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**From:** Spence M (Matthew)  
**Sent:** 03 April 2007 17:47  
**To:** Reeve W (Bill)  
**Cc:** Davis L (Lorna); Ramsay J (John); Savage N (Nadia)  
**Subject:** RE: Meeting With Willie Gallagher

Bill

On Tram....

Any go slow on Mudfa can probably be explained on lack of design. They are also probably suffering on project process.

With respect to delaying Infraco award. Everybody knows that design is behind schedule but tie have always maintained that this would not affect Infraco novation and award (must have been relying on some form of divine intervention). Even if they could conclude by October it would never have delivered the best price. Personally, I think the delay in award could be up to 5 months (partly due to design certainty and partly due to contract conditions). At the end of the day they don't have any real option, closure will be achieved when the preferred bidder is comfortable.

With respect to 1a & 1b: this is a very telling statement. The governance of the project needs to be re-focussed around the implementation of 1a (because that's what the grant is for). All further discussions around 1b need to be dealt with away from the implementation focus - besides I wasn't aware we were having an argument.

If Matthew Crosse is considering staying on into implementation then that means they are not happy with the recent recruitment round.

With respect to Willie's dual role I think this is in part related to issues like 1a/1b etc. It's also a key practical point as to why the core project management processes have not developed properly.

I'm sure we can discuss further....

Matthew

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

**From:** Reeve W (Bill)  
**Sent:** 02 April 2007 13:22  
**To:** Sharp DP (Damian); Milligan S (Steve); Spence M (Matthew); Morrissey J (Jerry); Ramsay J (John); McKay S (Stuart); Brennan C (Carolyn)  
**Cc:** PS/Transport Scotland  
**Subject:** Meeting With Willie Gallagher

Dear All,

I believe you were advised last week that I was to meet Willie for an hour this morning. There was no agenda sent before the meeting; Willie turned up alone.

He wanted to chew the cudd on the future of tie and possible scenarios depending on the outcome of the General Election. His sense is that tram would probably survive an SNP victory, but EARL would, at the very least, be reviewed.

SAK

He acknowledged the weakness of tie's performance on SAK, and reflected that he would not want tie to take on such a role again without a proper resource plan to discharge their role.

Tram

He seems to be going slow on MUDFA start-up before the election. He suggested Matthew Crosse is considering how to get the best price out of the infraco negotiations. One option would entail extending the negotiation (say 3 months ?) to secure a lower price from more complete design details.

Willie acknowledged that we had "won the argument" on focusing on 1a only until more cost certainty emerges.

Matthew Crosse is to consider staying on full-time as Project Director in the delivery phase. Views ?

EARL

Graeme Bissert has been working up the Team EARL proposal with NR. Willie claims that NR now agree ? They want to visit on Thursday to explain - I would like Jerry and Stuart present, if possible, for any such meeting.

Stephen Baxter of BAA has told Willie that Ferrovial may be interested in the tunneling project after all. To be tested !

We agreed that it is important to agree the tasks which tie must discharge, irrespective of procurement route, in the next six months.

Governance

I raised the issue of Willie's combined Chairman / C.E. role. He is alive to this, and sees different solutions depending on the scale of tie's portfolio after the election.

For the avoidance of doubt, nor formal decisions were taken about any of the projects.

Regards,

Bill Reeve

Director, Rail Delivery  
Transport Scotland