

## **The Edinburgh Tram Inquiry**

### **Witness Statement of Mr Michael Apter**

Statement taken by Andrew Fox on 11 October 2016.

My full name is Michael Apter. My date of birth is [REDACTED]. My current title is Company Director for Paper Tiger and Studio 1. My contact details are known to the Inquiry.

Statement:

1. My involvement with the Edinburgh Chamber of Commerce began when CEC introduced the Central Edinburgh Traffic Management Scheme in 2005. That scheme had a big impact on the city centre in general; however, the West End and George Street were particularly affected. I approached the Chamber with Joshua Miller and Charlie Miller. Joshua and Charlie owned salons in the West End, George Street. We managed to arrange a meeting with Graeme Birse (the Chair of the Chamber at the time) and Ron Hewitt. Following that meeting Ron Hewitt instigated a meeting with Donald Anderson, Tom Aitchison and other executive-level Councillors and CEC officials. On the back of those interactions two things happened. Firstly, Joshua Miller, Charlie Miller and I joined the Chamber. Secondly we formed the West End Association. I later became the Chair of that organisation.
2. The West End Association became involved with the Retail Policy Group. At the time we got involved it was being held under the auspices of the Edinburgh City Centre Management Company (ECCMC). That organisation was partly funded by CEC and partly funded by some of the big retailers eg

John Lewis, Marks and Spencer and Boots. At the time we became involved with ECCMC Isabella Miller was the Chair (I think she was the General Manager at John Lewis). I attended the Retail Policy Group meetings in my capacity as Chair of the West End Association. I attended with Joshua Miller (who was Vice Chair of the West End Association and on the Board of the George Street Association). The Retail Policy Group ultimately moved under the wing of the Chamber of Commerce. One of the group's purposes was very much to continue the dialogue with the tram company. Graeme Birse often chaired meetings if Isabella Miller was not available. It was through this group that the West End Association got involved with the actual ECCMC meetings.

3. ECCMC (Edinburgh City Centre Management Company) was the forerunner of what is now the Business Improvement District (BID). ECCMC was an arms-length company funded by CEC. When the Edinburgh Tram Project came into being (after the Act was passed) the ECCMC meetings were presented to by various people who discussed the project. I cannot recall whether those persons were from TIE, TEL, Transport Scotland (TS) or CEC. The initial presentations on the project concerned what the scheme was going to look like, the duration of the project and the anticipated impact of the work. The presentations were very light on detail. As the project went from post-Act to TIE being properly being formed the frequency of those meetings increased.
4. The West End Association also attended the Tram Operations Group (TOG). They were chaired by Gordon Drummond (Harvey Nicholls). They were either held in offices at House of Fraser or John Lewis. Representatives of the Edinburgh Tram Project attended those meetings alongside the Chamber, the Federation of Small Businesses (FSB) and CEC representatives. From time to time people from other established traders associations also attended.
5. The West End Association attended the Open for Business meetings. Those meetings were attended by representatives of organisations affected by the project. The meetings allowed organisations from outwith the city centre to have a voice. I recall that some of the meetings took place at Apex House

where TIE were based. The meetings also took place in other locations in the city centre. The meetings were held for retailers and hoteliers who had vested interests in the city and were being affected by the project.

6. I recall the West End Tram Construction meetings. They ran almost continuously from 2008 to 2012. They were held in the Church at the end of Shandwick Place, St Andrew's and St George's West on George Street and in a hotel premises at Haymarket. The meetings were very much focussed on businesses in the West End and Haymarket Terrace who were impacted by the actual tram works ie the MUDFA works and then the subsequent track laying works. David Anderson (CEC) originally chaired those meetings. Greg Ward (CEC) replaced David Anderson when he left CEC. The meetings were extremely tense and fractious. By the point that the meetings started there were a lot of very unhappy people. There were a lot of people who were quite happy to stand up in the meetings and be extremely obnoxious. The meetings were attended by TIE and CEC. Greg Ward was the Economic Development Director for CEC. He had colleagues in support of him but I do not recall their names. I recall Mandy Haeburn-Little (TIE) and Alf Oriel (TIE).
7. From time to time people like Alan Bowen (CEC), Alasdair Sim (TIE) and Andy Conway (CEC) attended the West End Tram Construction meetings. They talked to us about traffic management. Traffic management was a big issue both before and during the tram works. We spent an awful lot of time during the works trying to come up with solutions for the traffic management in the West End. I recall other attendees at those meetings being Mike Connelly (TIE) and Colin McLaughlin (TIE) and Steven Bell. Richard Jeffrey attended on occasion. He attended all the larger Town Hall type meetings.
8. The West End Tram Construction meetings were relatively well attended. You would sometimes have three or four dozen businesses in the church. There were a couple of really quite big 'grandstand' meetings which drew big crowds. Those meetings in particular were really hard meetings. By the time those meetings started people were very upset. People were losing their

businesses. People were seeing their turnovers halved or more during that period.

