



Transport Edinburgh

Edinburgh Trams

Lothian Buses

Tram Project Board Report on Period 4 Papers for meeting 30th July 2008

09:00am – 11:00am

Distribution:

Attendees

David Mackay (Chair)
Willie Gallagher
Bill Campbell
Stewart McGarrity

Neil Renilson
Dave Anderson
Susan Clark (for Steven B)
Graeme Bissett

Donald McGougan
Cllr Phil Wheeler
Alastair Richards
Marshall Poulton
Elliot Scott (minutes)

In addition – for information only

Cllr Ricky Henderson
Cllr Allan Jackson
Kenneth Hogg
Keith Rimmer
Norman Strachan
Iain Coupar

Cllr Gordon Mackenzie
Cllr Tom Buchanan
Peter Strachan
Duncan Fraser
Rebecca Andrew
Alan Coyle

Brian Cox
Neil Scales
Frank McFadden
Dennis Murray
Jim McEwan
Tony Glazebrook

TRAM PROJECT BOARD

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt
 Yes
 No

Contents	Page
Agenda Tram Project Board	4
Edinburgh Tram Network Minutes	5
Project Directors report	10
Primary risk register.....	15
Traffic regulation orders – update on ststutory process	19
Council Contributions.....	22

Agenda Tram Project Board
Brunel Suite – Citypoint, 2nd Floor
30th July 2008 – 9.00am to 11.00am

Attendees:

David Mackay (Chair)
Willie Gallagher
Bill Campbell
Stewart McGarrity

Neil Renilson
Dave Anderson
Steven Bell
Graeme Bissett

Donald McGougan
Cllr Phil Wheeler
Alastair Richards
Marshall Poulton
Elliot Scott (minutes)

Apologies:

- 1 Review of previous minutes and matters arising
- 2 Presentations
- 3 Project Director's progress report for Period 4
 - TRO strategy (paper)
 - CEC contributions (paper)
- 4 Health and safety – update
- 5 Change requests / risk drawdown
 - A8 Sewer - update.
- 6 Phase 1b / Gogar interchange / Line 3
- 7 FOISA
- 8 Risk
- 9 Date of next meeting
- 10 AOB

Edinburgh Tram Network Minutes

Tram Project Board

2nd July 2008

tie offices – Citypoint II, Brunel Suite

Members:			
David Mackay (Chair)	DJM	Bill Campbell	WWC
Willie Gallagher	WG	Donald McGougan	DMcG
Clr Phil Wheeler	PW	Neil Renilson	NR
In Attendance:			
Steven Bell	SB	Graeme Bissett	GB
Duncan Fraser	DF	Stewart McGarrity	SMcG
		Elliot Scott (minutes)	ES

Apologies: Marshall Poulton, Dave Anderson and Alastair Richards

1.0	REVIEW OF PREVIOUS MINUTES	
1.1	3.2. The safety leadership initiative will be developed with Infraco on 10/11 July and SB will report back on the plan for implementation.	SB
1.2	5.2. WG is combining a list of people to approach each external party and this will be circulated as necessary.	
1.3	6.7. SB appraised the Board that Susan Clark is now chairing the Traffic Management Review Panel overhauling the procedures and that both the process and incident response has improved. It was acknowledged that further improvement is still required.	
1.4	10.3. This related to the conflict between FOISA regulations and commercial confidentiality. A draft has been prepared, GB to follow up and report to the next TPB.	GB
1.5	11.4. SB updated that the instruction to Infraco to update their price for Phase 1b had not yet been issued, but would be done so by 11 th July.	
1.6	13.1. A paper will be presented to the tie safety committee on 9 th July. Feedback will be provided to the following TPB.	SB
1.7	15.1. NR appraised the Board of the meeting attended by Jim McEwan, WWC and himself with Transport Scotland (TS). He indicated that TS had done a considerable amount of work and that the preferred option would have very little impact on the tram. Jim McEwan is chasing TS for an instruction to undertake a feasibility study on the effect of the TS proposal on Tram.	
1.8	15.3. NR also appraised the Board on the meeting held with Martin Boyle, Gordon Hanning and John Ramsay regarding concessionary fares. The feedback received indicated that the tram project should procure ticket machines that could handle the concessionary fare scheme in an equivalent manner to the buses. NR indicated that a sub-committee should be set up for this matter. DMcG expressed his concern about tram being included in the concessionary fare scheme, particularly around the timetable when a decision would be made. This view was again echoed by the Board.	

