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Our ref: SLR

17 January 2017

Dear David,

**EDINBURGH TRAM INQUIRY
SCOTTISH MINISTERS – TRANSPORT SCOTLAND
REQUEST FOR FURTHER DOCUMENTATION AND INFORMATION**

Thank you for your letter dated 5 January 2017. I note the Inquiry's various requests. Having taken instructions, I respond as follows, using the same paragraph numbering as in your letter:

1. You have requested all Cabinet papers, notes to Cabinet, minutes of Cabinet meetings and records of informal discussions held in the margins of Cabinet meetings, between January 2005 and April 2007 insofar as they relate to the Edinburgh tram project, excluding the content of any legal advice. The Scottish Government's Cabinet Secretariat has conducted a search and the material falling within your request is listed at Annex A to this letter and attached. As I am sure you will appreciate, Cabinet papers and minutes cover a wide range of issues and contain sensitive information regarding the formation of Scottish Government policy. Extracts of the Cabinet papers and minutes have therefore been provided, with content that does not relate to the Edinburgh tram project excised. References that were considered by Cabinet Secretariat to constitute routine updates to the Cabinet on the Parliamentary progress of the Edinburgh Tram (Line One) and the Edinburgh Tram (Line Two) Bills have not been provided, as the Parliamentary progress of those Bills is a matter of public record. There are no notes to Cabinet falling within the terms of your request and no records of any informal discussions held in the margins of Cabinet are kept.

2. You have asked for all the papers and minutes of Transport Scotland (TS) Board meetings held between January 2005 and May 2014 insofar as they relate to the Edinburgh tram project. To the extent that these are held, they will already have been provided, as I am advised that all material relating to the Edinburgh tram project held by TS has been passed to the Inquiry. I would refer you in that regard to my letters to the Inquiry of 11 February, 30 July and 1 October 2015, and the material produced therewith. However if it assists, the minutes of all TS Director's Board meetings are publicly available on TS' website. Please see the following web link: <http://www.transport.gov.scot/corporate/senior-management-team>. Note that there was a Board meeting on 8 December 2005 for which the minutes are not published on TS' website, but the hard copy minutes of that meeting have been reviewed and they contain nothing relating to the Edinburgh tram project. Note that TS did not exist prior to December 2005.
3. You have asked for all the papers and minutes of Transport Scotland Investment Decision Making Board meetings held between January 2005 and May 2014 insofar as they relate to the Edinburgh tram project. To the extent that these have been retained, they will already have been provided to the Inquiry, as I am advised that all material relating to the Edinburgh tram project held by Transport Scotland has been passed to the Inquiry. I would refer you in that regard to my letters to the Inquiry of 11 February, 30 July and 1 October 2015, and the material produced therewith.
4. You have asked for a copy of the edition of the Scottish Public Finance Manual (SPFM) that was in use in July 2007 and all subsequent editions of the SPFM used up to the present day. The current version of the SPFM is available at <http://www.gov.scot/Topics/Government/Finance/spfm/Intro>. Unfortunately prior versions are not retained by the Scottish Ministers. Each page of the SPFM provides the date that page was last updated. I am advised that Finance Guidance Notes (FGNs) are issued on behalf of the Scottish Ministers as either stand-alone guidance or in order to announce substantive amendments to the SPFM, and these are available at <http://www.gov.scot/Topics/Government/Finance/spfm/GuidanceNotes>. As such, if there is a particular topic, page or update that the Inquiry is interested in, it may be possible from examining the FGNs to obtain some information about changes and when they were made.
5. You have asked if TS have a copy of a Cyril Sweett report referred to in a FOI request to which request TS responded in September 2011. If TS do have a copy of the report, it will already have been provided to the Inquiry, as I am advised that all material relating to the Edinburgh tram project held by TS has been passed to the Inquiry. I would refer you in that regard to my letters to the Inquiry of 11 February, 30 July and 1 October 2015, and the material produced therewith.
6. You have asked for copies of all reports prepared by Cyril Sweett for Transport Scotland insofar as they relate to the Edinburgh tram project. Again, if TS do have a copy of these reports, they will already have been provided to the Inquiry, as I am advised that all material relating to the Edinburgh tram project held by TS has been passed to the Inquiry. I would refer you in that regard to my letters to the Inquiry of 11 February, 30 July and 1 October 2015, and the material produced therewith.



