

Edinburgh Tram Network

Minutes

Tram Project Board

20 February 2007

tie offices – Citypoint, McAdam Room

Members Present:		Participants:	
David Mackay	DJM (chair)	Damian Sharp	DS
Willie Gallagher	WG	Fred Mackintosh (partial)	FM
Neil Renilson	NR	Matthew Crosse	MC
Bill Campbell	WWC	Steve Reynolds (partial)	SR
Andrew Holmes	AH	Stewart McGarrity	SMcG
		Graeme Bissett	GB
		Alastair Richards	AR
		Susan Clark	SC
		Jim Harries	JH
		James Papps	JS
		Steven Bell	SB
		Norman Strachan	NS
		Miriam Thorne (minutes)	MT

Apologies: Bill Reeve; James Stewart

1.0	REVIEW OF PREVIOUS MEETING	Action
1.1	Previous minutes were accepted as read	
1.2	Previous actions were accepted as completed - verbal updates and exceptions are listed below:	
1.3	<u>Action 1.2:</u> SC updated on Ingliston P&R – previous issues noted are progressing and are being resolved.	
1.4	<u>Action 3.3:</u> Project contractual structure review – discussion about approach, format & contents ongoing.	
1.5	<u>Action 3.4:</u> discussion underway – meeting arranged.	
1.6	<u>Action 3.5:</u> Value Engineering – MC/WG updated on progress,	
1.7	<u>Action 4.2:</u> Agreement on funding for cost overrun between CEC/TS outstanding. DS / AH agreed to progress this week (w/e 23 Feb 07).	DS / AH
1.8	<u>Action 4.3:</u> information on CEC funding matters included in the work undertaken by SMcG & GB – see point 14.0 below.	
1.9	<u>Action 6.2:</u> SMcG confirmed that CEC resource costs will be treated same as any other workstream within the project, including preparation of monthly progress reports, forecast and budget reviews; starting Mar 07.	
1.10	<u>Action 7.3</u> AH raised concerns that no “owner” has been assigned to ensure full discussions are held regarding working hours under MUDFA. However, WG confirmed that detailed dialogue will be held with all stakeholders on site-by-site basis.	
1.11	<u>Action 10.3:</u> MT confirmed that outline forecast of the sequence of approvals and timings has been prepared – the board noted that additional	

	meetings may be required. The Board agreed that a sub-committee should be established to address details of the Infraco/Tramco evaluation and negotiations.	
2.0	DPD update	
2.1	WG provided a summary of the last DPD meeting and highlighted the papers recommended for approval by the TPB. See points 8, 9 and 10 below.	
2.2	<u>DFBC</u> : DS confirmed that all requested information had been received by TS to inform the ministerial decision on funding.	
3.0	Infraco and Tramco evaluation and negotiation sub-committee	
3.1	Approval was sought from the Board to establish a sub-committee for the Infraco and Tramco tender evaluation and negotiations, the purposed of which will be to provide informed challenge to the evaluation and negotiation processes and reflect this debate at appropriate level to the TPB prior to key decisions in the process.	
3.2	Membership of the sub-committee will be restricted to Willie Gallagher, Neil Renilson, Matthew Crosse and Stewart McGarrity. Subject specialists will be brought into the discussion as required. WG suggested to set ½ hours aside pre-TPB to discuss matters arising plus ad-hoc meetings may also be needed.	
3.3	The sub-committee will have the remit to provide strong recommendations to the TPB on the basis that these should be approved.	
3.4	It was confirmed that the remit of the sub-committee will be restricted to procurement issues only – any decisions on physical works will be made at TPB level.	
4.0	Improving design and engineering – presentation	
4.1	MC and SR presented the presentation which outlined key achievements to date, stressed the importance of engineering capacity and capability for the current phase of the project and highlighted the programme complexities experienced.	
4.2	Key features and practical changes of the way forward are: <ul style="list-style-type: none"> - co-location of key staff - integrated teams (tie/SDS/TSS/CEC/TEL/Transdev) - move to a risk based design review process 	
4.3	The presentation and its implications were approved by the board. MC to circulate the slides relating to programme complexity and route map to success to attendees	MC- done
5.0	Decision making process	
5.1	Serious concern was raised about the speed and efficiency of decision making, particularly by stakeholders, in relation to the project. AH stressed that a robust and practical programme which takes account of stakeholder time-requirements is essential to ensure informed decision-making. DJM stressed that meeting attendees must have authority to make decisions to avoid revisiting of agreed decisions at later stages and that attendees decisions must not be “overturned” by their superiors except in exceptional	

