



EDINBURGH TRAM Highlight Report to the Chief Executive's Internal Planning Group 28 January 2009





1 Background

This 'highlight report' is an update to the Chief Executive's Internal Planning Group (IPG) on the Edinburgh Tram Project to inform on the progress on this project and any decisions required.

A version of this report (with commercially sensitive and confidential material removed) is also to be circulated within the Council as a means of communicating progress with the Tram project

2 Executive Summary

2.1 Matters Arising

Statutory Council Approvals and Consents

As the detailed design continues, there are several statutory consents that the Council must provide. These include Planning Prior Approvals, Building Warrants, Roads and Structures Technical Approvals.

Communications Update

An update is provided on the Princes Street communication plan.

Financial Update

A financial update is provided for the project which includes a breakdown of the Council's contributions and projected cash flow, including the Tram Developer Contributions and a revised estimated AFC (bearing in mind unconfirmed costs and unmitigated matters).

Progress Update for Mudfa and Infraco

An updated position on the major contracts is provided. There remains some concern about the lack of progress with the Infraco mobilisation Progress against programme information is also supplied.

Risk & Opportunity Review

A risk review has been undertaken by **tie ltd** and the top five primary (most current and relevant) risks are identified.

Governance Review

The TPB considered a report at its meeting on 22 January 2009 and have agreed a course of action which they have referred to the Council for a final decision. Marshall Poulton was appointed as Tram Monitoring Officer on 5 January 2009.

Change Control Management

The Council's change management control system is now in place and three changes relating to the Picardy Place development have been submitted to **tie** for action.

Princes Street Closure

A programme of works has been agreed and a contingency plan protocol has been prepared and is attached.

Manor Place Closure

The pre-Christmas closure of Manor Place caused delays to the MUDFA programme which will have additional costs implications which are yet to be determined.

Tram Design and Mock-Up

Modifications to the Tram Design are under discussion. The Tram Mock-up, meanwhile, will go on public display on Princes Street at Jenners for a seven week period leading up to and including the Easter break.





St Andrew Square Public Realm

The St Andrew Square public realm works are on hold pending agreement on how best to integrate the construction works with the Tram works.

Gogar Interchange

The terms of TS's instruction do not meet all of the Council's expectations so the Council have written to TS seeking a more comprehensive instruction.

2.2 Matters to Note or for a Decision

- To note the position with the status of the statutory Council approvals and consents
- To note the Communications Update and the Princes Street Communications Plan
- To note the Financial update and the Tram Developer Contributions
- To note the progress on Mudfa and Infraco
- To note the position with risks and opportunities
- To note the ongoing Governance Review and Change Management process
- To note the position with the Princes Street Closure
- To note the position with the Manor Place Closure
- To note the position with the Tram Design and mock-up
- To note the position with the Public Realm works on St Andrew Square
- To note the position with the TS Gogar Interchange proposals
- To note the position with CEC resources.

3 Statutory Council Approvals and Consents

The table below provides an updated summary position on all the necessary approvals required from the Council for the tram project. A further detailed breakdown is attached as Appendix 1. Weekly 'Task Force' meetings are held between **tie Ltd**, the designers, BSC and the Council to closely monitor progress and minimise potential delays. Current progress is broadly in line with V31 of the programme. Where delays have occurred mitigation plans are in place.

CEC Statutory Council Approvals and Consents	Total Number of Submissions	Total number of Approvals	% Complete
Prior Approval	62	57	92%
Full Planning Permission	9	7	78%
Listed Building Consent	11	11	100%
Scheduled Monument Consent	1	1	100%
Building Warrant	16	9	56%
Technical Approvals (including Structures, Roads and Drainage)	121	85	70%
Total	220	170	77%





An approvals tracker that identifies each of the approvals and their status has been developed. An extract from that tracker is also included as Appendix 2. The status of the approvals relates to the Issue for Construction drawings which is on the critical path for the project construction. However, the design of the road reconstruction has yet to be submitted and approved through the audit process. Following the completion of these approvals it will be necessary to complete the remaining 'conditioned matters' and deal with any new changes proposed by BSC. It is anticipated that this process will continue well into 2009 because it is directly linked into BSC procurement programme.

4 Communications Update

Princes Street tram communications

The full communications plan is included in Appendix 3. The aim of the communications is to ensure that directly affected 'frontagers' and the wider public understand:

- that Edinburgh's shops and businesses are open
- any impact to journeys or their business, including new bus stop locations
- we appreciate their patience whilst we build the tram system
- key information about trams

Key tie activities include:

- Tram construction surgeries: 11, 12, 13 February
- Distribution of information via letter boxes to frontagers (residents and businesses)
- Meetings with community council and resident associations

In addition to this, the Council is leading on the following communications to reach a wider audience:

- Leaflet inc map distributed by hand on-street plus other outlets (shops, buses, petrol stations)
- Metro and Evening News adverts
- Radio Forth/Galaxy FM advertising
- Bus shelter advertising
- Phone box adverts (in city centre to direct to George Street bus stops)
- Waverley Station poster adverts (limited)
- Pedi-cab advertising

As part of the 'Open for Business' marketing, the following will be launched in Feb/March:

- Radio Forth competition
- New shopping website
- New shopping magazine





Tram mock-up public display

The mock-up will be sited on Princes Street carriageway outside Jenners from the closure of the street. It is scheduled to open 11-4 for the first week (including Saturday and Sunday), and 11-7 on the Thursday. Opening times after this are still to be decided, and is heavily dependent on staff availability. It is scheduled to be present for 7 weeks, which will take it up to the Easter weekend.

A site plan has been prepared showing entrance, exit and queuing areas. A platform will be built to demonstrate level boarding. There will be a ramp for disabled access to the platform. The area will allow information to be mounted about trams.

VIP visits are to be held on 27 Feb and 3 March. Visits for schools are to be arranged.

Security is being looked at – there is the possibility that Infraco will provide 24/7 security for the worksite.

The team are examining whether 1 or 2 Lothian Buses can be used in the area as space to host people/provide more information.

Work-site hoarding signage

Tie Communications are devising the 'strategy' for signage around work sites: extent, format, locations, production etc. The Council is designing visuals. There will be signage on Princes Street hoardings promoting shopping and directing pedestrians to shops (with map and shop listings). There will also be signage with tram information on.

The 'look' aims to be very upbeat and attractive – and to incorporate the tram logo – but not to use solely the tram branding.

Schools programme

The Health and Safety tram visits to schools start on Tues 27 Jan. The visits include a specially created child-friendly leaflet on trams and safety. The 'tram bus' will not be used at first, but will be rolled out to some school visits.

27 Jan: Dalry Primary

28 Jan: Broomhouse, Leith Walk

30 Jan: Corstorphine 02 Feb: Royal Mile

OD Fals Onlars in

03 Feb: Gylemuir

04 Feb: St Marys (Leith), Victoria (Newhaven)

06 Feb: St Josephs, Fox Covert

09 Feb: Carrick Knowe

10 Feb: Abbeyhill

11 Feb: Broughton

12 Feb: Lorne

13 Feb: Leith





24 Feb: Balgreen

25 Feb: Stockbridge and Fort 26 Feb: Hermitage Park 27 Feb: Flora Stevenson

5 Financial Update

A financial update, the Council's contribution to the project and cashflow, is detailed in Appendix 4. In summary, the contribution, which is unchanged from what was reported to the IPG on 23 December 2008, comprises:

CEC Contribution Breakdown	Planned Contribution	Achieved Contribution
Council Cash	£2.5m	£2.5m
Council Land	£6.2m	£4.3m
Developer Contributions – Cash*	£25.4m	£3.02m
Developer Contributions – Land	£1.2m	£0.0m
Capital Receipts (Development Gains)	£2.8m	£0.0m
Capital Receipts	£6.9m	£0.0m
Total	£45.0m	£9.82m

*Tram Developer Contributions - Cash

As reported previously £3.022m has been contributed to date. £2m is being sought from the Tiger development at Haymarket. Negotiations are still ongoing with Tiger and if that was agreed this would increase the total to £5.022m once this contribution is banked. It should be noted that the Councils risk in relation to the tram contribution would be significantly reduced should the Planning Application with Forth Ports (FP) be agreed, which would yield up to £28.8m in tram contributions. Negotiations with FP have been difficult, with recent talks suggesting that the value of total developers contributions relating to the FP development are unaffordable to the company, though the tram contribution should be unaffected. Securing the tram contributions will be given a high priority given the Council's existing commitment. FP will not be given Planning Permission until the agreement is concluded.

There are circa £12m of developers contributions in the planning system. The table below shows the value of the contributions at each stage in the planning process.

Tram Cash	Value (£m)
Amount received	£3.02
Amount in concluded legal agreements (where development has commenced) Amount in concluded legal agreements (where development has not	£1.69
commenced)	£1.44
Minded to grant/Pending Consideration	£6.23
Potential Total (* note that this excludes FP)	£12.38





5.1 Cashflow/Spend Profile

Transport Scotland funding is capped at £120m for 2008/09 with **tie**'s current spend forecast £111m which has reduced from £126m reported in the previous period as a consequence of project slippage. The call on TS funding in the current financial year will therefore be £103m. The spend forecast for 2009/10 is £178.3m with TS funding capped at £149m. TS have contributed £227.9m funding to date with forecast spending for the next period of £9.8m.

The project AFC reported to Transport Scotland remains at £512m. There is significant work which will re-align programme and costs over the coming weeks; a range of possible changes to the project budget was presented to the Tram Project Board on the 22nd January.

The impact on the AFC at this point of associated costs is detailed in the table below. The table attempts to quantify the sensitivities associated with the estimate and £512m remains the reportable figure until the new project programme is established.

Description	Value (£m)
Current Anticipated Final Cost (as per Contract Price)	£512.0
Phase 1b Costs incurred in the event 1b does not proceed	£6.2
Shortfall on Infraco Value Engineering	£5.0
Claims Settlement Infraco/MUDFA	£11.0
Drawdown on Risk Allowance to cover claims	-(£11.0)
Additional Resources Costs not foreseen at Financial Close	£6.0
*Unmitigated Total	£529.2

^{*} The potential change in cost does not take into account the balance of any further claims resulting from £17m of variations submitted by BSC. This sensitivity could add further costs to the £529m highlight in this table. The increase in the required risk allowance due to design changes and road reconstruction are also excluded.

6 Progress Update

6.1 MUDFA (Utilities)

Carillion-related diversions are now complete in Sections 5A and 5B, other than for final BT cabling and transfer of service. The impact of the revised programme was agreed with Carillion in Period 8 and will be included in the recalibration exercise. Any commercial impacts will be reported in due course.

During the period the city centre embargo was in effect from Picardy Place to Shandwick Place. The Leith Walk embargo was implemented on 12th December and is ongoing until 19th January. This closed worksites on Leith Walk, Constitution St, Picardy Place, York Place and St Andrew's Sq. Neither the Leith Walk embargo, nor the deferment of Manor Place diversions was included in Rev 7.9 of the MUDFA programme.





Cumulative progress to date is as follows:

	Planned (Rev 7.9) (m)	Actual (m)	Total completed (%)
On-street	40,625	22,337	61.5%
Off-street	11,969	7,078	74.9%
Total	52,594	29,415	64.3%

tie have agreed de-scoping which is forecast to bring the final volume of required diversions to 45,760m. Of the remaining diversions to be completed large volumes are in areas which are significantly less complex than the likes of Leith Walk and therefore productivity is expected to improve.

Work progressed in a number of locations up to Christmas and the following is of note:

- The pipe jacking of the first leg of the A8 sewer was completed and preparatory works for the second leg commenced. This work is expected to be completed late in Period 12;
- Progress was made with design of the mound gas diversion and submissions made to SGN's technical advisor for review – technical review on January 13th with SGN;
- Inspection of remaining section of the Gogar depot 800mm watermain to confirm correct installation of gaskets. Commissioning is now expected 24-26 February; and
- BT The first section (5B) is now signed over for completion. P11 will confirm the detailed programming and transfer timings.

6.2 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. It is expected that more package contractor resources will be in place from January 09. However, work has continued on a number of worksites including the Haymarket and Edinburgh Park viaducts, Carrick Knowe bridge and the A8 underpass. Significantly, the on-street works also continued with roadworks on Leith Walk using sub-contractor resources (Crummock) until the implementation of the additional Christmas embargo on Leith Walk and Constitution St on 12th December 2008. Temporary sheet piling work has been progressed during the Christmas and New Year NR possession period at Carrick Knowe bridge.

Infraco achieved a disappointing 15% of the four-month programme work content by Christmas 2008. However, resources, plans and process are now in place to ensure progress improves in 2009. There were a few other works which were outwith the four-month look-ahead programme contents such as temporary works and sheet piling that were carried out during the Christmas and New Year NR possession.

Planning for the full closure of Princes St, including traffic management, enabling works and construction methodology as well as work package plans, has progressed well and MacKenzie Construction were appointed during the period. The CEC full council meeting on 18th December approved the closure of Princes Street to allow construction of the tramworks, subject to traffic





handling the agreed diversions. A contingency relief route has also been agreed and work is progressing on documenting the detailed contingency arrangements.

The tram mock-up has arrived in Edinburgh and is being used in consultation with special interest groups to fine-tune the design. The mock-up will be relocated to Princes Street adjacent to the Scott Monument in late February 2009 as part of the communication strategy.

6.3 Other progress

Traffic Regulation Orders – draft TRO schedules and maps are being finalised and it is anticipated that formal consultation (i.e. with Statutory Consultees) will commence in June.

Murrayfield training pitches – construction works for the relocation of the Murrayfield training pitches is due for completion in Period 12. The completion of this 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 Guided Busway replacement – a contract has been awarded to Frontline Construction and work has started on the roadworks required to provide bus-priority measures on Broomhouse and Stenhouse Drives to replace the Fastlink facility which was closed on 19 January. The TRO process has commenced and the statutory consultation has been completed.

6.4 Progress against Contract Programme

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

Milestone progress

	(4-m	Period (4-month look-ahead)			Cumulative (4-month look-ahead)			Cumulative (contract programme)		
V.	Plann ed	Achieved	%	Planned	Achieved	%	Planned	Achieved	%	
Prelims	3	3	100%	30	30	100%	30	30	100%	
Construction	4	1	25%	20	8	40%	201	8	4%	
Total	7	4	57%	50	38	76%	231	38	17%	

Progress is also being recorded against the contract programme as in the table below. In both the contract and four-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 allowing accurate reporting of progress. A three month look ahead programme (from January to March) for on-street and off-street works is included in Appendix 5.





	Pe	riod	Delta	Cumi	Delta	
INFRACO PERIOD 10 PROGRESS	Plan	Actual		Plan	Actual	
Section 1a Newhaven to Foot of the Walk	0.9%	0.0%	-0.9%	3.3%	0.0%	-3.3%
Section 1b Foot of the Walk to McDonald Road	1.4%	0.5%	-0.9%	14.9%	1.4%	-13.5%
Section 1c McDonald Road to Princes Street West	0.0%	0.0%	0.0%	1.0%	0.0%	-1.0%
Section 1d Princes Street West to Haymarket	0.0%	0.6%	0.6%	0.0%	0.6%	0.6%
Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket	0.6%	0.2%	-0.4%	3.9%	0.3%	-3.5%
Section 2 Haymarket to Roseburn Junction	2.3%	2.9%	0.6%	51.4%	10.7%	-40.6%
Section 5a Roseburn Junction to Balgreen Road	2.4%	0.0%	-2.4%	32.0%	1.4%	-30.6%
Section 5b Balgreen Road to Edinburgh Park Central	4.6%	0.2%	-4.4%	46.1%	0.6%	-45.4%
Section 5c Edinburgh Park Central to Gogarburn	3.3%	0.0%	-3.3%	31.3%	1.2%	-30.1%
Section 6 Gogar Depot	3.4%	0.0%	-3.4%	43.3%	0.0%	-43.3%
Section 7a Gogarburn to Edinburgh Airport	2.4%	1.1%	-1.3%	34.2%	1.3%	-32.9%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	3.4%	0.4%	-3.0%	39.9%	1.5%	-38.4%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	2.3%	0.3%	-1.9%	25.7%	1.0%	-24.6%

7 Risk & Opportunity

There are no new risks added to the Project Risk Register during this period and no risks have been closed, so the 54 risks previously reported remain. Treatment plans are in place for each risk and are being monitored.

The current top five project risks for the project are:

- 1. Uncertainty about CEC's ability to honour their funding commitment, leading to project failure.
- 2. Uncertainty about the extent of TS concessionary fare support commitment resulting in inadequate comfort for CEC who then withdraw support for FBC, leading to project failure.
- 3. Uncertainty of utilities location and consequential required diversions / unforeseen utility services within LOD
- 4. Unknown or abandoned assets or unforeseen / contaminated ground conditions affect scope of MUDFA work
- 5. Uncertainty about extent of construction works required on road network relating to Wider Area Modelling issues.





This is reported in full in Appendix 6, TS Progress Report – Period 10, Section 5.

8 Governance Review

A report on "Governance and corporate model restructuring options" was considered at the TBP meeting on 22 January 2009. The paper, which is Appendix 7 to this report, sets out 4 governance model options for consideration and comment by the Board. The objective of the paper was to achieve a single and integrated bus and tram operation that seeks to maximise accessibility to the city for the city region and the question to the Board is which model best achieves this. The Board concluded that they rejected options A and C with a preference for B and then D, which would be the next preferred option. B is preferred because this more streamlined than D. However the board were clear that the final decision should be made by the Council in consultation with others including Lothian Buses. It has been suggested by the Director of Finance that the Council should consider the Governance issues for TEL/tie to:

- Determine the correct direction of travel for the governance model to assure the best form of integrated public transport (bus/tram);
- Achieve best clarity of programme and cost;
- Avoid the assignation of contracts; and
- Fully consider the implication of the Transport Act (1985)

The formal letter appointing Marshall Poulton to the Tram Monitoring Officer role was issued by the Director of City Development on 5 January 2009.

Since that appointment, the TMO has signed off *tie*'s Draft Agreement to settle disputed items with Carillion Utility Services relating to the MUDFA contract. The Draft Agreement results from extensive negotiation between *tie* and Carillion and is considered by *tie* to be a fair evaluation of entitlement under the Contract. The Draft Agreement contains a commercial settlement in relation to delay and disruption experienced by the contractor in the period up to the end of September 2008 and also contains payment for certain measurable items as allowed for under the contract. In total this settlement is for £1.2m. However, this has been negotiated down from Carillion's initial claim of over £4m. The TMO is satisfied that *tie* has used all reasonable endeavours to limit the size of this claim.

The major delays, agreed as being outwith Carillion's control, were due to traffic management changes imposed on the works, SDS design delays and the discovery of uncharted utilities. Given the work that has been done since October in developing better *tie* /Council planning and review of project related traffic management, the likelihood of future delay to the contract caused by last minute changes to traffic management has been significantly reduced.

However, given the delays experienced in delivery of the contract to date, a revised programme has been agreed with Carillion. This has a completion date of 1 April 2009. The Draft Agreement contains a set of incentive milestones to ensure that this date is met and also sets out principles that will apply from 1 October 2008 to measurement items within the contract.





9 Change Management

The Council's Change Management process has been introduced. The first three proposed changes, all of which relate to the proposed Picardy Place development, were submitted to **tie ltd** in December 2008 and a response is awaited.

