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**From:** Willie Gallagher  
**Sent:** 01 November 2007 09:41  
**To:** Donald McGougan (donald.mcgougan@edinburgh.gov.uk); Andrew Holmes  
**Cc:** Tom.Aitchison@edinburgh.gov.uk; 'david\_mackay@  
**Subject:** FW: TRAMS - SMALL BUSINESS COMPENSATION SCHEME

Donald / Andrew,

Please note the push by Graham on the Leader. I have asked Jenny to stay firm but we will need to work together to achieve this.

Willie

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**From:** Andy Nichol [mailto:Andy.Nichol@edinburgh.gov.uk]  
**Sent:** 01 November 2007 08:00  
**To:** Willie Gallagher  
**Cc:** Mike Connelly; Colin McLauchlan  
**Subject:** FW: TRAMS - SMALL BUSINESS COMPENSATION SCHEME

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*In confidence*

Willie

Copy to : Mike/Colin

#### **SMALL BUSINESS COMPENSATION SCHEME**

Please find below correspondence that Councillor Dawe has received from Graham Russell, Federation of Small Businesses. Councillor Dawe is out at an external engagement and is unlikely to see this before lunchtime. Graham has, however, included a request for an urgent meeting tomorrow morning. That currently looks difficult to accommodate alongside Councillor Dawe's existing commitments but she has been cultivating a positive relationship with the business community and might be willing to come at an ungodly hour tomorrow morning to facilitate such a meeting. Either way, in view of the invitation request we will, of course, require to provide a very swift response.

Your email of Friday afternoon indicated that your Tram Helpers information did not square with Graham's assertions (nor the BBC report) but that you would be meeting Graham to try to resolve the situation. To inform how Councillor Dawe responds to this approach, it would be helpful to receive any observations which you might wish provide by lunchtime today.

Many thanks

Andy

**Andy Nichol**  
Business Manager to the Leader

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**From:** Graham Russell [mailto:]  
**Sent:** 01 November 2007 00:20  
**To:** Jenny Dawe  
**Subject:** Re: TRAMS - SMALL BUSINESS COMPENSATION SCHEME

Jenny

Thanks for your update. Your news of an arranged meeting is not something that I know about? In fact Nigel and I spent a very uncomfortable 2 1/2 hours in TIE's office this pm at a Retail meeting chaired by Mike Connelly and he never mentioned a meeting with Willie. Furthermore Nigel and I had lunch with Mike and two of his team yesterday and he never said anything then. As at this early hour on Thursday morning Willie hasn't even acknowledged my e-mail from last Friday let alone picked up the phone.

I decided not to tell you earlier, as I wanted Mike Connelly and Willie to know first, but when I spoke to John Fowler Deputy Assessor last Friday to enquire why there have so far not been any "temporary rate reductions" - he said that he could not see why the works in Leith Walk (and maybe elsewhere) would justify any temporary reductions. What he was seeing were "road works", not the disruption, dirt, mud and heavy plant movements that he had been led to believe would be happening during the works. Therefore in his opinion there is no case to make payments to businesses of the Head Line Compensation Scheme that was initially trumpeted at the Press Conference at the Balmoral Hotel last year and has been the very plank of the Compensation Scheme to businesses ever since - and is headlines in TIE's publicity and pamphlets that are handed out to businesses etc.

From the outset I was derided for saying that Rating Reductions can only be made if there is a reduction in the value of the properties - and the likelihood of that taking place during the Tram works was highly unlikely. At my request John Fowler agreed to revisit Leith Walk yesterday (Wednesday) to "have another look" and I will speak with him today to see if he can or will change his mind. But even if he does he will not be handing out the "across the board" rateable value reductions that everyone expected would happen. I sincerely hope that I am proven wrong as there are a lot of people out there believing that what they have been told - is going to happen.

I will try and get a message through to you as soon as I have more news from John and have had the opportunity to discuss the situation with Mike C. I have a 11:00 meeting on Friday with the Chair of Scottish Water Business Stream at Fairmilehead - would you be free very early that morning for 15 minutes?

Thanks again.

