

ABERDEEN CITY COUNCIL

COMMITTEE	Education & Children's Services
DATE	14 September 2017
REPORT TITLE	E&CS Financial Performance – Quarter 1, 2017/18
REPORT NUMBER	CG/17/114
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1. PURPOSE OF REPORT:-

- 1.1 To provide the full year forecast position of Education & Children's Services for the financial year 2017/18.

2. RECOMMENDATION(S)

- 2.1 It is recommended that Committee note:-

- The projected revenue and capital position for Education and Children's Services as detailed in Appendix 1.

3. BACKGROUND/MAIN ISSUES

- 3.1 This is the first quarterly financial report for 2017/18, representing the first stage of a stepped change in the way the Council reports its financial position.
- 3.2 This report focuses the projected financial position for the full year for Education & Children's Services.
- 3.3 Quarterly reporting will evolve throughout the year to incorporate further changes such that the ultimate aim of a faster year end closedown and the production of the unaudited annual accounts by the end of April 2018 can be achieved. This means the Council would have produced its annual accounts two months earlier than the statutory deadline.
- 3.4 Emerging Issues
- 3.4.1 These are identified within the appendix to this report.

4. FINANCIAL IMPLICATIONS

- 4.1 The forecast full year financial position of the Education & Children's Services for the financial year 2017/18 is reflected in Appendix 1 to this report, along with the Capital position.
- 4.2 Following a positive financial performance in 2016/17, E&CS starts the financial year 2017/18 with a strong financial platform from which to operate. It is recognised that this will be another financially challenging year and that strong fiscal management coupled with financial restraint will be required to ensure that a balanced position against budget is achieved which in turn will continue to provide a strong balance sheet for future financial years.
- 4.3 Services continue to manage increased demand within the current service delivery model and structure within which the Council operates and this requires continued close fiscal management. Indeed, services are examining all areas of spend with a view to avoiding incurring expenditure except where absolutely necessary.
- 4.4 The Strategic Budget Review Group, referred to in Appendix 1, will continue to develop budget options over the course of the next few weeks for initial review by services and consideration by the Corporate Management Team (CMT). Thereafter, proposed options will be taken through the proper governance process including consultation with Elected Members and reporting to committee for formal decisions where necessary.

5. LEGAL IMPLICATIONS

- 5.1 While there are no direct legal implications arising from the recommendations of this report, there are additional reporting requirements due to the LSE listing and issue of bonds.

6. MANAGEMENT OF RISK

Financial

- 6.1 Every organisation has to manage the financial risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by services and corporately by Elected Members. This report is part of that framework and has been produced to provide an overview of the current operating position and so financial risk related to this report is considered to be low.
- 6.2 The main financial risk that the Council is managing is the increased demand on services. This is being mitigated through reviewing all areas of expenditure with a view to only incurring expenditure that is absolutely necessary.
- 6.3 In relation to capital projects there is a risk that following the procurement process, tendered costs will vary from that assumed at the time of project approval. This risk is mitigated through quantification and review of indicative project costs by suitably qualified staff or external body where appropriate.

Employee, Customer / Citizen, Environmental, Technological and Legal

- 6.4 Consideration has also been given to Employee, Customer / Citizen, Environmental, Technological and Legal risks, and no risks were identified.

Reputational

- 6.5 The reputational risks to the Council are minimised by the regular review of financial information by services, CMT and Elected members throughout the Financial Year.

7. IMPACT SECTION

Economy

- 7.1 Investment in the city will have a positive impact on the economy.

People

- 7.2 Robust management of the council's finances will ensure that council services can continue to be provided.

Place

- 7.3 Investment will enhance the place by creating a better and more vibrant city in which to live.

Technology

- 7.4 There are no direct implications on technology arising from the recommendations of this report

8. BACKGROUND PAPERS

None

9. APPENDICES

Appendix 1 – Projected Financial Position –Revenue and Capital

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