LETTER FROM JIM INCH, DIRECTOR OF CORPORATE SERVICES, CITY OF EDINBURGH COUNCIL TO THE CONVENER OF THE PUBLIC AUDIT COMMITTEE, 5 JANUARY 2011.

INQUIRY INTO THE AUDITOR GENERAL FOR SCOTLAND (AGS) REPORT – THE GATHERING 2009

Thank you for your letter of 7 December to Tom Aitchison, Chief Executive of the City of Edinburgh Council, requesting further information in respect of The Gathering 2009. Tom retired from the Council at the end of December and asked that I respond to your letter on his behalf.

Firstly, you requested copies of all correspondence (including emails) relating to The Gathering 2009 between the City of Edinburgh Council, the Scottish Government and DEMA in the period 12 October 2009 to 27 January 2010. The relevant correspondence held by the Council is attached. The relevant email correspondence provided previously to the Committee, on the approval process for the press release, has been omitted.

You also asked the Council, in response to the First Minister’s oral evidence to the Public Audit Committee on 1 December, to confirm that it was clear in its understanding that the Scottish Government could not provide retrospective funding or grants to the Council to recompense for the Council meeting the private sector liabilities of The Gathering 2009 Ltd.

As stated in my oral evidence to the Public Audit Committee on 3 November 2010, it was made clear from the outset of discussions between the Council and the Scottish Government that neither the Council nor DEMA could be financially disadvantaged in any way by any arrangement to take on The Gathering. It was a critical matter to achieving an acceptable solution involving the purchase of The Gathering 2009 Ltd that the Council or DEMA would not be responsible for the private sector liabilities of the company, and that the Scottish Government would need to find some means of providing the funds to meet these commitments.

Finally, you asked the Council to confirm its understanding of the Capital City Supplement as an option for the Council to receive additional funding from the Scottish Government in relation to the Gathering 2009. In response to the specific points you raised I can confirm that:

- at the meeting between myself and the then Permanent Secretary on 13 October 2009 I specifically mentioned the Capital City Supplement as a means by which the Scottish Government could provide additional funding to the Council;

- in response the then Permanent Secretary suggested that there were a number of options for providing the Council with the necessary funds. He did not dismiss the Capital City Supplement idea at that stage; and
• through discussions and correspondence with the then Acting Director for the Culture, External Affairs and Tourism Directorate between 10 and 12 November 2009 it became clear that the Scottish Government were not able to give explicit written assurances about any funding option. The correspondence which you have copies of makes the point very clearly. The Council was prepared to accept the cash flow consequences of paying off creditors in advance of receiving recompense from the Scottish Government but the qualifications in the correspondence together with the reference to the availability of funds introduced significant and unacceptable risk to the Council.

LETTER FROM THE CONVENER OF THE PUBLIC AUDIT COMMITTEE TO TOM AITCHISON, CHIEF EXECUTIVE, CITY OF EDINBURGH COUNCIL, 7 DECEMBER 2010.

INQUIRY INTO THE AUDITOR GENERAL FOR SCOTLAND (AGS) REPORT - THE GATHERING 2009

At its meeting on 1 December 2010, the Public Audit Committee took oral evidence from the First Minister and Michael Russell MSP, the Cabinet Secretary for Education on The Gathering 2009.


At that meeting the Committee was made aware of correspondence which had been exchanged between the Scottish Government, the City of Edinburgh Council and Destination Edinburgh Marketing Alliance Ltd (DEMA) between 12 October (when a meeting was called to discuss the future of The Gathering 2009 Ltd) and 27 January 2010 (when The Gathering 2009 Ltd went into liquidation).

The Committee therefore agreed it would be helpful if you could provide copies of all correspondence (including emails) which relates to The Gathering 2009 between the City of Edinburgh Council, the Scottish Government and DEMA between 12 October 2009 and 27 January 2010.

At the meeting on 1 December, the First Minister was clear that, following the Gathering 2009, the Scottish Government could not retrospectively provide funds or a grant to the Council in recompense for the Council meeting the private sector liabilities of The Gathering 2009 Ltd (col 2345, Official report 1 December 2010). Please could you confirm that the City of Edinburgh Council was also clear in its understanding that the Scottish Government could not provide the Council with retrospective funding or grants for such purposes.
The Committee would also welcome further information in relation to the capital city funding route as an option for the Council to receive additional funding from the Scottish Government in relation to the Gathering 2009. In particular could you confirm:

- why the Council believed that the capital city funding route was an option by which the Scottish Government could provide additional funding to the City of Edinburgh Council?

- whether the Council believed that this option was being considered by the Scottish Government (and if so, why the Council believed this was the case).

- when (and by whom) the Council was told that capital city funding option would not be pursued any further by the Scottish Government.

I would be grateful for your response by Wednesday 5 January 201. Please do let me know if this time frame presents you with any difficulties. Further information on the publication of written submissions is contained in the enclosed policy on the treatment of written evidence by committees.

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.
Annexe A - Correspondence (including emails) relating to The Gathering 2009 between the City of Edinburgh Council, the Scottish Government and DEMA in the period 12 October 2009 to 27 January 2010.
Jim

I understand you’ve spoken to the Permanent Secretary this morning and that things are moving ahead in relation to DEMA. Just wanted to make sure you have contact details so that we can stay in touch on this as necessary today. The best contacts here in the Scottish Government on the policy side of things are either me, or Francesca Osowska (PPS to the First Minister). My contact details are below (mobile is best number to reach me on for most of the day) and Francesca is on 0131

Our communications colleagues are in touch with your communications team on the handling / presentational side of things.

Vicky

Vicky Carlin

Deputy Director - Promotion of Scotland and Tourism

The Scottish Government

Homecoming Scotland 2009: A celebratory programme of events across Scotland from 25th January to 30th November 2009. Spread the word and join our celebrations! Find out more at www.homecomingscotland2009.com

This e-mail (and any files or other attachments transmitted with it) is intended solely for the attention of the addressee(s). Unauthorised use, disclosure, storage, copying or distribution of any part of this e-mail is not permitted. If you are not the intended recipient please destroy the email, remove any copies from your system and inform the sender immediately by return.

Communications with the Scottish Government may be monitored or recorded in order to secure the effective operation of the system and for other lawful purposes. The views or opinions contained within this e-mail may not necessarily reflect those of the Scottish Government.

The original of this email was scanned for viruses by the Government Secure Intranet virus scanning service supplied by Cable&Wireless in partnership with MessageLabs. (CCTM Certificate Number 2009/09/0052.) On leaving the GSi this email was certified virus free.

06/01/2011
From: Tom Buchanan
Sent: 14 October 2009 10:47
To: Steve Cardownie; Jim Inch; Dave Anderson; Greg Ward
Subject: FW: The Gathering 2012

FYI

From: Norman Springford [mailto:
Sent: 14 October 2009 10:33
To: Tom Buchanan
Subject: The Gathering 2012

Tom

I refer to our discussions earlier today

I have not had a return call from Derek McCulloch but can advise with that exception (and Kenneth who is still on holiday) that the Board unanimously agrees that being offered the opportunity to promote the Gathering 2012, is very welcome.

Graham expressed some concerns re funding and resourcing, but that is an issue for a later day.

