



**EDINBURGH TRAM**  
**Highlight Report to the**  
**Chief Executive's**  
**Internal Planning Group**  
**9 July 2008**



## 1 Background

This 'highlight report' is an update to the Chief Executive's Internal Planning Group on the Edinburgh Tram Project to inform on the progress on this project and any decisions required, particularly regarding the tram approvals process.

## 2 Executive Summary

### 2.1 Matters Arising

#### Statutory Council Approvals and Consents

As the detailed design continues, there are several statutory consents that the Council must provide. These include Planning Prior Approvals, Building Warrants, Roads and Structures Technical Approvals.

#### Financial Update

A financial update is provided for the project which includes a breakdown of the Council's contributions and projected cash flow.

#### Line 1b – Roseburn Corridor Update

A project team, led by *tie ltd*, has been set up to develop the business case for phase 1b (along the Roseburn corridor). An extract from the Tram Project Board meeting on Wednesday 4 July provides an update. Specifically the Council are reviewing the development assumptions.

#### Progress Update for Mudfa and Infraco

An updated position on the major contracts is provided. There is some concern about the lack of progress with the Infraco mobilisation, which has resulted in a delay, however there are opportunities to recover all or part of the slippage.

#### Final design – Public Consultation Events

*tie ltd* has successfully concluded the final design public consultation events, with took place in eight local venues along the tram route in the last two weeks in June.

#### Remit of Tram Sub-Committee

Further consideration has been given to the remit of the Tram Sub-Committee and report has been produced by the Director of Corporate Services.

### 2.2 Matters to Note or for a Decision

- To note the position with the status of the statutory Council approvals and consents.
- To note the position with CEC resources, and the need for additional funding for the prolongation of the prior approval staff.



### 3 Statutory Council Approvals and Consents

The table below provides an updated summary position on all the necessary approvals required from the Council for the tram project. A further detailed breakdown is attached as Appendix 1

Bi-weekly 'Task Force' meetings are held between *tie Ltd*, the designers, BBS and the Council to closely monitor progress and minimise potential delays. Current progress is broadly in line with V31 of the programme. Where delays have occurred mitigation plans are in place.

CEC Statutory Council Approvals and Consents	Total Number of Submissions	% Complete
Prior Approval	61	54%
Full Planning Permission	9	22%
Listed Building Consent	10	0%
Scheduled Monument Consent	1	0%
Building Warrant	13	8%
Technical Approvals (including Structures, Roads and Drainage)	92	33%
<b>Total</b>	<b>186</b>	<b>36%</b>

An approvals tracker that identifies each of the approvals and their status has been developed. An extract from that tracker is also included as Appendix 2. The status of the approvals relates to the Issue for Construction drawings which is on the critical path for the project construction.

### 4 *tie's* deliverables for Contract Award

Although good efforts have been made to conclude the major contracts, information is still awaited from *tie Ltd* regarding their deliverables for contract award. To ensure good administration and to protect the Council's interest, it is recommended that the Director of Finance formally writes to *tie Ltd* to resolve this.

### 5 Financial Update

A financial update and Council's contribution to the project and cashflow is detailed in Appendix 3. In summary, the contribution comprises:

CEC Cash	£2.5m
CEC Land	£6.2m
Developer Contributions Land	£2.2m
Developers Cash Contributions	£25.4m
Capital Receipts	£9.7m







**6 Phase 1b (Roseburn Corridor) Update**

A further update has been prepared by tie ltd, and was presented to the Tram Project Board on Wednesday 2 July 2008. A copy of their report is attached as Appendix 4.

**7 Remit of the Tram Sub-Committee**

A report on the remit of the tram sub-committee is attached as Appendix 5, which recommends retaining the publicly accessible sub-committee with its present remit but with reduced frequency.

**8 MUDFA Progress Update**

Progress has started to show improved production rates with known barriers to production having been addressed and recovery works are underway. In overview MUDFA works are 4 weeks behind on Infraco critical activities. *tie ltd* and Carillion are currently agreeing Revision 07 of the MUDFA programme to mitigate any potential impact on the Project critical path. Final agreement is expected next month.

Traffic management and modelling has benefited from additional scrutiny and support during the period. MUDFA Haymarket phasing works has been communicated (expected to commence at the end of July), and an assessment of the traffic management integration requirements for Infraco and MUDFA works has been made, along with enabling works on George Street.

There is continued focus on the completion and hand-back of work-sites, especially on Leith Walk, St Andrew Square, Constitution Street and Shandwick Place.

**9 INFRACO Progress Update (including TRAMCO)**

The first contract progress meeting was held with Infraco and weekly production and commercial meetings have also commenced.

Infraco's rate of mobilisation has been disappointing; particularly the lack of progress in deploying package sub-contractors and this has been formally communicated to BBS and escalated to Consortium Board level. However, having undertaken more detailed programme analysis, *tie ltd* considers this mobilisation slippage can be recovered and are developing these plans with Infraco through a series of workshops. *tie ltd* continues to work with Infraco to speed up the early construction activities. A number of contract instructions have been issued to Infraco in respect of value engineering and instructions to proceed at risk where final design information is not available.

Tramco progress is acceptable and currently focused on documentation and designs.

**10 Detailed Design Public Consultation**

*tie ltd* has now completed the detailed design public consultation with eight local exhibitions throughout the city. The completion of this is a key milestone for the project. This included active engagement of both frontagers and members of the wider community.

As a part of the successful passage of the Tram Bills through the Scottish Parliament it was agreed that a consultation exercise with the public and especially frontagers was important.





*tie ltd* set up Community Liaison Groups (CLGs) as part of their communications strategy which involved three key elements that included Initial Design Consultation, Preliminary Design Consultation and a presentation of the Final Detail Design.

With the exception of the Initial Design phase this was the same for the wider community stakeholders. All three phases have now been concluded.

As part of this process *tie ltd* will have invited more than 140,000 members of the frontage and wider community to participate in this exercise. The distribution of these invitations will have been through a personal invitation hand delivered to each home or business address. A Questionnaire/Survey was issued to each attendee at the presentation of the Final Detailed Design and these will be followed up with a number of focus groups with a view to understanding the degrees of satisfaction or dissatisfaction with the methodology and process.

Council staff attended the final design public consultation events to answer Council related questions/comments.

## 11 Miscellaneous

### 11.1 CEC Resources

- **Internal Resources**

Existing CEC staff are carrying out the statutory approvals process and the related necessary administration for the tram project. Over fifty individual internal members of staff are directly involved in the tram project at this time. A total of 865 staff hours has been utilised on the tram since April 2008 at a cost £50K. These costs are being borne by CEC and are contained within existing budgets.

