

**ALEO GOVERNANCE HUB
ABERDEEN SPORTS VILLAGE VENTURES LTD**

ABERDEEN, 7 December 2015. Minute of Meeting of the ALEO GOVERNANCE HUB. Present:- Roderick MacBeath (Democratic Services), Chairperson; and Neil Buck (IT and Transformation), Euan Couperwhite (Policy, Performance and Resources) and Paul Dixon (Finance) and Jan Griffiths (Sports Development Manager), Kenny Gunnyeon (Business Development Manager) Duncan Sinclair (Chief Executive), Sue Stephenson (Finance Manager) and Jane Thomson (Health and Safety Development Manager) (Aberdeen Sports Village Ventures Ltd (ASV)).

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

Apologies: Mary Agnew (Human Resources and Customer Service), Jeff Capstick (Human Resources and Customer Service) and Joan McCluskey (Commercial and Procurement Services).

No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
1.	Chair's Opening Remarks	N/A	<p>The Chair opened the meeting and advised that the Scottish Parliament's Local Government and Regeneration Committee had taken evidence from a cross section of ALEOs and their parent Local Authorities on 18 November 2015 and 2 December 2015. He explained that the Committee would publish a report with possible guidance on governance arrangements between Local Authorities and their ALEOs.</p> <p>The Chair further advised that the Council was considering holding quarterly Hub meetings based on an Audit Scotland recommendation and that the next cycle of meetings had been scheduled for the week beginning 9 May 2016.</p>	to note the information provided.	N/A

**ALEO GOVERNANCE HUB
ABERDEEN SPORTS VILLAGE VENTURES LTD**

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2.	Minute of previous meeting – 15 June 2015	ALEO Governance Hub minute – 15 June 2015	With reference to item 5 of the previous minute, Paul Dixon (Finance) asked if any progress had been made with regards to addressing ASV's outstanding audit recommendations. Sue Stephenson (Finance Manager, ASV) advised that ASV had recently undergone their year-end audit and the outstanding recommendations were currently being reviewed by the Senior Management Team (SMT).	The Hub resolved:- (i) to approve the minute as a correct record; and (ii) to note the information provided.	I Robertson
3.	Improvement Plan (Business Continuity Planning)	N/A	Neil Buck (IT and Transformation) asked how ASV's business continuity plans were tested. Sue Stephenson explained that this was usually done through a desktop exercise. Kenny Gunnyeon (Business Development Manager, ASV) highlighted that ASV's IT systems were hosted by the University of Aberdeen and that they had recently undergone a real time incident when the Aquatic Centre's fibre link with the University had been cut which resulted in the centre's IT software being offline for eight days. He advised that following this incident, business continuity procedures were being revised and would need to be retested.	The Hub resolved:- to note the information provided.	N Buck
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**ALEO GOVERNANCE HUB
ABERDEEN SPORTS VILLAGE VENTURES LTD**

4.	Improvement Plan (Business Plan Performance Indicators)	N/A	The Chair advised that this item was on today's agenda under item 3.	The Hub resolved:- to note the information provided.	N Buck
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
5.	Improvement Plan (ACC officer attendance at ASV Board meetings)	N/A	<p>The Chair noted that ASV's Chair had announced his intention to step down from the role and that the Board meeting on 11 December 2015 would be his last. The Chair asked about ASV's recruitment plans to replace the outgoing Chair: Duncan Sinclair (Chief Executive, ASV) advised that Professor Mike Greaves would Chair Board meetings in the interim period and thereafter look to appoint a more permanent Chair.</p> <p>Thereafter the Chair asked how ASV monitored the skills and capacity of Board members to ensure they could continue to make informed decisions. Duncan Sinclair advised that the Joint Venture Agreement had mandated that there be four ACC and four Aberdeen University Board members and within this prism they had looked to develop members' skills and knowledge base whilst also being mindful of including members from different socio-economic backgrounds and working towards achieving gender balance. Sue Stephenson added that they had looked at increasing the number of Board members but initial proposals had been resisted by</p>	<p>The Hub resolved:-</p> <p>(i) to request an update on discussions at the next ASV Partnership meeting with regards to the composition of the ASV Board at the Hub meeting in May 2016; and</p> <p>(ii) to note the information provided.</p>	R MacBeath

