

Transport and Environment Committee

10.00am, Thursday, 10 September 2026

Trams from Granton to the Edinburgh BioQuarter / Royal Infirmary of Edinburgh and Beyond Strategic Business Case

Decision/scrutiny
Wards

Decision
All

1. Recommendations

1.1 Transport and Environment Committee are asked to:

- 1.1.1 Agree the findings of the Strategic Business Case demonstrates a strong case for investment for a North-South tram route in the city (formally known as the Trams from Granton to the Edinburgh BioQuarter / Royal Infirmary of Edinburgh and Beyond project).
- 1.1.2 Recognise that whilst there is a strong case for a tram connection between Granton and the City Centre, the Strategic Business Case shortlisted two alternative route options, both of which have deliverability challenges.
- 1.1.3 Recognise that one of the shortlisted options in the Strategic Business Case settled on an alignment for a southern section of route (between city centre to Edinburgh BioQuarter / Royal Infirmary of Edinburgh) and that this section can complement the South Suburban Railway feasibility work currently being advanced by Transport Scotland and Network Rail. Therefore, agrees that this section of route is the Council's priority.
- 1.1.4 Agree the need to retain ambition to deliver a mass transit connection between Granton and the city centre, noting this section's importance for the delivery of [City Mobility Plan](#), [City Development Plan 2030](#) and the [Granton Masterplan](#); whilst recognising further work is required on route options before this section could be progressed.

- 1.1.5 Agree that the Strategic Business Case demonstrates the positive impact that a North-South tram route could have on the wider City Region and recognises the importance of aligning this work with the [wider regional mass transit network plan \(SEStransit\)](#) being led by the [South-East of Scotland Regional Transport Partnership \(SEStran\)](#).
- 1.1.6 Agrees that this project should be considered as part of the wider SEStransit programme, which will be developed to Strategic Business Case stage.

Gareth Barwell

Corporate Director of Place

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Trams from Granton to the Edinburgh BioQuarter / Royal Infirmary of Edinburgh and Beyond Strategic Business Case

2. Executive Summary

- 2.1 This report presents an assessment of the proposed Tram system between Granton to the Edinburgh BioQuarter/Royal Infirmary of Edinburgh and Beyond (TGBB) project via a Strategic Business Case, which has demonstrated a strong case for investment. Key benefits include helping the city manage its growth, climate and mobility ambitions; supporting and delivering on regional and national policies; improving connectivity to areas of high deprivation with associated benefits; and helping to deliver high density development in strategic growth areas in the city.
- 2.2 The Strategic Business Case appraised a longlist of option choices and assembles an optimised shortlist of viable options for detailed appraisal at Outline Business Case stage. The candidate design which is the subject of this Strategic Business Case, and associated technical assessments and analysis, were subject to a 12-week public and stakeholder consultation and market research exercise in 2025. These exercises showed varying levels of support for different aspects of the proposals and generated useful feedback to inform any future stages.
- 2.3 A new [Infrastructure Delivery Pipeline](#) for Scotland published in early 2026 outlined major projects that the Scottish Government will be investing in and Edinburgh Mass Transit was confirmed in their “development pipeline”.
- 2.4 SEStran are targeting Autumn 2027 for completing a programme-level Strategic Business Case for [SEStran](#) which will include assessing routes across the region and within the city and help to contextualise the TGBB corridor from a regional perspective. This work builds on [Strategic Transport Projects Review 2 \(STPR2\)](#) and will help further inform the investment priorities for Scottish Government.
- 2.5 Officers continue to work closely with SEStran who remain supportive and are incorporating TGBB within the development of the wider SEStran Strategic Business Case.

3. Background

- 3.1 [At the 1 February 2024 Transport and Environment Committee](#), officers were instructed to undertake consultation and market research as part of a Strategic Business Case workstream for a possible TGBB route which incorporated route alternatives between Granton and the city centre.
- 3.2 The [City Mobility Plan 2021–2030](#) included a commitment in the associated [Implementation Plan](#), updated in 2024, to, “Work with regional partners and Transport Scotland to complete project level Strategic Business Case in the context of regional mass transit as informed by the STPR2. Subject to Strategic Business Case approval, begin Outline Business Case for Tram-Granton to BioQuarter and Beyond”, with a further commitment to Complete an Outline Business Case by the end of 2028, and a [Full] Business Case and approvals by 2030.
- 3.3 Consultation on the City Mobility Plan showed 65% of respondents wished to see an expansion to the tram network in the city and 83% wished to see an improvement to public transport in general.
- 3.4 Tram expansion in a North-South corridor is part of the approved [Edinburgh City Centre Transformation strategy and associated Circulation Plan](#), specifically a route along the Bridges in the city centre. The North-South corridor is also safeguarded in the Council’s adopted [City Development Plan 2030](#).
- 3.5 [The decision at Transport and Environment Committee on 18 June 2026](#) included the instruction for officers to include in this report the anticipated costs for full and partial Outline Business Cases, section prioritisation options, and opportunities for delivering discreet sections of the proposed route.
- 3.6 Appendix 2 outlines policy context at National, Regional and Local levels, whilst section 4 of this report highlights the important regional and national significance of this project.

