

♦ EDINBURGH ♦

THE CITY OF EDINBURGH COUNCIL

Tom Aitchison CBE
Chief Executive

Convener Hugh Henry, MSP
Public Audit Committee
Room T360
The Scottish Parliament
EDINBURGH
EH99 1SP

Our Ref: ceo\admin\hhenry01

Your Ref:

Date: 30 July 2010

Dear Mr Henry

AUDITOR GENERAL FOR SCOTLAND REPORT – THE GATHERING 2009

Thank you for your letter of 1 July 2010 regarding the above, which requested clarification on:

- 1) The clearance procedures for the press release issued by DEMA on 15 October 2009 relating to 'The Gathering' and, specifically, who cleared the release and in what order;
- 2) Whether this release followed the Council's normal clearance procedures; and
- 3) What risks were identified and considered in relation to the decision to issue the press release prior to the conclusion of the due diligence work on the Gathering 2009 Ltd and prior to the Council commissioned independent valuation of the intellectual property rights of the company.

Before responding to your specific questions I have set out below some background and context to the Council's role in discussions about the future of the Gathering.

Context

The Scottish Government made initial contact with the Council on Friday 9 October 2010, seeking the Council's assistance with an emerging problem with the Gathering 2009 Ltd. It was pointed out that the Gathering Ltd was in serious financial difficulties. During subsequent discussions and meetings Scottish Government representatives explained that while the financial difficulties were substantial, research had also confirmed that the Gathering had resulted in significant economic benefits for Edinburgh and that the potential existed for a similar event to take place in future.

Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG
Tel 0131 469 3002 Fax 0131 469 3010 tom.aitchison@edinburgh.gov.uk



INVESTOR IN PEOPLE

Over the period 12-14 October 2009, at the request of the Scottish Government, a number of exploratory discussions took place to consider options for securing the future of the Gathering. These meetings variously involved senior politicians from the Scottish Government and the Council, as well as senior civil servants from the Scottish Government, VisitScotland, EventScotland, Historic Scotland and Directors of this Council.

The Scottish Government and the Gathering 2009 Ltd were particularly keen to avoid creditor action which could have required the company to cease trading, whilst the details of a rescue package were being considered. A solution would have potentially protected the many small businesses involved, the majority of which were Edinburgh based.

At the end of these discussions, and having given consideration to a number of options, it was agreed that the Council would ask DEMA to consider taking over the future management of the Gathering.

Press Release

A first draft of the press release was provided to the Council at 12 noon on Wednesday, 14 October 2009 by the Scottish Government's Head of Communications.

Appreciating the difficulty which would be involved in responding to and approving such a press release quickly, the Council Leader convened a meeting in her office with myself, the Council Directors involved, the Deputy Leader and the Convener of Economic Development. At that meeting the general thrust of the changes which the Council would require to the draft press release were agreed.

At 15.57 a redrafted press release was sent back for comment to the Scottish Government, following which further changes were received from the Scottish Government's Head of Communications. Relevant Elected Members and Directors within the Council also received the amended press release and, subsequently, the draft was further amended to take account of oral and written feedback from both Council and Scottish Government personnel. A copy of the e-mail trail is attached for your information.

At 21.00 on the evening of Wednesday 14 October 2009, the press release was finalised and was issued to the media by DEMA at 09.24 on the morning of Thursday 15 October 2009.

A press release in the Council would normally be approved by the relevant political Convener and Director or senior officer. However, given the importance of this particular press release, the thrust of its content was agreed not only by the Director of City Development and the Convener of Economic Development but also, via e-mail, with the Council Leader and her Deputy, myself and the Directors of Finance and Corporate Services.

Given the criticality of the issues under consideration and the associated time pressures relating to possible creditor action, priority was given to the Scottish Government's requirements around the press release. However, it should be borne in mind that these discussions about the content of the press release were taking place alongside separate and intensive preparations for a very full Council meeting on 15 October 2009.

The Chair of DEMA was involved through e-mails and telephone discussions with the Convener of Economic Development and the Head of Economic Development during the afternoon/evening of 14 October 2010. In an e-mail at 18.01, the Council's Head of Economic Development confirmed that he had received the press release from the Chair of DEMA and at 18.02 confirmed the Chair of DEMA's agreement to a proposed change to his quote in the press release.

Whilst it may be considered now that the issuing of this press release was somewhat premature, discussions with the Scottish Government and its relevant tourism and event agencies, (with the highest level of political and officer input), coupled with the content of the Economic Impact Report, provided the Council and DEMA with a level of confidence that the details of a rescue package could potentially be agreed.

The risks involved in issuing the press release prior to a due diligence process being undertaken were recognised. However, the possibility of the creditors taking action which could have forced the Gathering Ltd to cease trading was a cause of great concern to the Scottish Government, a concern which was recognised and shared by the Council. Such action would have entirely negated the possibility of any rescue package.

The Scottish Government, the Council and DEMA's actions in preparing and issuing the press release on the 15 October were well intentioned and based on the long term economic interests of the city whilst trying, if possible, to protect the interests of the many small business creditors and the future of the Gathering Ltd.

Despite our best endeavours and common cause with the Scottish Government we were unable to find a workable solution. Subsequent discussions and investigations, including our own independently commissioned valuation of the Gathering Ltd, demonstrated that the assumptions on which the proposed rescue package had been based could not be validated. Once this was established, it became evident that it was impossible for DEMA to play the role envisaged in rescuing the Gathering.

- 4 -

On 21 October 2009 the DEMA Board of Directors confirmed that while DEMA might, in certain circumstances, be prepared to participate in the development of a future Gathering event it was not prepared or able to take on the Gathering 2009 Ltd liabilities.

If I can provide any further clarification on the role of the Council in this matter please do not hesitate to contact me.

Yours sincerely

TOM AITCHISON
Chief Executive

Stewart Argo

From: Stewart Argo
Sent: 14 October 2009 13:57
To: 'fiona.macleod@scotland.gsi.gov.uk'
Cc: 'jane.robson@scotland.gsi.gov.uk'
Subject: Electronic copies of Gathering documents

As discussed, here is my email address if someone could please send the electronic versions of the release and Q and A as soon as possible.

