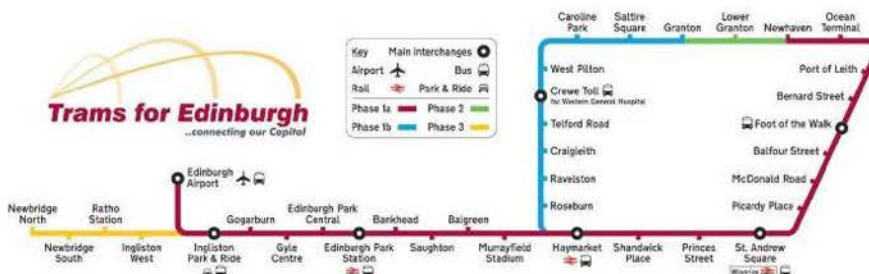




**EDINBURGH TRAM**  
**Highlight Report to the**  
**Chief Executive's**  
**Internal Planning Group**  
**18 January 2008**



## 1 Background - Robin Goodwin

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. This report also contains an update from TEL's Tram Project Board of 9<sup>th</sup> January 2008.

## 2 Executive Summary

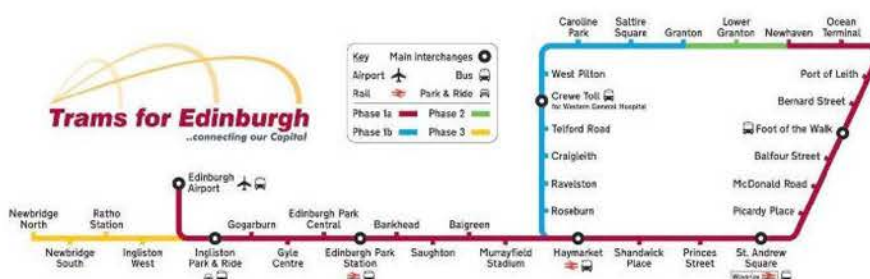
### 2.1 Matters Arising - Robin Goodwin

#### Key Decisions and Actions from Tram Project Board on 9 January 2007

- The question of charges for CEC resources to tram in 08/09 is still outstanding. The board agreed the following steps:
  - Initial review of outstanding question & items to inform CEC internal discussion
  - The output of these meetings is to inform a review between TA/DJM/NR of the agreements reached in the September 2007 meeting between TA and DJM.
  - The paper on CEC resource charges was not further discussed
- The board noted the presentations/ updates on developments since December 2007 with particular focus on:
  - the agreement for contract price for Phase 1a
  - the Grant Award letter
  - the approvals process and approvals achieved
  - the status of the *tie* and TEL operating agreements
- The board approved the formal publication of notice for contract award on 18<sup>th</sup> January 2008, subject to certain conditions and internal discussion.
- The paper on branding was considered, noted and approved as work in progress by the board.

### 2.2 Key Dates - Robin Goodwin

20 <sup>th</sup> December 2007	FBCv2 approved by Full Council.
28 <sup>th</sup> January 2008	Financial Close and Tramco/Infraco contracts awarded following CEC/TS approval and cooling off period.
1 <sup>st</sup> April 2008	Construction Commences on Phase 1a
28 <sup>th</sup> February 2008	Planning Committee approval of Landscape Habitat Management Plan.
31 <sup>st</sup> March 2009	Latest date for a decision to instruct <i>tie</i> /BBS to commence 1b
27 <sup>th</sup> August 2010	Commencement of test running - phase 1a.
Q1 2011	Operations commence - phase 1a.





### 2.3 Matters to Note - Robin Goodwin

- Updates on the Major Contracts and *tie's* Deliverables for contract award.
- Tram Communications Plan update.
- Co-ordination between the Capital Streets project and Trams in St Andrew Square.
- The position with CEC resources, and that funding needs to be identified for the additional CEC resources for next financial year (estimated at £633K). To be reviewed following discussions at the Tram Project Board.
- The revised Developer Contribution guideline was approved by the Planning Committee on the 19<sup>th</sup> December 2007.

