

Notes on activity 3<sup>rd</sup> -14<sup>th</sup> July 2006

Note to  
Willie Gallagher.  
- July 2006

## General

Look forward to seeing you tomorrow - here are some notes for that discussion.

## Tram

As you know, Andie Harper has been away. I saw him for lunch before his departure. His comments related primarily to concern about the depth and commitment of his team:

- admiration for ongoing commitment of Willie F. but recognition that he will leave a gaping hole, unless he can be persuaded to stay on
- worries about David Powell - particularly his being caught out by Damian Sharp during the TramCo pre-release review. As you'll know, the TramCo ITT has now gone out after some further consultation.
- continued frustration with the slightly truculent attitude of Dave Ramsay, and pointed lack of total commitment
- nervousness about the imminent departure of Trudi, who is enormously capable and provides important support

I get the feeling that Andie himself feels increasingly committed. He is getting good press from the Council and especially from his direct reports. He seems the right man for the moment but the long haul must be kept under review, and he clearly needs a stronger team.

I had a congenial lunch with David Mackay. Neil Renilson has been away. I have tendered my resignation from TEL board. I also had a meeting with Tom Aitchison, and lunch with Andrew Holmes. Nothing material emerged.

## EARL

I took Susan out for a valedictory lunch. I admire her drive, commitment and good cheer. As we both know, she is very ambitious to see EARL through to completion, and is frustrated that the collective reticence of NR and BAA may put paid to that.

- recognition that BAA is largely out of her hands, and their attitude will be determined in large measure by Ferrovial / TS
- satisfaction that her leading role in the parliamentary hearing has helped to build a relationship with the bills unit and with the committee members, which is helping indirectly to undermine the impact of objectors
- need for your help in defining the relationship with NR - noises are warmer but we still have to settle fundamentals such as: who is in charge, who is responsible for what, who will be assigned from NR, where the team will sit (preferably in Verity House), and how BAA will fit in

I mentioned to her that the views of others could impede her natural progression to leading the whole team post royal assent - she feels correctly

that this formally lies with TS and their view of **tie** (see below). However, she thinks that **tie** should move forward now to fill the vacuum that exists and hire good people now, thereby ensuring that we have an indisputably capable team to assume the lead.

At modest risk, I mentioned to Susan that she should make an effort to present herself better. It is not fair, but physical appearance counts for an enormous amount for women executives. To her credit, she said that this had already emerged from the 360° exercise, and was on her list of important to-dos.

The BAA meeting with Richard Jeffrey and Stephen Hendry went well. I have not seen any subsequent input, but we gave them the issue list prepared by DLA, and BAA promised to help us by summarising the issues that lay behind their concerns as a basis for future meetings. The issue of course is that Richard and Stephen are not going to be calling the shots.

### **Other heavy rail**

On SAK, things progress smoothly. There is a question about the value we receive from Paul Prescott. This has been raised by Clacks by recent billing glitches that make him appear more expensive than he is. He costs £4,000 per month, for which we expect 1 day per week. This is terminable upon 12 months' notice. Paul does little more than chair the Project Steering Group, and provide off line advice to Richard Hudson. The question is - to whom should Richard report if Paul were not there? Paul has been a useful gap filler, since Susan has needed no distraction from EARL, and a direct report to me/you was of questionable value to Richard - who needs the knowledgeable rail support that Paul can give him.

A possible connection exists here to Borders Rail Link. There is still no decision about how the project will be project managed. Bill Reeve seems to be floundering a bit. If we were able to bring Borders into **tie**, then we could create a new third leg under a full time Project Director, who could also take over SAK. Remind me to tell you about Kenny Laird, if we have not discussed him, and his interest in this position.

### **Other tie matters**

**Alex Macaulay's** position has been wrapped up successfully with commitments from him to tidy up his areas of responsibility. I shall give you a copy of his final compromise agreement tomorrow. He held a farewell drinks evening on 7<sup>th</sup> July.

**Stewart McGarrity** wants a conversation with you. Although effectively we have transferred him to his new responsibilities as Finance Director, nothing has been formally agreed about new objectives and associated compensation. So my offer to formalise his appointment via an announcement in the interim was turned down by him.

**tieVision:** We had a wrap-up session with Nichols about the tieVision project. Alex has transferred his ongoing responsibility largely to Stewart McGarrity. There are three points to be made:

- the work packages for tieVision are incorporated into the corporate objectives for tie for 2006, and therefore into the bonus calculation for everyone in the firm - they are therefore personally important to everyone
- resources seem to be lacking, particularly for the key area of document management, where Howard has been transferred to other duties by Andie
- there is also the matter of progression towards ISO 9000 quality certification, which is a commitment that has been outstanding for 18 months and which should be concluded in early 2007

These will need your input and personal prioritisation.

### **Health & Safety**

I am underwhelmed by David Thornton, who was IK's pick for the job, and think we need somebody much more interesting very soon. DT can be phased down quickly, and seems to want this himself.

Be that as it may, we have embarked upon the process of formally launching the roll-out of the tie Safety Management Programme, and I had agreed to make a contribution at the beginning of each training seminar, to emphasise its importance. It's important that you decide whether these need your personal support in my place.

Other ongoing matters relate to a pending change in statutory safety approval of tramways which will roughly coincide with the Edinburgh Tram launch date. While I have been personally involved, this needs to be taken in hand by the tram team, because otherwise it could cause last minute delay and embarrassment.

### **Tramtrack Croydon Limited**

We have spoken about this. To recap, they asked for £50,000 and I had offered £10,000. I agreed to a payment of £20,000 in addition to documented costs. An associated commitment is that Paul Davison will visit Andie Harper (and you if you are interested) to explain how his know-how can save ongoing costs (particularly on maintenance) and propose a consulting assignment.

We could have played hardball, but it seemed easier to get this out of the way.

### **Personal**

I attach a note covering the position from my personal perspective going forward.

Michael Howell  
16<sup>th</sup> July 2006

