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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 for the remainder of the SR10 and the SR13 Spending Review periods. This is in response to the Chancellor's announcement on 7 September 2014 in relation to rail fares.

The total increase over the periods will be **£43m** (£7m in 14/15, £36m in 15/16). The GLA Transport Grant profile for 2014/15 was set out in paragraph 10 of the 2010 Spending Review letter sent from the Secretary of State to the Mayor on 20 October 2010 and subsequently revised, most recently as set out in Patricia Hayes' letter to you of 25 March 2013. The profile for 2015/16 was set out in Table 1 of the 2013 Spending Review letter sent from the Secretary of State to the Mayor on 18 July 2013. It is the Secretary of State's current intention to vary the profile of the GLA Transport Grant as follows:

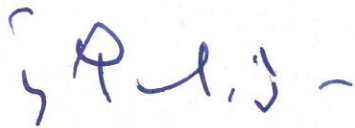
£m (cash)	Previous Intentions		Current Intentions	
	14/15	15/16	14/15	15/16
General Grant	835.015	629	842.015	665
Investment Grant	909.440	925	909.440	925
Total GLA Transport Grant	1744.455	1554	1751.455	1590

You will appreciate that, for the avoidance of doubt, all the provisions of the original 2010 and 2013 Spending Review letters, sent to the Mayor by the Secretary of State on 20 October 2010 and 18 July 2013 respectively, apply to this revised settlement.

This letter is a statement of present intentions and cannot fetter the ability of the Secretary of State to review the overall settlement and to determine grant levels as he sees fit in response to relevant circumstances. In particular, in his December 2013 Autumn Statement, the Chancellor announced that DfT's Resource Departmental Expenditure Limit (RDEL) was being reduced by 1.1% for the following two financial years. The Department did not amend the TfL grant for 2014/15, but will shortly consider what further amendment to the GLA Transport Grant may be needed in 2015/16.

I am copying this letter to Tim Steer at the GLA, Rupert Furness at DfT and Neil Perrins at TfL.

Yours sincerely,



John Parkinson