

The Edinburgh Tram Inquiry

Supplementary Statement of Neil John Renilson

In the course of my oral evidence to the Edinburgh Tram Inquiry on 14 December 2017 I was asked by Counsel to the Inquiry if I could provide the Solicitor to the Inquiry with more information regarding the reference to "employees or agents of the soliciting or receiving corrupt payments" contained in an e-mail that I sent to the Chair to the Inquiry on 22 March 2017. This supplementary statement provides full details of the basis of this allegation.

I do not recall the exact date on which the following events occurred, but it would have been sometime in late 2007 or possibly very early 2008. I was with Norman Strachan who was Finance Director of TEL and Lothian Buses, in our offices in Annandale Street, Edinburgh. Mr Jim McEwan was Business Improvement Director at TIE, and both of us knew him only very slightly at this time. He had only been with TIE for a few months, and was not someone either of us had come across before he appeared at TIE. We had had little contact with him, other than being present at some meetings that Mr McEwan had also been present at.

I understand Mr McEwan undertook his work for TIE under the aegis of his company Racreb Consulting Limited.

This day he appeared at the Annandale Street offices. I cannot recall the reason for his visit, but it may have been to obtain data held by LB/TEL for use by the tram team. He was there at his instigation, he was not there at our request.

Mr McEwan approached us and engaged us in conversation in Mr Strachan's office.

After a few minutes, and without prompting he said "I can write a report on your IT systems for £100,000" or very similar wording, we were both stunned at this unsolicited approach.

Such a report on our IT was not something that had been requested of anyone by myself, Mr Strachan, or any of his staff. We looked at each other in disbelief, and one of us said "no thanks", or something similar. At this point Mr McEwan said "I've got an expensive divorce to pay for, how about £50,000 then?" Again an immediate refusal was given.

Mr McEwan was offering to provide TEL/Lothian Buses with something that we had not asked for and did not want. We were stunned by his approach to two people he barely knew, and his request for us to give him a significant sum "on a whim". We of course had formal procedures that would be gone through before any expenditure of that level for that type of work, to an outside body was authorised. Mr McEwan was an experienced individual who had worked at a senior level in large companies, and would have known full well that such payments would not and could not be made in that manner. To make a payment of that size in that fashion would mean normal authorisation procedures would have to be circumvented.

We were also extremely surprised at the casual inclusion of having an expensive divorce to pay for. Why on earth would he think that would encourage us to make such a payment to him? It lent weight to the perception that this was not an offer to do a real piece of work for



TRI0000251_0001

TRI0000251_0001

us. The immediacy of the reduction in the sum asked for from £100k to £50k also made no sense if this was a serious attempt to obtain "real" business from us. We were thus of the opinion this was not a genuine attempt to obtain "real" business.

We were very strongly of the opinion this was not just a chancer touting for some business. This appeared to be someone looking for "money for nothing" through the back door.

Outrage is probably too strong a word, but we felt insulted that Mr McEwan should think we would "play ball" with him on this, and could not understand why he would think that we would. No business Norman or I had ever been involved with would take a suppliers personal financial situation into account when deciding on placing business, and the immediate halving of the sum requested confirmed in my mind that this was nothing more than a request for money for him personally.

We felt that this approach was utterly inappropriate, and might amount to attempt by Mr McEwan to solicit a corrupt payment from us.

We could not understand what possessed him to think we would accede to his request. That he made it at all, made us wonder whether something similar had been tried at TIE, and possibly met a different response.

That is the nub of my concern, and the reason for my reference to " where a body may be buried " The inquiry may wish to have a forensic accountant review payments made by TIE to Mr McEwan and / or Racreb Consulting.



