

THE EDINBURGH TRAM INQUIRY

Statement in response to Tram Inquiry questions taken by Alistair Turnbull. Solicitor present.

Introduction

1. My full name is Susan Bruce. I am aged 61. My contact details are known to the Inquiry. My curriculum vita (CVS00000040) has been submitted to the Inquiry.
2. I retired as Chief Executive of the City of Edinburgh Council at the end of August 2015. I am currently engaged with various organisations which, not exclusively, includes sitting as Chair of Young Scots Limited (until June 2017), Chair of the Royal Scottish National Orchestra and of the Nominations Committee of the National Trust for Scotland; Governor of Erskine Stewarts Melville Schools and Electoral Commissioner for Scotland.

Overview

3. I started as Chief Executive of the City of Edinburgh Council (CEC) on 1 January 2011 and I was involved in the Tram Project from that day on. That included the lead up to mediation in March 2011, during the mediation and thereafter.
4. In our preparation for and during mediation, the client side had a detailed analysis of costs and issues. Things that went well during the recovery of the Tram project were for example, attention to detail and due diligence,

governance arrangements, including an All-Party Working Group, to create an environment of support and challenge; implementation on the ground and eventually, public information and notifications also went reasonably well after the revision of our approach following public feedback.

5. Prior to the revised client side involvement governance, project management and utilities diversions were not going well. I think the problems were the overall complexity of the programme, bearing in mind this was something that had not been done in Scotland in modern times. I do not think the management model worked particularly well. There were lots of unknowns which arose such as underground medieval burial sites, former leper colonies and generally the interesting substructure of a medieval city that were not fully known until the the holes were dug. They all brought their own problems. Another problem was the poor relationships that existed between the lead parties. There was no visible direct relationship between TIE (Transport Initiatives Edinburgh) and Infraco (Infrastructure Consortium), between CEC and TIE or between CEC and Infraco, which was crucial in such a project.
6. Generally speaking, there were also poor relations between the Council and the public.. Relations had become problematic because it was such a difficult project. There were several elements to that. One was communications with the public, which in the new approach we also did not get right for quite some time. It took us a while to work out how to handle that. The reputation of the city and the Council was being damaged because of the disruption and people had started to question if the project could be delivered.
7. I cannot comment prior to January 2011 but, in the run up to mediation, there had been a number of arbitrations which had a significant impact on timing and costs. Utilities diversions also had a significant impact. Yes the process towards and through mediation had an impact on costs because it was recognised in the outcome that the project would cost more than the original £540m estimate. The breakdown of contractor and TIE relations before mediation had a significant impact. There was also the fact that it was a

separate design and build. Even at the point of mediation the design was not complete and TIE still were not clear on how it would finish. That had a significant impact on the time and cost as well.

8. I think pre mediation, the problem that was peculiar to this project was the delivery model as laid out in the original contract. The delivery model was one where the Council was ultimately accountable for the project but appeared to have little or no control or influence over the delivery agency TIE , which in turn appeared not to be able to effectively manage the project. The installation of tram infrastructure was a unique project in Scotland so in a sense it was all peculiar to this project ..It was a unique and complex situation.
9. I do not have a view on the reasons behind the decision to de-couple design and construction. The decision was taken in 2006/07, well before I joined the Council.
10. I cannot comment on the decision or process used to reach separate delivery entities (TIE or Transport Edinburgh Limited (TEL)), however I had the benefit of hindsight and could see it was not delivering effectively so it appears not to have been a good idea.
11. I have no views on the various checks and reviews that were conducted on the project prior to my involvement and cannot comment as to why none of them were able to identify the problems. You are asking what I would have done to make it more effective. The reviews carried out post-January 2011 exemplify how I think it could be more effective. We did what we thought would make it more effective which was covering detailed granular analysis of the issues, costs, risks, reputation, legal issues, deliverability, roles, responsibilities and accountabilities, political context, public relations, economic impact and so on. By "granular analysis" I mean analysis of the issues which was fine and sometimes microscopic in detail.

Arrival

12. I started as Chief Executive on 1 January 2011 and was immediately involved in the project at a leadership level. It has to be remembered that I was Chief Executive of the Council, which at that time was an organisation with an annual turnover of around £1.7 billion and 19,000 employees. As Chief Executive and Head of Paid Service I was the senior executive with responsibility for the overall Council. However, the first thing that was on everybody's lips was the tram and it was, therefore, a very high priority in my list of things to do.
13. Before I started I was given limited briefings. One must bear in mind that I was at that time the Chief Executive in Aberdeen City Council and I was working out my notice so I had limited opportunity to become absorbed in Edinburgh. The main briefing I had was scheduled for 5 November 2010 at the TIE office at Haymarket which was to include the then outgoing Chief Executive of the Council, Tom Aitchison, the Director of Finance of the Council, Donald McGougan and the Chief Executive from TIE, Richard Jeffrey. I think there was somebody else there but I cannot remember who. I note the PowerPoint Presentation briefing document (**CEC00126843**) but that was not the presentation I was given. It actually looks like a bit of a retrofit, to be honest. Some parts of that document look like mediation preparation from CEC and in amongst it is a page from Richard Jeffrey. The point I am making is I did not see that presentation prior to my start.
14. I remember that meeting at the TIE office and, actually, Tom Aitchison could not attend as he was not well that day. I met with Donald McGougan, Richard Jeffrey and somebody else, whom I cannot remember. I had asked for a briefing, pretty much as that PowerPoint presentation shows, with financial risks, legal risks, contract risks and reputational risks.. What I was given on the day was a really patronising document on the history of why Edinburgh needed the tram to alleviate pollution and traffic congestion. I felt I

was being dismissed and spoken down to. I was very annoyed about this and I went through them a bit.

15. I do not recall that I have ever seen that PowerPoint Presentation until it came in your evidence. I have no idea who prepared it. The paper they presented to me at the first meeting was a justification paper for why Edinburgh needed the tram and not what I had asked for. I do not know who prepared it and I do not have a copy. I asked for an analysis of the tram project related risks being faced at that time and that I would face when I started the job. It was quite a difficult meeting in parts because I was seriously unhappy with their approach to me and they got that message so it was not the best start.
16. I was told nothing in relation to any of the slides on the PowerPoint briefing, but I have seen them and note the comment about an alleged '*gentleman's agreement*'. I do not recall ever hearing anything about that at any time. My view is that a contract of that size and complexity should have been locked down in formal agreements. That is what we proceeded to go and do. I have no comment to make in relation to the other slides or pages on the document because it was not a briefing I ever received.
17. There is an irony in it all as Donald McGougan was a helpful person and I do not think he expected me to get the paper I got at that meeting on 5 November 2010. Richard Jeffrey was a pleasant, civil individual, but did not provide what I was looking for.
18. When I started work at CEC and turned my attention to the tram project I did not have a specific strategy or plan as to what the outcome would be. I clearly had to get up to speed rapidly, given the paucity of useful information I had received prior to arriving. The Council had already agreed to mediation which was a good decision. My immediate concern was to build a picture of what the situation was, to assess the political appetite for what could or should happen next and to assess who was competent and trustworthy in the officer complement within the Council and TIE. I also had to meet the senior representatives of the contractors namely Bilfinger Berger (BB), Siemens and

CAF (Construcciones y Auxiliar de Ferrocarriles). Generally speaking, I wanted to build knowledge of the issues and understand the parameters of what we faced.

19. The project, in my view, presented a substantial risk to the city, the Council and to the Scottish Government, a major funder. There was also the risk to the Edinburgh economy because the place was in turmoil and, obviously, risk to the reputation of all those parties. The relationship, as I remember it, between TIE and Infraco had broken down. The contractors, although retaining a presence at the depot had effectively downed tools on street and track works. Options had to be developed which were going to be subject to political decision-making and I think that is a really important point. I am asked repeatedly in these (Inquiry) questions about my decisions I should make it clear that in the world of Council, the officers are not the policy decision-makers. People in my position implement policy, present the relevant information and make recommendations to elected members but it is elected members of the Council who make the policy decisions. They make the policy decisions and hand it back to officers to deliver and they then scrutinise, support and challenge. In my role I was responsible for providing effective managerial leadership, creating an environment to effect change and the successful delivery of policy, including a deliverable outcome on tram and for making management decisions on implementation of policy.
20. I looked at whether or not it should be taken forward or terminated and the full spectrum of cost implications for both and, if continued, how and by whom. Was there a compromise somewhere in the middle? Everything from A to Z had to be looked at. The first step, in all of this, was the mediation that the Council had agreed prior to my arrival, which was a very good decision..
21. What was clear in my head was that the Council was the project owner and was accountable for the project and that TIE, an arm's length company established by the Council, was contractually responsible for delivering the project. This link between the council and TIE was a key issue. The Council always owned it and were always accountable for it. I think the responsibility

and accountability link had been broken. At the time, and in fact probably enduringly, the relationship between TIE and TEL was not clear, but for me, it was clear the Council owned the project and in that original construct, TIE had to deliver it.

22. I had no further meetings or briefings with CEC executives that I can recall specifically on tram prior to starting the job,. I had a couple of helpful meetings with Tom Aitchison, the then Chief Executive, as I was leaving Aberdeen and he was leaving Edinburgh but, it was the whole Council I was coming into so my briefings were broad and didn't focus specifically on the tram in any great detail.
23. My impression of the position I inherited as far as the tram was concerned was a mess. The project was clearly in trouble. Work was in stasis and there were excavations in the city with no clear view about what was going to happen next. It was a mess that needed to be sorted out one way or another.
24. I was aware of the design delays but they did not start becoming clear to me until we started the preparation for mediation. When I say "we", I am referring to the client side, which was TIE, CEC, TIE's advisors and the CEC advisors. We collectively prepared for mediation. When we got to mediation there was Infracore on one side of the room and the client side on the other side of the room. Infracore being BB, Siemens and CAF.
25. Thinking of design, and whether or not I thought it was a good idea to separate delivery and design, and, with the benefit of hindsight given the difficulties, I would say no, however the Scottish Parliament was design and build and that did not go particularly well either. There might have been a justifiable reason for separating it at the outset but it took me quite a time to get to grips with it. However, I did have experts giving me advice while I was doing 101 other things at the same time. My job was not to be an engineer, my job was to give executive leadership overarching this and make sure we moved it forward one way or another. Design did come up quite a lot during the pre-mediation and mediation discussions and continued thereafter.

26. I was not told anything specific about Schedule Part 4 and Pricing until we got into the preparation for, during and after the mediation. These schedules are complex, technical detailed documents and one would probably need to be a qualified engineer or quantity surveyor to understand them fully. It was not my job to get into that level of detail. I am not saying I am a jobs worth and shove it to somebody else, far from it but I am keen to be clear on roles, responsibilities and accountabilities. My job as CEO of the Council was to have sufficient understanding to give leadership to the process of getting to a better place. Both in the project and in the council we built up teams of people who were experts in engineering, planning, legal - all sorts of professional and technical experts who would better understand that level of detail. It was crucial to build a team of people who had relevant and appropriate skill, expertise and knowledge.
27. I was told by TIE that Infracore were at fault for the disputes that had arisen and that arbitration had taken place. TIE felt they were in the right, despite the number of adjudications that were found against them by that time. My confidence in TIE was a bit shaken because of the confidence they were exuding that they were right and Infracore was wrong when the track record on adjudications actually showed something different. Councillors had the impression that TIE were in a strong position on adjudications when in fact they were not, so it was not helpful.
28. Regarding information on file, my laptop was left in the office when I retired and presumably passed on to the next Chief Executive, or back into the system for someone else to use. Prior to it being used by someone else, CEC's IT service would wipe it as it would have contained files on social work, economic development and many other things I was dealing with, including the trams. If you are looking at my laptop you will not get a full story on tram, there will be tram issues on it, but also many other areas of work including the issues on property fraud which has also just started to emerge when I took up post, the Mortonhall infant ashes and the general running of the Council. You

would not expect the Chief Executive of an organisation that size to have every minute detail about the trams on their laptop.