10 Princes Street Closure

Following the decision of the Traffic Management Peer Group, the Princes Street Closure paper to the TPB on 22 January 2009 considered the impact on the works and highlighted the following points:

- The provision of a permanent lane west bound would cost in the order of £3-5m. To maintain
 the west bound option for a shorter time, until the traffic diversion to stabilise, would not be
 expected to exceed £0.5m:
- The enabling work, to provide the contingency route through the 2nd New Town, will cost between £250-300K. The provision of this route is now mandatory. A guidance note has been prepared that details the processes to be gone through before opening up this contingency route (Appendix 8); and
- The provision of a recovery vehicle will cost £100K.

The Mound Closure was implemented on the 24 January 2009 maintaining bus movements along Princes Street.

It is planned to close Princes Street (from S. Charlotte Street to S. St David Street - not inclusive) on the 21 February 2009 so as to enable the commencement of tram construction. It had been hope to open the diversion on the 14 February so as to take advantage of the reduced traffic resulting from the school holiday week, however the signal works will not be complete in time to take this opportunity.

Logistic teams will be available from *tie* to assist frontagers while SfC have formed a team to manage a range of services including street cleansing, waste management, lighting maintenance etc. An operation plan has been agreed setting out roles and responsibilities between the two teams.

The joint public relations scheme has put together a communication strategy (attached) which sets out the various steps being taken to inform the public and stakeholders about arrangements during the closure. This includes a signing strategy, to assist the public locate shops and relocated bus services on George Street. Forms of communication include leaflets, notices and radio.

The works will continue until the end of November 2009 and there is currently provision for a works embargo during August 2009.

The works, which will commence on the east side of South Charlotte Street and proceed eastwards, will be undertaken in phases, i.e. survey works, planing of the carriageway, kerb re-alignment, drainage, ducting, track laying and associated works.





tie and the Infraco contractor have indicated that there will be no motor vehicle access to Princes Street (other than contractors and the emergency services). The site will include all of the south footway, with pedestrian access to and from Princes Street Gardens and the National Gallery maintained, and will encroach into the north footway.

The joint public relations scheme has put together a communication strategy (appended) which sets out the various steps being taken to inform the public and stakeholders about arrangements during the closure. This includes a signing strategy, to assist the public locate shops and relocated bus services on George Street. Forms of communication will include leaflets, notices and radio announcements.

The Council are promoting the redevelopment of Princes Street under the "String of Pearls" project and the Tram works may have an effect on the project, depending on precisely when in the Tram programme access is required to each of the sites involved.

Detailed discussions with the owners/developers are ongoing to resolve any such issues and the Council Tram Co-Ordination Team will continue to work with Jonathan Guthrie and his team in maintaining a co-ordinated approach to the two projects to ensure that access is allowed to the sites, wherever possible. However, with the exception of the 121-123 Prince Street development there are very few details available at present as to when access is required to each site. It should also be noted that the programme of Tram works on Princes Street is not absolute because it is dependant on a number of activities which cannot be properly quantified and assessed until the work commences.

11 Manor Place Closure

The closure of Manor Place before Christmas to facilitate utility works did not proceed as planned. There was a breakdown in communication with TOG that led to a decision by the Leader, further to an intensive meeting with the TOG, not to permit this work to proceed on the lead-up to Christmas. The impact has been a delay to the programme for Mudfa and the cost of this has yet to be determined; this will be subject to a change request order.

12 Tram Design

The Council submitted a paper to the TPB setting out both internal and external design issues which require further consideration. This has resulted in a meeting with CAF in Spain and *tie*/CAF's intention is to agree a set of affordable yet necessary changes. Already there is a commitment to change the type and colour of seats and change the wall panels to a more neutral colour, as shown on the attached tram graphic in Appendix 9.

13 St Andrew Square Public Realm

The streetscape (footway and road) element of the St Andrew Square public realm works are on hold pending agreement on how best to integrate the construction works with the Tram works. *tie* have advised CEC that their estimate for incorporating the work into the Tram project is £5.5M while BSC have valued the work at £7M. Both estimates are substantially greater than the current





budget of £4.5M, so discussions are ongoing to examine the scope of the works and identify potential cost-savings.

CEC have also had discussions with SEEL, the primary funder, seeking greater flexibility in the funding programme. At present SEEL have advised that £1.3M of the total grant allocation must be spent in 2009/10 so CEC are now in discussion with *tie* to consider how best that might be achieved.

14 Gogar Interchange

Transport Scotland wrote to the Director of City Development on 15 January 2009, copied to tie Ltd, instructing CEC and tie to proceed with the procurement of a formal proposal, including programme and cost, for the development of the proposed Tram Works as previously detailed. TS have confirmed that they will meet costs incurred in preparing the initial formal proposal and have asked that the work be expedited, challenging normal turnaround times where possible. Unfortunately the terms of the instruction do not meet all of the Council's expectations. Consequently the Council has replied to TS seeking a more comprehensive instruction (Appendix 10) and is currently awaiting a response.

15 CEC Resources

Internal Resources

Existing CEC staff are carrying out the statutory approvals process and the related necessary administration for the tram project. Over fifty individual internal members of staff are directly involved in the tram project at this time. A total of 9650 staff hours has been utilised on the tram since April 2008 at a cost £318K. These costs are being borne by CEC and are contained within existing budgets.

Additional Resources

To assist with the approvals process additional staff have been brought in to either carry out the necessary work directly or alternatively free-up existing resources to do that work and use the extra resources to cover that shortfall. A total of 18 FTE have been employed since April 2008 at a cost of £389K, which was contained within the tram budget costs.





List of Appendices:

- Statutory Council Approvals Tables 1 and 2
- 2 Statutory Council Approvals - Tracker
- Edinburgh Tram Communications Plan Princes Street (Jan 2009) 3
- CEC Financial Update (12 Jan 2009)
- Three month summary programme for on-street and off-street works (from January to March 2009
- TS Progress Report Period 10
- 78 Governance and corporate model restructuring options, TBP, 22 January 2009
- Princes Street Contingency Plan
- Tram Design graphic
- CEC response letter to TS regarding Gogar Interchange, ?? Jan 2009



Statutory Council Approvals Summary Table

CEC Statutory Council Approvals and Consents	Total Number of Submissions	Total number of Approvals	% Complete
Prior Approval	62	57	92%
Full Planning Permission	9	7	78%
Listed Building Consent	11	11	100%
Scheduled Monument Consent	1	1	100%
Building Warrant	16	9	56%
Technical Approvals (including Structures, Roads and Drainage)	121	85	70%
Total	220	170	77%

Table 1 - Planning and Building Warrant Approvals

CURRENT STATUS	Sub Totals	Prior Approval	Full Planning Permission	Listed Building Consent	Scheduled Monument Consent	Building Warrant
Informal consultation not required	1	0	0	0	0	1
Informal consultation not started	1	1	0	0	0	0
Informal consultation started	1	0	1	0	0	0
Application submitted	11	4	1	0	0	6
Approval granted	85	57	7	11	1	9
GRAND TOTAL and Sub Totals	99	62	9	11	1	16
% Complete	83%	89%	78%	100%	100%	56%

Table 2 - Roads & Structures Technical Approvals

CURRENT STATUS	Sub Totals	CEC Technical Approval	Roads Construction Consent	*Network Rail Form A	*SW Drainage Outfall Consent	*SNH	*BAA Approval
TA delayed due to recent change	0	0	0	0	0	.0	.0
Issued for informal consultation	0	0	0	0	0	0	0
Issued for Technical Approval	27	11	0	2	13	0	1
Technical Approval Granted	89	78	0	9	1	1	0
Not Yet Due	5	3	1	_11	0	0	0
Delay	0	0	9	à.	0		0
GRAND TOTAL and Sub Totals	121	92	1	12	14	1	1
% Complete	73%	85%	0%	75%	0%	100%	0%

^{*} These consents are not CEC's responsibility, but for completeness they have been included as they are required to allow construction to commence.



Prior Approvals Status

					Approved by CEC	IFC	
Section	SDS/ TIE/ CEC BSC ction Batch Delay Delay	TIE/ Current forecast	TIE/ C BSC	0 0 0	v31	Notes	
3B	3/16			Tram Stop West Pilton	06/08/2008	15/08/2008	"Application Clock Stopped" BSC to issue Change Order.
5A	5/06			Tram Stop Murrayfield Stadium	01/08/2008	27/06/2008	"Application Clock Stopped" BSC to issue Change Order.
5A	5/06			W18 Murrayfield Stop Retaining Walls	01/08/2008	27/06/2008	"Application Clock Stopped" BSC to issue Change Order.
5A	5/07a			Murrayfield Accommodation Works	17/10/2008	?	SDS to issue change estimate 21/01/09
5C	5/30			Tram Stop Gogarburn	11/09/2008	11/09/2008	tie has issued RBS concept design to BSC. BSC to instruct SDS
7	7/29			W14 Gogar Burn Retaining Wall One	10/10/2008	08/10/2008	SDS awaiting change order before submission of revised drawings.
7	7/29	-		W15 Gogar Burn Retaining Wall Two	10/10/2008	09/09/2008	SDS awaiting change order before submission of revised drawings.
7	7/29			Tram Stop Edinburgh Airport	10/10/2008	09/09/2008	SDS awaiting change order before submission of revised drawings.

Technical Approvals Status - Structures

	102			Approved by CEC	IFC	
Section	CEC Delay	SDS/ TIE/ BSC Delay	Activity ID	Current forecast (live)	v31	Notes
5A			S22B Balgreen Road NR Access Bridge		16/01/2009	,



Technical Approvals Status - Roads & Drainage

					Approved by CEC	IFC	
Section		CEC Delay	SDS/ TIE/ BSC Delay	Activity ID	Current forecast (live)	v31	Notes
1A3	Road (VO252)			Subsection 1A3 - Roads (Ocean Terminal to Port of Leith)	09/01/2009	21/01/2009	v40 revised date 16/3/09
1A3	Drainage (VO252)			Subsection 1A3 - Drainage (Ocean Terminal to Port of Leith)	09/01/2009	21/01/2009	v40 revised date 16/3/09
1C2	Road				?	24/11/2008	Revised details to be submitted to CEC
1C2	Drainage				?	24/11/2008	Revised details to be submitted to CEC
6	Road			Roads, Street Lighting & Landscaping inc. car park	22/08/2008	13/08/2008	On hold
6	Drainage		Ü	Depot Drainage Design	19/08/2008	13/08/2008	On hold



EDINBURGH TRAM COMMUNICATIONS PLAN – PRINCES STREET January 2009

Introduction

This report details the communications strategy for engagement with local frontagers (businesses and residents) and a wider audience of city centre centre employees, visitors, shoppers and commuters.

This plan specifically addresses the period from January 2009 and the tram infrastructure works on Princes Street. A similar plan will be followed to reflect work in other parts of the city.

The communications plan is led by a team comprising staff from tie, the City of Edinburgh Council and Lothian Buses.

Aim

The aim of our communications is to ensure that directly affected 'frontagers' and the wider public understand:

- that Edinburgh's shops and businesses are open
- any impact to journeys or their business
- we appreciate their patience whilst we build the tram system
- key information about trams

Key messages (with supporting facts):

- 1) All shops and businesses are open as usual and you will be able to access the city easily
- Shopping and attractions in Edinburgh are unique and continue to be 'must-dos'
- There are various ways to access our city: award-winning buses, bus stops now on George Street, network of six park and ride sites, two central train stations and on and off-street parking
- The diversions will be signed on-street and communicated widely.



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- 2) The tram tracks are now being laid on Princes Street, which is a significant and visible milestone in our city's history.
- This work is quite different in appearance to the previous utility works. With work above ground, it is a visible sign of progress
- 3) We are completing this major construction work as quickly as possible and aim to minimise disruption to businesses, residents and visitors.
- Tram infrastructure will be complete on Princes Street by the end of November 2009
- Businesses and stakeholders have been consulted on plans, and requested that the work is carried out as quickly as possible
- Logistics teams will help businesses with deliveries
- The traffic management plans have been approved by a Peer Review Group who have scrutinised plans to ensure they are robust and disruption is minimised.
- 4) Trams will be up and running in 2011 and will improve our travel and economy:
- Trams are proven to have significant benefits for passengers, including smooth and quick journeys on a dedicated track, level boarding and no on-street emissions.
- The trams will directly benefit Princes Street and the city centre by increasing the numbers of people travelling to the city centre, as well as attracting new businesses who see the benefits of being close to the tram and new customers.
- The tram serves the growing areas of the city West Edinburgh, the city centre and the Waterfront which are all predicted to see increases in residents, jobs, residents, housing and businesses. Once running in 2011, trams will be an effective and efficient link between these growth hubs and will complement the bus service, which cannot cope alone.



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Item	Date	Actions/message	Deadline	Status	Owner	Stakeholder
Meeting with George Street Traders Association	Jan 21	To explain revised loading and unloading arrangements	Jan 21	Progress	GA	To individual traders via the Association
New Year Tram Fact Sheet	w/e Jan 30	Focused on Princes Street works	w/e Jan 30	Progressing	JJ/SH	The City
Princes Street Closure Customer Notification	Jan 26	To explain closure programme	Jan 23	Progressing	JJ/SH/GA	City Centre businesses, residents, all community councils, resident groups, MSPs and MPs.
Media announcement on key date and details	TBC	To explain final decision on date, bus stops etc	TBC	Progressing	tie	Media Distribution lists: UK, national, Edinburgh, Trade and traffic. Audience Scottish public Residents, politicians & business leaders Tourist and transport organisations
Follow up invitations to Community Councils and Residents Association for a meeting		To check on availability, needs, test understanding and buy in from the groups	Jan 30	Progressing	CG	Community Councils: New Town and Broughton, Old Town, West End, Stockbridge, Dalry Colonies, Lord Moray Feurs
Tram Construction	Feb 11 @ 2pm and 5pm	Root and branch	Feb 9	Progressing	tie	Local businesses, residents,



Surgeries		explanation of tram works programme, impact, travel arrangements, logistics				traders associations, Community Councils, resident associations, MSPs, MPs and Councillors
Tram Construction Surgeries	Feb 12 @ 2pm and 5pm	programme Root and branch explanation of tram works programme, impact, travel arrangements, logistics programme	Feb 9	Progressing	tie	Local businesses, residents, traders associations, Community Councils, resident associations, MSPs, MPs and Councillors
Tram Construction Surgeries	Feb 13 @ 10am and 2pm	Root and branch explanation of tram works programme, impact, travel arrangements, logistics programme	Feb 9	Progressing	tie	Local businesses, residents, traders associations, Community Councils, resident associations, MSPs, MPs and Councillors
Political briefings	11,12, 13 Feb Construction surgeries	Root and branch explanation of tram works programme, impact, travel arrangements, logistics programme		Progressing	Tie/CEC	Clirs, MSPs
Edinburgh Trams/Council/Lothian Buses websites	Early Feb	Up and running with relevant City Centre Tram Works references	Ongoing	Being regularly updated	HE-J	All citizens
Taxi driver information	Week prior to closure	Diversion	Week	Progressing	tie	Taxi drivers



		information	prior to closure			
TBC - Radio Forth/Galaxy FM advertising	Depends on closure date. Suggest: 18 Feb for 2 weeks	Dates, you can now get your usual bus on George Street. Princes Street is open to ped's, great shops, peace and tranquil gardens. More information www	TBC	Have schedule Script to be finalised	CEC	All citizens (in and outside Edinburgh)
TBC - Radio Forth competition/promotion	Depends on closure date – before and during closure (1 week)	Visit the city centre, competition to win prizes. Some practical info	TBC	Progressing	Burt Greener PR	All citizens (in and outside Edinburgh)
Positive shopping/lifestyle media stories	ongoing	Positive consumer stories about shopping, attractions etc	ongoing	ongoing	Burt Greener PR	Media – tabloid, local, consumer press
TBC - Bus shelter advertising	Depends on closure date. 18 Feb for 2 weeks	Dates, you can now get your usual bus on George Street. Princes Street is open to ped's, great shops, peace and tranquil gardens. More information www	TBC	Have schedule. Copy written. Design concept being prepared	CEC	Bus users/Edinburgh citizens
TBC - Bus shelters posters (not advertising sites but using info poster sites)	TBC	Dates, you can now get your usual bus on George Street. Princes Street is	TBC	Awaiting info from LB	CEC	Bus users/Edinburgh citizens



		open to ped's, great shops, peace and tranquil gardens. More information www				
Lothian Bus leaflet	Week before closure. Displayed on buses	Bus routes/bus stops	TBC	Progressing	LB	Lothian Bus users
TBC - Bus posters (inside buses)	TBC	Dates, you can now get your usual bus on George Street. Princes Street is open to ped's, great shops, peace and tranquil gardens. More information www	TBC	Progressing	CEC/LB	Lothian Bus users
TBC - Waverley station posters/adverts	Depends on closure date. 12 Feb - 25 Feb or two week period after this	Diversion route, if you now catch the bus then you can now find it on George (with bus stop map). Shopping in Princes Street and surrounding streets	TBC	Have schedule. Copy written. Design concept being prepared	CEC	Rail users/visitors to city centre
TBC - Phone box advertising (Frederick Street, Hanover Street, George Street) directing people to bus stops on George Street	Depends on closure date – Suggest: 16 Feb - 1 Mar. 23 Feb – 8 Mar plus	Diversion map. Your usual bus can now be found in George Street.	TBC	Have schedule. Copy written. Design concept being prepared	CEC	Those in city centre looking for their bus stop



Unight street (fly- posting) poster sites	TBC	Dates, you can now get your usual bus on George Street. Princes Street is open to ped's, great shops, peace and tranquil gardens. More information www	TBC	Copy written .Design concept being prepared		Younger Edinburgh population (as sites predominantly used for 'flyposters', gigs, clubs etc)
Signage on work-site hoardings	TBC	Directions to shops, positive messages about shopping Why building trams	TBC	Designs being prepared. Strategy being finalised	Tie/CEC	People on Princes Street
Princes Street Closure Photo call	Feb 23	Establish date of commencement of works and develop		Progressing	GE/LMcM/M C	Media Distribution lists: UK, national, Edinburgh, Trade and traffic. Audience Scottish public Residents, politicians & business leaders Tourist and transport organisations
Council staff info	Pre-closure and first week of closure	Dates, you can now get your usual bus on George Street. Princes Street is open to ped's, great shops, peace and tranquil gardens. More information	TBC	Being progressed	CEC	Up to 20,000 Council staff



		www				
TBC - Leaflet distribution. /Employee info – street teams plus other outlets, businesses, shops, petrol stations, community buildings, delivery companies (libraries etc) etc	Depends on closure date. 23 Feb for 1 or 2 days	Leaflet with info on bus stops, ped crossings, shopping offer	TBC	Have schedule. Copy written. Design concept being prepared	CEC	City centre employees, visitors
TBC - Pedi-cabs advertising. Cycling in Old Town and other areas of city centre	Depends on closure date. 23 Feb for 1 week	Visit Princes Street. Advertising location of mock up, times that it is open.	TBC	Have schedule. Copy written. Design concept being prepared	CEC	City centre users – not in immediate Princes Street vicinity – who may be deterred from visiting Princes Street
Tram mock-up public display (including photo-call)	Open from 23/24 Feb. Hours 11-4 for first week (until 7pm on Thursday) VIP visits 27 Feb and 3 March	Explanation of what the tram will look like and what benefits it will bring to the city		Arrangements in place	Tie/TEL/CEC /LB	All city
Window vinyls – Zavvi and Jenners	TBC	Why trams are being built. Thanks for patience whilst we build trams	TBC	Agreement for vinyls confirmed. Visuals to be prepared	CEC	People within city centre (walking down Princes Street)
New shopping website launched	End Feb	Come and enjoy everything in the city	End Feb	In development	Burt Greener PR	Potential shoppers in Edinburgh and beyond
Edinburgh Outlook – Council newspaper	Mid March	Dates, you can now get your usual bus on George Street. Princes Street is open to ped's, great shops, peace and	Jan 2: copy deadline	Copy written	CEC	All Edinburgh residents. Distributed through every letter box



New shopping magazine launched	March	tranquil gardens. More information www Info about shops and attractions along tram route. Distributed with Evening News and other outlets	TBC March	In development	Burt Greener PR	All city/readers of Edinburgh Evening News
New city centre map – with detailed info for BID area. Distributed via tourist information centres and BID onstreet guides	March	Detailed map with key visitor information	TBC March	In development	BID/CEC	Visitors to city centre/tourists
Information in neighbouring Council websites/newspapers	TBC	Princes Street is open to ped's, great shops, peace and tranquil gardens. More information www	TBC	To be progressed	CEC	People outwith Edinburgh
Tram bus visits to schools (with leaflet)	TBC	Health and safety information	TBC	Being progressed	Tie/CEC	School children



Tram Project Briefing - 12th January 2009

CEC Financial Update

1 Introduction

1.1 This paper is intended to give you an update on the main issues/workstreams associated with the tram project and issues arising from the tram Project Directors (PD) review meeting.