Thanks very much
Stewart

Stewart Argo | Media Manager | Communications Service | The City of Edinburgh Council | 2:2 Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG | Tel 0131 529 4430 | Mob 07831 440872 | Fax 0131 529 6221 | stewart.argo@edinburgh.gov.uk | www.edinburgh.gov.uk | www.edinburgh.gov.uk/media
(for contacts, useful links and more)

DMG/G/VJ/SC
AS/

06/07/2010

Stewart Argo

From: Jane.Robson@scotland.gsi.gov.uk
Sent: 14 October 2009 14:05
To: Stewart Argo
Subject: Gathering docs

Attachments: Gathering - outline draft NR for discussion - October 2009.doc; Gathering - possible questions - v2 - October 2009.doc



Gathering - outline draft NR f...
Gathering - possible questions...

<<Gathering - outline draft NR for discussion - October 2009.doc>>
<<Gathering - possible questions - v2 - October 2009.doc>> Stewart

As requested, and apologies for delay

Jane

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Email Jane Robson → Stewart Argo
14 Oct 14.05

Attachment ①

OUTLINE - DRAFT NEWS RELEASE

CITY OF EDINBURGH COUNCIL TO TAKE OVER GATHERING

The City of Edinburgh Council has today reached agreement in principle to take over The Gathering Ltd.

The arrangement will see the [Council-owned company] Destination Edinburgh Marketing Alliance (DEMA) honour all the remaining private sector obligations of this year's event and develop the assets and intellectual property to organise future events.

An independent economic impact assessment published today by EventScotland shows that the Gathering attracted 47,000 people - the majority from outwith Scotland - and generated millions of pounds of revenue for the Edinburgh and Scottish economies.

Although the event generated £8.8 million in revenue for Edinburgh and £10.4 million in total for Scotland, the small private company running it has found it difficult to handle the financing of an event on that scale. [In particular the pressure to complete payments to suppliers and creditors did not allow the time to develop the value of the assets and goodwill generated by the event.]

DEMA has agreed to discharge all the remaining obligations from this year's event and, with the support of VisitScotland, EventScotland and the Scottish Government, develop the concept for the future.

1) From Gathering

Delighted that DEM A has taken over the company and the brand. This will mean that all of our remaining suppliers will be paid and that the future of the event will be secured.

Gathering 2009 was a enormous popular and economic success. However as a small company we found the financing of an event which eventually attracted 47,000 people very difficult.

In particular we didn't have the cash resources to give us the time to develop the future revenue streams, which the success and goodwill generated by this year's event will allow in the future. However, with the support of the City of Edinburgh Council and Scottish Government I am sure that DEM A will take forward the Gathering to even greater success.

2) From City of Edinburgh Council

DEMA will meet all of the Gathering's obligations but also develop the assets and intellectual property of the event. There is, for example, a mailing list of approximately 12,000 Gathering customers mostly from overseas who have just had a fantastic time in Edinburgh.

We are confident that we can make future Gatherings not just an economic and critical success but a financial success as well.

We have acted quickly as a Council to step in and secure the future of The Gathering. The event this year generated over £8 million of revenue for the City and over £10 million for Scotland.

4) From EventScotland

Today we are publishing an independent economic assessment of the impact of Gathering 2009. It demonstrates that 47,000 people, mostly from overseas, attended with a high level of satisfaction on their experience in Edinburgh. Overall the Gathering generated over £10 million of revenue for Scotland on a ratio of £21 for every £1 of public investment. It stands in economic terms as one of the most successful visitor events in Scottish history and we are determined to see it repeated. We are enthusiastic about DEMA taking future Gatherings to even greater success.

5) From Scottish Government

The Gathering was a hugely successful event for Scotland and a highlight of our Year of Homecoming, bringing substantial economic benefits for Edinburgh and Scotland and generating significant media profile around the world.

The Scottish Government, along with EventScotland and VisitScotland, is fully supportive of this agreement to secure the future of the Gathering, which has proved itself to be a new and exciting way of celebrating our culture, heritage and shared links around the world.

At this time of economic recovery, it is vital all Scottish interests now pull together to capitalise on that international interest and with DEMA and the Council's involvement, build on the success highlighted in the independent economic impact report.

NOTE TO EDITORS

The Scottish Government has agreed not to seek the recover a loan of £180,000 to The Gathering Ltd, in order to secure the future of The Gathering as an event and the associated economic benefits. [For the same reason, Historic Scotland, the Scottish Ambulance Service, Lothian and Borders Police and VisitScotland have also decided not to seek to recover the amounts they are owed, totalling some £111,000.

Email Jane Ribson → Stuart Agor
14 Oct 14.05

Attachment ②
Page 1

GATHERING – POSSIBLE QUESTIONS

For The Gathering

1. What is the total financial liability of The Gathering Ltd? How much is owed to public/private sector?
2. What caused the finances to go off the rails?
3. What is the personal loss for Jamie Sempill / Jennifer Gilmour?
4. How much have you been paid yourselves?
5. What other options did you explore, by way of rescuing the company?
6. Who has been involved in exploring options?

For VS/ES and the SG

7. When will the next Gathering take place?

Destination Edinburgh Marketing Alliance, the City of Edinburgh Council, [the Edinburgh Military Tattoo tbc] VisitScotland and EventScotland will work in partnership to plan for future events. [EventScotland additions?].

8. Who signed off financial support to The Gathering?

The Scottish Government's financial support to The Gathering was signed off by Ministers on the basis of a detailed proposal submitted to the Scottish Government by The Gathering 2009 Ltd. This detailed proposal included budget projections.

[EventScotland approval arrangements]

9. When did Ministers/officials first learn The Gathering Ltd was in trouble?

The Directors of The Gathering 2009 met with the Minister for Culture, External Affairs and the Constitution on 28 April 2009 to discuss issues relating to the broadcasting of the Gathering. At that meeting, they alerted the Minister to a cash flow issue (which resulted from the fact that income from ticket sales would not be released to them until after the event) and a potential cash shortfall. Further details of the potential shortfall began to emerge during May 2009 in discussions with EventScotland and other Steering Group members. Just before the event took place, in early July 2009, The Gathering 2009 Ltd was predicting a shortfall of £24k on the basis of attendance figures of 48,000 people. Actual attendance over the weekend of the Gathering was 47,000.

10. How much public money has been committed to date and how much will be committed moving forward?

The Scottish Government committed a grant of £100k to the Gathering in December 2008 in support of its Highland Games and educational outreach programme. The Scottish Government then provided the company with a loan of £180k in June 2009 to deal with cash flow issues resulting from income from ticket sales being held by WorldPay until after the event had taken place.

