



Transport Edinburgh

Edinburgh Trams

Lothian Buses

Tram Project Board Report on Period 8 Papers for meeting 19th November 2008

9:00am – 11:00am

Distribution:

Members and attendees

David Mackay (Chair)
Willie Gallagher
Cllr Phil Wheeler
Bill Campbell
Steven Bell
Kenneth Hogg
Cllr Ian Perry
Brian Cox

Neil Renilson
Stewart McGarrity
Marshall Poulton
Cllr Allan Jackson
Cllr Gordon Mackenzie
Jim McEwan
Colin McLauchlan
Duncan Fraser

Donald McGougan
Graeme Bissett
Dave Anderson
Alastair Richards
Neil Scales
Peter Strachan
Elliot Scott (minutes)

In addition – for information only

Cllr Maggie Chapman
Keith Rimmer
Norman Strachan
Iain Coupar

Cllr Tom Buchanan
Frank McFadden
Alan Coyle
Gregor Roberts

Dennis Murray
Ailie Wilson
Alasdair Sim

TRAM PROJECT BOARD

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt
 Yes
 No

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Agenda Joint Tram Project Board / tie Board

Brunel Suite – Citypoint, 2nd Floor

19th November 2008 – 10.00am to 12.30pm

Attendees:

David Mackay (Chair)	Neil Renilson	Donald McGougan
Willie Gallagher	Stewart McGarrity	Graeme Bissett
Bill Campbell	Cllr Allan Jackson	Alastair Richards
Steven Bell	Cllr Gordon Mackenzie	Neil Scales
Kenneth Hogg	Jim McEwan	Peter Strachan
Cllr Ian Perry	Colin McLauchlan	Elliot Scott (minutes)
Brian Cox	Duncan Fraser	

Apologies: Cllr Phil Wheeler, Dave Anderson, Marshall Poulton

- 1 Review of previous minutes and matters arising
- 2 Presentation
- 3 Project Director's progress report for Period 8
Papers:
 - Traffic Management Peer Group remit
 - Council contributions
- 4 Health and safety – update
- 5 Change requests / risk drawdown
 - Carillion settlement / Rev 7
- 6 Risk
- 7 Network extensions
- 8 Date of next meeting
- 9 AOB

Edinburgh Tram Network Minutes

Tram Project Board

22nd October 2008

tie offices – Citypoint II, Brunel Suite

Members:			
David Mackay (Chair)	DJM	Neil Renilson	NR
Willie Gallagher	WG	Donald McGougan	DMcG
Cllr Phil Wheeler	PW		
In Attendance:			
Steven Bell	SB	Stewart McGarrity	SMcG
Graeme Bissett	GB	Alastair Richards	AR
Marshall Poulton	MP	Duncan Fraser	DF
Frank McFadden (part)	FMF	Elliot Scott (minutes)	ES
Colin Brady – BBS (part)	CB		

Apologies: Dave Anderson (late), Bill Campbell

1.0	REVIEW OF PREVIOUS MINUTES	
1.1	1.5. DF updated that WWC, PW and himself had met regarding the Haymarket bus / taxi priority issue. He reported that DA has spoken with Ron McAuley of Network Rail and NWR are very positive and keen to co-operate to achieve early implementation of the pedestrian walkway between Dalry Road and the Haymarket Station forecourt. DF confirmed creation of the walkway was a stand-alone project and was to be funded outwith the tram project.	
1.2	2.19. There is still an issue at one location in Shandwick Place with the reinstatement of gullies. This is still to be resolved.	SB / DF
1.3	2.24. SB to provide a regular paper to the TPB on the status of change requests.	SB – agenda item
1.4	2.36. Jim McEwan to present on Top 10 tie Corporate Risks to the next Board.	Jim McEwan – agenda item
2.0	Presentation and review of PD's report	
2.1	<u>Overview</u> WG gave an overview of the current progress and issues. This focussed on the lessons from the TM issues at the Mound on 1 st October, initial Infraco progress, the continued improved performance by Carillion and the high standard of safety performance of the project. He stressed that it is important to resolve with Infraco the slippage between v26 / 31 of the design programme and the delay in their mobilisation and that he had met with the principals last week to progress this. He also noted that it is important for the project to have a united front in all communications with stakeholders and the public.	

3.0	TEL cost update	
3.1	AR presented the paper on bringing the TEL AFC up to date with current TEL costs.	
3.2	DJM noted that he has an auditable back-up paper with the detail of all of the TEL costs and that all of the marginal costs due to the tram. It was also stated that not all of the TEL costs were being recharged to the project. SMcG noted that such marginal costs may need to be demonstrated to Transport Scotland and internal auditors and that the proposal would require to be executed through the formal change control processes.	
3.3	DMcG also noted not all of the CEC costs were being recharged to the project and that he would have preferred a “heads up” on the paper prior to the TPB. DJM stated that he was happy to discuss the paper with DMcG offline. <i>It was later agreed that Alan Coyle would meet AR and Norman Strachan.</i>	
3.4	WG asked the Board for guidance on the timing of announcing any increase to the £512M budget. After discussion it was agreed to deal with the consequences of deferring Phase 1b, a cautious view of the programme, any change in Infraco costs and any TEL / CEC / tie cost changes in one package (expected January 2009). Some of these risks were covered by the risk contingency within the £512m, but some may not be. This would require to be clearly analysed before any formal changes to the budget.	
3.5	AR also presented the paper on the launch cost for the tram. He stressed that it was important that the tram is launched in a professional way.	
3.6	DJM noted that, as the costs are within the delegated authority of the Project Director, it confirmed the transparency of the TPB that they were being tabled at the meeting. GB added that, as TS are funding 91% of the costs, it was right that cost transfers within the CEC / TEL / LB / tie family were also assessed by the TPB.	
3.7	The Board noted the papers and it was agreed that SMG would provide a full budget review, including but not limited to, the issues noted above and report to the January TPB on the effect on the project budget and risk allowance.	SMG – Jan TPB
4.0	Christmas embargo	
4.1	WG presented the paper on the proposed extension to the Christmas embargo to include Leith Walk as requested by the Leith Traders Association. There has been and will continue to be a great deal of roadworks in Leith Walk. The paper recommended a five-week embargo although, due to the programme of works, some areas will be clear of roadworks for up to eight weeks. There is an estimate of delay and associated costs confirmed within the paper, which will be a change to the control budget.	
4.2	SB noted that this would affect both the Infraco and MUDFA works, but	

	that BT and other Telecom cabling would continue through the embargo.	
4.3	NR and MP both endorsed the proposal and added that relief for the traders would be welcomed.	
4.4	The Board agreed on an extension of the embargo to cover Leith Walk from 12 th December until 19 th January subject to consultation. It was agreed that, as the request had been made to tie , tie should respond and that a draft communication would be circulated for comment prior to release.	WG – complete
5.0	Princes St	
5.1	DJM welcomed FMF and CB (BSC) who joined the meeting to give a high level outline of the Infraco construction programme on Princes St.	
5.2	CB briefly outlined the base case construction programme, which had originally assumed unimpeded access to Princes St. However, he noted that bus access in one direction would now need to be maintained and that this could be accommodated, although it would need to be resolved soon as work starts in January.	
5.3	NR added that, although undesirable, the worst case scenario of only having one lane open with stops at Lothian Road / Shandwick Place and The Scott Monument could be achieved if that what was needed to ensure the city can keep moving while the tram is constructed.	
5.4	It was decided that the issue be discussed at the Peer Review Group on 23 rd October 2008 with the aim of providing Infraco with a steer on the proposed TM solution. <i>One direction bus access later agreed.</i>	
5.5	DJM thanked CB and FMF who left the meeting.	
6.0	Presentation and review of PD's report	
6.1	<u>Safety</u> SB outlined the current safety statistics, which are continuing to operate to a high standard.	
6.2	<u>MUDFA</u> SB gave an update on the progress on the MUDFA works as well as outlining the commercial negotiations held with Carillion. SB to report to the November TPB on the completion date for the MUDFA works. <i>Rev 07 expects April 09.</i>	SB– will cover in presentation
6.3	SB recommended a proposal to cover the settlement of tie / CEC delay issues until the end of September and four incentivised milestones between then and the end of January. A formal paper and proposal is in progress.	SB – paper to be presented at meeting
6.4	The Board agreed in principal with the settlement and discussion focused on the process for formal approval from the Tram sub-committee and / or the full Council. After much debate, DMcG offered to discuss the process for approving contract issues / changes to or within the £512 budget (and risk allowance) with the CEC legal team and to report back to SB / WG / DJM.	DMcG

6.5	<u>Infraco</u> SB summarised progress to date, including progress in the resolution of the design issues and Infraco's slow mobilisation. He expected to be able to report back to the November and December TPB meetings on further progress.	SB – update in presentation
6.6	WG added that the BSC management team were under pressure from their corporate team to sort out their exposure to liquidated damages. A process had been agreed to resolve the issues, but BSC had backed off as they are currently under-resourced.	
6.7	<u>Tramco</u> AR gave an update on Tramco progress and showed a video of his recent trip to Barcelona to see the mock-up. The mock-up is expected to be despatched by the end of October and is expected to arrive in Edinburgh by the end of November.	
6.8	<u>Design and consents</u> SB gave an update on the current status. The first design assurance package has been received and met or exceeded expectations in all areas. Very few Prior and Technical Approvals are currently outstanding. Discussions are ongoing with BSC over normal design development.	
6.9	<u>TROs</u> SB gave the Board feedback from the informal TRO consultations which have taken place over the past period. There has been good feedback and engagement with the public.	
6.10	DF added that a review of the issues was being undertaken and that there will be a detailed discussion on what will be modified prior to the formal TRO process.	
6.11	<u>Gogar interchange</u> SB has a meeting with TS on Friday regarding the Gogar interchange and will report to the Board on the outcome of this. To date there has been no formal decision or feedback from TS on tie's views. <i>Decision expected soon. Will discuss at Nov TPB.</i>	SB – updated notes circulated.
6.12	<u>Keeping the city moving</u> GB gave a presentation on the proposal that the Peer Review Group is acknowledged as a formal sub-committee of the TPB. The proposal was approved and a remit would be drafted and agreed at the meeting planned for 23 rd October, which would be ratified by the TPB in November.	GB – agenda item
6.13	WG added that the Peer Review Group would be focused on specific issues and the Stakeholder Committee meeting would be discontinued as it was found to be a re-run of the Traffic Management Review Panel. WG agreed to consult with members of the Stakeholder Committee prior to the next planned meeting (29 th October).	WG – stakeholder committee disbanded
6.14	MP added that he had a discussion with Tom Aitchison on the overall strategy for the city during the tram works. He added that he had planned £200k of measures to communicate better to the travelling public and that this would also be discussed at the Peer Review Group.	MP – paper for information to be circulated

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FOISA exempt

Yes

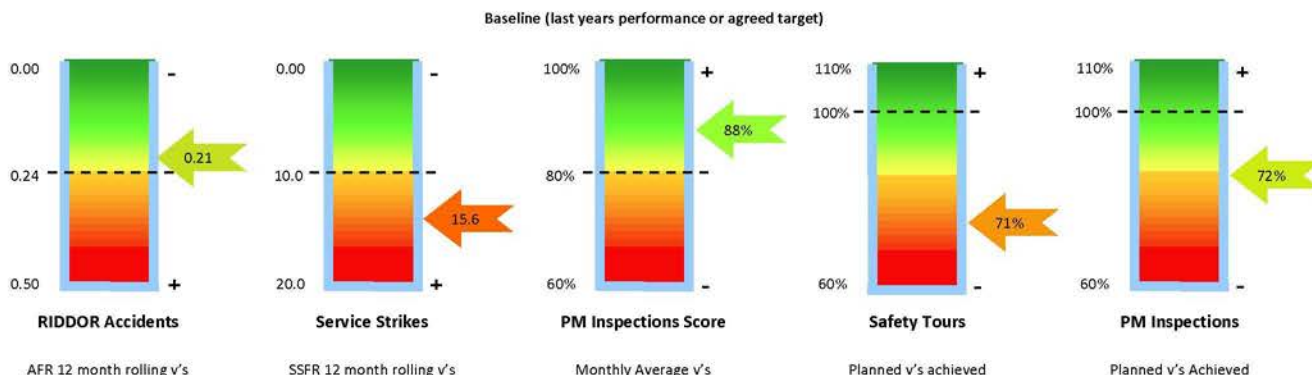
No

6.15	<u>Finance</u> SMcG confirmed the current financial position – outturn for 08/09 of £139M and AFC of £512M.	
6.16	DMcG commented that CEC are concerned about the expenditure in the current year compared to the sum earmarked by TS. SMG agreed to speak with Guy Houston from TS and Alan Coyle from CEC on this. <i>Spoken with Bill Reeve and John Ramsay.</i>	SMG – covered in presentation
7.0	Risk	
7.1	SB gave a brief summary on the current position and proposed to improve the reporting in Period 8 in conjunction with Jim McEwan's presentation on tie risks (see action 1.4).	SB – enhanced reporting in P8. More to follow in P9.
8.0	Network extensions	
8.1	SMG briefly covered progress on Phase 1b and the South East tramline.	
8.2	It was agreed that WG would give a verbal update to the Tram sub-committee on the work currently in progress on both potential extensions.	WG – complete
9.0	West End tramstop	
9.1	DA commented on the personal request from Sir Terry Farrell to reconsider the location of the West End tramstop.	
9.2	Discussion covered the process (in 05/06) for determining the location of all tramstops along the route.	
9.3	WG commented that there may be pressure in the future for an additional tramstop in Princes Street and NR added that if the stop were moved toward the West End then this would preclude an additional stop.	
9.4	Additionally, SB added that moving the stop would have cost and programme implications at this stage. AR also stated that, although it would add to the run-time, adding an additional stop once the tram opens would be easier.	
9.5	DA agreed to reply to Sir Terry with the reasons for retaining the status quo.	DA
10.0	AOB	
10.1	PW expressed his concern that he was unaware of the report completed on the relocation options for the Hearts monument. DF replied that there has been no decision made for relocating the monument and that the report covered the options during the construction phase.	
10.2	Date of next meeting on 19 th November 2008.	

Prepared by Elliot Scott 23rd October 2008.

Project Directors report

HSQE



There was one RIDDOR incidents in the period. A Carillion Front Line Manager slipped whilst walking and broke his ankle. Carillion carried out a 10 minute stand down across all of their sites under the Tram Project and briefed their operatives on safe and acceptable walkways including slips trips and falls. Learning from this will be transferred across all project contractors. This takes the rolling 13 - period AFR to 0.21 which is within the target of 0.24 accidents per 100,000 hours. Monitoring and recovery of planned safety tours and inspections is underway.

Programme

Overall progress remains behind both the four month look ahead and the master programme. This is due primarily to:

- Design slippages between v26 / v31 at the time of Contract Close;
- Design slippage since novation of design to Infraco (now recorded in v37 of the design programme);
- Slow mobilisation of Infraco, including their direct resources as well as package and sub-contractors;
- Design changes as a result of the prior and technical approvals process
- Requirement for re-design of temporary works ; and
- Slippage in the utility diversion programme, in part occasioned by traffic management constraints, in particular at The Mound.

Whilst a straight import of the progressed programme into the master programme forecasts a potential revenue service slippage of up to five months, **tie** is confident that sufficient float and false logic constraints exist in the programme, along with construction methodology improvements, to maintain the open for revenue service date as July 2011 within a range of between May 2011 and December 2011. The table in section 4.2 identifies the geographic areas of slippage and the types of action that can be taken to improve the programmed end date and this will be enhanced by the production of the programme blocker map as described in the next section.

