



tie limited

# **Business Plan Financial Year 2008-2009**

**15 JANUARY 2008**

**DRAFT version 7**

**STRICTLY CONFIDENTIAL  
AND NOT FOR WIDER CIRCULATION**

# CONTENTS

<b>Section</b>		<b>Page</b>
1	Executive Summary	3
2	Corporate Governance	7
3	Project Report – Edinburgh Tram Network (the Tram)	13
4	Project Report – Fastlink	15
5	Project Report – Ingliston Park and Ride	17
6	Project Report – One-Ticket	20
7	Project Report – FETA Main Cable Study	23
8	Project Report – Cross Forth Ferry	26
9	Project Report – CURACAO European Project	29
10	<b>tie</b> internal resources	32
11	Summary - Resources, Expenditure and Funding	34
	<b>Appendices</b>	
I	ETN Final Business Case (v2) Executive Summary	40



## **(1) Executive Summary**

# Executive Summary

## Background

**tie's** business plans since 2002 have been predicated on the strength of the economy in Edinburgh, as one of the fastest growing economies of any major city in Europe. The transport infrastructure projects being developed and delivered by **tie** are widely recognised as vital drivers of the City's future prosperity, in particular the creation of a tram network for the City of Edinburgh Council as part of a fully integrated transport network.

## Progress in 2007

During 2007-08, **tie** made significant progress on all of its projects. The details are set out in the body of the Plan, but a brief summary of achievements is as follows:

### Edinburgh Tram Network

Following the successful conclusion to the Parliamentary Bills the main focus of activity in the 2007/08 year was:

- Continuing design of the Tram under the System Design Services (SDS) Contract.
- Concluding the procurement and successful startup of the utility diversions contract (Multi Utility Diversions Framework Agreement or MUDFA for short).
- Concluding the vehicle supply and maintenance contact (Tramco)
- Delivering the successful novation and integration of Tramco, SDS, infrastructure provision and maintenance under a single contract (Infraco).
- Preparation of the Final Business Case for CEC.
- Assembly of land required to construct Phase 1a of the Tram project.

### EARL

Following a report in May 2007 by the Auditor General for Scotland on the EARL Project the Parliament resolved that the Scottish Government should undertake a review to address the governance issues identified in the report. In September 2007 it was agreed to suspend the project following a vote in Parliament. Work completed to date on the design of EARL will be preserved and archived in a manner which does not close down future options.

### SAK

Following a review of transport strategy by Transport Scotland this project has been transferred to Transport Scotland.

### Fastlink

**tie** continues to act as the guideway manager. It is however intended that this role be transferred to CEC as soon as is practical.

### Ingliston Park and Ride (Phase I)

The project was completed in 2005 and utilisation has substantially exceeded expectations. Tens of thousands of car journeys have been replaced with the X48 bus service.

### Ingliston Park and Ride (Phase II)

The design and construction of the second phase is now underway and is expected to be fully operational in spring 2008.

### One-Ticket

**tie** have facilitated negotiations with the rail operators with a view to One-Ticket launching a *rail with bus* product. The launch took place during May 2007. The development of the existing *bus with bus* product is reflected an increased turnover and continues to progress.

### FETA Main Cable Study

**tie** is assisting FETA with the delivery of the main cable study. Technical consultants have been appointed.

### Cross-Forth Ferry

**tie** is assisting Fife Council with the delivery of the ferry study. Technical consultants have also been appointed to this project.

### Curacao

The project seeks to promote and support the fairer and more efficient pricing of road use in urban areas throughout Europe. **tie** will continue its roles in engagement with the wider European community to disseminate experience and information from the Edinburgh congestion charging scheme.

### **Plan for 2008-09**

It is useful to consider the growth experienced by **tie** in recent years, as exemplified by the expenditure for which **tie** is responsible:

2002-03	£3.6m
2003-04	£12.3m
2004-05	£23.3m
2005-06	£22.5m
2006-07	£43.6m
2007-08	*£105.9m
2008-09	**£167.8m

\* Forecast

\*\* Plan

The growth in expenditure reflects the delivery of the projects under **tie's** management. The expenditure in the current year was largely driven by the tram project, however there were substantial costs attributable to the suspension of EARL midway through the year. Expenditure next year is largely predicated on the tram project continuing to programme. This Plan document is lengthy and is intended to provide the Board and **tie's** stakeholders with a clear and detailed view of the progress made and the substantial challenges ahead.

