

GREATER LONDON AUTHORITY

Our reference: MGLA020922-8535

Date: 28 October 2022

Dear

Thank you for your request for information which the Greater London Authority (GLA) received on 2 September 2022. Your request has been considered under the Environmental Information regulations (EIR) 2004.

You requested:

Can you release correspondence between Mayor of London Sadiq Khan and Secretary of State for Transport Grant Shapps please?

Date range for the requested correspondence starts from 24 July 2019 to present day.

Our response:

Please find attached the information we hold within the scope of your request. A small amount of personal data has been redacted.

If you have any further questions relating to this matter, please contact me, quoting the reference MGLA020922-8535.

Yours sincerely

Information Governance Officer

If you are unhappy with the way the GLA has handled your request, you may complain using the GLA's FOI complaints and internal review procedure, available at:

<https://www.london.gov.uk/about-us/governance-and-spending/sharing-our-information/freedom-information>

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Great Minster House,
33 Horseferry Rd, SW1P 4DR

Date: 28th May 2020

Dear Grant

I am writing regarding the Government's requirement in its emergency funding agreement with TfL to suspend free travel for under 18s in London.

As you know, I agree with the objective of reducing the numbers of people using London's public transport system during this crisis - especially during peak times. I have been very clear that public transport is for essential journeys only and have taken a series of steps to enable social distancing on the network and help stop the spread of the virus. I also agree that we need to reduce the numbers of children using bus services in particular, in order to ensure that London's precious public transport capacity is available for those who need it most.

However, as my team have made clear through recent discussions, we do not believe that suspending free travel for under 18s in London is the right thing to do. The problems with implementing this proposal have been brought into sharp relief as Transport for London (TfL) has looked in detail at how this change might be operationalised and at the impacts such a change would have. I would urge you now to drop this condition and work with us on other ways of reducing public transport usage by children to fulfil the objectives we both share.

The work TfL has done shows the complexity of the situation we face in trying to make changes to under 18 concessions and the many concerns that would need to be overcome. There is a statutory obligation to provide free travel between home and school where children meet a range of criteria, including in relation to age, distance from school and income. This obligation falls on local authorities rather than TfL, although it is TfL that has historically provided and paid for under 18s concessionary travel.

As well as the bureaucratic and technical complexity involved in removing existing concessions while continuing to meet statutory obligations, it would also create a new cost problem for local authorities if they are expected to fund free travel under new arrangements. We believe that around 30 per cent of children who currently travel to school by bus are eligible statutorily for free travel, which means costs to boroughs would be significant and the effectiveness of introducing bus fares for children as a way of reducing bus usage would be undermined. We of course know that some parents would also choose to pay fares for their children, further undermining the policy objective.

It is abundantly clear that losing free travel would hit the poorest Londoners hardest at a time when finances are stretched more than ever. We know that children and young people in some of the most deprived areas in London are exposed to the highest road danger risk and I am very concerned about the overall equality impact of these proposals. I want to make sure that families who might not have a choice but to use public transport are not further disadvantaged.

I am aware that my Deputy Mayor for Transport is due to meet with your colleagues in the Department for Transport and from Number 10 early next week to discuss the implementation of this condition of the funding agreement. My hope is that this discussion can focus instead on the overriding objective of minimising public transport crowding at peak times and particularly the role that more walking and cycling to school can play in that. TfL stands ready to work with schools, parents and the boroughs to make sure that as many school journeys as possible are walked or cycled. Many schools are also already looking at staggering start times and splitting attendance to limit numbers of pupils in schools, all of which will help relieve the pressure on public transport at rush hour.

I hope you will understand that I am keen to work with you to address public transport challenges during this period but I do feel I need to be honest with you and Londoners about my opposition to the removal of free travel for children and young people.

Given the significant interest in this matter, I am releasing a public copy of this letter.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

Sadiq Khan
Mayor of London

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 2 June 2020

Dear Grant,

Thank you for your letter of 9 May regarding e-scooter trials.

As we begin to re-open London safely and sustainably, we are supporting people to make different types of journeys. My recently announced Streetspace plan is repurposing general traffic lanes and parking spaces for temporary cycle lanes and wider footways, so that people can safely socially distance. Transport for London (TfL) modelling suggests that there could be as much as a tenfold increase in cycling and fivefold increase in walking as we emerge from the crisis, which brings benefits for public health and is a key part of my vision for a green recovery.

With the necessary changes to legislation, different types of journeys could also include travelling by e-scooter. You have acknowledged that my previous concerns about the use of e-scooters were on safety grounds, and these grounds remain. We are in agreement that in introducing a new type of vehicle, safety must not be compromised. Any trial must therefore have safety as its primary consideration. I would expect Government to confirm that any vehicles authorised for trials are safe by design and compatible with our Vision Zero goal for all deaths and serious injuries from road collisions to be eliminated from London's streets by 2041.

I welcome your reassurance that public authorities will be involved in the detailed arrangements for trials. City-level powers for effective co-ordination across London are imperative – and in everyone's interest. A trial in London must be coordinated by TfL as the devolved transport authority, with active borough participation. I am pleased that when you spoke with my Deputy Mayor for Transport on this subject recently, you agreed that TfL should be given the power to license rental operators and limit numbers of e-scooters in operation. That is the only way to ensure that TfL, in conjunction with the boroughs, can act as regulator and guard against some of the

MAYOR OF LONDON

risks of e-scooter rental, including street clutter, which poses a threat to the safety particularly of pavement users with disabilities.

City-level powers would also enhance the value e-scooters could add as a viable mode of transport. London's experience with dockless rental bikes shows that existing legislation is not adequate for managing that business model in a city with 33 local authorities all making independent decisions about how schemes should operate.

It is important that riders have a seamless experience that is not affected by different rules or approaches at borough boundaries. Evidence from other cities shows that centralised permitting systems to limit the numbers of operators and e-scooters raises standards, increases competition, and benefits operators as well as users. A trial should also be supported by operator data, to enable a proper analysis of its results.

TfL has submitted a full response to the Department for Transport's consultation on this matter, which I am enclosing with this letter. I have outlined key recommendations from the response below.

- I am pleased that you envisage that e-scooters will only be allowed on the carriageway and in cycle lanes, and never on pavements.
- I note the consultation states that helmets will be recommended but will not be mandatory. I would urge you to reconsider on this point, given the evidence of e-scooter accidents resulting in head injuries.
- Further, the consultation does not mention how traffic offences will apply. It is important to clarify how the police will be able to enforce the law when privately-owned and rental e-scooters are to be treated differently, given they may be indistinguishable to many officers.
- It is also not clear whether there will need to be any change to highway maintenance standards to safely accommodate vehicles of this type. Should that be the case, this would create a financial pressure on the 34 highway authorities across London which must be recognised and supported. I would welcome more clarity on this point.
- Keeping the public realm safe and attractive for more people to make millions more journeys on foot is also vital. Irresponsible parking of dockless bikes already causes danger for people, specifically those with disabilities. This is challenging to

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address with current powers, and I am therefore asking that it is not replicated with e-scooters. I have asked officials at TfL to work with your team to work through these issues more fully, following the engagement they have had with disability charities and representative groups.

- Finally, many other countries have observed that e-scooter journeys frequently replace walking or cycling rather than driving. While I agree that we must look at all mobility options in current circumstances, we should not lose sight of the health implications of reducing overall levels of active travel in the longer term. I hope that we can work together to monitor closely the emerging evidence in this area.

I am supportive of the trial in principle and welcome the Government's commitment to working with local areas in implementing trials. I am keen to ensure that the trial is designed in a way that prioritises safety and unlocks a greener, cleaner, and healthier recovery for everyone.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

Sadiq Khan
Mayor of London

Cc: Paul Scully MP, Minister for London
Sir Edward Lister, 10 Downing Street

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 8 June 2020

Dear Grant,

Thank you for your letter of 3 June regarding your plans to withdraw free travel for children and young people in London.

You quote my interview on LBC on 4 May, where I talked about the number of journeys done by bus by children and young people and the need to ensure that our precious public transport resource is prioritised for those who have no alternative. At no point in that interview, or indeed subsequently, did I say suspending free travel was part of the answer. That is not the same thing as encouraging more children to walk and cycle to school. I am afraid you are deliberately twisting my words to suit your own agenda.

This applies equally to the assertions you make about my Deputy Mayor later in your letter. We believe you are referring to what was said on a call with Andrew Gilligan and Sir Edward Lister on the afternoon of 14 May – a call that neither you nor I took part in. While we have always agreed with the principle of reducing the number of children and young people using buses during this crisis, we have consistently expressed serious reservations about how complex any suspension of free travel for that group would be.

As you should know, my Deputy Mayor insisted that the words “subject to discussions about how this is to be operationalised” were inserted into the funding agreement in order to allow the more detailed work to be done before any final decisions were taken. As I made clear to you in my letter of 29 May, having completed further work on this, we do not believe this is the right approach.

I would also point out that the first point at which anyone from the Government raised this issue with me, my Deputy Mayor, or TfL officials was late on Monday 11 May, when a draft agreement was shared by DfT officials with TfL – two days before the negotiations had to be concluded. The insertion of this condition came as a total surprise to us after six weeks of

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discussions where the subject of free travel for children and young people was not raised at all.

You have never mentioned this issue to me in person, nor did you raise it on your 25-minute call with my Deputy Mayor on Sunday 10 May. Instead it was crowbarred into the agreement at the last minute by Number 10 officials – I have to assume acting on the wishes of the Prime Minister personally.

I have asked TfL to provide you with a summary of the technical constraints with regard to how quickly any changes could be implemented, and to work with local authorities about how a system to verify eligibility for free school travel might be set up. I will provide you with this information as soon as possible, although on the latter I am dependent upon local authority assistance.

As this initiative is your proposal alone, however, it will be for you to set out the following:

- Your proposed fare structure for different age groups (under 5, 5-11, 11-16, 16-18)
- Your proposed criteria for free travel
- Your proposed date of implementation
- Your assessment of the equality impacts of your proposals

I am still firmly of the view that these changes will hit the poorest hardest and that there are other ways to encourage more children to walk and cycle to school. It will also have a disproportionate impact on the BAME community, which makes up nearly 60 per cent of the under-18 population in London. I am also very mindful of the precarious nature of employment for low-income Londoners at present and thereby the eligibility of their children for free school travel. I do not want poorer children to face additional barriers in returning to education, and I fear your misguided pursuit of this agenda will deliver that.

The recent introduction of maximum passenger numbers on buses in London is designed to enable appropriate social distancing on this form of public transport (one of the factors behind your pursuit of suspending free school travel, as I understand it). I therefore believe that the stated rationale for your desire to cut free travel for children and young people no longer exists.

I look forward to hearing from you.

MAYOR OF LONDON

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small '2' written below the name.

Sadiq Khan
Mayor of London

Cc: Paul Scully MP, Minister for London
Sir Edward Lister, 10 Downing Street

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport

Date: 15 July 2020

Rt Hon George Eustice MP

Secretary of State for Environment, Food and Rural
Affairs
Department for Environment, Food and Rural
Affairs

Dear Grant and George,

I am writing further to the recent report by the United Nations “Commodities at a Glance, Special issue on strategic battery raw materials”. The report outlines the shocking social, ethical and environmental impacts of making lithium-ion batteries for electric vehicles.

I agree with the recommendations of the UN report. The battery industry must diversify the range of materials it uses. It must also use more sustainable mining techniques and recycle raw materials used in spent lithium-ion batteries.

In order to meet our goals on climate we must switch to zero emission vehicles. Battery electric vehicles will play a huge role in meeting our environmental goals. So it is imperative that we take action to ensure that we do so without incurring harm. I am sure this is an issue of concern for the Government. With this in mind, I urge you to take action as the UN report recommends.

It is encouraging that some progress has already been made, with significant reductions in the amount of cobalt used in some lithium-ion batteries, and certain types of batteries use no cobalt at all.

Research is also underway to identify alternative means of extracting lithium – for example from seawater. In addition, the recycling industry is developing ways to recover as much of the raw material from spent batteries as possible.

However, the battery and automotive industries must do more and act faster. As Mayor of a city playing a lead role in accelerating the electric vehicle revolution I will push for lower-impact EV battery technology to become available as quickly as possible.

In light of this recent report, I would be keen to work together and would suggest your officials urgently meet with mine to discuss what we can do to address these issues and how we can work together to ensure London’s transition to zero emission vehicles is ethical and sustainable.

MAYOR OF LONDON

Yours sincerely,



Sadiq Khan
Mayor of London

Cc Paul Scully MP, Minister for London
Sir Edward Lister, 10 Downing Street

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 31 July 2020

Dear Grant,

I welcome the Department for Transport's (DfT) "Decarbonising transport: setting the challenge" document, which sets out its ambition to meet net zero greenhouse gas emissions by 2050. Attached is London's response. I look forward to working with you on the development and delivery of the final Transport Decarbonisation Plan.

The IPCC has said we need a decade of action to ensure we are on track to meet the 1.5C Paris Agreement target. I challenge Government, as I am challenging myself, to achieve these targets as quickly as possible. This is why I am committed to tackling the climate change emergency and have set an aim for London to be a zero carbon city by 2030. We must work together to decarbonise the UK economy, so that we can lead and be the first G7 country to meet a net zero greenhouse gas emission goal.

The COVID-19 pandemic has forced us to rethink transport. In London, poor air quality is estimated to contribute to thousands of deaths each year and reinforces health inequalities. Those who live in more deprived areas have a higher risk of exposure to air pollution and developing respiratory diseases, including those that may increase the risk of severe COVID-19 outcomes. The lockdown resulted in lower pollution, reduced carbon emissions and more walking and cycling.

We can address the challenges of climate change, air quality and public health if we choose a green recovery from the COVID-19 pandemic, underpinning a low carbon future supported with green jobs. A green recovery will generate green innovation, skills and job creation, through the entire supply chain, across industries, igniting innovation and British leadership on the world stage. I announced my ambition for a Green New Deal for London before the pandemic, and it has become even more pertinent now.

The UK's international leadership on climate change is recognised by being the 2021 hosts of the United Nations Climate Change conference, COP26. The spotlight will be on the UK. We have an unparalleled opportunity to showcase the UK as a global centre for world leading science, technology, business and innovation; our emphasis on a green fair and resilient recovery; and to demonstrate our commitment to net zero through a clear vision and an agreed comprehensive package of policies, plans and funding to support delivery with the necessary devolution of powers.

MAYOR OF LONDON

I will continue to do everything I can to support the UK in achieving a net zero target. Examples include introducing the Ultra Low Emission Zone, its future expansion, and tightening our Low Emission Zone standards across London. In addition to this, I plan to decarbonise our operations, assets and fleets. For example, I am developing plans to purchase renewable energy through Purchase Power Agreements which will support my aim for TfL-controlled rail services to be zero carbon by 2030.

I will continue to work with other cities and towns to exchange ideas and knowledge on how we can all achieve progress towards decarbonisation and cleaner air faster, including the roll-out of electric buses and taxis and supporting charging infrastructure. London is in a strong position to help the government deliver this plan. This is why London needs sustained levels of public investment and greater powers, to enable us to implement targeted, local green recovery packages.

An investment in London is an investment which will benefit the whole country. Our continued ability to support London's economy will protect the £39 billion tax surplus London produces each year. TfL supports 43,000 jobs across the UK. Its supply chain is a significant supporter of economic activity across the UK - for every £1 spent on London Underground's investment programme, 55p is paid to workforces outside of London. Quickly allocating electric bus funding to London is even more urgent in the context of Alexander Dennis Ltd announcing 650 job losses this week, with more expected to follow across the bus manufacturing industry.

I have included in this feedback our response to the OLEV consultation on bringing forward the ending of new petrol, diesel and hybrid cars and LGVs. I support ending the sale of these vehicles by 2030. Ending the sales of these vehicles as early as possible will have positive knock on impacts on generating UK jobs in vehicle and battery manufacturing, securing our role as a world leader in science, technology, business and innovation

To deliver significant greenhouse gas reductions, we need integrated policies and strategies across Government departments, which are aligned in their commitment to net zero greenhouse gas emissions by 2050. To support delivery of our joint vision we must ensure that the London Plan supports the decarbonisation of transport through a policy framework that prioritises public transport and active travel and discourages car ownership, including through parking standards. This is essential to deliver mode shift as households without access to a car make 90 per cent of their trips by active travel or public transport. All Government departments – and especially the Ministry of Housing, Communities and Local Government – need to support these principles so that we can make public transport and active travel the default travel choice.

I look forward to working with Government further on the development of the Transport Decarbonisation Plan. TfL and GLA officers are attending your six strategic priority workshops in July and August, and we welcome future participation in the Net Zero Transport Council given the leadership and delivery expertise developed in London which we are keen to share.

MAYOR OF LONDON

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

Sadiq Khan
Mayor of London

Cc Paul Scully, Minister for London
Sir Edward Lister, 10 Downing Street

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 7 September 2020

Dear Grant,

I understand a meeting between us is being planned to discuss the forthcoming Transport for London (TfL) funding negotiations. I wanted to write in advance as I know your Department is currently considering the outcomes of KPMG's recent review. I would like to make a number of suggestions in advance of the formal negotiations beginning, which I hope we can discuss further when we meet.

1. The starting point of our negotiations should be that the TfL model has worked very effectively over the last 20 years. As London's integrated transport authority, TfL has radically expanded London's bus network, introduced the Congestion Charge, introduced Oyster, vastly increased clean and active travel, and created an integrated transport offer that is vital for supporting London's economy and fundamental to the very essence of London as a great world city. This integrated model is exactly what many other cities across the UK and around the world aspire to (hence 'Transport for West Midlands', 'Transport for Greater Manchester', 'Transport for Wales' etc.), and we need to protect it in London. It is absolutely critical that decisions on the future funding of TfL recognise that it is more than just a transit authority. It is a driver of economic development and house building, an implementer of world-leading environmental and air quality measures, and absolutely fundamental to the economic success and quality of life of the city and the enormous tax revenues London generates for the benefit of the whole UK. There will be consequences for all of these things if TfL is left underresourced and forced to retrench.
2. TfL should have the ability to plan efficient capital investments over a 10-15 year time horizon. When funding arrangements have allowed it, TfL has benefitted from being able to plan its finances over the long term to develop a robust forward investment programme, which is exactly what is needed for

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transport infrastructure. That is true especially at this critical juncture, when (as the Prime Minister has rightly said) we must invest in shovel-ready infrastructure to support the UK economy. I am sure you agree with me that this investment should also enable a green recovery.

3. The temptation to make savings by significant service reductions must be resisted. Although demand for the Tube and buses is not high by normal standards, social distancing requirements mean it is not far beneath what is now effectively full capacity, particularly at peak times. This means that TfL's ability to run normal, pre-pandemic service levels is crucial to helping London's economy to recover.
4. There is a clear interdependency between staffing levels, service frequencies, and space for passengers to socially distance. Significant cuts to TfL's operating budget would mean fewer staff, reducing services, and ultimately lower economic activity. I don't believe either of us want this.
5. It would not be right for significant fare increases to be imposed on London at this point, particularly if you decide – for very good reasons – not to increase National Rail fares in January. We need to be helping people back on to public transport as long as it is safe to do so, not putting them off by increasing fares.
6. I would urge the utmost caution regarding savings from reduced asset maintenance and investment. Current issues with Hammersmith Bridge, Vauxhall Bridge, Rotherhithe Tunnel, the Westway and Gallows Corner flyover demonstrate the need for sufficient consistent, long-term investment in the maintenance of infrastructure. Safety must be the foremost concern in everything we do and we must not ignore the risk of very serious consequences if we do not continue with an adequate maintenance and renewals programme. The Tube today is evidence of what such a programme can achieve. Its transformation over 20 years has been remarkable, but those with memories of what it was like pre-TfL will recall the Tube's decayed state, and we could easily return to those days without continued long-term maintenance and investment, impacting reliability and capacity.
7. Any agreement about future financial support for TfL cannot be reached in isolation from consideration of the additional funding that will be required to complete the Crossrail project.

Given the scale of the challenge facing TfL, a new funding model will have to involve either longer-term Government funding or giving London more control over key taxes

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generated here, so we can pay for it ourselves. Most likely it will need to be a combination of the two, where responsibility for dealing with the unavoidable financial implications of the pandemic is shared between national and regional government. It is clearly essential that we come to an agreement that enables TfL to continue to provide the effective and extensive public transport system that London so clearly needs.

To this end, it strikes me that the process associated with the first round of funding negotiations conducted earlier this year was far from ideal. It goes without saying that we – and our officials – must be able to speak to each other with mutual respect, trust, and understanding. I would ask that when we meet we agree the parameters and scope of the negotiation and the timetable – to be drafted by officials in advance. Notably, I believe it is important that TfL is fully sighted on the conclusions of the KPMG review, and able to compare them to those of TfL's own independent review panel. I would like to suggest that your Permanent Secretary and TfL's Commissioner – and appropriate senior colleagues – are able to go through the two unredacted reports in a one-off private meeting, without materials being taken away. This will give us both confidence in the accuracy of KPMG's work and may help to identify areas of possible agreement.

I would also ask that key decisions are reached between the two of us personally in scheduled meetings with appropriate HMT / Number 10 representation. I would like to note that I am sending this letter to you privately. I recognise that difficult choices lie ahead, but I believe ensuring these potentially difficult but very important negotiations are carried out in private gives us the best chance of coming to a mutually agreeable settlement by the end of September.

I look forward to hearing from you.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

Sadiq Khan
Mayor of London

Cc: Paul Scully MP, Minister for London
Sir Edward Lister, 10 Downing Street

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 23 October 2020

Dear Grant,

We now have exactly one week to reach agreement on a financial deal for Transport for London (TfL). As I have previously said, this is vital to enable TfL to continue to operate the transport services in London that underpin both our immediate response to the pandemic and the economy of the nation's capital. I again make the offer for either myself to meet with you to progress matters, or for Heidi Alexander to meet with Baroness Vere.

I do welcome that there has been some progress in the negotiations over recent days.

I listened carefully to what you said in the House of Commons during Transport Questions yesterday. You were clear that any decisions about how to close the gap between the grant funding that the Government offers and TfL's actual need will be for me, as Mayor, to make and will not be mandated by Government.

I also understand from TfL officials that the technical negotiations with your Department are close to reaching agreement in principle on a formula whereby the Government compensates TfL for most of the actual fares revenue lost to the pandemic. Our understanding is that, under the TfL revenue assumption underpinning its Revised Budget request for funding of up to £1.955 billion, the formula would mean up to £1.795bn would be available for the second half of this financial year – up to £1.7bn in Government grant and £95m in additional TfL borrowing – with a gap of £160m between what is being offered by Government and what TfL needs to run London's transport network, as set out in its Revised Budget of July 2020.

I still maintain that a longer-term, 18-month deal is the best way forward – as the Government has entered into with the private train operators. Notwithstanding that Covid-19 and its consequences will still be with us for more than 6 months, in order to keep public transport running in London, given that the current funding ends next week, I am prepared to accept a six-month deal. This is on the understanding that the Department commits to the 'up to £1.795bn mechanism' discussed in the technical negotiations, and that TfL will take full responsibility for finding the remaining £160m


MAYOR OF LONDON

gap, with decisions around how to do this lying solely with me, as Mayor, and TfL. I have instructed TfL's Commissioner to continue negotiations with your Department on this basis when he speaks to the Permanent Secretary this evening.

