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**From:** Dave Anderson  
**Sent:** 24 July 2009 08:51  
**To:** Alan Coyle  
**Cc:** Andy Conway; Marshall Poulton  
**Subject:** RE: Strictly Private & Confidential - sent on behalf of David Mackay - August Council Report

**Sensitivity:** Confidential

Alan Thanks Can you also please include a reference to the likely state of readiness of Princes Street for the Winter Festivals. I am attending a meeting with Transport Scotland on Edinburgh Glasgow rail electrification this afternoon, along with Marshall, so I won't now get the chance to do a further edit. Please just circulate the revised draft to Tram IPG members, plus David Mackay and Richard Jeffrey, and say that it is still work in progress. Thanks Dave

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**From:** Alan Coyle  
**Sent:** 24 July 2009 08:28  
**To:** Dave Anderson  
**Cc:** Andy Conway  
**Subject:** RE: Strictly Private & Confidential - sent on behalf of David Mackay - August Council Report  
**Sensitivity:** Confidential

Dave

I will be editing the report today on the TEL Business Plan, I've also made some amendments based on Gordon's comments, I'll get an amended draft to you in the afternoon.

Regards

Alan Coyle | Financial Services | City Development Team | Level 2/5 Waverley Court | 4 East Market St EH8 8BG |  
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**From:** Dave Anderson  
**Sent:** 23 July 2009 19:37  
**To:** Julie Thompson

**Cc:** Tom Aitchison; Donald McGougan; Jim Inch; Alan Coyle; Marshall Poulton; Gill Lindsay  
**Subject:** RE: Strictly Private & Confidential - sent on behalf of David Mackay - August Council Report  
**Sensitivity:** Confidential

Dear David Thank you for this further note. I agree that it would make sense to get together, upon Richard's return, so that we can discuss how best to steer a sensible course that will ensure the Council can receive the information it needs to fulfil its responsibilities in accounting for the public funds allocated to the project, without running the risk of damaging the prospects of a positive outcome to commercial negotiations and dispute resolution.

Alan has been doing some further work on the draft and I'll give it another edit tomorrow so that we can circulate the latest version before the weekend. Tom has also asked me to make some reference to the likely state of readiness of Princes Street to host some events during the Edinburgh Winter Festivals. I'll be in touch with Steven to ensure that, whatever we say, can be stated with a sufficient degree of confidence.

I understand that we are facing further slippage on MUDFA works with the completion date now moving out to November. I'd welcome a brief note on this. We have received three different target completion dates in the past four months and I am getting rather concerned about the accuracy of programme forecasting, management of public expectations and impact on budget.

I will take Tom's guidance on the issue of Executive remuneration. I accept this is a sensitive issue but my recollection is that a request was made for information on this to be covered in the report. Best regards. Dave

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**From:** Julie Thompson [mailto:Julie.Thompson@tie.ltd.uk]  
**Sent:** 21 July 2009 13:18  
**To:** Dave Anderson  
**Cc:** Tom Aitchison; Donald McGougan; Jim Inch; Alan Coyle; Marshall Poulton; Gill Lindsay  
**Subject:** RE: Strictly Private & Confidential - sent on behalf of David Mackay - August Council Report  
**Importance:** High  
**Sensitivity:** Confidential

Dear Dave

Thank you for your prompt response and I look forward to reading the latest edit in due course.

Quite frankly, I thought we had again covered the contractual risk exposures at some length at the Group Leaders' meeting you and I attended on 14<sup>th</sup> July and of course that discussion followed on from a lengthy and very supportive debate and response from the Board meeting on 8<sup>th</sup> July.

Nonetheless, I do well appreciate the huge quandary we all face in light of the conflicting responsibilities we all have to bear. Can I therefore propose again that we meet on Richard's return to see if jointly we can produce a sensible and less explicit paper which will satisfy most if not all participants?

Meantime, whereas I naturally have noted your comments on "transparent governance and the clear link between pay and performance", I was certainly totally unaware that we had current failings in this vital discipline.

In any event, I feel most strongly that any reference to such matters is totally inappropriate for the August Council Report and I would like to recommend that this section is withdrawn in its entirety.

Best regards

David

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**From:** Dave Anderson [mailto:Dave.Anderson@edinburgh.gov.uk]  
**Sent:** 21 July 2009 08:35  
**To:** Julie Thompson  
**Cc:** Tom Aitchison; Donald McGougan; Jim Inch; Alan Coyle  
**Subject:** RE: Strictly Private & Confidential - sent on behalf of David Mackay  
**Sensitivity:** Confidential

David Thank you for your letter and the concerns you have expressed about the report that is due to go to Council next month. The purpose of sending you an early draft was to elicit your comments on any aspects that you would regard as too commercially sensitive to include in the report. I recognise fully that you can't be expected to negotiate in public and that the DRP process will need to be allowed to take its course.

We can certainly work on the tone and content but it would be helpful to receive specific comments on those sections of the report that you feel would compromise your position in subsequent commercial negotiations. Notwithstanding your concerns there is also a very real requirement here to explain to the Council the significant upward drift in the budget ranges that has taken place over the past few months.

In drafting the report we may be able to sensitize information but we would be failing in our duty if we do not report the current state of the programme and budget accurately. We are trying to steer a fine balance on this and the lack of reliable financial information and projections to work on is a very real cause for concern.

With regard to the question of Executive bonuses we are responding to the need for transparent governance and the establishment of a clear link between pay and performance. I acknowledge fully the hard work that tie colleagues, especially senior staff, are putting into this project, as are Council officers. However, the Council needs assurance that the arrangements in place for performance bonuses are based on well defined criteria and are appropriately linked to challenging performance targets, the more so given the current economic climate and very real pressures on public finances. I will give the report a further edit this morning and circulate the revised draft for comment later today. Best Regards. Dave

Dave Anderson  
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**From:** Julie Thompson [mailto:Julie.Thompson@tie.ltd.uk]  
**Sent:** 20 July 2009 15:23  
**To:** Dave Anderson  
**Cc:** Tom Aitchison; Donald McGougan; Jim Inch; Alan Coyle  
**Subject:** Strictly Private & Confidential - sent on behalf of David Mackay  
**Importance:** High  
**Sensitivity:** Confidential

Dave

Please find attached a copy of a letter from David which will be sent by post this evening. I've also attached his letter of 13<sup>th</sup> July and your letter of same date for ease of reference.

Regards

Julie

Julie Thompson  
PA to Chairman - David Mackay  
PA to CEO - Richard Jeffrey

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