



4 Week Period Reporting Pack 08/09

Project Title:

Edinburgh Tram Project

Reporting Period:

Period 03 2008/09

Transport Scotland Project Manager:

John Ramsay

Progress Meeting Date:

Report authorised by: **Steven Bell**

Signature:..

Date:.....

27/6/08

For and on behalf of **tie Limited**

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1 Executive Summary

1.1 Key issues

Health, safety, quality and environment

- There were no RIDDOR incidents in the period. The AFR for the project is now 0.12;
- There were 21 other incidents reported, two of which were categorised as serious and 19 as minor:
 - The first serious incident involved a traffic light cable being struck during MUDFA excavation works resulting in significant traffic disruption. The traffic light contractor completed repairs but further problems were encountered resulting in further delays; and
 - The second serious incident involved the Infraco demolition sub contractor mobilising on site without authorisation from **tie** or the Infraco Principal Contractor. Work was stopped and an investigation carried out. An internal communication error has been highlighted as the cause with remedial actions implemented;
- The serious incident reported last period, involving the trailer of a Moxi dumper tipping over during shifting of spoil on the archaeological dig site at Gogarburn has been investigated. A report has been completed and this will be concluded in Period 4;
- The investigation report from the RIDDOR accident in Period 1 has been reviewed and commented on by **tie**. These comments are with the contractor for inclusion in a final version of the report. Recommendations are being tracked to ensure close out;
- The Panel of Inquiry established to investigate the traffic / pedestrian management arrangements in Constitution Street after a near miss in April has concluded and the report has been published. Recommendations have been accepted and are being implemented; and
- There were seven near misses reported and no environmental reports for the period. Two audits were planned in the period. One audit was re-scheduled due to the auditor being sick. The other audit on MUDFA inspection, test and handback was completed with three audit findings being raised. Close out actions and target dates have been agreed with the auditee. Six NCRs have been raised and two closed on the MUDFA contractor in the Period.

Progress – Design

- To date 58 Prior Approvals have been submitted to CEC and 35 granted - 49% granted (compared with v31 plan of 65 and 40 - 56% granted);
- To date 67 Technical Approvals have been submitted to CEC and 35 granted - 38% granted (compared with v31 plan of 74 and 44 - 48% granted); and
- To date 14 Issue for Construction (IFC) drawings have been submitted to **tie** - 13% submitted (compared to v31 plan of 18 - 16% submitted);
- Slippage on delivery of IFC's and impact on programme is being carefully monitored and potential mitigations identified. The design and consents taskforce is targeting any IFC slippage on approvals associated with the construction critical path are being identified and mitigated. Where necessary, issues are being escalated with **tie** / CEC / Infraco immediately.

Progress – MUDFA

- Progress has started to show improved production rates;
- MUDFA works are 2-3 weeks behind on Infraco critical activities. **tie** and Carillion are currently agreeing Revision 07 of the MUDFA programme to mitigate any potential impact on the Project critical path. Final agreement is expected in Period 4.
- Known barriers to production have been addressed and recovery works are underway;
- Traffic management and modelling has benefitted from additional scrutiny and support during the period. MUDFA Haymarket phasing works has been communicated (expected

to commence at the end of July), and an assessment of the TM integration requirements for Infraco and MUDFA works has been made, along with enabling works on George Street;

- There is continued focus on the completion and hand-back of work-sites, especially on Leith Walk, St Andrews Square, Constitution Street and Shandwick Place.

Progress – Infraco (including Tramco)

- The first contract progress meeting was held with Infraco and weekly commercial meetings have also commenced;
- Infraco's rate of mobilisation is disappointing, particularly the lack of progress in deploying package sub-contractors and this has been formally communicated to BBS and escalated to Consortium Board level;
- Having undertaken more detailed programme analysis, **tie** considers this mobilisation slippage can be recovered and are developing these plans with Infraco through a series of workshops;
- **tie** continues to work with Infraco to speed up the early construction activities. As a result of the above, a number of activities have not commenced according to the contract programme;
- A number of contract instructions have been issued to Infraco in respect of value engineering and instructions to proceed at risk where final design information is not available; and
- Tramco progress is acceptable and currently focused on documentation and designs.

Progress – Other

- The pollution prevention project at Haymarket depot is a concern to **tie** as the project is slipping behind schedule – this has potential to impact on the main Infraco programme and has been escalated with Network Rail's director;
- Discussions are ongoing with NR and ScotRail in relation to compensation for the Haymarket carpark. **tie** had hoped to conclude this during the period but NR and ScotRail are only just preparing their estimates for **tie** consideration. This is expected to be concluded during Period 4;
- **tie** expects the 3rd party agreements with SRU, Forth Ports and Stanley Casinos to be concluded in Period 4;
- The actual resource and detailed technical solution to implement the immunisation works is under discussion with NR;
- Infraco's first use of a NR possession took place during the period for preparatory works including site fencing; and
- Tender documents for the relocation of the Murrayfield training pitches returned on the 2nd June and a recommendation will be made to **tie** board in early July. The planning application for this was approved by CEC and it has now been referred to the Scottish Ministers for their endorsement. Discussions are ongoing with SRU in respect of the start and end dates for this work.

