

Briefing from Council Leader Edinburgh Tram Project

Introduction

In response to a question at the Council meeting of 11 March 2010, I agreed that I would work with Edinburgh Trams (**tie** Ltd) to provide Members with as much information on the project as I can without compromising the current negotiations between **tie** and the BSC Consortium.

Given the long history of this complex project, with over 50 reports submitted to Council, the former Executive or a Council Committee since 2003, it may be helpful for members to be reminded of the chronology. Appendix 1, at the end of this briefing, details all the major reports since 2003.

These reports have given Members the opportunity to scrutinise, and vote on where appropriate, issues including route alignment, draft Parliamentary Bills for Lines One and Two, approval of the final business case, agreement on developers' contributions guidelines, the Council's proposed funding strategy, award of major contracts and approval of financial close.

More recent reporting

Concerns have been raised about the lack of regular reporting to Council on the progress of the project, particularly since the

current dispute regarding the contract first became an issue at the beginning of 2009.

While the recent Tram Sub-Committee report on the multi-utility diversions (MUDFA) contract and the progress to date on the commissioning of tram vehicles and future branding was quite detailed, the same has not been possible for the infrastructure contract (INFRACO). The rationale for this is quite clear. We cannot reveal our strategy during the dispute. Any information relating to the finances of the project being released at this sensitive time could significantly compromise our negotiating position. The release of some details could constitute a breach of contract.

Governance

Those working to resolve the issues raised in the dispute are acutely aware that every financial decision made has an impact on the funding of the project and ultimately the public purse.

However this does not mean that **tie** are working without scrutiny of their actions. The Tram Project Board, with cross party Council representation and independent transport experts, meets monthly. All project governance issues are reported to it within the scope of its delegated authority. For

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reasons of commercial confidentiality, Board members are legally constrained from speaking on certain issues.

In his role as Tram Monitoring Officer, Marshall Poulton, Head of Transport, has been nominated by the Council to monitor specified aspects of the project and has a responsibility to protect the Council's interests. Marshall will continue to work very closely with **tie**, and indeed will be based for part of the week at their offices.

Furthermore, **tie** issue a report monthly to Transport Scotland, in addition to regular meetings with their officers to monitor progress. There is also a quarterly review panel meeting of senior officials from **tie**, the Council and Transport Scotland as part of the governance of the project.

Richard Jeffrey (**tie's** Chief Executive) also provides regular briefings to Group Leaders, and has attended political group meetings to share what information he is able to.

There has been an independent review of the Council's funding strategy by DTZ, reviews by the Office of Government and Commerce, and scrutiny by Audit Scotland for the Scottish Government in 2007.

Delegated authority from the Council to **tie** means that only certain specified matters require Council approval. These are exceeding the funding envelope of £545m by more than £1m; any substantial change to the design, scope or service pattern of the tram; or an extension of the agreed timetable beyond October 2012.

Given public interest and the need for transparency and accountability I expect an update report to come before Council in the coming months.

Costs

There has been much speculation regarding the projected spend to date and the future costs, with many wild projections. Members will recall that it was reported to Council last August that, by the end of the financial year 09/10, spending would be in the region of £387.3million. Monies spent so far include major up-front costs such as procurement and legal costs, securing the Bills through the Parliamentary process, MUDFA, necessary land purchases, vehicle costs and the huge amount of work required to design the scheme as well as the overall project management of the project. It is worth noting that the infrastructure costs make up less than half the overall budget forecast. At this moment, while there are

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unresolved matters that may affect the cost of the project, it is not possible to give more precise detail on financial matters. This will be provided whenever it becomes possible.

Where we are now

Works off-street continue to go well, as does construction of the Gogar depot. Further works on the off-street section from the Airport to Haymarket, including the Edinburgh Park viaduct, Gogarburn bridge and track-laying along the former guided busway are also continuing.

The first full tram vehicle will arrive in the city later this month and will be put on public display in a prominent city centre location. I expect this to be even more of an attraction than the “mock up” which attracted over 140,000 visitors last year.

The dispute process

To date 135 issues have been resolved with the contractor at an average of 61% of the original amount of the claim by INFRACO. The majority of these relate to changes to the final design which ~~tie~~ accept are alterations or additional works from the agreed schedule of works.

