



OVERVIEW AND SCRUTINY COMMITTEE SECOND DESPATCH AGENDA PACK

Date: **Wednesday 13 November 2019**

Time: **7.00 pm**

Venue: **Committee Room (B6) - Lambeth Town Hall, Brixton, London, SW2 1RW**

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Members of the Committee

Councillor Tim Briggs, Councillor Danial Adilypour (Vice-Chair), Councillor Liz Atkins (Chair), Councillor Mary Atkins (Vice-Chair), Councillor Jonathan Bartley, Councillor Maria Kay, Councillor Stephen Donnelly, Councillor Joshua Lindsey and Councillor Lucy Caldicott

Co-opted Members

Lynette Murphy-O'Dwyer (Statutory Education Co-optee)
Frank Roberts (Statutory Education Co-optee)
Simon Funnell (Parent Governor Co-optee)
Baboucarr Jallow (Parent Governor Co-optee)

Substitute Members

Councillor Marcia Cameron, Councillor Dr. Mahamed Hashi, Councillor Marianna Masters and Councillor Scarlett O'Hara

Further Information

If you require any further information or have any queries please contact:
Gary O'Key, Senior Democratic Services Officer; Tel: 020 7926 2183; Email: gokey@lambeth.gov.uk

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Map



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Brixton Underground and Overground Stations are a 7 minute walk way.

AGENDA

PLEASE NOTE THAT THE ORDER OF THE AGENDA MAY BE CHANGED AT THE MEETING

	Page Nos.
6. Financial Planning Report 2019/20 to 2023/24	1 - 24

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Cabinet

18 November 2019

Financial Planning Report 2019/20 to 2023/24

Wards: All

Report Authorised by: Strategic Director Finance and Investment: Fiona McDermott

Portfolio: Cabinet Member for Finance, Councillor Andrew Wilson

Contact for enquiries: Group Manager – Strategic Finance: Amaris Wong,
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Report summary

In 2018, the council passed a difficult four-year financial strategy under the pressure of £38 million of savings due to cuts from central government. Since then, there has been a deepening of the Brexit uncertainty, the scrapping of a longer term Spending Review in favour of a series one off funding announcements for the coming year, as well as the uncertainty about the future of the London's Business Rates pilot which was supposed to be the future direction of local government funding.

Once again, the Council are developing our four-year financial strategy at a time when we only have funding certainty from central government for the first year. At a time of such huge uncertainty, we need to manage our finances prudently to ensure we can continue to fund the core services our residents rely on.

Austerity is far from over. Small rises in the cash limit for the coming year do not mitigate the actual spending need in areas like special educational needs, school funding and social care. Over the next four years, rising demand and further government cuts means the council must find a further £6m.

Despite the scale of the challenge, the council's Medium-Term Financial Strategy (MTFS) focuses on protecting most front-line services from major cuts and identifies the bulk of savings from new income. In particular, the main focus will be on raising income within Residents Services and savings from back office functions.

This is in line with what Lambeth residents told us they wanted to see from the council in the 2018 MTFS consultation. In addition, we have listened to residents who told us they wanted to see increased investment in tackling violence that affects young people, in providing opportunities for young people and in tackling climate change.

We are revising our Medium-Term Financial Strategy in a period of unprecedented uncertainty; the expected four-year Comprehensive Spending Review (CSR) did not take place, instead a one-year

Spending Round was announced by the Chancellor in September. Major reforms such as the Local Government Fair Funding Review, as well the national business rates retention deal have been postponed until 2021/22. In addition, we still await the Green Paper on adult social care originally promised for this December but is now to be advised. The council reported in the July Finance Planning Report an updated position on the MTFs since the Budget Report in February 2019. This report updates that position following the most recent Spending Round.

All sixteen 75% Business Rates Retention Pilot Pools are not continued into 2020/21, including the London pool. However, all 34 London authorities have agreed to continue to pool business rates on 67% retention basis in preparation for the expected move to full 75% retention in the following year.

In his Spending Round announcement in September, the Chancellor extended many of the one-off funding from 2019/20 into 2020/21, as well as additional funding for social care. Local Government will have access to more than £3.5bn of additional funding in 2020/21 of which the estimated London share is £540m-£580m. Core spending power will increase by 4% real terms, an increase of almost £400m in London. We expect to receive the provisional settlement for 2020/21 in December, with the final settlement confirmed in late January. We will make any necessary changes to our MTFs as a result of the announcement in the Budget Report to Cabinet in February 2020.

Finance summary

This whole report concerns the Council's financial position.

Recommendations

Medium Term Financial Strategy

- (1) Approve the Council's Medium-Term Financial Strategy as set out within this report;
- (2) Note the continued uncertainty regarding elements of government funding, price and demand pressures and the need to ensure that budgets set each year are sustainable during the settlement period to 2023/24 and beyond;
- (3) Note the current funding gap of £6.001m for 2020/21 to 2023/24 and how we have reduced this gap through brought forward savings and new proposed savings, which are detailed within section 2;
- (4) Approve the principle of a 5-year planning cycle for capital with overall budget agreed for each delivery area.

Financial Management

- (5) Note the financial position of the Council's budget in 2019/20 and the actions in place to balance it over the period;
- (6) Note the revised total of £386m for the three-year Capital Investment Programme 2019/20 to 2021/22 as described in section 4 and summarised in Appendix 2, and with how the programme is financed within Appendix 3.

London Business Rates Pool

- (7) Approve in principle to the creation of the London Business Rates Pool for 2020/21;
- (8) Delegate authority to the Chief Finance Officer in conjunction with the Cabinet Member for Finance to agree the operational details of the pooling arrangements with the participating authorities.

1. Context

Local Government Funding

- 1.1 Councils across the country have expressed deep concern to central government about the continued impact of these cuts in funding. The cross-party Local Government Association has warned that local government in England faces an overall funding gap of almost £8bn by 2025. Its latest paper setting out the case for a new settlement for local councils highlighted the urgency in addressing the pressure in adult social care totalling £3.6bn by 2024/25, the need to close the growing gap for children's services of £3.1bn and to review high needs funding for those with special educational needs and disabilities.
- 1.2 The broad economic outlook from the Office of Budget Responsibility (OBR) is one of low growth in the gross domestic product (GDP) to 1.4% for 2020. There may be further downward adjustments as the economy contracted by 0.2% between April and June of 2019, the first time the economy has contracted since 2012. Whilst local government funding is due to grow by 4% real terms for 2020/21, between 2010 and 2020 central government funding to local government is due to reduce by 63% in real terms. Brexit is occupying the full capacity of the government and will continue to do so leaving little scope for the public sector challenges facing local government. Some short-term fixes have been announced but the reform required has not been given the attention it deserves.
- 1.3 The new CSR promised for the four years 2020/21 to 2023/24 was postponed by one year in favour of a single year Spending Round for 2020/21. The CSR is still expected to include the outcome from the Local Government Fair Funding Review as well as the national business rates retention deal which sees increased reliance on local taxation. In addition, we still await the Green Paper on Adult Social Care, delayed until next year.
- 1.4 In his Spending Round announcement in September, the Chancellor extended many of the one-off funding from 2019/20 into 2020/21, as well as additional funding for social care. We expect to receive the provisional settlement for 2020/21 in December, with the final settlement confirmed in late January. We will make any necessary changes to our MTFS as a result of the announcement in the Budget Report to Cabinet in February 2020.
- 1.5 Whilst, the Spending Round provided greater clarity on funding to the end of 2020/21 but there remains uncertainty around our funding position in the medium term. We need a prudent and realistic basis to work from, so in our current MTFS we have modelled future Government funding to remain constant over our MTFS period. Therefore, it needs to be understood that the funding figures we are currently working to are indicative only, and likely to change as we get closer to the CSR year. However, we ensure our MTFS is organic and each year we update the MTFS to capture changes in funding and any new pressures which have arisen.

