TfL Budget
2022/23

TfL Board
23 March 2022

Section 1

2021/22 Year-to-date performance

1 April 2021 - 5 February 2022
(YTD Period 11)

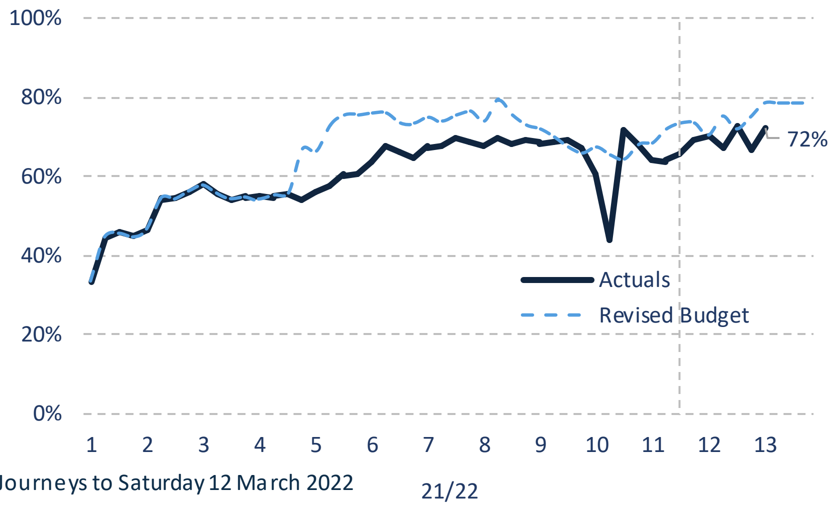
Headlines

Period 11 2021/22

Total TfL journeys were 66% of pre-pandemic levels in Period 11. Journeys declined over Period 10, as a result of the Omicron variant. Since the New Year, and with the removal of working from home guidance, journeys have begun to increase again. Passenger income was down around £50m on prior periods; year-to-date income is lower than Budget and around £1.5bn lower than pre-pandemic levels.

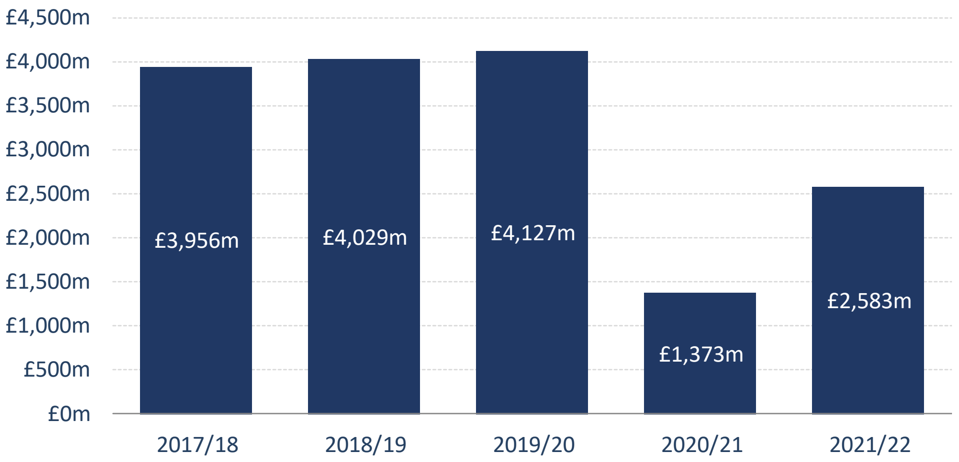
As forecast, cash balances declined during the last quarter. A new funding settlement, dated 25 February 2022, provides top up funding for passenger income (up to an agreed limit) as well as £200m base funding spread over April to June 2022. Under the terms of the agreement, we expect average cash balances to be maintained at £1.2bn.

Total passenger journeys 66% of pre-pandemic levels in latest period and below target after the festive period



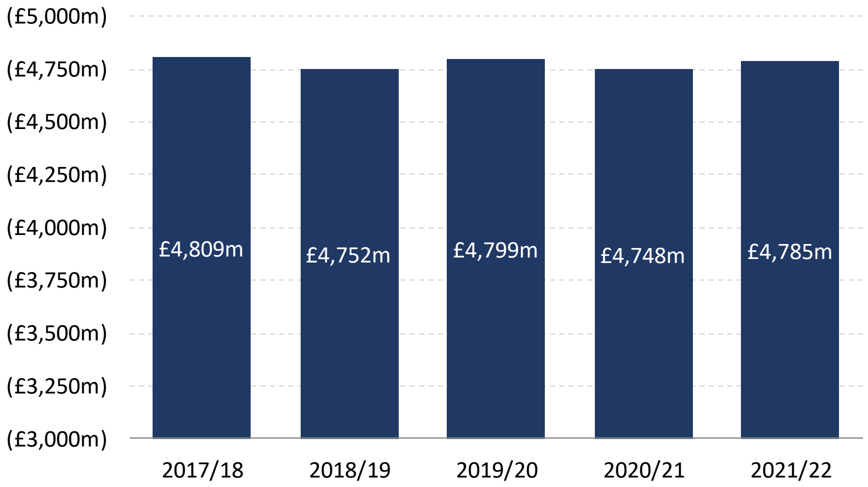
Journeys to Saturday 12 March 2022

Passenger income is £1.2bn higher than last year, but £257m lower than Budget; year-to-date income approx. £1.5bn lower than pre-pandemic levels



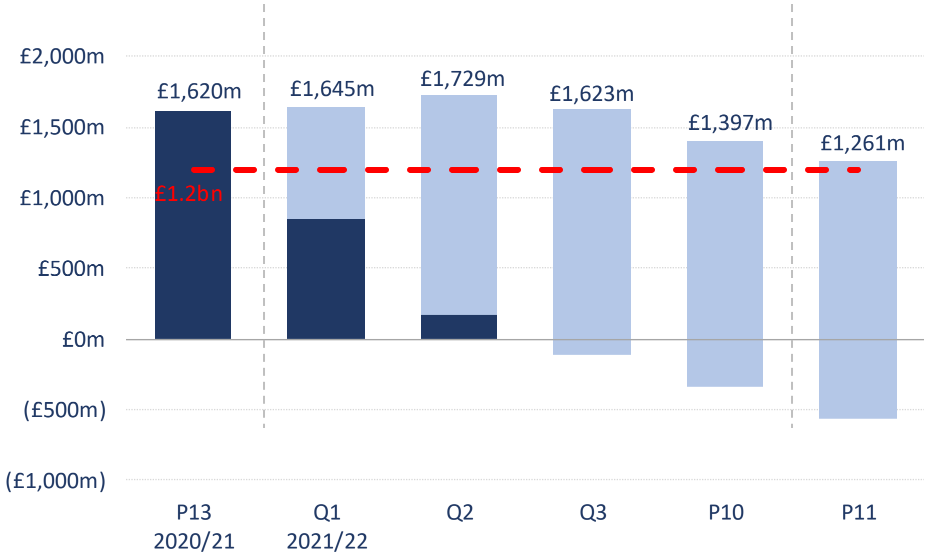
Individual years show year-to-date passenger income to end of Period 11.

Like-for-like operating costs broadly in line with last year; costs kept broadly flat over past five years with savings mitigating inflationary pressures



Individual years show year-to-date like-for-like costs to end of Period 11.

Cash balances have reduced as due to the declining trajectory of government funding and are now close to our minimum of £1.2bn



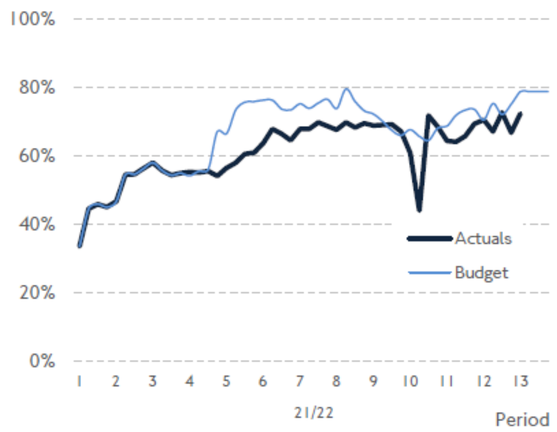
Passenger journeys

Week 49: 6 March – 12 March 2022

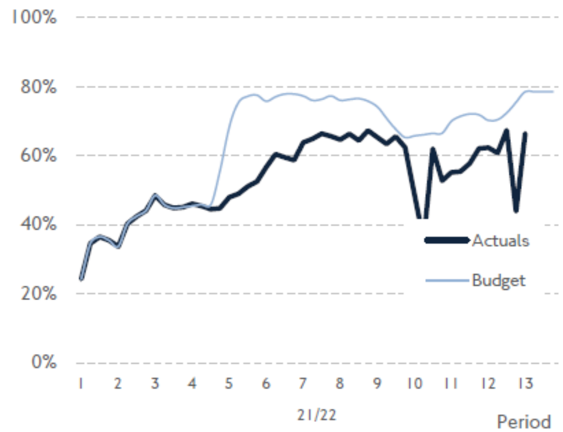
Total passenger journeys were 72% of pre-pandemic levels, with London Underground at 66% - 22 percentage points up on last week owing to two days of strikes on the network in week 48.

Whilst all modes are below Budget in week 49, bus demand was at 76% of pre-COVID levels, in line with trends in the week before the recent tube strikes.

