



**STRICTLY PRIVATE & CONFIDENTIAL**

Mr Dave Anderson  
Director of City Development  
The City of Edinburgh Council  
Waverley Court  
4 East Market Street  
Edinburgh  
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Our Ref: DJM/JPT

20<sup>th</sup> July 2009

Dear Dave

**Edinburgh Tram Project: Draft Council Report**

I now have had the opportunity to read the second draft which Julie received on Friday of last week.

Richard is away until next Monday (27<sup>th</sup>) but I have a slot in his diary for a 2 hour session to cover your draft report, governance, preparations for the Boards on 29<sup>th</sup> July and a raft of other inter-related topics.

Meantime, however, as I stressed to you in my letter of 13<sup>th</sup> July (copy attached for ease of reference and a copy of your original letter of the same date) "BUT public information about a range of suppositions within the **tie** plan would quite simply leave us badly exposed and greatly weakened in our negotiations."

The proposed content and indeed general tone of the report, so far as **tie** is concerned, not only disturbs me but more importantly would leave us largely totally impotent as far as our negotiations with InfraCo and indeed Carillion are concerned.

Moreover, I really have to say that any proposals about the terms and conditions for **tie** senior staff need careful consultation and agreement before being circulated in a public document. In that respect it is worthwhile reiterating yet again that the senior staff here volunteered not only to a huge reduction in their bonus entitlement but also deferral of any payment until the opening of line 1a.

delivering transport projects

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As ever, I am happy to talk at your convenience and I have an early morning meeting with Tom Aitchison on Tuesday 28<sup>th</sup> July after which it might be convenient to pick up the threads.

Yours sincerely,



David Mackay  
Chairman