

# Finance Report

## Period 5, 2022/23

Management results from 1 April 2022 – 20 August 2022

TfL Board

12 October 2022



**We have agreed a new funding settlement – whilst not ideal, it secures our future, provides certainty and is far better than the alternative**

On 30 August 2022, TfL agreed a new funding settlement with the Government covering a 19-month period until March 2024. This is significantly longer than any of our previous agreements, but significantly shorter than the genuine long-term funding for capital investment we would like and on which all metros around the world rely.

The key features of this settlement include:

- Providing £1.2bn of base funding.
- Maintaining the revenue true-up mechanism to March 2024.
- Introducing protection against increasing inflation, particularly in 2023/24 when our exposure is the greatest.
- The funding increases our capital investment by around £200m compared to our managed decline budget. This will help us to protect the critical assets on which Londoners depend and restore a level of expenditure to improve our network, alongside delivering our committed investment, including new Piccadilly line trains and DLR rolling stock, Four Lines Modernisation, Bank station upgrade and Old Street roundabout.

Ultimately, this agreement sets out the framework – but unfortunately not the full funding for – moving away from managed decline. Therefore, to secure that move away from managed decline, we will also need to deliver further efficiencies which we are looking at as part of our new budget and business plan and will be presented to the Board in December.

There remain significant risks to our financial position, including delivering the additional efficiency target of £230m over the next two years this funding settlement leaves us with. However, the GLA financing facility allows us to manage these risks and maintain confidence in our balanced budget position.

The alternative to not accepting this funding settlement is that we would have had to move even faster and harder on cuts to attempt to balance the budget, urgently look at what services we can provide, what we would have to stop doing, and whether we can continue to run some services at all. The Government would likely have been required to step in to meet payments to creditors, suppliers and colleagues. This funding settlement avoids this catastrophic outcome for London.



# We are on track to deliver our budget and reshaped plan, but still face significant risks

## YTD financial performance

In the year to date, we are on track to deliver our Budget that sets us on the path to financial sustainability and meet the funding conditions:

- **Total income is within 2% of Budget** – journeys continue to recover, with latest journeys at 81% of pre-pandemic levels. Journeys and income are lower than Budget, a result of industrial action across the national rail network and within LU.
- **Our core operating costs remain within 1% of Budget** – we have seen the previously identified full-year risks of £60m – the impact of rising inflation and increasing Road User Charging bad debt – starting to materialise in recent periods. These pressures have been offset through lower pension deficit payments as well as other tailwinds that will support us in delivering the remaining efficiencies that are required to close the funding gap for this year.
- **Capital enhancement is within 3% of Budget** – due to slippage on third-party funded projects, largely because of factors outside our control.
- **Capital renewals are 9% lower than Budget** – largely due to resource constraints, but we are actively managing our renewals portfolio and remain confident in delivering our full year budget.

## Forward look

We are, however, facing several external headwinds and risks to achieving financial sustainability especially into next year, but we are working to mitigate them:

- **Economic uncertainty** – economic growth remains poor; UK GDP contracted by 0.1% from April to June. Latest forecasts suggest this may continue for a second successive quarter.
- **Continued cost of living challenges** – inflationary pressures reducing disposable income – may reduce discretionary spend, and reverse earlier journey growth.
- **Inflationary pressures** on TfL cost base, including energy costs.
- **Savings targets** are stretching, with a target of £230m additional savings by the end of 2023/24 following the new funding agreement with Government.

The funding settlement provides protection on passenger demand volatility and inflation. We plan to mitigate the remaining risks through active management of our remaining contingency and the GLA financing facility. We remain confident we will achieve financial sustainability in 2023/24.

# Section 1

## Funding settlement

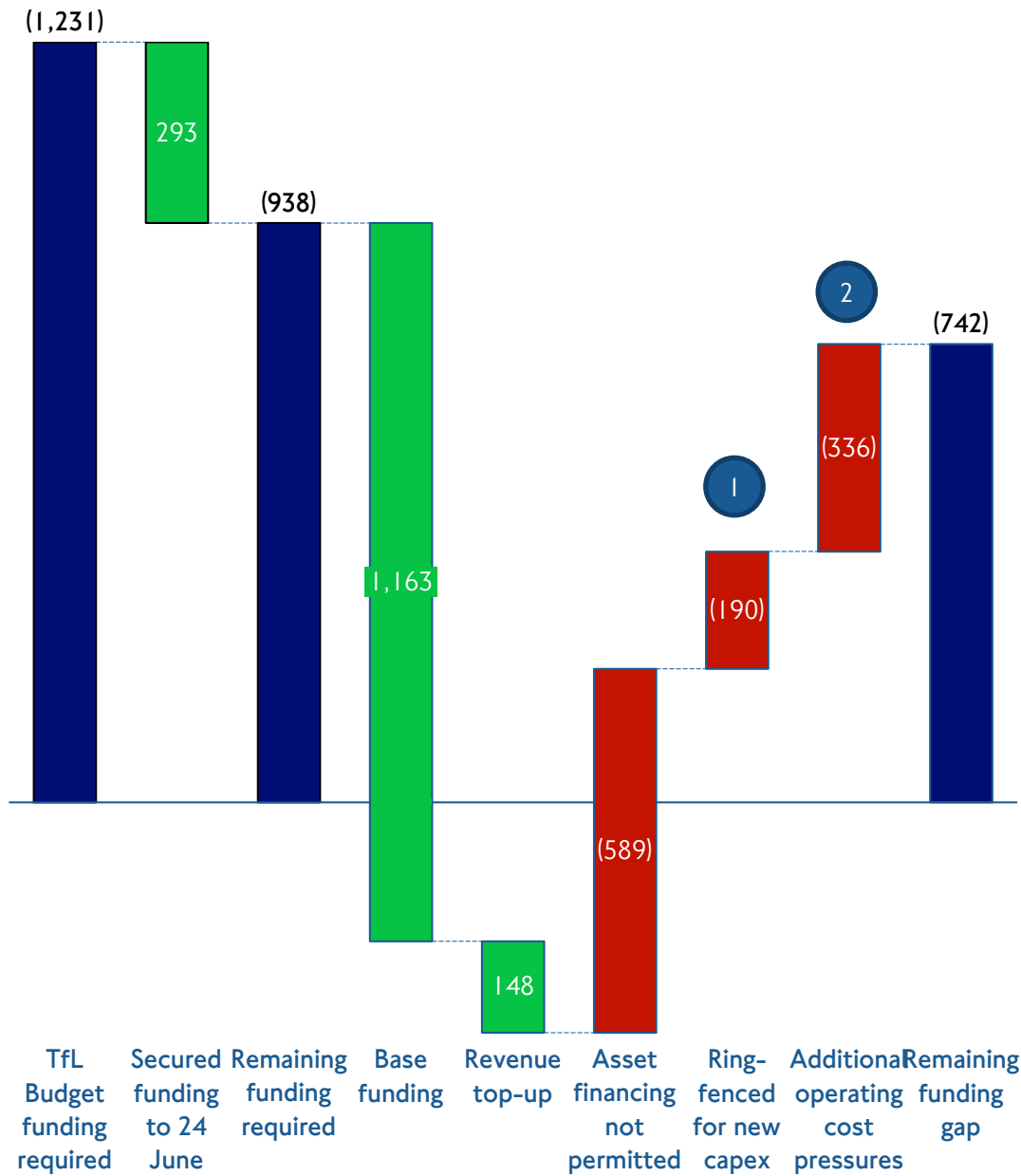
Funding settlement 1  
YTD 2022/23 Performance 2  
Forward look 3  
Debt position and credit rating 4

# The funding settlement does not fully cover the gap set out in our Budget

The base funding and revenue true up, along with the extra commitments and lack of funding sources means that the deal only provides £200m net revenue funding leaving us with a £740m gap to the end of the financial year of 2023/24.