2 Funding Agreement with Transport Scotland (TS)

2.1 TS have now contributed £227.9m to the project to facilitate spending to the end of period 12 (period ending 28th February 2009). The latest cash application to TS is for £8.9m with the Council contributing £809k.

3 MUDFA

- 3.1 Spend currently stands at £49.9m excluding risk against a budget of £49.9m which represents 100% spend on the budget. The anticipated final costs (AFC) for MUDFA are currently forecast at £56.3m which includes a transfer from the risk allowance to settle claims. The MUDFA risk allowance now stands at £3.2m.
- 3.2 MUDFA works have been de-scoped by 6500m; this reduction in scope now means MUDFA works are 67% complete, a June 2009 finish is now predicted.
- 3.3 The table below highlights MUDFA progress in period 10 and cumulative to date.

	(08	Period : .12.08 - 03		Overall Performance to Date			
	Planned	Actual	Variance		Planned	Actual	Variance
Full Phase 1a	3.1%	0.1%	-3.0%		82.4%	67.0%	-15.4%

- 3.4 **tie** have settled £1.2m of claims with Carillion recently, a further £800k is likely to be payable in claims by the end of the financial year. This claim is in relation to extended prelims due to MUDFA not yet being completed, additional contract works, indexation and revised programme and milestones.
- 3.5 This claim has been authorised by the Tram Monitoring Officer and will be ratified in a report to Council in March 2009.

4.0 Infraco

4.1 Slow mobilisation of Infraco continues in period 10 as with previous periods. Progress against the 4 week look ahead table has been 21% against planned progress mainly due to continued delays with design, and procurement of package contractors.



- 4.2 Lack of finalised design and conflict with MUDFA remain the prime areas of risk in relation to Infraco.
- 4.3 The four prime Infraco risks identified by tie this period are:
 - MUDFA do not finish diversion works prior to commencement of Infraco
 - Lack of visibility of design changes between from Nov 08 current period
 - Lack of effective engagement from BSC towards tie and third parties such as Forth Ports, Network Rail and BAA.
 - · Failure of BSC to effectively resource up for the project
- 4.4 As a result of slow mobilisation construction milestones continue to be missed which is having a serious impact on the planned spend in the current year, £7.2m of construction milestones have been achieved against a forecast of £44m. tie continue to work with the contractor on a revised agreed master programme, it is hoped this programme will be in place in February. The next few weeks see critical works at the depot and in Princes Street starting. The start of these works on time will go some way to engender greater confidence in the project forecasts going forward.
- 4.5 Actual spend in period 10 was £2.7m against a forecast of £3.3m. The outturn for 2008/09 has now decreased by £13.9m from the previous period forecast to £36.1m as a result of missed milestones totalling £6.2m and project changes of £5.5m profiled into 2009/10 which were previously thought to apply to the current financial year. £2.5m of changes have to be paid based on programme changes from Financial Close (V26) to the current programme (V31).
- 4.6 Variations of circa £17m have been submitted by Infraco. As with MUDFA, any potential claim would be subject to ratification by both the TMO and Council. The Infraco Anticipated Final Cost (AFC) line is forecast currently at £258.5m against a budget of £240.4m, this adverse variance of £18m does not take account of any drawdown from the Infraco risk allowance which would cover prolongation claims.
- 4.7 Value Engineering (VE) opportunities of £8.3m have been instructed to date. Total VE opportunities amount to £12.6m in relation to Infraco, tie's view of actual savings is currently around £7.1m. This shortfall would effectively be an increase to the AFC.

5.0 Tramco

- 5.1 Tramco is currently showing no variance on the final AFC. Budget stands at £58.1m, there is no risk allowance for Tramco. Costs are currently in line with budget. Fabrication of the tram vehicles will begin in January 2009 with the first tram programmed to be complete and delivered by November 09.
- 5.2 The Council have two tram vehicles from the fleet which can be customised to carry a livery of the Councils choice. Work is currently being undertaken by the Council to looking at the various options.
- 6.0 Phase 1b & Tramline 3/South East Tram Line (SETL)
- 6.1 The assessment of the Phase 1b business case and lobbying for support on SETL is on-going.



7.0 SDS (Systems Design Services Contract)

- 7.1 Progress on Issue for Construction (IFC) packages Prior/Planning/Technical Approvals are highlighted in the table below. The current AFC for SDS is £28.6m which is an adverse variance of £1.775m on budget as a result of £400k of incentivisation costs related to on time delivery of IFC packages which will only be payable if this is achieved. £200k post novation MUDFA design changes, £1.175m of additional design and construction support. Agreement is to be sought regarding the cost of CEC driven design changes, the cost of which will have to be borne by the Council. These changes relate to betterment only. Council staff will be meeting with tie in the near future to bottom out these matters and the resultant quantum.
- 7.2 Completion of the design continues to be the biggest blocker to progress on both the MUDFA and Infraco contracts and potentially represents the basis for a number of commercial disputes.

				riod 10 8 - 03.01.09)		Ov	erall Perf	ormance to l	Date
		Planned	Actual	Variance	% Complete	Planned	Actual	Variance	% Complete
	IFC Packages submitted to tie	1	4	3	400.00	113	84	-29	74.37
	Prior Approvals/Pl anning Applications Submitted	0	2	2	200.00	71	69	-2	67.1
	Prior Approvals/Pl anning Applications Granted	0	1	1	100.00	71	63	-8	88.73
	Design Packages Finished	1	0	-1	n/a	319	319	0	100.0
	Technical Approvals Submitted	0	0	0	n/a	95	93	-2	97.8
TOTAL	Technical Approvals Granted	3	3	0	100.00	95	84	-11	88.42



8 Council Contribution

8.1 Council's contribution is to be made up from a variety of sources. The latest position is detailed below:

CEC Contribution Breakdown	Planned Contribution	Achieved Contribution
Council Cash	£2.5m	£2.5m
Council Land	£6.2m	£4.3m
Developer Contributions – Cash*	£25.4m	£3.02m
Developer Contributions – Land	£1.2m	£0.0m
Capital Receipts (Development Gains)	£2.8m	£0.0m
Capital Receipts	£6.9m	£0.0m
Total	£45.0m	£9.82m

- 8.2 **CEC Cash £2.5m Achieved -** This funding has been contributed through the Council's Capital Investment Programme.
- 8.3 **CEC Land £6.2m (No Change) -** £4.3m is for Phase 1a. The £4.3m £2m of the £6.2m is for Phase 1b. If Phase 1b does not go ahead alternative funding sources will be required.

8.4 Developers Contributions Land - £2.2m (No Change)

Of the £2.2m land contribution from developers £1m relates to Phase 1b. Again if Phase 1b does not go ahead further funding sources will be required.

8.5 Developers Cash Contributions - £25.4m

£3.022m has been contributed to date. £2m has been agreed with Tiger for development at Haymarket which should increase the total to £5.022m once this contribution is banked. It should be noted that the Councils risk in relation to the tram contribution would be significantly reduced should the Planning Application with Forth Ports (FP) be agreed, which would yield £28m in tram contributions. Negotiations with FP have been difficult, with recent talks suggesting that the value of total developers contributions relating to the FP development are unaffordable to the company, though the tram contribution should be unaffected. There are circa £12m of developers contributions in the planning system. The table below shows the value of the contributions at each stage in the planning process.

Breakdown of Phase 1a Contributions		
Tram Cash	Value (£m)	
Amount received	£3.02	
Amount in concluded legal agreements (where development has		
commenced)	£1.69	
Amount in concluded legal agreements (where development has not		
commenced)	£1.44	
Minded to grant/Pending Consideration	£6.23	
Potential Total	£12.38	



8.6 **Capital Receipts - £9.7m –** Work is currently being undertaken to look at the effect on the value of these Capital Receipts due to the wider economic climate.

9 Cashflow/Spend Profile

- 9.1 Transport Scotland funding is capped at £120m for 2008/09 with tie's current spend forecast £111m which has reduced from £126m reported in the previous period as a consequence of project slippage. The call on TS funding in the current financial year will therefore be £103m. The spend forecast for 2009/10 is £178.3m with TS funding capped at £149m. The forecasts for both the 2008/09 and 2009/10 are dependant on agreed programme being reached with the contractor in the next few weeks. The TS funding cap could potentially require the Council to fund 100% of the project for a short period of time. TS have contributed £227.9m funding to date with forecast spending for the next period of £9.8m.
- 9.2 The project AFC reported to Transport Scotland remains at £512m. There is significant work which will re-align programme and costs over the coming weeks, a range of possible changes to the project budget will be presented to the Tram Project Board on the 22nd January. The impact on the AFC at this point of associated costs is detailed in the table below. £512m remains the reportable figure until the new project programme is established.
- 9.3 The following table attempts to quantify some of the sensitivities around the £512m AFC. It should be noted these costs have not yet crystallised and is merely a guide to the sensitivity of the cost estimates.

£m	Description
512.0	Anticipated Final Cost as per Contract Price
6.2	Phase 1b Costs incurred in the event 1b does not proceed
5.0	Shortfall on Infraco Value Engineering
11.0	Claims Settlement Infraco/MUDFA
(11.0)	Drawdown on Risk Allowance to cover claims
6.0	Additional Resources Costs not foreseen at Financial Close
529.2	

^{*} The potential change in cost does not take into account the balance of any further claims resulting from £17m of variations submitted by BSC. This sensitivity could add further costs to the £529m highlight in this table. The increase in the required risk allowance due to design changes and road reconstruction are also excluded.

10.0 External Interfaces/Risks

- 10.1 Management of key interfaces with other known projects will be key as the project develops. The major projects currently known are:
 - Waverley Steps/Roof (Transport Scotland)
 - Gogar Station (Transport Scotland)
 - St James Centre Re-development (CEC/Henderson Global)
 - Haymarket Interchange
 - Haymarket Station Re-furbishment (Network Rail/Scotrail)



- Haymarket Hotel (Tiger Developments)
- RBS Tramstop (RBS)
- · National Portrait Gallery.

11.0 Financial Services Workstreams

Financial Services staff is involved in a number of key workstreams and sit on various groups relating to the delivery of the project. This is detailed in Table 1 below.

Table 1

Table 1	
Officer	Current Tram Responsibilities
Alan Coyle	Representative of CEC Finance on Phase 1b Project Team
	Representative of CEC on South East Tram Project Team
	Provision of financial advice to colleagues in City Development
	Representation at Legal Affairs Committee
	Review and scrutiny of financial projections and analysis provided by
	tie and attending Monthly meeting with tie/Transport Scotland
	Provision of briefings on Tram Project Board Papers
	Forecasting of the CEC's contribution to the project in cashflow terms including liaison with Treasury colleagues
	Tracking of project cashflows against available funding and effect on CEC borrowing requirements
	Providing financial input on papers to tram Internal Planning Group
	Liaison with tie and Transport Scotland over grant funding issues and
	monthly reporting
	Input to and creation of Council Reports on Tram related matters.
	Investigating financing options for Phase 1b including tax advantages
	relating to leasing assets to TEL and development of the TEL business
	plan.
	Briefings to Financial Services Management Team/CDD Transport
	Attendance at and reporting on the Tram Project Directors Review meeting
Ailie Wilson	Support and cover for Alan Coyle where required.
Julie Brunton	Monitoring of CEC staff resource used for tram (both internally funded and charged to tram project) Billing tie for CEC staff
	Grant claims and reconciliations for the Scottish Executive
	Processing of tram invoices
	Reconciliation of CECT bank accounts
Innes	Managing CECT accounts and transferring monies to tie based on cash
Edwards/Ronnie	flow requirements
Hunter	
Hugh Dunn	Support on issues surrounding £45m, especially the generation of Capital Receipts and the effect of the current economic climate on receipts



12 Key Dates

Table 2 highlights the key dates in the next 12 weeks

Table 2

Milestones	Actual/current forecast date
1B Roadworks Foot of the Walk – Balfour Street	16-Oct-08A
1C Roadworks McDonald Road to Picardy Place	20-Mar-09
1D Roadworks – Enabling Works	05-Jan-09
1D Roadworks and trackworks Princes Street	20-Feb-09
1D Roadworks Lothian Road junction	29-Jan-09
S19 Haymarket Viaduct	01-Sep-08A
2A Trackworks Haymarket to Roseburn junction	25Feb-09
S20 Russell Road bridge	25Feb-09
W3/W4 Russell Road retaining walls	04-Feb-09
S23 Carrick Knowe bridge	20-Oct-08A
5B Trackworks Balgreen Road to Saughton Road North	16-Mar-09
5B Trackworks Saughton Road North to Bankhead	16-Feb-09
5B Trackworks Bankhead to Edinburgh Park Station	12-Nov-08A
S27 Edinburgh Park viaduct	25-Aug-08A
5C Trackworks Edinburgh Park to Gyle	09-Oct-08A
W28 A8 underpass	01-Sep-08A
Gogar depot earthworks	19-Jan-09
Gogar depot building foundations	23-Feb-09
Gogar depot access roads	16-Mar-09
S29 Gogar underbridge	13-Oct-08A
S30 Gogarburn culvert No.1	01-Dec-08A

Table 3 highlights key dates on the project in the current period and into the future.

Table 3

Milestones	Baseline	Actual/current forecast date
	programme	
	date	unmitigated
Approval of DFBC by CEC	21 Dec 06A	21 Dec 06A
TRO process commences	14Dec07A	10-Dec-07A
MUDFA – commencement of utility diversions	02 Apr 07A	02 Apr 07A
Approval of FBC by TS – approval and funding for Infraco /	09 Jan 08	Dec 07A
Tramco		
Tramco / Infraco – award following CEC / TS approval and	28 Jan 08	14 May 08A
cooling off period and SDS novation.		
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



Table 3 (CNTD)

A8 underpass commences	08-Aug-08	28-Aug-08A
Carrick Knowe Bridge commences	21-Aug-08	19-Aug-08A
All demolition work complete	22-Aug-08	02-Feb-09
Tram mock-up delivered	Oct 2008	Nov 2008A
First track installation commences – on street	03-Nov-08	Feb 2009
MUDFA works complete	Nov 2008	Jun 2009
Haymarket viaduct complete	08-Dec-08	10-Jun-09
Roseburn viaduct commences	20-Jan-09	28-Jan-10
Design assurance complete	20-Jan-09	15-May-09
All Issue for Construction (IFC) drawings delivered	21-Jan-09	26-Jun-09
Princes Street closed	03-Feb-09	20-Feb-09
Roseburn viaduct complete	20-Apr-10	02-Mar-11
Carrick Knowe bridge complete	11-May-09	29-Jul-09
All consents and approvals granted	18-May-09	26-Jun-09
Edinburgh Park viaduct complete	24-May-09	25-Aug-09
A8 underpass complete	14-Jul-09	02-Dec-09
Princes Street re-opened	01-Aug-09	16-Nov-09
NR immunisation complete	Nov 2009	Nov 2009
TRO process complete	01-Dec-09	23-Apr-10
1 st OHL installed (Commence Section 2)	11-Dec-09	18-Jan-10
Commission Section 2 (Haymarket to Roseburn junction)	11-Jan-10	17-Nov-10
Commission Section 6 (depot)	25-Mar-10	13-Jan-11
1 st Tram delivered	09-Apr-10	09-Apr-10
Test track complete	23-Apr-10	30-Mar-11
1 st section (other than depot) complete ready for	25-June-10	17-Nov-10
energisation		
Commission Section 7 (Gogar to Edinburgh Airport)	25-June-10	18-Apr-10
Driver recruitment commences	July 2010	Nov 2010
Commission Section 5 (Roseburn junction to Gogar)	09-Nov-10	05-Oct-11
Driver training commences (excludes depot)	Nov 2010	Nov 2011
System testing complete off street	09-Dec-10	04-Nov-11
Final tram delivered	17-Jan-11	17-Jan-11
Construction Line 1a complete	17-Jan-11	14-Nov-11
System testing complete on street	16-Feb-11	01-Dec-11
Commission Section 1 (Newhaven to Haymarket)	11-Mar-11	14-Nov-11
Letter of "no objection" from Independent Competent	17-Apr-11	30-Jan-12
Person to commence tram running		
Shadow running starts	18-Apr-11	30-Jan-12
Shadow running complete	July 2011	Apr 2012
Letter of "no objection" from Independent Competent Person to commence revenue service	July 2011	Apr 2012
Open for revenue service	July 2011	Apr 2012
Open for revenue service	July 2011	Api 2012



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4 Week Period Reporting Pack 08/09

Project Title:

Edinburgh Tram Project

Reporting Period:

Period 10 2008/09

Transport Scotland Project Manager:

John Ramsay

Progress Meeting Date:

Report authorised by: Steven Bell
Signature
Date: 9/1/09

For and on behalf of tie Limited

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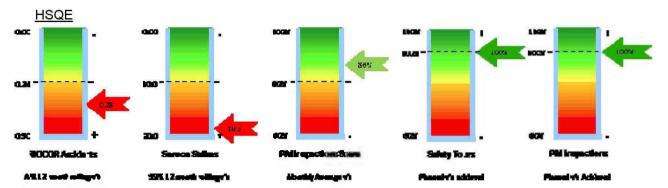
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1 Executive Summary

1.1 Key issues



There were no reportable accidents during Period 10. The 13-Period rolling AFR is now 0.28 which is above the target of 0.24. If there are no further reportable accidents within the next three periods the 13-period rolling figure at the end of Period 13 should be 0.24 (based on 125,000 hours). There was 100% compliance with safety tours and inspections in the period.

Both BSC and Carillion are re-inducting all operatives during the first week of January (Period 11) and a safety seminar with **tie**, Infraco and their supply chain is planned for the 8th of January. Re-checks on competence of operatives will also be made as sites restart for the New Year.

