

FOISA exempt
□ Yes
□ No

Paper to: TPB Meeting date: 04/06/08

Subject: Project Changes to Align Budget with PCB (Financial Close)

Agenda item: Change Paper (P02 – 08/09)

Preparer: D Carnegy

Executive Summary

Introduction

The project has reached Financial Close, with the award of the Infraco (BBS) and Tramco (CAF) contracts and the successful novation of Tramco & SDS to BBS.

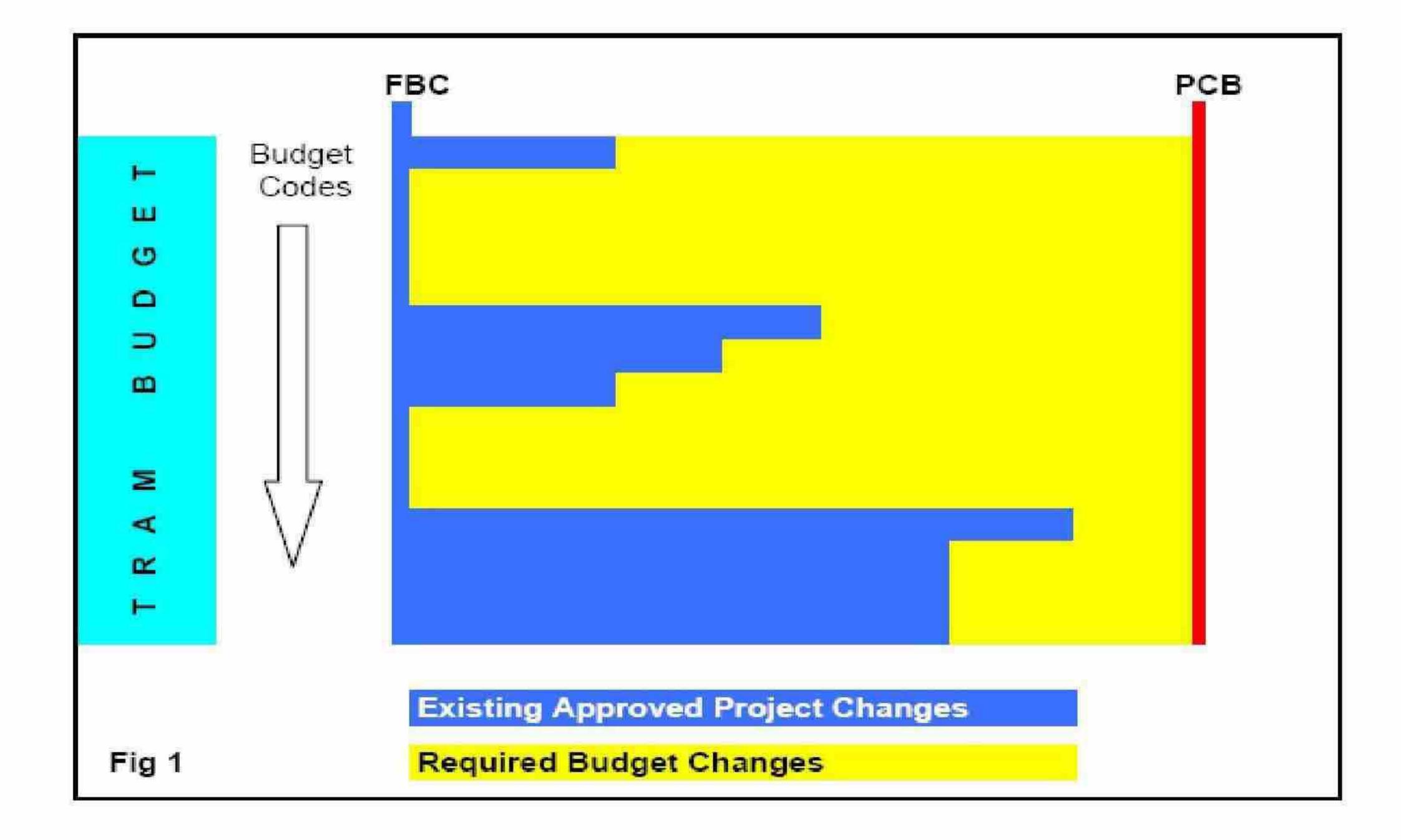
There is a requirement that **tie** needs to align all project budget codes to reflect the Financial Close status.

