

Transport Edinburgh

Edinburgh Trams

Lothian Buses

Tram Project Board Report on Period 9 Papers for meeting 17th December 2008

10:00am – 12:30am

Distribution:

Members and attendees

David Mackay (Chair)
Marshall Poulton
Bill Campbell
Steven Bell
Kenneth Hogg
Cllr Ian Perry
Brian Cox

Cllr Phil Wheeler
Stewart McGarrity
Cllr Allan Jackson
Cllr Gordon Mackenzie
Jim McEwan
Colin McLauchlan
Duncan Fraser

Donald McGougan
Graeme Bissett
Dave Anderson
Alastair Richards
Neil Scales
Peter Strachan
Elliot Scott (minutes)

In addition – for information only

Cllr Maggie Chapman
Keith Rimmer
Norman Strachan
Iain Coupar

Cllr Tom Buchanan
Frank McFadden
Alan Coyle
Gregor Roberts

Dennis Murray
Ailie Wilson
Alasdair Sim

TRAM PROJECT BOARD

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt
 Yes
 No

Contents	Page
Agenda Joint Tram Project Board / tie Board	4
Edinburgh Tram Network Minutes	5
Project Directors report	11
Primary risk register.....	16
Edinburgh Tram Network Governance Operations – Establishment of TPB sub-committees.....	20
Tabled paper	
Project Change Control Update – Period 09, 2008/09.....	26
Period 9 Transport Scotland report Sections 2-7	29

Agenda Joint Tram Project Board / tie Board

Brunel Suite – Citypoint, 2nd Floor

17th December 2008 – 10.00am to 12.30pm

Attendees:

David Mackay (Chair)	Cllr Phil Wheeler	Donald McGougan
Marshall Poulton	Stewart McGarrity	Graeme Bissett
Bill Campbell	Cllr Allan Jackson	Dave Anderson
Steven Bell	Cllr Gordon Mackenzie	Alastair Richards
Kenneth Hogg	Jim McEwan	Neil Scales
Cllr Ian Perry	Colin McLauchlan	Peter Strachan
Brian Cox	Duncan Fraser	Elliot Scott (minutes)

Apologies:

- 1 Review of previous minutes and matters arising
- 2 Presentation
- 3 DARs and SRO
- 4 Project Director's progress report for Period 9
- 5 Health and safety – update
- 6 Change requests / risk drawdown
 - Princes Street
 - Manor Place
 - Change summary
- 7 Risk
- 8 Network extensions
- 9 Date of next meeting
- 10 AOB

Edinburgh Tram Network Minutes

Joint tie Board / Tram Project Board

19th November 2008

tie offices – Citypoint II, Brunel Suite

Members:			
David Mackay (Chair)	DJM	Neil Renilson	NR
Bill Campbell	WWC	Donald McGougan	DMcG
Cllr Gordon MacKenzie	GMcK	Neil Scales	NS
Kenneth Hogg	KH	Cllr Allan Jackson	AJ
Peter Strachan	PS	Brian Cox	BC
In Attendance:			
Steven Bell	SB	Stewart McGarrity	SMcG
Graeme Bissett	GB	Alastair Richards	AR
David Crawley (part)	DC	Jim McEwan (part)	JMcE
Colin McLauchlan	CMcL	Elliot Scott (minutes)	ES
Duncan Fraser	DF		

Apologies: Dave Anderson, Cllr Phil Wheeler and Marshall Poulton

1.0	Opening remarks	
1.1	After welcoming everyone to the meeting, on behalf of both the tie Board and the TPB DJM wished Willie Gallagher well for the future. He noted that the project would not be where it is today without Willie’s dynamism, energy, persuasion and political skills.	
2.0	REVIEW OF PREVIOUS MINUTES	
2.1	1.2. There is a plan underway to deal with all outstanding issues this week.	SB / DF - done
2.2	6.3. The detailed paper on the Carillion settlement can be provided to members if requested.	
2.3	6.4. DMcG updated that the Tram Monitoring Officer can authorise a commercial settlement subject to retrospective approval by Council.	
2.4	9.5. DF updated that CEC were awaiting more information from SDS on the technical viability and traffic impacts of shifting the West End tramstop and that this should be concluded prior to the Dec TPB. Both DJM and DMcG noted that, in their opinion, the issue was closed. DF agreed to reinforce the firm TPB view to DA that shifting the tramstop would cause an unacceptable delay and cost to the project and could preclude the potential addition of a tramstop on Princes Street.	DF
3.0	Presentation and review of PD’s report	
3.1	<u>Overview</u> SB gave an overview of the current progress and issues. He noted that following WG’s resignation, it was “business as usual”. This has also been	

	communicated to staff, key suppliers and stakeholders.	
3.2	<u>Safety</u> SB outlined the current safety statistics. There was one RIDDOR accident in the period involving a Carillion staff member who broke his ankle. The final report is expected imminently. He noted the 100% safety tour and inspection target and progress toward achieving it, as well as the HSE visit to Gogar and a meeting with HMRI.	
3.3	PS added that the presence of Bob Cummins has “raised the game” for health and safety on the project.	
3.4	DC stressed the importance of the visibility and leadership of senior managers in safety tours. He also stated that, now construction work has started, the foundations for future assured safety performance are being laid.	
3.5	<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 has improved but was still not at a level that was acceptable to the project and that the negotiations should be concluded by the December TPB and should be within the current risk allowance for MUDFA.	
3.6	He noted that the current programme provides for a finish to works in April 2009. This is predicated on the key issues outlined below: 1. Successful resolution of the gas diversion at The Mound and its integration with Infraco; and 2. Integration of the last of the water diversions at the Lothian Road junction.	
3.7	In response to DJMs offer of support, SB noted that once the agreement with Carillion was finalised (including incentivised targets), he would discuss it with him.	
3.8	SB also noted that the planned timing of the final negotiations (final review 21 st Nov, last drafting by 26 th Nov) would fit the timing for the December CEC meeting.	
3.9	<u>Tramco</u> SB and AR gave an update on Tramco progress including live updates on the progress of the tram mock-up delivery which arrived in Edinburgh during the course of the meeting. Detailed design is progressing well.	
3.10	DF noted that planning was well underway for placement of the mock-up in Princes St gardens after the festivities are concluded. Both KH and DJM stressed the importance of utilising the mock-up for public display as soon as possible, potentially in Castle Esplanade. AR / DF to investigate options.	AR / DF
3.11	<u>Infraco</u> SB summarised progress to date, noting that there was some physical progress but not where it should be against either the four-month or the contract programme.	
3.12	Although still to be formalised, an agreement in principle has been reached with the head of Bilfinger Berger (UK) regarding a practical solution to deal with critical change.	

