

From the Leader of the Council

Anna Soubry
Via email

4th December 2014

Dear Anna

Thank you for your letter dated 14th November.

Nottingham City Council has a PFI contract with Tramlink to extend and operate the tram network. To achieve this Tramlink has contracted the Taylor Woodrow (Vinci)/Alstom (TWA) joint venture to design and build the new tram lines. The City Council is not a party to the Tramlink/TWA design and build contract and any commercial consequences of construction cost overrun or delay to the completion of construction works are not a matter for the City Council.

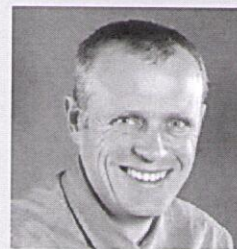
However one aspect of the above mentioned PFI contract involves the City Council making payments to Tramlink once trams are operating passenger services. As the new lines to Clifton and Chilwell will not be up and running in December 2014 the City Council will not be making some of the performance payments as anticipated.

This change in the requirement to make performance payments could potentially lead to the City Council making overall cost savings on the NET project. At this time the details of any savings is unknown and as such it too early to determine how they will be used. However as the City Council is the Promoter of NET it will be in a position to benefit from any savings that are realised. Were the County Council, which as you know withdrew from the NET project a number of years ago whilst under Conservative control, still part of the NET project it would also be in a position to benefit from any savings. This is clearly no longer the case.

Yours sincerely



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Leader – Nottingham City Council



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