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**From:** Stewart McGarrity [Stewart.McGarrity@tie.ltd.uk]  
**Sent:** 13 November 2008 21:13  
**To:** John Ramsay (john.ramsay@transportscotland.gsi.gov.uk); Donald McGougan; Dave Anderson; Bill Reeve (bill.reeve@transportscotland.gsi.gov.uk); jerry.morrissey@transportscotland.gsi.gov.uk; Alan Coyle  
**Subject:** Todays meeting - PRIVATE & CONFIDENTIAL

**PRIVATE & CONFIDENTIAL**

Gents,

Today we spoke about the challenges on programme and on costs for Phase 1a of the Tram and I wanted to clarify a very important point. We discussed the impact on costs if Phase 1b does not go ahead if planned - on the face of it an additional £6.2m. I also spoke of a range of pressures which could, if unmitigated, give rise to additional increases. It is very important to recognise that nothing has crystallised yet and I was giving a heads-up on such pressures and that there are a range of possible outcomes. The message is that funding available for Ph1a is £545m and it is unwise to take any of the funding headroom off the table at present. Any proposed increases in the cost estimate will be subject to mitigation and examination through the Tram Project Board and it is not appropriate to take the view from our discussions today that an increase in cost beyond £512m has "happened" beyond the recognition that on the face of it we have an additional £6.2m if Ph1b were not to be constructed under the current procurement arrangements. This will be the basis of the P8 report we submit to TS tomorrow.

If anyone wants to chat about this then please give me a call.

Regards,

Stewart  


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