

ALEO GOVERNANCE HUB SPORT ABERDEEN

ABERDEEN, 9 May 2016. 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), Euan Couperwhite (Policy, Performance and Resources), Paul Dixon (Finance) and Joan McCluskey (Commercial and Procurement Services); 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 (Clerk), Steven Inglis (Legal Services) and Mark Johnstone (Audit Scotland).

Apologies: Jeff Capstick (Human Resources and Customer Service).

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 explained that meetings of the Governance Hub would now be held on a quarterly basis and the Clerk advised that the Council was currently undertaking a review of its governance documents, procedures and arrangements and as part of this review all stakeholders in the ALEO governance process would be invited to take part in a 360 survey to provide their feedback on the current arrangements for ALEO governance and how these could be strengthened to provide greater assurance to the Council and enhance future engagement with ALEOs.</p> <p>The Chair asked the SA representatives for an update on the revisions being made</p>	<p><u>The Hub resolved:-</u> to note the information provided.</p>	N/A

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			to their Funding and Service Provision Agreement with the Council. Alistair Robertson (Managing Director, SA) advised that a report on the proposed revisions had been submitted to the Council's Finance, Policy and Resources (FP&R) Committee on 19 April 2016 wherein the Committee resolved to delegate authority to the Heads of Finance and Legal and Democratic Services to amend the contract. Mr Robertson anticipated that the revised contract would be presented to the FP&R committee at its meeting on 20 September 2016 for final approval and highlighted that a cross service Review of Lettings of Council Facilities was ongoing which would include SA facilities and the outcomes of this review would be reported to the Education and Children's Services Committee at its meeting on 8 September 2016.		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
2.	Internal Audit Report on ALEO Governance	Internal Audit Report on ALEO Governance dated February 2016.	The Chair advised that the purpose of the report was to review the governance arrangements in place between the Council and its ALEOs, including the determination of sources of assurance with regards to risk management, internal controls, staff and information governance. The Chair then summarised the report and outlined what progress the Council had made with regard to the report's	<u>The Hub resolved:-</u> (i) to note the report; and (ii) to note the information provided.	R MacBeath

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			recommendations.		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
3.	Local Government and Regeneration Committee Report on ALEO Governance	Scottish Parliament Local Government and Regeneration Committee Report on ALEO Governance dated March 2016.	<p>The Chair advised that the purpose of the report had been to examine if ALEOs were the most efficient and cost effective way of delivering public services or a way to shift accountability for the delivery of public services. He added that the report focussed on the role of ALEOs in the delivery of public services; the Local Authority governance arrangements for ALEOs; and the accountability of ALEOs to Local Authorities and the communities they provide services to. Arising from the issues raised in the report, the Chair asked a number of questions.</p> <p>The Chair noted that the committee had highlighted ALEOs use of zero hours contracts and he asked if SA employed any staff under zero hour contracts which placed restrictions on staff working elsewhere and obligated them to accept hours when offered. Jill Franks (Business Development Director, SA) advised that a number of staff were employed on casual contracts and there were no restrictions on staff working elsewhere and no obligation for them to accept hours when offered. Ms Franks added that SA complied with the Managing Working Time directive which mandated that staff could not work a shift</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to note the report;</p> <p>(ii) to note the information provided; and</p> <p>(iii) to ask that consideration be given to joint training events for SA Board members.</p>	R MacBeath, J Capstick

