

Convention Edinburgh – council reject bid for three year funding

A bid by Edinburgh International Conference Centre (EICC) to continue to caretake Convention Edinburgh with a three year funding deal from the council was rejected by the council's Finance committee on Tuesday.

Instead of a three year funding model, involving the EICC also putting forward funds from its cash reserves of almost £1 million to be set against loan stock, the council will instead offer £150,000 to the EICC for one year only (and this subject to full council approval).

Cllr Watt, the Finance Convener, said that she was disappointed this funding request had not come before the council during the budget process in February, and said the proposal to write this "funding" off against loan stock is "not the way we do things". She said: "This is actually real money that could be spent on other priorities". And she criticised the plan to try and forward borrow against any income which the council might receive from the proposed Tourist Tax or Transient Visitor Levy (TVL). She said: "If we open the door to people putting in bids on TVL money there would be an absolute landslide of requests. It is too remote and it is completely unfair to start making commitments for

money that we don't have."

Rejecting claims that the council was not committed to the business tourism sector, she put forward a medium term solution which was passed by six votes to five against the competing SNP amendment which rejected a call for £300,000 per annum in funding, saying it would pre-judge next year's budget and would inevitably result in reducing funding elsewhere.

Marketing Edinburgh

It was a real déjà vu moment for anyone who had listened to the lengthy discussions at the council some years ago about [Marketing Edinburgh](#), the council-owned destination marketing company which the council binned, spending around £2 million in the process.

The EICC is an arms length external organisation wholly owned by the council, but set up as a limited company. The organisation has been "caretaking" the Convention Bureau booking in conferences and events and inviting organisers to "choose Edinburgh". EICC, in a report to the council, said that business event visitors spend around £447 per day – more than any other kind of visitor to Scotland.

These events have benefitted not only the EICC but also other businesses such as hotels and restaurants in the city, since the "caretaking" began in May 2022. The cost to the EICC has been £150,000 in each of the two years, and the body said they have "worked hard to seek out opportunities for funding and support at a local and national level". So far they have had a contribution of £5,000 from Edinburgh Airport and a £10,000 grant from VisitBritain. As well as this the EICC reported they have received more than £100,000 of "in kind" benefit.

The way forward which they propose is a subscription model (also suggested by Marketing Edinburgh) asking businesses to pay to run the Bureau. But as a first step the EICC Board

asked for funding of £250,000 for the first year, regardless of any external funding raised.

Marshall Dallas CEO of EICC, the Chair, Cllr Marion Lezley Cameron, and John Dalley a member of the EICC board addressed the meeting and Cllr Cathy Fullerton another member of the board was present during the agenda item.

Cllr Cameron said that the first year contribution was necessary to show the commitment by the city and “a signal to the business community that we’re serious about this, that we’re serious about our reputation as a city and how we hold ourselves out to the world”.

Marshall Dallas explained that in November last year the Board had approved payment of £925,000 from EICC cash reserves to run Convention Edinburgh for the period from January 2024 to January 2026. He also said that following discussions with CEC Holdings, a company in which Cllrs Beal, Cameron and Doggart are Directors, it was agreed the contribution would be offset against loan stock (monies borrowed from the council).

John Dalley, was asked by Cllr Alys Mumford what would happen if the funding was not agreed but did not directly address that point. However, in the report the EICC had said that if a third party was engaged to run the Convention Bureau (one of the alternative suggestions to EICC continuing to run it for the council) it could lead to redundancies at EICC.

Cllr Phil Doggart criticised the council’s Executive Director of Place, Paul Lawrence reminding him that Mr Lawrence had said a year ago that a solution for Convention Edinburgh would be in place by the end of 2023. There was no funding request made in time for the council’s budget discussion earlier this year. Cllr Doggart picked up that Mr Dallas claimed that he was told it would be “too late” for it to be included in that round of finance talks. Cllr Doggart asked Paul Lawrence: “Can you tell me what went wrong?”

The reply offered was that it had taken council officers a significant amount of time to scrutinise and discuss the options submitted and reach a “mutually acceptable proposal”.

Opposition councillors Lesley Macinnes of the SNP Group and Neil Ross the LibDem Finance spokesperson agreed in asking why public money should be put forward for something which benefits private companies and organisations.

Later in the meeting Cllr Doggart referred to the past when he said: “I’m also taken by those who were quite willing to vote for the abolition of marketing Edinburgh, now backtracking, recognising that something has to be done and not recognising that it was the EICC that baled the council out in terms of what was required. I’m also struggling with the overt socialism that says private sector bad but public sector good and there’s no in between.

“I think people forget that the private sector pays a significant amount of tax to fund the public sector and all those people who work in the city who work for private sector organisations paying their council tax to this organisation so that we can pontificate on whatever we wish to pontificate if they didn’t have those jobs, the money wouldn’t come in. So let’s think about that as well.”

Edinburgh Tourism Action Group (ETAG) had backed the request for funding by EICC saying: “ETAG believes that there is a very clear need, and strong business case, for ensuring that the current ‘guardianship model’ evolves into a more formalised, longer term structure with the resources required to ensure that Edinburgh can deliver the convention bureau services required in order for the city to effectively compete in the highly competitive, global Meetings, Incentives, Conferences and Exhibitions (MICE) market, also referred to as Business Events, and deliver the ambitions of the Edinburgh 2030 Tourism Strategy.”

The board of the EICC have been asked for comment, but it is not clear what the rejection will mean for the organisation.

