



Transport Edinburgh
Trams for Edinburgh
Lothian Buses

Tram Project Board

Papers for meeting 9th January 2008

10.00am – 12:00pm

Distribution:

David Mackay (Chair)
Willie Gallagher
Neil Renilson
Bill Campbell
Andrew Holmes
Matthew Crosse
Donald McGougan
Graeme Bissett
Geoff Gilbert
Colin McLauchlin
Brian Cox

Stewart McGarrity
Jim McEwan
Jim Harries
Steven Bell
James Stewart
Susan Clark
Andrew Fitchie
Alastair Richards
Phil Wheeler
Miriam Thorne

TRAM PROJECT BOARD

FOISA exempt
 Yes
 No

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Agenda Tram Project Board
Brunel Suite – Citypoint II, 2nd Floor
9th January 2008 – 10.00am to 12.00pm

Attendees:

David Mackay (Chair)	Stewart McGarrity
Willie Gallagher	Jim McEwan
Neil Renilson	Jim Harries
Bill Campbell	Steven Bell
Andrew Holmes	James Stewart
Donald McGougan	Andrew Fitchie
Graeme Bissett	Alastair Richards
Phil Wheeler	Miriam Thorne (minutes)
Brian Cox	

Apologies:

- 1 Review of previous minutes and matters arising
- 2 Final Deal progress
- 3 Branding guidelines – for approval
- 4 Date of next meeting and confirmation of 2008 meetings
- 5 AOB

Edinburgh Tram Network Minutes

Tram Project Board

19th December 2007

tie offices – Citypoint II, Brunel Suite

Principals		Participants:	
David Mackay	DJM (chair)	Matthew Crosse	MC
Willie Gallagher	WG	Stewart McGarrity	SMcG
Donald McGougan	DMcG	Steven Bell	SB
Andrew Holmes	AH	Geoff Gilbert	GG
Neil Renilson	NR	Alastair Richards	AR
		James Papps (for James Stewart)	JP
		Jim Harries	JH
		Phil Wheeler (partial)	PW
		Duncan Fraser	DF
		Miriam Thorne (minutes)	MT

Apologies: James Stewart, Andrew Fitchie, Graeme Bissett, Bill Campbell

1.0	REVIEW OF PREVIOUS MEETING	Action
1.1	The previous minutes were taken as read. Details discussed are outlined below:	
1.2	Previous Minutes – 2.1 : The Board noted that the matter of CEC recharging to the tram project was still not resolved and an off-line discussion between AH / DMcG / NR and DJM was still to take place.	AH / DMcG / NR / DJM
1.3	Previous Minutes – 3.8 : The Board was informed that regular update meetings were taking place as agreed.	
2.0	Matters Arising	
2.1	AR confirmed that the DOPFA was to be signed on 19 th December.	
2.2	SB confirmed that details of the proposed Peer reviews were to be finalised in January 08.	SB
3.0	Presentations	
3.1	WG provided a high-level overview of key elements progressed during the period and the issues to be discussed in detail at this TPB.	
4.0	Infraco price update	
4.1	SMcG provided an update on the status of the project cost estimate and the anticipated Infraco contract price. He explained that the contract price was based on the Wiesbaden deal, subject to certain conditions that were covered by existing contingency. This deal meant that BBS had accepted most items on the VE register and taken them into their contract price.	
4.2	He further explained that a premium had been included in the contract price to firm up previous provisional sums. Of the outstanding provisional sums, the vast majority relates to Picardy Place. A final	