We're all keen if the opportunity was offered, and I sent a text to Kenneth letting him have brief details of the proposal

Regards

Norman

---
Norman Springford
Executive Chairman
Apex Hotels Ltd.
Apex Hailes House
32 Hailes Avenue
Edinburgh
EH13 0LZ

http://www.apexhotels.co.uk

Legal Disclaimer: This e-mail is for the intended recipient only. The opinions expressed in this message are those of the sender and not those of Apex Hotels Ltd. If you are not the intended recipient you must not use, disclose, distribute, copy, print or rely on this email. If you have received this message in error please delete it and any attachment. The recipient should also check this email and any attachments for the presence of viruses. Apex Hotels Ltd accepts no liability for any damage caused by any viruses transmitted by this email.
From: Greg Ward  
Sent: 15 October 2009 15:20  
To: Vicky.Carlin@scotland.gsi.gov.uk  
Cc: Jim Inch; Dave Anderson; Norman Springford; Kenneth Wardrop  
Subject: FW: The Gathering  
Importance: High  

Vicky, happy to discuss the transition. I am unfortunately on leave tomorrow and Monday. Can our conversation wait until then or do I need to make other arrangements?

Regards Greg  

From: Jim Inch  
Sent: 15 October 2009 15:11  
To: Vicky.Carlin@scotland.gsi.gov.uk  
Cc: Greg Ward  
Subject: RE: The Gathering  
Importance: High  

Contact for further discussion is:-

Greg Ward  
Head of Economic Development  
Department of City Development  
Business Centre G 6  
Waverley Court  
4 East Market Street  
Edinburgh  
EH8 8BG  

Telephone number 529 4298.

Pat Denholm / Secretary to Jim Inch / Director of Corporate Services / The City of Edinburgh Council / Level 2 (2/7) / Waverley Court / 4 East Market Street / Edinburgh / EH8 8BG / Tel Number 0131 469 3008 / Fax Number 0131 469 3010

From: Vicky.Carlin@scotland.gsi.gov.uk [mailto:Vicky.Carlin@scotland.gsi.gov.uk]  
Sent: 15 October 2009 13:04  
To: Jim Inch  
Subject: The Gathering  

Jim

I just tried to reach you on the phone for a quick word. I had a conversation with Jamie Sempill, one of the Directors of The Gathering this morning, and he was asking me about next steps in relation to the transaction between DEMA and the Gathering, and who was likely to be in touch with him about that. Is there a contact name that I can give Jamie for a further discussion on that front?

Vicky Carlin  

Deputy Director - Promotion of Scotland and Tourism  

06/01/2011
Homecoming Scotland 2009: A celebratory programme of events across Scotland from 25th January to 30th November 2009. Spread the word and join our celebrations! Find out more at www.homecomingscotland2009.com

---------------------------------------------------------------------

This e-mail (and any files or other attachments transmitted with it) is intended solely for the attention of the addressee(s). Unauthorised use, disclosure, storage, copying or distribution of any part of this e-mail is not permitted. If you are not the intended recipient please destroy the email, remove any copies from your system and inform the sender immediately by return.

Communications with the Scottish Government may be monitored or recorded in order to secure the effective operation of the system and for other lawful purposes. The views or opinions contained within this e-mail may not necessarily reflect those of the Scottish Government.

---------------------------------------------------------------------

The original of this email was scanned for viruses by the Government Secure Intranet virus scanning service supplied by Cable&Wireless in partnership with MessageLabs. (CCTM Certificate Number 2009/09/0052.) On leaving the GSi this email was certified virus free. Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

06/01/2011
Greg

A little confused by this

My understanding was that DEMA were being asked to manage and promote an event in 2012, not assume responsibility for clearing up the mess of the previous event.

I had wrongly assumed that a new legal entity would be formed, or that DEMA itself would be the organiser.

What appears to be necessary is for DEMA to acquire the share capital of “The Gathering 2009 Limited” and to pay off creditors – which will require legal diligence that I do not feel DEMA should be burdened with

It may well not be politically wise for the 2009 company to go into liquidation, but DEMA would need more concrete assurance: that liabilities from the earlier event would be covered by somebody – but certainly not DEMA

Regards

Norman

Norman Springford
Executive Chairman
Apex Hotels Ltd.
Apex Halles House
32 Halles Avenue
Edinburgh
EH13 9LZ

http://www.apexhotels.co.uk

Legal Disclaimer: This e-mail is for the intended recipient only. The opinions expressed in this message are those of the sender and not those of Apex Hotels Ltd. If you are not the intended recipient you must not use, disclose, distribute, copy, print or rely on this email. If you have received this message in error please delete it and any attachment. The recipient should also check this email and any attachments for the presence of viruses. Apex Hotels Ltd accepts no liability for any damage caused by any viruses transmitted by this email.

From: Donald McGougan [mailto:Donald.McGougan@edinburgh.gov.uk]
Sent: 16 October 2009 11:09
To:
Cc: Greg Ward; Norman Springford
Subject: Transfer of management of The Gathering to Destination Edinburgh Marketing Alliance (DEMA)

Donna Rodger | Secretary to the Director of Finance | Level 2/7 Waverley Court, 4 East Market Street, Edinburgh  EH8 8BG | Tel:+44 (0) 131 469 3006 | Fax:+44 (0) 131 469 3010 | e-mail donna.rodder@edinburgh.gov.uk

24/11/2009
From: Kenneth Wardrop
Sent: 22 October 2009 15:29
To: Greg Ward; 'Norman Springford'
Subject: RE: The Gathering

Greg/ Norman

Happy with this reply?

Thanks

Kenneth

Stephen

All I can say are that negotiations continue ref 'resolution of the situation with The Gathering 2009 Ltd' creditors between the City of Edinburgh Council and Scottish Government, and as stated by the Chair of Destination Edinburgh Marketing Alliance Limited between The Scottish Government, City of Edinburgh Council and Destination Edinburgh Marketing Alliance Ltd on the future delivery of 'The Gathering'.

Regards

Kenneth

Kenneth Wardrop BA (Hons) MBA MTS | Head of Destination Edinburgh Marketing Alliance | Destination Edinburgh Marketing Alliance Ltd | PO Box 23947 | EDINBURGH | EH7 9AW |

From: Stephen.Imrie@scottish.parliament.uk [mailto:Stephen.Imrie@scottish.parliament.uk]
Sent: 22 October 2009 08:19
To: Kenneth Wardrop; Katy.Orr@scottish.parliament.uk
Subject: The Gathering

Dear Kenneth,

http://news.scotsman.com/scotland/Companies-owed-300000-from-clan.5755712.jsp

Do you have an official position you can share? I have sight of a previous DEMA press release but I now see the above.

The Committee is to be speaking to John Swinney MSP next week on budget issues and this write off issue may come up. It would be useful to know DEMA's plans and that of the Council in order to gauge what sums may therefore be used by the Scottish Government and/or its agencies to take on the project and any associated debts.

Thanks,

Regards,

Stephen Imrie
Clerk to the Economy, Energy and Tourism Committee
The Scottish Parliament

24/11/2009
From: Kenneth Wardrop  
Sent: 22 October 2009 15:32  
To: Norman Springford; Greg Ward  
Cc: Graham Birse  
Subject: RE: The line to take on The Gathering

Norman

Concur with the concerns raised.

