

SECTION 1

1. INTRODUCTION

Purpose

- 1.1 The main purpose of this report is to obtain Members' approval for the 2005/2006 capital and revenue budgets and to agree the council tax to be levied. It also brings together into one document key information relating to the council's current financial position and future projections.
- 1.2 The annual revenue and capital budgets identify the resource requirements to deliver a full range of council services. The following sections set out the budget making process in detail and the issues on which decisions need to be taken.
- Section 2 - Summarises the recommendations agreed by the Executive on 14th February 2005.
 - Section 3 - Describes the budget making process.
 - Section 4 - Sets out the council's probable outturn for 2004/2005
 - Section 5 - Details the 2005/2006 revenue budgets for each service area and the central items.
 - Section 6 - Sets out the level of resources available from central government and the calculation of the amount required from council tax.
 - Section 7 - Details future expenditure plans and the medium term financial strategy.
 - Section 8 - Describes the 2004/2005 position and the 2005/2006 budget of the Housing Revenue Account.
 - Section 9 - Sets out the council's capital expenditure requirements and resources.
 - Section 10 - Details the council's Treasury Management Strategy and Annual Investment Strategy for 2005/2006.
 - Section 11 - Sets out the requirements of the Prudential Code and the limits that have to be agreed.
 - Section 12 - Sets out the procedures to be adopted for financial management of the council.
- 1.3 Financial implications are included in the body of the report. Legal implications are set out in Appendix M.

- 1.4 Decisions on the budget are amongst the most important policy decisions councillors make each year. The decisions can have a fundamental impact on the lives of communities and individuals within Brent. The diversity implications of budget proposals are considered at all stages of the budget process, from the development of the initial budget strategy, through consideration of individual growth and savings proposals, to the production of service development plans. The processes in place are therefore aimed at ensuring that the budget proposals in this report do not discriminate against communities or individuals because of age, ethnicity, gender, disability, religion, or sexual orientation, and support the council in meeting its other duties to promote equal opportunities and good race relations.
- 1.5 Under the 2003 Local Government Act, the chief finance officer of the authority (in Brent's case, the Director of Finance) must report on the robustness of the estimates made in the annual budget calculation, together with the adequacy of financial reserves. The budget proposals in this report have been developed following guidance from me and have been through a robust process of development and challenge in which both my officers and I have been involved. I am therefore confident about the robustness of the estimates. In addition, the level of balances recommended for 2005/06 of £7m is in my view sufficient to allow for the risks identified in the report and to ensure effective medium term financial planning.

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