

How Lambeth council's money will be spent

The challenging financial climate has meant that the Council has had to deliver services with significantly less Central Government funding whilst also managing uncontrollable costs. This has led to the Council adopting a process of "Resource Allocation" to set its annual budget.

This approach has resulted in the Council focussing on allocating its resources to outcome panels which reflect what Lambeth residents have stated as being their priorities. These outcomes are further detailed in the Community Plan.

Having established these broad outcomes, the Council is committed to "Cooperative Commissioning." This will involve working with Lambeth residents and businesses to develop new ways to deliver services and also identify necessary savings.

In 2015/16, the Council's core funding is defined as Central Government funding through Business Rates and other grants, Council Taxes from residents and fees and charges.

General Fund

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

Revenue Expenditure

Revenue Expenditure is defined as the regular day-to-day running costs that an organisation incurs in the provision of services. For example this could include, the cost of employing staff, paying for supplies and utilities, maintaining buildings etc. The table overleaf shows how the Council's resources have been allocated by Outcome Panel.

2015/16 Revenue Budgets (compared with 2014/15)

Outcome Panel	2014/15 Net Budget £'000	2015/16		
		Council Spending £'000	Money raised from grants, fees and charges £'000	Net Budget £'000
Community Wellbeing	166,926			152,145
Neighbourhoods, Environment & Sustainability	46,097			38,422
Housing, Jobs & Investment	13,740			12,575
Enabling	53,338			50,338
Corporate Items	34,729			37,588
Budget Requirement	314,830	922,775	(631,707)	291,068
Settlement Funding Assessment and Other Income	(229,546)			(198,793)
Lambeth Council Tax requirement	85,284			92,275
Greater London Authority (GLA) Council Tax requirement	27,559			28,845
Total Council Tax Requirement	112,843			121,120

Calculating the Council Tax rate

	2014/15	2015/16
Council Tax Base (number of Band D equivalent properties)	92,170	97,780
Lambeth Band D Council Tax	£925.29	£943.70
GLA Band D Council Tax	£299.00	£295.00
Total Band D amount	£1,224.29	£1,238.70

Taking the Council Tax base and multiplying it by the Band D equivalent of Council Tax provides the Total Council Tax Requirement, the sum required to run the services of Lambeth and the GLA share, after Government grants and other income.

Change in Net Revenue Budget

Change in Net Revenue Budget	£'000
Lambeth Budget 2014/15	314,830
Net Savings	(23,762)
Lambeth Budget 2015/16	291,068

Outstanding Loans as at 31/03/15

Type of Borrowing	£'000
Opening Public Works Loans Board Debt	412,717
In Year Movement	-
Closing Public Works Loans Board Debt	412,717

The Council has borrowed money in the past from the Public Works Loans Board, a Government agency, to assist in funding its capital expenditure. No borrowing was required in 2014/15 as the Council funded the expenditure from internal resources.

Capital Budgets

The Council's 2015/16 budget for capital expenditure (see below) is shown in the table below, summarised by Community Outcomes. Capital budgets can be funded through capital grants, proceeds from selling assets as well as borrowing.

2015/16 Capital Projects by Outcome Panel	£'000
Community Wellbeing	61,985
Neighbourhoods, Environment & Sustainability	7,135
Housing, Jobs & Investment	127,660
Grand Total	196,781

Capital Expenditure

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