MAYOR OF LONDON

TRANSPORT FOR LONDON
EVERY JOURNEY MATTERS

Agenda

Meeting: Board

Date: Tuesday 25 July 2023

Time: 10:00am

Place: Conference Rooms 1 & 2 - Palestra, 197 Blackfriars Road, London, SE1 8NJ

Members

Sadiq Khan (Chair)
Seb Dance (Deputy Chair)
Heidi Alexander
Kay Carberry CBE
Prof Greg Clark CBE
Anurag Gupta
Bronwen Handyside
Anne McMeel
Dr Mee Ling Ng OBE
Dr Nelson Ogunshakin OBE
Mark Phillips
Marie Pye
Dr Nina Skorupska CBE
Dr Lynn Sloman MBE
Ben Story
Peter Strachan
Cllr Kieron Williams
Councillor Kieron Williams

Government Special Representative
John Hall

Government Observer
David Coles

Copies of the papers and any attachments are available on tfl.gov.uk How We Are Governed.

This meeting will be open to the public and will be webcast live on the TfL YouTube channel and on the GLA website Mayoral Webcast page, except for where exempt information is being discussed as noted on the agenda. There is access for disabled people and induction loops are available. A guide for the press and public on attending and reporting meetings of local government bodies, including the use of film, photography, social media and other means is available on www.london.gov.uk/sites/default/files/Openness-in-Meetings.pdf.

Further Information
If you have questions, would like further information about the meeting or require special facilities please contact: Shamus Kenny, Head of Secretariat Email: ShamusKenny@tfl.gov.uk.

For media enquiries please contact the TfL Press Office; telephone: 0343 222 4141; email: PressOffice@tfl.gov.uk

Howard Carter, General Counsel
Monday 17 July 2023

Agenda
Board
Tuesday 25 July 2023

1 Apologies for Absence and Chair's Announcements

2 Declarations of Interests

General Counsel

Members are reminded that any interests in a matter under discussion must be declared at the start of the meeting, or at the commencement of the item of business.

Members must not take part in any discussion or decision on such a matter and, depending on the nature of the interest, may be asked to leave the room during the discussion.

3 Minutes of the Meeting of the Board held on 7 June 2023
(Pages 1 - 16)

General Counsel

The Board is asked to approve the minutes of the meeting of the Board held on 7 June 2023 and authorise the Chair to sign them.

4 Matters Arising, Actions List and Use of Delegated Authority
(Pages 17 - 34)

General Counsel

The Board is asked to note the updated actions list and the use of authority delegated by the Board.

5 Commissioner's Report (Pages 35 - 70)

Commissioner

The Board is asked to note the Commissioner's Report, which provides an overview of major issues and developments since the report to the meeting on 7 June 2023 and updates Members on significant projects and initiatives.

6 TfL Annual Report and Statement of Accounts for the Year Ended 31 March 2023 (Pages 71 - 322)

Chief Customer and Strategy Officer and Chief Finance Officer

The Board is asked to approve the Annual Report and delegate to the Audit and Assurance Committee approval of: the TfL Statement of Accounts for the year ended 31 March 2023; and the provision of an ongoing parent company guarantee by Transport Trading Limited to most of TfL's subsidiary companies.

7 Safety, Health and Environment Annual Report 2022/23 (Pages 323 - 376)

Chief Safety, Health and Environment Officer

The Board is asked to note the Safety, Health and Environment Annual Report 2022/23.

8 Finance Report Quarter 1, 2023/24 (Pages 377 - 392)

Chief Finance Officer

The Board is asked to note the Finance Report.

9 Slavery and Human Trafficking Statement (Pages 393 - 412)

Chief Finance Officer

The Board is asked to approve the draft Slavery and Human Trafficking Statement, as recommended by the Safety, Sustainability and Human Resources Panel.

10 Report of the meeting of the Remuneration Committee held on 12 June 2023 (Pages 413 - 416)

Committee Chair, Kay Carberry CBE

The Board is asked to note the report.

11 Report of the meeting of the Finance Committee held on 21 June 2023 (Pages 417 - 422)

Committee Chair, Anne McMeel

The Board is asked to note the report.

12 Report of the meeting of the Land and Property Committee held on 28 June 2023 (Pages 423 - 426)

Committee Chair, Professor Greg Clark CBE

The Board is asked to note the report.

13 Report of the meeting of the Customer Service and Operational Performance Panel held on 12 July 2023 (Pages 427 - 430)

Panel Chair, Mee Ling Ng OBE

The Board is asked to note the report.

14 Report of the meeting of the Programmes and Investment Committee held on 19 July 2023 (Pages 431 - 434)

Committee Chair, Ben Story

The Board is asked to note the report.

15 Any Other Business the Chair Considers Urgent

The Chair will state the reason for urgency of any item taken.

16 Date of Next Meeting

Wednesday 18 October 2023, at 10.00am.

Transport for London

Minutes of the Meeting

Chamber, City Hall, Kamal Chunchie Way, London E16 1ZE
10.00am, Wednesday 7 June 2023

Members
Sadiq Khan (Chair) (from Minute 37/06/23 (part))
Seb Dance (Deputy Chair) (in the Chair up to Minute 38/06/23)
Heidi Alexander
Kay Carberry CBE
Professor Greg Clark CBE (from Minute 36/06/23 (part))
Anurag Gupta
Anne McMeel
Dr Mee Ling Ng OBE
Dr Nelson Ogunshakin OBE
Mark Phillips
Marie Pye
Dr Nina Skorupska CBE (from Minute 36/06/23)
Ben Story (via Teams and up to Minute 37/06/23 inclusive)
Peter Strachan
Councillor Kieron Williams

Government Special Representative
John Hall

Executive Committee

Andy Lord	Commissioner
Glynn Barton	Interim Chief Operating Officer
Matt Brown	Director of Communications & Corporate Affairs
Fiona Brunskill	Interim Chief People Officer
Howard Carter	General Counsel
Patrick Doig	Acting Chief Finance Officer
Stuart Harvey	Chief Capital Officer
Lilli Matson	Chief Safety, Health and Environment Officer (via Teams for Minute 36/06/23)
Alex Williams	Chief Customer and Strategy Officer
Tricia Wright	Chief Officer – Pensions Review

Staff

Sarah Gasson	Chief of Staff to the Commissioner
Jackie Gavigan	Secretariat Manager
Lorraine Humphrey	Director of Risk and Assurance
Shamus Kenny	Head of Secretariat
Stuart Reid	Director of Operational Readiness (for Lilli Matson, Chief Safety, Health and Environment Officer)

32/06/23 Apologies for Absence and Chair's Announcements

Apologies for absence had been received from Bronwen Handyside and Dr Lynn Sloman MBE. Ben Story attended the meeting via Teams and left the meeting at 11.40am. He was able to participate in the discussion but did not count towards the quorum. Apologies for lateness were received from Sadiq Khan, the Chair of TfL, due to another engagement and from Professor Greg Clark CBE and Dr Nina Skorupska CBE due to travel disruption. The meeting was quorate.

In the absence of the Chair, the Deputy Chair, Seb Dance, was in the chair.

Lilli Matson was unable to attend for all the meeting and was represented by Stuart Reid.

The Deputy Chair welcomed everyone to the meeting, which was also being broadcast live on the Greater London Authority website and on TfL's YouTube channel to ensure the public and press could observe the proceedings and decision making.

The Deputy Chair announced the appointment of Andy Lord as the permanent Commissioner of Transport, under the authority delegated to the Chair by the Board on 1 February 2023. The appointment followed a rigorous and international recruitment campaign and the Chair and Appointment Panel. The Deputy Chair thanked all Members for their engagement in the process and particularly the Appointment Panel, which he had led, and the interim Chief People Officer for supporting the recruitment process.

The Deputy Chair congratulated Elizabeth McKay on her recent appointment as Director and CEO of the London Transport Museum.

As reported elsewhere on the agenda, the Board noted that the Elizabeth line had celebrated its first anniversary and, on 21 May 2023, became a fully integrated railway that marked the final milestone of the Crossrail project. The line had transformed travel across London, boosting economic growth by attracting people back to the capital. The Deputy Chair and Board paid tribute to everyone involved in the Crossrail project and those that were delivering an outstanding service.

Members welcomed the unveiling of a memorial in Braham Street Park in Aldgate on 26 April 2023. The memorial commemorated the more than 100 transport workers who lost their lives to Covid-19, while operating London's Tube, rail, buses, taxi and private hire services to keep London moving throughout the pandemic. The memorial would stand for all time as an expression of the debt owed for their exceptional service.

The Deputy Chair reminded those present that safety was paramount at TfL and encouraged Members to raise any safety issues during discussions on a relevant item or with the appropriate member of the Executive Committee after the meeting.

33/06/23 Declarations of Interests

All Members confirmed that their declarations of interests, as published on tfl.gov.uk, were up to date. There had been one change since the last meeting of the Board as Peter Strachan had been appointed as the Chair of the National Transport Authority, Ireland.

There were no interests to declare that related specifically to items on the agenda.

34/06/23 Minutes of the Meeting of the Board held on 29 March 2023

The Board approved the minutes of the meeting held on 29 March 2023 and the Chair was authorised to sign them.

35/06/23 Matters Arising, Actions List and Use of Delegated Authority

Howard Carter introduced the item. Since the meeting on 29 March 2023, there had been one use of Chair's Action. After the publication of papers for this meeting, the Chair had exercised the authority delegated by the Board, on 1 February 2023, to appoint Andy Lord as the Commissioner of Transport.

There had been no other use of specific authority delegated by the Board to Committees nor any Mayoral Directions to TfL since the last meeting.

The Board noted that Heidi Alexander stood down from the Land and Property Committee, due to other commitments, on 31 March 2023. Following discussions with the Chair of the Land and Property Committee and the Deputy Chair of the Board the Board was asked to appoint Anurag Gupta to that Committee.

Updates had also been provided against each action.

The Board noted the paper and:

1 noted the appointment of Andy Lord as the permanent Commissioner of Transport on 7 June 2023, under the authority delegated by the Board on 1 February 2023;

2 noted that Heidi Alexander stood down as a member of the Land and Property Committee on 31 March 2023;

3 appointed Anurag Gupta as a member of the Land and Property Committee from 8 June 2023; and

4 note the actions list, set out in Appendix 1 of the paper.

36/06/23 Commissioner's Report

The Commissioner thanked the Mayor, Deputy Mayor, and the Board for their confidence in him, following his appointment as the fifth permanent Commissioner of Transport. He was honoured and proud and was confident that TfL would continue to deliver for London to keep the city moving and be its green heartbeat. He was committed to TfL maintaining financial stability and better representing the city it served. While there were many challenges ahead, the relationship with the Government was in a much stronger place and he was hopeful TfL would secure a long-term capital funding agreement.

The Commissioner paid tribute to the thousands of dedicated TfL colleagues and many more that supported TfL's delivery. He thanked everyone who had supported him while interim Commissioner.

Members congratulated the Commissioner on his appointment and his effectiveness as interim Commissioner.

The Commissioner introduced the report, which provided a review of the major issues and developments since the last meeting, and updated Members on significant projects and initiatives.

The key issues arising from the overview and discussion are summarised below:

1 The trial of the driver of the tram that derailed near Sandilands in November 2016 was underway at the Old Bailey. The derailment killed seven people and 62 others were injured. TfL, at the first opportunity, and its operator, Tram Operations Limited, had pleaded guilty to health and safety offences relating to significant failings ahead of the catastrophic derailment and would be sentenced at a hearing once the trial of the driver concluded. The thoughts of everyone at TfL remained with everyone affected and many safety improvements had been introduced across the network. TfL continued to work tirelessly with its partners to ensure this could never happen again.

2 The inquest into Christian Tuvi's tragic death, in 2019, had commenced. The thoughts of everyone at TfL remained with his family and friends and TfL would continue to support them in whatever way it could and provide assistance to the coroner during the inquest.

3 On 26 April 2023, the Commissioner was joined by the Mayor in opening a permanent memorial at Braham Street Park in Aldgate to remember all transport workers in London who tragically lost their lives to Covid-19. The incredibly moving and emotional event was attended by representatives of TfL and bus operators, who were joined by many of the families and loved ones of those who lost their lives. TfL owed them gratitude for the critical role they played in the city's fight against the coronavirus pandemic and this fitting memorial would ensure that they were never forgotten.

4 It had been a very busy period in the capital for the Coronation of King Charles III and Queen Camilla. The Commissioner thanked all TfL colleagues who supported the smooth running of the public transport network on the day and across the weekend, in particular Glynn Barton and the Operations team. He was privileged and honoured to attend the Coronation on behalf of TfL and all of London’s public transport workers.

5 Ahead of the Coronation, TfL welcomed the Prince and Princess of Wales for their first journey on the Elizabeth line. Travelling from Acton to Tottenham Court Road, they met several operational colleagues to learn about the railway and shared their best wishes and thanks with frontline staff.

6 After the Coronation, TfL also welcomed Richard Holden MP, Parliamentary Secretary of State at the Department for Transport (DfT), to the London Underground Control Centre and Palestra Event Liaison Facility to demonstrate TfL’s crucial role in co-ordinating the multi-agency response to large scale events. He spent considerable time understanding the operation and thanked staff for their part in the success of the event.

7 Members congratulated TfL on rising to the challenge of supporting three major events in recent months, the Platinum Jubilee of Queen Elizabeth II, the Queen’s funeral and then the Coronation of King Charles III, in addition to the expected major events of the London Marathon and Ride London.

8 The Elizabeth line celebrated its first year of operation on 24 May 2023 and the Commissioner thanked every member of the team for the role they had played in its delivery past and present. The Elizabeth line was extremely popular, with over four million customers using it in the first week of the new timetable, introduced on 21 May 2023, and well over 150 million journeys made on the line since it opened.

9 The Commissioner had been meeting with colleagues, suppliers and industry partners. On 18 April 2023, he attended the inaugural Interchange Conference in Birmingham to deliver a keynote address to discuss TfL’s ongoing need for capital funding.

10 On 6 June 2023, he returned from the International Association of Public Transport conference in Barcelona, where he spoke about the importance of working towards net zero carbon cities. There was a lot of experience and insight sharing between colleagues from across the world that would help everyone learn from each other. Delegates admired TfL’s ambition for a zero-emission bus fleet, and the progress made, given the size of the fleet. There was learning for TfL too from the work of some cities on electric and hydrogen powered buses.

11 Safety remained TfL’s top priority and it continued to work closely with the police, learn from safety incidents and focus efforts on achieving Vision Zero – the goal set out in the Mayor’s Transport Strategy (MTS) of eliminating all death and serious injury from London’s streets by 2041. Recently published casualty statistics showed that, while progress was being made, the capital had also

seen a return to near pre-pandemic levels of the number of people killed or seriously injured on London's roads.

12 The devastating consequences for the families, friends and communities impacted by these deaths and life-changing injuries was immense and collective action was needed to achieve Vision Zero. TfL continued to act with the roll-out of 20mph speed limits across the capital and the next phase of the Direct Vision Standards.

13 TfL would continue to work with London Councils, London boroughs and policing partners on enforcement issues and campaigns to support behavioural change by road users. Long-term capital funding was essential to get back to the Vision Zero trajectory set out in the MTS, and to address the backlog of road repairs, which particularly impacted vulnerable road users. Further opportunities for closer and more coordinated work with London Councils and boroughs would be explored to make better use of available road maintenance funds. Actions to address road safety with all partners was also being informed by the Road Danger Inequalities report. An annual update on road safety was provided to the Safety, Sustainability and Human Resources Panel.

[Action: Alex Williams / Lilli Matson]

14 Investigations were underway into the incident at Clapham Common station on the Northern line, on 5 May 2023, where brake dust entering the train was mistaken for smoke and resulted in an unplanned train evacuation by passengers. The Commissioner reassured customers that fire safety standards were given the highest priority on the network, the station was fully staffed and staff were on the platform within 90 seconds, though the distress of passengers and their reaction was recognised. The Rail Accident Investigation Branch had launched its own investigation with which TfL would fully co-operate. Initial findings were expected later this summer and TfL would act upon all recommendations. The Safety, Sustainability and Human Resources Panel would be informed of the outcome of the investigations through the quarterly Safety, Health and Environment Reports.

15 There had been several very serious staff assaults in recent weeks, one of which resulted in a colleague from Harrow-on-the-Hill station spending over a week in hospital with a serious head injury. Thanks to the work of the British Transport Police, the Metropolitan Police Service and an appeal in the media, an individual handed themselves in and was subsequently charged. The Commissioner wished any colleagues affected by these attacks well in their recovery and was clear that TfL would do all it could to put an end to the violence and harassment of staff on its network.

16 Between 1 April 2022 and 1 April 2023, operational teams across the network had issued over 44,000 penalty fares and submitted over 16,000 reports to the Investigation, Appeals and Prosecutions team to be reviewed. Fare evasion and ticket disputes continued to be one of the main contributing factors to workplace violence and aggression. To respond to this, TfL was increasing its joint exercises with the police, Transport Support and Enforcement Officers and Revenue teams.

17 Members discussed the unacceptable incidents of workplace violence faced by front-line staff and thanked them for their service. Most incidents arose from revenue protection interventions and intoxicated passengers. Members supported TfL's zero-tolerance approach and the action taken to reduce the risks, which included the roll-out of body worn cameras, publicity campaigns and visible presence of Transport Support and Enforcement Officers. Members requested that the Safety, Sustainability and Human Resources Panel receive a deep dive paper on workplace violence and aggression.

[Action: Lilli Matson / Glynn Barton]

18 Recruitment had commenced for the next cohort of apprentices for people of all ages and backgrounds to learn new skills and kickstart careers. The Graduate, Internship and Apprenticeship schemes were commissioned in response to critical and scarce skills needs, as medium- to long-term solutions to ensuring TfL had the right skills and talent across the organisation to deliver on its commitments.

19 TfL was developing two publications setting out bold commitments on Action on Inclusion for colleagues, due to be published in June 2023, and for customers, which would be published later in the year. Progress against the metrics in both documents would be reported to the Safety, Sustainability and Human Resources Panel in the Quarterly Human Resources Report, with regular updates to the Board. **[Action: Fiona Brunskill]**

20 Work had commenced on the proposed Superloop network, which would connect outer London boroughs with limited stopping bus services. Offering an enhanced public transport service was vital to encourage mode shift, improve air quality and tackle the climate emergency across the capital, and the proposed Superloop was a key element of this.

21 Testing had also commenced on the new DLR rolling stock and the second train was now in London. The Commissioner thanked the DfT and Department for Levelling Up, Housing and Communities for providing the funding for the purchase of 11 additional trains through the Housing Infrastructure Fund. This would provide additional capacity and unlock further housing benefits in the Royal Docks and Isle of Dogs.

22 The inclusion of information in the Commissioner's Report on TfL's property company activities and how it helped TfL to deliver its objectives was welcomed.

23 Members noted the progress on the Electric Vehicle Infrastructure (EVI) strategy and delivery, which looked at land across the Greater London Authority Group, including TfL and its property subsidiary company TTL Properties Limited and in the private sector, to try and fill existing gaps in EVI provision across London.

24 TfL had introduced 4G and 5G on the Tube at Camden Town, with Mornington Crescent to follow later in June 2023, and had successfully commissioned the next phase of the Four Lines Modernisation programme. The focus was on software development for future rollouts covering the Metropolitan line north of Finchley Road, with successful testing undertaken on the new signalling between Finchley Road and Preston Road over the Easter weekend.

25 Members requested a future paper on TfL's approach to utilising artificial intelligence for service delivery. **[Action: Alex Williams / Shashi Verma]**

26 TfL was successfully delivering on its 2023 Business Plan, which set out the strategy for rebuilding finances, improving efficiency and helping to secure its future. Passenger journeys increased by 31 per cent in the past year and ridership reached 90 per cent of pre-pandemic levels in the week commencing 29 May 2023, for the first time. Even with the context of the half-term school holidays and industrial action on the national rail network, it was a very positive sign and helped boost passenger income by £1bn. This meant TfL was on track to deliver an operating surplus in 2023/24, as all Government base funding was allocated to capital investment.

27 On 1 June 2023, it was announced that the eligibility for the Ultra Low Emission Zone (ULEZ) Scrappage Scheme was being expanded to tens of thousands more Londoners, including all those receiving child benefit and all small businesses in the capital, with further support for charities. Members welcomed the expansion, as the scheme played a significant role in helping people and businesses prepare for the ULEZ expansion. TfL was undertaking a major awareness raising campaign ahead of the expansion, including details of the expanded scrappage scheme, to set out the rationale for the scheme as well as ensuring drivers could check if their vehicles were compliant. TfL continued to push for Government support, which was provided to other cities. Evidence from the earlier scrappage schemes showed that around one-third of recipients did not purchase a new vehicle. Members would be updated on the uptake of the improved public transport credits scheme in due course.

[Action: Alex Williams]

28 TfL remained focused on the successful delivery of the expanded ULEZ in August 2023 and the Commissioner particularly thanked Alex Williams' team, under Christina Calderato, and Stuart Harvey's team, under Nick Fairholme, for their hard work to ensure TfL was ready.

29 TfL continued to add zero-emission buses to the London fleet as quickly and affordably as possible and was approaching 1,000 zero-emission buses. New buses were recently introduced in Sutton, helping an area that had not had such investment for some time. Helping Londoners to breathe cleaner air and tackle the climate change emergency was a key priority and rolling out zero-emission buses was a significant enabler of that.

30 Members noted that the bus safety standards were progressively strengthened, with the 2019 standard surpassed by the 2021 standard, which would in turn inform the 2024 standards, and were built into the contractual arrangements for

procuring buses. 1,000 zero-emission buses, which represented 11 per cent of the fleet, met the standard and the Intelligent Speed Adaptation had been rolled out on one third of the fleet. The percentage breakdown of how many buses met the 2019 and the 2021 standards would be provided to Members. **[Action: Lilli Matson]**

31 TfL was working with multiple bus manufacturers to develop a vibrant and competitive zero-emission market. To this end, the Commissioner and team visited Ballymena and Falkirk in the past month to discuss accelerating the rollout with manufacturers Wrightbus and Alexander Dennis respectively. He had also had some positive engagement with other metro cities embarking on the same journey, to see if greater co-ordination and collaboration could ensure this was successfully achieved.

32 The Commissioner thanked all TfL colleagues for all their work over the past couple of months which had been very busy. Everyone had risen to the challenge of keeping the capital moving and delivering a safe, reliable and affordable service to Londoners, while encouraging as much walking, cycling and use of public transport as possible. He was proud of everything that had been achieved.

33 TfL remained in ongoing discussions with the Government, HS2 Limited and the London Borough of Camden to ensure that spoil from HS2 works was removed by rail rather than road.

34 Members noted the new licensing requirement for London private hire drivers introduced from 1 April 2023. Howard Carter would send a note to Members on the capacity of TfL's driver assessment centres to deal with the volume of applicants. **[Action: Howard Carter]**

35 TfL was meeting with London Councils to discuss the future contracting of e-bikes and consistent ways of managing the service across the city, which would be reported back to the Customer Service and Operational Performance Panel in due course. **[Action: Alex Williams]**

The Board noted the report.

37/06/23 Elizabeth Line Operations and Crossrail Project Close Out

Andy Lord introduced the item, which provided a status update on Elizabeth line operations, including the final transition to an integrated railway on 21 May 2023 and the introduction of a 24 trains per hour service in the central section. The new timetable marked the end of the Crossrail project. The Commissioner and Board thanked everyone involved in the project and everyone who had driven the completion of the final stage, including the Elizabeth Line Committee.

The new timetable was working well, and it remained in the top five for performance despite the volume of passengers (accounting for one in six rail journeys in the UK) and the frequency of services. The Commissioner apologised to customers impacted by ongoing performance issues due to software bugs, and national rail issues relating to infrastructure and trespassers on the east and west of the line, there had been good collaboration with Hitachi and Alstom and with Network Rail.

Given the impact of national rail infrastructure failures, Members would be updated on the outcome of Network Rail's Control Period funding settlement, which sought to ensure it had sufficient funds to operate and maintain assets that supported the Elizabeth line's high frequency services. **[Action: Glynn Barton]**

The project closed on 26 May 2023, with the team closing out or transitioning activities to TfL and declaring final completion for endorsement by the Sponsors. Once final completion was endorsed by July 2023, most bespoke Crossrail project governance would cease, with Elizabeth line reporting integrating into TfL operational governance.

The Elizabeth Line Delivery Group would continue to meet periodically during the summer, to ensure a relentless focus on performance was maintained, and that the closure of Crossrail accounts was carefully managed. Members were reassured that the project close out process was comprehensive. Members asked that the Customer Service and Operational Performance Panel also maintain a laser like focus on performance, while things settled down, including some deep dives, to which a Network Rail representative would also be invited to attend.
[Action: Glynn Barton]

The Board noted the paper.

38/06/23 Finance Report – Quarter 4, 2022/23

Patrick Doig introduced the item, which set out TfL's financial results to the end of Quarter 4of 2022/23 (year-to-date ending 31 March 2023). TfL's performance showed that it was successfully delivering its strategy to rebuild its finances, as set out in the Business Plan.

At the end of 2022/23, total revenue was £8.7bn, compared to £8bn at the end of 2021/22, and one per cent better than Revised Budget. The increase was driven largely by passenger demand, with passenger journeys at 85 per cent compared to pre-coronavirus pandemic levels, up from 68 per cent at the end of 2021/22. Passenger income fell two per cent (£65m) short of the Revised Budget largely due to the impact of industrial action on TfL's network and other operators during the year. This was partly offset through higher revenue top-up from Government and by strong growth on the Elizabeth line.

Operating costs were £54m lower than Revised Budget. Considering timing and accounting changes, underlying costs were £99m better than Budget. This was achieved through proactive cost reductions of £75m from lower staff, property and insurance costs, and tailwinds of £41m driven from lower bus performance payments. There were also some cost pressures from escalating bad debt in Road User Charging schemes. On a like-for-like basis, operating costs increased by 6.6 per cent in the year, compared to average inflation of 12.9 per cent. In total, this was a real term decrease of £800m compared to 2018/19.

The Business Plan target was to make total savings of £174m in 2022/23 with £65m of these as recurring savings. TfL exceeded this plan and made £222m total savings with £92m of these recurring. The combination of growing revenue and reducing like-for-like costs in real terms meant the underlying operating deficit reduced by over £900m last year to just under £300m. TfL remained on course to deliver its targeted operating surplus in 2023/24, so that all guaranteed Government funding went towards new capital investment.