Witness signature

18/12/2017

Date of signing

Neil John Renilson

TRI0000251_0002

TRI0000251_0002

From: [Duffy N \(Nicholas\)](#)
To: [James McEwan](#)
Cc: [Evidence](#)
Subject: Edinburgh Tram Inquiry - Request to provide further statement
Date: 15 January 2018 14:32:29
Importance: High

Dear Mr McEwan,

The Edinburgh Tram Inquiry has received evidence about a meeting involving you, Neil Renilson and Norman Strachan at the offices of Lothian Buses in Annandale Street, Edinburgh, in late 2007 or early 2008. In summary, this evidence is to the effect that you offered, without having been asked to do so, to prepare a report on the IT systems of Lothian Buses and/or TEL in return for a specified price; that Mr Renilson and Mr Strachan declined your offer; that you then proposed a lower price; and that that offer too was declined.

The Inquiry invites your response on these matters, which should be as full as possible. The inquiry is interested in particular in: why any such proposal was made; what discussion took place in relation to it; the extent (if any) to which TIE and others working there were involved in or aware of the proposal; what prices were proposed; and the nature of the work that was proposed to be done.

To allow the Inquiry to progress timeously with its investigations, I would ask that you provide me with your account, in the form of a written statement, by no later than Monday 29th January.

I look forward to hearing from you,

Kind Regards

Nicholas Duffy

Deputy Solicitor
Edinburgh Tram Inquiry
1st Floor, Waverley Gate,
2-4 Waterloo Place, Edinburgh EH1 3EG

T: [REDACTED]
E: Nicholas.duffy@edinburghtraminquiry.org

www.edinburghtraminquiry.org

From: [James McEwan](#)
To: [Duffy N \(Nicholas\)](#)
Subject: Fw: Phase 0
Date: 15 January 2018 18:27:07
Attachments: [SysFram Phase0 for Lothian Buses.ppt](#)

Hi Nicholas

I recall the meeting with Mr Renilson and Mr Strachan but not in great detail. See the attached email that I've fetched from my records. As to who initiated this dialogue I can't remember exactly but it's unlikely that this was a cold calling exercise by me, I would have thought it may have arisen at the Tram Project Board. The outline proposal in the attached is for phase 0 of a systems framework study at TEL Ltd. This work was to be carried out by an independent consultant, a Mr Ian Wilson, that I had previously employed in my past career and who was a specialist in this type of exercise, any costs accruing would have been solely in relation to his fees. Taking this process to end of Phase 1 would have involved some 50 days of his time, and it may be that the shift in costs alluded to in your email referred to a cost for commissioning Phase 0 only, some 12 days. I can't recall the costs being quoted but I would surmise circa 10k for Phase 0. The original plan I think was for Ian to attend the meeting with me but I believe that TEL Ltd asked that I should attend alone.

My recall of detail of the meeting is as I stated not great, and given their vagary on the date of same (September 07) their recall is sketchy too. I do remember their negativity to the idea of such a study however and the proposal went nowhere.

That's as much as I can recall/find. I hope this is of some use.

Kind regards

Jim McEwan

From: James McEwan <jim_mcewan [REDACTED]>
Sent: 12 September 2007 09:10
To: nstrachan@lothianbuses.co.uk
Subject: Phase 0

Norman

Please find attached the breakdown of Phase 0 of the study proposed for your review. I understand that you will wish to review this with Neil and other LB executives, I will contact you later on next week with a view to understanding next steps.

kind regards

Jim McEwan

RacReb consulting

Get free emoticon packs and customisation from Windows Live. [Pimp My Live!](#)

This email has been scanned by the Symantec Email Security.cloud service.
For more information please visit <http://www.symanteccloud.com>

System Framework Study

Phase 0

Approach & Work Plan

To ensure the system framework can address 'fitness for purpose' of the resultant systems the **Business** must be the starting point

Business Context		System Context	
This tells us the purpose of the system	and what the system must do!	This tells us how the system should work!	and what technology should be in place!
This is expressed in terms of direct or indirect contribution to business aims (goals / objectives / csf's / industry drivers)	The capabilities of the system are expressed in terms of Business Information / Data obtained for business purposes	These are expressed in terms of the system concepts, architecture, capacities, performance, security resilience, reliability, management, user profiles	These are expressed in terms of Hardware, software, integration tools, interfaces, subsystems, operating systems, System management tools
These imperatives call for critical system capabilities	these capabilities call for the essential set of system characteristics	these system characteristics determine enabling technologies	these technologies call for IT practices, processes, staffing and costs,
Business imperatives	System Capabilities Critical to Business	Essential System Characteristics	Enabling Technologies