Four issues have gone fully through the dispute resolution process with

adjudications being made by independent assessors. Legally, we are very constrained about what can be said publicly. We cannot comment on how these adjudications were determined. Financial agreement on two issues has still to be decided.

There are currently 14 issues within the dispute process although not all may proceed to final adjudication. The objective is to settle issues directly with the contractor or through mediation.

The contractor has been offered a nine month extension to complete the scope of works. This is to allow for delay arising from the increased volume of utility diversion works undertaken. The original MUDFA programme is over 97% complete. This is behind schedule, but it should be noted that there was a 70% increase in the total works required. The original scope of the works was to divert 27,188 metres of pipes and ducts but the actual figure is 46,575 metres.

This increased MUDFA programme will be of great value in the future through improvements to the city’s Victorian infrastructure and by minimisation of disruption during any future repairs or maintenance.

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Next steps

The Tram Project Board next meets on 14 April. No major decisions are expected from this as the Board previously endorsed the **tie** management approach of rigorously enforcing the terms of the contract.

The negotiations with the contractor continue regarding on-street works, but their inability to commit to a programme is unacceptable. The disruption that traffic management measures cause around inactive sites cannot continue. **tie** is now suggesting to the Council that, where possible, these measures be suspended to return the city to normal. The principal areas affected are around Haymarket and Shandwick Place. A review of Leith Walk and other areas where safety barriers are currently in place has led to a decision that, wherever possible, barriers will be replaced by a less obtrusive interim solution.

When an agreed programme of work is ready to be implemented traffic management arrangements will be restored. Members will be kept informed on this.

Looking to the Future

We have come a long way since May 2002 when "*Transport Initiatives Edinburgh*" was

formed to deliver major transport projects for the City of Edinburgh Council.

Edinburgh is at the heart of a region of over one million people, expected to continue to grow over the next 20 years bringing consequent problems of traffic congestion and pollution which could threaten our future prosperity. We are well on the way to delivering a long-term solution, providing a high quality, integrated, modern, efficient transport system to keep Edinburgh moving.

Trams play a crucial part in my vision for Edinburgh. They are clean, quiet, quick, reliable and cheaper to run than buses. Experience from elsewhere shows that trams attract people out of cars, in a way buses do not. Reducing car use will reduce pollution and congestion. Improved journey times and creation of a more joined up city is good news for retail and other business. Indeed, we know already that the prospect of trams in Edinburgh has encouraged some major developments to go ahead.

I am confident that trams will be good for our residents, visitors and for the prosperity of the city and I look forward to seeing them running in 2012.

Councillor Jenny Dawe, Leader, CEC

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Edinburgh Tram – Council Committee Decisions

No	Date	Committee	Decision
1.	9/2/2010	Transport, Infrastructure and Environment	Approved the Traffic Regulation Order (TRO) Strategy to deliver the tram.
2.	17/12/2009	The City of Edinburgh Council	Noted the substantial progress made in designing the company governance arrangements to facilitate the development of an integrated high-quality public transport service; and Approval of the recommendations contained in the report dated 1 December 2009 by the Director of Corporate Services; and Notes that, where appropriate, further reports will be submitted to Council and/or Committee in the run up to the submission of a comprehensive report in the Autumn of 2010.
3.	17/12/2009	The City of Edinburgh Council	Referral from Policy and Strategy on 1 December 2009 regarding tram governance.
4.	17/12/2009	The City of Edinburgh Council	The Council is asked to approve the transfer of the ownership of Edinburgh Trams Limited from Lothian Buses to TEL and note that Edinburgh Trams Limited will undertake certain aspects of operational planning work in relation to the Trams Project under the guidance and oversight of TEL. The Council delegate authority to the Chief Executive to agree appropriate terms and conditions with TEL and Edinburgh Trams Limited in relation to the preparations for integrated operations and report back to Council on the implementation of such transfer and the terms of the agreement in Spring 2010. Council notes that such terms will be similar to those recently agreed by the Council in relation to TEL and tie ltd . The Council agreed that the Articles of Association for TEL Limited be altered to allow up to 16 Directors to be appointed to the Board.
5.	1/12/2009	Policy & Strategy	Approval of the Board of Transport Edinburgh Limited (TEL)
6.	29/9/2009	Policy & Strategy	Approval of the governance arrangements of Transport Edinburgh Limited (TEL) and tie ltd which include the Operating Agreement and Memorandum of Understanding
7.	29/9/2009	Policy & Strategy	Approval to return buses, taxis and cycles to Princes Street over the weekend of 28/29 November upon completion of the tram works;
8.	20/8/2009	The City of Edinburgh Council	To note the updated position and endorses the contractual processes tie ltd has entered into with the BSC consortium to produce greater cost and programme certainty. Approved the additional costs associated with the utility works subject to the necessary detail being provided to the Tram Monitoring Officer by tie ltd . To note the position on the external evaluation of the Council's funding strategy and the intention to undertake continual review of the position in light of wider economic uncertainty. To note the updated position of the TEL Business Plan and the continuance of the robust case it puts forward

