



tie Board Meeting

20th September 2004



Agenda for tie Board Meeting
@ Railway Procurement Agency,
Parkgate Business Centre, Parkgate St., Dublin
@ 09.00 hrs on Monday 20th September 2004

Item No.	PRA Presentation & Tram Trip Agenda	Resp	Timing
	Introductions	RPA/MH	09.00 hrs
1.	Overview of LUAS Project – (20 min presentation with 10 min Q&A)	Frank Allen, Chief Executive (FA)	09.10 hrs
2.	Overview of PR etc (20 min presentation with 10 min Q&A)	Ger Hannon, Director Corporate Services (GH)	09.40 hrs
3.	Overview of Procurement (20 min presentation with 10 min Q&A)	Rory O'Connor, Project Director – Metro (ROC) Rob Leech, Project Manager – Metro (RL)	10.10 hrs
4.	Overview of Integrated Ticketing (ITS) (20 min presentation with 10 min Q&A)	Tim Gaston, Project Director – ITS (TG)	10.40 hrs
	Tram Trip		
i)	Depart Parkgate Street office to Heuston Stop		11.10 hrs
ii)	Depart Heuston Stop to Red Cow Depot (Accompanied by ROC/RL/TG/PR. Note: any outstanding questions not covered during presentations can be asked/answered during this time)		11.20 hrs
iii)	Arrive Red Cow Depot		11.50 hrs
iv)	Tour of Red Cow Depot		11.55 hrs
v)	Tour end Red Cow Depot		12.25 hrs
vi)	Depart Red Cow Depot for Tallaght Stop & return to Heuston Stop		12.30 hrs
vii)	Arrive Heuston Stop		13.00 hrs
	Lunch – (Accompanied by FA/ROC/RL/TG/PR and Owen Keegan, Director of Traffic for Dublin City Council)		13.15 hrs
	Vote of thanks from tie	MH	14.15 hrs

tie Board Meeting – Monday 20 th September 2004			
Item No.	tie Board Meeting Agenda Item	Resp	Timing
1.	Minutes of Meeting of 23 rd August 2004 for approval and signing	MH	14.30 hrs
2.	Matters arising	MH	
3.	Chief Executive Report – a) Chief Executive Board Report (C) b) Risk Report and review of issues (C)	MH	
4.	ITI – a) Project Progress Report (C) b) Service Integration (Verbal) (C) c) Tramline Three – Final Route Alignment (C)	MH	
5.	Governance & Financial Matters – a) Financial Report (C) b) Tram Funding (Verbal) (C)	GB	
6.	Communications a) ITI communications (Verbal) b) Stakeholder report (Verbal)	MH	
7.	Heavy Rail a) EARL (C) b) SAK (C)	MH	
8.	Freedom of Information (Scotland) Act a) Protocol for future meetings & Publication Scheme summary amendments b) Approval of confidentiality	MH/HM	
9.	AOB a) Share Certificate – Company Secretary	MH	
10.	Date of next meeting – Monday 25 th October Venue: tie office, Verity House, Edinburgh		
END OF MEETING - Depart for Airport			16.00 hrs

C = Commercially Confidential



Agenda Item 1

Minutes of the Meeting
held on 23rd August 2004



Agenda Item 1

Note: FOI(S) Act – tie Board Minutes

To ensure that tie governance practices are properly adapted to the need of the FOI(S) Act, we have identified the items in the attached minutes that we believe should be marked as “Commercially Confidential (C).

Please read the minutes, approve our recommendations and if appropriate suggest if there are additional items which should be identified as commercially confidential.

Agenda Item 8a provides more detail regarding the recommended protocol for future tie Board Meetings.

HM.
20th September 2004



tie limited

Minutes of tie BOARD MEETING

Verity House, 19 Haymarket Yards, Edinburgh on
Monday 23rd August 2004 @
10.00 hrs – 12.00 hrs

Initials

Board Members: Ewan Brown (Chairman)
Maureen Child
John Richards
Andrew Burns
Gavin Gemmell
Jim Brown

EB
MC
JR
AB
GG
JB

In attendance: Michael Howell, tie Chief Executive
Alex Macaulay, tie Projects Director
Andrew Holmes, CEC, City Development Director
Keith Rimmer, CEC, CDD, Transport
John Burns, CEC, Corporate Finance
Jonathan Pryce, Scottish Executive
Martin Buck, PUK

MH
AM
AH
KR
JB
JPr
MB

Apologies: Bill Cunningham
Graeme Bissett, tie Finance Director
Paul Prescott, tie Heavy Rail Director

Circulation: As Above +
Ronnie Hinds, CEC, Head of Corporate Finance
Ewan Kennedy, CEC, CDD, Transport
Andy Nichol, SE

Item

1. MINUTES OF THE MEETING OF 26th July 2004 FOR APPROVAL AND SIGNING

The minutes were approved.

2. MATTERS ARISING FROM MINUTES OF THE MEETING OF 26th July 2004

Item 4 (v) CGEY have been appointed.

Item 6 (c) – Trams (29th January 2004):
Meeting with Patricia Ferguson - she had not been willing to meet.

C = Commercially Confidential

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3. CHIEF EXECUTIVE'S REPORT

a) The CE monthly report was tabled for comment

(i) General

Key developments this month included:

- The draft outline business case (draft OBC) for Tramlines 1 & 2 has been submitted to the Scottish Executive by the due date
- Some progress has been made on integration; however governance issues for Transport Edinburgh Limited remain to be resolved.
- The launch of the "Transport Edinburgh" brand had been scheduled for 30th August. (later postponed to 9th September)
- Progress is being made on the definition of the system structure for congestion charging prototypes.
- Work has started on development of the procurement strategy for EARL.
- Contracts have been drafted for the Stirling –Alloa railway line and a letter of comfort has been received from the Scottish Executive regarding incurred expenditure.
- Approval of the company change of name to **tie** limited has been given by CEC.

(ii) Tram

A model of the alignment along Baird Drive was available for viewing and has been used for demonstration purposes in the consultations with the local objectors.

(iii) Congestion Charging

Development of the system architecture is progressing well.

(ii) Office Accommodation

The relocation to Verity House is now complete and the improved working environment is appreciated by the team. It was proposed and agreed that future **tie** Board meetings be held at the **tie** office.

b) Risk Report

The Risk Management paper was reviewed in detail.

AM confirmed that the strategy on the tram depots for TL1 & 2 has been agreed. The need for a depot for TL3 is yet to be confirmed and will be addressed as part of the work program. (C)

Discussions with BAA on their present objections to Gogar Depot and to TL2 are also progressing. (C)

4. ITI

a) Project Progress Reports (C)

The project progress reports were presented with the following comments:

(i) One Ticket

The "One Ticket" project is behind in budget spend with only the administration costs and no commercial costs being incurred by tie. It was recommended that the future business strategy and integration with TEL should be assessed together with the Scottish Executive and reported at a future meeting.

(ii) WEBS

Recent bad weather had hampered construction of the guideway. However, the project is still on schedule for completion by November. A revision of some earlier potential savings in the budget, in conjunction with CEC Transport Planning, has allowed the reinstatement of some elements of the project which had been dropped earlier for budget reasons.

(iii) Ingliston Park and Ride

The opening was more likely to be March rather than January.

Preparations are underway for high visibility signage and a communication programme.

Lothian Buses contract is likely to include additional services to the site.

It was confirmed that arrangements are being developed to ensure that there is no Airport parking at the site.

b) Update on Tram draft OBC

Work is in progress to prepare an updated version of the draft OBC for the Scottish Executive, to be signed off on 3rd September 2004, which will justify the next stage of funding up to March 2005. (C)

tie was also required to submit the separate Financial Cases for Lines 1 and 2 to the Scottish Parliament.

EB requested that directors be kept informed of progress and have sight of documents submitted

AH requested a breakdown of the land acquisition costs and a schedule of the spend.

AB recommended that the draft OBC be presented at the next Council Meeting in September.

c) Update on Service Integration (C)

A progress update on the integration was provided. At a meeting of TEL on 2nd July it was agreed that all parties would strive to agree, by 30 September, a detailed programme to address the principal workstreams identified so far. A meeting with the Chairman of Transdev, attended by Donald Anderson, is scheduled for 5th October, when a joint programme of activity for the month ahead will be presented.

d) Extension of CPZ(C)

KR confirmed that the extension of the Controlled Parking Zone (CPZ) may have to be postponed for budget reasons.

e) Rapid transit on Edinburgh by-pass(C)

KR reported that CEC were pressing the SE Roads Directorate for progress on Rapid Transit on the Edinburgh By-Pass. JPr reported that resources were not currently available at SE to undertake a feasibility study on this project.

5. GOVERNANCE & FINANCIAL MATTERS

a) Financial Report (C)

The monthly Financial Report was reviewed.

**Action
By**

GB

GB

GB

AB

AM

b) Audited accounts to 31st March 2004

Audited Accounts to 31st March 2004 were presented and approved.

c) Company Name Change and Appointment of Secretary

The relevant documents for the official change of company name, amendments to articles and the appointment of D.W. Company Services Limited, as secretary, were tabled and signed by the Chairman and AH, as appointed representative of CEC.

6. COMMUNICATIONS

a) ITI Communication Strategy

The communication strategy for the Transport Edinburgh Information Programme was tabled.

b) Transport Edinburgh Launch

The launch of Transport Edinburgh was scheduled for 30th August (postponed to 9th September). Key speakers include Donald Anderson, Andrew Burns and Michael Howell.

The proposed visit by Ken Livingstone to Edinburgh later in the year requires to be incorporated into the programme.

c) Stakeholder Report

MH and AM are to take a lead in the delivery of the stakeholder programme.

MH

MH/AM

7. HEAVY RAIL

a) Progress Reports

(i) EARL

Ministerial support is being sought to launch the public consultation for EARL which is due to start on 13th September and run until 29th October 2004. (C)

tie is working closely with Damian Sharp on the implications of the National Rail and Transport Scotland White Papers for tie, and the choice of promoter on the EARL parliamentary bill process.

PP

(ii) SAK

Royal Assent has been granted to the Stirling-Alloa-Kincardine Railway Bill. This is the first private transport bill to received Royal Assent via the Scottish Parliament.

8. AOB

a) Freedom of Information (Scotland) Act

Comments on the draft publication scheme made by the commissioner were discussed and modifications will be made to ensure ~~tie~~ comply with the Act and present a final version of the scheme for approval by the Scottish Information Commissioner by 31st August 2004.

b) Meeting with Adrian Colwell

EB and MH together with AB are meeting with Adrian Colwell, Political Adviser to the First Minister on 1st September 2004.

9. Date of Next Meeting

The next meeting will be held on Monday 20th September 2004 in Dublin.

**Action
By**

AM

MH/EB



Agenda Item 2

Matters Arising



Agenda Item 3

Chief Executive Report

- a) Chief Executive Board Report**
- b) Risk Report and review of issues**



Agenda Item 3a

Chief Executive Report

a) Chief Executive Board Report



tie BOARD MEETING – 20TH SEPTEMBER 2004

Chief Executive's Report

This meeting will take place in Dublin to provide an overview of what that capital city is achieving in developing its transport infrastructure, and to discuss the tram system (LUAS) that is now partially in revenue service.

After a tour of relevant installations in Dublin, the board meeting will be fairly short and informal. Alex Macaulay and Andrew Holmes are away on holiday. Ewan Brown is away on business in the USA. Council officers will not be attending.

A. Scottish Executive

- There are indications that the commitment of the Scottish Executive to a greater level of transport funding will be confirmed in the spending review, the results of which are to be publicised later this week.
- At the time of writing, approval of additional funding from the Scottish Executive for the trams is still awaited.
- The required public consultation on EARL was due to start on 13th September but has been postponed.
- As a result the working interface between **tie** and the Scottish Executive is under scrutiny and a brief draft paper has been submitted by **tie** to the Scottish Executive for comment.

B. Communications

- Progress has been made towards the Congestion Charging referendum with the launch of the TransportEdinburgh information campaign (see logo above). This brand name will be used for publicity on all Edinburgh's transport activity.

tie limited

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delivering transport projects

- A programme of publicity and events for the balance of the year has been defined which will maintain the momentum towards the referendum. This includes the Reporters' report on the Public Inquiry, the opening of WEBS, the commencement of construction at Park + Ride sites, the submission of the parliamentary bill for tramline 3 (the "Musselburgh" tram) and hopefully, parliamentary approval at the preliminary stage for the tramlines 1 & 2.

C. Trams

- A cover letter (attached) for the Outline Business Case (OBC) for the Trams was sent to John Ewing, Head of Transport Group, covering points raised in an earlier meeting that had been arranged by CEC with **tie** in attendance. Approval from the Scottish Executive has not been achieved as targeted on the 3rd September. Presently, clarification is being sought by SE from CEC whether any contribution to the £4M presently sought will be available.
- Transdev and Lothian Buses have submitted separate views to CEC on the corporate structure of TEL. The initial evidence is that these views remain divergent. The Chairman of Transdev is to visit Edinburgh on 6th October and will have lunch with Donald Anderson. At that point the issues remaining will be highlighted and a path to resolution charted.
- The parliamentary bill committees have met for the first time since the summer recess. Letters were received from the committee conveners complaining about a letter to objectors, written on our behalf by BDB, our London-based parliamentary agent. As a result, the interface with the committees has been redesigned, and Dundas & Wilson are now playing a leading role.
- Timing of the submission of the bill for tramline 3 is under discussion. **tie's** plans remain focused on submission before Christmas. There is some debate, initiated by SE, whether the EARL bill should precede tram line 3. This would postpone the tram bill by three months and could hinder the pre-referendum build up.

D. Congestion Charging

- Progress continues on definition of the system structure for congestion charging prototypes. Cap Gemini Ernst & Young presented their Macro Process Design.
- A date (potentially in late November) is being sought for the visit of Ken Livingstone to Edinburgh.

E. Heavy rail

- Work has started on development of the procurement strategy for EARL. In addition a dialogue has started with the Scottish Executive on the identity of the

sponsor for the project and the implications with regard to consequent parliamentary procedures.

- Work continues on Stirling – Kincardine Alloa railway line and the first operating group meeting was held. The required suite of agreements with Network Rail are on the critical path and good progress in being made.

F. WEBS and other ITI projects

An open-top bus tour of the WEBS site for journalists followed the TransportEdinburgh launch. The off street guideway is now largely complete, and the on street works are in progress. The opening is scheduled for the end of November.

A sod-cutting ceremony at the Ingliston Park + Ride is set for 22nd September.

A review of progress on One Ticket is to be covered at the next Board meeting.

G. Finance and Risk

Spending remains within plan. The monthly financial and risk reports are attached.

H. Freedom of Information (Scotland) Act

A protocol for the handling of future board minutes is presented for discussion.

Michael Howell

15th September 2004



Mr John Ewing
Scottish Executive
2G05 Victoria Quay
EDINBURGH
EH6 6QQ

3rd September 2004

Dear John

Edinburgh Tram – draft Outline Business Case, and request for funding

Thank you for the chance to share perspectives on the position regarding the above on 27th August. This letter is to place the request for additional funds in context.

You will be aware that the tie business plan for 04/05 set out a clear path. This was to ensure a careful and progressive management of risk as the tram project moves through the consent process and thence into the procurement and implementation phases. The plan was designed to ensure that the release of funds would only occur in order to ensure that risk would be properly understood at the right time and to the right level of detail. Over recent weeks our respective officials have been working hard to present a case for the next release of funds, and the tie Board has asked me to reinforce the critical importance of that process in this letter.

It is perhaps worth a few words on the wider aspects of the process which tie has adopted to mitigate risk, particularly in the context of the recent NAO report on the disappointing financial performance of tram schemes in England. (Immediately following the NAO report in April this year, a synopsis of tie's response to the issues raised was presented to and accepted by the tie Board. This response from tie is included within the draft Outline Business Case.) The most significant issues facing those schemes have been 1) poor patronage 2) unforeseen cost premiums on construction.

1. The most significant issues relating to poor patronage have been a) limited integration with buses b) insufficient priority given to trams to ensure reliable and quick journey times.

As you know tie has appointed a very experienced tram operating partner, Transdev, who is now fully integrated into the project team and who is actively working with tie, the City of Edinburgh Council (CEC) and bus operators to address the above points. tie / CEC and Transdev will share tram patronage risk which ensures a balanced and collaborative approach to this challenge. Output from this process will be available before the Executive or CEC commit to capital construction costs.

transport initiatives edinburgh limited

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2. The most significant issue relating to construction cost in other schemes has been the transfer of unmanageable risks to the private sector. This has given rise to unexpected and very substantial cost premiums.

The procurement strategy developed by tie separates the revenue risk from the contracts that require substantial capital spend. In addition, the capital costs developed for tie by its technical advisors have been benchmarked against other tram schemes. tie will maintain a close and continuing relationship with the procurement of both infrastructure and tram vehicles, and is designing its procurement process to ensure that no such surprises arise. tie is staffed with senior professionals from the private sector who are experienced and fully qualified to fulfil this role.

The present request for additional funds is therefore targeted directly at these sources of risk. The monies are to be allocated to Transdev to fund their ongoing consulting work, and to engineers and advisers for the preparation of a detailed design for the tram scheme that will properly reflect Transdev inputs. Simultaneously, we shall be finalising our tram procurement plans. In addition, there is vital work to do on traffic management matters, during both the construction phase and subsequent operation. This is a high profile area of concern to the public, both generally and specifically in the context of formal objections. All these elements of work are necessary for the next stage to proceed smoothly, and not least to ensure that we have the means to answer in detail legitimate questions that will certainly be put by the relevant Parliamentary committees.

Without the funds, we would not be able to move forward and could not respond to these questions. The statutory approvals would therefore be put at significant risk.

As things stand, I am very pleased with the progress made by the project team. The draft Outline Business Case recently submitted reflects the work done to date and reflects convincingly that the project is in good shape. While estimates of capital costs are above the £375M pledged in principle by the Executive, there is very encouraging progress on the identification of other sources of funding, which indicates that the network consisting of both tramlines 1 and 2 can be built without the commitment of additional funds. This remains subject to a detailed appraisal by your colleagues, CEC and tie with relevant advisers as to the optimum PFI financial structure and balance of funding risk, which is a further workstream planned for the next few months. While there is still a lot of work to do, there are no fundamental technical or commercial obstacles to success.

Therefore, the immediate hurdle is the continuing funding of the process. tie will not extend itself financially beyond the limits set by the Executive and CEC, but that constraint is becoming more burdensome by the week. Recently, progress has visibly slowed as our project management team has contained costs. That position is now

acute, and if the project is to meet the timescales that we have been set, and that have been made public, further funding must be made available very soon indeed.


The funding imperative to deliver the programme is for the immediate release of an additional c. £4.0m for the 04-05 financial year, implying a further c. £13.0m on these same workstreams for the 05-06 financial year. During February/March 2005, an updated draft Outline Business Case will be presented that will substantiate the release of the funds for next year. This document will become the basis on which approval is sought to tender formally the tram construction and vehicles. At that time, we can mutually finalise the position on advance works, such as the diversion of utilities, recognising that the timing of this expenditure and the interplay with parliamentary and project schedules requires further discussion.

I understood from our meeting that some visible support for this funding from CEC would be favourably viewed, and assume that this will, if necessary, be pursued between yourselves and CEC.

I hope that we are now agreed about the importance and the necessity of this release of funds, which are directed at the controlled management of risk in the context of lessons learned elsewhere. If it would help, I would be happy, with my executive colleagues, to take you or indeed the Minister through our plans in detail, to demonstrate the position.

I also note that CEC have postponed their launch of the "Transport Edinburgh" brand launch until the 9th September and hope that we shall be able to secure an undertaking in principle before then.

Yours sincerely,


Ewan Brown
Chairman



Agenda Item 3b

Chief Executive Report

b) Risk Report and Review of Issues

tie Limited
September 2004 Risk Report



tie Limited
Risk Report
September 2004

Prepared by: **Mark Bourke**
Date: **13 September 2004**
Revision: 1

File: **10.01.02 tie BOARD Portfolio Reports to Board**

tie Limited
September 2004 Risk Report

Contents

Section	Title	Page
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Appendix	Title	
A	Tram, Congestion Charging and Ingliston Park & Ride: Optimism Bias Charts	5
B	Summary of Key Risks	8
C	Key Areas for Management	12

tie Limited

September 2004 Risk Report

1. Overview

tie Limited (tie) have placed risk management at the core of its service delivery to the Council. tie considers that the management of risk will be measured in the ability to achieve tie's Corporate Targets.

Congestion Charging

A one-to-one risk meeting has been held with tie Project Manager to review new risks, mitigations and progress. Serious concerns raised regarding the availability of funding to deal with the recognised need to focus on wider decision making and procurement issues e.g. Operator. This has identified that we are more aware of the risks but progress in risk mitigation is slow, and this reflected in OB charts.

Comments are due to be received on risk progress on procurement issues, but this is reflected in. Awaiting report from Public Inquiry.

A substantial number of risks have been identified by Halcrow, our Technical Advisors. Limited responses have only recently been received from IBM and CapGemini and will be incorporated within risk registers next month.

Line 1 & 2

Lack of availability of funding delays progress on the majority of workstreams, with the advisors stood down e.g. no procurement or TRO development work is proceeding. This itself will draw risk into the process as monitoring roles e.g. legal monitoring of Planning/Development proposals to ensure due account is taken for the tram. It is recommended that the Board seek comfort from SE and the Council that funding matters will be resolved in early course.

Parliamentary Committee meetings commencing w/e 17 September 2004. Responses to objectors regarding the adequacy of documentation due to issued this month.

Studies regarding CETM yet to commence. Preliminary Financial Cases and STAGs have been issued.

It is recommended that the risk management team be asked to report updates on risk matters in November 2004 to allow commencement of the Parliamentary process.

Line 3

A detailed discussion has been held with Faber Maunsell regarding their approach to costing and risk mitigation to ensure clarity of assumptions and approach. This has identified a number of areas where Faber Maunsell require to undertake further work.

Review indicates that OB estimates for capital costs remain high due to lack of reporting. The risk register has been updated with initial responses from colleagues and is currently being updated for the end of September 2004 by the following parties. Key issues currently under close management include the modelling approach.

Actionee	Company/Group	Person Responsible
BDB	Bircham Dyson Bell	Ian McCulloch
DLA	DLA	Andrew Fitchie
FM	Faber Maunsell	Martin Lax
GT	Grant Thornton	John Watt

tie Limited

September 2004 Risk Report

EARL

A further 'final' warning has been given to the Technical Advisors (SWK) to improve their approach to reporting of risk and the co-ordination of inputs for maintenance of the risk register. If improvement is not sufficient then **tie** may bring this co-ordination in-house with the other project risk registers. **tie** have been advised that this is due to SWK mis-interpretation of the brief.

Procurement strategy is currently under development.

Planned sessions on ground/tunnel risks due this month.

No risk management input from **tie** has commenced on SAK.

WEBS

There has been no material change on risks to this scheme. Good progress is being made on site. A workshop is planned to discuss residual risks.

Ingliston Park & Ride

A very useful workshop has been held with Project Managers and Technical Advisors including their intended site management team. This has identified progress in the mitigation of risk and developed the necessary mitigation. This is reflected in OB estimate (from starting values in recent DfT advice) of about 8% on capital costs. Close management of issues will be required to manage this to levels of current contingencies.

Discussions are ensuing on how to bring Borders Construction input to bear to the risk process.

No new risks have emerged and there has been no material change to the OneTicket scheme.

General

A one-to-one briefing on programme risk matters for 'softer' approval issues has been held with Robert Denholm, Scottish Executive, Projects Risk Co-ordinator. This primarily considered Line One, Line Two and EARL.

This paper comprises the following attached elements.

- An overview of progress on the management of risk through reporting the current Optimism Bias values for Tram, ITI and Ingliston Park & Ride schemes (**Appendix A**);
- A summary of the key risks affecting the Projects (**Appendix B**); and
- A summary of areas for management across the **tie** portfolio (**Appendix C**).

