



TRANSPORT INITIATIVES EDINBURGH LIMITED

Minutes of MEETING of DIRECTORS held at Miller House, 18 South Groathill Avenue, Edinburgh at 2.30pm on 27th June 2002.

Present: Ewan Brown, (Chairman)
John Richards
Jim Brown
Gavin Gemmell
Andrew Burns
Maureen Child

Observers: Michael Howell, Chief Executive of TIE
Alex Macaulay, TIE – Project Director
Eddie McDowell, City of Edinburgh Council – Support Staff
Keith Rimmer, City of Edinburgh Council
Ewan Kennedy, City of Edinburgh Council
James Papps, Partnerships UK (PUK)
John Martin, Scottish Executive (part of the meeting)
Jonathan Pryce, Scottish Executive

Apologies: Ricky Henderson
Andrew Holmes, Director of City Development, City of Edinburgh Council

1. MINUTES OF THE MEETING OF 30TH MAY 2002 FOR APPROVAL AND SIGNING

The minutes of the meeting on 30th May were approved.

2. MATTERS ARISING FROM THE MINUTES

There were no matters arising that were not dealt with elsewhere in the agenda.

3. PRESENTATION BY MVA AND SDG ON TRANSPORT AND ECONOMIC MODELS

The City of Edinburgh Council had commissioned MVA and DSC to produce the “Land use & transport interaction” model and the “Local Economic Impact” model.

3. (Continued)

The presentation by David Connelly (MVA) and David Simmonds (DSC) provided an overview of both models explaining the inter-action between them. The geographical scope and treatment of different modes along with data sources was covered. Finally an outline of results from both models was provided covering the base year of 2001 and alternative scenarios for 2011.

The Chairman requested clarification on what effects the banding from £1.50 - £2.00 had on congestion. David Connelly explained that the slide, which displayed effects, was concerned with 're-routing' only. It made no allowance for factors such as modal shift etc. The chairman suggested that the presentation should be modified to include a slide showing the 'drop off' in vehicles based on the full model.

David Connelly suggested that TIE should not become too committed to an 'all day' charging option as there was evidence that a 'peak only' charge for the outer cordon may be effective in reducing delays caused by congestion. Such an option may draw wider support from the public.

Luis Willumsen of Steer Davies Gleave, who are charged with reviewing the TRAM/DELTA models confirmed the requirements of the business case to contribute to public and financial sector acceptance. In general the scope, structure, data sources, calibration and validation of were acceptable although there were still some issues to be examined in detail including the risks associated with the models. He explained that the DELTA model deals with land use/ economic issues and the TRAM model deals with travel modes. The TRAM model still has some sensitivity problems, which can be resolved. Assumptions on travel within TRAM were based on existing profiles with no allowance being included for change in work patterns, which may result following, or even prior to charging commencing.

The Chairman questioned the time scale and priorities for completing the review and sensitivity checking of the models as 30th September was looming. Luis Willumsen confirmed that the model will never satisfy everyone and that, broadly, 20% of the tests would give 80% confidence. He suggested that detailed work on bolstering private sector confidence could follow the 30th September submission.

Gavin Gemmell asked if the Waterfront and other sizeable developments would not exacerbate the increases in congestion within North Edinburgh. David Connelly confirmed that the 'in progress' developments in the north of the city had been included in the model. David Connelly stressed that the net congestion effect throughout the City even allowing for the increases within North Edinburgh post charging, would be a reduction. North Edinburgh due to its location would not have the natural drop off in vehicles directly entering the city expected in other quarters. This was another reason for the introduction of the North Tram loop.

Maureen Child asked how good historically traffic modelling actually is. Luis Willumsen replied that in general the track record was good. Key issues in past discovered discrepancies are with input data as opposed to the mathematics.

The Chairman asked Alex Macaulay for his views on how to dovetail work streams given the time constraints. Alex Macaulay reported that he expected the business plan to arrive on his desk by the end of August.

