

EICC boss questioned over bonus

The Chief Executive of a council owned company has been questioned about his £72,280 bonus awarded last year.

Chief Executive of the Edinburgh International Conference Centre (EICC0) Marshall Dallas was handed the sum on top of his £158,711 salary – as the council was forced to make sweeping budget cuts to vital public services.

Councillors on the scrutiny committee quizzed him on what the justification was for the sizeable payout at a meeting on Tuesday (November 28).

Mr Dallas said it wouldn't be appropriate to comment on individual bonuses, later adding all bonuses awarded were "calculated based on what we've achieved as a company" and "nothing else".

But Cllr Kate Campbell, SNP Governance, Risk and Best Value convener, highlighted that his overall remuneration package ended up being £37,000 higher than the council's chief executive, Andrew Kerr, despite Mr Dallas being responsible for less than one per cent of the workforce and budget Mr Kerr is.

After being revealed in annual accounts published in September politicians slammed the bonus as "outrageous" and "not a good look," whilst Labour council leader Cammy Day said he did "not agree with bonuses like this in arms' length companies".

Some were also quick to point out huge cuts made to balance the authority's books earlier this year – with £80m slashed from the council's budget and a £33m cut to the city's health and social care services.

Edinburgh International Conference Centre (EICC) – which is fully owned by the council but operates commercially as an arms-length company – explained at the time the £72k extra related to its new 350-bed hotel and hotel school being built at Haymarket as well as “the operating performance of the conference centre”.

However Cllr Campbell said EICC “made a loss last year of just under £600,000”.

She added: “What is it that the board felt was so exceptional about performance that year that it merited a £72,000 bonus and actually an increase in pay of 46 per cent in that year when the EICC made, as we can see through accounts made a loss.”

Mr Dallas responded by saying the company “originally achieved a £700,000 profit” during 2022-2023, adding the loss was “down to book adjustments, not the performance of the company”.

Chair of EICC, Labour councillor Lezley Marion-Cameron, said: “I would remind colleagues the EICC is a limited company, it's very different from the council and it's proven highly successful over the years. And it's delivering huge economic and other benefits for this city.”

She added: “We take very seriously as a board our requirement to be open to scrutiny, to be transparent and to be accountable to the council who is our 100 per cent shareholder.

“The board this afternoon will be discussing our response to all the interest, all the questions, all the scrutiny around

the chief executive's bonus and the performance of the company and the team."

Cllr Campbell said none of the other arms-length chief executives received a bonus, and other conference centre bosses in Scotland were not as highly paid despite making bigger profits.

"So I'm going to ask again in that context – I think it's reasonable to ask – what was so exceptional that was delivered by the chief executive of EICC that the board felt that this was an appropriate level of bonus?"

Cllr Cameron said: "As you're aware, we have undertaken to deliver Edinburgh's largest hotel, albeit with the support of the council's covenant.

"We have taken over the guardianship of the Edinburgh Convention Bureau which fell into demise as a result of Marketing Edinburgh being wound up some years ago. That is going extremely successfully.

"I would hope that whether it's the EICC that continues to provide those excellent services that bring businesses not just to this venue but to countless other venues and businesses across the city that we will continue with that."

Mr Dallas added: "All of the points Lezley made, I feel without getting at all defensive on this, I feel it appropriate to say that all that extra work was done without any increase in salary. So all of the bonuses that have been achieved this year have been measured in terms of what we've achieved as a company, nothing else.

by Donald Turvill Local Democracy Reporter