[EventScotland commitments to be inserted]

The Gathering also received public funding from the City of Edinburgh Council (£100k grant); Scottish Enterprise (£100k grant) and the Heritage Lottery Fund (£10.5k grant).

11. To what extent is this a blemish on the Year of Homecoming?

Not at all. In terms of its economic impact, the Gathering was a fantastic success, generating return on public sector investment of £21 for every £ invested, and generating gross economic impact for Scotland of £10.4m. [EventScotland will probably wish to amend / add to this].

12. What has happened to the £180K loan that the SG made to The Gathering?

The £180k loan has not been repaid by The Gathering and the Scottish Government has taken a decision not to seek to recover the amount, in order to ensure that the future of the Gathering as an event and the associated economic benefits can be secured.

13. How will other public sector creditors be paid off?

Historic Scotland, the Scottish Ambulance Service, Lothian and Borders Police and VisitScotland have all taken a decision not to seek to recover the amounts that they are owed, in order to ensure that the future of the Gathering as an event can be secured. Other public sector creditors will be paid in the normal way.

For CEC

14. What is the role of the City of Edinburgh Council in the financial rescue package?
15. What inducements have you been offered to persuade you to take over The Gathering?
16. Why do you think you can run the event better than the original team?
17. Will Jamie Sempill and his team be involved?
18. Will this arrangement be permanent?
19. How do you intend to take forward plans for the next Gathering?

October 2009

1000

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Stewart Argo

From: Jane.Robson@scotland.gsi.gov.uk
Sent: 14 October 2009 15:26
To: Stewart Argo
Subject: latest version of draft news release
Attachments: F2493357.doc

<<F2493357.doc>>

Stewart

as discussed with Isabell a couple of minutes ago, here is the latest suggested version of the draft news release. quotes from The Gathering Ltd inserted.

Jane
0131 244 2910

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06/07/2010

EMAIL Jane Robson → Stewart Hogg

14 Oct 15-26

Attachment

Page 1

REVISE AT 1515 HOURS

OUTLINE - DRAFT NEWS RELEASE

DEMA TO TAKE OVER FUTURE GATHERINGS

A repeat of one of the most successful visitor events in Scottish history is now a real possibility, with the news that Destination Edinburgh Marketing Alliance (DEMA) supported by the City of Edinburgh Council has reached agreement in principle to take over The Gathering Ltd.

The arrangement will see DEMA honour all the remaining private sector obligations of this year's event and develop the assets and intellectual property to organise future events.

An independent economic impact assessment published today by EventScotland shows that the Gathering attracted 47,000 people - the majority from outwith Scotland - and generated millions of pounds of revenue for the Edinburgh and Scottish economies.

Although the event generated £8.8 million in revenue for Edinburgh and £10.4 million in total for Scotland, a combination of factors has meant that the company that ran the event has been unable to meet its financial obligations. The deal agreed today, however, will see all remaining suppliers paid and the future of the event secured.

DEMA has agreed to discharge all the remaining obligations from this year's event and, with the support of VisitScotland, EventScotland and the Scottish Government, develop the concept for the future.

1) From Gathering

Co-Director of the Gathering 2009, Lord Sempill, said:

"We are proud to have delivered an event that was such a great success for Scotland and delighted that future Gatherings are a real prospect, thanks to DEMA and the City of Edinburgh Council.

"Our dream was to secure an event that would prove, as we have always believed, that there is a great public appetite for occasions that celebrate Scotland's history and heritage.

"Unfortunately, due largely to events outwith our control including an unprecedented global financial crisis, our income streams were lower than we expected and we have been unable to satisfy all of our creditors."

2) From City of Edinburgh Council

DEMA will meet all of the Gathering's obligations but also develop the assets and intellectual property of the event. There is, for example, a mailing list of

approximately 12,000 Gathering customers mostly from overseas who have just had a fantastic time in Edinburgh.

We are confident that we can make future Gatherings not just an economic and critical success but a financial success as well.

We have acted quickly as a Council to step in and secure the future of The Gathering. The event this year generated over £8 million of revenue for the City and over £10 million for Scotland.

4) From EventScotland

Today we are publishing an independent economic assessment of the impact of Gathering 2009. It demonstrates that 47,000 people, mostly from overseas, attended with a high level of satisfaction on their experience in Edinburgh. Overall the Gathering generated over £10 million of revenue for Scotland on a ratio of £21 for every £1 of public investment. It stands in economic terms as one of the most successful visitor events in Scottish history and we are determined to see it repeated. We are enthusiastic about DEMA taking future Gatherings to even greater success.

5) From Scottish Government

Scottish Government Culture Minister Michael Russell said:

"The Gathering was a hugely successful event for Scotland and a highlight of our Year of Homecoming, bringing substantial economic benefits for Edinburgh and Scotland and generating significant media profile around the world.

"The Scottish Government, along with EventScotland and VisitScotland, is fully supportive of this agreement to secure the future of the Gathering, which has proved itself to be a new and exciting way of celebrating our culture, heritage and shared links around the world.

"At this time of economic recovery, it is vital all Scottish interests now pull together to capitalise on that international interest and with DEMA and the Council's involvement, build on the success highlighted in the independent economic impact report."

NOTE TO EDITORS

The Scottish Government has agreed not to seek the recover a loan of £180,000 to The Gathering Ltd, in order to secure the future of The Gathering as an event and the associated economic benefits. [For the same reason, Historic Scotland, the Scottish Ambulance Service, Lothian and Borders Police and VisitScotland have also decided not to seek to recover the amounts they are owed, totalling some £111,000.

Contacts

City of Edinburgh Council

The Gathering Ltd – Roddy Scott - 0131 625 6103; 07768 506 465

Scottish Government – Jane Robson – 0131 244 2910; 07771 555607

EventScotland – Leon Thompson - 0131 472 2312; 07778 163 085

100

Stewart Argo

From: Stewart Argo
Sent: 14 October 2009 15:57
To: 'jane.robson@scotland.gsi.gov.uk'; Dave Anderson; Steve Cardownie; Jenny Dawe; Isabell Reid; Jim Inch; Tom Buchanan
Subject: Gathering release - DEMA redraft
Importance: High
Attachments: Gathering news release DEMA redraft.doc

Have limited the circulation for expediency's sake, and I don't have all the email addresses anyway! But please forward to anyone you think must see a copy. Dave/Tom - I will need to speak to you about getting Norman's approval.

