MDA No.: 1918

Title: TfL Capital Renewals

1. Executive Summary

1.1 At the Budget and Performance Committee meeting on 16 September 2026 the Committee resolved that:

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

1.2 Following consultation with party Group Lead Members, the Chairman agreed the Committee's letter to the Mayor of London regarding TfL Capital Renewals, as attached at **Appendix 1**.

2. Decision

2.1 **That the Chairman, in consultation with party Group Lead Members, agrees the Committee's letter to the Mayor of London regarding TfL Capital Renewals, 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 and Performance Committee**

Date: 16 October 2026

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 relevant party Group Lead Members, under the standing authority granted to Chairs of Committees and Sub-Committees. Officers confirm that the letters and its recommendations fall within these terms of reference.

3.2 The exercise of delegated authority approving the letters will be formally noted at the Budget and Performance Committee's next appropriate meeting.

Confirmation that appropriate delegated authority exists for this decision:

Signature (Committee Services): *Hannah Barlow*

Printed Name: Hannah Barlow, Principal Committee Manager

Date: 16 October 2026

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:

Legal Implications:

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

Signature (Legal) 

Printed Name: Rory McKenna

Date: 19 October 2026

Email: rory.mckenna@london.gov.uk

Supporting Detail / List of Consultees:

- *Krupesh Hirani AM (Deputy Chairman)*
- *Zack Polanski AM*
- *Gareth Roberts 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 Advisor

Date: 16 October 2026

Countersigned by Executive Director:

Signature: *HEwen*

Printed Name: Helen Ewen, Executive Director - Assembly Secretariat

Date: 19 October 2026

LONDONASSEMBLY

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Neil Garratt AM
Chairman of the Budget and Performance Committee

The Rt Hon Sadiq Khan
Mayor of London
(Sent by email)

21 October 2026

Dear Lord Khan,

TfL Capital Renewals

The Budget and Performance Committee met Transport for London (TfL) and BusinessLDN representatives on 16 September 2026 to examine TfL's capital renewals programme and the investment required to maintain the safety, reliability and resilience of London's transport network.

The Committee heard that TfL faces an increasing asset renewals challenge. TfL estimates that its renewals backlog has reached £6.5 billion[1] and is projected to increase under current funding assumptions.[2] TfL has confirmed that safety will continue to be maintained, but the evidence that TfL has shared with the Committee shows that this historic underinvestment is already affecting reliability, operational performance and the long-term condition of key transport assets.[3] Patrick Doig, TfL's Chief Finance Officer told the Committee that TfL has been underinvesting in assets since around 2017, when its assets were in a good condition, following the withdrawal of government operating grant and subsequent financial pressures.[4] TfL has stated that while safety will not be compromised, deteriorating asset condition has contributed to reduced

[1] MQT, TfL Capital Renewals (1), 27 May 2026
[2] GLA, GLA 2026-27 Budget, P46, February 2026
[3] TfL, TfL's Capital Renewals, 29 July 2026
[4] Budget and Performance Committee, Transcript, P1, 16 September 2026

operational performance, lower reliability, higher maintenance costs and weaker financial sustainability.[5]

The Committee is particularly concerned by evidence presented by TfL regarding:

- The scale of the London Underground track renewals backlog, estimated at over £3.2 billion[6] and reports that 42 per cent of track has been classified by TfL as being in "very poor" condition and a further 17 per cent is in a “poor” condition.[7]
- Evidence that asset-related incidents are becoming more frequent and more disruptive.[8]
- The condition of ageing fleet and infrastructure assets, including on the Bakerloo line.[9]
- The impact of the backlog affecting roads, bridges and tunnels such as Vauxhall, Westminster and Lambeth bridges, Croydon Flyover, A40 Westway and Rotherhithe Tunnel.[10]
- The wider economic consequences of declining transport reliability and resilience.[11]

Safety and reliability

Patrick Doig told the Committee that "*the priority we will not compromise on is safety*" and described the inspections, operational restrictions and other mitigations that it uses to maintain safe operation of the network.[12] Patrick Doig also informed the Committee that deteriorating asset condition has contributed to reduced operational performance, lower reliability, higher maintenance costs and weaker financial sustainability.[13] While these mitigations are necessary where asset condition has deteriorated, they are not a sustainable long-term substitute for investment in maintaining a modern, reliable and resilient transport network. The evidence provided by TfL to the Committee indicates that both the frequency of asset-related incidents affecting performance and the severity of their impact are increasing.[14] This is despite reported improvements in TfL's management of such incidents**.** Patrick Doig, informed the Committee that:

> *“We have invested over that period in our incident response in terms of our command and control. When there is an incident, we can manage those incidents in a more rapid and informed way whilst providing better information to our customers through our customer communication channels.”*[15]

The Committee would welcome information in TfL's 2027-28 Budget submission on how planned investment in capital renewals is expected to affect asset-related incidents, network reliability and the use of operational restrictions and mitigations over time. **The Committee requests that TfL should continue to proactively publish information on the state of repair of its assets, the size of the repair backlog, the year-on-year change in the backlog, and the plans to increase capital renewals funding to address the problem.**

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[5] Budget and Performance Committee, Transcript, P2 and P28, 16 September 2026
[6] TfL, TfL’s Capital Renewals, 29 July 2026
[7] TfL, London Underground and Elizabeth line Renewals, 8 October 2025
[8] TfL, TfL’s Capital Renewals, 29 July 2026
[9] Budget and Performance Committee, Transcript, P10, 16 September 2026
[10] TfL, Safety-critical temporary weight restriction on Vauxhall Bridge to be introduced from July, 12 May 2026
[11] Budget and Performance Committee, Transcript, P23, 16 September 2026
[12] Budget and Performance Committee, Transcript, P1, 16 September 2026
[13] Budget and Performance Committee, Transcript, P2 and P28, 16 September 2026
[14] TfL, TfL’s Capital Renewals, 29 July 2026
[15] Budget and Performance Committee, Transcript, P16, 16 September 2026

Investment gap

Investment remains significantly below the level required to stabilise the renewals backlog and is expected to remain below that level until at least 2029-30. Consequently, the backlog of asset renewals is forecast to increase from £6.5 billion in March 2026 to £7.4 billion (before adjusting for inflation) by March 2030,[16] highlighting the scale of the challenge that TfL continues to face.

Ed Richardson of BusinessLDN told the Committee that transport renewals are an investment in economic growth and essential for productivity. The consequences of underinvestment include congestion, slower journeys, road restrictions, reduced accessibility and reduced reliability. Edward Richardson informed the Committee that BusinessLDN supports more funding for renewals as well as Government support through the Structures Fund[17] and called for a longer-term infrastructure funding settlement.[18]

While TfL has identified the investment needed to address its asset renewal backlog, funding remains insufficient to prevent the backlog from growing. With the backlog likely to take at least a decade to clear, the eventual cost is expected to rise significantly, even if all the required funding is secured. TfL's 2026-27 GLA Budget sets out a 20-year capital investment programme, with a total spend of £121 billion over this period. This includes £51 billion for capital renewals at an average of £2.6 billion per year. However, only £65 billion of the total £121 billion programme is currently funded.[19] TfL has not set out the extent to which the capital renewals element is funded. Patrick Doig informed the Committee that there are three principal routes through which TfL could seek to close this funding gap. The first was to increase the level of funding that TfL can generate itself. The second key funding route is Government funding support. That is why the Spending Review case continues to be important to TfL. TfL would like a much longer-term funding settlement to allow it to really work for that capital strategy if it could secure one. Thirdly, TfL can raise funding through the growth and benefits generated by the infrastructure, which is how the DLR extension to Thamesmead is being funded.[20]

The Committee encourages TfL to publish a clear strategy for preventing further growth in the capital renewals backlog and returning key assets to a sustainable state of good repair in its 2027-28 Budget submission to the GLA in November.

Devolution

TfL told the Committee that greater devolution could make it easier to assemble funding packages like those being used for the DLR extension to Thamesmead and could support the delivery of future infrastructure projects.[21] According to TfL, this could reduce the need for bespoke funding agreements and provide greater flexibility in developing transport investment proposals.

The Committee notes its previous recommendation that *the Department for Transport, the Mayor and TfL should publish a strategy for funding new infrastructure through private investment approaches. This should include a standard model for the long term that allows Tax Increment*

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[16] TfL, TfL Mayor's Budget Submission 2026-27, 21 November 2025
[17] The Structures Fund is a £1 billion Department for Transport (DfT) fund for major highway structures that require urgent, complex renewal works that local highway authorities cannot otherwise afford. It covers bridges, flyovers and tunnels where there is a risk of restrictions or closures if investment is not made. Funding decisions are expected in Autumn 2026.
[18] Budget and Performance Committee, Transcript, P35, 16 September 2026
[19] TfL, TfL Mayor's Budget Submission 2026-27, 21 November 2025
[20] Budget and Performance Committee, Transcript, P41, 16 September 2026
[21] Budget and Performance Committee, Transcript, P41, 16 September 2026

Finance from new revenue streams to be enabled from new transport infrastructure.[22] The Committee continues to consider that greater standardisation around funding models would avoid "*having to negotiate bespoke arrangements for [the] Treasury*."[23] **The Committee would welcome an update on your current assessment of the role that a standard model could play in supporting TfL's long-term capital programme.**

Funding sources

As part of the current TfL financial settlement the Government set out its expectations that TfL does what it can to contribute to its capital programme "*HMG [His Majesty's Government] expects TfL to use TfL's business management and financial planning, and TfL's savings and efficiencies programmes to generate additional revenue to support TfL's capital programme, and to consider local policy levers as needed*."[24] The Government also acknowledged that TfL's capital renewals Is not expected to be funded solely from its operating incomes.[25]

The Committee supports TfL's proposal that Vehicle Excise Duty (VED) revenues raised in London should be devolved to the capital, or that equivalent funding should be provided.[26] There is long-standing cross-party support within the London Assembly for the retention of a fair share of VED revenues for investment in London's transport network.[27] In February 2021, the leaders of all five political groups on the London Assembly[28], together with the Mayor, wrote urging government to allow London to retain its share of VED revenues. The letter referred to an estimated £500 million per year raised from London motorists. From 1 April 2028, eVED, a new mileage-based charge, is expected to apply to electric vehicles as an extension of the current VED regime and this should also be considered as a potential source of funding for TfL capital renewals.

