



tie Limited

Minutes of the Edinburgh Tram Project Board – meeting no 4.

Date: Monday 23rd January 2006

Time: 09.00am – 11.00am

Venue: The Boardroom, tie’s offices
Verity House, Haymarket Yards

For brevity, the attendees will be referred to in the minutes by the abbreviation listed below. The Board itself will be referred to as the ‘**TPB**’, to distinguish it from the **tie** Board.

Attendees:	David Mackay – TEL	DM
	Neil Renilson – TEL	NR
	Willie Gallagher – TEL	WG`
	Damian Sharp – Scottish Executive	DS
	Andrew Holmes – CEC	AH
	Keith Rimmer – CEC	KR
	Michael Howell – tie Ltd	MH
	Ian Kendall – tie Ltd	IK (TPD)
	Graeme Bissett – tie Ltd	GB
	Barry Cross – tie Ltd	BC
	James Papps – PUK	JP
	Andy Wood – Transdev	AW
	Norman Strachen – Lothian Buses	NS
	Clare Norman – tie Ltd	CN
Apologies:	Gavin Gemmell – tie Ltd	GG
Circulation:	As above	

ACTION BY

- Apologies**
 - As Above
- Previous Minute / Matters Arising**
 - David Mackay asked that it was noted that his name is spelt Mackay.
 - TPB noted the merger of the TPB and the TEL board with David Mackay as Chairman.
 - DM stated the TPB appreciation for the excellent work that Gavin Gemmell had done to date at chairman of the TPB.
 - JRC - £250,000 acceleration has not yet been confirmed. As yet, TPD has not authorised above



£25,000. **tie** want to ensure that it makes sure that asking JRC to accelerate completion date of the report is achievable in the contract. TSS is interrogating the contract programme until it is certain of what the design pros and cons will be. Question from DS whether the acceleration is still necessary if the ETN is going to be developed in phases.

IK

3 **Tram Project Director's Report** **Project Director's Key Issues and Decisions:**

1. TEL and TPB Project Governance.

- With the merger of TEL Board and TPB it is vital to establish Project Governance. IK and GB working with DM to establish this. Vital that there is clear governance to allow for decisions to be made. TPB all in agreement with this.
- Contractual Structure highlighted by GB for the Tender processes. Separate meeting between AH/ DS/JP and GB needed on this. AH to write to GB about what CEC position is going to be.

IK/GB/DM

AH/GB

2. Project Funding

- Completion of the renewed funding commitments is anticipated on 07th February 2006 when the Minister attends the TL1 Parliamentary Committee hearing.
- TPD asks DS to confirm which options(s) the Tram Project is going to take with funding. Whether **tie** will be working with a construction bridge financing route, a PFI route or will be fully conventionally funded by the SE/ CEC. DS having meeting on Wednesday at the Scottish Exec to discuss management of cash across all major projects. DS confirms he will get back to **tie** following this meeting. DS mentioned that there are both pros and cons of construction bridge funding as there is contractor incentive to deliver on time; however there are other major projects being reviewed by Scot Exec which may be more suitable to this funding route.
- DM highlights that a decision needs to be made about funding by the Scottish Executive and CEC as suppliers need to know the availability of

DS



funding. TPD notes that Market interest for Tram supply has been high.

- GB expresses that the PFI option doesn't make viable sense. By taking PFI off the agenda it is possible to keep the door open for some form of construction bridge funding to be brought through OJEU, allowing feedback from contractors. DS notes that there has been extensive discussion about PFI funding within the Scottish Executive, but no ministerial decision. DS tells the TPB that he will give his complete attention to removing PFI from the agenda, noting that it is in the interest of all to remove this option this week.
- AH informs the TPB that a CEC decision will be made on Thursday.

DS

AH

3. Project Master Programme.

- TPB confirmed the release of the MUDFA tender on the 8th February 2006 following the Minister's expected statement on the 7th February 2006.
- TPB confirmed the following decisions:
 - JRC Scope unchanged.
 - SDS change order authorised to limit scope by excluding Newbridge spur and seawall between Granton Square and Newhaven. Options for exact terminations at Leith and Granton to be determined by reference to JRC outputs.
- TPD recommended to the TPB that a design budget allocation of up to £250,000 should be made for undertaking design work for the wider Streetscape Project, for which a brief is being prepared by Sir Terry Farrell and Ricardo Marini in order that Trams factor in any designs produced. IK warns there is a window of opportunity here. AH and KR to discuss back at CEC their own arrangements. This decision is to be discussed fully at next TPB.

AH/KR

4. OJEU for Infraco.

- TPD informs TPB that the OJEU from Infraco is now disconnected from Tramco due to the delay in releasing the Infraco OJEU until 8th February 2006. Implication of this delay is that the tender period of 5 months means the 8th October. This

IK



may mean later release of draft FBC. AH asks **tie** to produce a programme for him factoring in the effects of the late release as he has to write a report for the CEC and needs to know whether that will be late December 2006 or end of January 2007. DS will find out on Thursday whether the release of the OJEU can come before the 8th February.

- DM asks **tie** to inform him of who is responsible and when decisions are to be made. IK to inform before the next board (merged TPB/TEL) meeting.
- IK asks for confirmation on whether to go ahead for the end of September for MUDFA – TPB confirm this for the present.

DS

IK

5. JRC and Financial Modelling:

- JRC modelling is a critical path item – it remains on Programme.

6. Safety Plan and Issues:

- IK informs TPB that the management of Safety between **tie** and TEL is of material importance.

IK

7. Tram Project Accommodation

- This issue to be fully discussed in the TEL meeting.
- DS mentioned that as he is not present at the preceding TEL meeting his only concern is where the risk lies and whether the Scottish Executive will be asked to pick up the bill if the Tram project does not go ahead. IK going to write to DS setting out scale of risk and mitigation.

IK

PARLIAMENTARY UPDATE.

- Process with Parliament is progressing. TL2 Committee has completed its consideration of amendments but will wait to see whether any TL1 decisions which are to be included.
- TL1 committee will be hearing from the Minister, CEC and **tie** on the 7th February 2006.
- The Legal team are looking at any potential amendments that might be proposed addressing the Committees desire to ensure that all



commitments which have been given are bound to.

- DS suggests that where possible side agreements should be made rather than amendments to the face of the Bills.
- 7th February 2006 is pivotal date.

5 Tram Progress Report

- **Point 3 – PR side** – We pre-empted this press coverage and gave prior warning to the Bills Unit. There was no “red” flag from the committees.

6 TEL Business Plan and Financial Model – Progress

- Paper going to TEL board is high level review of Leith Waterfront to Airport. DS and JP given copies of TEL paper.
- Preliminary Financial Appraisal - interims of taking forward Business Plan handled by NS/SMcG and GB. Regular meetings with PwC being held. Bringing Progress Report the week before TEL board (merged TPB/TEL).
- Work began in November on Ocean Terminal to Airport, now in position with Fabers work and TEL paper to go forward and develop further refinements of that work ie Granton and Newhaven “add ins and what ifs”. Looking at different option interims of Tram frequency.

GB/NS/SMcG

7 AOB

- Scottish Executive inclusion in future TEL meetings.

8 Date of next meeting

20th February 2006 10.00-13.00; tie offices, Verity House