



4 Week Period Reporting Pack 10/11

Project Title:
Edinburgh Tram Project

Reporting Period:
Period 03 – 2010/11

Transport Scotland Project Manager:
John Ramsay

Progress Meeting Date:

Report authorised by: **Steven Bell**

Signature:

Date: 11/25/6/10

For and on behalf of **tie Limited**

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1 Executive Summary

Progress

The progress achieved in the Period for INFRACO works was 1.3% against a plan of 3.2% this rate of progress similar to that achieved in recent periods, and reflects the level of activity underway, primarily in the off-street sections. BSC are undertaking very limited on-street works in the Leith Docks area at present.

The total cumulative completion is **19.2%** in Period 3 against a Rev 1 Contract Programme target of 89.2%.

Progress Comparison with Period 2

Period	Cumulative Progress (Actual)	Rev 1 Target
2010/11 Period 2	18.0%	86%
2010/11 Period 3	19.2%	89.2%

As of Period 03, and despite correspondence issued by **tie** to the contrary, BSC are now reporting only against their proposed Rev 3A programme which forecasts an Open for Revenue Service date of 23-Nov-13 and has been rejected by **tie**, and **tie** have instructed BSC to produce a programme which complies with Sectional Completion Dates. The period 03 update to this programme indicates a Sectional "D" completion date (Open for Revenue Service) of 13-Nov-13 compared to the period 02 forecast of 28-May-13 indicated against the Rev.1 contract programme.

Design

The design management audit continued during the period. Access was provided to Infraco's information management system and the information received from this is now being analysed so that a final report can be produced. Design programme still experiencing slippage with last deliverable now reported as expected in November 2010, although Infraco also insist they will supply an assured design in Period 5 (July)..

Utility works

Utility Diversions are now complete at Haymarket and York Place (with the exception of final snagging, abandonments and the requirement for Scottish Water tie-ins at York Place which are dependent on completions of SW works at The Mound). Utility Diversions continue to programme at Newhaven and Leith Docks with scheduled completion by the end of June 2010.

The delay of telecoms cabling work in parts of St Andrew Square would impact upon the commencement of Tram works which were programmed to start in June 2010 if Infraco and **tie** resolved other disputed matters.

Tramworks (INFRACO)

INFRACO progress is primarily focussed on the off-street section between Haymarket and the Airport. Progress in Period 3 is summarised as follows:

Progress in the Period

- Lindsay Road RW's - Infraco continue with works to Retaining Walls 1A and 1C;
- Tower Place Bridge - Pier foundations continue with pontoons delivered early June;
- Section 7 progressing steadily during period with good progress being made during dry conditions;
- Surcharge area at Gogarburn commenced in period 3 after drawn out debates, again progressing steadily. This should be complete by end of June;
- General Depot works continue ahead of revised short term programme overall apart from one problem area. Siemens now due to commence rail works in early July;
- Depot Access bridge South abutment piling commenced;

- Carrick Knowe Bridge works carried out under weekend possessions completed successfully;
- Earthworks between Carrick Knowe Bridge and Balgreen recommenced in period, and
- Drainage works commenced in Section 2a. Works to Haymarket Viaduct continue.

Issues in the Period

- Progress to various areas not taking place due to lack of engagement of Contractor following Issue of Instruction – Clause 80/Clause 34.1;
- Contractual obligations not met to allow works to commence on street;
- Further design slippage;
- BSC now recording progress against incomplete REV 3A Programme despite Rev 1 being the agreed contract programme and rejection of Rev 3A by **tie**, and;
- Further issues with Barrier system at airport have occurred. This is again being monitored with permanent reliable solution being sought from supplier asap in order to finally resolve this issue. A plan has been agreed and the Tram Project Director and the BAA Development Director will meet in P4 to agree handover.

Tram works (TRAMCO)

Good progress continues to be made with delivery of the trams by CAF in accordance with the tram delivery schedule. Work is progressing at various stages on the production line on 27 trams, with the first 12 trams now complete and undergoing testing.

The tram on display on Princes Street remains a strong visitor attraction with more than 43,700 visitors to date. Edinburgh Trams livery has now been applied to the tram and a very positive response has been received from those members of the public who have visited.

Cost

We continue to reflect an outturn estimate of £533.3m, including £6.2m for the cancellation of Phase 1b. However, given the commercial uncertainties with Infracore and continuing delays to the project it is now considered unlikely that the full scope of Phase 1a will be completed within the available funding envelope of £545m. The Tram Project Board The TPB approved the paper and the members of the TEL Board present authorised the Chairman of TEL to formally notify the CEC Tram Monitoring Officer confirming a reasonable expectation that the costs of delivering the whole Phase 1a scope will exceed £545m.

Until the key issues are resolved through the contractual and legal process, it will not be possible to accurately forecast a revised budget outturn.

Key cost related items to note in Period 3 are:

- COWD to date is £367.9m, with funding to date split to TS (£337.6m) and CEC (£30.3m).
- The budget for ETP in 2010/11, established in April 2010 is £142.2m (£153.3m 09/10). Transport Scotland funding for 2010/11 is £130.5m for ETP, with £11.7m funding available from CEC. See detailed cost report (section 3.1) for an explanation of budget and reforecast differences.
- Full year forecast for 2010/11 is held at £143.0m. This forecast is being held from P13, and includes a base PM forecast of £138.8m and unallocated risk of £4.2m.
- **tie** have identified -£28m of risk to the current forecast (as detailed in the main cost report section).
- **Per the detailed cost report, tie have committed to providing a 2010/11 and 2011/12 reforecast to the Funders Operators Group (FOG) by the end of June.**

Actual YTD P3 & forecast P4-P13 FY10/11

£m	YTD P3	Forecast P4-P13,10/11	Forecast FY10/11
Infrastructure and vehicles	16.7	111.2	127.9
Utilities diversions	-0.4	-4.5	-4.9
Design	0.5	1.8	2.3
Land and compensation	0.2	0.0	0.2
Resources and insurance	3.2	10.1	13.3
Base costs	20.1	118.7	138.8
Risk allowance	0.0	4.2	4.2
Total Phase 1a	20.1	122.9	143.0

- ETP COWD in FY10/11 for Period 3 is £20.1m
- As previously reported and agreed with CEC and TS, initial milestones under the Infraco and Tramco contracts in the aggregate amount of £24.2m, in respect of advance material purchases, have been classified as prepayments. These will be reclassified as expenditure against funding in the periods when the related materials are delivered to site and incorporated in the works. The release will occur on the achievement of trackwork and structures milestones in 2010/11 and future years.

2 Progress

2.1 Overall

The cost, programme and risk information in this Period 03 report continues to be based upon an unapproved forecast on the information reported in May 2009. This will be updated once agreement is reached with BSC on a new revised programme.

As of Period 03 2010-11, and despite correspondence issued by **tie** to the contrary, BSC are now reporting only against their proposed Rev 3A (*mitigated*) programme which forecasts an Open for Revenue Service date of 23-Nov-13 and has been rejected by **tie**. The period 03 update to this programme indicates a Sectional "D" completion date (Open for Revenue Service) of 13-Nov-13 compared to the period 02 forecast of 28-May-13 indicated against the Rev.1 contract programme.

tie continue to monitor progress against the "live" programme which is based on the contractual Rev.1 Programme logic. This indicates a Sectional D completion in March-13. This has suffered an 11 calendar day slippage in the period. The critical path through this programme remains with the road and track works at the top of Leith Walk between Balfour Street and McDonald Road.

tie are in receipt of two independent experts' views and reports on an attainable Rev3 programme proposals both of which indicate that Revenue Service is still achievable by late 2012, if a pro-active approach is taken by the Contractor. It should be noted however that the longer the current impasse remains the more unlikely a late 2012 completion becomes.

Overall the relationship with BSC is suffering in the following key areas:

- The refusal of BSC to progress works whilst Clause 80 Changes are being agreed;
- Work unable to start on-street where sites are available and accessible as BSC contractual obligations are not satisfied;
- Resolution of the contractual interpretation on BDDI-IFC (pricing assumption 1, development and completion of design), and
- Refusal by BSC to progress works under **tie** instruction in relation to Clauses 80/34/22/65

Linked to all of the above is the provision of a programme to completion capable of acceptance.

Progress remains behind the master programme, primarily due to:

- Finalisation of the agreement of change delaying the commencement of work even though instructed to progress by **tie**;
- Diminishing incomplete utility diversions in the On-Street sections caused in part by traffic management constraints;
- Contractual obligations not met to allow works to commence on street;
- Slow mobilisation of INFRACO, including lack of formal sub-contracts being in place;
- Failure of INFRACO to submit preparatory paperwork in a timely manner and of a suitable content i.e. Work Package Plans, Method Statements etc;
- Requirement for re-design of temporary works;
- Design slippage since novation of design to INFRACO (now recorded in v58 of the design programme);
- Design changes as a result of the Prior and Technical Approvals process; and
- Consortium integrated design programme, assured and validation.

There has been no new Infraco works on-street other than those already progressed with works continuing at both Lindsay Road RW's and at Tower Place bridge, due to a lack of

agreement on programme going forward, suitable sub contractor arrangements and completion of final design assurance checks by BSC.

