

WITNESS NOTE – Mike Connelly

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INTRODUCTION

Role and Responsibilities

1. Prior to joining TIE, and by way of overview:

a) What were your main qualifications and vocational experience?

My immediate role was Head of Improving the Patient Experience at Guy's & St Thomas' NHS Foundation Trust. During the construction of the new Evelina Children's Hospital I was responsible for engagement with patients, parents and carers in relation to the physical design of the hospital and in consultation with staff on the same but within the narrative of 'a hospital that didn't look like or feel like a hospital'.

Before this I was Head of Stakeholder Engagement in Scotland with the Strategic Rail Authority.

b) What was your experience of dealing with stakeholders in major infrastructure projects prior to your involvement with the Edinburgh Trams Project? What was your experience of utilities and civil engineering works? What was your experience of dealing with the public and dealing with businesses?

In Scotland I was the SRA representative to lead on all stakeholder engagement on national and Scottish rail matters including infrastructure investment. One of my main priorities was to engage with Scottish Government with the new devolved powers on rail matters and support a smooth transition. I had no practical knowledge of having worked on major infrastructure projects or utility and civil engineering works. However, as a former Mechanical Engineer with British Steel I had some degree of insight into engineering project but as I say not at a civil engineering perspective.

When dealing with the public and while at the SRA I attended many rail passenger forums across the breadth of Scotland which exposed me to a variety of stakeholder methods for providing feedback on matters relevant to themselves and how I had to be adept at managing anger and outrage.

2. In respect of your employment with TIE:

- a) Between what dates did you work for TIE? What was your job title? What were your main duties and responsibilities? Did these change over time (and, if so, when, in what way and why)?

August 2006 and August 2011.

Head of Public Affairs

My primary duties were to lead on all matters relating to public communication and engagement post-tram business case through to construction delivery.

My duties changed at the point when Colin McLauchlan Director of HR and Communications left the business and was replaced by Mandy Haeburn-Little. I believe that this was about 12 months before my departure. During the latter part I tended to focus more time on two areas of managing tie's responsibility under the Freedom of Information (Scotland) Act and working closely with the Scottish Information Commissioner's team to ensure that we were fulfilling our obligations and managing political affairs.

- b) To whom did you report and who reported to you?

On commencing my employment I reported to Colin McLauchlan and then Mandy Haeburn-Little.

- c) Approximately how many individuals were in TIE's Stakeholder Relations team? How was the team structured?

I think there were around nine employees in the team and I supervised these during the time when Colin McLauchlin was Director. That changed when Mandy Haeburn-Little commenced where she took on more personal day to day involvement in managing the team.

- d) What committees and groups etc did you regularly attend? What was the role of these committees and groups etc? What was your role on them?

Apologies, but the memory is not so good but I did create a business community group as part of the project delivery which met probably every month and this was to provide the most up to date and advanced information of the project's progress to date which became more intense as we entered construction.

I attended the Scottish Parliament's Tram Committee as well as a whole host of local trader associations scattered across the line of works which included the new Leith Walk Traders Association founded on the back of MUDFA works of Leith Walk and Constitution Street. My role was to facilitate the former and on the latter to represent the tram project.

THE TRAM PROJECT – OVERVIEW

It would be helpful if you could provide an overview of the matters in this section.

In answering the more detailed questions later in this note please, of course, feel free to refer back to your answers in this section if you consider that they adequately answer the more detailed questions that follow.

Stakeholder Management and Communications

3. By way of overview:

- a) Who were the main stakeholders you required to manage and communicate with? Were these stakeholders mainly residents and businesses or did they also include other stakeholders such as (i) the other bodies responsible for the project (i.e. CEC, TEL, Transport Scotland), (ii) local and national politicians, (iii) third parties (e.g. Statutory Utility Companies, Forth Ports, Network Rail and BAA etc) and (iv) the media etc?

It was mainly residents, businesses and local MSPs and Councillors along with dovetailing my work with CEC's communications and transport teams. I was in communication with Damian Sharpe and John Ramsay at TS.

- b) What were the main components of the stakeholder management and communications strategy for each of the main groups of stakeholders you were responsible for?

From the documents that you have made available to me I see that the stakeholder management and communications strategy was a part of these documents.

- c) What were the main steps taken to ensure good communication with stakeholders? Can you give examples?

When I commenced my employment with tie Ltd it was my early perception that the existing communications engagement was very much in the mode of still selling the project to the City and it did seem that there was very little preparedness for the commencement of the utility diversion. This type of communication required a different skill set from that which existed and I understand that this was one of the reasons why I was employed. As part of an environmental audit it seemed to me that more energy of the staff employed was focussed on communication with stakeholders and members of the public who were resistant to the tram project rather than communication on building the project. I attended evening public meetings all over Edinburgh and on occasions outside of Edinburgh and gave presentations to a long list of groups and organisations. These included:

The 41 Club

Edinburgh Chamber of Commerce
Institute of Engineering & Technology
Institute of Highways and Transportation
Institute of Logistics and Transport
Leith Walk Traders Association
Peer Review Presentation
IRSE
City Region Conference
Soroptomist International
Edinburgh South Central Neighbourhood Partnership
STUC
Tramways and Urban Transport
UK Parliamentary All Party Light Rail Committee
UK Rail journalists
Napier University
Rail/Air Conference
Cockburn Association
Edinburgh Tourism Action Group
FSB
Leith Chamber of Commerce
Scottish Labour Conference – Dragon’s Den
SNP Conference – Dragon’s Den
Scottish Lib Dem Conference - Dragon’s Den
Scottish Conservatives – Dragon’s Den
Friends of Corstorphine Hill
Fife Council officers’ away day
Holy Cross Primary School
Spokes
Scottish Association of Public Transport
Leith Rotary Club
Fife Rotary Club
Incorporation of Hammermen
Scottish CBI
Corstorphine Probus Club
Ex-Royal Mail Executives Group (David Mackay’s brother)
Fayre Womens’ Group in Tolcross
Moray House Teacher’s Training Centre
Consortium of European Building Control
Sciennes Primary School
Women’s Engineering Society
Edinburgh Pentlands Tangent
Friends of the Roseburn Wildlife Corridor

The team produced regular customer information leaflets that were widely distributed to affected businesses and households well in advance of tram works or utility diversions. I kept in touch with other light rail projects and operating systems regarding their customer and stakeholder communications methods which included Nottingham and Croydon Tram and even the Canada Line.

A far as I can remember we never received any complaints regarding inadequate notification of impending works. That being said the team were often exposed to verbal abuse from stakeholders both on the telephone and face to face. On one occasion I was literally thrown out of a trader's shop on Leith Walk for trying to do my job.

- d) What steps were taken to obtain the views of stakeholders and feed those views into decision making?

Prior to major utility diversions or tram works I developed a series of stakeholder surgeries that were held in key locations across the line of the tram route.

At these surgeries we put on display all of the construction maps, road diversions, etc., and had in attendance representation from the Council, CEC and contractors.

On occasions we were able to minimise impact through modest changes as part of this consultation process.

- e) What were the main difficulties you faced in communicating with and managing stakeholders?

Most of them thought they could still stop the project from happening despite it being approved. There was also a lot of anger about the impact utility and tram works would have on their businesses with many fearing closure. The reality is that with one or two exceptions most businesses didn't close and those that did were on the verge of closure long before the tram works started.

- f) What steps were taken to address these difficulties?

I was responsible for managing the £2m Small Business Support Scheme and for negotiating with the Lothian Assessor a Business Rates Reduction Scheme.

- g) Were these steps successful (and, if not, why not)?

