

Edinburgh Tram Project

The City of Edinburgh Council

25 August 2011

1 Purpose of report

- 1.1 Further to the report to Council on 30 June 2011 on the Edinburgh Tram Project this report advises of progress made on the Council's instructions over the summer period and makes recommendations on the future funding options and governance arrangements.

2 Summary

- 2.1 In agreeing the Edinburgh Tram Report to Council on 30 June 2011, the decision of Council set out a number of actions for Council officers. The Chief Executive and Director of City Development were to report on the funding arrangements, and to report in detail on the risks being incurred, particularly in relation: to utilities in the Haymarket to St. Andrew Square section; the risks surrounding the potential sale or lease of tram vehicles; and, the method and manner in which the Haymarket to St. Andrew Square section has been de-risked.
- 2.2 A funding proposal has subsequently been prepared which would allow the Council to revenue fund the necessary borrowing, in a manner that would allow for refinancing options to continue to be pursued, whilst allowing the project to progress.
- 2.3 A detailed review of the key project risks has been carried out, validated by Faithful and Gould, construction cost management consultants, to ensure that appropriate risk management procedures are in place.
- 2.4 This report also sets out further detail on revised governance arrangements; the refresh of the 'Open for Business' programme; and updates Council on certain other Tram related matters.

3 Main report

- 3.1 At the Council meeting of the 30 June 2011 a report was presented on the Edinburgh Tram project. Following consideration of that report, the Council instructed the Chief Executive and the Director of City Development to prepare a further report to address how funding was to be provided for the Project going forward. The Council also sought a detailed explanation of project risk and how

it is to be managed; revised governance arrangements; and a refresh of the previous 'Open for Business' programme.

- 3.2 In addition, the Council instructed the procurement of road, pavement and public realm improvements for the Picardy Place to Newhaven section of Tram Line 1A, utilising funds set aside in the Council's capital programme for that purpose.

Progress since June Report

- 3.3 Since the June report significant progress has been made by the parties on the commercial terms of the Settlement Agreement. In addition, there has been good progress towards the completion of agreed priority works at Haymarket Yards, the A8 underpass the Tram Depot and test track.

Risk

- 3.4 In June the Council asked for greater clarity about the risks being underwritten by the Council in relation to the project, to enable a fully informed decision to be taken as to the acceptability of any new funding commitment.
- 3.5 A further full review has been carried out of the key project risks against the proposed budget. This review has been validated by Faithful and Gould. The review considered the robustness of the financial assessment as presented to Council on 30 June 2011. This has been updated as new information has become available.
- 3.6 Faithful and Gould have both tested and validated the figures and the underpinning assumptions. A revised budget has subsequently been produced and is summarised later in this report.

Legal risks

- 3.7 In addition, a confidential schedule summarising the key legal risks in relation to the project has been prepared and will be shared on a confidential basis with Elected Members.

Utilities

- 3.8 Since June further investigations have been instructed on key sections of the on-street works between Haymarket and York Place, in particular to identify conflicts arising as a result of the finalised design, including the locations for Overhead Line Poles.
- 3.9 Trial bore holes have been opened up in known utility areas supplemented by radar scanning, which is ongoing, across the entire route covering both the immediate tram movement corridor and the adjacent locations of bases for overhead line equipment poles. These further investigations have identified circa 550 potential utility conflicts although it is not believe that all of these lie on the critical path.
- 3.10 The Utilities diversions have had a significant effect on the project, both in terms of programme delay and direct costs. The Faithful and Gould review of this area has considered lessons learned from the past and aimed to anticipate

how such difficulties might better be overcome as we move forward. In light of this an appropriate risk allowance has been included in the project budget to cover clashes between utilities and the infrastructure.

Funding

- 3.11 The report to Council on 30 June set out the requirement to identify additional funding for the project up to a value of £772m, being a base budget allowance of £695m plus a £77m risk provision. The current approved budget for the project is £545m, comprising Transport Scotland funding of £500m and £45m from the Council.

Scale of Funding Requirement

- 3.12 In the period since the Council meeting on the 30 June, Council officers have been seeking to validate the programme budget and provide further assurance on the project costs and required risk allowance.
- 3.13 The review of the budget has validated the base budget allowance for the project to York Place at £742m. The quantified risk allowance for the project has been validated at £34m, giving a total budget requirement of £776m. The review has also confirmed that the funding required for completion of the project to York Place is £231m in addition to the previous budget sum of £545m. Table 1 shows the resultant shift from the previous risk and contingency allowance into the current base cost and consequential reduction in risk requirement.
- 3.14 Every effort has been, and will continue to be, made in relation to finalising an outturn cost for the project. It is not possible to guarantee a fixed or maximum cost as the works, particularly the on-street section, carry inherent risks as highlighted above. However, Council can be assured that all reasonable steps have been taken to quantify the risks and make provision for these based on an assessment of their probability and impact, as reflected in the revised budget. This reflects best practice in project risk management.
- 3.15 The shift from the previous contingency sum to the base budget has resulted from greater certainty being achieved in relation to the cost of on-street infrastructure, greater knowledge of the utilities issues and further design completion. This has resulted in a move from the high level broad assessment of risk that was made in June 2011, to a more granular and detailed assessment of specified risk.

Budget Summary	Estimated Budget	Validated Budget
	As at 30/6/2011 (£m)	As at 25/8/2011 (£m)
Base Budget	695	742
Risk and Contingency	77	34
Current Programmed Budget	772	776

Table 1: Movement in Budget Figure following Review and Validation

- 3.16 In order to achieve the most robust possible cost estimates Faithful and Gould have worked with Council Officers to validate the base budget for the works from Airport to York Place and have also completed thorough testing and validation of the proposed risk allowance. A confidential schedule summarising of the findings of Faithful and Gould Review has been prepared and will be shared on a confidential basis with Elected Members.
- 3.17 The validation exercise has involved a comprehensive review of the most up-to-date and relevant financial, legal and commercial information, to enable a detailed budget for the project to be produced.
- 3.18 In addition, Faithful and Gould have facilitated workshops with all relevant officers to assess the robustness of the project risk allowance on the basis of current available information. Bilfinger Berger Civil (UK) and Siemens plc provided information to assist with this assessment. The findings of this work have informed the quantified risk allowance for the remainder of the project.

Options Appraisal

- 3.19 The Council report of the 30 June estimated the costs of separation from the infrastructure contract unilaterally and resolving matters through the courts. This estimate was based upon detailed work conducted on behalf of the Council by legal advisors McGrigors LLP and validated by Faithful and Gould.
- 3.20 The specific agreement reached at mediation was that each of the Consortium members would prepare sealed envelope estimates of their costs for walking away from the contract in the event that the Council was unable to secure the necessary funding to complete the project. Further discussions now indicate, in the event that the Council is unable to secure approval of the funding to complete to St. Andrew Square, termination of the contract by this mechanism, resolving all related liabilities, as at the 25 August, i.e. some £80m below the costs of unilateral separation as previously calculated. However, it should be noted that this is currently **not** legally binding.

