

2. Political Risks (Risks Ref. 1, 7 and 8)

If the outcome of the May 2007 election results in a change in TS strategy for the timing of projects, brings undesired delay during transition arrangements, directs funding to other schemes, accelerates our requirements, or potentially halts schemes then **tie** will be directly affected by the outcome.

- Whilst we are currently in the immediate pre-election period and restricted in media and PR activities, we are using this period constructively to undertake communication and stakeholder planning activities.
- Only partial strategic planning can be undertaken at present. Until the outcome is known and decisions can be taken, we have restricted implementation of resource plans. One area of attention will be EARL land acquisition following Royal Assent (potentially occurring early w/e 20 April). Limited effort is being placed in 'fall-back' planning for scenarios where schemes are cancelled or **tie** is placed under threat.
- Reporting of potential delays and cost changes to scheme implementation post-election will need significant care in management in parallel with effort to build relationships with the new incoming political team.

Prepared by: Mark Bourke, Risk Manager

Recommended by: Steven Bell, Engineering & Procurement Director





Date prepared: 16th April 2007

Attachments




Appendix I: **tie** Ltd Summary Executive Risk Register March 2007.

EXECUTIVE RISK STATUS SUMMARY					
RISK SIGNIFICANCE (No. of Risks)			TREATMENT STATUS (No. of Treatments)		
	February	March		February	March
Black	2	3			
Red	11	12	Red	0	20
Amber	4	4	Amber	127	120
Green	0	0	Green	9	13
Risks Added	0	2	Treatments Added	0	17
Risks Removed	0	0	Treatments Removed	0	0
TOTAL	17	19	TOTAL	136	153

RISK SIGNIFICANCE

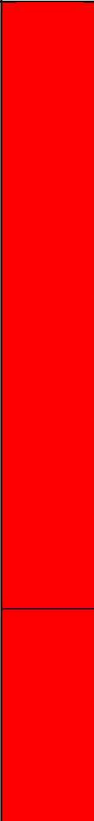
















-  BLACK – SHOWSTOPPER; difficult to quantify impacts
-  RED – High Risk
-  AMBER – Medium Risk
-  GREEN – Low Risk

TREATMENT STATUS

-  RED – Treatment Strategy behind programme
-  AMBER – Treatment Strategy on programme
-  GREEN – Treatment Strategy ahead of programme or complete

* Risk Owner is supported by individual action owner shown in parenthesis

STRATEGIC DIRECTION

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
1. Uncertain role and strategic direction of tie's business	<ul style="list-style-type: none"> Insufficient qualified staff and consideration of opportunities Lack of business clarity Missed opportunity to take up a niche market Poor interface with current/planned Clients Reactive planning of facilities, infrastructure and staffing Uncertainty on company policies Unclear performance indicators or business targets Unconnected planning across the business 		1. Develop and implement a strategic plan confirming shape and direction of business including ownership, governance and market (GB)			June 07	Graeme Bissett
			2. Update annual business plan to account for agreed strategy (GB)				
			3. Review and prioritise the development of tie policies, processes and procedures (SMcG)				
			4. Identify clear business objectives and performance targets for the measurement to drive and monitor business performance (SMcG/SB)				
			5. Consult and engage staff in development of the strategic plan (GB)				
			6. Review extent of overtime working and identify areas of business constraints (CMcL)				
			7. Develop current liaison and performance reviews with current clients (WG)				
			8. Review and share lessons from key previous activities e.g. office expansion, procurements, PR (SMcG)				

* Risk Owner is supported by individual action owner shown in parenthesis

DELIVERY EXCELLENCE – Board Reporting & Governance

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
2. Funder/Shareholder intervention or review	<ul style="list-style-type: none"> • Dilution of intent of delivery agent • Duplication of checking • Factional or inconsistent behaviour • Increased bureaucracy • Lack of clarity of TS desired role • Lack of trust • Over reporting • Undermining of governance arrangements 		1. Communicate intended business and project controls including approach to audit to funders (PDs)			May 07	Stewart McGarrity
			2. Document extent of reserved matters and areas where approvals/decisions are required from funders (PDs)				
			3. Review adequacy of governance arrangements and effectiveness of Project Boards (GB)				
			4. Discuss and agree extent of required review and update project management plans and format of progress reports to suit (GB/PDs)				
			5. Agree scenarios where and scope of potential intervention that could be necessary (GB)				
			6. Agree TS role in projects (WG/PDs)				

* Risk Owner is supported by individual action owner shown in parenthesis

DELIVERY EXCELLENCE – Project QA & Governance

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
3. Weak commercial negotiation skills	<ul style="list-style-type: none"> Compromise to planned risk transfer Inexperienced tactics or strategy adopted Lack of challenge to service providers Lack of ownership of budgets by managers Missed opportunities Quality of scheme eroded Value for money not obtained from service providers 		1. Review tie's approach to contracting and use of bespoke/standard contracts (SB)			Mar 07	Steven Bell
			2. Implement revised procurement strategy (SB)				
			3. Conduct value review of all contracts including assessment of fitness for purpose of remits (SB/PDs)				
			4. Conduct review of effectiveness of project managers for budget management (SMcG/PDs)				
			5. Conduct review of negotiation plan (resource and areas of compromise) with lead procurement director/manager (SB)				
			6. Emphasise effort to scope and pursue opportunities (PDs)				
			7. Assess strength of current commercial staff and fill gaps (SB)				
			8. Review alternative arrangements for the delivery of best value services to projects e.g. frameworks (SB/PDs)				

* Risk Owner is supported by individual action owner shown in parenthesis

DELIVERY EXCELLENCE – Financial Reporting, Funding, Risk & Performance Measurement

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
4. Poor internal efficiency	<ul style="list-style-type: none"> • Chain of command is bypassed • Disjointed effort to workstreams • Inadequate consideration of advantages in current technology • Inadequate consideration of corporate issues over projects • Inadequate in-house training • Incoherent forward planning • Poor handling of communications • Rumour mill • Tendency for crisis management • Too reactionary • Uncertainty over responsibilities for development of corporate policies, plans & controls 		1. Assess skills base of current employees and training gap for planned role including in-house training (CMcL)			Dec 07	Stewart McGarrity
			2. Develop and communicate planned tie organogram (CMcL)				
			3. Define processes for handling significant or repetitive tasks e.g. FoISA requests (SMcG)				
			4. Review potential scope of usage of IT to support business (SMcG)				
			5. Review effectiveness of Executive Board remit/decision making (GB)				
			6. Develop and implement a strategic plan confirming shape and direction of business including ownership, governance and market issues(GB)				
			7. Review effectiveness of current internal and external communications arrangements (SW)				
			8. Develop and implement Corporate processes to support requirements of Project specific processes e.g. Project Management (SMcG/SB)				
			9. Define responsibilities for development of company policies and procedures (SMcG)				
			10. Develop and implement project controls and management systems (PDs)				

* Risk Owner is supported by individual action owner shown in parenthesis

			11. Consider electronic procurement methodologies to include web-based interfaces (PDs)				
Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
			12. Review opportunities for Central Service lessons learnt review, increased role in delivery and resource sharing (SMcG/SB)				
			13. Conduct benchmarking of quality, cost and other measures against industry benchmarks (PDs)				

