

Questions for Councillor Burns 28 October 2016

This questionnaire has been designed to gather evidence about your involvement and knowledge of the Edinburgh Trams Project. The questionnaire contains 12 questions and, for guidance, a list of issues that may assist you in answering these questions. Please ignore any questions and or issues which you feel do not apply to you.

Your details

In order for the evidence to be analysed and taken forward by the Inquiry we require some information about you.

As you are responding as a Councillor (and Group leader) your name and ward will be published, but your postal address, postcode, telephone number and email address will not be published.

Ward	Fountainbridge/Craiglockhart (Ward 9)
Period that you were a Councillor	May 1999 to May 2017
Surname	Burns
Forename	Andrew
Postal Address	City Chambers High Street Edinburgh
Postcode	EH1 1YJ
Telephone	[REDACTED]
Email	andrew.burns@edinburgh.gov.uk

What will happen to your response

Your answers will be considered by the Inquiry and will form part of the record of the Inquiry.

All of the written evidence, unless deemed offensive or inappropriate, which is submitted through this process will also be published on the Inquiry's website at some point, either during the Inquiry proceedings or when the Inquiry Report is issued.

The Inquiry team may wish to explore the evidence you have provided in more detail.

They may wish to contact you following completion of this questionnaire to take a statement from you, and you may be invited to give evidence at an oral hearing. However, not everyone who submits written evidence at this stage will be invited to provide more information, and participation at any oral hearings would be by invitation only.

Questions

Please refer to the guidance to assist you in answering these questions.

1. Please provide an overview of your duties and responsibilities as a Councillor and as a Group leader. Please also provide an overview of any duties and responsibilities you had in relation to the Edinburgh Trams Project.

I have been an Elected (Labour Party) Councillor since May 1999.

From May 1999 to May 2007 I was a thus a Member of (for two 4 year terms of Office) the ruling Labour Administration.

From May 2007 to May 2012 I was a Member of the Labour Opposition, with the Liberal-Democrats and SNP having formed a ruling Coalition Administration.

During that period of Opposition – in June 2008 – I became the Labour Group Leader.

From May 2012 to the present day, I have been Council Leader of a ruling Labour and SNP Coalition Administration.

For the whole of this period, I'll list my main political responsibilities (chronologically):

May 1999 – May 2000: Vice-Convener of Social Work Committee

May 2000 – May 2001: Executive Member for Communications

May 2001 – September 2006: Executive Member for Transport and the Public Realm

September 2006 – May 2007: Executive Member for Education

May 2007 – June 2008: Opposition Spokesperson for Education

June 2008 – May 2012: Opposition Group Leader

May 2012 – present day: Council Leader

During this overall period, I would have been a Member of TIE Ltd. from its inception in 2002 through to September 2006 (when I left the Transport-brief); and would have also been a Member of TEL Ltd. from its inception in 2004 through to September 2006 (again, wherein I left the Transport-brief).

From recollection, all Senior Elected Members were provided with training on the responsibilities of Board Membership/s – such Board Membership were (and still are) common across a whole range of Local Authority topics, not just transport-issues.

As regards not all Political Parties supporting the trams project; this did become a very major problem from May 2007 through to May 2012 when the then ruling Liberal-Democrat and SNP Coalition Administration had opposing views on the project, and even went to the extent of codifying that disagreement into their Coalition Agreement.

This therefore meant that (numerically) the Liberal-Democrats needed the support of some of the then Opposition Parties (Labour, Conservative, Green) to ensure a majority position on any tram-related proposals. Despite this, there was never any serious effort to ensure the then Opposition Groups were afforded the level of detailed knowledge required to professionally assess the projects ongoing viability.

2. You were leader of the Labour party at the time that the New Transport Initiative (NTI) was proposed. Do you have any comments on the trams project during the initial proposals stage (i.e. between 2000 and 2006)?

Important to stress that I was not leader of the Labour Party at the time of the development of the NTI. I did not become the Leader of the local Labour Party until June 2008 – see timeline above, in response to question 1.

As you indicate, the development of the NTI commenced in 1999/2000, and I was not directly involved in its very early stages.

I did obviously become involved when I was appointed as Executive Member for Transport and Public Realm in May 2001 – a post which I then retained until September 2006.

The establishment of TIE, and the development of the NTI, were both fully reported through the City of Edinburgh Council democratic structures and all the relevant reports will be publically retrievable.

Both developments were also undertaken in full consultation with the then Scottish Executive, who participated in all the major discussions, and who retained detailed monitoring of the ongoing programmes via attendance (of both senior-level Civil Servants and Politicians) at all relevant meetings.

The various STAG appraisals, during that time, were fully discussed by all concerned; and there was a clear acknowledgement of the varying cost-estimates – some with inflation included, some not; some with optimism bias included, some not; some with risk allowance included, some not.

The specific sum of £375million, referenced as funding support from the Scottish Executive in the “Pre-Qualification Guide” [DLA0004903], is clearly identified as being at 2002 prices and with the manner in which it would eventually be deployed still to be decided – see paragraphs 6.1 (in particular) and 6.2 of the same document.

The concerns raised by various members of the public – like Alison Bourne [CEC02082850] – were taken very seriously, and did lead to numerous questions being asked of both Council and TIE Officers. That same document (top section) indicates that I did request a full (and very prompt) response from both Barry Cross and Ian Mathie (CEC Officers).

The various documents provided to the Scottish Parliament Committee-process (between 2004 and 2006 – for the Line 1 and Line 2 Bills) were publically available: [CEC01799560 and CEC01705043] and the Ove Arup document, at paragraph 9.13 makes it clear that the financial approach was reasonable and robust for a project at that stage of procurement/development; and ultimately both Bills (Line 1 and Line 2) were approved by the Scottish Parliament.

The referendum vote to not support road-user charging, in February 2005, did impact on the wider tram project proposals; in that the draft Tram Line 3 Bill (to the South East of the City) was subsequently abandoned, and never introduced to Parliament. Powers for that section of the project do not therefore exist, in contrast to Lines 1 and 2, which were both approved by Parliament in 2006.

The rationale for moving to a ‘phasing’ of the overall project was fully outlined in the Council Report that was approved on 21st January 2006, and is available via:

http://www.edinburgh.gov.uk/download/meetings/id/26171/edinburgh_tram

Doc ID:
CEC02083547

My recollection is that the Office of Government Gateway (OGC) Readiness Review [CEC01793454] of May 2006, was the first of several OGC Reviews, which were undertaken across the period of 2006 and into 2007. I was not Executive Member for Transport when the later OGC Reviews were finalised, but I understand that they highlighted significant progress with the project and did not subsequently assess the project as ‘red’.

The referenced letter from Richard Bourne [TIE00472106] was sent directly to TIE, and it appears that Councillor Iain Whyte (as Richard’s local Ward Councillor at that time) was the Elected Member who asked to be copied into the response; it was not my request.

By the time of the 21st December 2006 report to Full Council [CEC02083466], I was no longer Executive Member for Transport, but I remained supportive of progressing the project as outlined in that detailed set of 10 Reports which went before Council – all available via:

http://www.edinburgh.gov.uk/meetings/meeting/369/city_of_edinburgh_council

Doc IDs:
CEC02083466;
CEC00115183;
CEC01829425

Expenditure on the project, at this stage, was still comparatively low; with two Parliamentary Bills having been approved; and all the key players being fully engaged: The Council, TIE Ltd.; and Transport Scotland (as the agency responsible for the delivery of the Scottish Executive’s transport investment programme).

