



tie Board Meeting

28th February 2005



Agenda for tie Board Meeting
 @ tie offices, Verity House, Edinburgh
 @ 10.00 hrs – 12.00 hrs on Monday 28th February 2005

Item No.	tie Board Meeting Agenda Item	Resp	Timing
1.	Minutes of Meeting of 21st January 2005 for approval and signing – a) Approve and signing of full version of minutes	EB	10.00 hrs
2.	Matters arising	EB	
3.	Chief Executive Report – a) Chief Executive Board Report * b) Risk Report and review of issues *	MH	
4.	Finance Report – a) Financial Report * b) tie Business Plan *	MH	
5.	Heavy Rail - a) EARL * b) SAK *	PP	
6.	ITI – a) Project Progress Report * b) Tram Implementation and OBC c) Tram Procurement – Systems Design Services (SDS) tender update	AM AM/IK/ PwC IK	
7.	Communications - a) ITI communications – Information Programme * b) Stakeholder report *	MH	
8.	AOB –		
9.	End		12.00 hrs
10.	Date of next meeting – Monday 21st March 2005 @ 10.00 hrs. Venue: tie office, Verity House, Edinburgh		

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)



Item 1

Minutes of the Meeting
held on 21st January 2005

- a) Approve full version of minutes



tie limited

Action By

Minutes of tie BOARD MEETING

In the tie Boardroom, Verity House, 19 Haymarket Yards
@ 10.30 hrs – 12.30 hrs on Friday 21st January 2005

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

EB
JR
AB
JB
GG

In attendance: Michael Howell, tie Chief Executive
Graeme Bissett, tie Finance Director
Ian Kendall, tie Procurement Director
Paul Prescott, tie Heavy Rail Director
Andrew Holmes, CEC, City Development Director
Martin Buck, PUK
Kenneth Hogg, Scottish Executive
Neil Renilson, Lothian Buses, Chief Executive

MH
GB
IK
PP
AH
MB
KH
NR

Apologies: Bill Cunningham
Maureen Child
Alex Macaulay, tie Projects Director
John Ewing, Scottish Executive
Keith Rimmer, CEC, CDD, Transport

Circulation: As above and also
Ronnie Hinds, CEC, Head of Corporate Finance
Andy Nichol, CEC, Leader's Office
Damian Sharp, Scottish Executive
James Papps, PUK

Note: The Board papers are issued for the purpose of the meeting only.
Observers are required to return all the papers to tie at the end of the meeting.
Those in receipt of papers and who did not attend the meeting are required to
confirm their copies have been destroyed or returned to tie forthwith.

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and The Act)
(C) = minute exempt under Section 5b of tie's publication scheme and The Act.

ItemAction
By**1. MINUTES OF THE MEETING OF 21ST JANUARY 2005 FOR APPROVAL AND SIGNING**

- a) The minutes of 21ST January 2005 were approved.

2. MATTERS ARISING

None

3. CHIEF EXECUTIVE'S REPORT *

- a) FETA

MH announced that tie's proposal to develop a Road User Charging Scheme for the Forth Road Bridge has been accepted by the FETA board.

- b) Scottish Executive

The SE have now established its Public Transport Major Infrastructure Team (PTMIT) which will in due course be based in Glasgow. tie will report directly into PTMIT as the delivery agent for EARL, SAK and, via the Council, Edinburgh Tram.

- c) Trams

MH advised that the parliamentary hearings are drawing to a close and a decision on approval in principle is expected by the end of February.

The SE has indicated that they would prefer the lodging of the bill for the Airdrie-Bathgate link to precede that of ETL3. This would delay the lodging of ETL3 bill until the end of 2005.

d) Congestion Charging

Ken Livingstone's visit on the 17th was widely reported.

e) Risk Report

*The monthly Risk Report was discussed. The Executive Summary format was deemed helpful.

4. Heavy Rail

a) EARL*

The project progress report was presented.

PP reported that the full consultation report indicated strong support for the project. There have been discussions with SE concerning promotion of the EARL bill.

PP will provide AH with an update on the land valuations issue at Winchburgh.

Discussions with Network Rail continue in relation to agreeing Heads of Terms for agreements required for the project.

b) SAK*

The project progress report was presented.

PP advised that the contracts with Clackmannanshire would be signed before the next Board meeting, and this commitment was carefully noted.. Payments for services were now being received.

Richard Hudson has accepted the offer to join tie as Project Manager.

PP

5. ITI

a) Project Progress Reports *

The project progress reports were presented and discussed.

(i) Tram Implementation

IK provided an update on the programme and budget.

The current programme incorporates the Utilities Diversions and Land Acquisitions. IK remarked that early funding for utilities would be required, and KH indicated that SE would support the release of funds for Utilities Diversions prior to Royal Assent.

There have been five new additions to the team this month, all of whom are currently working under short-term consultancy agreements.

b) CC Legal Challenge *

AB provided an update on the Legal Challenge to congestion charging by Fife, West Lothian and Midlothian Councils. A preliminary date for hearing has been set for 3rd/4th February 2005.

6. GOVERNANCE & FINANCIAL MATTERS

a) Financial Report *

The monthly Financial Report was reviewed. Certain sums earmarked for tram detail design and development will need to be carried over into 2005/6 Financial Year.

b) tie Business Plan 05/06

GB is progressing approval of the 2005/6 Business Plan with CEC and SE.

EB requested that the Business Plan be circulated to the Board prior to submission to the CEC full council on 24th February 2005.

GB

Action
By

7. COMMUNICATIONS

a) ITI Communications – Information Programme *

An update on the information programme was presented.

MH reported that a major effort was mounted by Suzanne Waugh to get as many TransportEdinburgh leaflets as possible distributed in advance of the 11th January deadline. This was commended by the Board

b) Stakeholder Report *

The report was noted.

8. AOB

a) Advisor Procurement

GB advised that an exercise was underway within tie to review and re-evaluate the standard terms and conditions under which tie contracts for services with advisors..

The procurement of the tram financial advisor was underway. PUK will assist in the tender assessment.

Discussions are proceeding to acquire the Caledonian Ale House. GB has excluded himself from this process due to a potential conflict of interest relating to his non-executive position on the Board of Belhaven Group plc, which is a supplier to the pub.

9. Date of Next Meeting

Monday 28th February 2005 in tie offices from 1000 – 1200 hrs

Signed and approved on behalf of the Board of tie limited by:

Ewan Brown (Chairman)..... Date.....

Declaration:

*Agenda Items marked * indicate that a report or relevant paper on this subject is attached and will be made available under FOISA but will be subject to review under Section 5b of tie's publication scheme and The FOI (Scotland) Act 2002. Comments marked as (C) and highlighted in bold italics in this minute are exempt and will not be made available under The FOI (Scotland) Act 2002.*



Agenda Item 2

Matters Arising



Agenda Item 3

Chief Executive Report

- a) **Chief Executive Board Report ***
- b) **Risk Report and review of issues ***

*** = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)**



Agenda Item 3a

a) Chief Executive Board Report *

*** = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)**



tie BOARD MEETING – 28TH FEBRUARY 2005

Please note that this report takes account of the provisions of FOI (Scotland) Act.

Chief Executive's Report

Events since last report:

- The result of the TransportEdinburgh congestion charging referendum announced on 22nd February was that “no” votes outnumbered “yes” votes by 3:1, on turnout of 61.8%. The full implications of this for Edinburgh and for tie will emerge in time.
- Both tramlines 1 & 2 have received favourable reports from their respective committees prior to debates in the Parliament that will take place within the next two weeks at the end of the Bills' preliminary stage. There is therefore very high probability of the Bills passing through this stage successfully.
- Work is underway on the detail design of tramlines 1 & 2, with special focus on utilities costs and city centre configuration to ensure fast and reliable tram operation.
- PricewaterhouseCoopers have been appointed financial advisers for the trams. PwC are also working with us on EARL which will be helpful in ensuring a consistent approach to financial appraisal especially for tramline 2 vs. EARL at Edinburgh airport.
- Revised costs for the EARL project are being developed by the technical consultant in light of the work undertaken to date. We are overseeing this attentively to prevent scope and cost creep.
- The agreements with Clackmannanshire for management of the SAK project have been signed, and subject to continued progress with Network Rail, planned commencement of construction in March is feasible.
- We have presented a proposal to the Scottish Executive that would permit tie to assume the responsibility for promoting the EARL bill, working ever more closely with the Transport Scotland agency as it emerges.

A. Congestion Charging

This note is being written immediately after the result was announced.

- Although the fact of a “no” vote was not surprising, the scale of the “no” majority reflected the extreme difficulty of selling a long-term strategy in the face of united political opposition and a hostile media.
- The fact of an immediate unpalatable certainty (the charge) vs. a long-term unquantifiable benefit (less congestion and better transport) proved, in the event, unsaleable.
- Congestion charging as a concept is now politically dead, and **tie**'s job now is to deliver the base strategy, primarily tramlines 1&2.
- A review with the Scottish Executive will be undertaken on how the technology developed by **tie** for the scheme may be applied to addressing congestion through adaptation of the system to traffic monitoring and control in any urban context.

B. Scottish Executive ('SE')

- The impact of the congestion charging result on the tram or EARL projects, if any, will emerge over time.
- Further conversations continue concerning **tie**'s role in meeting the needs of the emerging Transport Agency, with particular emphasis on the promotion of the EARL Bill.
- A further meeting with SE together with Andrew Holmes is planned for 4th March to review next steps.

C. Finance and Risk

- The Finance and Risk reports are attached.
- Funding for the 2005/06 business plan must be secured within the next few weeks if tram progress is to be maintained. The timetable for the tram outline business case is particularly tight. We have requested funds for necessary utilities work and property acquisitions, to maintain the target for operation before the end of 2009.

- The assignment of Graeme Bissett to an extended period of jury duty has been reported. Graeme is available before 10 am and after 4 pm. Stewart McGarrity who has recently joined **tie** on an initial interim basis will be attending the Board meeting in his place.

D. Trams

- We are delighted that the parliamentary committees have recommended that both tram bills be taken forward to the next (detail) stage of parliamentary approval. This represents a significant achievement for the tram approvals team.
- The tram design team is well under way on a wide range of technical activity focussed on the detailed design of the tram. Particular progress has been made in the utilities context.
- Closing the funding gap now assumes greater importance. An informal proposal has been made by BAA to pay for a section of the tram alignment to the east of the Ingliston Park and Ride. This could be used initially as a segregated bus route. This suggestion will require careful consideration in the context of the outline business case.
- Work will continue toward the securing of powers for tramline 3, although the referendum result removes any committed source of funding. There is the added problem of "congestion" in the private bills pipeline. Normally there will be only four bills in process. The next one in line is EARL, and if Airdrie-Bathgate is submitted when the Borders Rail Link is complete, TL3 will not be considered until either TL 1 or 2 emerge. This could be early in 2006.

E. FETA Bridge Charging

- **tie** is now working hard on the lengthy process toward securing the traffic order for this proposal for FETA which is targeted for early 2006.

F. Fastlink / Ingliston Park & Ride

- An experienced clerk of works has been engaged to supervise Halcrow both on site at Ingliston and in completion of the Fastlink on-street works.
- A total of £400,000 has been withheld in payment to Balfour Beatty against final completion of the Fastlink project.
- The utilities manager engaged for the tram has been helpful in progressing utilities diversions for the Ingliston site.
- The Ingliston site design has been reviewed and revised to include, among other details, two entry gates in place of one. Programme delay and cost implications have emerged, the latter described in more detail in the Monthly Financial Report.

G. EARL

- As stated above, a critical path item is to identify the promoter of the Bill.
- Work has been underway with BAA to finalise the layout of the terminal interchange including the station, tram terminus and bus and taxi stances. Progress has been made but the issue of whether to reroute the Gogar Burn, and who might pay for this (cost £18m), remains unresolved.
- Following a high level ministerial meeting, discussions are beginning with BAA on their contribution to funding.
- Costs of the project are being reappraised for the purposes of the Bill submission.

H. SAK

- The agreements with Clackmannanshire have been signed. Richard Hudson will join full time at the end of February.
- A final review of costs suggests that a figure of £50M for the project including an adjacent road is realistic.

- Defoliation of the route is under way. Construction could begin shortly, subject to continued contractual progress with Network Rail.

I. Communications

The new post referendum focus is to maintain public support for the trams in the face of committed objectors, some of whom were also prominent in their successful opposition to congestion charging.

Michael Howell

22nd February 2005



Agenda Item 3b

b) Risk Report and review of issues *

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)

Ref	Risk – FETA Road User Charging Order	RAG	Mitigation
1.	There may be delays in FETA signing of tie proposed Agreement.		Develop and finalise Agreement in conjunction with legal advisors to allow FETA to sign.

Ref	Risk - Edinburgh Airport Rail Link	RAG	Mitigation
2.	If the capital cost of the scheme cannot be justified and reconciled to the original study then there could be a loss of credibility for the scheme and the economic/financial case may be compromised		Develop a robust cost report for the scheme that includes reconciliation of costs and benchmarking to previous relevant schemes. Seek comfort letter from technical advisors that there are no cost omissions. Review sensitivity with independent audit of key cost matrices. Obtain tie and advisor scrutiny of Construction Strategy, Cost and STAG Reports.
3.	If the role of Promoter is ambiguous then the approvals process cannot be actioned and delays could be incurred.		Develop case for tie undertaking this role including review of advantages/disadvantages and residual risks.
4.	If we approach negotiations for financial contributions with BAA on an unrealistic basis we will lose credibility.		Establish the range of potential contributions in conjunction with PwC. Consider the need for additional specialist resourcing to manage these matters.
5.	If there is lack of clarity for progressing wider scheme interface requirements e.g. trains, signalling and timetabling then these assessments, decisions and procurements may undermine the implementation of the scheme.		Advise the key milestones and activities that require to be considered to deliver the scheme. Obtain confirmation of the parties to bring about these analyses, designs and procurements. Liaise with SE-PTMIT management team and working groups on these matters.

Ref	Risk - Tram Line 1	RAG	Mitigation
6.	If the reservations of the Committee are not addressed then the scheme may be delayed.		Develop plan for Parliamentary and Implementation Team inputs to ensure resolution of all outstanding Committee Observations. Review the outcome of other schemes including MerseyTram.
7.	If the development of alternative routing plans at Haymarket Yards requires to be implemented then there may be new objections, consultations and Bill amendments necessary		Develop alternative routing plans with clear understanding of capital, operating and revenue implications.
8.	If there is insufficient funding delivered through the Annual Business Plan to allow land acquisition and utility diversions from the Scottish Executive then we will fail to meet operational service delivery date in 2009.		Develop a robust Plan that clarifies the expenditure for planning, negotiating, placing and acting on agreements to relocate services and acquire land. Develop a robust Annual Business Plan and Outline Business Case.

Ref	Risk - Tram Line 1	RAG	Mitigation
9.	If there is a lack of resources for implementation of procurement and detailed Parliamentary stage there will be a delay to scheme implementation.		Develop a forward resource plan with job descriptions and programme for advertising. Review options for short-term secondments from advisors. Seek forward plans from all advisors including process for next 6-months of parliamentary process. Report specialist programme resource to bear to conduct critical path analysis. Commence designer and technical advisor procurements.
10	If we fail to recognise the trends and comments raised during the Parliamentary review stages there will be cumulative damage to our credibility.		Request a monthly executive summary report to summarise 'softer' perceptions and lessons that require to be addressed. Bring credible full-time resource to manage and attend Line 1 and 2 committee meetings.

Ref	Risk - Tram Line 2	RAG	Mitigation
11	If the reservations of the Committee are not addressed then the scheme may be delayed.		Develop plan for Parliamentary and Implementation Team inputs to ensure resolution of all outstanding Committee Observations. Review the outcome of other schemes including MerseyTram.
12	If the fare strategy for EARL emerges as a non-premium fare then there could be significant effect on the viability of the Line 2 tram scheme		Review the sensitivity of Line 2 in the EARL Preliminary Financial Case with detailed examination of the fare options. Inform the committee and their advisors, as necessary.
13	If there is a funding shortfall for the scheme then Newbridge section may require support for additional funding by the Council.		Discuss funding options with the Council and Scottish Executive with regard to phasing system.
14	If we are unable to negotiate away the objections in detail by BAA, Network Rail and the Gyle then undesirable obligations could potentially be placed into the Bill.		Establish timetable, scope of potential concessions and areas requiring robust defence. Establish the scope of precedent to suit our case elsewhere in the UK. Hold regular meetings to seek routes to withdraw objections. Implement additional specialist resourcing. If alternative routing plans are necessary review all capital, operating and revenue implications.

Ref	Risk - Tram Line 3	RAG	Mitigation
15	If there is a No Vote in the Referendum then the scheme cannot be progressed beyond Parliamentary consideration.		Support the Council in their management of the Public Information Campaign. tie Project Manager to prepare a status report to enable tie /CEC/SE to address how to proceed. Report to cover cost of completion of development stage, blight risk during parliamentary

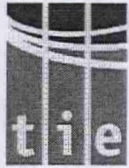
Ref	Risk - Tram Line 3	RAG	Mitigation
			consideration, potential funding sources, scheme benefits, etc.
16	If there are ongoing delays to the scheme then there could be loss of key personnel within the advisor team		Agree resource for ongoing deliverables from advisor team. Consider the early commissioning of additional activities to support Parliamentary process e.g. Construction Strategy.

Ref	Risk - Congestion Charging	RAG	Mitigation
17	If there is a No Vote in the Referendum then the scheme will not be progressed.		Support the Council in their management of the Public Information Campaign. Establish contingency plan for re-allocation of tie resources and options for marketing prototypes.
18	Legal challenge from neighbouring Councils		Advise and support the Council, as necessary. Maintain date of Referendum to avoid confusion. Maintain close review of approach adopted by neighbouring Councils in Court hearings.
19	The decision regarding preferred bidder will require to account for forecasted operating costs that could be underestimated.		Interrogate and bring Capgemini and IBM NPV bid costs on equal footing with challenge to costs prior to selection. Establish cost baseline to assist comparison. Seek fixed low spend profile from bidders. Undertake sensitivity tests in conjunction with financial advisors.

Ref	Risk - Stirling-Alloa-Kincardine Railway	RAG	Mitigation
20	If our contractual position is not resolved then we may need to walk away from this scheme.		Develop suite of agreements. Clarify role, responsibilities, liabilities and potential risks and intended governance.
21	If there is a stalemate in development of an Asset Protection Agreement with Network Rail then the scheme will not be implemented.		Identify areas of concern and develop tactics for moving forward. Discuss options with Scottish Executive. Meet with Network Rail (London) to progress.
22	If there is inappropriate allocation of risk of stabilisation of mineworkings then the bidders offer may not offer value for money.		Review the overall contractual risk allocation with the client and contractor. Challenge the costs and contingencies and proposed risk allocation throughout negotiation.
23	If access arrangements have yet to be resolved then there may be delays to implementation of the scheme or inflated compensation arrangements.		Define the project programme including milestones for land access and completion of negotiations. Consider District Valuer assistance to assess compensation.

Ref	Risk - Inglishton Park & Ride	RAG	Mitigation
24	If TROs are not in place then the scheme may need to be opened without TROs in place to prevent delay		Establish programme for generation of TROs and ensure advisors apply adequate resources.
25	If the advance warnings for additional costs and programme are all validated then there will be a project overspend.		Assess each of the potential 'compensation events' in conjunction with our advisors. Establish a project forecast with the Contractor.
26	If the performance of our advisors deteriorates to compromise our delivery then we may need to replace them.		Establish a performance measurement protocol to highlight concerns regarding level of supervision and engagement in process to resolve difficulties.

Ref	Risk - Edinburgh Fastlink	RAG	Mitigation
27	If there is a lack of resources to monitor and maintain works then the operational obligations may not be met.		Review resource requirements for scheme for carrying our obligations including required support levels to Busway Manager.
28	If there is a lack of clarity in the roles, functions and responsibilities for tie's role as Guided Busway Manager then other parties may hold us to inappropriate obligations.		Seek confirmation of scope of role with CEC including development of internal/external lines of communication/reporting including exclusions for role as Manager. Seek legal confirmation of risks and responsibilities triggered by appropriate legislation and Agreements. Develop reports on scheme operational performance, incident, adverse weather response and potential emerging management issues.
29	If our advisors or contractors do not remedy any out-of tolerance defects or fail to demonstrate reasonable endeavours in their performance then we may need to seek recourse through their insurances.		Agree programme for remedying defects. Obtain clear report of site checks by main and sub-contractors, checks by auditors and our advisors and reasons for defect and responsibility for rectification. Consider options to recover any losses suffered by tie, the Council or Lothian Buses through appropriate insurances.



Agenda Item 4

Finance Report

- a) **Financial Report ***
- b) **tie Business Plan**

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)



Agenda Item 4a

Finance Report

a) Financial Report *

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)



tie Limited

Board Meeting – 28 February 2005
Finance Report

Monthly Financial Report

The Monthly Financial Report is attached and provides an up to date view of the financial position of all projects and for the company as a whole. A summary is provided at the front of that document. Two matters are worth highlighting :

- The no-vote in the transport referendum and the probable termination of the congestion charging scheme mean that tie will immediately restrict all avoidable expenditure on this project. tie has developed plans for extracting value from the investment and will now enter discussions with CEC and the Executive to assess the best way forward.
- The level of expenditure on tram implementation remains the largest variable in assessing the year-end outturn; this is however a timing issue and it has been agreed with the Executive that the existing budget allocation will roll forward into FY06.

Business Cases

(1) Tram project

PwC have been appointed as financial advisors. A delay followed the selection process to deal with some clarifications to the terms and conditions of appointment but these were resolved to tie's satisfaction. PwC will make a short presentation to the Board on their responsibilities and progress to date.

PwC have primary responsibility for the preparation of the Tram Project Outline Business Case (OBC), followed by the Final Business Case (FBC). Considerable work has already been done on most areas of the OBC, which PwC will now take forward. The key areas requiring new work are 1) the procurement approach; and 2) the funding model, including PFI options. PwC have been asked to deliver a high quality service around three main areas:

1. Technical financial expertise in procurement and funding models and in compiling and presenting comprehensive documentation which will reinforce confidence among the project's funding partners including the Scottish Executive

2. Development of incremental sources of funding, cost control and other mechanisms to ensure the funding position for the project is optimised, including the application of their experience from other light rail projects
3. Excellent project management skills to ensure that the project documentation (OBC, FBC and related materials) are produced on time, to a high standard and within budget.

We have agreed with the Executive that the next comprehensive draft of the OBC will be delivered by 31 March 2005, followed by detailed discussions to reach agreement with the key stakeholders, CEC and the Executive. The purpose of this draft will be to establish realistic funding expectations, assess affordability and provide the basis for the system and vehicle tenders. The document will also address key areas identified by the Parliamentary Committees, including the quality of revenue forecasting and the effect of EARL on Line 2.

The operational development of service integration and the activities of TEL will be covered in the Tram Project Report (AM / IK).

Finally, I am pleased to report that Stewart McGarrity has joined **tie** as Tram Project Finance Director, initially on a short term contract but we hope to make the arrangement permanent after a short period of mutual assessment. This is the right time to be providing the tram project with dedicated internal financial expertise. In addition to a primary role in managing the PwC relationship and the preparation of business case documentation, the level of tram project spending is escalating, which creates a need for very rigorous cost control. In due course, the role will extend to supporting tender evaluation and negotiation of financial and commercial aspects through to financial close and thereafter the financial management of the construction process.

(2) EARL

PwC were earlier appointed to a similar role for this project and work is well underway. The first view of capital cost from the technical consultants Scott Wilson Halcrow (SWH) disclosed a substantial increase in cost above the Sinclair Knight Merz estimate prepared for the Executive in February 2003. This is being examined in detail and there are a number of unsatisfactory aspects of the submission by SWH which are being reviewed.

(3) Congestion charging

A formal decision requires to be taken by CEC but it is probable that no further work will be performed on the scheme or its business case for the foreseeable future. Alternative applications of the know-how and technology developed are being examined by tie. Funding issues are described under "Business Plan" below.

tie in relation to CEC, the Executive and Transport Scotland

Preliminary proposals were put forward by tie for discussion and these are now being developed further, including the possible role of tie as Promoter of EARL. The outline structure involves the creation of a new holding entity which would act as an umbrella for tie's role with the Tram Project and its heavy rail responsibilities.

The outline has the tentative support of CEC CDD and of the Executive, but considerable further detailed work is needed to prepare a fully-fledged solution. It is anticipated that a detailed paper will be put to the March tie Board.

Business Plan

tie has provided answers to the questions posed by CEC and those of the Executive which can be answered at this stage. A revised version of the plan was submitted to CEC on 10 February 2005 and the movement from the version reviewed in December 2004 is as follows:

- Inclusion of a next steps section in the Executive summary (see below)
- Assessment of costs in the "no-vote" referendum scenario, now estimated at £0.3m of tie costs (mainly payroll) plus £0.2m of contractual payments to IBM / Cap Gemini. The payroll cost is intended to cover a period of assessing how best to extract value from the investment.
- Inclusion of tie's corporate objectives
- Detailed analysis of the funding required for all projects, net of existing allocation, and the expected sources
- Tram implementation spending reallocation of previous spend from FY05 to FY06; the plan now also incorporates the activities of the revenue setting committee (i.e. the remodelling work required to produce robust integrated service revenue projections, which will also support more detailed assessment of the EARL impact, at an estimated cost of £1.26m ; this was agreed in principle with the Executive)
- Revised outturn expenditure on Ingliston which is now expected to be delayed until May / June and to incur an overrun of c£0.5m ;
- Revised expenditure on EARL (increase of £0.4m in estimate for 2005-06)
- Removal of the detailed project work programmes from the document to maintain the document in orderly form. These are obviously available to parties who wish to review them.

The total spend planned for FY05 in the December draft was £26.4m compared to £25.6m now. The difference is slippage of tram implementation work of £0.8m.

The total spend planned for FY06 in the December draft was £28.8m compared to £31.5m now. The difference is tram implementation slippage of £0.8m, tram revenue modelling £1.3m, EARL spend of £0.4m and Inqliston of £0.3m (net, reflecting removal of £0.2m of previously anticipated operational management cost which is no longer required).

