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**From:** Richard Jeffrey  
**Sent:** 10 July 2009 18:30  
**To:** David Mackay  
**Cc:** Mandy Haeburn-Little  
**Subject:** FW: Transport Scotland - Stirling-Alloa-Kinkardine project adn TIE Ltd  
**Attachments:** ATT2309323.txt

David,

I am furious about this. I have discussed with tom Buchanan who will brief the Minister. I have left a message for Bill Reeve, and I intend to take up with David Middleton. I wonder if, in my absence, you could take this up with TS for me, thanks

Richard

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**From:** Caroline Weintz  
**Sent:** 10 July 2009 17:53  
**To:** Richard Jeffrey  
**Subject:** FW: Transport Scotland - Stirling-Alloa-Kinkardine project adn TIE Ltd

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**From:** Michael Pinkerton [mailto:Michael.Pinkerton@edinburgh.gov.uk]  
**Sent:** 10 July 2009 15:28  
**To:** Caroline Weintz  
**Subject:** FW: Transport Scotland - Stirling-Alloa-Kinkardine project adn TIE Ltd

voila...

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**From:** Tom Gordon [mailto:Tom.Gordon@sundayherald.com]  
**Sent:** 10 July 2009 15:25  
**To:** Michael Pinkerton  
**Subject:** FW: Transport Scotland - Stirling-Alloa-Kinkardine project adn TIE Ltd

Michael

Here you go.  
A response any time today or tomorrow mornign is good.

Cheers

Tom

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**From:** Steven.Carmichael@transportscotland.gsi.gov.uk [mailto:Steven.Carmichael@transportscotland.gsi.gov.uk]  
**Sent:** 10 July 2009 13:44  
**To:** Tom Gordon  
**Subject:** Transport Scotland - Stirling-Alloa-Kinkardine project adn TIE Ltd

Tom,

You spoke with Gavin Cameron yesterday about the SAK project and TS's removal of TIE from it (as referred to in Fol material relating to TS board minutes in early 2007).

Please find below responses to the two points you made – first on why TIE were removed by TS from the SAK project (with background notes below), and in response to why TIE have been allowed to carry on with the trams project.

In relation to TS taking over management of SAK a Transport Scotland spokesman said:

**“Transport Scotland was concerned that the Stirling-Alloa-Kinkardine project which was being managed by Tie Ltd had run late and over budget. As Transport Scotland has an obligation to provide value for money for the taxpayer, we considered it essential to adopt a direct project management role which simplified the project governance and provided authority to efficiently control and manage risk.”**

In relation to Tie’s ability to manage the trams project, a Transport Scotland spokesperson said:

**“The Edinburgh trams project is managed by Tie Ltd, a subsidiary of Edinburgh City Council, who are the authorised promoter and have exclusive responsibility for delivering the scheme. The Scottish Government has agreed to provide £500 million funding towards the project, but all decisions on how the project is managed are entirely a matter for Edinburgh City Council.”**

## Background

1. Tie Ltd (Transport Initiatives Edinburgh) was created at the instigation of the Scottish Executive, as a subsidiary of City of Edinburgh Council, to run transport projects in the Edinburgh area. Tie was inserted into the contractual arrangements at the insistent recommendation of the Scottish Executive. The objective was to allow the new organisation to learn lessons from a small project prior to its delivery of the much larger Tram and EARL projects. It was also believed that tie would compensate for Clackmannanshire’s lack of expertise with major rail projects. On this basis, tie was retained by Clackmannanshire to provide project management services: in effect to manage the contracts with Jacobs and First Nuttall as an agent for Clackmannanshire.
2. Construction works commenced on the SAK Route in October 2005 with the target of opening for service in Summer 2007.
3. The opening date slipped to December 2007 after difficulties were encountered in accessing Diageo land to commence construction of the Alloa Eastern Link Road and significantly more work was required to remediate mineworkings than had been planned.
4. Further delay and cost was added with a requirement to change the design of the level crossing at Cambus from a half to full barrier type. This pushed the completion date of the project to summer 2008.
5. Following this further delay and cost over-run, the project governance was streamlined and tie ltd removed as overall project managers. In practice, the attention of tie ltd management was focused on the two larger projects (Tram and EARL). Transport Scotland formed the view that Stirling Alloa Kinkardine was not receiving sufficient attention by tie. This concern was conveyed clearly through project monitoring arrangements.
6. A commercial audit was undertaken in summer 2007 when Transport Scotland took over management of the project in order to ensure it was completed at best value for money and opened at the earliest opportunity to the benefit of commuters. SAK subsequently opened to the public on 15 May 2008.

**Steven Carmichael**

**Media Manager**

**Transport Scotland**



Buchanan House, 58 Port Dundas Rd, Glasgow, G4 0HF

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