As I said in (e) above most businesses are still surviving post-tram works.

Design

4. There were difficulties and delays in progressing and completing the design for the tram project.

- a) As Stakeholder Relations Manager, did you have any involvement in or knowledge of the design process?

I have pasted below a report produced by myself on the design consultation phase:

Summary:

As part of the process of the consultation methodology used in the public meetings for the tram route design it was decided that as part of the programme it was important to carry out an independent review of the process and methodology. This has been done against a background of the early development of Community Liaison Groups (CLGs) where these groups were asked what would be the best methodology and process to seek the views of two groups:

1. Frontagers
2. Wider Public

The evaluation work is based on questionnaires which were given to all members of the public who attended the final route design exhibitions held in June 2008. Focus groups are also being used and these are not due for completion until mid-September 2008 when a full report will be produced.

This Interim Report is not for wider circulation.

Report so far.....

Between Sept '06 & May '08 thirty-eight consultation events were held over 22 separate geographical locations

There were eight final presentation

130,000 invitations were sent to householders and businesses

Slightly over 1% of invitees attended

Analysis of the design consultation – your contribution

One in five (20%) felt that they had been given an opportunity to contribute.

56% did not feel that they had been given an opportunity to comment.

24% did not state a response

Note: For two thirds of the sample (404) this was their first meeting and they had been invited to previous meetings.

Analysis of the design consultation – rating of staff

70% thought that staff were very good or good in terms of helpfulness.

74% described them as good or very good in terms of their availability.

56% rated staff as good or very good in relation to their understanding of their needs.

65% thought staff very good or good in their understanding of the project.

56% rated staff as very good or good in response time.

Analysis of the design consultation – how well were you informed?

	Fairly or well informed	Fairly or very poorly informed
Tram route	86%	5%
Noise impact	32%	29%
Impact of stops and platforms	48%	18%
Effect on traffic movement	39%	27%
Effect on parking	26%	32%
Effect on pedestrians	35%	25%
Impact on access to businesses	26%	29%
Overall project timetable	48%	17%
Benefits of tram to travel	46%	17%
MUDFA	41%	41%

Analysis of the design consultation – attitude to the project

Of those attending the final design meeting and responding to the survey:

81% agreed that trams are a clean form of transport with only 5% disagreeing

36% agreed that trams will encourage car drivers to switch and 44% disagreed.

31% agreed that Edinburgh had remained accessible during construction and 53% disagreed.

Key issues from the consultation

Newhaven to Foot of the Walk

Loss of parking in Constitution Street

Position of tram stops

General traffic movement/displaced traffic

Amount of traffic sharing road space with trams

Lack of cycle lanes

Foot of the Walk to Picardy Place

Parking/loading/unloading

Effect on traffic at Picardy Place

Wheel squeal/noise/vibration

Safe cycling

Integration of tram and bus to optimise road space

Picardy Place to Haymarket

Pedestrians/traffic movements and congestion

Noise levels

Provision for cyclists

Diversionsary routes

Location and number of tram stops

Roseburn to Crewe Toll

Noise and vibration

Privacy

Vegetation

Safety

Light pollution

Parking

Integration of pedestrians/cyclists

Alternative cycle route

Crewe Toll to Granton

No outstanding issues

Baird Drive

No outstanding issues

Haymarket to Edinburgh Park

Carrick Knowe bridge and its impact

Noise and vibration

Loss of privacy

Removal of vegetation

Proximity of tram to residential properties

Airport

East of access to trams/tram stops

Priorities in traffic/traffic signals

Position of tram stops

Integration with buses

Prepared by:

Mike Connelly Stakeholder Relations Manager on 1st September 2008

- b) To the extent within your knowledge, what was your understanding of the main difficulties and delays in carrying out the design work and the main reasons for these difficulties and delays?

The reality was that Edinburgh is a historic City and it is extremely difficult to balance that with the introduction of a light rail system. However, there were plenty of examples where this was done around the world with similar challenges so it was not going to be impossible in Edinburgh.

The blight on the historic city was Princes Street crammed with buses nose to tail not what future the Edinburgh tram would bring.

- c) What steps were taken to address difficulties and delays in progressing and completing the design for the tram project?

I'm not sure.

- d) Were these steps successful (and, if not, why not)?

As in C above.

Utilities

5. TIE entered into the MUDFA contract in October 2006. Utilities diversion works commenced in July 2007 and were due to be completed by the end of 2008, prior to the commencement of the main infrastructure works.

There were difficulties and delays in progressing and completing the utilities diversion works. By way of overview:

- a) What was your involvement in, and knowledge of, the utility diversion works?

I had to develop the customer and stakeholder communications strategy in line with these works and with that in mind I recruited new people to the team that had experience of customer communications during major gas and rail diversions.

- b) To the extent within your knowledge, what was your understanding of the main difficulties and delays in carrying out the utilities works and the main reasons for these difficulties and delays?

I was not too close to the engineering part of the complexity but as I understand it and I could be wrong here but I do believe that there were issues around the adequacy of existing utility drawings supplied by utility companies. This translated into inadequate understanding of what was underground meaning that other methods had to be used. I am not sure if this impacted on costs in any way. For example, when the ground was

opened there were instances where much redundant pipe work was discovered which had been left behind by previous utility work. On one occasion I remember team bursting a main water main nearby Princes Street and it appeared that Scottish Water didn't know immediately where they could turn off the water.

Traffic diversions and subsequent parking restrictions were a constant issue and I do believe that this caused much friction with traders with utility workers being in receipt of lots of abuse from traders, etc. At one point the City Council installed temporary traffic measures on Leith Walk with new yellow line parking restrictions for the traders to take direct action and paint over the yellow lines with black paint.

- c) What steps were taken to address these difficulties?

I do believe that the remainder of the incomplete utility diversions were novated to the Infraco contract.

- d) Were these steps successful (and, if not, why not)?

I have no idea but I suspect not hence the reason for the contractual dispute with Bilfinger Berger/Siemens.

- e) What difficulties did the difficulties and delays in carrying out the utility diversion works cause you in your role as Stakeholder Relations Manager?

Major headaches for the team when trying to explain these away and as the person leading the team I suffered a loss of credibility in the eyes of stakeholders which led to bigger problems later on in the project.

Infrastructure Works

6. There were difficulties and delays in carrying out the infrastructure works. By way of overview:

- a) What was your involvement in, and knowledge of, the infrastructure works?

My involvement was the same as that in the MUDFA works.

- b) To the extent within your knowledge, what was your understanding of the main delays and difficulties in carrying out the infrastructure works and the main reasons for these difficulties and delays?

Constant contractual disputes.

- c) What steps were taken to address these difficulties and delays?

From a customer and business perspective I think it's worthy of mention of the work my team done in the Princes Street Logistics Programme. As far as I'm aware this had never been done in any other tram project which effectively meant we managed the deliveries for all traders along Princes

Street and certain side streets. This was a huge success to the point that traders asked the City Council if this could be a permanent feature. This project went a long way in building a good relationship traders.

- d) Were these steps successful and, if not, why not?

Some and some not so.

- e) What difficulties did the difficulties and delays in carrying out the infrastructure works cause you in your role as Stakeholder Relations Manager?

Further damage to my reputation especially when it became obvious to me that I was being given drawings to explain to traders when at times 'I think' these were inaccurate.

From a private tip off I was made to understand that a representative from the Federation of Small Businesses Edinburgh Branch announced at a business dinner that I had been fired by tie Ltd and was to be replaced by that said individual. I was later told that this was not true however as it happens the said individual did eventually get employed by the project.

