



**GROUP ENTITIES
FORECAST FINANCIAL
POSITION FOR THE YEAR 2018/19**

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.

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 2018/19	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	12
Bon Accord Care Limited	100	100	20
Bon Accord Support Services Limited	100	100	28
Joint Ventures			
Aberdeen Sports Village Limited	50	50	6
Aberdeen City Integration Joint Board	50	50	305
Associates			
Grampian Valuation Joint Board	39	39	4

The table below provides details of the year to date figures available, and the forecast surplus deficit for the financial year 2018/19. The Council has agreed to include information only when it has been reported through a group entities governance structure.

For the Financial Year 2018/19	Reporting Date	Surplus/(deficit) attributable to the Council at Reporting date	Forecast Surplus/(Deficit)	Comment
		£'000	£'000	
Subsidiaries				
Common Good	30/09/2018	409	32	see Appendices 2 & 3
Trust Funds	-	-	-	information available at 31.03.19
Sport Aberdeen Limited	31/08/2018	290	0	break even position forecast
Bon Accord Care Limited and Bon Accord Support Services Ltd	30/09/2018	585	0	break even position forecast
Joint Ventures				
Aberdeen Sports Village Limited	31/08/2018	(19)	0	break even position forecast
Aberdeen City Integration Joint Board	31/08/2018	0	0	break even position forecast
Associates				
Grampian Valuation Joint Board	30/09/2018	(1)	-	forecast not yet available

The notes below summarise the current 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 other local authorities, building societies and the Council's Loans Fund.

The Common Good is forecasting a £32k underspend for 2018/19 mainly as a result of recurring income and expenditure – see Appendix 2. 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.

Financial information for the Trust Funds will be available at year end, 31 March 2019. They are not expected to have a material impact on the Council's financial position for 2018/19.

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 31/08/2018 show a surplus of £290k, which represents a £57k positive variation against the budget.

Sport Aberdeen is forecasting a break even position for 2018/19, which is in line with the budget. The budget profiling reflects the seasonal nature of the ALEO's operations.

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. BAC provides care services regulated (by the Care Inspectorate) to BASS which in turn delivers both regulated and unregulated adult social care services to the Council.

The consolidated position of BAC and BASS shows an overall profit of £585k for the 6 months ending September 2018, compared to a budgeted surplus at this stage of the year of £458k, representing a positive variance of £126k. An overall break even position for the financial year 2018/19 is currently forecast.

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 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. The latest available financial information for Aberdeen Sports Village is for the period ended 31/08/2018. This shows that ASV Ltd reported a loss of £38k for the year period 31 August 2018, the share of the loss being attributed to the Council is £19k. ASV Ltd has sufficient reserves on its balance sheet to absorb this loss, and there will therefore be no requirement for Aberdeen City Council to fund this deficit.

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 currently experiencing budget pressures in those services delivered by the Council, specifically in Home and Residential Care. Steps have been taken by the management team to mitigate against cost pressures identified.

Work is ongoing on a detailed review of the Carefirst system to ensure all records are current. The executive team is currently working on savings plan to cover any overspend.

Expenditure on services delivered by the NHS is currently in line with budget. A risk of overspend in prescription services has been identified. The NHS has taken steps to mitigate against this risk. A decision has been taken to negotiate certain drugs at a national level.

The IJB is currently forecasting a break even position. This is based on the assumption that any overspends will be funded from reserves. The IJB currently holds a risk fund of £2.5m which could be used to cover any possible overspend. It is not expected that the IJB will be seeking any additional funds from the Council or the NHS.

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 loss of £2k for the period ended 30 September 2018 compared to a budgeted loss of £90k at this stage of the year, representing a better than expected variance of £88k.

The share of the loss attributable to the Council is as at September 2018 is £0.8k. A full year forecast position is not available at this time.