A process has been put in place to identify and manage all design issues which are blockers to the construction programme. This involves a 2 weekly meeting with all players to systematically work through solutions. The programme blockers are being captured in a map (programme blockers map) to visually identify the critical areas of constraint, impact on programme and actions/opportunities to resolve the issue. **tie** propose a meeting with TS to go through this in some detail over the next 2 weeks.

During the period **tie** agreed with BSC the impact on programme due to the difference between the v26 and v31 programmes as 38 days. The commercial consequence of this is now being discussed. However, the resolution of this issue has acted as a catalyst to getting a recalibrated programme resolved. This involves a systematic approach to evaluating causes and consequences of delay in

time chunks and subsequently agreeing solutions to achieve a revenue service date of July 2011. The underlying contractual issues are complicated and their resolution will require a concentrated management effort. This is also a need for a reasonable degree of engagement from BSC. Taking this into account, it is anticipated that a revised Infraco contract programme and overall revision to the Tram Master Project Programme will be ready during Q1 2009. Infraco proposals for recovering the effects of their slow mobilisation will be included within the revised programme.

During the period, an agreement was reached to implement a Christmas embargo in the Leith Walk area to deal with ongoing trader concerns. This particular embargo was not included in the contract programmes and so is likely to have an overall impact on programme. Additionally, following the Mound Traffic diversion issues, one lane of buses will be maintained westbound on Princes St works in 2009. This will impact on productivity and has potential to impact the overall programme, although integration opportunities between utilities and tramworks are being explored to counter this impact.

Progress – Design

Good progress is generally being made in Prior and Technical Approvals. The main areas of concerns which are receiving focussed attention are the incorporation of CEC comments into road designs and gaining Scottish Water consents. Changes to the design programme and impact on construction will be addressed as part of the overall programme re-calibration exercise.

There are a number of re-designs underway as a result of the Prior / Technical Approvals process, the impact of which is recorded in the programme.

Progress – MUDFA

During the period a revised programme was agreed with Carillion. The programme impacts of this will be included in the recalibration exercise and any commercial impacts will be reported in due course.

Cumulative progress to date is as follows:

	Planned (Rev 6)	Planned (Rev 7.9)	Actual
Metres	37,947	36,930	28,855
Chambers	168	241	210

Outputs in the period were significantly greater than the planned Rev 6 programme but below the revised Rev 7.9 programme. Although progress is behind Rev 7.9, it is expected that approximately 2,000m will be removed by de-scoping items from the original programme. Production losses were primarily due to:

- Reduced access available at the Mound due to revised traffic arrangements;
- Quality issues with the 800mm watermain at Gogar depot;
- Re-sequencing at Haymarket due to traffic management;
- Lack of design for Section 1a; and
- Outstanding technical queries relating to cellars in St. Andrews Square.

Good progress has been made on the A8 sewer diversion and the tunnel drive has commenced and is on programme for completion prior to the commencement of Phase 3 of the A8 underpass in February 2009.

Progress – Infraco (including Tramco)

The project continues to experience problems with slow mobilisation and, in particular, appointment of direct BSC resource and final appointment of the main package contractors. However, work has commenced on a number of worksites including the Haymarket and Edinburgh Park viaducts and the A8 underpass. Significantly, the on-street works also commenced with roadworks on Leith Walk using sub-contractor resources.

Progress against the four-month programme continues to be reported to weekly. Delivery against this has been disappointing with only 9% compared to 42% being achieved. This is due to:

- Design changes on the Network Rail corridor which require additional temporary works designs;
- Utility conflicts in Leith Walk; and
- Slow mobilisation.

We do not anticipate that the 4 month programme will be recovered over the remainder of the original plan. However, detailed planning is ongoing to ensure that works will commence with significant additional momentum in January 2009.

The Tram mock-up was completed and accepted in the period and it is expected to arrive in Edinburgh before Christmas. Detailed design milestones are progressing in line with the deliverables schedule.

The programme blocker map and the management process sitting behind this is being used to systematically resolve issues which are having or have potential to delay the programme.

Progress – Other

- Building fixings - There are 12 fixings (23 owners) where matters remain unresolved and negotiations remain ongoing. However, there remains a possibility that all some or all 23 owners may have to be referred to the Sheriff for resolution. CEC are leading the legal process, supported by the project team. It is currently estimated that court proceedings will be complete by March 2009;
- Haymarket car park compensation – discussions continue with First ScotRail, **tie** and TS in respect of the position of the extension of the franchise and any impact on duration that timescale covering the compensation claim;
- Traffic regulation orders (TROs) – a programme is in place to have TROs in place by November 2009. The first informal consultation meetings have been held and draft schedules are now being prepared;
- Murrayfield pitch relocation works have progressed well; and
- Detailed work commenced for the Christmas embargo and the Princes St blockade (commencing in early 2009). There has been significant temporary traffic management, modelling and scrutiny from the Traffic Peer Review Group (TPRG) to support these elements of work.

Cost

The AFC for Phase 1a of the project remains unchanged from last period at £512m including a risk allowance of £29m. The adequacy of this risk allowance is kept under constant review and as such will be critically assessed as discussions with the Infraco with respect to an updated master programme and the commercial impacts thereof. Funding available remains at £545m.

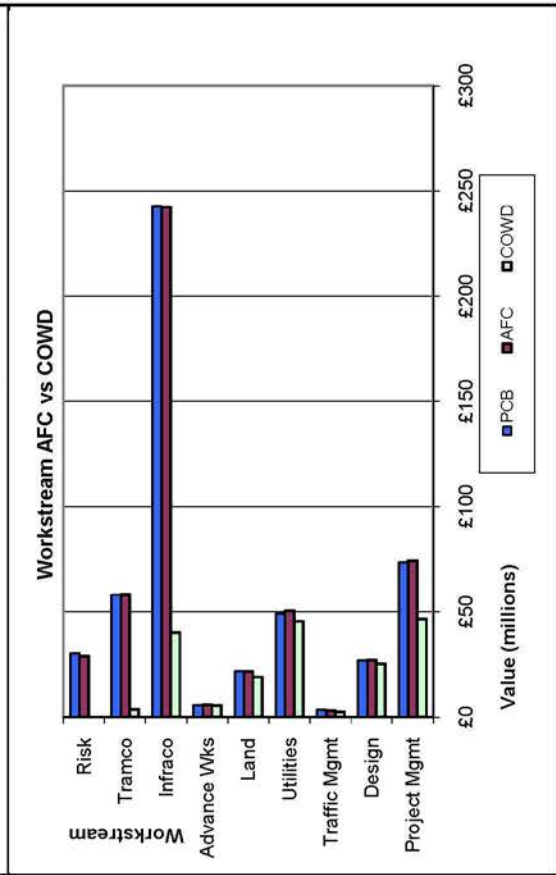
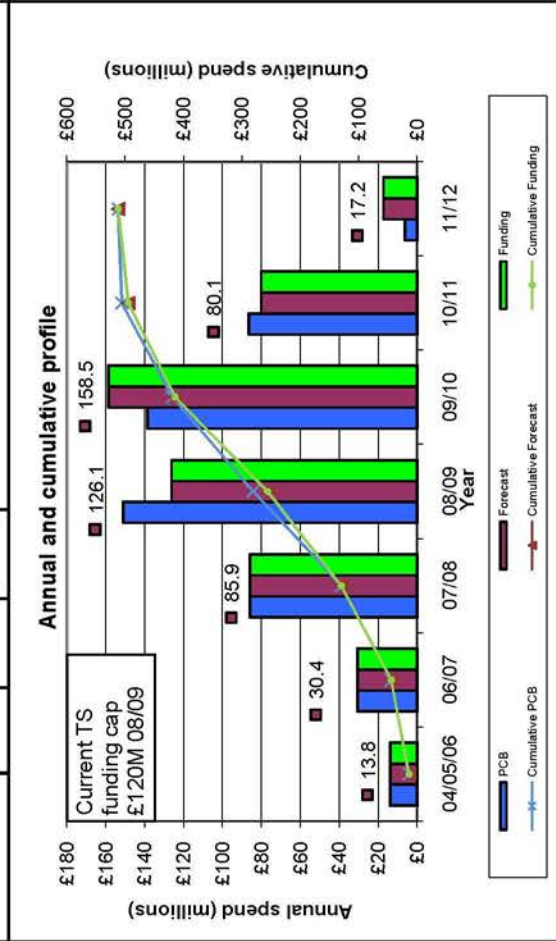
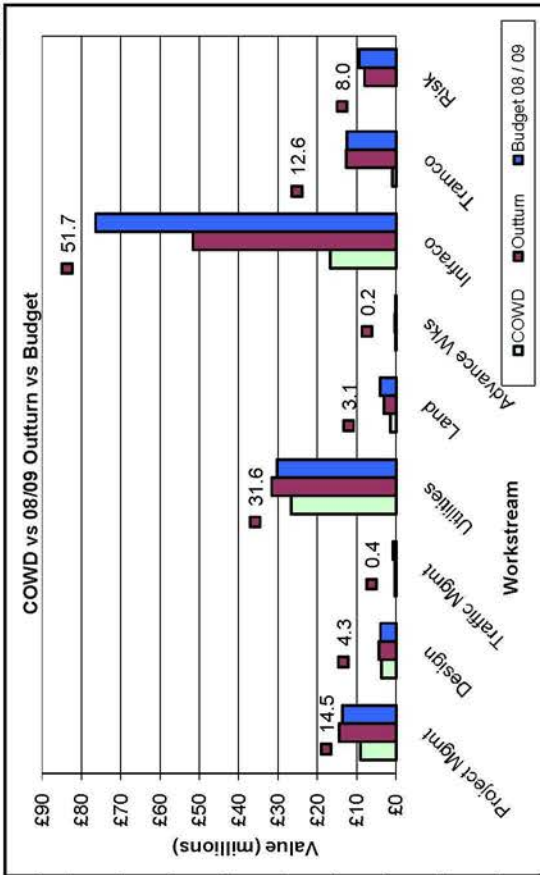
Cumulative expenditure to date (end of P8 08/09) on Phase 1a is £188.7m. Expenditure to date for FY08/09, at £58.7m, is £25.9m lower than the 'budget' for the year to date. This is primarily due to delayed closure of the Infraco contract suite and slow Infraco mobilisation and an updated master programme to recover their slippage is being developed and agreed with Infraco.

The FY08/09 outturn forecast has been reduced to £126.1m (TS share £116.3m) following a comprehensive review of the most likely value of work which will be completed in the current financial year. There are remaining sensitivities around this outturn including the completion of utilities works as programmed and timely commencement of infrastructure works on-street and at the depot in January 2009.

FOISA exempt

Yes
 No

Period 8 - 08/09 COWD (£000s)				
Workstream	F/cast	Act	Var	Comments
Project Mgmt	1,077	1,073	(4)	
Design	184	150	(34)	Slower progress in pre-novation changes and completion of detailed design deliverables
Traffic Mgmt	36	20	(17)	
Utilities	2,753	2,411	(342)	Less progress than planned in sections 1a 1c and 1d
Land	9	9	0	
Advance Wks	28	(12)	(40)	Release of Accrual
Infraco	2,708	2,099	(610)	Slow progress (6/16 planned milestones achieved). Primary impacted sections are: 5a, 5b and 5c.
Tramco	0	0	0	
Total	6,796	5,750	(1,046)	As above



Risk

The detailed development of the Infraco element of the Project Risk Register and associated treatment plans has progressed well in Period 8. A total of 8 separate risk reviews were held during the period. The QRA was reviewed in the period and the total risk and contingency for the project remains at £28.9m.

The top five primary risks for the project are:

- Uncertainty of utilities location and consequential required diversions / unforeseen utility services within LoD;
- Unknown or abandoned assets or unforeseen / contaminated ground conditions affect scope of MUDFA work;
- Late Prior Approval consents;
- Tramway runs through area of previously unidentified contamination and material requires to be removed; and
- Amendments to design scope from current baseline and functional specification.

There are 53 risks in the risk register. Six new risks were identified in the period and four risks were closed. Treatment plans are in place for each risk and are being monitored.

Potential changes

The following potential changes which will impact cost and programme have been identified:

- Conclusion of the programme re-calibration;
- Carillion settlement / impact of Rev 07 of the programme;
- Gogar interchange – impact of changes to facilitate the provision of the Gogar interchange station;
- Additional embargo imposed in Leith Walk and Constitution St; and
- Traffic constraints to keep the city moving, e.g. the requirement to keep one lane of buses westbound along Princes St (impact on productivity due to constrained working space).

Communications

During the period and at the beginning of Period 9, the CEO of TEL (the project SRO) and the Chairman of **tie** both intimated that they would be leaving the respective organisations. Arrangements are in hand to ensure a smooth transition.

Changes to the Communications / Stakeholder teams reported previously have been implemented over the past period with Customer Service taking a more operational role in the project. This has been supported by the introduction of a call centre concept to deal with enquiries, the re-launch of the 0800 helpline number and upgrading of the Stakeholder database to capture stakeholder contacts.

The team has been working closely with stakeholders throughout the tram route regarding all upcoming tram works through notifications, face to face engagement and website updates. Particular focus has been on the utility diversions at The Mound and the city centre and the preparation for the tram works on Leith Walk.

The TRO design presentations have taken place in the West End, Leith Walk and city centre. These will be ongoing in the next period.

The development of the new Edinburgh Trams website is ongoing and a soft launch will take place next period. The final launch will take place in December 2008.