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3. Do you have any comments on the trams project in relation to events between May 2007 and the signing of the infrastructure contract in May 2008?

As referenced above, when the ruling Liberal-Democrat and SNP Coalition Administration came into being in May 2007, this did mark a significant point for the ongoing development of the tram project.

The two Political Parties had opposing views on the project, and even went to the extent of codifying that disagreement into their Coalition Agreement. This did therefore mean that (numerically) the Liberal-Democrats needed the support of some of the then Opposition Parties (Labour, Conservative, Green) to ensure a majority position on any tram-related proposals. Despite this, there was never any serious effort to ensure the then Opposition Groups were afforded the level of detailed knowledge required to professionally assess the projects ongoing viability.

At the same time, and at the behest of the new Scottish Government (minority SNP), Audit Scotland were commissioned to look at both the Tram Project and the Edinburgh Airport Rail Link (EARL) project. Their June 2007 Report can be found via:

http://www.audit-scotland.gov.uk/docs/central/2007/nr_070620_edin_transport_project.pdf

... which fed into the mid 2007 Holyrood votes, which saw the EARL project abandoned, and the Tram Project continued.

I consider this Audit Scotland report important, in the conclusions that it drew about the Tram Project's progress at that time. I do believe if significantly negative conclusions about the project had been arrived at by Audit Scotland, then there is every possibility that the project would have been abandoned, as EARL indeed was.

The Parliament did subsequently, democratically support the Tram Project; but deeply regrettably the Scottish Government thereafter withdrew Transport Scotland from the project's ongoing development.

Also deeply regrettably, from May 2007 onwards – once we were in Opposition – the access we were given to detailed progress with the Tram Project was severely limited despite the fact that the senior Coalition-partner actually needed Opposition support to ensure the project had majority support within the overall Council.

The detailed queries about Pricing Schedules and/or subsequent changes to the draft contract really need to be addressed to those who were politically in charge of the project at that time.

Doc ID:
PBH00025857

4. Do you have any comments on events after May 2008, including, in particular, in relation to the dispute that arose with the infrastructure consortium?

As referenced above, by this stage I was a Member of an Opposition Group, and the access we were given to detailed background for the project was severely limited.

The 'Financial Close' of the project was reported to Full Council on 1st May 2008, the report can be found here:

http://www.edinburgh.gov.uk/download/meetings/id/149/edinburgh_tram_-_financial_close_and_notification_of_contract_award

Doc ID:
CEC02083359

Paragraph 2.3 of that report is very clear in stating that 95% of the combined Tramco and Infraco costs were now fixed.

This report led to all-Party support, for the financial close, on that day.

We were subsequently not given detailed documentation-access, on the background to the contractual disputes that arose thereafter.

My own views on the eventual dispute between TIE and the infrastructure consortium were very clear – it should never have been allowed to get to the negative-position that transpired, with almost open hostility between the two parties being evident in the local (and national) press.

We were not aware of the various referenced meetings between the then Administration and Bilfinger-Berger ... but they do appear to be at a relatively junior-level, as regards the consortium's representatives.

Frankly, I saw no evidence from those in political power at the time of trying to categorically resolve the stand-off that evolved. To the best of my knowledge there was no direct face-to-face discussion by the Politicians in charge and the actual Main Board Directors of Bilfinger Berger? I would have considered direct access to such Senior-Players, by physically going to Germany if required, would have been the least that those in political charge of the project should have undertaken.

It is also correct that the Tram Sub-Committee had not been empowered/ supported to fulfil its functions [CEC01891440] and regrettably the Opposition Amendment on these issues was rejected on 30th April 2009.

I have no record/recollection of having been given direct sight of the QC Opinion from January 2010 [CEC000356397]

CEC000356397
should be
CEC00356397

Alison Bourne's e-mail of 8th February 2010 [CEC00492018] raises valid points about the headroom for further prudential borrowing, and these concerns did eventually come to reality with the eventual need to borrow some extra £231million.

As regards the e-mail from Richard Jeffrey [TRS00010706] to all Group Leaders, it is abundantly clear in his covering note (contained within same document) that there was ongoing restrictive practice in connection to the detail of information being given to Group Leaders ... "given the circulation it is unlikely to stay confidential" etc.

Thus whilst we did seek access to further details on the adjudications and the legal opinions, I have no recollection of ever being given unfettered access to such materials throughout this period.

In relation to the letters received directly from Bilfinger-Berger ... I have no record/recollection of ever seeing [CEC0054883] which appears to have been sent to several Officers and one Administration politician, in March 2010.

CEC0054883
should be
CEC00548823

I did receive the subsequent two letters of October and November 2010 [TIE00301406] & [CEC00013012] and was frankly aghast at the fact that relationships had been allowed to sink to such a low-point, to the extent that the consortium were writing directly to all Elected Members about the ongoing contractual disputes.

In reference to the Council Meetings in June, October [CEC02083124] and December 2010; it's very clear from these Council Reports, and the related Council Minutes, that the majority of Elected Members were not content with the level of project-detail being provided to Full Council.

In essence, this culminated in the December 2010 Council Meeting, wherein the main Coalition-partner at the time (the Liberal-Democrats) had to withdraw their own Motion and support an Opposition Amendment to ensure that some progress was made. This is all referenced in the relevant minute, available via:

http://www.edinburgh.gov.uk/download/meetings/id/31027/minute_16-12-10

Doc ID:
CEC02083128

This led to the acceptance by the main Coalition-partner of an Opposition Amendment which explicitly stated that it regretted: "the failure of the Lib-Dem/SNP Administration in not bringing forward these earlier agreed Acts of Council." See paragraph 2 of the agreed Amendment, as per the link immediately above.

Bluntly, this was symptomatic of the fact that the main Coalition-partner did not have the support of its junior Coalition-partner, but yet had made no significant efforts (in advance of meetings etc.) to secure a majority Council-position.

On the option to only look at proceeding to St. Andrew's Square, this was clearly the view of Officers of what could be delivered within the funding envelop at that time – as the agreed Opposition Amendment (as per the link above) made clear, the majority of Council felt that costs were needed for all potential options.

And the agreed request for an independent transport company to review the updated Business Case, was yet a further symptom of the lack of trust that the majority of Council felt in the information that was now being presented to them.

5. Do you have any comments in relation to the settlement agreement reached at the Mar Hall mediation in March 2011, and finalised later that year?

In principle, from Opposition at the time, we perceived the Mar Hall mediation as a potential positive step to unblock the log-jam of contractual disputes between Bilfinger-Berger and TIE Ltd.

My clear recollection was that the main impetus towards getting to such a mediation process, came from the then relatively new Chief Executive of CEC, and not from those in charge politically.

We were not consulted, in any detailed sense, on the mediation strategy to be adopted at Mar Hall.