3.13	SB noted that he did not expect to conclude the re-calibration of the programme until January with this to be ratified at the February TPB. He committed to updating the Boards fortnightly and giving a range of the likely estimate at the January TPB.	
3.14	DJM noted that it would be useful to all parties if members of SB's team also presented to the Board, to give a firsthand account of the issues.	SB – planned from Jan 09
3.15	In response to a question from DJM, SB was content that tie has the correct approach in dealing with BSC: 1. The team has the right resource and capability; and 2. They are dealing with the issues that are tie 's responsibility. He also welcomed the seamless transition that DJM's appointment as tie Chairman would make in dealings with the parent companies.	
3.16	PS echoed the importance of a seamless transition and offered the support of the tie non-executive directors, if necessary, in discussions with the parent companies. He added that, although technically the construction is straight forward, the challenge is taking away any real or perceived barriers and constraints to that work.	
3.17	KH added that tie must have a strategic response to small issues that will be incremental in their effect. He stressed that, as the scheme is being constructed with public money, tie must receive £1 of value for every £1 spent. Although it may be acceptable in private companies, under public finance rules tie cannot pay to "grease the wheels". He added that there cannot be any doubt in the contractors mind on the scope of the project's ability to pay.	
3.18	<u>Princes Street</u> SB updated the Board that the TPRG had approved a change to the blockade strategy to allow one lane of buses westbound non-stop along Princes Street. He added that although the works will still take the same amount of time, the extra costs will come from additional enabling works and a change in work methodology. He had shared a range in the associated costs with the TPRG and expected the negotiations to be closed out by 5 th December. As chair of the TPRG, MP was communicating this within CEC.	
3.19	Both DJM and DMcG stressed the importance of tie , TEL and CEC standing together if issues arise with the strategy and conversely promoting positive activities such as the mock-up.	
3.20	Discussion then centred on the decision to change the original blockade strategy and the implications of this. The main points are outlined below: • Although he noted that the project has to keep the city moving, SB maintained his preference for the blockade as it minimises change to the project. To hit the deadline for notifications and consultations with business groups, the decision must be made by the end of November. • KH, PS, BC and NS all concurred that it is a crucial decision to move away from what was originally contracted for and that it was important that all the information is available to be reviewed by the Boards in what is a short period of time. They also stressed that, although it will	

	<p>be disruptive to maintain the blockade, it is important to deliver the project on time and on budget.</p> <ul style="list-style-type: none"> • DJM added that the preferred position was to maintain the blockade, but that the pressure from various stakeholders was so intense and unrelenting that alternatives had to be considered. • 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. He added that the original blockade had been predicated on the removal of the statues and central parking on George Street, which had already been decided against due to issues with Historic Scotland and traders on George Street. • From a governance perspective, GB noted that although it reports to the TPB, the TPRG has no decision making ability. He added that the decision has to be made on the best traffic management solution and the cost and programme impact of that. This should go to the TPB for discussion before CEC makes the final traffic management decision. • GMcK was prepared to back the blockade, but echoed the non-executive directors' request for all of the information. He also questioned whether it was possible to compensate the traders as well as the motives of the people lobbying against the blockade. • AJ added that he believed that the project and the Council had not kept the public informed well enough and lacked a "Champion". • In response to DMcG's question about George Street, DF stated that the planning process for the temporary removal of the statues could be at least four months long. <p>It was resolved that SB would provide the range of options with necessary input from CEC and the financial (including risk) and time implications of each to the tie Board and the TPB as soon as possible. The Boards, TEL and CEC would then all stand as one and back the decision made.</p>	<p>SB – done at summary level for CEC</p>
<p>3.21</p>	<p><u>Gogar interchange</u></p> <p>SMG updated that, although the TS preferred option is the one with the least impact on the tram project, it is not the best outcome for transportation. He stressed the need to ensure the project is immunised from any effect of the interchange. This cannot be done until detailed design is complete and it has been priced by BSC. SB added that there will be little impact on the project if the decision was made and instructed (from TS via CEC) now. However, if it was delayed until next year it would be harder to minimise the impact and TS are aware of this.</p>	
<p>3.22</p>	<p>Discussion then centred on the reputational impact on tie and the tram project if a sub-optimal option was chosen. The main points are outlined below:</p> <ul style="list-style-type: none"> • KH, BC, PS and NS all expressed concern at the potential impact on the "World class tram system" if there was a 100m walk at a key interchange. KH stressed that it was important that tie explicitly stated their opinion on the option chosen. • SB noted that the option that is the best transportation solution needs 	

	<p>land that is outwith the LoD and a 12-month timeframe for a TAWS application would be optimistic.</p> <ul style="list-style-type: none"> • GB expressed caution about suggesting an alternative option and argued that it was the tie Boards role to deliver the tram as instructed by CEC. • DJM stated that there is no doubt within TS and CEC what the tie / TPB view is, but agreed that SB should again confirm in writing to TS after their next meeting reinforcing the Boards opinion. 	SB / DJM
3.23	<p><u>Governance</u> GB gave an update on the governance structure and noted that the Finance, Commercial and Legal sub-committee was likely to be formally started in early 2009. It was likely that the Legal Affairs Committee would form the basis of this and a remit would be presented to the December Board.</p>	GB – done
3.24	<p>GB noted that following the departure of Willie Gallagher and NR, the structure will be reviewed to both maintain control of the project and allow effective decision making. DJM added that he had already engaged with Tom Aitchison to that effect.</p>	
3.25	<p>The TPRG remit was approved by the TPB.</p>	
3.26	<p><u>Finance</u> SMcG confirmed the current financial position – outturn for 08/09 of £126M (revised down from £139M following TS request) and AFC of £512M.</p>	
3.27	<p>He noted that resources across CEC, tie and TEL were being reviewed to ensure the right allocation to the project. DJM added that Deloitte were also looking at the project governance, structures and organisation.</p>	
3.28	<p>Discussion followed on the effect on the tram system on the delay to the final solution for Picardy Place. DF stated that the formal submission from SDS was expected imminently but the track alignment had not been changed, the gyratory shape was fixed and there would be no impact on the MUDFA works. He added that if there were any changes to the service requirements of the development then Henderson Global will need to deal with that directly. DF and DMcG agreed that any additional cost to tram would be funded by CEC.</p>	
3.29	<p>It was agreed that any decision on Phase 1b would be delayed until at least February 2009.</p>	
3.30	<p>SB offered to provide a condensed version of the change situation to members directly.</p>	
4.0	Network extensions	
4.1	<p>SMG briefly covered progress on Phase 1b and the South East tramline.</p>	
5.0	Risk	
5.1	<p>JMcE briefly presented the top 10 tie corporate risks, highlighting the effect of the response to traffic issues impacting tie's reputation and weaknesses in MUDFA management procedures to the Boards.</p>	
5.2	<p>DJM asked SB to further develop the risk reporting.</p>	SB – done