Government assumed that gap can be closed with efficiencies, but our existing efficiencies programme is already stretching.

Funding settlement compared to our budget over two years, 2022/23 to 2023/24



## 1. Specific capital spend requirements:

- a) £80m per year (on average) should be allocated to spending on active travel projects, which are defined as those which support cycling and walking only.
- b) TfL should include spend to deliver at least 25km of new or improved bus lanes by 2024/25.
- c) TfL will contribute along with Government and the London Borough of Hammersmith and Fulham to the repair of Hammersmith Bridge. As TfL does not control Hammersmith Bridge, this expenditure will be accounted for as operating expenditure but will count towards the capital envelope as it is capital in nature.

## 2. Specific operating requirements:

- a) TfL should, at a minimum, maintain Local Implementation Plan (LIP) funding each year aligned with the funding provided in 2021/22 (£69m per annum).
- b) TfL should not make service reductions of 18% on buses and 9% on rail

# Our proposals to balance the budget and reshape our plan

With the greater certainty from this funding settlement, we can take several actions to reduce the £740m gap. With a funding settlement, we have protection on passenger demand risk and inflation risk. This means, we can hold lower cash balances and reduce our contingency levels.

The remaining gap is to be closed through efficiencies and savings of £230m.

	£m	Total
<b>Remaining unfunded gap</b>		<b>(742)</b>
Cash balances to remain at £1.2bn	200	The 2022/23 TfL Budget assumed we would rebuild our cash reserves to £1.4bn which was required as the Budget assumed that TfL would take passenger revenue risk from April 2023. Given the funding settlement maintains the passenger revenue risk with HMG for a further year, we plan to remain at £1.2bn cash.
Release of TfL contingency	100	The 2022/23 TfL Budget held £100m operating contingency in both 2022/23 and 2023/24. The latest forecast for 2022/23 shows, with strong management action to mitigate remaining risks, it should be possible to release £50m of this contingency. In 2023/24, the proposed funding settlement reduces the risk profile to TfL through the revenue top-up and inflation mechanisms, therefore it is now appropriate to hold a lower level of contingency.
Other changes already reflected in Q1 forecast	55	Since the preparation of the 2022/23 TfL Budget, there have been several updates to our position based on latest data and trends, which result in an improvement of £55m over the two years.
Assumed benefit from inflation mechanism	160	The funding settlement includes a mechanism to increase the operating envelope (and therefore the level of funding) if inflation exceeds the level assumed in the 2022/23 TfL Budget. This is capped to £15m in 2022/23. In 2023/24 the latest estimate of the pressure is circa £145m but the mechanism is not capped (subject to DfT completing a review of the analysis and a final Ministerial decision).
Target for further efficiencies	230	The funding settlement assumes the remaining gap is to be closed through efficiencies and savings of £230m. This is over-and-above the £730m recurring savings programme already within the TfL Budget.
<b>Final gap</b>		<b>0</b>



# We now have a facility of up to £500m from the GLA to maintain a prudent, balanced budget

## Risk analysis

There is a significant risk in delivering the additional efficiencies on top of an already challenging savings programme. Therefore, whilst we will endeavour to deliver these efficiencies, we need to have clear contingency plans to offset this risk if it crystallises. These risks are not the only risks in the funding settlement:

- a) The inflation review mechanism adjustment in 2023/24 of £145m is subject to Ministerial approval so not guaranteed.
- b) Although our current forecast shows we can release £50m of contingency in 2022/23 and 2023/24, this is a fluid position and further risks could crystallise. Therefore, we may be unable to release the contingency of £100m over two years.
- c) Although the revenue mechanism removes the risk on passenger income, this does not protect non-passenger income.
- d) The Q1 Forecast – aside from the inflation pressure – included around £55m of further net cost reductions. These may not all be delivered.

## GLA £500m facility

A £500m facility has been established by the GLA, recoverable from future grants; it is only to ensure we can balance our budget, which is a legal requirement, as further efficiencies cannot be confirmed quickly. This allows us to continue to let longer-term contracts, including bus contracts, while we work through our plans for additional efficiencies.

The money would not be used for additional spending beyond what is already included in the TfL Budget, to reverse the four per cent bus cuts that we recently consulted on or be put towards the costs of the TfL Pension.

If it is necessary to draw upon the facility, a recovery profile will be agreed for future years, underpinned by our Business Plan, which will set out our financial position for the years ahead and detail how future GLA grants would be reduced.

