

The Leisure Trust do not want you to read this report - Why? - Read and decide for yourself

Posted by RM64 - 22 Jul 2019 12:17

The Leisure Trust does not want you to read this audit report.

It has only been obtained via FOI by going previously to the Scottish Information Commissioner.

It has taken over 2 and a half years to get this far.

Even then, the report has been redacted by the Trust.

There are problems trying to publish these documents on the Forum.

What follows is a text transcript of the original report released through FOI.

As it is a long document, It will appear over various posts - but will get there in the end !

Please read and you can decide for yourself why the Trust do not want you (East Renfrewshire Council Tax Payers) to read the report.

East Renfrewshire Council Tax Payers give £4.5m+ yearly to the Trust.

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Re: The Leisure Trust do not want you to read this report - Why? - Read and decide for yourself

Posted by RM64 - 13 Aug 2019 09:37

Maybe it was because a spend of £24,000.00 nearly tripled to at least £67,577.04 ?

----- Original message -----

Date:08/08/2019 17:03 (GMT+00:00)

To: "Miller, Stewart (Cllr)";

Cc: "Grant, B (Cllr)"; , "Fletcher, J (Provost)"; , "Gilbert, C (Cllr)"; ,
"Ireland, A (Cllr)"; , "Swift, Jim (Cllr)"; , "McLean, J (Cllr)";

Subject: Leisure Trust contract with Big Wave media - Audit & Scrutiny - value for money for East Renfrewshire Council Tax Payers?

Dear Stewart

I am writing to you as Chair of the Audit & Scrutiny Committee and would appreciate your(and the Committee's) help.

I have copied to the other members (I am aware Cllr Grant and Cllr Fletcher are Trust Board members).

I wish to register my concern over a contract East Renfrewshire Culture and Leisure Trust(ERCLT) entered into with a company named Big Wave Media.

The only sum given by ERCLT for this contract was for £24,000.00.

However, from a FOI request for payment invoices, ERCLT have paid at least £67,577.04 to Big Wave Media -

31/12/2016 - £13,435.32

31/03/2017 - £1,435.32

30/04/2017 to 30/11/2018 - 20 monthly payments of £2,635.32 = £52,706.40

Total - £67,577.04

It is of great concern that this contract has now cost East Renfrewshire Council tax payers nearly 3 times (£67,577.04) the original sum of £24,000.00 and has failed to deliver the promised benefits.

It is also of great concern that the Chief Executive claims a saving of £22,000.00 p.a. when in fact they have spent at least £67,577.04 not £24,000.00.

It is also of great concern that The Trust has tried to hide this by not publishing any of this information and that it has only come to light via Freedom of Information (FOI) requests and appeal to the Scottish Information Commissioner.

The Chief Executive of the Trust has admitted the failings of the contract.

In a Report to East Renfrewshire Culture & Leisure Board on 26 February 2019 (obtained by FOI) The Chief Executive said -

'However, net financial growth has been below original forecasts.

Whilst we still use BWM for marketing and promotions, their Sales Director's project management role has been brought in house at a saving of £22,000 p.a.

Key Issues

1. Demand analysis undertaken across the organisation highlighted a number of issues impeding progress, including Venue Managers only being able to allocate 10% of their time to the project.

That time was consumed by the two-day meetings and compiling the reports, rather than the business development activities intended to drive growth.

Similar issues were experienced with other staff groups.

2. Whilst the initial forecasts promised a marked improvement in the bottom-line performance akin to a step change for both gyms and fitness and swimming, the reality is that improvement has been incremental.

(In 2018 gym membership was 13.9% up on the prior year, but this was only a third of the target suggested by BWM.)

3. The two-day monthly meetings, whilst time consuming for both operational and senior staff did have considerable value in the first year, with coaching and insight accompanying external challenge to drive change effectively.

By the second year colleagues felt the meetings were increasingly ineffective and inefficient, and training, coaching and insight had diminished to the extent they were protracted reporting and discussion forums.

4. The proprietary tools, whilst helping to change practices and work cultures in a number of teams very successfully, seemed derived for operating models that had different structures generally, and greater levels of staffing, particularly in front of house roles, or in support roles such as sales, communications and marketing.

5. Some conflicting advice from BWM highlighted that the methodology was increasingly at odds with the reality of ERCL's situation and structure, as well as the particularities of our market and competition, and both the strategic direction and progress reporting was becoming skewed by this.

In 2018 we held review meetings with the Sales Director of BWM in spring, summer and autumn to discuss these issues and possible solutions.

In December we trialled a remodelled meeting and reporting structure, and project management approach and in discussion with staff groups decided to continue with the programme, but without the

input of the BWM Sales Director, at a saving of £22,000 p.a.'

I would appreciate if you can

- investigate/scrutinise the terms of this contract,
- why the cost nearly tripled from £24,000.00 to at least £67,577.04,
- why it is now seen as a saving of £22,000 p.a.(when it actually cost at least £67,577.04) and
- if it did provide value for money for the Council Tax Payers(£67,577.04).
- invite the Trust CEO to explain all of the above to the Audit & Scrutiny Committee.