Jane - I had to cut the Minister's quote slightly for space / proportion reasons.

Thanks
Stewart

Stewart Argo | Media Manager | Communications Service | The City of Edinburgh Council | 2:2 Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG | Tel 0131 529 4430 | Mob 07831 440872 | Fax 0131 529 6221 | stewart.argo@edinburgh.gov.uk | www.edinburgh.gov.uk | www.edinburgh.gov.uk/media
(for contacts, useful links and more)

06/07/2010

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100

14 Oct 15.57

To be clearly marked: Issued on behalf of Destination Edinburgh Marketing Alliance by the City of Edinburgh Council

NEW FUTURE FOR GATHERING

A repeat of one of the most successful visitor events in Scottish history is now a real possibility with the news that the public-private partnership Destination Edinburgh Marketing Alliance (DEMA) is to take over The Gathering Ltd.

An independent economic impact assessment published today by EventScotland shows that the Gathering attracted 47,000 people, the majority from outwith Scotland. It also created more than £10m in revenue for Scotland, with £8.8m of that being generated in Edinburgh.

Norman Springford, the chair of DEMA, said: *"This is a really exciting development for DEMA and will see us build on the successful working with the Scottish Government and the Council which led to Edinburgh Inspiring Capital being entered into the Clipper Round-the-World yacht race. Such public and private partnerships have enormous potential for promoting the capital and the nation to people across the globe."*

Cllr Steve Cardownie, the city's Festivals and Events Champion said: *"This is a wonderful opportunity for the city, following on from the fantastic event held in July. I'm very pleased that we've been able to lend our support in facilitating the quick action to secure a longer-term arrangement for this event. Future gatherings promise to be even greater and a great boost to the city's economy."*

DEMA will take on The Gathering Ltd's remaining private sector obligations and, with the Council and other public sector organisations, will develop the assets and intellectual property rights to organise future events.

Co-Director of the Gathering 2009, Lord Sempill, said: *"We are proud to have delivered an event that was such a great success for Scotland and delighted that future Gatherings are a real prospect. Our dream was to secure an event that would prove, as we have always believed, that there is a great public appetite for occasions that celebrate Scotland's history and heritage. Unfortunately, due largely to events outwith our control including an unprecedented global financial crisis, our income streams were lower than we expected and we have been unable to satisfy all of our creditors."*

Scottish Government Culture Minister Michael Russell said: *"The Scottish Government, along with EventScotland and VisitScotland, is fully supportive of this agreement to secure the future of the Gathering, which has proved itself to be a new and exciting way of celebrating our culture, heritage and shared links around the world. At this time of economic recovery, it is vital all Scottish interests now pull together to capitalise on that international interest and build on the success highlighted in the independent economic impact report."*

Notes to Editors

EventScotland's independent economic assessment of the impact of Gathering 2009 shows that 47,000 people, mostly from overseas, attended with a high level of satisfaction on their experience in Edinburgh, and overall the Gathering generated £10.4 million of revenue for Scotland on a ratio of £21 for every £1 of public investment.

The Scottish Government has agreed not to seek to recover a loan of £180,000 to The Gathering Ltd, in order to secure the future of The Gathering as an event and the associated economic benefits.

For the same reason, Historic Scotland, the Scottish Ambulance Service, Lothian and Borders Police and VisitScotland have also decided not to seek to recover the amounts they are owed, totalling some £111,000.

Contacts

City of Edinburgh Council (on behalf of DEMA) – Isabell Reid - ; Lynn Mcmath -

The Gathering Ltd – Roddy Scott - 0131 625 6103; 07768 506 465

Scottish Government – Jane Robson – 0131 244 2910; 07771 555607

EventScotland – Leon Thompson - 0131 472 2312; 07778 163 085

Stewart Argo

From: Dave Anderson
Sent: 14 October 2009 16:33
To: Stewart Argo
Subject: FW: Gathering release

From: Norman Springford [mailto:norman@apexhotels.co.uk]
Sent: 14 October 2009 16:29
To: Dave Anderson
Cc: Ritchie Somerville
Subject: RE: Gathering release

Ritchie

More than happy with the quotation thanks

On a more pedantic note there is no traceable company called The Gathering Ltd. so this cannot really be "taken over"

The Gathering seems to have been run by a company SC316877 The Gathering 2009 Limited – some smart Alec may pick this up

Regards

Norman

Norman Springford
Executive Chairman

Apex Hotels Ltd.
Apex Hailes House
32 Hailes Avenue
Edinburgh
EH13 0LZ

tel: 0131 666 5125
fax: 0870 164 3889
<http://www.apexhotels.co.uk>

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From: Ritchie Somerville [mailto:Ritchie.Somerville@edinburgh.gov.uk] **On Behalf Of** Dave Anderson
Sent: 14 October 2009 16:18
To: Norman Springford
Subject: FW: Gathering release

Norman,

Following on from the discussions that Dave had with you in the last couple of days regarding the Gathering, we are now preparing a press release. We would like to include a quote from you and have drafted one, as attached.

06/07/2010


Can you let us know if this is acceptable?

Kind regards,

Ritchie

Ritchie Somerville | Service Development Manager | Directorate | Department of City Development | The City of Edinburgh Council | Waverley Court, Level G:1, 4 East Market Street, Edinburgh, EH8 8BG | Ritchie.somerville@edinburgh.gov.uk | Tel 0131 529 3409 | Mob 07909688373 |

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 Think before you print ... contribute your 1%

From: Stewart Argo
Sent: 14 October 2009 16:14
To: Ritchie Somerville; Sheena Raeburn
Subject: Gathering release

Thanks

Stewart Argo | Media Manager | Communications Service | The City of Edinburgh Council | 2:2 Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG | Tel 0131 529 4430 | Mob 07831 440872 | Fax 0131 529 6221 | stewart.argo@edinburgh.gov.uk | www.edinburgh.gov.uk | www.edinburgh.gov.uk/media (for contacts, useful links and more)

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Stewart Argo

From: Jane.Robson@scotland.gsi.gov.uk
Sent: 14 October 2009 16:34
To: Stewart Argo
Subject: Gathering - possible questions - v3 - October 2009
Attachments: Gathering - possible questions - v3 - October 2009.doc

<<Gathering - possible questions - v3 - October 2009.doc>>

Stewart

Further revised version of Q&A, with some suggestions under the DEMA/CEC heading.