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt

Yes

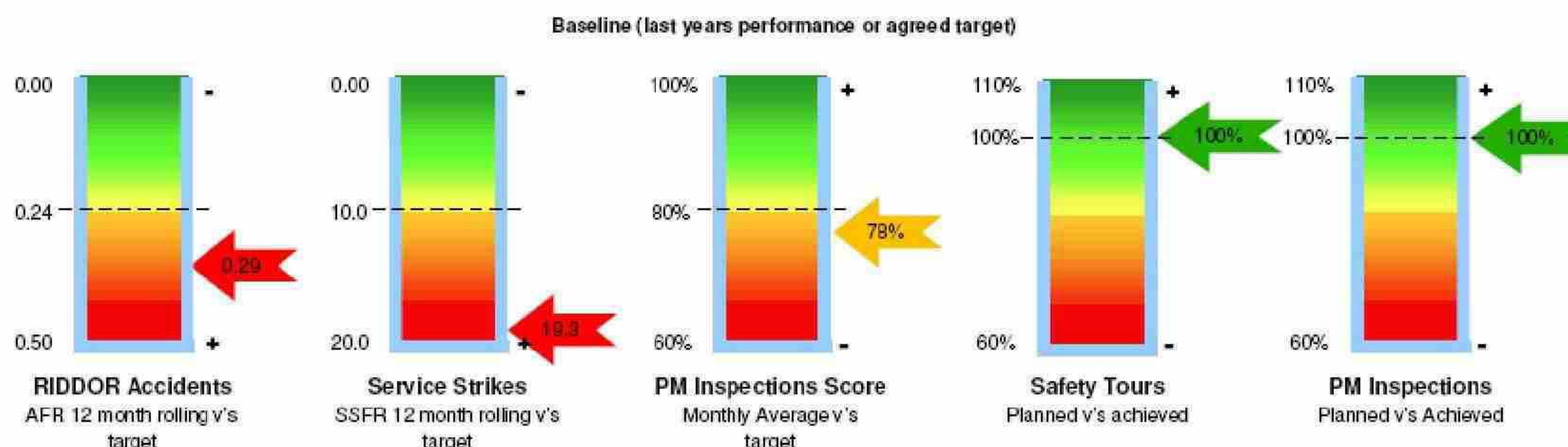
No

6.0	HR and communications	
6.1	CMcL briefly updated on HR and communications activity over the period. He noted that some positive feedback had been received and that best practices had been identified in the recent FOISA assessment.	
7.0	AOB	
7.1	DJM wished Neil Renilson well for a long and happy retirement. He described Neil as unique and energetic and recognised the transformation of Lothian Buses and his tremendous contribution to public transport in Scotland.	
7.2	Date of next meeting on 17 th December 2008.	

Prepared by Elliot Scott 20th November 2008.

Project Directors report

HSQE



There was one 'major' reportable accident during Period 9. An office worker for BSC slipped on the internal staircase at the consortium office in Edinburgh Park. She fell and injured her shoulder. Initially it was thought to be badly bruised, but upon attendance to hospital it was discovered to be fractured. An investigation has been undertaken by BSC and their report will be reviewed by **tie**.

This takes the 13 period rolling AFR to 0.29 which is now above the target of 0.24 accidents per 100,000 hours. It is possible to achieve the target of 0.24 by Period 13. Actions to achieve the target will be discussed and agreed with both Principal Contractors during Period 10.

Programme

Overall progress remains behind both the four-month look-ahead and the master programme primarily due to:

- Design slippages between v26 / v31 at the time of Financial Close;
- Design slippage since novation of design to Infraco (now recorded in v39 of the design programme);
- Design changes as a result of the Prior and Technical Approvals process;
- Requirement for re-design of temporary works;
- Incomplete utility diversions caused in part by traffic management constraints; and
- Slow mobilisation of Infraco.

The table in section 4.2 identifies the geographic areas of slippage in the current programme and the types of action that can be taken to improve the programmed end date.

The time impact (38 days) of the v26 / v31 design programmes at the time of Financial Close was agreed in Period 8 and the commercial effect of this is now being discussed.

tie has agreed with BSC a process to create a re-calibrated programme. This involves a process which started on 20th October, with members of both organisations taking time out to review slippage, opportunities for improvement, inclusion of recently agreed additional embargos and work on agreeing a revised contract programme. Much of the required data has now been amassed and, following meetings towards the end of Period 9 between **tie** and BSC, this process will be tested in Period 10/11 with a dedicated team being established to finalise the new programme.

Opportunities for improvement include:

- The use of additional resources;
- Improved productivity;
- The use of alternative technology for OLE installation and track-laying;
- Constructing the structures in parallel rather than sequentially;
- Removing embedded project logic which is no longer relevant; and
- Better use of integrated traffic management.

The underlying contractual issues are complicated and their resolution will require a concentrated management effort. There is also a need for a reasonable degree of engagement from BSC. Taking this into account, it is anticipated that a revised Infraco contract programme and overall revision to the Tram Master Project Programme will be ready during Q1 2009. Infraco proposals for recovering the effects of their slow mobilisation will be included within the revised programme.

A process has been put in place to identify and manage all design issues which are blockers to the construction programme. The programme blockers have been captured in a programme blockers map to visually identify the critical areas of constraint, impact on programme and actions / opportunities to resolve the issue. This is being reviewed every two weeks by the joint teams and prioritised to focus efforts of resolving issues which impact programme most.

Progress – Design

Good progress is generally being made in Prior and Technical Approvals. The main areas of concern which are receiving focussed attention are the incorporation of CEC comments into road designs and gaining Scottish Water consents. Changes to the design programme and any impact on construction will be addressed as part of the overall programme re-calibration exercise. There are also a number of re-designs underway as a result of the Prior / Technical Approvals process, the impact of which is recorded in the programme.

Progress – MUDFA

The programme impacts of the revised programme were agreed with Carillion in Period 8 and will be included in the recalibration exercise and any commercial impacts will be reported in due course.

Cumulative progress to date is as follows:

	Planned (Rev 7.9)	Actual	Total
Metres	41,725	30,445	52,594
Chambers	247	210	348

Reasons for lower than planned productivity include:

- Quality issues with the 800mm water-main at the Gogar depot, as well as with BT chambers and ducts;
- Re-sequencing at Haymarket due to traffic management;
- Close down of sites on Leith Walk due to new embargo;
- Lack of design for Section 1a; and
- Outstanding technical queries relating to cellars in St. Andrews Square.

Remedial actions are underway to address all of these issues and the net effect will be shown in the programme re-calibration (as above).

Good progress has been made on the A8 sewer diversion and the tunnel drive has commenced and is on programme for completion prior to the commencement of Phase 3 of the A8 underpass in February 2009.

Progress – Infraco (including Tramco)

The project continues to experience problems with slow mobilisation and, in particular, appointment of direct BSC resource and final appointment of the main package contractors. However, work has commenced on a number of worksites including the Haymarket and Edinburgh Park viaducts, Carricknowe bridge and the A8 underpass. Significantly, the on-street works also commenced with roadworks on Leith Walk using sub-contractor resources (Crummock).

Progress against the four-month programme continues to be reported to weekly. Delivery against this has been disappointing with only 14% (plan 79%) being achieved. This is due to:

Transport Edinburgh

Edinburgh Trams

Lothian Buses

FOISA exempt

Yes

No

- Leith Walk works being delayed due to utility works not being completed to programme – works commenced on 8 October;
- Haymarket viaduct re-design work at bankseat – now resolved and work has recommenced;
- Delay of the concrete pour at Edinburgh Park and Haymarket viaducts due to a lack of test and inspection plans – this is now resolved; and
- Re-design of temporary works required for various structures in the Network Rail corridor.

