

**Joint tie Board / Edinburgh Tram Network Minutes**

**Tram Project Board**

**17<sup>th</sup> December 2008**

**tie offices – Citypoint II, Brunel Suite**

<b>Members:</b>			
David Mackay (Chair)	DJM	Donald McGougan	DMcG
Bill Campbell	WWC	Cllr Phil Wheeler	PW
Cllr Gordon MacKenzie	GMcK	Cllr Allan Jackson	AJ
Kenneth Hogg	KH	Cllr Ian Perry	IP
Peter Strachan	PS	Brian Cox	BC
Dave Anderson	DA		
<b>In Attendance:</b>			
Steven Bell	SB	Stewart McGarrity	SMcG
Graeme Bissett	GB	Alastair Richards	AR
Marshall Poulton (part)	MP	Elliot Scott (minutes)	ES
Duncan Fraser	DF		

**Apologies:** Colin McLauchlan, Neil Scales, Jim McEwan

<b>1.0</b>	<b>REVIEW OF PREVIOUS MINUTES</b>	
1.1	2.4. West end tramstop - DJM noted that any further changes to the design in Princes St would have substantial time and cost implications to the tram project. An additional tram stop could be considered further, if necessary, post revenue commencement.	
1.2	3.20. The minute was amended to read: "NR added that, as most buses traverse the city to the bus station or run from the east to terminate at Haymarket, there is a considerable traffic flow across the city centre. While LB could be prevailed upon to terminate some services at either side of the city centre, this did not apply to other operators."	
1.3	3.21/3.22. PW added that he had also written to Malcolm Reed regarding the Gogar interchange. SB updated that he is meeting with TS on the 22 <sup>nd</sup> December and that an instruction to CEC on the chosen option was expected to be received on the 5 <sup>th</sup> January 2009 (see 2.25 below).	
<b>2.0</b>	<b>Presentation and review of PD's report</b>	
2.1	<u>Governance – tie / TEL</u> GB noted that a review of the governance is underway and he outlined the options for tie / TEL / Lothian buses. An update on progress will be provided to the January TPB. DJM added that CEC will vote at the Council meeting on 18 <sup>th</sup> December on a proposal to continue with the review and to report again in March 2009.	GB
2.2	IP raised the question of whether the minority shareholders in Lothian Buses could stop any proposed re-organisation of the structure and shareholding. DMcG replied that they cannot act unreasonably, but that the Council would try to construct a structure that was fair and that he had	

	had initial discussions with the Heads of Finance of the Councils concerned and there was no adverse feedback. DJM also added that it was important to take the other Councils along with the proposed new structure.	
2.3	PS asked whether a change in governance is perceived as being a problem in relation to the contracts with Infraco. DA was also concerned over the timing and the litigious nature of BSC. DJM and GB replied that it was a challenge the team had to face and that the opportunity to streamline was now. KH added that from his point of view there are issues with the current structure. He is concerned that, at times, the <b>tie</b> Board cannot discharge their responsibilities fully.	
2.4	<u>Governance – TMPG sub-committee</u> GB noted the desire of the Council to have a city-wide traffic management group and pointed out that any change to the current Traffic Management Peer Group would require to go through the TPB. DA added that the TMPG is focusing on keeping the city moving during construction, while a city-wide group would have an overview of the integration of projects throughout the city during and past the construction phase of the tram. MP also added that he was happy with the challenge that the TMPG was giving the project, especially with the input from the emergency services (Lothian and Borders Police Superintendent Alan Duncan was noted as a TMPG member). He also confirmed that the TMPG would report through the TPB.	
2.5	<u>Governance – Finance, Commercial and Legal (FCL) sub-committee</u> The TPB approved the remit and the appointment of Stewart McGarrity as chair of the FCL sub-committee.	
2.6	DA expressed his concern that he perceived a communication gap between board meetings. IP questioned whether there were decisions that were being left to the next meeting, rather than being dealt with in a timeous fashion. DJM replied that, as far as he was concerned, the communication between meetings was comprehensive. He added that any urgent decisions required could be made over the phone and that bureaucracy did not prevent decision making. SB also noted that there is a weekly progress review with project managers and directors and that this is summarised weekly to the <b>tie</b> executive and that this feeds into the TS and TPB reports. He added DA was welcome to attend one of these meetings and / or the information could be provided ( <i>later agreed that DF would attend these Tuesday morning sessions</i> ).	
2.7	GM raised the issue of whether additional CEC resource would be required for the sub-committee. DMcG added that he would review CEC resource to ensure that they were on “the front foot”. DJM re-iterated the one-family approach and the desire to discontinue man-marking to rationalise and improve the approach.	
2.8	<u>Governance – Communiactions sub-committee</u> DJM appraised the boards that he had agreed with Tom Aitchison that messages from the project family needed to be short, direct and come from one voice. It was approved that DJM chair the sub-committee in the short-term.	
2.9	<u>Overview</u>	