* Risk Owner is supported by individual action owner shown in parenthesis

DELIVERY EXCELLENCE – Corporate Processes & Controls

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
5. Ineffective systems and controls	<ul style="list-style-type: none"> • Competitor advantage • Inadequate assessment e.g. constructability • Inconsistent checking of service provider quality in deliverables • Inconsistent scrutiny across corporate and project ventures • Lack of consideration of choices and opportunities • Lengthy response time to FoISA requests causing stakeholder frustration • Misunderstanding of committed, actual and forecasted expenditure • No evidence of continuous improvement • Poor quality control • Poor stakeholder perception of tie • Unplanned release of commercial or confidential information 		1. Benchmark scope of systems and controls against a competitor (SM)			Oct 07	Stewart McGarrity
			2. Review need for wider service provider input e.g. contractor programme construction rate (SB)				
			3. Regularly review quality risk exposures to prioritise attention and focus effort where necessary (SB)				
			4. Expand scope of Quality & Risk Reviews to include Planning Review e.g. options/opportunities (SB)				
			5. Set objectives to achieve high response rate well within mandatory period and measure (SMcG/SB)				
			6. Improve cost and programme management within projects including reporting of challenge to expenditure (SMcG)				
			7. Develop in-house processes including increased project quality checking and external audit requirements (SMcG)				
			8. Review adequacy of current contractual arrangements for handling of information and quality (SMcG/SB)				

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Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
			9. Set organisational targets and objectives for quality including intention for improvements (SB)				
			10. Implement performance monitoring on service providers (SMcG)				
			11. Review capacity and adequacy of technical review being undertaken (SB)				
			12. Develop escalation procedure for sub-standard quality (SB)				
			13. Develop process for consideration of in-house capital investments including examination of alternatives (SMcG)				

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
6. Security considerations	<ul style="list-style-type: none"> Inadequate assessment Poor disaster recovery and impeded business continuity plans Inappropriate IT usage Supply chain inadequacies leads to tie reputational impact 		1. Convene working group to conduct an assessment of potential corporate and project weaknesses and prepare plans to address (SB)			June 07	Stewart McGarrity
			2. Review and update IT Appropriate Use documentation and communicate to staff (SMcG)				
			3. Develop facility controls to ensure inappropriate access to buildings is avoided (CMcL)				
			4. Clarify emergency procedures and develop HR/H&S policies (SB/CMcL)				
			5. Conduct review of contractual arrangements for specifying security controls (SB)				

* Risk Owner is supported by individual action owner shown in parenthesis

			6. Undertake specialist public security/terrorism risk review to develop controls for office, design, construction and operational phases (SB/PDs)				
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* Risk Owner is supported by individual action owner shown in parenthesis

DELIVERY EXCELLENCE – Project Aggregating Issues

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
7. Government Spending Policy (priority and capacity) is unknown, notably the need for competing schemes including Second Forth Crossing	<ul style="list-style-type: none"> • Cancellation of tie's projects as priorities change. (Possible showstopper) • Delay in delivering schemes • Reduced funding availability curtails schemes 		1. Gain a clear understanding of the Governments affordability position/constraints through close and continual interactions with TS, CEC and FETA respectively to establish funding delivery confidence and agreement (SMcG)			July 07	Stewart McGarrity
			2. Ensure the delivery programme and structure will allow our projects to progress within known constraints (SMcG)				
			3. Demonstrate 'best value' practices from our procurement strategies from our current advisors and future advisors, relating to continual improvement (SMcG/PDs)				
			4. Develop robust financial cases for the schemes including annual business plan (SMcG/GB)				
			5. Develop a framework of robust spending controls then approval to expenditure and implementation of schemes may be compromised (SMcG)				

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Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
8. Political risk to continued commitment of Governmental support for tie schemes. Change of local/national Government.	<ul style="list-style-type: none"> Reversal of decisions by incoming administrations in either or both CEC, Fife and Holyrood Projects become key political issue during election campaign Delays on programme and increased cost/inflation/funding 		1. Assess the range of potential outcomes during the run-up to the May 2007 election (JB)			May 07	John Boyle
			2. Continue to build relationships with TS and SESTRAN (WG/JB)				
			3. Emphasise competence of organisation (JB)				
			4. Positively promote the benefits of schemes e.g. MSPs briefings in lead up to Earl Final Debate (JB)				
			5. Take soundings and hold balanced discussions with local and national parties (WG/JB)				
			6. Increased senior team review of responses to press and Fol(S)A requests (JB)				
			7. Increased checking of quality of information release (PDs)				
			8. Regular briefings and discussions with senior officers to gain further insight especially in lead up to disruptive construction works (PDs)				

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Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
9. tie's projects fail to deliver their objectives due to being poorly managed	<ul style="list-style-type: none"> Delay in approvals. Difficulty or delay in cost recovery. Future contracts awarded to alternative management organisations due to lack of confidence in tie's ability to deliver major projects. Poor value obtained from service providers. Severe reputational damage, which could have a consequential effect on tie's credibility for obtaining future projects. 		1. Review of clarity of documented Client objectives (PDs)			Dec 07	Project Directors
			2. Undertake Quality & Risk Reviews (SMcG/SB)				
			3. Ensure that Project managers of each Project continue to meet Clients (SE, CEC, TS, FETA, FC etc.) objectives (PDs)				
			4. Undertake review of client and key stakeholder satisfaction (WG)				
			5. Board scrutiny of Projects regarding delivery against cost, programme and quality (WG)				
			6. Identify areas where we offer additional value to clients (GB)				
			7. Enhance project controls (SMcG/PDs)				
			8. Review and enhance skills capacity/capability gap (CMcL/PDs)				
			9. Work closely with PR advisors for all projects to promote tie as an efficient Project Management organisation (SW)				

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Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
10. Failure of tie's main projects to interface effectively	<ul style="list-style-type: none"> • 'Double counting' of capital allowances. • Dispute or disruption during construction • Inconsistent project cultures emerge • Incorrect assumptions • Increased cost or delays due to disruptive or re-working of design • Missed Opportunities • Reluctance to share relevant knowledge • Silo mentality 		1. Define and review scope boundaries and service provider remit for each scheme (PDs)			Dec 07	Project Directors
			2. Ensure regular tie and technical team liaison to address common knowledge requirements including construction sequence (PDs)				
			3. Utilise Quality & Risk Review to scrutinise interfaces (SMcG/SB)				
			4. tie Exec Board to review and recommend approach to areas of dispute between schemes (WG)				
			5. Maintain and regularly review records of opportunities and assumptions between schemes (PDs)				

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Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
11. tie's overall interface with Network Rail, including consents, approval and involvement in projects prevents project success	<ul style="list-style-type: none"> Competitive tension between organisations Delay to programme De-prioritising tie schemes Inability to explain Network Rail position to marketplace Lack of or inadequate commitment of resources Need for increased TS support Risk transfer to response by bidders is to return risk to tie Unclear liaison across schemes Unclear path for development of Agreements 		1. Early engagement on key issues and negotiations with Network Rail at senior levels (SB/PDs)			Dec 07	Steven Bell
			2. Ensure multi-level liaison is coordinated across projects (SB)				
			3. Escalation process to be developed including TS (PDs)				
			4. Establish a productive and effective working environment including review of potential secondments (PDs)				
			5. Review tie/NR Agreements and road map for planned implementation (and handover) agreements (SB)				
			6. Seek agreement on objectives of projects with TS and NR (PDs)				
			7. Review the need for overall liaison plan with Network Rail (SB)				
			8. Develop and agree programme of acceptance and the overall role of Network Rail (SB/PDs)				

