

**ALEO GOVERNANCE HUB  
ABERDEEN PERFORMING ARTS  
22 AUGUST 2016**

**APPENDIX 6**

ABERDEEN, 22 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), Jeff Capstick and Keith Tennant (Human Resources and Customer Service) and Paul Dixon (Finance), and Jane Spiers, Chief Executive and Lynne McFarlan, Director of Finance (Aberdeen Performing Arts (APA)).

Also in attendance: Iain Robertson (Clerk).

Apologies: Joan McCluskey (Commercial and Procurement Services), Lesley Thomson (Education Service) and Mark Johnstone (Audit Scotland).

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 Performing Arts (APA) and explained that the Good Governance Institute (GGI) and Chartered Institute of Public Finance and Accountancy (CIPFA) would be supporting the Council's governance review and would advise on strengthening the governance arrangements 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.</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 Chair highlighted that the remit of the Hub would be reviewed and that the 360 survey would be incorporated into wider</p>		
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			<p>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>		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
3.	Minute of Previous Meeting	Minute of the previous Hub meeting - 10 May 2016.	The Chair noted that all relevant items and actions had been included in today's Improvement Plan.	<b><u>The Hub resolved:-</u></b> to approve the minute as a correct record.	I Robertson
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
4.	Improvement Plan	<p>(a) APA Improvement Plan as at 22 August 2016;</p> <p>(b) APA Board Finance Report – 16 May 2016;</p> <p>(c) Succession Plan;</p> <p>(d) Health and Safety Policy, Procedures and Development Plan – October 2015;</p> <p>(e) Minute of Organisational Development Sub</p>	With reference to item 1 (Business Continuity Plan), Jane Spiers (Chief Executive, APA) confirmed that all the key elements of a Business Continuity Plan were in place including comprehensive documents for ICT and business systems and workforce planning and an exercise was underway to consolidate this into one document. It was also confirmed that business continuity planning was discussed at Board level and was on the	<p><b><u>The Hub resolved:-</u></b></p> <p>(i) to note the Improvement Plan;</p> <p>(ii) to note the reports;</p> <p>(iii) to note the information provided;</p> <p>(iv) to request that APA meet with the Council's Corporate Procurement Manager to discuss</p>	I Robertson