4. Main report

Business Case Process

- 4.1 This Strategic Business Case assessment represents the first stage of three, providing robust evidence-based, objective and impartial business case appraisal.

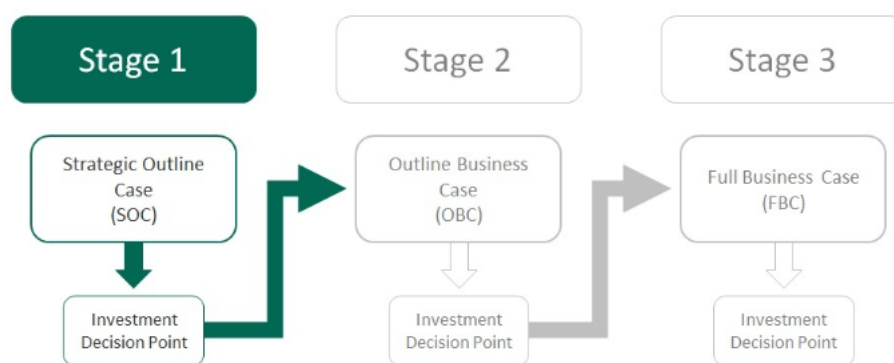


Figure 4.1 – Flow diagram of three stage process with decision points

The Strategic Business Case is in line with [Scottish Transport Appraisal Guidance \(STAG\)](#) and provides a rationale for intervention and sound evidence for decision makers to advance the project to Outline Business Case development. The Strategic Business Case contains sufficient detail for this stage of appraisal and has assessed a variety of options in the context of Government and Council objectives (key policies are summarised in Section 7 of this report, with further detail including objectives contained in Appendix 2).

- 4.2 Appendix 2 provides the Strategic Business Case Report which has considered all five dimensions (the strategic, economic, commercial, financial case and management cases) of the [HM Treasury Green Book](#). The Strategic Business Case and the recommendations in this report have been informed by the results of the consultation and market research exercise that took place between 25 August–17 November 2025, [as reported to Committee on 18 June 2026](#) (further details are included in Appendix 2).
- 4.3 Stage 2 of the business case process is the Outline Business Case, and its purpose is to revisit the Strategic Business Case in more detail. The Outline Business Case is the detailed planning phase of the investment and will identify a preferred option to demonstrably optimise value for money, affordability and detail the supporting procurement strategy, together with management arrangements for the successful rollout of the scheme.
- 4.4 Given the significant body of work already in place for elements of the route subject to the Strategic Business Case, including Local Development Plan safeguards and options appraisal and analysis that went into the first Tram Act, this Strategic Business Case has gone further than is typical for this stage of the work, particularly around candidate designs for route options.

Strategic Business Case Findings

- 4.5 The Strategic Business Case Report provided in Appendix 2 provides detail on the appraisal. At Strategic Business Case stage, the Strategic and Socio-Economic cases are most pertinent. Highlights for both of these dimensions are covered in the following paragraphs.

Socio-Economic Dimension

- 4.6 The Socio-Economic Dimension has examined modal choices and alternatives to tram. The analysis recommends an expansion of tram. Key reasons for this recommendation include; opportunities for integration with the existing line to create of a wide range of network level tram journeys; trams have high capacity to meet Edinburgh's and the wider regions' growth challenges (buses alone cannot fully meet forecast demand); and tram is an efficient use of space which is important for the historic narrow streets in Edinburgh. Tram has already played a key role in city planning and has been successful in attracting development and investment.
- 4.7 The Socio-Economic dimension builds on previous route option assessments, including those undertaken during the [Edinburgh Sustainable Transport Study 2019](#), which supported the development, and subsequent adoption, of [City Development Plan 2030](#). Further assessment of route options has been undertaken and is provided in Appendix 2. A summary of key routes considered is presented in the table below:

NORTH SECTION	Comment
Granton Square to Crewe Toll	Retained
Roseburn Path	Retained as the Roseburn Corridor Option
Belford Road	Not taken forward
Queensferry Road	Retained as Orchard Brae Corridor Option
Stockbridge/ Howe Street	Not taken forward
Broughton Street	Not taken forward
CITY CENTRE & SOUTH SECTION	Comment
Pleasance	Not taken forward
North Bridge/ South Bridge/ Nicholson Street	Retained
The Mound	Not taken forward
Lothian Road	Not taken forward
South Clerk Street / Minto Street/ Craigmillar Park	Retained
Dalkeith Road	Not taken forward
Gilmerton Road	Not taken forward
Old Dalkeith Road	Retained
Beyond BioQuarter	Options to be further examined as part of SEStransit

Figure 4.2 - Summary table of key route choices

- 4.8 Initial modelling exercises have forecast patronage to be approximately 14.5 million passengers in the first year of operations. The graph below indicates that the line is forecast to rank highly when compared with other UK mass transit systems.