Given the scale of TfL's renewals challenge, **the Committee would welcome an update on your current assessment of the role that VED devolution, or alternative devolved funding mechanisms, could play in supporting TfL's long-term capital programme**.

Roads and structures funding

The Committee heard evidence that major bridge, tunnel and highway structure renewals can present significant affordability challenges for individual authorities. Examples include the Hammersmith and Albert Bridges for Local Authorities and Vauxhall, Westminster and Lambeth bridges, Croydon Flyover, A40 Westway and Rotherhithe Tunnel for TfL. Patrick Doig argued that the absence of a national funding model for highway structures contributes to these challenges and can make major renewals difficult to deliver. He informed the Committee that:

> "*The root cause of that [bridges not being fixed and reopened] is that there is not a national funding model for highway structures, including bridges and tunnels. For individual local authorities with relatively small budgets and a wide range of priorities they have to deliver, when these structures get to the point of needing major renewal, significant refurbishment*

[22] Budget and Performance Committee, Euston, we have a problem: Mind the funding gap, 2 December 2025
[23] Budget and Performance Committee, Transcript, P41, 16 September 2026
[24] HMG, Spending Review Phase 2 Outcome, 19 June 2025
[25] HMG, Spending Review Phase 1 Outcome, 30 October 2024
[26] TfL's Financial Sustainability Plan (2021)
[27] Sadiq Khan and London Assembly in cross-party call on Grant Shapps to let capital retain road tax, 10 February 2021
[28] The full list of signatories of the letter to Shapps is Sadiq Khan and group leaders Susan Hall (Conservative), Len Duvall (Labour), Caroline Russell (Green), Caroline Pidgeon (Liberal Democrats) and Peter Whittle (Brexit Alliance)

or even replacement, it is not generally affordable within their budgets." [29]

The Government recognised in its funding settlement for TfL that "*for major capital enhancements and renewals (e.g. replacement of life expired rolling stock, signalling and major road renewals), TfL is not expected under its current financing arrangements to solely finance those from operating incomes*."[30]

The Committee considers that a more strategic national approach would improve resilience, support economic growth, provide greater certainty for asset owners and help avoid situations where essential structures are subject to prolonged restrictions, closure or escalating repair costs. **The Committee therefore encourages you to work with the Government, TfL, London Councils and other transport authorities to advocate for the development of a long-term national strategy for bridges, tunnels and highway structures with a sustainable national funding mechanism that reduces reliance on ad hoc competitive bidding processes.**

The Committee would welcome your response by 23 November 2026 to inform the Committee's consideration of your draft 2027-28 budget.

Yours,



Neil Garratt AM
Chairman of the Budget and Performance Committee

[29] Budget and Performance Committee, Transcript, P24, 16 September 2026
[30] HMG, Spending Review Phase 1 Outcome, 30 October 2024

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TfL capital renewals and reliability

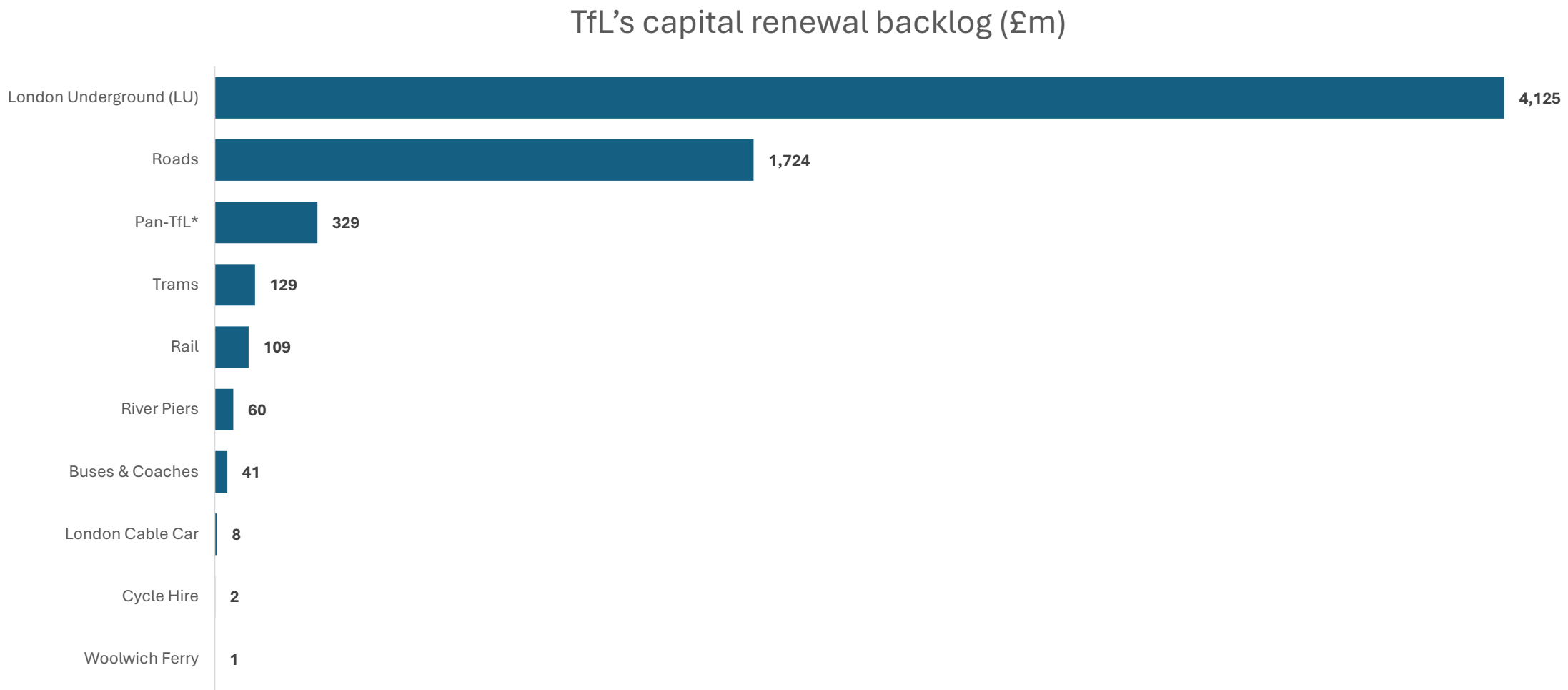
Data visualisations on key figures

Budget and Performance Committee

October 2026

TfL Capital Renewals backlog by mode

Capital renewals are the replacement or refurbishment of existing assets when they reach the end of their useful life, to keep assets in good condition in order to maintain performance, reliability, safety, and service levels. TfL has a £6.5 billion backlog in the expenditure required to keep assets in a good state of repair. This chart shows the backlog split by mode.

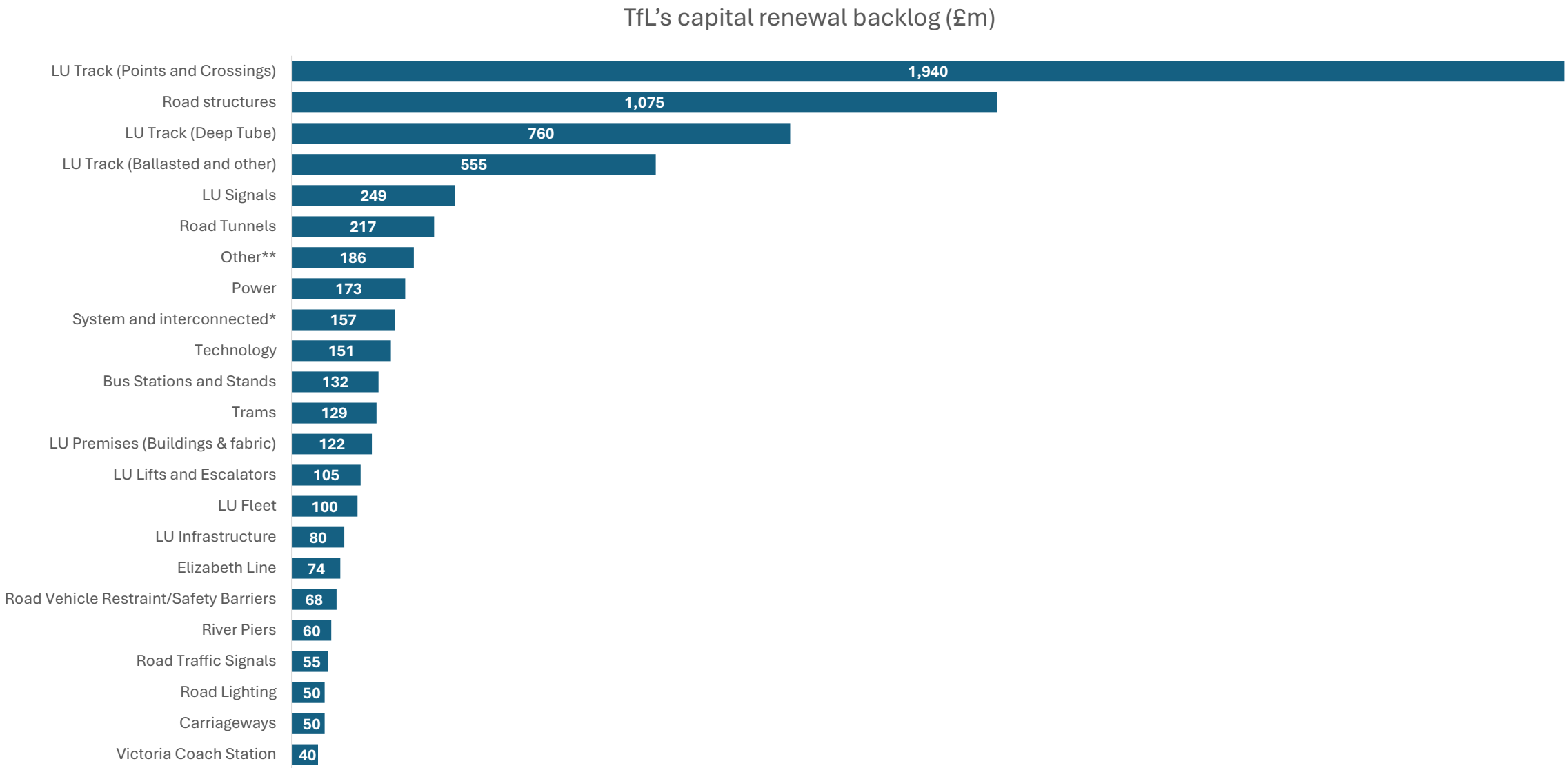


* Includes the systems, technology, the TfL estate and climate adaptation

Source: MQT, TfL Capital Renewals (3), 27 May 2026

TfL Capital Renewals backlog

This chart shows the £6.5 billion backlog in March 2026 by asset type.



