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tie Board Meeting

19th April 2005



Agenda for tie Board Meeting

@ tie offices, Verity House, Edinburgh

@ 10.00 hrs – 12.00 hrs on Tuesday 19th April 2005

Item No.	tie Board Meeting Agenda Item	Resp	Timing
1.	Minutes of Meeting of 21st March 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 *	MH	
4.	Heavy Rail - a) EARL - Project Progress & Financial Report* b) EARL – Stag Status & ETL2 Impact * c) EARL – Promoter role and CEC Operating Agreement * d) SAK - Project Progress & Financial Report* e) Network Rail - Observations	PP SC SC PP RMcA	
5.	Tram a) Project Progress Reports * b) OBC Status c) Parliamentary Process * d) Network Rail - Issues	AM SMcG BC RMcA	
6.	Risk - a) Risk Report *	MH/MB	
7.	Finance – a) Board Finance Review* b) Financial Performance Report * c) tie Business Plan – approval status	MH/SMcG	
8.	Other Projects – a) Project Progress Reports * b) Business Development c) One-Ticket *	AM AM MH	
9.	Communications - a) Edinburgh Tramlines Communications Strategy* b) Communications Progress report *	MH	
10.	AOB –	EB	
11.	End		12.00 hrs
12.	Date of next meeting – Tuesday 24th May 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 March 2005

- a) Approve full version of minutes



tie limited

Minutes of tie BOARD MEETING

In the tie Boardroom, Verity House, 19 Haymarket Yards
@ 10.00 hrs – 12.00 hrs on Monday 21st March 2005

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

In attendance: Michael Howell, tie Chief Executive
Alex Macaulay, tie Projects Director
Graeme Bissett, tie Finance Director
Stewart McGarrity, tie Tram Project Finance Director
Ian Kendall, tie Procurement Director
Paul Prescott, tie Heavy Rail Director
Susan Clark, tie Senior Project Manager, EARL (part)
Damian Sharp, Scottish Executive
Andrew Holmes, CEC, City Development Director
Keith Rimmer, CEC, CDD, Transport
Colin McKenzie, CEC Legal Services (part meeting)
Neil Renilson, Lothian Buses, Chief Executive
Martin Buck, PUK

Apologies: Maureen Child
Bill Cunningham
Kenneth Hogg, Scottish Executive

Circulation: as above

Action By

EB
AB
JB
JR
GG

MH
AM
GB
SMcG
IK
PP
SC
DS
AH
KR
CMcK
NR
MB

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.

* = 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 28th FEBRUARY FOR APPROVAL AND SIGNING**

- a) The minutes of 28th February 2005 were approved.

2. MATTERS ARISING

None

3. CHIEF EXECUTIVE'S REPORT *

The report was discussed.

A) FETA

The review of the replacement of tolls on the bridge has been delayed due to a legal challenge to the legality of the client.

B) Scottish Executive

It was understood that the SE would not support the submission of a TL3 bill without a credible funding plan. The effort to secure powers for the TL1 & TL2 continues.

4. RISK

a) Risk Report *

The monthly Risk report was presented for discussion. JB requested more "active" detail in the description of the mitigation of the Risks. The Risk Manager will attend the April meeting to present his approach.

MH/MB

b) Professional Indemnity Insurance *

A proposal for a PII policy for **tie** was presented and will be reviewed further by **tie** and CEC.

MH

5. FINANCE

a) Board Financial Review*

GB provided an update on the progress of the IOBC which is due by end of March.

b) Financial Performance Report *

The monthly Financial Performance Report was reviewed.

b) tie Business Plan 05/06

GB confirmed that the Business Plan will be completed by the end of this week. A copy will be provided to SE.

6. HEAVY RAIL

a) EARL*

The project progress report was presented.

b) EARL- Promoter Role

SC presented a summary paper and discussed the key issues to be addressed in the run up to the submission of the Bill on 9th May.

It was agreed in principle that tie should assume the role of Promoter for EARL. SC, DS and KR are nominated for tie, SE and CEC respectively to ensure the deadline of 9th May is achieved.

Confirmation that Section 82 does not apply will be provided.

Amendments to tie's Operating Agreement with CEC will require to be approved at the April Board meeting. Conditions of Grant require to be reviewed by CEC prior to endorsement.

SE will consult with E & Y regarding VAT implications.

CEC will consider whether the revised Operating Agreement will require the approval of the Full Council

Action
By

GB/
SMcG

GB

SC

KR

SC/DS

DS

KR

c) SAK *

The project progress report was presented.

DS advised that SE now had a clear projection of costs.

7. TRAMa) Tram Project Progress Reports *

The project progress reports were presented and discussed.

b) Procurement*

Work continues in the selection of consultancy packages for “technical support services” and “systems design services”. Shortlists have been finalised.

IK

c) Parliamentary Process *

An update on the Parliamentary process was provided.

8. OTHER PROJECTSa) Project Progress Reports *

The project progress reports were presented and discussed.

b) Ingliston Park & Ride – Lessons Learnt*

AM described the lessons learnt from the project and confirmed his commitment to taking on board the issues identified.

c) ITI Business System

A paper was presented outlining the ITIBS and a proposal for future business potential. Funding is being sought for ongoing application of the system.

AM/
MH

9. COMMUNICATIONS

a) ITI Communications – Information Programme *

An update on the information programme was presented.

b) Stakeholder Report *

The report was noted.

10.AOB

None

11.Date of Next Meeting

Tuesday 19th April 2005 in tie offices from 10:00 hrs – 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. The contents of these minutes will be reviewed by tie and made exempt as required under The FOI (Scotland) Act 2002 prior to release.*



Agenda Item 2

Matters Arising



Chief Executive Report

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 – 19TH APRIL 2005

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

Chief Executive's Report

- A joint visit to Dublin with the Scottish Executive was undertaken to compare and contrast recent progress in reconstruction of Irish Rail with the opportunities now evident in Scotland. The Executive team stayed on to talk to RPA about the LUAS tram.
- The Railways Bill 2005 was passed immediately prior to the General Election, finalising the devolution of powers for rail to Scotland.
- Work continues on preparing the EARL bill for lodgement on May 9th, including a new operating agreement with CEC permitting tie to promote the bill. Although slightly behind, the agreement should be placed before the Council on May 12th.
- The impact of EARL on TL2 has been the subject of close scrutiny. The level of fares is of critical importance since it will have a direct effect upon tram patronage. In addition, the Private Bills Unit has told us that the tram bills will be subject to two months' delay if EARL, and indeed GARL (Glasgow), bills are introduced as scheduled.
- The two consultancy package tenders for the tram have been issued – "technical support services", a support team to tie, and "system design services", a package of design work that will novate to the infrastructure company.
- The Joint Revenue Committee OJEU (see below) has been issued.
- We have had a useful liaison meeting with Network Rail, the interface with whom is highly important in both tram and heavy rail projects. Ron McAulay, their Route Director for Scotland, will join the early part of the meeting.
- A new governance structure for tie's major projects is being set in place, and a high level team is now co-ordinating the interface between tram development and tram implementation.



- There has been much progress in identifying opportunity for **tie** in the management of IT projects. In addition, value-creating deployment of **tie**'s proven systems skills looks increasingly possible to help define the requirements of the tram.

A. Scottish Executive ('SE')

- A seminar on developments in rail was held by SDG which helped to highlight the exciting opportunities for rail in Scotland as the result of passage of the UK's 2005 Railways Bill.
- A joint trip to Dublin highlighted the propensity of the Irish government to make major investments in rail infrastructure to aid commuting, including a probable €3 bn cross-city tunnel linking lines in the north with those in the west. This is in addition to the recently completed €700 m LUAS tram.
- We are communicating closely with SE on funding needs as we finalise plans for the contracts now out for tender. The Interim Outline Business Case for ETL1 & 2 was submitted on schedule on 31st March. Confirmation of funding is needed by end May.

B. Finance and Risk

- The Finance and Risk reports are attached.

C. Trams

- Work continues with objectors in preparation for the next stage of parliamentary committee work. We are engaging with Network Rail in particular because of their concerns about the alignment between Haymarket and Edinburgh Park. Good progress is being made.
- The interim Outline Business Case (OBC) was presented to CEC and SE on time on 31st March. It represented a major and commendable effort by the joint **tie** / PwC team. It demonstrates the viability of the project, subject to the issue of fares policy described below.
- The preparation of the EARL STAG report has highlighted the sensitivity of the EARL fares policy on ETL2 patronage. Up to 40% of revenue could be at risk. A premium rail fare, in our view fully justified by the premium service vs. bus or tram, is proposed. Gordon Dewar of Scotrail has indicated that he agrees a "platform exit" charge can be levied if passengers attempt to use cheaper tickets, purchased for travel to other stations.



- We continue to evaluate the future phasing of construction, linked to the presently visible availability of funding. This is being undertaken in close co-ordination with Lothian Buses, Transdev and CEC.
- The OJEU for the Joint Revenue Committee (JRC) was issued. The JRC will be appointed to advise continuously on the impact on tram revenues of such elements as system design features, frequency and service changes, fare and ticketing strategies, and competition from other modes.
- Funding for the year 2005/6 must be secured by the end of May, and transfer of temporary tram resource to permanent is to take place at that time.

D. EARL

- The project remains on track and under budget. The date for lodgement of the bill for legal compliance check remains May 9th.
- As highlighted above, the interface with ETL2 is significant. The STAG appraisal has been prepared and an interim version circulated for comment. The EARL project continues to look good with a benefit/cost ratio well above the required value of 1.
- Board members are welcome to receive a copy of the STAG report on request.
- Network Rail have indicated concerns about the probable performance impact of the project upon the Edinburgh to Glasgow line. This is a subject for discussion with the Scottish Executive since resolution would require additional investment in other parts of the network.

E. SAK

Following submission of final project costs, we are awaiting confirmation that construction of SAK can begin during May.

Discussion with Network Rail has indicated that we shall retain a 30 mph line speed limit on the short eastern section of the line used only by freight trains, as a compromise to keep down line stabilisation costs.

F. Ingliston Park & Ride

Work continues satisfactorily towards the new opening date of June.



G. Congestion charging – ITI business system

- Work continues with FETA on replacement of the bridge tolls.
- A discussion was held with Transport for London about the advantages of the ITI business system. It is clear they are more likely to be interested in learning from us, than in contracting with us.
- Other conversations have been started with Fife, Stirling, CEC, and Lothian and Borders Police. None are likely to bear fruit until much later in the year.
- We are also considering commercial options with regard to responding to the OJEU for a smart card system relating to concessionary fares administration.
- A decision on retention of members of the team is to be made by month-end.

H. Communications

The communications strategy for tram developed jointly with Weber Shandwick is included with the Board papers. This is being rolled out in conjunction with the CEC Corporate Comms. A joint **tie** / CEC trip to Nottingham and Dublin was undertaken by the communications team to learn from their experience.

As far as MSPs are concerned, the running appears to be being made by the objectors, and the media coverage is also mostly negative. Nottingham was able to overcome this by harnessing business to the cause. Dublin did not, and struggled during the implementation phase.

Business support would be helpful to Edinburgh's effort too. Now that the Congestion Charge is behind us, input from the Board on how to create a powerful and audible pro-tram lobby would be valued.

Michael Howell

14th April 2005

Heavy Rail

- a) EARL – Project and Financial Progress Report***
- b) EARL- Stag Status & ETL2 Impact***
- c) EARL- Promoter Role and CEC Operating Agreement***
- d) SAK - Project and Financial Progress Report***
- e) Network Rail – Observations**

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



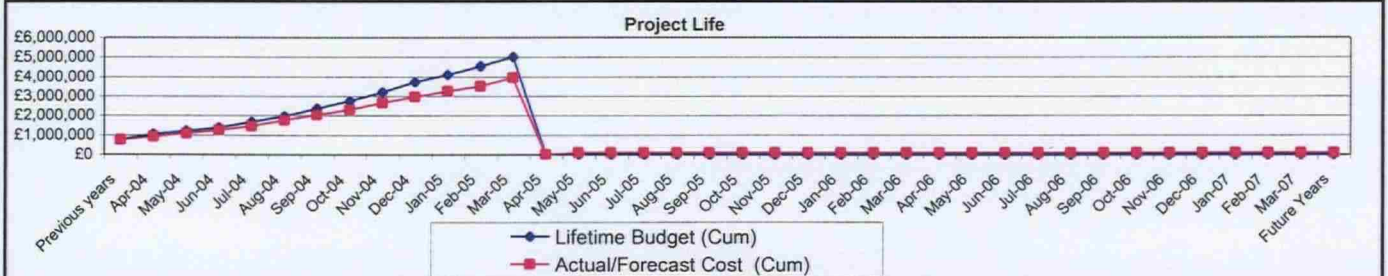
Heavy Rail

a) EARL- Project and Financial 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:		Edinburgh Airport Rail Link			
Report for Month Ending:		31-Mar-05		Project Manager: Susan Clark	
Start Date:				End Date:	
Overall Progress Status		Expenditure 2004/5		Project Life Funding	
		75%		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)
1. Cost Report		9-Dec-04	9-Dec-04	28-Feb-05	C
2. STAG Report		18-Feb	18-Feb	04-Apr	IP
3. Finalise ES		03-Mar-05	03-Mar-05	07-Apr-05	IP
4. Submit Bill		10-Mar-05	10-Mar-05	9-May-05	IP
5. Introduction of the Bill				9-Jun-05	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	£3,208,309	£1,047,487
2005/6	£0	£0	£0	£0	£356,587	£-356,587
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



Technical, Environmental

Work continuing to refine maps, plans & sections and description of works for Bill. Session with Land Aspects, land referencers, held to ensure lessons from Waverley bill learned. Final version ES due 7th April along with STAG Appraisal – initial indications for this based on £2.90 fare are good but this leaks patronage from Tram. Work ongoing with Tram to look at optimum business cases for both including sensitivities of premium fare for EARL.

Bill Process

Assumption that tie will Promote Bill. Number of deliverables required to ensure that this happens. Daily attention being paid to monitor actions required.

PFC

Work now started in earnest to produce PFC now that information being delivered from STAG and cost report. Meetings being arranged with SE to review both STAG and PFC to ensure they are fit for purpose prior to submission of the Bill.

Agreements

Agreement reached with NR to roll forward with existing Basic Services Agreement pending introduction of a new suite of agreements between NR/SE. Discussions are ongoing about inclusion of protective provisions in the Bill to prevent an objection. Negotiations have commenced with BAA re funding contribution and they have recently engaged in outing in place agreements to try and prevent an objection. Both BAA & NR have indicated that they would be willing to sign an MOU for the project – this is currently being drafted.

Others

Historic Scotland have indicated that they will object to Bill unless Catstane is full excavated and stone relocated. They have indicated that consent may be granted in advance of Bill if applied for. A paper is being presented to the relevant ministers to try and agree funding to ensure a smooth passage on this issue.

BAA have gone back to the drawing board on their SE Pier to try and design a structure that is not affected when EARL is constructed.

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

Project Manager's signature: _____

Date: 13/4/05

13/04/2005

Project Director's signature: _____

Date:

13/04/2005



Heavy Rail

b) EARL- Stag Status & ETL2 Impact *

* = 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, 19th April 2005
Subject: Commercial & in Confidence
Edinburgh Airport Rail Link
(Project Manager - Susan Clark)

From: Paul Prescott

Date: 12th April 2005

Project Governance

Work is ongoing to confirm tie as the Promoter for EARL. A meeting is being held with CEC/tie on 13th April to try and finalise the tie/CEC Operating Agreement and we hope to present this for approval at the meeting. A short paper on progress is provided separately.

Bill Progress

Good progress is being made with the Bill Documents. A draft bill has been produced and is subject to detailed checking this week. The Explanatory notes, Promoter's Memorandum and Statement are all on target. The 2nd draft of the ES 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. The letter of response confirms that we should proceed with introduction of the Bill during June, albeit we have been advised that this may delay the 2 tram bills.

Costs & Preliminary Financial Case

The cost report has now been produced, and indicates that costs are close to (and within) the previous SKM costs. The STAG appraisal is nearing completion with Benefit Cost Ratios tested for a range of fare sensitivities. This provides the strongest case at a lower fare for EARL. Work is ongoing to review the impact of this on Tram and to find an optimum solution if possible.

3rd Parties

Both BAA & NR have indicated that they are willing to sign an MOU for EARL. Work is ongoing to draft these. Good engagement is now being achieved at a technical level on both and legally this is starting to cascade into positive discussions on legal agreements.

Historic Scotland has advised they are likely to object unless a full excavation of the Catstane is carried out along with relocation of the standing stone in the

airport boundary. The SE are currently reviewing if funding can be found to carry this out as early works and allow HS to give Scheduled Ancient Monument consent in advance of the Bill.

Work is ongoing with the Scottish Agricultural Science Agency to agree mitigations concerning the impact on their operation at Roddinglaw.

Papers on Catstane and SASA are being presented to the relevant Ministers to agree the way forward.

Susan Clark/PGP 12.04.05



Agenda Item 4c

Heavy Rail

c) EARL- Promoter Role & CEC Operating Agreement *

*** = 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, 19th April 2005
Subject: Commercial & in Confidence
EARL – tie as Promoter
(Project Manager - Susan Clark)

From: Paul Prescott

Date: 12th April 2005

tie/CEC Operating Agreement

A meeting is being held on 13/04/05 to discuss the Operating Agreement. A number of issues remain outstanding but these are being worked on next week with a meeting between CEC/SE & tie being arranged for 25th April.

CEC – Council Meeting

CEC are working towards the meeting on 26th April to present the case for tie acting as the Earl Promoter. However, if changes to the operating Agreement are required then this may slip to the meeting on 5th May. This has slipped from 12th April but still leaves time to ensure this approval in place prior to the Bill being submitted.

Grant Funding

Initial letter provided by SE and comments to be provided back to SE this week.

VAT

SE to finally resolve but does not appear to be an issue.

Bill

It will be necessary to hold special tie board meeting in advance of submission of the Bill to give approval for this. A date will be arranged.

SC 12.04.05

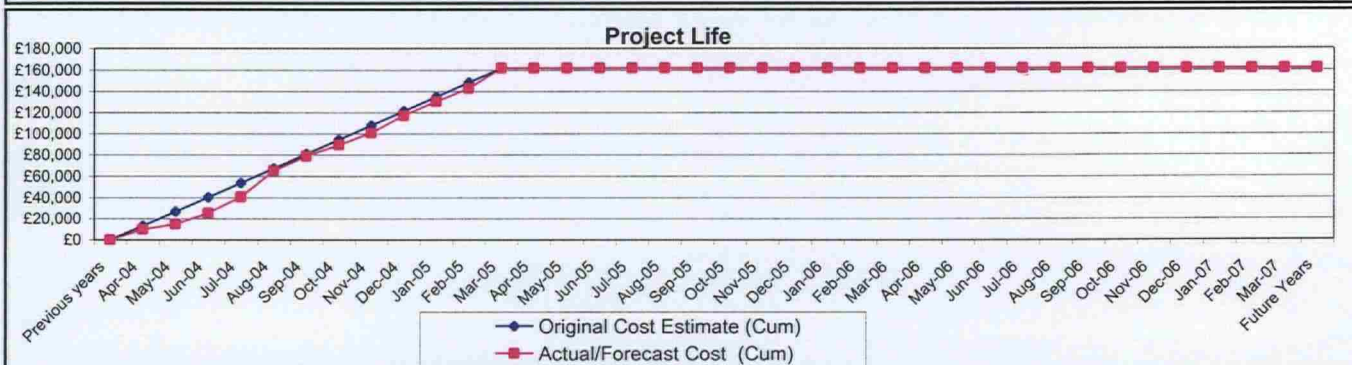
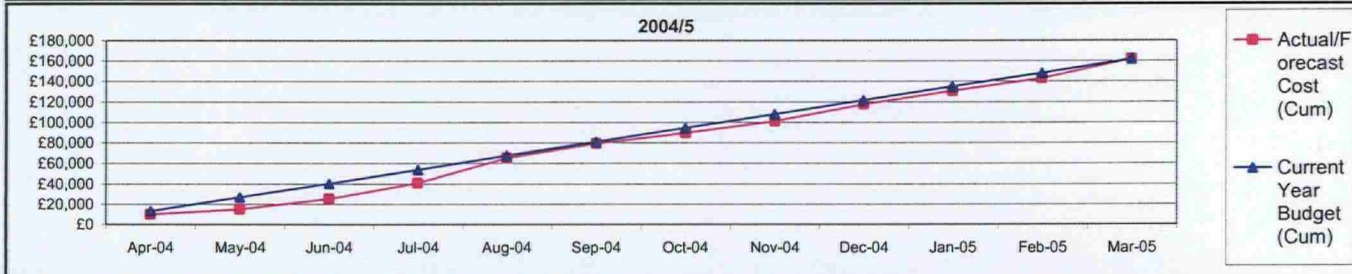


Heavy Rail

d) SAK - Project and Financial 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: Stirling Alloa Rail Link						
Report for Month Ending: 31-Mar-05			Project Manager: Richard Hudson			
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	15-Apr-05	IP	
6. Agree Target Cost and Programme		25-Oct-04	25-Oct-04	23-Mar-05	IP	
7. Asset Protection Agreement Signed by NR		10-Dec-04	10-Dec-04	6-May-05	NS	
8. Completion - Phase 1		10-Dec-04	10-Dec-04	6-May-05	IP	
9. Commencement - Phase 2		3-Jan-05	30-Apr-06	6-May-05	NS	
10. Line Opening			30-Apr-06	30-Dec-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	£161,838	£161,838	£161,838	£161,838	£161,838	£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	£161,838	£161,838	£161,838	£161,838	£161,838	£0



Summary of Key Points and suggested course of action:

The project cost has been submitted to the Executive at circa £60m (including risk). A paper is being prepared for submission to the Minister by 15th April 2005. Following this, the Council are expected to approve the award of Phase 2 on the 21st April 2005. This will allow the contract to be awarded and a start on site on the 2nd May 2005.

The APA is being finalised for submission to Network Rail by the 13th April 2005 to allow them to commence the process of obtaining approval by their Investment Panel on the 6th May 2005 and Investment Board on the 20th May 2005.

A strategy has been agreed for dealing with the remediation of shallow mineworkings on the route.

The devegetation of the route was completed by the end of March 2005, prior to the beginning of the nesting season.

Payment has been received for all costs incurred up to 31st January. February costs were invoiced on 28th February and payment is due by end March.

Project Manager's signature: _____ Project Director's signature: _____

Date: 13/4/05 13/04/2005

Date: 13/04/2005



Heavy Rail

e) Network Rail – Observations

* = 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
19th April 2005
Commercial & in Confidence

Subject: Heavy Rail Update

From: Paul Prescott

Date: 13th April 2005

Stirling-Alloa-Kincardine (Project Manager - Richard Hudson)

Asset Protection Agreement

The timetable for sign off of the APA is as follows:

- 15/4/05 Papers approved and submitted by NR based on agreed draft
- 20/4/05 NR Investment Review Group
- 6/5/05 NR Investment Panel
- 20/5/05 NR Investment Board (required if over £20m)

At the time of writing, the team is on programme for submission to NR by the 15th April, although one major issue regarding the transfer of ownership of existing road bridges is still under discussion with NR. This is despite the fact that the issue was agreed between Damian Sharp and Ron McAulay last week.

Programme

Key programme dates for the project are as follows:

- 15/4/05 Paper submitted to Minister
- 21/4/05 Council Meeting to approve award
- 22/4/05 Ministerial Approval
- 6/5/05 NR Approval of APA
- 6/5/05 Commence Phase 2 (Design & Construction)
- December 2006 Construction Complete
- Feb/March 2006 Commence Services

Project Cost

The revised target cost has been received from the FNJV Team and the Project Cost has been submitted to the Executive and discussed at length to understand risks and assumptions. This has now formed the basis of the paper being submitted to the Minister for approval.



The total Project Cost (inclusive of sunk costs and all risks) is £65.9m

Compensation Issues/Diageo

An alternative, independent opinion from Knight Frank has been received in the sum of £750K which is considerably less than the DV's evaluation of £3.6m. The issues raised within the Knight Frank report are being taken up with the DV before this can be taken up with Diageo.

In the meantime, the Project Cost estimate contains the higher value.