# Section 2

## 2022/23

# Year-to-date performance

1 April 2022- 20 August 2022  
(YTD Period 5)

Funding settlement 1

YTD 2022/23 Performance 2

Forward look 3

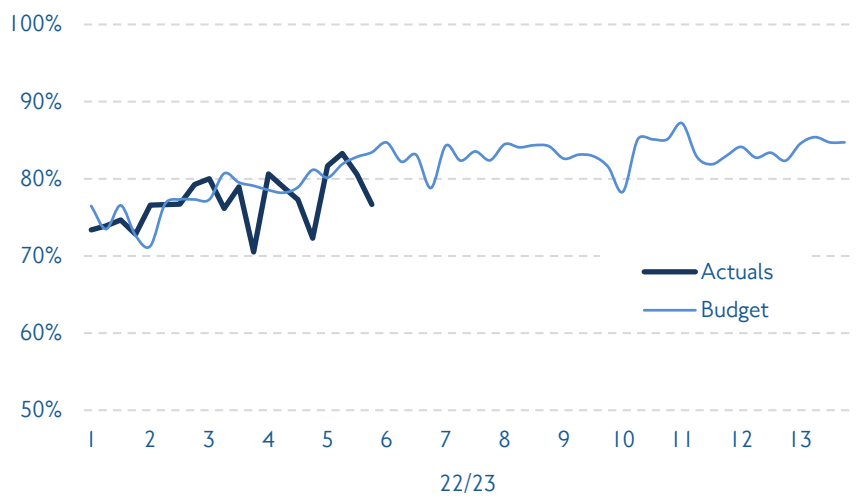
Debt position and credit rating 4



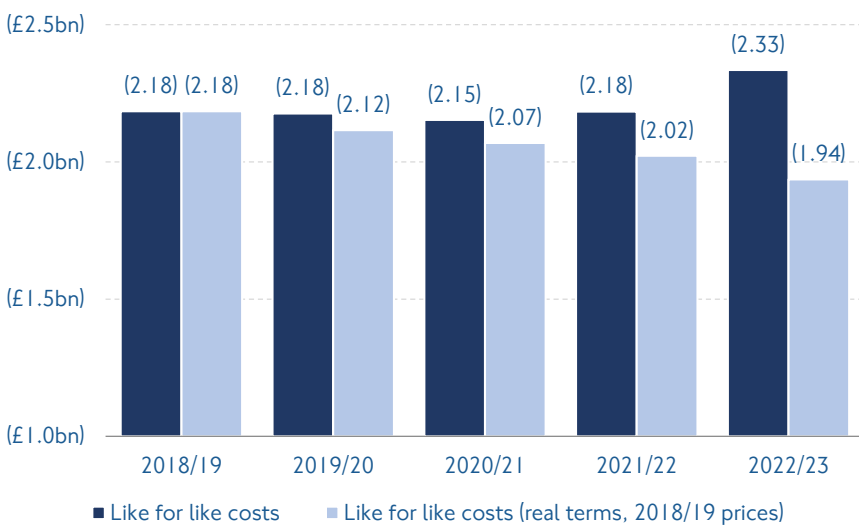


# Headlines

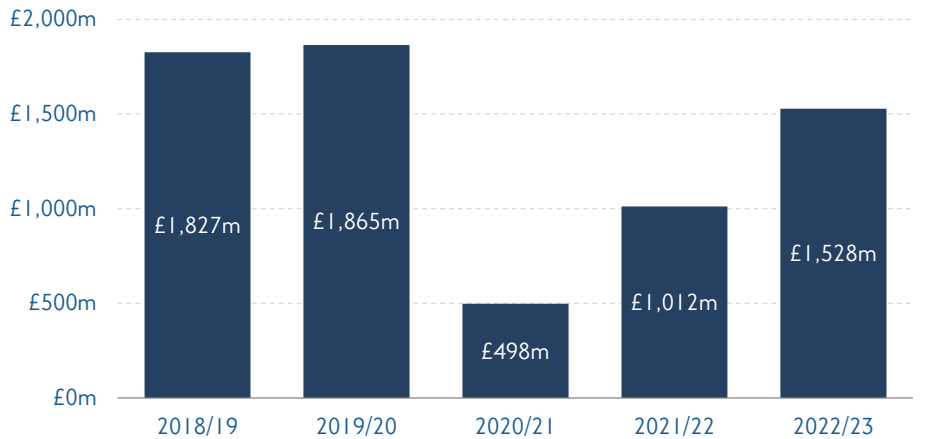
Total passenger journeys 81% of pre-pandemic levels in Period 5, up from 68% at the end of 2021/22



Year to date like-for-like operating costs (adjusted for new services and one off costs) up on prior years as a result of inflationary pressures; real terms costs around £250m lower than in 2018/19

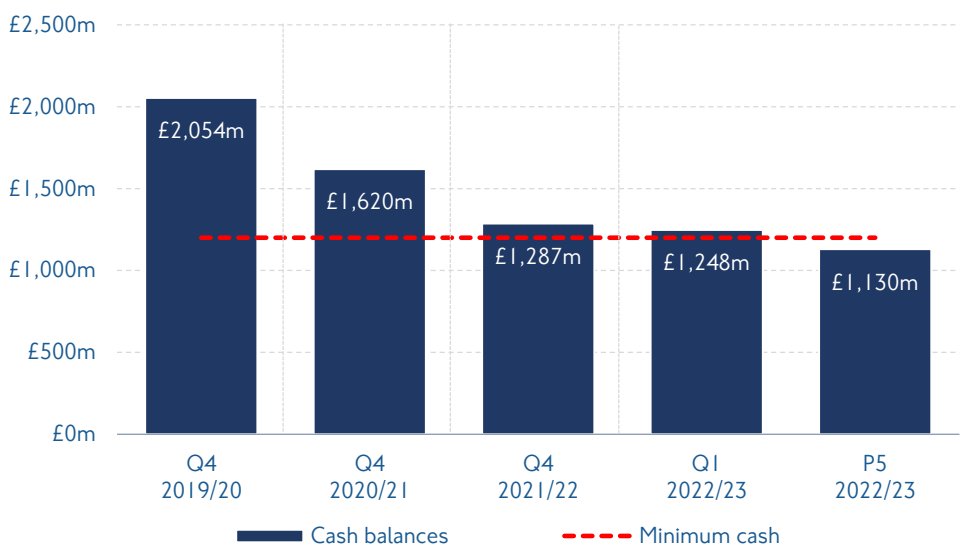


Passenger income of just over £1.5bn in the year to date, over £500m better than last year and £1bn up on 2020/21; year-to-date income over £300m lower than pre-pandemic levels, averaging £60m lower per period



Charts show year-to-date passenger income to end of Period 5 for each year

Cash balances down over £150m since end of last year; balances around £900m lower than 2019/20 levels. Cash expected to average £1.2bn over the funding settlement period



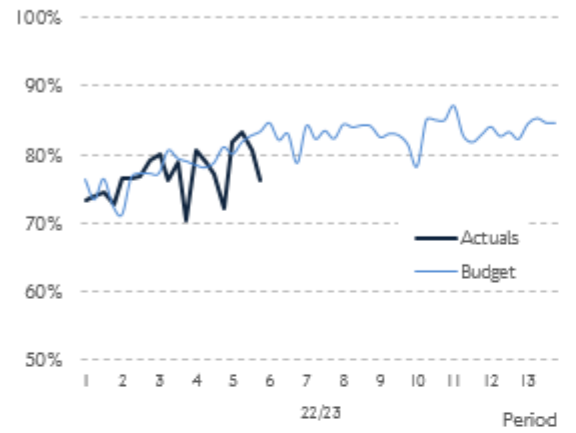
# Passenger journeys

Journeys continue to show signs of growth. Total TfL journeys were 81% of pre-pandemic levels in Period 5, up from 77% in the prior period and from 68% at the end of last year.

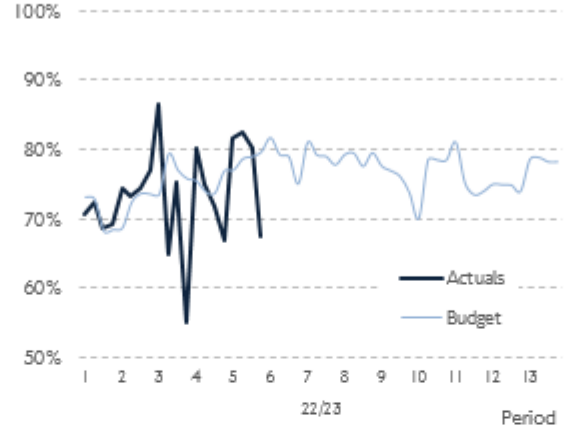
Tube journeys have increased to 78% and are broadly in line with Budget – journeys are slightly lower than expected from impacts of industrial action across National Rail network and LU. Bus journeys are 81% of pre-pandemic levels, slightly lower than Budget.

Journeys on the Elizabeth line (EL) have been above expectations the opening of full services on 24 May. Journeys are 14 million better than Budget in the year to date, with income £20m higher than expected.

