
From: Stewart McGarrity
Sent: 05 December 2006 17:45
To: Graeme Bissett (external contact); Andie Harper; Willie Gallagher
Cc: Geoff Gilbert
Subject: RE: Appraisal of cost centres for Tram Line 1
Attachments: Tram Line 1 Const and Comm Review 4 Dec 06 SMcG responses.doc

Dear All,

I've had a look at the list of comments from Mr Martin Clarke and attach his document with draft responses in red. To be honest a lot of the questions are not very searching - we would have to have been completely incompetent not to have addressed these issues. Let me know if you want the document to go elsewhere (e.g. back to Keith).

Andie/Geoff - I did this without reference to yourselves but I don't think you will have any issues with my responses.

Stewart McGarrity
Finance & Performance Director
tie Limited
[REDACTED]

-----Original Message-----

From: Graeme Bissett [mailto:graeme.bissett@[REDACTED]]
Sent: 05 December 2006 14:20
To: Stewart McGarrity
Subject: FW: Appraisal of cost centres for Tram Line 1
Importance: High

Stewart, as discussed

Regards
Graeme

Graeme Bissett
m : [REDACTED]

-----Original Message-----

From: Keith Rimmer [mailto:keith.rimmer@edinburgh.gov.uk]
Sent: 05 December 2006 13:40
To: Graeme Bissett; Andie Harper; Willie Gallagher
Cc: Andrew Holmes; Ewan Kennedy; Duncan Fraser; Lex Harrison
Subject: Fw: Appraisal of cost centres for Tram Line 1
Importance: High

All

The attached is currently doing the rounds within the Tory Group and has also probably been circulated to all councillors. It would be advisable therefore to prepare an FAQ.

Allan Jackson has also raised some more specific questions from the tram doubters within his Group, viz:

What assurances are there that the tram can be built on time and on budget?
What is to prevent the MUDFA costs escalating beyond the current estimate given the uncertainties about the final tram design and the notorious unreliability of information about PU plant?
If the project goes over budget who pays?
What due diligence arrangements have been built in to the Business Case (if any)?

We must therefore have robust answers to these and similar questions starting with this evenings presentation and discussion with the Labour Group.

Keith Rimmer

----- Original Message -----

From: "Allan Jackson" <allan.jackson@edinburgh.gov.uk>

To: <keith.rimmer@edinburgh.gov.uk>

Sent: Tuesday, December 05, 2006 12:56 PM

Subject: Fw: Appraisal of cost centres for Tram Line 1

> Forwarding as discussed

>

> Allan

>

> ----- Original Message -----

> From: "Mark Clarke" <markmclarke@██████████>

> To: <ricky.henderson@edinburgh.gov.uk>; <maureen.child@edinburgh.gov.uk>;

> <iain.whyte@edinburgh.gov.uk>; <allan.jackson@edinburgh.gov.uk>;

> <jenny.dawe@edinburgh.gov.uk>; <phil.wheeler@edinburgh.gov.uk>;

> <steve.cardownie@edinburgh.gov.uk>; <tom.pontin@edinburgh.gov.uk>

> Cc: <Kenny.McAskill@scottish.parliament.uk>

> Sent: Monday, December 04, 2006 11:27 PM

> Subject: Appraisal of cost centres for Tram Line 1

>

>

> Dear councillors

>

> I understand that you will presently be considering the business case for
> the trams.

>

> I have 30 years experience in the construction industry, and in an attempt
> to be helpful i have prepared the enclosed document in order to give you
> some points to be considered when evaluating the said business case.

>

> I am concerned that for a range of reasons the full and true cost of the
> tram scheme will not be before you when the business case is presented.
> Among the reasons I say this is that costs are often split into many heads
> and are then distributed into many different budgets. However when it is
> all public money being expended, whatever the cost centre, then it is only
> right that the full cost of the scheme is appraised and not some component
> parts of it. It is essential that this process is transparent such that
> taxpayers including myself are not left to bear "unforeseen" costs at a
> point where stopping and reappraising where the money has gone to is not
> an

> option i.e. too much has already been spent to stop further down the line.

>

> We are not at that stage yet although even now if all cost centres were
> accumulated the present cost would be considerable.

>

> I ask that you use any or all points in the enclosed document to help you

to
> make enquiries on behalf of the taxpayers like myself who are and will have
> to pay for this scheme into an uncertain future for trams as amply demonstrated by the English audit report on their poor returns on capital expended.
>
> I have some experience of bidding on large public schemes including a £500m
> bid for a public works project in England. The experience taught me that costs and risk are sited in many unlikely places by way of example we had to
> consider the potential effect of the Olympic project on potential materials
> and labour costs as our project extended to 2012. This was at a time just prior to it being announced that the UK was successful in its Olympic bid.
>
> The same Olympics have the potential to drive inflation into an already overheated market where labour and staffing costs have escalated significantly in the recent period and prices of commodities like fuel and steel have jumped dramatically due to activity in major emerging economies like China and India.
>
> We need to know that this is all part of a robust budget and then reflect on this budget to assess if the public are getting value for money.
>
> I hope you are able to consider the points I have made and trust you will represent myself and other taxpayers effectively and not just rubber stamp a project that could go the way of the Scottish Parliament.
>
> Thanks
>
> Mark M Clarke
>
>
>

> Windows LiveT Messenger has arrived. Click here to download it for free!
> <http://imagine-msn.com/messenger/launch80/?locale=en-gb>
>

This Email and files transmitted with it are confidential and are intended for the sole use of the individual or organisation to whom they are addressed. If you have received this Email in error please notify the sender immediately and delete it without using, copying, storing, forwarding or disclosing its contents to any other person. The Council has endeavoured to scan this Email message and attachments for computer viruses and will not be liable for any losses incurred by the recipient.