- 3.21 This option is **only** available if the Council is unable to approve funding to complete to St. Andrew Square/York Place. It is important that it is remembered that project cancellation would leave the Council with only a partial tram asset, and no tram operational revenue, and a significant revenue exposure for the balance of any termination in the year of cancellation.
- 3.22 In order to assess other avenues of funding discussions have been held with the Scottish Futures Trust. Inverleith Capital was also commissioned to appraise potential financing routes. Their analysis examined the pros and cons of options such as private sector equity / debt models, franchising, and Council prudential borrowing.
- 3.23 Inverleith Capital have concluded that, at this time, taking due account of criteria including deliverability and cost, the most immediately deliverable option is to use borrowing via the prudential framework to finance the remainder of the project. A 30-year repayment period has been assumed for the proposed borrowing with an interest rate of 5.1%. It should be noted that current rates are less than the 5.1%. The ratio of principal to annual debt servicing costs, at these interest rates, is estimated at 15:1. The Council's Long Term Financial Plan (LTFP) has been examined to identify potential revenue streams that could be used to meet the costs of prudential borrowing at this level.
- 3.24 The Council's LTFP makes specific provision for loan charges associated with Council borrowing. Additional borrowing will therefore have a direct impact on the plan. However, there remains scope to accommodate some additional borrowing within the existing limits of the LTFP. Table 2, below, identifies options for financing additional borrowing. In reviewing loan charge assumptions within the LTFP it has been identified that the following provision could be allocated to the Trams project: It should also be noted that changes to the national grant system is expected to benefit Edinburgh, these changes are highlighted below.
- Pro-active Treasury Management of the loans portfolio, together with current lower interest rates, has identified loans charges headroom of £3.9m per annum;
 - Unallocated revenue sums of £2m per annum have been provided to meet costs of infrastructure investments.
- 3.25 These items in addition to revenue from the TEL Business Plan and income from leasing of tram assets to the operator would leave a balance of £4.8m. This balancing item would represent a pressure on the Council's Revenue Budget, equivalent to approximately 0.34% of the Gross Revenue Budget. There may be further Treasury Management opportunities given the profile of current maturing debt to derive savings that would reduce this exposure.

	Revenue Impact £m	Capital £m	Cumulative Funding £m	Notes
TEL Business Plan	2.0	30.0	30.0	Previously Identified in Council's contingency planning
Infrastructure Provision in Budget	2.0	30.0	60.0	Previously Identified in Council's contingency planning
Loans Charges Headroom	3.9	58.5	118.5	
Income from Leasing of Tram assets to operator	2.7	40.5	159.0	
Additional CEC Revenue (Unbudgeted pressure)	4.8	72.0	231.0	

Table 2: Long Term Financial Plan (LTFP) potential revenue streams

- 3.26 In addition to the above revenue streams when the Council's Capital Investment Programme (CIP) 2011/15 was constructed prudent assumptions were made about resources available from capital grants. Once the spending review is announced later this year, there may be an opportunity to apply resources within the CIP, which would ease impact on the revenue budget.
- 3.27 The Council's gross expenditure in 2011/12 is £1.4bn. The annual revenue costs of the additional borrowing required by the Tram project is estimated at **£15.3m**, approximately 1% of the Council's gross budget. On this basis, the additional borrowing could certainly be sustained by the Council, albeit that it would place some additional pressures on the Council's budget.
- 3.28 To enable the Council to meet the £231m funding requirement the Council's prudential funding limits will need to be increased by this amount with the on-going borrowings costs met by revenue streams identified above.

Phasing of Funding Requirement

- 3.29 The Council will need to manage the cashflow for the project over several years. The funds in question will build up over a period of four financial years and the finance required will be managed within the context of the Council's treasury management strategy. The phasing of the project cashflow is highlighted in table 3 below.

Financial Year	Estimated Cashflow £m	Remaining Grant from Transport Scotland £m	Funding Required £m	Revenue Impact £m
2011/12*	157.01	12.00	145.01	3.738
2012/13	84.72	25.00	59.72	11.160
2013/14	25.72	25.00	0.72	13.600
2014/15	35.55	10.00	25.55	14.286
Risk assessment (remaining)				15.323
Full Year Annual Cost	303.00	72.00	231.00	

Notes: *Part year from full construction re-start

Table 3: Phasing of the funding requirement

- 3.30 The annual revenue charge of £15.3m does not take account of the time value of money. The UK government's discount rate of 3.5% at Net Present Value (NPV) would reduce the cumulative revenue charge from £459m to £291m. The discount rate is used to convert all costs and benefits to 'present values' so that proper comparison of time related cash flows can be made. Calculating the present value of differences between the stream of costs and benefits provides the NPV of an option.
- 3.31 In normal practice, the benefits of an investment would also be applied against the cash outflows. It is worth remembering that there are significant revenues derived from the tram project that would offset the costs of the project.
- 3.32 The allocation of the above revenue streams for the Tram project, whilst placing no immediate pressure on other Council services, represents an opportunity cost for the Council and will therefore reduce the options available to meet future service pressures in the context of demographic changes, price inflation and reduced government funding. However, even with the proposed additional borrowing, all the Council's existing capital commitments will be honoured.
- 3.33 However in the event of project cancellation, there would be a one year revenue impact of over £180m. The impact on Council Tax levels to finance this magnitude of revenue would be equivalent to a one year increase of 80%. The Council's current reserves, including earmarked reserves, would not provide the level of revenue required. This assumes that the Transport Scotland Grant to date would not have to be repaid.**
- 3.34 The reputational damage to Edinburgh and to Scotland of failing to complete the project would also be significant and could harm the City's future investment prospects. Failure to complete would also have significant environmental consequences, as explained in the 30 June Council Report.

- 3.35 As explained in the 30 June report, the proposed Edinburgh Gateway Station will facilitate the interchange of passengers from the central Scotland and Fife and North East Scotland (including Perth, Dundee and Aberdeen) rail networks to the tram, and onward to destinations across Edinburgh. Edinburgh Gateway is a Network Rail Scotland project funded by Transport Scotland, on behalf of the Scottish Government, and will be project managed by Network Rail Scotland, the ultimate client. It is a significant national project where integration of train and tram services will allow easy public transport access to Edinburgh Airport.
- 3.36 In recognition of the impact that allocating these funds for the Tram would have on future Council services, the Council's Chief Executive continues to seek dialogue with the Scottish Government on policy changes which could provide additional revenue resources to the Council. Topics for discussion with the Scottish Government would include:
- the SNP's manifesto commitment that no council should receive less government funding than 85% of the Scottish per capita average. It is estimated that an increase in Edinburgh's funding to the 85% level would provide additional resources for Edinburgh;
 - the dialogue between Scottish Government and COSLA about a Non-Domestic Rates Incentivisation Scheme. Variants of such a scheme, recognising Edinburgh's substantial annual NDR leakage, may provide an additional funding stream that could assist the Tram project.
- 3.37 It is important to note that there is no guarantee that this dialogue will produce additional revenue support, nor a clear timescale for their conclusion. Council officers believe, however, that there is a strong rationale for the Scottish Government to provide additional revenue support. Whilst recognising the political stance taken by the government, the tram is a Scottish project; the government have provided additional support to other capital projects. There is a strong possibility of progress on the initiatives in the bullet points above, notwithstanding any further discussions with the government on the tram project.

Alternative Borrowing Options

- 3.38 The increase in the Public Works Loans Board (PWLB) margin over Gilts to 1% announced in the UK Government's 11/12 Comprehensive Spending Review, opens up an opportunity to consider a Bond issue as an alternative to PWLB borrowing. The Greater London Authority recently issued a bond with an average maturity of just over 20 years at 5.017%, a discount of about 0.2% to the relevant PWLB rate at the time. A bond issue could be a cost effective option for raising the required borrowing. It is therefore proposed that the Council puts in place some of the pre-requisites for a bond issue such as gaining a credit rating for the authority and examining the appropriate risk management measures.

