



**GROUP ENTITIES
PROJECTED FINANCIAL
POSITION FOR THE YEAR 2021/22**

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 2021/22	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	24
Bon Accord Support Services Limited	100	100	31
Joint Ventures			
Aberdeen Sports Village Limited	50	50	5
Aberdeen City Integration Joint Board	50	50	288
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 2021/22	Reporting Date	Surplus/(deficit) attributable to the Council at Reporting date	Forecast Surplus/(Deficit)	Comment
		£'000	£'000	
Subsidiaries				
Common Good	30.09.21	871	(10)	
Trust Funds	31.03.21	343	-	Full year forecast not yet internally reported as at Q2
Sport Aberdeen Limited	30.09.21	318	150	
Bon Accord Care Limited and Bon Accord Support Services Ltd	30.09.21	236	0	Break even
Joint Ventures				
Aberdeen Sports Village Limited	31.07.21	(1,112)	-	Full year forecast not yet internally reported as at Q2
Aberdeen City Integration Joint Board	30.09.21	0	0	Break even
Associates				
Grampian Valuation Joint Board	30.09.21	297	-	Full year forecast not yet internally reported as at Q2

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, which will change during 2021/22 to be substantially invested in a multi-asset income fund managed by Fidelity.

Common Good is currently forecasting a deficit of £10k for 2021/22.

This projected deficit is due to additional costs of £12.5k approved for the Denis Law Statue, £100k for City Clean, £20k for the Denis Law Trail and £32K additional costs of new Christmas lights.

The impact of these additional costs is mitigated by savings of £77k made due to the cancellation of the Highland games for 2021/22, £17k from the cancellation of BP Summer Screen and £60k due to no expected spend on Twinning.

The financial statements for the quarter are shown in Appendix 3 and the full year forecast is in Appendix 2.

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 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.

At the end of March 2021, the Trusts reported a net surplus of £343k.

The Trusts are not expected to have a material impact on the Council's financial position for 2021/22.

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 2021 show net income for the year of £318k.

Sport Aberdeen is projecting a surplus of approximately £150k for 2021/22 on the assumption that there are no further Covid 19 restrictions from the government for the rest of the financial year.

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 £236k for the period ended 30th September 2021 which is a variance of £320k from the budgeted deficit of £85k in Q2.

This is due to budget allocated for transformation projects in 2021/22 not yet spent and additional income claimed in 2021/22 against unrecognised Covid costs for 2020/21.

In addition to this, additional income has been generated due to growth in external learning and development business.

BAC and BASS are forecasting a break-even position for 2021/22.

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, 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 31st July 2021. This showed that ASV Ltd reported a deficit of £2,224k. The share of the deficit being attributed to the Council is £1,112k. This deficit is met from ASV reserves. The Partners are not expected to make any further contributions.

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.

At the period ended 30th September 2021 the IJB is forecasting a break-even position for financial year 2021/22.

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

Associates

Grampian Valuation Joint Board (GVJB)

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 £297k for the period ended 30th September 2021 which is £317k more than the budgeted deficit of £21k at the same date.

This is due to savings made on employee costs because of vacancies not being filled. In addition to this, GVJB budgeted for a 2.5% pay award for 2021/22 which is yet to be agreed nationally and therefore actual expenditure will not be incurred until later in the year.

The portion of the surplus attributable to ACC is £116k.