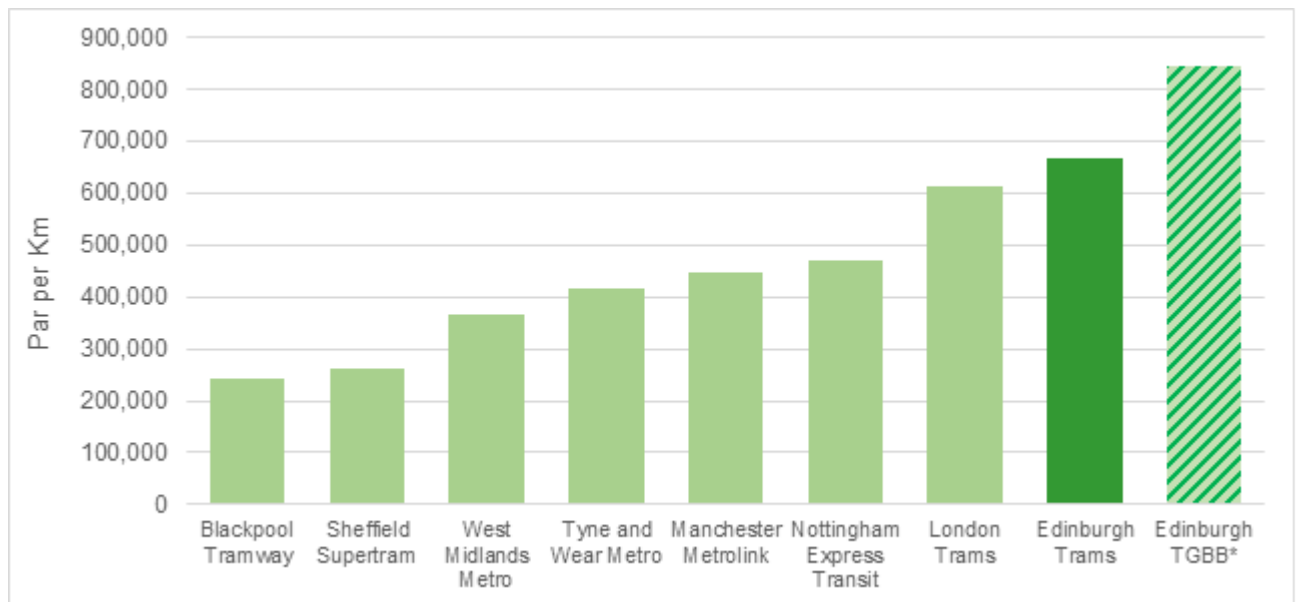


Figure 4.3 - Annual Tram Patronage UK Systems (Passengers/KM)

Scottish Index of Multiple Deprivation (SIMD)

- 4.9 A high percentage of the '20% Most Deprived' Scottish Index of Multiple Deprivation (SIMD) data zones are located in areas of Edinburgh. Many of these would be connected by the proposed tram corridor, including Granton, Muirhouse / Drylaw, The Inch / Moredun, and Craigmillar/ Greendykes.
- 4.10 Nearly all of these locations suffer from relatively poor public transport accessibility. The introduction of new tram links (integrated with bus) would transform access to employment, education, health, and open space and leisure facilities from deprived communities and disadvantaged households. Figure 4.4 shows the potential improved accessibility to areas of deprivation across Edinburgh.