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Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
12. Lack of or inconsistent engagement from/by stakeholders to the management of risk	<ul style="list-style-type: none"> Compromised escalation Lack of tracking of mitigations Missed opportunities Stakeholder experience not fully brought to bear Stakeholders feel external to process The most important risks are not identified, mitigated or removed Unclear corporate responsibilities for risk management 		1. Develop process for engagement of stakeholders to projects (PDs)	New		Oct 07	Steven Bell
			2. Hold strategic and project management risk and opportunity workshops with key stakeholders (PDs)	New			
			3. Brief stakeholders on tie's approach to the management of risk (PDs)	New			
			4. Designate 'project risk owners' to encourage 'stakeholder risk owners' to develop and manage their risks and push for action (PDs)	New			
			5. Escalate lack of progress in mitigations by stakeholders where necessary (PDs)	New			
			6. Conduct reviews of risk registers with stakeholders (PDs)	New			

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PEOPLE IMPERATIVE – Quality of Management & People

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
13. Lack of competent resource availability & planning	<ul style="list-style-type: none"> Critical additional resources not identified Inappropriate quality of staff Increased use of consultants Lack of clarity to growth plans and space planning Reduced confidence in ability to deliver Resources bearing unsustainable workloads and diverting attention from core functions Retention issues Uncertainty of current staff skills/competence 		1. Review extent of overtime working and identify areas of business constraints as part of HR Work Plan (CMcL)			Dec 07	Colin McLauchlan
			2. Assess skills base of current employees and training gap for planned role with new HR/IT system (CMcL)				
			3. Develop overall resource plan across all projects and strengthen corporate support including review of implications on facilities (CMcL/PDs)				
			4. Benchmark expenditure on consultants on an annual basis (CMcL)				
			5. Seek to minimise and review the use and value of main consultants on an ongoing basis (CMcL/PDs)				
			6. Set-up arrangements with Recruitment Consultant (CMcL)				
			7. Develop opportunities for current staff including career path including review of performance management (CMcL)				
			8. Review opportunities to use individual consultants and secondments from existing or specialist organisations to support (CMcL)	New			

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Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
14. Poor management, induction and implementation of resource plan	<ul style="list-style-type: none"> Discontent due to lack of communication to staff Inefficient layouts emerge to offices Paying over the odds Poor change management Retention issues 		1. Develop procedure for justification of additional personnel (CMcL)			Dec 07	Colin McLauchlan
			2. Inform and consult with staff regarding development plans (CMcL/PDs)				
			3. Review opportunities for multiple individuals considered where possible (CMcL)				
			4. Review need to re-organise office layout to optimise staff engagement (CMcL/PDs)				
			5. Communicate new appointments timely and advise changes (CMcL/SW)				
			6. Manage handover at staff changes e.g. knowledge management and organisational communication (CMcL/PDs)				
			7. Develop mentoring and supervision approach to developing staff (CMcL/PDs)				
			8. Undertake regular and annual staff reviews and opportunities for promotion and incentivise employees (CMcL)				

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Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
15. Over reliance on consultants	<ul style="list-style-type: none"> • Complex governance arrangements • Compromised presentation to stakeholders • Growth in capability reduced • Increased security risk • Lack of learning/cross fertilisation • Loss of individual consultants with associated knowledge and disruption due to short notice periods • Loss of project knowledge during or at end of scheme • Poor perception of tie • Potential reduced value for money • Style of working 		1. Undertake review of areas of consultancy support that require to be internalised (CMcL/PDs)			Dec 07	Colin McLauchlan
			2. Review where possible the use and value of main consultants on an ongoing basis (CMcL)				
			3. Document the planned execution arrangements with each contract (PDs)				
			4. Develop and communicate planned tie organogram (CMcL)				
			5. Ensure that tie managers (not consultants) take lead in engagement with third parties (PDs)				
			6. Implement and monitor information management and IT security protocols (SMcG)				
			7. Develop plan for in-house training including regular assessment of lessons learnt (CMcL/SB)				
			8. Review opportunities for cross-project working (CMcL)				
			9. Ensure no individual becomes sole depository for information (PDs)				
			10. Develop robust information management systems (SM)				

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Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
		High	11. Retain IPR and © through contracts (SB)	Yellow	Yellow	Dec 07	Colin McLauchlan
			12. Strengthen corporate support to projects (CMcL)	Yellow	Yellow		
			13. Establish expected behaviour standards. Undertake review of management styles being applied through regular cross organisation staff reviews (CMcL)	Yellow	Yellow		

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
16. Unclear management structure	<ul style="list-style-type: none"> Approval and quality checks missed or inconsistent Impacts of business decisions are not fully understood Lines of communication unclear Poor delegation Poor handling of interfaces Requests poorly handled Uncertain roles and responsibilities Unclear temporary/permanent staffing 	High	1. Develop and communicate planned tie organogram with chain of command/lines of communication (CMcL)	Yellow	Yellow	June 07	Colin McLauchlan
			2. Communicate the roles, responsibilities and authorities of existing and new incoming staff to empower individuals (CMcL)	Yellow	Yellow		
			3. Develop structure of organisation and role of each Board to ensure implications of decisions are understood (GB)	Yellow	Yellow		
			4. Develop quality assurance system that regulates the extent and requirements for checking of internal/external deliverables (SB)	Yellow	High		
			5. Develop and implement Delegated Authority Rules to Project Manager level (GB/PDs)	Yellow	Yellow		
			6. Place cultural effort in management style to define and deliver on priorities (CMcL)	Yellow	Yellow		

* Risk Owner is supported by individual action owner shown in parenthesis

COMMUNICATIONS IMPERATIVE – Communications & Reputation

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
17. Poor or inconsistent company profile and reputation	<ul style="list-style-type: none"> Negative political, media and public image Perceived to make extravagant expenditure Political/stakeholder external agenda to tie or scheme undermines credibility Poor branding Poor reputation in industry/service providers Quality of delivery impacts on company profile Undermining strategy by poor tactics Unfocussed Executive Management effort 		1. Create and build on the positive relationships with Ministers and stakeholders (WG/JB)			Oct 07	Willie Gallagher
			2. Engage with Ministers and MSPs regarding the credentials and credibility of tie, scheme rationale and benefits of schemes (JB)				
			3. Provide prompt and concise briefings to journalists and public (SW)				
			4. Promote positive successes and respond to mis-reporting by media through a media & PR management plan (SW)				
			5. Review outcome of project community meetings and need for Executive Management input (SW)				
			6. Ensure procurements comply with Procurement Policy and Delegated Authority levels and demonstrate value for money (SB)				
			7. Review need for marketing and update to existing branding (SW)				
			8. Hold Executive Management dialogue within market and service provider to profile areas for improvement (SB)				
			9. Review effectiveness of current assessment of prioritisation, scope of response, checking and review of correspondence to public and media (SW)				
			10. Build relationships with new political decision makers. (WG/JB)		New		