Cost

- The AFC for Phase 1a of the project remains unchanged from last period at £512m, including a risk allowance of £30.3m. Funding available remains at £545m;
- There are no significant changes pending;
- Cumulative expenditure to date (end of P3 08/09) on Phase 1a is £158.1m;
- COWD year to date, at £28.1m, is £5.7m lower than the 'budget' for the year to date. This is primarily due to delayed closure of the Infraco contract suite and temporary slippage in utilities diversion work. However, the FY08/09 outturn estimate remains at £151m and, as before, includes a risk allowance of £9.3m;

- The TS share of Phase 1a costs in FY08/09 at 91.7% (500/545) would be between £130m of Base Costs or £138m of the total costs including Risk Allowance. This is being kept under review in the context of a current cap on FY0809 funding from TS of £120m. The fall back position is that CEC would temporarily “fund” the shortfall of between £10m and £18m until the start of the FY09/10, although tie’s view is that at these levels the time lag between certification of work done and payment will ensure that CEC is unlikely to be required to find significant additional cash to meet a shortfall due to the current TS funding cap; and
- A project has been initiated to deliver an updated business plan and financing plan for Phase 1b for presentation to CEC in the autumn of 2008.

Risk

- The potential risk associated with the slow mobilisation of Infraco is being addressed as noted above;
- Further development of risk mitigation plans is underway and there is no change in the period; and
- A risk drawdown is expected in Period 4 to deal with a sewer diversion at the A8.

Programme

- No changes have been made to the Master Tram Project Programme in the period;
- Infraco submitted a 12-week look-ahead for the purposes of planning method statements and access permits; and
- Revision 7.0 of the MUDFA programme will be agreed in Period 4.

OGC review

Last October the Tram Project went through OGC gateway 3 and subsequently a risk review process. The project was given a green light, but as expected there were a number of recommendations or comments – where these have not been fully completed the update is as follows:

Review	Recommendation / Comment	Status
OGC Recommendations		All completed
OGC Comment	Recognition that the TEL management team will require to be strengthened over the construction period. This to form part of next year’s planning process	Strategy meeting held
Risk Review Recommendation	A contract management strategy is developed at the earliest opportunity.	A Commercial Director is now in post and contract procedures will be complete by end P4
Risk Review Recommendation	Appropriate schedule monitoring and risk simulation software is procured and taken into use in the project team and that schedule monitoring and simulation be introduced as tools in the risk management and mitigation process.	Software now being installed – complete by end P4

Communications

- The first four of the Final Design presentations to resident and business frontagers were held, with the remaining four held in the first week of Period 4;
- Work continued with traders regarding effective marketing of the 'Open for Business' strategy – West End Market and Leith radio promotions;
- Business Support: To date 575 application packs have been delivered, 289 packs accepted and £1,077,000 has been committed;
- Events next period include a MSP briefing on the tram project and future opportunities and project promotion through Edinburgh Festival and Fringe bulletins and events.

2 Progress

2.1 General / overall

Land and Property

- NR – Aiming to conclude the Bridge Agreements Drafting during Period 4; and
- Forth Ports – BBS have been instructed to prepare a change estimate for the Ocean Terminal redesign – the results from this costing exercise are to be presented to FP for agreement.

Network Rail

- The scope and programme for the NR immunisation work is being developed with Infraco. Further NR immunisation verification will be provided by means of a detailed simulation study by Infraco;
- Infraco will be developing the full assurance case for NR acceptance. NR has now assigned their approvals specialist to assist us with their assurance case, which is expected to be completed by July 2008;
- The lift and shift project is now complete with the exception of a Scottish Power cable and a Thales cable as well as an additional recently identified cable at the Water of Leith bridge; and
- The pollution prevention project at Haymarket depot is a concern to **tie** as the project is slipping behind schedule – this has potential to impact on the main Infraco programme and has been escalated with Network Rail's director.

General

- Asbestos removal and demolition of the Caledonian Ale House to commence early in Period 4.

2.2 Critical path

- The critical path has remained largely unchanged during the period;
- SDS, as part of the Infraco consortium, continue to work closely with BBS to mitigate any remaining design issues;
- There are currently no design issues impacting the on-street Infraco construction programme;
- Off-street design issues include Current areas of concern include Haymarket 1D roads, Murrayfield tramstop, Shandwick Place Prior Approval, South Gyle Access bridge , Roseburn viaduct and the Gogar depot;
- Revision 07 of the MUDFA Construction Programme is expected to be signed-off and issued early Period 4. This programme revision will take account of the more detailed information available from IFC designs, the traffic management / enabling works requirements and the interface with Infraco;
- MUDFA:
 - Work on Leith Walk is progressing to meet Infraco programme start dates;
 - Works at The Mound and St. Andrew Square have been adjusted to commence after the Edinburgh Festival City Centre embargo on 8th September 2008;
 - Works from West Maitland Street to Haymarket has been re-programmed to commence from 28th July 2008;
 - Section 5B – There is a major BT chamber to be constructed in the section between South Gyle Access and Edinburgh Park Station which will have to be programmed in detail with Infraco construction;
- Infraco areas showing critical are those impacted by the design availability above, Infraco slow mobilisation and MUDFA completion; and
- There are other areas where some of the track and OHL works are showing as critical but this is due to a constraint on resource availability.

2.3 Procurement consultant

- This phase is now complete.

2.4 Design

- SDS are now novated into the Infraco consortium. During the period both V32 and V33 of the SDS Design programme have been issued to Infraco for incorporation into the Infraco programme. This will be communicated to **tie** by the Infraco contractor.

2.5 Financial / funding / procurement strategy

- This phase is now complete.

2.6 Parliamentary process / approvals

- This phase is now complete.

2.7 Procurement construction works

- This phase is now complete.