Programme

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

- Constraints imposed by the additional embargo in Leith Walk and Constitution St;
- Incomplete utility diversions caused in part by traffic management constraints (e.g. Manor Place);
- Slow mobilisation of Infraco;
- · Requirement for re-design of temporary works;
- Design slippage since novation of design to Infraco (now recorded in v39 of the design programme);
- Design changes as a result of the Prior and Technical Approvals process;
- Design slippages between v26 / v31 at the time of Financial Close; and
- Consortium design programme and validation.

The time impact (38 days) of the v26 / v31 design programmes at the time of Financial Close was agreed in Period 8 and the commercial consequence of this is now being discussed.

Whilst an <u>unmitigated</u> straight import of the progressed programme into the master programme forecasts a potential revenue service slippage into April 2012, **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 currently as July 2011 (with a range of May 2011 to January 2012). The table in section 4.2 identifies the geographic areas of slippage in the current programme 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. Much of the required data has now been amassed and, following meetings towards the end of 2008 between tie and BSC, this process has now commenced with the data collection phase expected to be complete by mid Period 11. 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

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proposals for recovering the effects of their slow mobilisation will be included within the revised programme.

Opportunities for improvement include:

- Reduced access constraints such as embargos;
- The use of additional resources;
- Improved productivity particularly in track and OHL installation:
- The use of alternative technology for OLE installation and track-laying;
- · Constructing the structures in parallel rather than sequentially;
- · Removing embedded project logic which is no longer relevant; and
- Better use of integrated traffic management.

A process has been put in place to identify and manage all issues which are barriers to the construction programme. A consolidated sub-section by sub-section map of the route has identified owners for each barrier and progress is reviewed weekly.

Progress - Design

Good progress is generally being made in Prior and Technical Approvals with 85% of each being granted by CEC. The main areas of concern 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 any impact on construction will be addressed as part of the overall programme re-calibration exercise. There are also a number of re-designs underway as a result of the Prior / Technical Approvals process, the impact of which is recorded in the programme.

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.

Although there is evidence of better management of SDS by BSC, this has not yet resulted in improved design performance.

Progress - MUDFA (Utilities)

Carillion related diversions are now complete in Sections 5A and 5B other than for final BT cabling and transfer of service. The programme impacts of the revised programme were agreed with Carillion in Period 8 and will be included in the recalibration exercise.

During the period the city centre embargo was in effect from Picardy Place to Shandwick Place. The Leith Walk embargo was implemented on 12th December and is ongoing until 19th January. This closed worksites on Leith Walk, Constitution St, Picardy Place, York Place and St Andrew's Sq. Neither the Leith Walk embargo, nor the deferment of Manor Place diversions was included in Rev 7.9 of the MUDFA programme.

Cumulative progress to date is as follows:

	Rev 7.9	Revised	Plan to	Completed	% of plan	% of total
	total (m)	total (m)	date (m)	to date (m)	completed	completed
On-street	40,625	36,308	30,373	22,337	73.5%	61.5%
Off-street	11,969	9,452	7,827	7,078	90.4%	74.9%
Total	52,594	45,760	38,200	29,415	77.0%	64.3%

tie have agreed de-scoping which is forecast to bring final volume of required diversions to 45,760m. Of the remaining diversion to be completed large volumes are in areas which are significantly less complex than the likes of Leith Walk and therefore productivity is expected to improve.

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Work progressed in a number of locations up to Christmas and the following is of note:

- The pipe jacking of the first leg of the A8 sewer was completed and preparatory works for the second leg commenced. This work is expected to be completed late in Period 12;
- Progress was made with design of the mound gas diversion and submissions made to SGN's technical advisor for review – technical review on January 13th with SGN;
- Inspection of remaining section of the Gogar depot 800mm watermain to confirm correct installation of gaskets. Commissioning is now expected 24-26 February; and
- BT The first section (5B) is now signed over for completion. P11 will confirm the detailed programming and transfer timings.

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. It is expected that more package contractor resources will be in place from January 09. However, work has continued on a number of worksites including the Haymarket and Edinburgh Park viaducts, Carrick Knowe bridge and the A8 underpass. Significantly, the onstreet works also continued with roadworks on Leith Walk using sub-contractor resources (Crummock) until the implementation of the additional Christmas embargo on Leith Walk and Constitution St on 12th December 2008. Temporary sheet piling work has been progressed during the Christmas and New Year NR possession period at Carrick Knowe bridge.

Infraco achieved a disappointing 15% of the four-month programme work content by Christmas 2008. However, resources, plans and process are now in place to ensure progress improves in 2009. There were a few other works which were outwith the four-month lookahead programme contents such as temporary works and sheet piling that were carried out during the Christmas and New Year NR possession.

Planning for the full closure of Princes St, including traffic management, enabling works and construction methodology as well as work package plans, has progressed well and MacKenzie Construction were appointed during the period. The CEC full council meeting on 18th December approved the closure of Princes Street to allow construction of the tramworks, subject to traffic handling the agreed diversions. A contingency relief route has also been agreed and work is progressing on documenting the detailed contingency arrangements.

The tram mock-up is being used in consultation with special interest groups to fine-tune the design.

Progress - Other

- Draft schedules for the TROs have been prepared and formal consultation will commence in May;
- Haymarket carpark compensation tie have agreed compensation with NR and will seek
 to settle this before the end of the current financial year. tie await confirmation from TS
 that the additional compensation payable to First Scotrail as a result of the extension of
 the FSR franchise from Nov 2011 to Nov 2014 will be funded by TS as a change;
- Building fixings deemed consent has been obtained from 306 owners as well as 66 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 in February.
 CEC are leading the legal process, supported by the project team;
- Construction works for the relocation of the Murrayfield training pitches is due for completion in Period 12. The completion of this 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; and
- A contract has been awarded to Frontline Construction for the roadworks required to take buses off the guided busway and works have commenced. The TRO process has commenced and the statutory consultation has been completed.

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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 Infraco regarding the re-calibrated master programme and the commercial impacts thereof. Funding available remains at £545m.

Cumulative expenditure to date (end of P10 08/09) on Phase 1a is £206.3m. Expenditure to date for 08/09, at £76.3m, is £38.3m lower than the 'budget' for the year to date. This is primarily due to protracted closure of the Infraco contract suite, slow Infraco mobilisation, deferment of the initial Tramco milestones (now forecast in Period 11) and profiled risk which has not been utilised to this point.

The 08/09 outturn forecast is £111.7m (TS share £103.0m). The forecast for 08/09 has been reduced by £14.4m (TS share £13.3M) following a comprehensive review in Period 10 of the most likely value of work which to be completed (-£9.3M) and a robust assessment of any risk expenditure likely to crystallise in the next three periods (-£4.0M). Remaining sensitivities to the outturn forecast include the completion of utilities works as programmed and timely rampup of infrastructure works on-street and at the depot in early 2009. Greater certainty with regard to the 09/10 forecast will be gained when an updated programme for the infrastructure works is agreed with the Infraco contractor.

An updated estimate for Phase 1b was received in Period 10 and is currently being checked for accuracy and will be reported on in Period 11.

Potential changes

The following potential changes which will impact cost, programme or risk have been identified:

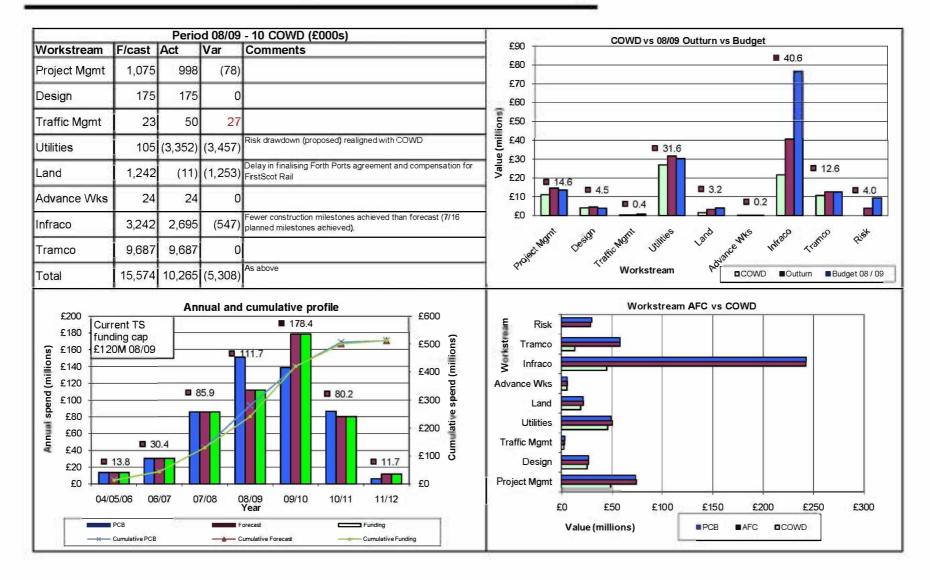
- Conclusion of the programme re-calibration;
- Carillion settlement / impact of Rev 7.9 of the programme;
- Gogar interchange impact of changes to facilitate the provision of the Gogar interchange station;
- · Additional embargo imposed in Leith Walk and Constitution St;
- Princes St traffic management additional contingency measures to keep the city moving; and
- Manor Place consequence of delaying the Manor Place closure until after the festive embargo.

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Risk

A total of seven 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 (most current and relevant) risks 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 54 risks in the risk register. There were no new risks identified in the period and no risks were closed. Treatment plans are in place for each risk and are being monitored.

There were no risk drawdown applications approved in Period 10. However, a number of drawdown applications will be processed in Period 11 the most significant will be for £1,700k. This is to fund the settlement of contractual, commercial and scope issues as agreed with Carillion up to 30 September 2008.

Communications

Through the new Edinburgh Trams Communications Group, tie, CEC and other key parties have been working closely together to enhance the ongoing communications strategy. The key priority is preparing for the closure of Princes Street, which is the key construction related activity for 2009.

Media enquiries this period have included city centre works; city centre and Leith embargoes and the CEC full Council meeting on 18th December.

The new tram website will go fully live the week commencing 12 January 2009. This period the team have been focused on content management, user group testing and technical trouble shooting.

Preparation is ongoing with CEC to host a tram mock up exhibition on Princes Street from late February for approximately six weeks.

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2 Progress

2.1 Overall

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

- · Constraints imposed by the additional embargo in Leith Walk and Constitution St;
- Incomplete utility diversions caused in part by traffic management constraints (e.g. Manor Place);
- Slow mobilisation of Infraco;
- Requirement for re-design of temporary works;
- Design slippage since novation of design to Infraco (now recorded in v39 of the design programme);
- Design changes as a result of the Prior and Technical Approvals process;
- Design slippages between v26 / v31 at the time of Financial Close; and
- Consortium design programme and validation.

The time impact (38 days) of the v26 / v31 design programmes at the time of Financial Close was agreed in Period 8 and the commercial consequence of this is now being discussed.

Whilst an <u>unmitigated</u> straight import of the progressed programme into the master programme forecasts a potential revenue service slippage into April 2012, **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 currently as July 2011 (with a range of May 2011 to January 2012). The table in section 4.2 identifies the geographic areas of slippage in the current programme 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. Much of the required data has now been amassed and, following meetings towards the end of 2008 between tie and BSC, this process has now commenced with the data collection phase expected to be complete by mid Period 11. 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.

Opportunities for improvement include:

- · Reduced access constraints including embargos;
- · The use of additional resources;
- · Improved productivity particularly in track and OHL installation;
- The use of alternative technology for OLE installation and track-laying;
- · Constructing the structures in parallel rather than sequentially;
- Removing embedded project logic which is no longer relevant; and
- · Better use of integrated traffic management.

A process has been put in place to identify and manage all issues which are barriers to the construction programme. A consolidated sub-section by sub-section map of the route has identified owners for each barrier and progress is reviewed weekly.

2.2 Design

The design is progressing as follows:

- IFCs Phase 1a 57 issued out of 81, the slippage is being addressed as part of the recalibration of programme;
- Prior Approvals are progressing well –approvals are now over 85% granted with only one left to be submitted (Gogarburn tramstop);
- Technical approvals also progress well with 85% granted with nine remaining to be submitted;

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- Structures approvals are progressing well one structure remains to be approved (Balgreen Road NR access bridge);
- 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 beginning to make some progress with drainage outfall consents, although these are still relatively slow. They are continuing to work to a prioritised order of consents.

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 is captured in the programme analysis and will be reported on in future months.

Phase 1a only	Submitte	d to CEC	Granted	by CEC	% Granted to
	v31	Actual	v31	Actual	date of total
Prior approvals (54)	53	53	51	46	85%
Technical approvals (80)	75	71	74	68	85%
IFC (submitted to tie) (92)		77	81	57	62%

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.

Although there is evidence of better management of SDS by BSC, this has not yet resulted in improved design performance.

2.3 Utility works (MUDFA)

Rev.07 Figures	Pe	riod	Delta	Cumu	Delta	
MUDFA PERIOD 10 PROGRESS	Plan	Actual		Plan	Actual	
Section 1a Newhaven to Foot of the Walk	6.9%	0.0%	-6.7%	72.5%	56.0%	-16.5%
Section 1b Foot of the Walk to McDonald Road	0.0%	0.0%	0.0%	100.0%	98.3%	-1.7%
Section 1c McDonald Road to Princes Street West	0.0%	0.0%	0.0%	78.2%	59.8%	-18.4%
Section 1d Princes Street West to Haymarket	2.8%	0.5%	-2.3%	91.1%	81.6%	-9.5%
Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket	2.8%	0.1%	-2.7%	83.2%	61.3%	-21.9%
Section 2 Haymarket to Roseburn Junction	0.0%	4.9%	4.9%	100.0%	34.4%	-65.6%
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	0.0%	1.6%	1.6%	100.0%	100.0%	0.0%
Section 5c Edinburgh Park Central to Gogarburn	0.0%	5.4%	5.4%	100.0%	98.0%	-2.0%
Section 6 Gogar Depot	0.0%	0.0%	0.0%	100.0%	89.9%	-10.1%
Section 7a Gogarburn to Ingliston Park and Ride	12.7%	0.0%	-12.7%	36.5%	100%	63.5%
Section 7b Ingliston Park and Ride to Edinburgh Airport	15.0%	5.0%	-10.0%	25.0%	5.0%	-20.0%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	4.1%	0.4%	-3.7%	79.7%	74.2%	-5.5%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	3.1%	0.1%	-3.0%	82.4%	65.3%	-18.1%

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Section	MUDFA Commentary
Section 1a Newhaven to Foot of the Walk	Proposals agreed with FPA regarding re-sequencing works
Section 1b Foot of the Walk to McDonald Road	All works on hold for embargo
Section 1c McDonald Road to Princes Street West	All works on hold for embargo
Section 1d Princes Street West to Haymarket	All works on hold for embargo TM preparations continue for post-embargo works
Section 2 Haymarket to Roseburn Junction	Works continue to 19 TH December
Section 5a Roseburn Junction to Balgreen Road	COMPLETE other than for final BT cabling and transfer of service
Section 5b Balgreen Road to Edinburgh Park Central	COMPLETE other than for final BT cabling and transfer of service
Section 5c Edinburgh Park Central to Gogarburn	1,500mm Sewer diversion on programme
Section 6 Gogar Depot	800mm re-test required. Expected completion mid Jan09
Section 7a Gogarburn to Edinburgh Airport	Trial hole works commenced with BAA contractor. Completion programmed for 26/3/09

2.4 Tramworks (Infraco)

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. It is expected that more package contractor resources will be in place from January 09. However, work has continued on a number of worksites including the Haymarket and Edinburgh Park viaducts, Carrick Knowe bridge and the A8 underpass. Significantly, the onstreet works also continued with roadworks on Leith Walk using sub-contractor resources (Crummock) until the implementation of the additional Christmas embargo on Leith Walk and Constitution St on 12th December 2008. Temporary sheet piling work has been progressed during the Christmas and New Year NR possession period at Carrick Knowe bridge.

tie has agreed with BSC a process to create a re-calibrated programme. Much of the required data has now been amassed and, following meetings towards the end of 2008 between tie and BSC, this process has now commenced with the data collection phase expected to be complete by mid Period 11.

Opportunities for improvement include

- Reduced access constraints including embargos;
- The use of additional resources;
- Improved productivity particularly in track and OHL installation;
- The use of alternative technology for OLE installation and track-laying;
- · Constructing the structures in parallel rather than sequentially;
- · Removing embedded project logic which is no longer relevant; and
- · Better use of integrated traffic management.

Progress against Contract Programme

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

Milestone progress

	Period (4-month look- ahead)			Cumulativ ahead)	e (4-month l	ook-	Cumulative (contract programme)		
	Planned	Achieved	%	Planned	Achieved	%	Planned	Achieved	%
Prelims	3	3	100%	30	30	100%	30	30	100%
Construction	4	1	25%	20	8	40%	201	8	4%
Total	7	4	57%	50	38	76%	231	38	17%

Progress is also being recorded against the contract programme as in the table below. In both the contract and four-month programme progress, the common denominator is that every

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activity in the programmes has a work content generated against it which translates into a weighting allowing accurate reporting of progress.

	Р	eriod	Delta	Cum	Cumulative	
INFRACO PERIOD 10 PROGRESS	Plan	Actual		Plan	Actual	
Section 1a Newhaven to Foot of the Walk	0.9%	0.0%	-0.9%	3.3%	0.0%	-3.3%
Section 1b Foot of the Walk to McDonald Road	1.4%	0.5%	-0.9%	14.9%	1.4%	-13.5%
Section 1c McDonald Road to Princes Street West	0.0%	0.0%	0.0%	1.0%	0.0%	-1.0%
Section 1d Princes Street West to Haymarket	0.0%	0.6%	0.6%	0.0%	0.6%	0.6%
Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket	0.6%	0.2%	-0.4%	3.9%	0.3%	-3.5%
Section 2 Haymarket to Roseburn Junction	2.3%	2.9%	0.6%	51.4%	10.7%	-40.6%
Section 5a Roseburn Junction to Balgreen Road	2.4%	0.0%	-2.4%	32.0%	1.4%	-30.6%
Section 5b Balgreen Road to Edinburgh Park Central	4.6%	0.2%	-4.4%	46.1%	0.6%	45.4%
Section 5c Edinburgh Park Central to Gogarburn	3.3%	0.0%	-3.3%	31.3%	1.2%	-30.1%
Section 6 Gogar Depot	3.4%	0.0%	-3.4%	43.3%	0.0%	-43.3%
Section 7a Gogarburn to Edinburgh Airport	2.4%	1.1%	-1.3%	34.2%	1.3%	-32.9%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	3.4%	0.4%	-3.0%	39.9%	1.5%	-38.4%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	2.3%	0.3%	-1.9%	25.7%	1.0%	-24.6%

Section	INFRACO commentary
Section 1a Newhaven to Foot of the Walk	Section 1A4 Lindsay Road under review
Section 1b Foot of the Walk to McDonald Road	Roadworks delayed as existing utilities exposed.
Section 1c McDonald Road to Princes Street West	Roadworks delayed between McDonald and London Roads to allow MUDFA to complete. Final preparations underway for Princes St closure.
Section 1d Princes Street West to Haymarket	Final preparations underway for post embargo works and Princes St closure.
Section 2 Haymarket to Roseburn Junction	Haymarket viaduct temporary works design resolved. Works recommenced.
Section 5a Roseburn Junction to Balgreen Road	Temporary works re-design delaying various structures.
Section 5b Balgreen Road to Edinburgh Park Central	Unforeseen ground conditions resulted in re-design of temporary works at Edinburgh Park viaduct
Section 5c Edinburgh Park Central to Gogarburn	A8 Underpass continues. Track awaiting design IFC
Section 6 Gogar depot	Await re-test of 800mm water main
Section 7a Gogarburn to Edinburgh Airport	Gogarburn underbridge earthworks commenced.