7. You have asked whether TS ever received a report on Optimism Bias in response to its request. Bill Reeve in his statement has already confirmed that he does not know whether a paper on Optimism Bias was ever received by TS. If such a paper or report is held by TS, it will already have been provided to the Inquiry, as I am advised that all material relating to the Edinburgh tram project held by TS has been passed to the Inquiry. I would refer you in that regard to my letters to the Inquiry of 11 February, 30 July and 1 October 2015, and the material produced therewith. As for your questions regarding whether in general TS ever received a report or any other information from TIE dealing with optimism bias, and regarding what procedures TS had in place to follow up such requests is, those are, I would respectfully suggest, properly questions for the relevant witnesses rather than one to which TS can be expected to provide a corporate answer. If you have supplementary questions for any TS witnesses, I will be happy to forward those and obtain the witnesses' responses.
8. You have asked for any documents in which the different options regarding TS' involvement in the tram project, alluded to but not named by Bill Reeve in his statement at paragraph 79, are identified, discussed and rejected in favour of the option to scale back involvement. To the extent that such documents exist, they will already have been provided to the Inquiry, as I am advised that all material relating to the Edinburgh tram project held by TS has been passed to the Inquiry. I would refer you in that regard to my letters to the Inquiry of 11 February, 30 July and 1 October 2015, and the material produced therewith.
9. You have asked for contemporaneous documents to vouch Bill Reeve's assertion in his Statement that the Audit Scotland report of June 2007 was an important part of the context of the decision to withdraw from the TPB. To the extent that material exists to vouch this assertion, it will already have been provided to the Inquiry, as I am advised that all material relating to the Edinburgh tram project held by TS has been passed to the Inquiry. I would refer you in that regard to my letters to the Inquiry of 11 February, 30 July and 1 October 2015, and the material produced therewith.
10. You have asked Bill Reeve to confirm what he meant by "the relevant documents" when he stated at paragraph 91 of his statement, following a discussion about CEC relying on a TIE report, that "*Without seeing the relevant documents I cannot comment on whether the decision made by CEC to rely on TIE's report was reasonable.*" I have checked with Bill Reeve and he has advised that he was referring to whatever documents passed between TIE and CEC, but he is not aware of what those comprised, nor is he aware of any documents held by TS which have not already been shared with the Inquiry.
11. You have asked whether TS has a copy of the "short review" referred to in an email that was put to Bill Reeve at paragraph 128 of his statement. Bill Reeve in his statement indicates that he does not know what the short review would be or where it could be found. If TS does have a copy, it will already have been provided to the Inquiry, as I am advised that all material relating to the Edinburgh tram project held by TS has been passed to the Inquiry. I would refer you in that regard to my letters to the Inquiry of 11 February, 30 July and 1 October 2015, and the material produced therewith.
12. Referring to paragraph 144 of Bill Reeve's statement, where he questions why the model of having a local authority responsible for a tram project should not have worked in Edinburgh when it has worked elsewhere, you have asked whether Bill Reeve can

specify the places where he claims that this model has worked. I have put this supplementary witness question to Bill Reeve, and he has responded as follows:

"It is normal in Britain for local authorities to lead tram and light rail projects, rather than national governments. Examples would include Nottingham, Sheffield, Manchester, and West Midlands. Likewise, Croydon Tram has been the responsibility of TfL, rather than the UK government."

I hope the above is of some assistance.

Yours sincerely,



STEPHEN REES

Annex A

EXTRACTS FROM CABINET MINUTES AND PAPERS, JANUARY 2005 TO APRIL 2007

1. Scottish Cabinet Minutes – SC(05)7th Conclusions – 2 March 2005
2. Scottish Cabinet Minutes – SC(05)38th Conclusions – 21 December 2005
3. SC(05)148 – Transport Infrastructure Investment Plan: Update – 21 December 2005
4. SC(06)16 – SCANCE – 8 February 2006
5. Scottish Cabinet Minutes – SC(06)10th Conclusions – 22 March 2006
6. SC(07)33 – SCANCE – 21 March 2007