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			<p>if they had worked anywhere in the past eleven hours and they managed their rotas appropriately as this was a safety requirement and also an identified risk which had been recorded in their risk register.</p> <p>The Chair highlighted that the Council had provided two training sessions for Councillors who were members of ALEO Boards and an additional session would also be scheduled. He asked if SA provided ongoing training for their Board members. Alistair Robertson advised that they reviewed their governance arrangements and members capabilities on a biennial basis or when an expertise gap had been identified, and suggested that there may be opportunities for joint training.</p> <p>The Chair enquired if SA valued the contributions from Councillors who were members of the SA Board. Alistair Robertson informed the Hub that they were fortunate that the three Councillors on the Board were very capable and their contributions were perceptive and valid. He added that these members always put the interests of SA first over any City Council or partisan considerations.</p> <p>The Chair asked what SA's approach to</p>		
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			<p>branding was and if they found that there was still a perception that SA was a Council service. Jill Franks explained that they had conducted market research in this area which found that recognition of a distinctive SA brand had increased in comparison to two years ago. She noted that they had developed a marketing and communication strategy which also created sub brands such as Golf Aberdeen and these were linked to the SA brand through logos and shared colour schemes. However she informed the Hub that some members of the public still perceived them to be a Council service and highlighted that recent press coverage on SA's rationalisation of assets had referred to them as the Council.</p> <p>With respect to benchmarking SA was a member of the Association of Leisure Trusts which provided a high amount of comparative data; through other groups statistical information was available on aquatics and frontline delivery.</p> <p>The Chair advised that the Community Empowerment Act included provisions to ensure the greater involvement of local communities in the shaping and delivery of public services and enquired if the Act had been discussed at Board level. Jill Franks explained that the Board were aware of</p>		
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			the Act and explained that SA had engaged with the local community in a number of areas. She highlighted that they had commissioned an external consultant to undertake service user surveys on their behalf; they had established stakeholder groups and used digital platforms to elicit feedback on the modernisation of their facilities; and they had contributed to the Council's City Voice consultation.		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
4.	Minute of previous meeting – 14 December 2015	ALEO Governance Hub minute – 14 December 2015.	<p>With reference to item 3 (Business Continuity Plan) Alistair Robertson explained that the SA Board would consider the revised Business Continuity Plan at its next meeting and he advised that he would provide the approved plan to the Hub at its next meeting on 16 August 2016;</p> <p>With reference to item 10 (Contingency Planning) The Chair enquired if there was any update with regards to SA's proposed integration within Aberdeen's civil contingency planning system. Mr Robertson explained that SA was open to further involvement but no formal discussions had begun. Euan Couperwhite (Head of Policy, Performance and Resources, ACC) informed the Hub that it was incumbent on the Council to take the lead in this area and advised that he would</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to approve the minute as a correct record;</p> <p>(ii) to note the information provided;</p> <p>(iii) to request that SA's Business Continuity Plan be provided to the Hub at its next meeting on 16 August 2016; and</p> <p>(iv) to request that Euan Couperwhite liaise with the Council's Emergency Planning Manager to discuss SA's proposed integration within Aberdeen City's emergency planning system.</p>	<p>I Robertson</p> <p>E Couperwhite</p>

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			raise this issue with the Emergency Planning Manager and report back to the Hub.		
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5.	Improvement Plan	Improvement Plan as at 9 May 2016.	<p>With reference to item 5 (Budgetary Position at Year End) The Chair asked to what extent the £405,000 reduction in core funding had contributed to the recently announced closure of Hazlehead and Kincorth Swimming Pools and if public consultation had been undertaken. Alistair Robertson advised that facility rationalisation had been enacted due to continued austerity; an oversupply of swimming pools in the city; declining user figures; and the poor condition of these two facilities in particular which were at the end of their operational lives. Jill Franks highlighted that Hazlehead Pool had been closed more frequently in the past year and there were significant health and safety concerns as when it rained the plant room had flooded and equipment had been damaged. Ms Franks highlighted that if core funding had not been reduced there would have been no immediate need to close the pools but the cost to repair and maintain the facilities would have put a financial strain on the whole business.</p> <p>Mr Robertson advised that a Cross Company Review Group had been</p>	<p><u>The Hub resolved:-</u></p> <p>(i) to note the Improvement Plan; and</p> <p>(ii) to note the information provided.</p>	I Robertson