Regards

Kenneth

Kenneth Wardrop BA (Hons) MBA MTS | Head of Destination Edinburgh Marketing Alliance | Destination Edinburgh Marketing Alliance Ltd | PO Box 23947 | EDINBURGH | EH7 9AW | Tel:

From: Norman Springford [mailto:  
Sent: 22 October 2009 15:30  
To: Greg Ward  
Cc: Kenneth Wardrop; Graham Birse  
Subject: RE: The line to take on The Gathering

Greg

Happy that the wording of the proposal is what we discussed, and is a useful way of dealing with what is an embarrassment to all concerned.

I do have concerns however, that DEMA is being asked to stake its future reputation, and ability to operate, on the basis that, as you put it, "DEMA intends to enter into discussions with the Scottish Government on investment in future events".

I understand that it is not possible for the Scottish Government to confirm in writing that it is paying off private creditors, but DEMA has nothing other than a third party reassurance, that we will receive future funding and resources to enable a subsequent Gathering to take place. Given that the funding alone was around £1.5m for the 2009 event, excluding the major man-power investment – this is a major ask.

Equally, I also accept that the CEC cannot give an indication that the "loan" will be repaid from S/Govt future funding, but a commitment that "DEMA will repay this investment on a schedule to be agreed" carries a liability for DEMA that I cannot commit DEMA to.

If the S/Govt feel unable to offer some written assurances, then I feel that I cannot make a unilateral decision, and will need to consult all DEMA Board members.

At present I'm trying to keep this confidential, but have copied in Graham Birse, as I understand that Jim Inch telephoned him yesterday, so Graham is also partially up to speed on this.

Regards

Norman

24/11/2009
Greg Ward [mailto:Greg.Ward@edinburgh.gov.uk]

Sent: 22 October 2009 14:00
To: Kenneth Wardrop; Norman Springford
Cc: John Jenkins
Subject: RE: The line to take on The Gathering

Kenneth, I understand your concerns and indeed share them. Ideally we would have had more time to consider this. However, this has now been agreed with the Scottish Government so we are where we are and need to manage this situation as best we can. Opportunities always seem to come along at inopportune times. Given that this is going to happen, are there any points of improvement that you feel need made to the current line? Greg

Kenneth Wardrop

Sent: 22 October 2009 13:55
To: Greg Ward; 'Norman Springford'
Cc: John Jenkins
Subject: RE: The line to take on The Gathering

Greg

I am extremely concerned about the wording of this! I have grave concerns about verbal promises from the Government (and to a lesser extent the Council) rather than written commitments.

I have continued concerns about the potential reputational damage to DEMA.

Given the Scottish Parliament and Scotsman journalists are now scrutinising this closely it will be a challenge to keep the desired sense of separation for the funding deal. DEMA does not have separate bank accounts or VAT registration at payments are transacted through the Council - so not sure how we can establish separation.

Feel DEMA is being bumped in to this with out DEMA having the time to fully consider the benefits and dis benefits - all to sort someone else's problems. It is a diversion of staff time from the delivery of the business plan too.

I do not think there is a good market fit with the brand and the Destination Promotion Strategy. DEMA is not an events delivery but a destination promotion organisation.

Just my feelings at this exact moment in time!!!

Regards

Kenneth

Kenneth Wardrop BA (Hons) MBA MTS | Head of Destination Edinburgh Marketing Alliance | Destination Edinburgh Marketing Alliance Ltd | PO Box 23947 | EDINBURGH | EH7 9AW |

24/11/2009
Dear both, are you happy with this? best of a bad deal I think. Greg

From: Greg Ward  
Sent: 22 October 2009 13:43  
To: Norman Springford; Kenneth Wardrop  
Cc: John Jenkins  
Subject: FW: The line to take on The Gathering

Dear Tom,

Please find my proposed line to take. Norman Springford has agreed this but I will send this draft communiqué to him to confirm. Can you please let me have any comments by day’s end? I wondered if this should be sent to Cllr Dawe? and perhaps Sir John? I will assume it goes out in my name. The audience will be DEMA directors and the administration. The communiqué will be accompanied by a joint press release - DEMA and CEC.

Greg

Dear all,

I thought it would be useful to set out our agreed approach to the further development of the Gathering imitative.

DEMA, after consideration, are convinced that the underlying assets of The Gathering (the client list, brand and channels to market) are of significant value to it and to the City of Edinburgh as a whole. It is also convinced that provided the current debts can be settled, the goodwill attached to this important brand can be re-established. To that end, it has decided, as a private sector organisation, to take the decision to buy out the debt of the Gathering Ltd in return for the transfer of the assets and the brand to DEMA.

It is DEMA’s view that the Gathering brand aligns strongly with its own aspiration to reach out to the global alumni of people of Scottish descent. DEMA sees opportunities to add value to the branding across its work in attracting people to visit, work, live, study and invest in the city.

To assist DEMA with the challenge of managing the short term cash flow of settling the current debt of the Gathering Ltd, the organisation has prevailed on the Council to provide bridging finance to enact this takeover. The Council has agreed to this request on the understanding that DEMA will repay this investment on a schedule to be agreed. The Council has also agreed that it will administer the payments due to creditors over the next few weeks on DEMA’s behalf and will write to all creditors to explain this over the next week.

This arrangement will be cost neutral to the Council but will at the same time allow DEMA, as a young organisation, to acquire an international brand for the City. DEMA intends to enter into discussions with the Scottish Government on investment in future events and will also seek to integrate the current assets of the Gathering Ltd into its planned campaigns which already attract other private and public investment.
From: Norman Springford
Sent: 26 October 2009 09:38
To: Greg Ward; Kenneth Wardrop
Subject: Re: CONFIDENTIAL - The Gathering

Greg

Sounds ok to me as long as council don't get accused of a bail out

Earlier proposal of dema seeing value in gathering and asking for loan may be easier way out

All dema need is reassurance that we won't end up with a liability

Regards
Norman

Sent from the Blackberry of
Norman Springford | Exec. Chairman
Apex Hotels Ltd.

----- Original Message ----- 
From: Greg Ward <Greg.Ward@edinburgh.gov.uk>
To: Kenneth Wardrop <Kenneth.Wardrop@edinburgh.gov.uk>; Norman Springford
Sent: Mon Oct 26 09:25:46 2009
Subject: CONFIDENTIAL - The Gathering

Dear both, further to this, I am now in the meeting with the Leader. I was going to suggest to her that the Council, itself, agree to paying the debt but as DEMA's request. You would send us a letter explaining the value of the assets and recommending that we did so and we would respond positively.

Would you be happy with this approach?

Greg

-----Original Message-----
From: Greg Ward
Sent: 26 October 2009 08:02
To: Kenneth Wardrop; 'Norman Springford'
Subject: CONFIDENTIAL - The Gathering

Dear both, I do not think that there is anything here that is insurmountable. I have now recommended to the Council that it is open about providing for the debt in return for the transfer of the assets to DEMA. At the end of the day, these are valuable and, reflecting over the weekend, I have come to the conclusion that the Council should perhaps just admit that it is worth this price and pay it.

Lets see what comes back from the Leader today.

Please do not circulate my response.