Capital enhancements were within three per cent of Revised Budget. TfL completed the unbudgeted purchase of the London Overground train fleet, to mitigate against various financial risks associated with leasing the trains. This delivered a reduction in the whole life cost of the trains, which would reduce operating costs in future by around £20m per annum.

Capital renewals were two per cent lower than Revised Budget. The ambition was to deliver the higher level of renewals of £635m set by the funding agreement, compared to the original Budget of £600m. TfL achieved £624m in the year, which was up over £80m on 2021/22, and an impressive achievement given the funding agreement increased the budget part-way through the year. TfL had submitted a request to Government that the unspent balance of £11m be carried forward into next year.

Cash balances, excluding Crossrail construction, were on target at just over £1.2bn. TfL had taken on new borrowing to finance the London Overground train fleet purchase, reduced short-term borrowing and completed the bond refinancing which reduced the total value of outstanding debt without increasing financing costs.

Standard & Poor's had recently affirmed TfL's credit rating at A+/A-1 and revised the outlook to positive from stable. This reflected their positive view that recovering ridership and cost controls should result in higher financial flexibility for TfL.

TfL faced some significant risks going forward. The economic position remained uncertain but early indicators were reasonably positive, as the economy was no longer expected to shrink in 2023/24 and would avoid a technical recession.

The Revised Budget assumed that ridership would reach 91 per cent of pre-pandemic levels by the end of 2023/24. Each one per cent increase in demand generated around £50m in fare income annually, so every journey mattered. The risk on passenger income was protected this year, but TfL aimed to drive up demand to reduce this reliance and be in the best possible financial position when the revenue true-up mechanism ended.

TfL was grateful to retain access to the £500m Greater London Authority financing facility until March 2024, in case risks on delivery crystallised. There were some risks around other operating income and uncertainty around compliance levels for the

London-wide Ultra Low Emission Zone. TfL was doing all it could to drive up compliance levels and support Londoners and had some contingency in place for the impact of lesser income.

The key outstanding funding issue in 2023/24 related to inflation, as the funding agreement included a mechanism to amend the grant to reflect actual rates of inflation. TfL submitted evidence to the Department for Transport (DfT) that inflation was creating a £279m cost pressure this year relative to the March 2022 Budget. TfL had built up capacity to deliver the investment required by the funding agreement and it would be inefficient to have to reduce this part way through the year.

TfL also needed certainty for its capital programme in 2024/25 and beyond. The Business Plan showed TfL would be able to generate three quarters of the capital funding requirement itself but Government recognised the need for support for major projects and major asset replacements, such as rolling stock and signalling. The Business Plan assumed a level of contribution from Government towards those schemes.

Almost all of the expenditure on rolling stock for the next two years was already contractually committed. Without Government funding, TfL would have to fundamentally change its Business Plan and the lack of funding certainty could impact its ability to deliver on Vision Zero and net zero carbon, and to create new homes and jobs across London and nationally.

The Government recognised the benefits that long-term funding certainty brought for transport investment. It had approved long-term settlements for Network Rail, National Highways, and with London style deals for Manchester, Liverpool, South Yorkshire, Tees Valley, West of England, West Midlands and West Yorkshire. TfL continued to make the case for a similar long-term settlement for London.

Members noted that a meeting of the Financial Sustainability Group was scheduled for 12 July 2023. This was an opportunity for the Deputy Mayor and Chief Officers from TfL and the DfT to collaboratively discuss TfL’s progress towards meeting the funding conditions and financial sustainability, and to progress discussion of any future issues.

The Board noted the Finance Report.

39/06/23 Annual Update on 2022/23 Delivery of the Mayor's Transport Strategy

Alex Williams introduced the draft of the sixth annual progress report on delivery of the Mayor’s Transport Strategy (MTS) and the relevant elements of the London Environment Strategy in 2022/23.

Members welcomed the significant progress that had been made on delivery, despite it being a challenging year. The evidence of TfL using its influence to support housing needs, where the use of its land and better transport provision both unlocked housing provision was also commended. Currently, there was no clear evidence of the cost-of-living crisis impacting negatively on achieving the MTS targets, which normally showed in bus and discretionary travel, though this was being monitored.

The progress toward the active travel target had plateaued and required sustained investment. Members had been invited to visit the Traffic Control Centre to see the work on traffic signal timings that was intended to encourage walking by minimising pedestrian wait times, including the innovative resting on green trail, which would be expanded. As part of the development of the next Business Plan, Members would be updated on the interventions that could be made to speed up delivery of MTS outcomes, including any impact from the delays to Crossrail 2, the Bakerloo line extension and other major projects.

Members welcomed the progress made in delivering key safety measures, including the roll out of 20mph speed limits but noted the map showing three London boroughs where their use was particularly low. It was suggested that overlaying the 20mph speed limit map with one showing road traffic incidents might be persuasive in making the case for lower speeds. **[Lilli Matson / Alex Williams]**

The campaign to raise awareness and reduce the incidents of sexual harassment on TfL's networks was welcomed. Feedback on the campaign would be provided to the Customer Service and Operational Performance Panel.
[Action: Lilli Matson / Glynn Barton]

Progress on the prioritisation of step-free access projects was due to be published in June or July 2023.

Members welcomed the substantial reduction in heavy good vehicle freight, which had been largely replaced by utilising micro-consolidation centres and transporting goods by cars and vans.

Information would be provided to Members on the action to be taken on cooling the Tube ahead of the summer. **[Action: Lilli Matson / Glynn Barton]**

Members requested that future reports include a dashboard, to easily identify where targets were on the right trajectory and where more work or different interventions were required. **[Action: Alex Williams]**

The engagement and collaboration with London Councils and the individual London boroughs was discussed. TfL published a London borough data pack and produced borough delivery reports that encouraged learning from successful action and identified areas for improvement. The delivery reports would be circulated to Members when published. **[Action: Alex Williams]**

The Board also discussed how influencers, such as the media, think-tanks, and campaigning bodies, often portrayed a pessimistic view of London's recovery from the coronavirus pandemic and the impact of public transport. It was suggested that TfL would seek to engage more to promote the data it held that showed the real state of recovery and the benefits of investing in public transport and promoting active travel.

The Board noted the draft copy of Delivering the Mayor’s Transport Strategy (MTS) 2022/23, prior to publication and noted:

1 progress against the desired outcomes of the MTS;

2 that a strengthened approach to the MTS was required to enable us to address the triple challenges of toxic air pollution, the climate emergency and traffic congestion; and

3 that securing stable long-term funding was key to unlocking the full benefits of the MTS.

40/06/23 Report of the meeting of the Programmes and Investment Committee held on 17 May 2023

The Vice-Chair of the Committee, Dr Nelson Ogunshakin OBE, introduced the item.

The Committee discussed the Investment Programme and requested a deep dive into the wider implications for TfL of the delay in the construction of the HS2 infrastructure between Euston and Old Oak Common. It also discussed Project Assurance and noted that real progress had been made to address the matters raised by the Independent Investment Programme Advisory Group reviews.

The Committee approved the proposed changes to the structure of Programmes within the remit of the Committee and revised Programme and Project Authority for each Programme. This simplified and reduced the number of Programmes and better reflected TfL’s new operating model and current work.

The Committee was encouraged by the lessons learnt that had been applied from several recently completed major projects and that TfL was working to ensure they were embedded into future projects for continuous improvement.

The Board noted the report.

41/06/23 Report of the meeting of the Elizabeth Line Committee held on 18 May 2023

The Chair of the Committee, Heidi Alexander, introduced the item. The Committee met shortly before the launch of the final integration phase of the railway and the key issues considered by the Committee had been covered earlier in this meeting.

The Board noted the report.

42/06/23 Report of the meeting of the Safety, Sustainability and Human Resources Panel held on 24 May 2023

The Chair of the Panel for the meeting, Kay Carberry CBE, introduced the item. Most of the issues considered by the Panel on safety and sustainability had been covered earlier in this meeting.

The Panel welcomed the new initiative to encourage and support more women into the bus and coach industry, where there were numerous barriers and a general workforce shortage. Board Members were invited to the programme launch on 28 June 2023. Louise Cheeseman, TfL’s Director of Buses, was responsible for launching the initiative, which had great levels of engagement across the wider industry.

The Panel discussed the emerging Colleague Strategy, which outlined how TfL would make itself a great place to work. It had been developed with the involvement of colleagues at all levels within the organisation and would focus on leadership, skills and development. The Panel would closely monitor its outcomes.

The Board noted the report.

43/06/23 Report of the meeting of the Audit and Assurance Committee held on 5 June 2023

The Chair of the Committee, Mark Phillips, introduced the item.

The Committee considered the draft Annual Report and the Statement of Accounts prior to submission to the Board in July 2023, which was an impressive document and particularly featured the Elizabeth line. Members had a briefing session with the external auditors EY, who confirmed it had been a smooth process this year due to the Government funding settlement, with no major issues in the Statement of Accounts.

The Committee considered the Risk and Assurance report and some big advances had been made in how risk was being taken forward by the Executive team. A separate scenario-planning session had been thought provoking and prompted useful discussions, particularly in light of recent news reports.

The Board noted the report.

44/06/23 Any Other Business the Chair Considers Urgent

There was no other urgent business to discuss.

45/06/23 Date of Next Meeting

The next scheduled meeting of the Board would be held on Wednesday 26 July 2023 at 10.00am.

[Post meeting note – the date was subsequently changed to Tuesday 25 July 2023 at 10.00am.]

The meeting closed at 12.55pm.

Chair: ___________________________________

Date: ___________________________________

Board

Date: **25 July 2023**

Item: **Matters Arising, Actions List and Use of Delegated Authority**

This paper will be considered in public

1 Summary

1.1 This paper informs the Board of any use of Chair's Action or authority delegated by the Board, any Mayoral Directions to TfL and progress against actions agreed at previous meetings, since the last meeting of the Board on 7 June 2023.

1.2 There has been no use of Chair's Action, nor any other use of specific authority delegated by the Board to Committees, nor any Mayoral Directions issued to TfL since the last meeting.

1.3 The Department for Transport (DfT) has confirmed the appointment of its Chief Engineer, David Coles, as an observer at meetings of the Board, replacing the previous Government Special Representative, and that John Hall, its Strategic Special Representative will attend meetings of the Finance Committee.

1.4 Board Member Ben Story will step down from the Board on 29 September 2023. Consequential changes to the membership and roles on the Committees upon which Ben Story served are proposed and, if approved, the revised membership of Committees and Panels is set out in Appendix 1.

1.5 TfL's General Counsel will retire on 29 September 2023. The appointment of the General Counsel is a matter reserved to the Board. It is proposed that the Board delegate authority to the Commissioner, in consultation with the Deputy Chair of TfL, to agree the interim arrangements while a recruitment exercise is undertaken. It is also proposed that the Deputy Chair will lead an Appointment Panel to appoint a permanent General Counsel. To ensure a timely appointment, it is proposed that the Board delegate authority to the Deputy Chair (in consultation with the Appointment Panel) to approve the appointment of a permanent General Counsel at the end of the recruitment process.

1.6 Appendix 2 sets out the progress against actions agreed at previous meetings.

2 Recommendations

2.1 **The Board is asked to note the paper and:**

(a) note the appointment of the Department for Transport's Chief Engineer, David Coles, as an observer to meetings of the Board and that he will also attend meetings of the Programmes and Investment Committee and that John Hall will attend the meetings of the Board and the Finance Committee;

(b) note the resignation of Ben Story and that he will step down from the Board on 29 September 2023;

(c) approve the following appointments to Committees, as set out in Appendix 1 of the paper:

(i) appoint Dr Nelson Ogunshakin OBE as Chair, and Peter Strachan as Vice Chair of the Programmes and Investment Committee, from 30 September 2023;

(ii) appoint Mark Phillips as a member of the Programmes and Investment Committee, from 26 July 2023;

(iii) appoint Anurag Gupta as Vice Chair of the Finance Committee, from 30 September 2023;

(iv) appoint Marie Pye as a member of the Land and Property Committee, from 26 July 2023;

(d) delegate authority to the Commissioner, in consultation with the Deputy Chair of TfL, Seb Dance, to approve the interim arrangements for the role of General Counsel from 30 September 2023;

(e) delegate authority to the Deputy Chair of TfL, in consultation with an Appointment Panel selected and Chaired by the Deputy Chair, to approve the future appointment of a permanent General Counsel; and

(f) note the actions list, set out in Appendix 2 of the paper.

3 Use of Chair's Action

3.1 Under Standing Order 113, in situations of urgency, the Board delegates to each of the Chair and the Chairs of any Committee or Panel the exercise of any functions of TfL on its behalf. Any use of Chair's Action is reported to the next ordinary meeting. The Board on occasion will also make specific delegations to its Committees which, when exercised, are reported to the next ordinary meeting of the Board, as well as the next meeting of the relevant Committee.

3.2 There has been no use of Chair's Action since the last meeting.

4 Use of Delegated Authority

4.1 At the time of the publication of this paper, there has been no use of authority relating to matters reserved to the Board.

5 Changes to the Membership of the Board and Committees

5.1 Following Ben Story's resignation from the Board, changes will be required to the membership of Committees on which he served, ahead of the wider review of the governance structure. These are set out below.

Government Special Representatives

5.2 The measures introduced by the Government to manage the coronavirus pandemic in 2020 and 2021 had a significant impact on TfL's finances, which necessitated funding settlements.

5.3 Under the terms of the 14 May 2020 funding settlement with Government and all subsequent settlements, the Secretary of State for Transport may appoint two Special Representatives to attend all meetings of the Board and one to attend all meetings of the Finance Committee and the Programmes and Investment Committee. They are entitled to receive all papers and attend all briefings that are open to other members of the Committees, unless there is a conflict of interest. They do not have any voting rights and their presence does not count toward the quorum for any meeting.

5.4 At the last meeting of the Board, it was announced that Becky Wood had stood down from her role as a Government Special Representative. Given that the short time the extraordinary funding and financing agreement has left to run, the Government has decided not to appoint a new Government Technical Representative. Instead, the DfT Chief Engineer (David Coles) will attend the TfL Board and the Programme and Investment Committee as an observer. John Hall (Government Strategic Special Representative) will continue to attend the TfL Board as well as now also attending the TfL Finance Committee.

Membership of the Board

5.5 On 25 June 2023, Ben Story gave notice that he will step down as a Member of the Board on 29 September 2023, due to increasing work commitments.

5.6 The departure of Ben Story will reduce the number of Members of the Board from 17 (its maximum) to 16. The size of the Board recently increased from 15 to 17 Members, to provide options for greater continuity when the Board is refreshed in September 2024, as many existing Members will have served two full four-year terms by that date. Given the proximity of the next recruitment campaign, and the need to review the skillset required of the next Board, it is proposed to leave the recruitment of a further Member until the main recruitment exercise in 2024.

Proposed changes to the membership of Committees

5.7 Ben Story is currently the Chair of the Programmes and Investment Committee, Vice Chair of the Finance Committee and a member of the Land and Property Committee. Ahead of the wider review of the decision-making structure, and following discussions with relevant Members and with the Chair and Deputy Chair of TfL, the following changes are proposed (and set out in Appendix 1):

(a) Programmes and Investment Committee: with effect from 30 September 2023, to appoint as Chair the current Vice Chair, Dr Nelson Ogunshakin OBE, and to appoint as Vice Chair Peter Strachan; with effect from 26 July 2023, to appoint Mark Phillips to the Committee; and to note that the DfT's Chief Engineer will attend the meetings as the Government observer;

(b) Finance Committee: with effect from 30 September 2023, to appoint its existing member Anurag Gupta as the Vice Chair; and to note that John Hall will attend meetings as the Government Special Representative. It is not proposed to appoint an additional Member to this Committee, which will now have a membership of five, but retain its quorum of three; and

(c) Land and Property Committee: with effect from 26 July 2023, to appoint Marie Pye to the Committee, as she had expressed an interest in joining the Committee.

6 General Counsel Interim Arrangements

6.1 Under Standing Order 100(c)(iii), the appointment or removal of the General Counsel is a matter reserved to the Board.

6.2 Howard Carter, TfL's General Counsel, will retire from TfL on 29 September 2023. The General Counsel's responsibilities cover legal, corporate governance, information governance, risk management and assurance, and the licensing and regulation of London's taxi and private hire industry. The post holder is also the Board Secretary and plays a pivotal role in supporting Members and providing legal and corporate governance advice to them.

6.3 Until a permanent General Counsel is appointed, interim arrangements will need to be put in place. It is proposed that authority to make these interim arrangements be delegated to the Commissioner, in consultation with the Deputy Chair, Seb Dance.

6.4 It is also proposed that the Deputy Chair lead the recruitment process, nominate the members and Chair the Appointment Panel.

6.5 The Remuneration Committee will agree the remuneration parameters for the role.

6.6 To ensure a timely appointment, it is requested that authority be delegated to the Deputy Chair of TfL to approve the permanent appointment, in consultation with the Appointment Panel.

7 Mayoral Directions to TfL

7.1 The Greater London Authority (GLA) Act 1999 (as amended), permits the Mayor to issue to TfL general directions as to the manner in which TfL is to exercise its functions or specific directions as to the exercise of its functions (or not to exercise a power specified in the direction). Directions are also often made in relation to the implementation of matters in respect of which the Mayor delegates statutory powers to TfL.

7.2 The Mayor makes Mayoral Directions through Mayoral Decisions. Papers for Mayoral Directions set out the financial and other implications. If those implications change over time, that will be reported to the GLA.

7.3 All Mayoral Decisions are issued in writing, with the information that is not exempt from publication included on the GLA's Decisions Database on its website: https://www.london.gov.uk/about-us/governance-and-spending/good-governance/decisions?order=DESC.

7.4 Mayoral Directions fall into three broad categories: those addressing technical issues relating to statutory powers; those related to commercial development activities; and those related to projects and programmes. Mayoral Directions relating to TfL are reported to the Board's Committees for discussion as soon as possible after they are received by TfL or published. Regular reports will list the relevant Directions for as long as they are applicable.

7.5 Annually the Audit and Assurance Committee considers the list as part of its consideration of the annual audit plan to ensure that appropriate audit resource is applied to assurance on TfL's work in implementing Mayoral Directions. This will also be kept under review at each quarterly meeting of that Committee.

7.6 A summary of current Mayoral Directions to TfL is maintained on the "How we are governed" page on our website, with links to the relevant Mayoral Decisions: https://tfl.gov.uk/corporate/about-tfl/how-we-work/how-we-are-governed. That page will be updated as and when further Directions are made.

7.7 There have been no Mayoral Direction issued to TfL since the last meeting.

8 Actions List

8.1 Appendix 1 sets out the progress against actions agreed at previous meetings.

List of appendices to this report:

Appendix 1: Membership of TfL's Committees and Panels (proposed)
Appendix 2: Actions List

List of Background Papers:

Minutes from previous meetings.
Standing Orders and Terms of Reference of Committees and Panels.
Greater London Authority Decision Making Database.

Contact Officer: Howard Carter, General Counsel
Email: HowardCarter@tfl.gov.uk

Appendix 1

Membership of TfL's Committees and Panels

Proposed From 26 July 2023

TfL Board

Sadiq Khan (Chair)	Dr Nelson Ogunshakin OBE
Seb Dance (Deputy Chair)	Mark Phillips
Heidi Alexander	Marie Pye
Kay Carberry CBE	Dr Nina Skorupska CBE
Prof Greg Clark CBE	Dr Lynn Sloman MBE
Anurag Gupta	Ben Story (to end of September 2023)
Bronwen Handyside	Peter Strachan
Anne McMeel	Cllr Kieron Williams
Dr Mee Ling Ng OBE	
Government Special Representative (Strategic)	**Government Observer**
John Hall	David Coles

Audit and Assurance Committee	**Finance Committee**
Mark Phillips (Chair)	Anne McMeel (Chair)
Anurag Gupta (Vice Chair)	Ben Story (Vice Chair) (until 29 September 2023)
Kay Carberry CBE	Prof Greg Clark CBE
Dr Mee Ling Ng OBE	Seb Dance
	Anurag Gupta (Vice Chair from 30 September 2023)
	Dr Nina Skorupska CBE
	Government Special Representative
	John Hall

Land and Property Committee	**Programmes and Investment Committee**
Prof Greg Clark CBE (Chair)	Ben Story (Chair) (until 29 September 2023)
Dr Nina Skorupska CBE (Vice Chair)	Dr Nelson Ogunshakin OBE (Vice Chair) (until 29 September and Chair from 30 September 2023)
Seb Dance	Seb Dance
Anurag Gupta	Dr Lynn Sloman MBE
Anne McMeel	Mark Phillips (appointed from 26 July 2023)
Marie Pye (appointed from 26 July 2023)	Peter Strachan (Vice Chair from 30 September 2023)
Ben Story (until 29 September 2023)	Cllr Kieron Williams
	Government Observer
	David Coles

Remuneration Committee	
Kay Carberry CBE (Chair)	
Peter Strachan (Vice Chair)	
Seb Dance	
Dr Nelson Ogunshakin OBE	

Customer Service and Operational Performance Panel	Safety Sustainability and Human Resources Panel
Dr Mee Ling Ng OBE (Chair)	Dr Lynn Sloman MBE (Chair)
Marie Pye (Vice Chair)	Dr Nina Skorupska (Vice Chair)
Bronwen Handyside	Kay Carberry CBE
Anne McMeel	Bronwen Handyside
Dr Lynn Sloman MBE	Dr Mee Ling Ng OBE
Peter Strachan	Mark Phillips
Cllr Kieron Williams	Marie Pye

Rail User Representatives

Members appointed to represent the interests of those living, working and studying in areas outside Greater London who use railway passenger services operated by TfL

Prof Greg Clark CBE (south of London)
Peter Strachan (north of London)

Appendix 2

Board Actions List (to be reported to the meeting on 25 July 2023)

Actions from the meeting held on 7 June 2023

Minute No.	Item/Description	Action By	Target Date	Status/Note
36/06/23 (1)	**Commissioner's Report: Road Safety** Further opportunities for closer and more coordinated work with London Councils and boroughs would be explored to make better use of available road maintenance funds. Actions to address road safety with all partners was also being informed by the Road Danger Inequalities report. An annual update on road safety was provided to the Safety, Sustainability and Human Resources (SSHR) Panel.	Alex Williams / Lilli Matson	November 2023	On the SSHR Panel forward plan.
36/06/23 (2)	**Commissioner's Report: Workplace Violence and Aggression** Members requested that the SSHR Panel receive a deep dive paper on workplace violence and aggression.	Lilli Matson / Glynn Barton	September 2023	On the SSHR Panel forward plan.
36/06/23 (3)	**Commissioner's Report: Action on Inclusion Monitoring** Progress against the metrics in both documents would be reported to the SSHR Panel in the Quarterly Human Resources Report, with regular updates to the Board.	Fiona Brunskill	Ongoing	**Completed:** Regular progress updates on initiatives will be provided to the SSHP Panel. An update will be provided to the Board in summer 2024.
36/06/23 (4)	**Commissioner's Report: Artificial Intelligence** Members requested a future paper on TfL's approach to utilising artificial intelligence for service delivery.	Alex Williams / Shashi Verma	December 2023	On the Customer Service and Operational Performance (CSOP) Panel forward plan.
36/06/23 (5)	**Commissioner's Report: Public Transport Credits Scheme** Evidence from the earlier scrappage schemes showed that around one-third of recipients did not purchase a new vehicle. Members would be updated on the uptake of the improved public transport credits scheme in due course.	Alex Williams	TBC	An update will be provided to Members when available.

Minute No.	Item/Description	Action By	Target Date	Status/Note
36/06/23 (6)	**Commissioner's Report: Bus Safety Standards** The percentage breakdown of how many buses met the 2019 and the 2021 standards would be provided to Board Members.	Lilli Matson	July 2023	In progress.
36/06/23 (7)	**Commissioner's Report: Assessment for London Private Hire Drivers** Howard Carter would send a note to Members on the capacity of TfL's driver assessment centres to deal with the volume of applicants.	Howard Carter	July 2023	**Completed:** Information was circulated on 12 July 2023.
36/06/23 (8)	**Commissioner's Report: Future E-bikes Contracting** TfL was meeting with London Councils to discuss the future contracting of e-bikes and consistent ways of managing the service across the city, which would be reported back to the CSOP Panel in due course.	Alex Williams	December 2023	On the CSOP Panel forward plan. An update will be provided to the Panel when there is further clarity around ongoing discussions with stakeholders.
37/06/23 (1)	**Elizabeth Line Operations and Crossrail Project Close Out: Network Rail Control Period Funding Settlement** Given the impact of national rail infrastructure failures, Members would be updated on the outcome of Network Rail's Control Period funding settlement, which sought to ensure it had sufficient funds to operate and maintain assets that supported the Elizabeth line's high frequency services.	Glynn Barton	TBC	An update will be provided to Members when available.
37/06/23 (2)	**Elizabeth Line Operations and Crossrail Project Close Out: Performance Deep Dives** Members asked that the CSOP Panel also maintain a laser like focus on performance, while things settled down, including some deep dives, to which a Network Rail representative would also be invited to attend.	Glynn Barton	October 2023	On the CSOP Panel forward plan.

Minute No.	Item/Description	Action By	Target Date	Status/Note
39/06/23 (1)	**Annual Update on 2022/23 Delivery of the Mayor's Transport Strategy: 20mph Zones** Members welcomed the progress made in delivering key safety measures, including the roll out of 20mph speed limits but noted the map showing three London boroughs where their use was particularly low. It was suggested that overlaying the 20mph speed limit map with one showing road traffic incidents might be persuasive in making the case for lower speeds.	Lilli Matson / Alex Williams	September 2023	On the SSHR Panel forward plan.
39/06/23 (2)	**Annual Update on 2022/23 Delivery of the Mayor's Transport Strategy: Sexual Harassment Campaign** Feedback on the campaign would be provided to the CSOP Panel.	Lilli Matson / Glynn Barton	October 2023	An update will be provided to the CSOP Panel in the Quarterly Safety, Health and Environment Report.
39/06/23 (3)	**Annual Update on 2022/23 Delivery of the Mayor's Transport Strategy: Cooling the Tube** Information would be provided to Members on the action to be taken on cooling the Tube ahead of the summer.	Lilli Matson / Glynn Barton	July 2023	**Completed:** An update on summer preparedness was considered by the CSOP Panel in July. Funding for cooling the Tube will be considered as part of the Business Plan discussions.
39/06/23 (4)	**Annual Update on 2022/23 Delivery of the Mayor's Transport Strategy: Targets Dashboard** Members requested that future reports include a dashboard, to easily identify where targets were on the right trajectory and where more work or different interventions were required.	Alex Williams	June 2024	This will be addressed in the 2023/24 annual update.
39/06/23 (5)	**Annual Update on 2022/23 Delivery of the Mayor's Transport Strategy: Borough Delivery Reports** The engagement and collaboration with London Councils and the individual London boroughs was discussed. TfL published a London borough data pack and produced borough delivery reports that encouraged learning from successful action and identified areas for improvement. The delivery reports would be circulated to Members when published.	Alex Williams	Autumn 2023	Previous 2019 borough delivery report circulated on 12 June 2023. Work is underway on the next report, which will be published in autumn 2023.