The next steps include :

- Agreement between CEC and the Executive on how they wish to proceed with alternative applications for the know-how and technology developed for congestion charging.
- Agreement between CEC and the Executive on the Council's contribution to tram spend.
- The Executive wish to assess the FY06 spending bid for tram implementation as part of the OBC assessment in April / May 2005. This should not be a major short term problem because we have overflow from the agreed FY05 budget to cover this period. However, commitment will be needed soon on certain areas, for example to allow tie to recruit the team in an efficient manner.
- The tram parliamentary process will require funding allocation before the end of FY05 because of the timetable of work and the minimal budget allocation left from existing awards.
- Executive support for new EARL spending in FY06 may also be deferred, at the Executive's request, until the STAG and PFC for EARL are submitted. Again we have some overflow from FY05, but this also needs brought together soon.
- Decisions on future development of Line 3 are required.

In other words, funding for the plan is much less certain at this stage than is desirable. We shall continue to work with our partners to confirm our funding as quickly as possible.

Other matters

Internal audit – Scott Moncrieff were appointed as internal audit advisors late in 2004 and have performed a preliminary review of expenditure authorisation and payment approval processes. Their conclusions are based on a “green – amber – red – black” scale with black indicating the most severe weakness. Their conclusion was that the controls inspected were in the amber category. A number of areas were identified for action, primarily relating to the timely preparation and sign-off by Project Managers of the monthly Project Confirmation document which supports monthly financial reporting (including annual and project outturn expenditure).

DAR's – improvements to change control processes have been developed in recent weeks and now also reflect certain of the internal audit findings. The documentation which will regulate these new procedures will be reviewed by the tie Executive Board on 4 March 2005 and reported to the tie Board for approval on 21 March 2005.

IS/IT

The main matters to report are:

1. Work is now underway to install the Microsoft Navision system which will provide much improved project and general accounting functionality and control. The tram implementation team are considering the deployment of the P3 programme management suite and a dialogue is underway to assess the integration with Navision.
2. Contracts have now been concluded with Damovo (Network support) and Byteback (applications support).
3. Detailed procedures for management and change control are being drafted and will be operational by the end of March.

Graeme Bissett
22 February 2005

tie

Monthly Financial Report

January 2005

Prepared by Stuart J Lockhart

22nd February 2005

Contents:

- 1 Key Points Summary and financial year outturn review
- 2 Project Portfolio Structure and Basis of Preparation
- 3 Project Cost Commentary & Graphical Presentation
- 4 Overheads Commentary and Graph
- 5 Detailed Expenditure – Current Month, Year to Date, Full Year Forecast
- 6 Balance Sheet – Month End and Year to Date Progress
- 7 Cash Flow – Year to Date and Full Year Forecast

1. **Key points summary and financial year outturn review**

tie is carrying out a rolling review of the outturn forecasts for each project for the current financial year and the up-to-date results are described in this section. In most cases, the detailed financial tables in this report retain previous estimates but the extent of possible further revisals is described below. The outturn forecast is also reflected in the final version of the FY06 **tie** Business Plan. At this stage the summary is:

- Tram Lines 1, 2 and 3 and Congestion Charging are likely to be contained below budget by c £0.3m for the work planned for this year. **tie** anticipates that the tram project savings will be rolled into 2005-06 to contribute to next year's expenditure plans. The implications for the remaining CC budget and for Tram Line 3 from the 'No' referendum result of 22nd February are currently being evaluated.
- **tie** has no authorisation or accounting involvement in the Congestion Charging Information Programme and cannot evaluate the outturn. **tie** understands that around one third of the total budget has not been used.
- The implementation work on Lines 1 & 2 will involve rescheduling expenditure from 2004-05 into 2005-06 of c£1.8m in order to ensure the ramp up is properly controlled.
- There will be a substantial absolute saving on EARL of c£0.7m against the original budget of £5m if the revised timetable for Bill submission of May 2005 is met; around £0.2m will require to be deferred from 2004-05 to 2005-06 to handle this timetable.
- FastLink will be on budget but *may* produce savings when claims are finally settled.
- Some difficulties have emerged on the Ingliston project which are likely to lead to an overrun currently and tentatively estimated at c£0.5m which will be spent in 2005/06. In addition, the extent of spend under the existing budget in the current year is uncertain and is being reviewed.

The activity supporting attendance at the **Tram Line 1 and 2 parliamentary** committee sessions, including the preparation of extensive follow up papers requested by the Committees, has ceased. The Committees' reports, are now posted on their web-site. Debates are scheduled for 23rd February for Line 2 and 2nd March for Line 1.

Tram line 1 & 2 work is currently focussed on responses to objectors. **tie** will seek to manage this work and any further work directly relating to Parliament within the original budget for 2004-05, treating lines 1 and 2 in aggregate. There remains difficulty in predicting this expenditure because of the influence of third parties on activity, but the team are fully aware of the need to keep spending within present budget allocation and will seek to prioritise work to achieve this over the next 3 months. Evidence is now being prepared for the Consideration stage.

Congestion charging development and procurement has been managed to remain within the current year budget. It should be noted that some allowance has been made by **tie** for work related to the legal challenge by neighbouring authorities. However, this is an activity that CEC are handling.

It is likely that the contingency allowance of £0.2m within the congestion charging procurement budget will not now be required as a result of maintaining spend on the sub-workstreams within their own budgets. The implications for the remaining CC budget from the 'No' referendum result of 22nd February are currently being evaluated.

Tram Lines 1 & 2 implementation work is now underway, supporting preparation of the OBC and including continuing work with Transdev and commencement of detailed design and procurement activity. The current financial year outturn will undershoot the budget with work rolled into next year. The level of the rolled forward expenditure is estimated to be c£1.8m; the programme anticipates ramp-up in a number of technical and legal workstreams and **tie** is taking steps to recruit the right calibre of manager within the team to ensure the work is properly directed at the detailed level and that these costs are properly controlled. This will not change the overall spending plan, programme and deliverables set out in the draft FY06 **tie** Business Plan.

Tram Line 3 will spend c£0.13m below budget this year which will be carried over into next year's spending plan, subject to a review of project funding in light of the CC referendum vote.

There will be a significant undershoot on **EARL** budget for the year of c£0.9m, of which c£0.2m will be rolled forward into next year in order to accommodate the revised Bill submission date of May 2005. The net balance of c£0.7m will represent an absolute saving against the original budget of £5m awarded to achieve Bill submission.

Fastlink is now complete and there is dialogue underway to finalise residual claims and related matters with the contractor. At present, the forecast is on budget but if favourable outcomes are achieved in the final negotiations there could be savings. It should be recalled that savings versus original budget would have been achieved but for the effect of implementing improvements to the project when the potential budget saving was identified.

Some difficulties relating to utility costs have emerged on the **Ingliston Park and Ride** project which could result in a cost overrun of c£0.5m. This is an early estimate. A full report will be prepared by 25th February giving the final outturn cost and Programmed Completion to handover/launch and operation.

Expenditure on **SAK** is billed on a time on line basis and all invoices to Clacks Council have now been paid up to date.

tie's internal costs are forecast to be in line with budget.

Work is underway with CEC and the Executive to agree and finalise **tie's FY06 Business Plan**.

2 Project Portfolio Structure and Basis of Preparation

tie's project portfolio comprises:

	Projects Director	Programme Manager	Project Manager	2004/05 Expenditure Plan	2004/5 YTD Plan	2004/5 YTD Actual	Variance YTD Delta	Monthly Confirmations Completed per Timetable	
				(£'000's)	(£'000's)	(£'000's)	(%)		
Congestion Charging Programme									
1	Development & Public Inquiry Process	A Macaulay	J Saunders	D Burns	1,131	1,044	1,038	-1%	Yes
2	System Procurement	A Macaulay	J Saunders	S Healy	2,049	1,884	1,579	-16%	Yes
3	Information Campaign	A Macaulay	J Saunders	S Campbell	600	600	286	-52%	No
Tram Programme									
3	Line 1 Development & Parliamentary Process	A Macaulay	A Callander	K Murray	1,073	912	1,401	54%	Yes
4	Line 2 Development & Parliamentary Process	A Macaulay	A Callander	G Duke	1,838	1,570	913	-42%	Yes
5	DPOF Execution	A Macaulay	A Callander	I Kendall	1,994	462	1,215	163%	Yes
6	INFRACO Procurement & Funding	A Macaulay	A Callander	I Kendall	3,014	1,628	525	0%	Yes
7	Line 3 Development	A Macaulay	A Callander	W Fraser	1,984	1,811	1,405	-22%	Yes
Other ITI Projects									
8	WEBS	A Macaulay	-	L Murphy	7,960	7,948	7,830	-1%	Yes
9	Ingliston Park & Ride	A Macaulay	-	L Murphy	2,470	2,467	1,077	-56%	Yes
10	FETA	A Macaulay	-	K MacLeod	7	7	7	0%	Yes
11	One-Ticket	A Macaulay	-	S Lockhart	50	42	17	-60%	Yes
Heavy Rail Projects									
12	EARL	P Prescott	-	S Clark	4,256	3,350	2,508	-25%	Yes
13	SAK	P Prescott	-	R Hudson	155	129	129		No
					28,581	23,854	19,930	-16%	
13	Overheads	M Howell	-	S Lockhart	1,119	942	932	-1%	N/A
Variance reported if +/- 5% delta on budget									

Each of these 13 budgets is managed and financially controlled by the tie managers noted above, except the Information Campaign which is controlled by CEC. The underlying business reasons for the variances from Plan are explained in detail, together with graphical presentation, in Section 3 below.

3 Project Cost Commentary & Graphical Presentation

Congestion Charging Scheme – Development and Procurement

No material change to financial prospects compared to December report.

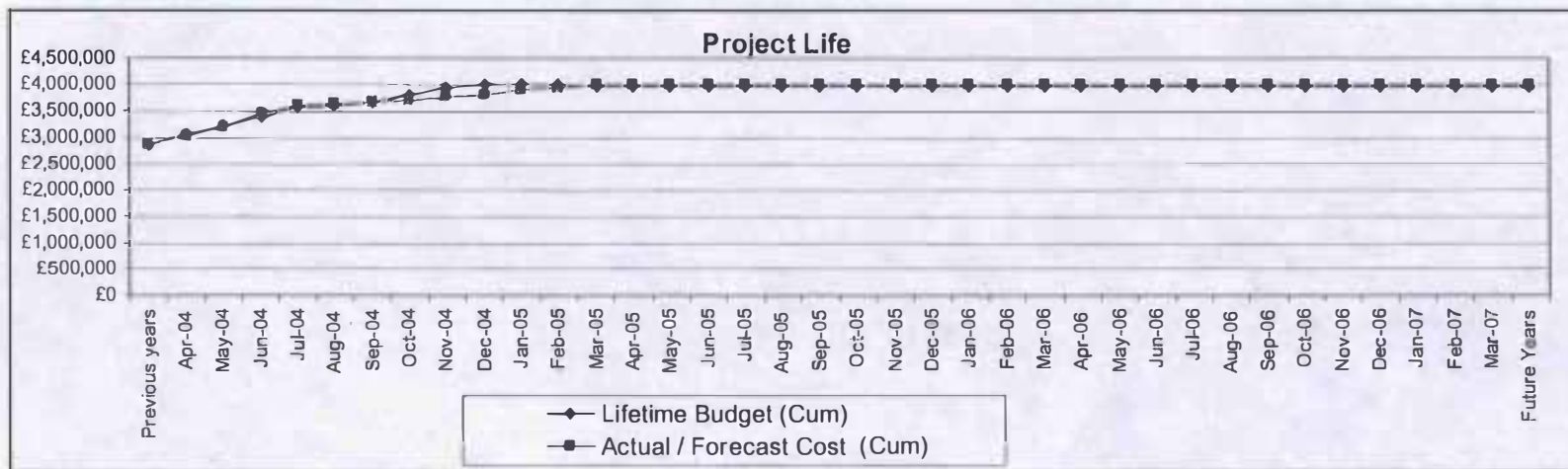
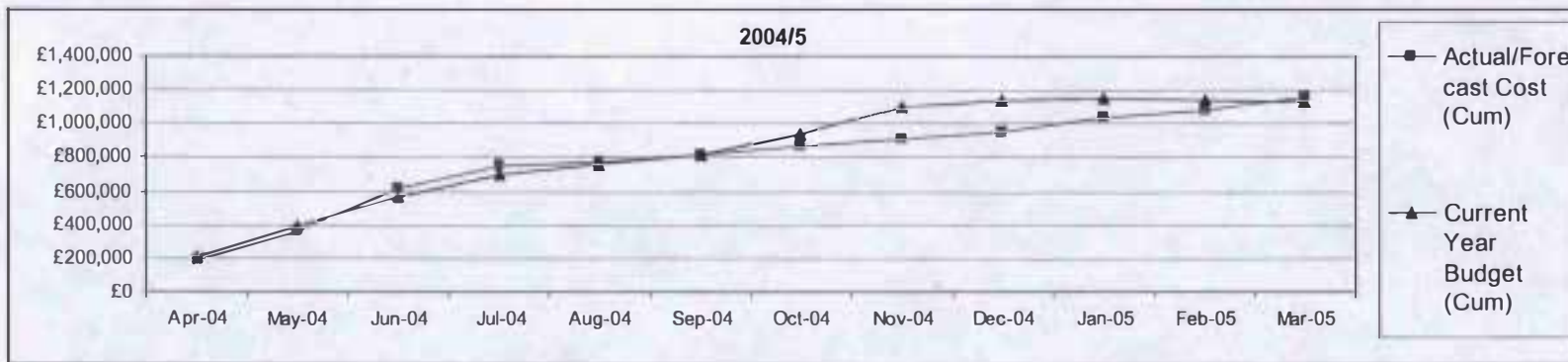
	Current Month (Jan'05)			Year to Date (10 mths to 31/1/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total incl. OH)									
Congestion Charging - Development	84,989	54,554	30,436	1,038,445	1,044,093	-5,649	1,156,200	1,131,201	24,999
Congestion Charging - Procurement	103,302	406,308	-303,006	1,578,800	1,883,894	-305,094	2,023,701	2,048,711	-25,010

The referendum result was announced on 22 February which affects spend from March onwards.

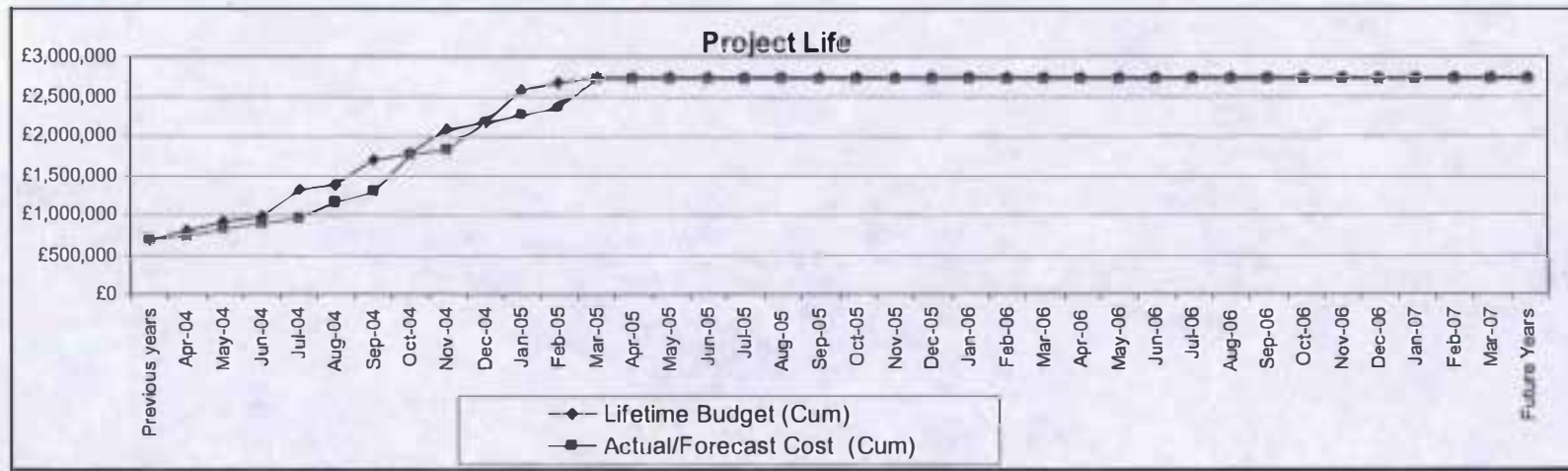
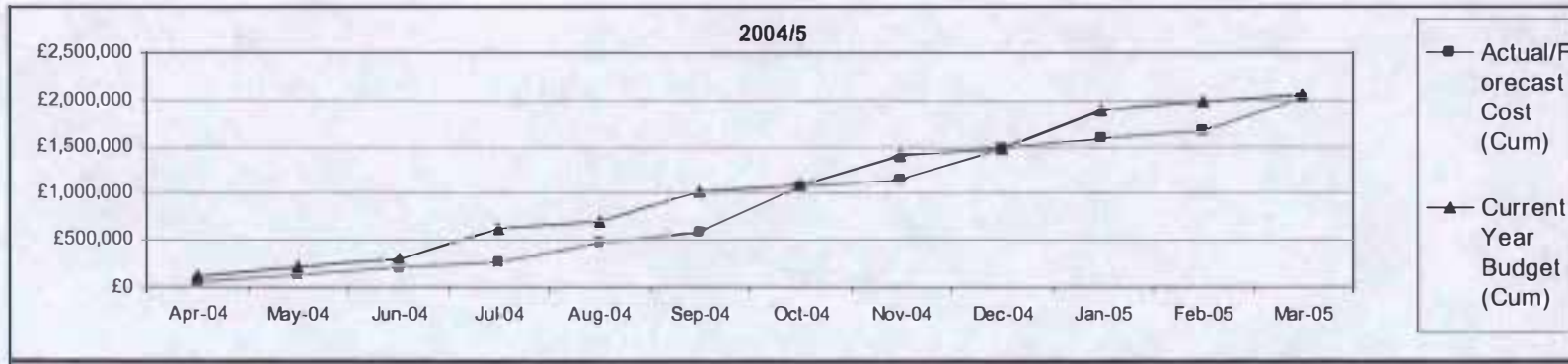
A first hearing was held on the legal challenge raised by Fife, West Lothian and Midlothian Councils on Feb 3 and 4. This will be continued in March. CEC are taking the lead in defending the challenge with direct Counsel and support costs being charged directly to CEC. However, **tie's** legal advisers D&W have provided significant input to this process which has been billed to **tie**. The tie Business Plan makes no allowance for such costs. These amount to c £22,000 in January, and are estimated at £12,500 for February. It is likely that the January costs can be absorbed within the current budget and will be re-charged to CEC in due course. It is likely the February costs cannot be absorbed within our budget and their treatment will need to be discussed with CEC. The judicial process falls once the scheme is formally abandoned.

Other work areas including finalisation of the Charging Order, advice on Scottish Executive Regulations and Stage 2 STAG have continued as planned but will now cease. No further third party costs will be incurred after 22nd February beyond those contractually committed. **tie** has evaluated the means of extracting value for CEC and the Executive from the investment made in the project. Discussions on these options will now proceed urgently.

Congestion Charging Scheme – Development



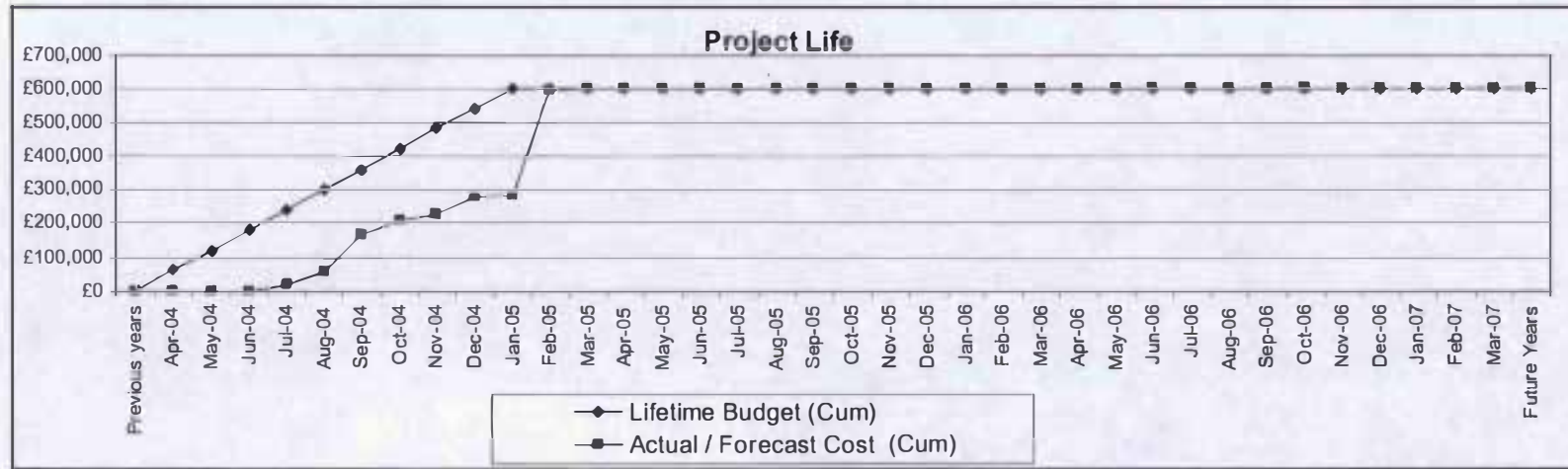
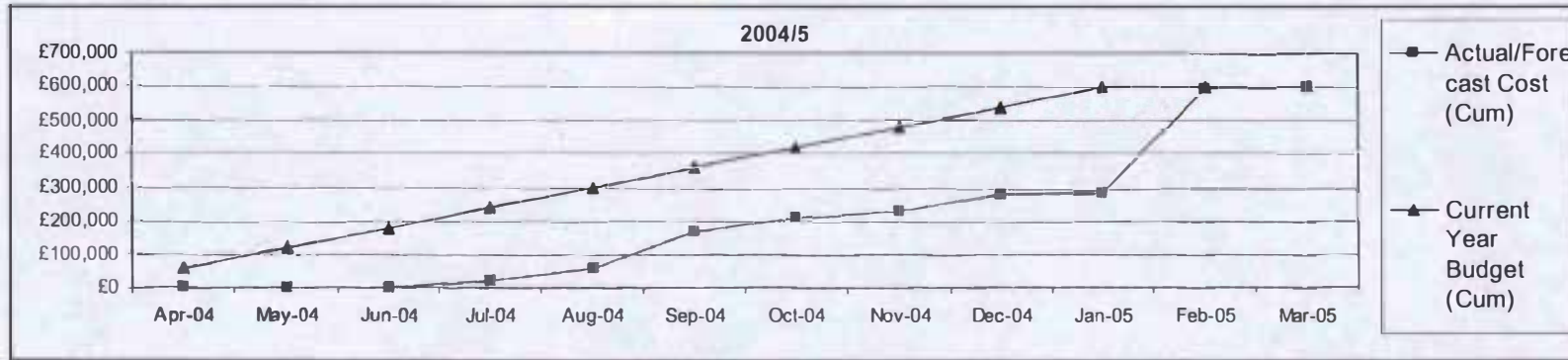
Congestion Charging Scheme – Procurement



Congestion Charging Scheme – Information Programme

	Current Month (Jan'05)			Year to Date (10 mths to 31/1/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total Incl. OH)									
Congestion Charging - Information Programme	5,616	0	5,616	286,034	600,000	-313,967	600,000	600,000	0

tie has no authorisation or accounting involvement in this spending and cannot evaluate the outturn. tie understands that around one third of the total budget has not been used.



Tram Lines One & Two

No material change to financial prospects compared to December report.

	Current Month (Jan'05)			Year to Date (10 mths to 31/1/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total incl. OH)									
Tram 1	112,320	80,535	31,785	1,401,213	911,666	489,548	1,616,484	1,072,736	543,748
Tram 2	101,904	140,672	-38,768	912,753	1,570,477	-657,724	1,294,640	1,838,320	-543,680

Line One

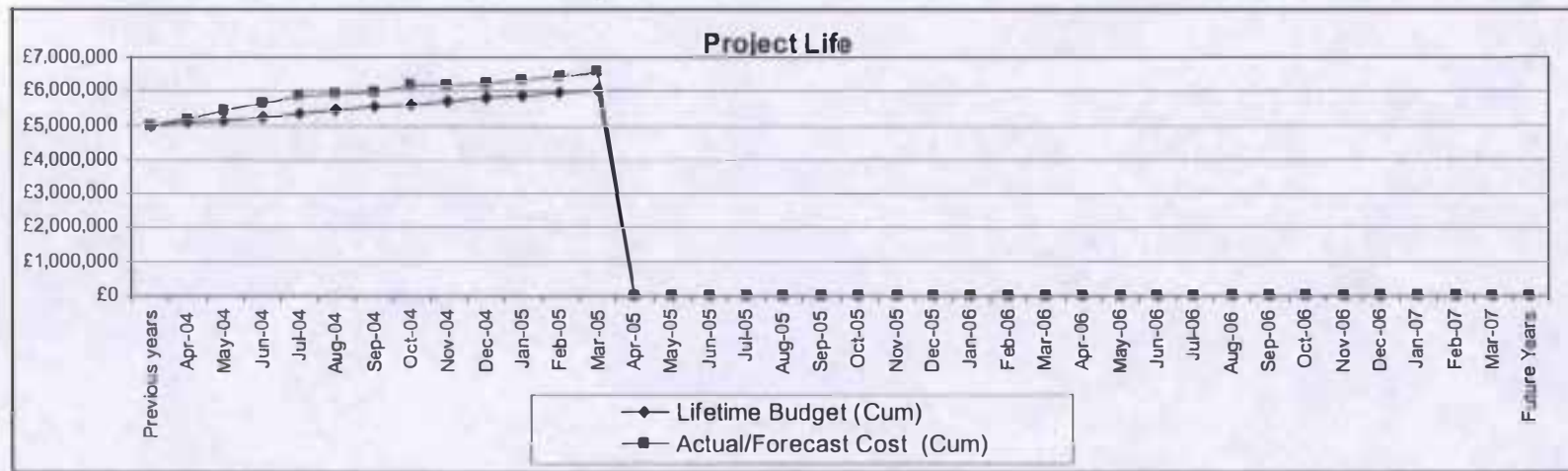
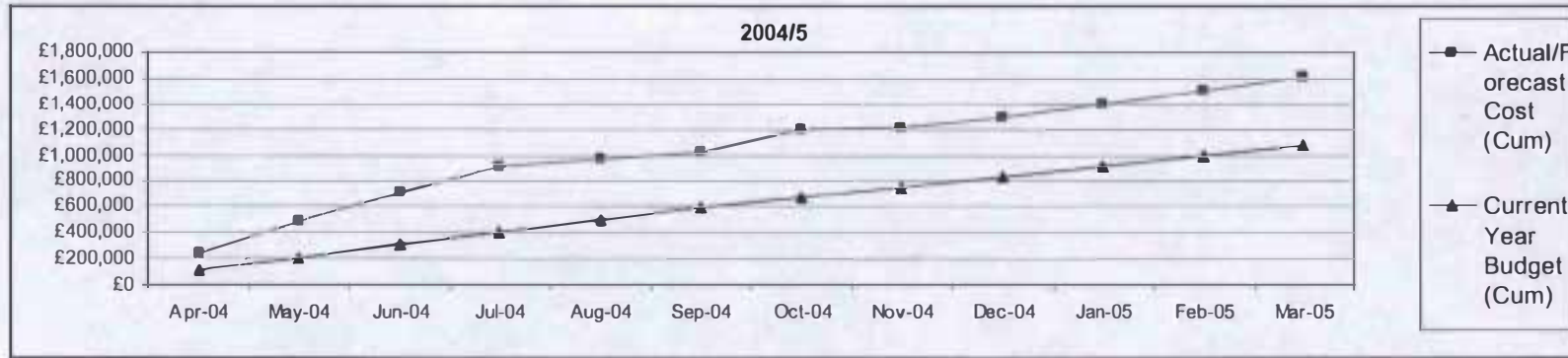
The committee started taking evidence from a range of witnesses including the promoter on 3 November and this concluded on 11 January. The Committees have reported on both lines, recommending Approval in Principle and debates are scheduled to take place on 23rd February (Line 2) and 2nd March (Line 1). No decision on the format or programme has been decided for the detailed or consideration stage of the parliamentary process, which will follow. Negotiations are ongoing with objectors in general accordance with the Phasing protocol.