Period 8 - 2008/009 Primary Risk Register

ARM Risk ID	Cause	Event	Risk Description	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
138	Utilities diversion outline specification only from plans	Uncertainty of Utilities location and consequently required diversion work/ unforeseen utility services within LoD	Increase in MUDFA costs or delays as a result of carrying out more diversions than estimated	G Barclay	High - 25.00		Carry out GPR Adien survey	Complete	Complete	Complete	31-Oct-07	J Casserly
164	Utilities assets uncovered during construction that were not previously accounted for; unidentified abandoned utilities assets; asbestos found in excavation for utilities diversion; unknown cellars and basements intrude into works area; other physical obstructions; other contaminated land	Unknown or abandoned assets or unforeseen/contaminated ground conditions affect scope of MUDFA work.	Re-design and delay as investigation takes place and solution implemented; Increase in Capex cost as a result of additional works.	I Clark	High - 25.00		Carry out GPR Adien survey	Complete	Complete	Complete	31-Oct-07	J Casserly
44	SDS contractor does not deliver the required prior approval consents in line with SDS V31	Late prior approval consents	Delay to programme with additional resource costs and delay to infraco. Impact upon risk balance.	D Sharp	High - 25.00		Evaluation of prior approval programme Hold fortnightly Roads Design Group Informal consultation prior to statutory consultation	Complete	Complete	Complete	31-Oct-08	D Sharp
173	Uncertainty over extent of contaminated land on route	Tramway runs through area of previously unidentified contamination and material requires to be removed and replaced (dig and dump).	Increase in costs to remove material to special and other tip.	R Bell	High - 25.00		Integrate CEC into tie organisation/accommodation (office move) Weekly Meetings of Approvals Task Force Issue containment and gi report to Infracco bidders tie to obtain ground investigation and contamination reports from SDS	Complete	Complete	Complete	31-Dec-08	D Sharp
							In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer	On Programme	On Programme	On Programme	30-Nov-08	A Hill
							Identify increase in services diversions. MUDFA to resource/re-programme to meet required timescales.	Complete	Complete	Complete	23-Nov-07	J McAloon
							In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer	On Programme	On Programme	On Programme	30-Nov-08	A Hill
							Identify increase in services diversions. MUDFA to resource/re-programme to meet required timescales.	Complete	Complete	Complete	23-Nov-07	J McAloon
							In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer	On Programme	On Programme	On Programme	30-Nov-08	A Hill
							Evaluation of prior approval programme Hold fortnightly Roads Design Group Informal consultation prior to statutory consultation	Complete	Complete	Complete	31-Dec-07	T Glazebrook
							Integrate CEC into tie organisation/accommodation (office move) Weekly Meetings of Approvals Task Force	Complete	Complete	Complete	4-Jun-07	T Glazebrook
							Issue containment and gi report to Infracco bidders tie to obtain ground investigation and contamination reports from SDS	Complete	Complete	Complete	2-Mar-07	B Dawson
								Complete	Complete	Complete	30-Mar-07	A McGregor

Risk Description		ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
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52	Political and/or Stakeholder objectives change or require design developments that constitute a change of scope; Planning Department requires scope over and above baseline scope in order to give approval (may be as a result of lack of agreement over interpretation of planning legal requirements).		Amendments to design scope from current baseline and functional specification.	Programme delay as a result of re-work; Programme delay due late receipt of change requirements and lack of resolution; Scope/cost creep (dealt with through change process); Project ultimately could become unaffordable.	D Sharp	High - 22.00			Close working relationship with CEC and stakeholders	On Programme	On Programme	31-Jan-11	L. Murphy
928	Major single safety incident (including a dangerous occurrence) during construction		Safety incident during construction	Delay (potentially critical) due to HSE investigation and rework. PR risk to tie and stakeholders.	S Clark	High - 31.00			All Site Staff to get CSCS or equivalent Develop and Implement Incident Management Processes	On Programme	Complete	30-Apr-08 27-Apr-07	C McLauchlan T Condie
931	Utilities assets uncovered during construction that were not previously accounted for; unidentified abandoned utilities assets; known redundant utilities; unknown live utilities; unknown redundant utilities.		Unknown or abandoned assets impacts scope of infraco work	Re-design and delay as investigation takes place and solution implemented; Increase in Capex cost as a result of additional works.	D Sharp	High - 20.00			Safety Induction to be carried out for all site staff Site Supervisors to be appointed by tie GPR surveys in areas where there are likely to be services MUDEFA trial holes to verify GPR surveys	On Programme	Complete	31-Dec-10 28-Feb-07 1-Apr-07	T Condie S Clark T Glazebrook
977	Legal challenge. Extension of statutory consultation process. Large number of objections. TRO process is subject to a public hearing process.		Delay in achievement of TRO(s) due to a large number of public objections and/or a legal challenge to using a TTR to construct Infraco.	Requirement to start construction using TTRs	K Rimmer	High - 20.00			Use of TTRs to undertake construction of permanent works in advance of permanent TROs being approved.	On Programme	On Programme	30-Jan-11	K Rimmer

Risk Description		Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
271	Inadequate quality of submission of approval. Partial submission of package. Programme compression. Lack of CEC resources.	Failure to process prior approvals applications within 8 weeks	Delay and disruption to Infracore programme	D Sharp	High - 19.03		Agree approvals submission arrangements with CEC to align with SDS design programme and procurement programme.	Complete	Complete	31-Mar-08	T Glazebrook
							Assure the quality and timing of submissions	On Programme	On Programme	31-Dec-08	D Sharp
							Final agreement to be approved by Roads Authority, CEC Promoter, CEC in-house legal and te	Complete	Complete	28-Feb-07	T Craggs
							Finalise alignments and gain agreement from CEC	Complete	Complete	29-Dec-06	T Craggs
							Weekly meetings of Approvals Task Force	On Programme	On Programme	31-Dec-08	D Sharp
							Where appropriate increase case officer resource to cope with programme compression	Complete	Complete	31-Oct-08	D Fraser
1033	Failure of Infracore to mobilise in time to commence work in line with programme.	Delay to programme. Cost overruns. Negative publicity. Criticism from stakeholders		S Bell	High - 19.03		Continued focus at Infracore progress meetings as well as programme workshops to mitigate the impacts of any delay	On Programme	On Programme	1-Oct-08	S Bell
							Implementation of Advanced Works programme in order to mitigate potential future issues during construction	On Programme	On Programme	1-Aug-08	R Bell
							Infracore given instructions to proceed at risk	On Programme	On Programme	1-Aug-08	R Bell
							Pressure from Approvals Task Force to ensure Technical and Prior Approvals are delivered	On Programme	On Programme	1-Oct-08	D Sharp

Risk Description		ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1076	Utilities do not finish diversion works prior to Tramworks commencing work		Tramworks are unable to commence work or work is delayed/disrupted	Delay and disruption claims from BSC.	R Bell	High - 18.00			Tramworks PMs attendance at Traffic Management meetings. Weekly meetings between tie Tramworks and Utilities PMs. 4-weekly tie Tramworks/Utilities management meetings. Identification of programme clashes between Tramworks and Utilities works tracked	N/A	On Programme	31-Jul-09	R Bell
1077	Lack of visibility of design changes between November 2007 and May 2008		Tramworks price based on a design which may have been altered. Unclear who authorised design change.		R Bell	High - 18.00			Establish a process which will act as a control mechanism for design changes. (If one exists already then ensure process is complied with)	N/A	On Programme	31-Dec-08	T Glazebrook
1078	Lack of effective engagement from BSC leaders towards tie and third parties (NR, BAA, Forth Ports) and the Tram project as a whole.		Failure of partnership approach between tie and BSC. Failure to maintain effective third party relationships with key third parties.		R Bell	High - 18.00			Engagement between tie and BSC at different levels. Regular review of BSC management of third parties as per Employers Requirements.	N/A	On Programme	31-Dec-08	R Bell
1079	Failure of BSC to effectively resource up for project		Lack of competent resources within BSC to safely and effectively deliver Tram project	Delay to programme and additional cost.	R Bell	High - 18.00			Ongoing review of BSC resources and formal review at 4-weekly meeting. Objectives to be set for BSC at monthly meetings in order to monitor progress.	N/A	On Programme	31-Dec-08	R Bell
1080	TPB have agreed a 5 week embargo on Leith Walk from 12 Dec 08 to 19 Jan 09.		Leith Walk embargo causes delay to construction and utility diversion works.	Delay to programme, extension of time claim. Additional costs.	R Bell	High - 18.00			Minimise contractors exposure by identifying other work scopes outside the embargo area.	N/A	On Programme	12-Dec-08	R Bell
1081	Traffic modelling has shown that one lane needs to be kept open on Princes Street during works		Princes Street works take longer than programmed due to one lane being kept open.	Delay to programme, extension of time claim. Additional costs.	R Bell	High - 18.00			Production of robust programme to mitigate losses	N/A	On Programme	5-Jan-09	R Bell

Paper to: TPB **Meeting date:** 19 Nov 2008
Subject: Remit for Traffic Management Peer Group (TMPG)
Preparer: Graeme Bissett

Background

Since Financial Close, the TPB has handled all relevant business directly rather than through committees. The committee model worked well in the period to Financial Close, enabling detailed scrutiny of key areas such as procurement and business case production.

The critical area of traffic management has recently been reviewed and the need for tighter governance identified. This is currently handled by the Traffic Management Review Panel (TMRP) which is a working group comprising all relevant stakeholders. The TMRP has performed and will continue to perform the detailed operational planning, modelling, assessment of options and contingency planning necessary to optimise the balance between tram construction and stakeholder interests. The latter group includes the emergency services, public transport operators, private vehicle drivers, pedestrians and business / residential owners along the route.

At its meeting on 22nd October 2008, the TPB approved the establishment of the TMPG as a committee of the TPB. The role of the TMPG is to oversee the output from the TMRP and to ensure that the traffic management arrangements keep the city moving in a manner acceptable to the public while minimising impact on tram programme and cost.

The TMPG will operate for an initial period through to February 2009, by which date all arrangements will be in place to support execution of construction work in 2009. The role and remit of the TMPG will be reviewed by the TPB at its meeting on 11 February 2009.

Remit for TMPG

1. To monitor its own remit and ensure that the scope remains fit for purpose or to recommend changes to the TPB as necessary;
2. To review, approve and monitor the remit, composition and operations of the TMRP and any other related groups to ensure fitness for purpose;
3. To develop and implement a strategic view of traffic management arrangements, including the impact of non-tram works;
4. To monitor proactively short-term planning and contingency arrangements and response to problems, as developed by the TMRP or otherwise;
5. To take account of all reasonable stakeholder interests;
6. To ensure that public communication and signage is effective and that there is effective coordination in all public communications between CEC, TEL, tie and Lothian Buses;

7. To ensure that arrangements are in place to communicate the implications of traffic management arrangements fully and proactively to the Tram Project Director in such a manner that disruption to construction can be minimised;
8. To ensure that proper procedures are in place to comply fully with health and safety requirements, in consultation with the Tram Project Director;
9. To monitor the interface with CEC operations, including traffic warden deployment and park and ride initiatives which relate to tram works; and
10. To report fully and timeously to the TPB.

Composition

The TMPG will initially comprise Neil Renilson (Tram Project SRO and CEO TEL, Lothian Buses), Willie Gallagher (**tie** Executive Chairman) and will be chaired by Marshall Poulton (Head of Transport, CEC).

Delegated Authority

The TMPG has authority delegated to it by the TPB to approve traffic management arrangements (including contingency plans, incident responses and public communications both proactive and reactive) without restriction, except where:

1. The arrangements are anticipated to have an impact on the tram construction programme of greater than 5 days and / or to incur additional construction cost of >£100,000; or
2. There is anticipated to be significant public and / or media interest in the arrangements, contingency planning or incident response.

In these circumstances, approval by the TPB is necessary, initially through the TPB Chairman. In the event of emergency action, verbal approval is considered effective.

Proposed Name: Graeme Bissett Date: 22/10/2008
 Title: Strategy and Planning Director

Recommended Name: Steven Bell Date: 4/11/2008
 Title: Tram Project Director

Approved: Date:.....
 David Mackay on behalf of the Tram Project Board

Paper to: TPB **Meeting date:** 19 Nov 2008
Subject: Council contributions
Preparer: Alan Coyle (CEC)

Executive summary

The report provides an update to the progress made to date in securing the Council Contribution of £45m towards the tram project, and the next steps required to ensure that the opportunities to secure future contributions are maximised.

It is recommended that the Project Board notes the current position and endorses the approach being developed by the Council, bearing in mind that approval is required from the Planning Committee and Full Council.

Impact on programme

None.

Impact on budget

The current budget assumes total funding of £545m for the project (£45m from the Council).

Impact on risks and opportunities

The financial risk associated with the outlined approach lies with the Council. If future contributions from developers and/or capital receipts fail to materialise, there could be a significant impact on Council Revenue budgets in order to meet borrowing costs. A report to the Councils Director of Finance will be completed by the end of November which assesses the effect of the credit crunch on the timing of developers contributions and the resultant borrowing costs.

Impact on scope

The scope of the project will be determined by the funding available. As above maximising developer contributions will help protect the scope of the project.

Decision(s) / support required

To note notes the current position and endorses the approach being developed by the Council.

The continued support provided by tie Ltd and their agents is welcomed.

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt

Yes

No

Proposed

Name Alan Coyle
Title Finance Manager

Date: 13-11-08

Recommended

Name Donald McGougan
Title Director of Finance

Date: 13-11-08

Approved

..... Date:
David Mackay on behalf of the Tram Project Board

1.0 Introduction

The purpose of this report is to update the Board on the work that is on-going in securing the Council's £45m contribution and exploring the potential of securing additional funding. It provides an update of progress already made, the next steps required and the likely timescales.

The report looks at the four main elements of funding, namely:

- Council Cash;
- Council Land;
- Developers Contributions – Cash and Land; and
- Capital Receipts.

The report also sets out the risks associated with each funding stream.

2.0 Background

The make up of the Council's contribution is well known, at the time of the Report to Council on The Final Business Case, the Council's contribution had undergone external scrutiny as a result of an addendum to the Council Report on the FBC in October 2007. While the wider economic climate presents further risk to the Council, it is thought that the developments assumed previously will still go ahead albeit potentially at a slower rate, thus presenting further risk to the Council in terms of borrowing costs.

The contribution was made up as follows:

Table 1

	September 2007 Update	£m
Council Cash		2.5
Council Land		6.2
Developers Contributions - Cash		25.4
Developers Contributions - Land		1.2
Capital Receipts (Development Gains)		2.8
Capital Receipts		6.9
Total		45.0

3.0 Council Cash (£2.5m) - Achieved

The Council Cash of £2.5m has now been contributed to the project and is not at risk.

4.0 Council Land (£6.2m)

Council Land is currently estimated at £6.2m. £4.3m has already been gifted to the project; therefore only £1.9m of this contribution is at risk.

5.0 Developer Contributions

Background

The guideline on Tram Developers Contributions was approved by Planning Committee on 19 December 2007. The objective of the guideline seeks to gain Developers Contributions where the tram is considered to address the transport impacts of a development, that development should make an appropriate contribution towards the construction of the tram system and associated Public Realm.

Current Position

The Council has now concluded a number of agreements securing contributions towards the project. £3.5m has now been paid to the Council in the form of tram related developers contributions. £2m has been agreed in principle with Tiger for the development at Haymarket which should increase the banked total to £5.5m; this planning application may be called in by Scottish Ministers and is subject to change.

The agreement of the Forth Ports Planning Application would substantially reduce the risk of the Council securing the £25.4m from developers. This agreement would provide an £18m contribution to tram.

The amount of contributions that are currently within the system in relation to Phase 1A totals £12.4m, these contributions are at various steps in the planning process:

Stage	£m
Amount banked	3.5
Amount in concluded legal agreements (where development has commenced)	1.7
Amount in concluded legal agreements (where development has not commenced)	1.4
Minded to grant / pending consideration	5.8
Potential total	12.4

The amount of contributions that are currently within the system in relation to Phase 1B totals £2.53m. These contributions are at various steps in the planning process:

Stage	£m
Amount Banked	0.32
Amount in concluded legal agreements (where development has commenced)	0.00
Amount in concluded legal agreements (where development has not commenced)	0.08
Minded to grant / pending consideration	2.13
Potential total	2.53

Potential Future Contributions

There has been no recent change to potential Developers Contributions beyond the amounts previously reported to the Board.

6.0 Capital Receipts (£9.7m)

There are number of Council-owned sites adjacent to the tram route that may be marketed.

The two main sites making up the contribution (Lorry Park and Leith Walk Garage) are currently being valued using the DVs estimations.

The first receipt to earmark against the £9.7m is expected in 2011 with the majority of these receipts expected to be realised in 2012. The timing of these receipts may be at risk due to the credit crunch, the impact of which will be continuously monitored.

7.0 Risks

The risks for each element of the contribution are set out in Table 5.