Future Options

- 3.39 Whilst, at this time, borrowing through the prudential framework appears to be the best means for the Council to provide the funds for the project there will be opportunities to re-finance the project in the future to ensure completion to Newhaven. Several companies have approached the Council about sale and lease back proposals and similar variants.
- 3.40 Council Officers will therefore continue to explore longer term options for re-financing that will enable the project objectives to be realised. This work will examine options for both re-paying the borrowing costs and also completing construction to Newhaven.
- 3.41 The 30 June report referred to the bid made by the Council and CAF to lease vehicles to Transport for London for the Croydon Tramlink. This bid was unfortunately unsuccessful. In light of this an assessment has been made as to the risk around the demand for any surplus tram vehicles elsewhere.
- 3.42 Firstly, an assessment has been made as to the likely demand for excess tram vehicles from Rolling Stock Operating Companies (ROSCO's). This is where the ROSCO's would take the surplus tram vehicles and lease on to another provider. Based on current knowledge and understanding of the market, demand from ROSCO's is unlikely, for the following reasons:
- ROSCOs were set up to own and lease passenger rolling stock. Although they have also financed freight locomotives and vehicles, none of them have financed tram vehicles in a manner which involves the assumption of residual value risk.
 - Even if, in principle, the ROSCOs were willing to take residual value risk on tram vehicles, without a creditworthy lessee who had committed to lease the vehicles for a reasonable term, purchase of the Edinburgh trams would in effect be speculative. While the ROSCOs have entered into speculative transactions in the past, these were for rolling stock that could be operated on a number of routes or for which there was a clear, albeit uncommitted demand. The ROSCOs current ownership structure makes a speculative purchase unlikely and we are not aware of any such purchases which have been made recently.
- 3.43 An assessment has also been made of the potential demand from Other Tram Systems:
- **Abbey Line – UK:** There is a project under evaluation by the Department for Transport on the Abbey Line (Watford - St Albans). The project is still live but moving slowly at present. A number of organisations have been short-listed to bid to operate the service. The original plan was for the operator to procure the trams, although Hertfordshire County Council may take responsibility for this. The procurement is for approximately 4 second hand trams from Europe. There may be an opportunity here, not in the short term, and there is as yet no committed funding for this project at this time. This opportunity would present Low Technical Risk but potentially high financial benefit, however as noted above, funding is uncertain.

- **Sheffield – UK:** South Yorkshire Passenger Transport Executive (South Yorkshire PTE) is holding a market consultation over the intention to purchase approximately 4 new trams to supplement the present Sheffield Supertram fleet. The new trams should be able to operate safely and efficiently on the existing tramway infrastructure. South Yorkshire PTE has not yet secured funding for this fleet extension. This opportunity would present a high technical risk due to the demanding gradients on some of the lines and the platform length on the infrastructure would require modifications to be made to Edinburgh's surplus trams. There is a potentially high financial benefit as looking for purchase or possible long term lease, however funding is currently uncertain.
- **Turkey:** There have been quite a number of developments with Light Rail in Turkey recently. However the opportunities are unknown at present.
- **Oslo:** Oslo's tram system has been suffering from temperature related unreliability problems with their fleet purchased during the last 5 years. Their requirement is relatively short-term, to cover a modification programme of around 2 to 3 years and the infrastructure is not well suited for Edinburgh trams without extensive works to each.

3.44 As demand is cyclical Council officers will continue to look for ways to obtain value from surplus tram vehicles as other cities expand their networks and replace their tram fleets.

Governance Proposals

- 3.45 The current governance arrangements for the Tram project are set out in the Operating Agreement and Memorandum of Understanding among TEL, tie Ltd and the Council. The scope of services originally assigned to tie Ltd and the current governance structure are reproduced in Appendix 1 to this report.
- 3.46 Audit Scotland in its interim report on the Edinburgh Tram Project of February 2011 made observations on governance matters, comments on shortcomings and complexity are reproduced in summary at Appendix 2.
- 3.47 The existing governance arrangements for the Tram project are complex have not been effective.
- 3.48 The governance arrangements for the delivery of the Tram project additionally have had to take account of the complexity of the arms-length bodies that were proposed to deliver an integrated transport service once trams become operational.
- 3.49 The Council report of 30 June proposed that the governance arrangements for the management of the tram project should be revised. In practice, there is a need to revise the overall arrangements to ensure effectiveness, accountability, probity and integrity going forward.
- 3.50 The Office of Government Commerce promotes a best practice model known as PRinCE2 (PRojects IN Controlled Environments) which is a process-based

method for effective project management. The PRinCE2 standard is used extensively by the UK Government and is widely recognised and used in the private sector, both in the UK and internationally, as a model of project governance. The key features of PRinCE2 are:

- Its focus on business justification;
- A defined organisation structure for the project management team;
- Its product-based planning approach;
- Its emphasis on dividing the project into manageable and controllable stages; and,
- Its flexibility to be applied at a level appropriate to individual projects.

3.51 The PRinCE2 methodology identifies a number of key roles for successful project management¹:

- Executive/ Project Sponsor: the key investment decision maker responsible for overall control of the project.
- Project Board: responsible for overseeing project progress and deciding upon key issues that require to be escalated for resolution.
- Project Manager: dealing with the acceptance, execution and delivery of project work ensuring that work is authorised and agreed, team members and suppliers are clear as to what is to be produced in terms of costs, timescales and quality and that timely, accurate reports on progress are prepared and stakeholder expectations are managed.

3.52 In refreshing the project governance to fulfil the above roles, it is proposed that the Council's Chief Executive will become the Executive sponsor for the project chairing the Project Board and the current chair of tie Ltd will become Vice Chair. This Board will be constituted as a Joint Project Forum involving the Council, the main parties to the infrastructure contract – Bilfinger Berger Civil (UK), Siemens plc and CAF - and the proposed future operator of the tram network, Lothian Buses. The Joint Project Forum would meet bi-monthly and take high level management oversight of the tram programme, ensuring mitigation of key risks to the programme timetable and budget (see Appendix 3). Transport Scotland would also have a standing invitation to these meetings.

3.53 The Director of City Development would be the Senior Responsible Officer (SRO) acting for the Chief Executive in managing the operational delivery of the project, working with the Vice Chair and the Project Delivery Group into which the Project Manager and individual team managers would report. It is proposed that the Council's Traffic and Engineering Manager will fulfil the role of Project Manager, on a full time basis.