2.8 Construction works

MUDFA

- Utility diversions showed some recovery in productivity during Period 3, although still behind programme. Revision 07 of the MUDFA programme, due for release in Period 4, will be fully integrated and prioritised to match Infraco construction programme; and
- 800mm Water main diversion started on 5th May 2008 and is forecast to complete by 18th July 2008.

Advanced works

- The repositioning of the BAA fence is now complete. Preparation for the removal of remaining 50,000m³ of earthworks is now underway;
- Programme on target to have all Archaeological Site Works complete by 30th June 2008;
- Invasive species 4th visit for 2008 is due during Period 4; and
- Gogar Drain wired off to discourage any further Badger activity in the area.

2.9 Testing and commissioning

- This phase has not yet commenced

2.10 Hand over and service operations

- This phase has not yet commenced

2.11 Network output programme interface (with Transport Scotland)

- N/A

2.12 Interface with other projects

- BAA re-positioning of airport fence line – Integrated with depot earthworks;

- CEC St. Andrew Square Streetscape works – Integrated with MUDFA and enabling works;
- Invasive Species Eradication programme – Integrated with Infraco;
- Airdrie to Bathgate – Integrated with Infraco for disruptive possessions;
- NR PP works – Interfaces with Infraco works at Murrayfield and particularly S21A Roseburn St viaduct; and
- Murrayfield pitches relocation.

3 Headline cost report

3.1 Current financial year

- Year to date COWD is £5.7m lower than 'budget' due to:
 - Delayed award of Infraco and Tramco (£2.5m);
 - Slippage in utility diversions (£1.8m); and
 - Other timing differences including completing of land acquisition costs (£1.4m);
- However, effective mitigation of programme slippages are in place including a revised MUDFA programme (Revision 07) which is under review at present and will be formally issued in Period 4. Full year FY08/09 expenditure remains forecast at £151.0m, as profiled in the table below; and
- The profiling remains consistent with the contractual programme and milestone payment schedules agreed with the Infraco and Tramco contractors. Payment applications submitted by CEC to TS will be adjusted to reflect the cumulative cash requirements of this updated profile.

Reforecast profile for FY08/09

£m	YTD	P4-6	P7-9	P10-13	Total FY08/09
Infrastructure and vehicles	9.9	11.6	37.3	30.1	88.9
Utilities diversions	11.9	11.1	4.6	2.5	30.2
Design	1.8	1.5	0.4	0.2	3.9
Land and compensation	0.6	2.6	0.1	0.4	3.7
Resources and insurance	3.9	3.5	3.2	4.2	14.9
Base costs	28.1	30.3	45.7	37.5	141.6
Risk allowance	0.0	0.0	5.1	4.2	9.3
Total Phase 1a	28.1	30.3	50.8	41.7	151.0
Phase 1b	0.0	0.1	0.0	3.6	3.7

- The Phase1b costs are provided for information only and reflect the commencement of Phase 1b utility diversions in late 2008 if there is a resolution to the additional funding requirements for Phase 1b to the satisfaction of CEC and Transport Scotland at that time;
- The profile above will not now materially change except to the extent changes are initiated by **tie**, stakeholders or the contractors, or there are changes to the Infraco works by way of significant variations;
- The proportion of the overall risk allowance allocated to the year, proportionate to the level of forecast base costs, is £9.3m, which is considered conservative;
- The TS share of Phase 1a costs in FY08/09 at 91.7% (500/545) would be between £130m of Base Costs or £138m of the total costs including Risk Allowance. This is being kept under review in the context of a current cap on FY08/09 funding from TS of £120m. The fall back position is that CEC would temporarily "fund" the shortfall of between £10m and £18m until the start of the FY09/10, although **tie**'s view is that at these levels the time lag between certification of work done and payment will ensure that CEC is unlikely to be required to find significant additional cash to meet a shortfall due to the current TS funding cap;
- The implication of the current TS funding cap will be kept under close review as FY08/09 progresses in the context of periodic reforecast of outturn expenditure and dialogue with TS officials;
- As previously reported and agreed with CEC and TS, initial milestones under the Infraco and Tramco contracts, in respect of advance material purchases, will be classified as prepayments. The aggregate amount of these payments for advance material purchases

is £24.2m. These prepayments will be reclassified as expenditure against funding in the periods in future years when the related materials are delivered to site and incorporated in the works; and

- Initial milestone payments under the Tramco and Infraco contracts were made on the 15th May and 2nd June, respectively.

3.2 Next financial year

- The forecast COWD for FY09/10 is shown in the table at 3.3 below. The sensitivities of this amount are the same as for FY08/09 above; changes to the programme, significant variations to the works and the extent to which there will be call on the risk allowance profiled to that year of £13.2m. Note that all utility diversions and land compensation costs are anticipated to be spent by the end of FY08/09.

3.3 Total project anticipated forecast cost

Phase 1a AFC and profiling

£m	Cum FY0708	FY0809	FY0910	Balance	AFC
Infrastructure and vehicles	30.7	88.9	120.2	65.0	304.8
Utilities diversions	18.4	30.2	0.0	0.0	48.6
Design	21.4	3.9	0.7	0.7	26.7
Land and compensation	16.8	3.7	0.0	0.0	20.5
Resources and insurance	42.7	14.9	10.8	12.5	80.9
Base costs	130.0	141.6	131.7	78.3	481.6
Risk Allowance	-	9.3	13.2	7.8	30.3
Total Phase 1a	130.0	151.0	144.9	86.1	512.0
Phase 1b	3.0	3.7	29.3	51.3	87.3

- As previously agreed, cumulative costs incurred to the end of FY07/08 also include £3m incurred on Phase 1b design, meaning that total costs to the end of FY07/08 were £133m; and
- The estimate for Phase 1b is based upon unit costs in the Infraco and Tramco contracts and is subject to finalisation in accordance with a value engineered and approved / consented design and programme. The finalised price will be valid if an option under the Infraco contract is exercised in sufficient time to allow construction of Phase 1b to commence in July 2009. A project has been initiated to deliver an updated business plan and financing plan for Phase 1b for presentation to CEC in autumn 2008.