9. The City Stakeholders meetings were held by CEC. They were chaired by various people from CEC. I recall the meetings being chaired by Donald Anderson (former leader of the Council), Jenny Dawe (former leader of the Council) and Sue Bruce (Chief Executive, CEC). I recall Tom Aitchison attended some of the early meetings but I do not recall whether he chaired them. I cannot remember if it was the meetings concerning traffic management that he was involved in. It was mainly Jenny Dawe who chaired the meetings during the construction phase.
10. I attended, on behalf of the West End Association, various workshops which were run by CEC's Planning Department. One was called "*Princes Street and City Centre Public Realm*". I cannot remember all the names of the persons who attended. I certainly recall Ricardo Marini (CEC City Architect) sitting in on some of the meetings and talking about his visions for the city. Another workshop (which I don't recall the name of) was held in Overseas House. That was about planning for Princes Street. There were a couple of workshops held up at the High Street in the CEC offices about public rail works post-tram. Those were about widening pavements and all the sort of continental café nonsense that they were trying to purvey at that time.
11. During the period of construction of the project I was a regular visitor, on behalf of the West End Association, to CEC offices. Both Joshua Miller and I attended several one-to-one meetings with Donald Anderson, Tom Aitchison, Jenny Dawe, Steve Cardownie, Donald Anderson and Sue Bruce (all CEC).
12. Ultimately, I became extremely cynical about the way in which we were being treated by TIE / CEC. My initial interactions with TIE / CEC were with the best intentions in mind. I did not want the tram. I wrote to MSPs and Councillors back in 2005, as a citizen of the city, saying that the project was a waste of money and the case for the trams was flawed for a variety of different reasons. I recall, at that time, that the UK Government was actively advising

against light rail systems. In my opinion the scheme was massively over-spec for a city of Edinburgh's size. It became apparent very early on during our representations to TIE / CEC that the project was a 'done deal'. It was very clear from the outset that there was going to be very little in the way of negotiation with TIE / CEC about the project.

13. I do not recall who gave presentations to the ECCMC back in 2005 / 2006 but they were tram people employed by CEC, TEL, TS or TIE. I recall one particular presentation where we were shown a video of a machine in Germany laying down track. It looked as easy as laying down a Hornby railway. We were all left with an impression that we were going to have this amazing tram system that would come into the city with only a year or so of disruption. However, as the project geared up and the schedule of MUDFA work became apparent we were left flabbergasted by the timetable. We just could not believe that the roads were going to be closed off for such a long period of time. We could not understand the need for that kind of closure. TIE / CEC were talking about closing huge swathes of the streets in the city with no consideration for the businesses or the population or how people might transit through or across the city. There was an attempt to engage with the concerns of businesses but there were no real actions to mitigate. I recall making representations for changes and the response was usually that TIE / CEC would not do anything to mitigate the effects on the Edinburgh businesses that were affected.
14. As the project progressed the message from TIE / CEC became that it was the contractors who were at fault. That is why they ended up in a situation where they were in dispute resolution with Bilfinger Berger and Siemens (BBS). However, in my opinion fundamentally the issue was that CEC had signed contracts that were preposterous. The contracts allowed the contractors to do whatever they wanted for very long periods of time right across the geography of the city. CEC did not have a single lever they could pull on behalf of the people of Edinburgh, businesses or business rate payers. An example of this set of circumstances could be seen on Shandwick Place. The contractors had complete access rights to the entire roadway and the

pavements right up to the buildings. Therefore, in principle, they could have closed Shandwick Place for the entire duration of the tram works and not left it open to the traders. The traders had no recourse to anybody because CEC had signed a contract providing BBS with that right of access. We were trying to get concessions through TIE but TIE had to go cap in hand to BBS. The whole process for making those representations was torturous and was often a complete waste of time.