Forecasted costs for February and March (c£215k in total) include £90k of legal costs and £60k of technical costs. Tram Line One costing for 2004/5 includes an element of cross funding from Tram Line Two, which reflects work carried out on the common section and the significant issues requiring resolution in the city centre.

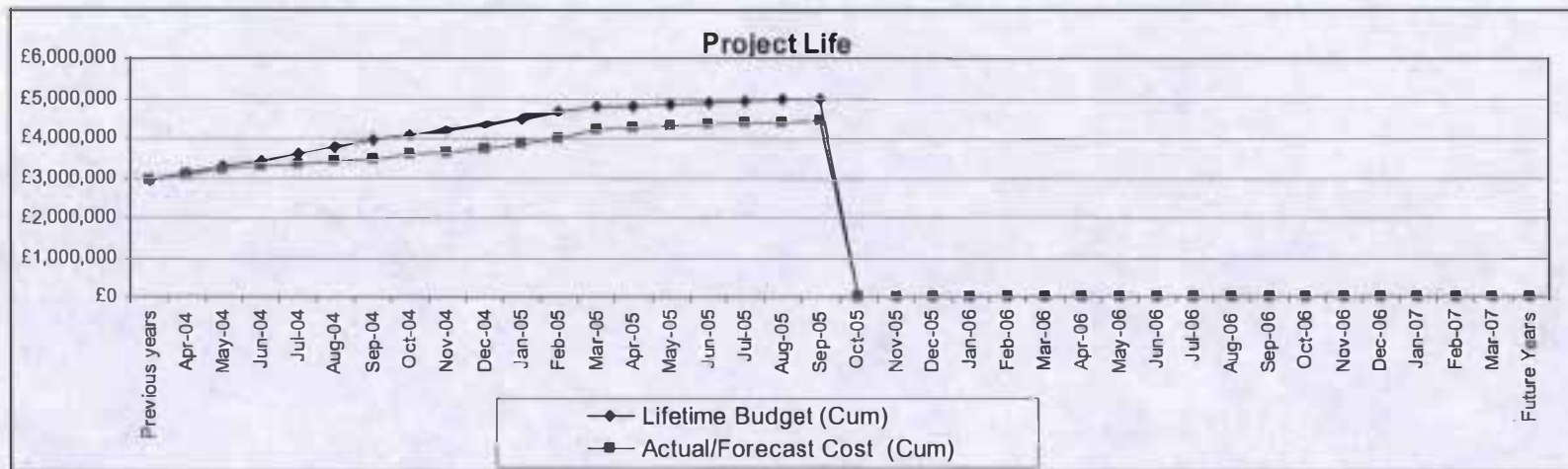
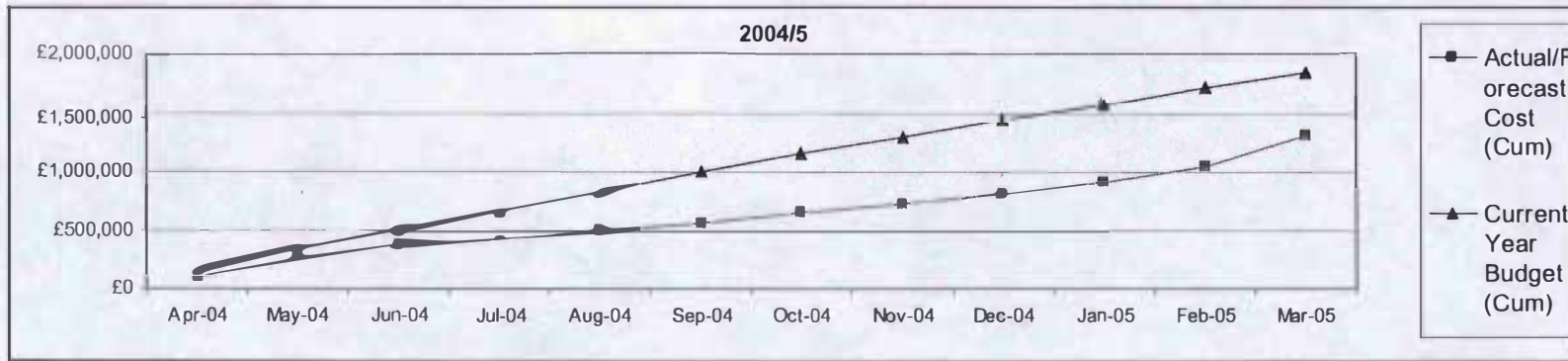
Line Two

Forecasted costs for February and March (c£380k in total) include £90k of legal costs and £230k of technical costs. FM have submitted a claim for £175k for additional work incurred in meeting the programme for Bill submission in 2003 (a proportion is included in this forecast). **tie** has not accepted this and are continuing to resist FM's claim. There is also c£60k included in this forecast for technical inputs provided by Network Rail.

Tram Line 1



Tram Line 2



Tram Line 1 & 2 Implementation

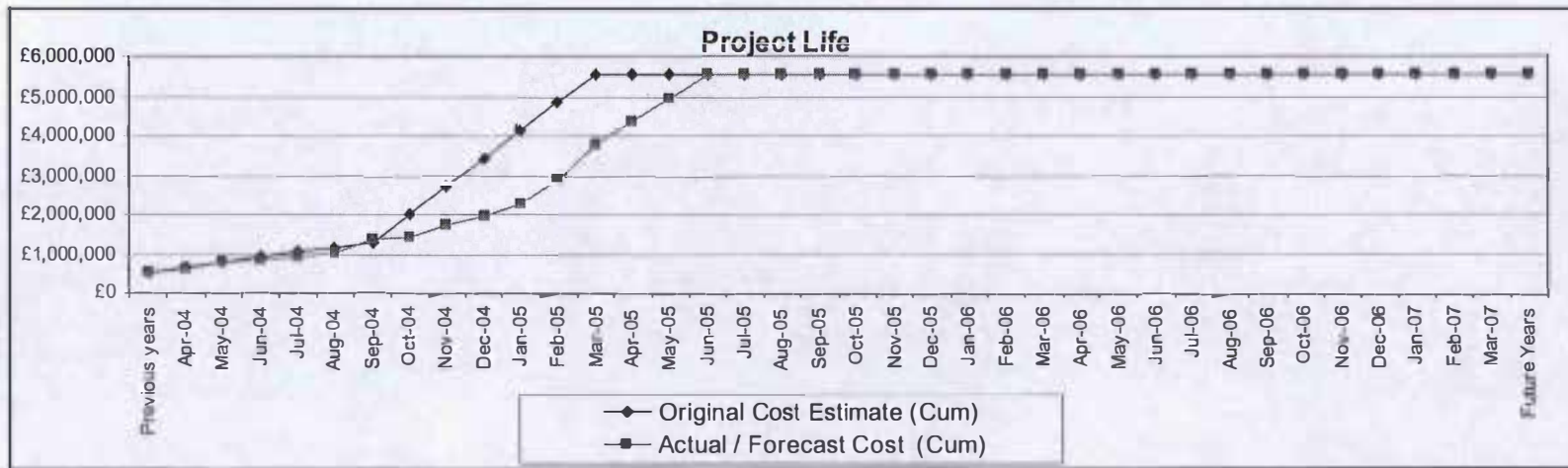
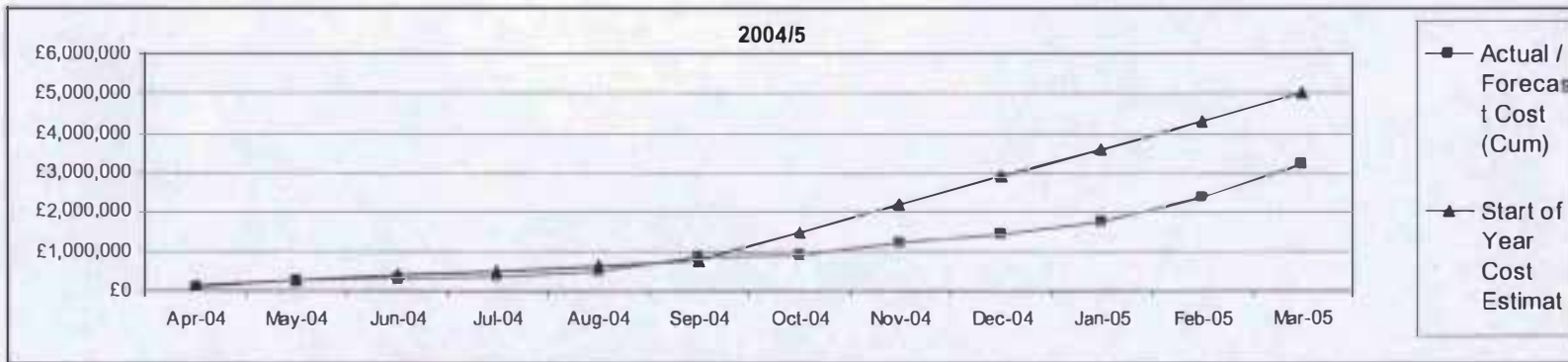
Current year budget now approved and detailed programme being implemented.

	Current Month (Jan'05)			Year to Date (10 mths to 31/1/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total incl. OH)									
Trams - DPOF	46,455	111,594	-65,138	1,214,635	461,848	752,787	1,929,146	1,993,627	-64,481
Trams - INFRACO	278,361	298,185	-19,824	524,723	1,627,533	-1,102,810	1,310,269	3,014,373	-1,704,104

These budgets should be regarded as one whole since the work is fully integrated. Reporting from 1st April 2005 will reflect a revised structure.

Work is underway on a range of workstreams, where necessary, priority is being given to the preparation of the OBC for the Scottish Executive and reviewing the concept design, particularly regarding line alignment, service integration plans, interchanges and passenger transport growth through service integration and design improvements. The Transdev team is directly interfacing at several levels with the tie team across both parliamentary and implementation issues.

The existing budget to March 2005 will not be exceeded with a likely underspend this year to be re-phased into next year. The principal areas where this applies are legal costs supporting the establishment of the revenue-setting committee under DPOFA and the preparation of procurement tender documents. tie has established the core implementation team, at this stage comprising senior private sector managers on short term contracts pending approval of the FY06 Plan.



Tram Line Three

No material change to financial prospects compared to December report.

	Current Month (Jan'05)			Year to Date (10 mths to 31/1/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total incl. OH)									
Tram 3	-14,947	92,171	-107,119	1,404,598	1,810,974	-406,376	1,856,196	1,983,962	-127,766

A paper on the options for 'the way forward' for Tram line 3 following the 'No' result in the CC Referendum will be presented to the **tie** Board.

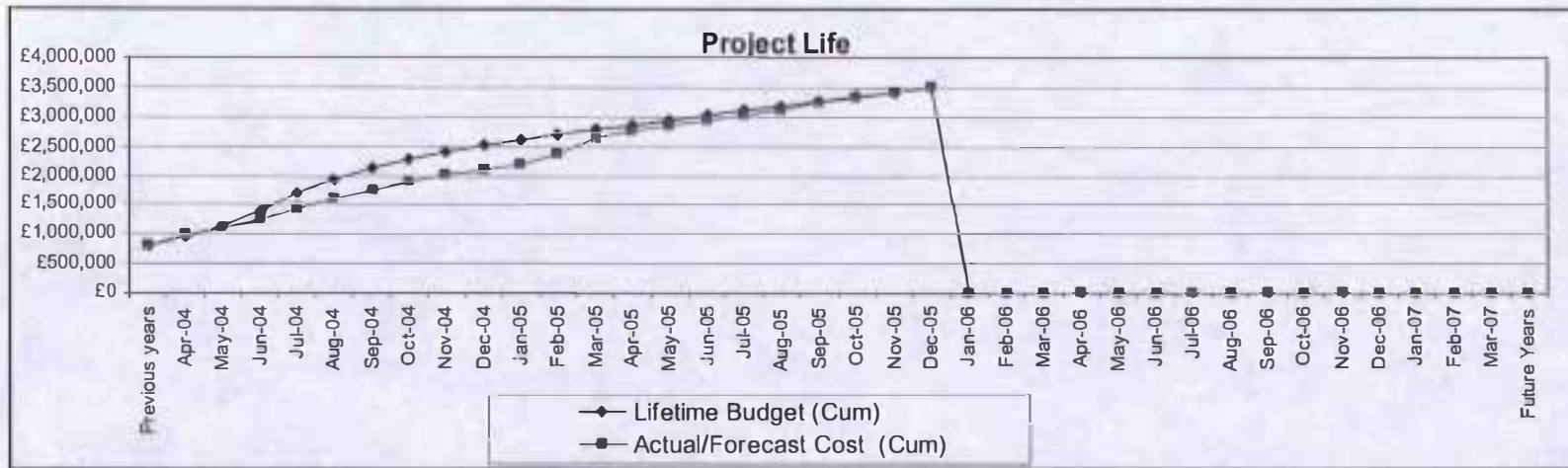
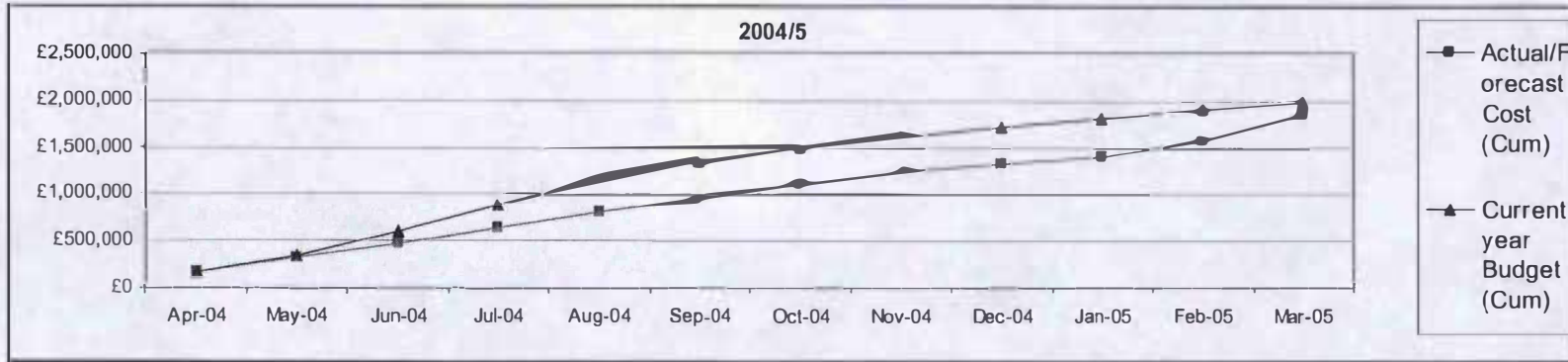
Operational Issues

A draft Bill, and supporting documentation, was approved by the Full Council, unopposed, on 9 December 2004, and it will be submitted to the Scottish Parliament, at a date to be agreed by the Scottish Executive and CEC. A decision on when the Bill is to be submitted will be made in March/April 2005. Thereafter, there will be a further lead-in period before the Bill can actually be submitted to allow parliamentary documents and the land referencing to be updated. As the documents will be updated, time will be required for the Scottish Executive and CEC to conduct a review. Taking account of the Parliament's summer recess, this could delay the submission of the Bill to September 2006.

The final two months of the financial year will now be used to liaise with potential objectors to the line 3 Bill, and to reach agreements to ease the Bill's passage through Parliament. In addition, further modelling work will be carried out following the congestion charging referendum, as the base case for the project will be subject to change.

Financial Issues

1. TL3 is currently projecting a c£127k under-spend against this year's budget. This includes c£95k worth of work that will not be instructed until a decision is taken on the status of TL3. Consequently, it is unlikely to be completed this financial year. The required level of spend for 2005-06 onwards will be based on the actual spend on TL1 & 2, as TL3 will follow the same process. Benchmarking indicates that the level of spend for the Parliamentary stage is significantly greater than allowed for in the budget. This was presented in the **tie** business plan for 2005/06.
2. The Scottish Executive/CEC's decision to delay the submission of the TL3 bill has extended the programme. Resources will be concentrated on 'Objector Management'. However, the extension will result in an increase in Anticipated Final Cost (AFC) for the development phase of the project. The current spend forecast (in 2005/06 Business Plan) is based on an instruction on the bill submission date being given in April 2005. If the decision is put back further, or the submission date is later than September 2005, the AFC for the development stage of TL3 will increase again.



FastLink development

Important financial issues being addressed.

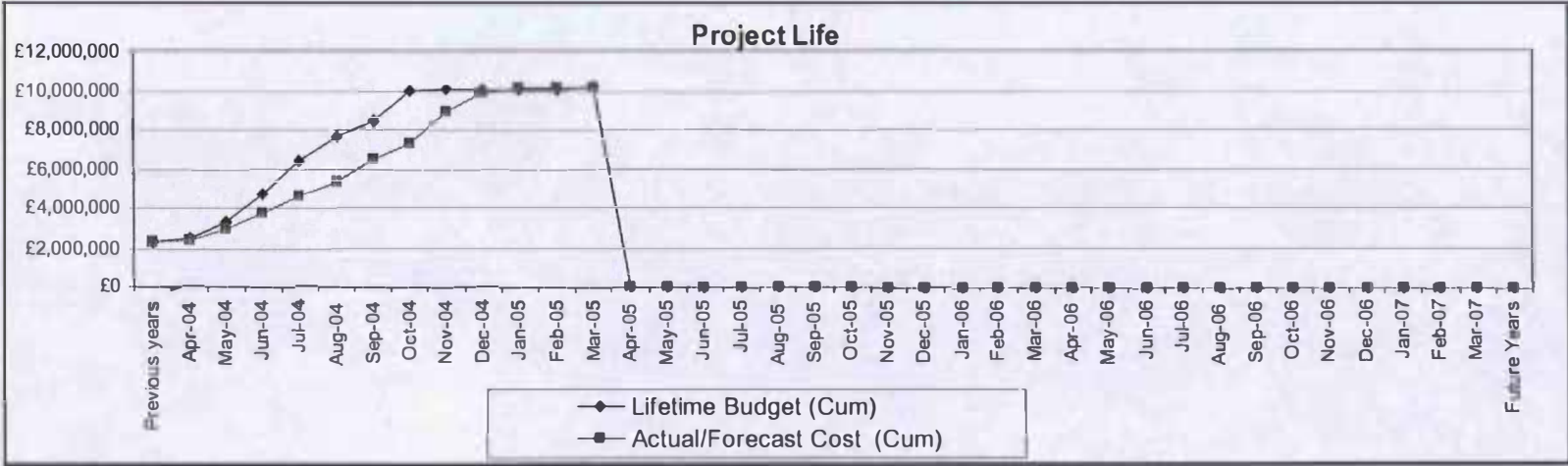
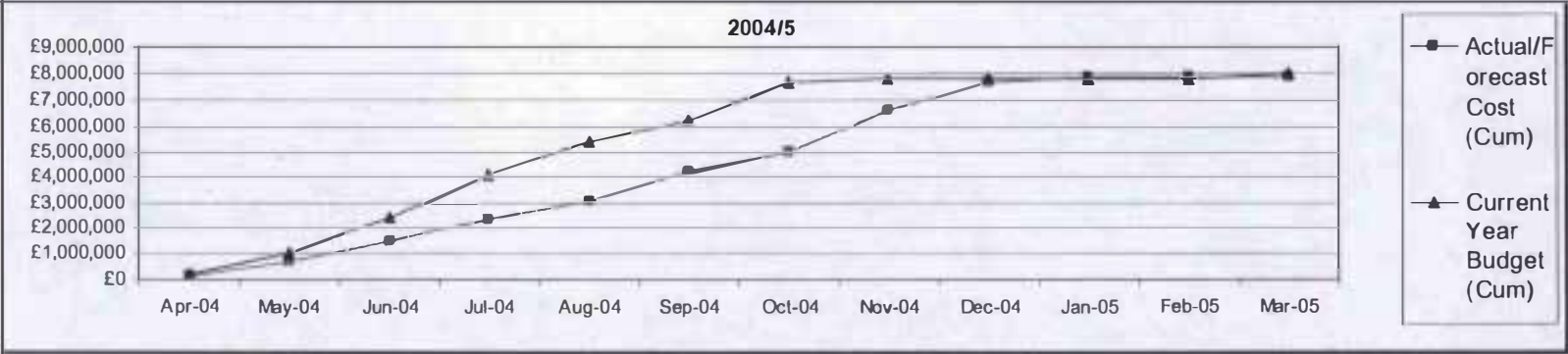
	Current Month (Jan'05)			Year to Date (10 mths to 31/1/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total Incl. OH)									
WEBS	196,394	342,575	-146,181	7,830,158	7,947,762	-117,603	7,839,694	7,959,694	-120,000

Footway and signal works in the area are continuing. CCTV and Real-time signs will be connected before the end of February. Discussions are underway with Balfour Beatty regarding outstanding ride quality concerns. Balfour Beatty will submit a proposal for rectification to **tie**.

ERDC have completed the widening of Stevenson Drive to accommodate a new bus lane and are continuing with the residual works which formed part of the on street bus priority measures contract. Included in these works is the extension of the Bus boarders at South Gyle Crescent. Requests have been received from the local community to increase the width of the footway into Education owned land at Balgreen Primary School and set back the new bus shelter in line with the previous bus shelter position. **tie** recommend that this improvement be made at an approximate cost of £30,000.

c£188k has been added to the previously stated profile to cover potential outstanding Early Warning Notices to be discussed and agreed with the on street works for the contractor bus priority measures contract. Bankhead Avenue Roundabout Signalisation works are not now expected to be carried out this financial Year so £120,000 has been carried into 2005/06 to accommodate these works.

Monitoring of the project continues and some minor alterations to signals and signs are under consideration. Work is underway to continue to define **tie**'s role and the systems required for the safe management of the system.



Ingliston Park & Ride

Important financial issues being addressed.

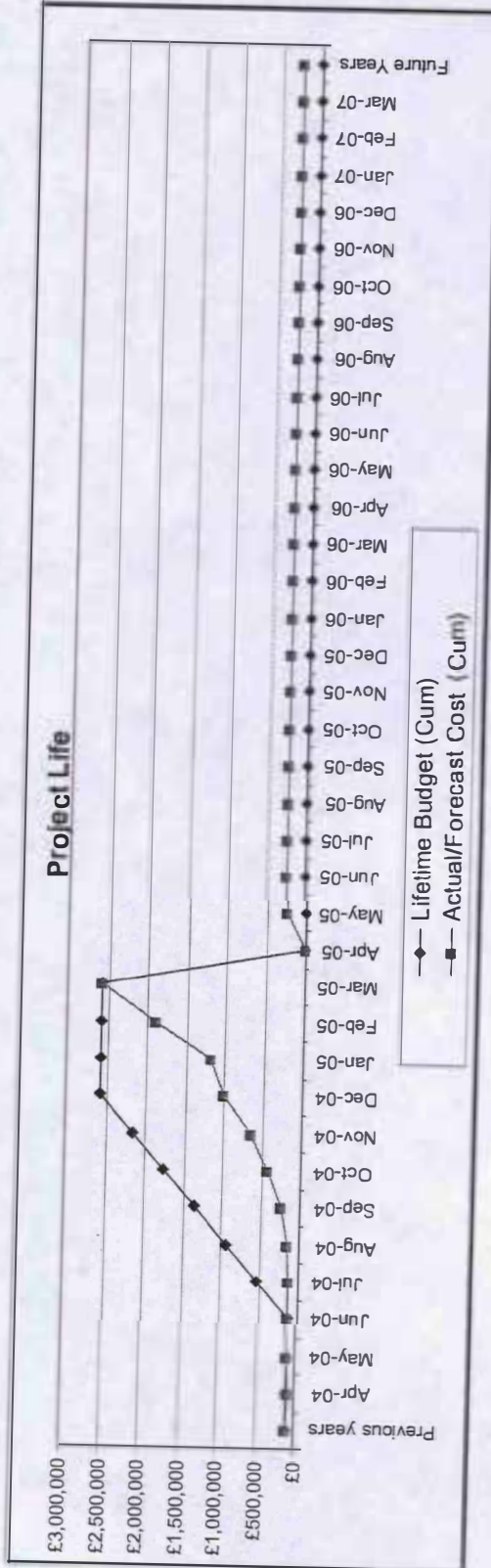
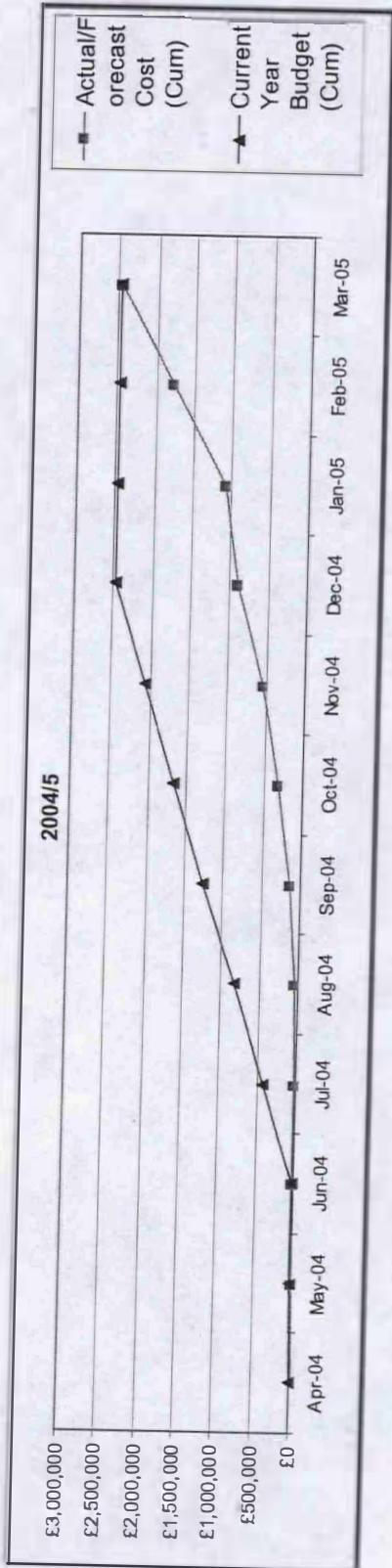
	Current Month (Jan'05)			Year to Date (10 mths to 31/1/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total incl. OH)									
Ingliston Park & Ride	184,917	1,112	183,806	1,077,252	2,467,316	-1,390,064	2,469,465	2,469,539	-74

tie have now received and paid invoices for all five Utility companies. Coordination meeting held on 7th February. New signing proposals have been agreed with CEC. However, CEC are proposing that existing signs be rationalised and the new proposals be integrated within this. Street lighting designs have been reviewed by CEC Street Lighting Section and Border Construction now have approval. TRO schedules for internal roads and Eastfield Road prepared in draft together with programme of consultation and publication.