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			<p>established to review their facilities which would inform asset management planning for the next ten years. He informed the Hub that 17 facilities were independently reviewed by the same surveyors that had undertaken the condition survey prior to SA operating these facilities and multiple factors were considered including the facilities cost; condition; displacement distance and number of service users. He added that each facility had been anonymised when it was reported to the Board to ensure that a decision based on evidence was arrived at. He noted that the Board unanimously agreed to close these two facilities.</p> <p>Mr Robertson explained that Mr Couperwhite and the Director of Education and Children's Services had been kept up to date at each stage of the process and they had contacted local Councillors; head teachers; and staff before they had made their announcement to the wider public. He also highlighted that the two pools would remain open until the end of the school summer holidays at SA's own cost.</p> <p>The Chair asked what approach SA would adopt towards the other facilities which had been identified for possible divestiture by the Cross Company Review Group. Mr Robertson advised that all other facilities</p>		
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			would be retained during this financial year and they would adopt an invest to save approach with regards to these facilities. He emphasised however that the city had a number of outdated and underutilised facilities. Mr Couperwhite noted that the review of facilities would have been necessary in any event.		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
6.	Commercial Compliance	Contracts Register.	<p>Joan McCluskey (Corporate Procurement Manager, ACC) informed the Hub that she had met with representatives from SA on 16 March 2016 to discuss the statutory requirements of the Procurement Reform Act. She noted that SA had produced a Contracts Register and asked if this had been published online. Jill Franks confirmed that the Contracts Register had been uploaded to their website on 18 April 2016 and the register would be reviewed on a bi-monthly basis.</p> <p>Ms McCluskey enquired if SA's financial procedures had been updated to take into account the new procurement legislation. Ms Franks advised that their financial procedures had been amended and they would be presented to their Corporate Governance Committee on 1 July 2016 for approval.</p> <p>Ms McCluskey explained that fair working</p>	<p>The Hub resolved:-</p> <p>(i) to note the Contracts Register;</p> <p>(ii) to note the information provided; and</p> <p>(iii) to request that an update on the measures taken by SA to comply with the fair working practices and commercial sustainability provisions of the Procurement Reform Act be provided to the Hub at its next meeting on 16 August 2016.</p>	J McCluskey

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			practices and commercial sustainability were key provisions of the new legislation and she advised that public sector bodies should encourage contractors to pay the Scottish Living Wage to their staff. To this point, Ms Franks advised that a project group had been formed to look at regulated procurements and sustainability and how this could be linked with their wider Procurement Strategy. She added that a progress update would be submitted to their Corporate Governance Committee on 1 July 2016.		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
7.	Health, Safety and Wellbeing	a) Health and Safety Annual Report 2015-16; and b) Draft Health and Safety Committee Minute – 24 February 2016.	Mary Agnew (Health, Safety and Wellbeing Manager, ACC) introduced the Health, Safety and Wellbeing section and enquired how SA closed out health and safety issues. Jill Franks advised that Sport Aberdeen had a bottom-up approach towards health and safety whereby staff had a responsibility for reporting any accidents or possible issues to their line manager. She explained that line managers would record this information and report it to the Health, Safety and Environmental Manager who signed off on all recorded issues and incidents before they were reported to the Health and Safety Committee on a quarterly basis.	<u>The Hub resolved:-</u> (i) to note the reports; (ii) to note the information provided; (iii) to request a copy of SA's most recent fire risk assessment; and (iv) to request an update on the development of SA's Occupational Health system at the Hub's next meeting on 16 August 2016.	M Agnew

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			<p>Ms Agnew asked if there were trade union and health and safety representatives from across the business on the Health and Safety Committee. Ms Franks advised that the Committee had representatives from every area of the business and on a cross level basis. She highlighted that trade unions had representatives on the Committee.</p> <p>Ms Agnew asked if they underwent fire risk assessments and if so, who conducted them. Ms Franks explained that fire risk assessments were conducted by their Health, Safety and Environmental Manager.</p> <p>Ms Agnew enquired if SA had a formal Occupational Health system in place. Ms Franks advised that an Occupational Health system was in development and she would provide an update on its implementation at the next Hub meeting.</p> <p>Ms Agnew also asked if SA benchmarked their health and safety performance against other providers in the leisure industry. Ms Franks informed the Hub that they were members of the Scottish Leisure Network Group which provided this function and they also attended their quarterly meetings. She added that they received health and safety advice from the</p>		
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APPENDIX 4