Table 5

Element	Risks	Management Action
Council cash and land	<ul style="list-style-type: none"> This is secured and there is no longer any risk associated with it 	<ul style="list-style-type: none"> None required
Developers contributions	<ul style="list-style-type: none"> Development does not take place Development is slower than anticipated Interest rates change Inflation / deflation on indexed linked contributions Planning Gain Supplement or any other changes to Planning legislation adversely affecting CEC's ability to collect contributions Successful legal challenge to tram contributions policy Failure to secure agreement with Forth Ports means that amount that can be borrowed 	<ul style="list-style-type: none"> Ensure amount borrowed is based on conservative development assumptions Seek legal advice on all changes to tram contribution policy Active engagement with Scottish Executive on all proposed changes to planning legislation. Ensure Agreement of Forth Ports agreement as soon as possible.

	under Prudential Code is significantly reduced	
Capital receipts	<ul style="list-style-type: none">• Inability to identify sufficient capital receipts to fund the tram project and the rest of the Council's capital programme• Change in local economic condition makes it difficult to sell sites within timescales and / or reduces eventual Capital Receipt	<ul style="list-style-type: none">• Ensure tram is prioritised when capital planning decisions are taken

8.0 Conclusion

The Council is committed to provide funding of £45m towards the tram project and is monitoring the various elements making up this amount to ensure that it can be achieved.

It is recognised that there are risks associated with this funding, but that this is being managed by the Council and other funding sources are being investigated to ensure that contingencies can be put in place.

Period 8 Transport Scotland report Sections 2-7

On following pages are Sections 2-7 of the Transport Scotland report (Section 1 is the Project Directors report).

2 Progress

2.1 Overall

Overall progress remains behind both the 4 month look-ahead and the master programme. This is due primarily to:

- Design slippages between v26 / v31 at the time of Financial Close;
- Design slippage since novation of design to Infraco (now recorded in v37 of the design programme);
- Design changes as a result of the prior and technical approvals process;
- Requirement for re-design of temporary works;
- Incomplete utility diversions cause in part by traffic management constraints; and
- Slow mobilisation of Infraco.

In the executive summary we have explained the programme blocker map and management process which is being developed and used to manage and remove issues which are causing programme constraints.

Whilst a straight import of the progressed programme into the master programme forecasts a potential revenue service slippage of up to five months, **tie** is confident that sufficient float and false logic constraints exist in the programme, along with construction methodology improvements, to maintain the open for revenue service date as July 2011 within a range of between May 2011 and December 2011. The table in section 4.2 identifies the geographic areas of slippage and the types of action that can be taken to improve the programmed end date.

tie has agreed with BSC a process to create a re-calibrated programme. This involves a process, starting on 20th October, with members of both organisations taking time out to review slippage, opportunities for improvement, inclusion of recently agreed additional embargos and work on agreeing a revised contract programme. These opportunities include

- The use of additional resources;
- Improved productivity;
- The use of alternative technology for OLE installation and track-laying;
- Constructing the structures in parallel rather than sequentially; and
- Better use of integrated traffic management.

The underlying contractual issues are complicated and their resolution will require a concentrated management effort. This is also a need for a reasonable degree of engagement from BSC. Taking this into account, it is anticipated that a revised Infraco contract programme and overall revision to the Tram Master Project Programme will be ready during Q1 2009. Infraco proposals for recovering the effects of their slow mobilisation will be included within the revised programme.

Additionally, the MUDFA Rev07 programme has now been agreed and this will be reflected in the overall update to the Tram Master Project Programme. The commercial impact of revised programmes will be addressed in line with the final agreement of those programmes.

A process has been put in place to identify and manage all design issues which are blockers to the construction programme. This involves a 2 weekly meeting with all players to systematically work through issues and solutions. The programme blockers are being captured in a map (programme blockers map) to visually identify the critical areas of constraint, impact on programme and actions/opportunities to resolve the issue. **tie** propose a meeting with TS to go through this in some detail over the next 2 weeks.

2.2 Design

The design is progressing as follows:

- IFCs – Phase 1a 52 issued out of 78 , the slippage is being addressed as part of the re-assessment of programme;
- Prior Approvals are progressing well – there are some design issues to resolve but approvals are now over 85% complete and only four remain to be submitted. These are related to the resolution of long-running 3rd party issues (SRU, Forth Ports, RBS);
- Structures approvals are progressing well – two structures remain to be approved (Tower Place bridge and Balgreen Road NR Access bridge) although timescales remain tight versus IFC;
- Roads and drainage approvals remain difficult although positive progress has been made to resolve CEC detailed comments with only four areas outstanding for Phase 1a.
- Scottish Water are making better progress with drainage outfall consents although these are still relatively slow. They are now working to a prioritised order of consents.

What is not captured in the above and the table below is the quantum of designs which are required to go through a re-design process as a result of either the approvals process or value engineering. This will be reported on in future months but the impact is captured in the programme analysis.

Phase 1a only	Submitted to CEC		Granted by CEC		% complete Granted
	v31	Actual	v31	Actual	
Prior approvals (53)	53	49	53	45	85%
Technical approvals (73)	72	68	68	62	85%
IFC (submitted to tie) (86)			78	52	61%

Reasons for design slippage are being reviewed and recorded each week at the design taskforce meeting which is focused on resolving outstanding design issues. This slippage will be addressed as part of the re-calibration of the programme. **tie** are identifying and implementing opportunities to mitigate the impacts of this slippage.

2.3 Utility works (MUDFA)

Rev.07 Figures	Period		Delta	Cumulative		Delta
	Plan	Actual		Plan	Actual	
MUDFA PERIOD 08 PROGRESS						
Section 1a Newhaven to Foot of the Walk	15.4%	0.0%	-15.4%	50.7%	29.4%	-21.3%
Section 1b Foot of the Walk to McDonald Road	1.5%	1.0%	-0.5%	97.3%	93.8%	-3.5%
Section 1c McDonald Road to Princes Street West	27.3%	10.6%	-16.7%	68.8%	38.4%	-30.4%
Section 1d Princes Street West to Haymarket	7.5%	0.0%	-7.5%	83.2%	67.6%	-15.6%
Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket	14.3%	2.9%	-11.4%	70.4%	51.5%	-18.9%
Section 2 Haymarket to Roseburn Junction	41.7%	0.0%	-41.7%	58.1%	20.7%	-37.4%
Section 5a Roseburn Junction to Balgreen Road	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%
Section 5b Balgreen Road to Edinburgh Park Central	12.1%	15.0%	2.9%	100.0%	100.0%	0.0%
Section 5c Edinburgh Park Central to Gogarburn	20.5%	13.8%	-6.7%	100.0%	92.5%	-7.5%
Section 6 Gogar Depot	0.5%	0.0%	-0.5%	100.0%	97.7%	-2.3%
Section 7a Gogarburn to Edinburgh Airport	2.7%	0.0%	-2.7%	12.9%	10.2%	-2.7%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	11.1%	5.4%	-5.7%	69.1%	62.8%	-6.3%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	13.6%	3.5%	-10.1%	70.1%	54.0%	-16.1%

Section	Commentary
Section 1a Newhaven to Foot of the Walk	Proposals agreed with FPA regarding re-sequencing works. IFC's not yet available as a result on the ongoing dialogue with FP in respect of final design details.
Section 1b Foot of the Walk to McDonald Road	Critical works to complete with SGN and BT. Delay to temporary works by Carillion has hampered progress with BT chamber in Manderston Street, which in turn delays the Gas crossing in the same area.
Section 1c McDonald Road to Princes Street West	Phase 3 underway. Mound diversions continue although this has slipped.
Section 1d Princes Street West to Haymarket	Switched to phase 2a at Haymarket with expected completion by Christmas 2008
Section 2 Haymarket to Roseburn Junction	De-scoping & alternative working methodology being reviewed to achieve Dec08 completion
Section 5a Roseburn Junction to Balgreen Road	COMPLETE
Section 5b Balgreen Road to Edinburgh Park Central	Sewer diversion at South Gyle Access bridge transferred to Infracore
Section 5c Edinburgh Park Central to Gogarburn	1500mm Sewer diversion on programme for completion prior to the commencement of Phase 3 of A8 Underpass in February 2009.
Section 6 Gogar Depot	800mm Water Main requires re-test as recently identified that majority of joints have been fitted with incorrect gaskets. This would seem to be an error in Carillion's supply chain that is under review, but nevertheless will result in re-work to replace the gaskets. This is programmed to be complete by Christmas break to allow Barr Construction full access to the Depot site from January 2009. Provision has been made to provide limited access to commence works prior to Christmas.
Section 7a Gogarburn to Edinburgh Airport	Trial hole works commenced with BAA contractor

Key issues

Critical areas within Section 1b are the works in Manderston Street, SGN issues and associated service crossings to Jane Street, primarily telecoms. Delay in temporary work proposals from CUS, regarding BT chamber works in Manderston Street have impacted on progress with this critical element of works, which precedes the road crossings. A revised temporary works solution for Manderston Street to accommodate the structures was received and installed w/c 13 October 2008. The alternative proposal for the gas main diversion at Manderston has not been agreed with SGN, although both will have to be executed post Christmas, and is being pursued by tie. However, if approval is not achieved, the original IFC design will have to be installed, which will require the area to be re-excavated taking approximately eight weeks to complete.

The 800mm diameter watermain at Gogar depot is installed but following failure to meet the required test pressure it was identified that approximately 90% of all the joints have an unsuitable gasket installed and they all require to be replaced with the correct gasket. It is not clear how the wrong gaskets were incorporated within the works but it appears to be a supplier issue to CUS. Anticipated remedial works to correct the gasket issue are targeted for completion by Christmas. Removal / reinstatement of reinforced concrete thrust blocks are the main issue.

2.4 Tramworks (Infracore)

The project continues to experience problems with slow mobilisation and, in particular, appointment of direct BSC resource and final appointment of the main package contractors. However, work has continued on a number of worksites including the Haymarket and Edinburgh Park Viaducts and the A8 underpass. Significantly, the on-street works also continue with roadworks on Leith Walk using sub-contractor (Crummock) resources.

The Tram mock-up is on programme with a final sign off meeting taking place 6th November with the mock-up due in Edinburgh at the beginning of December.

tie has agreed with BSC a process to agree a re-calibrated programme. This involves a process, starting on 20th October, with members of both organisations taking time out to

review slippage, opportunities for improvement and work on agreeing a revised contract programme. These opportunities include use of additional resources, improved productivity, use of alternative technology for OLE installation and track-laying and better use of integrated traffic management (TM). The underlying contractual issues are complicated and their resolution will require a concentrated management effort. This is also a need for a reasonable degree of engagement from BSC. Taking this into account, it is anticipated that a revised Infraco contract programme and overall revision to the Tram Master Project Programme will be ready during Q1 2009. Infraco proposals for recovering the effects of their slow mobilisation will be included within the revised programme.

A four-month detailed construction programme was agreed with BSC and has been in place since Period 07 therefore tie is currently monitoring against the contract programme and the 4-month programme agreed with BSC in parallel. Progress against the four month programme is being monitored and reported on a weekly basis.

Progress against Contract Programme

Summary against the agreed Infraco contract and four month look ahead (1 September to 31 December 2008) milestones is shown in the table below (number of milestones).

Milestone progress

	Period (4 month look ahead)			Cumulative (4 month look ahead)			Cumulative (contract programme)		
	Planned	Achieved	%	Planned	Achieved	%	Planned	Achieved	%
Prelims	3	3	100%	24	24	100%	24	24	100%
Construction	13	3	23%	18	3	16%	130	3	2%
Total	16	6	37%	42	27	64%	154	27	17%

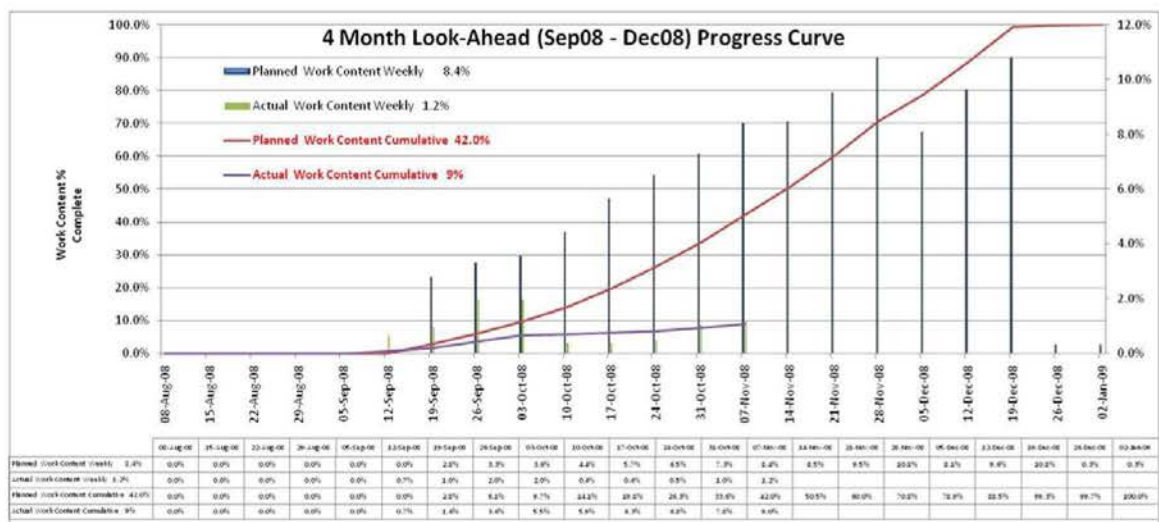
Progress is also being recorded against the contract programme as in the table below. In both the contract and 4 Month programme progress the common denominator is that every activity in the programmes has a work content generated against it which translates into a weighting which allows accurate reporting of progress.

	Period		Delta	Cumulative		Delta
	Plan	Actual		Plan	Actual	
INFRACO PERIOD 08 PROGRESS	Plan	Actual		Plan	Actual	
Section 1a Newhaven to Foot of the Walk	0.3%	0.0%	-0.3%	0.3%	0.0%	-0.3%
Section 1b Foot of the Walk to McDonald Road	2.9%	0.8%	-2.1%	10.1%	0.9%	-9.2%
Section 1c McDonald Road to Princes Street West	0.3%	0.0%	-0.3%	0.3%	0.0%	-0.3%
Section 1d Princes Street West to Haymarket	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket	0.7%	0.1%	-0.5%	1.8%	0.1%	-1.6%
Section 2 Haymarket to Roseburn Junction	4.6%	2.4%	-2.2%	44.7%	7.9%	-36.8%
Section 5a Roseburn Junction to Balgreen Road	4.1%	0.2%	-3.9%	25.0%	1.4%	-23.5%
Section 5b Balgreen Road to Edinburgh Park Central	10.1%	0.3%	-9.8%	33.9%	0.4%	-33.5%
Section 5c Edinburgh Park Central to Gogarburn	4.4%	1.1%	-3.3%	22.6%	1.2%	-21.4%
Section 6 Gogar Depot	7.4%	0.0%	-7.4%	33.8%	0.0%	-33.8%
Section 7a Gogarburn to Edinburgh Airport	5.6%	0.1%	-5.5%	27.2%	0.1%	-27.1%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	6.8%	0.4%	-6.4%	30.6%	1.1%	-29.5%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	4.4%	0.3%	-4.1%	19.3%	0.7%	-18.5%

Section	Commentary
Section 1a Newhaven to Foot of the Walk	Section 1A4 Road/track works between Newhaven Road and Ocean Terminal were due to have commenced the first week of November. This awaits IFC design with 1A4 Track IFC due 15Jan09.
Section 1b Foot of the Walk to McDonald Road	Roadworks have been slowed as existing utilities exposed along with archaeological finds..
Section 1c McDonald Road to Princes Street West	Roadworks delayed due to a range of factors including utility works not being complete, contractor work package plans not in place and traffic management not approved.
Section 1d Princes Street west to Haymarket	No construction works are planned. Detailed preparation for the Princes St blockade is underway
Section 2 Haymarket to Roseburn Junction	Haymarket Viaduct re-design resolved. Works recommenced.
Section 5a Roseburn Junction to Balgreen Road	Temporary works re-design delaying various structures. Demolitions are progressing.
Section 5b Balgreen Road to Edinburgh Park Central	Unforeseen ground conditions resulted in re-design of temporary works at Edinburgh Park viaduct. Additional structural earthworks excavations to piers 5,6 and North Abutment completed and bases's blinded. Sheet piling to piers 3 + 4 adjacent to the railway were completed under possession. Haul roads are in place. Work has been undertaken to use NR possessions previously booked.
Section 5c Edinburgh Park Central to Gogarburn	A8 Underpass continues. Track awaiting design IFC early in Period 09
Section 6 Gogar Depot	800mm Water Main requires re-test as recently identified that majority of joints have been fitted with incorrect gaskets. This would seem to be an error in Carillion's supply chain that is under review, but nevertheless will result in re-work to replace the gaskets. This is programmed to be complete by Christmas break to allow Barr Construction full access to the Depot site from January 2009. Provision has been made to provide limited access to commence works prior to Christmas. Provision has been made to give BSC access to the available parts of the site to allow work to proceed.
Section 7a Gogarburn to Edinburgh Airport	Gogarburn underbridge earthworks have commenced.

