

Rt Hon George Osborne MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

31 May 2013

Dear Chancellor,

### **The case for maintaining investment in London's transport system**

I am writing to express London TravelWatch's extreme concern about the adverse impact on passengers and on the London economy in general if Transport for London (TfL) does not get a reasonable financial settlement from the Government's 2015/16 spending round. Services have benefitted from substantial levels of investment over the last few years, but the target is a constantly moving one. It is imperative that London's transport infrastructure does not stand still and keeps pace with growing demand for public transport.

The fact is that London's population has grown by over a million in the last decade, far more than previously thought, and is likely to reach 10 million by 2030. Within this total the number of economically active inhabitants increases disproportionately as the capital's population gets younger. Passenger demand is forecast to rise by 29 per cent by 2031, an extra 2.1m public transport trips a day. Against this background, it will be impossible to satisfy the increased demand for London's transport services without further investment. The knock on consequences for the London and South East economy, and for the UK as a whole, would be exceptionally serious.

I highlight below some of the major risks we foresee:

- Failure to continue investing in London's Underground network will lead to an inability to exploit upgrades in capacity that have already been made to help meet growing demand. New signalling on the tube and London Overground as a result of recent upgrades allows more trains to run closer together. But without new trains, passengers will not be able to feel the full benefits of this investment.
- Major stations such as Holborn, Camden and Bank are already at full capacity, with the first of these having seen a 50 per cent increase in demand over the last 10 years. In particular, if funding cannot be secured for a new passageway between the Central and Piccadilly lines at Holborn, within two years passengers travelling on one of these lines will have to be denied the option of alighting at the station during the morning peak. Trains will have to run straight through without stopping, in order to avoid unsafe levels of crowding in the walkways.
- Any further cuts in support for bus running costs will lead to a reduction in overall network capacity and with half of all public transport journeys in London being made by bus and bus demand continuing to grow, this would significantly increase congestion on other forms of transport.



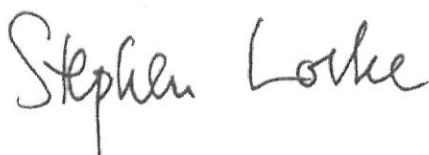
Reduction of services in off-peak hours (and especially night buses) would also reduce the ability of key workers to access employment essential to London's economy. This applies, for example, to NHS staff, office cleaners, the hospitality industry, as well as IT and finance staff working to the timetables of the global market.

- There is a risk that the benefits to passengers (and businesses) of fast journeys to London via the HS2 and other main line services could be nullified by congested onward journeys in the capital. Similarly, there would be a knock on effect of congestion for passengers commuting into the capital from the Home Counties.

We are of course fully aware that the Government has huge constraints and calls on resources. But we urge you and your colleagues to take a broad view of the implications of major cuts in the funding of London's transport services. As well as the obvious downsides for passengers – in the form of reduced services, higher fares or cuts in the levels of concessions available – there is a serious risk of adding to long term costs if London's transport investments returns to the former pattern of 'stop/start' funding. We understand that lack of continuity in the stream of investment by TfL will typically add 15 per cent to TfL's costs as suppliers' capacity has to be closed down and then re-started. By contrast, significant future savings could be made in future if a commitment to a stable and continuous stream of investment is made – benefitting consumers, taxpayers and suppliers alike.

The London TravelWatch Board has asked TfL to come and discuss further the possible impact on passengers of cuts to their grant allocation at our Policy Committee on 11 June and you would be welcome to send a representative from your team to join the meeting.

Yours sincerely

A handwritten signature in black ink that reads "Stephen Locke". The signature is written in a cursive, slightly slanted style.

**Stephen Locke**  
Chair