

**ALEO GOVERNANCE HUB  
SPORT ABERDEEN  
16 AUGUST 2016**

**APPENDIX 4**

ABERDEEN, 16 August 2016. Minute of Meeting of the ALEO GOVERNANCE HUB. Present:- Roderick MacBeath (Democratic Services), Chairperson; and Mary Agnew (Health, Safety and Wellbeing), Neil Buck (CG Business Team), Euan Couperwhite (Policy, Performance and Resources) and Paul Dixon (Finance), and Jo Bell (Director of Sport and Active Lifestyles), 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), Mark Johnstone (Audit Scotland) and Hilary Merrett (Good Governance Institute).

Apologies: 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	The Chair (Democratic Services) opened the meeting and welcomed representatives from Sport Aberdeen (SA) and introduced Hilary Merrett from the Good Governance Institute (GGI) who would be supporting the Council's review of its approach towards risk management during the ongoing governance review. Ms Merrett advised that this work would touch upon the governance arrangements in place between the Council and its ALEOs.	<b><u>The Hub resolved:-</u></b> To note the information provided.	N/A
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
2.	External Audit Report	Audit Scotland Report to Audit, Risk and Scrutiny Committee – 27 June 2016.	The Chair advised that the External Audit Annual Report had been presented to the Audit, Risk and Scrutiny Committee on 27 June 2016 and explained that the report focussed on the Council's internal controls. He added that the Council's	<b><u>The Hub resolved:-</u></b> (i) to note the report; and (ii) to note the information provided.	R MacBeath

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		<p>relationship with its ALEOs would be subject to a significant degree of scrutiny as five of the report's seven recommendations related to ALEO governance. The Chair informed the Hub that recommendations had been approved by the Audit, Risk and Scrutiny Committee and its recommendations would now be taken forward by officers and noted that this process would be incorporated into the wider governance review. He added that this review would be supported by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the GGI.</p> <p>The Chair then summarised the report's recommendations:</p> <p>With reference to recommendation 1, the Chair advised that ALEO Service Level Agreements (SLA) would be reviewed by the legal team working with Commercial and Procurement Services but noted that this was a small team and the process would take time to complete;</p> <p>With reference to recommendation 2, the Chair explained that the Hub would begin to undertake more robust scrutiny of service performance in order that clear assurance could be provided to Council committees;</p> <p>With reference to recommendation 3, the</p>		
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			<p>Chair highlighted that the remit of the Hub would be reviewed and that the 360 survey would be incorporated into wider governance review;</p> <p>With reference to recommendation 4, the Chair noted that the Hub would now take a view on the robustness of governance arrangements and service performance to provide further assurance to Council committees; and</p> <p>With reference to recommendation 5, the Chair advised that the Hub would begin to adopt a more proportionate approach to ALEO scrutiny and would have the discretion to determine the frequency of meetings based on the level of assurance provided by each ALEO.</p> <p>Thereafter the Chair enquired if Sport Aberdeen had met with the Council's Director of Corporate Governance since the previous Hub meeting and Jill Franks (Business Development Director, SA) confirmed that such a meeting had taken place and all tier 1 ALEOs were represented, she explained that these meetings may be scheduled on a more regular basis. The Chair suggested that it might be worthwhile to raise the possibility of joint procurement or ALEOs sharing services at the next meeting.</p>		
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3.	Minute of Previous Meeting	Minute of the previous Hub meeting-9 May 2016.	<p>The Chair referred to item 3(iii) and advised that at its meeting on 27 June 2016 the Audit, Risk and Scrutiny Committee had instructed the Head of Human Resources and Customer Service to investigate the possibility of sourcing joint training for ALEO board members.</p> <p>The Chair noted that all other relevant items and actions had been included in today's Improvement Plan.</p>	<p><b><u>The Hub resolved:-</u></b></p> <p>(i) to approve the minute as a correct record; and</p> <p>(ii) to note the information provided.</p>	I Robertson
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
4.	Improvement Plan	<p>(a) SA's Improvement Plan as at 16 August 2016;</p> <p>(b) Business Continuity Plan;</p> <p>(c) Fire Risk Assessments – 21 December 2015, 22 December 2015 and 17 May 2016; and</p> <p>(d) Sport Aberdeen Contract Revision Minute – 17 May 2016.</p>	<p>With regards to item 1 (Business Continuity Plan), Neil Buck (CG Business Team) advised that the plan was comprehensive and explained that he was pleased to see the addition of civil contingency planning. Mr Buck noted that neither a loss of financial resource capacity nor insurances had been assigned as a critical business function and he asked why this was the case. Jill Franks explained that SA had used the Council's business continuity template and considered the loss of financial functions as not on the same level as a death or serious injury to a staff member or service user, as per the criteria against which business continuity impacts. Ms Franks also highlighted that SA had contingency arrangements in place which helped mitigate against loss of financial functions</p>	<p><b><u>The Hub resolved:-</u></b></p> <p>(i) to note the Improvement Plan;</p> <p>(ii) to note the reports; and</p> <p>(iii) to note the information provided.</p>	I Robertson

