

## Edinburgh Tram Network Minutes

### Joint Tram Project Board/ tie Board / TEL Board

23<sup>rd</sup> January 2008

tie offices – Citypoint II, Brunel Suite

<b>Members:</b>			
Willie Gallagher (Chair)	WG	Neil Renilson	NR
Brian Cox	BC	Bill Campbell	WWC
Kenneth Hogg	KH	Andrew Holmes (part)	AH
Neil Scales	NS	Donald McGougan	DMcG
Cllr Ricky Henderson	RH	James Stewart	JS
Cllr Allan Jackson	AJ		
Cllr Phil Wheeler	PW		
Cllr Gordon MacKenzie	GMcK		
<b>In Attendance:</b>			
Steven Bell	SB	Gill Lindsay	GL
Stewart McGarrity	SMcG	Duncan Fraser	DF
Matthew Crosse	MC	Jim Harries	NW
Susan Clark	SC	Neil Wood	JH
Alastair Richards	AR	Miriam Thorne (minutes)	MT
Damian Sharp (part)	DS		

**Apologies:** David Mackay, Graeme Bissett,

<b>1.0</b>	<b>REVIEW OF PREVIOUS MINUTES</b>	
1.1	The previous minutes were taken as read and the outstanding actions from previous meetings were agreed as complete.	
<b>2.0</b>	<b>MATTERS ARISING</b>	
2.1	Neil Wood was welcomed as the new General Manager for Transdev and the boards expressed its thanks and best wishes to Jim Harries	
<b>3.0</b>	<b>OVERVIEW</b>	
3.1	WG provided an overview of the progress towards financial close. He outlined the developments since December 07 and highlighted the drivers for the proposed Close programme to mid/ end Feb. This proposal addresses questions on programme ownership, allows time to resolve novation concerns and 3 <sup>rd</sup> party agreement issues. In summary, the boards were assured, there were no indication of material price, scope or programme changes at this time.	
<b>4.0</b>	<b>MUDFA – update</b>	
4.1	SB gave an update on the current status of MUDFA works, which is on programme and budget. The boards were informed that the programme for the next 6 weeks was well established in terms of resources and traffic management and a significant ramp up in activities would commence either	

	14 <sup>th</sup> or 21 <sup>st</sup> Feb, depending on the ground preparations.	
	The boards requested that the tram helpers would focus greater efforts on guiding pedestrians around the diversions at the corner of House of Frasers on Princes Street.	SB
<b>5.0</b>	<b>INFRACO CONTRACT SUITE</b>	
5.1	SB provided an outline of the progress made on the Infraco suite of documents. Key items are the SDS novation, the Employer's Requirements and the Tramco novation documents.	
5.2	<u>Infraco Employer's requirements</u> : MC stated that the latest version of the ER's were currently being validated by BBS. <b>tie</b> have undertaken an internal technical consistency check and DLA have completed their legal review. SB confirmed that there are only a small number of material changes, and feedback was expected by 28 <sup>th</sup> Jan. 08.	
5.3	<u>Tramco Novation</u> : AR outlined the progress made on achieving alignment on the contracts to ensure any issues arising would flow to the appropriate party. He explained that good proposals had been received to resolve the outstanding issues and he expected the agreement to be in final shape by 25 <sup>th</sup> Jan. 08.	
5.4	<u>SDS Novation</u> : significant progress had been made, however a number of concerns remained outstanding in relation to the prior and technical design approvals. SB explained that establishing a baseline and programme for prior and technical approvals, which has buy-in from SDS, BBS, <b>tie</b> , and CEC was essential.	
5.5	In response to AJ questions, WG explained that obtaining consents were causing tension for the SDS Novation as BBS had differing expectations of the level of design completion prior to novation and was concerned about programme impacts arising from approvals delays. For this reason, it was essential to obtain a full approvals programme from CEC and WG stated that engagement was taking place with AH and Alan Henderson to this end.	
5.6	SB also explained that although SDS were not time-bound in their contract to deliver approvals, payment to SDS was based on achieving these as part of the milestone payment regime, thus incentivising SDS to deliver.	
5.7	<u>Prior &amp; Technical Approvals</u> : DS gave a presentation on the process to obtain prior & technical approvals and the key issues outstanding. He highlighted that the workload for both types of approvals was likely to peak between Feb to May 08.	
5.8	DS highlighted tramstop designs posed a significant risk for delay. Key questions relate to finishes, shelter size and passenger information delays (PID) and that costs estimated at £500k may be incurred to meet Planning's aspirations.	
5.9	NR stated that TEL was not very concerned about finishes or sizes, however wanted the shelters to be appropriate to the requirement to house ticket machines and similar items.	
5.10	Further, NR explained that it was not possible to fix the design for ticket machines at this point in time as technology would change during the construction time and thus current models would likely to be outdated.	
5.11	AR stated that Planning's current aspirations for PID were contrary to the ER's and likely to be challenged on accessibility grounds. DF stated that he	