Section	Description	Contract Programme Rev.01	BSC Forecast (P02) Rev.01	BSC Planned Rev 3A Prog.	BSC Forecast (P03) Rev.3A	BSC Movement in Period (Cal Days)	tie Live Forecast (P03) Rev.01**	tie Movement in Period (Cal Days)
Section A	Depot completion	01-Jun-10	17-Aug-11	12-Aug-11	23-Aug-11	-6	06-Jun-11	-10
Section B*	Test Track Available	01-Jul-10	06-Apr-12	07-Nov-11	14-Nov-11	144	06-Apr-12	-11
Section C	All Phase 1a Construction complete	10-Mar-11	29-Nov-12	27-May-13	17-May-13	-169	15-Sep-12	-11
Section D	Open for Revenue Service	06-Sep-11	28-May-13	23-Nov-13	13-Nov-13	-169	14-Mar-13	-11

*The interpretation is that Sectional Completion "B" means that Test Track is available for Tram movements.

** V58 information used.

2.2 Contractual Strategy & Dispute Resolution

As was reported to City of Edinburgh Council on 24 June 2010, intensive work has continued over the period in respect of the overall contractual strategy for Infraco which has been briefed to Stakeholders during the period. There is now a twinned track approach in action :

- 1) Plans to reach an agreed solution with BSC to complete the Infrastructure works, at least as far as Haymarket under the Infraco Contract, and
- 2) Termination of the Infraco Contract

In total, 15 items have now been referred to the formal dispute resolution process – 11 by tie and 4 by Infraco. Three have been resolved through negotiation, three through external mediation, eight referred to adjudication and one is still at the early stage of the process. It is important to note that overall, the application of DRP to disputed matters has reduced BSC's claims for additional payment from £18.2m to £7.6m in relation to those DRPs which have actually reached a financial settlement (9 of the 15).

In the period we received one adjudicator decision, had hearings on MUDFA Rev 8 adjudication, one item was referred to adjudication and a new item referred to DRP by Infraco.

As part of the negotiations, tie has continued with the contractually assertive approach to management of the contract.

Dispute Resolution (Infraco)

In total, 15 items have now been referred to the formal dispute resolution process – 11 by tie and 4 by Infraco. Three have been resolved through negotiation, three through external mediation, eight referred to adjudication and one is still at the early stage of the process.

In the period we received one adjudicator decision, had hearings on MUDFA Rev 8 adjudication, one item was referred to adjudication and a new item referred to DRP by Infraco.

- Infraco referred the Depot Access Bridge dispute to adjudication in the period and this will be heard by the financial panel.
- Infraco also put a new item into dispute – Murrayfield underpass. This is effectively disputing tie's right to instruct Infraco to continue with works even if the issue has not been referred to dispute. The CEO's meeting has been held and this will go to the legal panel for adjudication.
- Adjudicator decision on Section 7 drainage was received on 24/5/10 and supports Infraco as to the existence of change in one section. Value being ascertained with final

resolution expected ~ £650k - £750k generating ~ £600k saving from Infraco's initial claim.

- During the period 5 days of adjudication hearings were held on the MUDFA Rev 8 programme dispute – a decision on this will be made in July.

DRP No	Subject	Nature of Dispute	Launched or planned	PD Mtg	Position Papers	CEO Meeting	Referral	Decision
A	MUDFA Rev 8	Programme	√	√	√	√	√	Adjudication in Progress – 1 st hearing held and an interim decision due on 16 th July 2010
5l	Section 7 Drainage	BDDI to IFC	√	√	√	√	√	Decision received 24 May 2010
5o	Depot Access Bridge	BDDI to IFC	√	√	√	√	√	Referred to financial panel by BSC
C	Murrayfield Bridge	Clause	√	√	√	√		Agreed to refer BSC
Launched by tie								
Launched by BSC								

A strategic review of commercial and contractual options is underway and is reported to the Tram Project Board and Transport Scotland each period.

Commercial Update (MUDFA)

A meeting is scheduled to take place on the 8th July 2010 with Carillion's Commercial Director to review the position and agree the process for resolution of the final account. Carillion have previously indicated that they would like to do this without referral to a third party, however critical to achieving this will be their stance on monetary entitlement in respect of the Enabling Works and Disruption Claim.

Changes – Agreement has been reached in the period of all Changes where there is no dispute as to entitlement. A review of 'entitlement' issues is scheduled for the 30th June and it is anticipated that it will require senior management discussions with Carillion to conclude. Re-measurement of Works – Carillion have now submitted revised drawings for work carried out and valuation of these works is nearing conclusion. However Carillion have as yet been unable to provide back-up documentation to support the revisions made to the 'as built' drawing. This is currently being pursued.

Enabling Works – Carillion have advised **tie** that they intend to revise their submission in respect of enabling works removing computational errors and wrongly allocated costs. They have also indicated that they will provide further backup information to substantiate their claim. To date this has not been forthcoming. Upon receipt tie will review and agree or amend the currently assessed value of the works.

Disruption Claim – In the period Carillion have resubmitted their disruption claim reducing the amount claimed from £13.1million to £8.8million. On initial examination it would appear that the claim is calculated using the same approach adopted by CUS in their previous submission. This approach has been previously rejected by **tie** and our independent claims consultants as hypothetical and not in accordance with the Contract requirements. A more detailed view of the submission will be given in the next period report.

2.3 Design

IFC Design

This report utilises information contained in SDS v58 Design Programme received on 27May10 and progressed to 10May10. The SDS v57 Design Programme was also received in Period 3 but superseded by V58. Concern remains regarding BSC's management of SDS; **tie** is addressing this through the commencement and progression of an audit of BSC's management of SDS.

v58 data has been used to inform the programme updates. **tie** are now in the process of including these into the live programme.

- IFCs – Phase 1a: 173 issued out of 231 (75%)
- 56 Prior Approvals are included in v58 (reduction in PAA count due to removal of Murrayfield TS RW and 1a3 roads from the SDS programme) – 52 of which have been granted – those remaining include the RBS Gogarburn Tramstop, Modifications to Murrayfield TS retaining Wall, Gogar Interchange, Canopy & Boundary Treatment at Airport Kiosk, Final Tram Stop location drawings and OLE pole locations.
- 86 Technical Approvals out of 92 have been granted in V58 (following a decrease in the number of activities in the SDS v55 programme)
- Roads approvals - One area remains outstanding for Technical Approval in Phase 1a (1C2- Picardy Place to St Andrew Square);
- Scottish Water has sent formal acceptances to BSC for all sections with the exception of 1C2 (Picardy Place to St Andrew Square) & 1C1 (McDonald Rd to Picardy Place).
- Sections 1B, 1D, 1C3, 5B & 5C close reports have been signed off by CEC, subject to BSC concluding any concessions included in the reports during construction. CEC are reviewing all other sections based on the prioritisation list provided by BSC.

Design approvals status in Period 03 is summarised below:

Phase 1a only	Number Required					Number
	V26	v31	V55	V56	V58*	Granted
Prior Approvals	44	49	56	56	56	52
Technical Approvals	53	71	91	92	92	86
IFC	71	81	231	233	231	173

Reasons for design slippage are being reviewed and recorded twice monthly at the design taskforce meeting, which is focused on resolving the outstanding design issues. **tie** is identifying and implementing opportunities to mitigate the impacts of this slippage. It should be noted that this is a consortium issue to manage, and **tie** will provide support in this respect.

tie has implemented an extensive programme of site based monitoring to validate & verify the installation of works in line with an integrated design assured construction.

2.4 Utility works

Utility Diversions are now complete at Haymarket and York Place (with the exception of final snagging and the requirement for Scottish Water tie-ins at York Place which are dependent on completion of SW works at The Mound). Utility Diversions continue to programme at Newhaven and Leith Docks with scheduled completion at the end of June 2010.

The procurement process commenced for Baltic street works in Period 1, though the tender process is currently postponed until **tie** receive IFC drawings from SDS which are now due 2nd July. **tie** received 3 expressions of interest, all of whom will be invited to tender.

Utility Diversions are now complete at Haymarket and York Place (with the exception of final snagging, abandonments and the requirement for Scottish Water tie-ins at York Place which are dependent on completions of SW works at The Mound). Utility Diversions continue to programme at Newhaven and Leith Docks with scheduled completion by the end of June 2010.

The required remedial and snagging works in Leith Walk are compounding the delay caused to Infraco on the Northbound carriageway, with the Southbound carriageway currently available, however BT are continuing with telecoms re-cabling activities, although the forecast completion slipped in Period 3, from July to September 2010. This is due to BT identifying an additional fibre optic cable to be connected and the impact of a reduction in available resources for week-end working due to staff safety problems working overnight in parts of the city.

The delay of telecoms cabling work in parts of St Andrew Square would impact upon the commencement of Tram works which were programmed to start in June 2010 if Infraco and **tie** resolved other disputed matters.

2.5 Tramworks (INFRACO)

The progress achieved in the Period for INFRACO works was 1.3% against a plan of 3.2% this rate of progress similar to that achieved in recent periods, and reflects the level of activity underway, primarily in the off-street sections. BSC are undertaking very limited on-street works in the Leith Docks area at present. The total cumulative completion is 19.2% in Period 3.

ON-STREET

Item	Period 01 % Comp	Period 02 % Comp	Period 03 % Comp
Lindsay Rd RW's	2.0%	2.0%	3.0%
S17 Tower Place bridge	0.3%	4.2%	5.0%
1B Leith Walk (Foot of the Walk – McDonald Rd)	1.3%	1.3%	1.3%
1D Princes Street to Haymarket	42.1%	42.1%	42.1%

OFF-STREET

Progress Off-street has continued or commenced at the following locations: Note that the (%) completion estimates relate to the full structure.

