



**MINUTES OF tie BOARD MEETING**  
**Isambard Kingdom Brunel Suite, Citypoint, Edinburgh**  
at 9.30 am on Monday 24th September 2007

**In Attendance:**

**Directors:**

Willie Gallagher  
Peter Strachan  
Kenneth Hogg  
Brian Cox  
Neil Scales  
Ricky Henderson  
Phil Wheeler  
Allan Jackson

**Other Attendees:**

Duncan Fraser, CEC  
Neil Renilson, TEL  
David Mackay, TEL  
Graeme Bissett, **tie**  
Steven Bell, **tie**  
Matthew Crosse, **tie**  
Susan Clark, **tie**  
Pat Diamond, **tie**  
Barry Cross, **tie**  
Jim McEwan, **tie**  
Colin McLauchlan, **tie**  
Julie Thompson, **tie**

**Apologies:**

Gordon Mackenzie  
Neil Renilson, TEL  
Andrew Holmes, CEC  
Pat Diamond, **tie**

**Circulation:**

As above

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<u>Item</u>	<u>Action by</u>
<p>1.           <b>MINUTES OF MEETING of 24<sup>th</sup> August 2007</b></p> <p>The minutes of the meeting were approved.</p>	
<p>2.           <b>EXECUTIVE CHAIRMAN'S OPENING REMARKS</b></p> <p>The Chairman has now received formal notification from Transport Scotland (TS) that they will no longer attend the <b>tie</b> Board or receive board papers.</p> <p>It is proposed to cancel the board meeting on 29<sup>th</sup> October and substitute it with a special board meeting on 15<sup>th</sup> October to discuss the Final Business Case (FBC) and to gain approval from the board for the FBC to be submitted to CEC for their meeting on 25<sup>th</sup> October.</p>	
<p>3.           <b>SAK PROJECT HANDOVER</b></p> <p>A detailed handover document has been prepared by and reviewed by TS and Clackmannanshire Council (Clacks).</p> <p>A letter concluding formal agreements with Clacks has also been completed.</p> <p>This is the last formal report on SAK and the item would now be removed from the agenda.</p>	
<p>4.           <b>EARL SUSPENSION PLAN</b></p> <p><b>tie</b> is currently still the Authorised Undertaker (AU) for the project and TS is currently reviewing the issues surrounding the possible transfer of the AU role to themselves. TS's legal team are currently carrying out a due diligence process and so far <b>tie</b> has received no feedback or requests for information.</p> <p>There has been very little communications activity during the last period.</p> <p>The formal announcement on the review of the project is expected by the Transport Minister this week.</p> <p>The Scottish Government has confirmed that it will be responsible for the abortive costs of the project.</p>	



**5. MUDFA**

Safety is being actively managed however there was one significant near miss at Section 5(a) with HV cables identified but in a different place. This has been investigated and recommendations have been implemented.

A formal review process has been implemented for presentation at the Sub Committee meetings, the first of which will be presented at this week's meeting.

Late "Issued for Construction" (IFC) issue is a significant risk but action is now being taken with SDS to reduce its under performance and some progress has been noted.

Traffic management reviews with CEC are continuing to work well.

Communications and stakeholder management is also progressing well.

**6. TRAM PROJECT**

Tram Governance

New draft operating agreements for **tie** and TEL are currently being prepared.

New "Tram Project Board" (TPB) & Sub Committees are being structured and are currently under evaluation to see how they will interface with the **tie** Board.

The Chairman is to contact the individual members of the **tie** Board within the next 2/3 months to discuss the new structure of the boards and committees.

**WG**

The draft grant award letter is currently with TS for review. With both the **tie** Board and the TPB clearly of the view that the £500m grant should be available for Phase 1, there would be merit in a communication to TS after the TPB stating this point.

**TPB/tie**

Design & Procurement

The Board was updated on the SDS design process. A review process has now commenced with a sample rate of 10% and this is going well.

One area still of concern is the MUDFA contracts. SDS failed to meet the programme requirements. Improvements have now been put in place and some sign of progress has been noted.



The Chairman is visiting the CEO of Parsons Brinckerhoff on 4<sup>th</sup> October to discuss performance issues.

WG

The InfraCo bids are expected to conclude on 10<sup>th</sup> October 2007.

The detailed design work is now c58% complete.

A weekly meeting of the Legal Affairs Committee comprising CEC and tie has now been established. This committee will determine the range of figures that will be recommended to the TPB for inclusion in the FBC. The Chairman of tie will contact members of the Board after the recommendation.

WG

A question was raised as to whether tie was bound by the public sector and EU regulations on awarding contracts. MC said that he would check the rules with regard to the InfraCo tender and report to the Board.

MC

The announcement of the preferred bidder on TramCo was announced on 20<sup>th</sup> September. The preferred bidder was CAF, a Spanish-based company with an excellent industry reputation. The Chairman expressed his thanks to the team for their efforts in bringing forward this deal.

TPB has approved the recommendation for the preferred bidder status to enable early engagement with InfraCo bidders and to allow full approvals process to commence on 10<sup>th</sup> October.

A question was raised that in the unlikely event that CAF ceased trading at some point in the future, what safeguards would be put in place to reduce the risk of exposure to the project. It was highly unlikely that a company of CAF's status would cease trading but in the event of such a situation, arrangements will be put in place in the contract to safeguard tie.

OGC Gateway 3 Review is scheduled to commence on 1<sup>st</sup> October 2007.

#### Business Plan

The FBC is being submitted to the Council on 25<sup>th</sup> October with the final decision taking place on 20<sup>th</sup> December.

Meetings are being scheduled by CEC to present the FBC to the various political parties.





#### Contracts & Programme

InfraCo/TramCo final drafting is almost complete with risk allocation matrices.

Agreement with BAA has been reached on the lease and the draft lease and licence will be complete by 25<sup>th</sup> September.

The "Asset Projection Agreement" (APA) with Network Rail is nearing completion.

#### Communications

The Board were updated on what the key communication and stakeholder deliverables would be up to FBC.

The Chairman expressed his thanks to the Communications team for their input over the last week regarding the announcement of the preferred TramCo bidder.

#### **7. OTHER tie PAPERS**

All papers were taken as read.

#### **8. AOB**

A schedule of proposed Board dates for 2008 was presented and agreed.



9. The date of next scheduled meeting is now 15<sup>th</sup> October replacing the 29<sup>th</sup> October meeting. The dates for November and December meeting are also to be rescheduled.

Signed and approved on behalf of the Board of **tie** limited by:

Willie Gallagher (Chairman).....

Date.....

**Declaration:**

*Agenda Items marked \* indicate that a report or relevant paper on this subject was attached and will be made available under FOI(S)A but will be subject to review under Section 5b of **tie's** publication scheme and The FOI (Scotland) Act 2004. The contents of these minutes will be reviewed by **tie** prior to release and items marked with a (C) may be deemed exempt according to the provisions of The FOI (Scotland) Act 2004.*