Chancellor Spending Round Announcements

- 1.6 In his Spending Round announcement in September, the Chancellor extended many of the one-off funding from 2019/20 into 2020/21, as well as additional funding for social care. The main announcements were:
 - Local government will have access to more than £3.5bn of additional funding in 2020-21 (we estimate £3.8bn) and the estimated London share is £540-580m.
 - Core Spending Power will increase by 6% (4% in real terms): an increase of almost £400m in London.

- SFA will increase in line with the business rates multiplier (i.e. CPI inflation) next year (the Government estimate is 2.1%) – the London increase will be £56m.
- Negative RSG will continue uprated by the multiplier (three boroughs will receive this in London).
- £1bn of new grant funding was announced for adult and children’s social care (to be distributed using the adult social care relative needs formula) London boroughs will receive £160m.
- All the existing grant funding within core spending power (including for adult social care and new homes bonus) is expected to continue.
- An Adult Social Care Precept of 2% as well as main Council Tax referendum limit of 2% in 2020-21. If Lambeth chooses to apply the precept, the additional council tax generated will be £2.5m.
- Public Health Grant will increase by around £90m nationally (2.8%). The increase for London boroughs is estimated to be around £18m.
- Overall schools funding will increase by £2.6bn in 2020-21 rising to £7.1bn by 2022/23. This includes a £700m increase in the High Needs block.
- The following were also announced with no indication yet of distribution:
 - An extra £54m to reduce homelessness and rough sleeping
 - A £40m increase in Discretionary Housing Payments
 - The continuation of the Troubled Families programme but the overall amount is not yet confirmed.
 - £24m for the Building Safety Programme for fire safety.
 - £66m increase in Early Years funding
 - £400m increase in FE funding
 - £30m increase in Air Quality funding.

1.7 Where existing 2019/20 social care funding streams (winter pressures grant and social care support grant) were confirmed to roll forward into 2020/21. For Lambeth, this means £6.22m will again be available in 2020/21 for winter pressures and social care.

1.8 The 2019/20 allocation was treated as one-off funding, and was not built into 2019/20 budgets, but instead this funding is available to adult social care to offset related expenditure pressures. With commitment from central government to address the long-term pressures in adult social care, this funding will be built into to budgets from 2020/21 but is not expected to fully resolve long term pressures in this area.

1.9 A further £1bn of funding in 2020/21 for adults and children’s social care was also announced. The technical consultation for the Local Government Settlement was released on 3 October and suggests the grant will not be ring fenced and no restriction on the split between adults’ and children’s social care. Early indications suggest Lambeth’s share of this funding will be £6.76m, with the split being within our remit to decide. Further work is required to decide upon the allocation between Adult and Children’s social care services, the results of which will be reported in the budget report to Cabinet in February. Whilst this new one-off funding is welcome and will help ease short term budget pressures, it will not resolve the issue of social care funding for the long term.

- 1.10 In addition, the High Needs funding for schools and colleges was increased by £700m, Lambeth share is £4.2m. Funding relating to provisions for Special Educational Needs have been under pressure for some time with shortfalls funded from DSG reserves. This funding will allow us to balance the requirements for 2020/21 year but does not address longer term issues in this area.
- 1.11 The Chancellor also announced a real terms increase in the Public Health Grant (CPI plus 1%) and the NHS contribution the Better Care Fund will increase in line with the planned additional investment in the NHS (3.4%)
- 1.12 New House Bonus is an incentive to local authorities to encourage housing growth in their areas. Currently, each year's payment will also be paid in each of the next 3 years. These legacy payments are due to be withdrawn beginning with the 2020/21 payment. This change in policy will result in a decrease of £11.2m over the planning period.

Voluntary Contribution

- 1.13 The council is limited in its powers to raise revenue from council tax by central government caps. Council tax is also not a progressive tax, as valuations are based on 1991 property values. One suggestion that residents have made in recent years is to make it easier for those who wish to contribute more to do so. The council is in early stages of exploring how this would work and how best to spend or distribute funds to groups and projects that align with residents' priorities and achieve community benefits.
- 1.14 The Voluntary and Community Sector is supported by the council in a number of ways; by the provision of accommodation at nil or low rents worth a current estimated value of some £800k; long term leases at low values that enable groups to apply for external grant funding as well as direct commissioning of services. An additional voluntary contribution would allow further direct grant funding of voluntary organisations delivering services and activities supported by the council.

