

# EDINBURGH TRAM NETWORK

## ISSUE/CRITICISM

*What involvement does The Scottish Government now have in the Edinburgh Tram project?*

## LINES

- Following the decision of Parliament on 27 June 2007, the Scottish Government has accepted that financial support for the Tram project should continue for Phase 1a (Newhaven to Airport) at a contribution of no more than £500m with the proviso that the promoter City of Edinburgh Council accepts full responsibility for all project risk including cost over-run.
- City of Edinburgh Council is responsible for approval of the Final Business Case. Scottish Ministers have made it clear that a robust Final Business Case must demonstrate that the scheme;
  - remains affordable,
  - continues to demonstrate a BCR of above 1 and
  - requires no ongoing operating subsidy from the government.

## BACKGROUND

*Following the decision reached in Parliament on 27 June 2007, Transport Scotland has now adopted a “scaled back” approach with the project. Malcolm Reed, Chief Executive, Transport Scotland confirmed in writing (end of August 2007) to Tom Aitchison, Chief Executive, City of Edinburgh Council the revised role that Transport Scotland would now adopt. Transport Scotland and City of Edinburgh Council officials are in discussion to finalise the practical framework for this revised role.*

*In addition Malcolm Reed confirmed the criteria that Transport Scotland will employ to assess whether the ‘financial close’ milestone has been reached as follows:-*

- *Having received a copy of the final business case as endorsed by the Council*
- *Having received confirmation that a standard Office of Government Commerce Gateway 3 review has been successfully completed.*
- *Any relevant ongoing information received via the Council’s 4-weekly report in line with Transport Scotland’s standard reporting requirements.*

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