Maintaining control over such rapid growth has been a principal focus of **tie's** Board of Directors and management team. Section 2 of this plan therefore describes **tie's**

Corporate Governance processes which seek to ensure that **tie's** projects are executed to the highest possible standards. Sections 3-11 describe the progress made on the projects for which **tie** has responsibility and the project plans for 2008-09 and beyond. Section 12 describes **tie's** the resources deployed to support the project teams. Section 13 brings the expenditure plans and funding requirements together in summary tables.

The plan for FY08/09 is prepared on the following basis for the Tram project. Full details of all projects are contained in Sections 3-11:

#### Edinburgh Tram Network – Activities in 2008/09

The principal activities on the tram project in 2008/09 will be

- Completion of Detailed Design under the SDS contract.
- Completion utility diversions under the MUDFA contract and completion of other preparatory work prior to construction of the Tram infrastructure.
- Delivery of construction milestones for the Tram infrastructure and Vehicle supply under the Infraco contract.
- Continuing development of the TEL Business, including the integration of Tram and bus, and detailed planning for Tram operations with the assistance of Transdev, the future operator of the Tram.
- Conclude the viability of delivery of Phase 1b within agreed funding, and
- Continuing communication and consultation with stakeholders.



## **(2) Corporate Governance**

## Corporate Governance

**tie** is committed to the highest standards of corporate governance to ensure the company provides value for the public money it receives and is effective in achieving the objectives of its clients. This is achieved through both internal and client monitoring procedures.

During the course of 2007, **tie**'s portfolio has been streamlined and now comprises:

Edinburgh Tram Network  
Fastlink (busway operation and maintenance)  
Ingliston Park and Ride  
One-Ticket administration  
FETA (Forth Bridge) Main Cable Study  
Cross-Forth Ferry  
Curacao

### The Board

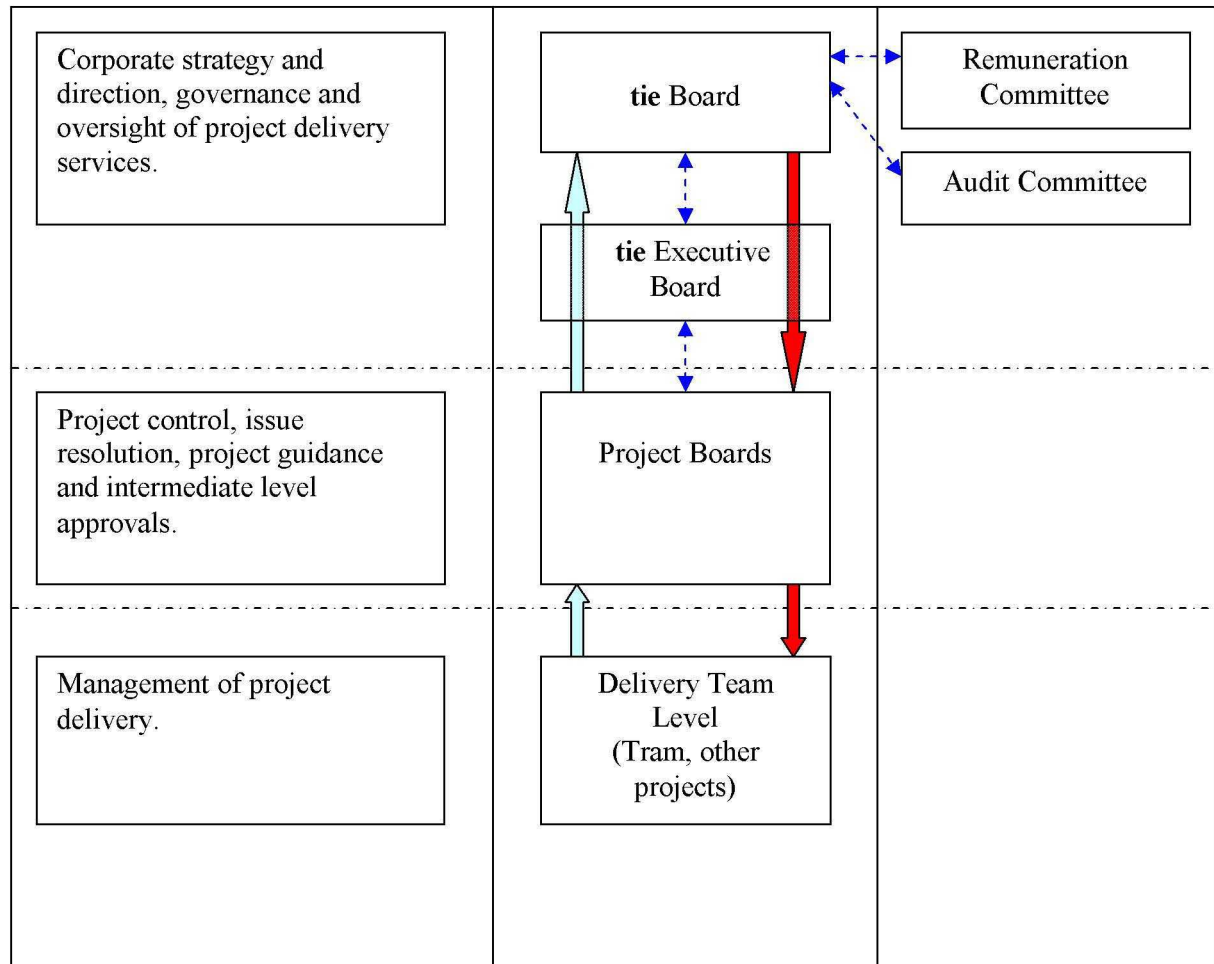
- Willie Gallagher (Chairman)
- Brian Cox
- Cllr Ricky Henderson
- Kenneth Hogg
- Cllr Allan Jackson
- Cllr Gordon Mackenzie
- Neil Scales
- Peter Strachan
- Cllr Phil Wheeler