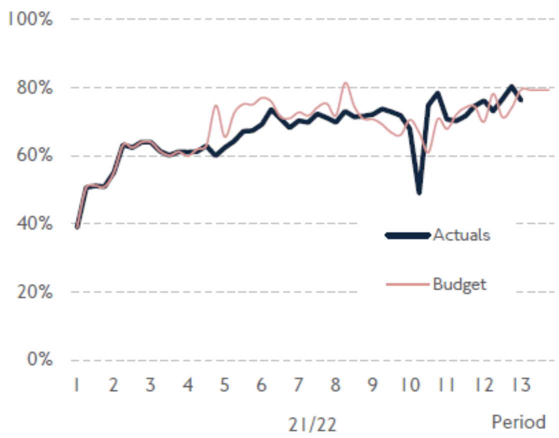
TfL	% vs Pre Covid week / budget		Absolute m		Var to Bud m
	72%	79%	P	59	-8
			Y	2325	-180



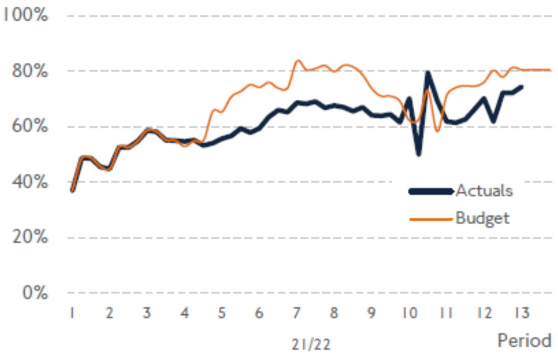
LU	% vs Pre Covid week / budget		Absolute m		Var to Bud m
	66%	79%	P	19	-4
			Y	696	-127



Bus	% vs Pre Covid week / budget		Absolute m		Var to Bud m
	76%	79%	P	34	-3
			Y	1398	-25



Rail	% vs Pre Covid week / budget		Absolute m		Var to Bud m
	74%	80%	P	5	-1
			Y	195	-22

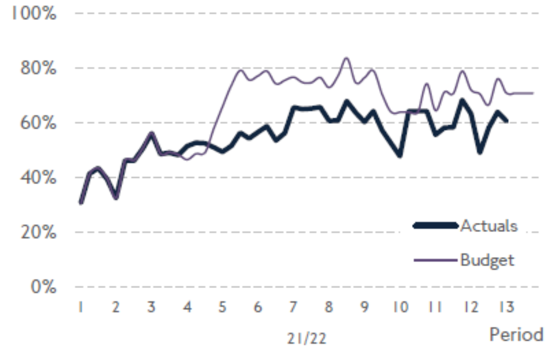


LO	% vs Pre Covid week / budget		Absolute m		Var to Bud m
	77%	80%	P	3	0
			Y	105	-14

DLR	% vs Pre Covid week / budget		Absolute m		Var to Bud m
	71%	82%	P	2	0
			Y	72	-6

Tram	% vs Pre Covid week / budget		Absolute m		Var to Bud m
	70%	80%	P	0	0
			Y	18	-1

TfLR	% vs Pre Covid week / budget		Absolute m		Var to Bud m
	61%	71%	P	1	0
			Y	37	-6



Journeys compared to pre-pandemic baseline (adjusted 2018/19 journeys)
Target is budgeted demand against this baseline;
'P' denotes latest period;
'Y' denotes year-to-date performance

Operating account

Period 11 2021/22

Passenger income is £2,583m year to date, which is £1.2bn higher than last year, but £257m below Budget. This is driven by lower journeys across all modes. Other operating income is £1m higher than Budget, with earlier Congestion Charge favourability largely eroded by lower ULEZ expansion income due to higher than anticipated levels of compliance. This demonstrates the benefits the ULEZ expansion is successfully delivering.

Operating costs are £337m below Budget from a combination of: lower underlying costs (£118m), timing differences (£139m), and from the release of contingency (£80m) held to mitigate high risk uncertainties, including ULEZ income.

Extraordinary revenue grant is £268m higher than Budget, a result of higher revenue top up, which offsets lower passenger income.

£m	Year to date, 2021/22 Actuals	Revised Budget	Variance to Revised Budget	% variance to Revised Budget	Year to date, 2020/21 Last year	Variance to last year	% variance to last year
Passenger income	2,583	2,840	(257)	-9%	1,373	1,210	88%
Other operating income	954	954	1	0%	641	313	49%
Total operating income	**3,537**	**3,793**	**(257)**	**-7%**	**2,014**	**1,523**	**76%**
Business Rates Retention	851	835	16	2%	814	37	5%
Revenue grant	56	52	4	8%	50	7	14%
Government furlough grant	0	0	0	N/A	58	(58)	-100%
Total income	**4,444**	**4,680**	**(236)**	**-5%**	**2,935**	**1,509**	**51%**
Operating cost	(5,470)	(5,807)	337	-6%	(5,376)	(93)	2%
Net operating surplus	**(1,025)**	**(1,126)**	**101**	**-9%**	**(2,441)**	**1,416**	**-58%**
Net financing costs	(375)	(382)	7	-2%	(375)	0	0%
Net cost of operations after financing	**(1,400)**	**(1,508)**	**108**	**-7%**	**(2,816)**	**1,416**	**-50%**
Capital renewals	(407)	(594)	187	-32%	(268)	(138)	52%
Net cost of operations	**(1,807)**	**(2,102)**	**295**	**-14%**	**(3,085)**	**1,278**	**-41%**
Extraordinary revenue grant	1,721	1,453	268	18%	2,031	(310)	-15%
Net cost of operations after extraordinary revenue grant	**(86)**	**(648)**	**563**	**-87%**	**(1,053)**	**968**	**-92%**

Capital account

Period 11 2021/22

Total TfL capital expenditure (excluding Crossrail construction) is £368m lower than target, largely a result of project slippage and deferrals driven by short term and stop-start nature of funding agreements, and the increased spend controls required due to funding uncertainty.

Property and asset receipts are (£94m) lower than Budget, driven by later than expected property disposals including 1 Oxford Street and Lillie Bridge depot.

	Year to date, 2021/22				Year to date, 2020/21		
£m	Actuals	Revised Budget	Variance to Revised Budget	% variance to Revised Budget	Last year	Variance to last year	% variance to last year
New capital investment	(641)	(822)	181	-22%	(653)	12	-2%
Crossrail	(507)	(606)	99	-16%	(620)	113	-18%
Total capital expenditure	**(1,148)**	**(1,428)**	**280**	**-20%**	**(1,273)**	**125**	**-10%**
Financed by:							
Investment grant	781	834	(53)	-6%	764	17	2%
Property and asset receipts	58	152	(94)	-62%	8	50	637%
Borrowing	1	1	(0)	-23%	602	(601)	-100%
Crossrail borrowing	74	74	0	0%	564	(490)	-87%
Crossrail funding sources	493	555	(62)	-11%	71	422	592%
Other capital grants	32	82	(50)	-61%	117	(85)	-73%
Total	**1,440**	**1,699**	**(259)**	**-15%**	**2,127**	**(687)**	**-32%**
Net capital account	**292**	**271**	**21**	**8%**	**854**	**(562)**	**-66%**
Capital renewals	(407)	(594)	187	-32%	(268)	(138)	52%
New capital investment	(641)	(822)	181	-22%	(653)	12	-2%
Total TfL capital expenditure	**(1,048)**	**(1,416)**	**368**	**-26%**	**(922)**	**(127)**	**14%**

Section 2

Context

Prior to the pandemic, we were close to financial sustainability for the first time

If the pandemic hadn't occurred our net operating deficit would have been circa £200m in 2019/20 and we would have reached full financial sustainability in 2022/23.

TfL's high reliance on fare income and the devastating impact the pandemic had on TfL's income have meant we have required extraordinary funding from Government. The pandemic has created a structural reduction in our income of around £1.5bn per annum compared to our 2019 Business Plan.

We significantly improved our financial position and resilience in the period before the pandemic

Between 2015/16 and 2019/20 we:

Reduced the underlying operating deficit by

71%

Reduced the net cost of operations by almost

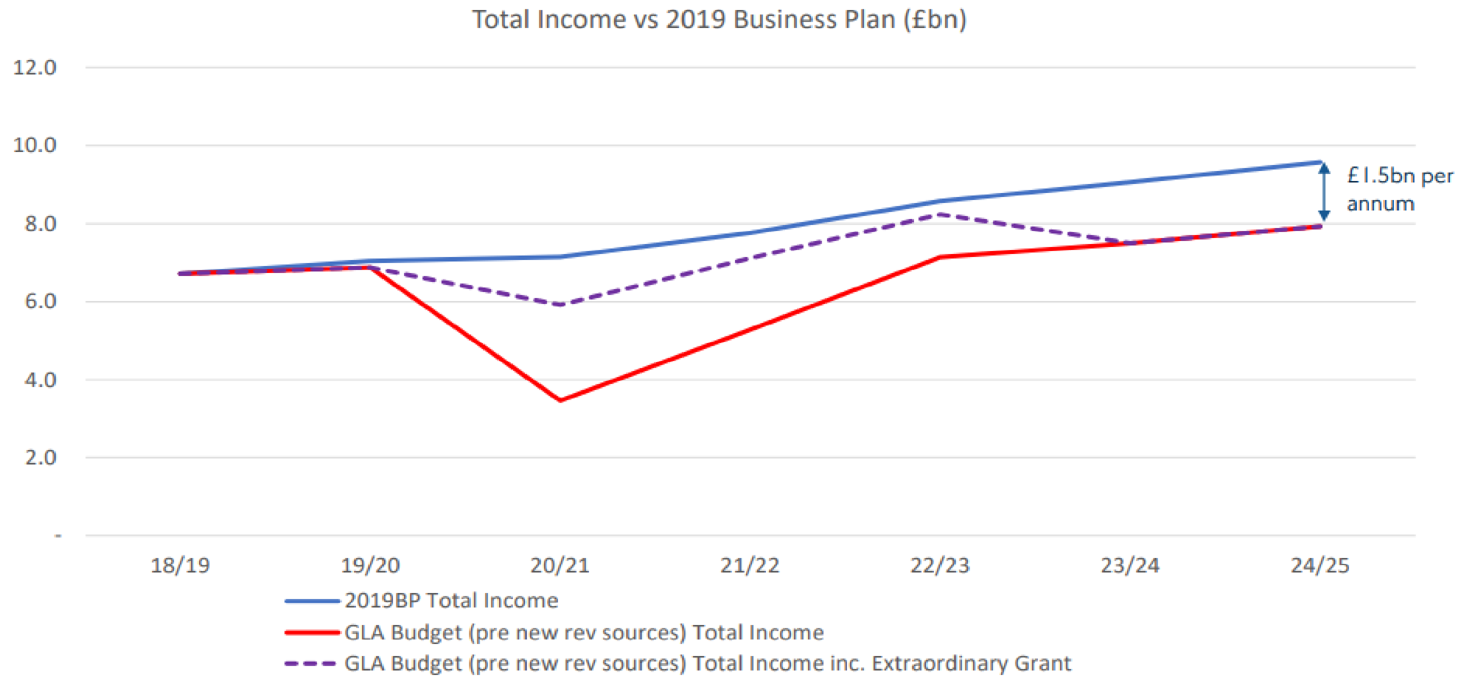
£1bn pa

Increased cash reserves to over

£2bn

The improved financial position and increased financial resilience in the period to 2019/20 was crucial to TfL being able to continue operating in the first phase of the pandemic whilst Government funding was being agreed.

