

## 2.3 Programme for delivery into revenue service

- The Master Project programme has been updated. This shows
  - delivery of Phase 1a into revenue service by December 2010 assuming Infraco contract award in October 2007
  - delivery of Phase 1b into revenue service in December 2011 assuming a start date of late June 2009.
  - and commencement of MUDFA works in March 2007.
- There are a number of assumptions inherent in this programme including the need to commence the piled wall adjacent the A8 and site clearance works at the depot early. A scope of works, procurement plan and estimated cost is being produced for approval.
- Assumptions around the TRO process are also inherent in the programme. These are principally :-
  - no on street works until after the TRO has been granted in July 2008 and
  - assumes that there is no judicial review of the TRO process.

## 2.4 Other achievements in November

- A recruitment plan has been developed by the Tram Project to secure the resources required by its draft construction phase organisation chart.
- The Project is currently drafting a protocol which will set out how the necessary TTRO will be arranged and managed on a section by section basis. This Protocol will include traffic modelling based on SDS's Traffic Modelling Plan.
- Land Purchase - Supporting materials ("deposit documents") delivered to the city chambers and the 6 partner libraries. Documents delivered were: Notice letters were issued 28<sup>th</sup> November 2006 to coincide with publication of the Notices and Schedules in The Scotsman.

## 2.5 Other actions for December

- Mudfa Contractor –
  - to submit updated Risk management plan to tie in November – delivered
  - Initial buildability report due on 15th December
- Presentations of revised tender and evaluation process and programme to Infraco and Tramco to explain the changes arising from the staged delivery of Phase 1b.
- Infraco Contract –
  - Meeting with Siemens in Berlin week commencing 11<sup>th</sup> December to explain revised tender and evaluation plan.
- SDS – to reissue MUDFA TTRO and schedule to tie on 4<sup>th</sup> Dec.
- OCIP – Preliminary Qualification Questionnaire returns due 8<sup>th</sup> December 2006

## 3. Key Issues and Concerns

### 3.1 Resolution of issues and concerns arising last month (October)

- System Design Services (SDS) – Numerous meetings have been held with SDS senior management in an attempt to address issues associated with:
  - Progress of design
  - Prioritisation of the detailed design programme
  - Quality of product
  - Resourcing to meet the programme
  - Non-compliance issues

Monitoring of SDS progress in relation to issues ongoing in addition to close liaison with Parsons Brinkerhoff project team and Parsons Brinkerhoff senior Management.

- TSS are preparing a report on the Preliminary Design, which was due to be complete by end of November 2006. This will now be delivered during week commencing 4<sup>th</sup> December 2006.
- Progress has been made with SDS in phasing the utility diversion plan to meet with the construction requirements. In addition, tie has appointed a Project Manager, on a short term basis, to manage the design of utility diversions to ensure that momentum is maintained. Co-location of teams has been ruled out as an option to improve the delivery of design but the series of design Partnership Meetings involving SDS, AMIS and the Project's MUDFA team along with the statutory utility companies to fast track design have commenced. The tie workstream Project Manager has received positive feedback from Amis & SDS Management regarding Partnership meetings.

### **3.2 Current key issues and concerns arising in the November are:-**

- Infraco – One bidder has requested an extension on the tender submission return date of 9<sup>th</sup> of January 2007. The team will advise all bidders that the tender submission return information will now be returned in phases commencing the 12<sup>th</sup> of January 2007 with return of final bids on 4<sup>th</sup> of April 2007.
- The team highlighted in the DFBC that there are no costs contained in the estimate for the eradication/treatment of invasive species. Eradication is required by landowners, including CEC, under statutory legislation and treatment is a prerequisite prior to commencing construction of works for the Tram System. A meeting is being arranged with CEC to discuss their timescales for this.
- JRC – Variations have been requested in the past by stakeholders in connection with the JRC. It should be noted that any future variations (since the DFBC was submitted) will require clarification and confirmation of the budget source prior to any variation being implemented and formally varied into the JRC contract.
- SDS design – certain issues have arisen around the aesthetics of structures, both new build and the refurbishment of existing structures. A robust process for agreeing design aesthetics between CEC planning and the Project Team is urgently required.
- Immunisation works (Network Rail interfaces) – a meeting with Transport Scotland and Network Rail concluded in agreement on actions required to firm up a plan to co-ordinate immunisation works between Tram and the Airdrie – Bathgate projects. A workshop will be held in December 2007 to review this issue (date to be agreed)
- DPOFA – Negotiations are ongoing with Development Operating Framework Agreement (DPOFA) and a revised contract is to be agreed before the end of the Calendar year.
- Ingliston Park and Ride Phase 2 – A change request will be presented to the next Tram Project Board requesting commencement of temporary works at Ingliston. A draft programme for the full scope of works has been prepared and forwarded to CEC. This requires that formal prior approval and TRO processes happen in parallel with the tender process in order to meet the deadline of appointing a contractor on the 1st April 2007. A procurement strategy paper has been prepared and forwarded to CEC. This will be updated where appropriate on receipt of a review prepared as part of the TSS

estimate for consultancy services. This recommends utilising in-house design resource and a separately priced construction contract with Bill of Quantities. Costs from TSS are due this week.

#### 4. Risks and Opportunities

**4.1 Activities** – Active Risk Manager has been installed onto tie's IT system and is currently being deployed across the Tram project as a tool to manage risk/opportunities, issues, assumptions and concerns. The tool is deployed on an enterprise basis and allows many people to manage risk/opportunity through a single easily available data source. Configuration of the system is ongoing and full deployment and use of the tool is expected to be achieved during January. Basic training sessions have been undertaken with Project/Functional Managers and this will be backed up by detailed training from the Tram Project Risk Manager on a one-to-one basis. The main priority for all Project Managers will be to detail mitigation actions for all risk items detailed.

