Merseytravel braced for huge legal claims over tram debacle

by David Bartlett, The Liverpool Post

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How the Merseytram scheme may have looked

TRANSPORT authority Merseytravel is braced for multi-million pound legal claims over land it secured along the 11-mile route of the failed Merseytram project.

The bill for the scheme already stands at £70m and looks set to rise further after the transport authority exclusively told The Post that it has started steps to bring the scheme "to a conclusion".

Merseytravel is now releasing 1.6million sq ft of property from compulsory purchase orders which have been in place for eight years.

Landowners along the Liverpool to Kirkby route are expected to demand compensation for the restraints placed over their property since 2005.

It is the first time the authority has effectively admitted the project will not happen and has finally conceded there is "no realistic prospect of Government funding being available".

Former Liverpool council leader and Liberal Democrat peer Mike Storey said: "Merseytravel's liabilities are our liabilities because they are stewards of the public purse.

"Merseyside taxpayers face the double whammy of facing yet more payments on this scheme, and the fact large areas have been blighted for development. Once more we are left picking up the tab."

The scheme was killed off by the last Labour government in 2005, the same year compulsory purchase orders were issued for the equivalent of 22 football pitches including shops, houses, offices and pubs along the route. The Labourrun transport authority kept the CPOs alive, in the hope of resurrecting the project.

The CPOs, although never enacted, were renewed in 2010 but expired last month.

Previously Merseytravel has denied the authority was blighting property, a legal term for seriously impeding the use of land.

Businessman Eddie Bean, 63, bought Shrog Farm, off the East Lancs Road, in Knowsley in 2001.

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He bought the land to sell for development to help fund his retirement, but he has been unable to develop because of the CPO.

Mr Bean said he has been seeking discussions with Merseytravel about compensation, but letters he sent the authority in December and January went unanswered.

He said: "They have been very ignorant about the whole situation."

Mr Bean said he expected to sue the authority for compensation, but could not put a figure on how much.

Last year it was revealed that property developer Jon Elster, of Liverpool Investment Solutions, owns 11 to 15 London Road and has seen deals for a budget hotel and a restaurant fall away because of the threat of the CPO.

In 2008 the Audit Commission issued a damning report into how Merseytram racked up costs of £70m without a single rail being laid.

Merseytravel to negotiate compensation with landowners affected by Merseytram CPOs

MERSEYTRAVEL'S lawyers have been authorised to start negotiations with landowners affected by Merseytram compulsory purchase orders.

The move will clear the way for landowners to develop sites that had been subject to CPOs.

The project will not be officially declared "dead" until a replacement to improve public transport between Liverpool and Kirkby is found.

Chairman Cllr Liam Robinson said: "We are conscious the tram project's Line 1 would have represented a significant boost to the communities along the route to Kirkby. I am not prepared to allow the tram scheme to finally end without exploring all the ways available to enhance transport links between Liverpool and the Kirkby area, which is why I think it's appropriate for us to have discussions with all appropriate stakeholders."

"It is disappointing that Merseytram is unlikely to be part of the city region's integrated transport development, but we have to explore other ways of furthering our overall strategy to develop a world-class service."

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