29. In relation to the information on file for the trams; if somebody wrote to me specifically or emailed me about something or there were emails between me and people in the team then my team in the office would keep records of that. There were a large number of hard copy tram files from Tom Aitchisons' time and I had many lever-arch files on it. When I came in, my team kept paper copies in files, but these were not the full technical project files, these were the elements that came in through my office. A full set of the tram project records were kept in two main ways as far as I can recall. The master project file was kept by Colin Smith, who I brought in as a key advisor and I asked him to keep a full record of all project work. The Council will also have records held on legal, financial, technical, planning and roads for example, in fact in all the divisions where we had advisors. A master set of the information was kept in one repository from which, between Colin Smith and the committee clerks, you should get a full picture.
30. Colin Smith's main role was on the tram. During later years, he was asked to give advice on various projects such as the Water of Leith flood defences but that was also separate work from the tram contract. The tram project was why he was brought in in the first place. I know we had something like 14 terabytes of audited information and Colin, as project SRO had built up about 48 bankers' boxes of files all of which have been handed back to the Council. There was masses of information and as Chief Executive, my job was not to keep all the project files, but to ensure we had a complete file. I wanted one master copy and that was part of what Colin was charged to do. He kept the files complete and he would also want to have evidenced the work that he was doing.
31. I would expect Colin to have given the whole file to CEC; it was called '*the wall*' because of its size. He is meticulous, diligent and trustworthy that is why I brought him in. I had worked with him on a civil engineering project when I

was Chief Executive in East Dunbartonshire. I had seen him interpret contracts, reach solutions, look at best value and understand the political context of the whole thing. When I joined Edinburgh, Jenny Dawe, the Council Leader and Steve Cardownie, the Deputy Leader , in response to my question about who we had on the ground who was competent and trustworthy to handle tram , could they be a 'right hand person' - said they were open to who I could bring in as long as I got the trams sorted, so I invited Colin for a discussion, and found him to be an excellent option. I consulted with the then Director of City Development who agreed the approach. Colin Smith agreed to be an advisor and joined the team. I did tell him there was a risk that trams could break our reputations forever if we failed to deliver an acceptable outcome but he was prepared to take it on and did a brilliant job. We also had good legal, financial and technical advisors and many others, all the way through to the committee clerks, who took the minutes. They (committee clerks) and their attention detail were very good. , They were willing to work hard, long hours and we ended up with a really good team.

32. There are full records for the governance arrangements that developed post-mediation, the Tuesday and Thursday morning meetings we had every week, the joint project forum, reports to Council and all project associated meetings. They were all minuted by a committee clerk and there were hard copies and electronic copies. I do not know whether ultimately both were kept. There is a great reliance on electronic filing now but you would not find the full record of everything in my office because that was not what I did. If it was something to do with the tram it would be sent to the project team team and there was a full record kept there by Colin Smith.
33. In relation to challenging the adjudications, TIE believed they were in a strong position to continue to adjudication. They strongly advised me and the Councillors that it should be done. I began to think they were a bit delusional at this point because, if you looked at the outcomes of the adjudications that had taken place, they had not been in a very strong position. This had led to an understandable lack of trust and confidence by Councillors in council

officers and in TIE. It took me several years to establish trust widely with councillors because they (councillors) had felt so led astray by the poor information and divergent views of TIE and Council officers. Elected members were in a difficult position and we (CEC) did not know initially who to believe. TIE's position was that they should just keep going to adjudication. My position, and - when I say 'my' I include the CEC team - I was beginning to think we were not going to win. Evidence showed that TIE had not won much in the past and challenging through adjudication did not look like a good strategy.

34. You are asking about how decisions are made. Just to explain, I was an appointed officer - the way it works is that Councillors stand for election - they are the elected members; the Leaders, Convenors and committee members. Officers are appointed personnel so you see an advert in the paper, you apply for the post, you are competitively interviewed and get appointed. As CEO my role amongst other things was to provide managerial leadership, support and challenge, ensure the delivery of services, to give advice, to make recommendations, to ensure the implementation of policy. We took recommendations to Council meetings or to committees. Councillors would make the decision and either take your advice or make their decisions based upon their own ideas and political priorities. . Councillors would then hand the decision back to you for implementation and while we did that they would be scrutinising, challenging and supporting. We would then report back on the progress of implementation. Councillors did not always take officer advice which was entirely their right.
35. TIE was slightly different. In CEC you had the appointed officials, which was me and other officers on one hand, with the elected members, that being the Leader of the Council, Councillor Dawe and other councillors on the other hand. The Council set TIE up as an arm's-length incorporated company so there was a dotted line between the Council and TIE. The Council was the shareholder and TIE were delegated to get on and deliver the tram. TIE reported through officers to the Transport and Infrastructure Committee and to

the TIE Board who would report back to the Council. However, for me, one of the issues was the lack of clarity about the roles, responsibilities and accountabilities of those different parts and how they interacted.

36. Although TIE, the company, had been set up by the Council to deliver a tram system, the Council was still the owner of the project and the Government was still funding it. Ultimately, the Council were accountable so had to make sure TIE were delivering council policy with regards to the tram. The problem in this was that nobody involved appeared ever to have delivered a project of the complexity of tram in Edinburgh and additionally the governance arrangements became ineffective.
37. Generally, my role on the project was to create an environment in which open and frank efforts could be made to find a solution to the impasse; to be a point of executive ownership within the Council; to ensure that elected members received reliable information from which to make policy decisions and to provide management leadership.
38. As I have said, I did significantly depend on advice. I am not a civil engineer so on many matters, especially technical, legal and financial, the advisors played a key role.
39. Strategic and policy decisions were the province of elected members. The Directors and executive team at the time were Dave Anderson, Director of City Development, he was also the Senior Responsible Officer (SRO) for the tram project; Donald McGougan was the Director of Finance; Jim Inch was the Director of Corporate Services and Chair of the Tram Implementation Project Group within the Council. We also had Alastair Maclean, who was Head of Legal Services then Director of Corporate Governance; Mark Turley, who was Director of Services for Communities, who was not involved in a high-profile way at the beginning as planning and roads were involved through City Development at that time; and, John Bury, the Head of Planning at the time.

These were people who were all doing big jobs in the Council so they were not there specifically for tram but tram fell within the scope of their roles.

40. I referred to the governance structure earlier. TIE was established by CEC to deliver the tram and their officers would report to the TIE Board. The TIE Board would then present papers which would work their way through to the Transport, Environment and Finance Committees. Most of that was before I got there.
41. The governance structure was not adequate and I therefore made changes to the set up. Part of the outcome of mediation was to review the governance arrangements. TIE operations were shut down with the Council taking back direct control. We set up a governance arrangement within the Council of the Tram Project Board, the Joint Project Forum and various others. There is an organogram in the files that describes the governance arrangements.
42. I chaired the Tram Internal Planning Group (IPG) for a brief time when I first arrived. It had been chaired by the former Chief Executive or the Director of Corporate Services and it seemed to be expected that I would chair it when I got there. I only chaired a couple of meetings. Its purpose was to create the management link to TIE between the Council management and TIE management to ensure effective implementation of the project. It gave advice to members and provided an executive overview of progress. I did not consider it to be effective and I can give you an example why. When I first arrived in post all 27 tram vehicles had been ordered. At one of my early meetings, I arrived to hear discussions about what livery was to be painted on the trams and I was reasonably blunt in my comments because we did not even have a tram system. In fact, we had no hope of getting a tram system by the looks of it at that stage, yet they were focussing their attention on what the livery on the trams should be. I was pretty disparaging about what was being discussed. It (the IPG) did not always focus on such things but if it had been effective perhaps the issues they eventually faced may have arisen earlier. To be fair to the people in the IPG they did all have other jobs to do and it was

basically a bolt on for them but I did not consider it to be effective and it was changed in the subsequent review of governance.

43. I note the document **CEC02084575** which is the client side mediation statement. The tone of that mediation statement is quite forthright and determinedly positive because that is what it was - our mediation statement. It was the client side's collective position. If I am being asked about the mediation statement then, yes, it was determinedly positive; we were trying to resolve a conflict situation to deliver the will of the Council, to have a tram. That statement was put together after many hours of collective effort deciding on the tone, content, positioning of the argument and other aspects.
44. I would say the document which is the mediation statement is accurate and is what I said. It was a confidential mediation statement that was developed at the pre-mediation sessions in collaboration with Nigel Robson, who was TIE's QC; Brandon Nolan a solicitor with McGrigors and Anthony Rush, a construction consultant who was TIE's expert. Others involved in those sessions were me, Colin Smith, Alastair McLean, Donald McGougan, Alan Coyle and Dave Anderson. Alan Coyle was a young accountant who had been seconded by the council to TIE. He was a good officer and was brought back into the Council team and became a key player. All the relevant key players were in those pre-mediation prep sessions. When I arrived at CEC in January 2011 the mediation was set for March and I could not see any preparation. TIE were preparing behind the scenes with Nigel, Brandon and Anthony Rush but I do not think the Council were particularly sighted on that. I got quite anxious about it thinking Infracore were going to wipe the floor with us if we did not prepare so I sent out a direction that we had to work several consecutive Saturdays and Sundays in the run up to mediation. I do not think I was very popular for that but it did not do us any harm. I also think I was not a particularly welcome figure at TIE because I was laying down a challenge to them. However, we then became the client side and a lot of good work was done. Steven Bell was there as well, many TIE people were there and although there were points when it was like two tribes coming together, by the

time we got to mediation we were one side and if we had any differences they were not visible to Infraco.

45. Transport Scotland were also briefed but they were not at the table in the pre-mediation preparation. They were, however, present at the mediation.
46. Regarding the question of whether or not the contract should be terminated, I can confirm it was one of our options. Yes - we looked at that because we had to look at and exercise effective due diligence on every option. CEC's negotiating position became the client side negotiating position as CEC were the project owners with TIE and CEC wrapped in it together at the mediation. We looked at everything, whether it should go ahead, whether it should not go ahead and what each of those things could then look like.
47. I was provided with information about the project in many different ways. That included oral briefings, hardcopy reports, emails and attachments. Operationally there were both hard copies and electronic copies. These were provided by lots of different people within CEC, external advisors, Transport Scotland and others.
I cannot imagine that you do not have copies to examine because we documented everything, certainly post-January 2011 when I started.
48. Storage and administration management was discussed, as appropriate, with officers and members. Business support in my office kept all the material that came to me or we passed it on to the project. The committee clerks, who minuted all the governance structure meetings, were responsible for keeping records of those proceedings. All the formal Council and committee meetings were recorded as well. Transport and Environment, Finance, Audit, Council, they will all have kept electronic copies and, possibly, hard copies. The Council went all electronic around 2012 and everything was saved electronically. The committee clerks also kept records of the Tuesday and Thursday meetings, the Joint Project Forum and the All Party Working Group.

49. Colin Smith was the key advisor, but became the SRO in 2013. From day one, Colin kept records as key advisor to the tram project. He kept a master copy and the decision tracker. That was something he introduced so he/we could always follow-up where things were. He was meticulous in his record keeping. Turner and Townsend were eventually brought in as project managers and they also kept meticulous records of all their involvement which was reported to the Joint project Forum.
50. I cannot recall on which drive electronic copies of documents or emails were stored. I did not do my own filing. If I knew I was going to be working late or had to read something over the weekend, I might download a report on to my laptop so I knew where it was. I did the job I had to do and I had other people who did the photocopying and filing. I had a brilliant team who did all of that for me. There was also our colleague Ritchie Somerville who, in pre-mediation and mediation also took notes and prepared presentations for us. He was not a committee clerk, but he was very good at keeping detailed and articulate notes.
51. Once the new governance structure was in place it was, as I have said the committee clerks that kept the minutes of meetings and I was never more than two days away from an update. We met at eight o'clock on Tuesdays and Thursdays like a religion and I chaired those meetings. Vic Emery, who was the Chair of TIE from about March 2011, was the Vice Chair at those meetings. Vic and I worked like two halves of a pair of gloves. If I was not there for any reason Vic would Chair, we had good continuity, he was excellent and contributed a lot. Vic was also in the client side preparation and at mediation. In my view the governance structure delivered well and there was strong continuity. Transport Scotland were also at those meetings and would, presumably, also have kept notes.

TIE

52. I acknowledge the action note from the Tram IPG meeting on 21 January 2011 (CEC01715621) that I chaired. I note the comment "*View remains that the Council is still not receiving full information from TIE Ltd despite pursuing 'one family' approach*". You are asking what gave rise to this concern. I cannot recall from that meeting what information was not being received, this related to something raised previously, prior to my arrival, given that at this time I was only 21 days into the job. The minutes record what happened at that meeting on 21 January, it is not recorded as my personal view, but the view of the meeting. Given the state of the project, it was possibly a plausible complaint to make. I cannot really comment on it because the circumstance being referred to arose prior to me being there. However, I have no doubt you have access to the files that were kept from January 2011 onwards and which may have recorded some of the difficulties we experienced in getting information from TIE. When I first started, there were difficulties in getting information from TIE because CEC and TIE were not thinking they were in the same family at that point.