Site Work: Drainage works for the site at 90% completion; Street lighting and CCTV cable duct installed in all areas. Sub base to access roads and parking areas continuing; parking area almost complete with some topping-up required on access roads; approx. 80% completion; Kerbing work started on car parking area; Roadbase commenced on access roads; Terminal building foundations completed; Terminal building roof sheeting completed; Ground floor slab poured. Terminal building drainage works to be completed. Work to be carried out in Feb; kerbing work to access roads to be completed and to continue through the month for the car parking area; Construction of temporary footways on Eastfield Road to allow for utility diversions; Utility diversion on Eastfield Road to be completed; Terminal building superstructure to be progressed through the month. Initial agreement only allowed for a six month period of supervision cover.

Early warnings have been raised regarding Programme and budget due to various issues. A full report will be prepared by 25th February giving the final outturn cost and Programmed Completion to handover/launch and operation. There may be further slippage in costs between 2004/05 and 2005/06. The budget variations cover the existing predictions and contingency items. **tie** are putting measures in place to reduce these variations.

No compensation events have been agreed to date. However early warning Notices have been raised amounting to c£360k. An initial assessment has been carried out and the final outturn cost includes a contingency of £500k. In addition, the extent of spend under the existing budget in the current year is uncertain and is being reviewed.

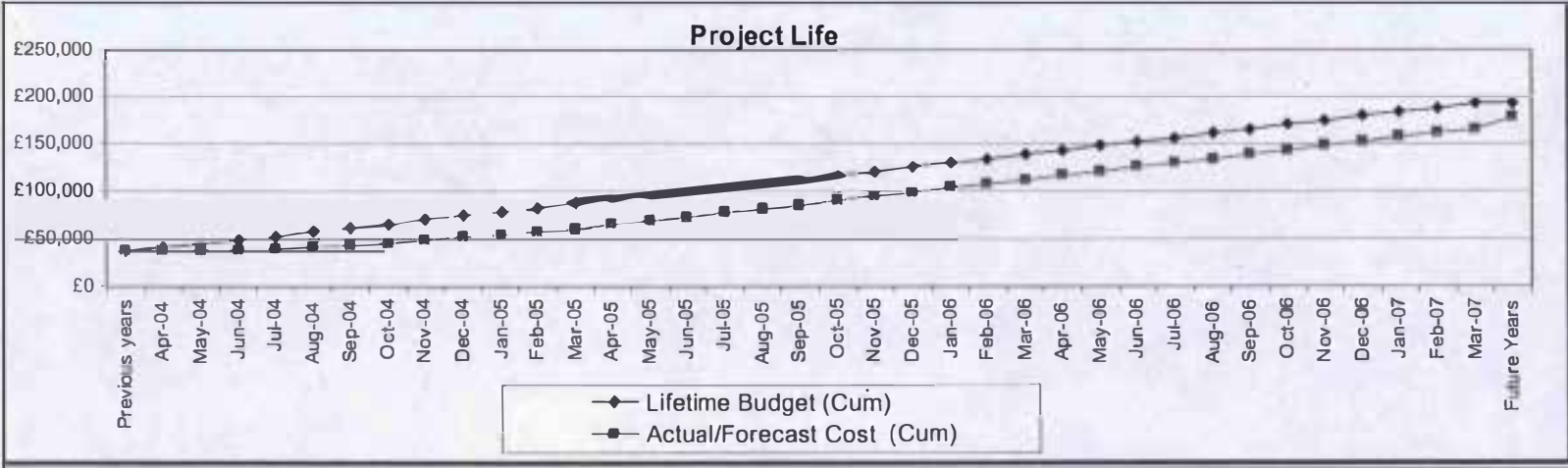
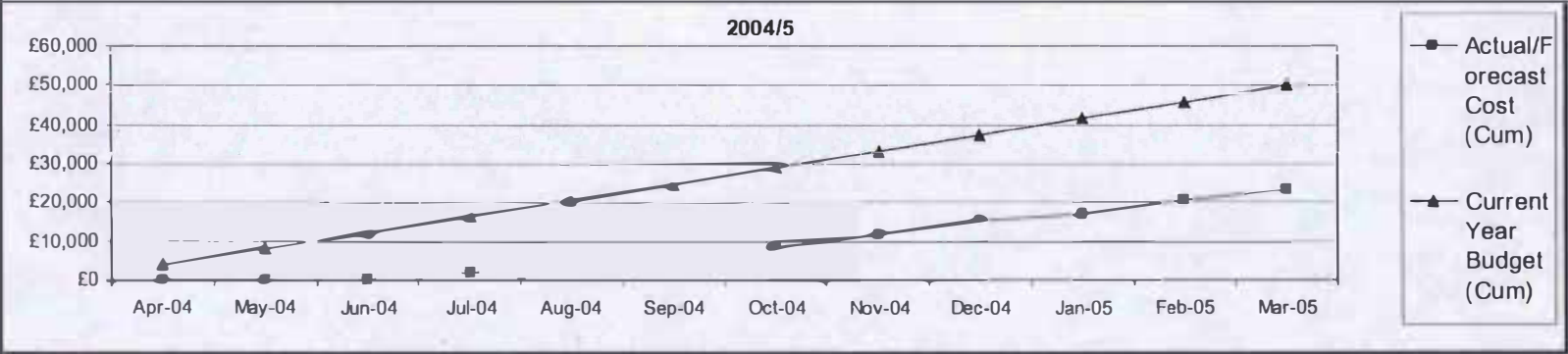


'One-Ticket'

No material change to financial prospects compared to December report.

	Current Month (Jan'05)			Year to Date (10 mths to 31/1/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total Incl. OH)									
One Ticket	2,121	4,216	-2,095	17,185	41,550	-24,365	23,303	49,982	-26,679

Initial meetings have taken place with First ScotRail with a view to their becoming full participants in the scheme. A further, detailed, discussion has been arranged for 28th February.



FETA

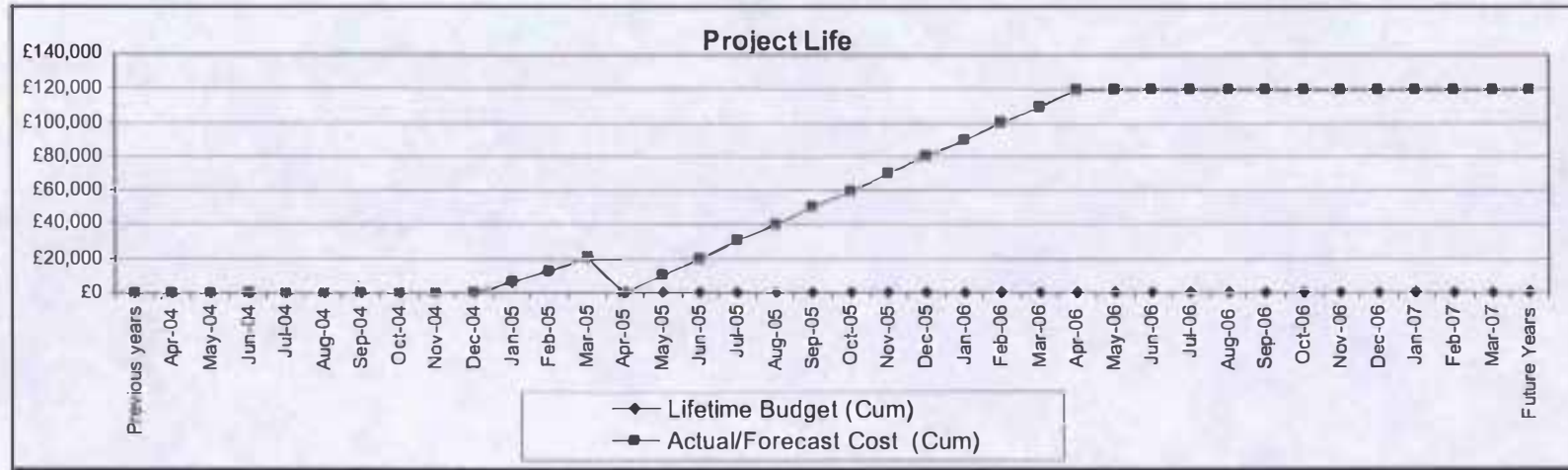
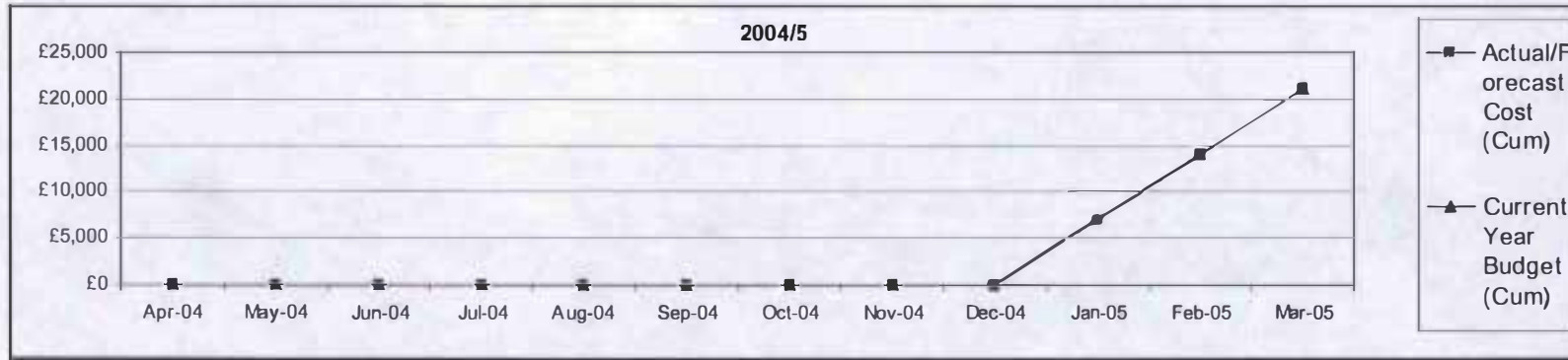
This is a new project and has not been previously reported on.

	Current Month (Jan'05)			Year to Date (10 mths to 31/1/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total Incl. OH)									
FETA	6,948	6,948	0	6,948	6,948	0	21,000	21,000	0

A detailed programme and budget is being agreed with FETA.

Provisional cost estimates: £150,000 in tie staff costs Jan 05 – April 06, with £7,000 per month assumed in current financial year.

£1.5m in 3rd party costs (covered from FETA budget).



EARL

Important financial issues being addressed.

	Current Month (Jan'05)			Year to Date (10 mths to 31/1/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total Incl. OH)									
EARL	301,623	376,153	-74,530	2,507,725	3,349,528	-841,803	3,320,000	4,255,797	-935,797

Technical, Environmental

Key activities now are cost report, risk report, ES & STAG. All are progressing but concerns about slippage on cost report, STAG & ES. Work is ongoing to ensure that timescales for STAG & ES are recovered including the use of additional resources within SWH. In addition, **tie** has recently tendered a piece of work to review the STAG.

The Preliminary Finance Case for Earl is targeted for delivery to the parliament for support to the EARL Bill due early May 2005. The Structure of the document has been issued and PWC will produce the first draft contents and deliverables in early March 05 for discussion.

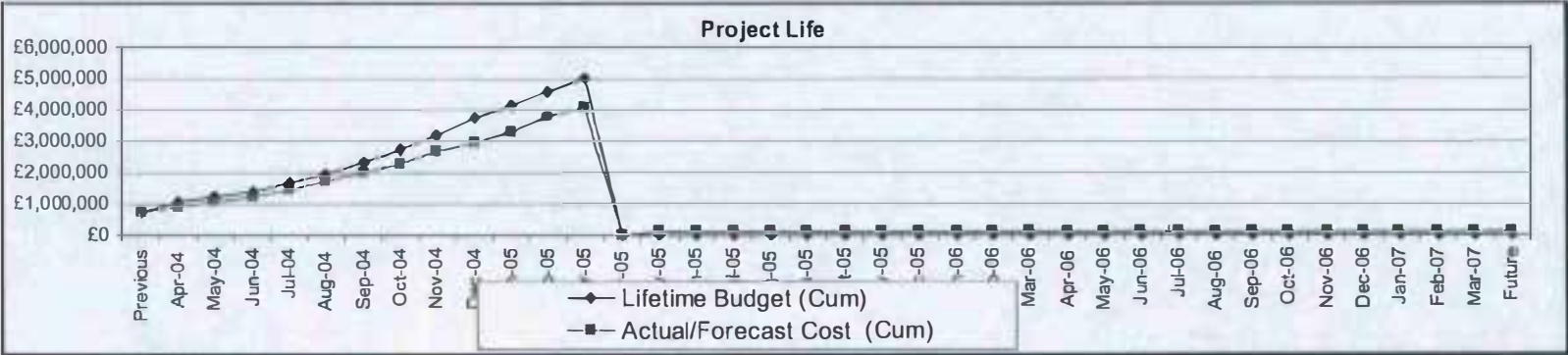
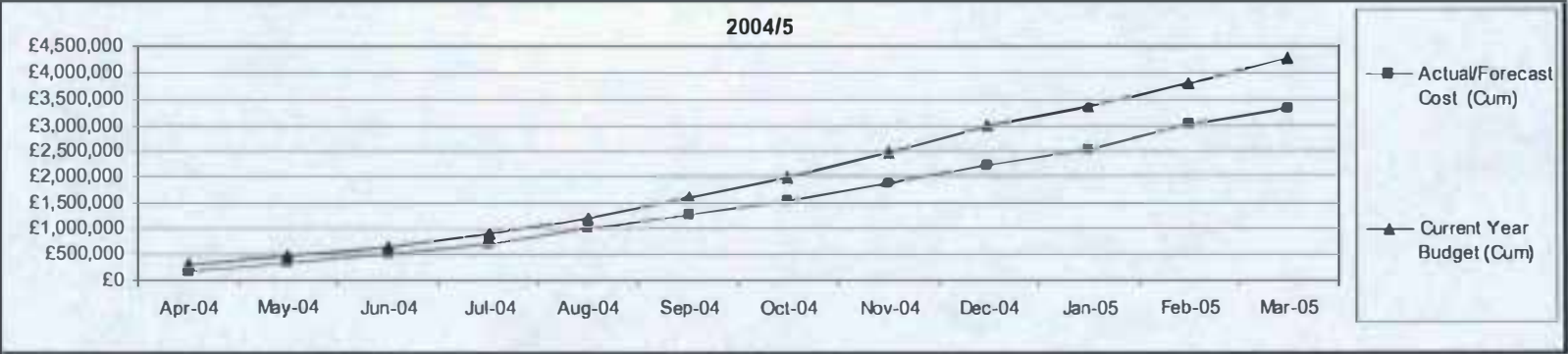
Bill Process

Draft Bill and draft Explanatory notes prepared according to programme. Decision on Promoter still being discussed. This will allow relevant approvals to be sought prior to submission of Bill. This is required for the Promoter's Statement. Susan Clark has written to SE about submission of bill and capacity of Parliament to deal with another Bill.

Agreements

Network Rail (NR) – movement from NR now apparent with a variation letter to existing BSA being provided week commencing 14th February and a meeting arranged with them in the same week to agree a constructive way forward.

BAA – work progressing well on developing an Assurance/Governance structure with BAA. Draft Heads of Terms with BAA for review and discussions ongoing re station ownership & operation and the construction of BAA's SE Pier to ensure route protected for EARL. Minister has met with BAA and **tie** will now be entering into funding negotiations with BAA.



Stirling Alloa Rail Link

Important financial issues being addressed.

	Current Month (Jan'05)			Year to Date (10 mths to 31/1/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total incl. OH)									
SAK	13,071	13,071	0	130,357	130,356	1	156,356	156,356	0

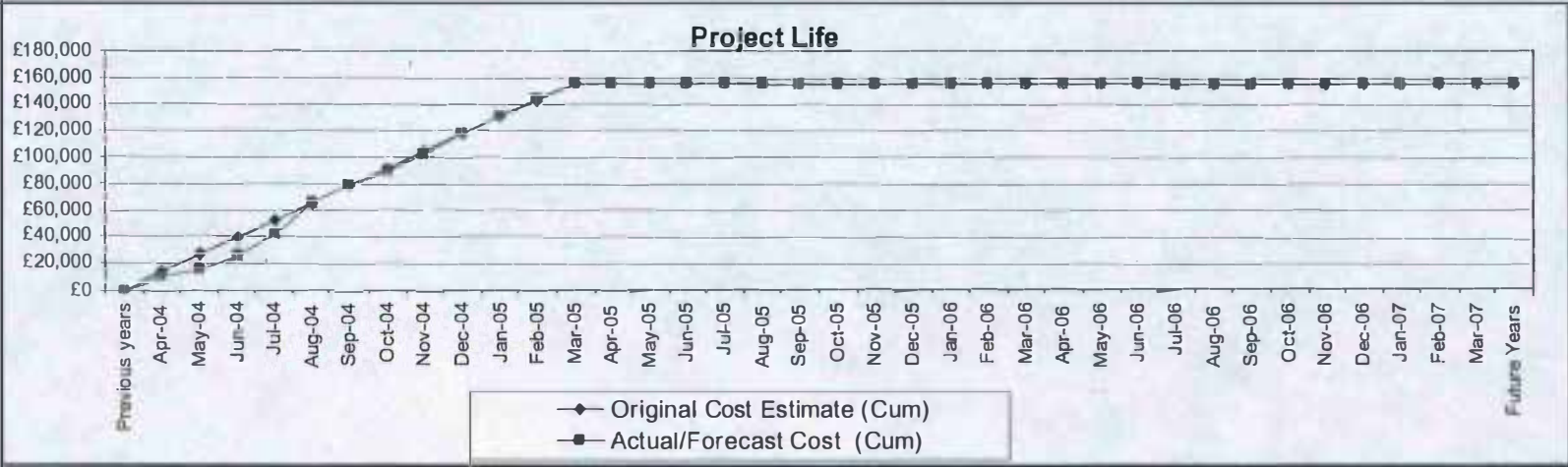
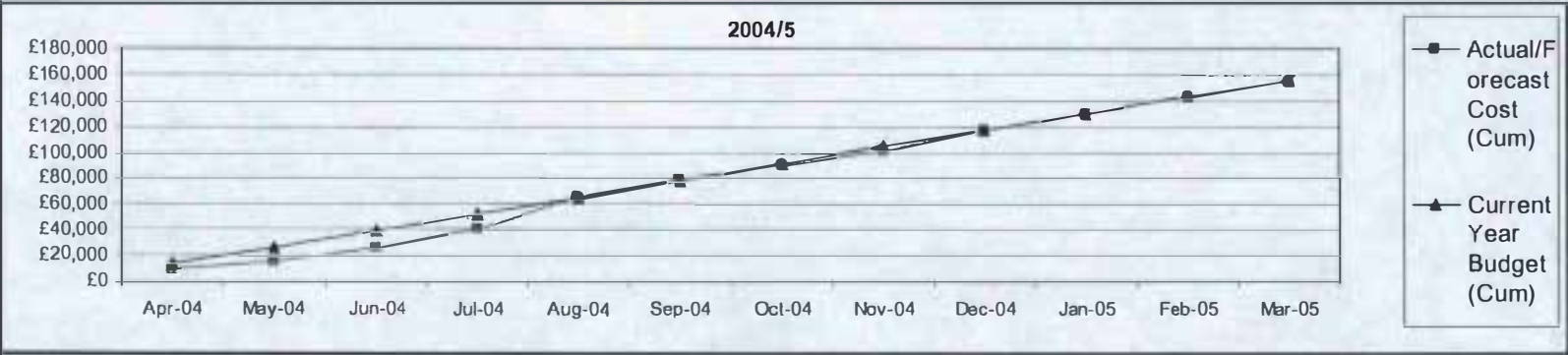
The contractual arrangements with Clackmannanshire Council have been signed. A full time Project Manager commences on 28th February.

It has been recognised that the part time project manager role has not been 100% successful and, as we move into the implementation phase of the project and to ensure **tie** is in full control of all three workstreams, the role should be expanded to become full time and partly based in **tie**'s offices. This will also have the added effect of the project manager being able to interface with the senior management support and the admin support of **tie**. Richard Hudson has now been appointed and commences on the 28th February 2005.

The target cost of the project is nearing completion and the cost of transferring the mining risk to the Executive has been submitted to them for approval.

Agreement of the APA with Network Rail has still not been reached and this has now been escalated to senior management within the Executive and informal advice sought from the ORR.

Payment has been received for all costs incurred up to 31st December. January costs were invoiced on 31st January and payment is due by end February.

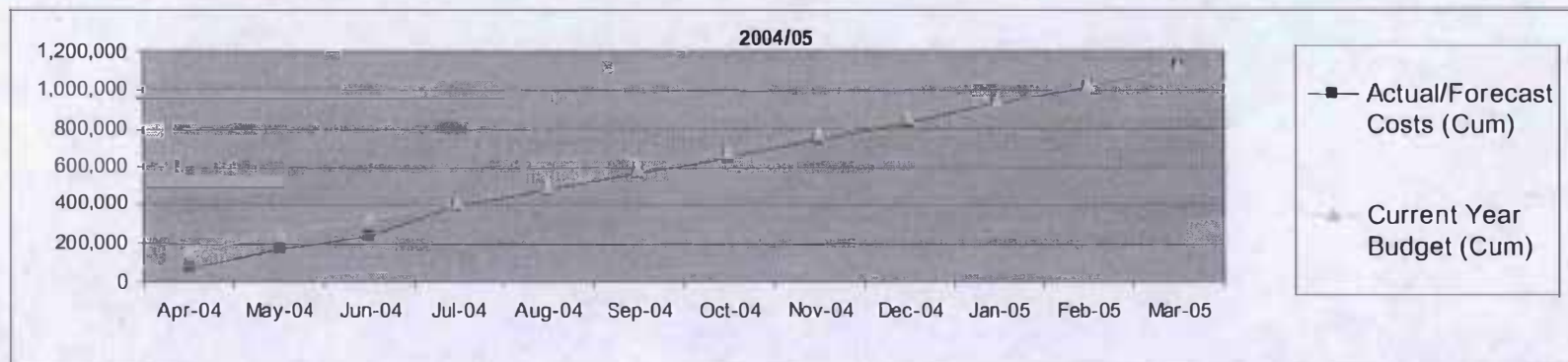


4 Overheads Commentary and Graph

No material change to financial prospects compared to December report.

Overheads are allocated, and charged to CEC on a monthly basis, to each project pro rata as per business plan budget.

The main reasons for the variances on budget are primarily as the budget anticipated major spend being incurred in April due to office re-location. The actual spend was incurred in July.



Bank

CEC have been issued with five invoices for January. CC – Information Campaign, WEBS, EARL and Ingliston Park & Ride are now being invoiced separately. These are due for payment by 28th February. The five December invoices were paid in January. The “book” bank balance (in funds) as at 31st January totalled £0.261m. A revised overdraft limit of £4m is currently being negotiated with RBS and under discussion with CEC.

Relationship with CEC

tie has issued invoices to CEC to 31st January. Accrued costs and depreciation are not included in these re-charges to CEC. A monthly CEC/**tie** liaison meeting is held which involves representatives from CEC City Development, Finance and the Scottish Executive. Invoices are also issued to Clackmannanshire Council, FETA and to One-Ticket Limited.

