

**ALEO GOVERNANCE HUB  
SPORT ABERDEEN**

ABERDEEN, 14 December 2015. Minute of Meeting of the ALEO GOVERNANCE HUB. Present:- Roderick MacBeath (Democratic Services), Chairperson; and Mary Agnew (Human Resources and Customer Service) , Neil Buck (IT and Transformation), Jeff Capstick (Human Resources and Customer Service), Euan Couperwhite (Policy, Performance and Resources) and Paul Dixon (Finance); and Jill Franks (Business Development Director), Donald Mackie (Finance and Resources Manager) and Alistair Robertson (Managing Director) (Sport Aberdeen(SA)).

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

Apologies: 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

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			The Chair also commended SA for the quantity and quality of the information they had provided and noted that this would set a benchmark for future Governance Hub submissions for all of the city's ALEOs.		
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2.	Minute of previous meeting – 15 June 2015	ALEO Governance Hub minute – 17 June 2015.	NA	To approve the minute as a correct record.	I Robertson
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
3.	Improvement Plan (Business Continuity Plan)	<ul style="list-style-type: none"> <li>a) Leisure Management and Information System (LMIS) Failure Report;</li> <li>b) Planned Network Down Time Procedure;</li> <li>c) Emergency Action Plan – Fire and Evacuation (Beach Leisure Centre); and</li> <li>d) Emergency Action Plan – Various.</li> </ul>	<p>Neil Buck (IT and Transformation) noted that the draft Business Continuity Plan was due to be considered by SA's Corporate Governance Committee on 15 January 2016 and advised that it would be very helpful if Hub members could be provided with the plan after it had been approved by the Committee in January 2016; Jill Franks (Business Development Director, SA) confirmed that she would liaise with the Clerk in order to provide the plan to Hub members.</p> <p>The Chair advised that the Scottish Parliament's Local Government and Regeneration Committee had scrutinised the composition of ALEO Boards at its meeting on 18 November 2015 and he asked what benefits Councillors had provided as SA Board members. Alistair Robertson explained that Councillors were useful for opening doors and expanding</p>	<p><b>The Hub resolved:-</b></p> <ul style="list-style-type: none"> <li>(i) to note the reports;</li> <li>(ii) to request that SA's Business Continuity Plan be provided to Hub members after its approval by SA's Corporate Governance Committee on 15 January 2016; and</li> <li>(iii) to note the information provided.</li> </ul>	N Buck

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			SA's contact base. They had also offered insight on the needs of their constituents and had provided advice on the strategic environment; particularly in relation to legislative and regulatory change.		
4.	Improvement Plan (Risk Register)	<ul style="list-style-type: none"> <li>a) Strategic Risk Register as at 22 October 2015;</li> <li>b) Chiene and Tait (Internal Audit) Report – 11 November 2015; and</li> <li>c) Risk Management Strategy as at 7 September 2015.</li> </ul>	<p>Neil Buck referred to the attached Risk Management Strategy and noted that its formatting was familiar which demonstrated best practice. He also referred to the attached Strategic Risk Register and noted that it had been updated to reflect the recommendations made by SA's internal auditors and by the Governance Hub in June 2015.</p> <p>Thereafter Jill Franks advised that strategic risks were reviewed by the Corporate Governance Committee on a six monthly basis; whereas operational risks were assessed on an ongoing basis by senior managers and risk management was a standing item on the SMT agenda.</p> <p>The Chair highlighted that SA's internal auditors had identified two Priority 2 recommendations on business planning and risk management and asked if these had been addressed. Jill Franks confirmed that the recommendations had been actioned and she referred to the management's responses in the agenda pack which had been subsequently</p>	<p><b>The Hub resolved:-</b></p> <ul style="list-style-type: none"> <li>(i) to note the reports;</li> <li>(ii) to note that the Strategic Risk Register had been updated as recommended by the Governance Hub in June 2015; and</li> <li>(iii) to note the information provided.</li> </ul>	N Buck

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			<p>approved by the Corporate Governance Committee.</p> <p>The Chair explained that the Scottish Parliament's Local Government and Regeneration Committee had scrutinised the capacity of ALEOs to operate with a reduction in core funding and with this in mind he welcomed the inclusion of this as a risk on the Strategic Risk Register.</p> <p>The Chair also asked if SA's Business Plan (2016-17- 2018-19) had been approved by the Board; Alistair Robertson (Managing Director, SA) advised that it was due to be presented to the Board on 15 December 2015 but its finalisation would be dependent on the allocation of core funding from ACC which would not be confirmed until the Council outlined its budget on 4 February 2016. Mr Robertson added that he met with the Council's Head of Finance recently to discuss the funding position for 2016-17.</p>		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
5.	Improvement Plan (Health and Safety Objectives)	Draft Health and Safety Objectives.	Mary Agnew (Human Resources and Customer Service) noted the attached draft Health and Safety Objectives and asked the SA representatives to summarise their strategic approach towards health and safety. Jill Franks advised that health and safety was considered at Board level and members	<p><b><u>The Hub resolved:-</u></b></p> <p>(i) to note the report;</p> <p>(ii) to request that the Hub be provided with SA's annual health and safety report, improvement plan and minutes from the</p>	M Agnew

