

**ALEO GOVERNANCE HUB
ABERDEEN SPORTS VILLAGE**

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), Paul Dixon (Finance), Jo Hall (Education Service), Andrew Jones (Policy, Performance and Resources), Joan McCluskey (Commercial and Procurement Services), Martyn Phillips (Human Resources and Organisational Development) and Scott Ramsay (Economic Development); and Jan Griffiths, Kenny Gunnyeon, Sue Stephenson and Jane Thomson (Aberdeen Sports Village).

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

Apologies: Mary Agnew (Human Resources and Customer Service) and Euan Couperwhite (Policy, Performance and Resources).

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 Aberdeen Sports Village (ASV) 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 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</p>	N/A	N/A

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performance; service 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.

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 Education and Children’s Services for between fifteen and twenty minutes.

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’s Services Committee on 3 September. Thereafter, those present at the meeting introduced themselves.

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No	Item	Documents Submitted	Assurance Provided	Actions	Responsible Officer(s)
2.	Business Continuity Plans	(a) Business Continuity Management Procedures; (b) Critical Incident Management Plan (July 2014); and (c) IT Systems Continuity Plan.	<p>Neil Buck (Performance and Risk Manager, ACC) 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 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 the Business Continuity Plans Mr Buck stated that these were comprehensive and asked if there was a testing regime in place to identify if the plans were still fit for purpose and how frequently they were reviewed: Kenny Gunnyeon (Business Development Manager, ASV) apologised for the omission of the review schedule and</p>	<p>The Hub resolved:-</p> (i) to request that the Business Continuity Plan Testing Review Schedule be made available to Hub members ahead of the next meeting; (ii) otherwise to note the reports; and (iii) note the information provided.	Neil Buck

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			advised that this could be provided on request. Mr Gunnyeon also explained that operational risks were reviewed on an ongoing basis and that the Business Continuity Plans were reviewed by the Senior Management Team (SMT) on an annual basis. He also explained that ASV recently had a real time IT critical management test when their software went offline and was not operational and that the effectiveness of their procedures and responses were reviewed following this.		
3.	Current Risk Register	(a) Risk Register (February 2015); and (b) Health and Safety Risk Analysis (December 2014).	With reference to ASV's Risk Register Mr Buck stated that he was satisfied that it was comprehensive and provided a broad account of risk and welcomed the use of the traffic lighting system. Further to this Mr Buck enquired about the frequency of Risk Register reviews: Mr Gunnyeon advised that risks were identified and reviewed on an ongoing basis and that the register was reviewed in full by SMT twice a year and submitted to the Board annually.	<u>The Hub resolved:-</u> (i) to note the reports; and (ii) to note the information provided.	Neil Buck
4.	Annual Business Plan and Performance Framework	Draft Business Plan 2015-18 (March 2015).	With reference to the Business Plan and the Performance Framework Mr Buck asked when the indicators in the draft Business Plan would be populated: Sue Stephenson (Finance Manager, ASV) explained that the Strategic Plan was still at draft stage and performance indicators were still subject to review but would	<u>The Hub resolved:-</u> (i) to request an update on the development and population of performance indicators in ASV's draft Business	Neil Buck

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			provide an update when these were finalised.	(ii) Plan; otherwise to note the report; and (iii) note the information provided.	
5.	External and Internal Inspection Structure with Outstanding Recommendations	<ul style="list-style-type: none"> (a) External and Internal Inspection Structure; (b) Henderson Loggie External Audit 2013/14; (c) AAB Sage Internal Audit (February 2014); (d) Quest Assessment Report (1 May 2015); (e) Quality Leisure Management (QLM) Audit (6 March 2015); (f) QLM Recommendations and Action Plan (26 May 2015); (g) Health and Safety Inspections Report (December 2014); (h) Internal Audit Schedule (2015) (i) Internal Health and Safety Audit (2015); and (j) Royal Life Saving Society UK Lifeguard Audit (19 August 2014). 	Paul Dixon (Accounting Manager, ACC) enquired about the steps ASV had taken to satisfy outstanding audit recommendations and Sue Stephenson advised that an action plan had been developed to address these recommendations and was being reviewed and updated on an ongoing basis. She added that alterations would be submitted to the Board for approval as and when required.	<p><u>The Hub resolved:-</u></p> <ul style="list-style-type: none"> (i) to note the reports; and (ii) to note the information provided. 	Neil Buck

