



**MINUTES OF TEL BOARD MEETING
Kingdom Brunel, Citypoint, Edinburgh
at 1.00 pm on Wednesday 10th February 2010**

In Attendance:	Directors: David Mackay Brian Cox Kenneth Hogg Neil Scales Cllr Phil Wheeler Cllr Gordon Mackenzie Cllr Allan Jackson Dave Anderson, CEC Donald McGougan, CEC Ian Craig, Lothian Buses Bill Campbell, Lothian Buses	DJM BC KH NS PW GMac AJ DA DMcG IC WWC
Other Attendees:	Richard Jeffrey, tie Graeme Bissett, tie Julie Thompson, tie	RJ GB JT
Apologies:	Cllr Phil Wheeler Cllr Tom Buchanan Cllr Maggie Chapman Cllr Ian Perry Peter Strachan	PW TB MC IP PS
Circulation:	As above	

1. Apologies

The Chairman passed on apologies

2. Welcome and Introductions

The Chairman welcomed the members to the first meeting of the new TEL Board. He reiterated the need for complete confidentiality within the meeting.

The Chairman will brief IC on the outcome of the TPB held earlier today.

DJM

3. OFT and Competition Commission

IC updated the Board on the current status on bus interests and in particular, concessionary fares and trading.

Lothian Buses (LB) received notification from the OFT on 7th January announcing an investigation into UK bus interests (excl London and NI) by the Competition Commission.

LB were contacted on 11th January and are amongst the first tranche of operators to be contacted. LB were again contacted on 4th February with the administrative timetable for investigation.

A draft response to the Issues Statement will need careful consideration including close legal scrutiny and put into a form of words that the Commission will understand and recognise. A similar approach must come from all LB stakeholders.

DJM and IC had held a meeting with Tom Aitchison and Dave Anderson of CEC to discuss working closely together to provide a co-ordinated response.

A comprehensive discussion took place as to the best way forward to submitting the appropriate response to the Commission.

Concessionary Fares

IC updated the Board on the Concessionary Fares Scheme.

A meeting was being held on the evening of Thursday 11th February with John Swinney and Stewart Stevenson and the major operators and consultants in Scotland to discuss the issues and concerns of the operators and to agree the budget for the Scheme.

DJM will advise the Board of the outcome of the meeting in due course.

DJM

BSOG

Transport Scotland (TS) will assume responsibility for administering BSOG from 1st April 2010. This will become known as "Bus Quality Scheme" but remain with the same remit for 2010. Beyond that date TS will be looking to encourage operators to invest in integrated ticketing and low-carbon emission vehicles, all of which LB currently operate. (See attached paper from Ian Craig)

Trading

2008 was a particularly bad year but the signs are more positive for 2009. Passenger numbers against last year are not declining and are ahead of budget.

The Chairman read a statement from the Chief Executive of The City of Edinburgh Council assuring that the future of LB will remain within public ownership.

4. Governance and Structure

The Board were updated on the history and current status of the Corporate and Governance structures of TEL.

The **tie** governance powers were now transferred to TEL and the TEL Board will retain control over major changes in scope.

TEL Board will give the TPB delegated authority up to £545m.

Under the terms of Clause 2.22 of the Operating Agreement between CEC and TEL dated 18th December 2009, the TEL Board has the following delegated authority from CEC:

The following matters will be for the TEL Board to determine and report to the Council as appropriate in terms of the governance arrangements set out in Schedule 2:

All matters affecting the programme, cost and scope of the Project except the following which are matters reserved to the Council;

- (i) any actual or reasonably expected delay beyond 3 months after the Baseline Date; or
- (ii) any actual or reasonably expected increase in capital cost which would mean that the Baseline Cost is exceeded by greater than £1,000,000; or
- (iii) any substantial change to the design, scope or service pattern set out in the Final Business Case.

On the basis of the information provided by TEL to the Council, the Baseline Date and the Baseline Cost will be determined by the Council's Chief Executive and notified to TEL from time to time. The Council Chief Executive will require Council approval to specify

- (i) a Baseline Date beyond October 2012; or
- (ii) a Baseline Cost exceeding £545 million.



In assessing the source of actual or potential cost increases, the Board of TEL will use best endeavours to ensure that all financial claims are taken properly into account.

The Baseline Date and the Baseline Cost were confirmed in a letter from the Council Chief Executive to the Chairman of TEL dated 23rd December 2009 at October 2012 and £545m respectively. The Operating Agreement permits the TEL Board to delegate its authority to its Board Committees, the Tram Project Board, and the TEL Board hereby resolves to delegate the authority it holds with respect to the Baseline Date and the Baseline Cost to the Tram Project Board.

5. Committees

The Chairman advised the Board that:

- Health & Safety Committee
- Audit Committee
- Remuneration Committee

Remits will remain the same as per the **tie** Board Remits but a new Nominations Committee was required.

The Remit for the Nominations Committee would be drafted and issued to the Board members.

DJM

There was a pressing need to establish this Committee and hold it's first meeting to ratify the senior appointments in TEL.

6. Any Other Business

The date of the next meeting would be Wednesday 10th March at 1.00 pm in The Kingdom Brunel Room, Citypoint.

Signed and approved on behalf of the Board of TEL by:

David Mackay (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 TEL's publication scheme and The FOI (Scotland) Act 2002. The contents of these minutes will be reviewed by **tie** prior to release and items marked with (C) may be deemed exempt according to the provisions of The FOI (Scotland) Act 2002.*