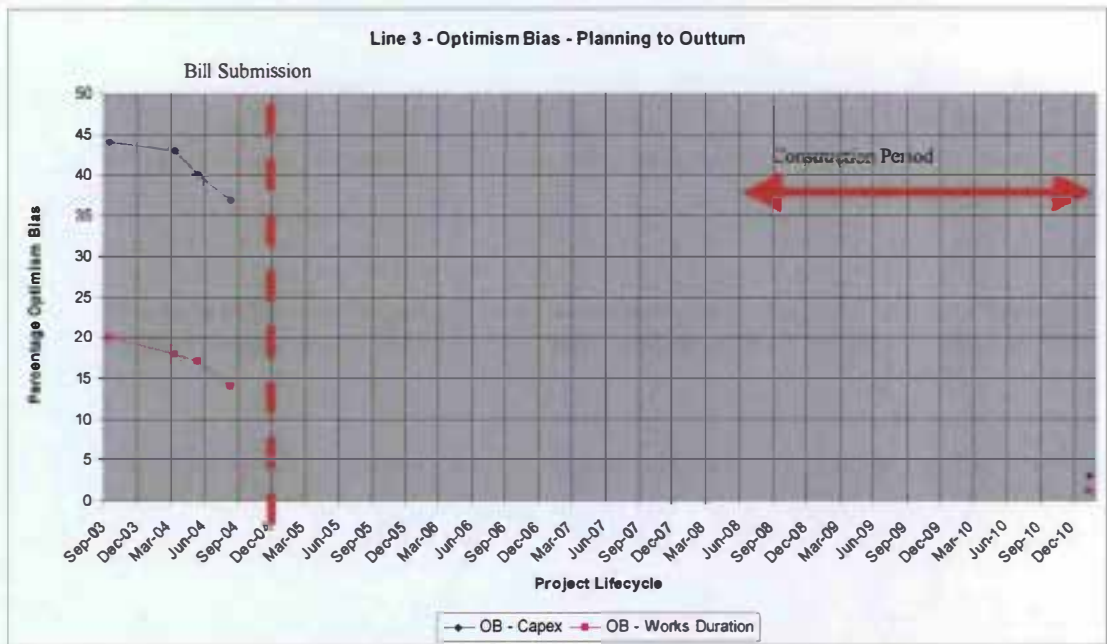
Appendix A
Tram, ITI and Ingliston Park & Ride
Optimism Bias Charts

tie Limited
September 2004 Risk Report

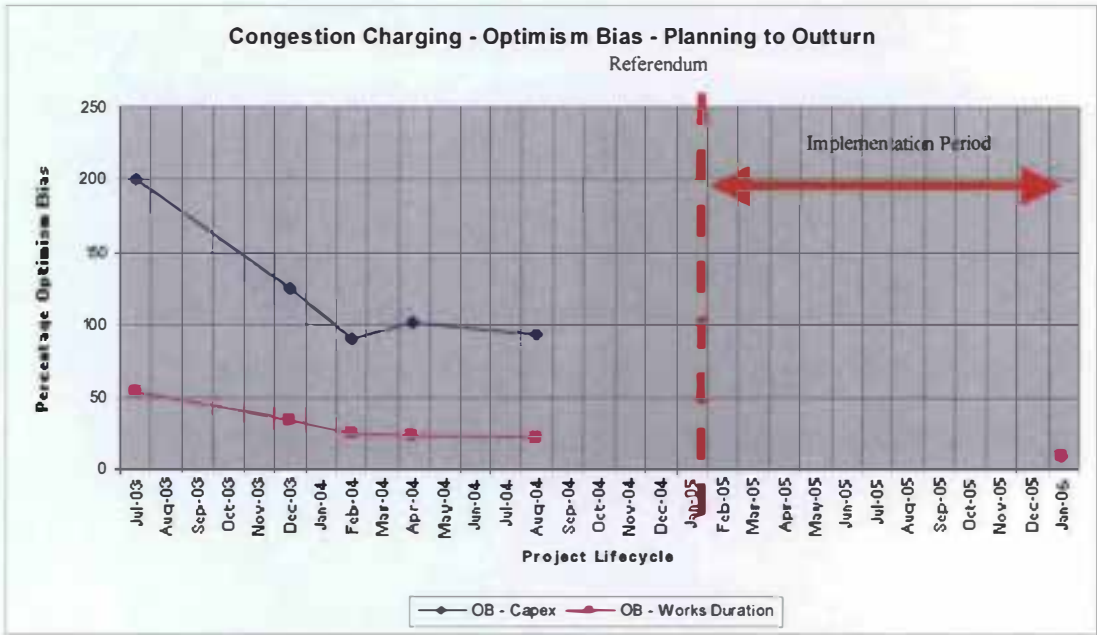
Profile of Optimism Bias for Tram Line One and Two



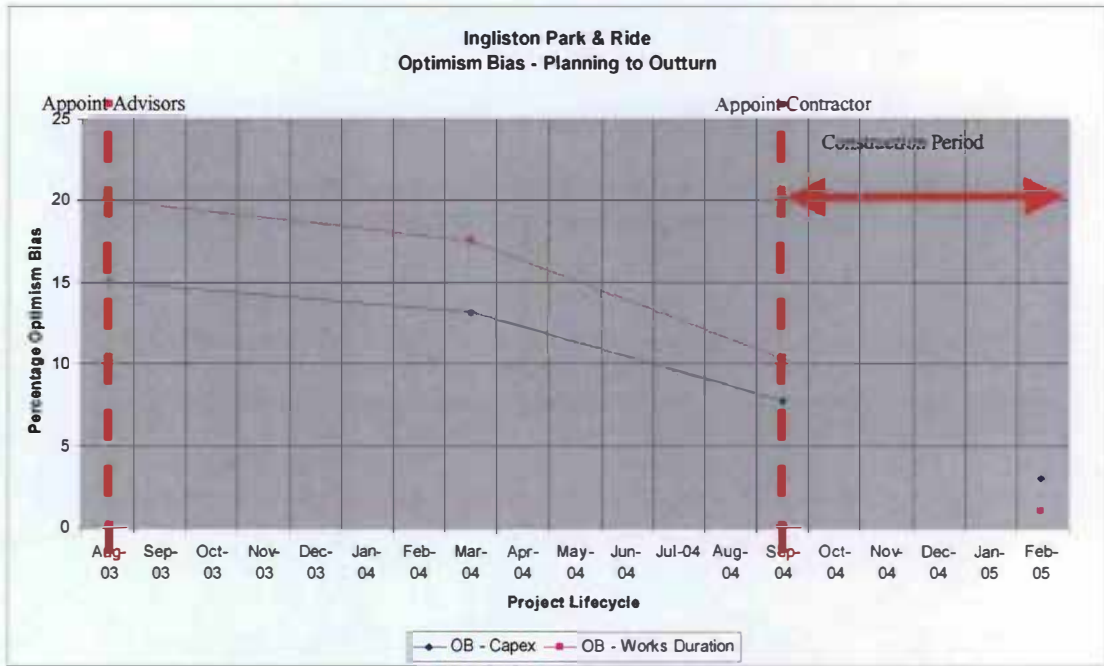
Profile of Optimism Bias for Tram Line Three



Profile of Optimism Bias for Congestion Charging Scheme



Profile of Optimism Bias for Ingliston Park & Ride Scheme



Appendix B

Summary of Key Risks

tie Limited

September 2004 Risk Report

The following 'very high' project risks have been identified as currently affecting the above schemes by the advisor team.

Line 1, 2, 3 & Network

Ref	Project Risk	Impact
1.	Insufficient public sector capital available to meet contract price resulting in additional cost charges	Approvability
2.	Shortfall in securing 'other funding' beyond SE funding for schemes resulting in delay to programme	Approvability
3.	Bill authorisation prevented due to loss of political will due to negative PR e.g. funding gap, influence of Holyrood, performance from other UK Tram Sector projects and Bill Objections	Approvability
4.	Increased capital costs due to third parties including Utility diversion costs; Land costs associated with acquisition, temporary disruption during construction and compensation; Tram vehicle costs; and Network Rail costs for immunisation of equipment, possessions, compensation costs to train operating companies, information supply, liaison and development of agreement;	Capital Expenditure
5.	Cost increases or programme delays due to planning permission requirements in complying with the design requirements of Planning Authority or failure of the Council to deliver Section 75 Land	Capital Expenditure & Programme
6.	The inclusion of CETM will impact the project	Functionality
7.	An overly optimistic runtime analysis feeds into the business case resulting in revenue impacts e.g. the expected priority levels at highway junctions not achieved.	Operating Expenditure
8.	DPOFA Procurement delayed due to lack of co-operation from Lothian Buses	Programme
9.	Delay in construction programme due to delays in encountering archaeological finds/burials and consequent exhumation.	Programme
10.	Outputs from the TRO Process are late resulting in a delay to programme	Programme
11.	Lack of decision to undertake advance works results in delay to scheme operations e.g. land acquisition, detailed design, utility diversions	Programme
12.	Inadequate preparation of Parliamentary Evidence, poor handling of Objections or influence of other Bills leads to delay in Parliamentary programme	Programme
13.	Passenger numbers lower than forecast resulting in a decrease in revenue	Revenue
14.	Indecision regarding the potential inclusion of terminus to Line 3 at Musselburgh leads to loss of opportunity	Revenue

WEBS

Ref	Project Risk	Impact
1.	Delay in programme due to unforeseen event outwith the control of the Contractor	Programme
2.	Operators do not buy in to scheme due to;- Short term nature of project does not give time for pay back	Revenue
3.	Operators do not buy in to scheme due to; Specialist equipment required does not give time for payback	Revenue

EARL

Ref	Project Risk	Impact
1.	Influence of BAA on the scheme with potential uncompromising position on objections related to quality, their acceptance processes, their development blight, 2 nd Runway and asset protection.	Application for Powers
2.	Disruption to air traffic due to excessive settlement from tunneling	Capital Expenditure & Programme
3.	Objections in Parliament	Application for Powers
4.	Project cost estimate too high (tenders breach affordability)	Planning
5.	Cost escalation	Construction
6.	Failure to meet predicted passenger levels	Operation
7.	Insufficient time allowed in programme for the passage of the Bill through Parliament	Application for Powers
8.	Bill is submitted late to Parliament	Application for Powers
9.	Failure to achieve resolution of tunnel methodology work package 1 timescales	Planning
10.	Boulders delay construction of tunnel	Construction
11.	Watercourses become polluted during construction	Construction
12.	Utility companies fail to implement agreed service diversions timeously.	Construction
13.	Procuring unreliable ticket machines	Procurement
14.	Lack of definition in Revenue Protection/management methods delay or lead to changes in station design	Procurement

Ingliston Park & Ride

Ref	Project Risk	Impact
1.	Lack of development of operational functions and facilities management leads to delay in opening of facility	Operation
2.	Lack of development of funding of operating expenditure leads to delay to scheme	Application for Powers
3.	Insufficient knowledge about PUs on site leading to cost and programme over-runs for diversion, protection, use for the scheme and extension	Construction
4.	Outcome and impact on design of safety audit results in significant scheme re-design	Planning
5.	Design fails to comply with missives associated with land acquisition resulting in delay in progress due to challenge.	Planning

Congestion Charging

Ref	Project Risk	Impact
1.	Insufficient public sector capital available in 'short to medium-term' to meet contract price resulting in additional cost charges or delays to initiating key workstreams e.g. operator procurement and other supporting contracts to April 2005	Approvability
2.	Progress of scheme prevented due to loss of political will due to negative PR e.g. funding gap, influence of London performance and quantum of Objections	Approvability
3.	Referendum result is negative	Approvability
4.	Guidance not in place in time for public inquiry	Approvability
5.	Failure to predict set-up and operating costs	Capital & Operating Expenditure
6.	Insufficient interim budget available in 'short-term' to adopt dual pilot approach resulting in amendment to procurement strategy or curtailment of prototype and consequential risk of cost increases and delays to main implementation phase	Capital Expenditure & Programme
7.	Inquiry based concerted challenge	Programme
8.	Judicial review of Council's decision	Programme
9.	Court based attempted human rights challenge	Programme
10.	Lack of resource to manage the decision making and develop procurement strategy to April 2005	Programme
11.	Need for private financing to scheme and subsequent due diligence causes delay to programme	Programme

Appendix C

Key Areas for Management

C. Key Areas for Management

In undertaking an assessment of the key risks affecting the scheme, a number of 'very high' risks have been identified. These key risks have been summarised for a number of projects within **Appendix B**. These risks represent, in some instances, those considered as most serious to the development of the ongoing progress of the schemes, and will require management as the project progresses. Recurring themes have been identified in a number of our schemes are summarised below.

C.1. Capital Costs - Third Party Costs

tie anticipates that the following elements of capital expenditure have associated risks, which are largely dictated by third parties, and may significantly impact the final outturn cost of the scheme. It is considered that these risks have been significantly mitigated through the considerable amount of work undertaken to date by tie's Technical and Land & Property Advisers and contingencies allowed.

- Utility diversion costs;
- Land costs associated with acquisition, temporary disruption during construction and compensation;
- Vehicle costs;
- Design modifications required to mollify objections;
- Network Rail costs for immunisation of equipment, possessions, compensation costs to train operating companies, information supply, liaison and development of agreement;
- Increased cost due to additional environmental protection measures;
- Unforeseen ground conditions; and
- Council/tie instructed change.

C.2. Operating Expenditure - Increased Operating Costs

tie anticipates that the following elements of operating expenditure have associated risks which have been identified. It is noted that these have been significantly mitigated on the Tram schemes through proceeding with a DPOF Procurement process and through the formation of Operating and Maintenance Working Groups for the WEBS and Ingliston Park and Ride schemes. It is anticipated that the following issues will require to be managed with the support of the Council.

- Development and responsibilities for operation and maintenance;
- Variability of market conditions impacting on insurance costs;
- Increased run-times than anticipated;
- Lack of priority to schemes in road/rail network;
- Long term increases in operating costs;
- Specification issues including staffing levels; and
- Council/tie instructed change.

C.3. Revenue – Passenger Forecast

tie and their advisors have established and will develop conservative and credible base models and reviewed the factors affecting revenue through assessment of assumptions and sensitivities. Further comfort will be gained on the tram schemes through early involvement of an experienced Operator. It is considered that the following risks will need to be managed.

- Competitive stance taken by existing operators;
- Passenger numbers are lower than forecast; and
- Influence of proposed schemes to current parking and bus operation revenues.

C.4. Programme - Delays

tie have identified a number of key areas where there are risk of delays to programme which are each being mitigated.

- Approval of **tie**'s Business Plan resulting in delay to implementation plans;
- Resolution of funding matters resulting in scheme delays;
- Statutory process delays including Parliamentary/Public Inquiry, Planning and approval to necessary scheme TROs;
- Objections;
- Lack of co-operation from external bodies including Lothian Buses, HMRI, Network Rail and Environmental Bodies;
- Development of requirements and responsibilities for scheme operation and maintenance;
- Bidder fatigue during negotiation;
- Change of Transport Minister;
- Parliamentary time with other Bills under consideration;
- Lack of market appetite in the scheme;
- Lack of co-operation by BAA;
- Late delivery of vehicles from suppliers; and
- Competing projects cause increased construction periods.

C.5. Quality - Statutory Planning

tie have significantly mitigated risks affecting the quality of the scheme through consultation with the Planning Authority on all schemes. This work has been co-ordinated through the a Planning and Environment Working Group that has included developed of a Design Manual¹ for the Tram schemes to account for Edinburgh's status of a World Heritage Site.

- Delay and cost increases due to Planning requirements; and
- BAA's view of quality of finishes and materials.

The Tram Design Manual identifies Principles of Design, provides supporting guidance and states Design Requirements for the main tram components.

C.6. Functionality – System Operation

tie have held significant pro-active consultation with transport operators. An extensive portion of mitigation has been commenced with the procurement of a tram Operator, whose objectives include bringing about integration with local bus operators. **tie** and their advisors have considered the influence of other transport initiatives including CETM and discussed these with the Council. **tie** are continuing to take a significant involvement and interest in other strategies including two potential city centre underground multi-storey car park schemes and strategies for the development of Haymarket and St. Andrew Square.

- Passenger Transport integration; and
- Inclusion of CETM.

¹ Transport Initiatives Edinburgh (2004) Edinburgh Tram Network: Design Manual

C.7. Approvability – Referendum and Funding

tie considers that the single biggest issue affecting the approvability of a number of their schemes relates to funding, as indicated below. tie have mitigated this risk through development of robust cost estimates and on-going review of alternative funding options by tie's financial advisers.

- Limited Scottish Executive funding is available;
- Delays are incurred in securing other funding sources beyond SE funding;
- Referendum prevents schemes proceeding;
- BAA's contribution fails to materialise or is insufficient;
- Schemes fail to pass Statutory Processes including Parliamentary/Public Inquiry and/or Planning; and
- HMRI refuses to allow operation of services.



Agenda Item 4

ITI -

- a) Project Progress Reports**
- b) Service Integration (verbal)**
- c) Tramline Three – Final Route Alignment**



Agenda Item 4a

ITI -

a) Project Progress Reports

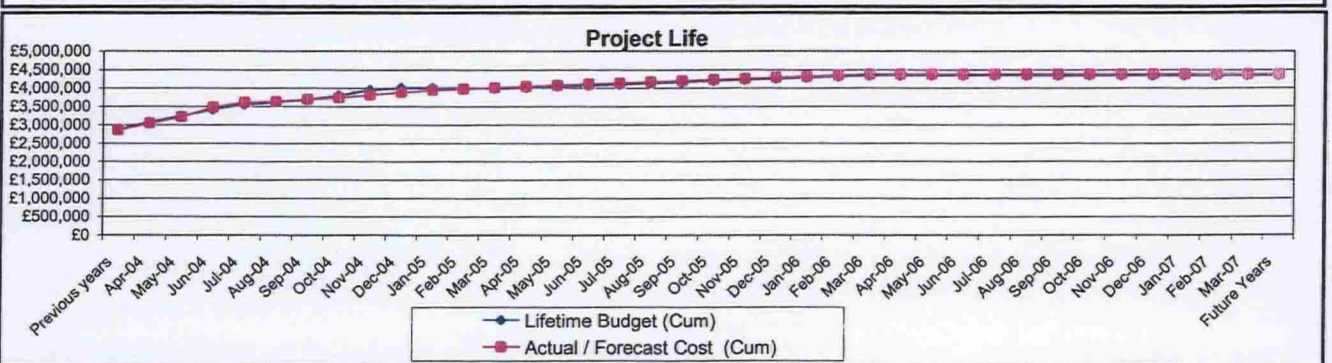
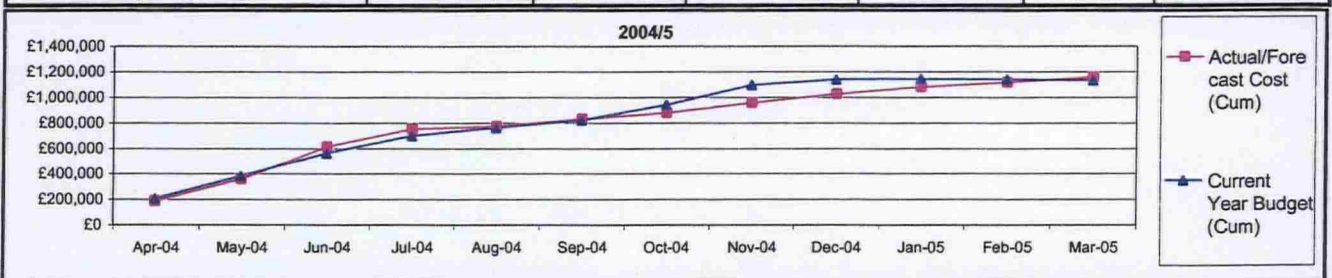


Agenda Item 3.1

TIE
PROGRESS OVERVIEW
for
ITI Operating Committee
13th September 2004

Project: ITI Development						
Report for Month Ending: 31-Aug-04			Project Manager: John Saunders			
Start Date:			End Date:			
Overall Progress Status		Expenditure 2004/5		Project Life Funding		
		102%		91%		
Progress Key:				Finance Key:		
On track for successful completion as programmed.				Within 10% of estimate		
Issues have arisen which may delay completion or require discussion/direction.				10 – 20% outside estimate		
Issues have arisen which will delay completion.				>20% outside estimate		
Critical Path / Milestone Items		Original Start Date	Original Completion	Revised Completion	Progress (NS,IP,C)	Progress Status (G,Y,R)
1. Update business Case		1-Feb-03	31-Jan-04		C	
2. Prepare Draft Charging Order and associated		1-Feb-03	15-Sep-03		C	
3. Develop and assemble background material		24-Mar-03	26-Sep-03		C	
4. Draft Charging order to Council		22-Sep-03	30-Sep-03		C	
5. Publication and objection period CO		2-Oct-03	28-Feb-04		C	
6. Negotiation. Public inquiry		3-Oct-03	2-Jul-04		C	
7. Referendum preparation		6-Jan-03	11-Nov-04		IP	
8. Prepare application in Detail		15-Aug-03	15-Nov-04		NS	
9. Final scheme approval by Council		12-Nov-04	15-Dec-04		NS	
10. AiD to Scottish Executive followed by Referendum		16-Dec-04	15-Apr-05		NS	
11. Procurement system Operator		1-May-03	20-Jul-05		IP	
12. Retail Impact study		21-Jan-04	30-Sep-04		IP	

	Funding	Budget	Original Cost Estimate	Start of Year Cost Estimate	Current Forecast	Variance
Previous Years	£2,851,571	£2,851,571	£2,851,571	£2,851,571	£2,851,571	£0
2004/5	£1,131,213	£1,131,213	£1,131,213	£1,131,213	£1,156,200	£24,987
2005/6	£0	£358,976	£358,976	£359,333	£359,347	£14
2006/7	£0		£0	£0	£0	£0
Future Years	£0		£0	£0	£0	£0
Total for Project Life Cycle	£3,982,784	£4,341,760	£4,341,760	£4,342,117	£4,367,118	£25,001



Summary of Key Points and suggested course of action:

The Public Inquiry ended on 1st July. The Independent Reporters are due to complete their report by the end of October and they will then report to City Development on the implications of the findings to enable a report to be put before the Council during November 2004. As preparation for the report for City Development they are currently briefing technical advisors prior to carrying out some minor investigatory work that will resolve loose ends that arose during the Inquiry process.

The report on the economic impact that the congestion charging proposals could have in relation to retail activity in the city centre is scheduled to report during September, and the findings will be reported to the Council during November.

The predicted ITI Development expenditure included in the business case is at variance with that submitted by the Project Manager during April. This results in a predicted overspend of approximately £25,000, but this can be accommodated through savings of a similar scale which have been identified in the ITI Procurement budget.

A programme is currently being developed to identify the various milestones and tasks requiring implementation to ensure that the Congestion Charging scheme could become operational in Spring 2006. Once the programme is developed the cost implications will be assessed. As budgets stand at present it would not be possible to fund any additional development work during this current financial year.

Details relating to the City of Edinburgh Council Information Campaign are, as of 1st July, subject to a separate Operating Committee report.

"I confirm that this report provides an accurate overview of the project progress and finance."

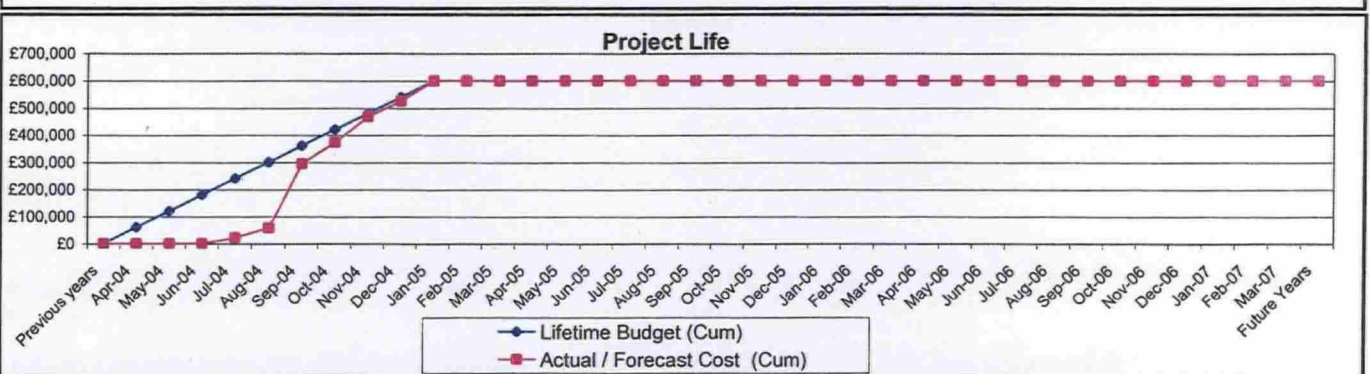
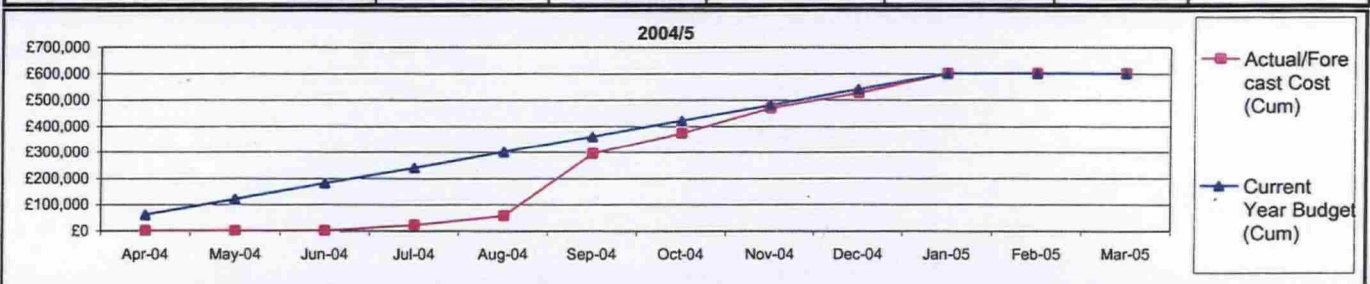
Project Manager's signature: _____ Date: 9/09/04

Project Director's signature: _____ Date: _____

Project: ITI Information Campaign						
Report for Month Ending: 31-Aug-04			Project Manager:		Monica Langa	
Start Date:			End Date:			
Overall Progress Status			Expenditure 2004/5			Project Life Funding
			100%			100%
Progress Key:					Finance Key:	
On track for successful completion as programmed.						Within 10% of estimate
Issues have arisen which may delay completion or require discussion/direction.						10 – 20% outside estimate
Issues have arisen which will delay completion.						>20% outside estimate
Critical Path / Milestone Items		Original Start Date	Original Completion	Revised Completion	Progress (NS,IP,C)	Progress Status (G,Y,R)

1.Information Programme development and implementation	1-Apr-04	Date of Referendum	IP	

	Funding	Budget	Original Cost Estimate	Start of Year Cost Estimate	Current Forecast	Variance
Previous Years	£0	£0	£0	£0	£0	£0
2004/5	£600,000	£600,000	£600,000	£600,000	£600,000	£0
2005/6	£0	£0	£0	£0	£0	£0
2006/7	£0	£0	£0	£0	£0	£0
Future Years	£0	£0	£0	£0	£0	£0
Total for Project Life Cycle	£600,000	£600,000	£600,000	£600,000	£600,000	£0



Summary of Key Points and suggested course of action:

Information Programme Communications Strategy and budget signed off by ITI Communications Group meeting 2 August.