Consequences on Stakeholders

7. In relation to the consequences of the various difficulties and delays in the tram project:

- a) What were the consequences for each of the main stakeholders of the difficulties and delays in the tram project?

I think there was a genuine hardship to stakeholders as a consequence of the MUDFA and Infraco works. However, this is what comes from building a light rail project of this size. I do not think that my team and me personally could have done any more communication with stakeholders.

- b) What steps were taken to avoid or mitigate these consequences?

A Customer Interaction Cycle was develop as our guide to good and timely communications with stakeholders.

Regular meetings.

Out of Hours helpline.

Logistics Programme.

Walking the street.

Edinburgh's Open for Business Marketing Strategy

Customer signage.

Edinburgh Business Support Scheme

Lothian Assessors Rates Reduction Scheme (first of its kind in the UK)

- c) To what extent were these steps effective ?

I think these were probably very effective but not held up as though due to

contractual problems and associated delays. There was a limit to what the team was able to do.

In the following sections we look in more detail at particular events between 2006 and 2011. Please, of course, feel free to refer back to your previous answers if you consider that you have already dealt with these matters in your response to the above questions.

Events in 2006

8. A monthly progress report for July 2006 [CEC01758070] noted that the Design Approval Panel process generated by TIE, to bring together all relevant parties in the review process and ensure clarification and a speedy stage gate process between preliminary and detailed design had not progressed as smoothly as had been hoped. Following extensive engagement with all parties, however, it was noted that the issues had been resolved and the first Design Approval Panel on the preliminary design of the substations was due to take place on 4 August (item 3.1).

- a) Why had the Design Approval Panel process not progressed as smoothly as had been hoped? Were you involved in "the extensive engagement with all parties" that took place to resolve these issues? What did this involve?

I'm sorry but I was not involved in this area. I suspect that this was the challenges between tie Ltd and CEC.

Work to deliver the Communication Strategy (which would feed into the draft final business case) was noted as going well (item 2.3)

- b) You had recently joined TIE as Stakeholder Liaison Manager. What communications strategy was already in place? Did you make any changes (and, if so, why)?

When I joined the existing team was skilled at selling the tram project and were not equipped with the skills of communicating a customer/stakeholder programme associated with a major construction programme. We needed to move of from glossy leaflets talking about the virtues of the tram to now getting ready to build.

As a consequence people left the team and I recruited new additions more in line from a construction background. These included:

Alf Oriell former Scottish Gas customer manager
Thomas Wynn former Scottish Gas call handler
Gillian Arnott former Network Rail Customer Communications Officer
Steve Gorry for Scottish Power executive in Customer Services
Jen Johnstone existing employee with tie Ltd
Howard Elwyn Jones existing employee with tie Ltd
Andy McGowan former Logistics Manager with Tennent's Caledonian who developed the Princes Street Logistics Programme

The progress report noted that yourself, Willie Gallagher and Andie Harper had been identified as the key project spokespeople for the project, that work had already started with meetings being held with each of the prospective council leaders and that meetings would take place with all councillors over the month of August (item 2.4);

- c) What communication and contact did you have with councillors and party leaders? Did you have regular communication and contact or was that done on an ad hoc basis? Were party leaders provided with different and/or more frequent information than ordinary councillors (and, if so, why)?

I met regularly with the Transport Convenor but don't believe that this was structured in terms of ongoing regular diary appointments. It was felt that this was not necessary given that the Transport Convenor was on the Board. All councillors on the line of route would have received the exact same information that customers would have been given. In the end I probably spent less time with the political leaders due to the urgency in the stakeholder engagement.

- d) Similarly, what communication and contact did you have with Council officials? Was that done on a regular or ad hoc basis?

I had regular contact with Council officials associated with the tram project (Andy Conway, Alan ? and a few others)

- e) As a key spokesperson for the project, did you feel that you were always given sufficient information to answer stakeholder questions and provide an accurate picture of matters as they stood?

No. At times I felt that I was personally exposed and embarrassed with what appeared later on to have inaccurate information. On a number of occasions I felt this was the case when at meetings with Gordon Drummond the General Manager at Harvey Nichols and Isabella Miller the General Manager at John Lewis. In this case I fully understood the concerns of both individuals above.

9. On the 3rd of August 2006, Douglas Leeming, TSS, provided a note on "TIE / CEC Interface Approval Protocols". That note stated that a suite of protocols had been put in place between the TIE team (comprising of TIE itself, SDS and D&W) and CEC in order to smooth the process of obtaining Council acceptance and approval of matters arising during the development of the tram project [TIE00471892][TIE00471893].

It was further noted that the on-going development of the tram contracts had led to the need for a set of protocols which would cover Council input to various stage-gates in the contractual and other approval processes. The form of this higher level of protocol was yet to be developed however, it was considered that the following aspects would require incorporation:

- Identification of stages requiring CEC approval;
- Extent of approval required at each stage;
- Seniority level involved in approval;
- Individuals involved;
- Timescales for agreement;
- Mechanism for sign-off; and
- Definition of submissions.

The range of contracts that require to be incorporated in this new suite of protocols is considered to be:

- MUDFA;
- TRAMCO;
- INFRACO;
- Advance Works (likely to be more than one); and
- Enabling Works.

In his reply (in the same e-mail thread), Barry Cross, TIE, advised that the role of developing approval protocols between TIE and CEC had passed to you (we understand that Mr Cross moved to the EARL project).

a) Do you have any general comments on these matters?

No, other than struggle to remember my involvement in this.

b) Did you undertake the role of developing approval protocols between TIE and CEC? If so, what did this role involve? What protocols were put in place?

I'm not sure that I undertook these protocols.

c) Were these protocols effective (and if not, why not)?

Not sure.

10. On 17 August 2006, you sent an email to Suzanne Waugh and Raymond McMaster noting that you would be taking the lead on Small Business Support during the tram construction period [TIE00471380].

a) By way of overview, what support was provided to small businesses?

A small grant and business rates relief as I had negotiated with the Lothian Assessor.

b) To what extent was that support effective?

This type of support to small businesses had never been done in any UK tram project. As very few businesses closed as a consequence of tram works I can only assume that the combination of this and an effective

communication strategy was successful.

- c) How were stakeholders able to “participate and influence what was going on”?

I created the Tram Retail and Tourism Working Group

Below are the key stakeholders and influencers at the time:

Key Tram Stakeholders and Influencers

Business Frontagers:

John Lewis	Andrew Murphy & Isabella Miller
Gordon Drummond	Harvey Nichols
Paula Sharp	Marks and Spencer & Princes Street Traders Assoc
Denzil Skinner	Hamilton Inches & George Street Traders Assoc
Vinnie Jones	Standard Life & George Street Traders Association
Josh Miller	Charlie Millers & West End Traders Association
Michael Apter	Paper Tiger & West End Traders Association
Ian Bell	Royal bank of Scotland – St Andrew Square
Gordon Burgess	Leith Walk and Constitution Street Traders Assoc
Alan Rudland	Leith Walk and Constitution Street Traders Assoc
Robert Winter	Princes Street Mall
Ian Elder	House of Fraser
Rochelle Weir	St James Shopping Centre
Michael Laing	Laing the Jewellers
Jane Wood	Chair of Essential Edinburgh
Malcolm Butchert	Forth Ports
Geoff Ball	Cala Homes
Dennis Jones	Ocean Terminal
Andrew Cronie	Gyle Shopping Centre
Gordon Dewar	Edinburgh Airport