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NEW BUSINESS IMPERATIVE

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
18. Failure to develop or gain new business	<ul style="list-style-type: none"> Compromised growth potential Financial loss of failed bids or in extreme redundancy Loss of critical mass Loss of people and knowledge to competitor Loss of staff due to lack of long term working Missed opportunities Negative PR due to staff redundancies Unsuccessful bid strategies Unsustainable workloads resulting in forced redundancies 		1. Develop positive relationships with Ministers and stakeholders including existing Clients (WG/JB)	New		Nov 07	Graeme Bissett
			2. Engage with Ministers and MSPs regarding the credentials and credibility of tie, scheme rationale and benefits of schemes (JB)	New			
			3. Summarise Business Development opportunities relative to target Clients, market, region and sector (SB)	New			
			4. Promote positive successes and publicity through marketing plan relative to emerging investment strategies (SW)	New			
			5. Review and develop existing bid materials including rates, offer documentation (SB)	New			
			6. Secure and manage annual bid/marketing budget to include initial development (GB)	New			
			7. Identify potential partner organisations for joint-bid approaches (SB)	New			
			8. Build relationships with new political decision makers. (WG/JB)	New			

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HSQE

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end February	Treatment Status end March	Due Date	Risk Owner*
19. Health & Safety exposures	<ul style="list-style-type: none"> • Failure to comply with legal obligations • Failure to meet obligations in code of construction practice • Inadequate resource • Inadequate supervision • Poor knowledge management • Poorly developed framework with gaps • Unclear safety interface between tie/TEL • Unclear standards 		1. Develop and implement policy and procedures for assessment, control and reduction of safety exposures (SB)			Mar 07	Steven Bell
			2. Ensure that safe environment objective is recognised in each project (SB)				
			3. Assess and close out gaps in policy, resource, training and audit/review (SB)				
			4. Undertake compliance testing within organisation and service providers (SB)				
			5. Conduct review of key HSE Risks to prioritise developments (SB)	New			

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tie Limited

Paper to : tie Board
Subject : Human Resources Report
Date : 16th April 2007

1. HR Activities

Current headcount

Tie employees – 73 direct employees and 18 indirect service contractors

KPI'S (As of 30th March)	FTE	Work Days (20)	Work Hours (7.5)	% (Total)
tie Staff	72.20	1444	10830	
tie Contractors	18			
tie Starters	6			
tie Contractors Starters	2			
tie leavers	1			
tie Absence (Sickness)		29	217.50	1.64%
tie Absence (hols)		78	585	4.42%
tie Absence (other)		6	45	0.34%
tie Training	7	9	67.5	0.51%

Resourcing

Short lists from Ellis Fairbank for Project Director roles Tram and EARL now complete with first stage interviewing underway – complete by end of April

Deployment

- Starters –
 - Lay San Kuak – Assistant QS MUDFA
 - Hazel Selby – HSQE Administrator
 - Graeme Barclay – Construction Director MUDFA
 - Nicola Cullen – PA to Delivery Director
 - Claire Murray – Office Assisnat (Citypoint)
 - Thomas Caldwell – Senior QS MUDFA
 - Alf Orriell – Community Engagement Relationship Co-ordinator
 - Tracey Kinloch – Insurance Manager
 - Elliot Scott – Project Reporting Assistant
 - Julie Smith – PA to Delivery Director

- Inductions – number 10

Development

- 7 tie employees attended 5 professional/project related courses and seminars through March

Reward

Release

- Leavers
 - Nicola Cullen – PA to Delivery Director

2. Recommendation or Requirement

None this month

Prepared by: Heather Manson and Hayley Dillon

Recommended by: Colin J McLauchlan

Date: 16th April 2007

tie Limited

Paper to : **tie Board**
Subject : **Communications Update**
Date : **16 April 2007**

1. Corporate Communications

1.1 Internal Communications

Internal communications this month have included the reduction to two tram bidders, the EARL newsletter, guidelines for the pre election period and new starts each week to tie.

1.2 Staff Newsletter

The April edition will be issued on the 17th. The March edition was issued as a pdf and was generally well received. We will continue with the on line format and, once the intranet is up and running, we will post the newsletter onto the intranet.

1.3 Organisational changes

As part of tie's ongoing review of resource the Communications team has been looking to change their structure.

As reported in last month's paper we have been recruiting a Media Manager and an Intranet Content Assistant. We are pleased to report that Donna Reid who currently holds the role of Media Manager with Network Rail will join us on 11 June and our new Intranet Content Assistant Benjamin Rodgers will join the team on 1 May. These are key appointments and will help the team to deliver a high quality and proactive service to our projects, our partners and the tie community.

1.4 Pre Election Period (PEP)

With the PEP taking place from 3 April to 4 May the team are working within the guidelines from the Scottish Executive and the City Council to ensure we deliver our workload within the appropriate guidelines. Much planning has been underway and time has been spent documenting the policies and procedures required to support the organisational changes.

As we are now half way through the pre election period, planning for proactive delivery as we come out after the election is under way.

2. Tram

2.1 Communication Strategy and Plan

The communication strategy documented in the draft Final Business Case continues to be delivered.

Whilst detail of approach and messaging is reviewed on an ongoing day to day basis the strategy will be reviewed each quarter, with the next review due in June. Review of the strategy will take place at the monthly Communications meeting which is attended by CEC, TS, TEL, tie, Media House and Weber Shandwick.

It is, at the time of writing, the pre election period therefore work on communication and pr activity is effectively halted. Planning for delivery in May is underway.

2.2 MUDFA trial site:

The resident and business packs were issued by the tram helper on 27th March. 150 packs in total were issued. The approach to the trial site has been minimal and low key, with signage only at the site itself providing the customer helpline number and web address. As the trial is taking place through the pre election period there are set guidelines on what can and can't be said. The Communications, Stakeholder and AMIS teams are aware of the guidelines and are prepared should they be approached or asked questions by anyone.

2.3 Correspondence flow

A paper was sent to partner organisations in March highlighting key decisions that needed to be made on the approach to customer care preferred by each organisation. Response has been received, with decisions made, Steve Gorry will now work with the organisations to deliver the customer care package. A detailed report on the customer flow and kpi's will be included in next month's paper.

2.4 Customer Interaction Cycle

The four week stakeholder packs including documentation and language panels have been received. The letters that go with the packs will be printed separately with site specific information. We still await the proof of the 8 week newsletter which will be issued for comment and approval before going to print.

2.5 Helpline number

The tram helpline number is 0131 623 8726. The system is now in operation. Around 12 calls have been received since the helpline was put into operation and all customers have received the information they were looking for or a visit from the tram helper.

2.6 Mobile Information Centre

The Tram/Bus remains in the wings and will be launched at the same time as the MUDFA programme and the customer support, following the trial site.

2.7 Wider area signage and communications

Whilst formulating the traffic management plans for MUDFA we have had to consider wider area signage and wider area communications.

In order to continue with the open and clear communication methods which have been a symbol of the tram project, it is recommended that the wider area signage is branded clearly with the Trams for Edinburgh brand.

Again, during the tram project, we have tried to communicate openly with all stakeholders, and this attitude should be continued with regard to contact with the frontagers on major diversion routes. These businesses and residents will need to be informed that their street will be a diversion route for a temporary period, and the effect this will have on them. It is recommended that a specific leaflet is produced for these areas, giving clear information on the changes and where more information can be obtained. This will also be discussed with and approved by partners.

2.8 Incident Management Response – Comms/Stakeholder

As part of the overall HSQE actions an incident management response plan has been developed. Communications and Stakeholder incident management response is also documented and the on call function is now in place. Approach to incidents, should they occur, will be approached on an incident by incident basis under the following headings:

- Self-contained, i.e. something which affects the tram scheme but has little or no impact on the general public.
- External Impact which do impact the general public, usually immediately.