3.4 Change control

- The current change control position is summarised in the table below:

PHASE	1A	1B	TOTAL
BASE ESTIMAT - Final Business Case	498.10	87.30	585.40
APPROVED CHANGES - to Financial Close	13.91	0.00	13.91
CONTROL BUDGET - Baseline	612.02	87.30	699.32
APPROVED CHANGES - post Financial Close	0.00	0.00	0.00
REVISED CONTROL BUDGET	612.02	87.30	699.32
ANTICIPATED CHANGES	0.00	0.00	0.00
CURRENT AFC	612.02	87.30	699.32
PREVIOUS AFC	608.02	87.30	695.32

- Base estimate – The position at Final Business Case (Oct 2007);
- Approved changes to Financial Close – The financial impact of the project control budget having been reset to reflect final Infraco and Tramco Contract Award levels and a consequential reappraisal of the risk allowance. This will be approved at the Tram Project Board on 4th June;
- Control budget baseline (New Project Control Budget) – The baseline within which all future project change control will be reported against;
- Approved Changes post Financial Close – Tram Project Board approved changes from this point on. There are none to report at this point; and
- Anticipated Changes – Future potential changes that are work in progress prior to formal approval. There are none to report at this point.

4 Time schedule report

4.1 Report against key milestones

The agreed baseline programme reference for this project is that at Financial Close.

Milestones	Date	Actual / Forecast
Approval of DFBC by CEC	21 Dec 06A	21 Dec 06A
TRO process commences		
MUDFA – commencement of utility diversions	02 Apr 07A	02 Apr 07A
Approval of FBC by TS – approval and funding for Infraco / Tramco	09 Jan 08	Dec 07
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-08
Haymarket viaduct commences	08-May-08	8-Aug-08
Edinburgh Park viaduct commences	06-Aug-08	06-Aug-08
A8 underpass commences	08-Aug-08	08-Aug-08
Carricknowe Bridge commences	21-Aug-08	21-Aug-08
All demolition work complete	22-Aug-08	25-Nov-08
Tram mock-up delivered	Oct 2008	Oct 2008
First track installation commences – on street	03-Nov-08	03-Nov-08
MUDFA works complete	Nov 2008	Feb 2009
Haymarket viaduct complete	08-Dec-08	23-Mar-09
Roseburn viaduct commences	20-Jan-09	20-Jan-09
Design assurance complete	20-Jan-09	20-Jan-09
All Issue for Construction (IFC) drawings delivered	21-Jan-09	21-Jan-09
Princes Street closed	03-Feb-09	03-Feb-09
Roseburn viaduct complete	20-Apr-10	20-Apr-10
Carricknowe Bridge complete	11-May-09	11-May-09
All consents and approvals granted	18-May-09	18-May-09
Edinburgh Park viaduct complete	24-May-09	24-May-09
A8 underpass complete	14-Jul-09	14-Jul-09
Princes Street re-opened	01-Aug-09	01-Aug-09
NR immunisation complete	Nov 2009	Nov 2009
TRO process complete	01-Dec-09	01-Dec-09
1 st OHL installed	11-Dec-09	11-Dec-09
Commission Section 2 (Haymarket to Roseburn Junction)	11-Jan-10	11-Jan-10
Commission Section 6 (Depot)	25-Mar-10	25-Mar-10
1 st Tram delivered	09-Apr-10	09-Apr-10
Test track complete	23-Apr-10	23-Apr-10
1 st section (other than Depot) complete ready for energisation	25-June-10	25-June-10
Commission Section 7 (Gogar to Edinburgh Airport)	25-June-10	25-June-10
Driver recruitment commences	July 2010	July 2010
Commission Section 5 (Roseburn Junction to Gogar)	09-Nov-10	09-Nov-10
Driver training commences	Nov 2010	Nov 2010
System testing complete off street	09-Dec-10	09-Dec-10
Final tram delivered	17-Jan-11	17-Jan-11
Construction Line 1a complete	17-Jan-11	17-Jan-11
System testing complete on street	16-Feb-11	16-Feb-11
Commission Section 1 (Newhaven to Haymarket)	11-Mar-11	11-Mar-11
Letter of “no objection” from Independent Competent Person to commence tram running	17-Apr-11	17-Apr-11
Shadow running starts	18-Apr-11	18-Apr-11
Shadow running complete	July 2011	July 2011
Letter of “no objection” from Independent Competent Person	July 2011	July 2011

to commence revenue service		
Open for revenue service	July 2011	July 2011

Guidance for Completion:

Legend for colouring of Act/Fcast date text



Act/Fcast date is ahead or in line with baseline

Slight slippage – readily recoverable with action.

Notable/significant slippage – difficult to recover, even with action.

4.2 Key issues affecting scheduleGeneral

- The BT Openreach programme impact on Infraco construction programme continues to be monitored with the construction of two major BT chambers identified during the period as potentially clashing with Infraco.

MUDFA

- Construction progress at Foot of the Walk is being monitored to ensure that programme remains ahead of required Infraco start; and
- Scope that has been transferred from sections 5B and 5C to Infraco has still to be realised in the Infraco construction programme and any resultant impact agreed.