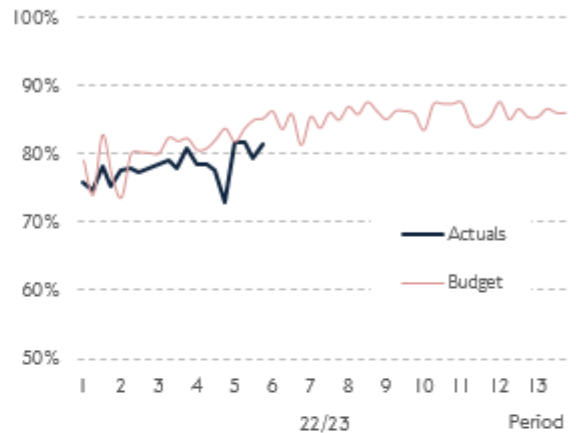
TfL	% vs Pre Covid period / budget		Absolute m		Var to Bud m
	81%	82%	P	227	-4
			Y	1192	-11



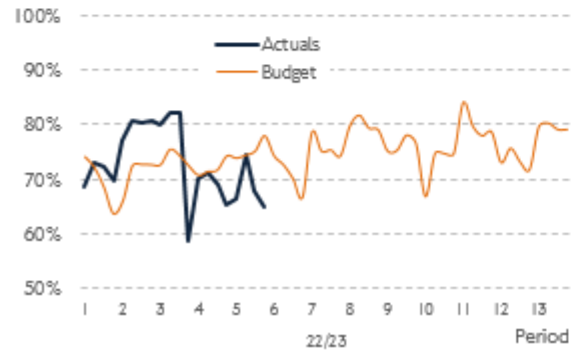
LU	% vs Pre Covid period / budget		Absolute m		Var to Bud m
	78%	79%	P	78	-0.5
			Y	386	-7.1



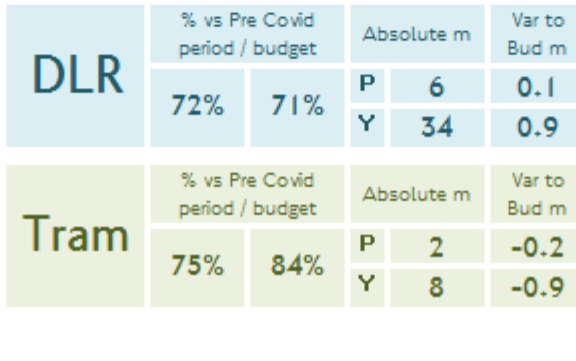
Bus	% vs Pre Covid period / budget		Absolute m		Var to Bud m
	81%	84%	P	123	-4.5
			Y	672	-18.7



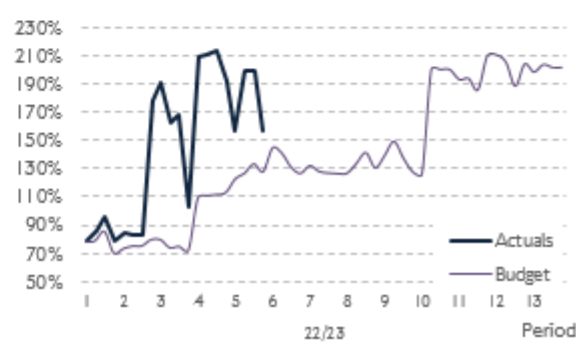
Rail	% vs Pre Covid period / budget		Absolute m		Var to Bud m
	68%	75%	P	17	-1.8
			Y	96	1.0



LO	% vs Pre Covid period / budget		Absolute m		Var to Bud m
	65%	77%	P	9	-1.6
			Y	53	1.0



EL	% vs Pre Covid period / budget		Absolute m		Var to Bud m
	177%	128%	P	9	2.6
			Y	39	14.0



# Operating account

Passenger income is £1,528m in the year to date, over £0.5bn higher than last year, but slightly down on Budget.

Other operating income is (£11m) lower than Budget, largely a result of lower EL regulatory income (which is offset within operating costs). Underlying income is £9m better than Budget, driven by higher advertising income, but with downsides from Road User Charging, where we have seen lower volumes.

Operating costs are analysed in more detail overleaf.

The variance of £142m on extraordinary revenue grant was due to the delay in agreeing the new funding settlement with Government.

£m	Period 5 year to date, 2022/23				Period 5 year to date, 2021/22		
	Actuals	Budget	Variance to Budget	% variance to Budget	Last year	Variance to last year	% variance to last year
Passenger income	1,528	1,564	(36)	-2%	1,012	517	51%
Other operating income	600	612	(11)	-2%	371	229	62%
Business Rates Retention	341	341	-	0%	449	(108)	-24%
Council tax precept	21	21	-	0%	21	-	0%
Other revenue grants	5	2	3	150%	11	(5)	-45%
<b>Revenue</b>	<b>2,496</b>	<b>2,540</b>	<b>(44)</b>	<b>-2%</b>	<b>1,864</b>	<b>633</b>	<b>34%</b>
Operating cost	(2,710)	(2,810)	100	4%	(2,479)	(232)	-9%
<b>Operating surplus before renewals &amp; financing</b>	<b>(214)</b>	<b>(270)</b>	<b>56</b>	<b>21%</b>	<b>(615)</b>	<b>401</b>	<b>65%</b>
Capital renewals	(198)	(217)	19	9%	(168)	(30)	-18%
Net financing costs	(166)	(167)	1	1%	(173)	7	4%
<b>Operating surplus / (deficit)</b>	<b>(578)</b>	<b>(654)</b>	<b>77</b>	<b>12%</b>	<b>(956)</b>	<b>378</b>	<b>40%</b>
Extraordinary revenue grant	322	464	(142)	-31%	1,195	(873)	-73%
<b>Operating surplus after extraordinary revenue grant</b>	<b>(256)</b>	<b>(190)</b>	<b>(66)</b>	<b>-35%</b>	<b>239</b>	<b>(495)</b>	<b>-207%</b>



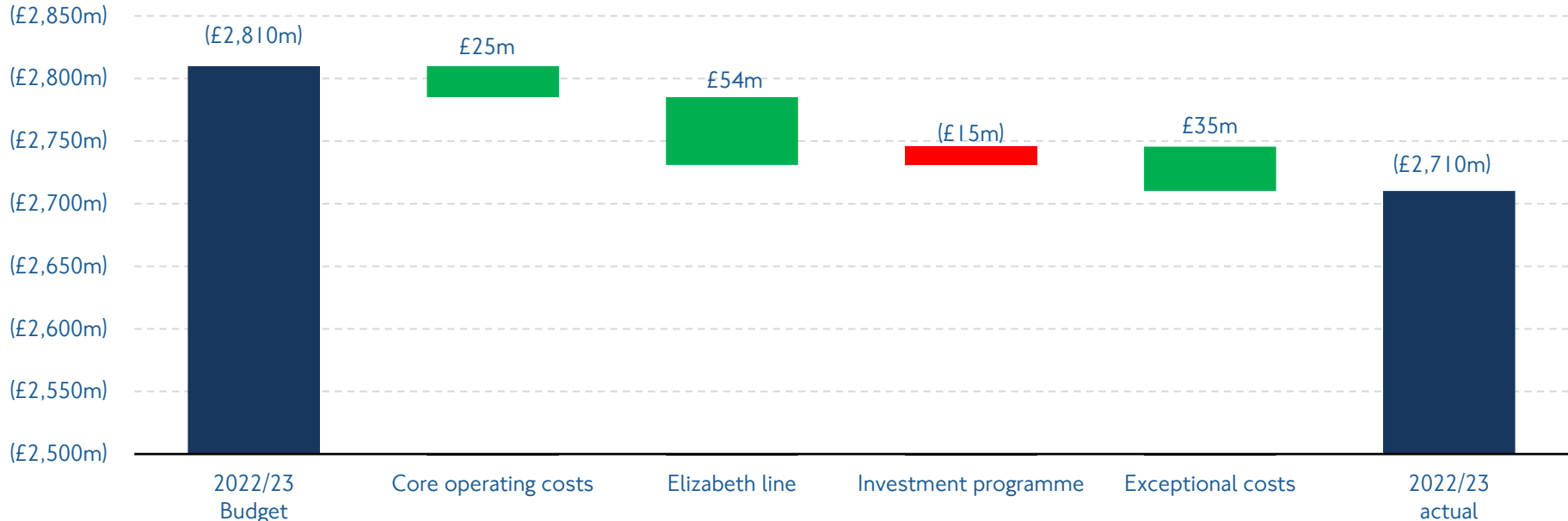
# Operating costs

Total operating costs are £2,710m in the year to date, £100m lower than Budget. However, around half of this variance is due to Elizabeth Line regulatory charges which net to zero at a TfL level.

