29** and the share of the GLA precept (see below) for a Band D property in 2012/13 is **£306.72**, making the total Band D Council Tax payable by Lambeth residents in 2012/13 **£1,232.01** – the slight decrease on 2011/12 is due to the 1% fall in the GLA precept.

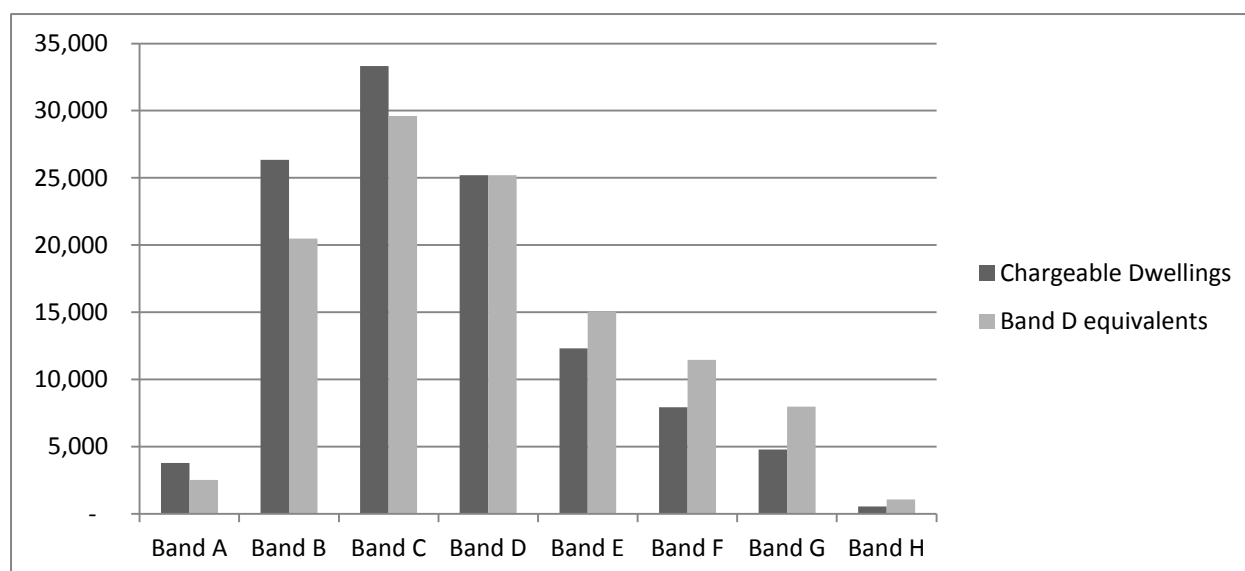
Lambeth collects money on behalf of its only preceptor, the GLA, through Council Tax, where the part that relates to the GLA precept is separately identified. Lambeth has no control over the amounts the preceptor demands and has a statutory duty to collect money on its behalf. The annual change in the GLA precept, and in the total bill for households in each band in Lambeth, is shown in the table below.

		2011/12 Council Tax			2012/13 Council Tax			Difference	
Band		Lambeth (£)	GLA (£)	Total (£)	Lambeth (£)	GLA (£)	Total (£)	£	%
A	6/9	616.86	206.55	823.41	616.86	204.48	821.34	(2.07)	(0.3%)
B	7/9	719.67	240.97	960.64	719.67	238.56	958.23	(2.41)	(0.3%)
C	8/9	822.48	275.40	1,097.88	822.48	272.64	1,095.12	(2.76)	(0.3%)
D	9/9	925.29	309.82	1,235.11	925.29	306.72	1,232.01	(3.10)	(0.3%)
E	11/9	1,130.91	378.67	1,509.58	1,130.91	374.88	1,505.79	(3.79)	(0.3%)
F	13/9	1,336.53	447.52	1,784.05	1,336.53	443.04	1,779.57	(4.48)	(0.3%)
G	15/9	1,542.15	516.37	2,058.52	1,542.15	511.20	2,053.35	(5.17)	(0.3%)
H	18/9	1,850.58	619.64	2,470.22	1,850.58	613.44	2,464.02	(6.20)	(0.3%)

Council Tax Benefit is given to taxpayers whose income falls below prescribed amounts and is substantially covered by a specific government grant.

⁴ Authorities collect Non-Domestic Rates ["business rates"] levied on business properties but these revenues are passed directly to DCLG, and redistributed as part of Formula Grant; the authority merely acts as collecting agent for central government.

This chart shows the proportions of eligible properties in the borough across the range of bands, and the number of Band D equivalents in each band.



The government offered a non-ringfenced grant to billing authorities if they agreed to freeze or reduce Council Tax – equivalent to a 2.5% increase in Council Tax. By freezing its Council Tax Lambeth has accepted this offer, which will bring in an estimated **£2.5m** for 2012-13.

This is in addition to, and independent of, the Council Tax Freeze Grant accepted in 2011-12. Both Council Tax Freeze Grants form part of the Corporate Items base budget, so they are shown as part of the gross income figure in the table below.

The Council Tax Freeze Grants differ from an increase in Council Tax in this important respect - an increase in Council Tax results in a permanent increase in income, while there is no guarantee that the grant funding is permanent. The first grant is due to come to an end after 2014/15, and the second grant is due to come to an end in 2013/14. In the years in which each of these grants ends, they must be removed from the Corporate Items budget, and we will see a pressure (positive figure) which increases that year's Council Tax Requirement.

Calculating the Council Tax

This table shows the figures used in the calculation described in the paragraphs above.

2011/12 Net Expenditure* £000	Department	2012/13 Gross expenditure £000	2012/13 Gross income £000	2012/13 Net expenditure £000
123,806	Adults' and Community Services	152,262	(34,749)	117,513
66,557	Children and Young People's Services	300,302	(236,392)	63,910
24,840	Finance and Resources	329,152	(300,238)	28,914
40,042	Housing, Regeneration and Environment	95,606	(60,208)	35,398
5,831	Office of the Chief Executive	6,083	(472)	5,611
261,076	Sub-total of departments	883,405	(632,059)	251,346
58,224	Corporate Items	59,766	(6,953)	52,813
319,300	Amount met from government grants and Council Tax	943,171	(639,012)	304,159
(220,795)	Formula Grant**			(203,743)
98,505	Council Tax Requirement			100,416
106,459.0	Council Tax Base (no. of Band D equivalent properties)			108,524.0
£925.29	Lambeth Band D Council Tax 2012/13			£925.29

*As per Budget Book 2011/12.

**Excluding Council Tax Freeze Grant as this is included in Corporate Items gross income.

SECTION 2 - Lambeth General Fund Budget 2012/13

Lambeth General Fund Budget 2012/13

The General Fund covers ongoing expenditure on the day-to-day running costs of services such as social services, parks, environmental services, planning and roads. It covers items of expenditure on things like salaries and wages, rents, rates, fuel, supplies and repairs. It is kept entirely separate from any spending on the Council's Housing Revenue Account.

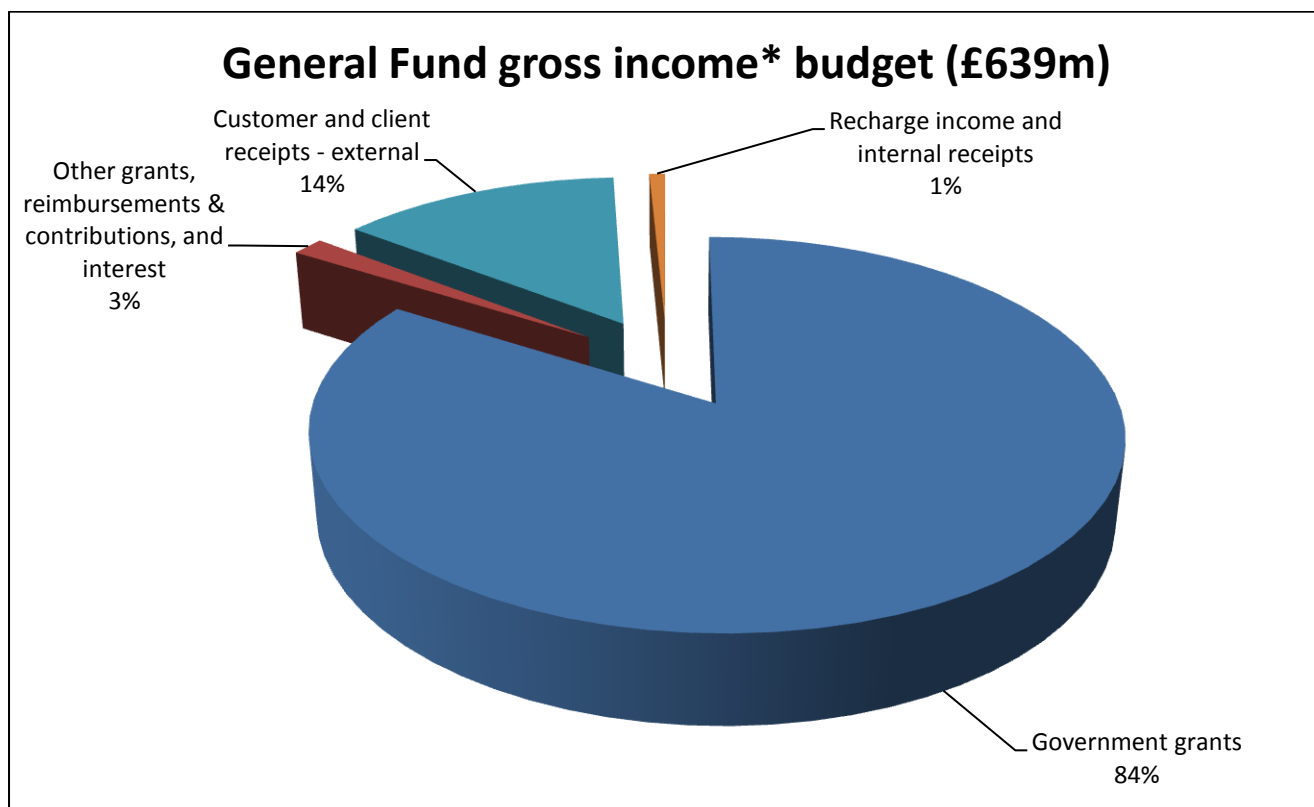
The Council delivers a range of services, both statutory and discretionary. Some services are permitted to levy fees and charges, and some receive specific grant funding. Some divisions will receive enough income to cover their expenditure and deliver a "surplus" to the Council. However, in the typical division, expenditure will exceed income, leaving a net expenditure figure. This expenditure must be met by Formula Grant and Council Tax, and according to convention, these income streams are not shown as part of net expenditure budget.

Any other income a department receives will **decrease** the demand on these resources; and any spending will **increase** it. Therefore, it is local government convention that income is shown as negatives and expenditure as positives, meaning most divisions' net budgets will be shown as a positive. In this book, negatives are shown in brackets; positives without.

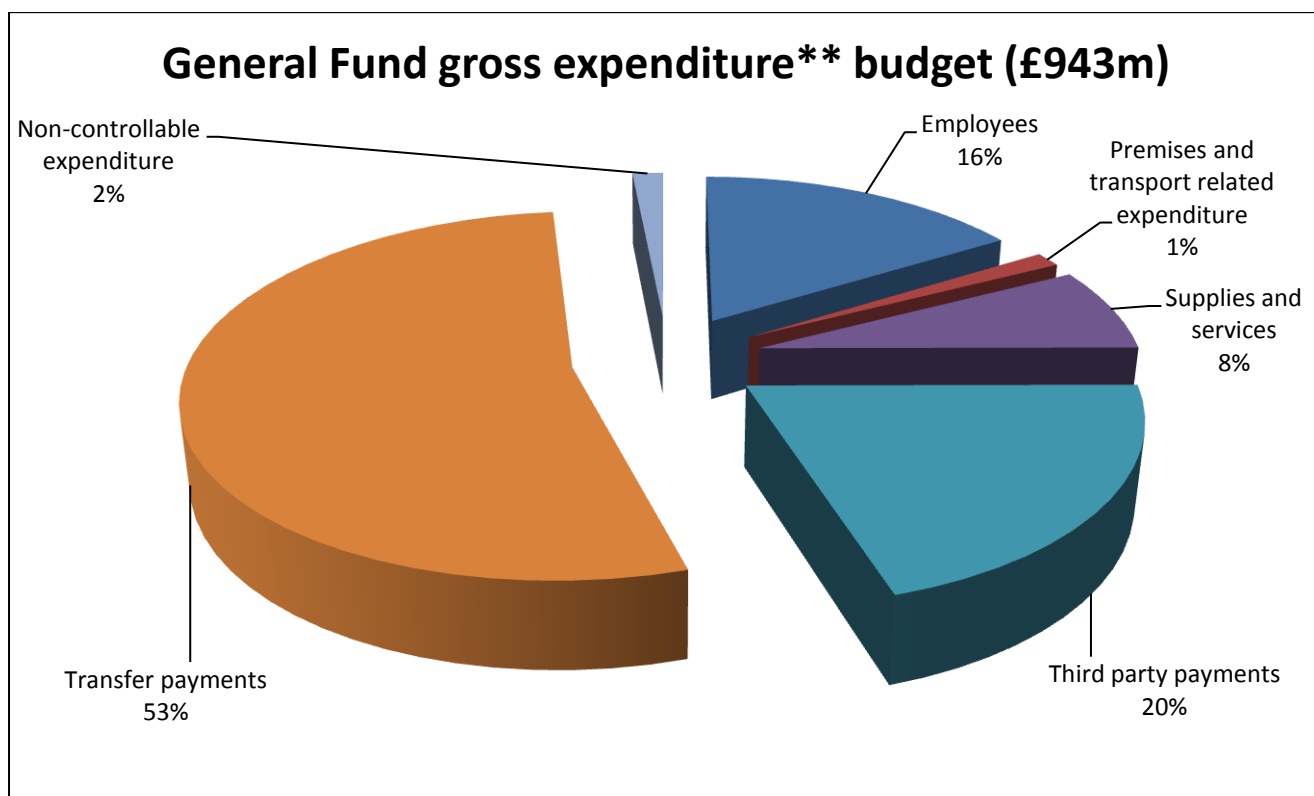
All figures are presented to the nearest thousand pounds, and in some cases rounding errors may mean that columns do not sum exactly to the totals and sub-totals shown.