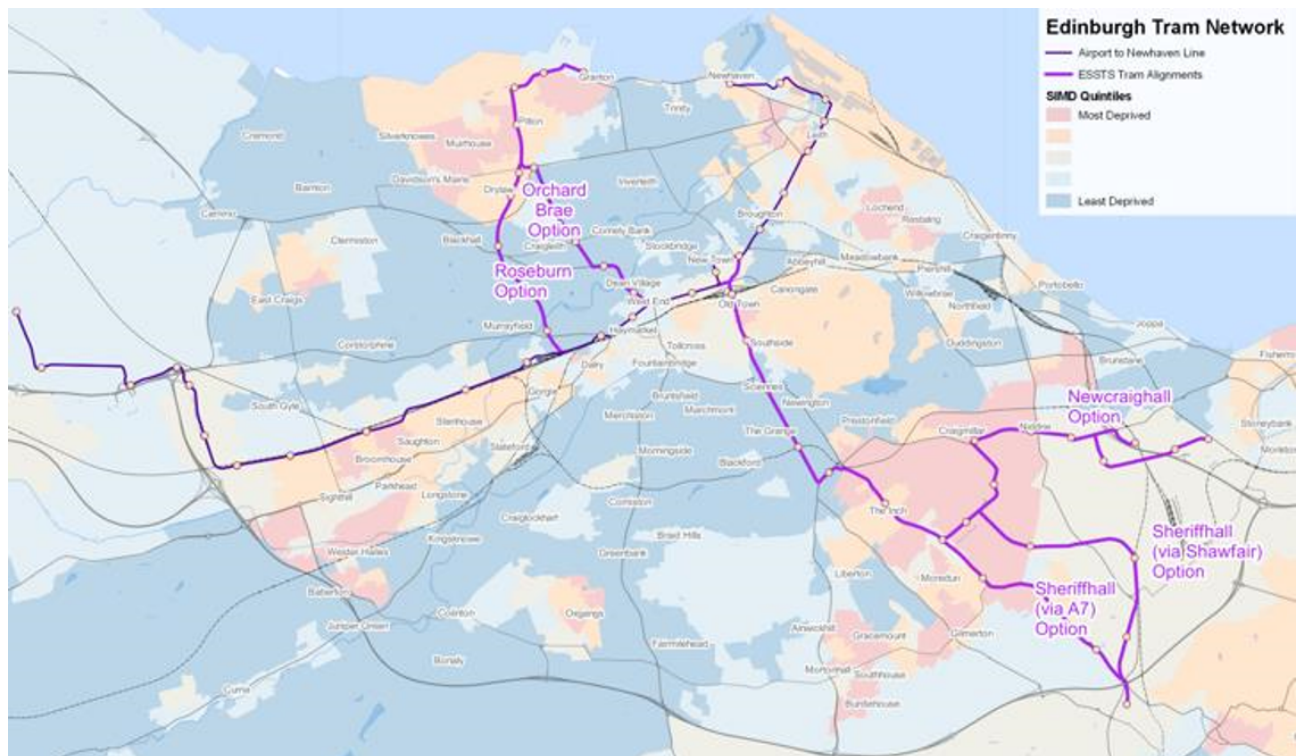


Figure 4.4 - A Future Edinburgh Tram Network and SIMD Sites

Strategic Case

- 4.11 The Strategic Case has presented the case for change, where transport Problems and Opportunities were examined which have in turn informed the Transport Planning Objectives process.
- 4.12 The Strategic Case work has highlighted that many public transport journey times are becoming longer and less attractive when compared to car. Forecast growth in public transport demand is significant as the city and region continues to grow. Even with policy measures to encourage mode shift, this growth could increase public transport demand towards the city centre by 50% or more. This increased level of demand cannot be supported without a transformed public transport network, as the successful bus network in the city centre is operating close to capacity. An expanded tram network which integrates with bus, active travel and rail, is key to continued sustainable growth.

The Cost of Doing Nothing

- 4.1 There are multiple sites identified for development as outlined in Edinburgh's and the surrounding region's local development plans. Sites include strategic development areas potentially served by tram. For example, the following two sites consider tram as an integral component to unlocking their full potential (e.g. bringing forward development sooner and delivering greater economic value).
- 4.2 Granton: £1.3bn with 3,500 new homes, business start-up space, commercial opportunities, schools, health care and Europe's largest coastal park.

- 4.15 Edinburgh BioQuarter: £1.0bn with 9,000 additional jobs in life sciences and potential for a community of around 20,000. A general assumption on the number of residential units could range between 1500-2500 with a split of; approximately 35% Affordable, approximately 50% for sale (likely apartments and colonies style), and approximately 15% Buy to Rent/Key worker.
- 4.16 Considering the BioQuarter specifically, it has 90,000 sqm of floor space safeguarded for life sciences, which is a growing, high value economic sector and a national priority for investment. The Scottish Government's Life Sciences Strategy sets an ambitious target to grow the sector from its current £10.5 billion contribution to the economy into a £25 billion industry by 2035. Assuming 50% of the 9,000 new jobs proposed at the BioQuarter are in life sciences, this would generate a Gross Value Added of approximately £810 million annually. Assuming the remaining 4,500 new jobs are at the national average wage, this would generate a Gross Value Added of approximately £310 million. Combined, the Gross Value Added is £1.12 billion per annum.
- 4.17 Independent analysis undertaken by Metro Dynamics for Scottish Enterprise concluded that future growth at Edinburgh BioQuarter will require substantial additional transport capacity and identified significant risks associated with not delivering a mass transit solution. The analysis identified that high-quality connectivity is a key component of attracting talent, investment and business growth and critical to retaining its ambition as a globally competitive Health Innovation District. Without tram, there is a risk that sites (like the BioQuarter) are less competitive internationally and/or have slower build out rates and a lack momentum which may result in companies choosing to locate and invest elsewhere.

Consultation and Market Research

- 4.18 The consultation and market research findings were reported to Committee on 18 June 2026 . During a 12-week consultation exercise in late 2025, over 11,000 submissions from individuals and organisations were received. A parallel market research exercise also tested views from representative samples of residents and commuters.
- 4.19 In the survey, many people agreed with the idea of more trams, but slightly more people disagreed. In the market research, more people agreed with the idea of more trams than disagreed, although a lot of people were not sure.
- 4.20 The proposed route to the south, between the city centre and the Royal Infirmary of Edinburgh (hospital), and the BioQuarter area beside it, received the most support.
- 4.21 Some people agreed that trams are a good way to travel, as they are easy to use, quick and reliable and could especially help people in areas where people do not have as many cars. Many agreed trams could help keep people moving around the city as the population grows, as they can carry lots of people.

