

Department for Transport

Mr Stephen Allen
Managing Director, Finance
Transport for London
Windsor House
42-50 Victoria Street
London SW1H 0TL

Peter Strachan
Major Projects and London
4/13 Great Minster House
33 Horseferry Road
London
SW1P 4DR

29 November 2011

Dear Steve

GLA TRANSPORT GRANT

I am writing to inform you of the Secretary of State's intention to increase the amount of the GLA Transport Grant as set out in the 2010 Spending Review letter sent by the then Secretary of State to the Mayor on 20th October 2010. This increase is in response to the Chancellor's announcement on 29th November in relation to rail fares.

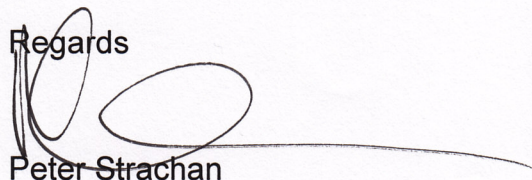
The total increase over the period will be **£136,000,000**. The GLA Transport Grant profile was set out in paragraph 10 of the 2010 Spending Review letter. The Secretary of State intends to vary the GLA Transport Grant profile for the 2012/2013 year onwards as follows:

£m (cash)	2010 Spending Review Letter			November 2011 Change		
	12/13	13/14	14/15	12/13	13/14	14/15
General	1,922	1,795	1,517	1,948	1,840	1,582
Abatement in respect of Metronet capital grant	-0	-0	-41	-0	-0	-41
Investment Grant	881	904	928	881	904	928
GLA Transport Grant	2,803	2,699	2,404	2,829	2,744	2,469

You will appreciate that, for the avoidance of doubt, all the provisions of the 20 October 2010 letter apply to this revised Settlement. In particular, it is a statement of present intentions and cannot fetter the ability of the Secretary of State or any future Secretary of State to review the overall Settlement and to determine grant levels as she or he sees fit in response to relevant circumstances.

I am copying this letter to Tom Burton-Page at TfL and Jon-Paul Graham at GLA.

Regards



Peter Strachan