I am of course also fully seized of the need to plan for TfL's longer-term financial sustainability. Much joint work will be needed on this in the coming months to understand the conclusions of your review by KPMG (which has been completed some time ago but which, still, no one in TfL has seen a full copy of) and TfL's own independent panel review (to report this autumn) into long-term funding options for London's transport. I am not, however, willing or able to commit within the next week to implementing specific proposals to raise additional London revenue beyond the second half of this financial year (H2) – i.e. beyond the scope of the H2 support that is currently being proposed by DfT. Discussions around how London may be able to contribute further funding in future need to happen both in the context of the ongoing Government support that I believe will clearly be necessary in light of Covid-19, and in the context of recognising that it is impossible at this moment to plan effectively for the long term, given the huge uncertainties created by the pandemic. It would also be wrong to bind the hands of a future Mayor at this point. I note that in the case of the train operators, the Government is generally providing 18-month agreements precisely because of the uncertainty that exists and the time it will take to develop and agree long-term plans.

I remain available to discuss these issues at any time; as does Heidi with Baroness Vere.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small '2' written below the name.

Sadiq Khan

Mayor of London

Cc: Sir Edward Lister, 10 Downing Street

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 27 October 2020

Dear Grant,

Thank you for your letter of 26 October.

I welcome the Government's commitment to reaching an agreement that protects Transport for London's (TfL) vital services, and your offer of a meeting between us tomorrow. We will need clear assurance that the quantum and mechanism of funding is sufficient to address the uncertainties of the period ahead. It is correct that the funding requirement for H1 came in below both our forecasts, but there are no guarantees that this will happen again in the next six months. I am pleased to note that you accept that decisions to close the current £160m gap will be mine to make.

I agree that we want to achieve financial sustainability for TfL in the medium term, but our meeting tomorrow will be crucial to ensure that any reforms do not place an unfair burden on Londoners, many of whom are already struggling. In this context, I note that you are requiring an RPI+1 per cent fares increase as a pre-condition of any further funding support, and I know from your previous correspondence and official level discussion that you require the temporary changes to the central London Congestion Charge to be maintained (namely the £15 charge and the extended hours of operation at the evenings and the weekends), the continued time restriction on free over 60s travel also to be maintained, and that you are still insisting on the removal of free travel for children and young people under the age of 18. I have made my views well known on the latter, and I have to make it clear to you that I am not prepared to make the changes you desire to under 18s' free travel.

Ahead of our meeting, I would like to respond to a few additional points you make in your letter.

You mention that Government support for TfL so far represents the largest single payment to any transport recipient during Covid. I appreciate that the £1bn in grant made available to date is a large sum, but you must also recognise that TfL runs one of the largest transport networks anywhere in the world. Even in a pandemic, there are vast numbers of people who need its services to make journeys. As I have stated in a previous letter, Londoners' most recent net contribution to HM Treasury was a surplus of £38.8bn.

MAYOR OF LONDON

The capital more than pays for itself. It is also the case that almost two thirds of rail journeys prior to the pandemic started or ended in London.

Regarding the comparison between TfL and the train operating companies (TOCs), there are crucial similarities in why both need support. You mention the Department's statutory obligations under the Railways Act 1993. As you know, Londoners voted in a 1999 referendum to establish TfL, and TfL was created as a statutory body by the Greater London Authority (GLA) Act 1999. If there is a responsibility to support the TOCs, then surely there is one to support TfL, as a public body, too. More journeys are taken on the TfL rail, tube, and tram network every year than on all the TOCs combined.

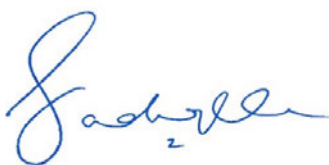
You also state that the ERMA contracts are the first step on the way to a reformed rail system, ending the current franchise system. Similarly, TfL is seeking both emergency funding for the immediate future (H2), and a longer-term, sustainable settlement.

While there may not be exactly the same concessions available for TOC passengers that there are for TfL passengers, it is critical to note that TfL provides a city and commuter network used for frequent, short journeys, in which affordability for less advantaged groups is crucial. London is also dependent on public transport in a way other cities around the country are not. To give just one example, 80% of households own at least one car in Solihull, compared to 35% in Hackney and 52% in Lewisham. TfL provides excellent value for taxpayer money and increased service levels faster than the TOCs did after the first peak of the pandemic.

Finally, I must again take issue with your comments about my fares freeze – in addition to the points I have previously made about the cost of the fares freeze being a drop in the ocean compared to the removal of the operating grant and the impact of Covid-19 on TfL's finances, it is important to state also that TfL fares were the highest in Western Europe when I took office in 2016. The fundamental purpose of a city's public transport network is to offer affordable journeys to as wide a section of its population as possible, which my fares freeze – funded by efficiencies within TfL – helped to ensure. I would also note that the fares freeze has been entirely funded by TfL efficiencies and that without it, TfL would have been an even bigger organisation at the point at which Covid hit, meaning an even greater call upon Treasury resources would have been made. It does not automatically follow, as you seem to imply, that without a fares freeze, TfL's cash balances would have been higher than the £2.1bn with which we entered the crisis.

I look forward to discussing these matters with you in greater detail when we meet tomorrow.

Yours sincerely,



MAYOR OF LONDON

Sadiq Khan

Mayor of London

Cc: Sir Edward Lister, 10 Downing Street

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 6 January 2021

Dear Grant,

I am writing to you following the decision of the Supreme Court on 16 December 2020 to reinstate the Airports National Policy Statement (ANPS). Notwithstanding the judgment of the Court as to the weight given to the Paris Agreement at the time of preparation and designation of the ANPS, there remain fundamental questions about the compatibility of the ANPS – and, so, Heathrow expansion – with the UK’s efforts to tackle climate change.

Since the ANPS was designated, a net zero carbon target for 2050 has been incorporated into the Climate Change Act 2008. Only last month, the Government announced that it would target a 68% reduction in UK emissions by 2030 compared to 1990 levels. In addition, in the recently published Sixth Carbon Budget, which sets out potential pathways to achieve net zero, the Committee on Climate Change states that “there should be no net expansion of UK airport capacity unless the sector is on track to sufficiently outperform its net emissions trajectory and can accommodate the additional demand.” Taken together, these make it highly unlikely that a Development Consent Order for a third runway at Heathrow could ever be capable of being lawfully granted by the Secretary of State, given their duties when deciding an application under Section 104 of the Planning Act 2008.

In this context, it is essential that the Government undertakes a review of the ANPS in the current climate change policy context. My Deputy Mayor for Environment and Energy, Shirley Rodrigues, wrote to you on 15 October 2019 to request that the ANPS be reviewed and is still awaiting a substantive response. I would also like to understand the scope and timeframes for the postponed consultation on net zero aviation and how the ANPS will be reassessed in light of this.

This is notwithstanding the more immediate context of the global pandemic, which has resulted in a significant reduction in demand for flights. Indeed, Heathrow’s own analysis highlights it could take six years to return to pre-pandemic passenger levels. I recognise

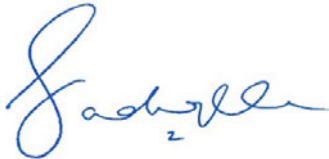
MAYOR OF LONDON

this is a challenging time for the aviation sector and in particular for the communities near the airports that are so dependent on its activity. However, it also provides an opportunity to reassess the approach to aviation and airport capacity. I have no doubt that the Department for Transport is considering these matters, and my teams at the GLA and TfL are ready to contribute to this work.

If the review of the ANPS determines that a third runway at Heathrow cannot be delivered in accordance with current climate change obligations and environmental policies, then the ANPS must be withdrawn.

I urge you to seize this opportunity to start to address these fundamental concerns.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small '2' written below the name.

Sadiq Khan

Mayor of London

Cc: Paul Scully MP, Minister for London
Andrew Gilligan, 10 Downing Street

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 7 January 2021

Dear Grant,

The new national restrictions the Government has introduced to help stop the spread of COVID-19 are necessary and the commitment from the Prime Minister this week that the Government intend to test people entering the country is very welcome. It is absolutely vital that robust procedures are urgently implemented at our airports and ports to ensure that international arrivals do not undermine the efforts of Londoners to contain the spread of the virus.

You will recall I raised this issue with you in April as London is particularly exposed, given we are served by six international airports, as well as Eurostar arrivals at St Pancras International station and freight ports, such as London Gateway. As I noted then, other countries had implemented tighter restrictions at their airports, and they continue to do so to protect themselves from the spread of the virus and the introduction of new and potentially more virulent strains. For example:

- In **Singapore**, most international arrivals (excluding arrangements made for low-risk and high-risk countries of origin) must complete a 14-day stay at home notice at a dedicated facility and be tested during this period for COVID-19. Most short-term visitors are not allowed into Singapore currently.
- In **Australia**, unless arriving on a quarantine-free flight from New Zealand, all travellers arriving into the country, including Australian citizens, must quarantine for 14 days at a designated facility, such as a hotel, in their port of arrival. Testing for COVID-19 is then conducted twice on those quarantining at most facilities. Short-term visitors are not allowed into Australia unless an individual exemption has been granted.
- In **Canada**, all arrivals must self-isolate for 14 days, and have a credible self-isolation plan which is submitted to authorities via a dedicated government form - 'ArriveCAN'. Compliance with self-isolation plans is enforceable by the RCMP or local police, either through phone calls or in-person checks. A negative COVID-19 test performed 72 hours before departure must also be presented upon arrival to Canada.

MAYOR OF LONDON

The Government has now taken action to suspend direct flights from South Africa, but it has never been clear why a more rigorous approach was not taken earlier to reduce the risk from imported infections or how we avoid importing infections from indirect routes.

We now urgently need much stronger procedures, such as have been introduced by many other countries, to be applied much more widely, if we are to contain these risks, including the introduction of new strains. They should include as a minimum:

- much more rigorous testing, such as passengers requiring an accurate negative COVID-19 test result from a sample taken no more than 72 hours before travel;
- a COVID-19 test on arrival that meets a nationally set standard;
- stricter quarantine rules at our borders and airports, with active monitoring and enforcement to ensure compliance;
- PHE to undertake an urgent evidence review of timing of tests for any Test and Release policy (including testing pre departure); periods of isolation on arrival for those who do not test; wider household quarantine recommendations; types of test used and ways to increase compliance with isolation policies.

I would be grateful if you could urgently update me on your plans to ensure the rapid introduction of effective procedures at our borders and airports to help prevent the further spread of the virus.

Yours sincerely,



Sadiq Khan
Mayor of London

Cc Rt Hon Priti Patel MP, Home Secretary
Paul Scully MP, Minister for London
Sir Edward Lister, 10 Downing Street

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 8 January 2021

Dear Grant,

As required under the TfL funding agreement for the second half of this financial year, I am writing to inform you that I intend to cover the costs of the London-specific elements of under 18s and over 60s concessions, and outline in more detail how that will be funded. I have also set out below next steps regarding TfL's Financial Sustainability Plan.

TfL's latest view, based on current projections of ridership levels in 2021-22, is that the cost of London-specific concessions will be £110m-£130m over the next financial year. I know TfL would be happy to take your officials through the basis on which this has been calculated.

The funding agreement was clear that these costs could not be met using Government funding or by recourse to additional borrowing, savings, service changes, or deferrals. It suggested that income sources could include proposals to maintain the Congestion Charging changes implemented in June 2020 (subject to consultation and due process), and/or an increase to the GLA council tax precept from 1 April 2021 (subject to Government taking the necessary steps to enable this to happen without a council tax referendum and the House of Commons giving approval).

I propose that these costs be met through a combination of income received from the Congestion Charge changes implemented in June 2020 and, as you indicated in our meeting in September would need to happen, an increase to the GLA non-police precept.

My intention is to propose through the GLA budget-setting process a council tax rise of £15 for a Band D property for this purpose, in addition to the 1.99% already permitted under the Government's draft council tax excessiveness principles (to be assigned to the London Fire Brigade); this would therefore equate to a £16.59 increase in the 'unadjusted' (or non-policing) precept for the GLA in 2021-22. MHCLG will need to

MAYOR OF LONDON

incorporate this proposal in the final council tax referendum excessiveness principles for 2021-22 which will be approved by the House of Commons next month. This would raise in the order of £43m in 2021-22.

Regarding income from the temporary Congestion Charge changes introduced in June 2020, TfL estimates that they would raise an additional £140m in 2021-22 if in place for the full year (compared to what would have been raised had the charge level and scope not been widened, as per the May 2020 funding agreement). It seems logical to assume that these temporary changes may still reasonably be required as a response to the pandemic in the first half or so of the next financial year – especially as the vaccine continues to be rolled out across the population, and the risks of a car-dominated recovery continue. I therefore believe the maximum £130m notional “cost” of the concessions can be covered by these two income streams combined.

Subject to the Government making the necessary changes to its council tax referendum excessiveness principles, I will proceed to incorporate these changes into the GLA Group budget for 2021-22, the final version of which must be published on 17 February for consideration by the London Assembly under the provisions of the GLA Act. This budget will confirm the final council tax and business rates income to be received from billing authorities, and thus the expected total funding gap caused by the pandemic, that will need to be bridged with Government support for TfL to deliver a balanced budget, as required by law.

Regarding the Financial Sustainability Plan, in accordance with the funding agreement TfL will submit it to the Department on 11 January. It is widely known that the plan is due to you on Monday and there has been considerable interest in seeing its contents (including from the London Assembly, which has powers to summons the document). Therefore my intention is to publish the plan on Friday 15 January once you have had a chance to digest it.

The fares-dominated approach to funding TfL established in the 2015 Spending Review has been demonstrated to not be fit for purpose. Further, it is clear that the lack of sustainable long-term funding for an organisation whose assets have an average life span of around 30 years leads to an approach to maintenance, renewal, and replacement that is not efficient and not in the best interests of taxpayers or the national economy.

I believe there is a real opportunity to establish a new funding model that enables economic and efficient asset management, while reducing the reliance on fares income and the associated need for Government support in economic downturns. Devolving appropriate income streams to London will enable this, and I hope that TfL’s plan will provide a solid basis for discussions on this new model.

MAYOR OF LONDON

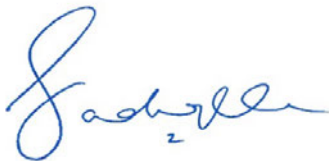
It is clear that to agree and implement an appropriate model is a significant piece of work, which must be got right. Therefore we will need to progress this in parallel with the funding negotiations for 2021-22 to enable the TfL network to continue to operate, with the capacity to enable full social distancing given the more transmissible strain of the virus we now face.

The recent introduction of a national lockdown demonstrates the ongoing uncertainty about fares income, and I believe a mechanism based on that currently in use, where funding adapts to the actual loss of income with full transparency for DfT, is the appropriate basis on which to proceed.

You will appreciate that by law, TfL must set a balanced budget in March and requires a funding agreement to be in place to do so. Owing to the GLA elections, this has to be done in advance of the pre-election period commencing on 22 March, and accordingly a TfL Board meeting has been scheduled for 16 March, with papers required to be published a week in advance.

Given these statutorily-driven timeframes, TfL stands ready to open 2021-22 funding negotiations immediately, as well as to discuss with your officials the detail of their Financial Sustainability Plan. I would of course be pleased to discuss this with you directly at an appropriate moment.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small '2' written below the name.

Sadiq Khan

Mayor of London

Cc: Paul Scully MP, Minister for London
Sir Edward Lister, 10 Downing Street

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 14 January 2021

Dear Grant,

It has been brought to my attention that in your letter to the Chair of the Transport Select Committee of 20 November, a number of assertions have been made regarding Transport for London (TfL) and the Mayor's Office which are untrue.

Firstly, regarding the announcement of the 31 October TfL funding agreement, you stated in your letter:

Announcements such as this are governed by important precedents designed both to protect market sensitivities and respect Parliament – the guardian of taxpayers' money. Following discussions with TfL, the Department's understanding was that the markets should be informed at the first legitimate opportunity, namely 7am on Monday 2 November which would coincide with the Government informing Parliament.

Unfortunately, TfL and the Mayor chose to flout this procedure and instead issued a press release at around 7:30am on Sunday 1 November, without consultation or warning to the Government. It is not normal practice for announcements to be made to the media before being formally released to the market and we cannot see any convincing reason why TfL felt the need to release the details of this deal on Sunday morning.

I have asked my officials to work with TfL to establish clear protocols to prevent political pressure from being used to circumvent Parliament by releasing market-sensitive information early in the future.

I do not accept that agreed procedure was flouted in how the news of the H2 funding agreement was communicated to the markets. The timing of TfL's announcement was driven by its disclosure policy and legal obligations to inform the market of the deal reached late on Saturday evening (31 October).

As the TfL Commissioner has explained to the Permanent Secretary, TfL posted a stock market announcement (RNS) first thing on Sunday morning (1 November) to comply with its disclosure policy and legal obligations. TfL was also advised by its legal team that, given the RNS service would not publish to the stock market until 7am Monday

MAYOR OF LONDON

morning, in order to comply with its obligations to keep investors informed, it was also best practice to make an announcement to the media which would be picked up by the financial newswires.

Given the wide public knowledge that the funding arrangement expired at midnight on Saturday, and the huge interest in the outcome, it would have been inconceivable to wait a further 36 hours before confirming a deal was in place. The Commissioner has also said that he felt he personally owed it to the many thousands of people who work for TfL and have kept London moving through the crisis to inform them of the outcome of the funding negotiations. Given that the future of their organisation was in the balance, they were understandably extremely concerned; so I fully agree with the Commissioner's wish to let them know as quickly as possible that some certainty had been secured.

TfL did attempt to contact the DfT press office before the announcement was made to discuss this, but was unable to reach them before they were obliged to issue the notice. TfL is not required to hold off on making an announcement under its market obligations on the grounds that Parliament needs to be informed first, nor was this mentioned in the funding letter. I understand that when the H1 deal was reached on the 14th May, the media announcements were made the same day, and a Written Ministerial Statement was not made until the 18th May. No concerns were ever raised with us or TfL about that process.

Secondly, regarding the Government's review of driverless trains, you stated in your letter:

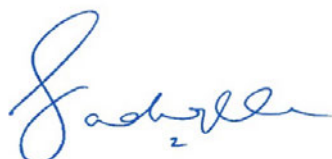
The Department is in the process of instructing this review on Driverless Trains and the committee will be updated in due course. The Mayor's and TfL's cooperation with the review is a clear condition of the H2 deal. This will include robust information sharing agreements, as it is unfortunate that previous work by TfL on driverless trains appears to also have been leaked to one of the unions.

The H2 funding agreement states that: "For the H2 Funding Period, TfL or the Mayor (as appropriate regarding their respective statutory obligations) [...] works with a government led expert review on the possible implementation of driverless trains." I would like to be clear that this will be a Government review, with information provided to it in line with the funding agreement.

I do also take issue with your claim that previous work by TfL "appears to also have been leaked to one of the unions." I can assure you this was not the case.

I have copied this letter to the Chair of the Transport Select Committee.

Yours sincerely,



MAYOR OF LONDON

Sadiq Khan

Mayor of London

Cc: Huw Merriman MP, Chair, Transport Select Committee

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
33 Horseferry Road
London, SW1P 4DR

Date: 18 January 2021

Dear Grant,

In 2021, I committed to making London a net zero carbon city by 2030. Bringing forward London's target reflects the urgent need to do more to tackle the climate crisis. As well as being the right thing to do to reduce our capital's contribution to climate change, it will reduce our dependence on fossil fuels, tackle air pollution and help the UK meet its targets to reduce emissions.

Today I've published a report produced by Element Energy setting out four pathways to a net zero London by 2030. Alongside the report, I have also published my preferred pathway to 2030, based on that analysis. Here is a link to the report and my response. [nz2030_element_energy.pdf \(london.gov.uk\)](https://www.london.gov.uk/sites/default/files/london_net_zero_2030_-_an_updated_pathway_-_gla_response_1.pdf)
https://www.london.gov.uk/sites/default/files/london_net_zero_2030_-_an_updated_pathway_-_gla_response_1.pdf

Taking action on climate change is an opportunity to reboot London's economy, with knock-on benefits for UK supply chains. By going faster, both London and the UK can benefit from a first mover advantage, gaining knowledge, solutions and expertise that will create important green business opportunities across the globe.

For example, scaling up actions to decarbonise the built environment by installing heat pumps, making buildings more energy efficient and connecting buildings to heat networks could support 41,000 direct jobs in London a year over the next decade, as well as supporting jobs rights across the UK. It will also have knock-on benefits to the UK supply chain. A recent study by BEIS on the heat manufacturing supply chain shows that around 31% of UK sales in air source heat pumps and 41% of ground source heat pumps are manufactured here in the UK. By collectively doing more to accelerate this technology, we can support and grow our own manufacturing capacity in locations such as Cornwall, Livingston and West Yorkshire.


The current energy price crisis underlines the case for rapid action on energy efficiency and decarbonising heating. By accelerating our efforts we can help protect the most vulnerable from the volatility of energy prices, by reducing energy demand and our dependence on fossil fuels.

MAYOR OF LONDON

The sooner we insulate our homes, the quicker we can bring down our energy bills. Today's analysis shows that taking action to decarbonise London would reduce the capital's total fuel bill by 44% in 2030 compared to now.

The transition to net zero will require an enormous effort from all of us, but it's been clear for decades that the cost of inaction far outweighs the cost of action. We need to rapidly accelerate finance from the private sector and deliver new business models to enable the level of action required. London and the UK can lead the way here and I am keen to continue working with you to achieve this.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

Sadiq Khan
Mayor of London

cc Paul Scully MP, Minister for London

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 19 January 2021

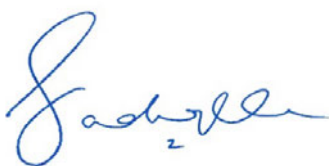
Dear Grant,

As you are aware, Paragraph 2 (1)(b) of Schedule 9 of the Traffic Management Act 2004 (“Schedule 9”) provides that it is the duty of London local authorities to set the levels of charges relating to contraventions on or adjacent to roads other than Greater London Authority roads. Paragraph 2(2) provides that different levels of charges may be set for different areas in London and for different cases or classes of cases.

Paragraph 3 (1) of Schedule 9 provides that London local authorities must submit to me the levels of charges that they propose to set. The London Borough of Ealing (LB Ealing) has proposed to increase parking charges on borough roads from Band B to Band A. This entails increases for more serious contraventions from £110 to £130 and for less serious contraventions from £60 to £80. The request would mean that the whole borough (save for the roads which border other boroughs with Band B charging levels) would be subject to Band A. I attach a copy of my decision in support of this proposal and its attachments, which provide more detail.

I am required under paragraph 4 of Schedule 9 to notify you of this proposal, and I hereby do so. The increased levels of charges do not come into force until the expirations of either the period of one month beginning with the date on which the notification is given (the date of this letter), or such shorter period as you may allow. You may before the end of that period give notice to me that you object to the levels of charges on the grounds that some or all of them are excessive. If you do so, those levels of charges shall not come into force unless and until the objections has been withdrawn. If you think that the level is excessive, you may make regulations setting the level of charges.

Yours sincerely,



MAYOR OF LONDON

Sadiq Khan

Mayor of London

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 27 January 2021

Dear Grant,

The latest increase in COVID-19 cases is having an impact all across London. The transport sector is no different, and as you may be aware, sadly in recent weeks we have been notified of a number of transport staff who have lost their lives as a result of the virus.

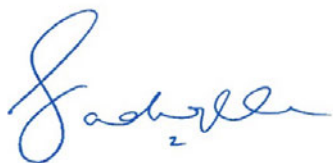
I am sure you agree that all staff across Transport for London (TfL) and its partners have served the city incredibly in recent months. Their selfless approach has been essential to supporting other key workers who have been saving lives and keeping the city functioning. It is therefore more important than ever that the commitment these staff have shown to London is recognised.