Mineworkings Risk

This issue has been further developed with Network Rail and a strategy agreed with them and with the Executive.

Site Progress

Devegetation works and removal of remaining tree stumps was completed by the end of March prior to the nesting season.

Tram

- a) Project and Financial Progress Reports*
- b) OBC Status
- c) Parliamentary Process *
- d) Network Rail – Issues

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

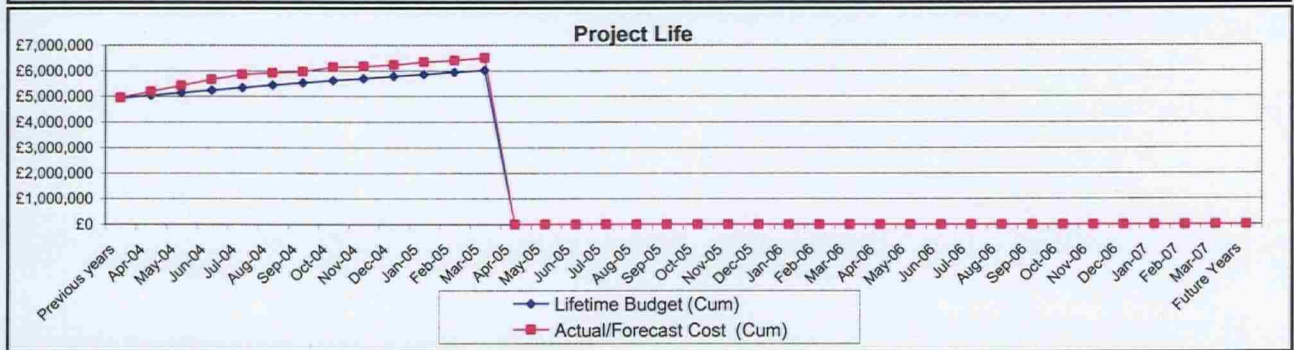
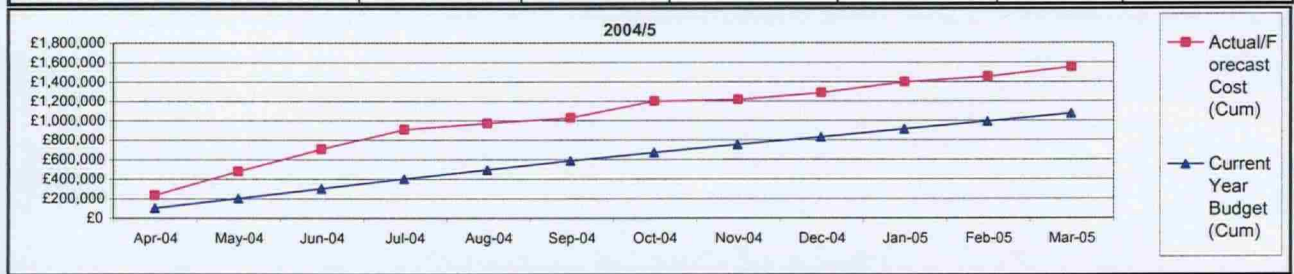


Tram

a) Project and Financial Progress Reports*

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

Project: Line 1 North Edinburgh Tram Parliamentary Order						
Report for Month Ending:		31-Mar-05		Project Manager:		Kevin Murray
Start Date:				End Date:		
Overall Progress Status			Expenditure 2004/5			Project Life Funding
			144%			93%
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		1-Jul-02	23-Dec-03		C	
2. Support Parliamentary Process Leading to Royal Assent		1-Jan-04	24-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 TRO's		6-Jan-04	1-Jul-06		IP	
						</



Summary of Key Points and suggested course of action:

The parliamentary committee took evidence from a range of witnesses including the promoter from 3 November 2004 and this concluded on 11 January. It published its Preliminary Stage report on 16 February recommending that the Bill proceed as a Private Bill to the Consideration Stage and that the general principles of the Bill should be agreed to. The recommendations of the report were approved unanimously by the Scottish Parliament on 02 March 2005.

The PBU has held meetings with tie and with objectors to outline the process and timescales for the Consideration Stage.

Intensive work is on-going in attempting to resolve as many objections as possible to reduce the need to appear before the Committees. In parallel, tie is preparing to give evidence for the objections that remain. This presents a considerable draw on the available resources.

Tram Line One costing for 2004/05 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.

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

Project Manager's signature: [Signature] Project Director's signature: [Signature]

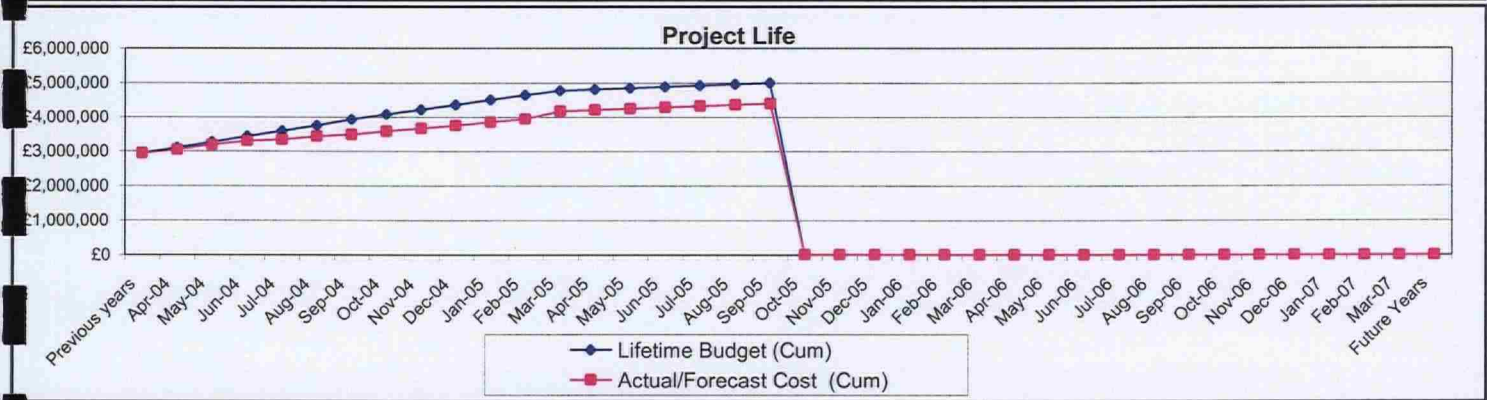
Date: 13/4/05 Date: 13/04/2005

Project: Line 2 West Edinburgh Tram Parliamentary Order			
Report for Month Ending: 31-Mar-05		Project Manager: Geoff Duke	
Start Date:		End Date:	
Overall Progress Status		Expenditure 2004/5	Project Life Funding
		67%	114%

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	£1,236,280	£602,080
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	£4,397,920	£602,080



Summary of Key Points and suggested course of action:

The committee published its Preliminary Stage report on 9 February recommending that the Bill proceed as a Private Bill to the Consideration Stage and that the general principles of the Bill should be agreed to. The recommendations of the report were approved unanimously by parliament on 23 February.

The PBU has held meetings with tie and with objectors to outline the process and timescales for the Consideration Stage.

Intensive work is on-going in attempting to resolve as many objections as possible to reduce the need to appear before the Committees. In parallel, tie is preparing to give evidence for the objections that remain. This presents a considerable draw on the available resources.

Tie submitted a claim for £175k for additional work incurred in meeting the programme for Bill submission in 2003. tie has settled this for £65k.

Tram Line 2 costing for 2004/05 includes an element of cross funding to Tram Line 1, which reflects work carried out on the common section and the significant issues requiring resolution in the city centre.

“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: 13/4/05 13/04/2005 Date: 13/04/2005 13/04/2005

TRS00018620 0032

The graph illustrates the cumulative costs of a project over time. The Y-axis represents the cost in pounds (£0 to £6,000,000). The X-axis represents time from 'Previous years' to 'Future Years'. Two lines are plotted: 'Original Cost Estimate (Cum)' (blue line with diamond markers) and 'Actual / Forecast Cost (Cum)' (red line with square markers). Both lines show an upward trend, with the actual/forecast cost exceeding the original estimate starting around March 2005.

Time Period	Original Cost Estimate (Cum) (£)	Actual / Forecast Cost (Cum) (£)
Previous years	~£500,000	~£500,000
Apr-04	~£700,000	~£700,000
May-04	~£800,000	~£800,000
Jun-04	~£900,000	~£900,000
Jul-04	~£1,000,000	~£1,000,000
Aug-04	~£1,100,000	~£1,100,000
Sep-04	~£1,200,000	~£1,200,000
Oct-04	~£1,800,000	~£1,400,000
Nov-04	~£2,800,000	~£1,700,000
Dec-04	~£3,500,000	~£2,000,000
Jan-05	~£4,200,000	~£2,300,000
Feb-05	~£4,800,000	~£2,600,000
Mar-05	~£5,500,000	~£3,100,000
Apr-05	~£5,500,000	~£3,900,000
May-05	~£5,500,000	~£4,800,000
Jun-05	~£5,500,000	~£5,500,000
Jul-05	~£5,500,000	~£5,500,000
Aug-05	~£5,500,000	~£5,500,000
Sep-05	~£5,500,000	~£5,500,000
Oct-05	~£5,500,000	~£5,500,000
Nov-05	~£5,500,000	~£5,500,000
Dec-05	~£5,500,000	~£5,500,000
Jan-06	~£5,500,000	~£5,500,000
Feb-06	~£5,500,000	~£5,500,000
Mar-06	~£5,500,000	~£5,500,000
Apr-06	~£5,500,000	~£5,500,000
May-06	~£5,500,000	~£5,500,000
Jun-06	~£5,500,000	~£5,500,000
Jul-06	~£5,500,000	~£5,500,000
Aug-06	~£5,500,000	~£5,500,000
Sep-06	~£5,500,000	~£5,500,000
Oct-06	~£5,500,000	~£5,500,000
Nov-06	~£5,500,000	~£5,500,000
Dec-06	~£5,500,000	~£5,500,000
Jan-07	~£5,500,000	~£5,500,000
Feb-07	~£5,500,000	~£5,500,000
Mar-07	~£5,500,000	~£5,500,000
Future Years	~£5,500,000	~£5,500,000

Four bidders have been invited to tender for SDS. These are Scott Wilson Railways, Parson Brinkerhoff / Halcrow, Mott MacDonald / Faber Maunsell, & Atkins. The Invitations to Tender (ITT) have been issued.

Eight bidders have been invited to tender for TSS. These are Earth Tec, Scott Wilson Railways, CJ Associates, Parson Brinkerhoff, Jacobs Babbie, Arup, Atkins & Hyder Consulting. The Invitations to Tender (ITT) have been issued.

The OJEU notice for the JRC was issued on Thursday 24th March 2005.

There are three key issues which may impact on the programme.

1. Scottish Executive funding award for 2005 / 06 budget by 31 May 2005: Funding approval is expected by this date to enable contract award(s).
2. Achievement of Royal Assent on lines 1 and 2 by 31 December 2005: Any significant delay will impact on the 2006 / 07 design programme, and on actual opening dates for the system.
3. City Of Edinburgh Council (CEC) members approvals: CEC has agreed that approval of the Interim Outline Business Case (IOBC) will constitute approval of the award of contracts consistent with the IOBC and 2005 / 06 budget. However, the tie Business Plan must be approved before any further contracts are awarded after 31 March 2005.

Project Manager's signature: [Redacted] Project Director's signature: [Redacted]
Date: 14/4/05 10/03/2005 Date: [Redacted] 10/03/2005



Tram

b) OBC Status

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



Agenda Item 5c

Tram

c) Parliamentary Process *

* = 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

7th April 2005

Tram Line 1 & 2 - Status Report

Consideration Stage

The process and programme for the Consideration Stage remains as outlined in the report for the Board meeting on 4 March.

Intensive work is on-going in attempting to resolve as many objections as possible to reduce the need to appear before the Committees. The current status is outlined below.

In case the objections are not resolved in time to be withdrawn, tie and its advisers are identifying appropriate witnesses and preparing witness summaries for submission to the PBU on 22 April. Thereafter, witness statements for the pre-recess objector groups will be prepared and submitted to the PBU by 18 May.

Objector Numbers and Status

Objections	ETL1	ETL2
Submitted + Accepted Late	205	85
Rejected + Withdrawn	7	9
Remaining	198	74
Broadly classified as		
Environmental/ statutory	4	2
Community Council	3	3
Residential	158	10
Commercial	28	51
Transport	4	5
Utilities	4	3
General	4	0
Possible numbers resolved before need for evidence in Parliament	30	37

B Cross
12 April 2005



Tram

d) Network Rail – Issues

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



Risk

a) Risk Report *

*** = 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.	If there is a successful challenge to the legal standing of FETA then tie's client may disappear.		Legal opinion from D&W has been sought. Further legal advice regarding potential set-up to protect revenue.
2.	If it shown to be illegal to create a new Charging Order then there could be a need to extend the existing tolling arrangements rather than introduce road user charging.		Seek legal opinion from D&W and advice regarding the development of the scheme. Proceeding on basis that FETA Board (28 May 2005) approval to proceed with consultation.
3.	If there are delays to completing a contractual agreement then there could be ambiguity in our service position		Draft agreement prepared utilising SAK Agreement as base documentation. Roles and responsibilities defined. Invoices being paid. Work closely with CEC Legal to accelerate ongoing review.

Ref	Risk - Edinburgh Airport Rail Link	RAG	Mitigation
4.	If we fail to prepare a robust Operating Agreement for our role as Promoter then there may be an ambiguous approvals process or delays could be incurred prior to lodging Bill in Parliament.		Finalise Operating Agreement and develop internal governance arrangements.
5.	If the Private Bills Unit can only deal with 3No. Bills (4No. currently lodged) then there may be delays to existing Bills or EARL Bill and additional costs incurred.		Concerns have been raised by Private Bills Unit. Maintain project programme to achieve May 2005 submission. Liaise with Tram schemes regarding potential interaction between Bills.
6.	If we don't enter into Heads of Terms of agreements with BAA and NR before lodging the bill then they may formally object to it.		Assurance protocol and way forward agreed. Unlikely to be concluded prior to lodging of Bill. Meet regularly with BAA and NR and develop Heads of Terms agreements in conjunction with advisors. Seek verification that there will be no objection from BAA and NR. Review lessons from Tram schemes.
7.	If the results of the current 3 rd party STAG review uncover significant deficiencies requiring significant development then there could be a need to delay the programme to ensure documentation is sufficiently robust		Incorporate requirements raised by Scottish Executive. Finalise Design/Development STAG Appraisal in conjunction with auditors. Develop and agree programme for review to allow early remedial activity where necessary. Ensure ongoing quality checks on demand modelling, economic test and sensitivity testing.
8.	If the technical consultant has expended his budget too early then we may be provided with deliverables of reduced quality which may not stand parliamentary scrutiny.		Closely manage the advisors expectation of our requirements. Monitor the quality of deliverables. Ensure adequate internal checking is undertaken. Comment on all deliverables that are being produced including independent and cross-advisor review.

Ref	Risk - Tram Line 1	RAG	Mitigation
9.	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.
10	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.
11	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 Interim Outline Business Case.
12	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.

Ref	Risk - Tram Line 2	RAG	Mitigation
13	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.
14	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. Review the potential need for a model that can be used to plan for EARL/Tram 2.
15	If there is a funding shortfall for the scheme then Newbridge section may require support from additional funding by the Council.		Discuss funding options with the Council and Scottish Executive with regard to a phased system.
16	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.		Apply change control for proposed alternative routing to Gyle area. 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

Ref	Risk - Tram Line 2	RAG	Mitigation
			routing plans are necessary review all capital, operating and revenue implications.

Ref	Risk - Tram Line 3	RAG	Mitigation
17	If the project recommences there will be a need to significantly re-do modelling and re-write elements of the STAG assessments.		Implementing project close down for 31 May 2005 and archiving of all prepared information (partially complete and complete) from advisors.
18	If funding is not found for the scheme, then the development may be shelved for a considerable period.		Transfer to the Council on 1 June 2005. Review options for alternative funding on an annual basis in conjunction with the Council and Scottish Executive, if required.

Ref	Risk - Congestion Charging	RAG	Mitigation
19	If there is an inadequate review of options there could be a lost opportunity in the technologies which have been developed		Prepare necessary marketing material and plan. Meet with TfL, Scottish Executive and the Council to discuss direct and indirect uses of the technology.
20	If there is sufficient alternative options there may be a need to make some of the team redundant		Review resource allocations per project to apply congestion charging skills across tie Portfolio.

Ref	Risk - Stirling-Alloa-Kincardine Railway	RAG	Mitigation
21	If there is inappropriate allocation of risk and the bidders offer may not offer value for money or project affordability then the scheme may not proceed.		Reconcile costs to original estimates completed. Review the overall contractual risk allocation with the client and contractor. Develop breakdown of contingencies and risk management regime for implementation phase. Liaise with Scottish Executive and Clackmannanshire Council for approval to proceed against predicted total project costs.
22	If compensation and access arrangements have yet to be resolved then there may be delays to implementation of the scheme or inflated compensation arrangements.		District Valuer advice on compensation has been sought. Seek a detailed project programme including milestones for land access and completion of negotiations from FirstNuttall. Hold ongoing dialogue with Diageo regarding timing and compensation for project commencement at beginning of May 2005.
23	If there is a stalemate in development of an Asset Protection Agreement with Network Rail then the scheme will not be implemented.		Major issues in principal have been agreed and under review by NR legal advisors. Discuss options with Scottish Executive. Meet with Network Rail (London) to progress.

Ref	Risk - Ingliston Park & Ride	RAG	Mitigation
24	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. Apply liquidated damages to Contractor (£1,000 per day) as recommended by Halcrow.
25	If TROs are not in place then the scheme may need to be opened without TROs in place to prevent delay		Detailed risk assessment provided to the Council per Order Type with planned mitigation. Establish detailed programme for generation of TROs and ensure advisors and the Council apply adequate resources.
26	If the performance of our advisors deteriorates to compromise our delivery then we may need to replace them.		Confirm to Halcrow that we are not happy with the service level provided. Establish a performance measurement protocol to highlight concerns regarding level of supervision and engagement in process to resolve difficulties. Provide additional clerk of works supervision through tie.
27	If the contractor raises a claim on the works then there could be cost and/or programme overruns.		Ensure adequate supervision and record keeping for works. Review validity of claim in conjunction with tie Project Management Team and advisors.

Ref	Risk - Edinburgh Fastlink	RAG	Mitigation
28	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.		Initial Balfour Beatty survey information not of sufficient quality. Seek further detailed alignment and crack surveys. 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 Balfour Beatty.
29	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.
30	If there is lack of clarity of the outstanding Operational Agreements in place then we may fail to fulfil our obligations		Develop programme for the conclusion of all agreements (including 3 rd party audit, gritting, cleaning, CCTV and shelter repairs) by beginning of May 2005. Prioritise and resource to ensure completion.
31	If there is a need to close facility to make good on repairs (to bring in line with specification) then there will be a need to suspend		Develop programme with contractor to remedy defects to ensure possessions minimise disruption to operations. Review method

Ref	Risk - Edinburgh Fastlink	RAG	Mitigation
	operational access to Lothian Buses		statements and contingency to rectify works. Ensure adequate supervision of activities and monitor quality of repairs.
32	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.



Finance

- a) **Board Finance Review ***
- b) **Financial Performance Report***
- c) **tie Business Plan – approval status**

* = 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

Finance

a) Board Finance Review *

*** = 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 – 19 April 2005
Finance Review**

Financial Performance Report

The monthly Financial Performance Report is at Attachment 1 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. The year-end outturn was close to expectations.

Business Cases

(1) Tram project

Work has progressed considerably on the OBC and has reconfirmed previous estimates as well as highlighting the areas which require further analysis and dialogue. These are in line with previous discussions and the key elements are :

- Revenue projections including the introduction of integrated service patterns – no new issues but the need for considerable further work on this area prior to financial close has been reinforced
- Affordability and financial risk-sharing between the Executive and the Council leading to overall decisions on project scope and phasing
- Impact of EARL on Line 2 and Network business case – this assessment is under active consideration, see below under EARL

A verbal update will be provided to the Board by Stewart McGarrity.

(2) EARL

Timetable

The submission of the PFC was planned to be coterminous with the bill submission on the 9th of May.

However, following discussions with the Scottish Executive this submission will be moved to coincide with the committee stage of the parliamentary process, which is expected some time around October 2005. This will ensure that the parliament get the most up to date information on the project methodologies and progress.

In addition to having the best possible financial case before the parliament, the process will be consistent with the submission documentation being provided by Glasgow Airport Rail Link.

Future Funding

With the PFC submission being moved to match the committee stage, tie will require to revisit how we present a funding application to the Scottish Executive for EARL. Discussions are taking place at present with the Executive to agree the detail they will need to release the remaining funds for 05/06 for the EARL project.

Capital Costs

The base costs have now been confirmed (and a cost report is available) at:

	£'m
Base Capital Costs	£361
Specified Contingencies	£ 50
Optimism Bias	<u>£ 86</u>
Total	<u>£497</u>

This figure has decreased from the previous board report (£521m) as the Specified Contingencies have been assessed to a P80 level using Quantitative Risk Analysis (QRA) techniques and the Optimism Bias has been incorporated on the calculated rather than estimated value.

Operating Costs, Lifecycle and Revenue

The operating costs have been provided in support of the STAG process by Alan Somerville in consultation with SWH, they have proved to be in excess of the estimate in the SKM report which was seen as unachievable.

Lifecycle costs have been included on an individual component replacement cycle, these have been profiled as a constant charge through the assessment period, except where a major item of equipment is being replaced.

Revenue has been modelled by SWH and has been checked for common sense and comparability to the Tram modelling, however unlike in the Tram case the additional revenue generated by EARL is not the driving force for the STAG case. The EARL and Tram teams are now working closely to assess the commonality of assumptions and the mutual effect of the two projects on each other. We are seeking to present an option which provides a robust business case for both projects in an environment where both are operational.

STAG

Version 4 of the STAG has been issued and there remain 2 key issues that are being finalised, these are:

- Premium fare – Several runs have been completed on the sensitivity of the overall case for EARL at various premium fares and to assess the extent of premium pricing on the network. A verbal update will be provided to the Board on this matter, which has substantial implications for the Tram project.
- Model Consistency EARL to Tram – Halcrow have provided an analysis of the component parts of both models and the assumptions therein. This work has confirmed that they are broadly comparable, with EARL being a pragmatic evolution of the tram model, and where different assumptions have been made these have been agreed and documented. The output of the models has been compared to ensure reasonableness of the output and this has proved to be consistent at the high level in terms of overall demand for transport and within acceptable limits for the splits between various transport modes.

Business Plan

The Business Plan will be put forward for Council approval in May or early June at the latest, following the amendments required by the termination of the congestion charging scheme and Tram Line 3.

We also continue to progress the approval of funding with the Executive, with roll-over budget confirmed to be available until the end of May for the main tie projects.

In addition, tie's role as EARL Promoter requires to be agreed and expenditure agreed and funded.

Graeme Bissett
12 April 2005



Agenda Item 7b

Finance

b) Financial Performance Report *

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

tie

Financial Performance Report

March 2005

Prepared by Stuart J Lockhart

12th April 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

The outturn spend for the year-end was in line with the previous estimate.

The outturn spend in aggregate was £23.3m compared to original budget of £28.6m. The principal variations have been well-rehearsed previously and were in line with expectations. In summary, these were on Tram implementation £2.4m due to phasing; EARL £1.0m due to absolute cost savings (£0.7m) and re-phasing of the Bill submission date (£0.3m); Ingliston Park & Ride £1.0m saving, though the project is subject to both delay and cost overrun; Line 3 £0.4m due to absolute savings and the termination of the project in March 2005; Congestion charging £0.2m due to absolute savings and savings due to the scheme termination at the end of February offset by termination costs. Of the balance, £0.2m is accounted for by underspend on the Information Programme but **tie** does not have up to date information on actual spend. The remaining balance of £0.1m is comprised of absolute savings and timing differences.

We continue to seek progress on finalising the funding commitments required for the FY06 Plan. The plan and issues have not changed from previous reports.

