
From: Miriam Thorne
Sent: 11 December 2007 16:11
To: 'Rebecca Andrew'; 'Alan Coyle'
Cc: Stewart McGarrity
Subject: Initial miletone payment
Attachments: appendix 1 - Initial milestones v1.xls; Initial milestone Infraco - Tramco 101207.doc; Period 09 TS report (Finance).doc

Rebecca

Please find attached the paper setting out the rationale for the initial milestone payments to the Infraco and Tramco contractors. This was included in out year end forecast as per the P9 report. It addresses the information requested by John as per his email attached.

The cashflow will be with you later today, however please note the forecast reflects that of the £161m forecast expenditure for FY0809, payments totalling £137m (£122m excluding the amount of the risk provision included in FY0809) will require to be made by the end of period 13 in March 2009 – the balance being amounts which will be accrued but not paid at 31st March 2009. On this basis the amount which might need to be borrowed temporarily to meet cash requirements as a direct result of the current TS funding cap of £120m would be relatively small even if there will be an element of expenditure which you are funding in the last couple of periods until the new TS funding kicks in at the beginning of April 2009.

Please note: the programme and payment profiles are not yet finalised with the bidder, therefore an element of movement is still expected in the final profile

Please forward to TS & give me a call if you have any questions

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From: John.Ramsay@transportscotland.gsi.gov.uk [<mailto:John.Ramsay@transportscotland.gsi.gov.uk>]

Sent: 10 December 2007 12:05

To: Rebecca Andrew; Duncan Fraser

Cc: Alan Coyle; Scott.Prentice@transportscotland.gsi.gov.uk

Subject: Edinburgh Tram: outstanding Confirmations required ahead of Wednesday's Transport Scotland Board Meeting

Rebecca / Duncan

We still have a number of issues outstanding for my meeting this Wednesday with Transport Scotland Board which is a pre-requisite for approaching Ministers for release of the balance of the £500m and for additional funds this financial year. These are;

1. As a minimum in the advance paper I have advised the Board that CEC and Transport Scotland have agreed the terms and conditions attached to the grant letter for the above. This statement has been made on the basis of recent conversations. Also,
2. I recently advised you that your request for additional funding in the current year 07/08 was likely to be agreed at Wednesday's meeting but that we required confirmation from you regarding the additional funding to meet Infraco/Tramco milestones, CEC has been advised that in order to allow Transport Scotland to provide increased funding in 2007-08 they must;
 - Provide a project cash / spend profile for the next 3 years;
 - Demonstrate to Transport Scotland that the payment profile delivers value for money and is a good deal for the public purse; and
 - Advise how risks associated with cancellation of the Tram Project and financial difficulty of their suppliers will be mitigated.

Could I underline again that it is important that you confirm these points ahead of Wednesday morning's meeting. Happy to discuss further.

John Ramsay


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