- **Additional Resources**

To assist with the approvals process additional staff have been brought in to either carry out the necessary work directly or alternatively free-up existing resources to do that work and use the extra resources to cover that shortfall. A total of 18 FTE have been employed since April 2008 at a cost of £125K, which was contained within the tram budget costs.

The budget for the additional staff costs for 2008/2009 totals £433K.

Due to the prolongation of the Planning Prior Approval submissions, it will be necessary to retain some of the additional resources longer than programmed. It is estimated that an additional £50K will be required to meet with the project timescales, which would increase the budget to £483K.

#### List of Appendices:

- 1 – Statutory Council Approvals – Tables 1 and 2
- 2 – Statutory Council Approvals – Tracker
- 3 – Financial Update
- 4 – Phase 1b Update
- 5 – Remit of Tram Sub-Committee report dated 9 July 2008





## Statutory Council Approvals

### Summary Table

CEC Statutory Council Approvals and Consents	Total Number of Submissions	% Complete
Prior Approval	61	54%
Full Planning Permission	9	22%
Listed Building Consent	10	0%
Scheduled Monument Consent	1	0%
Building Warrant	13	8%
Technical Approvals (including Structures, Roads and Drainage)	92	33%
<b>Total</b>	<b>186</b>	<b>36%</b>

**Table 1 - Planning and Building Warrant Approvals**

CURRENT STATUS	Sub Totals	Prior Approval	Full Planning Permission	Listed Building Consent	Scheduled Monument Consent	Building Warrant
Informal Consultation Not Started	2	2	0	0	0	0
Informal Consultation Started	8	4	4	0	0	0
Application Submitted	38	22	3	10	1	2
Approval Granted	36	33	2	0	0	1
<b>GRAND TOTAL and Sub Totals</b>	<b>94</b>	<b>61</b>	<b>9</b>	<b>10</b>	<b>1</b>	<b>13</b>
<b>% Complete</b>	<b>38%</b>	<b>54%</b>	<b>22%</b>	<b>0%</b>	<b>0%</b>	<b>8%</b>

**Table 2 - Roads & Structures Technical Approvals**

CURRENT STATUS	Sub Totals	CEC Technical Approval	Roads Construction Consent	*Network Rail Form A	*SW Drainage Outfall Consent	*SEPA	*SNH	*BAA Approval
TA delayed due to recent change	0	0	0	0	0	0	0	0
Issued for informal consultation	0	0	0	0	0	0	0	0
Issued for Technical Approval	56	39	0	6	9	1	0	1
Technical Approval Granted	35	30	0	4	0	0	1	0
Not Yet Due	29	22	2	1	0	4	0	0
Delay	4	1	0	0	0	3	0	0
<b>GRAND TOTAL and Sub Totals</b>	<b>124</b>	<b>92</b>	<b>2</b>	<b>11</b>	<b>9</b>	<b>11</b>	<b>1</b>	<b>1</b>
<b>% Complete</b>	<b>28%</b>	<b>33%</b>	<b>0%</b>	<b>36%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>

\* These consents are not CEC's responsibility, but for completeness they have been included as they are required to allow construction to commence.

## Prior Approvals RAG Status

Section	Batch	RAG	Activity ID	Approval by	IFC	Notes
				CEC	v31	
				Current f/cast (Live)		
1A	1/01a		Tram Stop Newhaven (Task300.2.11)	29/08/2008	21/01/2009	
1A	1/01b		W01 Lindsay Road Retaining Wall	12/09/2008	30/09/2008	
1A	1/01c		Ocean Drive Retaining Wall	12/09/2008	30/09/2008	
1A	1/02		Tram Stop Ocean Terminal (Task300.2.10)	30/09/2008	21/01/2009	
1A	1/02		S16 Victoria Dock Entrance Bridge	30/09/2008	12/11/2008	
1A	1/02a		VO252 Subsection 1A3 - Roads (Ocean Terminal to Port of Leith)	19/09/2008	21/01/2009	
1A	1/05		S17 Tower Place Bridge	08/08/2008	09/12/2008	
1A	1/07		Tram Stop Bernard Street (Task300.2.8)	16/07/2008	24/09/2008	
1A	1/08		Tram Stop Foot of the Walk (Task300.3.10)	25/07/2008	24/09/2008	
1C	1/12		Tram Stop Picardy Place (Task300.4.9)	29/08/2008	24/11/2008	
1C	1/15		Tram Stop St. Andrew Square (Task300.4.8)	25/07/2008	22/08/2008	
1D	1/17		Tram Stop Shandwick Place	21/07/2008	03/07/2008	Delaying in the prior approval due to disputes over detailed design. Letter on 1 July 2008 confirmed
3a	3/02		Roseburn Corridor Retaining Structure A	01/08/2008	07/07/2008	
3a	3/02		Roseburn Corridor Retaining Structure B	01/08/2008	08/07/2008	
3a	3/02		Tram Stop Roseburn (Task500.2.6)	01/08/2008	07/07/2008	
3a	3/02		S01 Roseburn Terrace	01/08/2008	07/07/2008	
3a	3/05		Tram Stop Ravelston (Task500.2.7)	01/08/2008	30/07/2008	
3a	3/05		Ravelston Dykes Structure	01/08/2008	30/07/2008	
3b	3/16		Tram Stop West Pilton (Task500.3.7)	06/08/2008	15/08/2008	
3b	3/19		Tram Stop Caroline Park (Task500.3.8)	16/06/2008	18/06/2008	
3c	3/20		Tram Stop Saltire Square (Task500.4.7)	09/07/2008	16/07/2008	
5A	5/06		<b>Tram Stop Murrayfield Stadium (Task700.2.6)</b>	21/07/2008	27/06/2008	Delaying in the prior approval due to disputes over detailed design. Letter on 1 July 2008 confirmed
5A	5/06		<b>W18 Murrayfield Stop Retaining Walls (Task700.2.17)</b>	21/07/2008	27/06/2008	Delaying in the prior approval due to disputes over detailed design. Letter on 1 July 2008 confirmed

