



Transport for London  
Surface Transport

Palestra  
197 Blackfriars Road  
London, SE1 8NJ

Phone: 020 7222 5600  
[www.tfl.gov.uk](http://www.tfl.gov.uk)

4 November 2010

Dear Colleague

## Local Implementation Plan Funding for 2011/12 to 2013/14

I wrote to you on 11 May 2010 to provide details of the indicative Local Implementation Plan (LIP) financial support to be made available (through section 159 of the GLA Act) for 2011/12, 2012/13 and 2013/14. This funding, which amounted to £150m per annum, was based on TfL's previous Business Plan settlement from the Department of Transport (DfT).

Due to the Spending Review 2010 (SR10) the overall support available to boroughs through the LIP process has been reduced to reflect the new profile of the General Grant TfL receives from DfT. This equates to an overall reduction in LIP funding of £4.0m (-3%) in 2011/12, £8m (-5%) in 2012/13 and £18m (-12%) in 2013/14. The Mayor advised the Chairman of London Councils on 3 November 2010 of the revised LIP settlement and the implications for programme budgets.

The purpose of this letter is to inform you of the principles that have been applied in prioritising the individual LIP programmes and budgets in the context of the overall reduction in funding. These are set out below:

- **Principal Road Maintenance:** The current proportion of the network that is classified in a 'good condition' is 95% (based on 2009/10 surveys). Even if the current levels of LIP investment in Principal Road Maintenance are sustained there is still forecast to be a year-on-year reduction in the proportion of the network that is in a good condition. For this reason, it is not intended to reduce the LIP budget for Principal Road Maintenance. *Note: the forecast does not take into consideration any additional borough investment in principal road renewal, which has been a factor in previous years (e.g. re-surfacing the carriageway as part of wider traffic management improvements).*

- Bridge Strengthening:** The method of prioritising spend for bridge strengthening has been developed with borough officers through the London Bridges Engineering Group (LoBEG). This uses a risk based prioritisation system that takes into account public safety, functionality and economic benefits. Based on the latest information from LoBEG, it is considered beneficial to change the profile of spend to enable priority schemes to be programmed over an optimal period (e.g. minimising works in specific areas during the Olympic period). Doing this will also mean that existing weight restrictions will not need to stay in place longer than necessary, thereby minimising traffic disruption and journey times. It is therefore intended to vary the LIP funding profile for bridge strengthening to £7.7m in 2010/11, £8m in 2011/12, £5.3m in 2012/13 and £6.5m in 2013/14. *It should be noted that future bridge assessments may identify further structures that are a high priority for strengthening post 2012/13, but this cannot be confirmed at the current time.*
- Traffic Signal Modernisation:** The LIP budget includes provision for the replacement of time-expired equipment at older signals sites on borough roads. The programme is based on the age of the infrastructure, with an optimal 18 year asset life cycle. Modernisation reduces the failure rate for signals, thereby improving reliability and reducing maintenance costs. Modernisation also enables the timings to be optimised, which reduces delays and provides journey time benefits. Due to a 'baby-boom' of traffic signals installed in the late 1990's and early 2000's, the level of funding required for modernisation of signals on borough roads increases from £7.8m in 2010/11, to £8.1m in 2011/12, £9.8m in 2012/13 and £10.0m in 2013/14. TfL continues to seek to identify ways to reduce these costs, through improved levels of network intelligence, performance and condition data, which could enable the life of the signal assets to be lengthened. It is proposed that any savings identified will be re-cycled into the LIP formula funding to ensure the total settlement is unchanged. In addition, where signals are approaching the end of their life, and where appropriate, TfL will consider the use of modernisation funds to assist with the removal of signals rather than pay for the replacement of the time expired equipment.
- Major Schemes:** The Major Schemes programme supports larger projects (of more than £1m in value) which meet the principles of the Mayor's *Better Streets* agenda. Funding is awarded through a competitive bidding process. Examples of supported schemes, which are also *Better Streets* flagship projects, include Leicester Square, Sutton Town Centre, Herne Hill, Orpington Town Centre, Piccadilly Two-Way, Exhibition Road, Wimbledon Town Centre, Camden Town

(Britannia Junction) and Kingsland High Street. Within the previous LIP funding announcement, it was planned to increase the funding allocated to Major Schemes (from £24m in 2010/11 to £26m in 2011/12 to £28m in 2012/13 and 2013/14). Given the importance of this programme in delivering the Mayor's public realm agenda, it is proposed to support a slightly smaller increase in funding in 2012/13 and 2013/14 than was previously announced (to £26m in 2011/12 and then £27m in the following two years). This will enable all the current committed Major Schemes to be progressed, together with support for a limited number of new schemes.