5 Detailed Expenditure Report for Period Ended 31st January 2005

	Current Month (Jan'05)			Year to Date (10 mths to 31/1/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Staff)									
Congestion Charging - Development	8,058	14,720	-6,662	148,994	145,051	3,943	173,803	174,491	-688
Congestion Charging - Procurement	13,443	21,910	-8,467	149,530	204,029	-54,499	191,990	247,849	-55,859
Congestion Charging - Information Programme	5,335	0	5,335	42,578	0	42,578	53,248	0	53,248
WEBS	3,593	3,756	-163	34,788	37,010	-2,222	34,790	44,522	-9,732
One Ticket	2,121	4,216	-2,095	16,030	41,550	-25,520	22,148	49,982	-27,834
EARL	17,306	27,243	-9,937	183,357	268,462	-85,105	227,197	322,948	-95,751
SAK	13,071	13,071	0	106,651	106,651	0	132,651	132,651	0
Ingliston Park & Ride	2,021	696	1,325	19,490	6,857	12,633	23,532	8,249	15,283
FETA	6,948	6,948	0	6,948	6,948	0	21,000	21,000	0
Trams - DPOF	4,402	0	4,402	106,470	0	106,470	102,069	0	102,069
Trams - INFRACO	41,700	28,185	13,515	67,202	187,883	-120,681	321,654	423,723	-102,069
Tram 1	10,438	17,860	-7,422	105,611	176,004	-70,393	126,488	211,724	-85,236
Tram 2	10,774	17,952	-7,178	108,281	176,908	-68,627	129,830	212,812	-82,982
Tram 3	10,599	17,860	-7,261	106,452	176,004	-69,552	127,653	211,724	-84,071
Sub-Total	149,808	174,417	-24,609	1,202,383	1,533,357	-330,974	1,688,053	2,061,675	-373,622
Project Costs (External Costs)									
Congestion Charging - Development	66,701	31,170	35,531	798,126	806,708	-8,582	872,735	847,048	25,687
Congestion Charging - Procurement	74,628	371,500	-296,872	1,293,308	1,542,400	-249,092	1,668,449	1,637,600	30,849
Congestion Charging - Information Programme	280	0	280	243,456	600,000	-356,544	546,752	800,000	-253,248
WEBS	190,191	336,609	-146,418	7,772,073	7,887,197	-115,124	7,776,929	7,887,197	-110,268
One Ticket	0	0	0	1,155	0	1,155	1,155	0	1,155
EARL	265,379	332,874	-67,494	2,155,325	2,910,153	-754,828	2,889,817	3,729,863	-840,046
SAK	0	0	0	23,705	23,705	0	23,705	23,705	0
Ingliston Park & Ride	182,406	0	182,406	1,053,382	2,456,031	-1,402,649	2,440,674	2,456,031	-15,357
FETA	0	0	0	0	0	0	0	0	0
Trams - DPOF	22,459	95,000	-72,541	933,250	285,000	648,250	1,617,041	1,783,591	-166,550
Trams - INFRACO	236,661	270,000	-33,339	457,521	1,439,650	-982,129	988,615	2,590,650	-1,602,035
Tram 1	89,470	52,164	37,307	1,184,802	623,636	561,166	1,356,947	727,963	628,984
Tram 2	78,655	112,155	-33,500	693,112	1,280,978	-587,866	1,031,090	1,491,788	-460,698
Tram 3	-37,958	63,800	-101,758	1,187,345	1,522,944	-335,599	1,595,494	1,639,189	-43,695
Sub-Total	1,168,873	1,665,272	-496,398	17,796,561	21,378,402	-3,581,841	22,609,403	25,414,625	-2,805,222
Project Costs (Total)									
Congestion Charging - Development	74,759	45,890	28,869	947,120	951,759	-4,639	1,046,538	1,021,539	24,999
Congestion Charging - Procurement	88,071	393,410	-305,339	1,442,838	1,746,429	-303,591	1,860,439	1,885,449	-25,010
Congestion Charging - Information Programme	5,616	0	5,616	286,034	600,000	-313,967	600,000	600,000	0
WEBS	193,784	340,365	-146,581	7,808,861	7,924,207	-115,346	7,811,719	7,931,719	-120,000
One Ticket	2,121	4,218	-2,095	17,185	41,550	-24,365	23,303	49,982	-26,679
EARL	282,686	360,117	-77,431	2,338,681	3,178,615	-839,934	3,117,014	4,052,811	-935,797
SAK	13,071	13,071	0	130,357	130,356	1	156,356	156,356	0
Ingliston Park & Ride	184,427	696	183,731	1,072,872	2,462,888	-1,390,016	2,464,206	2,464,280	-74
FETA	6,948	6,948	0	6,948	6,948	0	21,000	21,000	0
Trams - DPOF	28,861	95,000	-66,139	1,039,721	285,000	754,721	1,719,110	1,783,591	-64,481
Trams - INFRACO	278,361	298,185	-19,824	524,723	1,627,533	-1,102,810	1,310,269	3,014,373	-1,704,104
Tram 1	99,908	70,024	29,884	1,290,413	799,640	490,773	1,483,435	939,687	543,748
Tram 2	89,429	130,107	-40,679	801,393	1,457,886	-656,493	1,160,920	1,704,600	-543,680
Tram 3	-27,360	81,660	-109,020	1,293,798	1,698,948	-405,150	1,723,147	1,850,913	-127,766
Sub-Total	1,318,681	1,839,689	-521,007	18,998,944	22,911,759	-3,912,815	24,497,456	27,476,300	-2,978,844

	Current Month (Jan'05)			Year to Date (10 mths to 31/1/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Overheads									
IT	3,000	2,600	400	63,368	46,000	17,368	74,162	51,200	22,962
Administration	78,727	73,839	2,888	637,108	725,520	-88,412	811,620	873,168	-61,548
Sales & Marketing	0	0	0	2,385	0	2,385	2,385	0	2,385
Legal & financial	10,835	7,533	3,102	60,877	75,333	-14,457	67,100	90,400	-23,300
Overheads	6,623	3,053	2,439	64,320	61,833	2,487	60,731	88,000	-27,269
Interest on Overdraft	1,758	1,350	408	20,031	13,500	6,531	23,000	16,200	6,800
Tax & Dividends	0	0	0	0	0	0	0	0	0
Capital Expenditure:									
Computer Equipment	3,760	0	3,760	26,187	0	26,187	30,000	0	30,000
Furniture, Equipment etc.	3,001	0	3,001	57,000	0	57,000	60,000	0	60,000
Sub-Total	104,395	88,400	15,995	931,882	942,187	-10,305	1,118,998	1,118,998	0
Overheads (Allocated by Project)									
Congestion Charging - Development (6.80%)	10,231	8,684	1,547	91,324	92,334	-1,010	109,662	109,662	0
Congestion Charging - Procurement (14.59%)	15,231	12,898	2,333	135,982	137,465	-1,503	163,262	163,262	0
Congestion Charging - Information Campaign (0.00%)	0	0	0	0	0	0	0	0	0
WEBS (2.50%)	2,610	2,210	400	23,297	23,555	-258	27,975	27,975	0
One Ticket (0.00%)	0	0	0	0	0	0	0	0	0
EARL (18.14%)	18,937	16,037	2,900	169,043	170,913	-1,869	202,986	202,986	0
SAK (0.00%)	0	0	0	0	0	0	0	0	0
Ingliston Park & Ride (0.48%)	401	416	-15	4,380	4,428	-48	5,259	5,259	0
FETA (0.00%)	0	0	0	0	0	0	0	0	0
Trams - DPOF (18.77%)	19,565	16,594	3,001	174,914	176,848	-1,934	210,036	210,036	0
Trams - INFRACO (0.00%)	0	0	0	0	0	0	0	0	0
Tram 1 (11.89%)	12,413	10,511	1,901	110,801	112,026	-1,225	133,049	133,049	0
Tram 2 (11.95%)	12,478	10,564	1,911	111,360	112,591	-1,231	133,720	133,720	0
Tram 3 (11.86%)	12,413	10,511	1,901	110,801	112,026	-1,225	133,049	133,049	0
Sub-Total	104,395	88,400	15,995	931,882	942,187	-10,305	1,118,998	1,118,998	0
Project Costs (Total Incl. OH)									
Congestion Charging - Development	54,660	54,514	30,436	1,038,445	1,044,093	-5,649	1,156,200	1,131,201	24,999
Congestion Charging - Procurement	103,302	406,308	-303,006	1,578,800	1,883,894	-305,094	2,023,701	2,048,711	-25,010
Congestion Charging - Information Programme	6,610	0	6,610	266,034	600,000	-333,967	600,000	600,000	0
WEBS	196,394	342,575	-146,181	7,830,158	7,947,762	-117,603	7,839,694	7,959,694	-120,000
One Ticket	2,121	4,216	-2,095	17,185	41,590	-24,405	23,303	49,982	-26,679
EARL	301,823	376,153	-74,330	2,607,725	3,349,528	-841,803	3,320,000	4,255,797	-935,797
SAK	13,071	13,071	0	130,357	130,356	1	158,356	158,356	0
Ingliston Park & Ride	184,917	1,112	183,805	1,077,252	2,467,316	-1,390,064	2,469,485	2,469,639	-154
FETA	0,948	0,948	0	8,948	8,948	0	21,000	21,000	0
Trams - DPOF	48,455	111,694	-66,138	1,214,835	451,848	752,787	1,929,148	1,993,027	-64,481
Trams - INFRACO	278,361	298,185	-19,824	524,723	1,627,533	-1,102,810	1,310,260	3,014,373	-1,704,113
Tram 1	112,320	80,535	31,785	1,401,213	911,888	489,548	1,610,484	1,072,736	543,748
Tram 2	101,804	140,072	-38,268	912,753	1,570,477	-657,724	1,294,640	1,838,320	-543,680
Tram 3	-14,947	92,171	-107,119	1,404,598	1,810,974	-406,376	1,856,196	1,983,962	-127,766
Sub-Total	1,423,076	1,928,094	-505,018	10,930,826	23,853,946	-13,923,120	25,616,454	28,595,298	-2,978,844
							Spending Profile (incl O/Hs)	Secured Funding Profile	Variance
Forecast Project Out-turns									
Congestion Charging - Development							4,007,784	3,982,784	25,000
Congestion Charging - Procurement							2,717,860	2,742,860	-25,000
Congestion Charging - Information Programme							600,000	600,000	0
WEBS							10,232,718	10,232,718	0
One Ticket							177,993	177,993	0
EARL							4,300,100	5,000,000	-699,900
SAK							158,357	158,357	0
Ingliston Park & Ride							3,075,882	2,675,882	500,000
FETA							21,000	21,000	0
Trams - DPOF							5,542,000	5,542,000	0
Trams - INFRACO							0	0	0
Tram 1							6,568,721	6,026,000	543,721
Tram 2							4,456,279	5,000,000	-543,721
Tram 3							3,500,000	3,500,000	0
Sub-Total							45,366,592	45,558,592	-192,000

The Spending Profiles (including Overheads) are subject to revision following approval of the FY06 Business Plan.

6 Balance Sheet – Month End and Year to Date Progress

	Year Ended 31/03/2004	1 Month Ended 30/04/2004	2 Months Ended 31/05/2004	3 Months Ended 30/06/2004	4 Months Ended 31/07/2004	5 Months Ended 31/08/2004	6 Months Ended 30/09/2004	7 Months Ended 31/10/2004	8 Months Ended 30/11/2004	9 Months Ended 31/12/2004	10 Months Ended 31/01/2005
FIXED ASSETS	34,090	35,800	36,252	39,774	98,473	97,122	94,634	93,863	91,375	92,640	96,784
	34,090	35,800	36,252	39,774	98,473	97,122	94,634	93,863	91,375	92,640	96,784
CURRENT ASSETS											
Trade Debtors	2,003,455	3,221,220	3,404,964	3,083,030	3,082,234	5,188,900	5,357,348	5,385,325	7,553,865	5,551,588	4,655,862
Other Debtors	5,774	4,282	4,282	4,425	4,425	4,425	4,425	-1,575	-1,575	-3,427	-3,457
Prepayments & Accrued Income	20,788	20,304	20,009	1,178	883	0	0	0	0	0	0
CEC Loan	0	0	0	0	0	0	0	0	0	0	0
Petty Cash	424	62	112	69	319	25	18	48	48	48	68
	2,030,441	3,245,868	3,429,367	3,088,702	3,087,860	5,193,350	5,361,791	5,383,798	7,552,338	5,548,209	4,652,472
CURRENT LIABILITIES											
Trade Creditors	1,925,102	1,251,205	1,388,699	1,862,376	2,460,584	2,195,592	1,712,746	2,514,223	1,894,261	2,085,329	2,810,521
Employee Creditor	-209	577	523	53	721	169	32	40	1,437	586	-257
Bank Account	-229,479	1,218,285	1,102,852	405,612	-46,864	2,326,045	1,895,795	1,637,198	3,081,926	349,478	-261,408
Pension Creditor	11,985	12,615	13,245	10,546	10,598	9,973	10,540	11,157	11,726	12,032	12,337
Lease Liabilities	0	0	0	0	0	0	0	0	0	0	0
Accruals	273,948	749,828	888,194	784,784	704,732	688,960	1,741,287	1,216,799	2,531,137	3,041,646	2,104,634
VAT Payable/(Refundable)	56,514	19,465	38,960	29,879	18,870	32,401	56,643	59,754	82,307	112,018	44,734
PAYE/NIC	25,670	28,667	32,095	34,227	36,692	35,178	37,236	37,191	38,773	37,614	36,550
Corporation Tax	0	0	0	0	0	0	0	0	0	0	0
Other Creditors	0	26	52	0	0	1,156	1,146	299	1,146	1,146	1,146
	2,063,531	3,280,668	3,464,619	3,127,475	3,185,333	5,289,472	5,455,425	5,476,660	7,642,713	5,639,849	4,748,257
NET CURRENT ASSETS/(LIABILITIES)	-33,090	-34,800	-35,252	-38,774	-97,473	-96,122	-93,634	-92,862	-90,375	-91,640	-95,784
Liabilities > 1 Year	0	0	0	0	0	0	0	0	0	0	0
NET ASSETS	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Represented by:											
Share Capital	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Reserves	0	0	0	0	0	0	0	0	0	0	0
Profit & Loss Account	0	0	0	0	0	0	0	0	0	0	0
Balance as at Period End	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

Board Meeting 28th February 2005

7 Cash Flow - Year to Date and Forecast														
Jan-05														
	Apr-04	May-04	Jun-04	Jul-04	ACTUAL					FORECAST		Totals		
					Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05		
Balance b/forward	229,478.91	-1,218,284.50	-1,102,852.00	-405,611.62	46,864.12	-2,326,044.50	-1,895,794.49	-1,637,197.41	-3,081,925.71	-349,477.40	267,408.01	88,255.34	229,478.91	
Income														
Sales Ledger	117.50	1,762,362.28	2,551,626.00	2,137,105.87	1,928.69	2,447,497.79	2,784,117.22	862,808.81	5,158,234.25	2,728,842.60	2,789,329.16	0.00	23,221,970.17	
Miscellaneous	10.00	3.00	3,795.39	9,810.64	943.74	2,163.20	6,200.00	0.00	3,637.65	3,240.01	0.00	0.00	29,803.63	
	127.50	1,762,365.26	2,555,421.39	2,146,916.51	2,872.43	2,449,660.99	2,790,317.22	662,808.81	5,159,671.90	2,732,082.61	2,789,329.16	0.00	23,251,773.80	
Expenditure														
Purchase Ledger	1,297,114.74	1,537,366.70	1,750,688.04	1,520,652.47	2,266,112.03	1,889,962.36	2,361,234.29	2,191,660.37	2,290,801.50	1,896,415.30	2,810,521.00	0.00	21,812,530.80	
Expenses Ledger	7,000.00	123.10	0.00	0.00	1,144.36	552.69	216.64	1,174.46	1,956.28	842.31	-257.00	0.00	12,752.84	
Miscellaneous	143,776.17	109,440.98	107,492.97	173,788.30	108,524.66	128,895.93	170,269.21	114,702.28	134,665.81	223,939.59	152,217.83	0.00	1,567,713.73	
	1,447,890.91	1,646,932.78	1,858,181.01	1,694,440.77	2,375,781.05	2,019,410.98	2,531,720.14	2,307,537.11	2,427,423.59	2,121,197.20	2,962,481.83	0.00	23,392,997.37	
Net Movement in Month	-1,447,763.41	115,432.50	697,240.38	452,475.74	-2,372,908.62	430,250.01	258,597.08	-1,444,728.30	2,732,448.31	610,885.41	-173,152.67	0.00	-141,223.57	
Balance c/forward	-1,218,284.50	-1,102,852.00	-405,611.62	46,864.12	2,326,044.50	-1,895,794.49	-1,637,197.41	-3,081,925.71	-349,477.40	261,408.01	88,255.34	88,255.34	88,255.34	
NEXT MONTH FORECAST: Assumptions														
Income														
Sales Ledger														
Invoices Issued to CEC	No. 67 Due 28/2/05											1,167,358.29		
Invoices Issued to CEC	No. 68 Due 28/2/05											300,828.68		
Invoices Issued to CEC	No. 69 Due 28/2/05											225,487.51		
Invoices Issued to CEC	No. 70 Due 28/2/05											6,598.34		
Invoices Issued to CEC	No. 71 Due 28/2/05											1,044,623.92		
Invoices issued to Clacks	No. 4 Due 28/1/05 Paid 6/2/05											11,660.05		
Invoices issued to Clacks	No. 5 Due 28/2/05											18,111.80		
Invoices Issued to FETA	No. 1 Due 28/2/05											8,164.29		
Invoices Issued to SM	No. 1 Due 28/11/04											344.72		
Invoices Issued to One-Ticket	No. 21 Due 28/2/05 Paid 11/2/05											2,491.99		
Invoices Issued to One-Ticket	No. 22 Due 28/2/05 Paid 11/2/05											3,659.57		
												2,789,329.16		
Accrued Income (Month End Accruals), Fixed Asset Adjustments etc.											1,866,532.84			
											Trade Debtors per Balance Sheet			
											4,655,862.00			
Expenditure														
Trade Creditors per Balance Sheet											2,810,521.00			
Employee Creditor per Balance Sheet											-257.00			
											Aged Creditors List @ 31/01/05			
											2,810,264.00			
Miscellaneous														
Pension Fund(s) - Contributions Due on 19/2/05											12,337.20			
HMC&E - VAT Return to 31/3/05 (Due for payment 30/4/05)											0.00			
PAYE/NI - Due on 19/2/05											36,549.75			
February Payroll - 27 members of staff											115,543.08			
Bank Interest - Quarter ending 15/3/05											0.00			
Bank Charges for month											100.00			
Petty Cash for month											25.00			
											152,217.83			
Accrued Expenditure											2,070,543.67			
Capital Grant/Fixed Asset Purchase etc.											34,090.41			
											Accruals per Balance Sheet			
											2,104,633.98			



Agenda Item 4b

Finance Report

b) tie Business Plan

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)



Agenda Item 5

Heavy Rail

- a) EARL *
- b) SAK *

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)



Agenda Item 5a

Heavy Rail

a) EARL *

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)



Paper to: tie Board, 28th February
Commercial & in Confidence
Subject: EARL Update (PM Susan Clark)
From: Paul Prescott
Date: 10th February 2005

Project Governance

Discussions are ongoing with the Scottish Executive on steps needed to enable tie to promote the EARL bill. The aim is to complete these by the end of February.

Bill Progress

Good progress is being made with many of the Bill Documents. Skeletons are already in place for the Bill itself and the Explanatory Notes, and first drafts of the Promoter's Memorandum and Statement are also available. A detailed timetable and plan for the completion of all of these as well as the Preliminary Financial Case, Environmental Statement and STAG has been produced.

We have written to SE to enquire about the ability of the Private Bills Unit to process another Bill, as four are already listed as being in the system.

Planning

West Lothian Council would like to open a new station at Winchburgh. However, this could not easily be accommodated within the planned train service timetable post EARL. We agreed with the Executive to assist them in explaining the issues to West Lothian. To this end, a meeting was held with West Lothian Council on 4th February. We have agreed with SE that EARL will facilitate timetable modelling to look at implications of a station at Winchburgh.

The proposed diversion of a Transco high pressure gas main at Kirkliston has caused some concern. An engineering review is underway to look at minimising or avoiding impact on the housing developments planned for the area. Feedback is due from Transco in mid February.

3rd Parties

Discussions with BAA and Network Rail are continuing with the aim of agreeing Heads of Terms in advance of introduction of the EARL Bill.

Progress with Network Rail has so far not been good, with their insisting on the use of their standard agreements or placing significant cost on **tie** for revised agreements. A meeting with SE and their financial advisors took place on 7th February and SE have since held discussions with Network Rail to agree a way forward for all Scottish projects that interface with them. (See also SAK paper).

Better progress is being made with BAA, and a useful HAZOP (Hazard & Operability) discussion was held with them on 31st January. The output from this is being fed into the Heads of Terms being drafted by the Legal Team.

In addition, Nicol Stephen, the Minister for Transport has met both BAA's MD Scottish Airports and their CEO to discuss BAA's financial contribution to EARL. **tie** have now been advised to enter into funding discussions with BAA, in which we shall be assisted by PwC.

Costs

An initial cost report has been provided by the Technical Consultants - SWH. Discussions are ongoing between **tie** and SWH to ensure that these costs are robust and defensible. This process will be finalised during March.

PP/SC, 20.02.05

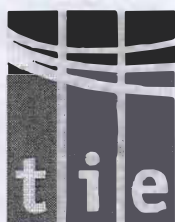


Agenda Item 5b

Heavy Rail

b) SAK*

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)



Paper to: tie Board, 28th February 2005
Commercial & in Confidence

Subject: SAK Update (PM Richard Hudson)

From: Paul Prescott

Date: 20th February 2005

Project Governance

The suite of contracts between **tie**, Clackmannanshire Council and Jacobs Babbie has now been agreed and signed.

Richard Hudson has been appointed as full time Project Manager and commences employment as a member of **tie** staff on 28th February 2005.

Asset Protection Agreement (APA)

The Scottish Executive has held meetings with Network Rail to discuss contractual issues affecting all Scottish Heavy Rail projects. At the time of writing **tie** has not yet received a detailed debrief, but it appears that there is now agreement on the major issues affecting the SAK APA.

- Specific Implement – NR have agreed to a clause requiring them to take on and operate the railway and have dropped their insistence that they should be free to withdraw at any time. In return, they require a similar commitment from the promoter.
- Reasonableness – NR have dropped their insistence on the clause that suggests that the contract was negotiated “freely and fairly”, which would have limited our recourse at law. In return, the overall requirement for reasonableness is dropped.
- Netting Off of Costs – NR appear to have given the Scottish Executive assurances that any “profit” made by them out of the project would be re-invested back into Scottish Railways as part of any future High Level

Output Statement. The Executive seem to be happy with this arrangement.

While the above issues represent a considerable step forward, the re-drafting and agreement of the wording of the contract still has to be concluded.

Project Cost

The Project Cost remains at circa £50m. However, there has been progress on several components in the past month.

The fees for Network Rail's services in the project have now been received and, although they are higher than the budget figure we inherited (£800k v £500k) they are less than we had feared.

The transfer of the mine working risk from the project to the Scottish Executive has been assessed and evaluated. This has been passed to the Scottish Executive for consideration.

The proposal to transfer the construction of the Alloa Eastern Link Road from this project to the Upper Forth Crossing project has been considered by the Executive and rejected. This is because of potential road traffic problems envisaged in the interim period between the two projects, and of the practical problems of constructing the road when the railway would be live.

Ongoing refinement of the target cost and project risk is still being further developed through dialogue with Network Rail's engineers to agree the scope of the works and any assumptions on derogations from standards. Further work is also going on to analyse the First Nuttall JV construction management costs included in the Target Cost.

Programme

Following authorisation prior to Christmas, the contract to carry out the devegetation of the route commenced on the 26th January 2005 with completion planned for 28th February 2005. However, following a safety incident on the 7th February 2005 when a plant operative broke a finger, the works were suspended pending further investigation. The works will recommence during week-commencing 21st February 2005 and should still be completed before the start of the nesting season.

Subject to satisfactory resolution of the above issues, and assuming that Clackmannanshire Council can obtain Council approval in early March, the planned commencement of construction in March 2005 is achievable.

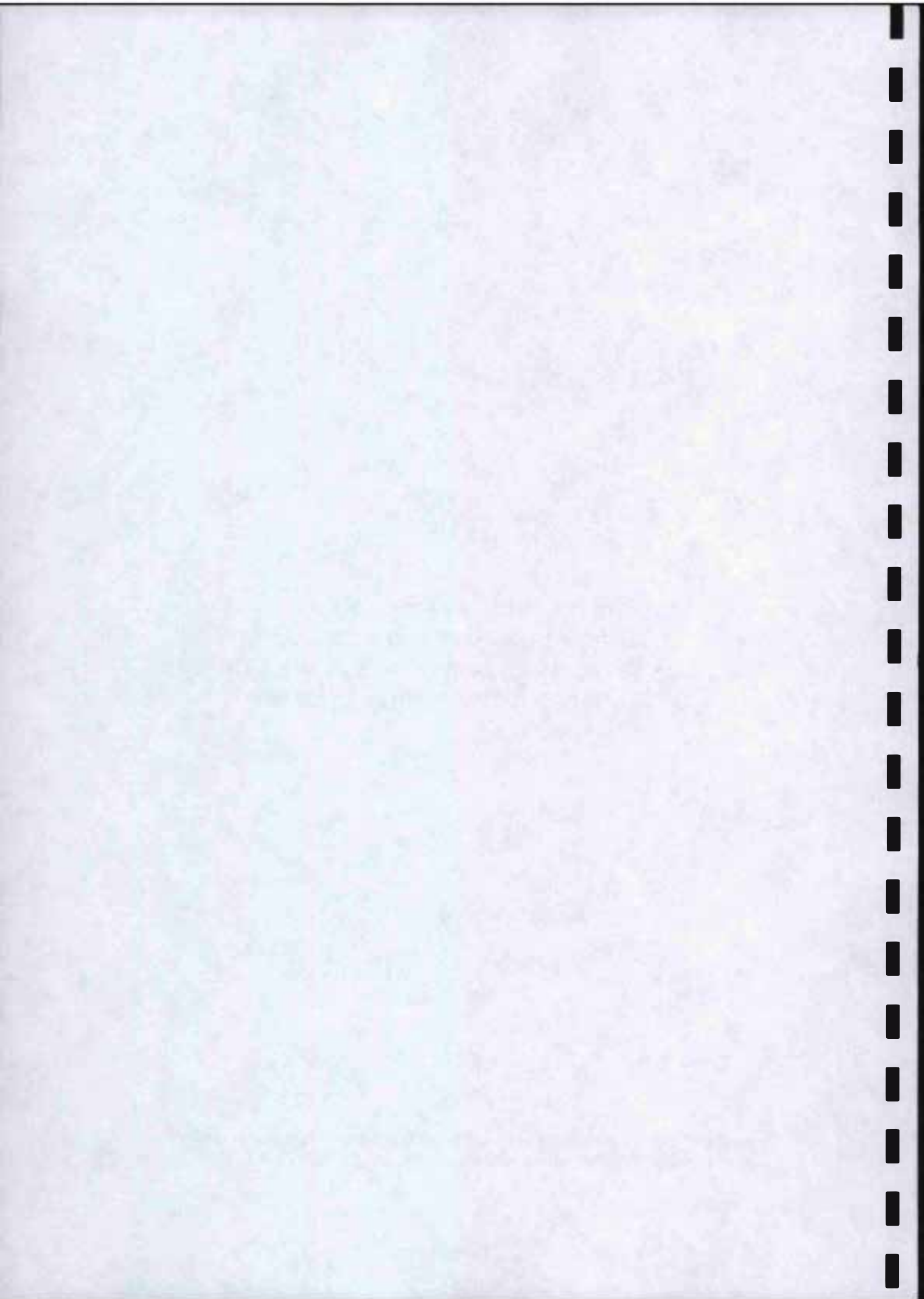
PP/RH, 20.02.2005.