The progress is reported against a 16-week programme which concluded on 19th December 2008. Key reasons for slippage include:

- Leith Walk works being delayed due to utility works not being completed to programme works commenced on 8 October;
- Reinstatement work on Leith walk for newly introduced Leith walk embargo;
- Haymarket viaduct re-design work at bankseat now resolved and work has recommenced;
- Delay of the concrete pour at Edinburgh Park and Haymarket viaducts due to a lack of test and inspection plans – this is now resolved; and
- Re-design of temporary works required for various structures in the Network Rail corridor.

Infraco achieved less than 20% of the four-month programme work content by Christmas 2008. However, other works outwith the 4 month programme such as sheet piling and temporary works along the railway corridor were completed within the period.

2.5 Tram construction (Tramco)

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The tram mock-up is being used in consultation with special interest groups to fine-tune the design. Good progress is being made with delivery of deliverables against the schedule. The production line due to be operational from Q1 2009 with the delivery of the first tram still on schedule for April 2010.

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	BSC (SDS) / tie	Underway.
assurance		
Quality	Infraco	Started - Inspection and test plans submitted
E 10 ² 10 10 10 10 10 10 10 10 10 10 10 10 10		as part of each work package plan.
Systems Safety	Infraco / Independent	Started - Safety verification plan in place and
	Competent Person(ICP)	process of verification already underway. The
	/ TEL / Transdev	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.

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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. There are two specific interfaces of concern:

- 1) the Gogar interchange and
- 2) the re-development of the existing St. James shopping centre.

As previously indicated, an instruction is expected from TS to confirm the preferred option and associated scope for the Gogar interchange on 5th January 2009.

External Projects	Promoter	Project Description			Tram Contract Dates		Dates	
_				Start	Finish	Start	Finish	Comments
Gogar Surface Station	Transport Scotland	New station to east of Gogar depot	Ultrement as yet his explicited to acclude the Parchesign memoria. 2. Tram alignment issues. 3. Traffic Management clashes.	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- develor ment	CEC / Henderson Global	Redevelopment of existing shopping centre.	Interface With Pleasing Place (Unches In- construction and Calthiethal Lane aut- 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	ТВА	ТВА	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. Being monitored.
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
St. Andrew Square development	CEC	Demolition of existing buildings bordering South Side St. Andrew Square, South St David Street and Meuse Lane	Infraco 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.
Princes Street Hotel	Deramore Property Group	Redevelopment of existing buildings at 121 - 123 Princes Street to 80,000 square feet 3 floor of retail and 100 bedroom hotel	Direct clash with Infraco programmed works in Princes Street during blockade	Jan-09	Jul-09	Early 2009	Jun-11	Currently in planning stage.
New Hotel in	Tiger	New build hotel	Utility diversions and potential linterface	Jan-09	Nov-09	Nov-08	2012	Risk has diminished. Manageable conflict

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External Projects	Promoter	er Project Potential Conflict Tram Contract Description Dates		ontract	Project	Dates		
				Start	Finish	Start	Finish	Comments
Haymarket	Developments		with Infraco works.				= = :	
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 revisited 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 revisited in Q3/Q4 2010 for OHL installation
Haymarket Terrace	DTZ Surveyors	Common Repairs to buildings at 2-4-6-8-68 and 74 Haymarket Terrace	Scaffolding and external repairs	Now	Dec-09	ASAP	ASAP	CEC will not issue scaffold permits until all tram TM is removed.
National Portrait Gallery		Major building construction and refurbishment	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	ТВА	2010	(4)
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 reprogrammed.
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 Infraco	Design and consents not in place in a timely manner to allow Infraco to build to programme	Jul-09	Oct-09	TBA	TBA	Design & approvals progressing to programme.

Colour code

Green	No conflict anticipated but being monitored
Amber	Managing any conflict
Fred:	Conflict which causes programme concern / unknown effect on tram programme

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This has been sent to Transport Scotland 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 Transport Scotland projects was carried out during early December 2008 with Transport Scotland. A further session will be arranged during Period 11.

2.8 Other

Temporary traffic regulation orders (TTROs)

- The city centre embargo was implemented by 28th November which concludes on 5th January 2009 and the Leith Walk embargo was realised by 12th December 2008 which concludes on 19th January 2009
- Works implemented to progress and plan the Princes St blockade in early 2009. This will
 commence on 5th January with the start of enabling works before the full diversions are
 implemented in mid-end February. Contingency and emergency plans are being put in place to
 complement the diversions.

Traffic regulation orders (TROs)

A TRO programme is in place to ensure that the required TROs 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 May 2009.

Network Rail

- Infraco has now delivered its EMC Management Plan and EMC Strategy for NR infrastructure assets and established the scope for the immunisation works. Programme for these works is being developed with Infraco;
- Following a successful trial for measurement of stray traction current between Nottingham
 Express Transit and NR, Infraco are currently considering three possible immunisation solutions:
 - 1. No additional measures required for ETN and no modification of NR infrastructure;
 - 2. Additional insulation measures on ETN and no modification of NR infrastructure; and
 - 3. No additional measures required for ETN and modify NR infrastructure with FETR. A decision for which solution to progress is due in January 09;
- Infraco will be developing the full assurance case for NR acceptance. Preliminary assurance case
 to enable traction power testing and commissioning will be completed by August 2009; Further
 assurance will be provided up to and including bringing into service;
- 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;
- 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; and
- Works were ongoing through the Christmas period at Carrick Knowe and Edinburgh Park to coincide with NR possessions.

Third party interfaces

- NR the Bridge Agreements is not yet concluded but is expected by end of January. There is an
 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 January and tie will finalise commercial
 arrangements with Forth Ports to conclude the agreement;

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- Haymarket carpark compensation tie have agreed compensation with NRand will seek to settle
 this before the end of the current financial year. tie await confirmation from TS that the additional
 compensation payable to First Scotrail as a result of the extension of the FSR franchise from Nov
 2011 to Nov 2014 will be funded by TS as a change; and
- Building fixings deemed consent has been obtained from 306 owners as well as 66 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 in February. CEC are leading the legal
 process, supported by the project team.

Murrayfield pitches relocation

Construction works for the relocation of the Murrayfield training pitches is due for completion in Period 12. Flood lighting and tidy-up is ongoing. The completion of this 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 for the roadworks required to take buses off the guided busway have been received and a contract has been awarded to Frontline Construction and works have commenced. The enabling works require to be completed to allow priority measures to be put in place for bus traffic that is displaced from the guided busway during tram works commencing mid January 2009. The TRO process has commenced and the statutory consultation has been completed.

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3 Headline cost report

3.1 Current financial year

l i		FY 08/09		FY 08/09		FY 08/09		COMD	Costs	Total		
	С	OWD Period	1	COWD Year To Date		COWD Full Year Forecast		To Date	To Go	AFC		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance	Actual	Forecast	Forecast
Total Project COWD	10.265	6.198	4.068	76.305	114.604	-38.299	111.658	150.851	-39.193	206.345	305.672	512.017
Other Funding	0.848	0.512	0.336	5.732	8.894	-3.162	8.651	30.852	-22.201	17.037	25.239	42.276
Demand on TS	9.418	5.686	3.732	70.573	105.710	-35.137	103.008	120.000	-16.992	189.308	280.433	469.741

- Year to date COWD is £38.3m lower than 'budget' (Period 9 £42.4m) due to:
 - Delayed award of Infraco and Tramco (which was four weeks later than anticipated when the budget was established), slow mobilisation of the infrastructure works compared to the contractual programme and the deferment of the initial Tramco milestones to programme - £31.3m; and
 - o £6.7m of profiled risk to P10 which has not been utilised to this point;
- 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;
- Reported full year 08/09 expenditure has been reduced to £111.7m (Period 9 £126.1m) and is profiled in the table below. This follows a comprehensive review in Period 10 of the most likely value of work which will be completed in the current financial year and anticipated risk expenditure. There are remaining sensitivities around this outturn, including the completion of utilities works as programmed and timely ramp-up of infrastructure works on-street and at the depot in early 2009.

Reforecast profile for FY08/09

£m	YTD	P10-13	Total 08/09
Infrastructure and vehicles	32.1	21.2	53.3
Utilities diversions	26.9	4.6	31.5
Design	4.0	0.5	4.5
Land and compensation	1.3	1.5	2.8
Resources and insurance	12.0	4.6	15.6
Base costs	76.3	32.4	107.7
Risk allowance	0.0	4.0	4.0
Total Phase 1a	76.3	36.4	111.7
Phase 1b	0.0	0.0	0.0

- The profile above reflects a significant ramp-up in activity by the infrastructure contractor in the last quarter of the year. Work has now commenced on the relatively high value structures, and further construction is scheduled to start in earnest on-street and at the depot in January 09;
- 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; and
 - The risk allowance has been reduced following a review of the work activity for the remainder of 08/09 and likely crystallisation of specific risk items. The remaining risk allocation has been re-profiled to match MUDFA and Infraco activities in future periods;
- The Phase1b costs (provided for information only in previous periods and which
 represented the commencement of utility diversions) are assumed to be expended in
 09/10. 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 08/09 at 91.7% (500/545) would be between £98.8m of Base Costs excluding risk allowance or

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£103.0m 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 08/09 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 1a for 09/10 is shown in the table at 3.3 below and is now £178.4m (Period 9 £160.3m). The increase is primarily due to the re-profiling of the Infraco works at the depot which has reduced the current year forecast and increased 09/10 accordingly. The amount is also sensitive to the extent of call on the risk allowance profiled to that year of £17.8m. Greater certainty with regard to the 09/10 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 till end 07/08	08/09	09/10	Balance	AFC
Infrastructure and vehicles	30.7	53.3	151.0	69.9	304.9
Utilities diversions	18.4	31.5	0.0	0.0	49.9
Design	21.4	4.5	0.9	0.0	26.8
Land and compensation	16.8	2.8	0.1	0.9	20.6
Resources and insurance	42.7	15.6	8.6	14.0	80.9
Base costs	130.0	107.7	160.6	84.8	483.1
Risk Allowance	0.0	4.0	17.8	7.1	28.9
Total Phase 1a	130.0	111.7	178.4	91.9	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 £28.9m;
- There has been only one significant drawdown against the risk allowance at Financial Close (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 07/08 also include £3m incurred on Phase 1b design, meaning that total costs to the end of 07/08 were £133m. The full estimate for Phase1b is subject to finalisation in accordance with a value engineered and approved / consented design and programme. An updated estimate for Phase 1b was received in Period 10 and is currently being checked for accuracy and will be reported on in Period 11. 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.

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3.4 Change control

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

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

- 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 and will impact cost, programme or risk are work in progress prior to formal approval. These include:
 - The conclusion of the programme re-calibration;
 - o Carillion settlement / impact of Rev 7.9 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.;
 - Princes St traffic management (additional contingency measures to keep the city moving); and
 - Manor Place (consequence of delaying the Manor Place closure until after the festive embargo).

Risks to this position are described in Section 5 below.

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4 Time schedule report

4.1 Report against key milestones

Whilst an <u>unmitigated</u> straight import of the progressed programme into the master programme forecasts a potential revenue service slippage into the first quarter of 2012, **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 (with a range of May 2011 to 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 – unmitigated
Approval of DFBC by CEC	21 Dec 06A	21 Dec 06A
TRO process commences	14Dec07A	10-Dec-07A
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
Carrick Knowe Bridge commences	21-Aug-08	19-Aug-08A
All demolition work complete	22-Aug-08	02-Feb-09
Tram mock-up delivered	Oct 2008	Nov 2008A
First track installation commences – on street	03-Nov-08	Feb 2009
MUDFA works complete	Nov 2008	Jun 2009
Haymarket viaduct complete	08-Dec-08	10-Jun-09
Roseburn viaduct commences	20-Jan-09	28-Jan-10
Design assurance complete	20-Jan-09	15-May-09
All Issue for Construction (IFC) drawings delivered	21-Jan-09	26-Jun-09
Princes Street closed	03-Feb-09	20-Feb-09
Roseburn viaduct complete	20-Apr-10	02-Mar-11
Carrick Knowe bridge complete	11-May-09	29-Jul-09
All consents and approvals granted	18-May-09	26-Jun-09
Edinburgh Park viaduct complete	24-May-09	25-Aug-09
A8 underpass complete	14-Jul-09	02-Dec-09
Princes Street re-opened	01-Aug-09	16-Nov-09
NR immunisation complete	Nov 2009	Nov 2009
TRO process complete	01-Dec-09	23-Apr-10
1 st OHL installed (Commence Section 2)	11-Dec-09	18-Jan-10
Commission Section 2 (Haymarket to Roseburn junction)	11-Jan-10	17-Nov-10
Commission Section 6 (depot)	25-Mar-10	13-Jan-11
1 st Tram delivered	09-Apr-10	09-Apr-10
Test track complete	23-Apr-10	30-Mar-11
1 st section (other than depot) complete ready for energisation	25-June-10	17-Nov-10
Commission Section 7 (Gogar to Edinburgh Airport)	25-June-10	18-Apr-10
Driver recruitment commences	July 2010	Nov 2010
Commission Section 5 (Roseburn junction to Gogar)	09-Nov-10	05-Oct-11
Driver training commences (excludes de pot)	Nov 2010	Nov 2011
System testing complete off street	09-Dec-10	04-Nov-11

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Final tram delivered	17-Jan-11	17-Jan-11
Construction Line 1a complete	17-Jan-11	14-Nov-11
System testing complete on street	16-Feb-11	01-Dec-11
Commission Section 1 (Newhaven to Haymarket)	11-Mar-11	14-Nov-11
Letter of "no objection" from Independent Competent Person	17-Apr-11	30-Jan-12
to commence tram running		
Shadow running starts	18-Apr-11	30-Jan-12
Shadow running complete	July 2011	Apr 2012
Letter of "no objection" from Independent Competent Person	July 2011	Apr 2012
to commence revenue service		
Open for revenue service	July 2011	Apr 2012

Guidance for Completion: Legend for colouring of Actual / forecast date text

Green: Yellow: Pink Red:

Actual / forecast date is ahead or in line with baseline Slight slippage – readily recoverable with action.
Significant slippage but expect recovery can be achieved
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 unmitigated 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 Mar 10	02 Sep 10	BSC have commenced. BARR Construction commencing January 09 Steelwork fabrication slot pre-booked.
Section B – Test track	23 April 10	19 Apr 11	Test track can be completed with OLE whilst tramstop furniture is completed. Construction interdependability between structures has eased allowing parallel builds. Additional dedicated track and OHL gangs identified for test track.
Section C – construction works complete	17 Jan 11	01 Nov 11	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 Infraco worksites utilising combined traffic management. Additional dedicated track and OHL gangs identified for depot and test track. The easing of the construction inter-dependability will see circa 3-4 months improvement in the off-street section although this does not improve the route Open for Revenue Service date. The introduction of one additional track gang and one additional OHL gang could see an improvement of circa three months to the forecast Open for Revenue Service date.

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Section D -	16 July 11	29 Apr 12	As above
open for			
revenue			
service			

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
1B Roadworks Foot of the Walk – Balfour Street	16-Oct-08A
1C Roadworks McDonald Road to Picardy Place	20-Mar-09
1D Roadworks – Enabling Works	05-Jan-09
1D Roadworks and trackworks Princes Street	20-Feb-09
1D Roadworks Lothian Road junction	29-Jan-09
S19 Haymarket Viaduct	01-Sep-08A
2A Trackworks Haymarket to Roseburn junction	25Feb-09
S20 Russell Road bridge	25Feb-09
W3/W4 Russell Road retaining walls	04-Feb-09
S23 Carrick Knowe bridge	20-Oct-08A
5B Trackworks Balgreen Road to Saughton Road North	16-Mar-09
5B Trackworks Saughton Road North to Bankhead	16-Feb-09
5B Trackworks Bankhead to Edinburgh Park Station	12-Nov-08A
S27 Edinburgh Park viaduct	25-Aug-08A
5C Trackworks Edinburgh Park to Gyle	09-Oct-08A
W28 A8 underpass	01-Sep-08A
Gogar depot earthworks	19-Jan-09
Gogar depot building foundations	23-Feb-09
Gogar depot access roads	16-Mar-09
S29 Gogar underbridge	13-Oct-08A
S30 Gogarburn culvert No.1	01-Dec-08A

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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
12/12/08	Infraco Risk Review	, ,	
		Infraco Construction Director Project Risk Manager	Infraco risk profile
15/12/08	Road and drainage Risk	Roads and Drainage PM	Each risk and treatment
	Review	Project Risk Manager	plan reviewed
17/12/08	Structures risk register	Project Risk Manager	Each risk and treatment
	review	Structures Project Manager	plan reviewed
17/12/08	MUDFA Risk Review	MUDFA Construction Director	Each risk and treatment
		Project Risk Manager	plan reviewed
18/12/08	Depot risk register	Project Risk Manager	Each risk and treatment
	review	Depot Risk Manager	plan reviewed
18/12/08	Network Rail risk	Project Risk Manager	Each risk and treatment
	register review	NR Project Manager	plan reviewed.
18/12/08	Infraco high-level Risk	Infraco Director	All high-level risks
	Review	Infraco Construction Director	reviewed.
		Project Risk Manager	

Risk Register

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.

There are currently 54 risks in the Project Risk Register. The top five project risks are listed on the next page. It should be noted that as part of ongoing risk reviews, the significance of risk ids 139 and 164 will reduce in Period 11 as a drawdown on both of these risks will be completed in Period 11. Therefore they may not appear in the top five risks at that time.

