

Trams are still on track

The council has reviewed the construction of the second part of the Tram project (or completion of the first depending on your view), and have concluded that it is still economically valid to proceed with the project.

This is despite the fact that Lothian will not be expected or indeed asked to continue the payments of the special dividend on which the project and the financial model is based.

The review assessed the impact of any of the Covid-19 related changes or effects on public transport. It remains the government's advice that nobody should use public transport unless absolutely necessary, and that is impacting on the income for companies such as Lothian and Edinburgh Trams. The business model for the tram extension is based on patronage figures which are now out of date.

The council asked their economic advisers Steer Group to look at all possible outcomes from a return to business as usual to a permanent reduction in passenger numbers, partly in response to demands and comments made during the Hardie Inquiry into the first part of the tram line. The council aims to be as transparent as it can be this time round.

In fact, it would now cost more to stop the project at this stage, and on a careful and cautious view, they believe that the Trams to Newhaven line from York Place can still be completed within the proposed £207.3 million budget.

The tram project which is currently working on Constitution Street, Leith Walk and on Ocean Drive among other places on the route, is due to be completed by 2023.



The council still believes that the completion of the tram project is an important key to unlocking future growth and development in Edinburgh. A tramline to Leith will encourage housing and economic development in what is a large part of the city

Transport and Environment Convener Councillor Lesley Macinnes said: "It's clear that the events of this year have had an unprecedented impact on the way we travel and that we'll continue to feel the effects for the foreseeable future. In light of this, it's essential that we assess the potential economic and financial impacts on such a significant transport infrastructure scheme.

"I'm pleased that the economic and financial cases for Trams to Newhaven hold up despite the ongoing pressures resulting from COVID-19. The delivery of this project is essential for the Capital's green recovery, providing sustainable, low-carbon travel to one of the city's most densely populated areas. We now have reason to be cautiously optimistic as we progress with construction."

Transport and Environment Vice Convener Councillor Karen Doran said: "The Trams to Newhaven project is exactly the kind of investment we need post-COVID-19 to ensure Edinburgh is a thriving, forward-looking place for people to live and work in and to deliver much needed housing, jobs and investment into north Edinburgh."

[Work on the Trams to Newhaven project was instructed to stop](#) on 25 March following guidance from the First Minister on COVID-19 and [recommenced in June](#). While the site shutdown incurred costs, these have been covered by the overall budget

and delays have been mitigated. An updated programme shows that the project is still working towards Spring 2023 for completion and is forecast to be delivered within the agreed budget.