2 Project Portfolio Structure and Basis of Preparation

tie's project portfolio comprises:

	Projects Director	Programme Manager	Project Manager	2004/05 Expenditure		2004/5 Expenditure		Variance YTD Delta	Monthly Confirmations Completed per Timetable
				Plan	(£'000's)	YTD Plan	YTD Actual		
					(£'000's)	(£'000's)	(£'000's)	(%)	
Congestion Charging Programme									
1 Development & Public Inquiry Process	A Macaulay	J Saunders	D Burns	1,131		1,131	1,103	-2%	Yes
2 System Procurement	A Macaulay	J Saunders	S Healy	2,049		2,049	1,918	-6%	No
3 Information Campaign	A Macaulay	J Saunders	S Campbell	600		600	440	-27%	Yes
Tram Programme									
3 Line 1 Development & Parliamentary Process	A Macaulay	A Callander	K Murray	1,073		1,073	1,549	44%	No
4 Line 2 Development & Parliamentary Process	A Macaulay	A Callander	G Duke	1,838		1,838	1,236	-33%	No
5 DPOF Execution	A Macaulay	A Callander	I Kendall	1,994		1,994	1,290	-35%	Yes
6 INFRACO Procurement & Funding	A Macaulay	A Callander	I Kendall	3,014		3,014	1,269	0%	Yes
7 Line 3 Development	A Macaulay	A Callander	W Fraser	1,984		1,984	1,572	-21%	Yes
Other ITI Projects									
8 WEBS	A Macaulay	-	L Murphy	7,960		7,960	8,083	2%	Yes
9 Ingliston Park & Ride	A Macaulay	-	L Murphy	2,469		2,469	1,433	-42%	Yes
10 FETA	A Macaulay	-	K MacLeod	24		24	24	0%	Yes
11 One-Ticket	A Macaulay	-	S Lockhart	50		50	22	-56%	Yes
Heavy Rail Projects									
12 EARL	P Prescott	-	S Clark	4,256		4,256	3,208	-25%	Yes
13 SAK	P Prescott	-	R Hudson	162		162	162		Yes
				28,604		28,604	23,309	-19%	
13 Overheads	M Howell	-	S Lockhart	1,119		1,119	1,119	0%	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

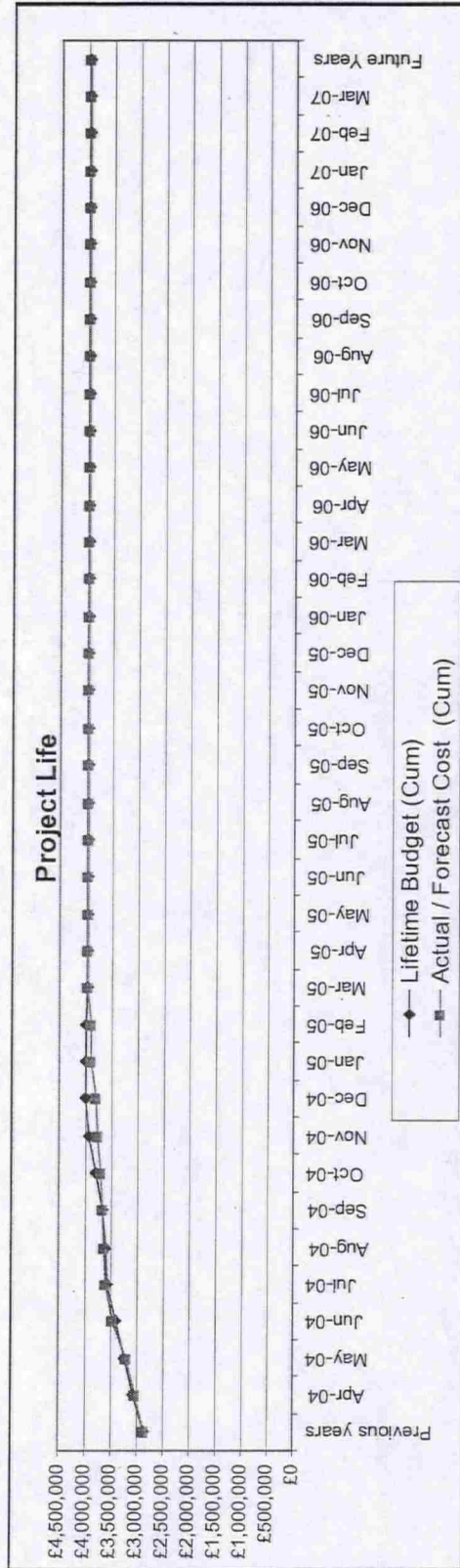
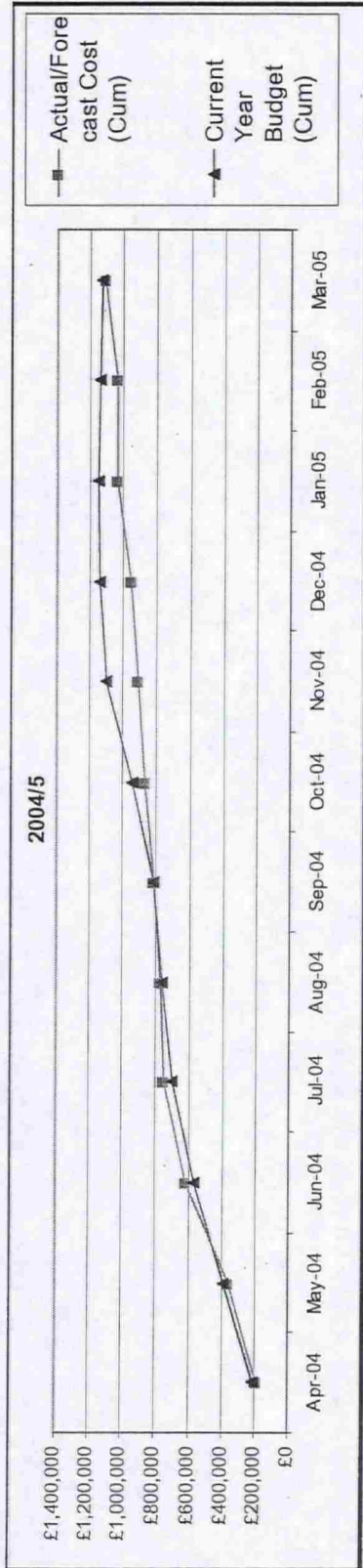
Important financial issues have now been addressed and the project has been terminated.

	Current Month (Mar'05)		Year to Date (12 mths to 31/3/05)		Year End (12 mths ending 31/3/05)	
	Actual	Budget	Actual	Budget	Forecast	Variance
Project Costs (Total incl. OH)						
Congestion Charging - Development	71,963	42,554	1,103,217	1,131,201	1,103,217	-27,984
Congestion Charging - Procurement	72,281	77,908	1,917,643	2,048,711	1,917,643	-131,068

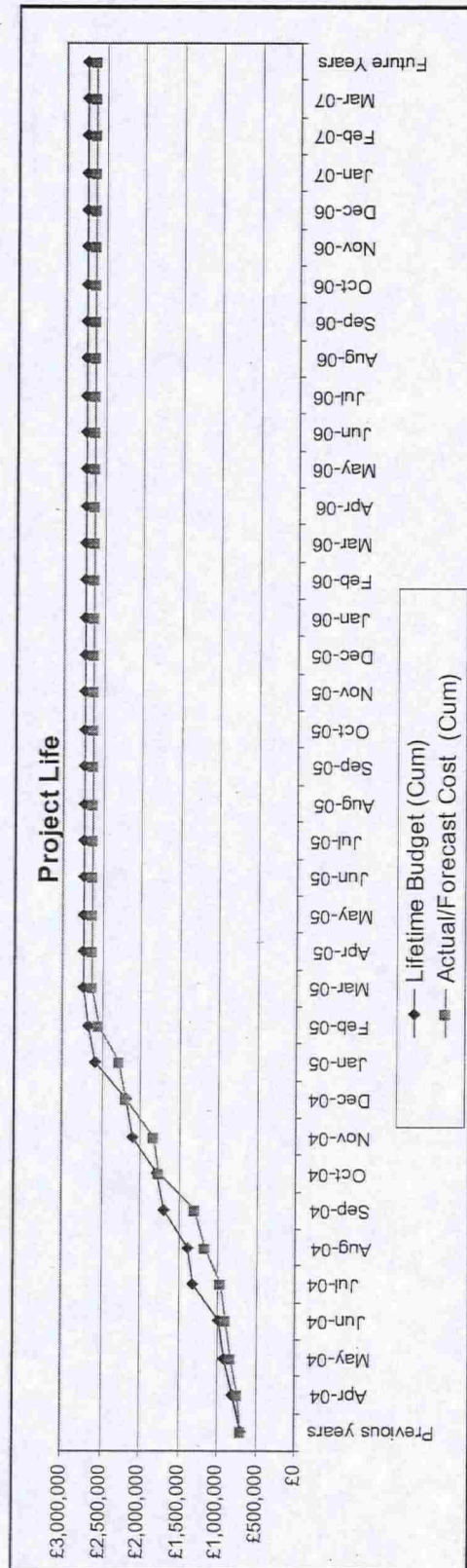
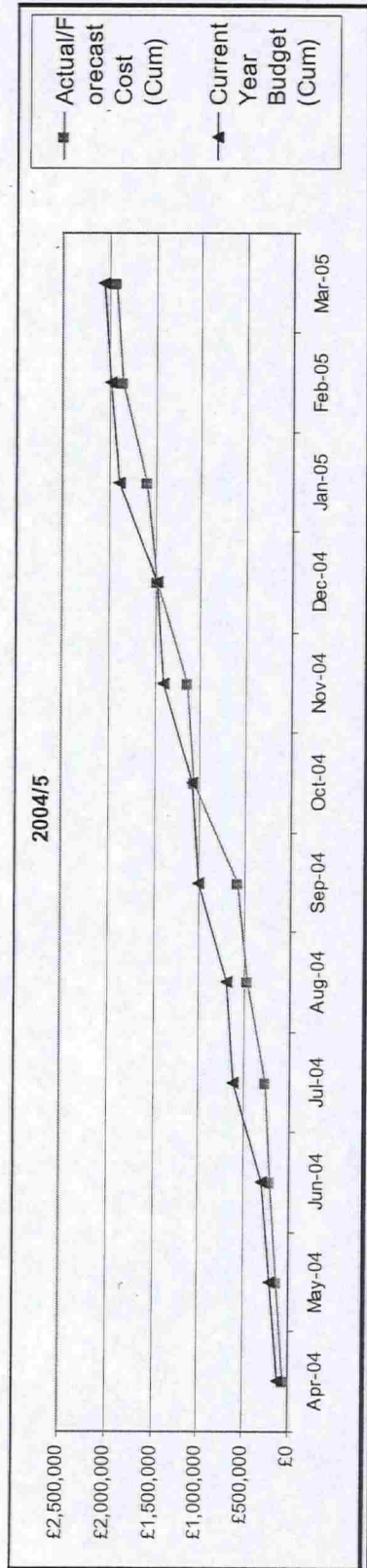
Following the announcement on 22 February of the Referendum result the Council instructed that all work on the development of the Congestion Charging proposal should cease. All external advisor costs have been concluded and final internal costs and accruals have been reflected in March year end.

Terminating all work at this stage in the financial year has resulted in a budgetary saving of £159k.

Congestion Charging Scheme – Development



Congestion Charging Scheme – Procurement

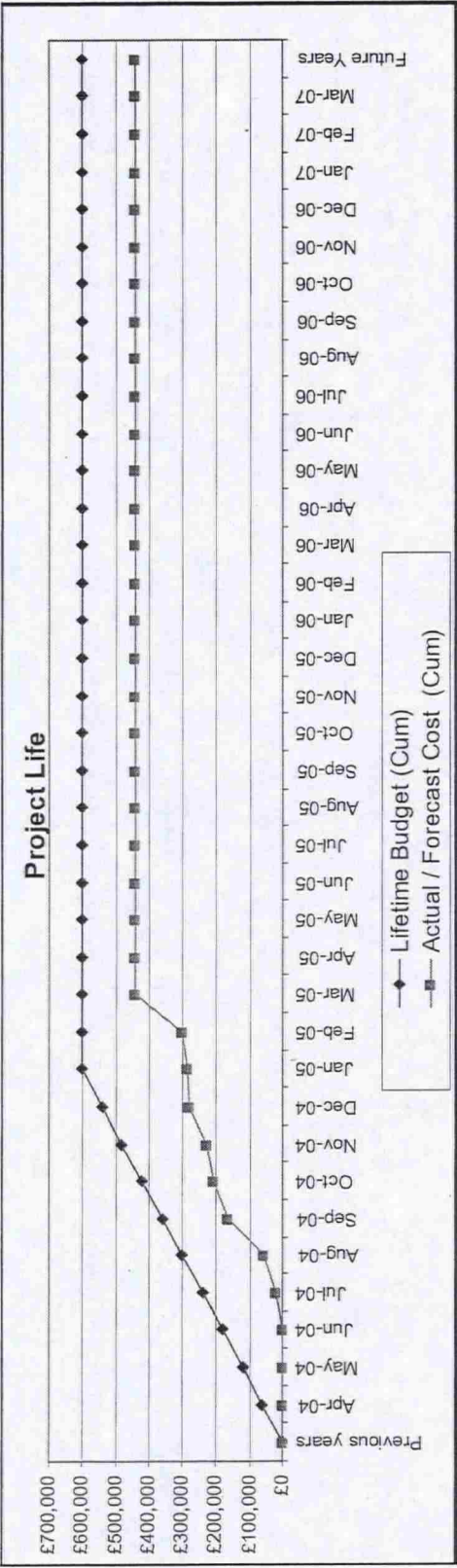
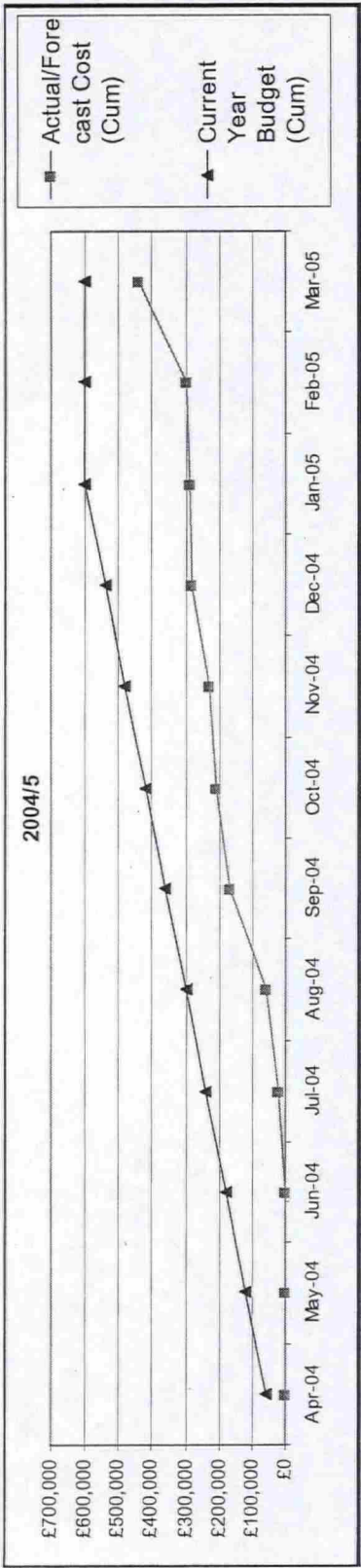


Congestion Charging Scheme – Information Programme

	Current Month (Mar'05)			Year to Date (12 mths to 31/3/05)			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	140,045	0	140,045	439,852	600,000	-160,148	439,852	600,000	-160,148

tie has no authorisation or accounting involvement in this spending and cannot evaluate the outturn.

No further information has been provided to tie since a draft was provided at 28 February.



Tram Lines One & Two

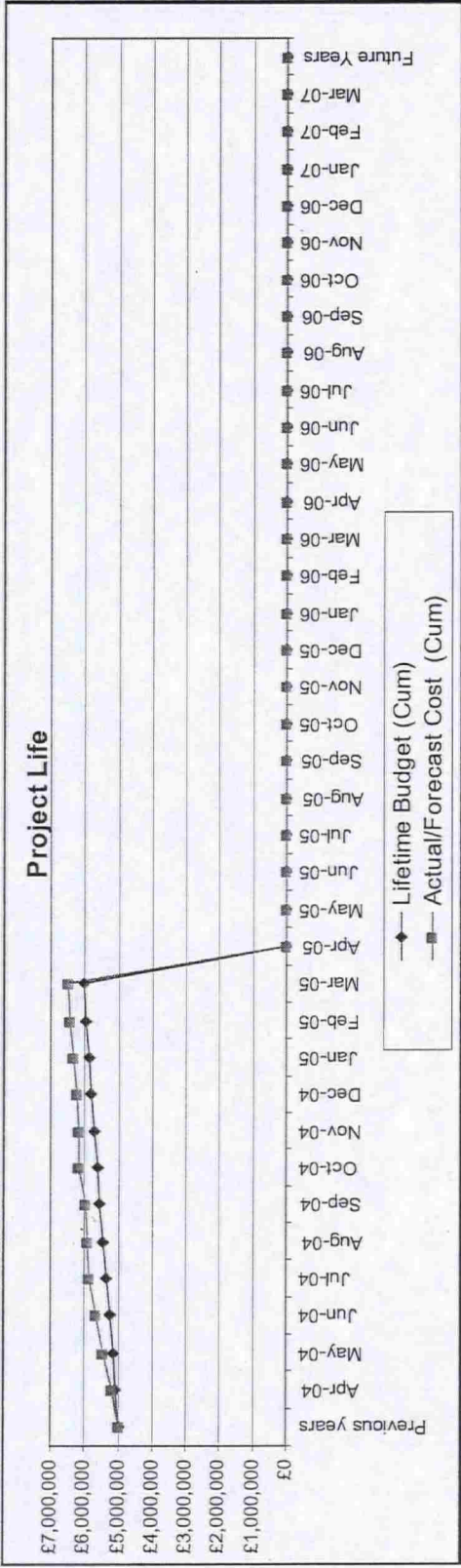
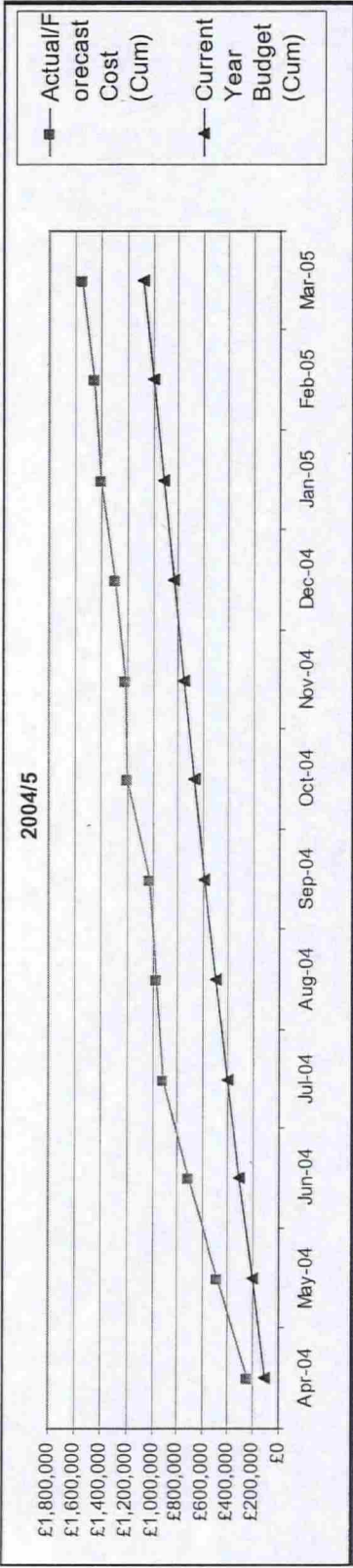
No material change to financial prospects compared to February report.

	Current Month (Mar'05)			Year to Date (12 mths to 31/3/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total incl. OH)									
Tram 1	95,624	80,535	15,089	1,548,971	1,072,736	476,235	1,548,971	1,072,736	476,235
Tram 2	233,555	127,171	106,384	1,236,280	1,838,320	-602,040	1,236,280	1,838,320	-602,040

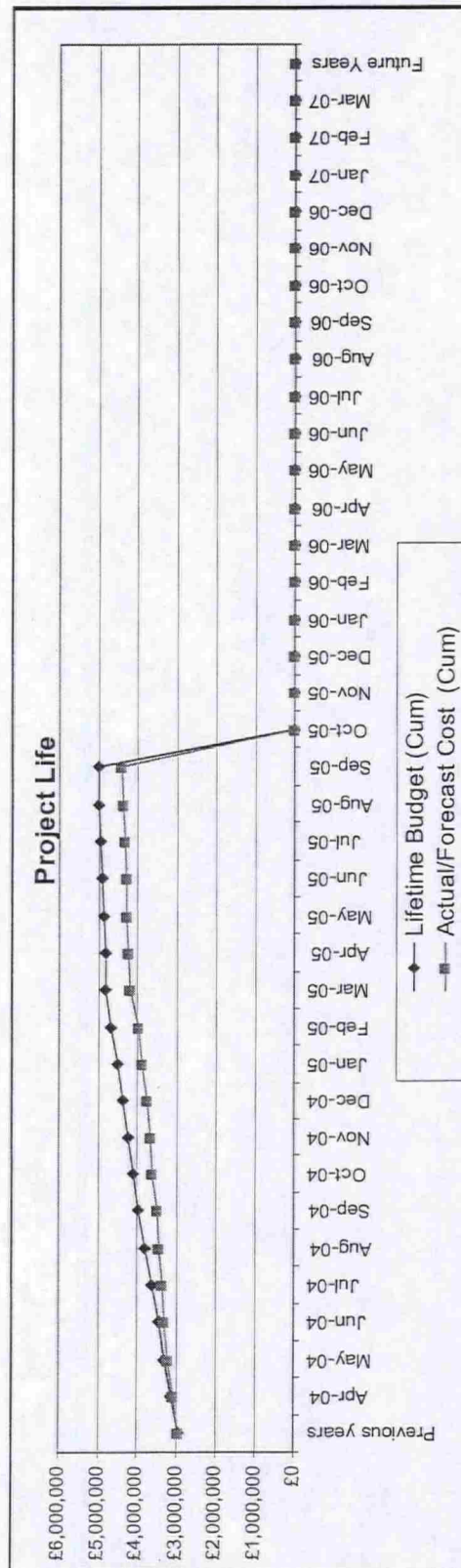
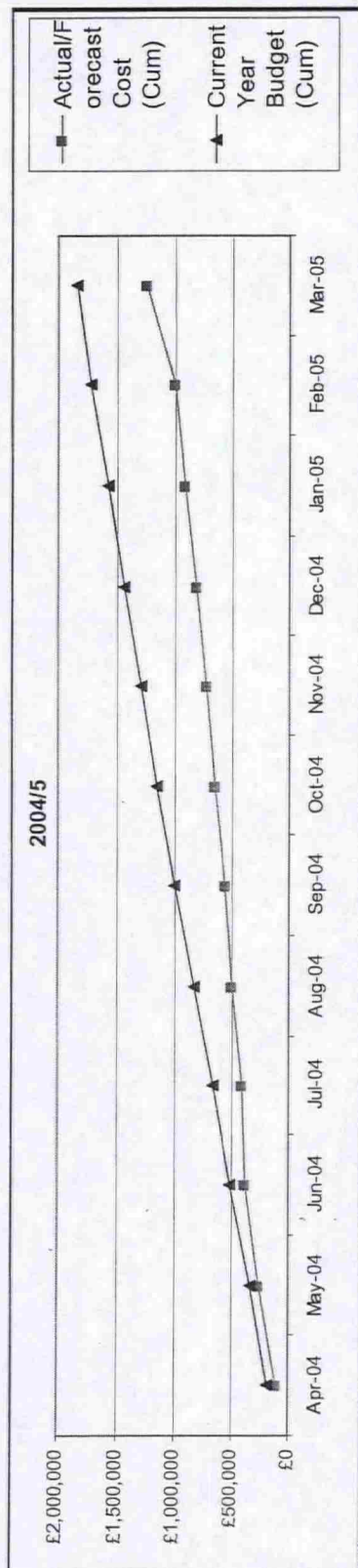
The outturn spend was slightly within the previous estimate and is overall £126k below planned spend. .