Key Influencers

Colin Cumberland	Managing Director & Chairman of Homes for Scotland
Sandy Smith	Development Director, Buccleuch Property
Daniel Macdonald	Chairman of MacDonald Estates & Chairman of Scottish Property Federation
Jim McIntyre	Managing Director
Keith Miller	Chairman Miller Group
Kevin Whittaker	Managing Director, Cala Homes East

Ann Gunther	CEO Standard Life Bank
Jim Hunter	Facilities Director Standard Life plc
Susan Rice	CEO Lloyds TSB Scotland
Manus Fullerton	Director & Head of Corporate Services Lloyds TSB
Adrian Grace	Managing Director of Bank of Scotland's Corporate Division
Ross Keany	Scottish Affairs, Group Projects Bank of Scotland
Ken Smith	Managing Partner, Clydesdale Bank
Charles Hammond	CEO, Forth Ports
Richard Jeffrey	President Edinburgh Chamber & Director Babcock & Brown
Ron Hewitt	Chief Executive Edinburgh Chamber of Commerce
Professor Tim O'Shea	Principal, Edinburgh University
Professor Anton Muscatelli	Principal, Heriot Watt University
Professor Joan Stringer	Principal & Vice Chancellor Napier University
Jenifer Stirton	Director of Communications with NHS Lothian
Paul Tetlaw	Chair Transform Scotland
Colin Howden	Director Transform Scotland
Moira Tasker	Cockburn Association
Dr Ray Harris	Principal & Chief Executive Telford College
Rob Hanrahan	Scottish Gas Call Centre Granton
Iain McMillan	CBI Scotland
Mike Marwick	CRAG and Marwick Solicitors
Michael Dixon	FSB
Iain Duff	Scottish Council for Development and Industry
Alan Robertson,	MD Jones Lang Lasalle
Brendan Dick,	BT Scotland National Manager
Martin Perry	Henderson Global Investors (St James Centre Redevelopment)
The Scotsman	Various
Evening News	"
The Herald	"

Lothian and Edinburgh MSPs

David McLetchie
 Shirley-Anne Somerville
 Malcolm Chisholm
 Margaret Smith
 Sarah Boyack
 Fiona Hyslop
 Gavin Brown
 George Foulkes
 Ian McKee
 Kenny MacAskill
 Robin Harper
 Margo MacDonald

Mike Pringle
Westminster MPs
Alistair Darling
Gavin Strang
John Barrett
Mark Lazarowicz
Nigel Griffiths
Holyrood Transport Committee
Alex Johnston
Alison McInnes
Charlie Gordon
Cathy Peattie
David Stewart
Patrick Harvie
Rob Gibson

In your email, you raised the following questions:

- *Whether TIE had a clear picture of the effect of the construction on the business?*
 - *Whether TIE had a business profile of those affected?*
 - *How does this translate on to the political landscape?*
 - *Who would provide stakeholders with ongoing support through the application process. If it was TIE you noted that it may be useful to include this in the report. If was someone else you noted that TIE would [wish] to add our voice and influence [over] what that support looked like.*
 - *Was there an appeals mechanism?*
 - *Where could businesses go for other support, if any?*
- d) Were these questions were answered to your satisfaction?

Yes

11. On 13 September 2006, you sought briefing in anticipation of a meeting that was due to take place between yourself, David Mackay and Willie Gallagher of TIE and Alan Coupar of Waterfront Edinburgh Limited (WEL).

- a) What were the concerns of WEL, in relation to the business case, commitment to phase 1b, overall programme, etc, noted in that email?

Sorry but I cannot remember back that far but I think it was route alignment.

- b) What briefing were you provided with and what was the outcome of your meeting with Alan Couper?

This is contained in Raymond Mc Master's email dated 8 September 2006. It is my belief that Alan Couper seemed satisfied with our explanation.

We note that WEL were looking for the plans of the alignment of the tram from Granton Square along West Harbour Road and despite having had a

technical meeting with TIE/Parsons Brinkerhoff/D&W, they had not been able to obtain these plans [TIE00471728] [TIE00471719].

- c) What is your understanding as to why the plans for the alignment of the tram from Granton Square along West Harbour Road were unavailable?

Do not know.

- d) Did this concern you?

No because it was being dealt with by someone else.

12. On 9 November 2006, a parliamentary question from Fergus Ewing was received: *"To ask the Scottish Executive what the estimated costs are of rate relief to businesses affected by the Edinburgh trams project in each year of construction and whether agreement has been reached on this issue and, if so, with whom and on whose authority"*. In your response you noted that it was not possible to estimate as yet the likely costs involved as it was not yet known (1) what the construction will look like when it commences; and, (2) how this will impact on the businesses on the line of route [TRS00002994].

- a) What was done thereafter to ascertain the effect that the MUDFA/ INFRACO works would have on businesses and what measures were put in place to mitigate this impact?

I'm sorry but I cannot remember.

- b) Were these mitigation measures effective (and, if not, why not)?

I'm sorry but I cannot remember.

13. An e-mail dated 6 December 2006 from Stewart McGarrity noted that there was to be a small business support scheme, with a maximum compensation of £17,319 per business and an overall cap on the scheme of £2 million.

- a) It would be helpful if, by way of overview, you could explain that scheme including, which businesses were eligible and how compensation was claimed and paid?

Unfortunately, I do not have a copy of the scheme outline however within the documents that you attached there is a reference to an email from a Mr Graham Russell where he quotes paragraphs from the scheme which to my memory are correct.

The original scheme suggested by Barry Crosse was scrapped at my insistence as it would have cost well in excess of the £2m set aside. The scheme that was eventually approved was produced by myself based on a calculation that allowed for a maximum amount of the money to be provided to those businesses with greater need based on exposure to works.

I have copied below contents of the press release which announced the results of the scheme:

26 September 2008

news release

TRAM PROJECT "CATALYST FOR LASTING IMPROVEMENT" SAYS EDINBURGH BUSINESS

A meeting of Edinburgh business representatives has universally agreed that the works associated with the tram project could be the catalyst, especially in the West End and in Leith, for a lasting legacy of improvement in the Capital.

This was the message of a meeting held on Thursday (25th September) where **tie** Limited, City of Edinburgh Council (CEC) and representatives of Edinburgh's business community including Edinburgh Chamber of Commerce and Chair of the Open for Business sub-group, West End Traders Association, City Centre Retail Association, Federation of Small Businesses and the Edinburgh Business Tram Operating Group, met to decide how best to use the remainder of the money from the successful Small Business Support Scheme .

The £2m scheme was agreed in October 2006 by **tie** Limited, CEC and Edinburgh Chamber of Commerce. The primary element of the scheme supports businesses by providing a one off payment of £3000 or £4000. The "Open for Business" Communication and Marketing package was added to the scheme several months ago.

The scheme, the first of its kind, has been extended and revised as it developed, delivering unparalleled support to Edinburgh's business community through the first phases of the tram construction. It has paid out £1.6m to 427 businesses across Edinburgh, investing £1.2m in Leith Walk alone.

The architects of the scheme had always committed to spend the money in support of Edinburgh businesses. As a result, **tie** and CEC were keen to discuss the best way to deliver optimal value from the remaining £350 000.

A number of proposals were submitted by the representatives at the meeting, however, it was agreed to allocate additional resources to the already successful Edinburgh's Open for Business marketing campaign, providing additional direct support to the trader communities in Leith and the West End and the provision of free city centre parking in November 2008 and 2009 in addition to the free parking in the month of December in both years.

tie Limited will now bring forward a report to the next Edinburgh Tram

Project Board and **tie** Board with recommendations based on these conclusions for agreement.