4.3 12 week look ahead

Will be included as a separate file via CD.

5 Risk and opportunity

5.1 Review project risk register

Top risks

The top risks in the Primary Risk Register are:

- **Risk Id 918:** *CEC are unable to honour their funding commitments:*
 - Two of the mitigating actions are complete and one will be ongoing as the project progresses;
- **Risk Id 139:** *Uncertainty of utilities location and consequent required diversion work / unforeseen utility services within LoD, and*
- **Risk Id 164:** *Unknown or abandoned assets or unforeseen / contaminated ground conditions affect scope of MUDFA work:*
 - These risks pertain to the MUDFA contract and are being mitigated by trial excavations in order to confirm the location of utilities. This information is then passed to the designer. This process will continue until the design is complete;
- **Risk Id 173:** *Tramway runs through area of previously unidentified contamination and material requires to be removed and replaced:*
 - There is an environmental review being conducted by **tie** and Heath Lambert (**tie's** insurance broker) with a view to accurately assessing the potential severity of this risk and also to explore the potential for any additional insurance(s) which may be available for such events.
- **Risk Id 342:** *1,500mm sewer requires to be diverted:*
 - The MUDFA contract team are required to divert a 1,500mm sewer in the Gogar area.

A new risk has been added and is included in the Primary Risk Register.

- **Risk Id 1033:** *Failure of Infraco to mobilise in time to commence work in line with programme.*
 - This risk has been added to reflect **tie's** concern at Infraco's slow mobilisation.

Risk reviews

- A review of the MUDFA risk register took place in Period 3. This was carried out by the Risk Manager and the MUDFA Construction Director;
- The SDS risk register was also reviewed in Period 3. This was carried out by the Risk Manager and the SDS Project Manager;
- There were no risks closed in the period;
- The QRA has been assessed as adequately reflecting the negotiated Infraco contract suite and other risks during the construction phase of the project; and
- One risk on the MUDFA risk register has been realised and will require funding. This is Risk Id 342 above 1,500mm sewer requires to be diverted. A paper proposing risk drawdown will be presented to the TPB addressing the cost and programme issues.

5.2 Risk action plan for next period

All risk mitigations are identified in the Primary Risk Register.

5.3 Schedule quantitative risk analysis

Schedule QRA software is being installed in Period 4 and analysis is expected to be complete in Period 5.

5.4 *Review project opportunity register*

On Contract Award, a number of value engineering initiatives were instructed and will be progress in line with the contract. Future VE opportunities have been identified.

6 Health, safety, quality and environment

6.1 H&S accidents and incidents, near misses, other or initiatives

- There were no RIDDOR incidents in the Period;
- The AFR for the project is now 0.12.
- There were 21 other incidents reported, two of which were categorised as serious and 19 as minor:
 - The first serious incident involved a traffic light cable being struck during MUDFA excavation works resulting in traffic management issues. The traffic light contractor completed repairs but further problems were encountered resulting in further delays; and
 - The second serious incident involved the Infraco demolition contractor mobilising on site without authorisation from **tie** or the Infraco Principal Contractor. Work was stopped and an investigation carried out. An internal communication error has been highlighted as the cause;
- There were seven near misses reported in the period;
- The RIDDOR Investigation report is being updated with **tie** comments and is due for submission during Period 4. The initial 10 recommendations are being monitored to closure;
- A scheduled meeting with the Health and Safety Executive occurred in the period. The main topics discussed were construction occupational health, CDM regulations client duties / responsibilities, the RIDDOR accident and Tram Project safety initiatives. The HSE were satisfied with discussions and actions in all these areas and will continue to monitor site activities closely;
- The serious incident reported last period, involving the trailer of a Moxi dumper tipping over during shifting of spoil on the archaeological dig site at Gogarburn has been investigated. A draft report is available and this will be concluded in Period 4; and
- The Panel of Inquiry established to investigate the traffic / pedestrian management arrangements in Constitution Street after a near miss in April has concluded and the report has been published. Recommendations have been accepted and are being implemented.

6.2 Environment

- There were no environmental incidents reported in the period.

6.3 Quality

- Two audits were planned in the period. One audit was re-scheduled due to the auditor being sick. The other audit on MUDFA inspection, test and handback was completed with three audit findings being raised. Close out actions and target dates have been agreed with the auditee.
- Six NCRs were raised in the period on the MUDFA contractor. Two have been rescinded as agreed with the originator due to subsequent confirmation of existing information. Corrective actions have been agreed to close these out.

7 Stakeholder and communication

7.1 Stakeholder / communication strategy / plan

The Communications and Stakeholder strategy will be reviewed by September so it is refreshed for the next stage of the project. This revision will include members of the **tie** Communications and Stakeholder team and key members of the CEC's communications team.