Actions arising from previous meetings

Minute No.	Item/Description	Action By	Target Date	Status/Note
18/03/23 (1)	**Commissioner's Report: Promoting TfL's Innovative Work** Board Member Anurag Gupta had recently attended an event with the Treasury Minister, Association of Investment Companies and other City investors who had not been aware of the innovative work TfL was doing in the control centres using artificial intelligence. The Commissioner asked if Anurag could share the details of the people who attended so he could reach out to them.	Andy Lord	June 2023	**Completed:** Stakeholder details shared with the Commissioner.
18/03/23 (2)	**Commissioner's Report: 20mph Zones** An update on 20mph zones would be shared with Members, which would include a map showing current and planned zones, details of the level of speeding convictions within current zones and the work done and planned to raise awareness to change driver behaviours in 20mph zones.	Lilli Matson	September 2023	On the SSHR Panel forward plan.
18/03/23 (3)	**Commissioner's Report: Green Infrastructure and Biodiversity Plan** TfL already had a nature capital account for the estate which delivered over £300m of value to London through its natural benefits every year. The plan for green infrastructure and biodiversity would come forward later in 2023/24 and would be shared with the Board.	Lilli Matson	2023/24	The plan will be shared with the Board when available, currently expected towards the end of the 2023/24 financial year.

Minute No.	Item/Description	Action By	Target Date	Status/Note
18/03/23 (4)	**Commissioner's Report: Climate Adaptation and Business Planning** The Climate Adaptation Plan outlined the substantial challenges and risks faced and work such as increasing sustainable drainage was underway, which needed to be mainstreamed into projects where possible. The business planning process would include consideration of the expenditure required.	Lilli Matson	2023/24	This is an ongoing effort to improve our qualification of scale of investment required and the extent that this would impact risks and opportunities. Adaptation is a key element for business planning and will be a specific overlay in the current long-term plan scenario work. Once this work is complete, and we understand the gap and how to address it, we will summarise this in a written update for Board.
18/03/23 (5)	**Commissioner's Report: Taxi and Private Hire Vehicle Standards Consultation** The CSOP Panel would receive an update on the consultation launched on 27 February and closing on 12 May 2023 to improve taxi and private hire vehicle standards.	Helen Chapman	October 2023	The consultation closed on 12 May 2023 and we received almost 900 responses. We are now analysing the responses to determine next steps and an update will be provided to the CSOP Panel in due course.
18/03/23 (7)	**Commissioner's Report: Traffic Signalling Control Centre** Glynn Barton and the operational teams were working to make streets more efficient and manage signal timings for priority road users, including lane rental and working with boroughs and utility companies to move it forward. Board Members were offered a separate briefing and the opportunity to visit the control centre to see how the teams operated and the innovative technology.	Glynn Barton	July 2023	**Completed:** A visit to the Traffic Signalling Control Centre was held on 12 July 2023.

Minute No.	Item/Description	Action By	Target Date	Status/Note
20/03/23 (1)	**TfL Budget 2023/24: TTL Properties Limited Budget and Business Plan** The Board noted that the detailed work on the TTL Properties Limited (TTLP) Budget and Business Plan was slightly behind the development of the wider TfL plans and more detail would be provided in the next Finance Report to the Board.	Rachel McLean	July 2023	**Completed:** TTLP completed a standalone Interim Business Plan that was shared with the Land and Property Committee in March 2023. TTLP is now updating its full plans so they fall in cycle with those of TfL, with the 2024 TfL Business Plan due to come to the Board in December 2023.
20/03/23 (2)	**TfL Budget 2023/24: Return on Investment** TfL had forecast some increase in revenue in return on the Superloop £6m investment and was carrying out a lot of work on the bus network through the bus action plan, investment in bus lanes and building more kilometres into the service. Information on the return on investment in terms of what had proven to be the most effective in supporting customers and managing finances would be brought to future Board meetings once the data was available.	Rachel McLean	October 2023	Information will be incorporated into the business plan reporting and brought back to the Board.
20/03/23 (4)	**TfL Budget 2023/24: Capital Funding Prioritisation** On the capital expenditure of just five per cent for delivery of Healthy Streets, Alex Williams confirmed that the appropriate level of funding had been discussed at length as part of the Business Plan and that securing £150m on a recurring basis had been a significant achievement. The prioritisation of capital funding would be reviewed on a yearly basis as part of the business planning discussions.	Alex Williams	July 2023	Sessions for the 2024/25 business planning process will be arranged with TfL Board Members from July 2023 onwards.
20/03/23 (5)	**TfL Budget 2023/24: TfL's Debt Capacity** More detailed analysis of TfL's true debt capacity at different rating levels, what that meant for carrying costs going forward and how to balance capacity, rating and cost would be brought to a future meeting of the Finance Committee.	Rachel McLean	October 2023	Information will be incorporated into the next Treasury Activities update paper to the Finance Committee.

Minute No.	Item/Description	Action By	Target Date	Status/Note
22/03/23 (1)	**TfL Prudential Indicators 2023/24 to 2025/26: Debt Service Recovery and Interest Coverage Ratios** Members asked if future papers could include an indication of what the debt service recovery issue was at the authorised limit and the Interest Coverage Ratio limits, to provide a better view of whether the limits were prudent. Only the statutory ratios were included but various other ratios were calculated as part of the paper and would be incorporated going forward, including in the Finance Committee papers.	Patrick Doig	March 2024	Information to be incorporated into next cycle of setting Prudential Indicators.
05/02/23 (4)	**Commissioner's Report: Vison Zero Deep-Dive** A deep dive discussion, including the broader system changes required to meet the Vision Zero targets, would take place at a future meeting of the SSHR Panel.	Lilli Matson	November 2023	On the SSHR Panel forward plan.
05/02/23 (7)	**Commissioner's Report: Funding Conditions Assurance** Progress on meeting the wider conditions of the funding settlement would be included in future finance reports to provide assurance to the Board.	Rachel McLean	Ongoing	**Completed:** The Finance Committee is kept informed of progress with meeting the wider conditions of the funding settlement.
05/02/23 (8)	**Commissioner's Report: Cockfosters Station Housing Scheme** TfL was waiting for a decision from the Secretary of State but it would be raised again with Tom Copley, Deputy Mayor for Housing at the Greater London Authority, to work to try to break the impasse. John Hall added that his understanding of the position was that the Government was waiting for another application from TfL.	Alex Williams	Ongoing	On 17 May 2023, the Secretary of State for the Department for Levelling Up, Housing and Communities decided not to call in the planning application for TfL's development by Cockfosters Tube station and is instead content with the decision made by the local planning authority to approve the scheme.

Minute No.	Item/Description	Action By	Target Date	Status/Note
				TfL is now preparing to submit a new section 163 application to the Department for Transport which will need to be approved before construction can start.
74/10/21	**Report of the Customer Service and Operational Performance Panel: Briefing on Action on Inclusion programme.** The Director of Diversity & Inclusion would develop a comprehensive inclusion programme and the Board would receive a briefing when the work was completed.	Fiona Brunskill/ Alex Williams	Ongoing	TfL Board discussed Action on Inclusion following its meeting on 29 March 2023 which covers two areas – 'Customer' and 'Colleague'. A further update was provided to the SSHR Panel on 24 May 2023 to close out the Colleague aspect. Work remains ongoing around 'Customer' and further briefings will be provided. A paper is on the CSOP Panel forward plan for December 2023.
67/11/21 (3)	**Commissioner's Report: Safety for women and girls** The impact of the comprehensive programme to improve safety for women and girls travelling on the network would be assessed and the outcomes would be considered at a future meeting of the SSHR Panel.	Lilli Matson/ Matt Brown	October 2023	An update will be provided at the next meeting of the CSOP Panel.

Minute No.	Item/Description	Action By	Target Date	Status/Note
05/01/20 (2)	**Commissioner's Report: Bus Safety Standard Visit** Members would be offered a visit to see a bus that met the new Bus Safety Standard.	Glynn Barton	July 2023	**Completed:** Members were provided with dates for Bus Safety Standard visits in June and July 2023.

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Board

Date: **25 July 2023**

Item: **Commissioner's Report**

This paper will be considered in public

1 Summary

1.1 This report provides a review of major issues and developments since the meeting of the Board on 7 June 2023.

2 Recommendation

2.1 The Board is asked to note the report.

List of appendices to this report:

Appendix 1: Commissioner's Report – July 2023

List of Background Papers:

None

Andy Lord
Commissioner
Transport for London

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Commissioner's report

July 2023

MAYOR OF LONDON

TRANSPORT
FOR LONDON
EVERY JOURNEY MATTERS

Contents

Introduction

I am committed to keeping our transport network moving and ensuring our organisation is a great place to work

I was extremely honoured to be appointed as London's Transport Commissioner by the Mayor and the Board on 7 June. This has helped give the organisation continuity and certainty as we continue to support the capital's recovery from the pandemic, ensuring TfL better reflects the diverse city we serve while becoming the London's green heartbeat. I would like to thank my colleagues for the incredible support they have given me – they are all highly committed people who make London a better place to live and work.

On a very sad note, I am extremely concerned by the increase in suicides and self-harm incidents on the network. We have an industry-leading suicide prevention programme and will continue to raise awareness of it. Unfortunately, there has also been an increase in the number of assaults. Any form of physical or verbal abuse to our staff or customers will not be tolerated, and we continue to work with our policing partners to reduce assaults and hold perpetrators to account.

Last month, I was delighted to launch the TfL Strategy. It brings everything together in one place, outlining how we will deliver the Mayor's Transport Strategy, and our values and priorities. This will make it easier for us all to pull in the same direction, prioritise more effectively and understand how we each contribute to our purpose of moving London forward safely, inclusively and sustainably.

Having spent 30 years working across different cultures and countries, when I joined TfL I was struck by how our organisation is truly representative of the city we serve. While we have some fundamental issues to tackle, the Executive team and I are determined to make a positive difference so that everyone can progress in their career. I am extremely proud to have launched our workforce Action on Inclusion strategy with Patricia Obinna, our Director of Diversity and Inclusion. The strategy will ensure our colleagues, whatever their background, have equal access to a career in the industry and a workplace designed around their needs.

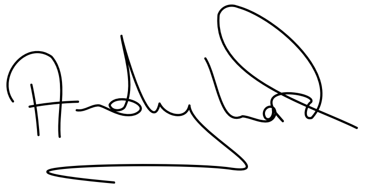
Last month, we celebrated the National Windrush Day. Since the arrival of HMT Empire Windrush 75 years ago, the Windrush generation and their descendants have made vital contributions to British society, and our transport network. London's transport system, much like the wider city itself, would not have been able to function without them. I was also delighted to join the Pride in London parade, along with 150 colleagues including members of the Executive Committee, on our bus which was in a striking design. Our ambition for the future is to embed diversity and inclusion in everything we do, and make TfL an even better place to work for everyone.

We also continue to improve the public transport network in different parts of London. On 15 July, we launched the first phase of the proposed Superloop bus network with the rebranded SL8 between Uxbridge and White City, and we will continue our effort to connect outer London town centres with sustainable travel options. I was also pleased to meet with the Leaders of Camden, Kensington and Chelsea, and Southwark councils to discuss local priorities and improve our offer to all Londoners.

Howard Carter, our General Counsel, has announced he will be retiring from TfL at the end of September. Since joining in 2006, Howard has guided our organisation through some of its most challenging periods, providing wise counsel and advice. He will be greatly missed by colleagues and Board members.

We will never forget the day of the Sandilands tragedy. Since the tram overturning in 2016, we have delivered robust and lasting safety improvements and we continue to review our operations and work with the wider tram industry to ensure that we have the safest possible network. Safety continues to be at the forefront of everything we do.

Lastly, I would like to pay my respects to those who lost their lives in the 7 July bombings, 18 years ago. I represented TfL at the Hyde Park memorial and laid a wreath on behalf of all of us alongside the Mayor and colleagues from the emergency services and GLA family. We will never forget those who lost their lives, and the families and friends of all those affected.



Andy Lord
Commissioner

Safety and environment

We are undertaking a range of actions and improvements to make our network as secure as possible

Tackling work-related violence and aggression remains a priority

Safety incidents on the network

On 8 June, the wheelchair of a person who arrived at a bus stop as the bus was preparing to depart, became caught on the rear wheel arch of the bus as it left the bus stop. Luckily, the wheelchair user and their chair remained upright, and the driver brought the bus to a safe stop without any serious injuries.

The replacement of wing mirrors with camera monitoring systems, already fitted to 971 vehicles as part of the Bus Safety Standard, will help reduce blind spots and provide enhanced visibility for our bus drivers, particularly in poor weather and lighting conditions, and reduce the likelihood of similar future incidents.

Work-related violence and aggression

Tackling work-related violence and aggression towards our colleagues is a priority for us and our policing partners in the Metropolitan Police Service (MPS), British Transport Police (BTP) and City of London Police, and we want to ensure our colleagues are able to do their job without the fear of abuse or attack.

We continue to deliver on the commitments set out in our Work-related Violence and Aggression Strategy, endorsed by the Safety, Sustainability and Human Resources Panel in 2020, to keep our employees safe and provide excellent support and care when they experience violence or aggression at work.

More than 8,000 of our colleagues have access to more than 4,100 body-worn video cameras across 330 locations, and we are looking at options to further increase the use of this technology in areas where it is currently optional. New independent research from the University of Cambridge shows that the cameras are effective in preventing violence and improving criminal justice outcomes, with broad support from frontline transport workers.

We now have 112 Transport Support and Enforcement Officers working across all our networks, providing support to operational customer-facing colleagues and tackling the triggers of workplace violence and aggression. Our Transport Support and Enforcement Officers are now deployed across the Underground network, ensuring they can directly address the anti-social behaviour of people who threaten to push through our gates, intimidate other customers and damage our infrastructure. To date, these officers have carried out 521 gateline interventions across the Tube and rail network.

Our policing partners have an essential role in keeping our colleagues safe, investigating incidents and holding perpetrators to account. This includes high visibility reassurance operations where colleagues are concerned about their safety. Recent violent attacks on colleagues at Harrow-on-the-Hill and Walthamstow Central stations and on a route 115 bus resulted in suspects being arrested and charged quickly.

We are working with the Rail Delivery Group, Network Rail and other Train Operating Companies to share knowledge and information on tackling this problem that is experienced across the transport industry. We will also continue to engage with our trade unions on this matter to ensure the safety of our workforce.

Sandilands tram overturning

We will never forget the day of the Sandilands tragedy. Our thoughts will always remain with those that died, the 62 people injured and the families and friends of everyone involved. This tragedy has had a profound effect on everyone working at TfL, particularly our London Trams colleagues.

Safety is our priority and we continue to put safety at the forefront of everything we do. Since the tragedy, TfL has delivered robust and lasting safety improvements and we continue to review our operations and work with the wider tram industry to ensure that we have the safest possible network. The tragedy has also led to learnings which have been taken across our other modes of transport.

The Office of Rail and Road (ORR) is prosecuting TfL and Tram Operations Limited for breaching section 3 of the Health and Safety at Work etc. Act 1974 (the 1974 Act). Section 3 places a duty on employers to conduct their work so as to ensure, as far as is reasonably practicable, that people affected by it are not exposed to risks to their health and safety. At the first hearing at Croydon Magistrates' Court on 10 June 2022, TfL and Tram Operations Limited indicated a guilty plea.

The ORR also prosecuted the tram driver for breaching section 7 of the 1974 Act. Section 7 requires reasonable care to be taken by employees to protect the health and safety of those affected by their actions or omissions at work. The tram driver pleaded not guilty and the trial took place between 16 May and 19 June 2023 before a jury at the Central Criminal Court. The jury found the driver not guilty.

TfL and Tram Operations Limited are preparing for the sentencing hearing which has been listed to take place on 24, 26 and 27 July 2023.

Inquests

On 18 September 2019, Christian Tuvi, a self-employed contractor working for Cleshar Contract Services, was fatally injured while cleaning a moving walkway at Waterloo Underground station. London Underground was an Interested Person in the inquest, which took place before a jury between 5 and 16 June. The jury determined Mr Tuvi died of an accident and gave a narrative conclusion as to the circumstances of his death. The Coroner has issued a Prevention of Future Deaths report to the Department for Transport (DfT) and the ORR.

Crime and antisocial behaviour on public transport

The safety of our customers and staff is our top priority and London's transport network remains a safe and low crime environment. A core part of our approach to ensure the safety and security of our customers and colleagues is through our funding and working in partnership with the MPS, BTP and City of London Police.

Our policing partners continue to prioritise their work on high-harm offences, including: serious violence and robbery, and keeping knives off our network; tackling violence against women and girls; hate crime; and safeguarding children and vulnerable adults.

They work alongside our own enforcement teams and use a range of tactics to deter, disrupt and detect offenders, and reassure customers and colleagues as part of regular operations on the network.

We have seen an increase in levels of robbery across the network, reflecting London-wide and national trends. Measures have been put in place to reduce these, with significant work from both the MTS' Roads Transport Policing Command (RTPC) and BTP.

Operation Surge, which targets crimes such as violence and robbery, is one example of the RTPC's work to address these problems and involve all Safer Transport Teams. The operation involves flooding a hotspot area with police and enforcement officers, including officers from the roads policing teams and dog section, to work together to tackle problems in these high-crime areas. This work gives the public reassurance through the presence of a range of officers and acts as a deterrent to offenders. During the months of June and up to 10 July, the operation resulted in 160 arrests and 289 vehicle seizures.

The BTP is running Operation Invert, which also focuses on robbery offences, using a combination of tactics and community engagement to tailor actions and resources based on shared daily intelligence information. During June and up to 10 July, the BTP deployments led to 70 arrests, 217 stop and searches and 12 seized weapons. The joint working with our funded policing partners continues to be a success and ensures a consistent approach.

Tackling violence against women and girls

We continue to focus on our role in the Mayor's ambition to end violence against women and girls, leading on how we can make our workplaces, public transport, taxi and private hire vehicles and public spaces safer. It is vital that we listen to women and girls and their views are central to our approach and decision making.

We have commissioned two pieces of in-depth research to get a better understanding of how safe women and girls feel when using our services and their experience of violence and sexual harassment on our network, and also explore whether potential sexual harassment is a barrier to cycling for women and girls.

This research will be used to understand the scale and type of behaviours and situations that leave women and girls feeling unsafe: their personal and shared experiences, how this affects the way in which they travel and what would make them feel safer. The research will be used to inform our ongoing approach and interventions for tackling violence against women and girls, and work towards improving their confidence to travel.

We are also uniquely placed to engage directly with school children who use our services, to help tackle the endemic issue of violence against women and girls in society. Our Project Guardian school sessions, delivered by the London

Transport Museum, launched in 2015 and have reached an audience of 40,000 Year 9 pupils (about 6,000 per year).

The sessions aim to: promote awareness and recognition of sexual harassment on public transport; reinforce the meaning of consent; empower students to respond appropriately and safely; encourage the reporting of incidents; and increase confidence that reports will be acted on.

Sessions also play a preventative role in helping pupils spot the types of behaviour that can constitute sexual harassment and consider their own behaviour. Delivering sessions to students of all genders ensures we educate them on what constitutes sexual harassment. This year, we will expand Project Guardian in schools with the aim of reaching up to 28,000 pupils each year starting this year.

Revenue protection

As part of our revenue protection programme, we have invested in new ways of analysing information to ensure that the work of our enforcement teams is intelligence-led and that the combined enforcement resources are being used to maximum effect to tackle fare evasion while also incorporating other safety and security objectives.

We recently refreshed the performance and oversight of revenue teams for each mode through a monthly forum that considers data and insight to review trends and measure the effectiveness of our operational enforcement activity.

Through this forum, we promote collaboration across modes, share best practice and coordinate joint operations with our policing partners. We continue to review and update our tactics and we are significantly increasing revenue checks within Tube stations.

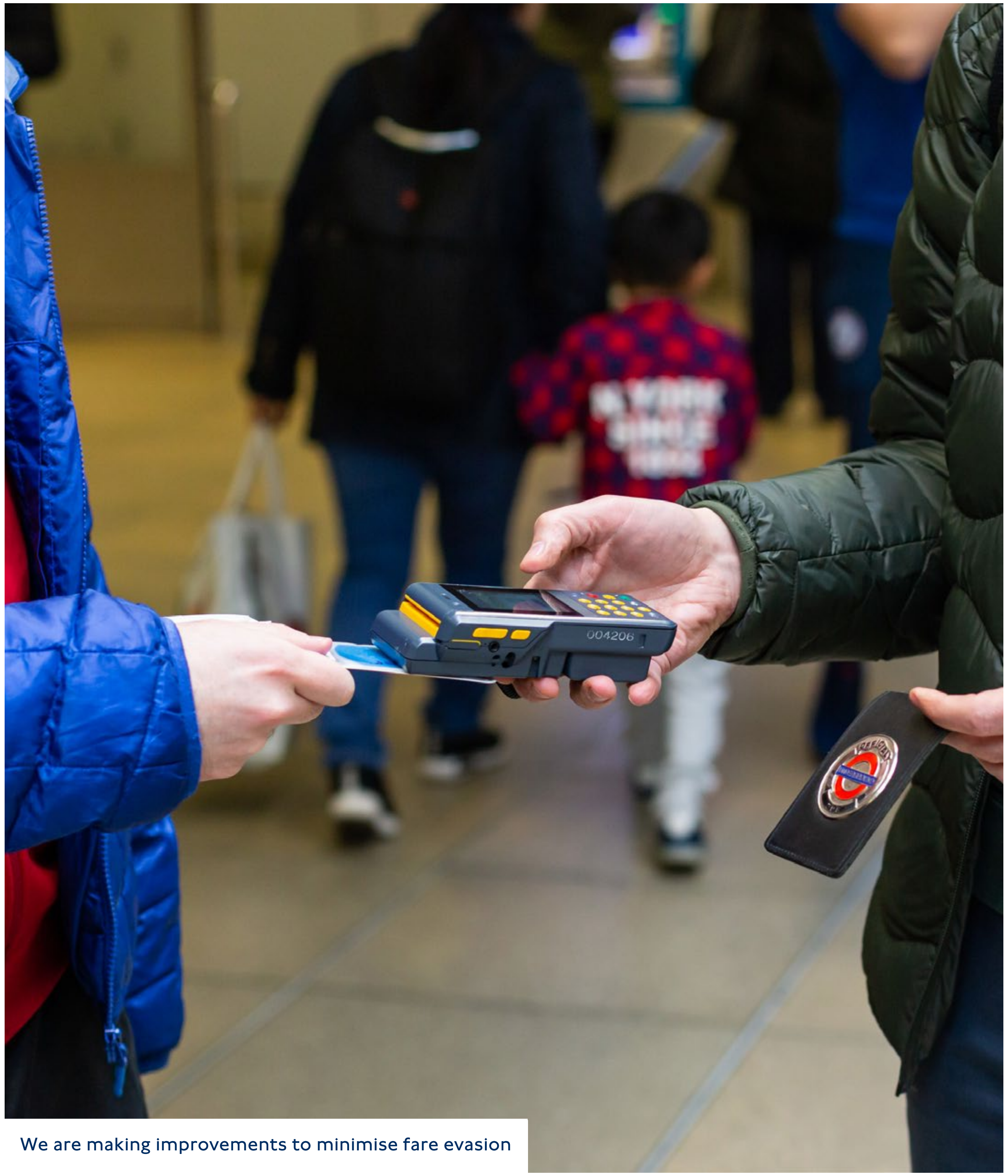
A key element of our revenue protection programme is to minimise the risk of fare evasion. We are in the early stages of reviewing potential improvements in the wide aisle gate with our gateline supplier. Designed to improve access for wheelchair users, those with reduced mobility and customers travelling with luggage, it also strengthens our gateline to prevent future fare evasion.

Suicide Prevention Programme

Safeguarding our most vulnerable customers is a priority for us and our transport policing partners. We work to ensure that children and adults at risk, including those experiencing a mental health crisis or sleeping rough on our network, are safe from harm or exploitation on our network. Suicide prevention is an essential part of this work.

The Suicide Prevention Programme continues to offer support and training to our colleagues, with more than 95 per cent of station colleagues now trained in suicide prevention.

Interventions continue to be high, with more than 40 interventions each period this year, this is the second highest rate at this point of the year since records began in 2017. On 6 June we supported the



We are making improvements to minimise fare evasion

Baton of Hope initiative as the Baton of Hope travelled through 12 cities in the UK, ultimately finishing in London at the Houses of Parliament. The charity seeks to raise awareness of suicide prevention and the need for change in suicide prevention policy.

Hate crime

Hate crime is abhorrent and has no place in our city. For our public transport services to be safe and welcoming for everyone, we all play an important role in looking out for each other. We are committed to taking action against those committing hate crimes and are working with our police partners to protect our customers and colleagues while provide support to victims.

Our original 'Hands Up' campaign, launched in June 2021 with our police partners, communicates our zero tolerance approach to abusive behaviour and hate crimes committed on our networks. Everyone has the right to use public transport without fear of abuse because of their disability, gender or gender identity, race or ethnic identity, sexual orientation, or religion or belief.

Our hate crime campaign aims to create a sense of unity, with Londoners standing together against hate crime and abuse on public transport. A key element to the campaign is making clear that hate crime and abusive behaviour towards customers or colleagues will not be tolerated, every report is taken seriously and investigated, and that such behaviour can result in a criminal record for the perpetrator.

We also partner with anti-hate crime organisations to reassure communities that feel vulnerable to victimisation. We work to assure people that we take this seriously, encourage our customers to report hate crimes to the police or through third party organisations and remind people of the support available for those dealing with the effects of this sort of crime.

On 27 June, TfL was recognised as one of the best transport providers by London TravelWatch for our work on personal security, scoring full marks in the 'bystander intervention' category. This category gave a score to the guidance that organisations give to passengers on how to intervene safely if they witness incidents of sexual harassment or hate crime.