The progress is reported against week ten of a 16 week programme. Key reasons for slippage include:

- The Leith Walk works have been delayed due to utility works not being completed to programme. Works commenced on 8 October;
- Haymarket viaduct re-design work at bankseat is now resolved and work has recommenced;
- The concrete pour at Edinburgh Park and Haymarket viaducts had been delayed due to a lack of test and inspection plans. This is now resolved; and
- Re-design of temporary works required for various structures in Network Rail corridor.



As mentioned above the progress in both the contract and four month programme is measured using the same denominator which allows accurate reporting of progress. At the

current rate of progress Infraco will have achieved approx. 17% of the 4 Month Programme work content by Christmas 2008. We would anticipate with the resolution of some areas of re-design for temporary works that this would improve to approx. 25%.

2.5 Tram construction (Tramco)

Completion of the Tram mock-up was delivered in the period and it is due to arrive in Edinburgh during December. Good progress is being made with delivery of deliverables against the deliverables schedule. The production line due to be operational from Q1 2009.

2.6 Testing and commissioning

The process for acceptance of the Edinburgh Tram Project is designed to ensure that it is delivered in an acceptably safe, compliant and efficient manner. The objectives of the process are to ensure that the system performance, integrity, reliability, availability and safety are rigorously tested and that throughout all stages of the delivery process the many sub-systems and the overall system are validated and verified against the requirements and applicable standards. To achieve these objectives there is a layered approach to the overall testing and commissioning as laid out in the table below.

What	Who	Status
Design assurance	BSC (SDS) / tie	Underway
Quality	Infraco	Started - Inspection and test plans submitted as part of each work package plan
Systems Safety	Infraco / Independent Competent Person(ICP) / TEL / Transdev	Started - Safety Verification plan in place and process of verification already underway. The ICP has been appointed and has started his verification process.
Performance	Infraco / Transdev / TEL	Requirements set out in the employer's requirements and will be tested following completion of each section of the network

2.7 Interface with other projects

The following table identifies the other projects ongoing within the city which may impact on the Tram project. This is reviewed on an ongoing basis to identify conflicts and mitigations.

External Projects	Promoter	Project Description	Potential Conflict	Tram Contract Dates		Project Dates		Comments
				Start	Finish	Start	Finish	
Waverley Steps	Transport Scotland	Refurbishment of existing Waverley Steps with inclusion of new escalators and elevators	Reviewed with both TS and Waverley Steps project team. No conflict	Feb-09	Jul-09	Sep-09	Mar-11	Although the main construction works will be complete by end Jul-09 this area will be re-visited in Q3/Q4 2010 for OHL installation
Waverley Station Re-roofing	Transport Scotland	New roof and general upgrade to station interior	May be Traffic Management issues	Feb-09	Jul-09	Apr-10	Apr-14	Although the main construction works will be complete by end Jul-09 this area will be re-visited in Q3/Q4 2010 for OHL installation
Gogar Surface Station	Transport Scotland	New station to east of Gogar Depot	Unknown as yet but expected to include 1. Re-design impacts 2. Tram alignment issues 3. Traffic Management clashes 4. Potential site access issues etc	Aug-08	Jul-10	Oct-09	Mar-11	All works with the exception of track installation between Gyle Centre and Depot stop and E&M Installations will be complete by end of 2009
St.James Centre Re-development	CEC / Henderson Global	Redevelopment of existing shopping centre.	Interface with Picardy Place junction re-construction and Cathedral Lane sub-station	Jan-10	Mar-11	TBA	TBA	Inclusive of E&M works. Track installation should be complete by October 2010 but civils and E&M will continue to Mar-11
Haymarket Interchange		Haymarket Accessibility Project (planned for 2009-10).	Utility diversions continue until Feb 2009 Potential interface with Infraco works at Haymarket junction commencing Jan 2009	Jan-09	Nov-09	TBA	TBA	Haymarket junction re-construction is 6 phases due to complete Nov-09 although Shandwick Place will still be under construction to January 2010 with Torphichen to follow.
Haymarket Station Re-furbishment	Network Rail / Scotrail	Main Building refurbishment works	Any external works could conflict with TM for either or both MUDFA and Infraco and could conflict with Infraco construction works	Now	Nov-09	Nov-08	2009	Require more detailed information
National Portrait Gallery		Major building construction and re-furbishment	Interface with Infraco works on St Andrew Street / York Place	Apr-10	Nov-10	Apr-09	Nov-11	Other than removal and return off artefacts all works are expected to be internal to Gallery
Baxter Place Development	Fitzpatrick Hotel Group	Conversion of existing building adjacent Greenside Lane and with frontage onto Leith Street	Proposal to divert existing utilities through basement of building. Also potential TM interface issues with Picardy Place construction.	Now	Mar-11	TBA	2010	

External Projects	Promoter	Project Description	Potential Conflict	Tram Contract Dates		Project Dates		Comments
				Start	Finish	Start	Finish	
Pollution Prevention Works	Network Rail / Scotrail	Re-location of existing diesel tanks at Haymarket Sprinter Depot	Interface with S21A Roseburn Street viaduct and associated track	Jan-09	Apr-10	Apr-08	Nov-08	PP project on target at end of period 6 to complete in Nov. VE design on Roseburn viaduct will see this structure re-programmed.
Airdrie - Bathgate	Transport Scotland	New track installation	Tram possessions mainly "piggy-backed" on A2B possessions which could be altered / cancelled.			Mar-09	Mar-10	Various possessions and RotR workings
RBS Tramstop - Gogarburn	RBS	Design by RBS - Build by Infracore	Design and consents not in place in a timely manner to allow Infracore to build to programme	Jul-09	Oct-09	TBA	TBA	
St Andrew Square Development	CEC	Demolition of existing buildings bordering South Side St Andrew Square, South St David Street and Meuse Lane	Infracore Programme	Sep-09	Nov-10	Oct-08	Jul-09	CEC Advised 10/9/8 that this development should be delayed to a more suitable commencement date.
New Hotel in Haymarket	Tiger Developments	New build hotel	Utility diversions and Potential Interface with Infracore works.	Jan-09	Nov-09	Nov-08	2012	Risk has diminished. Manageable conflict

Colour code

Green No conflict anticipated but being monitored

Amber Managing any conflict

Red Conflict which causes programme concern / unknown effect on tram programme

This has been sent to TS for their input for projects they are sponsoring and will continue to be reviewed by **tie** to identify any potential impacts on the Tram programme as early as possible in order to manage them. A review of the TS projects was arranged with TS for Period 7 but later postponed and was held in Period 8. A further session is planned towards the end of Period 9 or early in Period 10.

2.8 Other

Temporary traffic regulation orders (TTROs)

- The Traffic Peer Review Group has been established. This has the potential to identify both opportunities and constraints to the programme;
- The practical experience arising from the closure of the Mound junction on 1st October has pointed to the need for a revision to the means of developing and implementing TM procedures, especially those affecting Princes Street. Should different TM procedures be deemed necessary for Princes Street, compared to those embedded in the current programme, there will be consequences for the programme and a need to manage cost implications carefully. This dimension will be introduced to the Infraco and MUDFA negotiations sensitively over the next few weeks;
- Planning is underway for the Christmas embargo in the city centre and the implementation of the Princes St blockade in January 2009. Project Managers have been appointed by **tie** to ensure robust management of both Princes St and Haymarket worksites and TM; and
- Enhancements have been made to the traffic management team and procedures to ensure that applications for traffic management are submitted, reviewed and approved in line with the required construction programme whilst receiving the scrutiny required to ensure effective traffic flows.

Traffic regulation orders (TROs)

A TRO programme is in place to ensure that the required TRO's for the project are in place by November 2009. The informal consultation process for this is underway and comments are being recycled into any required small design changes. A method for tracking these changes is being established.

Additionally the draft schedules and articles are under preparation and formal consultation due to start in January 2009 and the public deposit in March 2009.

Network Rail

- The scope and programme for the NR immunisation work is being developed with Infraco. It is now likely that some changes will be required to the NR infrastructure – the implementation strategy for this is to be agreed with NR (track circuit alterations – Feed End Track Relay - FETR);
- Infraco will be developing the full assurance case for NR acceptance. NR has now assigned their approvals specialist to assist Infraco with this, which is expected to be completed by August 2009;
- The lift and shift project scope is complete. Additional works identified are:
 - Scottish Power cable – mitigation is to work around the route of the cable; and
 - C&W cable at the Water of Leith bridge – SDS has designed a diversion and the works will be transferred into Infraco scope although the apparatus will be moved by C&W; and
- The pollution prevention project at Haymarket depot is reported to be over-running by four weeks. A local agreement with First ScotRail has been reached to accommodate any potential overlap between completion of the pollution prevention activities and commencement of the Infraco works.

Third party interfaces

- NR – the Bridge Agreements is not yet concluded but is expected by the end of the year. Outstanding issue on indemnities to close out. An Operating Agreement with NR is expected to be agreed by Q1 2009;
- Forth Ports – SDS will deliver agreement plans by early December and **tie** will finalise commercial arrangements with Forth Ports to conclude the agreement;
- Haymarket carpark compensation – **tie** have established a range in compensation estimates, within budget, for both First ScotRail and Network Rail. Final settlement will depend on Transport Scotland's position on the extension of the First Scotrail Franchise Agreement; and
- Building fixings – deemed consent has been obtained from 306 owners as well as 63 consents with the owners' agreement. There are 12 fixings where matters remain unresolved and negotiations remain ongoing. However, there remains a possibility that these relevant owners may have to be referred to the Sheriff for resolution. CEC are leading the legal process, supported by the project team.

Murrayfield pitches relocation

Construction works for the relocation of the Murrayfield training pitches are progressing well.

- Pitch 1 Synthetic carpet commenced laying toward the end of Period 8;
- Pitch 2 turfing commenced during the last week of Period 8;
- Pitch 3 turfing due to commence early in Period 9; and
- Floodlight works are progressing with irrigation works virtually complete.

It is expected to complete the full scope of works pre Christmas.

The completion of the above project provides unrestricted access to the structures to be built between the north side of the existing railway embankment and the south perimeter of Murrayfield.

Fastlink

Competitive tenders have been received and award of contract is imminent. Works are expected to commence mid-late November for around three weeks and completion is expected prior to the Christmas break. The enabling works require to be completed to allow priority measures to be put in place for bus traffic that is decanted from the guided busway during tram works commencing mid January 2009. The TRO process has commenced and the statutory consultation has been completed.

2.9 Critical path

The following activities are critical in the overall construction sequencing under the contract programme logic although opportunities and improvements in the programme logic have been identified which when realised should reduce the criticality of some or all of these activities.

Item	Contract Start	Expected Start	Comments
Section 1A4 Track	03-Nov-08	14-Apr-09	Could commence mid Feb 2009 following programme re-sequencing
S17 Tower Place bridge	15-Jan-09	14-Apr-09	
Section 1d Roads / Track	05-Jan-09	05-Jan-09	Commencing from South Charlotte St. Junction eastwards.
Section 2 Track	21-Jul-08	04-Dec-08	Track resource releases other area's upon completion.
S20 Russell Road bridge	08-May-08	23-Feb-09	Releases resource to S21A Roseburn viaduct
S21B Murrayfield RW	25-Jun-08	27-Jan-09	Current logic has construction dependency with S21A

			Roseburn viaduct
S21C Murrayfield Stadium Underpass	21-Jul-08	26-Jan-09	Sewer diversion
S23 Carricknowe bridge	21-Aug-08	14-Oct-08A	Contract programme logic Track installation at bridge releases resource to Princes Street
Section 5B Track & roads	21-Jul-08	13-Feb-09	Contract programme logic releases resources to Leith Walk
S26 South Gyle Access bridge (IFC Design issued but clash with sewer)	13-Jun-08	02-Dec-08	Instruction issued to re-design. Contract programme logic delaying guided busway.
S27 Edin Park viaduct	06-Aug-08	18-Aug-08A	Structure delays track installation
A8 Underpass	08-Aug-08	01-Sep-08A	Delays S32 Depot Access bridge
Depot Earthworks	2-Jun-08	05-Dec-08	Await MUDFA completion
S29 Gogarburn Underbridge	13-Jun-08	03-Nov-08A	Structure delays track installation

Looking further ahead under the contract programme construction logic the activities that are becoming critical are:

Item	Contract Start	Expected Start	Comments
W18 Murrayfield TS RW	29-May-08	20-Jul-09	Current logic has construction dependency with S21A Roseburn viaduct
S21A Roseburn viaduct	20-Jan-09	4-Jan-10	Current logic has resource dependency with S20 Russell road bridge and construction dependencies with W18 Murrayfield TS RW and S21B Murrayfield RW
S21D Murrayfield Pitches RW	28-Oct-08	18-Jun-09	Dependent on S21C
W14 Gogarburn Retaining Wall	20-Oct-08	05-May-09	Awaits MUDFA completion and delays track
S31 Gogarburn Culvert No.2	29-Sep-08	30-Jun-09	Delays track installation
S34 Gogarburn Culvert No.3	08-Oct-08	09-Jul-09	Delays track installation

3 Headline cost report

3.1 Current financial year

	FY 08/09 COWD Period			FY 08/09 COWD Year To Date			FY 08/09 COWD Full Year Forecast			COWD To Date	Costs To Go	Total AFC
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance	Actual	Forecast	Forecast
Total Project COWD	5.750	15.222	-9.472	58.963	84.543	-25.881	126.104	150.851	-24.747	188.703	323.314	512.017
Other Funding	0.475	1.257	-0.782	4.275	6.412	-2.137	9.844	30.852	-21.008	15.581	26.696	42.276
Demand on TS	5.275	13.965	-8.690	54.388	78.131	-23.744	116.260	120.000	-3.739	173.122	296.618	469.741

- Year to date COWD is £25.9m lower than 'budget' (Period 7 £16.4m) due to:
 - Delayed award of Infraco and Tramco (which was 4 weeks later than anticipated when the budget was established) and slow mobilisation of the infrastructure works compared to the contractual programme - £21.8m; and
 - £3.9m of profiled Risk to P8 which has not been utilised to this point;
- The opportunities to mitigate the impact of slow mobilisation of the infrastructure works are being developed over a period of time with the Infraco contractor as described in Section 2 with a view to managing any resultant conflicts between the utilities and infrastructure programmes and maintaining the scheduled opening date of the tram in July 2011;
- The reported full year FY08/09 expenditure has been updated to £126.1m (Period 7 £138.8m), and is profiled in the table below. This profile reflects a comprehensive review by tie of the most likely value of work which will be completed in the current financial year. This review has sought to anticipate the outcome of the ongoing discussions with the Infraco on a revised master programme; and
- Payment applications submitted by CEC to TS have been adjusted to reflect the full value of GVD land, as agreed with TS.

