
From: Jim McEwan
Sent: 29 October 2007 13:51
To: Matthew Crosse
Cc: Willie Gallagher; Geoff Gilbert; Steven Bell; Graeme Bissett
Subject: RE: VE presentation

Matthew

The 60% percent figure is a broad mean of where the confidence levels are on the other VE initiatives. As regards to these confidence levels this was what I was asked to get from the main assignees, in other words let's not take an unfettered optimism into the calculation. There is no assertion to say that these are the 'final' confidence levels, these will change and crystallise more clearly over the weeks ahead.

These confidence levels were not of my determination they were the judgement of those assignees to the given streams eg Steven in Network Rail and Trackform, David Crawley in Structures, Andy Steel in Depot and Supervisory and me in Traction Power. Talk to each of these assignees and they will vouchsafe that the pressure from me is to improve these numbers, and the presentation does affirm that our task will be to improve and close the gap, I do understand the point of self fulfilling prophecy but it's bogus in a sense because we are all focussed on the headline number of £498m and what is required to make that fly, I should point out that the original target for VE was circa £14m and we are now at circa £35m. It is fair to point out that there appears to be a significant difference in view between Geoff and David Crawley on what the size of the prize in Phase 1A structures is, we are doing a page turn tomorrow with BBS on this area and I would welcome Geoff's thoughts on where the disparity between the respective expectations is.

Is there a single issue that will stop us achieving this, not really, there are a variety of issues that are outwith our control e.g. we have no control on what SP choose to charge us for network reinforcement other than to encourage them to do it at requisite quality and the best price. The overwhelming issues in structures are that BBS co-operate and that the CEC adopt a pragmatic at all times view on what changes/adornment is required to the structures and approval of same.

Regards

Jim

From: Matthew Crosse
Sent: 25 October 2007 18:29
To: Jim McEwan
Cc: Willie Gallagher; Geoff Gilbert; Steven Bell; Graeme Bissett
Subject: RE: VE presentation

Jim

(1) Presentation is generally fine (apart from 14pt JMCE format!). One exception though. It doesn't really address the question what in each of the big prize areas will cause the VE initiative(s) to fail or succeed.

(2) If we are going to need the £8m we need to start reviewing and testing stretch targets *now* I think.

Notwithstanding your confidence level of 60%, some of the budgeted costs may already have been spent/ even overrun. e.g: 2007/8 for legals. The DPOF target (£700k) looks like a challenge too. Is there any science behind the number?

I think we need to get to work on the big stuff: staff costs £2.35m and MUDFA £3m first.

Regards

Matthew

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From: Jim McEwan
Sent: 25 October 2007 15:04
To: Willie Gallagher; Matthew Crosse; Geoff Gilbert; Graeme Bissett; Steven Bell
Cc: Julie Thompson
Subject: VE presentation

Please find attached VE presentation for the TPB next week.

Jim

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