

Your Ref:
Our Ref: NS/311/CA

Tel DL: 0151-330 1101
Fax DL: 0151-330 1368
Date: 15 February 2006

Charlotte Dixon

Dear Charlotte

Merseyside Local Transport Plan

I am writing to you because of special circumstances to request a special provision for the Merseyside LTP. The reason for this is the continuing uncertainty relating to Merseytram, which at the time of writing has still not finally been resolved. My concern is that it is highly unlikely final resolution will be reached before early March; this leaves no time for a major revision of our LTP, in those areas where our assumptions about the tram have the biggest impact. Realistically this relates to the City Centre, Kirkby and the corridor planned for Merseytram Line One.

Our position in drafting the Provisional Plan was that Merseytram Line One should be assumed to be a fully committed scheme. We believe there was a reasonable assumption that the scheme would go ahead. This follows the Secretary of State's announcement in December 2002, the granting of £4.2m for advance works, and confirmation of grant funding (subject to conditions) in June 2005.

Following final rejection of the scheme in November 2005, we awaited the outcome of the legal process before considering what actions to take in a 'no tram' situation, at least in the shorter term, and this has now brought us to the present situation.

My proposal is have leave to produce an addendum to the LTP we will submit to you at the end of March. In my opinion large parts of the Plan will be robust with clear objectives and targets based on a solid evidence base, but this is not the position in relation to the area affected by Merseytram Line One. I would propose that we produce an addendum based on the following:-

- The addendum is based on areas affected by Merseytram Line One.
- We will examine funding alternatives for Merseytram. This is based on our belief that the case for the scheme remains strong following the original NATA appraisal in 1999/2000 and the subsequent Inspector's report at the public enquiry, which very clearly supported the choice of tram as the most appropriate

mode for the corridor. Also, our powers under the Transport and Works Act granted after the enquiry are extant until February 2010.

- Nevertheless much has happened subsequent to the enquiry and we propose to fully re-examine alternatives to the tram for the corridor, taking account of a full range of factors, including NATA and Best Value.

In doing this we will need to carefully reappraise our targets particularly in relation to our assumptions on traffic growth and air quality for the City Centre. There are some developments now being constructed that may be *particular from other cities* in terms of their size and impact over the next few years.

Most notably this relates to the Paradise Project (Grosvenor shopping centre) which for comparison is the equivalent of the Trafford Centre in Greater Manchester, in terms of retail space, with an additional 1 million square feet of space.

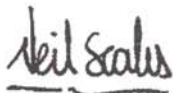
Given our commitment within our LTP to equality of travel opportunity and support for regeneration, we will also need to re-examine the loss of the tram to Kirkby and the corridor in general.

My proposal is that a joint team from Merseytravel, the City Council and Knowsley Council, supported by the LTP Support Unit, will undertake this exercise. Our intention will be to report back to you as part of our submission of our LTP review on 31 July.

I hope you will agree that this is a reasonable proposition given the circumstances, and I look forward to your response in order that we can make the appropriate arrangements

Regards

Yours sincerely

A handwritten signature in black ink that reads "Neil Scales". The signature is written in a cursive style with a horizontal line underneath the name.

Neil Scales
Chief Executive and Director General

Neil Scales
Director General, Merseytravel

Charlotte Dixon
Divisional Manager
Regional and Local Transport Strategy and
Funding
Department for Transport
Zone 3/16
Great Minster House
76 Marsham Street
London SW1P 4DR
Direct Line: 020 7944 2280
Fax: 2207
GTN No: 3533

Web Site: www.dft.gov.uk

Your Ref: NS311/CA

22 February 2006

Dear Neil,

Merseyside Local Transport Plan

Thank you for your letter of 15th February.

I recognise your difficulties in dealing with Merseytram in the Merseyside LTP. However, the assessment of the quality of final second local transport plans has to be done on a level playing field and for that reason the assessment must be based on the documents submitted to the Department by the end of March. These will also be the statutory plans.

That said, it is obviously important that transport planning for your area moves forward to reflect the current realities and I therefore welcome your proposal to develop an addendum along the lines you suggest. My colleagues in the delivery directorate and the Government Office would be happy to discuss that with you in more detail. We are prepared to assess progress on delivery during the second plan period in relation to targets as revised in the addendum, subject to the justification provided of the changes to the original plan targets.

The position in the LTP2 guidance published in December 2004 is that in setting targets and objectives, final plans should disregard the potential effects of major schemes not approved by DfT ministers before 31st December 2005. I am prepared to set that aside for the Merseytram scheme as it lost its provisionally approved status not long before 31st December 2005. The inclusion of Merseytram will not be considered as an unrealistic funding assumption for the purposes of the plan assessment. However, this does not amount to a carte blanche guarantee that the way Merseytram is considered in the final plan will not impact on the assessment. There has been doubt about the project for a considerable time and the evidence demonstrated of contingency planning and risks related to the project, for example, will continue to be a relevant factor within the assessment.

I hope this is helpful to you.

Yours sincerely,

Charlotte Dixon