

**TRAM IPG
ACTION NOTE
25 March 2009**

Present: TNA, JI, DMcG, ACoyle, MP, AConway, GL, CM, EK

Apologies: DA, MT

Item	Subject		Action
1&2	Action Note 25 February	<ul style="list-style-type: none"> • Agreed as accurate 	
3	Highlight report Update on position	<p><u>Dispute</u></p> <ul style="list-style-type: none"> • ‘Tolerant resolution’ reached between tie and BB on 20 March. Work has recommenced, but trust must be built. <p><u>Strategic options</u></p> <ul style="list-style-type: none"> • CEC team now established at tie (City Point), need to better develop/cost strategic options (including cancellation), establish what agreement means, current position relating to time and budget. Require stronger legal presence regarding dispute ACTION GL to address. • Need to form a view on confidence of delivery within funding envelope to inform communications. • Option to bring in independent reviewer to consider contract and BB position, with view to future dispute avoidance. Requires delicate handling to ensure there is no intimation to the consortium that there are deficiencies in the contract ACTION MP to discuss with team at City Point before considering approach to Dave Mackay. • ACTION MP to prepare report on strategic options, improving client-contractor relationship, scope for getting more from contract. Measured analysis required, important to convey message that we are working through options appraisal. • Invitation from Audit Scotland to audit Tram project in early April as part of audit programme of Council companies ACTION MP/ACoyle to establish remit of audit before proceeding. 	<p>GL</p> <p>MP</p> <p>MP</p> <p>MP/ACoyle</p>

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		<p><u>Events</u></p> <ul style="list-style-type: none"> • Fringe have made a claim to tie, need to ensure CEC and tie working closely to limit exposure. • Good Cause offered alternative route for 10 October, MP awaiting feedback from organisation. • Clarification required on plans for Cavalcade route ACTION MP/JI to discuss and draft note. • Must ensure dialogue with Events Team (Lynne Halfpenny) regarding Cavalcade/Firework proposals. • Discussions with Winter Festivals organisers next week to establish critical dates for entering into agreements. • Hogmanay remains priority. <p><u>Elected Members</u></p> <ul style="list-style-type: none"> • Issue of information sharing with members raised at Policy and Strategy Committee on 24 March. Need for balance between commercial sensitive and public accountability. Need for briefings for elected members in advance of future tie boards. • ACTION TNA/DMcG/MP to meet group leaders next week to discuss requirements • Tram 1b report to Council on 30 April, opportunity to update on overall project, explain need for commercial confidentiality and clarify CEC/tie reporting lines 	<p style="text-align: center;">MP/JI</p> <p style="text-align: center;">TNA/DMcG/MP</p>
4	Communications Update	<ul style="list-style-type: none"> • Need for clear communications to dispel media speculation • Been unable to comment on dispute thus far but may be in better position to release more information to media by end of week • Consider development of three key messages that elected members can convey to media (ie confident of delivery within funding envelope, protection of festivals etc) • Need to give update at some stage on planned completion date • Common message from CEC, tie and consortium • Also encourage better communications from beneficiaries of tram works, such as Forth Ports and Edinburgh Airport • Careful handling of CEC position regarding SG claims that budget is capped at £500m • Tram mock-up visitor numbers now exceed 60,000, Ocean Terminal to host • Tram branding work ongoing • May be timely to reconvene meeting of city centre business community (in advance of Council report) to talk through current issues. • Note Leanne Maberley leaving CEC in April 	

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5	Statutory approvals	<ul style="list-style-type: none"> Some completion matters remain, require programme from tie to allocate resources to resolve 	
6	Financial update	<ul style="list-style-type: none"> Strategic options work from team at City Point will consider financial implications, including robustness of CEC funding (currently £45m) and what possibilities exist if additional funds must be found. Developer contributions slow, DA emailing Forth Ports tie need to do more work on risk allowance in budget 	
7,8 & 9	Progress Update MUDFA, Infraco, Tramco	<ul style="list-style-type: none"> MUDFA works 70% complete. Aug 2009 finish anticipated. Currently considering detail of additional water works in Princes St (outside of closed area) omitted from programme. Need commitment to dates for future reports Monitoring day to day activity 	
10	Governance Review	<ul style="list-style-type: none"> Interim structure approved by Council on 12 March Need to establish Council view on payment of staff bonuses to tie Require full visibility of tie employment contracts/remuneration ACTION JI to write to tie requesting employment contracts Report will be required to tie Remuneration Committee to formalise arrangements ACTION MP (as TMO) to draft letter, in liaison with Philip Barr, to clarify tie's proposals on bonuses with reference to terms of operating agreement, project milestones and current financial climate Possible option to challenge bonuses under 'reasonable request from Council' terms in Operating Agreement Need to revisit Operating Agreement and follow up in writing anything that isn't being carried out. 	<p style="text-align: center;">JI</p> <p style="text-align: center;">MP</p>
11	TMO Update	<ul style="list-style-type: none"> Updated provided through Item 3 	
12	Third party arrangements	<ul style="list-style-type: none"> Difficulty with Network Rail over bridge agreements 	
13	Building Fixings	<ul style="list-style-type: none"> Nine fixings require approval from Sheriff, potential delay if not approved, need to consider contingencies 	
14	Tie Business Plan	<ul style="list-style-type: none"> tie business plan to be reported to TI&E Committee on 5 May, need to cross-reference this in report to Council on 30 April 	
15	Change Management	<ul style="list-style-type: none"> Four change notices submitted to tie, mainly relating to Piccardy Place. Not change requests at this stage. 	

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16	CEC Resources	<ul style="list-style-type: none">• ACTION MP to discuss resource requirements with Steven Bell, also to liaise with ACon to assess what additional resource is required to ensure prior and technical approvals done as quickly as possible• SfC happy to be party to discussions, may be able to assist in terms of roads or clerk of works• Project group established to take forward governance arrangements	MP

Next Meeting : 29 April 8:30