Big Wave media were picked for their expertise in this area but as the Chief Executive has admitted they obviously failed to deliver.

Again, it is of great concern that the Trust have tried to hide this and have not published details.

Your help with this matter is much appreciated

Thanks

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Re: The Leisure Trust do not want you to read this report - Why? - Read and decide for yourself

Posted by RM64 - 13 Aug 2019 09:40

----- Original Message -----

From: "Miller, Stewart (Cllr)";

Sent: Thursday, 8 Aug, 2019 At 17:55

Subject: Re: Leisure Trust contract with Big Wave media - Audit & Scrutiny - value for money for East Renfrewshire Council Tax Payers?

I will find out if the ERC< Ltd is subject to A & S committee scrutiny as I have asked questions in the past and was told that it is the responsibility of the Board members to scrutinise the Trust

But I will pass on your email to try to seek answers

Regards

Stewart

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Re: The Leisure Trust do not want you to read this report - Why? - Read and decide for yourself

Posted by RM64 - 13 Aug 2019 09:48

----- Original Message -----

From: "Miller, Stewart (Cllr)";

Sent: Tuesday, 13 Aug, 2019 At 09:50

Subject: Fwd: Big Wave Media

As promised, I forwarded your email to check if the Audit and Scrutiny Committee's remit extended to looking into your questions and I received the response below from Mr Daly yesterday afternoon

Regards

Stewart

----- Original message -----

From: "Daly, Eamonn";

Date: 12/08/2019 14:19 (GMT+00:00)

To: "Miller, Stewart (Cllr)";

Cc: "Innes, Caroline", "Mahon, Gerry";

Subject: Big Wave Media

Good afternoon Stewart.

Caroline forwarded your email from [name] to Gerry and I to take a look at whether or not it would be appropriate for the Audit & Scrutiny Committee to investigate.

Unfortunately in this particular instance it would not be appropriate for the committee to look into the matter further.

I have set out below the committee's terms of reference

(a) to promote internal controls, financial and otherwise, in order to provide reasonable assurance of effective and efficient operations and compliance with laws and regulations;

(b) to review the control environment and make an annual statement to the Council on its evaluation of internal controls;

(c) to develop an anti-fraud culture within the Council to ensure the highest standards of probity and public accountability;

(d) to promote good financial practice within the Council;

(e) to agree the internal audit strategy and plan;

(f) to receive internal audit progress reports;

(g) to oversee and review action taken on internal audit recommendations and assist in responding to any criticisms made;

(h) to review the internal audit annual report;

(i) to be consulted on the external audit strategy and plan;

(j) to review all external audit material, in particular the annual report and management letters relative to the audit opinion of the Council's financial statements;

(k) to oversee and review action on external audit recommendations;

(l) to review financial procedures including the effective operation of financial regulations;

(m) to review the Council's financial performance as contained in the Annual Accounts;

(n) to examine the activities and accounts of the Council in order to ensure that (a) the expenditure approved by the Council has been incurred for the purposes intended, (b) services are being provided efficiently and effectively and (c) value for money is being obtained;

(o) to consider those decisions of the Cabinet "called in" in terms of agreed procedure;

(p) to make recommendations to the Cabinet on the introduction and development of appropriate risk management arrangements across the Council;

(q) to review the performance of the Council in terms of:

- service delivery
- the processes by which policy decisions have been taken
- the substance of a particular policy and how it fits in with the overall objectives of the Council
- the effectiveness of a policy in terms of implementation

(r) to undertake whatever research and consultation is required in support of the analysis being undertaken on any particular issue.

These all relate to the operations of the Council.

Whilst it is accepted that the Council pays the management fee annually to the Trust, responsibility for the oversight of the operation of the Trust rests with the Trust Board.

As this issue relates to an operational matter any concerns should be directed to the Chair of the Board to decide on how to take them forward.

Kind Regards

Eamonn

Eamonn Daly

Democratic Services Manager

Department of Corporate and Community Services

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Re: The Leisure Trust do not want you to read this report - Why? - Read and decide for yourself

Posted by RM64 - 13 Aug 2019 09:52

The Trust 'scrutinises' itself !!

----- Original Message -----

To: "Miller, Stewart (Cllr)";

Sent: Tuesday, 13 Aug, 2019 At 10:18

Subject: Re: Fwd: Big Wave Media

Hi Stewart

It does seem a bit inappropriate that the Trust can be involved in hiding this spend then investigate themselves !

However, can you let me know how to contact the Chair of the Board - 'any concerns should be directed to the Chair of the Board ' and I will forward my email to them.

Or, can I ask you to forward the email to the Chair of the Board. Maybe this will give it a bit more urgency if it is forwarded by the Chair of the Audit & Scrutiny Committee?

