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**From:** Connolly S (Susan) on behalf of Duffy F (Frances)  
**Sent:** 05 July 2006 09:51  
**To:** Sharp DP (Damian)  
**Subject:** RE: Edinburgh Trams - text of grant offer letter

Thanks Damian,

I am content this meets the requirements set out by IDM.

Frances.

-----Original Message-----

**From:** Sharp DP (Damian)  
**Sent:** 03 July 2006 09:01  
**To:** Howison J (John); Reeve W (Bill); Duffy F (Frances)  
**Cc:** Dunbar-Jubb C (Claire); Pettit M (Mark); Spence M (Matthew); Ramsay J (John); Davis L (Lorna); Hepburn J (Jennifer)  
**Subject:** RE: Edinburgh Trams - text of grant offer letter

John

Thanks. Frances has agreed to have a look at the grant conditions as well as Bill.

The IDM meeting of 16 May decided to support the current funding application as set out in the text of the grant offer. The approval I am seeking is that the conditions accurately reflect the IDM discussion.

There is no clawback provision in the current grant offer. That was discussed and is compatible with our funding of other schemes.

The clawback/termination costs provision that would need to be considered is in the next grant offer (due early 2007) when we should include a provision that if a new Council wished to cancel the scheme post elections then they would be liable at least for termination costs. This is to cover the rhetoric from some candidates that they would cancel the tram if part of the ruling group on the Council after May 2007.

Damian

-----Original Message-----

**From:** Howison J (John)  
**Sent:** 30 June 2006 17:14  
**To:** Sharp DP (Damian); Reeve W (Bill); Duffy F (Frances)  
**Cc:** Dunbar-Jubb C (Claire); Pettit M (Mark); Spence M (Matthew); Ramsay J (John); Davis L (Lorna); Hepburn J (Jennifer)  
**Subject:** RE: Edinburgh Trams - text of grant offer letter

Damian,

A quorum is taken as the responsible Director and one other. I regret that I know insufficient about this scheme to be that other director, and have insufficient time before my leave to remedy that.

I presume that you are content that paid grant money is lost if the Council simply resolve to abandon the scheme either prior or consequential to your business case target. I see no mechanism in the grant letter for claw back in these circumstances.

John

-----Original Message-----

**From:** Sharp DP (Damian)  
**Sent:** 30 June 2006 16:42  
**To:** Reeve W (Bill); Duffy F (Frances); Howison J (John); Barton JG (Jim); Houston G (Guy); PS/Transport Scotland  
**Cc:** Dunbar-Jubb C (Claire); Pettit M (Mark); Spence M (Matthew); Ramsay J (John); Davis L (Lorna); Hepburn J (Jennifer)  
**Subject:** Edinburgh Trams - text of grant offer letter

Directors

Following the 16 May IDM meeting you asked for me to convert the agreed position on Edinburgh Tram into a grant offer letter. My team has done this in consultation with Claire and Mark and we have consulted tie ltd, TEL and City of Edinburgh Council on the proposed terms.

Following a meeting with Andrew Holmes this week I attach the text of a grant letter that I believe meets the IDM needs and is acceptable to CEC, tie and TEL.

The dates have been updated to reflect the latest, more realistic programme.

I would be grateful for confirmation by as many directors as are around between now and 11 July that they are content with the letter. I confess to not knowing how many I need for an IDM quorum by e-mail. I know that Malcolm will not be back.

It is possible that City of Edinburgh Council will press for earlier release of the grant letter in which case it would fall to Bill to sign it if you are collectively content to agree to that. Otherwise I am happy to sign on my return.

Damian

Damian Sharp  
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Rail Delivery Directorate  
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Ext [REDACTED]

<< File: Trams - May - Dec 06 grant letter v3.doc >>