The company is considering its responses to their Qs.

We think it would make more sense if BBC receive the economic impact report from yourselves, rather than the company. I'll ensure Leon sends you a copy.

Jane
244 2910

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06/07/2010

Email Jane Ribson → Stuart Ayr

14 Oct 16.35

Attachment

Page 1

GATHERING – POSSIBLE QUESTIONS

For The Gathering

What is the total financial liability of The Gathering Ltd? How much is owed to public/private sector?

What caused the finances to go off the rails?

What is the personal loss for Jamie Sempill / Jennifer Gilmour?

How much have you been paid yourselves?

What other options did you explore, by way of rescuing the company?

Who has been involved in exploring options?

For VS/ES and the SG

When will the next Gathering take place?

Destination Edinburgh Marketing Alliance and the City of Edinburgh Council and other public sector partners will look at the possible business models for future Gatherings, with a view to delivering the next one in the next few years.

Who signed off financial support to The Gathering?

The private limited company, The Gathering Ltd, did not receive financial support. Partners invested in The Gathering event in order to increase its economic impact. An independent report produced by EKOS Ltd shows that the Gathering delivered a massive £10.4 million to Scotland's economy. This represents a return on the public sector investment of £21 for every £1 invested.

The Scottish Government's decision to invest in The Gathering was taken by Ministers on the basis of a detailed proposal submitted to the Scottish Government by The Gathering 2009 Ltd. This detailed proposal included budget projections.

When did Ministers/officials first learn The Gathering Ltd was in trouble?

In July 2009, immediately before the event, the organisers were projecting a loss of c.£50K if the Gathering achieved its target audience of 48,000 people. This was communicated by the organisers to the public agencies investing in the event. The full extent of the losses only came to light after the event had taken place.

Actual attendance over the weekend of the Gathering was 47,000.

How much public money has been committed to date and how much will be committed moving forward?

Public sector investment in the Gathering event was:

Scottish Government - £100K; EventScotland - £100K; Homecoming - £80K; the City of Edinburgh Council - £100k; Scottish Enterprise - £100k; and the Heritage Lottery Fund (£10.5k grant).

In addition, the Scottish Government provided the company with a loan of £180k in June 2009 to deal with cash flow issues resulting from income from ticket sales being held by WorldPay until after the event had taken place.

The level of public sector investment for future Gatherings will be considered in the light of the business case that DEMA will be working up.

To what extent is this a blemish on the Year of Homecoming?

Not at all. The Gathering was a fantastic event attracting 47,000 visitors from around the world. In terms of its economic impact, the Gathering delivered £10.4 million to Scotland's economy which equates to a return on public sector investment of £21 for every £1 invested. The Gathering delivered for Homecoming, connecting with the themes and the global audience it set out to do with 73 per cent of the audience stating that they would return for a future Gathering.

What has happened to the £180K loan that the SG made to The Gathering?

The £180k loan has not been repaid by The Gathering and the Scottish Government has taken a decision not to seek to recover the amount, in order to ensure that the future of the Gathering as an event and the associated benefits to the Scottish economy can be secured.

How will other public sector creditors be paid off?

The Scottish Government, Historic Scotland and the Scottish Ambulance Service have decided that they will not seek to recover the amounts that they are owed to secure the transfer to DEMA and through that the future of the Gathering as an event.

We understand that other public sector bodies - Lothian and Borders Police and VisitScotland - will do the same. Other public sector creditors will be paid in the normal way.

What inducements is the City of Edinburgh Council being given to persuade them to take over The Gathering?

Having seen the economic impact report, DEMA and the City of Edinburgh Council recognise the enormous potential of future Gathering-type events. This was inducement enough to persuade DEMA and the Council to act quickly to ensure that

the city will host similar spectacular events in the future, with a similar scale of economic benefits.

For DEMA/CEC

What is the role of DEMA/ the City of Edinburgh Council in the financial rescue package?

What inducements have you been offered to persuade you to take over The Gathering?

Why do you think you can run the event better than the original team?

Will Jamie Sempill and his team be involved?

Suggest something like:

JS was critical to the success of the event, given his close links with the Clan Gathering, but it will be for DEMA to decide whether there is a role for him going forward.

Will this arrangement be permanent?

How do you intend to take forward plans for the next Gathering?

What guarantees that taxpayers of Edinburgh won't end up footing the bill for future failures?

What's the level of debt and will the people of Edinburgh be picking up the tab for this?

Suggest something like:

The level of debt is in the order of £0.5million, although assets are still being valued and some income streams have yet to come in, so this may fluctuate. The public sector debt has been written off. The people of Edinburgh are guaranteed future events on the scale of The Gathering, bearing in mind the major economic impact of the Gathering 2009 - £8.8 million within the City.

Why are you doing this?

Suggest something like:

Refer to positive economic impact report. Wouldn't have got anything otherwise.]

October 2009

Stewart Argo

From: Isabell Reid
Sent: 14 October 2009 16:57
To: Stewart Argo; 'Jane.robson@scotland.gsi.gov.uk'; Dave Anderson; Steve Cardownie; Jenny Dawe; Jim Inch; Tom Buchanan
Subject: RE: Gathering release - DEMA redraft
Attachments: Gathering news release DEMA redraft.doc

Minor suggested changes. Stewart, DEMA has an electronic template for their press releases and I will forward it to you. Lindsay Taylor of DEMA has been briefed

From: Stewart Argo
Sent: 14 October 2009 15:57
To: 'Jane.robson@scotland.gsi.gov.uk'; Dave Anderson; Steve Cardownie; Jenny Dawe; Isabell Reid; Jim Inch; Tom Buchanan
Subject: Gathering release - DEMA redraft
Importance: High

Have limited the circulation for expediency's sake, and I don't have all the email addresses anyway! But please forward to anyone you think must see a copy. Dave/Tom - I will need to speak to you about getting Norman's approval.

Jane - I had to cut the Minister's quote slightly for space / proportion reasons.