## Prior Approvals RAG Status

Section	Batch	RAG	Activity ID	Approval by	IFC	Notes
				CEC		
				Current f/cast (Live)	v31	
5A	5/07	Red	<b>S21A Roseburn Street Viaduct (Task700.2.9)</b>	06/08/2008	25/07/2008	Delaying in the prior approval due to disputes over detailed design. Letter on 1 July 2008 confirmed
5A	5/07	Red	<b>S21B Murrayfield Stadium Retaining Wall (Task700.2.13)</b>	06/08/2008	25/07/2008	Delaying in the prior approval due to disputes over detailed design. Letter on 1 July 2008 confirmed
5A	5/08	Yellow	S21C Murrayfield Underpass (Task700.2.14)	24/07/2008	25/07/2008	
5A	5/08	Yellow	S21D Murrayfield Training Pitches Retaining Wall (Task700.2.15)	24/07/2008	01/08/2008	
5A	5/08	Yellow	S21E Water of Leith Bridge (Task700.2.16)	24/07/2008	25/07/2008	
5A	5/10	Green	S22A Balgreen Road Tram Bridge (Task700.2.10)	14/08/2008	11/09/2008	
5A	5/10	Green	S22B Balgreen Road NR Access Bridge	14/08/2008	05/01/2009	
5A	5/10	Red	W08 Baird Drive Retaining Wall (Task700.2.11)	14/08/2008	01/08/2008	Delayed due to consultation with Network Rail.
5A	5/10	Yellow	W09 Balgreen Road Retaining Wall	14/08/2008	15/08/2008	
5B	5/10	Red	Tram Stop Balgreen (Task700.3.5)	14/08/2008	24/07/2008	Submitted late to CEC for approval.
5B	5/10	Yellow	Tram Jenners Depository Substation (Task700.3.9)	14/08/2008		
5C	5/30	Red	Tram Stop Gogarburn (Task700.4.13)	27/10/2008	11/09/2008	RBS requirements delaying submission.
6	6/21	Red	<b>OLE</b>	02/07/2008	01/07/2008	Confirmation required from BAA on design acceptance required. Tie pursuing
6	6/21	Red	<b>Depot General - layout drawings</b>	02/07/2008	12/05/2008	
6	6/21	Red	<b>Track (Task870.2)</b>	02/07/2008	01/07/2008	
6	6/21	Green	Roads, Street Lighting & Landscaping - inc car park	02/07/2008	13/08/2008	
6	6/21	Red	<b>Depot Ductwork - External Services</b>	02/07/2008	17/06/2008	Depot building warrant being considered by CEC. Further information required from the designers to allow warrant to be granted.
6	6/21	Green	Depot Drainage Design (Task870.8)	02/07/2008	13/08/2008	
6	6/22	Yellow	Depot Structure (bridge)	07/10/2008	07/10/2008	
6	6/24	Yellow	Depot Main Building (Task870.1)	02/07/2008	07/07/2008	



## Prior Approvals RAG Status

Section	Batch	RAG	Activity ID	Approval by	IFC	Notes
				CEC	v31	
				Current f/cast (Live)		
6	6/24		Building Foundations (Task870.1.2)	02/07/2008	25/04/2008	Depot building warrant being considered by CEC. Further information required from the designers to allow warrant to be granted.
6	6/24		Ground Floor Slab & Pits (Task870.1.3)	02/07/2008	25/04/2008	Depot building warrant being considered by CEC. Further information required from the designers to allow warrant to be granted.
6	6/24		Steel Superstructure (Task870.1.4)	02/07/2008	24/06/2008	Depot building warrant being considered by CEC. Further information required from the designers to allow warrant to be granted.
7	7/25		S10 Gogar Culvert One	21/08/2008	17/09/2008	
7	7/27		Tram Stop Ingliston Park and Ride (Task800.2.7)	15/08/2008	26/08/2008	
7	7/27		Tram Eastfield Road Substation (Task800.2.9)	15/08/2008		
7	7/28		S31 Gogar Burn Culvert Two	15/08/2008	17/09/2008	
7	7/28		S34 Gogar Burn Culvert Three	15/08/2008	10/09/2008	
7	7/29		W14 Gogar Burn Retaining Wall One	09/09/2008	08/10/2008	
7	7/29		W15 Gogar Burn Retaining Wall Two	09/09/2008	08/10/2008	
7	7/29		Tram Stop Edinburgh Airport (Task800.2.10)	09/09/2008	09/09/2008	Ongoing discussion and agreements with BAA have caused delays. Tie meeting with BAA to resolve.

## Technical Approvals RAG Status - Structures

Section	Type	RAG	Activity ID	Approval by	IFC	Notes
				CEC		
				Current f/cast (Live)	v31	
1A	Structure	Yellow	W01 Lindsay Road Retaining Wall	23/09/2008	30/09/2008	
1A	Structure	Yellow	S16 Victoria Dock Entrance Bridge	29/10/2008	12/11/2008	
1A	Structure	Yellow	S17 Tower Place Bridge	25/11/2008	09/12/2008	
3a	Structure	Green	Holiday Inn Access Bridge Structure	27/06/2008	07/07/2008	
5A	Structure	Yellow	W01 Russell Road Retaining Wall One - GEOTECHNICAL	18/07/2008	18/07/2008	
5A	Structure	Yellow	W02 Russell Road Retaining Wall Two - GEOTECHNICAL	18/07/2008	18/07/2008	
5A	Structure	Yellow	S21A Roseburn Street Viaduct (Task700.2.9)	07/07/2008	25/07/2008	
5A	Structure	Red	S21D Murrayfield Training Pitches Retaining Wall (Task700.2.15)	04/08/2008	01/08/2008	Delayed due design not being submitted on time.
5A	Structure	Yellow	S22A Balgreen Road Tram Bridge (Task700.2.10)	11/09/2008	11/09/2008	
5A	Structure	Yellow	S22B Balgreen Road NR Access Bridge (Task700.2.10)	05/01/2009	05/01/2009	
5A	Structure	Yellow	W08 Baird Drive Retaining Wall (Task700.2.11)	23/07/2008	01/08/2008	
5A	Structure	Yellow	W09 Balgreen Road Retaining Wall (Task700.2.12)	15/08/2008	15/08/2008	
5B	Structure	Yellow	S23 Carrick Knowe Underbridge (NR Ref 090/009-1)	30/06/2008	11/07/2008	
5C	Structure	Yellow	VO28 S28 A8 Underpass (Task700.4.9) CNS010	15/07/2008	29/07/2008	
6	Structure	Yellow	Depot Structure (bridge)	22/09/2008	07/10/2008	
7	Structure	Yellow	S10 Gogar Culvert One	10/09/2008	17/09/2008	
7	Structure	Yellow	S31 Gogar Burn Culvert Two	10/09/2008	17/09/2008	
7	Structure	Yellow	S34 Gogar Burn Culvert Three	03/09/2008	10/09/2008	
7	Structure	Yellow	W14 Gogar Burn Retaining Wall One	08/10/2008	08/10/2008	
7	Structure	Yellow	W15 Gogar Burn Retaining Wall Two	08/10/2008	08/10/2008	



