
From: Colin MacKenzie
Sent: 05 April 2007 11:17
To: Trudi Craggs
Cc: Alan Squair; Duncan Fraser; Tom Clark; Rebecca Andrew
Subject: AGREEMENTS WITH UTILITY COMPANIES

Importance: High

Trudi,

This matter was discussed at our internal meeting on Tuesday of this week.

It would appear that the Council officials have had no input to the purported agreement between Scottish Power, tie and the Council. There is an important point of principle involved in this issue, one which has not, as far as I can determine, been raised with Councillors. There is a distinct lack of consistency in contractual arrangements across the Tram Project as a whole. Some contracts are between tie and a third party, whilst others seek to involve the Council. Is there a rationale for this approach which I am missing ?

Returning to the outcome of the meeting held earlier this week, it was agreed that this is of such significance (and potential risk to the Council) that elected members need to be advised on the issue. Given that national and local elections are due within a month it does not look as if a report on the matter will be considered until the new Council is established. For the avoidance of doubt, the general power to give indemnities or guarantees is not delegated to Council officers. Such matter would have to be reported to the Council, along with an explanation of risks involved, before any decision is taken on whether the Council is a party to any such contracts (from the present one under discussion to Tramco and Infraco) or alternatively guarantees are given.

Regards,

Colin MacKenzie
for Council Solicitor
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