Of course, no amount of money can bring a loved one back. But the families of those who have lost their lives while keeping critical services running during the pandemic should be looked after. This has rightly been acknowledged by the Government for some sectors through the NHS and Social Care Coronavirus Life Assurance Scheme 2020. I am concerned that, months into this pandemic, there is as yet no indication that Ministers are considering extending this scheme to other key workers, including those in the transport sector.

I sought assurances early in the pandemic that TfL staff and their families are looked after properly. While TfL's pension arrangement provides life cover for the dependants of workers who die in service, the support provided by private bus operators is more variable. I am therefore seeking a commitment from you to ensure that the support available to the families of frontline transport workers working in the pandemic, and who lose their lives due to COVID-19, is equivalent to that available through the NHS and Social Care Coronavirus Life Assurance Scheme 2020.

MAYOR OF LONDON

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small '2' written below the name.

Sadiq Khan

Mayor of London

Cc: Paul Scully MP, Minister for London
Sir Edward Lister, 10 Downing Street

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 8 February 2021

Dear Grant,

Every year, approximately £500m in Vehicle Excise Duty (VED) is raised from vehicles registered in London. This substantial tax contribution goes to HM Treasury to fund road maintenance primarily outside London, rather than benefiting roads in need of maintenance and the wider transport network in the capital. Only a small portion of national roads funding is intended for investment in London via the Major Road Network (MRN) fund but, in practice, London has not received any of these funds, and any eventual allocation would be many times smaller than the contribution London makes through VED. As a result, even before the pandemic, public transport fares were effectively cross-subsidising road maintenance in London.

The Mayor has raised this issue with you previously, and we are now writing to you jointly – as the Mayor of London and the London Assembly Group Leaders – to urge you to permit London to retain the £500m in VED raised in the capital to help fund its transport network and support a green recovery from the pandemic.

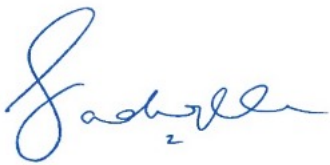
London's roads are used by millions every day, and while it has been argued that the VED paid by Londoners reflects the fact that they drive outside the capital, clearly many non-Londoners also drive in London, contributing to the particular pressure on our road network and the intensity of its use. Most of the distance driven by London residents takes place on London's roads, and not outside London.

There has been extensive cross-party support for London retaining its share of VED revenue, which has been sought by successive Mayors of various political persuasions. The London Assembly passed a cross-party motion last year noting that London does not receive its fair share of road maintenance funding and asking you for a fairer settlement for London. Expert reviews under successive Mayors have repeatedly recommended that more taxes should be devolved to London, including the London Finance Commission's recommendation in 2013 – when the current Prime Minister was Mayor of London – to allocate London's share of Vehicle Excise Duty revenue to Transport for London (TfL) to invest in maintaining the capital's road network.

The impact of the pandemic on TfL makes this matter extremely urgent. As you know, TfL's fares income fell by around 90 per cent during the first lockdown, and tube passenger numbers were down by 90-95 per cent – the lowest in 100 years. TfL will continue to suffer an immense loss of revenue until public transport ridership has recovered. A full return to previous levels remains uncertain, however, given potential longer-term changes in travel patterns. In its Financial Sustainability Plan, TfL therefore forecasts a funding shortfall of £3.1bn for 2021/22, £1.5bn for the following year, and £1.6bn annually for 2023-30.

Particularly in the context of our capital city's large net contribution to HM Treasury – £38.8bn in 2019 – it is not fair to expect Londoners to effectively pay twice for the maintenance of our roads. We are therefore making a renewed cross-party statement asking you to let London retain its VED, which would go some way towards finding a long-term, sustainable solution to address the devastating loss of income TfL is experiencing and the enormous financial pressure London's public services are facing.

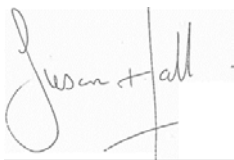
Yours sincerely,




Sadiq Khan
Mayor of London



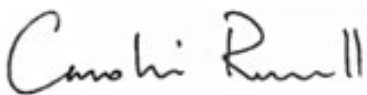
Len Duvall AM
Leader of the Labour Group



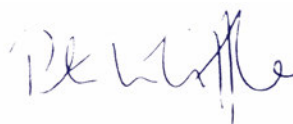
Susan Hall AM
Leader of the GLA Conservatives



Caroline Pidgeon MBE AM
Liberal Democrats



Caroline Russell AM
Leader of the City Hall Greens



Peter Whittle AM
Leader of the Brexit Alliance Group

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 29 July 2021

Dear Grant,

Face coverings and public transport

I'm writing to request that the Government reintroduces the national regulations that, until recently, required face coverings to be worn by the public on public transport services and premises; or alternatively, that Government works with me and Transport for London (TfL) on amendments to byelaws and byelaw-making powers to ensure the most effective mechanism possible to enforce the wearing of face coverings on public transport.

I firmly believe that the requirement to wear face coverings has been a key measure in helping to keep London's public transport network safe during the pandemic, while at the same time preserving and instilling public confidence in using the system.

Both these factors – safety and confidence – are key to the delivery of an effective public transport system following the move to Step 4 and increasing levels of demand; and the continued delivery of an effective public transport system is itself critical to the nation's recovery from the pandemic. It is key to the delivery of essential services that are provided by the large numbers of workers, including NHS staff and other key workers, who rely on public transport to get to work. It is also key to all aspects of the economy: in transporting other workers and the wider public for educational, leisure and social purposes.

By their very nature, the spaces on public transport vehicles and premises are enclosed and used by large numbers of people – which means that measures appropriate to that system need to be in place to help ensure it is safe and that public confidence is maintained. This means requiring face coverings to be worn on public transport. Transport services nationally are likely to become much busier as the return to normal gathers pace and it will become even more important that there is consistency nationally and that people feel reassured on all services.

MAYOR OF LONDON

At my request, TfL has done what it can on London's public transport network, by continuing to require that face coverings be worn as a condition of carriage. However, the most effective way of getting passengers to wear face coverings is one clear, simple, enforceable rule that applies across the nation's public transport system. This can only be done by the Government – moving away from its messaging of 'expecting and recommending' face coverings to be worn on public transport.

The previous regulations applied nationwide to most public transport services and premises and contained clear powers for fixed penalty notices to be issued, and prosecutions to be brought, for non-compliance. They provided a strong incentive for compliance that was well understood. They applied to all passengers equally on all modes, subject to the regulations (for example, rail, trams, buses and boats), and they applied to all passengers equally on the same mode of transport – meaning that, in circumstances where one train operator's services linked to another's services at the same station, the rules that applied to passengers were the same. This is no longer the position now that the regulations have been revoked, and all alternative options to the regulations that are currently available are much less satisfactory.

Retaining the requirement for face coverings to be worn on TfL's network as a condition of carriage was clearly the right decision and has been widely supported including by the CBI, the BMA, and London Travelwatch. Whilst this was the best available option to TfL, policing and enforcement will be challenging: customers cannot be fined or prosecuted for not wearing a face covering in breach of conditions of carriage and, although customer compliance is generally still high across the TfL network, it may start to wane with time. I am aware that in recent days TfL enforcement officers, when stopping passengers from travelling without a face covering, have met with responses which cite the fact that face masks on public transport are no longer "the law". This is encouraging people to think that the wearing of masks on TfL services remains optional, and has led at times to passengers questioning the authority of our staff.

In addition, while the conditions of carriage apply consistently across the whole TfL network – to all its stations and services – they do not apply at all to other rail operators' services that link-in to the TfL network at, for example, a TfL station. This is potentially confusing for passengers.

To reach the position where TfL could issue byelaw notices to maintain public health and confidence, the four sets of byelaws that currently apply to the TfL network would have to be amended. To achieve this, TfL would need to comply with the existing statutory procedure for securing such amendments. This would mean publishing and consulting on the proposed amendment to each of the four sets of byelaws; considering responses and any objections; and then seeking Ministerial approval to any amendments. The absolute

MAYOR OF LONDON

minimum this could take in respect of each set of byelaws is two months and, in practice, usually takes six to twelve months. Primary legislation would need to be amended to alter the process for amending the byelaws, to allow the byelaws to make provision for notices to be issued on grounds such as public health and confidence and to allow fixed penalty notices to be issued.

Even then this would not achieve consistency across all services, because of the patchwork coverage of the byelaw-making powers and the different enforcement mechanisms for the Public Service Vehicle Regulations. For TfL to be able to issue byelaw notices in respect of passengers travelling on buses on the TfL bus network, or to persons using TfL's Dial-a-Ride or river services, new primary legislation would be needed to enable the relevant byelaws to be made, under which the notices could then be issued.

It would clearly be preferable for Government to reintroduce the national regulations, particularly because this is the only way to achieve consistent and effective enforcement through the use of fixed penalty notices and fines, and could be achieved much quicker than any changes to byelaws or byelaw-making powers.

However, if Government is not willing to reintroduce them, then I ask you to commit to work with TfL to bolster the alternative available options to enable TfL to mandate the wearing of face coverings on its entire network through fully enforceable means. This includes amending primary legislation and introducing byelaws giving TfL the power to issue notices, on grounds of public health and confidence, requiring face coverings to be worn and to making amendments to the PSV Regulations to confer a power on operators to require passengers to wear face coverings, and to make breach of this requirement subject to a fixed penalty notice, or prosecution.

I have taken appropriate steps to try and maximise public confidence in, and to help maintain safety on, London's public transport network by asking TfL to continue to require face coverings to be worn as a condition of carriage on its network. TfL has done what it can in this regard by deciding to do this. I am asking that Government reintroduce the national regulations as a matter of urgency or commit to working with me and TfL to achieve the nearest practicable arrangements for London.

I look forward to hearing from you shortly.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small '2' written below the name.

MAYOR OF LONDON

Sadiq Khan

Mayor of London

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London, SW1P 4DR

Date: 28 September 2021

Dear Grant,

We are writing to you as members of the London Covid Business Forum, which looks at the immediate economic impacts of the pandemic on the capital, to call on the Government to take several key steps to fully reopen international travel and enable a vital part of our economy to bounce back as swiftly as possible.

We wholeheartedly welcome the recent announcement that aimed to simplify international travel. No longer requiring fully-vaccinated passengers to take a pre-departure test before boarding their flight to the UK, and allowing cheaper tests such as lateral flow tests to be used after arrival will make it easier for people to fly overseas, and visit friends and family, and will support our international travel industry and the millions of jobs that depend on it. The recent announcement by the US Government rescinding the ban on fully-vaccinated UK nationals from entering the country is also a real shot in the arm for the sector, and demonstrates clear faith in our vaccination programme.

However, the UK aviation market remains at half the level it was in 2019, and our European competitors like Spain, Italy, and France, have recovered more of their pre-Covid levels. In normal times aviation alone directly contributes £22bn each year to the economy, and its impact is also apparent on the wider economy - inbound tourism accounts for more than 7% of the UK economy, while our world-class universities receive £6.9bn each year from international students.

To build on the recent steps taken and help maximise the potential for a more rapid recovery, we would urge the Government to make the following changes:

First, the Government should create a real green list for fully vaccinated travellers, with travel from countries and regions with significantly lower rates of Covid-19 than the UK, with well-vaccinated populations and no known variants of concern, treated in the same way as domestic travel – with no restrictions, no tests, and no passenger locator form.

Second, the Government should allow NHS testing capacity to be used for travel and fund this appropriately. This can be done cheaply with rapid tests, that are only escalated to PCR tests in the event of a positive result.

MAYOR OF LONDON

Third, we would urge the Government to be more transparent in its reasons and thresholds for changing the categorisation of a country. The continued risk of new variants emerging within or outside the UK is understood, and requires a careful approach. But making these publicly available and giving more than a week's notice of any changes would help individuals and businesses make informed decisions about their future travel and avoid a rush to return to the UK from any particular country. At the same time, we would call on you to review and simplify the passenger locator form, to make it easier for Border Force to process arrivals quickly and efficiently, and without undue bureaucracy.

These changes would be a real boost to the international travel and tourism industries and the UK economy as a whole, as we look to recover from the pandemic. The sector has now had two summers with minimal income and, crucially, no bespoke support from Government. As the furlough scheme comes to a close it is more important than ever that steps are taken to support one of our flagship sectors. Failure to do so risks undermining our hopes for a truly Global Britain.

Yours sincerely,

Sadiq Khan
Mayor of London

Julie Brown
CFO, Burberry

Baroness Bull
House of Lords

Richard Burge
Chief Executive, London Chamber of Commerce and Industry

Councillor Elizabeth Campbell
Leader of the Council, the Royal Borough of Kensington and Chelsea, Executive Member for Business, Economy and Culture, London Councils

John Dickie
Chief Executive, London First

Bernard Donoghue
Co-Chair London Tourism Recovery Board and CEO of Association of Leading Visitor Attractions

Millie Kendall MBE
Chief Executive Officer, British Beauty Council

Asma Khan
Restaurateur, Founder, Darjeeling Express

Emma McClarkin
Chief Executive, British Beer & Pub Association

MAYOR OF LONDON

Ojay McDonald

CEO, Association of Town and City Management

Catherine McGuinness

Policy Chair, City of London Corporation

Sir Adrian Montague

Chairman, TheCityUK Leadership Council

Kate Nicholls

Chief Executive, UKHospitality

Caroline Norbury MBE

Chief Executive, Creative Industries Federation

Simon Pitkeathley

Chief Executive Officer, Camden Town Unlimited

Sir Peter Rogers Chairman

New West End Company

cc: Rt Hon Sajid Javid MP, Secretary of State for Health and Social Care
Rt Hon Rishi Sunak MP, Chancellor of the Exchequer
Rt Hon Kwasi Kwarteng MP, Secretary of State for Business, Energy, and
Industrial Strategy

MAYOR OF LONDON

The Rt Hon Grant Shapps MP
Secretary of State for Transport
TransportSecretary@dft.gov.uk

Our ref: MD2913

Date: 8 December 2021

Dear Grant,

I am writing in connection with Transport for London (“TfL”)’s proposal to increase the level of the penalty charge for parking, loading, bus lane and moving traffic contraventions on the Transport for London Road Network (“TLRN”) from £130 to £160 (“Proposed Charge”). The TLRN is also known as London’s ‘red routes’ and comprises roads on or adjacent to GLA roads.

You may be aware through our correspondence with Baroness Vere of Norbiton in February this year that we had been looking into the Proposed Charge as a necessary measure to improve road user compliance on the network.

Before setting the Proposed Charge, TfL is required to consult the London local authorities (under schedule 9 of the Traffic Management Act 2004 (“Schedule 9”)) together with any other bodies that TfL considers to be sufficiently representative of road users who would be affected by it (under section 4 of the London Local Authorities and Transport for London Act 2003). I am satisfied that TfL has carried out such consultation in line with these provisions.

Following this consultation, TfL has submitted details of the Proposed Charge to me for my approval, in accordance with Schedule 9. I attach a copy of my decision in support of the Proposed Charge together with my decision documents, which provide more details.

I am required under paragraph 4 of Schedule 9 to notify you of my approval of the Proposed Charge, and I hereby do so. The Proposed Charge does not come into force until one month after the date on which this notification is given to you (the date of this letter), or on an earlier date, if you so allow. You may, before the end of that period, give notice to me that you object to the Proposed Charge on the grounds that it is excessive. If you do so, the Proposed Charge shall not come into force unless and until the objection has been withdrawn. If you think that the level is excessive, you may make regulations setting the level of the charge.

You will be aware that in 2017, TfL consulted on a proposed increase to the level of the Charge from £130 to £160 for contraventions on the TLRN and for non-payment of the Congestion Charge in London. I approved the increase. However, the Secretary of State objected to the proposed increase for contraventions on the TLRN at the time on the

MAYOR OF LONDON

grounds that he considered it to be excessive and that there was no clear upward trends in the number of penalty charge notices (PCNs) issued for road traffic contraventions on the TLRN.

Four years on, given our shared aims around increasing active travel and reducing road danger, emissions (both air quality and carbon), as well as the need to prevent a car-led recovery from the Covid-19 pandemic, it is time to revisit this proposal. I am seeking your support in ensuring that enforcement provides an effective deterrent to drivers contravening the rules on the TLRN which are in place for the safety and reliability of the network. The detailed rationale is contained within my decision and the accompanying documents.

If you have any questions or require any further details, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

Sadiq Khan
Mayor of London

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 08 December 2021

Dear Grant,

I am writing following my letter of Thursday 18 November in which I requested an urgent meeting to discuss TfL's financial situation. I am concerned that I have not had a response given how perilous the situation is and the short amount of time until the existing funding agreement expires on 11 December.

As you are aware, TfL is now preparing its proposed budget for the next three years on the basis of a 'Managed Decline' scenario that would require very significant cuts to London's transport services and deferrals to vital investment. This would include a 9% reduction in service levels on the Tube, and over 100 bus routes being withdrawn, with reduced frequencies for over 200 further routes. TfL has already paused all bus contract re-tendering until there is more clarity around its future funding, and is reviewing other contracts that may need to be paused or cancelled across the network. This will have a negative impact in London and across the country.

I understand from the conversation between Baroness Vere and Heidi Alexander that the government is not prepared to progress formal negotiations for the next funding settlement without a further expression of plans to raise new income.

I am surprised to hear this. The government did not provide any clear feedback on TfL's submission of 27 August on this subject until 12 November. That feedback was limited, and we still have had no reply to the important questions TfL raised in response on 19 November, which are needed to progress a number of the options presented. I look forward to receiving this soon.

I have already committed in principle to raising at least £500m in new income from London sources – both in TfL's Financial Sustainability Plan from January this year and as you required in the funding agreement we reached in June. For the avoidance of doubt, I again confirm that it remains my commitment to take forward a proposed package of arrangements, which I envisage would generate the additional income, subject to the necessary consultation and decision making.

I am disappointed that the government is not considering fiscal devolution in response to the funding crisis TfL faces as a result of the pandemic. The government is also continuing to refuse to address the unacceptable anomaly whereby Londoners' Vehicle Excise Duty payments are funding the road network outside London, with virtually no

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funding from this source available for major roads in London, such that Londoners (alone) pay twice for the same thing.

Without further devolution, there are only three main levers at my disposal. First, fares. To meet the government's demand for London to raise new income, I intend to adopt a number of specific modifications to fare structures and ticketing that will raise £60-80 million annually. However, increasing fares far beyond inflation would harm our economic recovery. I am advised that an RPI+15% increase would be required to raise an additional £500m. Further, it cannot deliver financial sustainability for TfL as it would just lead to a bigger revenue gap in a future recession, unless the government is prepared to underwrite a minimum level of fare income. Again, I await the government's response on this point.

Second, charges for road users. As you may be aware, I can only consider using my powers to charge road users to deliver transport policy objectives. Therefore, while TfL and I are actively assessing the real-world impact of the recent ULEZ extension and considering the next steps for my policy objectives of reducing carbon emissions, improving air quality, reducing congestion and road danger and increasing the uptake of active travel in London, I cannot pre-determine the outcome of this work. Any proposals will require a full consultation and impact assessment processes, as well as support and collaboration from DfT, so no decisions in respect of any proposed scheme have yet been taken. I envisage a scheme could raise in the region of £300m in annual revenue, which would help meet the funding government require from London sources but as the government is opposed to the only potential scheme that TfL has done significant development work on, we will have to discuss the timing implications of this.

Clearly these policy objectives cannot be considered in isolation from the state of the public transport system and the road network, as well as the ongoing viability of TfL. This is why the question of sufficient government support, first for TfL operations in the wake of the pandemic and then through capital investment, is critical to any decisions I may consider. Therefore progress will necessarily depend on a wider plan being in place to support appropriate spending on transport in London and the ongoing short and longer-term financial sustainability for TfL. This will require the confirmation of sufficient government support for capital investment, alongside my commitments around London revenue.


The only remaining option I have to raise additional money is council tax, which is a deeply regressive, broken tax and has increased by an average of 4.2% a year since 2015-16, as the government has pushed the costs of policing and adult social care onto council taxpayers. To raise an additional £500m a year through council tax alone would require an increase in the region of £160 on Band D council tax, which would be a huge burden for many Londoners and is not something that I could countenance.

The government's extraordinary requirement for Londoners to pay twice for the maintenance of major roads in the capital, and its refusal to devolve additional powers to me, means that the government is forcing us into adopting a wholly unfair approach in raising significant additional income from council tax to provide the required funding for TfL. It is important to note that I can only deliver an increase in council tax above the government's own 'excessiveness' threshold with enabling action from the Secretary of State and as noted above, I am still waiting to hear what level of increase the government is prepared to support.

MAYOR OF LONDON

Again, I repeat my request that we meet urgently and work in partnership to address the issues we face. We cannot achieve our shared goal of long-term financial sustainability for TfL through short-term agreements that are only shared as final drafts days, or hours, before a funding deadline.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small '2' written below the 'h'.

Rt Hon Sadiq Khan
Mayor of London

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 15 December 2021

Dear Grant,

Thank you for your letter of 10 December. In this letter you asked for additional information about how I intend to raise additional revenue to fund TfL, as the government has required, following the devastating impact of the pandemic. I want to repeat how disappointing it is that you have refused to meet to discuss or negotiate the future funding of TfL, but rather these matters are being dealt with through correspondence. The team at TfL and I have been ready and willing to discuss the future long-term funding arrangements for some months now and it is unfortunate that you have found the time to meet.

Nonetheless I have set out below, in this six-page letter, further details as requested.

Since my last letter on the 8th December, the measures taken by the government in response to the spread of the Omicron variant have significantly further reduced ridership on TfL Tube and other services. It is now vital that you agree a proper long-term extension to the TfL funding agreement.

By not providing any funding certainty, including through the week-long extension that you have just imposed unnecessarily, you are exacerbating the impacts of the stop-start deals that have been in place since the start of the pandemic. As we have sought to explain throughout, this has very serious effects on London's transport network, on TfL's national supply chain, and on TfL as an organisation. Research (including by the government) has placed a value of up to 30 per cent on the efficiency gains that can be achieved in infrastructure investment with long-term funding certainty, whereas our current position represents exactly the opposite scenario.

The absence of a longer-term arrangement means that TfL cannot enter any new contracts, including bus contracts which are expiring with inevitable impacts on transport services and TfL's supply chain. TfL has already not awarded any new bus contracts since end-October

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due to a lack of future funding certainty, with scheduled retenders being paused. This instability is affecting operator confidence in the London market, reducing their ability to invest to support objectives, including electrification and increased efficiency, and potentially affect the long-term viability of commercial arrangements. Furthermore, operators wait until a contract has been awarded before confirming vehicle orders with manufacturers, so a pause in TfL contract awards also leads to a pause in around half of the order book for UK bus manufacturers, with serious impacts for them.

TfL officers who are also directors of TfL's subsidiary companies are also due to sign the accounts for filing by 31 December. Currently, directors wish to be assured that the financial cover provided by TfL to these subsidiaries can be relied upon. Without this, the companies will not be able to file their accounts on time, which could ultimately lead to creditors seeking to issue insolvency proceeding against them. In those circumstances, we would expect creditors to require security of payment from government or sale of assets.

More broadly, as you are aware, even with additional London revenue I am required by the Government to raise, it is still only possible for TfL to plan on the basis of the 'Managed Decline' scenario, which would necessitate drastic service cuts of around 9 per cent on the Tube network and 18 per cent for London's buses. It is only with a proper commitment from the government to ongoing additional capital funding, reducing London's reliance of fares income (which is uniquely high by international standards), that the worst of these cuts can be avoided.