The lead-up to Mar Hall also saw Audit Scotland produce another report on the Tram Project – the relevant New Release can be found here:

http://www.audit-scotland.gov.uk/docs/central/2010/nr_110202_trams_pr.pdf

Doc ID:
TRS00016873

... and the full Audit Scotland Report is here:

http://www.audit-scotland.gov.uk/docs/central/2010/nr_110202_trams.pdf

Doc ID:
TRS00016874

The contrast with the earlier June 2007 Audit Scotland Report could not be starker.

These two Audit Scotland Reports make it clear, that as at March 2007 some £44million had been expended on the Tram Project and, by which time, two full Parliamentary Bills had received formal approval and were on the statute book. Expenditure on the Tram Project by 2011 stood at over £460million, indicating that some £100million per year has been expended, for the intervening four years (2007-2011), with no sign of trams running on the streets of Edinburgh.

And following Mar Hall, the subsequent Council decisions in August and September 2011 were again symptomatic of the fact that a majority of Council remained deeply sceptical of the cost-estimates being provided for the various options. The option to stop at Haymarket was the only option being presented that was potentially deliverable within the existing £545million, with the option to go to St. Andrew's Square costing an additional £231million (a total of £776million), which would lead to an annual borrowing requirement of some £15.3million/year for the Council.

The initial Council decision to terminate at Haymarket was overturned the following month, primarily due to the Scottish Government's clear ultimatum that funding would be immediately ceased if the project didn't go to St. Andrew's Square. The Government then immediately re-instigated Transport Scotland (after 4-years of absence) as primary partners for the delivery of the project – see

<http://www.theconstructionindex.co.uk/news/view/edinburgh-tram-work-restarts-under-government-supervision>

Doc ID:
WED00000586

This undoubtedly highlights the serious mistake in removing them in the first place.

As regards the referenced e-mails from John Carson and Alison Bourne [CEC01953939] of late 2012 – these form part of literally hundreds of pieces of correspondence from the two named constituents. Every single one will have been replied to and I'm attaching the chain (as APPENDIX 1), which indicates the detailed response sent to Alison Bourne/John Carson on this occasion

These latter concerns relate to the revised project budget of £776million – which we were now responsible for delivering upon, having been elected back to Administration (and having formed a Coalition with the SNP locally) in May 2012. It's possibly noteworthy that we ensured that the completion of the revised tram project was an agreed part of the Labour/SNP Coalition Agreement, so there was an Administration majority to see the revised project through to completion.

This is in stark contrast to what happened in the May 2007 Coalition Agreement.

And, the outstanding concerns of John Carson and Alison Bourne, which were of late 2012, that the project would go beyond its revised budget of £776million are now clearly unsubstantiated; as the revised scope of the project was delivered by the end of May 2014 - within both the revised timescale and budget.

6. Do you have any comments on the project management or governance of the trams project?

The governance of the trams project was undoubtedly complex – it would be a surprise if for such a large-scale project that was not the case.

I do not though believe this equates to responsibilities being unclear. It was initially very clear that TIE Ltd., on behalf of the Council, were responsible for delivering the project; with funding provided by the Scottish Executive who had project oversight via Transport Scotland (the agency responsible for the delivery of the Scottish Executive's transport investment programme).

In relation to the integration of Trams and Lothian Buses, the ongoing negotiations were routinely reported to the Scottish Executive, who participated in all the major discussions, and who retained detailed monitoring of the ongoing programmes via attendance (of both senior-level Civil Servants and Politicians) at all relevant meetings.

All of these arrangements were fundamentally altered following the elections in 2007 – both at a Local Council level, wherein a Coalition who had opposing views on the project attempted to run the City and deliver the project – and at a National level, wherein a minority Government failed in an attempt to cancel the project and subsequently removed Transport Scotland from oversight of the project.

The 'Notes to Editors' at [TIE00689940]; and the earlier referenced links to the February 2011 Audit Scotland Report, and the Scottish Government's subsequent decision to re-institute Transport Scotland (after 4-years of absence) as primary partners for the delivery of the project – both available in full here:

http://www.audit-scotland.gov.uk/docs/central/2010/nr_110202_trams.pdf

<http://www.theconstructionindex.co.uk/news/view/edinburgh-tram-work-restarts-under-government-supervision>

... expand on why it was undoubtedly a serious mistake to remove them in the first place.

The detailed queries about Governance Structures, in the years between May 2007 and May 2012, really need to be addressed to those who were politically in charge of the project at that time.

The referenced changes made to Governance Structures in January 2012 – as fully outlined here:

http://www.edinburgh.gov.uk/download/meetings/id/34711/item_8_-_edinburgh_tram_project_update

... were basically to be welcomed – but they came a few months before the end of a 5-year term-of-Office for the then Administration. It was frankly too little, too late, in trying to ensure some sense of cross-Party consensus for the project.

The referenced e-mail from John Carson, of 3rd November 2012 [CEC02018785], arrived after we had been elected back to Administration (and formed a Coalition with the SNP locally) in May 2012 – his concerns here relate specifically to the revised project budget of £776million; and as earlier mentioned a full response was sent and is attached at APPENDIX 1.

These outstanding concerns, that the project would go beyond its revised budget of £776million, are now clearly unsubstantiated; as the revised scope of the project was delivered by the end of May 2014 - within both the revised timescale and budget.

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TRS00016874

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CEC01891498

7. Do you have any comments on the reporting of information relating to the trams project to Councillors?

An immense amount of time, over the years, has been spent on the Tram Project; by both Officers and Elected Members. The vast majority of the interactions have been robust and constructive, but there is no doubt that during 2007-2012 the Opposition Groups were not afforded the same level of briefing on the project that the lead Administration Group was provided with.

As referenced on several occasions above, I do believe this was a very serious error given the numerical/political make-up of the Council during that period. Decades of experience within the main Opposition Group was thus ignored.

In specific reference to the e-mail of 9th April 2010 [CEC00235026] you would need to direct the questions about who was withholding what from being committed to paper, to the e-mail author.

The further referenced e-mail from Alison Bourne, of 6th November 2012 [CEC01953939] ... which was sent to myself and Lesley Hinds, not Jenny Dawe arrived after we had been elected back to Administration (and formed a Coalition with the SNP locally) in May 2012 – her concerns here relate specifically to the revised project budget of £776million; and as earlier mentioned a full response was sent and is attached at APPENDIX 1.

These outstanding concerns, that the project would go beyond its revised budget of £776million, are now clearly unsubstantiated; as the revised scope of the project was delivered by the end of May 2014 - within both the revised timescale and budget.

8. Which body or organisation do you consider was ultimately responsible for ensuring that the trams project was delivered on time and within budget?

As already discussed - it was initially very clear that TIE Ltd., on behalf of the Council, were responsible for delivering the project; with funding provided by the Scottish Executive who had project oversight via Transport Scotland (the agency responsible for the delivery of the Scottish Executive's transport investment programme).

All of the initial arrangements were fundamentally altered following the elections in 2007 – both at a Local Council level, wherein a Coalition who had opposing views on the project attempted to run the City and deliver the project – and at a National level, wherein a minority Government failed in an attempt to cancel the project and subsequently removed Transport Scotland from oversight of the project.

9. What do you consider were the main reasons for the failure to deliver the project in the time, within the budget and to the extent projected?

