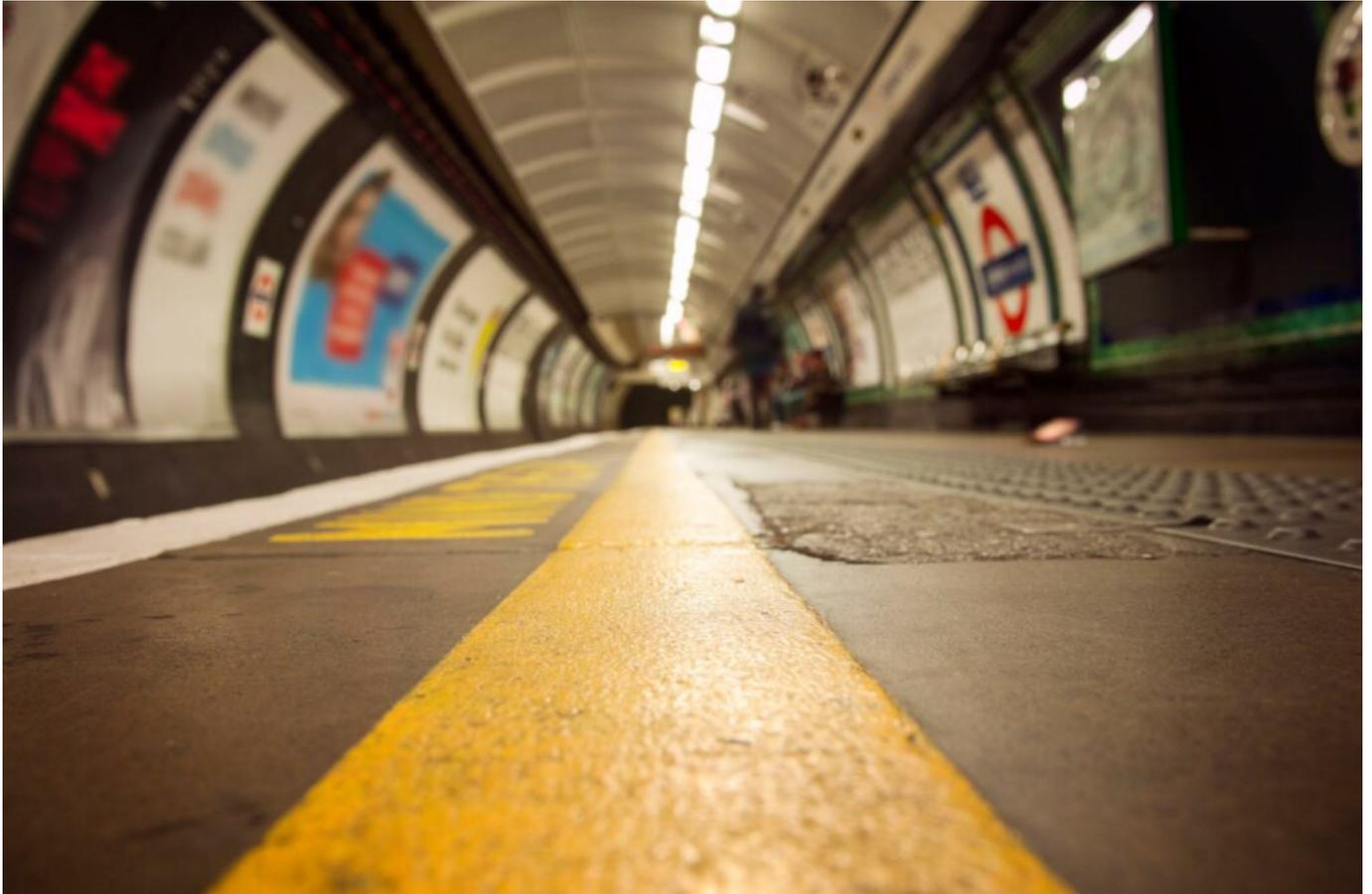


Funding for TfL, but Shapps says long-term deal needs “reset of the relationship” with Mayor

June 24, 2022



The government has confirmed in a letter that it will be continuing temporary funding until an agreement can be reached on a longer-term plan, saying the latter requires a “reset of the relationship”.

The five-page letter from secretary of state Grant Shapps — which takes up argument with the Mayor Sadiq Khan on a critical letter sent to the Prime Minister on 1 June — tonally suggests the longer-term funding will not arrive any time soon. By nature of its purpose, it does not provide a clear breakdown of the funding or when it will run until.

Shapps said in the letter: “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.”

He says: “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.”

Railway Industry Association (RIA) Chief Executive Darren Caplan said: “It must be a concern for everyone who uses, pays for, or works on the railways and tube network in London, that today’s extension marks the eleventh ‘stop-gap’ funding settlement between the Government and TfL in just over two years.

“There clearly needs to be a longer-term deal and we strongly urge the DfT and TfL to negotiate a properly funded multi-annual settlement as soon as possible. Doing so will ensure that the work on vital rail upgrades can go ahead, which ultimately benefits passengers, boosts jobs and investment, and ensures value for money for the taxpayer. The longer this cycle of short-termism goes on, the harder it will be to affordably maintain and build the capital’s transport system, and support not just London’s economy into the future, but also the wider UK’s.”

Confirmation of the funding came later the same day, when TfL issued a statement, saying:

A Transport for London (TfL) spokesperson said: “We continue to discuss our funding requirements with the Government. There is no UK recovery from the pandemic without a London recovery and there is no London recovery without a properly funded transport network in the capital. It is essential London receives the sustained long-term Government funding that is vital for the coming years if a period of ‘managed decline’ of London’s transport network is to be avoided.

“We have today (24 June) agreed with the Government that our existing funding agreement will be extended until 13 July 2022 so these discussions can be resumed. Whilst in receipt of Government support, we have worked hard to progress all conditions placed on TfL, and continue to believe that we have met them all. Working together, we must achieve a longer term capital funding settlement that ensures London’s transport network can remain reliable and efficient, can support the jobs and new homes that rely upon it and can support the economic recovery of the capital and the country as a whole. We hope these discussions can be concluded successfully soon.”