7.2 Communication and stakeholder outcomes from previous period

- The primary objective of the Communications and Stakeholder Strategy is to engage, inform and consult on all aspects of the tram project construction programme. In the last period, this has been achieved deploying the following methodologies.
- Maximum opportunity has been made of local and national media in order to engage with the wider audiences i.e. outside of Edinburgh (tourism, transport haulage etc...). This included a media briefing on the upcoming Haymarket MUDFA works.
- To ensure our local audience (community, business, councillors and MSPs) is fully briefed and engaged we have achieved this in last period through: tram feature on the front page of Outlook (circa. 250,000 distribution); exhibitions and sponsorship of key events which raise the profile of the project at various levels (Spokes, Leith Festival, Centre for Scottish Public Policy, Institute of Logistics and Transport, and Edinburgh Tourism Action Group).
- A critical milestone in the project development with the local community has been the delivery of eight presentations on final detailed design of the tram route this period. 65,000 personal invitations were sent out and the final event was held on Thursday, 26 June. As part of this entire programme with local communities we have invited over 130,000 people to participate in the development of the tram design. One major outcome of this process has been a shift in perception of the public, away from being unsure of the project to having a more detailed understanding of the benefits this project will bring. We have appointed an external consultant to conduct a review of our methodologies on how we consult with the public. This will be followed up with focus groups and results will be included in a future report.
- A key activity this month has been the Open for Business marketing programme - led by Burt Greener Communications. Events to date have included the West End market, Leith Festival, Spa in the City plus press coverage and radio promotions.
- Finally, as part of the project's commitment to Business Support, over £1 million has been paid out to local businesses.

7.3 Communication and stakeholder action plan for next period

- The Haymarket utility diversions will present some real challenges to the team over the next several months. Engagement with all stakeholders across the Haymarket area are to be crucial to create a level of understanding of what's involved at the various stages of the work and what action is being taken to mitigate any impact. This is going to be done in several ways:
- First of all it's the intention that we will be producing a July tram fact sheet which will provide a detail breakdown of the works involved. This will be distributed to a wide audience through direct mail, key positioning in public places, local radio, newspaper, councillor, MSP and MP surgeries, etc.
- Secondly, we will be meeting, over the course of the next several weeks, the various organised groups that represent both local communities and businesses.
- On week beginning the 7th July we will be organising Haymarket Information Surgeries at key locations throughout the Haymarket area. These have been tried and tested event for

the works associated with Shandwick Place, Constitution Street and London Road have worked extremely well in addition to being well attended.

- Crucial is the on-line information which people can access and both the information contained on the helpline and website will be updated to reflect these works.
- We will continue over the coming months, especially leading into the commencement of the INFRACO works, to engage with the community (residents and businesses) at a local and high level regarding relevant information concerning the works.
- Preparations are now being put in place so that we can monitor the experience of stakeholders during the City Centre August embargo to ensure that none of the works taking place outside the embargo zone are impacting on any of the Festival activities.

Appendix 'A' Detailed cost report

Headline Financial Information

Edinburgh trams

FY 08/09

Period Nr: 3

£m

FY 08/09: Demand on TS **120.000**

1: HEADLINE FINANCIAL COMMENTARY

PERIOD RESULTS:
Period is for Phase 1a only

YTD RESULTS:
YTD is for Phase 1a only

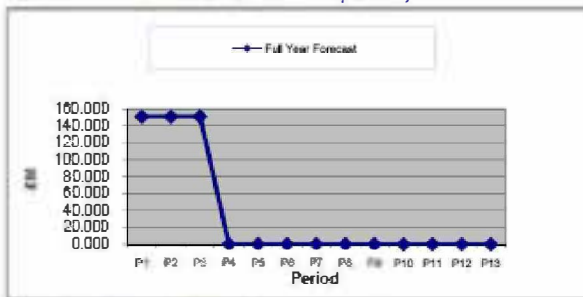
FULL YEAR FORECAST:
FY 0809 is for Phase 1a only

AFC:
AFC is for Phase 1a only

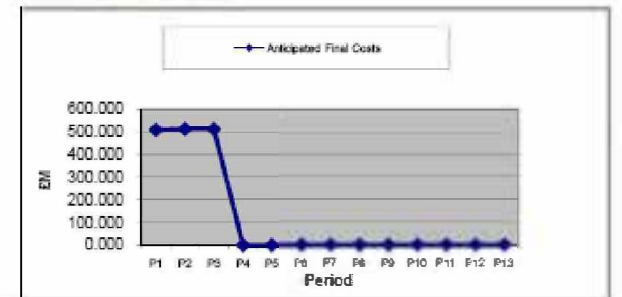
2: SUMMARY

	FY 08/09 COWD Period			FY 08/09 COWD Year To Date			FY 08/09 COWD Full Year Forecast			COWD To Date Actual	Costs To Go Forecast	Total AFC Forecast
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance			
Total Project COWD	10.364	14.266	-3.531	28.106	33.808	-5.703	160.884	150.861	10.133	158.145	363.672	512.017
Other Funding	0.857	1.178	-0.320	1.752	2.223	-0.471	30.984	30.852	0.133	13.058	28.457	39.516
Demand on TS	9.527	13.088	-3.561	26.353	31.585	-5.232	120.000	120.000	0.000	145.088	327.415	472.502

GRAPH 1 - Period Trend of Full Year Forecast (FY 08/09)



GRAPH 2 - Period Trend of AFC



3: RISK AND OPPORTUNITIES TO:

FULL YEAR FORECAST:

AFC:

4: ACCRUALS COMMENTARY

5: TOTAL PROJECT ELEMENT SPEND BREAKDOWN (TS & 3rd Party Costs)

PLANNED/EMERGING/FORECAST

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

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

	Estimated Cost			Actual Cost/Forecast			Variance
	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	28.877	21.871	7.238	28.877	0.000
Procurement Consultant	68.128	68.128	69.638	40.035	29.601	69.638	0.000
Design	23.663	23.663	26.828	23.202	3.626	26.828	0.000
Financial Issues/Funding/Procurement Strategy	2.258	2.258	2.828	2.042	0.588	2.828	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	273.102	273.102	295.248	68.501	226.747	295.248	0.000
Testing & Commissioning	1.854	1.854	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
NCP/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	58.145	2.375	55.770	58.145	0.000
Risk	48.974	48.974	30.338	0.000	30.338	30.338	0.000
Opportunity (Negative Value)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CB/Contingency	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	498.060	498.060	512.017	158.145	353.872	512.017	0.000

