



**GROUP ENTITIES
PROJECTED FINANCIAL
POSITION FOR THE YEAR 2024/25**

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 2024/25	ACC Control	ACC Commitment to meet accumulated deficits	Annual Turnover
	%	%	£m
Subsidiaries			
Common Good	100	100	5
Trust Funds	100	100	0
Sport Aberdeen Limited	100	100	15
Bon Accord Care Limited	100	100	29
Bon Accord Support Services Limited	100	100	35
Aberdeen Heat and Power	100	100	7
Joint Ventures			
Aberdeen Sports Village Limited	50	50	6
BP Aberdeen Hydrogen Energy Ltd	50	50	
Aberdeen City Integration Joint Board	50	50	420
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 2024/25	Reporting Date	Surplus/(deficit) attributable to the Council at Reporting date	Forecast Surplus/(Deficit)	Comment
		£'000	£'000	
Subsidiaries				
Common Good	30.09.24	40	(69)	
Trust Funds	31.03.24	175	-	Full year forecast not internally available at Q2
Sport Aberdeen Limited	30.09.24	400	0	Forecasting a Break Even position at Q2
Bon Accord Care Limited and Bon Accord Support Services Ltd	30.09.24	3	-	Forecasting a Break Even position at Q2
Aberdeen Heat and Power Ltd	30.09.24	(220)	(452)	
Joint Ventures				
Aberdeen Sports Village Limited	31.07.24	(476)	-	Full year forecast not internally available at Q2
BP Aberdeen Hydrogen Energy Ltd	30.09.24	(294)	-	Full year forecast not internally available at Q2
Aberdeen City Integration Joint Board	30.09.24	0	0	Forecasting a Break Even position at Q2
Associates				
Grampian Valuation Joint Board	30.09.24	287	0	Full year forecast not internally available at Q2

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 showing an operational surplus at the end of Quarter 2 of £40k, and a projected deficit of £69k for the financial year. 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 2024, the Trusts reported a net surplus of £175k.

The Trusts are not expected to have a material impact on the Council's financial position for 2024/25.

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 September 2024 show net surplus of £400k. Sport Aberdeen is forecasting a break-even position for financial year 2024/25.

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 surplus of £3k against budget for the period ended 30th September 2024.

BAC has continued to review its operations to deliver efficiencies in staffing, IT/Network Capacity and other areas. At the end of Q2, BAC remains on track to deliver the £920k budget efficiencies embedded within the 2024/25 budget.

The consolidated forecast position for BAC and BASS for 2024/25 is a balanced budget. However on the assumption that no additional funding will be provided, achieving a balanced budget remains uncertain as the pay dispute has still not been finalised due to one of the main unions continuing to be in dispute.

Aberdeen Heat and Power Ltd (AH&P Ltd)

AH&P Ltd is a company limited by guarantee and has no share capital. Aberdeen City Council is the sole member of AH&P which is a wholly owned subsidiary of the council guarantor. All AH&P board appointments are made by the Council as the sole member of AH&P Ltd.

For the period ended 30th September 2024, Aberdeen Heat and Power shows a deficit of £220k. The forecast for the financial year shows a deficit of £452k.

The main reasons for the forecast deficit as outlined in the Q1 is due to AH&P receiving a significantly lower income from electricity in 2024/25, while the costs of gas has remained unchanged.

In addition the closure of the Beach Leisure Centre has led to a £150k reduction in income.

The forecast deficit is expected to be covered by the amount held in AH&P reserves.

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 accounts for the period ended 31st July 2024 showed that ASV Ltd reported a deficit of £952k. The share of the deficit being attributed to the Council is £476k.

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.

The IJB is expected to achieve a balanced budget annually, and retains reserves to mitigate unplanned additional costs arising during the year. However, there remains a high risk that if there is an overspend at the end of the financial year the Council may have to fund a portion of that deficit.

As at 30th September 2024, the IJB is forecasting a break-even position for financial year 2024/25.

Further analysis of the IJB variance can be seen in Appendix 2.

BP Aberdeen Hydrogen Energy Ltd (BPAHE Ltd)

BPAHE Ltd is a 50:50 joint venture between Aberdeen City Council and BP International Ltd set up on 11 March 2022. The purpose of this company is to establish a commercial hydrogen production, storage and distribution infrastructure for green hydrogen utilising renewable power to service transport in the short term. This will have the potential to be further expanded in future phases for the delivery of hydrogen power for a wide range of sectors looking to decarbonise, including fleet, heat and industry.

As at 30th Sep 2024, BPAHE Ltd show a deficit of £588k against budget. The portion of this deficit attributed to ACC is £294k.

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 £735k during the period ended 30th September 2024 mainly due to continued underspends in staffing and other supplies and services.

This is a favourable variance of £863k compared to the budgeted deficit of £128K.

The portion of the underspend attributable to ACC is £287k.

Non-Material Interest in Other Entities

On the grounds of materiality, the North East Transport Partnership (NESTRANS), Grampian Venture Capital Fund Ltd, Strategic Development Planning Authority and Scotland Excel 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 2023/24.