Willie Gallagher, Executive Chairman of **tie** Limited, said: "I am delighted to take these proposals forward in the knowledge of this endorsement from Edinburgh's business community.

"The objectives of **tie** and its partners have been clear from the outset – to assist as many businesses as possible. The Small Business Scheme has delivered over one million pounds to those who required support and I'm delighted that we have consensus with our stakeholder on how to distribute the remaining funds.

"We have always based any decision of the integrity of this scheme on sound rationale. These proposals reflect our experience of the situation on the streets and the requirements of Edinburgh's business community and are most welcome.

"The success of the Open For Business scheme has primarily been based around businesses taking business decisions on how best to promote the city during tram construction. I would like to thank the Edinburgh Chamber of Commerce for the leadership it has shown this group from its inception.

"In a similar vein, I'm now happy to hand over the reins to manage an allocated sum of money to the traders in both the West End and in Leith so as to take these strategic decisions in parallel with others."

Ends

26 September 2008

For further information, please contact Gordon Robertson at Media House on [REDACTED].

Notes to Editors:

Business Support Scheme Review September 2008

Packs delivered	704
Applications accepted	427
Applications rejected	36
Amount paid	£1,600,000
Leith Walk	£1,169,000 (73% of total)
City Centre	£47,000 (3% of total)
West End	£384,000 (24% of total)

14. You circulated an email that the West End Community Council(WECC) had sent to Councillors on 15th December 2006 expressing concern that the Draft Business Case would not be available to the public and the press until 14th December on the TIE website (and 15th December on the Council's website) leaving insufficient time for groups such as theirs to examine the business case in advance of the Council meeting scheduled for 21st December[CEC01762660].

a) Did you consider that these timescales allowed for meaningful consultation? Why was more time not given to the public to consider, and comment on, the draft Business Case?

I wasn't aware that there was the requirement for public consultation on the draft business case.

b) Are you aware of whether any consideration was given to WECC's proposal for two alternative, independent Business Studies to be prepared and discussed?

No and in case why would we do this. The project was a political decision taken by the Scottish Government and CEC.

Events in 2007

15. By email dated 17 January 2007, Mike Fitzgerald, Dundas and Wilson, noted that you had recently e-mailed Peter Strachan expressing concern at continued lack of progress with Network Rail [CEC01746897]. CEC required Network Rail consent before they could exercise the powers included in the Tram Acts to acquire land rights. We understand that Network Rail's reason for the delay was that TIE had not issued them with the preferred route alignment for the tram, and therefore the actual likely land take[CEC01746898].

a) What was your understanding, of and views on, these matters?

Sorry struggling to answer this question based on my recollection of events.

b) Are you aware why TIE had been unable to provide Network Rail with the preferred route alignment for the tram at this time?

No.

16. On 12 January 2007[TIE00472721] you circulated a report on oral questions in the Scottish Parliament in which it was noted that the assessor of the Lothian Valuation Board had, apparently, advised that rates relief had been agreed for businesses that would be affected by the tram system and that it had been estimated that that relief would cost £18 million.

An e-mail dated 18 January 2007 from Leanne Maberley, CEC (later in the e-mail thread) noted Donald McGougan, Director of Finance, CEC, had estimated the total reduction in rates available to the national rates pool to be £5.3 million

over a three year period (the majority of which would be in 07/08 and 08/09).

- a) By way of overview, how did the rates relief scheme work? Which businesses were legible for such relief? Did the scheme provide for total or partial rates relief?

Any relief would be based on a visualisation of the works adjacent to a business where it would be left to the Lothian Assessor to make a determination on the level of rate relief.

- b) Which estimate for the cost was more correct (i.e. £18m or £5.3m)?

I have no memory of how much it cost.

- c) Did the scheme cost more than was estimated as a result of the delays in constructing the tram project?

I have no idea.

17. In an e-mail dated 25 February 2007 Alison Bourne noted that there had been a delay of over five weeks in waiting for a response to a query relating to the MUDFA works and that "TIE rarely answers any queries within a timescale of less than a few months" [TIE00471801].

- a) In general, did TIE always respond to queries from the public about the tram project speedily (and, if not, why not)?

First of all and in hindsight all such requests should have been treated as requests under the Freedom of Information Act (Scotland) 2002 which allowed for 20 working days to reply from receipt. It was not until I assumed responsibility for FOI that the situation changed.

If this request from Alison Bourne had been responded to as a FOI request it is highly likely that the information would have been withheld due to commercial as contained within the Act as below:

For your information the disclosure is exempt under FOISA 2002 section 33(1)(b) as below:-

"..... disclosure under this Act would, or would be likely to, prejudice substantially the commercial interests of any person (including, without prejudice to that generality, a Scottish public authority)."

Nothing further to add.

18. You were copied in on an e-mail exchange in May 2007 between Colin McLaughlan and Stewart McGarrity of TIE in relation to an individual who Mr McLaughlan stated had "blackmailed the company and accused people of being on the take ... and how lost us 6 weeks on MUDFA" [TIE00177211].

- a) What was your understanding of, and views on, the matters noted above?
Who was the individual being discussed?

From memory I have no idea on who was being discussed and it shouldn't be too difficult to find out from the leavers details at around that time.

19. By email dated 25th July 2007 [TIE00179179] Colin McLauchlan confirmed that it had been agreed that you were to be the relationship manager for CEC.

- a) What did that role involve?

Coordinating the relationship with CEC Comms

- b) In general, how would you describe the relationship between TIE and CEC?
Were you aware of any concerns by either organisation in respect of the other?

I had a very good relationship with CEC as I did with most people across CEC, TS and within tie.

- c) How were important matters relating to the tram project reported by TIE to CEC (including by whom and to whom)?

Predominantly through the Board however I was convenor/chair of a tie/CEC comms group which discussed up and coming issues.

- d) How were the views and requirements of CEC fed back to TIE?

Either at a Board level or vis a vis myself.

- e) Did you have any concerns at any stage in relation to TIE's reporting to the Council's senior officers? If so, what were these concerns and what steps were taken to try and address them?

I think the relationship became tense once the political responsibility for the project moved from the Labour Group to the Liberal Democrats. However, towards the latter half of my role and once Mandy Haeburn-Little came on board I no longer had the role of managing the tie/CEC relationship as that fell to her.

20. A note entitled "Organisational changes TIE" dated Thursday 28 July noted that changes in the TIE management structure had taken place on 27th July 2007. Colin McLauchlan – HR and Communications Director was to coordinate a review of the impact of the changed circumstances on the projects and support services and the changes needed to continue to provide the appropriate and required level of support and resources moving forward. You, as Stakeholder and Change manager, were to support Colin McLauchlan in the change management process [CEC01665167].

- a) What changes in the TIE management structure took place around that time

and why?

This structure was as part of the attachment TIE000164004_0001. The change was brought about to streamline the roles and responsibilities as the project started to commence.

b) Were the changes successful?

I think these changes were successful at the beginning but eventually unravelled after Colin McLauchlan left the business.

21. By email to Willie Gallagher and Colin McLauchlan on 9 August 2007, you voiced concerns that members of CEC were misrepresenting events that had taken place at a meeting of the retail working group [CEC01666342]. Colin McLauchlan commented that *"we are seeing this at all levels in the tie CEC interface and especially with CEC Comms/Media team who are misrepresenting meetings, engagements and agreements."*

a) What were your views on these matters?

For the record I did not voice concerns that "members of CEC were misrepresenting events....." That was actually Colin McLauchlan in his email to Willie Gallagher and me dated the 10th August. What I said was that CEC was being fed misinformation from the retail traders.

