

MDA No.: 1581

Title: The 2024-25 GLA Group Budget – Transport for London

1. Executive Summary

1.1 At the Budget & Performance meeting on 19 December 2023 the Committee resolved that:

Authority be delegated to the Chairman, in consultation with the Deputy Chair and party Group Lead Members, to agree any output arising from the discussion.

1.2 Following consultation with party Group Lead Members, the Chairman agreed the Committee's letter to the Mayor of London regarding the 2024-25 GLA Group Budget for Transport for London, as attached at **Appendix 1**.

2. Decision

2.1 **That the Chairman, in consultation with the Deputy Chair and party Group Lead Members, agrees the Committee's letter to the Mayor of London regarding the 2024-25 GLA Group Budget for Transport for London, as attached at Appendix 1.**

Assembly Member

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Printed Name: **Neil Garratt AM, Chairman of the Budget & Performance Committee**

Date: **22 January 2023**

3. Decision by an Assembly Member under Delegated Authority

Background and proposed next steps:

- 3.1 The terms of reference for this investigation were agreed by the Chairman, in consultation with party Lead Group Members and the Deputy Chair, under the standing authority granted to Chairs of Committees and Sub-Committees. Officers confirm that the report and its recommendations fall within these terms of reference.
- 3.2 The exercise of delegated authority approving the report will be formally noted at the Budget & Performance Committee's next appropriate meeting.

Confirmation that appropriate delegated authority exists for this decision:

Signature (Committee Services): Paul Goodchild

Printed Name: Paul Goodchild

Date: 3 January 2024

Telephone Number: 07842 600832

Financial Implications: NOT REQUIRED

Note: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signature (Finance): Not Required

Printed Name:

Date:

Telephone Number:

Legal Implications:

The Chairman of the Budget & Performance Committee has the power to make the decision set out in this report.

Signature (Legal): 

Printed Name: Rory McKenna

Date: 8 January 2024

Email: rory.mckenna@london.gov.uk

Supporting Detail / List of Consultees:

- Krupesh Hirani AM;
- Caroline Russell AM;
- Caroline Pidgeon MBE AM.

4. Public Access to Information

- 4.1 Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.
- 4.2 If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.
- 4.3 **Note:** this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, until what date:

Part 2 – Sensitive Information:

Only the facts or advice that would be exempt from disclosure under FoIA or EIR should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

Lead Officer / Author

Signature: Gino Brand


Printed Name: Gino Brand

Job Title: Senior Policy Adviser

Date: 3 January 2024

Telephone Number: 07511 213765

Countersigned by Executive Director:

Signature: 

Printed Name: Helen Ewen

Date: 4 January 2024

Telephone Number: 07729 108986



Neil Garratt AM
Chairman of the Budget and Performance Committee

Sadiq Khan
Mayor of London
(Sent by email)

22 January 2024

Dear Mr Mayor

I am writing to you on behalf of the Budget and Performance Committee, following its meeting on Tuesday, 19 December 2023. This letter is part of our Committee's changed approach to its Budget work, aiming to provide timely scrutiny and recommendations throughout the annual budget scrutiny process.

During the meeting, we heard from your Deputy Mayor for Transport, Seb Dance, alongside representatives from Transport for London (TfL). The Budget and Performance Committee remains committed to fostering a transparent and accountable financial framework through the effective scrutiny of the GLA's finances. The five recommendations in this letter are intended to support and improve the drafts of your Budget for 2024-25.

The Committee acknowledges the urgent efforts of TfL officers to reassess and publish the 2024 TfL Business Plan in line with the recently agreed funding deal with Government and recognises the challenges that the uncertainty around this has presented. The Committee is encouraged by TfL's plans to deliver an operating surplus for 2023-24.

TfL fares decision

The TfL 2024-25 Budget Submission assumes a fares increase of 4 per cent.¹ The Committee asked when a decision around the level of fares for 2024-25 would be made and was not provided with a specific answer. The Committee also asked how TfL's projected 11 per cent increase in passenger income for 2024-25 was calculated and was told by Patrick Doig, TfL's Group Finance Director, that this is "broken down into a fare rise of 4 per cent that we have

¹ [TfL 2024-25 Budget Submission](#), p10

assumed, as the Deputy Mayor has said that will be confirmed. Other yield factors of 1 per cent....and then demand growth of 6 per cent.”²

Fares income accounts for a significant proportion of the TfL budget and so the fares decision has the potential to significantly change the 2024-25 TfL Budget. It will also be significant for many Londoners’ personal budgets.

Recommendation

- 1. The Committee recommends that you are clear in your final draft consolidated budget about the process and timeline you followed to make a decision around the TfL fares for 2024-25.***

Climate budgeting

Your Budget Guidance in July 2023 states that the planned date for adopting ‘Level 3 emissions reporting’ is from 2025-26 onwards.³ However, the TfL 2024-25 Budget Submission does not include a reference to this and nor does your 2024-25 Consultation Budget.