- 4.22 Some people were worried about how much more trams would cost, and how this would be paid for. Some said building trams can make it hard for people moving around and for businesses, as the roads and routes have to be dug up.
- 4.23 Many in the consultation were also very concerned about using the Roseburn Path as a tram route between Granton and the city centre, and many also raised concerns about the alternative candidate route option via Orchard Brae, raising issues about impacts on traffic and buses, on the historic Dean Bridge, and the environmental impacts on the area around and under the bridge.
- 4.24 Stakeholder organisation feedback was varied, with several significant employers and institutions in the city generally supporting tram expansion, although some raised specific concerns and queries about various aspects of the proposals.
- 4.25 The consultation exercise generated many detailed comments on candidate designs and technical assessments put forward as part of this stage of the project, and this feedback will be taken on board in any next stage of the project, and concerns mitigated where relevant. An initial response to some of the key themes from the consultation and market research was presented via the [18 June 2026 Transport and Environment Committee report, Consultation and Market Research Report.](#)
- 4.26 Overall, the consultation and market research exercise at this Strategic Business Case stage helps to inform the public acceptability aspect of the deliverability of a North–South tram route and have also informed the recommendations in this report. Key points for the Strategic Business Case at this stage are:
- 4.26.1 The consultation, though not the market research, has shown there are public acceptability issues with both alternative routes considered between Granton and the city centre. This suggests further work is needed on this section, as the Strategic Business Case is clear there is a case for a direct tram connection between Granton and the city centre.
- 4.26.2 The consultation and market research suggested whilst there are reasonable levels of support for cross-boundary connections to Mid Lothian and East Lothian, further work is still needed on route alignments, on ensuring bus interchange and opportunities for Park and Ride sites are built into proposals and that care is taken to ensure bus network growth continues in the region and that collaboration with neighbouring local authorities on any cross-boundary connections is core to future decisions, and the SEStransit work provides a valuable mechanism for this.
- 4.27 A tram connection between Granton and Newhaven (known as Line 1C) received reasonable levels of support, though this report still recommends the North-South tram corridor is prioritised over this connection and this loop needs a Granton to City Centre tram connection to offer maximum value for tram network resilience in the city. This connection can be explored further in future work.

- 4.28 Future stages of the project will continue to take account of useful design feedback points raised in the consultation.

Links to National and Regional Transport aspirations

- 4.29 [National Planning Framework 4](#) has identified Edinburgh Waterfront as a site of national importance and recognises the opportunity of an extended Edinburgh tram network to influence key objectives at scale.
- 4.30 A new [Infrastructure Delivery Pipeline for Scotland](#) was launched this year and outlined major projects that Scottish Government will be investing in over the next four years. Mass Transit schemes in Scotland's three largest cities: Aberdeen; Edinburgh and Glasgow were confirmed in their development pipeline.
- 4.31 The Scottish Government's Strategic Transport Projects Review 2 presented 45 recommendations, of which, Recommendation No.12 states "Edinburgh and South-East Scotland Mass Transit" is the most significant to the region and highlights; the limited public transport choices, high amounts of congestion on the strategic road network and local corridors, which impacts on the attractiveness of public transport and a dominance of journeys by car across the region. Recommendation No.12 commits Transport Scotland to work with regional partners in the future to develop and enhance public transport system for the Region, which includes tram.
- 4.32 SEStran is also working with partner authorities, the [Edinburgh and South-East Scotland City Region Deal](#) team, Transport Scotland and Network Rail to develop a Programme Strategic Business Case for an [integrated regional mass transit network, which has the working title of SEStran](#). This Strategic Business Case will take forward elements of the [Regional Transport Strategy Delivery Plan \(RTSDP\)](#) and recommendations from Strategic Transport Projects Review 2, principally Recommendation 12, for the South-East of Scotland Mass Transit System.
- 4.33 SEStran network option short-listing will seek to identify, through a process of preliminary appraisal, the suite of options which address current and future problems, drawing from a comprehensive regional long-list, and this work specifically includes Trams from Granton to the Edinburgh BioQuarter / Royal Infirmary of Edinburgh and Beyond and routing beyond the BioQuarter to the south and east, alongside corridors to the west. Officers continue to work closely with SEStran who support incorporating this project within the development of the wider SEStran Strategic Business Case. SEStran has a target completion date of Autumn 2027.
- 4.34 A Council motion on [21 May 2026](#) agreed that officers would liaise with Transport Scotland with regard to a feasibility study for passenger use of the South Suburban Railway (South-Sub). In addition, correspondence between the Transport and Environment Convenor and Cabinet Secretary for Economy, Transport and Tourism has confirmed that SEStran will be the principal forum for work at this level and the partner authorities (which includes the City of Edinburgh Council) will continue to play a significant role in shaping regional transport priorities, and Transport

Scotland will continue to work closely with those partners as the mass transit programme progresses.

- 4.35 The Scottish Government agrees that any future assessment should consider the South-Sub's potential contribution to wider regional connectivity, including its relationship with the city centre, the BioQuarter, existing and potential future tram infrastructure, and other public transport services.
- 4.36 The study is expected to be concluded within nine months and the outputs would complement the wider regional assessment of an integrated, multimodal mass transit network, including opportunities associated with Trams from Granton to Edinburgh BioQuarter / Royal Infirmary of Edinburgh and Beyond. Officers will also advocate that the work considers interchange with bus.
- 4.37 Further detail on the South-Sub Feasibility Study is provided in the business bulletin for this committee.