As variously referenced above; the political instability and weak leadership within the Council Administration (of 2007-2012), alongside a palpable lack of support by the Scottish Government, fundamentally undermined the project at a critical juncture.

The fact that my very clear recollection was that the main impetus towards getting to the Mar Hall mediation process, came from the then relatively new Chief Executive of CEC, and not from those in charge politically at the time, frankly underscores the political vacuum within which the project had been stagnating for several years.

10. Do you have any comments on how these failures might have been avoided?

The formation of a local Council Coalition, from May 2007 through to May 2012, wherein the then ruling Liberal-Democrat and SNP Partners had opposing views on the project, and even went to the extent of codifying that disagreement into their Coalition Agreement; was undoubtedly a huge error.

This was compounded by (numerically) the Liberal-Democrats then obviously needing the support of some of the then Opposition Parties (Labour, Conservative, Green) to ensure a majority position on any tram-related proposals. Yet, despite this, there was never any serious effort to ensure the then Opposition Groups were afforded the level of detailed knowledge required to professionally assess the projects ongoing viability.

From May 2007 onwards – once we were in Opposition – the access we were given to detailed progress with the Tram Project was severely limited despite the fact above that the senior Coalition-partner actually needed Opposition support to ensure the project had majority support within the overall Council.

This was all significantly compounded (for the worse) at a National level, wherein a minority SNP Government failed in an attempt to cancel the project and subsequently removed Transport Scotland (the agency responsible for the delivery of the Government's transport investment programme) from oversight of the project.

11. What do you consider are the main consequences of the failure to deliver the trams project in the time, within the budget and to the extent projected?

Deeply regrettably, one can only draw the conclusion that the reputational damage to the City, and to the Council, has been very significant indeed.

Equally unfortunately, I do feel that the significant ambition shown on transport policy, throughout the 1990s and into the early 2000's, has most likely been lost for a generation.

12. Are there any other comments you would like to make that fall within the Inquiry's Terms of Reference and which have not already been covered in your answers to the above questions? (The Terms of Reference can be found on the [Inquiry's website](#))

No further comments to add.

From: Chris Highcock
Sent: 04 December 2012 10:00
To: RASM Bourne
Cc: Andrew Burns; Lesley Hinds; johnrtcarrson@██████████; Jim Davidson; Alan Coyle; Colin Smith; Bob McCafferty
Subject: RE: Tram Report to Best Value Committee

Ms Bourne

TRAM REPORT TO BEST VALUE COMMITTEE

I write further to your email of 6 November to Councillors Burns and Hinds in which you requested some clarification of the cost table in the Governance, Risk and Best Value Committee report which was considered that day. You expressed your concerns that the contingency available would be inadequate and asked for some specific explanation and explanation of some classifications in the cost table.

I must apologise first of all that you have not received a response to your query until now.

You state that the quality of the report on the project was "dreadful" and that therefore you approached the figures with scepticism. **I can assure you that the tram project remains in line with the revised budget of £776m, consisting of the base budget of £742m and a risk allowance of £34m**, as approved by Council in September 2011. This was the position agreed by the Governance, Risk and Best Value Committee at the meeting on 6 November following a consideration of the report.

You make requests for clarification of a number of elements within the project costs, in each case in the context of concerns about a potential overspend. These are noted below with our responses:

1. The lack of cost/budget split between Bilfinger's work and Siemens' work is a major concern. I had recently requested confirmation of how much Siemens had received so far and how much more they were expected to receive in completion of their works, but that information was withheld. Are councillors entitled to this information as it seems to be that a large amount of Siemens' work remains to be done and that could account for a large part of the circa £100m budget remaining? In the absence of this information, confirmation of what percentage of Bilfinger Berger's and Siemens' work, respectively, is already complete/yet to be completed would help. It seems crucial that this area be scrutinised closely as the £10m remaining in the "on-street infraco" budget may well be insufficient and may impact significantly on the "off-street" budget as well.

At the recent Governance, Risk and Best Value Committee there was an action taken to illustrate how the works undertaken relate to the cost of work done and the cost of works still to be undertaken.

The action is to include the addition of a chart or diagram to show the status of work activities along the project. This will form part of the next report to the Governance, Risk and Best Value Committee.

2. Please confirm what "systemwide" means under "Other Infraco". Are there further costs to be incurred under this heading?

An example of these costs are preliminary payments.

3. Are the “Other Infraco” items complete as there is only £2.5m left in that budget?

The majority of these items are complete.

4. Please confirm what “other” means under “Utilities”. The cost per kilometre for utilities, at this stage, is hard to calculate with accuracy but appears to be in the region of £10m - £14m. As they are not yet complete and the York Place tram stop involves another circa 300m of utilities works, I doubt the £1.9m remaining in the utilities budget will suffice.

The other utilities relates to non MUDFA utilities undertaken on behalf of tie by a number of contractors. There is no further spend planned in this area. The majority of the main utility diversions have now taken place, including those in York Place. £9.4m has been drawn down from the risk allowance since the project was re-started following the signing of the settlement agreement to deal with diversions.

5. With the last three trams yet to be delivered, it looks as if the vehicles budget will be insufficient. I did receive a reply about this last week but it did not indicate how much more would be required for vehicles.

The payment milestones under the tram contract are not structured simply to pay when trams are delivered. There are several milestone triggers in the CAF contract terms.

6. “Management, supervision and insurance” are all over budget already and the “project management” budget is almost completely spent. With another 15 – 21 months remaining to completion, significantly more money will be required.

These cost headings are under continual review and efficiencies and cost engineering will be pursued at every opportunity to ensure significantly more money will not be required.

7. The “legal” budget also looks likely to be breached, if only on costs relating to “Land, property and other costs”.

The legal budget will not be breached.

Given the above, I strongly suspect that the £15m contingency remaining will be wholly inadequate and would very much appreciate it if these concerns are investigated further.

As noted above, and as reported to Council and to the Governance, Risk and Best Value Committee, the Tram Project continues to proceed on track and remains in line with the revised budget of £776m. We are continuing to monitor progress closely both in terms of the financial costs and the physical development on site.

Again, I apologise for the delay in providing these clarifications.

Regards

Chris Highcock
Tram Stakeholder Engagement Team

Chris Highcock | Corporate Projects Manager & Depute Returning Officer | Governance Service - Elections & Democratic Projects | Legal, Risk & Compliance | Corporate Governance Directorate | City of Edinburgh Council | 1.7 Waverley Court |, 4 East Market Street | Edinburgh | EH8 8BG, Edinburgh |

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Tel: [REDACTED] Mobile: [REDACTED] | email chris.highcock@edinburgh.gov.uk

http://www.edinburgh.gov.uk/info/799/elections_and_voting



SAVE PAPER - Please don't print this e-mail unless absolutely necessary

Check out our new video, The Edinburgh Tram – Airport to City Centre, on [YouTube](#)

From: [Andrew Burns](#)
Sent: Tuesday, November 06, 2012 11:28 AM
To: [RASM Bourne](#) ; [John Carson](#)
Cc: [Trams](#) ; [Lesley Hinds](#)
Subject: RE: Tram Report to Best Value Committee

Alison (John)

Many thanks for your questions below.