Thanks
Stewart

Stewart Argo | Media Manager | Communications Service | The City of Edinburgh Council | 2:2 Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG | Tel 0131 529 4430 | Mob 07831 440872 | Fax 0131 529 6221 | stewart.argo@edinburgh.gov.uk | www.edinburgh.gov.uk | www.edinburgh.gov.uk/media
(for contacts, useful links and more)

Email Isabel Kerr to various

Attachment

14/10 16:57

To be clearly marked: Issued on behalf of Destination Edinburgh Marketing Alliance by the City of Edinburgh Council

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Norman Springford, the chair of DEMA, said: "This is a really exciting development for DEMA and will see us build on our successful working with the Scottish Government and the Council which led to Edinburgh Inspiring Capital being entered into the Clipper Round-the-World yacht race. Such public and private partnerships have enormous potential for promoting the capital and the nation to people across the globe."

Cllr Steve Cardownie, the city's Festivals and Events Champion said: "This is a wonderful opportunity for the city, following on from the fantastic Gathering event held in July, as part of the Homecoming celebrations. I'm very pleased that we've been able to broker the necessary action to ensure the long term future of this event. I am confident that future Gatherings will deliver an even greater boost to the city's economy and that of the nation as a whole."

DEMA will take on The Gathering Ltd's remaining private sector obligations and, with the Council and other public sector organisations, will develop the assets and intellectual property rights to organise future events.

Co-Director of the Gathering 2009, Lord Sempill, said: "We are proud to have delivered an event that was such a great success for Scotland and delighted that future Gatherings are a real prospect. Our dream was to secure an event that would prove, as we have always believed, that there is a great public appetite for occasions that celebrate Scotland's history and heritage. Unfortunately, due largely to events outwith our control, including an unprecedented global financial crisis, our income streams were lower than we expected and we have been unable to satisfy all of our creditors."

Scottish Government Culture Minister Michael Russell said: "The Scottish Government, along with EventScotland and VisitScotland, is fully supportive of this agreement to secure the future of the Gathering, which has proved itself to be a new and exciting way of celebrating our culture, heritage and shared links around the world. At this time of economic recovery, it is vital all Scottish interests now pull together to capitalise on that international interest and build on the success highlighted in the independent economic impact report."

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For the same reason, Historic Scotland, the Scottish Ambulance Service, Lothian and Borders Police and VisitScotland have also decided not to seek to recover the amounts they are owed, totalling some £111,000.

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The Gathering Ltd – Roddy Scott - 0131 625 6103; 07768 506 465

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EventScotland – Leon Thompson - 0131 472 2312; 07778 163 085

Stewart Argo

From: Stewart Argo
Sent: 14 October 2009 17:12
To: 'jane.robson@scotland.gsi.gov.uk'
Attachments: Gathering news release DEMA redraft.doc

Stewart Argo | Media Manager | Communications Service | The City of Edinburgh Council | 2:2 Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG | Tel 0131 529 4430 | Mob 07831 440872 | Fax 0131 529 6221 | stewart.argo@edinburgh.gov.uk | www.edinburgh.gov.uk | www.edinburgh.gov.uk/media
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06/07/2010

Email Stewart Ayr to Jane Robson
14 Oct 17.12

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Scottish Government – Jane Robson – 0131 244 2910; 07771 555607

EventScotland – Leon Thompson - 0131 472 2312; 07778 163 085

Stewart Argo

From: Greg Ward
Sent: 14 October 2009 17:21
To: Stewart Argo; 'Norman S'
Cc: Ritchie Somerville
Subject: FW: Gathering release
Attachments: Gathering news release DEMA redraft.doc

Stewart, Please find a suggested addition to the quote from Norman. Norman, not sure if you agree but wanted to just ensure that we put a stake in the ground around the money. Greg


From: Ritchie Somerville
Sent: 14 October 2009 17:12
To: Greg Ward
Subject: FW: Gathering release

Kind regards,

Ritchie

Ritchie Somerville | Service Development Manager | Directorate | Department of City Development | The City of Edinburgh Council | Waverley Court, Level G:1, 4 East Market Street, Edinburgh, EH8 8BG | Ritchie.somerville@edinburgh.gov.uk | Tel 0131 529 3409 | Mob 07909688373 |

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 Think before you print ... contribute your 1%

From: Stewart Argo
Sent: 14 October 2009 16:14
To: Ritchie Somerville; Sheena Raeburn
Subject: Gathering release

Thanks

Stewart Argo | Media Manager | Communications Service | The City of Edinburgh Council | 2:2 Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG | Tel 0131 529 4430 | Mob 07831 440872 | Fax 0131 529 6221 | stewart.argo@edinburgh.gov.uk | www.edinburgh.gov.uk | www.edinburgh.gov.uk/media
(for contacts, useful links and more)

06/07/2010

Email Greg Ward to various
14 Oct 17-21

Attachment

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Scottish Government – Jane Robson – 0131 244 2910; 07771 555607

EventScotland – Leon Thompson - 0131 472 2312; 07778 163 085

Isabell Reid

From: Greg Ward
Sent: 14 October 2009 18:01
To: Isabell Reid
Cc: Ritchie Somerville; Lynn McMath
Subject: The Gathering

Isabell,

Lindsey Taylor has just let me know that she will be working with you tomorrow and Norman Springford has sent me the press release. 11

I understand you are all under a lot of pressure but would be grateful if you could just keep me in the loop with emails, press releases etc.

Thanks Greg

Greg Ward | Head of Economic Development | City Development | The City of Edinburgh Council | Waverley Court, Level G:6, 4 East Market Street, Edinburgh EH8 8BG | Tel 0131 529 4298 | Fax 0131 529 6210 | greg.ward@edinburgh.gov.uk |

Stewart Argo

From: Greg Ward
Sent: 14 October 2009 18:02
To: Stewart Argo
Cc: Isabell Reid; Ritchie Somerville; Lynn McMath
Subject: FW: Gathering release
Attachments: Gathering news release DEMA redraft.doc

Stewart, Norman agrees with the change. Regards Greg

From: Norman Springford [mailto:norman@apexhotels.co.uk]
Sent: 14 October 2009 17:33
To: Greg Ward
Subject: RE: Gathering release

Greg

Makes sense to me thanks, and glad you thought of it

Regards

Norman

Norman Springford
Executive Chairman

Apex Hotels Ltd.
Apex Hailes House
32 Hailes Avenue
Edinburgh
EH13 0LZ

tel: 0131 666 5125
fax: 0870 164 3889
<http://www.apexhotels.co.uk>

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From: Greg Ward [mailto:Greg.Ward@edinburgh.gov.uk]
Sent: 14 October 2009 17:21
To: Stewart Argo; Norman Springford
Cc: Ritchie Somerville
Subject: FW: Gathering release

