

Response to criticism of Tram project costs

✘ *Bob McCafferty, the Tram Project Director, has hit back at recent criticism of the apparently escalating costs of the project.*

He has written:-

“The Scotsman newspaper yesterday ran a front page article: - ‘Tram costs hit £600m with two years to go’, with accompanying double page and leader comment. This was followed up today by The Scottish Daily Mail and Daily Record, both of which featured broadly similar content.

[The Scotsman headline](#) itself is accurate but the article is speculative, suggesting that the project is expected to run over the £776m budget. This is not the case. The project continues to run to schedule and remains on budget □ and there is no new information to suggest otherwise. The only new piece of information in the article relates to the current spend as being £592m □ the remainder consisting of existing programme details (published late last year) and various comments from individuals relating to fears over rising costs.

Costs are not linear

The claim that the 'final bill heads for £900m' has no substance and is based solely on the simplistic assumption that costs will be spread evenly over the remaining two years of the project. This is not the case, nor would it be for any construction project of this scale.

The project is currently going through its busiest and most constructive period to date. The spend profile remains entirely in line with expectations □ as does the progress of works along the length of the route from the Airport to St Andrew Square. Less than £1m has been drawn down against the risk allowance (of £34m) so far □ with no requirement in the last quarter.

The target programme of works was published at the end of last year to give businesses, the public and other interested parties a better understanding of the nature of the ongoing works and the timescales involved and we continue to share as much information as we can with these groups.

Positive progress

Contrary to the Scotsman's portrayal of the current position, there are number of positives:

the project has gained fresh momentum due to the new close working relationship being enjoyed between the Council, contractors and Transport Scotland

the first major milestone was reached with the handover of the Gogar depot in December 2011 □ the same month that dynamic testing began

the Mound reopened to buses, taxis, bikes and emergency vehicles on March 3 □ four months early

remaining utility works were completed three weeks early on Shandwick Place and on schedule in St Andrew Square, allowing main infrastructure works to commence

Princes Street works (west of Waverley Bridge) are ahead of schedule and likely to be complete in June

works between South Charlotte St and Waverley Bridge will also be complete by summer while work in St Andrew Square should be clear by Christmas.

The Chief Executive has today written a short letter to the Scotsman clarifying these points and reaffirming our view that we expect the project to continue as scheduled."