Thanks

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Re: The Leisure Trust do not want you to read this report - Why? - Read and decide for yourself

Posted by RM64 - 27 Aug 2019 15:04

----- Original Message -----

To:

This e-mail address is being protected from spambots. You need JavaScript enabled to view it

Sent: Tuesday, 27 Aug, 2019 At 16:25

Subject: Cabinet meeting on 29 August 2019 - Agenda Item 3 - Trust End-Year report

Hi Alan

I refer to the East Renfrewshire Council Cabinet meeting on 29 August 2019 and in particular Agenda Item No: 3 - Report by Director of Education EAST RENFREWSHIRE CULTURE AND LEISURE END-YEAR REPORT 2018- 2019

The Cabinet is asked to comment on and approve this report.

I am writing to you as you are my Councillor and you are a member of the Cabinet Committee to ask that you do comment on this report regarding the omission of details regarding Big Wave Media and the spend of £67,577.04 and the failure to deliver the promised benefits.

The only mention of Big wave Media is in the report (Appendix A) provided by the Trust -

'2018/19 saw the business development programme, begun with Big Wave.....'

The only sum given by ERCLT for this contract was for £24,000.00.

However, from a FOI request for payment invoices, ERCLT have paid at least £67,577.04 to Big Wave Media -

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31/03/2017 - £1,435.32

30/04/2017 to 30/11/2018 - 20 monthly payments of £2,635.32 = £52,706.40

Total - £67,577.04

It is of great concern that this contract has now cost East Renfrewshire Council tax payers nearly 3 times (£67,577.04) the original sum of £24,000.00 and has failed to deliver the promised benefits.

It is also of great concern that the Director of Education fails to mention this in their report.

It is also of great concern that The Director of Education and The Trust has failed to publicly publish any of this information and that it has only come to light via Freedom of Information(FOI) requests, reviews and appeal to the Scottish Information Commissioner.

The Chief Executive of the Trust has admitted the failings of the contract -

'However, net financial growth has been below original forecasts.

(In 2018 gym membership was 13.9% up on the prior year, but this was only a third of the target suggested by BWM.)

Some conflicting advice from BWM highlighted that the methodology was increasingly at odds with the reality of ERCL's situation and structure, as well as the particularities of our market and competition, and both the strategic direction and progress reporting was becoming skewed by this.'

In a Report to East Renfrewshire Culture & Leisure Board on 26 February 2019(via FOI, initially withheld by the Trust but eventually obtained on review) The Chief Executive said -

'However, net financial growth has been below original forecasts.

Whilst we still use BWM for marketing and promotions, their Sales Director's project management role has been brought in house at a saving of £22,000 p.a.

Key Issues

1. Demand analysis undertaken across the organisation highlighted a number of issues impeding progress, including Venue Managers only being able to allocate 10% of their time to the project.

That time was consumed by the two-day meetings and compiling the reports, rather than the business development activities intended to drive growth.

Similar issues were experienced with other staff groups.

2. Whilst the initial forecasts promised a marked improvement in the bottom-line performance akin to a step change for both gyms and fitness and swimming, the reality is that improvement has been incremental.

(In 2018 gym membership was 13.9% up on the prior year, but this was only a third of the target suggested by BWM.)

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By the second year colleagues felt the meetings were increasingly ineffective and inefficient, and

training, coaching and insight had diminished to the extent they were protracted reporting and discussion forums.

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In 2018 we held review meetings with the Sales Director of BWM in spring, summer and autumn to discuss these issues and possible solutions.

In December we trialled a remodelled meeting and reporting structure, and project management approach and in discussion with staff groups decided to continue with the programme, but without the input of the BWM Sales Director, at a saving of £22,000 p.a.'

In the interests of balance and in order that East Renfrewshire Council Tax Payers can have confidence in the Cabinet, I would appreciate that at the meeting you comment on -

- the omission of mentioning Big Wave Media and the cost and terms of this contract in this report,
- the omission that the cost nearly tripled from £24,000.00 to at least £67,577.04,
- why a saving of £22,000 p.a was not worthy of a mention by the Director of Education in their report,
- or more correctly, why it is now seen as a saving of £22,000 p.a.(when it actually cost at least £67,577.04),

- why East Renfrewshire Council Tax Payers were not provided with this information in the Director's report

Big Wave media were picked(without tender/competition?) for their expertise in this area but as the Chief Executive has admitted they failed to deliver.

Again, it is of great concern that The Director of Education should omit all of the details of Big Wave Media from this report.

If there is to be any balance or due diligence and East Renfrewshire Council Tax Payers are to have confidence in the Cabinet, then I would ask that you do comment on this report at the Cabinet Committee meeting by raising and asking and commenting on the above.

Your help with this matter is much appreciated

Thanks

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Re: The Leisure Trust do not want you to read this report - Why? - Read and decide for yourself

Posted by RM64 - 03 Sep 2019 11:40

----- Original Message -----

To:

This e-mail address is being protected from spambots. You need JavaScript enabled to view it

Sent: Tuesday, 3 Sep, 2019 At 10:51

Subject: Re: Cabinet meeting on 29 August 2019 - Agenda Item 3 - Trust End-Year report

Hi Alan

Would appreciate that you can confirm comment was made as requested and would appreciate an update on outcome.

Thanks

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