It is currently anticipated that the resolution of some areas of re-design for temporary works would see approximately 25% of the programme being completed prior to Christmas.

The tram mock-up has arrived in Edinburgh and is being used in consultation with special interest groups to fine-tune the design.

Progress – Other

- Building fixings – deemed consent has been obtained from 306 owners as well as 66 consents with the owners' agreement. There are 12 fixings where matters remain unresolved and negotiations are ongoing. However, there remains a possibility that these relevant owners may have to be referred to the Sheriff for resolution in February. CEC are leading the legal process, supported by the project team;
- Haymarket carpark compensation – **tie** have agreed compensation with Network Rail and will seek to settle this before the end of the current financial year. **tie** await confirmation from TS that the additional compensation payable to First Scotrail as a result of the extension of the FSR franchise from Nov 2011 to Nov 2014 will be funded by TS as a change;
- Following a successful trial for measurement of stray traction current between Nottingham Express Transit and NR, Infracore are currently considering three possible immunisation solutions. A decision is due in January 09;
- Although the Murrayfield pitch relocation works are 2-3 weeks behind programme, they will be completed by Christmas; and
- Detailed work commenced for the Christmas embargo and the Princes St blockade (commencing in early 2009). There has been significant temporary traffic management, modelling and scrutiny from the Traffic Peer Review Group (TPRG) to support these elements of work and a recommendation to close Princes St in 2009 is being made to a full council meeting on 18th December.

Cost

The AFC for Phase 1a of the project remains unchanged from last period at £512m, including a risk allowance of £29m. The adequacy of this risk allowance is kept under constant review and as such will be critically assessed as discussions with Infracore regarding the re-calibrated master programme and the commercial impacts thereof. Funding available remains at £545m.

Cumulative expenditure to date (end of P9 08/09) on Phase 1a is £196.0m. Expenditure to date for FY08/09, at £66.0m, is £42.4m lower than the 'budget' for the year to date. This is primarily due to deferment of the initial Tramco milestones (now forecast in Periods 10 and 11), protracted closure of the Infracore contract suite and slow Infracore mobilisation.

