

Board

Date: 2 February 2022

Item: Budget Update

This paper will be considered in public

As provided for under section 100B(4)(b) of the Local Government Act 1972, the Chair is of the opinion that this item should be considered as a late item. The reason for urgency is that Members need to consider the Budget update and not all information was available at the time the Board papers were published.

1 Summary

1.1 This paper provides an update on our submission to the GLA Budget from December 2021, emerging issues and changing trends since that submission.

2 Recommendation

2.1 **The Board is asked to note the paper.**

3 Background

3.1 At meeting of the Board on 8 December 2021, we described the recent headwinds including lower passenger income, lower ULEZ income and inflationary and energy costs, their impact on our overall funding gap, and what mitigating actions we would need to take to try to close the funding gap.

3.2 Some income assumptions have crystallised since that update, including changes to fares structures and ticketing, council tax, and potential approaches to road user charging schemes which close the funding gap from 2023/24.

3.3 Our revenue is forecast to get back to 2019/20 levels by 2022/23, however, this will be around £1.5bn lower than the 2019 Business plan forecast for the same year.

3.4 Despite mitigating measures and potential new measures that would raise income, without a longer-term capital funding settlement from government we risk a managed decline scenario.

List of appendices to this report:

Appendix 1: TfL Budget Update

List of Background Papers:

None

Contact Officer: Simon Kilonback, Chief Finance Officer
Email: SimonKilonback@tfl.gov.uk