### 3 *tie's* Deliverables For Contract Award

The following list activities and deliverables that are expected to be achieved by 28<sup>th</sup> January to allow formal award of contracts by *tie* on that date:

#### 3.1 Contract

- Novation agreements completed and ready to be signed off.
- CEC Guarantee agreed with BBS and ready for sign off.
- Due Diligence on approvals signatures for Infraco and Tramco.
- Operating Agreements for *tie* and TEL signed off.
- Mudfa – risks related to Infraco.
- DLA supportive letter of risk matrices.
- OCIP exclusions.
- *tie* to provide a list exclusions from the Bilfinger Berger and Siemens (BBS) contract with a financial value against each item.

#### 3.2 Programme

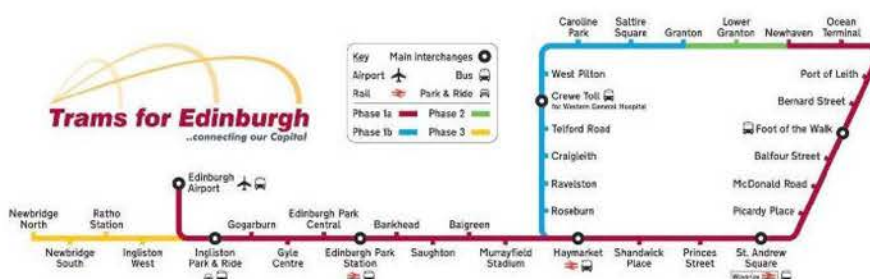
- Confirmed dates for 1a and 1b and understanding of programme risk.
- Agreement of on-street construction methodology.

#### 3.3 Employers' Requirements (ER)

- *tie* to provide written summary to CEC of the ER, including detailed scope of the Tram Works with endorsement from DLA.

#### 3.4 Due Diligence

- Statement from the BBS that they accept the performance run-time model and "law of physics" results and confirmation of acceptance of the emerging quality of design.



### 3.5 Risk

- Full transparency of the QRA.
- *tie* to identify the black flag risks, the likelihood of any of these risks occurring and a strategy to avoid those risks materialising.
- The cost of exiting from the black flag risk is to be identified.
- Details of the risk management strategy for the key risks through delivery.
- Detailed analysis of programme risk. Confirmation of the risk allowance for programme delay. Detail of items on critical path and what is being done to ensure they do not cause (further) delay.
- *tie* to produce a written statement to CEC on risks as at 25 October 2007 compared to immediately post contract award.

### 3.6 Value Engineering (VE)

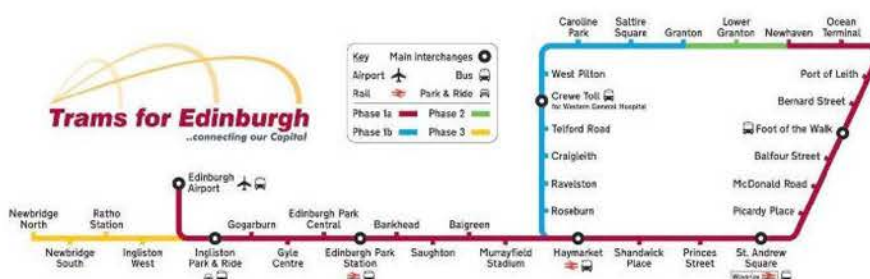
- *tie* to produce a VE summary included in the final deal highlighting other potential savings with a probability value.

### 3.7 Pricing

- The Council requires a detailed analysis of prices, costs and risks allowance. *tie* required to explain how prices for maintenance, etc. impact on operating cost assumptions.
- Cross refer to paragraph 3.1 above regarding exclusions from contract by BBS.
- Otherwise statement on % of costs fixed and % outstanding as provisional sums with programme for moving these to fixed costs.