3. (Continued)

SDG would therefore be required to complete their independent evaluation by the end of July in order to allow Grant Thornton's team to make the financial assessment during August. Alex Macaulay was aware that considerable data exchange had already taken place between MVA and SDG and suggested that sensitivity testing was now the priority.

The Chairman sought and obtained assurances from MVA and SDG that there would be no surprises concerning the robustness and reliability of the model.

The Chairman requested that PUK and the Scottish Executive should not wait until the next meeting, scheduled for 9 August, to raise any further issues.

David Connelly stated that 'reference' test assumptions needed to be firmed up by TIE. Alex Macaulay pointed out that there is a need to include the effects of the most likely outcome of the proposed CPZ extension. David Connelly confirmed the CPZ extension has not been input. Keith Rimmer confirmed that the most likely CPZ scheme would be provided to MVA within a matter of days.

The Chairman asked if anyone was aware of any other issues, which need input into the model. Alex Macaulay confirmed that Crossrail, P+R sites and WEBS were all included. Michael Howell stated he would put this matter on the agenda for the operating committee meeting on Monday.

Luis Willumsen suggested that rather than unpick the model it would be better to treat any additions, including the CPZ extension, as sensitivity issues which could follow the business case. Michael Howell raised the matter of revenue flows. Alex Macaulay stated that revenues have been based on the model outputs after allowance for operating costs. He also confirmed that revenue flows would be more accurately modelled in the business case.

The Chairman thanked MVA and SDG for their presentations.

4.a UPDATE FROM THE CHAIRMAN (ADDITIONAL AGENDA ITEM)

The Chairman reported on his recent friendly and positive meeting with the Minister and Scottish Executive officials. The Minister had warned that getting approval by end of the year would not be straightforward. The Minister had stated that even if he had the business case in his hands at present, he could still not guarantee this timetable. The Chairman therefore suggested to the Board that the submission being prepared for 30th September should seek to guarantee a progressive yes rather than a no or an indefinite delay. The Board agreed. The Chairman raised this issue, as the Board needs to be satisfied that it can commit finances to keep the project progressing without knowing what the Minister's decision will be.

The Chairman asked Andrew Burns to facilitate a further meeting with Robert Cairns following discussions held at Cannonball House about West Edinburgh planning issues.

The Chairman stated that there is a clear need to get credit from the public for delivering items on the up front investment list. (A90 Bus Corridor, Crossrail, Newcraighall P+R all delivered to date.)

4.a (Continued)

Andrew Burns stressed the need to resolve the 'approval in principle' this year to allow the matter to be clear well in advance of the May election.

John Martin brought to the Board's attention the First Minister's response to Angus Mckay's question about whether two criteria must be met before charging is introduced. (Clear public support, up front improvements). The First Minister had responded with a definite 'Yes'. Some interpretation was required as to exactly what this meant however it was a clear indication of political imperative.

Andrew Burns pointed out that these are requirements of the Transport Act and therefore was of no surprise. Alex Macaulay provided the board with a current snapshot of the consultation, which indicated from the 1000 respondents that 53% were in favour of one or other charging schemes, which was encouraging.

Alex Macaulay drew the Board's attention to the very positive article of support in the recent press from three prominent representatives from the tourist community. It would be appreciated if the Board could start to unearth other champions from the business community willing to go on record in support of the scheme. He pointed out that market research is being undertaken in parallel to provide a scientific approach alongside the general 'Have Your Say' approach.

Gavin Gemmell suggested that the Chamber of Commerce and SFE were two key organisations who should be approached in order to get corporate responses. Andrew Burns confirmed he will be giving a presentation to the CoC within the next two weeks and would raise the matter.

4.b PROGRESS REPORT FROM THE CHIEF EXECUTIVE

Michael Howell commented on the summary of observations from Turner and Townsend – Feb 2002. The summary was ranked in reverse order of merit. Given the growth in LRT schemes TIE will need to ensure Edinburgh's scheme is attractive for bidding. More needs to be done to try to get bus operators involved who are the obvious candidates to ensure ease of interchange. Croydon appeared to be the scheme of most merit, which is why the Board will visit the city. Croydon's experience with Quality Contracts appears to have been successful. The lead in times for establishing QC's is a cause for concern. The lesson learnt from the summary is that unless trams offer some meaningful advantages, people won't use the tram. There is a need to fit the tram successfully into the streets. Farebox revenue is the most important factor as far as the Private sector is concerned. A Route network (fishbone structure) with buses feeding the tramline needs to be pursued.