Subjective analysis summary	2011/12 Gross budget £000	2012/13 Gross budget £000
Government grants	(518,289)	(536,162)
Other grants, reimbursements and contributions	(29,941)	(9,513)
Interest	(22,261)	(714)
Customer and client receipts – internal	(2,529)	(1,057)
Customer and client receipts – external	(99,246)	(87,721)
Total controllable income	(672,266)	(635,166)
Employees	165,360	152,834
Premises related expenditure	14,139	9,706
Transport related expenditure	7,657	2,601
Supplies and services	59,918	70,002
Third party payments	213,780	191,160
Transfer payments	498,969	501,634
Total controllable expenditure	959,823	928,737
Net controllable expenditure	287,557	293,570
Internal recharge income	(3,913)	(1,085)
External recharge income	(1,722)	(2,760)
Total non-controllable income	(5,635)	(3,845)
Support services	(7,156)	(9,793)
Capital charges, interest payable, appropriations etc.	44,534	24,227
Total non-controllable expenditure	37,378	14,434
Net non-controllable expenditure	31,743	10,589
Net expenditure	319,300	304,159

Alternative presentations of the General Fund budget

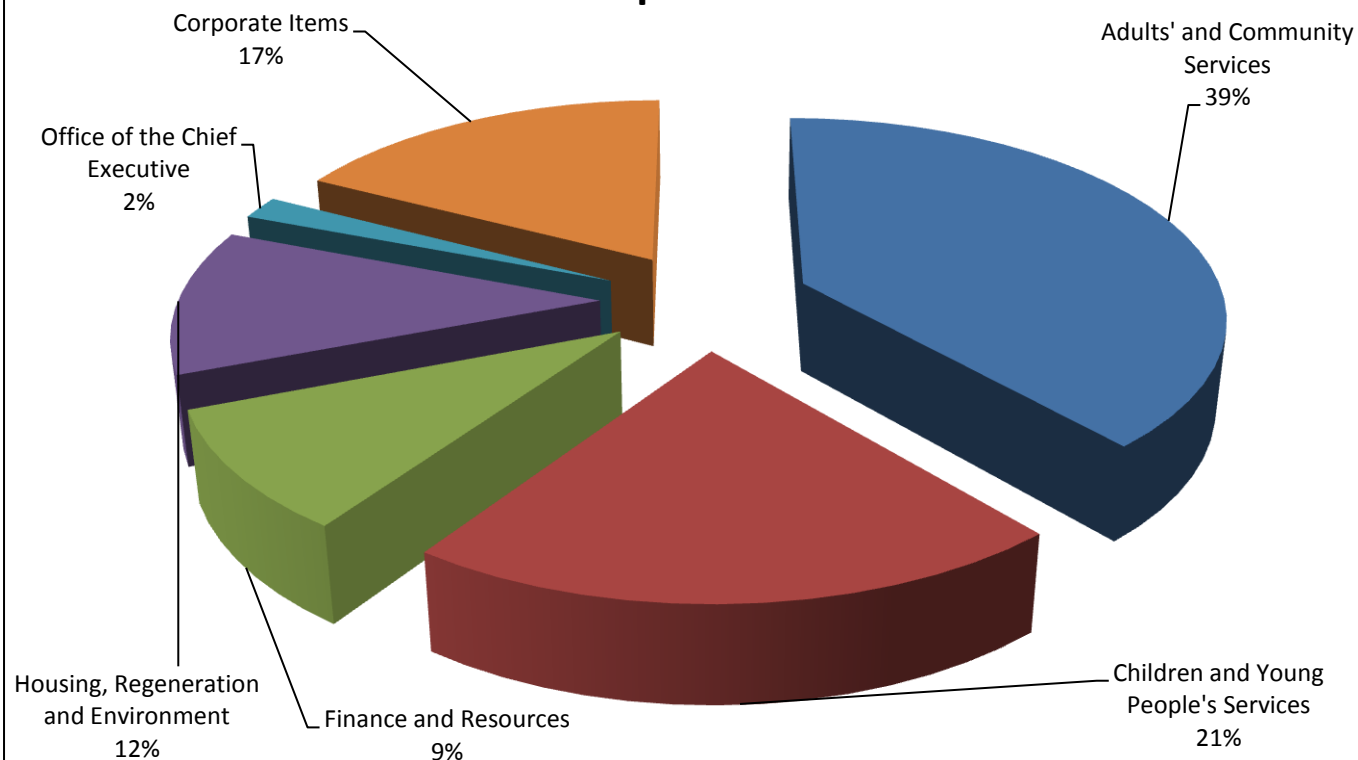


*excludes Formula Grant and Council Tax.

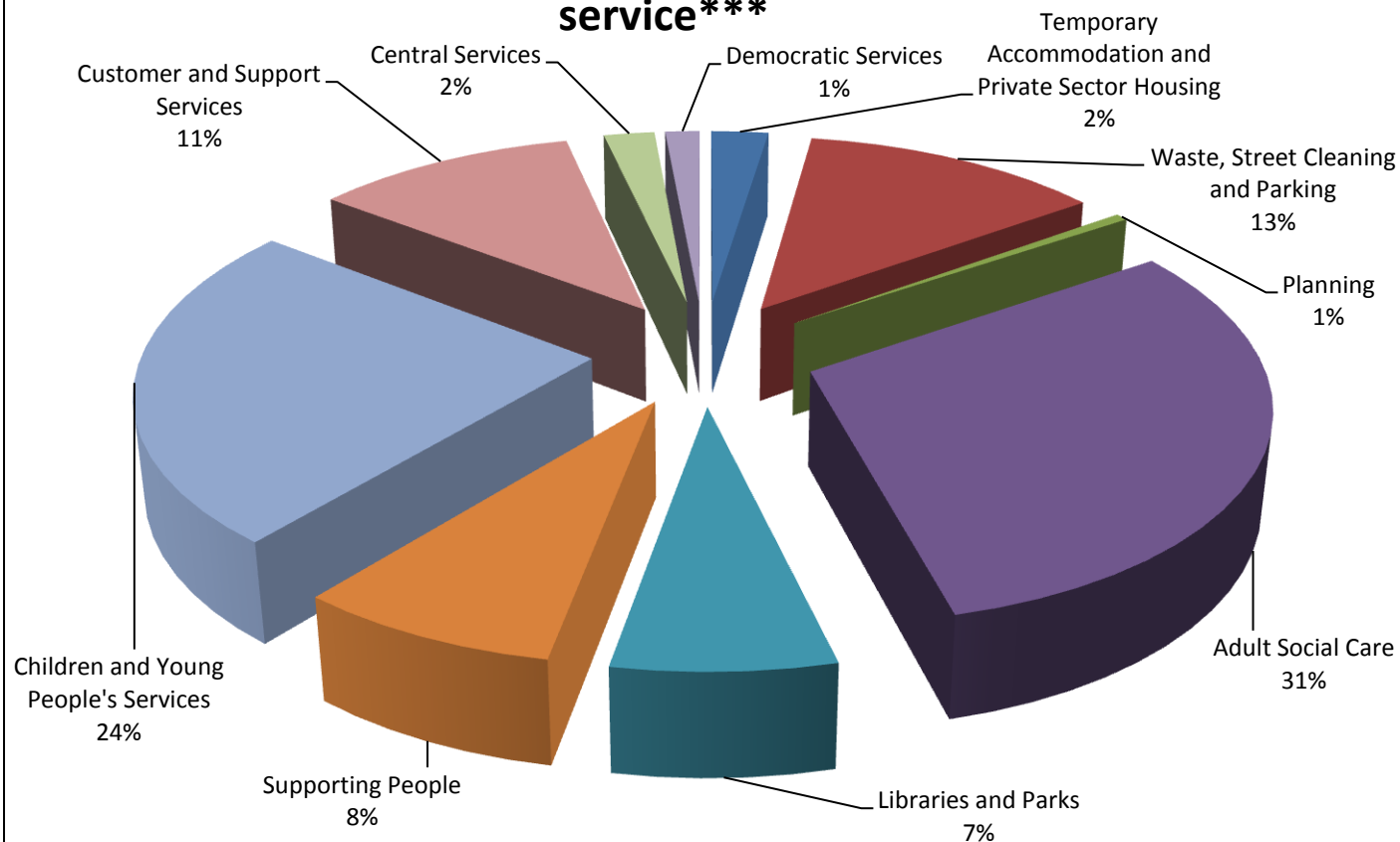


**see "Subjective analysis" in the glossary for an explanation of the expenditure headings.

General Fund net expenditure budget (£304m) by department



General Fund net expenditure budget (£304m) by service***



***Support Services and Corporate Items have been allocated to services on the basis of net budgets.

SECTION 3 - The Departments

The Departments

For operational and strategic purposes, the Council is divided into departments, each responsible for delivering a range of services, some discretionary but mostly statutory. Each department is headed up by an Executive Director and is responsible (subject to statute) for the delivery of its services and for the management of its own budget.

The number and identity of departments is not fixed and departments can be created or absorbed to meet the changing needs of the Council and its internal and external users and customers.

The Council currently has four departments and an “office”. In alphabetical order, they are:

- | | |
|---|------|
| • Adults’ and Community Services | ACS |
| • Children and Young People’s Services | CYPS |
| • Finance and Resources | FR |
| • Housing, Regeneration and Environment | HRE |
| • Office of the Chief Executive | OCE |

HRE is unique in that it is divided into two parts – the General Fund side (“HRE GF”) and the Housing Revenue Account (“the HRA”). As this book deals almost exclusively with the General Fund, HRE should here be taken to mean the General Fund side of the department. The HRA is summarised in Appendix B.

Each department is further divided into divisions, each responsible for a particular part of the department’s overall remit (for example, Corporate Finance and Internal Audit are two divisions within Finance and Resources). A division is led by a Divisional Director.

Typically, a department will have a Resources division responsible for, amongst other things, the financial management of the department. The Divisional Director of Resources is typically the senior financial officer within that department. The Corporate Finance division within the Finance and Resources department is responsible for the financial management of the Council as a whole.

In the pages which follow, each department in turn sets out its business and the most current information about its finances for 2012/13 – first as a department, and then division by division.

Explanation of movements

A departmental or divisional budget can change from one year to the next for three main reasons:

- **Transfers and adjustments** – transfers are budgets which have been moved (“vired”) from one division to another or between departments. As they take place within the year, they will not be reflected in last year’s budget and so need to be factored in when creating the new year’s starting position. Adjustments are made for technical accounting reasons in accordance with current accounting policies and legislation. It is likely that budgets will move further from what is shown in this Budget Book, both within and between divisions. Inflation would also be included here, but Lambeth has elected not to apply an inflationary increase to each division this year. Instead a corporate inflation budget is held for distribution during the year.
- **Savings** – there are tight constraints upon the amount of money the Council has to spend and so departments are asked to make spending reductions, by changing the way they do things or by changing what they do. These savings are shown as a negative.
- **Growth** – notwithstanding these financial constraints, Members sometimes decide that a department requires growth – an increase in spending, often in response to a specific pressure such as new legislation or a local circumstance. Such growth is shown as a positive figure.

If, for any division, any of these categories is not shown, it is because it is not applicable or immaterial.

During 2011/12 the Corporate No Recourse to Public Funds (CNRPF) division was removed from ACS and its budget transferred to the Specialist and Commissioning division in CYPS. This movement is detailed under both departments. Other than this there have been no material changes to divisional structure.

Executive Director: Jo Cleary

Adults' and Community Services encompass the following divisions: Adult Social Care, Integrated Commissioning, Culture and Communities, and Resources.

Adult Social Care provides care and preventative services to adults and works with partners to tackle social inclusion to Lambeth's diverse population. Integrated Commissioning encompasses the strategic commissioning of adult social care and health services, procurement and contract monitoring. Culture and Communities provides a diverse range of services, from libraries, sports and events to the Registrars service. The Community Safety function seeks to reduce crime in our neighbourhoods and to protect some of the most vulnerable in our communities. Active Communities provide support to communities across the borough.

The Resources division provides the enabling function across all services within the department.

Departmental budget – service area summary	2011/12 Net budget £000	2012/13 Net budget £000
Adult Social Care	69,874	64,726
Corporate No Recourse to Public Funds	2,817	0
Cultural Services	13,140	14,304
Resources	17,501	21,477
Strategy and Commissioning	20,474	17,006
Net expenditure	123,806	117,513

Subjective analysis summary	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(3,681)	(11,961)
Other grants, reimbursements and contributions	(16,079)	(6,015)
Customer and client receipts – internal	(716)	0
Customer and client receipts – external	(14,601)	(14,656)
Total controllable income	(35,077)	(32,632)
Employees	41,482	37,847
Premises related expenditure	4,308	3,732
Transport related expenditure	2,329	818
Supplies and services	12,665	18,773
Third party payments	96,122	85,711
Transfer payments	4,807	5,381
Total controllable expenditure	161,713	152,262
Net controllable expenditure	126,636	119,630
Internal recharge income	(1,865)	(947)
External recharge income	(965)	(1,170)
Total non-controllable income	(2,830)	(2,117)
Support services	0	0
Total non-controllable expenditure	0	0
Net non-controllable expenditure	(2,830)	(2,117)
Net expenditure	123,806	117,513

Movements from 2011/12 to 2012/13		£000
2011/12 working budget		123,806
Transfers and adjustments		2,042
Savings		(8,476)
Growth		141
2012/13 net budget		117,513

Transfers and adjustments

The total net transfer into the department of £2.040m is mainly made up of £4.2m for the increase in cost of concessionary fares and the transfer of No Recourse to Public Funds Business Unit to CYPS (£2.8m).

