

Council agrees bail out for leisure trust

Posted by ErnHW Ltd - 22 Mar 2018 11:00

Courtesy Barrhead News

East Renfrewshire Council is preparing to bail out its struggling Culture and Leisure Trust.

The local authority's cabinet heard how a 'letter of comfort' must be written to allow the Trust to continue providing services in its sports facilities, libraries and community spaces, including the Barrhead Foundry.

A projected overspend of £277,000 for the year 2017/18 was forecast in the Trust's latest financial monitoring report and the council has now agreed to plug the funding gap at the end of this month.

An increase in funding from the council was also confirmed in a letter to the Trust late last month.

Local authority bosses and members of the Trust are locked in talks over a new management agreement as the current deal comes to an end this year.

An independent report detailing how much funding the Trust needs will also be published in a bid to secure the future of cultural and leisure facilities and activities in East Renfrewshire.

But the council's chief executive, Lorraine McMillan, said: "The Trust need to look themselves at how they are managing their budget.

"We want to see the Trust succeed and we want to make sure they have got enough funds to do what's right.

"The Trust was set up to increase its income and, over the long term, it has more opportunity to do that.

"We do allocate funding to the Trust for any loss of income. Part of the report is just checking that we

have given them sufficient income.”

Councillor Paul O’Kane, deputy leader of the council, added: “We want the Trust to succeed but we want to be ambitious.

“I think it’s important that we do this work to look at the financial sustainability of the Trust and that we look to the future.”

In a report to the cabinet, the council’s head of accountancy, Margaret McCrossan, claimed it was “necessary to issue a letter of comfort to the Trust” to allow provision and development of services.

Ms McCrossan also confirmed that an additional £239,000 has been set aside to support the Trust.

A planned savings target of £110,000 has also been deferred.

It comes just weeks after opposition councillors blasted plans to spend £26million on a new leisure centre in Eastwood.

Conservative councillor Jim Swift claimed that the Trust “won’t work” if the council chooses to “saddle them with a new leisure centre.”

The council is set to consult residents to gauge whether a new facility would be supported.

A spokesperson for East Renfrewshire Culture and Leisure Trust said: “The council and Trust work in close partnership to ensure our valued sport, leisure and culture services are the best they can be for residents.

“The Trust is still in the early stages of its development and, whilst a small shortfall has been projected following a particularly challenging year, the council has shown its commitment to supporting the Trust to grow and develop in the years ahead.

“An independent review of the level of funding provided by the council to the Trust is currently under way to ensure it is set at an appropriate level to allow the range and quality of services delivered to continue to improve.”

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Re: Council agrees bail out for leisure trust

Posted by RM64 - 17 Sep 2018 14:48

Further request to Mhairi Shaw regarding FOI response below -

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

Date : 17/09/2018 - 14:48 (GMTST)

To : ERC

Cc :

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

Subject : Re: Freedom of Information 1836139

Hi

Thanks for this.

Let's not be silly here.....If SOLACE and the consultant were not paid - who was paid the £10,622.00 cost for the work?

You will also be aware that the FOI(S)A legislation places an obligation on the person receiving the request to assist the requester by indicating how they would be best placed to obtain what they wish.

I think you will agree I was asking who received the payment of £10,622.00 for carrying out this work. This information would be appreciated.

You say 'Ian Dickson. Mr Dickson some work for Solace in Business' - This does not make sense. Please explain.

In addition this part of the FOI request has not been answered -

'----Original message----

Date : 23/08/2018 - 19:52 (GMTST)

To :

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

Subject : Re: RE: Request for information

Hi

Sorry your reply needs some further clarification.

'he then produced a detailed proposal which was reviewed and agreed by the Director of Education'

Is this review recorded?

Is the agreement recorded?

Who did the Director of Education discuss the detailed proposal and review with?

Thanks'

Thanks

FOI(see previous post on page 2) reply from Mhairi Shaw, Director of Education -

It would appear that SOLACE is the representative body for Chief Executives and senior managers working in the public sector in the UK.