This year we have seen pressures on RUC bad debt (£43m), with higher ULEZ contravention rates as well as lower rates of customers paying PCNs at the initial discount rates. We are also seeing impacts of inflation (£15m) on some of our external contracts, incl. rail and bus operators.

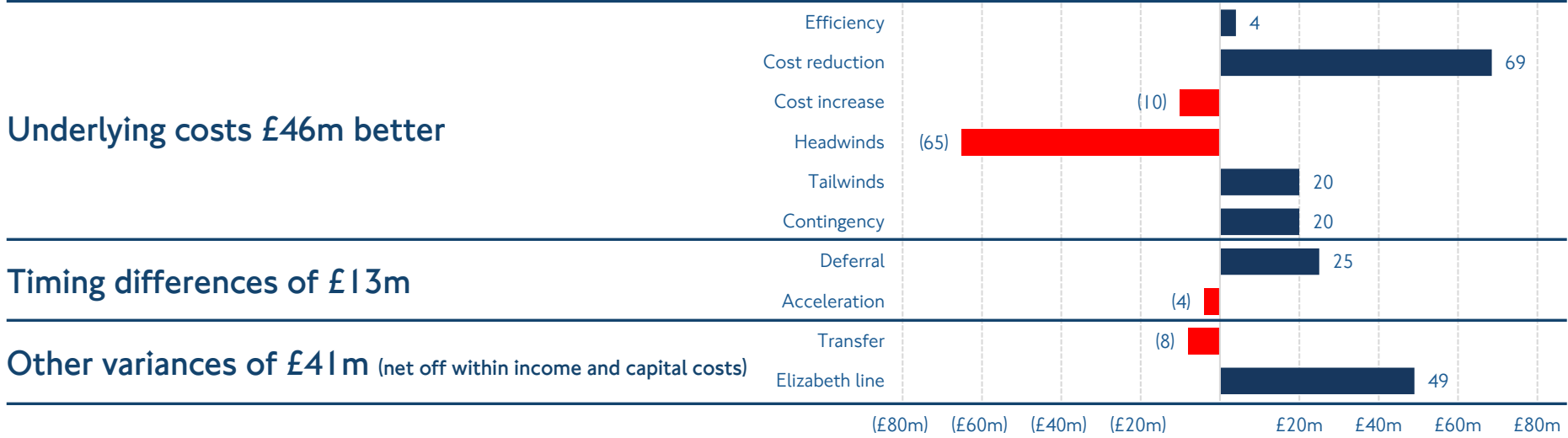
These pressures have been mitigated through contingency (£20m) and additional cost reductions, the latter including lower pension deficit payments following the most recent revaluation (£33m), lower staff costs (partly from industrial action), and lower bus costs from lower mileage and industrial action.

Operating costs: drivers of year to date variances (£m)



Operating costs: types of year to date variances (£m)

Underlying costs £1m better (with headwinds of (£18m) offset by £19m of cost reductions); timing differences of £2m, which we expect to unwind over the financial year



**Underlying costs £46m better**

**Timing differences of £13m**

**Other variances of £41m** (net off within income and capital costs)



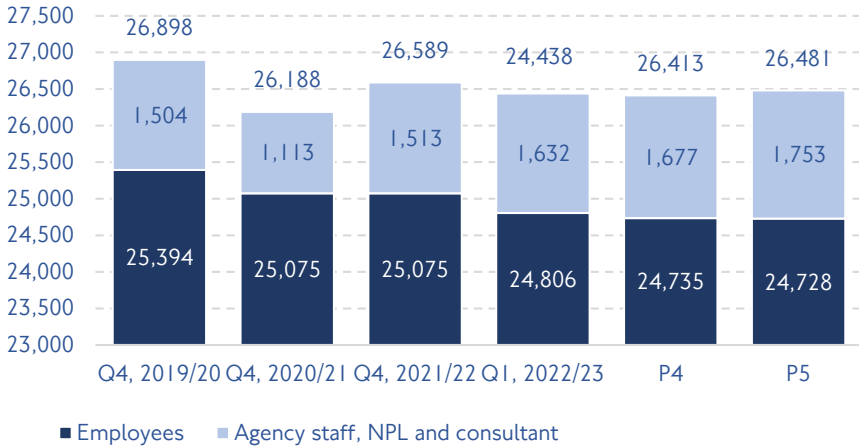
# Staff

Total staff levels remain over 400 lower than pre-pandemic levels and are down from the end of last year, mainly driven from lower permanent headcount.

Permanent employee numbers are now over 700 lower than before the pandemic and are almost 350 down from last year; ongoing labour market issues, and earlier funding uncertainty hampered our ability to recruit; we have also seen an increase in resignation rates, a result of reward constraints and buoyant external market.

Agency and NPL staff have increased by over 250 since the end of 2019/20, but remain significantly lower than 2015/16.

## Headcount trends since 2019/20



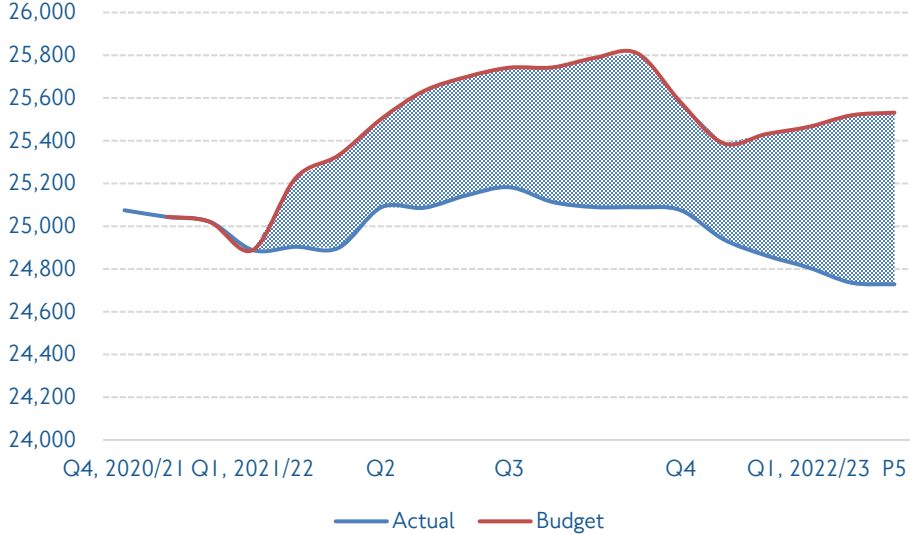
## Total staff over 400 lower than pre-pandemic levels

Agency, NPL and consultants almost 250 higher than pre-coronavirus levels as a result of labour market challenges