Savings

Total savings of £8.476m are made up of £5.809m from the prior year and £2.667m from the current year. Primarily efficiencies will come from re-tendering and commissioning exercises, re-negotiation of contracts, restructures and implementation of various divisional strategies.

Growth

ACS has growth proposals of £141k in 2012/13 representing (£59k) from the prior year and £200k from the current year. These are within Cultural Services to meet costs of regeneration projects and community led co-operative developments.

Divisional Director: George Marshman

The division has responsibility for the assessment and care management arrangements for older people and people with learning disabilities, physical disabilities and mental health and substance misuse problems. It also provides the strategic oversight of the Lambeth Adults Safeguarding Board and the adult safeguarding function for adult social care.

The division ensures the delivery of appropriate services from a range of commissioned organisations to individuals through a brokerage function. We also provide a support service to people living in sheltered housing accommodation, including Careline services.

The division has the lead responsibility for ensuring people are offered self directed support.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(1,388)	(9,590)
Other grants, reimbursements and contributions	(15,320)	(5,392)
Customer and client receipts – internal	(292)	0
Customer and client receipts – external	(9,772)	(9,726)
Total controllable income	(26,772)	(24,708)
Employees	21,872	18,440
Premises related expenditure	1,765	1,153
Transport related expenditure	448	391
Supplies and services	(74)	2,636
Third party payments	70,333	63,431
Transfer payments	4,725	5,341
Total controllable expenditure	99,069	91,392
Net controllable expenditure	72,297	66,684
Internal recharge income	(1,458)	(862)
External recharge income	(965)	(1,096)
Total non-controllable income	(2,423)	(1,958)
Support services	0	0
Total non-controllable expenditure	0	0
Net non-controllable expenditure	(2,423)	(1,958)
Net expenditure	69,874	64,726
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		69,874
Transfers and adjustments		(1,903)
Savings		(3,155)
Growth		(90)
2012/13 net budget		64,726

Transfers and adjustments

Net transfers of £1.903m have moved out of the division during the year as a result of Business Unit transfers between divisions.

Savings

These include £1.137m agreed from prior year in relation to implementation of a new non-residential contributions policy, reduction in contracts and restructures. Current year agreed savings of £2.018m will be met by end to end transformation of adult social care, transformation of day services, restructures, increased use of assistive technology and access to enablement to maximise independence .

Growth

Prior year growth of (£90k) relates to the payback period of previous growth for Preventative Services.

Divisional Director: Adrian Smith

A new direction has been set for the libraries service based on the recommendations of the Libraries Commission. This will improve and modernise the quality of the library service through coproducing the new service with communities across the Borough.

The Parks team manages parks, open spaces and play areas, conservation areas, allotments, gardens and buildings, offering many award winning places for communities to enjoy in the Borough. A range of sports and leisure opportunities are also provided through the Division, encouraging a healthier lifestyle.

Community Safety works on issues such as anti-social behaviour, neighbourhood crime, hate crimes and domestic violence to make Lambeth a safer place to live, work and visit.

The Division also provides cemeteries and crematoria and the Registrars service that provides births, deaths and marriage services, as well as citizenship ceremonies.

The Active Communities team works with a variety of local partners, including voluntary and community sector organisations and ward councillors to build strong, active and inclusive communities across the borough. The Team are driving forward the introduction of new ways of working through community led commissioning and the creation of community hubs across the Borough.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(123)	(285)
Other grants, reimbursements and contributions	(709)	(436)
Customer and client receipts – internal	0	0
Customer and client receipts – external	(4,444)	(4,521)
Total controllable income	(5,276)	(5,242)
Employees	7,088	8,961
Premises related expenditure	2,428	2,453
Transport related expenditure	196	217
Supplies and services	2,092	2,169
Third party payments	6,594	5,746
Transfer payments	18	0
Total controllable expenditure	18,416	19,546
Net controllable expenditure	13,140	14,304
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	0	0
Total non-controllable expenditure	0	0
Net non-controllable expenditure	0	0
Net expenditure	13,140	14,304
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		13,140
Transfers and adjustments		2,457
Savings		(1,565)
Growth		272
2012/13 net budget		14,304

Transfers and adjustments

There are net transfers totalling £2.457m into Culture & Communities as a result of Community Safety and Active Communities Business Unit transfers between divisions.

Savings

Prior year savings amount to £1.435m, with current year savings of £130k. Main savings are from events income generation, implementation of a new Libraries strategy, and restructures.

Growth

Growth relates to a prior year growth of £72k for Streatham Leisure Centre and Community Safety, and new growth of £200k for Community Led Co-operative Development.

Divisional Director: Maria Millwood

This division enables and supports the whole department. Finance teams provide revenue and capital budget preparation and monitoring, payment and statutory accounting functions, financially assess service users, and provide appointee and receivership services for vulnerable clients.

The Intelligence Assurance and Systems team provide routine and ad hoc reporting to support the department and wider council to deliver and develop services. The Team manages the development of data collection, recording and reporting systems, including Framework (jointly with CYPS), and returns to central government and regulatory authorities. The Team also leads on service planning, programme management and governance, data quality and training in the client management system.

Business Improvement and Support Services provide a range of secretarial, administrative and project support to senior managers across all divisions in the department, including the Executive Director. The Team helps with buildings compliance for non-core premises, business continuity for all business units, and the development of efficient and effective administrative support for the department.

Human Resources provides support, advice and recruitment, monitors performance trends, works in partnership with managers to improve productivity and anticipate change, and is proactive in relation to people management issues; while Workforce Commissioning and Development is responsible for developing, commissioning and implementing a training programme for staff and third sector providers. This team also manages the trainee social worker scheme. The division provides management information systems, administration and information support. It also holds and manages the budget for the department's transport contract and the Council's concessionary fares.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(265)	0
Other grants, reimbursements and contributions	0	57
Customer and client receipts – internal	0	0
Customer and client receipts – external	(101)	(330)
Total controllable income	(366)	(273)
Employees	7,743	7,240
Premises related expenditure	0	126
Transport related expenditure	1,662	197
Supplies and services	8,462	14,112
Third party payments	0	116
Transfer payments	0	0
Total controllable expenditure	17,867	21,791
Net controllable expenditure	17,501	21,518
Internal recharge income	0	0
External recharge income	0	(41)
Total non-controllable income	0	(41)
Support services	0	0
Total non-controllable expenditure	0	0
Net non-controllable expenditure	0	(41)
Net expenditure	17,501	21,477
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		17,501
Transfers and adjustments		4,575
Savings		(599)
Growth		0
2012/13 net budget		21,477

Transfers and adjustments

Transfers are a result of increased cash limit to cover increased Concessionary Fares of £4.2m and transfers of Business Units between divisions.

Savings

Prior year agreed savings amount to £400k, with agreed current year savings of £199k. The savings will be met by transport services contract review and non-essential expenditure review.

Divisional Director: Helen Charlesworth-May

This division is responsible for the strategic commissioning of services across health and adult social care and social inclusion services. This includes services for older people and people with learning disabilities, mental health and substance misuse problems and commissioning of all Supporting People services. In addition the division is responsible for the procurement and monitoring of contracts; communication with the public and staff; the provision of information on services and policy issues, including advice services and welfare rights; and overseeing statutory complaints.

The division is also responsible for the development of the arrangements for the new Health and Wellbeing Board, Health Watch and the transfer of public health to the Council.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(1,905)	(2,086)
Other grants, reimbursements and contributions	(50)	(244)
Customer and client receipts – internal	(424)	0
Customer and client receipts – external	(284)	(79)
Total controllable income	(2,663)	(2,409)
Employees	4,232	3,206
Premises related expenditure	99	0
Transport related expenditure	23	13
Supplies and services	2,135	(144)
Third party payments	16,991	16,418
Transfer payments	64	40
Total controllable expenditure	23,544	19,533
Net controllable expenditure	20,881	17,124
Internal recharge income	(407)	(85)
External recharge income	0	(33)
Total non-controllable income	(407)	(118)
Support services	0	0
Total non-controllable expenditure	0	0
Net non-controllable expenditure	(407)	(118)
Net expenditure	20,474	17,006
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		20,474
Transfers and adjustments		(270)
Savings		(3,157)
Growth		(41)
2012/13 net budget		17,006

Transfers and adjustments

Net transfers of £270k have moved out of the division during 2011/12 due to the transfer of Business Units between divisions.

Savings

Total agreed savings for the division amount to £3.157m. Savings, including £2.837m agreed from prior year, will be met by tendering for services via a four borough framework contract for Supporting People services and consolidation of contracts and renegotiation of contracts/unit costs.

Growth

Prior year growth of (£41k) relates to the retendering of a handyman service.

Executive Director: Debbie Jones

The department plays a vital role in ensuring that children and young people and their families succeed and play a positive role in our communities and lead healthier, happier and safer lives – and, working along with schools, partners and the voluntary sector, in achieving the vision of a sustainable and cooperative borough. The Department has a number of early adopter pilots for the cooperative council approach.

Good quality education remains the cornerstone of social mobility, and keeping children safe and engaged helps them maximise their opportunities within Lambeth and addresses narrowing the gap. CYPS is pivotal in discharging the Council's duty to safeguard children.

The Vision of CYPS is:

'To implement the cooperative council principles in CYPS to deliver community led, quality assured and sustainable provision that enables children and young people to be happy, healthy and safe and to achieve their full potential.'

The CYPS priorities for 2011-14 are:

1. Safeguard and protect children and young people
2. Target and develop early help and intervention services
3. Reshape CYPS within the cooperative model for service delivery
4. Reduce serious youth crime
5. Increase the number and quality of primary and secondary school places in Lambeth
6. Raise achievement to narrow the gap in outcomes for children and young people
7. Transform Special Educational Needs (SEN) provision

Departmental budget – service area summary

	2011/12 Net budget £000	2012/13 Net budget £000
Early Intervention and Targeted Services	7,960	5,169
Education, Estates and Capital Projects	2,719	2,385
Resources and Strategy	5,550	5,009
Schools and Educational Improvement	1,342	1,006
Specialist and Commissioning	48,986	50,341
Net expenditure	66,557	63,910

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(230,661)	(223,575)
Other grants, reimbursements and contributions	(13,862)	(2,098)
Customer and client receipts – internal	0	(92)
Customer and client receipts – external	(7,763)	(10,461)
Total controllable income	(252,286)	(236,226)
Employees	44,951	44,155
Premises related expenditure	626	566
Transport related expenditure	4,762	1,366
Supplies and services	20,155	22,521
Third party payments	41,816	42,517
Transfer payments	204,377	187,621
Total controllable expenditure	316,687	298,746
Net controllable expenditure	64,401	62,520
Internal recharge income	0	0
External recharge income	0	(166)
Total non-controllable income	0	(166)
Support services	2,156	1,556
Total non-controllable expenditure	2,156	1,556
Net non-controllable expenditure	2,156	1,390
Net expenditure	66,557	63,910

Movements from 2011/12 to 2012/13		£000
2011/12 working budget		66,557
Transfers and adjustments		2,697
Savings		(5,344)
Growth		0
2012/13 net budget		63,910

Transfers and adjustments

Within the 2011/12 year the Non-Recourse to Public Funds service (NRPF) was transferred from ACS to CYPs. This increases the cash limit by £2.817m. There was also an increase of £495k relating to the Public Law Outline (PLO) budget transferred into SSC. Against this, there were a number of budget strips for various savings and centralisations of services totalling £615k

Savings

The department is committed to £5.344m savings. £2.380m new savings relate to SSC, £2.373m will come from EITS, £117k from SEI and £74k from EECp. Brought forward savings are £400k and relate to EECp (£250k) and R&S income generation (£150k).

Divisional Director: Sandra Morrison

The division's aim is to provide early intervention to vulnerable children and young people. Its key subdivisions are: Alternative Education Provision; Early Intervention and Play; Targeted Youth Services; and Targeted Interventions and Support. Its key priorities are:

- improving standards and experiences for under 5s and their families
- improving services for children and young people with special education needs
- providing young people with positive activities that complement schools
- reducing youth offending and serious youth crime
- reducing teenage pregnancy, childhood obesity and substance misuse
- early intervention support, through multi-agency teams, to children whose needs have been identified under the Common Assessment Framework
- providing alternative education for those who cannot be in mainstream schools
- increasing the numbers of young people in education, employment and training
- implementing CYPS Cooperative Council pilots

There is a number of early adopter services of the Cooperative Council approach in this Division including Children's Centres, One 'O' clock Clubs, youth centres and the Young and Safe programme.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(41,056)	(38,390)
Other grants, reimbursements and contributions	(11,688)	(1,607)
Customer and client receipts – internal	0	0
Customer and client receipts – external	(1,508)	(1,634)
Total controllable income	(54,252)	(41,631)
Employees	17,969	13,813
Premises related expenditure	434	419
Transport related expenditure	4,114	896
Supplies and services	2,007	3,150
Third party payments	12,424	12,380
Transfer payments	23,887	16,288
Total controllable expenditure	60,835	46,946
Net controllable expenditure	6,583	5,315
Internal recharge income	0	0
External recharge income	0	(166)
Total non-controllable income	0	(166)
Support services	1,377	20
Total non-controllable expenditure	1,377	20
Net non-controllable expenditure	1,377	(146)
Net expenditure	7,960	5,169
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		7,960
Transfers and adjustments		(418)
Savings		(2,373)
Growth		0
2012/13 net budget		5,169

Transfers and adjustments

Within the 2011/12 year there was a re-apportioning of an 11/12 saving as a result of the correction of the apportionment base, which reduced the cash limit by £57k. In addition, there were several budget strips for various savings and centralisations of services.

