QUESTIONS FOR IAN CRAIG

Introduction

1. Could you please set out your main qualifications and vocational experience?

Qualifications

2014 Honorary Doctorate, Transport & Environment, Edinburgh Napier University
2009 Chartered Institute of Transport & Logistics, Chartered Fellow
1989-91 CPC holder for National and International PCV and HGV
1987-89 Napier University, Higher National Diploma in Accounting

Experience (to relevant period)

February 2016 Consultant - Executive Support, Edinburgh Trams Ltd
November 2013 – January 2016 Chief Executive, Transport for Edinburgh Ltd
September 2013 – January 2016 Director, Edinburgh Trams Ltd
April 2013 – March 2015 Chief Executive, Lothian Buses Ltd (including Edinburgh Bus Tours Ltd)
August 2006 – March 2013 Managing Director/Chief Executive, Lothian Buses/Edinburgh Bus Tours

2. Prior to the Edinburgh Tram Project, what, if any experience, did you have in delivering major infrastructure projects including tram or light rail projects?

None

3. We understand that you were a Non-Executive Director of Transport for Edinburgh Limited (TEL) between 18 December 2009 and 27 September 2011. What were your main duties and responsibilities in this role?

That is correct. As TIE was in contractual paralysis during most of this time, it is difficult to set out duties and responsibilities in the normal manner. The TEL business case had already been approved by the time of my appointment and so my main duty was attending the project board meetings between TIE/TEL and CEC.
4. It would be helpful if you could explain the circumstances surrounding your appointment e.g. were you asked to become a director of the company or did you apply to become a director of it? If the latter, what prompted your application e.g. did you see an advert for these directorships?

There were a number of vacancies on the Board as a result of resignations and, given my role as Managing Director of Lothian Buses, I was invited by the Chair to join the Board. This was authorised by the then leader of CEC and I went through a matching process to ensure that I was a suitable person to join the Board.

5. We further understand that you were a director of Lothian Buses plc between 1 August 2006 and 31 January 2016. To what extent, if at all, was that a factor in your becoming a director of TEL? Incidentally, were you a member of Lothian Buses’ remuneration committee? If so, were you chair of that committee?

My understanding is that I was invited to join the Board because of my role at Lothian Buses and intended integration of bus and tram services in the city. I was not a member of Lothian Buses’ remuneration committee.

**Governance and project management**

6. It would be helpful if you could briefly explain your understanding of the role of each of CEC, Transport Scotland, Tie, TEL and the Tram Project Board in the tram project (both before and after the award of the Infraco contract in May 2008)?

I was not involved in the project until late 2009, although given my position within Lothian Buses, I had a reasonable understanding of the role TEL were playing in working with CEC and the other parties to deliver the project of introducing trams to the city of Edinburgh. I am not in a position to say in detail what individual responsibilities each organisation had in relation to the project.
7. What did you understand the relationship to be between TIE and TEL? What was the relationship between these companies and Tram Project Board (TPB)?

My understanding was that TIE was the Council led organisation to deliver the construction and build project of trams. TEL was responsible for the operational delivery of the integration of the tram and bus services in Edinburgh. Both organisations were working together to deliver the overall project. The TPB was the forum for all parties including CEC officials and elected representatives to come together to discuss progress on the project.

8. Did you sit on or attend the Tram Project Board (TPB)? If you attended only some of the meetings, who or what determined on which occasions you would attend? Papers were prepared for meetings of the TPB. Were you provided with these and, if so, were you given them for all meetings or only some? If you had attended a TPB meeting, were you able to review the minutes of that meeting and/or follow up what was being done in relation to issues raised. Did you sit on or attend any sub-committees of the TPB?

I was invited to attend the TPB meetings as a Director of TEL. I recollect that papers would be provided in advance of the meeting, but so far as I can recollect (I do not have access to any notes or papers from that time) the papers mostly dealt with the various legal disputes. I also recollect there were verbal presentations and updates on these matters. I have no clear recollection of any detailed minutes although I am sure that some minutes were provided. I do not recollect them being circulated in advance, although they may have been. I had no involvement in any sub-committees which might have existed.

9. Which body or organisation do you consider was in charge of the tram project (again, both before and after the award of the Infraco contract in May 2008)? Were changes made to this over time and, if so, why? Did these changes affect your role and how you performed it?
I consider that CEC was in charge of the project at all times. I was not aware of any changes and my role did not change over time.

