

Rt Hon. Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
London SW1A 2HQ

Dear Chancellor,

As leaders of London's business community, we are writing to urge you swiftly to finalise an appropriate funding agreement with Transport for London (TfL) as soon as possible. This must ensure that London's transport network can continue to play its vital role in both supporting the response to the pandemic and in the economic and social recovery.

We are aware that negotiations are continuing and that time is tight. In these uncertain times, we want to remind all parties that the stakes are extremely high for the future of London and the UK. London's transport network is critical national infrastructure and TfL must have sufficient funding for both its operations, at normal service levels, and for their maintenance. This is essential to tackle any further waves of the virus, and for the safe and sustainable recovery of the capital and the wider UK economy. The agreement should also include sufficient funding to ensure that Crossrail gets over the line in 2021, so that the benefits of the transformational Elizabeth Line are realised, and the UK's infrastructure delivery reputation is restored.

Our key concern is, of course, the health and wellbeing of London's workforce; and it is vital that they see public transport as safe. Full service levels are necessary both to support actual social distancing on public transport and to support the perception that services are not overcrowded. Without sufficient funding, TfL will quickly reach a state where it cannot maintain this level. It is therefore vital that any agreement does not lead to a reduction in service levels and impact on crowding, as this would be hugely counterproductive at a time when we need to maintain capacity on public transport and enable everyone to travel safely.

A lack of funding now will lead to unreliable services in the short term and a need for more funding later on, to catch up with core maintenance and renewal of track, trains, signals, roads, tunnels and bridges. Reducing funding in the short term is a false economy, which will ultimately deter investors, developers, and enterprise from doing business in London – in turn restricting economic growth and productivity, and putting essential jobs at risk.

It is also crucial to recognise that TfL's funding model has been too highly geared towards its farebox. More than 70 per cent of TfL's income for operating the network comes from fares, compared with 38 per cent in the transport system of New York. Beyond the immediate need, TfL needs to have a more diverse and robust funding arrangement over at least a 5-year period, which make it less reliant on uncertain fare income. We hope that the agreement you reach with TfL this autumn will reflect this.

Yours sincerely,



Dr Alan Belfield, Chair, Arup Group
Rob Bower, Managing Partner, Montagu Evans LLP
Toby Courtauld, Chief Executive, Great Portland Estates
Jo Cowen, CEO, Jo Cowen Architects
Professor Sir Paul Curran, President, City, University of London
Nic Durston, CEO, South Bank Employers' Group
Oliver Fenn-Smith, Chief Executive, The Portman Estate
Richard Foley, Senior Partner, Pinsent Masons
Jodie Gray, Interim Chief Executive, English UK
Chris Grigg, Chief Executive, British Land
Daniel Hajjar, Managing Principal, HOK
Andrew Hansen, Managing Director, FM Conway
Steffen Hoffmann, President, Bosch
Peter Hogg, UK Cities Director, Arcadis
John Holland-Kaye, Chief Executive, Heathrow Airport
Shobi Khan, Chief Executive, Canary Wharf Group
Peter Mayhew-Smith, Group Principal, South Thames Colleges Group
William McDonald, Group Public Policy and Sustainability Director, Aviva
Darrell Mercer, Group Chief Executive, A2Dominion
Clare Miller, Chief Executive, Clarion Housing Group
Robin Mills, Managing Director, Compass Group UK & Ireland
Andy Mitchell CBE, Chief Executive, Tideway
Geeta Nanda OBE, Chief Executive, Thames Valley Housing
Gareth Price, Global Managing Partner, Allen & Overy
Simon Prichard, Senior Partner, Gerald Eve
James Raynor, Chief Executive, Grosvenor
Jeremy Rees, Chief Executive, ExCel London
Chris Rumfitt, Chief Executive, Field Consulting
Brendan Sarsfield, Chief Executive, Peabody
Inderneel Singh, Managing Director, Edwardian Hotels London
Paul Stephen, Principal and Chief Executive, Newham College
Julian Swayne, CEO Europe, Barings
Pamela Thompson, Chair, Eversheds Sutherland
Jace Tyrell, Chief Executive, New West End Company
Jasmine Whitbread, Chief Executive, London First
Colin Wood, Chief Executive UK&I, AECOM

cc. Secretary of State for Transport, Minister for London, and Mayor of London