
From: Donald McGougan
Sent: 13 December 2007 17:13
To: Rebecca Andrew
Subject: FW: Tram funding

Importance: High

From: Chris Highcock
Sent: 13 December 2007 12:13
To: Donald McGougan
Subject: FW: Tram funding
Importance: High

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From: Lynn McMath
Sent: 13 December 2007 12:04
To: Gordon Mackenzie; John Jenkins; Chris Highcock
Cc: Phil Wheeler
Subject: Tram funding
Importance: High

Dear all,

The Evening News have picked up the DM Handbook: Tram Developer Contributions - Revision of Guideline http://cpol.edinburgh.gov.uk/getdoc_ext.asp?DocId=106137 going to the Planning Committee. The particular focus will be on the £23million borrowed against future contributions. The Independent Review of tram Funding Strategy report due to go to Full Council (which will be public tomorrow) takes some of the heat out of this - I've pulled out some of the key points out to give to Andrew Picken.

Could you please amend/agree the following as soon as possible please as I have to leave the office for an external meeting at 1pm.

Many thanks,

Lynn

DTZ conclude that:

"We believe that the guidance on tram contributions is likely to be a robust instrument through which to collect developer contributions. It is transparent and if equitably applied should be acceptable to developers. The amounts to be generated are in line with what can be achieved from the market."

"The Council has taken a very prudent approach in forecasting revenues from developer contributions etc in early years. It is possible that contributions will be received sooner and interest payments reduced. however, we believe that the scenario presented is realistic."

On the projected levels of tram developer contributions - "We conclude that the £25.4million will be achievable over the 20-year horizon, with the Council having taken a prudent approach to the likely level of contributions."

Cllr Gordon Mackenzie, Finance Convener at the City of Edinburgh Council, said: "Over half of the Council's financial contribution to the tram scheme will come from developer contributions and as the independent report, into our financial contribution, concludes there is a high level of certainty that the projected levels of income will be received. However it's unrealistic to expect developers to make their contribution before their developments are built or sold and so we borrow money based on projected income. This is an entirely normal practice for the public sector and ensures that developers don't incur an additional financial burden at the start of their schemes."