



TRANSPORT INITIATIVES EDINBURGH LIMITED

Minutes of tie BOARD MEETING

Held in the Conference Room, BAA Offices,
Edinburgh Airport on Monday 22 March 2004 @
10.00 hrs – 14.00 hrs

Initials

Board Members: Ewan Brown (Chairman)
Gavin Gemmell
John Richards
Andrew Burns
Jim Brown

EB
GG
JR
AB
JB

In attendance: Michael Howell, tie Chief Executive
Graeme Bissett, tie Finance Director
Alex Macaulay, tie Projects Director
Paul Prescott, tie Heavy Rail Director
Mark Bourke, tie Risk Manager
Ewan Kennedy, CEC, CDD, Transport
Ann Carruthers, CEC, CDD, Transport
Ronnie Hinds, CEC, Head of Corporate Finance
Andrew Holmes, CEC, City Development Director
Jonathan Pryce, Scottish Executive
Kirsty Lewin, Scottish Executive
Martin Buck, PUK

MH
GB
AM
PP
MB
EK
AC
RH
AH
JP
KL
MBu

Apologies: Maureen Child
Bill Cunningham

Heavy Rail
Presentation only: Richard Jeffrey, BAA
Susan Clark, tie Heavy Rail
Alan Somerville, tie Heavy Rail
Gail Jeffrey, Scott Wilson
Roger May, Halcrow

Item

1. MINUTES OF THE MEETINGS OF 16 FEBRUARY 2004 FOR APPROVAL AND SIGNING

The minutes were approved.

2. MATTERS ARISING FROM MINUTES OF THE MEETING OF 16 FEBRUARY 2004

Item 4 – Financial Matters (15 December 2003):

Joint venture with EDI – GB advised that agreements are being prepared between **tie**/CEC and EDI.

Item 6 (c) – Trams (29 January 2004):

MH has had been unable to progress a meeting with Patricia Ferguson. EB informed the Board that is now imperative that this meeting is arranged and AB agreed to try to arrange this for as soon As possible

Item 6 (e) – Business Case (29 January 2004): Preparation of list of Q &A's is underway.

Item 7 (c) – Stakeholder Engagement Discussion (29 January 2004):

EB & GG have facilitated communications with Heriot Watt University to promote an information campaign to students and staff. Other Universities/Colleges should be approached in the same way.

3. CHIEF EXECUTIVE'S REPORT

i. General

Positive discussions continue with Clackmannanshire on a memorandum of understanding regarding the Stirling-Alloa railway project.

ii. Finance and account report

tie are taking steps to bring spending with all advisors under scrutiny and have commenced with a report on spend with Weber Shandwick (see 4(c) ii).

iii. **tie** 2004/5 Business Plan

The **tie** Business Plan 2004-05 has still to be approved even though the new financial year starts on 1 April. Issues relating to the funding shortfall require to be addressed urgently before the next Board meeting and in preparation for the full Council meeting on 29 April. Details are covered under Item 4 (b).

iv. Heavy Rail

The EARL project remains “on track” in terms of budget and timetable.

Action
By

GB

AB

GB

EB/GG

tie/CEC

v. Congesting Charging

Around 1500 formal objections to the proposed scheme were received. Preparations are now under way for the Public Inquiry which starts on 28 April.

vi. Tram

Some progress has been made in the dialogue with Lothian Buses. A draft agreement on next steps is close to finalisation for tabling at the meeting scheduled between all parties for 23 March 2004.

The new "talktime" brochure for line three was distributed for information. The public consultation commences on 24 March until 18 May 2004. Response at this point has been favourable in all quarters. The link to congestion charging has been made by many, since there is no other source of funding for the project.

The trips to Lyon and Nottingham went smoothly. However, it was felt that some of the objectors visiting Lyon took the opportunity to bolster their own personal cases rather than observing with an open mind.

vii. WEBS

The new single-deck buses have been ordered and construction of the guideway is now underway.

viii. Managing the public interface (Stakeholder Management)

The experiences of Nottingham have highlighted the continuing need to support the run-up to the year-end referendum. Andrew Burns reported that valuable lessons can be learnt from Nottingham. A focused branded PR campaign was recommended. The budget would need to be found during April.

ix. Office Accommodation

Heads of terms are being prepared for a floor at Verity House, Haymarket. CEC were content with this proposal. It was agreed that the Chairman would be delegated powers to sign a lease.

a) Procurement Ethics Policy

The **tie** Procurement Ethics Policy – March 2004 was presented for comment and approved by the Board.

**Action
By**

GB

GB

**Action
By**b) Remuneration Committee Terms of Reference

The revised Terms of Reference were presented for comment and approved by the Board subject to a extended wording under 1.2 (b) to include "*including individuals working under contract*" and an alteration to the quorum provisions.