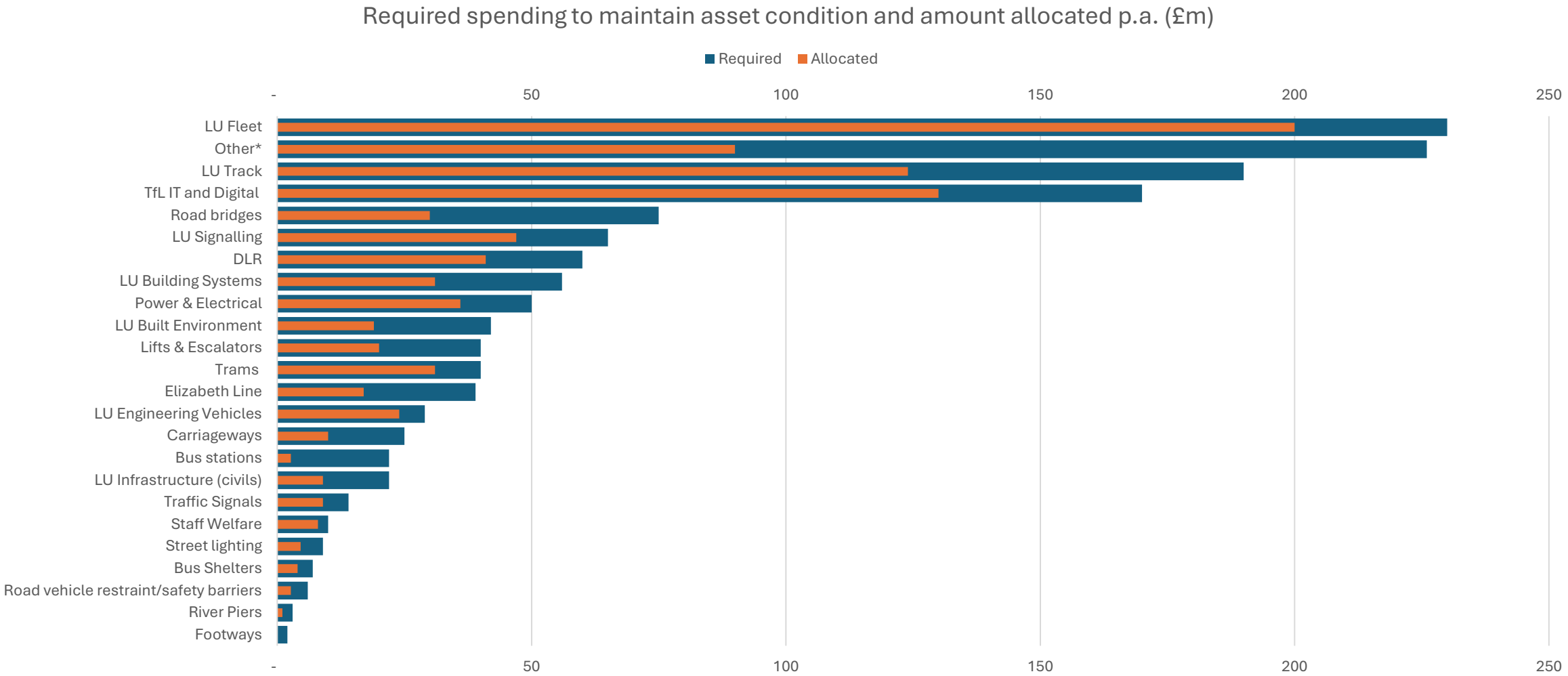
*These are pan-TfL assets that include adhesion, Platform-Train Interface and climate adaptation

**Includes Bus Stops and Shelters, DLR, LU Engineering Vehicles, Overground, TfL Estates, Road Safety Cameras, LU Electrical and drainage pump stations,

Source: MQT, TfL Capital Renewals (3), 27 May 2026

Required spending to maintain asset condition and amount allocated

TfL has advised the Committee how the current level of funding has been allocated compared to the annual amount required to maintain asset condition.

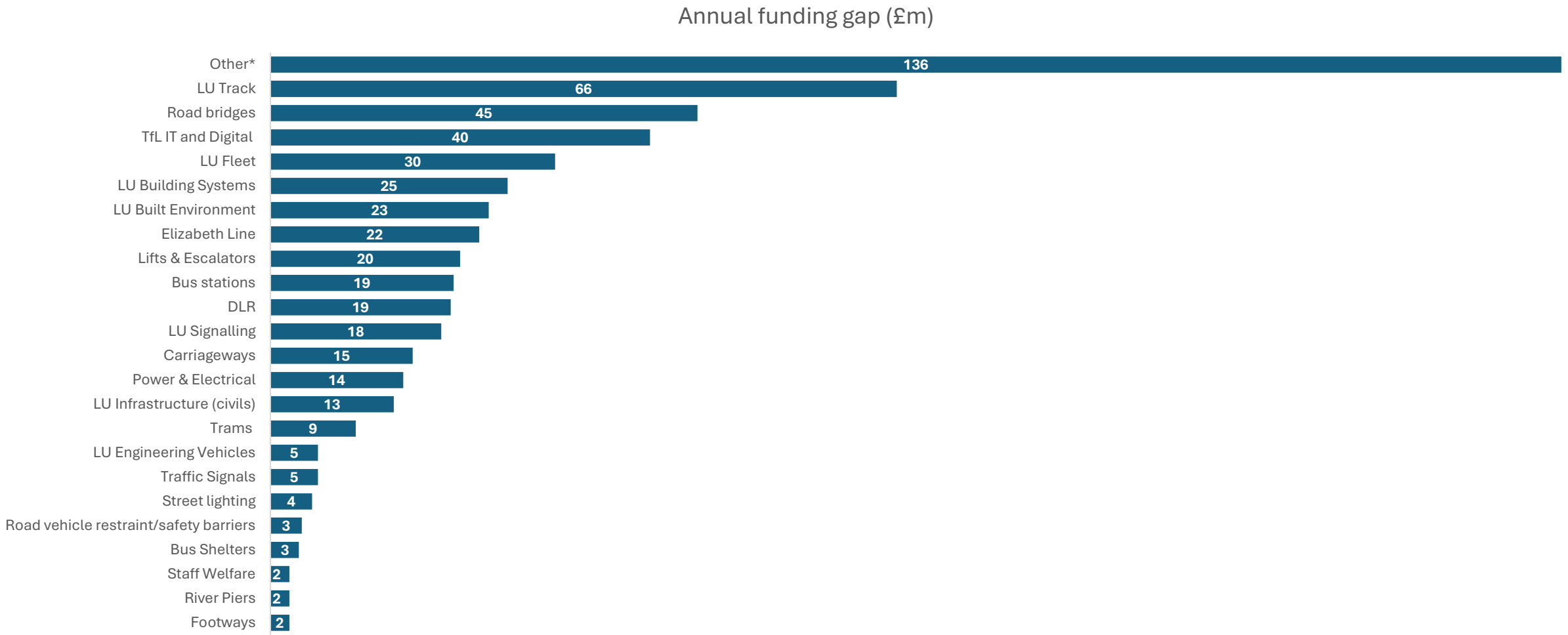


* Includes road tunnels, London Overground, Road User Charging, the TfL Estate, Victoria Coach Station and Woolwich Ferry

Source: TfL letter to the Committee, 29 July 2026.

Annual funding gap by asset type

TfL has advised the Committee how the current level of funding has been allocated compared to the amount required to maintain asset condition. The chart below shows the annual funding gap by asset type. The largest individual shortfalls are LU track at £66 million and road bridges at £45 million per year.

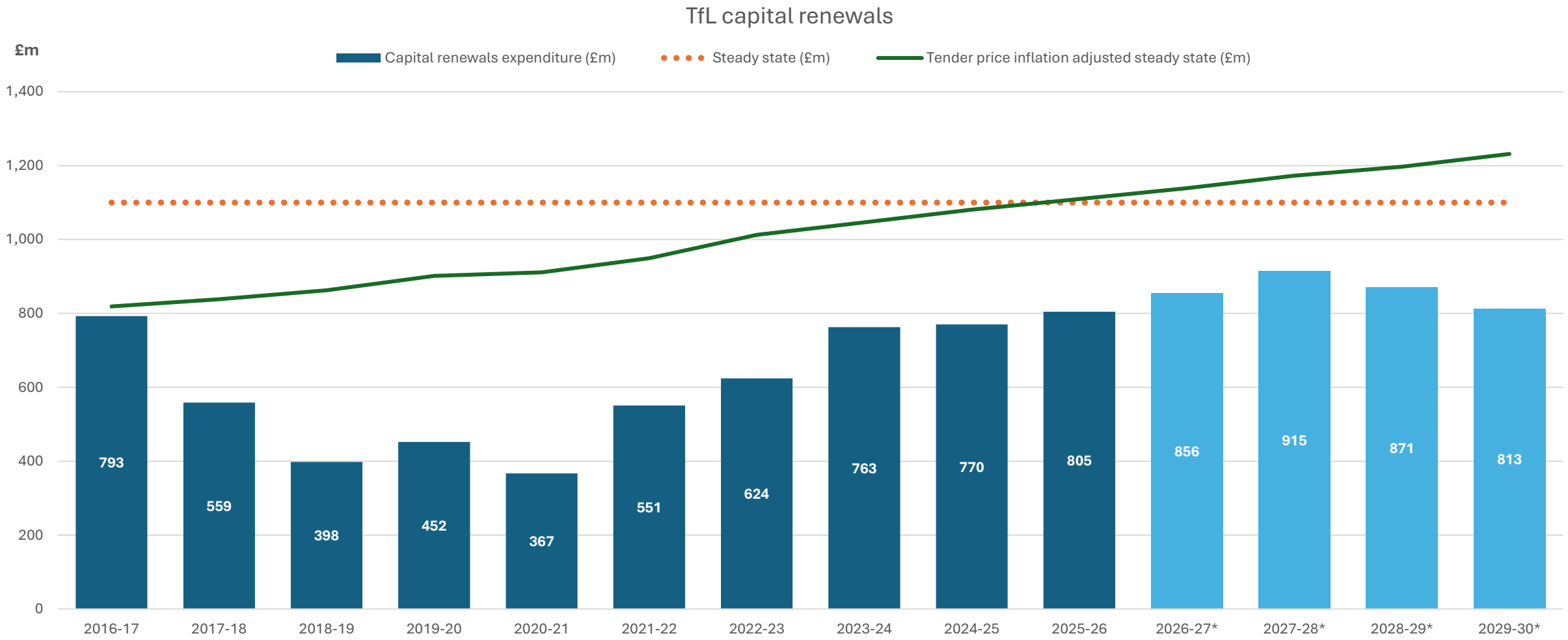


* Includes road tunnels, London Overground, Road User Charging, the TfL Estate, Victoria Coach Station and Woolwich Ferry

Source: TfL letter to the Committee, 29 July 2026 .