Savings

The division is committed to £2.373m savings. £1.375m relates to Children's Centres, £430k to Integrated Youth Support Services including Youth Centres, £400k to SEN provision (Statementing, Recoupment, IBS and Transport) and £168k to Practice Development & Multi-agency teams.

Divisional Director: Mike Pocock

The division's primary objective is to improve the buildings and facilities which support the learning and development of Lambeth's children and young people. This includes addressing shortfalls in provision such as the shortage of places in our primary and secondary schools, and improving facilities which are often in poor condition. A major focus is to facilitate the improvement of the services delivered within the buildings, particularly in the transformation of education in schools. Increasingly, the division coordinates its activities with partners and other Council departments to optimise the estate.

The division also has responsibility for the following:

- school place planning
- admissions
- health and safety
- ICT support for schools
- capital programmes, including Building Schools for the Future

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(3,675)	(3,921)
Other grants, reimbursements and contributions	(419)	(418)
Customer and client receipts – internal	0	0
Customer and client receipts – external	(413)	(1,271)
Total controllable income	(4,507)	(5,610)
Employees	1,138	2,081
Premises related expenditure	192	145
Transport related expenditure	23	6
Supplies and services	864	957
Third party payments	4,367	4,617
Transfer payments	605	189
Total controllable expenditure	7,189	7,995
Net controllable expenditure	2,682	2,385
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	37	0
Total non-controllable expenditure	37	0
Net non-controllable expenditure	37	0
Net expenditure	2,719	2,385
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		2,719
Transfers and adjustments		(10)
Savings		(324)
Growth		0
2012/13 net budget		2,385

Transfers and adjustments

Within the 2011/12 year there was a re-apportioning of an 11/12 saving as a result of the correction of the apportionment base which increased the cash limit by £31k. Against this, there was a number of budget strips for various savings and centralisations of services.

Savings

The division is committed to £324k of savings: £74k of new savings and £250k of brought forward savings. These savings relate to Education Estates, Pupil Place Planning, Admissions and Schools ICT.

Divisional Director: Farrukh Akbar

The department plays a vital role in ensuring that children and young people and their families succeed and play a positive role in our communities and lead healthier, happier and safer lives – and, working along with schools, partners and the voluntary sector, in achieving the vision of a sustainable and cooperative borough. The Department has a number of early adopter pilots for the cooperative council approach. The key priorities of the division are:

- promoting robust Financial Management within the CYPS department
- supporting and advising schools on their financial management and responsibilities
- embedding a risk management and value for money culture in the department and support compliance with financial and procurement regulations
- provision of a comprehensive HR support service to CYPS and schools
- ensuring effective strategic planning and performance management in the Department
- linking priority setting and finance planning with service planning and coordinate the production of relevant strategies and plans
- embedding equalities and diversity into service provision

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(180,299)	(174,269)
Other grants, reimbursements and contributions	(191)	0
Customer and client receipts – internal	0	(92)
Customer and client receipts – external	(1,075)	(1,373)
Total controllable income	(181,565)	(175,734)
Employees	5,569	7,359
Premises related expenditure	0	0
Transport related expenditure	41	19
Supplies and services	572	286
Third party payments	751	469
Transfer payments	179,828	171,074
Total controllable expenditure	186,761	179,207
Net controllable expenditure	5,196	3,473
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	354	1,536
Total non-controllable expenditure	354	1,536
Net non-controllable expenditure	354	1,536
Net expenditure	5,550	5,009
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		5,550
Transfers and adjustments		(391)
Savings		(150)
Growth		0
2012/13 net budget		5,009

Transfers and adjustments

Within the 2011/12 year there was a re-apportioning of an 11/12 saving as a result of the correction of the apportionment base which reduced the cash limit by £157k. In addition, there was a number of budget strips for various savings and centralisations of services.

Savings

The division is committed to brought forward savings of £150k relating to additional income generation for the Professional Development Centre (PDC), Schools HR and Schools Finance (£50k each).

Assistant Director (Acting): Cathy Twist

The division aims to help Lambeth children achieve their full potential by supporting schools and early settings to raise achievement and by ensuring children and young people have an excellent learning experience. It supports those services that all children have a right to access and seeks to narrow the achievement gap between children. The division is made up of a number of service areas:

- Standards – including School Improvement Service,
- Education Research and Statistics
- Traded Services delivery and further development
- Contracts Team
- Governor Support

The main priorities for the Division in 2011/2012 include:

- Raising the achievement of all pupils and narrowing the gaps between different groups
- Improving transition from childhood to adulthood
- Challenging and supporting schools to raise achievement
- Developing new relationship and traded services with schools
- Ensuring schools do not cause concern to the Local Authority or Ofsted

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(1,874)	(2,584)
Other grants, reimbursements and contributions	(1,488)	0
Customer and client receipts – internal	0	0
Customer and client receipts – external	(4,636)	(6,008)
Total controllable income	(7,998)	(8,592)
Employees	3,600	3,053
Premises related expenditure	0	0
Transport related expenditure	32	15
Supplies and services	5,312	6,460
Third party payments	0	0
Transfer payments	57	70
Total controllable expenditure	9,001	9,598
Net controllable expenditure	1,003	1,006
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	339	0
Total non-controllable expenditure	339	0
Net non-controllable expenditure	339	0
Net expenditure	1,342	1,006
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		1,342
Transfers and adjustments		(219)
Savings		(117)
Growth		0
2012/13 net budget		1,006

Transfers and adjustments

Within the 2011/12 year there was a re-apportioning of an 11/12 saving as a result of the correction of the apportionment base which reduced the cash limit by £168k. In addition, there was a number of budget strips for various savings and centralisations of services.

Divisional Director: Ade Adetosoye

The purpose of this division is to ensure all children are safeguarded, and that vulnerable children and young people's needs are addressed early and effectively. This is a statutory duty for which the Council is held to account by Government and the public. The Division's aim is to ensure that Lambeth children who are in need are able to achieve the same standard of wellbeing, health, development and safety that a good parent would want for their own child. Key areas of work include:

- providing an initial response to social care referrals
- assessing vulnerable children in need and providing such children with packages of family support and specialist social care services
- acting as lead agency for children with child protection plans
- supporting looked-after children and unaccompanied asylum-seeking children
- continuing and further developing joint commissioning with our partners

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(3,757)	(4,411)
Other grants, reimbursements and contributions	(76)	(73)
Customer and client receipts – internal	0	0
Customer and client receipts – external	(131)	(175)
Total controllable income	(3,964)	(4,659)
Employees	16,675	17,849
Premises related expenditure	0	2
Transport related expenditure	552	430
Supplies and services	11,400	11,668
Third party payments	24,274	25,051
Transfer payments	0	0
Total controllable expenditure	52,901	55,000
Net controllable expenditure	48,937	50,341
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	49	0
Total non-controllable expenditure	49	0
Net non-controllable expenditure	49	0
Net expenditure	48,986	50,341
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		48,986
Transfers and adjustments		3,735
Savings		(2,380)
Growth		0
2012/13 net budget		50,341

Transfers and adjustments

Within the 2011/12 year the Non-Recourse to Public Funds service (NRPF) was transferred from ACS to CYPS. This increased the cash limit by £2.817m. There was also an increase of £495k relating to the Public Law Outline (PLO). There were further increases as a result of the centralisation of the commissioning function within CYPS, and a re-apportioning of an 11/12 saving as a result of the correction of the apportionment base. Against this, there was a number of budget strips for various savings and centralisations of services.

Savings

The division is committed to £2.380m savings. £1.763m relates to Children Looked After & Fostering & Adoption, £363k to Referral & Assessment, Child Protection and Children with Disabilities and £254k to Independent reviewing officers, children looked after/child protection, LSCB, corporate parenting, children's legal services and commissioning.

Finance and Resources

B012

Executive Director: Mike Suarez

Across its six divisions, the department has four key functions:

- **Supporting members:** providing a management framework at cross-Council level (e.g. Corporate Finance, Internal Audit, Corporate Procurement, Governance and Democracy) to facilitate leadership and decision-making
- **Frontline service** through commissioned and directly provided services in Revenues, Benefits and Customer Services
- **Supporting departments:** providing infrastructure support through AICT and the Facilities Management team
- **Other statutory responsibilities** such as Chief Financial Officer and Monitoring Officer

Departmental budget – service area summary

	2011/12 Net budget £000	2012/13 Net budget £000
Applications and ICT Services	7,402	8,079
Corporate Finance	3,974	3,533
Corporate Procurement	(2,249)	(1,181)
Internal Audit	1,021	790
Governance and Democracy	4,368	4,339
Revenues, Benefits and Customer Services	10,324	13,354
Net expenditure	24,840	28,914

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(273,638)	(290,664)
Other grants, reimbursements and contributions	0	0
Customer and client receipts – internal	0	0
Customer and client receipts – external	(12,040)	(9,574)
Total controllable income	(285,678)	(300,238)
Employees	26,539	24,961
Premises related expenditure	7,610	7,124
Transport related expenditure	103	87
Supplies and services	4,294	8,854
Third party payments	6,380	6,368
Transfer payments	268,485	286,021
Total controllable expenditure	313,411	333,415
Net controllable expenditure	27,733	33,177
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	(2,893)	(4,317)
Capital Charges	0	54
Total non-controllable expenditure	(2,893)	(4,263)
Net non-controllable expenditure	(2,893)	(4,263)
Net expenditure	24,840	28,914

Movements from 2011/12 to 2012/13

	£000
2011/12 working budget	24,840
Transfers and adjustments	5,625
Savings	(1,926)
Growth	375
2012/13 net budget	28,914

Transfers and adjustments

These relate to corporate budgets and corresponding responsibilities that have been transferred to the department.

Savings

New savings of £1.1m, brought forward savings of £0.6m from 2011/12 and £0.2m from 2010/11.

Growth

A total growth of £375k is for new customer service centres in Clapham Library and Norwood Hall.

Divisional Director: Ed Pereira Garcez

The division's primary purpose is to develop and implement ICT services through the Council. Our intention is to achieve sustainable improvements in all areas of Lambeth's service provision by focusing on local needs and preferences. We are also actively working towards making our existing and future services more accessible to the public, using technology to enable us to deliver services based on the needs and choices of local people and to allow customers to access services in the locations they want, at the times they want.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	0	0
Other grants, reimbursements and contributions	0	0
Customer and client receipts – internal	0	0
Customer and client receipts – external	(874)	(874)
Total controllable income	(874)	(874)
Employees	5,653	5,530
Premises related expenditure	0	0
Transport related expenditure	15	15
Supplies and services	3,540	4,033
Third party payments	0	0
Transfer payments	0	0
Total controllable expenditure	9,208	9,578
Net controllable expenditure	8,334	8,704
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	(932)	(625)
Total non-controllable expenditure	(932)	(625)
Net non-controllable expenditure	(932)	(625)
Net expenditure	7,402	8,079

Movements from 2011/12 to 2012/13

	£000
2011/12 working budget	7,402
Transfers and adjustments	687
Savings	(10)
Growth	0
2012/13 net budget	8,079

Transfers and adjustments

The main movement relates to the centralisation of mobile and CCTV budgets in addition to the transfer of budgets from other departments that were formerly recharged for ICT support services.

Divisional Director: Guy Ware

Corporate Finance is responsible for the strategic and operational management of the Council's finances; treasury management; pensions accounting; financial control and reconciliations overview; performance management; and leading on Value for Money.

The principal accounting functions provided are the coordination of the Council's budget setting process, monitoring of income and expenditure, and production of the statutory financial statements. It provides financial advice to departments, senior management and Members and assesses the implications of changes in legislation or accounting practices.

The team is responsible for the authority's monthly VAT returns process, coordination and submission of key returns to HMRC, and providing Corporate coordination and support to departments in their monthly Construction Industry Scheme returns and general tax issues.

It also supports the whole department through the provision of group accountancy services.

Subjective analysis summary

	2010/11 Net budget £000	2012/13 Net budget £000
Government grants	0	0
Other grants, reimbursements and contributions	0	0
Customer and client receipts – internal	0	0
Customer and client receipts – external	0	(144)
Total controllable income	0	(144)
Employees	3,531	3,209
Premises related expenditure	0	(26)
Transport related expenditure	3	6
Supplies and services	761	487
Third party payments	0	0
Transfer payments	0	0
Total controllable expenditure	4,295	3,676
Net controllable expenditure	4,295	3,532
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	(321)	0
Total non-controllable expenditure	(321)	0
Net non-controllable expenditure	(321)	0
Net expenditure	3,974	3,532
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		3,974
Transfers and adjustments		252
Savings		(694)
Growth		0
2012/13 net budget		3,532

Transfers and adjustments

The main movements relate to a realignment of base budgets within Corporate Finance including the costs for administering the pension fund.

Savings

The division proposes new savings against the London Councils Grant Scheme and the external audit fee. Brought forward savings relating to employees total £162k.

Divisional Director: Sally Leigh

The Corporate Procurement team provides a Corporate focus for the Council's contracting and commissioning activity. Our major objectives are to improve the Council's commissioning, contract management and partnership capability, ensuring excellent value for money.

Corporate Procurement will be working towards transforming the approach to promoting the cooperative council ambitions for Lambeth.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	0	0
Other grants, reimbursements and contributions	0	0
Customer and client receipts – internal	0	0
Customer and client receipts – external	0	0
Total controllable income	0	0
Employees	(891)	(1,071)
Premises related expenditure	0	(39)
Transport related expenditure	0	(3)
Supplies and services	(1,199)	82
Third party payments	0	0
Transfer payments	0	0
Total controllable expenditure	(2,090)	(1,031)
Net controllable expenditure	(2,090)	(1,031)
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	(159)	(150)
Total non-controllable expenditure	(159)	(150)
Net non-controllable expenditure	(159)	(150)
Net expenditure	(2,249)	(1,181)

Movements from 2011/12 to 2012/13

	£000
2011/12 working budget	(2,249)
Transfers and adjustments	1,288
Savings	(220)
Growth	0
2012/13 net budget	(1,181)

Transfers and adjustments

The movement relates to an in-year base budget realignment in addition to the transfer of budgets from other divisions.