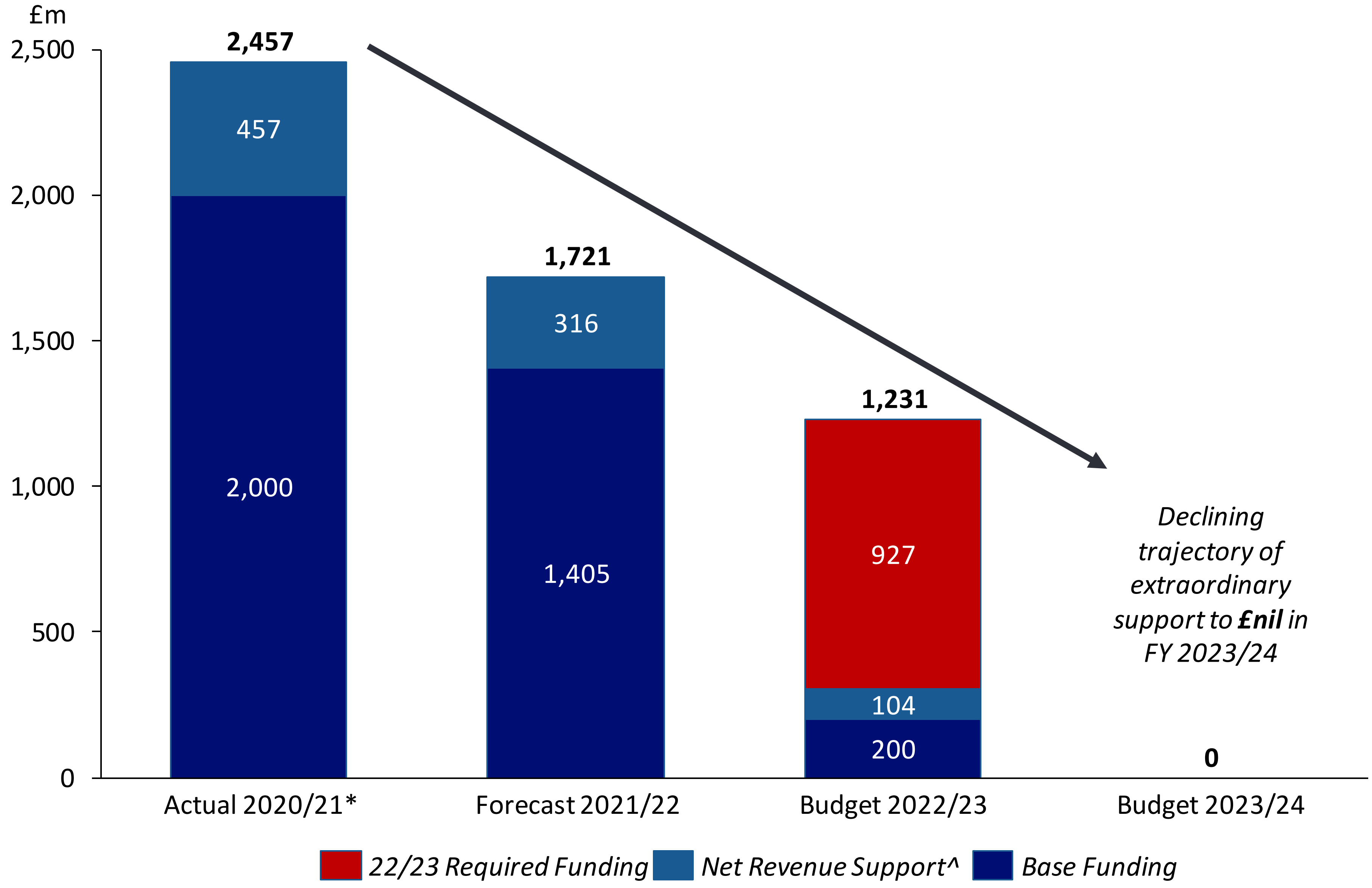
But the pandemic had a devastating and long-lasting impact on our income



This Budget continues the path back to TfL being financial sustainable

The combination of easing restrictions leading to recovering income, and ongoing careful cost control, has meant we are on a declining trajectory of extraordinary Government support and on track for financial sustainability from April 2023 – meaning 2022/23 is the last year we require Government revenue support.

Government extraordinary support received since the onset of the COVID-19 pandemic (P&L basis)



* FY 2020/21 also benefitted from an additional £600m of TfL borrowing (not included)

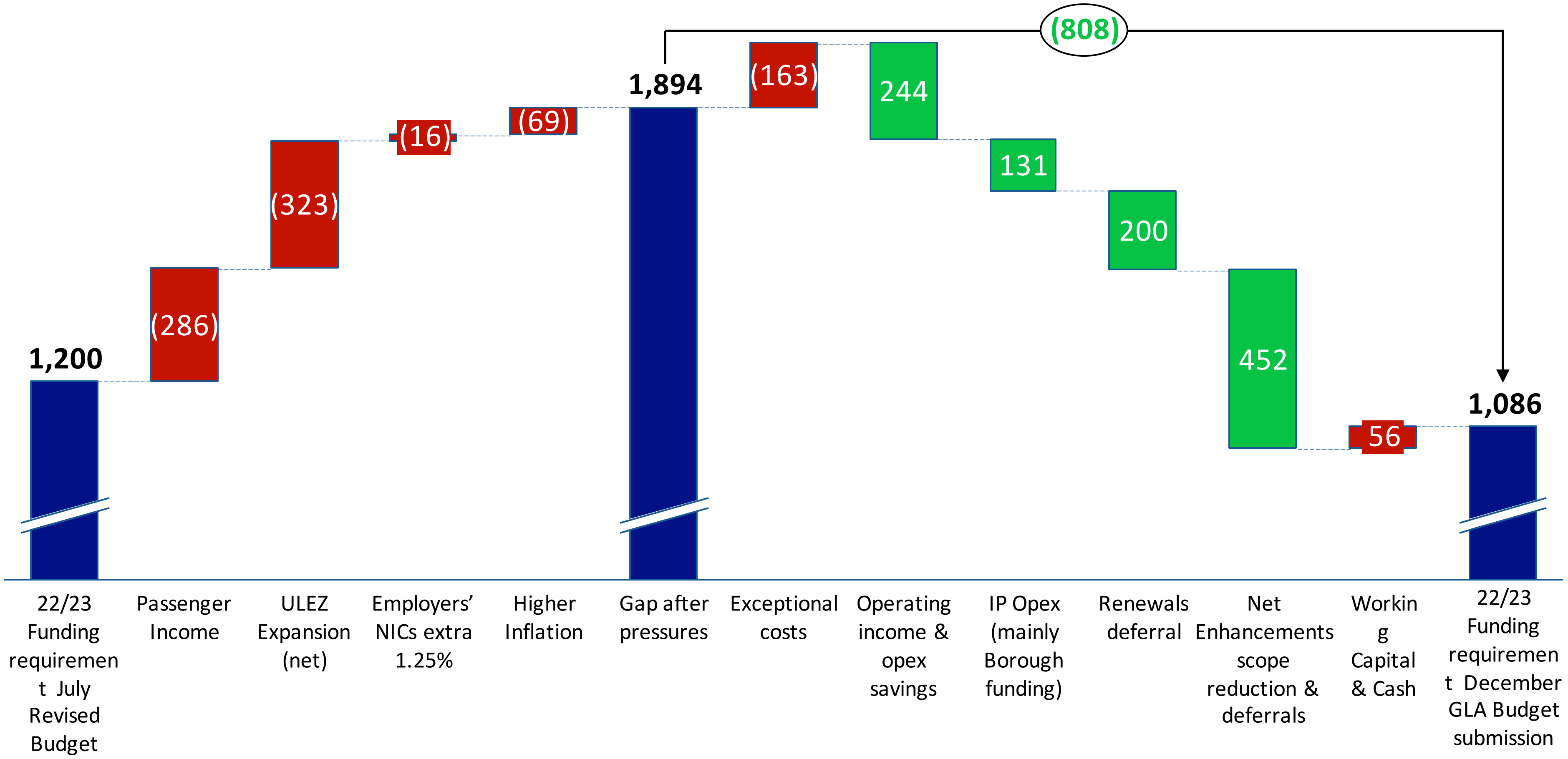
^ Net Revenue Support comprises revenue true-up grants less direct COVID operational cost adjustments

However, our financial position still means this Budget is based on a scenario of managed decline

In December 2021 we set out the combination of lack of long-term funding certainty, lower income and increasing inflation meant that we were required to adopt a 'managed decline' scenario to balance our budget.

A scenario of managed decline means reducing service levels, deteriorating asset condition and no new enhancement projects. It would create a transport network similar to that experienced in London in the 1980s.

The headwinds and mitigations outline in TfL's GLA Budget submission in December 2021



This created a budget which was financially balanced but assumed:

- Service reductions of 18% on the bus network and 9% on the LU and Rail networks
- Declining asset condition, impacting the reliability and operability of our public transport and road networks
- No new enhancement projects, which means a failure to deliver on our policy goals of tackling climate change, air quality, congestion and delivering our vision zero for people killed or seriously injured on our networks.
- No Local Implementation Plan funding for London Boroughs, impacting the capability and capacity to maintain and improve the 95 per cent of London's roads controlled by Boroughs.

To successfully deliver this coherent plan we need longer-term funding to avoid managed decline

Importance of Government capital funding

To successfully deliver this plan we need longer-term funding from Government for capital investment. The current scenario of managed decline would lead to decreasing service levels and worsening reliability leading to decreasing income, and deteriorating assets leading to increasing maintenance costs. This would ultimately fail to support long-term financial sustainability as well as failing to meet Mayoral and Government policy objectives.

We are in discussion with Government on a new, longer-term capital settlement. We have set out a requirement for sustainable, long-term capital funding, to replace London's strategic national transport assets and support other transport priorities. This would require c£0.5-1bn per annum over the medium- to long-term. The Government has recognised that we are not able to solely fund the replacement of major assets such as rolling stock and signalling from our own operating income.

Longer-term Government funding will enable us to deliver major renewals and capital projects in a more planned, efficient and effective manner. A number of studies, including those commissioned by Government, have estimated that long-term funding can enable cost efficiencies of between 10-30%.

Securing capital funding, would also free up operating income such that we can avoid the significant service reductions required under the managed decline scenario, and create the conditions required to support long-term financial sustainability.