10. Which individual did you consider was the Senior Responsible Owner for the project and what did you understand this role to entail?

The Chief Executive of CEC, whom I saw as responsible for overall delivery of the project.

11. Were you content with the volume, quantity and timing of the information provided to you as a non-executive director? Did you consider that you were properly informed in relation to the decisions that you required to take? Do you consider that you were able adequately to perform your challenge function as a non-executive director?

It is fair to say that the Board did not operate in the way you would expect a commercial board to operate. As the overall project was in a state of contractual paralysis, the Board operated more on the basis of information sharing rather than making decisions. It could not move forward in its function until the contractual position had been clarified.

**Events following Infraco contract award**

12. What was your understanding of the main reason or reasons for the dispute that arose between Tie and the infrastructure consortium?

I am not in a position to comment meaningfully on this matter, given that it seemed that the disputes were multi-layered and complex. That said, it did appear that underpricing of a contract which was much more complex than had initially been envisaged was a key issue.

13. Following a decision in July 2009 as to what strategy to adopt, Tie engaged the contractual dispute resolution procedures in relation to the disputes with the contractors and this approach continued into 2010. What role did you and
the other non-exective directors play in relation to this decision? Did you
favour this approach and what was the basis for your view? What did you
understand to be the matters that were in dispute? Why were these matters
taken to adjudication? Was there discussion of what the position would be
and what strategy would be adopted if the decisions went against Tie? There
were a number of adjudication decisions in late 2009 and 2010. What were
your views at the time on the extent to which these decisions favoured Tie or
the infrastructure consortium? Did there come a time (and, if so, when) when
you considered that the adjudication decisions did not support Tie's position in
the dispute? If so, did that cause you any concern or change of strategy on
the part of Tie? What information were you given about the outcome of the
adjudications? Were you given – or did you ask to be given – copies of the
decisions in those adjudications?

I did not play any role in relation to these decisions. I did not have sufficient
information to form a view and was not party to the details of the disputes. There was
some discussion at the TPB about the strategy which I had understood was
approved by CEC. Briefings were given as to the position and in particular I recollect
that TIE's position was supported by CEC. I was not provided with copies of
adjudications, many of which I understood to be lengthy, complex. I was aware that
extensive legal advice was sought and obtained.

It is worthy of note that in 2009, my main focus was on successfully turning around
the financial performance of Lothian Buses which had been significantly impacted by
the disruption that the project had created across the length of its on-street work
sites.

14. What was the strategy adopted in 2010 and what was it intended that it should
achieve?

I am not clear what this question is asking – do you mean strategy of TEL, TPB or
some other body?
15. Had Tie or TEL taken legal advice in relation to the matters that were in dispute? If so, from whom had it been taken? Where you shown that advice or provided with a summary of it?

I recollect that advice was obtained from different partners at DLA by each organisation. I do not recollect being provided with a copy of that advice. While I do not wish to be unhelpful in any way, as I mention above, I do not have access to any documents, notes or other information which would assist in my recollection of events which were clearly some significant time ago.

16. What were your views on the settlement agreed at the Mar Hall mediation in March 2011 with the infrastructure consortium? What role, if any, did the Tie or TEL board play in discussing or approving the settlement?

I did not attend the mediation, played no part in it and am not in a position to give a view on the terms of settlement.

17. Why did you cease to be a director of TEL?

TEL was wound up in September 2011 by CEC and I ceased to be a director at that time.

General

18. Did you have any concerns, at any stage, in relation to the performance of any of the bodies or organisations involved in the delivery of the tram project (or in relation to any of the senior employees or directors in these organisations)?

While it was clear that there were significant issues and challenges in the delivery of the project, I am not in a position to pinpoint whether these emanated from individual, collective or corporate failings.
19. Did you have any concerns, at any stage, in relation to the reporting to the Tie or TEL Boards or reporting by those boards to other bodies?
I am not in a position to comment on reporting to TIE Board. The reporting to TEL board however was inevitably compromised by the paralysis of the TIE Board.

Concluding comments

20. What do you consider were the main reasons why the tram project was not delivered on time and within budget?

I am not in a position to comment.

21. Do you have any comments on how the cost and time overruns in the Edinburgh tram project might have been avoided?

No

22. Are there any other comments you would like to make that fall within the Inquiry’s terms of reference and that are not covered by your answers to the above questions?

No