Item	Period 01 % Comp	Period 02 % Comp	Period 03 % Comp
Section 02 Haymarket to Roseburn Junction			
S19 Haymarket viaduct	51.9%	58.4%	60.8%
Trackwork Haymarket to Roseburn junction	0.6%	0.6%	1.2%
Section 05A Roseburn Junction to Balgreen Road			
Russell Road Retaining Walls	19.4%	19.4%	19.7%
Murrayfield Wanderers Clubhouse Accommodation Mods	80.0%	80.0%	90.0%
Section 05B Balgreen Road to Edinburgh Park Central			
S23 Carricknowe bridge	47.8%	55.0%	69.1%
Trackwork Balgreen to Saughton	27.6%	27.6%	28.1%
Trackwork Saughton to Bankhead (includes Guided Busway)	66.3%	72.4%	75.0%

Trackwork Bankhead to Edinburgh Park Station	43.5%	43.5%	43.5%
Trackwork Edinburgh Park Station to Edinburgh Park Central	9.5%	9.5%	9.5%
S27 Edinburgh Park viaduct	91.2%	92.4%	92.9%
Section 05C Edinburgh Park Central to Gogarburn			
Trackwork Edinburgh Park Central to Gyle Centre	10.2%	10.2%	10.2%
A8 underpass (Excluding utilities works)	10.5%	10.5%	13.9%
S32 Depot Access bridge	1.7%	5.0%	12.3%
Trackwork Depot Stop to Gogarburn	7.4%	7.4%	7.4%
Section 06 Gogar Depot			
Depot Earthworks & drainage	78.8%	96.0%	96.0%
Depot Trackworks & OLE Bases	0.0%	0.0%	4.3%
Depot building.	23.9%	35.8%	44.5%
Depot Sub-station	0.0%	3.0%	15.0%
Depot Access Roads	11.0%	33.0%	40.2%
Depot in totality	24.6%	36.8%	44.2%
Section 07 Gogarburn to Edinburgh Airport			
Gogar Landfill	0.0%	0.0%	4.6%
Gogarburn Bridge	90.0%	98.5%	98.5%
S30 Gogar Culvert No.1	100.0%	100.0%	100.0%
Trackwork Gogarburn to Ingliston P&R	0.0%	0.0%	8.2%
Hilton Hotel Carpark Phase 1	100.0%	100.0%	100.0%
S31 Gogar Culvert No.2	100.0%	100.0%	100.0%
S34 Gogar Culvert No.3	100.0%	100.0%	100.0%
W14A&B / W15C&D Gogarburn RW's	22.0%	22.0%	22.0%
Trackwork Ingliston Park & Ride to Edinburgh Airport	4.1%	8.3%	14.0%

Progress in Period 3:

- Lindsay Road RW's - Infracore continue with works to Retaining Walls 1A and 1C;
- Tower Place Bridge - Pier foundations continue with pontoons delivered early June;
- Section 7 progressing steadily during period with good progress being made during dry conditions;
- Surcharge area at Gogarburn commenced in period 3 after drawn out debates, again progressing steadily. This should be complete by end of June;
- General Depot works continue ahead of revised short term programme overall apart from one problem area. Siemens now due to commence rail works in early July;
- Depot Access bridge South abutment piling commenced;
- Carrick Knowe Bridge works carried out under weekend possessions completed successfully;
- Earthworks between Carrick Knowe Bridge and Balgreen recommenced in period, and
- Drainage works commenced in Section 2a.
- Works to Haymarket Viaduct continue, and;
- Building warrant granted for Murrayfield accommodation works (gatehouse, fencing and turnstiles).

Issues in the Period

- Progress to various areas not taking place due to lack of engagement of Contractor following Issue of Instruction – Clause 80/Clause 34.1;
- Contractual obligations not met to allow works to commence on street;
- Further design slippage;
- BSC now recording progress against incomplete REV 3A Programme despite Rev 1 being the agreed contract programme and rejection of Rev 3A by **tie**, and;
- Further issues with Barrier system at airport have occurred. This is again being monitored with permanent reliable solution being sought from supplier asap in order to finally resolve this issue. A plan has been agreed and the Tram Project Director and the BAA Development Director will meet in P4 to agree handover.

Progress continues to be monitored against the Revision 1 programme. The summary milestones against the agreed INFRACO contract and the short term Rev 1 programme milestones are shown in the table below.

Milestones	Period 03		Cumulative (Short-Term)		Contract Planned to P03
	Planned	Actual	Planned	Actual	
Prelims	2	0	69	69	74
Construction	12	8	148	143	1047

The Revision 1 programme incorporates the agreed 38 business days (seven weeks plus three days) EOT variation to the contract programme as in the table below. As had been the case in the contract programme progress, the common denominator in the Revision 1 programme remains that every activity in the programmes has a work content generated against it which translates into a weighting, allowing accurate reporting of progress.

Period 03 2010-11	Period		Delta	Cumulative		Delta
	Plan	Actual		Plan	Actual	
INFRACO PERIOD 03 PROGRESS (Contract Rev.01 Programme)						
Section 1a Newhaven to Foot of the Walk	5.7%	0.1%	-5.6%	75.4%	0.5%	-74.9%
Section 1b Foot of the Walk to McDonald Road	6.9%	0.0%	-6.9%	79.9%	1.3%	-78.6%
Section 1c McDonald Road to Princes Street West	7.0%	0.0%	-7.0%	70.2%	0.0%	-70.2%
Section 1d Princes Street West to Haymarket	0.2%	0.0%	-0.2%	100.0%	42.1%	-57.9%
Combined Sections 1A-1B-1C-1D (On-Street) Newhaven Road to Haymarket	5.2%	0.0%	-5.2%	79.3%	8.1%	-71.2%
Section 2 Haymarket to Roseburn Junction	0.0%	1.1%	1.1%	100.0%	26.5%	-73.5%
Section 5a Roseburn Junction to Balgreen Road	3.2%	0.1%	-3.1%	86.2%	6.0%	-80.2%
Section 5b Balgreen Road to Edinburgh Park Central	0.0%	1.8%	1.8%	100.0%	42.0%	-58.0%
Section 5c Edinburgh Park Central to Gogarburn	4.7%	1.4%	-3.3%	97.4%	8.0%	-89.4%
Section 6 Gogar Depot	0.0%	7.4%	7.4%	100.0%	44.2%	-55.8%
Section 7a Gogarburn to Edinburgh Airport	2.4%	0.1%	-2.3%	99.3%	33.2%	-66.1%
Combined Sections 2A-5A-5B-5C-6A-7A (Off-Street) Haymarket to Edinburgh Airport	1.7%	2.2%	0.5%	96.3%	27.3%	-69.0%
FULL ROUTE PHASE 1A NEWHAVEN ROAD TO EDINBURGH AIRPORT	3.2%	1.3%	-1.9%	89.2%	19.2%	-69.9%

Section	Commentary
Section 1a Newhaven to Foot of the Walk	No agreed programme for recommencing main works in this section Works have re-started at Lindsay Road RWs, works continuing on Tower Bridge
Section 1b Foot of the Walk to McDonald Road	No agreed programme for recommencing in this section
Section 1c McDonald Road to Princes Street West	No agreed programme for recommencing in this section
Section 1d Princes Street West to Haymarket	No agreed programme for recommencing in this section
Section 2 Haymarket to Roseburn Junction	<u>Haymarket Viaduct</u> Work on the east abutment walls and access stair walls continued during the period. Work to the tramstop retaining walls progressed during the period. Drainage and backfill to the west abutment also commenced during the period. Grahams received the revised design for the internal retaining wall. Construction of the retaining wall base slab recommenced during the period. <u>Haymarket Yards</u> Track drainage works commenced during the period - very slow

Section	Commentary
	<p>progress to date. Estimate for the soft ground awaited from BSC.</p> <p><u>Russell Road Bridge</u> No works carried out during the period. Temporary works design for the soil nails still awaited from BSC/Grahams. Grahams currently sourcing a designer to progress agreement of the 24" gas main protection methodology with SGN. Actual works now likely to start September 2010.</p>
<p>Section 5a Roseburn Junction to Balgreen Road</p>	<p>Temporary & permanent works re-design along with commercial resolution delaying various structures. All required consents in place for track installation.</p> <p><u>Russell Road Retaining Wall W4</u> No piling work carried out during the period. BSC [Expanded] poured the pile cap and retaining wall on unit 10 during the period. The pile cap on unit 11 was also poured during the period. The pile cap reinforcement details were resolved during the period. Steel fixers commenced the pile cap reinforcement to unit 12 during the period. Expanded currently only contracted to work on units 10 to 18. Date for completion of the Scottish Power cable diversion awaited from BSC.</p> <p><u>Murrayfield Accommodation Works</u> Murrayfield Accommodation works awarded to Crummock. Works due to start on site late June 2010.</p> <p>Murrayfield Wanderers Clubhouse Accommodation works – works commenced w/c 05/01/10 and continued during the period with targeted completion by end of June 2010</p>
<p>Section 5b Balgreen Road to Edinburgh Park Central</p>	<p>Temporary & permanent works re-design along with commercial resolution delaying various structures.</p> <p><u>Eathworks Balgreen Road to Carrick Knowe Bridge</u> Earthworks recommenced and continued during the period.</p> <p><u>Carrick Knowe Bridge</u> The main deck slab and bridge diaphragms were poured during the period. Part of the cantilever deck sections were also completed. Construction of the north approach ramp continued during the period.</p> <p><u>Guided Busway</u> Track work was completed.</p> <p><u>South Gyle Access Bridge</u> The sewer diversion was tendered during the period. Contract for sewer diversion to be awarded w/c 21 June 2010, with a start on site early July 2010.</p> <p><u>Bankhead Drive</u> No works by BSC during the period.</p> <p><u>Edinburgh Park Bridge</u> Construction of the south approach ramp continued during the period.</p> <p><u>Busgate</u></p> <ul style="list-style-type: none"> ▪ Surfacing works sufficiently completed on 2nd June 10 and the traffic management switched to Phase 1B on 4th June 10 following the SAT for the pedestrian crossing/temporary traffic controls. ▪ Crummock has accepted Turriff as the contractor for the

