

**ALEO GOVERNANCE HUB
BON ACCORD CARE**

ABERDEEN, 15 June 2015. Minute of Meeting of the ALEO GOVERNANCE HUB. Present:- Roderick MacBeath (Democratic Services), Chairperson; and Neil Buck (IT and Transformation), Jeff Capstick (Human Resources), Tom Cowan (Health and Social Care Partnership), Paul Dixon (Finance), Joan McCluskey (Commercial and Procurement Services), Martyn Phillips (Human Resources and Organisational Development) and Scott Ramsay (Economic Development); and Graeme Morrison and Sandra Ross (Bon Accord Care).

Also in attendance: Iain Robertson (Democratic Services) and Mark Johnstone (Audit Scotland).

Apologies: Mary Agnew (Human Resources and Customer Service).

No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Responsible Officer(s)
1.	Chair's Opening Remarks	N/A	<p>The Chair opened the meeting and welcomed Hub members and representatives from Bon Accord Care (BAC) and he explained that the Governance Hub would meet biannually with the next meeting in December and further explained that today's meeting would provide high level scrutiny of each ALEO and that two areas identified from the meeting for further development would be investigated in a more extensive and targeted manner at the December meeting.</p> <p>The Chair then advised that the purpose of the Governance Hub was to put in place reporting arrangements in which each ALEO's performance would be scrutinised in areas of financial performance; service</p>	N/A	N/A

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			<p>performance; the management of risk and contractual compliance in order to provide assurance to the Council. In addition to this he also provided a summary of the two outstanding audit recommendations from the Audit, Risk and Scrutiny Committee.</p> <p>The Chair then explained how the meeting would proceed and he advised that the Hub would adopt a standardised approach of high level scrutiny for all four of the ALEOs this cycle and would take care not to infringe upon the remit of the ALEO Boards. He further elaborated that each ALEO would be scrutinised for between ten and fifteen minutes by a Hub member representing a service from Corporate Governance and then by a Service representative; in this case a representative from the Health and Social Care Partnership for between fifteen and twenty minutes.</p> <p>The Chair further advised that the minute from today's meeting would be submitted to the Council's Audit, Risk and Scrutiny Committee on 25 June and the Education and Children Service's Committee on 3 September. Thereafter, those present at the meeting introduced themselves.</p>		
Risk Mitigation and Management					
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Responsible

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	<p>2. Business Continuity Plans</p>	<p>(a) Business Continuity Procedure (April 2015); (b) Business Continuity Plan (March 2015); (c) Business Continuity Workbook (August 2014); and (d) Business Continuity Plan Log (November 2014).</p>	<p>Neil Buck (Performance and Risk Manager) introduced the Risk Mitigation and Management section and outlined the criteria he expected to be met. He explained that the scrutiny of each ALEO would be high level and would focus on two main areas: the management and mitigation of risk and the robustness of their performance management framework.</p> <p>Mr Buck explained that the Hub sought a level of assurance from each ALEO that they had the proper systems and processes in place and that they were effectively managing and mitigating their own risk and risks to the Council. He also advised that he would scrutinise each ALEO's Performance Management Framework; concentrating on how performance was measured and evaluated and how it linked with their priorities and outcomes as well as those of the Council.</p> <p>With reference to their Business Continuity Plans Mr Buck enquired if BAC had a testing regime in place: Sandra Ross (Managing Director, BAC) advised that BAC had conducted an initial table top simulation in conjunction with Aberdeen City Council (ACC) based on the scenario of an out of hours fire that examined strengths and weaknesses of their plans and procedures. This produced Business</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to request an update on BAC's testing of their Business Continuity Plans; (ii) to otherwise note the reports; and (iii) note the information provided.</p>	<p>Officer(s) Neil Buck</p>
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			Continuity Plans for each area which were reviewed on an annual basis. Ms Ross recognised that their Business Continuity Plans needed to be further tested and they would look to conduct another test this year to ensure that this continued to occur on an annual basis.		
3.	Current Risk Register	BAC Risk Register	<p>With reference to the Risk Register Mr Buck stated that it was comprehensive and welcomed the use of the traffic light system. He asked why the 'Risk Rating Following Mitigation' column of the Risk Register was not populated: Sandra Ross explained that the register was currently being updated and the column would be populated as and when the risk had been mitigated and this would continue on an ongoing basis.</p> <p>Ms Ross added that although BAC did not have a broader risk management strategy they had adopted a dynamic, bottom-up approach to risk reporting as they had established a Risk Management Committee that provided a mechanism for greater staff involvement and she advised that training for members of this committee on how to identify and mitigate risk was ongoing. She further iterated that the Risk Register was submitted to the Board at every meeting and it was the role of the Board to scrutinise the register and examine the quality assurance systems and structures that underpinned risk</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to request an update on BAC's development of a broader Risk Management Strategy;</p> <p>(ii) to otherwise note the report; and</p> <p>(iii) note the information provided.</p>	Neil Buck

