

**ALEO GOVERNANCE HUB  
ABERDEEN SPORTS VILLAGE VENTURES LTD  
16 AUGUST 2016**

**APPENDIX 5**

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), Paul Dixon (Finance) and Keith Tennant (Human Resources and Customer Service); and Gordon Davidson (Head of Finance & Corporate Services), Jan Griffiths (Sports Development Manager), Ludwik Metelski (Head of Operations) and Duncan Sinclair (Chief Executive) (Aberdeen Sports Village Ventures Ltd (ASV)).

Also in attendance: Iain Robertson (Clerk), Mark Johnstone (Audit Scotland) and Hilary Merrett (Good Governance Institute).

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	The Chair (Democratic Services) opened the meeting and welcomed representatives from Aberdeen Sports Village (ASV) 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	<b><u>The Hub resolved:-</u></b> (i) to note the report; (ii) to note the information provided; and	R MacBeath

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			<p>controls. He added that the Council's 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>(iii) to refer to the Governance Review the suggestion that the Council set out clearly what it expected of its ALEOs.</p>	
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		<p>With reference to recommendation 3, the 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 ASV had met with the Council's Director of Corporate Governance since the previous Hub meeting and Duncan Sinclair (Chief Executive, ASV) confirmed that he had attended this meeting.</p> <p>The Chair asked how ASV were scrutinised by the University of Aberdeen. Mr Sinclair advised that they were held to account at the Joint Partnership Meetings and highlighted that there were four representatives from the University on the</p>		
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			ASV Board.  Mr Sinclair queried whether ALEOs were aware of what the Council expected of them and the Chair explained that this would be addressed as part of the Council's governance review.		
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3.	Minute of Previous Meeting	Minute of the previous Hub meeting-10 May 2016.	<p>With reference to item 3(iii) (ASV exposure on ACC website), the Chair confirmed that he had raised this issue with colleagues from the Council's Communication and Promotion team and Mr Sinclair explained that a number of events at ASV would benefit from promotion on the Council's website. The Chair replied that the Council's website was being redesigned and a more co-ordinated approach to the promotion of partners was intended for the future.</p> <p>With reference to item 5(iii) (ASV Board composition), Duncan Sinclair explained that Professor Mike Greaves was still the interim Chair of the Board and this arrangement would remain in effect for the next six months.</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	ASV's Improvement Plan as at 16 August 2016;	With regards to item 1 (Business Continuity Plan), Duncan Sinclair advised that it was their intention to merge their Critical Incident and Business Continuity	<p><b><u>The Hub resolved:-</u></b></p> <p>(i) to note the Improvement Plan; and</p>	I Robertson

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			<p>Plans but no significant progress had been made since the previous meeting;</p> <p>With regards to item 2 (Compliance with Procurement Reform Act), Gordon Davidson (Head of Finance &amp; Corporate Services, ASV), explained they had been working with the University of Aberdeen on compliance with the legislation and highlighted they would be meeting with colleagues from the University on 18 August 2016 to discuss the development of their Contracts Register;</p> <p>With regards to item 3 (Phase 3 Development), Mr Sinclair confirmed that the Phase 3 development had been paused due to funding issues and it was their intention to draft an options appraisal to outline opportunities available to the Board;</p> <p>With regards to item 4 (Review of Financial Procedures), Mr Davidson confirmed that their financial procedures would be reviewed by the Board in September 2016 to reflect changes enacted by the Procurement Reform Act and this would take place after consultation with colleagues from the University; and</p> <p>With regards to item 5 (Health and Safety Compliance), the Chair informed the Hub</p>	(ii) to note the information provided.	
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			that this item was on today's agenda under item 6.		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
5.	Risk Register	ASV's Risk Register as at April 2016.	<p>Neil Buck (CG Business Team) noted that most of the risks in their register had been assigned a low rating and asked if ASV had developed a more detailed document which outlined their approach towards managing critical incidents. Duncan Sinclair advised that they recognised the need for a more in-depth risk register which would align with best practice. He informed the Hub that the Head of Finance and Corporate Services would be tasked with developing this, as well as drafting two sets of registers that differentiated between corporate and operational risks. Gordon Davidson highlighted that securing appropriate insurance would help to mitigate risk and noted that he would be meeting with prospective insurers on 19 August 2016. Mr Davidson advised that the review of ASV's risk management framework would look at ways to broaden and sharpen the scope of their approach towards risk management through consolidation of controls and procedures within their overall framework.</p> <p>Mr Buck emphasised that ongoing monitoring of the risk register was essential and he enquired if the outcome of the EU Referendum would have an</p>	<p><b><u>The Hub resolved:-</u></b></p> <ul style="list-style-type: none"> <li>(i) to note the register;</li> <li>(ii) to note the information provided;</li> <li>(iii) to request an update on ASV's review of their risk management framework; and</li> <li>(iv) to request that ASV consider adding the impact of the EU Referendum result on the business to their risk register.</li> </ul>	N Buck