The claim from Faber Maunsell was concluded within the previous provision and this has been invoiced and included in the year end cost profile.

Tram Line 1



Tram Line 2



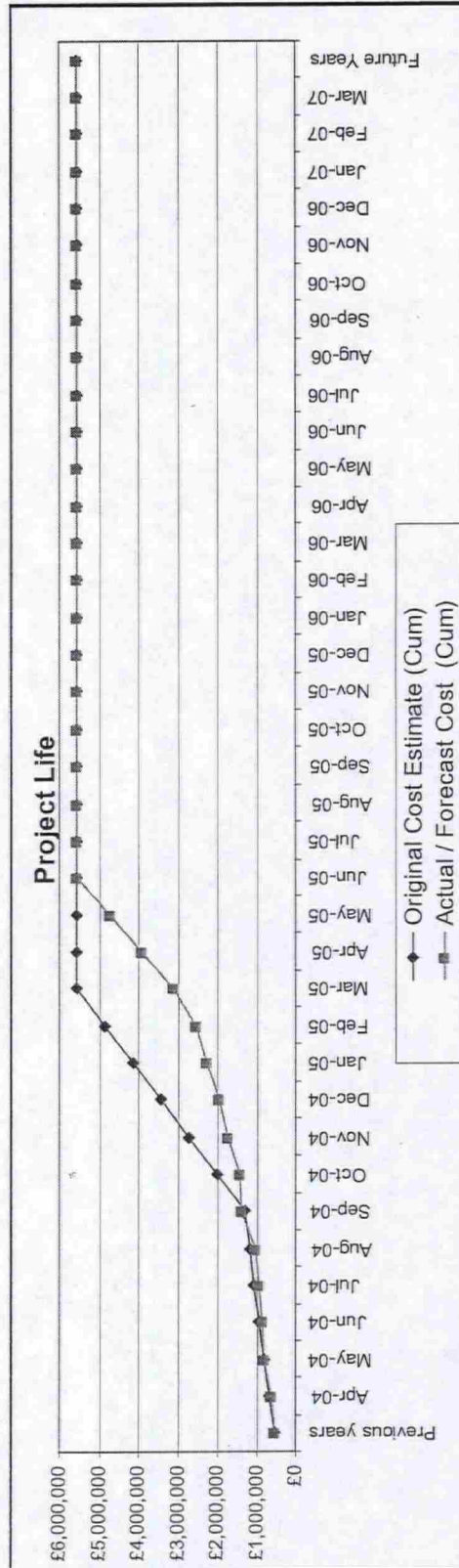
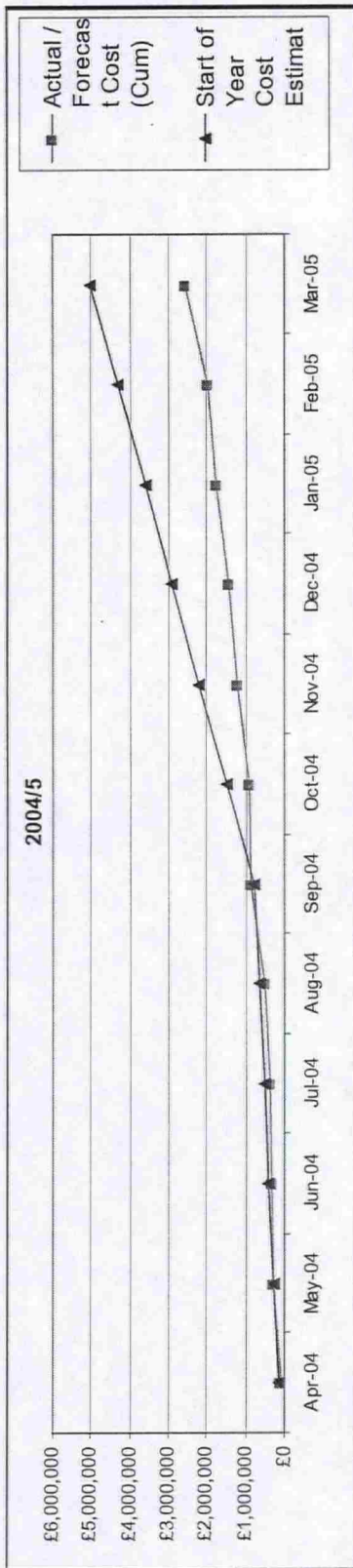
Tram Line 1 & 2 Implementation

Original budget rolled forward into 2005-06.

	Current Month (Mar'05)			Year to Date (12 mths to 31/3/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total incl. OH)									
Trams - DPOF	45,818	58,260	-12,442	1,289,804	1,993,627	-703,823	1,289,804	1,993,627	-703,823
Trams - INFRACO	542,600	50,685	491,915	1,272,003	3,014,373	-1,742,370	1,272,003	3,014,373	-1,742,370

Procurement of the full system design services is underway and tenders were issued during March. Work is continuing on business case development with PwC.

The outturn spend was in line with the previous estimate.



Tram Line Three

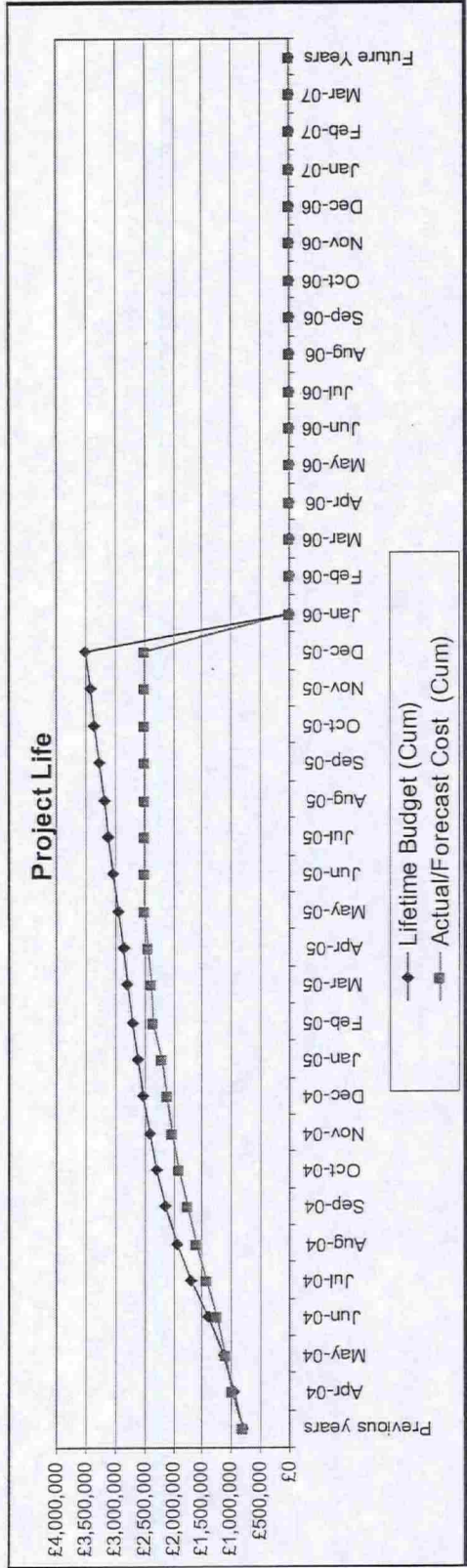
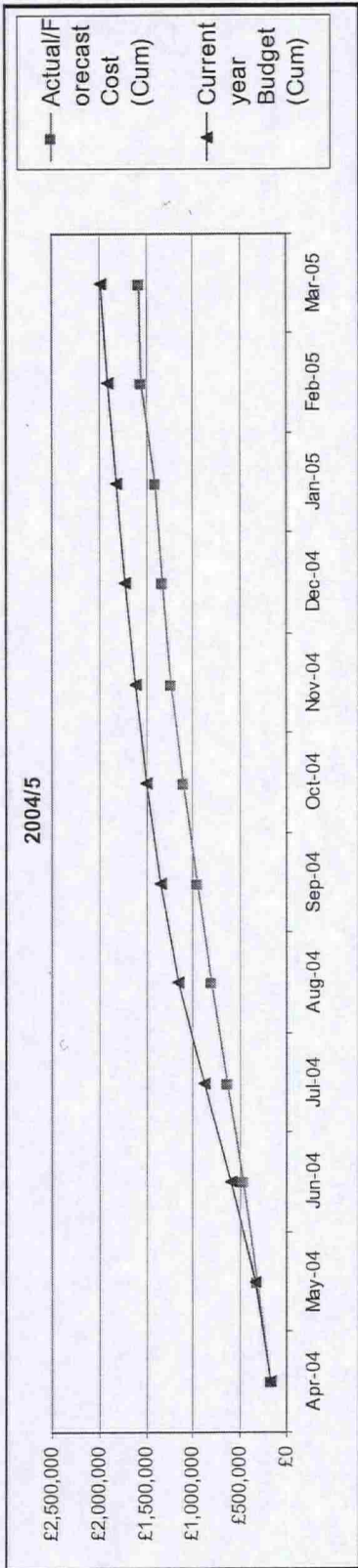
Important financial issues have now been addressed and the project will terminate in May.

	Current Month (Mar'05)		Year to Date (12 mths to 31/3/05)		Year End (12 mths ending 31/3/05)	
	Actual	Budget	Variance	Actual	Budget	Variance
Project Costs (Total Incl. OH)						
Tram 3	32,613	88,391	-55,779	1,572,182	1,983,962	-411,780

Following the return of a 'No' vote from the Congestion Charging referendum, the Scottish Executive has instructed **tie** that it should not submit a Parliamentary Bill. Work to assess the viability of the scheme, in terms of patronage and revenue analysis is ongoing. Other work packages include project archiving, advising all stakeholders of the project status, working with key developers to protect the route, and monitoring planning applications. All TL3 work packages will be closed down on 31 May 2005, and no further costs will be attributed to the project. Thereafter, CEC will oversee the project, and **tie** will not be involved.

For 2004/05, the project spend is £1,572,182 against a budget of £1,983,989. This represents a £411,780 underspend as against last month's reported underspend of £155,089. This is attributable to efficiencies against budget and de-scoping due to project closedown. In addition to the previously reported savings, the de-scoping comprises c£200k identified against ground investigation/mining survey, updating of land referencing, topographical survey on the 'Bridges' corridor, production of a construction strategy, modelling, and update to Parliamentary Bill.

The proposed budget for April and May 2005 totals £134,798k. The overall forecast project spend of £2,497,608. represent a saving of £1,002,392 against funding of £3,500,000.

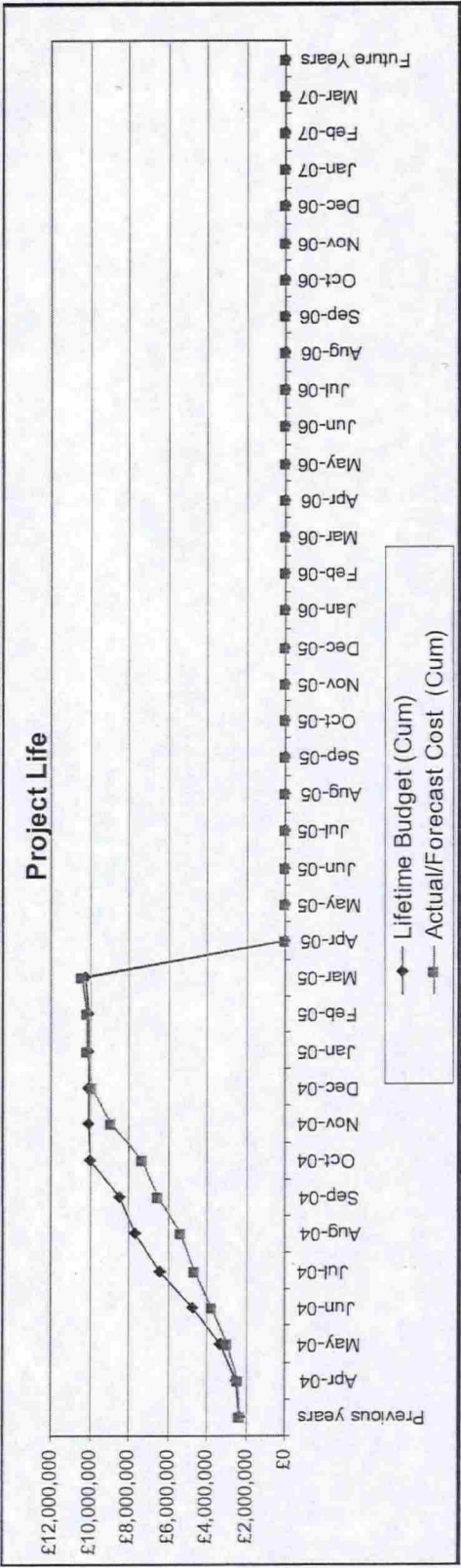
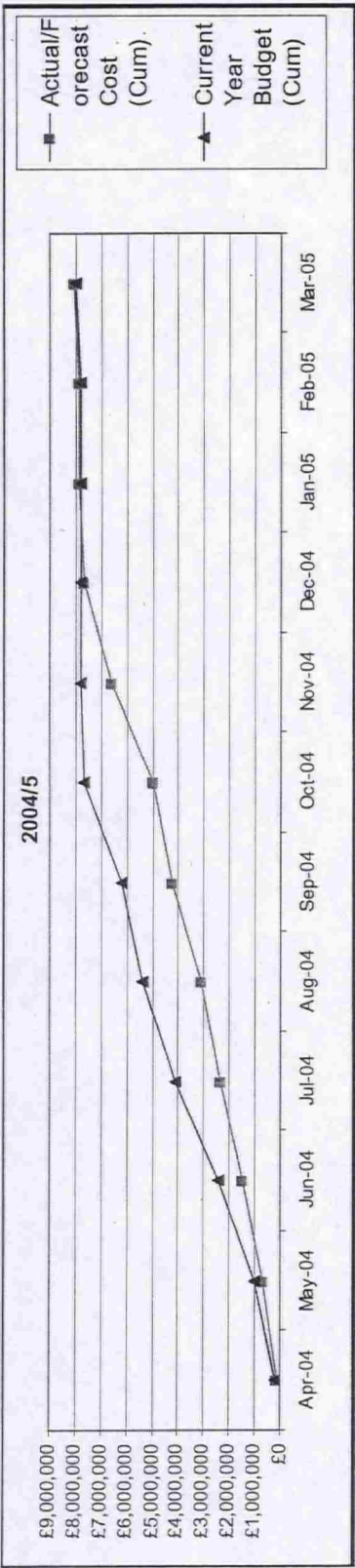


FastLink development

Important financial issues being addressed.

	Current Month (Mar'05)			Year to Date (12 mths to 31/3/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total Incl. OH)									
WEBS	247,124	5,966	241,158	8,082,720	7,623,085	459,635	8,082,720	7,959,694	123,026

The outturn spend this year, and to project completion, is in line with the previous estimate.

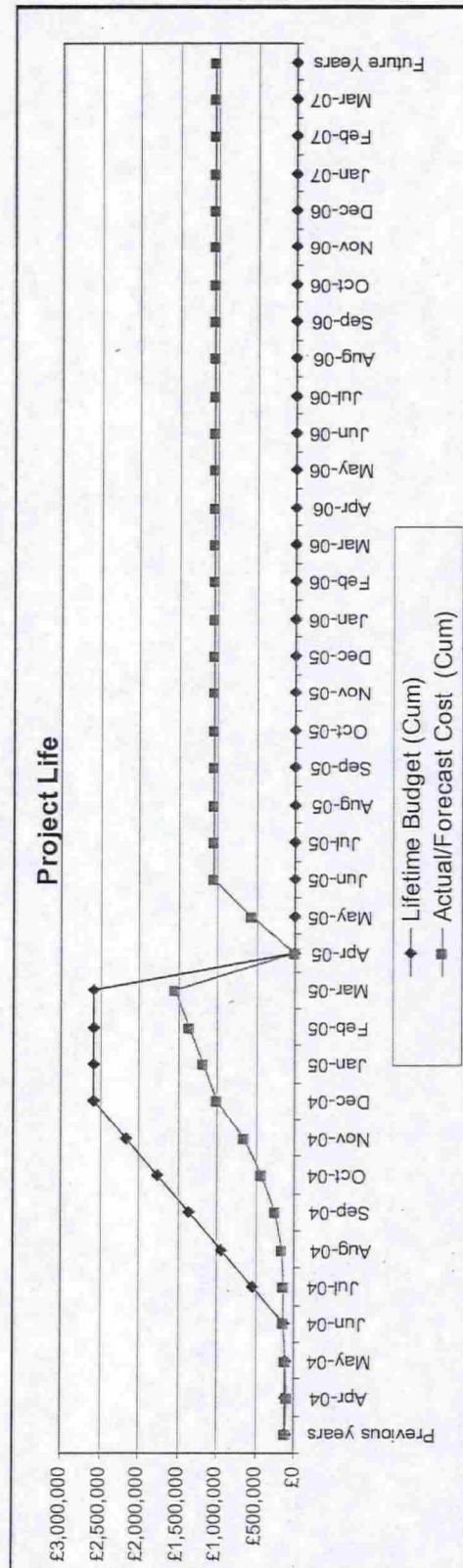
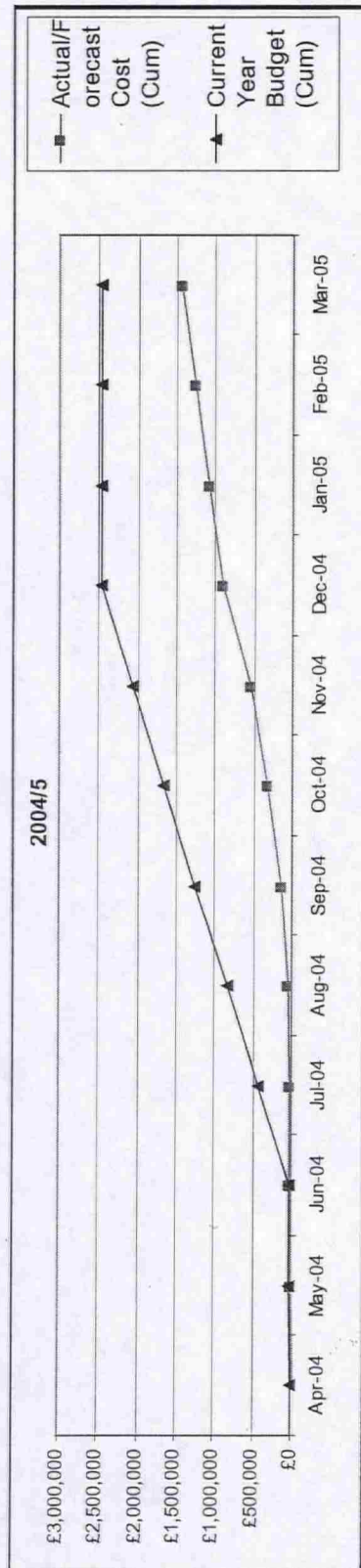


Ingliston Park & Ride

Important financial issues being addressed.

	Current Month (Mar'05)			Year to Date (12 mths to 31/3/05)			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	173,945	1,112	172,834	1,432,930	2,469,539	-1,036,609	1,432,930	2,469,539	-1,036,609

The outturn spend is in line with the previous estimate.



'One-Ticket'

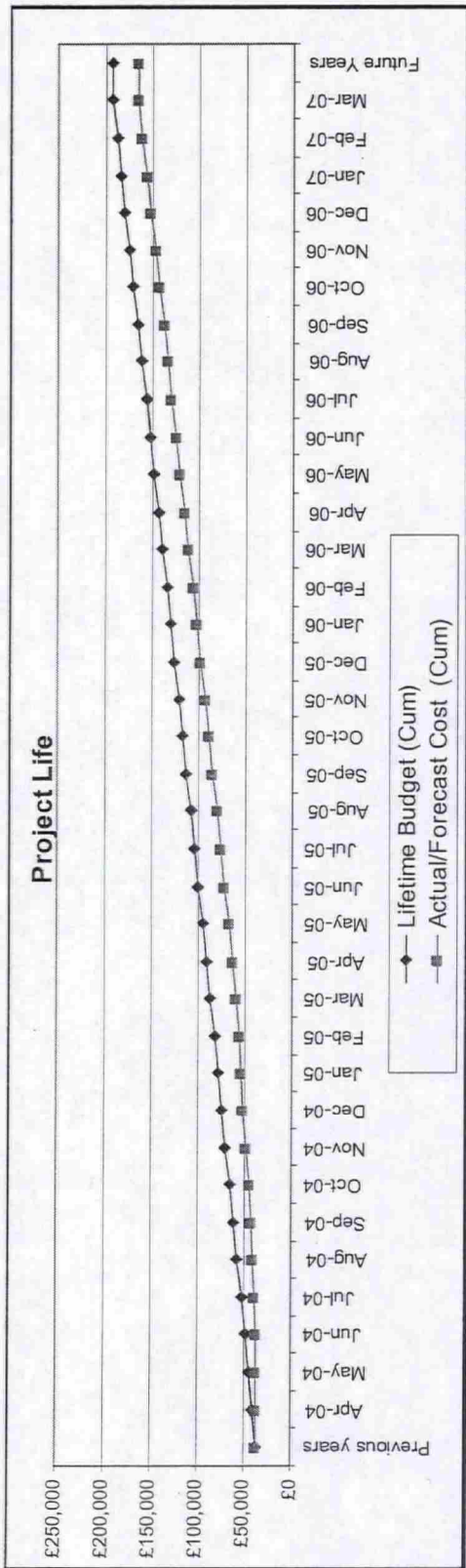
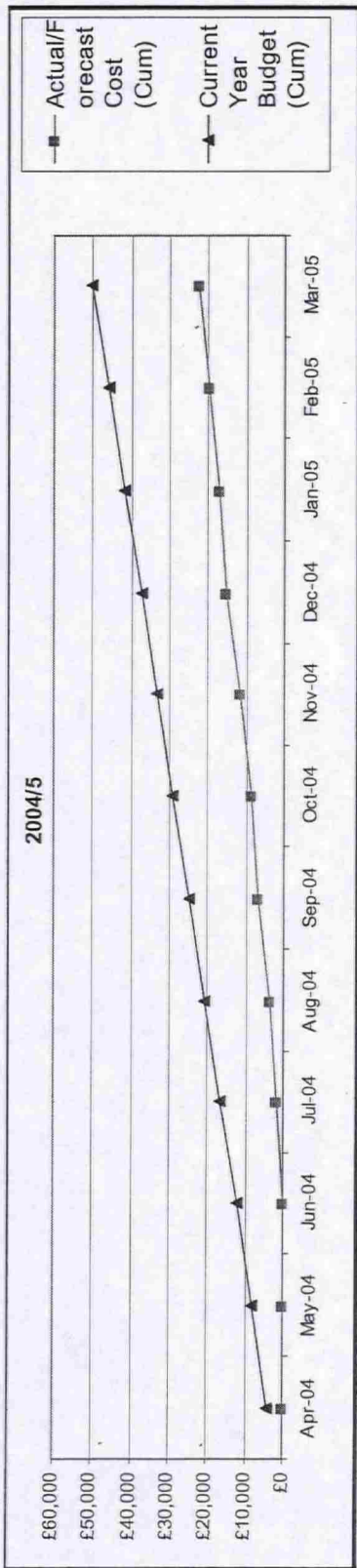
No material change to financial prospects compared to February report.

	Current Month (Mar'05)			Year to Date (12 mths to 31/3/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total incl. OH)									
One Ticket	2,628	4,216	-1,588	22,386	49,982	-27,596	22,386	49,982	-27,596

Initial meetings have taken place with First ScotRail with a view to their becoming full participants in the scheme. Further, detailed discussions, will take place over the coming months.

It is anticipated that year end sales will meet the budget of £650k (last year actual was £508k).

Price increases across the product range were effective 3rd April.