As GLA Economics set out this week, failure to fund TfL properly could cost London transport users and the wider economy more than £12 billion in NPV over the next decade, far outweighing the costs of the additional funding required. Furthermore, cancelling or delaying major infrastructure schemes has significant long-term impacts. The net benefits lost from delaying the Piccadilly line signalling upgrade project would be £5.1-11.7bn over 40 years.

You have asked, in your most recent letter of 10th December, about specific proposed modifications to fares structures and ticketing in order to raise £60-80m pa. I am planning to progress the following options, subject to full impact assessment, consultation as appropriate (including with your department in some cases), and decision-making processes. I also note the inflation figures announced today (which are the highest for ten years) and that we have not yet had confirmation of the 2022 National Rail fare changes that had been due in January 2022, which will impact TfL's passenger income and could delay the changes to the fares and ticketing system set out below. TfL's draft budget assumes that the government will require all fares, nationally and in London, to rise by RPI+1. This assumption reflects the condition in the last funding settlement that required a RPI+1 fares increase in 2022 on all TfL services.

MAYOR OF LONDON

All-day peak fare between Zone 1 and Heathrow: Applying an all-day peak fare for London Underground journeys between Zone 1 and Heathrow on the Piccadilly Line, to reflect that demand to Heathrow does not conform to the usual peak periods. The peak fare is lower than other rail options between Heathrow and Zone 1. The charge will mainly affect customers making a single journey, for example flying from/to the airport. People making multiple journeys, such as employees, may benefit from existing daily and weekly capping that will reduce their fare per journey.

This change is best delivered through a routine fares revision. With the national fares revision that had been due in January now expected in March, it is looking unlikely that this change could be included in the normal May fares update. The next realistic opportunity to deliver this change will be in September 2022. This change does not require any further agreement or consultation but will be subject to full decision-making processes.

£7 Oyster card deposit: TfL currently charges £5 for an Oyster card deposit. The charge has not been revised since 2009. The purpose is cost recovery, and it could also provide an incentive for customers to retain and use the card. A majority of customers have switched from Oyster to contactless payment cards and most people who are unwilling to pay a higher deposit would have this alternative.

A change of this kind can only be implemented through a routine fares revision. In line with the option for Heathrow, TfL expects that the first realistic opportunity to deliver this will be in September 2022.

Withdrawing from the Travelcard Agreement: Travelcards are a range of tickets which are valid for use on National Rail services in London, as well as TfL services. Travelcard users are now a minority, as passengers gain many of the same benefits from other ticket types due to the introduction of Contactless and Oyster Pay As You Go (PAYG). With the offer of daily and weekly capping, these products offer more flexibility to most customers.

Moving customers to PAYG and retiring all magnetic tickets will simplify retailing and reduce costs, mainly due to a reduction in commission payments. TfL also expects increased income due to increased trips as a result of the simplified ticketing.

The Travelcard agreement allows an operator to cease participation with a twelve-month notice period. Withdrawing from the agreement will however require engagement between TfL, the Secretary of State, and the Train Operating Companies due to the impact on Travelcard usage in London, especially for customers travelling from outside London where PAYG is not available. Further work needs to be done before this process can be initiated,

MAYOR OF LONDON

but TfL expects to be in a position to issue the notice by about June 2022, which will bring the Travelcard agreement to an end by July 2023.

Restricting use of the 60+ concession to after 09:00: This restriction is already in place temporarily as a response to the pandemic, and this could be introduced permanently following impact assessment work, engagement, and consultation as appropriate, and a proper decision-making process.

TfL believes the impacts of this option could be lower relative to making changes to other concessions, not least as many 60–65-year-olds could still be in work and/or have access to other concessions available to working age adults who are in receipt of benefits such as jobseekers' allowance.

Increasing the age of eligibility for the 60+ concession: The detail of this proposal needs to be developed and agreed, but an option could be that the age of eligibility (currently 60) would start to increase by a month every other month. This would reduce the number of people eligible for the 60+ pass by 10 per cent each year, but nobody would lose out on a concession they were already entitled to. Changes would be required to TfL's systems and passenger information would need to be disseminated, but TfL expects that this change could be delivered by the end of 2022, subject to stakeholder engagement, impact assessment and decision-making. As part of this process, TfL will consider whether this benefit could be retained for those on low incomes.

See the table below for a summary of the potential financial impacts of these changes (figures remain provisional estimates):

Estimated net income £m	Earliest imp. date	22/23	23/24	24/25	25/26
1. All-day peak fare between Zone 1 and Heathrow	Sep 2022	5	9	10	10
2. Charge £7 for Oyster card	Sep 2022	4	7	7	7
3. Withdrawing from the Travelcard Agreement	July 2023	-	30	60	60
4. Restrict 60+ concession for use only after 09:00	<i>In place temporarily; ongoing income already assumed in TfL's Business Plan</i>				
5. Phased removal 60+ concession	2022 end	5	15	25	35
Total		14	61	102	112

MAYOR OF LONDON

With respect to road user charging, I have asked TfL to consider how we might strengthen and/or widen our emissions-based road user charging schemes in order to continue to meet my policy objectives of reducing congestion, improving air quality and reducing emissions as set out in my Transport Strategy. Whilst I believe that any such scheme could raise in the region of £300m, it would have to be subject to a thorough impact assessment and consultation and be in conformity with my Transport Strategy. I could only introduce it if it were it to deliver the right policy objectives for the city.

If an integrated impact assessment is completed by March, TfL could move to public consultation in May. I therefore expect TfL to publish a paper alongside the Greater London Boundary Charge Feasibility Study (to be published in January 2022), setting out how we increase compliance with the legal limits for air quality on roads in Greater London, to deliver further improvements to help meet World Health Organization recommended guidelines for air quality and how we can do more to tackle the climate emergency. I am cognisant of your re-stated opposition to the Greater London Boundary Charge (as set out in a letter from your officials to TfL on 12 November) but as this scheme had been subject to more development prior to 12 November than any other option, we will require time to develop work on a potential alternative emissions-based scheme.

We will need to both understand the government's perspective on the details of any specific scheme and to discuss the level of government capital funding which would be available to invest in London's public transport network and other supporting measures to accompany its introduction. It is important to recognise that the state of the wider transport system is a vital consideration in being able to introduce any system that discourages car use. Further, the government providing capital funding in recognition of the current inequity in the use of Vehicle Excise Duty would remove one of the arguments advocated by proponents of the boundary charge.

With respect to council tax, I have repeatedly made clear that it is a regressive and broken tax. The government's policy on the funding of the police, adult social care and now transport in London is deliberately increasing the burden placed on the council taxpayer.

The Government's refusal to properly support TfL or to devolve further fiscal powers to me, means that you are leaving us with no choice but to increase council tax to help save TfL and London's economic recovery.

Increasing council tax is not something I want to do, but we are being forced down this route by the government, insisting on measures that will effectively punish Londoners for the government's refusal to provide the funding required consequent to the pandemic or other powers that other major global cities are able to use.

MAYOR OF LONDON

Your department has still not replied to TfL's submission of 19 November which, amongst other points, noted that the government's excessiveness principles limit the amount that council tax can be raised by and requested guidance as to what level of council tax increase the government would permit. In the absence of a response, I have to assume that the maximum increase the government will permit is the amount allowed last year. With the limit to the Band D police precept increase having being reduced by £5, this means a £20 increase, which could raise approximately £57 million.

An increase of this amount in each of the next three years would raise approximately a further £172 million annually. It would also mean that Londoners would end up paying a larger contribution to their public transport network through council tax than the average across the other metropolitan areas in England, however the government's stance has left us no choice but to propose this.

The precise sum raised will depend on information regarding the taxbase provided by the 33 London billing authorities each January. The income from 2022-23 would be held in reserve by the GLA and allocated to TfL in 2023-24, ensuring it had £172m in additional council tax income that year. This is dependent on the government amending its excessiveness principles accordingly, and you should also note that the London Assembly has the statutory power to vary or block any council tax increase.

I trust this information is sufficient to enable you to instruct your officials to release a draft settlement letter to TfL so that we can make urgent progress in advance of the current extension expiring at the end of this week and put in place a long-term funding deal that provides the certainty that Transport for London rightly requires.

Yours sincerely,



Sadiq Khan
Mayor of London

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road London
SW1P 4DR

Date: 20 January 2022

Dear Grant

I am writing to confirm completion of the conditions on which you extended Transport for London's (TfL) third extraordinary funding and financing agreement on 17 December 2021, to 4 February 2022.

On 14 January, TfL shared a working draft of a paper about how potential approaches to emissions based road user charging could reduce emissions from transport. They submitted the final draft version of this paper on 19 January, alongside the Greater London Boundary Charge feasibility study.

Earlier this week, we published a new independent report by Element Energy, which set out the scale of the action required to move London towards a greener future and Net Zero carbon emissions. As you will have seen from my response to this report, I am fully committed to doing more in London to clean up our air, reduce carbon emissions and cut congestion by introducing a potential scheme to encourage drivers to shift away from polluting cars towards walking and cycling, greater public transport use and cleaner vehicles.

This is essential if London is to tackle the triple dangers of toxic air pollution, the climate emergency and congestion. By taking further action to reduce vehicle emissions we can deliver further improvements to the health of Londoners, help reach Net Zero by 2030 and enhance the economy. This action is also necessary to achieving national climate targets and fulfilling legal obligations to meet air quality limits.

The potential approaches under consideration, as set out in TfL's papers, are:

- extending the Ultra Low Emission Zone (ULEZ) beyond the north and south circular roads to cover the whole of Greater London
- modifying the ULEZ: extending it to cover the whole of Greater London and adding a small clean air charge for all but the cleanest vehicles
- a small clean air charge across all of Greater London for all but the cleanest vehicles to nudge behaviour and reduce the number of short journeys by car
- introducing a Greater London boundary charge, which would charge a small fee to non-London registered vehicles entering Greater London.

City Hall, Kamal Churchie Way, London E16 1ZE
mayor@london.gov.uk ♦ london.gov.uk ♦ 020 7983 4000

TfL RESTRICTED

MAYOR OF LONDON

As I have stated publicly, I am committed to taking action and am beginning a period of dialogue with Londoners, local government and businesses on the best way forward. I of course welcome the government's views as part of this process.

I have been clear with TfL on the principles that must guide the development of any scheme:

- Address policy issues set out in the Mayor's Transport Strategy (MTS): the introduction of the charging scheme must lead to a reduction in road traffic, congestion, emissions, and improve safety and health outcomes for Londoners.
- Simple, fair, and effective: it is essential that any new charging scheme is simple and easy to use, that potential adverse impacts are mitigated, and that the objectives and benefits are fair and effective.
- Scrappage and other complementary measures/support: for the expansion of ULEZ, more than over 14,000 older, dirtier vehicles were scrapped through the scrappage scheme for low income and disabled households, small businesses, and charities. If new emissions standards were introduced, then a similar programme would need to be introduced and funded to avoid unfair burdens being placed on these groups. Additionally, a package of complementary measures will be needed to make it easier to switch to walking, cycling and using public transport. Other cities have received government funding to deliver such measures.
- Exemptions and discounts: discounts, exemptions and mitigations will be a core focus of the development of any scheme, to mitigate the impact on low income households, disabled Londoners, small businesses and NHS patients.

Detailed design work and an Integrated Impact Assessment is required in order to determine the specifics of what a candidate scheme would look like, following which a formal consultation can take place. Although achieving policy objectives and compliance is the aim of all the potential schemes, any such scheme could raise at least £300m, subject to a thorough impact assessment and consultation. TfL proposes to work to the timeline below, which sets out a clear path forward, consistent with the legal requirements for the use of my road user charging powers.

Feb – Apr 2022	Integrated Impact Assessment and scheme development
May – Jul 2022	Statutory consultation on potential scheme and MTS amendments
Jul – Sep 2022	Analysis and report drafting
Nov 2022	Report published and Mayoral decision announced (subject to outcomes of the matters above)
Oct 2023	Possible scheme launch

Taken with the measures set out in my letter to you of 15 December, which are expected to raise £233m in 2023-24, rising to £284m in 2025-26, and which TfL are now taking forwards, such a scheme (whilst only being implemented for transport, environment and health policy reasons) would meet the government's requirement to raise over £500m annually.

As any scheme must meet my policy objectives to be implemented, it is not possible to proceed to consultation without a clear understanding of the nature and capacity of the public transport and active travel options available to provide a sufficient alternative to car journeys. A 'managed decline' scenario that sees an 18 per cent reduction in bus services, 9 per cent reduction in Tube

MAYOR OF LONDON

services, an end to the funding of active travel schemes and significant reductions in the reliability of the public transport network is not compatible with the introduction of such a scheme. It will be necessary, for example, to address gaps in the bus and cycle networks to provide alternatives to journeys that are currently undertaken by car.

In addition, the physical and systems implementation costs of such a scheme are significant, as set out in TfL's paper, and TfL would not have the capacity to fund these, or the car scrappage scheme that would be required, under the income assumptions in its current managed decline scenario. If as expected such a scheme were not in place for the start of the 2023-24 financial year, the level of income received in that year would be significantly reduced.

Therefore I cannot deliver such a scheme, or financial sustainability for TfL, without sufficient government funding to maintain and enhance London's transport network. This will also have substantial benefits for TfL's UK-wide supply chain. I welcome your commitment of 17 December that the government "is ready to work with TfL to consider a longer-term capital settlement to support TfL to achieve, and subsequently maintain, financial sustainability by April 2023" and given the progress on the matters set out in this and my previous letter, request that such work begins immediately so that an agreement can be reached in time for the finalisation of the scheme design and impact assessment at the end of April, in order that formal public consultation can begin in May.

I have also announced that to achieve the 27 per cent reduction in car vehicle kilometres needed to achieve net zero, London will need a new kind of road user charging system implemented by the end of the decade at the latest. This system is expected to abolish all existing road user charges – such as the Congestion Charge and ULEZ – and replace them with a simple and fair scheme where drivers pay per mile, with different rates depending on how polluting vehicles are, the level of congestion in the area and access to public transport.

Such a scheme, which as TfL's paper sets out could not be delivered for 2023-24, could be transformational in terms of improving Londoners' health, cutting air pollution and reducing carbon emissions, but, again, would require significant funding to meet implementation costs and supporting measures. This again demonstrates the vital importance of TfL's role as an integrated transport authority and why it must have sufficient resources to deliver government and Mayoral policy objectives.

London stands ready to work alongside the government, in support of our shared priorities including decarbonisation, tackling toxic air pollution and rebuilding our economy after the pandemic. I hope we can quickly put in place the necessary long-term agreement to provide the support TfL needs to deliver these outcomes.

Yours sincerely,



Sadiq Khan
Mayor of London

City Hall, Kamal Chunchie Way, London E16 1ZE
mayor@london.gov.uk ♦ london.gov.uk ♦ 020 7983 4000

TfL RESTRICTED

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 25 March 2022

Dear Grant,

Since becoming Mayor, I have made tackling London's housing crisis one of my top priorities. Whilst there is still a long way to go, excellent progress is being made and this week I was pleased to announce that more than 11,000 new City Hall-funded council homes have been started since 2018. This has been possible through close working with London boroughs and the government.

I was therefore deeply concerned at your recent decision to invoke a clause in the 1999 GLA Act to block a vital scheme that would have delivered hundreds of new homes, of which 40% would have been genuinely affordable, on TfL land adjacent to Cockfosters station. At a time when London is facing a serious housing crisis I cannot understand why you would prioritise keeping a car park over building desperately new homes.

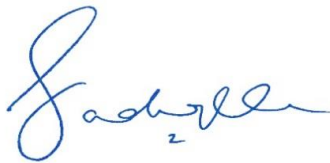
I was also very surprised at your decision, given the very positive conversations I have had with Michael Gove, the Secretary of State for the Department for Levelling Up, Homes and Communities, about the government's ambition to build the new homes families in this country need. This is an ambition I entirely share.

This scheme had been approved by democratically elected local councillors from Enfield Council who, as you will be aware, have been set an ambitious target for housing delivery by the Department for Levelling Up, Homes and Communities, including being designated as a 'presumption authority'. Your refusal of the scheme, by giving priority instead to hundreds of car parking spaces over hundreds of much-needed homes, sends a worrying and frankly contradictory message from government. The scheme would also have generated much needed revenue for TfL to reinvest in public transport, so this decision also undermines the agreements we are negotiating regarding TfL housing delivery.

MAYOR OF LONDON

London needs more homes, not more car parks. Vetoing new affordable homes on this site hampers our ability, and that of Enfield Council, to fix London's housing crisis. I urge you to think again about your decision, and hope you will reflect on the message sent by the government blocking home-building schemes before you seek to intervene in any future housing schemes being planned on the TfL estate. In the meantime I have asked TfL to explore all available options to ensure that this development can go ahead.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

Sadiq Khan
Mayor of London

Cc: Paul Scully MP, Minister for London
Rt Hon Michael Gove MP, Secretary of State for Levelling Up, Housing and Communities

MAYOR OF LONDON

Grant Shapps MP

Secretary of State for Transport

By email

Date: 18 May 2022

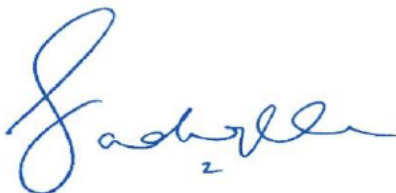
Dear Grant,

As you are aware, Paragraph 2 (1)(b) of Schedule 9 of the Traffic Management Act 2004 ("Schedule 9") provides that it is the duty of London local authorities to set the levels of charges relating to parking places provided or authorised by such authorities or contraventions on or adjacent to roads other than Greater London Authority roads. Paragraph 2(2) provides that different levels of charges may be set for different areas in London and for different cases or classes of cases.

Paragraph 3 (1) of Schedule 9 provides that London local authorities must submit to me for my approval the levels of charges that they propose to set. The London Borough of Brent (LB Brent) has proposed to increase parking charges on borough roads from Band B to Band A. This entails increases for more serious contraventions from £110 to £130 and for less serious contraventions from £60 to £80. The request would mean that the whole borough (save for the roads which border other boroughs with Band B charging levels) would be subject to Band A. I attach a copy of my decision in support of this proposal and its attachments, which provide more detail.

I am required under paragraph 4 of Schedule 9 to notify you of this proposal, and I hereby do so. The increased levels of charges do not come into force until after the expiration of either the period of one month beginning with the date on which the notification is given (the date of this letter), or such shorter period as you may allow. You may before the end of that period give notice to me that you object to the levels of charges on the grounds that some or all of them are excessive. If you do so, those levels of charges shall not come into force unless and until the objection has been withdrawn. If you think that the level is excessive, you may make regulations setting the level of charges.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

Sadiq Khan

Mayor of London

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London, SW1P 4DR

Date: 9 June 2022

Dear Grant,

I am writing to you once again to ask that you meet with me and representatives of Transport for London (TfL) so that we can urgently agree a long-term funding settlement for the future of London's transport network.

While we are grateful for the support you have provided to date, its short-term nature has made it challenging for TfL to plan expenditure and a path away from government support. The only reason TfL needs financial support is because of the devastating impact of the pandemic on fare income – which as a result of past government decisions, we are over-dependent on, compared to the public transport networks in equivalent world cities.

You will have seen my recent letter to the Prime Minister, to which you were copied, informing him of TfL's publication of proposals to reduce the size of the bus network in the capital. This is a direct result of the conditions set out in the Government funding deals, as is the industrial action we are seeing on the underground network.

Without a long-term capital deal in two weeks' time, TfL will be forced to start work on enacting its managed decline scenario. That would mean an additional 80 bus routes cut (an overall 18 per cent reduction), and a nine per cent reduction in tube services, equivalent to closing an entire line.

Despite this looming deadline, I have still to hear from you directly and you should be aware that 20 meetings with TfL have been cancelled by the DfT and/or Treasury since the last funding deal was agreed.

It is absolutely imperative we meet so that we can finally agree a fair, long-term funding deal that will protect London's transport network – not just for the sake of the capital but for the economic wellbeing of the whole country.

Yours sincerely,



Sadiq Khan
Mayor of London

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London, SW1P 4DR

Date: 30 June 2022

Dear Grant,

Thank you for your letter of 23 June.

The pandemic is the only reason Transport for London (TfL) is facing a financial crisis. Having already refused to devolve additional funding sources, if the government continues to refuse to properly fund public transport in the capital, TfL will have no choice but to put London's transport network into managed decline. TfL's impartial experts have been clear that this would be the inevitable consequence of the conditions forced on it by the government.

The 4 per cent reduction in bus services currently under consultation are part of TfL's Financial Sustainability Plan (FSP), but the FSP was itself a response to a condition from the 31 October 2020 emergency funding deal with the government. The 4 per cent reduction was then locked in as a condition of the current deal, which required TfL to implement the reductions set out in its FSP. The bus frequency reductions outlined in your letter would not save anywhere near the required 4 per cent.

Your letter shows that you seem to fundamentally misunderstand the financial challenges facing TfL. Contrary to your claims, the proposed bus cuts are related to capital funding. Without a longer-term capital funding deal, TfL is having to redirect its funding sources to pay for the new Piccadilly line and DLR trains, which were committed to before the pandemic. The only way TfL would be able to avoid further reductions to bus services is if the government provides sufficient capital funding so that this redirection is not necessary.

Since the publication of the FSP, which was required by the government, TfL has refined its proposal for changing the bus network, with the objective of finding a package of reductions that will retain the best possible service for customers, whilst providing the savings forced on TfL by the government. This includes running fewer routes but with higher frequencies in order to ensure regular services where bus interchanges remain.

This approach will also lead to less revenue being lost than the initial proposals that were required by the government. It's expected that the refined approach will save £35m a year. It's fantasy to think this level of savings could be achieved by increasing bus priority lanes alone, as you suggest in your most recent letter.

MAYOR OF LONDON

In addition to being forced to cut bus service levels, TfL was required to undertake an independent review of its pension scheme – one of 60 commitments it has met as conditions of government funding agreements. As things stand, it is clear that treating TfL's Pension Scheme as a private sector one imposes unnecessary costs and risks on TfL.

TfL has been raising this issue, unsuccessfully, with the Department for Transport and the Treasury for some years now, prior to the pandemic. Beyond this, I do not believe the case for change has been made. Not only am I deeply concerned that it would likely lead to more industrial action, but it is also not clear that cost reductions would be achieved through changes to the TfL Pension Scheme, which is currently in surplus. I note, for example, that if TfL were to adopt the design of your Civil Service Pension Scheme and apply it to its membership, then this would result in an increase to TfL's employer costs. As far as I'm aware, the government has no plans to reform the Civil Service Pension Scheme that TfL could learn from.

Following a request by the government, TfL is committed to providing you with a response to Sir Brendan Barber's independent review of TfL's pension arrangements by 30 September 2022. This will provide further detail of TfL's considerations regarding the reform options that Sir Brendan set out. This will include the option not to undertake any pension reform. It should also be noted that any changes to TfL's Pension Scheme would likely require considerable government involvement, and would need further detailed case making work, the availability of appropriate legislation by government, relevant consultation and TfL's decision-making processes.

The previous Glaister Review of pensions that you refer to in your letter was an independent review commissioned by the TfL Board in 2020 to look at TfL's financial sustainability. As an independent review, the quotes reflect the authors' views and were not TfL's or my views. It is therefore incorrect to say that there has been a change in my position on this issue.

In 2015, Boris Johnson and George Osborne agreed to remove £1bn a year of government funding to TfL. This has left TfL much more reliant on fare income compared to other global cities, like New York and Paris. Since 2016, I have delivered £1bn of recurring savings with plans for £300m more. Prior to the pandemic, we had also reduced TfL's underlying operating deficit by 71 per cent.

