Chancellor of the Exchequer
1 Horse Guards Road
London, SW1A 2HQ

and

Secretary of State for Transport
Great Minster House
33 Horseferry Road
London, SW1P 4DR

29th July 2021

Dear Chancellor and Secretary of State,

We have now entered a new phase for the country, and the economy, which makes it critical for actions to be taken now that support a rapid recovery.

As representatives of the Let's Do London Business Board, we know that the capital will bounce back. But when we bounce back really matters – and it matters to the whole of the UK economy. It can be tempting to be complacent about the speed of London's bounce back but history warns against taking a swift recovery for granted. After all, it wasn't until the turn of the millennium that London returned to its pre-war population.

Public transport is one of the fundamental enablers of urban life. If people in and around London are going to get back to the things they have missed – and generate the associated economic value for the country – it will require a boost in confidence and increase in number of people using public transport. If we are to meet our net zero commitments, that number must then continue to grow year-on-year.

Over recent months, polling has consistently shown that those most nervous about returning to their pre-pandemic activities are those who are yet to try them in the 'new normal.' A recent report from London First and Bain & Company suggests that a targeted intervention in 2021 of £1.4-£1.7bn – covering a campaign to get people back into the capital, action to build confidence in public transport, and a reskilling programme – could pay itself back twenty times over by the end of 2023. Around a third of this total cost is earmarked in the modelling for a targeted "first journey" discount for rail users. Overcoming hesitancy to travel is critical if the capital, and indeed the country, are to recover rapidly.

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Looking further ahead, we urge you to consider carefully the detrimental impacts that can be expected if the annual rail fare increase goes ahead as planned in January. We know that inflation is going to be higher than would otherwise have been expected this year and this could translate to a 5-6% increase in rail fares. As commuters and tourists find their way in the new normal they will establish new habits which may be hard to shift in the future. Putting travellers off our railways in the coming months would be short-term and counter-productive.

Similarly, the uncertainty surrounding Transport for London's (TfL) future funding presents another barrier. In the short-term, the threat of cuts to services risks fuelling a car-led recovery. We know that being able to maintain distance from fellow passengers is one of the clearest confidence-building measures, so the more services that can be run as people start to take journeys once again, the better. A multi-year funding deal for TfL is essential to providing this certainty.

We stand ready to help implement these and other policies designed to accelerate our social and economic recovery from the impacts of the pandemic. Now is the time to commit to investing in the fastest recovery possible.

Yours sincerely,

Debbie Akehurst
Chief Executive – Central District Alliance

Charles Begley
Executive Director – London Property Alliance

Richard Burge
Chief Executive, London Chamber of Commerce and Industry

John Dickie
Chief Executive – London First

Sam Gurney
Regional Secretary TUC London, East and South East England

Michael Kill
Chief Executive Officer – Night Time Industries Association

Ros Morgan
Chief Executive – Heart of London Business Alliance

Simon Pitkeathley
Chief Executive - Camden Town Unlimited and Euston Town BID