On 1 July, LGBTQ+ communities across London came together to celebrate Pride. The MPS and BTP worked with us throughout the event to help amplify our zero tolerance to hate crime and ensure that the event ran smoothly. The Camden and Islington Safer Transport Team ran a community engagement event with a gazebo, Pride bunting and crime prevention leaflets outside King's Cross station. The team has been active in engaging with the LGBTQ+ community, and help raise awareness of the work it does to help keep people safe on our network.

We have a number of ways for customers to report these incidents. We encourage anyone who experiences or witnesses a crime to report it by texting 61016, or via the free Railway Guardian app. If customers experience or witness a crime and the offender is present, we ask that they report it to station staff who will contact the BTP immediately. On the bus network, customers can report an incident through the MPS website or by calling 101. In an emergency or if the suspect is still at the scene, they should call 999.

Vision Zero

Police activity to support Vision Zero

Police activity and enforcement is an essential part of our approach to achieving our Vision Zero goal of eliminating all death and serious injury on the road network by 2041. In our work to improve safety on our roads, we are making good progress on our commitment to increase the levels of speed enforcement undertaken by police, building the capacity to enforce up to one million offences a year from 2024/25.

As part of its efforts to tackle road danger, the RTPC takes part in monthly national campaigns coordinated by the National Police Chiefs' Council focusing on the four fatal offences seen across the country. These operations are themed around national road danger enforcement priorities and are an important element of the RTPC's operational activity. The focus for June was seatbelts.

Between 12 and 25 June, a total of 1,180 traffic offence reports were issued, including 398 vehicle seizures – 342 for no insurance, 339 for speeding and 68 for drink and/or drug driving offences. Operation Cubo, a highly visible policing operation targeting illegal driving to reduce risk and harm on London's roads, took place between 6 and 27 June. A total of 1,156 tickets were issued as part of this work.

An important part of our approach to tackle speeding is the Community Roadwatch initiative led by the RTPC's Safer Transport Teams. As part of the initiative, sessions are held to give members of the public an opportunity to work alongside the police to tackle speeding on local roads, particularly 20mph. Speeding motorists are issued a warning letter for the first offence as part of a graduated enforcement approach. The scheme is well received by the community. During June, 53 sessions were held and 889 letters were sent to speeding motorists.

New lowering speeds educational campaign

On 10 July, we launched a new lowering speeds educational campaign to inform road users, particularly drivers, on the reasons behind the introduction of 20mph speed limits, highlighting the positive outcomes the programme has already achieved.

The campaign is in response to feedback from recent consumer research groups which identified a real and often angry response from London drivers to reduce their speed in 20mph zones. This campaign will sit alongside our other ongoing campaign which aims to showcase our commitment to make sustainable travel in London better for everyone.

We work with our policing partners to keep our roads safe

Since the 20mph speed limits were introduced across our road network, there has been a 24 per cent reduction in collisions resulting in death or serious injury.

This educational campaign will work alongside the new speed influence campaign, helping to bridge the gap between the lack of understanding behind the implementation of the 20mph speed limit and why there is still a need for the behaviour change highlighted in the campaign.

Lowering speed limits

Work is progressing well on the lowering speed limits programme. To date, more than 142km of our roads have a 20mph speed limit and we are on track to introduce 20mph on 220km of our roads by 2024.

In 2020, we reduced the speed limit on all our roads within the central London Congestion Charging zone to 20mph and preliminary data shows that this has led to a 24 per cent reduction in fatal and serious injuries. The reduction in collisions resulting in death or serious injury should be seen in the context of a London-wide reduction in this area of around 10 per cent over the same period, demonstrating that reducing speeds is an effective way to improve safety when comparing to roads where speed limits have not been reduced.

To achieve our 2024 target, the programme will consist only of signing and lining changes, and lamp column mounted banners. If necessary, physical interventions to make the speed limits self-enforcing will be put in place at a later stage.

The remainder of the programme is scheduled for delivery by March 2024 at locations in Enfield, Hounslow, Merton, Richmond, Sutton and Wandsworth. To align with a Healthy Streets project on Albert Road in Newham, a new project has started to introduce a new 20mph speed limit in and approaching the north and south Woolwich Ferry terminals. These projects are approaching the end of concept design.

Plans to further improve lorry safety in London

London's safety permit scheme for heavy goods vehicles (HGVs), first introduced in 2019, requires all operators of HGVs weighing more than 12 tonnes to apply for a free safety permit to operate in London, regardless of a vehicle's Direct Vision Standard (DVS) star rating. A vehicle's DVS star rating is based on how much of the area around the vehicle the driver can see directly through their cab windows. This is the area where collisions are most likely to take place.

A total of 262,673 safety permits have been issued, including nearly 6,128 vehicles with 5-star ratings, providing the highest levels of direct vision. More than 156,000 zero-star HGVs have now had safe systems fitted, improving protection for people walking, cycling or riding e-scooters or motorcycles.

The scheme's average daily compliance is also very high, with more than 94 per cent of HGVs in London now operating with a safety permit, and hauliers reporting that they are building DVS requirements into future purchasing decisions.

On 13 June, together with London Councils, we announced further improvements to the scheme. From 28 October 2024, HGVs weighing more than 12 tonnes will need to have a three-star DVS rating or fit the Progressive Safe System to operate in Greater London. This will mean that HGVs with ratings from zero to two stars will be required to have additional safety equipment if they do not already meet Progressive Safe System requirements.

These improvements to lorry safety will help make our streets safer for everyone.

Bus Safety Standard

We are redoubling our efforts to tackle the number and severity of injuries to bus passengers, with road collision data for 2022 highlighting the number of people killed or seriously injured on or by a bus has increased by 56 per cent compared to the previous year. In 2021, the number of people travelling by bus was significantly impacted by the pandemic and subsequent lockdowns.

We are making significant improvements to bus safety, including to the design of bus interiors. We are inviting suppliers of innovative solutions that address the common causes of customer injuries to apply for our fully evaluated, in-service bus trials. This involves gathering additional information about slip, trip and fall incidents (which account for around two-thirds of passenger injuries), and engaging with passengers and drivers around solutions to the most common causes of incidents.

Zero-emission buses

Our bus fleet now has more than 950 zero-emission buses, over 10 per cent of the fleet, in service. Our zero-emission buses include battery electric buses, 'opportunity charged' electric buses and hydrogen buses. Such newer and cleaner technology is helping improve air quality across London and reduce carbon emissions, supporting our work to tackle the climate change emergency and further contributing to the Mayor's ambition of London being a net zero carbon city by 2030.

We continue to add zero-emission buses to the fleet with the introduction of new zero-emission buses in Sutton. We also supported this year's Pride in London with a zero-emission bus that was wrapped in a special, colourful design to mark the occasion and take part in the Pride parade.

Works are progressing on the route 358 electric 'opportunity charging' trial, where buses are charged multiple times throughout the day for a power boost. This will see the use of pantograph charging infrastructure at either end of route 358 in Bromley and the introduction of 20 new single-deck electric buses. These new buses also feature enhanced customer and safety features.

We continue our engagement with bus operators and bus manufacturers to ensure we develop and build a competitive zero-emission market, this will help us build on our current fleet success and achieve our target of a zero-emission bus fleet by no later than 2034.

New technology is helping us improve air quality across the capital

Bus priority programme

In collaboration with the London borough councils, we are continuing to progress design work for multiple new bus lane schemes across London as part of the programme to introduce 25km of new bus lane by 2025.

The programme includes significant schemes on Prince Regent Lane in Newham and at Lower Clapton Road in Hackney, which will increase bus lane coverage on the corridor by up to 50 per cent.

To date, we have delivered 4.14km of new bus lanes, including the recently completed transformational scheme at Wealdstone Town Centre which delivered 170km of new bus lanes and wider public realm improvements. We are on track to deliver 10km of new bus lanes by March 2024.

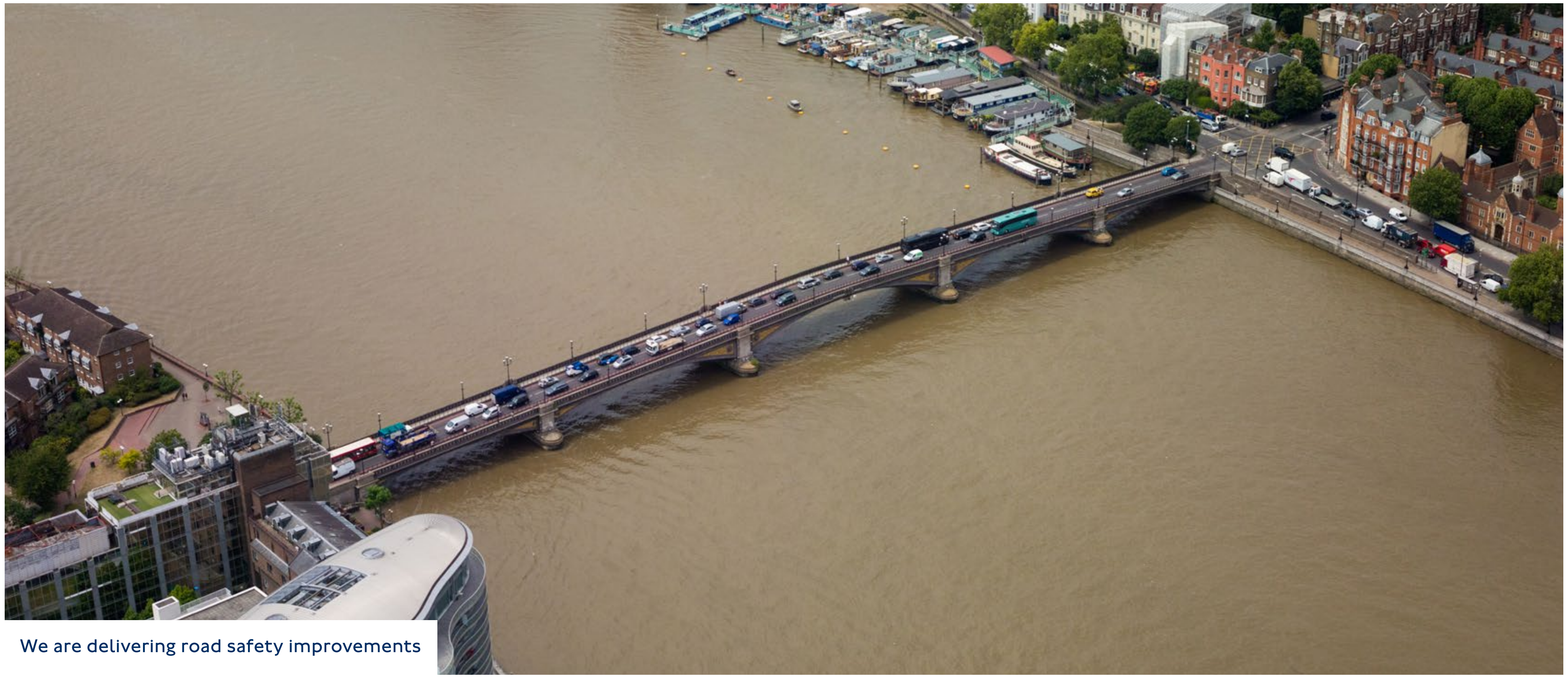
We are carrying out an early assessment of potential bus priority interventions on the corridors of the proposed Superloop network. The Superloop would be a network of limited-stop express bus routes that circle the entire capital, provide quicker journey times and connect outer London town centres, railway stations, hospitals and transport hubs. The proposed Superloop is subject to consultation, the results of which will be considered in due course. The early assessment will assist in identifying a programme of proposed Superloop Bus Priority schemes should the proposed Superloop proceed.

Safer junctions

With the recent completion of the York Road roundabout scheme in early May, improvements have now been made at 44 of the 73 junctions originally identified under the Safer Junctions programme. This scheme delivers safety improvements for motorcycle users and pedestrians by introducing new spiral markings to guide drivers to the correct lane and by implementing pedestrian crossings that will provide countdown traffic lights for pedestrians at existing crossings.

Construction work continues on the Holloway Road/Drayton Park safer junction, which will improve safety for pedestrians with new and improved crossings and is due for completion in spring 2024.

On 13 June, we published the consultation report for safety improvements at Battersea Bridge. We accelerated plans to improve safety on the bridge following a passionate local campaign after the tragic death of Jack Ryan in January 2021. The first phase of works on the north side of the bridge was completed in November 2021 and included a new pedestrian crossing, wider pavements and a lower speed limit of 20mph.



We are delivering road safety improvements

Following local engagement, last year we consulted on further proposals to make additional safety improvements to the rest of the junction. After fully considering the consultation responses, and further engagement with the Royal Borough of Kensington and Chelsea, we are moving forward to improve the north and south sides of the bridge, including new pedestrian crossings, bus lanes, cycle signals and a section of protected cycle track. We aim to start work on the changes this winter.

The remaining schemes on the programme are in design stages or part of schemes which have been implemented under experimental orders, and a further review of these junctions will take place once a decision is made on whether these changes will be permanent. These include junctions within the A10 Bishopsgate scheme and the cycle C50 works on the A1.

The road safety programme continues, with about 40 schemes across London at locations where there is an identified road safety concern. Most of these schemes are at early design stages, but we have progressed to work on site on improvements to a pedestrian crossing on the A4 Bath Road in Hillingdon and are due to go on site with a scheme on the A10 at Edmonton County School in July to improve the entrance and exit. Both locations have previously sadly had fatal collisions nearby.

Organisational safety

Safety, Health and Environment management system

A major milestone was reached on 1 June when we completed a three-year project to update and completely overhaul our Safety, Health and Environment (SHE) management system. How to manage safety, health and environmental considerations is not the preserve of specialists but should instead be at the heart of everything that we all do. This is why we have created the new management system: to provide a place for all things relating to safety, health and environment, where colleagues can access digital content to help them better understand what they must do to comply with our instructions and guidance, and enable them to access the tools they need to do this.

Over the launch period, the new site had around 45,000 hits and more than 2,500 new users, and feedback from colleagues has been very positive. The new management system gives us a firm foundation on which we can continuously improve our safety, health and environment performance.

Safety, Health and Environment leadership engagement tours

We have launched a refreshed approach to our SHE leadership engagement tours. The purpose of the tours are for our leaders to go out and engage with colleagues. The initiative provides new guidance and training but also uses the new digital assurance tool, where completion rates are recorded and reported as a key indicator of SHE performance.

The approach encourages our leaders to have conversations that enable them to understand how colleagues think and feel about SHE, and brings an opportunity to highlight and reinforce positive behaviours and actions. As part of the approach, our Chief Safety, Health and Environment Officer, Lilli Matson, and Chief Operating Officer, Glynn Barton, visited the Northumberland Park Maintenance Depot last month. It gave colleagues an opportunity to share their ideas and concerns, and ensure everyone is working together.

Capital safety

The Capital Safety, Health and Environment Improvement Plan is currently delivering two significant projects.

The first set of improvements is being delivered by our engineering and asset strategy teams and focuses on educating our teams on environmental impacts and how to effectively reduce these. A specific outcome of this improvement is for us to have a consistent approach to carbon baselining, meaning the amount of carbon dioxide we emit before any activity to reduce these, and the reduction of emissions across new projects. Topics covered so far include carbon management and reduction, green infrastructure, biodiversity and insights into climate adaptation and flooding.

The second piece of work has been an interactive focus to bring safety, health and environment issues to life on site, titled the LEGO campaign, or Learn, Engage, Get Out. Following educational and practical sessions in May, the months of June and July have been our Get Out months, where we have encouraged as many of our capital and engineering people as possible to get out to site, particularly where their roles are normally more office based. Our aim is to improve engagement with the people who are delivering our capital projects, show them we are supporting them and for us all to take the opportunity to learn and improve.

SHE measures within the Chief Capital Office during the period of this report have generally been good, improving on performance this time last year. However, a potentially high risk incident took place on our Piccadilly Line Upgrade works, with a person operating a drill striking a high-power cable. Fortunately, there was no injury, because the cable was not 'live' at the time. This incident is the subject of an ongoing investigation between us and the cable's supplier so that lessons can be learnt and are shared widely in our organisation and with our suppliers.

Air quality and the environment

London-wide Ultra Low Emission Zone

Our 24-hour/364 day a year Ultra Low Emission Zone (ULEZ) was world leading when it was introduced more than four years ago in central London and, in just over a month, will take another big step forward in our fight against the triple threats of air pollution, the climate emergency and traffic congestion when it expands from inner London to operate London-wide.

Our vehicle scrappage scheme is already playing a significant role in helping many people and businesses prepare for the ULEZ expansion, and the extension of the eligibility criteria will mean that even more people and businesses can now benefit.

On 1 June, it was confirmed the scheme would be expanded to: provide support to all small businesses in London with 50 or fewer employees; enable charities operating in London to scrap or retrofit up to three vans or minibuses instead of just one; and include all London families receiving child benefit. This additional support will launch on 31 July. At the same time, applications will open for two new grace periods for small businesses and charities who have booked a retrofit or ordered a new vehicle but are unable to receive it ahead of 29 August.

We continue to install infrastructure to support the launch of the London-wide ULEZ, placing signs and enforcement cameras on TfL as well as borough roads in the 24 London boroughs where works have been identified as required. Work is progressing in all 24 boroughs, subject to obtaining street works permits. In 17 of those we have done so with the agreement of the Borough council concerned and in the seven remaining boroughs we are doing so under our direct installation powers, following consultation on work designs. We have supported boroughs by reimbursing officer time or giving requests for additional review time where possible.

We are preparing for the launch of the London-wide ULEZ

We have been in discussions with seven highways authorities outside London to install signage to warn motorists they are nearing the zone. We have signed an agreement with one authority and discussions with others are ongoing.

Since 14 July, 1,699 enforcement cameras and 1,669 signs have been installed..

There are ongoing reports of vandalism to infrastructure and all incidents are reported to the police, with some arrests made. We are working closely with suppliers and the police to reduce the risk of further incidents.

Judicial review by Hillingdon Council and others of the Mayor's decision to expand ULEZ London-wide and grant scrappage scheme funds

The judicial review hearing of the London Boroughs of Bexley, Bromley, Hillingdon and Harrow, and Surrey County Council challenge of the Mayor's decision to expand ULEZ London-wide and to approve £110m in funding for the associated scrappage scheme took place on 4 and 5 July. We expect to receive the judgment by the end of the court term on 31 July.

ULEZ communications campaign

Our extensive multi-channel marketing campaign is continuing to raise awareness of the ULEZ expansion and the associated support available, encouraging Londoners to check their vehicles and emphasising the health benefits of the scheme.

Our large-scale, high-reach multi-channel campaign includes TV, video on demand, radio, posters, fuel nozzle advertising, press, digital and social. Targeted communications include customer emails, face-to-face leafleting in locations in outer London with large numbers of people, as well as through door drop campaigns such as leaflets and letters sent using third party open data. Letters are also being sent via the DVLA to owners of non-compliant vehicles seen in the outer London expansion area.

We also continue to raise awareness of the scrappage scheme through advertising and third-party support offers on radio, social media, digital channels and leaflets.

In response to the campaign activity, we are seeing large numbers of people checking whether their vehicle complies. Since 25 November we have had 12.3 million page views and 6.2 million unique visitors using the vehicle checker tool on our website.

Alongside this, we have also brought together a range of special offers from clean air partners to assist individuals, charities, and small businesses affected. We have recruited 30 partners who are making special deals available to individuals and businesses who are eligible. This includes offers around cycling, scooters, e-cargo bikes and car/van clubs and rental offers.

Progress on our environmental journey to net-zero

Transition to LED lighting

We have now converted more than 50 per cent of lighting in bus shelters across London to LED lighting, reducing waste and energy consumption, and associated carbon emissions by 57 per cent. This is just one of the steps we are taking towards making our operations net zero carbon by 2030.

Across London, there are around 14,000 bus shelters that have long relied on traditional lighting to keep them lit. However, advancements in technology have meant that we have been able to roll out greener, more environmentally friendly LED lighting.

Testing shows that the new lighting uses around 57 per cent less energy, but provides 10 per cent brighter lighting, making the shelters both more welcoming and improving safety for customers, especially at night.

We expect to convert all lighting in bus shelters, including those used in advertising panels, to LED lighting by the end of March 2024. Once complete, we will have reduced associated carbon emissions by more than 1,000 tonnes of CO_2 annually.

In addition to bus shelters, we are working across our entire network to upgrade to LED lighting to help further reduce costs while improving customer benefits and minimising the long-term impact on the environment. At least a quarter of all Tube stations across London have been converted to only use LED lighting, with more planned for conversion in the coming months and years.

Customer lighting at tram stops served by London Trams have been converted to LED lighting, and work is also taking place to upgrade lighting at bus stations across London, as well as at Tube depots, and the London Trams depot in Croydon. Around 50 per cent of all lamp columns on our roads now also use LED lights, with work under way to convert more of these lamps as soon as possible.

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Wildflower verges

Following successful trials across north London, we have now delivered an additional 74,000 square metres of wildflower verges this spring. This takes the total number of wildflower verges across our road network to almost 130,000 square metres, equivalent to 18 football pitches. We carried out the first cut-and-collect session for the year for around 75,000 square metres of grass verges, and signs have been introduced on site to highlight that they have started their journey to become wildflower verges. The cut-and-collect process involves grass cuttings being collected after mowing, leading to increased biodiversity and better conditions for wildflowers to thrive.

The programme is a key part of our Green Infrastructure and Biodiversity Plan, due to be published soon, which sets out the ways in which we will respond to the ecological crisis and its impact on the capital's ecosystems. Sites have been selected to allow a one metre cut boundary to contribute to civic pride. They are not being located near shopping areas to help prevent litter.

Increasing the number of electric vehicle hub sites

We shared a prior information notice with the industry in June, ahead of launching a tender process later this year to find a joint venture partner to work with us on delivering multi-use electric vehicle charging hubs. By doing this, we can ensure that we are working collaboratively with the industry in a way that enables us to create a valuable and effective partnership that helps further London's sustainability credentials while also generating vital income to be reinvested into the network.

We are increasing the number of wildflower verges, including in Hillingdon

The joint venture partnership will focus on delivering off-street hubs, which can cater to a large customer base, as well as strengthen the connection between people and the places they share by including retail and welfare facilities on some of the larger sites, where possible.

The partnership will initially work on five potential sites, with the potential to increase the number of sites available over time.

By creating a joint venture partnership specifically, this opportunity will enable us to directly shape the design and delivery of the hubs while generating long-term revenue, which can then be reinvested back into the transport network.

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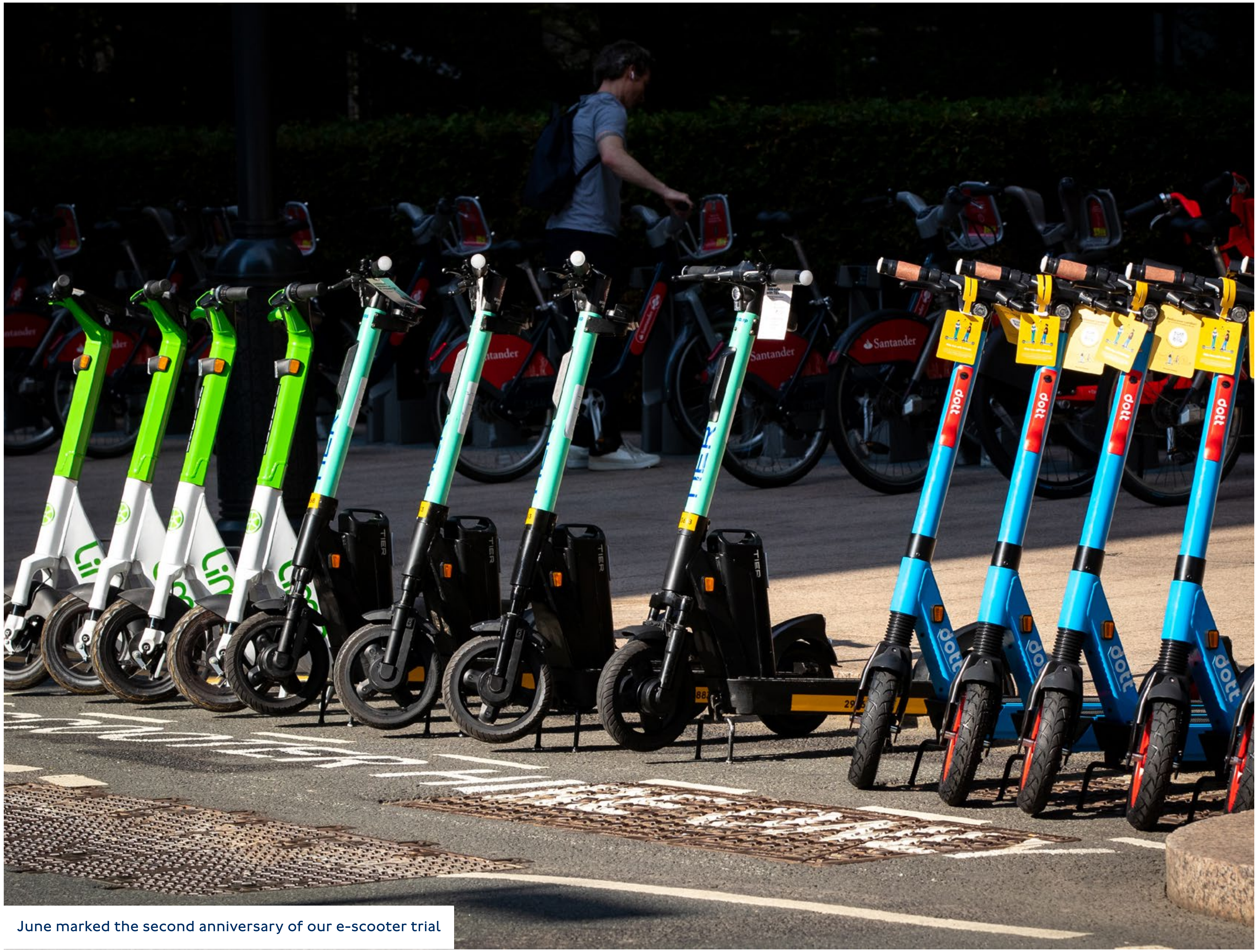
E-scooter rental trial

In June, we celebrated the second anniversary of London's e-scooter rental trial. The trial launched in June 2021 and has expanded significantly since then, with 10 participating boroughs, 600 designated parking bays and more than 5,000 e-scooters now available for hire. Since launching, more than 2.5 million journeys have been made, covering 6.46 million kilometres – the equivalent of travelling 161 times around the world. The average e-scooter trip duration was 17 minutes and the average distance travelled was 2.5km.