National Wealth Fund

- 4.38 A business bulletin to Transport and Environment Committee on [26 January 2026](#), updated members that the Council has been receiving free advisory support from the [UK Government's National Wealth Fund](#). This has helped to inform how a local contribution to funding and financing of tram extensions in Edinburgh, based on a North-South route, could be generated. Initial outputs from this work are provided in Appendix 3. This initial work will be expanded upon in future stages but contributes to the financial element of the Strategic Business Case currently. This theoretical work illustrates how a mix of credible revenue streams could service borrowing to ensure that the Council could support a significant minority share of total scheme costs. A local contribution to the cost of major transport infrastructure, with the expectation that the majority is covered by Government grants, is in line with comparable mass transit schemes in the UK, as the following examples show:
 - 4.38.1 Nottingham NET Phase 2: Nottingham's second tram line was delivered through a Private Finance Initiative structure. The UK Government committed to a Private Finance Initiative credit equivalent to approximately 66% of capital costs, with the remainder funded locally by Nottingham's Workplace Parking Levy, introduced in 2012, and which generates £9-10m annually.
 - 4.38.2 Manchester Metrolink Expansion (Phase 3): Following a rejected congestion charge referendum in 2008, Greater Manchester created the £1.5 billion Greater Manchester Transport Fund (GMTF). This combined a £520 million Government grant with over £1 billion in local borrowing, repaid through transport levies funded via council tax and fare revenues, with all ten Greater Manchester boroughs sharing responsibility. A later earn-back deal allowed Greater Manchester to retain up to £30 million per year in tax revenues if economic growth targets were met.

- 4.39 London – Crossrail (Elizabeth Line): The £18.9 billion Elizabeth Line was funded through a complex mix of national and local sources. Central government grants contributed around one-third of costs, and Network Rail provided £3bn for surface-level works. A substantial amount was raised through borrowing funded by Transport for London (TfL) and the Greater London Authority, including loans from the Department of Transport, to be repaid over several decades. These debts are serviced by London based revenue streams, including a 2% Business Rate Supplement on large firms (expected to raise over £8 billion by 2041) and the Mayoral Community Infrastructure Levy (MCIL). Long-term sustainability now relies on passenger fare revenue, which currently generates an operating surplus (reaching £166m in 2024/25) that is reinvested to cover ongoing debt and maintenance / renewals.

Benefits Realisation

- 4.40 Work has been commissioned on an evaluation of the impacts and benefits of trams in Edinburgh, building on previous work done on Line 2 and updated with the completed Trams to Newhaven line. Initial findings from this work are presented in Appendix 4 with the final benefits realisation report scheduled to be reported to Transport and Environment Committee on 12 November 2026.
- 4.41 Key emerging findings from the work are:
- 4.41.1 There was a greater uplift in housing development along the new tram route when compared to other parts of the city.
 - 4.41.2 92% of users said that tram had made Leith and Newhaven a more attractive place to live, work and visit.
 - 4.41.3 34% of users reported driving less now the tram is in operation.
 - 4.41.4 The new tram is increasing tourism to Leith and Newhaven.

Outline Business Case Scoping and Phasing

- 4.42 The Strategic Business Case appraised a longlist of option choices and assembles an optimised shortlist of viable options for detailed appraisal at Outline Business Case stage.
- 4.43 In line with guidance, initial costing appraisal of the shortlisted routes options has costed risk through the application of optimism bias. At Strategic Business Case stage, an overall level of 60% optimism bias is generally applied to base costs. However, infrastructure risk varies significantly between scheme elements due to differing technical challenges, level of costing uncertainty and site-specific requirements. Consequently, bespoke levels of optimism bias have been applied to sections of infrastructure and cost items with higher degrees of cost uncertainty (for example at major structures along the routes), and lower levels to costs where there is less uncertainty (e.g. vehicles, where there is an established supplier market and fewer uncertainties).

- 4.44 As the scheme develops through the outline and final business cases, the Outline Business Case allowances will be refined in accordance with best practice. Quantitative Risk Assessment will be applied during these later stages to better understand and quantify risk, uncertainty and contingency.
- 4.45 The outputs from the Strategic Business Case also help inform the scope for the next stage of the business case journey. Further development of the full route, though outline and final business case, including further consultation, technical work and approvals (funding and powers) is expected to take in the region of five years followed by a construction period of approximately five years.
- 4.46 At Transport and Environment Committee on 18 June 2026, it was agreed that officers provide OBC cost options for; a) full route and b) the south section only, alongside detailing indicative costs for bringing forward construction in phases. These options are outlined below.
- 4.47 Appendix 2 (Next Steps section) provides a work breakdown structure, with indicative delivery costs and Outline Business Case options. There are options to progress Outline Business Case development by route section. Figure 4.5 provides an illustrative spend profile to compare Outline Business Case costs for the full route against the progression of the north and south sections as separate schemes.

Year	OBC Spend: Full Route	OBC Spend: North Section Only (Roseburn or Orchard Brae)	OBC Spend: South Section Only
2027	£4,100,000	£2,577,000	£3,137,000
2028	£7,000,000	£4,399,000	£5,355,000
2029	£8,500,000	£5,342,000	£6,503,000
2030	£8,500,000	£5,342,000	£6,503,000
2031	£8,500,000	£5,342,000	£6,503,000
Total	£36,600,000	£23,000,000	£28,000,000

Figure 4.5 - Illustrative Outline Business Case Spend Profile

- 4.48 There are also options to phase construction. Three main options are as follows;
- 4.48.1 Estimated cost: £1.2bn for a Northern route to Granton via Orchard Brae, compared to the full North-South route cost via Orchard Brae of £2.9bn.
- 4.48.2 Estimated cost: £0.8bn for a Northern route to Granton via Roseburn, compared to the full North-South route cost via Roseburn of £2.5bn.
- 4.48.3 Estimated cost: £1.7bn for a Southern section from the city centre to the BioQuarter.