Regards

Graham

----- Original Message -----

**From:** Jenny Dawe

**To:** Graham Russell

**Cc:** Willie Gallagher ; Jenny Dawe ; Mike Connelly ; Colin McLauchlan

**Sent:** Wednesday, October 31, 2007 9:44 AM

**Subject:** RE: TRAMS - SMALL BUSINESS COMPENSATION SCHEME

Dear Graham

**TRAMS - SMALL BUSINESS COMPENSATION SCHEME**

Thank you for your email of earlier today regarding the Small Business Compensation Scheme. I apologise for not replying to you sooner. I understand, however, that Willie has arranged to meet you this week to discuss the matter. I look forward to being appraised of what I hope is a very constructive meeting and shall provide you with a more substantive response once I have been brought up to speed on your discussions.

I hope that this is helpful: please, however, do not hesitate to contact me direct in the interim if I can be of any further assistance.

Best wishes

Jenny

**Councillor Jenny Dawe**  
**Leader - The City of Edinburgh Council**

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**From:** Graham Russell [mailto: [REDACTED]]  
**Sent:** 31 October 2007 09:27  
**To:** Willie Gallagher; Jenny Dawe  
**Subject:** Fw: TRAMS - SMALL BUSINESS COMPENSATION SCHEME  
**Importance:** Low

Good Morning Jenny & Willie,

I wonder if you have yet had time to consider my request concerning the size of the £2m TIE Compensation Fund?

Regards

Graham

----- Original Message -----

**From:** Graham Russell  
**To:** [Willie Gallagher](#) ; [Jenny Dawe \(Lib Dem\)](#)  
**Cc:** [Mike Connelly](#)  
**Sent:** Friday, October 26, 2007 10:58 AM  
**Subject:** TRAMS - SMALL BUSINESS COMPENSATION SCHEME

Good Morning Jenny & Willie,

#### **TRAMS - SMALL BUSINESS COMPENSATION SCHEME**

As everyone has now become aware several small businesses in Leith Walk are now identifying very serious losses in turnover and customer flow since the road works commenced. Two of these were highlighted on BBC Radio Scotland and BBC Television Scotland yesterday, and in other Media outlets. One of them stated that he and his partner were "*now living off their savings*" and the other that his business was "*losing £2,000 per week in turnover*". This morning I have been informed that one of our Newsagent members is claiming to be losing £1,000 per week in turnover. Quite obviously as and when the road works move to other parts of Leith Walk, and elsewhere on the Tram Route, these small businesses are unlikely to be the only ones that will experience similar financial problems and these examples will unfortunately continue to be repeated.

The owners of these, and virtually all other, small businesses will no doubt have raised their own capital to start their companies and perhaps secured the loan against the family home. It is therefore in no one's interest for these concerns to suffer unnecessarily or worse still fail due to the intended welcome improvement in Edinburgh's integrated transport system. As you are aware 90% (14,500) of the Capital's enterprises are small businesses, they employ 36% (87,000) of the Capital's workforce and produce 43.9% (£8.2 billion) of the Capital's combined annual turnover. These entrepreneurs are absolutely vital to the City's economy and deserve to be allowed to prosper using their own initiatives at their own risk.

Can I today please ask for a serious re-examination of the £2 million that is in TIE's budget to fund the Small Business Support Scheme. It was openly acknowledged from the outset by everyone that the Primary Support Scheme of £3k & £4k per business would be likely to be no more than a token gesture over the four years of the building works. The Enhanced Support Scheme, with its budget of £350k, is only intended to help those businesses in "Hot Spot" areas - which are yet to be defined and may not be in the same place as the currently affected businesses. This very small secondary fund will in any case have to be divided by the number of total claimants and will be paid out at least 12 months in arrears.

**In the last few weeks it has been widely announced that there have already been £47 million of savings made in the Tram Budget. Can I please challenge you both to look again at the £2 million total funding that has been made available for the Compensation Support Scheme and urgently use some of the £47 million to substantially increase the financial amounts can be distributed to Small Businesses?**

Both myself and my Organisation will make ourselves fully available to help with this proposal in any way.

I would appreciate your earliest positive responses.

Kind regards,

Graham

**Graham Russell**  
**Chairman - FSB Edinburgh**



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