I'm forwarding this brief acknowledgement and response to the Trams team, who will get back to you directly with additional replies and/or clarifications.

Thanks for raising (and detailing) your ongoing concerns.

Andrew

Andrew Burns
Labour Councillor for Fountainbridge/Craiglockhart Ward
Labour Group and City of Edinburgh Council Leader

Tel: [REDACTED] (w) or: [REDACTED] (m)

Local Surgeries - no appointment necessary, simply turn up:

- Every Monday, 6pm (during school term-time) @ Craiglockhart Primary School, Ashley Terrace
- Every Tuesday, 6pm (during school term-time) @ St.Cuthbert's Primary School, Hutchison Crossway
- Every Wednesday, 6pm (all year round) @ Fountainbridge Library, Dundee Street

From: RASM Bourne [[mailto:\[REDACTED\]](mailto:[REDACTED])]
Sent: 06 November 2012 08:02
To: Andrew Burns; Lesley Hinds
Cc: John Carson
Subject: Tram Report to Best Value Committee

Dear Andrew and Lesley

Thanks for your e-mail (Andrew) and I am very pleased that a new format for reporting on the tram finances is being adopted.

I have been somewhat preoccupied recently with family/work matters and so have only had an opportunity to take a brief look at the financial breakdown to be considered at tomorrow's Best Value Committee (although I am aware that John has raised concerns with you yesterday). John obviously has a far greater professional expertise than I have and looks at such figures with contractor's eye. I have to come at the issue from

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a different angle but, nevertheless, we almost always seem to arrive at the same conclusions.

John and I are equally concerned that the poor reporting led the tram project into such hideous problems still continues. We had hoped that the new team would result in much greater accuracy and transparency but, unfortunately, the quality of reporting was really dreadful last summer and, again on 25 October 2012, and, as there remain serious issues in the new table, we both feel compelled to approach the figures with scepticism!

John's table of cost comparisons containing the May 2011, October 2012 and November 2012 figures highlights the issue. Very few of the figures seem to tally at all and big red flags should be waved over the infrastructure, utilities and project management costs, bearing in mind the rate of spend and the fact that the project still has over a year to go.

I am very anxious that the figures presented to tomorrow's Best Value Committee are, indeed, accurate as they will form the basis of all future reporting. If there are problems relating to the figures now, then those problems are likely to increase as the months go by, rather than diminish.

The new style table does, I feel, give better information than that provided in the 25 October report. It also results in the ability to isolate areas which require further explanation and, from my brief look at the table, I would highlight the following points:

1. The lack of cost/budget split between Bilfinger's work and Siemens' work is a major concern. I had recently requested confirmation of how much Siemens had received so far and how much more they were expected to receive in completion of their works, but that information was withheld. Are councillors entitled to this information as it seems to be that a large amount of Siemens' work remains to be done and that could account for a large part of the circa £100m budget remaining? In the absence of this information, confirmation of what percentage of Bilfinger Berger's and Siemens' work, respectively, is already complete/yet to be completed would help. It seems crucial that this area be scrutinised closely as the £10m remaining in the "on-street infraco" budget may well be insufficient and may impact significantly on the "off-street" budget as well.
2. Please confirm what "systemwide" means under "Other Infraco". Are there further costs to be incurred under this heading?
3. Are the "Other Infraco" items complete as there is only £2.5m left in that budget?
4. Please confirm what "other" means under "Utilities". The cost per kilometre for utilities, at this stage, is hard to calculate with accuracy but appears to be in the region of £10m - £14m. As they are not yet complete and the York Place tram stop involves another circa 300m of utilities works, I doubt the £1.9m remaining in the utilities budget will suffice.
5. With the last three trams yet to be delivered, it looks as if the vehicles budget will be insufficient. I did receive a reply about this last week but it did not indicate how much more would be required for vehicles.
6. "Management, supervision and insurance" are all over budget already and the "project management" budget is almost completely spent. With another 15 – 21 months remaining to completion, significantly more money will be required.

7. The "legal" budget also looks likely to be breached, if only on costs relating to "Land, property and other costs".

Given the above, I strongly suspect that the £15m contingency remaining will be wholly inadequate and would very much appreciate it if these concerns are investigated further.

Regards.

Alison

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Guidance: **Possible issues to consider in your response**

Your duties and responsibilities

1. It would be helpful if you could set out the dates you served as a Councillor, the Ward you represented, the political party (if any) you were a member of and any positions in CEC you held (e.g. membership of committees, Group Leader, Council Leader etc.)?
2. Were you a member of the Tram Project Board, TIE Ltd or TEL Ltd? If so, please provide dates.
3. Do you consider that you, or other Councillors, had any relevant qualifications or experience that assisted when taking decisions relating to the Edinburgh Trams Project? Did you receive any training or guidance in that regard? Do you consider that any such training and guidance would have been helpful? If you were given some training was it sufficient to enable you to fully consider the issues relating to the trams project that were brought before the Council? If not what was missing?
4. Did the fact that not all members/political parties supported the trams project cause any problems or difficulties (and, if so, in what way)?

Initial proposals (2000 to 2006)

5. Who did you understand to be responsible for the decision to create TIE in 2002? What did you understand as being the main reasons for the creation of TIE? How important a factor in the creation of TIE was the fact that it was an off-balance sheet company? What were considered to be the benefits of that?
6. What were your views on the creation of TIE to deliver the various projects forming part of the Council's New Transport Initiative, including the Edinburgh Trams Project? What was your understanding of how CEC would, and did, exercise control over TIE? Did you have any concerns in relation to these matters?
7. Various draft Business Cases and STAG (Scottish Transport Appraisal Guidance) appraisals were produced between 2002 and 2006. Did you have any views on these documents including, for example, the various estimates for the project and the allowance for risk?
8. In June 2003 TIE published a "Pre-Qualification Guide, The Edinburgh Tram Network Project [etc]" **[DLA00004903]**. In the foreword you, as Executive Member for Transport, noted that the Scottish Executive had allocated £375 million in principle to part fund the Integrated Transport Initiative and that, subject to Parliamentary approval, "this money will secure the completion of

Tram Lines 1 and 2 [i.e. the north Edinburgh loop and the west Edinburgh line] in Edinburgh by 2009". How did you understand this figure of £375 million to have been arrived at? Which individuals or organisations did you understand to have been involved in preparing cost estimates for the Edinburgh Tram network?