## Technical Approvals RAG Status - Roads & Drainage

Section	Type	RAG	Activity ID	Approval by	IFC	Notes
				CEC		
				Current f/cast (Live)	v31	
6	Road	Red	Roads, Street Lighting & Landscaping - inc car park	22/08/2008	13/08/2008	Incomplete submission submitted to CEC
7	Road	Yellow	Roads, Street Lighting &	01/10/2008	01/10/2008	
7	Drainage	Green	Drainage	27/08/2008	01/10/2008	
1A	Road	Yellow	VO253 Subsection 1A4 -	06/10/2008	06/10/2008	
1A	Drainage	Yellow	VO253 Subsection 1A4 -	06/10/2008	06/10/2008	
1A	Drainage	Green	VO252 Subsection 1A3 -	03/11/2008	21/01/2009	
1A	Road	Yellow	Roads, Street Lighting & Landscaping SubSections	25/09/2008	25/09/2008	
1A	Drainage	Yellow	VO253 Subsection 1A2 -	25/09/2008	25/09/2008	
1A	Road	Yellow	Roads, Street Lighting & L/scaping SubSect 1A1	24/09/2008	24/09/2008	
1A	Drainage	Yellow	VO253 Subsection 1A1 -	24/09/2008	24/09/2008	
1A	Road	Green	VO252 Subsection 1A3 - Roads (Ocean Terminal to	03/11/2008	21/01/2009	
1C	Road	Green	Roads, Street Lighting & Landscaping - 1C1 - London Road	29/07/2008	26/08/2008	
1C	Road	Green	Roads - 1C2 - London Road to picardy place	29/07/2008	24/11/2008	
1C	Road	Green	Roads- 1C3 - York Place	29/07/2008	26/08/2008	
1C	Drainage	Green	Drainage	29/07/2008	22/08/2008	
1D	Road	Red	Roads, Street Lighting & Landscaping	30/07/2008	03/07/2008	Road safety concerns about the Haymarket junction requires
1D	Drainage	Red	Drainage	30/07/2008	03/07/2008	Road safety concerns about the Haymarket junction requires
2A	Road	Red	Roads, Street Lighting & Landscaping	11/08/2008	11/08/2008	CEC unable to accept departure from standard - design being
2A	Drainage	Yellow	Drainage	21/07/2008	11/08/2008	
3a	Road	Green	Roads3a	07/10/2008	07/10/2008	
3b	Road	Green	Roads 3b	04/09/2008	04/09/2008	
3c	Road	Green	Roads 3c	01/08/2008	01/08/2008	
5A	Road	Yellow	Roads, Street Lighting & Landscaping (Task700.2.2)	23/09/2008	23/09/2008	
5A	Drainage	Green	Drainage	18/08/2008	23/09/2008	
5B	Road	Red	Roads, Street Lighting & Landscaping	28/07/2008	21/07/2008	Incomplete submission submitted to CEC
5B	Drainage	Red	Drainage	28/07/2008	21/07/2008	Incomplete submission submitted to CEC
5C	Road	Red	Roads, Street Lighting & Landscaping (Task700.4.2)	28/07/2008	01/08/2008	Incomplete submission submitted to CEC
5C	Drainage	Red	Drainage	28/07/2008	01/08/2008	Incomplete submission submitted to CEC

## FINANCIAL UPDATE (1 July 2008)

**1 Introduction**

- 1.1 This paper is intended to provide an update on the main issues/workstreams associated with the tram project and issues arising from the tram Project Directors (PD) review meeting.

**2 Funding Agreement with Transport Scotland (TS)**

- 2.1 TS have now contributed £176m to the project to facilitate spending to the end of period 4 (period ending 19<sup>th</sup> July 2008). The latest cash application to TS was for £9.049m and should be in the Council's bank account in the next 2 weeks.

**3 Issues Arising from Tram Project Board Report/PD Review**

- 3.1 **Risk Drawdown** - A risk drawdown of circa £1.4m is required due to additional costs related to tram alignment at the A8 which coincides with a 1500mm sewer. A budget of £350k was allowed for this in the budget, however, additional costs associated with design and movement of the sewer is required at a cost of circa £1.7m. This drawdown relates to the MUDFA contract and the full quantum of the amount required will not be known for a further 2 weeks.
- 3.2 **Haymarket Traffic Calming** – A decision is required on Traffic calming at Haymarket Terrace, circa £300k, as a result of tram construction. City Development Transport Division have undertaken a design for the scheme, a report will be submitted to the Tram Project Board on the 2<sup>nd</sup> July 2008 requiring a decision on funding and going forward to public consultation. As previously reported, the Transport Division agreed to undertake this work on the condition that it was paid for through the Tram budget. If the Tram budget pays for this work, the Council would only have to pay 8.3% of the costs as opposed to 100% of the costs otherwise.
- 3.3 **MUDFA** –An instruction on Phase 1b MUDFA works is likely to be required around September/October 2008 prior to Carillion demobilisation. In addition the drop dead date on commitment to the existing MUDFA price for Phase 1b is July 2008. The current price of £7.7m for Phase 1b MUDFA works will therefore change.
- 3.4 **Infraco** – The worst case scenario for the Infraco Programme based on current logic is around 5 weeks behind. A new programme is being worked on which will require additional resources. Infraco variations of £693k have been submitted with £454k approved. The validity of the submitted changes is being established by tie following review of initial figures. Infraco actual spend for period 3 was £4.965m against a forecast of £5.690m. The 2008/09 forecast has reduced from £76.071m to £74.884m for Infraco.  
An issue of concern is regarding Archaeological works. An additional £129k has been requested as a project change regarding costs for additional Carbon Dating. tie are going to discuss alternatives with the City Archaeologist such as storage of artefacts which can be carbon dated later.
- 3.5 **Tramco** – tie are to assess potential savings on resource requirements as a result of CAF eventually becoming a member of the consortium. tie will argue that BBS project management costs will not be as high given they will no longer need to manage CAF as a sub contractor. This position could then be put forward amongst other things as a counter against future BBS variations.
- 3.6 TEL has also recently discussed the review of Concessionary Fares with Transport Scotland. New ticket machinery is being purchased and the advice from Transport Scotland is that the new machinery should be fitted with participation in the Concessionary Fares scheme in mind.



