



GROUP ENTITIES
PROJECTED FINANCIAL POSITION
FOR THE YEAR 2017/18

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

As set out in paragraph 3.3 of the main report 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. Part of that evolution will be to incorporate the Group Accounts entities into reporting and to develop the information available on the group position.

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 2017/18	ACC Control %	Commitment to meet accumulated deficits %	Annual Turnover
			£m
Subsidiaries			
Aberdeen Exhibition & Conference Centre (AECC) Limited	100	100	0
Common Good	100	100	3
Trust Funds	100	100	0
Sport Aberdeen Limited	100	100	12
Bon Accord Care Limited	100	100	21
Bon Accord Support Services Limited	100	100	27
Joint Ventures			
Aberdeen Sports Village Limited	50	50	6
Aberdeen City Integration Joint Board	50	50	316
Associates			
Grampian Valuation Joint Board	39	39	4

The table below summarises the latest financial position reported by the group entities:

For the financial year 17/18	Reporting Date	Surplus/(Deficit) attributable to the Council at reporting date	Forecast Surplus/(Deficit)	Comment	RAG Status
		£'000	£'000		
Subsidiaries					
Aberdeen Exhibition & Conference Centre (AECC) Limited	n/a	-	-	Ceased trading 31/03/17	G
Common Good	31/12/2017	-	-	Reported in Appendices 2 & 3	G
Trust Funds	n/a	-	-	No report available	G
Sport Aberdeen Limited	30/11/2018	30	14	Small surplus forecast	G
Bon Accord Care Limited & Bon Accord Support Services Limited	31/12/2017	508	0	Break even position forecast	G
Joint Ventures					
Aberdeen Sports Village Limited	31/10/2017	(214)	-	Forecast not yet reported	G
Aberdeen City Integration Joint Board	31/12/2017	-	0	Actual not yet reported; break even position forecast subject to use of Integration and Change Fund	G
Associates					
Grampian Valuation Joint Board	31/12/2017	18	(75)	Deficit forecast £75k - attributable to ACC £29K	R

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

Subsidiaries

Aberdeen Exhibition and Conference Centre Limited (AECC)

AECC Ltd ceased trading on 31 March 2017 and is currently in the process of being wound up. No material impact on the Council's financial position is expected as a result of the winding-up process.

Common Good

The forecast revenue position of the Common Good is reported in Appendix 2, whilst the financial statement for the quarter is 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, the upkeep of public works and also the administration of the Guildry. The money earned from the investments of the Trusts is used to provide grants, prizes and dux medals for school children and requisites for clients in Social Work homes.

The Trust Funds are not expected to have a material impact on the Council's financial position for 2017/18.

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.

Sport Aberdeen have reported a profit of £30k for the 8 months ending 30 November 2017, compared to a budgeted deficit at this stage of the year of £51k, representing a positive variance of £81k. An overall surplus of £14k for the financial year 2017/18 is currently forecast.

Bon Accord Care and Bon Accord Support Services

Bon Accord Care Limited and Bon Accord Support Services Limited 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.

Bon Accord Care have reported an overall profit of £508k for the 6 months ending 31 December 2017, compared to a budgeted surplus at this stage of the year of £55k, representing a positive variance of £453k. An overall break even position for the financial year 2017/18 is currently forecast.

Joint Ventures

Aberdeen Sports Village Limited (ASV)

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 general 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. ASV Ltd reported a loss of £1.54m for the year ended 31 July 2017, the share of the loss being attributed to the Council is £772k, of which £471k would relate to the current financial year, and is attributed to depreciation losses. For its first quarter ending 31 October 2017 ASV Ltd reported a deficit of £428k, the share of the surplus being attributed to the Council is £214k. This loss is not expected to have any impact on the Council's budgetary position in 2017/18, however further consideration is to be given to the longer term implications of the loss.

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 has reported a forecast overspend of £3.477m for 2017/18 against its mainstream budget based on the position at period 9. The IJB has agreed a range of measures to be put in place to mitigate the forecast overspend on mainstream budgets. This sum can be met from within the overall available budget from resources allocated from the Integration and Change Fund. After accommodating the mainstream overspend, it is forecast that the total position on the Integration and Change Fund would be a surplus of £7.2m.

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 Aberdeenshire, Aberdeen City and Moray.

The Board has reported a surplus of £45k for the period ended 31 December 2017 compared to a budget surplus at this stage of the year of £11k, representing a positive variance of £34k. The share of the surplus at December attributable to the Council is £18k. A deficit of £75k for the financial year 2017/18 is currently forecast of which £29k is attributable to the Council. The deficit forecast is as a result of vacancy management savings not being achieved.