LONDON BOROUGH OF BRENT Meeting of the Executive – 15th February 2011 2011/12 BUDGET AND COUNCIL TAX

	EXECUTIVE SUMMARY	1			
1.	INTRODUCTION				
	Purpose and Contents of Report	7			
2.	RECOMMENDATIONS	9			
3.	THE PROBABLE OUTTURN 2010/11				
	Introduction				
	The 2009/10 Final Position	14			
	The 2010/11 Budget Forecasts	14			
	Children and Families				
	Environment and Neighbourhood Services	16			
	Housing and Community Care	16			
	Finance and Corporate Services/Central Units/Regeneration and Major projects				
	Central Items				
	2010/11 Budget Virements				
	General Fund Balances Carried Forward	19			
4.	THE 2011/12 REVENUE BUDGET REQUIREMENT				
	Introduction				
	Underlying budget assumptions	21			
	The process for developing the proposals				
	Involvement of the public and other stakeholders				
	Movements since the First Reading Debate	23			
	2011/12 Service Area Budgets				
	Central Items				
	Risks	29			
	Balances	31			
	Overall Budget Requirement	32			
	Statement by the Director of Finance and Corporate Services on the Budget and Balances	33			
5.	RESOURCES				
	Introduction				
	External Support				
	The Capping Rules				
	The Collection Fund				
	The Council Tax Base	42			

	Calculating the Council Tax Level	42		
	Greater London Authority (GLA)	43		
	Setting the Tax	44		
	Council Tax and NNDR Instalment Dates and Recovery Policy for Council Tax	45		
6.	THE FUTURE - MEDIUM TERM FINANCIAL STRATEGY			
	Introduction	46		
	Medium Term Financial Strategy	47		
	Resource Envelope	48		
	Managing the budget within the Resource Envelope	48		
	Summary	51		
7.	SCHOOLS BUDGET	52		
	Introduction	52		
	The Probable Outturn 2010/11	52		
	Schools Budget Funding in Brent	52		
	Schools Budget Risks	54		
	Schools Budget Medium Term Financial Plan	54		
8.	HOUSING REVENUE ACCOUNT	55		
	Introduction	55		
	The Probable Outturn 2010/11	56		
	The 2011/12 Budget	56		
	HRA Risks	57		
	Council Housing Finance Reform	58		
	Review of the Management of the Council's Housing Stock	58		
9.	THE CAPITAL PROGRAMME 2010/11 to 2014/15			
	Introduction	59		
	The 2010/11 Capital Programme	60		
	2011/12 to 2014/15 Capital Programme	61		
	Capital Programme Risks	65		
	Minimum Revenue Provision	68		
10.	TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY 2011/12			
	Introduction	71		
	Regulatory Requirements	71		
	Economic Background	72		
	Financial Market Background	73		
	Lending Policy	74		
	Borrowing Policy	78		
	Prudential Indicators	79		

	Debt I	Restru	cturing	83		
	Member Engagement					
11.	SETTING PRUDENTIAL INDICATORS FOR 2011/12					
	Introduction					
	Afford	ability		84		
	Prude	Prudence and Sustainability				
	Achie	Achieving Value for Money				
	Prope	Proper Stewardship of Assets				
	Practicality					
	Monitoring and Reporting on Prudential Indicators					
12.	PROCEDURES REQUIRED TO CONTROL EXPENDITURE					
	Introd	uction		89		
	Roles	and R	esponsibilities	89		
	Monite	oring th	ne Budget	90		
	Virem	ents, T	Transfers and In-Year Changes to Policy	91		
		Controlling the Budget				
	Financial Implications					
LIST	OF AP	PEND	ICES	95		
Appendix A		(i)	2010/11 Latest Revenue Budget Compared with Forecast Outturn	96		
		(ii)	Budget Virements 2010/11 – Quarter 3	97		
Арре	endix B		2011/12 Revenue Budget	98		
Appendix C			Service Area Budget Summary	99		
Appe	endix D	(i)	Cost Pressures	100		
		(ii)	Analysis of Savings Items within Service Area Budgets	102		
		(iii)	Analysis of Adjustments to Service Area Budgets 2011/12	112		
		(iv)	Grants	119		
Appendix E		(i)	Extract from Minutes - Council Meeting 22 nd November 2010: <i>"First Reading Debate on 2011/12</i> <i>Budget"</i>	121		
		(ii)	1 st Interim Budget Panel Report	125		
Appe	endix F		Central Items	139		
Арре	endix G	(i)	Council Tax Property Valuation Bands	155		
		(ii)	Council Tax and NNDR Instalment Dates and Collection Policy	156		
Appendix H			Financial Forecast 2011/12 - 2014/15	163		
Арре	endix I	(i)	Dedicated Schools Budget 2011/12	165		
		(ii)	Summary of views of the Schools Forum on the 2011/12 Schools Budget at their meeting on 31 st	166		

		January 2011	
Appendix J		Housing Revenue Account Objective/Subjective Analysis	167
Appendix K	(i)	Capital Programme 2010/11 Projected Outturn (Summary)	169
	(ii)	Capital Programme 2010/11 Projected Outturn (Detailed)	171
	(iii)	Proposed 2011/12 to 2014/15 Capital Programme (Summary)	180
	(iv)	Proposed 2011/12 to 2014/15 Capital Programme (Detailed)	182
	(v)	Proposed Capital Disposals	189
Appendix L	(i)	Annual Investment Strategy 2011/12	190
	(ii)	Local Government Investments – Specified	194
	(iii)	Local Government Investments – Non-specified	196
Appendix M		Advice from the Borough Solicitor	199
Appendix N		Scheme of Virements and Transfers Under Standing Order 17(a)	206
Appendix O		Background Information	215