Q. Are ERC employees/officials eligible to apply for membership of SOLACE?

A. Yes, but largely at Chief Officer level.

Q. Would it be normal for ERC employees/officials to be members of SOLACE?

A. Yes.

Q. Did the suitable consultant identified work for SOLACE?

A. No.

Q. If not, what was the name of the consultant and who did the consultant work for?

A. Mr Ian Dickson. Mr Dickson some work Solace in Business.

Q. Was SOLACE paid the £10,622.00 cost of the work?

A. No.

Q. Was the consultant paid the £10,622.00 cost of the work?

A. No.

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Re: Council agrees bail out for leisure trust

Posted by RM64 - 20 Sep 2018 21:12

Extract from Action Plan(via FOI request) -

East Renfrewshire Council and East Renfrewshire Culture and Leisure Trust

Joint Action Plan to Address Recommendations of Finance and Business Review

June 2018

14.

Recommendation -

Increase in the Service Fee the Trust receives from ERC in both 2018/19 and 2019/20 by between £200,000 and £300,000 in 2018/19, and hold it at broadly similar level in 2019/20.

Thereafter the Service Fee should be reviewed in the light of the progress the Trust achieves over the next two years.

Action -

Budget Plan for 2018/19 in place

ERC agree funding to permit minimum level of reserves to be retained

Discuss 3 year funding arrangements

Responsibility - M McCrossan, Timescale - 2018

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Re: Council agrees bail out for leisure trust

Posted by RM64 - 21 Sep 2018 19:02

Extract from -

East Renfrewshire Council Draft 2017/18 Annual Audit Report

AUDIT SCOTLAND

Prepared for the Members of East Renfrewshire Council and the Controller of Audit 27 September 2018

Following the public pound

Local authorities have a statutory responsibility to comply with the Accounts

Commission / COSLA Code of Guidance on funding external bodies and following the public pound.

The council uses an Arm's Length External Organisation (ALEO), the East

Renfrewshire Culture and Leisure Trust(ERCLT) for the provision of its leisure services.

The ERCLT is a charitable trust that was established in July 2015.

The business planning process is outlined in the Services Agreement between ERCLT and the council and ERCLT is required to present an annual business

plan to the council at least three months before the start of the financial year.

Four members of the council sit on the Board of the Leisure Trust and are responsible for reviewing the Leisure Trust's business plans and monitoring

performance.

During 2017/18, the ERCLT applied to the council for additional funding of up

to £0.277million.

Actual funding granted by the council in 2017/18 was £0.225

million.

The reason for this was an overspend by ERCLT in 2017/18.

This additional support was approved by the Cabinet on 15 March 2018.

The audited 2017/18 financial statements for ERCLT are reporting a negative

net worth of £0.556 million.

A going concern note has been added to the Council's group accounts and the council provided a letter of comfort to the Leisure Trust to confirm their continued financial support in 2018/19 to allow the continued provisions and development of culture and leisure services.

The council has approved additional funding of £0.239 million to the Leisure Trust for 2018/19 and has set savings targets of £0.330 million over the two years 2019/20 -2020/21.

Given the key role played by the Leisure Trust in delivering the council's

strategic objectives, it is important that the council continues to closely monitor its ongoing financial position.

Appendix 1

5 East Renfrewshire Culture and Leisure Trust The council provided its subsidiary, the East Renfrewshire Leisure Trust with additional funding during 2017/18 to address budget overspends within the Trust.

The audited 2017/18 accounts of the Leisure Trust report a closing negative net worth position and the council provided a letter of comfort to confirm their continued financial support to the Trust in 2018/19.

The council is also to provide additional funding in 2018/19.

Risk

The financial position of the Leisure Trust adversely impacts the continued provision and development of cultural and leisure services.

Recommendation

Given the key role played by the Leisure Trust in the delivery of cultural and leisure services and the delivery of the council's strategic objectives, the council should continue to closely monitor its ongoing financial position.

Agreed management action/timing

In addition to existing monitoring arrangements and in line with the recommendations of Audit Scotland's recent review of ALEOs, the Head of

Accountancy now sits as an observer on the board of ERCLT.

Further, a joint action plan has been agreed with ERCLT to progress the recommendations of an independent review of ERCLT's financial position and elected members have been given training on scrutiny skills.

Head of Accountancy

ongoing

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Re: Council agrees bail out for leisure trust

Posted by RM64 - 02 Oct 2018 19:14

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

Date : 18/09/2018 - 13:39 (GMTST)

To :

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Cc :

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

Subject : Re: Freedom of Information 1826404 - Request for review - new added information

Hi

Thanks for acknowledgement.