¹ Also of relevance is the OGC Achieving Excellence in Construction guidance: http://www.ogc.gov.uk/ppm_documents_construction.asp

- 3.54 It is proposed that the current chair of tie Ltd should chair the Project Delivery Group and become the Vice Chair of the Project Board. This would provide both continuity and resilience within the governance structure.
- 3.55 These new governance arrangements are intended to reflect the principles of project partnering and collaborative problem solving that were envisaged when the contract was first awarded. These arrangements will require a commitment by all parties to the contract to adopt different behaviours to those that have caused difficulties to date. Under the terms of the Settlement Agreement the infrastructure contractor will be obliged to continue to deliver work to a standard that meets the employer's requirements. A key change will be the introduction of an independent certifier to help ensure a speedier resolution of construction-related disputes.
- 3.56 An important question that has arisen since mediation is whether there is, any longer, a legitimate role that can be played by tie Ltd as an arms length company that could not be met by the Council itself.
- 3.57 The number of staff employed by tie Ltd has already been reviewed by the Director of City Development in consultation with the tie Chair and senior tie personnel. As a result a number of staff will leave tie Ltd over the next two months under a programme of voluntary redundancies which will reduce the staff headcount by over 50%. Staff taking up the voluntary redundancy option will receive their contractual period of notice plus one month for each year of service (most tie staff have between 3-4 years of service). The estimated cost of this is £1.3m.
- 3.58 In recognition of anticipated changes to the role of tie Ltd and TEL the independent non-Executive Directors of tie Ltd and TEL, with the exception of the Chairman, recently stood down from their positions. tie Ltd's Chief Executive has also left the company. Audit Scotland also expressed its views about the potential conflicts of interest faced by elected members who served on the Boards of tie Ltd and TEL and two elected members have also stood down as non-Executive Directors.
- 3.59 In order to ensure continuing corporate governance the Council's Director of City Development and Acting Director of Finance were recently co-opted as non-Executive Directors to the Board of tie Ltd to ensure additional scrutiny following the departure of the independent Directors and elected members.
- 3.60 To ensure effective oversight and delivery of the project going forwards the Council is in the process of engaging Turner and Townsend as project managers. They have previously been involved in advising on the project and have considerable experience of light rail projects. Indeed, they are presently project managing the delivery of the Nottingham Rapid Transit Project, the development of the Dublin Tram System and have previously overseen the Croydon Tramlink and others.
- 3.61 Turner and Townsend are in the process of being formally appointed to provide project management support to the project under a Government Procurement Service Framework. They are presently working with tie staff to look at how best to deliver the project in the future. Once a final organisational structure has been agreed it is proposed that any remaining staff of tie Ltd will be

managed in the appropriate manner, taking into account all necessary legal and human resource issues.

- 3.62 Plans are also in place to close the tie Ltd office at City point with the remaining staff relocating to Lochside at Edinburgh Park. Thereafter, the project would be directly governed by the Council with assistance from Turner and Townsend as external project management support. It is anticipated that the revised arrangements will deliver value in future years, once the one-off costs of restructuring tie Ltd have been paid. The Council will continue to retain services of Hg Consulting as Independent Certifier with a duty of care to the Council.
- 3.63 The importance of effective future arrangements for political scrutiny of the Tram Project is clear, and elected members need to have the opportunity to question the arrangements for managing the project and accounting for public funds. At the 30 June Council meeting it was proposed that a new Tram Project Audit Committee should be set up, chaired by the Leader of the Council and attended by Transport Scotland and elected members from each party group on the Council.
- 3.64 Having further reviewed the potential arrangements it is now recommended that the Council's existing Audit Committee should fulfil this role, given it already audits all other works of the Council. Transport Scotland would be invited to attend these review sessions, in an expert witness role, as well as involvement, as appropriate, with the Project Board.
- 3.65 The Project would additionally utilise a Stakeholder Forum to ensure that key business and community interests are kept fully informed of the project's progress.

'Open For Business' Review and Programme

- 3.66 At its meeting on 30 June the Council agreed that the 'Open for Business' programme should be reviewed and refreshed to improve the focus on support for small and medium sized businesses. Appendix 4 provides a summary of the evolution of the previous scheme and includes some examples of the successes during the period it was active.
- 3.67 Refreshing the 'Open for Business' programme will help give confidence to businesses affected by the works, and encourage footfall into the city centre. Work on this has already begun with a communications plan being implemented to promote the City while works take place in Princes Street. There have also been a number of meetings with city stakeholders and logistical support for issues such as access, deliveries and signage is planned to support business during the works.
- 3.68 It is proposed that a budget allowance of £210,000 be made in the tram project budget for both 2011/12 and 2012/13 to provide further support to businesses during tramworks this financial year. This would include direct funding for the three Town Centre Coordinators covering the City Centre, Leith Walk and the West End, supplemented by funding for the winter festivals and additional events during times when there are gaps in the City's existing events calendar.

- 3.69 There are opportunities to work with partners to maximise the promotion of the city centre generally during the period of tram works and beyond, and it is recommended that a cross-agency working set up for this purpose having where appropriate to Marketing Edinburgh.
- 3.70 Discussions have also been held with the Regional Assessor on the subject of possible business rates relief. The Assessor has confirmed that businesses affected by the tram works will again be entitled to apply for a revaluation of their business rates to gain a temporary reduction in rateable value, if they can demonstrate the rateable value of their property has been directly affected by the works programme.

Princes Street

- 3.71 As referenced in the May and June Council Reports, following the initial tram works on Princes Street, movement defects have appeared at the interface between the rails and the road. Detail of how the street closure will be managed is provided in Appendix 5.
- 3.72 In summary:
- A new design solution has been developed. The surface finish will be black coloured concrete with a brushed finish to match the asphalt on either side of the track;
 - The construction works will require the majority of Princes Street to be a construction site for the duration of the works. Access for loading will be permitted in the evenings for shops and premises (as currently exists) in the eastbound direction on Princes Street. Emergency access will be provided at all times and both footways will remain unoccupied during the works.
 - Detailed planning has been undertaken with key stakeholders to ensure the traffic diversion minimises the disruption to the City. The traffic diversion scheme is that previously used when the original tram works were carried out. This will be implemented over the weekend of 3 September 2011;
 - Enabling works on Charlotte Square, George Street and St Andrew Square have largely been completed, with a further programme of works, mostly of carriageway markings, being carried out from 20 August 2011;
 - Construction works will be suspended for the festive break and the road will be temporarily reinstated by 24 November 2011 to allow for the switch on of the Christmas lights. Princes Street will remain pedestrianised until 4 January 2012 when works will recommence. The traffic diversions and access arrangements for loading will remain in place;
 - A full logistics plan has been developed. This includes support to determine requirements for deliveries and access, refuse collections and loading requirements;

- Coordination with other developers carrying out works on buildings on Princes Street and on the local diversion routes has been carried out to ensure their needs are met, where practicable;
- A full communications plan has been implemented to inform those travelling in the City of the traffic diversion associated with the work programme; and,
- Throughout the construction works requests for events to take place on or around the tram construction work or diversion routes will be required to find alternate locations.

Road, pavement and public realm improvements

- 3.73 Following the instruction of Council, that road and pavement reinstatement work and public realm improvements should be carried out in the Picardy Place to Newhaven section of tram line 1a, the Director of City Development and Director of Services for Communities have met to agree a rectification plan. This will see work carried out to reinstate temporary surfaces in affected locations along Leith Walk and Constitution Street, co-ordinating Council led work with residual reinstatement work under the tram contract.
- 3.74 The Directors of City Development and Services for Communities have also discussed how public realm improvements can best be achieved along the route of tram line 1a in the city centre and Leith Walk. In addition to the planned improvements at St Andrew Square, both Princes Street and Leith Walk have been identified as priority locations for public realm upgrading work. Detailed design work will be carried out on public realm proposals and considered in the first instance by the Council's Corporate Asset Management Group and subject, thereafter, to appropriate consultation.