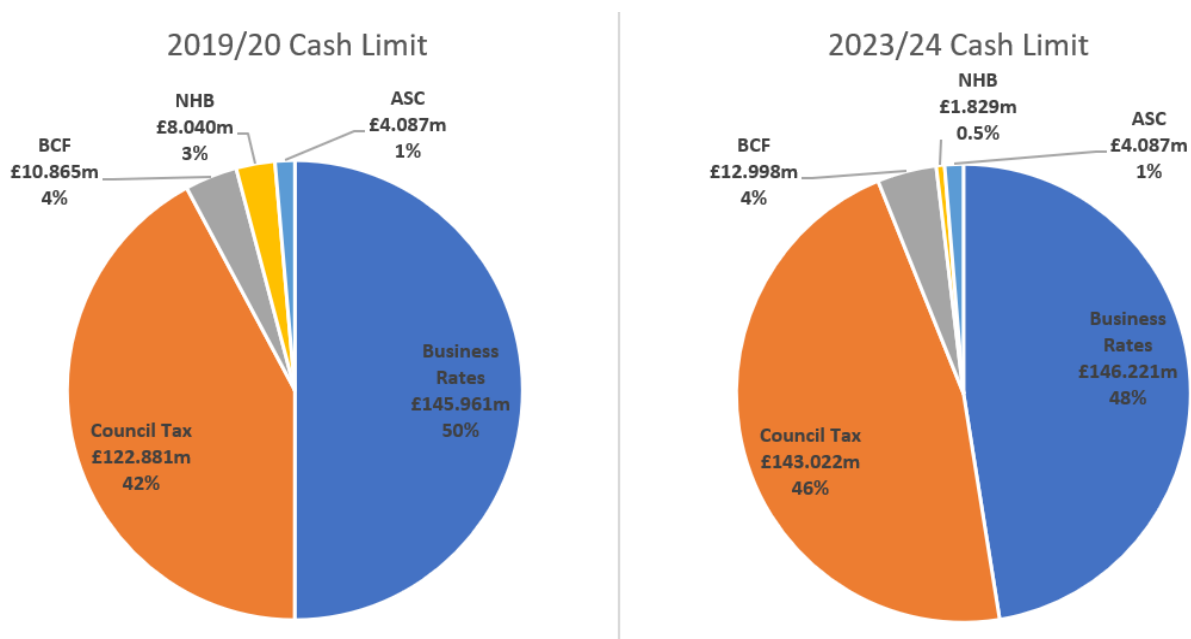
Spending Power

- 1.15 Our spending power is made up of the Settlement Funding Assessment as well as Council Tax. The pie chart below demonstrates the change in the funding mix over from this year to the end of our current MTFS (2023/24):
- The Revenue Support Grant (RSG) - this is no longer part of the cash limit in 2019/20. This has been rolled into 75% Business Rates Retention with Lambeth being part of the London Pilot Pool. However, with the end of the business rates retention pilot for 2020/21, we expect this to represent 11% of the cash limit for that year. This is expected to be for one year only as a result of the reset of Business Rates retention baselines due to take place in next year.
 - Council Tax income is 42% (£122.9m) of our 2018/19 core funding but forecast to be 46% (£143.0m) by 2023/24. It should be noted that within our MTFS we have assumed growth of Council Tax at 1.99% increase in each year from 2020/21 to 2023/24 and the application of a 2% social care precept in 2020/21. Alongside this we have also made some assumptions on the general growth of the council tax base through this period. This is subject to formal agreement in February 2020.
 - Business Rates Income - this is made up of our proportion of the business rates we retain, a top-up from central government and an allocation of section 31 grants for some business rates reliefs granted by Government - in total these are 51% (£141.4m)

of our 2019/20 cash limit. This will fall to 48% (£146.2m) of the cash limit in 2023/24 as a result of the reset of Business Rates retention baselines due to take place in next year.

- New Homes Bonus (NHB), has started to decrease over this period, in 2019/20 NHB represents 2% of the cash limit (£8.0m). The technical consultation for the 2020/21 Settlement indicates that no new legacy payments will be paid for 2020/21 allocations onwards. This change will result in the payment reducing to £1.8m in 2023/24, less than 1% of the cash limit.
- Better Care Funding (BCF) was introduced in the cash limit from 2017/18, and in 2019/20 it is 4% of the cash limit (£10.9m). The absolute value is expected to remain at this level up to 2023/24, together with the Improved BCF allocation, this will represent 4% (£13.0m) of the cash limit in 2023/24.
- Adult Social Care Support Grant, this has been awarded on a one-off basis since 2017/18 and has again been rolled forward into 2020/21. In 2019/20 this represents 1% (£4.1m) of the cash limit. We expect this level funding to continue until at least 2023/24.

Table 1 Spending Power – Core Funding 2019/20 and 2023/24



- 1.16 Whilst our spending power is forecast to stay reasonably constant to 2023/24, albeit with proportional changes, in real terms it is still reducing as the Financial Settlement does not take account of rising costs. We must manage a number of funding pressures, which are directly linked to demographic growth and demand led pressures within the borough.
- 1.17 Current government funding formulas do not take account of these pressures and are therefore not accounted for within the Financial Settlement. The demand led pressures within Adult Social Care, Children Services and Temporary Accommodation continue to grow, and we have built assumptions around these key areas within our Medium Term Financial Strategy, however, as we have seen in recent years the demand led pressures continue to grow beyond assumptions.

2. Proposal and Reasons

Borough Plan

- 2.1 The council has responded to absence of central government focus on the challenges facing local government and the financial pressures placed on public services and has coped well. Since the publication of the Borough Plan in 2016 the context in which the public sector is operating has changed, including the decision to leave the European Union and Lambeth's declaration of a climate change emergency.
- 2.2 A review of the Borough Plan was reported Cabinet in July 2019 and set out the goals to focus on over the next two years:
- Enabling growth and development in the borough
 - Using the benefits of that growth to build community resilience
 - Reform the way we commission and deliver services with our partners to provide and promote care and independence
 - Making Lambeth a place where people want to live, work and invest
- 2.3 How we will do it:
- By tackling inequality. There are persistent inequalities of opportunity and outcome in the borough and we will continue to challenge this, including by following the recommendations of the Lambeth Equalities Commission.
 - By collaborating. Working with our communities and mobilising our partnerships will enable us to achieve the best possible outcomes for Lambeth.
 - By being transparent. We need to promote trust and confidence so that we can work together with our communities and our partners.
 - By delivering value for money. We must ensure that maximise our financial returns and increase the sustainability of the local economy.

Medium Term Financial Strategy

- 2.4 The MTFS aims to provide relative protection to frontline services, recognising the extent of savings and efficiencies achieved in previous years. We have worked to ensure that our financial strategy supports the delivery of the Borough Plan and supports its goals by ensuring we have a refined focus on our service provision for both vulnerable children and adults; helping to bridge the inequality gap. In parallel, however, we must continue to focus on our universal service provision to enable us to manage within the ever-decreasing cash limit.
- 2.5 The financial strategy relies on the priorities in the Borough Plan to drive inclusive growth and have strong and sustainable neighbourhoods. Lambeth must support inward development because this provides funding for the Capital Investment Programme through Community Infrastructure Levies (CIL) and S106 income, to further contribute to our Borough Plan aspirations.

Moving to 5-year capital planning cycle

- 2.6 Historically capital receipts have been the primary funding source for capital projects but going forward we expect to have much smaller amounts of capital receipts available and therefore will need to use prudential borrowing to finance a proportion of the capital

programme. This in turn means there will be a revenue impact to pay interest and to set aside funds to repay the borrowing.

- 2.7 The MTFS has been updated to reflect this need to borrow and gives an indication on the council's borrowing capacity for the capital programme. This has been impacted by the increase in the Public Works Loan Board (PWLB) rate increase announced in October.
- 2.8 As we plan over a longer time horizon, delivery streams have provided their indication capital requirements relating to existing assets and the capital needed to support inward investment through contributions in priority areas such as affordable workspace and housing and temporary accommodation.
- 2.9 By looking at available alternative funding such as grants, s106 or CIL for different delivery streams, we can estimate the level of borrowing required to deliver all programmes.
- 2.10 Further work on the prioritisation of delivery streams will be carried out in the coming months with the proposed capital programme for 2020/21 to 2023/24 to be included in the budget report in February 2020.

Changes to the MTFS since July

- 2.11 From the balanced MTFS position reported in the February budget report, the MTFS was updated to capture the changes in funding and expenditure pressures 2020/21 to 2023/24 and the new funding gap of £5.243m was reported to Cabinet in the 2019 July Finance Planning Report.
- 2.12 The effects of the discontinuation of NHB legacy payments, building in borrowing capacity for capital investment and other Spending Round announcements have increased the funding gap to £6.001m.
- 2.13 Savings of £6.001m have been proposed and table 2 below sets out this summary position. Work is ongoing to review opportunities for bringing savings forward and to further reduce pressures in the light of current budget performance.