MH

A Remuneration Committee meeting had been held prior to the Board meeting, however, due the absence of Maureen Child, the meeting was inquorate. A note of the meeting will be prepared and it would be necessary to secure the agreement of Maureen Child to the decisions which were taken.

MH

c) Risk Report

The Monthly Risk Report was tabled for comment. This month the report had been expanded to demonstrate that **tie** has placed risk management at the core of its service delivery to the Council and the paper summaries in detail **tie's** approach to the management of risk.

AH agreed that the report was very comprehensive and responsibilities have been clearly defined and that it is critical that all interfaces between projects are defined and each understands their role and risk.

EB recommended that **tie's** corporate objectives and targets be incorporated into the Risk Report.

MB

4. FINANCIAL MATTERS

a) Financial Report

The February Financial report was presented and it was noted that the additional narratives in the individual reports provided useful information on the projects.

EB requested confirmation that there were no outstanding invoices awaiting payment for the financial year ending 31 March 2003.

GB

b) **tie** Business Plan

tie have revisited the costs in the Plan for 2004-05 and identified £238k of savings. There still remains a £955k gap between CEC share of **tie's** planned expenditure and CEC's allocated resource. It is imperative that this issue be resolved by the Council at its meeting on 29 April. For congestion charging to be introduced as planned in 2006, it is necessary for **tie** to incur substantial expenditure in 2004, ahead of the referendum. It is for CEC to determine whether to instruct **tie** to continue to achieve a 2006 start or to defer or abandon the scheme. It was agreed that should CEC determine that it will not be possible to introduce congestion charging in 2006, CEC should immediately advise **tie** and a special board meeting of **tie** will be called to consider **tie's** responsibilities.

GB

c) Internal Order:-

i. Delegated Authorities and Control of Consultant Expenditure

A paper presenting the **tie** Delegated Authority Rules Version 2004.1 was presented for comment. Clarification of the wording in rule 1.7 of the paper was requested and with this clarification the document was approved by the Board.

ii. Weber Shandwick Services

A paper presenting a breakdown and description of expenditure and costs for the year ending March 2004 had been produced by Stuart Lockhart and Monica Langa. The majority of spend is attributed to the Statutory Process. A detailed review of forecast spend is being conducted for the 2004-05 financial year with the possibility of the use of alternative resources in some areas. Measures are also being considered to minimise the cash cost of the "it's about time" campaign, however, it is becoming increasingly evident that a further source of funding will be required to fund aspects of this additional project which is recognised as a key element in achieving the overall ITI objectives.

JB questioned whether **tie** were confident that they were getting "value for money". MH advised that **tie** were now in a position to ensure there was better management of Weber Shandwick in the future. The approval process for future spend is incorporated into the Delegated Authority Rules.

5. ITI – CC/TRAMS

a) Progress Reports

Project Progress reports were presented for information.

b) DPOF:-

i. Operator Selection

The decision of the operator selection has been delayed by 2 weeks. A report will now be made to the Board on 20 April 2004.

A second workshop covering evaluation process is being held on 2 April 2004 and AM offered an open invitation to the Board to attend. JB attended the last workshop and reported that he found it a valuable experience and would attend again.

**Action
By**

ML/MH

AM

ii. Bus/Tram Integration

It was hoped that an agreed paper would be presented to the Council on 23 March. This would permit **tie** to proceed with the process of the appointment of a tram operator.

c) Tramline 1 & 2 Stakeholder Management Handbook

The Stakeholder Management handbook was presented for comment. The handbook has been established primarily with Tramline 1 and 2 stakeholders in mind, however it is the intention to develop a generic handbook to cover all **tie** projects. Contributions have been made by **tie**, their advisors and representatives from CEC. AH noted that the handbook should contain the protocol for the strategic management of political stakeholders and also that the factual appendices for Lines 1 & 2 require to be presented in a similar way. As an evolving document, AM advised that these points will be included along with the ongoing contributions from all parties.

6. HEAVY RAIL

a) Projects Presentation – Kenneth Hogg

A presentation was given by KH on heavy rail initiatives in Scotland which emphasised the need for greater integration of the projects.

b) SACK MoU

It was reported that the draft MoU was currently with Clackmannanshire and also SE for approval.

c) Earl Presentation

The Heavy Rail team delivered a presentation on progress to date on the EARL project. This was followed by a rooftop tour of the Airport building to view the proposed tunnelling route and station location.

7. AOB

a) New **tie** Office Lease

This item was covered under Item 3 (ix)

8. Date of Next Meeting – Tuesday 20 April 2004

**Action
By**

GB

AM

PP