	decision on the layout is still outstanding for Picardy Place and the design has not been sufficiently progressed to enable fixed pricing. However, the basis for the estimate for Picardy Place and other provisional sum items are well understood and considered reasonable.	
4.3	DMcG queried whether the VE list included an item for leasing. SMcG stated that thoughts about leasing of assets related to options for tax structuring in the operational phase. SMcG to brief CEC staff on details	SMcG
4.4	SMcG confirmed that the risk profile had been adjusted to take account for changes in the pre-Financial Close risks.	
4.5	The Board noted the confidence by the project team in the Infraco contract price based on the stated conditions. The Board also accepted that, to protect the Infraco costs, it is essential to avoid client side design and / or programme changes and to ensure final design approvals are not delayed.	
5.0	Project Cost Estimate update	
5.1	SMcG outlined the other items included in the project cost estimate: <ul style="list-style-type: none"> - The cost of providing alternative access at the airport; - Costs of advance maintenance mobilisation; - Costs for spare parts; - Network Rail costs for immunisation; - Costs of updates to Urban Traffic Controls; - Power network reinforcement; and - Deal contingency. 	
5.2	AH requested further details about the requirements for alternative access at the airport – SMcG to provide.	SMcG
5.3	SB stated that there was good confidence obtained in the MUDFA cost projection based on the work undertaken to date and the fact that the contingencies included in the estimate had so far not been significantly been drawn down. Further, there were considerable risk allowances for MUDFA included in the project estimate.	
5.4	AH questioned how the risk of programme delays, specifically due to design delays, had been allowed for in the cost estimate. WG explained that a number of factors provided comfort in this matter: <ul style="list-style-type: none"> - Normal design risk is passed to BBS through the SDS novation; - Sensitivity testing had been undertaken for a 6-month programme delay which is covered by risk allowances; and - The risk of potential programme delays due to systems integration was passed to BBS through the Tramco novation. AH requested further details on the design risk being passed to BBS – SB to provide.	SB
6.0	Progress to closing the Infraco contract	
6.1	GG presented the basis of the Wiesbaden deal in terms of technical, programme, and risk transfer assumptions. SB confirmed that the BBS programme reflected all currently known CEC changes and that these were not on the critical path.	
6.2	SB also confirmed that a section-by-section review on ground conditions, as well as dilapidation surveys were being undertaken to	SB / AH

	minimise future disputes. SB / AH to discuss scope of works and how to handle any claims	
6.3	The Board requested that greater detail be presented on how the different elements of the contract, which provide comfort and price certainty (Parent Company Guarantees, Liquidated damages etc) will work in practice.	Andrew Fitchie
7.0	Tramco update	
7.1	MC provided an update on Tramco, stating that all main issues were closed out, early mobilisation had commenced and minor alignment issues between Infraco and Tramco were being addressed.	
7.2	MC also explained that the matter of the exchange rate risk prior to Tramco was addressed with CAF and allowed for in the project estimate.	
8.0	Programme	
8.1	SB gave a presentation on the construction programme as proposed by BBS. He confirmed that the programme sequencing had all stakeholders' buy-in. SB to send out copy of sequencing chart to TPB.	SB
8.2	SB stated that the proposed programme will form the basis of the Infraco contract and any changes would incur a premium. However, there may be benefits e.g. to accelerate work on Princes Street by permitting longer working hours. A separate session is to be held between SB / AH / DF / NR/ MC / PW / WG + CEC legal to discuss the matter off-line.	SB / AH / DF / NR / MC / PW / WG
8.3	AH expressed his concern about potential programme impacts arising from design delays. SB to provide greater detail on how the risk is passed to BBS.	SB
9.0	Employers' Requirements	
9.1	SB provided an update on the status of the ERs.	
10.0	Network Rail and 3rd Party Agreements	
10.1	SB provided an update on the position with NWR who are now more co-operative. The Board noted the legal costs being incurred due to the NWR issues.	
10.2	The Board also noted the status of 3 rd Party Agreements.	
11.0	Governance	
11.1	WG provided an update on the discussion at the tie board regarding the tie – CEC Operating Agreement. Comments had already been fed back to CEC legal, AH and DMcG and it was expected that the agreement would be signed on Dec 20 th .	
11.2	WG also stated that Graeme Bissett would draft the TEL – CEC operating agreement. DJM stressed the importance of this agreement and that all involved should ensure there is no continuous re-drafting. AH signified his agreement and support to a "one-draft" approach.	
12.0	Funding Letter	
12.1	SMcG updated the board that the Funding letter had been agreed and	

FOISA exempt
 Yes
 No

	that TS had confirmed it would be signed by the Minister by the 20 th December. Further, he stated that current expectations were that the treatment of advance material purchases would be signed off by Audit Scotland week ending 21 st December.	
13.0	AOB	
13.1	WG appraised the Board that the prolongation claim from AMIS was now settled.	