2.9 Media coverage

Coverage earlier in the month focussed on the £60m grant from the Minister and the TRAMCO announcement of the reduction to two bidders. Pressure has been applied through the letters page of the Evening News to announce the traffic measures that work with the MUDFA programme. This will be addressed when the programme is approved and made public.

At the start of April there was coverage on the start of the trial site.

3 EARL

3.1 Media

EARL featured in the following media through March:

The Herald, The Scotsman, Evening News, BBC News online, Glasgow Daily Record, STV, BBC Radio Scotland, Reporting Scotland, Real Radio, Forth One, Local Transport Times, Queensferry Gazette and Fife Today.

The majority of this coverage was generated by the positive result of the Final Stage Debate, which took place on Wednesday, 14 March. This included Barry Cross' interview with STV. Other coverage in the Scotsman included a negative letter stating that EARL was not backed by the Scottish Executive plus a response from Barry Cross. The Evening News featured coverage of the planned development in Kirkliston and the Queensferry Gazette featured

an article on a local litter pick up, which some of the EARL team were involved in.

- Artist's Impressions of the EARL station were produced in March to illustrate the internal and external views of the station. These visuals were distributed to the press, together with the news release on the result of the Final Stage Debate.
- With the pre-election period taking place from 3 April to 3 May, the communications team will spend this time producing a new EARL media strategy for the next stage of the project.

3.2 Parliament

In advance of the Final Stage Debate, a political briefing paper was produced and distributed to all MSPs and researchers on 8 March.

The EARL Bill was approved by the Scottish Parliament at the Final Stage Debate on 14 March 2007. The Scottish Parliament voted to approve the Bill by a majority of 3 to 1 and it is expected that EARL will receive Royal Assent in the Spring.

3.3 Stakeholder

In March, Barry Cross met with Eric Guthrie, Director of TACTRAN and Kevin Murray met with Margaret Smith MSP.

Issue three of the EARL newsletter was distributed on Friday, 23 March to all EARL stakeholders by email and post, which totals to approx. 1,800 people.

A presentation to local schools on the EARL route was held on Thursday, 29 March. Shirley Mushet, Engineering Co-ordination Manager, led the presentation and five school heads attended. A plan will now be developed, in conjunction with Careers Scotland, to establish key projects which each school could undertake.

3.4 EARL Communication Strategy

An EARL Communication Planning Session took place on Tuesday, 27 March at which **tie**, Transport Scotland and Media House attended. The EARL branding and communication strategy was discussed and actions allocated.

A new Communication Strategy will be developed and delivered by 20 April, the new strategy will cover media, community, stakeholder and political strategies.

4. SAK

4.1 Website

The “work in progress” section of the website has been updated, this will continue on a monthly basis.

The board is asked to note the position.

Prepared by:

Suzanne Waugh

Date:

16 April 2007

tie Limited

Paper to : tie Board

Subject : FINANCE & PERFORMANCE REVIEW

Date : 23 April 2007

1. FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF MARCH 07

A report of actual outturn cost for the year against the FY06/07 Business Plan is provided in the Consolidated Expenditure Report at Appendix 1.

Actual Costs for the year (column 1) v Business Plan=Budget for the year (column 2)

Total expenditure on all projects and central services during the year to 31st March 2007 was **£43.6m** compared to the FY06/07 Business Plan (i.e. the budget) expenditure **£87.4m**, an underspend of **£43.8m**. The major components of this underspend were:

- **Tram £38.2m underspend**
 - SDS spend £0.5m (last month £1.2m) behind the profile in the original budget.
 - Utility diversions and advance payments to utility companies were originally programmed to commence in January 07 – expenditure in the year was £15.9m below the original budget.
 - The £6.3m contingency spend profiled for the year in the original budget has not been required.
 - £16.4m was originally anticipated to be spent acquiring land in March 2007 (£10.6m on 3rd party land and the balance being CEC contributed land). The GVD process will now be completed in April/May 2007.
- **EARL £5.6m underspend**
 - TSDS (technical and design services contract with Scott Wilson) is behind budgeted profile due to 2 month delay in start and delays in the engagement by BAA into the design process.
 - In March BAA unexpectedly settled a commitment of £1.5m they made in 2003 to the costs of taking the EARL bill to submission.
 - Also during March there were unexpected delays in the progress of design in and around the airport which resulted in a further £1.1m reduction in the expenditure for the year compared to budget.

Expenditure for the month of March also includes £49k in relation to the costs of a feasibility study being delivered by a consultant and being project managed by **tie** which will detail proposals for a Sustainable Development Framework for the Gogar Burn. The client and funder of this study is The Gogar Burn Partnership Group, an informal non-statutory group of stakeholders (including EARL) who have an interest in or responsibility for the Gogar Burn, or land within the catchment of the Burn. The total cost of the feasibility study is £60k.

Latest forecast costs for the year to 31 March 07 (column 4) v previously reported forecast (column 5) v Business Plan for year (column 6)

Tram outturn costs for the year were £986k less than forecast last month due to rescheduling of utilities diversion expenditure. The EARL outturn for the year was £2,348k less than forecast last month forecast reflecting the BAA contribution and the delays in delivery of the airport design items as described above.

The year end outturn on Ingliston Park & Ride Phase 1 reflects the outcome of the adjudication as described in the related Board paper. The net effect after allowing for adjudication fees and other expenses was an increase in costs for the year of £171k compared to the original budget.

The outturns on other projects reflect some minor variances with what was previously forecast.

2. BALANCE SHEET AND BANK BALANCE

As previously reported, our Balance Sheet has a deficit in Net Assets of £670,415 which is equal to our share of the new liabilities of the Lothian Pension fund at 31st March 2006. The final year end Balance Sheet will be amended to reflect our share the pension liabilities of the scheme at 31st March 2007, the details of which we expect to receive from the scheme's actuaries at the end of April.

Cash in the bank at 31st March amounted to £0.5m but this increased significantly in early April by the receipt of an additional £3.5m from CEC in respect of Tram expenditure during April. Excess funds are held in an on-demand deposit account and are offset automatically by the bank against the current account when payments are made.

The establishment of a deposit account in the name of CEC which **tie** can draw down from on demand has been agreed with CEC Treasury/Finance and we await CEC Treasury completing the necessary administration.

3. STATUS OF FUNDING

The Grant offer letter to cover £60m of expenditure on the Tram project from April to September 2007 (including utility diversions during that period) was issued by Transport Scotland prior to the end of March. We have also received confirmation from Transport Scotland that the £10.6m of unused FY06/07 funding earmarked for the delayed land acquisition exercise may be carried forward to the current year.

The FY07/08 funding application for EARL (£28.6m) is to be submitted to the 9th May Transport Scotland IDM for approval. In the interim, Transport Scotland have agreed to issue an interim grant letter for £2.5m to cover expenditure up to the 12th May.

4. BUSINESS CASES / tie BUSINESS PLAN

We have now received comments from Transport Scotland on the Draft Final Business Case for Tram which are by their nature statements of areas where they would like to see additional information or a different emphasis in the Final Business Case. We are required to provide an action plan for dealing with these comments by the end of April.