15. No one ever approached us, as traders, when the legislation and contracts for the project were drawn up. In the process of building the legislation for the tram or trying to build a mandate for the tram with the electorate or the business community, I do not remember anything coming through the front door. The Edinburgh Tram Project was presented by CEC as a foregone conclusion that would push Edinburgh into the 21<sup>st</sup> century. I do not remember anyone who made presentations on the project to the ECCMC saying anything along the lines of *“we will work with you to make sure the project is delivered efficiently.”*
16. I do not think anybody in the business or retail community in the city centre had any inkling of the disruption that was literally coming down the tracks. By the time the Act was passed and CEC had constituted TIE, the contracts had been signed with the consortium companies and they had bought 22 miles worth of track and signalling and 26 trams. The contracts effectively allowed the contractors the rights of access to the city for the duration of the works. There was no negotiation. There was no room for manoeuvre. CEC did not have a single leg to stand on.
17. I believe that the rights of full access to the streets were specified further in the Act. The Act and some of the contracts were signed off back in 2005 / 2006 without anyone really thinking through the consequences of what was going to happen. In my opinion the responsibility for that set of circumstances must sit with the CEC officials and the elected members at the time who were making those decisions. The Council leader at the time was Donald Anderson. I believe Andrew Burns was the Transport Convenor at the time. I



know Sarah Boyack MSP was the Transport Convenor in the Labour group on the Council before she went to Holyrood. I think Ricky Henderson was the Transport Convenor who replaced Andrew Burns. The CEC officers who were responsible at the time would be Tom Aitchison (Chief Executive - he signed the contracts), Donald McGougan (Director of Finance - he was culpable for some of the financial stuff) and Barry Cross (Transport Planning Manager - he was responsible for putting together projections for passenger numbers, the congestion charge and the Traffic Management Scheme). In my opinion, once that congestion charge failed, all of those people needed to stop and have a long hard look at what they were proposing. It appeared, however, that the horse had bolted following the referendum. The contracts had already been signed. At that point the project was almost unstoppable. Too much money had been spent. There was reputational damage for the city. I think at that point the plug should have been pulled.

18. I further believe that TS are culpable. I do not think they provided the right oversight for the project. Certainly there were individuals, whose names I do not know, who must have been involved in the process of developing the project and developing the legislation that went to Holyrood. Those individuals must have been setting credence in the set of numbers and projections for revenues from the tram and revenues from the congestion charge provided by TIE / CEC. They must have realised that those projected revenues would not exist.
19. I recall that there were political issues in Holyrood that led to the Edinburgh Tram Project going ahead. I believe that the Liberal Democrat and Labour groups' horse traded the go ahead for the project in return for allowing the SNP to form a minority Government. I believe that the Liberal Democrats were keen to get the borders rail project because that is where their constituency lies and that was also in the mix. I recall that Phil Wheeler (Liberal Democrat / Labour convenor for the coalition) was a very clear view that it was better to have the money spent badly in Edinburgh than spent well in Glasgow. He made that comment during a transport hustings at the Chamber post-2005. My disgust at that point was palpable. He said in that hustings he would rather

money was spent in Edinburgh than spent elsewhere in Scotland. It was just a damning thing to say. That was a parochial view on the funding. It was all about spending money without taking into account the impact of the project on the city and Scotland.

20. The initial promises from TIE / CEC about construction and duration were misleading. The project should have been reviewed at the point where the congestion charge fell away. I think Holyrood should have dealt with it better subsequent to that. In my opinion, I do not think any politician at any level in Scottish politics had any understanding of the civil engineering implications. This was the biggest civil engineering project undertaken in Edinburgh since the city built the New Town. The Forth crossing is a huge project but it is one bridge and it is not impacting the livelihoods and toing's and froing's of millions of people. I do not think any of us, ten years ago, realised what an impact the project would have on the city. Even if it had worked to project duration, it was still going to have a much bigger impact than anyone possibly appreciated. I do not think CEC / TIE / Holyrood had a grasp of what the programme was going to do.
21. In my opinion, the financial projections for the project were skewed. They were based on the premise of there being income revenue from congestion charging. When the outcome of the referendum was announced somebody should have realised that the project was trying to build something that they didn't have the resources to fund. However, too much money had been spent. Too many contracts had been signed by that point. CEC / TIE had already spent the money and signed the contracts prior to the referendum.
22. After the referendum TIE was allowed to trundle along. In my opinion I do not think they had the relevant oversight from the CEC in the first couple of years. I think that was partly because the Labour administration became a coalition administration and the trams had become a bit of a political football within the Council. I think the calibre of the individuals who were placed on the Board of TIE from CEC was woeful. Phil Wheeler was not competent. He did not have the required personal experience and knowledge to sit on the Board of a