### 3.8 Network Rail (NR) Assurances

- Full statement from *tie* on current status of every proposed agreement between CEC and NR, including Depot and Station Change Procedures. Full risk analysis in respect of each agreement explaining consequences for CEC in terms of time and cost relative to any delays in concluding agreements. This analysis to cross refer to BBS programme.
- NR is contracting with third parties regarding other works at the Depot. Risk analysis to be provided regarding impact on BBS contract (time and cost) arising from late completion of NR works.
- *tie* to produce a contingency plan to take account of any delays in achieving agreement with NR on all matters, including Caley Ale House demolition, Lift and Shift and Immunisation. This to be included in QRA report.
- Minimum requirement that Asset Protection Agreement (APA) agreement is in place.
- Written confirmation from First Scotrail (and from other train operators in respect of Station Change) that they are not objecting to Depot and Station Change.





### 3.9 SDS Novation

- Full written explanation of the SDS novation to be provided by *tie*, including risks of failing to deliver design.
- Full details are required from *tie* on status and degree of completion of SDS design work as at 14 January 2008, including prior and technical approvals. If approvals risk is not being transferred to BBS, the Council needs to know the impact and likelihood of the risks and a strategy for managing the risks.
- *tie* to confirm that public sector (*tie* and CEC ) do not pick up cost of any delays in Planning Authority or Roads Authority processing prior and technical approvals.
- *tie* to provide written report on previous claim settlement with SDS identifying details, cause of claim and costs of settlement. Are any further claims expected from SDS and are they competent?

### 3.10 Funding Letter

- Terms to be agreed between CEC and Transport Scotland by Financial Close.

### 3.11 Third Party Agreements

- *tie* to provide status report on all Third Party Agreements.
- *tie* to confirm in writing that all Third Party Agreements were disclosed to BBS, and that BBS final price reflects them complying fully with all said agreements.
- *tie* to report on status of agreements with Telewest and Scottish Power.
- Forth Ports agreement and risk of not having this in place.

### 3.12 Lease between CEC and *tie*

- To be concluded before Financial Close.

### 3.13 Land Acquisition

- *tie* to provide a full statement on land acquisition on behalf of CEC.
- Confirmation that the GVD process is complete.
- Confirmation of match between what land has been acquired by CEC matching BBS requirements.

## 4 Update on Major Contracts

### 4.1 MUDFA - Tom Clark

- **Leith Walk**

AMIS commenced work in January 2008 on the southbound carriageway of Leith Walk, between Brunswick Street and Dalmeny Street.



AMIS will commence work in January 2008 on the northbound carriageway of Leith Walk, between Balfour Street and the Foot of the Walk.

Jane Street has been reopened at its junction with Leith Walk on 15 January 2008. Another large BT chamber is required on the southbound carriageway on Leith Walk opposite the Jane Street junction. This work will be carried out, whilst maintaining two-way traffic flows on Leith Walk.

- **City Centre**

Enabling works are being undertaken in the city centre throughout January 2008. The affected areas are Princes Street, St Andrew Square, Frederick Street, Hope Street and Charlotte Square. This will allow temporary traffic management measures to be put in place in February 2008, to enable AMIS to commence major diversion works in Shandwick Place and the West End. Shandwick Place will be temporary closed from mid February for a period of 19 weeks with a major traffic diversion in place.

- **General**

Ongoing minor works along various sections of the Tram route, including CCTV surveys of underground services, diversion of existing utilities and some enabling works.

#### 4.2 INFRACO - Alan Bowen

CEC, TEL, *tie*, Lothian & Borders Police and BBS, the Infraco contractor, are continuing to meet to consider the construction programme, the construction methodology, and the associated traffic management arrangements. The general principles have been agreed and work is now concentrated on the development of detailed proposals which ensure that the programme is achievable but which minimise disruption, particularly in the city centre. This is a significant challenge but discussions are very positive. As noted previously, the Mudfa contractor is also involved in the discussions to ensure that traffic management for both elements of the project are coordinated.

