

Project Delivery Group

Edinburgh, 24 January 2013

Attendees:

Vic Emery (Chair)	The City of Edinburgh Council	vicemery@ [REDACTED]
Sue Bruce	The City of Edinburgh Council	Sue.Bruce@edinburgh.gov.uk
Alastair Maclean	The City of Edinburgh Council	Alastair.Maclean@edinburgh.gov.uk
Colin Smith	The City of Edinburgh Council	Colin.Smith@edinburghtrams.com
Bob McCafferty	The City of Edinburgh Council	Bob.McCafferty@edinburgh.gov.uk
Alan Coyle	The City of Edinburgh Council	Alan.Coyle@edinburgh.gov.uk
Graham Porteous	Transport Scotland	Graham.Porteous@transportscotland.gsi.gov.uk

ACTION NOTE

	ITEM	ACTION OWNER	DEADLINE
1	PREVIOUS MINUTES 10 JANUARY 2013 Decision To approve the minute of 10 January 2013 as a correct record.		
2	SRO's REPORT Colin Smith gave details on previous actions. Colin Smith advised that a response was expected from Carillion regarding the Mudfa contract. Contact details from Mr Steel (a consultant on the Birmingham Tram Project) were expected in the following days regarding the sale of tram vehicles. Discussions had been held on 18 January 2013 with Henderson Global Investors (HGI) regarding their contribution towards the re-design of Cathedral Lane sub-station; it was likely that this would be increased to a sum in the region of £900k or £1m. HGI had enquired as to the possibilities of tramline expansion. Estimates had been sourced from Turner & Townsend (T&T) regarding costs of expanding the line to the foot of Leith Walk and to Ocean Terminal. Sue Bruce advised that separate parallel discussions should be established in order to ring fence the current construction team from commercial aspects. Colin Smith reported that T&T were in the process of producing an assessment of surplus materials. They were currently waiting for Siemens to supply them with information. Mott Macdonald had been made aware		

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<p>that their services were no longer required for the testing and commissioning process.</p> <p>An assurance tracker had been added to the testing process. This would be a working document for the next 9 months under the ownership of Cath Leech. The document would be presented at fortnightly and quarterly meetings.</p> <p>Peter Widdowson would now be dealing with the snagging issues at the Gogar Tram Depot.</p> <p>Reconstruction of manholes on Princes Street would not be funded by the Tram Project. The current manholes were considered safe and this issue would be closed off at a meeting with Scottish Water on 30 January 2013. CEC Contributions for Leith Walk works were expected to be in the region of £450k. The previous Scottish Water aspiration of a project budget of £3m had now subsided.</p>		
<hr/> 2.1 STRATEGY TIMETABLE – SOFT HANDOVER		
<p>Colin Smith introduced two documents, the Client Target Programme and the All Parties Client Target Programme. The documents had been populated using the Revision 5C timetable provided by Infracore. This was more up to date than the Revision 5 timetable previously used.</p>		
<p>The tram operations briefing note, summarising issues discussed with Tom Norris/ Marie Hernandez, was highlighted. Tom Norris had responded positively to the proposal to run trams to Edinburgh Park ahead of full completion date. Working within current parameters of resources, the earliest date Lothian Buses could be ready would be February 2014. There would be a need to explore how this date could be brought forward and the idea of a soft handover would be tabled at the planning forum on 12 February 2013.</p>	CS	
<p>Vic Emery sought clarification on the possibility that trial running across the whole system would take place in October 2013. Colin Smith detailed that the Client Target Programme gave a conservative estimate of completion date, he was, however, conscious of promising more than would be delivered. It was agreed that this would be worked on within the planning sub</p>	CS	

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group and reported back upon within a month.		
Edinburgh Trams had indicated a willingness to pay for any accelerated training required by staff to make the soft handover date achievable; if they were convinced that the Client Target Programme was accurate. Colin Smith agreed to do this.	CS	
It was advised that Tom Norris believed a 10 minute pulsing time for the tram service could be the most economically advantageous. This was work in progress within Tom Norris' team.		

2.2 TRAM FLEET

Colin Smith gave details on the document 'Proposal for Discussion – Tram Fleet'.