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			for public transport in Edinburgh. Approved the tie ltd Business Plan for 2009/10.
9.	20/8/2009	The City of Edinburgh Council	Approved they key changes to corporate governance and delegated authority to the Chief Executive to sign the revised Operating Agreement between the Council and TEL, including the Memorandum of Understanding; and other Governance related matters including the appointment of Richard Jeffrey to the Board of tie ltd .
10.	10/8/2009	Tram Sub Committee	To note the progress on the measures that have been implemented to mitigate the impact of the tram construction works during the Festivals.
11.	9/6/2009	Policy & Strategy	Approval of the Festival mitigation measures and roadworks during the August roadworks embargo.
12.	6/5/2009	Transport, Infrastructure and Environment	Approval of the membership of the Tram Sub-Committee
13.	30/4/2009	The City of Edinburgh Council	To note the updated position in relation to progress, programme and cost of Phase 1a. Approved the settlement negotiated by tie ltd under the MUDFA contract for Phase 1a. To note the pedestrian footfall and car parking utilisation monitoring, including the major media and marketing campaign undertaken. To note the position with the city events and that a final decision on the August roadworks embargo will be taken at the Policy and Strategy Committee on 12 May 2009 Agreed the proposal to postpone the development of Phase 1b due to current economic and funding constraints. Agreed to discussions being taken forward for the feasibility study in relation to the South East Tramline, formerly known as Tramline 3. Noted the appointment of the Chief Executive of tie ltd .
14.	12/3/2009	The City of Edinburgh Council	To note the current position of the tram project in light of the contractual differences.
15.	18/12/2008	The City of Edinburgh Council	To note that the 2009 Remembrance Day service is likely to take place in a suitable street in the Haymarket area; To note that the intention is to have the memorial re-sited at Haymarket in time for the 2010 Remembrance Day service; To note that the memorial will either be re-sited at its current location or at its original location near Ryries Bar; and To note that arrangements will be made for a service prior to the removal of the monument and for its rededication To note that consultation and engagement will continue with the various stakeholders and interested parties on these issues.
16.	18/12/2008	The City of Edinburgh Council	To note that the revenue costs for the set up and operation of the interim control centre and for the collection of traffic flow information will be met from existing Services for Communities and City Development budgets.

