



Ministry of Housing,  
Communities &  
Local Government

**The Rt Hon Sajid Javid MP**

Secretary of State for Housing, Communities and Local  
Government

2 Marsham Street  
London  
SW1P 4DF

Tel: 0303 444 3450  
Email: [sajid.javid@communities.gsi.gov.uk](mailto:sajid.javid@communities.gsi.gov.uk)

Website: [www.gov.uk/mhclg](http://www.gov.uk/mhclg)



Department  
for Transport

**The Rt Hon Chris Grayling MP**

Secretary of State for Transport

Great Minster House  
33 Horseferry Road  
London  
SW1P 4DR

Tel: 0300 330 3000  
E-Mail: [chris.grayling@dft.gsi.gov.uk](mailto:chris.grayling@dft.gsi.gov.uk)

Website: [www.gov.uk/dft](http://www.gov.uk/dft)

**The Rt Hon Nick Hurd MP**  
House of Commons  
London  
SW1A 0AA

25 January 2018

Dear Nick,

As you know, we have been working closely with our colleagues in the Ministry of Housing, Communities and Local Government and with Transport for London (TfL) to find a way forward on the Metropolitan Line Extension in the light of TfL's revised total cost estimate for the scheme.

We are sorry to tell you that our efforts have not been successful.

The Secretary of State for Housing, Communities and Local Government was keen to offer to fund the £73.4m funding shortfall and wrote to the Mayor with an offer to confirm this on the condition that TfL accept any future cost risk. This in line with how we treat all other major transport schemes delivered across the country – with local scheme promoters responsible for delivering their schemes within their budgets and to make robust and realistic provision for risk and contingencies.

This condition was crucial. Both we, as Secretaries of State, and HM Treasury were clear that the Government was unable to stand behind future costs and that Transport for London should have sufficient confidence to stand behind their revised budget and to be able to control costs.

Additionally, the Secretary of State for Transport agreed to transfer to TfL those Network Rail assets (land and associated air rights) which related to the NR section of the railway line, and adjoining land, which would have been needed to complete the MLX route into Watford Junction. TfL estimated that this – along with adjoining land in private ownership - could bring in a potential value of £30m - £40m in development proceeds.

Unfortunately the Mayor was unable to accept this offer and made it clear that he would not take on the future cost risk. Despite everyone's best endeavours we have not been able to make further progress on this impasse and it is clear that we will not be able to find common ground.

As you know, the timetable for finalising the funding package has been challenging in order to progress the scheme before the Transport and Works Act Orders expire in August.

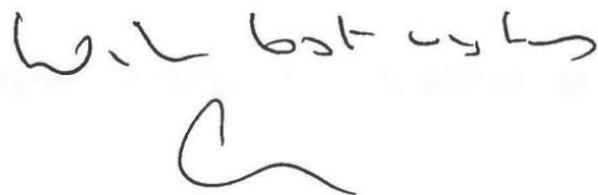
Despite all our efforts, the lack of a funding deal, coupled with the timetable constraints, means that we can now see no way for the scheme to proceed.

We know what a bitter disappointment this will be to you and to local stakeholders in Hertfordshire and Watford and to everyone who has worked so hard on this scheme over the years. We share that disappointment.

Officials in the Department would be happy to work with officials in Hertfordshire County Council, Watford Borough Council and the Local Enterprise Partnership to explore any alternative solutions that they might want to consider to help deliver growth in the area.



**THE RT HON SAJID JAVID MP**



**THE RT HON CHRIS GRAYLING MP**