



SCOTT-MONCRIEFF

EDINBURGH AND GLASGOW

Festival Fringe Society Limited

Review of the Box Office System Project





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Executive Summary	1
1 Introduction	3
2 Summary of events	6
3 Key issues	20
4 Findings and recommendations	27
Appendix A – List of contacts	32
Appendix B – Procurement results	33
Appendix C – Risk assessment	40
Appendix D – OSCR Governance Guidance	41

Executive Summary

The Festival Fringe Society (“the Society”) introduced a new Box Office System in 2008. The implementation gave rise to significant problems which have resulted in a financial and reputational loss for the Society.

An independent Steering Group was formed to oversee a review aimed at establishing what went wrong and what lessons could be learnt.

The Steering Group stipulated that they did not wish to limit the scope of the review, or the areas to be considered but would, as a minimum, expect the following areas to be included:

- the decision-making and procurement processes, and the appropriateness of the related outcomes, which led to the Society entering into the contract with Pivotal Ltd in March 2008;
- the implementation process undertaken between February 2008 and the go live date of 9 June 2008;
- the actions taken when the system failed on 9 June 2008, and throughout the summer period until the end of August 2008; and
- whether there are wider issues about the structure, management, decision making processes and governance arrangements of the Society which need to be addressed.

Scott-Moncrieff was appointed on 30 October and met with the Steering Group on 4 November to clarify the scope and approach for the project. Over the three weeks to November 28, we examined over 6,000 pages of evidence and interviewed 30 individuals nominated by the Society.

This report summarises the key events leading to and during the Box Office project and sets out our detailed findings which can be summarised as follows:

- the Society’s general governance arrangements are weak. In particular, there is a lack of strategic direction and transparency in decision making;
- the Directors need to strengthen their procedures to reflect their ultimate responsibility and accountability for the Society’s affairs;
- the procurement process was fundamentally flawed as the decisive criteria for selecting a preferred supplier were skewed in favour of a bespoke solution despite recognition of the risks involved in such an approach and the identified risk of business failure of both relevant suppliers;
- the project suffered from poor project and change management particularly during the critical implementation phase;
- there was inadequate risk management during the project and no effective contingency planning;
- implementation suffered from inadequate project control, insufficient resources, over reliance on key individuals and insufficient independent scrutiny at key milestones;

- insufficient attention was paid to other changes required within the Box Office operations;
- communication deteriorated as pressures built during the project creating increased pressures on stressed staff and additional distrust among stakeholders as the system failed;
- improvement only occurred when crisis management was delivered by Directors and external staff.

Our recommendations for improvements cover the following key areas:

- governance
- project management and assurance
- procurement procedures
- future developments
- staffing and change management
- risk management and contingency planning

This report has been prepared by Scott-Moncrieff for the exclusive use by Festival Fringe Society Limited. The report is strictly confidential, is not for the use of any party other than the Society, and may not be supplied to any other party without the prior written consent of Scott-Moncrieff and the Society. We accept no duty, responsibility or liability to any other parties.

This report is solely based on the information provided by the Society and evidence gathered during interviews with individuals nominated by the Society. This information has not been subject to any form of audit or independent verification work.

We thank all those that have contributed to this challenging review.

1 Introduction

1.1 Background

The Festival Fringe Society (“the Society”) introduced a new box office system in 2008. The implementation gave rise to significant problems which have resulted in a financial and reputational loss for the Society.

The key events can be summarised as follows:

- in March 2008 the Fringe Society Board contracted Pivotal Ltd to provide a box office solution for the Fringe Festival.
- the new system was due to start selling tickets on 9 June 2008 but failed on that date.
- solutions were found that enabled the Fringe to go ahead but severe problems were experienced throughout the summer and the Fringe has suffered a significant financial and reputational loss as a result.

An independent Steering Group was formed to oversee a review aimed at establishing what went wrong and what lessons could be learnt.

1.2 Scope of the review

The Steering Group stipulated that they did not wish to limit the scope of the review, or the areas to be considered but would, as a minimum, expect the following areas to be included:

- the decision-making and procurement processes, and the appropriateness of the related outcomes, which led to the Society entering into the contract with Pivotal Ltd in March 2008;
- the implementation process undertaken between February 2008 and the go live date of 9 June 2008;
- the actions taken when the system failed on 9 June 2008, and throughout the summer period until the end of August 2008; and
- whether there are wider issues about the structure, management, decision making processes and governance arrangements of the Fringe Society which need to be addressed.

1.3 Approach

Scott-Moncrieff was appointed on 30 October and met with the Steering Group on 4 November to clarify the scope and approach for the project. Four CDs of information and documentation were provided covering the following areas:

- minutes of Board Meetings, Management Committee Meetings and both Working Group and Steering Committee Meetings
- emails and attachments relating to the project
- electronic versions of documentation relating to the procurement and implementation of the selected systems

In addition, we were provided with a list of individuals who were considered relevant to contact for their views on the process undertaken by the Society. A list of those contacted during the project is provided in Appendix A.

We have undertaken a detailed review of all of the documentation received and have conducted interviews with all but one of the nominated contacts, who failed to respond.

In considering the actions taken by the Society we have compared these with best practice as represented by recognised approaches including:

- "Guidance for Charity Trustees" provided by OSCR
- PRINCE2 project management methodology
- Gateway Reviews for project governance and assurance
- procurement guidance published by the Scottish Government

1.4 Limitation of responsibility

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This report is solely based on the information provided by the Society and evidence gathered during interviews with individuals nominated by the Society. This information has not been subject to any form of audit or independent verification work.

1.5 Report structure

Our report is structured in the following sections:

- Section 2 sets out the history and the key events of the project
- Section 3 provides details of the key issues arising from our review of the project
- Section 4 sets out our recommendations for improvements

Detailed supporting information is provided in Appendices A to D.

2 Summary of events

2.1 History

The challenges facing the Society, in respect of its ticketing system, were recognised in December 2005 when it was observed by the Society's Board that the Wembley Ticketing System (WTS) was reaching its maximum capacity. It was accepted that, as WTS was not going to be further developed, a new system would be required. It was noted venues needed to be kept informed of developments.

The Board considered that a key objective for the Society was to remain the dominant provider of tickets for the Fringe. A key weakness of WTS was it did not retain customer information. Any future system would therefore be required to retain information from one year to another.

A new system was being introduced by a number of venues which was being developed by a former WTS dealer. This development was regarded as "a threat" by some in the Society as the new system was not compatible with WTS and may therefore impact on the Society's ability to sell extra tickets.

During 2006 further discussions took place during Board meetings regarding the Box Office system. These discussions highlighted the following:

- the growing urgency for a decision to be made
- the strategic importance of the Society retaining its position as the primary ticket outlet
- the "substantial danger" of the major venues withdrawing from the shared WTS system
- issues being raised by venues in respect of commissions and cash flow challenges (These were arising as a result of the way in which ticket revenue is distributed by the Society and were encouraging venues to consider alternative systems).
- recognition that all venues were not going to run the same system and therefore the importance of being able to share information across systems
- recognition that the replacement of the Box Office System was a major project for the Society

In May 2006 the Society took part in the Thundering Hooves review which looked at the competitive position of the eleven festivals belonging to Festivals Edinburgh and the extent to which that position was likely to be affected by:

- the burgeoning number of festivals in the UK and overseas competing for artists, audiences and funding;
- the increasing use of cultural programming as strategic devices to promote tourism and to build brand identity of the cities or regions where they are located: and
- any other factors

One of the outcomes of this review was the need for improved accessibility for ticketing sales across a wide range of festivals and venues. While this led directly to the creation of the Edinburgh On-Line Portal project, the Society recognised this as a potential opportunity to develop a solution for the benefit of the Fringe and the wider Festivals community.