Amount allocated to capital renewals since 2016-17

This chart shows recent and forecast expenditure on capital renewals compared to the minimum level required to maintain asset condition. TfL told the Committee in September 2026 that it requires £1.1 to £1.2 billion of renewals spending each year. The £1.1 billion level adjusted for tender price inflation is also shown.

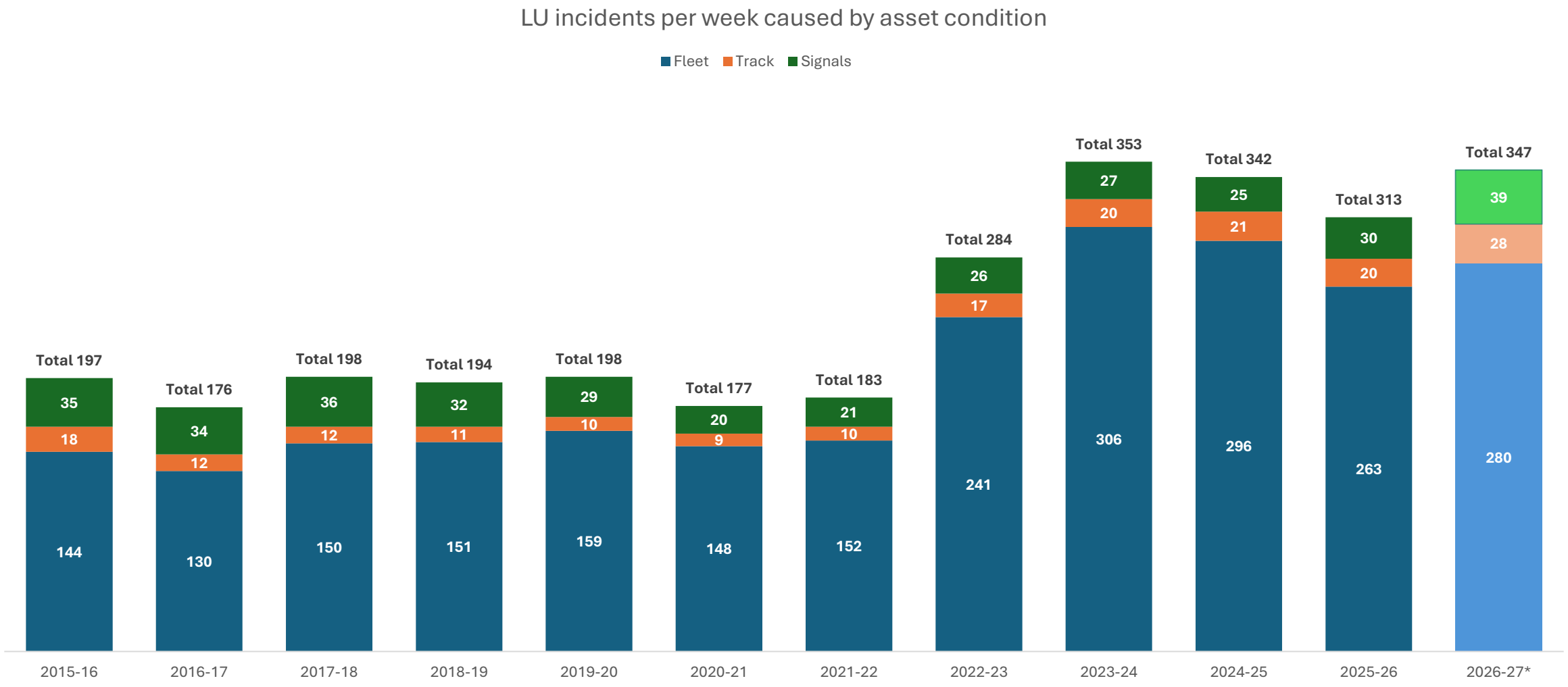


* Forecast future expenditure.

Source: TfL quarterly performance reports. TfL's income fell significantly during the Covid-19 pandemic, from 2020-21.

The average weekly number of incidents on the London Underground network relating to asset condition decline

This chart shows the average weekly number of incidents impacting different asset areas.

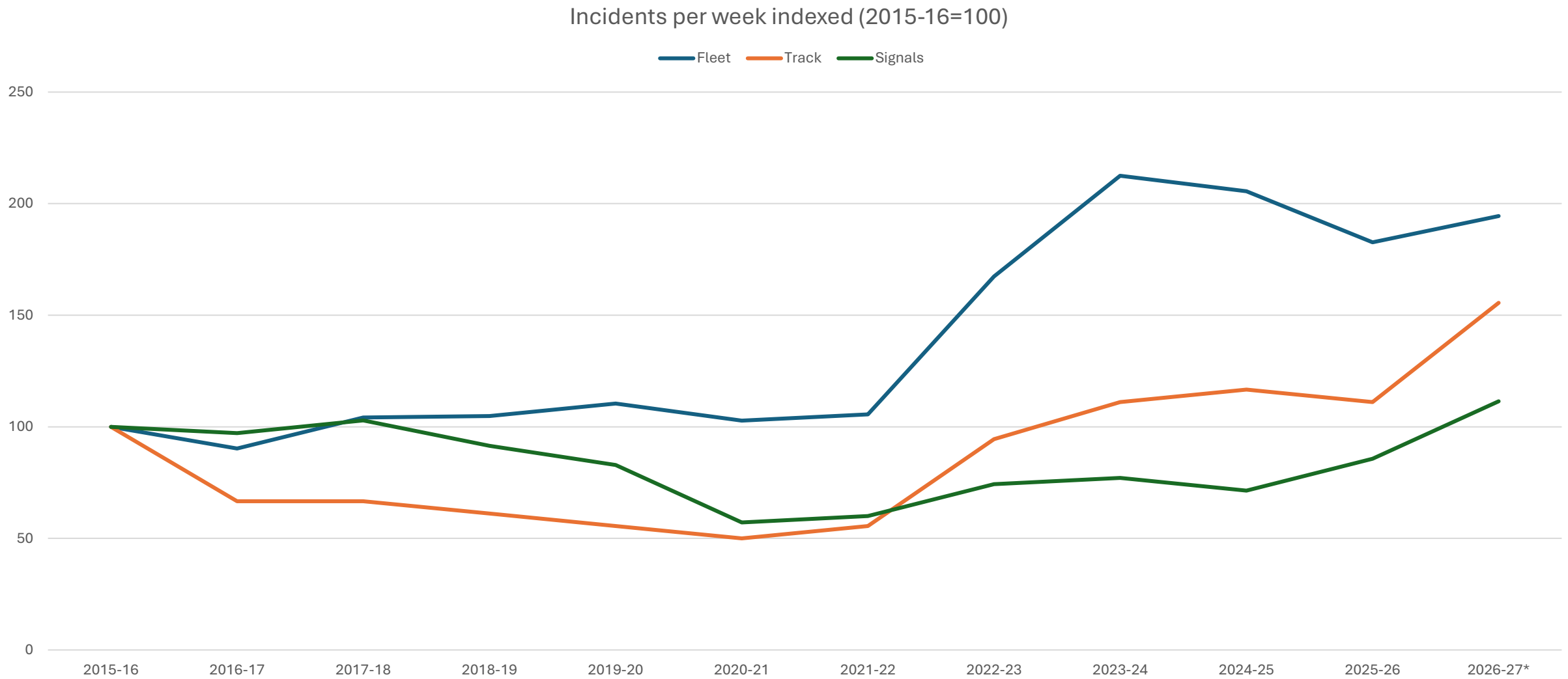


*The data for 2026-27 is based on the first eight weeks of 2026-27 to 20 May 2026

Source: TfL letter to the Committee, 29 July 2026

The indexed average weekly number of incidents on the London Underground network relating to asset condition decline

This chart shows the average weekly number of incidents impacting different asset areas indexed to 2015-16 = 100.