FETA

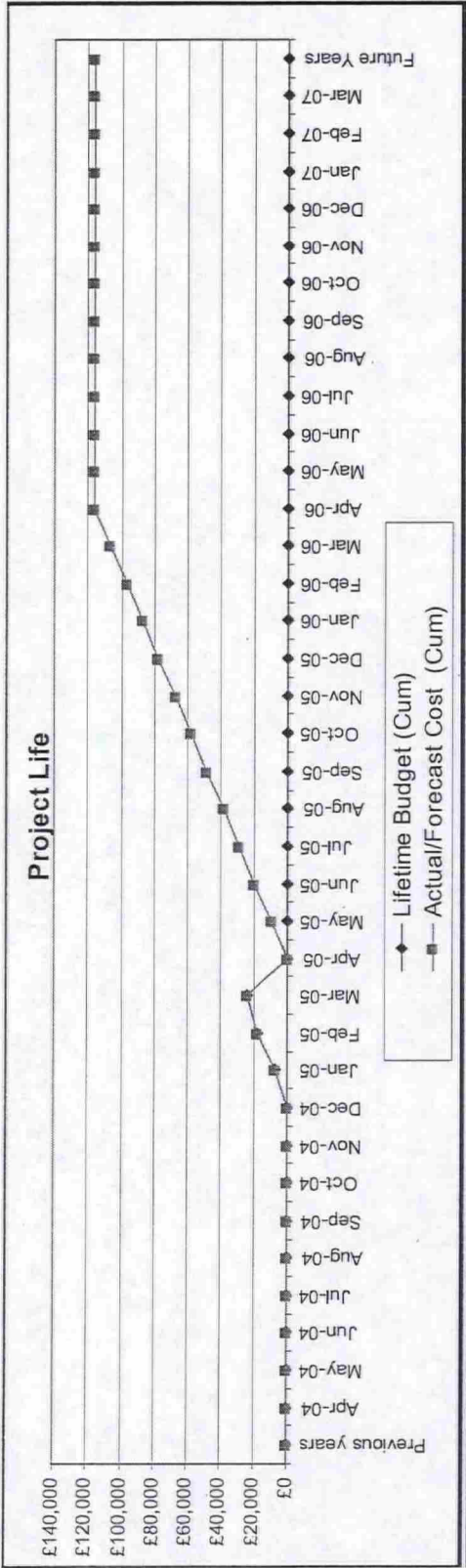
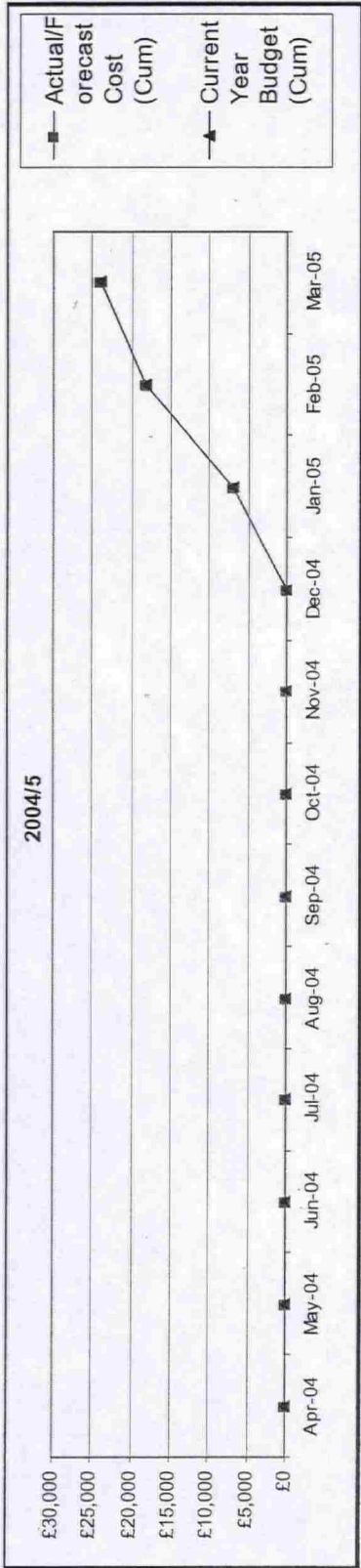
No material change to financial prospects compared to February report.

	Current Month (Mar'05)		Year to Date (12 mths to 31/3/05)		Year End (12 mths ending 31/3/05)	
	Actual	Budget	Actual	Budget	Forecast	Variance
Project Costs (Total Incl. OH)						
FETA	5,937	5,937	24,039	24,039	24,039	0

A detailed programme and budget is being agreed with FETA.

Provisional cost estimates: £150,000 in **tie** staff costs Jan 05 – April 06.

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

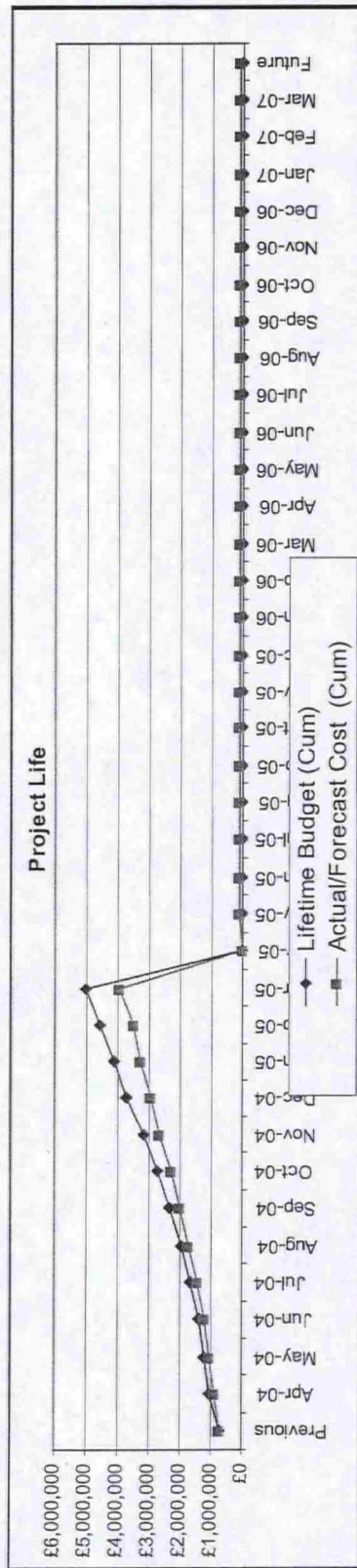
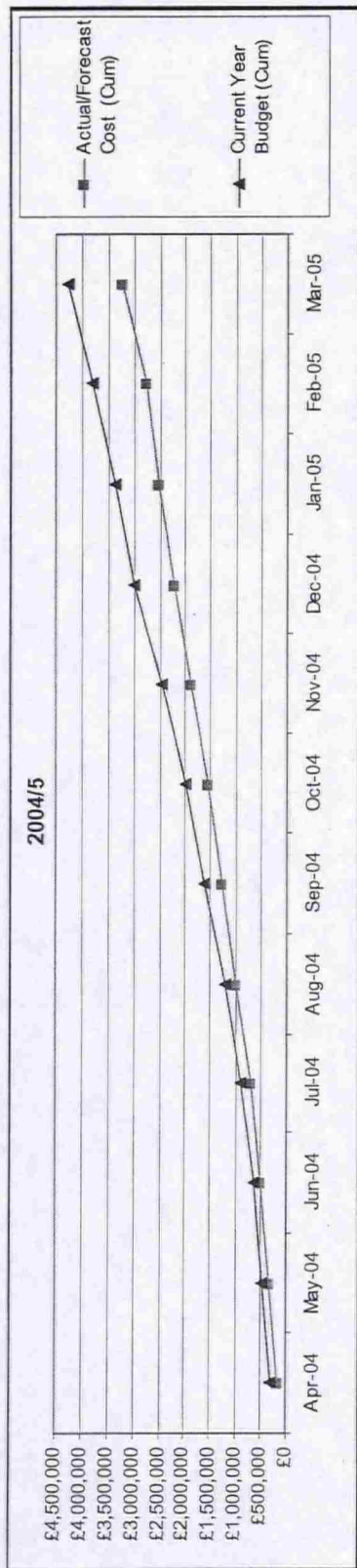


EARL

Important financial issues being addressed.

	Current Month (Mar'05)			Year to Date (12 mths to 31/3/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total incl. OH)									
EARL	448,599	470,114	-21,515	3,208,309	4,255,797	-1,047,489	3,208,309	4,255,797	-1,047,489

The outturn spend was slightly below the previous estimate and work is rolled forward to FY06.

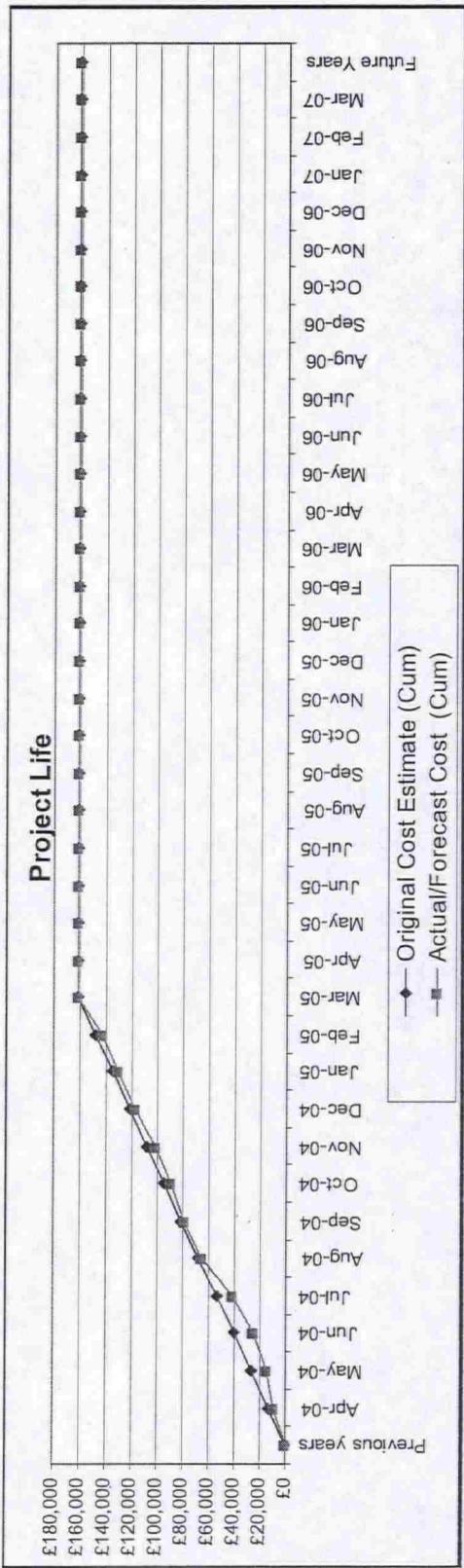
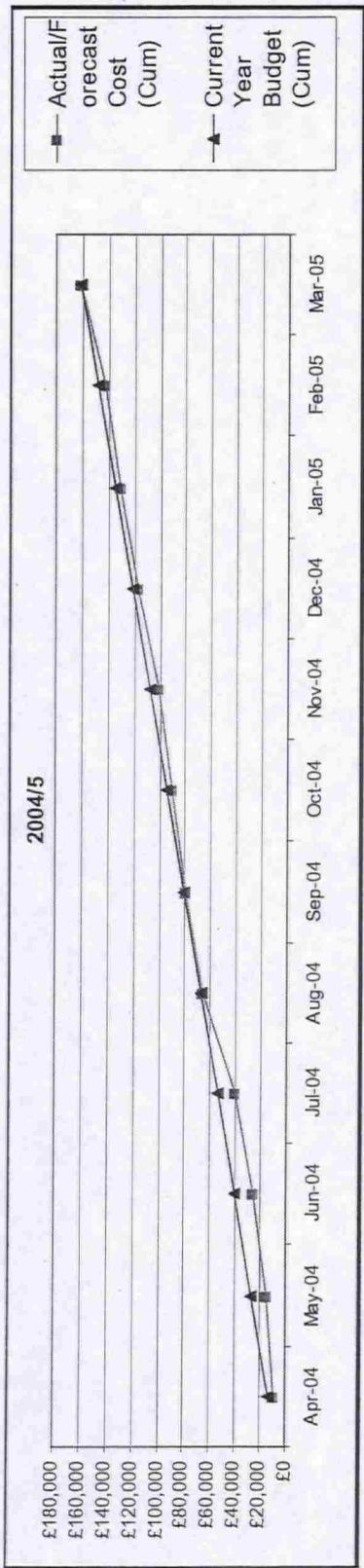


Stirling Alloa Rail Link

Important financial issues being addressed.

	Current Month (Mar'05)			Year to Date (12 mths to 31/3/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total incl. OH)									
SAK	18,901	18,901	0	161,837	161,837	0	161,837	161,837	0

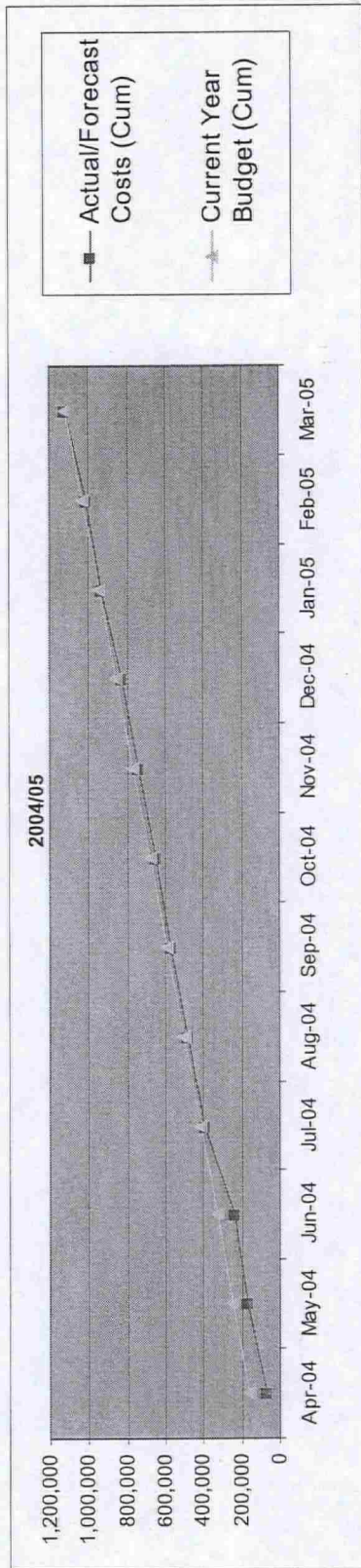
Spend by tie is progressing in line with Plan.



4 Overheads Commentary and Graph

No material change to financial prospects compared to February report.

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



Bank

CEC have been issued with five invoices for March. CC – Information Campaign, WEBS, EARL and Ingliston Park & Ride are now being invoiced separately. These are due for payment by 28th April. The five February invoices were paid in March. The “book” bank balance (overdrawn) as at 31st March totalled £1.495m. A revised overdraft limit of £4m is under discussion with CEC.

Relationship with CEC

tie has issued invoices to CEC to 31st March. 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 March 2005

	Current Month (Mar'05)			Year to Date (12 mths to 31/3/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Staff)									
Congestion Charging - Development	44,665	14,720	29,945	198,032	174,491	23,541	198,032	174,491	23,541
Congestion Charging - Procurement	35,118	21,910	13,208	215,282	247,849	-32,567	215,282	247,849	-32,567
Congestion Charging - Information Programme	5,335	0	5,335	53,248	0	53,248	53,248	0	53,248
WEBS	3,301	3,756	-455	41,080	44,522	-3,442	41,080	44,522	-3,442
One Ticket	2,628	4,216	-1,588	21,231	49,982	-28,751	21,231	49,982	-28,751
EARL	23,490	27,243	-3,753	218,948	322,948	-104,000	218,948	322,948	-104,000
SAK	18,651	18,651	0	134,876	134,876	0	134,876	134,876	0
Ingliston Park & Ride	1,949	696	1,253	24,208	8,249	15,959	24,208	8,249	15,959
FETA	5,880	5,880	0	23,968	23,968	0	23,968	23,968	0
Trams - DPOF	2,293	0	2,293	93,017	0	93,017	93,017	0	93,017
Trams - INFRACO	68,463	28,185	40,278	187,914	423,723	-235,809	187,914	423,723	-235,809
Tram 1	7,108	17,860	-10,752	115,700	211,724	-96,024	115,700	211,724	-96,024
Tram 2	7,438	17,952	-10,514	119,482	212,812	-93,330	119,482	212,812	-93,330
Tram 3	7,269	17,860	-10,591	118,468	211,724	-93,256	118,468	211,724	-93,256
Sub-Total	233,589	178,929	54,660	1,565,435	2,066,868	-501,433	1,565,435	2,066,868	-501,433
Project Costs (External Costs)									
Congestion Charging - Development	14,241	19,170	-4,929	795,532	847,048	-51,516	795,532	847,048	-51,516
Congestion Charging - Procurement	17,725	43,100	-25,375	1,539,112	1,637,600	-98,488	1,539,112	1,637,600	-98,488
Congestion Charging - Information Programme	134,710	0	134,710	386,604	600,000	-213,396	386,604	600,000	-213,396
WEBS	240,492	0	240,492	8,013,667	7,550,588	463,079	8,013,667	7,887,197	126,470
One Ticket	0	0	0	1,155	0	1,155	1,155	0	1,155
EARL	400,941	426,835	-25,893	2,786,391	3,729,863	-943,472	2,786,391	3,729,863	-943,472
SAK	250	250	0	26,961	26,961	0	26,961	26,961	0
Ingliston Park & Ride	171,370	0	171,370	1,403,463	2,456,031	-1,052,568	1,403,463	2,456,031	-1,052,568
FETA	57	57	0	71	71	0	71	71	0
Trams - DPOF	18,517	41,667	-23,149	986,768	1,783,591	-796,823	986,768	1,783,591	-796,823
Trams - INFRACO	471,450	22,500	448,950	1,081,401	2,590,650	-1,509,249	1,081,401	2,590,650	-1,509,249
Tram 1	72,675	52,164	20,512	1,300,232	727,963	572,269	1,300,232	727,963	572,269
Tram 2	210,196	98,654	111,542	983,109	1,491,788	-508,679	983,109	1,491,788	-508,679
Tram 3	9,502	60,020	-50,518	1,320,676	1,639,189	-318,513	1,320,676	1,639,189	-318,513
Sub-Total	1,762,126	764,416	997,710	20,625,144	25,081,343	-4,456,199	20,625,144	25,417,952	-4,792,808
Project Costs (Total)									
Congestion Charging - Development	58,907	33,890	25,017	993,564	1,021,539	-27,975	993,564	1,021,539	-27,975
Congestion Charging - Procurement	52,842	65,010	-12,168	1,754,394	1,885,449	-131,055	1,754,394	1,885,449	-131,055
Congestion Charging - Information Programme	140,045	0	140,045	439,852	600,000	-160,148	439,852	600,000	-160,148
WEBS	243,793	3,756	240,037	8,084,748	7,595,110	489,638	8,084,748	7,931,719	153,029
One Ticket	2,628	4,216	-1,588	22,386	49,982	-27,596	22,386	49,982	-27,596
EARL	424,431	454,078	-29,646	3,005,339	4,052,811	-1,047,472	3,005,339	4,052,811	-1,047,472
SAK	18,901	18,901	0	161,837	161,837	0	161,837	161,837	0
Ingliston Park & Ride	173,319	696	172,623	1,427,871	2,464,280	-1,036,609	1,427,871	2,464,280	-1,036,609
FETA	5,937	5,937	0	24,039	24,039	0	24,039	24,039	0
Trams - DPOF	20,811	41,667	-20,856	1,079,785	1,783,591	-703,806	1,079,785	1,783,591	-703,806
Trams - INFRACO	539,913	50,685	489,228	1,269,316	3,014,373	-1,745,057	1,269,316	3,014,373	-1,745,057
Tram 1	79,783	70,024	9,759	1,415,933	939,687	476,246	1,415,933	939,687	476,246
Tram 2	217,634	116,606	101,028	1,102,571	1,704,600	-602,029	1,102,571	1,704,600	-602,029
Tram 3	16,771	77,880	-61,109	1,439,144	1,850,913	-411,769	1,439,144	1,850,913	-411,769
Sub-Total	1,995,715	943,345	1,052,370	22,190,679	27,148,211	-4,957,632	22,190,679	27,484,820	-5,294,241

	Current Month (Mar'05)			Year to Date (12 mths to 31/3/05)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Overheads									
IT	24,310	2,600	21,710	93,185	51,200	41,985	93,185	51,200	41,985
Administration	91,459	73,899	17,620	777,981	873,198	-95,217	777,981	873,198	-95,217
Sales & Marketing									
Legal & Financial	10,643	7,533	3,110	60,760	90,400	-29,640	60,760	90,400	-29,640
Overheads	9,120	3,933	5,187	72,024	88,000	-15,976	72,024	88,000	-15,976
Interest on Overdraft	-2,300	1,360	-3,660	18,205	16,200	2,005	18,205	16,200	2,005
Tax & Dividends	0	0	0	0	0	0	0	0	0
Capital Expenditure:									
Computer Equipment	0	0	0	33,773	0	33,773	33,773	0	33,773
Furniture, Equipment etc.	0	0	0	60,042	0	60,042	60,042	0	60,042
Sub-Total	133,232	88,406	44,827	1,118,907	1,118,998	-91	1,118,907	1,118,998	-91
Overheads (Allocated by Project)									
Congestion Charging - Development (9.80%)	13,057	9,864	4,393	109,653	109,862	-9	109,653	109,862	-9
Congestion Charging - Procurement (14.59%)	19,439	12,898	6,540	163,248	163,262	-13	163,248	163,262	-13
Congestion Charging - Information Campaign (0.00%)	0	0	0	0	0	0	0	0	0
WEBS (2.50%)	3,331	2,210	1,121	27,973	27,975	-2	27,973	27,975	-2
One Ticket (0.00%)	0	0	0	0	0	0	0	0	0
EARL (18.14%)	24,168	16,037	8,132	202,970	202,986	-17	202,970	202,986	-17
SAK (0.00%)	0	0	0	0	0	0	0	0	0
FEA (0.00%)	626	416	211	5,259	5,259	0	5,259	5,259	0
Trams - DPOF (18.77%)	25,008	16,594	8,414	210,019	210,036	-17	210,019	210,036	-17
Trams - INFRACO (0.00%)	0	0	0	0	0	0	0	0	0
Tram 1 (11.89%)	15,841	10,511	5,330	133,038	133,049	-11	133,038	133,049	-11
Tram 2 (11.95%)	15,921	10,564	5,357	133,709	133,720	-11	133,709	133,720	-11
Tram 3 (11.89%)	15,841	10,511	5,330	133,038	133,049	-11	133,038	133,049	-11
Sub-Total	133,232	88,406	44,827	1,118,907	1,118,998	-91	1,118,907	1,118,998	-91
Project Costs (Total incl. OH)									
Congestion Charging - Development	71,963	42,554	29,410	1,103,217	1,131,201	-27,984	1,103,217	1,131,201	-27,984
Congestion Charging - Procurement	72,281	77,908	-5,628	1,917,643	2,048,711	-131,068	1,917,643	2,048,711	-131,068
Congestion Charging - Information Programme	140,045	0	140,045	439,852	600,000	-160,148	439,852	600,000	-160,148
WEBS	247,124	5,966	241,158	8,082,720	7,623,085	459,635	8,082,720	7,959,894	123,826
One Ticket	2,628	4,216	-1,588	22,386	49,982	-27,596	22,386	49,982	-27,596
EARL	448,599	470,114	-21,515	3,206,309	4,255,797	-1,047,489	3,206,309	4,255,797	-1,047,489
SAK	18,901	18,901	0	161,837	161,837	0	161,837	161,837	0
Ingliston Park & Ride	173,945	1,112	172,834	1,432,930	2,469,539	-1,036,609	1,432,930	2,469,539	-1,036,609
FEA	5,937	5,937	0	24,039	24,039	0	24,039	24,039	0
Trams - DPOF	45,818	58,285	-12,442	1,993,627	1,993,627	0	1,993,627	1,993,627	0
Trams - INFRACO	539,913	50,685	489,228	1,269,316	3,014,373	-1,745,057	1,269,316	3,014,373	-1