In late 2006, a meeting was held with the venue managers to discuss the new box office system. These discussions highlighted the following:

- the benefits of linking all box office systems including those venues sharing a common system, those with no ticketing system and those using an alternative solution
- the use of open ticket allocation as a means of resolving issues surrounding the concerns over commission rates and cash flow limitations of the current arrangements

At this point, discussions were being held between the Society, Red61 and Pivotal aimed at working together for a common solution linking a ticketing system with other venues and the Society's website. Pivotal had been commissioned to undertake proof of concept trials of a Federated Box Office (FBO) system which would allow different systems to link through a form of middleware system. The cost of this development was £385,000. There is no evidence of either a business case or Board approval for this specific investment. Part of the software agreement under which the FBO system was developed was a "Finder's Fee" payable to the Society when others adopted the system.

Concerns were raised on whether Red61 would be able to deliver a solution in time for Fringe 2007 and therefore a contingency plan of using WTS was considered appropriate despite the lack of available system support.

Despite working closely with Red61, a workable solution was not available for use by the Society in 2007. WTS was used by the Society and a number of venues. WTS provided no support and reliance was placed on individuals' knowledge of the system. The Pivotal Federated Box Office was used as a new interface with the Fringe's website but was not compatible with WTS.

Following discussions with potential funders, a tendering process was agreed for a box office ticketing solution for Fringe 2008. The Board was reminded that the Society's Business Plan stated its aim to remain the main ticket seller increasing both the number of tickets sold and the market share of tickets sold.

Concerns were voiced in June 2007 over whether the new system would be available for 2008. It was felt that the main hurdles would be political and developmental commitments. It was agreed that any company tendering must already have a working system as there was no time to develop one. It was agreed at the August 2007 Board Meeting that the box office system should go out to tender after the Festival was complete and that Red61 would be invited to tender.

2.2 Procurement

A proposed tender process was discussed by the Management Committee in October. A consultant with 20 years experience of implementing Box Office systems was appointed as Project Manager and the process discussed with the City Of Edinburgh Council and Scottish Enterprise. An outline timetable was set out for key milestones for the process.

The procurement process comprised of the following key stages:

- Invitation to Tender (ITT)
- evaluation of tender responses including credit assessment
- demonstrations and configuration and reporting workshops
- site visits
- Web API assessment

Details of the work undertaken and the results of each of these stages are provided in Appendix B.

2.3 Procurement Governance

The Management Committee discussed the governance for the procurement process on 1 October 2007, when the membership of the Steering Committee and the Working Group were discussed. At this point, the external Project Manager had already been appointed.

The Management Committee met again on 5 November. It is minuted at this meeting that the Board would be asked to formally delegate authority to the Steering Committee to make the final decision with regard to the procurement phase.

The Working Group was set up to perform the detailed work related to the procurement phase of the project and, ultimately, provide recommendations to the Steering Committee.

The Steering Committee minutes from 3 December 2007 include a discussion around whether the Board should have veto powers over the Steering Committee decision. It was felt that the Board would not have been sufficiently close to the work to make that decision and therefore the Board should have input into aspects of the process but no power of veto.

The Board met on 8 December and discussed the governance structures. Some Board members expressed discomfort over the decision making arrangements, given the importance of the decision and the responsibility of the Board as directors for the financial implications. However, it was agreed that the Steering Committee should go forward with the full backing of the Board and Board members should email any concerns they may have to the Steering Committee. It was also stressed by the Board that as most IT projects miss their deadlines, and the Steering Committee had concerns over timescales, that a contingency plan must be in place for 2008.

2.4 Evaluation of Tender responses

Within the ITT, it was stated that Tender responses were to be subject to a series of evaluations, split between the pre and post shortlist process. Each category was weighted, as agreed by the Steering Committee, as follows:

Elements	Pre-shortlist weighting	Post-shortlist weighting
Written response evaluation – functional specification	40%	15%
Written response evaluation – non functional aspects	45%	15%
Credit risk assessment	15%	0%
Demonstrations		15%
Detailed follow up demos (related to 'Configuration and reporting')		10%
Site visits		10%
Final solution and pricing proposal		10%
Timetable and delivery		15%
Contract		10%
Total	100%	100%

A further category (Web API technical evaluation) was introduced when the evaluation process had reached the final three suppliers. However, despite the suppliers being scored against a range of criteria under this heading, the final scoring matrix attached a weighting of 0% to this element.

2.5 Working Group recommendation

The Working Group met on 18 January 2008 to discuss the process to date, prior to a Steering Committee meeting on 21 January 2008. At this point, the following criteria had not been scored:

- final solution and pricing proposal
- time table and delivery
- contract

At this point, the scores per the summary scoring matrix were as follows:

Element (weighted scores)	Audience View	Pivotal Integration	Red61	Tessitura
Written response	9.24	8.68	8.71	8.79
Functional Specification	10.77	9.67	8.75	11.10
Demonstrations	8.58	7.03	6.79	8.97
Configuration and reporting	5.18	6.47	5.94	6.68
Reference sites	5.23	7.03	5.81	7.51
Total	39.00	38.88	36.00	43.05

Although not scored, a cost summary was also considered as part of the discussion. The costs were summarised for both the Society and the Fringe as a whole over a one, five and ten year period, as follows:

Fringe Society:

Supplier	1 Year	5 Years	10 Years
Audience View	£125,000	£708,597	£2,217,563
Pivotal Integration	£352,500	£567,957	£875,694
Red61	£149,000	£302,707	£559,647
Tessitura	£196,213	£278,836	£396,846

Fringe Wide:

Supplier	1 Year	5 Years	10 Years
Audience View	£178,928	£1,136,704	£3,139,965
Pivotal Integration	£352,500	£567,957	£875,694
Red61	£379,428	£1,289,594	£3,066,789
Tessitura	£204,384	£310,247	£461,452

Having completed the scoring matrix above, the Working Group then discussed each supplier in turn, noting views and opinions on each against a range of specific topics as follows:

- A core system that can handle the volume of tickets that are sold on behalf of Fringe performers and venues across the range of Society outlets.
- The ability to link the Society box office with Fringe venues to allow cross-selling from open allocations.
- The ability to link the Society box office into the proposed Edinburgh City Ticketing Portal / Edinburgh wide cross-selling.
- A means to address the Society's future aspirations including improving the processes involved in running the Festival to increase sales, reduce costs and sustain growth.
- Each company's openness to interoperability (even if not awarded the Society box office contract)
- Small Venue Interface
- Detailed pricing implications including 1, 5 and 10 year cost comparison
- Clear outline of what was being prepared for delivering for 2008 and whether they can actually deliver on this

The Working Group then voted on whether to include or exclude each supplier.

The result of the vote was as follows:

- Audience View – unanimous vote to exclude
- Pivotal Integration – 3 votes to include, 3 votes to exclude
- Red61 – 2 votes to include, 4 votes to exclude
- Tessitura – 2 votes to include, 4 votes to exclude

All of this information was then taken to the Steering Committee on 21 January 2008. The Steering Committee agreed to eliminate Audience View from the process at this point. They also instructed the Working Group to undertake additional research in outstanding areas of concern to allow a decision to be made between the final three suppliers.

In addition, the Steering Committee agreed that a detailed risk assessment would be undertaken by each member of the Working Group and the Steering Committee.