Moving to Mediation

53. In January and February 2011 all possible options were talked about as to the contract and project. That included continuing, stopping, revising, sacking the contractor, re-procuring, the whole context was under consideration. Obviously after mediation the decision would be for Councillors to take on whichever policy we would adopt but our job, prior to and during mediation, was to test all possible scenarios and provide the Councillors with reliable information and deliverable options.
54. All options were open, but there was a general feeling that people wanted to finish what had been started, which is just a natural reflection on human endeavour. There was no pre-determined position; we had to look at everything. We considered the practical implications as well as the financial and legal implications in ripping up and remediating what had been built. By that time about £350 million had been spent of the £540 million original

budget. We also considered the reputational damage that could arise from that for the city, the Council and the Government and the impact on the public and the economy; we tried to see it from all angles.

55. I have seen the PowerPoint presentation (**CEC01927442**). It looks like a mediation working document. I think it was a presentation package. Either one of the pre-mediation prep notes or a mediation note that was annotated and progressed, I am not absolutely sure. I can't recall who prepared it, but it was part of the client side collaborative approach to mediation, so all the advisors would have had input. It does look like something that Ritchie Sommerville might have put together on our behalf. Possibly the early material we discussed in the run up to mediation.
56. The various parts are just as they say. It was an options analysis to test the possible scenarios that could help us formulate our client side joint approach to mediation. It was then developed as the mediation went on.
57. You are asking what discussions I had with Scottish Ministers at this stage – From memory, I do not recall having much discussion at this stage with Scottish Ministers regarding the project. Relations were understandably cool between the Scottish Government and Council. Myself, Colin Smith and I think also Donald McGougan presented at a briefing for Cabinet Secretaries John Swinney and, I think, Alex Neil, or possibly Keith Brown before mediation. Transport Scotland were present and would have been Ainslie McLauchlan and/or David Middleton. As I recall, It was a helpful enough meeting and the Scottish Government were supportive of mediation but John Swinney was clear there would not be any more money. He did, however, offer the technical support of Transport Scotland who were then instructed to be at the table. Transport Scotland were a helpful part of the client side collaboration.
58. TIE provided estimates of the financial costs that each of the options would entail. You will have seen from their notes, they were using Gordon Harris Partnership (GHP) and Faithful and Gould who were well known in terms of

civil engineering and estimating. Anthony Rush was also a TIE consultant and they were all testing the numbers for TIE. To be fair TIE had done a bit of work on this before I got there so they had estimates which were basically the 'straw man' testing.

59. CEC did not have its own estimates. TIE at this time was still the delivery agent of the Council. We tested the costs of the options TIE had developed extensively and in the pre-mediation prep we used TIE and CEC consultants and accountants. It was TIE who were originally going to mediation and the Council who had agreed this. TIE would, presumably, have gone to the mediation but when I came in we developed CEC and TIE coming together for the mediation so we had the one client side voice. The estimates were all tested to destruction. This level of due diligence was continued from that point on and throughout the entire project to its conclusion.

60. I note the email I was copied into, from Tony Rush to Brandon Nolan, dated 27 February 2011 (**CEC02084651**). Tony expressed the view that the costs of separation would be substantially more than had been forecast by TIE. No reliance was placed on anything that was not properly tested. That material that Tony Rush brought forward, and in fact all of the figures, were talked through by CEC, TIE and also Transport Scotland when they joined the client side approach and were stress tested and kept on the table for consideration. They were played into the discussions in the lead up to mediation and were an option although separation was not ultimately recommended as the way forward.

60. I acknowledge the email Richard Jeffrey circulated on 11 February 2011 (**TIE00685545**) making reference to me meeting with Dr Keysberg on 15 February 2011. There were several reasons I had a direct meeting rather than leaving it to TIE or TEL, one being that Dr Keysberg was already known to TIE and TEL. They (TIE and TEL) had been on the road since 2007 and I was new to Edinburgh. I had never met any of the players from the contractor side - I do not know what Richard was implying in his email.

61. The facts of the matter are that when I joined the Council I discussed with the Leader the need for me to at least meet the senior representatives of the contractors. It was agreed that we would invite the Infracore principals to Edinburgh, as a courtesy, to meet with us and that is what happened. There was myself, Colin Smith, Jenny Dawe who was the Leader of the Council and, possibly, Steve Cardownie who was the Deputy Leader, although I can't actually remember if he was at that meeting. Another part of the reason for meeting them was that I wanted to look into the whites of their eyes to see if they looked like the kind of people that would enter mediation seriously. We wanted them to know we were serious about finding a solution, although at that stage we did not know what the solution might look like. The other point, which might sound a bit spikey coming from me, was that Richard Jeffrey was in an organisation that was a delivery agent for the Council, so neither the Leader of the Council nor I needed his permission to meet with whomever we wanted.
62. We met board level representatives of the consortium; Dr Keysberg from BB, George Scheppendahl from Siemens and, I think, Antonio Campos from CAF. The meeting was very reasonable and very professional. They were at the top of their game in their own businesses and they were meeting the political and executive leadership of the Council so we were, I think, at a similar level in terms of where we sat in our organisations. It was a respectful meeting and provided an opportunity to discuss the fact that we were going to mediation. It certainly appeared to be the case that both the client side and the contractor side were going into mediation in earnest and prepared to do our best to find a way forward, albeit we were on opposing 'sides'.

Preparation for Mediation

63. The matter of what information I was given on likely costs if the contract was terminated, or pursued links in with my previous comments on the separation costs following the email from Tony Rush to Brandon Nolan (**CEC02084651**). I should also refer to a report prepared by Colin Smith (**TRS00023933**, section

7.2, page 41 of file) which states the costs of Project Phoenix would have been £760.3 million. This report is reviewing the period from January 2011 to June 2012 and provides several live project files that were prepared throughout that period.

64. The £760 million was information that had been brought through from TIE. I spoke earlier about the Council not having their own estimates and that we were working on TIE estimates and testing them to destruction. The level of information I was receiving at this stage was largely at strategic level. We were trying to ascertain the direction of travel and the ballpark numbers. The technical advisers were talking in significantly more detail. The intricate detail that lay below those big figures was the work of the technical experts and was under constant and detailed scrutiny, right to the end of the project. I was not personally involved in interrogating the Bill of Quantities.
65. As it turned out the £760 million TIE had been working on and the £776 million that we eventually ended up with were almost coincidental because they are not like for like figures. The £776 million was the figure at the very end of the mediation process and involved the track-bed redesign from Haymarket onwards. It also involved £40 million of exclusions that had not previously been priced. We were not comparing mirror images. They were both in the ballpark but for different reasons.
66. There was a huge amount of work to be done following mediation in March 2011, particularly for the June 2011 Council meeting which was the last meeting before the recess so it was quite a crammed period for the Council. The contents of that report reflected the pre-mediation, mediation and post-mediation discussions and the crystallising views of the client side.
67. I agree the document (**TRS00023933**) is an accurate account of what was summarised for members and I agree it summarises accurately the post-mediation options. Just to comment on the sub-option of completing to Haymarket (**TRS00023933**, section 7.8) as I know I will comment on it later, it

was considered. We had quite a lot of discussions with elected members about officers not filtering anything out, because elected members wanted to understand everything and make their own minds up. Haymarket, although not recommended as a sensible option, remained in there and it was for Council to debate and consider.

68. Your question is “a report prepared by Colin Smith in 2011 (**CEC02083835**) states that at your instance there was an all-day meeting on 29 January 2011 to assess readiness for the mediation. Is this correct”? Yes “What was done at the meeting and who attended”? The meeting was the first of the weekend sessions that I insisted upon to give us some decent time away from other pressures – it was established to assess readiness for mediation and what we had yet to do to get ready for mediation. As I recall, from the council – myself, Colin Smith, Dave Anderson, Donald McGuigan, Ritchie Somerville, possibly Alastair Maclean and from TIE – Richard Jeffrey, Stephen Bell, Susan Clark, and their advisers Anthony Rush, Brandon Nolan and Nigel Robson “What conclusions, if any did you reach”? The conclusions broadly were that we had a lot of work to do, we would work together and that a lot of technical detail had to be understood and tested. “Was a written record kept of discussions at the meeting”? Yes. “If so, who by”? From memory, by Colin Smith and Ritchie Somerville, but everybody will have kept working notes “Were papers prepared for the meeting”? Yes, from memory, by CEC team members and by Tie team members “If so, by whom, I can’t remember when and how were they circulated”? Probably by email but there were also A3 presentation documents that would have been circulated in hard copy. “Were copies of such papers (electronic or hardcopy) kept in a particular place or by a particular person”? Yes – these will be in the tram master file which you should have access to.
69. I have seen the table (**CEC02084630**) setting out the key issues and the way forward. I note the Inquiry says it is part of Colin Smith’s papers. I can’t recall if I saw it prior to mediation but if it was in the papers then I probably did. I cannot tell whether it was prior to, during or post mediation but it is what would

have been discussed. If it was presented we would have used it to reach a collective client side view. I do not know when it was produced, as it does not have any references on it.

70. I note the PowerPoint presentation slides (**CEC02084643**) that give details of the Phoenix and Separation Proposals and that the Inquiry says it is part of Colin Smith's papers. Colin did keep copies of everything but just because it was in his papers it does not necessarily mean he was the author. If it was in his papers then I probably did see it as part of the pre-mediation discussions. Phoenix and Separation were TIE initiatives that were fed into the pre-mediation discussions for testing and consideration. It would have been discussed at length as we did with everything. People were set tasks and Faithful and Gould were brought in to test the numbers. We went through several layers of independent experts who could test and re-test and so on. I assume it was produced to facilitate consideration of the Phoenix and Separation options.
71. I note the document entitled 'Project Separation' (**CEC02084597**) and that it appears to be incomplete. I also note that it was in Colin Smith's papers. It was probably given to me prior to mediation and I expect it was drawn to the attention of the client side during pre-mediation talks. It would have been fed into the pre-mediation and mediation discussions and tested out as an option.

Mediation Statements

72. **CEC02084511** is the Consortium Mediation Statement. Noted. What were your thoughts in relation to this? It was their statement. Our role was to present a strong case and challenge their position. Did you have meetings to discuss its terms? I can't remember if we saw it prior to mediation. If we did we would have discussed it. If so, when and with whom? I cannot recall. This Statement claims that the cause of delay was late MUDFA works? Was this your view or that of people in TIE with whom you spoke about this? See Note 76 below. What role had been played by slow mobilisation or refusal to carry out

on street works on the part of the INFRACO contractor? See note 77 below

73. **CEC02084575** is my '*Opening Statement*'. It was agreed I would deliver the statement on behalf of TIE, CEC and the whole client side.
74. The terms of the TIE Mediation Statement (**BFB00053300**) were discussed and prepared during January and February 2011 by TIE. The statement claims one of the causes of delay was late MUDFA (Multi Utility Diversion Framework Agreement) works. The TIE mediation statement was not used at mediation as the client side statement was developed to encompass the collective client side case.
75. I cannot really say what role was played by slow mobilisation or refusal to carry out on-street works on the part of the Infraco contractor. I was not there at that time, this is all pre-2011. When I arrived, the contractor had, to a large extent, demobilised and the whole project was in stasis
76. I had no involvement in the actual preparation of the TIE Mediation Statement. I assume TIE did this in parallel with collective client side pre-mediation discussions, perhaps before we started our collective approach. I do not know who else was involved. I don't recall whether we considered TIE's own individual statement because it was not something we took forward to mediation. Any concerns that anybody had would have been fed into the client side collective mediation activity. The final Mediation Statement (**CEC02084575**) is the statement that was agreed and delivered on the client side.
77. I note the email Colin Smith sent to me on 28 February 2011 (**CEC02084613**) which refers to discussions and a meeting that was to take place. You have the email which actually lists the topics we were to discuss. It was all part of the build-up to pre-mediation preparation. There will be records of the meetings and discussions; they will be in the Project Records.