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Edinburgh Tram Project

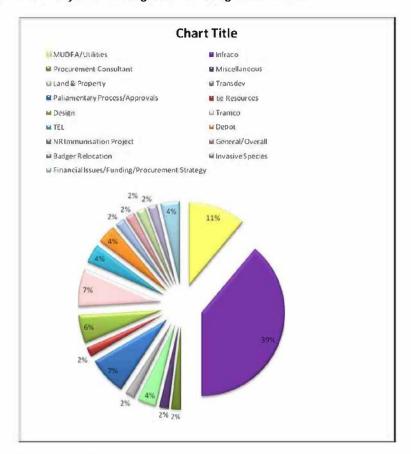
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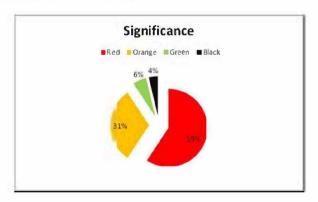
Top 5 Risks - Period 10

				Top 5 Risk	s - Period 10						
		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 d o not achieve ca p abilityto d eliver	CEC alle lunablete honour their flandin g committenent	Potential showstopper to project i contribution not resched; Line 18 may depend on incremental funding from CEC	S McGan ty	NIL - Q NO	Project	CEC has formed a multi discipline Tram Contributions Group to monthor identified sources of £45m contribution including critically devlopers contributions. tile are invited to that group. (see add info)	On Pro∎ramme	On Programme	31-Jul-11	CEC
							CEC to deliver necessary contributions for 1a	On Programme	⊙n Pro¶ramme	31-Jul-11	CEC
							Tram Project Board to monitor progress towards gaining contributions	On Programme	On Programme	31-Jul-11	■ MacKay
999		Extent of concessionary fare support committeent from TS provides inadequate comfort to CEC	CEC withfraw support for FBC and project fails	G Bissett	NIL - 0 00	Project	Negotiate the terms of Gevernment commitment to conessionary fare support to level which is satisfactory to CEC	On Programme	Complete	31-Jan- 8 \$	G Bissett
139	Utilities diversion outlines pacification only from plans	I/morterty of Littles some and ones methy	Increase in MUDFA costs or delays as a result of canying out more	G Barclay		1	Carry out GPR Adien survey	Complete	Complete	31- @ ct-Q7	J Çasseriy
	TOTAL PORTS	within Lo D	diversions than estimated				Landing storage in received influence, IN 2014 to recommunity programme in must stigated throughout	Complete	Complete	23-Nev-07	J Mé A loon
							In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer	On Pro¶raπme	On Programme	30-Apr:-09	A Hill
154	Utilities assets uncovered during construction that were not previously	Unkanown or aban∉one∉ assets or	the entire according in	l Clark		1	Carry out GPR Adien survey	Complete	Complete	31- @ ct-07	J Casserly
	construction that weer not previously accounted for unidentified abendoned utilities assets; asbestos found in excavation	unforeseen/contaminated ground cenditiens affect scope of MUDIFA work.	Capex cost as a result of additional works.				dentifyncrease in services dversions MUDFA to resource/re-programme to meet required timescales.	Complete	Complete	23-Nov- 0 7	J McAloon
							Prooperties will \$6,000 to contribute that arguestone is contine business of 1,000 per in billion shalpset	On Programme	On Programme	30-Apr- 0 9	A Hill
952	Scope of works releting to Wilde Area Modelling (WAM) have not been agreed with SDS because they consider this to be out	Lincertainty about extent of construction works required on road network relating to	Potential claim from SBStp deal with additional design work, Rotential construction costs to deal	K. R immer	_	í	Agree design lequirements relating to	Complete	Complete	31-May- 0 7	T Glazebrook
	with the scope of their contract	Wide Area Medelling issues.	with WAM issues (difficult to quartify without design) over and above those already included.				Employ further traffic management	Complete	Complete	31-Jan- ● 7	© McLauchlan
							Finalise boundaries of Tram responsibility for WAM requirements	Complete	Complete	31-May- 0 7	A Sim
							Obtain design and quantify construction cost for inclusion in base estimate	On Programme	Complete	31-Jul- ● 7	T Glazebrook
							Provision of £50 6 k in Draft Final	Complete	Complete	31-Jan- 9 7	G Gilbert

The risks within the Project Risk Register are categorised below:



The ratings of the risks are illustrated below:



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New risks

There were no new risks added to the Project Risk Register during the period

There was one high-level item added to the Infraco Concerns Register by the Infraco Director (Id 79) and one item added by the Project Manager for Structures (see below).

Discipline	The same of the sa		
	Namber Cause	Rink Event	Elas
Structures	78 Late completion of utility diversions at Lindsay R	d Delay to Tramworks construction of Lindsay Rd retaining wall	Delay to programme, extension of time claim. Additional costs.
General	79	Failure of SDS/CUS to supply 'as built' drawings to tie	Rework on existing designs. Delay to programme, additional costs

Concern Id 78 will be managed by the Structures PM and a Utilities/Tramworks meeting has been arrnaged to review utility workscope and agree mitigation measures

Concern Id 79 will be managed by the Infraco Director who will bring all parties (tie, SDS, CUS, CEC) together to agree way forward for production of as built drawings and resolution of historical issues.

Reassessed and closed risks

Risk Id 10 was reassessed in the period. The impacts were reduced in view of the fact the risk is almost expired and the corresponding risk allocation within the Project QRA subsequently reduced by £102.5k. This sum will be transferred to contingency in Period 11.

There were no risks closed in the period.

5.2 Risk action plan for next 2 periods

The following treatment plans are due for completion in Periods 11 and 12.

Action Owner	Risk ID	Action ID	Action Name	Due 🔻	 Active	Complete -		Period
A Richards	901		Infraco/Tramco/operator to establish, implement and train staff in safe systems of work under the Case for Safety	31/01/2009		No	No	11
A Richards	104		Ensure Tram prefered bidders fully submit all required interface info to tie/SDS and sign off to it at TSA award	19/02/2009	Yes	No	No	12
D Sharp	1033		Pressue from Approvals Task Force to ensure Technical and Prior Approvals are delivered	28/02/2008	Yes	No	No	12
A Hill	931	605	MUDFA trial holes to verify GPR surveys	31/01/2009	Yes	No	No	11
Bob Bell	1081	650	Production of robust programme to mitigate losses	05/01/2009	Yes	No	No	11

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5.3 Cost Quantative Risk Analysis

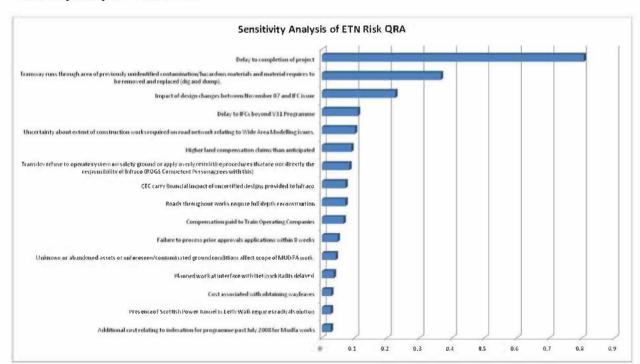
The cost QRA has remained unchanged in the period and the current P80 figure is £23,577k. In addition to this figure is £5,372k which constitutes risk allowances for specific items and contingency. The total project risk allocation is therefore £28,949k. This will be reviewed in Periods 10/11 in line with the programme re-calibration.

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

Item	Amount	Source of Funding	Notes
Sewer diversion at	£1,370,000	Contained within	Risk Id 342
A8		QRA	11.0
Seminar on Hearts Memorial monument relocation	£9,750	Contained within risk allowances	
Currency cost relating to Tramco at Financial Close	£6,478	Contained within risk allowances	

There were no risk drawdown applications approved in Period 10. However, a number of drawdown applications will be processed in Period 11 the most significant will be for £1,700k. This is to fund the settlement of contractual, commercial and scope issues as agreed with Carillion up to 30 September 2008.

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.

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5.4 Schedule QRA

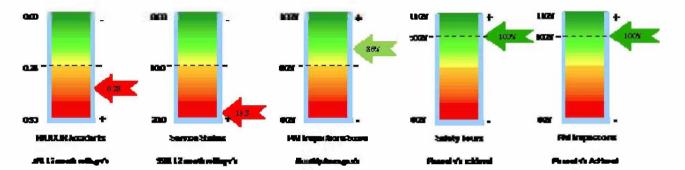
tie is currently working with the supplier of Active Risk Manager (ARM – the risk management software which **tie** uses) with a view to integrating Primavera and ARM so that a schedule risk analysis can be developed. A schedule QRA will be created in line with the recalibration of the overall programme.

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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	>3 day	Major	Injury	NM / Unsafe Condition	Service Damage	ENV	RTA	МОР	AFR	SFR	
Period 10	43,439	0	0	1	6	1	1	0	2	0.00	2.30	
Year to Date	914,859	0	3	23	89	172	3	11	60	0.33	18.80	
13 period rolling	1,053,658	0	3	29	105	203	3	11	63	0.28	19.27	



There were no reportable accidents during Period 10. The 13-Period rolling AFR is now 0.28 which is above the target of 0.24. If there are no further reportable accidents within the next three periods the 13-period rolling figure at the end of Period 13 should be 0.24 (based on 125,000 hours).

Both BSC and Carillion are re-inducting all operatives during the first week of January (Period 11) and a safety seminar with **tie**, Infraco and their supply chain is planned for the 8th of January. Re-checks on competence of operatives will also be made as sites restart for the New Year.

The monthly frequency of service damages fell again for Period 10. This is mainly due to the current programme of works being reinstatement rather than excavation.

Five areas of construction works were stopped by **tie** Project Managers during Period 10 due to unsafe conditions or works outwith agreed work package plans. Immediate action was taken for each and further meetings have been held with the Principal Contractors to discuss future preventative measures.

Effective arrangements were made for the holiday period including the removal of plant and materials where possible, pre-holiday site inspections, site security checks and comprehensive on-call preparations. There were no reported incidents over the holiday period.

100% of planned **tie** Project Management Health and Safety inspections and Director Safety tours were achieved in Period 10. Inspections carried out by Project Managers scored on average 86% (target 80%). Three inspections fell below compliance and are being addressed with Carillion.

6.2 Environment

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There was one environmental incident during Period 10 where BSC allowed the burning of wood on site at Carrick Knowe. This is also a breach of the COCP. The contractor was instructed to put the fire out and re-brief operatives on COCP requirements.

6.3 Quality

A quality audit was undertaken at the premises of CAF inspecting the manufacturing of the Tram. The results were good and no major findings were observed. A full report will be issued.

A joint audit was undertaken between **tie** and Carillion on the implementation and completion of inspection and test plans. The audit highlighted some good practices, and although there were no major findings there were seven suggestions for improvement. The report will be made available and include a time scale for implementation of the improvements.

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7 Stakeholder and communication

7.1 Stakeholder / communication strategy / plan

Through the new Edinburgh Trams Communications Group, tie, CEC and other key parties have been working closely together to enhance the ongoing communications strategy. The key priority is preparing for the closure of Princes Street, which is the key construction related activity for 2009.

7.2 Stakeholder / communication update

Media enquiries this period have included: city centre works; city centre and Leith embargoes, CEC full Council meeting on Edinburgh Trams and the new governance arrangements for tie and TEL.

Continued preparation for post embargo works recommencing in January, the team has been working closely with stakeholders, informing them of works in the city centre, Haymarket, Leith Walk, and Carrick Knowe. This has been achieved through regular notifications, face-to-face engagement and website updates.

The new tram website will go fully live the week commencing 12 January 2009. This period the team have been focused on content management, user group testing and technical trouble shooting.

Preparation is ongoing with CEC to host a tram mock up exhibition on Princes Street from February for approximately six weeks.

The Schools Programme's activities have included: production of a health and safety leaflet being distributed to schools and affiliated centres at the end of January 2009; preparation for health and safety visits to primary schools with our dedicated tram bus at the end of January; local primary school engagement.

Work continues on the independent review of the design consultation process, with a full report ready for March 2009.

The customer service team have been handling telephone and email requests for information including: reports on utility outages, information on current work sites, enquiries on land and property and requests for support on university projects.

7.3 Communication and stakeholder action plan for next period

Communications will be sent to local businesses and residents regarding the city centre works from 16 January until end February (including The Mound works); the closure of Princes Street and the infrastructure works involved; Leith Walk works in February; bridge and structure works taking place in the Russell Road and Balgreen area. These works will also be supported by face to face engagement, fact sheets and website updates.

Information surgeries will be held in February for the upcoming works in Princes Street. The tram mock up exhibition will be held from February and led by **tie** and CEC.

Media activity next period will be focused on works in: the city centre, The Mound, Princes Street, St Andrews Square and Leith Walk, as well as coverage on the tram mock-up exhibitions and upcoming works on bridges and structures.

Updates will be produced to support all key work areas, particularly for the city centre, Princes Street and Leith Walk.

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Appendix 'A' Detailed cost report

£m

FY 08/09: Demand on TS

103.008

Period Nr: 10

1: HEADLINE FINANCIAL COMMENTARY

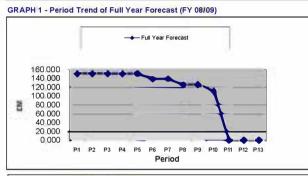
PERIOD RESULTS:
Period is for Phase 1a only. See Section 3 of the TS report.

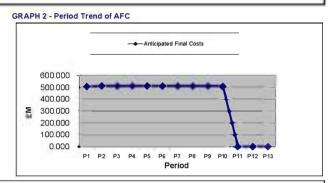
YTD RESULTS:
YTD is for Phase 1a only. See Section 3 of the TS report.

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.

FY 08/09			FY 08/09			FY 08/09			COWD	Costs	Total
C	OWD Period		COV	/D Year To I		COWD	Full Year Fo			10 G0	AFC
Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance	Actual	Forecast	Forecast
10.265	6.198	4.068	76.305	114.604	-38.299	111.658	150.851	-39.193	206.345	305.672	512.017
0.848	0.512	0.336	5.732	8.894	-3.162	8.651	30.852	22.201	17.037	25.239	42.276
9.418	5.686	3.732	70.573	105.710	-35.137	103.008	120.000	-16.992	189.308	280.433	469.741
	Actual 10.265 0.848	Actual Budget 10.265 6.198 0.848 0.512	COWD Period Actual Budget Variance 10.265 6.198 4.068 0.848 0.512 0.336	COWD Period COW Actual Budget Variance Actual Actual 10.265 6.198 4.068 76.305 0.848 0.512 0.336 5.732	COWD Period COWD Year To I Actual Budget Variance Actual Budget 10.265 6.198 4.068 76.305 114.604 0.848 0.512 0.336 5.732 8.894	COWD Period COWD Year To Date Actual Budget Variance Actual Budget Variance 10.265 6.198 4.068 76.305 114.604 -38.299 0.848 0.512 0.336 5.732 8.894 -3.162	COWD Period COWD Year To Date Forecast 10.265 6.198 4.068 76.305 114.604 -38.299 111.658 0.848 0.512 0.336 5.732 8.894 -3.162 8.651	COWD Period COWD Year To Date COWD Full Year Fr Actual Budget Variance Actual Budget Variance Forecast Budget 10.265 6.198 4.068 76.305 114.604 -38.299 111.658 150.851 0.848 0.512 0.336 5.732 8.894 -3.162 8.651 30.852	COWD Period COWD Year To Date COWD Full Year Forecast Actual Budget Variance Forecast Budget Variance 10.265 6.198 4.068 76.305 114.604 -38.299 111.658 150.851 -39.193 0.848 0.512 0.336 5.732 8.894 -3.162 8.651 30.852 22.201	COWD Period COWD Year To Date COWD Full Year Forecast To Date Actual Budget Variance Actual Budget Variance Forecast Budget Variance 10.265 6.198 4.068 76.305 114.604 -38.299 111.658 150.851 -39.193 206.345 0.848 0.512 0.336 5.732 8.894 -3.162 8.651 30.852 22.201 17.037	COWD Period COWD Year To Date COWD Full Year Forecast To Date To Go Actual Budget Variance Actual Budget Variance Forecast Budget Variance Actual Forecast Budget Variance Actual Forecast Budget Variance Actual Forecast Budget Variance Actual Forecast 305.672 30





3: RISK AND OPPORTUNITIES TO:

FULL YEAR FORECAST:

See Section 3 of the TS report APC:

See Section 3 of the TS report

4: ACCRUALS COMMENTARY

5: TOTAL PROJECT ELEMENT SPEND BREAKDOWN (TS & 3rd Party Costs)	E	stimated Co	st	Act	Variance		
Allocated in accordance with standard WBS. Values relevant to		Escalated	Escalated	Cost Of	Forecast	Anticipated	AFC v
business case or other agreed baseline date to be known as original estimate	Original	Original	Latest	Work Done	to	Final	ELE
Relevant Baseline date FBC 20/12/2007	Estimate	Estimate	Estimate	(COWD)	Completion	Costs (AFC)	
General Overall	28.233	28.233	28.847	23.056	5.791	28.847	0.000
Procurement Consultant	68.126	68.126	69.644	47.249	22.395	69.644	0.000
Design	23.683	23.683	26.828	25.467	1.360	26.828	0.000
Financial Issues/Funding/Procurement Strategy	2.258	2.258	2.630	2.174	0.456	2.630	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	2.7;3.102	273.102	296.648	94.753	201.895	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	0.00
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	13.326	44.826	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	206.345	305.672	512.017	0.000

Detailed Financial Information FY 08/09 **Edinburgh trams** Period Nr: £m 6: Current Year 08/09 - Baseline Budget P1 P2 P3 6.457 13.085 14.265 **P4** 7.667
 P5
 P6
 P7
 P8
 P9

 8.688
 8.763
 10.395
 15.222
 23.863
 P10 P11 P12 P13 Total 6.198 13.563 12.195 10.490 150.851 1 Total Project COWD - Budget -0.036 1.080 1.178 0.717 | 0.724 | 0.858 | 1.257 2 Other Funding - Budget 0.633 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 Current Year 08/09 - Actuals (Updated 4 weekly)
4 Total Project COWD + Revised Forecast 7: Current Year 08/09 - Actuals 5.531 14.508 8.162 3.744 10.265 | 10.195 | 0.457 0.609 1.198 0.609 0.309 0.475 0.932 0.855 0.674 0.848 0.842 7 Other Funding + Revised Forecast 0.879 6 768 9 353 1 13 310 6 493 T 10 355 9 505 7 488 Ī 6 762 I 3 435 I 5 074 5.275 T 9 418 9.771 T 103.008 10 Total Demand on TS 8: Variance tracker 12 Variance Line 1 to Line 4 - Project Actual vs Budget 13 Variance Line 2 to Line 7 - Oth Funding Actual vs Budget 11 463 14 Variance Line 3 to Line 10 - Demand on TS vs Budget 0.000 0.454 9 771 -16 992 9: Next Year 09/10 - Forecast (Updated 4 weekly) o4 Total Financial Commentary - FY 09/10 Onwards
52.316 178.351 All costs are for Phase 1a only. See section 3 of the TS report. 16 Total Project COWD 37.245 41.966 4.320 14.726 19 Other Funding 3.866 T 3 075 3.465 22 Total Demand on TS 42.959 34.170 38.501 47.996 163.625 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 0.000 3.093 10.664 30.431 85.852 111.658 178.351 80.247 11.720 0.000 0.000 512.017 24 Total Project COWD 1.000 0.019 10.287 8.651 14.726 6.626 0.968 0.000 0.000 42.276 27 Other Funding 0.000 0.000 30 Total Demand on TS 3.093 9.664 30.412 75.565 103.008 163.625 73.621 10.752 0.000 0.000 0.000 0.000 469.741 0.000 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 → Demand on TS- Budget Total Adjusted Demand on TS 25.000 **Total Project** 76.305 35.354 COWD 20.000 15.000 Other Funding 5.732 2.919 3 10 000 Demand on TS 5.000 0 000 0% 20% 40% 60% 80% 100% P7 P10 P11 P12 P2 P8 P13 % Complete Period 11: Other Funding Budget (Current Year 08/09) CEC Total Other Funding Stream 0.000 Other Funding Stream Other Funding Stream 0.000 Other Funding Stream
Total Budget Other Funding 1.257 1.080 1.178 0.633 0.724 0.858 1.970 0.512 1.120 10.348 10.490 Actual (Current Year 08/09) CEC Other Funding Stream Other Funding Stream Other Funding Stream
Other Funding Stream
Total Actual Other Funding 0.000 0.609 0.609 0.879 0.932 0.855 0.674 0.309 0.457 0.475 0.848 0.842 1.198 12: Promoter Full Year Forecast Run Rate Period Trend of Full Year Forecast (Current Year 08/09) P11 P13 Full Year Forecast 13: Promoter AFC Run Rate Period Trend of AFC P12 P13 Anticipated Final Cost