Greg

-----Original Message-----
From: Kenneth Wardrop
Sent: 24 October 2009 11:56
To: Norman Springford; Alan Johnston; Tom Buchanan; Derek McCulloch; George Stonehouse; Graham Birse; Kenneth Wardrop;
Cc: Greg Ward

24/11/2009
Subject: RE: CONFIDENTIAL - The Gathering

Norman
A timely summary.
Reflecting on this matter negotiations have taken place relating to a role for DEMA with no representatives of the company being involved and with an incomplete appreciation of the role remit and circumstances of the Company (also discussions on media releases) - think we have now caught that and going forward we will be fully involved in shaping the solution that does not compromise the company.
As you say Norman journalists have sussed that a deal is being done behind the scenes.
More fun next week!
Regards
Kenneth

Kenneth Wardrop BA(Hons) MBA
Head of Destination Edinburgh Marketing Alliance Destination Edinburgh Marketing Alliance Ltd PO Box 23947 Edinburgh EH7 9AW

-----Original Message-----
From: "Norman Springford"
To: "Alan Johnston "
McCulloch" ; "tom.buchanan@edinburgh.gov.uk" <tom.buchanan@edinburgh.gov.uk>; "Derek ; "George Stonehouse"
; "Graham Birse"
; "kenneth.wardrop@edinburgh.gov.uk" <kenneth.wardrop@edinburgh.gov.uk>;
Cc: "Greg Ward" <Greg.Ward@edinburgh.gov.uk>
Sent: 24/10/09 09:52
Subject: CONFIDENTIAL - The Gathering

Gentlemen

Following our discussions at the Board Update meeting on Wednesday, an update is worthwhile.

Speculation has not ceased and there continues to be confusion regarding the Press Release which stated that DEMA will take on The Gathering Ltd’s remaining private sector obligations, which we now understand to be in excess of £300k. The origin of the Press Release is now academic, and since it is in the public domain - we now have to deal with it.

It does not take much journalistic experience to deduce that DEMA is not in a financial position to undertake this commitment.

DEMA has been asked to accept verbal assurances from the CEC and the Scottish Government that has the effect of ensuring DEMA does not suffer financially from an undertaking to meet the private sector creditors.

In my view, we as a Board would be failing in our fiduciary duty, as officers of DEMA, if we accepted this, as it would clearly lead to DEMA being unable to continue to trade should these funds not materialise. In any event we currently do not have available resources to meet these obligations.

There is likely to be an article to be published in the Sunday Herald, but at this stage, all we can report is that negotiations are continuing in an effort to find a solution to settling the Gathering Ltd’s outstanding creditors’ claims.

As matters develop in the next few days, we will assess if a ring-round is sufficient to gain your views, or if we need to call a short notice meeting.

24/11/2009
Please be assured however that we will not accept any proposals which prejudices the primary responsibility to act in the best interest of DEMA.

Regards

Norman
Interim Chair
For and on behalf of Destination Marketing Alliance Ltd.

--

Norman Springford
Executive Chairman
Apex Hotels Ltd.
Apex Hailes House
32 Hailes Avenue
Edinburgh
EH13 0LZ

http://www.apexhotels.co.uk <http://www.apexhotels.co.uk/>

Legal Disclaimer: This e-mail is for the intended recipient only. The opinions expressed in this message are those of the sender and not those of Apex Hotels Ltd. If you are not the intended recipient you must not use, disclose, distribute, copy, print or rely on this email. If you have received this message in error please delete it and any attachment. The recipient should also check this email and any attachments for the presence of viruses. Apex Hotels Ltd accepts no liability for any damage caused by any viruses transmitted by this email.

*****************************************************************************
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.
*****************************************************************************

24/11/2009
From: Malcolm.Pentland@scotland.gsi.gov.uk [mailto:Malcolm.Pentland@scotland.gsi.gov.uk]
Sent: 29 October 2009 13:30
To: Greg Ward
Subject: RE: Scotsman -27/10

Yes.

Malcolm, sorry just to be clear, as far as the Scottish Government is concerned, is this the letter of comfort that the leader has been asking for? Greg

From: Malcolm.Pentland@scotland.gsi.gov.uk [mailto:Malcolm.Pentland@scotland.gsi.gov.uk]
Sent: 29 October 2009 13:30
To: Greg Ward
Subject: RE: Scotsman -27/10

Yes, that is the letter. Malcolm

From: Malcolm.Pentland@scotland.gsi.gov.uk [mailto:Malcolm.Pentland@scotland.gsi.gov.uk]
Sent: 29 October 2009 13:27
To: Pentland MK (Malcolm)
Subject: RE: Scotsman -27/10

Malcolm, I have seen one letter but am not sure if this is the one. Is there anything to follow this or is that it? Greg

From: Malcolm.Pentland@scotland.gsi.gov.uk [mailto:Malcolm.Pentland@scotland.gsi.gov.uk]
Sent: 29 October 2009 13:09
To: Greg Ward
Subject: RE: Scotsman -27/10

Sorry Greg, was out of the office most of day yesterday. The FM has now written to Cllr Dawe. I can send you a copy of that if you have not already seen.

Malcolm

06/01/2011
From: Greg Ward [mailto:Greg.Ward@edinburgh.gov.uk]
Sent: 28 October 2009 08:18
To: Pentland MK (Malcolm)
Subject: RE: Scotsman -27/10

Malcolm, any news? Thanks Greg

From: Malcolm.Pentland@scotland.gsi.gov.uk [mailto:Malcolm.Pentland@scotland.gsi.gov.uk]
Sent: 27 October 2009 09:37
To: Greg Ward
Subject: Scotsman -27/10

Greg

Today's Scotsman:

http://news.scotsman.com/edinburgh/Inquiry-into-how-taxpayers39-money.5767806.jp

Malcolm

-------------------------------------------------------------

This e-mail (and any files or other attachments transmitted with it) is intended solely for the attention of the addressee(s). Unauthorised use, disclosure, storage, copying or distribution of any part of this e-mail is not permitted. If you are not the intended recipient please destroy the email, remove any copies from your system and inform the sender immediately by return.

Communications with the Scottish Government may be monitored or recorded in order to secure the effective operation of the system and for other lawful purposes. The views or opinions contained within this e-mail may not necessarily reflect those of the Scottish Government.

-------------------------------------------------------------

The original of this email was scanned for viruses by the Government Secure Intranet virus scanning service supplied by Cable&Wireless in partnership with MessageLabs. (CCTM Certificate Number 2009/09/0052.) On leaving the GSi this email was certified virus free. Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

-------------------------------------------------------------

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.

06/01/2011
Dear Jenny,

I am writing to you to signal how grateful we are for the continued co-operation between the City of Edinburgh Council and the Scottish Government in relation to the future of The Gathering.

I am delighted that the Council has recognised the significance of the economic benefits which can be realised from future Gathering events and I very much appreciate your foresight in this regard. I know that you are working through some complexities in the transaction, and I very much look forward to working hand in hand with the City of Edinburgh Council to ensure that the maximum economic benefit can be achieved for both Edinburgh and Scotland in the years ahead.

I am Scotland.

Alex Salmond
PRIVATE & CONFIDENTIAL
Sir John Elvidge
Scottish Government
St Andrews House (5th Floor)
Regent Road
Edinburgh
EH1 3DG

Date: 30 October 2009
Your ref:
Our ref: JI/ELVIDGE

Dear Sir John

THE GATHERING

I understand that the Gathering was the subject of discussion during First Minister’s Questions yesterday in Parliament and you will be aware that a number of questions have been put to the Leader of the City of Edinburgh Council by opposition Councillors on the same subject.

