



**GROUP ENTITIES
PROJECTED FINANCIAL
POSITION FOR THE YEAR 2020/21**

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 2020/21	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	14
Bon Accord Care Limited	100	100	23
Bon Accord Support Services Limited	100	100	31
Joint Ventures			
Aberdeen Sports Village Limited	50	50	6
Aberdeen City Integration Joint Board	50	50	332
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 2020/21	Reporting Date	Surplus/(deficit) attributable to the Council at Reporting date	Forecast Surplus/(Deficit)	Comment
		£'000	£'000	
Subsidiaries				
Common Good	30.09.20	196	(833)	
Trust Funds	-	-	-	Information available at 31.03.21
Sport Aberdeen Limited	31.08.20	380	(300)	
Bon Accord Care Limited and Bon Accord Support Services Ltd	30.09.20	260	0	Break even position forecast
Joint Ventures				
Aberdeen Sports Village Limited	31.08.20	114	227	
Aberdeen City Integration Joint Board	30.06.20	0	0	Break even position forecast
Associates				
Grampian Valuation Joint Board	30.06.20	506	(631)	

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 currently forecasting a deficit of £833k for 2020/21 mainly as a contribution to Aberdeen Performing Arts funding that was approved at Urgent Business Committee on 6 May 2020 – see Appendix 2. The financial statements 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 2021. They are not expected to have a material impact on the Council's financial position for 2020/21.

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 August 2020 show a surplus of £454K. A deficit of £300k is forecast for the financial year 2020/21.

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 an overall profit of £260k for the period ended 30 September 2020, compared to a budgeted deficit of £128k. This represents a positive variance of £389k from budget. An overall break-even position for the financial year 2020/21 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. The latest available financial information for Aberdeen Sports Village is for the first month, the period ended 31st August 2020. This shows that ASV Ltd reported a surplus of £227k. The share of the surplus being attributed to the Council is £114k.

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 30 June 2020, the IJB were reporting an overspend of £5.4m, and forecasting a full year overspend of £11.4m. This is due to forecast direct Covid Costs of £7.6m, Indirect Covid Costs of £3.5m, and an overspend on mainstream funds of £352k. An allocation of £9.1m funding was confirmed by the Scottish Government on 29 September 2020, with a further allocation likely in November 2020 subject to the provision of information by the IJB. A break-even position is being forecast, on the assumption that further funding will be received. There remains a risk that the required amount of funding may not be received and that any remaining overspend will require to be met by the Council and NHS Grampian.

Further analysis of the IJB variance can be seen in Appendices 1 and 2.

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 £506k as at 30 September 2020 compared to a budgeted deficit of £46k at this stage of the year, representing a better than expected variance of £551k.

The main reasons for the underspend as at Q2 are due to savings in employee costs, and £33k more received in government grants than budget. In addition to this further savings have been realised in supplies and services costs. The board is forecasting a deficit of £631k for the financial year 2020/21, this will be accommodated with the use of operating reserves.