

## Chair of the Transport Committee

### **Navin Shah AM**

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### **The Rt. Hon Grant Shapps MP**

#### **Secretary of State**

Department for Transport  
Great Minster House  
33 Horseferry Road  
London SW1P 4DR  
(Sent by email)

9 March 2020

Dear Secretary of State,

#### **Re: Steady and sustainable funding for Transport for London**

I am writing to you to make the case for steady and sustainable funding for Transport for London's (TfL) investment programme. With London's population and employment growing, its transport infrastructure needs major improvements. This is vital in order to remain a successful city which can support the UK economy, and provide a high quality of life for all its residents and a good experience for tourists.

The projected increase in London's population will create significant pressures on already crowded and congested transport networks. The answer is to allocate the limited available space to walking, cycling and public transport networks, working together, that support well-connected and affordable housing, and pleasant public spaces. For this to happen, London needs investment in its transport infrastructure.

This investment is not at the expense of other parts of the UK. For example, the direct result of TfL ordering new trains for the Piccadilly line is the building of a factory in Goole. The factory will support jobs in suppliers and ancillaries in that part of England. Skills developed in London for the delivery of walking and cycling infrastructure here, are now shared elsewhere in the UK, especially Manchester.

TfL has developed an impressive capital delivery record since it was first established. This has been achieved through steady and sustained funding, which has seen the capital's transport network transformed from the unsatisfactory state it was in before TfL was formed some 20 years ago. This has supported the growth and success of London, including its role as host during the 2012 Olympic and Paralympic Games.

In December 2019, TfL published its Business Plan covering 2020-21 to 2024-25. This includes new capital investment of £6.5 billion over the next five years. However, Government has not committed to funding TfL beyond 2020-21. This is preventing commitments being made for the next generation of improvements to London's transport networks. Commitment to long-term projects requires long-term funding availability to ensure they can be completed, therefore, a lack of certainty of funding can delay the commencement of essential improvements and delay the realisation of their benefits.

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The current Piccadilly line signalling is outdated and is TfL's next priority in its Tube upgrade programme. Unfortunately, the lack of long-term certainty of funding means TfL is currently unable to commit to such multi-year and large-scale investment programmes. With Government support, TfL can complete the upgrade of the Tube network and signalling improvements, which on the Piccadilly line alone would bring a 60 per cent capacity increase to national transport hubs such as Heathrow Airport.

The extension of the Bakerloo line would enable much needed affordable housing in South London. London's population is forecast to grow to more than 10 million people by 2030. South east London has significant potential to support this increase, the corridor stretching from Elephant & Castle to Lewisham and Catford in particular. Improved transport services are required to support London's growing population and improve customer journeys, especially along Old Kent Road where existing bus services suffer from traffic delays and will not support the area's future densification, which could be able to deliver at least 20,000 new homes and 10,000 new jobs.

Further opportunities include the Bakerloo line rolling stock which currently operates some of the oldest trains in Great Britain; increasing the size of the Jubilee and Northern Line fleets; upgrading Holborn and Camden Town stations; Crossrail 2; the tram extension to Sutton; and the extension of DLR to Thamesmead and the West London Orbital. Fully realising the Mayor's vision for 80% of journeys to be made by public transport, walking and cycling has been estimated to need £3.3bn of investment each year up to 2041<sup>1</sup>. These schemes will collectively deliver improvements to capacity, sustainability and reliability that will enable a continuation in the success of this city. The National Infrastructure Commission in its National Infrastructure Assessment recommended that Government should deliver long-term certainty over infrastructure funding. In the Commission's Annual Monitoring Report 2020,<sup>2</sup> it also recommended that the Government's key priorities for 2020 should include: confirming its plans to go ahead with Crossrail 2, committing to fund it in the Spending Review 2020, agreeing governance arrangements between the Greater London Authority, TfL, and central government departments to begin work on delivery options for housing. The Committee believes that long-term steady and sustained investment is essential to ensure critical infrastructure projects can continue and London's transport network can support the demands of all those who live and work in, or visit, the city. To support this decision-making, the Mayor has called for certainty from Government in relation to the devolution of business rates after March 2021.

We ask you to consider long term steady and sustainable capital funding for TfL in the upcoming Spending Review, to allow TfL to invest in the transport projects that London needs to thrive. We are asking for a response to this letter, if possible, by 20 March 2020. When providing your response please copy in the Principal Committee Manager, Laura Pelling (Laura.Pelling@london.gov.uk).

Yours sincerely,



**Navin Shah AM**

Chair, Transport Committee

cc The Rt. Hon Rishi Sunak MP - Chancellor of the Exchequer

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<sup>1</sup> Transport for London Business Plan 2019-24, page 58 <http://content.tfl.gov.uk/tfl-business-plan-2019-24.pdf>

<sup>2</sup> National Infrastructure Commission, Annual Monitoring Report 2020: <https://www.nic.org.uk/wp-content/uploads/NIC-2020-AMR-Final.pdf>

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