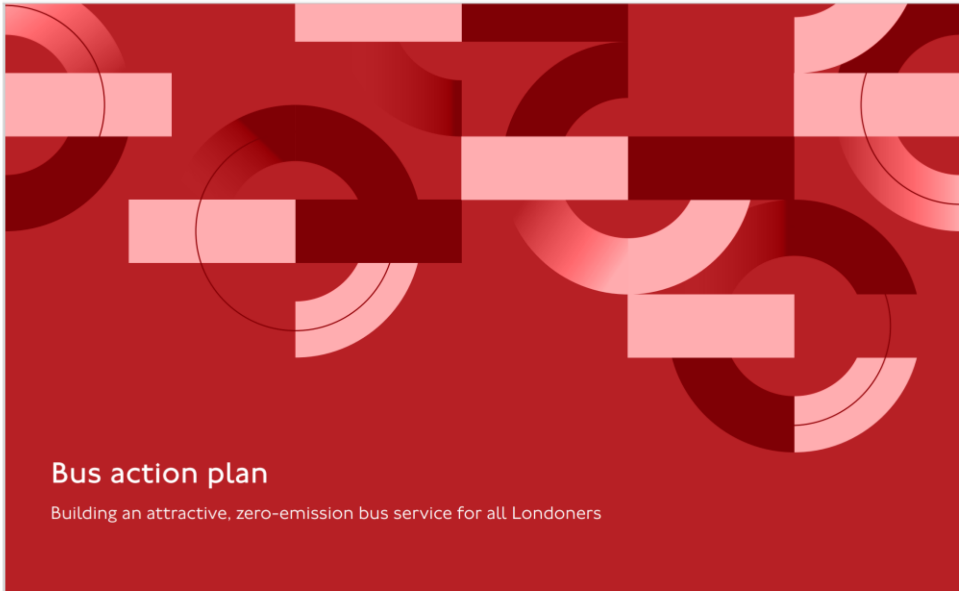
Once we have secured capital funding, we will update this Budget for 2022/23 and produce a new Business Plan in the autumn.

An attractive, zero-emission bus service for all Londoners is an essential part of this coherent plan

The crucial role of the bus network

On 4 March the Mayor asked TfL to consult on expanding the Ultra Low Emission Zone London-wide in 2023 to make London a greener, healthier and less congested city. The Mayor has also set out that the long-term and fairest solution to these challenges will ultimately be smart road user charging, although this is still many years away.

The bus network will be critical to supporting these plans, to offer Londoners an affordable, accessible and sustainable public transport alternative. This would not be congruent with a managed decline scenario of an 18 per cent reduction to bus services which we have currently assumed.



Our Bus action plan sets out our bold vision for buses in the capital

If we carry on with this trajectory of service reductions in 2022/23, we would then likely have to reverse these reductions in 2023/24. This would be inefficient, and create uncertainty and instability for passengers, bus operators and bus manufacturers.

Therefore, while this Budget assumes an 18% reduction in bus services, it remains a priority to use any additional funding that is secured to avoid this level of contraction.

Additional, long-term sustainable funding will also be required to accelerate the delivery of a zero-emission bus fleet to 2030. With our current trajectory, we will only be able to deliver this by 2034 at the earliest and significant service reductions would risk this slipping further as it would slow the introduction of new buses into the fleet.

Section 3

TfL Budget – Operating account

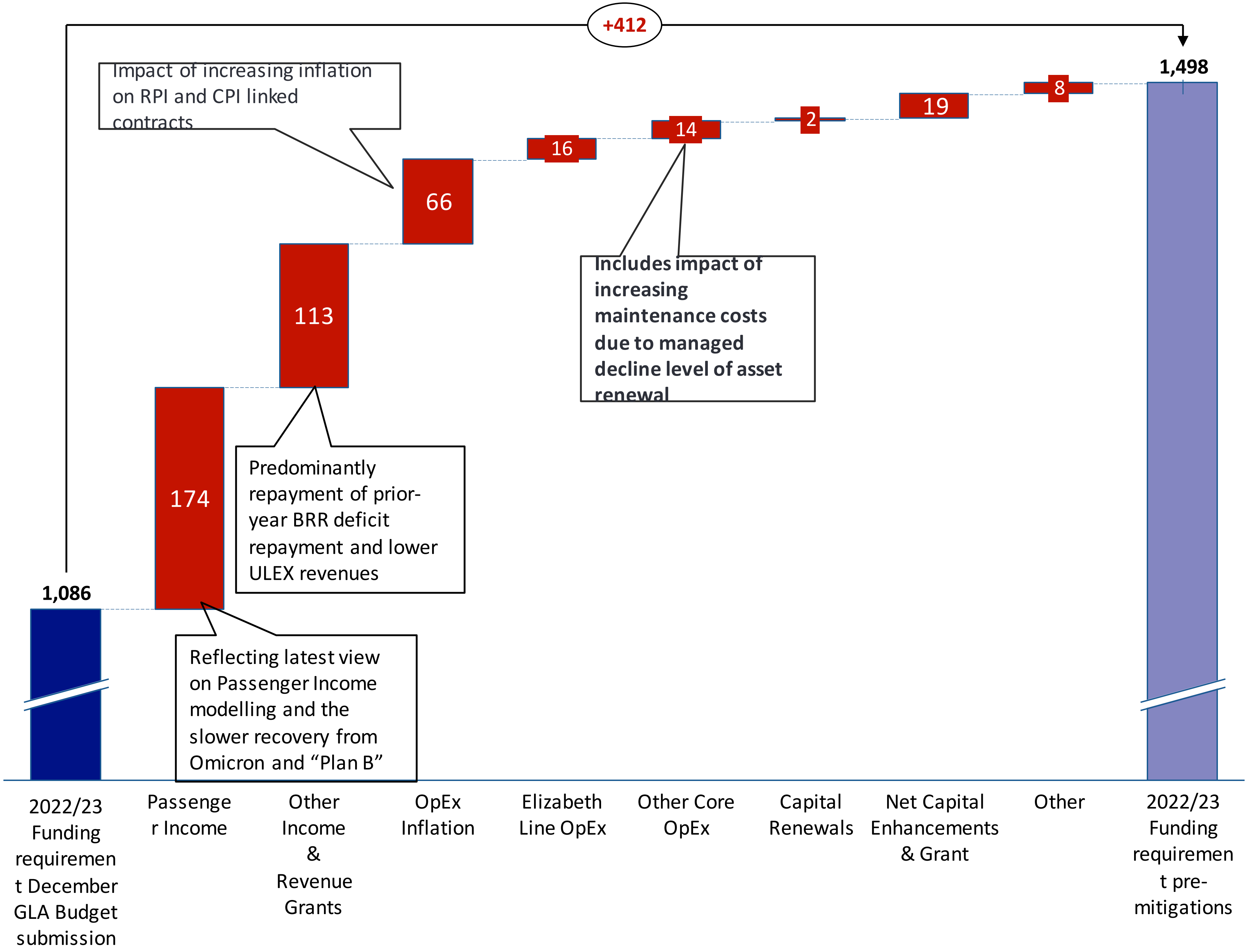
Summary of assumptions: operating account

HMG revenue funding	• Funding agreed up to 24 June 2022 has been included in the TfL Budget (£0.3bn), however we continue to require c.£0.9bn over the remainder of the financial year. This Budget assumes this further funding is secured.
Revenue	• The planning assumption is that fares are uplifted by RPI+1% on average in January 2023, but this will be subject to a Mayoral decision. • Our current central case for pandemic recovery prudently assumes the economy grows at a slower pace of return, office workers return to 65% by summer 2022 and there is a 5% suppression in demand over winter. By the end of the 2021/22 year (March 22) we are forecasting to be around 69% of pre-covid demand, with average passenger demand for 2022/23 around 80% of 2018/19 pre-covid actuals. • Business Rates Retention is in line with the Mayor's Budget Guidance issued at the end of July 2021 and also incorporates BRR deficit repayments. • The assumptions for ULEZ are based on the initial data we have for volumes and compliance levels following the go-live since the expanded zone on 25 October 2021.
Service levels	• On Tube / rail, we would have to implement every service reduction by 23-24 where there is a net cost saving, circa 9% of our services • Elizabeth line stage 3 opening is assumed to be the first half of 2022. • On buses, the current Budget assumption is to progress with the 18% reduction, however it will be priority to use any additional funding that is secured to reverse this.
Inflation	• Our RPI assumptions have increased from 4.3% for 2021/22 and 4.0% for 2022/23 in the GLA Budget to 5.2% and 5.7% respectively. However, RPI is currently running higher than these assumptions (January 2022 was 7.8), with further increases expected as the impact of higher energy and fuel prices feed through the economy.
Savings	• We will continue to deliver the committed £730m pa recurring savings programme • In addition, there are a range of non-recurring savings we are making across the organisation through tight cost control
Cash reserves & contingencies	• Our cash balances will operate around £1.2bn for the period to 24 June but we aim to end the funding period at £1.3bn. • By year-end we rebuild our cash reserves to £1.4bn to increase our resilience as we end Government revenue support. • We have £100m operating contingency provision, calibrated on the risks we face (excluding passenger income).

HMG revenue funding requirement: headwinds

Since the GLA Budget submission in December 2021 however, there have been £412m of further pressures – mainly slower passenger demand growth due to the impact of the Omicron variant and rising inflation.

The TfL Budget recognises these pressures – increasing the funding gap to **£1.5bn** before mitigations.

