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Lord Hardie
Chair of the Edinburgh Tram Inquiry
The Edinburgh Tram Inquiry
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22 February 2018

Dear Lord Hardie,

EDINBURGH TRAM INQUIRY

During the course of my evidence to the Edinburgh Tram Inquiry on 23 January 2018 I had undertaken to come back to you on certain points. Those were:

- Whether or not it was my decision that Transport Scotland should take direct control of the Stirling-Alloa-Kincardine rail link project.
- What is was from Lord Fraser's report of the Holyrood Inquiry that shaped my views about the governance arrangements for the Edinburgh tram project.
- Whether my meeting with Bilfinger Berger in November 2010 was minuted.

I will deal with each in turn.

Stirling-Alloa-Kincardine Rail Link

When giving evidence to the Inquiry I could not at that time recall whether it was my decision that Transport Scotland should take over direct control of the SAK project, because I was unsure whether this was something that had been set in train by the previous administration.

On checking the position with my officials I have confirmed that I made an initial visit to the SAK project site on 28 May 2007 as part of an initial review of the projects within my portfolio. I have also confirmed that on 27 June 2007 the then Minister for Transport, Infrastructure and Climate Change, Stewart Stevenson MSP, made a statement to Parliament that it was our administration's intention to implement a simpler project structure to strengthen governance and take the project through to opening in the spring of 2008. It is therefore clear to me that it was our administration which took this decision.

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Having newly entered office, no significant decisions were taken at that time regarding matters within my portfolio without my approval. I can therefore confirm that it was my decision that a revised project structure be implemented on the SAK project. Part of that revised structure involved Transport Scotland having a much greater role on the project, including the provision of a TS Senior Project Manager to support Clackmannanshire Council.

The Holyrood Inquiry Report

As I said during my evidence, my view, in 2007 and now, is that clarity of leadership is essential on major projects such as the construction of Holyrood and the Edinburgh Tram. I had formed this view based on my observation of other projects, including Holyrood and Stirling-Alloa-Kincardine.

As I said, what I took from Lord Fraser's report was that there was ineffective project management and a lack of clarity about decision-making between the various players who were involved in delivery of the project.

Having looked again at relevant passages from Lord Fraser's report I note that, among other things, Lord Fraser:

- Heard evidence that, when construction management is used, it is necessary to have well-defined roles and responsibilities from the start, plus an experienced and efficient team with good leadership. (para 6.6)
- Identified the lack of clear lines of responsibility as between the Project and Architect as an issue. (para 8.31-8.32)
- Observed with regret that, in the parliamentary debate and the papers which informed it, mixed messages were sent as to the precise role envisaged for the Holyrood Progress Group. (para 10.41)
- Cited as "*another example of the blurred lines of communication that have plagued this Project*" the fact that Dr Gibbons acted as both the *de facto* leader of the Holyrood Project Team and sat as a member of the body whose role was to oversee him and his Team. (para 10.45)
- Recommended that "*Where civil servants are engaged on public projects, governance should be as clear as is now required in the private sector.*" (Recommendation 6 – pg 260)

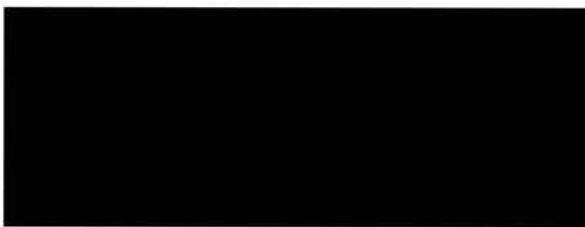
In my thinking and decisions about the Edinburgh tram project, I did not have any of these specific points from Lord Fraser's report in mind, as I did not at the time recall the report at that level of detail. However, looking over Lord Fraser's report now in order to provide a response to the Inquiry, I consider these points to be the source of the impressions that I had formed about Lord Fraser's report – impressions which, in part, shaped my views about the governance arrangements for the Edinburgh tram project.

Minutes of Meeting with Bilfinger Berger

I have had Transport Scotland officials search for any minutes of my meeting with Bilfinger Berger on 8 November 2010 but they have been unable to locate any such minutes, which suggests that the meeting was not minuted. All that they have been able to locate is an internal electronic diary entry for the meeting which only shows that the meeting with Bilfinger Berger/Siemens was scheduled to take place from 14.00 to 14.45 on the 5th floor of St Andrews House and invited attendees from the Scottish Government were me, my private secretary Katherine Hart and Ainslie McLaughlin.

I hope this information is useful to the Inquiry. If there is anything else that I can assist the Inquiry with, please let me know.

Yours sincerely,



JOHN SWINNEY