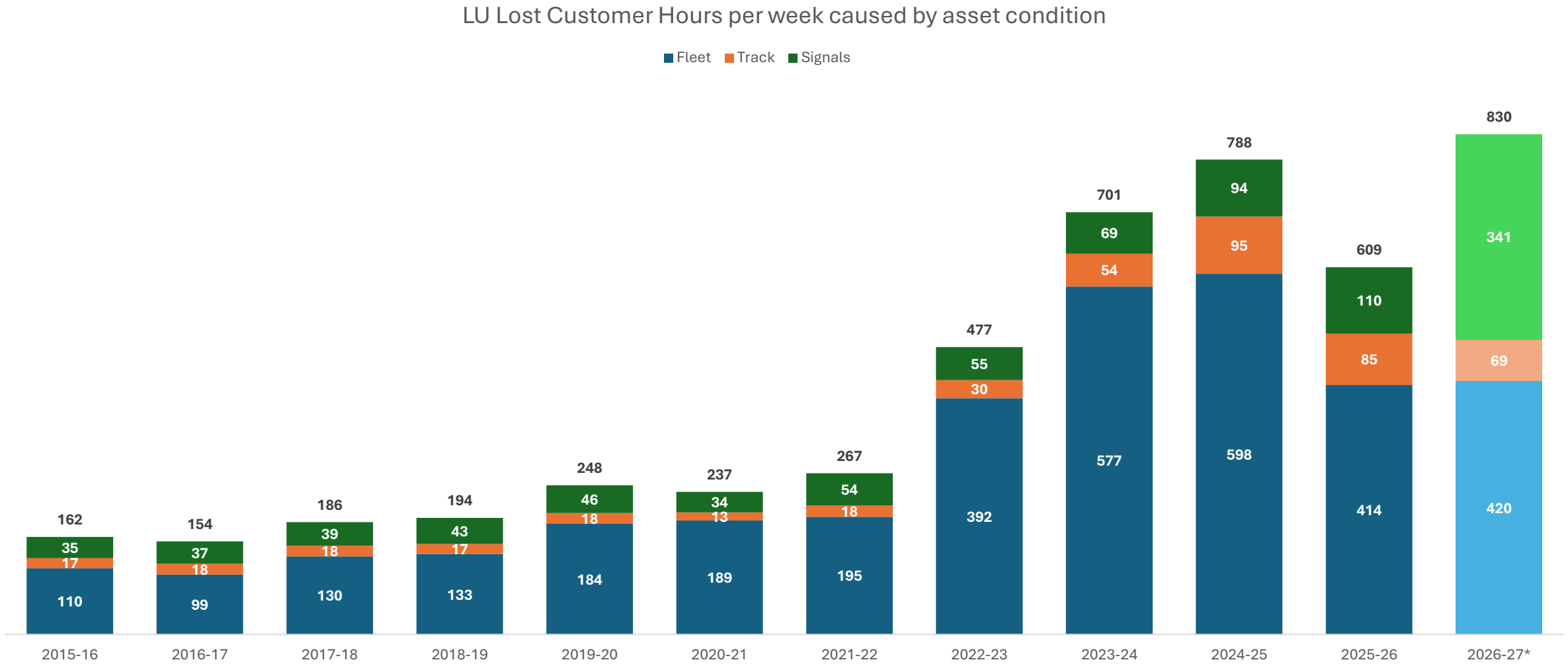


*The data for 2026-27 is based on the first eight weeks of 2026-27 to 20 May 2026

Source: TfL letter to the Committee, 29 July 2026

Service delays caused by these incidents relating asset condition on the London Underground

This graph shows the level of delay calculated by the average weekly thousands of Lost Customer Hours. Lost Customer Hours calculate the impact to customers and demonstrate the comparable performance impacts across each asset area.

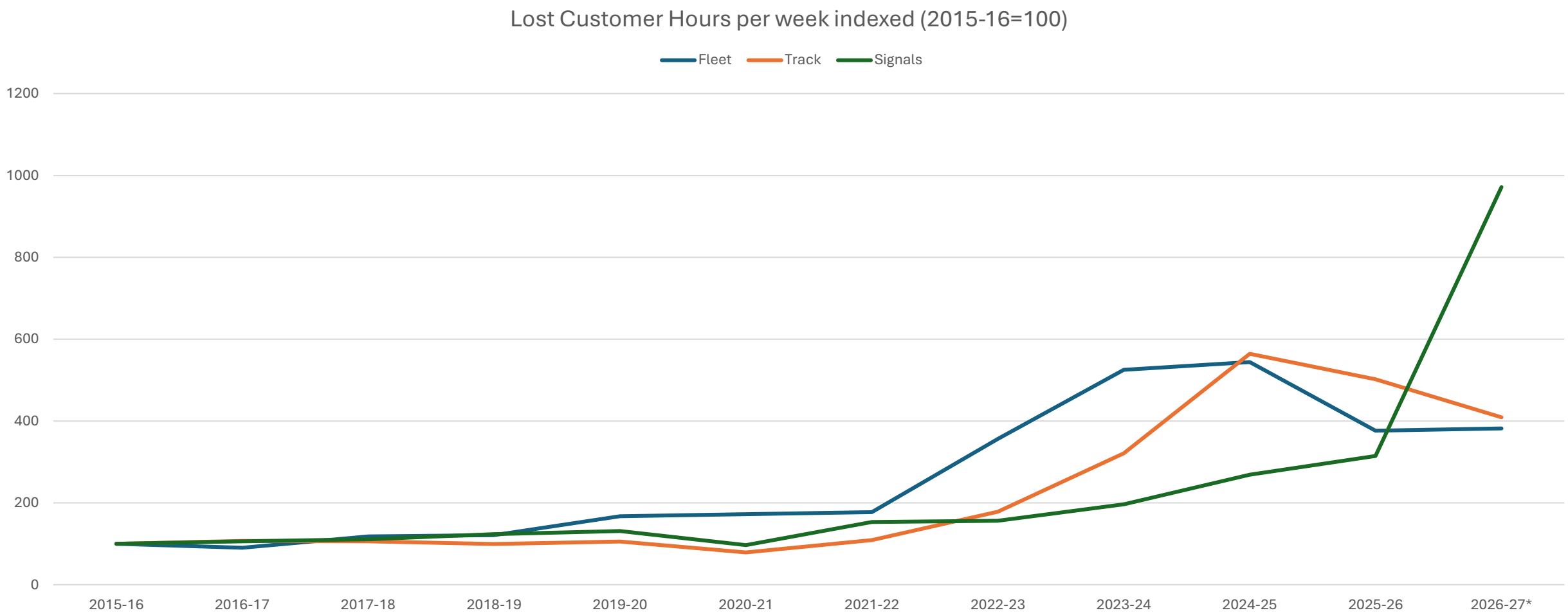


*The data for 2026-27 is based on the first eight weeks of 2026-27 to 20 May 2026

Source: TfL letter to the Committee, 29 July 2026

Indexed service delays caused by these incidents relating asset condition on the London Underground

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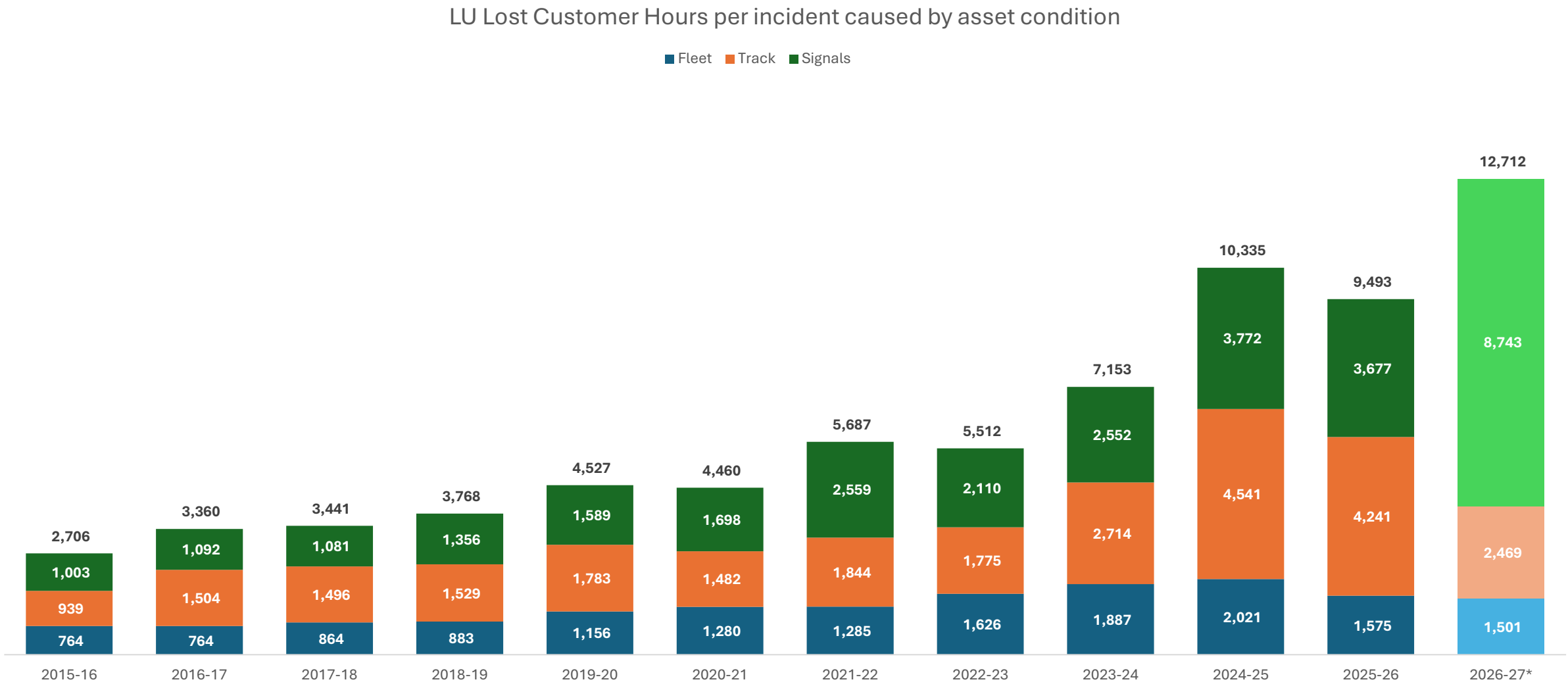


*The data for 2026-27 is based on the first eight weeks of 2026-27 to 20 May 2026

Source: TfL letter to the Committee, 29 July 2026

Service delays per incident caused by these incidents relating asset condition on the London Underground

This graph shows the level of delay calculated by the average weekly Lost Customer Hours per incident.