Section	Commentary
	<p>gas main diversion. The estimate is still to be accepted by BSC prior to the works being planned with SGN.</p> <ul style="list-style-type: none"> Works have now progressed on the old Edinburgh Park Station Road to prepare for the Tram Stop works.
Section 5c Edinburgh Park Central to Gogarburn	<p><u>A8 Underpass</u> Phase 1/2: Excavation and pile breakdown completed for deck slab. Phase 4: Piling works commenced 16th June 2010. Sewer grouting programmed for w/c 21st June 2010. SGN gas main commissioned by 18th June 2010.</p> <p><u>Depot Access Bridge</u> North Abutment: pile cap concrete completed to east, west and abutment stem. South Abutment: Kingpost installation completed and temporary anchor installation commenced.</p> <p><u>Edinburgh Park Central to Gyle Tram Stop</u> BSC has indicated their intention to commence works in Section 5C between the Edinburgh Park Central Tram Stop and the west side of South Gyle Broadway. Traffic Management is planned to be installed on 21st June 10 for one week to form the site access, pending provision of sufficient documentation to satisfy the Permit to Commence Works. NEL and EPML have agreed in principal to the traffic management and site access location</p>
Section 6 Gogar Depot	<p>Depot Building works: Accommodation area: LV panel installed and M&E 2nd fix commenced. Blockwork completed. Workshop area affected by no progress in period to tram wash slab. General Building works wall cladding 90% completed.</p> <p>External works: Drainage works 80% complete. OLE foundations completed. No works in period on ductwork.</p>
Section 7a Gogarburn to Edinburgh Airport	<p>Gogarburn Bridge: Area available for Siemens track laying. No works in period.</p> <p>IPR to EAL: Retaining wall W14A and W15A completed with exception of handrail and facing brickwork. Soft ground remediation completed. Drainage works 35% completed. Embankment upfill approximately 70% completed.</p> <p>Gogarburn to IPR: Embankment soft ground remediation completed and embankment fill approximately 70% complete. Drainage works 20% completed.</p>

Tram construction (Tramco)

Good progress continues to be made with delivery of the trams by CAF in accordance with the tram delivery schedule. Work is progressing at various stages on the production line on the 27 trams, all bodyshells have now completed fabrication, with the 14 trams now complete and undergoing testing.

The tram on display on Princes Street remains a strong visitor attraction with more than 44,000 visitors to date. Edinburgh Trams livery has now been applied to the tram and a very positive response has been received from those members of the public who have visited.

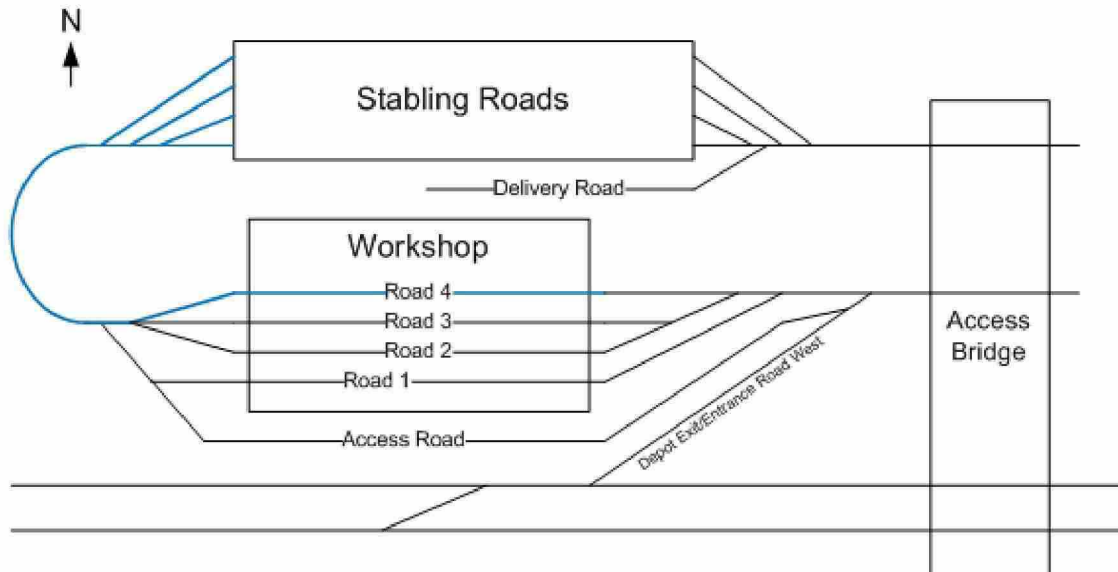
2.6 Preparing for Operations

We have been planning in detail the first three stages of preparation for the Testing & Commissioning phases as well as the operational introduction of trams. As part of the process, the Benefits Realisation & Operational Readiness Committee was formed and is reporting to the TPB, and an integrated programme has been developed.

Planning for commissioning of the Depot the plant and equipment and the trams is being discussed and programmed. This is leading the prioritisation of elements of the delivery works

in order to optimise the testing and commissioning period. The key stages are detailed in the diagrams below:

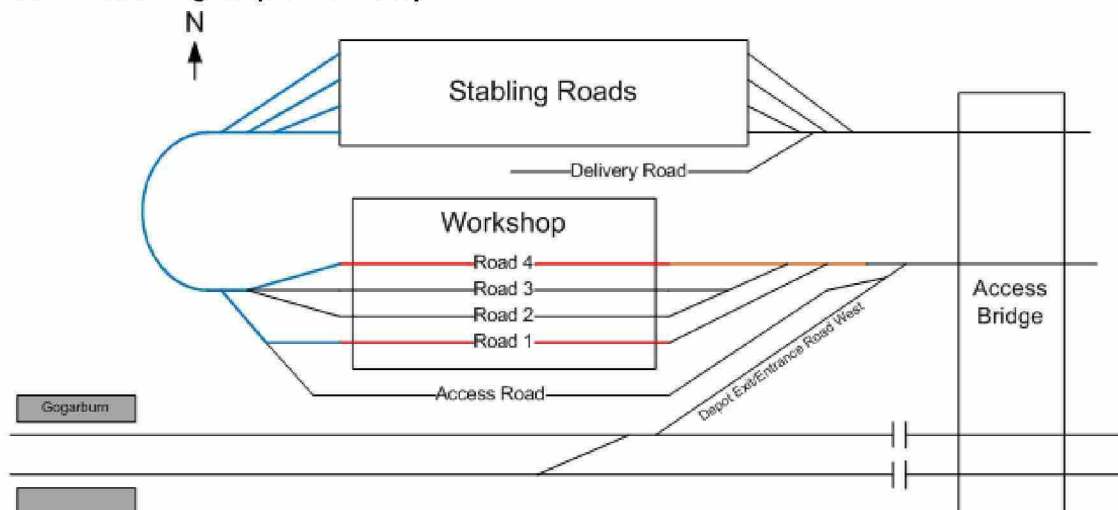
Commissioning Sequence – Step 1:



Delivery of Tram to Road 4 - Requirements

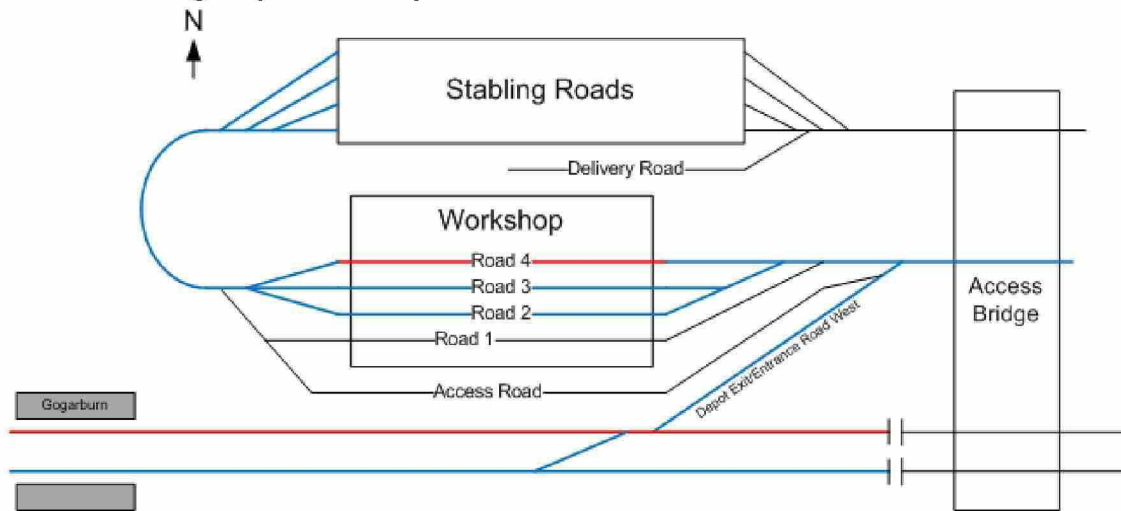
- Track complete road 4, loop and stabling road(s) as shown by blue line
- Workshop floor complete to allow delivery trucks access
- Road 4 pit and road 4 roof access platform

Commissioning Sequence – Step 2:



750VDC provided to Road 4 and/or Road 1 - Requirements

- Substation equipment installed and commissioned
- Wire run for road 4 and/or Road 1 installed including section insulators, isolation switches, earthing and bonding. The wire run for road 4 at the east end terminates as shown by the orange line, will the track need to be completed? The wire run for road 1 terminates at the scissors crossover. Beyond the access bridge.
- OLE 'live' as shown by red line
- Workshop dust free / sealed
- Alternative – 750Vdc provided to the access Road?

