
From: Dave Anderson
Sent: 22 June 2010 09:49
To: Mark Turley
Cc: Tom Aitchison; Sheena Raeburn
Subject: RE: Tram IPG action note 9 June

Mark

Thanks We spoke briefly yesterday about this and I would certainly acknowledge that the original remit was a much more limited one. It does refer to corporate oversight and understanding but does so in the context of the preparations for the February decision. It then seems to have morphed into a group that was primarily focused on the internal coordination of Council Departments in support of the tram project. Given where we are now it does seem to me appropriate that the IPG should take on a wider role of oversight of the project budget and timetable. I do think this requires a monitoring role at a detailed level (the TPB receives monthly financial reports). However, it is clear that we need to have a high level view of the programme budget, timetable and related matters, in particular to assess the impact on the Council's own finances.

We are clearly constrained in our ability to provide oversight of a programme for which the contractor has consistently failed to produce a realistic project management plan and timetable. In the absence of that tie has produced its own programme using software by Acutus. Marshall has been reviewing that programme as part of the Project Assurance exercise that I have asked him to carry out. His report will come to IPG and we can then take a view as to what level of future detail we would wish to see on budget and programme. Best regards. Dave

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From: Mark Turley
Sent: 15 June 2010 13:02
To: Dave Anderson
Cc: Tom Aitchison
Subject: FW: Tram IPG action note 9 June

Dave - before you arrived at the last Tram IPG meeting I had asked for the chance to comment (belatedly) on the proposed new remit for the group. Tom agreed we should discuss this - hence the minute. I know we have not yet managed to discuss it and Tom is now on leave so I thought it would be helpful if I put my comments in writing and then hopefully we can discuss at some point.

1 I do not agree that "the Tram IPG was set up to provide Council oversight of the progress of the Edinburgh Tram project in line with the programme budget and timetable". Admittedly, I was not a member of the group to begin with but based on Tom's report of 26 October 2006, the remit of the IPG was "to ensure that there is a clear corporate understanding and oversight of the various strands of work that must be undertaken in anticipation for the February decision." The February decision referred to was the decision of Council, in February 2007, in relation to the Business Case. It appears to me that the IPG was initially set up to ensure the Business Case work was done properly. The words "oversight.....in line with budget and timetable" do not appear anywhere in the 2006 remit.

2 I suspect that the group then morphed into a longer term one which went well beyond Business Case. My understanding (based on what I was told when I was asked to join) was that the role of the IPG was to support Donald and Andrew (as it was at the time) in their role on the Tram Project Board and to ensure coordination across relevant Council departments. You will be aware that I have repeatedly asked at the IPG for a programme and budget - the reason for this was that it was becoming clearer and clearer that there were major concerns over both. I did not feel I

had sufficient information and I was less closely involved on a day to day level than other IPG members. To this day I have still never seen either a programme or a budget.

3 Turning to the proposed remit - para 3.5 of your report states that the role of the IPG is "To provide Council management scrutiny and oversight of the tram project and monitor progress against the programme timetable and budget". I believe that this is necessary but I do not feel able to perform this function based on the knowledge and information available. The key lies in the word "monitor". In my view budgets are managed and they are monitored. Budget managers have certain powers and budget monitors have certain powers. I need to know what powers the IPG has - otherwise how will we "monitor"? We already receive financial reports - these typically report projected overspends but give no detail of what the original budget was in detail, or of variations which have subsequently been made. It feels like we are looking at the 10% of the iceberg above water and not at the other 90%. Even without this detailed information, we know there is a problem with overspend - but what can the IPG do about it? And if we are serious that the IPG is responsible for doing something about it why have we got TIE? Why have a dog and bark! On the point about programme, I have seen even less information than on budget but the same point applies - we need a reference point against which to monitor and we have simply never had that.

4 To summarise - if we are serious about giving IPG a budget and programme monitoring role then I would certainly need some intensive briefing on both. We would then also need a set of rules describing what powers we have to address the inevitable overspend and delay that we see when we monitor.

Hope this conveys my concerns and happy to meet
Mark

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From: Barry Leathem
Sent: 15 June 2010 11:05
To: Ailie Wilson; Alan Coyle; Andy Conway; Barry Leathem; Dave Anderson; Donald McGougan; Dorothy Gray; Isabell Reid; Jim Inch; Mark Turley; Marshall Poulton; Nick Smith; Sheena Raeburn; Tom Aitchison; Alastair Maclean; Lynn McMath
Subject: Tram IPG action note 9 June

Please find attached the action note from last week's Tram IPG.

The next meeting of the Tram IPG is on Wednesday 7 July.

Regards
Barry

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