9. A member of the public, Alison Bourne, e-mailed every Councillor on 10 December 2003 noting that the costs contained in the report to council that members were being asked to approve (£473.4m), differed from the costs, as detailed in STAG 2 (page 71 for line 1; and page 88 for line 2) and the Financial Statement (£566.7m) **[CEC02082850]**. Did the concerns raised by Alison Bourne cause you concern as to the reliability of the estimates you were being asked to approve? If so, what was done in response to these concerns? Did the varying estimates for the proposed tram network produced during this period cause you, or other Councillors, any concerns as to the reliability of these estimates?
10. In October 2004, Ove Arup and Partners Ltd, on behalf of the Scottish Parliament, produced a review of the Business Case for line 1 **[CEC01799560]**. Were you made aware of Arup's report and its findings? If so, did it cause you any concerns, including that TIE may have underestimated the capital cost estimates for the project? Did you see TIE's response to Arup's report **[CEC01705043]**? If so, did it cause you any concerns, including that that TIE did not appear to intend to apply an additional contingency for risk or Optimism Bias?
11. In February 2005, following a referendum, the public voted against the introduction of road user charging. How important a component was the income from road charging to the financing of CEC's proposals under the New Transport Initiative including the tram network? Were Councillors concerned about the affordability of the project without this income? Where was the alternative funding to come from?
12. The Council decided in January 2006 to build the tram network in phases, with a first phase to be built from Edinburgh Airport to Leith Waterfront. What was your understanding of the reason for that decision? What were your views? Did the need to restrict, or "phase" the scope of the tram network (which was apparent since 2005) cause you any concerns in relation to the reliability of the initial cost estimates, the affordability of the tram project and TIE's ability to deliver it?
13. An Office of Government Gateway (OGG) Readiness Review was carried out of the tram project and a report of the review was delivered to the Chief Executive of TIE on 25 May 2006 **[CEC01793454]**. The overall status of the project was assessed as "Red" (meaning "To achieve success the project should take action immediately"). Were members or group leaders aware of that report? Did the report cause you any concerns and, if so, what did you do in light of any such concerns?

14. On 20 September 2006, a member of the public, Richard Bourne, wrote to TIE [TIE00472106] expressing concern that SDS were soon to finalise the detailed design and given the very tight timescales involved, residents would not have the opportunity to comment on mitigation measures such as noise control. You asked to be copied into the response sent to Mr Bourne in which TIE appeared to state that there would be scope for change to the detailed design. At that time, when did you understand that detailed design for the final scheme would be completed, and no longer subject to changes?
15. By joint report to Council on 21 December 2006 [CEC02083466] the Directors of City Development and Finance sought members' approval of the draft Final Business Case for the Edinburgh Tram Network. The estimated capital cost of phase 1a (Edinburgh Airport to Leith Waterfront) was £512m if built alone. What were your views, in general, on the draft Final Business Case? What were your views at that time on the most significant risks affecting the timely completion of the project within budget? What was your understanding at that time of the steps that would be taken, and by whom, to maintain control over the capital costs of the project?
16. What was your understanding of the procurement strategy for the trams project including, in particular, the aims of the procurement strategy, the extent to which design and utility diversions would be complete before the infrastructure works commenced and the extent to which the infrastructure contract would be a fixed price contract? Did you feel that Councillors had sufficient input into that strategy?

Events between May 2007 and May 2008

17. Following local government elections in May 2007 the administration of the Council changed from a Labour administration to a Liberal Democrat/SNP coalition. Do you consider that that had any effect on the trams project (and, if so, in what way)?
18. Following national elections in May 2007, and a vote in the Scottish Parliament, the SNP government announced that funding from Transport Scotland for the trams project would be capped at £500m. What was your awareness and understanding of the extent to which the capping of the grant from central government represented an increased risk for CEC? What was your understanding of the steps taken by CEC following the capping of the grant to address, quantify and mitigate any increased risk?
19. The Council's approval was sought in October and December 2007 for the Final Business Case for the trams project. In general, what were your views on the Final Business Case?
20. The Final Business Case advised that a separate report was being prepared for the Council to set out the result of the tender evaluation and give recommendations as to the preferred bidder for each contract. What was your

understanding of why BBS were selected as the preferred bidder for the infrastructure works?

21. Were Councillors made aware that the INFRACO bids were primarily based on preliminary design? If so, did you have any concerns about a possible increase in cost when the bidders were provided with detailed designs?
22. What was your understanding in late 2007 of the extent to which design and utility works were complete? What was your understanding of any difficulties that could arise from incomplete design and utility diversion works and how any such difficulties would be addressed?
23. What was your understanding in late 2007 of the extent to which the infrastructure contract was a fixed price contract? What was the basis of your understanding? How important was it to the Council that the infrastructure contract was a fixed price contract? To what extent, if at all, did your understanding in that regard influence your vote on whether the trams project should proceed?
24. What was your understanding of the allowance for risk made by TIE/CEC (including the amount of the risk allowance and the main risks allowed for)? What, if any, allowance was made for scope changes in the contract price and/or the risk allowance?
25. In early 2008, in the lead up to contract closure, there were various increases in the price of the infrastructure contract. What was your understanding of the reasons for these increases?
26. We understand that on 13 May 2008, shortly before contract signature, Tom Aitchison submitted a report to the policy and strategy committee **[USB00000357]** advising that the estimated capital cost for phase 1a was now £512m and that, in return for the increase in price, TIE had secured a range of improvements to the contract terms and risk profile (para 2.11; see also paras 2.7 and 2.9). A certified extract of the minute from the meeting notes that the committee authorised the Chief Executive to instruct TIE to enter into the contracts **[CEC01222172]**. In hindsight, do you consider that the increased price and authority to enter the contracts ought to have been considered by the full Council?
27. Was the Infraco Pricing Schedule (Schedule 4) **[USB00000032]** or changes to the contract, with resulting increases in the contract price, discussed with you in advance of contract signature?
28. The infrastructure contract was duly signed on 13 and 14 May 2008. What was your understanding at that time of (i) which party bore the risks arising from any incomplete design and utility diversion works, (ii) the extent to which the infrastructure contract was a fixed price contract and (iii) the extent to which the aims of the procurement strategy had been met?

The dispute (May 2008 onwards)

29. In general, what information were you given as to the progress made with the design, utility diversion and infrastructure works after May 2008? Were you given progress reports or revised estimates of risk?
30. A dispute arose in respect of track laying works due to commence at Princes Street in February 2009. When, and how, did you first become aware of the dispute between TIE and the infrastructure consortium, BSC? What was your understanding of the nature of the dispute and the reason(s) for the dispute? For example was this a result of incomplete design or utilities work delay [TIE00446672]? What were your views on the dispute, including which party or parties were primarily responsible for the dispute arising? What was the basis of your understanding of these matters? Did your views on these matters change at any time (and, if so, when and why)?
31. On 27 February 2009 Councillor Phil Wheeler sent an email to Council Leader Jenny Dawe [CEC00868427] informing her about his meeting with Richard Walker of BSC. By e-mail dated 11 March 2009 [TIE00446933] Mike Connelly of TIE advised David Mackay of his meeting with Margaret Smith MSP and Alison McInnes MSP. What was your knowledge of these meetings? Did these Councillors feed back to you on what was discussed? Were you ever invited to such meetings? In your view, was it appropriate for elected members to meet with BBS directly at this stage? Do you think that this jeopardised TIE's position in any way?
32. On 10 December 2008, Councillor Ian Whyte sent an email to Donald McGougan, Tom Aitcheson, and Councillors Jenny Dawe, Phil Wheeler and Alan Jackson noting concerns about a comment made by David Mackay to the effect that TIE never started with a fixed budget, because "*the design changes as you go along*" [CEC01054035]. Ian Whyte stated that while he knew that there would be disputes with contractors and that Picardy Place design was not absolutely final when the contract was signed, the council had sold this project to colleagues (and those of the public they could persuade) as a "fixed price contract". Ian Whyte noted a need for design decisions and finalised costs that could not be disputed. What was your awareness of/ your views on these matters?
33. Were you ever concerned that the contracts were not in fact "fixed price" on the basis that the contractor was entitled to seek further monies under the contract where the works deviated from the Base Date design? As ultimate funder, did you think that the Council should seek independent legal advice on the interpretation of the contract?
34. What was your understanding of, and views on, TIE's strategy to resolve the dispute? To what extent, if at all, did you consider that that strategy had been approved by the Council? Did your views on TIE's strategy to resolve the dispute change at any time (and if so, why)?