Detailed Financial Information		Edinburgh trams													FY 08/09		Period Nr:		£m
6: Current Year 08/09 - Baseline Budget																			
1 Total Project COWD - Budget		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	Total				
		6.457	13.085	14.255	7.667	8.698	8.763	10.395	16.222	23.863	6.198	13.563	12.195	10.450	150.851				
2 Other Funding - Budget		-0.036	1.080	1.178	0.633	0.717	0.724	0.958	1.257	1.970	0.512	1.120	10.346	10.450	30.852				
3 Demand on TS - Budget		6.493	12.005	13.078	7.034	7.971	8.039	9.537	13.965	21.893	5.686	12.443	1.847	0.000	120.000				
7: Current Year 08/09 - Actuals (Updated 4 weekly)																			
4 Total Project COWD - Revised Forecast:		6.457	11.203	10.534	11.011	10.701	8.575	10.893	14.888	25.055	5.285	11.640	11.772	10.259	150.984				
7 Other Funding - Revised Forecast		-0.036	0.920	0.857	0.914	0.894	0.703	0.859	1.223	2.169	0.634	0.976	10.569	10.259	30.984				
10 Total Demand on TS		6.493	10.333	9.527	10.157	9.817	7.867	9.594	13.653	22.964	7.601	10.663	0.703	0.000	120.000				
8: Variance tracker																			
12 Variance Line 1 to Line 4 - Project Actual vs Budget:		0.000	-1.622	-3.051	3.494	2.012	-0.163	0.459	-3.334	1.191	2.037	-1.722	-0.923	-0.191	0.139				
13 Variance Line 2 to Line 7 - Oth Funding Actual vs Budget:		0.000	-0.150	-0.320	0.281	0.165	-0.016	0.041	-0.023	0.096	0.172	-0.142	0.221	-0.191	0.139				
14 Variance Line 3 to Line 10 - Demand on TS vs Budget:		0.000	-1.671	-3.551	3.123	1.846	-0.172	0.257	-3.305	1.393	1.915	-1.530	-1.144	0.000	-0.000				
9: Next Year 09/10 - Forecast (Updated 4 weekly)																			
16 Total Project COWD		Q1	Q2	Q3	Q4	Total	Financial Commentary - FY 09/10 Onwards												
		27.636	27.675	38.350	50.746	144.851	All costs are for Phase 1a only												
19 Other Funding		-19.527	2.382	3.167	-4.160	-8.697													
22 Total Demand on TS		47.434	25.573	35.183	46.556	154.746													
10: All Years (Estimated) (Updated 4 weekly)																			
24 Total Project COWD		FY08/09	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	FUTURE	TOTAL					
		0.000	3.093	10.668	30.431	83.852	150.984	144.285	75.759	19.876	0.000	0.000		512.017					
27 Other Funding		0.000	0.000	1.000	0.019	10.287	30.984	-5.267	6.297	0.815	0.000	0.000		39.515					
30 Total Demand on TS		0.000	3.093	9.668	30.412	75.565	120.000	154.746	69.962	9.060	0.000	0.000	0.000	472.902					
GRAPH 3 - Demand on TS: Actual/Budget Run Rate - Current Year FY 08/09																			
GRAPH 4 - Year To Date Costs To Go - % Complete - Current Year FY 08/09																			
11: Other Funding																			
Budget (Current Year 08/09)		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	Total				
CEC		-0.036	1.080	1.178	0.633	0.717	0.724	0.958	1.257	1.970	0.512	1.120	10.346	10.450	30.852				
Other Funding Stream															0.000				
Other Funding Stream															0.000				
Other Funding Stream															0.000				
Total Budget Other Funding		-0.036	1.080	1.178	0.633	0.717	0.724	0.958	1.257	1.970	0.512	1.120	10.346	10.450	30.852				
Actual (Current Year 08/09)		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	Total				
CEC		-0.036	0.920	0.857	0.914	0.894	0.703	0.859	1.223	2.169	0.634	0.976	10.569	10.259	30.984				
Other Funding Stream															0.000				
Other Funding Stream															0.000				
Other Funding Stream															0.000				
Total Actual Other Funding		-0.036	0.920	0.857	0.914	0.894	0.703	0.859	1.223	2.169	0.634	0.976	10.569	10.259	30.984				
12: Promoter Full Year Forecast Run Rate																			
Period Trend of Full Year Forecast (Current Year 08/09)		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13					
Full Year Forecast		150.651	150.651	150.954															
13: Promoter AFC Run Rate																			
Period Trend of AFC		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13					
Anticipated Final Cost		508.81%	512.017	512.017															

Appendix 'B' Change control register

(Register and other information as volunteered or requested from delivery organisation / promoter – There are none to report on at this point)

Appendix 'C' Programme information

To be sent separately by CD:

- **Milestone Schedule Summary (progress against baseline)**
- **Full Detailed Time Schedule (progress against baseline)**
- **Critical Path**
- **12 Week Look Ahead Extract from Schedule**