This has just come to my attention. I refer to below from ERCLT Board minutes 17 April 2018. I would wish this to be added to the review.

Please give details of the input to the report by ERCL Chief Executive and the Director of Finance and Commercial Services .

Please provide copies of the input to the report by ERCL Chief Executive and the Director of Finance and Commercial Services.

In addition, again, it is reasonable to assume that there would be emails/other recorded details regarding this input.

'Welcome The Chair welcomed everyone to the meeting introducing Ian Dickson from Solace in Business and also Lorraine McMillan, Chief Executive of ERC. The Chair thanked Ian Dickson for the production of the draft report. The Chair also thanked ERCL Chief Executive and the Director of Finance and Commercial Services for their input to the report. '

Thanks

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

Date : 18/09/2018 - 12:23 (GMTST)

To :

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Cc :

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

Subject : Re: Freedom of Information 1826404 - Request for review

Hi

Don't think I've had acknowledgement.

Thanks

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

Date : 09/09/2018 - 17:56 (GMTST)

To :

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Cc :

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

Subject : Freedom of Information 1826404 - Request for review

The Chief Officer Legal & Procurement

Council Headquarters

Rouken Glen Road

Giffnock G46 6UG

REQUEST FOR FREEDOM OF INFORMATION(FOI) REVIEW

As instructed by Mary Hart, Business Support Manager in their attached letter reply below and as Gerry Mahon, The Chief Officer Legal & Procurement, has previously stated that Fol is normally a 2 stage process -

'As you will be aware the Council's response to an FOI request does not merely revolve around the initial request but also the review process. It is hoped that any human error in relation to the 1st part of the process is properly remedied at the 2nd stage.'

I therefore request the said Fol Review.

My reasons for requesting a review are as follows.

Ms Hart has cited an exemption in respect of non disclosure of the first part of my request for recorded information (Council commissioned independent finance and business review of the Trust).

Ms Hart states that the exemption she is relying on is Section 33(1) (b) of the Freedom of Information (Scotland) Act 2002 (FOISA).

As you are aware Section 33(1) (b) is subject to the public interest test and Ms Hart shows no signs that she has applied this test.

I am also concerned that Ms Hart responded on 6/9/2018 and 7/9/2018 outwith the 20 working days, with nothing more time consuming than a bland section 33 exemption.

From Aileen Vance, Senior Business Support Assistant - 'Your Freedom of Information Ref: 1826404 was received on Tuesday, 7 August, your response was due on Tuesday 4th September 2018'

I am also concerned that after querying the initial response from MS Hart I was informed -

'due to an administrative error, you were sent the incorrect response yesterday. Please see correct letter attached. '

1st Incorrect Response received - 6/9/2018

2nd response received - 7/9/2018

We are both aware that the legislation states that the priority is that an authority must comply promptly, not wait until the 20 working day period has expired.

In addition Ms Hart has cited an exemption in respect of non disclosure of the second part of my request

for recorded information.(Joint Trust / Council action)

She states that the exemption she is relying on is Section 27 of the Freedom of Information (Scotland) Act 2002. (FOISA)

As you are aware Section 27 is subject to the public interest test and your Ms Hart shows no signs that she has applied this test.

She has also stated that it will become publicly available through the normal channels on the Council's website within 12 weeks of my request and subsequent to the A&S meeting of the 27th September 2018.

As you are aware section 27 of the FIOSA requires the decision to delay after the 27th September 2018 to be justified.

Ms Hart has provided no such justification for this apparent delay between the 27th September 2018 and whenever staff decide to make it available to the public.

In addition Ms Hart claims that there is no recorded correspondence with regards to either of these documents.

Am I and the commissioner to believe that not one member of staff within the council corresponded with regards to either report?

This would appear to be simply unbelievable.

At the very least there must be recorded emails/correspondence with the following -

SOLACE (Who were asked to provide a consultant)

The Consultant provided by SOLACE (confirmation of hire/scope/remit/payment receipt etc)

'Following the decision to commission an independent review, SOLACE were asked to identify a suitable consultant (given SOLACE's reputation and experience within local government).

The consultant suggested by SOLACE then met with the Director of Education to discuss the scope of the review and he then produced a detailed proposal which was reviewed and agreed by the Director of Education.'