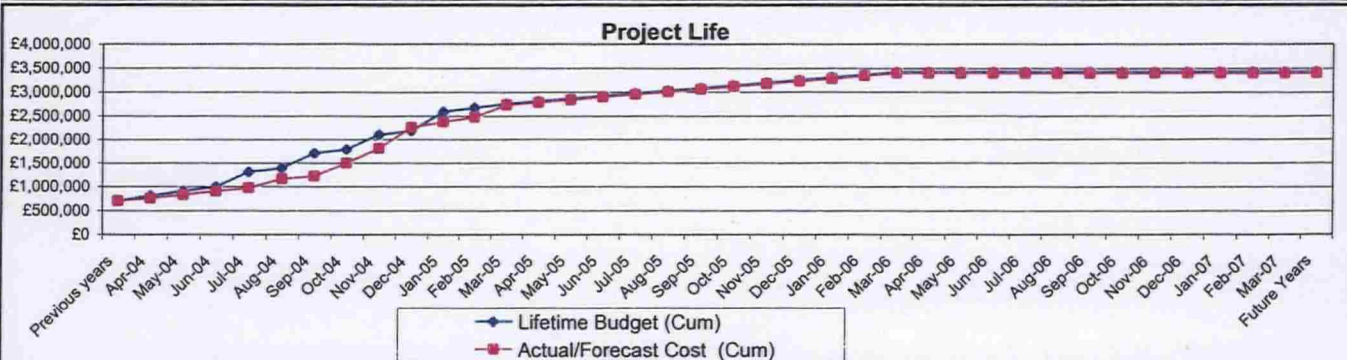
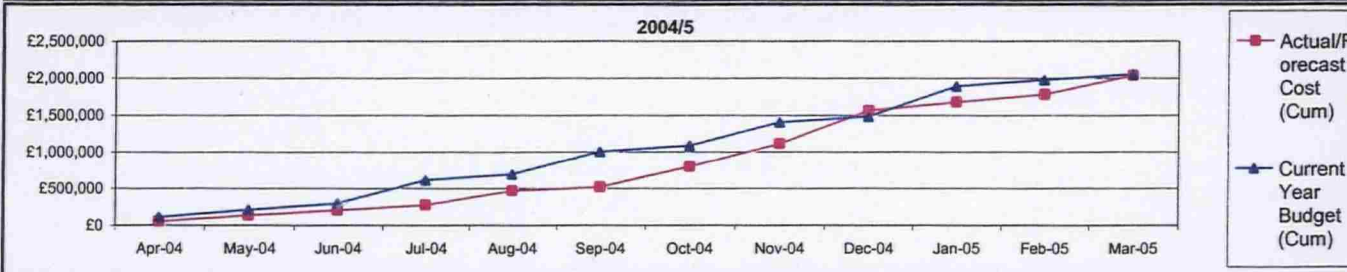
Stand taken at Fringe Sunday event 15th August. DVD presentations at Gyle & St James Shopping Centres w/c 30th August. Launch of Transport Edinburgh brand planned for early/mid September. TCOG to decide on nature of launch event.

"I confirm that this report provides an accurate overview of the project progress and finance."

Project Manager's signature: Project Director's signature:

Date: Date:

Project: ITI Procurement						
Report for Month Ending: 31-Aug-04			Project Manager:		Seamus Healy	
Start Date:			End Date:			
Overall Progress Status		Expenditure 2004/5		Project Life Funding		
		99%		81%		
Progress Key:				Finance Key:		
On track for successful completion as programmed.				Within 10% of estimate		
Issues have arisen which may delay completion or require discussion/direction.				10 – 20% outside estimate		
Issues have arisen which will delay completion.				>20% outside estimate		
Critical Path / Milestone Items		Original Start Date	Original Completion	Revised Completion	Progress (NS,IP,C)	Progress Status (G,Y,R)
1. Complete Evaluation of System Procurement Tenders		8-Apr-04	14-May-04		C	
2. Contract with Agreed System Integrators (SI)		14-May-04	14-Jun-04		C	
3. SIs Team Mobilisation Complete		14-Jun-04	5-Jul-04		C	
4. Macro Designs Complete (Business Modelling)		5-Jul-04	16-Aug-04		C	
5. Technical Designs Complete		6-Aug-04	8-Nov-04		IP	
6. Architecture Designs Complete		25-Oct-04	6-Dec-04		NS	
7. Prototypes Design and Build Complete		9-Aug-04	28-Oct-04		IP	
8. Prototype Tests Complete		28-Oct-04	8-Dec-04		NS	
9. Complete Evaluation of Stage 1 Designs		20-Dec-04	21-Jan-05		NS	
10. Finalise Stage 2 Contract Schedules		24-Jan-05	18-Feb-05		NS	
11. Exercise Stage 2 Option with Chosen SI		21-Feb-05	18-Mar-05		NS	
	Funding	Budget	Original Cost Estimate	Start of Year Cost Estimate	Current Forecast	Variance
Previous Years	£694,159	£694,159	£694,159	£694,159	£694,159	£0
2004/5	£2,048,701	£2,048,701	£2,048,701	£2,048,701	£2,023,700	£25,001
2005/6	£0	£663,358	£663,358	£663,358	£663,358	£0
2006/7	£0	£0	£0	£0	£0	£0
Future Years	£0	£0	£0	£0	£0	£0
Total for Project Life Cycle	£2,742,860	£3,406,218	£3,406,218	£3,406,218	£3,381,217	£25,001



Summary of Key Points and suggested course of action:

Operations

Business Process designs complete for both contractors. Technical and prototype designs are progressing.

Financial

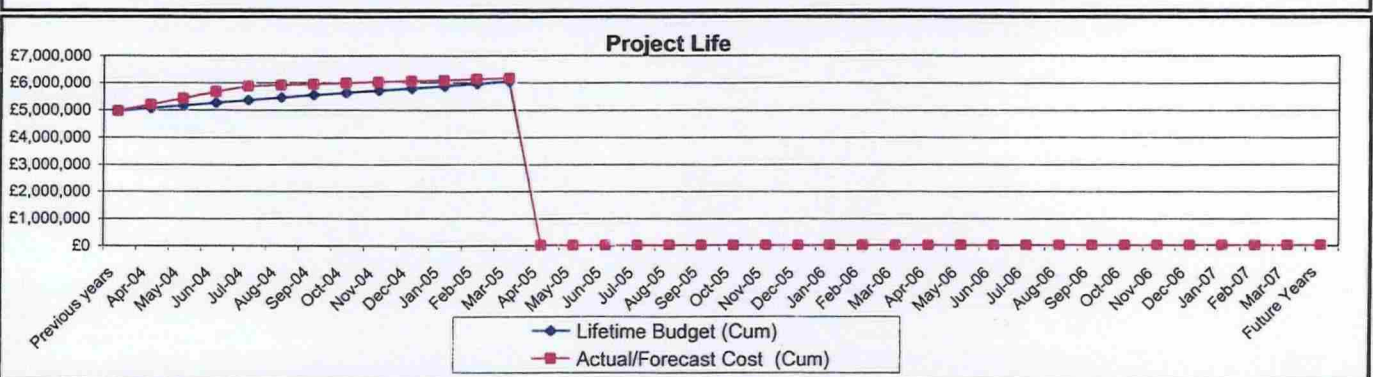
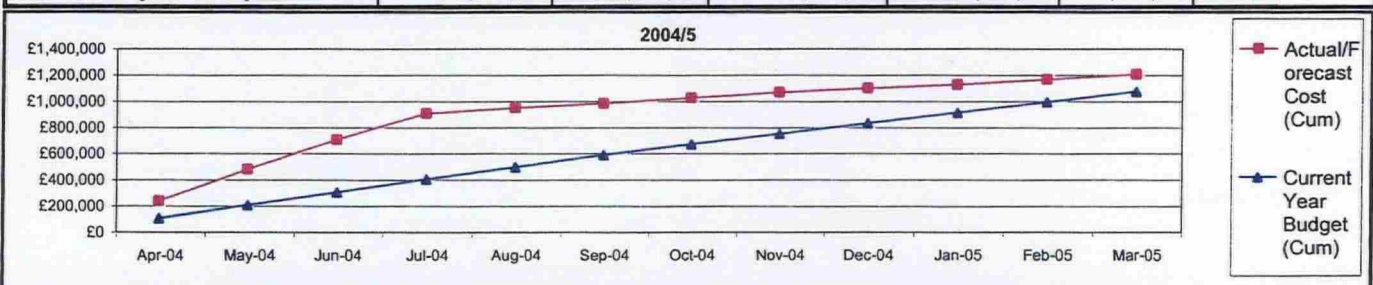
Spend profile for August was approximately as expected across most spend areas with the exception that a major milestone payment for one of the contractors will now be realised in September due to acceptance criteria timetable.

"I confirm that this report provides an accurate overview of the project progress and finance."

Project Manager's signature: Project Director's signature:

Date: Date:

Project:		Line 1 North Edinburgh Tram Parliamentary Order				
Report for Month Ending:		31-Aug-04		Project Manager:		Kevin Murray
Start Date:				End Date:		
Overall Progress Status		Expenditure 2004/5				Project Life Funding
		115%				97%
Progress Key:				Finance Key:		
On track for successful completion as programmed.				Within 10% of estimate		
Issues have arisen which may delay completion or require discussion/direction.				10 – 20% outside estimate		
Issues have arisen which will delay completion.				>20% outside estimate		
Critical Path / Milestone Items		Original Start Date	Original Completion	Revised Completion	Progress (NS,IP,C)	Progress Status (G,Y,R)
1. Prepare and Deposit Parliamentary Documents		1-Jul-02	23-Dec-03		C	
2. Support Parliamentary Process Leading to Royal Assent		1-Jan-04	24-Dec-05		IP	
3. DPOF Appointment of Operator		2-Jul-03	29-Apr-04		C	
4. Third Party & Stakeholder Liaison		5-Jan-04	20-Dec-05		IP	
5. Publication & Making of TRO's		6-Jan-04	1-Jul-06		IP	



Summary of Key Points and suggested course of action:

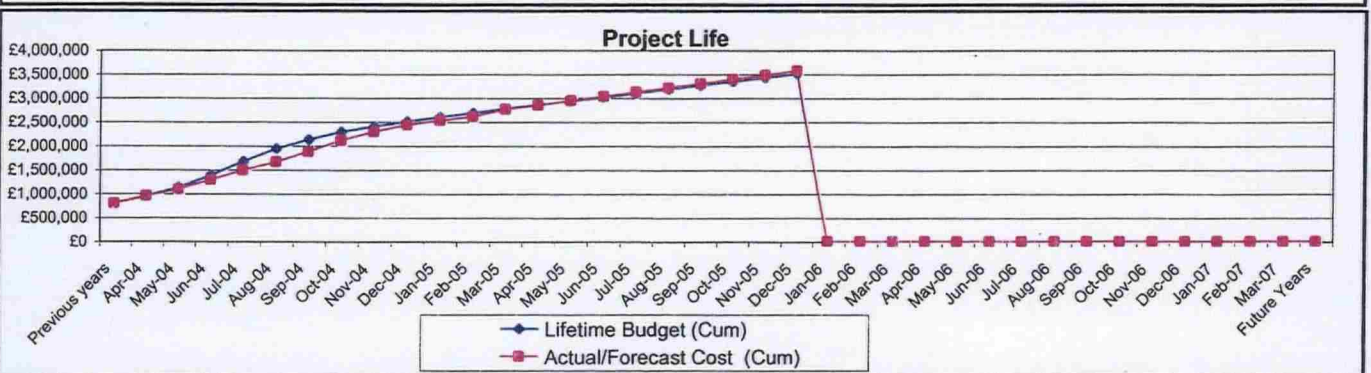
Operational issues:
The ETL1 Bill was introduced to the Scottish Parliament on 29 January 2004 to which 197 objections were received following the objection period. The parliamentary committee held its first meeting on 29 June and will reconvene on 14 September following the summer recess. Responses to a number of issues identified by the committee and its advisors have been provided including a revised preliminary financial case (PFC). Further issues continue to be raised by the committee on an ongoing basis. Letters have also been sent to all the in-principle objectors responding to their objections and seeking withdrawal. Negotiations are ongoing with other objectors. Transdev commenced the Project Development Services phase of their contract on 28 June and have now submitted their inception report. The programme for the development and making of the Traffic Regulation Orders (TROs) is currently on hold pending agreement with the Council on their strategy for the future interaction of CETM with the tram. Additional design development work, for example liaison and development with Public Utilities and with Interfacing Projects (CETM, Capital Streets Project, etc.), is on hold pending release of the relevant budgets. Particular packages of work are being undertaken to assist the CSP interface.

Financial issues:
The project budget is being fully utilised to secure Parliamentary approval and does not include for work developing the operators role or any of the advance implementation work necessary to meet the overall programme. Given the uncertainty of the parliamentary processes, the level of detail they require and their programme there is a significant risk that tie will not be able to respond fully to all the committee's queries to the level expected within the remaining budget. Every effort is being made to avoid this situation.

The original budget for this tranche of work developed with tie's advisors was £1,707,249; this has been managed down and is being closely monitored. The ETL1 costings for 2004/5 include £373,052 of cross funding from ETL2. This reflects work carried out on the common section and the significant issues requiring resolution in the city centre. A 2003/4 DPOF cost for PUK and tie of £108,162 was incurred but has not been incorporated as a recovery saving into the Line One budget at this stage. A budget of £50,063 has been incorporated for the development of the CSP/ETL1 interface funded from the Streetscape budget.

Project Manager's signature: _____ Date: 08/09/04

Project Director's signature: _____ Date: 21/09/04



Summary of Key Points and suggested course of action:

Operational Issues

Line 3 is being assessed as part of a tram line 1, 2 & 3 network, as it is unlikely that line 3 would be constructed and operated as a standalone line. The full network solution is considered to be the most likely operational scenario, and furthermore, this solution will strengthen TL3 as it will be able to realise network efficiencies (shared depot & additional patronage etc.) The milestone date on the immediate project programme is to submit the Parliamentary Bill on 17 December. The project is progressing as per programme.

Financial Issues

The project budget to Royal Assent is £3.5M. **The current overall forecast includes an overspend on budget of £64,670 as a result of costs incurred in relation to DPOF.** It is anticipated that these costs will be “clawed back” from additional DPOF funding once approved. That aside, Line 3 has forecasted an £80k under-spend for this financial year, due to efficiencies, against the agreed deliverables. This saving will be re-directed into the 2005 / 06 budget, as the available spend for 2005/06 (which is anticipated to be circa £0.9M) will be the delta between the project budget of £3.5M and the spend to the end of 2004/05. The spend profile for next year is not well defined yet, and this cannot be done until more information is available from the experience of TL1 & 2. Until this has been done, there is a risk that the budget provision may not be sufficient. When more information is available (January 2005), a spend profile and programme will be prepared and the board will be advised.

Current spend forecasts do not include DPOF & Edinburgh Transport Holdings Limited.

"I confirm that this report provides an accurate overview of the project progress and finance."

Project Manager's signature: _____

Project Director's signature: _____

Date: 8/9/04

Date: 8/1/24

Project Life

Time Period	Lifetime Budget (Cum) (£m)	Actual/Forecast Cost (Cum) (£m)
Previous years	£0	£100,000
Apr-04	£0	£100,000
May-04	£0	£100,000
Jun-04	£0	£100,000
Jul-04	£500,000	£100,000
Aug-04	£900,000	£100,000
Sep-04	£1,400,000	£300,000
Oct-04	£1,800,000	£700,000
Nov-04	£2,100,000	£1,500,000
Dec-04	£2,300,000	£2,100,000
Jan-05	£2,500,000	£2,300,000
Feb-05	£2,500,000	£2,500,000
Mar-05	£2,500,000	£2,500,000
Apr-05	£2,500,000	£2,500,000
May-05	£2,500,000	£0
Jun-05	£2,500,000	£0
Jul-05	£2,500,000	£0
Aug-05	£2,500,000	£0
Sep-05	£2,500,000	£0
Oct-05	£2,500,000	£0
Nov-05	£2,500,000	£0
Dec-05	£2,500,000	£0
Jan-06	£2,500,000	£0
Feb-06	£2,500,000	£0
Mar-06	£2,500,000	£0
Apr-06	£2,500,000	£0
May-06	£2,500,000	£0
Jun-06	£2,500,000	£0
Jul-06	£2,500,000	£0
Aug-06	£2,500,000	£0
Sep-06	£2,500,000	£0
Oct-06	£2,500,000	£0
Nov-06	£2,500,000	£0
Dec-06	£2,500,000	£0
Jan-07	£2,500,000	£0
Feb-07	£2,500,000	£0
Mar-07	£2,500,000	£0
Future Years	£2,500,000	£0

Halcrow are supporting **tie** on this project under work package 4 of the NTI Technical and Transportation Consultancy Advisory Services Commission.

The Application to planning was passed by the Development Quality Sub-Committee of the Planning Committee on 2nd June 2004 and was sent to the Scottish Executive. Notification was received on the 7th July that the planning Permission has been granted by the Scottish Ministers.

The initial stage of the Archaeological investigation is complete. Construction is underway. In addition Border Construction value engineering workshop has been held and minor design amendments are being prepared by Border for consideration. Representatives from CEC have been involved in this process to ensure delivery of their aspirations. In line with the original programme Construction is planned for completion in early 2005

Consultation documents are being produced for TROs for the enforcement of the bus lanes proposed for Eastfield Road as part of the further detailed design.

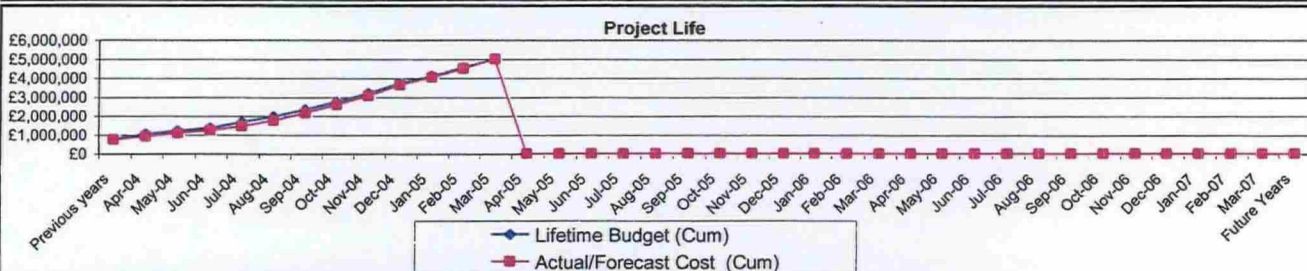
"I confirm that this report provides an accurate overview of the project progress and finance."

Project Manager's signature: Project Director's signature:

Date: 9/9/04

Date:

Project:		Edinburgh Airport Rail Link				
Report for Month Ending:		31-Aug-04		Project Manager:		Susan Clark
Start Date:				End Date:		
Overall Progress Status				Expenditure 2004/5		Project Life Funding
				100%		100%
Progress Key:				Finance Key:		
On track for successful completion as programmed.				Within 10% of estimate		
Issues have arisen which may delay completion or require discussion/direction.				10 – 20% outside estimate		
Issues have arisen which will delay completion.				>20% outside estimate		
Critical Path / Milestone Items		Original Start Date	Original Completion	Revised Completion	Progress (NS,IP,C)	Progress Status (G,Y,R)
1. Complete WP1		19-Jan-04	31-May-04	31-May-04	C	
2. Receive Marketing Tenders		27-May-04	27-May-04	27-May-04	C	
3. Receive Finance EOF's		25-May-04	25-May-04	25-May-04	C	
4. Award Marketing Contract		22-Jun-04	22-Jun-04	22-Jun-04	C	
5. Award Finance Contract		27-Jul-04	27-Jul-04	27-Jul-04	C	
6. Consultation Phase & Media Launch		13-Sep-04			Delayed	
	Funding	Budget	Original Cost Estimate	Start of Year Cost Estimate	Current Forecast	Variance
Previous Years	£744,204	£744,204	£744,204	£744,204	£744,204	£0
2004/5	£4,255,796	£4,255,796	£4,255,796	£4,255,796	£4,255,796	£0
2005/6	£0	£0	£0	£0	£0	£0
2006/7	£0	£0	£0	£0	£0	£0
Future Years	£0	£0	£0	£0	£0	£0
Total for Project Life Cycle	£5,000,000		£5,000,000	£5,000,000	£5,000,000	£0



Summary of Key Points and suggested course of action:

Update for month of August

The key issue for EARL at present remains the delay in launching the Public Consultation exercise. This has now been postponed for the 2nd time awaiting ministerial approval. No further date has been set and this now jeopardises the programmed Bill Submission date of March 2005. Dialogue continues with the Scottish Executive to try and resolve the issue.

Technically work is progressing well. Engineering design continues and a meeting with HMRI & Fire Brigade is scheduled for 15th September to discuss fire escape and ventilation issues associated with the station being completely covered. There remains a risk that if this cannot be achieved that BAA may object to the location of the station.

The 2nd phase of GI is now complete along with the topographical study and alignment design is now paused pending the outcome of public consultation. A decision is still to be made over grade separation of Winchburgh Jn. This is awaiting results of further timetable simulation.

Meetings have been held with both BAA and Network Rail to commence work on the production of necessary legal agreements for both construction and operation of the route.

Work is also progressing to refine the procurement strategy for EARL. This includes a review of the packaging of the project along with most appropriate contract form and procurement route/timescales.

Finally, PWC progress with work to start the formulation of the funding statement and outline business case. The need to start discussions with BAA in this respect has been raised formally with the Scottish Exec.

Communication also continues with the Scottish Exec over the Promoter for EARL. It is important that this issue is resolved to ensure that the correct approvals are sought and so avoid programme risk.

Project spend has increased due to all EARL advisors now being on board.

2003 Spend - £744,204.

Aug 2004 Spend - £291,352.

2004 Spend to Date - £1,000,018.00.

Projected spend for the year end £4,255,796

Project Manager's signature: _____

Date: 9/9/04

Project Director's signature: _____

Date: _____



Agenda Item 4c

ITI -

**c) Tramline Three – Final Route
Alignment**



Tram Line Three Final Route Alignment

Introduction

tie requires board approval for the tram line three final route alignment (FRA) to be taken forward from public consultation to full STAG assessment. The attached plan shows the final alignment which is proposed by the line three team and, subject to board approval, will be submitted to for council approval on the following dates:

- 19/10/04: Report to CEC Executive on Final Route Alignment (FRA)
- 05/11/04: Report to CEC Planning Committee on FRA
- 11/11/04: Approval of FRA by Full Council
- 09/12/04: Approval of Parliamentary Bill & Supporting Documents by Full Council.

Background

Preferred Route Corridor

The promoters brief for line three identifies a segment in the south east of Edinburgh within which the study is to be confined. tie has been commissioned to appraise the options which comprised the radial routes from the city centre to Cameron Toll, and beyond Cameron Toll, giving consideration to terminal points at the southern or eastern periphery of Edinburgh (e.g., Straiton, Todhills or Newcraighall Park and Ride sites) and to potential extensions to neighbouring towns. Interoperability with Lines one and two, and serving the new Royal Infirmary Of Edinburgh (RIE) are also main considerations.

The preferred route corridor (Ref. 1) taken forward to public consultation was:

1. North Bridge / South Bridge: networking with lines 1 & 2 on Princes St.
2. Public Consultation Option One:
 - a. Continue down main transport corridor of Clerk Street,
 - b. Turn off main corridor at Nicolson Square onto Buccleuch Street, and rejoin main corridor at South Clerk Street.
3. Minto Street / Craigmillar Park / Cameron Toll.
4. Public Consultation Option Two:
 - a. Direct route across Inch Park, following footpath and boundary of CEC plant nursery.
 - b. Around the northern and eastern perimeter of the park, within park walls.
5. Old Dalkeith Road to RIE.
6. RIE / via proposed Medi-Park / Greendykes Road.
7. Niddrie Mains Road
8. Terminating at Newcraighall Park and Ride

Public Consultation

Public consultation ran for eight weeks from 24th March – 18th May 2004. This was preceded by a two-week political consultation period, during which, relevant councillors and MSPs were given a detailed briefing on the route, and their views were recorded.