Table 2

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	TOTAL 2020-2024 £'000
Total Funding Gap as per MTFS	2,866	1,843	292	1,001	6,001
Total Proposed Savings	(2,866)	(1,843)	(292)	(1,001)	(6,001)
Revised Funding Gap/(Surplus)	0	0	0	0	0

- 2.14 Table 3 below confirms the new savings proposed by directorate over the next four-year planning period, and they have helped to achieve a balanced budget over the MTFS.

Table 3

Net Revenue Budgets	2019/20 Budget £'000	Saving Proposals 2020/21 £'000	Saving Proposals 2021/22 £'000	Saving Proposals 2022/23 £'000	Saving Proposals 2023/24 £'000	Total Savings Proposed 2020-24 £'000	Total Savings % of 2019/20 Budget
Adults and Public Health	80,967	0	0	0	0	0	-
Children's Services	65,798	0	0	0	0	0	-
Resident Services	76,248	2,427	1,567	283	1,000	5,277	6.9%
Sustainable Growth and Opportunity	2,376	59	66	9	0	134	5.6%
No Recourse to Public Funds	2,930	200	0	0	0	200	6.8%
Finance and Investment	6,994	180	210	0	0	390	5.6%
Legal and Governance	3,646	0	0	0	0	0	-
Strategy and Comms	1,841	0	0	0	0	0	-
Corporate Items	46,947	0	0	0	0	0	-
TOTAL	287,747	2,866	1,843	292	1,000	6,001	2.1%

Saving Proposals 2020/21 to 2023/24

2.15 In the preparation for saving proposals, we have protected areas

2.16 This report presents to Cabinet the saving proposals which help to address the £6.001m funding gap, and the detail around these proposals can be found in Appendix 1, and a brief outline is provided in the paragraphs below.

Resident Services net budget £76.248m, have proposed a total of £5.277m of savings which is 6.9% of their budget.

- Parking income £3.527m proposed savings, through improvements in service delivery combined with a review of fees & charges with corresponding funding of services through the parking account.
- Waste Disposal £0.150m proposed savings, through an increased amount of waste being recycled and avoiding landfill and associated costs.
- Landlord Licencing £0.600m proposed savings, through a review of the service and benchmarking against of other local authorities' licencing schemes.
- Commercial Opportunities £1.000m proposed savings, through increased income associated with advertising, delivery models, infrastructure and assets.

Sustainable Growth and Opportunity net budget 2.376m, have proposed a total of £0.134m of savings which is 5.6% of their budget

- Savings through increasing grant contributions to staffing, securing additional alternative funding for arts projects and reduce Lambeth funded grants, charging the HRA for officer time on commission services for the HRA and increasing income from discretionary pre-application and PPA income.

No Resource to Public Funds net budget £2.930m, have proposed a total of £0.200m of savings which is 6.8% of their budget.

- Budget reset £0.200m proposed savings, through recognition of ongoing underspend based on current and projected demand levels.

Finance and Investment net budget £6.994m, have proposed a total of £0.390m of savings which is 5.6% of their budget.

- Savings through service redesign and staff changes in Financial Planning and Management and Financial Transactional Services, technical adjustments, contract savings and review of professional and consultancy services.

Financial Management

Revenue

2019/20 Revenue Q2 Forecast Position

- 2.17 The current position on the General Fund is a forecast overspend of £6.965m for 2019/20. This continues to be managed down and progress is monitored by Management Board and Cabinet. The forecast is shown in Table 4 below and the key pressures on budgets are summarised below. A number of the forecast pressures are demand-led and are being experienced by other councils across the country, including SEN, adult social care, and children services.
- 2.18 **Adult Social Care** is forecasting an underspend of £0.056m. There is an underlying pressure of £8.56m, partially offset by one off grant income, growth set aside to fund transitions of clients from children's services to adult social care and part of a social care grant provided to fund adults and children's social care. Although in year savings are on track to be delivered, significant growth in care package costs across adult social care continue to pressurise budgets. Most prominent areas of expenditure are in Integrated Disabilities, where supported living and residential care costs continue to increase. Although stabilised, the Older Person's service continues to overspend on homecare costs.
- 2.19 **Children's Services** are forecasting an overspend £5.625m. This includes £3m on placements with £2.2m relating to Children with Disabilities (CWD) due an increase in the number of children in receipt of care. The £1.3m forecast overspend on Education and Learning is predominately due to Special Educational Needs and Disability (SEND) transport, were the transport policy is being reviewed. There is a £1.1m forecast overspend due to the delayed implementation of the new Children Centre model. It is expected that the new model will be implemented by January 2020. Dedicated Schools Grant (DSG) is also forecast to be overspent with the main area of overspend relating to expenditure on SEND students.
- 2.20 **Resident Services** are forecast to overspend by £1.232m; predominately made up of an overspend of £1.098m for housing management and £1.899m for Business & Residential Services, mitigated by the surplus on parking income.

- 2.21 **Sustainable Growth and Opportunity** is forecasting an underspend of £0.114m.
- 2.22 **Finance and Investment** is forecasting an overspend of £0.430m.
- 2.23 **Legal and Governance** is forecasting an overspend if £0.048m.
- 2.24 **Strategy and Communications** is forecasting to breakeven.

Table 4 General Fund Forecast Outturn 2019/20

Directorate	Full Year Budget £m	FY Forecast £m	FY Variance £m	FY Variance %
Adults & Health	81.533	81.477	(0.056)	0%
Children's Services	68.188	73.813	5.625	8%
Resident Services	73.239	74.471	1.232	2%
Sustainable Growth and Opportunity	2.549	2.435	(0.114)	(4%)
NRPF	2.920	2.719	(0.201)	(7%)
Finance and Investment	7.845	8.275	0.430	5%
Legal and Governance	3.646	3.694	0.048	1%
Strategy and Communications	1.841	1.841	0	0%
Corporate Items	45.986	45.986	0	0%
TOTAL - General Fund	287.747	294.711	6.965	3%

- 2.25 The current financial performance of the council has been taken into consideration when formulating the saving proposals, as confirmed in Section 2. We are confident that current in-year pressures are being managed, and in light of the Chancellor Spending Round announcements in respect of further additional one-off funding to support Adult Social Care in 2020/21, the underlying pressures reported will be sufficiently mitigated, to allow time for the new savings to be fully embedded. The savings that are being proposed have been carefully considered across the council. The in-depth discussions have focussed on grouping savings together to understand the full package on offer and what the potential impacts and risk could be, so are able in a position before the savings are implemented to mitigate these as far as practicably possible.