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From: Ritchie Somerville
Sent: 14 October 2009 17:12
To: Greg Ward
Subject: FW: Gathering release


Kind regards,

06/07/2010

Ritchie

Ritchie Somerville | Service Development Manager | Directorate | Department of City Development | The City of Edinburgh Council | Waverley Court, Level G:1, 4 East Market Street, Edinburgh, EH8 8BG | Ritchie.somerville@edinburgh.gov.uk | Tel 0131 529 3409 | Mob 07909688373 |

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Enrol Greg Ward → various
14 Oct 18-02

Attachment

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Stewart Argo

From: Jane.Robson@scotland.gsi.gov.uk
Sent: 14 October 2009 18:12
To: Stewart Argo; Isabell Reid
Cc: Geoff.Aberdein@scotland.gsi.gov.uk; Andrew.Baird@scotland.gsi.gov.uk
Subject: Gathering news release DEMA - 15 October 2009
Attachments: Gathering news release DEMA - 15 October 2009.doc

<<Gathering news release DEMA - 15 October 2009.doc>>

Stewart, Isabell

Final version of news release, pulling together all the various comments. Over to you/DEMA to share (on basis discussed) with GMS and E News, and to issue tomorrow morning c 10am.

Updated Q&A to follow.

Roddy Scott will contact Stewart as soon as he has spoken to Glenn Campbell. He has made initial contact, and Glenn had asked him to call back.

Stewart – grateful if you could pass the economic impact report and news release to Glenn thereafter, and keep me and Geoff posted re reaction/bids.

Jane

244 2910

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purposes.

Email Jane Robson → various

Attachment

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Scottish Government Culture Minister Michael Russell said: *"The Scottish Government, along with EventScotland and VisitScotland, is fully supportive of this*

agreement to secure the future of the Gathering, which has proved itself to be a new and exciting way of celebrating our culture, heritage and shared links around the world. At this time of economic recovery, it is vital all Scottish interests now pull together to capitalise on that international interest and build on the success highlighted in the independent economic impact report."

Notes to Editors

The independent economic assessment of the impact of Gathering 2009 from EKOS (available at eventscotland.org) shows that 47,000 people – 51 per cent from outwith Scotland - attended with a high level of satisfaction on their experience in Edinburgh, and overall the Gathering generated £10.4 million of revenue for Scotland on a ratio of £21 for every £1 of public investment.

The Scottish Government has agreed not to seek the recover a loan of £180,000 to The Gathering Ltd, in order to secure the future of The Gathering as an event and the associated economic benefits. For the same reason, Historic Scotland and the Scottish Ambulance Service have decided that they will not seek to recover the amounts that they are owed, totalling £84,303.

Contacts

City of Edinburgh Council (on behalf of DEMA) – Isabell Reid - 0131 529 4020; Lynn McMath -
Lindsay

The Gathering Ltd – Roddy Scott - 0131 625 6103; 07768 506 465

Scottish Government – Jane Robson – 0131 244 2910; 07771 555607

EventScotland – Leon Thompson - 0131 472 2312; 07778 163 085

Isabell Reid

From: Dave Anderson
Sent: 14 October 2009 18:30
To: Isabell Reid
Cc: Stewart Argo
Subject: RE: Gathering release - DEMA redraft

Isabell Great work by you and Stewart to turn this around. Much more positive and better balanced.
Thanks Dave

From: Isabell Reid
Sent: 14 October 2009 16:57
To: Stewart Argo; 'Jane.robson@scotland.gsi.gov.uk'; Dave Anderson; Steve Cardownie; Jenny Dawe; Jim Inch; Tom Buchanan
Subject: RE: Gathering release - DEMA redraft

Minor suggested changes. Stewart, DEMA has an electronic template for their press releases and I will forward it to you. Lindsay Taylor of DEMA has been briefed

From: Stewart Argo
Sent: 14 October 2009 15:57
To: 'Jane.robson@scotland.gsi.gov.uk'; Dave Anderson; Steve Cardownie; Jenny Dawe; Isabell Reid; Jim Inch; Tom Buchanan
Subject: Gathering release - DEMA redraft
Importance: High

Have limited the circulation for expediency's sake, and I don't have all the email addresses anyway! But please forward to anyone you think must see a copy. Dave/Tom - I will need to speak to you about getting Norman's approval.

Jane - I had to cut the Minister's quote slightly for space / proportion reasons.

Thanks
Stewart

Stewart Argo | Media Manager | Communications Service | The City of Edinburgh Council | 2:2 Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG | Tel 0131 529 4430 | Mob 07831 440872 | Fax 0131 529 6221 | stewart.argo@edinburgh.gov.uk | www.edinburgh.gov.uk | www.edinburgh.gov.uk/media
(for contacts, useful links and more)

08/07/2010

Stewart Argo

From: Stewart Argo
Sent: 14 October 2009 19:19
To: Jane.Robson@scotland.gsi.gov.uk
Subject: Final release
Attachments: DEMA Gathering news release final.doc

Will send further afield (in the Council) later - but grateful if you could forward to those you think need to see it.
Thanks

Stewart

06/07/2010

1000

Email Stewart Ayo - Jane Robson
14 Oct 19.19

Attachment



PRESS RELEASE

Thursday 15 October 2009

Issued on behalf of Destination Edinburgh Marketing Alliance by the City of Edinburgh Council

NEW FUTURE FOR GATHERING

A repeat of one of the most successful visitor events in Scottish history is now a real possibility with the news that the private-public organisation Destination Edinburgh Marketing Alliance (DEMA) is to take over The Gathering 2009 Ltd.

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Norman Springford, as chair of DEMA, said: *"The board of DEMA views this as a really exciting development for us and our city, and will see us build on our successful working with the Scottish Government and the Council which led to Edinburgh Inspiring Capital being entered into the Clipper Round-the-World yacht race. Such private and public partnerships have enormous potential for promoting the capital and the nation to people across the globe. We are delighted and honoured to accept this new responsibility and we will now move towards more detailed discussions with the Scottish Government and other partners on the investment in, and delivery of, this project."*

Cllr Steve Cardownie, the city's Festivals and Events Champion said: *"This is a wonderful opportunity for the city, following on from the fantastic event held in July as part of the Homecoming celebrations. I'm very pleased that we've been able to lend our support in facilitating the quick action to secure a longer-term arrangement for this event. Future gatherings promise to be even greater and a much welcome boost to the city's economy, and the next event in 2012 will further underline the many reasons to visit Edinburgh in Olympic year."*

DEMA will take on The Gathering 2009 Ltd's remaining private sector obligations and, with the Council and other public sector organisations, will develop the assets and intellectual property rights to organise future events. A key next step for DEMA will be to begin preparing a detailed business case considering the options for a 2012 event.