Permanent employees down by almost 700 since 2019/20 and in line with last year

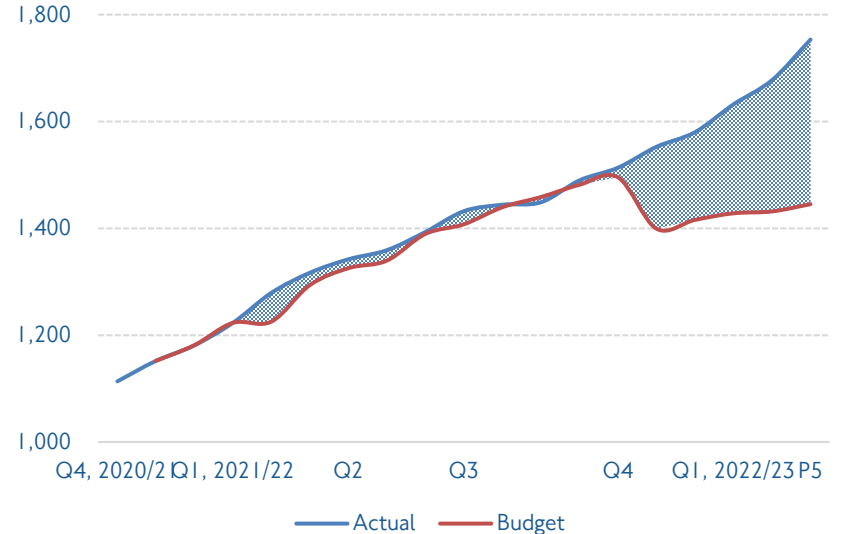
## Permanent staff (FTE): actuals and Budget

Permanent employees down by almost 350 since the end of 2021/22, driven by large number of retirees and leavers. Staff levels almost 500 lower than Budget from recruitment delays, a competitive external market and higher resignation rates, with leavers averaging 170 per period.



## Agency and NPL staff (FTE): actuals and Budget

Agency and NPL FTE up by almost 250 since the end of 2021/22 and higher than Budget. Driven by labour market challenges and earlier funding uncertainty.



# Capital account

Total TfL capital expenditure (excluding Crossrail construction) is £476m in the year to date, £28m lower than Budget. Capital renewals are currently £19m lower than Budget, with some slippage on DLR renewals (£6m) as a result of resource shortages, and lower Technology project spend on Cycle Hire modernisation and Cable Car (£6m).

Property and asset receipts are (£17m) lower than Budget, mainly from the timing of receipt for Woolwich over station development, which is now expected later this year.

£m	Period 5 year to date, 2022/23				Period 5 year to date, 2021/22		
	Actuals	Budget	Variance to Budget	% variance to Budget	Last year	Variance to last year	% variance to last year
New capital investment	(278)	(287)	8	3%	(286)	8	3%
TTLP capital expenditure	(10)	(57)	48	83%	(9)	(1)	-7%
Crossrail	(111)	(162)	51	31%	(253)	142	56%
<b>Total capital expenditure</b>	<b>(399)</b>	<b>(506)</b>	<b>107</b>	<b>21%</b>	<b>(548)</b>	<b>149</b>	<b>27%</b>
Financed by:							
Investment grant	342	342	0	0%	409	(67)	-16%
Property and asset receipts	1	18	(17)	-95%	10	(10)	-91%
TTLP property receipts	3	54	(51)	-95%	0	3	N/A
Borrowing	0	0	0	N/A	1	(1)	-100%
TTLP borrowing	0	0	(0)	-100%	0	0	N/A
Crossrail borrowing	0	0	0	N/A	74	(74)	-100%
Crossrail funding sources	136	200	(64)	-32%	223	(87)	-39%
Other capital grants	31	30	1	2%	22	9	41%
<b>Total</b>	<b>512</b>	<b>644</b>	<b>(132)</b>	<b>-20%</b>	<b>739</b>	<b>(227)</b>	<b>-31%</b>
<b>Net capital account</b>	<b>113</b>	<b>138</b>	<b>(25)</b>	<b>-18%</b>	<b>191</b>	<b>(78)</b>	<b>-41%</b>
Capital renewals	(198)	(217)	19	9%	(168)	(30)	-18%
New capital investment	(278)	(287)	8	3%	(286)	8	3%
<b>Total TfL capital expenditure</b>	<b>(476)</b>	<b>(504)</b>	<b>28</b>	<b>5%</b>	<b>(454)</b>	<b>(22)</b>	<b>-5%</b>



# Capital expenditure

Capital renewals and new capital investment (£m)	Period 5 year to date, 2022/23				Period 5 year to date, 2021/22		
	Actuals	Budget	Variance to Budget	% variance to Budget	Last year	Variance to last year	% variance to last year
<b>LU</b>	<b>(307)</b>	<b>(282)</b>	<b>(24)</b>	<b>9%</b>	<b>(291)</b>	<b>(15)</b>	<b>5%</b>
Northern Line Extension	0	(2)	2	-107%	(36)	36	-100%
Major stations	(36)	(37)	1	-4%	(24)	(12)	50%
Railway system enhancements	(3)	(3)	(0)	9%	(2)	(1)	25%
Four lines modernisation	(49)	(47)	(2)	5%	(52)	3	-6%
Piccadilly line upgrade	(81)	(75)	(6)	7%	(50)	(31)	61%
Other LU enhancements	(6)	(7)	1	-20%	(9)	3	-37%
LU capital renewals	(118)	(109)	(9)	8%	(103)	(16)	15%
Other LU	(14)	(2)	(12)	658%	(14)	1	-6%
<b>Elizabeth line</b>	<b>(2)</b>	<b>(4)</b>	<b>2</b>	<b>-47%</b>	<b>(8)</b>	<b>6</b>	<b>-72%</b>
<b>Buses, Streets &amp; Other</b>	<b>(100)</b>	<b>(112)</b>	<b>12</b>	<b>-11%</b>	<b>(80)</b>	<b>(20)</b>	<b>25%</b>
Silvertown	(4)	(7)	3	-38%	(4)	(1)	16%
Surface assets	(34)	(36)	2	-6%	(30)	(4)	14%
Air quality and environment	(17)	(16)	(1)	4%	(17)	0	-1%
Public transport	(3)	(5)	2	-45%	(2)	(1)	32%
Healthy Streets	(26)	(27)	1	-3%	(12)	(13)	107%
Technology	(11)	(15)	4	-26%	(10)	(1)	9%
Other incl. T&PH and T&D	(6)	(6)	1	-9%	(5)	5	-98%
<b>Rail</b>	<b>(53)</b>	<b>(75)</b>	<b>22</b>	<b>-29%</b>	<b>(63)</b>	<b>10</b>	<b>-15%</b>
Barking Riverside	(2)	(5)	4	-71%	(18)	17	-91%
DLR	(31)	(38)	8	-20%	(27)	(4)	14%
Public transport	(21)	(31)	10	-33%	(17)	(3)	19%
<b>Corporate areas</b>	<b>(14)</b>	<b>(31)</b>	<b>16</b>	<b>-53%</b>	<b>(12)</b>	<b>(2)</b>	<b>17%</b>
Media	3	1	1	94%	2	0	22%
Tech & Data	(17)	(24)	7	-30%	(14)	(3)	21%
Estates	(0)	(8)	8	-97%	(1)	0	-54%
<b>Total TfL</b>	<b>(476)</b>	<b>(504)</b>	<b>28</b>	<b>-5%</b>	<b>(454)</b>	<b>(22)</b>	<b>5%</b>