The trial has focused on safety throughout, supporting the Mayor's Vision Zero target to eliminate all deaths and serious injuries on London's roads, and operators are selected based on their ability to meet strict safety requirements and high operating standards. The trial's safety



June marked the second anniversary of our e-scooter trial standards go beyond national standards, including a speed limit of 12.5mph, larger vehicle wheels and lights that stay on for the full duration of any rental. Operators are responsible for ensuring trips end with the e-scooters being returned to a bay and are currently reporting parking compliance at 95 per cent.

We have published interim findings with data from the first 18 months of the trial, from June 2021 to November 2022. These show that there have been no fatalities and 0.001 per cent of trips resulted in serious injury. A further report will be published in due course, reviewing all data from the first phase of the trial.

In response to DfT guidance that allows local authority trials to continue until 31 May 2024, a competitive procurement process for operators to run the next phase of London's rental e-scooter trial was launched in November 2022. Contracts have now been awarded to operators Dott, Lime and Voi and will begin towards the end of September. The next trial phase will build on learnings from the current trial, as well as provide operators with opportunities to test new onboard technologies, including pavement riding detection, tandem riding detection and acoustic vehicle alerts.

Electric Vehicle Infrastructure Strategy and delivery

It is expected that London will need between 40,000 and 60,000 electric vehicle charging points by 2030, including up to 4,000 rapid chargers. A further two batches of sites of TfL's Electric Vehicle Infrastructure Delivery programme were released on 9 June, which realises our aim to accelerate the release of further sites to the market.

In May, we awarded Zest a contract to roll out 39 new electric vehicle charging bays across 24 locations in south and southwest London by the end of 2024 including outer London boroughs such as Sutton and Bromley. The charging infrastructure will be placed in parking bays near key routes used for essential road journeys typically made by high mileage, commercial users – including taxis and freight.

Green finance fund

A £500m Green Finance Fund was established by the Mayor to help organisations achieve net zero by 2030. The fund will support projects delivering benefits in energy efficiency, clean transport or renewable energy and is open to organisations in the Greater London Authority (GLA) Group, any of London's 32 local authorities, social housing providers, NHS bodies, universities and colleges.

Organisations can bid for loans of £1m to £75m, with flexible loan terms and lower interest rates than the Government's Public Works Loan Board public sector lending scheme. The funds can be used for capital expenditure, with projects that will be operational within the next three years being prioritised.

The Mayor has agreed in principle to make up to £34.2m from the fund available for TfL to finance various projects in the next three years. These include new LED lights at Underground stations, replacement LED streetlights, new solar panels at Tube depots and energy efficient improvements to TfL buildings across the city. These projects are estimated to save at least 8,900 equivalent tonnes of carbon dioxide each year and a detailed application for each project will be developed and submitted to the GLA for final approval by September.

Carbon Literacy training programme

Our Carbon Literacy training programme aims to increase awareness among our people about carbon, its role in climate change and how we can individually and collectively reduce our carbon consumption and emissions as we move towards our ambition of becoming a net-zero carbon city. Working with the Carbon Literacy Project and the DfT, we developed an accredited course for people in our organisation and started peer-led training with colleagues last summer.

In the first nine months, we trained about 800 colleagues. In March, we set ourselves the challenge to build a network of at least 60 volunteer in-house trainers and train a further 3,000 colleagues in the 2023/24 financial year. Since then, we have created a network of volunteer Carbon Literacy coordinators and more than 60 Carbon Literacy trainers to accelerate our delivery of high-quality, in-person training sessions in the months ahead.

Operations and customers

We are investing and improving our network, and continue to develop our plans for the proposed Superloop bus network

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We are working to improve connections in outer London

Bus services changes

Superloop

We are continuing to develop the proposed Superloop limited-stop express bus route network. We launched new branding on 14 July with routes numbered SL1 through to SL10 and are renumbering existing routes X68, X26, 607 and X140 to the following, respectively: SL6 (Russell Square to Croydon), SL7 (Heathrow to Croydon), SL8 (Uxbridge to White City) and SL9 (Harrow to Heathrow).

Stakeholder and public engagement on the proposed Superloop network continues. The consultation closed on 12 June on proposed route SL10 (previously bus route X183) running between Harrow and North Finchley, and consultation opened on the next proposed Superloop route SL1 (consulted on as X34) on 9 June and and will close on 21 July.

The proposed limited-stop route SL1 would run between North Finchley and Walthamstow. It would run alongside part of bus route 221 between North Finchley and New Southgate, and part of route 34 between Arnos Grove and Walthamstow. These are the busiest parts of the existing routes and serve areas that are expected to see busier transport services in the future due to developments such as Meridian Water, Enfield Council's regeneration project set to create 10,000 homes and 6,000 jobs.

The SL1 would run every 12 minutes Monday to Saturday and every 15 minutes in the evenings and on Sundays. The proposed Superloop route would give people more transport options to move between key locations in Barnet, Enfield and Waltham Forest, create extra capacity on the busiest parts of existing routes 221 and 34, provide quicker journey times to outer London transport hubs and town centres and encourage more sustainable journeys.

We are also developing the details of the next three proposed Superloop sections, the SL2 running between Walthamstow and the Royal Docks area, the SL3 between Bexleyheath and Bromley, and the SL5 between Bromley and Croydon. We expect to consult on the detail of these routes in the coming months. The final proposed Superloop route, SL4, consulted on last year as route X239, is proposed to run between Canary Wharf and Grove Park, via the new Silvertown Tunnel.

Outer London

Consultation started on 19 June on bus service proposals in the London Boroughs of Waltham Forest and Redbridge. We are proposing to restructure routes W12, W13 and W14, including replacing route 549, to improve accessibility to Whipps Cross Hospital and other local destinations, in response to feedback from our customers. We would also increase frequency on route W12, from every 30 minutes to every 15 minutes.

Consultation has also closed on a number of bus service change schemes in outer London, including around Brent Cross, Harrow, Wembley Stadium, Alperton and Tooting and we are analysing responses before announcing our decisions.

Elizabeth line
The Elizabeth line's full peak timetable came into effect on 22 May, with Minister of State Huw Merriman attending a special celebratory event to mark this occasion on 19 June in Thamesmead.

The new timetable increases peak time frequencies from 22 to up to 24 trains per hour between Paddington and Whitechapel, with 16 trains per hour running off-peak. The peak now also lasts longer, increasing capacity even further. On the east, more services at peak time run between Liverpool Street national rail station and Gidea Park, providing a faster route for those using the Bishopsgate entrance.

In the west, there has been an increase in peak services from Reading, with some trains that were previously operated by Great Western Railway transferring to become Elizabeth line services with reduced stops. The removal of any significant pauses for trains outside Paddington has also brought reduced journey times for customers travelling from the west into central London.

The introduction of the May timetable marked the final milestone of the Crossrail project with the final Elizabeth line committee meeting held on 25 July.

More than 185 million journeys have now been made on the Elizabeth line, with around 650,000 journeys being made each weekday. The week ending 7 July had a record number of 4.3 million passenger journeys. Each weekday that week was the busiest of that particular day to date, with the highest overall daily number of passenger journeys since opening reported on 6 July with 701,000 passengers.

Passenger journeys
Full-year passenger journeys are higher than in the Revised Budget, as we see demand climbing back towards pre-pandemic levels. We have seen strong growth in demand despite several days of industrial action. This shows how vital the network is to our customers and we expect passenger demand to continue to grow.

On average, passenger journeys are 85 per cent of pre-pandemic levels with most across all modes nearing 90 per cent. Passenger journeys have seen significant growth on our bus, Tube and rail networks, with more than three million Tube journeys made on weekdays.

To continue winning customers back, we are focusing on the 'brilliant basics', including: providing a consistent and reassuring staff presence, maintaining a clean network and striving to operate a safe, reliable and efficient service. With increased instances of industrial action on both the national rail and our network, we will continue to provide timely, up-to-date and consistent information to enable customers to navigate our network if they need to travel on strike days.

Old Street station
The Old Street Roundabout and station project team continues its work to complete the project. The new design will bring safety improvements for cyclists and pedestrians by providing new and improved crossings, fully segregated cycle lanes and a new public space with an accessible main entrance to Old Street Underground station and the subsurface shopping arcade. We have also recently completed protected cycle lanes around the former roundabout, enabling people to travel through this busy junction safely and confidently.

Construction work to the new main entrance continues, with the remaining glazing works now completed. Work is now focusing on the ceiling, following the removal of the temporary scaffolding. Work is also progressing in the surrounding peninsula area, with urban realm, while the new paving has been finished. The highway works are now substantially complete, and construction of the new passenger and goods lifts is also complete, .

Employee relations
We are disappointed that RMT, ASLEF and Unite union members are planning strike action over six days on London Underground, starting on Sunday 23 July. We continue to urge these unions to reconsider and engage with us and seek a resolution. This strike action coincides with strike action by the wider rail network.

We apologise for any disruption caused, and will continue to manage the impact of the strike action through timely travel advice about changes to our services or station operations, and by moving resources to locations with higher demand and strategic importance to the wider network.

We are pleased to hear that Arriva London North has reached an agreement with Unite and the strike action was called off.

London Overground busyness indicator
After the successful trial, the 'busyness indicator', where a screen shows customers a visual representation of how busy the next train is and which carriages will be busiest has now been rolled out on 26 London Overground stations This encourages customers to find space and board more quickly and minimise delays.

This also helps ease congestion, as customers are better able to choose which carriage to board, or wait for a quieter train, if the first train appears too crowded.

IFS Cloud Cable Car
We continue to run specialist events on the IFS Cloud Cable Car. For the Wimbledon Championship from 3 July to 16 July, terminals were decorated with a tennis theme and fast-track tickets over the finals weekend including a complimentary drink. We are also celebrating the Women's FIFA World Cup, which runs from 20 July to 20 August, with special signage around the ticket office and cabins as well as photo opportunities at both terminals.

The existing operation and maintenance contract with Mace is due to end in June 2024, and a procurement exercise has started for the replacement contract.

DLR timetable

We introduced a further timetable change to improve frequency across the DLR network in preparation for the timetable uplifts which will be put in place for when the new trains will be brought into service in 2024.

The timetable change brings more frequent services on all routes, especially at the busiest times, when additional services run for half an hour longer in both the morning and evening peaks. Customers can now benefit from quicker, easier and more comfortable journeys with reduced crowding across the DLR network. These improvements will help people access housing, employment, and leisure opportunities more easily across the Docklands area and east London. This is expected to lead to an increase in customer journeys, which will in turn increase fare revenue.

Communication around closures

Kentish Town improvements

On 26 June, Kentish Town Underground station closed for up to one year for escalator replacement works. The existing escalators, the most unreliable on the Underground network, were installed in 1997 and are bespoke to the station, making it difficult to source parts for maintenance and repairs. The new escalators will be the same model as those used on the Elizabeth line and throughout the London Underground network, making sourcing parts much easier and so will reduce the number of unplanned station closures, improving reliability for customers. The new escalators are expected to last for around 40 years.

I would like to apologise to our customers for the disruption and thank them in advance for their patience while we replace these escalators. We explored all possible options to keep the Underground station open during this work, but safety considerations and space constraints meant this wasn't possible.

Kentish Town Thameslink station will remain open for customers to use while the escalator replacement works are taking place. Nearby Tufnell Park Underground station is accessible by using the extensive local bus network or by a 11-minute walk from Kentish Town station. There is no major work planned on these alternative routes during the closure of Kentish Town station.

We helped manage customer demand through a wide variety of communications to make sure customers and stakeholders were fully aware of this closure and understood their alternative travel options.

Blackwall Tunnel Closures

Blackwall Tunnel had to be closed to southbound traffic from 00:01 on Saturday 24 June until 05:00 on Monday 26 June to support the construction of the Silvertown Tunnel. The works enabled the removal of the existing 1960s footbridge across the A102, which was replaced with a new, fully accessible bridge that is built to modern design standards and has improved lighting.

The new bridge provides a safe and accessible crossing for those walking and cycling, including those using cargo bikes, across the Greenwich Peninsula, and was

Kentish Town Underground station has closed for improvement works built while considering future neighbouring development proposals. The new bridge, which was craned into place on 2 April, opened to the public on 20 June via a temporary ramp ahead of the removal of the existing bridge, thereby providing continuous access across the A102.

We have worked with private and freight drivers and bus customers to ensure they were aware of the closures, the impacts and their alternative travel choices. This is part of a programme of works that will impact the A102 and the Blackwall Tunnel up until the Silvertown Tunnel opens in 2025.

Silvertown Tunnel
All sections of land have now been handed over by TfL to Riverlinx on or before the required access date. As work progresses, formal hand-back to the landowners has started in some areas.

The tunnel boring machine was successfully manoeuvred into position for the northbound drive and started the final leg of its journey on 23 May, earlier than planned. This is a significant achievement for the programme as it represents successful completion of one of the most complex manoeuvres the machine has undertaken. There is now less than 200m of tunnelling to go on the second bore and tunnelling is expected to be completed in early August.

The Invitation to Tender for the bus service operation has been released, and we are expecting operators' proposals towards the end of July. The network includes routes 108, 129 and X239 and they will begin operating when the Silvertown Tunnel opens in 2025. We will be working to deliver a zero-emission bus fleet across all three routes.

Active travel
We continue to review the remaining schemes in the Future of Temporary Schemes Programme. We have recently transitioned the Cycleway 4 Extension scheme (Greenwich to Charlton) to an Experimental Traffic Order and launched a six-month public consultation on 12 June.

On 5 June, the Cycleway 8 upgrade between Lambeth Bridge and Chelsea Bridge transitioned to a permanent traffic order, at the end of a successful experimental scheme.

Construction work is now also complete at Borough High Street, replacing blue water-filled barriers with wider footways built from rubber kerbs and asphalt.

Cycling action plan
On 15 June we launched the Cycling action plan which sets out our commitment to further boost cycling numbers across the capital and improve access to cycling for more people, including those from London's diverse communities. The plan, launched on Clean Air Day, will play a vital role in TfL's continued efforts to make cycling a fundamental part of a more sustainable, progressive, modern city where everyone who wants to cycle can.

The past two decades have seen huge growth in the number of people cycling in the capital, with a 155 per cent increase in the number of daily cycle journeys since 2000. This includes a 13 per cent increase in daily cycle journeys between 2019 and 2022, despite Londoners making fewer trips across all transport modes in 2022 compared to 2019.

We are committed to improving access to cycling

Meanwhile, together with London boroughs, we have more than tripled the size of the London-wide strategic cycle network, from 90km in 2016 to more than 340km in 2023, meaning that more than one in five people living in London now lives near the Cycleway network.

The Cycling action plan sets two major new targets which will help us build on recent successes together with the boroughs:

- Grow the number of daily cycle journeys to 1.6 million by 2030, up by a third from 1.2 million in 2022
- Ensure that 40 per cent of Londoners live within 400 metres of the Cycleway network by 2030, up from 22 per cent in 2022

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The plan outlines why it is essential to broaden the appeal of cycling to a more diverse range of Londoners to ensure cycling levels continue to increase at pace and that all Londoners can benefit from the health and economic benefits of cycling. Our research shows that people from under-represented groups are open to taking up cycling, and the plan outlines ambitious evidence-led measures to support these groups by addressing the barriers they face.

This includes ambitious targets for installing 42,000 secure residential cycle parking spaces by 2030, funding cycle training for more than 40,000 children and 20,000 adults this year, and supporting more community-led events. Subject to funding, we will also explore the possibility of adding concessionary fares to the capital's record-breaking Santander Cycles hire scheme to support the most disadvantaged Londoners.

Cycleways
We have launched 10 new low traffic cycleways across the capital, the most we have ever opened at one time, making it safer and easier for people to travel around London by bike. The new routes are the latest additions to a series that mainly use new low traffic local streets, with three cycleways also launched earlier this year in March. These have been delivered rapidly alongside our and the boroughs' existing programme to build new walking and cycling infrastructure.

This work connects even more of London's communities by bike, ensuring more than 550,000 Londoners are within 400 metres of a high-quality cycle route, and contributing to the Mayor's target of 40 per cent of Londoners living within 400 metres of a high-quality cycle network by 2030. Delivering high-quality new cycleways will enable Londoners of all backgrounds and abilities to cycle safely, encouraging greater diversity in cycling.

The accelerated programme of cycleways is helping to connect outer London town centres such as Walthamstow, Ilford, Barking and Barnes to London's growing cycleway network, unlocking cycling for thousands of new residents and improving access to walking and cycling for traditionally underrepresented groups. The new routes include a 10km route in Enfield, which forms part of London's longest, continuous cycleway. This is more than 25km long and connects town centres in Enfield, Haringey and Hackney.

In addition, we are progressing our programme of reviewing and amending temporary and trial schemes delivered during the pandemic. Having reviewed monitoring data and stakeholder feedback, we have recently decided to retain schemes permanently at A23 Oval to Streatham, Cycleway 8 Lambeth Bridge to Chelsea Bridge, and Park Lane.

Cycleway 23 – Lea Bridge to Dalston
Construction of Cycleway 23 continues, with completion of the Lea Bridge roundabout islands and segregated cycle and pedestrian crossings on 9 June. These islands have been constructed using reclaimed bricks from site clearance work to reduce the carbon impact from materials. The next phase of significant works started on 17 July and has been timed to coincide with the summer holidays to reduce disruption. Preparations are under way to start construction of the next phase on Lea Bridge Road in late July.

Cycleway 50 – Finsbury Park to Tottenham Hale
Following completion of the first phase of works in April, construction of the protected cycleway is underway on Seven Sisters Road with widened footways now in place and on Tollington Road and Isledon Road with installation of several bus stop by-passes. Signal works are also taking place at the junction of Hornsea and Tollington Roads.

Santander Cycles
The Santander Cycles e-bikes continue to be popular among our customers, with more than 885,017 hires in June making it their busiest month to date. A total of 417,000 e-bike hires have taken place since the launch in October 2022.

Santander Cycles are a sustainable way of getting around London

Adverse weather plans

As we move into summer, our teams continue to plan and mitigate challenges to our network and assets caused by extreme weather, including high temperatures and thunderstorms. Our adverse weather plans and procedures cover all operational areas and enable our teams to implement plans quickly and efficiently, ensuring our colleagues and those working in our supply chain are able to respond to and minimise the impacts of adverse weather. Our daily, five-day look-ahead forecasts with defined triggers relating to temperature, rain, wind and lightning are continually monitored.

Events and protests

Events

After a busy start to summer events, including the London Marathon on 23 April, the Coronation of His Majesty King Charles III on 6 May and RideLondon events on 28 May, we held a number of debriefing sessions and reviews of lessons learnt to ensure we continually improve how we manage key events.

The summer's events calendar is packed, with domestic and international cricket matches at Lords Cricket Ground and the Oval, outdoor festivals in parks across the capital including the British Summer Time music festival in Hyde Park and high-profile concerts at Wembley, the Emirates, and Tottenham Hotspur stadiums.

On 17 June, The King's first Trooping the Colour event took place in the traditional ceremonial area around Parliament, The Mall and Buckingham Palace. The event included a flypast, which had been scaled back due to poor weather. On the same day we also had the popular West End live event, a showcase of free performances from top West End musicals, in Trafalgar Square.

We also oversaw other events including the Major League Baseball at The London Stadium in east London in June, and the Ukraine Recovery Conference held at North Greenwich on 19 and 20 June where we worked closely with the MPS. The annual Pride in London event took place in central London on 1 July, the Wimbledon Championship took place at the All England Lawn Tennis Club in July, and we helped deliver the Asics London 10k race via our Network Management Control Centre.

Protests

As well as managing events, there was also continued action by the climate activist group Just Stop Oil. We worked closely with the MPS to keep our road network as clear as possible.

Customer experience

Connected London: 4G on the Underground

Our Connected London programme sees all four mobile network operators (Three Mobile, EE, Vodafone and Virgin Media-O2) signing up to bringing high-speed 4G and 5G mobile connectivity across the Tube, including within tunnels. Work is continuing with our concession partner, BAI, to get their equipment installed onto the system at key locations across London.

The delivery of the underlying infrastructure is on track, with more than 500 engineers working six nights a week to install the cabling and equipment needed to transmit mobile signals in stations and tunnels. The mobile network at Camden Town and Mornington Crescent stations went live in June and further significant additions will be added throughout the rest of the year. The next stations and tunnels will be Oxford Circus, Tottenham Court Road and Euston, which are set to have full mobile coverage later this summer.

A pilot scheme to deliver local network connectivity services using our streets assets, such as lamp posts is now under way. Old Street, Waterloo and King's Cross areas are having more than 20km of fibre and 4G and 5G small cells installed on local lamp posts to support local connectivity. This will significantly improve fixed and mobile connectivity in these areas. Fibre connectivity is further being improved in the four boroughs of Croydon, Southwark, Sutton and Kingston, where we are delivering fibre connectivity to council sites and improving CCTV capabilities.

iBus 2 and Countdown 3

We continue to maintain and develop the technology used to operate our networks, improving the customer experience while enhancing the user experience of certain systems. This includes upgrading the critical technology systems that underpin the bus network, such as the iBus system

We are making improvements across the bus network which provides real-time information on bus locations and upgrading the Countdown signs that show live arrival times at bus shelters.

We are in the middle of the procurement process for iBus2, evaluating Invitation to Submit Final Tender responses and undertaking consensus meetings ahead of Contract Award Recommendation in August. Countdown 3 is also following the procurement process ahead of Contract Award, with initial tender responses being reviewed ahead of Invitation to Submit Final Tender publication in November 2023.

New technology on DLR to help blind and partially sighted customers

In partnership with KeolisAmey Docklands, operator of the DLR, GoMedia (a subsidiary of Icomera) and The Royal National Institute of Blind People (RNIB), we have launched a trial using NaviLens, an app designed to help blind or partially sighted customers navigate stations. The trial will take place at Cutty Sark, Canary Wharf, Woolwich Arsenal, and Tower Gateway DLR stations for six months.

It is designed specifically to enable blind and partially sighted people to access and locate information and interact with their environment, particularly in busy areas like train stations. NaviLens technology is based on image recognition using augmented smart codes, placed along designated customer itineraries, and a smartphone app that provides voice guidance for visually impaired passengers. Once the smart codes have been scanned using the NaviLens app, users can use the app's voice assistant to continue their journey, including practical information including description of a physical element, guidance indications and real-time DLR arrival and departure times.

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We want our network to be accessible to everyone

The trial of NaviLens will be supported by audio announcements at stations, and members of staff at Woolwich Arsenal station and Passenger Service Agents are onboard all DLR trains to assist passengers. The technology could also support passengers unfamiliar with London and those with language barriers as the NaviLens app can relay the information contained in the smart codes in 33 different languages.

Customer Contact Centre operations

Our contact centre has enjoyed a continued period of stable demand enabling a positive service to customers across our telephone and correspondence channels. Demand is forecast to rise sharply from August as part of our seasonal concessionary peak of Oyster photocard applications as students prepare for the new school year. This presents an intense and challenging period for the contact centre and preparations are well under way to ensure we can create the capacity needed to support the increased volume of calls and applications.

Our visitor centres have continued to benefit from increased customer numbers as we entered summer, with a rise in both domestic and international tourists visiting the city. To support the growing number of visitors we are extending opening times at our busiest locations at the end of July.

Our lost property team has undertaken a competitive procurement exercise to introduce a new electric vehicle courier service to replace the existing contract.

TfL Go app

Our TfL Go app has now been downloaded more than 4.1 million times and is used by more than 719,000 customers each month (each of whom return more than 14 times within that month, on average). In June, the app won a second Design Week award for its Promoted Places feature, which helps customers discover and visit places of interest, cultural hubs and events, including the recent RideLondon cycle events.

We provided an update to the Customer Service and Operational Performance Panel on 12 July, setting out the development background to the app and, our delivery approach and highlighted our current and future focus areas. These include work to encourage more leisure journeys and active travel, generate new revenue, and provide improved real-time journey information across modes.

Electronic service update boards

In July, we introduced clearer information around step-free disruption across the network on screens in stations, and will use the same data that powers our TfL Go app to flag access issues at platform level.

Customer campaigns

Our purpose

On 10 July, we launched a new large scale, integrated marketing campaign to convey our purpose as an organisation to move London forward safely, inclusively and sustainably. The campaign communicates our plan to make sustainable transport

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in London better for everyone by raising awareness of the improvements we have made across the network, as well as our plans for the future.

Our messaging will highlight a range of improvements, including a plan to power our trains with 100 per cent UK renewable electricity by 2030 and our new signalling system that will enable faster journeys on the Circle, District, Hammersmith & City and Metropolitan lines.

The campaign is reaching Londoners via TV and video on demand (on ITV, Channel 4 and Sky stations), radio, online video, roadside posters, as well as posters across our network and London-wide and local press. Google search adverts are directing customers to a new campaign hub on our website which, along with our social media, the Made by TfL blog and customer emails, communicates a broad range of improvements, including how we are making our services safer, more sustainable and open to all.

The campaign is being shared with our staff through articles on our intranet, Yammer posts and behind the scenes video content during the production.

The campaign supports our Customer Care metric and will contribute to revenue alongside the public transport value campaign.

Oyster card 20th anniversary

Oyster pay as you go was introduced on our bus, Underground and DLR services on 30 June 2003. It has since become one of the world's most iconic transport smartcards, with more than 125 million people from around the world benefiting from more convenient travel over the past twenty years. The card revolutionised the way customers pay for their travel, making payment much easier and more convenient without the need to queue to buy paper tickets.

During the past two decades, Oyster has constantly evolved in response to customers' needs. In 2005, daily fare capping was introduced, enabling customers to make as many journeys as they like without being charged more that the equivalent of a Day Travelcard. In 2008, we launched Zip oyster photocards for concessionary travel for customers aged 11 to 18 and, in 2010, pay as you go with Oyster was expanded to include all commuter rail services within Greater London. In 2021, we introduced weekly capping on Oyster cards for adult pay as you go customers, meaning that anyone travelling on Tube and rail services across London would no longer need to buy a weekly Travelcard.

Oyster has had an incredible impact on how people travel in London, as well as travel on public transport across the UK and even globally. The success of Oyster in London, which also paved the way for pay as you go with contactless, has led to more rail services adopting pay as you go across south east England and plans were recently announced to expand contactless to a further 53 stations by the end of the year. In addition, several cities across the world are set to introduce similar pay as you go technology for travel.