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		<p>(f) Committee Meeting – 3 February 2016; and Minute of Health and Safety Champions Meeting – 6 July 2016.</p>	<p>agenda for a forthcoming Board Development Day;</p> <p>With reference to item 2 (Internal Audit Arrangements), Ms Spiers confirmed that there were arrangements in place for internal audit and that as part of APA's business planning processes every year the senior management team identified areas for internal audit. Impartial, independent consultants were appointed on a project by project basis to undertake the internal audit function. In 2016, consultants had been commissioned to undertake an impartial, internal audit of Food and Beverage Services and an impartial, independent body would be commissioned to undertake an internal audit of health and safety. She also highlighted that APA was highly regulated as a company limited by guarantee by Companies House and as a charity by OSCR. She added that APA had achieved the Customer Service Excellence Standard and had received Investors In People accreditation, both of these standards were awarded through external validation;</p> <p>With reference to item 3 (Compliance with Procurement Reform Act), the Chair noted that Joan McCluskey (Commercial and Procurement Services) had submitted her apologies for today's meeting and advised</p>	<p>(v) compliance with the Procurement Reform Act; to request that APA provide a Board report setting out how proposed actions impacted on Finances;</p> <p>(vi) to request that APA's Organisational Development Manager meet with the Council's HR Manager to discuss their equal pay obligations;</p> <p>(vii) to request that APA's Director of Operations and Productions meet with the Council's Health, Safety and Wellbeing Manager to discuss their health and safety arrangements; and</p> <p>(viii) to request the names of the members of staff appointed to carry out their Fire Risk Assessments.</p>	
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		<p>that she would welcome a meeting with APA to discuss the requirements of the Procurement Reform Act;</p> <p>With reference to item 4 (Reporting Financial Implications to the Board), Paul Dixon (Finance) noted the attached Board Finance Report from 16 May 2016, but advised that financial implications should be set out more explicitly to provide the Board with greater detail on how proposed actions would impact on the finances of the business. He asked APA to provide a Board report which set out how financial implications were presented to the Board and how proposed actions impacted on finances;</p> <p>With reference to item 5 (Equal Pay Obligations), Jeff Capstick (HR and Customer Service) requested a meeting with APA's Organisational Development Manager to discuss their equal pay obligations;</p> <p>With reference to item 6 (Sickness Absence Procedure), Ms Spiers confirmed that their Sickness Absence Procedure included a definition of what constituted a long term absence;</p> <p>With reference to item 7 (Workforce Planning), Mr Capstick explained that he was satisfied with the attached Succession</p>		
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			<p>Plan and enquired what impact the closure of the Music Hall would have on their income streams and if they anticipated a possible reduction in their headcount. Lynne MacFarlan (Director of Finance, APA) confirmed that the close of the Music Hall would result in a reduction in headcount from the casual pool;</p> <p>With reference to item 8 (COSHH Training), Mary Agnew (Health, Safety and Wellbeing) noted that she would expect to see the number of employees who had undergone COSHH training be included in their annual health and safety report. Ms Spiers confirmed that APA had COSHH trained members of staff. Mary Agnew requested to meet with APA's Director of Operations and Productions to get an overview of health and safety arrangements; and</p> <p>With reference to item 9 (Health and Safety Policy), Ms Agnew noted the attached Health and Safety Policy and asked how health and safety investigations were undertaken. Ms Spiers explained that it was the responsibility of the Health and Safety Working Group, chaired by APA's Director of Operations and Production to ensure that all health and safety accidents and incidents were logged and investigated by line managers. This process was further scrutinised by the</p>		
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			<p>Organisational Development Sub Committee, chaired by an APA Director.</p> <p>Ms Agnew enquired if APA had appointed a member of staff to carry out their Fire Risk Assessments. Ms Spiers replied that she did not have the names to hand but confirmed that APA had staff designated to carry out Fire Risk Assessments and that assessments were carried out regularly.</p>		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
5.	Risk Register	APA's Risk Register as at July 2016.	<p>Neil Buck (CG Business Team) noted that APA had included the UK's intention to leave the EU as a risk in their register and enquired what impact the EU Referendum result would have on their business in terms of workforce planning and access to funding. Jane Spiers advised that she had contributed to an industry survey which aimed to gauge the impact of the result on the creative sector but noted that APA didn't rely on EU funding. Ms Spiers explained that APA were currently eligible for EU Culture funding but there was no guarantee this would be the case in future as there could be an issue with cross border touring if visas were introduced and staff from the EU currently employed by APA may be impacted by potential workforce changes as a result of the EU Referendum result.</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	APA's Management Accounts as at 30 June 2016.	<p>Paul Dixon asked what impact the re-development of the Music Hall had had on their finances. Jane Spiers informed the Hub that the Q1 accounts had shown that they were overextended in one or two areas of the business and raising sufficient capital had been difficult.</p> <p>Ms Spiers informed the Hub that a balanced budget had been submitted to the Board and approved for 2016/17 but noted that this would be challenging to deliver and managers had been working hard to mitigate variances and achieve a balanced budget by Year End.</p> <p>Mr Dixon enquired if their annual accounts for 2015-16 had been audited. Lynne McFarlan explained that the audit had been completed and no concerns or issues had been raised by external auditors during the audit. She noted that the Board would sign off on the accounts at their meeting in September 2016.</p>	<p><b><u>The Hub resolved:-</u></b></p> <p>(i) to note the accounts;</p> <p>(ii) to note the information provided;</p> <p>(iii) to request an update on APA's fundraising for the Music Hall re-development; and</p> <p>(iv) to request that APA's audited annual accounts 2015-16 be presented to the Hub's next meeting on 12 October 2016.</p>	P Dixon
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
7.	Service Performance	N/A	The Chair advised that APA's Service Lead had submitted her apologies for today's meeting but she had provided him with a number of questions she would like him to ask APA on her behalf. The Chair enquired how challenging it had been to find alternative venues whilst the Music	<p><b><u>The Hub resolved:-</u></b></p> <p>(i) to note the information provided; and</p> <p>(ii) to note that the loss of Creative Scotland funding was included</p>	L Thomson



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			<p>Hall had been closed. Jane Spiers advised that it had been an exciting period for the business as it provided them with an opportunity to branch out across the City and to connect with existing audiences and build new ones.</p> <p>The Chair asked how being incorporated within the festivals collective had benefited the development of APA programming. Ms Spiers explained that the festivals collective had provided them access to new networks and integrated them into the shared marketing strategy for the city.</p> <p>The Chair enquired how Aberdeen City's new Cultural Plan would impact on APA's strategic priorities and business planning. Ms Spiers informed the Hub that she represented APA on the Culture Network and had been fully engaged with the process. She added that APA's Business Plan had been put in place following consultation with a range of stakeholders including the council and was already aligned with wider city objectives. In response to a question from the Chair Ms Spiers provided an update on APA programming highlights.</p> <p>The Chair enquired if Ms Spiers could provide an update on access to Creative Scotland funding for the next three years. Ms Spiers advised that they had received</p>	in APA's risk register.	
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			the timescales for applying for this funding with an indicative submission date of spring 2017 but this had not been confirmed. She added that the recent referendum result may also have an impact on the availability of this funding.		
No	Item	Documents Submitted	Assurance Provided	Actions/Decisions	Lead Officer(s)
8.	Closing Remarks	N/A	The Chair thanked the representatives from Aberdeen Performing Arts for their attendance and contributions and brought the meeting to a close.	<b><u>The Hub resolved:-</u></b> To thank the representatives of APA 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)