Under its Chairman Willie Gallagher, the Board meets regularly to review the overall strategy for the company, the outputs produced in the name of the company, and to monitor project delivery and financial performance. A Remuneration Committee chaired by Brian Cox monitors and approves staff salaries and conditions. The Board's Audit Committee, chaired by Kenneth Hogg, is responsible for monitoring governance, internal control and internal audit. Before the end of 2007-08 the company will have instigated a Health & Safety Committee of the Board to monitor this critical area as the tram project moves into full-scale construction. During the year, Cllr Maureen Child resigned as a director and **tie** is most appreciative of her contribution since the company's inception. We welcomed Cllr Gordon Mackenzie to the Board during the year.

The **tie** Board is required to consider a range of matters that involve differing groups of stakeholders. The Board invites **tie** management and observers to attend the relevant sections of its meetings, depending upon the subjects under discussion.



## tie governance structure



The **Executive Chairman**, Willie Gallagher, has overall responsibility to the **tie** board for achievement of **tie**'s objectives. The Executive Chairman's personal role is strongly focused on communication at the highest level with the key external stakeholders and on delivering for its clients.

The Management Team meets regularly as the Executive Board ("EB"). The **tie** EB is an operational board, chaired by the Executive Chairman.

The EB acts as a means of –

- Ensuring that all aspects of **tie**'s business are managed effectively.
- Keeping EB members accountable for their commitments, which should span the whole company's operations.
- Achieving teamwork, including cross-project efficiencies and management of project interface issues.
- Monitoring project delivery performance, but without duplicating the project governance structures.
- Developing appropriate degrees of consistency in all aspects of managing **tie**'s people.
- Ensuring consistency in external communication – public, stakeholders, media.
- Ensuring compliance with all relevant regulations and statutes.

- Acting as a watchdog for self-imposed bureaucracy.

**tie** is structured as a project-led organisation, with shared service support. Some members of the EB have project specific roles, some lead shared services. However, as members of the EB, each individual is expected to contribute to all aspects of the business.

The specific business activities to be monitored by the EB include:

- Project delivery performance – programme, funding & cost, scope & quality.
- Business development.
- Health & Safety, Quality and Environment – in relation to our people and the projects.
- Governance and control effectiveness – company and project .
- Corporate planning.
- Company financial performance – including overhead efficiency.
- Risk management – company and project.
- Communications – internal and external, including FOISA and critical stakeholder relationship management .
- HR.
- ICT systems and support.
- Office administration.

