

TRAM ISSUES

Signal immunisation

1. We have told tie that they need to make their own arrangements with Network Rail to secure signalling immunisation and Network Rail are ready to do the design and then the implementation work. All that needs to be sorted out is the commercial framework.
2. Given that this has been held up significantly by the political uncertainty and is now on the critical path, both tie and Network Rail are keen to use the Framework Development Agreement for the design work to avoid any delays from commercial discussions.
3. The scale and nature of the work is such that Transport Scotland is not exposed to significant risk. If we require tie to pay into the NR fee fund and the Industry Risk Fund the chances of Transport Scotland picking any additional costs are vanishingly small.
4. I have discussed this with Janet Egdell and agreed that, on this occasion, we should allow tie to use the FDA. **I therefore intend to e-mail Network Rail and tie to confirm this.**
5. When it comes to the implementation agreement to do the immunisation works I have already told tie they will need to use the templates on the ORR website and that TS will not take part in any negotiations.
6. There is a technical issue with immunisation which is a matter for tie. Their preferred strategy for immunisation relies on the installation of axle counters on 100 mph railway for which there is no application safety case. Network Rail and I have both raised this issue with tie and left it to them to manage. The solution lies with GSM-R installation to provide emergency communication for drivers. The GSM-R infrastructure should be installed in time for tram but there is a real risk that not all trains operating in the area will have the on-board kit in time.

Monitoring meetings

7. We need to confirm our attendance at the 4-weekly meetings.
8. We need to confirm the agenda for the quarterly meetings between Malcolm and Tom Aitchison. I suggest that it would be most productive to take the opportunity to hold a wider meeting than just tram. The first part of the meeting might cover tram (with a standard agenda) and then a wider catch up on transport issues (replacement Forth crossing, Edinburgh – Glasgow etc).

Actions: Confirm attendance and agendas in next 10 days
Get dates in diaries

Role of Transport Scotland Project Manager & Programme Team

9. We are clear about the role of Transport Scotland overall and about our reporting requirements. We need to make sure that is followed through with clear expectations for the project management and programme management team about what the thresholds are for

raising issues with TS senior management. We will have access to a significant amount of information about the tram project and will be able to spot issues that are important to tram success. However, the role instructed by Ministers suggests we should not be acting on some of this information. On the other hand we very clearly remain interested in information about the financial profile to manage our overall budget.

Action: Clarify what will be expected of Project and Programme Management roles for Tram
Document thresholds for reporting tram issues to TS senior management

Escalation process

10. We need to establish what we wish to use. The model we are putting in place with Network Rail of swift escalation within the organisation followed by adjudication by an independent third party seems to be one we should build on.

Action: Produce straw person for discussion

Impact of other projects, changes in the law

11. CEC were seeking indemnification against changes made by or directly funded by the Scottish Executive that had an impact on the tram either in capital cost of construction or on the revenue. I have made it clear that we will not agree to such a wide-ranging indemnity.

12. What is potentially appropriate is to offer comfort that changes that have a peculiar and significant impact on the tram would be covered. The most obvious one would be that construction of a future Scottish Executive-funded project would disrupt the tram. We would then expect that project to pick up the cost of tram disruption. I can think of a few of the options for improvements to Glasgow – Edinburgh rail services that would disrupt the tram during their construction.

13. I have made it clear and TEL has accepted that we will not compensate TEL for lost revenue caused by the operation of a competing service funded by the Scottish Executive. For example, if we fund a rail link to Edinburgh Airport that competes with the tram we would only compensate for disruption caused by construction not for loss of revenue.

Action: TS to consider to what extent we should offer comfort that other projects would be expected to pick up the costs of disruption caused to the tram