

# Council meeting – vote of ‘no confidence’ defeated

✖ The Council leader and her deputy narrowly escaped this afternoon when a vote of no confidence in their leadership of the council was defeated by a narrow margin of three votes.

After an hour-long break for lunch, the city councillors reconvened to debate the motion proposed by Jeremy Balfour leading the Conservative Group on the Council, following from the [report by The Public Audit Committee](#) of The Scottish Government about The Gathering, which calls into question the credibility of the councillors who had been called to give oral evidence in front of it.

In addition to a call for a vote of no confidence, the Conservative motion also demanded that the Chief Executive carries out a full investigation into the circumstances surrounding the press release issued by the council in October 2009.

And as a counter to this motion, Councillor Dawe had herself tabled a motion asking that the Chief Executive conducts a review of the Public Audit Committee's report and then reports back to the council. (The Chief Executive, Sue Bruce, was not at today's meeting since she is attending the mediation meetings concerning Edinburgh Trams.)

The Gathering was organised in 2009 in the guise of a limited company, The Gathering 2009 Ltd, which eventually collapsed with debts of over £700,000. The Council made valiant efforts at the time to try and salvage the company, including an attempt to have DEMA, a subsidiary of the council take it over, but it is the press release issued by the council on behalf of DEMA which caused the problems. The idea was that DEMA would take over The Gathering but not its liabilities,

something which was not reflected in the terms of the press release.

Following some impassioned and forthright public speaking by Council Leader, Jenny Dawe, her deputy, Steve Cardownie (who continued arguing the matter vocally with the Labour Group following conclusion of the meeting), Jeremy Balfour and many other councillors from all parties in the chamber, the matter was eventually put to the vote at about 15.40. The vote of no confidence was defeated by 29 votes to 26. The Greens had put forward a separate amendment of their own which was defeated in the first vote. The three Green councillors did not then take part in the second vote. The Green Party want to see the Chief Executive's Report and have access to more detail before taking a stance on the 'no confidence' issue.

After the meeting, Green Group Co-ordinator, Councillor Steve Burgess said:-

"The Council Leader and Deputy leader are by no means off the hook today. There remain serious doubts over their handling of this debacle and their failure to take responsibility for what happened, but a political slanging match across the Council chamber is not the right way to get to the bottom of a serious and complicated matter. Rather than, at this stage, agreeing to a premature vote of no confidence, Greens proposed that a full investigation be carried out by the Council's new Chief Executive and we await the findings."

Some notable quotes from the lengthy debate:-

Councillor Cardownie:- "I have taken external legal advice and may yet take legal action. George Foulkes and Cammy Day did not in my opinion tell the truth. Do I regret that the press release went out? Yes I do. It was supposed to be embargoed but even that did not happen. It should not have gone out. But I did not clear it. We did not know that the Public Audit Committee were going to go native! It is not easy being called

a liar in the press. We all have families and friends.”

Councillor Dawe:-“I and my colleagues have nothing to hide and do not fear scrutiny. I refuse to be blackmailed by anyone. This is not a kangaroo court! I would not alter a single piece of evidence given to the Public Audit Committee. It was not a pleasant experience giving evidence to the committee, against a background of utter contempt from the convenor.

“I have nothing to apologise for. We discussed the thrust of the press release but I did not sign it off. Nobody sanctioned the final version. Why on earth would I sign it off on something that would contradict everything else I had said. Councillor Balfour, this is playground politics at its best! This is not a playground. Did you stop to think of the repercussions of your actions? I find it hard to believe that you have any legal training. I did not lie to that committee.”

Councillor Balfour:- “I don’t do this lightly. This is a serious matter to which we have given grave thought. There are however still unanswered questions, and I would be happy to meet with Councillor Dawe. The report from the Public Audit Committee was a cross-party report from The Scottish Government. The committee included within its the former leader of the Liberal Democrats, Nicol Stephen. The reason we have lodged the motion today is to get answers as to what went on. There are two different reports and you cannot get to the truth. There has been lots of hot air on the subject, but the press release went out with inaccurate information.