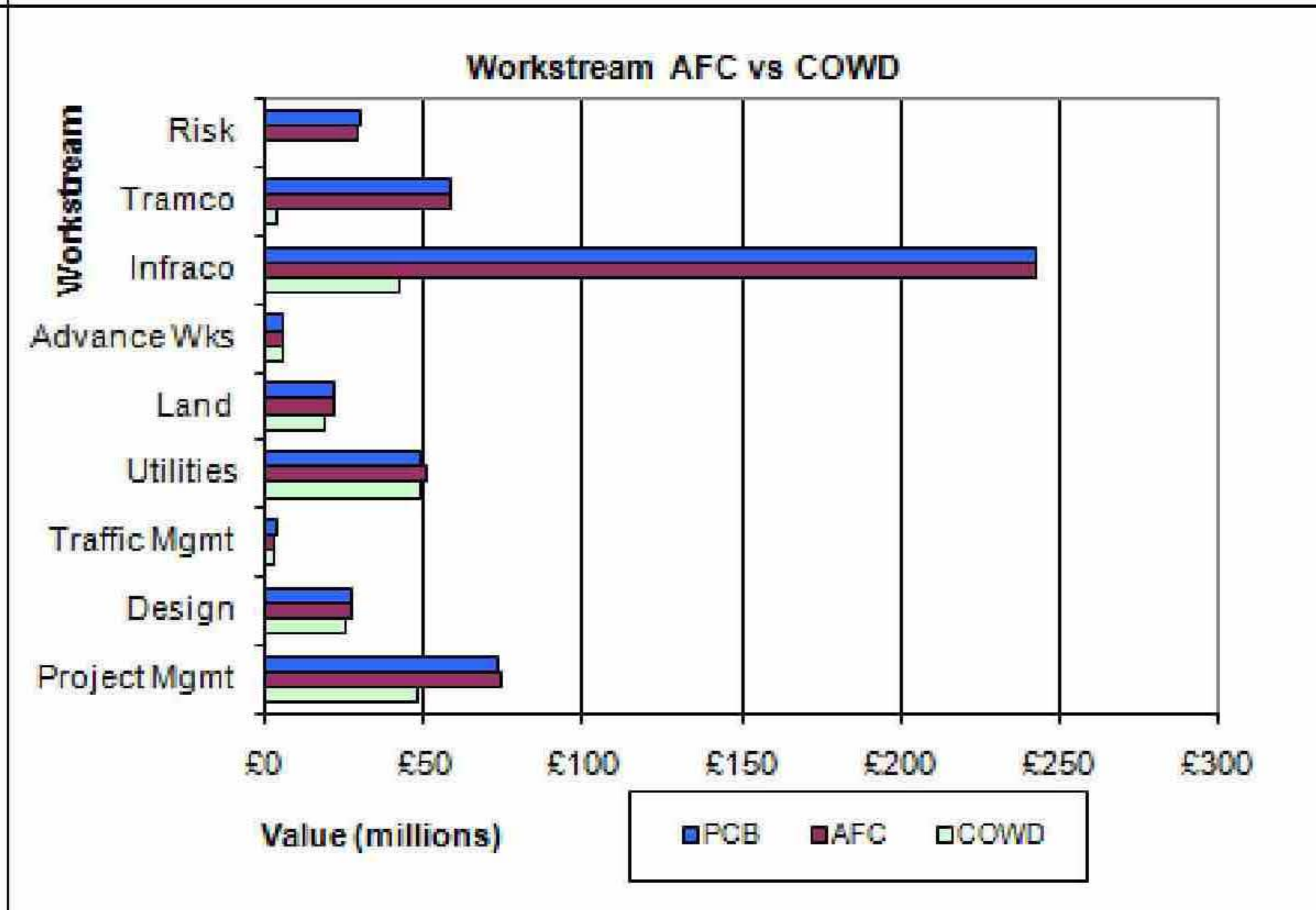
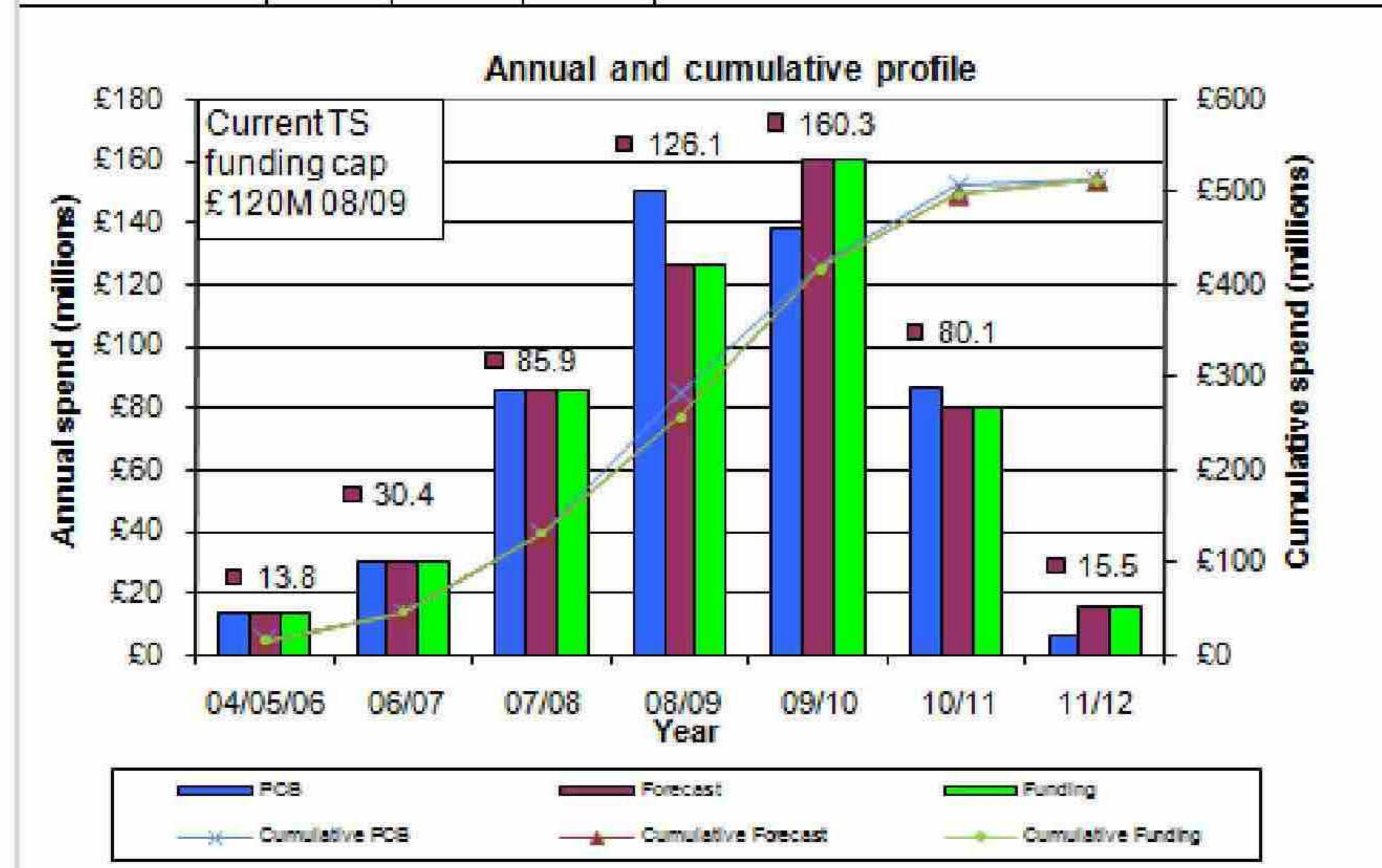
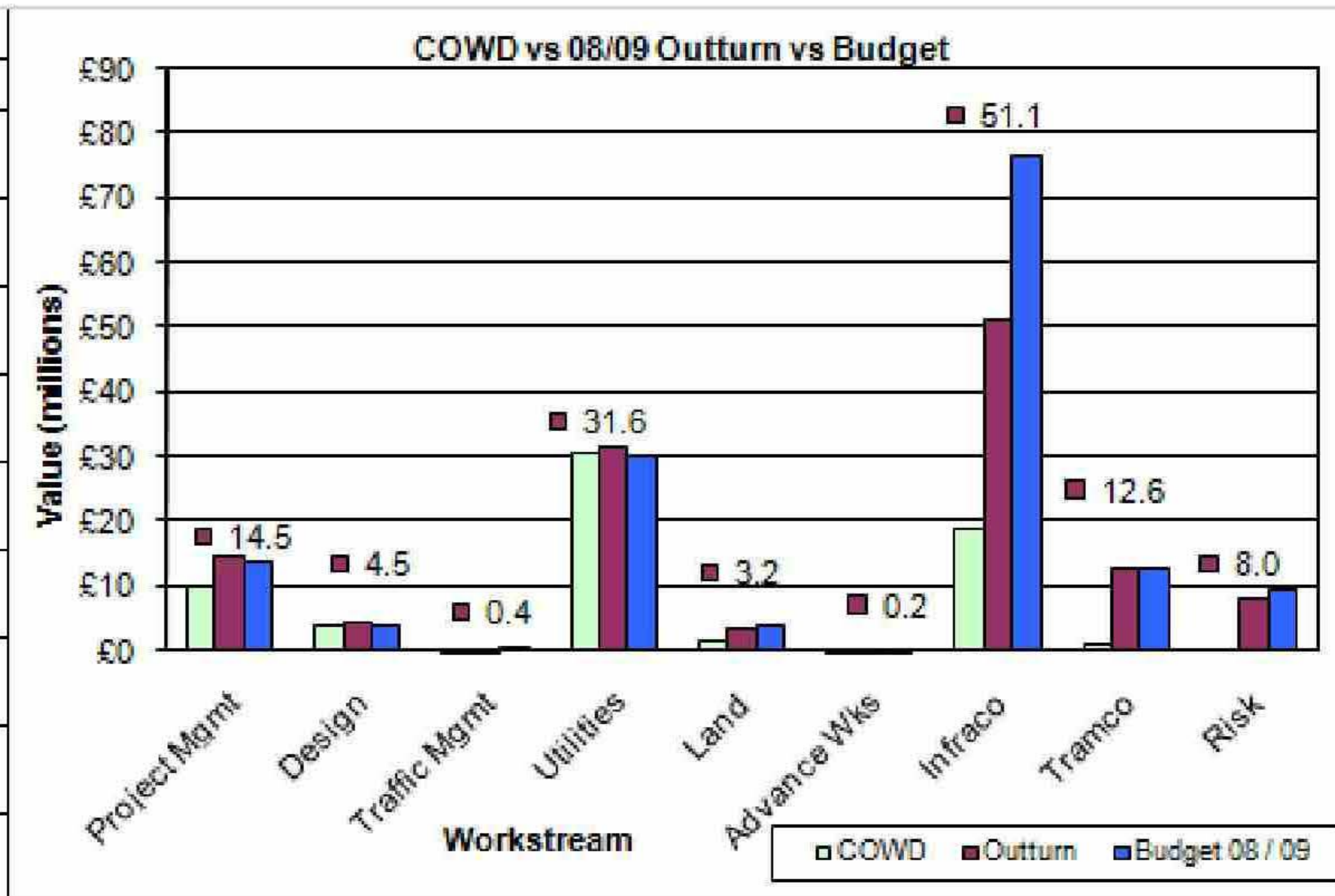
The FY08/09 outturn forecast remains at £126.1m (TS share £116.3m) following a comprehensive review in Period 8 of the most likely value of work which will be completed in the current financial year. There are remaining sensitivities around this outturn including the completion of utilities works as programmed and timely commencement of infrastructure works on-street and at the depot in January 2009.