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Financial Governance					
No	Item	Documents Submitted	Assurance Provided	Actions	Responsible Officer(s)
6.	Approved Financial Procedures	Financial Regulations (January 2015).	<p>Paul Dixon introduced the Financial Governance section and advised that he sought assurance on the robustness of ASV's financial procedures. Mr Dixon stated that ASV's financial procedures looked extensive and asked about the frequency of review:</p> <p>Sue Stephenson advised that financial procedures were reviewed on a three year standing cycle and updated when necessary and subject to ongoing review. She also explained that financial performance was reported to the Board on a quarterly basis and that report authors clearly evidenced financial implications in all papers submitted to the Board. She referenced the Board Report Template in Item 3c to evidence this approach and elaborated that the Board were particularly attuned to financial implications due to the ongoing Phase Three Development.</p> <p>Further to this Mr Dixon enquired about the challenges ASV had faced during the development of their Business Plan and Ms Stephenson explained that ASV and ACC had different financial years and this had budgetary and financial planning implications. She also highlighted that the profile of the budget was formulated</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to note the report; and</p> <p>(ii) to note the information provided.</p>	Paul Dixon

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			to reflect funding arrangements throughout the year and they were increasingly mindful of the risks of funding being reduced from their partners due to ongoing austerity measures and that this had been reflected in their Business Plan whereby an assumption of a £50 million shortfall was prepared for.		
Decision Making					
No	Item	Documents Submitted	Assurance Provided	Actions	Responsible Officer(s)
7.	Board Structure and Sub Committees with Remit and Membership	Job Description of Board Members.	<p>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 ASV had in place to enhance the capability of Board members and the steps they would take if a skills gap had been identified:</p> <p>Jan Griffiths (Acting Chief Executive, ASV) advised that a strict recruitment process was in place and that they were actively considering increasing the number of Board members by two in order to broaden the fields of expertise and enhance the level of knowledge on the Board. She also explained that ASV had co-opted members onto sub committees on a time bound basis and adopted this approach during the development of the Aquatics Centre</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to note the report; and</p> <p>(ii) otherwise note the information provided.</p>	Roderick MacBeath

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			<p>although she advised that there were currently no co-optees in place. Further to this she stated that the Board had retained a number of Board members since inception in 2008 and they reviewed the composition of skill sets on a regular basis.</p> <p>The Chair asked if ASV considered the gender balance of the Board to be a risk: Mrs Griffiths advised that ASV did not view this as a risk and was confident that their partners would appoint the best person for the role irrespective of gender.</p>		
8.	Constitution and Delegations	<p>(a) Articles of Association (11 July 2008);</p> <p>(b) Joint Venture Agreement (5 October 2007); and</p> <p>(c) Draft Operating Agreement (June 2015).</p>	<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 ASV Board meetings; if they received agenda papers in advance and had the opportunity to speak at meetings:</p> <p>Jan Griffiths advised that no Council officer had attended ASV Board meetings in the recent past and it was under consideration to remove this provision from the draft Operating Agreement and would be discussed at the Partners meeting next week. The Chair responded that the ACC Chief</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to request an update on ACC officer attendance and participation at ASV Board meetings at the next Hub meeting;</p> <p>(ii) otherwise to note the reports; and</p> <p>(iii) note the information provided.</p>	Roderick MacBeath

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			Executive had nominated a lead officer for each ALEO and they would represent the Council Service at Board meetings and he advised that the Hub would consider this matter at its next meeting.		
9.	Report Template for Board and Sub Committees	ASV Board Agenda (13 March 2015).	The Chair stated that the documents submitted were satisfactory.	<u>The Hub resolved:-</u> to note the report.	Roderick MacBeath
HR Compliance and Best Practice					
No	Item	Documents Submitted	Assurance Provided	Actions	Responsible Officer(s)
10.	Sickness Management	Sickness Absence Policy Statement (May 2013).	Jeff Capstick (HR Manager) spoke to the HR Compliance and Best Practice section and enquired about ASV's approach towards sickness management: Jan Griffiths advised that absences were recorded on an ongoing basis at team level and held centrally at management level where trends were monitored and could be addressed. She also added that SMT were briefed on a regular basis and trends and results were cascaded down to line managers for information and action.	<u>The Hub resolved:-</u> (i) to note the report; and (ii) to note the information provided.	Jeff Capstick
11.	Conduct and Capability Procedures	(a) Training Needs Analysis and Training Plan (May 2015); (b) Disciplinary Procedure (15 May 2013); (c) Discrimination and	With reference to the main strategic risks faced by ASV: Kenny Gunnyeon highlighted that the recruitment and retention of quality staff was a long standing challenge due to economic competition for entry level jobs in	<u>The Hub resolved:-</u> (i) to note the reports; and (ii) to note the information provided.	Jeff Capstick

