

Government grants Transport for London funding package

- package worth £1.6 billion confirmed to protect Transport for London (TfL) services
- deal will increase services to help make sure people can follow social distancing guidelines while travelling
- further boost for active travel through new segregated cycle lanes and wider pavements

The government has agreed a £1.6 billion funding and financing package for Transport for London to protect key services, helping people to stay safe during the pandemic and supporting the capital's gradual recovery from COVID-19.

TfL operates services for around a billion passengers a year, serving a city of 10 million. More bus journeys were completed in London last year than across the rest of England put together, but the coronavirus pandemic has had an unprecedented impact on the tube and bus network.

In order to safeguard services on the network, the government has agreed a package consisting of a mixture of grants and loans based upon a series of conditions agreed by the mayor, Sadiq Khan. This agreement includes increasing service levels as soon as possible to ensure people can follow social distancing guidelines while on the network, making sure those who have no alternative to public transport can travel safely.

A London COVID-19 task force, comprising representatives of the government and TfL, has been established to oversee operational decisions during the crisis. The collective focus will be on taking all practicable steps to increase the number of services as quickly as possible to benefit passengers who have no alternative to public transport.

In order to safeguard services in the future, the package will see the reintroduction of fares on buses and reinstatement of the congestion charge. It will also focus on promoting traffic management and active travel to maximise the benefits of the [government's record £2 billion investment in cycling and walking](#). This will include efforts to push forward new segregated cycles lines, pavement extension and road closures to traffic, making it easier for people to choose greener ways to travel.

Transport Secretary, Grant Shapps, said:

People should avoid using public transport and work from home wherever possible, but as measures are slowly lifted it is vital that Londoners who need to use TfL services feel safe and secure.

We must drive an increase in services to support social distancing

and ensure our capital keeps moving, driving the economic recovery of this country going forward.

This deal will encourage a real move towards greener and healthier walking and cycling options, ease pressure on our public transport and provide certainty and stability for London's transport services in the future.

In order to reduce the risk of crowding and to encourage vulnerable groups to from using public transport at the busiest times when there is greater risk of transmission and it may not be possible to socially distance, the deal will see the temporary suspension of the Freedom Pass and 60+ card concessions to off peak hours. It will also see temporary suspension of free travel for under 18s and special arrangements will be made to ensure children eligible under national legislation can still travel to school for free. These changes will take place soon as practicable.

To put TfL on a sustainable footing for the longer term and help safeguard its future, the mayor has agreed that the government will carry out an immediate and broad-ranging review of the organisation's future financial position and structure, including the potential for efficiencies. Two special representatives will represent the government on TfL's board, its finance committee and its programmes and investment committee, in order to ensure best value for money for the taxpayer.

The mayor has also agreed to increase fares next year on all modes by RPI plus 1%, in line with the proposals in TfL's own business plan, in order to put the organisation on a more sustainable footing.

The deal, a grant of £1.095 billion and a loan of £505 million, runs until October 2020.

The full terms of the agreement will be published in Parliament at the first opportunity.