ITI -

- a) Project Progress Report ***
- b) Tram Implementation and OBC**
- c) Tram Procurement – Systems Design Services (SDS) tender update**

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)





Agenda Item 6a

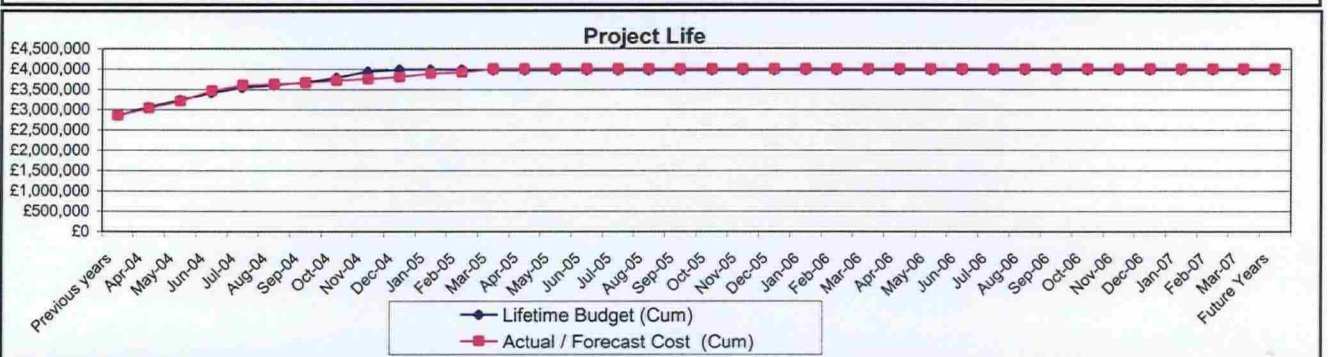
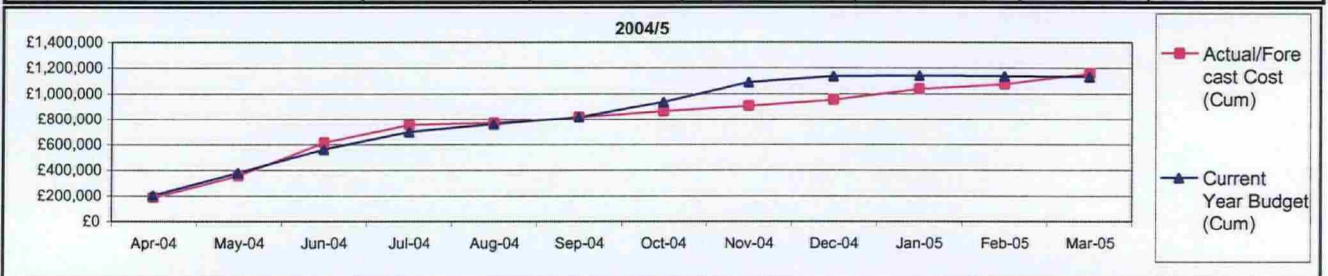
ITI -

a) Project Progress Report *

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)

Project: ITI Development					
Report for Month Ending: 31-Jan-05			Project Manager: John Saunders		
Start Date:			End Date:		
Overall Progress Status		Expenditure 2004/5		Project Life Funding	
Progress Key:			Finance Key:		
On track for successful completion as programmed.			Within 10% of estimate		
Issues have arisen which may delay completion or require discussion/direction.			10 – 20% outside estimate		
Issues have arisen which will delay completion.			>20% outside estimate		
Critical Path / Milestone Items	Original Start Date	Original Completion	Revised Completion	Progress (NS,IP,C)	Progress Status (G,Y,R)
1. Update business Case	1-Feb-03	31-Jan-04		C	
2. Prepare Draft Charging Order and associated	1-Feb-03	15-Sep-03		C	
3. Develop and assemble background material	24-Mar-03	26-Sep-03		C	
4. Draft Charging order to Council	22-Sep-03	30-Sep-03		C	
5. Publication and objection period CO	2-Oct-03	28-Feb-04		C	
6. Negotiation. Public inquiry	3-Oct-03	2-Jul-04		C	
7. Referendum preparation	6-Jan-03	11-Nov-04	Mid Jan 2005	C	
8. Prepare application in Detail	15-Aug-03	15-Nov-04	Spring 2005	IP	
9. Final scheme approval by Council	12-Nov-04	15-Dec-04	Spring 2005	IP	
10. AiD to Scottish Executive	Mid Feb 2005	1-Jun-05		IP	
11. Procurement system Operator	1-May-03	20-Jul-05		IP	
12. Retail Impact study	21-Jan-04	30-Sep-04	Mid Nov 2004	C	

	Funding	Budget	Original Cost Estimate	Start of Year Cost Estimate	Current Forecast	Variance
Previous Years	£2,851,571	£2,851,571	£2,851,571	£2,851,571	£2,851,571	£0
2004/5	£1,131,213	£1,131,213	£1,131,213	£1,131,213	£1,156,213	-£25,000
2005/6	£0	£0	£0	£0	£0	£0
2006/7	£0	£0	£0	£0	£0	£0
Future Years	£0	£0	£0	£0	£0	£0
Total for Project Life Cycle	£3,982,784	£3,982,784	£3,982,784	£3,982,784	£4,007,784	-£25,000



Summary of Key Points and suggested course of action:

The referendum result will be announced on 22 Feb which will affect spend from March onwards.

A first hearing was held on the legal challenge raised by Fife, West Lothian and Midlothian Councils on Feb 3 and 4. This will be continued in March. CEC are taking the lead in defending the challenge with direct Counsel and support costs being charged directly to CEC. However, tie's legal advisers D&W have provided significant input to this process which has been billed to tie. The tie Business Plan makes no allowance for such costs. These amount to £22,000 in January, and are estimated at £12,500 for February. It is likely that the January costs can be absorbed within the current budget, but not February.

The judicial process could affect the final shape of the scheme and may generate a requirement for additional work prior to Ministerial approval (in 2005/6 financial year)

Other work areas including finalisation of the Charging Order, advice on SE Regs and Stage 2 STAG are continuing as planned.

"I confirm that this report provides an accurate overview of the project progress and finance."

Project Manager's signature:

Date: 10/2/05 09/02/2005

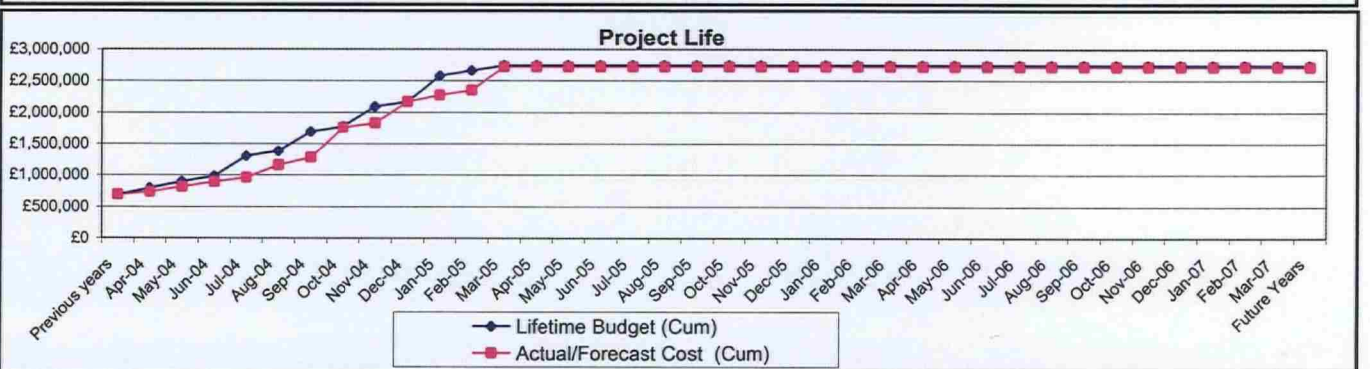
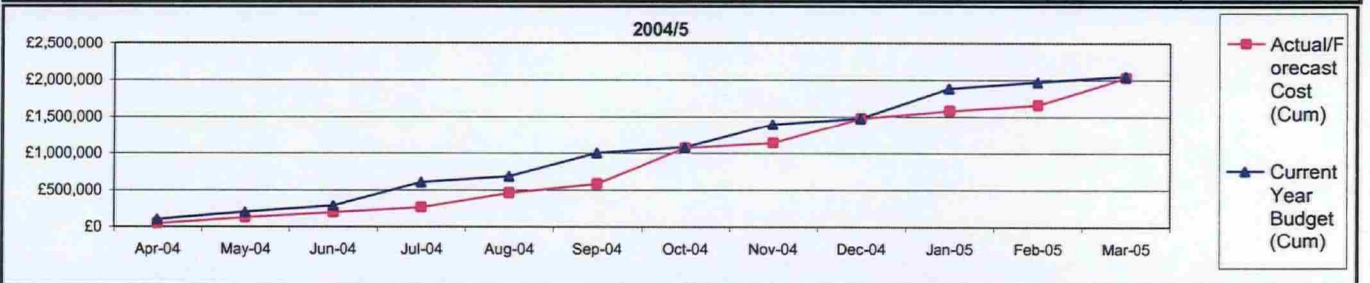
Project Director's signature:

Date: 14/2/5 09/02/2005

Project: ITI Procurement		Project Manager: Seamus Healy	
Report for Month Ending: 31-Jan-05		End Date:	
Start Date:		End Date:	
Overall Progress Status		Expenditure 2004/5	
		99%	
		101%	
Progress Key:		Finance Key:	
On track for successful completion as programmed.		Within 10% of estimate	
Issues have arisen which may delay completion or require discussion/direction.		10 – 20% outside estimate	
Issues have arisen which will delay completion.		>20% outside estimate	

Critical Path / Milestone Items	Original Start Date	Original Completion	Revised Completion	Progress (NS,IP,C)	Progress Status (G,Y,R)
1. Complete Evaluation of System Procurement Tenders	8-Apr-04	14-May-04		C	
2. Contract with Agreed System Integrators (SI)	14-May-04	14-Jun-04		C	
3. SIs Team Mobilisation Complete	14-Jun-04	5-Jul-04		C	
4. Macro Designs Complete (Business Modelling)	5-Jul-04	16-Aug-04		C	
5. Technical Designs Complete	6-Aug-04	8-Nov-04		C	
6. Architecture Designs Complete	25-Oct-04	6-Dec-04		C	
7. Prototypes Design and Build Complete	9-Aug-04	28-Oct-04		C	
8. Prototype Tests Complete	28-Oct-04	8-Dec-04		C	
9. Complete Evaluation of Stage 1 Designs	20-Dec-04	21-Jan-05	28-Feb-05	IP	
10. Finalise Stage 2 Contract Schedules	24-Jan-05	18-Feb-05	15-Mar-05	IP	
11. Exercise Stage 2 Option with Chosen SI	21-Feb-05	18-Mar-05		NS	

	Funding	Budget	Original Cost Estimate	Start of Year Cost Estimate	Current Forecast	Variance
Previous Years	£694,159	£694,159	£694,159	£694,159	£694,159	£0
2004/5	£2,048,701	£2,048,701	£2,048,701	£2,048,701	£2,023,701	£25,000
2005/6	£0	£0	£0	£0	£0	£0
2006/7	£0	£0	£0	£0	£0	£0
Future Years	£0	£0	£0	£0	£0	£0
Total for Project Life Cycle	£2,742,860	£2,742,860	£2,742,860	£2,742,860	£2,717,860	£25,000



Summary of Key Points and suggested course of action:

Operations

Clarifications on Stage 2 proposals are ongoing and target prices are being firmed up as a result. Assessment is ongoing.

Financial

Project continues to work to timescale and budget.

"I confirm that this report provides an accurate overview of the project progress and finance."

Project Manager's signature:

Project Director's signature:

Date:

09/02/05 09/02/2005

Date:

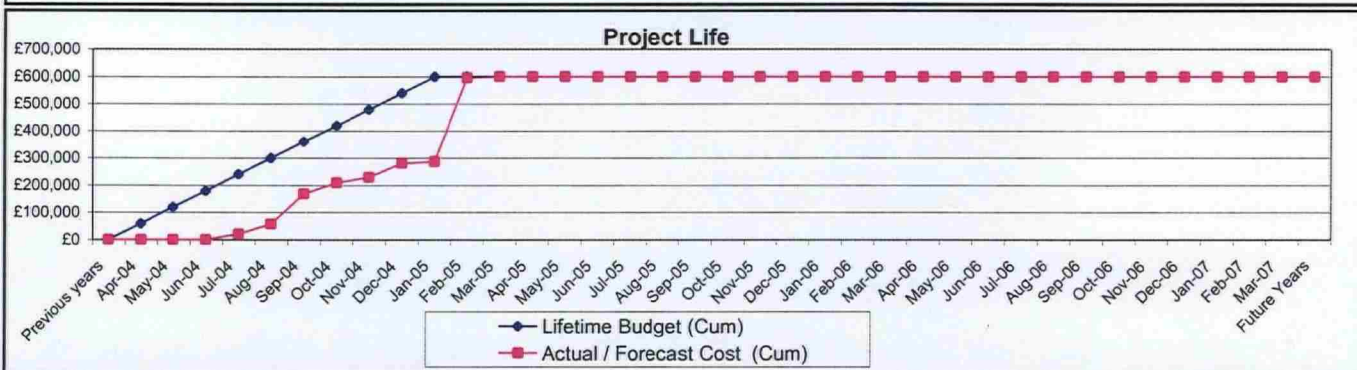
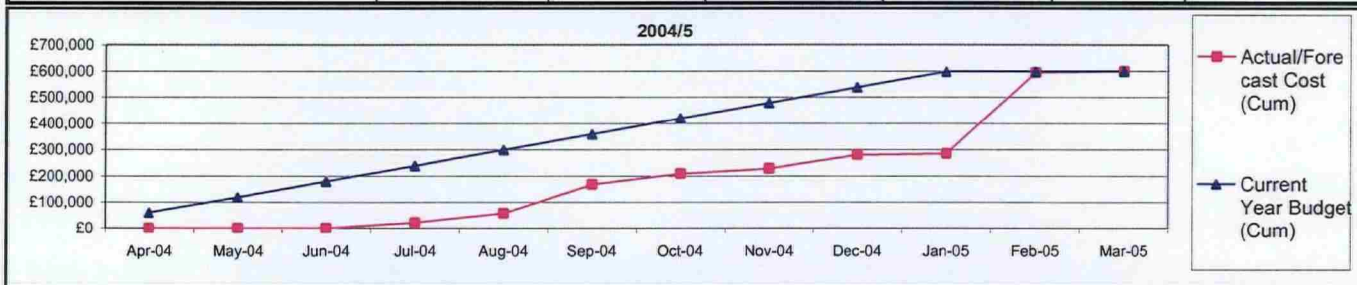
14/2/5 09/02/2005

Project: ITI Information Programme		Project Manager: Sue Campbell	
Report for Month Ending: 31-Jan-05	Start Date:		End Date:
Overall Progress Status	Expenditure 2004/5		Project Life Funding
	100%		100%

Progress Key:	Finance Key:
On track for successful completion as programmed.	Within 10% of estimate
Issues have arisen which may delay completion or require discussion/direction.	10 – 20% outside estimate
Issues have arisen which will delay completion.	>20% outside estimate

Critical Path / Milestone Items	Original Start Date	Original Completion	Revised Completion	Progress (NS,IP,C)	Progress Status (G,Y,R)
1.Information Programme development and implementation	1-Apr-04		Date of Referendum	IP	

	Funding	Budget	Original Cost Estimate	Start of Year Cost Estimate	Current Forecast	Variance
Previous Years	£0	£0	£0	£0	£0	£0
2004/5	£600,000	£600,000	£600,000	£600,000	£600,000	£0
2005/6	£0	£0	£0	£0	£0	£0
2006/7	£0		£0	£0	£0	£0
Future Years	£0		£0	£0	£0	£0
Total for Project Life Cycle	£600,000	£600,000	£600,000	£600,000	£600,000	£0



Summary of Key Points and suggested course of action:

The Referendum information programme is continuing with radio advertising on Forth FM, adverts in newspapers, and advice via the Electoral Office helpline on 0131 529 4877. The Referendum ballot papers and information leaflet have been issued to nearly 300,000 residents.

The Transport Edinburgh public enquiries service continues via telephone 0131 469 3417 and email on transport-edinburgh@edinburgh.gov.uk. Over 800 enquiries have been answered and we have handled over 300 queries so far in the period from 7 February on a variety of questions connected to the cordon scheme. The Transport Edinburgh website is being offered as an information resource for those looking for clarification on the proposed transport scheme. The enquiries team is awaiting guidance from the Council's solicitor on handling telephone calls from the public during the referendum period.

Feedback from the public debate held at the end of January was very positive. Transport Edinburgh has replied to questions received at the debate and a transcript is available. Feedback from the Forth FM radio debate with its own poll of listeners recorded a 'for' congestion charging result of 63% and a 'no' of 37%, unsure 0%.

Post Referendum planning is underway with input from CEC & tie senior officers, tie communications, Transport Edinburgh and Corporate Communications.

Project Manager's signature: PP. [Redacted] Project Director's signature: [Redacted]

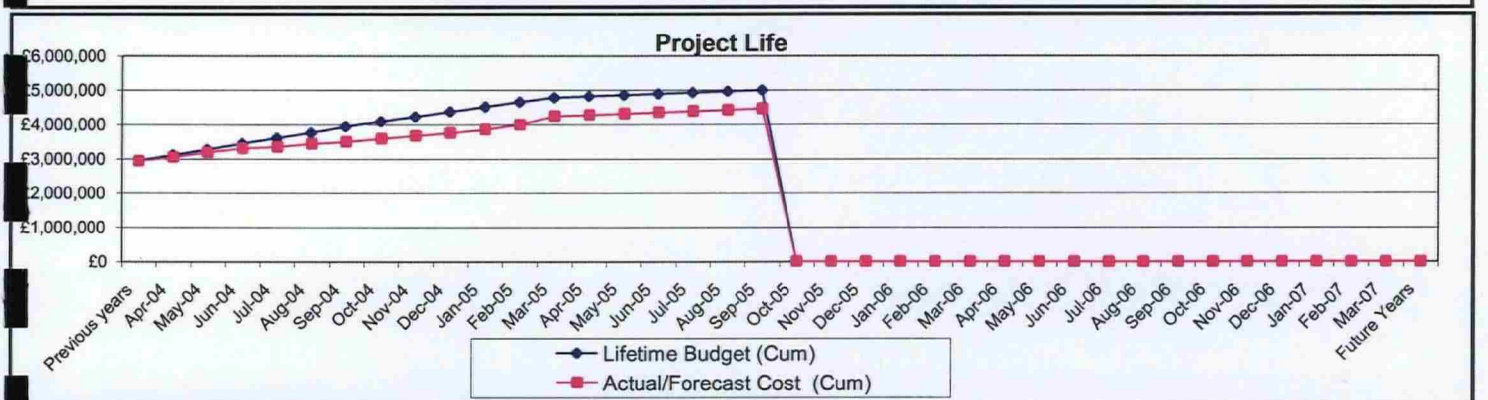
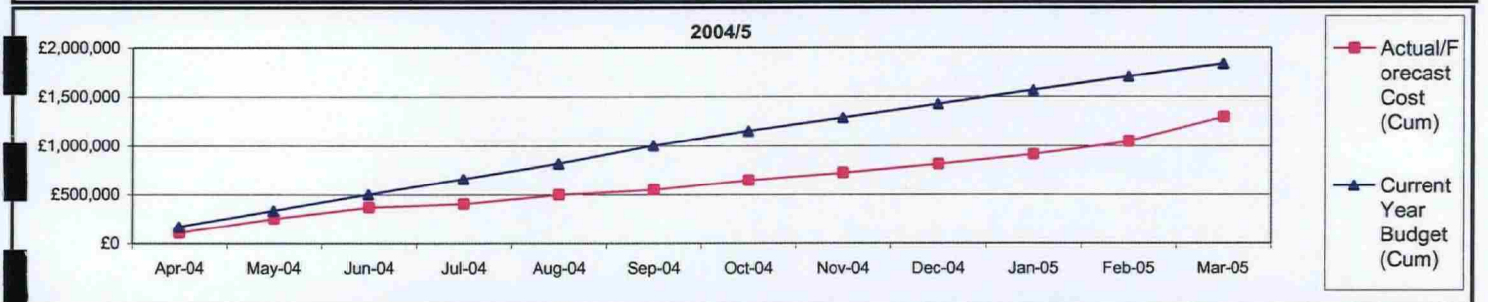
Date: 12/01/2005 Date: 14/2/05 12/01/2005

Project: Line 2 West Edinburgh Tram Parliamentary Order	
Report for Month Ending: 31-Jan-05	Project Manager: Geoff Duke
Start Date:	End Date:
Overall Progress Status	Expenditure 2004/5 70%
	Project Life Funding 112%

Progress Key:	Finance Key:
On track for successful completion as programmed.	Within 10% of estimate
Issues have arisen which may delay completion or require discussion/direction.	10 - 20% outside estimate
Issues have arisen which will delay completion.	>20% outside estimate

Critical Path / Milestone Items	Original Start Date	Original Completion	Revised Completion	Progress (NS,IP,C)	Progress Status (G,Y,R)
1. Prepare and Deposit Parliamentary Documents	4-Oct-02	24-Dec-03		C	
2. Support Parliamentary Process Leading to Royal	1-Jan-04	20-Dec-05		IP	
3. DPOF Appointment of Operator	2-Jul-03	29-Apr-04		C	
4. Third Party & Stakeholder Liaison	5-Jan-04	20-Dec-05		IP	
5. Publication & Making of TROs	6-Jan-04	1-Jul-06		IP	

	Funding	Budget	Original Cost Estimate	Start of Year Cost Estimate	Current Forecast	Variance
Previous Years	£2,940,316	£2,940,316	£2,940,316	£2,940,316	£2,940,316	£0
2004/5	£1,838,360	£1,838,360	£1,838,360	£1,838,360	£1,294,640	£543,720
2005/6	£221,324	£221,324	£221,324	£221,324	£221,324	£0
2006/7	£0	£0	£0	£0	£0	£0
Future Years	£0	£0	£0	£0	£0	£0
Total for Project Life Cycle	£5,000,000	£5,000,000	£5,000,000	£5,000,000	£4,456,280	£543,720



Summary of Key Points and suggested course of action:

Operational issues:
 The ETL2 Bill was introduced to the Scottish Parliament on 29 January 2004 and 82 objections were received. The committee started taking evidence from a range of witnesses including the promoter on 3 November and concluded on 15 December. It published its Preliminary Stage report on 9 February commending that the Bill proceed as a Private Bill to the Consideration Stage and that the general principles of the Bill should be agreed to. This report will be debated in parliament on 23 February. No decision on the format or programme has been decided for the Consideration Stage of the parliamentary process. Negotiations are ongoing with objectors in general accordance with the Phasing protocol.

Financial issues:
 The parliamentary process started later than expected, is scheduled to last longer and is requiring more detailed information than anticipated. In order to satisfy the parliament, it is apparent that information generated by the ongoing design implementation work currently underway and input involving the operator will be required. The budget shows an underspend of £543,720, which is matched by an overspend of £543,720 on Line 1 and represents an element of common work carried out by the Line 1 team and reflects the additional complexity of the work undertaken on Line 1. Additional funding will be required for 2005/6.

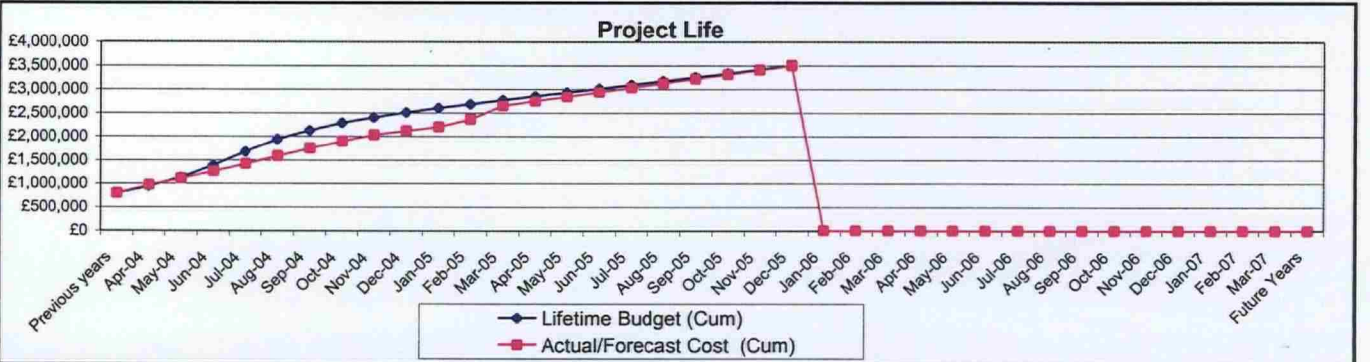
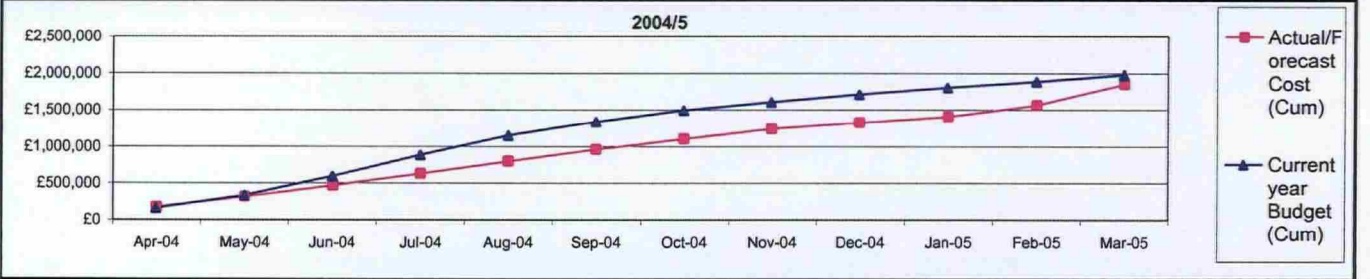
I confirm that this report provides an accurate overview of the project progress and finance.”