	was confident that PID size would not hold up planning approvals.	
5.12	The boards agreed that subject to the relevant formal paperwork being raised and costs not greatly exceeding current indications, the project would agree to fund the extra costs for finishes,	
5.13	The boards tasked DF/DS/AH/AR to resolve the issue around PID and report back to the next TPB	DF/DS/ AR/AH
5.14	AH raised a concern about the wording in the Close report regarding exclusions from the Infracore price base. He requested that greater clarity was provided on the definition of "additional works"	SMcG
5.15	<u>Timetable</u> : SB summarised the timetable implications of the proposed programme to financial close, including final review of the whole document suite prior to contract sign-off.	
5.16	The boards expressed their satisfaction that the proposed programme to financial close allowed for this review and the resolution of outstanding issues, thus is likely to result in a better risk profile. Further, the boards took confidence from the fact that the close programme was owned by BBS, thus had the bidder's commitment in terms of resourcing, and further push-out was less likely.	
5.17	It was agreed that information of the move of financial close would be passed to Transport Scotland via the regular Progress report.	SMcG
5.18	Finally, the boards accepted that there may be a 4-week impact on the construction programme, however, this was not considered material to the overall project.	
<b>6.0</b>	<b>COUNCIL FINANCIAL GUARANTEE AND GRANT AWARD LETTER</b>	
6.1	SMcG provided a summary of CEC's financial guarantee and the grant award letter from TS. He explained that the financial guarantee would remain in place regardless of CEC's option to terminate the tie-CEC operating agreement under certain conditions.	
6.2	DMcG confirmed that a signed copy of the Grant Award letter had been received from TS.	
6.3	SMcG confirmed that close attention would be paid to the project spend profile to ensure that the impact on CEC of a limited funding cap from TS in 08/09 and 09/10 was minimised.	
<b>7.0</b>	<b>3<sup>rd</sup> PARTY AGREEMENTS AND LAND ACQUISITIONS</b>	
7.1	SC outlined the key issues outstanding in relation to 3 <sup>rd</sup> party agreements and land acquisitions: <ul style="list-style-type: none"> <li>- Forth Ports: final design decisions were outstanding and a meeting was to be held on 24<sup>th</sup> Jan to close these out.</li> <li>- SRU: anticipated close out of issues on 29<sup>th</sup> Jan.</li> <li>- Ntwk Rail: the terms of the APA and associated station and depot changes can create a programme risk, however Ntwk Rail advised they would grant access to land which is not subject to those changes.</li> <li>- BAA agreement has been finalised and was awaiting sign-off from CEC Legal.</li> </ul>	
<b>8.0</b>	<b>CRITICAL WORKSTREAMS AND READINESS FOR CONSTRUCTION</b>	

8.1	SB summarised the slide on critical workstreams. In addition, he stated the safety management arrangements would receive sign-off prior to contract close and there would be a walk-through at the <b>tie</b> board health and safety committee.	
8.2	The boards were informed that the risk management processes had been agreed with BBS and CEC and that there would be a periodic internal risk challenge session, chaired by WG and GB.	
<b>9.0</b>	<b>TAXATION</b>	
9.1	SMcG stated that VAT clearance had been obtained from HMRC and that work was planned to consider the most effective tax structure for TEL's future operations.	
<b>10.0</b>	<b>GOVERNANCE</b>	
10.1	SMcG presented the proposals on governance and delegation of authority.	
10.2	A change was requested to the section on the membership of the TPB to reflect PW's role of Transport Convenor at CEC.	
10.3	The <b>tie</b> board members stated that request by CEC Legal to include the wording of "reckless behaviour" in clause 3.9 of the <b>tie</b> -CEC operating agreement should be discussed by the full <b>tie</b> board.	
10.4	NR clarified that the current proposed TEL-CEC operating agreement only covered points of principle and details would be addressed at a later stage.	
10.5	The <b>tie</b> / TPB and TEL boards and the representatives from CEC considered the proposals for governance and delegation of authority and approved them in separate resolutions.	
<b>11.0</b>	<b>PROGRESS REPORT</b>	
11.1	The progress report was taken as read	
11.2	JS requested to understand the workings of Liquidated Damages and other securities contained in the construction and supply contracts – SMcG to provide a summary note to all attendees	SMcG
<b>12.0</b>	<b>AOB</b>	
12.1	WG highlighted that the next boards would have to address and approve a large number of documents and therefore an aide-memoir should be prepared for the meetings.	SB / SC
12.2	AH advised that the report to full Council on the contracts would now be delayed to March.	
12.3	AH raised the question of how to best integrate Public Realm works at St. Andrew Square into the BBS contract. The board agreed that this would best be dealt with through a post-contract change to avoid contractual complications and delay to financial close. CEC should raise an external change request – SB to assist.	SB/ DF/AH
12.4	Date of the next <b>tie</b> meeting – 29 <sup>th</sup> Jan. 08 Date of the next TPB and TEL meeting – 13 <sup>rd</sup> Feb 08.	

Prepared by Miriam Thorne, 5<sup>th</sup> February 2008