

ABERDEEN CITY COUNCIL

COMMITTEE	Budget Monitoring Board
DATE	10 September 2009
LEAD OFFICER	Chief Executive
TITLE OF REPORT	Economic Analysis and Forecasting Pathfinder Project
REPORT NUMBER	OCE/09/004

1. PURPOSE OF REPORT

The purpose of this report is to recommend to the Budget Monitoring Board that Aberdeen City Council participates in an Economic Analysis and Forecasting Pathfinder Project to assist us in our long term financial planning.

2. RECOMMENDATION(S)

It is recommended that the Budget Monitoring Board:

- i) Invokes the provisions of SO 69 (3)(i) to enable the Council to exempt this piece of work from the competitive procurement requirements of the Standing Orders to enable our immediate participation in the Economic Analysis and Forecasting Pathfinder Project which is being led by PriceWaterhouseCoopers;
- ii) Agrees that our subscription of £35,000 be funded through revenue savings accrued in the management structure in the 09/10 financial year;
- iii) Agrees that the findings arising from the Pathfinder project are reported to the Finance and Resources Committee

3. FINANCIAL IMPLICATIONS

There is a subscription of £35,000 to participate in this Pathfinder Project which will be funded through revenue savings accrued in the management structure in 2009/10.

4. SERVICE & COMMUNITY IMPACT

The aim of the Economic Analysis and Forecasting Pathfinder Project is to provide information to support future budgetary planning. This work is aimed at developing resilience in our financial strategy over the long term and will therefore support the Council in meeting its policy aspirations and statutory duties.

5. OTHER IMPLICATIONS

The external economic environment presents risks to the Council. There is uncertainty as to the duration and depth of the current recession and the effect that this will have on local government funding in general and on Aberdeen City Council in particular. This Pathfinder Project will enable us to participate with nine other Councils across the UK in this piece of analytical and forecasting work. There are no direct implications in respect of health and safety, property or equalities and human rights. The provisions of SO 69(3)(i) relate to the exemption of this piece of work from the requirement to procure competitively and the findings will be reported to the Finance and Resources Committee on completion.

6. REPORT

The Pathfinder Project will deliver an estimate for Aberdeen City Council which will help to forecast the timing and severity of impact of key issues identified. The issues will be grouped into themes which are:

- Pressure on local funding and income generation
- Implications of the impact of the (economic) downturn on citizens and businesses
- Impact of pressures on capital and reserves
- Pressure on central funding
- Impact of demographic and policy issues
- Impact of timing issues
- Impact on partner organizations

The Pathfinder Project will consider how the accumulation of these pressures will impact upon the Council and the final data, analysis and forecasting will be made available to the Council in a report which will become the intellectual property of the Council. The Council's lead officer for this project will be Stewart Carruth, Director of Corporate Governance.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

Summary of 'Perfect Storm' Project provided by PriceWaterhouseCoopers