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			<p>Approved the arrangements for improved governance of all road works.</p> <p>To notes that a further report will be presented on options for a permanent control centre co-located with the tram operator, bus operator, police and other stakeholders, along with associated set up and running costs.</p> <p>Instructed the Directors of Services for Communities and City Development to report further on a project to develop a city wide traffic model.</p>
17.	18/12/2008	The City of Edinburgh Council	<p>Noted the overview report presented by the Chief Executive and delegates authority to the Chief Executive, in consultation with the Council Leader and Depute Leader, to put in place revised arrangements for communications activity; and considers the recommendations in the accompanying reports.</p>
18.	18/12/2008	The City of Edinburgh Council	<p>Approved the option to close Princes Street during construction of the tram infrastructure for all vehicles, except for emergency vehicles.</p> <p>Approved the temporary re-opening of Moray Place and the second New Town to widen the road network in the city centre, as a contingency measure in the event of an incident on another part of the network and to note that the enabling works to open this route will be reversed at the end of the programme.</p>
19.	18/12/2008	The City of Edinburgh Council	<p>Notes the work that has been done to bring the TEL Business Plan and Phase 1b Business Case up to date; and notes that a further report will be submitted in the spring of 2009 on Phase1b, and on the approach being taken for the feasibility study in relation to the South East Tramline, formerly known as Tramline 3.</p>
20.	18/12/2008	The City of Edinburgh Council	<p>To note the steps taken to ensure business continuity since the resignation of the Executive Chairman of tie ltd and the appointment of an interim Chairman;</p> <p>Notes that the current interim arrangements under the tie ltd/TEL executive team are working well;</p> <p>delegates to the Chief Executive authority to secure any further, interim working arrangements and, in consultation with the interim Chairman of tie ltd to progress arrangements for an appointment to the post of Chief Executive of tie ltd ; and</p> <p>Notes that a further report will be submitted in March 2009 setting out the options for a revised company structure, dealing with the delivery and operational aspects of integrated public transport in the city.</p>
21.	27/10/2008	Tram Sub Committee	<p>To note progress on securing building fixing consents and referral to the Sheriff Court for determination.</p>
22.	23/9/2008	Transport, Infrastructure and Environment	<p>Approval of the membership of the Tram Sub-Committee</p>
23.	29/7/2008	Transport, Infrastructure and Environment	<p>Approval of tie ltd Business Plan 2008/2009</p>
24.	16/6/2008	Tram Sub Committee	<p>To note Financial Close was reached on 14 May 2008 and the updated position with the suite of contracts for the tram network.</p>
25.	13/5/2008	Policy & Strategy	<p>Approval of the final estimated cost for phase 1a of the Edinburgh Tram Network of £512m, with a further contingent payment of £3.2m due, if phase 1b is not built, all of which is within the funding envelope of £545m;</p> <p>Authorised the Chief Executive to instruct tie ltd to enter into contracts with the Infraco and Tramco bidders,</p>

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			<p>in the context of the recent changes noted in this report; Refreshed delegated authority to make any final, minor amendments in respect of the contracts; Noted that the Final Business Case v2, which was modified by the Council on 20 December 2007, be further modified to reflect the above position; and Noted that, following contract close, a report will be submitted to the Tram Sub-Committee.</p>
26.	12/5/2008	Tram Sub Committee	To note the additional design costs totalling £2.95m.
27.	12/5/2008	Tram Sub Committee	To note the proposed construction programme.
28.	1/5/2008	The City of Edinburgh Council	<p>To note the imminent award of the contracts with a final price of the Edinburgh Tram Network (ETN) of £508m which is within the funding envelope of £545m; Approval of delegated power for the Chief Exec to enter in the contracts; Approval of the Final Business Case (V2) and TEL operating agreements.</p>
29.	20/12/2007	The City of Edinburgh Council	<p>Approval of the Final Business Case (V2) To authorise the Chief Executive to instruct tie ltd to enter into contracts with the Infraco bidder (BBS) and Tramco bidder CAF, providing the remaining issues are resolved to the satisfaction of the Chief Executive as detailed in this report. To delegate to the Chief Executive authority to exercise the role in terms of 10.2 above. To authorise the Director of City Development to grant leases or licences, as required, to facilitate the construction and operation of the tram. To note that the formal award of these contracts programmed to take place in January 2008 and will be notified to Council on 7 February 2008. Approve the issue of the Guarantee and to delegate authority to the Council Solicitor to conclude and execute this on behalf of the Council for the benefit of BBS.</p>
30.	20/12/2007	The City of Edinburgh Council	Approved the independent review of the Councils strategy for funding the £45m.
31.	25/10/2007	The City of Edinburgh Council	<p>To approve the Final Business Case (V1). To note that the Auditor General for Scotland reported that procedures were in place to actively manage risks associated with the Tram Project; and that tie ltd had implemented a clear procurement strategy aimed at minimising risk and delivering successful project outcomes. As previously stated this has been endorsed by the OGC Reviews. To note that final Council approval for the award of the Infraco and Tramco contracts will be sought in December 2007 with the formal award of these contracts in January 2008. To note the schedule of milestones presented at Section 4.34 above. To note that the Directors of City Development and Finance will continue discussions with the Scottish Government with regard to including Edinburgh Tram in the national concessionary travel scheme.</p>
32.	25/10/2007	The City of Edinburgh Council	<p>To endorse tie ltd's selection of preferred bidder of CAF for Tramco. To endorse tie ltd's selection of preferred bidder of Bilfinger Berger for Infraco.</p>