#### 4 Council Contribution

4.1 Council's contribution is to be made up from a variety of sources. The latest position is detailed below:

- **CEC Cash - £2.5m** – This funding has been contributed through the Council's Capital Investment Programme thus reducing the balance of funding the Council must find towards its contribution to the project.
- **CEC Land - £6.2m (No Change)** - £4.3m is for Phase 1a. The £4.3m £2m of the £6.2m is for Phase 1b. If Phase 1b does not go ahead alternative funding sources will be required.
- **Developers Contributions Land - £2.2m (No Change)**  
Of the £2.2m land contribution from developers £1m relates to Phase 1b. Again if Phase 1b does not go ahead further funding sources will be required.
- **Developers Cash Contributions - £25.4m**  
**£3.022m** has been contributed to date. A summarised breakdown of Developer's contributions for Phase 1a and Phase 1b can be found in the table below detailing at what stage of the planning process these contributions are at and estimated timings of realising the cash value with £10.5m of Developers Contributions already in the Planning process.
- **Capital Receipts - £9.7m** – The Council's figure of £9.7m is net of risk. There have been two recent reports to the Finance and Resources Committee on the 17<sup>th</sup> June 2008 regarding Tram Capital Receipts. The first report identified £2m from the sale of adjoining land at Eastern Industrial Estate, which was identified as a potential Tram stable for Tramline 3. However, the site of this Tram stable in the event of Tramline 3 going ahead is now most likely to be located close to the new Queen Margaret University College. Therefore the receipt from this site can be allocated against the Council's contribution towards Tram and is over and above the sites identified to make up the Council's £9.7m. The second report to the Finance and Resources Committee sought authority to grant an option for purchase to the EDI Group Ltd for five sites situated adjacent to Phase 1a. The total estimate of these receipts represents the £9.7m the Council has identified towards Tram. Involving EDI in partnership with the Council presents the opportunity to develop plans for these sites and obtain planning permission while the Tram works are ongoing.

#### 5 Cashflow

5.1 The cashflow profile for the project is summarised below.

**Table 1 – Based on tie Period 3 Cashflow**

Year	Cashflow (£m)	Transport Scotland Cap (£m)	CEC Estimated Contribution (8.3%) (£m)
05/06 & 06/07	40.934		3.377
07/08	48.9		4.035
08/09	199.9	120.0	16.5
09/10	123.3	149.0	10.3
10/11	88.2	Balance + Slippage	6.87
11/12	10.656		1.08
12/13	0.141		0.01
	<b>512</b>		<b>42.182</b>

5.2 Transport Scotland funding is capped at £120m for 2008/09 with tie's current cash flow forecast £199.9m which reflects a variance of £477k compared to the period 2 forecast of £200.4m. The TS funding cap could potentially result in an increased borrowing requirement by the Council. TS have contributed £176m cash to date with forecast spending for the next period of £42.7m. The following two financial years provide £120m and £149m respectively with the balance of funding up to the maximum of £500m provided in 2010/11.





tie and TEL will now work with appropriate input from CEC officers to develop updated Phase 1b projections and a funding proposal which will in turn support deliberation by TPB, TEL and the Council of if and when we should commit to the construction of Phase 1b and how the costs of construction will be funded.

The exam questions we are seeking to answer are:

- Does the economic business case for Phase 1b still stack up?
- Has there been any material change in the prospective revenues and operating costs of Phase 1b?
- What are the risks that the introduction of Phase 1b would give rise to operating losses for TEL to absorb or that may require a subsidy?
- When is the optimum time to commit to Phase 1b construction?
- How much is the gap between available funding (£545m) and the aggregate funding for capital expenditure to build Phase 1 in total and what are the credible ways to fund that gap?

There are 4 broad workstreams which have already been initiated and which will converge in the autumn. These workstreams must progress in parallel in accordance to deliver in accordance with the outline timetable below.

## 1. Update economic assumptions and forecast of patronage and revenues

The TEL Business Plan included in the Final Business case for Tram was based upon outputs from the integrated public transport model developed by the JRC contractor. We will now deliver a comprehensive update to the forecast of future patronage and revenues for Phase 1b by the JRC contractor using the latest version of their model and updating the inputs thereto. The most significant inputs in this regard are the assumptions about the extent of timing of new development across the city but in particular in the Phase 1b catchment area as new developments were the driver of over 70% of Phase 1b patronage in the first version of the TEL Business Plan. Development at Granton has not and will not proceed at the same rate as was assumed in the original forecasts.

In terms of the broader economic appraisal of Phase 1b (STAG appraisal) we are currently assuming that the analysis provided in the Final Business Case remains valid and that any impact of updated assumptions will be on the timing of delivery of anticipated benefits only. The marginal Benefit Cost Ratio attributable to Phase 1b in the FBC was over 4 and there would need to be a very significant change in either the costs or benefits to make Phase 1b unviable from an economic benefits perspective.

**Progress** – We've had a slow start to updating our new development assumptions due to uncertainty over who is best placed to support us in the CEC family. However we have in the process identified and aligned ourselves with a study being conducted for CEC by PwC to assess development potential in North Edinburgh in the context of a possible financing of a package new infrastructure through a Tax Increment Finance scheme. This will ensure that we have consistency across the two pieces of work. We will now reengage with CEC Planning regarding development assumptions elsewhere – e.g. City Centre, Edinburgh Park and West Edinburgh. The JRC contractor (Steer Davis



Gleave w/ Colin Buchanan) are fully mobilised on this work.

## 2. Update TEL Business Plan

Forecast patronage and revenues from 1. above feed into the comprehensive TEL Business Plan financial model which consolidates the bus and tram businesses and includes forecast operating costs, lifecycle costs (heavy maintenance and refurbishment), management costs, tax and dividends. These models will be updated and as previously the marginal impact on future TEL profits and cash surpluses of introducing Phase 1b will be isolated and sensitivity analyses presented.

The previous TEL Business Plan did not take account of significant tax allowances on the Phase 1a assets which may be available to the business – this update will examine the way in which the business and its ownership could be structured to maximise access to these tax allowances.

**Progress** – A first draft of an updated operating cost model has been completed already. There are significant cost drivers which are under careful consideration including current trends in fuel, power and wages costs.