Public consultation comprised 5 public meetings, 18 presentations to local community groups, special interest and business groups, 3 site visits with local residents, and a home visit to a resident of Inch Park.

66.9% of those who responded supported the tram 3 route, and 66.6% were in favour of the indicative stop locations. The final consultation report (Ref. 2) was presented to the Council Executive on 27th July 2004.

Preferred Route Corridor – Route Options

Options were presented at two locations along the preferred route corridor. The outcome of the public consultation was as follows:

Option one – Clerk Street v Buccleuch Street

54.6% of the responses were in favour of Clerk Street alignment, with 16.5% preferring the Buccleuch Street route. The remainder of the votes were split between 'don't know' and 'no response'. The difference of 38.1% was conclusively in favour of the Clerk Street route. In addition, strong stakeholder support for this option from Historic Scotland and the CEC Planning Committee, concluded that the Clerk Street section would form part of the final route alignment

Option two – Inch Park

This section of the route proved to be the most contentious section, and this was clearly evident at public meetings, where the local residents were strongly against the suggestion of running the tram in Inch Park.

34.3% of the responses were in favour of the direct alignment through the park, 26.3% preferred the alignment around the boundary, with the remainder being split between 'don't know' and 'no response'. In closer inspection of the results, the responses against the direct route through the park were more vociferous, and tended to come from local residents. This was borne out at public meetings and at a number of site visits around the park. In contrast, most of the responses in favour of the alternative alignment tended not to make any comment of why they had arrived at their decision.

Following consultation, the 'Inch Park Working Group' (Ref. 3) was formed to look at the Inch Park issues in more detail, to identify the preferred option, and then develop this option to form part of the final alignment. The Working Group included representatives from City Development Department (drawn from Transport and Planning and Strategy, including those officers dealing with the Flood Prevention Scheme, Listed Buildings, Natural Heritage, tram and roads), the Council's Culture and Leisure Department, and Historic Scotland.

The group met three times to discuss the issues relevant to the park, and concluded that the route around the park was the preferred option. Thereafter, this route was amended significantly to reduce the impact on the park. The changes include:

- a) Drawing the route closer to the south west entrance to Cameron Toll Shopping Centre. This takes it away from Liberton Bank House (listed building) and the petrol filling station. (See attached drawing No. 34092 / SK057)

- b) Drawing the route away from Inch Park, closer to Sharpdale Loan, at the Cameron Toll side of the park. The route remains segregated here and will result in the loss of some car parking, but the encroachment into the park has been significantly reduced to approximately 1 metre. Only a few pines will be affected by this. (See attached drawing No. 34092 / SK057).
- c) As it turns into Old Dalkeith Road, the route will run alongside the road and rebuild the wall about 8m into the park. This can be done without affecting the Limits of Deviation for the Flood Prevention Scheme and will permit the rugby pitch to remain in a similar location. (See attached drawing No. 34092 / SK058).
- d) On Old Dalkeith Road there would be some demolition at the Bridge End Farm Buildings, but this is considered acceptable by the Group. The alignment can avoid affecting the houses at the entrance to the Park on Old Dalkeith Road. The Lottery Project should be able to take account of this. It may mean that a new interpretation centre would be proposed within the Green Belt area of the Park, but this is not perceived as problematic. (See attached drawing No. 34092 / SK058).
- e) The only remaining concern is the access to the park and the possible conflict between turning traffic and tram. However, the access is already problematic. The best solution would be to provide a new access, possibly using the former gateway. Moving the access to this location would not impact on the nursery, would not cause any impact on the setting of the Inch House, would link well with the pedestrian crossing into the Jubilee Park, and would be an improvement to road safety. It may affect the pitch and putt area, but this can be minimised through alignment.
- f) With regard to the detail of the interface between tram and Flood Prevention Scheme, it would appear that this revised Option B could be taken forward without modifying the Flood Prevention Scheme. This proposal has been approved by the Scottish Executive.

Local Councillors. Gilmore, Mackintosh and Murray have been briefed on the outcome of this work, and are satisfied the new alignment is a good solution.

The outcome of the Inch Park Working Group is therefore to support the amended Option B alignment around Inch Park.

Change To The Preferred Route Corridor

The original alignment along Old Dalkeith Road resulted in the tram route crossing over the road 3 times to avoid residential land or property take. This resulted in the route encroaching on Liberton Golf course. Section 3.28 – 3.30 of the report to Planning Committee on Tram Line 3 (Ref. 4) requested that tie review the alignment along Old Dalkeith Road, and try to draw the tram closer to road. The report also stated that the incursion into Liberton Golf course threatened the continued viability of the golf course and the club, and subsequently this would have major implications for the future of this area of land overall. In response, tie set-up a working group (same representatives as the Inch Park working group) to consider and refine the route alignment in this area.

The outcome is that the route has been modified to run down the west side of Old Dalkeith Road. This will provide a segregated route, which will be adjacent to the main

road. The changes to the route are unable to completely avoid adverse environmental impacts. The key issues are as follows.

- Some demolition of outbuildings at Bridge End Farm (discussed and agreed in the context of Inch Park). (See attached drawing No. 34092 / SK058).
- Route running along the existing roadside landscape strip on the west side of Old Dalkeith Road. This will require to take a five metre strip of communal landscaping at Glenallan Drive, reducing the width from 20 metres to 15 metres. (See attached drawing No. 34092 / SK059).
- Small strip to be taken from Designed Landscape at Craigmillar Country Park – stone wall to be rebuilt – not considered to impact on setting of Craigmillar Castle, and should not impact on the Millennium Planting. (See attached drawing No. 34092 / SK055).
- Small strip to be taken from Scheduled Ancient Monument (SAM) and Designed Landscape at Craigmillar Country Park – stone wall to be rebuilt and improved. This will have an impact on the SAM, but the **tie** has sought to minimise this. This should not have a significant impact on the Designed Landscape, and will not affect the setting of Craigmillar Castle. (See attached drawing No. 34092 / SK055).
- Small strip to be taken from Liberton Golf Course to avoid impacting on main golf course. This will require the stone wall to be rebuilt, but will not affect and holes on the Golf Course, and hence will not impact on its recreational value or future viability. (See attached drawing No. 34092 / SK055).
- Proposed demolition of 2 cottages on the edge of Golf Course (Nos. 162 & 164), fronting Old Dalkeith Road. These cottages are currently unlisted. To maintain segregation, which is vital for the viability of this route, property-take is required regardless which side of the road the tram line is located on this section. Alignment on the east side would require the removal of 4 residential properties and a garage, and would restrict access to the cottages on the east side. (See attached drawing No. 34092 / SK055 & SK056). Historic Scotland has been consulted, and it has acknowledged that the route chosen represents the best solution. Councillor Burns and Gilmore have been consulted, and they understand the rationale behind the amended solution. Work is underway to consider how best to deal with the required compulsory purchase order, and the position in relation to blight is being reviewed.

Recommendation

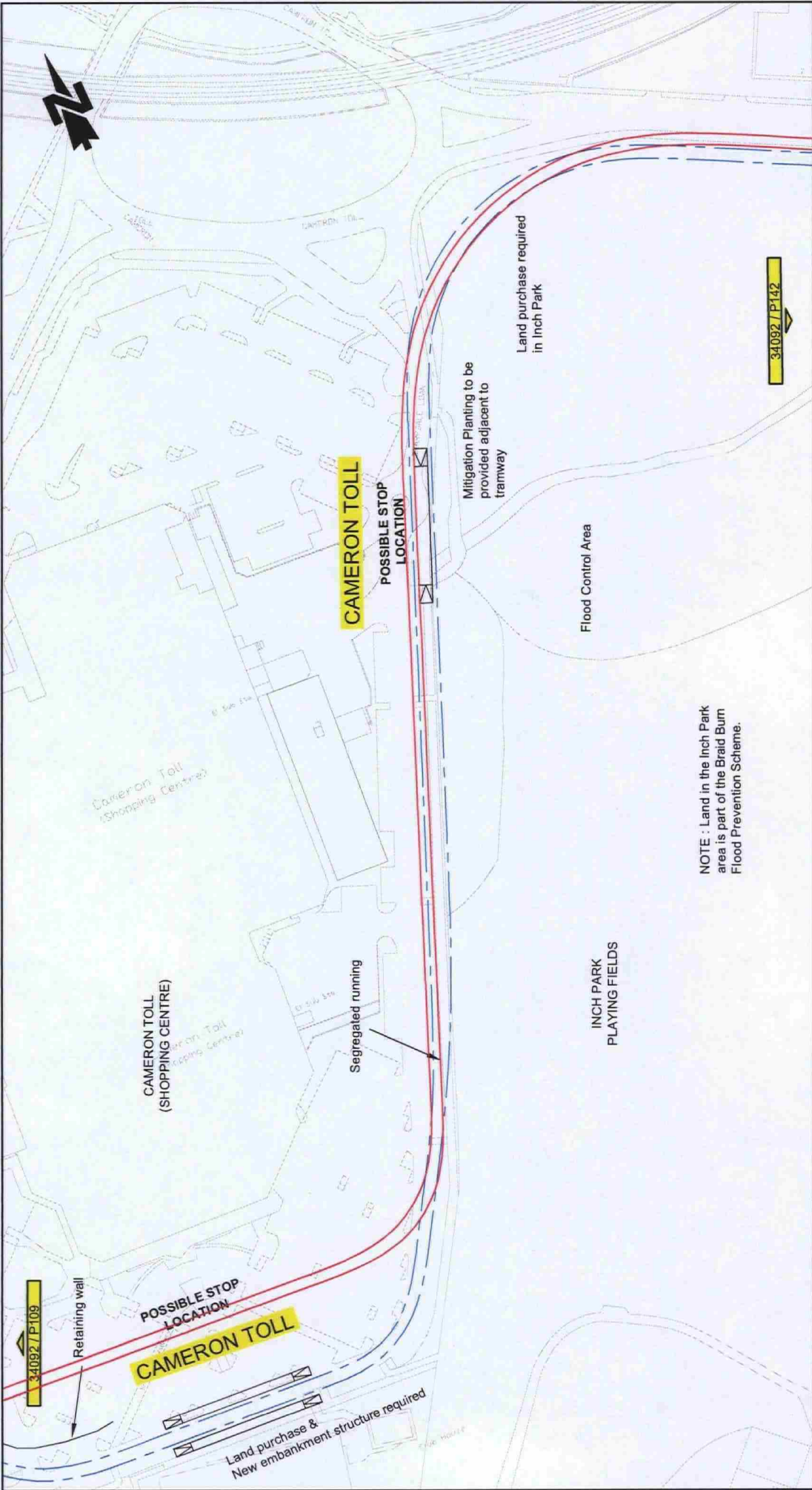
The **tie** board is asked to approve the Final Route Alignment.

References

The following supporting reports, which are referenced above, are available on CD ROM from Heather Manson.

1. Preferred Route Corridor report
2. Public Consultation report
3. Report From Inch Park Working Group
4. Report to Planning Committee on Tram Line 3 Preferred Route Corridor

END

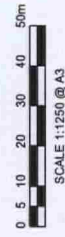


NOTE : Land in the Inch Park area is part of the Braid Burn Flood Prevention Scheme.

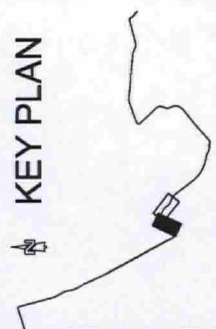
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LEGEND

CENTRELINE OF TRAM TRACK (CONSULTATION)
CENTRELINE OF TRAM TRACK (AS AT 10/09/04)



KEY PLAN

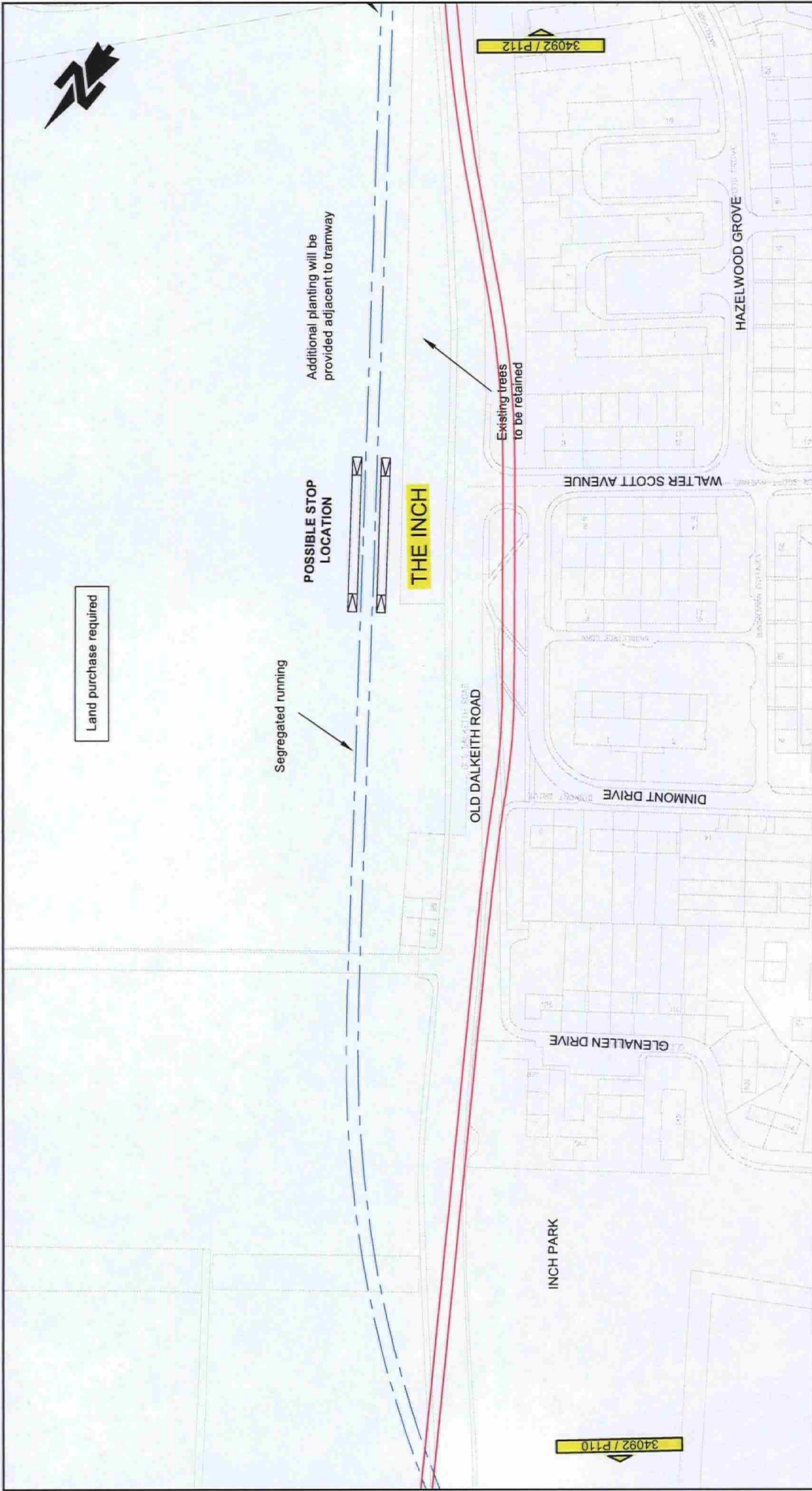


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Drawing Title				Drawing No.				Status	
EDINBURGH TRAM LINE THREE INCH PARK OPTION CAMERON TOLL				34092 / SK057				DRAFT	
Designed				A				Revision	
Drawn				AIC				Status	
Approved				ML				Revision	
Scale				1 : 1250 @ A3				Status	
Rev				A				Revision	
Description of revision				34092 / SK057				Status	
A				Original Issue				Revision	
AIC				MKG				Status	
KWL				13/09/04				Revision	
Date				App				Status	
App				Chkd				Revision	
Chkd				Drawn				Status	
Drawn				A				Revision	
A				Original Issue				Status	

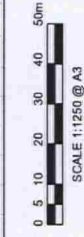


Land purchase required

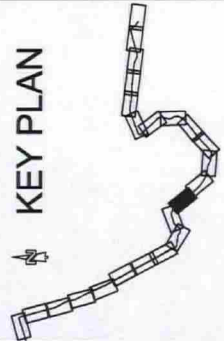
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CENTRELINE OF TRAM TRACK (CONSULTATION)
CENTRELINE OF TRAM TRACK (AS AT 10/09/04)



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Agenda Item 5

Governance & Financial Matters

- a) Financial Report**
- b) Tram Funding (verbal)**



Agenda Item 5a

Governance & Financial Matters

a) Financial Report

tie

Monthly Financial Report

August 2004

Prepared by Stuart J Lockhart

13th September 2004

Contents:

- 1 Key Points Summary
- 2 Project Portfolio Structure and Basis of Preparation
- 3 Project Cost Commentary & Graphical Presentation
- 4 Overheads Commentary and Graph
- 5 Detailed Expenditure – Current Month, Year to Date, Full Year Forecast
- 6 CEC Format – Financial Statement and Project Life Forecast
- 7 Balance Sheet – Month End and Year to Date Progress
- 8 Cash Flow – Year to Date and Full Year Forecast

1. Key Points Summary

A dialogue is underway with the Executive to obtain release of next stage funding for tram lines 1 & 2 procurement. A draft Outline Business Case was submitted to the Executive on 30th July, followed by further papers on specific areas requested by the Executive and delivered in August. We await the outcome of the Executive's assessment and Ministerial approval, previously scheduled for 3rd September. Updated Preliminary Financial Cases were submitted to the PBU on 8th September.

The Information Programme has commenced although somewhat later than budgeted. Full year spend is scheduled in line with budget.

The EARL programme is threatened by the delay requested by the Executive in the launch of the Public Consultation exercise.

Looking ahead, the development budget for Tram Lines 1 and 2 is likely to come under quite serious pressure in the second half of the year, depending on the scope of information required by the Committees. The extent of this should become clearer as the approach adopted by the Committees emerges following their kick-off meetings this week. Similarly, the outcome of the Congestion Charging Inquiry will dictate **tie's** activity in the balance of the year and consequently the budget. A re-forecast of all **tie's** projects will be performed in October and the implications for budgets presented in next month's financial report.

The "book" bank balance (overdrawn) as at 31st August totalled £2.326m (in excess of agreed limit of £2m). However this included "unpresented cheques" totalling £0.757m which were not issued until funds were received. The delay in payment by CEC, with no reason given, impacted on **tie's** overdraft limit and its ability to pay suppliers within agreed credit terms.

No other material changes from last month.

2 Project Portfolio Structure and Basis of Preparation

tie's project portfolio comprises:

	Projects Director	Programme Manager	Project Manager	2004/05 Expenditure Plan	2004/5 Expenditure YTD Plan	2004/5 Expenditure YTD Actual	Variance YTD Delta	Monthly Confirmations
				(£'000's)	(£'000's)	(£'000's)	(%)	Completed per Timetable
Congestion Charging Programme								
1 Development & Public Inquiry Process	A Macaulay	J Saunders	D Bums	1,131	653	772	18%	Yes
2 System Procurement	A Macaulay	J Saunders	S Healy	2,049	688	462	-33%	Yes
3 Information Campaign	A Macaulay	J Saunders	M Langa	600	360	57	-84%	No
Tram Programme								
3 Line 1 Development & Parliamentary Process	A Macaulay	A Callander	K Murray	1,073	497	968	95%	Yes
4 Line 2 Development & Parliamentary Process	A Macaulay	A Callander	G Duke	1,838	818	495	-39%	Yes
5 DPOF Execution	A Macaulay	A Callander	I Kendall	1,044	439	463	5%	No
6 INFRACO Procurement & Funding	A Macaulay	A Callander	I Kendall	270	113	0	-100%	No
7 Line 3 Development	A Macaulay	A Callander	W Fraser	1,984	1,149	871	-24%	Yes
Other ITI Projects								
8 WEBS	A Macaulay	-	L Murphy	7,623	5,345	3,094	-42%	Yes
9 Ingliston Park & Ride	A Macaulay	-	L Murphy	2,470	838	45	-95%	Yes
10 One-Ticket	A Macaulay	-	S Lockhart	50	20	4	-80%	Yes
Heavy Rail Projects								
11 EARL	P Prescott	-	S Clark	4,256	1,216	1,000	-18%	Yes
12 SAK	P Prescott	-	R Hudson	0	0	65		No
				24,388	12,136	8,296	-32%	
13 Overheads	M Howell	-	S Lockhart	1,119	500	481	-4%	N/A
Variance reported if +/- 5% delta on budget								

Each of these 12 projects is managed and financially controlled by the tie managers noted above. The underlying business reasons for the variances from Plan are explained in detail, together with graphical presentation, in Section 3 below.

3 Project Cost Commentary & Graphical Presentation

Congestion Charging Scheme - Development

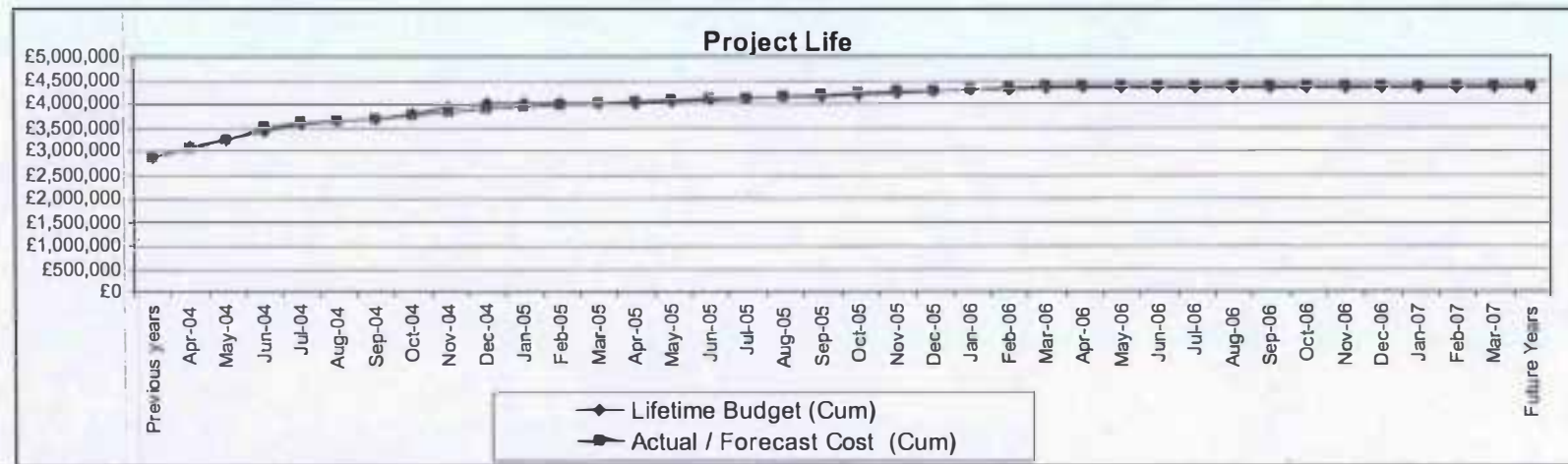
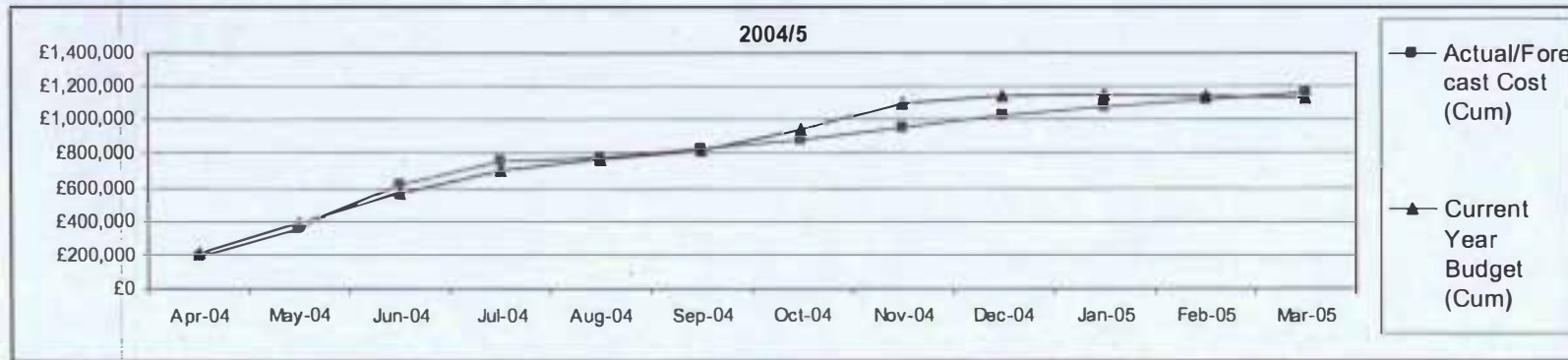
No material change to financial prospects compared to July report.