2.0	Presentation and review of PD's report	
2.1	<p><u>Overview</u> WG gave an overview of progress to date covering Infraco mobilisation, his recent trip to Berlin, MUDFA and stakeholder issues including the Leith Traders concern over parking along the route.</p>	
2.2	<p><u>Safety</u> SB outlined the current safety statistics and summarised the two serious incidents and outcomes from investigations.</p>	
2.3	<p><u>Design and consents</u> SB highlighted the current problem areas with Prior and Technical Approvals and the actions underway to unlock barriers to achieving these. Current "hotspots" include the Murrayfield tramstop (CEC aspirations), the depot (bird management plan), Picardy Place (technical solution required) and the Shandwick Place tramstop (to be moved eastwards).</p>	
2.4	<p>WG added that there is a clear paper trail in the event of a commercial challenge from the contractor although there will be some elements that are client responsibilities. DJM, SB, WG and NR all expressed their concern and frustration over changes that delay the process are potentially more expensive, yet have no impact on revenues. CEC officials concurred and would report accordingly.</p>	
2.5	<p><u>MUDFA</u> SB appraised the Board that MUDFA progress is improving, but is still not as good as the project team would like. Critical areas include the Foot of the Walk, Haymarket and St Andrews Square. SB stated that MUDFA was holding its 2-3 potential slippage on the Infraco critical path and that mitigation was being investigated.</p>	
2.6	<p>DMcG queried when the project team would have a better view of the MUDFA risk allowance as this would aid in the decision making process for Phase 1b. SB indicated that he would report back to the Board in the September TPB.</p>	SB
2.7	<p>PW raised a question over the state the streets will be in during the embargo period. SB replied that there will be no service diversions ongoing in the areas covered by the embargo. WG added that there are some BT chambers outside the Playhouse and in York Lane that will continue during the embargo to minimise the overlap with these works and Infraco construction.</p>	
2.8	<p><u>Finance</u> SMcG outlined the current financial position – no change in the AFC (£512M) but slippage in the current year spend (delayed contract award, MUDFA progress and ScotRail carpark compensation).</p>	
2.9	<p>DMcG expressed his concern that the spend for the full year does not meet the current target of £151M. He added that the Council was confident it could manage the shortfall in funding for the current year (in the context of the current £120M TS funding cap).</p>	

2.10	<p><u>Programme</u> SB updated the Board on current progress related to significant project milestones. A number of these are behind programme but were either not critical to the end date of the project or critical elements are being prioritised and non-critical elements delayed. It was acknowledged that a recovery plan was being developed with Infraco and was expected to take several months to start to close the gap to the contract programme.</p>	
2.11	<p>PW queried the effect of the proposed Gogar interchange on programme. SB stated that at this stage he was continuing with the current programme until the scope was agreed when the cost and programme impact on the tram project could be assessed.</p>	
2.12	<p>NR updated that CAF progress is mainly concerned with getting Department for Transport approval and SB added that there is good engagement between Siemens and CAF.</p>	
2.13	<p>SB added that the building fixings have gone through the notification process and agreements are being finalised with lawyers.</p>	
2.14	<p>The close out plan for aligning Infraco proposals with the SDS design (particularly roads and OLE) is being finalised and SB will report to the next TPB on the associated programme and costs.</p>	SB
3.0	Phase 1b	
3.1	<p>SMcG presented his paper on Phase 1b. A summary of this and the following discussion is outlined below.</p>	
3.2	<p>SMcG outlined that the current driver for timing is that the instruction to mobilise Carillion needs to be made by October 2008 to ensure that they do not de-mobilise and to ensure their completion prior to Infraco commencement. NR commented that the Phase 1b utilities are a smaller package of work than Phase 1a and countered that by adding them to the Infraco contract the October deadline is not relevant. SB confirmed that when Infraco is instructed to update their price, an option will be included for them to price the utility diversions.</p>	SB
3.3	<p>SMcG also outlined the need to involve TS to determine if any incremental funding is available. Debate centred around the timing and level of discussion with TS and the place of Phase 1b and Line 3 in the 20 year plan for Edinburgh transport. DMcG added that progress on identifying CEC funding would be reported to the Board timeously through the taskforce led by SMcG, especially as it relates to the £45M already pledged.</p>	
3.4	<p>SMcG stated that there was some basis for confidence that the final figure would not be materially different from £87M, given that the Infraco contract requires that the given schedule is used to formulate prices, the tram price is fixed and that tie costs can be kept under control.</p>	
3.5	<p>One area of initial concern was the patronage and revenue workstream, particularly in relation to development assumptions in north Edinburgh. However, Keith Anderson (CEC) is now leading this and information is being gleaned from the PwC assessment of development potential in the same area. SMcG resolved to report to the next TPB on the outcomes of the patronage and revenue modelling.</p>	SMcG

