
From: Miriam Thorne
Sent: 15 March 2007 14:36
To: Graeme Bissett (external contact)
Cc: Stewart McGarrity
Subject: FW: Tram costs

Graeme, Stewart

Just a few points in relation to the concerns raised at the DPD and in Graeme's email:

I have started to get myself into the detail of the budget on the points you raised + a number of others. As per Matthew's email, the budget refresh is ongoing and I am expecting first outputs shortly – I should then be able to comment in more detail. I have also asked for a clear analysis of the movements of £number, starting with the detailed budget as per the DFBC to the present budget refresh. A start has been made on this. This audit trail will continue to be updated and, depending on the level of detail, can form part of the financial reporting.

I am also setting up regular meetings (yet more meetings!) with Geoff / David Carnegy & Matthew to review the financial implications of those items you mention and any matters arising.

On the "financial firepower": we now have Hamish working with David Carnegy (and John Pantony) to work on the detail of the budget. This is a great help, however I feel more needs to be done to get David & Hamish out of the basic number crunching and into more analysis and to bring us to a position where we feel confident on the issue of cost control. We have done a lot of work (and are continuing to do more) to automate some of the labour intensive manual processes to free up time for both of them – positive results should be noticeable soon. Once this has settled down, we should review additional requirements – my current feel is that would be on the number crunching side.

In relation to my time, I am trying to reduce the time taken by reporting processes to a much smaller amount than current each month – I am recruiting support to make sure that can happen. Finally, the appointment of a project controls manager means I can remove myself from the work I have been doing in that area – which again will free up time.

I would be grateful for your views and any comments and suggestions

Kind Regards

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From: Matthew Crosse
Sent: 15 March 2007 12:34
To: Graeme Bissett
Cc: Willie Gallagher; Steven Bell; Stewart McGarrity; Geoff Gilbert; Miriam Thorne
Subject: RE: Tram costs

Graeme

Thanks for this.

We are on the case. And have been for a while now.

We may not wish to make all of this stuff public /DPD because it could limit our ability to squirrel away bunce (if there is any) for the future without the risk of a claw back. If you know what I mean.

Suggest we give you, Stewart and Willie an update when we have finished, then agree how we deal with its release.

Matthew

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Did you know The Draft Final Business Case shows that for every £1 invested in developing the tram network, £1.63 will be returned to the city of Edinburgh in benefits.

From: Graeme Bissett [mailto:[graeme.bissett@\[REDACTED\]](mailto:graeme.bissett@[REDACTED])]
Sent: 15 March 2007 12:24
To: Matthew Crosse
Cc: Willie Gallagher; Steven Bell; Stewart McGarrity
Subject: Tram costs

Matthew, following the DPD I wanted to register a concern about costs. I think I made the point at the meeting, but in summary there has been considerable progress dealing with something of a backlog of design and related issues, however the cost implications of resolution are not visible. These may be within the business case numbers (which include late 2006 change controls eg for charette issues) or they may

be above those levels but are de minimis. However, a number of costs were mentioned on Tuesday including invasive species treatment, wide-area capex, the modelling change order, the continued risk emanating from the TTRO / TRO process and the costs of fixing the lengthy list of critical issues. Some of these may overlap but I think it will help everyone if we can get a size on the financial implications as soon as possible. We both know that dipping into the contingency bucket or relying on VE benefits is not the answer at this stage of the project.

I wonder if there is sufficient financial resource being deployed on the project – there is only one SMC and I know Miriam is investing a lot of valuable time on reporting processes and controls. Do we have enough financial firepower to maintain the discipline? Stewart's views obviously very relevant here.

Regards

Graeme

Graeme Bissett

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