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			reporting.		
4.	Annual Business Plan and Performance Framework	<ul style="list-style-type: none"> (a) Performance Management Framework (1 April 2015 – 31 March 2018); (b) May Monthly Referrals; (c) Service User Satisfaction Survey (June 2014 – May 2015); (d) Occupational Therapy (OT) Data Set for May 2015 (e) ADL Smartcare Data Set for May 2015; (f) Care Inspectorate Grade Report (31 May 2015); and (g) OT Equipment Store Data Set (May 2015 – April 2016). 	With reference to BAC's Performance Management Framework Mr Buck asked about the reporting process: Sandra Ross explained that the framework was constructed to report internal KPI's and KPI's that would support the Single Outcome Agreement (SOA); and she added that a number of KPI's were reported weekly to ACC whereas others were reported on a monthly basis. Ms Ross also confirmed that BAC had benchmarked against other comparative organisations in areas such as sickness rates; staff engagement and use of agency staff; and trends were monitored on a weekly basis.	<p><u>The Hub resolved:-</u></p> <ul style="list-style-type: none"> (i) to note the reports; and (ii) to otherwise note the information provided. 	Neil Buck
5.	External and Internal Inspection Structure with Outstanding Recommendations	<ul style="list-style-type: none"> (a) Explanatory note which stated that no formal internal audit provider had been appointed for BAC and that their contract had not reflected the provision of this service from within the Service Level Agreement (SLA); (b) Internal and External Governance Arrangements Report; and (c) Outstanding Audit Recommendations from the Care Inspectorate. 	<p>With reference to BAC's inspection structure Mr Buck enquired about BAC's auditing arrangements: Sandra Ross advised that no formal internal auditing arrangement was in place and that this would be subject to discussions with ACC. Ms Ross elaborated that BAC had created an Internal Audit Working Group which would meet on 13 August to recommend a more robust quality assurance system and she assured the Hub that she took internal auditing arrangements very seriously.</p> <p>With regards to external auditing arrangements Ms Ross advised that this was conducted by the Care Inspectorate</p>	<p><u>The Hub resolved:-</u></p> <ul style="list-style-type: none"> (i) to request an update on BAC's internal auditing arrangements; (ii) to otherwise note the reports; and (iii) note the information provided. 	Neil Buck

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			and other regulatory agencies.		
Financial Governance					
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Responsible Officer(s)
6.	Approved Financial Procedures	<p>(a) Explanatory note which explained that BAC purchased most of their necessary financial activities from ACC and that these services were managed through SLAs with Corporate Governance;</p> <p>(b) InfoSmart Matrix;</p> <p>(c) PECOS Requisitioners and Cost Centre Structure (1 April 2014); and</p> <p>(d) Financial Regulations Management and Control: Code of Practice (September 2014).</p>	<p>Paul Dixon (Accounting Manager, ACC) introduced the Financial Governance section and advised that he sought assurance on the robustness of BAC's financial procedures and he acknowledged that BAC had existing reporting arrangements with the Council's Shareholder and Scrutiny Group. Mr Dixon asked if BAC had prepared for a reduction in their level of funding as this risk was not on their Risk Register: Sandra Ross replied that this issue had been considered; and the Board and senior management had set aside two days in July to focus on business planning to proactively prepare for further austerity measures.</p> <p>Ms Ross elaborated that the risks identified were related to the constraints of the current contract and commissioning in facilitating BAC's ability to trade. She added that initial discussions had taken place with ACC to investigate how this could be progressed.</p> <p>Mr Dixon noted the submission of the explanatory note which explained that BAC had largely adopted ACC's financial</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to request an update on the development of a risk indicator that would capture the risk of a reduction in core funding;</p> <p>(ii) to request an update on the development of bespoke financial procedures;</p> <p>(iii) to otherwise note the reports; and</p> <p>(iv) note the information provided.</p>	Paul Dixon