	circumstances.	
6.0	PD progress report	
6.1	The progress report was taken as read. Key items for concern were highlighted as follows:	
6.2	<u>GVD notices</u> : CEC legal has stated that the physically signed letter will be required before they can permit the issue of notices. If this is not received before 2 March 07, the spend of £10.6m cannot be achieved in 06/07.	
6.3	DS confirmed he will make arrangements to ensure the physical letter is received by CEC immediately following the ministerial announcement. DS will also send a draft grant letter including grant conditions to AH prior to the ministerial announcement to allow CEC internal review. AH to achieve conditional sign-off of the draft letter by CEC legal	DS / AH
6.4	<u>MUDFA trial</u> : SC confirmed that the Trial Dig for MUDFA had to be delayed to 2 April due to the fact that the required TTRO's could not be issued pre-ministerial announcement and that a 28 day communications period is required between TTRO issue & commencement of works.	
6.5	<u>Network Rail Lease</u> : SC raised need to escalate the lack of engagement by Network Rail in the process. DS offered support in form of resource from his team. SC to brief WG on current status & recommended way forward	SC - done
6.6	<u>Office accommodation</u> : SMcG confirmed lease now signed for Citypoint 2 nd floor offices	
6.7	<u>Change requests</u> : 2 minor change requests were noted – approval within Project Director delegated authority.	
6.8	<u>Risk Register</u> : SC confirmed that all risks related to MUDFA form part of the project master risk register. The board requested that TRO risks previously owned by TC would be transferred to KR going forward.	
7.0	Traffic Management	
7.1	KR provided a verbal summary of the key issues facing the Traffic Management workstream and current progress as outlined below:	
7.2	<u>Exempting core measures from mandatory hearings</u> : KR confirmed that negative feedback has been received from the Scottish Executive (SE) for the request to change legislative requirements for major projects. The board decided that KR should keep pursuing discussions through approaches to the ministerial office and informal legal discussions between CEC and TS. KR to provide AH with a response to the letter received from SE to facilitate this discussion	KR / AH – done
7.3	KR advised the board of the positive progress achieved in relation to de-risking the current Traffic Management programme and establishing the wider area modelling requirements. He confirmed that the new strategy adopted of commencing Infracore under TTRO's should remove TRO from the critical path. WG requested that all updates will include clear statement of impact on delivery dates.	KR – detailed strategy currently being developed, impact on programme to be advised

