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## Transport for London faces £80m cuts

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**By Tim Donovan**

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**London's transport system is facing cuts of £80m over the next two years, in addition to the reduced funding signalled in this week's Budget.**

The details are revealed in Transport for London (TfL) board papers.

They set out for the first time the impact of spending cuts announced by Chancellor George Osborne in his Autumn Statement last December.

A TfL spokesman the reduction in funding represented "a significant challenge".

London's transport network is facing a 1% cut in its government grant this year, and 2% the following year.

In cash terms, it means a loss of £33m for 2013/14, and £45m for 2014/15.

### **Higher fares**

A TfL spokesman said: "This represents a significant challenge to ensure we can meet this reduction in our planned expenditure as set out in the TfL business plan.

"No decisions have yet been made on how we will meet this reduction, but it is anticipated this will be through reducing expenditure rather than raising the funding through other means."

London Assembly Green Party member Darren Johnson said: "Our transport system cannot cope with year-on-year cuts in investment, especially not when we are seeing higher and higher fares.

"Passengers want to see something in return, but we are not seeing the improvements at the rate that we really need them."

The papers also reveal that TfL has recently revised downwards what it intends to spend on London's transport network over the next year, even though income from fares continues to rise, and fares themselves were raised by 1% above inflation in January.

Compared with what it pledged in its business plan before Christmas, there will now be £63m less spent on day-to-day operation of the network, and £60m less on capital investment next year.

### **'Paradoxical'**

TfL claims that this is because some projects have been "re-phased", and says the money will eventually be spent but in later years.

It is bracing itself for further cuts resulting from the Budget, and the spending review planned in June.

Responding to Wednesday's Budget, London Mayor Boris Johnson said it would be "paradoxical and unacceptable" for the government to promise more money for infrastructure at the same time as cutting capital investment in London's transport.

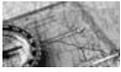
Steve Allen, TfL's managing director of finance, said: "Our budget makes clear our relentless focus on delivering value for fare and tax payers' money as we have secured almost £10bn in savings and efficiencies.

"As London's population grows faster than forecast, the case for stable and sustained investment in London's transport network has never been stronger."

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