

EICC boss resigns after failed hotel bid

The boss of the Edinburgh International Conference Centre (EICC) has suddenly resigned.

Shocked staff were briefed on Wednesday morning after EICC Chief Executive, Marshall Dallas, tendered his resignation yesterday at a board meeting.

The EICC is owned by the City of Edinburgh Council but is run as an arm's length venture.

Mr Dallas and the EICC board have been at loggerheads with the council after the building of a 350-bedroom hotel at Haymarket was put on ice, and following the council's refusal to provide funding for the EICC-supported Edinburgh Convention Bureau, which was ultimately taken in-house by the council.

Mr Dallas has attracted criticism in the past when it was revealed he had been handed a £72,000 bonus on top of his £159,000 salary in 2022-23, which with pension benefits made him the highest paid public sector employee in Edinburgh with a total package of £231,000. He was also awarded a further bonus for this year of around £50,000 at a time when the council is facing cuts to its budget of more than £100 million.

At the time, the EICC said the bonus was based on the delivery of key criteria relating to the building of the four-star hotel which also included an EICC hotel training school. Mr Dallas had a background in hospitality before joining the EICC.

The EICC had long argued that a lack of hotel bed space hampered their bids to attract large conferences to the city and the hotel would make the EICC and Edinburgh a more attractive option, with profits from the hotel being reinvested in the conference centre.

In 2021, the council and the EICC entered into a 25 year lease which would see the conference centre run the hotel under franchise with Hyatt Hotels Corporation.

Contract ends

However, in June it was revealed the main contractor Sir Robert McAlpine had pulled out, citing soaring construction industry costs, and in September development partners M&G announced they were to “seek a settlement” – in other words leave the project – after the council’s finance committee refused to make changes to the contract around Latent Defects Insurance (LDI).

At the time Mr Dallas warned that the EICC could face legal action from Hyatt, while the EICC, which had already spent £2.19 million on the project, might have to take action against the council.

In EICC board minutes dated 13 August, Mr Dallas said: “...a relatively minor point in relation to an LDI policy was potentially going to prevent the building of the hotel which could, once stable, generate £35million turnover per year.”

He added that the EICC had contractual obligations to Hyatt and that failure to deliver the four star hotel could result in the hotel conglomerate suing for damages which could run to £2 million a year.

The Edinburgh Convention Edinburgh (ECB) was set up in March 2022 under the management of the EICC to attract more business events to the capital and make it easier for those attending

conferences to select venues.

In June the EICC said the cost of running the ECB on behalf of the council had cost £150,000 each year, but an application for funding and to effectively continue to run the bureau was rejected by councillors.

In a statement to The Edinburgh Reporter, Marshall Dallas said: "Leading the EICC for the last decade has been the highlight of my career. And there were so many highlights along the way, not least getting to work with such an incredible team across the business and partners across the city.

"The venue was loss-making when I took over the reins, we were able to rapidly turn that around with an absolute dedication to being one of the best and most sustainable conference centres on the planet, which translated to holding some of the world's leading events while creating year-on-year increases to economic impact for Edinburgh.

"The global hospitality industry was decimated by Covid, we were one of the first major venues to close our doors in March 2020, pivoting to online events. That was an incredibly tough time for the team, when we were used to hosting tens of thousands of people in the building every year, and how we got through that period and then managed to rebound is something I will always have great pride in.

"Our overall vision, to create an environment which inspires ideas that change the world, helped to guide us through the good and the tough times. My hope now is that the future stewardship of the EICC will continue to have the best interests of the venue, our people, and the city at its heart. The value of business tourism to Edinburgh and Scotland is too important, so we must continue to invest in it."

The EICC hosted more than 132,000 delegates and visitors in 2023, up from 72,000 the year before, which drove revenues up

from £11.8 million in 2022 to a record £12.8 million in 2023, while profits rose from £699,000 in 2022 to £2.6 million in 2023.

The venue calculated that its economic impact – covering the direct benefit of EICC conferences and events to Edinburgh and the surrounding region – totalled £58 million, up from £51.9 million the previous year, while the total economic impact to the city since EICC opened in 1995 is estimated at around £850 million.

Over the last ten years, the EICC has hosted marquee conferences like TEDGlobal, along with hundreds of other UK and international association conferences, including multiple conferences with over 2,000 attendees, hosted President Obama and Michelle Obama, Hollywood stars like Leo DiCaprio, George Clooney, and Brad Pitt, and the Edinburgh Festival every August. During the pandemic in 2021, the EICC partnered with NHS Lothian to run Edinburgh's largest vaccination centre.



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