#### 5. Financial and Change Control Position

##### 5.1 Financial Status

The increase in forecast for the current financial year from £40.02m (October) to £44.04m is primarily due to bringing forward Phase 1a land acquisition. This increase excludes the value of CEC owned and gifted (Section 75) land. The Total VOWD amount included in financial year 2006/2007 for land is £10.671 million.

The current AFC for the scheme has been reduced to £592.4m to reflect the Draft Final Business Case (DFBC) submission amount and updated Preliminary Design Stage Project Estimate.

The VOWD to November is £60k higher than the corresponding forecast last month. Increased Scottish Gas Networks costs for long lead materials and a review of the MUDFA pre-construction costs to financial year end have contributed significantly to this variance.

#### Current Year Position

<b>B - VOWD in current month 06/07</b>				
Month £k (Incremental)	Current Actual £k (Cumulative)	Previous Forecast £k (Cumulative)	Variance £k (Current minus Previous)	Comment
£3,329	£20,132	£20,072	£60	For reasons for variance refer to Appendix C

<b>C – AFC - Current Financial Year position - To March 07</b>				
Approved Funding £k	Current Forecast £k	Previous Forecast £k	Variance £k (Current minus Previous)	Comments
£44,041*	£44,041	£40,022	4,019	Refer Appendix C for individual budget line variances.

*\*To end March 2007 reflecting new Approved Funding Paper (Nov 06)*

<b>D – AFC - Anticipated Final Cost</b>				
Benchmark funding £k	Current Forecast £k	Previous Forecast £k	Variance £k (Current minus Previous)	Comments
£545,000	£592,400	£623,000	(£30,600)	As Approved Preliminary Design Stage Project Estimate

**Submitted by:-** Andie Harper  
Project Director

**Date:-** 05/12/06

**tie Limited**

**Paper to** : **tie Board**  
**Subject** : **EARL Project Update**  
**Date** : **11<sup>th</sup> December 2006**

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1. Executive Summary

Cost Status as at end of October 2006 (Financial Year – 2006/07)

(All figures have been taken as at end of October 2006 due to timing of project reporting)

		Budget	Forecast	Actual
Actual cost in month:	43% under budget	1, 685,678	1,284,609	955,662
Actual year to date:	40% under budget.	11,109,667	6,990,241	6,661,293
Annual cost forecast:		16,728,975	14,004,425	

The actual spend is under budget due to the delayed award of the Technical Support and Design Services & Geotechnical Consultant (TSDS) contracts with further slippage due to the non-engagement of BAA within work-streams associated with TSDS design, stakeholder management and procurement.

The forecast has also incurred slippage due to further development works being required, than originally anticipated on the permanent way and signalling disciplines, to address the performance concerns raised by Network Rail.

The TSDS design has the station design as the critical path and the forecast incorporates reference design being completed by August 2007 and is dependent on BAA being engaged at project level by December 06.

2. Parliamentary Progress

Preliminary Stage

Following the concerns raised by the Preliminary Stage report, further evidence is required from tie, Transport Scotland and Network Rail on December 11 on timetable modelling, rolling stock and premium fares.

Consideration Stage

Further written evidence was received by the Parliament from objectors on 6 November. The objectors that submitted further evidence are provided with the

opportunity to give oral evidence during the Assessor hearings. The PBU hosted a number of timetabling sessions between tie and objectors, the purpose to discuss its scope and the procedure before the Assessor, including the possibility of re-organising and combining issues for certain groups. Some of these meetings provided opportunity for tie to issue further information to the objector to settle outstanding issues. The Assessor hearings commenced on 27 November and at the end of this phase the Assessor was highly complimentary of the Promoter's presentation of evidence and removal of objections. The Assessor is expected to report to the EARL Bill Committee by 18 December 2006.

### Objections

There are now just 18 objections that remain unresolved from the original 48 lodged with the Parliament. Recent withdrawals have included British Transport Police, BRB (Residuary), CALA, Walker/CALA, NIL, FSH, Premier Property Group and West Craig's Ltd, plus a number of local landowners and residents

### 3. Technical Support and Design Services

The update of the Reference Design programme has been undertaken. The completion date is now August 2007. Requirements capture will take place with BAA during December and they have committed to working with us to complete the process in early January. The Donaldson and Halcrow design teams have demobilised until January 2007 in order to avoid standing time or risk of abortive works.

Written comments were received from Network Rail on the functional requirements documents on 8<sup>th</sup> Nov (documents were issued in Aug). All reports are now being updated with a target issue date of 8<sup>th</sup> Dec.

A technical working group has been established with TS, NR, First ScotRail and tie to review operational performance. The initial design assumptions submitted by TSDS have been accepted and this should permit an increase of line speed through the tunnel from 50mph to 70mph.

A presentation was made to BAA and NR on the revised tunnelling methodology using a closed face TBM and our current work in progress to increase the tunnel diameter. The engineering content of the presentation was well received. The project execution plan is being completely revised in order to present the delivery plan through to commissioning and handback. Consultation has taken also place with SNH on the revised tunnelling methodology. No issues were raised.

Feedback is still awaited from Network Rail on the programme and cost implications developing first of type S&C for Gogar and Ingliston junctions. .

Further detailed discussions have taken place with BAA on Eastfield Avenue Bridge and the road levels have been agreed. This now permits tram to commence detailed design in this area.

SDS the tram designer will no longer undertake a combined utilities diversion design for Tram and EARL in the corridor between Gogar roundabout and the Airport. TSDS is presently mobilising to undertake this work for EARL and the tram team are considering whether to vary in the limited tram diversions required in the airport.

Discussions have taken place with the tram team to commission shared EARL / tram utility surveys in the airport area in January 2007 to allow design to commence.

#### Advance Works

Authorisation by Transport Scotland was given this week for the advance of investigation works. This allows the EARL project to start Phase 3 ground investigation, contamination testing and archaeological evaluations before next financial year.

Within the TSDS team ERM (EARL's environmental consultants) will scope and undertake the archaeological evaluation for the route outwith the airside area. The Cat Stane area will be investigated by Ground Probing Radar and calibration pits to understand the extent of the archaeology within the exclusion zone area.

