



**GROUP ENTITIES
PROJECTED FINANCIAL
POSITION FOR THE YEAR 2022/23**

Aberdeen City Council holds a financial interest in a number of Subsidiaries, Associates and Joint Ventures. The most significant of these, in terms of size of trading operations and other factors, are included in the Council's Group Accounts.

The table below outlines the entities to be consolidated into the Council's Group Accounts and details the Council's share of "ownership" of each of the entities.

For the Financial Year 2022/23	ACC Control	ACC Commitment to meet accumulated deficits	Annual Turnover
	%	%	£m
Subsidiaries			
Common Good	100	100	4
Trust Funds	100	100	0
Sport Aberdeen Limited	100	100	10
Bon Accord Care Limited	100	100	26
Bon Accord Support Services Limited	100	100	34
Joint Ventures			
Aberdeen Sports Village Limited	50	50	5
Aberdeen City Integration Joint Board	50	50	273
Associates			
Grampian Valuation Joint Board	39	39	5

The Council has agreed to include information only when it has been reported through a group entities governance structure.

For the Financial Year 2022/23	Reporting Date	Surplus/(deficit) attributable to the Council at Reporting date	Forecast Surplus/(Deficit)	Comment
		£'000	£'000	
Subsidiaries				
Common Good	31.12.22	815	(1,152)	
Trust Funds	31.03.22	(18)	-	
Sport Aberdeen Limited	30.11.22	(77)	-	Break even forecasted at Q3
Bon Accord Care Limited and Bon Accord Support Services Ltd	31.12.22	(804)	(1,181)	
Joint Ventures				
Aberdeen Sports Village Limited	30.11.22	(239)	-	Full year forecast not yet internally reported at Q3
Aberdeen City Integration Joint Board	31.12.22	0	0	Break even forecasted at Q3
Associates				
Grampian Valuation Joint Board	31.12.22	158	-	Full year forecast not yet internally reported at Q3

The notes below summarise the latest financial position in respect of each of the group entities.

Subsidiaries

Common Good

The Common Good is corporate property and must be applied for the benefit of the community as the Council thinks fit. It is invested in land and buildings, such as industrial estates and farms, with any surplus being placed on cash deposit, with £30m of accumulated cash invested in a multi-asset income fund managed by Fidelity.

The Common Good is currently forecasting an operational surplus of £21k, however an overall deficit of £1,152k for 2022/23 after taking account of capital investment transactions. This is mainly due to projected reduction in the value of long-term investments as a result of revaluations - see Appendix 2. The financial statements for the quarter are shown in Appendix 3.

Trust Funds

The Council is responsible for the administration of various trusts created by bequest or evolved through history or by public subscription which are utilised for a variety of benefits such as education and social work, charitable purposes, religious instruction, medical institutions, and the upkeep of public works. The money earned from the investments of the Trusts is used to provide grants and awards to trust beneficiaries, prizes and dux medals for school children and requisites for clients in Social Work homes.

At the end of March 2022, the Trusts reported a net deficit of £18k.

The Trusts are not expected to have a material impact on the Council's financial position for 2022/23.

Sport Aberdeen

Sport Aberdeen Limited is a charity and constitutes a limited company, limited by guarantee. The principal activity of the company is the provision of recreation leisure facilities and services on behalf of Aberdeen City Council in accordance with key priorities. Although Aberdeen City Council does not own the entity, it is considered that control representing power to govern exists through agreements in place and that Sport Aberdeen Limited operates as a structured entity of the Council.

The results for the period ended 30th November 2022 show net deficit of £77k.

Bon Accord Care and Bon Accord Support Services

Bon Accord Care Limited (BAC) and Bon Accord Support Services Limited (BASS) are private companies limited by shares which are 100% held by Aberdeen City Council. Bon Accord Care provides regulated (by the Care Inspectorate) care services to Bon Accord Support Services which in turn delivers both regulated and unregulated adult social care services to the Council.

The consolidated position of Bon Accord Care and Bon Accord Support Services shows a deficit of £804k against budget for the period ended 31st December 2022. This is mainly due to the impact of the recent pay award. The forecast for the financial year shows a deficit of £1,181k.

Joint Ventures

Aberdeen Sports Village Limited (ASV Ltd)

ASV Ltd is a company limited by guarantee and registered as a charity. It is a joint venture company owned equally by the Council and The University of Aberdeen. ASV Ltd was incorporated in 2007 and its objectives are to provide sports and recreational facilities, including elite sports facilities for the use of both students and staff of the University of Aberdeen and the public, and the advancement of public participation in sport.

The financial year end for ASV Ltd is not aligned to the Council's with its year end being 31 July. The account for the period ended 30th November 2022 showed that ASV Ltd reported a deficit of £478k. The share of the deficit being attributed to the Council is £239k, although ASV Ltd continue to rely on reserves to support operations rather than asking for additional funding in the current year.

Aberdeen City Integration Joint Board (IJB)

The IJB was established by order of Scottish Ministers on 6 February 2016, becoming fully operational from 1 April 2016. The IJB is responsible for the strategic planning, resourcing and operational delivery of all integrated health and social care within the Aberdeen City area. This has been delegated by the partners, Aberdeen City Council and NHS Grampian.

As at 31 December 2022, the IJB is forecasting a break-even position for financial year 2022/23.

Further analysis of the IJB variance can be seen in Appendix 1

Associates

Grampian Valuation Joint Board

The Grampian Valuation Joint Board was created following Local Government Re-organisation on 1 April 1996, under the Local Government (Scotland) Act 1994 and covers the local government areas of Aberdeen City, Aberdeenshire, and Moray.

The Board has reported a surplus of £303k during the period ended 31st December 2022 mainly due to continued underspends in staffing and other supplies and services.

This is a favourable variance of £405k compared to the budgeted deficit of £102K.

The portion of the underspend attributable to ACC is £158k.

Non-Material Interest in Other Entities

On the grounds of materiality, Aberdeen Heat and Power Limited (AH&P Ltd), the North East Transport Partnership (NESTRANS), Grampian Venture Capital Fund Ltd, Strategic Development Planning Authority, Scotland Excel and bp Aberdeen Hydrogen Energy Limited (BAHEL) have to date been excluded from the Group Accounts, and therefore are not disclosed in the quarterly monitoring.

More information on these relationships can be found in the Council's Annual Accounts for 2021/22.