Commissioning Sequence – Step 3:**Access to mainline for tram testing up to Gogar Tramstop – Requirements**

- Track complete; road 3 & 2 towards and under access bridge, Depot west exit/entrance road, mainline track between Gogarburn tramstop and access bridge, shown by blue and red lines.
- Temporary wire run on one mainline road installed including section insulators and temporary termination poles/bases as shown by red line.
- Workshop equipment installed; wheel lathe, lifting plant, all roof access platforms.
- The OJEU procurement launched for the ticketing equipment for the tram system, to link it with the existing Lothian Buses ticketing system. Significant effort is being made on programming and planning the preparing for operations activities, including recruitment and training of both operations and maintenance staff. The maintenance of completed infrastructure assets is being worked on with the BSC maintenance representatives.

The OJEU of the ticketing equipment for the tram system, to link it with the existing Lothian Buses ticketing system has progressed to the stage where we are going to shortlist and seek final tender submissions from which to select a preferred bidder. Significant effort is being made on programming and planning the preparing for operations activities, including recruitment and training of both operations and maintenance staff. The maintenance of completed infrastructure assets is being worked on with BSC maintenance representatives.



Interface with other projects

The following table identifies the other projects ongoing within the city which may impact on the Tram project. This is reviewed on an ongoing basis both internally and in conjunction with TS to identify conflicts and mitigations.

External Projects	Promoter	Project Description	Potential Conflict	Tram Contract Dates		Project Dates		Comments
GREEN - No conflict anticipated but being monitored. AMBER - Managing any conflict. RED - Conflict which causes programme concern / unknown effect on tram programme.			Start	Finish	Start	Finish		
New Hotel adjacent Ocean Terminal	Ocean Points Development Limited	New build hotel	Potential conflict with Infracore dependent on timescales. To be monitored.	Sep-09	Apr-12	TBA	TBA	To be monitored.
Movement of Abnormal Loads	Sinclair Knight Merz	Transportation of turbines and 45 metre blade sections for <i>Fallago rig</i> wind farm via road transporters from Leith docks along Ocean Drive via Ocean Terminal frontage to Commercial Street, then East through Great Junction Street/Duke Street junction to Salamader Street	Conflict with tram works along required transportation route. Disruption to construction activities.	TBA	TBA	Jun-11	Dec-11	2 complete turbine movements expected each week for approx. 6 months
Former Bus & Tram Depot nr Shrub Place	Fraser & Neave	Transformation of former Tram and Bus Depot into 121 room serviced apartments.	None identified. Dependent on timescales.	Now		TBA	TBA	To be monitored. Utility completion by end Aug09. Potential TM interface dependent on Infracore proposals
Shrubhill House	Unite	Transformation of former council social work headquarters into 200 bed hotel	None identified. Dependent on timescales.	Now		TBA	TBA	Awaits planning consent. To be monitored. Utility completion by end Aug09. Potential TM interface dependent on Infracore proposals
Baxter Place Development	Fitzpatrick Hotel Group	Conversion of existing building adjacent Greenside Lane and with frontage onto Leith Street	Proposal to divert existing utilities through basement of building. Also potential TM interface issues with Picardy Place construction.	Jul-10	Oct-11	TBA	Dec-10	

External Projects	Promoter	Project Description	Potential Conflict	Tram Contract Dates		Project Dates		Comments
GREEN - No conflict anticipated but being monitored. AMBER - Managing any conflict. RED - Conflict which causes programme concern / unknown effect on tram programme.				Start	Finish	Start	Finish	
St.James Centre Re-development	CEC / Henderson Global	Redevelopment of existing shopping centre.	Interface with Picardy Place junction re-construction and Cathedral Lane sub-station	Nov-10	Jun-12	2011	2016	Downgraded from red to amber as commencement of this project is now indicated towards the completion of Tramworks and therefore interfaces should diminish.
National Portrait Gallery		Major building construction and re-furbishment. The renovation of the external facadesy, the overhauling of the existing windows, the renewal of the existing rooflights and roof covering. Additionally, it is proposed that an external ramp is formed to the front main entrance to allow disabled access.	Interface with Infraco works on St Andrew Street / York Place	Nov-10	Jun-11	Oct-09	Nov-11	
St.Andrew Square Development	CEC	Demolition of existing buildings bordering South Side St.Andrew Square, South St David Street and Meuse Lane	Infraco Programme	Apr-10	Jun-10	TBA	TBA	Infraco activities will not commence until Apr2010
Waverley Steps	Transport Scotland	Refurbishment of existing Waverley Steps with inclusion of new escalators and elevators	ST.ANDREW STREET Traffic management issues when Infraco in Princes Street should this project require deliveries, craneage or Traffic management in same time period	Apr-10	Jun-10	Jun-10	May-12	No conflicts expected.
Waverley Station Re-roofing	Transport Scotland	New roof and general upgrade to station interior	May be Traffic Management issues	Apr-10	Jun-10	Apr-10	Apr-14	No conflicts expected.
New Hotel in Haymarket	Tiger Developments	New build hotel		Jul-10	Mar-12	ON HOLD	ON HOLD	No issue as Project cancelled as Planning Application rejected October 2009. Alternative project being developed.

External Projects	Promoter	Project Description	Potential Conflict	Tram Contract Dates		Project Dates		Comments
GREEN - No conflict anticipated but being monitored. AMBER - Managing any conflict. RED - Conflict which causes programme concern / unknown effect on tram programme.				Start	Finish	Start	Finish	
Haymarket Interchange	First Scotrail	Capacity Increase Project - Installation of new lifts and walkways from Haymarket Terrace	Utility diversions continue until late Jan.2010 Potential Interface with Infraco works at Haymarket junction commencing Jan.2010	Jul-10	Mar-12	Dec-11	Dec-12	No conflicts expected.
Haymarket Station Re-furbishment	Network Rail/Scotrail	Main Building refurbishment works	Any external works could conflict with TM for either or both MUDFA and Infraco and could conflict with Infraco construction works. Bridge to be installed from Haymarket terrace to Platform 0 to comply with DDA	Jul-10	Mar-12	Aug-09	Complete	No issues as Project complete.
Haymarket Station	First Scotrail	Installation of new lifts and walkways from Haymarket Terrace	Construction of Haymarket viaduct	Jul-10	Mar-12	TBA	TBA	
Haymarket Terrace	DTZ Surveyors	Common Repairs to buildings at 2-4-6-8-68 & 74 Haymarket Terrace	Scaffolding and external repairs	Jul-10	Nov-11	May-09	ASAP	Scaffold erected and building repairs underway between Infraco TM phases.
Airdrie - Bathgate	Transport Scotland	New track installation	Tram possessions mainly "piggy-backed" on A2B possessions which could be altered / cancelled.	TBA	TBA	Mar-09	Mar-10	Various possessions and RotR workings
New Hotel	NEL (New Edinburgh Park Ltd) / Whitbread	120 Bedroom Premier Inn Hotel	Construction traffic TM Interface	TBA	TBA	TBA	TBA	The site, located at the southern end of Edinburgh Park, is opposite the Park's dedicated railway station and tram stop.
RBS Tramstop - Gogarburn	RBS	Design by RBS - Build by Infraco	Design and consents not in place in a timely manner to allow Infraco to build to programme	Nov-10	Mar-11	TBA	TBA	Design and approvals progressing to programme. Confirmed that this will now be a generic tram stop design
Gogar Intermodal Station Project	Transport Scotland	New intermodal station and tramstop to east of Gogar Depot	Gogar Station Works being staged around wider Edinburgh Tram Network.	Dec-09	Oct-11	Oct-10	Mar-12	Gogar Intermodal Station Project programme under review and being developed in conjunction with NR and TS. Inextricably linked to the

External Projects	Promoter	Project Description	Potential Conflict					
GREEN - No conflict anticipated but being monitored. AMBER - Managing any conflict. RED - Conflict which causes programme concern / unknown effect on tram programme.				Tram Contract Dates		Project Dates		
				Start	Finish	Start	Finish	Comments
								wider Edinburgh Tram Network programme. A meeting between senior TS and tie representatives has been arranged for 25/06.

Colour code

Green	No conflict anticipated but being monitored
Amber	Managing any conflict
Red	Conflict which causes programme concern / unknown effect on tram programme

This matrix continues to be reviewed by tie to identify any potential impacts on the Tram programme as early as possible in order to manage them.

Other

Gogar Interchange

Design progress

At the end of Period 3 **tie** assesses the design phase as 82% complete for the increased scope. The cost of work done to date is £850K against the revised AFC of £1,042m.