2019/20 Housing Revenue Account October 2019 Forecast Position

- 2.26 The Housing Revenue Account is projecting to breakeven

Table 5 Housing Revenue Account Forecast Outturn 2019/20

	Full Year Budget £m	FY Forecast £m	FY Variance £m	FY Variance %
Housing Services (HRA)	62.306	65.461	3.155	5%
Central HRA Budgets	(78.665)	(81.537)	(2.872)	(4%)

Strategic Programmes	16.359	16.075	(284)	2%
TOTAL HRA	0	0	0	

2019/20 Capital Q2 Forecast Position

- 2.27 The Capital Investment Programme (CIP) is an amalgamation of both General Fund and Housing Revenue Account capital schemes. This was set by the Council in February 2019 reflecting the resources that were known to be available at the time. Since the Budget report in February 2019, the programme has now been re-profiled and updated with new information including the addition of new projects and finalisation adjustments for others.

Table 6 CIP Forecast Outturn 2019/20 and Total Project Forecast (2019/20 to 2021/22)

Directorate	Full Year Budget £m	FY Forecast £m	FY Variance £m	FY Variance %	Total 2019/20 to 2021/22 Budget £m	Total Project Forecast £m	Variance £m	Variance %
Adults & Public Health	1.349	1.272	(0.077)	(6%)	1.349	1.272	(0.077)	(6%)
Children's Services	1.115	0.137	(0.978)	(88%)	1.600	1.483	(0.117)	(7%)
Resident Services (GF)	76.490	52.159	24.331	(32%)	76.664	73.047	(3.617)	(5%)
Resident Services (HRA)	53.214	44.240	8.974	(17%)	147.414	148.200	0.786	1%
Sustainable Growth & Opportunity	115.062	65.745	(49.317)	(43%)	115.270	105.714	(9.556)	(8%)
Finance & Investment	27.152	14.468	(12.682)	(47%)	44.435	42.962	(1.473)	(3%)
TOTAL	274.381	178.022	96.359	(35%)	386.732	306.020	(80.712)	(4%)

- 2.28 It is expected that capital funding unspent within 2019/20 will roll forward to 2020/21, subject to confirmation that the relevant capital project is progressing in a satisfactory manner. Appendix 2 shows the analysis of this working CIP for the 3 years 2019/20 to 2021/22 by Borough Plan priorities and appendix 3 demonstrates how this 3-year CIP will be financed.

Reserve Position and Forecast

- 2.29 The Reserves Strategy sets out the Council's current approach to ensuring that the level, purpose and planned use of its reserves are appropriate in the current financial climate. Our overall approach is to use the financial strength of our balance sheet to help the Council through a period of high risk caused by severe funding reductions and economic stagnation.

- 2.30 Brexit also has the likelihood of impacting on the economy. The potential impacts of an increase in inflation and an economic slowdown have the potential to reduce local authority revenue from business rates, parking income, events, new homes bonus and council tax. It is therefore key that the council is prepared and ensures that reserves provide suitable financial resilience.
- 2.31 Table 7 below confirms our current reserve forecast position to this financial year-end, whilst also forecasting to 2024. The MTFS has set a reserve level of 10% of the net general fund budget which will be built up over the life of the MTFS.

Table 7 2019/20 to 2023/24 Reserve Forecast

	Forecast Y/E 2019/20 £m	Forecast Y/E 2020/21 £m	Forecast Y/E 2021/22 £m	Forecast Y/E 2022/23 £m	Forecast Y/E 2023/24 £m
General Fund Balances	22.927	22.927	22.927	22.927	22.927
General Fund Reserves	29.848	28.231	28.437	28.705	28.964
Total GF Balances & Reserves	52.775	51.158	51.364	51.632	51.891
HRA Reserves	24.889	25.100	25.100	25.100	25.100
Total	77.664	76.258	76.464	76.732	76.991

3. London Business Rates Pool

- 3.1 Following the Spending Round announcement, it was confirmed that the implementation of full 75% Business Rates Retention scheme would be postponed until April 2021 and that all 16 pilot pools (including London) will not continue in 2020/21. Lambeth was part of the London Business Rates Pilot Pool in 2018/19 and 2019/20.
- 3.2 As the expected net benefits of the pool were treated as one-off and amounts not finalised until after the close of each financial year, these amounts were not included in the cash limit for planning proposes. As a result, there is no immediate impact on our medium-term financial planning.
- 3.3 The pilot pool was voluntary and included all 32 London boroughs, the City of London Corporation and the Greater London Authority. This group now intends to create a non-pilot pool for the 67% retained Business Rates in order to increase the proportion of growth that remains with the pool rather than as levy payments to central government as well as preparation for the move to full 75% retention scheme to be introduced in 2021/22.
- 3.4 The estimated net benefit to the London pool is £25.4m with Lambeth's share being £0.7m and will again be treated as one-off.
- 3.5 The original pilot pool included a "no detriment" guarantee from central government, that is no participating authority could be worse off than it would otherwise be. It is not anticipated that the non-pilot pool can offer such guarantee, however, analysis shows that a significant downturn across the pool of at least 4.8% would be needed for any one borough within the pool to be worse off. For context, there have been average increases in rates of income since the 2015/16.

- 3.6 A pool has to be agreed by the Secretary of State and the outcome will be included in the provisional local government finance settlement in December. Lambeth will have 28 days to take a formal decision to take part or opt out.

4. FINANCE

- 4.1 This report is all about the Council's financial position and the implications of this for service planning and delivery.

5. LEGAL AND DEMOCRACY

- 5.1 This proposed key decision was entered in the Forward Plan on 3 June 2019 and the necessary 28 clear days' notice has been given. The report will be published for five clear days before the decision is considered by Cabinet. Should it be approved, a further period of five clear days, the call-in period, must then elapse before the decision becomes effective. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.
- 5.2 The Council has a duty to maintain a balanced budget throughout the year and, accordingly, members are required to regularly monitor the Council's financial position. In implementing the Council's financial strategy for 2019/20 and subsequent years, members will need to balance the proposed level of expenditure in discretionary areas of service provision against that required to ensure that the Council complies with its statutory duties.
- 5.3 Section 28 of the Local Government Act 2003 imposes a duty on the Council to monitor its budgets throughout the financial year, using the same figures for reserves as were used in the original budget calculations. The Council must take necessary appropriate action to deal with any deterioration in the financial position revealed by the review.
- 5.4 The Housing Revenue Account is a ring-fenced account. Transfers to and from the account are prescribed.
- 5.5 In reaching decisions on these matters, members are bound by the general principles of administrative law. Lawful discretions must not be abused or fettered, and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account, and any decision made must not be such that no reasonable authority, properly directing itself, could have reached. Members must also balance the interests of service users against those who contribute to the Council's finances. Monies may not be expended thriftlessly and the full resources available to the Council must be deployed to their best advantage. Members must always also act prudently and in a business-like manner.
- 5.6 In considering the advice of officers, and the weight to be attached to that advice, members should have regard to the personal duties placed upon the Director of Finance (DoF) as Chief Financial Officer. The Chief Financial Officer is required by Section 151 of the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements. In the event that the Council's overall financial position worsens considerably during the remainder of 2018/19, the DoF will need to have regard to the statutory obligations which are placed on her personally when deciding on any particular actions to be recommended to Members to address her concerns.
- 5.7 This proposed key decision was entered in the Forward Plan on 08 June 2018 and the necessary 28 clear days' notice has been given. The report will be published for five clear days before the decision is approved by Cabinet. A further period of five clear days, the