78. The Project Records are the full set that Colin Smith kept as the key advisor and from 2013, SRO. He kept a full set of everything from day one to the last day. It will all be in the bankers' boxes, affectionately known as *'the wall'*. Records of formal meetings were kept by clerks. I do not think the clerks were deeply involved before mediation so it may have been in Ritchie Sommerville's notes that were taken during the pre-mediation sessions.
79. The teams preparing for mediation were TIE, CEC and after the meeting with the Cabinet secretary, Transport Scotland. In TIE there was the Chief Executive, Richard Jeffrey, and his staff included Susan Clark, Alastair Richards, Steven Bell and a host of TIE technical people, plus Nigel Robson their QC, Brandon Nolan their solicitor from McGrigors and Anthony Rush the technical consultant. On the CEC side there was myself, Donald McGougan, Alastair Maclean, Dave Anderson, the SRO at the time, Ritchie Sommerville who was largely taking notes and preparing presentations for us, Colin Smith and Vic Emery who became the new Chair of TIE. Those people were all involved in preparing for the mediation. They each played their role according to the skillset they brought or the role they had in their jobs that brought them to the table. It was generally chaired by me or Vic Emery and the TIE and CEC teams came together to form the client side. Transport Scotland were not at the early pre-mediation prep as far as I can remember but they came to the mediation once John Swinney, who was the Cabinet Secretary for Finance, placed them at our disposal. They were part of the scene going forward from mediation.
80. I note the email from Nigel Robson to Colin Smith of 4 March 2011 (**CEC02084587**) which refers to briefing me on financials. It was to go over everything we were discussing in the pre-mediation prep on the financials. That include estimates that TIE had prepared for project separation, - Project Phoenix and various other options that were being tested, including Anthony Rush's paper on separation. In answer to your question, Nigel Robson is a QC who was brought in as a legal advisor by TIE prior to my involvement. This

was a very good decision. He was very helpful. I do not know who brought him onto the team. Richard Jeffrey may be able to answer that.

81. Prior to mediation there were briefing documents prepared for the client side, including one document which we referred to as the '*deckchair analysis*'. That was because it had different columns in different colours so it basically looked like a deckchair. (We occasionally used such nicknames for things – largely to help us distinguish the many different files, it also to help lighten an otherwise fairly heavy mood.) I cannot remember who provided the briefing documents but they were part of the general papers that were put together for the client side preparation.
82. Hard copies were kept as it was part of the developing picture for mediation discussions. At a meeting I would receive a hard copy of something, read it and do whatever I needed to do with it. Then I would put it out for filing. I knew Colin had a technical copy of everything so any information I ever needed I could get from him. If I put something out for filing it would go in my "tram file" out tray and then into one of a series of lever arch files. That practice was built up before I got there, in Tom Aitchison's time. There should be paper files unless they have gone out to the records storage at Iron Mountain, or as Colin had a complete set on behalf of the council, from A to Z, the extra copies might have been destroyed..
83. I cannot remember if the mediator asked the parties to prepare documents identifying best and weakest points, best alternatives to a negotiated agreement or our core objectives. I think we exchanged papers in advance but I cannot remember. NB – since this statement was made, you (Tram Inquiry) have sent me a document showing that The Consortium's Mediation statement was sent to McGrigors who then sent both statements to the Mediator, Michael Shane, so you know that to be fact. The client side team were involved in preparing our own papers and we had quite a lot of advice from Nigel Robson QC and Brandon Nolan the solicitor from McGrigors... Their job (the mediators job) is to facilitate the parties coming together. A bit like a

marriage guidance councillor, you bring the divorcing couple together but you do not necessarily put them in the same room. We had our room, they had their room and the mediator went between, occasionally bringing us together in a neutral space. The mediator then went away, thought about it and came back to ask for a final position or our thoughts on X, Y and Z. We would feed back in and on it went, a bit like shuttle diplomacy.

84. My role in preparation is as we have discussed before which was in the pre-mediation sessions where we tested and rehearsed everything. My role as CEO and of the Council was also to create an environment where we could challenge ourselves, be as well prepared as possible for the mediation and derive the best possible set of options for the council to consider. We made sure the client side were as one rather than as factions because it was the client side versus Infraco at mediation and we were appearing as one team.

Mediation

85. As I said earlier the client side collaborated together to reach our mediation statement, so it was TIE, CEC and all of our collective advisors who prepared and were content with it. I acknowledge the email (**TIE00670971**) and attachment (**TIE00670972**) Ritchie Somerville sent me on 8 March 2011. Ritchie's notes relate to were what we said at the opening statement. I cannot comment on the BSC statement other than we did not think it was very good at the time, which we were pleased about.
86. The approach taken at mediation goes back to the pre-mediation preparatory sessions. I insisted that TIE and CEC got round the table at those sessions in the run up and we hammered it out collectively. We had disagreements, we had agreements, we had lots of areas to discuss and between us we worked out what our approach was. Of course, we had Brandon Nolan, who was an experienced solicitor, and Nigel Robson QC, who were also able to give us advice.

87. The CEC strategy for mediation was to be open-minded and hard-nosed and to seek clarity over options to take back to Council for their consideration. Above all though, it was not to get a result at any cost. The Scottish Government was supportive of mediation and our approach but had been clear there would be no more money. We were public servants working in the best value environment so we had to be mindful of that.
88. The various issues addressed at mediation were risks, challenges, opportunities, costs, legal, reputations, deliverability and degrees of certainty. The way we addressed them was that both sides made an opening statement, I led for the client side and Richard Walker led for the Infraco side and once we made our statements we retreated separately and reflected on what had been said. Michael Shane, the mediator, then moved between us to try and get some constructive discussion going.
89. Mediation started on the Tuesday and finished on the Saturday night. We had to swap venues twice. We used Mar Hall because they were noted for privacy and we did not want press intrusion. We stayed at a hotel in Bishopton because Mar Hall was expensive. I cannot remember the name of the hotel. We had to leave Mar Hall on the Thursday because there was a function so we moved the proceedings to our hotel at Bishopton. We worked there on Friday and Saturday morning then had to move to McGrigors offices in Glasgow on Saturday afternoon. By Saturday night only key advisors and principals that were left along with the mediator. We worked into the night at McGrigors' office.
90. The Council paper of June 2011 (**TRS00023933**) summarises the outcomes of the mediation and presents options for the council to consider. There was considerable toing and froing as I have just described. You have asked 'what lead me to agree to the payment of the sum contained in the deal?' I as an individual did not agree to the payment of any sum. If we are being picky, and that is something to be picky over, agreeing the final sum was was not my role, not in my gift.

The detailed client side work – analysis and stress testing of the spectrum of risks, exclusions, outstanding issues in design and development, on street utility risk, financial options, deliverability, contingency etc all contributed to the options that were put to Councillors for their consideration.

91. This was all contained in the paper to Council in June 2011 (**TRS00023933**). This was then presented to Council by Dave Anderson, myself, Colin Smith, Alastair Maclean, Alan Coyle and Donald McGougan. We explained why we had reached the point that we reached. In answer to your question, the point I am making is that I did not and could not agree or decide anything, it was my job to recommend and it might seem like a subtle difference but there is a big difference in governance terms. The Council actually suspended standing orders so that officers could speak at Council. Each Council has its own standing orders and in Edinburgh officers do not usually speak at Council unless they are asked a question or asked for clarification. The Council is the forum at which the political parties debate and challenge each other politically and with the recommendations of officers before reaching a decision. It often then goes to a vote. This was such a huge decision for this Council meeting, the Council Standing Orders were suspended so that we were allowed to speak and present the information and evidence for the recommendations..
92. The team of officers made a presentation, I started it and each officer, in turn, came in. Alastair MacLean on legals, Donald McGougan on financials, Colin Smith on technical, Dave Anderson on overall project deliverability and Alan Coyle on the revised business case. The reason we did that and the reason members agreed to allow the suspension of Standing Orders, was because it was a public meeting, with a public gallery and reporters present, so it was the first time the outside world had an insight into what happened at mediation. We had tested and re-tested it and were trying to demonstrate to elected members that we felt very strongly that our recommendations were reliable and we had come to do the right thing, the right way. The elected members could then make an informed decision knowing how we had reached our

recommendations. It was a massive moment. So, it was a properly recorded Council decision, not my individual decision.

93. We went through the detailed collective client side work, the analysis stress testing, the spectrum of risks, exclusions and outstanding issues in design and development, which was key as design was still not complete at that point. On-street utility risk was another key issue, financial options, deliverability contingency and all of that was fed into the options that were presented to Councillors for consideration.
94. I note the email Tony Rush sent to Brandon Nolan on 27 February 2011 (**CEC02084651**) which expressed the view that the BB offer was above market rates and that the Siemens price increase was unexplained. I think Tony raised a fair point. It was right in the heart of the pre-mediation work and was taken into the debate and analysis of issues. It was not the basis of the settlement but it was certainly fed into the process and scrutinised.
95. The fact that the delay and expense caused by contractors was so great it might justify bringing matters to an end was something we had to consider. This was a factor that was considered in detail. We asked ourselves how much it would cost to separate? What were the issues? What were the risks? What were the opportunities? This was all fed into the considerations but not, ultimately, recommended to elected members as a course of action to follow.
96. I note the email Steve Bell circulated on 12 April 2011 (**TIE00686636**) which suggested the sums BSC sought could not be justified. By then everybody was poring over the numbers. The mediation process reached a Heads of Terms to be considered for agreement to go forward. Between 12 March 2011 and 15 September 2011 there was a substantial amount of due diligence on the numbers, legals and technicals to see if those Heads of Terms could be brought to an agreement. All the factors raised by Steve Bell were fed into that for consideration and analysis and debate.

97. In answer to your question, I do not agree that the agreement reached appears to prove that none of the arguments advanced by TIE/CEC in their Mediation Statement were sustained. As I have explained, what was agreed at mediation, in principle, were the Heads of Terms, the shape of what might come. I am referring back to the mediation statement. The mediation statement for both sides was their pitch and mediation was also about identifying common ground. Areas of agreement and where there is room for manoeuvre in areas of disagreement. Then at the end of mediation you have identified the principle Heads of Terms.
98. However, they were not formally agreed at that point because, as Chief Executive, I did not have the authority to formally agree. I had to take it back to Council, which was the paper we presented to Council in June. Then we got the go ahead from the Council to proceed. The decisions to settle took account of the range of risks, the best option for the client side, the exclusions and the on-street risk for utilities. Those all fed into why we recommended the settlement the way we did.
99. There was no single argument in relation to the settlement costs; there were lots of different parts to this jigsaw. The settlement that was eventually recommended to Council, recommended on the merits of the arguments that we thought we could sustain based on our evidence. Like any negotiation, you have an ideal place and you work your way towards that, adjusting options as you go along. The advice had come from the whole client side and our range of advisers. I gave executive leadership to the client side, considering the collective advice along with the Transport Scotland view, who were representing the Scottish Government.
100. In relation to increased costs, the initial 2007 Business Case cost was £540m. When I got there they had already spent about £340m of that. You will therefore need to ask TIE about the costs as I was not there when the original Business Case was set up.

101. I note the email Richard Jeffrey sent to Gregor Roberts on 10 May 2011 (TIE00107170) relating to differing views being expressed on the mediation process. There were times when there were differing views. This was particularly the case early on and we were getting the client side together. TIE was still in existence and they were quite entitled to lay down challenges. All views were debated. Steven Bell's email earlier on illustrated that he thought things were too expensive. Richard Jeffrey, in his email, appears to endorse reaching a solution through a collective approach of weighing up pros and cons to recommend to Council. The outcome was always the subject of Council consideration and decision. My reading of that email was that Richard was being supportive.
102. Post mediation some works were separated out as 'priority works'. They included Princes Street remediation, where the work had been completed but because of faults it had to get taken out again, Haymarket Yards, the A8 underpass and a couple of others.
103. They were chosen for several reasons. Princes Street had to be done and we insisted it was at the expense of the contractor, which it was. It had to be done before the weather dropped below 5° because colder temperature had an impact on the concrete setting point. It was initially put down in too low a temperature and subsequently cracked. Therefore, it had to be done in the summer and because Edinburgh is a world famous festival city and visitor magnet, it was about getting it done with the least disruption. Timing was a major factor. The view of the project team was "*it needs to be done, the contractors are paying for it, let them get on with it*". Nevertheless consideration did have to be given to the further disruption of Princes St and this was a key concern of Councillors. Even if the tram had never been delivered, Princes Street needed to be left in a usable position so that was one reason why Princes Street was moved on. Haymarket Yards was because it was holding up work by ScotRail at Haymarket Station. The A8 underpass had traffic diversions and had been started but not finished so it had to be

completed. I think there were five priority works in total but I cannot remember what the other two were.

104. They were all discrete pieces of work that had to be done because they had a knock-on effect to other things and the Infracore workforce, which had been largely in stasis since the end of 2010, were able to return to work. I remember the term that was used at the time was, "*to give the public confidence you need to see yellow jackets on site*". The idea was that these works would have to be done either way so we might as well get the yellow jackets on to it and start the partial remobilisation of the workforce. The other thing was that because the project had been in stasis for about six months you could not just switch on a supply of civil engineers to start the next day. It was something the contractors had to build up.