Savings

New savings for the division contribute £190k against the Agency staff contract and replacement of multifunctional devices. Brought forward savings of £30k relate to employees.

Chief Internal Auditor (Acting): Stuart Brown (PWC)

Internal Audit is a statutory service which serves as an independent, objective assurance and consulting activity, designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

Internal audit and anti-fraud services are provided in partnership with external providers.

The anti-fraud service undertakes investigations of suspicions of fraudulent activity committed against the Council and recommends appropriate sanctions. It also recommends anti-fraud measures and controls to minimise fraud and corruption at the Council.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	0	0
Other grants, reimbursements and contributions	0	0
Customer and client receipts – internal	0	0
Customer and client receipts – external	0	0
Total controllable income	0	0
Employees	874	884
Premises related expenditure	1	0
Transport related expenditure	16	6
Supplies and services	44	43
Third party payments	536	327
Transfer payments	0	0
Total controllable expenditure	1,471	1,260
Net controllable expenditure	1,471	1,260
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	(450)	(470)
Total non-controllable expenditure	(450)	(470)
Net non-controllable expenditure	(450)	(470)
Net expenditure	1,021	790

Movements from 2011/12 to 2012/13

	£000
2011/12 working budget	1,021
Transfers and adjustments	13
Savings	(244)
Growth	0
2012/13 net budget	790

Savings

All savings are brought forward and relate to employees and audit contracts.

Divisional Director: Mark Hynes

The Legal Services team provides legal services and advice to the Council using both internal lawyers and a number of key legal external providers through partnership arrangements. The Divisional Director also discharges the Council's statutory Monitoring Officer role.

The Democratic Services and Scrutiny team develops and administers the Council's committee arrangements, supports backbench Members to hold the Cabinet to account, maintains the electoral register and manages all local elections, provides support to the Mayor and promotes active citizenship by young people through the Youth Mayor.

The division supports transformation through finance training; managing and developing the Council's insurance and risk management arrangements; workforce development and employee relations; equalities and diversity; community engagement; and other project work.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	0	0
Other grants, reimbursements and contributions	0	0
Customer and client receipts – internal	0	0
Customer and client receipts – external	(2,391)	(2,166)
Total controllable income	(2,391)	(2,166)
Employees	5,005	6,600
Premises related expenditure	0	0
Transport related expenditure	41	32
Supplies and services	1,748	2,574
Third party payments	0	247
Transfer payments	0	25
Total controllable expenditure	6,794	9,478
Net controllable expenditure	4,403	7,312
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	(35)	(2,973)
Total non-controllable expenditure	(35)	(2,973)
Net non-controllable expenditure	(35)	(2,973)
Net expenditure	4,368	4,339
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		4,368
Transfers and adjustments		108
Savings		(137)
Growth		0
2012/13 net budget		4,339

Transfers and adjustments

This movement relates to an in year base budget adjustment. In previous years the division has offset overspends in Legal Services by recharging the cost of these services to departments in line with accounting best practice. The higher employees, supplies and services, and support services budgets in 2012/13 are a more accurate reflection of current circumstances.

Savings

This division is proposing new savings of £80k relating to a restructure. Brought forward savings total £57k that relate to the new supplier for the finance curriculum and sharing resources with another London local authority.

Divisional Director: David Ashmore

The Revenues team is responsible for the administration, collection and enforcement of Council Tax and business rates; while Benefits assesses and awards Housing Benefit and/or Council Tax Benefit to entitled Lambeth residents, complying with all statutory regulations, Corporate and local policies.

Financial Shared Services (FSS) provides accounts receivable, income allocation, credit and collections, accounts payable and exchequer services.

Customer Services aims to deliver a unified, enhanced service to the community. The Lambeth Service Centre and Customer Centres deliver many benefits to customers, including accessible services (via internet, email, telephone and in person) and improved customer experience, coupled with improved internal effectiveness and measurable cost savings.

The division also runs Facilities Management for Lambeth's core office buildings, including the provision of maintenance, cleaning and security services.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(273,638)	(290,664)
Other grants, reimbursements and contributions	0	0
Customer and client receipts – internal	0	0
Customer and client receipts – external	(8,775)	(6,390)
Total controllable income	(282,413)	(297,054)
Employees	12,367	9,809
Premises related expenditure	7,609	7,189
Transport related expenditure	28	31
Supplies and services	(600)	1,635
Third party payments	5,844	5,794
Transfer payments	268,485	285,996
Total controllable expenditure	293,733	310,454
Net controllable expenditure	11,320	13,400
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	(996)	(99)
Capital Charges	0	54
Total non-controllable expenditure	(996)	(45)
Net non-controllable expenditure	(996)	(45)
Net expenditure	10,324	13,355
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		10,324
Transfers and adjustments		3,277
Savings		(621)
Growth		375
2012/13 net budget		13,355

Transfers and adjustments

This movement relates to an in year base budget adjustment to reflect current circumstances and transferred responsibilities.

Savings

Brought forward savings of £350k relate are attributed to the opening of new customer service centres and the introduction of an appointments system. New savings of £271k are against NNDR discretionary rate reliefs and efficiencies on the benefits service.

Growth

A total growth of £375k is for new customer service centres in Clapham Library and Norwood Hall.

Executive Director: Sue Foster

The Housing, Regeneration and Environment department brings together housing, planning, economic development, property, adult education, regeneration and key environmental services such as waste management and parking.

The department has four key priorities:

- improving value for money
- managing customer care
- managing key services that affect the Council's reputation and customer perceptions
- tackling social exclusion, inequality and discrimination

(Housing services accounted for as part of the Housing Revenue Account (HRA) are not included here, as they do not form part of the department's General Fund budget. The HRA is described, separately, in Appendix B of this book.)

Departmental budget – service area summary

	2011/12 Net budget £000	2012/13 Net budget £000
Asset Strategy	(637)	(748)
Housing	6,275	4,994
Planning, Regeneration and Enterprise	3,544	1,878
Public Realm	27,543	26,193
Resources	3,317	3,081
Net expenditure	40,042	35,398

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(7,846)	(4,988)
Other grants, reimbursements and contributions	0	(134)
Customer and client receipts – internal	(1,813)	(965)
Customer and client receipts – external	(61,788)	(52,558)
Total controllable income	(71,447)	(58,645)
Employees	27,331	20,577
Premises related expenditure	1,594	1,947
Transport related expenditure	434	307
Supplies and services	18,548	16,563
Third party payments	66,926	56,038
Transfer payments	654	0
Total controllable expenditure	115,487	95,432
Net controllable expenditure	44,040	36,787
Internal recharge income	(4,048)	(138)
External recharge income	(757)	(1,425)
Total non-controllable income	(4,805)	(1,563)
Support services	807	174
Total non-controllable expenditure	807	174
Net non-controllable expenditure	(3,998)	(1,389)
Net expenditure	40,042	35,398

Movements from 2011/12 to 2012/13		£000
2011/12 working budget		40,042
Transfers and adjustments		504
Savings		(6,080)
Growth		932
2012/13 net budget		35,398

Transfers and adjustments

Transfers include £1.5m contribution to reserves transferred out to Corporate Items, £2.1m additional waste budget transferred in and £100k transferred to IT for CCTV monitoring.

Savings

The most significant savings include £1.4m for Waste Management, £872k from reviewing the Hostels service and £809k from realignment of the Planning service. Other material savings include £290k from Commercial Waste, £205k from Consumer Protection, £400k from service delivery changes in resources, £500k from realignment of recharges, £400k from increased income in PRE and £560k from establishment changes and service stoppages in PRE.

Growth

Growth includes £600k from realignment of recharges and £280k for Norwood Hall and £250k for night time cleansing, offset by removal of temporary growth of £185k for Local Development Framework.

Divisional Director: Uzo Nwanze

The Council's property assets are valued at £2.3bn and need to be managed effectively and efficiently and ensure value for money. Asset Strategy provides the following services:

- **strategic asset management** – including alignment with Corporate Plan objectives
- **property acquisition** – all acquisitions, including compulsory purchases
- **valuation and operational estate management** – granting and taking leases, reviews and rationalisation, rental income maximisation and day-to-day management
- **impartial property advice** – to Cabinet, Members and officers of the Council
- **property disposal** – generation of capital receipts to fund capital investment
- **property maintenance, refurbishment and capital works delivery** – ensuring fitness for purpose and Health and Safety compliance of the Corporate estate

In providing these services, the division is assisted by the Council's retained external property consultants (Lambert Smith Hampton) who deal with the some of the transactional work.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	0	0
Other grants, reimbursements and contributions	0	0
Customer and client receipts – internal	(1,511)	(958)
Customer and client receipts – external	(1,184)	(1,242)
Total controllable income	(2,695)	(2,200)
Employees	610	742
Premises related expenditure	450	351
Transport related expenditure	8	7
Supplies and services	836	648
Third party payments	21	4
Transfer payments	(15)	0
Total controllable expenditure	1,910	1,752
Net controllable expenditure	(785)	(448)
Internal recharge income	0	0
External recharge income	0	(300)
Total non-controllable income	0	(300)
Support services	148	0
Total non-controllable expenditure	148	0
Net non-controllable expenditure	148	(300)
Net expenditure	(637)	(748)

Movements from 2011/12 to 2012/13

	£000
2011/12 working budget	(637)
Transfers and adjustments	(7)
Savings	(104)
Growth	0
2012/13 net budget	(748)

Savings

Savings of £104k are for stoppage of a core service within Valuation and Asset Management Services.

Divisional Director: Rachel Sharpe

The division covers a diverse range of functions, grouped under the following main areas:

- **Supply and Demand** provides services including homelessness prevention and assessment, assisting with housing homeless and vulnerable people and providing alternative options for homeless households through the Lettings First Partnership
- **Strategy, Partnerships and Performance** develops strategies to meet housing need and leads on performance management information
- **Regeneration** helps to build strong communities, identifies sites for development and helps people from estates to find work
- **Private Sector Housing** works with landlords and tenants to improve conditions, oversees disabled adaptations and brings private residential properties back into use

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(397)	(393)
Other grants, reimbursements and contributions	0	0
Customer and client receipts – internal	0	0
Customer and client receipts – external	(26,974)	(14,596)
Total controllable income	(27,371)	(14,989)
Employees	4,060	3,577
Premises related expenditure	527	65
Transport related expenditure	71	26
Supplies and services	2,941	1,096
Third party payments	26,704	15,147
Transfer payments	0	0
Total controllable expenditure	34,303	19,911
Net controllable expenditure	6,932	4,922
Internal recharge income	(1,092)	0
External recharge income	0	0
Total non-controllable income	(1,092)	0
Support services	435	72
Total non-controllable expenditure	435	72
Net non-controllable expenditure	(657)	72
Net expenditure	6,275	4,994
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		6,275
Transfers and adjustments		(138)
Savings		(1,129)
Growth		(14)
2012/13 net budget		4,994

Transfers and adjustments

Transfers out of the Division during the year are for staff transferring within HRE following restructuring.

Savings

Savings of £872k will come from realignment of the Hostels service. The remaining savings relate to further smaller restructures within the Division.

Growth

Growth of (£14k) is reversal of temporary growth previously awarded to Private Sector Housing.

Divisional Directors: Les Brown and Alison Young

This division has grown out of the merger of the former Planning division and Regeneration and Enterprise division and the associated budgets. The new division focuses on:

- **strategic regeneration** – supporting the development of major regeneration areas such as Waterloo/South Bank and Vauxhall Nine Elms Battersea. Inward investment will be underpinned by sustaining the sound performance and reputation of our regulatory planning services
- **town centre management and neighbourhood regeneration**, to include major regeneration projects, as well as town centre management and implementation of the master plans for Brixton, Streatham and Norwood, and setting up business improvement districts
- **supporting residents into employment** – including adult education, employment brokerage and support for residents to set up their own businesses

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(7,449)	(2,728)
Other grants, reimbursements and contributions	0	(73)
Customer and client receipts – internal	0	(7)
Customer and client receipts – external	(3,097)	(2,864)
Total controllable income	(10,546)	(5,672)
Employees	7,291	4,244
Premises related expenditure	67	25
Transport related expenditure	44	26
Supplies and services	7,560	3,297
Third party payments	0	0
Transfer payments	0	0
Total controllable expenditure	14,962	7,592
Net controllable expenditure	4,416	1,920
Internal recharge income	(1,043)	(73)
External recharge income	0	0
Total non-controllable income	(1,043)	(73)
Support services	171	31
Total non-controllable expenditure	171	31
Net non-controllable expenditure	(872)	(42)
Net expenditure	3,544	1,878

Movements from 2011/12 to 2012/13

	£000
2011/12 working budget	3,544
Transfers and adjustments	65
Savings	(1,827)
Growth	96
2012/13 net budget	1,878

Transfers and adjustments

Transfers are from staff transferring in from other parts of the Department.

Savings

Material savings items include £809k from realigning the Planning service, additional income of £400k, £230k from establishment changes and £330k from service stoppages.

Growth

Growth includes £280k for Norwood Hall, offset by removal of temporary growth of £185k for the Local Development Framework.

Divisional Director: Carolyn Dwyer

This division is responsible for some of the most visible services the Council provides, which largely shape the public's perception of the Council. These include waste collection, litter and the general state of the environment.

