



6 December 2017

Ms Jo Negrini
Chief Executive
London Borough of Croydon
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London
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Surface Transport
Project and Programme
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Dear Ms Negrini,

LOCAL IMPLEMENTATION PLAN (LIP) 2018/19 ANNUAL SPENDING SUBMISSION

Thank you for submitting your Annual Spending Submission to us. This letter confirms our support to your authority in 2018/19 for the LIP programmes identified in Table 1 below and follows on from discussions that we have had with your officers last week.

As you will be aware, last month we published details of our new five-year Business Plan. This Plan has been prepared against the background of some very challenging economic circumstances. As you will be aware, we will have lost on average £700m a year in revenue grant from central Government from 2018/19 onwards. As a result, from next year, we will be one of the only major cities in the world to operate public transport and road networks without Government funding to cover our running costs.

In addition, while the Mayor's affordable fares policy has helped to cushion the fall in passenger numbers that has been much more significant on the national rail network, external factors mean that we are still seeing a small but sustained reduction in ridership compared with our forecasts. This means that we have had to make some difficult decisions across our operating businesses. Despite the fact that our LIP funding to the boroughs is treated as revenue funding, the draft business plan contains over £1 billion in funding for borough programmes over the life of the plan, to help London local authorities deliver the draft Mayor's Transport Strategy and meet local transport needs.

Within this total £1bn funding, there are some important changes in the level of funding for particular programmes, which are set out below.

LIP CORRIDORS FUNDING

We are not in a position to offer as much LIPs corridor funding as was indicated in the 2018/19 Annual Spending Submission Guidance. Due to the pressures on TfL's revenue budgets, the annual LIP formula funding will be reduced from £73.8 million to £63 million in 2018/19 and will remain at this level for the life of the Business Plan. The reduction in funding has been applied to each borough based on the current LIP formula.

As a result your authority's LIPs Corridor allocation for 2018/19 will be £2362.1k, rather than the £2767k advised in May 2017.

We will work with your authority to prepare amended 2018/19 LIPs programmes and a revised Annual Spending Submission, re-profiling funds accordingly. We will be in touch to discuss the process for doing this.

LOCAL TRANSPORT FUND

In spite of the financial pressures, we recognise the boroughs desire to have more say on funding for local priorities. I'm pleased to confirm that the LTF (Local Transport Fund) has been reinstated at a level of £3.3m and will be maintained for the duration of the Business Plan. London local authorities will therefore continue to receive £100k per annum to spend on local priorities.

PRINCIPAL ROAD MAINTENANCE

From 2020, the £500m raised every year from Londoners paying Vehicle Excise Duty (VED), will be collected by central Government. At present, it has only been confirmed that VED will be invested in roads outside the Capital. Discussions will continue with Government to make the case for London receiving a proportion of VED. This means in the short term we have had to find a safe way of substantially reducing expenditure on our programme of road capital renewals while we identify a new, long-term funding stream to support this work.

Between 2018/19 and 2019/20 investment in proactive planned renewals on both the Borough Principal Road Network (BPRN) and TfL Road Network (TLRN) has been paused. An allocation of circa £3m per annum for the next two years has been retained for the BPRN to continue condition surveys and deal with high priority sites. TfL, working with the boroughs through the London Technical Advisors Group (LoTAG), will agree how this allocation will be targeted to the highest priority sections of road.

Borough bridge strengthening activities are also reduced. Works already on-site or committed works will be progressed along with high priority projects, for example Hammersmith Bridge.

SUMMARY OF LIP FUNDING

Table 1 below summarises our support to your authority in 2018/19 for the LIP programmes.

Table 1

LIP Programme	Borough Allocation	Comment
Corridors and Neighbourhoods	£2362.1k	
Local Transport Fund	£100k	
Principal Road Maintenance	0	
Total	£2,462k	

Copies of the LIP Finance and Reporting Guidance which sets out the terms and conditions that apply to LIP funding can be found on our website at: <http://www.tfl.gov.uk/info-for/boroughs/local-implementation-plans>.

CONTACTS

You may be aware that TfL is currently undergoing a major organisational change process as we modernise to meet the challenges of resourcing and delivering the new Mayor's Transport Strategy. There will be different contact points within TfL on LIP projects as a result.

We will write again with full details of the changes but, in the meantime, Appendix 1 of this letter provides contact details for the lead sponsors in the new Project and Programme Sponsorship Directorate. They should be the first point of contact for queries about the LIPs programme detail.

I am aware that the changes in borough funding set out in this letter will be challenging for you and your colleagues, but please be assured that we remain committed to working collaboratively with your authority within the framework of the available funding to mitigate and where possible to resolve issues that arise.

Finally I would like to thank you and your officers for your hard work in preparing the LIP submissions and I look forward to continuing to work with you in future years.

Yours sincerely



Ben Plowden
Director of Project and Programme Sponsorship
Surface Transport

Appendix 1
Project and Programme Sponsorship Directorate – contacts

Name	Sub-region	Email details	Boroughs
Penny Rees		penny.rees@tfl.gov.uk	Head of Network Sponsorship
Rob Edwards	Central (North/West)	Rob.Edwards@TfL.gov.uk	LB Islington LB Camden City of London City of Westminster RB Kensington
Dave McKenna	Central (South/East)	David.McKenna@tfl.gov.uk	LB Wandsworth, LB Lambeth, LB Southwark, LB Tower Hamlets, LB Hackney
Zoe Vidion	South	Zoevidion@tfl.gov.uk	LB Richmond RB Kingston LB Sutton LB Merton LB Croydon LB Bromley
Julie Clark	East	Julieclark@TfL.gov.uk	LB Waltham Forest LB Redbridge LB Havering LB Barking & Dagenham LB Newham LB Redbridge LB Lewisham LB Bexley RB Greenwich
Harun Khan	North-West	Harun.Khan@tfl.gov.uk	LB Enfield LB Haringey LB Barnet LB Brent LB Harrow LB Ealing LB Hounslow LB Hillingdon