On 30 June, we launched a new limited-edition Oyster card to celebrate two decades of the iconic smartcard. The

Oyster cards were first introduced 20 years ago

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exclusive card is now part of a set of other special design created in previous years, including for The Queen's Diamond Jubilee in 2012, the London Olympic and Paralympic Games in 2012, and the launch of the Elizabeth line in 2022

Updates to Oyster online

On 16 May, we implemented an upgrade to Oyster and contactless online accounts so that customers need to use multi-factor authentication to log in, helping ensure customers' accounts and personal details are kept safe. Having an online account enables customers to check their journey history and fares paid online, as well as apply for refunds for any incomplete journeys. Since the upgrade, around 20 per cent of the 4.4 million active online Oyster accounts have set up this additional security feature.

From 6 July, we have also reinstated online refunds for customers, with applicable refunds returned to the original payment card used to purchase the credit or a card associated with the online account.

Science Museum offer

For the first time, we launched a new offer in June in partnership with the Science Museum to give its customers up to half price entry to the museum's paid experiences.

Science fictions fans can enjoy half price entry to Science Fiction: Voyage to the Edge of Imagination, an immersive and imaginative exhibition set on board an alien spaceship exploring sci-fi film, TV and books if they travel to the museum using our services. This limited-time epic adventure through the cosmos is available daily from 13 June to 20 August. Customers can use nearby South Kensington Underground station and buses to reach the Science Museum which is within walking distance.

Poems on the Underground

On 19 June, we rolled out a new Windrush-themed series of Poems on the Underground across the London Underground and Overground to mark the 75th anniversary of the arrival of the HMT Empire Windrush in Britain.

British poetry has gained immeasurably from the contribution of Caribbean and Black British voices and we are happy to have collaborated with the Windrush 75 network in celebrating our common humanity through these poems: Windrush Child by John Agard, Sea-Song One by James Berry, The London Breed by Benjamin Zephaniah, The only thing far away by Kei Miller, Colonization in Reverse by Louise Bennett and Bourda by Grace Nichols.

In Bloom

On 30 May, we launched In Bloom our annual colleague gardening competition. This year's theme is 'healthy plants, healthy people and healthy earth' and all colleagues are invited to enter. Entrants are challenged to grow a garden which helps to create a healthier planet and healthier environment for all.

The event launched with a virtual celebration of gardens previously created by colleagues, while those creating gardens at stations, depots and offices prepared their entries for judging in late July. Winners will be announced in September.

We launched a new offer with the Science Museum

London Transport Museum

On 25 May, Elizabeth McKay was appointed Director and CEO of London Transport Museum. Elizabeth takes up the role after five years as the Museum's Chief Operating Officer and Deputy Director. On joining the museum in 2018, Elizabeth led a programme of strategic renewals to articulate the organisation's charitable purpose. She has since overseen its long-term approach to capital investment, gallery planning and design, and played a central role in developing its journey to reach net-zero carbon by 2030. She has also steered the museum's strategic focus on creating an inclusive culture to engage diverse audiences. She will take up her new role in August.

Elizabeth takes over from Sam Mullins OBE who has led the award-winning Museum for 28 years. As Director and CEO, Sam has guided the organisation from strength to strength, building the Museum Depot, developing a London-wide educational reach, promoting public transport through events including the London Underground 150 anniversary celebrations, Year of the Bus, a year of events and activities to mark the vital contribution London's bus network, and the Hidden London tours programme.

Heritage Train Journeys: Tube 160 Birthday Special

On Saturday 10 June I was joined by Londoners, vintage train fans and London Transport Museum colleagues to celebrate the 160th anniversary of London Underground with a ride on an original 1938 Art Deco Tube train from Acton Town station via Heathrow on the Piccadilly line. Costumed actors in 19th century clothing, live music, a Tube160 #LoveTheTube selfie wall and Oyster card making workshops helped to create a party atmosphere.

The world's first underground railway opened in 1863 in London and the Tube has since grown to become an iconic part of life in the capital for residents and visitors.

Museum Late event: Voices of London

London Transport Museum has teamed up with Making of Black Britain, an oral history and digital storytelling project headed by broadcaster and former Blue Peter presenter Diane Louise Jordan to develop a series of exciting events and educational activities in 2023.

As part of this collaboration, on 14 July, the museum hosted a special late event that was jam-packed with talks, workshops, and screenings of oral histories of London's past and present highlighting the wide range of voices of people who make up today's Britain. This event will mark the 75th anniversary of the British Nationality Act 1948 and explore how this landmark legislation has influenced the capital, its transport and our culture.

I enjoyed a heritage train ride with Elizabeth McKay and Sam Mullins OBE

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Our people

We engage with our people to make sure our organisation is somewhere our people can thrive

Colleague Awards

King's Birthday Honours List 2023

Six London transport workers are being recognised as part of this year's King's Birthday Honours List. Our current employees Monica Cooney, Winsome Hull, Howard Smith and Christian Van der Nest, alongside former employees Gareth Powell and Sharon Young, are all receiving recognition for the difference their work has made to the capital.

- Howard Smith, Director of the Elizabeth line, who has worked at TfL for 25 years, is being recognised with an OBE for his service to the Elizabeth line and transport in London
- Christian Van Der Nest, Resilience and Partnership Lead, who has worked in our organisation for more than 17 years, is being recognised with an OBE for services to the State Funeral of Her Majesty Queen Elizabeth II and transport in London
- Monica Cooney, Head of Control Centre Operations, has worked at TfL for more than 17 years and is being recognised with an MBE for services to the State Funeral of Her Majesty Queen Elizabeth II and transport in London
- Winsome Hull, a Senior Business Strategy Manager, has worked in our organisation for 15 years and has been recognised with a BEM for service to diversity and inclusion as well as transport in London
- Sharon Young, formerly a Principal Project Engineer who has worked at TfL for almost 20 years, is also being recognised with an MBE for her service to the Elizabeth line and transport in London
- Gareth Powell, former Chief Customer and Strategy Officer, has been recognised with an OBE for his service to transport in London

London Bus Awards

On 13 July, I attended the annual London Bus Awards alongside the Deputy Mayor for Transport, Seb Dance, our Chief Operating Officer, Glynn Barton, and our Director of Buses, Louise Cheeseman, as well as senior leaders from our buses teams, representatives from the bus operating companies in addition to all the drivers nominated on the night.

It was a fantastic event and awards were handed out for various categories including: outstanding customer service, accessibility champion, outstanding newcomer, safety champion, on the road support from TfL, best vehicle care, actions above and beyond the call of duty and embedding a diverse and inclusive culture. It was an honour to meet the nominees and hear from the bus drivers themselves to showcase the fantastic job they do every day. Well done to all the nominees and winners.

Colleague recognition

Nicola Brady, a Senior Operational Policy and Problem-Solving Manager, received a special distinction for her 'significant contribution to advancing public transport in Europe' and valued contribution to ending gender-based discrimination from the International Association of Public Transport.

Hayley Magorian, Chair of the Women's Colleague Network Group, won the 2023 WeAreTheCity Rising Stars Award in the Infrastructure, Transport and Logistics category. The award was introduced to showcase the UK pipeline of female talent and to create female 100 role models across different industries and professions.

Several colleagues have been recognised by our customers and other colleagues for acts of kindness and bravery. Station colleagues Tunde Ogundiran and Tina Oghoghome at St John's Wood, supported a distressed vulnerable teenager, helping her to a safe space until her family and police arrived. Tracy Staples-Jones, Mandy Faux and Craig Evans supported a vulnerable person who became unconscious on a station platform, providing care until medical help arrived. Mohammad Chaudhary spotted a customer who had become ill at Green Park station and saved their life by using a defibrillator to provide CPR.

Rail Industry Award

On 29 June, I was delighted to accept the Client of the Year award by the Rail Industry Association on behalf of TfL. This award is nominated and chosen by the industry board for individuals who deserve recognition as an exemplary future leader or client from the perspective of the rail supply community.

Our Colleague Strategy

On 3 July, we launched our new Colleague Strategy, our new value driven approach to make our organisation a great place to work, setting out key objectives between now and 2030. This important piece of strategy is broken down into three key commitments which we will make to our colleagues:

- Creating a culture of inclusion across our organisation, with every one of us playing a role. Building a safe space for conversations and challenge will ultimately lead to a more effective, innovative organisation that meets everyone's needs and promotes wellbeing in the widest possible sense
- An attractive and fair employee offer. We are working towards a new approach to our reward and overall employment offer. We want our employee benefits, policies and ways of working to help colleagues build their career here and motivate others to join us
- Supporting everyone to achieve their work ambitions. Our ambition is to deliver London's future with the skills, ideas, energy and creativity of our colleagues. Great leadership is at the heart of how we will make our organisation a great place to work, with a continued focus on your ambitions and wellbeing, with everyone having access to opportunities

We will shortly be starting engagement events with our colleagues to explore how they can contribute to its success and help bring this strategy to life.

We celebrated Pride with a range of messages and activities

Creating a culture of inclusion

Action on Inclusion

On 29 June we launched our workforce Action on Inclusion strategy which sets out the steps we will take to become a genuinely inclusive employer and organisation. This strategy highlights the practical steps we are taking to improving equity, diversity and inclusion in the workplace, including how we will work to help colleagues be mindful and supportive of each other.

The strategy is built around three central pillars, setting clear objectives for every level of our organisation. These are:

- Representing our City: To achieve our aim of ensuring our organisation reflects the diversity of London's population
- An Inclusive Starting Point: Setting out practical steps we need to take to improve equity, diversity, and inclusion in the workplace
- Skills and Opportunities: We will develop everyone to be their best at work, ensuring TfL is a great place to work where everyone can thrive

We also hosted a range of launch events, including deep dive sessions for our senior leaders, along with roadshow events for all colleagues, ensuring we embed the new strategy and our organisation is a truly inclusive place for people to work.

Pride 2023

Building on the success of last year, we continued our broader Pride narrative with personalised messages and individuals' lived experience at its core.

We worked with people from across our LGBTQ+ community who have contributed to art, music, science and culture to create collaborative posters for display on the network.

This year, we wrapped an electric London bus, Elizabeth line train, London Overground train and London Underground engineering train in a special design created by our design team and shaped by the lived experience of the LGBTQ+ communities. The design reflects the diversity of people living in London and will be seen by people across London to as far as Essex and Reading.

The wrapped bus ran on route 63 between Honor Oak and King's Cross for the duration of Pride Month in June and accompanied our people at the Pride in London parade on I July. The Overground train will potentially feature its striking wrap for two to three years.

Staff members have expressed their Pride creativity through art, poems and craftwork, with winners' entries displayed across our estate throughout Pride Month in June. We also asked colleagues to be part of digital and physical exhibition displays, and ran a competition for employees to design the T-shirts worn by our people representing the organisation on the Pride in London parade. In addition, a series of group portraits of colleagues from LGBTQ+ communities was displayed at several stations and on social media.

In recognition of the prejudice people from LGBTQ+ communities still face, alongside these celebratory messages we also ran our Serious Worrying Incidents campaign throughout June, highlighting the zero-tolerance approach we take towards hate crime on the network. Campaign specific activity includes posters across the network, an article in the online newspaper PinkNews and social media activity.

Steps into Work programme

On 7 July, we celebrated the graduation of the most recent cohort of students from our Steps into Work programme. This year, we had 21 students complete the programme, taking part in placements across our offices, London Underground stations and the GLA. One of our graduating students has now started full time work and the remainder will be supported for the next 12 months as they look to secure employment.

The event was a huge success and involved a speech from a previous graduate who now works as one of our customer service assistants.

Ben Story, Chair of the Programmes and Investment Committee and TfL Board member also gave a speech on his own experience of neurodiversity and some of the difficulties he faced when starting his career. This was well received by the students and their guests.

Steps into Work is a 12-month programme that offers work experience and employability skills training to people who are neurodivergent, including people with learning disabilities. It helps participants to overcome barriers to employment while also supporting our placement hosts to grow and develop. The programme also enables us to respond to the needs of our community and realise the potential of available talent.

We continue to support the Steps into Work programme

Since it began in 2009, a total of 61 per cent of all candidates who successfully completed the programme have gone on to gain paid employment within 12 months of finishing. Of all the students who gained paid employment, 30 per cent of those achieved paid employment with our organisation.

We will be welcoming our next cohort of 24 Steps into Work students in September 2023.

An attractive and fair offer for employees

Our rewards Approach

We have started work to improve how we manage pay across the business, balancing fairness and affordability with meeting the competitive challenge of attracting and retaining talent. This work will have four key areas of focus:

- Delivering a consistent approach to pay structuring, pay ranges and pay setting that is more closely aligned to market levels while being both affordable and supporting long-term financial sustainability

- Reviewing how we currently link reward and individual performance, and the elements of our pay frameworks that support this approach (Pay for Performance in TfL, Performance Related Pay in London Underground and the Senior Manager Reward Framework that runs across TfL)

- Aligned with the second area of focus above, review how we might distribute the annual pay review budget differently if we change the performance-based approach to base pay progression as part of the annual pay review process

- Individual pay progression 'in role'. This involves reviewing how we might better manage pay progression to optimise future pay positioning for an individual that is aligned with personal development and increased contribution

Our immediate focus is on pay structuring and pay ranges as the foundation of a new approach to pay management where we are working on the design for a Job Families model where similar roles could be applied across the organisation. Our ambition is to implement the new Job Families approach for the start of the 2024/25 performance year in April 2024, subject to consultation.

Supporting everyone to achieve their work ambitions

Recognition for our readiness conversations

We have been shortlisted for the Chartered Institute of Personnel and Development (CIPD) Best Talent Management Initiative Award in recognition of our new readiness approach. Our new readiness conversations take place between colleagues and their people leaders to discuss performance over the previous year and their readiness to progress to the next stage of their career. These readiness ratings will be used to inform individual development plans, support colleagues in taking the next step in their career and can be used for other initiatives such as succession planning.

Our Chief People Officer, Fiona Brunskill, alongside colleagues from the Organisational Development and Leadership team, presented our new approach to the judging panel on 12 July with the Awards Ceremony scheduled to take place on 21 September.

Our TfL Programme

The current focus of the Our TfL Programme has been to prioritise our list of more than 50 initiatives across the business to ensure the delivery of financial and non-financial benefits is both maximised and balanced against the capacity of the business and other requirements. This work forms the basis for the development of an Our TfL Programme roadmap that will be taken to the Design Authority (made up of our Chief Officer sponsors) later this month.

Work to develop the activity mapping for the organisation and supporting analysis has concluded and will be used to inform Our TfL Programme design work. Further opportunity areas identified through this process have been progressed and fed into the prioritisation and sequencing exercise.

Work has also continued to strengthen the messaging around the dual mandate for the programme, reinforcing both the importance of embedding the value chain and Chief Officer structure as well as the need to contribute to delivering financial sustainability for our business. We are continuing to challenge ourselves and continue to find ways to save costs.

Ensuring there is transparency through consistent messaging with both internal and external stakeholders remains a key priority. Regular engagement continues through leadership forums and both our company councils.

Health and wellbeing

Our Occupational Health team is well on the way to fulfilling our ambition to embed the idea of making 'every contact count'. This involves taking every opportunity to optimise health and wellbeing with the aim of preventing ill health. The team is undergoing lifestyle medicine training to support this aim and as part of this our wellbeing team is going out and about with the Well@tfl van to provide mini health checks and health advice to colleagues on site.

Employee relations update

Discussions with our trade unions continue across the organisation in relation to our proposals to modernise certain aspects of the business and achieve financial sustainability.

Unfortunately this has led to the recent notifications of strike action by the RMT, ASLEF and UNITE trade unions. We are always open to further discussions to try and avoid disruption on our networks, and to minimise and mitigate the impact of strike action where we are unable to reach an agreement.

We have begun consultation on a review of some of our people policies, which are in need of updating, as well as a renegotiation of our collective bargaining arrangements as a business, which all parties accept no longer reflect the structure of the organisation.

We have also started pay discussions for London Underground, which follow the end of a four-year pay agreement and are about agreeing a potential increase from 1 April 2023. Our latest discussions were held on 25 May and the trade unions are considering our latest offer.

The RMT have rejected a pay offer from KeolisAmey Docklands, which runs the DLR service. Notice of a ballot has been received opening on 19 July and closing on 10 August.

Finance

We continue to show how our operations will become financially sustainable this year

Financial performance
Our latest financial report covers the period to the end of Quarter 1 (24 June 2023). Our 2023 Business Plan set out our strategy for rebuilding our finances, improving efficiency and helping secure our future. The 2023/24 Budget built on this, demonstrating how our operations will become financially sustainable this year. We have successfully delivered that strategy in Quarter 1. During this period, we have:

Actively grown passenger demand while creating new sources of revenue to reduce our reliance on fares income

- Passenger journeys were at 89 per cent of pre-pandemic levels, up from 85 per cent at the end of 2022/23
- Cumulative journey growth was just over seven per cent against our target of six per cent year-on-year journey growth over the full year, on top of the 31 per cent increase in 2022/23
- There has been lower pressure on roads enforcement income compared to Budget, due to delays in the rollout of our Deployable Enforcement Camera, but we expect to manage this risk
- Total revenue is within one per cent of Budget

Continued to deliver recurring cost savings to remain affordable for customers and taxpayers

- Like-for-like operating costs have fallen in real terms: and are five per cent higher than last year despite year-on-year inflation of 11.4 per cent
- Operating costs were two per cent lower than Budget, mainly from contingency we have not yet used
- There have been some cost pressures from higher bus operator payments due to increased mileages operated
- We have also seen changes in timings for savings delivery, but are committed to the delivery of almost £230m of savings this year

Created and grown an operating surplus based on our own sources of income

- We had an underlying operating surplus, excluding revenue top up from the Government, of £42m, £35m better than Budget
- Our headline surplus is £79m, £6m up on Budget. With adjustments for timing differences, this is £19m better than Budget
- We remain on track to deliver an underlying operating surplus in 2023/24

Fully funded our capital programme with a long-term Government settlement and an affordable level of debt

- Capital renewals are ahead of Budget, with work ahead of schedule
- We are aiming to deliver almost £740m of renewals this year, an increase of £110m on 2022/23
- Capital enhancements have slipped this Quarter and we are now almost £40m behind Budget
- Total debt (including leases) decreased slightly in the Quarter, mainly from borrowing which matured in the same period

Maintained cash reserves to make payments and protect against shocks

- Cash balances are in line with Budget and below £1.2bn, as set out in funding agreement
- The GLA financing facility of £500m has been maintained for additional protection against shocks and risks

Projection

Our Budget for 2023/24 is to deliver an operating surplus of £79m, demonstrating our achievement of financial sustainability.

Economic uncertainty

Economic growth remains poor, but the latest indicators give some ground for optimism. The latest Office for Budget Responsibility forecast from March 2023, indicated the economy will shrink in 2023/24, but will avoid a technical recession. Since then, in its Monetary Policy Report, the Bank of England forecast modest but positive growth for 2023/24. The risk on passenger income is protected by the Government's funding settlement to March 2024.

Savings targets

Savings targets are stretching, with a target of almost £230m incremental recurring savings set out in our 2023/24 Budget. However, we have a strong track record of delivering savings and managing our budgets. In Period 1 we were slightly behind the phasing of savings delivery, but plans are in place to deliver over the full year.

Other income

There is a range of uncertainty around compliance levels for the London-wide ULEZ, set for launch in August, as well as underlying Congestion Charge volumes and payment rates. This range is partly covered through the contingency held in the 2023/24 Budget.

However, we will need the support of the Government to mitigate risks we do not have direct control over, including:

- Inflationary pressures on TfL cost base – our current forecast is that higher inflation will drive £181m net pressure in 2023/24. We submitted our inflation request covering 2023/24 in February 2023, with the DfT's advisors completing their assessment mid-March 2023
- 2024/25 capital funding – the primary risk to our financial sustainability in the medium term is the lack of capital funding certainty from the Government beyond 31 March 2024. Failure to confirm this well in advance of March 2024 would force us to have to reprioritise our Business Plan, undoing the progress made under the current funding agreement, and mean we would again need to start making difficult choices relating to reducing service levels, asset renewals and delaying non-committed investment

Financial Sustainability Report and discussions with the Government

On 21 June, we submitted our Financial Sustainability Report to Government, three weeks ahead of the Financial Sustainability meeting on 12 July, as per the conditions in the August 2022 funding agreement. The report outlined our progress towards achieving financial sustainability in 2023/24, and our funding requirement for 2024/25. We have made immense progress, from a £3bn underlying operating deficit in 2020/21 to an operating surplus in 2023/24, while delivering every single one of our funding conditions. Significant further benefits would flow from agreeing capital funding in 2024/25 and beyond. Without this, the progress we have made would be reversed.

We met with Richard Holden, Minister for Roads and Local Transport, and officials from the DfT and the Treasury on 12 July to discuss the report and funding for 2024/25. We had extremely constructive discussions and agreed to continue longer-term funding discussions through summer.

New homes and property

Our dedicated property company continues to progress housing schemes with high levels of affordable housing. Construction is under way to build 3,750 homes across London, including sites in Enfield, Brent, Lambeth, and Ealing. We also continue to plan for the future, and consultation and engagement is under way on about 6,000 homes across two major projects in Edgware and Earls Court.

New BOXHALL at Liverpool Street

Our site at Liverpool Street is getting its very own vibrant food hall as BOXPARK's first BOXHALL scheme in London received planning consent.

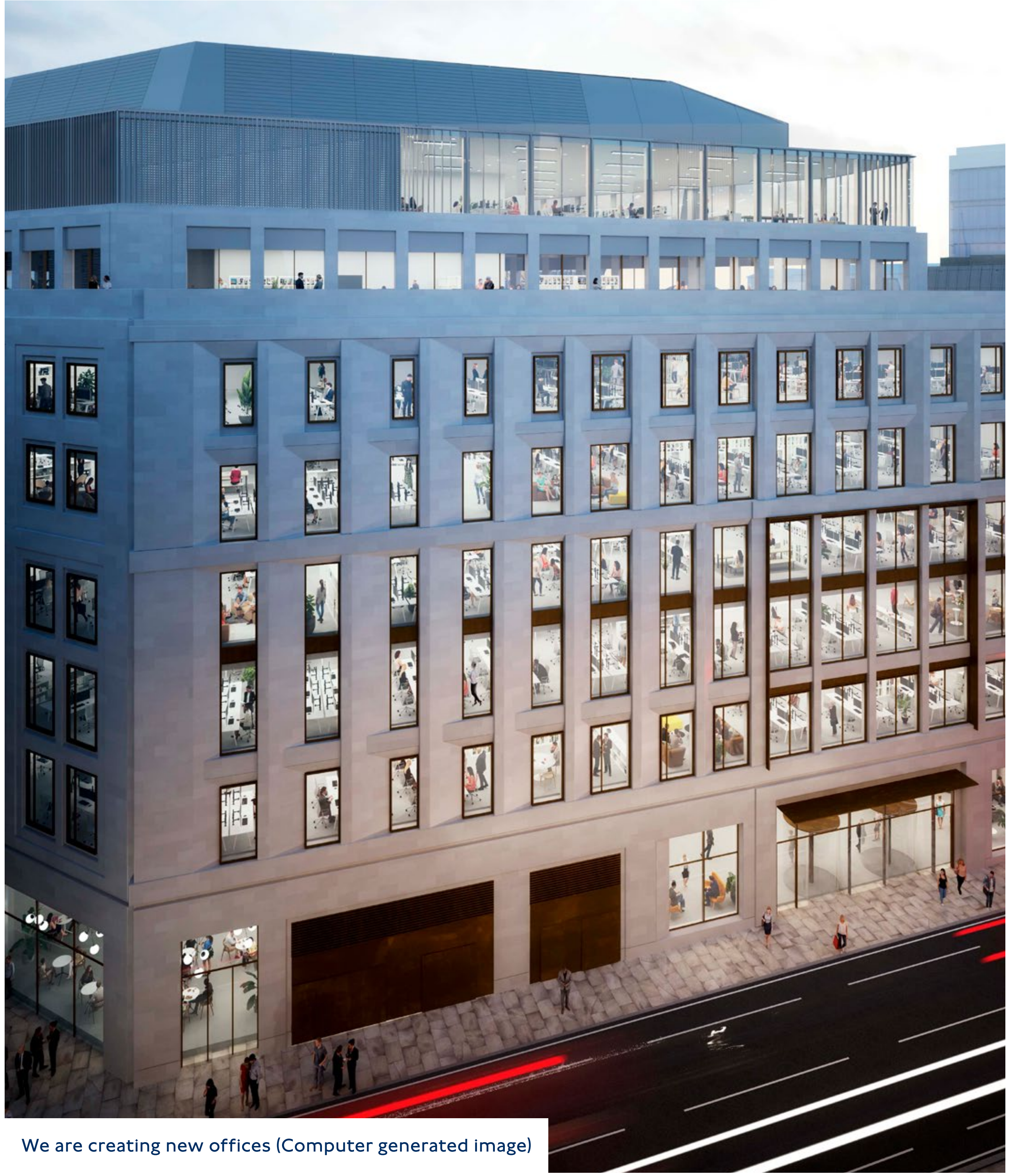
Following approval of its licensing by the City of London earlier this year, the BOXHALL proposals have been granted planning permission with the venue set to open in summer 2024. We have agreed to a 15-year lease with BOXPARK for the Metropolitan Arcade building, located close to Liverpool Street station, which is served by four Tube lines, the Elizabeth line and other rail services to and from Essex and Hertfordshire.

BOXPARK, the award-winning dining, retail and leisure group is set to transform the building into a stunning all-day dining destination, offering high-quality food and drink from local, independent food traders and restaurant operators.

The approved proposals include 16 kitchen units, two internal bars, and a fully enclosed glass conservatory on the roof with a retractable roof, housing a lush garden roof terrace. The 17,000-square-foot building has a ground floor with 280 internal seating covers and the garden roof terrace will boast an additional 170 covers.

New sustainable office space

We have now signed property investment and development company Helical as our joint venture partner for a new development portfolio of high-quality sustainable office space at Bank, Southwark and Paddington. Together, we look forward to investing in many of central London's best-connected places to create a portfolio of pleasant, innovative and highly sustainable offices. This new joint venture complements our wider commercial development programme, which will see us deliver thousands of new and affordable homes in London, and generate additional revenue, to help further fund a safe, green and reliable public transport network.