Reforecast profile for FY08/09

£m	YTD	P9-10	P11-13	Total FY08/09
Infrastructure and vehicles	17.6	11.5	35.1	64.2
Utilities diversions	26.5	1.9	3.0	31.4
Design	3.7	0.3	0.3	4.3
Land and compensation	1.1	1.2	0.3	2.6
Resources and insurance	9.8	2.3	3.5	15.6
Base costs	58.7	17.2	42.2	118.1
Risk allowance	0.0	1.2	6.8	8.0
Total Phase 1a	58.7	18.4	49.0	126.1
Phase 1b	0.0	0.0	0.0	0.0

- The profile above reflects a very significant increase in activity by the Infrastructure contractor in the last quarter of the year due to the work which has now commenced on the relatively high value structures and the fact that construction is scheduled to start in earnest on-street and at the depot in January 09;
- Tramco costs forecast for Periods 10 and 11 total £11.6m reflecting the milestones for completion of design and commencement of Tram construction – there are currently no circumstances foreseen which might give rise to these costs being delayed;
- The principal downside sensitivities of this revised outturn forecast are as follows:
 - Commencement of on-street works and depot construction in early 2009 as planned – one period across the board delay equals c£3m;
 - Utility diversions at the Mound and Lothian Rd junction could slip into the first quarter of 2009/10 if certain technical and traffic management challenges cannot be overcome - c£3m; and
 - We have visibility of where c50% of the £8m risk allowance allocated to the current year is likely to be utilised (subject to approval of the risk drawdown)

but utilisation of the remaining £4m is uncertain but has been retained in the forecast pending resolution of a updated programme with Infraco lest that should have an impact on the current year;

- The Phase1b costs in FY0809 (provided for information only in previous periods and which represented the commencement of utility diversions) are now assumed to be expended in FY0910. A decision (by CEC and Transport Scotland) on whether to exercise the option to construct the Phase 1b infrastructure at this time is expected prior to the end of the financial year;
- Based on the outturn above, the TS share of Phase 1a costs in FY08/09 at 91.7% (500/545) would be between £108.4m of Base Costs excluding risk allowance or £116.3m of the total costs, including risk allowance and this should be viewed in light of the principal downside sensitivities described above This is being kept under review in the context of FY0809 funding allocated to the project by TS of £120m; and
- As previously reported and agreed with CEC and TS, initial milestones under the Infraco and Tramco contracts in the aggregate amount of £24.2m, in respect of advance material purchases, have been classified as prepayments and will be reclassified as expenditure against funding in the periods when the related materials are delivered to site and incorporated in the works.

3.2 Next financial year

- The forecast COWD for FY09/10 is shown in the table at 3.3 below and are now £158.5m (Period 7 £150m). The increase reflects that the principal opportunities to catch up programme slippage, as described in section 2, will impact upon that financial year. The amount is also sensitive to the extent of call on the risk allowance profiled to that year of £13.0m. Greater certainty with regard to the FY09/10 forecast will be gained when an updated programme for the infrastructure works is agreed with the Infraco contractor.

3.3 Total project anticipated forecast cost

Phase 1a AFC and profiling

£m	Cum FY07/08	FY08/09	FY09/10	Balance	AFC
Infrastructure and vehicles	30.7	64.2	136.4	73.6	304.9
Utilities diversions	18.4	31.5	0.0	0.0	49.9
Design	21.4	4.3	0.7	0.5	26.9
Land and compensation	16.8	2.6	0.2	0.8	20.4
Resources and insurance	42.7	15.5	8.2	14.5	80.9
Base costs	130.0	118.1	145.5	89.4	483.0
Risk Allowance	0.0	8.0	13.0	8.0	29.0
Total Phase 1a	130.0	126.1	158.5	97.4	512.0
Phase 1b	3.0	0.0	33.0	51.3	87.3

- The cost estimate for delivery of Phase1a of the project remains at £512m with a risk allowance of £29m;
- There has been only one significant drawdown against the risk allowance at Financial Close that being for the diversion of the A8 sewer and for which full provision was made in the risk allowance. The risk allowance has been assessed as providing adequate specific provision for any additional utility diversion costs up to completion of that element of the project;
- All primary risks being managed in relation to the infrastructure works are recognised and provided for in the risk allowance – including those related to the completion of outstanding design at financial close and a more general provision for delay or recovery of time on a complex project such as this. These provisions reflect the nature of the contract as a fixed price contract to deliver to a contractual programme;

- The adequacy of this risk allowance is kept under constant review and as such will be critically assessed as discussions with the Infraco with respect to an updated master programme and the commercial impacts thereof; and
- As previously agreed, cumulative costs incurred to the end of FY07/08 also include £3m incurred on Phase 1b design, meaning that total costs to the end of FY07/08 were £133m - the estimate for Phase1b is subject to finalisation in accordance with a value engineered and approved / consented design and programme. The finalised price will be valid if an option under the Infraco contract is exercised in sufficient time to allow construction of Phase 1b to commence in July 2009. Infraco are currently formally estimating the final price.

3.4 Change control

- The current change control position is summarised in the table below:

BASE ESTIMATE	498.10	87.30	585.40
APPROVED CHANGES - to Financial Close	13.91	0.00	13.91
CONTROL BUDGET - Baseline	512.02	87.30	599.32
APPROVED CHANGES - post Financial Close	0.00	0.00	0.00
REVISED CONTROL BUDGET	512.02	87.30	599.32
ANTICIPATED CHANGES	0.00	0.00	0.00
CURRENT AFC	512.02	87.30	599.32
PREVIOUS AFC	512.02	87.30	599.32

- Base estimate – The position at Final Business Case (Oct 2007);
- Approved changes to Financial Close – The financial impact of the project control budget having been reset to reflect final Infraco and Tramco Contract Award levels and a consequential reappraisal of the risk allowance. This was approved at the Tram Project Board on 4th June;
- Control budget baseline (New Project Control Budget) – The baseline within which all future project change control will be reported against;
- Approved changes post Financial Close – Tram Project Board approved changes from this point on. There are none to report with financial effect on the Control Budget at this point. The funding for the utility (sewer) diversionary work at Gogar and the Infraco main site office rental costs have been met from a drawdown of funds from the project risk allowance; and
- Anticipated changes – Future potential changes that are work in progress prior to formal approval. There are none to report at this point. Risks to this position are described in Section 5 below.

4 Time schedule report

4.1 Report against key milestones

Whilst a straight import of the progressed programme into the master programme forecasts a potential revenue service slippage of up to five months, the team is confident that sufficient float and false logic constraints exist in the programme, along with construction methodology improvements, to maintain the open for revenue service date as July 2011 within a range of between May 2011 and December 2011.

The agreed baseline programme reference for this project is that at Financial Close leading to revenue service in July 2011.

Milestones	Baseline programme date	Actual / current forecast date
Approval of DFBC by CEC	21 Dec 06A	21 Dec 06A
TRO process commences	14 Dec 07A	23 Sept 08
MUDFA – commencement of utility diversions	02 Apr 07A	02 Apr 07A
Approval of FBC by TS – approval and funding for Infraco / Tramco	09 Jan 08	Dec 07A
Tramco / Infraco – award following CEC / TS approval and cooling off period and SDS novation.	28 Jan 08	14 May 08A
Construction commences	14-Apr-08	14-May-08A
Haymarket viaduct commences	08-May-08	01-Sep-08A
Edinburgh Park viaduct commences	06-Aug-08	01-Sep-08A
A8 underpass commences	08-Aug-08	28-Aug-08A
Carricknowe Bridge commences	21-Aug-08	19-Aug-08A
All demolition work complete	22-Aug-08	25-Nov-08
Tram mock-up delivered	Oct 2008	Nov 2008
First track installation commences – on street	03-Nov-08	03-Feb-09
MUDFA works complete	Nov 2008	Mar 2009
Haymarket viaduct complete	08-Dec-08	28-Apr-09
Roseburn viaduct commences	20-Jan-09	04-Jan-10
Design assurance complete	20-Jan-09	15-May-09
All Issue for Construction (IFC) drawings delivered	21-Jan-09	22-May-09
Princes Street closed	03-Feb-09	03-Feb-09
Roseburn viaduct complete	20-Apr-10	4-Feb-11
Carricknowe bridge complete	11-May-09	03-Sep-09
All consents and approvals granted	18-May-09	18-May-09
Edinburgh Park viaduct complete	24-May-09	17-Jul-09
A8 underpass complete	14-Jul-09	15-Sep-09
Princes Street re-opened	01-Aug-09	01-Aug-09
NR immunisation complete	Nov 2009	Nov 2009
TRO process complete	01-Dec-09	01-Dec-09
1 st OHL installed (Section 2)	11-Dec-09	22-Jan-10
Commission Section 2 (Haymarket to Roseburn junction)	11-Jan-10	11-Mar-10
Commission Section 6 (depot)	25-Mar-10	21-Jul-10
1 st Tram delivered	09-Apr-10	09-Apr-10
Test track complete	23-Apr-10	01-Dec-10
1 st section (other than depot) complete ready for energisation	25-June-10	22-Jan-10
Commission Section 7 (Gogar to Edinburgh Airport)	25-June-10	20-Dec-10
Driver recruitment commences	July 2010	Feb 2011
Commission Section 5 (Roseburn junction to Gogar)	09-Nov-10	22-Jun-11
Driver training commences	Nov 2010	Sep 2011
System testing complete off street	09-Dec-10	22-Jul-11
Final tram delivered	17-Jan-11	17-Jan-11

Construction Line 1a complete	17-Jan-11	25-Aug-11
System testing complete on street	16-Feb-11	24-Sep-11
Commission Section 1 (Newhaven to Haymarket)	11-Mar-11	25-Aug-11
Letter of "no objection" from Independent Competent Person to commence tram running	17-Apr-11	25-Sep-11
Shadow running starts	18-Apr-11	26-Sep-11
Shadow running complete	July 2011	Dec 2011
Letter of "no objection" from Independent Competent Person to commence revenue service	July 2011	Dec 2011
Open for revenue service	July 2011	Dec 2011

Guidance for Completion:

Legend for colouring of Actual / forecast date text

Green: Actual / forecast date is ahead or in line with baseline
Yellow: Slight slippage – readily recoverable with action.
Pink: Significant slippage but expect recovery can be achieved
Red: Notable / significant slippage – difficult to recover, even with action.

4.2 Key issues affecting schedule

A number of specific areas are being examined to support July 2011 revenue service in line with the contract programme. Each area is being managed with full visibility and ownership by tie's project management team. The table below indicates the extent of potential slippage and opportunities for recovery which will form the basis of discussions with BSC for a revised programme:

Section	Contract Programme Finish	Live Programme Finish	Opportunities
Section A – Depot commissioned and energised	25 March 2010	21 July 2010	BSC have commenced. Steelwork fabrication slot pre-booked.
Section B – Test track	23 April 2010	01 Dec 2010	Test track can be completed with OLE whilst tramstop furniture is completed. Construction inter-dependability between structures has eased allowing parallel builds.
Section C – construction works complete	17 Jan 2011	25 Aug 2011	Track installation logic can be re-sequenced to allow earlier commencement, additional track resources, parallel installation of track and OLE and improved productivity. Construction inter-dependability between structures has eased allowing parallel builds. Integrated MUDFA and Infracore worksites utilising combined traffic management.
Section D – open for revenue service	16 July 2011	16 Dec 2011	As above

A wide range of detailed specific programme issues is being examined to achieve the recovery required.

4.3 12-week look-ahead

Milestones	Actual / current forecast date
W1 Lindsay Road Retaining Wall	31-Oct-08
S17 Tower Place bridge	21-Jan-09
1B Roadworks Foot of the Walk – Balfour Street	16-Oct-08A
1C Roadworks McDonald Road to Picardy Place	10-Nov-08
1D Roadworks Princes Street	05-Jan-09
1D Roadworks Haymarket	19-Feb-09
S19 Haymarket Viaduct	01-Sep-08A
2A Trackworks Haymarket to Roseburn junction	16-Dec-08
S20 Russell Road bridge	23-Feb-09
W3/W4 Russell Road Retaining Walls	20-Nov-08
S21B Murrayfield Stadium Retaining Wall	24-Oct-08
S21C Murrayfield Underpass	26-Jan-09
W8 Baird Drive Retaining Wall	24-Oct-08
S23 Carricknowe bridge	20-Oct-08A
5B Trackworks Balgreen Road to Saughton Road North	05-Jan-09
5B Trackworks Saughton Road North to Bankhead	18-Jan-09
S26 South Gyle Access bridge	02-Dec-08
5B Trackworks Bankhead to Edinburgh Park Station	16-Dec-08
S27 Edinburgh Park viaduct	25-Aug-08A
W16 Gyle Centre Tramstop Retaining Wall	21-Jan-09
5C Trackworks Edinburgh Park to Gyle	16-Dec-08
W28 A8 Underpass	01-Sep-08A
Gogar Depot Earthworks	24-Oct-08
Gogar Depot Building Foundations	28-Nov-08
Gogar Depot Access Roads	05-Jan-09
S29 Gogar underbridge	13-Oct-08A
S30 Gogarburn Culvert No.1	24-Oct-08
W14 Gogarburn Retaining Wall	19-Jan-09
S31 Gogarburn Culvert No.2	20-Nov-08
S34 Gogarburn Culvert No.3	02-Dec-08

5 Risk and opportunity

5.1 Review of risk register

Reviews

The following reviews took place in the period:

Date	Format of review	Attendees	Comments
13/10/08	SDS / Design risk register	Project Risk Manager SDS Project Manager	Each risk and treatment plan reviewed
31/10/08	Infraco weekly team meeting	Project Risk Manager Infraco Systems Director Infraco Project Managers	The Project Risk Manager attends this meeting on a bi-weekly basis
3/11/08	Depot risk register	Project Risk Manager Depot Project Manager	Each risk and treatment plan reviewed. New risks identified and added
3/11/08	Network Rail risk register	Project Risk Manager NR Project Manager	Each risk and treatment plan reviewed
3/11/08	OLE and Power risk register	Project Risk Manager OLE and Power Project Manager	Each risk and treatment plan reviewed
4/11/08	Structures risk register	Project Risk Manager Structures Project Manager	Each risk and treatment plan reviewed
4/11/08	High-level Infraco risks reviewed	Project Risk Manager Infraco Construction Director Infraco Systems Director Deputy Finance Director	Each risk and treatment plan reviewed. New risks identified and added
6/11/08	Joint Network Rail / tie risk register review	Project Risk Manager tie Representatives BSC Representative NR Representatives	Each risk and treatment plan reviewed

Risk Register

There are currently 53 risks in the Project Risk Register. The top five risks and associated treatment plans are illustrated below.

