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**From:** Wendy Bailey  
**Sent:** 17 August 2007 12:49  
**To:** Rachel Goud  
**Subject:** FW: Tram Funding

Hi Rachel

Thought I would forward this over to you. The letter below from Alison Bourne is very typical to the letters that I am dealing with just now. I have drafted a response and put it out for comment. I will send you the full response so that you have it to use if you get similar but the table below is good to have now as it breaks down where the CEC £45 million will come from. Most letters coming in just now ask for this info!

Wendy

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**From:** David Cooper  
**Sent:** 16 August 2007 14:07  
**To:** Wendy Bailey  
**Cc:** Duncan Fraser  
**Subject:** RE: Tram Funding

Wendy,

I would be able to help with the developer contributions element of the question although to be honest I would refer Mrs Bourne to the previous Council reports (Draft Final Business Case, 20th December 2006) which contains the breakdown of the Councils £45 million (see table below). Until we report back to Council this is the approved position.

I hope this helps.

David

	January 2006 Estimate £m	November 2006 Estimate £m
Council Cash	2.5	2.5
Council Land	6.5	6.2
Developers Contributions – Cash	10.2	24.4
Developers Contributions – Land	7.9	2.2
Capital Receipts (Development Gains)	5	2.8
Capital Receipts	12.9	6.9
<b>Total</b>	<b>45</b>	<b>45</b>

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**From:** Wendy Bailey  
**Sent:** 16 August 2007 12:51  
**To:** David Cooper  
**Cc:** Duncan Fraser  
**Subject:** FW: Tram Funding

Hi David

I am needing to draft a response to the letter shown below from Alison Bourne. Will you be able to help with parts of this?

Wendy

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**From:** RASM Bourne [mailto:rasmbourne@██████████]  
**Sent:** 01 August 2007 00:02  
**To:** Phil Wheeler  
**Cc:** Jenny Dawe; Iain Whyte; [lesley.hynds@edinburgh.gov.uk](mailto:lesley.hynds@edinburgh.gov.uk); Stuart McIvor; Tim McKay  
**Subject:** Tram Funding

Dear Councillor Wheeler

I was interested to read the article in the Evening News (27 July) in relation to the £45m contribution from the City of Edinburgh Council towards the cost of the tram scheme.

You will recall that I was part of a deputation to Full Council in December 2003 which raised concern that the cost of the project at that time was being seriously understated and that realistic sources of funding required to be identified.

It has been repeatedly stated that Council Tax will not be increased in order to fund a shortfall in either construction or operating costs and I seek your assurance that any such increase is out of the question.

I am deeply concerned that early warnings about the lack of funding were not addressed and that both Council officials and Councillors did not take steps to advise the public in the early stages about the true financial position of the project in order to encourage public debate based on accurate information. I would appreciate an explanation of why this was not done and how, as a Board member of TIE, you would reconcile this lack of transparency with serving the public interest.

I would also be grateful for your clarification as to EXACTLY how the Council's contribution of £45m (plus any funding shortfall/operating subsidy) is to be met, together with a detailed breakdown of the cost of the project (which is not contained within the Draft Final Business Case) and an estimate of the level of compensation to businesses during the construction period/implementation of any associated traffic management scheme/associated public realm improvements.

Further, I would be grateful to receive a detailed breakdown of costs so far, ie, exactly how has the £90m spent to date been disbursed?

I understand that a recent vote at Full Council established precisely which Councillors support the project, despite the serious financial risks involved, and am therefore content that accountability is established.

Yours sincerely

Alison J Bourne