Let me be absolutely clear – the pandemic alone has created the structural reduction in TfL's income of around £1.5bn a year compared to its 2019 Business Plan. Revenue is forecast to get back to 2019/20 levels by 2022/23, however this will be around £1.5bn lower than the 2019 Business Plan forecast. The costs of operating new infrastructure, including the Elizabeth Line, plus a post-pandemic backlog of maintenance work and three years' worth of inflation, means more revenue is now needed overall to be able to safely maintain and run TfL's services.

This is why the TfL Board has repeatedly warned that further service cuts are likely to be necessary to balance TfL's budget and that a 'managed decline' scenario is the unavoidable consequence of no longer-term funding deal from the government. TfL has made huge savings before and since the pandemic, with like-for-like operating costs £200m lower than 2015/16, despite years of inflation.

London's farepayers, taxpayers and businesses have been helping to fund big infrastructure projects in the capital and these have wider benefits right across the UK.

MAYOR OF LONDON

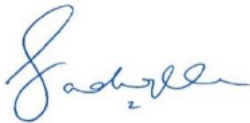
The Elizabeth Line, a national asset, will add an estimated £42bn to the national economy, but nearly 70 per cent (almost £13 billion) of the funding comes from local sources in London. And the vast majority of the Northern Line Extension scheme was funded by taxes on developments in London.

In short, London has played its part in funding new infrastructure that benefits the entire country, while receiving virtually none of the resulting tax income. However, new investments in our vital public transport infrastructure are currently impossible due to the combination of the £1.5bn a year reduction in TfL's income since 2019, the previous government funding reductions to TfL, and the lack of any long-term capital funding deal from the government.

One final point – the net revenue Londoners pay to the Treasury that gets spent outside London is approximately £36bn a year. By comparison, TfL is asking for less than £1bn over the rest of this financial year to keep London's public transport system running and then a small fraction of London's annual contribution to the national exchequer for ongoing capital investment. This is absolutely vital to help London to continue to recover from the pandemic and to maintain our significant contribution to the national economy.

I was glad to read that you agree we must reset our relationship, and I once again ask you to meet with me so that we can finally agree a fair, sustainable, long-term funding deal that will protect London's transport network—for the sake of the capital and the whole country.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a stylized flourish at the end.

Sadiq Khan
Mayor of London

MAYOR OF LONDON

[<https://www.london.gov.uk/decisions/md2742-lb-hounslow-request-change-pcn-level>]

Grant Shapps MP

Secretary of State for Transport
TransportSecretary@dft.gov.uk

Date: 5 November 2021

Dear Grant,

As you are aware, Paragraph 2 (1)(b) of Schedule 9 of the Traffic Management Act 2004 (“Schedule 9”) provides that it is the duty of London local authorities to set the levels of charges relating to contraventions on or adjacent to roads other than Greater London Authority roads. Paragraph 2(2) provides that different levels of charges may be set for different areas in London and for different cases or classes of cases.

Paragraph 3 (1) of Schedule 9 provides that London local authorities must submit to me the levels of charges that they propose to set. The London Borough of Hounslow (LB Hounslow) has proposed to increase parking charges on borough roads from Band B to Band A. This entails increases for more serious contraventions from £110 to £130 and for less serious contraventions from £60 to £80. The request would mean that the whole borough (save for the roads which border other boroughs with Band B charging levels) would be subject to Band A. I attach a copy of my decision in support of this proposal and its attachments, which provide more detail.

I am required under paragraph 4 of Schedule 9 to notify you of this proposal, and I hereby do so. The increased levels of charges do not come into force until the expirations of either the period of one month beginning with the date on which the notification is given (the date of this letter), or such shorter period as you may allow. You may before the end of that period give notice to me that you object to the levels of charges on the grounds that some or all of them are excessive. If you do so, those levels of charges shall not come into force unless and until the objection has been withdrawn. If you think that the level is excessive, you may make regulations setting the level of charges.

Yours sincerely,



Sadiq Khan
Mayor of London

MAYOR OF LONDON

[<https://www.london.gov.uk/decisions/md2875-lb-barnet-request-change-penalty-charge-notice-levels>]

Grant Shapps MP

Secretary of State for Transport
TransportSecretary@dft.gov.uk

Date: 5 November 2021

Dear Grant,

As you are aware, Paragraph 2 (1)(b) of Schedule 9 of the Traffic Management Act 2004 (“Schedule 9”) provides that it is the duty of London local authorities to set the levels of charges relating to contraventions on or adjacent to roads other than Greater London Authority roads. Paragraph 2(2) provides that different levels of charges may be set for different areas in London and for different cases or classes of cases.

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Yours sincerely,



Sadiq Khan
Mayor of London

MAYOR OF LONDON

[<https://www.london.gov.uk/decisions/md2875-lb-barnet-request-change-penalty-charge-notice-levels>]

Grant Shapps MP

Secretary of State for Transport
TransportSecretary@dft.gov.uk

Date: 5 November 2021

Dear Grant,

As you are aware, Paragraph 2 (1)(b) of Schedule 9 of the Traffic Management Act 2004 (“Schedule 9”) provides that it is the duty of London local authorities to set the levels of charges relating to contraventions on or adjacent to roads other than Greater London Authority roads. Paragraph 2(2) provides that different levels of charges may be set for different areas in London and for different cases or classes of cases.

Paragraph 3 (1) of Schedule 9 provides that London local authorities must submit to me the levels of charges that they propose to set. The London Borough of Barnet (LB Barnet) has proposed to increase parking charges on borough roads from Band B to Band A. This entails increases for more serious contraventions from £110 to £130 and for less serious contraventions from £60 to £80. The request would mean that the whole borough (save for the roads which border other boroughs with Band B charging levels) would be subject to Band A. I attach a copy of my decision in support of this proposal and its attachments, which provide more detail.

I am required under paragraph 4 of Schedule 9 to notify you of this proposal, and I hereby do so. The increased levels of charges do not come into force until the expirations of either the period of one month beginning with the date on which the notification is given (the date of this letter), or such shorter period as you may allow. You may before the end of that period give notice to me that you object to the levels of charges on the grounds that some or all of them are excessive. If you do so, those levels of charges shall not come into force unless and until the objection has been withdrawn. If you think that the level is excessive, you may make regulations setting the level of charges.

Yours sincerely,



Sadiq Khan
Mayor of London



Department
for Transport

Mayor of London
City Hall
The Queen's Walk
London
SE1 2AA

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

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000

E-Mail: [REDACTED]k

Web site: www.gov.uk/dft

7 August 2019

Dear Sadiq,

I am writing to you to inform you that we have taken the decision to cancel the South Eastern franchise competition and to exercise the previously announced option to extend the current franchise to April 2020.

While this was a difficult decision to make, it follows significant concerns that continuing the competition process would lead to additional costs incurred to the taxpayer, with no certainty that this would deliver envisaged benefits for passengers.

The Department now intends to extend the Direct Award, announced on 13 June, with the incumbent provider to ensure that there is continuity of service whilst the Department agrees how to deliver the long-term benefits to passengers as quickly as possible.

The Department will use this period to develop a solution that delivers the capacity and performance benefits that passengers are expecting as quickly as possible whilst ensuring that the recommendations of the Williams Review can be implemented.

Should you have any questions, please do not hesitate to get in touch.

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT



Department
for Transport

VUP Environ

31 OCT 19

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

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000

E-Mail: [REDACTED]

Web site: www.gov.uk/dft

Sadiq Khan
Mayor of London
City Hall
London
SE1 2AA

29 OCT 2019

Dear Sadiq,

Thank you for your letter of 17 September inviting me to attend the inaugural International Air Quality Summit on 23 October. I am sorry that I was unable to attend, but pleased that George Freeman was able to attend in my place.

We know that air pollution is a major public health risk ranking alongside cancer, heart disease and obesity, and poses the single greatest environmental risk to human health. Air pollution has reduced significantly since 2010 – emissions of nitrogen oxides have fallen by almost 29% and are at their lowest level since records began. However, there is more to do, which is why we have put in place a £3.5 billion plan to reduce harmful emissions from road transport.

We have also published the Clean Air Strategy which focuses on broader emissions beyond road transport which aims to cut air pollution and save lives. The Clean Air Strategy sets out the comprehensive action required across all parts of Government to improve air quality. The strategy goes further than the EU requires, and has been commended by the World Health Organisation.

I look forward to working closely with you on this issue moving forward.

Yours ever,

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT

*Sorry I couldn't be there (Brexit!)
but fully support progress in improving
air quality*



Department
for Transport

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

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000

E-Mail: [REDACTED]

Web site: www.gov.uk/dft

Sadiq Khan
Mayor of London
By email: Mayor@London.gov.uk

27 JAN 2020

Dear Sadiq,

Veteran Railcard

Our military personnel are rightly valued throughout their service in HM Armed Forces. They make sacrifices and put themselves in danger to protect and serve our country. It is only right that we continue to show how much we value their efforts once they leave the Armed Forces too.

In our manifesto we promised to introduce a Veteran's Railcard and I am delighted to announce that we are will make it available from 11 November this year.

We expect our service personnel to live and work all over the country, moving wherever they are needed to serve our great country. This often leads to service families, and former service families, living far away from friends and family and the communities they grew up in.

Therefore, I believe it is important that our veterans to have access to this railcard, which will also allow their family to travel with them.

I know that you already have an existing concessionary travel offer for disabled veterans and I, therefore, ask that you work with me to ensure that this our new Veteran Railcard is a nationwide offer to veterans across Great Britain.

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT

MAYOR OF LONDON

Rt Hon Grant Shapps MP
Secretary of State for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Our ref: MGLA270120-1311

Date: 21 FEB 2020

Dear Grant,

Thank you for your recent correspondence about the Veterans' Rail Card. Like you, I am fully committed to supporting our veterans who have sacrificed so much.

As you know, we already have London's Veterans Oyster Card which is available to veterans who:

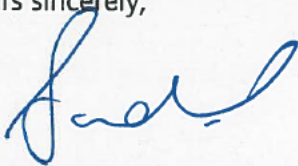
Receive ongoing payments under the War Pensions Scheme in their name, including widows, widowers and dependants;

Receive Guaranteed Income Payment under the Armed Forces Compensation Scheme in their name, including widows, widowers and dependants.

London's concession offers totally free travel for those eligible on most Transport for London (TfL) services at any time, covering the bus, Tube, tram, London Overground and TfL Rail. Discounts are also available on Emirates Air Line and River Services. We have worked with other rail operators in London and free travel is available on most National Rail services in London at particular times (after 9.30am on weekdays and any time at weekends and public holidays).

I welcome your announcement to offer a new Veterans' Railcard. I am aware that compensation may be available for TfL and I encourage your officials to discuss the details further with TfL. It would also be helpful to discuss with your officials those cases where TfL offers discounts or free travel to certain groups which aren't matched by the rail companies, to help ensure a consistency across the city.

Yours sincerely,



Sadiq Khan
Mayor of London

From: [REDACTED]
To: [Mayor](#)
Cc: [REDACTED] [@london.gov.uk](#)
Subject: Call with the Transport Secretary, Monday 23rd March
Date: 20 March 2020 18:27:26
Attachments: [image001.png](#)

Dear [REDACTED]

The Secretary of State for Transport Grant Shapps would be grateful if the Mayor could join him for a call on Monday 23rd, at 18:00

This will be an opportunity to discuss the impact of the spread of COVID-19 on transport in London.

I would be grateful if you could confirm if he is able to join, and I will send the dial in details when confirmed.

Many thanks,

[REDACTED]



Department for Transport

[REDACTED], Secretary of State for
Transport
5/13, Great Minster House
33 Horseferry Road, London, SW1P 4DR
[REDACTED] [REDACTED]
[Follow us on twitter @transportgovuk](#)

The Secretary of State's box closes at 2pm Monday – Thursday, when parliament is sitting.

To contact the Secretary of State's office, please e-mail transportsecretary@dft.gov.uk

Find out more information about the [Secretary of State](#), [the Secretary of State's office and their responsibilities](#), [templates and guidance](#), [parliamentary recess](#) and [duty rotas](#).

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Department
for Transport

Sadiq Khan
Mayor of London
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SE1 2AA

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

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Web site: www.gov.uk/dft

09 May 2020

Dear Sadiq,

E-SCOOTERS AND COVID 19 RECOVERY

I am working flat out with local transport partners to navigate a way through the recovery from the Covid-19 emergency that supports economic recovery whilst keeping our citizens safe.

I am also determined that what we do in the short-term locks in the benefits we have seen in recent weeks of quieter, cleaner streets. One way to do that is through strong support and encouragement for active travel modes, something London has always led the way on. If we get this right, what we do now could build a long-term legacy for our towns and cities.

As part of this programme, I want to bring forward and test the role e-scooters can play in providing a green alternative for shorter journeys. I am therefore taking steps to accelerate the legal changes needed to enable trials of scooter rental schemes. In this way we can provide a new choice for people during the recovery phase and learn about the safety and wider impacts of scooters which can inform decisions to follow about the regulatory framework needed for wider legalisation.

It will be for local leaders to decide whether to trial scooters in their area, and public authorities will have a major say in the detailed arrangements so that any trial can be properly managed as well as deliver useful learning. I understand that scooter companies are putting in place measures so that scooters are cleaned for safe, shared use at this time.

I know you have had previous misgivings about taking part in trials. However, I believe the situation we are now in requires a new approach and I hope you will be open to discussion about how London could join this new programme of trials.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT



Department
for Transport

Sadiq Khan
Mayor of London
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The Rt. Hon. Grant Shapps

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Web site: www.gov.uk/dft

14 May 2020

Dear Sadiq,

TRANSPORT FOR LONDON: EXTRAORDINARY FUNDING AND FINANCING AGREEMENT

1. This letter sets out an extraordinary funding and financing agreement for Transport for London (TfL) for the period to October 2020.
2. The agreement set out in this letter supports the maintenance of essential transport services in London, allowing TfL to contribute fully to the Government's economic restart programme. The Government is committed to supporting TfL in the delivery of its efficiencies programme and commercial development income, particularly where legislative changes may be needed.
3. Transport for London has presented an Emergency Budget showing a funding shortfall for the period 1 April 2020 to 17 October 2020 of £1.9bn. Given the uncertainties in predicting demand this funding agreement assumes a shortfall for this period of £1.6bn.
4. This emergency funding and financing package will contribute towards TfL's forecast operational funding shortfall. It will also ensure that TfL can continue to provide essential public transport services and support the economic restart. This package is subject to the conditions set out in the letter.
5. The extraordinary funding and financing package comprises £1.6bn for Transport for London to support its essential services for the period 1 April to 17 October 2020 ("Support Period") comprising:
 - a. Extraordinary Support Grant of £1.095bn payable under S.101 of GLA Act 1999. This will be paid in 6 equal instalments

commencing on 22 May 2020. The second payment shall be made on 31 May and then at the beginning of every 4 week reporting period (“Period”) subject to the adjustment mechanisms described in paragraphs 6 and 7 below, with the sixth payment on the 20 September.

- b. Additional borrowing by Transport for London from the Public Works Loan Board (PWLB) of £505m, drawn in proportion to the Extraordinary Support Grant payments made.

6. These amounts are based on a forecast funding shortfall of £1.6bn for the Support Period. It is recognised that there is a high level of uncertainty in predicting the future revenue and costs for the organisation for the Support Period, in particular as HMG guidance on dealing with the situation develops. To the extent that the actual funding shortfall is greater or lesser than £1.6bn then the amount of Extraordinary Grant and TfL borrowing will increase pro rata, up to a maximum of £1.9bn in aggregate or reduce pro rata accordingly.
7. TfL will reforecast the financial position for the Support Period at the end of each Period, taking into account actual financial performance to date and most likely views on expected revenues based on the circumstances at the time. Subsequent debt and grant amounts for the subsequent Period will be adjusted to reflect this revised forecast outturn for the period. Following the end of the Support Period any excess or shortfall of grant based on the actual financial outturn for the Support Period will be repaid/paid within 4 weeks.
8. Government will continue to engage on and monitor the financing of Northern Line Train Services contract. If a Supervening Event occurs in accordance with clause 25A.1.1 of the Amended and Restated Usage Contract, HMG will work with TfL and take reasonable steps to assist TfL in meeting the contractual obligations set out in clause 25A of that contract and other associated provisions, or finding alternative forms of support acceptable to the relevant counterparties.
9. We recognise that the current circumstances are likely to present ongoing financial challenges and uncertainty to Transport for London beyond the Support Period. We recognise that it will be important for Transport for London to maintain essential services and deliver a revised balanced budget over the remainder of the financial year in line with their statutory duties and a combination of future measures from TfL, GLA and HMG should enable TfL to do so.

10. This funding package is based on the assumption that Transport for London will maintain useable cash reserves (that is, cash and liquid investments held by the TfL Group (excluding ring fenced subsidiaries; Crossrail Limited, London Transport Insurance (Guernsey) Limited and London Transport Museum Limited)) of £1.2bn at the end of the Support Period, subject to normal commercial payment practices. To the extent that the useable cash reserves exceed this amount at the end of the Support Period, the total amount of support under paragraph 5 will reduce in accordance with paragraph 6.
11. This funding package is conditional on agreement from Transport for London that it will agree to conditions below.

Service Levels

12. During the Support Period, Transport for London will work in unison with HMG on taking steps to support the safe restart to the transport system and agrees to joint action and oversight by the London Covid Transport Task Force, terms of reference for which are attached. Subject to TfL's statutory responsibilities (particularly in relation to safety), TfL agrees to:
 - a. Maximising service levels on all networks to full normal service, apart from Night Tube, weekend night buses and any other services agreed by the London Covid Transport Task Force as soon as possible but within four weeks;
 - b. Employing traffic demand management agreed by the London COVID Transport Task Force;
 - c. Agreeing communication messages between DfT and TfL to ensure consistent advice is provided to travellers;
 - d. Pushing forward an ambitious Active Travel Plan to promote cycling and walking, including new segregated cycle lanes, closures of roads to through traffic, and pavement extensions, utilising at least the £55m allocated in the Support Period. The detail of the plan will be agreed and overseen by a dedicated oversight group comprising TfL and HMG;
 - e. Bringing forward to the London COVID Transport Task Force travel demand management proposals as soon as practicable to optimise the use of the available safe transport capacity, including but not limited to temporary suspension of free travel for Freedom Pass and 60 plus card holders during peak and the suspension of free travel for u18s, subject to discussions in the working group about how it is to be operationalised

- f. To support revenue collection, as soon as practicable, placing card readers by the operating entrance doors on all buses, and immediately require passengers to use the approximately 2000 readers which are already so placed;
 - g. Providing regular reporting to the London COVID Transport Task Force on the absence rates for its staff and take all practicable steps to manage absence levels to support delivery of services; and
 - h. The immediate reintroduction of the London Congestion Charge, LEZ and ULEZ and urgently bring forward proposals to widen the scope and levels of these charges, in accordance with the relevant legal powers and decision-making processes.
13. Alongside the operational matters set out above, TfL will seek to maximise the construction activity within TfL's remit, where it is safe to do so, consistent with the Emergency Budget assumptions.
14. Detailed monitoring of the operational performance of the London transport system will be provided to DfT, HMT and the London Covid Transport Task Force during the Support Period to assist in the effective management of the broader transport networks and to inform broader operational decisions, public messaging and similar matters. The nature of such reporting will be agreed by the London Covid Transport Task Force.
15. The London Covid Transport Task Force will remain in place for the duration of the Support Period unless agreed otherwise by DfT and TfL.

Governance

16. This emergency funding and financing package will require additional HMG governance and oversight, notwithstanding the existing legal framework under which TfL operates.

Financial management

17. In managing its business during the Support Period, TfL will take all reasonable steps to minimise the Extraordinary Support Grant in line with this agreement, including maximising its revenue and minimising expenditure.
18. Transport for London will provide to DfT weekly and Periodic management accounts, in a form consistent with the Emergency Budget, showing the financial performance of the business compared to the

Emergency Budget and updated financial projections for the remainder of the financial year. DfT and HMT may request further information or explanation as reasonably necessary to manage its financial position.

19. DfT will appoint an external adviser to support them in this oversight. TfL will provide reasonable access and support to the adviser to enable them to support DfT and HMT in its monitoring of the situation and related matters. This will include, as a minimum, a commentary from the adviser to DfT on each Period's financial information, which shall also be made available to TfL.
20. TfL will support continued and ongoing collaborative discussions with DfT on projected passenger numbers, revenues and non-operational expenditure.
21. TfL will continue to engage with and document discussions with their lenders and ratings agencies to demonstrate a clear understanding of the impacts of loan covenants and keep DfT informed of these discussions on a timely basis.

Decision Making

22. Two HMG appointed Special Representatives will attend all TfL Board meetings, being able to raise questions at the Board, request additional information as reasonably required and report back to the Secretary of State on these matters.
23. One Special Representative will also be able to attend all meetings, formal and informal, of the Finance Committee and the Programmes and Investment Committee.

Future Financial Sustainability

24. There will be an immediate and broad ranging government-led review of TfL's future financial position and future financial structure. This will include:
 - a. Options for revenue maximisation, including fares policy and revenue yield choices over time will be explored;
 - b. The opportunities to deliver further efficiencies in the short and medium term in relation to operating costs;
 - c. The approach to capital spending, both in terms of asset maintenance and enhancement;

- d. The balance sheet and financing structure, including financing policy, of TfL;
 - e. The current fiscal devolution arrangements; and
 - f. The potential for raising more non-fare based revenue and commercial income.
25. The review will include international and cross modal benchmarks and detailed recommendations on what decisions can be made. This will be completed by end of August 2020 to inform the position after the Support Period.
26. TfL will support the review work with provision of information as reasonably required. TfL will be consulted on the terms of reference and provide views and options into the review.
27. The Government has asked the Mayor to confirm he will increase fares by RPI plus 1% on all modes from Jan 2021 as proposed in the TfL business plan. The Mayor will take this decision on advice of TfL based on forecasts and other relevant factors. The Mayor has agreed with the Government that his intention is to adhere to the fares increases sought by Government and proposed in the TfL business plan.

Crossrail

28. Crossrail remains a vital project for both London and the UK. TfL will continue to ensure that its key subsidiaries responsible for bringing Crossrail into operation, such as Rail for London and London Underground, are fully resourced and pragmatic in their requirements of Crossrail Limited to ensure the delivery of all stages of Crossrail is achieved as quickly and cost effectively as possible.
29. In advance of the end of the Support Period, an additional funding package for Crossrail will need to have been identified and presented to the project Sponsors, which achieves the agreed London Pays principle noting that options to achieve this will be considered alongside the Government-led review of TfL's future financial position and future financial structure. The borrowing costs under the TfL £750m Loan Facility with the Department should be included with TfL's adjusted budget, for as long as TfL continues to utilise the loan.
30. TfL will take reasonable steps to apply PPN 02/20 to Crossrail Limited, recognising that such decisions will need to be taken in the light of the overall affordability for the project.

31. TfL will consider and, acting reasonably, agree specific proposals made by Crossrail Limited in relation to the retention of critical resources on the project where it is value for money to do so, during the Safe Stop and the subsequent recovery.
32. Joint Sponsors will make all reasonable efforts to complete Crossrail as soon as practicable and that there is a deliverable plan in place to restart all stopped works, consistent with applicable advice on construction.
33. In relation to Crossrail, TfL will propose, as soon as practicable, and no later than the end of June 2020, an action plan to support the successful transition of the project to TfL, including the governance, oversight and actions necessary to provide greater confidence in the timely and value for money delivery of this important project. The plan will consider actions in relation to project resourcing, governance, assurance and other matters as necessary.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT



Department
for Transport

Sadiq Khan
Mayor of London
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03 June 2020

Dear Sadiq,

Thank you for your letter asking us to drop the temporary suspension of free bus travel for under-18s which you agreed as part of TfL's £1.6bn bailout. My office received it at 10:09. Just over an hour later it was publicly tweeted out by your press team.

