

**Board**

**Date: 29 March 2023**

**Item: TfL Budget 2023/24**

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**This paper will be considered in public.**

## **1 Summary**

- 1.1 This paper considers TfL's 2023/24 Budget which builds on our 2023 TfL Business Plan, our first business plan since 2019. The Budget updates 2023/24 for the latest information and turns it into a detailed plan, against which we can track progress through the year.
- 1.2 This Budget confirms our forecast to return to operating financial sustainability in 2023/24 and delivers on our key goals:
- (a) Safety & security: ensuring everyone gets home safe and healthy;
  - (b) Colleague: being a great place to work for everyone to thrive;
  - (c) Customer: give people more reasons to choose sustainable travel;
  - (d) Green: tackling the climate and ecological emergency; and
  - (e) Finance: growing our income and controlling our costs to secure our future.

## **2 Recommendations**

- 2.1 **The Board is asked to note the paper and approve the TfL Budget for 2023/24.**

## **3 TfL 2023/24 Budget**

- 3.1 Our 2023 TfL Business Plan set out our strategy for rebuilding our finances, improving efficiency and helping to secure our future. This Budget confirms our forecast to return to operating financial sustainability in 2023/24, due to:
- (a) rising passenger demand which we expect to grow by 7% from where we are now and increasing other sources of income to reduce our reliance on fares from 72 per cent to 65 per cent on a like-for-like basis;
  - (b) managing the impact of increasing inflation and continuing to deliver recurring cost savings: working towards our target of £600m per annum by 2025/26;
  - (c) creating an operating surplus: these actions mean we create an operating

surplus in 2023/24;

- (d) funding investment: our operating surplus is used to fund capital investment and also support a return to prudent, incremental borrowing to finance new investment. We have proactively taken opportunities to refinance debt to reduce ongoing costs; and
- (e) rebuilding our cash: we are now rebuilding our cash reserves after the impact of the pandemic, and we are continuing to maintain the GLA £500m financing facility to protect against further shocks.

## **4 Next steps**

- 4.1 We will report on the progress of delivering against this budget to the Finance Committee and Board throughout 2023/24.
- 4.2 As required under our funding settlement with Government, we will also continue to provide periodic financial reporting to Department for Transport and its advisers and update them on our progress on the requirements of the funding settlement.
- 4.3 In addition to delivering the requirements of the current funding settlement, we will also work with Government to secure a longer-term agreement beyond the end of the current settlement which expires in March 2024.

### **List of appendices to this report:**

Appendix 1: TfL 2023/24 Budget – presentation

### **List of Background Papers:**

None

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