
From: Rebecca Andrew [Rebecca.Andrew@edinburgh.gov.uk]
Sent: 14 November 2007 12:06
To: Miriam Thorne
Subject: FW: Key dates - Grant Funding Letter

As discussed.

Rebecca

Rebecca Andrew | (Acting) Principal Finance Manager | Financial Services | The City of Edinburgh Council | Waverley Court, Level 2:5, 4 East Market Street, Edinburgh, EH8 8BG | Tel 0131 [REDACTED] | rebecca.andrew@edinburgh.gov.uk | www.edinburgh.gov.uk

From: Donald McGougan
Sent: 14 November 2007 09:24
To: Rebecca Andrew
Subject: FW: Key dates - Grant Funding Letter

From: Bill.Reeve@transportscotland.gsi.gov.uk [mailto:Bill.Reeve@transportscotland.gsi.gov.uk]
Sent: 13 November 2007 18:24
To: Donald McGougan
Cc: Andrew Holmes; graeme.bissett@virgin.net; John.Ramsay@transportscotland.gsi.gov.uk; Lorna.Davis@transportscotland.gsi.gov.uk; Jerry.Morrissey@transportscotland.gsi.gov.uk
Subject: RE: Key dates - Grant Funding Letter

Dear Donald,

Thank-you for your email.

We have now provided CEC with a revised draft Grant Letter, following recent meetings between our legal advisors and between John Ramsay and Rebecca Andrew. I am keen that any outstanding issues concerning the Grant Letter and associated Schedule be resolved swiftly through further meetings in the next few days.

However it is not only the question of progress with the grant letter that is preventing a conclusion ahead of your Council meeting deadline of 13 December. We remain concerned about a number of issues on the project some of which have potential to influence available funding for 2008/09 and 2009/10. Of particular concern is the very high accrual which the project is currently reporting and which we have been raising with CEC for some months now. While it currently shows no imminent sign of decreasing, CEC has made a request for substantial additional funding towards the end of the current financial year. As you probably know, this presently unacceptable position has previously been mentioned to Willie Gallagher, but so far I have received no clear indication of how this will be resolved.

Processes for Transport Scotland and Ministerial approval are clear, and can be made to fit with your deadlines, subject to satisfactory resolution of these remaining issues.

Regards,

Bill Reeve

Director, Rail Delivery

Transport Scotland

-----Original Message-----

From: Donald McGougan [mailto:Donald.McGougan@edinburgh.gov.uk]

Sent: 07 November 2007 10:56

To: Reeve W (Bill)

Cc: Andrew Holmes; Graeme Bissett; Ramsay J (John); Davis L (Lorna);

Jerry.Morrissey@transportscotland.gsi.gov.uk

Subject: FW: Key dates - Grant Funding Letter

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Bill

Further to our meeting of 20 September I am writing to express my concern over the lack of progress on the grant award letter for the Edinburgh Tram Project.

I attach, for your information, a schedule of the key dates between now and contract close, which illustrates the urgency of agreeing the letter. In order to meet the programme, the Council needs to approve the FBCv2 and the grant letter on the 20 December. As the report will be a public document, it must be circulated on the 13 December, so agreement must be achieved before then.

It is also worth noting that the preferred bidder will wish to review the grant funding arrangement and that their provision of appropriate performance securities to **tie/CEC** (ie PCGs and bond) is dependent upon clarity on the public sector funding commitment.

I understand your staff will be issuing a revised letter and accompanying schedules later this week. The Council will prioritise providing comments on these documents with a view to reaching agreement. However, I suspect that the following issues will require agreement at a more senior level:

- 1) Timescales for ministerial/cabinet approval
- 2) Provision of interim funding in the event that financial close is delayed due to ministerial delays
- 3) Carry forward of grant
- 4) Process/timescales for approving the utilisation of funding on phase 1b
(There may be further issues arising from the schedules)

I would therefore like to arrange a meeting with you in order to resolve these issues. Please get in touch to arrange a suitable date for this.

Should you wish to discuss any of this prior to the meeting, please do not hesitate to contact me.

Regards

Donald

Donna Rodger | Executive Office Secretary | Secretary to the Director of Finance | Level 2/7 Waverley Court, 4 East Market Street, Edinburgh EH8 8BG | Tel:+44 (0) 131 [REDACTED] | Fax:+44 (0) 131 [REDACTED] | e-mail donna.rodger@edinburgh.gov.uk

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