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			had received training in this area. She also highlighted that SA had established a Health and Safety Committee which was chaired by a Board member with health and safety expertise. Alistair Robertson added that health and safety was a standing item on the SMT agenda but advised that SA had instilled a corporate culture which designated health and safety as a business priority for all staff.	(iii) most recent meeting of the Health and Safety Committee ahead of its next meeting; and to note the information provided.	
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
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 SA'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 SA in the New Year to discuss statutory compliance before the Act came into effect in April 2016.	<b><u>The Hub resolved:-</u></b> (i) to request that a meeting be scheduled in the New Year between SA and ACC's Commercial and Procurement Services team to provide assurance that SA 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 (ii) to note the information provided.	J McCluskey

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7.	Improvement Plan (Community Planning Framework)	Community Planning Involvement: Health and Wellbeing Thematic Group Action Plan.	The Chair advised that this item was on the agenda under item 3.	To note the Action Plan.	E Couperwhite
8.	Community Planning	Community Planning Involvement: Health and Wellbeing Thematic Group Action Plan.	<p>Euan Couperwhite (Policy, Performance and Resources) asked the SA representatives about the poor condition of their swimming pools across the city. Jill Franks advised that a number of pools were not fit for purpose with outdated facilities and amenities that required constant maintenance which had a detrimental impact on service delivery. Alistair Robertson explained that from time to time they had to close pools due to infrastructure failure of ageing assets and added that SA had kept records of pool income lost during these closures. Ms Franks added that it was evident that SA had struggled to compete with Robert Gordon University (RGU) and the Aberdeen Sports Village (ASV) in an overprovisioned swimming market for public swimming. She also highlighted concerns regarding the Learn to Swim Programme should pools close, in terms of reputational damage to SA.</p> <p>Mr Couperwhite asked the SA representatives to provide the Hub with an indication of their place within the</p>	<p><b>The Hub resolved:-</b></p> <ul style="list-style-type: none"> <li>(i) to note the action plan;</li> <li>(ii) to request an update on the joint strategy between SA and ACC to improve health and wellbeing outcomes in Aberdeen City;</li> <li>(iii) to request an update on the AAP at the next Hub meeting; and</li> <li>(iv) to note the information provided.</li> </ul>	E Couperwhite

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			<p>Community Planning Partnership framework and how they had aligned with the Single Outcome Agreement. Alistair Robertson advised that SA had taken the lead within the Active Aberdeen Partnership (AAP) which was a multi partner group that included the universities, ASV, AFC Community Trust, sportscotland and Transition Extreme with a remit to help set the strategic direction for sport and physical activity across the City. This included updating both the 'Participation' and 'Facilities strategies'. He explained that the AAP aimed to co-ordinate and capitalise on the leisure expertise which existed out with the Council in order to transform Aberdeen into a more active city and to secure the North East as a regional centre of excellence.</p> <p>Mr Robertson added that the AAP would align with the Scottish Government's Active Nation framework and the national governing bodies for sport with the objective of co-ordinating high performance and grassroots activities in order to increase participation and provide greater opportunities for service users across the demographic spectrum. He also highlighted that the AAP would align with the objectives of the Community Planning Partnership, and the Council would be consulted through the Education</p>		
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			<p>and Children’s Services Committee.</p> <p>Mary Agnew (Human Resources and Customer Service) enquired about SA’s priorities and specifically how they balanced high performance and grassroots swimming provision. Jill Franks advised that SA had a social responsibility in this regard and explained that they had secured sponsorship funding and provided free swimming lessons for service users from multiple deprivation areas. Ms Franks reiterated that there was an overprovision of swimming pools in Aberdeen that were expensive to operate and maintain, and that swimming participation levels were in decline across Scotland.</p> <p>Alistair Robertson added that ACC had conducted an Aquatics review and produced a strategy. During its development it confirmed the overprovision of water space in the city but SA were wary of closing pools as this would have an impact on local communities, particularly swimming clubs. He advised that SA were currently in discussions with ACC on a 25 year service provision agreement that would allow for longer term planning and enhance the alignment of assets and service delivery with the SOA and promote greater integration within the CPP framework. Mr Robertson added that the new 25 year</p>		
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			agreement would also provide greater scope for exploring more commercial and investment opportunities which would support the generation of additional income streams. He further advised that SA and colleagues from Education and Children's Services were in the process of creating a £5million strategy to improve fitness facilities in Sport Aberdeen leased centres.		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
9.	Performance Management	<ul style="list-style-type: none"> <li>a) Business Plan 2015-16 – 2017-18;</li> <li>b) Business Plan Q1 Report to Corporate Governance Committee – 4 September 2015;</li> <li>c) Business Plan Q1 Performance Report 2015-16;</li> <li>d) Business Plan Q2 Report to Corporate Governance Committee -6 November 2015;</li> <li>e) Business Plan Q2 Performance Report 2015-16;</li> <li>f) Sport Scotland Term Three Report – Academic Year 2014-15;</li> <li>g) Health and Safety Q1 Report 2015-16 to Corporate Governance Committee – 4</li> </ul>	<p>Neil Buck referred to the attached quarterly performance reports and noted that performance had been determined using the standard traffic lighting system and asked if performance had been determined in relation to set targets. Jill Franks advised that this depended on the performance indicator as the indicator could be recurring or set annually and she explained the objectives in the performance management framework were based on areas covered by core funding.</p> <p>Mr Buck also noted that SA were members of a number of benchmarking organisations and asked if targets had been set relative to peer performance or national performance standards. Ms Franks informed the Hub that targets were set after internal discussion and analysis and that the purpose of benchmarking was</p>	<p><b><u>The Hub resolved:-</u></b></p> <ul style="list-style-type: none"> <li>(i) to note the reports;</li> <li>(ii) to request an update on SA's budgetary position at Year End; and</li> <li>(iii) to note the information provided.</li> </ul>	N Buck