It is made up of Street Management, Public Protection, Parking and Transport and brings together regulatory, compliance and enforcement functions, promoting joined-up working and helping to protect and improve the health, wellbeing and safety of people who live in, work in or travel to or through the borough.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	0	(1,867)
Other grants, reimbursements and contributions	0	(61)
Customer and client receipts – internal	0	0
Customer and client receipts – external	(30,533)	(33,856)
Total controllable income	(30,533)	(35,784)
Employees	10,227	9,412
Premises related expenditure	538	1,256
Transport related expenditure	298	225
Supplies and services	7,193	11,316
Third party payments	40,201	40,887
Transfer payments	323	0
Total controllable expenditure	58,780	63,096
Net controllable expenditure	28,247	27,312
Internal recharge income	0	(65)
External recharge income	(757)	(1,125)
Total non-controllable income	(757)	(1,190)
Support services	53	71
Total non-controllable expenditure	53	71
Net non-controllable expenditure	(704)	(1,119)
Net expenditure	27,543	26,193
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		27,543
Transfers and adjustments		520
Savings		(2,120)
Growth		250
2012/13 net budget		26,193

Transfers and adjustments

Transfers include £1.5m contribution to reserves transferred out to Corporate Items, £2.1m additional waste budget transferred in and £100k transferred to IT for CCTV monitoring.

Savings

The most significant savings include £1.4m for Waste Management, £290k from Commercial Waste and £205k from Consumer Protection, with other smaller savings across the Division.

Growth

Growth of £250k is for nighttime street cleansing

Divisional Director: Christina Thompson

The division comprises the departmental support teams, including Finance, Performance, Office Services and the Departmental Management Team.

The department works closely with Finance and Resources colleagues to deliver services that are regarded as value for money. It ensures that business continuity plans are in place, financial systems are available and appropriate for use and that financial budget setting and monitoring is delivered in an effective manner.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	0	0
Other grants, reimbursements and contributions	0	0
Customer and client receipts – internal	(302)	0
Customer and client receipts – external	0	0
Total controllable income	(302)	0
Employees	5,143	2,602
Premises related expenditure	12	250
Transport related expenditure	13	23
Supplies and services	18	206
Third party payments	0	0
Transfer payments	346	0
Total controllable expenditure	5,532	3,081
Net controllable expenditure	5,230	3,081
Internal recharge income	(1,913)	0
External recharge income	0	0
Total non-controllable income	(1,913)	0
Support services	0	0
Total non-controllable expenditure	0	0
Net non-controllable expenditure	(1,913)	0
Net expenditure	3,317	3,081
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		3,317
Transfers and adjustments		64
Savings		(900)
Growth		600
2012/13 net budget		3,081

Transfers and adjustments

Transfers are due to staff transferring into the Division from other parts of the Department, offset by other staff transferring out of the Division to other parts of the Department.

Savings

Savings of £400k from restructuring and service delivery, and £500k from realignment of recharges, are included for the Resources Division.

Chief Executive: Derrick Anderson

The Office of the Chief Executive provides a wide range of centralised internal and external support services. It has a key role in both strategic direction and support of the Council and is responsible for providing Human Resources support and innovative solutions to help drive the Council forward. OCE also plays a key role in communication to staff, residents and external partners and in areas of both performance and research.

Departmental budget – service area summary

	2011/12 Net budget £000	2012/13 Net budget £000
Campaigns and Communications	1,188	1,093
Chief Executive's Secretariat	539	652
Human Resources	2,050	1,955
Policy, Equalities and Performance	2,054	1,911
Net expenditure	5,831	5,611

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	0	0
Other grants, reimbursements and contributions	0	0
Customer and client receipts – internal	0	0
Customer and client receipts – external	(54)	(472)
Total controllable income	(54)	(472)
Employees	5,897	5,635
Premises related expenditure	1	3
Transport related expenditure	30	23
Supplies and services	810	1,256
Third party payments	3	0
Transfer payments	0	0
Total controllable expenditure	6,741	6,917
Net controllable expenditure	6,687	6,445
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	(856)	(834)
Total non-controllable expenditure	(856)	(834)
Net non-controllable expenditure	(856)	(834)
Net expenditure	5,831	5,611

Movements from 2011/12 to 2012/13

	£000
2011/12 working budget	5,831
Transfers and adjustments	0
Savings	(220)
2012/13 net budget	5,611

Savings

£220k of savings brought forward from 2011/12 will be met through a combination of increased income generation and reductions in Employee costs and Supplies and Services.

Divisional Director: Julian Ellerby

The division delivers the communications strategy, which reflects and builds on the Council's vision and Corporate Plan priorities. It has established a resident led network to inform its messages and campaigns as well as seeking to develop the model of service delivery around a cooperative framework. The division aims to promote the Council, enhance its reputation and achieve the aims of the services that it delivers, including value for money. It aims to achieve positive behaviour change in relation to the Corporate Plan outcomes and have close monitoring and evaluation methods in order to determine future work.

The division plays a major role in improving the culture and performance of the Council and its staff. Core functions include media, print, design, web, external marketing and internal communications. It has a responsibility to improve the methods by which Lambeth communicates, and achieve greater targeting of messages. It also communicates key projects and manages all communication channels on behalf of the Council.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	0	0
Other grants, reimbursements and contributions	0	0
Customer and client receipts – internal	0	0
Customer and client receipts – external	0	(388)
Total controllable income	0	(388)
Employees	1,027	1,096
Premises related expenditure	0	0
Transport related expenditure	3	3
Supplies and services	238	462
Third party payments	0	0
Transfer payments	0	0
Total controllable expenditure	1,268	1,561
Net controllable expenditure	1,268	1,173
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	(80)	(80)
Total non-controllable expenditure	(80)	(80)
Net non-controllable expenditure	(80)	(80)
Net expenditure	1,188	1,093

Movements from 2011/12 to 2012/13

	£000
2011/12 working budget	1,188
Transfers and adjustments	(45)
Savings	(50)
Growth	0
2012/13 net budget	1,093

Transfers and adjustments

During the year the division transferred £41k to the Chief Executive's Secretariat (BU101) to implement matrix working and centralise the business support function.

Savings

The division has 2011/12 brought forward savings of £50k which relate to the Reduce/Stop lever. The division proposes to achieve these savings through additional income generation from Lambeth Living.

Chief Executive: Derrick Anderson

To help the organisation achieve its overarching aims of protecting the vulnerable while building a platform for future growth and success, the Chief Executive has been clear that the OCE will have four key functions for going forward:

- manage and maintain a positive reputation for the Council, ensuring performance remains satisfactory and external and internal communications remain excellent
- ensure the organisation retains a future focus
- facilitate, support and deliver the cooperative Council
- support the organisation through the period of change and transition

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	0	0
Other grants, reimbursements and contributions	0	0
Customer and client receipts – internal	0	0
Customer and client receipts – external	0	0
Total controllable income	0	0
Employees	504	626
Premises related expenditure	0	0
Transport related expenditure	4	2
Supplies and services	31	24
Third party payments	0	0
Transfer payments	0	0
Total controllable expenditure	539	652
Net controllable expenditure	539	652
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	0	0
Total non-controllable expenditure	0	0
Net non-controllable expenditure	0	0
Net expenditure	539	652
Movements from 2011/12 to 2012/13		£000
2011/12 working budget		539
Transfers, adjustments and inflation		113
Savings		0
Growth		0
2012/13 net budget		652

Transfers and adjustments

During the year, the division received funds from Policy, Equalities and Partnership to implement matrix working and centralise business support.

£70k was funded from Policy Equalities & Performance (BU103) and £43k from Campaigns and Communication (BU105).

Divisional Director: Nana Amoa-Buahin

The division oversees all matters relating to the workforce: organisational design and development, cultural change, workforce planning and wellbeing. It achieves this by aligning existing capabilities and the supply of new suitable talent and effort with Lambeth's Cooperative Council ambition, Corporate Plan and requirements to maximise return on investment and secure sustainable outcomes for citizens. In ensuring such objectives are achieved, it aims to implement human resource interventions effectively but also pragmatically, taking account of equalities, legal and ethical aspects and, as far as is practical, seeking to retain the support and respect of the Trades Unions and the workforce.

The Health and Safety function covers both Council employees and the safety of the public while using Lambeth services, such as schoolchildren and visitors to local offices. The Emergency Planning and Business Continuity functions help ensure the Council's resilience.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	0	0
Other grants, reimbursements and contributions	0	0
Customer and client receipts – internal	0	0
Customer and client receipts – external	(54)	(84)
Total controllable income	(54)	(84)
Employees	2,877	2,492
Premises related expenditure	1	3
Transport related expenditure	18	13
Supplies and services	(19)	285
Third party payments	3	0
Transfer payments	0	0
Total controllable expenditure	2,880	2,793
Net controllable expenditure	2,826	2,709
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	(776)	(754)
Total non-controllable expenditure	(776)	(754)
Net non-controllable expenditure	(776)	(754)
Net expenditure	2,050	1,955
2011/12 working budget		2,050
Transfers and adjustments		0
Savings		0
Growth		(100)
2012/13 net budget		(1955)

Transfers and adjustments

During the year, the division contributed to one year savings which have been partially offset against a budget correction within Pension Services (BU126).

Savings

The division has 2011/12 brought forward savings of £100k which relate to the Reduce / Stop lever. The division proposes to reduce and realign services.

Divisional Director: Sophia Looney

The division supports the Chief Executive to ensure the Council delivers its Corporate Plan and realises its ambitions. It provides support, challenge and quality assurance of the organisation in relation to policy, equalities and diversity, performance management, project and programme management and research and consultation. Its work focuses on:

- leading on the transformation into a "cooperative council"
- ensuring – through benchmarking, research and analysis – that the organisation is focusing on the appropriate areas of improvement and performance
- a borough approach to promoting equalities, diversity and community cohesion
- implementing a performance framework across the borough which is focused on well-researched outcomes to deliver the Council's priorities
- analysing, developing and commissioning policy and developing forward thinking so that the borough is equipped to face the challenges of a changing world
- the organisation's delivery of transformational and service improvement activities
- leading on Corporate regulatory inspections and managing key stakeholder relationships, for example regulatory bodies and central Government
- the work of Lambeth First with partners so that it becomes an excellent LSP and the focus for cross-agency delivery through the Sustainable Community Strategy

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	0	0
Other grants, reimbursements and contributions	0	0
Customer and client receipts – internal	0	0
Customer and client receipts – external	0	0
Total controllable income	0	0
Employees	1,489	1,421
Premises related expenditure	0	0
Transport related expenditure	5	5
Supplies and services	560	485
Third party payments	0	0
Transfer payments	0	0
Total controllable expenditure	2,054	1,911
Net controllable expenditure	2,054	1,911
Internal recharge income	0	0
External recharge income	0	0
Total non-controllable income	0	0
Support services	0	0
Total non-controllable expenditure	0	0
Net non-controllable expenditure	0	0
Net expenditure	2,054	1,911

Movements from 2011/12 to 2012/13

	£000
2011/12 working budget	2,054
Transfers and adjustments	(73)
Savings	(70)
Growth	0
2012/13 net budget	1,911

Transfers and adjustments

During the year the division transferred £70k to the Chief Executive's Secretariat (BU101) to implement matrix working and centralise the business support function.

Savings

Brought forward savings of £70k relating to the reduction and realignment of services.

APPENDICES

Appendix A: Capital Accounting and Budgeting

The Council's General Fund budget is concerned with revenue activities – that is, the day to day running costs incurred in providing services. In a general sense, revenue expenditure (and income) arises from recurring items – the costs of running services, but also interest paid and received, employer contributions to employee pensions, even charges arising from Private Finance Initiative (PFI) schemes.

But accountancy regulations recognise another type of expenditure – namely, capital. Money spent for the purchase or improvement of assets like land, buildings, equipment, or even investments, which will be of use or benefit for more than one financial year, may need to be classified as capital. There is also capital income, for example the proceeds from the sale of land, buildings and other capital assets, which is often described as capital receipts.

Both capital expenditure and the use of capital receipts is strictly regulated by legislation in both the private and public sectors. This is to prevent organisations from wrongly classifying revenue as capital, for example where revenue resources are constrained or where the tax treatment varies between categories. Under the Local Government & Housing Act 1989, by which Lambeth is bound, all expenditure is regarded as revenue unless specifically classified as capital.

This would not be such a problem if the distinction was as clear-cut as it appears here. But, for example, the salaries of the builders who work on a new school may be capital in nature (since, without the builders, there would be no asset); while the salaries of maintenance staff at the same school would be revenue, as they contribute to the day-to-day running costs.

Because these are often large-scale infrastructure projects, the building process can itself continue over periods of more than a year and is prone to delay and slippage, be it through bad weather or lengthy planning discussions. So it is important to track and monitor the capital programme quite separately from revenue activity.

And it is important to bear in mind the timing and size of capital projects' implications for the revenue budgets; to stay with the school example, there is little point in building the school if it cannot be staffed with teachers, heated and lit, and stocked with sufficient equipment in the years to follow.

For all of these reasons, Lambeth must set a separate capital budget to ensure that capital money is only spent on allowable capital projects and that, when the various sources are considered together, there is enough money to cover all the projects the Council wants to carry out.

With this in mind, the pages that follow set out in summary Lambeth's capital programme as it currently stands, both from the point of view of what the Council plans to spend and on where the money is to come from.

The capital investment programme

The significant reductions in government funding, an asset base reduced by historic disposals and unfavourable market conditions have all made funding the capital investment programme extremely challenging. Various forms of credit arrangement (such as loans, municipal bonds and the Private Finance Initiative) are potential sources of finance: but the statutory Prudential Code for Capital Finance in Local Authorities requires us to consider their prudence, sustainability and affordability.

The council will be investing £469.3 million in improvements to housing, schools and transport infrastructure from 2011/12 to 2014/15. In contrast to previous years a lesser proportion of this funding now comes from central government. 33% compared to 75% for the period 2007/08 to 2009/10. These challenges to capital funding were tackled head on by the Council, and the front loading of cuts from central government now means that a level of clarity exists over likely funding levels for 2012/13 and future years.