No record of review? No record of agreement?

The Trust - no recorded emails/correspondence with the Trust?

Not even an email to/from even one councillor? (considering the events and seriousness of the report)
*see below)

Not even an email to a member of staff that this was now their task, not one email asking staff for contributions, not one email to say that the report was finalised, and not one email to the requester of the report to say, here it is.

I would have expected Ms Hart to have spent time undertaking the following, which she has clearly failed to do and therefore has failed to comply with the FOISA..

The public interest can cover a wide range of values and principles relating to the public good, or what is in the best . Thus, for example, there is a public interest in transparency and accountability, to promote public understanding and to safeguard democratic processes. There is a public interest in good decision-making by public bodies, in upholding standards of integrity, in ensuring justice and fair treatment for all, in securing the best use of public resources and in ensuring fair commercial competition in a mixed economy. This suggests that in each case, the public interest test involves identifying the appropriate public interests and assessing the extent to which they are served by disclosure or by maintaining an exemption.

Public interest arguments 20. In carrying out the public interest test, the authority should consider the arguments in favour of disclosing the information and those in favour of maintaining the exemption. The authority should try to do this objectively, recognising that there are always arguments to be made on both sides. It may be helpful for the authority to draw up a list showing the arguments it is considering on

both sides; this will help when it comes to assessing the relative weight of the arguments.

Arguments in favour of maintaining the exemption - Arguments must be relevant to the specific exemption 21. FOIA provides a right of access to information public authorities hold and the exemptions from that right listed in Part II of the Act aim to protect particular, specified interests. So, the public interest arguments in favour of maintaining an exemption must relate specifically to that exemption.

There is always an argument for disclosure, there may also be a legitimate public interest in the subject the information relates to. If a particular policy decision has a widespread or significant impact on the public, for example changes to the education system, there is a public interest in furthering debate on the issue. So, this can represent an additional public interest argument for disclosure.

disclosure would (or would be likely to) prejudice substantially the commercial interests of any person or organisation (section 33(1)(b));

In seeking to withhold information under section 33(1)(b), the authority must ensure that it sets out whose commercial interests are likely to be prejudiced, as well as the particular nature of those interests.

Resources for examples of decisions where the Commissioner has considered whether commercial interests are involved. "Likely" The exemption in section 33(1)(b) can only be applied where disclosure would, or would be likely to, cause substantial prejudice. There must be at least a significant probability that substantial prejudice would occur in order for the exemption to be properly applied. There must also be a genuine link between disclosure and the harm: it cannot simply be a remote or hypothetical possibility.

The exemption in section 27(1) allows public authorities to refuse to disclose information if they already plan to publish it within the next 12 weeks – provided it is reasonable to delay disclosing the information until the planned date of publication.

Is it reasonable to withhold the information until the planned date of publication?

Ms Hart has said it will be available within 12 weeks on the council web site, is that reasonable considering I have submitted a FOISA request for the report?

*

It was made public that 'East Renfrewshire Council had to bail out its struggling Culture and Leisure Trust.'

There were specific financial implications during the year.

A projected overspend of £277,000 for the year 2017/18 was forecast in the Trust's financial monitoring report and the council agreed to plug the funding gap.

The Cabinet were informed a 'letter of comfort' had to be written to allow the Trust to continue providing services in its sports facilities, libraries and community spaces, including the Barrhead Foundry.

An increase in funding from the council was also confirmed in a letter to the Trust.

ERC and members of the Trust had talks over a new management agreement as the current deal comes to an end this year.

In a report to the cabinet, the council's head of accountancy, Margaret McCrossan, claimed it was "necessary to issue a letter of comfort to the Trust" to allow provision and development of services.

Ms McCrossan also confirmed that an additional £239,000 has been set aside to support the Trust.

A planned savings target of £110,000 has also been deferred.

The level of additional resource received from the Council was £225,000.

The Council commissioned an independent finance and business review of the Trust

This independent report detailing how much funding the Trust needs was published in a bid to secure the future of cultural and leisure facilities and activities in East Renfrewshire.

A joint Trust / Council action plan is now being implemented and overseen by the Director of Education, the Trust’s Board and its Chief Executive.

*

I understand that it is my right to have a response within 20 working days.

Thanks

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