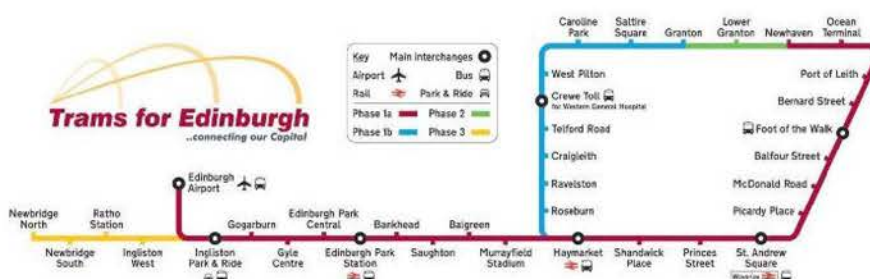
- **Planning Prior Approvals - Francis Newton**

Of 63 batched submissions:

- 1 Planning Permission Granted
- 8 Prior Approvals Granted
- 4 Prior Approvals currently under consideration
- 1 Submission cancelled
- 49 Batches remaining to be submitted for Prior Approval
- 33 out of the 49 Batches under Informal Consultation

Of the batches received, a number have been put on hold awaiting revised details from the designers. Appendix 1 lists the remaining prior approvals and identifies the main outstanding issues.

There is concern that prior approvals may have to be revisited if there are substantial changes in design coming from inter-disciplinary coordination, technical approvals or value engineering.





• **Technical Approvals**

The table below list the proposed programme (version 24) for the roads technical approvals and the current slippage between the base programme (version 17). To date, no roads technical roads approvals have been obtained, and there has been significant slippage.

Roads Authority Technical Review Programme	V24		V17		Change V22 to V24 (days)	Change V17 to V24 (days)
	From	To	From	To		
RA Approval (1A)	01 04 08	26 05 08	03 12 07	01 02 08	35	115
RA Approval (1B)	22 01 08	17 03 08	05 12 07	05 02 08	19	41
RA Approval (1C)	21 02 08	16 04 08	17 12 07	18 02 08	16	58
RA Approval (1D)	29 01 08	24 03 08	28 11 07	29 01 08	21	55
RA Approval (2A)	11 02 08	04 04 08	30 10 07	24 12 07	38	102
RA Approval (3A)	11 02 08	04 04 08	26 11 07	25 01 08	-3	70
RA Approval (3B)	29 01 08	24 03 08	31 10 07	01 01 08	27	83
RA Approval (3C)	29 01 08	24 03 08	02 11 07	03 01 08	24	81
RA Approval (5A)	13 03 08	07 05 08	23 10 07	17 12 07	7	142
RA Approval (5B)	21 02 08	16 04 08	03 10 07	27 11 07	33	141
RA Approval (5C)	31 03 08	23 05 08	17 10 07	11 12 07	43	164
RA Approval (6A)	30 10 08	25 12 08	23 11 07	24 01 08	218	336
RA Approval (7A)	15 05 08	09 07 08	09 10 07	03 12 07	49	219

The areas highlighted in red indicated approvals planned after financial close. Yellow highlighted areas indicate approvals planned to within 30 days.

*tie* and CEC are reviewing the programme (Version 24) to agree an appropriate way forward with regard to the roads technical approvals.

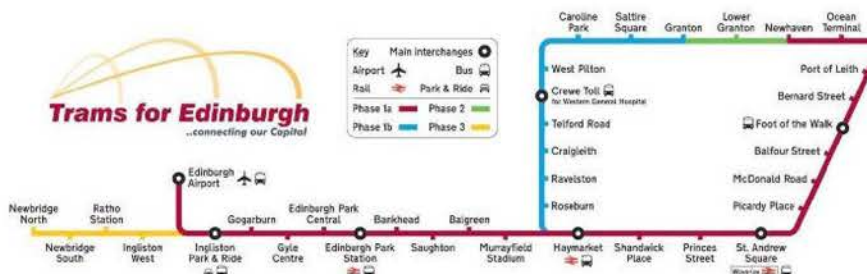
**5 Tram Communication Plan Update - Wendy Bailey**

**5.1 CEC and *tie* Communication Strategies**

An interim communication/action plan has been created by *tie* which CEC communications have fed in to. This plan is in draft form but focuses on the communication activities required for the next couple of months. A meeting between CEC and *tie* to finalise the plan and to identify roles, responsibilities and actions for all the activities is being organised. Once this meeting has taken place the plan will then be circulated.