I know that you have spoken to Tom Aitchison about the matter and he has asked me to progress arrangements on behalf of the Council. At this stage I am not clear about how you might wish to deal with the formalities.

Given the level of press scrutiny and the interest being shown by a number of political parties, it seems to me that arrangements for the transfer of the Gathering Company to Destination Edinburgh Marketing Alliance (DEMA) need to be agreed as quickly as possible.

To that end I suggest that I meet with you or your representative to determine the basis of the proposed transfer of the Gathering Company to DEMA.

This will then enable me to enter into meaningful discussions with DEMA and hopefully obtain their agreement on the basis of the transfer to them and on their future development of the Gathering brand.

Thereafter, the required legal documentation can be drawn up quickly and appropriately signed off.

JIM INCH
DIRECTOR OF CORPORATE SERVICES
Waverley Court 4 East Market Street Edinburgh EH8 8BG Tel 0131 469 3067 Fax 0131469 3010
I hope all of this can be achieved in a timescale that avoids further speculation.

I look forward to hearing from you.

Yours sincerely

JIM INCH
Director of Corporate Services

Cc  Tom Aitchison
    Chief Executive, City of Edinburgh Council
From: Alisa Falconer
Sent: 30 October 2009 14:41
To: Kenneth Wardrop; Greg Ward
Subject: The Gathering - still receiving calls from creditors

Kenneth/Greg,

I have just received a call from a creditor asking for information as to when they will be paid. I referred her back to the Gathering and said that at this stage discussions were still ongoing and there was not a final agreement in place. Jamie Semple had referred the creditor to us saying that a payment plan was being produced.

Please can you advise where we should directing these sort of calls - Jamie Semple will also have to be bought in to this.

Thanks

Alisa

Alisa Falconer
Senior Manager
Destination Edinburgh Marketing Alliance (DEMA)

Destination Edinburgh Marketing Alliance Ltd/ PO Box 23947, Edinburgh, EH7 9AW

Visit the official Edinburgh City Region website www.edinburgh-inspiringcapital.com to find out all you need to know about visiting, investing, living, working and studying in the area.

To find out about DEMA and the Edinburgh Inspiring Capital Brand please visit www.edinburghbrand.com

Edinburgh - Best Small European City 2008 - Foreign Direct Investment Magazine
Edinburgh - Winner of European City of the Year 2006
Edinburgh - Channel 4's Location, Location, Location - Best Place to Live 2007

4/11/2009
Dear Jim Inch

Thank you for your e-mail outlining the Scottish Government’s initial thoughts about the possibility of a partnership between the Council and the Scottish Government to secure the success of any future Gathering event.

This draft provides a useful basis for further discussion.

It is of course acknowledged that the Gathering had a very positive economic impact at both the City and Scottish Levels and it is noted that the Scottish Government’s policy intention is to financially support any future Gathering event.

It is also acknowledged that the level of any future funding would need to be based on satisfactory proposals being made through business plans prepared by the City of Edinburgh Council.

Having understood and accepted all of the above I do not think that the present draft gives the necessary level of comfort or reassurance which the Leader of the Council expects.

While I understand why you have made reference to dependencies in relation to the possible level of future funding these references unfortunately raises doubts and introduce risk. By qualifying the Government’s intentions in this manner the draft effectively places a greater burden on the Council.

The Chief Executive and I will be meeting with the Council Leader and and Depute Leader tomorrow to try to bring this matter to a conclusion from the Council’s perspective.

It would, of course, be helpful if you were able to develop the draft letter further to take account of my observations before that meeting.

I am happy to discuss this further with you and will in any case keep you informed of the outcome of the forthcoming meeting.

Deborah Smith
writing the Scottish Government’s thoughts in terms of our partnership to ensure the success of any future Gathering event.

Given that the economic assessment undertaken by EKOS demonstrated net additional expenditure of £8.8m at the Edinburgh level and £10.4m at the Scottish level, it is clear that there are economic benefits associated with the event which go beyond the City of Edinburgh, and where therefore the Scottish Government should have a role in ensuring the success of future events. In addition to the direct economic and tourism benefits, we would consider that the Gathering has a role in supporting national outcome 13, ie the development of a strong, fair and inclusive national identity.

On this basis, it would be the Scottish Government’s policy intention to provide financial support to a future Gathering event or related events, subject of course to the submission of a satisfactory business plan and the agreement of Scottish Ministers. The exact level of that funding would be dependent both on the articulation of the benefits of the event beyond Edinburgh; and the availability of funds but will fully recognise the importance of the event to Scottish Government economic and national identity objectives”

Deborah Smith
Acting Director

Culture, External Affairs & Tourism Directorate

Scottish Government

This e-mail (and any files or other attachments transmitted with it) is intended solely for the attention of the addressee(s). Unauthorised use, disclosure, storage, copying or distribution of any part of this e-mail is not permitted. If you are not the intended recipient please destroy the email, remove any copies from your system and inform the sender immediately by return.

Communications with the Scottish Government may be monitored or recorded in order to secure the effective operation of the system and for other lawful purposes. The views or opinions contained within this e-mail may not necessarily reflect those of the Scottish Government.

The original of this email was scanned for viruses by the Government Secure Intranet virus scanning service supplied by Cable&Wireless in partnership with MessageLabs. (CCTM Certificate Number 2009/09/0052.) On leaving the GSi this email was certified virus free. Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

06/01/2011
From: Morag.moore@scotland.gsi.gov.uk
Sent: 12 November 2009 11:42
To: Jim Inch
Cc: PermSec@scotland.gsi.gov.uk; DGEconomy@scotland.gsi.gov.uk; DGFCs@scotland.gsi.gov.uk; Malcolm.Pentland@scotland.gsi.gov.uk
Subject: letter from Deborah Smith on the Gathering

Importance: High
Attachments: L - Jim Inch- Edinburgh Council - 11 November 2009.doc

<<L - Jim Inch- Edinburgh Council - 11 November 2009.doc>>

please find attached a letter from Deborah Smith to Jim Inch about The Gathering, for Jim’s immediate attention.

Thanks
Morag

This e-mail (and any files or other attachments transmitted with it) is intended solely for the attention of the addressee(s). Unauthorised use, disclosure, storage, copying or distribution of any part of this e-mail is not permitted. If you are not the intended recipient please destroy the email, remove any copies from your system and inform the sender immediately by return.

Communications with the Scottish Government may be monitored or recorded in order to secure the effective operation of the system and for other lawful purposes. The views or opinions contained within this e-mail may not necessarily reflect those of the Scottish Government.

The original of this email was scanned for viruses by the Government Secure Intranet virus scanning service supplied by Cable & Wireless in partnership with MessageLabs. (CCTM Certificate Number 2009/09/0052.) On leaving the GSi this email was certified virus free. Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.
Mr Jim Inch  
Director of Corporate Services  
City of Edinburgh Council  
Waverley Court  
4 East Market Street  
EDINBURGH  
EH8 8BG

12 November 2009

Dear Jim

THE GATHERING

Further to our meeting last week where we discussed the future of The Gathering, I agreed to put in writing the Scottish Government’s thoughts in terms of our partnership to ensure the success of any future Gathering event.