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	11 Months Ended 29/2/05	12 Months Ended 31/03/2005
FIXED ASSETS													
	34,090	35,800	36,252	39,774	98,473	97,122	94,634	93,863	91,375	92,640	96,784	103,606	100,649
	34,090	35,800	36,252	39,774	98,473	97,122	94,634	93,863	91,375	92,640	96,784	103,606	100,649
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	5,551,568	4,655,862	954,697	2,111,222
Other Debtors	5,774	4,282	4,282	4,425	4,425	4,425	4,425	-1,575	-1,575	-3,427	-3,457	0	0
Prepayments & Accrued Income	20,768	20,304	20,009	1,178	883	0	0	0	0	0	0	2,317,809	2,284,704
CEC Loan	0	0	0	0	0	0	0	0	0	0	0	0	0
Petty Cash	424	62	112	69	319	25	18	48	48	48	68	68	55
	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	4,652,473	3,272,574	4,395,991
CURRENT LIABILITIES													
Trade Creditors	1,925,102	1,251,205	1,388,699	1,862,376	2,460,594	2,195,592	1,712,746	2,514,223	1,894,261	2,085,329	2,810,521	1,582,802	491,230
Employee Creditor	-209	577	523	53	721	169	32	40	1,437	596	-257	-227	-124
Bank Account	-229,479	1,218,285	1,102,852	405,612	-46,864	2,326,045	1,886,795	1,637,198	3,081,926	349,478	-261,408	-766,218	1,495,301
Pension Creditor	11,985	12,615	13,245	10,546	10,598	9,973	10,540	11,157	11,726	12,032	12,337	11,464	11,769
Lease Liabilities	34,090	34,090	34,090	34,090	34,090	34,090	34,090	34,090	34,090	34,090	34,090	34,090	34,090
Accruals	239,858	715,738	854,104	750,694	670,642	654,870	1,707,197	1,182,709	2,497,047	3,007,556	2,070,544	2,366,512	2,330,465
VAT Payable(Refundable)	56,514	19,465	38,960	29,879	18,970	32,401	56,643	59,754	82,307	112,018	44,724	63,307	94,879
PAYE/NI	25,670	28,667	32,095	34,227	36,692	35,378	37,236	37,191	38,773	37,614	38,549	82,303	38,029
Corporation Tax	0	0	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	1,146	0
	2,063,531	3,280,668	3,464,619	3,127,476	3,185,333	5,289,472	5,455,425	5,476,661	7,642,713	5,539,848	4,748,257	3,375,179	4,495,639
NET CURRENT ASSETS/(LIABILITIES)	-33,090	-34,800	-35,252	-38,774	-97,473	-96,122	-93,634	-92,863	-90,375	-91,639	-95,784	-102,605	-99,649
Liabilities > 1 Year	0	0	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	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	1,000	1,000
Reserves	0	0	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	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	1,000	1,000

7 Cash Flow - Year to Date and Forecast												
Mar-05	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
ACTUAL												
Totals												
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	261,408.01	765,931.44
Income												
Sales Ledger	117.50	1,762,362.28	2,551,626.00	2,137,105.67	1,928.69	2,447,497.79	2,784,117.22	862,808.81	5,166,234.25	2,728,842.60	2,788,984.44	1,362,771.93
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	38.65	3,167.71
	127.50	1,762,365.28	2,555,421.39	2,146,916.31	2,872.43	2,449,660.99	2,790,317.22	862,808.81	5,159,871.90	2,732,082.61	2,789,023.09	1,365,929.64
Expenditure												
Purchase Ledger	1,297,114.74	1,537,368.70	1,750,688.04	1,620,652.47	2,266,112.03	1,889,962.36	2,361,234.29	2,191,660.37	2,290,801.50	1,896,415.30	2,115,552.62	3,456,839.48
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	3,104.40	0.00
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	165,842.64	170,322.90
	1,447,890.91	1,646,932.78	1,858,181.01	1,594,440.77	2,375,761.05	2,019,410.98	2,531,720.14	2,307,537.11	2,427,423.59	2,121,197.20	2,284,499.66	3,627,162.38
Net Movement in Month	-1,447,763.41	115,432.60	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	504,523.43	-2,261,232.74
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	765,931.44	-1,495,301.30
NEXT MONTH FORECAST: Assumptions												
Income												
Sales Ledger												
Invoices Issued to CEC in March												2,066,729.08
Invoices Issued to Clocks in March												24,930.59
Invoices Issued to FETA in March												6,992.54
Invoices Issued to BAA in March												6,469.29
Invoices Issued to SM in October												344.72
Invoices Issued to One-Ticket in March												6,765.63
Accrued Income (Month End Accruals), Fixed Asset Adjustments etc.												2,111,231.75
												2,284,704.00
												4,395,935.75
Expenditure												
Trade Creditors per Balance Sheet												491,230.00
Employee Creditor per Balance Sheet												-124.00
Aged Creditors List @ 31/3/05												491,106.00
Miscellaneous												
Pension Funds) - Contributions Due on 19/4/05												11,769.00
HM C&E - VAT Return to 31/3/05 (Due for payment 30/4/05)												94,879.00
PAYEMI - Due on 19/4/05												38,029.00
March Payroll - 28 members of staff												65,000.00
Bank Interest - Quarter ending 15/3/05												0.00
Bank Charges for month												100.00
Petty Cash for month												25.00
												198,033.00
Accrued Expenditure,												
Capital Grant/Fixed Asset Purchase etc.												2,330,465.00
												34,090.41
												2,364,555.41
Accruals per Balance Sheet												



Finance

c) tie Business Plan – approval status

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



Other Projects

- a) Project Progress Reports***
- b) Business Development**
- c) One-Ticket ***

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



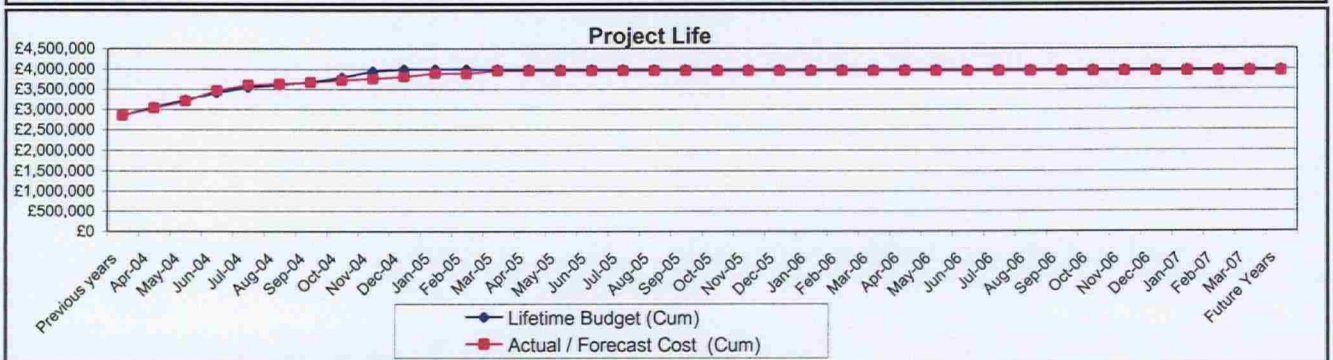
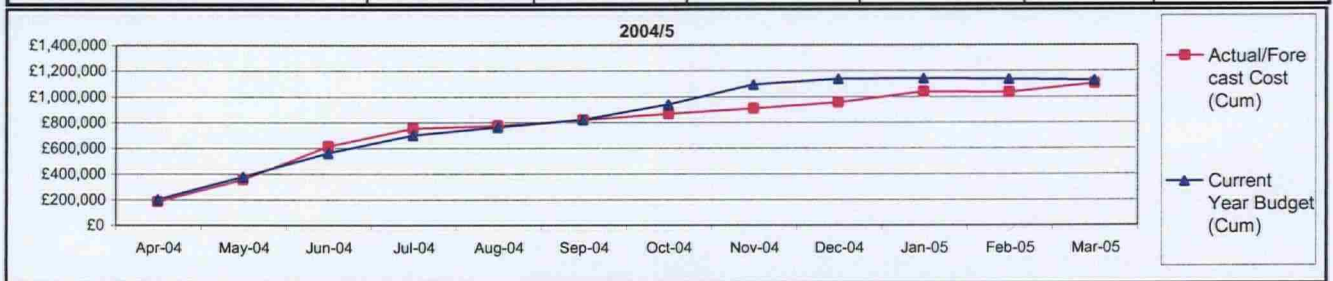
Other Projects

a) Project Progress Reports*

*** = 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-Mar-05		Project Manager: John Saunders		
Start Date:				End Date:		
Overall Progress Status		Expenditure 2004/5		Project Life Funding		
		98%		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. 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	C	
9. Final scheme approval by Council		12-Nov-04	15-Dec-04	Spring 2005	C	
10. AiD to Scottish Executive		Mid Feb 2005	1-Jun-05		C	
11.Procurement system Operator		1-May-03	20-Jul-05		C	
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	£1,103,217	£27,996
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	£3,982,784	£3,982,784	£3,982,784	£3,982,784	£3,954,788	£27,996



Summary of Key Points and suggested course of action:

<p>Following receipt of the instruction from the Council to stop work on the project, which was received late in February, this was passed to all professional advisors.</p> <p>It has resulted in no new fee expenditure being incurred by advisors during March, although a nominal amount of expenditure has been incurred relating to the invoicing of expenses and other related costs incurred by advisors during February.</p> <p>All external costs for the project have now been realized. An allowance has now been made in the budget for any severance package and notice period payments that may result if the current resources cannot be redeployed.</p>
--

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

Project Manager's signature:

[Signature]

Project Director's signature:

[Signature]

Date:

13/04/2005

Date:

Project Life

£3,000,000
£2,500,000
£2,000,000
£1,500,000
£1,000,000
£500,000
£0

Previous years Apr-04 May-04 Jun-04 Jul-04 Aug-04 Sep-04 Oct-04 Nov-04 Dec-04 Jan-05 Feb-05 Mar-05 Apr-05 May-05 Jun-05 Jul-05 Aug-05 Sep-05 Oct-05 Nov-05 Dec-05 Jan-06 Feb-06 Mar-06 Apr-06 May-06 Jun-06 Jul-06 Aug-06 Sep-06 Oct-06 Nov-06 Dec-06 Jan-07 Feb-07 Mar-07 Future Years

—◆— Lifetime Budget (Cum)
—■— Actual/Forecast Cost (Cum)

Operations

tie continues to explore options of possible use for the developed capability within *tie* and the system that was designed.

Financial

All costs for the project have now been realized with the exception of any severance package and notice period payments that may result if the current resources cannot be redeployed onto other opportunities.

13/04/2005

Project: ITI Information Programme			
Report for Month Ending: 31-Mar-05		Project Manager: Sue Campbell	
Start Date:		End Date:	
Overall Progress Status		Expenditure 2004/5	Project Life Funding
		73%	136%

Progress Key:

On track for successful completion as programmed.

Issues have arisen which may delay completion or require discussion/direction.

Issues have arisen which will delay completion.

Finance Key:

Within 10% of estimate

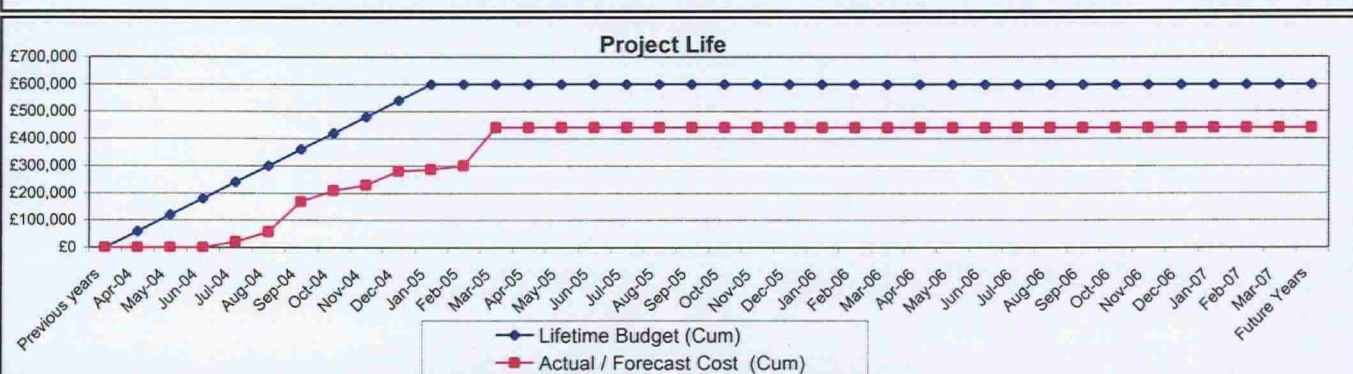
10 – 20% outside estimate

>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	£439,852	£160,148
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	£600,000	£600,000	£600,000	£600,000	£439,852	£160,148



Summary of Key Points and suggested course of action:

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.

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

Project Manager's signature:

Project Director's signature:

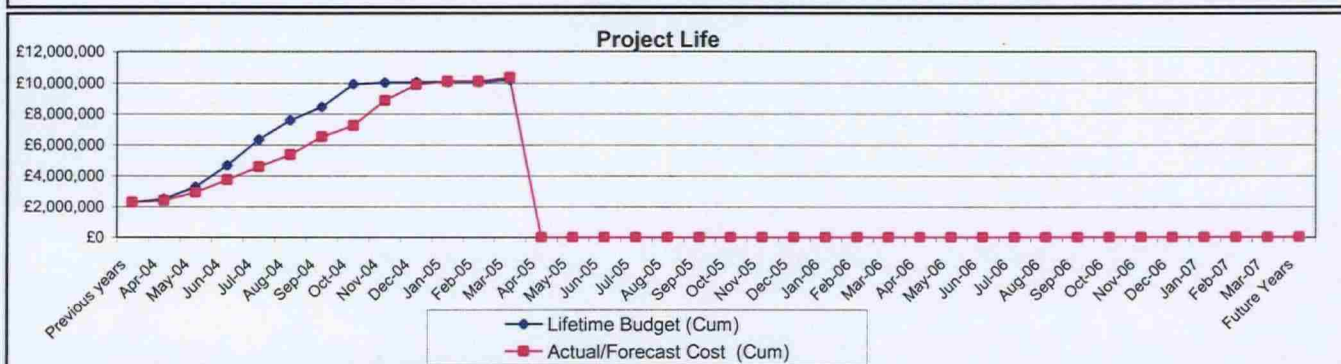
Date:

13/04/2005

Date:

13/04/2005

	Funding	Budget	Original Cost Estimate	Start of Year Cost Estimate	Current Forecast	Variance
Previous Years	£2,273,022	£2,273,022	£2,273,022	£2,273,022	£2,273,022	£0
2004/5	£7,959,694	£7,959,694	£7,959,694	£7,959,694	£8,082,720	-£123,026
2005/6	£299,931	£299,931	£299,931	£299,931	£176,905	£123,026
2006/7	£0	£0	£0	£0	£0	£0
Future Years	£0	£0	£0	£0	£0	£0
Total for Project Life Cycle	£10,532,647	£10,532,647	£10,532,647	£10,532,647	£10,532,647	£0



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

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Project Life

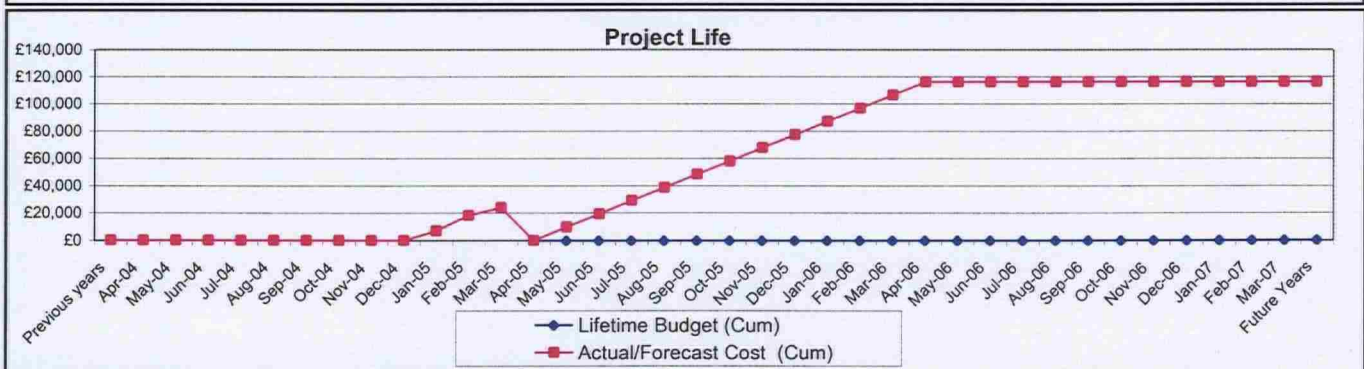
Month	Lifetime Budget (Cum) (£m)	Actual/Forecast Cost (Cum) (£m)
Previous years	0	100
Apr-04	0	100
May-04	0	100
Jun-04	0	100
Jul-04	0	100
Aug-04	500	100
Sep-04	900	200
Oct-04	1300	300
Nov-04	1700	400
Dec-04	2100	600
Jan-05	2500	900
Feb-05	2500	1100
Mar-05	2500	1300
Apr-05	2500	1500
May-05	0	0
Jun-05	0	500
Jul-05	0	1000
Aug-05	0	1000
Sep-05	0	1000
Oct-05	0	1000
Nov-05	0	1000
Dec-05	0	1000
Jan-06	0	1000
Feb-06	0	1000
Mar-06	0	1000
Apr-06	0	1000
May-06	0	1000
Jun-06	0	1000
Jul-06	0	1000
Aug-06	0	1000
Sep-06	0	1000
Oct-06	0	1000
Nov-06	0	1000
Dec-06	0	1000
Jan-07	0	1000
Feb-07	0	1000
Mar-07	0	1000
Future Years	0	1000

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 and Border Construction now have approval. TRO schedules for internal roads and Eastfield Road and a parking places order have been prepared. Consultation is complete with two communications. The orders will be advertised on 29th April at the latest in order to report to the 7th June Committee in case of objection..

Site Work: Road base to access roads 80% complete and parking areas during the month 60% complete. Kerbing work remedial work to be carried out. Roundabout completed. Utility diversion in Eastfield Road for Thus, Atkins and BT completed. The Scottish Water diversion is complete. Terminal building external blockwork has been completed. The Terminal building roof is complete. Internal first fix joinery, mechanical and electrical is underway.

Early warnings have been raised regarding Programme and budget due to various issues. Due to delays incurred to the contract to date the predicted spend against progress requires funding to be deferred into 2005/6. The Total variance covers the existing predictions Risk items and contingency for final fitting. tie have allocated staff to site to ensure that objectives are being met. At the steering group meeting of 17th March 05 the Launch date was discussed and it was agreed that this would be around the 16th of July 05. The format is to be taken forward by CEC Corporate Comms and tie as this is liable to be a joint event with Hermiston Park and Ride

13/04/2005



Summary of Key Points and suggested course of action:

A detailed programme and budget is being agreed with FETA.

Provisional cost estimates: £150,000 in tie staff costs Jan 05 – April 06.

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

Project Agreement being discussed with Lawyers.

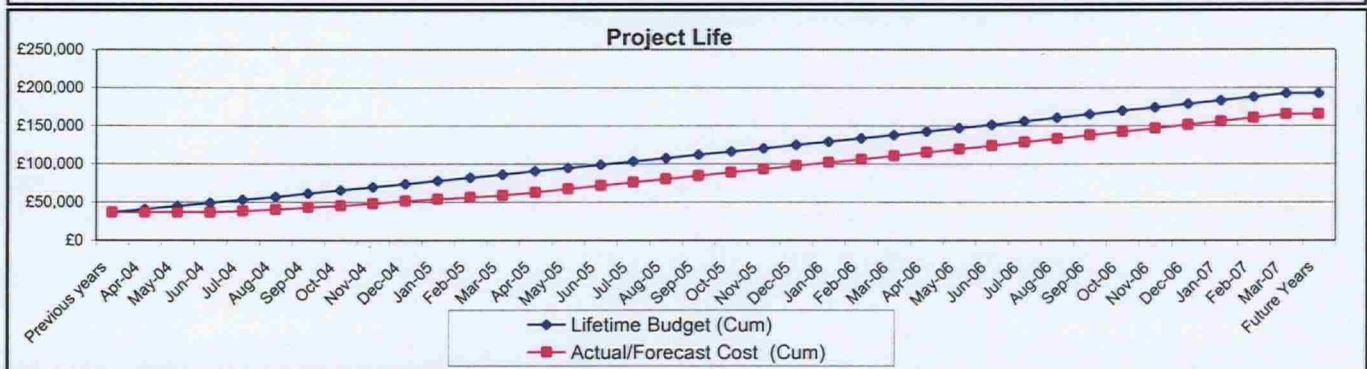
"I confirm that this report provides an accurate overview of the project progress and finance."

Project Manager's signature: _____

Project Director's signature:

Date: 13/4/5 13/04/2005

Date: 13/04/2005



Summary of Key Points and suggested course of action:

No material change to financial prospects compared to January report

- Initial meetings have taken place with First ScotRail with a view to their becoming full participants in the scheme. Further, detailed discussions, will take place over the coming months.
- It is anticipated that year end sales will meet the budget of £650k (last year actual was £508k).
- A price increase, across the product range, was effective 3rd April 2005.

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

Project Manager's signature: _____

Project Director's signature: _____

Date:

13/04/2005

Date:

1370472002



Other Projects

b) Business Development

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



Other Projects

c) One - Ticket

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



One-Ticket Limited

Progress Report

Company Secretarial and Legal Issues

Name Change

The effective date of the name change from SESTRAN Traveltickets Limited to "One-Ticket Limited" was 16th July 2004.

Changes in Directorship

Graeme Torrance (First Group) has recently resigned his directorship of the company. His replacement is Brian Juffs, the new MD for Scotland East (First Group).

Shareholders

Ordinary Shareholders

Don Prentice Coaches
E&M Horsburgh
Stagecoach
First Group
EVE Cars & Coaches
Alexander Wait & Sons
Lothian Buses
Munro's of Jedburgh
Perryman Coaches
Swan's Coaches

'A' Ordinary Shareholders

City of Edinburgh
Clackmannanshire
East Lothian
Fife
Midlothian
Scottish Borders
West Lothian

Falkirk and Stirling Councils are progressing legal documentation for their subscription to class 'A' shares.

Participating Transport Operators

In addition to those owning shares, Bryans of Denny, Bulldog, BusKers, Davidson Buses, GNER, HAD Coaches, Henderson Travel, Houstoun Travel, MacEwans, MacTours, Myles Mini Bus Hire, Royal Mail Post Bus, ScotRail, SD Travel, Telford's Coaches and Waverley Travel participate in the scheme.

An invitation to participate was extended to Scottish CityLink. It is unlikely they will accept this invitation.

Board of Directors

J Elliot (Chairman)	Traveline Scotland	Chief Executive
RG Andrew	Stagecoach Scotland	Deputy Managing Director - Scotland
WW Campbell	Lothian Buses plc	Operations Director
P Coupar	First Group	Commercial Projects Director - Scotland
N Hampshire	East Lothian Council	Councillor
B Juffs	First Group	Managing Director – Scotland East
SJ Lockhart	Transport Initiatives Edinburgh	Finance Manager
NJ Renilson	Lothian Buses plc	Chief Executive

Administrative Services

An operating agreement was entered into between tie and STTL to enable tie to provide administrative services from 1st April 2003. This service includes dealing with ticket agents, acting as a travelticket agent, dealing with participating operators, dealing with overall functional matters and dealing with company matters.

Resource

Ian Carter became a member of tie's staff on 1st July 2004.

tie's Business Plan for 2005-2006 has allowed for the appointment of a full-time Commercial Manager, effective 1st September 2005. This appointment however is subject to One-Ticket Board approval and approval will, most likely, not be given until First ScotRail are fully involved in the scheme (Autumn 2005).

Financial Report for the 48 week Period to 5th March 2005

Sales totalled £623k and the forecast for the year ending 31st March 2005 is £650k (the years ended 31st March 2003 and 2004 reported sales of £152k and £508k respectively).