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt
 Yes
 No

3.6	WG, NR, DJM and DMcG resolved to meet separately, along with MP and DA, on the promotion of Phase 1b.	WG to lead
3.7	DJM suggested that a list of actions for Tram Line 3 be prepared and WG agreed to take the lead, along with SMcG.	WG / SMcG
4.0	Legal services	
4.1	GB gave a summary of the legal services review. There will be no change in the current arrangements and, although there will be no impact on the current budget, there is no allowance for any major event such as a major claim (although this would be addressed through the risk allowance).	
5.0	Traffic calming north of Haymarket Terrace	
5.1	SB summarised the paper and the previous TPB position, particularly the need to have a clear position on the scheme in the lead up to the final TRO consultation.	
5.2	DMcG stated that it was an aspirational scheme of CEC's, but low on the list of priorities and that the assumption was that it was part of the tram project.	
5.3	WWC queried the construction timing in relation to planned bus diversions during the Infraco main works construction. SB clarified that the phasing was still to be confirmed but there was no intention to do work on diversionary routes during the construction phase.	
5.4	SB and DMcG resolved to discuss outside the TPB and report back to the next meeting.	SB / DMcG
6.0	Risk	
6.1	SB summarised that the primary risk register is currently light on Infraco specific risks and that a thorough review is already underway dealing with specific risks, especially mitigation plans.	
6.2	SB presented the paper on the diversion of the 1,500mm sewer at the A8 underpass. As the final cost and programme was subject to detailed discussion the Board agreed that WG and SB had delegated authority to instruct the work when the detailed negotiations were complete.	
7.0	AOB	
7.1	PW raised a query over the naming of tramstops and whether they could be changed. NR replied that, although the stop names had been approved by the Council, they could still be changed. He added that this would not be without cost. WG added that this was a TEL issue and, as such, should be covered outside this forum.	
7.2	SB requested Council support in dealing with the archaeologist and managing down the amount of carbon dating that is done. DMcG promised his support.	
7.3	PW expressed his desire for future-proofing the OLE to enable Christmas lights, banners etc to be hung from them. WG to speak directly to Gordon Drummond.	WG
7.4	DF raised a query in relation to the Infraco / MUDFA TM integration. WG replied that there is a monthly TM stakeholder meeting that he chairs. SB and WWc added that there is more work to do on this, particularly in relation to approval and notification timescales.	

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt

Yes

No

7.5	DF also queried the programme for additional works, especially as the external funders have their own deadlines. SB replied that he had asked for formal estimates for these works and, provided the estimates are reasonable, these will continue to be pursued.	
7.6	Date of the next TPB meeting – 30 July 08.	
7.7	Time of meeting on 27 August 08 – to be shifted to 10.30am start with the venue to be confirmed.	

Prepared by Elliot Scott, 2nd July 2008

Project Directors report

Health, safety, quality and environment

There were no RIDDOR incidents in the Period and the AFR for the project is now 0.11 with 98,000 hours worked in the period.

There were 27 incidents reported, one of which was categorised as serious, 25 as minor and 1 as very minor. There were also seven near misses.

The serious incident was a damaged water main which resulted in disruption to customers. An operative was breaking material with a hand held breaker and struck the main which was only at a depth of 300mm. The hole was plugged until a repair could be effected later in the day. Staff have been re-briefed on revised procedures and Carillion have issued an alert to all staff.

24 of the 34 incidents and near misses this period have been investigated, actions agreed and implemented and closed with 10 mitigations in progress. There are a further 35 open incidents which are awaiting investigation reports and closure. These are being progressed and there has been a significant reduction in the backlog in during the period.

Three audits were planned in the period but have been re-scheduled for Period 5 to ensure availability of all key staff. Three NCRs were raised in the period. One against the MUDFA contractor and two against Infraco. Corrective actions are being agreed. There are two outstanding NCRs from previous periods being closed out.

Progress – Design

Prior approvals and structures approvals have progressed well in the period, with items generally being delivered on time or early. Roads Approvals have required more work to resolve outstanding issues with the submissions and CEC comments but this is now starting to unblock with concerted actions from **tie**, CEC and SDS. Generally the slippage against v31 has reduced in the period.

However, some IFC drawing delivery has been delayed in the period (particularly on Phase 1b items), however there is clear visibility of any such issues with the design and consents task force. Where necessary and appropriate actions and instructions are being implemented to mitigate any potential delay to the construction critical path. A separate issue with Scottish Water drainage outfall consents has been escalated and is now closed out successfully.

- To date 64 Prior Approvals have been submitted to CEC and 46 granted – 66% granted (compared with v31 plan of 68 and 53 – 76% granted);
- To date 78 Technical Approvals have been submitted to CEC and 49 granted – 53% granted (compared with v31 plan of 83 and 52 – 56% granted); and
- To date 36 Issue for Construction (IFC) drawings have been submitted to **tie** – 32% submitted (compared to v31 plan of 60 – 54% submitted).

Progress – MUDFA

Utility diversions showed an improvement in production output during Period 4. Further improvement is still required to avoid material risk of impacting the Infraco construction and this is being progressed assertively at very senior levels with Carillion.

Close-out programmes pre the August city centre embargo (including St Andrews Square and Shandwick place) are on target and Haymarket enabling works will be completed to allow commencement of the main diversion works as publicised on the 18th August. Leith Walk works north of McDonald Road and at Constitution Street are expected to be substantially completed by the end of August.

Work at Gogar depot and in Sectiond 5B and 5C (The Gyle and Edinburgh Park) is delaying telecom diversions and this is being managed with Infraco to mitigate any impact on the main construction programme.

Progress – Infraco (including Tramco)

The delay in closing the Infraco suite and its affects on mobilising Infraco's supply chain is impacting planned progress.

Whilst the demolition of the Caledonian Ale House is well underway and site clearance and roads survey coring and testing has progressed, concern remains at the slower than programmed progress with mobilisation. Infraco have significantly increased their direct staff numbers in the period and momentum is building.

