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Reports say dispute with Tram contractors will push bill past £600m

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TRAM bosses today refused to be drawn on reports that the cost of the embattled project is set to soar past the £600 million mark.

An ongoing series of disputes with contractors is said to have already added 4.5m to the cost of the project, with further budget increases anticipated.

But tram firm TIE again declined to comment, calling the figures "speculation".

The council's tram company is currently locked in a 80m adjudication process with German firm Bilfinger Berger and its consortium partners over a series of outstanding issues about how work should progress across the 11-mile route. It is believed that only four out of 12 separate issues have so far been resolved, potentially delaying the project by several more months.

Among those areas of contention are Shandwick Place and Leith Walk, both areas where work is due to begin on track laying, but where there has been little sign of progress in recent weeks.

It is understood there are now plans to extend an agreement which was introduced last year to resolve differences relating to Princes Street.

The agreement would be extended to cover the whole route and would involve those from both TIE and the contractor meeting each week to discuss any potential problems.

Reports have suggested a dispute between TIE and the construction firm concerning certain stretches of road along the route would add a figure in the "low double-digit millions" to the cost of the project.

Meanwhile, the most recent adjudication, concerning piling work carried out at Russell Road near Murrayfield Stadium, led to TIE paying out an extra 4.5m to its contractor.

John Carson, a former head of maintenance at Network Rail and also a long-standing critic of the trams, said TIE were now only concerned with "covering their backsides".

He said: "There are areas along the railway line where more piling needs to be done by workers on night shift. You're looking at another 50m for that section alone."

Both TIE and the council's transport convener, Cllr Gordon Mackenzie, refused to comment on reports the overall cost of the project could yet soar.

Cllr Mackenzie said: "I think this is speculation – misinformed speculation.

"We are going through a dispute resolution process and that will take the time it takes.

"We are not going to comment on the details of that."

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