

BY EMAIL ONLY

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

and

Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
1 Horse Guards Road
London, SW1A 2HQ

22 June 2022

Dear Secretary of State and Chancellor of the Exchequer

Re: Call for agreement on TfL's capital investment to avoid a 'managed decline' scenario

We are writing as the leading business and civil society groups in London to ask you to agree a long-term sustainable financial settlement with Transport for London.

At a time when many competing capital cities and commercial hubs across the world are stepping up their long-term investment, London – a 'shop front' for international investment – should benefit from sustained investment and financial support. We see investment in TfL as pivotal to the Government's Levelling Up agenda and to kickstarting a stuttering economy as we face unprecedented economic headwinds. The risk of recession from the latest economic data is stark.

Notwithstanding the welcome support provided to help deal with the impact of Covid-19 and the recent opening of the Elizabeth line (70% funded by London), our members have witnessed a precipitous fall in the government's support for TfL with increasing concern. We are concerned that this approach is at odds with sound transport and economic policy.

Connectivity is at the heart of London's competitive offer. It is essential for improving productivity levels, business investment, employment rates and economic growth. Emerging from the impacts of Covid-19 restrictions, ridership across London's network continues to increase.¹ For a truly global Britain to succeed post-Brexit, London must be able to sustain this growth and to compete internationally with our friends in European, North American, and Asian cities.

Connectivity is also vital for supporting the sustainability of cities. Worryingly, without financial support, TfL is unlikely to be able to invest in decarbonising its network to meet the UK's net-zero target by 2050, or to provide critical infrastructure to support housebuilding to meet the annual target of 300,000 homes.

¹ Current ridership levels for weekdays on the Tube and busses are now at 65% and 75%, respectively.

We agree with the Department for Transport that TfL needs to explore other financial revenue streams to ensure financial sustainability. But, for the foreseeable future, it is clear that support from government is needed to maintain London's transport infrastructure to avoid it descending into a 'managed decline' state that could take decades to undo. This decline could cost the wider economy in excess of £12 billion over a ten-year period.

A number of important TfL renewal and enhancement projects to the core system have already been cancelled or delayed because of uncertainty around levels of government investment and the impact of Covid-19. These include the Piccadilly line signalling upgrade and the Bakerloo line extension.

Finally, Londoners contributed an estimated £167.3 billion to the Treasury in 2020, and Greater London generated a net fiscal surplus of £4,030 per head (ONS, 2020). The Central Activities Zone alone contributed £211 billion to the UK economy in 2019 in terms of GVA.

But the capital is not without its own challenges around poverty and inequality, with some of the most deprived wards in the country. We therefore ask that funding decisions for Greater London, made by Central Government, also consider London's economic contribution to the country, and not be swayed by false commentary about other parts of the UK subsidising London's transport system.

In conclusion, we ask that you leave no stone unturned in reaching a lasting and sustainable settlement with Transport for London that will support a strong, prosperous United Kingdom and to compete on the global stage.

Yours sincerely,

Debbie Akehurst, Chief Executive, Hatton Garden BID
Penny Alexander, Chief Executive, Baker Street Quarter Partnership
Nick Bowes, Chief Executive, Centre for London
Richard Burge, Chief Executive, London Chamber of Commerce and Industry
Dee Corsi, Chief Operating Officer, New West End Company
John Dickie, Chief Executive, London First
Ruth Duston OBE, Primera Corporation
Alexander Jan, Chair, Central District Alliance
Michael Kill, CEO - Night Time Industries Association
Tony Matharu, Chairman, Central London Alliance
Ros Morgan, Chief Executive, Heart of London Business Alliance
Simon Pitkeathley, Chief Executive, Camden Town Unlimited
Gareth Roberts, Chair, City Property Association
Paul Williams, Chair, Westminster Property Association / CEO Derwent London PLC
Charles Begley, Chief Executive, London Property Alliance



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cc. Paul Scully MP, Minister for London; Andy Byford, Commissioner of Transport for London