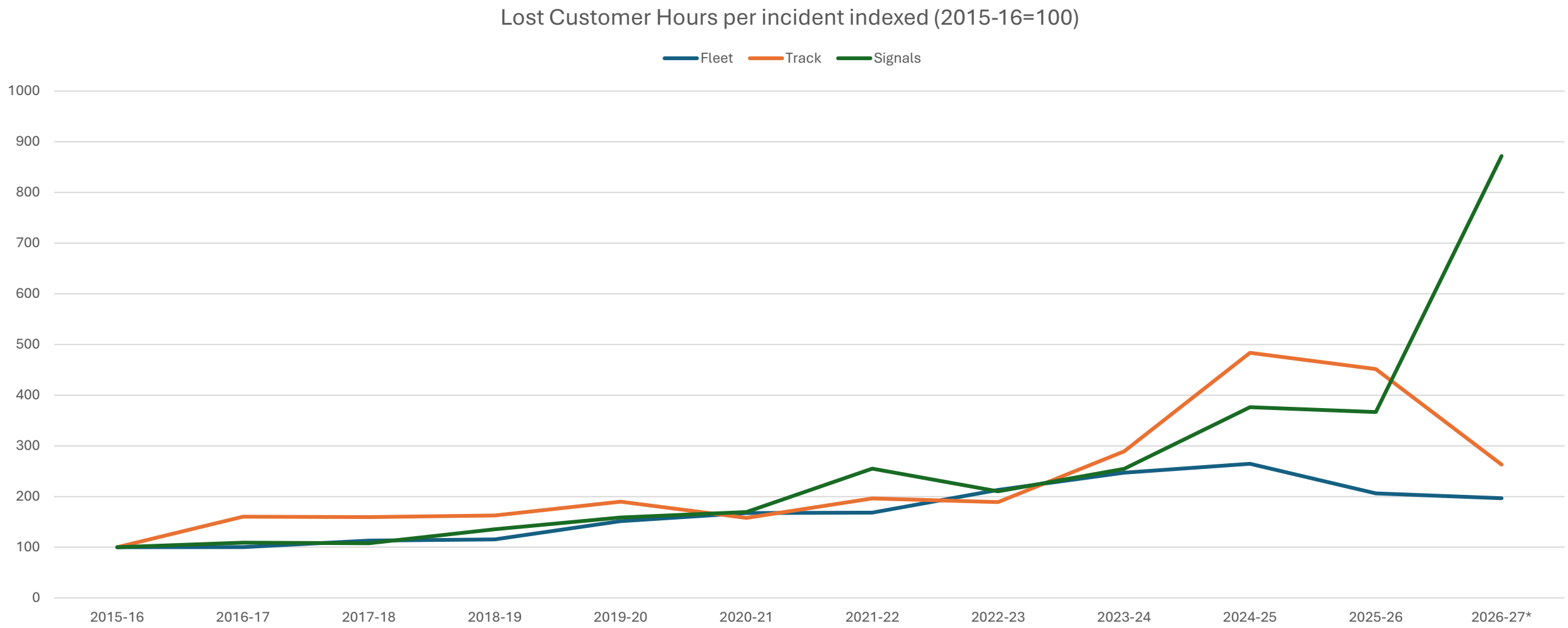


*The data for 2026-27 is based on the first eight weeks of 2026-27 to 20 May 2026

Source: TfL letter to the Committee, 29 July 2026

Indexed service delays per incident caused by these incidents relating asset condition on the London Underground

This graph shows the level of delay calculated by the average weekly thousands of Lost Customer Hours per incident indexed at 2015-16 = 100.

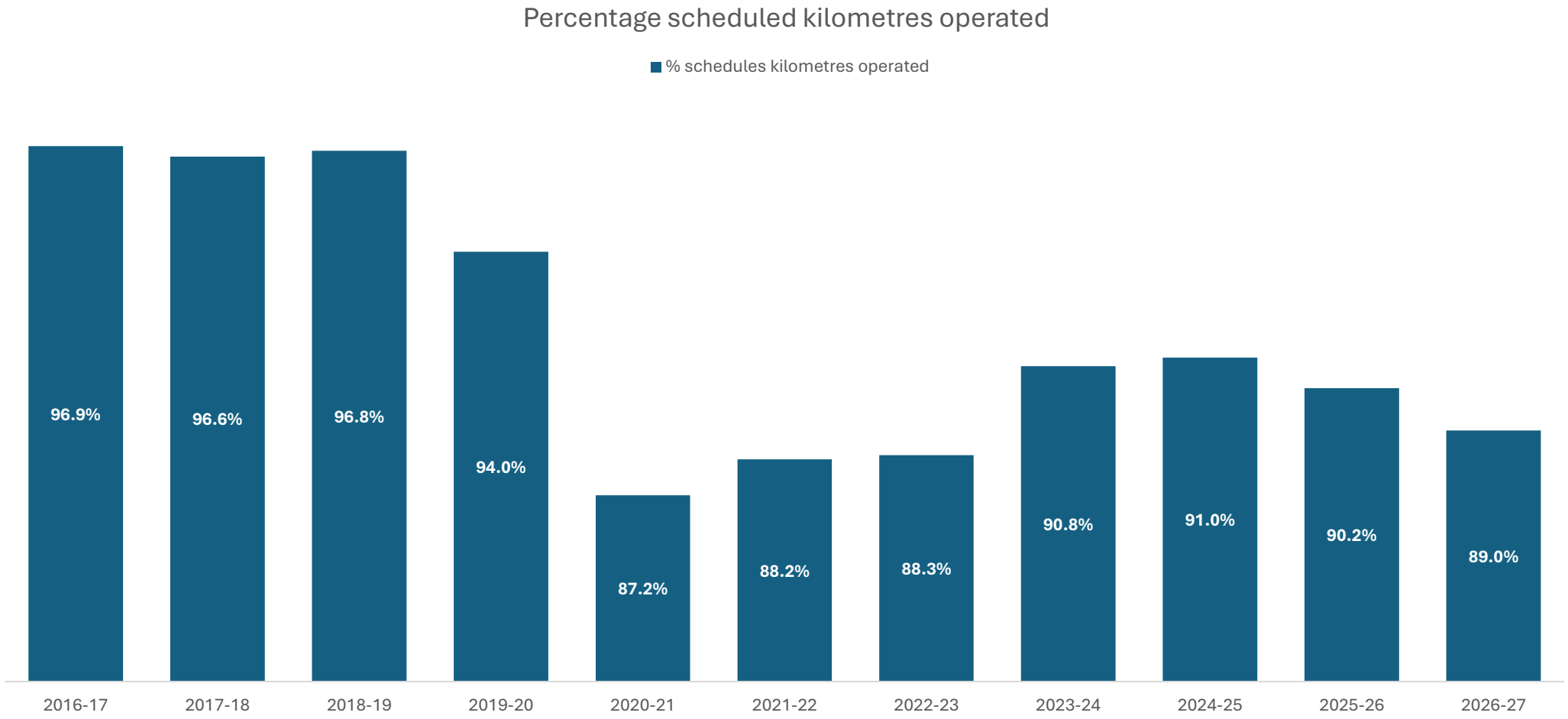


*The data for 2026-27 is based on the first eight weeks of 2026-27 to 20 May 2026

Source: TfL letter to the Committee, 29 July 2026

The percentage of LU scheduled kilometres operated since 2016-17

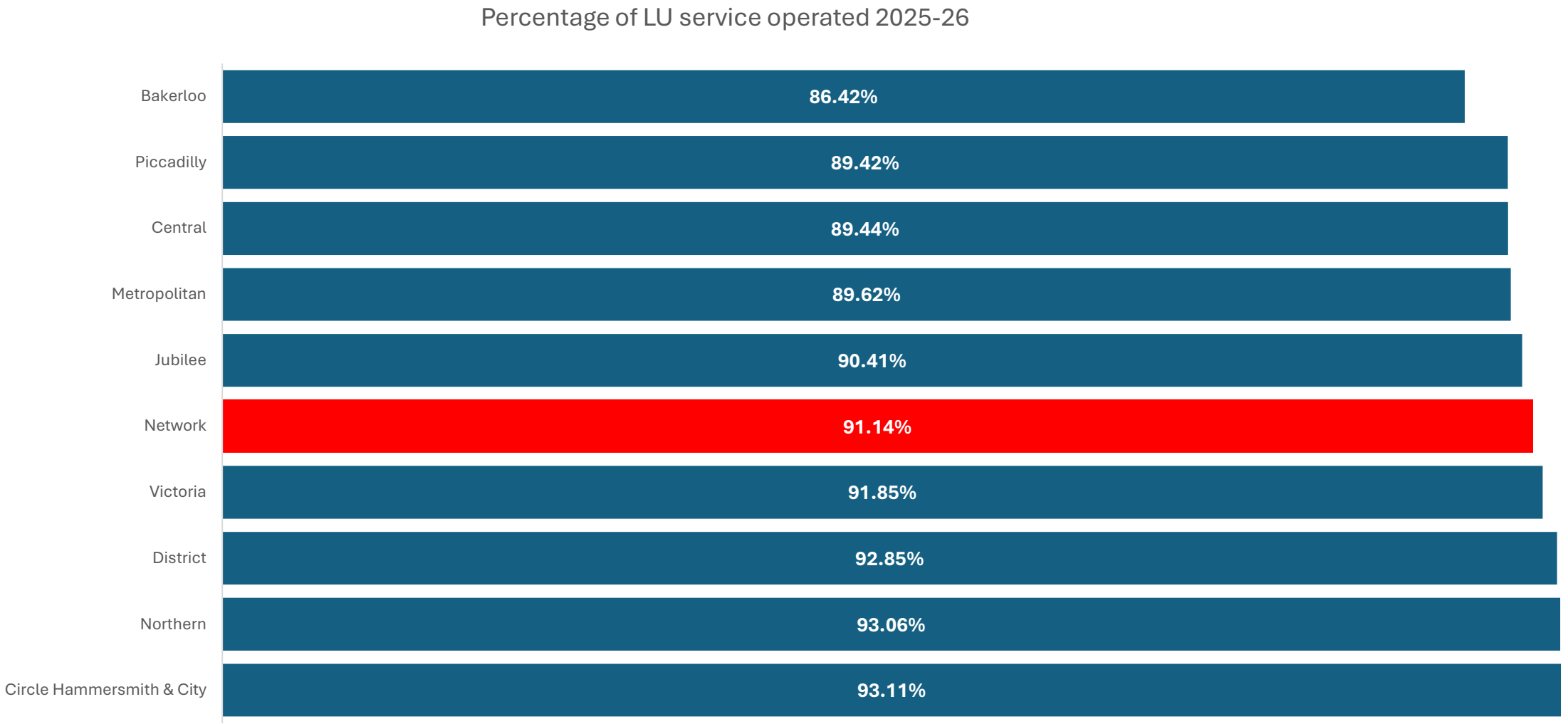
A measure of LU reliability is the percentage of scheduled kilometres operated. The following chart shows how reliability as measured by the percentage of scheduled kilometres operated across all LU lines has trended downwards since 2016-17. The data for 2026-27 is up to 31 July 2026



Source: LU service operated data

The percentage of London Underground service operated in 2025-26

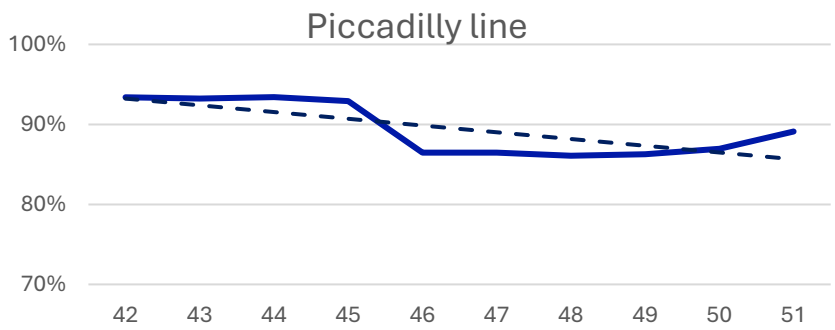
This chart illustrates the LU lines with the lowest reliability, measured by percentage of services that operated in 2025-26.