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Appendix 'B' Change control register

(Register and other information as volunteered or requested from delivery organisation / promoter – There are none to report on at this point)

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Appendix 'C' Programme information

To be sent separately to TS by CD:

- Milestone Schedule Summary (progress against baseline)
- Full Detailed Time Schedule (progress against baseline)
- Critical Path
- 12 Week Look Ahead Extract from Schedule

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Appendix 'D' Primary risk register

CEC01075882_0075

Period 10 - 2008/009 Primary Risk Register

		Risk Description									
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
139	Utilities diversion outline specification only from plans	Uncertainty of Utilities location and consequently required	Increase in MUDFA costs or delays as a result of carrying		High - 25.00		Carry out GPR Adien survey	Complete	Complete	31-Oct-07	J Casserly
	only non-plans	and consequently required diversion work/ unforeseen utility services within LoD	delays as a result of carrying out more diversions than estimated				Identify increase in services diversions. MUDFA to resource/re-programme to meet required timescales.	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	30-Apr-09	A Hill
164	Utilities assets uncovered during	Unknown or abandoned	Re-design and delay as	l Clark	Ter (318)		Carry out GPR Adien survey	Complete	Complete	31-Oct-07	J Casserly
	construction that were not previously assets or investigation takes place an accounted for; unidentified abandoned utilities assets; asbestos found in ground conditions affect scope utilities diversion; of MUDFA work. result of additional works. which works area, other physical obstructions; other contaminated land				Identify increase in services diversions. MUDFA to resource/re-programme to meet required timescales.	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	30-Apr-09	A Hill
44	SDS contractor does not deliver the required prior approval consents in	Late prior aproval consents	Delay to programme with additional resource costs	D Sharp		l	Evaluation of prior approval programme	Complete	Complete	31-Oct-08	D Sharp
	line with SDS V31		and delay to infraco. Impact upon risk balance.				Hold fortnightly Roads Design Group	Complete	Complete	31-Dec-07	T Glazebrook
							Informal consultation prior to statutory consultation	On Programme	On Programme	31-Dec-08	T Glazebrook
							Integrate CEC into tie organisation/accomodation (office move)	Complete	Complete	4-Jun-07	T Glazebrook
							Weekly Meetings of Approvals Task Force	On Programme	On Programme	31-May-09	D Sharp
173	Uncertainty over extent of contaminated land on route	Tramway runs through area of previously unidentified contamination and material	Increase in costs to remove material to special and other tip.	R Bell			Issue containation and gi report to Infraco bidders	Complete	Complete	2-Mar-07	B Dawson
		requires to be removed and replaced (dig and dump).					tie to obtain ground investigation and contamination reports from SDS	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
52	developments that constitute a change	from current baseline and	Programme delay as a result of re-work; Programme delay due late receipt of change requirements and lack of		Pp. 2310		Close working relationship with CEC and stakeholders	On Programme	On Programme	31-Jan-11	L Murphy
	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).	requientents and lack of resolution; Scope/cost creep (dealt with through change process); Project ultimately could become unaffordable.				Weekly critical issues meeting	On Programme	Complete	31-Jul-08	T Glazebrook	
928		Safety incident during construction	Delay (potentially critical) due to HSE investigation	S Clark	April 10		All Site Staff to get CSCS or equivalent	On Programme	On Programme	31-Jan-11	C McLauchlan
	construction		and rework. PR risk to tie and stakeholders.				Develop and Implement Incident Management Processes	Complete	Complete	27-Apr-07	T Condie
							HSQE Audits, site inspections and Management Safety Tours to be carried out	On Programme	On Programme	31-Dec-10	T Condie
							Safety Induction to be carried out for all site staff	On Programme	On Programme	31-Dec-10	T Condie
							Site Supervisors to be appointed by tie	Complete	Complete	28-Feb-07	S Clark
931	construction that were not previously accounted for; unidentified abandoned	Unknown or abandoned assets impacts scope of Infraco work	Re-design and delay as investigation takes place and solution implemented;	D Sharp			GPR surveys in areas where there are likey to be services	Complete	Complete	1-Apr-07	T Glazebrook
	utilities assets; known redudant utilities; unknown live utilities; unknown redundant utilities.		Increase in Capex cost as a result of additional works.				MUDFA trial holes to verify GPR surveys	On Programme	On Programme	31-Jan-09	A Hill
977	statutory consultation process. Large number of objections. TRO process is		Requirement to start construction using TTROs	K Rimmer	HOM ()		Use of TTROs to undertake construction of permanent works in advance of permanent TROs being approved.	On Programme	On Programme	30-Jan-11	K Rimmer

		Risk Description									
ARM Risk ID	Cause	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 weeks	Delay and disruption to 8 Infraco programme	D Sharp			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-May-09	D Sharp
							Final agreement to be approved by Roads Authority, CEC Promoter, CEC in-house legal and tie	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-May-09	D Sharp
							Where appropriate increase case officer resource to cope with programme compression	Complete	Complete	31-Oct-08	D Fraser
1033			in Delay to programme. Cost e overruns. Negative publicity Criticism from stakeholders				Continued focus at Infraco progress meetings as well as programme workshops to mitigate the impacts of any delay	On Programme	On Programme	Complete	S Bell
							Implementation of Advanced Works programme in order to mitigate potential future issues during construction	On Programme	On Programme	Complete	R Bell
							Infraco given instructions to proceed at risk	On Programme	On Programme	Complete	R Bell
							Pressue from Approvals Task Force to ensure Technical and Prior Approvals are delivered	On Programme	On Programme	31-May-09	D Sharp

		Nisk 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		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		İ	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			Engagement between tie and BSC at different levels. Regular review of BSC management of third parties as per Employers Requirements.	N/A	Complete	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	additional cost	R Bell			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-Jan-09	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	10. 10.		Minimise contractors exposure by identifying other work scopes outside the embargo area.	N/A	On Programme	31-Jan-09	R Bell
1081	Traffic modelling has shown that one lane needs to be kept open on Princes Street during works		Delay to programme, extension of time claim. Additional costs.	R Bell			Production of robust programme to mitigate losses	N/A	On Programme	31-Jan-09	R Bell

Risk Description

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Delivery Organisation Period Progress Report

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Appendix 'E' Resource information

(Updated Organisation Charts, Notifying Changes of Key Personnel – N/A)

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Paper to: TPB Meeting date: 22/01/09

Subject: Governance and corporate model restructuring options

Preparer: G Bissett

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Background and rationale for change

At the December TPB, a number of options for streamlining the current governance and corporate model were considered. The present structure is :

- CEC is client and principal stakeholder
- TEL is 100% sub responsible for overall delivery and future operational integration
- The TPB is a TEL sub-Committee established to oversee delivery (by tie) and planning for operations
- Tram Project Director reports formally to TPB on progress
- tie Board is responsible for contractual fulfilment
- TS is principal funder

The governance model reflects inheritance but is working reasonably well. Roles and responsibilities are clear in practice. External parties (TS, Audit Scotland) have no major concerns and the model is operating in line with that approved in the 2007 Final Business Case. Attendance and engagement at regular meetings is generally good.

However, there are areas needing improvement:

- tie Board meetings go beyond contractual focus and the demarcation between tie
 and TEL / TPB has grey areas. The calibre of the tie Board and quality of challenge
 is very good. This is a high quality resource which is somewhat out on a limb. The
 precise responsibilities of tie Limited are a cause for concern among tie Directors.
- There is considerable overlap in practice between tie Board and TPB interrogation
- **tie** is seen as the player responsible for all aspects, not aligned to actual responsibilities (CEC in particular have key responsibilities around interface with public, roads and traffic which are attributed to **tie**)
- In general, CEC's leadership role is not well reflected in the execution of governance
- The TEL role and business model is not yet distinct. TEL is not established as an active company.

The structure could benefit from streamlining and there is an opportunity to create a future-proof structure. Essentially, there is one company too many. A better option would be the creation of a <u>single</u> legal entity, wholly-owned by CEC (but at arms length), responsible for delivery and operational integration planning and in due course operational management. This would clarify and streamline responsibilities, ensure a smooth transition from construction to operation and encourage end-to-end accountability (what is delivered now will be the responsibility of broadly the same group of senior people when it is operational).

If we can envisage the end-point, say roughly when trams commence revenue service, the single entity would have fulfilled its delivery responsibility and its responsibility for creating an integrated service model; the same body carries forward the maintenance management responsibilities and takes up operational management for the integrated

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system. LB would continue as the bus operating company, with its governance aligned with its new sub-group. The single entity could also pick up a strategic planning role in tandem with CEC.

There are questions about combining delivery and operations, but this should not be a barrier. The linkages between delivery and subsequent operation are extensive. Although the scale of delivery capacity is a variable, dependent on pipeline and workload, this can be managed. Similarly, if there is a wind-down in delivery capacity because the pipeline is dry, the challenge will require to be met whether there is a single-entity or the existing multiple entity model.

Options examined

If it is accepted that a single-entity model is the desired outcome, there are three main options :

- (A) TEL is the entity and tie is merged into TEL
- (B) tie is the entity and TEL is merged into tie
- (C) A new entity ("Newco") is created and both tie and TEL are merged into Newco

In all cases, the shares of Lothian buses plc will be transferred into ownership within this sub-group, as has been the anticipation for some time.

Option A creates the least overt change, but causes the maximum legal and contractual disruption. Option B minimises disruption but involves more sensitive communications issues. Option C does not obviously create a better structure, but would be the least disruptive.

There are numerous detailed issues around each option but the main pros and cons are as follows:

Option A - TEL

TEL's public profile may not be strong at this stage, but does represent the anticipated future integrated transport company. Merging tie into TEL would reinforce the hierarchy of tie as project deliverer and TEL as ultimate oversight body. This structure would retain the TEL name and lose the tie name. There would be scope to adapt the TEL name if it was thought appropriate, perhaps in the context of a wider review of the integrated system branding. LB shares would be transferred to TEL in due course, as already made clear in the Final Business Case and in Council reports.

However, there are practical problems in moving **tie**'s activities into TEL – all of the major contracts would require to be assigned; there are c90 employment contracts which would require to be moved; there are also leases and various other third party contracts. In the other direction, TEL has minimal contractual liabilities and personnel. These challenges could be addressed but there would be complexities, legal costs and potential delay. Finally, critical health and safety responsibilities would require to be re-written.

Option (B) - tie

The flipside of the practical difficulty of the TEL model is the relative simplicity of the **tie** model. The downside of the **tie** model is that there would most likely need to be a change of company name from **tie** to TEL in order to preserve the profile of the umbrella

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organisation, a change which will create presentational challenges to avoid accusations of smoke and mirrors. A new name in the context of a refreshed project branding exercise may help with this.

Option (C) - Newco

This option would incur the practical difficulties noted above, offers no obvious advantages and therefore holds little attraction.

Detailed evaluation

At the December TPB, it was agreed that the following areas required examination, initially to identify fatal flaws in the options proposed.

- 1. Contractual obligations of the existing entities, TUPE and Council guarantees
- 2. Decision-making clarity, Board composition and responsibilities in all entities
- 3. Tram monitoring Officer role
- 4. Communications implications
- 5. Impact on current tax planning
- 6. Competition Law and State Aid considerations
- 7. Transport Act 1985 considerations
- 8. Terms of the Grant Award Letter
- 9. LB share transfer and position of LB minority shareholders
- 10. Health & Safety obligations
- 11. HR, employment and people issues
- 12. Constitutional documents Memorandum and Articles of Association for each entity, Operating Agreements

Since December, a preliminary review has been performed with legal and tax advice on a number of these areas. The work was focussed on Options A and B. A summary of findings is set out below, but the conclusion is that both options are deliverable, though there are important challenges under each route.

Contractual obligations, TUPE, Council guarantees

Option A (TEL) will require assignation or other legal transfer of the main Infraco suite, collateral warranties, DPOFA, a range of third party agreements and operational contracts such as property leases. Although machinery is in place to assign Infraco, experience of the consortium's behaviour to date highlights the risk that this process could become problematic at a sensitive time in the commercial negotiations. The Council would remain as guarantor under the new structure. The issue with all other agreements is the time and cost involved in execution, rather than a more fundamental concern. All employees of tie would require to transfer under TUPE to TEL, a well-rehearsed process but again involving time, cost and important communications with tie's people.

Option B (tie) would require no such changes.

Tax planning

PwC have reviewed the proposals and concluded that Options A and B should both be capable of implementation without jeopardising the project corporation tax planning. The

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override remains that the law is under review by HMRC and new provisions could be introduced which would create a problem. This is true under all options.

A practical issue was surfaced in relation to the current tax status of **tie** / TEL as "not-for-profit". This status will need to change to make the planning effective but no problems are anticipated in doing so.

PwC have also confirmed that VAT neutrality should be achievable under both options.

There are concerns about certain more complex tax areas including CGT and Stamp Duty which will require more detailed examination.

Once the direction is agreed, we will require to negotiate a fee arrangement to execute the tax planning, including the legal work required to implement the long-funding lease which is key to the planning.

Competition law and State Aid

The "single economic entity" is preserved under each option. No new problems are anticipated.

TA85

The design of a new structure which is intended to prevail well into the future must take full account of the pivotal and dominant role of Lothian Buses which will represent 80% of passenger operations for the foreseeable future beyond tram revenue service commencement.

The restructuring proposals do not appear to create any additional problems in relation to TA85. There are important management and operational issues to address under all options and a structural option which complies with TA85 and which could facilitate the right balance between strategic control and management independence is discussed below.

Grant Award letter

If Option A (TEL) is adopted, the funding flow would require to be redirected to TEL once TEL had absorbed the Infraco contractual obligations and the terms of the Award Letter revised. Option B (tie) should result in minimal impact on the Award Letter. TS would require to confirm that the new governance arrangements were acceptable under either Option, but particularly under Option A which redirects funding. At this stage, it is reasonable to assume that new arrangements which were acceptable to CEC and the members of the new Board structures should be acceptable to TS. A detailed assessment can be performed in due course including the risk that any opening up of the Award Letter could inspire amendment unrelated to the governance restructuring.

LB share transfer and minority shareholders

The LB shares would be transferred either to TEL (as has previously been envisaged) or to tie. The mechanics of transfer are being investigated by CEC and at this stage the assumption is that there should be power on the part of CEC to transfer the shares to a member of its group. Since tie and TEL are 100% subsidiaries, the name of the transferee should make no difference.

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There may be sensitivity at transferring the LB shares into the ownership of a "project delivery company" if Option B is pursued, but this is a sub-set of the communication challenge offered by Option B and commented on below.

H&S obligations

It is not anticipated that there are any barriers to either route arising from H&S considerations. It will be essential that rigorous and fully compliant arrangements are established under any new model. Option B (tie) would cause less disruption because of the alignment with contract but this would not be a material factor in favour of that option.

HR, employment and people issues

In addition to TUPE, the legal employer will change from **tie** to TEL under Option A, requiring re-presentation of HR procedural documents and processes under TEL's name.

The following aspects have not been investigated in detail at this stage but are not anticipated to contain show-stoppers under either option.

<u>Board composition, responsibilities and decision-making hierarchy</u> – it is essential that complete clarity of responsibility and accountability emerges from this process. The individuals involved will require this in relation to their own roles. The underlying process should be straight-forward but the key issue is to have the right people around the right Board with a clear role. This aspect needs to feature as part of the next stage of structural discussion.

<u>Communications</u> - the internal and external perception of the restructuring will need careful assessment. There are many moving parts and it is recommended that CEC lead a group to address this aspect as a priority. External perceptions are vital, but we should not underestimate the importance of offering the project team a clear view of the way forward, especially if their own legal arrangements are to be changed.

<u>TMO role</u> – will need to be clear and properly documented but in principle should be effective under either option.

<u>Constitutional documents</u> – these are documents to be agreed within the family and should be addressed once the principle structural and people decisions have been progressed.

Conclusions and compromise proposal

The preliminary assessment described above highlights two main challenges

- Option A (TEL) managing the contractual dislocation necessary to install all of tie's contracts within TEL.
- Option B (tie) the communication challenge of appearing to remove the overarching transport company (TEL), replacing TEL with the "project delivery company" which has not hitherto been positioned for an operational role and the risk of accusations of "smoke and mirrors" inherent in name changes.

If a single-entity model is to be delivered, one of these challenges needs to be taken on and dialogue is now needed to gather a consensus on the right approach.

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An alternative which could achieve most of the single-entity benefits and which would avoid the main challenges in delivering Options A and B has also now been examined. The main features of "Option D" would be:

- TEL acquires the shares of tie
- Transdev contract assigned to TEL
- LB shares transferred to TEL, such that TEL is now 100% owner of tie, 91% owner of LB (if the minorities stay in) and the contractual counterparty to Transdev
- **tie** and TEL agree a simple framework within which **tie** operates to deliver the infrastructure (**tie**'s current role)
- The Board of TEL to be reshaped but the tie Directors to be appointed to Board of TEL (all to be discussed and agreed with individuals). The Board of tie is reduced to Chairman and CEO and possibly one non-executive director.

This would avoid contractual dislocation but enable an external presentation of alignment under TEL. It will be critical that the relationship between the two companies is documented clearly so that the responsibilities of the two Boards are clear. However, the essence is that the re-constituted TEL Board has responsibility for all aspects of project delivery including those executed by its new subsidiary, tie Limited.

The downside is that this does not create a streamlined single-entity structure but this can be mitigated by effective codification of responsibilities between **tie** and TEL. In theory this could also be achieved under the current arrangements. However, the "top company" is the Council at present which makes the codification and the practical application of responsibilities more difficult. A clearly delineated "top company" beneath the Council (TEL) provides the focus which would otherwise be lacking.

Compliance with Transport Act 1985

The TA85 codifies the relationship between the Council and its bus company. The essence is a requirement to sustain separation between CEC and the bus operations. Since the system will in future be integrated tram and bus, this effectively means that tram and bus operations need to respect the requirements of TA85. The precise applicability of the Act to the new system requires further work, but a mechanism which could achieve the right balance is described below.

- Options A, B or D are executed under a top company (eg TEL under Options A or D)
- A new 100% subsidiary of the top company (call it Transport Operations Limited or "TOL") is established 1) to acquire the shares of LB; and 2) to inherit the Transdev contract.
- TOL has an executive management Board, possibly with independent Chair but no CEC members.

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 TOL operates within a framework approved by the top company but otherwise has autonomy to manage operations (in line with LB's current model), responding to competition and day to day operational events without formal recourse to the top company.

The downside is the creation of another new entity, although this could be operated efficiently if responsibilities are properly codified. A detailed examination of the requirements of the Act, together with tax implications and any wider legal considerations, should be performed before this new structure is executed.

Recommended action

This preliminary view indicates that Options A, B and D are deliverable. The TPB, tie Board and TEL Board are invited to comment on the main challenges under A and B and the possible hybrid Option D. It is recommended that the Council should then take the thinking forward with the family companies. The next stage of assessment should incorporate the design of detailed Board structures and composition to achieve clarity of decision-making, responsibility and accountability. Communications strategy and the internal constitutional documents can then be addressed.