4 Financial Implications

- 4.1 Following further due diligence on the programme, budget and risk allowance it is now calculated that the overall programme budget should be adjusted to £776m, being comprised of a firmed up base budget of £742m and a risk allowance of £34m. The budget represents a figure of £231m above the currently approved budget of £545m.
- 4.2 It is proposed that the additional £231m would be funded by prudential borrowing, which would represent an annual revenue cost of £15.3m over a 30 year period. Table 2 earlier in this report identifies the proposed sources of revenue support to be used for repayment of the prudential loan.
- 4.3 The phasing of the borrowing requirement is such that the Council can continue to explore alternative funding arrangements as well as future options for re-financing the project once complete.
- 4.4 The Princes Street works are being carried out at no cost to the Council, but there will be a loss of parking income on George Street which is estimated at £730K, which will be managed through the Council's Revenue Monitoring process.

- 4.5 Mitigation measures, in the form of parking spaces on the Mound (when the Mound is closed) are being proposed. The required Traffic Regulation Order will take several months to promote, but work has begun on this and it may be possible to recover up to £100K from these parking spaces during the works.
- 4.6 However as noted earlier in the report, in the event of project cancellation there would be a one year revenue impact of over £180m. The impact on Council Tax levels to finance this magnitude of revenue would be equivalent to a one year increase of 80%. The Council's current reserves, including earmarked reserves, would not provide the level of revenue required. This assumes that the Transport Scotland Grant to date would not have to be repaid.

5 Equalities Impact

- 5.1 The proposals and recommendations described in this report could contribute to the public sector general equality duty to: (i) advance equality of opportunity. There is no distinct relevance in respect of the general duties to; (ii) eliminate unlawful discrimination, harassment and victimisation, or; (iii) foster good relations.
- 5.2 The relevance score for the specific proposals and recommendations described in this report is: (i) one for relevance to equalities legal duties; (ii) three for level of public concern expressed by equalities groups, and; (iii) one for relevance to significant negative impact on the quality of life of equalities groups.
- 5.3 Consequently, matters relating to this report will be included in the ongoing full equalities impact assessment that is being undertaken of the Edinburgh Tram project.
- 5.4 It should also be noted that due care has been taken with regard to accessibility issues arising out of the proposed Princes Street works. In this regard, an Equalities Statement and Accessibility Statement has been published on the Council's website and distributed to relevant partner organisations.

6 Environmental Impact

- 6.1 As reported to Council previously, The Council's local transport strategy (2007-2012) emphasised the important role that a modern transport system would play in supporting the economic, environmental and social development of the city and the key contribution of the tram network to the city's future.
- 6.2 A full Scottish Transport Appraisal Guidance (STAG) review was undertaken at the Parliamentary Approvals Stage in 2003; this demonstrated how the Council, as promoter of the tram, had satisfied government objectives in terms of environmental, safety, integration, accessibility and economic concerns.
- 6.3 An updated STAG report, in 2006, concluded that despite the predicted increase in the city's population and traffic growth to 2026, there would be a net improvement in air quality across the City as a whole, as a result of the introduction of the tram.

- 6.4 The STAG report acknowledged that within this overall net improvement there would be areas where air quality would deteriorate as a result of the displacement of traffic from the tram routes.
- 6.5 The Council remains committed to ensuring that any such air quality issues are properly monitored and addressed.
- 6.6 As a result of concerns expressed by residents of the Moray Feu, following the temporary diversion of traffic during the MUDFA utility works, additional air quality monitoring has been carried out on Great Stuart Street since July 2009 and, following the Tram Sub Committee meeting of 28 February 2011, additional air quality checks have been introduced in this area to include monitoring on building facades and at basement level.
- 6.7 The data from the existing and additional air quality monitoring levels in this neighbourhood will become available in the first quarter of 2012.
- 6.8 Monitoring of nitrogen dioxide levels in air is carried out on a monthly basis, in accordance with guidelines published by the Department of Environment, Food and Rural Affairs (DEFRA). Monitoring is carried out to determine the annual average concentration of this pollutant. Owing to the inherent variability of the test method, it is not suitable for determining monthly nitrogen dioxide values, or for establishing monthly trend data from individual monthly samples. The Council's monitoring procedures have been endorsed by DEFRA, Scottish Government and by Professor Laxen, an independent expert advisor on air quality to DEFRA.
- 6.9 The tram itself has no carbon emissions at the point of service delivery and has the potential to contribute to the City's strategy for low carbon growth as electricity generation in Scotland transitions from fossil fuels to renewable energy sources.
- 6.10 As part of a broader sustainable transport strategy within the city the tram will, therefore, make a positive overall contribution to the environment by encouraging modal shift from private vehicles to public transport and mitigating the impacts of population growth and commuter and visitor generated traffic.
- 6.11 Air quality, especially in neighbourhoods which may receive traffic displaced from the tram route as a result of traffic regulation orders, is being carefully monitored and analysed so that any issues can be dealt with and properly mitigated.

7 Conclusions

- 7.1 As noted above, the decision of Council on the 30 June set a number of actions for Council officers. This report has responded in detail on the options available at this time and the current optimum funding arrangement to meet the requirements to take the project forward
- 7.2 In providing this, the report has also explained the risks that the project retains particularly in relation to utilities in the Haymarket to St. Andrew Square section and, the risk mitigation that has been possible since June. A detailed review of

the key project budget risks has been carried out, and validated by Faithful and Gould, to ensure that appropriate risk management procedures are in place.

- 7.3 In reviewing the governance of the project a revised and simplified model is now proposed with the project directly governed by the Council and managed with Turner and Townsend as external project management support.
- 7.4 The refresh of the 'Open for Business' programme and the operational approach to be used for the management of Princes Street have also been explained.

8 Recommendations

- 8.1 That Council:
- a) Agree the funding proposals as set out in the report;
 - b) Agree that the Council's prudential funding limits be increased to take account of the funding proposals.
 - c) Note the risks highlighted in the report;
 - d) Agree the governance arrangements as set out in the report;
 - e) Note the appointment of Turner & Townsend;
 - f) Note that the Council will continue dialogue with the Scottish Government on a further contribution to the tram project and policy changes which could provide additional revenue resources to the Council; and
 - g) Note the works to be undertaken as part of a refreshed 'Open for Business' programme, and the traffic management and related logistical works associated with the Princes Street Works.