As part of the Ground Investigation the team will make efficiencies by obtaining samples at strategic points to establish whether any contamination is present through the route.

#### 4. Public Relations & Media

##### Media

EARL received a large amount of coverage throughout November, which featured in the following media:

*Evening News, The Scotsman, The Herald, Sunday Herald, Press and Journal, Glasgow Evening Times, Daily Record, Scottish Daily Mail, Scotland on Sunday, BBC website, STV website and Insider Magazine.*

There was very positive coverage in the press covering BAA's objection withdrawal and the tunnelling briefing, which was given to the press at the end of the month. Negative articles in the press included a letter from Fergus Ewing MSP opposing EARL and an article accusing the Scottish Executive of suppressing a report on the impacts that EARL and GARL may have on each other.

##### Stakeholder

Continuing the stakeholder communications process, the team attended a Community Council meeting in Winchburgh on 13 November and held an Open Day in Ratho on 15 November. This Open Day attracted 35 attendees.

#### 5. Programme

The current forecast completion of EARL as reported in our latest progress reports is September 2012.

A number of exercises are currently underway to review schedule opportunity to assess 'what needs to happen' to deliver project opening by December 2011. By carrying out this exercise it should enable us to become a lot more aggressive in our approach to ensuring that key decisions are made in line with the schedule.

To enable tie to cost load the Master Schedule a review of the current cost plan structure is underway. A matrix which cross-relates the work breakdown structure

with the cost break down structure has been produced. This has highlighted the level in which the cost allocation needs to achieve to enable a meaningful cost loaded schedule to be created. This exercise is underway with tie and Turner & Townsend. It is anticipated to have this complete by the Christmas break. A stand alone exercise is also underway to review the forecast spend for the next financial year.

TSDS are currently undergoing a full review of their design schedule in light of the recent agreement with BAA and the progress made to date on the functional specifications. Early indications are that Reference Design will be complete in August 2007. Based on our current forecast this will not have an impact to the critical path.

## 6. Timetabling and Rolling Stock

A timetable has been produced by Scott Wilson reflecting all E & G services to be formed of Class 220 diesel traction units with other services being formed by Class 170 units. It has been shown that the performance/punctuality figures reflect a comparable degree of performance comparable with the current timetable in operation. This timetable will form the basis of Network Rail's written evidence to Parliament to be submitted on 11<sup>th</sup> December. A meeting of the timetable working group will take place on Wednesday 5<sup>th</sup> December to review the findings and Network Rail's written evidence.

Discussions continue with Network Rail on the response to the Informal Network Change consultation and timing of the Formal Network Change consultation.

Transport Scotland's rolling stock team toured Irish Rail's engineering facilities and met representatives of CAF and Matsui with a view to procuring rolling stock capable of delivering the EARL timetable. The tour was organised by tie's Paul Prescott, and also included dinner with the Irish Board and presentations on their development programme. The feedback has been warmly appreciative.

## 7. Project governance

We anticipate establishing early in the New Year an interim Project Board which will comprise formally of senior tie and Transport Scotland officials, under documented delegated authority from their respective organisations. In the meantime, we are progressing dialogue with all key stakeholders on governance, roles & responsibilities, procurement and funding.

Prepared by: EARL Team

Recommended by: Barry Cross, EARL Project Director



## **tie Limited**

**Paper to** : **tie Board**  
**Subject** : **Stirling Alloa Kincardine Railway**  
**Date** : **5<sup>th</sup> December 2006**

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### **Safety**

There have been no reportable accidents or incidents to report in the last month. Two further incidents of the discovery of discarded hypodermic syringes have been reported.

The AFR for the project for this year remains at zero. Site hours worked per month is now nearly 600,000. This is an excellent performance.

### **Progress**

The works have continued to progress as planned, in accordance with a programme for completion by 1<sup>st</sup> June 2007. This programme awaits contractual agreement.

Significant achievements in the last month include:

- Track, signal bases and cable troughing complete from Stirling to west of Alloa.
- Track laid Kincardine to Helensfield. Signal bases and troughing commenced.
- Alloa Station – Platform backfilled and fill for car park commenced.
- Overbridge works commenced.
- AELR – Both carriageways on new slip road now complete allowing traffic to be diverted and the approach to the new overbridge to be infilled.
- Helensfield Bridge – Abutment works complete to allow new bridge deck to be lifted in during a road closure on 15<sup>th</sup>/16<sup>th</sup> December.

Forthcoming activities in the near future include:

- Track works connected up from east to west during w/c 22<sup>nd</sup> January 2007
- Scottish Power diversion works at Blackgrange confirmed for 15<sup>th</sup> January 2007.
- Opening of the AELR planned for 15<sup>th</sup> February 2007.
- Station works at Alloa.
- Continuation of signalling and telecoms bases and cable route work.
- Helensfield bridge deck to installed during a closure of the A907 between the 15<sup>th</sup> and 16<sup>th</sup> of December 2006.

### **Cost**

At the Transport Scotland Major Projects Panel Review on the 23<sup>rd</sup> November, it was reported that, following a review of the contractor's draft anticipated final cost, the final cost of construction could be within a range of £53.8m to £57.5m which would generate a project AFC of £70m to £73.7m excluding enhancement works and operating costs which are funded from separate budgets.

Issues to be resolved to increase cost certainty and confidence in the AFC are:

- Assessment/agreement of value of compensation events.
- Assessment/agreement of value of mine workings.
- Assessment/agreement of value of acceleration.
- Assessment of contractor's final cost.

A programme is in place to robustly evaluate and challenge these figures with Jacobs and First Nuttall and report back to the Operating Group by the 21<sup>st</sup> December 2006.