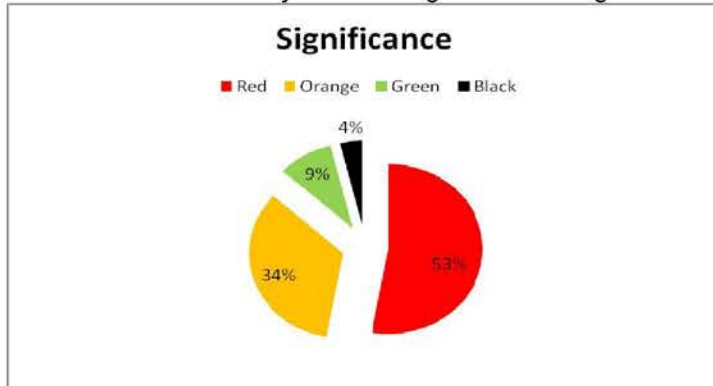
Top 5 Risks - Period 8

Risk Description

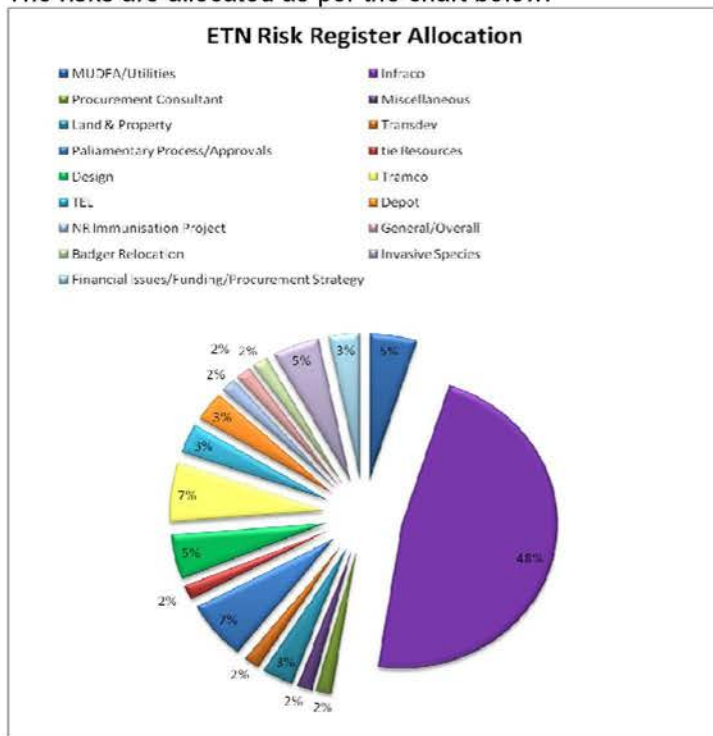
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
916	CEC do not achieve capability to deliver	CEC are unable to honour their funding commitment	Potential showstopper to project if contribution not reached, Line 1B may depend on incremental funding from CEC	S McGarity	NIL - 0.00	Project	CEC has formed a multi discipline Tram Contributions Group to monitor identified sources of £4.5m contribution including critically developers contributions. It is invited to that group. (see add info)	On Programme	On Programme	31-Jul-11	CEC
999		Extent of concessionary fare support commitment from TS provides inadequate comfort to CEC	CEC withdraw support for FBC and TS project fails	G Bissett	NIL - 0.00	Project	Negotiate the terms of Government commitment to concessionary fare support to level which is satisfactory to CEC	On Programme	Complete	31-Jan-08	G Bissett
139	Utilities diversion outline specification only from plans	Uncertainty of Utilities location and consequently required diversion work/unforeseen utility services within LOD	Increase in MUDFA costs or delays as a result of carrying out more diversions than estimated	G Barclay	High - 25.00		Carry out GPR Adien survey Identify increase in services diversions. MUDFA to resource/re-programme to meet required timescales.	Complete	Complete	31-Oct-07 23-Nov-07	J Casserty J McAloon
164	Utilities assets uncovered during construction that were not previously accounted for; unidentified abandoned utilities assets; asbestos found in excavation for utilities diversion; unknown cellars and basements intrude into works area, other physical obstructions, other contaminated land	Unknown or abandoned assets or unforeseen/contaminated ground conditions affect scope of MUDFA work.	Re-design and delay as investigation takes place and solution implemented; Increase in Capex cost as a result of additional works.	I Clark	High - 25.00		In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer Carry out GPR Adien survey Identify increase in services diversions. MUDFA to resource/re-programme to meet required timescales.	On Programme	Complete	30-Nov-08 31-Oct-07 23-Nov-07	A Hill J Casserty J McAloon
952	Scope of works relating to Wide Area Modelling (WAM) have not been agreed with SDS because they consider this to be out with the scope of their contract.	Uncertainty about extent of construction works required on road network relating to Wide Area Modelling issues.	Potential claim from SDS to deal with additional design work; Potential construction costs to deal with WAM issues (difficult to quantify without design) over and above those already included.	K Rimmer	High - 25.00		In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer Agree design requirements relating to WAM with SDS Employ further traffic management expertise Finalise boundaries of Tram responsibility for WAM requirements Obtain design and quantify construction cost for inclusion in base estimate Provision of £500k in Draft Final Business Case estimate to deal with WAM requirements	On Programme	Complete	30-Nov-08 31-May-07 31-Jan-07 31-May-07 31-Jul-07 31-Jan-07	A Hill T Glazebrook C McLaughlan A Sim T Glazebrook G Gilbert

The Primary Risk Register is attached at Appendix D. The Primary Risk Register contains those high impact risks which are impacting (or have the potential to impact) the project at this moment in time.

The risks within the Project Risk Register are categorised below:



The risks are allocated as per the chart below:



New risks

The following new risks were added during the period:

- 1. Late completion of remedial works to water main:** There is concern over Carillion’s mobilisation to resolve this problem due to their determination to reconcile the issue of liability with their supply-chain; Treatment – Review of remedial works programme with Carillion and SDS. Involvement of senior management;
- 2. Network Rail suspend works due to excessive settlement adjacent to depot:** The dewatering at Gogar has raised concerns with NR and there is now monitoring taking place. It has since been discovered that the NR surveyor made a mistake with the readings and there has in fact been no settlement; Treatment – Tramworks to prepare appropriate groundwater modelling and settlement analysis. Installation of appropriate monitoring to be proposed;

3. **Delay in obtaining Section 21 agreement with Scottish Water:** As the depot is being constructed over a Scottish Water asset this agreement needs to be obtained. Treatment – Engage solicitors to tie up agreement with SW;
4. **Haymarket retaining wall requires additional temporary works to support the wall during Utilities works on Haymarket Terrace:** The foundations of the retaining wall have been found to be more shallow than expected following the demolition of the CAH, therefore additional support may be required. Treatment – Temporary work designers to provide clarification on what temporary works, if any, are required to support the retaining wall during Utilities works;
5. **Leith Walk embargo causes delay to construction and utility diversion works:** TPB have agreed a 5 week embargo on Leith Walk from 12 Dec 08 to 19 Jan 09. Treatment – Minimise contractor's exposure by identifying other work scopes outside the embargo area; and
6. **Princes Street works take longer than programmed due to one lane being kept open:** Traffic modelling has shown that one lane needs to be kept open on Princes Street during works. Treatment – Production of robust programme to mitigate losses.

Reassessed and closed risks

The following risks were closed in the period:

1. **Delay to completion of water main at depot by utilities:** The water main was completed however a new risk was created when it became apparent that there was a fault;
2. **SDS have not provided weight-bearing loadings for pole supports:** These have been provided;
3. **Failure to obtain planning permission for correct size of substations – Siemens have stated that the SDS designed substations will not accommodate the switchgear and a redesign needs to be done.** Siemens have now progressed this issue and the risk no longer exists; and
4. **Unable to gain land out with depot to provide dedicated access for BAA emergency vehicles to A8:** Land is now available.

5.2 Risk action plan for next 2 periods

Action Owner	Risk ID	Action ID	Action Name	Due	Active	Complete	Late	Period 8/9
A Hill	139	42	In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer	30/11/2008	Yes	No	No	8
A Hill	164	42	In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer	30/11/2008	Yes	No	No	8
A Richards	901	171	Properly define tram/depot interfaces and ensure correct commissioning and training	01/01/2009	Yes	No	No	9
A Richards	60	519	Pre- and Post Construction Condition Surveys	30/12/2008	Yes	No	No	9
D Sharp	44	467	Weekly Meetings of Approvals Task Force	31/12/2008	Yes	No	No	9
D Sharp	279	634	Weekly Meetings of Approvals Task Force	31/12/2008	Yes	No	No	9
D Sharp	279	635	Monitoring and tracking through the 3rd party rep	31/12/2008	Yes	No	No	9
D Sharp	271	559	Assure the quality and timing of submissions	31/12/2008	Yes	No	No	9
D Sharp	271	637	Weekly Meetings of Approvals Task Force	31/12/2008	Yes	No	No	9
I Clark	914	573	SDS to obtain consent for design in accordance with programme requirements - Scottish Water and all Telecoms	30/11/2008	Yes	No	No	8
M Blake	914	557	SDS to obtain consent for design in accordance with programme requirements - SGN and Scottish Power	30/11/2008	Yes	No	No	8
R Bell	1078	647	Engagement between tie and BSC at different levels. Regular review of BSC management of third parties as per Employers Requirements.	31/12/2008	Yes	No	No	9
R Bell	1079	648	Ongoing review of BSC resources and formal review at 4-weekly meeting. Objectives to be set for BSC at monthly meetings in order to monitor progress.	31/12/2008	Yes	No	No	9
R Bell	1080	649	Minimise contractors exposure by identifying other work scopes outside the embargo area.	12/12/2008	Yes	No	No	9
R Bell	1082	651	Review of remedial works programme with Carillion and SDS. Involvement of senior management.	28/11/2008	Yes	No	No	8
T Glazebrook	44	601	Informal consultation prior to statutory consultation	31/12/2008	Yes	No	No	9
T Glazebrook	1077	646	Establish a process which will act as a control mechanism for design changes. (If one exists already then ensure process is complied with)	31/12/2008	Yes	No	No	9

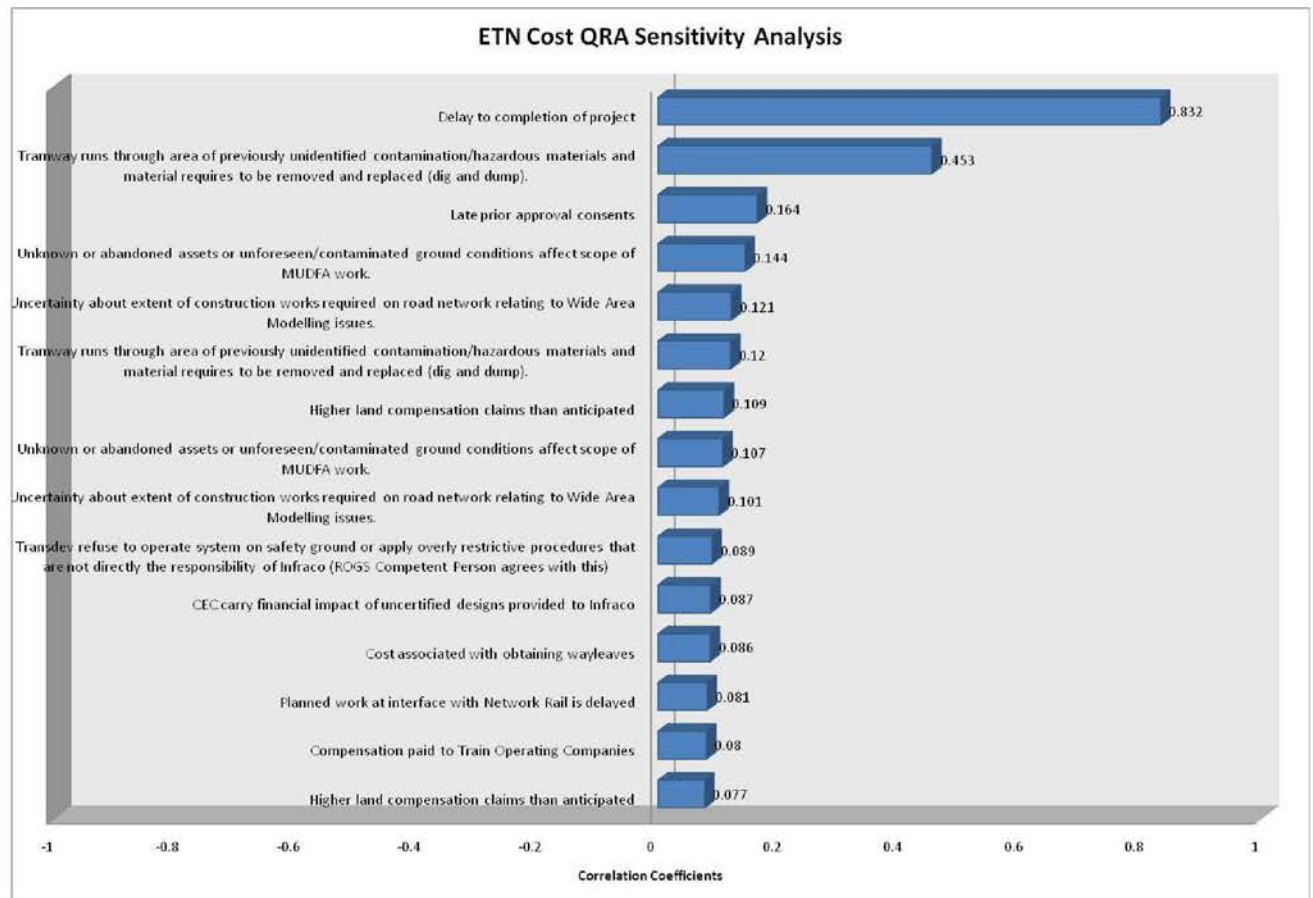
5.3 Cost Quantative Risk Analysis

The cost QRA has remained constant during Period 8. The current P80 figure is £23,579k. In addition to this figure is £5,370k which constitutes risk allowances for specific items and contingency. The total project risk allocation is therefore £28,949k.

The following table illustrates what risk and contingency has been drawn down to date:

Item	Amount	Source of Funding	Notes
Sewer diversion at A8	£1,370,000	Contained within QRA	Risk Id 342
Seminar on Hearts Memorial monument relocation	£9,750	Contingency	
Currency cost relating to Tramco at Financial Close	£6,478	Contingency	

Sensitivity analysis of cost QRA



The above chart highlights those component risks which are correlated most closely with the overall risk allocation. These risks are the ones which, if changed in terms of probability or impact, would have the most significant effect on the final output.

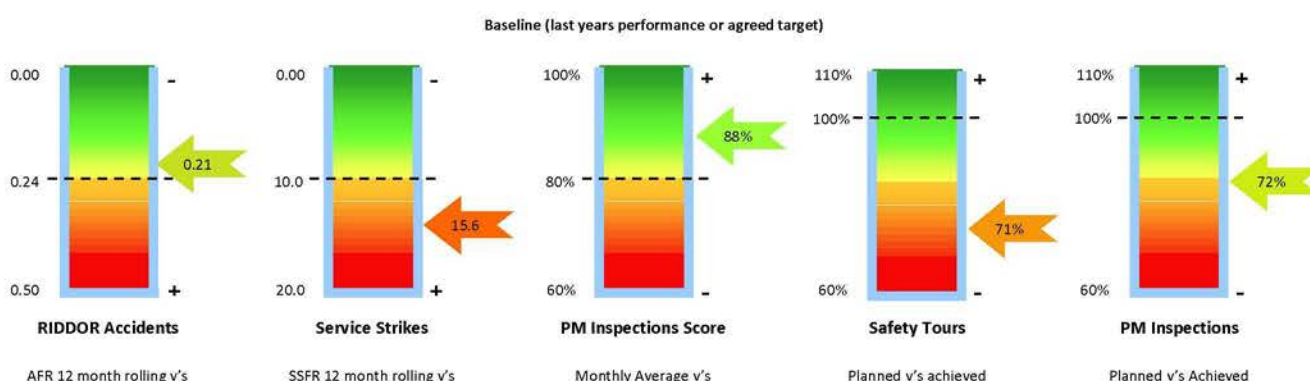
5.4 Schedule QRA

tie are currently working with the supplier of Active Risk Manager (ARM – the risk management software which tie uses) with a view to integrating Primavera and ARM so that a schedule risk analysis can be developed. A schedule QRA will be created in line with the recalibration of the overall programme.