2.6 Additional supplier queries

The areas covered by the additional supplier queries are summarised below:

Supplier	Subjects of query
Tessitura	Network and communication performance Search facilities given complexity and scale of venues and performances Disabling calendar facilities Setting user permissions Web integration
Pivotal	Development of User Interface Lack of ticketing knowledge Long term intentions for ticketing systems Clarity concerning costs of bespoke development 90 day convenience get out clause
Red61	Support arrangements Proposed development plan with dates and cost for delivery of 2008 essential requirements Clarity concerning costs of bespoke development Plans to review internal processes to support current and future business activities Duration of the licences offered Audited accounts Lessons learned from Fringe 2007

Full responses were received from all of the suppliers.

2.7 Risk Assessment

A list of risks was developed for each of the members of the Working Group and the Steering Committee to score the suppliers against on the basis of High, Medium or Low risk. The risks to be assessed were as follows:

- does not fit requirements
- future development - functionality problems
- future development - cannot/will not
- future development - cost
- continuity with server failure
- continuity with network failure
- lack of supplier continuity
- inability to support appropriately
- lack of take up by venues

Points to note regarding these criteria:

- three of the nine questions are directly related to future bespoke development despite the higher risks of failure inherent in bespoke solutions and a key requirement of the project being the implementation of a box office system for Fringe 2008
- there are no weightings attached to these criteria and therefore the risk of supplier failure is given the same weighting as the risk of low take up by venues
- the responses to these questions are highly subjective and open to influence from personal opinion and bias
- the responses to these questions do not appear to be based on the information gathered to this point during the procurement process. For example, Tessitura was scored highest in the evaluation against the functional specification and from the demonstrations but was considered high risk by many of the Working Group and Steering Committee against the risk assessment criteria of not fitting requirements.

The result of the risk assessment is shown in full in Appendix C. The relative ranking of the suppliers (lowest risk first) as a result was as follows:

- Pivotal
- Tessitura
- Red61

2.8 Preferred bidder status

The Steering Committee met again on 8 February 2008 to discuss the results of the additional research and the risk assessment.

Early in the meeting it was agreed that Tessitura be eliminated from the process. The reasons given in the minutes included the following:

- a feeling that it would not be easily adaptable to Fringe requirements
- adaptations / customisations would take longer and there *could* be hidden costs / risks
- the networking solution was felt to be inelegant
- it would not be ideal for casual staff
- a lot of the excellent functionality will not be required
- no possibility of interoperability

Based on the results of the risk assessment and the development process report, the Steering Committee noted that, of the two remaining suppliers, Red61 was the highest risk alternative.

There followed a long discussion on the implications of not selecting Red61 and the actions that could be taken to minimise that impact, including the possibility of investing in Red61 as a company. The decision to make Pivotal preferred supplier was made at this point.

Three comments of note appear in the minutes, relating to this discussion:

- the preferred supplier had never developed a ticketing system
- there was surprise expressed that there was to be no discussion with the entire Board of the Society
- it was noted that Pivotal were still confident that a 2008 implementation was possible but that the decision needed to be made immediately

In addition, a number of other decisions / notes were made at this meeting including:

- there would have to be a subsequent implementation team.
- the role of the Steering Committee going forward should be to be involved with / oversee the implementation process.
- the implementation team would be mostly internal people assisted by the Box office consultant and a representative from the venues.
- the cut off point for implementing the contingency plan of going back to WTS for another year was set at April.

2.9 Contract negotiations and implementation planning

Over the course of the following month, detailed contract negotiations were undertaken. The Management Committee met on 22 February and was advised that negotiations were ongoing and there were 3 key areas still under discussion as follows:

- Pivotal's company structure
- payment terms
- the level to which the Society can dictate development of the software

In addition, the Management Committee were informed that initially only four venues were to be linked using the Pivotal system – C Venues, Paradise Green, Sweet and Hill Street Theatre. These were the venues which had the WTS system.

During this time, an update was to be circulated to all of the venue managers outlining the process that had been undertaken, the reasons for the decision and the timescales for the implementation. Critically, this update specifically mentions the deadline of the end of April 2008 for the completion of essential functionality and testing, given the time required to revert back to the contingency solution of WTS for a further year.

The contract was signed on 5 March 2008.

The Society Board were informed at a Board meeting on 15 March 2008 that the contract had been concluded. They were also informed at this meeting of the contingency plan to revert back to WTS and the agreed deadline of the end of April for this decision to be made.

At this meeting, the Board also discussed the impact of the decision on both Red61 and the four main venues. A proposal was presented and agreed in principle for the Society to support Red61 and the venues in the continued development by Red61 of its box office system. The Board requested that the proposal be further negotiated with the venues concerned and refined accordingly.

The final contract with Pivotal included a project timeline which includes a phase 1 completed, factory tested and deployed date of 25 April 2008, giving Pivotal a little over seven weeks elapsed time from the date of signing the contract.

Whilst Pivotal supplied a detailed project plan for the development project, there is little evidence of robust implementation planning on the part of the Society, including resource planning and impact assessment of the tasks required. Crucially, the decision was made at this time to dispense with the services of the external box office consultant as Project Manager. The impact of this was to place reliance on existing Society staff both to manage existing workloads in addition to managing a project the size and complexity of the Box Office system. In effect, implementation planning was outsourced to Pivotal, but they were not managed accordingly.

2.10 Implementation

As a consequence of not retaining the services of the external box office consultant, the methodology applied to the procurement phase of the project (planning and documentation trail for key areas) was not applied to the implementation phase of the project.

The implementation team, proposed by the Steering Committee at the end of the procurement phase of the project, was never formed.

Between the beginning of March and the end of April, there is no clear documentation trail identifying the key areas of work undertaken. However, from meetings held with various parties, we understand that Pivotal developed areas of functionality and provided the Society with regular code 'drops' for testing.

The Management Committee were informed at a meeting on 16 April 2008 that the project was running to timescale. However, it is unclear on what basis this assessment was made.

At the end of April, the previous external box office consultant was asked to attend the meeting to decide whether to proceed with the Pivotal solution or implement the contingency plan of WTS. No minutes of this meeting are available and, during our interviews, differing accounts of the contents of the discussions were given. However, at the Management Committee meeting on 7 May 2008, the key points discussed were:

- the system was not ready for testing
- the IT and Box Office manager indicated that he was reasonably confident that the remaining issues would be resolved
- it was minuted that “the option of WTS is still there though it is hoped that it will not be necessary to use it.” This contradicts previous intimations that the deadline for reverting to WTS was the end of April
- the Management Committee were assured that extra staff would be recruited if necessary
- the Steering Committee was formally disbanded. It had not met since 8 February.

Throughout the implementation phase of the project, other than Management Committee minutes, there was no documented status reporting from the supplier or internally within the Society.

During the testing phase of the project there was a range of documentation available relating to testing. However, there was no specific documented plan covering the key elements we would expect as follows:

- Objectives – the stated objectives of User Acceptance Testing (UAT), the scope, any assumptions and identified risks
- Approach – identifying the key elements of UAT and key responsibilities
- Test environment – setting out the equipment to be used, including configuration and, for example, operating system
- Test procedures – setting out the scenarios to be tested, the scripts to be followed, how to document results, problem severity ratings, problem reporting process, change control procedures
- Technical testing – detailing the technical tests to be performed such as performance, load testing, etc which may be covered by a separate document
- UAT acceptance criteria – setting out at what point the system passes UAT and can be formally signed off by the Fringe
- Management and responsibilities – who does what and appropriate authorisation levels
- Reporting – how often and to who

Defects and enhancements were recorded in a control spreadsheet.

The Board were informed at a meeting on 6 June 2008 that the system was on track to start selling tickets on 9 June. Some glitches were expected.

2.11 Crisis management

As has been recorded elsewhere, the system went live on 9 June and immediately failed. During the rest of that week abortive attempts were made by Pivotal to get the system operating effectively. It became clear at that point that work was going to be required by Pivotal to identify and rectify the problems. They were therefore instructed to go off-site for a period of two weeks to complete this work.