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			procedures and arrangements and he enquired if BAC had considered introducing bespoke procedures: Sandra Ross explained that the Council's procedures were packaged along with the transfer of functions and services and that they were sufficient at present although she acknowledged that these procedures would be a foundation in the development of bespoke procedures and this would be reviewed in due course.		
Decision Making					
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Responsible Officer(s)
7.	Board Structure and Sub Committees with Remit and Membership	Board and Committee Structure Report	The Chair (Senior Democratic Services Manager) spoke to the Decision Making section and with reference to the effectiveness of the Board's membership and structure he asked what mechanism BAC had in place to enhance the capability of Board members and the steps they would take if a skills gap had been identified: Sandra Ross explained that no formal procedures were in place to address this and was confident that Board members would indicate if they needed support. She elaborated that they had invited experts to Board meetings to educate members on issues such as Corporation Tax and in addition to this they had formed working groups to share and enhance knowledge.	The Hub resolved:- (i) to note the report; and (ii) to otherwise note the information provided.	Roderick MacBeath

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			The Chair asked if BAC considered the gender balance of the Board to be a risk: Sandra Ross replied that she did not view gender balance as a risk and she explained that the Senior Management Team was well represented by women and added that in the future BAC would take cognisance of this issue to an ensure an even gender split on the Board.		
8.	Constitution and Delegations	(a) BAC Articles of Association; and (b) Bon Accord Support Services (BASS) Articles of Association.	<p>The Chair explained that reference had been made in an audit report to inconsistent approaches adopted by ALEOs with regards to ACC officer attendance at ALEO Board meetings. The Chair asked if ACC officers were welcome to attend BAC Board meetings; and that they received agenda papers in advance and had the opportunity to speak at meetings: Sandra Ross advised that the contract stated than ACC officer would attend as an observer, previously Liz Taylor, the former Director of Social Care and Wellbeing had attended Board meetings and openly addressed the Board and she would continue to work with the designated ACC officer.</p> <p>The Chair welcomed this and advised that the ACC Chief Executive had nominated a lead officer for each ALEO and they would represent their Council Service at Board meetings.</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to note the reports; and (ii) to otherwise note the information provided.</p>	Roderick MacBeath
9.	Report Template	(a) Board report template;	The Chair stated that the documents	<u>The Hub resolved:-</u>	Roderick

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	for Board and Sub Committees	(b) Minute sheet template; and (c) Action note template.	submitted were satisfactory.	to note the reports.	MacBeath
HR Compliance and Best Practice					
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Responsible Officer(s)
10.	Sickness Management	Maximising Attendance Policy.	<p>Jeff Capstick (HR Manager) spoke to the HR Compliance and Best Practice section and asked about BAC's approach towards sickness management: Sandra Ross explained that the Maximising Attendance Procedure had been reviewed and operational management of it changed in 2014 and since then overall sickness absence had been reduced by 11% and short term absence now stood at 29%, which was an improvement on previous years. She did acknowledge that longer term absence was particularly challenging and still a significant risk.</p> <p>Ms Ross elaborated that she had put in place a number of initiatives to address this issue which included:</p> <ul style="list-style-type: none"> • the establishment of an Occupational Health Working Group; • the establishment of a Events and Wellbeing Committee operated by staff that supported initiatives such as fundraising and smoking cessation; and 	<p><u>The Hub resolved:-</u></p> <p>(i) to note the report; and (ii) to otherwise note the information provided.</p>	Jeff Capstick