- **Top-sliced funding:** Funding is 'top sliced' from the LIP settlement for the following activities:
  - **Borough discretionary budget:** Since 2009/10, £100k per annum (£3.3m in total) has been awarded to each borough through the LIP settlement for use at their discretion on transport projects, provided the use is in accordance with section 159 of the GLA Act. The discretionary budget has proved very popular with the London boroughs and it is proposed to retain the discretionary funding at the current level.
  - **Partnerships:** The number of partnerships in receipt of LIP funding was reduced from 14 to 6 (five new sub-regional partnerships and one pan London partnership) following a review in 2009/10. These arrangements were agreed with the boroughs through consultation and endorsed by London Council's TEC. Given that LIP funding to partnerships is predominately for staffing, it is not considered appropriate to taper any reduction in financial assistance. For this reason the overall reduction in LIP funding for year three (2013/14) has been used as the basis for apportioning a 12% reduction in the level of funding available to partnerships each year. A three year commitment is proposed to enable partnerships to effectively plan their workload in line with the new LIP resources.
  - **Strategic Walks Network (SWN):** £1.5m funding was set aside for the SWN in 2011/12 to enable completion of the network. It is proposed this funding be reduced to £800k in 2011/12, which is sufficient to enable the physical completion of the network, with minimal expenditure on promotion and marketing.
  - **Other 'top sliced' funding:** £870k per annum was 'top sliced' for training and strategy development (£270k funding for road safety training, £500k for other training requirements and £100k for sub-regional strategy development). For training it is proposed this be

reduced to £300k to be focused on the Borough Apprenticeship Programme. No allocation is proposed for sub-regional strategy development, given the resources TfL already devotes to this work.

**Formula Funding:** Allocations for Corridors & Neighbourhoods and Smarter Travel to boroughs are determined through a funding formula that uses a number of metrics to establish 'need' on a consistent basis across the 33 London boroughs. The funding is provided to boroughs to deliver schemes that address key Mayoral objectives and reflect local priorities. Currently separate allocations are made for two programmes: corridors/neighbourhoods and smarter travel. This division of funding supports delivery of infrastructure improvements (e.g. bus stop accessibility & public realm improvements) and behavioural change activities (e.g. road safety education). However, in order to provide greater flexibility and local accountability, it is proposed to provide a single 'block grant' for formula funding, to be renamed 'Corridors, Neighbourhoods and Supporting Measures'.

### **Impact of the budget changes on LIP funding**

The consequences of the re-prioritisation of LIP funding for programme budgets and partnerships are shown in Appendix 1. Boroughs will note that due to the protection of certain budgets (e.g. Principal Road Maintenance), the changes in some other programmes are greater than the overall reduction in LIP funding. A borough-by-borough breakdown of how the LIP funding would be allocated for Corridors, Neighbourhoods and Supporting Measures is provided in Appendix 2.

In respect of the 2011/12 Annual Spending Submissions, TfL will aim to provide confirmation back to you on the acceptance of your proposals within the next few weeks. You do not need to resubmit your 2011/12 Annual Spending Submission in light of the changes to LIP funding. However, you will need to determine how to accommodate the c.4% reduction in funding for Corridors, Neighbourhoods and Supporting Measures based on your local transport priorities and alignment with the goals and outcomes of the Mayor's Transport Strategy.

The deadline of the 20 December 2010 for the submission of draft LIPs to TfL remains unchanged.

Yours sincerely

David Rowe  
**Head of Borough Projects & Programmes**

## Appendix 1: New LIP allocations 2011/12 to 2013/14

		Table 1: LIP funding by programme		
		2011/12	2012/13	2013/14
Top Sliced Funding	<b>Total</b>	146.00	142.00	132.00
	<b>Principal Road Maintenance</b>	15.30	15.50	15.50
	<b>Bridge Strengthening</b>	8.00	5.30	6.50
	<b>Major Schemes</b>	26.00	27.00	27.00
	<b>Signals Modernisation</b>	8.10	9.80	10.00
	Boroughs discretionary budget: 33 @ £100k	3.30	3.30	3.30
	Borough officer training	0.30	0.30	0.30
	Partnerships ( <i>see table 2 below</i> )	0.87	0.87	0.87
	Strategic Walking Network (SWN)	0.80	0.00	0.00
	<b>Corridors, Neighbourhoods and Supporting Measures</b>	83.33	79.93	68.53

