

Rt Hon Sadiq Khan MP
Minister of State for Transport
Department for Transport
Great Minster House
76 Marsham Street
London SW1P 4DR

20 July 2009

Dear Mr Khan,

Now is a good time to put trams on a level playing field with other modes

Firstly, congratulations on your recent appointment, and we wish you well in working to improve transport at this challenging time.

We are writing to ask you to consider measures to put tram schemes on a level playing field with other modes. In *Delivering A Sustainable Transport System*, the Department for Transport explains that it aims to be modally neutral and to encourage policy which focuses on achieving the Government's economic, social and environmental objectives. The revision of major scheme business case guidance and LTP3 offer opportunities to ensure that all modes, including trams, can compete on a level playing field and contribute towards these objectives.

On high demand routes trams and light rapid transit schemes can offer the right solution to urban transport problems. They help to achieve national and local objectives by getting people out of cars, reducing carbon emissions and congestion, encouraging economic regeneration and improving quality of place. Trams therefore need to be considered seriously alongside other options where the right circumstances exist. The recent changes to the NATA process are welcome in that they recognise these benefits.

However, transport authorities still face obstacles which discourage them from considering tram schemes where these would be appropriate. Authorities that do attempt to introduce trams can face high project development costs, and delays. The current differential approach can act as a barrier to promoters and investors alike. These obstacles stand in the way of new tram schemes which would help to achieve Government objectives.

We therefore suggest that the Government's revision of major scheme guidance should reduce obstacles to tram schemes in the following ways:

- In looking at urban transport problems, encouragement should be given to trams being considered alongside other options, like bus rapid transit, at the early stages of option generation
- All new schemes should require a minimum local contribution of 10% (currently the minimum contribution for light rail is 25% but for all other non-light rail schemes it is 10%).

- Cost overruns on local authority major schemes should be treated equally, whether the scheme in question is a tram or a road - in the past, tram schemes have been dropped on the basis of cost overruns but road schemes have not
- Utility discounts for diversions required by tram schemes should be the same as for highway schemes (18% rather than 7.5%)

As part of the supporting framework for LTP3 guidance, the Government should encourage local authorities to consider trams alongside other options such as buses and rail, when deciding on a new urban public transport system for their area and should expect to see firm evidence that they have done so.

We are happy to provide more detail about the ways in which trams could be put on a level playing field with other modes.

We look forward to hearing from you.



Stephen Joseph
Executive Director, Campaign for Better Transport



Neil Scales
Chair, PTEG