5. Next Steps

- 5.1 Subject to recommendations of this report being approved, the Corporate Director of Place will investigate funding sources required to progress the next stages of the

project after the publication of the Strategic Business Case for mass transit in the city and region (SEStransit).

- 5.2 In advance of commencing the Outline Business Case, officers will further review consultation feedback relating to current design assumptions and identify key changes to be considered going forward.
- 5.3 Officers will continue to work closely with SEStran and Transport Scotland on the [Strategic Business Case for regional mass transit, SEStransit](#). Updates on this will be reported to committee in due course.
- 5.4 Officers will continue to explore opportunities (such as those relating to integration and interchange) associated with Transport Scotland's South Suburban Railway Feasibility Study.
- 5.5 Work has been commissioned on an evaluation of the impacts and benefits of trams in Edinburgh, building on previous work done on Line 2 and updated with the completed Trams to Newhaven line. Interim findings have been presented in this report although a final report will be reported to Committee on 12 November 2026.
- 5.6 As part of future business case work, it is proposed that the National Wealth Fund continue to work with the Council to develop financing and funding options for tram extensions, subject to their agreement.

6. Financial impact

- 6.1 Officers will continue to engage with Transport Scotland to explore future Outline Business Case funding opportunities, particularly those related to the ongoing SEStransit work and the South Suburban Feasibility Study. [As part of the Scottish Government Budget 2026/27](#), the Cabinet Secretary for Finance identified a mass transit system for Edinburgh as a priority under the Infrastructure Delivery Pipeline. This was also referenced in [Scotland's National Transport Strategy Fifth Delivery Plan's](#) published March 2026).
- 6.2 [As noted above and reported to Transport and Environment Committee in January 2026](#), the National Wealth Fund is providing strategic advice to the Council on funding and financing options for further tram extensions.
- 6.3 The expected cost of preparatory work mentioned in paragraph 5.1 would be covered from internal staff budgets.

7. Key Policies

Equality and Poverty

- 7.1 A North / South tram route will improve the condition of transport assets across the city, improving access for all users, and in particular users with mobility issues. Low-floor trams feature step-free access, and level boarding making travel more

accessible for all users. Fixed networks make travel easier for those unfamiliar with public transport in an area.

- 7.2 The [project undertook an Integration Impact Assessment ahead of the consultation in 2025](#) and this informed the approach to the consultation. In addition, [NHS Lothian undertook an Initial Health Scoping Exercise](#), and project consultants undertook an [Initial Health Impact Assessment report](#). It should be noted that some concerns were raised during the consultation and in the consultant's Initial Health Impact Assessment report on the potential for negative health and wellbeing impacts to users / those within the vicinity of the Roseburn Path section by introduction of a tram. The Initial Health Impact Assessment highlighted potential benefits to personal security from a tram on Roseburn Path, and identified some different connectivity benefits to deprived communities from the alternative options considered for the Granton to City Centre route. The NHS Lothian Initial Health Scoping Exercise identified some potential for negative impacts during construction in particular, though identified a wide range of potential benefits from the project to populations within the city and wider region.
- 7.3 Transport barriers are cited as the most common reason for missed health appointments. This North-South route would improve access to several major health care centres, including Royal Infirmary of Edinburgh, Western General Hospital and a relocated Eye Pavilion.
- 7.4 Transport poverty has a direct impact on 'equity and inclusion', limiting access to employment, education and health. The North-South tram route would improve access to employment, educational, health, and open space and leisure facilities from deprived communities and disadvantaged households in Muirhouse / Drylaw, The Inch / Moredun, and Craigmillar/ Greendykes.

Climate and Nature Emergencies

- 7.5 As a public body, the Council has statutory duties relating to climate emissions and biodiversity. The Council
- "must, in exercising its functions, act in the way best calculated to contribute to the delivery of emissions reduction targets"*
- (Climate Change (Emissions Reductions Targets) (Scotland) Act 2019), and
- "in exercising any functions, to further the conservation of biodiversity so far as it is consistent with the proper exercise of those functions"*
- (Nature Conservation (Scotland) Act 2004)
- 7.6 The City of Edinburgh Council declared a Climate Emergency in 2019 and committed to work towards a target of net zero emissions by 2030 for both city and corporate emissions and embedded this as a core priority of the Council Business Plan 2023-27. The Council also declared a Nature Emergency in 2023.

- 7.7 Whilst some impacts on greenspace is highlighted as part of the candidate proposals, mitigation measures and the creation of accessible green spaces also form part of this project. The project could also provide an opportunity to provide additional nature-based solutions as part of the project design and delivery, for example, sustainable drainage systems.
- 7.8 [Our Future Streets, A Circulation plan for Edinburgh](#), has an expanded tram network at its core and this a key intervention in being able to deliver the 30% reduction in kilometres travelled by car target.

