

LONDON BOROUGH OF BRENT
FULL COUNCIL - 1ST MARCH 2010
2010/11 BUDGET AND COUNCIL TAX

	EXECUTIVE SUMMARY	1
1.	INTRODUCTION	8
	Purpose and Contents of Report	8
2.	RECOMMENDATIONS	10
3.	THE BUDGET MAKING PROCESS	15
	Introduction	15
	Links to the Corporate Strategy and Service Planning Process	17
	Links to the Medium Term Financial Strategy	18
	Underlying Budget Assumptions used in the 2010/11 Budget Process	19
	The Process for Developing the Proposals	19
	Involvement of the Public and Other Stakeholders	20
4.	THE PROBABLE OUTTURN 2009/10	23
	Introduction	23
	The 2008/09 Final Position	23
	The 2009/10 Budget Forecasts	23
	Children and Families	24
	Environment and Culture	25
	Housing and Community Care	25
	Finance and Corporate Resources/Central Units	25
	Central Items	25
	General Fund Balances Carried Forward	28
5.	THE 2010/11 REVENUE BUDGET REQUIREMENT	29
	Introduction	29
	Movements since the First Reading Debate	31
	2010/11 Service Area Budgets	33
	Proposed use of Grants to support Growth	34
	Central Items	35
	Forecast Performance and Activity Levels	35
	Risks	36
	Balances	38
	Overall Budget Requirement	40
	Statement by the Director of Finance and Corporate Resources on the Budget and Balances	40

6.	RESOURCES	43
	Introduction	43
	External Support	43
	The Capping Rules	46
	The Collection Fund	46
	The Council Tax Base	47
	Calculating the Council Tax Level	47
	Greater London Authority (GLA)	47
	Setting the Tax	49
	Council Tax and NNDR Instalment Dates and Recovery Policy for Council Tax	49
7.	THE FUTURE - MEDIUM TERM FORECAST	50
	Introduction	50
	Medium Term Financial Strategy	51
	Resource Envelope	52
	Managing the budget within the Resource Envelope	53
	The 30 Year Plan	55
	Summary	56
8.	SCHOOLS BUDGET	57
	Introduction	57
	The Probable Outturn 2009/10	57
	Schools Budget Funding in Brent	57
	Schools Budget Risks	58
	Schools Budget Medium Term Financial Plan	58
9.	HOUSING REVENUE ACCOUNT	60
	Introduction	60
	The Probable Outturn 2009/10	61
	The 2010/11 Budget	61
	HRA Risks	62
	Council Housing Finance Reform	63
10.	THE CAPITAL PROGRAMME 2009/10 to 2013/14	64
	Introduction	64
	The 2009/10 Capital Programme	67
	2010/11 to 2013/14 Capital Programme	68
	Capital Programme Risks	73
	Minimum Revenue Provision	76
11.	TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY 2010/11	80
	Introduction	80

Regulatory Requirements	80	
Economic Background	81	
Financial Market Background	82	
Lending Policy	83	
Borrowing Policy	87	
Prudential Indicators	88	
Debt Restructuring	89	
Member Engagement	90	
12. SETTING PRUDENTIAL INDICATORS FOR 2010/11	92	
Introduction	92	
Affordability	92	
Prudence and Sustainability	94	
Achieving Value for Money	95	
Proper Stewardship of Assets	95	
Practicality	96	
Monitoring and Reporting on Prudential Indicators	96	
13. VALUE FOR MONEY	98	
14. PROCEDURES REQUIRED TO CONTROL EXPENDITURE	101	
Introduction	101	
Roles and Responsibilities	101	
Monitoring the Budget	102	
Virements, Transfers and In-Year Changes to Policy	103	
Controlling the Budget	103	
Financial Implications	105	
LIST OF APPENDICES	107	
Appendix A	2009/10 Latest Revenue Budget Compared with Forecast Outturn	108
Appendix B	2010/11 Revenue Budget	109
Appendix C	Service Area Budget Summary	110
Appendix D	(i) (a) Inescapable Growth	118
	(i) (b) Programme Funded by Performance Reward Grant	120
	(ii) Analysis of Savings Items Within Service Area Budgets	122
	(iii) Additional Income and Fees and Charges 2010/11	126
	(iv) Analysis of Adjustments to Service Area Budgets 2009/10	127
	(v) Area Based Grants/Specific Grants	129
Appendix E	(i) Extract from Minutes - Council Meeting 23 rd November 2009: <i>“First Reading Debate on 2010/11</i>	131

	<i>Budget</i>	
	(ii) Final Budget Panel Report	134
Appendix F	Central Items	152
Appendix G	A Guide to the Local Government Finance Settlement	168
Appendix H	(i) Council Tax Property Valuation Bands	182
	(ii) Council Tax and NNDR Instalment Dates and Collection Policy	183
Appendix I	Financial Forecast 2010/11 - 2013/14	189
Appendix J	(i) Addressing Corporate Strategy Priorities	191
	(ii) Planned Activity Indicators to be Used in Performance and Finance Review Reports	200
Appendix K	(i) Dedicated Schools Budget 2010/11	201
	(ii) Brief Summary of 2010/11 School Budget Decisions by Schools Forum Meeting held on Monday 8 th February 2010	202
Appendix L	Housing Revenue Account Objective/Subjective Analysis	204
Appendix M	(i) Capital Programme 2009/10 Projected Outturn (Summary)	206
	(ii) Capital Programme 2009/10 Projected Outturn (Detailed)	208
	(iii) Proposed 2010/11 to 2013/14 Capital Programme (Summary)	218
	(iv) Proposed 2010/11 to 2013/14 Capital Programme (Detailed)	220
	(v) Capital Programme Key Activities and Outcomes	228
	(vi) Proposed Capital Disposals	231
Appendix N	(i) Annual Investment Strategy 2009/10	232
	(ii) Local Government Investments – Specified	236
	(iii) Local Government Investments – Non-specified	238
Appendix O	Advice from the Borough Solicitor	241
Appendix P	Scheme of Virements and Transfers Under Standing Order 17(a)	248
Appendix Q	(i) NI179 Forecast – Annual Efficiency Indicator for 2009/10	256
	(ii) Improvement and Efficiency Action Plan – Targeted Savings	257
	(iii) Improvement and Efficiency Action Plan – Non Financial Benefits	258
Appendix R	Background Information	259