### **Regular monitoring and communication arrangements**

Key financial monitoring arrangements include:

- A regular review by the **tie** board of financial performance, supported by a Monthly Financial Performance Report prepared by **tie**.
- The **tie**/CEC Operating Agreement provides the framework for external monitoring by CEC. **tie** provides returns to CEC on a monthly basis through the invoicing process. This allows CEC to monitor progress against **tie**'s annual business plan approved by CEC. These returns are supplemented by regular liaison meetings between **tie** and CEC officials, allowing any variations to the plan to be explored.
- On a wider basis, **tie** seeks to maintain regular contact with Transport Scotland and relevant parties within the Scottish Government by means of project specific meetings.

### **Overview of control environment**

A comprehensive set of Delegated Authority Rules (“DARs”) for financial and contractual matters have been documented and implemented. The DARs cover initiation of spend through approval for payment to financial reporting. The DAR’s are approved by the **tie** Board and carry the authority of the **tie** Board. The formal responsibilities of **tie**'s Board are enshrined in the relevant Operating Agreements and in the agreed Governance structure for each project.

Each Project has its own, though similar reporting and monitoring disciplines.

**tie** has implemented industry leading accounting and project management applications to facilitate and improve financial reporting and integration between corporate and project level reports.

## **Audit Committee (“AC”)**

The AC comprises independent non-executive directors of the Board as determined by the Board.

The remit, on behalf of the **tie** Board, is:

- Oversight of **tie** governance procedures
- Assess the adequacy of **tie**'s system of risk management and internal control
- Assessment of audit and accounting issues as they may affect **tie**'s financial reporting, internal (within **tie**) and external (to stakeholders and to the public)
- Oversight of the external and internal audit functions, and
- Oversight of the application of **tie**'s Policy on Public Interest Disclosure

The committee meets at least twice per annum to consider:

- Operations and any proposed changes to governance procedures
- Appointment and scope of work for the Internal and External Auditors
- Follow up on Internal and External audit recommendations from the previous year
- Review of the Audit Committee's effectiveness
- Review and approval of statutory accounts with attendance by the external auditors
- Assessment of adequacy of the company's systems of risk management and internal controls
- Disclosure of Information to the Auditors by individual Directors, and
- Reports submitted by the Internal Auditors

## **Project Governance**

The governance procedures for all of **tie**'s projects were reviewed and, where necessary, revised during 2006.

For Tram, a Project Board operates as the pivotal governance body with delegated authority from the principal stakeholders. These arrangements are currently evolving to fit with the requirements of the Tram project as it moves into full-scale construction. Full details of the tram project governance structure are contained in the Final Business Case approved by the Council on 20 December 2007.

Other projects have similar arrangements appropriate to the circumstances of each project and in all cases the structures seek to embrace key stakeholders' views while retaining clear responsibility and accountability and to ensure efficient project delivery and proper levels of control over cost and programme.

## **Risk & Opportunity Management - Actions, Controls and Fall-Back**

Risk and opportunity management arrangements are incorporated across corporate and projects activities. Project management activities are supported and monitored through registers of risks and opportunities, assumptions and concerns.

The evolution of **tie**'s major projects and their intensifying risk profile creates the need for an enhanced risk management approach. This has been demonstrated in 2006 at project level with the investment and implementation of Active Risk Manager (web-based enterprise-wide risk management software) to support Tram and corporate activities. In

addition, we have increased consideration of corporate and aggregating project risks at main Board level.

We adopt a holistic approach towards risk management across all of the business. The most significant risks are escalated and reported on an individual project and monthly basis in the form of Primary Risk Registers to Project Board level. The Project Primary Risk Registers have been assessed to identify common (and potentially compounding risks) and key corporate risks and reported as a Summary Primary Risk Registers to Board level. The Boards have been kept informed of risks throughout the year.



### **(3) Project Report – Edinburgh Tram Network (the Tram)**

## Introduction

With the cessation of work on EARL, the Edinburgh Tram Project will account for over 99% of planned expenditure by tie in 2008/09. The Final Business Case for the project was approved by CEC on 20<sup>th</sup> December 2007 and the Executive Summary thereof is included in full at Appendix II.

Expenditure on the project during the year 2008/09 will be funded by Scottish Ministers and CEC in accordance with the agreed principles of the Grant Offer from Scottish Ministers.