Prepared by Miriam Thorne, 7th January 2008

Paper to : Tram Project Board
Subject : CEC Tram Staff Resources Report
Date : 9th January 2008

1.0 CEC Tram Staff Resources

The promotion of the Edinburgh Tram will require the City of Edinburgh Council to carry out its statutory and regulatory functions as Planning and Transport authorities as well as Property, Finance and Legal functions throughout the design and procurement phases.

The staff resource implications for this work are significant due to the size, cost and the pressure of tightening timescales for delivery, and although significant existing staff resources will be used, additional resources will be required to supplement existing staffing levels. These resources are not required to undertake any design work, but only to carry out the necessary statutory and regulatory approvals to allow the project to be undertaken.

Funding was identified within *tie's* business plan for 2006/2007, however no funding has yet been identified for 2008/2009.

Table 1 lists the additional staff required for 2008/2009 which totals £633K. These additional staff would either carry out the necessary work directly or alternatively free-up existing resources to do that work and use the extra resources to cover that shortfall. The spend profile is shown below in **table 2**.

This resource planning is based upon version 22 of *tie's* programme. Specifically, these allocated resources do not take allowance for the Council doing any design work or undertaking significant correspondence, and if any programme slippage occurs then this directly affects the amount of time the resources are required for.

A breakdown of the staff and their duties is noted below.

Planning

- Ian Spence
- Backfilling Post for Francis Newton
- Jamie Gray
- Jamie Allan
- Shaun Hughes
- Michelle Maher

These staff are undertaking the planning prior approvals until July 2008, with the exception of Ian Spence, who will be involved in technical design related issues for the whole year. If these staff were not employed next year then this would significantly delay the prior approvals process and would have a significant impact on the Infraco contract (as works could not commence without the necessary planning approvals in place).

Transport

- Paul Tucker in traffic signals
- Tom Clark reviewing undertaking Mudfa related approvals for traffic management
- Tony Simon reviewing lighting technical design
- Ron Polson undertaking a co-ordination roll with SfC managing and co-ordinating all roadworks on the network
- Cliff Smith undertaking structural design technical approval
- Alan Parkinson reviewing TROs and non-standard sign design
- Jeff Knight, Jon Hunt and A Burns are providing advice and support to the traffic modelling to support the technical approvals.

These staff are providing essential support to the Roads Authority technical approvals. If these staff were not employed next year then this would significantly delay the technical approvals and would have a significant impact on the Infraco contract as works could not commence without the necessary technical approvals in place.

Corporate Communications

- Wendy Park manages Councillor and staff communications, including managing information, organising staff briefings for those directly affected in their day to day work and promoting the tram scheme to all staff. This also includes ensuring that the Council's communications interests and views are represented in day to day decisions by *tie* and its contractors. This is particularly important in discussions over the open for business campaign and the relevant construction works.

This function also ensures that the Council's own external tram-related communications are carried out timeously. This includes information in Council publications, press liaison and other 'marketing' type activities to ensure that people are aware of the benefits. This also includes managing the Council tram related correspondence (email, phone calls and letter) by managing the contract with the contact centre that provides this service.

If this function was not undertaken next year then this would severely impact the all tram related communications, particularly Council Members and the public. It would also adversely impact on the response time for all correspondence.

Property

- Ian Elvin and Gill Hunter assist with the land acquisition process, including the regulatory compensation events.

These staff manage the GVD and compensation process following the land acquisition. If these staff were not employed next year then this would significantly delay the land acquisition process and would delay the Infraco works, as land would not be available for construction purposes.

Legal

- Jackie Holland and Eleanor Muir are backfilling for Alan Squair and Colin MacKenzie, who provide legal support to many activities, including third party agreements, public hearing support, operating agreements and assistance in preparing Council reports.

FOISA exempt
 Yes
 No

If these staff were not employed, then legal support would be very limited which would delay the project at all key stages.

Administration Support at CityPoint

- Sheila Dove provides administration support to CEC staff working at CityPoint.

IT Support Costs

An allowance of £10K has also been made for IT support for those staff working at CityPoint.

2.0 Recommendations

The Board is asked approve this paper and the additional CEC resource costs for 2008/2009.