**ALEO GOVERNANCE HUB
ABERDEEN SPORTS VILLAGE VENTURES LTD**

			the Council. To this point Euan Couperwhite (Policy, Performance and Resources) suggested that this issue could be raised at the next ASV Partnership meeting in January 2016.		
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6.	Improvement Plan (Procurement Arrangements)	N/A	The Chair explained that Joan McCluskey (Commercial and Procurement Services) had sent her apologies for today's meeting but had prepared a note on ASV's procurement arrangements which he summarised for the Hub. The Chair informed the Hub that statutory guidance had come into effect on 1 November 2015 for fair working practices and award criteria for procurements with a value over £50,000. He added that the overall approach of a bidder to fair work practices must be considered, and must include all relevant evidence on recruitment, remuneration, terms of engagement, skills utilisation, job support and worker representation. The Chair noted that Ms McCluskey intended to organise a meeting with ASV in the New Year to discuss statutory compliance before the Act came into effect in April 2016.	<p>The Hub resolved:-</p> <p>(i) to request that a meeting be scheduled in the New Year between ASV and ACC's Commercial and Procurement Services team to provide assurance that ASV would be compliant with the statutory requirements of the Procurement Reform (Scotland) Act 2014 ahead of the Act's effective date in April 2016; and</p> <p>(ii) to note the information provided.</p>	J McCluskey
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
7.	Business Planning	Business Plan 2015-18	Paul Dixon asked the ASV representatives to provide the Hub with their financial assumptions for 2016-17. Sue Stephenson advised that she expected there to be	<p>The Hub resolved:-</p> <p>(i) to note the report;</p> <p>(ii) to request an update on the progress of the</p>	P Dixon

**ALEO GOVERNANCE HUB
ABERDEEN SPORTS VILLAGE VENTURES LTD**

			<p>reductions in core funding from both partners and that they had forecast the current surplus to revert to a deficit by 2017-18. She added that they were developing plans to mitigate against this deficit position and bridge future funding gaps. Duncan Sinclair highlighted that they were investigating whether efficiencies could be found in the discount schemes that ASV offered to students and ACC staff, in addition to scaling back desirable services that were not an integral part of the business. To this point, Neil Buck suggested that this risk should be captured in both their risk register and risk management strategy.</p> <p>Paul Dixon asked the ASV representatives to provide the Hub with an update on their incremental drift position. Kenny Gunnyeon advised that they expected this position to even out and that performance was linked to the opening of the Aquatics Centre and the increased headcount of staff. Mr Gunnyeon highlighted that the business had relatively low turnover and a significant number of staff were at the top of their salary grades. He also confirmed that ASV employed staff under zero hour contracts, although this was largely confined to sports coaches who were employed for two hours a week; and that they paid the Living Wage to all staff.</p>	<p>Phase Three Development at the next Hub meeting in May 2016;</p> <p>(iii) to request that the ASV Board consider the scaling back or termination of services currently delivered as a risk to be inserted into their risk register and risk management strategy; and</p> <p>(iv) to note the information provided.</p>	
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**ALEO GOVERNANCE HUB
ABERDEEN SPORTS VILLAGE VENTURES LTD**

			<p>Thereafter Paul Dixon enquired if the oil downturn had had an impact on revenues. Sue Stephenson advised that they had noticed an impact on the level of investments across the city and that they had responded by commissioning an internal report which focussed on commercial development and investment opportunities in the city. Duncan Sinclair added that he was optimistic that there was a sufficient customer base in the area to sustain the business and confirmed that from his perspective ASV and Sport Aberdeen to an extent were competitors in the sport and activity market but that they worked together through the Active Aberdeen Partnership.</p> <p>Euan Couperwhite enquired about the closure during November 2015 of ASV's 25 metre swimming pool. Duncan Sinclair explained that a leak had been detected and that the pool had been closed to the public for eight days whilst interim repairs had taken place. He added that the repair costs would be met by Graham Construction, the main contractor of the Aquatics Centre.</p> <p>Mr Couperwhite also asked the ASV representatives to provide the Hub with an update on the progress of the Phase Three Development. Duncan Sinclair advised that they were currently reviewing</p>		
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**ALEO GOVERNANCE HUB
ABERDEEN SPORTS VILLAGE VENTURES LTD**

			their business case and could be in a position to tender in late January/February but that no work would progress until funding had been secured and confirmed by partners. He added that he recognised the support from ACC and that the business case would evidence the benefits of this development from both an economic and health and wellbeing perspective.		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
8.	Performance Management Framework	Self Evaluation Process for Improvement – A Performance Management Framework	<p>Neil Buck asked the ASV representatives to provide an update on their performance management framework. Sue Stephenson advised that the measurement of their KPIs through their framework had supported the delivery of their strategic priorities and she highlighted that additional KPIs would be added to the framework to account for new priorities which would focus on improving the health and wellbeing of residents. She added that SMT received a monthly performance report and the Board received a quarterly performance report.</p> <p>Neil Buck referred to the draft Performance Report as at July 2015 and noted that the number of complaints and staff absences had increased and asked if there were any plans in place to address these issues. Jan Griffiths explained that performance had to viewed in context as</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to note the report; and</p> <p>(ii) to note the information provided.</p>	N Buck