105. I note the email Steve Bell of TIE sent to Vic Emery on 3 September 2011 (**TIE00691592**) regarding the agreements and his "blank cheque" comment over extra time and costs. That was Steve's opinion and I did not agree with it. Steve was a very competent engineer but I do not think he was personally aligned to the mediation and post-mediation direction of travel. He asked awkward questions and raised issues on matters that were real to him and there is always a role for somebody like that. Those matters were fed into the analysis and debate that took place. I would like to strongly emphasise that there was never a blank cheque mentality, not mine, not the client side, not the Council. Perhaps, from the way he wrote that memo, his comments were just designed to stir up controversy but he is entitled to his view.

106. I note the paragraph in the Edinburgh Tram Project report to CEC meeting of 25 August 2011 (**CEC01914633**, paragraph 3.33) which referred to a revenue impact of over £161 million should the project be cancelled. It goes on to record that would be equivalent to a one year increase in Council Tax of 80%. This was a lengthy document that was presented to Councillors, which had to be seen and understood by them. This particular paragraph was highlighted in bold so had considerable weighting. It is incumbent upon officers to highlight

such risks to the elected members and it was done in this context. The paper was done in the context of an ongoing Council Tax freeze, which has only just been lifted. The information was made clear to Councillors who will have weighted their decisions according to their priorities and fiduciary duties. We were in the middle of a Council Tax freeze and a recession, so a one-off payment with that kind of impact had to be drawn out.

107. Notwithstanding TIE's diligent collaborative work in the lead up to mediation and the effort they put in prior to that, there was a collective view on the Council side that TIE was not working and needed to go. It had not effectively fulfilled its role in delivering the overall tram project up to the end of 2010. It was costing money to run and was not effective. I also think that within TIE there were some individuals who had been badly affected by the challenge of embracing future plans. I understand it was their livelihood and their work and that seeing other people coming in to sort it out could be professionally humiliating as well. However it was deemed necessary to bring in project management capacity and Turner & Townsend were contracted to do that.
108. Within the Council, the strong officer recommendation and strong political decision was what the Council had to take direct control of the tram project and that meant TIE had to be disbanded and Turner and Townsend were procured to come in and give project management capacity. This position was also supported Transport Scotland and by Vic Emery the then Chair of TIE who subsequently, stayed with us as a non-executive advisor.
109. The novation of CAF back to TIE was as I remember, another outcome of the mediation. Within the Infraco relationship there was no mechanism for the integration interface between CAF and the rest of the project. Just to explain CAF built the tram vehicles, BB built the rails, the infrastructure, the depot and Siemens provided and built the overhead wires, connectivity to the grid and the controls. They each had to speak to one another and while BB and Siemens were quite close, and had worked together before, CAF, were largely

not in that relationship, nor as present on the ground here. They built the vehicles in Spain and shipped them over.

110. We needed to ensure that, when the vehicles were here, they were capable of being integrated on to the rails and into the system. All three had to talk to each other all of the time without fail. At mediation, we (client side) demanded a proper integration interface and I think it was a point of difficulty between the three of them (BB,S and C). What was agreed was that CAF would separate out, be novated back to TIE and that an integration interface manager would be appointed. As I recall the client side paid for that to make sure it happened. There is a letter that Infraco members signed in June of that year demonstrating support for that arrangement and saying that their individual and collective integration responsibilities would be delivered (**BFB00096886**).

111. There were documents prepared at mediation to record what had been agreed. The ETN Mediation document (**CEC02084625**) records the agreed key points of principle and the Requirements for Absolute Price Certainty document (**CEC02084626**) lists those requirements and the alternative, that being termination. I omitted to mention earlier that throughout the mediation we had typists and business support typing up notes as we went. There should, therefore, be records of what was discussed and what progress was being made. I cannot remember the precise documents but those two documents (**CEC02084625** and **CEC02084626**) look like the kind of things that was prepared. I appreciate it is not clear from these how, when and by whom it was recorded, but it was all recorded during the proceedings. Records were produced by the client side and our business support would have typed them up from working notes arising from mediation.

112. I note **CEC02083973** is a report on progress since the completion of Heads of Terms. These were produced for 8 April 2011 which was shortly after completion of mediation. It was prepared by Colin Smith who was one of the key advisors to the client side. It is what it says, a "*Report on Progress*". I would have to go from memory but it shows everything that was agreed and

written up in the papers that were subsequently recommended to Council. I see Martin Foerder's signature at the top (page 5), then mine as the Executive Lead for the Council, Vic Emery who was the Chair of TIE and another, whom I cannot remember at the bottom. It will have been one of the Infracore principals.

113. The client side engaged McGrigors and not DLA for legal representation at mediation. McGrigors were already engaged by TIE and the client side kept them going.
114. Post-mediation we also brought in Ashurst Solicitors following good advice from Alastair McLean, and I note his email on 1 March 2011 (**CEC02084611**) and the comments on drafting the revised contract. McGrigors were excellent, however, Ashurst had national expertise in heavy and light rail and we needed the right access to the right advice, so we still had McGrigors but we also had Ashurst.
115. The Ministerial Briefing Note of 6 July 2011 (**CEC01927679**) was probably written by our own in-house legal advisors. If it says that Ashursts sought to shift the allocation of risk then it must be correct and I have no reason to doubt it. Ashursts gave a wide range of legal advice to the Council on their area of expertise in light rail. I was involved with them at strategic level. The detailed interaction was largely through Alastair Mclean, our Head of Legal Services and then Director of Corporate Governance. In the period from the end of March through to September there were extensive and detailed negotiations going on between the client side, all the advisors and Infracore. A massive amount of work went on to take forward the principled direction of travel that had been agreed at mediation and turn it into a workable legal contract. Just because Ashursts were having that conversation in July 2011 does not mean it had not been discussed at mediation. This was the refinement of the principles from mediation. On a contract of this size you could not get into all of the fine detail at mediation so we worked pretty much

every day from mediation through to mid-September when we signed the contract.

Reporting the Outcome

116. The CEC Progress Report dated 16 May 2011 (**CEC01891505**) is an update for the Council and was the first progress report after mediation. It is what it is; a progress report, an Edinburgh tram update. We provided those reports to Council so there was a continued briefing to elected members and a public record of proceedings. This was one of the briefings that went into MoV4 which was the remediation of Princes Street and other things. I also note document **CEC01914650** which is a summary of reports submitted to Council since mediation. That may have been reported to the All Party Working Group to show them what we had previously reported or to perhaps to remind them what views they reported. The Committee reports were all public records, albeit some sections might have been taken privately due to commercial confidentiality. .
117. The document entitled "Agreed Key Points of Principle" (**CEC02084685**) with the handwritten annotations is a note that was produced at mediation. It lists the agreed key points of principle. The handwritten annotations were added when some of the principal Germans were leaving for a flight, so it was initialled as an agreement in principle. In addition to what is typed it was also agreed to novate the tram supply agreement from Infracore to TIE. The Princes Street remedial Works and Haymarket Yards is also written there. I do not know whose handwriting it is. It was initialled by me, Vic Emery, Jochen Keysberg, and one other, who I do not know. It says at the bottom "*signed on behalf of Siemens*" and their principal was George Schneppendahl. Somebody else also signed it on behalf of Siemens. The one at the top is Dr Jochen Keysberg, 10 March 2011; he was the principal for BB. I signed it on behalf of the Council and Vic Emery signed it on behalf of TIE. This is not a binding agreement at this point; it is a note confirming that through mediation we have reached a point and these principles have been agreed on. We took

it back to do all the due diligence over the next six to nine months and these are the things we had to develop and take to Council. After mediation, I had to go back to Council, to the Council Leader, explain where we were, ask their opinion and develop it.

118. I note document **CEC01914933** which is a report on the outcome of the mediation to Councillors. I have spoken about this document already (**CEC01891505** in para 117) **** Tram Inquiry - can you check the numbers as the para numbers have changed since the interview and are not running consistently in this version**** The author/owner was Dave Anderson, Director of City Development, as he was the Senior Responsible Officer at the time. There will have been a number of contributors to the report.
119. As you can see from the note, this is version 12 so there was a drafting process. It is a report on the outcome of mediation and I was involved in reviewing the document as it developed.

Documenting the Outcome

120. The Minute of Variation to the Infraco Contract (**BFB00096810**) is a detailed document. The agreement is between TIE, BB, Siemens and CAF so they are the people you should ask if it is a copy of MoV4. It does look that it reflects the discussion that took place but goes back to 2008 so, I cannot talk about that. It also reflects on what happened at mediation. The inquiry should really ask the signatories to confirm..

New Governance

121. I note the statement in the Report to CEC of 25 August 2011 (**CEC01914633**, paragraph 3.47) that the existing governance arrangements were complex and had not been effective. These are the governance arrangements pre-mediation, and I agree with that statement.

122. The new Governance Structure identified in the Report to CEC Audit Committee of 26 January 2012 (**CEC01891498**) was agreed at the Council meeting on 25 August 2011 and 2 September 2011. It then continued throughout the entire life of the project because it gave clarity about who did what. It provided clarity surrounding roles, responsibilities and accountabilities and clarity over who was leading what, what the escalation routes were and the reporting routes.
123. I will go through the structure to explain. At the top is the Project Owner, CEC, and sitting below that was the Joint Project Forum and Principals Forum which was chaired by me. The Joint Project Forum was monthly with the representatives of BB, Siemens, CAF, the client side and Transport Scotland. Once a quarter it was Board level principals from BB, Siemens and CAF for a review meeting, which I also chaired. I would make reports to the Council and also to the Audit Committee. The All-Party Oversight Group was established because this was initially a politically divided project. It was politically very sensitive but, in my view, it did not fall apart because of politics, it fell apart because of the way it was delivered. The All Party Oversight Group was established to bring all of the political groups to the table and was internal to the Council. It included the group leaders of the parties. There was Labour, Conservative, SNP, Greens and Lib Dems, everybody was represented. It was a confidential briefing group where we could bring them up to speed with what was going on. The elected members used that forum really well, not as a party political forum but as an area where they had open and frank discussion about a key issue in the city. It was what you would call a "safe space".
124. Lothian Buses were there (in the governance structure) because they were going to operate the tram on behalf of the Council, who owned the tram. The Project Delivery Group was Chaired by Vic Emery and the little yellow 'TS' sign in the corner indicates that Transport Scotland were at those meetings. The Project Delivery Group reported to the Joint Project Forum.

125. The Independent Certifier was Colin Smith, after mediation. We wanted openness between the parties to the contract and honesty with everything visible and transparent. We had to be hard on ourselves and on each other. At mediation, it was agreed that if we could get these principles signed off, which happened in the September, we would not keep rushing out to arbitration. Colin Smith had been recognised as a diligent and professional individual by both the client and contractor side and it was agreed by the contractor that he (Colin Smith) should be the Independent Certifier.
126. If there was a dispute, it worked its way up all of the routes on the chart and if it could not get resolved, it would go to the Project Delivery Group. It would then go to the Independent Certifier, who would adjudicate, then to the Principal's Forum. The Principal's Forum would look at the Independent Certifier's adjudication and it would stop there. It was agreed that we needed proper problem solving arrangements. The openness and understanding that emerged between the contractor and client side meant there were virtually no further disputes once this structure was in place. It did not mean that either side was rolling over to the other side; it meant disputes were resolved through a fair, open and professional process.
127. Moving down the chart you have the SRO who, until about 2013, was Dave Anderson the Director of City Development. It then became Colin Smith because he was, effectively, doing the job anyway. The CEC Tram Briefing Meeting met every Tuesday and Thursday and I generally chaired that. It was an hour or two, from eight o'clock in the morning. We were briefed on what had happened since the last meeting, what the issues were, what progress had been made, did anything need to get checked out etc.
128. The governance chart shows the CEC Tram Briefing the Tram Project Management then the chart moves on to the technical meetings; Programme and Risk, Tram Commissioning, Design and Consents and Utilities. Those participating included Infraco, client side planners, roads, solicitors etc as appropriate at those meetings.