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33.	25/9/2007	Transport, Infrastructure and Environment	To appoint the membership of the Tram Project Sub-committee.
34.	20/9/2007	The City of Edinburgh Council	To note the contents of this report with respect to the revised governance structure for the project and for the relationships between the various companies and agencies promoting it; Note that the Council Solicitor is finalising and will shortly conclude Operating Agreements with tie ltd and TEL; Note that the role of Executive Chairman of tie ltd is being reviewed by the tie ltd Board and its remuneration committee and that the contract and responsibilities of the post are being revised Agree the proposed remit for the Tram subcommittee, a subcommittee of the Transport, Infrastructure and Environment Committee; Note that work on reviewing the relationship between TEL and Lothian Buses and the role of the TEL Chief Executive, continues and agree to receive a further report on these areas at a future meeting.
35.	13/3/2007	Executive of the Council	Approval of the alteration of the alignment of Tram Line 3 and safeguarding in the Local Plan.
36.	8/3/2007	The City of Edinburgh Council	Approved that the Council Solicitor, in discussion with the Chief Executive and Director of City Development, to conclude an agreement with tie ltd protecting the Council's interests in all aspects of the project; Authorise the Director of City Development in consultation with the Director of Finance to instruct the execution and service of the General Vesting Declaration Part 2 Notices following receipt of a positive Ministerial Announcement; To delegate to the Director of City Development to grant a lease of the project land to tie ltd on terms to be agreed by the Director in consultation with the Council Solicitor.
37.	8/3/2007	The City of Edinburgh Council	Approval of tie ltd Business Plan 2007/2008
38.	27/2/2007	Executive of the Council	Approval of the granting of Delegated Powers to the Director of City Development to take on long leases for the Tram Project from BAA and Network Rail on terms and conditions to be agreed by the Director of City Development and the Council Solicitor.
39.	21/12/2006	The City of Edinburgh Council	To approve the Draft Final Business Case. To note that the Council gave, in January 2006, approval, in principle, to a Council contribution of £45m toward funding Tram; subject to a satisfactory final business case. To approve the continuation of contract negotiation for Infraco and Tramco, subject to there being no significant adverse changes to the figures upon which the business case is based. To note that final Council approval for the award of the Infraco and Tramco contracts will be sought in September 2007. To note that the contractual right is maintained to defer the construction or restrict the construction of components of (of the Roseburn/ Granton corridor line or to restrict construction to the Airport to Leith line) the Tram in the event that capital costs do not lie within a comfortable funding headroom. To note the schedule of milestones presented at Section 4.43 above.