Period 3 Progress

Finalisation of the sewer location has allowed the design to progress. The Prior Approval application was completed and submitted on 18 March 2010. Additional information was requested by CEC. Prior Approval now expected by 14th July 2010.

Detailed design continued for the tram stop structure and the northern retaining wall. SDS have estimated that design will be complete by 11 June allowing Technical approval by 26th July with IFC now forecast as 13th August 2010.

Programme milestones

Activity	Planned	Period 6 forecast	P2 forecast / Actual
Complete prelim design of additional tram stop	10/8/09	18/9/09	30/9/09 (A)
Submit Structures Technical Approval application	19/11/09	8/1/10	11/6/10
Submit Prior Approval application	26/11/09	15/1/10	18/3/10 (A)
Receive Prior Approval	5/2/10	12/3/10	14/07/10
Receive Structures Technical Approval	5/2/10	8/3/10	26/07/10
IFC by SDS of civils design and outline systems design	26/2/10	22/3/10	13/08/10
IFC by Siemens of detailed systems design	-	-	July 2010

An issue arose in Period with the proposed supplier of the Tram Stop roofing material, who was unable or unwilling to respond to BSC/SDS timescales and requirements. This supplier is currently involved on the Network Rail scope and their involvement in the Tram scope should be advantageous. **tie** have intervened and proposed a solution on this matter.

Tram design issues

BSC previously identified a need to discuss the reduced headroom for the OLE through the tramstop with the Independent Competent Person. The **tie** engineering team have discussed this further with BSC and have received confirmation that this is no longer an issue. Final confirmation will be sought during the Design Review.

Other Reporting Streams Progress

The following sections describe progress on other areas of the project during Period 3.

Temporary traffic regulation orders (TTROs)

A review of traffic management arrangements across the City Centre has been undertaken, this to return the City Centre (as much as is feasible) to the pre-tramworks arrangements, using temporary kerbing. To date, the Haymarket area has been reinstated with works scheduled for the West End, Charlotte and St Andrew Square and Leith Walk during Period 4.



Traffic regulation orders (TROs)

A Report is being prepared for submission to Council (Transport Infrastructure & Environment Committee) on 21 September regarding the recommendation to make TRO1 as submitted. Should any modifications be required, these to be picked up in a future TRO.

Network Rail

The Immunisation Calculations Study has now been submitted for NWR Infrastructure Safety Review Panel (ISRP). The BSC study confirms that 14 FETR will be required for the immunisation solution. NR Signalling Immunisation (EMC) Test Plan will be developed to include all verification and validation tests that will evidence that there is no significant safety issue for NR assets failing 'wrong side'. These documents were compiled into the Case for Safety – Signalling and delivered to ISRP (Infrastructure Safety Review Panel) on 14th June 2010 for a further ISRP on 01/07/2010.

Murrayfield

The Building Warrant for the remaining accommodation works at Murrayfield has been granted, this covering realigned fencing, relocated turnstiles, a new gatehouse and access to the stadium complex.

Burnside Road Realignment

Newgate and RCL continued to monitor the barrier system software, but some operational instability still exists and steps are being taken to resolve these.

MUD Works at Edinburgh Airport

Farrans have resolved the remaining Handover documentation issues and have submitted this to BAA. No further issues are anticipated and BAA should now accept Handover.

3 Headline cost report

3.1 Current financial year

	FY 10/11			FY 10/11			FY 10/11			COWD To Date	Costs To Go	Total AFC
	COWD Period			COWD Year To Date			COWD Full Year Forecast					
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance	Actual	Forecast	Forecast
Total Project COWD	5.122	10.220	-5.098	20.098	26.855	-6.757	143.011	142.245	0.766	367.940	165.369	533.309
Other Funding	0.423	0.844	-0.421	1.659	2.217	-0.558	11.808	11.745	0.063	30.380	13.654	44.035
Demand on TS	4.699	9.376	-4.677	18.438	24.637	-6.199	131.203	130.500	0.703	337.559	151.715	489.274

We continue in this report to reflect an AFC outturn estimate of £533.3m. However, as previously reported, given the continuing commercial uncertainties with the Infracore and continuing delays to the project it is considered unlikely that the full scope of Phase 1a will be completed within the available funding envelope of £545m. It is not however possible at the present time to accurately forecast a reliable outturn cost until the key commercial issues are resolved through the contractual and legal process.

The Funders Operators Group (Transport Scotland, Edinburgh Council and TIE Limited) met on 17th June 2010 to discuss the project outturn costs and commercial strategy. At the Funders Group meeting tie Ltd committed to providing an updated forecast for 2010/11 and 2011/12 to TS by the end of the month. It is anticipated that the review of forecast will result in a significant reduction in the 2010/11 outturn forecast. Note: The figures included in this report have not yet been updated for this view.

tie are now escalating all key issues to Dispute Resolution Procedure (DRP) and other contractual measures following the failure of mediation to provide an acceptable outcome. COWD to date is £367.9m, with funding to date split to TS (£337.6m) and CEC (£30.3m).

For the purposes of clarity of the 2010/11 figures:

A forecast of £139.7m was presented to TS in Jan-10 with a range of +£35m/-£30.5m according to a range of specified assumptions. The budget included in the Headline cost report is the £142.2m, which was based upon the forecast as at the end of Period 12. The current forecast is £143.0m, which is the Q1 2010/11 forecast set as at the end of Period 13 - 09/10. The quarterly forecast will be held for the purposes of this report, and updated in line with the FOG group update in period 4.

Risks are identified in the 'Profile' (below).

Actual YTD 3 & forecast P4-P13 FY10/11

£m	2010/11 to P3	Forecast P4-P13, 10/11	Forecast FY10/11
Infrastructure and vehicles	16.7	111.2	127.9
Utilities diversions	-0.4	-4.5	-4.9
Design	0.5	1.8	2.3
Land and compensation	0.2	0.0	0.2
Resources and insurance	3.2	10.1	13.3
Base costs	20.1	118.7	138.8
Risk allowance	0.0	4.2	4.2
Total Phase 1a	20.1	122.9	143.0

Note: Tram COWD Full Year ended 09/10 was £113.8m against budget £150.1m (excl 1b).

YTD 2010/11 COWD is £20.1m in period 3, -£0.7m behind the P2 forecast for P3.

Full year forecast for 2010/11 is held at £143.0m in this report. This forecast is being held from P13, and includes a base PM forecast of £138.8m and unallocated risk of £4.2m.

Key Risks to the £143.0m forecast for 2010/11 are currently assessed at -£28.0m. At risk, and forecast in P3 2010/11 are:

- On-street Milestones for sections 1a & 1b (-£8.7m),
- On-street change forecast (-£1.3m),
- Prelims realignment (-£2.7m),
- Other Milestones & Change Infraco programme slippage (-£4.3m)
- Unallocated risk (-£9.0m),
- Other movements (-2.0m)

As previously reported and agreed with CEC and TS, initial milestones under the Infraco and Tramco contracts in the aggregate amount of £24.2m, in respect of advance material purchases, have been classified as prepayments. These will be reclassified as expenditure against funding in the periods when the related materials are delivered to site and incorporated in the works. The release will occur on the achievement of trackwork and structures milestones in 2010/11 and future years.

Current financial year profile

Profile for FY10/11

£m	Q1 (p1-3)	Q2 (p4-6)	Q3 (p7-10)	Q4 (p11-13)	Total FY10/11
Infrastructure and vehicles	16.7	21.2	53.4	36.7	127.9
Utilities diversions	-0.4	-2.7	-1.8	0.0	-4.9
Design	0.5	0.6	0.7	0.6	2.3
Land and compensation	0.2	0.0	0.0	0.0	0.2
Resources and insurance	3.2	3.1	3.8	3.1	13.3
Base costs	20.1	22.2	56.1	40.4	138.8
Risk allowance	0.0	0.5	2.1	1.6	4.2
Total Tram	20.1	22.7	58.2	42.0	143.0

- Costs for 2010/11 are forecast at £143.0m. This forecast is sensitive to the key risks as identified above.
- The latest forecast includes a range of assumptions and sensitivities and was informed by linking the latest **tie** PM view to Infraco construction milestones and taking a best view of what is likely to be achieved in the year. The realigned base costs and risk were then linked against this.
- **The current agreed budget for 2010/11 is £142.2m, with TS share of the budget £130.5m.**

Total project anticipated forecast cost

Re-baselined Phase AFC and profiling

£m	Cum FY07/08	Actual 08/09	Actual 09/10	FY 10/11	FY 11/12	AFC
Infrastructure and vehicles	30.6	45.2	83.5	127.9	28.2	315.4
Utilities diversions	18.4	33.4	10.6	-4.9	0.0	57.6
Design	24.4	4.7	2.1	2.3	0.6	34.2
Land and compensation	16.8	1.7	1.6	0.2	0.0	20.3
Resources and insurance	42.9	16.0	15.9	13.3	13.6	101.7
Base costs (inc 1b)	133.1	101.0	113.8	138.8	42.5	529.1
Risk Allowance	0.0	0.0	0.0	4.2	0.0	4.2
Total	133.1	101.0	113.8	143.0	42.5	533.3

Note: Base costs include £6.2m for ph 1b.

The TEL board have approved a risk allowance within the current funding arrangements of up to £48.2m, which takes the current agreed budget up to £530.0m. **tie** continue to forecast £533.3m in this report as an AFC.

4 Time schedule report

4.1 Report against key milestones

The table below reflects the milestones set out against the Rev1 programme.

