

Transport for London fourth extraordinary funding and finance package

Further to my statement to the House on 21 February 2022, I am updating the House on a [new extraordinary funding settlement](#) between Transport for London (TfL) and government, which expires on 25 February 2022. I have agreed with the Mayor of London a new settlement to 24 June 2022.

This new settlement demonstrates government's ongoing commitment to supporting the capital while balancing the interests of the national taxpayer. It provides TfL with £200 million of emergency funding as it recovers from the pandemic and continues to work towards financial sustainability. It also continues the government's commitment to cover fare revenues lost due to the pandemic.

Together, this takes the government's overall contribution to close to £5 billion, on top of an ongoing annual capital commitment of just over a billion pounds through the Spending Review, in line with previous levels of funding.

Furthermore, government recognises the need for certainty and stability in TfL's capital investment programme. Government is, therefore, willing to consider a longer-term capital settlement for TfL, which we intend to agree before the start of the next financial year. This will be on the condition that TfL cooperates fully and openly with government and provides sufficient information and data about their capital investment plans.

TfL needs to ensure that it is both financially sustainable in the short- to medium-term and in good financial health in the long term, ensuring good value for money for the UK taxpayer.

Within this next funding period, the Mayor has agreed to:

- prepare a plan setting out options to realise operating cost savings up to and including £400 million in 2022 to 2023
- progress with consultation on the options he has identified to raise between £0.5 billion and £1 billion per annum of additional revenue from 2023
- deliver against TfL's accelerated modernisation plan and make significant progress in moving the pension fund into a financially sustainable position

Transport is devolved to the Mayor of London. It is, therefore, for him alone to take responsibility for the decisions needed to return TfL to financial sustainability.

Government will continue to work with the Mayor and TfL to ensure London's

transport system delivers for local citizens and businesses and contributes to the country's economic recovery.

At all times, government will continue to balance with our obligations to the national transport network as a whole and to provide value for money for the taxpayer.