



## Department for Transport

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From the Secretary of State  
**The Rt. Hon. Grant Shapps**

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Dear Navin,

Thank you for your letter of 11 November, enclosing a readout from the plenary meeting of the London Assembly on 5 November 2020.

The Government has agreed a further extraordinary funding and financing package for TfL of up to £1.7bn to ensure the continuation of public transport services in London. This is on top of the funding settlement agreed in May 2020 of up to £1.6bn. As with the national rail operators, buses and tram systems, the Government will make up all the fare revenue which TfL has lost due to the COVID-19 pandemic through this support package. This deal takes steps to put TfL on a sustainable footing and is fair to national taxpayers.

National taxpayers will continue to fund free travel concessions to standard English levels and free travel to school for children who qualify under national legislation. However, if the Mayor wishes to maintain Londoners' concessions above the English level, he will need to raise the money to pay for them himself.

Expanding the area covered by the Congestion Charge to the North and South Circular has been ruled out by both the Government and the Mayor. However, the current temporary changes to the daily charge, operating hours and days of the Congestion Charge will be maintained as a continuing response to the coronavirus pandemic and ensure that London's recovery is not restricted by traffic and congestion.

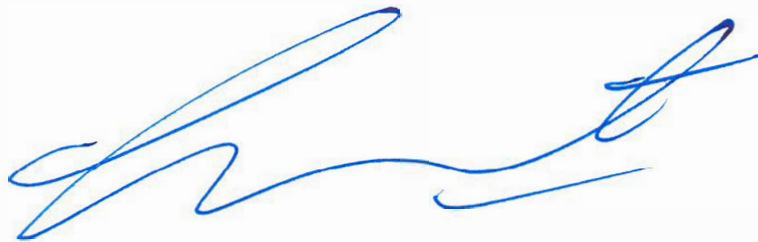
The Government-led Review into TfL's finances, supported by KPMG, was to advise the Government in these commercially sensitive negotiations over the short and longer term and therefore it would not be appropriate to disclose the contents of this Review.

It is worth noting that TfL has conducted its own independent review of TfL's long term future funding and financing options which had committed to report initial conclusions in September, but no such report has been published. No doubt you will wish to follow up on its non-publication.

The Government want to work with London representatives to achieve a long-term settlement, and this agreement marks the first step towards that. As part of this deal the Mayor has committed to producing a plan with options as to how a trajectory to financial sustainability could be achieved as soon as possible. This plan will require the Mayor to make difficult decisions to ensure TfL is on a financially sustainable footing.

The Department is committed to improve the capital's transport infrastructure to support its continued success and future growth and I look forward to working closely with the Mayor and TfL to achieve this.

Yours sincerely,



**Rt Hon Grant Shapps MP**

**SECRETARY OF STATE FOR TRANSPORT**

*I appreciate your letter  
it'll have been written with  
a particular view in mind,  
but it fails to reflect on  
hundreds of millions of pounds  
worth of fares which were  
never collected due to  
decisions not to keep up  
with inflation. I know  
you'll agree that any  
settlement must be fair to  
all taxpayers.*