LETTER FROM SIR JOHN ELVIDGE TO THE PUBLIC AUDIT COMMITTEE, 17 NOVEMBER 2010

Thank you for your letter of 10 November.

I welcome the opportunity to provide further evidence to the Committee. I think a useful starting point is the statement in my original written evidence that "I had some subsequent involvement during October in exchanges with officers of the Council aimed at clarifying the basis on which financial support might be available from the Scottish Government in respect of a future proposal for a repetition of The Gathering, to assist the Council's continuing consideration of the position it would be in if DEMA were to purchase the company".

The exchanges which I described in that evidence were the only discussions of a possible financial payment by the Scottish Government to the Council which resulted from my meeting of 13 October with Mr Inch. I understand that there is correspondence from the Scottish Government to the Council dated 12 November 2009 which encapsulates the substance of the discussions. As far as I am aware, the Scottish Government did not at any point withdraw that offer.

The personal involvement in these exchanges to which I referred in my written evidence was chiefly with the Chief Executive, Mr Aitchison. Although the contact was, to the best of my recollection, at his instigation, my purpose in my discussions with him was to ensure that he understood fully the nature of the possible future financial assistance which my staff were discussing with Mr Inch and that, as a matter of principle as Accountable Officer, I would not have been prepared to recommend to Ministers any financial arrangement which represented the repayment by the Scottish Government of expenditure by the Council on meeting liabilities which it would inherit as a result of the purchase by it, or by DEMA, of The Gathering Ltd. This is, of course, consistent with the oral evidence which I gave to the Committee about my judgement as Accountable Officer in relation to the possibility that the Scottish Government itself might have contributed financially to maintaining the solvency of The Gathering Ltd.

Mr Inch conveyed accurately to the Committee the ways in which he sought to represent the Council's interests at our meeting on 13 October, which had been prompted by information given to me that Mr Inch had propositions to make about how to advance the shared objective of the Scottish Government and the Council to maximise the prospects of replicating the positive economic impact of The Gathering on the Scottish and local economies. The purpose of the meeting was for me to listen to those propositions and, at the end of it, I said that I would reflect with Scottish Government colleagues on what he had said. Having reflected, I instructed the relevant staff to convey to the Council's officials the offer of assistance with the costs of a future event; and I spoke to Mr Inch by telephone on 14 October to make him aware of that approach. As Mr Inch has told the Committee, I did not revert to the Council on other propositions which he had put to me; but, as I have said above, I sought to ensure, in subsequent telephone conversations with the Chief Executive that he was aware of my
view as Accountable Officer of the issues of principle involved in finding an acceptable way forward.

I hope that this is helpful to the Committee.

LETTER FROM THE PUBLIC AUDIT COMMITTEE TO SIR JOHN ELVIDGE, 10 NOVEMBER 2010

At its meeting on 3 November 2010, the Public Audit Committee took oral evidence from Councillor Dawe, Councillor Cardownie, Mr Tom Aitcheson and Mr Jim Inch, from The City of Edinburgh Council.

In response to Committee questioning, Mr Jim Inch set out his recollection of a meeting held with you on Tuesday 13 October regarding the future of The Gathering. Mr Inch confirmed that it was he who had initially suggested that DEMA Ltd as a possible vehicle for taking on The Gathering 2009. Mr Inch however also explained that, at that meeting, he had been clear with you that the City of Edinburgh Council could not be disadvantaged financially in any way in taking on The Gathering event and that if matters were to proceed then there would need to be some way in which the Scottish Government could pass the levels of funding back to the council.

His comments can be found from column 2125 of the official report for the Committee meeting on 3 November 2010. I have attached the relevant weblink below:

http://www.scottish.parliament.uk/s3/committees/publicAudit/or-10/pau10-1801.htm

The Committee would welcome your confirmation of whether Mr Inch’s recollections are an accurate picture of your discussions at that meeting on 13 October, and in particular whether you were clear from the discussions that the Council could not take on any financial burden associated with The Gathering 2009.

It would also be helpful if you could confirm:

• whether Mr Inch suggested other ways of addressing the financial issues with the Gathering 2009 and whether you agreed to consider these suggestions further; and
• when you (and/or the Scottish Government) confirmed to the City of Edinburgh Council (at official or Councillor level) that the Scottish Government would not be able to provide financial support to the City of Edinburgh Council in connection with the financial liabilities of The Gathering 2009 Ltd.

The Committee hopes to resolve this matter by correspondence although it may seek further oral evidence from you, at a later date, should that prove necessary.

Our normal practice is to publish relevant evidence that is sent to us on our website and we may also include it in the hard copy of any committee report. Therefore, if you wish
your evidence to be treated as confidential, or for your evidence to be published anonymously, please contact the Clerk to the Committee, before you submit your evidence. Further information on the publication of written submissions is contained in the enclosed policy on the treatment of written evidence by committees. Please take time to read this policy. We welcome written evidence in English, Gaelic or any other language.

Should you require any further information please do not hesitate to contact the Clerk to the Committee, Jane Williams on 0131 348 5390 or by email at pa.committee@scottish.parliament.uk.