**5.2 Communications Cycle – Start of Works**

Residents and business along Leith Walk as well as the city centre have been informed of all up coming works in their area. In all cases the four week customer interaction protocol has been met. With regard to the city centre communications, these have been sent out relating to the enabling works which began on the 7th of January. The information packs detailing the phase 1 construction are currently being developed.



### 5.3 Councillor Communications

Ward Councillor briefings are ongoing. All Leith Walk and city centre councillors have been kept up to date with works going on in their area. In addition an e-briefing was sent out on Wednesday 9 January detailing the enabling and construction works in the city centre. Follow up face to face briefings are being planned. The Leader of the Council and other senior politicians have also been briefed on the temporary traffic management details relating to the temporary Shandwick Place closure for the Mudfa works.

### 5.4 Key Retail Group Meeting

A mudfa briefing meeting was held on 8 January 2008 for city centre retail representatives. Members from the City Centre Retail Policy Forum, George Street Traders, Princes Mall, Marks and Spencers, John Lewis and the West End Traders Association attended. Having been fully briefed on the enabling and Phase 1 construction works the group were satisfied with the arrangements being made. However, they re-iterated the importance of them being kept fully informed of all updates in advance of the media.

The next open for business group is due to meet on the 22 January 2008.

### 5.5 Media briefing and Coverage

A press conference was held on 9 January 2008 to inform the media of the enabling and Phase 1 construction works. The briefing coincided with a news release, issued by *tie*, on the same subject. Scotland and Edinburgh's leading news organisations attended the briefing including the BBC, STV, the Evening news, Scotsman, and radios' Forth and Talk 107. The objective of these briefings was to provide a clear understanding of what is to be expected in the coming months as we progress into a more intensive period of tram construction works.

Coverage of the works included front page Evening News article, TV broadcast on STV evening news and additional mentions in the Scotsman, BBC website, Forth One and Talk 107.

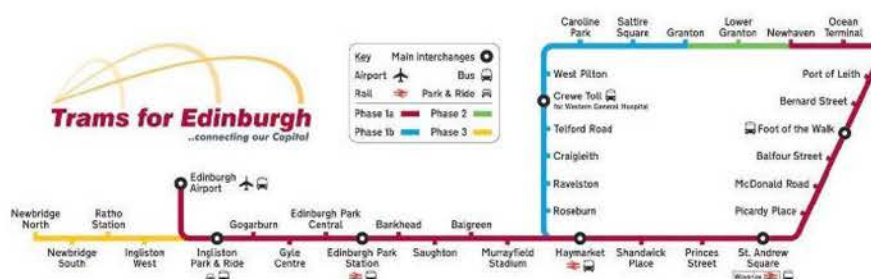
## 6 Business Case - Alan Coyle

At the meeting on the 20 December 2007, the Council approved the final business case for the tram project (V2) and delegated authority to the Chief Executive to determine when the major contracts should be awarded by *tie* for the two remaining major contracts (infrastructure and tram vehicle contracts). It is planned that these contracts will be awarded on 28 January 2008, subject to the appropriate information being supplied by *tie*. (see Section 3).

Detailed negotiations between *tie* and the preferred Infraco contractor, BBS, and the preferred Tramco contractor CAF have progressed satisfactorily with a programmed financial close on 28 January 2008.

Negotiations have focussed on the following issues:

- Novation of Tramco and SDS contracts to Infraco
- Design Matters
- Price and Risk allocation
- Construction Programme





The cost estimates for the project reflect provision for evolution as the detailed design will be completed in the coming months. The design is completed under the Infraco contract from the point of award of that contract through novation of the System Design Services contract with Parsons Brinkerhoff to Infraco.

The Final Business Case aggregate estimate of £498m for Phase 1a inclusive of a risk allowance as reported to Council in October 2007 remains valid. The estimated costs for Phase 1b are £87m. The cost estimate and risk allowance have been reviewed to take account of the latest negotiated position and the estimates provided in October 2007 remain valid.

The available funding for the project remains at £545m. £45m of this sum has been committed by the City of Edinburgh Council with the remaining £500m as grant funding from Transport Scotland (91.7% from Transport Scotland and 8.3% from CEC).