		Table 2: LIP funding to partnerships		
		2011/12	2012/13	2013/14
<b>Total</b>		<b>0.87</b>	<b>0.87</b>	<b>0.87</b>
<b>South London sub-region</b>		0.15	0.15	0.15
<b>West London sub-region</b>		0.14	0.14	0.14
<b>North London sub-region</b>		0.12	0.12	0.12
<b>East London sub-region</b>		0.17	0.17	0.17
<b>Central London sub-region</b>		0.15	0.15	0.15
<b>LEPT</b>		0.14	0.14	0.14

**Appendix 2 - Details of new LIP formula funding allocations for all boroughs 2011/12 to 2013/14**

<b>Funding for Corridors, Neighbourhoods and Supporting Measures</b>			
<b><i>Borough</i></b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
	£'000	£'000	£'000
<b>Barking and Dagenham</b>	<b>1,741</b>	<b>1,670</b>	<b>1,432</b>
<b>Barnet</b>	<b>3,888</b>	<b>3,729</b>	<b>3,197</b>
<b>Bexley</b>	<b>2,074</b>	<b>1,990</b>	<b>1,706</b>
<b>Brent</b>	<b>2,711</b>	<b>2,600</b>	<b>2,229</b>
<b>Bromley</b>	<b>2,949</b>	<b>2,829</b>	<b>2,425</b>
<b>Camden</b>	<b>2,522</b>	<b>2,419</b>	<b>2,074</b>
<b>City of London</b>	<b>867</b>	<b>832</b>	<b>713</b>
<b>Croydon</b>	<b>3,297</b>	<b>3,163</b>	<b>2,712</b>
<b>Ealing</b>	<b>3,417</b>	<b>3,278</b>	<b>2,810</b>
<b>Enfield</b>	<b>3,252</b>	<b>3,119</b>	<b>2,674</b>
<b>Greenwich</b>	<b>2,739</b>	<b>2,627</b>	<b>2,252</b>
<b>Hackney</b>	<b>2,343</b>	<b>2,247</b>	<b>1,927</b>
<b>Hammersmith and Fulham</b>	<b>2,072</b>	<b>1,988</b>	<b>1,704</b>
<b>Haringey</b>	<b>2,259</b>	<b>2,167</b>	<b>1,858</b>
<b>Harrow</b>	<b>1,749</b>	<b>1,678</b>	<b>1,438</b>
<b>Havering</b>	<b>2,588</b>	<b>2,483</b>	<b>2,129</b>
<b>Hillingdon</b>	<b>2,952</b>	<b>2,832</b>	<b>2,428</b>
<b>Hounslow</b>	<b>2,837</b>	<b>2,721</b>	<b>2,333</b>
<b>Islington</b>	<b>2,095</b>	<b>2,009</b>	<b>1,723</b>
<b>Kensington and Chelsea</b>	<b>2,038</b>	<b>1,955</b>	<b>1,676</b>
<b>Kingston</b>	<b>1,610</b>	<b>1,544</b>	<b>1,324</b>
<b>Lambeth</b>	<b>3,065</b>	<b>2,940</b>	<b>2,521</b>
<b>Lewisham</b>	<b>2,814</b>	<b>2,699</b>	<b>2,314</b>
<b>Merton</b>	<b>1,851</b>	<b>1,775</b>	<b>1,522</b>
<b>Newham</b>	<b>2,417</b>	<b>2,318</b>	<b>1,987</b>
<b>Redbridge</b>	<b>2,568</b>	<b>2,463</b>	<b>2,112</b>
<b>Richmond</b>	<b>2,023</b>	<b>1,941</b>	<b>1,664</b>
<b>Southwark</b>	<b>2,997</b>	<b>2,875</b>	<b>2,465</b>
<b>Sutton</b>	<b>1,613</b>	<b>1,547</b>	<b>1,327</b>
<b>Tower Hamlets</b>	<b>2,622</b>	<b>2,515</b>	<b>2,157</b>
<b>Waltham Forest</b>	<b>2,330</b>	<b>2,235</b>	<b>1,916</b>
<b>Wandsworth</b>	<b>2,962</b>	<b>2,841</b>	<b>2,436</b>
<b>Westminster</b>	<b>4,069</b>	<b>3,903</b>	<b>3,346</b>
<b>TOTAL</b>	<b>83,330</b>	<b>79,930</b>	<b>68,530</b>