Milestones	Baseline programme date	Actual / current forecast date tie live prgm
Approval of DFBC by CEC	21 Dec 06A	21 Dec 06A
MUDFA – commencement of utility diversions	02 Apr 07A	02 Apr 07A
TRO process commences	14Dec07A	10-Dec-07A
Approval of FBC by TS – approval and funding for INFRACO / Tramco	09 Jan 08	Dec 07A
Princes Street closed	03-Feb-09	22-Feb-09A
Tramco / INFRACO – award following CEC / TS approval and cooling off period and SDS novation.	28 Jan 08	14 May 08A
Construction commences	14-Apr-08	14-May-08A
First track installation commences – on street	03-Nov-08	Jun 2009A
Carrick Knowe Bridge commences	21-Aug-08	19-Aug-08A
A8 underpass commences	08-Aug-08	28-Aug-08A
Haymarket viaduct commences	08-May-08	01-Sep-08A
Edinburgh Park viaduct commences	06-Aug-08	01-Sep-08A
Tram mock-up delivered	Oct 2008	Nov 2008A
Demolition of Wanderers clubhouse	25-Aug-08	05-Jan-10A
Edinburgh Park viaduct complete	24-May-09	Aug-10
Princes Street re-opened	01-Aug-09	29-Nov-09A
NR immunisation complete	Nov 2009	Dec-10
Utilities works complete (including telecoms)	Nov 2008	Mar-11
All demolition work complete (S21C)	22-Aug-08	Nov-10
All Issue for Construction (IFC) drawings delivered (inc Gogar interchange design)	21-Jan-09	Nov-10
Haymarket viaduct complete	08-Dec-08	Dec-10
All consents and approvals granted	18-May-09	Nov-10
Design assurance complete	20-Jan-09	Nov-10
1 st Tram delivered	09-Apr-10	25-Apr-10A
Carrick Knowe bridge complete	11-May-09	Nov-10
A8 underpass complete	14-Jul-09	May-11
Roseburn viaduct commences	20-Jan-09	Oct-10
TRO process complete	01-Dec-09	Jul-10
Recruitment commences (SMC staffing)	July 2010	Nov-10
1 st OHL installed (Commence Section 2)	11-Dec-09	May-11
1 st section (other than depot) complete ready for energisation (2)	25-June-10	Jul-11
Commission Section 2 (Haymarket to Roseburn junction)	11-Jan-10	Dec-11
Final tram delivered	17-Jan-11	Jan-11
Commission Section 6 (depot)	25-Mar-10	Nov-11
Roseburn viaduct complete	20-Apr-10	Sep-11
Test track complete (Ready for tram testing)	23-Apr-10	Apr-12
Commission Section 7 (Gogar to Edinburgh Airport)	25-June-10	Oct-11 to Apr-12
Commission Section 1 (Newhaven to Haymarket)	11-Mar-11	Jan-12 to Jul-12

Milestones	Baseline programme date	Actual / current forecast date tie live prgm
Commission Section 5 (Roseburn junction to Gogar)	09-Nov-10	May-11 to Sep-12
Driver training commences (excludes depot)	Nov 2010	Jul-12
System testing complete off street	09-Dec-10	Oct-12
Construction Line 1a complete	17-Jan-11	Sep-12
System testing complete on street	16-Feb-11	Oct-12
Letter of "no objection" from Independent Competent Person to commence tram running	17-Apr-11	Dec-12
Shadow running starts	18-Apr-11	Dec-12
Shadow running complete	July 2011	Mar-13
Letter of "no objection" from Independent Competent Person to commence revenue service	July 2011	Mar-13
Open for revenue service	July 2011	Mar-13

*BSC Rev 2 programme is not an agreed Contract programme

Guidance for Completion:

Legend for colouring of Actual / forecast date text

Green: Actual / forecast date is ahead or in line with baseline
Yellow: Slight slippage – readily recoverable with action.
Pink: Significant slippage but expect recovery can be achieved
Red: Notable / significant slippage – difficult to recover, even with action.

Key issues affecting schedule

Section 1A Utilities and Telecoms

Telecoms completion between Ocean Terminal RA to Victoria Dock bridge West side have slipped in the period from 26th July to 23rd August

Section 1C Utilities and Telecoms

Completion of utilities diversions between Greenside Lane and Broughton St has slipped from May10 to July 10 with completion of Telecoms activities slipping from October 10 to March 11 due to the availability of telecoms resources requiring works to be tackled in a sequential manner rather than the previously programmed concurrent manner.

Completion of telecoms in St Andrew Sq has slipped from Oct10 to Dec10

12-Week look-ahead

Until the revised programme is in place the forecast for the next 12 weeks continues to be generated from the **tie** Live programme including latest updated information from both BSC and **tie** Project Managers.

Note that due to the uncertainty surrounding the On-street section of the Infraco works, that these works have been removed from the 12 week forecast other than for areas that are currently underway.

Milestones	Actual / current forecast date
1D - Complete Utility diversions Haymarket to Shandwick Place	21-May-10A
1A4 - Lindsay Rd Retaining Wall A+C	21-Jun-10C
1A3 – S17 Construction Works Tower Place bridge	21-Jun-10C
1A1 - Continue S-E-Ms Bernard Street to Foot of the Walk	21-Jun-10C
1C2 - Telecoms Works Picardy Place to St Andrew Square	21-Jun-10C
2A –Trackworks Haymarket to Roseburn Junction -1135m	21-Jun-10C
2A – Haymarket viaduct	21-Jun-10C

Milestones	Actual / current forecast date
5A - Construct New Scotrail Carpark	21-Jun-10S
5A - W3 Russell Road retaining wall	21-Jun-10C
5A - W4 Russell Road retaining wall	21-Jun-10C
5A - Demolition of Wanderers Clubhouse continues	21-Jun-10C
5B - Trackworks Balgreen Rd Saughton Road North	21-Jun-10C
5B - S23 Carricknowe bridge	21-Jun-10C
5B – Trackworks Bankhead to Edinburgh Park Station	21-Jun-10C
5B – Edinburgh Park Stn – Edinburgh Park Central Trackworks	21-Jun-10C
5C - W16 Commence Gyle Stop RW	21-Jun-10S
5C - A8 Underpass	21-Jun-10C
5C - S32 Depot Access bridge	21-Jun-10C
5C - Trackworks Depot Stop to Gogarburn	21-Jun-10C
6 – Complete Depot Earthworks	21-Jun-10C
6 – Depot Sub-station	21-Jun-10C
6 - Depot Building Pits	21-Jun-10C
7 – Gogar Landfill	21-Jun-10C
7 - W14/W15 Gogarburn RW	21-Jun-10C
5B - Bankhead Drive TS	23-Jun-10S
1A4 - Continue Utility Diversions Newhaven to Ocean Terminal	28-Jun-10F
7A - S29 Gogar Underbridge	30-Jun-10F
5C – Trackworks Edinburgh Park to Gyle	05-Jul-10S
5B - Saughton Rd TS	13-Jul-10S
5A - Murrayfield Stadium Accommodation Works (excludes clubhouse)	26-Jul-10S
1B – Telecoms Works Jane Street to Foot of the Walk	30-Jul-10F
1C1 - Utility Diversions McDonald Rd to Picardy Place	30-Jul-10F
1C1 - Telecoms - BT Installation Works 1C07 - (Greenside Lane to Gayfield Street South)	01-Aug-10S
1C1 - Telecoms - BT Installation Works 1C08 - (Annandale Street to Montgomery Street)	01-Aug-10S
5B - Trackworks Saughton Rd to Bankhead (incl Guided Busway)	03-Aug-10F
1C3 – Telecoms Works St Andrew Square to Princes Street West	04-Aug-10F
5A - W18 Murrayfield TS RW	06-Aug-10S
5C - Complete S27 Edinburgh Park Station bridge	07-Aug-10F
1D – Telecoms cabling Haymarket to Crescents	09-Aug-10F
5B – S26 South Gyle Access bridge	27-Aug-10S
5A - S20 Russell Road bridge	30-Aug-10S
1A4 – Telecoms Newhaven to Ocean terminal	23-Aug-10F
1A3 - Telecoms Ocean Terminal to Victoria Dock	23-Aug-10F
1A3 - Continue Utility Diversions Ocean Terminal to Port of Leith	23-Aug-10F
1B – Telecoms Works Jane Street to McDonald road	13-Sep-10F

Appendix 'A' Detailed cost report

Headline Financial Information	Edinburgh Trams	FY 10/11	Period Nr:	3
				£m
FY 10/11: Demand on TS			131.203	

1: HEADLINE FINANCIAL COMMENTARY

PERIOD (PD):
Period is for Phase 1a, which now includes £6.2m of lost economies of scale opportunities following the cancellation of 1b. See Section 3 of the TS report for further commentary.

YEAR TO DATE (YTD):
See Section 3 of the TS report for further commentary.

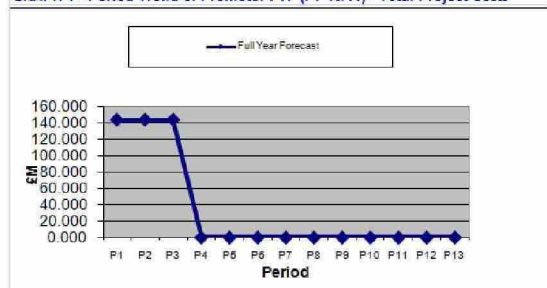
FULL YEAR FORECAST (FYF):
See Section 3 of the TS report for further commentary.