### **Issues**

- Agreement has now been reached with Network Rail on the signalling transmission cables to proceed with the Nokia, copper based equipment.
- Timetable validation report due back from Network Rail w/c 4<sup>th</sup> December which is expected to validate the available freight paths.
- Disruptive access for the commissioning of signal SM70 and the motorisation of 22 points agreed with Network Rail for week 52 ahead of the main commissioning in May.
- Transport Scotland is in dialogue with ORR on the issue of setting a charge for the freight access levy.
- Scottish Power diversion at Blackgrange now confirmed for the 15<sup>th</sup> January, contractors have been appointed and First Nuttall advised.
- Signalling Design progress is being managed more invasively to provide greater visibility on this critical path item.

### **Risk**

The Risk Register is under active management and a full risk workshop is planned for 6<sup>th</sup> December. This will result in a complete review and updated evaluation of the outstanding project risks to completion.

The key current item is the acceleration / prolongation claim from First Nuttall which is subject to the action plan noted above.

In addition, an opportunities register, including targeting key items within the Forecast Cost to Completion for the Infrastructure Works will be reviewed.

Prepared by: Richard Hudson, Project Director

Recommended by: Steven Bell, Engineering & Procurement Director

**tie Limited**

**Paper to** : **tie Board**  
**Subject** : **FETA, Cross Forth Ferry & Stirling Waste Management  
Projects Summary Reports**  
**Date** : **5<sup>th</sup> December 2006**

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## **FETA**

We are currently providing assistance with the procurement and management of consultants for the Main Cable replacement/Augmentation Feasibility Study. Fairhurst were appointed by FETA in October 2006 to carry out the work and the programme is for a 12 month commission.

**tie's** involvement relates only to the process and does not involve any in the structural or engineering issues. FETA remains as the contracting Authority and project manager for the work. The Scottish Executive has appointed Flint and Neill Consultants to review the findings of the study.

Steven Bell has taken over as Project Director succeeding Alex Macaulay and met the Bridge Manager on 29 November 2006.

## **Cross Forth Ferry**

The service provided to Fife Council, acting on behalf of a joint steering group, is the procurement and management of a consultant to develop proposals for a passenger ferry service linking Kirkcaldy and Leith.

Following the tendering process Hyder Consulting were appointed by Fife Council in September 2006 to carry out the 20 month study. The first stage gate review will take place in February 2007 when the consultants will present their initial findings.

Steven Bell has taken over as Project Director succeeding Alex Macauley and planned to meet the Council Project Manager on 5 December 2006.

## **Stirling Waste Management**

**tie** provides Project Management services to Stirling Council for a range of Waste Management projects.. It is anticipated that **tie** will continue to be asked to provide Stirling Council with a Project Management service until March 2007 although at a declining level.

Prepared by Ken McLeod and David Burns, Project Managers

Recommended by Steven Bell, Engineering and Procurement Director

**tie Limited**

**Paper to** : **tie Board**

**Subject** : **WEBS-Fastlink**

**Date** : **5.12.06**

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**Balfour Beatty – Guideway Contract**

1. Final remedial works on the guideway have been completed following filling of all cracks >0.5mm by Balfour Beatty. Halcrow Group **tie's** technical advisors are finalising their assessment of the test results and have prepared a paper and presentation to set out all defects and the effectiveness of their correction and to set out **tie's** best and worst case positions when reaching a final commercial settlement.
2. The presentation will be rolled out to CEC on the 14<sup>th</sup> of December 06 to explain the recommendation and ensure that this is acceptable. In conjunction with this an operational review of the management of the guideway will be carried out.
3. The recommendation is that this approach is approved and that progress is noted.

**MCI/Verizon Business - Adjudication**

4. During the construction of the new traffic lane on Stevenson Drive, MCI carried out diversionary works of Telecoms apparatus. 75% of their C4 estimate was paid in advance under the New Roads and Street Works regulations. The final cost is not considered to be "reasonable" as defined in the act and therefore **tie** has invoiced MCI (now VZB) for the difference. VZB previously threatened adjudication for the full amount of their estimate. **tie** intends to pursue adjudication against Verizon business (VZB) unless a reasonable settlement is made on receipt of **tie's** Notice of adjudication.
5. This process will commence immediately there is comfort that this will not expose the Tram project to irreclaimable costs if there is deterioration in co-operation between **tie** and VZB regarding equipment in St Andrew Square. Advice has been sought on this final issue. In order to give an accurate baseline of VZB's performance in co-operating with the Tram Project it is intended to cede proceedings until Tram receives and assesses VZB's C4 estimate. A C3 estimate was received in October however this does not give enough detail on their assumptions to give comfort that **tie** can assess their performance.
6. The recommendation is that this approach is approved and that progress is noted.

Prepared by: Lindsay Murphy

Recommended by: Susan Clark

**tie Limited**

**Paper to** : **tie Board**  
**Subject** : **Ingliston Park and Ride Phase 1**  
**Date** : **5.12.06**

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1. Border Construction's latest submission of their assessment of revised cost and time has been reviewed by Halcrow Group. A meeting was held on 17th October 2006 with Border Construction to review Halcrow Group's assessment. As part of this submission Border Construction has provided improved information which has overall reduced the differential and evidence of actual cost against some elements previously agreed in principle which has increased Halcrow's assessment. This remains within the revised budget of £3,049, 526. However, there remains a considerable difference (£590,861) between the assessments in particular the requirement for Border to manage utility diversionary works and their effect on the project. Border intimated that as their advice is contrary to that of Halcrow and Dundas and Wilson that they are minded to submit the assessments to an adjudicator. Border has approximately 4 years under the Housing Grants Act to do this. However **tie** would expect that they will submit their notice of adjudication within this calendar year. In the interim Halcrow will Certify the Balance of their assessment for payment outstanding to Border Construction.
2. It is recommended that payment is made against Halcrow's Certificate and initial preparation is commenced for the adjudication process.