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			<ul style="list-style-type: none"> Work Place Assessments. <p>Ms Ross added that the Events and Wellbeing Committee had taken the lead on BAC's aim to be accredited with the Bronze Award for healthy working lives.</p>		
11.	Conduct and Capability Procedures	Managing Performance Policy and Procedure.	With reference to Conduct and Capability Procedures: Sandra Ross advised that BAC were aware of their legal obligations to manage the performance of their staff and had received guidance from HR colleagues on best practice. Ms Ross added that they had established links with the Chartered Institute of Personal Development (CIPD) and were externally regulated by the Care Inspectorate. She also advised that BAC were aware of changes to holiday pay regulations and had taken steps to address this within their business plan.	<u>The Hub resolved:-</u> (i) to note the report; and (ii) to otherwise note the information provided.	Jeff Capstick
12.	Staff Engagement Strategy	Staff Engagement Strategy.	With reference to the Staff Engagement Strategy: Sandra Ross advised that BAC had created an internal newsletter and established a working group to drive content. She elaborated that the newsletter updated staff on policy changes and upcoming events and provided a forum for staff to provide and receive feedback from senior managers. Ms Ross added that BAC had a website that was regularly updated; they also conducted staff surveys and had introduced a shadowing policy that arranged for senior	<u>The Hub resolved:-</u> (i) to note the report; and (ii) to otherwise note the information provided.	Jeff Capstick

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			managers and staff to shadow each other.		
13.	Health and Safety Compliance	<p>(a) Health and Safety Policy (20 September 2013); and</p> <p>(b) Explanatory note which explained that BAC's Health and Safety Policy was scheduled for review and that the Health and Safety Committee had met every two months and that Health and Safety was a standing item on the Board's agenda.</p>	<p>Martyn Phillips (Health and Safety Advisor, ACC) spoke to the Health and Safety Compliance section and asked about BAC's most pressing health and safety risks: Sandra Ross highlighted staff absence; incidents of abuse towards staff and updating staff skill sets.</p> <p>With regards to staff absences Ms Ross explained that she hoped to add further dimensions to the Occupational Therapy provision for staff to align with operational and strategic risks but this had been delayed as it's delivery was dependent on budgetary decisions taken by ACC.</p> <p>With regards to mitigating and managing risks from abusive service users she advised that de-escalation training for staff was currently being reviewed.</p> <p>With regards to staff training she advised that all employees received a three day induction focussing on statutory obligations in areas such as hygiene, fires and organisational values. This was followed by a three month supervision period in which progress was recorded at two, four and eight weeks respectively and thereafter training trackers would be submitted on a monthly basis; she also added that the training tracker was currently being reviewed.</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to note the report;</p> <p>(ii) to note the explanatory note; and</p> <p>(iii) to otherwise note the information provided.</p>	Mary Agnew/ Martyn Phillips

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			<p>With reference to how BAC ensured that health and safety was reported effectively: Sandra Ross advised that BAC complied with regulations and had put in place a mechanism to investigate and analyse trends. She added that BAC maintained a rigorous Accident and Incident Log and they had adopted a bottom-up health and safety approach whereby accidents, incidents and concerns were reported up to senior management after consultation with the Health and Safety Working Group and then onto the Board for mitigation, management and actions; and these actions were subsequently cascaded back down to staff.</p> <p>With reference to how BAC ensured competency amongst agency staff: Sandra Ross explained that agency staff received an induction and she added that although agency use was still high, the use of agency staff had decreased by over 50% in comparison to the previous year. She elaborated that this had been due to the implementation of an internal staff pool, in which pool staff had an initial induction period and then worked flexibly across a range of roles and this had had a positive impact on performance.</p>		
Commercial Compliance and Best Practice					
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Responsible

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					Officer(s)
14.	Procurement Regulations and Procedures	Explanatory note which explained that BAC operated under the same procurement guidelines as ACC and that BAC were currently drafting bespoke procurement policies and procedures with appropriate controls and transparency when spending the public pound; the procedure was at an early stage of development but would be finalised during the budgetary year.	<p>Joan McCluskey (Corporate and Procurement Manager, ACC) introduced the Commercial Compliance and Best Practice section and stated how public money was spent was very important and subject to changing legislation and regulations from Scottish Government and the EU and it was essential that procurement procedures were in line with legislation. She added that the three overriding principles that should inform procurement regulations and procedures were fairness, openness and transparency. Ms McCluskey acknowledged that BAC operated under the same guidelines as ACC and she enquired how this applied in practice:</p> <p>Sandra Ross advised that BAC used ACC nominated suppliers and thresholds and relied on ACC colleagues for advice and guidance with regards to this area of the organisation; she iterated that BAC were in the initial stages of developing bespoke procurement regulations and procedures in order to ensure best value and greater transparency.</p> <p>Expanding on this point, Ms McCluskey asked how BAC advertised a contract or tender to ensure best value and transparency: Ms Ross advised that BAC used local suppliers and that the volume of suppliers was low and there was an</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to advise and support BAC in their development of robust procurement procedures to satisfy regulations and reporting arrangements set out in the Procurement Reform (Scotland) Bill (2014);</p> <p>(ii) to otherwise note the explanatory note; and</p> <p>(iii) note the information provided.</p>	Joan McCluskey

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assumption that if ACC had contracted these suppliers then that was an assurance of best value. Further to this Ms Ross acknowledged that BAC needed to develop and expand their procedures in this area to ensure a more transparent process.