129. Finally, at the bottom of the chart you have BB and Siemens, TTPM (Turner and Townsend Project Management) and CAF. Transport Scotland had an oversight of the whole thing sitting in on a number of the meetings. Transport Scotland would then keep the Ministers briefed. I kept the Council briefed and we all knew our place. That is what the governance structure was and what was reported to the CEC Audit Committee in January 2012.
130. The changes compared to what had gone before were that this had all been brought back in-house for the Council to manage. TIE operations had gone. There was a clearly defined escalation route with roles and responsibilities and accountabilities to get everybody involved. That was different from what had gone before. The reasons for doing that speak for themselves, because the previous pre-mediation arrangements were not working.
131. I did not see any such organogram in the TIE arrangements previously. The next page on the document (**CEC01891498**) shows the meeting hierarchy. The idea of this was that the arrangements were clear and everybody knew their place. They knew who to speak to if they were unhappy, needed advice or needed to escalate something and they knew who they were responsible for and to and so on. It did exactly as it says and all the paperwork you needed to know about was there. It was like a workshop manual.
132. The email and attachments from Gavin King dated 26 March 2013 (**CEC01942311, CEC01942312 and CEC01942313**) refer to changes that were made to refine the process. Those were to smooth it down and make sure it was sensible and relevant. I cannot remember exactly what they were but they were just refinements to the process. We were never in a position where we were never going to change anything. As we went along and as people got used to working with one another small adjustments were made to make sure it was as efficient and effective as possible.

133. The role and justification for the Joint Project Forum is just as it was set out in paragraph 3.52 of the Edinburgh Tram Project Report to CEC dated 25 August 2011 (**CEC01914633**). The idea was to have a forum that would bring together the senior executive sponsors from the client side and contractor side, to review progress. It was a forum to discuss progress against measurable targets so that all parts of the agreement could come together. It was a sensible thing to do. We could see if anything needed to be adjusted and we (client side) could then go back to our members while the contractor side could go back to their Board, to keep everyone advised of progress. It gave reassurance at the most senior executive and non executive level in those organisations. It was a constructive, civilised and professional meeting. We had an agreed agenda in advance, CEC provided the Secretariat and it was all logged and recorded and is available in the project files.
134. You have asked why it was decided that Transport Scotland should be invited to these meetings. Transport Scotland were invited for two reasons. Firstly, they were a key part of the client side and were representing the majority funder, which was the Scottish Government. Secondly, they were bringing Transport Scotland and the Government's interests to the table. They were bringing their own technical knowledge and expertise. Therefore, why would they not be at the table?
135. Referring to your question, I am aware that Transport Scotland previously did not participate in decisions about the project but that was prior to 2011. I was not there at that time. You would need to take that back to the relevant Ministers or Transport Scotland and ask them. The Report to CEC of 25 October 2012 (**CEC01891499**) does record that the involvement of Transport Scotland had been "extremely positive" (paragraph 2.2.1) and I agree with this.
136. I said earlier that I had a briefing meeting with the Minister (John Swinney) prior to mediation and he put Transport Scotland at our disposal so the Cabinet Secretary wanted TS in there. They were then with us from mediation

onwards. TS were positive because they brought professional knowledge, that was used to advise Ministers, and it was another helpful pair of hands at the table.

137. It would be speculative of me to comment on whether or not Transport Scotland involvement since 2007 might have made a difference to the way that the project turned out, so I cannot comment on that.
138. I acknowledge that the same paragraph of that report (**CEC01891499** paragraph 2.2.1) says the engagement of Turner and Townsend had improved project management. Turner and Townsend did improve project management because they were there solely to provide that capacity. They had the knowledge and expertise whereas the client side, CEC also had the whole Council to run. I am not going to comment on whether or not they would have made a difference had they been there from the outset. That would be speculation.
139. Referring to the Minutes of the Joint Project Forum of 17 November 2011 and the point Martin Foerder raised concerning Turner and Townsend's (T&T) interpretation of the contract (**CEC01890994**, Item 3.1, page 5). I note that I said "*this did not sound like the current client instructions to T&T*". I remember but it does not give detail in the minute. I recall when T&T came in they had a slightly more adversarial approach to things and I had responded to Martin that this did not sound like our instruction to them. from memory, the point that Martin was raising here was that BB and T&T should be speaking in a civilised way and moving forward together, as client and contractor. They each knew their respective roles and responsibilities and within that did not want to re-start any hostilities. Client /Contractor ethos and behaviour was part of the mediation outcome which we all worked hard to improve and we wanted any new parties to adhere to our code of conduct.
140. T&T were quite hard-nosed and occasionally a bit adversarial so we went back to them and explained where we were and that if there were any issues

to raise them through the proper channels of the governance arrangements. That was pretty much it, T&T sent one of their senior executives up and we talked it through. I can't recall what the exact issue was or why CEC had instructed not to pursue it. I would need to see more information. I think it was just about how things were being raised. Instead of going straight to a grievance procedure we would actually have some discussions first. It was about the culture and behaviours we were trying to maintain post mediation.

141. I note the Minutes of the Joint Project Forum of 21 March 2012 (**CEC01942260**) that record I highlighted the improved working relationships as a key factor in what had been achieved. I also mentioned that T&T's approach had caused some tension. As I have just explained we did not want this. The project had been off the rails at huge legal, financial and reputational risk, we had all worked hard getting it back on the rails and we did not want any maverick behaviour or unnecessary hostility. We wanted a hard challenge, scrutiny and accountability but it needed to be done in a way that did not push us back into a crisis situation.

142. Referring to the Project Delivery Group (PDG) and the example of the minutes from 9 August 2012 (**CEC01891230**), it is all as we discussed earlier. When I spoke of governance structure and referred to the diagram (**CEC01891498**, page 7) I explained how the PDG works, when it was established and how it is reported in the Council papers. It was a regular group that ensured project delivery was on track. It was part of the new governance arrangement which were implemented when TIE was disbanded.

Later Agreement – MoV5/Settlement Agreement

143. There was a vast amount of work done following the March 2011 mediation process. That included reports to Council, reports to the Audit Committee and briefings to elected members. We set up data rooms for elected members to look confidentially at the details of the commercial settlements and members were encouraged to go and spend time in there. Most of them did and spent a substantial amount of time in there. There was a huge amount of due diligence done on the financials, legal and risk profile. The work continued until 15 September when it was due to be signed. There was a scrupulous level of detail and due diligence reached on the principles and the Heads of Terms that had been agreed in principle at Mar Hall.
144. I note the letter BSC sent to me on 10 June 2011 (**BFB00096886**) with proposals as to how matters could be moved forward. Infraco were saying they would not increase or decrease the client side's obligations in relation to system integration. I think this was just a clarification that things were proceeding as expected. Infraco were saying that because of an organisational change, it did not change their obligations, and we were happy with that. I do not think there was a problem getting started in the second phase. CAF had been novated to TIE, whose operations were being shut down, so it was just confirming the CAF relationship with CEC, who had been 100% owners of TIE.
145. Going forward, just to illustrate that further, Lothian Buses were to become the organisation that actually operated the tram system. Edinburgh Trams Limited, were 100% owned by CEC. This is about the integration of the maintenance agreement for the tram. The Council owns the trams so, by definition, they also own the maintenance agreement so this was just making sure it was clear.
146. The email and attachment Alastair MacLean sent to me on 28 July 2011 (**TIE00689001** and **TIE00689002**) referred to the main commercial issues

which needed to be resolved with BBS. We still had about three weeks to go before this was signed off and Alastair was identifying issues that needed to be bottomed out before we could sign off. That is what happened, the issues were pursued and resolved. It was good advice and quite challenging but we got there in the end.

147. The Settlement Agreement (**BFB00005464**) was, I think, the Minute of Variation 5 (MoV5) that was signed on 15 September 2011. They worked all through the previous night, decamped up to McGrigors offices and got the job done. All signatory parties were there that day for the signing. I cannot remember if we actually called it MoV5 at the time but the main terms are all written in The Settlement Agreement. When TIE was originally on the go in 2007, they would have had the main contract and any adjustments would be a Minute of Variation 1, 2, 3, 4 etc. I know MoV4 was the underpass and Princes Street remediation, so this could have been MoV5. There is the original contract and then there are these Minutes of Variation that lay on top. In 2007 there was the original contract, in 2011 there were variations, so you now have the original contract plus the variations. We actually got to MoV8 by the end of the project.

Implementation

148. After Mar Hall I was the Senior Executive project owner within the Council. It was my role amongst other things, to oversee progress at strategic level, to make sure we got to the finishing line. I dealt with problems and issues at a strategic level, ensured communications were open between the contractual parties at board level. I chaired the Joint Project Forum and the Tuesday and Thursday briefing groups, gave briefings to members and occasionally to Ministers and was held to account by elected members.
149. I have already described what the differences were in the way that the project was managed after Mar Hall compared to the original position. It was about clarity of escalation routes and different relationships with contractors, in that

we had a civilised way of dealing with things. We also did a lot of direct briefings to elected members and we had the All Party Working Group so we were a lot more visible. In the original set up the Council owned and were accountable for the project and TIE, as an arm's length company were charged with delivering the project. As previously stated, this had not worked effectively, as evidenced by progress to the end of 2010 so we closed TIE operations and brought the project under the direct control of the council.

150. In response to your question, The practical results of these changes were that we were able to deliver within the revised programme. Matters proceeded more smoothly after Mar Hall because there was clear managerial and political leadership, effective due diligence and clarity of collective purpose. Once the Council had decided it wanted to proceed we were all out to make it a success. It was not because the contractors were being paid more.
151. There were more collaborative and co-operative methods of working introduced between CEC and the Consortium. As I have said before, through things like the Joint Project Forum. The contractors could go straight to the principals on our side as they had a direct relationship with CEC, the owner of the project, instead of going through a middleman, as TIE were. I think that made a difference to them. There was clarity, there was a strong governance arrangement that was being adhered to; there were escalation procedures and rules about behaviour and culture. There was honesty about what was going wrong or right and stronger focus by CEC on the project and its ownership and deliverability.
152. CEC now also had some things in common with the Consortium. Both the Council and the Consortium had financial, legal and reputational risk. Having decided it was going to go forward it was in our common interest to make it work.
153. I have explained how it was all brought about, after the hostile relationship that had existed. We started with the introductory meetings and met the

principals prior to mediation. The Consortium made a commitment on seeing there was a different approach and they were willing to give it a go. We (CEC) were also willing to give it a go and it was not about rolling over at any price because this was not an *'any price'* situation. It was about being realistic about what could be done. Given that TIE had expended about £350 million of their £540 million before the end of 2010, and there were no tracks laid you would probably never have got the tram to Newhaven for that amount of money, but that is speculation. It was not an *'any price'* approach, but it did need to be realistic.

154. In response to your question, I note the emails between Vic Emery and myself of 22 and 24 July 2011 (TIE00688914) regarding Siemens claiming more money. Vic raised this with me and I said we needed to *'dig in on this one'*. There is a trail of correspondence in the documentation between accountants, Alan Coyle and Dennis Murray. I cannot remember what the final outcome was but it will be traceable in the project records. This exchange was in July 2011 and so several months before the final agreement was signed and what we ended up with in the final analysis for on-street works was a separate measured term contract which came within the overall financial envelope. Vic indicated that Siemens wanted an increased £14m, which he believed to cover their losses and we (CEC) were not having that. If their losses were pre-mediation I viewed that as tough luck so I agreed with Vic that it undermined the whole goodwill basis. That £14m number would have been analysed by Faithful and Gould or Turner & Townsend to assess the work they were expected to do. We would have expected to pay for what the work was worth and no more and certainly nothing to cover their previous losses. Knowing the way we handled the project, we would have taken a hard line on it without falling out with them. I cannot recall what was done in relation to the claim because I was not involved in the technical negotiations, but would have questioned, supported or sanctioned the final outcome through our governance arrangements. If it was a justifiable claim for work they were doing then we would have looked at it with a more open mind but if they were just trying to cover previous losses then we would have said no

155. I acknowledge the report to the Council of 25 August 2011 (**CEC01914633**) and note the reference to a further full review of the key project risks against the proposed budget. The review was carried out by Faithful and Gould, which is mentioned in the paragraph. I can't recall what the review disclosed that was different from the risk assessment prepared by TIE.
156. I do think comments on technical issues, as are being referred to from this report (**CEC01914633**) should be directed to one of the technical experts. I cannot comment on the positioning of the poles for overhead lines causing conflict. If that is what it says then I assume it is correct. I am not going to second guess a third-party expert. Likewise, I cannot comment on the investigation that entailed bore holes and radar or whether it was more detailed than the original investigation. That is for a technical witness.
157. You (TI) have stated in your question that the amount of provision for risk included in the Mar Hall deal was public knowledge and would have been known to the Consortium and you have asked what measures were taken to avoid the situation in which the consortium saw this as a pot of money available to them. Within a public authority, there can be a lot of press interest and by simply being a public authority your information tends to be more public than it would in a private company. One of the constant challenges for us was to keep commercial sensitivities confidential while giving as much information as the public domain was entitled to. Some information did become public knowledge and the Consortium saw that but in this instance, the risk contingency was wholly in the control of the Council.
158. It was not a pot of money the Consortium could just use. They could not say, like Siemens, that they needed an extra £14m. It was for the Council to decide what to expend and there was a process of due diligence that informed the council's decision making. If there was to be a draw on the contingency, Colin Smith as SRO would bring the proposal through the change control process. It would go through the technical groups and up to the PDG who would

assess if it was a justifiable draw and the decision would be advised and as it happened in practice, supported by the JPF. . It also had to be agreed by the Council through our accountants, so there were a number of checks and balances it would need to go through before it could be approved. The contingency was always under the control of the council. The All Party Working Group would also be sighted on such matters and briefed formally every four weeks. Transport Scotland were also sighted through the governance arrangements on the use of contingency and would express any relevant opinions.