Prepared by: L Murphy

Recommended by: S Clark

tie Limited

(FOISA Exempt Commercial in Confidence)

Paper to : tie Board  
Subject : Health & Safety Management Report: October/November 2006  
Date : 4<sup>th</sup> December 2006

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**SAFETY HIGHLIGHTS**

- tie Ltd. Drugs and Alcohol Policy has been revised, approved by the Exec team and being briefed to staff.
- Safe-tie Committee established and in action.
- Safety Management System Briefing in progress and further development underway.
- Portable Appliance Testing completed in Verity House, with plans now in place for addressing City Point, including interfaces with Consultants and Contractors (e.g. PB and SWR).
- Safety Tour Programme now in place for tie Exec team.
- Non Exec Directors training (including HSE) delivered 30/11/06

**SAFETY INITIATIVES**

A Safe-tie HSQE Committee has been established to provide the day-to-day practical energy and focus for the development and improvement of HSQE arrangements and performance within tie Ltd. and our projects.

Purpose:  
The committee is a working leadership team to organise, plan, implement and review practical HSQE arrangements in line with company and project policies and requirements.  
It is intended to be the “engine room” and focus of HSQE activity for tie Ltd. and to fully support the project requirements.

Membership

Core members include:

Steven Bell	Engineering and Procurement Director
Colin McLauchlan	HR and Corporate Affairs Director
Tom Condie	HSQE Manager, Edinburgh Tram Project
Heather Manson	HR Manager, tie Ltd.
TBA	HSQE Manager, EARL Project
Susan Clark	Delivery Director, Edinburgh Tram Project
TBA	Staff Safety Representative
Hayley Dillon	HSQE Committee Secretary

This has been agreed and is supported by the tie Executive team.

In addition, the paper presented last month on HSE priorities was also reviewed by Douglas Taylor of DLA.

## **SAFETY ALERTS / BULLETINS**

None were issued during the period.

Those expected in next 2 months include Updated Alcohol & Drugs Policy, and detailed Safety Management System implementation.

## **SAFETY MEMORANDUM**

None issued

## **HSE / HMRI LIAISON / ACTION**

Liaison meetings are underway.

## **FIRES, ENVIRONMENTAL, INCIDENTS AND DANGEROUS OCCURENCES/INCIDENTS THIS MONTH.**

- 2 incidents were reported on the SAK Project during October 2006. Both were cases of discarded hypodermic syringes which were removed in a controlled manner for disposal as contaminated waste by First Nuttall. These have not been included in the consolidated figures to date.

## **REPORTING AND AUDITING**

The period 8 report for **tie** ltd. has been prepared and is reported in Appendix 1 consolidated for the company.

Key issues to note are:

- No accidents reported
- AFR YTD 0.00, despite nearly 150000 hours worked.
- No pollution or environmental complaints raised
- No waste reported but office information to be included from next month.
  
- Planned monitoring and auditing still requires further work and this is a priority this month.
- 1 NCR closed but 2 still overdue (SDS)
- 3 audit planned YTD but none reported carried out. SDS audit underway commencing 12/12/06.

## TRAINING

Training carried out since August 2006.

COURSE	tie Employees	Consultants	TOTAL
<i>Introduction to Health and Safety</i>	17	0	17
<i>Senior Managers Health and Safety</i>	4	2	6
<i>Fire Safety</i>	5	0	5
<i>Fire Warden / Fire Marshall</i>	11	0	11
<i>Emergency First Aid</i>	11	0	11
<i>First Aid at Work First Aider</i>	1	0	1
<i>Manual Handling</i>	5	0	5
<i>COSHH</i>	5	0	5

Training completed since last Board report.

The following training has been planned.

COURSE	tie Employees	Month Planned	TOTAL
<i>First Aid at Work First Aider</i>	1	January 2007	1
<i>Fire Warden / Fire Marshall</i>	2	TBC	2
<i>Fire Evacuation Procedures</i>	5	5/12/06 (Verity)	5
	6	6/12/06 (City Point)	6

## QUALITY

- Quality Management System Proposal received and under review. Recommendations to December tie Executive Board

## ENVIRONMENT

- Environmental Management System Proposal received and under review. Recommendations to December tie Executive Board

## OCCUPATIONAL HEALTH

- A number of office and building management issues related to City Point were raised with Reith Lambert, the building's management agents, in November. This is being pursued to satisfactory conclusion.

Prepared & recommended by: Steven Bell, Engineering and Procurement Director

Date: 5<sup>th</sup> December 2006



## Appendix 1

# tie consolidated

Period 8

v2.01	SAFETY DATA	Period	Year to date
	<b>Interaction with Health &amp; Safety Executive</b>		
	Visits by the Health & Safety Executive	0	0
	Prosecutions pending	0	0
	Convictions	0	0
	Improvement Notices issued	0	0
	Improvement Notices closed out	0	0
	Improvement Notices open	0	0
	Prohibition Notices issued	0	0
	Prohibition Notices closed out	0	0
	Prohibition Notices open	0	0
	<b>Statutory Reporting RIDDORs</b>		
	Fatal	0	0
	Major Injuries	0	0
	Lost Time Reportables	0	0
	Notifiable Dangerous Occurrences	0	0
	tie RIDDORs	0	0
	<b>TOTAL</b>	<b>0</b>	<b>0</b>
	<b>Other non-RIDDOR events</b>		
	Accidents - Lost Time	0	0
	Accidents - Other	0	0
	Incidents	0	0
	tie Non-RIDDOR Accidents	0	0
	<b>TOTAL</b>	<b>0</b>	<b>0</b>
	<b>Hours Worked</b>		
	Total hours worked - SITE	1600	9,011
	Total hours worked - NON-SITE	14070	102,906
	tie hours worked	10528	43,484
	<b>TOTAL</b>	<b>26,198</b>	<b>155,401</b>
	<b>Accident Performance YTD</b>		
	AFR to date	0.00	0.00
	Reportable Injuries / Lost time accidents to date	0	0
	Dangerous Occurrences to date	0	0
	Site hours worked to date	1,600	9,011
	Non-Site Hours Worked to Date	24,598	146,390
	<b>Accident Performance Rolling</b>		
	AFR Rolling		
	Reportable Injuries / Lost time accidents Rolling		
	Dangerous Occurrences Rolling		
	Site hours worked Rolling		
	Non-Site Hours Worked Rolling		
	<b>Near Misses</b>		

