

[PAPER 10]

Mr Tom Aitchison
Chief Executive
City of Edinburgh Council
Wellington Court
10 Waterloo Place
Edinburgh
EH1 3EG

Date: 28th February 2006

Dear Tom,

I am writing on behalf of the independent directors of **tie** limited with regard to the forthcoming appointment of a new Chair of this company's Board.

During the course of the past four years, **tie** has developed enormously under Ewan Brown's leadership, and is, as you know, not only charged with the delivery of the Edinburgh tram, but also with the Edinburgh Airport Rail Link, and the Stirling-Kincardine railway, in addition to other smaller projects. The value of these projects is well over £1 billion.

Ewan Brown has fulfilled his role as Chairman most admirably, particularly in the matter of securing agreement at the highest level between different stakeholders on the direction and emphasis of **tie's** projects. We are collectively grateful for the leadership role that he has displayed.

With the creation of Transport Edinburgh Limited as the client for the Edinburgh tram, **tie** now has its clear role as a fully capable delivery organisation for major projects. **tie** is well positioned to execute and extend this role, provided that the company's governance is fully adapted to its expanded task, and that the board of the company has the trust and confidence of its significant stakeholders.

We feel that the new Chair of the company must be fully acceptable to all involved parties. We hope therefore that a formal consultation on the Chair's desired attributes will be undertaken with these same stakeholders, most notably the Scottish Executive and Transport Scotland, before a recruitment process is undertaken. Our belief is that demonstrable experience in large scale infrastructure or construction project businesses should be an important qualification.

This recruitment should start as soon as possible, with the active collaboration of all parties. We believe it is only with the execution of recommended practice for senior public appointments that appropriate external confidence in the Board of ~~tie~~ can be secured.

We look forward to your comments.

Yours sincerely,

John Richards
Director

PW/Transport/tie.05

Tom Aitchison Esq
Chief Executive
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Dear Mr Aitchison

tie Limited Board Appointments

You will recall that, at the Council Meeting on 23 February, I seconded an amendment questioning the way the appointment of Willie Gallagher to the **tie** Board and the search for an additional director was being handled.

John Richards has, I know, written to you with his concerns about the way vacancies on the **tie** Board are filled by the Council. I was amazed to discover at the directors' meeting on Monday that it would appear that neither Ewan Brown nor Michael Howell had been consulted about these matters. As I understand it, they had merely received advance copies of the report which went to the Council.

Once again, I would like to pay tribute to Ewan Brown for his achievement in bringing **tie** to its present position. His successor as chairman will, amongst other things, need to have a high level of technical skills in handling major projects in the construction and transport industries. To ensure the continued success of the company, and therefore the Council's investment in it, the new chairman must also be fully conversant with the nuances of the issues that arise, and also have the confidence of all stakeholders in the various projects entrusted to the company.

As John Richards has written, "it is only with the execution of recommended practice for senior public appointments that appropriate external confidence in the Board of **tie** can be secured". You will not be surprised to learn that I fully support this view, and reiterate my stated opinion that all recruitment to the **tie** Board should be handled in a public way that avoids any risk of criticism and ensures general confidence in the persons appointed.

I look forward to your response to these comments.

Yours sincerely