Speaking to LBC on 4 May, during the bailout negotiations, you stated: "I think what's really important is the government makes sure that... the journey to and from school is safe.

"What we don't want is children and their parents and carers using public transport during rush hour, leading to social interaction leading to the virus spreading.... If there's any increase at all in passenger numbers that's a big problem for us...

On a normal day before Covid, there are 1.5 million bus journeys from children and 200,000 tube journeys from children. Any increase, even six or ten [per cent], is a challenge for us and we are worried."

We took your views at face value and reflected them in the bailout agreement. I agree with them and I believe we were right to do so. Another thing you have said is that given the need to maintain social distancing, use of the public transport network must be for essential journeys only. I agree with you on this, too.

Before the crisis, young people using the free travel concession made up half of all bus users during the morning rush hour, many of them for extremely short journeys which would not have been made had they not been free (as academic research into the concession makes clear).

Clearly, one important way of avoiding the child use of public transport that we are both concerned about, and of preserving the social distancing that we are both keen to maintain is to no longer subsidise young people to make such journeys.

As you know, and as the bailout agreement also stipulates, essential journeys by children will be protected: any child eligible for free home to school travel under the Education Act 1996 will still be given free travel to and from school. Exceptionally we would also ask you to make local arrangements for travel for vulnerable children that need to engage with services and travel to them. We have made clear to London Councils that the cost of this will not fall on the London boroughs.

We do not agree that identifying those children eligible creates an unacceptable administrative burden, since all councils outside London already do it (and those within London already do it for children who need free Tube or rail travel to school.) We have proposed measures to further simplify the process of identifying those eligible.

We asked your Deputy Mayor for Transport directly, during the negotiations, whether she accepted making the withdrawal of the under-18 concession part of the deal. She said she did.

The purpose of withdrawing the concession is to protect public health and reduce the spread of a highly infectious disease by avoiding dangerous levels of crowding on buses. That is why it is explicitly described as temporary in the agreement.

As we made clear during your call on Monday with Baroness Vere, we are happy for you to work on alternative ways of securing this objective - but given the enormous numbers of children involved we simply do not believe that measures such as active travel plans can have the necessary impact in the time available. Drawing up and implementing a plan for each school would also require further administration work. Staggering school start and finish times may also not deliver the size of impact required.

We therefore ask that any work on alternatives be carried out in parallel with the work to operationalise the withdrawal of the u18 concession to which you have committed in the agreement. I ask that you come up with the operational plan which you have agreed to produce by 10 June at the latest.

I believe it is right that taxpayers throughout the UK are finding significant sums to help London through this crisis. But I also believe, as I have said before, that it is unfair to force taxpayers in the rest of the UK to subsidise benefits for Londoners, such as free travel for children, which they do not get themselves.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT



Department
for Transport

Sadiq Khan
Mayor of London

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

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Web site: www.gov.uk/dft

Our Ref: MC/291760

16 June 2020

Dear Sadiq,

Thank you for your letter of 21 May, regarding our March publication of “Decarbonising Transport: Setting the Challenge”. I am pleased you are keen to engage with us as we develop the Transport Decarbonisation Plan (TDP).

I welcome your shared commitment to delivering net zero transport emissions, nationally and in the capital. This is the biggest piece of work we have ever done to tackle greenhouse gas emissions in the sector. The holistic and cross-modal approach will set out a credible and ambitious pathway to deliver transport’s contribution to carbon budgets and meeting net zero by 2050.

We recognise that a single solution will not be appropriate for every location. “Decarbonising Transport: Setting the Challenge” identified place-based solutions as one of the TDP’s six strategic priorities, and we will work with London and TfL, alongside local and regional authorities and transport bodies across the United Kingdom to deliver the reductions in emissions we need.

The Net Zero Transport Council will represent a wide variety of stakeholders, including modes of transport, behavioural insight specialists, technology, academia and environmental NGOs, with other experts invited as required to specific meetings. I am currently reviewing the membership to ensure it captures a wide range of perspectives and experience, and I have noted your nomination of Mr Graham.

However, this forum is only one of several ways to engage with DfT during the development of the TDP. My officials will be in touch with yours to ensure that London and TfL can fully contribute, including through the workshops you mention.

While the Government’s focus and immediate priority at the moment is rightly on the UK’s fight against COVID-19, we recognise that we have an

opportunity – given to us through unprecedented, tragic circumstances – to consider where we may make lasting changes, for example to our transport behaviours, in order to capture those environmental benefits we have recently seen in our communities. It is important that we use this opportunity to build back greener so our towns and cities are healthier, cleaner and greener.

Recent announcements already show our commitment to take bold action. This month, my Department has set out a plan to encourage new travel habits and support zero emission forms of travel. This included a £2 billion investment for cycling and walking, the largest ever boost to active travel, as part of the £5 billion funding announced for cycling and buses earlier this year. The first stage of this investment – a £250 million emergency active travel fund – will support the creation of pop-up bike lanes, wider pavements, safer junctions, and cycle and bus-only corridors. We want to support all communities across England who want to change the way they use their streets and new guidance has already been published to tell councils how they can give more road space to cyclists and pedestrians.

I look forward to a productive working relationship with you, in support of our mutual goals of delivering net zero and improving air quality.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT



Department
for Transport

Sadiq Khan
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20 July 2020

Dear Sadiq,

Appointment of Government Special Representatives to attend Transport for London Board

As you know, one of the conditions of the extraordinary funding and financing agreement for Transport for London (TfL) was the appointment of two Special Representatives to attend the TfL Board, and for one of those representatives to also attend all meetings of the of the Finance Committee and Programmes and Investment Committee.

As set out in my letter to the you of the 14 May, these representatives will have an important role in assisting Government's oversight of the funding agreement. In their attendance to these meetings, the Special Representatives will be able to raise questions, request additional information as reasonably required, and report back me on these matters.

I can now confirm that the two Special Representatives will be Andrew Gilligan and Clare Moriarty.

I have copied this letter to Andy Byford, Commissioner of TfL, and would be grateful if his team can now arrange for invitations and papers to be shared with Andrew and Clare for the upcoming meetings, including the next Board on 29 July.

I would like to take this opportunity to also inform you that my Department will shortly be publishing the Terms of Reference for the Government-led Review of TfL's future financial sustainability. As you know, this was another condition of our funding agreement and TfL will have opportunities to provide views and options into the review.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT

From: [REDACTED]
To: [REDACTED]
Subject: Statutory Taxi and Private Hire Vehicle Standards
Date: 21 July 2020 13:23:42
Attachments: [Transport Secretary Letter to licensing authorities.pdf](#)

Dear Council Leader,

Please find attached a letter from the Secretary of State for Transport regarding new Statutory Taxi and Private Hire Vehicle Standards to licensing authorities aimed at safeguarding children and vulnerable adults.

Please send any questions or comments to taxis@dft.gov.uk.

Kind regards,

MHCLG Outreach and Engagement Team

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Department
for Transport

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

Great Minster House
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The Council Leader

21 July 2020

I am writing to advise you that I am today issuing Statutory Taxi and Private Hire Vehicle Standards to licensing authorities aimed at safeguarding children and vulnerable adults.

The Statutory Standards set-out a range of robust measures to protect taxi and private hire vehicle passengers, particularly those most vulnerable. Government and licensing authorities must work together to ensure that, above all else, the taxi and private hire vehicle services the public use are safe. As part of this my Department will monitor licensing authorities' responses to the Statutory Standards.

Licensing authorities are under a legal duty, under section 177 of the Police and Crime Act 2017, to have regard to the Statutory Standards. In the interests of transparency, all licensing authorities should publish their consideration of the measures contained in the Standards and the policies and delivery plans that stem from these. I am asking all licensing authorities to provide an update to the Department of their consideration of the Standards six months after their publication, so by the end of January 2021.

This will enable my officials to engage with those that do not adopt the Standards and seek from them a rationale for failing to act to protect passengers. An example of this is use of the National Register of Revocations and Refusals by licensing authorities, this facilitates the sharing of information to inform licensing decisions, yet not all authorities are playing an active role; thereby endangering the safety of passengers and the reputations of the honest and hardworking people in the trade.

The Statutory Standards are an important first step in reforming the way the taxi and private hire vehicle sector is regulated and should ensure consistent standards between licensing authorities. Government fully expects licensing authorities to implement these measures as soon as possible. Given this, and following engagement with the sector, the Government will not, at this time, take forward out-of-area restrictions.

Later this year we will consult on revised best practice guidance that will reflect the enormous changes that the sector has undergone in recent years and make clear recommendations on the measures licensing authorities should consider to enable the trade to react to the demands of passengers.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT



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Web site: www.gov.uk/dft

1 October 2020

Dear Sadiq

Thank you for coming to see me last week in what I found a helpful and constructive meeting, with some valuable principles established on both sides. From my end, I hope I was able to assure you that the Government is committed to supporting London and the transport network on which it depends. Not just because of its critical role in the UK economy, but because we see TfL, in some ways, as a model.

Our manifesto promised to bring London-style services to Britain's other big cities. Our rail and bus reforms will move us closer towards TfL-like arrangements in the rest of England. We admire what TfL has achieved with the help of large sums of money granted by national government to you and your predecessors. The most recent example, of course, was the £1.6bn, six-month bailout deal granted in May – the biggest cheque written to any single organisation, transport or otherwise, in the Covid-19 crisis so far. This allowed TfL to play a highly successful part in maintaining services initially for key workers and then for the broader revival of the economy.

We think that the partnership between us works best when three things are true. First, that ministers and the mayor – while not, of course, agreeing about everything – build confidence and trust, and work constructively with each other. Second, that we in government can be sure that the money we pay is being put to the most productive use. Third, that

those who benefit most pay their fair share. This is the kind of relationship we have established with many of your mayoral counterparts, Labour and Conservative, across England, and it is the kind of relationship we would like to have with you.

This letter sets out our proposed route to that sort of relationship, and to the longer-term funding settlement which is your main ask. Given the current uncertainty about future demand, it is still too early to make judgments about the network's long-term revenue and capital needs. As I said when we met, we therefore propose a further six-month funding deal, to March 2021 ("the H2 deal"), until these things become clearer. This will also allow us better to judge TfL's willingness to make further reforms and efficiencies.

From March 2021, we would like to be in a position to offer TfL the sustainable longer-term financial settlement which you seek and to reduce government supervision: reviewing for instance, the presence of HMG special representatives on TfL's board. However, these things will only be possible if we can be satisfied within the period of the H2 deal that you are implementing the conditions of the deal and have driven down the costs which the organisation charges to national taxpayers.

In particular, it is our firm position that it is unfair for taxpayers across the UK to be required to fund fares freezes and generous concessions for Londoners which they do not receive themselves – particularly when their own services are in many cases inferior to London's, and more expensive to use.

We will need therefore to have detailed discussions on concessions removal during these negotiations. We will be pressing hard for swift progress and clear implementation dates for any changes. Similarly, on fares, we will expect you to implement fares rises of greater than the RPI+1 on all modes as set out in your December 2019 Business Plan and to which you committed in the May deal to make up for the revenue lost through four years of freezes.

We propose that you maintain the congestion charge at its current level and hours of operation, and returning the tightening of the Low Emission Zone for lorries and coaches as close as possible to your original starting date of October 26 2020. Given the significant rise in congestion in inner

London, we also propose the extension of the central London congestion charging zone to cover the same area as the Ultra Low Emission Zone and at the same time, October 2021.

Our common priority must be to protect as far as possible the quantity and quality of London's superb bus and tube services, rather than relatively recent innovations such as fares freezes and concessions. Every penny national taxpayers spend on such items is a penny less to help us create TfL-style services in the rest of the UK. Even in the event of quite substantial rises, London's bus fares will still be much lower than fares in other urban areas.

I very much welcomed your support for our proposal that City Hall should raise more from Londoners themselves through a supplement to the council tax. Agreeing this, and agreeing to raise meaningful amounts from it from April 2021 onwards will also be necessary to proceed to a longer-term deal, which could include further financial measures, subject to Treasury agreement.

I welcomed, too, your and Andy Byford's offer to begin pensions and workplace reform. Although these will clearly take longer than six months to complete, measurable progress on them will again be key to the prospect of a longer-term deal next year. We are also particularly keen to make swift headway on the implementation of driverless trains and believe current progress to be inadequate.

I know you will understand that central to the success of these negotiations is the expectation that they will take place in private. Attempts to negotiate in the media, or to campaign against commitments already made, would not build the confidence and trust needed to forge a long-term relationship. We are concerned to note press comment subsequent to our meeting which attempts to characterise the Government's position in a particular light. We have avoided all comment, and expect the same of you as dealing with the fallout has already delayed this letter.

Finally, if over the next few weeks we cannot reach a H2 deal, or if over the following six months we believe that the conditions of the H2 deal are not being met, we will not be able to agree a longer-term deal and our support for London must take a different form. As I mentioned last week, we will be taking reserve legislative powers allowing us if necessary to

direct TfL. This would be combined with a further series of short-term funding settlements. I stress that this is no more our preference than it would be yours.

My officials and yours will meet to discuss and provide further detail of the deal, in the coming days. This will include the quantum and mechanics of financial support; capital and operational expenditure, operations; governance and financial management. As you suggested at our meeting, we should aim, if possible, to conclude negotiations within three weeks of that date.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 6 October 2020

Dear Grant,

Thank you for your letter dated 1 October, following our meeting on Wednesday 23 September to discuss the financial challenges faced by TfL as a result of the global COVID-19 pandemic. I agree that the way forward is for a constructive partnership between City Hall, TfL, and the Government.

TfL as a world-leading transport authority

I would like to start by welcoming your warm words towards TfL and the way the organisation has risen so magnificently to dealing with the impact of COVID-19 on the city. Every single day I am proud as Mayor and Chair of TfL that at every level staff have kept London running. Everything that has been asked of TfL during the crisis has been delivered, all against the enormous financial challenges posed by a collapse in fares income and the huge personal strain many employees have felt as a result of these unprecedented times.

TfL is one of the finest transport authorities in the world, and over twenty years under mayors of differing political colours it has built up a reputation for delivery, innovation, and reliability. From all over the world cities come to learn from what London has achieved. But TfL is also more than just a transport authority – it is a place maker, through driving regeneration and economic development; it is an innovator, through in-house ingenuity like the contactless payment system; and it is a vehicle for improving the city's environment and public health, with world-leading programmes such as the Ultra-Low Emission Zone and investment in walking and cycling. I wholeheartedly endorse the idea that TfL is a model to be adopted elsewhere in the country, and I know TfL works closely with the Department on a range of nationally relevant transport issues such as the response to Covid-19, rail reform, and e-scooters.

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The TfL model was established through the Greater London Authority Act (1999) precisely to create an integrated transport authority that was directly accountable to Londoners through the Mayor of London, with the autonomy and flexibility to decide what is best for the city. It would be a big mistake to erode these principles, which have been the cornerstone of success for the last two decades – and which Londoners democratically approved in the 1998 referendum.

London's dramatic economic growth over the last twenty years, and the considerable net contribution the city makes to the Treasury (£38.8bn in 2019), owes a lot to the transformational work of TfL. This is why language that talks about the national taxpayer 'subsidising' London's transport network is unhelpful and fundamentally untrue, and risks damaging the social fabric of the country. Given the huge tax surplus paid by the city every year, London and Londoners not only fund the city's public transport network but also subsidise the rest of the country's public transport networks and other public services.

TfL's recent finances

It is also worth a reminder of the difficult financial backdrop against which TfL has had to operate over recent years, even before the arrival of COVID-19. TfL has made enormous strides to become more efficient. You will be aware that when I became Mayor in May 2016, without the Government's operating grant, TfL was running a near £1.5 billion annual deficit and I inherited no plan on how to reduce this to zero from the previous Mayor – now the Prime Minister. Over the last four years, this deficit has been cut – to £200 million in 2019/20 if the pandemic had not intervened (a reduction of 86%) – and we had a plan to turn this into a net operating surplus. TfL was also on course before lockdown to achieve reserves levels of £2.2 billion by the end of March 2020 (an increase of 31% over the four years since 2016), giving a buffer worth around two months of its running costs over and above its minimum cash levels.

Nonetheless, history has now shown conclusively that the abolition of the revenue support grant, a decision taken by a previous incarnation of the current government, was a false economy. It left TfL precariously over-reliant on fare revenue – no other major city's public transport authority is so reliant on a single income source – and dangerously exposed to a crisis like we have witnessed over recent months.

Relationships and building confidence

Turning to the specifics in your letter, you rightly make the point that partnership is key to success and building confidence on both sides is important. I agree with this statement, but this truly must be a two-way process, otherwise it is meaningless. The delays to negotiations, the situation back in the spring with negotiations going right up to the wire, last-minute conditions added in, and hostile Government briefings to the media did little to build trust.

MAYOR OF LONDON

We have been ready to negotiate since early August, and I am very concerned that the start has been so delayed. Once again we are right against the wire, severely limiting the possibility of negotiating in any normal way. I would also point out that the lack of confidence stretches back further than the recent pandemic – lowlights being the breaking in 2016 of the Government's promise to devolve commuter rail services and the millions wasted on multiple business cases for Crossrail 2 while the Government continually kicked the can down the road. Londoners are also right to look with astonishment at the continued blank cheque that the Government has offered the private train operating companies (TOCs) for the next 18 months, without conditions to match those placed on TfL. The comparative treatment of the TOCs is particularly striking as they still fail to deliver anywhere near the service levels that TfL are managing to provide.

One quick way to build confidence would be if the Government were to allow TfL to fully fact-check the KPMG report and then for it to be published. Much fanfare was made of this report and considerable time was devoted by TfL employees to support the KPMG work, so it is only right that the findings are made public. I am sure you agree that taxpayers deserve to see the report.

Another way confidence has been undermined is the misreporting of comments made in our meeting on 23 September in your letter. For the record, I want to be clear about two specific matters in your letter: council tax and workplace reform. To be absolutely clear, in response to your proposal of a council tax supplement, I only acknowledged the general point that there will need to be a contribution from London to future funding for TfL. I did not accept the premise of a council tax supplement, which is a condition of your letter that I believe would place even more reliance on an already broken form of taxation and would be regressive against the least well off in our city. Nor did I or Andy Byford offer in the way you suggest in our meeting to begin pensions and further workplace reform.

Short-term versus long-term package

I note in your letter you stress that because of uncertainty about future demand, it is too early to make judgements about the network's long-term revenue and capital needs, and that you instead propose a six-month funding deal until things become clearer. I agree there is uncertainty about future demand, which is why I remain of the view that an 18-month package – as you have given to the private train operating companies without condition – must be the basis of these negotiations. Linked to the actual fare revenues received, this would provide the certainty TfL need to carry on with operations and essential investment and give sufficient time to agree a long-term sustainable funding model.

MAYOR OF LONDON

I stand ready to assist your department in making the case to the Treasury that only providing short-term funding will prevent the effective running of TfL and the maintenance of its supply chain; and in demonstrating the crucial importance of a long-term sustainable funding model for London and the UK's recovery. However, we need the emergency funding deal to be agreed within days, so the detail of matters beyond the end of the initial emergency funding period will necessarily have to be agreed over a longer timeframe and as part of a longer-term deal.

While the time for negotiations now is short, I do believe we can agree that as we recover from the current emergency, a fair approach should be implemented to address TfL's long-term funding needs. This should be based on a partnership in which the Government makes a contribution through a restored operating grant, and (despite our significant net contribution to the Exchequer) London makes a contribution through income sources that are appropriate for the city and our shared ambitions for it to remain an economic powerhouse that offers a high quality of life to its residents and visitors.

Concessions

I would also ask that you are more precise about your desire to remove concessions. This is not an issue which should be left to officials, and to help foster constructive relations, I respectfully request you spell out in detail in reply to this letter what you propose. This is necessary so that TfL can calculate what impact they would have on fares income – and thus the amount of Government support required – and also the modal shift away from public transport and increased congestion they would cause.

I would gently point out that London's concession model, built over twenty years, is designed to support the specific needs of a city, including commuters, of more than ten million people. London is therefore dependent on public transport in a way nowhere else in the UK is, and it is not, as I have mentioned earlier, subsidised by the national taxpayer in the way you describe. In fact, concessions elsewhere in the UK are subsidised by Londoners. I have not added to the concessions I inherited in May 2016, and my predecessor – now the Prime Minister – did not seek to reduce the offer but in fact augmented it.

Fares

I note in your letter you propose fare rises greater than RPI+1%. I delivered a fares freeze for the last four years, funded through major efficiency savings within TfL, at the same time as we lost the far more consequential revenue support grant from the Government. The freeze did not require any financial support from central Government (indeed it reduces the amount of budgeted income lost owing to the pandemic and thus the level of Government support required), and it helped reset fares which had risen by 42% under my predecessor, leaving

MAYOR OF LONDON

them the highest of any major city in Europe. The freeze is also generally agreed to have bolstered demand while other parts of the country were seeing falls in passenger numbers.

Having reset fares, I was intending to stand for re-election earlier this year on a platform of Tube fares increasing by inflation. At a time when demand is already hugely suppressed because of the pandemic, an increase in fares by more than inflation – and certainly by anything more than is being expected of the train operating companies – would be a huge economic mistake, hitting Londoners in the pocket at a time of unprecedented economic uncertainty and further blighting the future of London's vital Central Activities Zone which generates 10% of national GDP.

Congestion charging

The existing funding agreement set out your requirement for TfL to bring forward proposals relating to the congestion charge, which have now been implemented. Your letter proposes the widening of the congestion charging zone to the North and South Circular from October 2021. I do not accept this proposal. While we need to avoid the damaging effects of a car-based recovery, this blunt approach would have a catastrophic effect on the economy of inner London and beyond, at a time when our focus must be on recovery; and it would rightly be bitterly opposed by business groups, communities, and local authorities of all political colours. In addition, this proposal would not have any material financial impact on the short-term funding package you have chosen to propose, and where attention should be focused. As it is, the condition imposed by the Government to bring forward proposals to widen the level and scope of the congestion charge is a factor in businesses in central London seeing reduced custom particularly at weekends.

Through Vehicle Excise Duty (VED), Londoners are already paying for the maintenance of roads in the rest of the country, without any contribution from VED for London's roads. London should receive a share of VED, which would help with the maintenance and renewal of London's roads, important to increasing productivity and road safety. Without this, it is difficult to make the case that Londoners should pay even more for driving (on top of revenues from next year's ULEZ expansion which I remain committed to). It is noteworthy that no other city in the UK has a congestion charge, let alone an Ultra Low Emission Zone; yet you seek to impose a widening of both of these in London.

Other income sources

Your letter mentions a council tax supplement as an additional income source. Again, I do not agree with this proposal as it is highly regressive, with the burden falling on the poorest Londoners, including pensioners with no ability to increase their income; and it risks loading even more on to a tax which is, frankly, already broken. There is also the significant risk that

MAYOR OF LONDON


the London Assembly would use their power of veto over such a change. Such a measure could in any case not be implemented in the next six months, and it is not consistent with Government policy, which as I understand it is to avoid tax increases until it is clear that this is the right thing to do for our economy.

Instead, I would be pleased to have a wider conversation around fiscal devolution. A package of proposals was made by the London Finance Commission in both of their reports – one under the previous Mayor and one during my time at City Hall. The previous Mayor, and now Prime Minister, was a big advocate of fiscal devolution, and this would be the perfect time for him to rediscover this enthusiasm as we seek to put TfL on a sound long-term financial footing. It would also demonstrate clearly that Londoners were funding TfL, and not – as you mistakenly assert – taxpayers in other parts of the country.

