

2006/3
(2006/4 below)

Mandy Wilson

From: Lex Harrison [lex.harrison@edinburgh.gov.uk]
Sent: 08 December 2006 16:22
To: Gill Lindsay
Cc: Colin MacKenzie; Rebecca Andrew; Ewan Kennedy; Max Thomson; Duncan Fraser
Subject: Re: EDINBURGH TRAM DRAFT FINAL BUSINESS CASE

Gill
thanks for mail I have now received comment from Andrew Holmes and Duncan Fraser which has assisted my response.
In regard to your 1st and 6th point Duncan Fraser has made the following comment

"To be correct there is funding for £100K worth of solicitors (2), rather than an open ended agreement. Subject to clarification of the replacement to the Head of Service and defined role a paper will be submitted to tie requesting approval for the overall package of staff costs"
On your second bullet point Andrew agrees that addressing the governance issues in the DBFC report to Council is impractical given the current status of the TEL Operating Agreement not to mention the fact that the memo from Jenny Drummond runs to 6 pages.
I have include more extensive references on GVD etc and indeed taken on board more extensive comments on this and other issues (including business compensation) raised by Colin MacKenzie

On MUDFA the Director of Finance has given a "letter of comfort" to the contractors.

Thanks for your help on these very important issues

Lex

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

From: Gill Lindsay
To: Lex Harrison
Sent: Friday, December 01, 2006 1:39 PM
Subject: EDINBURGH TRAM DRAFT FINAL BUSINESS CASE

2006/4

EDINBURGH TRAM DRAFT FINAL BUSINESS CASE

REPORT TO COUNCIL 21 DECEMBER

Lex,

I have received a copy of the revised Draft Report to Council in respect of the above which was considered in some detail at yesterday's TRAM Internal Planning Group. As you know, Colin MacKenzie, who is leading for this division on the Project, is considering the Report with Alan Squair and will forward additional comments to you shortly and assist in any wording changes. At present, I am pleased to note some comments for inclusion as follows: -

- The Report does not yet contain a link with the previous October Report to Council to contain the resolution in respect of internal costs. My advice is that the Report clearly indicates the extent of internal Council resources with current resolutions.
- You may know that Jenny Drummond of this division has provided a very full note in relation to TEL and governance issues and required powers to be delegated to both TEL and the TRAM Project Board, in a recent memo to Keith Rimmer. My advice is that all required governance issues be dealt with in terms of this Report. Colin will provide further information and assistance to you in this.

- My advice is that we provide a further link to the previous October Report and advise on the progress of the GVD and notices sent to date.
- There was some discussion at the TRAM Internal Planning Group on references to the business community. I understand that paragraph 4.8 will now be reworked to include the feedback from the business community: the benefits, the interim disruption and the compensation scheme.
- If the Council are required to provide a guarantee in respect of the MUDFA Contract, my advice is that approval is sought in terms of this report.
- With respect to bullet point 1 above and Council internal resources, my understanding is that a very considerable amount of internal resources will be required to service the work required from this division to assist in securing the Council contribution referred to at point 4.12 in respect of Section 75 Agreements and sales/capital receipts of properties. There is a current agreement for two FTE's in Legal to be funded, though required codes are awaited to allow the drawing down of this sum. This issue is being progressed with the Director's office.

Kind regards

Gill
