

## TRANSPORT EDINBURGH LIMITED

(Company Number: 269639)

MINUTES of a MEETING of the BOARD  
of DIRECTORS held at Citypoint, 65  
Haymarket Terrace, EDINBURGH on  
25<sup>th</sup> July 2011.

### Present:

Vic Emery  
Bill Campbell  
Ian Craig  
Cllr Gordon Mackenzie  
Cllr Phil Wheeler  
Cllr Maggie Chapman

Steven Bell  
Alan Coyle  
Gregor Roberts  
Stuart Lockhart (minutes)

The Chairman reported that due notice of the meeting had been given and that a quorum was present. Accordingly, the Chairman declared the meeting open.

### 1. APOLOGIES

Apologies were received from David Anderson.

### 2. MINUTES

The Minutes of the Meeting held on 9<sup>th</sup> February 2011 were circulated. It was proposed and approved that the opening sentence of the minute be amended to read "The *Interim* Chairman reported that due notice of the meeting had been given and that a quorum was present. Accordingly, the *Interim* Chairman declared the meeting open".

### MATTERS ARISING

There were no actions arising.

### 3. APPOINTMENT OF DIRECTORS

- a) Gregor Roberts, Company Secretary, confirmed that the Chief Executive of the City of Edinburgh Council, Sue Bruce, had accepted the resignations of Brian Cox (12<sup>th</sup> May 2011), Kenneth Hogg (12<sup>th</sup> May), Neil Scales (12<sup>th</sup>

May), Peter Strachan (12<sup>th</sup> May), Allan Jackson (16<sup>th</sup> May) and Ian Perry (6<sup>th</sup> June).

Letters of resignation are awaited from Richard Jeffrey and Donald McGougan. **The Secretary will write to both requesting that their resignations from the Board are submitted in writing.**

- b) It was resolved that Dave Anderson be appointed as a Director of tie Limited and Edinburgh Trams Limited.

**The Secretary was instructed to arrange for the necessary forms to be completed and filed with the Registrar of Companies.**

- c) It was resolved that Karen Kelly be appointed as a Director of tie Limited and Edinburgh Trams Limited.

**The Secretary was instructed to arrange for the necessary forms to be completed and filed with the Registrar of Companies.**

#### **4. GOVERNANCE**

- a) A paper was circulated seeking approval for the assignation of the One-Ticket contract to SEStran. This was discussed and approved.
- b) A paper was circulated seeking approval for the transfer of the EARL authorised undertaker role to Transport Scotland. This was discussed and approved.

#### **5. FOR DISCUSSION**

- a) Role of Committees in the new structure: TPB, FCL and HSQE. The minutes of the last TPB need to be approved formally by the TEL Chairman. Dave Anderson is producing a Governance Structure paper for the next Council meeting on 25<sup>th</sup> August. This paper should address director's liabilities for tie and TEL and how the overall structure comes together. The FCL committee is quorate and no further action is required at this time. Ian Craig has agreed to join the HSQE committee on an interim basis until the new structure is in place.
- b) Formal approval of VR scheme – REMCOM – a paper was circulated and discussed. On 8<sup>th</sup> June tie announced that it required to reduce the size of the organisation by around 50%. tie indicated that it would seek interest through a VR scheme prior to deciding whether it required to move to a compulsory redundancy scheme. The VR process and principles had been agreed with CEC's Director of Development and Planning in advance of the announcement being made. The paper seeks approval for the VR package which contains individual packages for each employee; package of outplacement support for those leaving the organisation; and funding to enter into a compromise agreement prior to departing the company. Two compromise agreements exist with legal fees for employees provided at £300 and £1000 per person, plus VAT. Costs & funding details were provided in the paper. In summary, a maximum cost of £1.3m from this current proposed

package will deliver savings of £4.1m, net impact of -£2.8m. It is also proposed that the TEL board approves the creation of a Special Remuneration Committee to approve the package and the details of who is to be offered this package and timescales. This committee will consist of Vic Emery, Steven Bell, Dave Anderson, Susan Clark and Lynda McIlwraith. Alan Coyle has also been asked to attend.

Steven Bell confirmed that the detailed review that was undertaken has ensured that the key people are retained.

The Board is requested to:

Approve the package recommended.

Approve incurring the costs associated with this package as a formal change & agree that this is a formal funding commitment which must be regularised through the delegated authority process from TEL.

Approve the creation of the Special Remuneration Committee to approve the details of the package and approve offers of VR to be made.

It was noted that the cost of £1.3m would likely attract "negative" media coverage and scrutiny.

The paper has been explicitly agreed by CEC.

- c) Approval of the Limited Statutory Accounts. The AuditCOM normally recommends approval of the accounts to the Limited board. It was agreed that the accounts would be presented directly to the Limited Board on 10<sup>th</sup> August for "sign off". The auditors will attend this meeting.
- d) TEL Audit Committee (Deloitte Reports). The AuditCOM normally consider these reports. It was agreed that the internal auditors would present their reports, when they become available, to the FCL for review and thereafter to the TEL board.
- e) TEL's year end is 31<sup>st</sup> December and statutory accounts will need to be prepared and approved by the Board in due course.
- f) GR to confirm year end dates for TEL group companies.


## 6. FUNDING

A "letter of comfort" from CEC is required by the Board. The directors of the company have concerns as to their liabilities and exposure. Alan Coyle confirmed that this would be provided per the minutes of the FCL meeting on 19<sup>th</sup> July 2011.

## 7. ANY OTHER BUSINESS

The Chair agreed to approve the minutes of the last Tram Project Board.

There being no further business, the Chairman declared the Meeting closed.

  
Chairman