My email to Willie Gallagher and Colin McLauchlan were entirely accurate in as much that CEC was being fed misinformation as part of a campaign to undermine what we were doing.

b) What was the cause of these difficulties?

The retail traders didn't like us.

What steps were taken to address these difficulties?

We continued to provide information that was up to date.

c) Were these matters ever resolved to your satisfaction? We noted, for example, that poor relations between the CEC and TIE Comms/Media team appear to have continued into 2008 (see for instance, the exchange between Colin McLauchlan and Isabell Reid dated 11 January 2008 where there appears to have been a lack of communication between TIE and CEC communications teams, leading to duplication and mixed messages [TIE00147176]). Do you have any comments?

It is worth noting that at no time did CEC restructure its Comms team throughout the project as far as I can remember. So whilst we brought in new people experienced people to address growing requirements of the project CEC's team stayed static.

- d) Incidentally, what did you understand Mr McLauchlan to have meant by the comment in his e-mail dated 9 August 2007 that *"we are being collaboratively deviant and cooperative"*?

It was in an email dated the 10th August where Colin McLauchlan made those comments and I have no idea what he was talking about.

22. By email dated 16 August 2007 Donna Reid, TIE, informed Steven Bell, that she and yourself had met with Pam Dease, AMIS, who had confirmed that there were no communications issues and the concern was re programme and drawings only. She noted that, from an AMIS perspective, the contract was running up to one year late which, apparently, came as quite a surprise to you both as no TIE people had tipped you off about the knock on impact [TIE00474904].

- a) Do you have any recollection of that meeting with Ms Dease and being told that, from an AMIS perspective, the MUDFA contract was running up to one year late?

Sorry no I haven't and you will note from the email chain that other than being copied in I made no comment.

- b) More generally, do you consider that you were kept sufficiently updated on the MUDFA contract and works, and any delays?

No we were not.

- c) If not, what, if any, difficulties did that cause you when communicating with and managing stakeholders?

Great difficulties when it came to give reassurances about handover etc. At times this was not a pleasant situation for both the Comms team and the traders and as I have said previously I was physically thrown out of shop on Leith Walk when I tried to explain about the MUDFA such was the height of tension.

23. A Stakeholder Relations Update on the 20th of August 2007 noted that the stakeholder team had noticed a significant change in public perception of the project and noted that there had been an increase in the demand for information on the construction works as opposed to why a tram scheme was being taken forward for Edinburgh [CEC01579934]. It was noted that the team were responding to these requests for information by maximising the use of face-to-face contact.

- a) In general, what information was being sought by the members of the public and businesses on the construction works around this time? Was this information readily available? How was it provided?

I have attached a copy of the Customer Interaction Cycle which we stuck to most of the time.

Generally, people wanted to know when the works would be finished and the pavements and/or road space reinstated. Sometimes it was easier to pull to your own teeth than get information from MUDFA contractors.

- b) The update further noted that preparation was underway for the final design presentations to frontagers and members of the wider community on the tram route design. What presentations were made around that time? Was design sufficiently well advanced to enable such presentations to be made and for stakeholders to come to informed opinions?

These designs were fully developed and were delivered to the public at a series of events along the line of route where all the design drawings were on display with plenty of experienced people on standby to talk the public through the content as well as answer questions. I believe these events were all well attended and well received by members of the public.

24. On the 19th of September 2007 [TIE00040871] yourself and other colleagues were asked to contribute to the TS / TPB reports. You were asked for comments specifically in respect of Stakeholders and Communications.

- a) What were the main issues in respect of Stakeholders and Communications at that time?

Sorry I have no recollection of this but these were probably similar to my 20 August Board Report which you included as an attachment CEC01579934_0002.

Tony Glazebrook in his email provided an executive summary noting that:

“Critical issues have now been eliminated. Significant issues which arise are now being progressed and cleared at weekly meetings, before they become critical....

Formal design reviews have now started and the process has been further refined to maximise stakeholder buy-in. The review sessions are held weekly – every Thursday – between 10am and 4pm and provide the means whereby all stakeholders can see what has been produced by SDS, why it has been produced the way it has, discuss their comments with SDS and for tie to give direction on any emerging differences between expectation and offering. The deliverables programme from SDS is proving to be very close to expectation”.

- c) Were you involved in these stakeholder sessions?

Not sure.

- d) What was your understanding of, and views on, the state of design around that time, including the delays in progressing design? To what extent, if at all, did difficulties and delays in progressing design affect your role of communicating with and managing stakeholders?

Not sure.

25. You were forwarded an email from Alison Bourne on 24 October 2007 noting a number of concerns in relation to the Final Business Case (FBC), version 1 (which was considered by the Council on 25 October 2007) [TIE00145002].

- a) Approximately how long did members of the public have to consider, and comment on, the contents of the Final Business Case, version 1, before it was voted upon by the Council? Do you consider that that gave members of the public sufficient time to consider the Final Business Case, and make representations on it, before it was voted on by the Council?

I am unclear if there was a role for members of the public to be given the opportunity to comment of the final business case. Most members of the public would not have been in a position to make a critical comment on this document.

- b) What are your views on the concern noted by Ms Bourne that, because there was no detailed breakdown of the costs within the FBC, *"it is not possible to ascertain whether realistic allowances have been made and whether all likely items of expenditure have been properly included"*?

This once again should have been regarded as an FOISA request and dealt with under these auspices and the information would have been withheld due to commercial confidentiality.

- c) Do you have any other comments on the concerns raised by Ms Bourne in her e-mail, including her concluding remark that *"It seems quite bizarre that the Final Business Case can be considered whilst matters such as TRO procedure, scale of utilities diversions, completion of the detailed design/modelling of network impacts and the traffic management scheme, impact upon bus services etc remain unresolved"*?

No

- d) How were comments and observations by members of the public such as Ms Bourne dealt with by TIE and CEC, including whether and, if so, how, such comments and observations were taken into account in decision making?

To reiterate it is my opinion that these should have been regarded as requests under FOISA and dealt with under this legislation. This was a weakness on the part of tie Ltd from the very beginning where enormous amounts of time was spent on responding to individuals who did not want the project.

26. On the 30th of October 2007, yourself and Willie Gallagher were sent an email by Steve Gorry, TIE, regarding circulation of the weekly report outside of TIE, TEL etc. [TIE00145276]. He was concerned that the current report included a *'warts and all extract from the database and the AMIS customer spreadsheet'*

and noted that *"Whilst this is the reality of our situation, perhaps from time to time there could be a level of detail we would prefer not to share routinely"*. He noted three options:

"○ Give everything, a totally open system, will require lots of mutual trust and confidence in our partnerships going forward.

○ Since we are very much establishing a baseline at the moment we could choose not to supply transaction level information but align the analysis of data to top line categories e.g. MUDFA, Tram Design, Tramco, Infraco, Tram General etc.

○ As an alternative, we could look to generating a more refined list of "reasons" categories and use this as the basis for reporting statistics, again leaving the detail out of the report."

- a) Willie Gallagher advised that he favoured options two and three. What were your views?

My views are contained within my two emails dated the 30th October 2007.

- b) What level of detail was ultimately provided to stakeholders outside of TIE and TEL and why?

I honestly cannot remember.

- c) Do you consider that information in relation to the tram project, including any delays or difficulties experienced by the project, was always fully and openly shared with stakeholders?

Possibly not.

27. By e-mail dated 6 November 2007 [**CEC01507512**], you sent Sir Terry Farrell, Design Champion for the City of Edinburgh, a response to questions he had sent to TIE in preparation for a meeting [**CEC01507513**].