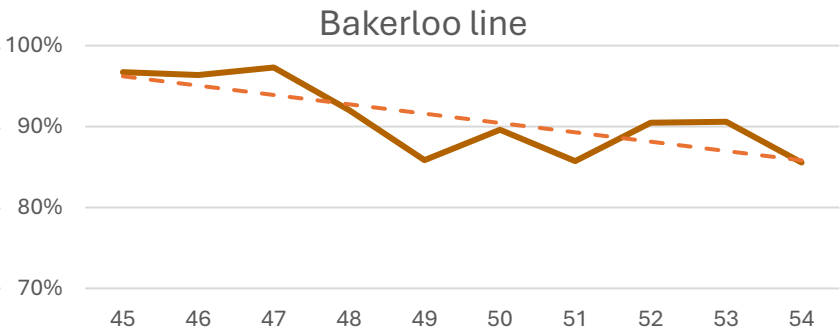


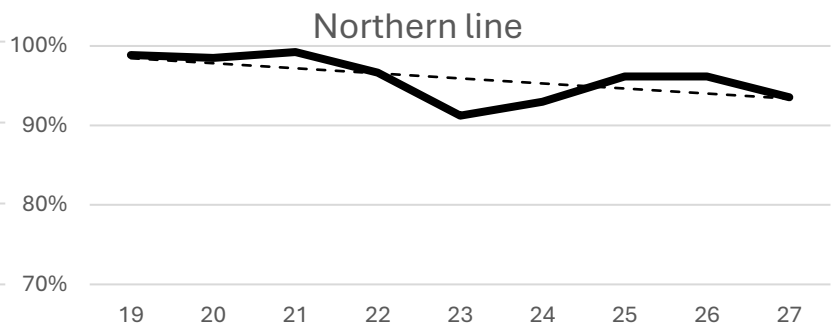
Source: LU service operated data

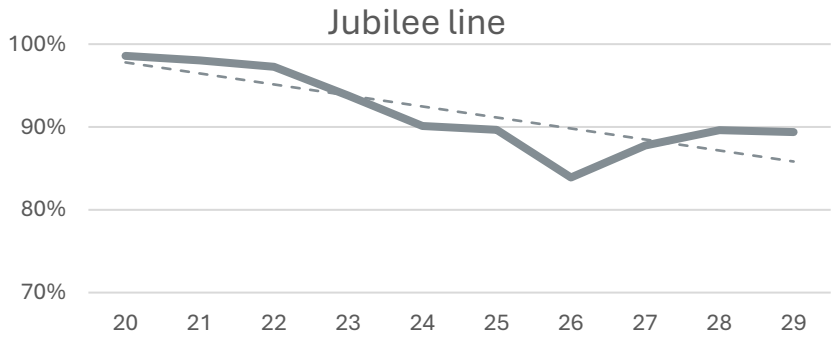
Reliability versus rolling stock age

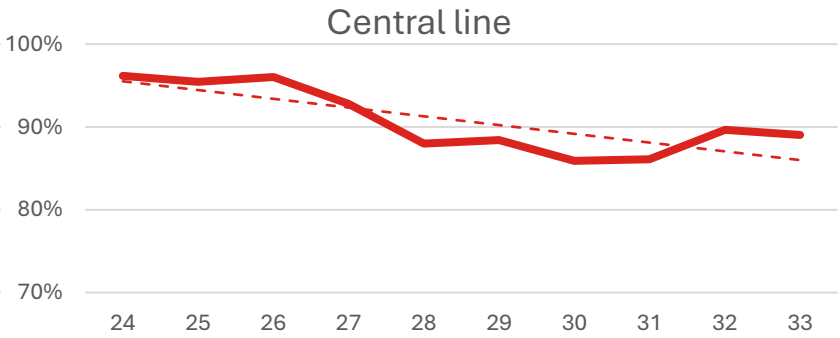
These charts compare the reliability of LU lines in percentage of scheduled kilometres operated to the age of its trains in years between 2016-17 and 2025-26.