However, it will take a number of periods to recover the slow initial progress. The plan to review this is outlined in the programme section below. Short-term targets to bring forward work including:

- Agreed with Infraco to bring forward to 15th August (Period 5) for building warrant approval for demolitions around Murrayfield area (requires SDS and CEC buy-in - v31 states 13th September); and
- Reviewed 12 week lookahead and further potential areas where works can commence by unblocking minor issues. Infraco are reviewing and agreement on short term opportunities is expected on by the end of July.

Infraco Proposals / SDS design alignment programme

A consolidated programme to complete this work, including the more significant elements of roads and OLE design is being validated during Period 5. The impact and opportunity of this work will be incorporated into the Period 6 report.

Progress – Other

Pollution Prevention Works at Scotrail Haymarket depot are reported to be on, or slightly ahead of their programme. This requires continued monitoring as **tie** continue to seek improvements in programme from Network Rail to avoid potential impact to the Infraco programme.

Compensation negotiations for Haymarket Carpark have been slowed as a result of little response from Network Rail. This issue is being escalated with Network Rail's Director. It is likely to be Period 6 before this is concluded. First Scotrail have engaged on this issue and this can be resolved subject to resolution of responsibility for the impact of Franchise Extension.

The repositioning of the BAA fence is now complete. All archaeological works programmed in Sections 5C and 7 have been concluded and GUARD have been demobilised. Invasive species 4th visit taking place in the weeks commencing 21 and 28 July and the Gogar Drain has been wired off to discourage any further Badger activity in the area.

The contract for relocation of Murrayfield training pitches has been awarded and works are programmed to commence on 28 July 2008. This is in line with Tram Project Programme requirements.

Progress Overview

The management of the recovery of design delays and mitigation of any potential utility diversion conflicts via Revision 07 of the MUDFA programme and unlocking of Infraco more effectively is being addressed across the Prject.

Full integration of the issues and the proposed solutions will be carried out during August and a more settled integrated programme, with attendant contingency recovery plan will be set out. It is expected to be will developed for the Period 6 report, including cost implications.

Cost

The AFC for Phase 1a of the project remains unchanged from last period at £512m, including a risk allowance of £30.3m. Funding available remains at £545m.

Cumulative expenditure to date (end of P4 08/09) on Phase 1a is £166.3m. COWD year to date, at £36.3m, is £5.2m lower than the 'budget' for the year to date. This is primarily due to delayed closure of the Infraco contract suite, temporary slippage in utilities diversion work and delayed completion of land acquisition costs.

The FY08/09 outturn forecast has been marginally reduced by £0.5m and now stands at £150.5m including a conservative risk allowance of £9.3m as before. This forecast anticipates that in the case of both Infraco and MUDFA, any current slippage is recovered by the end of the FY08/09.