Alex Macaulay pointed out that Barry Cross (CEC) and John Saunders (TIE) have produced a report on QC's/QP's which will be discussed at Mondays operating committee. Andrew Burns was aware that some quick decisions following next May elections on this issue would need to be made. Keith Rimmer pointed out that although the council owns 93% of Lothian Buses, the Transport Act 1985 stops the council from telling Lothian Buses what to do. The Council can influence the strategic plan only through Lothian Buses' requirement to liaise with the council regarding their business plan. The Chairman asked Jonathan Pryce for advice on how much of this issue needs to be decided before 30th September.

**4.b (Continued)**

Jonathan Pryce considered the focus should be on the public consultation process and scheme detail could follow on.

Michael Howell asked Andrew Burns whether publishing of the draft Charging Order could be brought forward by up to 9 months. Andrew Burns stated that the Council would not be willing to do this until after the elections in May 2003.

The Chairman asked James Papps for his observations to date. He replied that congestion reduction seemed dependant on the interplay between different modes on the road network and on modal shift. He believed that commencing the TIE Operating Committee was a key step. TIE need to think about their overall target. Profiles of the spend to assist the Scottish Executive in providing support must be completed. If the scheme structure when mapped out identifies the public funding requirements this would be helpful. The level of charge needs to have a built in flexibility to allow for modification if the traffic model proves incorrect.

5. FINANCIAL REPORT

Michael Howell handed out a revised financial report to the Board. He explained that it provides the format for future reports however the actual numbers need time to become more informative

Gavin Gemmell questioned whether TIE should continue with the Council's pension scheme for new employees bearing in mind the level of employer contribution. Michael Howell accepted that a two tier system would be required (One for transferred staff and another for new starts)

Janette Moyes (Office support) would start work full time next week.

6. PROGRESS REPORT ON PUBLIC PARTICIPATION FOR CONSIDERATION AND ACTION

Discussions on public participation was covered in Agenda item 4a

7. PROGRESS REPORT ON PROJECTS AND TECHNICAL ISSUES FOR CONSIDERATION AND APPROVALTram line 2

Alex Macaulay highlighted the caveat on funding from the Scottish Executive but as there was a letter on file from the previous Minister it was felt that the risks from inviting tenders were small. The Board agreed that tenders be invited from the list of companies in the paper.

WEBS

Alex Macaulay requested permission to interview two of the four companies. (Maunsell, Halcrow) and be given the authority to then award the tender. The Board granted Alex Macaulay this authority in consultation with the Chairman.



7. (Continued)

The Board agreed that the Arup report was of poor quality. The Chairman asked Alex Macaulay to consider carefully whether Arup should be included in tenders for future work.

Alex Macaulay reported that the WEBS audit by Audit Scotland had been deferred.

Financial services tender for tram 1 and 2

It was agreed that all four companies as included in the report should be invited to tender.

Marketing Tender

Alex Macaulay reported that seven submissions had been received of which one had been rejected. The Board agreed the remaining six companies in the report should be invited to tender.

Business Case

A paper providing information on the need for a Stag appraisal was discussed. The Board agreed that SDG were best suited to do this work and should be awarded the contract as an extension of the business case contract

Technical Trial

Gavin Gemmell raised a question regarding the paper covering the assessment of bids for recruitment requirements. Alex Macaulay confirmed that this was a sub-set of the technology trial and would run from September 02 – Feb 03. The technology trial is being managed and procured by Ian Catling Consultants and the paper was included for the Board's information.

8. ANY OTHER BUSINESS

The next board meeting will be held on 9 August 2002. The board will be travelling to Croydon and travel arrangements will be organised by Eddie McDowell.