We are creating new offices (Computer generated image)

About us

Part of the Greater London Authority family led by Mayor of London Sadiq Khan, we are the integrated transport authority responsible for delivering the Mayor's aims for transport. We have a key role in shaping what life is like in London, helping to realise the Mayor's vision for a 'City for All Londoners' and helping to create a safer, fairer, greener, healthier and more prosperous city. The Mayor's Transport Strategy sets a target for 80 per cent of all journeys to be made by walking, cycling or using public transport by 2041. To make this a reality, we prioritise sustainability, health and the quality of people's experience in everything we do.

We run most of London's public transport services, including the London Underground, London Buses, the DLR, London Overground, Elizabeth line, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the IFS Cloud Cable Car. The experience, reliability and accessibility of these services is fundamental to Londoners' quality of life.

We manage the city's red route strategic roads and, through collaboration with the London boroughs, we are helping to shape the character of all London's streets. These are the places where Londoners travel, work, shop and socialise. Making them places for people to walk, cycle and spend time will reduce car dependency, improve air quality, revitalise town centres, boost businesses and connect communities. As part of this, our expanded Ultra Low Emission Zone and fleets of increasingly environmentally friendly and zero-emission buses are helping to tackle London's toxic air.

During the pandemic, we took a huge range of measures to ensure people were safe while travelling. This included extensive cleaning regimes across the public transport network and working with London's boroughs to introduce the Streetspace for London programme, which provided wider pavements and cycle lanes for people to walk and cycle safely and maintain social distancing. London's recovery is vital to the UK's recovery as life returns to normal. We want to ensure London avoids a car-led recovery and we continue to reassure people the capital and our transport network is safe and ready for them.

We have constructed many of London's most significant infrastructure projects in recent years, using transport to unlock much needed economic growth. This includes major projects like the extension of the Northern line to Battersea Power Station and Nine Elms in south London, as well as our work at Barking Riverside and the Bank station upgrade.

Working with the Government, we opened the Elizabeth line in time for Queen Elizabeth II's Jubilee. This transformational new railway adds 10 per cent to central London's rail capacity and supports the delivery of high-density, mixed-use developments, which are planned around active and sustainable travel to ensure London's growth is good growth. We also use our own land to provide thousands of new affordable homes and our own supply chain creates tens of thousands of jobs and apprenticeships across the country.

We are committed to being an employer that is fully representative of the community we serve, where everyone can realise their potential. Our aim is to be a fully inclusive employer, valuing and celebrating the diversity of our workforce to improve services for all Londoners.

We are constantly working to improve the city for everyone. This means using information, data and technology to make services intuitive and easy to use and doing all we can to make streets and transport services accessible to all. We reinvest every penny of our income to continually improve transport networks for the people who use them every day. None of this would be possible without the support of boroughs, communities and other partners who we work with to improve our services. By working together, we can create a better city as London's recovery from the pandemic continues.

July 2023

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Board

Date: **25 July 2023**

Item: **TfL Annual Report and Statement of Accounts for the Year Ended 31 March 2023**

This paper will be considered in public

1 Summary

1.1 This paper presents the draft Annual Report and TfL Group Statement of Accounts for the year ended 31 March 2023 and requests the Board's:

(a) approval of the Annual Report for the year ended 31 March 2023 and its publication;

(b) consideration of the Statement of Accounts for the year ended 31 March 2023 and delegation of its approval to the Audit and Assurance Committee; and

(c) for the provision of an ongoing parent company guarantee by Transport Trading Limited (TTL) to most of TfL's subsidiary companies.

1.2 On 5 June 2023, the Audit and Assurance Committee considered the draft Statement of Accounts for the year ended 31 March 2023. Comments made by the Committee have been addressed in the documents.

2 Recommendations

2.1 The Board is asked to:

(a) approve the 2022/23 Annual Report, subject to any comments Members might have;

(b) authorise the Chief Customer and Strategy Officer to make any further design or editorial changes to the Annual Report as may be required;

(c) consider the Statement of Accounts and, recognising that a decision on approval of the Statement of Accounts cannot currently be made, delegate approval of the Statement of Accounts to the Audit and Assurance Committee and the provisions of Standing Order 108 are disapplied for these purposes;

(d) subject to the approval of the Audit and Assurance Committee, agree that the statutory Chief Finance Officer will make any adjustments arising from the work prior to the auditors, Ernst & Young, signing

their opinion or from any comments made by the board of any Subsidiary company. Should any changes be required to the Statement of Accounts, he will seek the approval of the Board or the Audit and Assurance Committee to make these changes;

(e) note that the Chair of the Audit and Assurance Committee will sign and date the Statement of Accounts in due course;

(f) confirm overall approval of the provision of an ongoing guarantee by Transport Trading Limited of all the outstanding liabilities of those of its subsidiary companies listed below, such guarantee enabling those subsidiaries to be exempt from the need to have their accounts audited:

(i) Woolwich Arsenal Rail Enterprises Limited;
(ii) City Airport Rail Enterprises Limited;
(iii) London Underground Limited;
(iv) LUL Nominee BCV Limited;
(v) LUL Nominee SSL Limited;
(vi) Docklands Light Railway Limited;
(vii) Tube Lines Limited;
(viii) Rail for London Limited;
(ix) Rail for London (Infrastructure) Limited
(x) Tramtrack Croydon Limited;
(xi) London Buses Limited;
(xii) London Bus Services Limited;
(xiii) London River Services Limited;
(xiv) Transport for London Finance Limited;
(xv) Victoria Coach Station Limited;

(g) note that, as a result of the application of IFRS 9 Financial Instruments, TfL's auditors, Ernst & Young LLP, requested that letters of financial support previously provided by Transport for London in respect of the liabilities of its subsidiaries be re-signed annually by TfL's Chief Finance Officer. Board approval for the issue of such letters was granted when the subsidiaries were first established or acquired.

3 Background

3.1 TfL is required under section 161 of the Greater London Authority Act 1999 (the GLA Act) to produce a report on its achievements and the performance of its functions during the year. Approval of the Annual Report is a matter reserved to the Board under TfL's Standing Orders. The Annual Report includes the information that is required under the GLA Act.

3.2 TfL is also required, under the Accounts and Audit Regulations 2015 (the Regulations) to prepare a Statement of Accounts each year. The Regulations further require that the Statement of Accounts is approved by a resolution of a committee or by members meeting as a whole.

3.3 Under the Accounts and Audit (Amendment) Regulations 2022 the publication deadline for Statement of Accounts has been extend from 31 July to 30 September for financial years beginning in 2022 to 2027.

4 Statement of Accounts

4.1 The Statement of Accounts has been prepared in accordance with the provisions of the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 (the Regulations). The form, content and accounting policies followed in preparing the Statement of Accounts are as prescribed in the Regulations and by the Code of Practice on Local Authority Accounting which is developed and published by the CIPFA/LASAAC joint committee (the Code). The Code is based on International Financial Reporting Standards (IFRS).

4.2 The draft Statement of Accounts (unaudited) was certified by the statutory Chief Finance Officer and published on the tfl.gov.uk website on 1 June 2023, with the Annual Governance Statement as part of the Audit and Assurance Committee papers. The period for exercise of public rights consequently commenced on 2 June and concluded on 13 July 2023.

4.3 There are several matters which need to be resolved before the Statement of Accounts can be finalised and for the external audit completed. These include confirmation of Government funding for 2023/24 due to TfL under the 30 August 2022 funding settlement for the higher than anticipated level of inflation. A final submission, requesting £181m, was made to Government on 2 February 2023. A response from Government is still outstanding.

4.4 The Accounts and Audit Regulations 2015 provide that the statement of accounts needs to be considered by way of Committee or by the Members of the Board meeting as a whole and approved by a resolution of that Committee or meeting. Should the Board agree to delegate approval of the Statement of Accounts to the Audit and Assurance Committee, the Chair of the Committee would be required to sign and date the accounts once they are approved in accordance with the Regulations as the person presiding at the Committee.

4.5 Approval of the Statement of Accounts is a matter ordinarily reserve to the Board under TfL’s Standing Orders, paragraph 99(c). To facilitate the proposed delegation to the Audit and Assurance Committee, it is also proposed that Standing Order 108 be disapplied.

4.6 Once the matters above have been concluded, the statutory Chief Finance Officer will again certify the Statement of Accounts and they, with the addition of the Independent Auditor’s Report, will be presented to the Audit and Assurance Committee for consideration and approval. This is anticipated to be at the 20 September 2023 Audit and Assurance Committee meeting, which will mean the Statement of Accounts are finalised ahead of the 30 September deadline set by the amended regulations.

5 Subsidiary Companies Audit Exemption

5.1 For the year ended 31 March 2014, the Group took advantage of changes under section 479A of the Companies Act 2006 that enable certain UK subsidiary companies to claim exemption from audit of their accounts.

5.2 The exemption is conditional on a parent undertaking giving a guarantee to its subsidiary in respect of all liabilities of that subsidiary outstanding at the balance sheet date, and on 5 June 2014, under authority delegated by the Board on 26 March 2014, the then Finance and Policy Committee agreed that, for the year ended 31 March 2014 and for future years until withdrawn, the holding company for TfL's trading subsidiaries, Transport Trading Limited, will offer the guarantee to a majority of its subsidiaries.

5.3 For the year ended 31 March 2023, the majority of TTL's subsidiaries claimed exemption from audit.

6 Audit and Assurance Committee Review

6.1 On 5 June 2023, the Audit and Assurance Committee considered the draft Statement of Accounts and the Annual Governance Statement.

TfL's Statement of Accounts for the Year Ended 31 March 2023

6.2 The Committee noted the draft Statement of Accounts and authorised the statutory Chief Finance Officer to make any adjustments arising from the ongoing audit work, prior to the submission to the Board.

6.3 The Committee recommended that the Board confirm its overall approval of the provision of an ongoing guarantee by Transport Trading Limited of all the outstanding liabilities of those of its subsidiary companies previously provided with a guarantee. While the accounts of Transport Trading Limited are audited, those subsidiaries given a guarantee are exempt from the need to have their accounts audited, which results in savings in audit fees.

6.4 The Committee noted that TfL Finance had worked to the original timetable to ensure that the statutory accounts were properly prepared in accordance with good practice, and this had been achieved thanks to the hard work and co-operation of TfL staff and Ernst & Young during the challenging circumstances.

Review of Governance and the Annual Governance Statement for Year Ended 31 March 2023

6.5 The Committee welcomed the refreshed format of the Annual Governance Statement and noted the overall assessment was similar to previous years.

6.6 The Committee approved the Annual Governance Statement for signing by the Chair of TfL and the Commissioner, for inclusion in the 2022/23 Annual Report and Accounts.

6.7 The Committee also reviewed the progress against the Governance Improvement Plan 2022/23 and the supported the improvement plan for 2022/23.

List of appendices to this report:

Appendix 1: Draft Annual Report and Statement of Accounts 2022/23 (provided as a separate printed document)

List of Background Papers:

Audit Exemption for Subsidiary Companies – Finance and Policy Committee paper June 2014.

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Contact Officer: Patrick Doig, statutory Chief Finance Officer
Email: PatrickDoig@tfl.gov.uk

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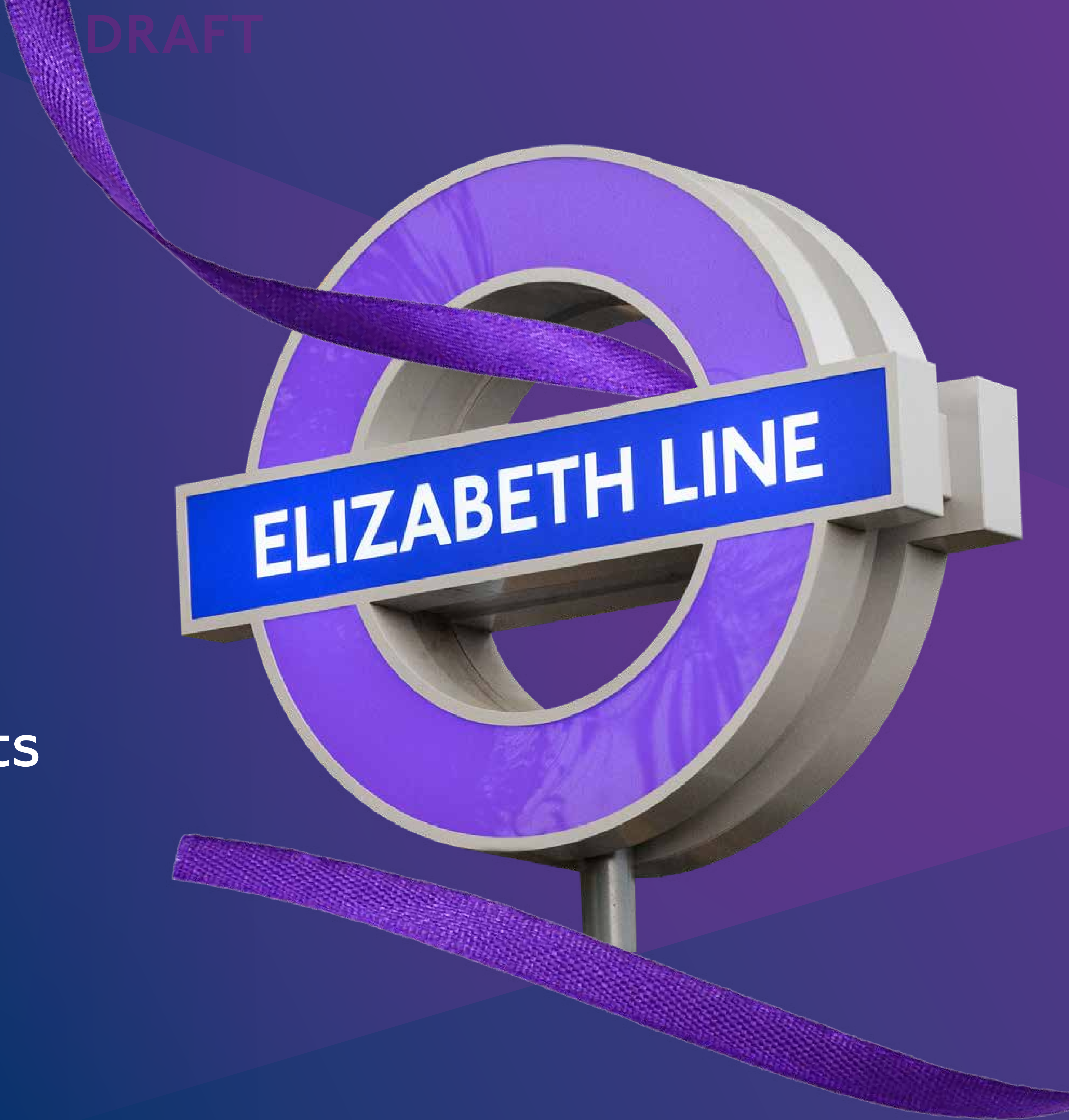


Annual Report and Statement of Accounts

2022/23 – XX July 2023

MAYOR OF LONDON

TRANSPORT FOR LONDON
EVERY JOURNEY MATTERS

Contents

Launching the Elizabeth line
The story behind London's transformational new railway. Find out more and go behind the scenes on page 17

Mayor’s foreword

With the effects of the pandemic shifting further behind us, the capital is continuing to make great strides toward recovery

Transport remains a cornerstone of my vision for a fairer, greener London for everyone. Transport doesn’t only shape our daily lives and determine how we get around, it can create new opportunities for Londoners and shape the character of our city. As Mayor, I am continuing to work to deliver the affordable, reliable and safe services Londoners deserve and to unlock the power of transport in order to improve people’s lives.

The hard work and dedication of London’s transport workers is fundamental to achieving these goals, and I want to thank them once again for what they do to keep London moving.

During the pandemic, we sadly lost 107 public transport workers to COVID-19. We will never forget the sacrifices our colleagues made during such a tough time for London and it’s right that we now have a permanent memorial in Aldgate.

I also want to thank Andy Byford, who stepped down as Transport Commissioner last year. He led TfL through an exceptionally difficult time with great skill and dedication. After some tough negotiations, we were able to reach a funding agreement with the Government for TfL, which was only needed following the impact of the coronavirus pandemic on TfL’s finances. The deal was far from perfect, but we have managed to avoid making big cuts to the transport services Londoners rely upon.

Despite these huge challenges, I’m proud that we have continued to make great improvements to London’s transport network. Last summer, the Night Tube and Night Overground service was fully restored and the Elizabeth line opened to great fanfare. We also delivered upgrades to Bank station and opened the new Barking Riverside London Overground station, providing high-quality transport links for residents, as well as seeing record numbers of journeys through the Northern line’s two newest underground stations – Nine Elms and Battersea Power Station.

As part of my vision for London, I remain committed to tackling air pollution and protecting the health of Londoners. Transport policy is crucial in order to achieve these objectives and I announced last year that we will be expanding the Ultra Low Emission Zone (ULEZ) on the 29 August 2023. This will help ensure that five million more Londoners will be able to breathe cleaner air.

The vast majority of drivers in outer London already have compliant vehicles and so will not have to pay. To support those with older, more polluting vehicles, we launched the largest ever scrappage scheme. This is aimed at helping low-income Londoners, disabled Londoners, charities and micro businesses. We have had excellent take up of the scheme so far and are listening carefully to Londoners’ feedback.

We want more and more Londoners, particularly in outer London, to have more options to use public transport instead of their vehicles. That’s why we are implementing bold plans to improve transport links in outer London. This includes the outer London Superloop bus network, which we announced earlier this year. This will provide express bus routes circling the entire capital, connecting outer London town centres, railway stations, hospitals and transport hubs.

We also continue to work to make London a city where walking and cycling are more often the most appealing and practical choices for many more journeys. It’s great to see we are making progress on this front. We have expanded the cycle hire partnership with Santander by adding 500 electric cycles to the fleet and overall cycling levels are growing and exceeding pre-pandemic levels – in 2022 cycling levels were 13 per cent higher than in 2019.

We know a barrier to getting more people cycling is road safety. We remain committed to eliminating deaths and serious injuries on our roads by 2041 and TfL’s trailblazing Direct Vision Standard introduced to reduce driver blind spots on lorries is continuing to have a positive impact.

Lastly, I am delighted to be working with Andy Lord as the interim Commissioner as he helps to steer the organisation forward following the pandemic. We both continue to work flat out to maintain the world-class network Londoners deserve – something that is so crucial to building a greener, fairer and more prosperous London for everyone.

SIGNATURE

Sadiq Khan
Mayor of London

Commissioner's foreword

London's transport system continues to grow with 85 per cent of customers now travelling again following the pandemic

This has been an incredibly important year for TfL, as we have continued to support London's recovery from the pandemic, worked to achieve the financial sustainability of our operations, and delivered huge transport improvements that bring significant benefits to London and the country as a whole.

Since becoming Commissioner, my focus has been on attracting customers to public transport, rebuilding our finances, advancing our work to decarbonise and improve London's environment, and ensuring our organisation celebrates and provides for the diversity of our staff and customers.

Passenger demand continues to grow, with the network seeing around 85 per cent of pre-pandemic demand, out-performing public transport in the rest of the UK. Continuing this trend is vital to our work of helping create a greener, more sustainable city for everyone.

Safety remains our number one priority and we continue to work tirelessly to improve safety across the network for both colleagues and customers.

Central to our work has been the delivery of the transformational Elizabeth line, which has already become one of the country's most popular, busiest and reliable railways. We were honoured to welcome Her Majesty Queen Elizabeth II to open the line, and we have worked since to improve connectivity and provide even easier journeys for passengers. The Elizabeth line is a brilliant example of what can be achieved when the Government and London's authorities and businesses work together to invest in transport infrastructure.

Other notable achievements include the completion of the Bank station upgrade, completing the signal automation of the Hammersmith & City line, the London Overground extension to Barking Riverside and the start of tunnelling on the new public transport-focused river crossing at Silvertown, due for completion in 2025.

Securing a longer-term funding agreement with the Government last August has enabled us to get on with the business of delivering for London. Our annual budget for 2023/24 shows that we can now fully cover operational costs while investing in our network across London. We are now in discussion with the Government to secure the critical capital investment needed in 2024/25 – ensuring the delivery of the committed contracts for rolling stock and signalling on the Piccadilly line and the DLR.

The decarbonisation agenda, improving air quality, and new investment in green infrastructure remain of paramount importance. Last year, we supported the Mayor in consulting on his plans to expand the Ultra Low Emission Zone this summer. Plans to deliver some five million more kilometres for buses in outer London will help strengthen alternatives to car use, particularly as we begin to deliver the new Superloop service. We have continued to invest in active travel, with 14.6 kilometres of new or upgraded high-quality cycle lanes and infrastructure added this year.

In May we were pleased to resume the Jubilee line Night Tube service, just in time for the Queen's Platinum Jubilee celebrations. The line, which has Tube stations located near Buckingham Palace, Green Park and the Mall, was integral in helping customers and tourists visiting London and served more than 16,000 visitors during the celebratory weekend. Moving customers around the capital for such occasions showcases how we are a key player during such events.

We also played a vital role in supporting the events to mark the death of Queen Elizabeth II. Staff from every corner of the organisation worked tirelessly to ensure that the transport arrangements were a success and that the millions of people coming to London to pay their respects could do so safely and smoothly.

This spring, we opened a permanent memorial at Braham Street in Aldgate to remember all transport workers in London who tragically lost their lives to COVID-19. We owe them our gratitude for the critical role they played in the city's fight against the pandemic. This memorial will ensure that we never forget them.

More recently, we were delighted to welcome millions again for the Coronation of their Majesties King Charles III and Queen Camilla, and we look forward to a period in which – after an incredibly difficult few years – we move London forward to a brighter future. I would like to thank all our colleagues and partners for their hard work throughout the year.

SIGNATURE

Andy Lord
Interim Transport Commissioner

About this report

All our work is underpinned by our key pillars and the Mayor's priorities for London

Our mission is to be the strong, green heartbeat for London. To achieve this, we have developed three key values that underpin our organisation and will ensure that Every Journey Matters.

Caring

This means that we care about our colleagues, our customers and our work.

Open

This means that we are open to each other, and we are open to new ideas and ways of working.

Adaptable

We will adapt to the diverse needs of the organisation and we are willing to innovate.

Our Annual Report details our achievements and updates from the last financial year, which runs from 1 April 2022 to 31 March 2023. It shows the progress we have made against our scorecard targets.

As a publicly funded organisation, it is important that we are transparent with our finances, our investments and the work we are doing to help shape our city. Sustainability and our environmental impact are at the heart of our decisions and a key thread throughout everything we do.

Our reporting is shaped by the ambitions of the Mayor's Transport Strategy, which acknowledges the key role transport plays in shaping London and enforcing its global competitiveness. It also emphasises the way that effective and well-planned transport projects and improvements can play a vital part in improving the health, opportunities and quality of life of those who live and work in our city.

The central aim of the strategy is to create a place that is not only home to more people but is a better space for them to live, work and visit. This means a safer, healthier, cleaner, greener, more inclusive and better-connected city. This was particularly highlighted by the pandemic, which underlined the importance of continuing to make progress on all elements of the strategy.

All our work, from our daily running to our investment programmes, follows the key themes as set out in the Mayor's Transport Strategy. These are Healthy Streets and healthy people, a good public transport experience and new homes and jobs.

Throughout this report, we have showcased our achievements and project milestones against these three key areas and reported on the progress we are making towards achieving the Mayor's vision for the future of London.

Healthy Streets and healthy people

We aim to improve the experience of being in the places where people live, work, spend time and travel. We will reduce traffic dominance and encourage people to walk, cycle and use public transport.

A good public transport experience

We will ensure public transport is an increasingly attractive alternative to the car, through whole-journey planning to help integrate public transport in our schemes and projects

New homes and jobs

Transport is vital for creating the new homes and jobs London needs. This includes creating communities where amenities are within walking and cycling distance.

Our year at a glance

From launching the Elizabeth line to introducing new e-bikes to our cycle hire fleet, we have achieved many notable milestones this year

April 2022
We mark the fifth anniversary of our ‘Please offer me a seat’ badges as part of Priority Seating Week

May 2022
Her Majesty Queen Elizabeth II helps launch the Elizabeth line, which has transformed journeys across London

June 2022
Data shows our Direct Vision Standard is improving road safety in the first year of its enforcement

July 2022
A new step-free station opens at Barking Riverside, improving transport links in the area

August 2022
We partner with London’s biggest attractions to offer discounted entry when using our services

September 2022
A new timetable launches on the DLR, providing quicker and easier journeys across east London.

October 2022
Rapid, wireless bus charging technology is introduced as part of our journey to zero-emission carbon

November 2022
More digital walking routes are launched as part of our latest plans to boost leisure walking

December 2022
We announce plans for all private hire vehicles licensed in 2023 to be zero-emission capable

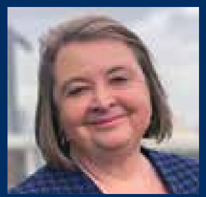
January 2023
The Tube, which was the world’s first underground railway, celebrates its 160-year anniversary

February 2023
Mayor Sadiq Khan visits Bank Tube station as our £700m upgrade is completed

March 2023
We launch plans for the Superloop, offering four million kilometres of express bus services in outer London

Financial review

‘We are transforming our finances through consistent service delivery for our customers, strong cost control and careful cash management. With a longer-term commitment from the Government for major capital investments, we would be able to deliver even more for London and for the UK’



Rachel McLean
Chief Finance Officer

Chief Finance Officer foreword

We have continued to focus on our recovery as we support London and the UK's economic growth

This was a pivotal year in the history of our finances, as we continued to build our recovery and look forward into 2023/24 when we expect to achieve an operating surplus without Government base funding support. This is the first time we will make a surplus, and any surplus that we make is always reinvested into our services.

This remarkable turnaround, from the lowest point in 2020 when passenger journeys fell to just 12 per cent of pre-pandemic demand, reflects sustained hard work at every level of the organisation. I would like to pay tribute to all my colleagues, and to our partners and suppliers, for their substantial contribution to this outcome.

As with all public transport authorities, we will continue to need Government support for major capital investment, as noted by the (then) Secretary of State for Transport in our most recent funding agreement.

This report sets out our progress in 2022/23, in which we have focused on London's recovery and rebuilding our ridership. In 2022/23, passenger demand increased from 68 per cent of pre-pandemic levels to around 85 per cent, and passenger income grew by 34 per cent from £3.2bn to £4.2bn.

We also increased our other sources of income. Compared to the budget for 2020/21, set just before the pandemic, we have grown our total income in 2022/23, excluding Extraordinary Revenue Grant, by 11 per cent, while reducing passenger income as a percentage of total operating income from 72 per cent to 54 per cent. In June 2022, we launched our commercial property company, TTL Properties Limited (TTLP), which will deliver a dividend that we will invest back into London's transport network.

