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**From:** Rebecca Andrew  
**Sent:** 26 September 2007 09:47  
**To:** Donald McGougan  
**Subject:** FW: TPB papers

For information,

Rebecca

Rebecca Andrew | (Acting) Principal Finance Manager | Financial Services | The City of Edinburgh Council | Waverley Court, Level 2:5, 4 East Market Street, Edinburgh, EH8 8BG | Tel [REDACTED] | [rebecca.andrew@edinburgh.gov.uk](mailto:rebecca.andrew@edinburgh.gov.uk) | [www.edinburgh.gov.uk](http://www.edinburgh.gov.uk)

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**From:** Colin MacKenzie  
**Sent:** 26 September 2007 08:24  
**To:** Rebecca Andrew  
**Cc:** Alan Coyle; Duncan Fraser; Gill Lindsay; Alan Squair; Nick Smith  
**Subject:** RE: TPB papers

Rebecca,

Thanks for sending me a copy of the TPB papers. You asked for my comments on the paper re Corporate Governance. The following comments are for internal purposes only at the moment, although I have no difficulty with Donald communicating the gist of them to the TPB.

With TS now effectively out of the picture at the TPB it is clear to me that the principal player is CEC. Both the other parties, namely **tie** and TEL are accountable to CEC. Furthermore CEC also holds the cards as far as statutory powers are concerned; thus far there has been no formal delegation of the Tram Act powers to either company, and certainly not to TPB. The latter is also now accountable to CEC through the Tram Sub-Committee. No powers have been expressly delegated by CEC to TPB as far as I am aware.

My view is that any proposed changes by any party to internal governance procedures has to be approved by CEC. The Council has already considered two reports in the last two cycles about governance and is awaiting conclusion of the two Operating Agreements. I see this latest draft report as yet another example of the tail trying to wag the dog. It is for CEC to set and approve governance issues.

An attempt is being made to make changes to the relevant company boards; I suspect, although I am not a company law specialist, that CEC approval may be required in respect of the role of elected members which it has appointed. It will also be necessary to look at the Memorandum and Articles for each company. Some or all of the changes which are acceptable to the Council could or should actually be dealt with under the new Operating Agreements.

Delivery of the Tram project is a **tie** obligation and not for TPB. **tie** has the contractual duty to CEC and not TPB. I consider the suggestion that TPB sets up various committees runs the risk of further weakening accountability of **tie** to CEC, thus going against the principle recently firmed up at Council. There is no agency or other contractual link between CEC and TPB, leading me to conclude that if these detailed proposals go through with formal Council approval, the necessary element of control will be further diluted. Some of the proposals give TPB a function in respect of major contracts, to which it is not even a party. This would let **tie** off the hook again.

In summary this paper needs to be carefully considered by City Development, Finance and Legal before it goes any further.

Kind regards,

Colin MacKenzie  
for Council Solicitor

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**From:** Rebecca Andrew  
**Sent:** 25 September 2007 15:28  
**To:** Colin MacKenzie  
**Subject:** FW: TPB papers

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**From:** Miriam Thorne [mailto:Miriam.Thorne@tie.ltd.uk]  
**Sent:** 24 September 2007 21:02  
**To:** David\_Mackay@[REDACTED] Willie Gallagher; Matthew Crosse; Stewart McGarrity; Jim McEwan; Jim Harries (Transdev); Alastair Richards - TEL; Miriam Thorne; WWCampbell@LothianBuses.co.uk; james.stewart@partnershipsuk.org.uk; Andrew Holmes; Graeme Bissett; NRenilson@LothianBuses.co.uk; Donald McGougan  
**Cc:** Duncan Fraser; Steven Bell; Pat Diamond; Rebecca Andrew; rebecca\_andrew@[REDACTED] NStrachan@LothianBuses.co.uk; Ricky Henderson; Allan Jackson; Phil Wheeler ; Elliot Scott; Susan Clark; Geoff Gilbert  
**Subject:** TPB papers

Dear all  
Please find attached TPB report for the 26<sup>th</sup> September 07  
Kind regards  
Miriam

**Miriam Thorne**

**tie limited**

**tie limited**

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