Ms McCluskey enquired if BAC maintained a Contracts Register and forward planned: Sandra Ross advised that they held a Contracts Register which also included non-value contracts such as their contract with the Chaplaincy Service. In terms of forward planning she explained that this process would be further developed when the Service Level Agreement was reviewed.

To conclude, Ms McCluskey asked if BAC were aware of the Procurement Reform (Scotland) Bill (2014) and the impact it would have on how services were procured and their reporting arrangements. She added this was the nucleus of her scrutiny to provide assurance that a contracts register, sustainable procurement practices and forward planning would be developed by BAC before the act came into force: Sandra Ross explained that she was not aware of the new legislation as the Board and senior management team had been internally focussed and were preparing for the integration of adult health and social

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			care. Ms Ross explained that she would welcome further information and guidance from ACC colleagues in order to help BAC prepare for the forthcoming regulations and reporting arrangements as set out in the legislation.		
Operational Performance					
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Responsible Officer(s)
15.	Operational Performance	(a) BASS Service Provision Agreement; and (b) First Year Report (1 August 2013 – 31 July 2014).	<p>Tom Cowan (Head of Joint Operations, Health and Social Care Partnership) spoke to the Operational Performance section and Mr Cowan acknowledged the complexity of delivering social care to often vulnerable service users in which roughly 66% of funding was set aside for residential care and the delivery of care in the home. Mr Cowan asked the BAC representatives to assess their performance: Sandra Ross highlighted that the Care Inspectorate's Quality Indicators had shown that BAC had improved their quality performance. With regards to efficiency levels within the organisation she added that this had been achieved due to rota changes that allowed staff to be assigned more flexibly in order to meet service user need.</p> <p>Mr Cowan recognised that BAC were contracted to deliver a significant number of services and he enquired how they targeted the delivery of services and</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to note the reports; and</p> <p>(ii) to otherwise note the information provided.</p>	Tom Cowan

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ensured that resources were assigned based on service user need: Ms Ross advised that they monitored KPI's on occupancy levels; discharge rates; staff absences and vacancies to get a fuller understanding of the service environment. She added that the staff rota system had been reviewed and she felt that care could now be assigned and redistributed more efficiently based on service user need. She also highlighted the benefits of using the referral system but advised that in her view the current way of commissioning contracts particularly the delivery of statutory and commercial contracts had stifled more streamlined working arrangements.

With regards to the effectiveness of the bespoke Enablement Service: Ms Ross explained that key outcomes had been developed with criteria that focused on referral rates and staff training and she reiterated that this service aligned with an innovative approach to support early intervention. Ms Ross added that she would work with Public Health colleagues to progress this service.

To conclude, Mr Cowan enquired about the strategic environment; specifically how BAC planned to influence the social care agenda and how prepared they were for the integration of adult health and social care: Ms Ross advised that BAC would

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			look to develop and promote early intervention and preventative approaches; and would prioritise enablement in order for service users to lead as full and independent lives as possible. She added that she would also look at modelling on eligibility criteria. In terms of the integration of adult health and social care: she hoped that this would break down barriers that currently prevented a more streamlined approach with regards to service delivery.		
16.	The Chair's Closing Remarks	N/A	<p>The Chair reiterated that the minutes from today's meeting would be submitted to the Audit, Risk and Scrutiny Committee on 25 June and to the Education and Children's Services Committee on 3 September. He also explained that a report which focussed on service performance would also be submitted to the Education and Children's Service's Committee.</p> <p>The Chair thanked the BAC representatives for their attendance and contributions and brought the meeting to a close.</p>	N/A	N/A

If you require further information about this minute, please contact Iain Robertson, tel. 01224 522869 or email iairobertson@aberdeencity.gov.uk