## Programme

The level of expenditure on the ETN during the year 2008/09 will be primarily be driven by the date of award of the main contracts for tram vehicle supply and infrastructure provision. Forecast expenditure for the forthcoming year of £167.3m is based upon the following table of key milestone dates:

Milestones	Date
Approval of DFBC by CEC.	21 Dec 06*
Approval by Government of continuing funding including utility diversions based on the DFBC.	16 Mar 07*
TRO process commences.	28 May 07*
Tramco – Complete initial evaluation / negotiation.	07 Mar 07*
MUDFA – Completion of pre-construction period of MUDFA contract.	30 Mar 07*
MUDFA – Commencement of utility diversions.	09 July 07*
Infraco – Return of stage 2 bids.	08 May 07*
Tramco – Recommendation of Preferred Bidder.	19 Sep 07*
Infraco – Completion of evaluation / negotiation of bid.	09 Oct 07*
Infraco – Recommendation of Preferred Bidder.	15 Oct 07*
Tramco / Infraco – Final facilitation of novation negotiation complete.	16 Nov 07*
Tramco / Infraco – Final negotiation and appointment.	12 Dec 07
Infraco – Negotiation of Phase 1b complete.	12 Dec 07
Approval of FBC by CEC approval and funding for Infraco / Tramco and all related works to completion of project.	20 Dec 07
Tramco / Infraco – Award following CEC / TS approval and cooling off period.	28 Jan 08
Construction commences Phase 1a.	01 Feb 08
TRO process complete.	17 Nov 09
Commencement of test running Phase 1a.	27 Aug 10
Operations commence Phase 1a.	Q1 2011

\*completed



## **(4) Project Report - Fastlink**

## Project Brief and Description

Edinburgh Fastlink became operational in December 2004. Since then, Lothian Buses have reported 15 minute peak period journey time savings and improved reliability of service on those services using the route. Car journey times on the neighbouring roads have similarly been shortened. This Business Plan assumes that tie will continue to provide Guided busway management resources to ensure compliance with the guided busway management procedures throughout 2008/09. However, it is intended that this role be transferred to CEC as soon as is practical.

## Project Governance

The tie board will continue to be updated of any significant changes or developments regarding the management of the guided busway.

## Review of 2007/2008.

Inspections have continued and routine maintenance undertaken as required.

## 2008/2009 and beyond

The project is operational and further funding will be required from CEC to meet all maintenance, repairs, tie costs and insurances.

## Resources

<b>Grade</b>	<b>2007-08</b>	<b>2008-09</b>
Project Director (part-time)	Yes	Yes
Project Manager/Guided Busway Manager	Yes	Yes
Inspector / Guided Busway Manager(s) – Relief 0.5 day/week time allocation	Yes	Yes

## Estimated Management and Maintenance Cost 08/09

<b>Work or purpose</b>	<b>Amount (£) To End 08/09</b>
Guideway Equipment Maintenance contracts	29,000
Litter Picking and Sweeping	10,000
Repairs	10,000
tie time and insurances	115,000
<b>Total 08/09</b>	<b>164,000</b>

Management of the guideway will continue unless otherwise directed by CEC.





## **(5) Project Report - Ingliston Park and Ride (phase I and II)**

## **PHASE I**

### **Project Brief and Description**

Ingliston Park and Ride Phase I was the second piece of Infrastructure delivered by **tie**. The project formed part of a suite of Park and Ride sites provided on radial routes around Edinburgh providing high quality facilities and frequent bus services with the objective of providing a viable alternative to the private car for journeys into Edinburgh.

Phase I of the facility (with 535 spaces) opened on 8<sup>th</sup> September 2005. On opening, the car park was 40% full within three weeks. Following two years of operation the site is normally 80%-100% full. Patronage is predominantly business commuters however observation has shown that it is also popular with shoppers and tourists.

### **Project Governance**

The **tie** board will continue to be updated on a monthly basis of any significant changes or developments regarding latent defects.

### **Review of 2007/2008**

There was no construction activity during the year and the earlier dispute with the main contractor resulted in adjudication. **tie**'s costs and advisor costs in 07/08 reflect management of this dispute and ongoing costs associated with the maintenance of the facility.

Latent defects have been identified relating to the drainage and the roofing of the terminal building and satisfactory resolution of these matters is being concluded with the main contractor Border Construction.

### **2008/2009 and beyond**

No expenditure is forecast for 2008/09 and Phase I of the facility will be handed over to CEC as soon as practical.

## **PHASE II**

### **Project Brief and Description**

Phase II of the project will increase the capacity at the Park and Ride facility to around 1,080 spaces. The aim is to eventually provide up to 1500 spaces which is anticipated will meet existing and expected demand in advance of Tram operations commencing. Phase II provides as many additional spaces as can be funded through the available budget.