In the meantime, an alternative interim solution was sought by engaging Kraya, the Society's website developers, who had been working with Pivotal to integrate the website with the new system and therefore had significant technical knowledge of the requirements. The interim solution went live on 17 June 2008. However, this system was not a full ticketing system. This resulted in a series of data issues, which had to be identified and addressed.

The Management Committee were informed of the status of the issues at a meeting on 25 June 2008. They were also informed that the technical consultant who sat on the Working Group for the procurement process had been recruited to oversee data transfer, which was causing concern.

A meeting was held with Pivotal on 26 June to determine whether the outstanding issues had been sufficiently addressed to go live with the system again. It was at this meeting that Pivotal's precarious financial situation first became known. As a consequence of the financial problems, sub-contract developers employed by Pivotal on the EFF project were no longer available.

On 27 June, there was a meeting between the former chair of the Steering Committee, the external consultant, the Society Director and the IT and Box Office Manager to agree whether to go live with an amended version of the Pivotal solution (centralised rather than federated). The options of WTS or Pivotal were risk assessed. Pivotal was assessed as being the lower risk of the two systems. It went live again on 11 July.

Over the next 2-3 weeks, significant issues were encountered. While it is difficult to identify specific timings, the key events during this period were as follows:

- meetings were held with venue managers to outline the issues.
- external support was sought from a number of places including Edinburgh City Council and Festivals Edinburgh. They provided crisis management support and brought significant technical and project experience to the situation. Daily action plans were agreed. However, we understand that they were not fully implemented by all staff involved.
- daily staff meetings were held to ensure issues were being communicated
- Red61 was brought into the Fringe Box Office to sell tickets for the four venues operating Red61. All other venue ticket sales were processed using the Pivotal solution. This spread the load across two systems, alleviating some of the performance issues. However, it also doubled the work required from an IT infrastructure point of view.
- the Fringe Box Office was restructured

During this period the Management Committee and the Board met on the following dates:

- Management Committee – 30 July and 4 August
- Board – 18 July, 21 July, 30 July, 8 August and 15 August

It should be noted that a meeting of Directors on 30 July was not intimated to all Board members and the minutes do not state who was present.

The key points discussed at these meetings were as follows:

- Board 18 July – presentation of a series of papers relating to the financial and other implications of the current situation
- Board 21 July – explanation of the decision to bring in Red61, discussion of payment of £100k to Red61
- Management Committee 30 July – request from Red61 for immediate payment in line with a revised payment schedule tabled and agreed at the meeting
- Board 30 July – agreement to pay Red61 by 31 July; intention to work with the new Pivotal investor after the Fringe festival
- Management Committee 4 August – Confirmation that Box Office fully open using Red61 and Pivotal software from 30 July; new management structure in place within Fringe Box Office; note from DLA Piper on Directors duties and responsibilities – MC confirmed that Board were complying
- Board 8 August – independent enquiry into circumstances surrounding the failed project agreed
- Board 15 August – financial update given and scope of the three elements of the enquiry process set out

2.12 Review

As a result of the issues encountered during the project, a series of reviews were announced at the AGM on 16 August including:

- a technical review to investigate the current systems in use for 2009 and beyond
- an enquiry into the procurement and operation of the Box Office system
- a review of the role of the Society in the wider context of the Fringe

3 Key issues

3.1 Overview

Based on the information gathered we have identified a number of issues that we believe the Society should consider addressing. These issues can be categorised under the following headings:

- Strategic direction
- Society governance
- Conflicts of interest
- Project governance
- Project management and assurance
- Procurement
- Implementation
- Staffing and change management
- Communications
- Risk management and contingency planning

3.2 Strategic Direction

The Edinburgh Fringe Festival is a highly complex environment within which there are a range of stakeholders including:

- Performers
- Audience
- Venues
- The wider City of Edinburgh

The Society's role is to coordinate and promote the Festival on behalf of all of these stakeholders including the provision of a box office function. Given the potentially conflicting interests of these groups, this represents a significant challenge.

To meet these challenges the Society has a history of innovation and over the past few years it has sought to retain its position as the dominant ticket provider for the Fringe Festival through innovative technology. The investment made in 2007 to develop the concept of a Federated Box Office concept as a means through which all venues could collaborate more closely is an example of this innovation.

However, the desire for aspirational innovations detracted from the need to replace the core ticketing functionality. It is a widely held belief that the Fringe is sufficiently different from "normal" ticketing arrangements that only a developed solution could possibly deliver the range of functionality required and satisfy key needs including open allocations. This belief would ultimately impact the outcome of the procurement process.

Initial unsuccessful attempts to deliver such a solution were made in 2007 with Red61. This initial failure created a level of concern among a number of key individuals within the Society over Red61's ability to deliver a solution for the future. As a result of discussions with potential funders it was agreed to undertake a procurement process to identify an appropriate ticketing solution. The Board minutes reflect anxieties held by Directors prior to the project regarding:

- the need for a well established product
- the lack of time needed to develop a solution
- the need for a transparent and robust procurement process
- the need for an effective contingency plan

However, the Board did not ensure that these concerns were effectively addressed by the procurement and implementation processes. This lack of effective strategic direction and overall control by the Board allowed staff's personal interests and continuing aspirations for technical innovation to significantly influence the project's outcomes.

3.3 Society Governance

Festival Fringe Society Limited is a company limited by guarantee and a charity. As such it is governed by Companies Acts and The Charities and Trustee Investment (Scotland) Act 2005. The latter, in particular, clarifies the roles and responsibilities of charity trustees. The Office of the Scottish Charity Regulator, who was established as the statutory regulator of the charity sector in Scotland, has published guidance on the requirements of the legislation. Extracts from this guidance are provided in Appendix D.

Areas in which we are concerned that the Society's governance arrangements are weak include:

- minutes of Board Meetings summarise the information presented to Directors. The minutes record the discussions held but show little evidence of either the decisions made or clear directions to the management and staff
- there is little evidence of the actions required being followed up or actively monitored by Directors

3.4 Conflicts of interest

As mentioned above the complex Fringe environment gives rise to a number of potentially conflicting interests. The risks arising from such conflicts were recognised during the procurement process with Statements of Interest being required from each of the Working Group and Steering Committee. While these highlighted a number of personal interests that could give rise to conflicts they were not shared among those involved and no action was taken as a result. Similarly, concerns have been voiced by Directors at Board meeting regarding conflicts of interests but there is currently no formal basis for these to be recorded or procedures to be followed when these conflicts arise.

There is no evidence that the outcome of the box office project was influenced by these conflicting interests. However, such circumstances give rise to concerns over the decision making process and could lead to unnecessary challenges.

The Charities and Trustee Investment (Scotland) Act 2005 specifically covers the issue of conflicts of interest. The OSCR guidance also provides recommendations on how such circumstances should be managed. This guidance is provided as an Appendix to this report.

3.5 Project governance

All projects, particularly those of the scale and importance of the Box Office Project, are ultimately the responsible of the Directors. For practical reasons, this responsibility can be delegated to a Project Board (or "Steering Committee") but controls should be in place to ensure that the Directors are collectively comfortable with the decisions being recommended and have the opportunity to challenge or clarify concerns raised. The Project Board should be chaired by a Project Sponsor who is responsible for communicating progress to the Board and other stakeholders.

The Project Board should delegate the responsibility for day to day management of the project to a Project Manager who needs to ensure that the Project Board are fully informed of progress and any issues that arise during project delivery. The Project Manager can convene a Project Team to support them in delivering the project but the Project Manager remains responsible for delivering the project. It is the Project Board who should authorise continuation of the project at the completion of each key stage.