## 7 Co-ordination with Other Developments

### 7.1 Capital Streets project in St Andrew Square - Andy Conway

Co-ordination between the tram and the Capital Streets public realm works is ongoing. Due to the amount and the nature of the works to be undertaken in the Square between these two projects, it is likely that it will not be possible to construct the Capital Streets and tram works concurrently. This causes funding difficulties with SEEL and consideration is being given to reallocating the funding to another location e.g. Victoria Street to link into the ongoing Grassmarket scheme. There may be an opportunity to undertake some public realm work on St Andrew Square either during the tram works or immediately after using the remaining CEC funding. A report is currently being prepared that will be submitted to the Transport, Infrastructure and Environment committee on 19 February 2008.

## 8 Miscellaneous

### 8.1 CEC Resources - Andy Conway

The issue regarding CEC staff not receipting timeously on Oracle continues. The outstanding monthly slippage has reduced slightly, however it remains at £47K.

Funding needs to be identified for additional CEC resources for next financial year. This will need to coincide with *tie's* programme and based upon Version 22, this will likely be approximately £633K. (£37K less than previously reported).

A paper was presented to the TPB on 9 January 2008 seeking approval for this funding. A meeting to review the situation is to be set up. This paper is attached as Appendix 2.

- **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 8956 staff hours has been utilised on the tram project since April at a cost of £308K. These costs are being borne by CEC and 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 – the total cost since April £509K, which is being contained within the tram budget costs.

**8.2 Developer Contributions - Alan Coyle**

The Tram Developer Contribution Guideline was approved by the Planning Committee on the 19<sup>th</sup> December 2007. The document had been revised where necessary to take account of responses to the consultation exercise.

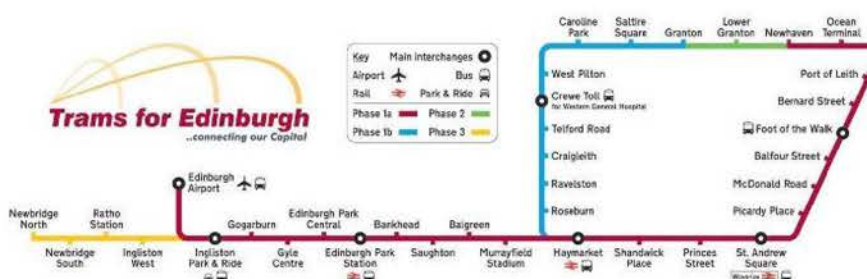
**8.3 Traffic Regulation Order (TRO) Process Changes**

The Scottish Government have confirmed that the amendments to the Local Authorities' Traffic Regulations Order (Procedures) (Scotland) Regulations 1999 have been made on 10 January 2008. This change removes the requirement for a mandatory public hearing following any objections to the tram TRO.

This will significantly reduce the time required for the TRO process for tram. A new process will be arranged to hear objections at Council Committees. Options for this process are being investigated.

**9 CEC Risk Register - Robin Goodwin**

The *tie* and CEC's Risk Registers are to be reviewed with CEC's risks transferred to *tie*'s register.





Appendix 1 - Planning Prior Approvals Progress



Appendix 2 – CEC Resource Paper to the TPB on 9 January 2008

**Paper to :** Tram Project Board

**Subject :** CEC Tram Staff Resources Report

**Date :** 9<sup>th</sup> January 2008

**1.0 CEC Tram Staff Resources**

The promotion of the Edinburgh Tram will require the City of Edinburgh Council to carry out its statutory and regulatory functions as Planning and Transport authorities as well as Property, Finance and Legal functions throughout the design and procurement phases.

The staff resource implications for this work are significant due to the size, cost and the pressure of tightening timescales for delivery, and although significant existing staff resources will be used, additional resources will be required to supplement existing staffing levels. These resources are not required to undertake any design work, but only to carry out the necessary statutory and regulatory approvals to allow the project to be undertaken.

Funding was identified within *tie's* business plan for 2006/2007, however no funding has yet been identified for 2008/2009.

**Table 1** lists the additional staff required for 2008/2009 which totals £633K. These additional staff would 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. The spend profile is shown below in **table 2**.

