



Val Shawcross CBE
Deputy Mayor for Transport

London City Hall
The Queens Walk
SE1 2AA

Contact: Katharina Winbeck

Direct line: 020 7934 9945

Email: katharina.winbeck@londoncouncils.gov.uk

By e-mail val.shawcross@london.gov.uk

Date: 4 December 2017

Dear Val,

Re: Revisions to the LIP and Taxicard funding allocations for 2017/18-2021/22

I am writing now that London Councils has received more detailed funding information from TfL about borough LIP funding for the next five years and more information about cuts to Taxicard, which as you are aware, London Councils operates on behalf of the boroughs.

I am very disappointed that London Councils and the boroughs have not been formally engaged to discuss funding reductions to LIP and Taxicard prior to announcing a new settlement, and that when this was published, detailed information was not immediately forthcoming. Boroughs are experienced in dealing with significant cuts to their budgets and would have been willing to engage in those challenging conversations. We are now in the difficult situation where boroughs will be experiencing significant cuts in a number of LIP programmes, without the chance to influence where these cuts, if they are necessary, could have been managed best.

LIP Funding

TfL's Business Plan in December 2016 committed to protecting LIP funding at the same levels as the previous Mayor for the next five years, which we welcomed. We were assured of the understanding by the Mayor and TfL of the critical delivery partner role that the London boroughs and City of London play in delivering the Mayor's Transport Strategy on streets and neighbourhoods in particular.

According to our most recently received information from TfL colleagues, the headline funding cut for LIP is a 4.8 per cent total reduction over the next five years, but includes a 22 per cent reduction in 2018/19. This is compared to the 2016 Business Plan and stripping out the funding provided for Oxford Street. That is an important and transformational project but should not be used to obscure significant cuts to boroughs overall.

The in-year cuts to funding in this financial year (2016/17) are completely unacceptable. Boroughs have developed their programmes in consultation with TfL on the understanding that the funding for 2017/18 was confirmed. Likewise boroughs have just submitted their plans for 2018/19 which now prove to have been a waste of time and resource, as the interim year settlement for 2018/19, the remaining year before the boroughs start to deliver

the Mayor's new transport strategy in earnest, has also changed and is the year with the most severe cuts. I expect TfL to provide considerable resource to the boroughs in renegotiating their programmes in the short timescales remaining before April 2018.

Whilst 4.8 per cent overall is a significant concern, my principal worry is the Corridors funding, which funds the majority of borough transport interventions and is seen by boroughs as the most stable funding source that enables a degree of certainty and therefore ability to plan ahead. A 16 per cent annual cut from 2018/19 to 2021/22 from the figures outlined in the 2016 Business Plan is significant for boroughs, and does not represent the protection of LIP funding I understood was envisaged. These new figures also represent lower levels of LIP funding compared with the previous Mayor's Corridor programmes.

The pausing of all but essential safety-critical maintenance works on TLRN and borough roads is concerning on many levels. I believe this will cost London more in the long-term and the implications for our reputation as a global city will be compromised.

I acknowledge that TfL is losing its revenue grant from government, and we in local government do understand the difficult decisions that entails, having balanced our own budgets for a number of years in a difficult financial climate. However, TfL has known since at least November 2015 that the revenue grant would be phased out and this did not change the protection of the LIPs budget in the previous Business Plan. Additionally, TfL is still in receipt of the much larger capital grant. I acknowledge that we collectively have not succeeded in persuading the government to devolve Vehicle Excise Duty to London and I am herewith giving my commitment to increase these efforts.

Taxicard funding

As you know we are concerned about the impact of budget cuts on vulnerable service users served by the Taxicard scheme. The proposed cut of 13% reduction in 2018/19 and a 1%, 0% and 3% increase in the level of Taxicard funding in subsequent years represent significant real terms cuts to services, taking account of inflationary fares increases. This will have a direct impact on service users, some of the most vulnerable and disadvantaged people in London. It will mean fewer journeys or a lower level of subsidy for disabled people using Taxicard. I also understand that the proposal has not yet been the subject of an equalities impact assessment. Given that all Taxicard users have 'protected characteristics' as defined by the Equalities Act (2010), TfL has a legal duty to undertake an equalities impact assessment in respect of a change in service for such users.

We would strongly suggest that TfL proceeds in a manner that does not leave it open to legal challenge. I also note that the Mayor, during his election campaign, offered his continued support for the Taxicard scheme. The scale of cut proposed would appear to undermine this statement of support.

In summary, I am very concerned about the proposed cuts in LIP and Taxicard funding and I would urge you to look again at these. Specifically I ask that you:

- Maintain Corridor funding at its original levels;
- Reduce the severity of cuts to borough assets in 2018/19 and 2019/20;
- Retain the newly-reintroduced Local Transport Funding, which is welcomed;
- Undertake a full Equalities Impact Assessment for Taxicard and reduce the severity of the funding cut for some of Londoners most vulnerable transport users;
- Agree to open book accounting to enable London borough treasurers to satisfy themselves that the cuts undertaken are indeed necessary and are applied fairly across TfL budgets.

Yours sincerely,

A handwritten signature in black ink that reads "Julian Bell". The signature is written in a cursive style with a long, sweeping underline.

Cllr Julian Bell
Chair of London Councils Transport and Environment Committee