

Department for
Transport

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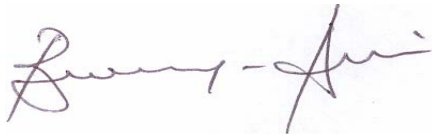
Stephen Allen
Managing Director, Finance
Transport for London
Windsor House
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London SW1H 0TL

Dear Steve,

TfL SR07 settlement

I am writing to confirm that, now that the overall CSR07 process has finished, my letter to you dated October 4 2007 is no longer draft and represents the Secretary of State's present intentions in relation to the Department for Transport's funding of Transport for London up to 2017/18.

In addition I confirm the intention that the monies referred to in sections 8 and 9 of the October 4 letter would be paid as grant under section 31 of the Local Government Act 2003, not as loans. I also confirm the Department's intention to make reductions to the level of future GLA transport grant payments in lieu of interest, as set out in the first paragraph of section 10.



BRONWYN HILL