

From: Reeve W (Bill)
Sent: 10 June 2010 19:01
To: Cabinet Secretary for Finance and Sustainable Growth; Stevenson S (Stewart); Minister for Transport, Infrastructure and Climate Change
Cc: Middleton DF (David); McLaughlin AC (Ainslie); Press Transport Scotland; Communications Finance and Sustainable Growth; Morrissey J (Jerry); Ramsay J (John); Fairweather S (Sharon)
Subject: Fw: EDINBURGH TRAM

Attachments: Bill Reeve - Transport Scotland.doc; Bill Reeve - Enclosure.pdf

To advise Ministers of a letter received from CEC today concerning the anticipated cost of the tram project exceeding the terms of the Grant Letter.

Formal advice has now been received from CEC and tie (letters attached to email below) that they will not be able to deliver phase 1a of the tram project within the budget of £545m. This means that CEC is no longer able to comply with one of the conditions of the Grant Letter through which they are funded by the Scottish Government.

We shall be taking further legal advice concerning the letter from CEC. However, the possibility of this circumstance has been anticipated in previous briefings. The terms of the grant afford Ministers a number of options in such circumstances, including, at Ministers' discretion, the serving of a Cure Notice which would require CEC to provide Ministers with its plan to remedy the identified problem.

It is likely that the response to the Cure Notice would comprise a proposal to pursue the commercial plan which tie has previously outlined and is currently pursuing. Therefore a Cure Notice may not achieve any practically different result from that which is currently happening.

A meeting has been arranged between the Cabinet Secretary and Minister and tie on 21 June. It is suggested that further consideration of any response to today's letter should be made after that meeting.

Bill Reeve

Director, Rail Delivery
Transport Scotland

From: Jane Turner <Jane.Turner@edinburgh.gov.uk>
To: Reeve W (Bill)
Cc: Andy Conway <Andy.Conway@edinburgh.gov.uk>; Ramsay J (John); david.mackay@tie.ltd.uk <david.mackay@tie.ltd.uk>
Sent: Thu Jun 10 08:46:36 2010
Subject: EDINBURGH TRAM

Please find attached letter from Dave Anderson.

Jane Turner
Director's Administrator
City Development Department
The City of Edinburgh Council
G/1 Waverley Court
4 East Market Street
EDINBURGH
EH8 8BG

Tel [REDACTED]
Fax [REDACTED]

This email and files transmitted with it are confidential and are intended for the sole use of the individual or organisation to whom they are addressed.

If you have received this eMail in error please notify the sender immediately and delete it without using, copying, storing, forwarding or disclosing its contents to any other person.

The Council has endeavoured to scan this eMail message and attachments for computer viruses and will not be liable for any losses incurred by the recipient.

This email was received from the INTERNET and scanned by the Government Secure Intranet anti-virus service supplied by Cable&Wireless Worldwide in partnership with MessageLabs. (CCTM Certificate Number 2009/09/0052.) In case of problems, please call your organisation's IT Helpdesk.

Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

This email has been received from an external party and

has been swept for the presence of computer viruses.