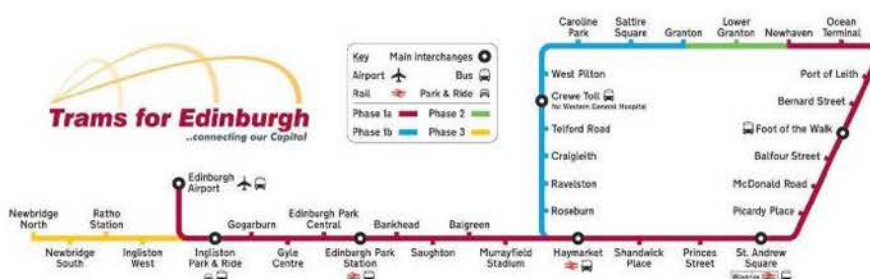
This resource planning is based upon version 22 of *tie's* programme. Specifically, these allocated resources do not take allowance for the Council doing any design work or undertaking significant correspondence, and if any programme slippage occurs then this directly affects the amount of time the resources are required for.

A breakdown of the staff and their duties is noted below.

**Planning**

- Ian Spence
- Backfilling Post for Francis Newton
- Jamie Gray
- Jamie Allan
- Shaun Hughes
- Michelle Maher

*These staff are undertaking the planning prior approvals until July 2008, with the exception of Ian Spence, who will be involved in technical design related issues for the whole year. If these staff were not employed next year then this would significantly delay the prior approvals process and would have a significant impact on the Infraco contract (as works could not commence without the necessary planning approvals in place).*





**Appendix 2 – CEC Resource Paper to the TPB on 9 January 2008**

**Transport**

- Paul Tucker in traffic signals
- Tom Clark reviewing undertaking Mudfa related approvals for traffic management
- Tony Simon reviewing lighting technical design
- Ron Polson undertaking a co-ordination roll with SfC managing and co-ordinating all roadworks on the network
- Cliff Smith undertaking structural design technical approval
- Alan Parkinson reviewing TROs and non-standard sign design
- Jeff Knight, Jon Hunt and A Burns are providing advice and support to the traffic modelling to support the technical approvals.

*These staff are providing essential support to the Roads Authority technical approvals. If these staff were not employed next year then this would significantly delay the technical approvals and would have a significant impact on the Infraco contract as works could not commence without the necessary technical approvals in place.*

**Corporate Communications**

- Wendy Park manages Councillor and staff communications, including managing information, organising staff briefings for those directly affected in their day to day work and promoting the tram scheme to all staff. This also includes ensuring that the Council's communications interests and views are represented in day to day decisions by tie and its contractors. This is particularly important in discussions over the open for business campaign and the relevant construction works.

This function also ensures that the Council's own external tram-related communications are carried out timeously. This includes information in Council publications, press liaison and other 'marketing' type activities to ensure that people are aware of the benefits. This also includes managing the Council tram related correspondence (email, phone calls and letter) by managing the contract with the contact centre that provides this service.

*If this function was not undertaken next year then this would severely impact the all tram related communications, particularly Council Members and the public. It would also adversely impact on the response time for all correspondence.*

**Property**

- Ian Elvin and Gill Hunter assist with the land acquisition process, including the regulatory compensation events.

*These staff manage the GVD and compensation process following the land acquisition. If these staff were not employed next year then this would significantly delay the land acquisition process and would delay the Infraco works, as land would not be available for construction purposes.*





**Appendix 2 – CEC Resource Paper to the TPB on 9 January 2008**

**Legal**

- Jackie Holland and Eleanor Muir are backfilling for Alan Squair and Colin MacKenzie, who provide legal support to many activities, including third party agreements, public hearing support, operating agreements and assistance in preparing Council reports.

*If these staff were not employed, then legal support would be very limited which would delay the project at all key stages.*

**Administration Support at CityPoint**

- Sheila Dove provides administration support to CEC staff working at CityPoint.

**IT Support Costs**

An allowance of £10K has also been made for IT support for those staff working at CityPoint.