Recommended	Name: Graeme Bissett Title: Strategy and Planning Advisor	Date: 22/01/09
Approved:	David Mackay on behalf of the Tram Pr	Date:roject Board





Edinburgh Tram Project

Princes Street Closure Contingency Procedure

January 2009





Issue & Revision Schedule

Main Author/s:	Brian McCall
Checked by:	Susan Clark / Alasdair Sim
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APPENDIX 1

Figure 1 Princes Street Closure and Contingency Route – Flow Chart

Figure 2 Tram works – Princes Street Closure – Diversion

Figure 3 Tram works - New Town Contingency Route - Diversion

Figure 4 New Town Contingency Route – Traffic Warden / Police locations

Figure 5 New Town Contingency Route – Signage Locations

APPENDIX 2



1.0 Preface

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1.1 Purpose

Tram works are due to commence in Princes Street in early 2009. Following extensive traffic modelling, CEC approved the closure of Princes St for the tram construction works at a full council meeting on 18th December 2008. It is recognised that the road network in the city centre is reaching capacity in some areas and so it is important that documented contingency arrangements are in place for this closure to keep Edinburgh moving. This document defines:

- The way in which the closure will be implemented;
- The monitoring of the success of the closure;
- The initial contingency plans for the 1st stage of the closure should the initial closure show signs of stress;
- · The contingency plans for the longer term closure of Princes St;
- The contingency measures for closure of other arterial routes in Edinburgh during the Princes St closure; and
- The decision making criteria for implementing the closure and contingencies

Find enclosed under Figure 1, in Appendix 1, the definition of the Princes Street Closure and Contingency Plan – Staging Sequence. This diagram details the progression from the closure of Princes Street to the implementation of the New Town Contingency Plan. There is a brief summary of the stages required and described in the following sections of this document.



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1.2 Chain of Command and Control Structure

The command and control structure for monitoring and communicating delays is as follows:

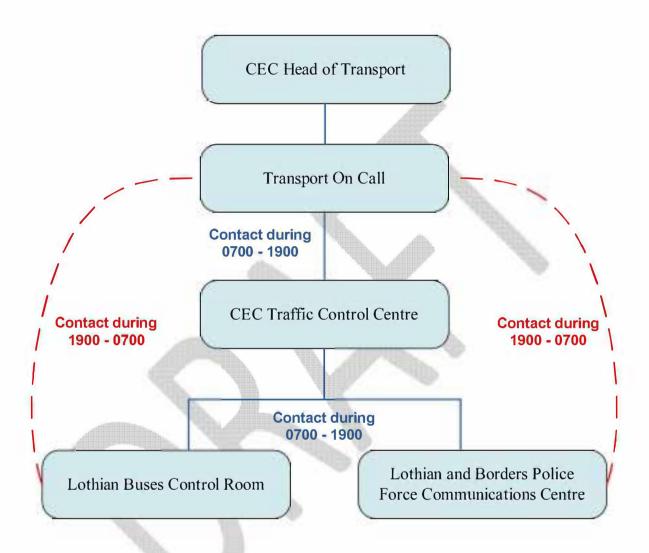


Diagram 1 - Chain of Command and Control Structure

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1.3 Monitoring

The CEC Head of Transport (HoT) has responsibility for instructing the implementation of the contingencies stages detailed in this document. The HoT will use the means defined herein to monitor the traffic flow to allow the decision on the implementation of the required contingency to be made.

The contact details for the parties defined in this document are noted in Appendix 2 of this document.

The monitoring system for making decisions on the implementation of the contingency plans will be as follows:

City Of Edinburgh Council (CEC) - Traffic Control Centre (TCC)

CEC – TCC manages the city's traffic signals, monitors traffic real time through CCTV footage of main junctions and feeds information into the Lothian Buses tracker system. From the 05th January 2009 the TCC will be staffed Monday to Saturday between the hours of 07:00 to 19:00. The experienced traffic control officers are able to assess the build of traffic; to report when problematic traffic patterns occur and raise immediate concerns as necessary. They will also liaise on an ongoing basis with Lothian Buses Control room and Lothian Borders Police Force Communications Centre (FCC). Outwith the TCC operational hours the On-Call traffic signals engineer should be contacted to escalate the situation as appropriate.

CEC are also in control of both the Variable Message Signage (VMS) and Urban Traffic Control (UTC) signals within the city boundary.

Lothian Buses (LB) - Control Room

LB has an AVL system for their buses as the vehicles progress through Edinburgh. The bus driver can report any queuing to the LB Control Room directly; the LB Control Room monitors real time delays of the buses en-route. The facility to assess any traffic build up and to check the increase or reduction of the delays associated is available.

Lothian & Border Police (LBP)

LBP are contacted directly by concerned drivers when traffic problems are experienced. This will provide LBP with a continual flow of information regarding traffic build-ups and ongoing delays.

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2.0 Princes Street Closure

2.1 Introduction

Following the introduction of the Princes Street closure buses and taxis will be diverted along George Street from Charlotte Sq to St Andrews Sq with general traffic using Queen Street. The south footpath on Princes Street will also be closed and pedestrians diverted along the north footpath in Princes St and also through Princes Street gardens during daylight hours. A full traffic management plan and narrative is in place for these works along with a logistics plan and an emergency plan.

Find enclosed Figure 2, in Appendix 1, defining the representation of the Tram-works – Princes Street Closure – Diversion implemented during Stage 1.

2.2 Enabling Works

To accommodate these diversion alterations and enabling works will have been carried as follows:

- Lothian Road (Civil and Signals Works)
- Charlotte Sq (Civil and Signals Works)
- George St (Civil and Signals Works)
- Castle St (Signals works only)
- Frederick St (Signals works only)
- Hanover St (Signals works only)

2.3 Implementation

When Princes St is closed initially, a westbound lane along Princes St and the south footpath will be kept available for use (but not actually used). These will be re-opened to traffic and pedestrians should the George St diversion show signs of stress / congestion as outlined in later sections.

3.0 Stage 2 - Princes Street (Reopening of Westbound Lane)

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3.1 Introduction

Following the closure of Princes Street, and the diversion of buses and taxis to George Street, the Contractor has been instructed to maintain a single lane on Princes Street and the south footpath as a contingency. Princes Street Westbound can be reopened, on the instruction of the HoT, should there be the build-up of traffic or pedestrians leading to unacceptable queuing and resulting delays.

3.2 Assessment of Traffic Build-Up

Prior to instruction to reopen the single westbound lane on Princes Street, assessment must be made of the cause of the traffic build-up. This assessment will be undertaken by TCC, LB and LBP as the traffic flow in Edinburgh is monitored. Following assessment of the traffic queuing TCC will contact the HoT to define:

- Report abnormal traffic queuing defining location and extent
- Length of time to resolve the incident
- · Cause of the traffic build-up

TCC, LB and/or LBP will make contact with other emergency services as deemed necessary. This will also be reported to the HoT on the initial contact.

TCC, LB and/or LBP will contact the HoT on a regular basis to update the position following initial contact.

3.3 Criteria for Reopening Single Westbound Lane

The HoT will use the following criteria to make the decision whether the opening of Princes Street single Westbound Lane is to be instructed:

 The criteria for opening of single lane westbound are the identification of a prolonged major delay to the bus services on George Street or to the general traffic on Queens Street.

3.4 Implementation

Should the HoT decide that either the westbound lane or the south footpath should be re-opened, the TCC will contact:

- The tie Project Manager who will make the necessary arrangements to have the appropriate route re-opened
- Lothian Buses in order to make arrangements to re-direct buses
- Lothian & Borders Police to ensure that the Emergency Services are aware of this route in use

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3.5 Measures Proposed Limiting Impact of Diversion Route

The measures noted in this section have been put in place to assist with the timely resolution of incidents affecting the flow of traffic on the diversion route and therefore reduce the likelihood for the need to instigate one of the Staged contingencies defined in this procedure:

- Break down provision break-down vehicles to be located at X to assist with the resolution of the break-down of any vehicle on the diversion.
- Strategy to accommodate Bus related delays there may be occasions when a
 bus could be held up on the diversion route for a period of time; for example an
 ill passenger. Lothian Buses and the Emergency Services planned for this
 eventuality to ensure timely resolution on or in the vicinity to the diversion route.
- Carriageway Constraints the lining, signage, U-turn provisions, lane
 restrictions, carriageway widths, traffic signals and timings, loading & unloading
 bays and bus stop locations have been reviewed to provide the most suitable
 arrangement to facilitate the free passage of vehicles on the diversion route.
- National Car Park (NCP) / Traffic Attendants assistance has been agreed with the NCP and traffic attendants to aid the installation of any of the Contingencies noted in this procedure.

These measures will be in place for each of the contingencies defined in this document.

3.6 Monitoring

Following the opening of the single lane westbound/south footpath on Princes Street the traffic flow will be monitored as defined in Section 1.3. The monitoring parties will update the HoT on a regular basis inform on prevailing traffic conditions.

3.7 Re-closure of Princes Street

The HoT will contact the Traffic Peer Review Group (TPRG) as the incident resolution is progressing and an assessment will made of what actions are required prior to the re-closing Princes Street to all traffic.

Assessments of the following will be considered:

- Cause of initial delay and confirmation of removal
- · Resolution of incident that led to the delay
- Any traffic remodelling requirement
- Additional measures necessary to prevent similar delay
- · Improvement to procedure and lessons learned

On instruction from the HoT the tie RP will instruct the re-closure of Princes Street.

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4.0 Full Handover of Princes Street to Contractor

4.1 Introduction

Following introduction of the Princes Street closure and assessment of the resulting traffic flow, a judgement will be made by the TPRG on whether the full handover of Princes Street to the Contractor should proceed. It is anticipated that this decision will be made after 3-4 days, or as long as considered appropriate by the HoT, following traffic running on the diversion under full handover traffic situation.

Request made by CM to clarify the timescale between Stages 1 and 3

4.2 Criteria for Full Handover of Princes Street

The criteria noted in this section will be considered by the TPRG prior to recommending the full handover of Princes Street to the Contractor:

- Monitoring reports during the installation of the Princes Street closure
- · Assessment of modelling predicted and actual queuing experienced
- Any mitigation possible to reduce and improve traffic flow
- Any issues raised by TCC, LB and/or LBP since implementation of the Princes Street closure

The TPRG will make the decision to instruct the full handover of Princes Street to the Contractor and timescale for doing so. The HoT will instruct the **tie** Responsible Party (RP) to instigate full handover of Princes Street to the Contractor.

4.3 Installation

On instruction for the full handover of Princes Street to the Contractor the **tie** RP will instruct the works sequence to install the full closure.

4.4 Monitoring

Following the full handover of Princes Street to the Contractor the traffic flow will be monitored as defined in Section 1.3. The monitoring parties will update the HoT on a regular basis inform on prevailing traffic conditions.







5.0 New Town Contingency Route

5.1 Introduction

When the full handover of Princes Street has been adopted by the Contractor, the relief lane on Princes Street will not be available. It has been agreed that a contingency route will be available east / west through the New Town to reduce the risk of gridlock in the event of an emergency situation on the diversion route.

A map of the contingency route is attached under Figure 3 in Appendix 1.

5.2 Enabling works

The enabling works noted in this section are required to allow the New Town Contingency Route to be implemented:

West End

- · Removal of the barriers at the junction of Moray Place & Great Stuart Street.
- Suspension of the parking on North side of Great Stuart Street
- Suspension of the parking on the south side of Moray Place on inner carriageway
- Suspension of parking on North of Great Stuart Street
- Removal of the island at the west end of Heriot Row (Eastbound carriageway)

East End

 Open up Dublin Street to allow access to York Place. Enabling works to open junction and to provide Temporary Traffic Signals (TTLs) required at Dublin Street / York Place junction.

5.3 TTRO

There is the requirement to raise the associated Temporary Traffic Regulation Orders (TTROs) to allow the road opening and suspension of parking required to be undertaken. This process is ongoing and will be completed in January 2009.

5.4 Signage

Drivers will be advised of the New Town Contingency Route being made available by the activation of appropriate Variable Message Signage (VMS) using Traffic Scotland and CEC VMS signs. Additional signs will be installed to direct drivers using symbols to indicate the New Town Contingency Route.

5.5 Criteria for Implementation

The HoT will make the decision to implement the New Town Contingency Route based on information from the TCC and using the criteria below:

- The HoT will deem in which circumstance the New Town Contingency Plan will be instructed.
- The HoT will consider the nature, the extent and the anticipated length of the
 incident prior to instructing the contingency route. The incident will need to
 result in congestion exceeding beyond the immediate vicinity of the incident
 onto either the wider network or the key diversion junctions.
- The HoT will use the monitoring teams at the TCC, LB and LBP to inform his decision.

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5.6 Implementation

If the HOT decides to implement the New Town Contingency Route, the TCC will advise the following:

Lothian & Borders Police (LBP)

LBP will be requested to provide Traffic Warden / Police assistance as the New Town Contingency Route is installed. There will be the need for four Traffic Service Wardens at the following locations:

- > 2 at the Great Stewart Street / Ainslie Place junction
- > 2 at the Dublin Street / York Place junction

• City of Edinburgh Council (CEC) - TCC

CEC will have responsibility for alteration of the VMS within the Edinburgh City boundary on installation of the New Town Contingency Route. CEC TCC will also instigate the switch on of the necessary traffic signals equipment at the Dublin Street / York Place junction to facilitate the New Town Contingency Route.

City of Edinburgh Council (CEC) - Communication

To get immediate messages relayed to Traffic Link for transmission to radio stations to advise that the New Town Contingency Route is in operation.

· tie Responsible Party

The **tie** Responsible Party will instruct the BSC Lead Contact to install the contingency route. BSC will then remove the mass barrier situated at the Great Stewart Street / Ainslie Place junction and at the Dublin Street / York Place junction to install the contingency route. BSC will also require making ready the signage at either end of the contingency route (the signs will be folded and need to be made visible); Figure 4, in Appendix 1, details the signage locations for the contingency route The **tie** Responsible Party will instruct CEC TCC to switch the temporary traffic signals on at the DS / YP junction.

Lothian Buses

To advise drivers which buses will be diverted via Queen St and to organise assistance on Queen St/George St to deal with passengers

The target timescale for the installation and making operational of the New Town Contingency Route is 45 minutes.

5.7 Monitoring

Following the installation of the New Town Contingency Route the traffic flow will be monitored as defined in Section 1.3. The monitoring parties will update the HoT on a regular basis inform on prevailing traffic conditions.

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5.8 Criteria for Closure of New Town Contingency Route

Prior to instruction of the removal of the New Town Contingency Route assessment will be made of the cause of the traffic build-up. This assessment will be undertaken by TCC, LB and LBP as the traffic flow in Edinburgh is monitored. Following assessment of the traffic queuing TCC, LB and/or LBP will contact the HoT to define:

- Cause of initial delay and confirmation of removal
- · Resolution of incident
- Remodelling requirement
- Additional measures necessary to prevent similar delays
- Improvement to procedure and lessons learned

If deemed appropriate the HoT will then advise the TPRG and on agreement instruct the removal of the New Town Contingency Route.



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6.0 Incident on Arterial Route approaching City Centre

6.1 Introduction

There is the possibility that an incident may occur on an arterial route approaching the Edinburgh City centre as the Tram works in this area progress. There have been contingency emergency plans agreed for the North Bridge, the South Bridge and George 4th Bridge. These emergency plans will be installed are deemed necessary by the CEC TCC



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7.0 Documentation Change Control History

Revision	Date	DCR No	Reason for Change
Draft A	12/01/2009		1 st Draft of Document
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5			APPA
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APPENDIX 1



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Figure 1



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Figure 2



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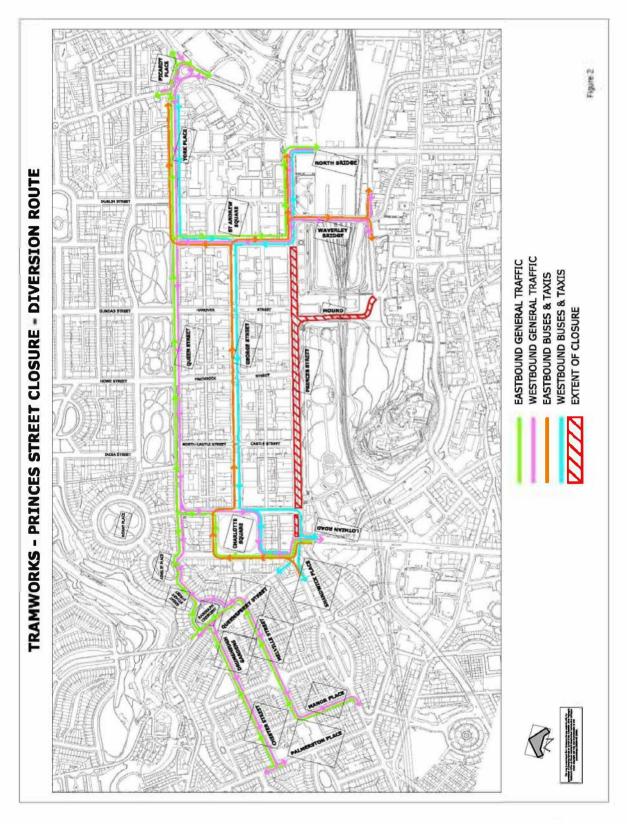


Figure 3

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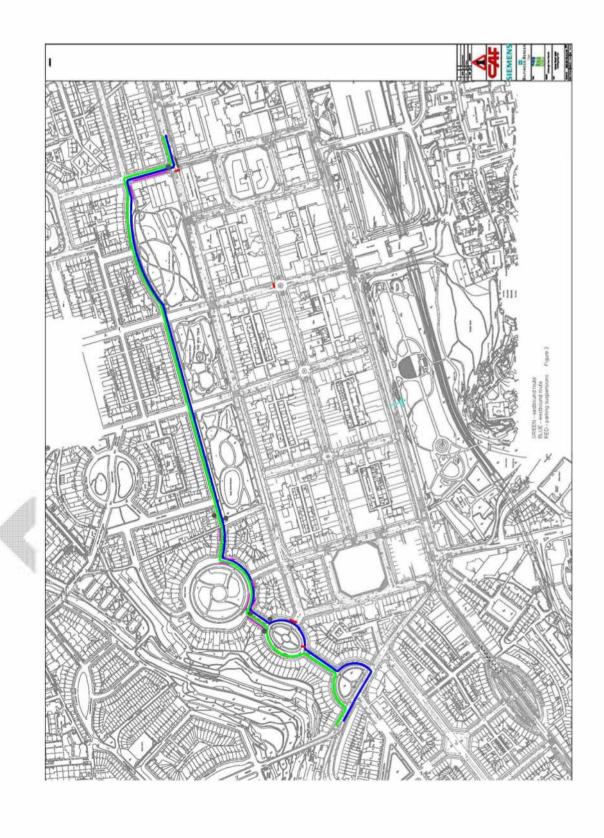


Figure 4

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CONTACT DETAILS

City of Edinburgh Council (CEC) CEC On-Call	0
CEC, Traffic Control Centre CEC TCC RP (07:00 to 19:00 Mon to Sat) Or CEC TCC RP (07:00 to 19:00 Mon to Sat)	0131 0131
Lothian Buses (LB) Lothian Bus Control Room (Lead contact)	0131
Lothian & Border Police Duty Officer (Lead Contact - 24 hour contact)	0131
Bilfinger, Berger, Siemens & Caf (BSC) Peter Widdowson (Lead Contact – 24 hours) Allan McDowall (Reserve Contact - 24 hours)	
tie Responsible Party tie On-Call Officer David Burns (Tram Construction - Project Manager)	

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