

[REDACTED]

---

**From:** McAllister J (Jackie)  
**Sent:** 08 October 2009 15:55  
**To:** Duffy F (Frances)  
**Cc:** [REDACTED]  
**Subject:** FETA meeting

Frances,

We met with Barry Colford and colleagues yesterday from FETA as part of our ongoing sponsorship function. He presented us with a forecast budget for 10/11 of £14,956. £9,095m of this is the capital programme and £6,065m of this is for year 1 of viaduct bearing replacement work. Capital programme forecasts for 2011/12, 12/13, and 13/14 are £11,725m; £9,262m; £7,904m respectively. The forward forecast remains fairly constant at around £8m thereafter apart from 2016/17 when it rises to £15,600m, largely as a result of Main Expansion Joint Replacement that is being held off until the construction of the FRC.

From discussion with Barry they do not believe that they can smooth the programme for 10/11 further and from the forecast this would just create further pressures in subsequent years to manage. Also the viaduct bearing replacement work has already been delayed.

We have agreed to meet in November (with [REDACTED] from TS) prior to the date that they are required to submit their draft budget for 10/11 at which we will:

- Discuss the FETA reserve. Barry offered to come to that meeting having considered the role of the reserve and the extent to which that could contribute to the 10/11 forecast. He understands the pressure on the 10/11 budget SG wide and appreciates that a justification is required for the amount of reserve that FETA hold. This will be linked to their overall risk management plan. CEC in particular will have strong views on this.
- Review FETA's insurance costs of 300k. The Tay do not have insurance and we understand that no other similar bridges structures have insurance.
- Discuss business efficiency measures. FETA are embarking on a Business Improvement Plan and have indicated that they would find it useful to understand the KPIs that we use and perhaps use the same.

The aim from the next meeting is to try and reach a negotiated position on the reserve and thus clarify the required grant in aid for 10/11. This would though require to be put before the FETA Board.

Prior to that meeting we need to get further input from [REDACTED] on their views on the capital programme. We also need to be clearer about the extent to which Scottish Ministers are providing risk cover for FETA and TAY.

I hope this provides you with a clear understanding of where things currently stand. I can discuss further with you at our meeting tomorrow.

Bill, Hazel, Ross we will copy you into the minutes of the meeting and forward the papers issued. We will also set up an internal meeting to discuss further.

Regards

Jackie