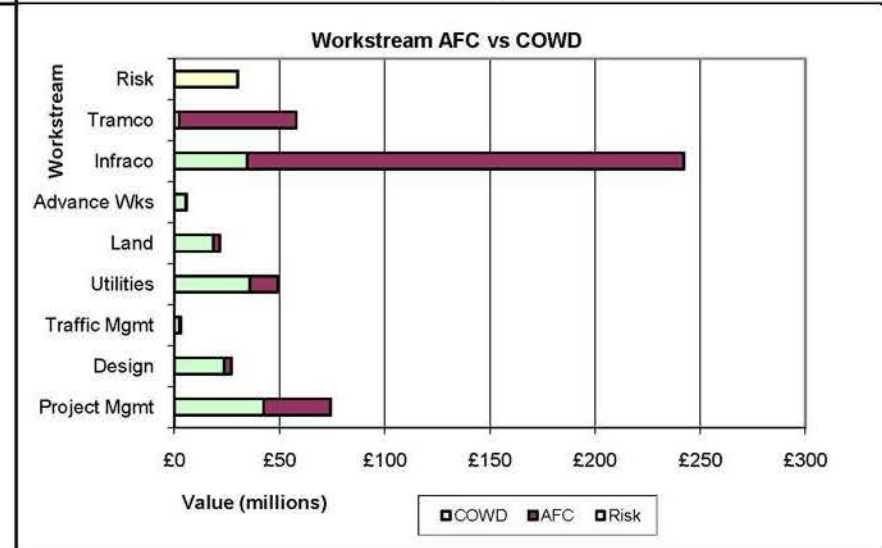
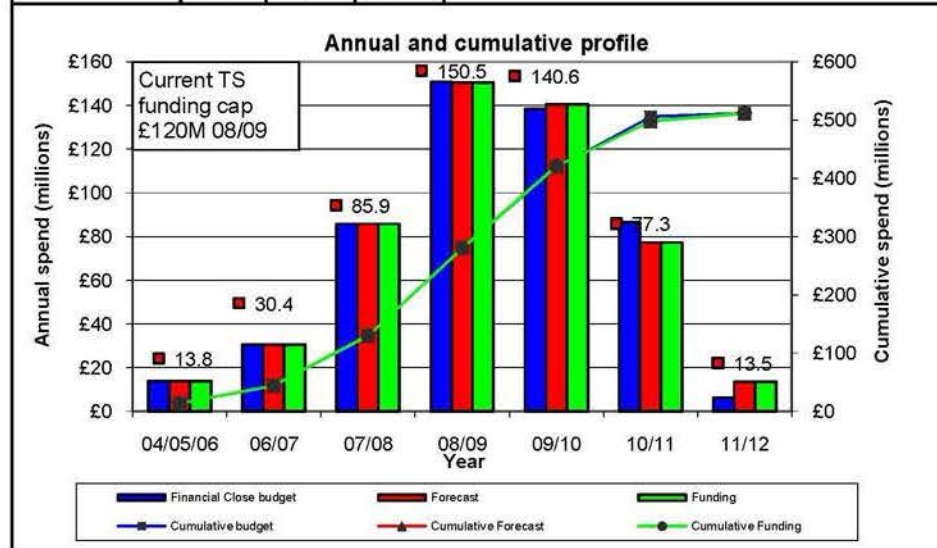
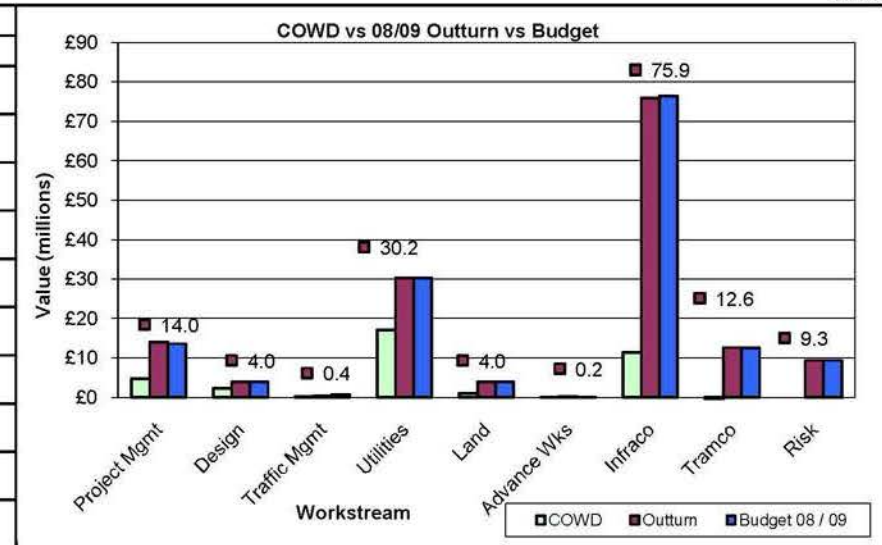
The TS share of Phase 1a costs in FY08/09 at 91.7% (500/545) would be between £130m of Base Costs or £138m of the total costs including Risk Allowance. This is being kept under review in the context of a current cap on FY0809 funding from TS of £120m. The fall back position is that CEC would temporarily "fund" the shortfall of between £10m and £18m until the start of the FY09/10, although **tie**'s view is that at these levels the time lag between certification of work done and payment will ensure that CEC is unlikely to be required to find significant additional cash to meet a shortfall due to the current TS funding cap.

Transport Edinburgh
Edinburgh Trams
Lothian Buses

FOISA exempt

Yes
 No

Period 4 - 08/09 COWD (£000s)				
Workstream	F/cast	Act	Var	Comments
Project Mgmt	1,120	1,278	159	TEL invoice to reconcile 07/08 accrual
Design	513	479	(34)	Various minor variances
Traffic Mgmt	65	53	(12)	Delay in review of design plans
Utilities	4,460	4,989	529	Advanced payments
Land	2,402	245	(2,158)	Protracted negotiations with Forth prts, Network Rail and First ScotRail
Advance Wks	2	8	6	
Infraco	2,502	1,102	(1,400)	Slow progress in mobilisation and initial activities
Tramco	8	8	0	
Risk	0	0	0	
Total	11,071	8,162	(2,910)	As above



CEC01237111_0013

Risk

A risk drawdown of £1.4m is anticipated in Period 5 to address the A8 Sewer diversion. Any risk associated with the programme recovery works identified will be addressed in Period 6.

Programme

At this stage of the project the right amount of time must be invested to ensure full integration of all key workstreams in light of progress to date and issues arising from the finalisation of the contracts.

Infraco contract close programme was based on input from 2 key programme inputs – Design and Consents (v26) and MUDFA (v06). At contract close, there was a difference between the version of the design programme contained in the contract (v26) and the design progressed programme at the point of signing (v31). Some slippage in design had occurred during this period. This slippage, coupled with the slow mobilisation of Infraco has resulted a number of milestones being missed in the first 2 months of the contract. In addition, slippage in the MUDFA has a potential to impact on the overall programme delivery. **tie** has analysed the potential impact of this on the overall programme. The following table shows the contract programme key dates:

Section	Description	Contract
Section A	Depot completion	25 March 2010
Section B	Test track available	23 April 2010
Section C	All Phase 1a construction complete	17 Jan 2011
Section D	Open for revenue service	16 July 2011

In general, the slippage if these were plugged in without any mitigation equates to a potential 8 week programme delay to the introduction of revenue services. However, over the past few weeks **tie** has been working with Infraco to mitigate the impact of this slippage with the aim of having a revised programme agreed which delivers the open for revenue service date of July 2011. **tie** is confident that this revised programme which maintains the contract end date can be achieved.