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			<p>eg remote access to financial systems;</p> <p>With regards to item 2 (Procurement Reform Act), the Hub was informed that SA had met with Joan McCluskey (Commercial and Procurement Services) in March 2016 and their financial procedures and regulations were being reviewed and would be considered at the Corporate Governance Committee on 1 September 2016 together with a draft procurement strategy;</p> <p>With regards to item 3 (Civil Contingency Planning), Euan Couperwhite explained that discussions were ongoing with the Council's Emergency Planning Manager to integrate SA into the city's civil contingency planning framework;</p> <p>With regards to item 4 (Fire Risk Assessment), Mary Agnew (Health, Safety and Wellbeing), advised that the Action Plan was in line with industry standards and asked how identified actions were closed out. Jill Franks explained that actions were added to the venue's improvement plan and the actions were then considered at the monthly Operations Team meeting and then escalated to the quarterly Health and Safety Committee;</p> <p>With regards to item 5 (Occupational Health Service), Jill Franks explained that</p>		
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			<p>SA currently use GO Health Services through NHS Grampian but would review this position in early 2017 after the assessment of the framework agreement on Public Contracts Scotland; and</p> <p>With regards to item 6 (Revisions to SA's Funding and Service Provision Agreement), Euan Couperwhite (Policy, Performance and Resources) advised that a meeting would take place between the Council and SA on 18 August 2016 to agree a final draft which would be presented to the Finance, Policy and Resources Committee for approval.</p>		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
5.	Risk Register	SA's Risk Register as at 26 July 2016.	<p>Neil Buck noted that Sport Aberdeen had added the British exit from the European Union as a risk in their register and he enquired what impact this would have on the business. Jill Franks advised that they employed a low number of EU workers and a number of external funders and partners may also be affected but explained that they would keep this risk under review. Mr Buck noted this response and advised that the addition of the British exit from the European Union as a risk in their register demonstrated that they reviewed their register on a regular basis and treated it as a dynamic and living document.</p>	<p><b><u>The Hub resolved:-</u></b></p> <p>(i) to note the register; and</p> <p>(ii) to note the information provided.</p>	N Buck

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No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
6.	Management Trading Accounts	SA's Management Accounts as at 30 June 2016.	<p>Paul Dixon (Finance) asked for a summary of SA's financial performance in the year to date and what position they would be forecasting for Year End. Donald Mackie (Finance and Resources Manager, SA) advised that performance was close to budget but business had been impacted by the slowdown in the wider Aberdeen economy. He highlighted that golf performance had been weaker than forecast due to inclement weather though he noted that SA had sufficient working capital.</p> <p>With regards to the position at Year End, Mr Mackie explained that payroll costs which comprised 60% of overall costs were stable as were utilities and maintenance costs and he informed the Hub that there were no areas of major concern for the business. He highlighted that the 2017-18 budget process would commence next month and Euan Couperwhite added that the Council would engage with ALEOs much earlier in the budget planning process to provide ALEOs with an indicative level of funding and allow them to set their strategic priorities.</p>	<p><b><u>The Hub resolved:-</u></b></p> <p>(i) to note the accounts; and</p> <p>(ii) to note the information provided.</p>	P Dixon
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
7.	Service Performance	(a) Q1 2016-17 Performance Report;	Euan Couperwhite asked SA's representatives to provide an overview of	<p><b><u>The Hub resolved:-</u></b></p> <p>(i) to note the reports;</p>	E Couperwhite

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		<p>(b) KPI Report;</p> <p>(c) Active Schools – Term 3 2015-16 Report; and</p> <p>(d) Active Schools – 2015-16 Full Report.</p>	<p>service performance from the previous quarter. Alistair Robertson informed the Hub that a new Business Plan was being developed which would diversify the scope of SA's activity by introducing new areas of service delivery with new outcomes. Mr Robertson advised that the draft Sports Facilities Strategy 2016 – 2016 was out for consultation following its consideration at the Finance, Policy and Resources Committee. He explained that it focused on the provision of community leisure resources and the need to develop an infrastructure that was fit for the 21<sup>st</sup> century. He added the company understood that it would need to depend less on Council grant support and would change the way it operated.</p> <p>Mr Robertson informed the Hub that the new company Business Plan would have a greater focus on cross fertilisation and partnership working and he highlighted the establishment of the Active Aberdeen Partnership (AAP) as an example of this. He advised that SA was the lead agency and provided administrative support for AAP which had been formed as a means of bringing sport, health and leisure organisations closer together into a cohesive Board with a shared approach to improve health and physical activity outcomes in Aberdeen City . He added that the existing AAP had been key in</p>	<p>(ii) and to note the information provided.</p>	
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			attracting a national gymnastics event to the AECC in 2017. He added that an AAP website was being developed and they had begun the recruitment process to appoint the Chairperson of the AAP Board. Mr Robertson also explained that SA hoped to promote the Activate City Campaign later in 2016.		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
8.	Closing Remarks	N/A	The Chair thanked the representatives from Sport Aberdeen for their attendance and contributions and brought the meeting to a close.	<b><u>The Hub resolved:-</u></b> To thank the representatives of SA for their attendance and contributions at today's meeting.	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)