# Cash balances

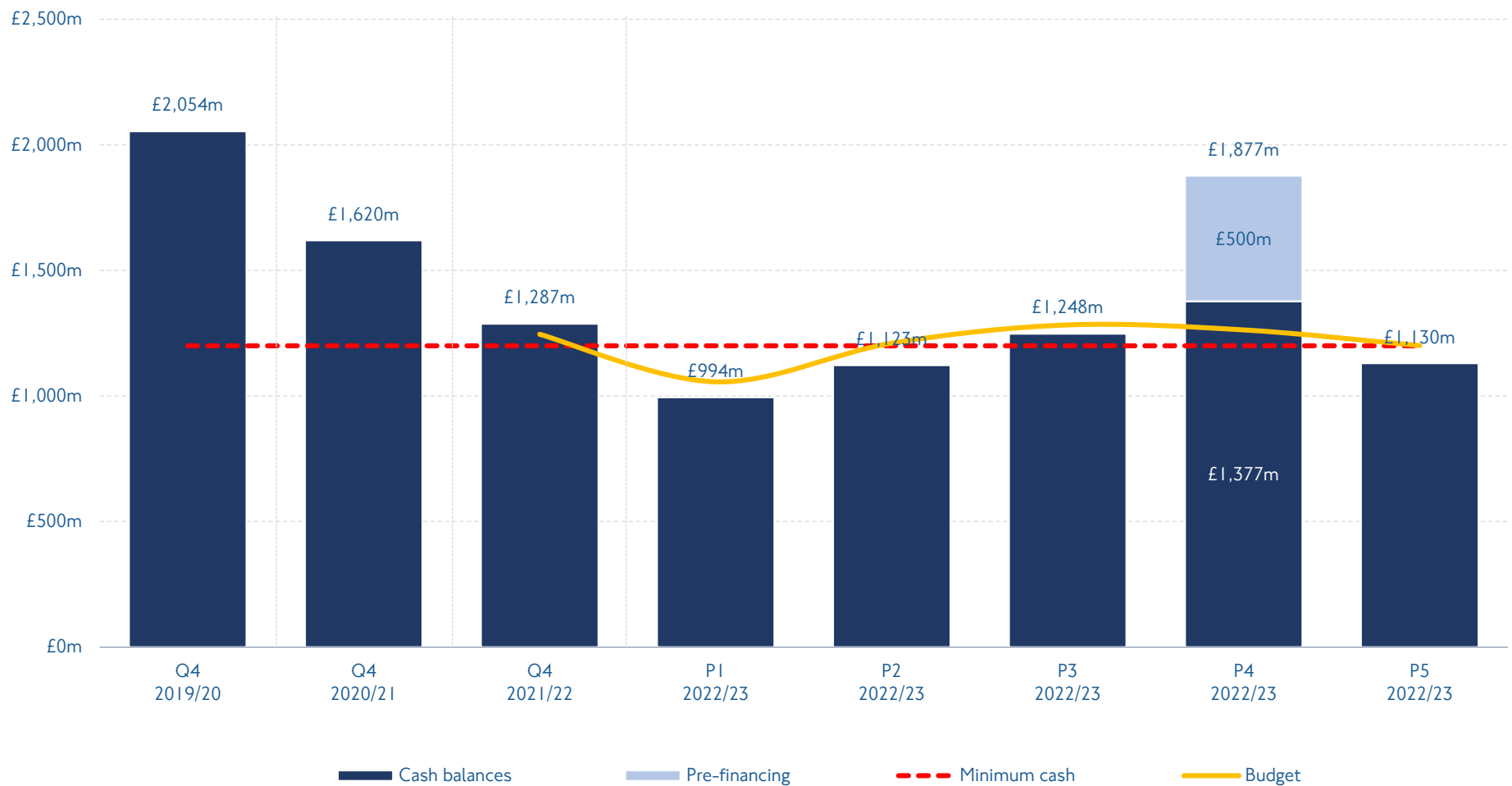
Total cash balances (excl. cash balances ring-fenced for Crossrail construction) are just over £1.1bn at the end of Period 5, £157m lower than at the start of the year. Cash balances are £70m lower than Budget, largely a result of lower government support in August while our new funding agreement was finalised.

There was a temporary higher cash balance in P4 as we pre-financed a bond renewal given the uncertainty on longer-term interest rates.

A condition of the new funding agreement is that our cash balances will average £1.2bn for the duration of the agreement.

	2021/22 closing cash	2022/23 cash movement	P5, 2022/23 closing cash	P5, 2022/23 variance to Budget
TfL closing cash balances	1,287	(157)	1,130	(70)

Cash balances reduced from £2,054m at the end of 2019/20 to £1,130m at the end of Period 5, 2022/23.





# Section 3

## Forward look

Funding settlement	1
YTD 2022/23 Performance	2
Forward look	3
Debt position and credit rating	4



# Risks and opportunities

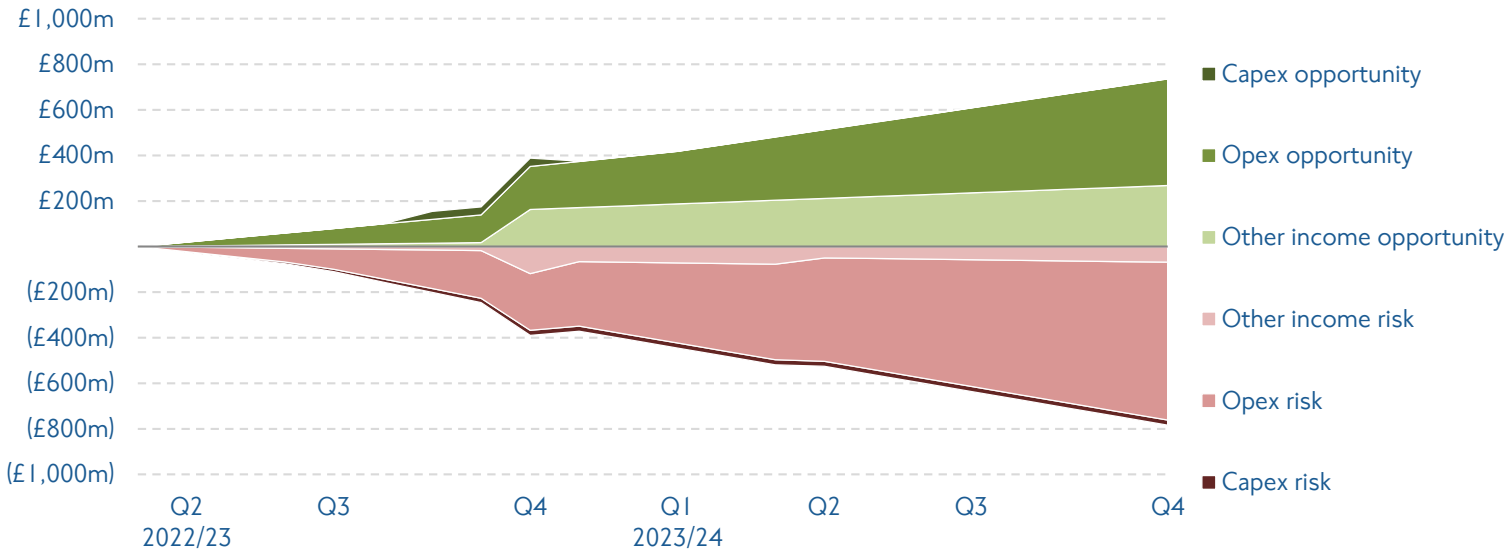
While the year to date position is broadly positive, we are starting to see risks emerging.