The structure for the Box Office Project presented in September 2007 comprised:

- a Working Group whose role was to undertake the detailed procurement process and provide recommendations to the Steering Committee
- a Steering Committee who would make the decision on which system to implement and would provide oversight during the implementation phase
- an Implementation Group to manage the detailed implementation of the selected system

There was no overall Project Sponsor or Manager roles identified in the proposed approach. For the procurement process, an external Project Manager was engaged but, as the project progressed, her role was marginalised with lead responsibility being adopted by internal management and staff. The Steering Committee was chaired by one of the Directors.

The Implementation Group was never convened. The responsibility for managing this phase of the project was effectively delegated to the supplier. There was very little control exercised over this phase of the project by Society management or staff until Society Directors and staff from the City of Edinburgh Council assumed control during July and August.

The decision to go live was taken by the Society Director on the basis of assurances provided by Society staff and the supplier. With hindsight, this was the incorrect decision. Given the implications of the decision, and previously highlighted risks, this decision should have been subject to significantly greater scrutiny and contingency plans confirmed prior to proceeding.

3.6 Project management and assurance

Effective project management should enable projects to deliver the defined objectives on time and within budget in a controlled manner. The Box Office Project suffered from a number of critical flaws including:

- no clear or agreed definition of expected project outputs at the outset
- lack of an authorised Business Case setting out:
 - reasons for the project
 - options considered for the project and why the particular approach had been chosen
 - benefits expected expressed in measurable terms
 - a summary of the key risks
 - estimated costs
 - project plan showing resources required and timescales
 - investment appraisal
- lack of detailed planning
- lack of risk management
- inadequate definition of key roles and responsibilities
- inadequate internal and external communication

While the procurement process benefited from the use of an external Project Manager, the implementation process was fundamentally weakened by the lack of project ownership and management by the Society management and staff.

Given the critical nature of the project there was insufficient independent scrutiny of decisions and assurances being provided by the management and staff most directly involved in the delivery of the project. Their understandable enthusiasm and personal commitment to the project influenced their views on the likely outcome of key elements of the project. This is particularly relevant to the decisions taken in April and May to continue with the project without an effective contingency plan.

3.7 Procurement

The procurement process was undertaken to provide assurance to other stakeholders, particularly venues and funders, that the decision taken was robust and transparent. While considerable effort was made by those involved, the process was fundamentally flawed as the final decision was not based on the original criteria or formal evaluation process but based on a subjective assessment of which of the suppliers was most likely to be able to deliver a bespoke solution specifically designed for the Fringe.

This effectively ruled out suppliers of packaged solutions despite the Board's previous insistence that the selected product should be well established and the Board's view there was insufficient time to develop a solution. This meant that the choice was between Red61 and Pivotal. Both of these had been independently assessed by Dunn and Bradstreet as being of high risk of business failure.

Given experiences in 2007, Red61 were considered a higher risk due to their financial position and their previous failure to deliver a working solution. Pivotal were therefore awarded the contract despite their lack of detailed knowledge of ticketing systems and their intended reliance on the Society's own staff to provide them with this knowledge.

Despite the decision to appoint Pivotal as supplier for the box office system, the potential financial implications for the large venues who had invested in the Red61 solution were recognised resulting in the Society entering into negotiations with Red61 to invest £300,000 in that system's development over the next five years. An initial payment of £100,000 was made in July 2008.

3.8 Implementation

The contract for supply was signed on 5 March 2008 which was 4 weeks after the original planned date leaving only 14 weeks to develop a new system before it was due to go live.

As mentioned above, the project management of this phase was effectively delegated to the supplier. The implementation suffered from a number of key weaknesses:

- inadequate project control exercised by Society management and staff
- insufficient internal resources
- inadequate definition of requirements. The functional specification prepared as part of the Invitation to Tender needed to be developed into a detailed technical specification as part of the development process. We have seen no evidence that this occurred. This lack of sufficient definition has also been commented upon in the Technical Review of the project.
- lack of experience of management and staff in a project of this scale and complexity
- lack of risk management arrangements
- inadequate communications
- no workable contingency plan in place
- overly confident assessment of progress particularly at key milestones

The implementation phase was recognised as being the most complex and high risk element of the project. Despite this there was no scrutiny of progress by either the Steering Committee (which was officially disbanded in May although it never met after February) or the Management Committee. Instead reliance was solely placed on the individual who was working with the supplier.

Only once the system had failed were additional experienced resources committed to the project which had immediate beneficial effects.

3.9 Staffing and change management

The implementation phase of the project was focused on the delivery of a technical solution rather than as a change management project. This resulted in insufficient attention being paid to non-technical elements of the project such as:

- staff planning and recruitment
- process and control redesign
- staff training and familiarisation with the new system and processes
- staff communication

As a result staff became alienated from the process. As the system failure became apparent it was these staff that had to deal with the aftermath.

We recognise the significant level of effort and personal commitment made by all of the management and staff during this challenging period but areas for improvement include:

- clearer definition of the roles and responsibilities required by the Society to effectively manage the Box Office and IT functions
- consideration of the skills and experience required for these roles
- an assessment of the most appropriate way in which these roles can be fulfilled going forward
- the need for sufficient resources to be committed to deliver any future solution covering all aspects of the implementation not just the technical solution
- the key role to be played by an experienced project manager independent of the regular operational needs of the Society
- the critical role played by detailed planning and effective and regular communication with all stakeholders, particularly staff

3.10 Communications

The Box Office project was of significance to not only the Society but to many other of the Fringe stakeholders. It was therefore key that communications on the project be open and regular. While this appears to be the case during the early part of the project, such as consultation on the specification of requirements, communications both internally and externally decreased significantly as the project progressed.

Many of the external stakeholders have complained that they were not made aware of the issues arising from the system failure until several weeks after the implications were known by the Society.

3.11 Risk management and contingency planning

Potential risks of the project were highlighted by several parties during the project. However these were not formally recorded as part of the project management process nor, more importantly, was any action taken to address these risks.

The Society at corporate level has introduced a process of “Risk Assessment” which covers a number of generic corporate risks. The Box Office Project does not currently appear on the Risk Map we have been supplied with. The Risk Map highlights the risks involved and some actions that are required.

While the implementation of WTS was identified as the “contingency plan” for the failure of Pivotal to deliver a working solution this was never prepared as an alternative option. Indeed, as the individual with the most detailed knowledge of WTS was also the person most heavily involved in the delivery of the Pivotal solution, this option was unlikely to be effective.

As mentioned above, there was insufficient independent scrutiny of the go live decision at the end of April. While it is recognised that a decision to abandon Pivotal at that stage would have been detrimental to the Society’s reputation this impact has to be weighed against the damage that has been caused by the decision to continue.

The impact that the incorrect decisions and actions have had on the Society highlights the importance of effective risk management and contingency planning at both corporate and project level.

4 Findings and recommendations

4.1 Key findings

Our key findings are summarised below:

- the Society's general governance arrangements are weak. In particular, there is a lack of strategic direction and transparency in decision making
- the Directors need to strengthen their procedures to reflect their ultimate responsibility and accountability for the Society's affairs
- the procurement process was fundamentally flawed as the decisive criteria for selecting a preferred supplier were skewed in favour of a bespoke solution despite recognition of the risks involved in such an approach and the identified risk of business failure of both relevant suppliers
- the project suffered from poor project and change management particularly during the critical implementation phase
- there was inadequate risk management during the project and no effective contingency planning
- implementation suffered from inadequate project control, insufficient resources, over reliance on key individuals and insufficient independent scrutiny at key milestones
- insufficient attention was paid to other changes required within the Box Office operations
- communication deteriorated as pressures built during the project creating increased pressures on stressed staff and additional distrust among stakeholders as the system failed
- improvement only occurred when crisis management was delivered by Directors and external staff

4.2 Recommendations

Our recommendations cover the following key areas:

- Governance
- Project management and assurance
- Procurement procedures
- Future developments
- Staffing and change management
- Risk management and contingency planning

4.3 Governance

We are aware that the Directors have initiated a review of the Society's governance arrangements as a result of the issues arising from the Box Office project. We are also aware that the Society is currently undertaking a business planning project.