8.0	Gogar Advance works	
8.1	SC presented key aspects of the paper and approval sought to implement the advance work strategy. SC explained the large range for costs is due to uncertainty how much advantage can be taken of spoil disposal sales and re-use opportunities at Ingliston P&R. These are being actively pursued.	
8.2	WG requested a discussion on the commercial opportunity for cost savings from AMIS in light of the additional work scope offered. SC/MC/WG to progress	SC / MC - ongoing
9.0	Network Rail immunisation	
9.1	SB presented highlights of the current position. Agreement was reached that TS should enter into the contract with Network Rail and that the programme should align the needs of the Tram project and the Airdrie-Bathgate projects. A technical solution was still outstanding – meetings to be held w/c 25 Feb. 07.	
9.2	The board agreed that cost and risk for this work should all be taken by TS, thus adopting option 2.5c of the paper.	
9.3	Concerns were raised about the project's control over progress where TS effectively take a project manager's role. DS confirmed that TS would be happy to perform this role, including all required reporting including to the TPB. DS / SB / MC are to discuss the practical details regarding resourcing/costs and programme	DS / SB / MC - Being progressed with TS
9.4	AR raised the question of information flow between this workstream and the Infraco bids, including alignment of commissioning strategies. SB confirmed that detail will depend on the adopted technical solution – AR / SB to discuss interface details	AR / SB - Discussed 13/3 & being actioned
10.0	ROGS – approval process	
10.1	SC presented key features of change in approval process. The board approved the recommendations to write to HMRI to advise them of the change and appoint a Competent Person.	
10.2	DS raised the question of a potential conflict of interest if TSS is to provide resources for the Competent Person. SB confirmed that these points will be covered in the detailed discussions	
10.3	AR requested aspects of the Competent Person's role regarding training and commissioning are clarified	SB - update to be provided to AR in March
11.0	Papers for information	
11.1	<u>Foot of Leith Walk</u> : NR presented current status of design solution. AH requested that any impact on the integration plans and business case projections are reported to the board	BC – review ongoing
11.2	<u>Structures Charettes</u> : WG stated that resolution of the issues is currently	SR –

	with the design teams – will be escalated to next TPB if no progress noted	progress has been noted
12.0	MUDFA	
12.1	WG appraised the board of the discussions held at the MUDFA board sub-committee. Key concerns noted are listed below:	
12.2	<u>Phase 1b issue:</u> DS confirmed that TS has no authority to confirm funding for Phase 1b and is unlikely to achieve this within the next 6 months. This is primarily due to the lack of certainty around affordability as it was currently based on the achievement of costs savings. See point 13.0 below	
12.3	WG stated that the project would take this as confirmation to re-prioritise the programme for work on Phase 1a. This would require re-programming of MUDFA programme – this is to be tied into the approach to incentivise AMIS for costs and time savings as per point 8.2	
12.4	<u>Statutory Utilities design approval:</u> WG stated that the slow turn-around currently experienced is due to initial mobilisation issues. SC confirmed close monitoring is in place.	
13.0	Funding	
13.1	DS confirmed TS current view on scheme affordability and the importance of achieving proposed savings. MC raised concerns that this view would be impacted on by the method of indexation applied to the grant. AH and DS are to hold off-line discussion on affordability levels & implications of proposed cost savings w/e 23 Feb 07.	DS / AH
14.0	CEC Tram funding	
14.1	GB presented the key aspects of the paper presented to the board, including establishment of the Project Contribution Group (PCG), identification of 8 key workstreams, and planned meetings with Forth Ports. It was highlighted that the proposal had been met with rejections by some parties within CEC. Direction was sought from the board as to the desired involvement in securing the £45m CEC contribution.	
14.2	AH confirmed that the reply received from CEC would be reviewed to allow establishing a wider strategy to secure funding up to and in excess of £45m	
14.3	DJM highlighted that the likely phasing requirements from TS for CEC contributions may lead to the need to borrow funds upfront. To minimise the costs, all efforts should be made to secure funds, including brokering commercial deals with large developers. FM suggested there may be opportunity to incentivise developers to maximise contributions.	
14.4	AH stated that additional resource may be required, however DJM stressed the need to ensure there was real opportunity for the PCG before further costs would be incurred.	
14.5	The board agreed on the need for a funding contract to be established by TS and CEC including risk allocation. This will be essential in the discussion with the Infraco & Tramco bidders. GB / SMCg to take matter of funding forward as a matter of urgency.	GB / SMCg – on going

15.0	Board dates and reporting	
15.1	DS confirmed that TS would provide required reporting templates w/c 25 February 07 – this should not add to the existing reporting cycle.	DS – done, agenda point 11
15.2	The board confirmed its acceptance to release monthly progress information to TS prior to board meetings.	
15.3	The scheduled board dates were accepted as proposed	
16.0	AOB	
16.1	It was confirmed future board meetings will be held in Verity House Boardroom.	

Prepared by Miriam Thorne, 21 Feb. 07