My final comment is with regard to your point that seeks to prevent views of any funding package being expressed. This singularly fails to understand the relationship a directly elected Mayor has to the voters of London. I am sure you recognise the extraordinary public interest in any ultimate funding scenario for TfL that would lean so heavily on additional taxes and charges on Londoners. I cannot be expected to commit to not being honest and upfront with Londoners as their democratically elected Mayor were there to be conditions that I believe to be detrimental to their well-being, in exchange for the funding we need to continue running core services on which our capital and country's economy depends.

For all of the reasons set out above, I cannot accept the conditions as set out in your letter. I do not think they represent the right, or a fair, deal for Londoners. However, I hope that officials can start negotiating a revised position without further delay. We urgently need to understand the quantum of funding support you are proposing to provide and also to have resolution to the outstanding issues relating to Crossrail funding, as set out by Andy Byford in his letter to Bernadette Kelly of 30 September.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

Sadiq Khan

Mayor of London

Cc: Paul Scully MP, Minister for London
Sir Edward Lister, 10 Downing Street



**Department
for Transport**

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

Great Minster House
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Mayor Sadiq Khan
Mayor of London

13 November 2020

Dear Mayor Sadiq Khan,

Active Travel Funding Tranche 2 Allocations

Further to my letter of 16 October, I am now writing with details of your authority's final allocation for tranche two of the Active Travel Fund. I am pleased to award Transport for London £20,000,000 for delivery of tranche 2 schemes. This will be split 80% CDEL and 20% RDEL. A formal Section 31 grant offer letter will follow shortly. I am grateful to your staff for putting together and submitting proposals over the busy summer period which I know was a testing time for all local authorities.

A list of final allocations awarded to local authorities is attached at annex A, and these will also be published on gov.uk. Authorities will receive either 125%, 100%, 95%, 75% or 60% of their indicative allocations based on the strength of their bids. Where authorities have received significantly less than their indicative allocations, this is due to their proposals being less aligned with the objectives of the fund than those of other authorities. Feedback will be provided where this is the case.

I look forward to seeing this investment in active travel delivering an attractive alternative to the travelling public for shorter journeys, and supporting the Government's drive to tackle obesity given its association with COVID-19. As in our original letter and in the guidance we issued in May, to receive any money under this tranche, you needed to show us meaningful plans to reallocate roadspace to active travel. Anything that did not meaningfully alter the status quo on the road would not be funded.

All this still applies, but experience in the five months since the funding was announced shows that some forms of roadspace reallocation have been more

effective than others. Reducing traffic around schools and giving cyclists protection with segregated lanes have made it easier and safer to choose to cycle or walk to work or school.

In contrast, as I wrote recently, the temporary pavement extensions installed by many authorities in town centres using barriers up to four feet high have often been less effective. They may prevent pedestrians from crossing the road, cause congestion for buses and motor traffic, narrow streets to the detriment of cyclists, and impede access and parking for the kerbside businesses which cluster in these areas. Yet they also appear to be relatively little used by the pedestrians for whom they were intended. I don't want this sort of scheme to undermine the fact that this Government is committed to ensuring all journeys are safe, reliable and efficient for drivers and businesses, including by investing over £27 billion over the next five years through Highways England's roads plan to ensure the road network is fit for the future.

The Department is also therefore publishing today revised statutory Network Management Duty guidance which emphasises, among other things, the importance of consultation on permanent schemes. This second tranche of funding will be much more for permanent schemes than the first, so we expect local authorities to consult more thoroughly than on the temporary schemes you did in the first wave. Councils must develop schemes that work for their communities. I have set out my requirements in full at annex B. Consultation should include objective tests of public opinion, such as scientific polling, to cut through the noise and passion schemes can generate and gather a truly representative picture of local views. It should engage stakeholders, including local MPs, but it should not be confused with listening only to the loudest voices or giving any one group a veto. Before starting work, we will ask you to confirm in writing how you have consulted. Within twelve months of completing work, we will ask you to report on the impacts that schemes have had.

Very few changes to anything will command unanimous support, and we do not ask it for these schemes. But there is clear evidence that for all the controversy they can sometimes cause, ambitious cycling and walking schemes have significant, if quieter, majority support. In recent surveys by my Department, 65 per cent of people across England supported reallocating road space to walking and cycling in their local area and nearly eight out of ten people support measures to reduce road traffic in their neighbourhood.

In individual neighbourhoods from which through traffic has been removed, surveys again find that clear majorities of residents welcome the schemes and want them to stay. Evidence also shows that these schemes are

effective. Evaluation of early School Streets projects has shown traffic outside schools has reduced on average by 68%, children cycling to school has increased by 51%, and harmful vehicle pollution outside schools is down by almost three-quarters.

Funding should, as far as possible, be committed by the end of the current financial year, and schemes delivered as soon as reasonably possible thereafter. In contrast to tranche 1 funding, it is more important that the schemes are delivered robustly and that community support for them is established than it is that they are delivered rapidly.

We also remind you that all new schemes should comply with the newly-updated Cycle Infrastructure Design Guidance, published in July, available at <https://www.gov.uk/government/publications/cycle-infrastructure-design-ltn-120> . Active Travel England, once established, will review the quality of schemes delivered by local authorities with this funding, and will take this into account in its reports of local authorities' performance on active travel. The Department reserves the right to reduce future funding, for active travel or other purposes, where consultation and design quality conditions are not met.

Thank you once again for your support for active travel.

Yours ever,

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

Rt Hon Grant Shapps MP
SECRETARY OF STATE FOR TRANSPORT

Active Travel Fund: final funding allocations

Combined authorities

Authority name	Final allocation tranche 1 (£)	Final allocation tranche 2 (£)	Total (£)
Cambridgeshire and Peterborough CA	642,429	1,724,250	2,366,679
Greater Manchester CA	3,174,000	15,871,250	19,045,250
Liverpool City Region CA	1,974,000	7,896,000	9,870,000
Transport for London	5,000,000	20,000,000	25,000,000
North East JTC	2,262,000	9,049,000	11,311,000
Sheffield City Region CA	1,437,000	5,461,550	6,898,550
Tees Valley CA	481,542	1,722,000	2,203,542
West Midlands ITA	3,850,997	13,097,650	16,948,647
West of England CA	827,895	2,964,000	3,791,895
West Yorkshire CA	2,513,000	10,053,000	12,566,000

Local authorities

Authority name	Final allocation tranche 1 (£)	Final allocation tranche 2 (£)	Total (£)
Bedford UA	30,250	363,750	394,000
Blackburn with Darwen UA	77,000	292,600	369,600
Blackpool UA	26,000	312,000	338,000
Bournemouth, Christchurch and Poole UA	312,835	1,062,100	1,374,935
Bracknell Forest UA	57,000	181,800	238,800
Brighton and Hove UA	663,657	2,376,000	3,039,657
Buckinghamshire	513,943	1,748,000	2,261,943
Central Bedfordshire UA	223,454	600,000	823,454
Cheshire East UA	155,000	588,050	743,050
Cheshire West and Chester UA	161,000	611,800	772,800
Cornwall UA ¹	152,000	607,000	759,000
Cumbria	260,323	886,350	1,146,673
Derby UA	227,923	776,150	1,004,073
Derbyshire	443,000	1,684,350	2,127,350
Devon	338,000	1,283,450	1,621,450
Dorset	128,486	438,900	567,386
East Riding of Yorkshire UA	123,000	467,400	590,400
East Sussex	535,171	1,820,200	2,355,371
Essex	968,500	7,358,700	8,327,200
Gloucestershire	321,773	864,750	1,186,523
Hampshire	863,000	3,280,350	4,143,350
Herefordshire, County of UA	20,000	120,000	140,000
Hertfordshire	1,247,329	6,451,450	7,698,779
Isle of Wight UA	62,000	235,600	297,600

Kent	1,600,000	6,098,050	7,698,050
Kingston upon Hull, City of UA	272,000	1,035,500	1,307,500
Lancashire	782,087	2,801,000	3,583,087
Leicester UA	405,568	1,378,450	1,784,018
Leicestershire	335,180	900,000	1,235,180
Lincolnshire	105,500	799,900	905,400
Luton UA	216,000	822,700	1,038,700
Medway UA	242,500	927,000	1,169,500
Milton Keynes UA	228,000	684,750	912,750
Norfolk	295,500	1,498,150	1,793,650
North East Lincolnshire UA	42,000	319,200	361,200
North Lincolnshire UA	41,000	154,850	195,850
North Somerset UA	106,140	473,750	579,890
North Yorkshire	133,000	1,011,750	1,144,750
Northamptonshire	351,000	1,332,850	1,683,850
Nottingham UA	569,806	2,039,000	2,608,806
Nottinghamshire	263,250	2,178,350	2,441,600
Oxfordshire	298,500	2,985,000	3,283,500
Plymouth UA	249,000	945,250	1,194,250
Portsmouth UA	214,515	461,400	675,915
Reading UA	221,250	1,179,000	1,400,250
Rutland UA	2,500	36,100	38,600
Shropshire UA	86,000	259,500	345,500
Slough UA	205,577	552,000	757,577
Somerset	120,000	457,900	577,900
Southampton UA	245,000	1,225,000	1,470,000
Southend-on-Sea UA	309,000	927,000	1,236,000
Staffordshire	183,000	1,832,500	2,015,500
Stoke-on-Trent UA	126,000	504,750	630,750
Suffolk	376,519	1,685,000	2,061,519
Surrey	848,000	6,445,750	7,293,750
Swindon UA	214,515	731,500	946,015
Telford and Wrekin UA	76,000	229,500	305,500
Thurrock UA	288,000	690,000	978,000
Torbay UA	41,250	132,600	173,850
Warrington UA	130,000	650,000	780,000
Warwickshire	129,000	979,450	1,108,450
West Berkshire UA	124,000	495,000	619,000
West Sussex	781,000	2,351,250	3,132,250
Wiltshire UA	227,000	681,000	908,000
Windsor and Maidenhead UA	140,000	335,400	475,400
Wokingham UA	76,000	576,650	652,650
Worcestershire	135,500	649,200	784,700
York UA	193,287	658,350	851,637

Active Travel Fund: Strengthening consultation on tranche 2 schemes

Local authorities are required to:

1. Publish detailed consultation plans to show how they will consult their communities before funding is released;
2. Show 'reasonable evidence' of consultation before schemes can be introduced;
3. Undertake appropriate public opinion surveys before and after implementation;
4. Submit monitoring reports on the implementation of schemes 6-12 months after their opening;
5. Liaise closely with the Department on these requirements and attend briefing sessions where the Department will communicate the strengthened requirements in more detail;

If these conditions are not met, the Department will reduce future funding allocations for local transport measures.

As part of the new body's quality assurance remit, Active Travel England will both support and review local authority plans for stakeholder consultation on future schemes and investment plans.



Department
for Transport

Sadiq Khan
Mayor for London
City Hall
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Our Ref: MC/327122

8 February 2021

Dear Sadiq,

Thank you for your letter of 27 January regarding Covid-19 and transport staff who have sadly lost their lives as a result of the virus.

I recognise the hard work and commitment from transport workers in London since the start of the COVID-19 pandemic. Their safety at these challenging times is of paramount importance. The Department's operator guidance helps transport organisations in England provide safer workplaces and services for themselves, their workers and passengers. It outlines measures to assess and address the risks of coronavirus.

The life assurance scheme was announced by the Secretary of State for Health and Social Care on 27 April where families of eligible NHS and care workers, who die from Covid-19 in the course of their frontline work, receive a £60,000 payment. Payments in respect of transport workers who die from Covid-19, or for any other reason, vary depending on the terms of the death in service benefits their employer has in place, with specific arrangements varying across modes and employers.

The Department for Transport continues to keep these matters under consideration during the Covid-19 pandemic and the support provided to key workers on the frontline will continue to be reviewed across Government.

Yours sincerely,

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT



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Our Ref: MC/371486

12th November 2021

Dear Sadiq,

Thank for your letter of 28 September from you and the other members of the London Covid Business Forum, and I am sorry you have not had an earlier reply.

I was pleased to hear that our changes to simplify international travel have been so warmly welcomed. More recent changes, including removing countries from the red list, are further steps in the right direction for international travel with more good news for passengers, businesses and the travel sector. We are continuing to make great progress as we recover from the pandemic, reuniting family members and making it easier for businesses to trade. However, we must not be complacent and remain ready to act swiftly and defend our hard-won gains if needed.

Turning to your questions in the order they were raised:

1. The red list will continue to operate as the UK's first defence to prevent incoming variants of concern (VOC) from entering the UK from international travel, but the rest of the world is now, in effect, treated as green, although we necessarily retain some measures to protect public health. For example, Passenger Locator Forms (PLF) allow individuals to be contacted if someone they travelled with develops COVID-19 symptoms and it is right that they should be informed and then take tests themselves in order to protect not only them, but others, including family and friends, that they may otherwise inadvertently expose to the virus.
2. I am sure you will be pleased to hear that we have now substituted the less costly LFD tests in place of PCR tests at Day 2 and (where appropriate) Day 8 after arrival here. On the matter of cost, whilst it has long been the government's position that the user should pay, note that anyone who tests

positive will then be able take a free NHS confirmatory PCR test which would be genomically sequenced to help identify new variants.

3. On the matter of transparency of international health information, which is used by the Joint Biosecurity Centre (JBC) and other officials in categorising countries within risk assessments for international travel, I would first point out that much of this is already placed in the public domain: both a summary of the JBC's methodology and their risk assessments are available online on GOV.UK. ([COVID-19 risk assessment methodology to inform international travel traffic light system - GOV.UK \(www.gov.uk\)](#) and [Data informing international travel traffic-light risk assessments: 7 October 2021 - GOV.UK \(www.gov.uk\)](#)).

It is however the case that not all information can be shared, as it is not ours to share: the JBC receives information from a number of sources, including that provided in confidence by other nations. And on the suggestion that we give more notice of changes to a country's categorisation to the red-list, I'm afraid I cannot accept the proposition that we should delay implementing changes in measures at the border once in full knowledge of a potential risk to public health in the UK.

Finally, the simplification of the Passenger Locator Form (PLF) has long been a goal in shaping its design, one encouraged by me and by other ministers, gathering only the information that is needed to protect public health. As you will have seen, the PLF can now take uploads of vaccination status from those vaccinated in the UK, reducing the need for physical checks of such documentation and expediting the traveller's journey.

Thank you for the opportunity to address these concerns and I hope this explanation clarifies the positions on each.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT



Department
for Transport

Sadiq Khan
Mayor of London
City Hall
Kamal Chunchie Way
London
E16 1ZE

From the Secretary of State
The Rt Hon Grant Shapps

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000

E-Mail: [REDACTED]

Web site: www.gov.uk/dft

Our Ref: MC/394081

23 March 2022

Dear Sadiq,

Thank you for your letter of 16 February, about the Old Oak Common Strategic Outline Business Case.

I am pleased to see the progress made so far as outlined in the Strategic Outline Business Case and that my officials and those in DLUHC have been able to work constructively with yours to get to this point. The business case will have to be considered carefully to ensure that it represents good value for money and contributes towards the delivery of government policies.

When the new HS2 station opens at Old Oak Common, with High Speed, Great Western Rail (GWR) and Elizabeth Line (EL) services, it will bring unrivalled connectivity into one of the London Plan's largest Opportunity Areas. This can present significant opportunities for regeneration to help places realise the economic and social benefits linked to HS2. I am therefore very keen that you also continue to prioritise this scheme both in terms of resourcing and providing clear local leadership as it progresses.

Yours sincerely,

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 25 March 2022

Dear Grant,

Since becoming Mayor, I have made tackling London's housing crisis one of my top priorities. Whilst there is still a long way to go, excellent progress is being made and this week I was pleased to announce that more than 11,000 new City Hall-funded council homes have been started since 2018. This has been possible through close working with London boroughs and the government.

I was therefore deeply concerned at your recent decision to invoke a clause in the 1999 GLA Act to block a vital scheme that would have delivered hundreds of new homes, of which 40% would have been genuinely affordable, on TfL land adjacent to Cockfosters station. At a time when London is facing a serious housing crisis I cannot understand why you would prioritise keeping a car park over building desperately new homes.

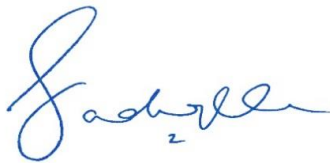
I was also very surprised at your decision, given the very positive conversations I have had with Michael Gove, the Secretary of State for the Department for Levelling Up, Homes and Communities, about the government's ambition to build the new homes families in this country need. This is an ambition I entirely share.

This scheme had been approved by democratically elected local councillors from Enfield Council who, as you will be aware, have been set an ambitious target for housing delivery by the Department for Levelling Up, Homes and Communities, including being designated as a 'presumption authority'. Your refusal of the scheme, by giving priority instead to hundreds of car parking spaces over hundreds of much-needed homes, sends a worrying and frankly contradictory message from government. The scheme would also have generated much needed revenue for TfL to reinvest in public transport, so this decision also undermines the agreements we are negotiating regarding TfL housing delivery.

MAYOR OF LONDON

London needs more homes, not more car parks. Vetoing new affordable homes on this site hampers our ability, and that of Enfield Council, to fix London's housing crisis. I urge you to think again about your decision, and hope you will reflect on the message sent by the government blocking home-building schemes before you seek to intervene in any future housing schemes being planned on the TfL estate. In the meantime I have asked TfL to explore all available options to ensure that this development can go ahead.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

Sadiq Khan
Mayor of London

Cc: Paul Scully MP, Minister for London
Rt Hon Michael Gove MP, Secretary of State for Levelling Up, Housing and Communities

[REDACTED]

From: [REDACTED]
Sent: 20 May 2022 17:33
To: [REDACTED]@dft.gov.uk'
Cc: [REDACTED]
Subject: FW: Letter from the Mayor: PCN levels in Brent
Attachments: MD2986 Supplementary Paper - Letter to SoS Transport - Signed.pdf; MD2986 Appendices A-D.pdf; MD2986 Signed.pdf

Dear [REDACTED]

Forwarding this to you in [REDACTED] & according to the instructions on his OOO email.

From: [REDACTED]
Sent: 20 May 2022 17:24
To: [REDACTED]
Subject: Letter from the Mayor: PCN levels in Brent

Dear [REDACTED]

Please find attached a letter from the Mayor of London to the Transport Secretary, regarding Penalty Charge Notice (PCN) levels in Brent. The letter has a number of appendices, which are also attached. I would appreciate it if you could confirm receipt.

Best regards

[REDACTED]

Senior Advisor to the Deputy Mayor for Transport
MAYOR OF LONDON
City Hall, Kamal Chunchie Way, London E16 1ZE

london.gov.uk
[REDACTED][@london.gov.uk](mailto:[REDACTED]@london.gov.uk)

MAYOR OF LONDON

[Attachment published at <https://www.london.gov.uk/decisions/md2986-lb-brent-request-change-pcn-levels>]

Grant Shapps MP

Secretary of State for Transport

By email

Date: 18 May 2022

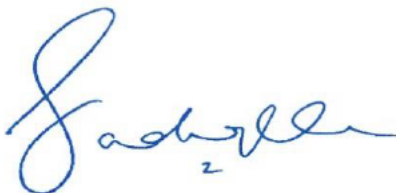
Dear Grant,

As you are aware, Paragraph 2 (1)(b) of Schedule 9 of the Traffic Management Act 2004 ("Schedule 9") provides that it is the duty of London local authorities to set the levels of charges relating to parking places provided or authorised by such authorities or contraventions on or adjacent to roads other than Greater London Authority roads. Paragraph 2(2) provides that different levels of charges may be set for different areas in London and for different cases or classes of cases.

Paragraph 3 (1) of Schedule 9 provides that London local authorities must submit to me for my approval the levels of charges that they propose to set. The London Borough of Brent (LB Brent) has proposed to increase parking charges on borough roads from Band B to Band A. This entails increases for more serious contraventions from £110 to £130 and for less serious contraventions from £60 to £80. The request would mean that the whole borough (save for the roads which border other boroughs with Band B charging levels) would be subject to Band A. I attach a copy of my decision in support of this proposal and its attachments, which provide more detail.

I am required under paragraph 4 of Schedule 9 to notify you of this proposal, and I hereby do so. The increased levels of charges do not come into force until after the expiration of either the period of one month beginning with the date on which the notification is given (the date of this letter), or such shorter period as you may allow. You may before the end of that period give notice to me that you object to the levels of charges on the grounds that some or all of them are excessive. If you do so, those levels of charges shall not come into force unless and until the objection has been withdrawn. If you think that the level is excessive, you may make regulations setting the level of charges.

Yours sincerely,



Sadiq Khan

Mayor of London



Department
for Transport

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

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000

E-Mail: [REDACTED]

Web site: www.gov.uk/dft

23 June 2022

Dear Sadiq,

Thank you for your letter to the Prime Minister of 1 June. I have been asked to reply.

You claim that Transport for London has been "forced" by the Government into making the significant cuts to London's bus network which you unveiled on 1 June, affecting 78 routes, including the complete withdrawal of 21 routes. You state: "The conditions set by the Government through the emergency funding deals... included reducing the extent of the bus network by four per cent... meeting your [the Government's] conditions requires [TfL] to cut 21 routes."

These statements are untrue. First, it was you and TfL who proposed that reduction, in your own Financial Sustainability Plan, published on 11 January 2021.^[1] The Government did not force you to do so. As you state on page 18 of the plan, headed 'TfL's proposals for achieving financial sustainability': "we have identified a further four per cent reduction in the kilometres operated on the bus network to respond to expected future travel patterns including a passenger reduction in central London and increase in outer London town centres." According to the Plan, the reductions you proposed were due to changes in demand.

Second, it is untrue that a four per cent reduction requires TfL to withdraw 21 routes and reduce or change a further 57 routes. Your Plan stated that the 4

per cent cut could be achieved by "frequency reductions" of 25 per cent on "around 25" routes and made no mention of withdrawals.^[2] The Plan stated that "there is not yet evidence to support... large-scale reductions in levels of service." It said that "reducing service levels significantly will not realise large savings quickly", projecting a saving of as little as £8 million.^[3]

Third, over the 17 months since your Financial Sustainability Plan was published, you have already implemented cuts to the bus network, reducing frequencies on 62 routes, though usually by less than 25 per cent on each route. According to calculations by Roger French, secretary of the bus industry group, the Ten Per Cent Club, this has reduced the London bus network's peak vehicle requirement from 7,818 buses at the time of the Plan to 7,489 now, a fall of 4.2 per cent.^[4]

The companies which operate the threatened routes are bemused at your new and more dramatic proposals, pointing out that several of the routes have seen among the best recoveries of passenger demand in London. The chief executive of one of the companies described your plans to us as "making no sense at all" and as putting its own investment in London at risk.

As we have told your officials for more than a year, we in fact think that cutting services should be your last resort, not your first, to achieve financial sustainability. We have consistently said that you should instead try to cut costs and generate revenue, including with more bus priority, which makes journeys faster and more reliable, allowing you to maintain the same frequencies with fewer buses and making services more attractive to passengers, bringing in more fare income. Cities across Britain and the world are learning this lesson. But across the whole of Greater London, you installed only 450 metres of "new or improved" bus lanes in the first eight months of 2021/22.^[5]

In short, the new cuts are not necessary and will not save much money. They have been artificially created by you as a political weapon in your campaign for a long-term capital funding deal. But bus operations have little or nothing to do with capital funding - they are supported by revenue subsidy, which the Government has provided throughout the pandemic and which it will continue to provide.