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		<p>Harassment Policy (15 May 2013);</p> <p>(d) Grievance Procedure (15 March 2013); and</p> <p>(e) Pay and Reward Policy (December 2014).</p>	<p>Aberdeen. Jane Thomson (Health and Safety Development Manager, ASV) also explained that in order to retain staff ASV had placed a greater focus on training and development to enhance the skill set of staff and provide a pathway for career progression. She also advised that ASV operated a Job Evaluation Scheme that had been adapted from Aberdeen University's scheme and this had provided a mechanism to evaluate job roles and salary levels of staff.</p> <p>Further to this, all ASV representatives recognised the importance of complying with legislation within their respective areas of the organisation and on a more corporate level they were satisfied that the policies and procedures they had in place were updated on a regular basis and complied with legislation.</p> <p>Sue Stephenson added that in terms of regulatory changes, such as the updated interpretation of the Working Time Directive with regards to holiday pay and on Equal Pay they worked closely with Aberdeen University's HR department and consulted with partners before effecting systemic change.</p>		
12.	Staff Engagement Strategy	Employee Engagement Strategy	With regards to ASV's staff engagement strategy: Jan Griffiths advised that ASV had an Employee Engagement Strategy	The Hub resolved:- (i) to note the report; and	Jeff Capstick

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			that promoted ongoing engagement between management and staff. Mrs Griffiths explained that line managers briefed their teams on a regular basis on operational and strategic matters and they were also continually developing their employee package that included schemes such as the Cycle to Work Scheme and benefits such as gym membership. Ms Stephenson also highlighted that ASV had been externally validated with an Investors in Young People accreditation and had recently been awarded the Investors in People Gold standard.	(ii) to note the information provided.	
13.	Health and Safety Compliance	<ul style="list-style-type: none"> (a) Health and Safety Policy (September 2014); (b) Health and Safety Management Approach (September 2014); (c) Health and Safety Inspections Procedure (December 2014); (d) Performance Measurement Procedure (December 2014); (e) Risk Analysis (December 2014); and (f) Policy and Procedure Log (May 2015). 	<p>Martyn Phillips (Health and Safety Advisor, ACC) spoke to the Health and Safety Compliance section and asked about ASV's most pressing health and safety risks: Jane Thomson highlighted pool safety particularly in relation to lifeguard training and fire risk; and she added that Aberdeen University carried out ASV's Fire Risk Assessment.</p> <p>Mrs Thomson explained that health and safety risks were categorised into two sections: Incidents and Accidents and Customer Care and that high level risks and decisions that required longer term planning such as training rested at Board and management level. She also added that ASV had adopted a bottom-up</p>	<p>The Hub resolved:-</p> <ul style="list-style-type: none"> (i) to note the reports; and (ii) to note the information provided. 	Mary Agnew/Martyn Phillips

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approach to health and safety with staff attending daily huddles and weekly meetings to keep them abreast of health and safety issues. ASV had also formed a Health and Safety Improvement Group that met on a quarterly basis and provided an open forum for staff to be kept informed, raise concerns and develop solutions with regards to health and safety.

Mr Phillips enquired about the arrangements for ensuring employee competence: Mrs Thomson advised that all employees: permanent or agency had gone through the same induction process. She also added that all employees were tested on competence on an ongoing basis and the outcomes of these tests were recorded on a progress matrix which allowed management an in-depth look at training history and helped to identify areas for further development.

With reference to Occupational Health: Mr Gunnyeon confirmed that ASV had an Occupational Health provider and that this used to be provided by Aberdeen University but there was now a private provider in place and this service had been used intermittingly by staff over the past few years.