Work will proceed with Infraco during the next period with the aim of having a revised contract programme agreed by end of September. This may result in early milestones being re-sequenced with a view to catching up on overall programme. Specific initiatives and actions for programme improvements include use of additional track / OLE gangs, re-sequencing of activities to be more efficient and use of technology to improve productivity.

Communications

The level of stakeholder issues currently being experienced will be reduced as MUDFA and Infraco start to deliver to the programme. The project is experiencing a small increase in activity of stakeholder hotspots as the level of activity in testing and commissioning of utilities increases. These include:

Leith Walk / Constitution Street – significant level of engagement with traders in this location who are concerned about traffic management including restrictions of parking and loading and the code of construction practice in general.

Landsdowne Crescent – concerns about tree pruning to allow traffic diversions to be put in place.

A number of actions have been taken to strengthen our management of stakeholders . A review of traffic management planning has been undertaken and a number of improvements are underway, including production of a traffic management lookahead and revised procedures. Additionally, a recent trip to Berlin included representation from the Federation of Small Businesses and Chamber of Commerce. During this trip the construction process was witnessed and ideas for improving communications with traders were explored as well as relationships built. Finally a new Customer Services Delivery Manager has been appointed and commences on 28th July.

Period 4 - 2008/09 Primary Risk Register

ARM Risk ID	Risk Description			Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
	Cause	Event	Effect								
916	CEC do not achieve capability to deliver	CEC are unable to honour their funding commitment	Potential showstopper to project if contribution not reached; Line 1B may depend on incremental funding from CEC	S McGarrity		Project	CEC has formed a multi discipline Tram Contributions Group to monitor identified sources of £45m contribution including critically developers contributions. tie are invited to that group. (see add info)	Complete	Complete	28-Sep-07	CEC
							CEC to deliver necessary contributions for 1a	Complete	Complete	28-Aug-07	CEC
							Tram Project Board to monitor progress towards gaining contributions	Ongoing	Ongoing	Ongoing	D Mackay
139	Utilities diversion outline specification only from plans	Uncertainty of Utilities location and consequently required diversion work/ unforeseen utility services within LoD	Increase in MUDFA costs or delays as a result of carrying out more diversions than estimated	G Barclay	High - 25.00		Carry out GPR Adien survey	Complete	Complete	31-Oct-07	J Casserly
							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	Ongoing	A Hill
164	Utilities assets uncovered during construction that were not previously accounted for; unidentified abandoned utilities assets; asbestos found in excavation for utilities diversion; unknown cellars and basements intrude into works area; other physical obstructions; other contaminated land	Unknown or abandoned assets or unforeseen/contaminated ground conditions affect scope of MUDFA work.	Re-design and delay as investigation takes place and solution implemented; Increase in Capex cost as a result of additional works.	I Clark	High - 25.00		Carry out GPR Adien survey	Complete	Complete	31-Oct-07	J Casserly
							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	Ongoing	A Hill

ARM Risk ID	Risk Description			Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
	Cause	Event	Effect								
6	SDS non performance and lack of interface between SDS and Siemens	SDS have not provided loadings for Electrical Network	Delay to procurement of supplies. Siemens need to determine loadings based on information at hand and if this is incorrect then potentially insufficient power available.	J Monk	High - 25.00		tie to push SDS to ensure they provide information to SP		On Programme	01-Sep-08	J Monk
31	Mudfa delay in diversion works due to lack of BT resources	Bankhead Drive Retaining Wall: BT and Easynet diversion work not completed till end Jan 09 - work was due to start mid-June 08	Delay and disruption to programme.	T Cotter	High - 25.00		Site visit with Infraco PMs and Mudfa to assess interface issues between services and structure		On Programme	01-Aug-08	T Cotter
30	Mudfa delay in diversion works due to lack of BT resources	South Gyle Access Bridge: BT diversion work not completed till end Sept 08 - work was due to start mid-June 08	Delay and disruption to programme.	T Cotter	High - 25.00		Site visit with Infraco PMs and Mudfa to assess interface issues between services and structure		On Programme	01-Aug-08	T Cotter
173	Uncertainty over extent of contaminated land on route	Tramway runs through area of previously unidentified contamination and material requires to be removed and replaced (dig and dump).	Increase in costs to remove material to special and other tip.	B Bell	High - 23.00		Issue contamination and geotechnical report to Infraco bidders tie to obtain ground investigation and contamination reports from SDS	Complete	Complete	2-Mar-07	B Dawson
								Complete	Complete	30-Mar-07	A McGregor