We are confident we can manage these through a combination of management action (including working capital management and cost control), contingencies and other tailwinds.

The new funding agreement with government will provide some mitigation against inflationary pressures – for this year, support is capped at £15m; any pressure in excess of this level will therefore require further savings. For 2023/24, there is no cap, and we have assumed government will compensate us for the full value of inflation impacts.

## Probability weighted risks and opportunities for 2022/23

Risks of almost (£800m) broadly offset by opportunities



### Key risks:

1. Passenger income – revenue downside protection will continue for the duration of the new funding agreement to the end of 2023/24. There does remain a strategic risk that continued strike disruption leads to a fall in customer confidence with stagnating demand in the short to medium term.
2. Inflation – a number of our contracts are re-indexed during the year and are expected to increase based on current inflation forecasts. We are also expecting large increases in energy costs in 2023/24.
3. New savings – our Budget was based on delivering £m of savings over 2022/23 to 2023/24. In addition to these savings, we will need to make additional savings of about £240m over the two years. We expect to make between £50-£100m additional savings this year.

### Key opportunities:

1. Contingencies – to maintain a balanced budget, we have a central contingency, weighted on a probability basis, to ensure we can manage the net risk faced such as those above. This is supported by the GLA financing facility.
2. Cost control – we continue to maintain tight cost control and realise further savings where possible through headcount controls, review of discretionary spend and supply chain savings.

# Section 4

## Debt position and credit rating

Funding settlement 1

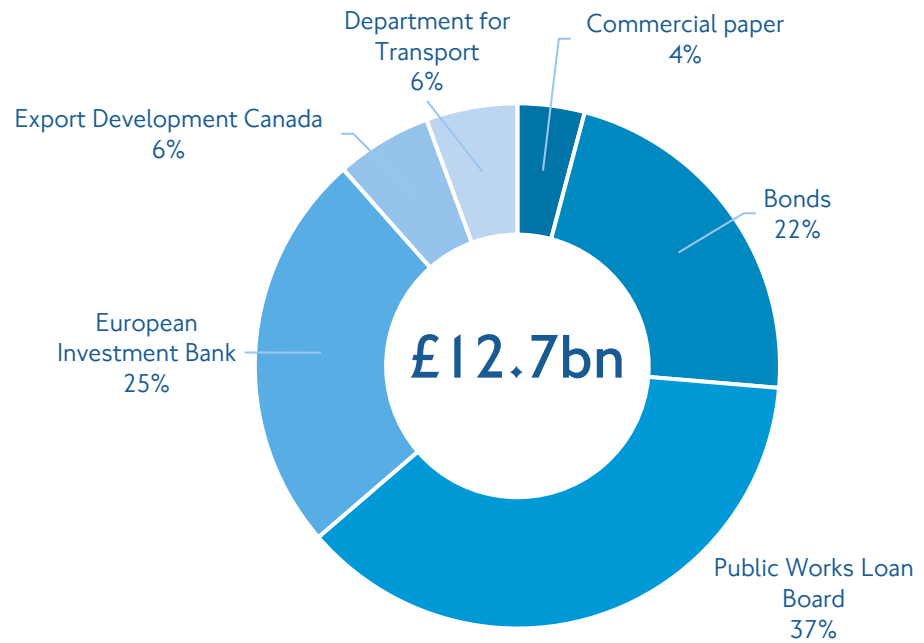
YTD 2022/23 Performance 2

Forward look 3

Debt position and credit rating 4

# Debt position

We have borrowed from a range of sources in previous years to help fund our capital programme, including Crossrail and major upgrades to our tube network.



90%

Over 90% of our borrowing is at a fixed rate of interest

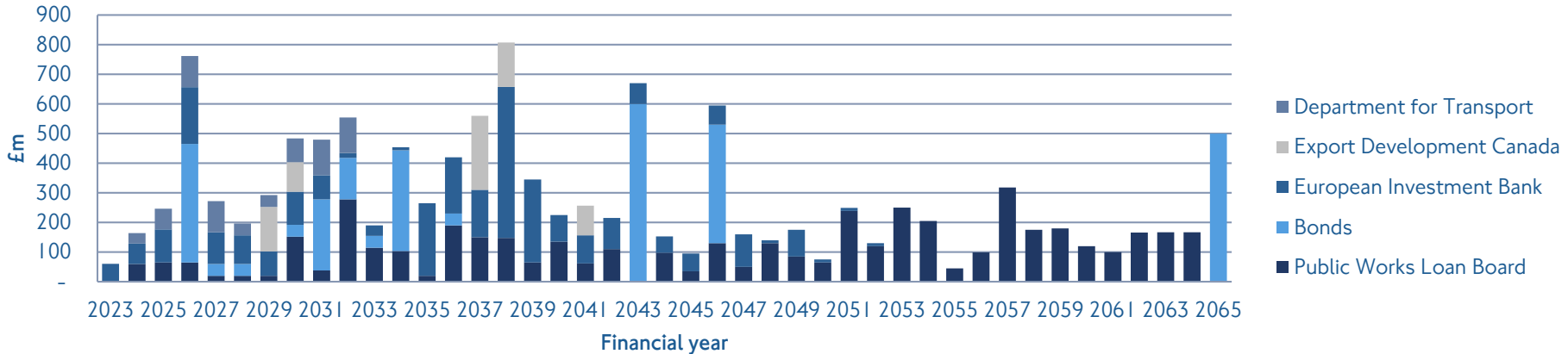
3.3%

The weighted average interest rate on our borrowing is 3.3%

18.2 years

The weighted average tenor of our borrowing is 18.2 years

TfL Borrowing Maturity Profile



The debt maturity profile excludes around £500m of short-term commercial paper, which we intend to continue to re-issue on a rolling basis.

# Credit ratings

	Standard & Poor's	Moody's	Fitch
Long-term rating	A+	Baa1	A+
Outlook	Stable	Stable	Stable
Short-term rating	A-1	P-2	F1+
Last changed/affirmed	May 2022	May 2022	September 2021

## Standard and Poor's (S&P)

- S&P affirmed our credit rating at A+/A-1 in May 2022, which reflected its view that the government would continue to provide adequate support to TfL until performance returns to sustainable levels.
- In September 2022, S&P published a bulletin on TfL covering the recent funding settlement. It noted that the agreement with central government left a funding gap, but that it believes this could be bridged with additional cost savings or temporary support from the GLA. S&P noted that overall, it expected TfL's financial metrics to stay broadly in line with previous expectations.
- Our S&P rating was downgraded from AA- to A+ in May 2020, towards the start of the pandemic.

## Moody's

- Moody's downgraded our credit rating from A3 to Baa1 in May 2022, citing its concern around the ongoing uncertainty over long-term funding arrangements, and stating that operating performance was expected to be weaker than previously predicted due to lower economic growth and higher inflation.
- In September 2022, Moody's published a research piece containing its view on the most recent funding agreement and GLA facility. It noted that the funding is credit positive, enabling TfL to balance its budget for the next two years.
- Moody's had previously downgraded our rating in October 2020 (from Aa3 to A1) and June 2021 (from A1 to A3).

## Fitch

- On 13 September 2022, Fitch announced that they had reviewed TfL's rating and taken no action. We expect them to perform further analysis soon.
- Our current rating from Fitch is A+, which was downgraded from AA- in May 2020.