Government revenue funding since May 2020 already totals almost £5 billion, making TfL the largest single recipient of pandemic support across the transport sector. Business rates, your share of which was increased in 2017 to replace permanent government capital support, will raise £1.8bn for TfL this year. TfL's receipts from road user charging have risen sharply because of your much-enlarged Ultra Low Emission Zone. TfL's income (from fares, commercial activity, road charges, business rates, council tax, and the emergency revenue subsidy provided by us) is about the same as before the pandemic. In other words, there is, and will be, more than enough money to maintain services.

Your claims that yet further cuts, of 18 per cent to the buses and 9 per cent to the Tube, will be required unless we meet your demands for a capital deal are therefore also false. Your characterisation of a total capital spend of £1.8bn per year excluding the Elizabeth Line as ushering in a new and "truly dire" era of "managed decline" is false, too. Excluding the Elizabeth Line, your own actual capital spend in the last year before the pandemic, 2019/20, was £1.7bn.^[6] Under your own pre-Covid plans, again excluding the Elizabeth Line, you intended to spend £1.8bn in 2020/21^[7] and £1.9bn in each of 2021/2, 2022/3 and 2023/4.^[8] In other words, sums very similar to those which you now claim will lead to massive service cuts and describe as "truly dire."

Your claim that London's transport network is being "levelled down" is hard to reconcile with the no fewer than three major new rail schemes which have opened in London in the last six months alone - the Battersea extension of the Northern Line, the new station at Bank, and the Elizabeth Line. National taxpayers contributed £5.7bn of the initial cost of the Elizabeth Line, plus further support in the last two years to ensure that the line could be finished despite the major budget overruns and delays on your watch. Even excluding these new services, and even after the 4.2 per cent cuts you have made to the buses, TfL's services remain closer to pre-covid levels than most of the rest of the country's.

You undertook in your most recent settlement with us to deliver by March 2022 a recommended approach to reforming TfL's pension scheme - as demanded by your own review, the Glaister Review - of TfL's finances in 2020, which said the scheme was "expensive, outdated and must be reformed."^[9] Again, it is better to save money by reforming pensions than by

cutting services. Despite numerous discussions between our teams you have still not delivered a recommended approach or set out an acceptable plan to delivering one.

As you know, we do want to give TfL a longer-term capital deal. But your tactics are the wrong way to achieve one. They are harming London's interests. If we are to make a longer-term funding commitment, you must keep your promises and we must be able to deal with you and TfL on a basis of honesty and seriousness, not campaigns of scaremongering and threats. Your latest stunt today – where you have prematurely announced details of an extension before it was finalised with the department - is just the latest example of your desire to play politics, rather than working constructively with us. TfL's services are at no risk, unless you want them to be, and should not be undermined for political ends.

As we have stated before, we will continue revenue support, in further temporary deals if necessary. We remain open to giving you a longer-term capital settlement. But it will require a reset of the relationship.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT

^[1] <https://tfl.gov.uk/cdn/static/cms/documents/financial-sustainability-plan-11-january-2021.pdf>

^[2] *ibid*, page 18

^[3] [ibid](#), page 82

^[4] <https://busandtrainuser.com/london-bus-cuts-tracker/>

^[5] <https://board.tfl.gov.uk/mgChooseDocPack.aspx?ID=643>, page 53

^[6] <https://tfl.gov.uk/cdn/static/cms/documents/tfl-annual-report-2019-20.pdf>, page 77

^[7] <https://tfl.gov.uk/cdn/static/cms/documents/tfl-budget-2020-21.pdf>, page 8

^[8] <https://tfl.gov.uk/cdn/static/cms/documents/tfl-business-plan-2019.pdf>, pages 37 and 40

^[9] <https://tfl.gov.uk/cdn/static/cms/documents/tfl-independent-panel-review-december-2020.pdf>, page 31

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London, SW1P 4DR

Date: 30 June 2022

Dear Grant,

Thank you for your letter of 23 June.

The pandemic is the only reason Transport for London (TfL) is facing a financial crisis. Having already refused to devolve additional funding sources, if the government continues to refuse to properly fund public transport in the capital, TfL will have no choice but to put London's transport network into managed decline. TfL's impartial experts have been clear that this would be the inevitable consequence of the conditions forced on it by the government.

The 4 per cent reduction in bus services currently under consultation are part of TfL's Financial Sustainability Plan (FSP), but the FSP was itself a response to a condition from the 31 October 2020 emergency funding deal with the government. The 4 per cent reduction was then locked in as a condition of the current deal, which required TfL to implement the reductions set out in its FSP. The bus frequency reductions outlined in your letter would not save anywhere near the required 4 per cent.

Your letter shows that you seem to fundamentally misunderstand the financial challenges facing TfL. Contrary to your claims, the proposed bus cuts are related to capital funding. Without a longer-term capital funding deal, TfL is having to redirect its funding sources to pay for the new Piccadilly line and DLR trains, which were committed to before the pandemic. The only way TfL would be able to avoid further reductions to bus services is if the government provides sufficient capital funding so that this redirection is not necessary.

Since the publication of the FSP, which was required by the government, TfL has refined its proposal for changing the bus network, with the objective of finding a package of reductions that will retain the best possible service for customers, whilst providing the savings forced on TfL by the government. This includes running fewer routes but with higher frequencies in order to ensure regular services where bus interchanges remain.

This approach will also lead to less revenue being lost than the initial proposals that were required by the government. It's expected that the refined approach will save £35m a year. It's fantasy to think this level of savings could be achieved by increasing bus priority lanes alone, as you suggest in your most recent letter.

MAYOR OF LONDON

In addition to being forced to cut bus service levels, TfL was required to undertake an independent review of its pension scheme – one of 60 commitments it has met as conditions of government funding agreements. As things stand, it is clear that treating TfL's Pension Scheme as a private sector one imposes unnecessary costs and risks on TfL.

TfL has been raising this issue, unsuccessfully, with the Department for Transport and the Treasury for some years now, prior to the pandemic. Beyond this, I do not believe the case for change has been made. Not only am I deeply concerned that it would likely lead to more industrial action, but it is also not clear that cost reductions would be achieved through changes to the TfL Pension Scheme, which is currently in surplus. I note, for example, that if TfL were to adopt the design of your Civil Service Pension Scheme and apply it to its membership, then this would result in an increase to TfL's employer costs. As far as I'm aware, the government has no plans to reform the Civil Service Pension Scheme that TfL could learn from.

Following a request by the government, TfL is committed to providing you with a response to Sir Brendan Barber's independent review of TfL's pension arrangements by 30 September 2022. This will provide further detail of TfL's considerations regarding the reform options that Sir Brendan set out. This will include the option not to undertake any pension reform. It should also be noted that any changes to TfL's Pension Scheme would likely require considerable government involvement, and would need further detailed case making work, the availability of appropriate legislation by government, relevant consultation and TfL's decision-making processes.

The previous Glaister Review of pensions that you refer to in your letter was an independent review commissioned by the TfL Board in 2020 to look at TfL's financial sustainability. As an independent review, the quotes reflect the authors' views and were not TfL's or my views. It is therefore incorrect to say that there has been a change in my position on this issue.

In 2015, Boris Johnson and George Osborne agreed to remove £1bn a year of government funding to TfL. This has left TfL much more reliant on fare income compared to other global cities, like New York and Paris. Since 2016, I have delivered £1bn of recurring savings with plans for £300m more. Prior to the pandemic, we had also reduced TfL's underlying operating deficit by 71 per cent.

Let me be absolutely clear – the pandemic alone has created the structural reduction in TfL's income of around £1.5bn a year compared to its 2019 Business Plan. Revenue is forecast to get back to 2019/20 levels by 2022/23, however this will be around £1.5bn lower than the 2019 Business Plan forecast. The costs of operating new infrastructure, including the Elizabeth Line, plus a post-pandemic backlog of maintenance work and three years' worth of inflation, means more revenue is now needed overall to be able to safely maintain and run TfL's services.

This is why the TfL Board has repeatedly warned that further service cuts are likely to be necessary to balance TfL's budget and that a 'managed decline' scenario is the unavoidable consequence of no longer-term funding deal from the government. TfL has made huge savings before and since the pandemic, with like-for-like operating costs £200m lower than 2015/16, despite years of inflation.

London's farepayers, taxpayers and businesses have been helping to fund big infrastructure projects in the capital and these have wider benefits right across the UK.

MAYOR OF LONDON

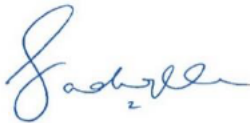
The Elizabeth Line, a national asset, will add an estimated £42bn to the national economy, but nearly 70 per cent (almost £13 billion) of the funding comes from local sources in London. And the vast majority of the Northern Line Extension scheme was funded by taxes on developments in London.

In short, London has played its part in funding new infrastructure that benefits the entire country, while receiving virtually none of the resulting tax income. However, new investments in our vital public transport infrastructure are currently impossible due to the combination of the £1.5bn a year reduction in TfL's income since 2019, the previous government funding reductions to TfL, and the lack of any long-term capital funding deal from the government.

One final point – the net revenue Londoners pay to the Treasury that gets spent outside London is approximately £36bn a year. By comparison, TfL is asking for less than £1bn over the rest of this financial year to keep London's public transport system running and then a small fraction of London's annual contribution to the national exchequer for ongoing capital investment. This is absolutely vital to help London to continue to recover from the pandemic and to maintain our significant contribution to the national economy.

I was glad to read that you agree we must reset our relationship, and I once again ask you to meet with me so that we can finally agree a fair, sustainable, long-term funding deal that will protect London's transport network—for the sake of the capital and the whole country.

Yours sincerely,



Sadiq Khan
Mayor of London

[Redacted]

From: [Redacted]
Sent: 28 July 2022 11:02
To: TransportSecretary; [Redacted]; Government Relations
Cc: [Redacted]; Permanent Secretaries
Subject: RE: D4 Funding Agreement - Letter from the Transport Secretary

Dear [Redacted]

Confirming receipt, thanks very much.

[Redacted]
[Redacted]

Senior Advisor to the Deputy Mayor for Transport
MAYOR OF LONDON
City Hall, Kamal Chunchie Way, London E16 1ZE

[Redacted]

london.gov.uk
[Redacted] [@london.gov.uk](https://twitter.com/london.gov.uk)

From: TransportSecretary <TransportSecretary@dft.gov.uk>
Sent: 28 July 2022 10:51
To: [Redacted]
[Redacted]
[Redacted]
Subject: D4 Funding Agreement - Letter from the Transport Secretary

Good morning,
Please see attached a letter from the Secretary of State for Transport for the attention of the Mayor of London.
I would be grateful if you could confirm receipt.
With best wishes,

[Redacted]



[Redacted] Deputy Principal Private Secretary to the Secretary of State for Transport, Private Office
4/4, Great Minster House 33 Horseferry Road, London, SW1P 4DR

[Redacted]
[Follow us on twitter @transportgovuk](https://twitter.com/transportgovuk)



Department
for Transport

Sadiq Khan
Mayor of London
Kamal Churchie Way
London
E16 1ZE

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

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000

E-Mail: [REDACTED]

Web site: www.gov.uk/dft

28 July 2022

Dear Sadiq,

TRANSPORT FOR LONDON SETTLEMENT LETTER

1. This letter amends the fourth extraordinary funding and financing agreement (the D4 Agreement) for Transport for London (TfL), set out in my letter to you of 25 February 2022, to ensure TfL continues to provide transport services in London.
2. The D4 Agreement covered the Funding Period of 26 February to 28 July 2022, following the extension that we agreed on 13th July. We are varying the terms of the D4 Agreement as follows:
 - a. A short extension to the Funding Period by a further 5.5 days, so that the “Revised Funding Period” is now defined as 26 February 2022 to midday on 3 August 2022.
3. This extension to the D4 Agreement is necessary to enable TfL to consider the longer-term settlement proposed by HMG, as detailed in the draft agreement shared on 22 July 2022. Resolving these issues is an integral part of setting TfL on the path to financial sustainability, and Government stands ready to engage constructively to reach a resolution.
4. We do not expect to be making any additional grant payment during this short extension period.
5. For the duration of the extension, the provisions of the D4 Agreement will remain in place:
 - a. There will continue to be a periodic Top Up mechanism pursuant to the terms of the D4 Agreement based on actual passenger revenue cash receipts compared to the D4 Passenger Revenue Scenario as set out in the Annex to this letter.
 - b. The final reporting period True Up Process shall commence at the end of the Revised Funding Period. The True Up Process shall determine whether any final payment by DfT of a True Up Grant or by TfL of a True Up Repayment for the Revised Funding Period is required.

6. We recognise that Transport for London needs to take reasonable steps to meet its statutory obligations and to maintain and operate the transport systems for which it is responsible. In doing so TfL will need to consider arrangements beyond the duration of the Revised Funding Period, including making financial commitments that fall outside this period. These commitments will be recognised in any future funding agreements to be put in place.
7. The Government remains committed to supporting London and the transport network on which it depends via its funding settlements. These settlements recognise the reliance of London's transport network on fare revenue, and Government's commitment now and in the future to mitigating loss of fare revenue as a result of the pandemic. I look forward to continued discussions.

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT

Annex – 2022/23 Passenger Revenue Scenario

	Period 4*
Passenger Revenue Scenario	£116m

*Pro rata for 29th July to 2 August 2022



Department
for Transport

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

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000

E-Mail: [REDACTED]

Web site: www.gov.uk/df

Our Ref: MC/408450

Your Ref: CH16820

To:

Sadiq Khan, Mayor of London
Andy Burnham, Mayor of Greater Manchester
Steve Rotheram, Metro Mayor of Liverpool City Region

13 August 2022

Dear all,

Thank you for your letters about what you describe as "Avanti West Coast's decision to inflict a drastically reduced timetable" from Monday.

As you must know, this statement is misleading and wrong. The immediate timetable changes became unavoidable when ASLEF drivers - suddenly, and en masse - decided to stop volunteering for overtime outside their normal week.

Avanti drivers are typically contracted to work four days a week (35 hours a week, with shifts of between 5 to 10 hours a day). So like most train operators, the West Coast Main Line needs a degree of voluntary workdays to operate its full timetable.

Overnight on 30 July, just days after ASLEF drivers on Avanti voted for action short of a strike, the number of drivers volunteering to work overtime fell by almost 90 percent. Given the union mandate, given the numbers involved, given the suddenness, and given the fact that it only happened at one operator, it simply stretches credibility to suggest that this can be anything other than unofficial industrial action - of a kind we have often seen in ASLEF disputes in the past.

Your crude attempt at misdirection over the real causes of this problem is clearly connected to the fact that your party has received significant sums from ASLEF over recent years, the union which is causing the problem. ASLEF is

indeed an official affiliate of the Labour Party. Union paymasters are calling in their favours and pulling your strings. It may have therefore been appropriate and would have certainly added to transparency had you declared your financial interest in the letter you wrote.

Unlike you, I work not for the rail unions but for the general public. And what this episode actually shows is everything that's wrong with the way we are allowing outdated union agreements to dictate the operation of our railways in the 21st century.

How can we still be relying on volunteers to ensure the busiest lines run adequate timetables? It is for this reason that the train operating companies and Network Rail – with the full support of the Government – is undertaking the biggest reform of our railways for generations.

In return, we want to offer a fair and generous pay rise. But Avanti ASLEF drivers can already earn an average of £80,000 per year with overtime. With taxpayer support for the railways already running at very high levels, pay rises can only be funded by reform, not by further burdens on taxpayers, most of whom are on a great deal less.

If you are actually interested in restoring full service to your cities, can I suggest that you take the matter up with the rail unions.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London, SW1P 4DR

Date: 18 November 2021

Dear Grant,

I am writing to request an urgent meeting to agree a sustainable and long-term funding package for Transport for London.

Since 2016 I have worked hard with TfL's senior management to significantly improve the organisation's efficiency, reducing the operational deficit of £1.5bn I inherited down to £300 million by 2019-20. If it had not been for the pandemic, we would have made an operating surplus in 2022-23.

The pandemic has, given the fare-dominated funding model imposed by the Government in the 2015 Spending Review, decimated TfL's finances. I am grateful to the Government for the significant emergency support it has provided, albeit the short-term approach has caused significant challenges.

I enclose a copy of a paper prepared for next week's TfL Finance Committee meeting (Wednesday, 24 November). This shows the consequences of no further ongoing capital funding from the Government, as set out in the Spending Review. It also sets out the additional pressures facing TfL, including lower levels of passenger numbers post-pandemic than previously forecast and high levels of inflation.

Given the uncertain economic environment TfL faces, the paper shows that even London raising an additional £500m per annum would now not be sufficient for TfL's Chief Finance Officer to have confidence that a balanced budget can be achieved in the medium-term. As a matter of law, this raises the catastrophic risk of a section 114 notice being issued in a matter of weeks unless suitable commitments can be made by us both.

Even if we manage to avoid this outcome (as we must), I am sure you will recognise that a 'managed decline' scenario (or worse) would be catastrophic for London and the UK. The paper sets out the inevitable impacts on the transport network. It is clear that these would feed through to the national economy, both costing thousands of jobs in the national TfL supply chain and eroding the net payments London makes to the exchequer (£36.1 billion pa on the latest figures) that funds much-needed public services and investment in the rest of the country.

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I am looking closely at options to raise additional recurring income towards this funding gap, as required in the June funding agreement, but this needs to be done in a partnership approach with the government.

This builds on other decisions I have taken to secure London's recovery from the pandemic and tackle our environmental challenges, many of which have also had a consequential benefit of improving TfL's financial position. I will continue to work to minimise TfL costs, building on the £1 billion of annual savings achieved since 2016.

TfL will update your officials on our progress regarding revenue raising, following the DfT's much-delayed response to our 27 August submission. However, it is simply neither reasonable nor realistic to think that Londoners can be asked to pay an amount in this range in order to have a transport system enter 'managed decline' rather than effective bankruptcy. Indeed, the managed decline scenario poses such significant risks to future revenues and costs that it would only delay the ultimate reckoning.

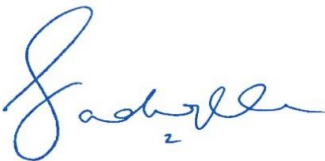
Therefore, it falls to us to work together and achieve a sustainable financial settlement for TfL, without any further delay. You have rightly previously recognised that we cannot fund train and signalling replacement from our operating costs – the Government accordingly provided considerably higher capital funding to my predecessor which enabled for example the replacement of trains and signalling on the Circle and other sub-surface lines.

The case for further government investment is compelling, evidenced both through our teams' work over the last 20 months and the international comparators. The alternative would have huge negative economic impacts for the whole country, harm our global reputation and render government policy commitments unachievable, including the decarbonisation of the transport network which is reliant on London's bulk purchasing power.

It is in the best interests of London and the rest of the country that we work together to avert this impending disaster.

I look forward to hearing from you.

Yours sincerely,



Sadiq Khan
Mayor of London

cc Paul Scully MP, Minister for London

MAYOR OF LONDON

Rt Hon Grant Shapps MP

Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR

Date: 08 December 2021

Dear Grant,

I am writing following my letter of Thursday 18 November in which I requested an urgent meeting to discuss TfL's financial situation. I am concerned that I have not had a response given how perilous the situation is and the short amount of time until the existing funding agreement expires on 11 December.

As you are aware, TfL is now preparing its proposed budget for the next three years on the basis of a 'Managed Decline' scenario that would require very significant cuts to London's transport services and deferrals to vital investment. This would include a 9% reduction in service levels on the Tube, and over 100 bus routes being withdrawn, with reduced frequencies for over 200 further routes. TfL has already paused all bus contract re-tendering until there is more clarity around its future funding, and is reviewing other contracts that may need to be paused or cancelled across the network. This will have a negative impact in London and across the country.

I understand from the conversation between Baroness Vere and Heidi Alexander that the government is not prepared to progress formal negotiations for the next funding settlement without a further expression of plans to raise new income.

I am surprised to hear this. The government did not provide any clear feedback on TfL's submission of 27 August on this subject until 12 November. That feedback was limited, and we still have had no reply to the important questions TfL raised in response on 19 November, which are needed to progress a number of the options presented. I look forward to receiving this soon.

I have already committed in principle to raising at least £500m in new income from London sources – both in TfL's Financial Sustainability Plan from January this year and as you required in the funding agreement we reached in June. For the avoidance of doubt, I again confirm that it remains my commitment to take forward a proposed package of arrangements, which I envisage would generate the additional income, subject to the necessary consultation and decision making.

I am disappointed that the government is not considering fiscal devolution in response to the funding crisis TfL faces as a result of the pandemic. The government is also continuing to refuse to address the unacceptable anomaly whereby Londoners' Vehicle Excise Duty payments are funding the road network outside London, with virtually no

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funding from this source available for major roads in London, such that Londoners (alone) pay twice for the same thing.

Without further devolution, there are only three main levers at my disposal. First, fares. To meet the government's demand for London to raise new income, I intend to adopt a number of specific modifications to fare structures and ticketing that will raise £60-80 million annually. However, increasing fares far beyond inflation would harm our economic recovery. I am advised that an RPI+15% increase would be required to raise an additional £500m. Further, it cannot deliver financial sustainability for TfL as it would just lead to a bigger revenue gap in a future recession, unless the government is prepared to underwrite a minimum level of fare income. Again, I await the government's response on this point.

Second, charges for road users. As you may be aware, I can only consider using my powers to charge road users to deliver transport policy objectives. Therefore, while TfL and I are actively assessing the real-world impact of the recent ULEZ extension and considering the next steps for my policy objectives of reducing carbon emissions, improving air quality, reducing congestion and road danger and increasing the uptake of active travel in London, I cannot pre-determine the outcome of this work. Any proposals will require a full consultation and impact assessment processes, as well as support and collaboration from DfT, so no decisions in respect of any proposed scheme have yet been taken. I envisage a scheme could raise in the region of £300m in annual revenue, which would help meet the funding government require from London sources but as the government is opposed to the only potential scheme that TfL has done significant development work on, we will have to discuss the timing implications of this.

Clearly these policy objectives cannot be considered in isolation from the state of the public transport system and the road network, as well as the ongoing viability of TfL. This is why the question of sufficient government support, first for TfL operations in the wake of the pandemic and then through capital investment, is critical to any decisions I may consider. Therefore progress will necessarily depend on a wider plan being in place to support appropriate spending on transport in London and the ongoing short and longer-term financial sustainability for TfL. This will require the confirmation of sufficient government support for capital investment, alongside my commitments around London revenue.

The only remaining option I have to raise additional money is council tax, which is a deeply regressive, broken tax and has increased by an average of 4.2% a year since 2015-16, as the government has pushed the costs of policing and adult social care onto council taxpayers. To raise an additional £500m a year through council tax alone would require an increase in the region of £160 on Band D council tax, which would be a huge burden for many Londoners and is not something that I could countenance.

The government's extraordinary requirement for Londoners to pay twice for the maintenance of major roads in the capital, and its refusal to devolve additional powers to me, means that the government is forcing us into adopting a wholly unfair approach in raising significant additional income from council tax to provide the required funding for TfL. It is important to note that I can only deliver an increase in council tax above the government's own 'excessiveness' threshold with enabling action from the Secretary of State and as noted above, I am still waiting to hear what level of increase the government is prepared to support.

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Again, I repeat my request that we meet urgently and work in partnership to address the issues we face. We cannot achieve our shared goal of long-term financial sustainability for TfL through short-term agreements that are only shared as final drafts days, or hours, before a funding deadline.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small '2' written below the 'h'.

Rt Hon Sadiq Khan
Mayor of London