

---

**From:** Graeme Greenhill [GGreenhill@audit-scotland.gov.uk]  
**Sent:** 28 January 2011 10:19  
**To:** Richard Jeffrey  
**Subject:** RE: Audit Scotland report on Trams Jan 2011

Richard

Thank you for meeting with us recently to discuss the draft report and for the tracked-change version which Steven later sent us.

We have discussed your concerns regarding publication of the report with the Auditor General. Sue Bruce made similar comments when providing the council's response to our draft report.

The report is a factual commentary which seeks to report the tram project's progress and costs to date. The report does not include a detailed review of the various works contracts which are in place and we do not express any opinion on the project's management or the performance of any of the contractor's involved. This would be inappropriate due to the ongoing contractual dispute between tie and the Bilfinger Berger Siemens consortium.

Much of the information being reported is already in the public domain and we have been careful to ensure impartiality by eliminating any wording which might create the perception of Audit Scotland having exercised judgement on the project's progress and costs. tie's comments on the draft, and those of the other public sector bodies involved, have been very helpful in this regard. We have also taken external advice on this matter.

The report will be published on 3 February. Recognising the high level of media and public interest the report is likely to attract, we have decided not to issue embargoed copies of the report in advance of the publication date as is our normal practice. Audit Scotland's press office will, however, be in contact with yours in advance of publication to ensure appropriate liaison over the contents of our respective press releases.

As I intimated when I phoned yesterday evening, I will arrange for an advanced copy of the report to be hand-delivered to you this morning. Similar arrangements are being made to provide confidential copies of the report to Sue Bruce at CEC, David Middleton at Transport Scotland and Mike Neilson at the Scottish Government whose new role includes oversight of transport issues.

I'd also like to record our thanks for the help and assistance offered to us by you and your staff in preparing the report.

Regards

Graeme

---

**From:** Richard Jeffrey [mailto:Richard.Jeffrey@tie.ltd.uk]  
**Sent:** 17 January 2011 08:49  
**To:** Graeme Greenhill  
**Subject:** Audit Scotland report on Trams Jan 2011

Graeme,

Thanks for the opportunity to comment on the draft report, I thought the meeting was very positive and constructive.

In addition to the specific comments we discussed in our meeting on Friday (Steven Bell has sent you a marked up copy including our comments under a separate e-mail) there is, as I mentioned in the meeting, a specific concern I

TIE00310320\_0001

need to raise with you. You should be aware that I have discussed the principle I outline below with my board, who are very keen to ensure that this concern is recorded.

As you are aware we are due to enter mediation with the BSC consortium to seek to find a mutually acceptable resolution to the current impasse. There are many tens of millions of pounds of public money at stake. Whilst we understand Audit Scotland works to a different remit, and under different pressures, (indeed we discussed at some length the dilemma that sometimes exists between openness and transparency, and delivering best value, and the fact that our counterparts in these negotiations are not encumbered by such dilemmas) my board and I believe that the publication of such a report immediately prior to any negotiations may prejudice our ability to achieve a best value solution. At best such a report might be neutral, at worst it may be unhelpful. This is in no way a criticism of Audit Scotland, or indeed the report itself (assuming the relatively few main issues we raised on the detailed points of drafting are resolved). The tests we apply are these, "Does the publication of this report now help us deliver a better value solution?" and "Might the publication of this report now prejudice our ability to deliver a best value solution?" It is my judgement that, on balance, the answers to these questions are no and yes respectively.

Regards

Richard

**Richard Jeffrey**  
*Chief Executive*

**Edinburgh Trams**  
*Citypoint*  
*65 Haymarket Terrace*  
*Edinburgh*  
*EH12 5HD*



**Find us online (click below):**



---

The information transmitted is intended only for the person to whom it is addressed and may contain confidential and/or privileged material. If you are not the intended recipient of this e-mail please notify the sender immediately at the email address above, and then delete it.

E-mails sent to and by our staff are monitored for operational and lawful business purposes including assessing compliance with our company rules and system performance. TIE reserves the right to monitor emails sent to or from addresses under its control.

No liability is accepted for any harm that may be caused to your systems or data by this e-mail. It is the recipient's responsibility to scan this e-mail and any attachments for computer viruses.

Senders and recipients of e-mail should be aware that under Scottish Freedom of Information legislation and the Data Protection legislation these contents may have to be disclosed to third parties in response to a request.

tie Limited registered in Scotland No. SC230949. Registered office - City Chambers, High Street, Edinburgh, EH1 1YT.

---