A collaborative approach to the Study is strongly recommended

- **Effectiveness:** An external consultant working in collaboration with TEL management and knowledgeable staff can yield a more readily acceptable outcome.
- **Efficiency:** Group sessions with carefully selected people from within the TEL organisation offer the most economical means of completing the necessary tasks.
- **Quality:** However, if full collaboration cannot be obtained from TEL Management and / or staff, it is important to know this as early as possible so that work planning can be adjusted accordingly

An alternative way to carry out the Study is to place greater emphasis upon the remaining activities of the '**Consulting Process**'. The work plan for Phase 0 will remain broadly the same. However:

- The consulting process draws upon extensive use of 'Discussion Guides, Structured Interviews, Documentation Research and Observation (Surveys)
- A greater amount of consulting time will be spent on analytical work
- 'Buy-in' to the Study can be no less difficult to achieve if assumptions underpinning recommendations are carefully qualified

If full collaboration of TEL is not possible due to time pressures or current business pressures, the quality of the outputs will not be adversely affected as long as this can be taken into account at the planning stage of each Phase.

Twelve day work plan for Phase 0

1. Prepare engagement material
2. Confirm TEL Business Organisation and Strategy
3. Survey Current IT Systems
4. Plan Phase 1 and Write-up report for TEL Executive Management

1. Prepare Engagement Material

Objective: •Kick-off the Study with Minimum disturbance to TEL and maximise use of time spent with TEL people.

Analytic Approach: •Conduct Industry Scan (Research)
– Identify Industry Issues and Drivers
– Understand environment in which TEL will operate
•Prepare Discussion Guides, Tools & Templates
•List contacts and schedule appointments

Expected Results: •Client availability established and agreed
•Work scheduled

Estimated Effort: •Consulting time = 2 days

2. Confirm TEL Business Organisation and Strategy

Objective: •Reaffirm TEL Business Strategy and Business Imperatives as the determinants of the Information Systems framework (to be)

Analytic Approach: •Review TEL Business Plans
•Interview Functional Executives
•Conduct an Executive Planning Session
•Analyse and write up Executive Planning Session Outputs

Expected Results: •Consensus on TEL:
– Organisation, Goals, Objectives
– Factors critical to the achievement of Goals
– Performance Information and Reporting
– Key Issues to be addressed

Estimated Effort: •Consultant's time = 3 days
•TEL Executives' time:
– Interview = 1Hour
– Executive Planning Session = 4 to 5 hours

3. Survey Current IT Systems

Objective: •Understand current IT available to TEL

Analytic Approach: •System Configurations
•Application description, function, users
•IT Organisation
•IT Plans & measurements
•IT Financials, Budgets, Costs

Expected Results: •Documented IT Profile, including:
– Service Statement
– Application Summary
– Enabling Technology
– Current and Planned IT Projects
– Organisation, skills, costs and budgets

Estimated Effort: •Consultant's time = 3 days
•TEL IT Staff time:
– Interviews = 1 Hour per person plus two IT Manager Mtgs
– Documentation provision as required

4. Plan Phase 1 and Write-up report for TEL Executive Management

Objective: •Complete Phase 0 and submit with Phase 1 Plan for TEL Executive Endorsement

Analytic Approach: •Analyse findings from Phase 0 activities
•Clarify and resolve ambiguities and inconsistencies
•Draw out conclusions and recommendations
•Prepare Phase 0 Report (PowerPoint style similar to this document)
•Plan Phase 1 (informed by Phase 0 findings)
•Conduct peer review
•Submit Report

Expected Results: •TEL Executive decision on Phase 1

Estimated Effort: •Consultant's time = 4 days
•TEL IT Staff time:
– Availability for telephone validation of findings & observations
– Further documentation provision as required