
Finance Report (Month Ending 28 Feb 2026) & Draft Budget 2026-27

Board paper LTW284
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This paper includes two main elements. The first, accompanied by a monthly financial summary report, is the regular accounts commentary, highlighting the most significant variances from forecast in the actual financial results to the month ending 28 February 2026 and the forecast outturn for the year 2025-26.

The second element is our proposed Budget for 2026-27 starting in April, for the Board to approve. The main features of the proposed Budget are explained in this paper and are set out in an accompanying summary table.

Revenue Income & Expenditure Report

1. Revenue Income

Grant of £1,203,000 has been agreed with the GLA for the year, which includes £21,000 funding for a cost of living pay award to all staff estimated at the time when our budget was prepared. In addition, a further £5,500 has been forecast to account for the final pay award which was subsequently determined by the GLA. Income has been profiled and allocated monthly in the accounts.

Following completion of the annual audit our external auditors recommended an annual provision be made for interest earned on rent deposit. In prior periods interest has only been recognised at the end of the lease term and not annually. As such an adjustment was not made on 31 March 2025. Both the 2024-25 and 2025-26 values have now been forecast in year with a total estimated value of £6,000.

Other income of £5,000 has also been added to the forecast. This comprises £1,200 received from Transport Focus in December for a 50% contribution to external speaker costs at the December joint Board session and £4,000 expected from Department for Work and Pensions for a 'Access to Work Scheme' claim. This income will net off against corresponding costs.

2. Revenue Expenditure

Staff costs

Staff costs are in line with forecast. The forecast outturn is £23,000 higher than budget. This is in part due to an element in the final pay award determined by the GLA which had

not been assumed in the budget and has been funded by additional grant in aid of £6,000 in the year.

The remaining increase is made up of two further elements - £13,000 to cover unexpected costs associated with the return to work from maternity leave by a member of staff; and a correction of around £4,000 to the pension cost forecast to reflect actual current membership and rates payable. The combined cost of these two elements will be taken from reserves.

The Members pay forecast outturn includes a pay uplift of 3.2% and is £2,000 lower than budget as the budget assumed a Deputy Chair pay uplift for one member but this post will not be filled this year.

Fixed Overheads

Costs to date are in line with forecast. The forecast outturn for HR consultancy and legal fees are anticipated to be £25,000 higher than budget which have been partially offset by £4,000 savings identified in the IT budget. This has been further funded through savings identified in variable overheads

Variable Overheads

Costs to date are in line with forecast. The forecast outturn has been revised following budget reviews throughout the year. Total net savings of £42,000 have been identified and released. These include a release of £22,000 in the recruitment budget, £11,000 in the training budget, £3,000 in the postage, stationery and archiving budgets and a combined £6,000 across the travel and subsistence, staff welfare and website budgets.

Project costs

A total of £100,000 was initially allocated to projects for the year in the budget and a further £18,000 was subsequently allocated to 'More Seamless Journeys'. The savings identified in the budget review allowed the project budget allocations to be reviewed alongside wider project plans for the year. As a result a further £30,000 was allocated to the 'Better Transport Services' project and an additional £5,000 to the 'More Accessible, Inclusive & Secure Transport project'. £10,000 allocated to 'Closer working with the Transport Committee' was released.

Work on 'More Seamless Journeys' is now complete and has been fully paid. £71,000 has been spent to date on 'Better Transport Services' and it is anticipated this project will be fully complete by 31 March 2026. Total costs are anticipated to be £79,000 so £6,000 has been released in the period. £13,000 has been spent to date on the 'More Accessible, Inclusive & Secure Transport project'. As the project is not anticipated to be fully complete by 31 March 2026 the in-year forecast spend has been revised down to £30,000. The balance of £7,000 will be carried over to 2026-27 to cover the completion of this work.

A new forecast of £4,000 has been created in the period for the London TravelWatch Priorities Survey.

All other costs are largely in line with forecast and budget.

3. Funding to/from reserves and reserves at the year-end

The actual opening reserve balance at 1 April was £237,000 following audit. £32,000 of these reserves are forecast to be utilised to fund spending in the year leaving a forecast closing reserve of £205,000. A further estimated adjustment of £9,000, not reflected in these accounts, is anticipated as part of the statutory accounts production process. £214,000 has therefore been assumed as the opening balance for next year's budget.

4. Cash Flow

The bank balance at 28 February was £337,000.

Budget 2026-27

The proposed London TravelWatch budget for 2026-27 is set out in the table accompanying this report.

Under income, we have allocated £1.232 million for London Travelwatch's grant in aid funding from the Greater London Authority in 2026-27 (2025-26: £1.203 million). The year-on-year increase includes additional funding for an annual cost of living pay award, based on assumptions informed by the GLA about the potential scale of the award.

Under expenditure, the total budgeted (£1.251 million) is more than originally budgeted for this time last year (£1.226 million), but is slightly less than the latest year-end forecast of £1.256 million (see the monthly financial summary report accompanying this paper). The key movements in planned expenditure against the original budget for the current year are:

- £39,000 additional pay costs, largely accounted for by an annual pay award funded by the expected increase in grant-in-aid, as referred to above
- £18,000 more in fixed overheads, including
 - a provision to commission external resource to provide additional business-as-usual HR services to London TravelWatch. This will improve support to the whole team and free some of the CEO's time to focus on other priorities
 - a smaller provision to source software which allows calls between the casework team and members of the public to be recorded. This will help in handling appeals and in supporting continuous improvement
 - assumptions about our office rent following the expiry of our lease in November 2026, and information about next year's service charges and business rates
- £12,000 less on variable overheads, reflecting a number of individual reductions based on actual expenditure during the current year
- £20,000 less on projects, as we come to the end of our three-year strategic cycle during 2026/27 and consider the priority themes for our work for the next three years. The resulting provision (£80,000) has been allocated provisionally against some of our existing business plan themes and includes a new item allowing us to commission four rounds of public opinion surveys, which will help strengthen our advocacy work, and the underspend of £7,000 carried over from 2025-26 for the 'More Accessible, Inclusive & Secure Transport project'.

Under general reserve, the forecast opening balance is £4,000 lower than the closing balance budgeted for 2025-26. The forecast opening balance of £214,000 is however £9,000 more than the reported £205,000 in the management accounts, due to anticipated accounting adjustments in relation to holiday pay accruals which will be made as part of the statutory accounts process. These are nominal adjustments and have no impact on cash in year. We anticipate there is likely to be a need to draw on the reserve during the course of the year arising from wider one-off HR-related costs and will keep the Board informed.

Recommendation

That the Board consider the report and review the management accounts and approve the 2026-27 budget.