	Current Month (Aug'04)			Year to Date (5mths to 31/8/04)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total Incl. OH)									
Congestion Charging - Development	20,134	53,724	-33,589	772,016	652,979	119,037	1,156,200	1,131,201	24,999

Following the conclusion of the Public Inquiry a nominal quantity of further technical work has now been instructed to clarify ambiguities and other issues arising from the Inquiry. This work is in part trying to pre-empt the impact of any recommendations that may be made by the Reporters in their Inquiry report.

Work is also progressing with the development of a detailed work programme that will identify the various milestones and other tasks requiring development/implementation to ensure that the Congestion Charging scheme once approved can actually be implemented in Spring 2006. This work is also considering the cost of this development work and the levels of risk associated with it when it is actually implemented/developed. The currently available budget is sufficient to carry out all of the works identified and planned to date, but it would not be able to accommodate any additional works that this programming and risk assessment exercise may recommend to be completed in this financial year.

Details relating to the Information Campaign are, as of 1st July, subject to a separate report.



Congestion Charging Scheme - Procurement

No material change to financial prospects compared to July report.

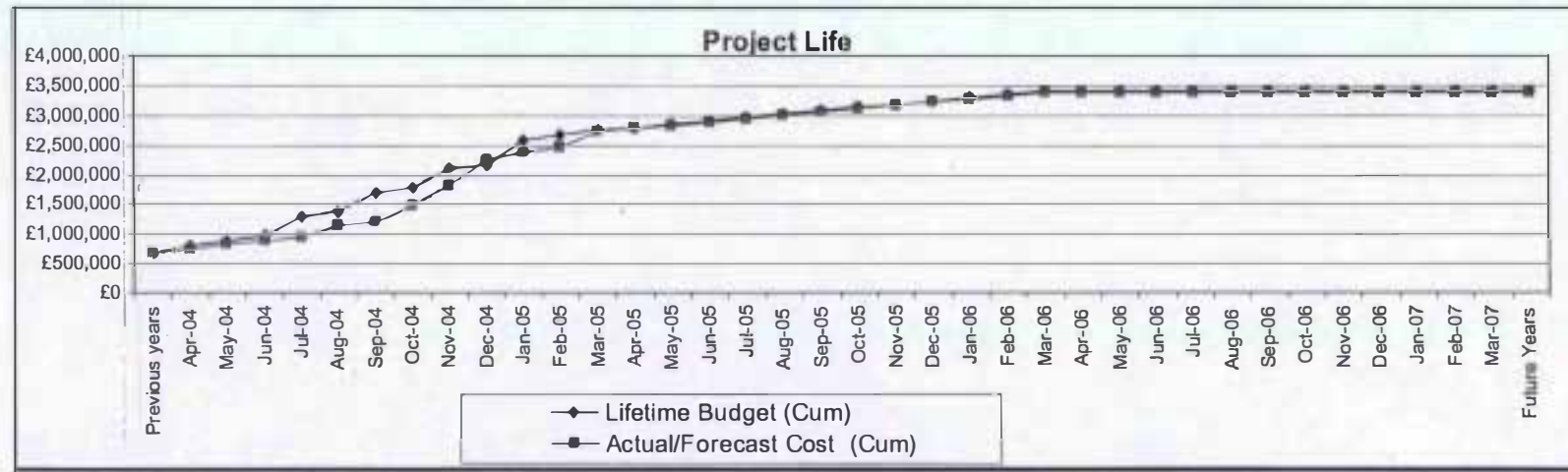
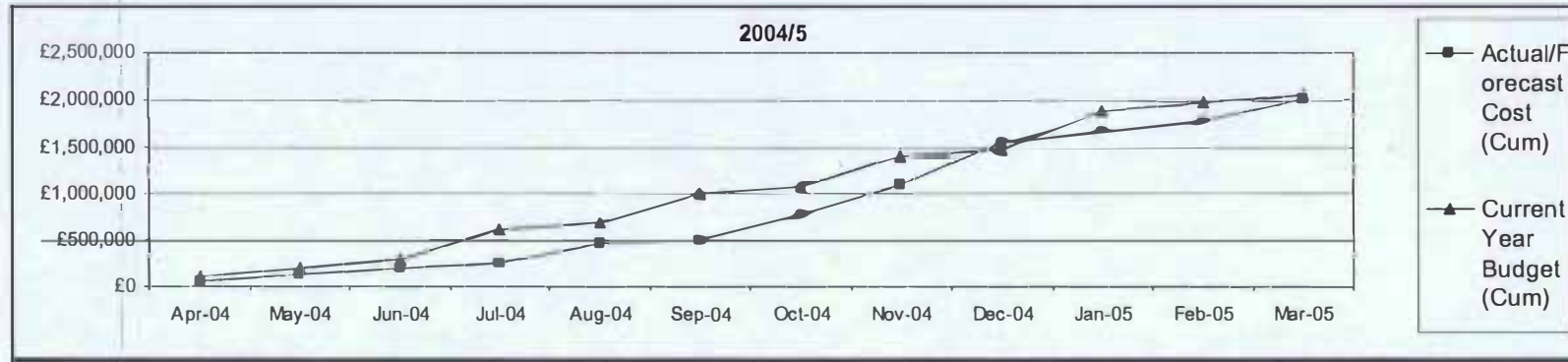
	Current Month (Aug'04)			Year to Date (5mths to 31/8/04)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total Incl. OH)									
Congestion Charging - Procurement	194,799	78,290	116,509	461,544	687,639	-226,095	2,023,711	2,048,711	-25,000

Operations

Business Process designs complete for both contractors. Technical and prototype designs are progressing.

Financial

Spend profile for August was approximately as expected across most spend areas with the exception that a major milestone payment for one of the contractors will now be realised in September due to acceptance criteria timetable.



Congestion Charging Scheme – Information Programme

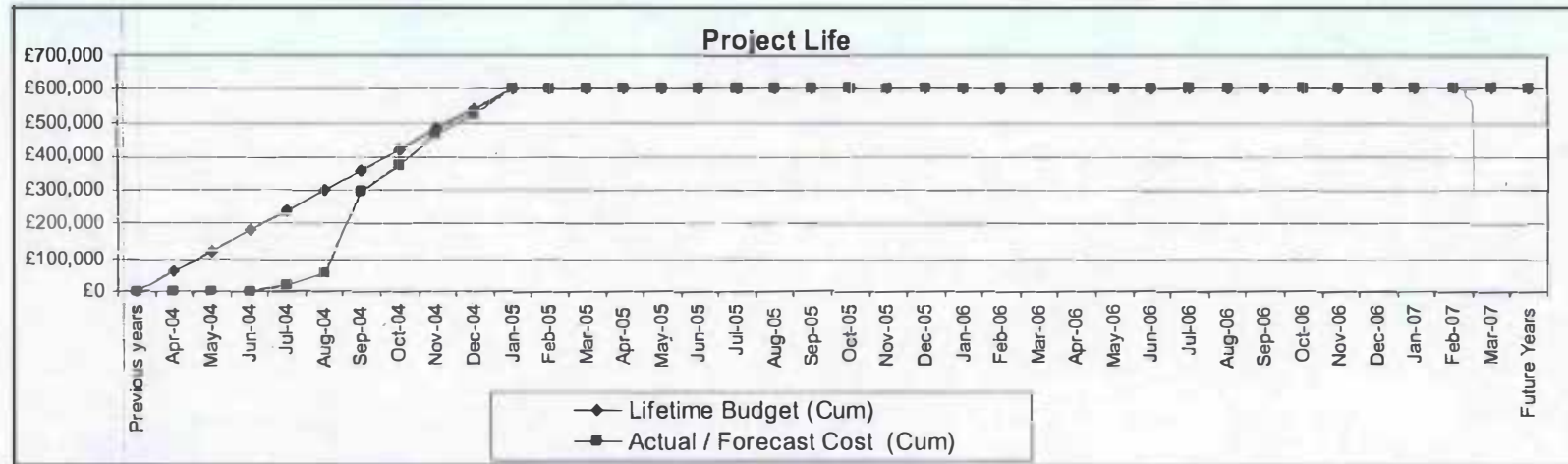
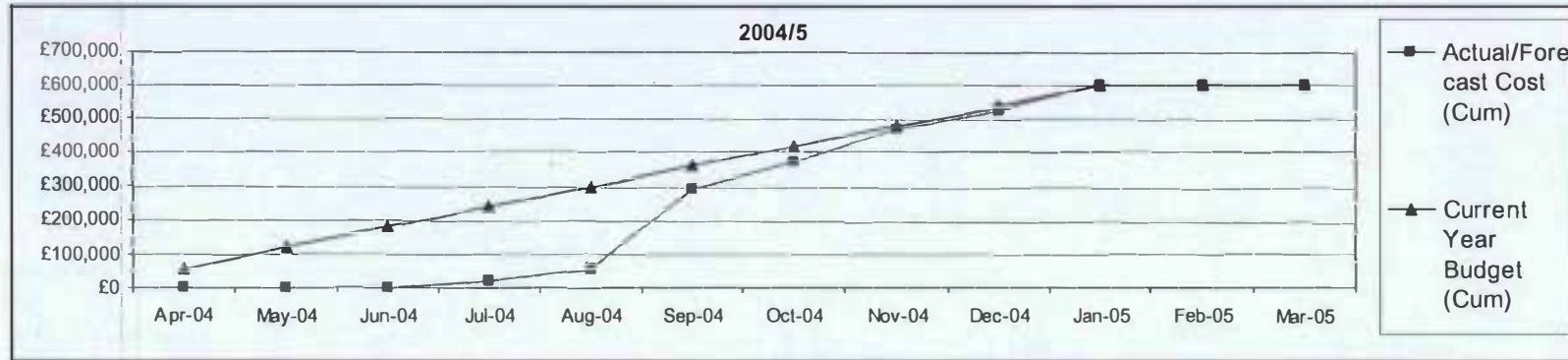
No material change to financial prospects compared to July report.

	Current Month (Aug'04)			Year to Date (5mths to 31/8/04)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total incl. OH)									
Congestion Charging - Information Campaign	35,952	60,000	-24,048	57,444	360,000	-302,556	600,000	600,000	0

Information Programme Communications Strategy and budget signed off by ITI Communications Group meeting 2 August.

Stand taken at Fringe Sunday event 15th August. DVD presentations at Gyle & St James Shopping Centres week commencing 30th August were pulled. Launch of Transport Edinburgh brand executed on 9th September.

It should be noted that actual spend information is provided to **tie** by CEC. **tie** has no accounting involvement in this spending.



Tram Lines One & Two*Important financial issues being addressed*

	Current Month (Aug'04)			Year to Date (5mths to 31/8/04)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total Incl. OH)									
Tram 1	60,688	91,832	-31,144	967,818	496,987	470,832	1,230,989	1,072,736	158,253
Tram 2	93,794	156,990	-63,195	494,843	818,115	-323,272	1,946,522	1,838,320	108,202

Line OneOperational issues:

The Line One Bill was introduced to the Scottish Parliament on 29 January 2004 to which 197 objections were received following the objection period. The parliamentary committee held its first meeting on 29 June and will reconvene on 14 September following the summer recess. Responses to a number of issues identified by the committee and its advisors have been provided including an updated Preliminary Financial Case (PFC). Further issues continue to be raised by the committee on an ongoing basis. Letters have also been sent to all the in-principle objectors responding to their objections and seeking withdrawal. Negotiations are ongoing with other objectors. Transdev commenced the Project Development Services phase of their contract on 28 June and have now submitted their inception report.

The programme for the development and making of the Traffic Regulation Orders (TROs) is currently on hold pending agreement with the Council on their strategy for the future interaction of CETM with the tram. Additional design development work, for example liaison and development with Public Utilities and with Interfacing Projects (CETM, Capital Streets Project, etc.), is on hold pending release of the relevant budgets. Particular packages of work are being undertaken to assist the Capital Streets Project interface.

Financial issues:

Given the uncertainty of the parliamentary processes, the level of detail the MSP's require and their programme there is a significant risk that **tie** will not be able to respond fully to all the committee's queries to the level expected within the remaining budget. Every effort is being made to avoid this situation.

A 2003/4 DPOF cost for PUK and **tie** of £108,162 was incurred but has not been incorporated as a recovery saving into the Line One budget at this stage. A budget of £50,063 has been incorporated for the development of the CSP/Line One interface funded from CEC's Streetscape budget. This is provided by CEC but is intended to be recouped from the next stage funding being claimed from the Executive.

Line Two

Operational issues:

The Tram Line 2 Bill was introduced to the Scottish Parliament on 29 January 2004 and 82 objections were received. The parliamentary committee held its first meeting on 29 June and will reconvene on 15 September following the summer recess. Responses to a number of issues identified by the committee and its advisors have been provided including an updated Preliminary Financial Case (PFC). Letters have also been sent to all the in-principle objectors answering their objections and asking them to withdraw. Negotiations are ongoing with other objectors. Transdev commenced the Project Development Services phase of their contract on 28 June and have now submitted their inception report.

The Line 1 team leads the development work on the common section through the city centre and issues raised in the Line 1 report for this section therefore also apply to Line 2, i.e the programme for the making of the TROs is currently on hold pending agreement with the Council on their strategy for the future interaction of CETM with the tram. Similarly, additional design development work, for example liaison and development with Public Utilities, is on hold pending release of the relevant budgets.

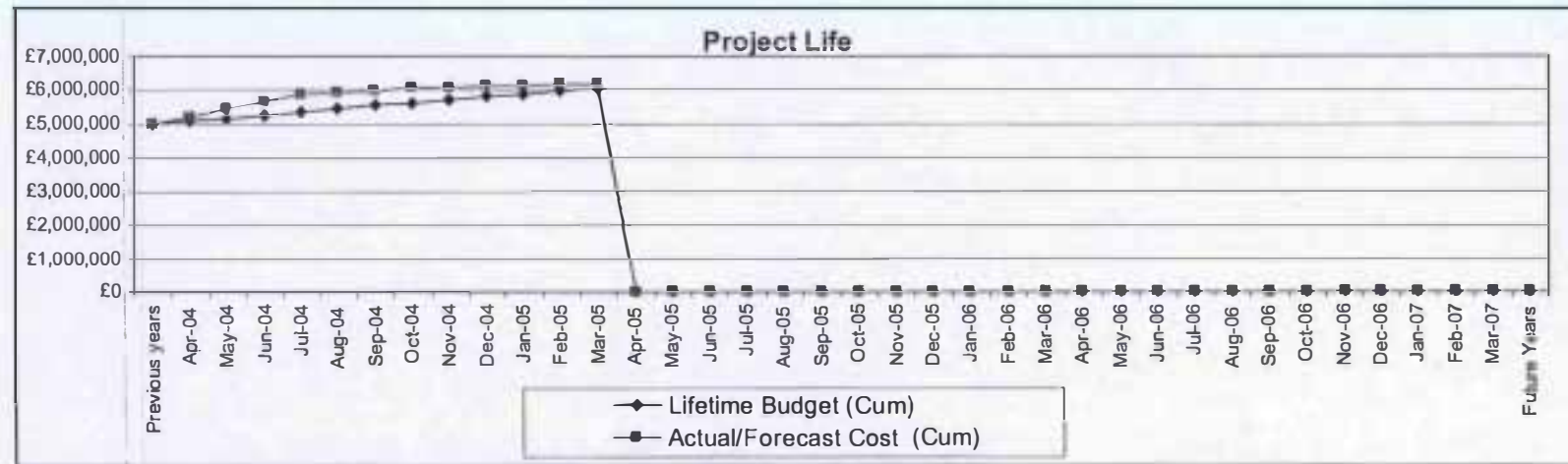
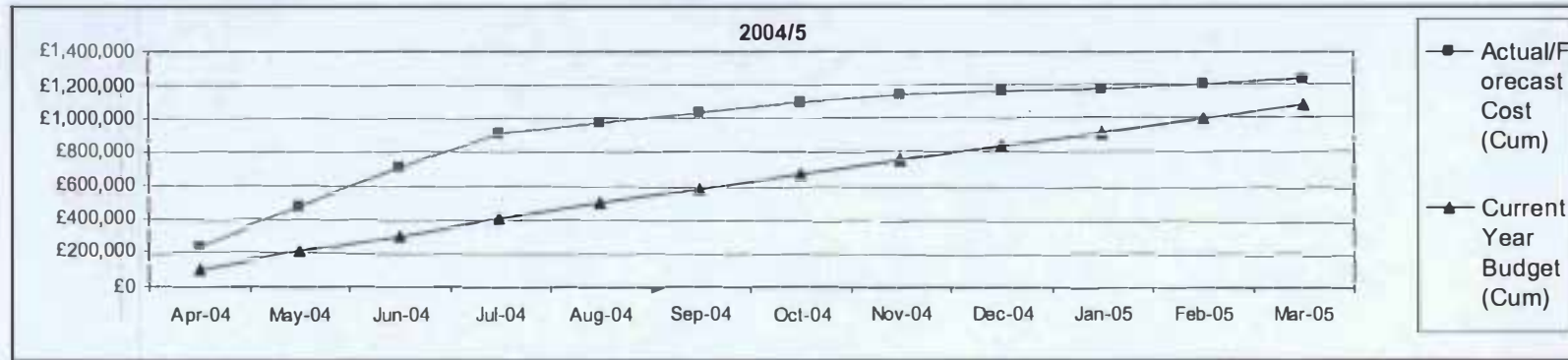
Financial issues:

Given the uncertainty of the parliamentary processes, the level of detail they may require and their programme there is a significant risk that **tie** will not be able to respond fully to all the committee's queries to the level expected within the remaining budget. Every effort is being made to avoid this situation.

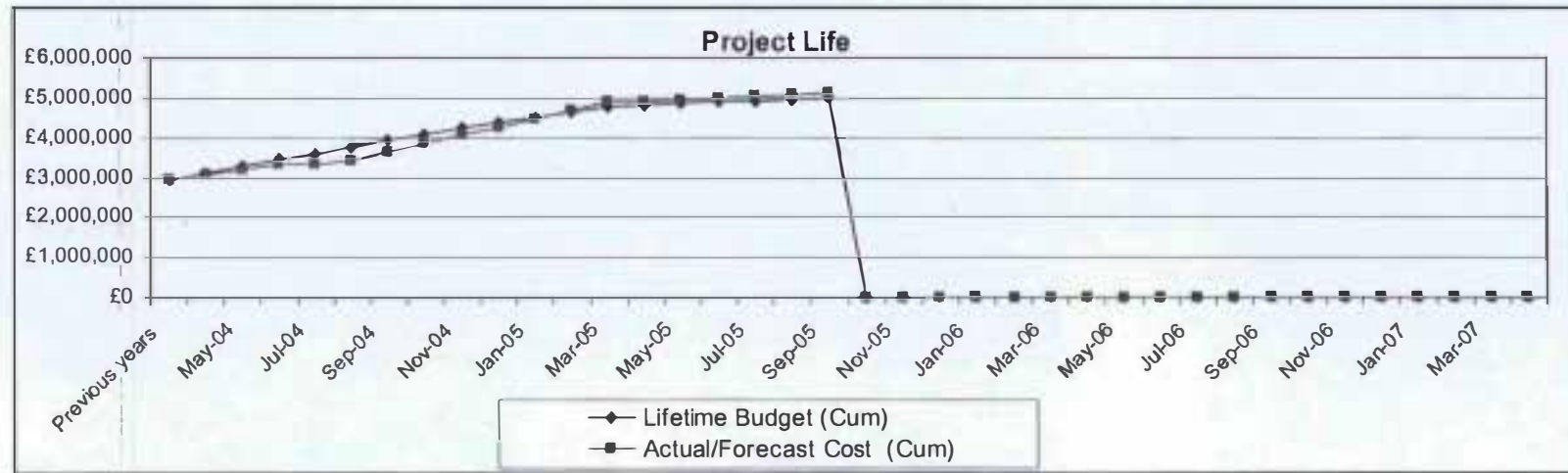
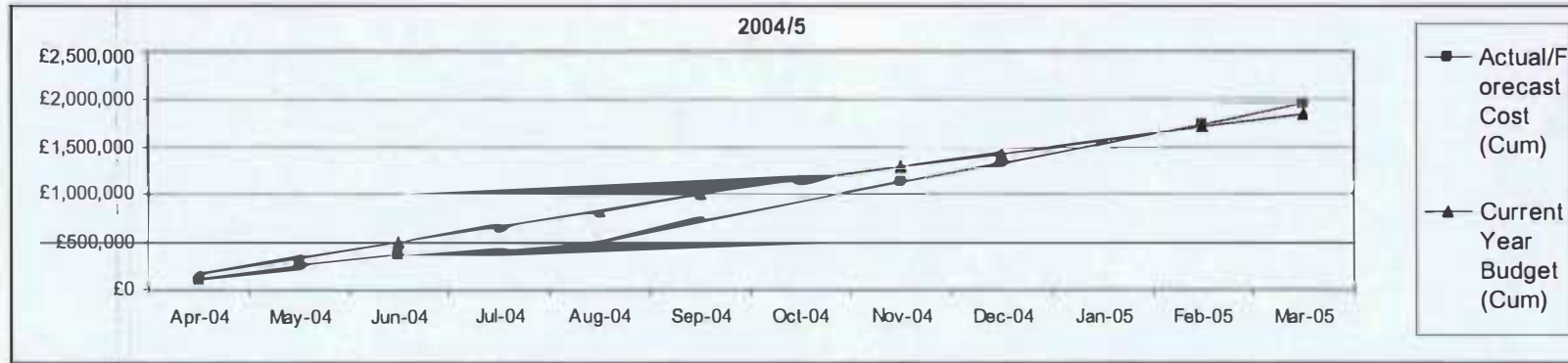
A 2003/4 DPOF cost for PUK and **tie** of £108,162 was incurred but has not been identified as a saving to the Line 2 budget at this stage.

FM have submitted a claim for £175k for additional work incurred in meeting the programme for Bill submission in 2003. **tie** has not accepted this and will be writing to Faber Maunsell to resist their claim.

Tram Line 1



Tram Line 2



DPOF Execution

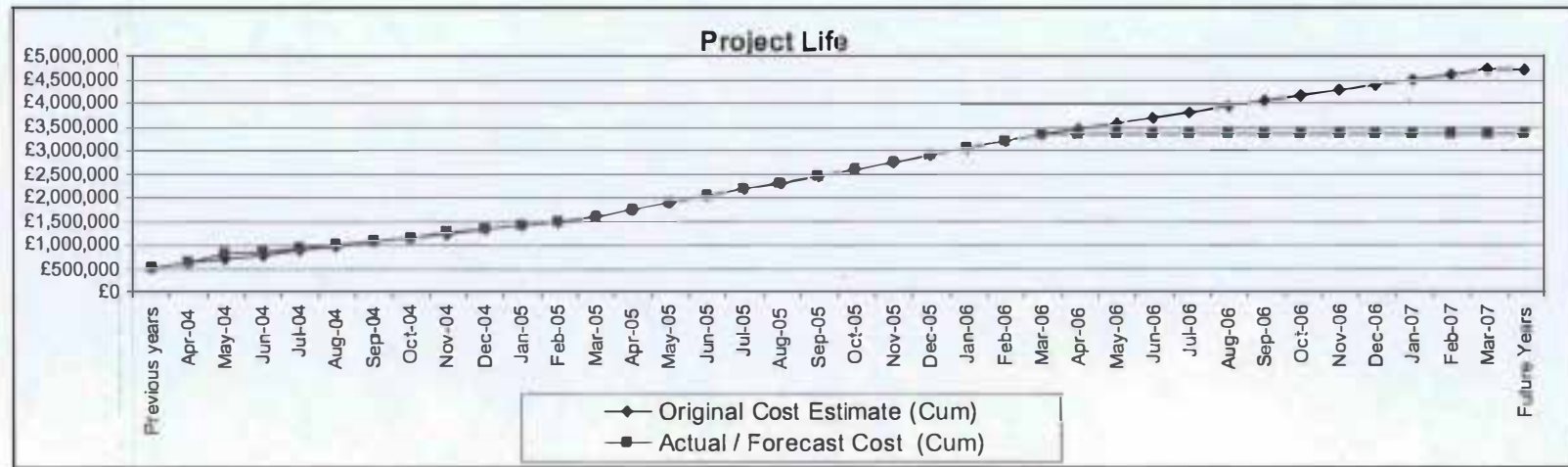
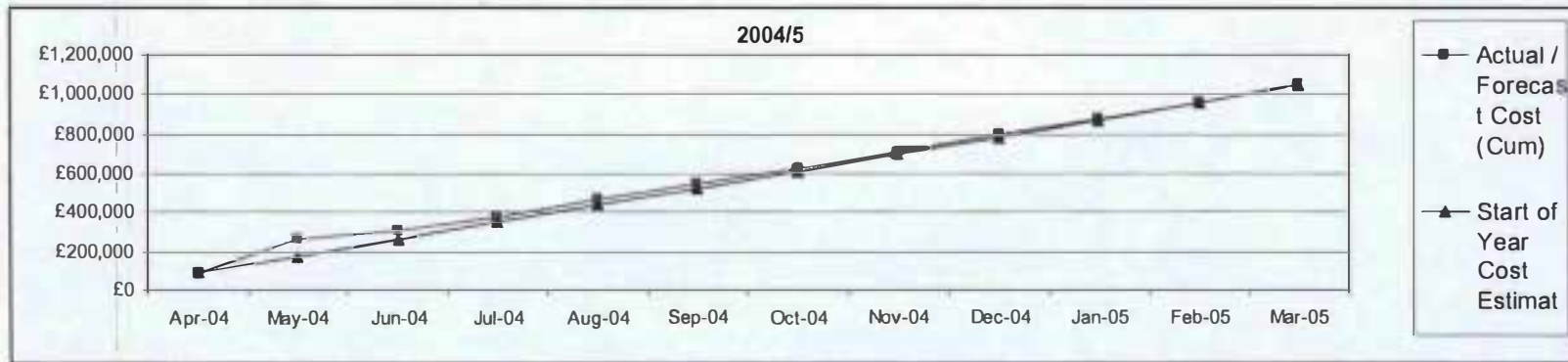
No material change to financial prospects compared to July report. Budget approval awaited.