6 Health, safety, quality and environment

6.1 H&S accidents and incidents, near misses, other or initiatives

HS&E ACCIDENTS and INCIDENTS SUMMARY									
Project Running Totals	Total Hours	RIDDOR	Accidents	Incidents	Near Miss	Service Strikes	Total Events	AFR	SFR
Period 8	121,833	1	7	20	6	12	45	0.82	9.85
Year to Date	763,595	2	24	66	37	127	254	0.26	16.6
13 period rolling	955,268	2	33	92	41	149	315	0.21	15.6



There has been one 'Major' reportable accident during Period 8. A Carillion FLM slipped whilst walking and broke his ankle. Carillion carried out a 10 minute stand down across all sites under the Tram project and briefed their operatives on safe and acceptable walkways including slips trips and falls.

There have been three significant near misses during the period which are being investigated by BSC and will be reviewed by **tie**.

This takes the AFR for the annual rolling period to 0.21 which is still within the target of 0.24 accidents per 100,000 hours.

The frequency of service strikes fell during period eight compared to those recorded during the previous period. This may be due to the number of toolbox talks carried out by Scottish Power directly to CUS employees.

The HSE (Health and Safety Executive) visited two areas within Period 8, Gogar depot, where they commented about communication and ventilation arrangements within the tunnel, and Leith Walk where comments were made about barriers to excavations and the security of heras fencing. In both cases, Carillion have actioned the specific comments and produced a report. In both cases there was no official enforcement action taken from the HSE. **tie** have followed up with a phone call to the HSE on both occasions. There is also a meeting planned with the HSE for 3rd December 08

Over 70% of planned Health and Safety inspections / tours planned were achieved in period eight which is an increase on last period; however the target is 100%. This will be focussed on during Period 9. Inspections carried out by Project Managers scored on average 88% during Period 8 against a target of 80%.

6.2 Environment

There was an environmental incident involving Japanese Knot Weed where it was incorrectly placed in a mixed skip, the skip then had to be removed as special waste. Near miss incident was recorded where slurry was found to have been deposited next to a drain, possible run off contamination. NCR raised and slurry removed.

6.3 Quality

Two audits have undertaken on a BSC proposed main contractor, Grahams. One of the audits took place on site and one in their head office in Northern Ireland. The findings were satisfactory and previous concerns have been addressed. However, BSC will be asked to closely supervise during the initial stages of construction. Key areas of concern relate to the utility reinstatements, remedial works required at BT chambers and ducts. Improvements have been made to inspections and test plans to avoid future occurrences. Additionally, tie has increased its level of site supervision.

7 Stakeholder and communication

7.1 Stakeholder / communication strategy / plan

The structure and responsibilities of the Communications and Stakeholder team are under review and changes will be made in the next period. The Communications and Stakeholder Strategy will be refreshed once this has happened.

7.2 Stakeholder / communication update

Our media team has handled various issues including The Mound closure, Willie Gallagher's resignation and FOISA requests.

Tram Operating Group meeting updated key City Centre Businesses and Edinburgh Business groups on progress on utility and tram works and Open for Business activities.

The team has been working closely with stakeholders throughout the route regarding all upcoming tram works through notifications, face to face engagement and website updates. Key areas have included Leith Walk, regarding the utilities programme at Manderston Street, Jane Street and London Road roundabout and the preparation for the tram works between Kirk Street and Stead's Place.

Marketing materials produced this period have included articles to Construction Now! and The Burrows Guide to Edinburgh.

In conjunction with the City of Edinburgh Council, we are in the early stages of developing a Schools Programme to engage with local primary aged children.

7.3 Communication and stakeholder action plan for next period

Communications will be sent to local businesses and residents about the Leith and city centre Christmas embargos.

Media activity next period will be focused on traffic management at The Mound, infrastructure and utilities work on Leith Walk, Constitution Street and Haymarket Phase 2. Notifications and stakeholder engagement will also take place to support these works.

Updates will be produced to support all key work areas, particularly for the infrastructure works on Leith Walk and Phase 2 of the utility works at Haymarket.

The development of the new Edinburgh Trams website is ongoing and a soft launch will take place next period. The final launch will take place in December 2008.

Appendix 'A' Detailed cost report

FY 08/09: Demand on TS 116.260

1: HEADLINE FINANCIAL COMMENTARY

PERIOD RESULTS:

Period is for Phase 1a only. See Section 3 of the TS report.

YTD RESULTS:

YTD is for Phase 1a only. See Section 3 of the TS report.

FULL YEAR FORECAST:

FY 0809 is for Phase 1a only. See Section 3 of the TS report.

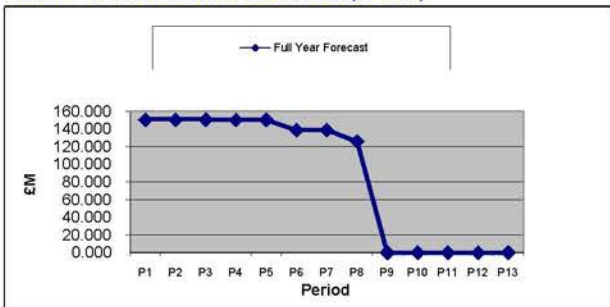
AFC:

AFC is for Phase 1a only. See Section 3 of the TS report.

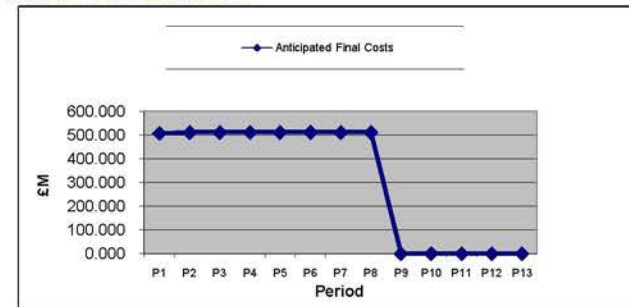
2: SUMMARY

	FY 08/09			FY 08/09			FY 08/09			COWD To Date	Costs To Go	Total AFC
	COWD Period			COWD Year To Date			COWD Full Year Forecast					
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance	Actual	Forecast	Forecast
Total Project COWD	5.750	15.222	-9.472	58.663	84.543	-25.881	126.104	150.851	-24.747	188.703	323.314	512.017
Other Funding	0.475	1.257	-0.782	4.275	6.412	-2.137	9.844	30.852	-21.008	15.581	26.696	42.276
Demand on TS	5.275	13.965	-8.690	54.388	78.131	-23.744	116.260	120.000	-3.739	173.122	296.618	469.741

GRAPH 1 - Period Trend of Full Year Forecast (FY 08/09)



GRAPH 2 - Period Trend of AFC



3: RISK AND OPPORTUNITIES TO:

FULL YEAR FORECAST:

See Section 3 of the TS report.

AFC:

See Section 3 of the TS report.

4: ACCRUALS COMMENTARY

5: TOTAL PROJECT ELEMENT SPEND BREAKDOWN (TS & 3rd Party Costs)

PLANNED/EMERGING/FORECAST

Allocated in accordance with standard WBS. Values relevant to business case or other agreed baseline date to be known as original estimate.

Relevant Baseline date : **FBC 20/12/2007**

	Estimated Cost			Actual Cost/Forecast			Variance
	Original Estimate	Escalated Original Estimate	Escalated Latest Estimate	Cost Of Work Done (COWD)	Forecast to Completion	Anticipated Final Costs (AFC)	
General Overall	28.233	28.233	28.766	22.644	6.122	28.766	0.000
Procurement Consultant	68.126	68.126	69.771	45.364	24.407	69.771	0.000
Design	23.683	23.683	26.828	25.100	1.727	26.828	0.000
Financial Issues/Funding/Procurement Strategy	2.258	2.258	2.584	2.118	0.466	2.584	0.000
Parliamentary Process/Approvals	0.329	0.329	0.319	0.319	0.000	0.319	0.000
Procurement Construction Works	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Construction Works	273.102	273.102	296.648	89.518	207.129	296.648	0.000
Testing & Commissioning	1.984	1.984	0.000	0.000	0.000	0.000	0.000
Handing Over & Service Operations	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NOP/Rail Projects Interface (Promoters View)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Interfacing Developments	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TRAMS, Vehicles (Edinburgh TRAMS Use Only)	51.370	51.370	58.152	3.639	54.513	58.152	0.000
Risk	48.974	48.974	28.950	0.000	28.950	28.950	0.000
Opportunity (Negative Value)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OB/Contingency	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	498.060	498.060	512.017	188.703	323.314	512.017	0.000

6: Current Year 08/09 - Baseline Budget

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	Total
1 Total Project COWD - Budget	6.457	13.085	14.265	7.667	8.688	8.763	10.395	15.222	23.863	6.198	13.563	12.195	10.490	150.851
2 Other Funding - Budget	-0.036	1.080	1.178	0.633	0.717	0.724	0.858	1.257	1.970	0.512	1.120	10.348	10.490	30.852
3 Demand on TS - Budget	6.493	12.005	13.088	7.034	7.971	8.039	9.537	13.965	21.893	5.686	12.443	1.847	0.000	120.000

7: Current Year 08/09 - Actuals (Updated 4 weekly)

4 Total Project COWD + Revised Forecast	6.457	11.287	10.360	8.162	7.371	3.744	5.531	5.750	7.485	10.955	20.382	15.986	12.633	126.104
7 Other Funding + Revised Forecast	-0.036	0.932	0.855	0.674	0.609	0.309	0.457	0.475	0.618	0.905	1.683	1.320	1.043	9.844
10 Total Demand on TS	6.493	10.355	9.505	7.488	6.762	3.435	5.074	5.275	6.867	10.050	18.699	14.666	11.590	116.260

8: Variance tracker

12 Variance Line 1 to Line 4 - Project Actual vs Budget	0.000	-1.798	-3.905	0.495	-1.318	-5.018	-4.864	-9.472	-16.378	4.757	6.820	3.791	2.143	-24.747
13 Variance Line 2 to Line 7 - Oth Funding Actual vs Budget	0.000	-0.148	-0.322	0.041	-0.109	-0.414	-0.402	-0.782	-1.352	0.393	0.563	-9.028	-9.447	-21.008
14 Variance Line 3 to Line 10 - Demand on TS vs Budget	0.000	-1.650	-3.583	0.454	-1.209	-4.604	-4.463	-8.690	-15.026	4.364	6.257	12.819	11.590	-3.739

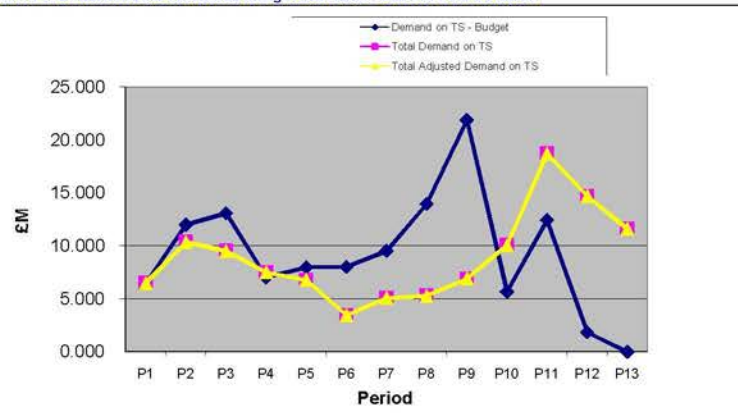
9: Next Year 09/10 - Forecast (Updated 4 weekly)

	Q1	Q2	Q3	Q4	Total	Financial Commentary - FY 09/10 Onwards
16 Total Project COWD	42.152	31.398	37.483	47.478	158.510	All costs are for Phase 1a only. See Section 3 of the TS report.
19 Other Funding	3.480	2.593	3.095	3.920	13.088	
22 Total Demand on TS	38.671	28.806	34.388	43.558	145.422	

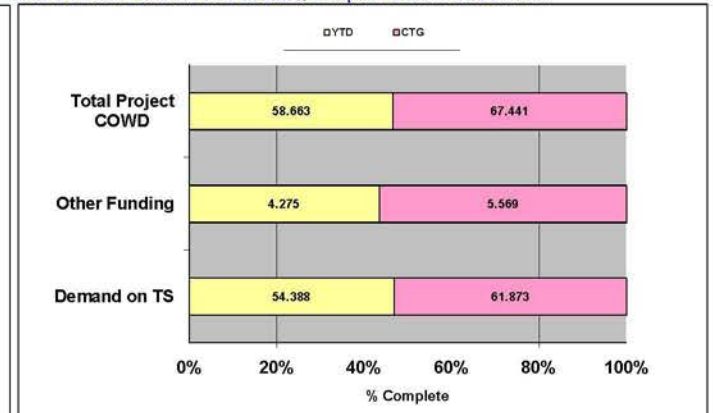
10: All Years (Escalated) (Updated 4 weekly)

	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FUTURE	TOTAL
24 Total Project COWD	0.000	3.093	10.664	30.431	85.852	126.104	158.510	80.147	17.216	0.000	0.000			512.017
27 Other Funding	0.000	0.000	1.000	0.019	10.287	9.844	13.088	6.618	1.421	0.000	0.000			42.276
30 Total Demand on TS	0.000	3.093	9.664	30.412	75.565	116.260	145.422	73.529	15.794	0.000	0.000	0.000	0.000	469.741

GRAPH 3 - Demand on TS: Actual/Budget Run Rate - Current Year FY 08/09



GRAPH 4 - Year To Date/ Costs To Go - % Complete - Current Year FY 08/09



11: Other Funding

	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	Total
Budget (Current Year 08/09)														
CEC	-0.036	1.080	1.178	0.633	0.717	0.724	0.858	1.257	1.970	0.512	1.120	10.348	10.490	30.852
Other Funding Stream														0.000
Other Funding Stream														0.000
Other Funding Stream														0.000
Other Funding Stream														0.000
Total Budget Other Funding	-0.036	1.080	1.178	0.633	0.717	0.724	0.858	1.257	1.970	0.512	1.120	10.348	10.490	30.852
Actual (Current Year 08/09)														
CEC	-0.036	0.932	0.855	0.674	0.609	0.309	0.457	0.475	0.618	0.905	1.683	1.320	1.043	9.844
Other Funding Stream														0.000
Other Funding Stream														0.000
Other Funding Stream														0.000
Other Funding Stream														0.000
Total Actual Other Funding	-0.036	0.932	0.855	0.674	0.609	0.309	0.457	0.475	0.618	0.905	1.683	1.320	1.043	9.844

12: Promoter Full Year Forecast Run Rate

Period Trend of Full Year Forecast (Current Year 08/09)	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13
Full Year Forecast	150.851	150.851	150.984	150.537	150.647	138.759	138.792	126.104					

13: Promoter AFC Run Rate

Period Trend of AFC	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13
Anticipated Final Cost	508.017	512.017	512.017	512.017	512.017	512.017	512.017	512.017					