Appendix 'D' Primary risk register

ARM Risk ID	Risk Description			Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
	Cause	Event	Effect								
916	CEC do not achieve capability to deliver	CEC are unable to honour their funding commitment	Potential showstopper to project if contribution not reached. Line 1B may depend on incremental funding from CEC	S McGarity	NIL - 0.00	Project	CEC has formed a multi discipline Tram Contributions Group to monitor identified sources of E45m contribution including critically developers contributions. We are invited to that group. (see addinfo)	Complete	Complete	28-Sep-07	CEC
							CEC to deliver necessary contributions for 1a	Complete	Complete	26-Aug-07	CEC
							Tram Project Board to monitor progress towards gaining contributions	Ongoing	Ongoing	Ongoing	D Mackay
139	Utilities diversion outside specification only from plans	Uncertainty of Utilities location and consequently required diversion work/ unforeseen utility services within LoC	Increase in MUDFA costs or delays as a result of carrying out more diversions than estimated	G Barclay	High - 0.25		Carry out GPR Adlen 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	Ongoing	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 - 0.25		Carry out GPR Adlen 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	Ongoing	A Hill
342	Tram alignment at AS crossing at Gogar coincides with 1503mm sewer	1503mm sewer required to be diverted	Capex cost to cover BT duct relocation move; additional design costs; delay while works to undertake move are carried out; additional tunneling costs.	I Clark	High - 0.25		Confirm if diversion required	On Programme	Complete	8-Mar-08	G Barclay
							Confirmation of BT requirements to be	Complete	Complete	15-Oct-07	I Clark

ARM Risk ID	Risk Description			Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
	Cause	Event	Effect								
352	Increase in land values	Higher land compensation claims than anticipated	Additional uplift on compensation claims	A Slim	High - 23.00		Close out	On Programme	Complete	28-Mar-08	A Slim
							Initiate early negotiations between DV and @downers	On Programme	On Programme	Ongoing	A Retaul
							liaise with CEC Planning	On Programme	On Programme	Ongoing	R McMaster
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.	B Bell	High - 22.25		Issue contamination and gl report to Infrao bidders	Complete	Complete	2-Mar-07	B Dawber
							1) to obtain ground investigation and contamination reports from SCS	Complete	Complete	30-Mar-07	A McGregor
44	SCS 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 Infrao. Impact upon risk balance.	D Sharp	High - 21.00		Evaluation of prior approval programme	On Programme	On Programme	31-Oct-08	D Sharp
							Hold fortnightly Roads Design Group	On Programme	On Programme	Ongoing	T Glasbrook
							Twice-weekly meetings of Approvals Task Force	On Programme	On Programme	31-Oct-08	D Sharp
							Informal consultation prior to statutory consultation	On Programme	On Programme	31-Jul-08	T Glasbrook
							Integrate CEC into the organisation/accommodate @ (office move)	Complete	Complete	4-Jun-07	T Glasbrook
523	Major single safety incident (including a dangerous occurrence) during construction	Safety incident during construction	Delay (potentially critical) due to HSE investigation and reward. PR risk to be and stakeholders.	B Clark	High - 20.25		All Site Staff to get CCB or equivalent	On Programme	On Programme	Ongoing	C McLaughlan
							Develop and implement Incident Management Processes	Complete	Complete	27-Apr-07	T Condie
							H&QE 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 the	Complete	Complete	28-Feb-07	B Clark

ARM Risk ID	Risk Description			Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
	Cause	Event	Effect								
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 infra 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
							MURFA trial holes to verify GPR surveys	On Programme	On Programme	31-Jan-09	P Douglas
914	Required approval/acceptance turnaround time does not reflect BUC standard practice; BUCs do not have enough resource or process capability to achieve 23 day turnaround	Statutory Utility Companies unable to meet design approval/acceptance turnaround time to meet programme	Additional period required for design approval/acceptance turnaround	D Sharp	High - 20.00		SDS to obtain consent for design in accordance with programme requirements - Scottish Water and all Telecoms	On Programme	On Programme	30-Aug-09	I Clark
							SDS to obtain consent for design in accordance with programme requirements - SGN and Scottish Power	On Programme	On Programme	30-Aug-08	M Blake
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 infra programme	T Glazebrook	High - 20.00		Agree approvals submission arrangements with CEC to align with SDS design programme and procurement programme.	On Programme	On Programme	31-Aug-09	T Glazebrook
							Assure the quality and timing of submissions	On Programme	On Programme	25-Aug-09	B Sha
							Final agreement to be approved by Roads Authority, CEC Promoter, CEC in-house legal and ite	Complete	Complete	25-Feb-07	T Craggs
							Finalise alignments and gain agreement from CEC	Complete	Complete	25-Dec-05	T Craggs
							Where appropriate increase case officer resource to cope with programme compression	On Programme	On Programme	25-Aug-09	D Fraser
							Twice-weekly meetings of Approvals Task Force	On Programme	On Programme	31-Oct-06	D Sharp

ARM Risk ID	Risk Description			Risk Owner	Significance	Black Flag	Treatment Strategy	Previous Status	Current Status	Due Date	Action Owner
	Cause	Event	Effect								
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 - 19-03		Continued focus at Infraco progress meetings as well as programme workshops to mitigate the impacts of any delay	N/A	On Programme	1-Oct-08	S Bell
							Implementation of Advanced Works programme in order to mitigate potential future issues during construction	N/A	On Programme	1-Aug-08	R Bell
							Infraco given instructions to proceed at risk	N/A	On Programme	1-Aug-08	R Bell
							Pressure from Approvals Task Force to ensure Technical and Prior Approvals are delivered	N/A	On Programme	1-Oct-08	S Sharp

Appendix 'E' Resource information

(Updated Organisation Charts, Notifying Changes of Key Personnel – N/A)