

Bonus for boss of council owned company tops UK list

The bonus handed to the boss of an Edinburgh Council-owned firm last year was the highest awarded by any UK local authority, it has been revealed.

Marshall Dallas, chief executive of Edinburgh International Conference Centre, was paid £72,280 on top of his £158,711 salary – which sparked comment from some councillors.

An annual 'Town Hall Rich List' has highlighted the payment as the biggest bonus given to any UK employee of a council or their arms-length companies.

The second highest – awarded to Peter Duthie of Glasgow City Council's Scottish Event Campus – was £39,220.

Edinburgh International Conference Centre (EICC) – which is fully owned by the council but operates commercially as an arms-length company – said the £72,000 related to its new 350-bed hotel and hotel school being built at Haymarket as well as "the operating performance of the conference centre".

Mr Dallas was questioned over his remuneration package, which is £37,000 more than the Chief Executive of Edinburgh Council, Andrew Kerr, at a meeting in November.

He told councillors it wasn't appropriate to comment on individual bonuses and the awards were "calculated based on what we've achieved as a company" and "nothing else".

Cllr Kate Campbell, SNP convener of the scrutiny committee, said the EICC “made a loss last year of just under £600,000” in 2022-23.

She asked: “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 said the company “originally achieved a £700,000 profit” during the financial year, 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.”

However council leader and Labour group leader Cammy Day has said he did “not agree with bonuses like this in arms’ length companies”.

Commenting after Mr Dallas’ bonus was revealed in council accounts published last September, Cllr Day said: “As a council we have publicly discussed and strongly urge restraint amongst these companies with regard to bonuses. I will stress this to the board and have asked officers to look into this situation.”

Edinburgh East SNP MP Tommy Sheppard said: “This seems like an eye-watering sum and it is not a good look. You would think the council would be more aware of the perception of payments like this.”

The bonus was paid while in other areas of spending cuts were made to balance the authority’s books earlier in the year. For example £80million was cut from the council’s budget overall

and the city's health and social care services in 2023 was reduced by £33 million.

by Donald Turvill Local Democracy Reporter



CEO of Edinburgh International Conference Centre Marshall
Dallas

Picture by Stewart Attwood