This position, in budget terms, will establish the new Project Control Budget.

What needs to be done

All financial movements in terms of tram budget since the approval of the Final Business Case (FBC) in October 2007, require to be accounted for per budget code so that the final figures at Financial Close will equate to the Project Control Budget.

To date, several approved Project Changes post FBC, have established an interim position, in terms of budget levels. The remaining piece of work necessary will move each budget code from this interim position to align with the Project Control Budget (Fig 1 below refers)





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How will this be achieved?

The drafting & approval of Project Changes, which will reflect the movement from the current status to the Project Control Budget.

It is intended to issue for approval ten Change Orders ie:

- Project Management tie figures only
- Project Management supporting contracts
- Design SDS*
- Cost Modelling JRC
- Land & Property
- Utilities / MUDFA
- INFRACO excl Depot Excavation Ph1&2
- INFRACO Depot Excavation Ph1&2 only
- TRAMCO
- Risk

The total value of the above changes is £ 13,129,122 (Appendix Global Budget Changes Summary - Ref FBC-PCB-A refers).

What about additional 3rd Party Funded works?

Additional works that require 3rd Party Funding are excluded from the exercise and are subject to their own individual Project Changes as and when required.

Why do we need to do this?

To ensure we have a recorded, auditable baseline from which to manage the budget going forward in terms of cost and change control management. Any changes from the agreed PCB will be subject to the approval of Project Changes in accordance with **tie's** change management procedures and Delegated Authority Rules.

Decision(s) / support required

To approve the aforementioned changes necessary to re-align the Tram Project Budget to reflect Infraco Contract Award.

Proposed Name Susan Clark Date:

Title Programme Director

CEC01366141 0002

^{*}supported by Approved TPB Paper 13/05/08 'Finalisation of SDS Novation'



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☐ Yes
☐ No

Recommended	Name Title	Steven Bell Project Director	Date:
Approved		ckav on behalf of the Tra	Date: m Proiect Board

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GLOBAL BUDGET CHANGES - Summary - Ref FBC-PCB-A

FBC-PCB						P02 08/09
Ref	Budget Code	Description	FBC	App CO's	PCB	Change Value
s # î	T01 01 - 012	tie PM Costs	39,225,606	n i	38,968,939	-256,667
3#5 #						
2	T06.01-03	TSS Resources	9,191,775	0	9,507,939	316,164
2	T06.04	CEC Staff Costs	953,340	0	1,168,277	214,937
2	T12	Comms & Marketing	2,276,342	0	2,526,216	249,874
2	T03	Legals	5,320,029	0	5,784,852	464,823
2	T14	Service Integration	190,275	0	203,225	12,950
2	T09	3rd Party (Legal & Tech)	316,664	0	444,843	128,179
2	T17	Insurance	4,507,468	0	4,507,469	1
3	T04	SDS - Design Services	23,683,186	413,027	26,827,519	2,731,306
4	T05.01	Integrated Transport Model (JRC)	2,321,902	415,000	2,629,949	-106,953
5	T10	Land & Property	20,643,290	0	20,581,175	-62,115
6	T18.01-03	Total MUDFA / Utilities	51,527,336	0	48,542,706	-2,984,630
7	T19.03	Depot Excavation (Ph1&2)	4,808,041	0	5,438,987	630,946
8	T19.01-07	INFRACO	222,975,444	0	247,259,301	24,283,857
	T19.03	Depot Excav Ph1&2 - (Deduction)	-4,808,041	0	-5,438,987	-630,946
9	T20	Tramco	51,370,225	0	58,145,425	6,775,200
10	T44.01	RISK	48,974,000	0	30,336,196	-18,637,804
	Various	Static Budget Lines	14,582,976	0	14,582,976	0
Overall To	tals		498,059,858	828,027	512,017,007	13,129,122