Budgetary Considerations

One-Ticket have a budget for 2005-2006 which was circulated to the Board in January 2005. This has still to be approved.

Freedom of Information (Scotland) Act

The immediate issues addressed by the Act relate to organisations identified as Scottish "public authorities". Currently, the company does not fall within this definition. However this list is not static and can potentially include private sector organisations. Effective date is 1st January 2005. tie's proposal to the Board of "One-Ticket" is that a "publication scheme", not necessarily approved by the Information Commissioner at this time, should be prepared and as a matter of course various documents should be made available, electronically, via the "One-Ticket" website. This is currently being reviewed by the Board.

Distribution & Marketing Strategy

Distribution Strategy

The key consideration was to make it easier for customers to find out about One-Ticket and to purchase the product. The advantages over the local authority/bus operator agency agreements include a lower overall distribution cost, easier administration and a wider coverage throughout the SESTRAN area. The main channels are:

- **Internet sales** (supported by *ticketingsolutions* (ts.com) who provide both an internet sales capability and also a mechanism to accept payment direct to **tie** for sales via a Call Centre). The debit/credit card transactions are processed by RBS/Streamline.
- Sales through a **call centre** (some of the benefits include 7 day coverage and extended opening hours, communication with customers can be optimised and standardised so that the customer receives a more uniform purchase experience, ticket purchase reminder calls can be initiated and a low cost base). An **0845** rather than 0131 phone number was initiated in order to help communicate One-Ticket as a product with wider coverage than just Edinburgh. Abtel in Dunfermline are now handling these calls.
- Physical **distribution outlets** at 450+ PayPoint locations across the SESTRAN area. (The service went live on 2nd September 2003 on a "pilot" basis in West Lothian, Midlothian and Scottish Borders. Agreement was reached to expand the service across the entire SESTRAN operating area. A major re-launch was effected in early November 2004).
- A small number of **traditional agents** at locations not covered by PayPoint, including mobile coffee and newspaper kiosks in the city centre of Edinburgh (these kiosks are located in high footfall areas of the city centre). This channel would target tourists and office/retail workers who may have commuted into Edinburgh from outlying areas, perhaps by car. Thus far this channel has been unsuccessful albeit will continue to be under review.
- **Ticket machines** given the relatively high capital cost, the diverse product range and the high cost of cash collection, they are unlikely to prove cost effective on a stand alone basis. A limited range of tickets (Day Tickets only) could be considered by local authorities in conjunction with their plans for other ticketing machines, e.g. parking meters, where the cost of cash collection and other administration could be shared. Key locations for consideration would include Edinburgh Airport, Bus and Rail Stations and major bus interchange areas. Given the investment required, this is considered to be a longer- term initiative.

Marketing Strategy

A paper prepared by **tie** was circulated at the recent Board meeting on 30th March. It was agreed that costs be determined and more details be circulated to the Board. The company will utilise the buying power of the operators where practicable.

A revised price schedule, and leaflet, is effective from 3rd April.

The remaining non-PayPoint agencies are being cancelled with some exceptions.

Current Issues and Initiatives

Development of Rail Participation in One-Ticket

The limited inclusion of rail services in the One-Ticket scheme has been recognised as severely restricting potential sales.

Meetings have been held with the new ScotRail franchisee, First Group, with a view to their becoming a full "partner" in the scheme. The next meeting is scheduled for 21st April to discuss a proposed zone structure.

Opportunities for integrated Smart Card developments within SESTRAN

The Scottish Executive recently issued an OJEU notice for a transport application for the Scottish Citizen's voluntary entitlement card. A prospectus for the project was made available to the Board.

Communications

- a) **Edinburgh Tramlines
Communications Strategy ***
- b) **Communications Progress Report ***

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

Communications

- a) Edinburgh Tramlines
Communications Strategy ***

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WEBER SHANDWICK
W O R L D W I D E



tie limited

Edinburgh Tram Lines

Communications Strategy
April 2005 – March 2006

1 April 2005

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1. Introduction

This document has been prepared following a meeting with the tram project managers, Barry Cross and **tie** communications representatives. It has been prepared by Suzanne Waugh, Communication Manager, and Weber Shandwick, as the communications consultant on Tram Lines.

The strategy outlined in this paper, which will form **tie**'s communication strategy and work programme for tram communications in the defined period, falls into three key categories:

- generic support strategy for trams
- line specific communication programmes
- defining working roles and responsibilities

From meetings with communications representatives of other tram schemes, it was clear that pro-active, positive communications before the construction phase were essential for acceptance of the scheme, and this paper represents the themes of this activity, as well as the structure for delivery.

There is one important element which has not been discussed, but which will be crucial to the communications campaign. The tram has yet to be given a brand (NET/LUAS) and the sooner this is done, the better, particularly for the purposes of building public support.

2. Background

Since 2003, the communications programme for trams has undergone many stages, through preparing a number of audiences for the concept of trams; launching and managing communications through the consultation, particularly with community and stakeholder groups; reporting the consultation results; and maintaining media profile through the objection management process.

From March 2004 (effectively throughout the Parliamentary process to date), budgetary restraints caused the communications effort to be restricted to supporting the objection management and Parliamentary evidence process and, as a result, pro-active media and political activity was downgraded.

It has been agreed that following 'in principle' approval of both lines, the time is right to re-start the communications process, with a pro-active focus to achieve as much support as possible for both lines.

3. Objectives

The main objectives of the communications campaign are as follows:

- encourage and mobilise community and stakeholder support through media and direct communication
- encourage objection withdrawal through direct stakeholder effort
- secure political support for trams
- minimise impacts of local issues to the scheme
- use integrated communications efforts to maximise support before Royal Assent, and particularly before project launch

4. Overall Strategy

To mobilise support for trams, the communications strategy will require four fronts:

- | | |
|--------------------|----------------------|
| • Community | • Stakeholder |
| • Political | • Media |

Activity undertaken, whether for generic support or line specific objectives, will broadly fit into these categories.

It is important to note that this is a strategy for **action**. As an integrated team, we have one year to mobilise support and communicate positive messages, and direct action is the quickest route to success. Therefore, this document focuses on activities, projects, campaigns and tactics. How they fit within a wider picture is illustrated over the page.

Generic Support Strategy

Community

Design
Construction
Newsletters
Schools Campaign
True benefits
Existing routes
'Reality' check
Exhibitions
Interactive Games
Events

Stakeholder

Established benefits
Newsletters
Refresh support
Call for action
Employer comms
Champion programme
Property Agents
Sector Tracking

Political

Creative linkages
Established support
Call for action
Better networked
Newsletter/briefing
Political media
Cross Party events
Launch events

Media

Back to basics
Establish stance
Pro-active approach
Broadcast packages
Case studies
Q&A
Briefings
Visualisation
Media event
Media 'stunts'

Tram Line 1

Community:

Environment
Local benefits

Stakeholder:

Objection management
Mitigation strategies
BLGs
CLGs

Political:

Local MSP support
Local Cllr support
Community Councils

Media:

Rebuttal of issues
Capitalise on activity
Objection withdrawal
Funding/patronage

Tram Line 2

Community:

Environment
Local benefits

Stakeholder:

Objection management
Mitigation strategies
BLGs
CLGs

Political:

Local MSP support
Local Cllr support
Community Councils

Media:

Rebuttal of issues
Capitalise on activity
Objection withdrawal
Funding/patronage

Tram Line 3

Activity on ETL3 has been suspended, however, any future activity will benefit from the generic support campaign, and a specific programme can be created at such time that it is appropriate.

5. Generic Support Strategy

5.1 Community

Design

Now that approval 'in principle' has been given by the Scottish Parliament for both lines, it is possible to move onto a more solid grounding. Rather than working with a concept, it should be possible to be more focused on what we will actually be delivering, in terms of design.

This can be communicated through a number of means:

- **Artist's Impressions:** A suite of new artist's impressions has been requested, showing trams in well-known locations throughout Edinburgh. These include The Playhouse Theatre, Royal Yacht Britannia, Princes Street/Jenners, Murrayfield. As well as being used in printed materials, these images can be used in the media.

There are currently two artist's impressions in use, and these are beginning to get tired. A refreshed suite would help to generate more positive publicity and visual connection, as well as making a story of their own when completed.

In addition to artist's impressions, one step further would be to produce photo montages, which if reasonably accurate, can secure further support by exploding negative myths.

- **Model Tram:** This was investigated as part of the consultation process, however expense ruled it out as a communication mechanism. Now that approval 'in principle' has been achieved, we have another opportunity to install a tram for an extended period of time in a convenient location, such as St Andrew Square or Princes Street Gardens East, which would provide an invaluable opportunity, in terms of media relations, but also in terms of community acceptance.

It is proposed that this is done during the summer months.

Construction

Much of the objection, or negativity, to date has been grounded in uncertainty about the construction process. As well as profiling the benefits of trams to the community, it is time to directly address their fears with regards to construction. This can be done in a number of ways:

- Launching a construction section on www.tramtime.com showing visuals of other construction projects, potential timetable, facts about construction, explaining processes such as utility movement and track laying. Established now, this part of the site can be converted to a live construction database when the project begins

- Inclusion of construction information in newsletters and also in Outlook
- Media information regarding web launch
- Connected to appointments in this area, including appointment of utilities co-ordinator and the appointment of a preferred construction partner

Newsletters

It is proposed to re-start '*traveltime*', which was last produced in March 2004 and was intended to be quarterly, but was removed from the budget. The newsletter would be produced in May, August, November and February, including news and timeline updates, feature series, profiles of Edinburgh residents and businesses which will benefit from trams; themed Q&As, etc.

Following meetings with other schemes, localising this newsletter should be discussed as an option. While the core product would have shared sections, local issues could be produced for the following areas:

- City Centre and Haymarket
- Leith
- Granton and Waterfront
- Craighleith
- West End
- Saughton/Carrick Knowe
- Gyle and Airport

It is also proposed that residents on both routes are re-contacted, asking if they want to be on the database of people who will be kept up to date about trams, either by email or post.

During construction phase, direct communication will be up-scaled, with informal newsletters monthly or fortnightly, but this would form part of a future strategy.

Text Service

There already exist a number of methods for members of the community to seek information about trams, such as the website, freephone and email. However, as an additional method of providing information to the public, it is recommended that we set up a text service, where people can email their details and have an information pack sent out. The information pack would be developed by the Community Team.

The text service information will be included on all materials, such as leaflets, '*traveltime*' and advertising.

Schools Campaign

Also suggested during the consultation, but not undertaken, was a schools communication campaign which, by bringing children on board, will make parents more accepting of proposals. It is understood, however, that Suzanne Waugh has moved this forward, with transport packs sent to schools as part of the communications campaign for Integrated Transport. It is suggested that we capitalise on these contacts and introduce a school project pack aimed at 8-10 year olds about different modes of transport, how long it takes to get places in Edinburgh and the history of different transport modes.

A competition element can also be included in the pack, which can generate further media opportunity.

To personalise the packs, a character will be created, using the original 'time' theme which was introduced before the consultation phase. The 'time traveller' will introduce different forms of transport from history up to the modern tram, and look forward to possible future modes of transport. A maths element could include simple journey times for integrated transport modes.

True Benefits

Until now, the benefits of trams to Edinburgh have been conceptual. However, we can now be clearer than ever about the introduction of trams in Edinburgh.

It is proposed that a series of case studies is gathered, looking at real, normal, everyday Edinburgh people and the true impact that trams will have on their everyday lives.

These case studies, featuring the 'faces' of trams, can then be used in a number of ways:

- **Leaflets:** series of leaflets produced and distributed at key locations throughout Edinburgh
- **Advertising:** bus shelter and poster advertising at community locations
- **Newsletter:** 'benefits' as a regular feature in the *traveltime* newsletter
- **Media:** initial media feature

Existing Routes

There are many existing materials, platforms, or activities in progress which are being used for communication, and these should continue. These include:

- 'Outlook' transport section
- website – particularly the development of a news area on the www.tie.ltd.uk website
- Transport Edinburgh – with development of the tram section of the website and inclusion of trams when the team are profiling Edinburgh's transport aims and achievements

'Reality' Check

It is time to develop messages that create a reality check. While the future of trams has been uncertain, messages have included words such as 'proposed', 'possibility', 'may' and 'if'.

In the 2005/6 work programme the words will become more firm, and positive, giving the community a greater sense of the reality of trams by using more affirmative language, such as 'will' and 'when'. This approach will be adopted for all materials.

Exhibitions

Community exhibitions worked well during the consultation phase, and it is suggested that another series of events is drawn up. Rather than encouraging the public to get involved by taking part in the consultation, this time the community can become involved by working out the benefits to them, their family and their friends. The 'faces' of trams can also be featured.

Interactive Game

An interactive game can be developed as part of the exhibition stand which combines elements of benefit and fun by highlighting journey times between any two points on the network, but also showing some interesting things you might see from the window on the way.

Events

In addition, community events can provide opportunities for sponsorship, networking and presentations, and the team will identify these as they are established, eg. Edinburgh Bicycle Day.

5.2 Stakeholder

Established Benefits

It is proposed that a brochure is pulled together which is aimed only at businesses in Edinburgh, which spells out the commercial benefits of trams. The brochure would include sound bites from business owners in other cities and from some businesses in Edinburgh who are already established supporters, and statistical information showing benefits to the bottom line, as well as contact details for the stakeholder manager.

This publication should be produced in conjunction with Transport Edinburgh, to facilitate a link-up with the City of Edinburgh Council Economic Development Department, and reflect their aims and objectives for the coming year, where possible.

Business Newsletters

During the congestion charging 'campaign' a stakeholder newsletter was produced, which was distributed to contacts and colleagues. It is proposed that this newsletter is refreshed as follows:

- refreshed distribution list
- new HTML format
- tram focused, but still mentioning other projects
- use of images
- events section
- quarterly distribution

Refresh Support

Support for trams exists, but has been largely unnoticed due to the objection management programme. A key business event in Edinburgh which reflects the stakeholder programme mailing list and target list would allow **tie** to refresh contacts, establish true support and create a platform for further capitalisation of support.

Smaller dinners and lunch events will also create a formal opportunity to confirm support and devise action plans.

Call for Action

Support exists, however, supporters have rarely been asked to act. It is suggested that the Stakeholder Team conducts a full 'support audit' and creates an action plan for each supporter which identifies how to engage with the supporter and what simple action they should be asked to undertake.

These could include:

- inclusion in internal newsletter
- inclusion in press release
- attending political meeting with **tie**
- lobbying further support amongst peers
- inviting **tie** to speak at events
- letters to editors
- press release/editorial
- distribution of material to staff/customers

Certain stakeholders can also be grouped to create stakeholder 'supergroups', which can act more independently within their sector/industry and the wider community.

Identified stakeholder groups which already exist are as follows:

- environmental
- disability
- commercial transport
- utilities
- business
- heritage
- private transport
- tourism

Whilst some organisations in these categories have expressed concerns, and are in fact official objectors, many of these concerns will be allayed by the objection management process. This is one of the key areas where the comms team and stakeholder management can really work together to benefit the scheme.

Stakeholder events can also be grouped into these categories.

Employer Communications

A very low level of activity has been undertaken to raise the awareness and support of trams with employees of major organisations. Information has been sent to companies for inclusion in internal newsletters and e-zines and links have been included on intranet sites. However, this activity can be stepped up with a range of activities, including:

- leafleting
- business distribution of 'traveltime'
- noticeboard posters
- presentations
- transport co-ordinator event
- web links

Champion Programme

The Stakeholder Team can identify and facilitate a Champion's forum, similar to that which was operating on congestion charging, but established very late in the programme. This forum would exist to champion trams and the benefits of the network, and **tie** and CEC would work with them to provide materials and marketing support.

It has been suggested that the Chair of the Dublin Business Association would be amenable to presenting to this group in Edinburgh. We have been informed that as an initial sceptic of trams in Dublin, he is now one of the most vocal supporters.

Property Agents

It is proposed that a pack is prepared for property agents around the network, which provides images and information that can be used for property development brochures, helping agents identify the benefits of trams to commercial companies and use this as a key selling point.

For residential property this would include supplying a short paragraph of copy in a letter to solicitors and estate agents encouraging them to use these in sales particulars.

Sector Tracking

A tracking research survey is currently being set up with ESPC, to track house prices around the lines, which can be called on at any key stage in the project for data.

It is suggested that similar projects are set up with:

- Edinburgh Chamber of Commerce – business
- RICS – commercial property
- City Centre Management Company – City Centre economy
- Edinburgh and Lothians Tourist Board

5.3 Political

Creative Linkages

The introduction of trams to Edinburgh will have significant social and economic benefits for the city. So far, the focus has been to show only the transport benefits of trams, and reaction to the economic case and, in some cases, the route, has been largely sceptical. There are a number of policy initiatives that trams could be coupled with to show additional benefits across the city and the region.

- **Public transport and accessibility to healthcare**

A major issue within public policy is access to healthcare. While this usually refers to patient access to, and involvement in, appropriate treatment, there is also a concern regarding the transport infrastructure surrounding healthcare outlets. The Scottish Executive set up the Health Planning and Quality Division to support developments in public participation in primary care services. **Jane Davies**, in the Scottish Executive, is specifically looking into transport issues surrounding healthcare. Kevin Murray should meet with Jane Davies to provide information and encourage supportive involvement of the tram services to Edinburgh Western Hospital in advance of any discussion in the Consideration Stage of the Line 1 Bill.

- **Social inclusion**

Social inclusion policy is still high on the Scottish Executive's agenda with regard to access to employment and education.

Colin Fox, the Scottish Socialist MSP for the Lothians (and now national convenor) has been quiet on the issue of trams, but opposed congestion charging. Now that issue has been resolved, a 'reality check' for trams would be beneficial. Social inclusion and the development of the trams to serve Pilton and Craigmillar may be of interest to him since, as a regional MSP, he may be less concerned about the impact on individual streets.

- **Economic strategies**

Growing Scotland's economy is the key priority of the Scottish Executive, and the development of Scotland's infrastructure is a key component in a number of Executive strategies, such as Smart Successful Scotland, the Framework for Economic Development in Scotland, and the Scottish Executive's new Infrastructure Investment Plan.

After the completion of the full business case, those MSPs holding Enterprise portfolios should be approached in order to brief them on the key importance of trams to the economic development of Edinburgh and the wider city-region. Further work will show the robustness of the economic case and provide a key opportunity to extend contact with MSPs ahead of Consideration Stage debates. **Mike Pringle MSP** is the Liberal Democrat spokesperson for Enterprise, as well as an interested constituency MSP. This could provide an alternative approach to that of Margaret Smith MSP (see below).

Established Support

The Scottish Executive is committed to the trams project. The Minister, **Nicol Stephen MSP** can be relied upon for positive comments, and highlighted the economic, transport and social benefits in his opening remarks in each of the Preliminary Stage debates. Continued dialogue with the officials in the Transport Department is crucial, but **tie** should also try to set up a meeting with the Minister himself, as he is known for straying "off-message" and adding his own information to briefings from his staff. If a meeting is not possible, a number of networking opportunities have been identified where the Minister may attend and a chance meeting could be possible.

It is important to retain and develop positive relationships with MSPs where these have been established. Current "friends" of the trams project include **Susan Deacon MSP, Sarah Boyack MSP, Mark Ballard MSP** (with reservations on the route of Line One) and **Robin Harper MSP**. The Political Team will contact the offices of these MSPs to provide background information on the high-profile support building strategy that will be undertaken, and explain the revised team structure, providing contact information for the team leaders.

A meeting should be arranged with each of the MSPs to provide an update on the strategy moving forward. This can be combined with the **Call to Action** – see below.

In order to track the attitudes of MSPs and stakeholders towards the trams projects, a comments grid will be maintained by the Political Team. This grid will cover Parliamentary activity, comments in media and key messages from any meetings to track any change in opinion and will be circulated to the Community, Media and Stakeholder Teams on a monthly basis.

Call for Action

There are several actions that supportive MSPs and councillors can perform that would maintain a positive profile for the tram project. These include:

- responding positively in media coverage
- explaining the benefits of the tram project as a whole in constituency surgeries etc, and advising those with concerns to approach **tie** to pursue the best means of mitigation
- becoming a conduit for local-level information and campaigns, particularly during the General Election
- keeping trams in the public consciousness – as **tie** works on creative links for the trams project, supportive MSPs should be encouraged to make specific mention of the trams in debates on accessibility to work and healthcare, on social inclusion and on economic development. Weber Shandwick's political monitoring will identify issues that trams can be linked to and, where appropriate, suggest that MSPs and councillors publicly link trams with new initiatives

Better Networking

To generate more widespread support for the trams network, **tie** needs to meet more than those MSPs and MPs interested in trams and transport issues. There are a number of means to network with MSPs and politicians in general. Conferences are an ideal way to meet many contacts within a short timeframe. This can be achieved by attending the conference and arranging to meet outside the sessions, or a "by chance" meeting. **tie** could also investigate the possibility of hosting an event or reception. With a high-profile speaker, this could be an excellent way to raise profile among the key target audience.

The Scottish Executive is holding a major conference to discuss its "Infrastructure Investment in Scotland" strategy on 17-18 May. The conference aims to bring together both the public and private sectors and will provide an opportunity for Ministers to show that Scotland is "open for business" and to attract investors. It is a high-profile event with speeches from the First Minister, The Minister for Finance and Public Service Reform, Tom McCabe MSP, The Minister for Transport, Nicol Stephen MSP and key Heads of Department in the Scottish Executive.

There are a number of transport conferences arranged by Holyrood Magazine. These are addressed by civil servants and MSPs from cross-party groups and committees. These events are attended by third party groups interested in transport policy, such as Chambers of Commerce or SPOKES. The next event is in Edinburgh on 22 April and will consider transport issues in the east of Scotland, and specifically Edinburgh. Confirmed speakers include Ian Kernohan, Local Authority and Partnership Liaison Team Leader, Transport Strategy and Legislation Division, The Scottish Executive; Frazer Henderson, Transport (Scotland) Bill Manager, Transport (Scotland) Bill Team; and Bristow Muldoon MSP, Convenor of the Local Government and Transport Committee (and member for Livingston).

A further event is planned in the coming months on the implications of the Strategic Environmental Assessment Implementation – the Scottish Executive's new Environmental Assessment Bill goes further than the new EU legislation. **tie's** experiences in the current framework in Environmental Impact Assessments for the Bill could make for an interesting contribution in debates.

The Transport Minister will also be opening the Confederation of Passenger Transport UK 30th Annual Conference at Gleneagles on 25-27 April. Other speakers include transport operators such as Stagecoach and National Express.

The party conference season for this spring has now concluded, but some parties have short one-day rallies in the autumn. **tie**, or a representative of the political group, should attend small conferences like these and, if there is the opportunity, an exhibition board can be displayed. Moving forward to 2006, the political group should investigate the opportunities at party conferences, where fringe events or receptions are a relatively inexpensive way to raise profile and control the agenda of a meeting. Fringe events can be tailored to the specific message for each party – trams' role in economic regeneration would befit the Scottish Conservative conference, while a social inclusion perspective would be suitable for the Scottish Liberal Democrats.

Newsletter/Briefing

The reinstatement of the *traveltime* newsletter will benefit the political campaign and should be sent to all local MSPs, MPs, MEPs and councillors. Weber Shandwick would also advise that an additional briefing sheet on the work completed in Committee and with CLGs be sent to the political audience, who are interested in a different type of information. This additional briefing would be sent with *traveltime* to ensure continuity of message.

Political Media

Political journalists cover the workings of the Scottish Parliament and Executive on a daily basis and understand more about the policy context that transport strategies work within. The Procedures Committee will shortly be making recommendations on the Private Bill Process and suggesting improvements. **tie** should meet with political journalists now to establish a relationship, and possible reactions to the recommendations of the Committee, raising **tie's** profile and showing an understanding of, and contribution to, Scottish political life.

Private Bills are not at the forefront of political journalists' thoughts so some time should be set aside for briefing key political journalists, including The Herald, Scotsman, Evening News, BBC and STV political programmes.

Holyrood Magazine's Transport Quarterly is a key political publication which is read by the target audience. A briefing meeting should be arranged with Holyrood Magazine researchers and the new Editor, Mandy Rhodes.