Project Manager's signature: _____ Date: _____ 09/02/2005

Project Director's signature: _____ Date: 14/2/05 09/02/2005

Project: Line 3 South East Tram Parliamentary Order						
Report for Month Ending: 31-Jan-05				Project Manager: Willie Fraser		
Start Date:			End Date:			
Overall Progress Status		Expenditure 2004/5			Project Life Funding	
					100%	
Progress Key:				Finance Key:		
On track for successful completion as programmed.				Within 10% of estimate		
Issues have arisen which may delay completion or require discussion/direction.				10 - 20% outside estimate		
Issues have arisen which will delay completion.				>20% outside estimate		
Critical Path / Milestone Items		Original Start Date	Original Completion	Revised Completion	Progress (NS,IP,C)	Progress Status (G,Y,R)
1. Appoint advisory team		-	1-Jul-03		C	
2. Preferred Alignment		19-Dec-03	20-Jan-04	20-Feb-04	C	
3. Development of Preliminary Financial Case		1-Sep-04	15-Oct-04	26-Nov-04	IP	
4. Public Consultation		24-Mar-04	18-May-04		C	
5. Scheme appraisal (STAG 2)		1-Dec-03	30-Nov-04	TBC	IP	
6. Parliamentary Process to Royal Assent		TBC	TBC		NS	
7. Environmental appraisal		5-Jan-04	15-Nov-04	TBC	IP	
8. Parliamentary Documents (submission of Bill)		-	17-Dec-04	TBC	NS	

	Funding	Budget	Original Cost Estimate	Start of Year Cost Estimate	Current Forecast	Variance
Previous Years	£790,628	£790,628	£790,628	£790,628	£790,628	£0
2004/5	£1,983,989	£1,983,989	£1,983,989	£1,983,989	£1,856,196	£127,793
2005/6	£725,383	£725,383	£725,383	£725,383	£853,176	£127,793
2006/7	£0	£0	£0	£0	£0	£0
Future Years	£0	£0	£0	£0	£0	£0
Total for Project Life Cycle	£3,500,000	£3,500,000	£3,500,000	£3,500,000	£3,500,000	£0



Summary of Key Points and suggested course of action:

Operational Issues
The Final Route Alignment (FRA) was approved by the tie board in September, the CEC Executive on 19/10, CEC Planning Committee on 03/11 and the Full Council on 11/11. A draft Bill, and supporting documentation, was approved by the Full Council, unopposed, on 9 December 2004, and it will be submitted to the Scottish Parliament, at a date to be agreed by the Scottish Executive and CEC. A decision on when the bill is to be submitted will be made in March / April 2005. Thereafter, there will be a further lead-in period before the bill can actually be submitted to allow parliamentary documents and the land referencing to be updated. As the documents will be updated, time will be required for the Scottish Executive and CEC to conduct a review. Taking account of the Parliament's summer recess, this could delay the submission of the bill to September 2006.

The final two months of the financial year will now be used to liaise with potential objectors to the line 3 bill, and to reach side agreements to ease the bills passage through Parliament. In addition, further modelling work will be carried out following the congestion charging referendum, as the base case for the project will be subject to change.

Financial Issues

- TL3 is currently projecting a c£127k under-spend against this years budget, this will be rolled over in 2005-06, where the available spend is anticipated to be c£853k against the current budget. The required level of spend for 2005-06 onwards will be based on the actual spend on TL1 & 2, as TL3 will follow the same process. Benchmarking indicates that the level of spend for the Parliamentary stage is significantly greater than allowed for in the budget. This will be presented in the tie business plan for 2005 / 06. This year's forecast spend includes £95k worth of work that will not be instructed until a decision is taken on the status of TL3. Subsequently, it is unlikely to be completed this financial year. This money will be carried over to 2005 / 06 as an accrual, so that it is not deducted for the required additional funds outlined in the business plan.
- The Scottish Executive / CEC's decision to delay the submission of the TL3 bill has extended the programme. This has not significantly affected the 2004/2005 budget as resources will be concentrated on 'Objector Management'. However, the extension will result in an increase in Anticipated Final Cost (AFC) for the development phase of the project. The current spend forecast (in 2005 / 06 Business Plan) is based on an instruction on the bill submission date being given in April 2005. If the decision is put back further, or the submission date is later than September 2005, the AFC for the development stage of TL3 will increase again.

Project Manager's signature: _____ Date: 9/2/05 09/02/2005

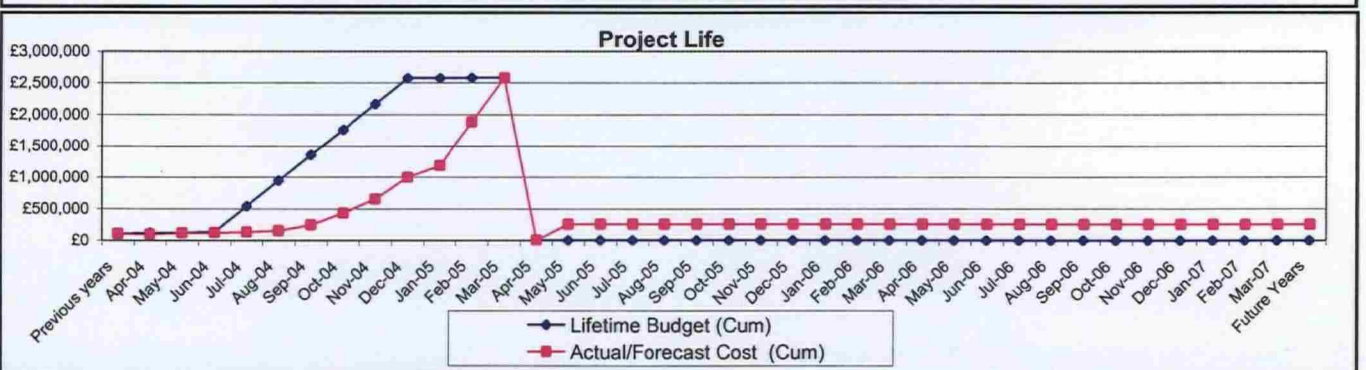
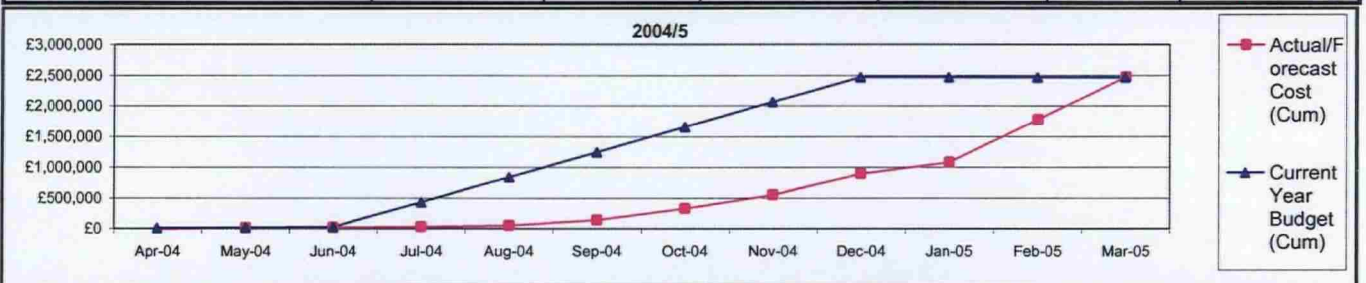
Project Director's signature: _____ Date: 14/2/5 09/02/2005

Project: Ingliston Park and Ride		Project Manager: Lindsay Murphy	
Report for Month Ending: 31-Jan-05		End Date:	
Start Date:		End Date:	
Overall Progress Status	Expenditure 2004/5	Project Life Funding	
	100%	84%	

Progress Key:	Finance Key:
On track for successful completion as programmed.	Within 10% of estimate
Issues have arisen which may delay completion or require discussion/direction.	10 - 20% outside estimate
Issues have arisen which will delay completion.	>20% outside estimate

Critical Path / Milestone Items	Original Start Date	Original Completion	Revised Completion	Progress (NS,IP,C)	Progress Status (G,Y,R)
Appoint Consultant	15-Aug-03	22-Aug-03		C	
Inception Report to CEC	18-Sep-03	18-Sep-03		C	
Detailed Design and Study Work	18-Sep-03	2-Jan-04		C	
Detailed Planning Consideration (12 weeks)	2-Jan-04	26-Mar-04	30-Apr-04	C	
Prepare Tender Documentation	1-Dec-03	5-Mar-04	12-Mar-04	C	
Tender Period	10-Mar-04	20-May-04	12-Jul-04	C	
Construction	21-May-04	3-Jan-05	30-Apr-05	IP	

	Funding	Budget	Original Cost Estimate	Start of Year Cost Estimate	Current Forecast	Variance
Previous Years	£106,417	£106,417	£106,417	£106,417	£106,417	£0
2004/5	£2,469,465	£2,469,465	£2,469,465	£2,469,465	£2,469,465	£0
2005/6	£0	£0	£0	£0	£500,000	-£500,000
2006/7	£0	£0	£0	£0	£0	£0
Future Years	£0	£0	£0	£0	£0	£0
Total for Project Life Cycle	£2,575,882	£2,575,882	£2,575,882	£2,575,882	£3,075,882	-£500,000



Summary of Key Points and suggested course of action:

Halcrow are supporting tie on this project. Notification was received on the 7th July that the planning Permission has been granted by the Scottish Ministers. The Archaeological investigation is complete. Building Warrant for terminal building issued by CEC and received by Border Construction on 9th Dec. 2004.

Tie have now received and paid invoices for all 5 Utility companies. Coordination meeting held on 7th February. New signing proposals have been agreed with City of Edinburgh Council. However, CEC are proposing that existing signs be rationalised and the new proposals be integrated with this; Street lighting designs have been reviewed by CEC Street Lighting Section but Border now have approval; TRO schedules for internal roads and Eastfield Road prepared in draft together with programme of consultation and publication.

Site Work: Drainage works for the site at 90% completion; Street lighting and CCTV cable duct installed in all areas. Sub base to access roads and parking areas continuing; parking area almost complete with some topping-up required on access roads; approx. 80% completion; Kerbing work started on car parking area; Roadbase commenced on access roads; Terminal building foundations completed; Terminal building roof sheeting completed; Ground floor slab poured Terminal building drainage works to be completed. Work to be carried out in Feb; kerbing work to access roads to be completed and to continue through the month for the car parking area; Construction of temporary footways on Eastfield Road to allow for utility diversions; Utility diversion on Eastfield Road to be completed; Terminal building superstructure to be progressed through the month. Initial agreement only allowed for a six month period of supervision cover. Early warnings have been raised regarding Programme and budget due to various issues a full report will be prepared in the next two weeks giving the final outturn cost and Programmed Completion to handover/launch and operation. The budget variations cover the existing predictions and contingency items tie are putting measures in place to reduce these variations.

"I confirm that this report provides an accurate overview of the project progress and finance."

Project Manager's signature: [Redacted]

Project Director's signature: [Redacted]

Date:

09/02/2005

Date:

14/2/5

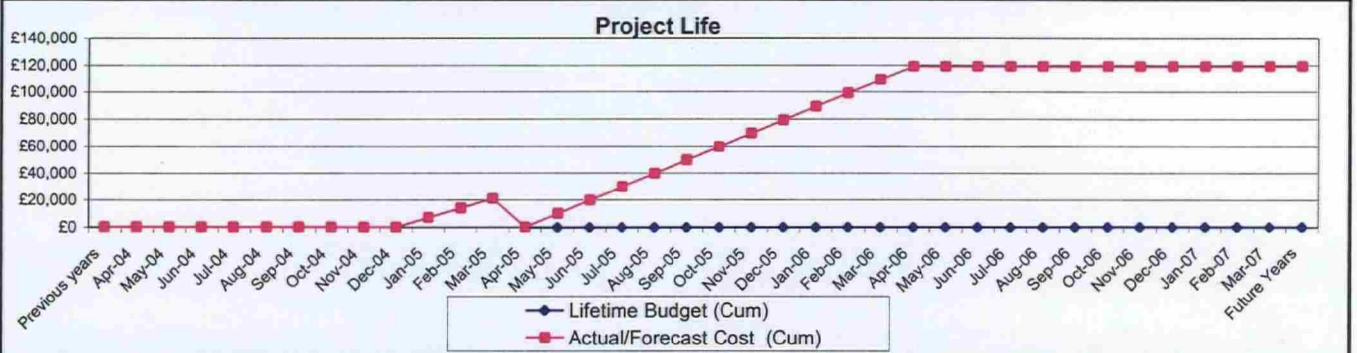
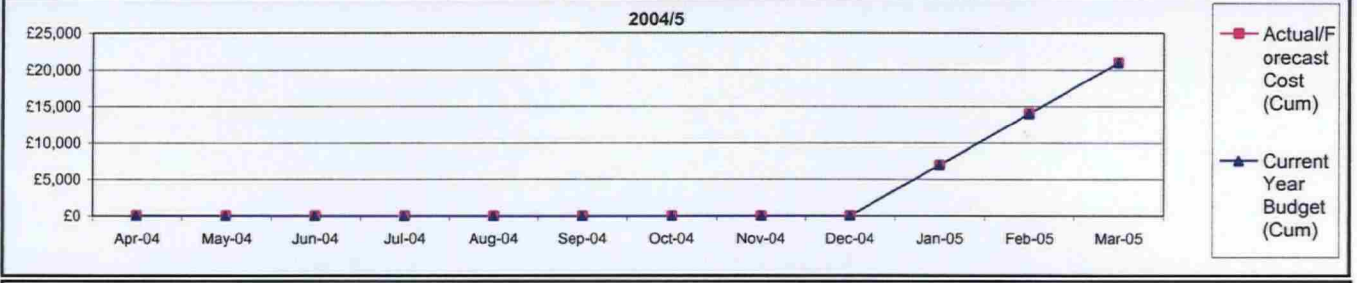
09/02/2005

Project: FETA Charging Order		Project Manager: Ken McLeod	
Report for Month Ending:	31-Jan-05	End Date:	
Start Date:	17-Dec-04	Overall Progress Status	
Expenditure 2004/5		Project Life Funding	
100%		14%	

Progress Key:	Finance Key:
On track for successful completion as programmed.	Within 10% of estimate
Issues have arisen which may delay completion or require discussion/direction.	10 - 20% outside estimate
Issues have arisen which will delay completion.	>20% outside estimate

Critical Path / Milestone Items	Original Start Date	Original Completion	Revised Completion	Progress (NS,IP,C)	Progress Status (G,Y,R)
Approval of appointment by FETA Board	17-Dec-04			C	
Inception Report to FETA	17-Dec-04	12-Jan-05		C	
Assist FETA with appointment of Technical Advisors	17-Dec-04	14-Jan-05		C	
Assist FETA with appointment of Legal Advisors	17-Dec-04	28-Jan-05		C	
Prepare LTS, AiP and draft Order for FETA Board	17-Jan-05	3-Mar-05		IP	
Sign Project Agreement with FETA	12-Jan-05	4-Mar-05		IP	

	Funding	Budget	Original Cost Estimate	Start of Year Cost Estimate	Current Forecast	Variance
Previous Years	£0	£0	£0	£0	£0	£0
2004/5	£21,000	£21,000	£21,000	£21,000	£21,000	£0
2005/6	£0	£0	£0	£0	£119,077	£-119,077
2006/7	£0	£0	£0	£0	£9,923	£-9,923
Future Years	£0	£0	£0	£0	£0	£0
Total for Project Life Cycle	£21,000	£21,000	£21,000	£21,000	£150,000	£-129,000



Summary of Key Points and suggested course of action:

Detailed programme and budget yet to be agreed with FETA.
 Provisional cost estimates: £150,000 in the staff costs Jan 05 - April 06, with £7,000 per month assumed in current financial year, £1.5m in 3rd party costs (covered from FETA budget).

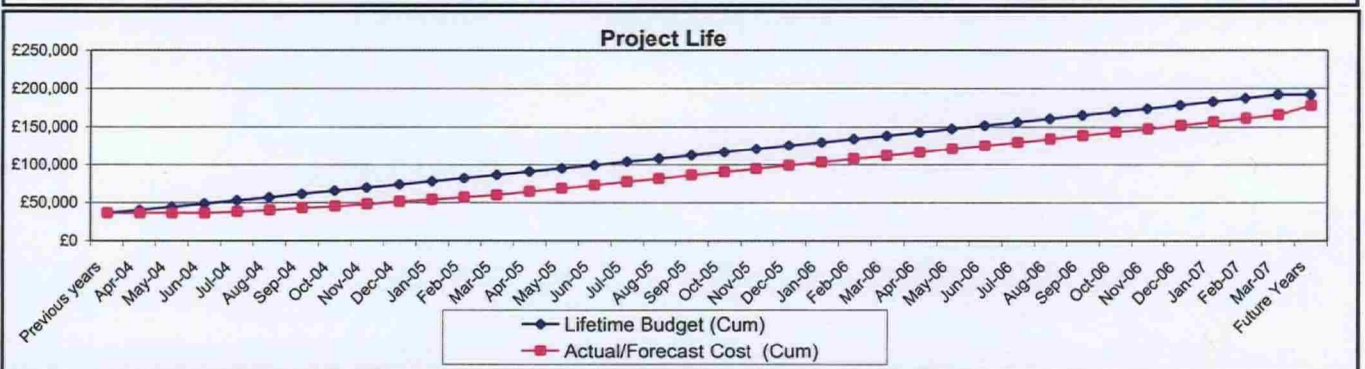
Project Manager's signature: [Redacted] Project Director's signature: [Redacted]
 Date: 14/2/05 14/02/2005 Date: 14/2/05 14/02/2005

Project: "One Ticket"		Project Manager: Stuart Lockhart	
Report for Month Ending:	31-Jan-05	Start Date:	End Date:
Overall Progress Status	Expenditure 2004/5		Project Life Funding
	47%		108%

Progress Key:	Finance Key:
On track for successful completion as programmed.	Within 10% of estimate
Issues have arisen which may delay completion or require discussion/direction.	10 - 20% outside estimate
Issues have arisen which will delay completion.	>20% outside estimate

Critical Path / Milestone Items	Original Start Date	Original Completion	Revised Completion	Progress (NS,IP,C)	Progress Status (G,Y,R)
1. Distribution & Marketing Strategy (Report)	1-Jan-03	28-Feb-03		C	
2. Project Start-Up	1-Apr-03			C	
3. Appointment of Marketing Assistant / Administrator	14-Feb-03	28-Apr-03		C	
4. Implementation of Distribution and Marketing Strategy	1-Apr-03			IP	
5. Appointment of Marketing Assistant / Administrator	26-Sep-03	5-Nov-03		C	
6. Appointment of Business Development Manager	1-Jul-03	1-Apr-04	1-Sep-05	NS	
7. Appointment of Marketing Assistant / Administrator	6-Jan-04	6-Jan-04		C	
8. Business Planning (SE)	1-Jan-04	31-Mar-04		C	
9. Scotrail Involvement in Scheme	1-Apr-04	1-Apr-04	1-Sep-05	IP	
10. SMART Card Implementation	1-Dec-05	1-Dec-06		NS	

	Funding	Budget	Original Cost Estimate	Start of Year Cost Estimate	Current Forecast	Variance
Previous Years	£36,365	£36,365	£36,365	£36,365	£36,365	£0
2004/5	£49,982	£49,982	£49,982	£49,982	£23,303	£26,679
2005/6	£51,982	£78,661	£51,982	£51,982	£51,982	£0
2006/7	£54,061	£80,740	£54,061	£54,061	£54,061	£0
Future Years	£0	£26,679	£0	£0	£12,282	-£12,282
Total for Project Life Cycle	£192,390		£192,390	£192,390	£177,993	£14,397



Summary of Key Points and suggested course of action:

No material change to financial prospects compared to December report

- Initial meetings have taken place with First ScotRail with a view to their becoming full participants in the scheme. A further, detailed, discussion has been arranged for 28th February.

"I confirm that this report provides an accurate overview of the project progress and finance."

Project Manager's signature:

Project Director's signature:

Date:

09/02/2005

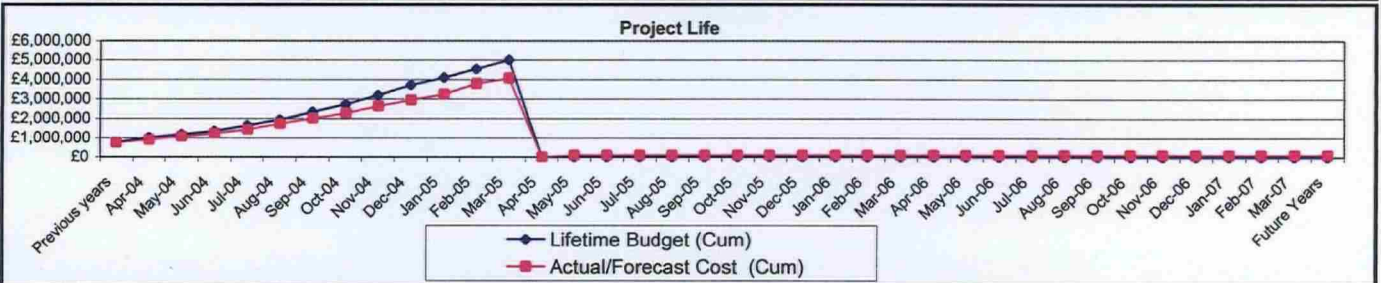
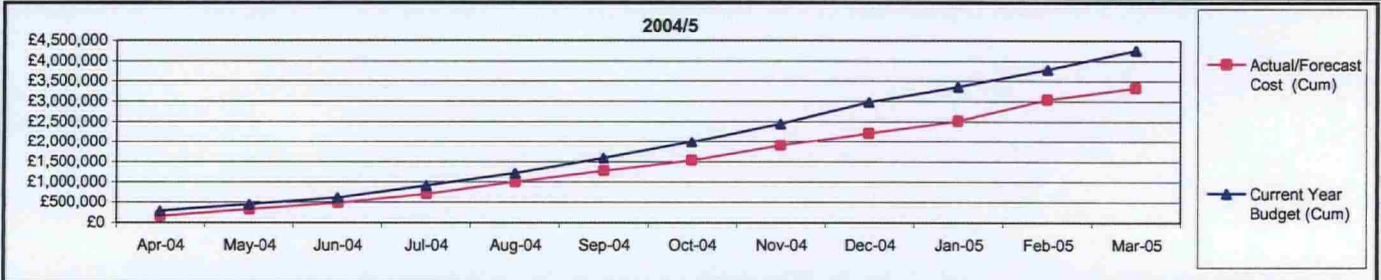
Date:

16/2

09/02/2005

Project: Edinburgh Airport Rail Link		Project Manager: Susan Clark			
Report for Month Ending: 31-Jan-05					
Start Date:	End Date:				
Overall Progress Status	Expenditure 2004/5		Project Life Funding		
	78%		116%		
Progress Key:		Finance Key:			
On track for successful completion as programmed.		Within 10% of estimate			
Issues have arisen which may delay completion or require discussion/direction.		10 - 20% outside estimate			
Issues have arisen which will delay completion.		>20% outside estimate			
Critical Path / Milestone Items	Original Start Date	Original Completion	Revised Completion	Progress (NS,IP,C)	Progress Status (G,Y,R)
1. Design Freeze for Parliament	19-Dec-04	19-Dec-04	31-Dec-04	C	
2. Cost Report	9-Dec-04	9-Dec-04	28-Feb-05	IP	
3. STAG Report	18-Feb	18-Feb	04-Apr	IP	
4. Finalise ES	03-Mar-05	03-Mar-05	07-Apr-05	IP	
5. Submit Bill	10-Mar-05	10-Mar-05	20-May-04	IP	

	Funding	Budget	Original Cost Estimate	Start of Year Cost Estimate	Current Forecast	Variance
Previous Years	£744,204	£744,204	£744,204	£744,204	£744,204	£0
2004/5	£4,255,796	£4,255,796	£4,255,796	£4,255,796	£3,320,000	£935,796
2005/6	£0	£0	£0	£0	£244,896	-£244,896
2006/7	£0	£0	£0	£0	£0	£0
Future Years	£0	£0	£0	£0	£0	£0
Total for Project Life Cycle	£5,000,000	£5,000,000	£5,000,000	£5,000,000	£4,309,100	£690,900



Summary of Key Points and suggested course of action:

Update for month of January

Technical, Environmental

Key activities now are cost report, risk report, ES & STAG.

All are progressing but concerns about slippage on cost report, STAG & ES. Draft cost report and risk report have been delivered and now undergoing scrutiny by tie and other advisors. Work is ongoing to ensure that timescales for STAG & ES are recovered including the use of additional resources within SWH. In addition, tie has recently tendered a piece of work to review the STAG.

Bill Process

Draft Bill and draft Explanatory notes prepared according to programme. Decision on Promoter will be resolved by end Feb. This will allow relevant approvals to be sought prior to submission of Bill. This is required for the Promoter's Statement. PM has written to Se about submission of bill and capacity of Parliament to deal with another Bill.

Agreements

NR - Meeting has been held with Se & their financial advisors to discuss the way forward with Network Rail. SE are meeting with NR wc 7th Feb to try and thrash out a standard approach for Scottish projects. An update will be presented at the next meeting.

BAA - work progressing well on developing an Assurance/Governance structure with BAA. Draft Heads of Terms with BAA for review and discussions ongoing re station ownership & operation and the construction of BAA's SE Pier to ensure route protected for EARL. Minister has met with BAA and tie will now be entering into funding negotiations with BAA.

Financial

2003 Spend - £744,204.

2004 Spend to Date - £2,462,373

Projected spend for the year end £ 3,320,000

Carry over to 05/06 - £935,796

"I confirm that this report provides an accurate overview of the project progress and finance."