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No	Item	Documents Submitted	Assurance Provided	Actions	Responsible Officer(s)
14.	Procurement Regulations and Procedures	Financial Regulations (January 2015).	<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 and she enquired how the tendering process was made available to staff and specifically how ASV differentiated between a quote and a tender?</p> <p>Sue Stephenson advised that there was a threshold in place and below that threshold, responsibility resided with budget holders and she added that financial procedures and obligations were made available to staff on the ASV intranet site. Ms Stephenson explained that procurement above the threshold would require hierarchy approval and for larger contracts such as the development of the Aquatics Centre they had used Public Contracts Scotland but conceded that they tended to use the same two or three specialist companies.</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to advise and support ASV 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 report; and</p> <p>(iii) note the information provided.</p>	Joan McCluskey

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Ms McCluskey enquired how transparency could be ensured if ASV used the same providers on a regular basis: Ms Stephenson explained that the use of regular providers was largely based on Aberdeen University contracts and Ms McCluskey offered to support them with regards to the development of more robust and bespoke procedures.

Further to this, Ms McCluskey asked if ASV had a Contracts Register and forward planned their procurement: Ms Stephenson advised that as a small organisation the list of contracts was held by the Operations Manager who acted as the Authorised Officer and was updated on an annual basis. She also explained that forward planning was referenced in the draft Business Plan particularly in sections relating to capital expenditure and she advised that ASV had a significant suite of records in this area.

To conclude, Ms McCluskey asked if ASV were aware of the Procurement Reform (Scotland) Bill (2014) and the impact it would have on how they procured services 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

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			ASV before the act came into force. The ASV representatives highlighted their awareness of the new legislation but were not familiar with the detail and advised that they would action this once more information became available; and that over the past few years they had become accustomed to responding to constant regulatory change.		
Operational Performance					
No	Item	Documents Submitted	Assurance Provided	Actions	Responsible Officer(s)
15.	Operational Performance	(a) Joint Venture Agreement (7 October 2007); and (b) Draft Operating Agreement (June 2015)	Andrew Jones (Policy, Performance and Resources, ACC) and Jo Hall (Education Service, ACC) spoke to the Operational Performance section and they asked about the areas in which ASV had performed well and had met their objectives: Jan Griffiths iterated that ASV had developed significantly since its inception in 2008 when it was largely limited to the facility itself. However since 2008 the workforce had expanded from 50 to 250 staff and they had met most of the objectives set out in their original Strategic Plan. She also added that revised objectives had been developed for the new Strategic Plan to reflect the expansion of the facilities managed and the number and scope of services delivered. With reference to areas requiring improvement: Mrs Griffiths explained that	<u>The Hub resolved:-</u> (i) to note the reports; and (ii) to note the information provided.	Euan Couperwhite /Andrew Jones/Jo Hall

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			<p>ASV was looking to optimise underused facility spaces and expand its level of community engagement.</p> <p>With reference to how ASV complied with its charitable status: Ms Stephenson explained that they were unsure how this status would be impacted after the formation of Cafe Kovo due to sponsorship income issues; as a result a decision was taken to establish a separate limited company to mitigate this risk and this arrangement was reviewed on an ongoing basis.</p> <p>With reference to how ASV engaged with service users: Mrs Griffiths advised that they promoted activities based on target groups and used social media and innovative marketing alongside traditional methods such as community engagement and the distribution of leaflets.</p> <p>With reference to how ASV measured service user satisfaction: Mrs Griffiths explained that they had cascaded service user satisfaction surveys; collated customer feedback and carried out specific case studies on various aspects of the service delivery programme and results were reported to the Board on a quarterly basis. They also participated in a mystery shopper scheme via external industry specific quality assurance</p>		
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			<p>schemes and had received external validation of service user satisfaction from external audits. Based on this feedback and the expansion of membership she felt that this provided evidence of value for money and customer satisfaction.</p> <p>With reference to how ASV linked into the Council's Single Outcome Agreement: Mrs Griffiths advised that they tried to integrate into a wider framework and were keen to support their partners' priorities and objectives and felt they worked effectively in partnership with ACC on a daily basis in an informal manner without demonstratively reflecting the constitutional link between the two bodies.</p>		
16.	Chair's Closing Remarks		<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 Services Committee.</p> <p>The Chair thanked the ASV representatives for their attendance and their contributions and brought the</p>		

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