call-in period, must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

- 5.8 Section 149 of the Equality Act 2010 sets out the public sector equality duty, i.e. that all public bodies are under an obligation to have 'due regard' to eliminating unlawful discrimination, advancing equality and fostering good relations in the contexts of age, disability, gender reassignment, pregnancy, and maternity, marriage and civil partnership, race, religion or belief, sex and sexual orientation
- 5.9 Section 149 (1)(b) of the Act states that: a public authority must, in the exercise of its functions, have due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. Part of the duty to have "due regard" where there is disproportionate impact will be to take steps to mitigate the impact and the Council must demonstrate that this has been done, and/or justify the decision, on the basis that it is a proportionate means of achieving a legitimate aim. Accordingly, there is an expectation that a decision maker will explore other means which have less of a disproportionate impact.
- 5.10 The Equality Duty must be complied with before and at the time that a particular policy is under consideration or decision is taken – that is, in the development of policy options, and in making a final decision. A public body cannot satisfy the Equality Duty by justifying a decision after it has been taken.

6. CONSULTATION AND CO-PRODUCTION

- 6.1 This report has been produced with contributions throughout the council. Where proposals involve changes in service provision or fees and charges, we aim to communicate and work with residents and other stakeholders to ensure we make best use of the resources we have to achieve the goals set out in the Borough Plan.
- 6.2 Where specific proposals give rise to the need for formal consultation then existing consultation processes will be followed prior to implementation.

7. RISK MANAGEMENT

- 7.1 None for the purposes of this report.

8. EQUALITIES IMPACT ASSESSMENT

Our Organisational Approach to Equalities

- 8.1 Lambeth Council has a firm political and organisation commitment to reducing inequality. 'Achieving fairness for all' is a commitment which is embedded within the current administration's political manifesto. The council's four-year partnership strategy Future Lambeth: Our Borough Plan for 2016-21, also emphasises the council's ambition to make Lambeth a stronger, fairer and more prosperous borough through inclusive growth; reducing inequality; and building strong and sustainable neighbourhoods. It sets out a range of priority outcomes relating to the strategic objective of reducing inequality.
- 8.2 The Lambeth Equality Commission, which reported in July 2016, also proposed a set of areas that the council needs to focus on to reduce inequality in the borough. These were:
- Tackling education underachievement
 - Tackling low pay and poor working conditions

- Council workforce leadership and diversity
- Reducing the impact of crime on Lambeth’s young people

8.3 The council’s decisions about where to make savings; where to invest; and how to transform services are informed by the strategic objectives and priorities set out in the Borough Plan, and by the priorities recommendations areas set out by the Lambeth Equality Commission. Furthermore, the council has prioritised those areas and functions that will enable us to encourage economic growth, foster resilience, deliver care and foster independence and create positive places and spaces for citizens and residents of Lambeth.

9. COMMUNITY SAFETY

9.1 None for the purpose of this report.

10. ORGANISATIONAL IMPLICATIONS

Environmental implications

10.1 None for the purpose of this report.

Staffing and accommodation implications:

10.2 None for the purpose of this report.

11. TIMETABLE FOR IMPLEMENTATION

11.1 None

Audit trail				
Consultation				
Name/Position	Lambeth directorate / department or partner	Date Sent	Date Received	Comments in para:
Fiona McDermott, Strategic Director	Finance & Investment	18/10/19	21/10/19	
Christina Thompson, Director of Finance and Property	Finance & Investment	18/10/19	21/10/19	Throughout
Alison McKane, Legal Services	Legal and Governance	18/10/19	24/10/19	
Wayne Chandai, Democratic Services	Legal and Governance	18/10/19	24/10/19	5.1
Councillor Andrew Wilson Cabinet Member	Finance and Performance	18/10/19	24/10/19	Throughout

Report history	
Original discussion with Cabinet Member	Ongoing
Report deadline	06/11/2019 (Cabinet)
Date final report sent	
Report no.	
Part II Exempt from Disclosure/confidential accompanying report?	No

Key decision report	Yes
Date first appeared on forward plan	03/06/2019
Key decision reasons	Financial
Background information	<p>Revenue & Capital Budget 2019/20 – 2021/22 https://moderngov.lambeth.gov.uk/ieDecisionDetails.aspx?AllId=3655 <u>2</u></p> <p>July Finance Planning Report 2019/20 – 2023/24 https://moderngov.lambeth.gov.uk/documents/s107303/2019%20July%20FPR%2011072019.pdf</p> <p>Draft Statement of Accounts 2018/19 https://www.lambeth.gov.uk/sites/default/files/Draft-statement-of-accounts-2018-19_0.pdf</p>
Appendices	<p>Appendix 1 - 2019-2023 Saving Proposals Appendix 2 - Capital Investment Programme (CIP) 2019/20 to 2021/22 Appendix 3 - Financing of CIP 2019/20 to 2021/22 Appendix 4 - Equalities Impact Assessment</p>