Given that the economic assessment undertaken by EKOS demonstrated net additional expenditure of £8.8m at the Edinburgh level and £10.4m at the Scottish level, it is clear that there are economic benefits associated with the event which go beyond the City of Edinburgh, and where therefore the Scottish Government should have a role in ensuring the success of future events. In addition to the direct economic and tourism benefits, we would consider that the Gathering has a role in supporting national outcome 13, ie the development of a strong, fair and inclusive national identity.

On this basis, it would be the Scottish Government’s policy intention to provide financial support to a future Gathering event or related events, subject of course to the submission of a satisfactory business plan and the agreement of Scottish Ministers. Assuming that the Council propose a future event of comparable or greater ambition to the original, we would take as our starting point that the economic benefits falling outwith Edinburgh would be at least £1.6 million at 2009 prices and would be interested in proposals to boost that figure. We would also accept that the available evidence is that the benefits do not necessarily include direct revenues to the promoter sufficient to cover the costs of the event. Consequently, it would be reasonable to assume that Scottish Government financial support would be no less than the £380,000 actual support provided in various ways by the Scottish Government and its funded bodies for the original event; and that a case for a higher level of
financial support is likely to be sustainable, in view of the opportunity for a second event to generate larger and wider net economic benefits than the original. The exact level of that funding would be dependent both on the articulation of the benefits of the event beyond Edinburgh, and the availability of funds, but will fully recognise the importance of the event to Scottish Government economic and national identity objectives.

Kind regards,

Yours sincerely

[Signature]

Deborah Smith
Acting Director
From: Pat Denholm
Sent: 15 December 2009 16:35
To: 'geoff.aberdein@scotland.gsi.gov.uk'
Subject: FW: Draft email

Pat Denholm / Secretary to Jim Inch / Director of Corporate Services / The City of Edinburgh Council / Level 2 (2/7) / Waverley Court / 4 East Market Street / Edinburgh / EH8 8BG / Tel Number 0131 469 3008 / Fax Number 0131 469 3010

From: Jim Inch
Sent: 15 December 2009 16:34
To: 'Jamie Sempill'
Subject: RE: Draft email
Importance: High

Jamie

Thank you for the draft creditor 'e'mail. I'm afraid I cannot agree to the references to the next Full Council meeting or to the January timing.

I suggest that you say instead following "new year" (with the intention of bringing the matter to a conclusion early in January).

Hope this helps.

Jim

Pat Denholm / Secretary to Jim Inch / Director of Corporate Services / The City of Edinburgh Council / Level 2 (2/7) / Waverley Court / 4 East Market Street / Edinburgh / EH8 8BG / Tel Number 0131 469 3008 / Fax Number 0131 469 3010

From: Jamie Sempill [mailto:jamie@thegathering2009.com]
Sent: 15 December 2009 13:44
To: Jim Inch
Subject: FW: Draft email

Jim

This is our proposed email to our creditors, which we would like to send tomorrow. Obviously we have added more information, but I do not feel we have any alternative. I hope you are happy to approve this. I spoke to HM Revenue & Customs this morning in regards to our outstanding PAYE amount. They had read that the City were not going to help. I suspect that many of our creditors have heard/read the same.

Despite much hard work from all parties involved over the last two weeks we are very sorry to have to report that we still do not have a final solution to your outstanding invoice.

06/01/2011
It was hoped that the decision would have been made by the end of this week, however, there is now a requirement for the re-evaluation of the event's IP. This valuation is critical to the price that is being placed on the business.

We are hopeful that with all the recently published economic impact data on The Gathering that the valuation will meet with the City’s approval, and that we can settle your account in full. The work required to provide this report has started already and will be worked on over the Christmas period and into the new year when it will be presented to the Council at the next full meeting.

Unfortunately the next Council meeting is not until mid January.

We continue to manage the business in your best interests and would be happy to answer any queries you may have over the next few days.

The office will be closed from Monday December 21st until Tuesday January 5th. Once again please accept our profound apologies for this unhappy state of affairs.

Jamie Sempill
Director
The Gathering 2009
27 Queen Charlotte St
Edinburgh
EH6 6AX

W: www.thegathering2009.com

This message contains confidential information and is intended for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this email. Please notify the sender immediately if you have received this email by mistake and delete this email from your system.

Email transmission cannot be guaranteed to be secure, or error-free, as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender does not therefore accept liability for any errors or omissions in the content of this message which arise as a result of email transmission. If verification is required, please request a hard-copy version.
Hi Greg/Kenneth

Meeting with Malcolm Pentland and Vicky Carlin have cancelled tomorrow’s (Tuesday’s) meeting re The Gathering. They will be in touch to re-arrange a new date.

Gail

---

Eleanor

I'm very sorry for the short notice, but I've been asked to postpone this meeting. Vicky's return from leave has been put back and she won't be back in the office until Tuesday or Wednesday at the earliest. Someone will be back in touch once Vicky is settled back into the office.

Sincere apologies for any inconvenience,

Kind regards,

Eleanor Stanley

PA/ Vicky Carlin
Promotion of Scotland and Tourism Division
Area 2-J North
Victoria Quay
Edinburgh
EH6 6QQ

---

06/01/2011
Subject: RE: Email Contact

Hi Eleanor

That's fine, but I will have to change to 11.30 am if they are meeting at Victoria Quay. I will put it in both their diaries. Please confirm 11.30 am is suitable for you.

Regards,
Gail

From: Eleanor.Stanley@scotland.gsi.gov.uk [mailto:Eleanor.Stanley@scotland.gsi.gov.uk]
Sent: 26 October 2009 16:58
To: Gail Stout
Cc: Malcolm.Pentland@scotland.gsi.gov.uk
Subject: RE: Email Contact

Gail,

Both Vicky and Malcolm can do 17th November at 11 am. Would Greg and Kenneth be able to come here to Victoria Quay?

Kind regards,
Eleanor

Eleanor Stanley
PA/ Vicky Carlin
Promotion of Scotland and Tourism Division
Area 2-J North
Victoria Quay
Edinburgh
EH6 6QQ

From: Gail Stout [mailto:Gail.Stout@edinburgh.gov.uk]
Sent: 26 October 2009 13:01
To: Pentland MK (Malcolm)
Cc: Stanley E (Eleanor)
Subject: RE: Email Contact

Hi Malcolm

Both Greg and Kenneth could do Tuesday, 17th November @ 11.00 am if that was suitable for you?

Regards,
Gail

From: Malcolm.Pentland@scotland.gsi.gov.uk [mailto:Malcolm.Pentland@scotland.gsi.gov.uk]
Sent: 23 October 2009 10:37
To: Gail Stout
Cc: Eleanor.Stanley@scotland.gsi.gov.uk
Subject: RE: Email Contact

06/01/2011
Hi Gail

Thanks for this. I discussed with Greg that Vicky Carlin, our Deputy Director for the Promotion of Scotland and Tourism Division, also needs to attend this meeting. Vicky is currently on leave and not returning to the office until the week beginning 9 November and that week her diary is already full.

Would there be a slot suitable for Greg and Kenneth in the week beginning 16 November. I would be grateful if could let Eleanor Stanley (copied) have a couple of options and she can manage diaries from our end.

