

PRESS RELEASE

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MINISTERS TO OVERSEE FINAL DELIVERY OF EDINBURGH TRAMS

The Scottish Government has today announced that it will help oversee the final delivery of the Edinburgh trams project.

Ministers have also confirmed that the remaining £72 million Scottish Government grant will be reinstated to the project now that the route to St Andrews Square has been similarly reinstated.

Cabinet Secretary for Infrastructure and Capital Investment Alex Neil announced that a team of experienced project managers from Government agency Transport Scotland will fill key senior roles in the new governance structure with City of Edinburgh Council and will bring the professional approach that has seen major projects such as the M74, completed ahead of schedule and under budget.

Working alongside managers from the local authority, the Transport Scotland team will work closely with the Council's own team to provide strong managerial and technical assistance to ensure the delivery of a viable tram service between St Andrews Square and Edinburgh Airport for Scotland's capital city.

As part of the agreement with the City of Edinburgh Council, Ministers will have the power to direct strategic project decisions. Ministers will also be given regular progress updates from the project team.

Alex Neil said:

"The Scottish Government did not back the trams project when Parliament voted on it in 2007, and we share the frustration of many people in Edinburgh over the way the scheme has developed since then.

"We made it clear two weeks ago that we were no longer prepared to commit further public money to a route which was not financially viable and which did not deliver the link to the city centre which people rightly expected.

"However, now that that link has been reinstated, it is vital that the remaining stages of the trams project is delivered on time and within the £776m budget that we are advised by CEC is needed to complete the route to St Andrews Square by Summer 2014. That is why today I am announcing that senior management from Transport Scotland will now help complete the trams project."

Mr Neil added:

“The Scottish Government has a strong track record, through Transport Scotland, of delivering major projects like the M74 early and under budget and secured significant savings on the three contracts to deliver the new Forth Replacement Crossing.

“As part of the arrangements put in place today, Ministers will receive regular updates on the progress of the project, and will also retain a veto over strategic decisions in respect of remaining Government funding.

“We must make sure that we work as closely as possible with those who will be affected and make sure that the impact of the work is minimised for Edinburgh businesses and communities.”

The move builds on the agency’s involvement with the Council in mediation discussions which have been ongoing since earlier this year and which have resulted in an expected settlement being reached later today between CEC and its contractors Bilfinger Berger/Siemens.

CEC has calculated that the overall budget for the project is now £776m, comprising of a base budget of £742m and a risk allowance of £34m. This increase of £231m above the original project budget of £545m will be funded through the Council’s prudential funding facility.

Notes To Editors

1. Transport Scotland’s new role will involve a team of around 4 or 5 staff. TS Director MTRIPS Ainslie McLaughlin will be on the new project Board and TS staff will work alongside CEC staff in key senior roles. TS staff will be based in the same offices as CEC and the contractor and work in partnership to ensure that problems are identified quickly and solutions found to avoid the approach under previous TIE Ltd regime that saw the contract blighted by disputes.
2. Significant challenges remain in completing the crucial Haymarket to St Andrew’s Square section. For example, the Scottish Government remain concerned that there are more than 700 separate instances where utilities may remain in conflict with the project design – some even after they were diverted as part of the earlier utilities diversion works contract.
3. Transport Scotland is the Scottish Government’s national transport agency responsible for; aviation, bus, freight and taxi policy; coordinating the National Transport Strategy for Scotland; ferries, ports and harbours; impartial travel services; liaising with regional transport partnerships, including monitoring of funding; local roads policy; major public transport projects; national concessionary travel schemes; rail and trunk road networks; sustainable transport, road safety and accessibility; the Blue Badge Scheme. Transport Scotland is an Executive agency accountable to Scottish Ministers. Our website is www.transportscotland.gov.uk

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