	Current Month (Aug'04)			Year to Date (5mths to 31/8/04)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total Incl. OH)									
Trams - DPOF	84,678	85,335	-657	462,810	439,033	23,777	1,044,113	1,044,147	-34

Work is underway on a range of issues as set out in DPOF but, where necessary, priority is being given to the preparation of Scottish Executive answers regarding line alignment, integration plans, interchanges and passenger transport growth through service integration. The Transdev team is now directly interfacing at several levels with the tie team.

The outline business case already submitted to the SE should allow for additional funding to be committed in early September, 2004.

The funding already committed covers all planned costs except those relating to PUK. tie will review all aspects of spending, if necessary to remain within the existing funding commitment.



INFRACO Procurement & Funding

No material change to financial prospects compared to July report. Budget approval awaited.

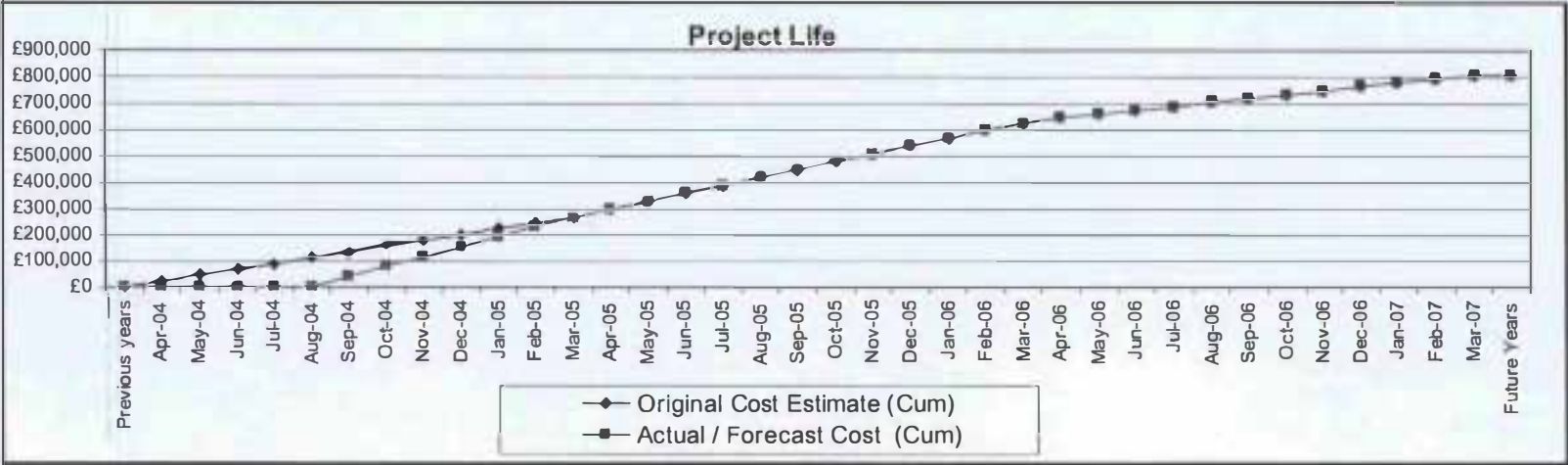
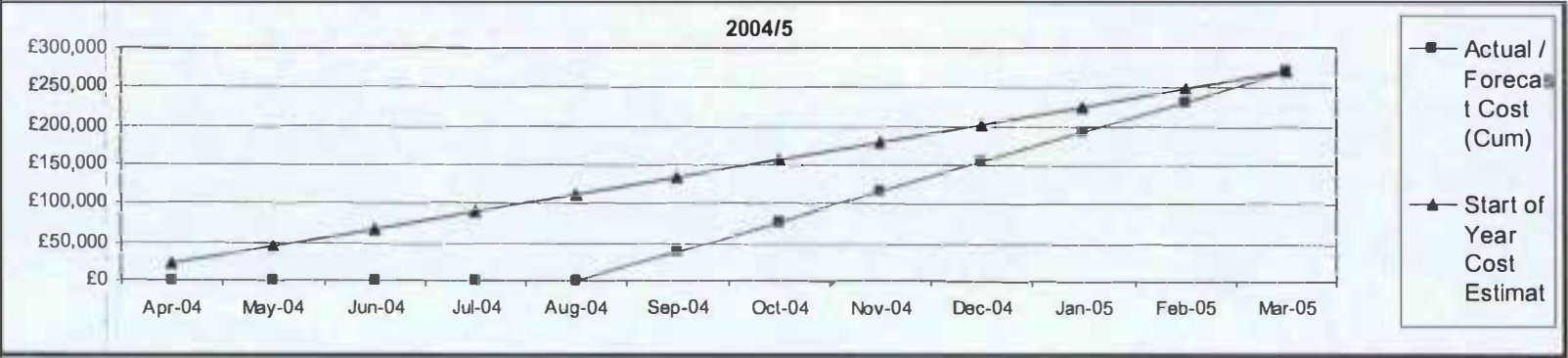
	Current Month (Aug'04)			Year to Date (5mths to 31/8/04)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total Incl. OH)									
Trams - INFRACO	30,000	22,500	7,500	30,000	112,500	-82,500	270,000	270,000	0

Work on system procurement is on hold, except to the extent deliverable by existing **tie** resources, because **tie** has no funding for this workstream. This work is limited to reviewing the previous submissions for technical consulting advice.

tie has re-engaged with the Scottish Executive in August 2004 to discuss the project Outline Business Case and secure funding to commence procurement, hopefully in early September.

The budget number, £270k, is strictly a place-holder. Actual expenditure cannot reasonably be estimated until timetable is clearer and discussions with the Executive are concluded.

Note that spend in August relates to external advisory support for preparation of draft OBC and PFC's.



Tram Line Three

Significant change to outturn forecast compared to July Report.

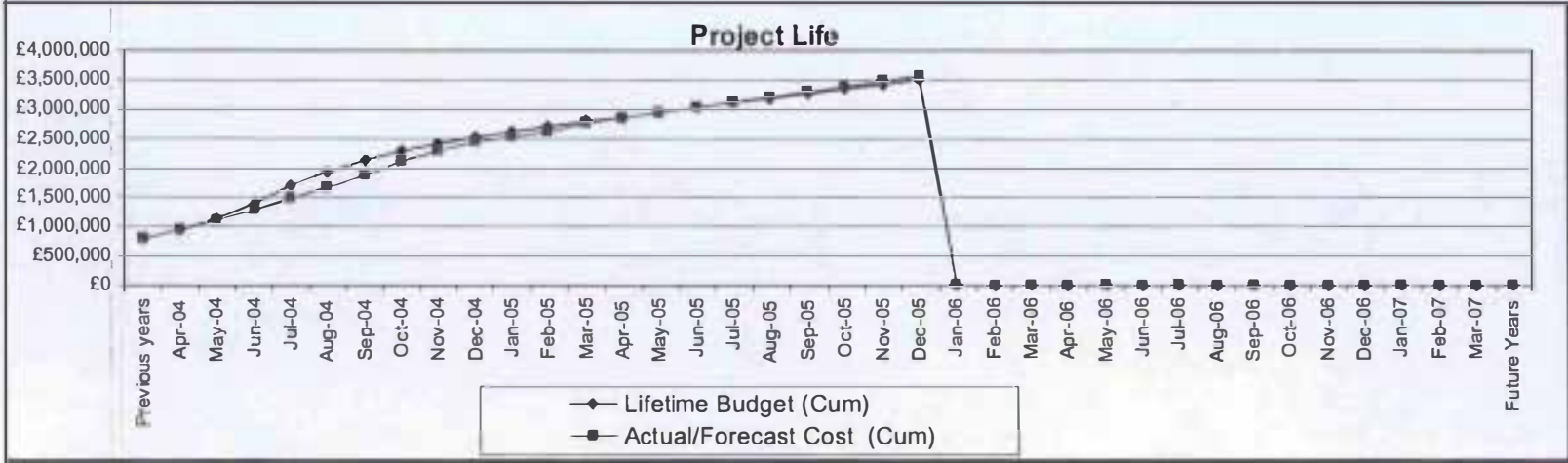
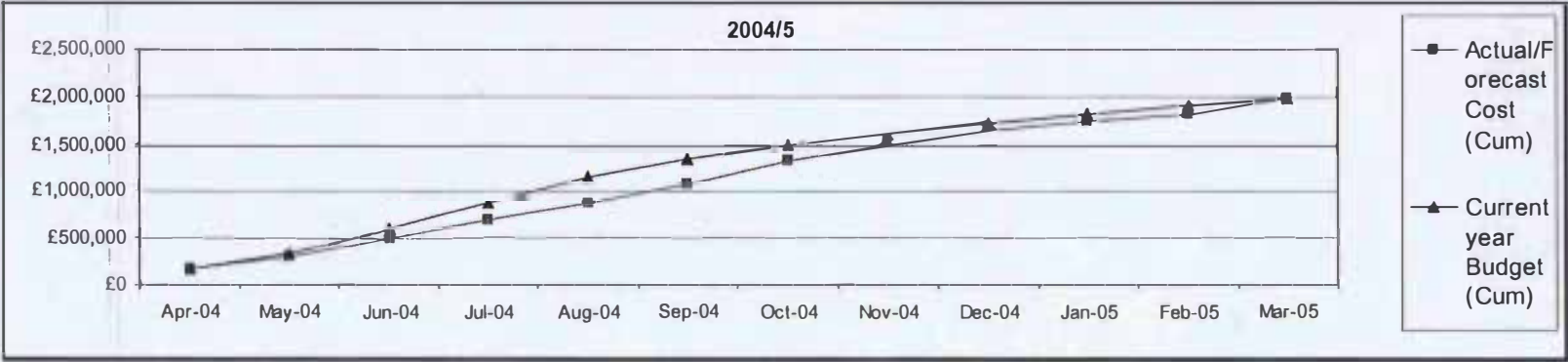
	Current Month (Aug'04)			Year to Date (5mths to 31/8/04)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total incl. OH)									
Tram 3	171,427	264,033	-92,606	870,575	1,148,764	-278,189	1,968,659	1,983,962	-15,303

Operational Issues

Line 3 is being assessed as part of a tram line 1, 2 & 3 network, as it is unlikely that line 3 would be constructed and operated as a standalone line. The full network solution is considered to be the most likely operational scenario, and furthermore, this solution will strengthen Line 3 as it will be able to realise network efficiencies (shared depot & additional patronage etc.) The milestone date on the immediate project programme is to submit the Parliamentary Bill on 17 December. The project is progressing as per programme.

Financial Issues

The project budget to Royal Assent is £3.5M. The current overall forecast includes an overspend on budget of £64,670 as a result of costs incurred in relation to DPOF. It is anticipated that these costs will be "clawed back" from additional DPOF funding once approved. Line 3 has forecasted a £15k under-spend for this financial year, due to efficiencies, against the agreed deliverables. This saving will be re-directed into the 2005/06 budget, as the available spend for 2005/06 (which is anticipated to be circa £0.9M) will be the delta between the project budget of £3.5M and the spend to the end of 2004/05. The spend profile for next year is not well defined yet, and this cannot be done until more information is available from the experience of Lines 1 and 2. A spend profile and programme will be prepared as part of the FY2006 Business Plan.



WEBS development

Significant change to outturn forecast compared to July Report.

	Current Month (Aug'04)			Year to Date (5mths to 31/8/04)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total Incl. OH)									
WEBS	773,410	1,261,974	-488,563	3,094,449	5,344,614	-2,250,165	7,771,578	7,623,085	148,493

Construction of the Guideway is nearing completion. The Final Inspection by the HMRI is scheduled for 19th October. Following the last Operations and Maintenance meeting the Council were sent a letter of permission to test. ERDC are continuing with the on street bus priority measures contract with the widening of Stevenson Drive to accommodate a new bus lane. The programme has been revised to align completion with the Guideway works. Some difficulties arose requiring design changes due to Fibre optic ducts hence some further costs have been incurred. TRO's were approved by the Council Executive on 27th July reviewed at scrutiny on the 1st September and have been referred to full Council on the 16th September. Orders should be in place for commencement of operation.

An assessment of the remaining risks was undertaken and it was demonstrated that some contingency should be retained. In conjunction with Transport Planning, elements have been prioritised that were required to be added back in to the contract to deliver a fully configured and operational scheme. Additional works are required to surface areas of Carriageway which were demonstrated to be sub standard before being painted for bus lanes. CCTV, Real time, further transport study work, network improvements to traffic signals arising from the TRO and Safety Audit process have all been highlighted as essential. These costs and contingencies are reflected in the revised profile.

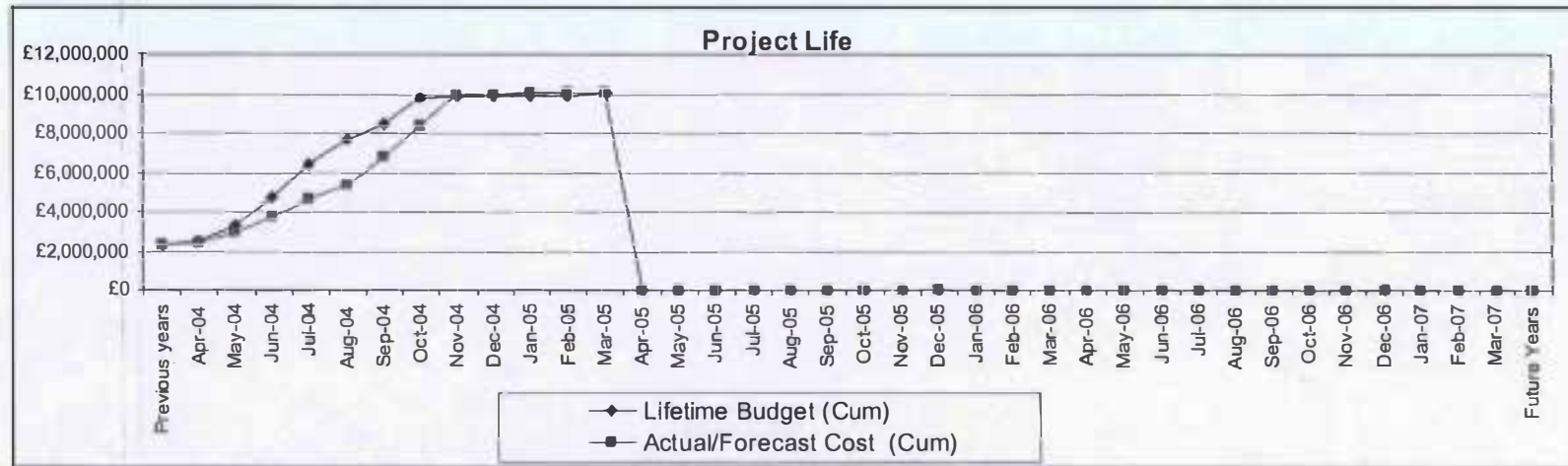
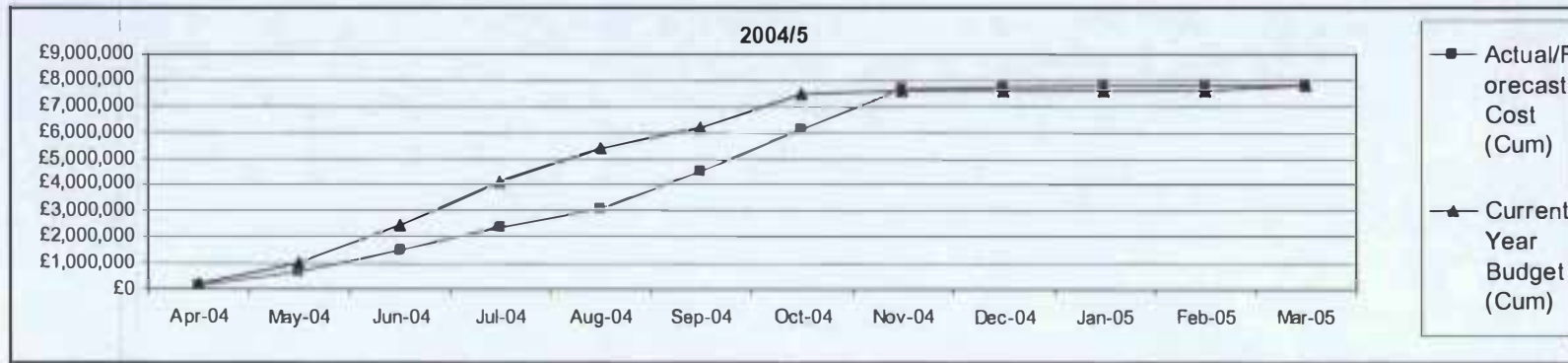
Lothian have taken delivery of the first of their new fleet. Both the Guideway and the on street bus priority measures contracts will be complete including HMRI approvals and considerable additional works in advance of the Launch. Discussions are underway with CEC and Lothian to define an operational start date. This will require a period of 4 to 6 weeks for driver training once the required HMRI approvals are received.

The following additional works designed to produce a better quality scheme have been agreed with CEC. They represent works arising from safety audit, reinstatement of elements previously removed from the project, desirable carriageway patching under the bus lanes to provide a longer life, contingency related to unlikely diversions and works arising from the TRO process.

Guardrail at Broomhouse Bridge	4,000.00
Comms to Bus Barrier	3,000.00
Pedestrian Refuge/Island crossing Broomhouse Dr.	5,000.00
Lighting Betterment (96000 original design - 140000 Final Estimate)	-44,000.00
CCTV (5 locations at £10,000 each)	50,000.00
Real Time 8 locations at £8,000 each + £3000 fitting all	35,000.00
Cultins Road Tie-in, accommodation	10,000.00
Patching	266,000.00
MCI Ducting Work	122,000.00
Delay to project	90,000.00
Additional contingency	28,207.00
Princes Street Gully Repairs	15,000.00
Bankhead Avenue R/Bout	150,000.00
Study Work	70,000.00
TOTAL	804,207.00

WEBS funding was increased on 26th May under a WEBS Cycleway variation. The annual budget (£7.623m) on the previous page is the budget extracted from the previously approved Business Plan.

The forecast project out-turn (£10.045m) is matched by this increased secured funding.



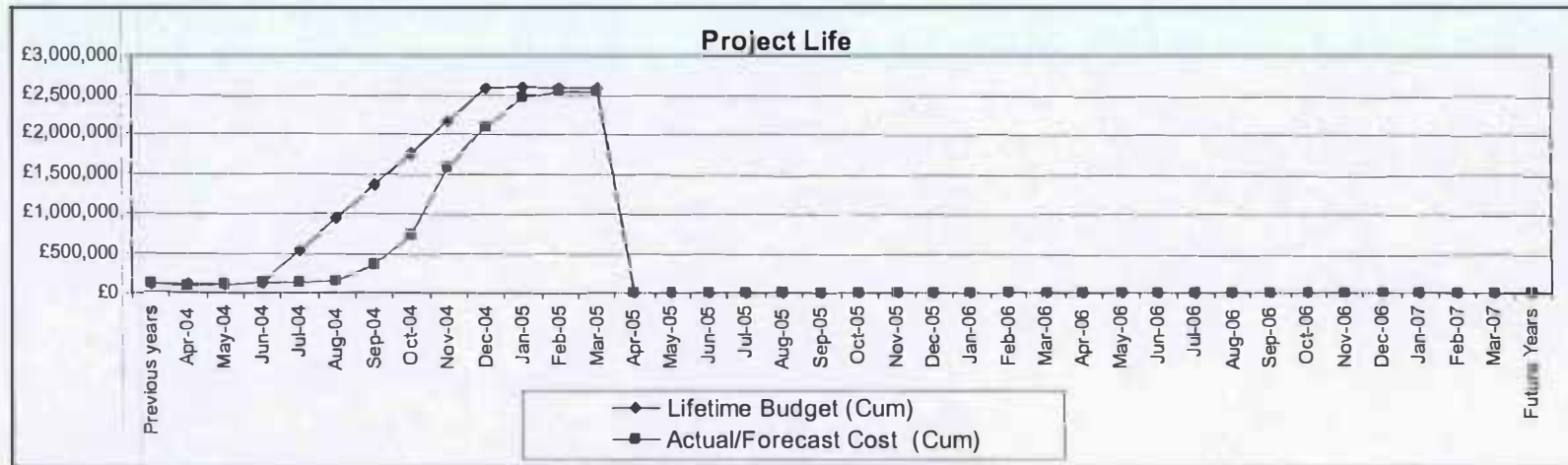
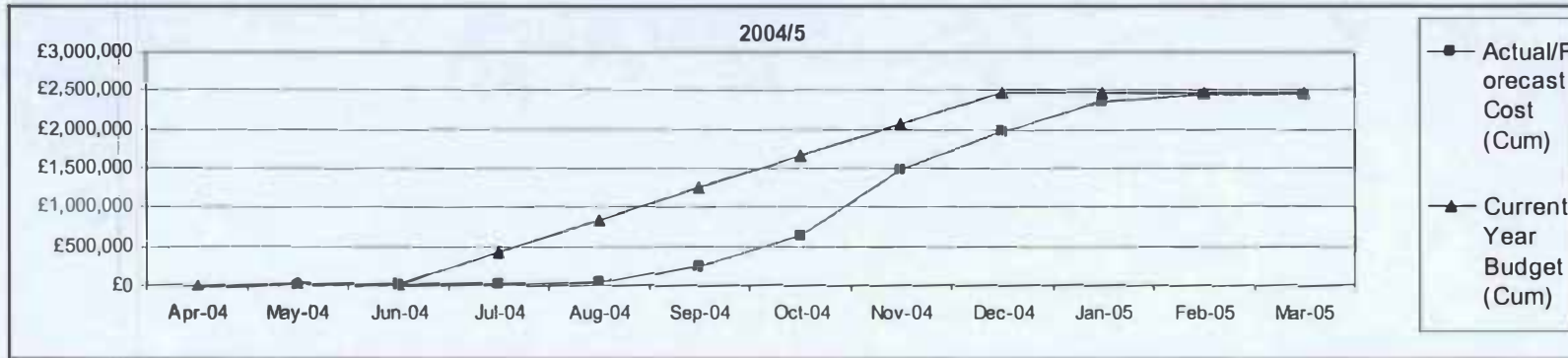
Ingliston Park & Ride

No material change to financial prospects compared to July report.

	Current Month (Aug'04)			Year to Date (5mths to 31/8/04)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total Incl. OH)									
Ingliston Park & Ride	19,405	407,234	-387,829	44,967	838,031	-793,064	2,429,555	2,469,539	-39,984

Archaeological investigation is underway. Construction commenced week beginning 17th August. In addition Border Construction has promoted the suggestion of a further value engineering workshop. Representatives from CEC will be included in this workshop to ensure delivery of their aspirations. In line with the original programme Construction is planned for completion in early 2005

Consultation documents are being produced for TROs for the enforcement of the bus lanes proposed for Eastfield Road as part of the detailed design.



