



Environment Not Trams Newsletter

Croydon and Birmingham Trams Broke!

Croydon

For some time now Nottingham Express Transit (NET) and their followers have held out Croydon's tram, which opened in May 2000, as an example to us. It's been called "a shining beacon."

Well, remember the old proverb 'All that glitters is not gold' because the Croydon tram is broke. Or as the BBC more elegantly put it when reporting the news: 'Flagship tram firm running out of cash.'

Documents lodged at Companies House reveal that Tramtrack Croydon, the firm that runs the trams, has insufficient funds to continue trading beyond March 25, 2003.

The firm has debts of more than £100 million and it suffered a 34 per cent increase in pre-tax losses to £9.47 million in the year to March 31, 2002.

Crisis talks are currently being held to see if a rescue package can be found. However, one

analyst has been quoted as saying: "It's difficult to see how Tramtrack Croydon will ever make money. It doesn't break even at the operating level, so how can it pay down debt of more than £100 million?"

Birmingham

Now we hear that Midland Metro, the tram system that links Birmingham and Wolverhampton, is also on the brink of financial collapse after auditors refused to sign off the accounts of Altram LRT, the company formed to build and run the system.

Midland's financial position came to light after Altram produced its latest accounts. These state that the future of Altram, which recorded a pre-tax loss of £11.4 million, is dependent on restructuring talks with Centro, the West Midlands transport authority.

The Midland Metro tram system has lost more than £16 million since it opened in 1999.

It has been reported that this situation is blamed on high running costs and a lack of passengers. Tram bosses also blame fare dodging and vandalism for the spiralling losses. Fares are now set to rise to try and recoup some of the revenue.

Nottingham?

When the Sheffield 'Supertram' went bust and was sold to Stagecoach for £1 we were told that lessons had been learned and it would never happen again.

At a meeting we held with NET last summer we were told that NET's figures would be checked by experts. Are those the same experts who checked the sums for Sheffield, Croydon and Birmingham?

Wouldn't it be crazy not to make sure it doesn't happen again in Nottingham? So let's see how Line One fares before voting any more public money to promote further routes.

Netballs

Commenting on these financial disaster stories, many analysts have called for the finances of such Public Private Partnership projects to be given greater transparency.

The last time NET were good enough to send us a report, they'd gone to the trouble of 'tippexing' out the figures.

That, apparently, is NET's idea of transparency!