

Government agrees conditions-based £1.08 billion funding deal with Transport for London

- funding protects continued running of services in the capital as we recover from COVID-19
- package ensures TfL will improve efficiency and pursue effective reforms which modernise London's transport network, including expanding use of automatic train operation
- deal ensures long term stability of the capital's transport network by putting TfL on the path to financial sustainability

The government has today (1 June 2021) 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 settlement will provide financial support until 11 December 2021, ensuring crucial reforms are accelerated to ensure TfL becomes financially sustainable in the long term.

The latest agreement delivers value for money for taxpayers across the country and recognises the importance of the capital's economy. This deal follows the 2 previous emergency support packages agreed in April and October 2020, and takes total government's support to TfL since March 2020 to over £4 billion.

The deal builds on commitments from the previous support packages and sets out further measures to be taken to ensure TfL is financially sustainable by April 2023. These include progressing efficiency and cost-saving initiatives and identifying new or increased sources of revenue for TfL beyond 2023.

Transport Secretary Grant Shapps said:

This £1.08 billion financial package will support London and its transport network through the pandemic, and ensure it is a modern, efficient and viable network for the future.

Throughout this process, the government has maintained that these support packages must be fair to taxpayers across the UK and on the condition that action is taken to put TfL on the path to long-term financial sustainability. As part of today's settlement, the Mayor has agreed to further measures that will help ensure that.

Within the funding period to 11 December, the Mayor of London has agreed to:

- deliver £300 million of savings or new income sources in 2021 to 2022
- identify new or increased sources of revenue for TfL of between £0.5 billion to £1 billion each year from 2023
- prepare a plan to accelerate TfL's existing modernisation programme of £730 million by April 2023
- review TfL's generous pensions scheme
- prepare a revised medium-term capital investment programme
- set aside at least £100 million to continue the delivery of healthy streets and active travel programmes
- carry out a joint review with government of demand on London's transport network to ensure service levels are appropriate

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 on-board 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. The 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, 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