Number of Near Misses	0	0
<b>Body Count Injury</b>		
Head	0	
Back /Torso	0	
Arm	0	
Eyes	0	
Face	0	
Hands	0	
Legs	0	
Feet	0	
<b>TOTAL</b>	<b>0</b>	
<b>COMPLIANCE</b>		
<b>MONITORING DATA</b>		
Contractor Internal and Sub-contractor Audits		
Monitoring planned	0	0
Monitoring conducted	0	0
Monitoring kpi for the month	0	0
<b>% Achieved</b>		
<b>NONCONFORMANCE REPORTS</b>		
Contractor and Sub-contractor		
NCRs raised	0	3
NCRs closed out	1	1
NCRs overdue	2	
NCRs open	2	
<b>% Achieved</b>		
<b>AUDIT DATA</b>		
Contractor Internal and Sub-contractor Audits		
Audits planned	0	3
Audits conducted	0	0
Audit findings / NCRs raised	0	0
Audit findings / NCRs closed out	0	0
Audit findings / NCRs overdue	0	
Audit findings / NCRs open	0	
<b>% Achieved</b>		
<b>ENVIRONMENTAL DATA</b>		
<b>Pollution Incidents</b>		
Minor Pollution Incidents	0	0
Major Pollution Incidents	0	0
Major Environmental Incidents	0	0
Major Pollution/Environmental Incidents Closed Out	0	0
<b>Complaints/Enquiries</b>		
Complaints/Enquiries from statutory bodies relating to noise	0	0
Complaints/Enquiries from statutory bodies relating to vibration	0	0
Complaints/Enquiries from statutory bodies relating to litter	0	0
Complaints/Enquiries from statutory bodies relating to vegetation	0	0

	Complaints/Enquiries from statutory bodies relating to other environmental issues	0	0
	No. of Complaints/Enquiries from statutory bodies closed out	0	0
	Number of Complaints/Enquiries from residents received	0	0
	<b>Materials &amp; Waste Management</b>		
	Controlled Waste to Landfill		
	Inert	0	0
	Non-hazardous	0	0
	Special	0	0
	Recycled		
	Scrap metal	0	0
	Concrete	0	0
	Cardboard/paper	0	0
	Wood (including waste pallets, cable drums)	0	0
	Spoil	0	0
	Tyres	0	0
	Others (please provide detail)	0	0
	<b>Total Waste Produced</b>	<b>0</b>	<b>0</b>

**tie Limited**

**(FOISA Exempt Commercial in Confidence)**

**Paper to** : **tie Board**  
**Subject** : **Risk Management**  
**Date** : **5 December 2006**

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## **Introduction**

The risk identification and management approach has been reviewed and enhanced during November 2006 to address the identification, classification and management of primary risks at a project and tie ltd business wide level.

The monthly internal Quality and Risk Review operates at Project level for Edinburgh Tram, EARL, SAK, FETA cable study and Cross Forth Ferry.

## **Process and visibility**

The format and associated process of the Primary Risk Register escalation developed for Edinburgh Tram Project was utilised as appropriate to develop and manage each of the project and associated business risk registers.

In addition, the Risk Manager and QRR panel has incorporated review and inclusion of any additional "tie ltd. corporate risks" to produce a consolidated tie ltd Summary Primary Risk Register. This includes assessment of the effect of any aggregated risk across projects or any risks that are compounded by particular combinations. The revised process is included at Appendix I.

The current Summary Primary Risk Register for November 2006 is included at Appendix II. The ownership and treatment strategies are still under refinement.

## **Commentary on Current Primary Risks**

At present time, two primary tie corporate risks are highlighted:

### **1. Reputation (Risk 1)**

If tie's business reputation is damaged then our capacity to deliver our projects effectively will be damaged, the ability to retain and develop the necessary quality of people will reduce, the ability to action or broker resolution of key project issues will diminish and future development of the company will be jeopardised.

- Communication initiatives have stepped up dramatically with very extensive stakeholder engagement via the chairman and engagement of key specialists (e.g. John Boyle) to help the address both the company reputation elements and the project level items identified.

- Positive project progress and contract awards have been assertively publicised.
- Reputation impact is clearly recognised and being addressed in the internal reviews.

This area continues to demand very active management from the executive team.

## **2. Execution capacity, capability and processes (Risks 2, 7 & 8)**

If **tie** does not deploy the appropriate high quality people, correct governance, management structure and operational systems and support, then project management and delivery is likely to be adversely impacted.

- Capability audit undertaken and identified people gaps are being filled via HR Director.
- Strengthening has taken place within the corporate support teams and the Tram team but EARL still requires significant reinforcement. This is a challenging area and separate initiatives are being led by Colin McLauchlan to progress this.
- Governance structures and approach have been improved and continued development of the risk management approach will enhance this. The most significant gap currently is the lack of a project board for the EARL project as a result of incomplete engagement from BAA & Network Rail. Transport Scotland and **tie** are addressing this priority.
- Management systems are in place for the project teams on Tram, EARL and SAK and **tie** Ltd safety, quality and environmental management systems are being prepared / rolled out as noted in the HSQE Report.

## **Primary Project Risks**

The Project Directors' reports already presented in the Board papers detail the current areas requiring most significant management and influence and include the Primary Risk Registers for respective schemes.

At present time, two primary **tie** project risks are highlighted due to their occurrence across the portfolio:

### **1. Funding Commitments and Best Value (Risk 13)**

If **tie** does not produce robust financial cases for the schemes including annual business plan or obtain best value from current and potential service providers within a framework of robust spending controls then approval to expenditure and implementation of schemes may be compromised.

- Management activities are focussing on gaining approval and addressing queries from Transport Scotland and City of Edinburgh Council to draft Full Business Case on Tram and early draft of the Outline Business Case for Earl.

