

## SCOTTISH CABINET

**SCANCE: 6 SEPTEMBER 2011**  
(Scottish Cabinet Analysis of News and Current Events)

[...]

**MR NEIL***[This week]*

11. Following **City of Edinburgh Council's decision on 25 August to take the tram only to Haymarket**, Ministers announced that the remaining grant funding of £72 million would be withheld, on the grounds that the decision represented a significant departure from the original concept that the Government agreed to support to a maximum of £500 million. However, Ministers made it clear that they would be open to the Council's coming forward with further proposals which were consistent with the basis on which the original grant was agreed. At a special meeting of the Council on 2 September, the decision to stop the route at Haymarket was overturned in favour of the recommended option to continue the tram to St Andrew's Square at an estimated cost of £776 million. The Council expects the planned settlement with the contractor to be concluded within the next week or so. The Council will also seek early assurance that the decision to go to St Andrew's Square will be sufficient to satisfy the Scottish Government that it is appropriate to reinstate grant support to the project. As part of any agreement to release further grant payments, the Government will require the Council to agree that Transport Scotland should assume a greater role in the management of the project.

[...]

Cabinet Secretariat  
September 2011