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		<p>September 2015; h) Health and Safety Report Q2 Report 2015-16 to Health and Safety Committee; i) Operational KPI Report Q1 2015-16; and j) Operational KPI Report Q2 2015-16.</p>	<p>to incorporate best practice into their performance framework.</p> <p>Paul Dixon asked the SA representatives to summarise the main assumptions they had made in their Business Plan for 2016-17. SA assumed that:</p> <ul style="list-style-type: none"> <li>(i) there would be no reduction in core funding during the 2016-17 financial year;</li> <li>(ii) prices would increase for popular activities based on a sensitivity analysis;</li> <li>(iii) additional income would be generated and sponsorship would increase as a result of the creation of a new post of Commercial and Development Manager;</li> <li>(iv) marketing costs would increase in line with business performance;</li> <li>(v) payroll costs would increase by 8% due to the creation of new posts in golf, health and wellbeing and commercial development; and</li> <li>(vi) changes to national insurance contributions, pension auto enrolment and cost of living increases had been factored into the business plan.</li> </ul> <p>Mr Dixon also asked how SA had performed against their budget and if income generation was constant throughout the year. Donald Mackie</p>		
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			<p>(Finance and Resources Manager, SA) advised that as at October 2015 SA were £192,000 ahead of budget and they had forecast a surplus between £30,000 - £50,000 at Year End. He added that SA had secured a surplus every year since inception and had developed a level of self-sufficiency. With regards to income generation, Mr Mackie advised that the majority of activities generated income on an ongoing basis throughout the year with notable exceptions being seasonal sports such as golf.</p> <p>Alistair Robertson explained that performance was stable due to the existing senior management team being largely in place for the past two years and in that time they had developed an in-depth knowledge of the business' income sources, expenditure levels and operational costs and they have been proactive in cascading this information to operational managers. Mr Robertson highlighted that they remained vigilant about short term financial shocks such as emergency repairs and maintenance for an ageing portfolio of assets but added that SA had sufficient financial reserves to mitigate an annual deficit.</p>		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
10.	Business Contingency	a) Leisure Management and Information System (LMIS)	Neil Buck asked the SA representatives to identify the biggest threats to business	<b>The Hub resolved:-</b> (i) to note the reports;	P Dixon/M Agnew

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	<p>Planning</p>	<p>b) Failure Report; Planned Network Down Time Procedure;</p> <p>c) Emergency Action Plan – Fire and Evacuation (Beach Leisure Centre); and</p> <p>d) Emergency Action Plan – Various.</p>	<p>continuity: Alistair Robertson advised that he was most concerned about funding reductions; adverse weather; the condition of assets which were beyond their economic viability; and an IT system malfunction. He added that one or a combination of these issues could result in considerable reputational damage to SA.</p> <p>Mr Buck also enquired if SA’s facilities were used in emergency planning operations: Mr Robertson highlighted that this service had not be written into their SLA but had been previously provided to the Council and he added that initial discussions with ACC colleagues on increasing SA’s involvement in civil contingency planning were being planned.</p> <p>The Chair noted that a number of SA’s property assets were beyond their economic life and he asked which body was responsible for structural maintenance. Mr Robertson advised that SA had a general repair and maintenance responsibility and were primarily responsible for ensuring that the buildings were wind and watertight. He explained a mechanism for transferring ownership of these assets could be inserted into the 25 year service agreement with ACC.</p> <p>Mary Agnew asked if SA had worked with Police Scotland on addressing</p>	<p>(ii) to request an update on SA’s proposed integration within civil contingency planning; and</p> <p>(iii) to note the information provided.</p>	
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			radicalisation: Mr Robertson explained that ACC were primarily responsible for this issue but highlighted that SA would welcome greater involvement in the Prevent Strategy if invited to do so.		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
11.	The Chair's Closing Remarks	N/A	The Chair thanked the representatives from Sport Aberdeen 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

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