Prepared by: Andy Conway / Alan Coyle

Recommended by: Andrew Holmes

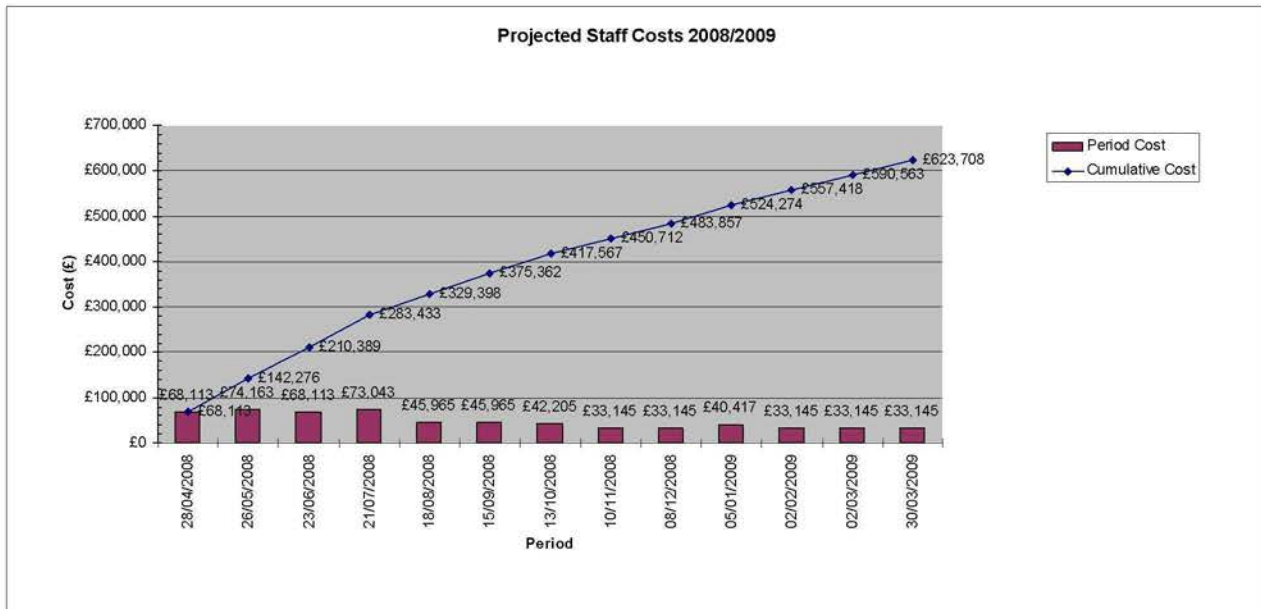
Date: 7 January 2008

Approved Date:-
David Mackay on behalf of the Tram Project Board

Table 1 – Breakdown of Projected Staff Costs

Name	Function	Activity	Cost	
Paul Tucker	Traffic Signals	Traffic Signal detail design technical approval		
Tom Clark	Strategic Services	Mudfa co-ordination/temporary traffic management approval		
Urban Design - Ian Spence	Strategic Services	Design advice to planning for prior approvals and urban design		
Jeff Knight	Strategic Services	Advice for reviewing traffic modelling relative to technical approvals		
Jon Hunt	Strategic Services	Advice for reviewing traffic modelling relative to technical approvals		
A Burns	Strategic Services	Advice for reviewing traffic modelling relative to technical approvals		
Backfilling Post for Francis Newton	Planning	Backfilling post to allow Francis to to undertake prior approvals		
Jamie Gray	Planning	Prior Approvals		
Jamie Allan	Planning	Prior Approvals		
Shaun Hughes	Planning	Prior Approvals		
Michelle Maher	Planning	Prior Approvals		
Ian Elvin	Asset Management	Land acquisition and resultant claims		
Gill Hunter	Property	Land acquisition and resultant claims		
Wendy Park	Corp Comms	CEC tram communications		
Tony Simon	Lighting	Lighting tehcnical approvals		
Ron Polson	Road Services	Co-ordination with all roadworks on the network		
Cliff Smith	Structures	Technical approval for structures		
Alan Parkinson	Roads & Transport Design	Technical approval for TROs		
Jackie Holland	Legal Services	Backfilling posts		
Eleanor Muir	Legal Services	Backfilling posts		
Technical Approval Backfilling	Transport	Backfilling post for technical approvals		
Sheila Dove	Secretarial/Administration	Admin support for CEC at CityPoint		
IT Support costs				
				£633,708

Table 2 - Projected Staff Costs 2008/2009



Branding guidelines – for approval