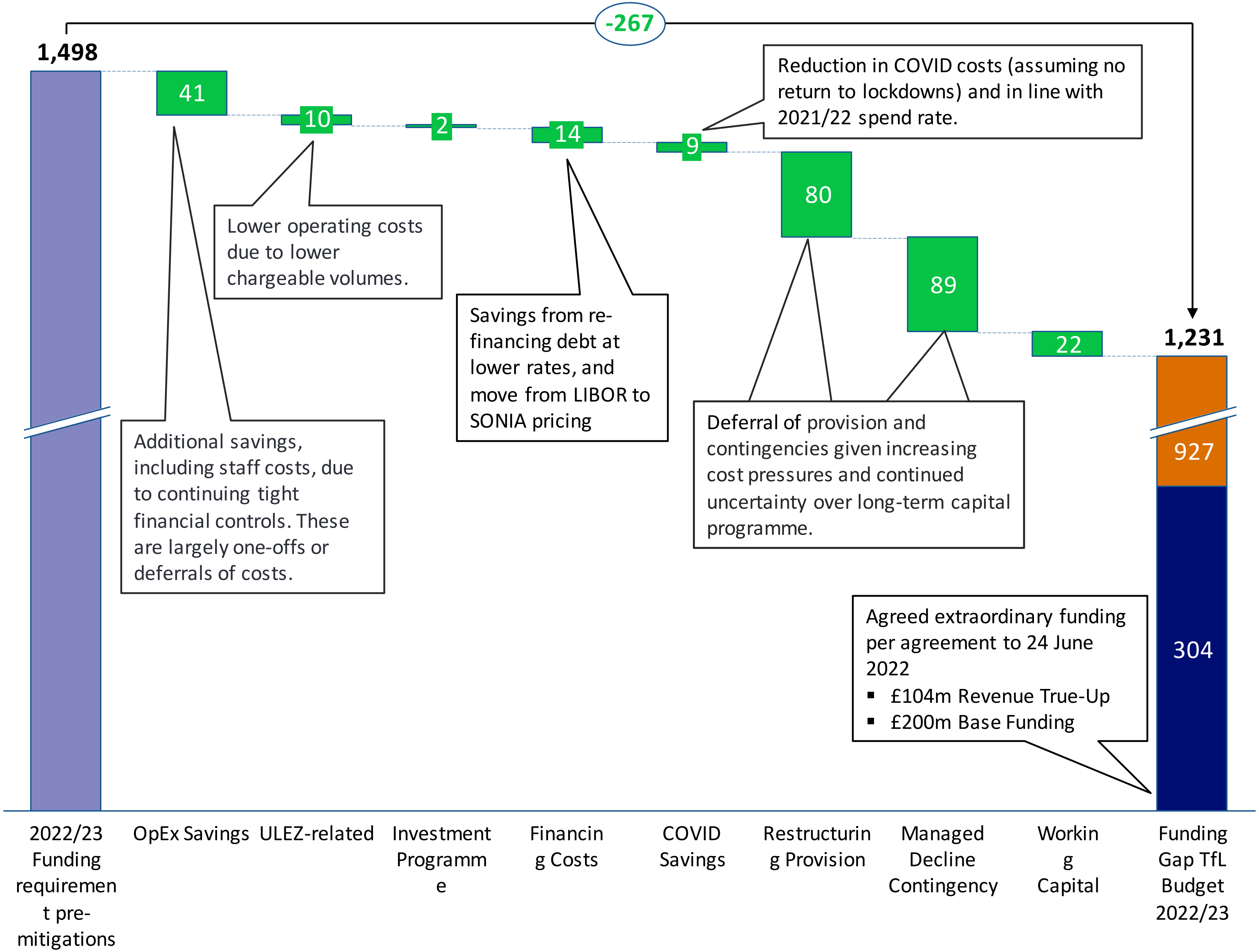


HMG revenue funding requirement: mitigations

We have been able to mitigate £267m of pressures, and bring the funding gap back down to **£1.2bn** in line with our Revised Budget of July 2021.

We are unable to fully mitigate the impacts of passenger income, although this should be addressed by the continuation of the revenue ‘top-up’ mechanism with HMG.

So far, we have secured £304m of HMG funding. We therefore require an additional **£927m** of extraordinary funding to balance the budget in 2022/23. This assumption appears reasonable given the level of funding secured in the first quarter of the financial year.



Revenue: passenger demand range

Outturn ridership levels for 2021/22 are expected to be lower than the GLA Budget due to the Omicron variant and 'Plan B' measures that came in after the GLA Budget was put together and submitted. This has a knock-on impact to the start of 2022/23.

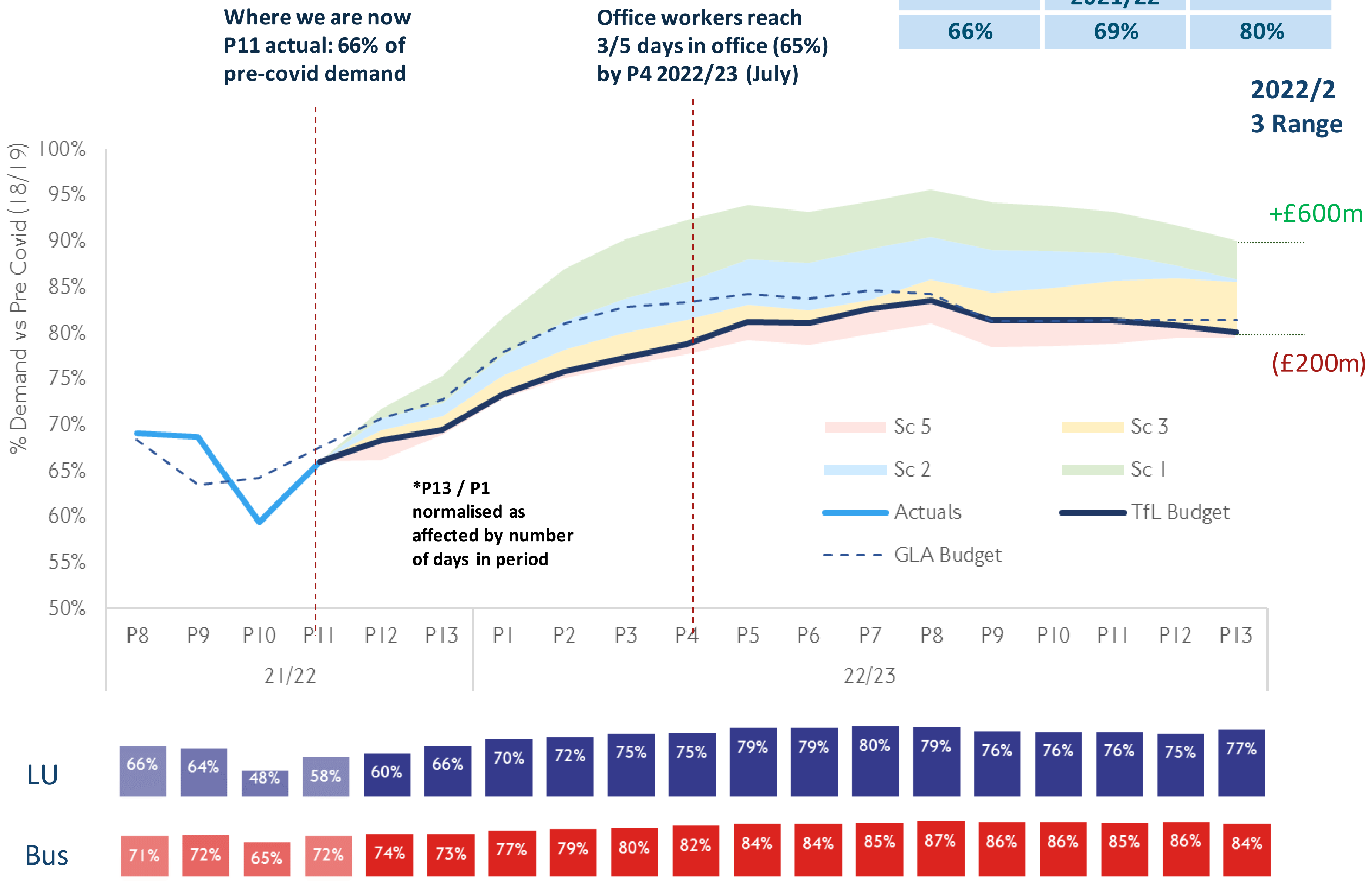
The TfL Budget assumes no further Government lockdown regulations however a "winter suppression" factor is assumed in our modelling.

Range of outcome for 2022/23 is +£600m / -£200m.

Variance to GLA Budget is (£174m) in 22/23

Demand vs. Pre-Covid (2018/19) (excl. Elizabeth Line)

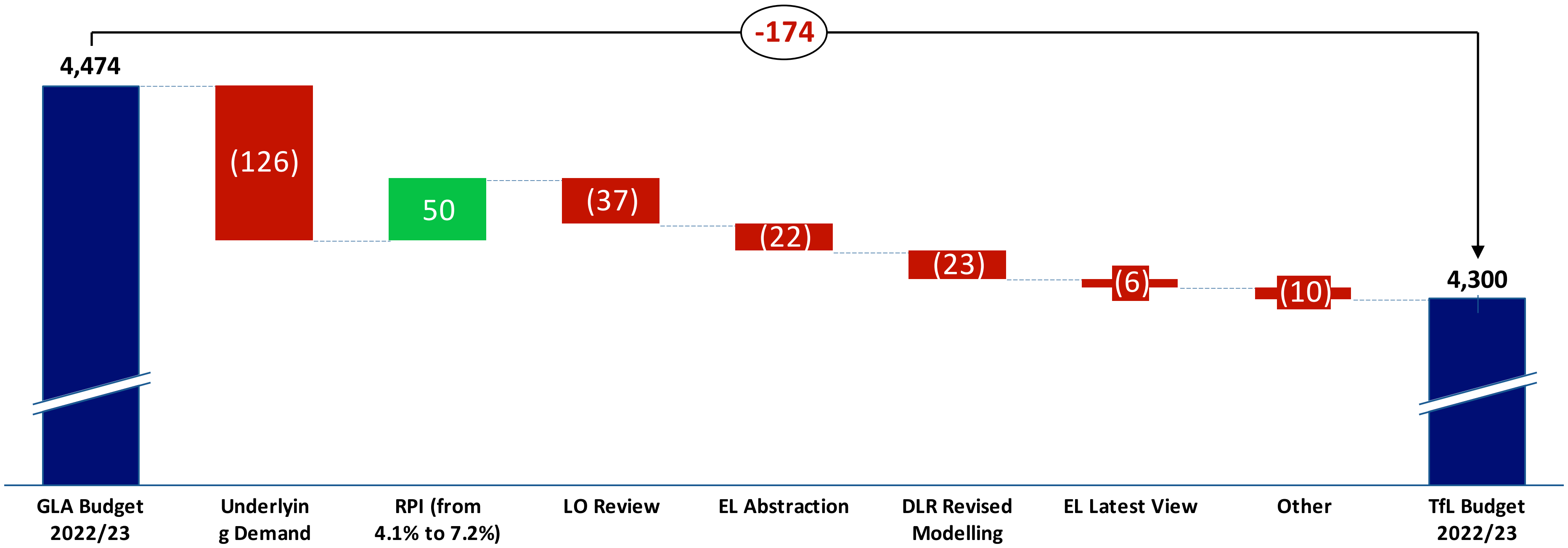
% demand vs 2018/19		
P11 2021/22	P13* 2021/22	2022/23 Av
66%	69%	80%



Revenue: impact on passenger income

The lower underlying demand is the key factor driving our Budget for passenger income being £174m lower than the GLA budget, disaggregated as opposite.

This is partially offset by an increase in July 2022's RPI inflation rate driving a higher level of fare increase in January 2023. This is a financial planning assumption and the fares decision will be made by the Mayor.



- **Underlying demand:** primarily reduced due to the emergence of the Omicron variant and 'Plan B' measures that came in after the GLA Budget was put together and submitted. This has a knock-on impact to the start of 2022/23.
- **RPI:** latest RPI assumptions (aligned with cost) embedded, assuming a 7.2% increase in Jan-23 (RPI+1).
- **LO Review:** detailed review and revision of rail underlying yield and service assumptions
- **DLR Review:** Detailed review of DLRs yield, incorporating latest actuals as well as EL impact to yield.
- **EL Abstraction:** updated to latest view, assumes 70% of EL demand from stage 3 comes from existing TfL services, rising to 77% when stage 5b opens. Our prudent financial planning assumption is this would be in December.
- **EL Latest view:** reflects latest modelling of likely demand.