Environmental Impacts

- 7.9 A [Landscape, Streetscape and Heritage report](#), and a [Preliminary Ecological Appraisal](#) report for one route option (Roseburn Path), were published as part of the 2025 consultation. They highlight potential impacts, the need for mitigation and opportunities for enhancement.
- 7.10 Improvements to public transport provision in the city will help deliver modal shift away from private car. Transport emissions are a significant proportion of carbon emissions generally, and car and van emissions in particular. Trams are generally a low emission, clean and quiet mode of travel. As part of the project to deliver a tram system, improvements to interchange, active travel and place would also be enhanced.
- 7.11 Some concerns were raised during the consultation on environmental impacts from both alternative route options between Granton and the City Centre. In line with guidance, a full Environment Impact Assessment would be undertaken during the Outline Business Case stage on further developed project proposals.

Housing Emergency

- 7.12 Improvements to public transport provision has been proven to help accelerate housing development. The full development of the Granton Masterplan, including plans for new housing, is predicated on improved public transport to the area.

8. Risk, compliance, governance and community impact

- 8.1 The recommendations of this report follow procedures in terms of consultation, community impacts and Integrated Impact Assessment (IIA) processes (see above for IIA). A report to Transport and Environment Committee on [18 June 2026](#) provides detail on the consultation and engagement exercise carried out in 2025 with communities and stakeholders, and this consultation will continue to inform the project should it progress to the next stage.
- 8.2 The North-South Tram Project aligns and supports a range of key Council targets, policies, strategies and guidance. A [Policy Context and Trade-Offs report](#) was published as part of the consultation in 2025 and highlights strong policy alignment between the proposal and national, regional and local policies. It does however transparently identify a number of potential policy trade-offs which should be

considered and mitigated where possible, including interactions with active travel, conservation/heritage, biodiversity and environment. The analysis highlights no trade-offs with the [City of Edinburgh Council Business Plan 2023-2027](#).

- 8.3 The North-South route is identified, and safeguarded, in several published and adopted Plans by the Council, including the extant [Local Development Plan \(The City Plan 2030\)](#); the [City Mobility Plan 2030](#) and associated City Centre Transformation Strategy and Circulation Plan. Not proceeding with the North-South route could require substantive change to Local Development Plan 2030 safeguards and major development locations in the next City Plan and potentially impact on existing Major Strategic Growth Areas such as Granton Waterfront.
- 8.4 Key policy is set out in section 7 of this report and will be further explored in detail at Outline Business Case stage. Furthermore, the next stages of the project would include internal governance review and incorporate lessons learned from previous tram projects.
- 8.5 At this Strategic Business Case stage, risks tend to be grouped into those pertaining to design and feasibility and technical risks appropriate to the early stage of design, impacts and mitigation, stakeholder and public acceptability, and funding for future stages of the project. Risks will continue to be monitored, examined in more detail, added to and resolved as the project develops.
- 8.6 Identifying funding for the Outline Business Case stage remains a risk for the project proceeding, although this is covered under section 6 above. The [Council's Risk Appetite and Tolerance Statement](#) (2025) classifies the Council's risk appetite to the category of Financial and Budget as Cautious. Further work on the powers required to deliver new tram routes will be carried out in the next stage of work – the Council's risk appetite to Regulatory and Legislative Compliance is Averse.
- 8.7 Should the project not proceed, risks around the Council's reputation and liability for existing safeguards in the City Plan may increase. The Council's risk appetite to Strategic Delivery and Reputational are both Cautious, whilst the Council's risk appetite to Programme and Project Delivery is Open.
- 8.8 It should also be highlighted that public acceptability issues over route alternatives between Granton and the City Centre in the candidate design may also impact on the reputational risk category.

9. Background reading/external references

- 9.1 www.edinburgh.gov.uk/futuretrams
- 9.2 [Transport and Environment Committee – TGBB Consultation Report 18 June 2026](#)
- 9.3 [Scottish Government Budget 2026/27 - Infrastructure Pipeline 2026 - 30,](#)
- 9.4 [Strategic Transport Projects Review 2 – Recommendation 12 – Edinburgh and South East Scotland Mass Transit](#)

- 9.5 [National Planning Framework 4](#)
- 9.6 [SEStran 2035 Regional Transport Strategy](#)
- 9.7 [Scottish Government's Infrastructure Delivery Pipeline 2026](#)
- 9.8 [SEStran Report to SEStran Partnership Board 19 June 2026](#)
- 9.9 [City Mobility Plan](#)
- 9.10 [Our Future Streets – A Circulation Plan for Edinburgh](#)
- 9.11 [City Plan 2030](#)
- 9.12 [Thematic Technical Notes and Technical Report](#)

10. Appendices

- Appendix 1 Tram from Granton to the Edinburgh BioQuarter / Royal Infirmary of Edinburgh and Beyond Easy Read Strategic Business Case Summary (PDF)
- Appendix 2 Tram from Granton to the Edinburgh BioQuarter / Royal Infirmary of Edinburgh and Beyond Strategic Business Case Report (PDF)
- Appendix 3 National Wealth Fund – Advisory Engagement Summary (PDF)
- Appendix 4 Initial Findings on Benefits Realisation Edinburgh Tram Extension to Newhaven (PDF)