

SCOTTISH PARLIAMENT

ORAL ANSWER

11 January 2007

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Margaret Smith (Edinburgh West) (LD): To ask the Scottish Executive when it will make a decision on the business case for Edinburgh trams.

(S2O-11597)

Tavish Scott:

A decision is anticipated next month.

SCOTTISH EXECUTIVE

BACKGROUND NOTE FOR PQ S20-11597

Project

- To improve the transport system in Edinburgh to meet the needs of business, transport users and the environment.
- Phase 1a consists of a line from Edinburgh Airport to Leith via Haymarket, Princes Street and St Andrew Square. Phase 1a is anticipated to be completed by end of 2010.
- Phase 1b consists of a line from Haymarket to Granton via Crewe Toll.

Benefits

- Provision of rapid efficient transport into and around the city.
- Reduction in congestion and the provision of sustainable integrated transport in the city.
- Environmental improvements (reduced on-street pollution).

Funding

- Funding including contingency is secure for Phase 1a. This funding constitutes of £375 million (plus indexation) from Scottish Executive and £45 million from City of Edinburgh Council.
- Both City of Edinburgh Council and Transport Scotland will consider further funding should it be required, to deliver Phase 1b.

KEY FACTS – EDINBURGH TRAM

KEY POINTS	KEY BENEFITS	KEY LINKS TO OTHER TRANSPORT MODES
<ul style="list-style-type: none"> • CEC voted 56 to 1 in agreement to the draft Final Business case on 21 December 2006. The draft Final Business case was only received just before the CEC meeting. • CEC have agreed to invest £45m towards capital costs of construction • The BCR for Phase 1a is marginal at 1.10 but considerably better if Phase 1b is also included = 1.63 • Ministerial agreement so far is only for Phase 1a, costs for which are presently estimated at £500m • Together with Phase 1b the costs rise to £592m however this is clearly unaffordable on basis of present finance. 	<ul style="list-style-type: none"> • The tram proposals will provide Edinburgh with a high quality modern integrated public transport system • notable positive benefits are indicated against each of the key STAG elements of; <ul style="list-style-type: none"> ○ Economic Regeneration ○ Environment ○ Safety & Reliability ○ Accessibility and ○ Social Inclusion • 17% of new public transport patronage is anticipated rising to 20% by 2031 • Experience from other schemes, indicate potential for clear benefits in reduction of congestion and encouraging new economic regeneration. • CEC through TEL will operate both buses and trams as a single commercial enterprise, assuming all revenue and operating risks 	<ul style="list-style-type: none"> • Part of substantial transport investment in Scotland’s capital • Upgrading at Waverley Station, EARL, trams and Airdrie – Bathgate all provide sustainable transport links between areas of opportunity and economic growth • Builds on success of Edinburgh’s bus network but delivers clear additional patronage, accessibility and modal shift benefits

NEXT STEPS	HOT ISSUE/S	ENVIRONMENT/PLANNING/OTHER CONSIDERATIONS
<ul style="list-style-type: none"> • Firmer Infrastructure prices will be available by middle of January 2007 and will provide more certainty about overall capital costs • Cabinet approval is being sought to allow commencement of the key utility diversion work to begin mid March / early April 2007 • The final decision to commit to vehicle and infrastructure is not required before late Summer 2007 • Before then certainty of scheme costs / affordability is required together with further improved project controls and compliance with Transport Scotland's regular monitoring programme and OGC Gateway review 	<ul style="list-style-type: none"> • Given the marginal BCR for Phase 1a compared with the much better overall BCR if Phase 1b is included, CEC are understandably keen to see Ministers commit further funding to enable all of Phase 1 to be constructed. • However significant levels of project risk remain, particularly regarding the overall infrastructure costs, so no further capital commitment should be considered at this time. • The present programme has no float whatsoever so pressure must be maintained on both CEC and tie to continue to reduce critical path tasks • TEL is currently assuming a 24% level of support the National Concessionary fares scheme – and therefore a significant element of the overall viability of the tram revenue case 	<ul style="list-style-type: none"> • the necessary Traffic Regulation Order (TRO) powers were not included in the private Bills process so need to be agreed and therefore represent a substantial continuing risk to timescales

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