massive civil engineering project. He was followed on by Gordon Mackenzie. I am sure he is a charming man but he was a social worker not an engineer. I do not believe that there was the requisite quality and calibre of people provided by the Council to give oversight on the TIE Board. In my view, they were just not up to the job.

23. Following Tom Aitcheson's' (Chief Executive, CEC) and Andrew Holmes' (Director of Finance) retirement and the Council election I do not think that the people who were left (both in terms of Councillors and officers) had the same level of buy-in into the project. I do not think there was anyone at CEC post-2005 who had any real passion or buy-in for the project. There was an attitude at CEC that if the project fell down it was not the fault of the people who were there. There was no continuity amongst elected members or officials. I think, at that point, TS should have been waving a big red flag highlighting the problems. However, they just kept signing the cheques.
24. TIE did not deliver in the timeframes they said they would deliver. They were unable to meet the milestones set out in the project's business plan. The release of TS funds was contingent upon TIE meeting those milestones. TIE did not meet those milestones but TS continued to let them have the money. I think there was an oversight issue there from TS. In my opinion there are individual civil servants within the Scottish Government who are culpable of not making the elected officials (MSPs) aware of the repercussions of not meeting those milestones. I believe that TS were either washing their hands of the project or they were not making the right representations to the elected members. The alternative view would be that SNP MSP's chose to allow a "Labour" project to fail, irrespective of the ultimate cost to the, government, the city council, and tax payers in the city. Following the election of the minority SNP administration they continued to give the money out. I do not think there is a single party that came out well from that point onwards. I think the political atmosphere meant that no one cared. The politicians that were involved in TIE did not care and / or were not good enough.

25. TS did not provide appropriate oversight. The absence of that oversight meant that it was all left on the shoulders of the Board and Directors and Chairman of TIE (that in itself was a rotating cast). From one day to the next people were coming and going with varying degrees of success. There were very competent people working within TIE who were working to do their very best to deliver the project. There were individuals who were Edinburgh people who were sensitive to our needs as businesses. Those persons made an effort to understand what Edinburgh needed. However, for every one of them there were ten others who just could not care less. They just wanted to get their money and disappear. They were happy to hide behind whatever they needed to hide behind. That attitude could be seen from Chair and Chief Executive level right down through to the people who were, allegedly, undertaking business liaison on the street.
26. From about the middle of 2007 onwards the morale in TIE was woeful. I recall the meetings that were held at TIE's headquarters. The security to get into those meetings told you everything you needed to know. I think there was a siege mentality. TIE were really up against it. They were all having a very hard time doing their jobs. There were some very decent people who were trying their best in very trying circumstances. However, from the middle of 2007 onwards, with the best intentions in the world, TIE were never going to redeem what was, clearly, a project that was running out of control.
27. I had very little interaction directly with the contractors. Their exposure to the stakeholders was very carefully managed. I did meet a representative from Bilfinger Berger called Peter Widdowson on maybe three separate occasions. He attended the high level meetings. They never sent anyone, to the best of my recollection, to any of the more local meetings. I never met anyone from Siemens or from CAF. In reality Bilfinger Berger viewed themselves as the persons doing the work on the ground. Their client was TIE and they would not speak to anyone else.
28. Initially the information provided to businesses and traders by TIE was all sweetness, sunshine and rainbows. TIE were saying that everything was

going to be wonderful. Later, when they started hitting issues with the MUDFA work, they started to move into more defensive language. That hacked off the businesses. People started to lose their businesses or were pinning the blame for losing their businesses on the tram works. 2008 was a tricky year for retail and business but the tram works exacerbated those conditions in Edinburgh. Eventually it got to the point where TIE were not really providing anything beyond the most basic of explanations. The level of information became “*work in progress*” with virtually no other information. Trying to get times and dates for when things were going to be completed was extremely difficult. We were always having to ask what was happening on the ground. Occasionally you would get a little win, eg getting a gap in the hoardings so people could cross the road. There were little bits of movement there but fundamentally the contractor had the city exactly where it needed it.