- Annual business plan drafting is well underway for planned submission by close of year.
- Best value assessments are planned under the direction of Steven Bell to identify potential areas where alternative arrangements could bring further efficiencies, review of improvements from current service providers and optimum balance of quality and cost is obtained from ongoing procurements.

## **2. Political Environment (Risk 14)**

If **tie** does not prepare and adapt itself to the range of potential outcomes during the run-up to the May 2007 election then it could miss the opportunity to promote the benefits of schemes resulting in them being de-prioritised or put on hold.

- Soundings and discussion with local and national parties have been increased through (newly appointed) John Boyle to help the address both the company reputation elements and the project level items identified.
- Increased senior team review of responses to press and FoI(S)A requests will continue to maintain quality of information release and avoid errors of judgement.

Prepared by: Mark Bourke, Risk Manager

Recommended by: Steven Bell, Engineering & Procurement Director

Date: 4<sup>th</sup> December 2006

### **Attachments**

Appendix I: Risk Management Process Diagram.

Appendix II: **tie** Ltd Summary Primary Risk Register November 2006.

Appendix I: Risk Management Process Diagram



# Escalation of Project Risk/tie Limited

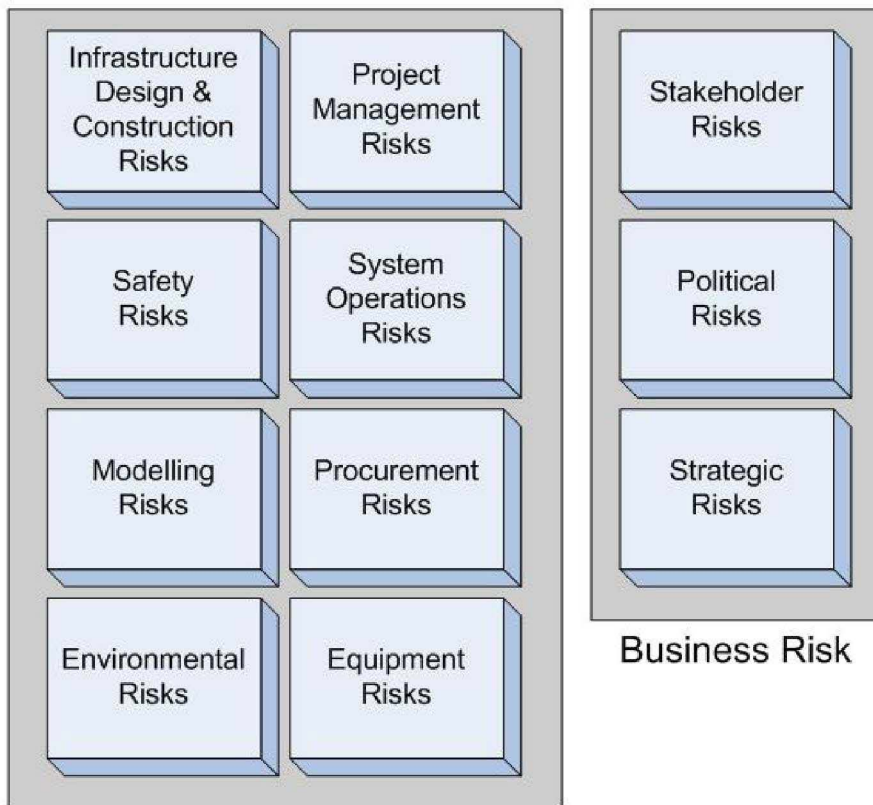
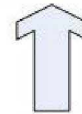
Friday, October 27, 2006

