



# Department for Transport

From the Minister of State

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Dear Norman,

Thank you for your letter of 14 September in which you have highlighted an area of current light rail policy which you feel need to be reassessed.

I fully take on board the points you raise within your letter about the benefits of light rail. We have always recognised that trams can be very effective in corridors with high traffic and passenger flows and we will continue to support trams where they are the right solution. That we are prepared to support such schemes, in the right circumstances, is highlighted by the fact that in the last two years the Government has committed more than £1 billion towards light rail projects which will see improvements and extensions to systems operating in Manchester, Tyne and Wear, Blackpool and Nottingham.

However, despite these achievements, I am also aware that there are a number of criticisms that have been directed at this Department's policy on light rail, including the one you raise regarding the local contribution we expect promoters who submit funding bids to this Department to provide towards the estimated scheme costs. Currently we expect promoters of light rail schemes to provide a minimum local contribution of 25% towards the total estimated scheme cost whilst we only require promoters of other modes to provide a minimum 10% local contribution.

Since the 25% requirement was highlighted in the Transport Ten-Year Plan published in 2000, the Department has received a number of bids for funding, and I would therefore question whether this has had the deterrent effect that you and the Campaign for Better Transport research suggest.