The Department of Health (DoH) has confirmed its grant figures for 2012/13, and Communities and Local Government (CLG) has confirmed that the Disable Facilities Grant will remain at 2011/12 levels. The Department for Education (DfE) confirmed that 2012/13 grant levels will be in line with 2011/12.

New fully funded projects recently added to the programme include Adults Personal Social Services (PSS) £0.775 million, Decent Homes Grant from the CLG £11.5 million and additional Basic Needs grant from the DfE £15.8 million.

Alongside this a revised constitution facilitated the formulation of a capital investment pipeline which prioritises those capital projects funded by internal resources (capital receipts) and whose implementation is contingent on new asset sales. The pipeline currently holds 17 projects totalling £47.09 million.

The Capital Investment Hierarchy illustrates how funding is prioritised, with projects that maintain the Council's basic operational infrastructure forming the foundation of the pyramid and projects that increase service capability and capacity at the top.

In considering all of the financing options available to the Council, the most important factor is how investment will be funded. Innovative financing solutions such as the PFI provide the initial finance for public sector infrastructure. However, the public body must pay an annual fee for the use of the infrastructure that includes the repayment of that initial finance. The fundamental question is, therefore, where does the extra funding come from to make this payment? The PFI is only an attractive option where the Government provides that funding through a grant to meet the capital financing element (as with the Myatt's Field and Norwood Hall projects).

This is also true of solutions such as municipal bonds, pooled infrastructure funds to attract pension fund assets and credit arrangements in general. In each case, the fundamental question is: where does the funding come from to provide the investor with a return? The financing strategy has therefore evolved into a funding strategy.

The Asset sales are a finite resource – we will eventually run out of assets to sell. Long term, we will need to fund asset investment from revenue, as a sustainable, recurrent resource. The first steps have been taken by making an ongoing contribution to capital investment from the General Fund revenue and providing ongoing funding for investment in roads and pavements from the Parking Places Revenue Account (£6.5m over three years.)

The Council must pay over to the DCLG a proportion of capital receipts from the sale of properties. This is referred to as "capital receipts pooling". However, the Council can avoid this pooling requirement for housing receipts arising from disposals other than Right To Buy if it reinvests these receipts in affordable housing or regeneration projects. To do this, we identify a pool of such schemes, known as the Total Capital Allowance (TCA), and set any eligible receipts against this pot. To implement this requirement, schemes have been identified in the proposed capital programme as either affordable housing or regeneration projects. The TCA for 2012/13 is £261.7m.

In addition to this, the Council will be actively using its reserves to ensure that investment in high priority projects can proceed. The full balance of £28m will be drawn down from the capital receipts reserve over the four years of the Capital Investment Programme and a further £6.4m will be drawn down from earmarked reserves. Transparency has been improved by setting out the funding and expenditure profile summarised below.

Over the next twelve months, it is likely that additional funding will become available through asset disposals and new grant allocations. Projects will be unnecessarily delayed if these resources are not allocated during that period. This requires a more dynamic approach and the programme will continue to evolve during the financial year. The July Finance Review will update the profile of expenditure to take account of financial outturn and allocate new resources; a new Budget Update in November will provide a mid-cycle review of performance and allocate additional resources.

- **Jubilee Gardens** - (2011/12 £2.291m / 2012/13 £1.900m) (HRE GF) this multi-funded scheme is part of a programme of works aimed at improving the public and private realm in the Waterloo area of the borough. The project forms part of the Council's overall vision for the future of Waterloo and represents a major transformation in the lead up to the Olympics in 2012. The scheme is expected to be completed by May 2012.

- **Streatham Hub Project** - (2011/12 £2.160m / 2012/13 £13.659m) (Tesco's S106 Agreement) – This project aims to provide state-of-the-art new leisure facilities for Streatham residents and includes

an ice rink, a leisure centre, tennis courts and cricket facilities amongst others. It also involves improvements to shop fronts and the general environment.

- **Brockwell Park Regeneration** - (2011/12 £1.5m / £2.354m) Work includes: Demolition and clearance works; Improved drainage and external mains services; Footpaths and paving; Boundary works (new railings for Dulwich Road); Improvements to entrances (Lido, Water Lane and Arlingford Road); Park furniture (new seating and signage); Buildings refurbishment (park shelters).

- **Decent Homes** - (2011/12 £25.917m) The two Arms Length Management Organisations managed by the council, namely United Residents Housing and Lambeth Living are both confident that their Decent Homes (DH) targets set for 2011/12 will be met as a result of this investment. This investment mainly focuses on thermal efficiency through investment on external elements such as roofs, windows and internal elements such as heating. Works in relation to Health and Safety on the housing stock also represent a large part of the 2011/12 housing DH capital programme.

- **Building Schools for the Future – Secondary Capital Programme** - (2012/13 £18.44m). In Lambeth, phase 1 of the programme comprised the expansion and rebuilding of a number of schools in the borough. These projects have now been completed and the budget allocations within the financial year 2011/12 are mostly to settle final accounts. An allocation of £11.2m out of the 2011/12 budget of £22m has been made towards the construction of Dunraven and Norwood secondary schools. These schools are being delivered through the Local Education Partnership (LEP). The Local Education Partnership – a public private partnership.

- A further £2.453m (2012/13) of the programme is committed to delivering the Lilian Baylis Secondary School extension project which includes the provision of post 16 facilities. This is fully funded by external resources.

- **Primary Capital (Expansion) Programme** - (2012/13 £27.5m) Lambeth is facing an acute shortage of primary school places due to a combination of factors – an increasing birth rate and new arrivals into the borough, amongst others. Council, in February 2009 and 2010, approved a strategy for the permanent expansion of primary school provision, to be delivered in two phases. The projects in the first phase were originally to create eight additional forms of entry. However due to increasing pressure for primary places, the Council brought forward the permanent expansion of Hitherfield and Sunnyside Primary Schools and approved the creation of an entirely new two form entry school in Norwood for 420 pupils. The effect of these decisions was to create 11 permanent FEs in Phase 1 – an increase of 2,310 places in total across all years. The in-year 2011/12 budget forms a part of Phase 1. 330 additional reception places will have been created by September 2012. These are on course to be delivered on time and within budget.

- **Clapham One** - Lambeth Council's redevelopment of Mary Seacole House on Clapham High Street (£1.880m in 2012/13), The Clapham One scheme is part of Future Clapham, an £80m regeneration project being led by Lambeth Council that also involves the creation of a new leisure centre with 25 metre swimming pool and gym at the leisure centre and depot site, a café, healthcare centre and 136 new homes in the heart of Clapham.

The nature of capital accounting, with its multi-year profiling and the need to track not just spend but the sources of funding, makes monitoring intrinsically more complicated than revenue budget monitoring. During the 2011/12 financial year, capital budgets for the four years of the current Capital Investment Programme were re-loaded onto Oracle, the Council's financial accounting system with some acute changes capturing all relevant monitoring information as needed by officers across the council. The idea being to improve reliability, consistency and transparency in the reporting of Lambeth's capital investment programme.

The result is a more effective and efficient process both departmentally and at Corporate level and it is anticipated that this transition will enable a more seamless year end closedown of the Capital Programme. This will also enable variances against capital budgets to be spotted earlier than previously, and corrective action to be taken quickly in the case of any variance.

The Capital Investment Programme - summary 2011-12 to 2014-15

Programme	Investment Profile £'000					Funding £'000					
	2011_12 Revised Budget	2012_13 Budget	2013_14 Budget	2014_15 Budget	Total Budget	Capital receipts	Reserves & revenue	Borrowing	Grants	S106	Major Repairs Reserve
Decent Homes	25,917	72,222	71,186	53,322	222,647	(100)	0	(120,667)	(13,205)	(191)	(88,483)
Neighbourhood Regeneration	2,119	1,450	1,300	0	4,869	(3,868)	0	(497)	(497)	0	(7)
Other	7,564	149	0	0	7,713	(5)	0	(1,320)	0	0	(6,387)
Private Sector Housing HRA	1,300	0	0	0	1,300	0	0	(266)	0	0	(1,034)
Voids	14,806	385	0	0	15,191	(9,488)	0	(3,770)	0	0	(1,933)
Private Sector Housing non HRA	2,391	0	0	0	2,391	(199)	0	0	(2,192)	0	0
Non-core buildings	2,302	0	0	0	2,302	(450)	(1,852)	0	0	0	0
Housing	56,399	74,205	72,486	53,322	256,412	(14,111)	(1,852)	(126,520)	(15,894)	(191)	(97,844)
Future Brixton	134	9	0	0	143	(116)	0	0	(27)	0	0
Future Clapham	2,480	70	0	0	2,550	(951)	(1,600)	0	0	0	0
Future Norwood	0	630	0	0	630	(630)	0	0	0	0	0
Future Streatham	2,285	13,739	3,878	0	19,902	(10,284)	(9,233)	0	(85)	(300)	0
Other	931	4,534	0	0	5,465	(227)	(1,963)	0	(3,275)	0	0
Ward Purse	139	0	0	0	139	(139)	0	0	0	0	0
Regeneration	5,969	18,982	3,878	0	28,829	(12,347)	(12,796)	0	(3,387)	(300)	0
Crematoria & Cemetery	100	350	0	0	450	(450)	0	0	0	0	0
ICT	333	0	0	0	333	0	0	0	(333)	0	0
Leisure Centres	0	55	0	0	55	0	(50)	0	(5)	0	0
Libraries	0	0	0	0	0	0	0	0	0	0	0
Non-Operational Buildings	896	3,000	0	0	3,896	0	0	0	(3,896)	0	0
Other	2,226	2,675	0	0	4,900	0	0	0	(4,901)	0	0
Parks & Open Spaces	3,029	2,880	0	0	5,909	(125)	(11)	0	(4,559)	(1,214)	0
Parks & Community Services	6,584	8,960	0	0	15,544	(575)	(61)	0	(13,694)	(1,214)	0
Bridges	484	0	0	0	484	0	0	0	(9)	(475)	0
CCTV	0	0	0	0	0	0	0	0	0	0	0
Cycling Initiatives	315	0	0	0	315	0	0	0	(315)	0	0
Footways & Carriageways	11,199	4,759	2,500	0	18,458	(352)	(7,122)	0	(5,621)	(5,363)	0
Operational Buildings	206	150	0	0	356	(357)	0	0	0	0	0
Waste & Streetcare	151	80	0	0	231	(224)	0	0	(7)	0	0
Transport Highways & Public Realm	12,357	4,989	2,500	0	19,845	(933)	(7,122)	0	(5,952)	(5,838)	0
Operational Buildings	1,689	3,975	0	0	5,664	(1,648)	(4,016)	0	0	0	0
IT Infrastructure	2,118	249	0	0	2,367	(617)	(1,650)	0	(100)	0	0
Other	250	0	0	0	250	0	(250)	0	0	0	0
Council Offices & IT	4,057	4,224	0	0	8,281	(2,265)	(5,916)	0	(100)	0	0
Primary Expansion Programme	20,995	27,550	10,072	547	59,164	(13,379)	0	(133)	(42,459)	(3,193)	0
Capital Building Projects	5,792	4,650	300	0	10,742	(2,544)	0	(1,381)	(6,817)	0	0
Devolved Formula Capital	458	416	0	0	874	0	0	0	(874)	0	0
Capital Maintenance	569	3,641	1,237	0	5,447	(111)	0	0	(5,335)	0	0
Modernisation	391	0	0	0	391	(290)	0	0	(101)	0	0
ICT	0	0	0	0	0	0	0	0	0	0	0
Community Projects	1,078	178	0	0	1,256	(170)	0	0	(794)	(292)	0
Other Projects	1,473	1,102	0	0	2,575	(667)	0	0	(1,907)	0	0
Voluntary Aided Schools	50	216	0	0	266	0	0	0	(266)	0	0
Children's Centres	(0)	189	0	0	189	(1)	0	0	(188)	0	0
Primary Schools & Children Services	30,805	37,942	11,609	547	80,903	(17,162)	0	(1,514)	(58,741)	(3,485)	0
Building Schools for the Future	20,716	17,494	14,004	4,300	56,513	(368)	(525)	(32)	(54,881)	(708)	0
ICT	717	946	1,320	0	2,983	(502)	0	(520)	(1,961)	0	0
Secondary Schools	21,433	18,440	15,324	4,300	59,496	(869)	(525)	(552)	(56,842)	(708)	0
Total Capital Investment Programme	137,604	167,741	105,797	58,169	469,310	(48,263)	(28,272)	(128,586)	(154,610)	(11,736)	(97,844)

Executive Director: Sue Foster

The Housing Revenue Account is the ring-fenced rent account that funds the Council's activity as a landlord. Housing management services, which are the tenant-focused services arising from the Council's role as landlord, are delivered through Lambeth Living, the Council's ALMO. Frontline services are mainly provided through the telephone-based Service Centre and face-to-face reception services in area offices.

Housing Property and Technical Services is responsible for the physical management of housing stock, as opposed to Housing Management's tenancy management function. Key activities are managing the responsive and planned repairs and the delivery of the capital programme.

The Council continues to provide the housing regeneration activity that is key to developing the borough and its estates, as well as the statutory strategic function.

