

tie Limited - Interim Appointment of Executive Chairman

The City of Edinburgh Council

24 August 2006

Purpose of report

- 1 This report advises of the appointment of Willie Gallagher as Executive Chairman of tie Limited on an interim basis.

Main report

- 2 At its meeting on 1 June 2006, the Council approved the appointment of Willie Gallagher as Chairman of tie Limited, following the decision by Ewan Brown to stand down once the Tram Project had received Parliamentary approval.
- 3 Michael Howell subsequently left his post of Chief Executive of tie Limited and, given the very significant time commitment already being given by Mr Gallagher in his position as Chairman, I agreed that, exceptionally and for an interim period only, he should assume the dual role of Executive Chairman.
- 4 It remains my view, and it is Council policy, that, in a company of the size and importance of tie, there should be a clear separation between the roles and responsibilities of the Chairman and the Chief Executive. I had to recognise, however, that there were special circumstances in tie at the time which required the adoption of a pragmatic approach. These included:
 - the lead time which would be involved in recruiting a new Chief Executive; and
 - the critical stage which has been reached in the tram project, with the then imminent commencement of the procurement and tendering processes and the finalisation, later in the year, of the business case.
- 5 Following consultation with the political groups, I formally appointed Mr Gallagher as Executive Chairman of tie, with effect from 1 June 2006, for an interim period only. During this interim period only, in recognition of the additional and exceptional duties involved, Mr Gallagher is receiving a monthly remuneration of £8,334, instead of the normal payment applicable to his role as Chairman of tie. This position will be reviewed before Christmas

2006, at which time consideration will be given to the need to appoint a Chief Executive of **tie**.

- 6 In addition, the scrutiny role of the **tie** Board will be strengthened by the recruitment of additional non-executive directors. These positions have recently been advertised and eight applications have been received. The Recruitment Committee will submit its recommendations to the September meeting of the Council.
- 7 I am confident that Mr Gallagher is well placed to take on the additional responsibilities of the post of Executive Chairman. Over the last two months, he has demonstrated great drive and determination in his leadership of the company. I shall report again once the position has been reviewed as outlined above.


Recommendations

- 8 The Council is asked to note the appointment of Willie Gallagher as Executive Chairman of **tie** Limited and that I shall report further, following a review of the position in December 2006.



Tom Aitchison
Chief Executive

16/08/06

Appendices	None
Contact/tel	Tom Aitchison 
Wards affected	
Background Papers	Report to Council – 1 June 2006