

Department for **Transport**

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Jay Walder
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Dear Jay

Thank you for your letter of 8 March setting out the proposed revision to TfL's prudential borrowing profile for the years 2004/05 to 2009/10.

I note that the Mayor intends to raise resources through prudential borrowing as set out to the TfL Board on 29 April 2004 and as amended in the amounts noted in my letter of 20 July, to meet the needs of London and Olympics transport infrastructure. The Secretary of State confirms that Government supports these plans, as further amended below, subject to London's borrowing remaining consistent with the wider prudential regime.

Year	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Intended prudential borrowing (£m)	196	550	604	600	750	600

This flexibility for TfL to manage its borrowing should not be interpreted as willingness by DfT to reopen the other provisions outside of paragraph 7 (including the timing and levels of grant) as set in my July letter.

Yours sincerely

Robert

Robert Devereux