

Transport Secretary outlines Transport for London funding deal in written statement to Parliament

June 7, 2021



Transport Secretary Grant Shapps says over the course of this funding period, the Mayor of London and Transport for London will make progress towards the conversion of at least one London Underground line to full automation.

His statement to Parliament comes after the government agreed a third extraordinary funding and financing package for Transport for London (TfL) worth around £1.08 billion, ensuring the continued running of London's transport network as we progress along the government's roadmap through the COVID-19 pandemic.

The government says settlement will provide financial support until 11 December 2021, ensuring crucial reforms are accelerated to ensure TfL becomes financially sustainable in the long term.

His statement in full:

"The government and Mayor of London have agreed a **third extraordinary Transport for London (TfL) funding deal of £1.08 billion** for the period up until 11 December 2021. The deal will replace the agreement signed in October 2020, which, following extensions agreed in March 2021 and in May 2021, expired on 28 May 2021.

The funding settlement is further proof of our commitment to supporting the capital and the transport network on which it depends, while ensuring that our support is fair to the national taxpayer. The government will continue to review passenger demand in line with the Prime Minister's roadmap and will continue to support the fare revenues lost as a result of the COVID-19 pandemic.

The funding settlement sets out further measures to sustainably support London's transport network. Within the next deal period, the Mayor has agreed to:

- deliver £300 million of savings or new income sources in 2021 to 2022
- deliver £0.5 billion to £1 billion of new or increased income sources each year by 2023
- prepare a revised medium-term capital investment programme
- carry out a review of TfL's pension scheme
- set aside at least £100 million to continue the delivery of active travel programmes
- review options for long-term funding reform in partnership with the government

To help TfL achieve financial sustainability, the Mayor has agreed to prepare a plan to accelerate TfL's existing modernisation programme of £730 million by April 2023. The Mayor has agreed to work collaboratively with DfT on a joint programme for implementing higher levels of automatic train operation on the London Underground, as is the case on many metro systems worldwide.

Over the course of this funding period, the Mayor and TfL will make progress towards the conversion of at least one London Underground line to full automation but with an onboard attendant. This technology has the potential to offer a more punctual, reliable, customer-responsive and safer service that is less susceptible to human error.

TfL will also lead market engagement into technology for protecting passengers at station platforms. The London Underground is the world's oldest underground railway and the government is committed to supporting the capital's transport network, ensuring that it meets the needs of Londoners as we recover from the pandemic and that it is modernised for the 21st century.

TfL and the London Boroughs are responsible for local road maintenance, including bridge repairs. London Borough of Hammersmith and Fulham is responsible for the safety and maintenance of **Hammersmith Bridge**. However, given the extraordinary circumstances of the pandemic, during the period of this agreement, we expect to draw up a memorandum of understanding between Her Majesty's government (HMG), TfL and the London Borough of Hammersmith and Fulham to fund the reopening of Hammersmith Bridge – initially to pedestrians, cyclists and river traffic and, depending on cost, to motorists.

Funding will be conditional on the following:

- all parties must scrutinise and agree the cost of the project
- each party agrees to pay a share of the cost. Repair costs are to be led by the London Borough of Hammersmith and Fulham and TfL; HMG will not directly contribute more than one-third of the costs
- that the independent board responsible for the Case for Continued Safe Operation, reporting to London Borough of Hammersmith and Fulham, will conduct a new assessment for controlled and limited reopening of Hammersmith Bridge to pedestrians, cyclists and river traffic once further investigations and report validations are completed at the end of June. London Borough of Hammersmith and Fulham shares the assessment with the government and TfL

The government has repeatedly shown that it is committed to supporting the running of essential services across the capital while we recover from this pandemic, while ensuring fairness and value for money for the taxpayer. The government continues to work with TfL and the Mayor, so TfL can be financially sustainable as soon as possible.

This deal takes government support to TfL since March 2020 to over £4 billion, while continuing to spend money on vital infrastructure projects to level up the national transport network outside of London.”

Photo credit: Department for Transport