### **Roles and Responsibilities**

There are a number of key individuals and entities:

<b>tie</b> Limited	Procurement and Project Management.
City of Edinburgh Council	Promoter & Funder.
SEStran	Funder.
Bus Operator	Open access by agreement, Lothian Buses plc presently sole operator of Phase 1.
<b>tie</b> Technical Advisor	Technical Support Services (TSS) provider.

Legal Advisor  
Main Contractor

DLA Piper Scotland LLP.  
R J McLeod Ltd.

### **Project Governance**

This project is being delivered by **tie** on behalf of the City of Edinburgh Council. Funding for the project is being primarily provided by SEStran (£1.9m) and CEC (£548k).

The IPR2 Steering Group, comprising representatives from the City of Edinburgh Council, TEL and **tie**, is responsible for ensuring that the project is delivered on time, on budget, to specification and achieves the original objectives of the project. The Group meets to:

- review progress on the project,
- review quality with regard to compliance with Scope,
- review programme,
- review expenditure,
- agree on items to be reported to SEStran for approval,
- agree on items requiring the attention of the Tram Project board, and
- agree on items requiring the attention of the TEL board.

Where scope alters – CEC will review programme, budget and quality.

Where change effects budget or programme this will be reported to SEStran.

On a 4 weekly basis the Steering Group will continue to be updated by the Project Manager on project progress. In parallel the Project Manager reports to CEC on a monthly basis and the **tie** Board will also be updated by the Project Director and Project Manager. The TEL Board are represented on the Steering Group which will allow a reciprocal report on any issues which directly affect the Ingliston Park and Ride Phase II project to be informed.

### **Review of 2007/2008**

Following the completion of the design works tenders were sought for the construction of the extension to the car park. A contract was awarded for the work on 18<sup>th</sup> September 2007, to R J McLeod, in the sum of £1.6m. Works started on site during early November to construct a 438 space car park extension.

Following the suspension of the EARL project parking layouts were reviewed and the contract has been varied. This will allow the construction of a larger facility that is of a more regulated layout, with up to 530 new spaces.

### **2008/2009 and beyond**

Construction works should be completed in early April 2008 with the Phase II carpark formally opening immediately thereafter. Any snagging works will then be completed with the contractor taking responsibility for site maintenance for the 12 months following completion (36 months for landscape works).

### **Resources**

**tie's** resources for Ingliston Park and Ride Phase II will continue to be managed in accordance with the IPR 2 Project Management Plan, with governance appropriate to meet the requirements of the SEStran and CEC funding partners.



## **(6) Project Report – “One Ticket”**

## Project Brief and Description

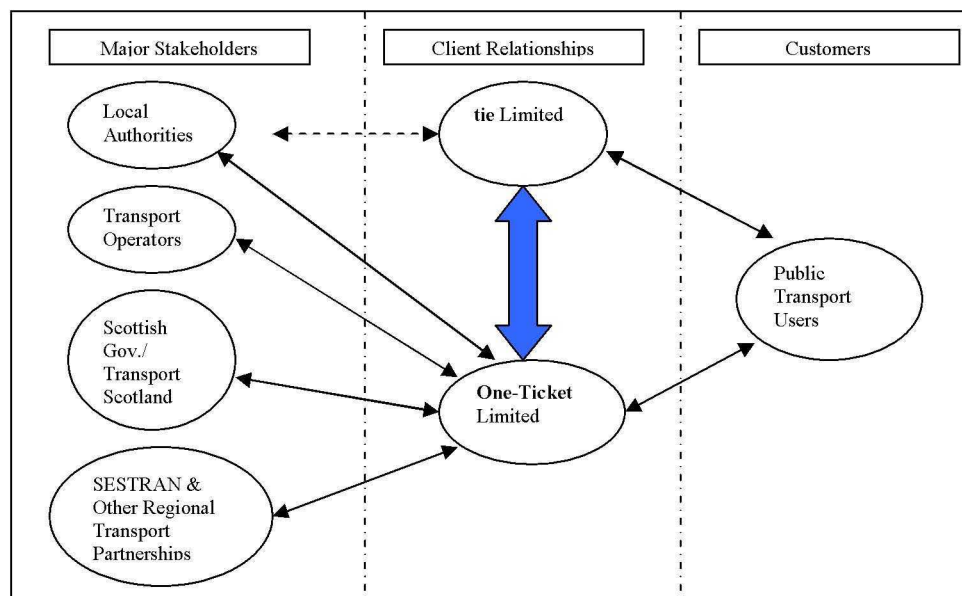
The main objective of **One-Ticket** remains to increase the use of public transport and achieve modal transfer from car to public transport within the SEStran area. Transport Scotland's Corporate Plan refers to Ministerial commitment to increase the availability of integrated ticketing throughout Scotland. Integrated ticketing is where a single ticket can be used for a multi operator, multi sector, multi-modal journey. **One-Ticket** is achieving this.