11 March
2009 should
be 13 March
2009

35. What were you told about the use of the contract dispute resolution procedures including, in particular, the referral of certain of the disputes to adjudication? What were you told about the outcome of these procedures including, in particular whether the outcomes were more favourable to TIE or to BSC? What was the basis of your understanding of these matters?
36. On 30 April 2009, the Council were given an update on the tram project by way of a report by the Directors of City Development and Finance **[CEC02083772]**. The report indicated that there had been negotiations which had led to a supplementary agreement for the construction of the Princes Street infrastructure works. What involvement, if any, did you or other members have in the negotiation, conclusion or approval of the Princes Street Agreement **[TRS00016944]**? Were Councillors given a sufficient opportunity to consider and comment on the agreement before it was entered into?
37. What were your views on the Princes Street Agreement **[CEC00934643]**? What did you understand to be the rationale behind the agreement?
38. Do you have any views on the suggestion that the Princes Street Agreement paved the way for BBS to claim further additional costs in respect of other on-street works (such as Shandwick Place) by changing the basis of payment under the contract so it was no longer fixed price?
39. The minutes of the council meeting on 30 April 2009 **[CEC01891440]** noted severe concerns over the fiscal and political management of the project and a full statement of the projects financial position against current and future budgets 2009 and the current state of contingency budgets was requested. In your view, could this have been provided at an earlier juncture? It was also noted that the Tram Sub-Committee had not fulfilled the functions outlined for it in previous Act of Council of 20 December 2007. As a member of the Tram Sub-Committee, what were your views on this statement?
40. An opinion from Richard Keen QC on the interpretation of the InfraCo contract **[CEC00356397]** was given to TIE in the course of dispute resolution on 14 January 2010. Did elected members ever receive briefing on this opinion?
41. On the 8th of February 2010 **[CEC00492018]**, yourself and Councillors Jenny Dawe, Steve Cardownie, Phil Wheeler and Ian Whyte received an email from Alison Bourne expressing concern that the Council reports in advance of the Budget meeting on 11 February made little mention of the financial position of the tram project. In your view did the reports contain sufficient information to enable the council to make strategic decisions on the project? If so, in what way, and if not, what was done to acquire more information on the financial position in advance of the Budget meeting on 11 February? What were your views on Mrs Bourne's concern that there may not be sufficient headroom within the current prudential borrowing limit to meet the funding shortfall? Did you think Alan Coyle's response to be satisfactory **[CEC00492018]**?

42. What were your views on the email sent by Richard Jeffery to yourself and other group leaders on 19 April 2010 [TRS00010706]? Reference is made to advice having been received from leading law firms DLA Piper and McGrigors, and from leading Counsel. Did you ever see or seek that advice? What were your views on the assertion that you and other members could not be “fully briefed” on the adjudication decisions because they were confidential and to do so would put TIE in breach of contract ? Did you ever see or seek the adjudication decisions? Did you give any consideration around that time to whether CEC should seek its own legal advice, independently of TIE?
43. What were your views on the letters sent by BSC directly to Council members in 2010 [CEC00548823] [TIE00301406] [CEC00013012]?
44. A report to Council dated 14 October 2010 [CEC02083124] noted that at the Council meeting on 24 June 2010 the Council had required a refreshed Business Case, detailing the capital and revenue implications of all the options currently being investigated by tie and taking into account assumptions contained within the original plan (e.g. anticipated development) that either no longer applied or whose timescales had now substantially changed. We understand that on this occasion Councillors were unhappy with the level of detail provided and required a more detailed update of the Business Case. What is your recollection of the discussion in that regard including why more detail was requested? On what matters did members wish to receive more detail and was this adequately provided?
45. On 16 December 2010 the Council were provided with a refreshed Business Case, which recommended building a line from the Airport to St Andrew Square. What were your views on that proposal? At the same meeting, an amendment was passed to request a review of the updated Business Case by a specialist public transport company with no previous involvement with the trams project. What was your understanding as to why members requested that review?

The Mar Hall mediation in March 2011

46. What were your views on the proposals for mediation that took place at Mar Hall in March 2011? To what extent, if at all, were Councillors consulted on CEC/TIE’s strategy for the mediation?
47. What were you told about the outcome of the mediation? What were your views?
48. What did you understand to be the main changes brought about as a result of the mediation?
49. Do you consider that you were provided with adequate briefing in relation to the mediation, both before and after the mediation? Was relevant legal advice made available to you?

50. What was your understanding of, and views on, the Council's decision on 25 August 2011 to build a line from the Airport to Haymarket before, shortly afterwards, voting to build a line from the Airport to St Andrew Square/York Place?
51. At a meeting of the Council on 2 September 2011 **[CEC01891529]**, yourself and Lesley Hinds moved an amendment to instruct the Chief Executive to amongst other things to a) note that to agree to the SNP Scottish Government's thinly veiled ultimatum, to take the trams to St Andrew Square, meant the Council would need to borrow at least £231million. This would increase current Council debt to an unprecedented level of some £1.5billion; b.) note the Council therefore remained greatly concerned that the actions proposed by the SNP Government would be likely to further increase the Council's overall debt and lead to an ongoing reduction in services; and, c.) note that following the 2007 vote in the Scottish Parliament in support of the Tram Project, the SNP Government instructed Transport Scotland to cease involvement with the then Tram Project, a project which at that point had incurred expenditure of just £44m and had received the backing of Audit Scotland. What impact do you think Transport Scotland to ceasing involvement, had in the project? What did the Council understand Audit Scotland's role to be? What reliance, if any, was placed by you (and other Council members) on this report?
52. A settlement agreement was subsequently reached on 15 September 2011? What were your views on the Settlement agreement? What realistic alternatives to the settlement agreement did you understand there to be? Did members have regard to the views of constituents on this matter?
53. Why was the decision taken to proceed with the project rather than to cancel it?
54. What was your understanding of the roles of Turner and Townsend and the role of Transport Scotland following the settlement agreement reached in September 2011?
55. On 3 November 2012, John Carson wrote to yourself and Cameron Rose voicing serious concerns about the figures that had been presented to the council on 25 September 2012 **[CEC02018785]**. What were your views on this? You received a further email from Alison Bourne on 6 November expressing similar concerns **[CEC01953939]** what was your response to these matters – did you share this information with the rest of the council?

Project management and governance

56. Do you consider that the roles and responsibilities of each of the bodies etc. involved in the delivery and governance of the project was sufficiently clear?

Do you have any views on the suggestion that may be made that there were too many bodies and organisations involved in the governance of the project?