ARM Risk ID	Risk Description			Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
	Cause	Event	Effect								
44	SDS contractor does not deliver the required prior approval consents in line with SDS v31	Late prior approval consents	Delay to programme with additional resource costs and delay to infraco. Impact upon risk balance.	D Sharp	High - 23.00		Evaluation of prior approval programme	On Programme	On Programme	31-Oct-08	D Sharp
							Hold fortnightly Roads Design Group	On Programme	On Programme	Ongoing	T Glazebrook
							Twice-weekly meetings of Approvals Task Force	On Programme	On Programme	31-Oct-08	D Sharp
							Informal consultation prior to statutory consultation	On Programme	On Programme	31-Jul-08	T Glazebrook
							Integrate CEC into tie organisation/accommodation (office move)	Complete	Complete	4-Jun-07	T Glazebrook
13	Possession cancelled or tie stop being possession owner	Loss of disruptive or RotR possession	Could prevent critical work being completed, i.e. a bridge installation. For RotR possession there would be a delay in completing the works	W Biggins	High - 22.00		tie needs to identify critical possessions tied into Infraco's programme and then highlight them to NR		On Programme	01-Sep-08	W Biggins
928	Major single safety incident (including a dangerous occurrence) during construction	Safety incident during construction	Delay (potentially critical) due to HSE investigation and rework. PR risk to tie and stakeholders.	F McFadden	High - 21.00		All Site Staff to get CSCS or equivalent	On Programme	On Programme	Ongoing	C McLauchlan
							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

ARM Risk ID	Risk Description			Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
	Cause	Event	Effect								
1033		Failure of Infraco to mobilise in time to commence work in line with programme.	Delay to programme. Cost overruns. Negative publicity. Criticism from stakeholders	S Bell	High, 13.00		Continued focus at Infraco progress meetings as well as programme workshops to mitigate the impacts of any delay	N/A	On Programme	1-Oct-08	S Bell
							Implementation of Advanced Works programme in order to mitigate potential future issues during construction	N/A	On Programme	1-Aug-08	R Bell
							Infraco given instructions to proceed at risk	N/A	On Programme	1-Aug-08	R Bell
							Pressure from Approvals Task Force to ensure Technical and Prior Approvals are delivered	N/A	On Programme	1-Oct-08	D Sharp

Paper to: Tram Project Board**Meeting date:** 30th July 2008**Subject:** Traffic regulation orders – update on statutory process**Agenda item:****Preparer:** Ann Faulds (Dundas and Wilson)**Introduction**

- 1.1 A suite of new traffic measures will be necessary to accommodate the operation of the tram system through the local road network in 2011. These measures will be brought into force by means of Traffic Regulation Orders (TROs) The Council, as local traffic authority, is empowered to make TROs which have to go through a statutory process.¹ This paper provides an overview of the proposed strategy for taking forward the TRO process.
- 1.2 The intention is to commence the TRO process as soon as possible to maximise the opportunity for consultation and public engagement whilst minimising the risk of abortive work and public confusion by taking forward incomplete designs too soon. Although the final road design may not be ready until November 2008, approximately 90% is now complete. This will allow the consultation exercise to start in September 2008. Any final adjustments will be made following completion of the road design work in November. However, these are likely to be minimal, if any.

2. Indicative Programme

TASK	START	END
Delivery of TRO maps based on 90% road design		15 August 08
Meetings with statutory consultees	1 Sept 08	30 Sept 08
Public exhibitions	1 Sept 08	30 Sept 08
Processing comments from consultees and members of the public;	1 Oct 08	28 Nov 08
Completion of roads design		28 Nov 08
Preparing any adjustments/additions to TRO maps	1 Dec 08	5 Dec 08
Meetings with statutory consultees	8 Dec 08	12 Dec 08

¹ The Road Traffic Regulation Act 1984 and the Local Authorities Traffic Orders Procedure (Scotland) Regulations 1999.

Finalise Consultation report and final draft TROs	15 Dec 08	16 Jan 09
Report to Council on TROs	19 Jan 09	13 Feb 09
Public deposit of draft TROs	18 Feb 09	11 March 09
Analyse objections and prepare Objections report	12 March 09	31 March 09
Report to Council to make TROs	1 April 09	17 April 09
6 week period for legal challenge	17 April 09	29 May 09

3. TRO Strategy

- 3.1 The strategy attempts to balance a range of factors in an effective and efficient way in the context of best value, including:
- a) The desire to maximise the period of consultation with the general public, local businesses and other consultees such as the Chief Constable;
 - b) The need to start the TRO process as soon as possible; but
 - c) The detail necessary to inform the traffic measures will only be available in the last stages of the project design process;
 - d) Adopting a process that is fair and realistic in these circumstances and in compliance with statutory requirements;
 - e) Acknowledging that the outcome of any consultation process on traffic measures is unlikely to result in the abandonment of the tram project given the significant investment of public funds in the project to date;
 - f) Acknowledging that it is unlikely that the *private cost* of anyone's inconvenience in his use of the road network will outweigh the *public benefit* in delivering the tram project.

3.2 It is anticipated that there will be objections to the measures in the TROs. Those objections may include suggested changes, such as keeping a loading bay in a particular location. The management of such suggestions will be important. The objective will be to identify suggested changes that relate to core measures and those that relate to consequential measures. The core measures will be those that cannot be modified without adversely impacting on tram operation in accordance with its business case. On the other hand, it may be possible to modify a consequential measure as they will not directly impact on tram operation. Suggested changes to the consequential measures will be accommodated, where possible.