	SB gave an overview of the current progress and issues. He urged the Board members to visit the mock-up as it reinforced the “end product” for the project.	
2.10	<u>Safety</u> SB outlined the current safety statistics. There was one RIDDOR accident in the period involving a BSC staff member who fell and injured her shoulder. He noted that, although the 13-period rolling AFR is now 0.29, this could reduce to be within the target of 0.24 by the end of Period 13. He also noted the 100% safety tour and inspection target had been met and that the scores were improving. PS was encouraged that the target had been met for the first time in two years. SB also noted the dissatisfaction of the HSE with the contractors progress on Occupational Health Management and that they would review this in April 2009.	
2.11	<u>MUDFA</u> SB gave an update on the progress on the MUDFA works as well as the commercial negotiations held with Carillion. He noted that Carillion performance was slower than anticipated and that the commercial agreement with Carillion had been finalised with no change to the parameters previously outlined to the Boards.	
2.12	In response to DMcG’s question relating to the risk allowance remaining, SB noted that there would be very little left after the anticipated foreseeable drawdown. SMG added that he considered the amounts allocated were conservative. DMcG noted that it was important to ensure all the requirements of the Tram Monitoring Officer were met to avoid any potential delay. SB agreed to run through the draft paper with MP to ensure there was no impediment to concluding the agreement with Carillion.	SB / MP
2.13	<u>Tramco</u> AR briefly updated that the tram mock-up was being used for consultations with disability groups and was available for stakeholders to make bookings to view. Feedback was being gathered and any changes would be incorporated before it went on public display. DA added that it would be good to get the public’s perception of the internal colour scheme.	
2.14	GM queried whether it would be able to be used as an opportunity to get interest groups, for example taxi drivers, along to view the mock-up. AR stated that the current location does not allow for people to “drop in”, but that it will be available for the public in Princes St in February 2009. Both PS and IP noted that it must be stressed that by that stage it will be used for information, not consultation.	
2.15	<u>Infraco</u> SB summarised progress in ongoing discussions with BSC. He stated that collectively there had been insufficient progress, but that a proposal had been agreed to give BSC comfort in areas where they perceive they are exposed. Although there are access issues at Haymarket and at Leith, BSC confirmed their support for the Princes Street closure and agreed there were no impediments to work at the depot and airport. DJM added that there will be a weekly report on progress until the next meeting on 9 <sup>th</sup> Feb 09. Furthermore, as a show of good faith, <b>tie</b> would release some of the money that was legitimately due to BSC, while at the same time it was	

	reinforced that BSC will be held to the contract and for every £1 spent, at least £1 of value must be received.	
2.16	<p>In response to PS query regarding BSCs motivation, SB explained that it was three-fold:</p> <ul style="list-style-type: none"> <li>• They are very risk averse and that approach colours their speed in implementing works;</li> <li>• They feel that they have a strong likelihood of being disrupted and they have a concern that it will not all be able to be recovered; and</li> <li>• They have cost pressures and have to find a way to bridge the gap.</li> </ul> <p>DJM stressed that both sides need to work toward a resolution as the current situation was not getting the tramline built.</p>	
2.17	SB noted that the team were very close to finalising the Forth Ports agreement and that the final design should be received in January. Both DMcG and DA offered their support to help finalise the agreement.	
2.18	<p><u>Princes St</u></p> <p>DA was concerned about the reputation of <b>tie</b> and CEC with regard to the Prince St works, especially considering the disappointing mobilisation to date. SB replied that, although he was confident that the works on Princes Street would go ahead as planned, as the subcontractor had been involved for a month, he would feel a lot more comfortable if the Council agreed on the Princes Street Closure on 18<sup>th</sup> December. A range of options for road reconstruction are being designed depending on the outcome of trial holes currently being undertaken. He noted that there is now a lot more resource available and that <b>tie</b> were monitoring BSC's assessment of their subcontractors' competency.</p>	
2.19	<p>KH noted that he was pleased at the solution arrived at for the closure of Princes St. He asked for an explanation on the process taken to reach this outcome and what had changed since the last board meeting. MP replied that detailed modelling had been undertaken on the two proposals and that while the complete closure could work, there was cause for concern at two or three critical junctions that would be close to capacity and that there is no scope for the displaced traffic if there was a major interruption. However, he was happy with the contingencies in place for emergencies and the process for using these and for the decision on the closure of Princes St once the TM was proven to work was currently being defined. He added that there were a number of variable message signs that would be utilised and that work was underway with an external traffic information provider. SB added that there would be no right or left turns off George St, enhanced signage, fewer buses and enabling works completed (but not enacted unless necessary) for the contingency along Heriot Row.</p>	
2.20	IP stated that it was the response to any issue that arose that was important, not the issue itself. DA stated that the TMPG had been focussed on planning and contingencies and that the one team approach would help with responses to any issues. WWC added that the implementation of the Mound diversion was mid-week while this closure would be implemented on a Saturday, hopefully in the week of the February school holidays.	
2.21	BC asked WWC about the financial impact of the Princes St closure on LB. WWC replied that there would be a slight revenue risk for the routes	

