

2007/23

Ysella Jago

From: Gill Lindsay
Sent: 06 July 2007 02:32
To: Jim Inch
Subject: Trams

Jim

I have picked up Andrews note and enclosure. I will call at 8am to let us have a discussion before you meet Andrew if you are free then and I can join your meeting by phone up to 9.15. I have not myself seen or read the agreements being discussed and am seeking Colin/Alans views to pass these on also.

Essentially

I am unconvinced of the commercial need for these utilities to have CEC's joint and several liability and of whether this has been fully explored particularly if the OCIP insurance is in place and includes those utilities. I remain unclear how CEC can be effectively indemnified when the extent of liability seems unlimited and that of MUDFA' is capped, when CEC does not yet seem to be insured and our relationship with MUDFA is not by contract. I understand the risks of delay. Andrew does not yet seem to have Council authority to enter into these agreements though urgency provisions in standing orders could be considered with a report to the next available Council.

Assuming we wish to implement these agreements and indemnities, my advice is for Tie to advise DLA to regard this Council as a joint client and confirm in writing to you today

The financial extent and type of liability exposure which the Council would be accepting

How the Council would itself be indemnified whether by being named on all Tie's insurances as a joint party and to benefit from the OCIP insurance

What exposure the Council would then have

What advice they would give the Council

How will the Council be protected in the absence of a direct contractual relationship with the MUDFA contractor

It would also be prudent for Finance to involve our insurance advisors to take their advice though they may not be willing to give an immediate view. I am not aware if any financial exposure for the Council is in the draft business case but it is unlikely.

The above would allow the Council to benefit from advice and to have been aware of the exposure and of how it itself would be indemnified, all of which I would advise to be a minimum and should be easily achieved.

I could also call Andrew Fitchie of DLA to get this work underway.

I will call to discuss firstly and have not separately responded to Andrews mail. If you wish I can liaise with DLA through the weekend to complete any of these issues, except Friday when I will be flying. Colin and Alan have all relevant information and can assist with anything here.

Hope to speak to you shortly.

Gill