

**From:** Brown JA (John) (TAP)  
**Sent:** 28 July 2006 13:31  
**To:** Ken Neilson VS [REDACTED]  
**Cc:** Davidson K (Kirsten)  
**Subject:** RE: ATB Assets

Ken

Kirsten emailed me last night following your conversation with her about what might constitute the "assets" of the ATBs.

I can confirm that there is no definition of this term in the Statutory Instruments setting up the Network Tourist Boards. The only formal reference to the matter is in a letter of 20 November 2004 from the Minister to ATB Chairs when she gave the "ring fencing" commitment. It was worded as follows:-

My predecessor and VisitScotland have both guaranteed that assets and cash balances handed over to the new network by area tourist boards will be used only for the benefit of the former ATB area, and I am happy to repeat this assurance. In order to manage the network, it is essential that the Boards of the two network boards have accurate information on the assets and liabilities that they are taking responsibility for. For this reason, PriceWaterhouseCooper have been instructed to carry out a due diligence review of the current ATB financial and assets position. I would ask your Board to co-operate with this work, which is essential to establish a firm operating position for the integrated network. VisitScotland will be in touch with your Chief Executive on the detailed arrangements for this.

In my view, the reference to liabilities in this paragraph alongside the reference to assets and cash balances implies that these items would be netted off against each other, although the contrary case could I suppose be argued. Another tack might be to rest on Audit Scotland advice about taking into account when calculating cash balances the pensions situation. But I know that you will agree with me that this does not become a bone of contention between VisitScotland HQ and the ATPs.

Happy to discuss further next week if you wish.

Have a good weekend when it comes.

**John A Brown**

Head of Tourism and Architecture Policy  
Scottish Executive  
[REDACTED]

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-----Original Message-----

**From:** Davidson K (Kirsten)  
**Sent:** 27 July 2006 18:00  
**To:** Brown JA (John) (TAP)  
**Subject:** ATB Assets

John

I've just had Ken on the phone. As you know, we said that all assets from the former ATBs would be ringfenced for use in that geographical area. The ATPs are now starting to ask how much is due to them.

The issue is about what the definition of 'asset' actually is. Ken explained that the ATBs had lots of cash balances when they were wound up, but that when you took everything into account, their actual assets were not nearly as big. He therefore doesn't want to regard 'assets' as the cash balances because they will then have to be given more than he thinks is due to them.

Audit Scotland have said that they want VS to put pension provision against their opening balances (ie as transferred from the ATBs). Given the pensions liabilities, that would mean that the ATB assets would be almost nil and in some cases negative. This is what the local authorities do with their accounts, though (ie putting pensions liabilities against them). If assets were regarded in that way, very little would have to be passed over to be used in local areas - helpful for Ken perhaps, but not good for relationships with local areas.

Ken is therefore asking whether we have an actual definition of 'asset' that we were using in this case, in order to help him take this forward. If we don't have a definition, we are going to have to come up with one that we all agree. Audit Scotland are considering it for Ken, but they have said that really the decision has to be taken by us.

Ken seemed to think that the statement that the assets would be ringfenced for use in the local areas was in the NTB SIs, but I can't find that reference, so I thought I should come to you first. Ken is hoping to get some advice from us in the next week or so

Thanks.  
Kirsten

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*Cuir taic ri tairgse na h-Alba aoigheachd a thoirt do Gheamaichean a' Cho-fhlaitheis 2014 ann an Glaschu le bhith a' clàradh do thaic aig [www.glasgow2014.com](http://www.glasgow2014.com)*