

LONDON BOROUGH OF BRENT
MEETING OF THE EXECUTIVE - 14th FEBRUARY 2005
2005/2006 BUDGET AND COUNCIL TAX

CONTENTS		Page
1.	INTRODUCTION	1
	Purpose and Contents of Report	1
2.	RECOMMENDATIONS	3
3.	THE BUDGET MAKING PROCESS	8
	Main Functions of Budget	8
	Policy Framework	8
	Service Development Plans	9
	The Consolidated Budget Position	10
	Budget Consultation 2005/2006	10
4.	THE PROBABLE OUTTURN 2003/2004	13
	Introduction	13
	The 2003/2004 Final Position	13
	The 2004/2005 Budget	13
	Estimated Position 2004/2005	13
	Corporate Units	14
	Education, Arts and Libraries	14
	Environment	15
	Social Services	15
	Central Items	16
	General Fund Balances Carried Forward	17
	Summary of the 2004/2005 Probable Outturn	18
5.	THE 2005/2006 REVENUE BUDGET REQUIREMENT	19
	Introduction	19
	2005/2006 Service Area Budgets	20
	Growth within 2005/2006 Service Area Budgets	21
	Supporting Children and Young People	22
	Promoting Quality of Life and the Green Agenda	23
	Tackling Crime and Community Safety	24
	Regenerating the Borough and Priority Neighbourhoods	25
	Achieving Service Excellence	26
	Savings within the 2005/2006 Service Area Budgets	26
	Other Adjustments in 2005/2006 Service Area Budgets	28
	The Schools Budget	28
	Central Items	29

	Growth Items Not Allocated to Service Area Budgets	30
	Risks	34
	Balances	37
	Overall Budget Requirement	38
6.	RESOURCES	41
	Introduction	41
	External Support and Formula Spending Shares (FSSs)	41
	The Capping Roles	44
	The Collection Fund	45
	The Council Tax Base	45
	Calculating the Council Tax Level	45
	Greater London Authority (GLA)	46
	Setting the Tax	47
	Council Tax and NNDR Instalment Dates and Recovery Policy for Council Tax	48
7.	THE FUTURE - MEDIUM TERM FORECAST	49
	Introduction	49
	Medium Term Financial Strategy	50
	Future Expenditure Forecast	50
	Funding in Future Years	53
	Council Tax in Future Years	55
	The 30 Year General Fund Business Plan	55
8.	HOUSING REVENUE ACCOUNT	56
	Introduction	56
	The Probable Outturn 2004/2005	57
	The 2005/2006 Budget	57
	Debt Repayment	58
9.	THE CAPITAL PROGRAMME 2004/2005 TO 2008/2009	59
	Introduction	59
	The 2004/2005 Capital Programme	61
	2005/2006 to 2008/2009 Capital Programme	62
	Programmed Spending in 2005/2006	63
	Programmed Spending for 2006/2007 to 2008/2009	66
	Resources for 2005/2006 to 2008/2009	67
	Revenue Costs Associated with Forecast Capital Programme	68
10.	TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY 2005/2006	70
	Introduction	70
	Treasury Management Strategy 2004/2005	70
	Economic Background	70

Lending Policy	71	
Borrowing Policy	72	
Debt Restructuring and Use of the Provision for Credit Liabilities	73	
Local Investment Strategy 2005/2006	74	
Background	74	
11. SETTING PRUDENTIAL INDICATORS FOR 2005/2006	75	
Introduction	75	
Affordability	75	
Prudence and Sustainability	77	
Achieving Value for Money	80	
Proper Stewardship of Assets	80	
Practicality	81	
Monitoring and Reporting on Prudential Indicators	81	
12. PROCEDURES REQUIRED TO CONTROL EXPENDITURE	83	
Introduction	83	
Roles and Responsibilities	83	
Monitoring the Budget	84	
Virements, Transfers and In-Year Changes to Policy	84	
Controlling the Budget	85	
Financial Implications	87	
LIST OF APPENDICES	89	
Appendix A	2004/2005 Latest Revenue Budget Compared with Forecast Outturn	90
Appendix B	2005/2006 Revenue Budget	91
Appendix C	Summary of Service Area Budgets	92
Appendix D	(i) Analysis of Growth Items Within Service Area Budgets	101
	(ii) Analysis of Savings Items Within Service Area Budgets	112
	(iii) Adjustments to Service Area Budgets 2005/2006	124
Appendix E	(i) Extract from Minutes - Council Meeting 29 th November 2004 " <i>First Reading Debate on 2005/2006 Budget</i> "	125
	(ii) Schools Forum Minutes - 6 th December 2004	130
Appendix F	Central Items	136
Appendix G	Housing Revenue Account Objective/ Subjective Analysis	157

Appendix H	(i)	Capital Programme 2004/2005 Projected Outturn	159
	(ii)	2005/2006 Capital Programme Forecast	161
	(iii)	2005/2006 Capital Disposals	173
Appendix I		Council Tax and NNDR Instalment Dates and Collection Policy	174
Appendix J		Council Tax Property Valuation Bands	179
Appendix K		Financial Forecast 2006/2007 - 2008/2009	180
Appendix L	(i)	Annual Investment Strategy 2005/2006	182
	(ii)	Local Government Investments – Specified	185
	(iii)	Local Government Investments – Non-specified	187
Appendix M		Advice from the Borough Solicitor	190
Appendix N		Scheme of Virements and Transfers Under Standing Order 17(a)	197
Appendix O		Background Information	209