We encourage the Directors to ensure that these projects cover the following in sufficient depth:

- the Society's strategic direction and in particular its relationships with other stakeholders
- the role and responsibilities of the Directors including:
 - frequency and objectives of Board and Management Committee meetings
 - how meetings are conducted and decisions taken and recorded
 - the scope and process for delegating responsibility and the need for final accountability to remain with the Directors
 - robust management of conflicts of interest including disciplinary procedures
 - the recruitment and training of Directors particularly in areas such as charity legislation, risk management and project supervision
- preparation of business cases and investment appraisal

We recommend that an outcome of the current reviews should be a formal set of procedures to be followed by current Directors and to be used as a training aid for new Directors.

Individual Directors should also seek independent legal advice on their responsibilities.

4.4 Project management and assurance

The Society should adopt a formal project management methodology, such as PRINCE2 for use on all major projects. While it may not be necessary to use all of the detailed approaches, use of a formal set of procedures should ensure that the Society clear procedures for:

- the initiation of a project including Board approval for the business case and overall approach
- the definition and appointment of relevant project responsibilities including:
 - Project Sponsor and Project Board
 - Project Manager and Team
 - Independent Project Assurance
- effective detailed planning ensuring that sufficient resources have been allocated to deliver the project and adequate contingencies have been allowed for
- identification of key milestones and approval processes required at each
- issue identification and risk management procedures including effective contingency planning
- exception reporting and communication planning
- closing a project including communication of lessons learned

All Directors and staff who are likely to have responsibility for managing projects should receive sufficient training to ensure that the procedures are applied correctly.

For major projects, such as the Box Office Project, we would recommend the Society includes time and resources for independent scrutiny at key milestones, such as project planning and stage delivery points, to provide additional assurance and avoid over reliance on those most directly involved with the project.

4.5 Procurement procedures

While much of the procurement process followed for the Box Office project was recognised best practice, how it was applied, particularly in support of the final decision, was flawed. We would recommend that the procurement procedures prepared for the project are formalised and enhanced to clarify the following:

- how key appointments are made and who should approve them
- management of conflicts of interest including the exclusion of anyone with an interest in a supplier
- definition of measurable business objectives and benefits against which the result of the project can be assessed
- the need for a clearly set out and authorised business case prior to the project beginning
- risk management procedures
- the need to agree evaluation criteria in advance and to apply them objectively
- how communication is to be maintained with key stakeholders during the project to be included as part of the project plan
- the need for realism in terms of project timescales and time required for implementation

At the conclusion of the procurement process, a full report including recommendations and supporting evidence should be available for scrutiny. Where the investment is significant, the final decision should always rest with the Directors.

4.6 Future developments

We are aware that the Society is currently considering how to progress matters in relation to the Box Office systems. In doing so we recommend:

- Directors ensure they are all clear on the basis upon which the decision is being made and the financial and practical implications are recognised
- effective project and change management procedures are put in place in line with the above recommendations
- effective risk management and contingency plans are enabled to avoid a repeat of the difficulties encountered this year
- if a bespoke solution is being considered that a detailed technical specification is prepared based on the functional specification drawn up during the tendering process. This should allow all parties to ensure that the development is delivering what is required rather than one party's perception of the functional requirements. This also reflects comments within the Technical review regarding the lack of adequate requirements specification.
- sufficient resources and time are allowed for effective user acceptance testing
- a communication plan is prepared and implemented to keep all stakeholders including internal staff informed

4.7 Staffing and Change Management

The wider implications of any similar projects need to be carefully assessed and planned for within a structured change management programme. Specific areas for attention arising from this project include:

- define the roles and responsibilities required by the Society to effectively manage the Box Office and IT functions
- consider the skills and experience required for these roles
- assess the most appropriate way in which these roles can be fulfilled going forward
- commit sufficient staff and training to deliver any future solution covering all aspects of the implementation not just the technical solution
- appoint an experienced project manager, independent of the regular operational needs of the Society, to supervise all aspects of the delivery not just technical functionality
- allow time for detailed planning and effective and regular communication with all stakeholders, particularly staff

4.8 Risk management and contingency planning

While the Directors have adopted a process of risk assessment a more rigorous risk management process is required. This should allow the Directors and staff of the Society to identify the key business risks faced by the Society, the likelihood of their occurrence, the potential impact such risks could have on the Society if they occur, and for the highest priority risks, develop appropriate contingency action plans to be devised and tested to ensure that the Society is able to deal with such eventualities.

The contingency planning should be detailed, practical and cover general business continuity, not simply unusual projects such as the Box Office project.

Appendix A – List of contacts

Working Group	Date of contact
Independent IT Consultant, to represent venues	19/11/08
Independent Box Office Consultant	17/11/08
IT & Box Office Manager, Fringe	28/10/08 & 20/11/08
IT consultant, put forward by SEEL	12/11/08
Box Office Manager, Traverse Theatre, Edinburgh	18/11/08
Ex-Director, Fringe	20/11/08
 Steering Committee	
Account Manager, Scottish Enterprise	12/11/08 & 20/11/08
Director of the Pleasance venues	11/11/08
Director of C Venues	24/11/08
Ex-Director, Fringe Society	As above
Fringe Society Board Member	10/11/08
Fringe Society Board Member	13/11/08
General Manager, Assembly Rooms, representing Edinburgh City Council	20/11/08
 Society Staff	
Procurement co-ordinator	11/11/08
Acting Director, Fringe Society	25/11/08
 Others	
City of Edinburgh Council	13/11/08
Festivals Edinburgh	21/11/08
City of Edinburgh Council	24/11/08
Fringe Society Board Member	21/11/08
 Supplier Contacts	
Kraya (edfringe.com developers)	<i>Failed to respond</i>
Pivotal Integration	12/11/08
Ex CEO, Pivotal Integration	13/11/08
Managing Director, Red61	19/11/08
Ex SEEL account Manager - involved in 2007 and funding	13/11/08
 Additional Venue Contacts	
Universal Arts Ltd	25/11/08
Director, Sweet Entertainments Ltd	14/11/08
Directors, Paradise Green	18/11/08
Box Office Manager, Gilded Balloon	18/11/08
Festivals Manager, The University of Ed	21/11/08
Assembly Media Group Limited	19/11/08
Director, Underbelly, Director Fringe Society (appointed Aug 08)	24/11/08

Appendix B – Procurement results

B.1 Invitation to Tender

An Invitation to Tender (ITT) was prepared and circulated to members of the Working Group, Steering Committee and venue managers for suggested amendments. The approved ITT was sent to the following suppliers on 5 November 2007 with responses required by 26 November 2007:

- Audience View
- Blackbaud
- Galathea
- Pivotal
- Red61
- Secure Ticket
- Tessitura

The suppliers were selected because they were existing suppliers to Fringe venues or other Festivals, or were recognised ticketing system suppliers.

Subsequently, two further suppliers requested a copy of the ITT with a view to submitting a response, as follows:

- Ticketmaster
- Ticketsolve

During the tender submission period a number of suppliers raised concerns over whether the tender process was open and fair as a rumour was being spread that a deal had already been done. Further concerns were also raised, particularly by experienced system suppliers, about implementing a solution before Fringe 2008. These were responded to by the Working Group assuring suppliers that the process was open and fair and that proposals for implementation for 2009 would be accepted.