5. PROCESS IMPROVEMENT AND INTERNAL AUDIT ACTIONS

An Audit Committee Meeting took place on 26th February which discussed inter-alia, progress with management actions on previous internal audit reports and the programme of work for 2007.

We have now received the draft report for all but one of the internal audits and follow ups planned for this year (the outstanding report being the follow up on last years ICT report) and there are no findings classified as above minor issues with limited risk exposure. The reports of the internal audits for the year will be on the agenda for the June Audit Committee.

tie has a Business Improvement Director starting in mid May who will assist the Executive Board in the delivery of an Integrated Management System encompassing all of tie's business processes.

Appendices

Appendix 1 – Consolidated Expenditure Report

Appendix 2 – Balance Sheet

Prepared by: Stewart McGarrity

Recommended by:

Date: 16th April 2007

tie CONSOLIDATED EXPENDITURE REPORT (FORECAST v. FY 0607 BP) - At end March 2007

	Year to Date (12 mths to 31/03/07)			Year (12 mths ending 31/3/07)				
	1	2	3=1-2	4	5	6	7=4-5	8=4-6
	Actual	Bus Plan =Budget	Variance	Latest forecast	Forecast last month	Bus Plan =Budget	Latest forecast v last month	Latest forecast v Budget
Direct Staff & Contractors Costs								
Tram	3,509,750	2,397,039	1,112,711	3,509,750	3,312,892	2,397,039	196,858	1,112,711
EARL	810,387	858,286	(47,899)	810,387	821,612	858,286	(11,225)	(47,899)
SAK	194,621	243,110	(48,489)	194,621	189,303	243,110	5,318	(48,489)
Ingliston Park & Ride	0	16,939	(16,939)	0	0	16,939	0	(16,939)
Ingliston Park & Ride - Phase II	15,937	0	15,937	15,937	14,334	0	1,603	15,937
Fastlink (WEBS)	33,722	28,561	5,161	33,722	33,195	28,561	527	5,161
Gogar Burn Sustainable Dev Plan	0	0	0	0	0	0	0	0
FETA	51,185	58,618	(7,433)	51,185	50,226	58,618	959	(7,433)
One Ticket	31,655	88,409	(56,754)	31,655	30,908	88,409	747	(56,754)
Business Development	23,075	105,793	(82,718)	23,075	26,107	105,793	(3,032)	(82,718)
Forth Ferry	22,923	29,463	(6,540)	22,923	22,512	29,463	411	(6,540)
Stirling Waste Management	55,680	64,706	(9,026)	55,680	54,663	64,706	1,017	(9,026)
A	4,748,935	3,890,924	858,011	4,748,935	4,555,752	3,890,924	193,183	858,011
Central Services & Management								
Indirect Staff & Contractors	1,126,183	591,201	534,982	1,126,183	1,100,307	591,201	25,876	534,982
Other Central Services Costs:								
Training	74,504	100,000	(25,496)	74,504	84,000	100,000	(9,496)	(25,496)
Recruitment	72,746	3,000	69,746	72,746	78,000	3,000	(5,254)	69,746
Non Executive Directors	28,604	16,000	12,604	28,604	32,398	16,000	(3,794)	12,604
Office Space	265,229	215,000	50,229	265,229	257,343	215,000	7,886	50,229
Corporate Communications	81,508	52,000	29,508	81,508	80,000	52,000	1,508	29,508
ICT	218,255	179,103	39,152	218,255	225,000	179,103	(6,745)	39,152
Legal, Financial & Prof Advisors	89,074	47,300	41,774	89,074	76,572	47,300	12,502	41,774
Other	282,648	150,000	132,648	282,648	266,416	150,000	16,232	132,648
TQM	90,886	70,000	20,886	90,886	116,625	70,000	(25,739)	20,886
Bank Charges	6,977	1,200	5,777	6,977	7,000	1,200	(23)	5,777
Overdraft Interest	82,322	100,000	(17,678)	82,322	71,791	100,000	10,531	(17,678)
	1,292,753	933,603	359,150	1,292,753	1,295,145	933,603	(2,392)	359,150
Contingency	0	0	0	0	70,669	0	(23,484)	0
B	2,418,936	1,524,804	894,132	2,418,936	2,466,121	1,524,804	0	894,132

tie CONSOLIDATED EXPENDITURE REPORT (FORECAST v. FY 0607 BP) - At end March 2007

	Year to Date (12 mths to 31/03/07)			Year (12 mths ending 31/3/07)							
	1	2	3=1-2	4	5	6	7=4-5	8=4-6			
	Actual	Bus Plan =Budget	Variance	Latest forecast	Forecast last month	Bus Plan =Budget	Latest forecast v last month	Latest forecast v Budget			
Central Services & Management											
Allocation by project:	% Alloc to July	% Alloc from Aug									
Tram	59.17%	75.92%	1,690,893	902,272	788,621	1,690,893	1,725,359	902,272	(34,466)	788,621	
EARL	24.93%	18.66%	506,519	380,163	126,356	506,519	515,209	380,163	(8,690)	126,356	
SAK	7.06%	2.69%	101,702	107,681	(5,979)	101,702	104,601	107,681	(2,899)	(5,979)	
Ingliston Park & Ride	0.49%	0.21%	7,538	7,503	35	7,538	7,575	7,503	(37)	35	
Ingliston Park & Ride - Phase II	0.00%	0.00%	0	0	0	0	0	0	0	0	
Fastlink (WEBS)	0.83%	0.31%	12,064	12,650	(586)	12,064	12,195	12,650	(131)	(586)	
Gogar Burn Sustainable Dev Plan	0.00%	0.00%	0	0	0	0	0	0	0	0	
FETA	1.70%	0.86%	28,180	25,964	2,216	28,180	28,540	25,964	(360)	2,216	
One Ticket	0.00%	0.00%	0	0	0	0	0	0	0	0	
Business Development	3.07%	0.00%	26,944	46,859	(19,915)	26,944	26,922	46,859	22	(19,915)	
Forth Ferry	0.86%	0.37%	13,253	13,050	203	13,253	13,384	13,050	(131)	203	
Stirling Waste Management	1.88%	0.99%	31,843	28,660	3,183	31,843	32,302	28,660	(459)	3,183	
Diff			0	0	0	0	34	0	(34)	0	
	100.00%	100.01%	C = B	2,418,936	1,524,804	894,132	2,418,936	2,466,121	1,524,804	(47,185)	894,132
Total Staff, Contractors & Central Services											
Tram			5,200,643	3,299,311	1,901,332	5,200,643	5,038,251	3,299,311	162,392	1,901,332	
EARL			1,316,906	1,238,450	78,456	1,316,906	1,336,821	1,238,450	(19,915)	78,456	
SAK			296,323	350,791	(54,468)	296,323	293,904	350,791	2,419	(54,468)	
Ingliston Park & Ride			7,538	24,442	(16,904)	7,538	7,575	24,442	(37)	(16,904)	
Ingliston Park & Ride - Phase II			15,937	0	15,937	15,937	14,334	0	1,603	15,937	
Fastlink (WEBS)			45,786	41,211	4,575	45,786	45,390	41,211	396	4,575	
Gogar Burn Sustainable Dev Plan			0	0	0	0	0	0	0	0	
FETA			79,365	84,582	(5,217)	79,365	78,766	84,582	599	(5,217)	
One Ticket			31,655	88,409	(56,754)	31,655	30,908	88,409	747	(56,754)	
Business Development			50,019	152,652	(102,633)	50,019	53,029	152,652	(3,010)	(102,633)	
Forth Ferry			36,176	42,514	(6,338)	36,176	35,896	42,514	280	(6,338)	
Stirling Waste Management			87,523	93,366	(5,843)	87,523	86,965	93,366	558	(5,843)	
Diff			0	0	0	0	34	0	(34)	0	
			D=A+C	7,167,871	5,415,728	1,752,143	7,167,871	7,021,873	5,415,728	145,998	1,752,143