57. What did you understand to be the respective roles and responsibilities of CEC, TIE, TEL, the Tram Project Board and Transport Scotland in relation to the trams project?
58. We understand that you were a member of both the TIE and TEL board. Do you consider that any conflict of interest, or potential conflict of interest, arose from Councillors being members of both the Council and organisations with responsibilities for delivering the project i.e. TPB, TIE and TEL?
59. We understand you were a member of the TEL board between 11 August 2004 and 12 September 2006 and were involved in discussions about integrating the Trams with Lothian buses in 2004. How did CEC keep the executive up to date with Tel's evolution [CEC01887025]? It was noted that TEL and tie would have representation on each other's Boards to – did this have the desired effect of bringing operational experience to the tie Board, ensuring that the process leading to the novation of the contracts was robustly managed to prevent CEC or TEL being exposed to risks and performing reality checks [CEC01884897]?
60. In what way did TS's role and involvement in the tram project change following the formation of an SNP administration in the May 2007 election? Why was that change made? On what basis did you think that the decision to remove TS from the management boards in 2007 was a catastrophic blunder [TIE00689940]? How did this have an adverse effect on the management, oversight and/or delivery of the tram project?
61. Do you have any views on whether members and officers of CEC should have been more actively involved in the project? Did you hold these views at the time or later? Do you consider that members and officers of CEC exercised effective oversight and control over the trams project (if not, why not)?
62. Did you have any concerns at any time in relation to the performance of any of the bodies involved in the project management or governance of the trams project, or the senior personnel in any of these bodies? If so, what were your concerns? Did you report or discuss any such concerns with anyone (and, if so, with whom and what was their response)?
63. You attended a meeting of the Council on 23 August 2007 at which Councillors were asked to note that a revised governance structure was required for the project. What was your understanding of why it was thought to be necessary to revise governance arrangements? What changes to the governance structure were made in the second half of 2007 and the first half of 2008? When were these changes introduced? Were they effective (and, if so, why)?

64. A review of Council Owned Arm's Length Companies was discussed at a meeting of the city of Edinburgh Council dated 28 May 2009 [CEC01891438]. What is your recollection of the outcome of that review?
65. At its meeting on 20 August 2009, the Council requested me to report back on the implementation of phase one of the revised governance arrangements for the Trams Project [CEC00475390]. On 1 December, the Policy and Strategy Committee Meeting noted amongst other things, that the decision of Council had not yet been acted upon. The report that was provided on the 17th of December provided no detail on the current (and planned) Board populations, and terms of office, of TIE and/or Lothian Buses? The committee stated that any future report to Council should detail any legal advice, or considerations, that had been received in relation to the earlier 20th August 2009 report and decision [CEC00475391]. Was a further report given which satisfied the Council that their formal request on the revised governance arrangements for the Trams Project had been met?
66. A meeting of the Audit committee on 26 January 2012 noted that a further revised governance structure was to be implemented as part of the decision to continue the tram to York place. A key feature of the revised governance arrangements was that there was to be political oversight by means of a monthly All Party Oversight Group/ a quarterly Audit Committee. In addition to this, there was to be representation by Transport Scotland at all levels of the project. Did you understand this to be effective (and, if so, why)?
67. On 3 November 2012, yourself and Cllr Rose received an email from John Carson noting that the figures presented to the full council, at the meeting on 25th September were substantially if not completely wrong [CEC02018785]. What was your response to this email?

Reporting

68. Which official or officials in CEC were responsible for advising Councillors of developments relating to the trams project, including explaining the risks and liabilities of the Council arising from the project?
69. Were issues relating to the project discussed separately or in the course of other Council business? Do you consider that there was sufficient time at Council meetings to discuss and consider the project? Did you have a free vote in relation to matters relating to the trams project or were you required or encouraged to vote along party lines? If the latter, did that result in the project not being as fully scrutinised as it might otherwise have been, for example, by "silencing" Councillors who may have had concerns about the project, or whose constituents had raised concerns? How ought Councillors to have resolved any tensions or difficulties in that regard?
70. How were you, as a Councillor, kept informed of developments relating to the trams project?

71. Did other Council members (including the Finance and Transport Convenors and other Group Leaders) receive separate briefings on the project? If so, did they, in turn, keep you informed?
72. Did you as a Group leader and latterly as Council leader personally receive more information about the project than other members? What did you do to ensure that the Group (or indeed other members) were kept informed of things that came to your attention?
73. What was your understanding about the level of information that you required before taking a decision in respect of the trams project? Do you feel that you had sufficient input into decisions and understanding of the key issues?
74. In general, do you consider, that Council members were provided with sufficient information in relation to the trams project? Do you consider that members were advised in sufficient detail of developments in relation to the project in sufficient time? Were members provided with any guidance (e.g. on financial and or technical matters) to assist them in coming to decisions? Was information and advice provided in a clear and intelligible form? Did you have the opportunity to request further information, or seek further guidance, advice or clarification and, if so, by what means? Did you ever make such a request and, if so, what was the response? Do you consider that the information and advice provided to members was accurate? Did you have any concerns in relation to these matters? If so, did you express these concerns to others (and what was their response)?
75. To what extent did concerns over commercial confidentiality affect the information provided to and from Council members? What steps were taken to address any such concerns? Do you consider that concerns in relation to commercial confidentiality adversely affected Councillors' understanding of the project (including the problems that arose) and their ability to take informed decisions?
76. What was your understanding in relation to the extent to which information provided to Council members derived from TIE and the extent to which it was produced or checked by Council officers?
77. To what extent were you informed of concerns about the contract, raised by CEC officials, in the lead up to contract closure?
78. Council Leader Jenny Dawe sent an email to yourself on 9 April 2010 **[CEC00235026]** noting that " it has been a bit of a nightmare pulling together the few facts that tie, legal, financial etc. would actually allow to be committed to paper." What were members of the Council advised around that time? How was the Briefing Note referred to in the e-mail distributed? Who did not allow facts to be committed to paper and why? To what extent did that affect the ability of you, and other members, to take informed decisions relating to the tram project?

79. How did you report matters relating to the trams project to your constituents? Did your constituents report concerns relating to the trams project to you? If so, how and what steps did you take to address your constituents' concerns?
80. To what extent, if at all, was your understanding of, and views on, the trams project informed by what was reported in the media?
81. On 6 November 2012, yourself and Jenny Dawe received an email from member of the public Alison Bourne [CEC01953939] outlining why she and fellow member of the public John Carson were equally concerned that the poor reporting led the tram project into such hideous problems still continues. What was your response to this email?

Cost overrun and consequences

82. When, and how, did you first become aware that there was likely to be a significant cost overrun, including that the total cost of the project was likely to exceed £545m? What did you understand to be the main reason(s) for that overrun?
83. What was your understanding following the Mar Hall mediation as to how the additional contribution by the Council would be financed, including the different financing options? What was your understanding about the effect that was likely to have on the Council's finances and expenditure, including on services and capital projects etc?
84. Do you consider that Councillors were kept properly informed of the risk of a cost overrun throughout the project, including the likely amount of the overrun?
85. What do you consider to be the main consequences of the failure to deliver the trams project in the time, within the budget and to the extent projected, both on your constituents and more generally?
86. To what extent did the shortened line result in the project failing to meet the objectives and benefits set out in the Final Business Case?
87. What was the effect of the additional borrowing by CEC for the trams project on the Council's finances and expenditure, including on services and capital projects etc.?