159. I will give you an example which goes in the other direction. We spoke earlier about the design not being complete by the time we got to mediation. Well one of the things that happened, which showed the benefit of our new relationship with the Consortium, was that the track bed was redesigned from Haymarket onwards and that actually saved money for the project. It meant less money to the Consortium but it also meant less cost to us.
160. Another such example would be Shandwick Place. The original design was to go to the edge of each pavement and dig down to about six feet. Then take out that depth for the whole width of the road and build it back up until you got the redesigned track bed in the centre of the road. However, you did not need to go back to the pavement; it could be stepped in and dropped down so the track bed was in the centre of the road, thereby saving time and money.
161. The contingency pot belonged to the Council and it was up to the Council to determine how to use it. However, on a project of this size with this level of uncertainty, you absolutely needed a contingency pot. Issues were found under the ground - who knew we would find an old air raid shelter under Haymarket Junction? That involved bringing in archaeologists, then excavating, photographing and lining it with an impermeable barrier before filling it in with foam concrete. Nobody appeared to know it was there so the project could not plan for such things and therefore needed contingencies to deal with things like that. There was a very detailed and strict change control

process in place and although the Consortium knew the sum that we had for contingency, they did not have automatic access to it. I would say those measures were successful.

162. I note the email exchange involving Alastair Maclean, Dave Anderson and myself from August 2011 (**CEC01733343**) referring to continuing problems in relation to design and the Consortium. There were a range of people involved. You (TI) are asking what the problem was. The problem is laid out in the email. Dave Anderson thinks there are design issues outstanding on the contract. He has emailed Alastair and copied in several others including me. His concern being whether the outstanding design contracts might impede the settlement. Alan Coyle, the accountant, states the issues are in relation to utilities and design development and he points out that TIE's role was to intervene in design approval. I cannot remember if the Approvals Forum was in place by then, but we set it up for things like this. It included people in the Council that would be giving approvals, like planners, road engineers and building control officials.
163. One of the things Alan Coyle was flagging up was the CEC failure to deliver an approvals process and Alastair Maclean raised management points on this. They - the various teams giving approvals - were all working in isolation from one another and we brought them all together for a briefing to explain where we were and what the settlement was so they were aware of the overall scenario. Andy Conway who, from memory, came from Planning, led on the approvals process, and they got through a huge amount of approvals in a one month period.
164. There were designs that needed to be adjusted and Parsons Brinckerhoff, who were doing the design, were basically asked to get a move on and focus on it and not to build in delays. We wanted progress from people inside our own organisation that had a hand in giving consents for some of the design. I recall some adjustments were needed. The poles in the middle of the road that carry the catenary wires, I think one or two of those had to be moved due to access points for other services. It was about making sure all the parts worked

together. I can understand why Dave Anderson was a bit sensitive on it because he had been SRO during the most difficult part of the tram project and you can see that Alan Coyle, Alastair Maclean and Colin Smith are all suggesting a more structured management approach. I think the problem was unresolved design issues and the concern on the part of the Council was, if the delay sat with them (CEC), could they do something to alleviate it and, if it was the designers, could they (CEC) influence bringing things to a head?

MUDFA Works

165. I am aware of the Minutes of the Project Delivery Group Meeting of 10 January 2013 (**CEC01931577**) potential issues surrounding the works that had been carried out by Carillion. I am sure Carillion finished in 2010 so they were away by the time I got there. They had been doing the multi-utility diversionary works. After mediation, it was agreed that the Council would take the on-street risks for utilities and a sub-contractor called McNicholas was brought in to do them. At Haymarket, it was discovered we had gas and water pipes crossing over each other which is not allowed. They were also too close to the surface and rather than being deeply embedded and, some of them were covered with foam concrete.
166. What then emerged was that TIE had settled the final payment to Carillion and we had no comeback. Right up until 2015 we kept trying to meet with Carillion. TIE had settled and we had no legal recourse so we had to revisit utility works with McNicholas.
167. This did prolong the MUDFA works because we had to go back in and delay the Infraco works, which were already delayed. I did not know the extent of the delay due to MUDFA before I came in, TIE could answer that. Colin Smith actually developed a model to save time, a model called a 'bow wave'. Under the terms of the original contract only one contractor could occupy a site at any given time so somebody could dig a hole and do their work, but would then fill it in and move on. The next person would then come along, open the

hole, and do what they needed to do. The 'bow wave' provided for a programme of multiple contractors to work on the one space almost simultaneously. McNicholas and Crummock were the contractors on utilities and both worked well and constructively together.. The wider public had been witnessing what was going on with Edinburgh Tram but they now knew we were moving in a new direction and doing it differently to achieve the goal. In York Place there were barriers along both carriageways, with a traffic lane open each way. McNicholas would start, open up the road and do their utilities and as they went along Infracore followed on behind them. We were in and out of York Place in reasonably quick order. It was noisy and we had some neighbour management as, to be fair, there are hotels in York Place who were worried about the impact on guests but they worked with us and we got there, fairly swiftly, in the end.

168. I note the Tram Briefing Minutes for 19 January 2012 (**TRS00009718**, Item 1) record that I sent a letter to all utility companies thanking them for their co-operation in the project. We had contractors going in and moving utilities that belonged to Scottish Water, Scottish Gas, SGN, Scottish Power etc and now that we were post-mediation, everything was moving at a pace. Historically, arrangements with the utilities had been quite fraught at times and we (CEC) decided that if we wanted utilities to work with us and to help us, we needed to build a relationship with them.
169. We had meetings with many utilities providers and talked about what we were doing with their utilities and we got to a place where they co-operated and appreciated what needed to be done. For example, instead of looking for compensation for moving pipework they could benefit by getting new pipework as a result of the works. It was a different way of handling things. The co-operation I had in mind was exactly that, work with us, try and understand us, we will understand you, we will respect your issues and we want you to respect ours. I was aware of the difficulties encountered with the utilities in the early part of the project. Looking ahead, what we now have in that part of

Edinburgh is a clear plan of where all the utilities are, what date they went in and so on and so forth.

170. I am aware Colin Smith was of the view that a dominant cause of delay to the works was the delayed MUDFA diversions as referred to in his Review of Progress and Management of the Project document (**TRS00023933**, page 41, paragraph 7.2). I have no reason to disagree with Colin's view.

Cost

171. The final cost of the works was within the envelope of £776m. I cannot tell you how it was broken down without all the relevant information to hand, however it will be in the project files.
172. I acknowledge the Governance, Risk and Best Value Report of 6 November 2012 (**CEC01891529**) which provides more information on costs. I also note that Appendix 3, page 17 indicates the cost for on street works by BB and Siemens increased fourfold and off street works even more. The price is being compared between 2012 and the outset, in other words, 2007. The original estimate to get from Airport to Newhaven was £540m. By November 2010 TIE had expended about £350m and the majority of the project still had to be delivered. There was months of work done after Mar Hall, all the due diligence and testing, and that led to the settlement which was from the Airport to York Place. However, it was measured properly. If you remember, the TIE estimates pre-mediation were for costs of £760m and we actually ended up at £776m. That was almost coincidental because we were measuring different things but it still illustrates how wide of the mark the original £540m was.
173. The final cost included design that had not been finished at the outset and the procurement of all systems. Everything was complete and included £40m for the exclusions that had not been previously priced and we had to redo utilities. The stretch from Haymarket to York Place, which although within the overall settlement, was a separate measured package and was paid on the cost per

kilometre including utilities diversion, design and construction. The costs were properly exercised and properly analysed, so it was more expensive, but it illustrates how the original estimates of the project were miles out.

174. These figures were not picked off the back of a fag packet; these were figures that had been worked up through multiple layered processes of checks and analysis using the expertise of our own team, T & T and Faithfull & Gould, whilst the consortium were also conducting their own analysis.
175. There were separate categories for settlements of claims and contract de-risks and there are papers on that in the project files. I cannot remember the detail. The settlements of claims were things like Scottish Water who claimed against the Council. There were parties who had sold parcels of land that was not used. Colin Smith would be a good person to ask because he as SRO dealt with this along with Alan Coyle. Claims would have had to be justified and to have gone through multiple layers of due diligence before any payment.

Problems Generated by the Council

176. I note the comments in the Halcrow Group Power Point presentation (CEC02084617, page 4) which suggest problems arose because CEC officers subjected roads designs to an “unnecessarily minute and detailed audit” or engaged in “adversarial behaviours”. I also note Alan Coyle’s comments in the email dated 21 August 2011 (CEC01733343) where he states that TIE had participated in design when they had no locus and CEC did not have a joined up approval process.
177. In relation to your (TI) question, I doubt that when this whole project was embarked upon, in 2007, anybody set out to do a bad job. This was a very complex and sizeable project. We questioned the lack of progress, governance and scrutiny which all led to the governance review. The evidence shows the whole arm’s-length arrangement did not work particularly well.

178. The comment that CEC officers subjected roads designs to an unnecessarily minute and detailed audit related to the time before I was there. I cannot really comment. What I would say is that the consents and approvals process which was established meant planners, road designers were briefed to understand the context of what the consents related to. This is from 2011/12 onwards, so they understood the context in which their consents were being given and we made efforts to re-engineer the process so that the seams, if you like, between the different parts of the Council were smoother and they could exercise their due diligence more efficiently.
179. The comments by Alan Coyle in the email of 21 August 2011 (**CEC01733343**) go back to the governance structure. Everybody needed to know what their role was, where they sat, what their responsibilities and accountabilities were and not to interfere in other peoples' work unless they were entitled to - without turning a blind eye of course. Do your job and, if you have a concern about somebody or something then raise it, escalate it through the appropriate channels. That led to the design approvals workshop which was a seamless process with planners, roads technicians, building control officers and others all contributing to the work that was being done. It was helpful because people were not isolated in a room working on consents, for example. They had an idea of where it sat in the whole process and they could see the value and importance of their work to the delivery of the tram. It related to safety and also safeguarded the environment and that is why you have the approvals process.

CEC Meetings after the Mediation

180. In response to your (TI) question, I am aware of the Committee Minutes of the CEC meeting on 25 August 2011 (**CEC02083194**, from page 4) and the agreement for completion of the tram from the Airport to Haymarket in terms of the amendment proposed by Councillor Hinds. I was surprised that the motion had been accepted and I think it is fair to say everybody else in the

Chamber was surprised as well. I did not think it was a tenable position. Why would you get on a tram from the Airport that finished at Haymarket when you could get a bus from the Airport straight to the city centre? I did not think a lot of people would use it unless you lived at Haymarket and were travelling out of the city on the tram route. I also had concerns about the financial viability because it needed a volume of custom coming into the city centre for the financial structure of the tram to work. I was surprised and dismayed that we had been told to deliver something that was technically workable, but not on a sustainable basis.

181. On 30 August 2011, after the Council decision to take the tram to Haymarket, Ainslie McLaughlin of Transport Scotland sent me a letter (**CEC01721794**) to say that Ministers would not release further funds. I was not expecting it but I was not overly surprised when it arrived because the terms that the Scottish Government had funded did not include terminating at Haymarket and the Government of the day were not overtly supportive of the tram.
182. When we went into mediation we were told not a penny more by Ministers, and they were expecting the tram to go, at least, to St Andrew Square. It actually went on to York Place because the tram needed turn back and the turn back point was best accommodated in York Place. The Government had warned us that if we did not deliver, they would expect the funding to be repaid.. In other words, if we had come out of mediation and said we were not delivering the tram, we are cancelling it and filling in the holes, the Council was at risk of having to pay back any share that the Government had paid to the costs thus far.
183. I was disappointed when the letter arrived but understood why the Government would not release further funds for us to fail in delivering what they had originally funded. There was a logic to the Government's position but we did not want it to happen because it was going to put the Council in a very difficult position.