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			<p>To approve progress towards the commencement of utility diversions in April 2007 subject to the tender evaluations for Tramco and Infraco confirming the affordability of an appropriately phased Tram network.</p> <p>To instruct the Directors of City Development and Finance to apply for grant support for the commencement of advance utility diversions under MUDFA.</p> <p>To note that the Directors of City Development and Finance will continue discussions with the Scottish Executive with regard to extending the national concessionary travel scheme to include Edinburgh Tram.</p> <p>To instruct the Directors of City Development and Finance to continue discussions with Transport Scotland in respect of additional funding for Phase 1b, should such funding be required.</p> <p>To note that agreement with Transport Scotland is required before approval to commence MUDFA works can be issued.</p> <p>To approve the budget for interim funding of £61m up to final closure of the Infraco and Tramco contracts in October 2007, pending receipt of a full tie ltd business plan for 2007/8 and note that approval of Transport Scotland is also required for this sum.</p>
40.	26/10/2006	The City of Edinburgh Council	To advise the Council of the process for issuing notices when acquiring land for the Edinburgh Tram using compulsory powers.
41.	21/9/2006	The City of Edinburgh Council	<p>Grants approval to tie ltd to appoint the contractor known as Lewis to undertake the MUDFA contract, subject to Scottish Executive approval;</p> <p>Notes that the contract award complies with the Edinburgh Tram Network programme;</p> <p>Notes that the information from the pre-construction stage will be required for the business case, which will be submitted to the Council for approval and that the MUDFA contract can be terminated during the preconstruction stage without penalty. Although it should be noted that the MUDFA contractors pre-construction costs would be required to be paid until the date of termination.</p>
42.	1/6/2006	The City of Edinburgh Council	<p>Approves the delegated powers contained in Appendix 1 for Prior Approvals as a suitable addition to the Scheme of Delegated Powers;</p> <p>Agrees the procedures contained in Appendices 2 and 3; and; refers the delegated powers contained in Appendix 1 and the associated procedures contained in Appendices 2 and 3 to Full Council with a recommendation that they be approved as an addition to the Scheme of Delegated Powers.</p>
43.	4/5/2006	The City of Edinburgh Council	Approved of the tie ltd Business Plan for 2006/2007
44.	26/1/2006	The City of Edinburgh Council	<p>Approved the development of the Airport to Leith Waterfront sections of Lines 1 and 2 as the first phase of the Edinburgh Tram Network, with the optional extension of Line 1 from Haymarket to Granton Square, provided that funding and works costs permit;</p> <p>(ii) notes that further recommendations will be reported in late summer 2006 in respect of the: Roseburn to Granton (if not included in phase 1); Granton to Leith; and Ingliston to Newbridge sections;</p> <p>(iii) notes the benefits of the Edinburgh Tram and Lothian Buses plc working as a single economic entity under Transport Edinburgh Ltd;</p>

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			(iv) approves, in principle, a Council contribution of £45m, as detailed above and subject to a satisfactory final business case; and; (v) notes that the Scottish Executive has indicated its willingness to take account of construction price inflation by indexing its existing, in principle, commitment of £375m for the Edinburgh Tram Network.
45.	20/12/2005	The City of Edinburgh Council	To note the finalised Tram Design Manual.
46.	2/6/2005	The City of Edinburgh Council	Approved of the tie ltd Business Plan for 2005/2006
47.	2/6/2005	The City of Edinburgh Council	Approved of changes to the limits of deviation
48.	15/3/2005	The City of Edinburgh Council	To note the successful completion of the Private Bills Preliminary Stage for both Tram Lines 1 & 2. These are major and significant milestones toward achieving Royal Assent. To note that both Private Bills are on target to get Royal Assent by the end of this year. To note the position in respect of Tram Line 3.
49.	29/4/2004	The City of Edinburgh Council	To note that tie ltd have undertaken a robust procurement process to select an experienced tram operator to engage in Design, Partnering, and Operating Franchise Agreement for the Edinburgh Tram Project. To note that on 20 April 2004 the tie ltd Board recommended that Transdev should be appointed as the tram operator for the Edinburgh Tram Project. To approve the recommendation of the tie ltd Board and agree that tie ltd should appoint Transdev subject to funding approval being granted from the Scottish Executive. To note that there will be future reports to the Council during the development phase of the DPOF agreement.
50.	29/4/2004	The City of Edinburgh Council	To note the integration of tram and bus operations in Edinburgh.
51.	22/12/2003	The City of Edinburgh Council	Approval for lodging the Tram Bills in the Scottish Parliament
52.	11/12/2003	The City of Edinburgh Council	To note that on 13 November 2003 the Council approved the alignment of line 1 with the exception of the Craigleith option. To note that tie ltd have undertaken further investigation of options A and B at Craigleith and have developed a third alignment, option C. To note that as a result of this work tie have recommended that option A, which follows the alignment of the disused railway corridor, should be adopted as the preferred alignment, and that this is endorsed by Council Officials. To approve that option A should be adopted as the preferred alignment at Craigleith, To note that tie ltd has undertaken further investigations into the alignment of tram line 1 on Lower Granton Road between Wardie Hotel and Granton Square. To note that tie ltd continue to recommend a segregated tram alignment adjacent to the seawall and that this is endorsed by Council Officials. To approve that the alignment for tram line 1 on Lower Granton Road should follow a segregated line adjacent to the sea wall.

