



Department for Transport

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From the Parliamentary
Under Secretary of State
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Dear 

Thank you for your letter of 12 July to the Secretary of State, about the London Assembly motion on support for major infrastructure in London. I am replying as the Minister for Roads and Local Transport.

Transport policy in London is devolved and it is for the Mayor and TfL to decide spending priorities. In 2013, Government enabled London to retain approximately £850 million of business rates (BRR) to replace the operating grant. This BRR was enhanced in 2017 by an additional £1 billion replacing the capital grant. This was continued at Spending Review 2021, meaning that TfL's BRR income is approximately £1.85 billion per year, the majority of which supports investment in London's transport network. In addition, Government has given TfL over £6 billion since the onset of the pandemic to support vital transport services in London and to continue investment in London's transport network.

Alongside my colleague the Secretary of State for Levelling Up, Housing and Communities, I am wholeheartedly committed to delivering Government's programme of devolution, including London's continued eligibility for devolution of further powers, as outlined in the Levelling Up White Paper.

At the Spring Budget, the Chancellor announced his intention to expand the BRR to more areas in the next Parliament and his officials will work closely with interested local authorities to achieve this. In London, any further business rates retention would build on the existing arrangements that have already been developed collaboratively with the Greater London Authority and London Boroughs.

As you know, as a condition of the current funding settlement, we expect TfL to reach financial sustainability by the end of the current financial year. My officials are in regular contact with TfL and remain available to discuss London's transport funding needs.

Best wishes,

A handwritten signature in blue ink, consisting of a large, stylized 'R' followed by a series of loops and a long, sweeping horizontal stroke that extends to the right.

RICHARD HOLDEN MP

MINISTER FOR ROADS AND LOCAL TRANSPORT