Project Manager's signature: _____

Date: 9/2/05

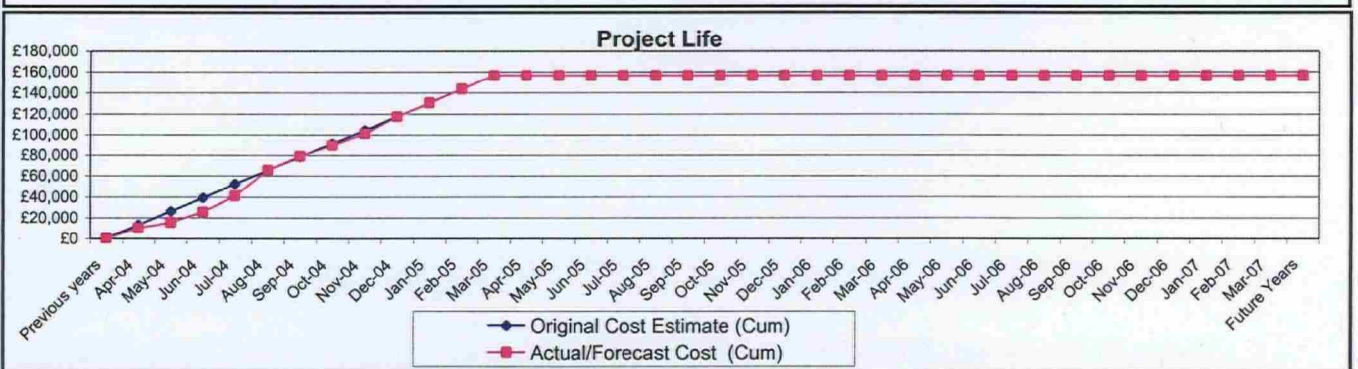
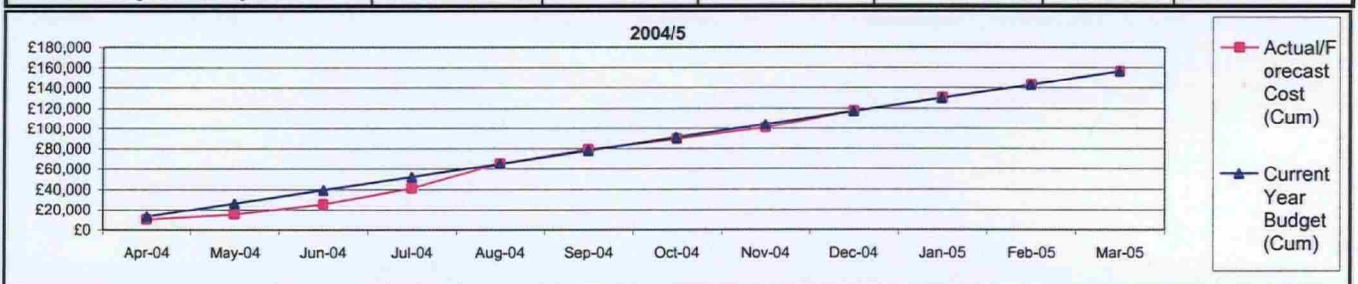
09/02/2005

Project Director's signature: _____

Date: 16/2

09/02/2005

Project: Stirling Alloa Rail Link		Project Manager: Richard Hudson				
Report for Month Ending: 31-Jan-05		End Date: 30-Apr-06				
Start Date:		End Date: 30-Apr-06				
Overall Progress Status		Expenditure 2004/5	Project Life Funding			
		100%	100%			
Progress Key:		Finance Key:				
On track for successful completion as programmed.		Within 10% of estimate				
Issues have arisen which may delay completion or require discussion/direction.		10 – 20% outside estimate				
Issues have arisen which will delay completion.		>20% outside estimate				
Critical Path / Milestone Items	Original Start Date	Original Completion	Revised Completion	Progress (NS,IP,C)	Progress Status (G,Y,R)	
1. Parliamentary Approval	1-Jul-04	1-Jul-04		C		
2. Royal Assent	10-Aug-04	10-Aug-04		C		
3. Submit Commissioning Report	31-Jul-04	31-Jul-04		C		
4. Appoint GI Contractor	23-Jul-04	23-Jul-04		C		
5. Agree Asset Protection Agreement with NR	27-Aug-04	27-Aug-04	28-Feb-05	IP		
6. Agree Target Cost and Programme	25-Oct-04	25-Oct-04	28-Feb-05	IP		
7. Asset Protection Agreement Signed by NR	10-Dec-04	10-Dec-04	25-Mar-05	NS		
8. Completion - Phase 1	10-Dec-04	10-Dec-04	25-Mar-05	IP		
9. Commencement - Phase 2	3-Jan-05	30-Apr-06	25-Mar-05	NS		
10. Line Opening		30-Apr-06	30-Aug-06	NS		
	Funding	Budget	Original Cost Estimate	Start of Year Cost Estimate	Current Forecast	Variance
Previous Years	£0	£0	£0	£0	£0	£0
2004/5	£156,357	£156,357	£156,357	£156,357	£156,357	£0
2005/6	£0	£0	£0	£0	£0	£0
2006/7	£0	£0	£0	£0	£0	£0
Future Years	£0	£0	£0	£0	£0	£0
Total for Project Life Cycle	£156,357	£156,357	£156,357	£156,357	£156,357	£0



Summary of Key Points and suggested course of action:

The contracts with Clackmannanshire Council have not been signed at the moment as we have changed the proposal to have a full time Project Manager. However, the substance of the contracts has been agreed.

It has been recognised that the part time project manager role has not been 100% successful and, as we move into the implementation phase of the project and to ensure tie is in full control of all three workstreams, the role should be expanded to become full time and partly based in tie's offices. This will also have the added effect of the project manager being able to interface with the senior management support and the admin support of tie. Richard Hudson has now been appointed and commences on the 28th February 2005.

The target cost of the project is nearing completion and the cost of transferring the mining risk to the Executive has been submitted to them for approval.

Agreement of the APA with Network Rail has still not been reached and this has now been escalated to senior management within the Executive and informal advice sought from the ORR.

Payment has been received for all costs incurred up to 30th November. December costs were invoiced on 31st December and payment is due by end January.

"I confirm that this report provides an accurate overview of the project progress and finance."

Project Manager's signature: PP

Date:

09/02/2005

Project Director's signature:

Date:

16/2

09/02/2005



Agenda Item 6b

ITI -

b) Tram Implementation and OBC

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)



Agenda Item 6c

ITI -

**c) Tram Procurement – Systems
Design Services (SDS) tender update**

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)



Tram Implementation – Procurement Report:

System Design Services:

The board is advised that six expressions of interest were received from the market for the Systems Design Services contract opportunity. Tie has undertaken an evaluation of the submissions in accordance with the evaluation methodology developed prior to the receipt of submissions.

As a result four candidate groups will be asked to provide a tender for the contract opportunity:

1. Faber Maunsell/Mott Macdonald
2. Parsons Brinkerhoff with Halcrow
3. Scott Wilson
4. WS Atkins.

The remaining two candidates will be advised that they have been unsuccessful with the reasons being as set out below:

1. LRTC – did not pass critical criteria
2. Gide Rail – did pass critical criteria but the proposal was of inferior quality to the other four

The contract documentation is under final development and will be released on Friday 4th March, 2005. The tender process is being conducted under the restricted tender procedure rules. The target award date follows the CEC full council meeting dated 5th May, 2005. It is critical that forward progress is maintained with SE/CEC funding approval being received well in advance of the target award date.

Technical Support Services:

Expressions of interest for the Technical Support Services contract will be received on Friday 25th February, 2005. The evaluation criteria for this contract have been prepared and contract documentation is being developed. The target date for release of documentation is Friday 4th March, 2005.

Confirmation of delegated authority is requested to allow the SDS and TSS tendering processes to continue.

Joint Revenue Committee:

The Joint Revenue Committee contract OJEU notice and Memorandum of Information are under final preparation and will be reviewed by the Highway Authority and by TEL prior to release on 4th March, 2005.

Site Investigation Contract:

The site investigation contract is under development with OJEU notice release date targeted for 11th March, 2005. This contract will be awarded through the successful SDS bidder but is being prepared to allow for a contingency plan in the event of slippage in the award of the SDS contract.

Implementation Design Issues:

The implementation design team have produced the following reports on critical issues pertaining to the development of the tram system:

1. Tram Reliability, Run Time
2. Princes Street Design and Bus Capacity
3. Tram Vehicle Selection

These papers will be made available to Tel Board members and attendees at the Tel Board meeting on 28th February, 2005.

Utility Diversion Contract:

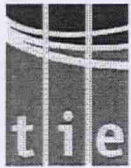
Progress with utility undertakers is being made with general agreement having been reached with a majority of undertakers to divert the utilities through a single source contract between tie and a pre-qualified contractor acceptable to all utility undertakers. tie will be looking to minimise the stray current protection provisions in favour of a policy of rectification following proven problems traceable to the leakage of stray current. Given that a majority of undertakers' apparatus is now plastic ducts and pipes the likelihood of this issue becoming a material concern is considered to be minimal. Drawings have been updated for Line 2 and are being updated for Line 1 including the optioneering arising from the design team reports. C4 estimates are anticipated to be developed by the end of June 2005 with the emphasis placed upon diversion of a minimum number of utilities. The utilities diversion contract is to be developed for tendering in September 2005.

Network Rail Agreements:

Network Rail agreements need to be put in place to allow the TSS and SDS contracts to undertake meaningful design works. We anticipate early agreement with Network Rail as to the suite of documents to be agreed. A draft Basic Service Agreement (BSA) and mark-up of the Network Rail protective provision requirements are under preparation. The BSA and

Customer Remit will be considered by Network Rail in early April 2005 with target agreement to be reached for the Basic Services Agreement and Customer Remit by end-April.

I Kendall
23 February 2005



Agenda Item 7

Communications

- a) **ITI Communications – Information Programme ***
- b) **Stakeholder Report ***

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)



Agenda Item 7a

Communications

- a) ITI Communications – Information Programme *

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)

Transport Edinburgh Communications Strategy in February 2005

This note seeks to update the tie board of CEC's recent progress

The Referendum information programme is continuing with radio advertising on Forth FM, adverts in newspapers, and advice via the Electoral Office helpline on 0131 529 4877. The Referendum ballot papers and information leaflet have been issued to nearly 291,000 residents. A referendum helpline has been available on 0131 469 4877.

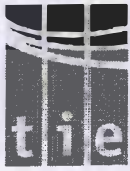
The Transport Edinburgh public enquiries service continues via telephone 0131 469 3417 and email on transport-edinburgh@edinburgh.gov.uk. Over 800 enquiries have been answered since the service was set up and we have handled over 500 emails and nearly 300 telephone enquiries in the period from 7 February to 21 February on a variety of questions connected to the cordon scheme. The Transport Edinburgh website is being offered as an information resource for those looking for clarification on the proposed transport scheme. The enquiries team is awaiting guidance from the Council's solicitor on handling telephone calls from the public during the referendum period.

Feedback from the public debate held at the end of January was very positive. Transport Edinburgh has replied to questions received at the debate and a transcript is available. Feedback from the Forth FM radio debate with its own poll of listeners recorded a 'for' congestion charging result of 63% and a 'no' of 37%, unsure 0%.

Post Referendum planning is underway with input from CEC & tie senior officers, tie communications, Transport Edinburgh and Corporate Communications. It is proposed that the chief executive of City of Edinburgh council will announce the referendum results on Tuesday 22 February in the Council Chamber at City Chambers at 11.30 am.

The next edition of Outlook with a four-page transport supplement on the outcome of the referendum is in planning. Issue date: 25 March.

Sue Campbell 21.2.05



Agenda Item 7b

Communications

b) Stakeholder Report *

* = paper enclosed (available under FOISA but subject to review under Section 5b of tie's publication scheme and exceptions in The Act)



**Board Update
Stakeholder & Communication Management
28 February 2005**

Stakeholder management:

- **Stakeholders**
- **High profile Champion stakeholders**
- **Newsletter**
- **Websites**

Communication management:

- **Media enquiries**
- **Communication strategy and partners**
- **Events**

Stakeholders

The following presentations have been made in the last month:

St George's School	19 January 2005
Forum of Private Business	20 January 2005
Cramond Community Council	20 January 2005
Merchiston School	20 January 2005
Towerbank School	24 January 2005
Plumber Assoc Debate	31 January 2005 (passed to Andrew Burns due to nature of debate)
Forestry Commission	14 February 2005
Edinburgh Park Transport Forum	15 February 2005
West Edinburgh Partnership	15 February 2005

Presentations went well with exception of Cramond Community Council where there was significant resistance to transport plans.

Due to the 'purdah period' and legal advice it has not been possible to pursue opportunities with new or existing Stakeholders during the period of 11 January to 21 February 2005.

High profile Champion Stakeholders

The Transport Edinburgh group has continued, on an individual basis, with key members of the group continuing to approach contacts. Some updates have been received and are attached.

Gordon MacIntyre-Kemp, Pathfinder for Now-Business supports the transport plans. Now-Business has membership of 14,000 small to medium businesses, with 3-4,000 in or around Edinburgh. An article published in their January newsletter, supported plans. A further email from Gordon was sent to all members on 18 February supporting the transport plans and encouraging discussion between members.

Newsletter

Legal advice has been received suggesting the issue of the newsletter is delayed until after the referendum result announcement. Appropriate changes will be made to the newsletter which will be issued by 28 February.

Proposal to pull the newsletter into an on line e-news format sourced from the **tie** website, with a page for each **tie** project will be documented by Mid March. Easily and quickly updated the newsletter could be stored as a favourite by Stakeholders and accessed as and when they choose, or alternatively when we email them with a web link to give them a diarised update.

Website

Plans to update the **tie** website immediately following the announcement of the referendum result on 22 February are in place.

Media enquiries

Work to forge open, helpful, working relationships with the press continues. Media interest has naturally increased over this period.

In addition to daily questions and quotes, interviews have been held with the following media:

26 January 2005

Transdev met with Sam Halstead of the Evening News to discuss their experience of trams in other cities. A relatively positive article followed quoting Christian Buisson.

31 January 2005

tie staff met with Alistair Dalton of the Scotsman to answer his questions on the CC scheme and ease of possible payment methods should the scheme be approved. An informative article followed.

2 February 2005

STV filmed Michael Howell answering factual questions on the topic of CC. This piece, along with film of Andrew Burns was televised during 'Politics Now' on Thursday 3 February.

16 February 2005

BBC2 filmed Michael Howell on the topic of trams. This piece was televised on BBC2 Thursday 17 February.

Communication strategy and partners

Work has concentrated on two fronts this period, plans for the announcement of the CC Referendum Result and the Tram Line 1 & 2 Private Bill reports.

Plans are in place for the announcement of the CC Referendum Result, covering both external and internal **tie** communications. Press comment and a press release will be available. **tie** have worked closely with CEC to ensure that we are 'on message' and all plans dovetail well.

Challenges were presented when the Tram Line Private Bill reports were released by the Parliamentary Press Office to the Evening News the day prior to the reports being available to **tie** and CEC. This meant **tie** and CEC were playing 'catch up' to add quotes. Key messages, specifically for Tram Line 2 although available, were not included in the Evening News.

Events

Public Debate

tie managed the Transport Edinburgh public debate held in the EICC on the evening of 25th January 2005 with @ 550 attendees.

The event ran smoothly with many questions and issues aired.

Tram Drivers Lunch

A lunch for former tram drivers is planned for March. Ten former drivers have contacted **tie** following a tram driver search story in the Evening News. Further calls for former drivers will follow in the next fortnight.

The lunch, hosted by Michael Howell and Alex Macaulay, will include a presentation on the tram plans, photos and footage of the new generation of trams, lunch and an opportunity to relive memories. Former drivers who are keen to bring old photos and memorabilia to the event will be encouraged to do so.

Media will be invited to attend the final part of the event.

Ingliston Park & Ride Launch

Plans are underway for the Ingliston Park & Ride launch event. Although a date has yet to be set for the event, plans and budget are currently being drafted for approval.

The Board is asked to note the position.

Suzanne Waugh
20 February 2005

**Transport Edinburgh
Champions**

Legal

Champion Name	Contact information	Person for approach	Issues to be aware of	Result?
Mike Marwick	Marwicks Solicitors	Andrew Burns	Very positive about passing on positive news clippings	Dublin press being used for positive press coverage 100% supportive, good grapevine in estate agent world.
Malcolm McPherson	Henderson Boyd Jackson Chairman		Wants radical change. Thinks London CC seems to have helped	

University/College

Champion Name	Contact information	Person for approach	Issues to be aware of	Result?
Joan Stringer	Napier University	MH/SW approached already, chasing for reply		Supportive. Students supportive also. Leaflets accepted.
John Archer	Heriot Watt	MH/SW already presented to. Chasing for other opportunities		No further opportunities to speak but accepted leaflets.
T O'Shea	Edinburgh Uni	Donald Anderson	Tram line 3	Personally very supportive. Will discuss with the University Court before adopting a formal position. Accepted leaflets.
David Somerville	Edinburgh Uni	Donald Anderson		Personally supportive. Will look to Edin Unis formal stance.
Rosaline Marshall	Queen Margaret College	S Waugh approached, chasing date for pres. S Campbell to speak to QMC's PR	Tram line 3 benefits and their move to Craighall	No opportunities for presentations but accepted leaflets. Up to individuals on how they feel about charge.

Hotels/Tourism

Champion Name	Contact information	Person for approach	Issues to be aware of	Result?
Peter Taylor	Town House Company	Andrew Burns	Stress benefits of customers dining with out car restrictions	On board Not willing to speak up publicly.
Peter Murphy	Sheraton Grand 0131 2299131 via his secretary Alison Stowell	Michael Howell	As above	
Douglas Logan Managing Director of Speciality Scotland Travel Ltd	Edinburgh Tourism Action Group 0131 3433770	Michael Howell		
Colin Howden	Transform Scotland	Alex Macaulay		On board and speaking up.

Scottish Council of Development & Industry

Champion Name	Contact information	Person for approach	Issues to be aware of	Result?
Alan Wilson		Donald Anderson	Supporters/ Cynics	On side but having further conversations with DA.

Sport

Champion Name	Contact information	Person for approach	Issues to be aware of	Result?
Executive Board	SRU 0131 3465000, option 0. (Via his PA Fiona)	Michael Howell	Have objected? Arguments for benefits to a large stadium directing supporters to venue – Stade de France, Paris Potential to move stadium to another location	
Past and current rugby players	E.g. Gavin Hastings	Graeme Bissett	Gavin Hastings is a retailer Chris Paterson lives in the Borders, etc	
Hearts	Board of Directors/CEO Mr O'Neil (labour)	Mr O'Neil (labour) Andrew Burns?	What is their current position on tram? Shared stadium status with Murrayfield	Not feasible to approach
Hibs	Board of Directors/CEO Mr Foulkes (labour)	Mr O'Neil (labour) Andrew Burns?	What is their current position on tram?	Not feasible to approach

Health

Champion Name	Contact information	Person for approach	Issues to be aware of	Result?
Andy Elliott Manager 554 5000	Next Generation Health Club at Newhaven	S Waugh	Their PR agents are also John Lewis's - Citigate.	Up to individual, accepted leaflets
Sally Clark Manager 657 6800	Living Well Health Club (Newcraighall)	S Waugh		Up to individual, accepted leaflets
Manager 316 2300	David Lloyd Health Club	S Waugh		Up to individual, accepted leaflets
Andrew & Helen Zeally		Marjory Kenny		

Shopping Centres/Retailers

Champion Name	Contact information	Person for approach	Issues to be aware of	Result?
Ian Ferguson Manager	Gyle 0131 5399000 (switchboard) ian.ferguson@ gyle-ltd.co.uk	Michael Howell		Will raise with asset committee. Not willing to speak out yet. Up to individual, accepted leaflets
Alan Logre Manager	Sainsburys (Blackhall) 0131 3320704 (switchboard)	Michael Howell		Accepted leaflets.
Liam Smith Commercial Manager	Kinnaird Park (Newcraighall) 0131 6699090	Michael Howell		Not his role, have sent e-mail to speak with person whose role it is. Accepted leaflets
Karen Stewart Manager	Cameron Toll 0131 6662777 (switchboard) karen@camero ntoll.co.uk	Michael Howell		Spoken with Willie. To be contacted for her thoughts following letter 10/12 Accepted leaflets

Lesley Knox 243 8325 Or Norman Murray	Non Exec Director HMV, Hays Group, MFI, Alliance Trusts, British Linen Advisers Contact at BLA on 020 7710 8820 or Lesley.knox@b ritishlinen.co.uk	Michael Howell		
Gordon Drummond General Manager	Harvey Nichols 0131 5248302 (his PA) gordon.drumm ond@ harveynichols.c om	Michael Howell	Leaflets in stores against CC	
Belinda Robertson *	Cashmere Designer and Retailer		Need to concentrate to benefits for retail and ease of paying cc.	

Philip Contini * (via John Mark di Ciacca EDI group) 220 4424	Chairman & MD Valvona & Crolla	Cllr Perry or Ian Wall?		
Brian Smellie/Fiona Moriarty	Scottish Retail Consortium	Andrew Burns		Brian is opposed, quiet publicly. Fiona privately more supportive, balanced comments through debate.
Dorothy Fenwick	Network Rail			
Alan Malloy	M&S	S Waugh		Up to individual, accepted leaflets
David McDonald	Cockburn Association	Bill Cartley?		In support, with reservations documented in 7/12 letter to Andrew Burns
Gavin Scott & Joan Williams Policy Managers	Freight Transport Association	Michael Howell		Something has t be done. Won't campaign for no. Will sit on fence. Feel that Edinburgh CC not been helpful in past, need fleet to be given a special deal.

Restaurants

Champion Name	Contact information	Person for approach	Issues to be aware of	Result?
Dave Ramsden *	Rouge	S Waugh	Bicycle used if CC comes in	Up to individual, accepted leaflets
Manager	Guliannos	S Waugh	Very positive about trams in Leith	Up to individual, accepted leaflets Very positive about trams in Leith
Manager	Est Est Est	S Waugh		Up to individual, accepted leaflets

Business

Champion Name	Contact information	Person for approach	Issues to be aware of	Result?
Alec Rose/Louise Baker	Royal Bank of Scotland	MH/SW approached already	Presentation on 11/1	Up to individual, accepted leaflets
	HBoS	S Waugh		Up to individual, accepted leaflets
Marcia Campbell Jim Hunter Robin Hastie Smith	Standard Life	S Waugh following meeting 15/12	Shuttle bus requirements a challenge	Supportive of council. Shuttle bus requirements a challenge, positive thoughts about initial proposal. City Centre businesses need support too. Very proactive leaflet distribution
Susan Rice *	Chief Exec Lloyds TSB	Ewan Brown	Need to lean on more public transport that's regular and convenient	Accepted leaflets
Tom Farmer *	Farmer Autocare	Ewan Brown		
Keith Miller *	Miller Group	Ewan Brown	Need to discuss trams and the benefits	

Hans Rissman Chief Executive	EICC 0131 5194078 (his PA Liz) hans@eicc.co. uk	Michael Howell	Visitors to the city main edge of business	Accepted leaflets
Mike Rutherford *	Entrepreneur	Michael Howell		
John Denholm *	Leith Agency			
Lorraine Bennett *	Partner (audit) Price Waterhouse Coopers		Improving the options available to people.	
Brendan Dick *	BT Scotland	S Waugh	Doing nothing is not an option	Accepted leaflets, up to individuals
Mark Hamilton *	Rock Steady Security			
Gordon Cairns *	Cairns Bond Headhunters			

Willie Watt Chief Executive	Martin Currie Fund Managers 0131 4794681 (his secretary Carolyn Mackay) w.watt@martin currie.com	Michael Howell		Mr Watt and the company in general are supportive of the efforts to improve the public transport system in and around Edinburgh.
Grenville Turner *	Chief Exec Intelligent Finance 0845 8507505			
William Furness	Edinburgh Chamber of Commerce & Enterprise	MH already presented		
Jim Mcfarlance	SEEL	Graeme Bissett		On board. prepared to play part, keep them informed for marketing campaign.

Norman Murray	Cairn Energy	Michael Howell		<p>He is ambivalent about the Congestion Charge but had three concerns:</p> <p>Is the money going to be spent on transport, and if so, exclusively on public transport? I said "yes", and "no".</p> <p>There is no congestion in Edinburgh and he can park anywhere and anytime so why do we need it? I explained things will get worse.</p> <p>Retailers will be hard hit. I said we are doing what we can to mitigate effects. For whose benefit is the program of improvements?</p> <p>Which investors are likely to be swayed positively? I said non-Edinburgh residents.</p> <p>Followed up with letter and information</p>
Gordon Mcintyre-Kemp	Now Business	S Waugh		<p>In favour, 2 articles covering favour and reasons why in their on line newsletter (3-4,000 businesses in Edin). Available for interview, also doing press release.</p>

Transport

Champion Name	Contact information	Person for approach	Issues to be aware of	Result?
Jim McDonald *	Chairman Central Taxis & all other taxi assoc	S Waugh following 9/12 council decision	How will the £2 achieve a reduction in congestion if people choose to pay it anyway? Forth road bridge example.	Accepted leaflets, did not want to meet.
Charles Hammond/Terry Smith *	Forth Ports	Andrew Burns		Supportive, good assistance to Y2E
Neil Renilson	Lothian Buses	Andrew Burns		On board & supportive to Y2E behind scenes

Gavin Scott and Joan Williams Policy Managers	Freight Transport Association Gavin: 07818 450547 Joan: 07818 450541 or 01786 457500	Michael Howell		Won't campaign for no. Comments include will sit on the fence, fleet operators need a special deal. * action CEC?
Richard Jeffrey	BAA	Andrew Burns		Supportive and very helpful to Y2E behind scenes
Owner	Persevere Private Hire	S Waugh		In favour, glad of exemption. Accepted leaflets & will also distribute
Henry Glasgow	Com Cabs	S Waugh		Accepted article for newsletter. Accepted leaflets & will also distribute

Celebrities/Personalities

Champion Name	Contact information	Person for approach	Issues to be aware of	Result?
Shonaig Macpherson	mail@shonaigmacpherson.com	Michael Howell	Already produced article for SoS	On board. Speaking up in the press.



Agenda Item 8

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