## 3. Update Phase 1b capex estimate

The current estimate of the marginal capital cost of Phase 1b is £87m as reported in the Final Business Case. This estimate will now be updated as part of the determination of how much additional funding is now required as outlined as part of 4. below.

This process will require a negotiation with Infraco (BBS) of their fixed price to deliver the Phase 1b infrastructure which starts with the pricing details they submitted at Preferred Bidder stage but will also depend inter-alia upon a final value engineered design.

The contract with BBS provides that once instructed this fixed price will be agreed within 12 weeks and that it will remain valid if Phase 1b is instructed in sufficient time to commence construction of the Phase 1b infrastructure by the first week of July 2009.

Fixed prices have already been agreed for Tram vehicles. The current procurement and programming assumption is that Phase 1b utility diversions will be instructed under the MUDFA contract and that the instruction to proceed with Phase 1b utility diversions would need to be given to MUDFA in November 08. It may be possible, subject to compliance with procurement obligations, to procure the utility diversions are carried out by Infraco at an acceptable cost.

**Progress** - We will work with Infraco over a period of 2-3 months to negotiate a value engineered cost for the Phase 1b infrastructure. In the event this is not concluded by the end of the summer, we will still be able to present an updated cost estimate for Ph1b based upon existing knowledge and with a risk allowance which reflects a higher degree of confidence in our figures. It is unlikely there will be a material change in the total estimated cost of £87m as reported in the FBC.

#### 4. Identify and evaluate “gap” funding sources and recommended approach

Under the terms of the existing Grant from Scottish Ministers, at anytime during calendar year 2009 CEC may ask for the scope of the funding to be increased to include Phase 1b conditional inter-alia upon demonstrating that

- Phase 1a is on time and budget,
- CEC has adequate financial resources to meet the incremental costs of Phase 1b
- There will not be a requirement an ongoing subsidy for the Edinburgh Tram Network during the operational phase.

Aggregate funding of £545m has already been secured (£500m from Scottish Ministers and £45m from CEC) compared to an aggregate cost estimate today of £599m (comprising £512m for Phase 1a and £87m for Phase 1b). On this basis there is a requirement to secure additional funding of £54m. However it would be prudent to secure access to higher figure to provide clear headroom between the cost estimate and the additional funding and thus be confident on affordability. A figure of £60m to £65m might be sensible and this will be addressed in the development of the funding proposal.

In the timescales being contemplated, the sources of additional funding for Phase 1b which will be evaluated are:

1. Developer contributions relating to the Phase 1b route, especially around the Granton waterfront
2. Council capital receipts
3. Future free cash flows or available profits of the TEL (Tram & Bus) business
4. Borrowing by CEC either directly or indirectly through TEL and serviced/repaid by a combination of 1. to 3. above.
5. Additional funding from Scottish Ministers

The completion of this appraisal will require the active involvement of Council officers in re-evaluating the potential for developers contributions in relation to Phase 1b and the capacity/risk bearing appetite of CEC to borrow against these forecast contributions. The financing proposal will include a thorough risk balanced appraisal of the capacity of CEC or TEL to borrow against future TEL surplus cash flows.

**Progress** - Early engagement is a must at a senior level with TS/Scottish Ministers regarding the appetite for further investment in Trams (probably sharing the marginal cost with CEC) or the time horizon within which such an appetite might develop. It is important that CEC officers now commence evaluation of future developers' contributions, capital receipts and other sources of income which might be availability to service or repay borrowings.

#### **Phase 1b in the context of extensions to the Edinburgh region public transport network**



**Transport Edinburgh****Edinburgh Trams****Lothian Buses**

FOISA exempt

 Yes  
 No

Subject to establishing Phase 1b as a viable part of TEL's business, It should remain the goal to construct Phase 1b in the timescales anticipated in the FBC by exercising the options in the MUDFA, Infraco and Tramco contracts to do so. This will deliver Phase 1b in the fastest possible time (and therefore delivers the economic benefits at the earliest opportunity) and at the lowest price. If this opportunity is not taken whilst the existing contractors are mobilised and have incurred the sunk costs associated with mobilisation then Phase 1b may be much more expensive thereafter in capital cost terms whether by negotiation of an extension to the option with the existing contractors or by separate procurement.

However, if negotiating a later option or separate procurement were to become an desirable option (e.g. due to concern about the timing of incremental funding becoming available or the financial viability of Phase 1b in the short term) then aggregation with possible further extensions to the Tram network, such as the Granton to Newhaven link (Phase 2), all or part of Line 3 to the South East or any other valid extension to public transport network in the Edinburgh region may deliver economies of scale in the costs of construction and funding of the combined investment.

**Outline Timetable**

The JRC contractor (Steer Davis Gleave / Colin Buchanan) have already been instructed and a firm timetable for agreeing the Phase 1b infrastructure price is being discussed with BBS. The milestone reporting dates are:

Report to TPB on progress	Each period
Updated patronage & revenue estimates	TPB 30 <sup>th</sup> July
Updated TEL Business Plan	TPB 27 <sup>th</sup> August
Phase 1b Capex estimate	TPB 27 <sup>th</sup> August
Funding Options Appraisal	TPB 24 <sup>th</sup> September
Final Consolidated Document	Council 16 <sup>th</sup> October
TS decision	End November

Engagement with TS on the Government's appetite for providing additional funding and our approach should commence immediately.

There is a safety valve in this programme in that it should be possible to slip the delivery of the final document to November/December without impacting upon our ability to instruct the utility diversions through MUDFA in the event we are unable to finalise and agree the sources of new funding or procure the approval of TS in the timescales anticipated. This is without prejudice to the existing requirement to report back to the Council on progress with Phase 1b in the autumn of 2008.

**Resources and Budget Implications**

The external resources which we anticipate using on this project are the JRC contractor and perhaps some refreshed advice from our tax advisors PwC. We anticipate being able to procure these resources at little or no impact on the Phase 1a Control Budget.