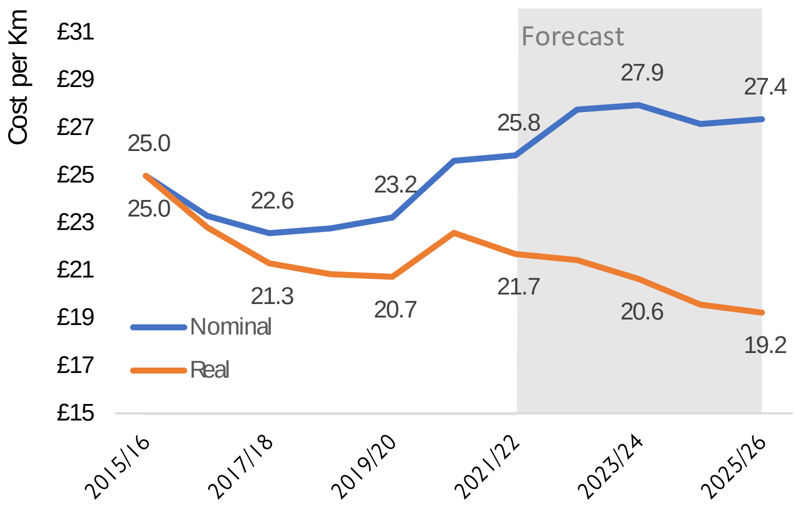
Savings

Notwithstanding the cost pressures and inflation faced by TfL, in real terms (at 2015/16 prices), the per-km cost of all modes has been kept either flat or lower compared to a 2015/16 baseline, with costs expected to fall in real terms out to FY 2025/26.

Note: RPI assumption in line with those used in the TfL Budget

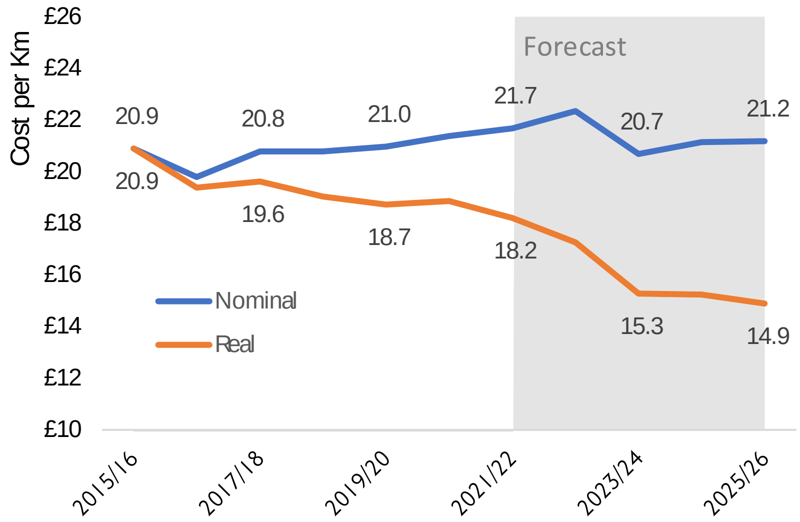
London Underground

Costs decrease in real terms when factoring in **RPI**



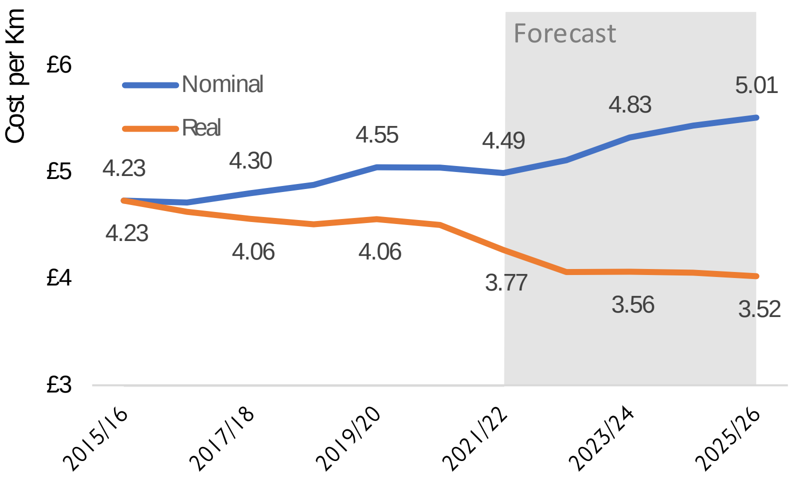
Docklands Light Rail

Costs decrease in real terms when factoring in **RPI**



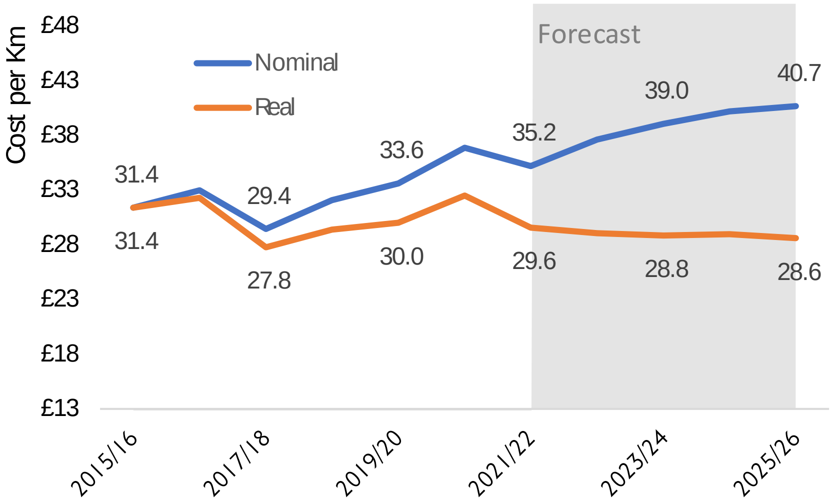
Buses

Costs decrease in real terms when factoring in **RPI**



London Overground

Costs held flat in real terms when factoring in **RPI**



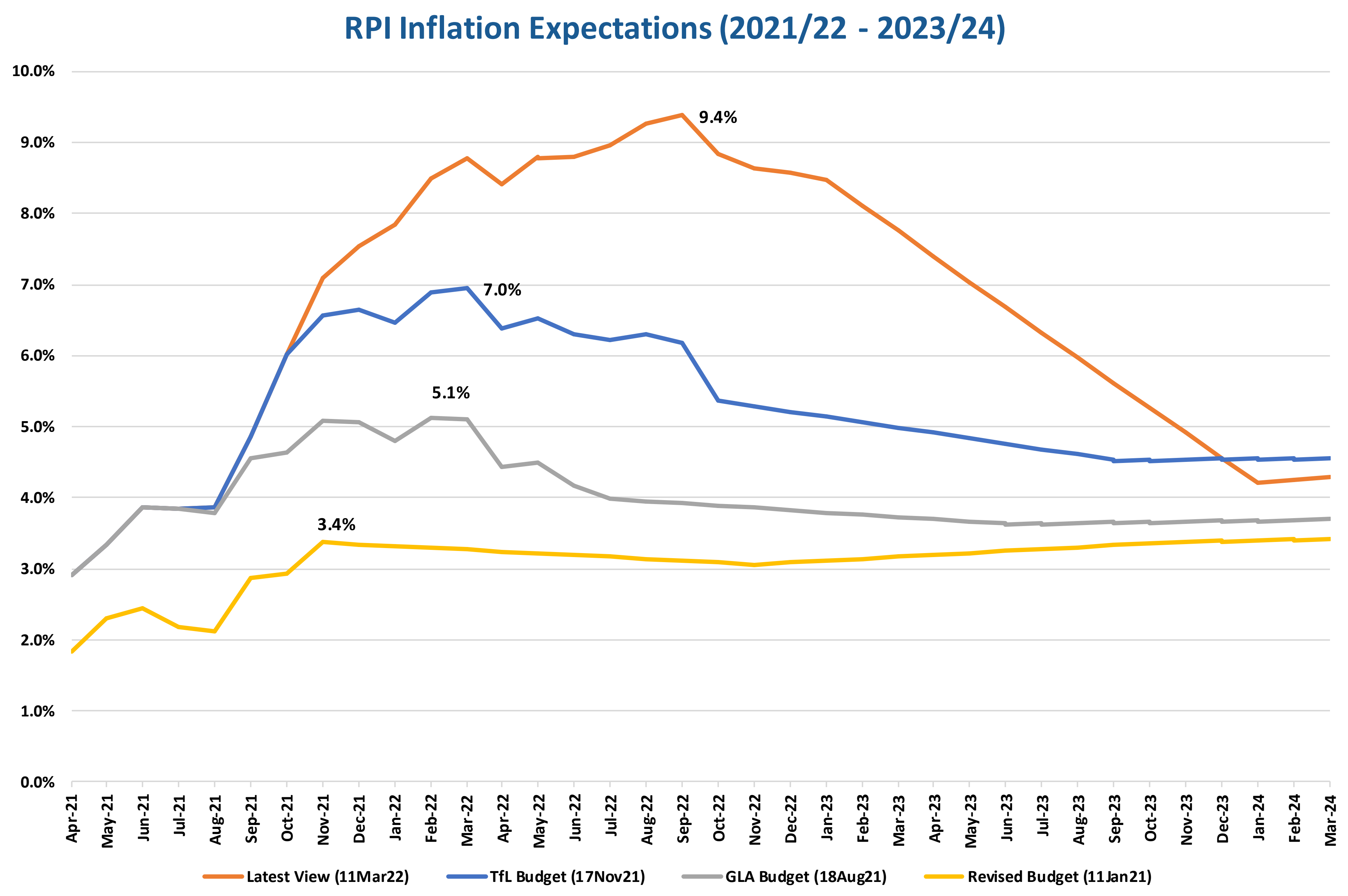
TfL RESTRICTED

Inflation assumptions

We have seen a significant increase in the rate of inflation since setting the Revised Budget July 2021. Since our GLA Budget submission in December 2021, higher inflation has driven approximately **£66m** of pressure into our total cost base.

Inflation assumptions underpin the detailed models which are used to prepare the budget. Therefore, these are set at the start of the budget setting process, for the TfL Budget have used estimates available as of November 2021.

Current RPI inflation expectations continue to pose a challenge and are changing rapidly. At the time of setting the TfL Budget, we expected RPI to peak at 7.0% in March 2022. The latest Bloomberg market curves are implying RPI will now peak at 9.4% in September 2022.