Transport Edinburgh
Edinburgh Trams
Lothian Buses

FOISA exempt

Yes
 No

Period 08/09 - 09 COWD (£000s)				
Workstream	F/cast	Act	Var	Comments
Project Mgmt	1,053	1,062	10	
Design	137	192	56	
Traffic Mgmt	26	26	0	
Utilities	1,733	3,720	1,987	Timeline of risk crystallisation profile to be reviewed in Period 10
Land	749	196	(553)	Delay in agreement of compensation for First Scot Rail
Advance Wks	50	0	(50)	Release of Accrual
Infraco	2,538	2,180	(358)	Slow progress (7/15 planned milestones achieved). Primary impacted sections are: 5a, 5b and 5c.
Tramco	0	0	0	
Total	7,485	7,377	(108)	As above



CEC00988024_0014

Risk

The detailed development of the Infraco element of the Project Risk Register and associated treatment plans has progressed well in Period 9. A total of eight separate risk reviews were held during the period. The QRA was reviewed in the period and the total risk and contingency for the project remains at £28.9m.

The top five primary (most current and relevant) risks for the project continue to be:

- Uncertainty of utilities location and consequential required diversions / unforeseen utility services within LoD;
- Unknown or abandoned assets or unforeseen / contaminated ground conditions affect scope of MUDFA work;
- Late Prior Approval consents;
- Tramway runs through area of previously unidentified contamination and material requires to be removed; and
- Amendments to design scope from current baseline and functional specification.

There are 53 risks in the risk register. Two new risks were identified in the period and two risks were closed. Treatment plans are in place for each risk and are being monitored.

Potential changes

The following potential changes which will impact cost and programme have been identified:

- Conclusion of the programme re-calibration;
- Carillion settlement / impact of Rev 7.9 of the programme;
- Gogar interchange – impact of changes to facilitate the provision of the Gogar interchange station;
- Additional embargo imposed in Leith Walk and Constitution St;
- Princes St traffic management – additional contingency measures to keep the city moving; and
- Manor Place – consequence of delaying the Manor Place closure until after the festive embargo.

Communications

Our media team has handled various issues including: David Mackay's appointment as interim **tie** Chairman, the city centre embargo, Line 1b and the arrival of the tram rails. The team has been working closely with stakeholders regarding the city centre embargo works and ongoing work throughout the rest of the route. The Schools Programme's activities have visiting the Risk Factory with the intention to include tram risks as part of their ongoing School's Programme.

Media activity next period will be focused on infrastructure work in the city centre, specifically on Princes Street and Leith Walk, as well as coverage on the tram mock up. The final launch of the new Edinburgh Trams website will take place in December 2008.

Period 9 - 2008/009 Primary Risk Register

Risk Description											
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
139	Utilities diversion outline specification only from plans	Uncertainty of Utilities location and consequently required diversion work/ unforeseen utility services within LoD	Increase in MUDFA costs or delays as a result of carrying out more diversions than estimated	G Barclay	High - 25.00		Carry out GPR Adien survey	Complete	Complete	31-Oct-07	J Casserly
							Identify increase in services diversions. MUDFA to resource/re-programme to meet required timescales.	Complete	Complete	23-Nov-07	J McAloon
							In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer	On Programme	On Programme	30-Jan-09	A Hill
164	Utilities assets uncovered during construction that were not previously accounted for; unidentified abandoned utilities assets; asbestos found in excavation for utilities diversion; unknown cellars and basements intrude into works area; other physical obstructions; other contaminated land	Unknown or abandoned assets or unforeseen/contaminated ground conditions affect scope of MUDFA work.	Re-design and delay as investigation takes place and solution implemented; Increase in Capex cost as a result of additional works.	I Clark	High - 25.00		Carry out GPR Adien survey	Complete	Complete	31-Oct-07	J Casserly
							Identify increase in services diversions. MUDFA to resource/re-programme to meet required timescales.	Complete	Complete	23-Nov-07	J McAloon
							In conjunction with MUDFA, undertake trial excavations to confirm locations of Utilities and inform designer	On Programme	On Programme	30-Jan-09	A Hill
44	SDS contractor does not deliver the required prior approval consents in line with SDS V31	Late prior approval consents	Delay to programme with additional resource costs and delay to infraco. Impact upon risk balance.	D Sharp	High - 23.00		Evaluation of prior approval programme	Complete	Complete	31-Oct-08	D Sharp
							Hold fortnightly Roads Design Group	Complete	Complete	31-Dec-07	T Glazebrook
							Informal consultation prior to statutory consultation	On Programme	On Programme	31-Dec-08	T Glazebrook
							Integrate CEC into tie organisation/accommodation (office move)	Complete	Complete	4-Jun-07	T Glazebrook
							Weekly Meetings of Approvals Task Force	On Programme	On Programme	31-Dec-08	D Sharp
173	Uncertainty over extent of contaminated land on route	Tramway runs through area of previously unidentified contamination and material requires to be removed and replaced (dig and dump).	Increase in costs to remove material to special and other tip.	R Bell	High - 23.00		Issue containation and gi report to Infraco bidders	Complete	Complete	2-Mar-07	B Dawson
							tie to obtain ground investigation and contamination reports from SDS	Complete	Complete	30-Mar-07	A McGregor

Risk Description		ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
52	Political and/or Stakeholder objectives change or require design developments that constitute a change of scope; Planning Department requires scope over and above baseline scope in order to give approval (may be as a result of lack of agreement over interpretation of planning legal requirements).		Amendments to design scope from current baseline and functional specification.	Programme delay as a result of re-work; Programme delay due late receipt of change requirements and lack of resolution; Scope/cost creep (dealt with through change process); Project ultimately could become unaffordable.	D Sharp	High - 22.00		Close working relationship with CEC and stakeholders	On Programme	On Programme	31-Jan-11	L Murphy	
								Weekly critical issues meeting	On Programme	Complete	31-Jul-08	T Glazebrook	
928	Major single safety incident (including a dangerous occurrence) during construction		Safety incident during construction	Delay (potentially critical) due to HSE investigation and rework. PR risk to tie and stakeholders.	S Clark	High - 21.00		All Site Staff to get CSCS or equivalent	On Programme	On Programme	31-Jan-11	C McLauchlan	
								Develop and Implement Incident Management Processes	Complete	Complete	27-Apr-07	T Condie	
								HSQE Audits, site inspections and Management Safety Tours to be carried out	On Programme	On Programme	31-Dec-10	T Condie	
								Safety Induction to be carried out for all site staff	On Programme	On Programme	31-Dec-10	T Condie	
								Site Supervisors to be appointed by tie	Complete	Complete	28-Feb-07	S Clark	
931	Utilities assets uncovered during construction that were not previously accounted for; unidentified abandoned utilities assets; known redundant utilities; unknown live utilities; unknown redundant utilities.		Unknown or abandoned assets impacts scope of Infraco work	Re-design and delay as investigation takes place and solution implemented; Increase in Capex cost as a result of additional works.	D Sharp	High - 20.00		GPR surveys in areas where there are likely to be services	Complete	Complete	1-Apr-07	T Glazebrook	
								MUDFA trial holes to verify GPR surveys	On Programme	On Programme	31-Jan-09	P Douglas	
977	Legal challenge. Extension of statutory consultation process. Large number of objections. TRO process is subject to a public hearing process.		Delay in achievement of TRO(s) due to a large number of public objections and/or a legal challenge to using a TTRO to construct Infraco.	Requirement to start construction using TTROs	K Rimmer	High - 20.00		Use of TTROs to undertake construction of permanent works in advance of permanent TROs being approved.	On Programme	On Programme	30-Jan-11	K Rimmer	