184. The Council did then change that decision on 2 September 2011 (**CEC02083154**). The Ministers in turn changed theirs enabling me to send the letter to the Consortium dated 2 September 2011 confirming the availability of funding (**BFB00097735**).
185. After that Council meeting on the 25th August, when the motion to take the tram to Haymarket was approved, there was chaos because nobody in the Chamber expected the motion to be approved. The press were all over it and you could tell from the reactions of the members that they had not really expected it to be approved. I had to meet with senior elected members to discuss what would happen next and, of course, Infraco were on the phone because this was only three weeks before we were due to sign the post-Mar Hall deal. I had Ministers, Infraco reps and the papers all calling on the phone.
186. Colin Smith, Alastair Mclean and I had to go to Germany that weekend. We had to fly out and meet the Infraco principals because after all these months of negotiation we were about to be in breach of what we had just agreed and were about to sign off on. We then came back and gave briefings to elected members about the implications of their decision. We were almost back to some of the initial financial, legal, reputational and practical risks and if this crystallised and put us in breach of the contract we – the council - would now be at fault.
187. We came back on the Monday 29 August and as noted above, to make matters worse we had the letter (**CEC01721794**) from Ainslie McLaughlin saying the Ministers were not going to go give any more funding if the tram stopped at Haymarket. We briefed members on what had happened in Germany and on Thursday 2 September 2011 we presented a paper to the Council. This was a special meeting of the Council (**CEC02083154**) and was called because we (CEC) had thrust ourselves into a crisis. The Lord Provost ruled in terms of Standing Order 22 that there had been a material change of circumstance since the decision on 25 August, that material change of circumstance being the Government not releasing any more funding.

188. There was also further information on the implications of the Council's decision with a number of deputations, for example, residents, who did not want the tram to stop at Haymarket as it would create more traffic and fume levels would rise. Many of the recommendations in the original report to take tram to York Place were repeated. There was also a report to ratify Dave Anderson and Karen Kelly as Directors of TIE because, although TIE was operationally closed down, it was still a legal entity and required signatories. The motions and amendments are all as recorded in the minutes (**CEC02083154**) which are a matter of public record.
189. The motion and amendments were brought forward and the Council eventually agreed the tram would go to York Place via St Andrew Square. I informed the Cabinet Secretary that it was on again and he confirmed the funding would continue.. I was then able to write to the Consortium (**BFB00097735**) to say we had the funds to continue.
190. I acknowledge the email and Memorandum of Understanding (**BFB00097739** and **BFB00097740**) that was concluded between the parties to address additional costs caused by the initial Council decision to proceed only as far as Haymarket. This was to give comfort to Infraco that we were continuing as before. It does not contradict anything it just reinforces that we were proceeding. I do not believe it altered the contractual obligations. The email was drafted by Carol Campbell, who was our Head of Legal Services and sent out, on my behalf, by legal services. That is legitimate and ensures it is seen as carrying the authority of the executive.
191. In response to your (TI) question, the trams were just one item of business to be considered by the Council on what was often a busy agenda. To get sufficient air time we asked for the suspension of standing orders at a number of Council meetings that were dealing with tram issues. We also set up the All Party Working Group which consisted of the Leaders and the Transport Convenors for all the parties. They had a briefing on what was happening

every four weeks. That was a confidential briefing and it was cross-party. The members treated it seriously and they did not leak any of the information.. It was used for the purpose it was designed which was to make sure we briefed members on information rapidly, frequently and up-to-date.

192. The Leaders and Transport Convenors would then take it back to their own groups and brief them. The tram project was also reported on at Council, at the Audit Committee, the Finance Committee etc so there were many opportunities for it to be reported. Where the Council deemed it necessary to have a special meeting we would have one. I believe those arrangements worked well. We also had data rooms where information was available and we would make ourselves available for individual or group briefings whenever we were asked. There were plenty of opportunities outside the formal decision-making process for members, collectively or individually, to be briefed and to ask questions.

Meetings with Ministers

193. I note that papers from Transport Scotland indicate I met with Ministers on 21 June 2011 (**TRS00011522**, a briefing and **TRS00011621** – an email from Ainslie McLaughlin dated 1 July 2011). That briefing was for the purpose of meeting and providing an update on the tram project. I was accompanied by Donald McGougan who was the Director of Finance. We had met the Cabinet Secretary prior to mediation and this was a briefing on progress.
194. I was primarily held to account by the Council, and occasionally Ministers required a status report relating to their investment of £500m. There were perhaps three or four meetings overall with Ministers and it was usually to bring them up to date on progress, highlight any issues, tell them what was going well, advise on relations with the contractors. I also had a meeting with the German Consul as there was concern about the reputational damage to German companies. Scottish Government Ministers did not often seek a direct

input as they had direct regular briefings through their agency Transport Scotland.

195. I don't recall what records were kept of the discussions with the Ministers but any records will be on file. I will have taken an informal note of what was said so that I could report back to the Council 's leadership but the meetings were largely informal. If there were any records kept they will also be held with Transport Scotland. Anything we kept would be fed back into our system.
196. I sent a letter to Mr Swinney, Cabinet Secretary on 5 July 2011 (TRS00011647) and what I was doing was bringing him up to speed with the decision of the Council on 30 June 2011 to conditionally approve the recommendations that came out the mediation. The recommendations are those listed in the letter from 8.1 onwards. The briefing on 21 June 2011 was to give Ministers an update on progress with the tram project three months on from mediation. On 30 June 2011 we had the Council meeting where we presented our post-mediation recommendations to Council (CEC01914650, page 27).
197. My purpose in writing to the Cabinet Secretary was to let him know the extent to which the Council believed it would be possible to fund the project. It was bringing him up-to-date on the funding and advising him of the financial estimates. I recall we were asking for a revenue support grant and asking him to consider an adjustment to the way we treat income from non-domestic rates. We proposed that it would be beneficial if the Scottish Government could consider allowing Edinburgh to retain 100% of any figure above the current target.
198. My philosophy was "*if you don't ask, you don't get*". Ministers did work with us in some way over the solutions but I cannot remember the exact details. What they could not be seen to be doing was to give the Council a large amount of money after saying there would be no more money. We were saying we understood that and that we did not expect a bag of money, but that we wanted the means to create headroom within the current arrangements.

Ministers understood we were always going to ask the question but I recall we were pointed in the direction of existing mechanisms we might seek to deploy to help us meet the gap, making sure that we were using all of the available rules and processes to our best advantage, but not giving more money.

Future Use

199. I did receive an email (**CEC02037102**) from Mark Turley on 17 December 2013 regarding carrying out further works to take the trams down to Leith. In this email he refers to Councillor Hinds' view on poor quality work done by TIE/MUDFA and she was right to want to hold the contractor to account. However, there were limited means to do that as that particular contract had been fully signed off and settled by TIE.
200. Mark Turley was the Director of Services for Communities which was a large Directorate with a wide remit, including environmental, planning, roads, housing, refuse and green space. He came up with helpful suggestions about how, in the normal run of what the Council does, they could help contribute to the preparation for the trams to go to Leith. He could plan it into the work of his Directorate which was a sensible and helpful suggestion. For example, money had been made available to the council for cycle paths and the realignment of Leith Walk. The idea was that the cycle path work would be done, but in such a way that it did not hinder any future plans for the tram.
201. The issues included avoiding building works that would be taken down in two to five year' time, but some work still had to happen. Some work started in 2014 and some is still ongoing.
202. The Minutes of the Tram Briefings on 25 September 2012 (**CEC01890424**) and 2 October 2012 (**CEC01890437**) refer to works in Leith Walk. This was all environmental improvement work. The scope and purpose of the works were to generally improve the environment on Leith Walk which had had a hard time during the course of the MUDFA works and had been left in an untidy state. It was clear the tram was not going to be implemented to Leith in the immediate future and Councillor Hinds, the Transport and Environment convenor and other Councillors wanted action to be taken to give the area a better appearance. It needed to look better for the traders and the people who lived there. If you go down Leith Walk you will see there have been

improvements such as pavement realignments and new arrangements for bins. The work is continuing.

Complaints and Business Support

203. I kept an overview of how we were dealing with complaints and liaising with members of the public. Generally, the complaints would be allocated to relevant officers in the council to deal with. If however it was a general complaint about the tram that would usually come to me and I would work with colleagues to provide an answer.
204. It was clear that, initially within the council public relations and complaints were not handled particularly well and, to be fair to TIE, prior to their operational closure, they had appointed a public relations officer, Alf Oriel who used to be out on site, speaking to people, visiting businesses, talking at public meetings and explaining what was happening. Dave Anderson oversaw this as part of his role as SRO and he would attend meetings, for example with the West End Traders' Association.
205. It was determined that we had to set up a specialist unit recognising that this was going to be a long project and it had substantially affected peoples' lives. The Council set up a team to investigate complaints, including public relations officers and other officers from throughout the Council. They met people, spoke to them, explained things and listened to them, reported back issues and coordinated improvement actions. It became an effective unit. There were still complaints that came to me and complaints that were about me. For example there was one man who was determined to finish my career and complained consistently throughout. He called me a liar and all sorts of charming things but that happens if you are working in a controversial area. I was directly involved with some complaints but for the most part I was involved in ensuring that we had a complaint system that worked. We also made stringent demands on the contractors to erect signs on fencing to keep people informed of progress and for example give direction to openings where

pedestrians could cross. We made an effort to make the project more consumer friendly.

206. In relation to business support, I submitted the Edinburgh Tram Project: Business Support report dated 6 September 2011 (**TRS00012236**) to the CEC Policy and Strategy Committee. This was quite a big issue for the council because at various parts of the city, particularly Leith Walk and the West End, traders had so much disruption that their businesses had suffered. Those traders wanted to know what the council were going to do about it.
207. The Council agreed an 'Open for Business' fund which was a fund held by the Council to support activities, to draw attention back to those parts of the city. F Open days and events were held in the street to try and alleviate the absence of pedestrian traffic that had been caused by the prolonged works. The Council liaised with the Assessor's Office to record that it supported the case of these traders and that they should be considered for rates relief. However, there was a limit as to how much the council could intervene in that because the relationship was between the individual business and the Assessor's Office. What the council did do was to provide support to help traders complete the forms for the business rates relief, and that is covered in the report (**TRS00012236**). The report recommended the 'Open for Business' fund and the work with the Assessor. A budget was put aside within the Council and, as it says in the report, discussion was held with the Regional Assessor. CEC also submitted evidence to the Assessor to support the businesses, confirming that the businesses had been affected by the construction works.
208. On 'Open for Business', the factors that were taken into account were the physical length, duration and extent of the disruption. CEC could also provide evidence on footfall numbers and the impact that had been made. These were the kind of factors that were taken into account and we took a view that the traders in the West End had probably been affected more than the traders in Princes Street due to the impact on footfall. The West End was more cut off

because of works in Shandwick Place. In relation to your (TI) question, I have no idea how it compared to schemes that would be used in relation to construction of new roads. I cannot comment on that.

Documents

209. I have no recollection of the email exchange involving McGrigors in 2012 (CEC01942032) which refers to the capture of data from various sources including my laptop. I note it is also referred to in the Collation of Documentation Appendix (CEC01942127) and that it also involved McGrigors. The appendix document refers to tying together what TIE and the Council had in terms of information. The Council used one system and had an arms-length company in TIE who, in turn, used a different system. The Council decided to shut TIE down and this gathering of data was about bringing together TIE's information with the Council's. It has nothing to do with my laptop specifically as far as I can tell.
210. The Inquiry needs to ask McGrigors about this. I said earlier (paragraph 30) that there was an audit of all information that came in from TIE and that it consisted of around 14 terabytes of audited information. This was to ensure that everything was captured from TIE so that it could be included in our dataset. This information belonged to the Council but it was coming from a different system in TIE and still had to be audited. I do not recall seeing this Appendix (CEC01942127) before. I would have had IT deal with this and if McGrigors legitimately needed information this would have been supplied to them. However I have no knowledge about this and they are referring to negotiations from December 2007 to May 2008, which is before I arrived in Edinburgh.
211. In response to your question and productions, there is a list at Table 1; this is a list people who were working on the project at various points. It states that the names were provided by Alan Coyle. I believe that McGrigors were involved in arranging a forensic audit of all of the information that came from

TIE so it must be theirs. It looks as though they were collating a complete picture of any emails that were sent between individuals. They would not have been prevented from getting access. I do not recollect what was done with the data.. I would want to know who was accessing my laptop but, as long as it was official and was properly done, they would be allowed to do it, subject to the data being properly handled given that my laptop contained data relating to far broader areas of work than just the tram project.

I confirm that the facts to which I attest in this witness statement, consisting of this and the preceding [66] pages are within my direct knowledge or as otherwise stated 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, belief and recollection..

Witness signature.....

Date of signing..... 6 July 2017