The Committee asked when TfL is planning to set a date for Level 3 emissions reporting and referred to the commitment made in TfL’s Corporate Environment Plan, published September 2021, that TfL would agree reduction targets for Level 3 emissions by the end of 2022.⁴ The Committee was concerned that the TfL Commissioner responded “*I don’t know the detail around that*”.⁵

In August you gave an answer to a written question that stated TfL’s full Level 3 target would now be set by the end of 2023.⁶

Climate budgeting and work on targets is complex and important. The Committee would like to see more clarity and certainty provided around how future climate budgeting and work on targets will be carried out and what planning is in place to enable Level 3 reporting.

This Committee wrote to you on 4 December 2023, recommending “**that the target date for including Level 3 emissions reporting is reconfirmed, along with an outline plan to incorporate the complexities of Level 3 emission reporting in the forthcoming GLA Consultation Budget.**” The date has not been confirmed in your consultation budget, so we now ask that it is included in your final draft consolidated budget.

Recommendation

- 2. The Committee recommends that the target date for including Level 3 emissions reporting is reconfirmed in the forthcoming final draft consolidated budget along with an outline plan to incorporate the complexities of Level 3 emissions reporting and an update on current progress on setting a Level 3 target.***

² GLA Budget and Performance Committee – 19 December 2023, Transcript, p14

³ [2024-25 Budget Guidance](#), 14 July 2023, p27

⁴ TfL, [Corporate Environment Plan](#), September 2021, p17

⁵ GLA Budget and Performance Committee – 19 December 2023, Transcript, p8

⁶ Mayor of London, [TfL scope 3 emissions reduction target](#), 30 August 2023

Carbon literacy training

The Committee asked about the work TfL is doing to deliver the Accelerated Green Pathway to achieving net zero carbon emissions by 2030 that you announced in January 2022. One of the examples provided by TfL officers was the target to provide accredited carbon literacy training to 3,000 TfL staff members. TfL's Chief Finance Officer explained:

*"We do not want our green agenda just to be the preserve of some experts, we need those experts, we need the engineers as we have described, but we are trying to get into all our business case evaluations, all of our procurement strategies, that consideration. Therefore we think that getting into the DNA of the organisation will be very, very helpful in accelerating."*⁷

The Committee welcomes this approach and would appreciate further detail about this training, including the cost, and whether it could be expanded to staff in other parts of the GLA Group to further mainstream carbon literacy across the whole of the GLA Group.

Recommendation

- 3. The Committee recommends that you consider how TfL's carbon literacy training could be extended to staff in other parts of the GLA Group, provide funding for this in your final draft consolidated budget and provide annual updates on progress in terms of staff trained for each part of the GLA Group.***

Savings

The TfL 2024-25 Budget Submission sets a target to deliver £650 million of recurring operating cost savings by 2025-26.⁸ The Committee asked what the key risks were to TfL achieving its savings target and heard from Rachel McLean, Chief Finance Officer about the *"strength of our track record with these [savings] programmes"*.⁹ Rachel added that *"Our challenge, actually, has been in securing savings that are recurring because what we are really trying to do here is to get our long-term cost base down."*¹⁰

The Committee recognises the scale of the task in delivering £650 million in recurring savings and requests more detail about how this will be achieved.

Recommendation

- 4. The Committee recommends that the final draft consolidated budget provides more detail about achieving recurring and one-off savings in TfL.***

Better facilities: provision of toilets

The TfL 2024 Business Plan sets out a commitment to provide better staff facilities, including *"refurbishing existing facilities such as toilets"*.¹¹

⁷ GLA Budget and Performance Committee – 19 December 2023, Transcript, p10

⁸ [TfL 2024-25 Budget Submission](#), p8

⁹ GLA Budget and Performance Committee – 19 December 2023, Transcript, p30

¹⁰ GLA Budget and Performance Committee – 19 December 2023, Transcript, p30

¹¹ [2024 TfL Business Plan](#), p15

The Committee asked whether there are plans to improve the provision of toilets for customers as well as staff and were pleased to hear from the TfL Commissioner that:

“We absolutely want to improve our toilet provision across the network, we are already starting with a refurbishment programme of some of the existing facilities, both on the tube and in bus stations...We are now looking at a piece of work led by Emma Strain, who is our Customer Director, looking at where there is the potential opportunity to increase toilet provision.”¹²

Seb Dance, Deputy Mayor for Transport, added that the work around toilet provision is “very much focused on looking at this issue as an accessibility one”.¹³

The Committee was also told by the TfL Commissioner that: “The cost of installing toilets is quite astronomical depending on the location and the services and utilities that exist.”¹⁴

The Committee welcomes the additional “£3 million per annum to provide additional public toilets on TfL estates, as well as modernise existing facilities where required” in your Draft Consolidated Budget and would appreciate further detail around plans to improve toilet provision, including a cost analysis and timeline.

Recommendation

5. The Committee recommends that your final draft consolidated budget provides further detail around plans to improve toilet provision on London’s transport network for customers as well as TfL staff.

We appreciate the GLA officers’ attendance and engagement with the Budget and Performance Committee, and we look forward to assessing the forthcoming 2024-25 Budget. We look forward to your response to this letter by 9 February 2024.

Yours sincerely,



Neil Garratt AM

Chairman of the Budget and Performance Committee

¹² GLA Budget and Performance Committee – 19 December 2023, Transcript, p40

¹³ GLA Budget and Performance Committee – 19 December 2023, Transcript, p40

¹⁴ GLA Budget and Performance Committee – 19 December 2023, Transcript, p40