	diverted and that any cost would probably not be any worse than the current ongoing costs. He could not quantify the effect of moving buses from Princes St altogether.	
2.22	<u>Finance</u> SMcG confirmed the current financial position – outturn for 08/09 of £126M and AFC of £512M.	
2.23	Both KH and PS questioned whether costs associated with the current Princes St strategy would be covered within the £512 budget and risk allowance. SB, SMG and DJM all agreed that the additional cost of the measures (having one lane available for a period of time, additional TM, contingency enabling works and breakdown vehicle), as well as the diversions at the Mound not being complete were an extra cost, as BSC had priced on having full access to Princes St and the additional contingency had not specifically been allowed for in the budget or risk allowance.	
2.24	DMcG asked the board when the updated budget would be available. DJM noted that a “first cut” would be available for the January TPB and that he preferred to work to a range rather than an exact figure. DA noted that it was important for his next meeting with TS that a range in costs was available with the revised programme to give them confidence. SMG added that he had regular dialogue with TS. He also stated that any figures given to the January TPB would be <b>tie</b> 's best estimate of the cost and would not be contractually agreed. As such it must be kept confidential to the attendees of the meeting. Furthermore, any changes would go through the project change control process.	
2.25	<u>Gogar interchange</u> SB and SMG updated on the status of the Gogar interchange discussions with TS and the basis that <b>tie</b> would be prepared to accept the change. SB noted that TS were aware that any delay to the decision would have time and cost implications.	
2.26	Following KHs concerns, discussion then centred on the reputational impact on <b>tie</b> and the tram project if a “sub-optimal” option was chosen and whether <b>tie</b> was obliged to do the work. The main points are outlined below: <ul style="list-style-type: none"> <li>• DJM noted that John Swinney, Stuart Stevenson and officials at TS were all aware that the proposed option was sub-optimal. However, he stated that CEC and <b>tie</b> are one family and that, in terms of time and cost, it was the right thing to do. Furthermore, it would do nothing for the relationship between CEC and TS if <b>tie</b> / CEC refused to do the work;</li> <li>• AR added that while the preferred option may be sub-optimal, it does provide a link between the tram and the heavy rail at Gogar and that there are positive points;</li> <li>• KH countered that the right thing may be to do nothing in the short term and wait until the other option can be implemented. However, as CEC and <b>tie</b> will be held responsible in the public view, they should have their arguments prepared.</li> </ul>	
2.27	<u>Network extensions</u> SMG noted that the Line 1b price update will be available on 19 <sup>th</sup> Dec, the	

	Business case had been re-assessed and a status report was being discussed at the Council meeting on 18 <sup>th</sup> December. He also noted that it would be difficult to initiate a TAWS application for the SE tramline as it was not in the STPR. DA agreed to speak with TS regarding <b>tie</b> completing the prequalification for the Edinburgh Bio Quarter Transport assessment consultancy.	DA
<b>3.0</b>	<b>Change</b>	
3.1	SB outlined the change update paper, including the building fixing change approved under his delegated authority requiring £50k funding from CEC and potential future changes. The change paper was noted by the Boards.	
<b>4.0</b>	<b>Risk</b>	
4.1	SB outlined the current risk position and undertook to give more visibility to the Board on the progress on completing treatment plans.	SB
<b>5.0</b>	<b>HR and communications</b>	
5.1	DJM noted that the spirit of working as one team was infectious. He added that it is imperative that the project invests in positive, tangible and visible communication, especially at the worksites.	
<b>6.0</b>	<b>DARs and SRO</b>	
6.1	The Boards noted the revision to the DARs and the appointment of Stewart McGarrity as the interim SRO of the project, replacing Neil Renilson.	
<b>7.0</b>	<b>AOB</b>	
7.1	DJM noted that feedback was expected imminently from Deloitte regarding the project governance. He also noted that there was likely to be an "OGC style" Peer Review next spring.	
7.2	DJM wished everyone a merry Christmas and a happy and prosperous New Year.	
7.3	The date of the next meeting (joint TPB and <b>tie</b> Board) will be 22 <sup>nd</sup> January 2009 at 10.30, with <b>tie</b> Board specific business (including the audit committee) to be dealt with at 9am, prior to the combined meeting.	

Prepared by Elliot Scott 18<sup>th</sup> December 2008.