

RAM IPG
 CTION NOTE
 7 JULY 2009

resent: TNA, DA, DMcG, GL, CM, IR, LM, AConway, ACoyle, BL (note);

Apologies: JI, MT

Item	Subject		Action
1	Matters Arising	<ul style="list-style-type: none"> • <u>ACTION TNA, DA, DMcG to meet with Richard Jeffrey and Dave Mackay to clarify changes in cost estimates and CEC-tie relationship</u> • Agreed that CEC need to engage with Transport Scotland soon on strategic options and implications for grant • <u>Noted meeting of Tram Sub Committee on 10 August and need to report some progress to this meeting</u> 	TNA / DA / DMcG
2	Project Status Report for Council on 20 August	<p>Programme and Costs</p> <ul style="list-style-type: none"> • ACTION IR/LM to check what Richard Jeffrey has stated publicly regarding project completion over budget • ACTION ACoyle/AConway to ensure report: <ul style="list-style-type: none"> ○ puts across message that delivery within £454m is now unlikely ○ includes cost details of those changes that the Council is aware of eg MUDFA, tie running costs, without detailing overall figures at this stage ○ references increased risks from INFRACO, BSC relations ○ outlines current legal position taken by CEC and tie ○ considers reference to officer confidence in TEL business case ○ recommends that a further report will be submitted to Council once more information is available, with contingency planning options following progression of DRP and CEC options for covering potential funding shortfall ○ shift emphasis from 'curtailment' to 'phasing' <p>Council Funding</p> <ul style="list-style-type: none"> • Noted that further discussion with DTZ is necessary regarding developers contributions and assurances required on tram funds from Forth Ports 	IR/LM ACoyle/ AConway

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Edinburgh Tram Project

Summary of Revised Cost Estimates

23 July 2009

tie's most recent updated cost estimate was brought to the attention of the Council on 7th July 2009. This includes a reassessment of the risk allowance to take account of;

- tie's view of fair share of delay
- tie's view of design change out with normal development
- Unforeseen ground conditions
- Full Road reconstruction where necessary
- Non delivery of Value Engineering items

These issues are further informed by additional information regarding the nature of design change and additional technical and legal evaluation of the disputed matters.

The best case scenario for the project is £560m with an open for revenue service date of February 2012, a base case scenario of £580m opening October 2012 and a worst case scenario in excess of £600m.

The change in the base case from the March base scenario is £47m. The component elements of this increase are highlighted in appendix 1.

A decision will be required as to the level of financial information included in the Council report.