**Phase 1a Summary and Projected Payment Timings (FOI(S)A Exempt sections 27,30,33)**

<b>Breakdown of Phase 1a Contributions</b>							
<b>Tram Cash</b>	<b>Value (£,000s)</b>	<b>Tram Land</b>	<b>Value (£,000s)</b>	<b>Other Contributions (Possible budget transfer to Tram)</b>	<b>Value (£,000s)</b>	<b>Further Development Potential</b>	<b>Est Value (£,000s)</b>
Amount received	<b>3022</b>	Amount received	<b>0</b>	Amount received	<b>0</b>	LDDF (first phase)	<b>12085</b>
						LDDF (second phase)	<b>16041</b>
Amount in concluded legal agreements (where development has commenced)	<b>1695</b>	Amount in concluded legal agreements (where development has commenced)	<b>1200</b>	Amount in concluded legal agreements (where development has commenced)	<b>714</b>	St James	<b>2000</b>
Amount in concluded legal agreements (where development has not commenced)	<b>1435</b>	Amount in concluded legal agreements (where development has not commenced)	<b>0</b>	Amount in concluded legal agreements (where development has not commenced)	<b>0</b>	Princes Street	<b>1000</b>
Minded to grant/Pending Consideration	<b>4383</b>	Minded to grant/Pending Consideration	<b>0</b>	Amount to be transferred to tram budget	<b>0</b>	Edinburgh Park	<b>0</b>
						Haymarket (Tiger)	<b>4000</b>
						Tynecastle	<b>400</b>
						WEPF	<b>4000</b>
						Other Development	<b>1890</b>
<b>Potential Total</b>	<b>10535</b>	<b>Potential Total</b>	<b>1200</b>	<b>Potential Total</b>	<b>714</b>	<b>Potential Total</b>	<b>41416</b>

**Notes: Breakdown Table**

Figures derived from review of consent/agreements in place and applications in system. The final value collected may differ substantially from these figures.

Figures in 'Further Development Potential' section are based on the estimated contribution value based on Development Assumptions Report (with tram) prepared by the Planning Research and Information Team. Further work will be required to ratify these assumptions.

'Other Development' is arrived at by looking at the level of contribution attributable to smaller developments (where the contribution is less than £50K). To date (in 3 years) this represents £315K of the total that has already been paid. This figure has simply been multiplied by 6 to give a likely figure for the period from 2010 till 2028.

**Land:** Figures taken from most recent District Valuer valuations based on land to be transferred to CEC in Western Harbour Legal Agreement.

<b>Estimated Payment Timings - Cash</b>					
<b>Cash already transferred to CEC (Value £,000s)</b>	<b>Cash contributions anticipated 2007-2010 (Value £,000s)</b>	<b>Cash contributions anticipated 2010-2015 (Value £,000s)</b>	<b>Cash contributions anticipated 2015-2020 (Value £,000s)</b>	<b>Cash contributions anticipated 2020-2028 (Value £,000s)</b>	<b>All-in Total (Value £,000s)</b>
<b>3022</b>	<b>4843.166667</b>	<b>14756.5</b>	<b>14005.33333</b>	<b>15324</b>	<b>51951</b>

36627

<b>Estimated Payment Timings - Cash - Discounted by 20% with 2 years added to development periods</b>					
<b>Cash already transferred to CEC (Value £,000s)</b>	<b>Cash contributions anticipated 2007-2012 (Value £,000s)</b>	<b>Cash contributions anticipated 2012-2019 (Value £,000s)</b>	<b>Cash contributions anticipated 2019-2026 (Value £,000s)</b>	<b>Cash contributions anticipated 2026-2036 (Value £,000s)</b>	<b>All-in Total (Value £,000s)</b>
<b>3022</b>	<b>4404.866667</b>	<b>11805.2</b>	<b>11204.26667</b>	<b>12259.2</b>	<b>42695.5333</b>

30436.33333

<b>Estimated Payment Timings - Cash - Discounted by 40% and 4 years added to development periods</b>					
<b>Cash already transferred to CEC (Value £,000s)</b>	<b>Cash contributions anticipated 2007-2014 (Value £,000s)</b>	<b>Cash contributions anticipated 2014-2023 (Value £,000s)</b>	<b>Cash contributions anticipated 2023-2031 (Value £,000s)</b>	<b>Cash contributions anticipated 2031-2043 (Value £,000s)</b>	<b>All-in Total (Value £,000s)</b>
<b>3022</b>	<b>3966.566667</b>	<b>8853.9</b>	<b>8403.2</b>	<b>9194.4</b>	<b>33440.0667</b>

24245.66667

**Notes: Cash Table**

Figures for for timings of payment are based on the Development Assumptions report referred to above and discussions with landowners/developers. The current amounts have been generated as follows:-

**Cash already transferred** = Money in the bank

**2007-2010** = Amount in concluded agreements, development has commenced + 2/3 amount in concluded agreements, development has not yet commenced + 1/2 value attributable to applications 'pending consideration' or 'minded to grant'

**2010-2015** = 1/3 Amount in concluded agreements, development has not yet commenced + 1/2 value attributable to applications 'pending consideration' or 'minded to grant' + 2/3 of amount attributable to LDDF first phase + 1/2 amount attributable to St James + 1/3 Other Development + Tynecastle.

**2015-2020** = 1/3 of amount attributable to LDDF first phase, 1/3 of amount attributable to LDDF second phase + 1/2 amount attributable to St James + Princes Street + 1/3 Other Development.

**2020-2028** = 2/3 of amount attributable to LDDF second phase + WEPF (estimate)+ 1/3 Other Development.

Note: Interest has not been taken into account as this will generally be accounted for through index linking of contributions.



**Phase 1b Summary and Projected Payment Timings (FOI(S)A Exempt sections 27,30,33)**

PHASE 1b Summary							
Tram Cash	Value	Tram Land	Value	Other Contributions Relevant to Tram	Value	Further Development Potential	Value
Amount received	0	Amount received	0	Amount received	0	WEL North Shore (only if additional units from OPA)	?
Amount in concluded legal agreements (where development has commenced)	300	Amount in concluded legal agreements (where development has commenced)	1000	Amount in concluded legal agreements (where development has commenced)	725	WEL Lower Strand (only if additional units from OPA)	?
Amount in concluded legal agreements (where development has not commenced)	80	Amount in concluded legal agreements (where development has not commenced)	0	Amount in concluded legal agreements (where development has not commenced)		Further development along Phase 1b	?
Minded to grant/Pending Consideration	2129	Minded to grant/Pending Consideration	0			Fettes Police HQ	
<b>Potential Total</b>	<b>2509</b>	<b>Potential Total</b>	<b>1000</b>	<b>Potential Total</b>	<b>725</b>	<b>Potential Total</b>	<b>0</b>

**Notes: Breakdown Table**

Figures derived from review of consent/agreements in place and applications in system. The final value collected may differ substantially from these figures.

The development of this area has largely been planned and there does not appear to be a significant amount of forthcoming development where a tram contribution will be levied.