Note: *Whilst we show RPI above as our primary view of inflation, we also use other inflation measures (CPI, TPI) in our budget-setting process as appropriate.*

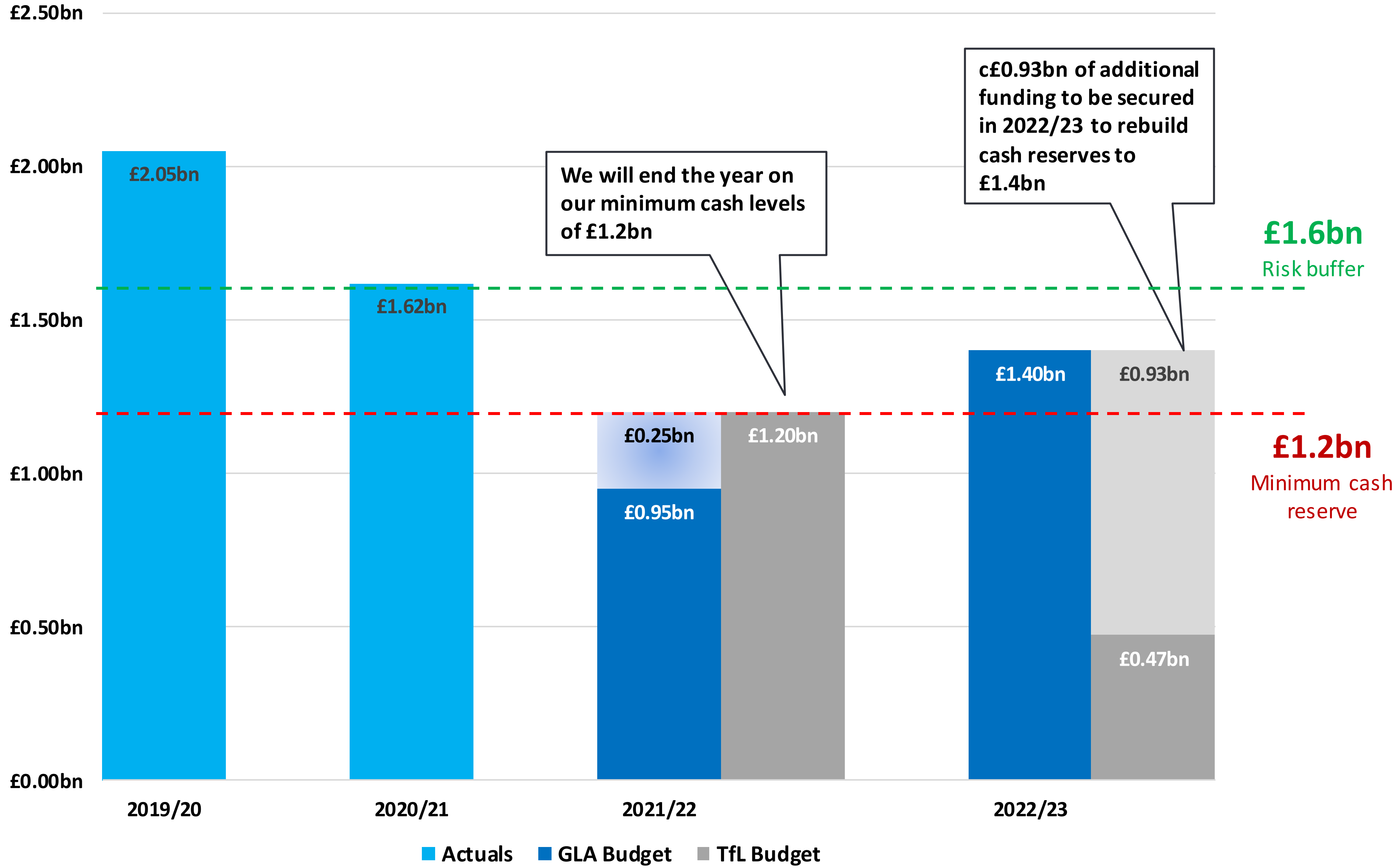
Cash reserves

Prior to the pandemic we had built up our cash reserves to over £2bn, but these have been drawn-down to manage the demand shock we have faced.

We need to rebuild our cash reserves to be financially sustainable, so we have the ability to absorb future shocks and withstand strategic, safety and operational risks.

We are targeting to regrow these to £1.4bn by 31 March 2023, but will need to grow these further thereafter to at least £1.6bn.

TfL Cash balance



NB: This excludes Crossrail & the TTLP account

Moving to financial sustainability

We still assume a 'Managed Decline' scenario – even with the £500m of new revenue sources committed to by the Mayor.

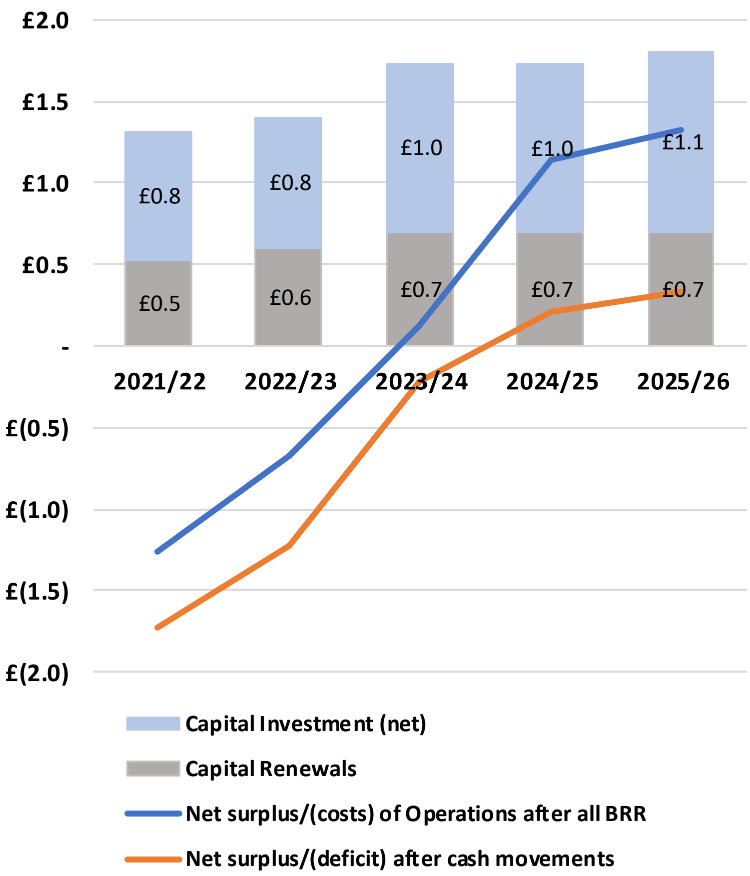
However, this plan does lead to financial sustainability. For 2023/24, we move into a small operating surplus of £125m and by 2024/25 fully cover our capital investment (at a managed decline level).

Longer-term HMG capital funding is required to move off the managed decline scenario.

TfL Group £millions	FY 2021/22 TfL Budget	FY 2022/23 TfL Budget	FY 2023/24 TfL Budget	FY 2024/25 TfL Budget	FY 2025/26 TfL Budget
Passenger Income	3,155	4,300	5,025	5,535	5,832
Other Operating Income	1,189	1,647	1,714	1,993	2,142
Business Rates Retention	914	868	785	880	898
Other Revenue Grants	72	60	246	244	244
Total income	5,330	6,876	7,770	8,652	9,116
Total Operating Costs	(6,553)	(7,472)	(7,597)	(7,450)	(7,741)
Financing Costs	(439)	(426)	(420)	(455)	(461)
Net (costs) of Ops excl. Renewals	(1,661)	(1,023)	(247)	747	913
Capital Renewals	(529)	(603)	(700)	(700)	(700)
Net surplus/(costs) of Operations	(2,190)	(1,626)	(947)	47	213
Capital Business Rates Retention	930	951	1,072	1,093	1,115
Net surplus/(costs) of Operations after all BRR	(1,260)	(675)	125	1,140	1,329
Capital Investment (net)	(785)	(801)	(1,035)	(1,024)	(1,106)
Capital Grants	77	126	102	88	103
Net surplus/(deficit) before cash movements	(1,968)	(1,350)	(809)	204	326
Working Capital & Cash	235	119	-	-	-
Property and Asset Receipts	4	-	589	-	-
Net surplus/(deficit) after cash movements	**(1,729)**	**(1,231)**	**(220)**	**204**	**326**

Memo: Capital Impact of TTLP	2021/22	2022/23	2023/24	2024/25	2025/26
Capital Investment (net)	(70)	(156)	(304)	(195)	(246)
Property and Asset Receipts	181	140	283	85	130
Borrowing	-	24	16	113	124
	112	**8**	**(5)**	**2**	**8**

Funding Requirements for Capital Programme (£bn)



Key assumptions:

- Service reductions of 18% on buses and 9% on LU & Rail, noting it will be a priority with any additional funding secured to reverse these reductions.
- The only new enhancement schemes being financially positive, third-party funded or the highest priority safety schemes.
- Renewals capped at £700m pa leading to declining reliability and operability of assets
- £500m pa new revenue from Mayoral sources have been embedded, and we are exploring sources for the capex funding to deliver the potential expansion of ULEZ to the GLA boundary and the complementary measures that will be required to support the scheme.

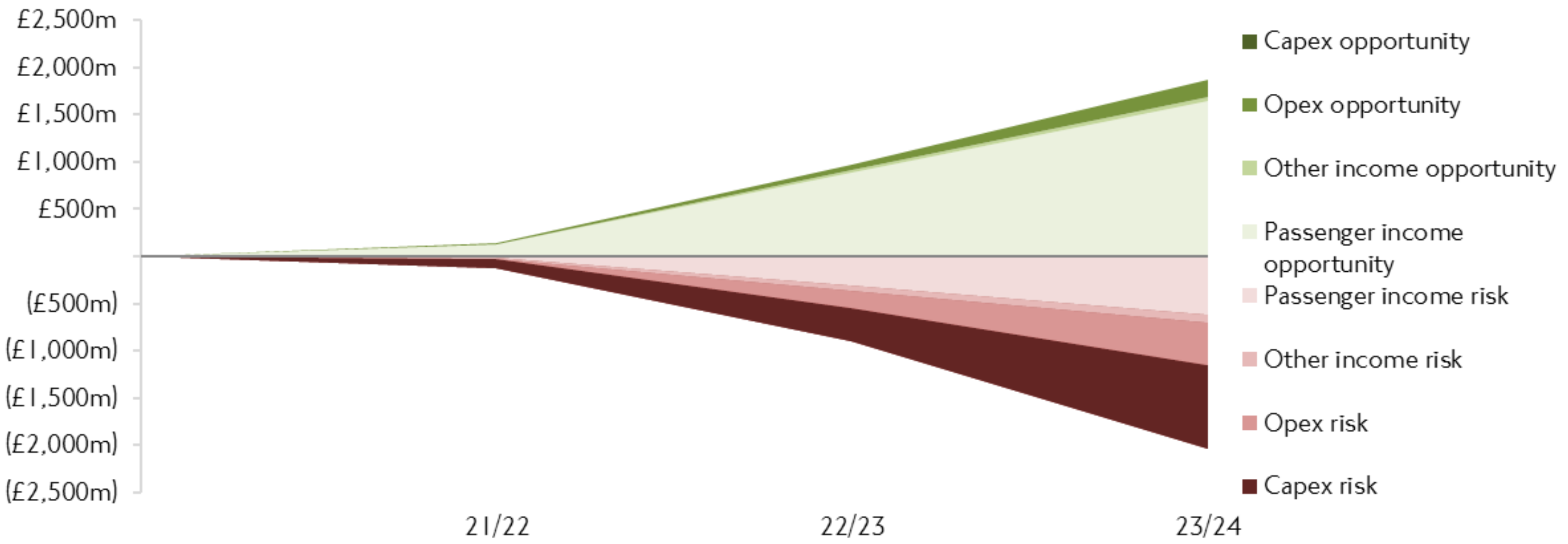
Even if we secure HMG support to March 23, we still face significant uncertainty

The key risk to our budget is securing the circa £0.9bn of further HMG revenue support required and the continuation of the revenue top-up mechanism.