Directorate	Saving Proposal	Saving Category	Cabinet Member	2020/21 Saving £'000	2021/22 Saving £'000	2022/23 Saving £'000	2023/24 Saving £'000	2020-24 Total Saving £'000	Savings Description	Risks	Risk Mitigation
Resident Services	Parking Income	Income Generation	Clr Holland	2,427	817	283	0	3,527	A new organisational structure went live in August 2019/20 which has an additional cost of £182k. This is growth within our back office to be able to handle increased levels of correspondence related to PCNs and Permits. There will be additional costs related to the purchase of new CCTV Cameras. It is intended that these will be funded through the parking reserves. There will be additional contract costs for the provision of additional enforcement resource. The cost for an additional 20 Civil Enforcement Officers, if able to recruit and maintain resource levels is likely to be in the region of £700k p.a. However, resources and contract costs related to the maintenance of our Pay & Display machines and cash collection services will generate savings of £450k p.a.	<ul style="list-style-type: none"> Improvements in customer compliance will result in lower levels of enforcement Delays or postponement to the introduction of CPZs will impact on permit income Motorists opt for more sustainable transport and sell their vehicles, thereby reducing paid for parking An increase in enforcement activity may result in the need to increase our PCN cancellation budget as well as our bad debt provision Revised fees & charges are not approved 	<ul style="list-style-type: none"> If there are better levels of compliance, enforcement resource could potentially be redeployed to tackle environmental crime (littering, dog fouling, spitting, street urination) The service will continually monitor fees & charges and introduce additional service offerings to ensure the costs to deliver the service are covered We will continue to monitor demand for paid for parking spaces and, if necessary, review alternative ways to utilise kerbside space effectively. Monitor the quality of our PCN issuance continuously to minimise the need to cancel PCNs and meet monthly with finance to ensure there is sufficient bad debt provision.
Resident Services	Increased Income from Landlord Licensing	Income Generation	Clr Holland	0	600	0	0	600	Based on the licensing scheme undertaken in other authorities there is an opportunity to review the service and increase the income	<ul style="list-style-type: none"> No support from Member to increase license fees or broaden the scope for applying the licenses 	<ul style="list-style-type: none"> Benchmark with other authorities to ensure the service is in line with other London boroughs
Resident Services	Commercial Opportunities	Income Generation	Clr Holland	0	0	0	1,000	1,000	We will be exploring new opportunities over the next two years to identify a sustainable method to maintain an additional £1m income per annum. The areas currently in focus will be digital, advertising, cemeteries, processing and selling in-house services to the private sector.	<ul style="list-style-type: none"> A separate risk assessment will be carried out for each intervention to generate income. 	<ul style="list-style-type: none"> An income opportunity may not be implemented if the risk is deemed too high but this will be assessed on a case by case basis.
Resident Services	Waste Disposal	Service Transformation – Non Staffing	Clr Holland	0	150	0	0	150	Following a number of initiatives to increase recycling and reduce waste such as <ul style="list-style-type: none"> Increasing recycling from flats above shops Reduced contamination Increased participation in food waste Revised bulky waste collection services Increased enforcement We have seen a reduction in the expenditure associated with waste disposal. This proposal will take a saving of £150,000 in 2021/22. This will leave enough budget to deal with the peaks and troughs associated with waste disposal throughout the year.	<ul style="list-style-type: none"> Inflationary bids for the cost of waste disposal are not agreed on an annual basis Waste increases beyond that forecasted Unforeseen changes in legislation 	<ul style="list-style-type: none"> Paper to be produced each year to reflect the increases in gate fees for corporate services to agree Continued work on customer outreach, education and enforcement New contract to set targets for continued increases in recycling and waste reduction Participate in government consultations and support for DRS and Packaging Producer responsibility schemes
Sustainable Growth and Opportunity	Staffing	Income Generation	Clr Bennett	20	10	0	0	30	General Fund savings have been identified by using proportionate amounts of secured grant funding as contribution towards staff salaries. Whilst most awards include finance to recruit additional capacity to deliver the programme, a proportion of the cost of the core team will be claimed against grants for their time spent on delivering the programmes. There will be no change in service delivery.	<ul style="list-style-type: none"> Grant funding is not secured in future years to cover gap created by the reduced budget. 	<ul style="list-style-type: none"> The team will continue to identify aligned funding sources that can be secured and provide funding to plug the future budget gap for staff salaries.
Sustainable Growth and Opportunity	Economic Inclusion	Income Generation	Clr Bennett	19	0	0	0	19	Given that the Economic Inclusion Officer role is commissioning services for the HRA, a relevant proportion of their time should be paid for by the HRA. Given the current funding split, this would be one third of their time. The cost of a PO4 officer, including on-costs, is £57,426 per year. Therefore it is proposed that the HRA covers £19k of the cost of this role.		
Sustainable Growth and Opportunity	Planning DM Income	Income Generation	Clr Bennett	20	47	0	0	67	General Fund savings to the existing budget – to be off-set by increasing income from discretionary pre-app and PPA fees.	<ul style="list-style-type: none"> Clearly there is a risk that targets for increased income may not be achieved, which could arise in the case of a negative macro-economic situation and consequently less development activity. The service has had to offset fairly significant general fund savings in recent years through increasing income. This has generally been successful through pursuing a rigorous approach to cost recovery and through demonstrating the value that is provided through a high quality pre-application and PPA service. However, whilst it is considered there is scope to increase income further to offset the savings offered, there are limits to the extent to which costs can be recovered. Moreover, if fees are raised too high this could deter some developers from using the pre-application service. In the event that increases in income are less than forecast here, then the general fund savings offered would have to be met by other means. This would most likely mean a consequent reduction in costs. As most of the costs incurred by the service are salary costs, then some consequent reduction in staffing costs would potentially have to be considered (although other possible cost reductions would be explored first). Should this happen there would be a reduction in capacity, impacting on service standards and potentially leading to lower performance. Ultimately, this could weaken the service's ability to support housing and jobs growth and income delivery for the wider council through Council Tax and business rates; and the ability to support corporate objectives such as Good Growth. 	<ul style="list-style-type: none"> The profiling of the reductions in the general fund, with greater savings deferred to 2021/22, will help to mitigate the above risks by providing more time for the service to further enhance its cost recovery activity and raise discretionary fee income in the process. Ultimately, if some reduction in staff costs were required, then these would be looked for through the consequent reduction in the number of agency officers retained by the service. However this would be a last resort, having looked at other cost reduction first, as the primary goal is to maintain capacity in this important front-line statutory service for the reasons given above.
Sustainable Growth and Opportunity	Business, Culture and Investment - Arts	Service Change (Reduction in Provision)	Clr Bennett	0	9	9	0	18	Given that the Economic Inclusion Officer role is commissioning services for the HRA, a relevant proportion of their time should be paid for by the HRA. Given the current funding split, this would be one third of their time. The cost of a PO4 officer, including on-costs, is £57,426 per year. Therefore it is proposed that the HRA covers £19k of the cost of this role.	<ul style="list-style-type: none"> Eligibility of this role to be covered by the HRA 	<ul style="list-style-type: none"> Confirmation sought from relevant Finance and Housing officers
No Recourse to Public Funds	Demand Reduction	Service Change (Reduction in Provision)	Clr Brathwaite	200	0	0	0	200	The Service underspend last year and is forecasting to underspend this year. This has been modelled to take account of demand changes and there is scope to reduce the expenditure budget	<ul style="list-style-type: none"> There continues to be some uncertainty of future demand pressures and if there is a significant increase in demand, this could result in potential overspend. 	<ul style="list-style-type: none"> The service will continue to monitor demand and put in place early interventions.
Finance and Investment	Staffing	Service Transformation – Staffing	Clr Wilson	0	110	0	0	110	Aligned with the proposed improvements around Oracle Cloud as well as other connected systems such as MOSAIC and Northgate, a finance offer will be developed to provide input to decision making activities and high level oversight together with statutory and regulatory work only, supported by a smaller team of accountants and transaction support staff.	<ul style="list-style-type: none"> Reduction in financial analysis and support to business as usual activities from the finance team could result in services having to bring in additional resource to undertake this work Potential reduction in quality financial information for management and decision making Lack of financial challenge to budget holders 	<ul style="list-style-type: none"> Phased introduction of new systems and processes supported by training to ensure that budget holders understand their responsibilities and how to interrogate the systems and monitor financial position.
Finance and Investment	Technical Adjustments	Technical Adjustment	Clr Wilson	0	100	0	0	100	This proposal is to reset the budgets for Minimum Revenue Provision and interest based on current planning borrowing and investments	<ul style="list-style-type: none"> Timing and value of investments and loans significantly below our assumptions 	<ul style="list-style-type: none"> Borrowing will only be undertaken when we have certainty on timing and value of requirement
Finance and Investment	Contract Savings	Procurement (Contract)	Clr Wilson	30	0	0	0	30	The tender specification is more refined as we have learned over the last four years what we require and how best to mix the internal and contracted audit function to achieve the optimum mix.	<ul style="list-style-type: none"> No successful bidder New pricing is higher than expected 	<ul style="list-style-type: none"> If there is no successful bidder, we will need to refine the requirement and go back to market, these could lead to a delay in implementing the new contract. We will work with colleagues across London to undertake this work. If the new pricing is higher than expected, there will be an option to reduce amount of services that we call off and change the mix between internal provision and the contracted in services.
Finance and Investment	Professional and Consultancy services	Service Transformation – Non Staffing	Clr Wilson	150	0	0	0	150	Review the professional and consultancy services delivered through the directorate which is for specific projects or activities and should be captured in the costings and funding specific to it.	<ul style="list-style-type: none"> Services will not request professional advice which could compromise the activity or decision 	<ul style="list-style-type: none"> Clear protocols around decision making and obtaining appropriate and professional advice are already in place
Total Proposed Savings				2,866	1,843	292	1,000	6,001			