29. The time envelope that had been provided to the contractor was enormous. The contractor would often state that a section was a ten month piece of work. They would then put the fences up at the start of that ten months and proceed to only work within that period for three months. Quite often the closed of area around Shandwick Place would be full of contractors’ cars and my customers could not get to the street to park on the Council meter bays. The guys who were digging the holes were parking for free in the city centre every day.
30. There was an absolute lack of empathy or understanding for what was happening in the city. The contractors did not need to show empathy because their contract gave them free reign. There was no compunction on them to deliver the work any faster than they said they would. In my opinion, the contracts were flawed from the outset. That is the fault of Transport Scotland who should have had the oversight and expertise at this level. There should have been all sorts of incentives for the contractors to get in, get it done and get out the city as quickly as possible. As far as I am aware none of that existed.
31. TIE had dedicated people who liaised with businesses and traders. They would come and see you. They attended and organised meetings. All that

happened but whether or not there was actually anything useful or interesting TIE could tell us was a different matter. TIE certainly had people on the ground who were there. Whether they could actually do anything was another matter entirely. Sometimes the contractors did not have any one on the ground at all. Even getting them to keep the site clear was a constant battle.

32. I met Willie Gallagher on a few occasions during the initial period of the works. He left during the MUDFA works. I think he left because of the MUDFA works. It was apparent at that point that the project was going to fall behind and that the scope of the project had not been properly assessed.
33. The initial scoping exercise to find out what was under the streets in advance of the MUDFA works was clearly not done properly or effectively. I do not think that surveys were undertaken correctly. I recall that during MUDFA works the contractor found an air raid shelter at Haymarket Terrace. How can you miss an air raid shelter under the ground at the junction? They missed all of the old tram cables on Leith Walk. The fact that these big structures were missed tells me that that job was not done properly from the outset. I do not know who was responsible for that. I do not know if that was a consortium job or whether that was TIE's responsibility. However, the lack of detailed surveys has to be one of the key flaws in the programme.
34. When TIE / CEC realised that the MUDFA scoping exercise had not been done properly there should have been a pause in project to assess what the work was going to entail before they moved into the construction phase. That was the point where all the delays began and the timeframe went out the window.
35. Willie Gallagher was replaced by Richard Jeffrey. Richard met the West End Association in my company's premises. He came out to see lots of people. He was a very 'can do' type of person but, really, he was placed in an absolutely impossible position when he was appointed. By the time Willie Gallagher resigned and Vic Emery was the Chair people in the project were realising that it was not going to get delivered in anything approaching the manner it

was originally planned. At that point the enormity of the problems that were being faced were coming home to roost. Lots of people left TIE and the people that remained were either doing it because they felt obligated to or because they did not have another job to go to.

36. During the early stages of the project we had nothing to compare the information we were receiving from TIE / CEC against. We were therefore not able to check the veracity of the information. If CEC officials / tram company officials are presenting to a forum with business stakeholders I think it is a fair presumption that they are telling you something which bears some resemblance to what will actually happen. In hindsight, we were being sold a vision that was at odds with what the reality of the project was.
37. I recall the UK Government had said that light rail in city centres was not a sensible thing to do. However, CEC and the Scottish Government at the time and Holyrood, for better or worse, decided that it was an appropriate thing to deliver in a city like Edinburgh. There was quite a lot of detail in specialist press about other types of tram systems that could have been used in Edinburgh and had been presented to individuals such as Alistair Darling.
38. In 2006 TIE / CEC were looking at a three to four year project. I think that they were either completely unaware how disruptive the project was going to be or the people who were involved in the project did not understand what they were delivering. Either way that was a failing on the part of TIE / CEC. In 2006 we were all led to believe that we were getting a project that would be delivered within a fairly tight timeframe. We were led to believe that the project would not be massively disruptive to the city. I have already mentioned the video we were shown which showed the track being laid. That video talked about laying 400 metres of track in a couple of weeks. On the back of the video I thought that they could have Princes Street done, even worst case scenario, in six months. Ultimately, Princes Street was essentially shut for three years because of the MUDFA work and then the two bites at laying the tracks. It was the same in Shandwick Place. The MUDFA work then went on and on. Then they came and laid the tracks and they cracked most of the

concrete rail supports that had already been set in concrete. They had to come back and drill the entire thing up for months and months.