Question 2 noted, *"My understanding of the delivery of such a major element of infrastructure is that, at this stage of its development, if the completion date is still 2011, there should be a lot of hard information available which would allow me to form a view on its impact on the city"*.

- a) Do you have any views or comments on that matter?

From an expert such as Sir Terry Farrell the absence of what he talks about is a scary thought. However, I don't know if he was correct in making these assumptions.

28. Correspondence between Graham Birse, Deputy Chief Executive of the Chamber of Commerce, and the Deputy Assessor of the Lothian Valuation Joint Board dated 23 November 2007 indicate that the initial proposals for a "rates

reduction scheme" would be altered [TIE00146141].

- a) What alteration to the rates reduction/relief scheme was made and why?

I cannot remember as I have no information on this.

- b) What were your views on the alteration?

Not sure as I cannot recollect what concerned the alteration and the reasons for it.

29. On the 20th of December 2007 the Council were asked to agree the Final Business Case for the tram project (the report to Council is [CEC02083448] and the FBC is [CEC01395434]).

- a) What was your understanding at that stage of the extent to which the price for the Infraco price was a fixed price (and the extent to which it might be subject to change)?

I have no idea but I do vaguely remember informing people that it was a fixed price.

- b) What was your understanding of which party bore the risks arising from incomplete design and design development?

BBS as it was my understanding that this was concluded as part of the novation of design, etc to the BBS contract.

Events in 2008

30. Yourself and Colin McLauchlan were sent an email from Willie Gallagher on 7 January 2008 [TIE00427199] informing you that the FSB and the Chamber would be grateful if a round table meeting with the assessor and TIE.

- a) Did you attend this meeting?

Not sure

- b) What was discussed?

As I do not remember attending I am not sure.

- c) Was a disproportionate amount of time spent on the open business scheme, given the cost of the project as a whole?

No.

31. On 8 January 2008 [TIE00036194] you sent an email to Willie Gallagher and Colin McLauchlan briefing them on the messages they may wish to get across in their email to party leaders and councillors with the transport portfolio.

Amongst other things, you noted that Councillors should be informed that:

- That the key purpose of the meeting was to explain the strategy for the next phase of utility diversions starting in February within the city centre area but in particular Shandwick Place and Princes Street
 - That TIE had been learning from the experience of the delivery of other tram projects, had listened to the concerns of local businesses, all of which had resulted in TIE constructing contracts in such a way so as to mitigate any hardship on the business community. For instance, under the MUDFA contract, all utilities were to be moved in one piece of work as opposed to each public utility being treated separately. The benefit to businesses being one set of utility diversions as opposed to 3 or 4.
- a) Were utilities moved in one piece of work, as opposed to each public utility being treated separately?

Yes, I think they were. As I kept referring to the experience from traders in our very early consultation that their stories were clear. One utility company would come along and dig up out their shop for three or so weeks, cover up the road for another utility company to come along three weeks later and dig up the same space.

32. By e-mail dated 29 January 2008 Graham Russell, Regional Chairman, FSB Edinburgh, reported on a survey the FSB had carried out among traders in Leith Walk to ascertain the effects on their businesses of the MUDFA works [CEC01515261]. Mr Russell stated that *"The vast majority of the businesses are suffering a very severe and unrecoverable on-going reduction in customer traffic flow, turnover and profitability etc"* and some traders were not able to run their businesses at a profit.

- a) What was your understanding of, and views on, these matters?

I had planned to take representatives from the FSB and the Chamber of Commerce to meet the Nottingham Tram Project and understand the complexity of their project and how they worked with trader concerns. To my surprise I got tipped off by a colleague in Nottingham that the FSB Edinburgh was orchestrating a public campaign with their local FSB branch in Nottingham to have a public outcry for our benefit when we arrived in Nottingham. This was not part of the spirit of our intentions to have a fair and reasonable dialogue with the FSB Edinburgh. It increasingly appeared that one or two individuals were attempting to undermine the work of what we were trying to achieve in terms of a collaborative approach to working together.

Regarding the survey there was no way that we could test the validity of the trader's concerns so I couldn't agree or disagree.

- b) To what extent were the difficulties made worse by the MUDFA works being extended beyond their intended completion date?

That was always going to be difficult for traders.

- c) Are you aware (or did you receive any reports) of whether any traders on Leith Walk went out of business as a result of the effect on their business of the tram works?

It is not my understanding that any trader went out of business as a direct impact of tram works.

33. By e-mail dated 1 May 2008 [TIE00153334] Colin McLauchlan attached a draft paper, Communications, Citizens and Customers [TIE00153335] in advance of a discussion on “*what is good and not good what is working and not working*” (a diagram was also attached, [TIE00153336]).

- a) What were your views around that time of what was working and what was not working (and why)?

I do believe that the team needed strategic direction and the transition from selling the project to delivering was never quite complete structurally and this was the first attempt to do so.

A lot of effort was being put into the project but much of this was around responding to people who genuinely wanted to stop the project in its tracks.

34. You received an email from Willie Gallagher on the 29th of April 2008 following the Leith and Constitution Street communication session. He noted that he had endured one of the most difficult communication sessions he had ever been involved in within his working Career[TIE00431086].

He noted that much of the criticism surrounded Poor Communication, Signage and inability to follow through on commitments, and that he had had to defend the indefensible, despite having made the same points himself to various members of the Management Team. Other criticism had related to Funding & Other Support.

He further noted that once the contracts were signed he was personally going to insist on a full review of all aspects. Finally he noted that the Programme of Closure that had been given out must be adhered to and Signage must be immediately sorted out, to redeem the reputation of TIE.

- a) What were your views on the matters in Mr Gallagher’s e-mail including why these issues had arisen?

My views are contained in my response to Colin McLauchlin dated 30 April.

- b) What did you mean by the comment in your e-mail dated 30 April (in the same e-mail thread) that “*Last night was a demonstration of resistance to our methodology on Leith Walk and a superficial cry for help (money)*”?

The Leith Walk works as far as I can remember were particularly difficult but

continued to allow for a traffic flow. It is a key arterial route from the waterfront to the City but in part the criticism was found on the fact that the temporary traffic management flow seemed as though it was taking traffic away from Leith as opposed to encouraging to go to Leith. I think, at the time, we might have considered the lifting of some parking restrictions and looking at increasing parking elsewhere on the side streets off Leith Walk. I had a lot of sympathy for the trader experience however one trader pounced on me to claim that his customers park outside his shop as there were insufficient spaces but when I identified a car that had been parked outside the shop for most of the day he said that it was his!!!
The chat was also about the Small Business Support Scheme and how can they get access to the money.

35. In July 2008 a Peer Review (led by Malcolm Hutchison) was carried out [CEC01327777].

The peer review group received a presentation on the Stakeholder and Communications Management Plan from yourself and made the following recommendations:

“Recommendation 2: That an assessment of whether the investment in Business Support to date is considered value for money is complete before further expenditure is incurred.

Recommendation 3: That a review of the balance of effort of the Stakeholder Management Team is undertaken to ensure it is targeted across the whole range of stakeholders.”

- a) What were your views on these matters?

I agreed and as far as I can remember carried out the analysis in item A and concerning B I had been consistent that we had to at some point draw a line on certain part of the project that were now a done deal and could no longer be stopped from happening. This was about more team energy being spent on objectors as opposed to delivering the project.

- b) Were these recommendations acted upon?

As far as I'm aware yes.