Risk Description											
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
271	Inadequate quality of submission of approval. Partial submission of package. Programme compression. Lack of CEC resources.	Failure to process prior approvals applications within 8 weeks	Delay and disruption to Infraco programme	D Sharp	High - 19 00		Agree approvals submission arrangements with CEC to align with SDS design programme and procurement programme.	Complete	Complete	31-Mar-08	T Glazebrook
							Assure the quality and timing of submissions	On Programme	On Programme	31-Dec-08	D Sharp
							Final agreement to be approved by Roads Authority, CEC Promoter, CEC in-house legal and tie	Complete	Complete	28-Feb-07	T Craggs
							Finalise alignments and gain agreement from CEC	Complete	Complete	29-Dec-06	T Craggs
							Weekly meetings of Approvals Task Force	On Programme	On Programme	31-Dec-08	D Sharp
							Where appropriate increase case officer resource to cope with programme compression	Complete	Complete	31-Oct-08	D Fraser
1033		Failure of Infraco to mobilise in time to commence work in line with programme.	Delay to programme. Cost overruns. Negative publicity. Criticism from stakeholders	S Bell	High - 19 00		Continued focus at Infraco progress meetings as well as programme workshops to mitigate the impacts of any delay	On Programme	On Programme	Complete	S Bell
							Implementation of Advanced Works programme in order to mitigate potential future issues during construction	On Programme	On Programme	Complete	R Bell
							Infraco given instructions to proceed at risk	On Programme	On Programme	Complete	R Bell
							Pressue from Approvals Task Force to ensure Technical and Prior Approvals are delivered	On Programme	On Programme	31-Dec-08	D Sharp

Risk Description											
ARM Risk ID	Cause	Event	Effect	Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
1076	Utilities do not finish diversion works prior to Tramworks commencing work	Tramworks are unable to commence work or work is delayed/disrupted	Delay and disruption claims from BSC.	R Bell	High - 18 00		Tramworks PMs attendance at Traffic Management meetings. Weekly meetings between tie Tramworks and Utilities PMs. 4-weekly tie Tramworks/Utilities management meetings. Identification of programme clashes between Tramworks and Utilities works tracked	N/A	On Programme	31-Jul-09	R Bell
1077	Lack of visibility of design changes between November 2007 and May 2008	Tramworks price based on a design which may have been altered. Unclear who authorised design change.		R Bell	High - 18 00		Establish a process which will act as a control mechanism for design changes. (If one exists already then ensure process is complied with)	N/A	On Programme	31-Dec-08	T Glazebrook
1078	Lack of effective engagement from BSC leaders towards tie and third parties (NR, BAA, Forth Ports) and the Tram project as a whole.	Failure of partnership approach between tie and BSC. Failure to maintain effective third party relationships with key third parties.		R Bell	High - 18 00		Engagement between tie and BSC at different levels. Regular review of BSC management of third parties as per Employers Requirements.	N/A	On Programme	31-Dec-08	R Bell
1079	Failure of BSC to effectively resource up for project	Lack of competent resources within BSC to safely and effectively deliver Tram project	Delay to programme and additional cost.	R Bell	High - 18 00		Ongoing review of BSC resources and formal review at 4-weekly meeting. Objectives to be set for BSC at monthly meetings in order to monitor progress.	N/A	On Programme	31-Dec-08	R Bell
1080	TPB have agreed a 5 week embargo on Leith Walk from 12 Dec 08 to 19 Jan 09.	Leith Walk embargo causes delay to construction and utility diversion works.	Delay to programme, extension of time claim. Additional costs.	R Bell	High - 18 00		Minimise contractors exposure by identifying other work scopes outside the embargo area.	N/A	On Programme	31-Jan-09	R Bell
1081	Traffic modelling has shown that one lane needs to be kept open on Princes Street during works	Princes Street works take longer than programmed due to one lane being kept open.	Delay to programme, extension of time claim. Additional costs.	R Bell	High - 18 00		Production of robust programme to mitigate losses	N/A	On Programme	5-Jan-09	R Bell

Paper to: TPB **Meeting date:** 17 December 2008
Subject: Edinburgh Tram Network Governance Operations –
Establishment of TPB sub-committees
Preparer: Graeme Bissett

Background

In the period through to Financial Close, the TPB deployed sub-committees to perform detailed analysis and review of key areas in design, procurement and business case preparation. These sub-committees facilitated the input of a wider group of stakeholders and enabled focussed recommendations to be presented to TPB for debate. The governance model planned for the construction phase, as set out in the Final Business Case (FBC), anticipated a similar structure.

Traffic Management Peer Group

To date the TPB has handled most matters directly but the establishment of a Traffic Management Peer Group (TMPG) as a TPB sub-committee was approved at the October TPB meeting and its remit approved at the November meeting. A copy of this remit is attached at Appendix 1. This sub-committee is now operational, but it is necessary to address the composition of the TMPG in the light of the departures of Neil Renilson and Willie Gallagher.

In addition, Council officers have submitted tram project related papers for the Council meeting on 18 December 2008, including a paper on “Keeping Edinburgh Moving” which incorporates a description of a proposed “City Wide Traffic Management Board”. To ensure that governance processes, decision-making and responsibilities are clear across the project, the operation of this proposed board should be discussed in the context of the project.

New sub-committees

Two further sub-committees are now to be established.

(1) Financial, Commercial and Legal Sub-committee

The FCL sub-committee will take over from the Legal Affairs Committee (LAC). The LAC has provided a valuable forum to discuss legal and commercial matters among a group comprising CEC Legal, Finance and City Development Departments, **tie** and TEL. The LAC has enabled conclusions and action plans to be defined and ensured accountability for agreed actions across a range of issues, some quite complex and sensitive.

The main responsibilities of the FCL sub-committee are :

- Financial management – Reporting, control, audit, risk management, insurance; and

- Contract management – Reporting, compliance, interface with delivery, claims and variations.

The FCL sub-committee will also monitor issues arising in:

- Impending and actual contractual dispute matters;
- Third party agreements;
- Governance structures and operations and compliance; and
- Grant Award Letter compliance.

As the project picks up pace, it is anticipated that the matters requiring to be addressed under these headings will multiply and the sub-committee will ensure that they are given proper time and attention.

It is proposed that the Project SRO will Chair this sub-committee, currently Stewart McGarrity, if approved at the 17.12.08 TPB meeting. The composition will be similar to the current LAC but is under review. A proposal will go to the TPB in due course.

A draft remit is attached as Appendix 2 for TPB approval. This is deliberately brief to permit this sub-committee the flexibility required to address a broad range of matters on behalf of TPB. The sub-committee has no decision-making power, but will examine issues and make recommendations to the TPB through its Chair.

The TPB retains the power to amend the remit, Chair and composition of the sub-committee at all times.

(2) Communications sub-committee

It is also proposed that a new sub-committee be established to monitor and enhance communications, particularly coordination across the family. This proposal will be developed further and it is likely that a recommendation will come forward to the TPB in the early New Year.

