

Funding extension for Transport for London agreed as talks into longer term plans

May 18, 2021



Transport for London says discussions are still underway with the government in regards to its funding requirements.

The existing funding agreement was due to run out today, (May 18), but has been extended until Friday, May 28, while discussions continue.

A Transport for London (TfL) spokesperson said: “We continue to discuss our funding requirements with the government and hope these discussions can be concluded successfully soon, to enable a strong and robust recovery from the pandemic.

“We have today (18 May 2021) agreed with the Government that our existing funding agreement will be extended until Friday 28 May so that these constructive discussions can be concluded.”

Transport Secretary Grant Shapps said: “The government and the Mayor of London have agreed to extend the current Transport for London (TfL) funding deal. The deal was due to expire on 18 May 2021 but this extension will continue to support the capital and the transport network until 28 May 2021 on the same

terms as now. The extension will provide certainty while we finalise the terms of the next funding deal which will get TfL onto a more financially sustainable footing.

“The extension comprises an additional funding payment of £65 million with a top up grant available based on actual passenger revenues.

“The government has repeatedly shown that it is committed to supporting the running of essential services across the capital with over £3 billion emergency funding provided since the start of the pandemic. Support for London needs to be balanced with the national recovery and ensure fairness and value for money for the taxpayer. The government will continue to work with TfL and the Mayor so TfL can be financially sustainable as soon as possible.”

In March, it was announced that an additional £260 million in base funding plus additional revenue support of approximately £225 million (depending on actual fares income) would be provided by the government over the period up to May 18.

Before the coronavirus pandemic, TfL says it was on the path to achieving a level of financial self-sufficiency almost unheard of for transport authorities around the world. But the pandemic has massively impacted TfL's finances and significantly reduced fares revenue.

In a statement in March, TfL says an effective transport network, investing for the future, is absolutely critical to the safe and successful recovery from the pandemic of London and the UK as a whole.

It continued saying that TfL's Financial Sustainability Plan, which was presented to the government in January, sets out a strategy that would – with long term stable and certain funding – decarbonise transport by 2030, helping achieve national environmental targets and supporting jobs across the country.

Photo credit: Transport for London