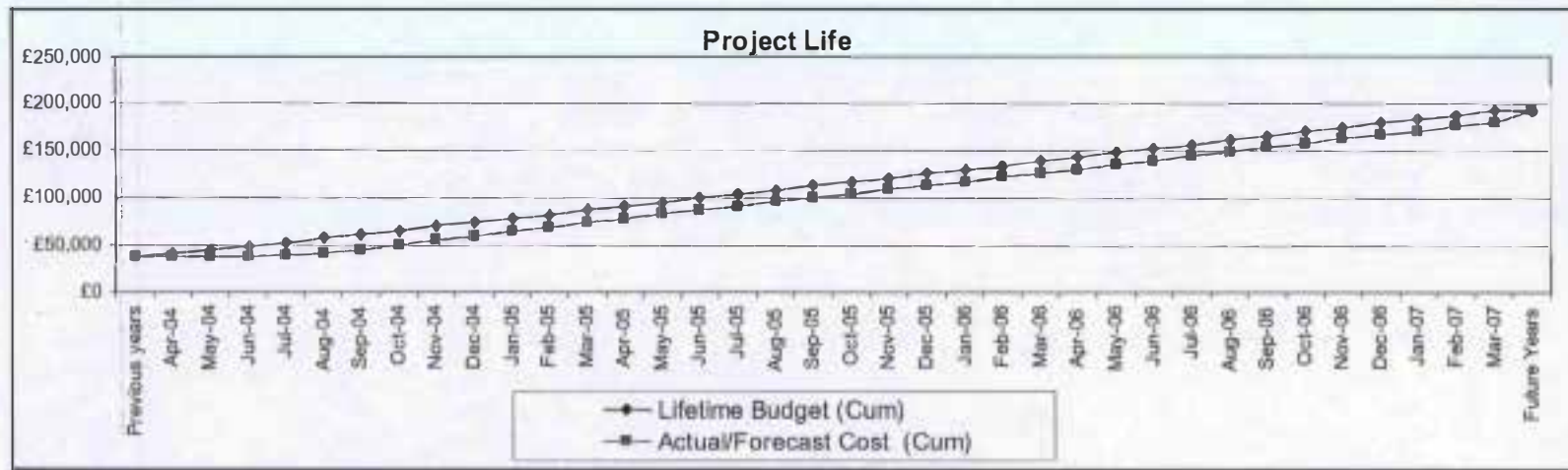
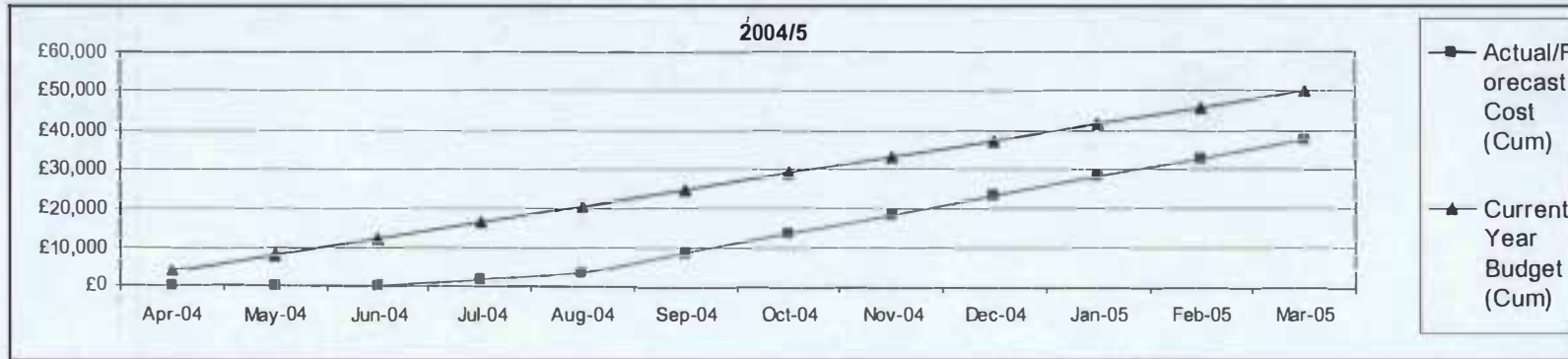
'One-Ticket'

No material change to financial prospects compared to July report.

	Current Month (Aug'04)			Year to Date (5mths to 31/8/04)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total incl. OH)									
One Ticket	2,064	4,094	-2,030	3,706	20,470	-16,764	37,700	49,982	-12,282

The only costs incurred by **tie** are those relating to the employment of a Marketing Assistant/Administrator. The current incumbent, Ian Carter became a member of **ties** staff on 1st July 2004.

The TAS Partnership carried out a fully funded business review and their final report is now available.



EARL

No material change to financial prospects compared to July report.

	Current Month (Aug'04)			Year to Date (5mths to 31/8/04)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total Incl. OH)									
EARL	291,352	301,163	-9,810	1,000,019	1,215,714	-215,696	4,255,797	4,255,797	0

The key issue for EARL at present remains the delay in launching the Public Consultation exercise. This has now been postponed for the 2nd time awaiting ministerial approval. No further date has been set and this now jeopardises the programmed Bill Submission date of March 2005. Dialogue continues with the Scottish Executive to try and resolve the issue.

Technically work is progressing well. Engineering design continues and a meeting with HMRI & Fire Brigade is scheduled for 15th September to discuss fire escape and ventilation issues associated with the station being completely covered. There remains a risk that if this cannot be achieved that BAA may object to the location of the station.

The 2nd phase of the Geotechnical survey is now complete along with the topographical study and alignment design is now paused pending the outcome of public consultation. A decision is still to be made over grade separation of Winchburgh Junction. This is awaiting results of further timetable simulation.

Meetings have been held with both BAA and Network Rail to commence work on the production of necessary legal agreements for both construction and operation of the route.

Work is also progressing to refine the procurement and funding strategy for EARL. This includes a review of the packaging of the project along with most appropriate contract form and procurement route/timescales.

Finally, PWC progress with work to start the formulation of the funding statement and outline business case. The need to start discussions with BAA in this respect has been raised formally with the Scottish Exec.

Communication also continues with the Scottish Exec over the Promoter for EARL. It is important that this issue is resolved to ensure that the correct approvals are sought and so avoid programme risk.

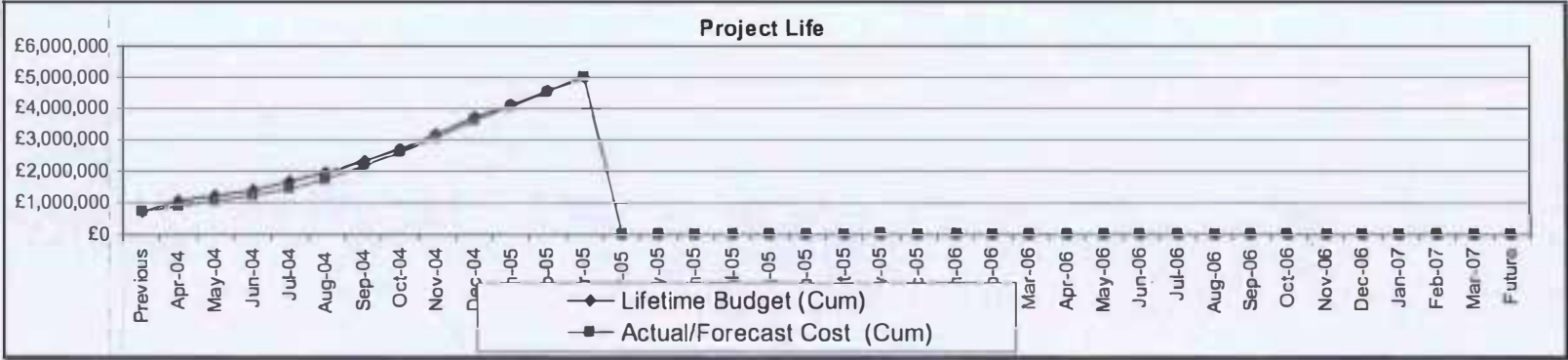
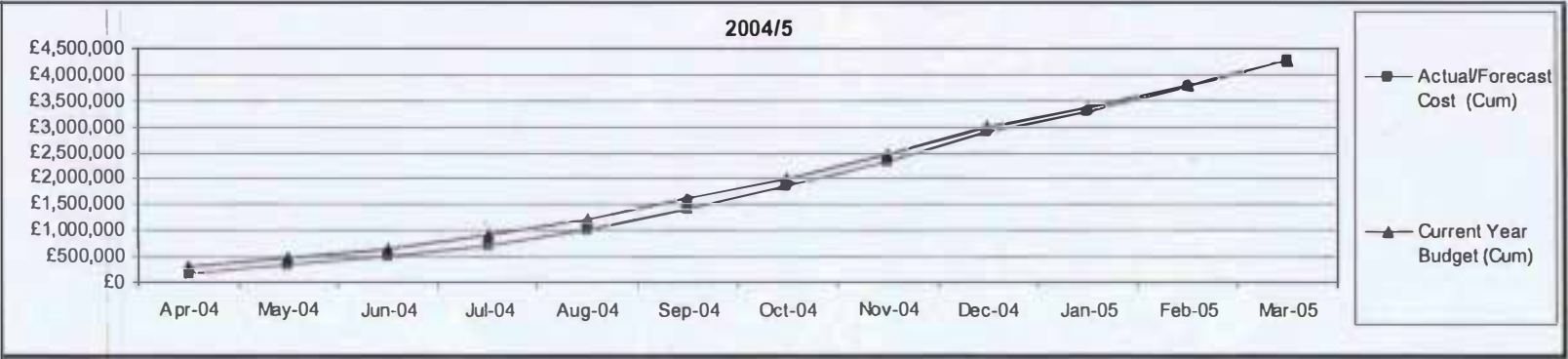
Project spend has increased due to all EARL advisors now being on board.

2003 Spend - £744,204.

Aug 2004 Spend - £291,352.

2004 Spend to Date - £1,000,019.

Projected spend for the year end £4,255,797

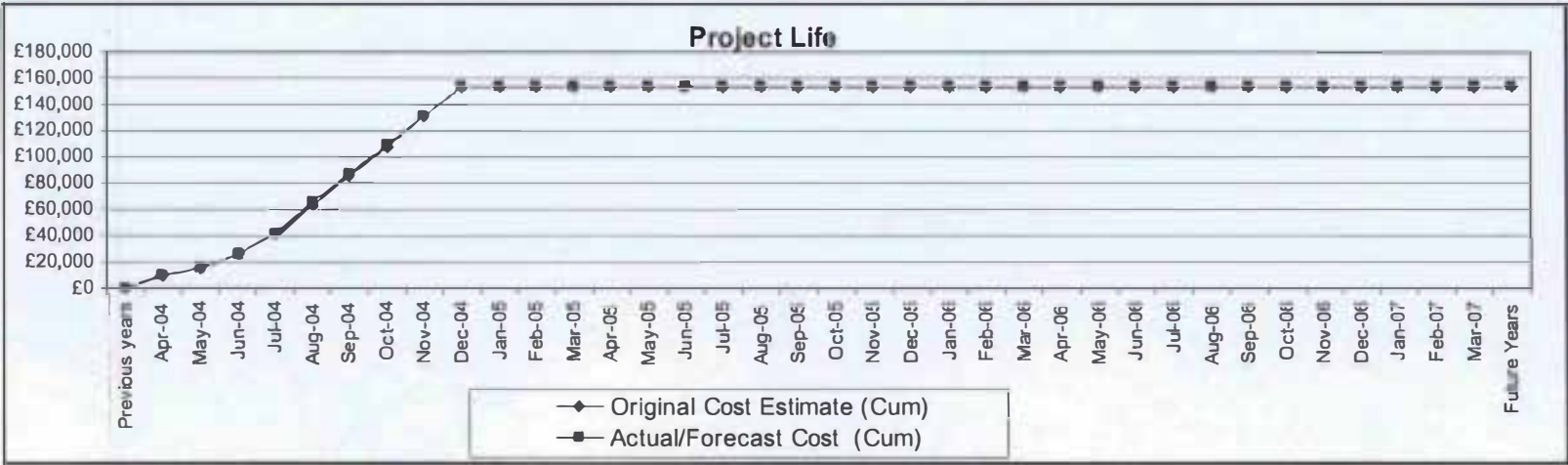
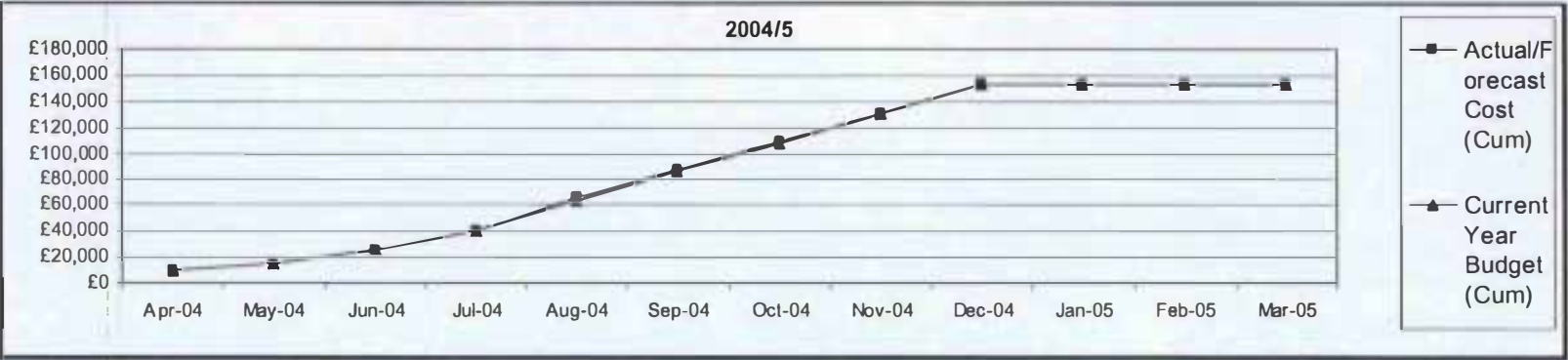


Stirling Alloa Rail Link

Important financial issues being addressed.

	Current Month (Aug'04)			Year to Date (5mths to 31/8/04)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Total Incl. OH)									
SAK	24,429	0	24,429	65,186	0	65,186	152,843	0	152,843

This project is currently under review. tie received a letter of comfort, dated 9th August, from the Executive. A detailed budget is under preparation.



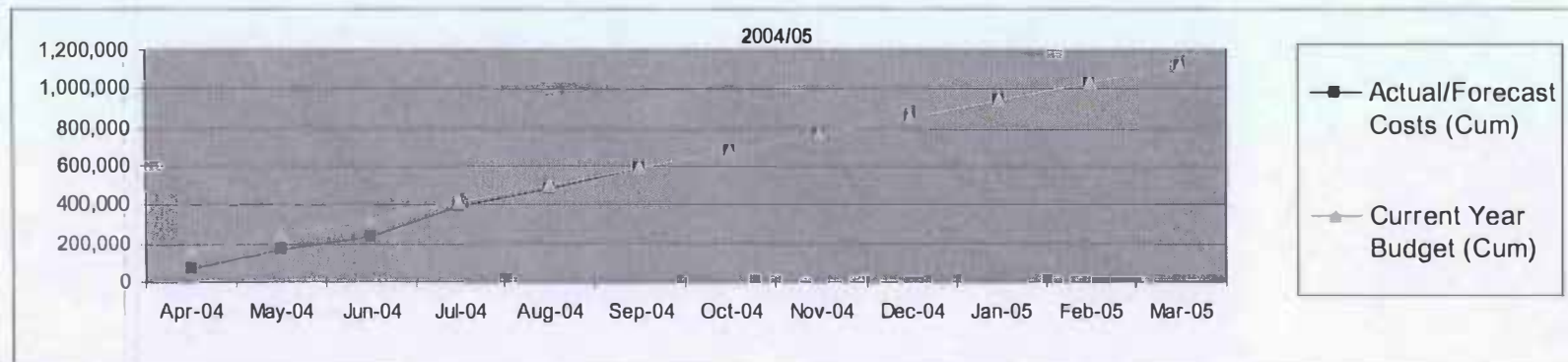
4 Overheads Commentary and Graph

No material change to financial prospects compared to July report.

Overheads are allocated, and charged to CEC on a monthly basis, to each project pro rata as per business plan budget.

The main reasons for the variances on budget are primarily as the budget anticipated major spend being incurred in April due to office re-location. The actual spend was incurred in July.

The office re-location was executed efficiently and within the cost budget in the **tie** Business Plan.



Bank

CEC have been issued with five invoices for August. CC – Information Campaign, WEBS, EARL and Ingliston Park & Ride are now being invoiced separately. These are due for payment by 28th September. The July invoices were paid on 6th September. The "book" bank balance (overdrawn) as at 31st August totalled £2.326m. However this included "unpresented cheques" totalling £0.757m which were not issued until funds were received. This delay in payment by CEC impacted on **tie**'s overdraft limit and its ability to pay suppliers within agreed credit terms. An overdraft limit of £2m has been established.

Relationship with CEC

tie has issued invoices to CEC to 31st August. Accrued costs and depreciation are not included in these re-charges to CEC. A monthly CEC/**tie** liaison meeting is held which involves representatives from CEC City Development, Finance and the Scottish Executive.

5 Detailed Expenditure Report for Period Ended 31st August 2004

	TIE								
	Main Board Report								
	Current Month (Aug'04)			Year to Date (5mths to 31/8/04)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Project Costs (Staff)									
Congestion Charging - Development	12,244	14,291	-2,047	84,393	71,455	12,938	131,827	174,491	-42,664
Congestion Charging - Procurement	17,304	21,272	-3,968	68,305	94,477	-26,172	247,849	247,849	0
Congestion Charging - Information Campaign	5,335	0	5,335	15,902	0	15,902	42,664	0	42,664
WEBS	3,365	3,646	-281	16,823	18,230	-1,407	44,522	44,522	0
One Ticket	2,064	4,094	-2,030	3,706	20,470	-16,764	37,700	49,982	-12,282
EARL	17,987	26,449	-8,462	94,113	132,245	-36,132	322,948	322,946	0
SAK	10,082	0	10,082	50,838	0	50,838	152,843	0	152,643
Ingliston Park & Ride	1,877	676	1,201	9,387	3,380	6,007	8,249	8,249	0
Trams - DPOF	11,396	27,364	-15,968	61,046	136,820	-75,774	334,111	334,111	0
Trams - INFRACO	0	0	0	0	0	0	0	0	0
Tram 1	10,778	17,340	-6,562	53,422	86,700	-33,278	211,724	211,724	0
Tram 2	10,975	17,429	-6,454	54,412	87,145	-32,733	212,812	212,812	0
Tram 3	10,785	17,340	-6,555	53,459	86,700	-33,241	211,724	211,724	0
Sub-Total	114,194	149,901	-35,707	565,807	737,622	-171,815	1,958,973	1,818,412	140,561
Project Costs (External Costs)									
Congestion Charging - Development	-399	30,920	-31,319	640,476	532,508	107,968	914,711	847,048	67,663
Congestion Charging - Procurement	165,154	44,344	120,810	323,047	520,189	-197,142	1,612,600	1,637,600	-25,000
Congestion Charging - Information Campaign	30,617	60,000	-29,383	41,542	360,000	-318,458	557,336	600,000	-42,664
WEBS	767,931	1,256,156	-488,225	3,065,598	5,313,880	-2,248,282	7,699,081	7,550,588	148,493
One Ticket	0	0	0	0	0	0	0	0	0
EARL	258,022	258,957	-934	818,636	992,741	-174,105	3,729,863	3,729,863	0
SAK	14,347	0	14,347	14,347	0	14,347	0	0	0
Ingliston Park & Ride	17,130	406,150	-389,020	33,318	832,300	-798,982	2,416,047	2,456,031	-39,984
Trams - DPOF	57,406	41,667	15,739	311,463	208,333	103,130	499,966	500,000	-34
Trams - INFRACO	30,000	22,500	7,500	30,000	112,500	-82,500	270,000	270,000	0
Tram 1	39,854	64,164	-24,310	857,194	350,818	506,376	886,216	727,963	158,253
Tram 2	72,712	129,180	-56,469	382,940	671,201	-288,261	1,599,990	1,491,788	108,202
Tram 3	150,565	236,365	-65,780	759,914	1,002,595	-242,661	1,623,666	1,639,189	-15,303
Sub-Total	1,603,359	2,550,403	-947,044	7,278,476	10,897,065	-3,618,590	21,809,696	21,450,070	359,626
Project Costs (Total)									
Congestion Charging - Development	11,845	45,211	-33,366	724,869	603,963	120,906	1,046,538	1,021,539	24,999
Congestion Charging - Procurement	182,459	65,616	116,843	391,353	614,666	-223,314	1,860,449	1,885,449	-25,000
Congestion Charging - Information Campaign	35,952	60,000	-24,048	57,444	360,000	-302,556	600,000	600,000	0
WEBS	771,296	1,259,802	-488,506	3,082,422	5,332,110	-2,249,688	7,743,603	7,595,110	148,493
One Ticket	2,064	4,094	-2,030	3,706	20,470	-16,764	37,700	49,982	-12,282
EARL	276,009	285,406	-9,396	912,748	1,124,986	-212,237	4,052,811	4,052,811	0
SAK	24,429	0	24,429	65,186	0	65,186	152,843	0	152,843
Ingliston Park & Ride	19,007	406,826	-387,819	42,706	835,680	-792,974	2,424,296	2,464,280	-39,984
Trams - DPOF	68,802	69,031	-228	372,509	345,153	27,356	834,077	834,111	-34
Trams - INFRACO	30,000	22,500	7,500	30,000	112,500	-82,500	270,000	270,000	0
Tram 1	50,631	81,504	-30,872	910,618	437,618	473,099	1,097,940	939,687	158,253
Tram 2	83,687	146,609	-62,922	437,352	758,346	-320,994	1,812,802	1,704,600	108,202
Tram 3	161,370	253,705	-92,335	813,373	1,089,295	-275,922	1,835,610	1,850,913	-15,303
Sub-Total	1,717,553	2,700,304	-982,751	7,844,283	11,634,687	-3,790,404	23,768,669	23,268,482	500,187

Board Meeting – 20th September 2004

TIE Main Board Report									
	Current Month (Aug '04)			Year to Date (5mths to 31/8/04)			Year End (12 mths ending 31/3/05)		
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance
Overheads									
IT	12,399	2,000	0,789	49,884	33,000	16,884	31,200	51,200	-20,000
Administration	62,878	72,297	-19,419	297,250	355,325	-58,075	830,198	873,198	-37,000
Sales & Marketing	0	0	0	960	0	960	0	0	0
Legal & financial	10,344	7,533	2,811	36,238	37,667	-671	20,400	90,400	-70,000
Overheads	4,819	3,083	1,735	21,039	66,417	-45,377	145,200	88,000	57,200
Interest on overdraft	3,012	1,350	1,662	2,415	6,750	-4,335	15,000	16,200	-1,200
Tax & Dividends	0	0	0	0	0	0	0	0	0
Capital Expenditure:									
Computer Equipment	1,137	0	1,137	17,548	0	17,548	20,000	0	20,000
Furniture, Equipment etc.	0	0	0	53,780	0	53,780	51,000	0	51,000
Sub-Total	84,580	86,884	-2,283	481,092	500,158	-19,066	1,118,998	1,118,998	0
Overheads (Allocated by Project)									
Congestion Charging - Development (9.80%)	8,289	8,813	-224	47,147	49,016	-1,868	109,662	109,662	0
Congestion Charging - Procurement (14.59%)	12,340	12,673	-333	70,191	72,973	-2,782	163,262	163,262	0
Congestion Charging - Information Campaign (0.00%)	0	0	0	0	0	0	0	0	0
WEBS (2.50%)	2,115	2,172	-57	12,027	12,504	-477	27,975	27,975	0
One Ticket (0.00%)	0	0	0	0	0	0	0	0	0
EARL (18.14%)	15,343	16,757	-414	87,270	90,729	-3,459	202,986	202,986	0
SAK (0.00%)	0	0	0	0	0	0	0	0	0
Inglston Park & Ride (0.46%)	398	408	-11	2,261	2,351	-90	5,259	5,259	0
Trams - DPOF (18.77%)	15,878	16,304	-426	90,301	93,880	-3,579	210,036	210,036	0
Trams - INFRACO (0.00%)	0	0	0	0	0	0	0	0	0
Tram 1 (11.89%)	10,057	10,328	-272	57,202	59,469	-2,267	133,049	133,049	0
Tram 2 (11.05%)	10,107	10,380	-273	57,491	59,769	-2,278	133,720	133,720	0
Tram 3 (11.86%)	10,057	10,328	-272	57,202	59,469	-2,267	133,049	133,049	0
Sub-Total	84,580	86,884	-2,283	481,092	500,158	-19,066	1,118,998	1,118,998	0
Project Costs (Total Incl. OH)									
Congestion Charging - Development	20,134	53,724	-33,589	772,016	652,979	119,037	1,156,200	1,131,201	24,999
Congestion Charging - Procurement	194,799	78,200	116,599	461,544	687,639	-226,095	2,023,711	2,048,711	-25,000
Congestion Charging - Information Campaign	35,952	60,000	-24,048	57,444	360,000	-302,556	600,000	600,000	0
WEBS	773,410	1,261,974	-488,563	3,094,449	5,344,814	-2,250,365	7,771,578	7,623,085	148,493
One Ticket	2,064	4,094	-2,030	3,708	20,470	-16,762	37,700	49,982	-12,282
EARL	291,352	301,163	9,810	1,000,019	1,215,714	-215,695	4,255,797	4,255,797	0
SAK	24,429	0	24,429	65,189	0	65,189	152,843	0	152,843
Inglston Park & Ride	19,405	407,234	-387,829	44,967	838,031	-793,064	2,429,555	2,469,539	-39,984
Trams - DPOF	84,678	85,335	-657	462,810	439,033	23,777	1,044,113	1,044,147	-34
Trams - INFRACO	30,000	22,500	7,500	30,000	112,600	-82,600	270,000	270,000	0
Tram 1	60,688	91,832	-31,144	967,818	496,987	470,832	1,230,989	1,072,736	158,253
Tram 2	93,794	156,900	-63,105	494,843	818,115	-323,272	1,046,522	1,838,320	-108,202
Tram 3	171,427	264,033	-92,606	870,575	1,148,784	-278,189	1,068,659	1,983,962	-15,303
Sub-Total	1,602,133	2,787,167	-985,035	8,325,375	12,134,845	-3,809,470	24,887,667	24,387,480	500,187
Forecast Project Out-turns							Spending Profile (Incl O/Hs)	Secured Funding Profile	Variance
Congestion Charging - Development							4,367,118	3,982,784	384,334
Congestion Charging - Procurement							3,381,217	2,742,860	638,357
Congestion Charging - Information Campaign							600,000	600,000	0
WEBS							10,044,600	10,044,600	0
One Ticket							192,390	192,390	0
EARL							5,000,000	5,000,000	0
SAK							152,843	0	152,843
Inglston Park & Ride							2,535,972	2,575,892	-39,919
Trams - DPOF							3,915,742	1,541,742	2,074,000
Trams - INFRACO							810,000	0	810,000
Tram 1							6,183,226	6,025,000	158,226
Tram 2							5,108,162	5,000,000	108,162
Tram 3							3,664,670	3,500,000	64,670
Sub-Total							46,665,940	41,205,258	4,350,682
Comment:									
WEBS Current Year Budget (£7,623,085) represents the BP approved budget. Additional funding has since been awarded which is reflected in the year end forecast.									