39. Sue Bruce ultimately came in to replace Tom Aitchison as Chief Executive of CEC. At the time she came in Jenny Dawe was the Council leader. I think Sue Bruce realised very quickly what she had let herself in for. To this day I do not think Jenny Dawe has got any appreciation of how poorly she handled the entire project. I just do not think she had any real grasp of how badly it had gone wrong. I remember sitting in meetings at CEC where Jenny Dawe would sit and say her piece about where the project was up to and what was happening. I recall that what she was saying bore no resemblance to what was actually happening on the ground (which was very little by that point).
  
40. I think CEC originally took an antagonistic approach to the dispute with the contractors. That approach seemed to be following the appointment of Richard Jeffrey. It was my impression that Richard Jeffrey had been sent in to try and knock heads together. That is when it became apparent that the contracts that had been signed left no room for manoeuvre. That was when it became apparent to CEC that they had no scope at all. From that point onwards it was all a case of damage limitation. Sue Bruce realised what needed to be done and that CEC had to salvage something from the money they had left. I think the Councillors, however, were still thinking about their reputations in the next round of the ballot box. I recall that they were saying things in the media that bore no resemblance to what was happening in the negotiations with the contractors. By that point a lot of people in the business community resigned themselves that the project was just a complete disaster. We were fairly clear from meetings with TIE about where they were up to but I do not think the Councillors were prepared to accept what was actually happening on the ground. They were all still trying to grandstand, trying to make political capital out of the project or trying to salvage their political reputations. That was their focus rather than trying to deliver something. People like Jenny Dawe and Gordon Mackenzie were voted out because of their incompetent handling of the project.



41. Whether the project was right for Edinburgh or not was completely irrelevant to the contractors. The city of Edinburgh was irrelevant to them as long as they get their £600m worth of cheques. However, I think latterly they were attracting international criticism for the way they had handled the project. Bilfinger Berger in particular had a track record of screwing up civils in cities right across the globe. The situation was different with CAF (because they had delivered the trams four years earlier) and Siemens (who had already delivered and been paid for the kit). Bilfinger Berger were the last part of the consortium still active in the city. It was my impression pre-Mar Hall that Bilfinger Berger were really keen to get out of the project. Post-Mar Hall Peter Widdowson from Bilfinger Berger became more visible. There was a little bit more willingness to put their face in front of other groups of people rather than just talking straight to TIE / CEC. Bilfinger Berger did make an effort to deliver the project post-Mar Hall. They were a bit more amenable to moving fences for example. Sue Bruce was the catalyst for making all that happen. Post Sue Bruce arriving, it was all about just getting it sorted. I do not think that Mar Hall was the best resolution but at least something was delivered.
42. The effect of the Edinburgh Tram Project on my business was significant. Our trading was anything between 20% and 50% down in our stores. On average our trading was 20 to 25% down across our shops on Stafford Street (Paper Tiger and in Studio 1). The impact of that is, clearly, we made a loss in those years. It was only because we had traded for such a long time that we were able to carry that loss. The other reason that we were able to survive was because the buildings that we trade from are owned by a landlord who is involved in the business. That meant that we were able to get reduced rents. That was another way in which we were able to keep trading and keep most of our staff employed. We did not make anyone redundant during that period, however, we did not recruit anybody and we did not expand. We lost a lot of momentum in that period. The profit that would have been allocated to either expand into other locations or to build a better web platform for our online trading was not there. We were not able to invest in properties in terms of shop fittings and things like that. That was the immediate impact during those periods of time when the MUDFA works and the track laying was taking place.