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt

Yes

No

- 3.3 Moreover, the Council will monitor the operation of the local road network after the tram starts to operate and further changes may be brought forward once traffic patterns have settled.
- 4.5 It will be of the utmost importance to manage the expectations of the public, local business and statutory consultees so that everyone is aware of this distinction between core and consequential measures. Otherwise, hopes may be raised about the scope to change core measures in the final road design and that will not be possible without undermining the operation of the tram network.

Paper to: Tram Project Board

Meeting date: 30th July 2008

Subject: Council Contributions

Agenda item:

Preparer: Alan Coyle (CEC)

Executive summary

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

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

Impact on programme*

None.

Impact on budget

The current budget assumes total funding of £545m for the project (£45m from the Council). Additional contributions secured beyond the £45m will increase the headroom for phase 1a and/or provide additional funding for phase 1b.

Impact on risks and opportunities*

The financial risk associated with the outlined approach lies with the Council. If future contributions from developers and/or capital receipts fail to materialise, there could be a significant impact on Council Revenue budgets in order to meet borrowing costs.

However, if the contribution can be maximised, there is an opportunity to build additional headroom into the budget to reduce the risk of overspend on Phase 1a and/or to provide funding for Phase 1b.

Impact on scope*

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

Decision(s) / support required

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

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

Proposed Name Alan Coyle Date:- 30-07-08
 Title Finance Manager

Recommended Name Donald McGougan Date: 30-07-08
 Title Director of Finance

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

1.0 Introduction

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

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

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

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

2.0 Background

The make up of the Councils contribution is well known, at the time of the Report to Council on The Final Business Case, the Councils contribution had undergone external scrutiny as a result of an addendum to the Council Report on the FBC in October 2007. DTZ Pieda undertook the assessment into the Councils planned contribution and reported that the assumptions made by the Council were sound in securing the required £45m.

The contribution was made up as follows:

Table 1

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

3.0 Council Cash (£2.5m)

The Council Contributed £1m to the project in 2005/06. A further £1.5m has now been contributed to the project in Financial Year 2007/08.

4.0 Council Land (£6.2m)

Council Land is currently estimated at £6.3m. This is split £4.3m for Phase 1a and £2.0m for Phase 1b.

5.0 Developer Contributions

Background

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

Current Position

The Council has now concluded a number of agreements securing contributions towards the project. £3.5m has now been paid to the Council in the form of tram related developers contributions.

The amount of contributions that are currently within the system in relation to Phase 1A totals £11m, these contributions are at various steps in the planning process:

Stage	£m
Amount Banked	3.5
Amount in concluded legal agreements (where development has commenced)	1.7
Amount in concluded legal agreements (where development has not commenced)	1.4
Minded to grant / Pending Consideration	4.4
Potential Total	11.0

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

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

Potential Future Contributions

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

Next Steps

In order to progress with this approach a number of actions are required:

- Monitoring of developer contributions received and those that have been agreed but not received. This is on-going and is currently up to date.
- Review of the future development potential.
- Review of borrowing requirements and likely borrowing costs, and the effect of these factors on the amount we choose to borrow.

6.0 Capital Receipts (£9.7m)

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

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

Further work will be undertaken in the coming months to further examine the value of these sites and an assessment of the impact of the wider economic climate will be made in assessing these values.

7.0 Other Funding Sources / Phase 1b

The Councils funding strategy for Phase 1a looks sounds and should provide the required level of contribution.

The current price of Phase 1b is estimated at £87m. Based on the current estimated price of £512m for Phase 1a funding of £33m could be available for Phase 1b, leaving a potential funding gap of £54m.

The business case for Phase 1b is currently underway with costs, revenues and patronage figures currently being updated. Work on the estimated capital costs and areas of potential funding will be undertaken.

A number of funding options will be evaluated as the project team progress the business case.

8.0 Risks

The risks for each element of the contribution are set out in the following table.

Table 5

Element	Risks	Management Action
Council Cash and Land	<ul style="list-style-type: none"> • This is secured and there is no longer any risk associated with it 	<ul style="list-style-type: none"> • None required
Developers Contributions	<ul style="list-style-type: none"> • Development does not take place • Development is slower than anticipated • Interest rates change • Inflation / deflation on indexed linked contributions • Planning Gain Supplement or any other changes to Planning legislation adversely affecting CEC's ability to collect contributions • Successful legal challenge to tram contributions policy • Failure to secure agreement with Forth Ports means that amount that can be borrowed under Prudential Code is significantly reduced 	<ul style="list-style-type: none"> • Ensure amount borrowed is based on conservative development assumptions • Seek legal advice on all changes to tram contribution policy • Active engagement with Scottish Executive on all proposed changes to planning legislation.
Capital Receipts	<ul style="list-style-type: none"> • Inability to identify sufficient capital receipts to fund the tram project and the rest of the Council's capital programme • Change in local economic condition makes it difficult to sell sites within timescales and / or reduces eventual Capital Receipt 	<ul style="list-style-type: none"> • Ensure tram is prioritised when capital planning decisions are taken

9.0 Conclusion

The Council is committed to provide funding of £45m towards the tram project and is monitoring the various elements making up this amount to ensure that it can be achieved. It is recognised that there are risks associated with this funding, but that this is being managed by the Council and other funding sources are being investigated to ensure that contingencies can be put in place.