



EDINBURGH, FIFE & EAST SCOTLAND

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Edinburgh tram project bosses payments revealed

The directors of Edinburgh's failed trams company Tie received hundreds of thousands of pounds in severance payments when it was closed down.

Figures released by Edinburgh City Council show seven directors were given £406,635 in compensation.

Tie was disbanded after a long and expensive dispute with the project's main contractors, which resulted in delays and spiralling costs.

The details were published despite the council's initial refusal to do so.

A £776m tram line between Edinburgh Airport and St Andrew Square is due to be completed by summer 2014.

The original plan had been for the tram line to run from the airport to Newhaven.

Details released by the council show project director Steven Bell received £87,000 in compensation, while chief executive Richard Jeffrey took home nearly £83,000.

Both managing director Alastair Richards and Infracore director Frank McFadden were given £50,000, while three other directors - Susan Clark, Dennis Murray and Gregor Roberts - shared more than £137,000 in compensation.

The figures were part of a release by Edinburgh City Council, which itemised the pay and bonus packages of its board of directors in their final year.

Tie was closed down late last year but its board of directors received full salaries and compensation.

The total earned by the board last year, including severance pay, was more than £1.3m.

Lesley Hinds, the authority's transport convener, said: "I have long called for greater transparency into the tram project and the publication of these figures is a step in the right direction - even if I don't agree with the amounts.

"This is an opportunity to draw a line under Tie's involvement and for us as councillors to ensure that, from here on in, the project is tightly managed and all spending is properly scrutinised."

Alastair Maclean, director of corporate governance, added: "The council took direct control of the tram project in 2011 at a point when it was clear a change of direction was needed.

"Following the council decision on 2 September 2011, construction is now proceeding in line with the revised budget and programme.

"New governance arrangements were put in place and the council brought in professional project management expertise and agreed to wind down Tie Limited, as was reported on 25 August 2011.

"There was a significant cost in resolving the issues with Tie and putting in place more effective control of the project."

Edinburgh Southern MSP Jim Eadie has called for the directors of Tie to forego their pay-offs saying "there must be no reward for failure".

The SNP politician added: "It is right that the details of the severance payments have been published.

"Over £400,000 in pay-offs is a slap in the face of the people of this city.

"They will be aghast that after years of disruption and delay that public officials responsible for the catalogue of mistakes and incompetence will walk away with golden goodbyes."

David McLetchie said it was important to remember that it was taxpayer who was footing the bill.

The Conservative MSP for the Lothians said: "We have become so used to figures escalating out of control in relation to this project that it is tempting to ignore this latest payout.

"But we must never forget that it is ultimately the taxpayer who is paying for this and by any standards has had appalling value for money."

Salaries of tram company bosses

Directors	Salary	Bonus	Other benefits	Compensation for loss of office	Total for 2011/12
Steven Bell, tram project director	£180,567	£15,113	£1,000	£87,211	£283,891
Richard Jeffrey, chief executive	£105,577	0	£5,000	£82,825	£193,402
Alastair Richards, managing director (ETL)	£186,706	0	0	£49,130	£235,836
Frank McFadden, Infraco director	£147,320	£5,124	£1,000	£49,857	£203,301
Susan Clark, programme director	£79,638	£9,182	£1,000	£66,864	£156,684
Dennis Murray, commercial director	£107,625	£5,600	£1,000	£39,893	£154,118
G. Roberts, finance director	£81,846	0	£1,000	£30,855	£113,701

SOURCE: CITY OF EDINBURGH COUNCIL



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