

**Board**

**Date: 23 March 2022**

**Item: TfL Budget 2022/23 and Finance 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 TfL's Budget, as set out in Appendix 1 (the Budget) and seeks approval of it.

## **2 Recommendation**

- 2.1 **The Board is asked to approve the TfL Budget for 2022/23 described in this paper.**

## **3 Background**

- 3.1 On 25 February 2022, we reached agreement with Government for a funding settlement to 24 June 2022. Our GLA Budget, reviewed by the Board on 8 December 2021, has been updated for this latest funding agreement, in addition to revised passenger and cost assumptions to produce this Budget. Funding of £0.3bn has been secured until June 2022, however we continue to require around £0.9bn over the remaining three-quarters of the financial year. The Budget assumes this further funding is secured. Given the trajectory of funding for the first quarter, this assumption appears reasonable.
- 3.2 The Budget shows we are on track to achieve financial sustainability on our operations by April 2023. At that stage we will no longer need Government operational funding support, but will need continued long-term support for vital capital investment if we are to avoid the managed decline of London's transport network. We have not yet had visibility of a capital funding settlement from Government, so this Budget assumes no capital funding beyond the £1bn business rates confirmed in the 2021 spending review.
- 3.3 The Budget also shows that with around £3bn additional capital funding over the three-year period between 22/23-24/25, TfL can make the appropriate investment in replacing its strategic assets such as rolling stock, signalling and highways structures to avoid a managed decline scenario. Further funding will be required to fully deliver the Government's stated objective of allowing TfL to continue its

full and vital contribution to HMG's economic recovery programme and support Government's priorities on decarbonisation, air quality and making transport better for users.

**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](mailto:SimonKilonback@tfl.gov.uk)