tie CONSOLIDATED EXPENDITURE REPORT (FORECAST v. FY 0607 BP) - At end March 2007

	Year to Date (12 mths to 31/03/07)			Year (12 mths ending 31/3/07)				
	1	2	3=1-2	4	5	6	7=4-5	8=4-6
	Actual	Bus Plan =Budget	Variance	Latest forecast	Forecast last month	Bus Plan =Budget	Latest forecast v last month	Latest forecast v Budget
External Project Costs								
Tram	26,277,340	66,363,689	(40,086,349)	26,277,340	27,425,613	66,363,689	(1,148,273)	(40,086,349)
EARL	9,794,846	15,490,527	(5,695,681)	9,794,846	12,122,725	15,490,527	(2,327,879)	(5,695,681)
SAK	7,425	42,000	(34,575)	7,425	13,981	42,000	(6,556)	(34,575)
Ingliston Park & Ride	171,388	(0)	171,388	171,388	836	(0)	170,552	171,388
Ingliston Park & Ride - Phase II	126,451	0	126,451	126,451	127,690	0	(1,239)	126,451
Fastlink (WEBS)	(3,681)	119,774	(123,455)	(3,681)	107,414	119,774	(111,095)	(123,455)
Gogar Burn Sustainable Dev Plan	48,659	0	48,659	48,659	0	0	48,659	48,659
FETA	6,886	418	6,468	6,886	7,267	418	(381)	6,468
One Ticket	958	0	958	958	958	0	0	958
Business Development	166	(0)	166	166	2,037	(0)	(1,871)	166
Forth Ferry	543	0	543	543	684	0	(141)	543
Stirling Waste Management	4,076	2,634	1,442	4,076	4,071	2,634	5	1,442
Diff	0	0	0	0	(34)	0	34	0
E	36,435,057	82,019,042	(45,583,985)	36,435,057	39,813,242	82,019,042	(3,378,185)	(45,583,985)
Total Project Costs								
Tram	31,477,983	69,663,000	(38,185,017)	31,477,983	32,463,864	69,663,000	(985,881)	(38,185,017)
EARL	11,111,752	16,728,977	(5,617,225)	11,111,752	13,459,546	16,728,977	(2,347,794)	(5,617,225)
SAK	303,748	392,791	(89,043)	303,748	307,885	392,791	(4,137)	(89,043)
Ingliston Park & Ride	178,926	24,442	154,484	178,926	8,411	24,442	170,515	154,484
Ingliston Park & Ride - Phase II	142,388	0	142,388	142,388	142,024	0	364	142,388
Fastlink (WEBS)	42,105	160,985	(118,880)	42,105	152,804	160,985	(110,699)	(118,880)
Gogar Burn Sustainable Dev Plan	48,659	0	48,659	48,659	0	0	48,659	48,659
FETA	86,251	85,000	1,251	86,251	86,033	85,000	218	1,251
One Ticket	32,613	88,409	(55,796)	32,613	31,866	88,409	747	(55,796)
Business Development	50,185	152,652	(102,467)	50,185	55,066	152,652	(4,881)	(102,467)
Forth Ferry	36,719	42,514	(5,795)	36,719	36,580	42,514	139	(5,795)
Stirling Waste Management	91,599	96,000	(4,401)	91,599	91,036	96,000	563	(4,401)
	0	0	0	0				0
F=D+E	43,602,928	87,434,770	(43,831,842)	43,602,928	46,835,115	87,434,770	(3,232,187)	(43,831,842)

tie Board 23 April 2007 - Finance & Performance Report
 tie BALANCE SHEETS MARCH 2006 TO MARCH 2007

Appendix 2

	At March 06	At April 06	At May 06	At Jun 06	At July 06	At Aug 06	At Sept 06	At Oct 06	At Nov 06	At Dec 06	At Jan 07	At Feb 07	At Mar 07
FIXED ASSETS	183,342	180,386	177,429	178,724	185,417	202,470	204,714	207,531	207,158	204,063	203,538	203,160	158,849
	183,342	180,386	177,429	178,724	185,417	202,470	204,714	207,531	207,158	204,063	203,538	203,160	158,849
CURRENT ASSETS													
Trade Debtors	5,408,314	4,337,723	6,339,052	4,894,366	6,826,879	6,053,558	3,171,511	4,520,605	10,969,630	3,193,706	7,399,233	6,465,829	1,081,180
Other Debtors	47,235	31,912	31,912	31,655	31,655	31,655	31,655	11,715	11,715	11,715	11,852	10,564	0
Bank Balance	0	0	0	0	0	0	0	0	0	8,055,441	2,879,764	1,288,370	512,255
Prepayments & Accrued Income	4,235,208	6,367,222	6,182,677	7,841,388	7,603,464	6,457,478	8,215,671	8,219,572	4,162,824	7,754,045	4,391,500	8,649,524	10,208,331
Petty Cash	48	98	148	248	298	556	9	9	9	9	209	149	329
	9,690,804	10,736,954	12,553,789	12,767,657	14,462,296	12,543,247	11,418,846	12,751,901	15,144,178	19,014,916	14,682,558	16,414,436	11,802,095
LIABILITIES													
Trade Creditors	2,806,064	619,497	1,529,870	1,155,062	2,008,815	4,536,948	963,498	1,443,985	1,857,879	981,192	550,969	806,544	1,875,513
Employee Creditor	1,249	1,076	1,919	2,529	31,922	(1,479)	(2,189)	(1,711)	(394)	(2,310)	288	683	3,172
Bank Overdraft	2,688,478	3,761,251	4,878,378	3,536,319	4,844,560	1,936,402	2,509,448	3,091,083	2,722,449	0	0	0	0
Grant received in advance	0	0	0	0	0	0	0	0	0	7,600,000	3,819,451	3,819,451	0
Payroll Creditors	93,586	93,453	109,497	116,373	155,793	119,267	98,312	121,933	111,236	154,891	119,019	213,508	145,990
Capital Grants	183,341	180,386	177,429	178,724	185,416	202,469	204,712	207,529	207,157	204,062	203,537	203,017	158,847
Accruals	4,235,208	6,361,658	6,097,228	8,020,117	7,750,857	6,327,793	8,272,962	8,183,089	9,693,969	10,132,990	9,599,264	11,540,862	10,319,770
VAT Payable/(Refundable)	(134,779)	(100,980)	(64,103)	(63,743)	(330,649)	(376,683)	(424,183)	(87,476)	758,040	147,154	592,568	32,531	(543,348)
	9,873,147	10,916,341	12,730,218	12,945,381	14,646,713	12,744,717	11,622,560	12,958,432	15,350,336	19,217,979	14,885,096	16,616,596	11,959,944
NET CURRENT ASSETS/(LIABILITIES)	(182,342)	(179,386)	(176,429)	(177,724)	(184,417)	(201,470)	(203,714)	(206,531)	(206,158)	(203,063)	(202,538)	(202,160)	(157,849)
	(182,342)	(179,386)	(176,429)	(177,724)	(184,417)	(201,470)	(203,714)	(206,531)	(206,158)	(203,063)	(202,538)	(202,160)	(157,849)
Pension fund liability	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)
NET ASSETS	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)
	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)
Represented by:													
Share Capital	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Reserves	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)	(671,415)
Profit & Loss Account	(0)	0	0	0	0	0	0	0	0	0	0	0	0
Balance as at Period End	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)	(670,415)

tie Limited

Paper to : **tie Board**

Subject : **Stakeholder Relations - Edinburgh Tram Project**

Edinburgh's Open for Business Strategy:

The next meeting of the Edinburgh Retail Tram Working Group will be on Wednesday 18th April 2007. This will take place at the MUDFA site office.