Many thanks
Malcolm

From: Gail Stout [mailto:Gail.Stout@edinburgh.gov.uk]
Sent: 23 October 2009 09:18
To: Pentland MK (Malcolm)
Subject: FW: Email Contact

Hi Malcolm

Greg has asked me to set up a meeting with yourself, Kenneth Wardrop and Greg to discuss how to take The Gathering forward.

Both diaries are very full over the next few weeks, but I have found a slot on Tuesday, 27th October @ 2.00 pm. Would this be suitable for you?

Please let me know.

Regards,
Gail

Gail Stout | Head of Service Secretary | Economic Development | City Development | The City of Edinburgh Council | Waverley Court, Level G/6, 4 East Market Street, Edinburgh EH8 8BG | Tel 0131 529 4625 | Fax 0131 529 5210 | gail.stout@edinburgh.gov.uk | www.edinburgh-inspiringcapital.com

From: Malcolm.Pentland@scotland.gsi.gov.uk [mailto:Malcolm.Pentland@scotland.gsi.gov.uk]
Sent: 22 October 2009 16:40
To: Greg Ward
Subject: Email Contact

Good to speak earlier.

Malcolm

Malcolm Pentland
Team Leader
Tourism Unit / Homecoming Scotland 2009


06/01/2011
Apologies – resending now with correct email address!

Deborah Smith

Deputy Director: International

Culture, External Affairs & Tourism Directorate

Scottish Government

Hi Jim

Hope you are well. I just wanted to update you on some staffing changes in here – as you are aware, I was Director here in an acting capacity until our permanent Director, Francesca Osowska, arrived. Francesca has now started with us and therefore I’ve reverted to my “day job” in International Division. As such, Francesca – along with Vicky – is now the key contact on The Gathering.

It might be helpful if you could update Francesca on some of the history and the current CEC position. Perhaps it might be practical to do this by phone in the first instance with a meeting in the New Year? In any case, I’ve copied Francesca’s office into this email and perhaps your office could liaise with them.

In the meantime, best wishes for the festive season.

Deborah

Deborah Smith

Deputy Director: International

Culture, External Affairs & Tourism Directorate

Scottish Government
From: Eleanor.Stanley@scotland.gsi.gov.uk on behalf of DirectorCEAT@scotland.gsi.gov.uk

Sent: 07 January 2010 16:16

To: Jim Inch

Subject: [DELIVERED THROUGH GSX] - Meeting re. The Gathering with Francesca Osowska

Jim,

I've been asked to arrange a meeting re. The Gathering between yourself and Francesca Osowska, Director for Culture, External Affairs and Tourism. Pat asked me to email with a bit more detail about why Francesca is keen to meet with you in the next couple of weeks so that you could consider whether you would like anyone else from City of Edinburgh Council in attendance.

- As Deborah Smith mentioned in her email of 16th December, Deborah was acting Director until Francesca took up her permanent post as Director for Culture, External Affairs and Tourism. As she is new to the post, it would be useful for Francesca to get an update on some of the history and the current CEC position with regard to The Gathering, given its importance to both Ministers and Councillors alike.

- There has been a new FoI request from Sarah Boyack MSP and we expect this could lead to new parliamentary interest and scrutiny from other bodies towards The Gathering. In light of this, an early meeting between you and Francesca would be extremely helpful to share information.

In addition, there may be other areas of your role which cross with Francesca's where an introductory meeting might be helpful.

I hope this information is helpful. Your office can contact me at the number below to arrange a convenient date to meet.

Kind regards,

Eleanor Stanley
Assistant Business Manager
Culture, External Affairs and Tourism
Area 2-H North
Victoria Quay
Edinburgh
EH6 6QQ

This e-mail (and any files or other attachments transmitted with it) is intended solely for the attention of the addressee(s). Unauthorised use, disclosure, storage, copying or distribution of any part of this e-mail is not permitted. If you are not the intended recipient please
From: Jim Inch  
Sent: 12 January 2010 10:17  
To: 'Geoff.Aberdeen@scotland.gsi.gov.uk'  
Subject: RE: [DELIVERED THROUGH GSX] - RE: Reminder  
Importance: High

Geoff

Yes. Scotland on Sunday were intent on a story last week.

I spoke to them and they have deferred the story on the basis that there may be more to say after we have the info.

We can discuss what can be said and get an agreed line at that stage.

Jim

Pat Denholm / Secretary to Jim Inch / Director of Corporate Services / The City of Edinburgh Council / Level 2 (2/7) / Waverley Court / 4 East Market Street / Edinburgh / EH8 8BG / Tel Number 0131 469 3008 / Fax Number 0131 469 3010

From: Geoff.Aberdeen@scotland.gsi.gov.uk  
Sent: 11 January 2010 14:11  
To: Jim Inch  
Subject: [DELIVERED THROUGH GSX] - RE: Reminder

Thanks Jim

Are the press aware of this?

Geoff

Special Adviser to the First Minister  
St Andrew’s House  
Regent Road  
Edinburgh  
EH1 3DG  
geoff.aberdeen@scotland.gsi.gov.uk

From: Jim Inch [mailto:Jim.inch@edinburgh.gsx.gov.uk]  
Sent: 11 January 2010 13:32  
To: Aberdeen G (Geoff)  
Subject: RE: Reminder  
Importance: High

Geoff

Happy New Year!

06/01/2011
The Council has commissioned an Independent assessment of the value of the Gathering brand.

It is due imminently.

When this is received the Council Leader in consultation with her colleagues in the Administration will decide whether to progress the matter to a Committee.

Jim

Pat Denholm / Secretary to Jim Inch / Director of Corporate Services / The City of Edinburgh Council / Level 2 (2/7) / Waverley Court / 4 East Market Street / Edinburgh / EH8 8BG / Tel Number 0131 469 3008 / Fax Number 0131 469 3010

---

From: Geoff.Aberdeen@scotland.gsi.gov.uk
Sent: 11 January 2010 10:42
To: Jim Inch
Subject: Reminder

Happy New Year Jim

Can you remind me what date the Council is meeting to discuss the possibility of purchasing the intellectual property?

Thank you

Geoff

Special Adviser to the First Minister

St Andrew's House

Regent Road

Edinburgh

EH1 3DG

geoff.aberdein@scotland.gsi.gov.uk

---

This e-mail (and any files or other attachments transmitted with it) is intended solely for the attention of the addressee(s). Unauthorised use, disclosure, storage, copying or distribution of any part of this e-mail is not permitted. If you are not the intended recipient please destroy the email, remove any copies from your system and inform the sender immediately by return.

Communications with the Scottish Government may be monitored or recorded in order to secure the effective operation of the system and for other lawful purposes. The views or opinions contained within this e-mail may not necessarily reflect those of the Scottish Government.

06/01/2011
The original of this email was scanned for viruses by the Government Secure Intranet virus scanning service supplied by Cable & Wireless in partnership with MessageLabs. (CCTM Certificate Number 2009/09/0052.) On leaving the GSi this email was certified virus free. Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

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 e-mail (and any files or other attachments transmitted with it) is intended solely for the attention of the addressee(s). Unauthorised use, disclosure, storage, copying or distribution of any part of this e-mail is not permitted. If you are not the intended recipient please destroy the email, remove any copies from your system and inform the sender immediately by return.