Although a success in terms of visitor numbers and economic impact, the private company that ran the Gathering 2009 has encountered financial difficulties. This deal will ensure creditors are paid as well as securing the event for the future.

www.edinburghbrand.com
www.edinburgh-inspiringcapital.com



PRESS RELEASE



Co-Director of the Gathering 2009, Lord Sempill, said: *"We are proud to have delivered an event that was such a great success for Scotland and delighted that future Gatherings are a real prospect. Our dream was to secure an event that would prove, as we have always believed, that there is a great public appetite for occasions that celebrate Scotland's history and heritage. Unfortunately, due largely to events outwith our control including an unprecedented global financial crisis, our income streams were lower than we expected and we have been unable to satisfy all of our creditors."*

Scottish Government Culture Minister Michael Russell said: *"The Scottish Government, along with EventScotland and VisitScotland, is fully supportive of this agreement to secure the future of the Gathering, which has proved itself to be a new and exciting way of celebrating our culture, heritage and shared links around the world. At this time of economic recovery, it is vital all Scottish interests now pull together to capitalise on that international interest and build on the success highlighted in the independent economic impact report."*

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The Scottish Government has agreed not to seek the recover a loan of £180,000 to The Gathering 2009 Ltd, in order to secure the future of The Gathering as an event and the associated economic benefits. For the same reason, Historic Scotland and other public bodies have decided that they will not seek to recover the amounts that they are owed.

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Stewart Argo

From: Jane.Robson@scotland.gsi.gov.uk
Sent: 14 October 2009 19:41
To: Stewart Argo
Subject: [DELIVERED THROUGH GSX] - RE: Final release

Stewart

At the risk of being branded a complete pain, I'd be most grateful for a tiny amend to the second note to editors (there is a small typo in it) as follows:

To secure the future of The Gathering as an event and the associated economic benefits - through the transfer to DEMA - the Scottish Government has agreed not to seek to recover a loan of £180,000 to The Gathering Ltd.

I will circulate further as appropriate.

Many thanks
Jane

Jane Robson
Communications Manager
Scottish Government
0131 244 2910
07771 555607

From: Stewart Argo [mailto:stewart.argo@edinburgh.gsx.gov.uk]
Sent: 14 October 2009 19:19
To: Robson J (Jane)
Subject: Final release

Will send further afield (in the Council) later - but grateful if you could forward to those you think need to see it.
Thanks

Stewart

This email and files transmitted with it are confidential and are intended for the sole use of the individual or organisation to whom they are addressed.

If you have received this email in error please notify the sender immediately and delete it without using, copying, storing, forwarding or disclosing its contents to any other person.

The Council has endeavoured to scan this email message and attachments for computer viruses and will not be liable for any losses incurred by the recipient.

This email has been received from an external party and

06/07/2010

Stewart Argo

From: Stewart Argo
Sent: 14 October 2009 21:27
To: Tom Aitchison; Jenny Dawe; Jim Inch; Steve Cardownie; Lynn McMath; Lindsay Taylor; Isabell Reid; Dave Anderson; Tom Buchanan; jane.robson@scotland.gsi.gov.uk; Greg Ward
Subject: Gathering DEMA final news release and update
Attachments: DEMA Gathering news release final.doc

Please see attached. (Tom/Dave/Greg - for your reassurance, I spoke to Norman directly last night on the addition of the sentence about preparing a detailed business case.)

At the time of writing, the BBC reporter pushing for this story is not returning calls. There remains the possibility of a late-evening flurry of activity.

For reasons to do with deadlines and the likelihood of the story breaking in one form or another, the Evening News has been briefed this evening for tomorrow's edition on the usual no-approach basis. It is likely to be the lead item on page 10.

The release will be issued generally around 10am tomorrow.

Regards

Stewart
07831 440872

EMMAJ 2009 15/10/09 → 21/10/09
14 Oct 21:27

Attachment



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LETTER FROM THE CONVENER OF THE PUBLIC AUDIT COMMITTEE TO TOM
AITCHISON, CHIEF EXECUTIVE, CITY OF EDINBURGH COUNCIL, 1 JULY 2010.

AUDITOR GENERAL FOR SCOTLAND REPORT – THE GATHERING 2009

At its meeting on 23 June 2010, the Public Audit Committee received a briefing from the Auditor General for Scotland (AGS) on his report entitled "The Gathering 2009". An extract of the Official Report of the meeting is available at the following link:

[The Scottish Parliament - Public Audit Committee Official Report](#)

In considering its approach to the scrutiny of this report the Committee agreed that it would invite oral evidence from the Directors of The Gathering 2009 Ltd, Sir John Elvidge, former Permanent Secretary, Scottish Government and the Minister of Culture, External Affairs and the Constitution at future meetings.

The Committee also agreed to write to the Accountable Officer and the Chief Executive of the City of Edinburgh Council on a number of issues raised during discussion and it is in that context that I am writing to you.

At paragraph 58 of the report, the AGS comments that Council officials and the Scottish Government worked jointly on the press release (indicating that DEMA would take on The Gathering 2009 Ltd's remaining private sector obligations) prior to its release on 15 October 2009. The report then notes that the chair of DEMA did not see the whole press release prior to its release, only approving his quote expressing DEMA's desire to be involved in delivering similar Gathering events.

The Committee would welcome further information on the clearance procedure for this press release including when and who cleared the press release and in what order. It would be helpful if you could clarify whether the usual City of Edinburgh Council clearance procedures were followed in relation to the clearing of this press release.

The Committee would also welcome clarification of what risks were identified and considered in relation to the decision to issue this press release prior to the conclusion of the due diligence work on The Gathering 2009 Ltd (and prior to the council commissioned independent valuation of the intellectual property of the company).

I would be grateful for your response to the above questions **by Friday 30 July**. Please do let me know if this time frame presents you with any difficulties.

Should you require any further information please do not hesitate to contact the Clerk, Jane Williams on 0131 348 5236 or by email at pa.committee@scottish.parliament.uk.

Yours sincerely
Hugh Henry MSP
Convener
Public Audit Committee