43. Over a longer period the West End has been fundamentally damaged because of the way in which the road layout now works, the way in which bus stops have been moved and the way in which the tram was given priority over other vehicles. The West End used to be a permeable part of town in terms of traffic. You could approach it from north, south, east or west. The tramline running through Shandwick Place has removed every single access point other than from the north. We have got a sister business in Morningside that sells furniture and we know that during the tram works, and subsequent to the tram works, the proportion of custom that came from north Edinburgh has dropped significantly. There are lots of different reasons why the nature of business changed over the decade of the tram work and post-trams, however, I would argue that north / south traffic through the city has been fundamentally changed and channelled in different ways as a result of the trams. An example of this in particular is when I want to transfer stock from the shop in Stafford Street to Lothian Road. Ten years ago I would be able to go round the block, travel along Shandwick Place, turn right up Lothian Road, park outside the shop, drop the stock off and drive back down Lothian Road, turn left at Shandwick Place, turn right into Stafford Street and park back up again. That was an easy way of doing things. Now I have got to drive around Haymarket or around Charlotte Square, there are many more traffic lights and different priorities. What used to be a very short journey now can take anything up to ten or fifteen minutes because you have to wait for trams to come through and there are more sets of traffic lights involved. That is one tiny example but these impacts affect thousands of people and it multiplies out by thousands of journeys annually. I believe that in many cases they just do not happen any more and that visits to the city centre from suburban residents have dropped significantly.
44. I once asked for the occupancy information on the meter bays in the west end post-tram works. I know that the occupancy on Melville Street and Stafford Street is down compared to what it was pre-trams. Again, there are lots of other reasons that might be the case but fundamentally access to the west end has been obstructed by the tram and by the fact that, for effectively five

years, there was no access to the West End. It is my view that the Edinburgh Tram Project has changed peoples' shopping habits and changed the way that they access the city centre.

45. The works were dirty, noisy and disruptive. Pedestrian access and public transport all but vanished from the west end. Shandwick Place used to be a really busy interchange. It is not as busy as it used to be. When the tram works were taking place there was nobody there at all. Pedestrian access to the west end was compromised quite dramatically during that period. We had a couple of attempted break-ins because the area was dark and unsecured. One of the police officers that came out told us that the lack of access meant it was not easy for police cars to get into the area. He informed me that foot patrols had been reduced in the area on the back of the disruption. That resulted in security issues during that period. It was quite intimidating to leave our premises and there not to be anyone around at night.
46. In the winter there was a constant battle with the contractors to keep their sites clean and tidy. It was really unpleasant at the time. I have been in retail for 30 odd years and that was by far and away the most disruptive period I have ever worked in. I hope I never have to endure anything like that ever again. I have worked in shops that operated in Manchester city centre that were affected when the IRA bomb went off. The company that I worked for at that time was impacted by the bomb on Market Street and I had close colleagues who had to manage the impact. The disruption we suffered in the west end was on that sort of level.
47. The Edinburgh Tram Project has ultimately cost the city £1bn in costs and interest repayments. The opportunities and income lost to the city during that period is incalculable. Edinburgh fell out of the retail top 20 during the period of the project. People were just not accessing and using the city centre.
48. The Edinburgh Tram Project also had an effect on festival activity in the north and the west of the city. George Street used to be the hub of the festival. During the tram works it became inaccessible. The Fringe was one of the

stakeholders involved in some of the meetings I attended. They were concerned about the project's impact during the festival months. If you look at the map of festival venues now it has all moved to the south and south east side of the city centre into the old town. During the tram works that was the part of the town that was not disrupted by anything that was happening in the city. You could still get around that part of town without having to get funnelled down narrow little corridors alongside JCBs and everything else. In my opinion there has been a fundamental long-term change as to how the city operates. There has been an effect in terms of footfall for my businesses in the West End. We do not get the visitor traffic that we used to get.

49. In the early days and in the latter days of the project there were individuals in TIE and CEC who were doing their best to deliver in very trying circumstances. At the outset the message from TIE / CEC representatives was that they knew what they were doing and there were professionals who could deal with the problems. That message changed when the project started to disintegrate. The people who had been making those sorts of pronouncements disappeared and the people who came in were far more conciliatory towards the concerns that we had. They tried to address them in the context of the contracts that they were working against with contractors. There were people in TIE in the early days who were obnoxious, rude, dismissive, threatening and intimidating. I don't want to name names. It got to the point where it is almost pointless to make a complaint or ask for things to happen. You just knew from that you would be banging your head off a wall and nothing was going to change.
50. I recall that there was a sum of money set aside for Open for Business. However, that sum was pitiful in the context of the size of the project – just £2m out of the budget. CEC tried to do some things to bring more people into the city. One of those initiatives was the festivities that Edinburgh puts on during Christmas. The events at St Andrew Square and the big wheel came from the TIE / Chamber projects that were being delivered during the tram works.