Update on actions from last meeting.

Edinburgh's Open for Business Campaign

ACTION 1: A high level meeting to be organised to include businesses, CEC and tie Ltd.

This is currently being organised by Suzanne Waugh and more details will be given once an agreed date has been confirmed.

ACTION 2: Confirm appointment with Cowan & Partners and work scope to manage the business support scheme.

An engagement letter has now been received from Cowan and Partners for the operation of the scheme and this is being considered.

ACTION 3: Lothian Assessor has confirmed receipt of details for the Trial Site and will construct a visual inspection and the next few weeks.

Preliminary Design of the Tram Route – Public Consultation

ACTION 4: SDS/tie Ltd to follow-up frontager enquiries.

This has been done.

ACTION 5: Develop a more consultative framework with the Cockburn Association.

This is being actioned.

ACTION 6: SDS to follow-up disability issues and report back to next meeting.

Date of next Disability Access meeting is 30th April 2007.

ACTION 7: Write to Spokes (cycle lobby) to arrange a meeting in May.

This has now been done.

ACTION 8: Organise future meeting between SDS and Land & Property team with Tiger Developments who are redeveloping the Morrison's Car Park site at Haymarket. They are interested in understanding more about the impact of tram on their project.

This has now been done.

Other developments:

Survey at Telford College and Scottish Gas Call Centre at Granton:

This is a short survey of all staff and students at Telford College and the 11,000 employees at the Scottish Gas Call Centre. The purpose of the survey is to determine and understand existing travel arrangements to college or work patterns and determine the difference which the tram on line 1b will make.

Both surveys have now been completed and the results will be fed back to the Board when both sets of data have been prepared.

ACTION 9: Compile both sets of results and present to future Board meeting. Still to be done.

Update on stakeholder relations:

Steve Gorry has joined the team as our Customer Quality Assurance Adviser. Alf Orriell has joined the team as Community Relations Co-ordinator. Gillian Arnot will join the team on Monday 23rd April as Business Community Co-ordinator.

tie will be making arrangements with the CBI to host an evening event in June 2007 regarding the tram project as there seems to be a high degree of interest from important business based in and around Edinburgh.

tie has been asked by the CBI if it would consider providing some sponsorship to its September 2007 Annual Dinner in Glasgow.

Prepared by: Mike Connelly

Date : 16th April 2007

Note: The action points are for the Stakeholder Relations Team to follow-up.

tie Limited

Paper to : **tie Board**
Subject : **Gogar Burn Partnership Group**
Date : **23rd April 2007**

1. The Gogar Burn Partnership Group (GBPG) was formed in 2005. The GBPG is an informal non-statutory group of stakeholders who have an interest in or responsibility for the Gogar Burn, or land within the catchment of the Burn. Representation on the Group comprises:
 - City of Edinburgh Council – Planning (Chair)
 - Scottish Environment Protection Agency (SEPA);
 - City of Edinburgh Council – Flood Prevention
 - City of Edinburgh Council Archaeologist
 - BAA EDINBURGH
 - Scottish Natural Heritage
 - Scottish Water
 - Scottish Enterprise, Edinburgh and Lothian (SEEL)
 - Scottish Executive
 - New Ingliston Limited
 - New Edinburgh Limited
 - FSH
 - Premier Property Group
 - Meadowfield
 - Royal Bank of Scotland
 - **tie** Ltd – EARL Project
 - **tie** Ltd Tram Project
2. **tie** provide project management support to the group through Lindsay Murphy. Project management costs are met by the group which draws funding from its members.
3. The Gogar Burn, which rises in West Lothian flows south to north before its confluence with the River Almond impacts on the design and delivery of both Tram and EARL projects. These impacts have been included for in the designs of both projects. The Gogar Burn improvements may offer some potential for simplification of design and consequential cost savings if respective programmes allow.
4. The Burn is under significant environmental pressure from development in its lower catchment. It suffers from poor water quality and flooding. The morphology of the channel has been modified by human activity and the ecological value of the river could be significantly improved.
5. The Gogar Burn Partnership Group (GBPG) commissioned SISTech between November 2005 and April 2006 to carry out a study on the Gogar Burn catchment. The output from this work was the preparation of a report detailing proposals for a Sustainable Development Framework for the Gogar Burn (SDF). The report identified a set of ten improvement components to address a range of

problems which affect the burn including the aspiration to accommodate further improvements in transport and other infrastructure. These components have then been assessed using a decision making process agreed with the Group.

6. The preparation of the SDF was funded by the GBPG and commissioned by the Scottish Environment Protection Agency (SEPA) on behalf of the Group.
7. Further work leading on from the SDF was required by the GBPG to define the optimum combination and feasibility of these improvement components. The West Edinburgh Planning Framework 2006 Consultation Draft refers to potential safeguarding of outcomes.
8. The GBPG approached **tie** limited in June 2006 to provide project management resources for the further feasibility work. The output of this study will facilitate informed decisions on how the preferred combination of components should be delivered bearing in mind potential interdependencies with the EARL project. **tie** have agreed a fee of £6,000 to manage this process. Funding is provided to CEC by the group which meets regularly. **tie** invoice for all costs to CEC.
9. In November 2006 **tie** tendered the first part of a detailed feasibility Study and option appraisal of some of the components put forward in the previous work. SIStech were successful and awarded the contract by **tie** in December 2006.
10. This contract was for £64,071 and is approaching completion within the next 3 weeks. SIStech's tender included further work at the group's discretion to carry out cost benefit analysis on the technically feasible options. The value of this second part would be approximately £49,000.
11. The SIStech report includes findings on work carried out in parallel independently funded by BAA. This work was carried out by BAA's consultants Black and Veitch to the same brief as the rest of the SIStech report on the major component of diversionary works affecting the airport. The information produced is that this is one of the options which, in outline form, is technically feasible to be considered further. This diversion would divert the burn into Airport property in the vicinity of Castle Gogar from where it would follow a route beneath the crosswinds runway and head north to turnhouse where it would rejoin the Almond. BAA's outline optimistic estimate is £13,297,081 (not including land). The Airport is under significant pressure to improve water quality and the existing culvert of the burn under the main runway is considered by them to be at capacity.
12. .The Gogar Burn Partnership group will meet again in early May 07.

Recommendations

13. To note the nature of the work being managed by **tie** for CEC on behalf of the GBPG
14. To note that **tie**'s current project management role runs until the close of the current stage of work in early summer 2007

Prepared by: L Murphy
Recommended by: B Cross

Date:23rd April 2007