## Primary Risk Register

Showstopper  
Most Significant



Escalation

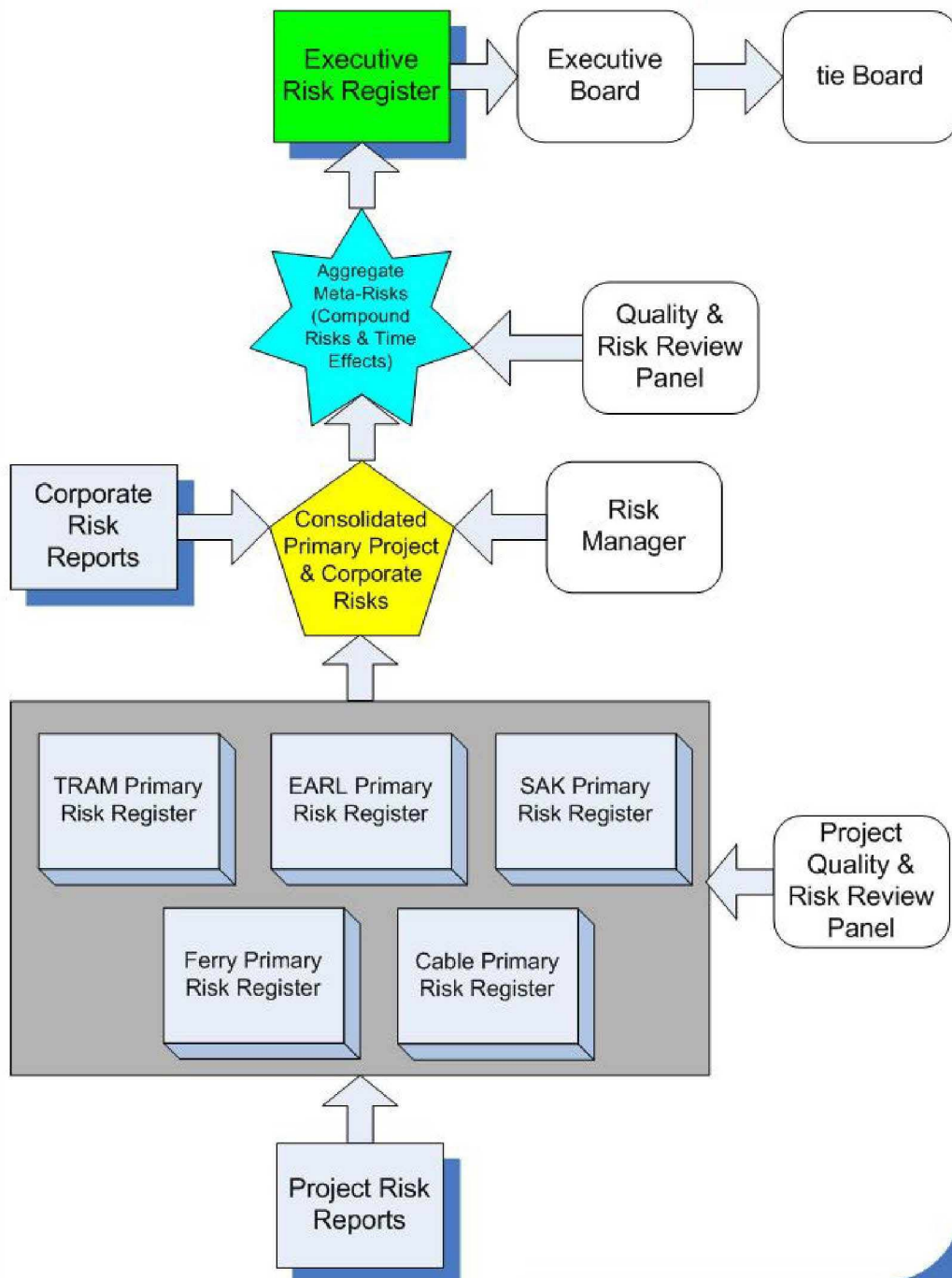


Project Risk

Business Risk

# Escalation of Project Risk/tie Limited





Friday, October 27, 2006



Appendix II: **tie** Ltd Summary Primary Risk Register November 2006.

PRIMARY RISK STATUS SUMMARY					
RISK SIGNIFICANCE (No. of Risks)			TREATMENT STATUS (No. of Treatments)		
	November	December		November	December
Black	2				
Red	11		Red	0	
Amber	4		Amber	131	
Green	0		Green	0	
Risks Added	17 (New Register)		Treatments Added	131 (New Register)	
Risks Removed	-		Treatments Removed	-	
TOTAL	17		TOTAL	131	

**RISK SIGNIFICANCE**

-  BLACK – SHOWSTOPPER; difficult to quantify impacts
-  RED – High Risk
-  AMBER – Medium Risk
-  GREEN – Low Risk

**TREATMENT STATUS**

-  RED – Treatment Strategy behind programme
-  AMBER – Treatment Strategy on programme
-  GREEN – Treatment Strategy ahead of programme or complete

\* Risk Owner may delegate individual treatment actions

**CORPORATE RISKS**

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end November	Treatment Status end December	Due Date	Risk Owner*
Risk 1. Inconsistent company profile and reputation	<ul style="list-style-type: none"> <li>Negative political, media and public image</li> <li>Perceived to make extravagant expenditure</li> <li>Poor branding</li> <li>Poor reputation in industry/service providers</li> <li>Undermining strategy by poor tactics</li> <li>Unfocussed Executive Management effort</li> </ul>		<ol style="list-style-type: none"> <li>Engage with MSPs regarding the advantages and uniqueness of tie</li> <li>Provide prompt and concise briefings to journalists and public.</li> <li>Promote positive successes and respond to mis-reporting by media through a media &amp; PR management plan.</li> <li>Review outcome of project community meetings and need for Executive Management input</li> <li>Ensure procurements comply with Procurement Policy and Delegated Authority levels and demonstrate value for money.</li> <li>Review need for marketing and update to existing branding.</li> <li>Hold Executive Management dialogue within market and service provider to profile areas for improvement.</li> <li>Review effectiveness of current assessment of prioritisation, scope of response, checking and review of correspondence to public and media.</li> </ol>				John Boyle

\* Risk Owner may delegate individual treatment actions

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end November	Treatment Status end December	Due Date	Risk Owner*
Risk 2. Poor resource planning	<ul style="list-style-type: none"> <li>• Critical additional resources not identified</li> <li>• Inappropriate quality of staff</li> <li>• Increased use of consultants</li> <li>• Lack of clarity to growth plans and space planning</li> <li>• Reduced confidence in ability to deliver</li> <li>• Resources bearing unsustainable workloads and diverting attention from core functions</li> <li>• Retention issues</li> <li>• Uncertainty of current staff skills/competence</li> </ul>		<ol style="list-style-type: none"> <li>1. Review extent of overtime working and identify areas of business constraints.</li> <li>2. Assess skills base of current employees and training gap for planned role.</li> <li>3. Develop overall resource plan across all projects and corporate support including review of implications on facilities.</li> <li>4. Benchmark expenditure on consultants on an annual basis.</li> <li>5. Seek to minimise and review the use and value of consultants on an ongoing basis.</li> </ol>				Colin McLauchlan

\* Risk Owner may delegate individual treatment actions

Risk Description	Effect(s)	Risk Sig	Treatment Strategy	Treatment Status end November	Treatment Status end December	Due Date	Risk Owner*
Risk 3. Poor implementation of resource plan	<ul style="list-style-type: none"> <li>Discontent due to lack of communication to staff</li> <li>Inefficient layouts emerge to offices</li> <li>Paying over the odds</li> <li>Poor change management</li> <li>Retention issues</li> </ul>		<ol style="list-style-type: none"> <li>Develop procedure for justification of additional personnel.</li> <li>Inform and consult with staff regarding development plans.</li> <li>Ensure multiple individuals are considered for each role.</li> <li>Review need to re-organise office layout to optimise staff engagement.</li> <li>Communicate new appointments in advance and discuss changes with staff.</li> <li>Manage handover at staff changes e.g. knowledge management and organisational communication.</li> <li>Develop mentoring and supervision approach to developing staff.</li> <li>Undertake regular staff reviews and opportunities for promotion and incentive.</li> </ol>				Colin McLauchlan

\* Risk Owner may delegate individual treatment actions