LONDON BOROUGH OF BRENT FULL COUNCIL – 28th FEBRUARY 2011 2011/12 BUDGET AND COUNCIL TAX

EXECUTIVE SUMMARY

1.	INTRODUCTION	7		
	Purpose and Contents of Report	7		
2.	RECOMMENDATIONS	9		
3.	THE PROBABLE OUTTURN 2010/11			
	Introduction	14		
	The 2009/10 Final Position	14		
	The 2010/11 Budget Forecasts	14		
	Children and Families	15		
	Environment and Neighbourhood Services			
	Housing and Community Care	16		
	Finance and Corporate Services/Central Units/Regeneration and Major projects	16		
	Central Items	17		
	2010/11 Budget Virements	18		
	General Fund Balances Carried Forward	19		
4.	THE 2011/12 REVENUE BUDGET REQUIREMENT			
	Introduction	20		
	Underlying budget assumptions	21		
	The process for developing the proposals	21		
	Involvement of the public and other stakeholders	22		
	Movements since the First Reading Debate	23		
	2011/12 Service Area Budgets	28		
	Central Items	28		
	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	35		
	Introduction	35		
	External Support	35		
	The Capping Rules	39		
	The Collection Fund	40		
	The Council Tax Base	40		

1

	Calculating the Council Tax Level			
	Greater London Authority (GLA)			
	Setting the Tax	42		
	Council Tax and NNDR Instalment Dates and Recovery Policy for Council Tax	43		
6.	THE FUTURE - MEDIUM TERM FINANCIAL STRATEGY	44		
	Introduction	44		
	Medium Term Financial Strategy	45		
	Resource Envelope	46		
	Managing the budget within the Resource Envelope	46		
	Summary	49		
7.	SCHOOLS BUDGET	50		
	Introduction	50		
	The Probable Outturn 2010/11	50		
	Schools Budget Funding in Brent	50		
	Schools Budget Risks	52		
	Schools Budget Medium Term Financial Plan	52		
8.	HOUSING REVENUE ACCOUNT			
	Introduction	53		
	The Probable Outturn 2010/11			
	The 2011/12 Budget			
	HRA Risks	55		
	Council Housing Finance Reform	56		
	Review of the Management of the Council's Housing Stock	56		
9.	THE CAPITAL PROGRAMME 2010/11 to 2014/15	57		
	Introduction	57		
	The 2010/11 Capital Programme	58		
	2011/12 to 2014/15 Capital Programme	59		
	Capital Programme Risks	63		
	Minimum Revenue Provision	66		
10.	TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY 2011/12	69		
	Introduction			
	Regulatory Requirements	69		
	Economic Background			
	Financial Market Background	71		
	Lending Policy	72		
	Borrowing Policy	76		
	Prudential Indicators	77		

Debt	Restru	cturing	80	
Mem	Member Engagement			
11. SET	SETTING PRUDENTIAL INDICATORS FOR 2011/12			
Intro	Introduction			
Affor	dability		82	
Prud	ence a	nd Sustainability	83	
Achie	eving V	alue for Money	85	
Prop	Proper Stewardship of Assets			
Prac	Practicality			
Moni	Monitoring and Reporting on Prudential Indicators			
12. PRO	CEDUF	RES REQUIRED TO CONTROL EXPENDITURE	87	
Intro	Introduction			
Role	s and F	Responsibilities	87	
Moni	toring t	he Budget	88	
Virer	Virements, Transfers and In-Year Changes to Policy			
Cont	Controlling the Budget			
Finai	Financial Implications			
LIST OF AF	PEND	ICES	93	
Appendix A	(i)	2010/11 Latest Revenue Budget Compared with Forecast Outturn	94	
	(ii)	Budget Virements 2010/11 – Quarter 3	95	
Appendix B		2011/12 Revenue Budget	96	
Appendix C	;	Service Area Budget Summary	97	
Appendix D	(i)	Cost Pressures	103	
	(ii)	Analysis of Savings Items within Service Area Budgets	105	
	(iii)	Analysis of Adjustments to Service Area Budgets 2011/12	115	
	(iv)	Grants	122	
Appendix E	(i)	Extract from Minutes - Council Meeting 22 nd November 2010: "First Reading Debate on 2011/12 Budget"	123	
	(ii)	Final Budget Panel Report	127	
Appendix F		Central Items	143	
Appendix G	(i)	Council Tax Property Valuation Bands	158	
	(ii)	Council Tax and NNDR Instalment Dates and Collection Policy	159	
Appendix H		Financial Forecast 2011/12 - 2014/15	166	
Appendix I	(i)	Dedicated Schools Budget 2011/12	168	
	(ii)	Summary of views of the Schools Forum on the 2011/12 Schools Budget at their meeting on 31 st	169	

		January 2011	
Appendix J		Housing Revenue Account Objective/Subjective Analysis	177
Appendix K	(i)	Capital Programme 2010/11 Projected Outturn (Summary)	179
	(ii)	Capital Programme 2010/11 Projected Outturn (Detailed)	181
	(iii)	Proposed 2011/12 to 2014/15 Capital Programme (Summary)	190
	(iv)	Proposed 2011/12 to 2014/15 Capital Programme (Detailed)	192
	(v)	Proposed Capital Disposals	199
Appendix L	(i)	Annual Investment Strategy 2011/12	200
	(ii)	Local Government Investments – Specified	204
	(iii)	Local Government Investments – Non-specified	206
Appendix M		Advice from the Director of Legal and Procurement	209
Appendix N		Scheme of Virements and Transfers Under Standing Order 17(a)	216
Appendix O		Background Information	225