
From: Robertson G (Graham) on behalf of zzzCabinet Secretary for Finance
Sent: 19 August 2009 13:23
To: Minister for Transport and Infrastructure; Reeve W (Bill)
Cc: Morrissey J (Jerry); Ramsay J (John); Communications Wealthier & Fairer; PS/Transport Scotland; Press Transport Scotland; zzzCabinet Secretary for Finance
Subject: RE: Tram Developments

Follow Up Flag: Follow up
Flag Status: Flagged

Jess/Bill,

Mr Swinney agrees that these points should also be considered and he has asked that they are covered in Bill's update note.

Thanks

Graham
Graham Robertson
DPS/Cabinet Secretary for Finance and Sustainable Growth
Telephone: [REDACTED]
Mobile [REDACTED]

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

From: Tattersall J (Jessica) On Behalf Of Minister for Transport, Infrastructure and Climate Change
Sent: 18 August 2009 11:41
To: Cabinet Secretary for Finance and Sustainable Growth; Reeve W (Bill); Communications Finance and Sustainable Growth; Press Transport Scotland; PS/Transport Scotland
Cc: Morrissey J (Jerry); Ramsay J (John)
Subject: RE: Tram Developments

Bill
Graham

Mr Stevenson has noted Mr Swinney's comments and has asked that you also explicitly consider, without alerting tie ltd, what options for refinancing/extending finance exist through, for example, novating the trams rolling stock to a lease or the selling and leasing-back of infrastructure. He has asked that you please also consider whether down-specing of project could be considered and what implications that might have.

Jess

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

From: Robertson G (Graham) On Behalf Of Cabinet Secretary for Finance and Sustainable Growth
Sent: 18 August 2009 11:10
To: Reeve W (Bill); Cabinet Secretary for Finance and Sustainable Growth; Minister for Transport, Infrastructure and Climate Change; Communications Finance and Sustainable Growth; Press Transport Scotland; PS/Transport Scotland
Cc: Morrissey J (Jerry); Ramsay J (John)
Subject: RE: Tram Developments

Bill,

Thanks for this and for your note of today. Mr Swinney has spoken to you about this already but just for the record he was looking for a frank assessment of the implications of these moves for the trams project focussing on the likely increase in both cost and timescale, the implications for our financial commitment and the implications for the viability of CEC being able to meet the increased costs. He was looking for this by the end of the week.

Thanks

Graham

Graham Robertson
DPS/Cabinet Secretary for Finance and Sustainable Growth
Telephone: [REDACTED]
Mobile [REDACTED]

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

From: Reeve W (Bill)
Sent: 13 August 2009 12:36
To: Cabinet Secretary for Finance and Sustainable Growth; Minister for Transport, Infrastructure and Climate Change; Communications Finance and Sustainable Growth; Press Transport Scotland; PS/Transport Scotland
Cc: Morrissey J (Jerry); Ramsay J (John)
Subject: Tram Developments

Purpose : To advise of latest developments and press interest with the tram project.

Timing : Immediate. Tie has received press enquiries from the Scotsman and FT today. CEC papers will be made public this evening.

Issue : Richard Jeffrey of tie Ltd. advises there is a number of events triggering press interest -

- Bilfinger Berger published its half year results in Germany this morning. Examined closely, these show a 0% return on approximately €1.5bn of civil engineering contracts.

- Papers for the CEC Council meeting are to be released this evening. This will include advice to Councillors that the tram project cost is "likely to exceed £545m" and includes the possibility of a completion date in 2012.

- There will also be a paper to CEC outlining options to combine tie and TEL, thus facilitating the integration of tram and bus operations and business plans.

- On tuesday of this week, tie sent five contractual letters to the BBS construction consortium. Two commence the formal dispute resolution process for some work elements, whilst three serve notice of audit of other cost estimates. Councillors will be advised of the approach to contract negotiations being taken.

A briefing by tie of the leaders and transport spokespersons of all four parties in CEC will take place this afternoon.

Bill Reeve

Director, Rail Delivery
Transport Scotland