

## EDINBURGH TRAM INQUIRY

### Note of meeting with Dr George Grubb – Friday 16 October 2015

David Murdoch met George Grubb on 16 October 2015 at Dr Grubb's home in [REDACTED]  
[REDACTED]

#### Introduction

1. I was elected to the City of Edinburgh Council as a councillor for the Liberal Democrats in 1999. I was Lord Provost of Edinburgh from 2007 to 2012. I stood down as councillor in 2012. One of my roles as Lord Provost was to chair debates of the Council between 2007 to 2012.

#### Governance arrangements

2. The Liberal Democrat group was briefed every month by a representative from TIE, usually the Chief Executive or another senior representative from the company. I can't remember the names of those individuals. The Liberal Democrat group was made up of 17 councillors including Gordon Mackenzie, who was the council's transport convenor, and Jenny Dawe, leader of the council. The whole council discussed the trams project at council meetings. The group meetings and the council meetings were the two points of contact I had with TIE and the tram project. I wasn't involved directly with the trams project.
3. At every monthly meeting TIE would present a report to the group and councillors would ask questions. The reports would always be the same; the Bilfinger Berger consortium (BBS) were the bad guys and TIE were the innocent party. TIE would always blame the German contractors for everything that went wrong. I was an RAF chaplain in Germany and had worked with German companies and I had a good impression of them. I became suspicious of TIE's negative reports about BBS. I met with the German Consul General to discuss the tram project. He was concerned that the tram project would foster anti-German feeling in Edinburgh and Scotland. The Consul General phoned the Chief Executive of Bilfinger Berger in Germany about his concerns in relation to the tram project. From the Consul General's report it seemed to me that the Chief Executive of Bilfinger in Germany was not really concerned with the

Edinburgh tram project. It seemed that Bilfinger was an international company and Edinburgh didn't matter much to them.

4. Our concerns about the tram project arose in 2009, around the time of the Princes Street works. Concerns were being raised at group meetings and council meetings about the progress of the tram project. However, the project had been set up in such a way that the council didn't have any input into the process. The council were marginalised. The presence of councillors on TIE's board didn't give the council enough oversight and control over the project. I think when TIE was set up there should have been a stronger political presence on the board.
5. The administration under Jenny Dawe was seen to be ineffective. However, the understanding of councillors was that you couldn't do much with TIE. We had no real authority as a council to determine what happened at TIE. We had one or two councillors on the board but TIE were a private company, you couldn't tell TIE what to do. The big flaw was that there was no political supervision or input from the council. The council had thought that the project would be delivered because of the contract in place and because TIE were in charge. TIE should have been the front-runners and created a good working relationship with the contractors, but they didn't do this. I was personally getting fed up with TIE blaming BBS. I lost a lot of confidence in TIE to take the project forward.
6. The council were completely reliant on TIE's advice. I remember Gordon Mackenzie saying "I'm not a structural engineer, I'm a social worker". Gordon relied on what was being put to him by TIE. As councillors we relied on advice from everyone. My gut reaction was that what we were getting from TIE was not the truth. TIE were always blaming the Germans and that's why I spoke to the Consul General. At these monthly meetings you could ask questions of TIE but there was not much else we could do. Councillors did talk among themselves after these meetings about TIE's progress, but it felt as though there was nothing we could do. As councillors we felt that if you got rid of TIE then what would we replace it with?
7. TIE blamed BBS and BBS blamed TIE. There was stalemate. Change came when Sue Bruce arrived in Autumn 2010. She asked about why there had been no political involvement, why the contract was flawed and she suggested negotiations. It was only until Sue Bruce got involved did BBS get round the table and something was done about the trams. I remember they went to Mar Hall in Glasgow and from then on the

project took off. I was not involved in the Mar Hall mediation. I think Sue Bruce took the decision to abolish TIE.

8. The previous Chief Executive, Tom Atchison, had been in the council since he had left school. He had come up through the ranks. He had a team around him, and he had a lawyer who seemed out of his depth. I can't remember the lawyer's name. Tom didn't have too much to do with the tram project. This was because it was assumed that it was TIE's project.
9. Initially the council were in favour of the project. That favour waned as the project went on and the we were getting a hard time from the press. The Lib Dems got the blame for the tram project and it cost us a lot of seats in the 2012 election.
10. I would recommend that you speak to Jenny Dawe and to Gordon Mackenzie, as he was responsible for transport. You could also speak to Fred Mackintosh. He might have a better perspective on these things, as he led the debate on 'trams before tolls'.

#### **Creation of TIE**

11. CEC thought that setting up an arms-length company was the way to proceed, whether that was efficient I don't know. The council set up TIE because they thought the tram project would be delivered quickly and cost-effectively and the council could oversee what was going on. Arms-length companies were fashionable and it removed the trams project from the responsibility of the council. However the council should have remembered the problems involving an arms-length company and the construction of the new Edinburgh Royal Infirmary. I don't know if the Scottish Government insisted that an arms-length company should be set up but I'm sure the government must have given some advice on how to set up a company.

#### **Perspective on problems with tram project**

12. It was thought that separate contracts would be cheaper. I didn't have any insight into the procurement or design of the tram, I wasn't involved that closely with the project. The problem as I understood it was that the contract was badly written, it was flawed from the outset. The contract written by the Edinburgh lawyers was the main cause for the delay and overspend. There were holes in the ground that no-one would do anything about. There were utilities from the Victorian era which no-one knew about

and which cost money to remove and replace. The delays on Princes Street were due to problems with the utilities. I know that we received a number of complaints in relation to the utility works; holes in the ground and so on. There might have been some councillors who insisted that holes were filled in on behalf of their constituents.

13. I don't think there was any pressure to conclude the contract, especially as a result of the 2007 Scottish Parliament elections. Everyone had gone too far with the project to walk away from it.

End of statement