6 CEC Format – Financial Statement and Project Life Forecast

ACTUALS	Cumulative Actuals - Year to Date													
	Total	CC-Dev	CC-Proc	CC-Info Cam.	Trans 1	Trans 2	Trans 3	Trans-DPOF	Trans-InfRACO	WEBS	One Ticket	EARL	SAK	Inglston P&R
Project Staff	565,807	64,393	68,305	15,802	53,422	54,412	53,159	61,016	0	16,823	3,708	94,115	50,838	9,397
External Advisors														
Communications/Marketing	388,924	123,069	0	20,408	37,388	37,385	115,179	0	0	325	0	63,612	0	0
Modelling	162,720	45,902	0	0	7,753	7,820	14,792	0	0	0	0	80,453	0	0
Financial	134,144	21,784	32,310	0	5,416	9,878	2,220	55,393	0	0	0	7,066	0	0
Consultation	189,423	80,117	0	20,716	63	63	670	78,263	0	0	0	11,541	0	0
Technical	5,338,870	70,525	187,810	0	611,230	218,571	673,712	20,865	30,000	2,087,781	0	698,902	30	83,003
Environmental	13,600	0	0	0	4,050	2,400	1,650	0	0	0	0	5,400	0	0
Legal	881,389	289,770	90,928	0	181,856	108,337	45,940	79,331	0	883	0	53,410	14,347	0
Construction	75,853	0	0	0	0	0	0	0	0	75,853	0	0	0	0
Miscellaneous	113,546	11,722	10,992	420	0,660	3,407	2,743	80,131	0	1,288	0	1,653	0	225
Totals	7,278,478	640,476	323,047	41,642	667,194	682,840	759,914	311,483	30,000	3,065,698	0	818,638	14,347	33,318
Support Costs														
Chief Executive														25,437
Non Exec Directors Fees														48,412
Finance Director														0
Finance/Admin Staff Salaries														141,353
Bonuses - Project Staff														0
Bonuses - Non Exec Directors														0
CEC Seconded Staff (Non Chargeable Time)														0
Temporary Staff Costs														24,255
Training														2,139
Recruitment Costs														20,907
Office Space														34,747
Computer Equipment														17,546
Computer Software														18,863
Internet Access														7,150
Other Computer Costs														23,851
Sales & Marketing														980
Legal & Professional														38,238
Sundries														21,039
Other Capital Equipment														53,780
Overdraft Interest & Charges														2,415
Total Costs (excluding overheads)	7,844,283	724,869	391,353	57,444	910,816	437,352	813,373	372,509	30,000	3,082,422	3,708	912,748	65,186	42,708
Overheads Allocated	481,092	47,147	70,191	0	57,202	57,491	67,202	90,301	0	12,027	0	87,270	0	2,261
Proportion	100.00%	6.80%	14.50%	0.00%	11.69%	11.05%	11.89%	16.77%	0.00%	2.50%	0.00%	18.14%	0.00%	0.47%
TOTAL COSTS (ACCRUALS BASIS)	8,325,375	772,016	461,544	57,444	967,818	494,843	870,575	462,810	30,000	3,094,449	3,708	1,000,019	65,186	44,969
BUDGETS														
Year-To-Date														
Total Costs (excluding overheads)	11,634,687	603,993	614,666	360,000	437,518	758,346	1,089,295	345,153	112,500	5,332,110	20,470	1,124,986	0	836,680
Overheads Allocated	500,158	49,016	72,973	0	59,469	59,769	59,469	93,880	0	12,504	0	90,729	0	2,351
TOTAL COSTS	12,134,845	652,979	687,639	360,000	496,987	818,115	1,148,764	439,033	112,500	5,344,614	20,470	1,215,714	0	839,031
Year-End														
Total Costs (excluding overheads)	23,268,482	1,021,539	1,885,449	600,000	939,687	1,704,600	1,850,913	834,111	270,000	7,565,110	49,982	4,052,811	0	2,464,280
Overheads Allocated	1,118,998	109,662	163,262	0	133,049	133,720	133,049	210,036	0	27,975	0	202,986	0	6,259
TOTAL COSTS	24,387,480	1,131,201	2,048,711	600,000	1,072,736	1,838,320	1,983,962	1,044,147	270,000	7,623,085	49,982	4,255,797	0	2,469,539
FORECAST														
Year-End														
Total Costs (excluding overheads)	23,768,669	1,046,538	1,860,449	600,000	1,007,940	1,812,802	1,835,610	834,077	270,000	7,743,603	37,700	4,052,811	152,843	2,424,288
Overheads Allocated	1,118,998	109,662	163,262	0	133,049	133,720	133,049	210,036	0	27,975	0	202,986	0	6,259
TOTAL COSTS	24,887,667	1,156,200	2,023,711	600,000	1,230,989	1,946,522	1,968,659	1,044,113	270,000	7,771,578	37,700	4,255,797	152,843	2,429,550
VARIANCE														
Year-End														
Total Costs (excluding overheads)	500,187	24,999	-25,000	0	166,253	108,202	-15,303	-34	0	148,493	-12,282	0	152,843	-39,984
Overheads Allocated	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS (FORECAST - BUDGET)	500,187	24,999	-25,000	0	166,253	108,202	-15,303	-34	0	148,493	-12,282	0	152,843	-39,984
OPCOM Reporting														
Year-End March 2007														
Spending Profile (including overheads)	45,555,940	4,367,118	3,381,217	600,000	6,183,228	5,108,182	3,564,670	3,618,143	919,000	15,344,608	163,330	8,000,000	152,843	2,535,972
Secured Funding Profile	41,205,258	3,902,784	2,742,860	600,000	6,025,000	5,000,000	3,500,000	1,881,143	0	15,243,258	163,330	5,000,000	0	2,575,882
Surplus/Deficit of Funding	(4,350,682)	(384,334)	(638,357)	0	(158,226)	(108,182)	(64,970)	(2,000,000)	919,000	101,350	0	(152,843)	152,843	39,910

7 Balance Sheet – Month End and Year to Date Progress

	Year Ended 31/03/2004	1 Month Ended 30/04/2004	2 Months Ended 31/05/2004	3 Months Ended 30/06/2004	4 Months Ended 31/07/2004	5 Months Ended 31/08/2004
FIXED ASSETS	34,090	35,800	36,252	39,774	98,473	97,122
	34,090	35,800	36,252	39,774	98,473	97,122
CURRENT ASSETS						
Trade Debtors	2,003,455	3,221,220	3,404,964	3,083,030	3,082,234	5,188,900
Other Debtors	5,774	4,282	4,282	4,425	4,425	4,425
Prepayments & Accrued Income	20,788	20,304	20,009	1,178	883	0
CEC Loan	0	0	0	0	0	0
Petty Cash	424	62	112	69	319	25
	2,030,441	3,245,868	3,429,367	3,088,702	3,087,860	5,193,350
CURRENT LIABILITIES						
Trade Creditors	1,925,102	1,251,205	1,388,699	1,862,375	2,460,584	2,195,592
Employee Creditor	-209	577	523	53	721	169
Bank Account	-229,479	1,218,285	1,102,852	405,612	-46,864	2,326,045
Pension Creditor	11,985	12,615	13,245	10,546	10,598	9,973
Lease Liabilities	0	0	0	0	0	0
Accruals	273,948	749,828	888,194	784,784	704,732	688,960
VAT Payable/(Refundable)	56,514	19,465	38,960	29,879	18,870	32,401
PAYE/NIC	25,670	28,667	32,095	34,228	36,692	35,178
Corporation Tax	0	0	0	0	0	0
Other Creditors	0	26	52	0	0	1,156
	2,063,531	3,280,668	3,464,619	3,127,476	3,185,333	5,289,472
NET CURRENT ASSETS/(LIABILITIES)	-33,090	-34,800	-35,252	-38,774	-97,473	-96,122
Liabilities > 1 Year	0	0	0	0	0	0
NET ASSETS	1,000	1,000	1,000	1,000	1,000	1,000
Represented by:						
Share Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserves	0	0	0	0	0	0
Profit & Loss Account	0	0	0	0	0	0
Balance as at Period End	1,000	1,000	1,000	1,000	1,000	1,000

8 Cash Flow - Year to Date and Forecast														
Aug-04														
		ACTUAL					FORECAST							
		Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Totals
Balance b/forward		229,478.91	-1,218,284.50	-1,102,852.00	-405,611.62	46,864.12	-2,326,044.50	-799,780.65	-799,780.65	-799,780.65	-799,780.65	-799,780.65	-799,780.65	229,478.91
Income														
Sales Ledger		117.50	1,762,362.28	2,551,626.00	2,137,105.87	1,928.69	4,519,334.93	0.00	0.00	0.00	0.00	0.00	0.00	10,972,475.27
Miscellaneous		10.00	3.00	3,795.39	9,810.84	943.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,562.77
		127.50	1,762,365.28	2,555,421.39	2,146,916.51	2,872.43	4,519,334.93	0.00	0.00	0.00	0.00	0.00	0.00	10,987,038.04
Expenditure														
Purchase Ledger		1,297,114.74	1,537,368.70	1,750,688.04	1,520,652.47	2,266,112.03	2,195,591.76	0.00	0.00	0.00	0.00	0.00	0.00	10,567,527.74
Expenses Ledger		7,000.00	123.10	0.00	0.00	1,144.36	168.94	0.00	0.00	0.00	0.00	0.00	0.00	8,438.40
Miscellaneous		143,778.17	109,440.98	107,492.97	173,788.30	108,524.66	797,310.38	0.00	0.00	0.00	0.00	0.00	0.00	1,440,333.48
		1,447,892.91	1,646,932.78	1,858,181.01	1,694,440.77	2,375,761.05	2,993,071.08	0.00	0.00	0.00	0.00	0.00	0.00	12,016,297.60
Net Movement in Month		-1,447,763.41	115,432.50	697,240.38	452,475.74	-2,372,908.62	1,526,263.85	0.00	0.00	0.00	0.00	0.00	0.00	-1,029,259.56
Balance c/forward		-1,216,284.50	-1,102,852.00	-405,611.62	46,864.12	-2,326,044.50	-799,760.65	-799,780.65	-799,780.65	-799,780.65	-799,780.65	-799,780.65	-799,780.65	-799,780.65
NEXT MONTH FORECAST: Assumptions														
Debtors														
Sales Ledger														
Invoices issued to CEC	No. 34 Due 28/8/04	Paid 6/9/04					985,436.59							
Invoices issued to CEC	No. 35 Due 28/8/04	Paid 6/9/04					238,615.41							
Invoices issued to CEC	No. 36 Due 28/8/04	Paid 6/9/04					11,369.27							
Invoices issued to CEC	No. 37 Due 28/8/04	Paid 6/9/04					25,252.98							
Invoices issued to CEC	No. 38 Due 28/8/04	Paid 6/9/04					1,176,778.50							
Invoices issued to CEC	No. 39 Due 28/8/04						938,549.71							
Invoices issued to CEC	No. 40 Due 28/9/04						226,799.83							
Invoices issued to CEC	No. 41 Due 28/9/04						11,046.10							
Invoices issued to CEC	No. 42 Due 28/9/04						6,856.34							
Invoices issued to CEC	No. 43 Due 28/9/04						888,565.15							
Invoices issued to SEEL	No. SEEL/4 Due 28/9/04						7,619.33							
Invoices issued to STTL	No. 13 Due 28/9/04						2,425.72							
							4,519,334.93							
Unbilled to CEC (Accruals etc.)							669,565.07							
							5,188,900.00							
Creditors														
Purchase Ledger	Aged Creditors List @ 31/8/04						2,195,591.76							
Expenses Ledger	Aged Expenses List @ 31/8/04						168.94							
							2,195,760.70							
Miscellaneous														
Pension Fund(s) - Contributions Due on 19/9/04							9,972.83							
Unbilled by Suppliers							688,960.00							
HMC&E - VAT Return to 30/9/04 (Due for payment 31/10/04)							0.00							
PAYE/NI - Due on 19/9/04							35,177.55							
September Payroll - 27 members of staff							63,000.00							
Bank Interest - Quarter ending 15/9/04							0.00							
Bank Charges for month							100.00							
Petty Cash for month							100.00							
							797,310.38							



Agenda Item 6

Communications

- a) **ITI Communications (Verbal)**
- b) **Stakeholder Report (Verbal)**



Agenda Item 7

Heavy Rail

- a) EARL
- b) SAK

Paper to: tie Board
21st September 2004

Subject: Heavy Rail Update

From: Paul Prescott

Date: 14th September 2004

Edinburgh Airport Rail Link (Susan Clark)

Public Consultation

The Public Consultation due to be launched by the Transport Minister has been postponed. As yet a date has not been set for the launch. This puts the programme for submission of the Bill at risk and a letter to this effect has been sent to the Scottish Exec (SE). Current estimates are that a one month delay in the launch will lead to a 2 – 3 month delay in submission. This is due to the time taken to re-organise advertising space, leaflet stands and meetings with key stakeholders. Although the consultation is on hold previously arranged meetings with bodies such as SESTRANS and Railway Passenger Council are continuing as is a presence at Party Conferences to maintain the momentum behind the project. Dialogue continues with SE to understand their concerns behind the Consultation process and to try to secure a future date.

Project Governance

The role of Promoter for EARL continues to be an issue. SE have indicated that Scottish Ministers may wish to Promote EARL. However, this would require a Hybrid bill procedure which does not exist within the Scottish Parliament at present. The EARL Legal Team is providing advice to SE in relation to the implications of Hybrid v's Private Bill. However, this imports an additional cost and programme risk into the project with as much as an 18 month delay anticipated if the Parliament is required to put in place Hybrid Bill procedures from scratch. Discussions with SE and CEC are ongoing to try and resolve this issue.

Technical & Environmental

Design pause has been achieved apart from 3 areas:

- Winchburgh Jn grade separation – timetable modelling continues and will be complete by end of September to prove if this has a robust case or not.
- Station – meetings being held with HMRI on 15th September to ensure that the station ventilation and fire systems can cope with the station being sub-surface and closed. If not this may open the debate with BAA again over the location of the station.
- Gogar – alignment was agreed. However subsequently this site has been identified as the preferred Network Depot for all 3 tramlines. This being the case, there is insufficient room for the depot, EARL and the proposed BAA road. BAA have always indicated that they would design the road around EARL and Tram and have been asked to look at an alternative design which they have agreed to undertake.
- Ecological surveys have identified otters and kingfishers in the area.

Planning

A paper is planned to be presented to CEC Planning Committee on 30th September. If, however, the Public Consultation has not commenced by this time the paper will need to be delayed to the meeting on 25th November.

Procurement

A Procurement Group has been established for EARL to take an early view on the most appropriate procurement, contracting and funding strategy for the project. This piece of work will form part of both the Preliminary Financial Case and the Funding Statement for the project. Initial ideas are being formulated and will be presented to the next meeting.

Stirling-Alloa-Kincardine (Richard Hudson)

Management Arrangements

Following feedback from tie, advanced drafts have been prepared by Dundas & Wilson for each of the 3 contracts necessary for tie to manage the project. To recap, these are:

- a contract between Clackmannanshire and tie for overall management of the project, in which we act as their agents and oversee the management of all workstreams;
- a contract between Clackmannanshire and tie for management of the workstream covering rail industry contracts (management of the other major workstream covering construction is exercised by Jacobs Babbie under their existing contract with the council);
- a contract between tie and Jacobs Babbie to govern our joint activities (previously referred to as a JV).

These advanced drafts have been circulated to Clacks and Babbie. A meeting was held with Jackie McGuire to explain the principles involved. The target programme for completion is as follows:

Week ending 24/9/04:	comments on advanced draft from Clacks and Babbie
Week ending 1/10/04:	distribution of final drafts
Week ending 8/10/04:	agreement on final drafts

However the history of the project so far encourages caution. There has been no reaction from Clacks so far, and tie will initiate a discussion with Dundas & Wilson present to flush out any problems at the earliest opportunity.

Finally, the "client-side" contractual situation i.e. between the Scottish Executive and Clacks Council, has progressed. A meeting took place on 13th September at which an understanding was reached over funding and the allocation of risk. This should finally bring alignment of client objectives.

Project programme

The key milestone for the project has been to get approval at a meeting of Network Rail's London-based Investment Board not later than December. This will permit our contractors to gain full access to the site from the new year. Meanwhile phase 1 (see below) is scheduled for completion by the end of October 2004.

Network Rail have now advised that the Asset Protection Agreement will be approved by a lesser panel, still London based, the Third Party Enhancement Panel (TPEP). The target timetable is to have all final wording agreed, all commercial and legal points settled by 18th October, technical data to be appended later if required (although this should be complete by 29th October). Provided this is achieved, the project will be presented to TPEP on 17th November. This is after the Clacks council meeting on 11th October, but Jackie McGuire has indicated that she should be able to gain approval in advance. A meeting was held with Jackie McGuire to explain the tie negotiation stance with Network Rail and the principle behind the proposed settlement. A continuing effort to categorise and quantify risk will be required.

A draft of the main construction programme has been received from First Nuttall which indicates completion of construction by April 2006 (the earlier target was December 2005). We are now reviewing this. Train operation would be later than this date to allow for commissioning and staff training.

Parliamentary

The Scottish Parliament approved the Bill in July, and on 9 August it received Royal Assent, making it an Act. The Act gives Clackmannanshire powers to construct the railway as specified, and in particular to require co-operation from affected landowners. The major ones are Network Rail, Scottish Power and Diageo, who are all co-operating. The one exception is the company owning the BP petrol station at the new Alloa station site who are dragging their feet, and we (on behalf of the council) may need to push matters along.

Technical & Environmental

The Outline Design is progressing well and several Risk and Value Workshops have been conducted to gain a fuller understanding of the assumptions made in the design and identify the risks involved. This process will be finalised on the 22nd September at a full Risk Workshop involving all parties when the risks will be evaluated and allocated.

This phase of the project is on programme to be complete by 29th October, at which stage, the outline design will be complete, the target cost agreed and the project risks fully evaluated and allocated. This should allow Council Approval on the 11th November and a start of construction on site on the 12th January 2005.

The current programme for completion of construction is still April 2006 although this is still under review as there will be a requirement for some form of driver training and route familiarisation prior to opening

of the route. There is still a desire on the part of the Executive to have the route open prior to the elections in June 2005.

Fugro Engineering Services have commenced the Ground Investigation works and the initial findings are being fed back to the First Nuttall team and being incorporated into the assumptions of the outline design. Access for this has been agreed with Network Rail, and a fence has been erected near Causewayhead in Stirling to demarcate the site.

Risk Management

Several discipline led Risk and Value workshops have been held and this process will culminate in the main workshop on the 22nd September which is being facilitated by the Nichols Group on behalf of the team.



Agenda Item 8

Freedom of Information (Scotland) Act

- a) Protocol for future meetings & Publication Scheme summary amendments**
- b) Approval of “Commercially Confidential” items**



tie limited
Freedom of Information (Scotland) Act 2002

Publication Scheme
Update and Proposed Board Protocol

1. Publication Scheme approval - Update

The final draft version of the Publication Scheme (Appendix A) was submitted to the Scottish Information Commissioner for approval by 31st August 2004 along with an accompanying form OSIC3, confirming our adoption of an existing model scheme. We await final approval of the scheme.

2. Administration of the scheme

The administration of the scheme will be the responsibility of Heather Manson and arrangements are already underway to establish procedures and processes in the handling of requests for information.

Section 5 of the Publication Scheme refers to the availability of Information and Exemptions and as a consequence the **tie** Board are requested to review and approve the under noted proposed protocol in relation to public requests for sight of the **tie** Board Papers and Minutes.

3. Proposed Protocol for approval and release of tie Board Papers and Minutes

1. The Agenda Items and supporting papers prepared for each meeting will identify items materially regarded as "Commercially Confidential" marked with a **(C)**.
2. At the end of each meeting the **tie** Board will agree which agenda items and papers are commercially confidential.
3. One set of minutes will be prepared for approval which will record the previous meeting in full. These minutes will be marked **(C)** against those items which are regarded as commercially confidential.
4. Item 1 on the Agenda of each **tie** Board meeting will be to approve the full set of minutes.
5. Subsequently another set of minutes, for public dissemination, will be prepared omitting the items marked **(C)**
6. This public version of the minutes will be made available under the provision of the FOI(S) Act via our Website, in an electronic file and in paper form if the requester has no access to a computer.

Prepared By: Heather Manson
 20th September 2004



Note: FOI(S) Act – Amendments to Publication Scheme

The final draft version of the Publication Scheme (Appendix A) was submitted to the Scottish Information Commissioner for approval by 31st August 2004 with the following amendments. New or amended items are shown in *italics*. A full version of the Publication Scheme is available on request.

1. Introduction

- 1.2 The Act gives a general right of access to all types of recorded information held by public authorities or publicly owned companies, sets out exemptions from that right and places a number of obligations on public authorities and publicly owned companies.

Under the Act, any person who makes a request to a public authority or publicly owned company for information is entitled to receive that information, subject to exemptions. tie will provide such information to any person who requests it in good faith (such good faith to be determined by tie)

5. Availability of information and Exemptions

- 5.1 (a) All information included in this scheme must be provided within a *maximum* of 20 days of the later of (i) the date of the request for information or if subsequent information is necessary in order to deal with the request, the date of receipt of any such subsequent information and (ii) payment of any fee charged (subject to the exemptions discussed below).
- (b) From 1 January 2005, the general entitlement to make a request for information under section 1 of the Act will enable any member of the public to make a request for information.



Agenda Item 8a

tie aims to be as open as possible with the information it holds. However information may be withheld from any of the classes of information listed in Section 11 where it is considered that the disclosure may fall within one of the exemptions contained in the Act:

- *That the disclosure may prejudice the commercial interest or confidentiality of any person or organisation including tie, or breach the law of confidentiality.*
- *That the information is personal information under the Data Protection Act 1998.*
- *That the Disclosure is otherwise prohibited by law.*
- *That the Disclosure may seriously prejudice law enforcement, legal proceedings or our regulatory or enforcement activity*

6. **Copyright**

- 6.1 *Information obtained from this Publication Scheme may be subject to tie copyright. If so it can be copied or reproduced without formal permission, provided it is copied or reproduced accurately, it is not used in a misleading context or for purposes prejudicial to tie's commercial interest and provided that the source of the material is identified and the copyright status acknowledged. tie reserves the right of legal redress in the event of breach of these conditions relating to tie copyright.*

8. **Charging Policy**

- 8.1 *There will be a standing charge of £10 for dealing with requests for information. In return, tie will provide hard copies of the information requested up to 100 sheets. Thereafter tie shall be entitled to recover all reasonable costs incurred in dealing with requests for information. This will be based on a charge of £15 per hour for staff time, 10 pence per sheet in excess of 100 sheets and the cost of any electronic disc provided and will be levied in the form of a charge per document. tie will advise the person requesting the information of the cost of each document in advance of provision of the information*



11. Classes of Information

- 11.1 The following classes set out the information which **tie** are making available under this publication scheme.

Class 1 - Legal framework & Class 4 - Directors

Fee

Information accessed via the website is available free of charge
Information requested by email is available at a charge of £10.
Information requested on electronic disc is available at a charge of £10.
plus the cost of the disc
Information requested in print is available free.

Class 2 - Financial resources & Class 3 - Board meetings

Fee

Information accessed via the website is available free of charge
Information requested by email is available at a charge of £10.
Information requested on electronic disc is available at a charge of £10
plus the cost of the disc
Information requested in print is available at a charge of £10 which covers
up to 100 pages and thereafter at a charge of 10 pence per page plus £15
per hour or part thereof for staff time spent fulfilling the request

HM.
20th September 2004



Agenda Item 9

AOB –

a) Share Certificate

TIE LIMITED
Registered No. 230949
("the Company")

MINUTE of a DIRECTORS'
MEETING held at Parkgate Business
Centre, Parkgate Street, Dublin

on the 20th day of September 2004

Present: Gavin Gemmell (Chairman)

The Chairman established that a quorum was present and declared the Meeting open.

SHARE CERTIFICATE

IT WAS RESOLVED that the Company Secretary be authorised and instructed to arrange for a new share certificate to be prepared and executed by the Company, by the signature of D.W. Company Services Limited as Secretary in the presence of a witness, and issued to City of Edinburgh Council in respect of the Council's holding of 1,000 Ordinary Shares of £1 each in the Company.

There being no further business, the Chairman declared the Meeting closed.

.....
Chairman