Communications with the Scottish Government may be monitored or recorded in order to secure the effective operation of the system and for other lawful purposes. The views or opinions contained within this e-mail may not necessarily reflect those of the Scottish Government.

06/01/2011
From: Francesca.Oscowska@scotland.gsi.gov.uk on behalf of DirectorCEAT@scotland.gsi.gov.uk
Sent: 20 January 2010 13:50
To: Jim Inch
Cc: DirectorCEAT@scotland.gsi.gov.uk; Vicky.Carlin@scotland.gsi.gov.uk
Subject: The Gathering

Jim,

Thank you for the helpful conversation earlier today. We agreed that we would maintain close contact in the coming days and weeks and on that basis I thought it would be helpful if I sent my contact details to you.

It would be very helpful if Vicky and I were copied in to any relevant e-mail correspondence. Vicky is the main policy lead in The Scottish Government on tourism which includes Homecoming and The Gathering.

With best wishes,

Francesca Osowska | Director for Culture, External Affairs and Tourism  
| e: directorCEAT@scotland.gsi.gov.uk

This e-mail (and any files or other attachments transmitted with it) is intended solely for the attention of the addressee(s). Unauthorised use, disclosure, storage, copying or distribution of any part of this e-mail is not permitted. If you are not the intended recipient please destroy the email, remove any copies from your system and inform the sender immediately by return.

Communications with the Scottish Government may be monitored or recorded in order to secure the effective operation of the system and for other lawful purposes. The views or opinions contained within this e-mail may not necessarily reflect those of the Scottish Government.

The original of this email was scanned for viruses by the Government Secure Intranet virus scanning service supplied by Cable & Wireless in partnership with MessageLabs. (CCTM Certificate Number 2009/09/0052.) On leaving the GSi this email was certified virus free. Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.
Dear Francesca

I refer to previous correspondence and discussions about the future of the Gathering. In particular I am aware that I have not formally responded to your colleague, Deborah Smith’s letter to me dated 12 November 2009. In this letter she placed on record the Scottish Government’s position in relation to our mutual wish to ensure the success of any future Gathering.

As you know, since 12 November 2009 there has been a great deal of activity directed towards considering the way ahead for the Gathering Company. In parallel there has been much press speculation and you will be aware that the matter has been the subject of a number of Parliamentary questions and considerable political interest.

I have had regular contact with the Directors of the Company, Lord Sempill and Jenny Gilmour, and they in turn, in difficult circumstances, have endeavoured to keep their creditors informed of what is going on.

I believe I have now explored every possible way of achieving the twin objectives of:-

(i) protecting the Gathering brand for the future; and
(ii) minimising any potential financial loss to the local creditors of the 2009 event.

To bring this matter to a conclusion the Council recently commissioned an independent evaluation of the worth of the event from BTG Forensic. I have now received their report.
As you know there has been a number of independent reports prepared on the Gathering at different times, for different purposes and by commissioning this further work it was our intention to re-examine the data already collected augmenting that wherever possible. This was intended to assist me to determine whether or not to advise the Council to acquire the brand with the intention of the Council, working alongside the Scottish Government and other partner agencies, including Destination Edinburgh Marketing Alliance (DEMA), to arrange and promote a future ‘gathering’ event.

The independent assessment of the worth of the Gathering has concluded that:-

(i) the company has no share value;

(ii) the value of the intellectual property rights of the Company is at best £100k;

(iii) the economic impact of the Gathering 2009 was particularly high both at a Scotland and Edinburgh level. In particular the event generated excellent return rates when compared with other events supported by the public sector; and

(iv) the private sector debts of the Company are in excess of £300k.

I am sure none of this will surprise you. It simply confirms the dire financial position of the Company on the one hand and the impressive economic impact generated by the event on the other.

The City of Edinburgh Council will fix a budget for 2010-2011 at its meeting on 11 February 2010. The administration is contemplating reducing staff numbers by 700, withdrawing or reducing support to many organisations and taking radical steps to curtail expenditure across the board. You will appreciate that in these circumstances the scope for investing in the Gathering brand is at best problematic.

I have no doubt that the Council, together with DEMA and in partnership with others, could put together a very compelling business case for holding a future gathering event. However the potential time lag between investment and income, and the remaining uncertainties associated with the state of public finances, represent significant risks and militate against intervention at this time.

While it is clear that the Scottish Government and The City of Edinburgh Council have ‘common cause’ over this matter I very much regret that despite all of our best endeavours we have failed to find a satisfactory way to achieve our mutually agreed objectives.
I suggest that our respective communications teams discuss and, if possible, agree a communication strategy to deal with the inevitable media interest.

Happy to discuss.

Yours sincerely

JIM INCH
Director of Corporate Services
Dear all,

Please find below lines provided to David Leask at the Scotsman this evening - for publication in tomorrow's paper.

The Gathering Ltd advised their creditors at approx 5pm today that the company had been placed into liquidation.

If you would like any further information, please give me a call on ext 56471.

Many thanks,

Mike.

From: Jane.Robson@scotland.gsi.gov.uk [mailto:Jane.Robson@scotland.gsi.gov.uk]
Sent: 27 January 2010 11:27
To: Michael Pinkerton

From an "SG spokesperson" this is what we will say:

The Gathering 2009 attracted 47,000 visitors from around the world and generated £10.4m for Scotland’s economy and £8.8m in Edinburgh. The Scottish Government did all it could to secure the future of the event, by not seeking to recover what it was owed by the company that ran the event, on the basis of a judgement that the debts were not recoverable. Other public sector creditors did the same.

Given the potential economic benefits of future Gathering events, the Scottish Government fully supported the intentions set out by the City of Edinburgh Council in October, and is very disappointed that it has not been possible to bring this plan to fruition.

Jane Robson | Communications Manager | Scottish Government | 3-West St Andrews House | Regent Road | Edinburgh EH1 3DG | 0131 244 2910

From: Michael.Pinkerton@edinburgh.gov.uk
Sent: 27 January 2010 11:04
To: Robson J (Jane)
Subject: Gathering 2009 - CEC Line.
Importance: High

06/01/2011
Dear Jane,

I hope you are well.

I gather that you spoke with Isabelle Reid this morning and that she promised you site of our line, to go in the Leader's name, prior to issuing.

Cllr Jenny Dawe, Leader of the City of Edinburgh Council, said:

"Despite the undoubted success of the Gathering 2009, in terms of the economic impact, an independent assessment has indicated that the company has no share value and that its intellectual property is worth at best £100,000. In short, its current financial position is unsustainable.

"On that basis, and despite our best endeavours, we regret that the Council has been unable to find an acceptable way in which to help to resolve the company's outstanding commitments and to protect the Gathering brand for the future.

"This is a very difficult time for the Council financially, particularly as we seek to reduce expenditure in order to achieve a balanced budget, and so our options are extremely limited.

"We do, however, remain interested in being involved in any future Gathering events."

Many thanks,

Mike

Mike Pinkerton
Media Officer
City of Edinburgh Council
0131 529 6471

******************************************************************************

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 was received from the INTERNET and scanned by the Government Secure Intranet antivirus service supplied by Cable&Wireless in partnership with MessageLabs. (CCTM Certificate Number 2009/09/0052.) In case of problems, please call your organisation's IT Helpdesk.

06/01/2011