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			impact on their business and if they anticipated any funding implications or risks related to workforce planning. Mr Sinclair explained that ASV would take cognisance of this advice and thereafter referred to an issuer which would be the subject of a report to the Council in due course.		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
6.	Management Trading Accounts	ASV's Management Accounts as at 30 April 2016.	Paul Dixon (Finance) asked for an update on their financial performance for the year to date. Gordon Davidson advised that the accounts detailed ASV's financial position nine months into their financial year and reminded members that ASV's financial Year End was September 2016 to mirror the University's academic year. He explained that ASV had generated £4.7million in revenue which was in line with budgetary forecasts; and they had recorded a £400,000 surplus. He also assured the Hub that they maintained healthy financial reserves. Mr Davidson noted that they continued to monitor costs within their budget as they recognised that challenges related to the downturn in the oil and gas sector had led to a reduction in the level of disposable income available to existing and prospective customers.	<b><u>The Hub resolved:-</u></b> (i) to note the accounts; (ii) to note the information provided and (iii) to request the full set of quarterly accounts which had been presented to the ASV Board.	P Dixon
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
7.	Health and Safety	(a) Health and Safety Risk Management – 11	Mary Agnew (Health, Safety and Wellbeing) asked what qualifications	<b><u>The Hub resolved:-</u></b> (i) to note the reports;	M Agnew

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		<p>September 2015;</p> <p>(b) Health and Safety Policy – September 2015;</p> <p>(c) QLM Leisuresafe Audit – 6 March 2015;</p> <p>(d) Minute of ASV Health and Safety Improvement Group Meeting – 17 March 2016.</p>	<p>ASV's internal health and safety adviser possessed. Duncan Sinclair advised that their Health and Safety Development Manager was their internal adviser and she had attained NEBOSH accreditation.</p> <p>Ms Agnew enquired how health and safety items were reported throughout the organisation and how actions were closed out. Ludwik Metelski (Head of Operations, ASV) explained that health and safety was reported to the Board on a quarterly basis and this included performance information on the number of accidents and incidents that enabled the Board to discuss trends that had developed. He added that health and safety reports were also submitted to the Joint Partnership Group as part of the Monitoring Framework.</p> <p>With regards to how health and safety actions were closed off, Mr Metelski advised that health and safety items were discussed at the monthly Operations Team meeting and an improvement plan was maintained to track progress. He noted that health and safety governance would be strengthened in the next few months and highlighted that their Health and Safety Policy and organisational hierarchy would be refreshed; this process would include the appointment of a Health and Safety Champion who would attend Board meetings. He added that plans had</p>	<p>(ii) to note the information provided; and</p> <p>(iii) to request information on how health and safety reports were reported throughout the organisation and how actions were closed off.</p>	
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			also been developed to establish a Health and Safety Committee to further strengthen their governance arrangements.		
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8.	Service Performance	N/A	The Chair asked Euan Couperwhite (Policy, Performance and Resources) if the Council was clear on what ASV's strategic priorities should be. Mr Couperwhite replied that he met regularly with ASV to discuss strategic and operational issues and advised that the Council expected ASV to provide a centre that would serve not only Aberdeen City but the wider North East region. Thereafter Mr Couperwhite asked ASV to provide an outline of their KPIs and how they had performed relative to the objectives set out in their Business Plan. Duncan Sinclair explained that a new strategy was being developed and a revised performance management framework would be introduced to reflect these refreshed strategic priorities. He highlighted that a number of indicators may no longer be fit for purpose, relevant or provide value to partners; and he cited the Centre's user per square metre indicator as an example of a measure that provided information on operational outputs but was not strategically informative. He added that a key objective for their new strategy would be to increase participation in sport and	<b><u>The Hub resolved:-</u></b> (i) to note the information provided; and (ii) to request an update on the development of a more outcome focussed performance management framework.	E Couperwhite

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			activities by 5% over the next three years.		
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9.	Closing Remarks	N/A	The Chair thanked the representatives from Aberdeen Sports Village for their attendance and contributions and brought the meeting to a close.	<b><u>The Hub resolved:-</u></b> To thank the representatives of ASV 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)