Other committees

The FBC envisaged two further sub-committees.

Engineering and Delivery Committee (E&D)

- Delivery under contracts – Infracore, Tramco, utilities / MUDFA, design;
- Health and safety, quality and environment;
- Improvement initiatives – Value engineering, innovation, ICT; and
- Project interfaces and approvals – Land and property, traffic, third parties.

Benefits Realisation and Operations Committee (BRO)

- Operational and integration planning;
- O&M contract planning;
- Transdev; and
- Marketing.

APPENDIX 1

TRAM PROJECT BOARD Remit for Traffic Management Peer Group (TMPG)
--

Background

Since Financial Close, the TPB has handled all relevant business directly rather than through committees. The committee model worked well in the period to Financial Close, enabling detailed scrutiny of key areas such as procurement and business case production.

The critical area of traffic management has recently been reviewed and the need for tighter governance identified. This is currently handled by the Traffic Management Review Panel (TMRP) which is a working group comprising all relevant stakeholders. The TMRP has performed and will continue to perform the detailed operational planning, modelling, assessment of options and contingency planning necessary to optimise the balance between tram construction and stakeholder interests. The latter group includes the emergency services, public transport operators, private vehicle drivers, pedestrians and business / residential owners along the route.

At its meeting on 22nd October 2008, the TPB approved the establishment of the TMPG as a committee of the TPB. The role of the TMPG is to oversee the output from the TMRP and to ensure that the traffic management arrangements keep the City moving in a manner acceptable to the public while minimising impact on tram programme and cost.

The TMPG will operate for an initial period through to February 2009, by which date all arrangements will be in place to support execution of construction work in 2009. The role and remit of the TMPG will be reviewed by the TPB at its meeting on 11 February 2009.

Remit for TMPG

1. To monitor its own remit and ensure that the scope remains fit for purpose or to recommend changes to the TPB as necessary;
2. To review, approve and monitor the remit, composition and operations of the TMRP and any other related groups to ensure fitness for purpose;
3. To develop and implement a strategic view of traffic management arrangements, including the impact of non-tram works;
4. To monitor proactively short term planning and contingency arrangements and response to problems, as developed by the TMRP or otherwise;
5. To take account of all reasonable stakeholder interests;
6. To ensure that public communication and signage is effective and that there is effective coordination in all public communications between CEC, TEL, **tie** and Lothian Buses;

7. To ensure that arrangements are in place to communicate the implications of traffic management arrangements fully and proactively to the Tram Project Director in such a manner that disruption to construction can be minimised;
8. To ensure that proper procedures are in place to comply fully with health and safety requirements, in consultation with the Tram Project Director;
9. To monitor the interface with CEC operations, including traffic warden deployment and Park and Ride initiatives which relate to tram works; and
10. To report fully and timeously to the TPB.

Composition

The TMPG will initially comprise Neil Renilson (Tram Project SRO and CEO TEL, Lothian Buses) ; Willie Gallagher (**tie** Executive Chairman) ; and will be chaired by Marshall Poulton (Head of Transport, CEC).

Delegated Authority

The TMPG has authority delegated to it by the TPB to approve traffic management arrangements (including contingency plans, incident responses and public communications both proactive and reactive) without restriction, except where :

1. The arrangements are anticipated to have an impact on the tram construction programme of greater than 5 days and / or to incur additional construction cost of >£100,000.
2. There is anticipated to be significant public and / or media interest in the arrangements, contingency planning or incident response.

In these circumstances, approval by the TPB is necessary, initially through the TPB Chairman. In the event of emergency action, verbal approval is considered effective.

APPENDIX 2

TRAM PROJECT BOARD Remit for Financial, Commercial and Legal (FCL) sub-committee

Remit for FCL sub-committee

- To monitor its own remit and ensure that the scope remains fit for purpose or to recommend changes to the TPB as necessary;
- To review, approve and monitor the remit, composition and operations of any sub-groups established by the FCL sub-committee for specific or general purposes relevant to this remit and to ensure fitness for purpose;
- To develop and implement a forward view of known and anticipated events relevant to this remit and to ensure that such matters are dealt with in sub-committee meetings in a structured and proactive manner;
- To monitor and review in particular :
 - Financial management – Reporting, control, audit, risk management, insurance;
 - Contract management – Reporting, compliance, interface with delivery, claims and variations;
 - Impending and actual contractual dispute matters;
 - Third party agreements;
 - Governance structures, compliance and operations; and
 - Grant Award Letter compliance; and
- To report fully and timeously to the TPB.

Delegated Authority

The FCL sub-committee has no specific authority delegated to it by the TPB. The authority delegated to the Tram Project Director and the Project SRO remains in place.

December 2008

Paper to: TPB **Meeting date: 17/12/08**
Subject: Project Change Control Update – Period 09, 2008/09
Preparer: D Carnegie

Summary

This paper is intended to update the Tram Project Board with the current status regarding approved project change orders and their implications on the overall Tram Project Budget. In addition, a section on anticipated future changes has been added to provide visibility to the Board of impending potential change.

The table below summarises the approved project changes that have financially impacted the project risk allowance since Financial Close in May 2008.

PERIOD 09 UPDATE - 2008/09						
Change Owner/Originator	PROJECT CHANGE DESCRIPTION	Change Order (£000's)				Comments
		CO Number	Base Cost	Risk/Contingency	Total	
	BUDGET SPLIT AT FINANCIAL CLOSE (INFRACO AWARD) - MAY 2008		481,681	30,336	512,017	
J Casserly	MUDFA - A8 Sewer diversion at Gogar	COP030	1,370	(1,370)	0	Risk item 342
A Richards	Tramco - 1st hedge payment date missed	COP033 (EW011)	6	(6)	0	
D Fraser	Hearts Monument relocation - consultancy work	COP036	10	(10)	0	one off transfer to fund sunk costs. Cost allocated to Comms T12.04 - PR Support
	POSITION POST FINANCIAL CLOSE (+APPROVED CHANGES)		483,067	28,950	512,017	
A Sim	D&W - Building Fixings	COP046/EW026	112	(112)	0	
	CHANGES THIS PERIOD (APPROVED)		112	(112)	0	
	OVERALL CURRENT POSITION POST FINANCIAL CLOSE		483,179	28,838	512,017	

Changes in the Current Period

Building Fixings (COP046), £162k

The responsibility for obtaining consents to affix equipment onto buildings running adjacent to the tram route is with tie/CEC. The budget for legal and planning support to conclude this exercise has been added to D&W's scope accordingly, totalling £162k and will be funded: £50k from CEC with the balance from contingency. A change order for the funding has been raised for CEC signature. This change, approved at the PD Review Panel in Period 9, will be reflected in tie's Progress Reports & Budgets for Period 10.

Future Anticipated Changes

Design Changes

To facilitate the completion of the utility works, it is necessary to carry out design related activities that are additional to the current approved design budget e.g. revised track alignment at Ocean Terminal and re-design at the Mound and Chancelot Mill. This is expected to be funded from a relevant design risk provision.