Dave Anderson
Director of City Development

Appendices	<ol style="list-style-type: none">1. tie Ltd Operating Agreement and Memorandum of Understanding2. Audit Scotland February 2011 Report - Extract3. Indicative Governance Diagram4. Open for Business Re-fresh5. Princes Street
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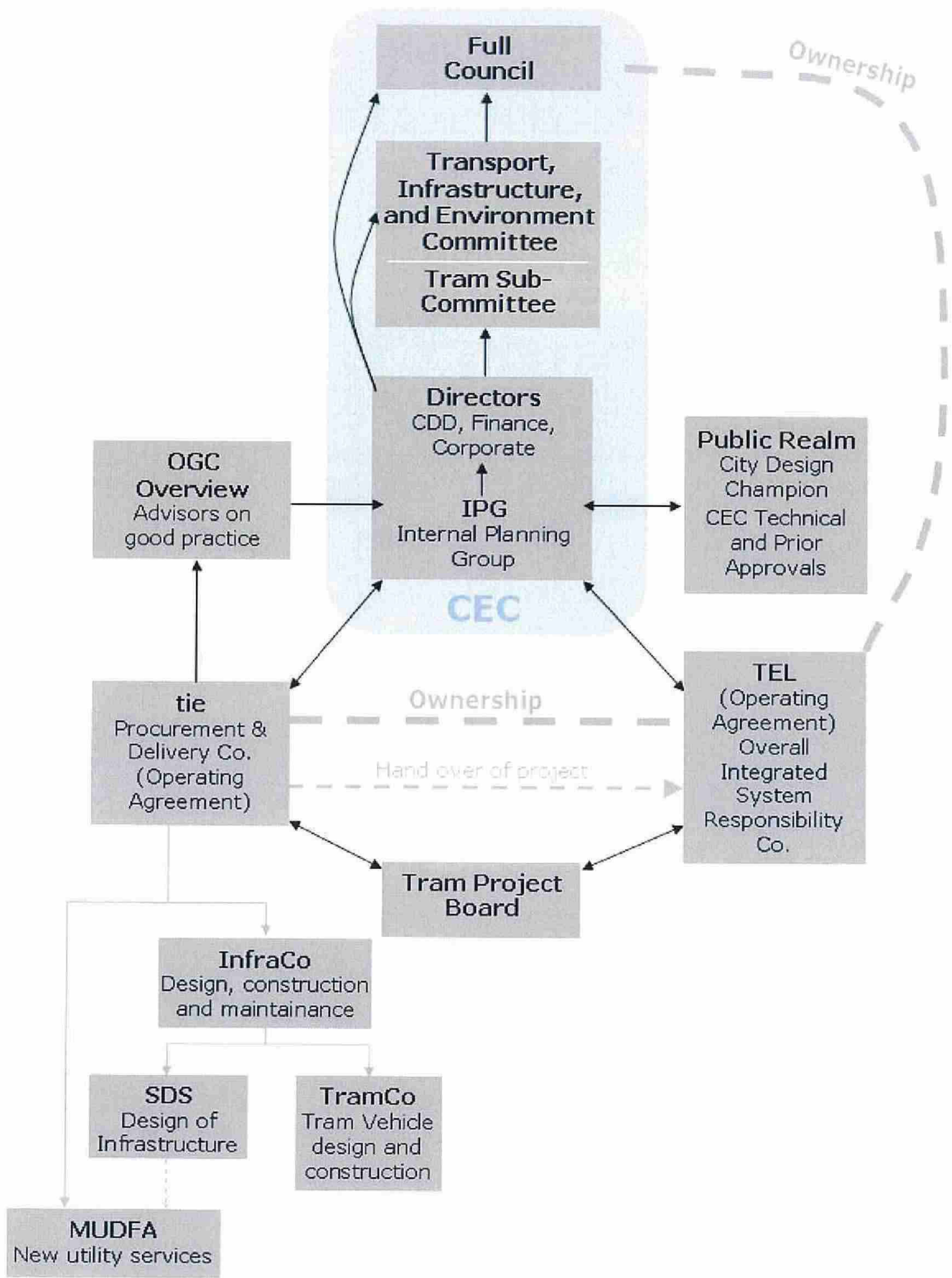
Contact/tel/Email	Dave Anderson, Director of City Development dave.anderson@edinburgh.gov.uk Tel 01 [REDACTED]
Wards affected	All
Single Outcome Agreement	<p><u>National Outcomes:</u></p> <ul style="list-style-type: none"> • National Outcome 1 - We live in a Scotland that is the most attractive place for doing business in Europe • National Outcome 10 - We live in well-designed, sustainable places where we are able to access the amenities and services we need • National Outcome 12 - We value and enjoy our built and natural environment and protect it and enhance it for future generations • National Outcome 14 - We reduce the local and global impact of our consumption and production.
Background Papers	<ul style="list-style-type: none"> • The City of Edinburgh Council Meeting, 30 June 2011, Item 8.2: Edinburgh Tram Project • The City of Edinburgh Council Meeting, 16 May 2011, Item 2.1: Edinburgh Tram Update • The City of Edinburgh Council Meeting, 16 December 2010, Item 8.2: Edinburgh Tram Project • The City of Edinburgh Council Meeting, 14 October 2010, Item 8.1: Edinburgh Tram Update Report • The City of Edinburgh Council Meeting, 24 June 2010 Report, Item 8.2: Edinburgh Tram Project - Update Report

SCHEDULE 1

Scope of Services

1.	Procurement and contract award of all contracts required to deliver the tram project, including the Council's obligations
2.	Provide accurate and current information to Tram Project Board, Transport Edinburgh Limited and the Council for appropriate decision making and approvals
3.	Provide efficient and effective project management services for the Project including cost, financial programme, risk, contract and change management
4.	Provide traffic management expertise to effectively implement and manage both temporary and permanent traffic management alterations, including the Traffic Regulation Order process
5.	Comply with Health and Safety requirements and act as the Construction Design Management Regulations co-ordinator, provide Health, Safety, Quality and Environmental management and expertise to ensure effective approvals through the The Railways and Other Guided Transport Systems (Safety) Regulations process. This should include protecting the Council's interests
6.	Ensure the design is assured, and provide the necessary quality of design for technical and prior approvals in a timeous manner
7.	Develop and agree a communication strategy with the Council and provide effective communications, consistent with this strategy
8.	Provide and demonstrate to the Council that appropriate site management services are in place to ensure quality is delivered
9.	Ensure a continued focus on value engineering and deliver any agreed initiatives
10.	Manage the interface with TEL in order to deliver a smooth handover for operations
11.	Manage project land in accordance with the tie/CEC licence
12.	Ensure and demonstrate to the Council that all contracting parties meet their obligations (including protocols, traffic management, contract conditions, employers requirements, site supervision and testing etc)
13.	Manage all third-party agreements in an effective manner and demonstrate that they are in the Council's interest
14.	Carry out other duties as instructed by the Council in relation to the Project
15.	Act on efficiently and effectively all formal instructions issued by the Council in relation to the tram project

Existing Governance Structure



Edinburgh trams - Interim report by Audit Scotland Prepared for the Auditor General for Scotland and the Accounts Commission:

February 2011

Audit Scotland in its interim report on the Edinburgh Tram Project of February 2011 made the following observations on governance matters:

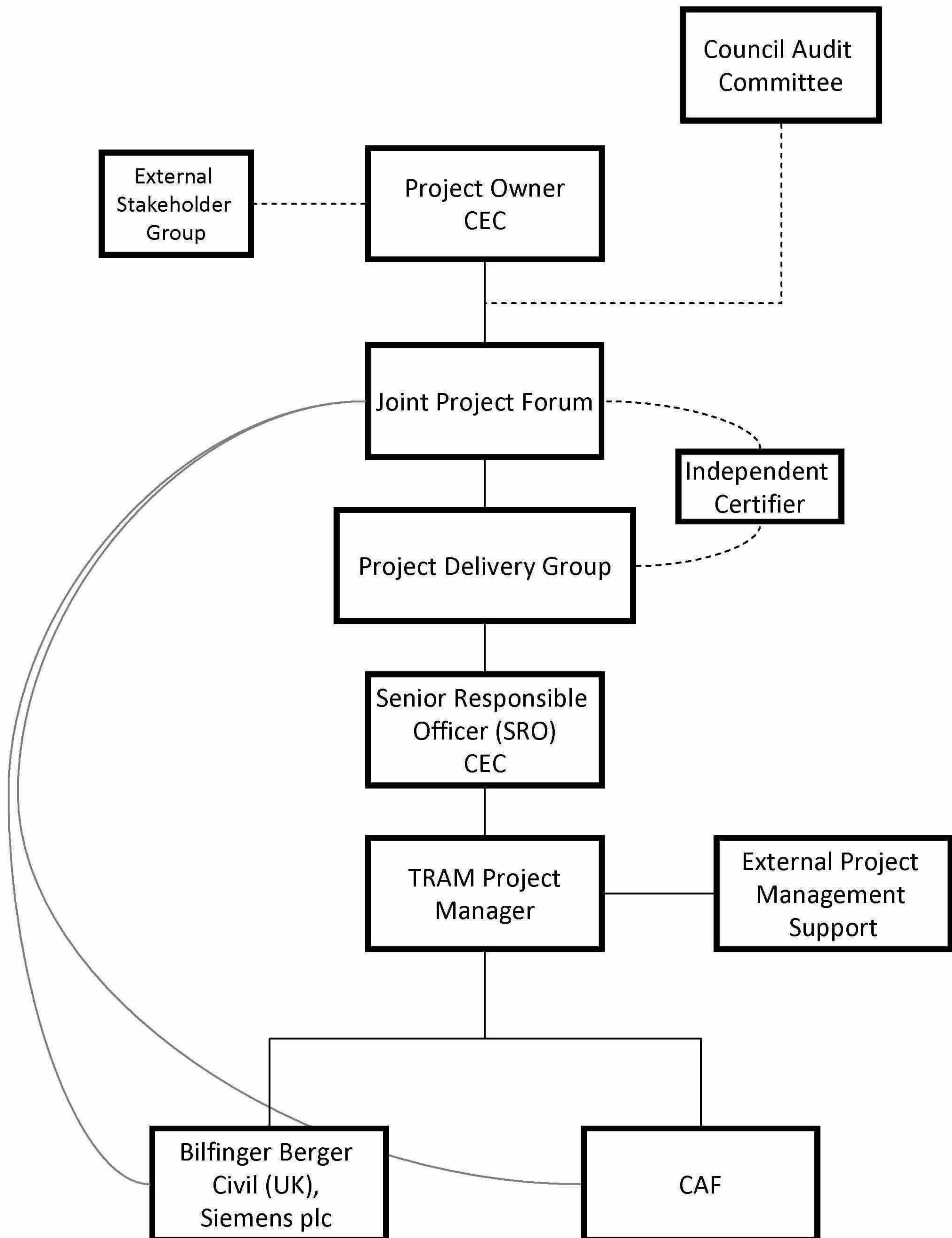
- Elected members of the current ruling coalition at CEC hold differing views of the Edinburgh trams project and considerable debate is generated at council meetings when the subject is discussed. This has made it more difficult for CEC as a whole to present a unified commitment to the project.
- CEC's governance arrangements for the project are complex and are intended to allow the work of tie to be subject to scrutiny while keeping all elected members informed of the project's progress.
- Some members of the project's main governance body, the Tram Project Board, are also members of tie's own board. CEC's Director of Finance and Director of City Development also exercise a number of different oversight roles in the project.
- Transport Scotland considers its need to be represented on the Tram Project Board ended in June 2007 when, following a Scottish Parliament debate and vote, Ministers announced that the Scottish Government's contribution should be capped at £500 million. Transport Scotland does not consider that it has the same oversight role for the trams project as it has for other Scottish Government transport projects because it is neither the promoter of the project or has a contractual relationship with any of the private sector bodies engaged in the project's construction and delivery. Transport Scotland does, however, hold quarterly meetings with CEC where the project's progress is reviewed.
- tie makes regular reports on the project's progress to the Tram Project Board and CEC also provides regular reports to elected members at full Council meetings. The commercially sensitive nature of the dispute with BBS and future financial projections, however, has meant that information presented to full Council meetings has been limited. Given the high profile of the project, the lack of detail which has been made available to some councillors on, for example, the project's likely costs has caused frustrations.

Table 1: Audit Scotland in its interim report February 2011 - Extract

The full report is available at:

<http://www.audit-scotland.gov.uk/media/article.php?id=162>

Indicative Future Governance Structure



PROPOSAL FOR A BUSINESS SUPPORT PACKAGE FOR AREAS AFFECTED BY TRAM WORKS – AUGUST 2011

INTRODUCTION

From September 2011 the Edinburgh Tram project will resume the programme of on-street works to build the first phase of the tram line from Edinburgh Airport to St Andrew Square in the heart of the city centre.

Integral to ensuring this programme is successful is the on-going support for stakeholders whilst works are underway. This will maintain and enhance confidence in the city as an attractive place to shop, visit and do business and that the construction works will lead to a dynamic, public transport system for the city in the coming years.

BACKGROUND

The City Council is planning ahead for future population growth and as part of that a progressive, integrated public transport solution is required. Serving two of Edinburgh's key growth areas, the west and centre of the city, the introduction of a tram line will help ensure the city can manage the projected population growth.

Trams show that a city is a modern and well-connected place to do business, which can lead to more investment, new jobs, regeneration and greater prosperity.

Trams are able to carry large volumes of passengers, quickly along their route and are not hampered by general traffic, they also create a cleaner environment for the future as they are electrically powered, so there are no vehicle emissions.

Construction of the Edinburgh Trams Project has now been underway since 2007. A well documented contractual dispute and additional utility works have meant that the programme has been extended beyond that which was originally planned.

Funding issues have meant that the original route from Edinburgh Airport to Newhaven will now be delivered in phases. The first phase, currently under construction, will be from the Airport to St Andrew Square in the heart of the city centre.

During the initial phase of work, support packages were put in place to aid businesses who were adversely affected by works. A small business support scheme was in place

There was also a Business Rates Relief scheme implemented by the Lothians Assessor which was carried out. It is anticipated that the first scheme will not be replicated as it was carried out only for the lifespan of the utilities diversion programme. However the Lothian Assessor will still look at applications for rates relief as this was for the life of the project.

A successful communications and marketing campaign was also undertaken to promote areas where work was taking place. Open for Business ran for three years and developed over the course of that time from providing city wide marketing

campaigns to more localised versions and finally providing one-to-one support and advice to businesses in locations along the tram route.

Some examples of the type of activity undertaken through Open for Business include:

- Funding and creation of the I Love Leith and West End village promotions to strengthen the brand identity of the areas
- Dine Around – encouraging customers to Leith restaurants
- Audit and dressing of empty shop units
- Creation of the award winning Business Hub within McDonald Road library in connection with Business Gateway to deliver free workshops for businesses
- Shoppers promotions, branding opportunities, website development, media promotions

This covers just some of the activity specifically undertaken by the original Business Co-ordinator for Leith Walk/West End who was in post from April 2009, with support from an external public relations contractor. As part of the evolution of Open for Business, it was agreed that the tram project would contribute funding to employ three Town Centre Co-ordinators to provide ongoing one-to-one support for businesses in the three main affected areas of on-street works (Leith, City Centre and the West End)

These co-ordinators are based within the Council's Economic Development unit and they also provide support for other town centre areas in the city. Funding is committed up until the end of the next financial year.

AIMS AND OBJECTIVES

In accordance with the accepted Motion to Council from 30 June, the Open for Business programme should be refreshed in order to improve the focus on support for small and medium sized businesses.