## Roles and Responsibilities

The roles and responsibilities for this project can be clearly defined as:-

**One-Ticket Limited** - Client

**tie Limited** - Project Management (Administrative) Service Provider



## Project Governance

The nine person **One-Ticket** Board comprises the following:

John Elliot (Chairman)	Traveline Scotland	Chief Executive
Robert G Andrew	Stagecoach Scotland	Regional Director
William W Campbell	Lothian Buses plc	Operations Director
Paul Coupar	First (Glasgow) Ltd	Development Manager
Stuart J Lockhart	<b>tie Limited</b>	Finance Manager
Alex Macaulay	SEStran	Partnership Director
Nigel Serafini	Lothian Buses plc	Business Development Manager
David B Stewart	First Edinburgh Ltd	Finance Director
Peter Williams	First Scotrail Ltd	Commercial Director

The operating agreement between **tie** and **One-Ticket** enables **tie** to provide **administrative services**. An annual performance review of **tie Limited** takes place in March/April each year.

The Project Manager (Stuart Lockhart) handles relationships with the “client” directly, has regular engagement with the Board of Directors and attends the quarterly **One-Ticket** Board meetings. The Board meetings are the decision-making body and there is some limited delegated authority to **tie**.

### Review of 2007/2008

**One-Ticket** launched a ***rail with bus*** product in May 2007. A revised Joint Venture Agreement (JVA) was produced in support of this. The development of the existing ***bus with bus*** product is reflected in increased turnover and continues to progress. A summary of turnover, year on year, is shown below:

Year Ending 31 <sup>st</sup> March	£
2002	534
2003	152,084
2004	508,433
2005	675,658
2006	708,915
2007	880,103

The forecast for 2007/08 is in excess of £1m.

### 2008/2009 and beyond

Continue to actively promote the “brand” and increase market share. The appointment of a Commercial Manager, who will be employed by **tie**, will be made once the Board are happy that the business can sustain it. **tie** have assumed a full-time permanent appointment effective 1<sup>st</sup> June 2008. This appointment is subject to **One-Ticket** Board approval.

### Resources & Funding

The key assumptions are that an element of **tie**’s payroll costs in relation to the above are charged and are recoverable from the client.

Grade	Current Year	2008/2009
Administrative Support	Yes – Part time	Yes – Part time
Finance Manager	Yes – 1 day/week	Yes – 1 day/week
Commercial Manager (TBA)	No	Yes – Starting June 08



## **(7) Project Report - FETA Main Cable Study**

## **Project Brief and Description**

**tie's** involvement with FETA commenced in December 2004 assisting with the development of proposals for a road user charge on the bridge. This was terminated by the then Scottish Executive following the rejection by the Transport Minister to give approval in principle to the scheme in February 2006. Shortly after **tie** was asked by FETA to assist with procurement and management of consultants to examine the feasibility of replacing or augmenting the bridge main cables. A recent examination of the cables have shown unexpected levels of corrosion and without intervention the reduction in strength could mean the bridge closing to goods vehicles in 2013 and all traffic in 2018.

## **Roles and Responsibilities**

There are a number of key individuals and entities:

FETA	-	Client and Project Manager
<b>tie</b> Limited	-	Project Management and Transportation Advisor
Scottish Government	-	Reviewer and Legislator

## **Project Governance**

The principal client contact is Barry Colford, FETA's Depute General Manager and project manager for the study. The FETA Project Manager handles relationships with the third party advisors directly and is the main point of contact for the **tie** Project Manager. There is no "Project Board" or equivalent in operation. The decision making process is through the General Manager Alastair Andrew reporting to the FETA Board. The Board meetings are effectively the decision-making mechanism and accordingly there is no delegated authority to **tie** or any other party for change control, contractual/expenditure commitment or cash payment.