However, even if we secure this, we have a significant range of risks and opportunities for the next two years with a range of +£0.9bn / -£0.9bn in 22/23 and +£1.8bn / -£2.0bn in 23/24.

This highlights the importance of rebuilding our cash reserves and maintaining an appropriate level of contingency. We have set a contingency level of £100m in 2022/23, which is sized on the net risks excluding passenger income.

Risks and opportunities for the remainder of 2021/22 and next two years



Income:

- Our passenger income is modelled using four core variables: Economic recovery, Office return to work profile, the % of Office workers trips target end point and a reduction in demand over the winter period.
- We have flexed these variables to produce three scenarios with a range of +£0.6bn to (£0.2bn).

Operating costs:

- Risks include an ambitious savings programme and significant inflationary pressure above that already planned

Capital investment:

- Deliverability of our capital programme, with ongoing uncertainty on funding levels limiting the ability to plan and deliver capital programmes efficiently and effectively.

Section 4

TfL Budget – Capital investment

Summary of assumptions: investment programme

HMG capital funding	• No HMG capital funding is assumed, beyond the £1bn of capital business rates confirmed in the 2021 comprehensive spending review. • HMG have recognised the need for certainty and stability in TfL's pipeline of capital investment and has stated it is willing to provide support in the short and medium term. Any agreement may impact capital expenditure in 2022/23 and will be reflected in an update to this Budget when secured.
Renewals	• There is £600m for renewals, which is circa 10% higher than our expected level of delivery in 2021/22, in-line with our increasing delivery capacity. • The level of renewals has been capped at an affordable level – however this is below the long-term level required to maintain the operability of assets and the wider network. • Given our current asset condition, it is important to maximise delivery within this limited budget, a total work bank of circa £750m of critical asset renewals has been developed. We will apply active portfolio management to ensure this work-bank approach can mitigate any unforeseen slippage on individual schemes whilst remaining within the budget envelope.
Active travel	• As the HMG revenue funding to 24 June was in-line with our managed decline scenario, we have met the condition to set aside £50m of funding for active travel – allowing work to continue on existing schemes, developing the TfL and borough future pipeline and starting some new schemes. • We recognise the importance of maintaining Borough transport capability and will continue to seek funding for a sustainable pipeline of scheme development for TfL and Boroughs.
Other enhancements	• The managed decline scenario remains for enhancements, with the only new enhancement schemes being financially positive, third-party funded or the highest priority safety schemes. • There will no progress against key safety, carbon, air quality and other targets, unless additional longer-term capital funding is provided by HMG.
Crossrail	• We have made the prudent assumption that circa £150m of further funding is provided to complete the project. • Of this, £48.5m has been identified by the GLA in the Mayor's budget for 2022/23 funded from business rates income, meaning there is a remaining gap of circa £100m.

Without long-term funding certainty we risk significant disruption due to asset restrictions and closures, which will stifle the economic recovery and increase whole-life costs

The asset renewal backlog that has developed over the years since the Government revenue grant was withdrawn will take around a decade to address, even with long-term sustained funding.

We now have over 45 TfL road network structures, bridges and tunnels which have interim safety measures; below are six examples that represent a high risk to operability

A40 Westway
(12 x key bridge Joint renewals)

Daily users – 90,000

Rotherhithe Tunnel
(Fire / Ventilation system renewal)

Daily users – 30,000

Gallows Corner Flyover
(steel fatigue)

Daily users – 38,000

Major renewal interventions required between 2022 to 2025 to avoid significant network closures, with imminent closure possible

Brent Cross Structures
(all over structural condition – very poor, temporary parapets in place)

Daily users – 175,000

Vauxhall Bridge
(steel fatigue / overall condition – very poor)

Daily users – 47,000

Croydon Flyover
(significant structural lighting renewal)

Daily users – 40,000

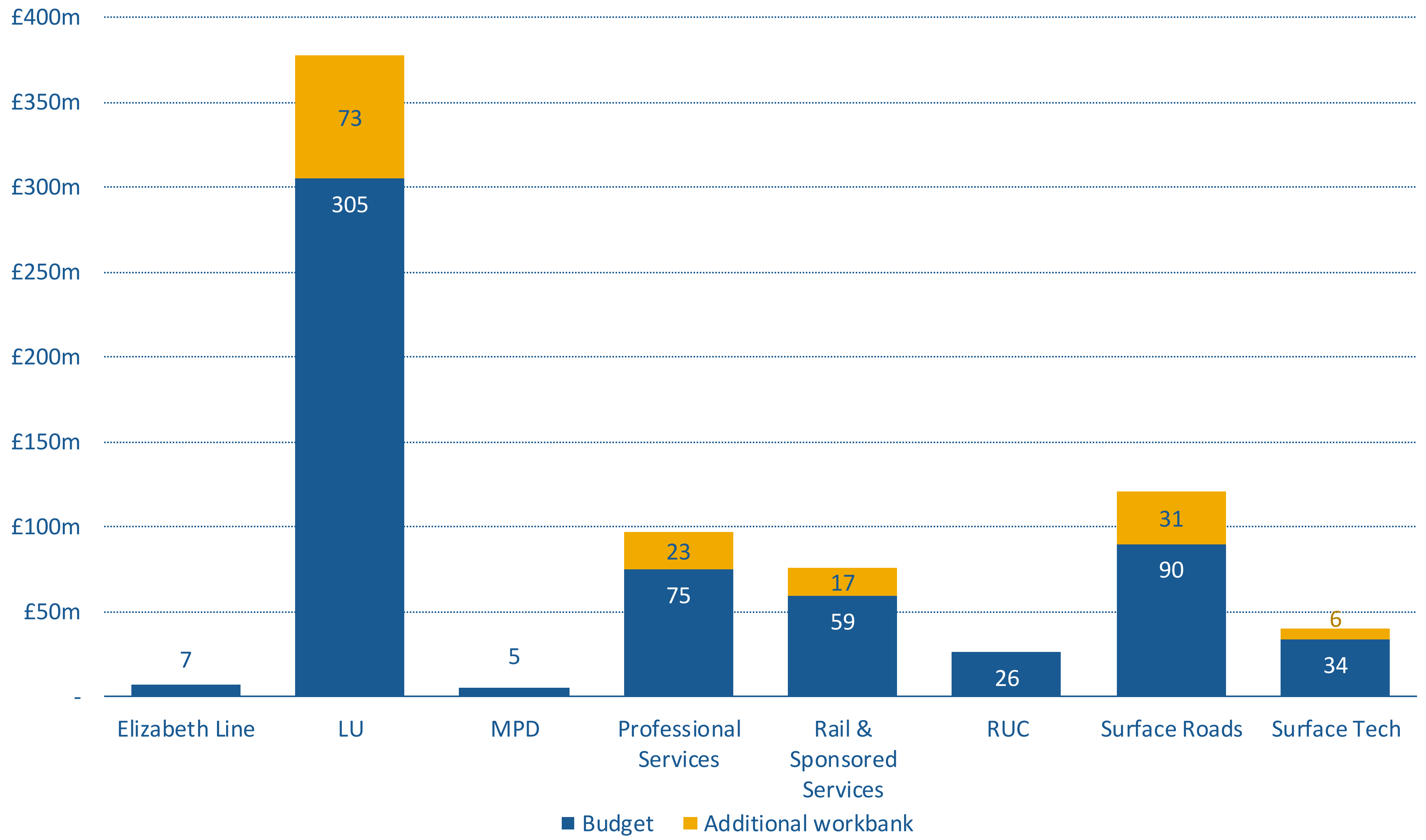
Renewals: summary

The Budget in 2022/23 is £600m for renewals, which is circa 10% higher than our expected level of delivery in 2021/22, in-line with our increasing delivery capacity.

The level of renewals has been capped at an affordable level – however this is below the long-term level required to maintain the operability of assets and the wider network.

Given our current asset condition, it is important to maximise delivery within this limited budget, a total work bank of circa £750m of critical asset renewals has been developed. We will apply active portfolio management to ensure this work-bank approach can mitigated any unforeseen slippage on individual schemes whilst remaining within the budget envelope.

22/23 Budget renewals by Business Area (£m)

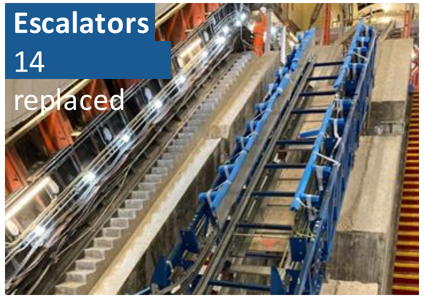


Enhancements: summary

We are continuing the deliver the enhancement schemes that were committed and in-delivery prior to the pandemic, with a number of key projects completing in 2022/23 which will support the capital's recovery from the pandemic.

The managed decline scenario remains for new enhancements, with the only new enhancement schemes being financially positive, third-party funded or the highest priority safety schemes.

Headlines



Area	Budget	Including
Major Projects	£508m	New Piccadilly line and DLR Trains, Four Lines Modernisation, Barking Riverside Extension, Bank and Elephant and Castle Stage 1
LU Enhancements	£29m	Safe Track Access, LU Elizabeth line obligations
Rail Enhancements	£41m	Royal Docks Station (GLA Funded) and East London Line (HIF Funded)
Air Quality and Environment	£12m	Silvertown and Blackwall Tunnel Charging
Healthy Streets	£50m	Old Street Roundabout and funding for the most safety critical schemes and to deliver limited levels of bus priority to protect revenue
Surface Technology, Public Transport, Assets, Silvertown	£54m	Deployable Enforcement Cameras and Bus Customer Experience enhancements
Other Enhancements	£65m	Group Technology projects and Media projects