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Appendix 2 - Approved 3 Year Capital Investment Programme 2019/20 to 2021/22 as at 30th September 2019

Strategic Priority	10 Year Outcome	2019/20 Revised Budget £000s	2020/21 Revised Budget £000s	2021/22 Revised Budget £000s	Total CIP £000s
Creating Inclusive Growth	Increase Investment and regeneration in Lambeth	5,947	0	0	5,947
	Lambeth Town Centres' Regeneration	5,947	0	0	5,947
	Improve transport infrastructure	5,627	0	0	5,627
	Strategic Transport Infrastructure	5,627	0	0	5,627
	A larger business base that makes a greater contribution to London's economy	5,296	0	0	5,296
	Investment in Community Workspace	5,296	0	0	5,296
Reducing Inequality	Greater equality in education, training & employment	21,207	12,842	0	34,049
	Expansion and Enhancement of Primary Schools	7,860	12,356	0	20,216
	Expansion and Enhancement of Secondary Schools	2,632	0	0	2,632
	Investment in Education Projects	8,190	0	0	8,190
	Expansion and Enhancement of Special Educational Needs Facilities	2,525	486	0	3,010
	Vulnerable adults are supported to maintain their independence, stay healthy and active	10,536	6,027	1,100	17,663
	Home Improvements for Vulnerable Residents	3,776	0	0	3,776
	Home Improvements for Vulnerable Residents (HRA)	1,100	1,100	1,100	3,300
	Improvement of Social Care Provision	5,660	4,927	0	10,586
	Improved health and wellbeing for all	1,298	0	0	1,298
	Community Health Projects	1,298	0	0	1,298
Building Strong & Sustainable Neighbourhoods	People take pride in the streets of Lambeth	36,972	0	0	36,972
	Enhancement of Streetscapes and Public Spaces	18,865	0	0	18,865
	Investment in Waste and Recycling	9,313	0	0	9,313
	Resurfacing of Footways and Carriageways	8,794	0	0	8,794
	Lambeth is a safer place	821	0	0	821
	Community Safety Projects	821	0	0	821
	All Lambeth Communities enjoy good quality of life, feel valued & can contribute to their neighbourhood	14,529	174	0	14,703
	Creation and Enhancement of Community-run Buildings	708	0	0	708
	Enhancement of Crematoria & Cemeteries	842	0	0	842
	Investment in Culture and Heritage	679	0	0	679
	Investment in Leisure Centres	5,005	0	0	5,005
	Investment in Libraries and Community Hubs	1,217	174	0	1,390
	Investment in Parks and Open Spaces	6,079	0	0	6,079
	People live more sustainably	2,074	0	0	2,074
Investment in Cycling Infrastructure	744	0	0	744	
Enhancement Of Street Lighting	1,330	0	0	1,330	
The quality of Lambeth's housing is improved including newly built homes of all tenures	163,770	49,209	43,000	255,979	
Investment in Lambeth Housing Standard Boroughwide (HRA)	50,840	48,000	42,000	140,840	
Housing Development Projects	111,870	209	0	112,079	
Housing Development Projects (HRA)	60	0	0	60	
Investment in Empty Properties (HRA)	1,000	1,000	1,000	3,000	
Enabling	Enabling	6,306	0	0	6,306
	Investment in Corporate Office Accommodation	1,789	0	0	1,789
	Improvement of Council IT Infrastructure	4,517	0	0	4,517
	Grand Total	274,383	68,251	44,100	386,734

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Appendix 3 - Financing of the 3 Year Capital Investment Programme 2019/20 to 2021/22 as at 30th September 2019

Funding Source	Creating Inclusive Growth		Reducing Inequality (GF)		Reducing Inequality (HRA)		Building Strong & Sustainable Neighbourhoods (GF)		Building Strong & Sustainable Neighbourhoods (HRA)		Enabling		Total 3 Year CIP	
	£000's	%	£000's	%	£000's	%	£000's	%	£000's	%	£000's	%	£000's	%
Grants	(8,235)	49%	(31,580)	64%	0	0%	(7,001)	4%	0	0%	0	0%	(46,816)	12%
S106	(4,148)	25%	(2,560)	5%	0	0%	(6,025)	4%	0	0%	0	0%	(12,734)	3%
Borrowing	(1,660)	10%	(787)	2%	0	0%	(112,359)	67%	(21,908)	15%	(300)	5%	(137,015)	35%
MRR	0	0%	0	0%	(3,300)	100%	0	0%	(97,805)	68%	0	0%	(101,105)	26%
S20 Receipts	0	0%	0	0%	0	0%	0	0%	(22,846)	16%	0	0%	(22,846)	6%
Capital Receipts	(913)	5%	(11,842)	24%	0	0%	(16,338)	10%	(1,341)	1%	(4,783)	76%	(35,217)	9%
Internal Borrowing	0	0%	0	0%	0	0%	(3,500)	2%	0	0%	0	0%	(3,500)	1%
Recycled RTB (1-4-1) Receipts	(49)	0%	(1,642)	3%	0	0%	(9,995)	6%	0	0%	0	0%	(11,686)	3%
CIL	(1,915)	11%	(1,298)	3%	0	0%	(10,158)	6%	0	0%	0	0%	(13,371)	3%
Capital Reserve	0	0%	0	0%	0	0%	(46)	0%	0	0%	0	0%	(46)	0%
Earmarked Reserve	51	0%	0	0%	0	0%	(783)	0%	0	0%	(1,224)	19%	(1,956)	1%
Revenue Contribution	0	0%	0	0%	0	0%	(442)	0%	0	0%	0	0%	(442)	0%
Total	(16,870)	100%	(49,709)	100%	(3,300)	100%	(166,649)	100%	(143,900)	100%	(6,306)	100%	(386,734)	100%

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