

13 FEB 2015



Department  
for Transport

Anna Soubry MP  
House of Commons  
London  
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From the Minister of State  
**THE RT. HON. THE BARONESS KRAMER**

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*Dear Anna*

Thank you for your letter of 19 January 2015 to the Secretary of State, about Nottingham Express Transit Phase Two Project. I am responding to you as the Minister responsible for trams.

I am also concerned about the delays to the completion of this scheme, and I am sure there are lessons to be learnt for both the Councils and ourselves. That is why we have agreed with Nottingham City Council that a full evaluation will be undertaken not only on whether the planned outcomes were achieved but also into the processes for developing the scheme. My officials will be discussing with the Council how this can cover some of the issues you raise.

On the general point about compensation, when a highway authority or undertaker carries out works in a road under its statutory powers or duties, there is no general liability in law for loss of trade resulting from a falling away in the number of passers-by and so no liability to pay compensation. It is a long established principle that traders have no right to any particular level of passing trade.

I understand that Nottingham City Council is administering the NET Phase Two project in accordance with all applicable statutory compensation legislation. In addition a Financial Assistance Package (FAP) to support any business that can demonstrate a financial loss arising from the tram construction works is in place. It is anticipated that around £2m of FAP funding (jointly provided by Nottingham City and Nottinghamshire County Councils) will be issued to local businesses. As well as this, an additional

business hardship top up fund has also provided a further £175, 0000, primarily to deal with any cash flow problems identified.

On the particular example you provide, regarding the Humber Road Chippy, Nottingham City Council have told my officials that the business is eligible for, and is receiving financial support. We have been told that from recent discussions with the owner of the business the support being provided has been gratefully received and is enabling the business to move forward.

A handwritten signature in cursive script, appearing to read 'AKM', written in dark ink.

**THE RT. HON. THE BARONESS KRAMER**