**2.0 Recommendations**

The Board is asked approve this paper and the additional CEC resource costs for 2008/2009.

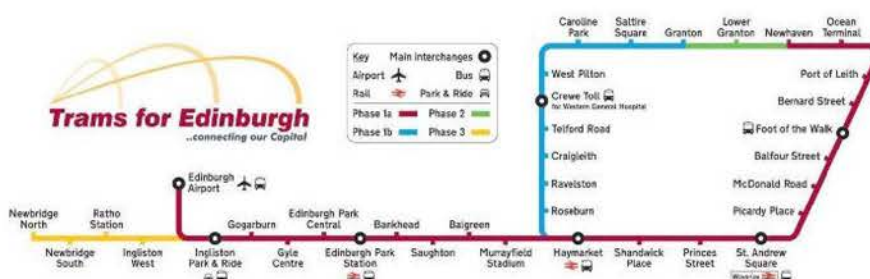
Prepared by: Andy Conway / Alan Coyle

Recommended by: Andrew Holmes

Date: 7 January 2008

Approved ..... Date:- .....

David Mackay on behalf of the Tram Project Board

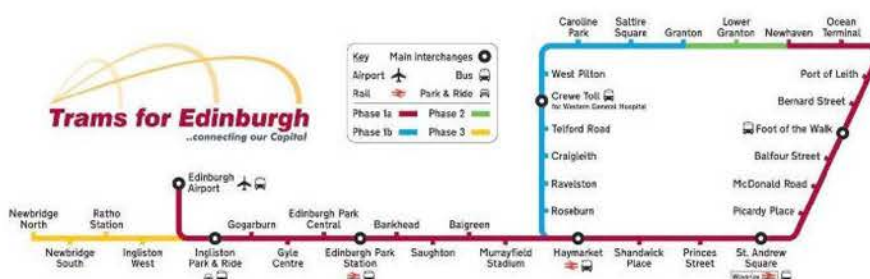




Appendix 2 – CEC Resource Paper to the TPB on 9 January 2008

Table 1 – Breakdown of Projected Staff Costs

Name	Function	Activity	Cost
Paul Tucker	Traffic Signals	Traffic Signal detail design technical approval	£21,000
Tom Clark	Strategic Services	Mudfa co-ordination/temporary traffic management approval	£94,539
Urban Design - Ian Spence	Strategic Services	Design advice to planning for prior approvals and urban design	£45,760
Jeff Knight	Strategic Services	Advice for reviewing traffic modelling relative to technical approvals	£21,163
Jon Hunt	Strategic Services	Advice for reviewing traffic modelling relative to technical approvals	£1,895
A Burns	Strategic Services	Advice for reviewing traffic modelling relative to technical approvals	£4,254
Backfilling Post for Francis Newton	Planning	Backfilling post to allow Francis to to undertake prior approvals	£15,318
Jamie Gray	Planning	Prior Approvals	£18,618
Jamie Allan	Planning	Prior Approvals	£9,894
Shaun Hughes	Planning	Prior Approvals	£9,894
Michelle Maher	Planning	Prior Approvals	£9,894
Ian Elvin	Asset Management	Land acquisition and resultant claims	£50,505
Gill Hunter	Property	Land acquisition and resultant claims	£22,984
Wendy Park	Corp Comms	CEC tram communications	£36,725
Tony Simon	Lighting	Lighting tehcnical approvals	£25,920
Ron Polson	Road Services	Co-ordination with all roadworks on the network	£56,160
Cliff Smith	Structures	Technical approval for structures	£18,528
Alan Parkinson	Roads & Transport Design	Technical approval for TROs	£6,448
Jackie Holland	Legal Services	Backfilling posts	£47,658
Eleanor Muir	Legal Services	Backfilling posts	£52,533
Technical Approval Backfilling	Transport	Backfilling post for technical approvals	£30,000
Sheila Dove	Secretarial/Administration	Admin support for CEC at CityPoint	£24,018
IT Support costs			£10,000
			<b>£633,708</b>



Appendix 2 – CEC Resource Paper to the TPB on 9 January 2008

Table 2 - Projected Staff Costs 2008/2009