51. The west end bid was one of the things that we did during the tram works. One of the prime reasons I wanted to be involved in the tram stuff was that I felt that it was an opportunity, if we were still going to be trading at the end of it, to have something to show for it. Delivering the west end bid was my, sort of, my last act in the context of dealing with local politics.
52. Paper Tiger was not eligible for the Business Compensation Package because our rateable value was over the threshold. From recollection I think the threshold was £30,000 rateable value. Studio 1, however, had a lower rateable value because it is a basement shop. I recall we received a handwritten cheque for £4,000. It was passed to us in a brown envelope by persons unknown from TIE. They just handed it over the counter to a member of staff. I know for a fact that also happened with other traders on Leith Walk and around Haymarket. The original compensation scheme was for businesses that faced onto the track. Joshua Miller and I went to CEC and TIE in the early days and highlighted that the project was going to have as much of an impact on businesses on Queensferry Street, Stafford Street and William Street as the businesses on Shandwick Place. Graeme Birse from the Chamber was really helpful. We got CEC to extend the scheme to us along our part of the west end and also for traders on Constitution Street in Leith. Basing the compensation scheme on rateable value was a nonsense. I recall there were tiny little shops on William Street who were getting a cheque for £4,000. For some of them that represented half their annual profit. However, there were businesses turning over hundreds of thousands of pounds a year who suddenly saw their turnover drop significantly. For some, the £4,000 did not even cover a week's turnover. The scheme was preposterous. In hindsight, they should not have been issuing cheques to individual businesses. The scheme was very badly administered, it was very poorly delivered and it was completely arbitrary.
53. There was not any rates relief for Paper Tiger or Studio 1. We tried and tried but the Lothian Valuation Joint Board Assessor would not put rates relief in place. I made representations at Holyrood to John Swinney alongside Graham Birse. Mr Swinney "was not minded" to help. Rates relief was only for

businesses facing the tram works. In any course, in my opinion the only rates relief that would have been worthwhile would have been 100% relief. The absence of rates relief was part of the complete lack of consideration that there was surrounding the impact on businesses.

54. I think there are issues around how CEC managed the Open for Business. There were issues surrounding where that money went, who was responsible for it and how it was allocated. We were passively involved in some of that project. I recall that some organisations did do very well from it. Advertising and marketing agencies were brought in as consultants. From our perspective those agencies did not appear to have a mandate to do that from any elected officials. Those agencies earned a lot of money from CEC. That left a lot of people very hacked off.
  
55. I would hope that when the Inquiry's report is delivered it identifies the decision-making failings that crept into the system and the project. I hope that the report discusses whether CEC officers had effective scrutiny from Councillors when they created the project. My impression of the Edinburgh Tram Project was that it became a hobby horse for CEC's transport, planning department and economic development departments, lead in part by individuals like Professor David Begg. I believe that the project was only later latched on to by Councillors. In my opinion, there was no third party oversight of the project. I think that is where TS failed. There were enough red warning lights flashing. In my opinion, TS should have intervened when the congestion charge failed. It should have been recognised that that failure compromised the business case. TS also failed to provide oversight for the contracts.
  
56. The tram project has been catastrophic for the city politics. It has damaged the relationship that CEC has with the electorate. Trust in the politicians of the city has been utterly broken. Whatever the report delivers it needs to make elected officials think long and hard about what they are doing when they make decisions about the things they are introducing into the city.



57. In my opinion there was an issue with the calibre of people in the city working or representing the electorate on the project. That led to poor decision making from the elected officials and the officers in CEC. There were too many agencies involved in making decisions. Not one authority or stakeholder had an overall mandate to wholly make the decisions and carry the whole can. CEC and TS both funded the project but neither of them actually had a power of veto. There was not one single organisation that had accountability. There was a lack of oversight on CEC's part over TIE in every step of the process.
58. There was a democratic deficit that resulted in the people of Edinburgh not being listened to. That all started following the referendum the when people in Edinburgh said they did not want a congestion charge. That is when elected members should have gone back to their constituents and offered other options.

I confirm that the facts to which I attest in this witness statement, consisting of this and the preceding five pages are within my direct knowledge and are true. Where they are based on information provided to me others, I confirm that they are true to the best of my knowledge, information and belief.

Witness signature

A solid black rectangular box used to redact the signature of the witness.

Date of signing 19/11/16