Events between 2009 and 2011

36. A dispute arose between TIE and BBS prior to the planned commencement of works on Princes Street in February 2009.

On the 21st February 2009 you were copied in on an e-mail from Lawrence Marshall which referred to a report in the Scotsman newspaper that the BSC consortium had said that TIE had not got the project to where it needed to be for them to start, with delay and cost implications [TIE00444916].

You replied to Mr Marshall and others stating that you were *“Very happy to take you through how the land lies now that we’re in dispute”*.

- a) When (and how) were you first aware that there was a dispute in relation to the works at Princes Street?

On the day when they announced that they would not commence the works which was after all the hoarding had been installed and the logistics team employed all ready to go.

- b) What was your understanding of the basis, and underlying cause(s), of the Princes Street dispute, including BSC refused to start work on Princes Street?

I didn't understand that there were any underlying issues that prevented them from starting Princes Street.

- c) What were stakeholders, including councillors, told about the dispute?

That we were in dispute with the contractor.

- d) It would be helpful if you could explain who were Mr Marshall (and the other individuals you sent your e-mail noted above to) and what, if anything, you told them about the dispute?

Mr Marshall was the Chair of the Capital Rail Action Group (CRAG) and at the time also a Labour Councillor on Edinburgh City Council. The others included in the email were either members of CRAG, members of Transform Scotland or general tram enthusiasts.

Because of the close commercial confidentiality surrounding the reasons for the dispute I merely stuck to the same messaging that was provided to other groups.

37. On the 24th of February 2009, Colin McLauchlan sent you an email to inform you that TIE would be employing the services of a Business Coordinator Consultancy[TIE00442630] which would input the views of the key stakeholders (namely the West End association, the Leith traders association, Edinburgh Chamber and the City Council) to determine appropriate business plans for both West End and Leith Walk and present a strategic plan for consultation to the stakeholders.

- a) Why were the services of a business co-ordinator consultancy thought to be necessary at this stage? What were your views?

Quite frankly it was ridiculous to create this role when Gordon Christie was already employed by tie Ltd to lead on this.

- b) Were business plans for the West End and Leith Walk, and a strategic plan produced?

We had a full understanding of the needs of the West End and Leith Walk communities as we had attended numerous meetings with their representative organisations.

- c) Had business plans for these areas, and a strategic plan, been produced previously? Ought they have been?

I am not sure what is meant by business plans as our role was to construct a tram project.

38. The Report to Council dated 12 March 2009 [CEC02083751] appears to be the first report to the Council to refer to contractual difficulties between TIE and BSC. In the report Tom Aitchison stated that while *members would appreciate that he was restricted in what he could say while commercially confidential negotiations were taking place*, a "fixed price" contract had been entered into for the delivery of the tram project and that prior to financial close TIE had agreed an additional sum with BBS which had "*cemented the risk allocation position*" agreed by the parties.

- a) In general, when keeping councillors informed about the tram project, to what extent was there a tension between the need for commercial confidentiality and the need for democratic accountability and control over the project? What steps were taken to try and resolve that tension? Do you consider that that tension was ever resolved?

It is my understanding that the confidentiality issues underlining the disputes did not really present any difficulties. However, I was not so close to the Councillors at this point.

- b) Incidentally, what was your view around that time as to whether the Infraco contract was a fixed price contract? Did your view in that regard change at any time (and, if so, when and why)?

My view at the time was that it was a fixed price contract and that changed when mediation commenced.

39. Some Infraco works were carried out in 2009 and 2010.

In addition, MUDFA works continued in 2009 and 2010:

- a) By way of overview, in which areas did MUDFA works continue in these years?

I'm sorry but I cannot remember.

- b) What were residents and businesses told about the reasons for ongoing MUDFA works in these areas?

They would have been communicated in the normal way and I am sure the

customer service team would have saved all these notifications.

- c) Do you have any comments on the Infraco works that were carried out?

No, other than to say that I regularly had international student visit to observe the Infraco works especially the section around Edinburgh Park which seemed to progress well.

- d) How were residents and businesses informed about these works?

In exactly the same way as the MUDFA works.

40. Various adjudication decisions were issued in 2010 in relation to disputes arising under the Infraco contract:

- a) Did you have any role in advising councillors, or other stakeholders, on the adjudication decisions?

No

- b) If so, in general, what was your understanding as to whether the adjudication decisions favoured TIE or BSC (in respect of both whether there had been a Change under the contract and the amount of any such change)?

N/A

41. Mediation talks took place at Mar Hall between 8 and 12 March 2011.

- a) What was your involvement, if any, in the mediation or reporting the outcome of the mediation to stakeholders?

I had no involvement.

- b) What were your views on the outcome of the mediation?

None as Vic Emery made clear to me that a chunk of tie staff would be cleared out and I suspected that I was one.

- c) Are you aware of when, and by what means, councillors were first advised of the agreement reached at Mar Hall?

No

42. In relation to your leaving TIE:

a) For completeness, when and why did you leave TIE?

I think I left tie Ltd in August 2011 as by then I had enough of the problems associated with the project delivery. I was particularly pleased that after leaving in London I was awarded at the UK Light Rail Awards as the Tram Campaigner of the Year.

Project Management, Governance and the Main Contractors

43. In relation to TIE:

a) Did you have any concerns at any stage in relation to TIE or any of TIE's senior personnel or Board members?

No

b) How would you describe working relations and communications within TIE?

It was very productive at the start and as the team restructuring took shape things became a lot steadier. The decline commenced around the time of Colin McLauchlin's departure and that of Willie Gallagher. I do think it lost its way somewhat after Richard Jeffrey started but I would not hold RJ personally responsible for that.

c) Did you have any concerns, at any stage, in relation to TIE's reporting to stakeholders and to other bodies and organisations?

I do believe that my job and that of others in the team was made more difficult by sometimes not receiving the most up to date information.

44. In relation to other bodies and organisations with responsibilities for the tram project (including CEC, TEL, the Tram Project Board and Transport Scotland):

a) Did you have any concerns in relation to any of these bodies or in relation to the senior personnel in any of these bodies?

Not really

b) How would you describe relations between TIE and each of these bodies and organisations?

Pretty good on the whole with a couple of exceptions such as the FSB Leith.

45. In relation to the main contractors involved in the tram project (including, in particular, the design, utility and infrastructure contractors):

a) As stakeholder relations officer, how would you describe the relationships

between TIE and the main contractors involved in the tram project?

At the start it was fine but later became fractious.

- b) Did you have any concerns at any stage in relation to the performance of any of the main contractors, or the senior personnel employed by these contractors?

No not really, I had a particularly good relationship with the contractors and their senior team.

FINAL COMMENTS

46. By way of final thoughts:

- a) How did your experience of the Edinburgh Tram Project compare with other projects you have worked on (both previously and subsequently)?

This was more challenging in terms of the politics, construction, customer and stakeholder engagement. However, it helped me to go and work for Abellio Group and support their successful bid for the ScotRail Franchise.

- b) Do you have any views, with the benefit of hindsight, on how stakeholder management and communications could have been improved?

No I think the plan was very good and lost its way when others became detached.

- c) Do you have any views, again with the benefit of hindsight, on how consequences to the public and traders could have been reduced, mitigated or avoided?

More certainty on the delivery schedule.

- d) Are there any final comments you would like to make that fall within the Inquiry's Terms of Reference and which have not already been covered in your answers to the above questions?

NO THANK YOU.

I confirm that the facts to which I attest in this witness statement, consisting of this and the preceding 37 pages are within my direct knowledge and are true. Where they are based on information provided to me by others, I confirm that they are true to the best of my knowledge, information and belief.

Witness signature..

Date of signing..... 10 July 2017