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			<p>To note that tie ltd has undertaken further investigations, which consider using the former rail route as an alternative to the proposed Starbank Road / Trinity Crescent route.</p> <p>To note that tie ltd continue to recommend that the alignment for tram line 1 should be routed along Starbank Road / Trinity Crescent on a shared basis with other traffic and that allowances are made within the limits of deviation in the Bill for widening to cater for parking and servicing requirements. This is supported by Council Officials.</p> <p>To approve the alignment for tram line 1 on Starbank Road/Trinity Crescent.</p> <p>To note that the alignment of line 1 including the recommended options at Craigleith, Lower Granton Road, Starbank Road/Trinity Crescent was considered and supported by Planning Committee on 27 November.</p> <p>To note that Council approved the alignment of line 2 with the exception of the Roseburn to Carrick Knowe option.</p> <p>To note that tie ltd has undertaken further investigations, which have considered routing options between Roseburn and Carrick Knowe.</p> <p>To note that tie ltd continue to recommend that option B, which runs to the north of the railway and passes to the rear of Baird Drive should be adopted as the preferred alignment, and that this is supported by Council Officials.</p> <p>To approve that option B should adopted as the preferred alignment on tram line 2 between Roseburn and Carrick Knowe.</p> <p>To note that the alignment of line 2 including the recommended option B between Roseburn and Carrick Knowe was considered and supported by Planning Committee on 27 November.</p> <p>regarding various tram line 1 and 2 issues has been addressed within the main report,</p> <p>To note that the concern expressed by Council under the amendment (No3) Community Involvement</p> <p>To approve that tie ltd is instructed to create were appropriate community liaison groups and in the first instance groups should be established at Craigleith and Baird Drive.</p> <p>To approve STAG2 appraisal for tram line 1 and that this should be submitted to Scottish Executive.</p> <p>To approve STAG2 appraisal for tram line 2 and that this should be submitted to Scottish Executive.</p> <p>To note that both tram lines 1 and 2 show a positive Net Present Value, and that the Benefit to Cost ratios are 1.51 for tram line 1 and 1.3 for tram line 2 which demonstrate that both lines are good value for money.</p> <p>To approve the Environmental Statement for tram line 1 and to note that this is an accompanying document, which will be submitted with the Bill for line 1 to the Scottish Parliament.</p> <p>To approve the Environmental Statement for tram line 1 and to note that this is an accompanying document, which will be submitted with the Bill for line 1 to the Scottish Parliament.</p> <p>To approve the Preliminary Financial Case for tram line 1.</p> <p>To approve the Preliminary Financial Case for tram line 2.</p> <p>To note that tie ltd has put in place a rigorous risk management system to address what can be a significant factor in such major capital projects.</p>
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			<p>To note that current estimates of capital cost for tram lines 1 and 2 are £243.0 million and £230.4 million respectively.</p> <p>To note that capital and life-cycle costs will be market-tested next year and that the Council is under no obligation to proceed.</p> <p>To note that the Scottish Executive have given a funding commitment of £375 million for the tram network subject to STAG and Business Case approval.</p> <p>To note that present projections disclose a funding requirement beyond the current estimates of grant of £33 million for line 1 and £72 million for line 2 and it is hoped that this will be met by operational surpluses, commercial income, and property development gains and other public and private sector sources.</p> <p>To note that in the event that funding was not ultimately sufficient the Council would retain control over the scope of the network to be constructed.</p> <p>To approve the Estimate of Expense and Financial Statement for tram Lines 1 and 2.</p> <p>To note that a final business case will be submitted to the Council in due course, following refinements to project costings and funding availability.</p> <p>To approve the draft Bills for tram lines 1 and 2.</p> <p>To note that a motion to formally approve the lodging of the Bills and supporting documentation for tram lines 1 and 2 will be presented to a special meeting of the Council on 22 December 2003.</p> <p>To approve the system of Planning Prior Approvals.</p>
53.	18/11/2003	Executive of the Council	Approval of tie ltd budget 2002/2003 and to instruct the Directors of City Development and Finance to continue formal monitoring of tie ltd .