The aims and objectives will be:

- To give confidence to businesses affected by tram works that they have support during the period of construction
- To find new and innovative ways of supporting small and medium sized businesses in affected areas
- To illustrate to shoppers, commuters and visitors that Edinburgh is still a vibrant shopping, business and leisure destination during the tram works and encourage footfall
- To work with partner organisations to promote areas affected by works
- To promote the benefits of the coming tram line

PROPOSAL

To meet these aims and objectives it is proposed that any additional funding from the Tram Project to support business during construction should be distributed in the following way:

Town Centre Co-ordinators (TCC)

Currently the three TCCs are supporting businesses along the tram route & delivering high profile, low cost projects. The TCCs have worked hard to establish one-to-one relationships with businesses in each area.

To ensure that the Council continues to deliver what communities & SME's require, the largest survey of town centres in UK was organised by the Physical Development Team, working in partnership with SFC's Neighbourhood Partnerships & external partners (every business was visited & on street surveys & survey monkey - 2,000 responses). This exercise provided powerful data to inform individual action plans for each of the nine town centres which are now being implemented.

It is proposed that to maximise the relationships that are already in place that the tram project provides further financial support to the TCCs to undertake activity in areas where works are taking place. This would be managed under the current arrangement and there is capacity for additional workload. Regular meetings with the Tram Communications Manager will take place to understand how budget is being spent and to allow feedback to the Tram Animation Group.

Events Strategy

Events are widely recognised to increase footfall in and around the areas where they are held. There are already a number of events due to be held within the city centre and it is proposed that a matrix of all of those within the city centre is collated (Karen Stevenson has already begun this process but continued input from Marketing Edinburgh and Essential Edinburgh as well as the Council's Events team is crucial).

To supplement the existing events it is proposed that a series of additional events be undertaken to ensure that there are no significant periods of times where events are not taking place somewhere within the city centre.

This can be managed in one of two ways, firstly through agreement with the Council's Events Unit to allow them to procure services of existing events contractors. Alternatively there could be an agreement put in place to procure events through Essential Edinburgh's contract with Unique Events.

PR Strategy

While not essential, this activity could be supplemented by a Public Relations contractor who is fully focussed on promoting the activity of the Town Centre Coordinators working to secure local and regional broadcast, newspaper and online coverage.

It is not felt that the Tram Communications Team could fully focus on achieving this type of coverage given the rationalisation of the team and up-coming workload associated with the upcoming work programme.

If required then this contractor would have to be employed through a procurement process.

COSTS AND FEES

It is proposed that the costs for this additional work be split in the following way:

Additional activity funds for town centre co-ordinators to cover the work programme in Leith, City Centre, West End/Haymarket – £20,000 for each area per year.

Annual events strategy of £50,000 per annum

One year only additional support for Edinburgh's Christmas and Edinburgh's Hogmanay programmes of £70,000 to maximise the empty space available on Princes Street during the winter roadworks embargo period.

Costs for PR support have to be confirmed but would not be expected to exceed £30,000 per annum.

This would require a budget of circa £210,000 for 2011/2012 with a similar commitment the following year. This is in addition to the annual contribution of £90,000 for the Town Centre Co-ordinators which is already coming from the Tram budget bringing the total to £300,000 annually for business support.

Edinburgh Tram – Princes Street Remedial Works

Introduction

This appendix provides the Council Management Team with an update on the planned tram remedial works to be carried out on Princes Street.

Revised Design

Following the initial tram works on Princes Street, movement defects have appeared at the interface between the rails and the road. The contractor has claimed quality control, including adverse weather conditions and detailed design issues as the contributing factors and has agreed to carry out repair works at no cost to the Council.

The detailed design has been reviewed by the Contractor and a new design solution has been developed. In an effort to ensure consistent results the Contractor has carried out several trial panels of the proposed new design to develop a new working method that will improve the quality of construction including weather protection. These trial panels will allow new procedures to be developed prior to the remedial works being carried out and will allow the Contractor to finalise the new design submission that will be presented to the Council officials for approval by 19 August 2011.

The construction works to be carried out, whilst not as intensive as the initial works, will require the majority of Princes Street to be used as a construction site for the duration of the works. The surface finish for the new design will be black coloured concrete with a brushed finish to match the asphalt on either side of the trackform. Consultation has already been carried out with Historic Scotland and Edinburgh World Heritage to ensure that the completed finish meets with the Planning requirements.

Traffic Management and Logistics

Access for loading will be permitted in the evenings to allow loading for shops and premises (as currently exists) in the eastbound direction on Princes Street. Emergency access will also be provided at all times and both footways will remain unoccupied during the works.

Several months of detailed planning, with the assistance of Lothian Buses and Lothian & Borders Police, has been carried out to ensure the diversion minimises the disruption to stakeholders. The traffic diversion had previously worked well when the original tram works were carried out and a similar diversion will again be used.

The traffic diversion will be implemented over the weekend of 3 September 2011. As previously carried out, enabling works are required to be undertaken on Charlotte Square, George Street and St Andrew Square to allow buses to transfer onto the diversion route. The enabling works include the installation of traffic signals, the removal of parking bays, new bus shelters and bus tracker equipment and the relocation of loading bays to adjacent side streets. A copy of the bus diversion route and site extents is shown in Appendix 1.

The majority of the enabling works are complete, with a further programme of works, comprising mostly of carriageway markings, being carried out from 20 August 2011.

A full logistics plan has been developed to ensure that the work programme causes minimal disruption to businesses and residents throughout the worksite area and also

the diversion route. This includes support to determine requirements for deliveries and access, refuse collections and loading requirements.

There has also been coordination with other developers who are carrying out works on buildings on Princes Street and on the local diversion routes to ensure their needs are met, where practicable.

Traffic will be diverted from Princes Street from 4 September 2011 until July 2012. A construction phasing diagram is attached as Appendix 2. In summary, the works will commence at both ends of Princes Street and work towards the middle at the Mound. The extent of the track work required will not be known until the rail is exposed and testing on stray current is completed (which will be one of the early operations carried out). The programme developed by the Contractor is based upon the assumption that 200m of the rail is required to be lifted out and remedial works carried out on the rail. Until the actual condition of the rail is determined it is not possible to confirm the Contractor's programme.

Winter Festival Period

Construction works will be suspended for the festive break and the road will be temporarily reinstated by 24 November 2011 which aligns with the switch on of the Christmas lights. Princes Street will then be pedestrian only until 4 January 2012 when works will recommence. During the period, the bus diversion will remain on George Street and the Mound will remain closed. Access for loading will remain permitted at night.

Communications

A full communications plan has been implemented to inform those travelling in the city of the traffic diversion associated with the work programme. This includes newspaper, radio and online advertising, use of Twitter and variable messaging signs. A diversion map will be handed out on-street, in shops and other key locations. Directional signage will also be provided around worksites.

A wider communications initiative to ensure footfall in the city centre remains buoyant while works are underway has also commenced. This follows on from a stakeholder workshop held on 27 May 2011 which saw around 50 key city stakeholders come together. One of the key outcomes was to ensure the city is promoted during the works programme and a Tram Animation Group has been set up, chaired by the Head of Transport, to determine how this can be achieved.

Throughout the construction works there will likely be many requests for city events to take place on or around the tram construction work or diversion routes and serious consideration should be given to them before approval is given by the Council. Any delays to the tram project caused by events would have a serious financial implication for the Council.

Appendices

1. Diversion Route Diagram
2. Construction Programme Diagram

Appendix 2 – Construction Phasing Diagram