ANTICIPATED FINAL COST (AFC):
See Section 3 of the TS report for further commentary.

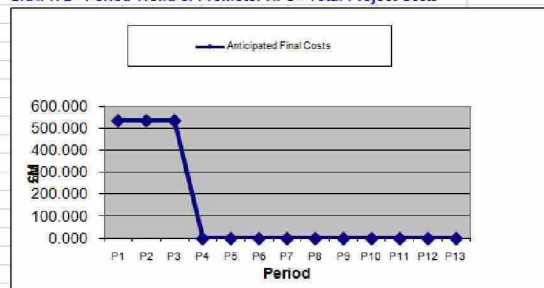
2: SUMMARY

	FY 10/11 COWD Period			FY 10/11 COWD Year To Date			FY 10/11 COWD Full Year Forecast			COWD To Date	Costs To Go	Total AFC
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance	Actual	Forecast	Forecast
Total Project COWD	5.122	10.220	-5.098	20.098	26.855	-6.757	143.011	142.245	0.766	367.940	165.369	533.309
Other Funding	0.423	0.844	-0.421	1.659	2.217	-0.558	11.808	11.745	0.063	30.380	13.654	44.035
Demand on TS	4.699	9.376	-4.677	18.438	24.637	-6.199	131.203	130.500	0.703	337.559	151.715	489.274

GRAPH 1 - Period Trend of Promoter FYF (FY 10/11) - Total Project Costs



GRAPH 2 - Period Trend of Promoter AFC - Total Project Costs



3: RISK AND OPPORTUNITIES TO

FULL YEAR FORECAST:
See Section 3 of the TS report for further commentary.

ANTICIPATED FINAL COST:
See Section 3 of the TS report for further commentary.

4: ACCRUALS COMMENTARY

5: TOTAL PROJECT ELEMENT SPEND BREAKDOWN (Total Project Costs)

PLANNED/EMERGING/FORECAST

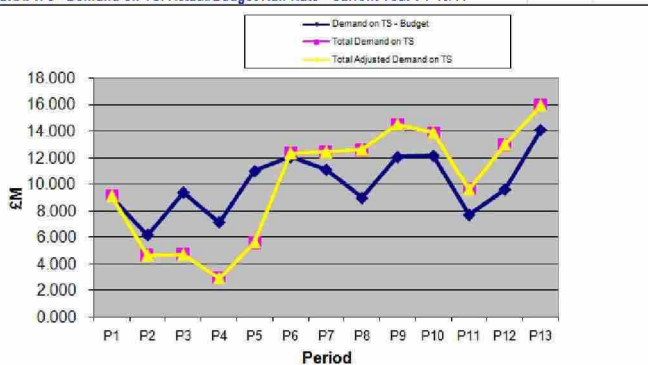
Allocated in accordance with standard WBS. Values relevant to business case or other agreed baseline date to be known as original estimate.

Relevant Baseline date : **FBC 20/12/2007**

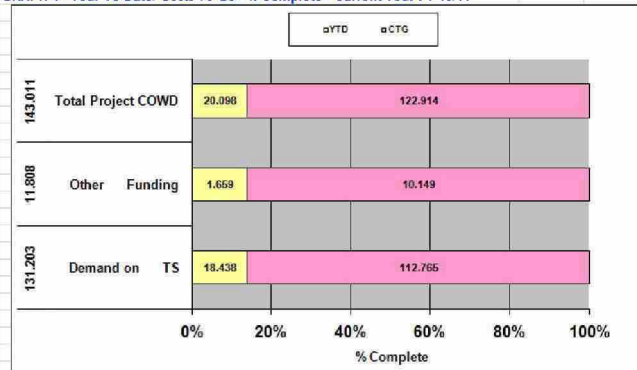
	Estimated Cost Total Project Costs			Actual Cost/Forecast Total Project Costs			Variance AFC v ELE
	Original Estimate	Escalated Original Estimate	Escalated Latest Estimate	Cost Of Work Done (COWD)	Forecast to Completion	Anticipated Final Costs (AFC)	
General Overall	28.233	28.233	29.857	27.803	2.055	29.857	0.000
Procurement Consultant	68.173	68.173	89.167	67.521	21.646	89.167	0.000
Design	26.646	26.646	34.169	31.696	2.473	34.169	0.000
Financial Issues/Funding/Procurement Strategy	2.258	2.258	2.630	2.593	0.037	2.630	0.000
Parliamentary Process/Approvals	0.329	0.329	0.319	0.319	0.000	0.319	0.000
Procurement Construction Works	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Construction Works	276.302	276.302	314.453	193.053	121.400	314.453	0.000
Testing & Commissioning	1.984	1.984	0.000	0.000	0.000	0.000	0.000
Handing Over & Service Operations	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NOP/Rail Projects Interface (Promoters View)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Interfacing Developments	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TRAMS, Vehicles (Edinburgh TRAMS Use Only)	51.370	51.370	58.493	44.956	13.537	58.493	0.000
Risk	48.974	48.974	4.221	0.000	4.221	4.221	0.000
Opportunity (Negative Value)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OB/Contingency	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	504.270	504.270	533.309	367.940	165.369	533.309	0.000

Detailed Financial Information		Edinburgh Trams													FY 10/11	Period Nr:	3
																	£m
6: Current Year 10/11 - Baseline Budget		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	Total		
1	Total Project COWD - Budget	9.920	6.714	10.220	7.767	11.984	13.153	12.106	9.767	13.148	13.246	8.382	10.459	15.378	142.245		
2	Other Funding - Budget	0.819	0.554	0.844	0.641	0.990	1.086	1.000	0.806	1.086	1.094	0.692	0.864	1.270	11.745		
3	Demand on TS - Budget	9.101	6.160	9.376	7.126	10.995	12.067	11.107	8.961	12.063	12.152	7.690	9.595	14.108	130.500		
7: Current Year 10/11 - Actuals (Updated 4 weekly)																	
4	Total Project COWD + Revised Forecast	9.920	5.055	5.122	3.169	6.106	13.430	13.552	13.741	15.800	15.109	10.476	14.150	17.380	143.011		
7	Other Funding + Revised Forecast	0.819	0.417	0.423	0.262	0.504	1.109	1.119	1.135	1.305	1.247	0.865	1.168	1.435	11.808		
10	Total Demand on TS	9.101	4.638	4.699	2.907	5.602	12.321	12.433	12.606	14.496	13.861	9.611	12.982	15.945	131.203		
8: Variance tracker																	
12	Variance Line 1 to Line 4 - Project Actual vs Budget	0.000	-1.659	-5.098	-4.598	-5.878	0.277	1.446	3.974	2.652	1.863	2.094	3.691	2.002	0.766		
13	Variance Line 2 to Line 7 - Oth Funding Actual vs Budget	0.000	-0.137	-0.421	-0.380	-0.495	0.023	0.119	0.328	0.219	0.154	0.173	0.305	0.165	0.063		
14	Variance Line 3 to Line 10 - Demand on TS vs Budget	0.000	-1.522	-4.677	-4.218	-5.393	0.254	1.326	3.646	2.433	1.709	1.921	3.386	1.637	0.703		
9: Next Year 11/12 - Forecast (Updated 4 weekly)		Q1	Q2	Q3	Q4	Total	Financial Commentary - FY 11/12 Onwards										
18	Total Project COWD	29.286	5.011	4.492	3.666	42.456											
21	Other Funding	2.418	0.414	0.371	0.303	3.506											
24	Total Demand on TS	26.868	4.597	4.121	3.364	38.950											
10: All Years (Escalated) (Updated 4 weekly)		PRIOR	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FUTURE	TOTAL		
26	Total Project COWD	133.051	100.979	113.813	143.011	42.456	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	533.309		
29	Other Funding	10.966	8.338	9.397	11.808	3.506	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	44.035		
32	Total Demand on TS	122.065	92.641	104.415	131.203	38.950	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	489.274		

GRAPH 3 - Demand on TS: Actual/Budget Run Rate - Current Year FY 10/11



GRAPH 4 - Year To Date/ Costs To Go - % Complete - Current Year FY 10/11



11: Other Funding																	
Budget (Current Year 10/11)		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	Total		
	RAB Funding (If Applicable)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
	Other Funding Stream	0.819	0.554	0.844	0.641	0.990	1.086	1.000	0.806	1.086	1.094	0.692	0.864	1.270	11.745		
	Other Funding Stream	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
	Other Funding Stream	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
	Other Funding Stream	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
	Total Budget Other Funding	0.819	0.554	0.844	0.641	0.990	1.086	1.000	0.806	1.086	1.094	0.692	0.864	1.270	11.745		
Actual (Current Year 10/11)		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	Total		
	RAB Funding (If Applicable)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
	Other Funding Stream	0.819	0.417	0.423	0.262	0.504	1.109	1.119	1.135	1.305	1.247	0.865	1.168	1.435	11.808		
	Other Funding Stream	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
	Other Funding Stream	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
	Other Funding Stream	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
	Total Actual Other Funding	0.819	0.417	0.423	0.262	0.504	1.109	1.119	1.135	1.305	1.247	0.865	1.168	1.435	11.808		
12: Promoter Full Year Forecast Run Rate (Total Project Costs)																	
Period Trend of Full Year Forecast (Current Year 10/11)		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13			
	Full Year Forecast	143.011	143.011	143.011	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000			
13: Promoter AFC Run Rate (Total Project Costs)																	
Period Trend of AFC		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13			
	Anticipated Final Cost	533.309	533.309	533.309	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000			