Councillor Godzik:-“There has been a reputational stain on the council.”

Councillor Rust:- “How is it that in relation to a matter of this sensitivity you cannot recollect events in relation to such an important matter? We want an apology for your failure in ensuring that the press release was accurate. It is disappointing that we are in this position today. It smacks of

incompetence, and there was £700,000 of taxpayers' money lost. Over a hundred small businesses were out of pocket."

Councillor Burgess:- "The Public Audit Committee has recommended that the council investigate the circumstances surrounding the issue of the press release. We ask for that to happen now. If there was a problem in the report then one wonders why that was not asked about before?"

Councillor Andrew Burns:- "We asked previously for this matter to go to the council audit committee and we are at a complete loss to know why you would not agree to that. Noone has explained to me why some note of clarification could not have been sent to the committee following the written evidence given by the council media officers. There are two versions of events which are not reconcilable. We are uncomfortable with the way events have been handled."

This is the text of the press release:-

*press release ISSUED BY THE CITY OF EDInburgh council on behalf of DEMA Ltd on 15 October 2009*

*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.*

*An independent economic impact assessment carried out by EKOS Ltd shows that the Gathering attracted 47,000 people. It also*

generated £10.4m in revenue for Scotland and £8.8m in Edinburgh. The report highlights that 73 per cent of visitors would be likely or very likely to visit a future Gathering within the next four years.

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.

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**

The independent economic assessment of the impact of Gathering 2009 from EKOS (available at [eventscotland.org](http://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 recovery

*of 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.*

## **Contacts**

*City of Edinburgh Council (on behalf of DEMA):  
Lynn McMath / Isabell Reid  
Lindsay Taylor for general DEMA enquiries only)*

*The Gathering Ltd – Roddy Scott*

*Scottish Government – Jane Robson*

*EventScotland – Leon Thompson*

The evidence given by Councillors Dawe and Councillor Cardownie at the Committee is recorded in the report but is probably worth repeating here:-

Firstly from Councillor Dawe,

*“There certainly was a meeting in my office, but I cannot recall whether we had a piece of paper in front of us or whether we merely had a discussion. However I am absolutely sure that I was not expecting a press release to go out on the Wednesday evening or the morning of Thursday 15 October. Had I been aware that an email of that importance was going out, I would undoubtedly checked it and there is no way I could have sanctioned that paragraph going out about DEMA taking on the liabilities going out.”*

161. The Council leader also commented that–

*“I was absolutely horrified when I saw that the press release*

*had gone out before I had seen the finalised version ...On the night before a full council meeting, however I am fully involved in preparing for the next day...Therefore I did not see the press release on the evening of 14 October. If the press release went out around the time we were told, it was certainly not signed off by me. I did not see it until the following morning."*

162. The deputy leader explained that—

*"I was aware of the discussions that DEMA was having. I think that the press release went out at 9.30 on Wednesday evening. I was not contacted prior to the press release going out. It appeared on the Thursday morning and both Jenny Dawe and I went to her office to find out what had happened. Jenny can speak for herself, but we were both aghast because we know that the press release was factually inaccurate. It was perhaps wishful thinking, but somebody jumped the gun: the press release should never have gone out ...Had I seen it, it would not have gone out in that form, because it was factually incorrect."*

163. He then stated that in relation to the emails clearing the press release—

*"it is conceivable that I did not see the emails, given the timing of them, later on the Wednesday afternoon. I may not even have been in the office at that time. As Councillor Dawe points out, there was a full council meeting the following morning...My silence on the press release, because I had not seen it, should not have been taken as compliance."*

This is what the Public Audit Committee said in its response:-

**187. The Committee has serious concerns regarding the quality of the oral evidence from the Council witnesses and does not**



consider their evidence to be credible.

188. The Committee also considers the Council handling of the clearing and issuing of the press release to be unacceptable. The Committee hopes that the Council will undertake an investigation into the circumstances leading to the contradictory evidence it provided. The Council may also wish to clarify its lines of accountability and procedures for clearing press releases.