As a result, responses were received from the following suppliers by the due date:

- Audience View
- Pivotal
- Red61
- Secure Ticket
- Tessitura

The other four suppliers declined to respond. The reasons given were as follows:

- Blackbaud – expressed serious concerns over timescales for both the implementation and the tendering process. They requested an extension to submit a response, which was denied and therefore they withdrew.
- Galathea – expressed concern over timescales and level of customisation required. Also indicated that they believed the contract had already been effectively awarded.
- Ticketmaster – reviewed ITT and declined.
- Ticketsolve – reviewed ITT and declined.

B.2 Evaluation of Tender responses

Within the ITT, it was stated that these responses were to be subject to a series of evaluations, split between the pre and post shortlist process. Each category was weighted as agreed by the Steering Committee as follows:

Elements	Pre-shortlist weighting	Post-shortlist weighting
Written response evaluation – functional specification	40%	15%
Written response evaluation – non functional aspects	45%	15%
Credit risk assessment	15%	0%
Demonstrations		15%
Detailed follow up demos (related to 'Configuration and reporting')		10%
Site visits		10%
Final solution and pricing proposal		10%
Timetable and delivery		15%
Contract		10%
Total	100%	100%

A further category (Web API technical evaluation) was introduced when the evaluation process had reached the final three suppliers. However, despite the suppliers being scored against a range of criteria under this heading, the final scoring matrix attached a weighting of 0% to this element.

B.3 Pre shortlist evaluation

The pre shortlist evaluation was split into the following sections:

Functional specification

- Response to the functional specification in the following areas:
 - general system
 - system setup
 - ticketing
 - small venue interface
 - memberships
 - customer information
 - marketing & reporting
 - additional outlets
 - internet
 - security & access

Written response

- Response to section 7 of the ITT including an evaluation of the following:
 - licensing
 - risks
 - installation and project management
 - data conversion and analysis
 - support
 - network infrastructure and hardware
 - company profile
 - time table

The scoring team was issued with a set of scoring guidelines and asked to score both of these elements according to the following scoring matrix:

- 3 *Requirement met perfectly currently, or will be met perfectly for the current year*
- 2 *Requirement is acceptable, or will be perfect for year 2*
- 1 *Requirement is poor in its current form, or will be acceptable for year 2*
- 0 *Requirement not met, or might be met in the future, but in a poor or non-convincing way*

Credit risk assessment

In addition, a credit risk assessment was undertaken by Dunn & Bradstreet and each company was allocated a score out of 100 based on the following:

D&B scale	Score allocated (out of 100)
1 – Represents a low risk of business failure	75
2 – Represents a lower than average risk of business failure	50
3 – Represents a greater than average risk of business failure	25
4 – Represents a high risk of business failure	0

Results of evaluations

From the scoring documentation and credit assessment documentation provided, the scores for the individual elements are summarised:

Company	Written response¹	Functional specification	Credit risk	Decision
Audience View	52-82%	2315	25	Short list
Pivotal	50-73%	2041	0	Short list
Red61	49-70%	1925	0	Short list
Secure Ticket	38-62%	1560	25	Eliminate
Tessitura	40-77%	2391	50	Short list

No final report summarising this information for consideration by either the Working Group or Steering Committee was prepared.

Whilst there was no dispute over the decision to shortlist the four companies on this basis (which was endorsed by the Steering Committee on 3 December 2007), the lack of a final report does not comply with the agreed procurement approach. This lack of compliance is continued in the next phase of the procurement process.

B.4 Demonstrations and configuration and reporting workshops

Day long demonstrations were held with each of the four suppliers, followed by separate configuration and reporting workshops, aimed at ascertaining whether the systems would be able to meet the needs of the Society.

¹ No overall score was given for this element. The score shown represents the spread of marks given to each supplier under this element

The members of the Working Group were issued with detailed scoring matrices, including 30 specific areas to score, split by:

- overall assessment
- specific functionality

Space for general comments was also provided. A similar document was issued for the configuration and reporting workshops. However, from our review of the available documentation, the scoring matrices were completed with differing level of detail by different individuals

Results of evaluations

Based on the above, the consolidated scores for each supplier were as follows:

<i>Supplier</i>	<i>Demonstration score</i>	<i>Configuration and reporting score</i>
Audience View	403	44
Pivotal Integration	331	55
Red61	319	51
Tessitura	422	57

B.5 Site visits

Once the demonstrations had been completed, members of the Working Group were allocated specific reference sites to visit. They were also asked to score the site visit against the following questions:

- How easy is it to sell tickets (or do the job they need to do) with the system?
- Is the system sophisticated enough to meet their needs?
- How easy is it to train new staff?
- How well do reports work in practice? Do they get what they want?
- How is support for minor matters?
- How is support for major matters?
- Overall View of support
- How responsive is the suppliers to developing the software?
- Do they feel the product is improving and progressing – and in a sensible and robust way?
- Do they talk to other users of the product?
- How well did the supplier prepare them for the installation?
- What do they know now, that they wish they had known before?
- Would they recommend that EFF purchase from this supplier?

In addition to the questions above, the companies with significant software development requirements, Pivotal and Red61, were subject to a separate day long review and were scored against three additional elements related to development:

- ability to meet development needs by required dates
- thoroughness of their development processes
- expertise in this market

These scores were then added to the standard site visit scores. This automatically skewed the results of the overall site visit scoring in favour of a bespoke system development.

The scoring criteria used were as follows:

0 Unable to score

1 Very poor

2 Tolerable

3 Meets expectations

4 Good

5 Excellent! A perfect fit

Results of evaluations

Based on the above, the consolidated scores for each supplier were as follows:

<i>Supplier</i>	<i>Site visit score</i>	<i>Development methodology score</i>	<i>Total</i>
Audience View	34	0	34
Pivotal Integration	45	11	56
Red61	42	5	47
Tessitura	49	0	49

B.6 Web API assessment

Each of the suppliers (with the exception of Audience View) supplied their web API for a technical assessment by an external consultant appointed by EFF. The web API was assessed against a range of criteria under the following headings:

- Technical
- Functionality
- Documentation

Based on the above, the scores for each supplier were as follows:

Supplier	Web API score
Audience View	0
Pivotal Integration	48
Red61	38
Tessitura	31

The Web API criterion had not been listed in the original ITT and was therefore given a weighting of 0% in the overall scoring matrix.

Appendix C – Risk assessment

PIVOTAL												
Qu 1	Does not fit requirements	M	L	L	L	M	M	M	M	M	L	M
Qu 2a	Future dev - functionality probs	M	L	L	L	M	L	M	M	H	L	M
Qu 2b	Future dev - cannot/will not	M		L	L	M	L			L	L	
Qu 2c	Future dev – cost	M		M	M	H	M			M	M	
Qu 3	Continuity with server failure	M	M	L	M	n/a	L	L	L	L	L	L
Qu 4	Continuity with network failure	M	M	L	M	n/a	L	L	L	L	L	M
Qu 5	Lack of supplier continuity	M	H	M	M	M	M	M	L	H	M	M
Qu 6	Inability to support appropriately	L	H	L	M	M	M	M	L	H	M	M
Qu 7	Lack of take up by venues	L	L	L	M	M	L	L	L	L	H	L
RED61												
Qu 1	Does not fit requirements	L	L	H	H	H	H	H	H	L	H	L
Qu 2a	Future dev - functionality probs	L	L	H	M	H	M	H	H	L	L	L
Qu 2b	Future dev - cannot/will not	L		H	M	H	M			L	M	
Qu 2c	Future dev – cost	M		H	H	H	M			M	M	
Qu 3	Continuity with server failure	M	M	H	H	n/a	M	L	L	L	L	L
Qu 4	Continuity with network failure	M	M	H	H	n/a	M	L	L	L	L	M
Qu 5	Lack of supplier continuity	M	L	H	H	H	H	H	H	L	H	M
Qu 6	Inability to support appropriately	M	M	H	H	H	H	M	H	M	H	M
Qu 7	Lack of take up by venues	L	L	H	H	M	M	M	M	L	L	L
TESSITURA												
Qu 1	Does not fit requirements	M	H	H	H	H	M	M	H	H	H	M
Qu 2a	Future dev - functionality probs	M	H	H	H	M	H	L	H	M	H	M
Qu 2b	Future dev - cannot/will not	M		H	H	M	H			H	H	
Qu 2c	Future dev – cost	M		H	n/a	L	M			M	H	
Qu 3	Continuity with server failure	M	L	H	M	n/a	H	M	M	M	H	M
Qu 4	Continuity with network failure	M	L	M	M	n/a	H	L	H	L	M	M
Qu 5	Lack of supplier continuity	L	L	L	L	M	L	L	L	L	L	L
Qu 6	Inability to support appropriately	L	M	H	M	M	M	L	M	L	L	M
Qu 7	Lack of take up by venues	H	H	M	H	M	L	L	H	H	M	L