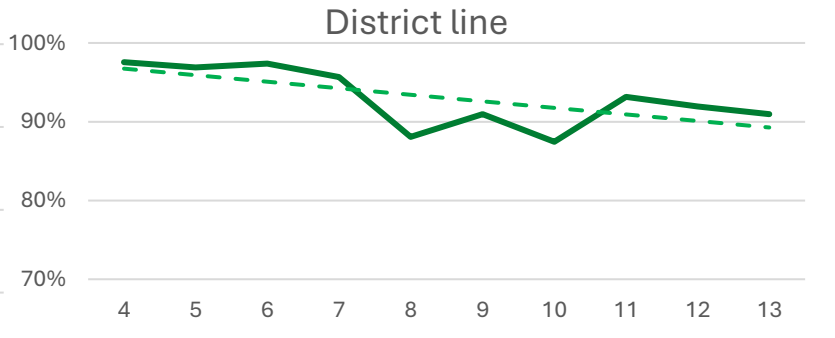


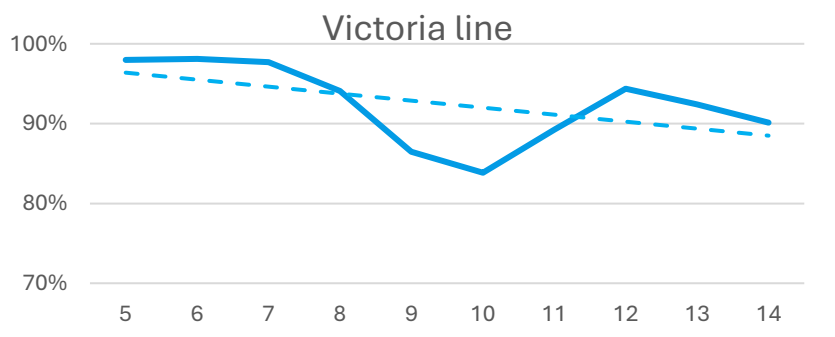


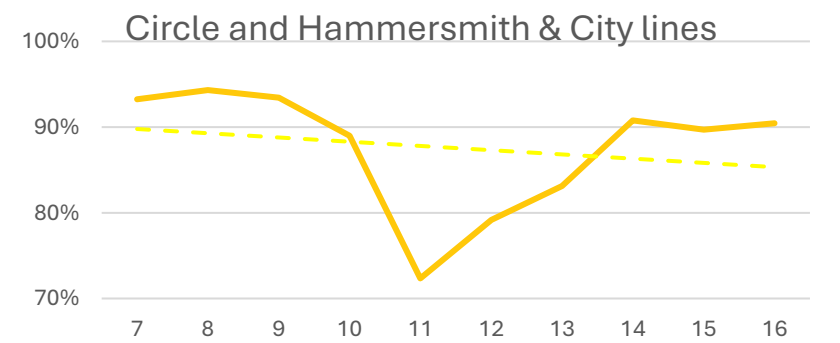


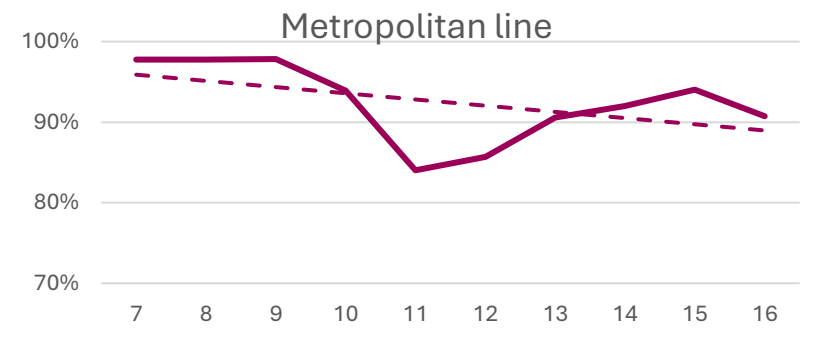








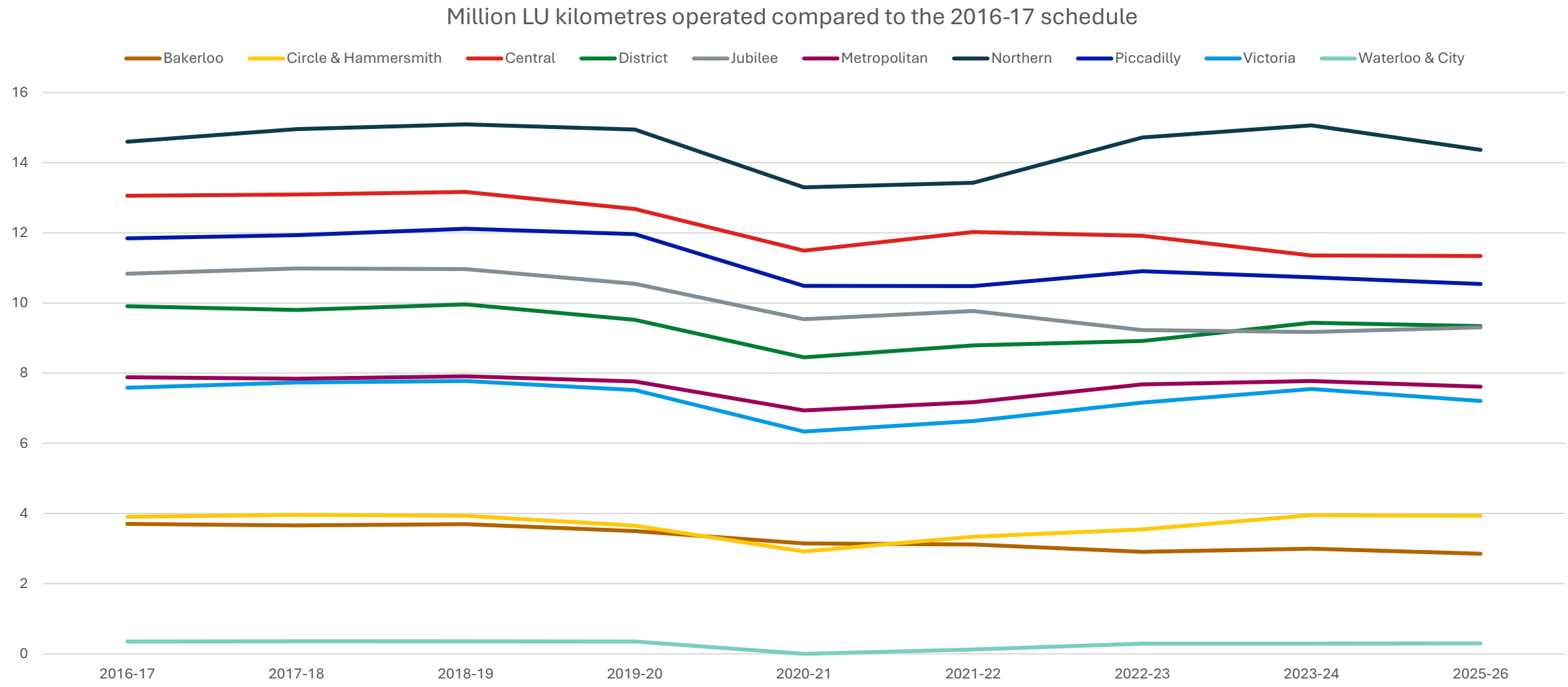




Source: LU service operated data, LU rolling stock

LU actual kilometres operated compared to the 2016-17 schedule

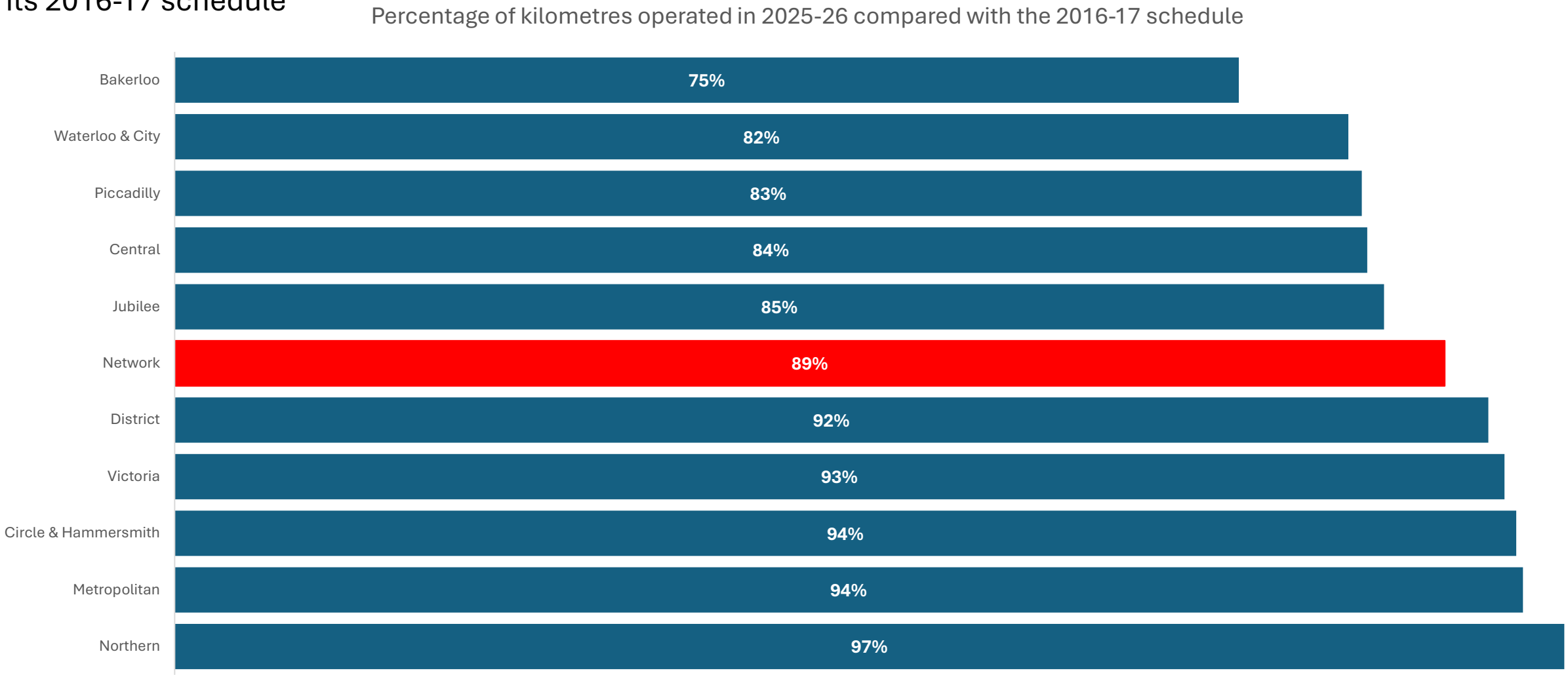
While the percentage of scheduled kilometres operated has declined as trains have got older this has been against a background of a decreasing level of service.



Source: LU service operated data

LU actual kilometres operated compared to the 2016-17 schedule

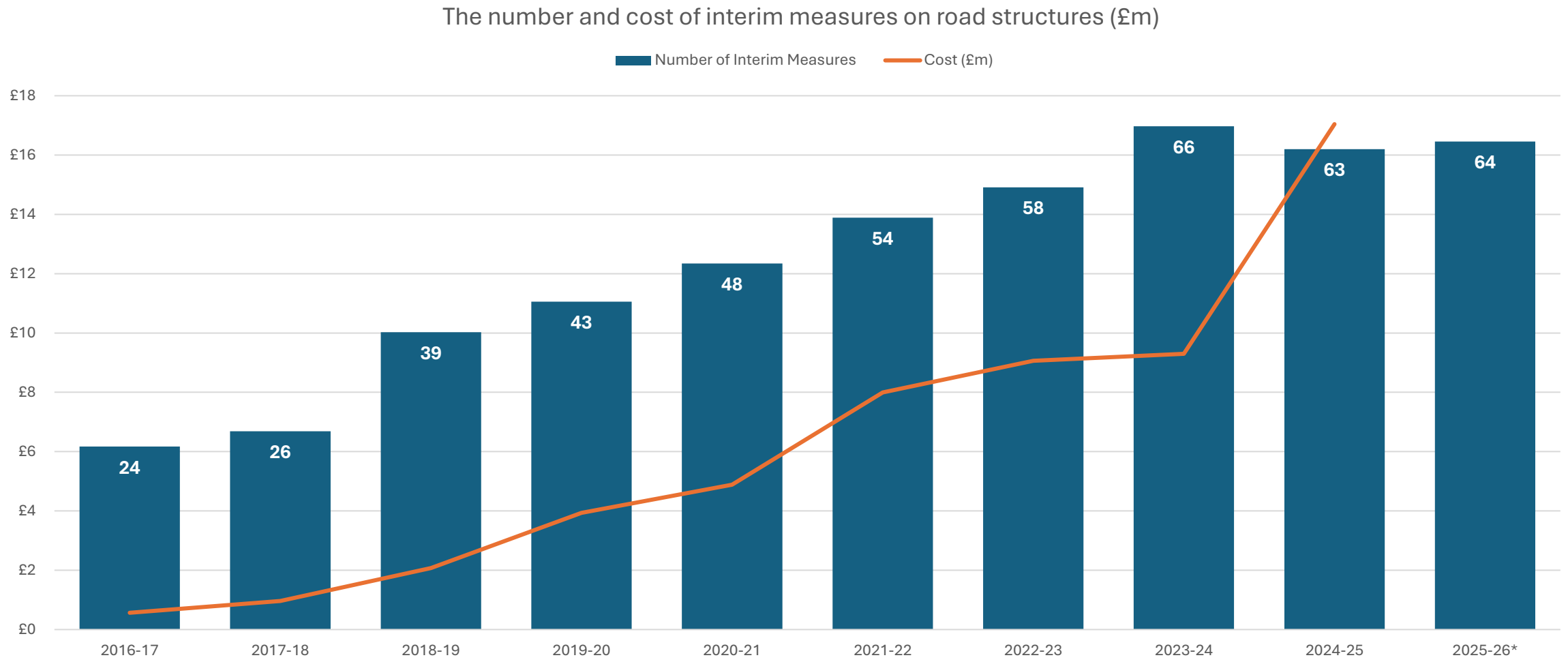
This chart illustrates the LU lines level of kilometres operated in 2025-26 compared with their 2016-17 schedule. The largest percentage reduction in service has been seen on the Bakerloo line which in 2025-26 operated only 75 per cent of its 2016-17 schedule



Source: LU service operated data

The number and direct cost to TfL of interim measures on road structures

Since 2015-16, the number of interim measures such as speed restrictions on the TfL Road Network highway structures (bridges, tunnels and underpasses) have progressively increased.



* Cost of interim measures for 2025-26 has not be finalised
Source: TfL letter to the Committee, 29 July 2026

Other formats and languages

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Chinese

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Hindi

यदि आपको इस दस्तावेज का सारांश अपनी भाषा में
चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये
गये डाक पते या ई मेल पते पर हम से संपर्क करें।

Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang
tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện
thoại, thư hoặc thư điện tử theo địa chỉ ở trên.

Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান,
তাহলে দয়া করে ফো করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা
ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

Greek

*Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα
σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί
μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.*

Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں
درکار ہو تو، براہ کرم نمبر پر فون کریں
یا مذکورہ بالا ڈاک کے پتے یا ای میل
پتے پر ہم سے رابطہ کریں۔

Turkish

Bu belgenin kendi dilinize çevrilmiş bir özetini
okumak isterseniz, lütfen yukarıdaki telefon
numarasını arayın, veya posta ya da e-posta
adresi aracılığıyla bizimle temasa geçin.

Arabic

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020 7983 4100 أو عبر البريد الإلكتروني
assembly.translations@london.gov.uk

Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ
ਚਾਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ
ਉਪਰ ਦਿੱਤੇ ਡਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં
જોઈતો હોય તો ઉપર આપેલ નંબર પર ફોન કરો
અથવા ઉપર આપેલ ટપાલ અથવા ઈ-મેઈલ સરનામા
પર અમારો સંપર્ક કરો.

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