

CCBG



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The Rt Hon John Moore MP
Department of Transport
2 Marsham Street
LONDON
SW1P 3EB

My ref:

Your ref:

17 July 1986

NBP

Dear Secretary of State,

WILL REQUEST IF REQUIRED

Thank you for your letter of 14 July about the action you propose to take over Birmingham City Council's inclusion of unauthorised clauses in tender documents for maintenance of a section of the M5 as your agent.

I strongly support your proposal to terminate the agency agreement with Birmingham unless they comply with a direction to remove the offending clauses, and agree that termination would best be achieved by formally giving six months' notice before 30 September.

As you point out, I and my predecessors have been urging contractors to take action in the courts against such abuses of the contractual process, and we cannot ourselves be seen to run away from the problem. Unfortunately, no major firm has yet had the courage to challenge authorities who act in this way and, as I forwarned colleagues in my paper (H(86)34) on competition in the provision of local authority services, I expect that I shall wish to bring forward legislative proposals to ban the imposition of non-commercial contract conditions.

I am copying this letter to the recipients of yours.

Yours sincerely

J. H. Conway

Private Secretary

pp.

NICHOLAS RIDLEY

(Approved by the Secretary of State and signed in his absence)