Advice by tram supplier CAF articulated that the proposed use of 12+1+1 vehicles would not be sufficient as it would incur unnecessarily high mileage. It would therefore be preferable to instead run 17 vehicles to York Place. It had also been estimated that 19 and 21 vehicles would be required respectively for expanding the system to the foot of Leith Walk and Ocean Terminal. The proposal for more working vehicles would save money for the operator as overnight maintenance would not be required.

Alan Coyle advised that it would be cheaper to keep vehicles in circulation than storage; Colin Smith estimated a cost of £50k per vehicle to transfer a tram to storage. Accommodation would be in the order of £100k per annum. Putting vehicles into circulation rather than storing until sale would provide protection of the "surplus" trams' value in the budget line of £9m in the revised project budget.

Alastair Maclean advised that any alterations to tram numbers would require a re-writing of the Lothian Buses agreement but not the heads of terms which were being approved next week at Council.

2.3 PROJECT ASSURANCE

Colin Smith detailed project assurance responsibilities. This included:

- Outlining Edinburgh Tram and T&T

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responsibilities respectively;		
<ul style="list-style-type: none">• Programme Management Structure;• The Safety Verification Communication Route;• The Meeting & Programme Schedule.		
<p>Vic Emery enquired if the tamper should be delivered earlier than June 2013. Colin Smith advised that Bilfinger wanted to bring it in late July 2013. He would be pushing for June 2013 and to be used on double shifts.</p>		
<hr/> 2.4 RECOVERY AGAINST MUDFA/DLA		
<p>Colin Smith gave an overview of the MUDFA contracts, together with feedback from advisors on the work carried out prior to January 2011. Colin Smith sought instruction from the Tram SMT.</p>		
<p>Alastair Maclean advised that Councillor Balfour was expected to ask a question at the Governance, Risk and Best Value Committee later that day on the recovery of damages connected to the Tram Project. He stated that there was a risk that a significant amount of money could be spent on a legal action that was then unsuccessful. However, advice had been provided on 20 December 2012 from Pinsent Masons which indicated that the possibility of raising a case should at least be investigated further. A substantial amount of work had already been undertaken investigating the merits of a case but time was running out to initiate an action. There was now a need to advise the elected members and seek instruction on whether legal action should be brought.</p>	CS	
<p>Sue Bruce advised that due to the commercially sensitive issues being raised, a data room and a confidential briefing should be organised to inform members on this issue.</p>		
<hr/> 2.5 TRAMS MAINTENANCE AGREEMENT		
<p>Colin Smith stated that the recommendation was still to break the contract at the earliest possible point and that preparations were being made to do this.</p>		

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2.6 SURPLUS TRAMS		
<p>Alastair Maclean enquired as to whether there was an underwritten deal regarding the sale of surplus trams. Colin Smith advised that CAF were offering to act as agents. The item was still at risk as there was no confirmed buyer.</p>		
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2.7 SNAGGING AT DEPOT		
<p>Colin Smith advised that this item had already been covered and Peter Widdowson would be dealing with the matter, implementing the solution sourced from the London Docklands light-rail depot.</p>		
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3 FINANCIAL UPDATE		
<p>Alan Coyle gave details on the financial update.</p>		
<p>It was detailed that there would be another session with T&T on 28 January 2013 to go over the assessment of risk. An official meeting would take place the following week. This level of risk was expected to drop.</p>		
<p>The current forecast would leave the tram project with £5m left over, assuming that £9m in contributions was secured from the sale of tram vehicles.</p>		
<p>Extra contributions following developments with HGI and revision 4 were still to be added to the finance report.</p>		
<p>Colin Smith referred to his delivery plan for 2013, advising that naming rights had been retained by the project and should now be factored into opportunities. Colin Smith would secure agents to advise on the best possible value and would liaise with Graham Porteous and EAL. This item was to be reported to the next Project Delivery Group.</p>		
	CS/AC	
<p>It was re-confirmed that the previous decision that staff costs within CEC and Lothian Buses should not be charged to the Project from 1 January 2013 was still in place. Costs would have to be borne within the service area or Lothian Buses.</p>		

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4	AOCB	
Alastair Maclean highlighted an issue with the integration of Lothian Buses and Edinburgh Trams through their management structure.		
5	DATE OF NEXT MEETING	
31 January 2013 at 8am in the City Chambers		