

Paper to : **Tram Project Board**
Subject : **Update on Utilities Betterment costs:
Period 2 2010/11**
Date : **2nd June 2010**

This report provides an update to the TPB on the current status of Betterment agreements and payments associated with the utilities diversion works undertaken in association with the Tram Project.

A summary table is provided below which details the forecast final contributions expected, together with cash received to date and any items still to be secured / agreed against the forecast recovery.

There has been little change in these figures over the last 3 months but detailed discussions have taken place, particularly with BT and Scottish Water. It is anticipated that the Scottish Water account will be finalised by July 2010, including an updated agreed payment profile and sign off by SW board.

The BT account is likely to take longer as they are currently insisting on completing their cabling works prior to finalising the Betterment agreement. This is not expected to be signed off until January / February 2011.

There are a number of risks and opportunities being managed to a conclusion as part of this work-stream as shown in the table. **tie** will be issuing an updated assessment of the BT account in early June based on the asset age information now being provided by BT. BT are still in disagreement with the cost mechanism used and this will be escalated with them once our evaluation has been updated in June.

The minor telecoms accounts and that of Scottish Power are expected to be agreed in June 2010.

Recommendation:

The Board is requested to note the current position. A further report will be provided in August reflecting the increased certainty in a number of the items expected to be finalised by that time.

Prepared by: Steven Bell

Date: 31st May 2010

Statutory Utility	Forecast of Betterment Included in Current AFC (K)	Cash Received to Date (K)	Amount Agreed but not Yet Received (K)	Amount Included in Forecast but still to be Secured (K)	Potential Opportunity for Additional Recovery Not Included In Current AFC(K)
BT	4,050.0	3.3	22.5	4,024.2	2,458.1
SGN	1,500.0	689.0	811.0	0.0	0.0
Scottish Power	0.0	0.0	0.0	0.0	60.0
Scottish Water	4,133.3	2,633.0	1,500.0	0.3	750.0
Telewest	0.0	0.0	0.0	0.0	7.0
Cable & Wireless	0.0	0.0	0.0	0.0	8.7
THUS	0.0	0.0	0.0	0.0	5.1
Verizon	0.0	0.0	0.0	0.0	1.5
	9,683.3	3,325.3	2,333.5	4,024.5	3,290.4