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**From:** Sharp DP (Damian)  
**Sent:** 30 January 2007 08:02  
**To:** Davis L (Lorna)  
**Cc:** Spence M (Matthew); Ramsay J (John)  
**Subject:** FW: Tram Letters  
**Attachments:** Tram2.doc

**Importance:** High

Lorna

For the record.

I trust you have filed the original e-mail from Bill Reeve.

This note records the reasons that Transport Scotland decided not to send the letter requested. Essentially, Transport Scotland as an Executive Agency of the Scottish Ministers was not in a position to say anything beyond that which the Minister for Transport has already said publicly.

In terms of the specific letter proposed, I have highlighted the 2 passages that go significantly beyond Ministers' stated position:

**At this stage of the project's development, Transport Scotland can confirm its previously stated conditional commitment to project funding of £375m in 2003 price terms. The intention is that this grant will be indexed to allow for construction industry inflation and we anticipate that this sum, taken together with the Council's own contribution of £45m, will aggregate £545m and will be adequate to enable commitment to the construction of the core Airport / Leith tram line**

Whilst the first part of this statement is accurate (ie that we are committed in principle to £375m in 2003 prices), it is not accurate that we anticipate that our contribution will amount to £500m. Mr Scott stated on 16 March 2006 that we expected our £375m in 2003 prices would end up as £450-500m in outturn prices. In any letter we would have had to quote the range rather than the top end (as he consistently has).

It remains a concern that it is not apparent whether the value of inflation on our contribution is calculated consistently with inflation on the overall scheme estimate. We are taking steps to resolve this as part of the review of the scheme estimate following receipt of Infracore bids.

**At this stage it is not possible for Transport Scotland or Scottish Ministers to provide any specific guidance about additional capital funding which may be forthcoming.**

I consider that this statement is not a full statement of Ministers' position. Ministers have said repeatedly that there won't be further funding beyond the £375m indexed – Nicol Stephen gave the very simple answer "No." to whether there would be any possibility of funding increase when giving evidence to the Tram Bill Committees. The subsequent inclusion of indexation did not alter this principle and Mr Scott has also confirmed publicly that there will not be additional funding available for the tram network.

Transport Scotland and Scottish Ministers have therefore given specific guidance about additional capital funding which may be forthcoming – there won't be any. It is, of course, possible that this position will change but we must not refer to this possibility publicly when Ministers have made it clear publicly that there will be no additional funds.

Please file in eRDM.

Damian

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

**From:** Reeve W (Bill)

**Sent:** 12 December 2006 09:14

**To:** Ramsay J (John); Davis L (Lorna); Sharp DP (Damian); Spence M (Matthew)

**Subject:** FW: Tram Letters

**Importance:** High

Dear All,

Please see attached suite of letter helpfully proposed by tie.

I think it right that we should send such a letter, adjusted as appropriate after the IDM decision.

It would be helpful, for CEC purposes, if it could be sent first thing on Thursday to allow inclusion in councillors' briefing packs.. If this is difficult, Monday morning would serve.

Regards,

Bill R.

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

**From:** Graeme Bissett [mailto:graeme.bissett@██████████]

**Sent:** 11 December 2006 13:12

**To:** Reeve W (Bill); Sharp DP (Damian)

**Cc:** 'Deirdre Wynn'; david\_mackay@██████████ 'Willie Gallagher'

**Subject:** FW: Tram Letters

**Importance:** High

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Bill, Damian

These are the Council's revisals to the letters relating to tram funding as discussed at the Tram Project Board today. They are :

- Letter from CEC to TEL (Tram1.doc)
- Letter from Transport Scotland to CEC (Tram2.doc)
- Letter from chairmen of tie / TEL to CEC / Transport Scotland (Tram3.doc)

I believe the changes suggested are helpful and uncontentious. I will ask Tom Aitchison, through Deirdrie, to send his letter to TEL. Following your own formal processes, the letter from yourselves to CEC should be available by Monday next week.

The third letter is the one which was sent from the Chairmen of tie and TEL requesting the funding letters. To that extent it has actually been sent so, unless Tom or Deirdrie have a different view, I'd like to leave that letter unchanged.

Please give me a call if you wish to discuss any of these matters.

Regards

Graeme

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Graeme Bissett

m : [REDACTED]

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**From:** Deirdre Wynn [mailto:Deirdre.Wynn@edinburgh.gov.uk]  
**Sent:** 08 December 2006 14:49  
**To:** graeme.bissett@[REDACTED]  
**Cc:** Tom Aitchison  
**Subject:** Tram Letters  
**Importance:** High

Graeme

Apologies for the delay in getting back to you re the three draft letters.

Tom has now had an opportunity to see these and is content with the drafts, subject to the incorporation of the tracked changes.

Best wishes.

Deirdre Wynn  
Chief Executive's Business Manager

Tel - 0131 [REDACTED]

Fax - 0131 [REDACTED]

NB New address from Monday 18 December 2006:

Waverley Court  
4 East Market Street  
EDINBURGH  
EH8 8BG

All other contact details remain the same.

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