Subjective analysis summary

	2011/12 Net budget £000	2012/13 Net budget £000
Government grants	(6,886)	0
Other grants, reimbursements and contributions	0	0
Interest	0	0
Customer and client receipts – internal	0	0
Customer and client receipts – external	(158,466)	(165,103)
Total controllable income	(165,352)	(165,103)
Employees	7,471	6,907
Premises related expenditure	55,012	57,273
Transport related expenditure	19	11
Supplies and services	5,558	10,377
Third party payments	37,153	34,759
Transfer payments	(9,045)	1,744
Total controllable expenditure	96,168	111,071
Net controllable expenditure	(69,184)	(54,032)
Internal recharge income	(7,765)	(3,928)
External recharge income	0	0
Total non-controllable income	(7,765)	(3,928)
Support services	13,403	10,763
Capital financing, interest payable, appropriations etc.	63,546	47,197
Total non-controllable expenditure	76,949	57,960
Net non-controllable expenditure	69,184	54,032
Net expenditure	0	0
2011/12 working budget		0
Transfers and adjustments		(7,276)¹
Savings		(5,100)²
Growth		12,376³
2012/13 net budget		0

Notes:

1. £7.3m adjustment due to 7.21% rent rise
2. £5.1m savings in Lambeth Living delegated budgets
3. £12.4m growths: £3.0m HRA Self-Financing, £1.7m Area Offices, £3.5m Planned Maintenance, £0.5m Hostels, £1.2m PFI, £2.5m Retained Central Client Budgets

Appendix C: Glossary of Local Government Finance

Area Based Grant (ABG)

A non-ring fenced government grant to local authorities, introduced in 2008/09 to replace a series of **specific grants**. Government guidance states that local authorities are free to use the totality of their non ring-fenced funding as they see fit to support the delivery of local, regional and national priorities in their areas. Major elements of ABG were "rolled in" to **Formula Grant** in 2011/12.

Arm's Length Management Organisation (ALMO)

An organisation set up to manage housing stock and deliver the Decent Homes Agenda.

Billing authority

A local authority empowered to set and collect **Council Tax** and manage the **Collection Fund** on behalf of itself and **precepting authorities** in its area. Lambeth is a billing authority.

Budget

The Council uses cash-limit budgeting to control its expenditure by restricting services to a specified cash amount. Service managers must regularly monitor their expenditure against budget during the year to ensure the limit is not exceeded.

The **revenue** budget is a financial statement of planned expenditure required to deliver the Council's policies over the financial year. It is illegal to budget in excess of available resources.

The budget requirement is calculated in advance of each year. It is, broadly, Lambeth's estimated net revenue expenditure as funded by **Formula Grant** and **Council Tax**.

Capital

Expenditure for the purchase or 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. See also "the Capital Investment Programme" in Appendix B.

Capital receipts

The proceeds from the sale of land, buildings and other capital assets. Strict rules govern their use: they cannot be used for **revenue** purposes. See also "the capital investment programme" in Appendix B.

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.

Payments to the **General Fund** are known as the demand on the Collection Fund. The amount is the authority's share of total **Council Tax** collected.

Cooperative Council

A cooperative council encourages residents to take a bigger role in running and shaping local services.

Council Tax

This local tax is essentially a tax based on the value of property, with a range of discounts and exemptions according to circumstances.

Council Tax is set by both the **billing authority** (London Borough of Lambeth) and **precepting authority** (Greater London Authority). See also Section 1.

Council Tax Base

The number of Band D equivalent properties in a local authority's area, calculated by using ratios to convert properties in other bands to a Band D and then scaling down the total to reflect discounts given and collection rate. The number is then used as a proxy for calculating **levies** and the like and also calculating total income from **Council Tax**. See also Section 1.

Council Tax Benefit

Financial help given to taxpayers whose income falls below prescribed amounts, substantially covered by a specific government grant. 2012/13 is the last year in which this benefit will exist. From 2013/14 it will be replaced by localised support systems under the provisions of the Localism Act 2011. Local systems will operate via discounts to Council Tax bills rather than subsidy. This will impact the comparability of the figures in this year's budget and next, particularly the **Council Tax Requirement** and **Council Tax Base** figures.

Council Tax Freeze Grant

Extra funding offered by Government to **billing authorities** if they agree to freeze or reduce Band D **Council Tax**, in the form of an un-ringfenced grant – equivalent to a 2.5% increase. In exchange for a freeze in 2011/12 Council Tax, funding was offered for all four years of the **Spending Review** period. Every local authority in England accepted this offer. A separate and independent offer was made for one year's funding only, in exchange for a freeze in 2012/13 Council Tax. By holding its Council Tax at the same level in 2012/13, Lambeth will also receive this second grant.

Council Tax Requirement

The amount of council tax a billing authority must collect in order to balance its budget. It is equal to the gross expenditure budget, less all other income including Formula Grant. The Council Tax Requirement divided by the Council Tax Base gives the Band D rate that must be charged.

Dedicated Schools Grant

A ring-fenced grant to fund schools. It is distributed on a formula basis.

Department for Communities and Local Government (DCLG)

The central government department responsible for, among other things, distributing Formula Grant to local authorities.

Fees and charges

Income received as payment for services provided – for example, leisure centre entry or car parking charges. These charges are reviewed annually as part of the annual budget process.

Formula Grant

The collective term for **Revenue Support Grant** and **NNDR** income. It is not tied to any specific service. In 2011/12, a raft of **specific grants** were "rolled into" Formula Grant, which had the effect both of creating an apparent increase in Formula Grant and also shifting certain decision-making responsibilities from central to local government. It is easier to see the true movement from 2011/12 to 2012/13 as these grants have already been rolled in; however the picture is distorted by the inclusion of **Council Tax Freeze Grant** in Formula Grant allocations. A fuller definition and discussion is included in Section 1.

FTE

Full time equivalent staff; the total number of staff working 35 hours per week, as opposed to the total head count, which could be higher (staff working part time) or lower (temporary vacancies).

General Fund

This is the main revenue account and covers the day-to-day spending requirements of providing services. It is paid for out of Lambeth's share of **Council Tax** and **Formula Grant**, specific grants and fees and charges. It also includes the cost of services provided by other bodies which make a **levy**. It is clearly segregated from the **Housing Revenue Account**.

Housing Revenue Account (HRA)

A statutory account which contains all expenditure and income to fund council housing - in effect, a landlord account. The HRA must be kept entirely separate from the **General Fund** and the account must balance. Local authorities are not allowed to make up any shortfall on the HRA from the **General Fund**, and any surpluses or deficits must be retained within the HRA. No costs may be charged to **Council Tax** or business rate (**NNDR**) income. 2012/13 is the first year under a new system of HRA finance where the HRA subsidy system has been replaced with a locally controlled system.

Levy

A statutory payment for services to organisations such as the Environment Agency and the London Pension Fund Authority. The cost is split between authorities on the basis of **Council Tax Base**.

National Non-Domestic Rates (NNDR)

This is a nationally set rate on non-domestic properties, more commonly known as “business rates”. They are collected by **billing authorities** as agents for central Government via the **Collection Fund** and then redistributed to local authorities within **Formula Grant**.

Bills are based on rateable values as assessed by the District Valuer (a Valuation Office Agency official) which is then multiplied by the NNDR poundage set by the Treasury for the year.

From 2013/14, the reforms to the NNDR system under the Localism Act 2011 will enable the retention of locally collected business rates. This will complicate year-on-year comparisons between this year's budget and next.

Precept

A charge on the **Collection Fund** by another public body (a **precepting authority**), determined by legislation. The Greater London Authority, for example, obtains some of its income by precepting the **Collection Funds** of the London boroughs (it also receives its own **Formula Grant**.)

The precept is incorporated within the **Council Tax** charge, the breakdown between the London Borough of Lambeth and the Greater London Authority being clearly displayed accordingly on bills. The **billing authority** is required to pay over the amount demanded on agreed dates.

Precepting authority

An authority, such as the Greater London Authority, deriving some or all of its income by charging a **precept** via a **billing authority**.

Prudential Code

The Prudential Code frees authorities to set their own borrowing limits (with regard to affordability). In order to demonstrate that this has been done, and to enable their adherence to be monitored, authorities have to adopt a number of appropriate “Prudential Indicators.”

Recharges

An internal charge for services provided by one part of the Council to another part, such as printing and accountancy services. The majority of internal recharges in Lambeth are paid to Facilities Management and Corporate Procurement, both in the Finance and Resources department.

Relative Needs Formula

This calculates each authority's notional need to spend on its main services based on demographic and service data and measures of deprivation. There are separate blocks for Children, Adult Social Services and Highway Maintenance, amongst others. The system is not designed to prescribe how much an authority should spend, but rather to provide a fair basis for distributing **Formula Grant**.

Reserves

Funds set aside to meet future expenditure. **Revenue** account reserves can be for general contingencies and to provide working balances, or earmarked for specific future expenditure.

Revenue

The regular day to day running costs an authority incurs in providing services, as distinct from **capital** expenditure (under the Local Government & Housing Act 1989, all expenditure is regarded as revenue unless specifically classified as capital.) In a general sense, revenue expenditure (and income) arises from recurring items such as running services, interest, and annual debt repayments.

Revenue spending power (RSP)

The aggregate of **Council Tax**, **Formula Grant**, other **specific grants** and NHS funding for social care that also benefits health. The government used this alternative measure of resources to assess whether local authorities would receive the **Transition Grant** in 2011/12 and 2012/13.

Revenue Support Grant (RSG)

A component of **Formula Grant**, along with **NNDR**. It is notionally based on the **Relative Needs Formula** for each authority.

Settlement

The process by which central Government awards funding to local government for a period of one or more following years. The settlement for 2011/12 with provisional figures for 2012/13 was published in December 2010. The figures were statutorily confirmed in January 2012, the only difference being the inclusion of **Council Tax Freeze Grant** monies in the overall **Formula Grant** allocation.

Service and Financial Planning (SFP)

The process by which Lambeth sets its budget, details of which are given in Section 1.

Specific grants

The Government funds certain services (mostly in education or children's and adults' social care) outside the **RSG** system via specific grants – a major example is Housing Benefit subsidy. Some specific grants are also ring-fenced, but their number and importance looks set to shrink massively as a result of the Coalition government's 2011 **Settlement**, under which several major specific grants ceased to be specific and were "rolled in" to **Formula Grant**.

Spending Review 2010

A series of announcements in late 2010 of planned government spending over the period April 2011 to March 2015. The government's planned total spending on Formula Grant for each of the four years was confirmed, although individual councils' allocations were only provided for 2011/12 and 2012/13. Lambeth has based its SFP process around this cycle, using prudent estimates of future allocations to set its savings targets at £94.5m over the four-year period.

Subjective analysis

Lambeth uses the subjective expenditure classification recommended by the Chartered Institute of Public Finance and Accounting (CIPFA), whose headings are as follows:

Employees: the cost of employee expenses, both direct and indirect (eg staff salaries)

Premises related expenditure: expenses directly related to the running of premises and land (eg rental costs of office accommodation)

Transport related expenditure: all costs associated with the provision, hire, or use of transport (eg lease costs of vehicles)

Supplies and services: all direct supplies and service expenses (eg stationery)

Third party payments: payments to external providers or internal service delivery units defined as trading operations (eg waste disposal contract payments)

Transfer payments: the cost of payments to individuals for which no goods or services are received in return (eg Housing Benefit)

Support services: charges for services that support the provision of services to the public. These charges are apportioned or allocated to the service divisions which they support (eg payroll services)

Capital charges: the revenue impact of capital items in the service revenue accounts (eg depreciation)

Support services and capital charges are considered "non-controllable expenditure," meaning that budget holders have little or no control over the level of these charges. All of the other categories above are "controllable expenditure" which can be directly influenced by management decisions.

Transition Grant

An extra **revenue** grant paid to authorities in 2011/12 and 2012/13 whose **revenue spending power** would otherwise have reduced by more than 8.8% against 2010/11 levels. The grant awarded would effectively "cap" the loss at 8.8%. Lambeth did not qualify for this grant.

Appendix D: Contacts and Further Reading

If you require more information on the Council's budgets or financing, the following senior officers might be able to help. The names of officers specifically responsible for individual divisions can also be found in Section 3.

Adults' and Community Services

Maria Millwood	Divisional Director Resources	(020) 7926 4843	mmillwood@lambeth.gov.uk
Peter Hesketh	Assistant Director of Finance	(020) 7926 9909	phesketh@lambeth.gov.uk

Children and Young People's Services

Farrukh Akbar	Divisional Director Resources	(020) 7926 9774	fakbar@lambeth.gov.uk
Dunni Komolafe	Head of Finance	(020) 7926 9732	dkomolafe@lambeth.gov.uk
Nilesh Jethwa	Head of Schools Finance	(020) 7926 9728	njethwa@lambeth.gov.uk

Finance and Resources (incorporating **Corporate Finance**)

Guy Ware	Divisional Director Corp Finance	(020) 7926 9673	gware@lambeth.gov.uk
Frank Higgins	Chief Accountant	(020) 7926 9316	fhiggins@lambeth.gov.uk
Tim Harlock	Head of Finance	(020) 7926 9386	tharlock@lambeth.gov.uk
Nicola Drito-Andi	Group Manager Strategic Finance	(020) 7926 3445	ndrito-andi@lambeth.gov.uk
Patrick White	Group Finance Manager, F&R	(020) 7926 0243	pwhite@lambeth.gov.uk

Housing, Regeneration and Environment

Christina Thompson	Divisional Director, Resources	(020) 7926 5302	cthompson3@lambeth.gov.uk
Hamant Bharadia	Assistant Director of Finance	(020) 7926 9153	hbharadia@lambeth.gov.uk

Office of the Chief Executive – as per **Finance and Resources**, except:

Surma Khatun-Uddin	Group Finance Manager, OCE	(020) 7926 8961	skhatun-uddin@lambeth.gov.uk
--------------------	----------------------------	-----------------	--

You may also find these publications interesting or helpful:

- Lambeth Council Tax guide 2012/13
- Lambeth Statements of Accounts (SoA):
 - the audited 2010-11 SoA is published on Lambeth's [website](#)
 - the 2011-12 draft SoA will be presented to Corporate Committee in June 2012
- Lambeth Budget Report and appendices agreed at Council [meeting](#) of 29 February 2012
- HM Treasury's Autumn [Statement](#) 2011
- DCLG Local Government Finance [Settlement](#) 2012/13