Estimated Payment Timings - Land					
Land already transferred to CEC (Value £,000s)	Land contributions anticipated 2007-2010 (Value £,000s)	Land contributions anticipated 2010-2015 (Value £,000s)	Land contributions anticipated 2015-2020 (Value £,000s)	Land contributions anticipated 2020-2027 (Value £,000s)	All-in Total (Value £,000s)
0	1000	0	0	0	1000

**Notes: Land Table**

Figures taken from most recent District Valuer valuations based on land to be transferred to CEC in Granton Harbour Legal Agreement, WEL CDA Agreement and Secondsite.

Estimated Payment Timings - Cash					
Cash already transferred to CEC (Value £,000s)	Cash contributions anticipated 2007-2010 (Value £,000s)	Cash contributions anticipated 2010-2015 (Value £,000s)	Cash contributions anticipated 2015-2020 (Value £,000s)	Cash contributions anticipated 2020-2027 (Value £,000s)	All-in Total (Value £,000s)
0	300	2209	0	0	2509

**Notes: Cash Table**

Figures for for timings of payment are based on the Development Assumptions report referred to above. The identification of these payment amounts and times is important and also very difficult to estimate. More scrutiny will be required. The current amounts have been generated as follows:-

**Cash already transferred** = Money in the bank  
**2007-2010** = Amount in concluded agreements, development has commenced.  
**2010-2015** = Amount in concluded agreements, development has not yet commenced + value attributable to applications 'pending consideration' or 'minded to grant'.  
**2015-2020** = 1/2 Fettes  
**2020-2027** = 1/2 Fettes

## EDINBURGH TRAM – REMIT OF TRAM SUB-COMMITTEE

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### INTERNAL PLANNING GROUP

9 July 2008

#### 1 Purpose of report

- 1.1 To consider the perceived lack of clarity about the remit of the Tram Sub-Committee and the frequency and sequencing of meetings.

#### 2 Main report

- 2.1 At the last meeting of the Internal Planning Group (IPG) on 11 June 2008 there was a general discussion about the perceived lack of clarity about the remit of the Tram Sub-Committee and the appropriate frequency and sequencing of meetings in relation to other governance meetings, both internal and external.
- 2.2 The IPG requested a paper reiterating the remit of the Tram Sub-Committee, setting out the views of the Sub-Committee on the key governance issues and political management of the project. This Report also considers the timing of Tram Sub-Committee Meetings in relation to its parent Committee on Transport, Infrastructure and Environment.
- 2.3 Some concerns had been expressed about the need for the Tram Sub-Committee, given the range of governance measures in place for the Edinburgh Tram Project. Whilst it is acknowledged there is a need for effective governance of the Project and a danger of over-governance, it is equally clear that the Council has good reason for maintaining its own monitoring of the Project delivery through the Tram Sub-Committee.
- 2.4 Without re-visiting the entire governance structure in detail, TEL and **tie** and the Tram Project Board all have significant roles to play in the delivery of the Project. TEL and **tie**, as Council-owned companies, have the appropriate representation of Elected Members and Senior Council officials. TBP, whilst not a legal entity, also contains senior officer representation from the Council.
- 2.5 The Council has a number of distinct statutory roles and other responsibilities including the following:-
- Authorised undertaker under the Tram Acts.
  - Junior funder (alongside Transport Scotland as principal funder).
  - Planning Authority.

- Roads Authority.
  - Guarantor of **tie's** financial obligations under the principal contracts.
  - Local Authority responsible for all other functions including transportation, street cleaning, refuse collection and street lighting.
- 2.6 The remit of the Tram Sub-Committee was carefully crafted to ensure that the Project, in its widest terms, was properly governed and monitored to take account of the Council's diverse interests, obligations and responsibilities. Equally, it is recognised that the Council is not a contracting party for the Infraco and Tramco Contracts and accordingly, it has no right or interest to interfere in the day-to-day implementation of these Contracts.
- 2.7 By the very nature of company governance, the Boards of **tie** and TEL meet in private to discuss their business. The same consideration applies to the Tram Project Board Meetings. In contrast, meetings of the Tram Sub-Committee are held in public unless there is a pressing requirement for particular business to be considered in private. This facility gives Elected Members and the public an opportunity of understanding the Project's progress.
- 2.8 Having regard to the commitment given by Council Directors who are appointed to the **tie** Board and Tram Project Board respectively, it is recognised that duplication of time and effort in supporting the Tram Sub-Committee should be minimised. Therefore, meetings of the Tram Sub-Committee should be no more frequent than quarterly and should be called (in consultation with the Convener) to dovetail appropriately with the parent Committee and other governance arrangements described in this report.

### **3 Recommendations**

- 3.1 It is recommended that the Internal Planning Group notes the terms of this Report and agrees that the Council has its own unique perspective on the Project which requires the continuation of the Tram Sub-Committee with its present remit.
- 3.2 To agree that meetings of the Tram Sub-Committee should be no more frequent than quarterly and should dovetail appropriately with the parent Committee and other governance arrangements described in this report.

**Jim Inch**  
 Director of Corporate Services  
 9 July 2008

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<b>Appendices</b>	1. Remit of the Tram Sub-Committee.
<b>Contact/tel</b>	Colin MacKenzie – 0[REDACTED]
<b>Wards affected</b>	All
<b>Background Papers</b>	None



### Appendix 1

#### TRAM SUB-COMMITTEE OF THE TRANSPORT, INFRASTRUCTURE AND ENVIRONMENT COMMITTEE REMIT OF THE SUB-COMMITTEE

- To receive Reports and recommendations on the progress of the Edinburgh Tram Project from officers, the Tram Project Board, **tie** and TEL.
- To monitor the spending profile throughout the life of the Project.
- To monitor the Project's compliance with the grant conditions set by Transport Scotland.
- To monitor the financial contributions received from developers through Section 75 Planning Agreements.
- To receive regular reports from the Director of City Development on the performance of **tie** with respect to the Operating Agreement.
- To consider, as a standing Agenda item, the Minute of Meetings of the Tram Project Board.
- To review regularly the risk profile for the Council.
- To take the final decision with respect to the settlement of any financial claims that might arise against **tie**/the Council subject to ratification by the full Council the amounts in excess of £500,000.

The Sub-Committee has the power to delegate to Directors as appropriate, including the following:

- The oversight of the dispute resolution mechanism within the major contracts, to the Director of City Development.
- Approval of variations in the design of the vehicles and the infrastructure to the Director of City Development.