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			external consultants Quality Leisure Management (QLM) and QUEST.		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
8.	Service Level Agreement	Report to ACC's Finance, Policy and Resources Committee on Sport Aberdeen's Contract Revision and Governance Arrangements dated 19 April 2016.	Euan Couperwhite reiterated that the FP&R Committee had delegated authority to the Heads of Finance and Legal and Democratic Services to revise the existing contract and the Committee had also agreed that SA should lead and complete the review of the Access to Leisure Programme. Mr Couperwhite advised that a progress update would be provided at the Hub's next meeting on 16 August 2016.	<u>The Hub resolved:-</u> (i) to note the report; (ii) to note the information provided; and (iii) to request that an update on revisions being made to SA's Funding and Service Provision Agreement and governance arrangements be presented to the Hub at its next meeting on 16 August 2016.	E Couperwhite
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
9.	Business Planning	a) Business Plan 2016-17; b) Business Plan Performance Management Reporting Q3 October – December 2015; c) Services Specification Matrix – March 2013 d) Review of Facilities Report; e) Finance Report - February 2016 f) KPI Report – October – December 2016; and g) Aberdeen City ASMO Report	Paul Dixon (Accounting Manager, ACC) asked SA to summarise their financial position at Year End. Donald Mackie (Finance and Resources Manager, SA) informed the Hub that they had recorded a £100,000 trading surplus for 2015-16 but highlighted that this figure would need to be consolidated after pensions and energy costs had been accounted for. He explained that the 2016-17 Business Plan had taken cognizance of the reduction in core funding and the challenging	<u>The Hub resolved:-</u> (i) to note the reports; and (ii) to note the information provided.	P Dixon

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		Term 1, 2015-16.	<p>economic environment and was based on their performance during the 2015-16 financial year. Mr Robertson advised that it would be helpful in light of likely budget reductions for ALEOs to be involved earlier in discussions with Council officers which would be beneficial to both partners.</p> <p>Mr Mackie explained that SA had recently opened two new venues with new equipment and the Business Plan would need to be reviewed to take account of an increase in new business and investment costs. He advised that the Business Plan was prudent and was cautiously optimistic with regards to SA's financial prospects for 2016-17. Jill Franks added that SA had been the lead partner for the Active Aberdeen Strategy and they had also been afforded opportunities due to the challenging economic environment in areas such as gym membership which had increased in number as customers downsized from upmarket gyms to more affordable facilities.</p>		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
10.	Estate Management	Licence to Move Usable Assets between ACC and Sport Aberdeen dated 9 July 2010.	The Chair explained that this issue had come to the attention of the Hub when the Council's Head of Land and Property Assets advised that leases between the Council and its ALEOs were inconsistent and needed to be reviewed particularly	<p><u>The Hub resolved:-</u></p> <p>(i) to note the Licence; and</p> <p>(ii) to note the information provided.</p>	E Couperwhite

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			with regards to repairs and maintenance responsibility, and he asked if SA was clear on their obligations. Alistair Robertson advised that under their Funding and Service Provision Agreement with the Council, SA had full responsibility for maintaining the facilities and at a minimum had to ensure that they could return the facilities to the Council in the same condition as they had been when they had been transferred to Sport Aberdeen in 2010. Mr Robertson explained that if there was a maintenance issue that was beyond the resources or capacity of SA then they would request assistance from the Council and he added that this area would be looked at during the review of their Funding and Services Provision Agreement.		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
11.	The Chair's Closing Remarks	N/A	The Chair thanked Sport Aberdeen's representatives 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 27 June 2016 and thereafter to the Education and Children's Services Committee on 8 September 2016. The Chair then brought the meeting to a close.	<u>The Hub resolved:-</u> to note the information provided.	N/A

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