In addition to editorial coverage, advertorials are inexpensive, provide an opportunity to control the coverage and are usually "masked" as Parliamentary Briefings as opposed to paid-for text. The Political Team would seek to position **tie** as willing contributors and an authority on delivering infrastructure improvements, for future opinion pieces.

Cross Party Group Events

It has been some time since **tie** gave a cross-party presentation to MSPs, MPs and Councillors. An event just before summer recess would allow **tie** to give an update on the progress of the Bills through Parliament and outline work that will continue while the politicians are away from their desks through the summer months.

A presentation will be followed by the opportunity to question a panel from all sides of the project team, including design and construction. Tram 'champions' should also be in attendance – from business and from the local community - to show wider support for the tram lines. An update on the design and construction phases of the project will show the progression of the project and reinforce the 'reality check' messages outlined above.

Launches

There are a number of transport launches planned (Hermiston, Ingliston, RBOS) which will be of interest to politicians. The political group can assist the organisers of these events to establish political attendance and support.

5.4 Media

Back to Basics/Establish Stance

At this stage in the progress of trams through Parliament, particularly now that congestion charging is off the agenda, the time is right to 'take the temperature' of the media. Tram coverage has been too often linked to funding from congestion charging, and media stance has been inextricably linked.

Senior media roles have also changed at the main publications since **tie's** last senior briefings, so this also creates the ideal opportunity to gauge current editorial opinion.

It is suggested that during April a media tour is organised to key publications (BBC, STV, Evening News, The Scotsman, The Herald) to discuss their position, after which a specific target plan can be developed for each by the Media Team.

In addition, to account for changes to the media lineup, another trip should be organized for 2005, to a UK scheme.

Pro-active Approach

Media relations has historically been undertaken reactively. Now that both lines have achieved approval 'in principle' a much more pro-active approach can be taken.

Media themes will capitalise on activity elsewhere in the programme, and take direction from community, stakeholder and political activity. For example, the creation of a set of case studies ('faces' of trams) will create a hook for media activity, as will the schools campaign.

Staples will include:

- more pro-active press releases
- feature opportunities
- opinion pieces
- relationship building

Broadcast and Radio Packages

The Media Team will work together to create a series of broadcast packages to pitch at Scottish Television and BBC Scotland. These include:

- short documentary ideas
- news features
- feature series
- personal journey features
- issues features for specialist programming (environment/disability etc)

A stronger focus on broadcast will help to balance negative print media.

Q&A

A tram 'frequently asked questions' document exists, but this requires re-written to reflect the current position.

Some of these Q&A will be used in public material.

Briefings

In the same way that newsletters and briefings are prepared for political, stakeholder and community audiences, a short media briefing sheet can be produced on a monthly basis. Each will have ideas for features, a news story and visual links to generate interest and spark ideas. These will have a fairly narrow, but carefully targeted audience.

Visualisation

As previously discussed, creating a level of visual reference helps the public to accept and embrace trams. Commissioning a series of artist's impressions will help the public to see what trams will really be like and will remove the threat of the unknown. These visuals will be used in the media as much as is possible, alongside a refreshed suite of 'preferred' visuals of different tram systems from cities throughout the world. Different aspects of the tram network will also be included, such as stops, street furniture, grass tracks and special characteristics of trams which make them an easy mode of transport for different sections of society – eg: those with restricted movement, parents.

Media Event

It is proposed that the Media Team organises a media drinks event, to re-establish contacts and discuss approaches in an informal atmosphere. This is particularly appropriate given staff changes at both The Scotsman and the Evening News, where there will be a relatively new team working from April 2005.

Media Stunts

The media team will work to create a series of media stunts throughout the activity period. These will be connected to key events, eg:

- Caley Brewery producing an Edinburgh Tram Beer to celebrate Royal Assent
- sponsored walk around the tram route, in association with CEC

6. Line Specific Communication Activity

6.1 Community

Environment

Each line has its own environmental characteristics which provide specific opportunities to interact with the local community. As well as potential participation in environmental studies, we can involve the local community in a number of ways:

- regular updates about studies and animal population
- wildlife project with local primary school
- media activity surrounding surveys and results
- locally focused exhibitions, or fact packs to be distributed at exhibitions

Local Benefits

The benefits to each area are specific, and it is suggested that the Community Team works with the project managers and environmental consultants, ERM, to identify a series of benefits which are specific to singular areas. These can then be fed into the community activities at a generic level (eg: 'faces' of trams leaflets).

6.2 Stakeholder

Objection Management

The objection management process will provide a number of opportunities, both media and local. Through the Stakeholder Team, which attends the objection management meeting, we can identify mitigation activity, potential supporters, potential withdrawals - all of which can be fed into the media, political and community programmes.

Mitigation Strategies

Where a specific piece of mitigation work is completed, particularly if it is in response to an objection or part of the Parliamentary process, this should be capitalised on, if appropriate. Route changes, if they can be well justified, are good examples of **tie** working with stakeholders to plan the route which is best for everyone, and media coverage will show the Scottish Parliament that **tie** is willing to compromise to the benefit of the city.

BLGs

A Business Liaison Group is being set up for Leith Walk, which provides the opportunity for extended communication in this area. The group, as well as generating new challenges for the Stakeholder Team, will also provide a source of media information and generate further activity with local business.

CLGs

The CLGs on Lines 1 and 2 vary in their levels of support, but the meetings are not the forums that were envisaged to progress the project and work with the communities affected.

There is now the opportunity to 're-start' the Community Liaison Groups, and re-state the principles within the Remit and Working Arrangements Paper distributed at the beginning of the process. Now that the Parliament has given support to the principles of trams, the message must be given to CLGs that trams are going to become part of life in Edinburgh and that the CLG meetings are their chance to seize opportunities offered and influence public realm improvements and mitigation.

The West End CLG has now, at the request of members, produced a forward plan of topics for discussion and members submit questions to **tie** or Weber Shandwick ahead of the meeting, to inform the agenda. While more time-intensive, this structure allows for more informed discussions and progress to be made. The Chair would also have a stronger role with an agreed agenda to pursue. The Political Team would assist the Stakeholder Team in the roll-out of this structure across the CLGs.

6.3 Political

Briefing for General Election Candidates

The General Election is expected to be called at any time, with 5 May tipped for the poll. With transport so politicised in Edinburgh, prospective Parliamentary candidates are likely to campaign on transport issues – even those devolved to the Scottish Parliament.

tie should be prepared that some candidates may use the congestion charging result and local ill-feeling about the tram proposals for political gain. The Political Team will keep a close eye on the campaigns and advise of any use of the tram lines in candidates' literature. Any information will be fed to the Media Team for a swift reaction or rebuttal.

Candidates may not be fully aware of the benefits and progress of the tram project, and it is unlikely that they will have received any previous literature. A concise briefing pack should be prepared for each candidate providing:

- previous editions of *traveltime* and political briefings
- key questions and answers
- an update on on-going design work and the development of the finance and business case

This will ensure pro-active communications with any candidates, should a surprise change of seat occur, and provide information to candidates while “door-stepping” on the election trail.

Local MSP Support

As a first action, Weber Shandwick Public Affairs will contact all local MSPs to establish a relationship moving forward, with the MSP and their staff. While we cannot ask that all press releases or media coverage are sent to us, fostering better relationships will inform both parties’ actions.

The Edinburgh Labour MSPs - Susan Deacon, Sarah Boyack and Malcolm Chisholm have been supportive of the proposals and strategies for keeping them informed. These relationships now need to be developed further by the political group.

Margaret Smith MSP is the local MSP who could be the most difficult during the Consideration Stage. This was illustrated by the issue of a press release following her comments on the proposed route of Line 1. An urgent meeting is required to discuss the decision-making process in refining the Roseburn corridor route. A site visit when mitigation measures are finalised would also be helpful.

Margaret Smith also chairs the Craighleith Community Liaison Group (see below), and so had a great deal of contact with objectors and protestors. A meeting outside this volatile environment would be extremely useful. This meeting could also be attended by **Mike Pringle MSP**, who has been quietly supportive of the proposals thus far. It should always be remembered that the Liberal Democrat MSPs are “whipped” to vote to support Scottish Executive policy and so there will be pressure exerted on both MSPs to support the Bills – however the Liberal Democrats are known for rebelling at Decision Time.

The Conservative party was supportive of the principle of trams in the preliminary stage debates, with **David McLetchie MSP** and **Lord James Douglas-Hamilton** contributing to the debates. The Conservatives remain to be convinced on the specific benefits of the tram proposals, and believe that the South Suburban Railway would bring benefits faster and cheaper. **tie** should meet with the Conservatives after the details of the Financial Case have been finalised to address these concerns.

Mark Ballard MSP is one of two Greens elected by the Lothians and has taken a keen interest in transport in Edinburgh. Still supportive of congestion charging or traffic restraint measures, he is supportive of all three tram lines, but has concerns regarding the Roseburn wildlife corridor. It would be damaging to the case for trams if the local Green MSP was unsupportive and, so while not a constituency MSP, his support should be regarded as important. Like Margaret Smith, a meeting and site visit may allay fears.

Local Councillor Support

Local Councillors are invited to each of the Community Liaison Groups and **tie** has a positive relationship with most. However, it is important that these groups are not the only point of contact – they are not the most conducive environment to providing updates and discussing strategies. It is anticipated that the Political Group will take forward communication with Councillors.

Community Councils

Community councils are members of the Community Liaison Groups (CLG) on both lines 1 and 2. However, only the secretaries or chairs attend the meetings, and meetings with the individual community councils have not occurred for some time.

The passing of the general principles of the Bills provides a new opportunity to approach the community councils once more to provide an update on the next stage of the programme. **tie** should offer to attend for the community councils a briefing at their next meeting to meet all the members and ascertain the levels of support or opposition from individual councils.

The Political Team will work with the project team to pull together a pack of updated information on the plans and mitigation measures planned in the area to be distributed ahead of the meeting. This will inform the debate at the meeting, and allow for some meaningful discussion about the true impact on the areas in question.

6.4 Media

Rebuttal of Issues

As each line moves through the Parliament, there will be a steady stream of local issues which will be highlighted, particularly in the more 'media savvy' areas of the route. These include Granton, Ingliston, Roseburn and Saughton Mains.

Where possible, we can identify the issues and plan pro-active media accordingly, particularly when we have a programme of Parliamentary business to work with. Where issues are identified, along with specific timing, the Media Team will work to place positive media coverage which will deal with them in advance.

Rebuttal and reactive response will continue on each line, with statements and letters to editors being drafted in response to any issues which we have not managed to catch pro-actively.

Capitalise on Project Specific Activity

Project specific activity, particularly community link-ups (schools projects); changes to the route and environmental surveys all provide opportunities for media coverage (for example the recent badger survey would have made an excellent pro-active opportunity). These can be identified through the objection management meetings and should be flagged to the Media Team in advance of the project start.

Objection Withdrawal

During the 'in principle' stage, the local media used many of the objections as regular news page fodder. When the objectors start to withdraw, the Media Team can feed these stories to the Evening News, in particular. This has already been flagged to the Evening News as a project this year, and they have agreed to cover some withdrawals. A list of key objectors has already been drawn up which would be of particular interest to media.

Defence of Patronage/Funding

As further funding and patronage modeling work is undertaken by **tie**, as per the instructions from the Scottish Parliament at the end of the 'in principle' stage, there will be interest across the board (media, community, stakeholder and political) in the results, and in the response from the Parliament. It is suggested that the Media Team leads on this project, but that activity cuts across all teams, with a number of activities undertaken to clarify **tie**'s position as follows:

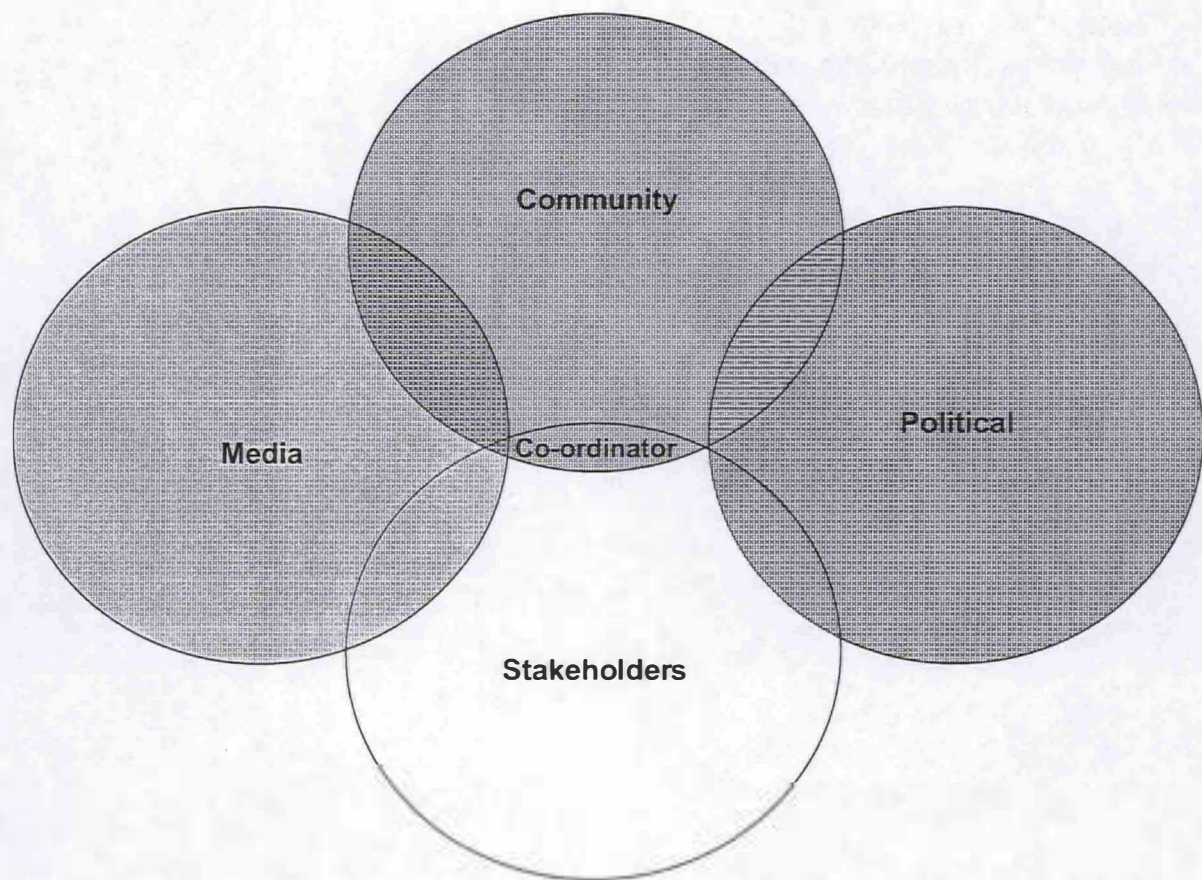
- inclusion in *traveltime* (community)
- mailing (community)
- stakeholder newsletter
- press release/statements prepared
- political briefing paper

7. Roles and Responsibilities

The multi-faceted nature of Edinburgh’s trams proposals has traditionally involved the combined skills of CEC and Weber Shandwick to agree and manage media, community, political and stakeholder relations. However, the formal introduction of Transport Edinburgh and a dedicated Communications Manager within **tie** limited over the past six months has further strengthened the team and necessitated the review and clarification of team roles.

Some common work areas clearly exist, however, in order to maximise effectiveness and integration, it is suggested that the ‘teams’ should not fall into traditional organisational sectors, but should be focused on activity. In line with the strategy, four primary activity sectors have been identified, namely Media, Stakeholders, Community and Political liaison.

The diagram below illustrates the integration between roles



Media

As the communication programme moves forward, the emphasis will shift to swell public support and confidence in the projects. As such, the success of the next phase of the communications campaign will be reliant on targeted, vigorous media relations and highly visible project figureheads driving campaign momentum and strong, consistent messages.

The Media Team will set the agenda to build confidence in the projects and to educate trade and local media on project progress. It will also oversee the involvement and organisation of key political figureheads across all tram projects, co-ordinating a speaker programme including scheduling of key announcements, securing and confirming attendance at high profile influencer events.

The Media Team will comprise a cross organisation group, with members from **tie** limited, CEC and Weber Shandwick. The key responsibilities for the team will include:

- developing and implementing media strategy
- handling all media enquiries
- planning and distributing all pro-active media releases
- compiling reactive media statements/comments
- co-ordinating media interviews with key project figureheads/spokespeople
- arranging and implementing all media photocalls
- managing release of visuals
- developing plan for patronage/funding report

Stakeholder

The Stakeholder Team, as well as maintenance and management of the stakeholder programme, will begin a focus on pro-active approaches to key stakeholders. However, ensuring that all stakeholder liaison is recorded accurately and efficiently remains important as the projects move through the Parliamentary process to Royal Ascent, so this will be a support role.

The Stakeholder Team will liaise closely with each team leader to relay stakeholder issues into the media, community, and political programmes.

The Stakeholder Team's key responsibilities include:

- authorising and undertaking a pro-active stakeholder comms programme
- establishing and mobilising stakeholder support
- maintaining stakeholder database
- raising/relaying stakeholder/objector issues
- developing the Community and Business Liaison Groups as discussion forums

Community

Comprehensive public liaison forms an essential element of the communications plan. The Community Team will be tasked with engaging the wider community to increase evidence of support and revise the media agenda towards acceptance and positive anticipation of trams in Edinburgh.

Key activities include:

- written response to all public queries
- community campaigns and mail outs
- compiling public/community information packs
- co-ordinating public/community briefings and meetings
- identifying key community supporters for media and political liaison
- arranging community events and exhibitions
- preparing collateral for community activity

The team will involve key members from CEC, **tie** and Weber Shandwick Public Affairs to advise on community groups and liaison with support organisations.

Political

The Political Team will be working with all levels of governance – councillors, MSPs, MPs and MEPs – throughout the life of the project to generate wider support for the arrival of trams in Edinburgh - and liaising with elected representatives along the lines of route.

Key activities include:

- liaising with supportive MSPs and councillors to show the benefits of the scheme
- providing political briefings and updates
- linking tram benefits to other key policy areas
- political networking opportunities to meet with MSPs and Ministers
- arranging political events

The Political Team will work with all activity sectors to ensure continuity of the key messages to elected members and ensure that the support is passed to the Media Team for action.

Internal

A key co-ordinating role exists for Suzanne Waugh at **tie**.

From past experience, and the experiences of both Dublin and Nottingham teams, it is evident that one of the keys to success is clear communication between technical consultants and staff, and the communications teams. This will be addresses in two ways:

- Tram project managers (Kevin Murray and Geoff Duke) and tram manager (Barry Cross) attending monthly communication meetings with all comms team leaders
- Suzanne Waugh attending technical meetings
- Internal communications (SW) and consultant (LC) presence at re-established tram steering group
- WS continued attendance at objection management meetings, on a bi-weekly basis. These are also attended by Samantha Kelly
- Continued internal communications presence at CEC transport communications meetings

In her capacity as co-ordinator, Suzanne will have a management role in all teams, ensuring the flow of information between activity teams, as well as providing internal briefings to all **tie** spokespeople/figureheads.

To summarise, the roles and responsibilities fall as follows:

Role	Primary Responsibility	Additional Actions	Team Members (Leader in bold)
Media	<ul style="list-style-type: none"> managing all media enquiries writing all media releases/statements managing all project collateral liaison with all key figureheads implementing profile programme 	<ul style="list-style-type: none"> issues assessment and addressing project risks 	Lesley Clark CEC Suzanne Waugh Helen Crony Nora Farrell
Stakeholder	<ul style="list-style-type: none"> maintaining stakeholder database raising/relaying stakeholder issues authorising stakeholder contact 	<ul style="list-style-type: none"> liaison with other team leaders input into community briefings/information documents co-ordinating Community Liaison Groups and distribution of minutes 	Samantha Kelly Victoria Mason Suzanne Waugh Elaine Cropley Lindsey Hetherington
Community	<ul style="list-style-type: none"> recording all public contact/enquiries compiling community briefing packs and information leaflets co-ordinating public mail outs on-going liaison with community groups and community councils 	<ul style="list-style-type: none"> providing information support to schools 	Morna McDonald Suzanne Waugh Lindsey Hetherington CEC Elaine Copley
Political	<ul style="list-style-type: none"> initial point of contact for councillors, MSPs and MPs providing political updates and briefings at local level generating political support across Ministerial portfolios on-going liaison with CLGs 	<ul style="list-style-type: none"> input into community briefings and information leaflets providing relevant information to other sector teams re: political support 	Moray MacDonald CEC Lynne McNaught Suzanne Waugh

As well as Suzanne Waugh's central role, monthly communication meetings (which have already been diarised) will ensure that all teams cross-communicate. Each team will co-ordinate its own team meetings.

8. The Way Forward

This document is still in draft form, and will be finalised for circulation following a discussion meeting on 22 March, and visits by the comms team (SW, WS and CEC) to Dublin and Nottingham on 29 and 30 March.

It is envisaged that following completion and sign off of this strategy, the four groups will work together to progress a specific and detailed action plan for their area of responsibility, which deals with implementation of both the generic strategy and line specific activity.

Weber Shandwick & tie
LC/LM/MLM/SW/FD
01/04/05



Communications

b) Communications Progress 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 Update
Stakeholder & Communication Management
19 April 2005

Stakeholder management:

- **Stakeholders**
- **Newsletter**

Communication management:

- **Media enquiries**
- **Trams Communication Planning**
- **One Ticket Marketing Plans**
- **Communication strategy and partners**
- **Events**

Stakeholders

The following presentations were held in the last month:

Maltese Delegation	6 April 2005
Transport for London	7 April 2005

Newsletter

Proposals to pull the newsletter into an on line e-news format sourced from the **tie** website, with a page for each **tie** project, have been documented showing costs, benefits and have been discussed with Michael Howell and Alex Macaulay. Discussions resulted in some changes and work to deliver the new newsletter has started.

The next newsletter, in the new format, will be issued in May.

Media enquiries

Interviews are planned with the following media:

5 April 2005

Michael Howell met with Corporate Scotland for transport information to appear in new 2005 brochure.

27 April 2005

Michael Howell meets with Alistair Dalton of the Scotsman.

Proactive news releases were issued following the two Light Rail reports from Westminster on 3 and 5 April.

Trams Communication Planning

A communications working model showing the roles, responsibilities and interaction between **tie**, Weber Shandwick, Stakeholder Relationship Management and CEC has been documented and the approach agreed.

A proactive draft strategy for lines 1 and 2 has been developed and presented to Michael Howell, Alex Macaulay, Isabell Reid and Barry Cross. The strategy specifically address:

- Challenges to be faced over the coming year
- gathering and motivating support for tram lines from all interested parties and stakeholders
- involving and motivating the community
- getting media on side and supportive stories printed
- showing the benefits of integration
- including interested groups such as environmental and heritage
- addressing any possible changes to route
- learning from the Nottingham and Dublin communications experiences, following visits held on 28-30 March..

Working groups are currently being set up for each of the Media, Stakeholder, Community and Political groups. These groups will meet prior to the May board. An update on plans and progress will be detailed in the next board report under each group heading.

One Ticket Marketing Plans

A marketing proposal has gone to the One Ticket Board. Costs are now being secured for the options identified.

Communication strategy and partners

Work with CEC to plan the communication strategy for Transport Edinburgh has been ongoing. **tie**'s plans for trams, Ingliston Park and Ride launch, EARL and One Ticket now dovetail together with CEC's plans for the other city transport initiatives, ensuring a seamless approach. The overall plan was presented on 11 April to the Transport Edinburgh Communications meeting.

Events

Tram Drivers Lunch

A lunch for former tram drivers was held on 4 April. Twenty former drivers attended with representatives from CEC, **tie** and Light Rail Scotland

The Evening News covered the story in a positive two page feature.

Ingliston Park & Ride Launch

Two options for the Ingliston Park & Ride launch event have been drafted and priced. Possible timing for the event is mid July. Work is ongoing with CEC and Lothian Buses to ensure that Hermiston and RBS Gogar services launching at the same time are covered as one event if launching on the same day.

The Board is asked to note the position.

Suzanne Waugh
12 April 2005



Agenda Item 10

AOB –