

MAYOR OF LONDON

Dean Russell MP
dean.russell.mp@parliament.uk

Our ref: MGLA080221-5628

Date: 24 February 2021

Dear Dean,

Thank you to you and your cosignatories for your letter regarding the Greater London Boundary Charge for non-residents.

I stress that at this time, Transport for London (TfL) is only investigating the feasibility of a new Greater London Boundary Charge for non-residents. The daily charge would apply only to vehicles registered outside London which are driven into the capital. If taken forward following the outcome of the feasibility study, a full public consultation process would be required before any charge could be introduced, in addition to economic, environmental, and equality impact assessments. Development of the scheme, consultation, and implementation would take at least two years.

I recognise that your constituents will have questions about the potential impacts of such a scheme on themselves, family and friends, and customers. These issues, and similar matters, will be fully assessed as part of the detailed feasibility study, alongside the potential benefits of a scheme in tackling congestion and poor air quality. TfL will consider any potential discounts and exemptions and potential mitigations. TfL is initially looking at a £3.50 daily charge, with a possible higher charge (£5.50) for the most polluting vehicles. This would allow people and businesses based outside London to enter and exit as many times as they need to in a day and only pay once.

In addition, some of the funds raised from the Greater London Boundary Charge for non-residents could be earmarked to support sustainable travel in boundary boroughs and help TfL fund local priorities that it might otherwise not be able to afford, like bus enhancements and cycling improvements.

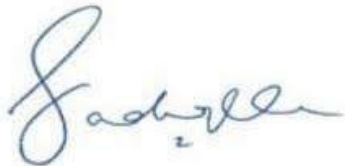
I have been very clear that rather than introducing a Boundary Charge, my preference for addressing the shortfall in TfL's budget caused by COVID-19 is for the Government to permit London to retain the £500m in Vehicle Excise Duty (VED) raised annually from London drivers. This significant sum is spent almost exclusively outside the capital every year, with TfL effectively left to fund maintenance of major roads in Greater London from its fares income – which of course has collapsed in the wake of the pandemic.

MAYOR OF LONDON

Retaining VED in London is a longstanding ask of Government, which has been made under successive Mayors including the current Prime Minister, and which has remarkable cross-party support. You may be aware that I recently wrote a joint letter with all five London Assembly Group Leaders to the Transport Secretary, renewing our call for this. The Government is currently considering a response to this as part of its formal response to TfL's Financial Sustainability Plan.

I hope this addresses the status of the scheme, and noting the strength of your sentiment, I would additionally invite you to join Conservative Assembly Members in asking the Transport Secretary to devolve VED, which could negate the need for a Boundary Charge.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sadiq Khan', with a small '2' written below the name.

Sadiq Khan
Mayor of London