Appendix D – OSCR Governance Guidance

The following is an extract from “Guidance for Charity Trustees” published by the Office of the Scottish Charity Regulator (OSCR). A full copy is available from the OSCR website (www.oscr.org.uk)

Section 8 Checklist of duties and responsibilities with examples of good practice

This section provides guidance on good practice for charity trustees. It is not essential that each charity demonstrate that they have adopted all the examples and the fact that the charity has not done so will not of itself be considered a breach of the legislation. However, adopting good practice will:

- assist charity trustees in ensuring that they are compliant with their statutory duties
- provide a clear record if the charity trustees’ actions are challenged
- help incoming charity trustees understand the practical implications of their statutory duties
- enhance the effectiveness of the charity

Whilst this guidance gives examples of good practice, some charities may wish to go further and implement higher standards of governance. Whether or not to aspire to higher standards of governance is for charity trustees to decide. OSCR has a role in contributing to the debate about good practice and higher standards of governance, but the detail of development lies with organisations such as the Association of Chief Officers of Scottish Voluntary Organisations (ACOSVO), the Scottish Council for Voluntary Organisations (SCVO), The Management Development Network Scotland (MDNS) and with specialist advisors such as lawyers and accountants.

Duties, responsibilities, and good practice

The following four tables summarise the responsibilities of charity trustees under the four fundamental duties, and offer examples of good practice that will help ensure they fulfil those duties and responsibilities.

The four tables can be used as a checklist of the key duties and responsibilities that charity trustees must be aware of and with which they must comply.

Act in the interests of the charity

Responsibilities	Examples of good practice
<p>Put interests of charity first</p> <p>Declare any conflict of interest and do not take part in any discussion or decision if there is an irreconcilable conflict of interest between the charity trustee and any person responsible for their appointment</p> <p>Manage conflict of interest of fellow charity trustees and take steps to remove charity trustees in serious or persistent breach of their duties</p> <p>Ensure any remuneration of charity trustees complies with the conditions set out in the Act</p> <p>Individual charity trustees must ensure they are not disqualified from being a charity trustee</p>	<p>Charity trustees declare any conflict of interest and do not take part in any discussion or decision on the matter</p> <p>Adopt a charity trustee “Code of Conduct” which includes commitment to upholding aims of the charity and guidelines on conflicts of interest</p> <p>Potential charity trustees to confirm they are not disqualified</p> <p>New charity trustees to declare any interests that may give rise to conflicts of interest</p> <p>Maintain up-to-date register of charity trustees’ interests</p> <p>Charity trustee misconduct procedures formulated and applied</p> <p>Review the constitution to ensure the power to remove charity trustees who are in serious or persistent breach of the Act is available</p> <p>Adopt a charity trustee remuneration policy and procedures which ensure any remuneration complies with the conditions set out in the Act</p>

Operate in a manner consistent with the charity’s purpose

Responsibilities	Examples of good practice
<p>Ensure that all activities of the charity fall within the charity’s purposes</p> <p>Ensure charity adheres to its constitution or governing document</p> <p>Ensure assets are not applied to non-charitable purposes</p>	<p>All charity trustees have a copy of and be familiar with the charity’s constitution or governing document</p> <p>Induction pack given to all new charity trustees which includes the constitution or governing document, up to date information about the activities of the charity and any statement of the values of the charity</p> <p>Refer to the charity’s purposes when developing and agreeing strategic plans</p>

Act with care and diligence

Responsibilities	Examples of good practice
<p>Ensure charity is run properly, responsibly and lawfully</p> <p>Act as guardians of the charity's assets</p> <p>Ensure the charity is solvent</p> <p>Ensure board of trustees are "fit for purpose" and the charity trustees are working together</p> <p>Apply a duty of care to paid staff and volunteers</p>	<p>Agree and regularly review the strategy and policies of the charity</p> <p>Agree financial delegation and budgets, and monitor financial performance</p> <p>Agree framework for support and management of paid staff and volunteers</p> <p>Ensure procedures are in place to keep up-to-date with legal responsibilities, e.g. employment legislation</p> <p>Agree expectations of charity trustee attendance at meetings and what to do if these are not met</p> <p>Annually review the progress and effectiveness of the charity and agree priorities for improving performance</p> <p>Include in charity trustee's induction pack the role, responsibilities and liabilities, and the remit of any sub-committees</p> <p>Agree and implement programme for charity trustee training, board building and renewal</p> <p>Agree and apply process for managing serious differences between charity trustees, and between charity trustees and staff</p> <p>Consider any constitutional change that may be appropriate, e.g. permitting remuneration of trustees or changes in selection and rotation of trustees</p> <p>Delegate, by the Board, a specific area of oversight (e.g. investment, trustee training) to each trustee</p> <p>Regularly review board procedures for: receiving reports, confidentiality, managing risks, tackling issues of poor performance and overseeing compliance with regulations</p> <p>Take professional legal or financial advice if required</p>

Ensure charity complies with the provisions of the Act, and any other relevant regulation

Responsibilities	Examples of good practice
<p>Ensure details of the Charity on the Scottish Charity Register are accurate</p> <p>Submit to OSCR an Annual Return, Monitoring Return (if appropriate) along with a copy of the charity's accounts signed by a charity trustee</p> <p>Obtain consent if changing the charity's name or purposes, or if amalgamating or winding up the charity</p> <p>Notify OSCR of changes to the constitution within 3 months of them being made</p> <p>Keep financial records, prepare an annual statement of accounts and subject these to external scrutiny as required by the Accounting Regulations</p> <p>Keep accounting records for at least 6 years</p> <p>Establish a formal agreement between the charity and any professional fundraiser or commercial organisation carrying out fundraising for the charity, and adhere to forthcoming Fundraising Regulations</p> <p>Provide a copy of the charity's constitution or governing document, or annual accounts to members of the public if requested to</p> <p>Adhere to the forthcoming regulations on how charities should refer to themselves in their documents and on publicity materials</p> <p>Adhere to other relevant legislation and regulation (e.g. employment law, health and safety, data protection, etc.)</p>	<p>Establish board meeting cycle to allow for consideration of the accounts</p> <p>Establish board meeting cycle to allow for reporting to OSCR</p> <p>Adopt Institute of Fundraising codes of practice</p> <p>Join the self regulation scheme developed by the Fundraising Standards Board</p> <p>Ensure procedures are in place to keep up-to-date with legal responsibilities, e.g. employment legislation</p> <p>Regularly review board procedures for overseeing compliance with regulation</p>



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