**ALEO GOVERNANCE HUB
ABERDEEN SPORTS VILLAGE VENTURES LTD**

			<p>the number of complaints were comparatively few in number, with 483 complaints recorded in comparison to usage figures of over one million customers; a number which had increased by over 300,000 customers since the previous financial year. She highlighted that every complaint submitted had been responded to within five working days. Kenny Gunnyeon advised that staff absence had increased in the fourth quarter as a number of casual staff had returned to further or higher education.</p> <p>Euan Couperwhite enquired about the correlation between the performance management framework and governance arrangements and asked how managers used the monthly performance data. Duncan Sinclair advised that the framework and governance arrangements were linked through business planning and they were in the process of revising the <i>How good is our</i> framework to include three new KPIs ahead of their next business plan. Sue Stephenson advised that performance data had proven to be particularly useful in determining trends in customer usage and occupancy levels of activity areas.</p> <p>Mr Couperwhite referred to the draft Performance Report as at July 2015 and noted that the number of swimming pool</p>		
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**ALEO GOVERNANCE HUB
ABERDEEN SPORTS VILLAGE VENTURES LTD**

			<p>users had fallen in comparison to the previous financial year. Kenny Gunnyeon explained that he was relatively satisfied with footfall but there was always room for improvement and he highlighted that the pools had been used more often by members than <i>pay as you play</i> users which had not aligned with the assumption they had forecast. Jan Griffiths added that the Aquatics Programme had proven to be very successful as they had estimated a take up of 600 children per week but the current figure stood at over 1300.</p> <p>Mr Couperwhite enquired if the 2014 Commonwealth Games had had an impact on sport participation numbers. Sue Stephenson advised that it was difficult to determine a direct correlation but explained that it was a mixed picture, with a recorded increase in para sports being offset by a reduction in child participation in sports since 2014.</p> <p>Mr Couperwhite referred to the draft Performance Report as at July 2015 and noted that ASV's energy usage had fallen in comparison to the previous financial year and asked how this had been achieved. Sue Stephenson advised that their staff engagement strategy had focussed on raising employee awareness of energy efficiency and she judged that this bottom-up approach had proven to be</p>		
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**ALEO GOVERNANCE HUB
ABERDEEN SPORTS VILLAGE VENTURES LTD**

			effective. She also highlighted that the winter of 2014-15 had been comparatively mild but internal measures such as dimming the swimming pool lights and the formation of an Energy Sub Group which reported energy usage to SMT on a monthly basis had also helped improve performance.		
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9.	Service Performance	Draft Performance Report for the year ended 31 July 2015	<p>The Chair asked the ASV representatives to provide an update on staff turnover and if they had any plans in place to manage the health and safety impact of highly trained casual workers such as lifeguards ending their employment with ASV at short notice. Kenny Gunnyeon advised that all casual staff were required to provide one month's notice and ASV could advertise and recruit during this notice period. Jane Thomson (Health and Safety Development Manager, ASV) added that all staff had to complete a minimum number of hours of training before they would be compliant and able to undertake their roles; and these regulations were particularly stringent for lifeguards.</p> <p>Euan Couperwhite enquired how ASV had balanced the booking of facilities between clubs and service users and he made particular reference to the use of swimming pools. Kenny Gunnyeon explained that ASV had struck a positive</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to note the report; and (ii) to note the information provided.</p>	E Couperwhite

**ALEO GOVERNANCE HUB
ABERDEEN SPORTS VILLAGE VENTURES LTD**

			<p>balance between these needs and highlighted that there was a degree of public swimming available at all times which was in contrast to the arrangements of most community pools. Jane Thomson added that disability and other equalities groups were also facilitated, and she provided an example of the pool temperature being increased to cater for the Learn to Swim programme.</p> <p>Thereafter Mr Couperwhite enquired if ASV were associated with the Access to Leisure Scheme. Duncan Sinclair confirmed that ASV operated the scheme as it was part of the operating agreement with ACC.</p>		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
10.	The Chair's Closing Remarks	N/A	The Chair thanked the representatives from Aberdeen Sports Village for their attendance and contributions and the Clerk advised that the minutes from today's meeting would be submitted to the Council's Audit, Risk and Scrutiny Committee on 25 February 2016 and thereafter to the Education and Children's Services Committee on 24 March 2016. The Chair then brought the meeting to a close.	to note the information provided.	N/A

**ALEO GOVERNANCE HUB
ABERDEEN SPORTS VILLAGE VENTURES LTD**

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