Progress on **tie's** involvement in the project is monitored by **tie's** Executive Board and periodically by the **tie** Board.

## **Review of 2007/2008**

The corporate target for this project is to assist FETA with the delivery of the main cable study on time and on budget.

<b>Key Activities / Deliverables</b>	<b>Original Completion Date</b>	<b>Projected Completion Date</b>	<b>Status</b>
Appointment of Main Cable Consultant	October 2006	October 2006	Completed
Delivery of preliminary findings	May 2007	May 2007	Completed
Completion of study	November 2007	April 2008	Completion delayed due to additional geotechnical and traffic surveys.



### **2008/2009 and beyond**

Early during 2008-09 it is expected that the main activity of reviewing the consultants findings will be completed. Further advice may be provided on a possible procurement strategy and funding mechanism to take the project forward to implementation although this will be dependant on further monitoring of the main cable condition and government decision on the provision of a new crossing.

### **Resources & Funding**

With this commission we are able to utilise the expertise of staff within **tie** (and particularly those who have relevant experience) for the benefit of the client.

<b>Grade</b>	<b>Current Year</b>	<b>Budget Year</b>
Project Manager	Yes – 25%	Yes – 10%

The **tie** costs associated with this scheme relate purely to staff time and overheads. These are fully recovered from the client through monthly invoices in arrears. It should be noted that external advisors are appointed directly by FETA and these costs do not pass through **tie**'s accounting system unless **tie**'s advisors are utilised. The estimate of time costs recoverable from the client for 2008/09 as above is provisional pending agreement of the scope services for the year.



## **(8) Project Report – Cross Forth Ferry**

## Project Brief and Description

Project Management Services to Fife Council started in August 2005. These relate to the development of proposals for a passenger ferry service linking Kirkcaldy and Leith in support of Local and Regional Transport Strategies. The main work at present involves the management of the project on behalf of Fife Council and the client steering group. Hyder Consulting were appointed as marine consultants by Fife Council in September 2006 and they will be responsible for developing the details of the passenger ferry service.

## Roles and Responsibilities

There are a number of key individual and entities that it is important to set out the roles and responsibilities.

Fife Council	-	Client and Steering Group Lead
City of Edinburgh Council	-	Steering Group Member
FETA	-	Steering Group Member
Forth Ports plc	-	Steering Group Member
SESTRAN	-	Steering Group Member and main funder
tie Limited	-	Project Manager
Scottish Government	-	Possible Funder and Approving Authority

## Project Governance

The principal client contact is Fife Council's Lead Officer. There is a Project Steering Group comprising Fife Council, SESTRAN, CEC, Forth Ports and FETA, chaired by the Fife representative. The tie Project Manager is the main point of contact with the Marine Consultant and reports directly to the Fife Council representative. The Steering Group which is effectively the decision-making mechanism is managed by Fife with assistance from the tie Project Manager.

Progress on tie's involvement in the project is monitored by tie's Executive Board and periodically by the tie Board.

## Review of 2007/2008

The corporate target for this project is to assist Fife Council with the delivery of the ferry study on time and on budget.

<b>Key Activities / Deliverables</b>	<b>Original Completion Date</b>	<b>Projected Completion Date</b>	<b>Status</b>
Appointment of Marine Consultants	September 2006	September 2006	Completed
Delivery of phase 1 report	February 2007	August 2007	Completed late due to addition work required on business case.
Delivery of phase 2	July 2007	January 2008	In progress
Delivery of phase 3	January 2008	June 2008	Not started
Delivery of phase 4 and completion of current commission	August 2008	August 2008	Not started

### 2008/2009 and beyond

During 2008-09 it is expected that the main activity will be continuing with managing the marine Consultant and advising the client on the development of a procurement strategy and funding mechanism to take the project forward to implementation.

### Resources & Funding

With this commission we are again able to utilise expertise of staff within **tie** (and particularly those who have relevant experience in this type of work) for the benefit of the client.

<b>Grade</b>	<b>Current Year</b>	<b>Budget Year</b>
Project Manager	Yes – 35%	Yes – 35%

The **tie** revenue costs associated with this scheme relate purely to staff time and overheads. These are fully recovered from the client through monthly invoices in arrears. It should be noted that external advisors are appointed directly by Fife Council and these costs will not pass through **tie**'s accounting system unless **tie**'s advisors are utilised.



## **(9) Project Report – CURACAO European Project**