We continue to reduce like-for-like costs from £5.2bn in 2021/22 to £4.9bn in 2022/23 at constant prices. In 2022/23, the seventh year of our efficiencies programme, we made recurring savings of £92m. We plan to extend this programme by an additional year and stretch the target to £600m from 2022/23 to 2025/26. This takes the total recurring saving to £1.7bn since 2016, of which £1.2bn has been delivered to 2022/23.

A further sign of our progress is that over the last year we have reduced our debt, including leases, from £15.5bn to £15.3bn. Our budget for next year includes an assumption of a return to new net borrowing to support our investment programme. We continue to maintain cash reserves so we can make payments and protect against shocks. Cash balances have averaged just under £1.2bn throughout 2022/23, in line with Government conditions and our own assessment of need.

This sustained effort means our Extraordinary Revenue Grant has reduced from £1.7bn in 2021/22 to under £1bn in 2022/23. In 2023/24, base Government funding of £500 to 700m will be used solely for capital investment.

We will continue to play our part in the national recovery, supporting London's economy and society, providing confidence to our national and international supply chain, and reducing our reliance on central Government – exactly as we committed to do in our funding agreement.

With confirmation of a commitment to longer-term capital investment from Government, we can continue to deliver the modern public transport network that London needs.

SIGNATURE

Rachel McLean
Chief Finance Officer

Our scorecard

We assess our progress against a range of agreed measures

The TfL scorecard is our primary tool for tracking progress against our strategic objectives and is structured around our vision and values. It provides a clear line of sight between the Mayor's Transport Strategy, our Business Plan and our Budget, and helps drive our in-year performance. The metrics are designed to be stretching and realistic. In 2022/23, we achieved 62.1 per cent against the scorecard target. The results reflect some notable achievements in a challenging economic and funding environment, and they highlighted areas to focus on next year.

Our funding from Government was only secured in late August 2022 and runs to 31 March 2024. Before that, we were reliant on short-term agreements. This longer-term agreement, albeit with conditions attached, meant we could start planning further ahead, and working with our supply chain to achieve our objectives.

Measure	Results	Target	Floor target
Green			
Carbon dioxide emissions from our operations and buildings (ktonnes CO_2e)	814	845	900
Colleague			
Total engagement	59.0%	62.0%	60.0%
Inclusion index	50.0%	52.0%	50.0%
Wellbeing index	56.0%	58.0%	56.0%
Diversity declaration rates	60.3%	56.0%	56.0%
Workforce – all injuries	1,550.0	1,348.0	1,987.0
Finance			
Cash balances*	£1,237m	£1,200m+/-£100m	£1,200m+/-£100m
Operating expenditure against budget*	(£7,055m)	(£7,109m)	(£7,109m)
Capital expenditure against budget (excluding TTLP)*	(£1,707m)	(£1,748m)	(£1,704m)
Customer			
Percentage of Londoners who agree we care about our customers	53.0%	57.0%	54.0%
Public transport passenger journeys (millions)*	3,252.5	3,248.0	3,227.0
People killed or seriously injured on our roads (per million surface journey stages)*	0.31	0.33	0.35
Customer injuries (per million passenger journeys)	2.48	2.58	2.72
Foundation			
Investment programme milestone delivery	77.8%	90.0%	75.0%
Elizabeth line: Open the central section for revenue service	May 2022	June 2022	June 2022
Barking Riverside Extension: Service operational	July 2022	July 2022	August 2022
Percentage of London Underground service operated	90.1%	90.0%	89.0%
Bus journey time (minutes)	33.98	33.50	34.00

* Scorecard targets updated at 7 December 2022 Board to align to new Business Plan

Key

Achieved	
Partially achieved	
Not achieved	

Our performance is measured against a range of key indicators

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We achieved our green objective to reduce carbon dioxide emissions from our operations and buildings.

On safety, we achieved our customer and roads targets. However, the result for workforce injuries, while an improvement from last year, shows more needs to be done. We are working towards the Mayor's Vision Zero goal and these metrics are an important measure of progress against that.

Customer care, which is measured through surveys of all Londoners on their perception of TfL, also fell below target, showing the reputational impact of strikes in the wider rail sector, fares increases, and increased crowding on services as passengers return to the network.

Greater funding certainty and increased flexibility on pay has meant many of our people have received their first pay increase since before the coronavirus pandemic. However, under the terms of the funding agreement with government, pay has been capped at average public sector levels; coupled with funding constraints, this has meant our people have seen real terms pay reductions in 2022/23. Along with a buoyant external job market, this led to an increase in staff turnover, and will have impacted our success in achieving some of the people metrics.

We achieved our financial targets, despite the difficult economic environment, including the highest inflation in 40 years, and funding uncertainty at the start of the year. We delivered additional operating expenditure savings on top of those set in our December 2022 Revised Budget and delivered our capital investment target. Our passenger income is protected to an extent through our funding agreement with Government, but the demand levels reflect the impact of industrial action taken by various train operating companies and our own services, and the 5.9 per cent fare increase announced by Government in March 2023, which we implemented in line with our funding agreement.

We delivered the opening of the Elizabeth line central section, but fell behind on delivering all our investment programme milestones.

We achieved our London Underground service operated target, with more services to meet growing demand. Bus journey time has been more challenging, coming in just under the floor target. This measure has been impacted by an industry-wide shortage of drivers.

A sustainable future

We are working to ensure our priorities support a sustainable future for the capital

Significant progress has been made across our sustainability objectives in the last year, despite our current financial constraints, but more action is still required.

Society
We have made life-saving changes to London's road network by introducing 20mph speed limits on our roads in Camden, Islington, Hackney, Haringey and Tower Hamlets and completed Safer Junctions work at York Road Roundabout in Wandsworth. So far, we have completed work at 44 junctions across London as part of this programme. To make bus travel more inclusive and accessible, more than 300 buses now have new more prominent priority seating designs, with the entire New Routemaster fleet to have new moquette by the end of 2025.

Environment
We are transitioning our operations to zero-emission and supporting broader efforts to clean London's air by decarbonising our fleet, installing electric vehicle charging points and removing carbon from construction. As of March 2023, around 11 per cent of our bus fleet operated with zero-emission buses. Through our construction work at Old Street, we have significantly reduced carbon emissions by shifting from diesel to electric-powered equipment, saving 13.8 tonnes of carbon dioxide.

We are working to support London's goal of being a zero-waste city. For example, we have increased the number of dedicated recycling services to stations and depots.

All our business cases must now explicitly consider environmental impacts. Some schemes completed in the last year have already paved the way for good practice designing for future climate, providing local employment, and reducing whole-life carbon, including the Northern Line Extension and the Barking Riverside Extension.

We are working to reduce carbon emissions from our activities and ensure we are ready for the impacts of climate change. This past year, we relaunched our first Power Purchase Agreement tender – a vital step towards ensuring all our operations can be net-zero by 2030 – with a view to sign a contract in early 2024.

We secured funding to transition our tram depot at Therapia Lane to become our first low-carbon depot. We concluded initial feasibility studies to understand how we can remove carbon from the operation of our buildings. We are working to convert all lighting on our network to LEDs. We also published our first Adaptation Plan with short-, medium- and longer-term actions including embedding interventions such as Sustainable Drainage Systems to improve storm water management. We are also upskilling our colleagues to go further, through an accredited Carbon Literacy training completed by more than 700 colleagues in 2022/23, with a target for 3,000 more to complete the training in 2023/24.

Economy
Our 2022/23 Budget sets the trajectory to achieve financial sustainability from April 2023. Key to good financial decisions is ensuring we are engaging with our supply chain on sustainable practices.

In the first year of implementing the GLA Group Responsible Procurement Implementation Plan, we have made several decisions with impact, including developing a plan to reduce emissions associated with last-mile delivery for all new contracts and working to improve supply-chain transparency of the mining and manufacturing of minerals used in the provision of batteries for electric vehicles, with respect to socio-economic and environmental impacts.

Our financial disclosure on climate change

Environmental sustainability is integral to our business and the way we work, but we face huge challenges in a changing world

London's transport network is woven throughout the city. Together with our stakeholders, we must take a leading role in managing climate risks, which will enable us to provide a safer and more reliable transport network, as well as enabling us to make well-informed investment decisions and reduce our financial liability from climate disasters.

We are the largest user of electricity, and the second biggest landowner in London, therefore we are uniquely positioned to provide opportunities.

In 2017, the Taskforce on Climate-related Financial Disclosures (TCFD) released climate-related financial disclosure recommendations designed to help organisations assess and manage climate-related risks and opportunities. The disclosure recommendations are structured around four thematic areas, which provide a framework for us to understand and take action on our climate risks and opportunities. These areas represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets. Ultimately, widespread adoption of the recommendations is aimed at enabling financial risks and opportunities related to climate change, to become a core part of organisations' risk management and strategic planning processes.

Following last year's disclosure on physical risks, we are giving an update on our progress against all four themes, with a plan to provide more detailed disclosures as we develop our adoption of the TCFD recommendations and as we move forward in developing scenario analysis.

1/4
of London's greenhouse gas emissions come from transport

Our climate governance

Achievements in 2022/23

- Sustainability sub-group of the Executive Committee established, responsible for managing environmental risks and opportunities
- Executive Committee completed sustainability training
- More than 800 people completed carbon literacy training, including our senior leaders

Responsibility for managing climate risk sits with our Executive Committee, overseen by our Board. Environment management is embedded across the organisation, with all areas represented at our Executive Committee Sustainability Group. The Executive Committee Sustainability Group meet every six weeks and they oversee the strategic and operational direction on our behalf by ensuring we align between the vision, purpose, and corporate plans relating to climate risks and opportunities.

We delivered sustainability training to our Executive Committee in November 2022, enabling our directors to engage and lead on sustainability with confidence and this training will be made available to all senior leaders over the next 12 months. We are also rolling out our carbon literacy training across the organisation to increase awareness of the carbon impacts of everyday activities and give people the ability and motivation to reduce emissions. Our training course, accredited by the Carbon Literacy Project, encourages us to incorporate carbon into our decision making processes.

400
people are part of our Sustainability colleague network group

800
colleagues have completed our carbon literacy training

Our climate strategy

Achievements in 2022/23

- Published our 2023 Business Plan, which prioritises progress against key green enablers, such as decarbonising operations and green infrastructure
- Established our Green roadmap
- Published our Climate Change Adaptation Plan
- Updated the Board on our progress on our Corporate Environment Plan
- Launched procurement for our first renewable energy Power Purchasing Agreement (PPA) to achieve our goal of running a zero-carbon railway

Our strategy for the environment has been built to support the Mayor's London Environment Strategy. Our response to this is set out in our 2021 Corporate Environment Plan, which describes our environmental priorities and how we will manage key risks and opportunities. This includes a focus on how we will respond to the climate emergency by reducing carbon emissions, and how we will adapt to physical climate risks through adaptation.

The Corporate Environment Plan provides the foundation for developing environmental strategies and delivery plans. This is considered as part of the development of our Business Plan, which determines our strategic plan over the medium-term, the most recent version of which covers the period between 2023/24 and 2025/26. This includes a summary of where we will allocate resources across our various strategic priorities, including our plans for the environment, covering our operations, asset renewals portfolio and capital investment programme. Our 2023 Business Plan also included our first ever submission to the GLA Climate Budget process, providing a forecast of the carbon emissions resulting from our operations over the next seven years, and highlighted key risks and opportunities, and potential funding requirements over the longer-term.

The overall business strategy is supported and informed by a number of policies, technical strategies and analysis.

We are committed to being a responsible business and to understanding how climate change may impact our operations and property portfolio.

Types of risk

Transition risks

Policy and legal
Meeting enhanced compliance requirements relating to building efficiency standards. Embodied carbon, future planning requirements and building regulations for projects and carbon pricing.

Market
Greater demands from customers to meet higher sustainability standards.

Reputational
Loss of reputation in market due to greenwashing or by slow response or inaction.

Technology
Additional capital, operational and maintenance costs incurred from lower emission technologies.

Physical risks

Acute
Increased severity of extreme weather events.

Chronic
Longer-term shifts in variability of weather patterns and precipitation. Rising mean temperatures and rising sea levels.

Physical climate change poses significant risk to us. Our transition to net zero poses significant risks, as well as opportunities.

In March 2023, we published our Climate Change Adaptation Plan, which outlines what we need to do by 2030 to manage our risks from physical climate hazards. Physical risk will increase the likelihood of safety issues for staff and customers, increase the likelihood of operational disruption including delays and cancellations, and have negative financial impacts in terms of recovery from events and reduced revenue. We manage these risks through robust resilience processes. We monitor weather and coordinate emergency plans, as well as organising for recovery after extreme weather events. Resilience will become more expensive as extreme weather events become more frequent, therefore it is important we embed our Adaptation Plan across the organisation.

For transition risks, we have a target to be net-zero carbon by 2030 in our transport operations. We are moving forward with our strategy to achieve this. By the end of March 2023, more than 50 per cent of our bus shelters were converted to LED, and we aim to convert all of our bus shelters by March 2024, saving more than 1,000 tonnes of carbon dioxide equivalent each year. As of 31 March 2023, around 11 per cent of our bus fleet operated with zero-emission buses, 970 zero-emission buses in total, helping us reduce our reliance on diesel, cut emissions and reduce carbon dioxide.

Decarbonising our buildings is integral to our net-zero strategy. In 2022, we conducted a baseline assessment of the carbon emissions associated with our buildings, using existing data, supplemented with 40 site visits. This year, we will conduct 20 feasibility studies to move forward with our buildings decarbonisation.

Extreme temperatures can damage tracks and equipment

The impacts of a heatwave

In July 2022, London experienced record temperatures of more than 40 degrees Celsius on two consecutive days, which highlighted the effects of extreme weather on our services and operations.

This extreme heat caused disruption on our network, with some services having to close and others being delayed. We had to put in speed restrictions across our Tube and rail services.

We also had to suspend work on our construction projects, while trackside fires and fires near our Tube services caused disruption and damage.

There was a major DC power failure at Dagenham East, and points, signalling and track circuits also failed. A number of customers and colleagues also fell ill from the heat.

£8.4m

lost revenue across our operations during the week of the heatwave

Our climate risks

Achievements in 2022/23

- Developed and agreed an adaptation enterprise risk on the environment

Climate risks are considered across our organisation, which is reflected at different levels in our risk hierarchy. We have developed our enterprise- and strategic level risks relating to the environment, including climate adaptation since the last Annual Report. Enterprise-level risks are reviewed each year by our Executive Committee and Safety, Sustainability and Human Resources Panel. Our strategic climate and environment risks are reviewed in detail each year, as well as an ongoing review by our sustainability sub-group.

We have a risk database that enables climate and environment risks to be tagged and monitored. Interdependencies between risks are also considered. For example, climate change could cause potentially significant disruption to our supply chain, which must be monitored and mitigated.

We have assessed the risks on assets and people under different climate scenarios. There is more work we must do to understand our climate risks in more detail. We need to continue to collect quantitative data, as well as understand our transition risks within the stated timeframes and under different scenarios.

Our climate metrics and targets

Achievements in 2022/23

- Green measures added to our Scorecard
- Scorecard measure developed for Sustainable Drainage Systems
- 970 zero-emission buses in operation
- 50 per cent of bus shelters converted to LED lighting
- 50 per cent of all lamp columns on our road network now fitted with LED lighting

Carbon emissions is a key metric on our scorecard, the tool by which we measure our performance, and will be reported on quarterly across the business in 2023-2024.

Our target set out in the Mayor's Climate Budget, is to be net-zero by 2030 for our operational emissions. This includes all energy and fuel that we purchase directly (Scope 1 and 2 emissions), along with emissions associated with the operation of branded services.

Our plan to achieve net zero is:

Buses	Our target is for all buses to be zero-emission by 2030, but this is subject to securing additional funding
Our support fleet	All cars and vans in our support fleet to be zero-emission by 2030.
Piccadilly line trains	Lighter, more energy efficient trains with regenerative braking.
Private wire	Directly receive a proportion of our electricity from zero-carbon, private, dedicated solar installations.
Our buildings	Decarbonising our buildings by removing fossil fuel heating and increasing energy efficiency.
Power Purchase Agreements	Net-zero carbon electricity supply by 2030 using Power Purchase Agreements

We have identified risks to achieving net-zero by 2030. These include changes to regulation, which could impact progress of PPA procurement. In addition, to achieve our net zero target by 2030, we will require additional funding. With additional funding, we could lock-in the pathway to making the bus fleet zero-emission by our target 2030, which in combination with existing and funded initiatives would save an additional 300,000 tonnes of carbon. This would require additional financial support, although this cost would be spread over the lifetime of the new vehicles, which extends beyond 2030. There is currently no certainty on Government funding for capital investment beyond March 2024. Our Business Plan makes an assumption on the level of funding that will be made available for trains and signalling replacement. If this funding is not confirmed, this will impact the ability to fund all of our capital investment, including green initiatives.

Our metrics and targets for physical climate risks are related to tree coverage and Sustainable Drainage Systems. Through the Mayor's Transport Strategy, we have a target to increase numbers on our roads by one per cent each year between 2016 and 2025. We increased the tree coverage on our network to 24,795, planting 453 trees in 2022/23. This is an increase of 21 trees above target. The Mayor's Transport Strategy includes a target to deliver an effective surface area of 50,000 square metres to first drain into Sustainable Drainage System features rather than conventional drains and sewers. We are committed to delivering 5,000 square metres a year along our road network as part of this target. These targets will help to protect London from flooding, and provide shade and shelter from extreme weather events.

Our next steps

We are continually improving our approach to TCFD by improving our understanding of climate risks and opportunities through more detailed data and research. In the next 12 months, we plan to:

Governance

- Ensure robust tracking of climate risks and opportunities
- Ensure all senior leaders complete Sustainability training
- Train more than 3,000 colleagues in carbon literacy
- Agree a value framework for capital investment for environmental schemes
- Start implementing an asset management decision support system

Strategy

- Continue our strategic research programme
- Progress the actions from our Adaptation Plan
- Continue to transition our bus fleet to net zero and deliver buildings decarbonisation projects
- Agree timescale and begin work on risks and opportunities for scenario analysis
- Explore potential funding requirements over the longer-term, by completing exercise looking at the next 25 to 50 years in relation to climate risks and opportunities
- Expand climate budget to include adaptation
- Publish Green Infrastructure and biodiversity plan
- Launch our transition plan for zero-emission support fleet vehicles

Risk

- Expand our enterprise risk register to cover strategic and tactical risks
- Incorporate physical climate risks into Active Risk Management system
- Identify and tag all risks across enterprise risk framework that link to climate

Metrics and targets

- Agree emissions reduction target for our scope 3 measures
- Deliver Sustainable Drainage Systems to enable 5,000 square metres of drainage
- Remove 845 ktonnes of carbon dioxide emissions from our operations and buildings

London's newest railway

Launching the Elizabeth line

In May 2022, we were delighted to launch the transformational Elizabeth line, providing a vital connection from Reading and Heathrow in the west through to Shenfield and Abbey Wood in the east.

Celebrating the launch

London turned purple in May 2022 when we officially opened the transformational Elizabeth line

There was a party atmosphere when the Elizabeth line officially opened on 24 May 2022. Her Majesty Queen Elizabeth II, who the line is named after, officially unveiled the line in one of her final public appearances. The celebrations started early as Londoners were keen to be among the first to ride on the line.

Major Elizabeth line milestones

- **2007** – Crossrail given the go-ahead by the Prime Minister
- **2012** – Tunnel boring machines start drilling the tunnels
- **2017** – TfL Rail launches between Shenfield and Liverpool Street
- **2018** – The first Elizabeth line roundels are installed at stations
- **2021** – Trial running begins to ensure a safe and reliable service
- **2022** – Her Majesty Queen Elizabeth II officially unveils the line at Paddington in May
- **2022** – Bond Street station, the final station to be completed, opens in October
- **2022** – Increased timetable and through running services launch in November

All aboard the Elizabeth line

London's newest line launched in May 2022, transforming journeys across London

Launching the line

In May 2022, the Elizabeth line was officially launched, with thousands of people eager to be among the first to ride on the new railway. The line, which supports faster journeys across London, and new jobs and economic growth throughout the country, is the most significant addition to our transport network for a generation.

As the Elizabeth line launched, we opened nine brand-new, fully accessible stations in central London, with services every five minutes from 06:30 until 23:00 on Monday to Saturday.

All services between Reading and Heathrow to Paddington, and between Shenfield to Liverpool Street, which were previously operated as TfL Rail, were rebranded to the Elizabeth line.

We also added Elizabeth line information to the TfL Go app and our Journey Planner, enabling customers to plan their journeys on the new line.

We have made changes to 14 bus routes to improve links to Elizabeth line stations in east and south-east London, where many customers will use buses to get to and from stations. This includes a new between Manor Park and Custom House stations.

In October 2022, we opened Bond Street station, the final station to open on the line, while in November 2022, through running services launched to give seamless travel for passengers across London.

The Elizabeth line provides new journey options and supports wider regeneration - creating jobs, business opportunities and a huge economic boost for the country.

'This brand new line is the most significant addition to our transport network in decades. It will add billions to our economy and is set to serve up to 200 million passengers each year. I'm sure passengers are enjoying the modern trains, beautiful step-free stations and the reduced journey times across the capital and the South East'

Sadiq Khan
Mayor of London

The Royal seal of approval

Her Majesty Queen Elizabeth II and The Earl of Wessex visited the Elizabeth line station at Paddington on 17 May 2022, ahead of the launch of the line, to mark the completion of the new railway.

During the Royal visit, the late Queen officially unveiled a plaque to celebrate the completion of the line named in her honour. The plaque is permanently mounted at Paddington station, celebrating Queen Elizabeth II's connection with the railway for generations to come.

The railway is named in honour of of Her Majesty Queen Elizabeth II

The Elizabeth line is proving popular with customers

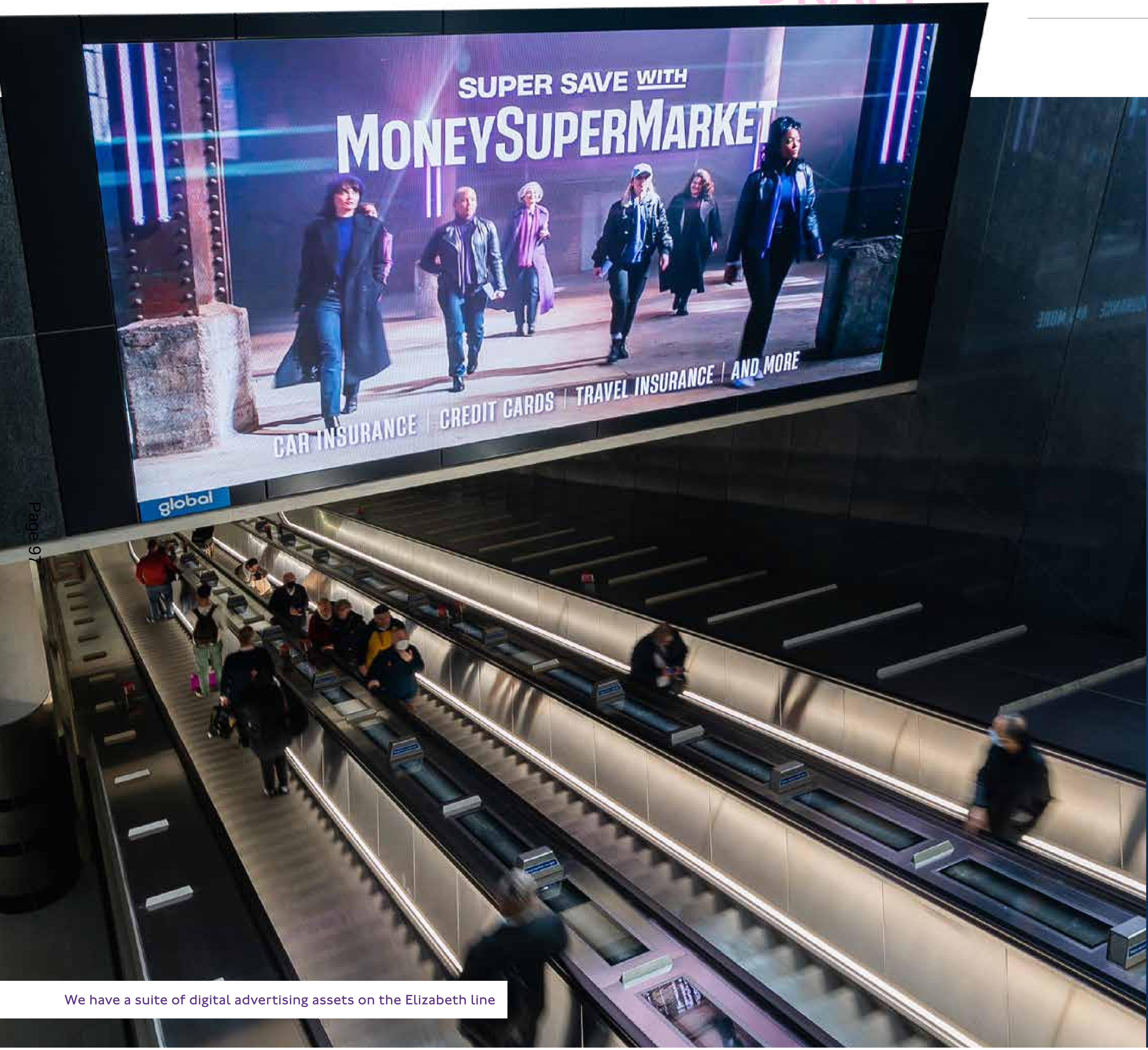
Milestone achieved on the Elizabeth line

London's newest railway saw more than one million journeys made on the new central section between Paddington and Abbey Wood within five days of its opening in May 2022.

In the west to Shenfield and Abbey Wood in the east, more than two million journeys have been made. As the line reached its one year anniversary in May 2023, around 600,000 passenger journeys are now being made each weekday following connections across the line from Reading, Heathrow, and Shenfield.

150million

passenger journeys have been taken on the Elizabeth line in its first year



We have a suite of digital advertising assets on the Elizabeth line

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Elizabeth line advertising

The Elizabeth line is a major addition to our advertising estate, offering brands another exciting opportunity to reach their audiences. With a range of impressive formats including the latest digital assets, advertisers can use our new assets to push the boundaries of creativity.

Ahead of the launch of the line, we worked with Global to embed advertising into the architecture of the new stations and the Elizabeth line saw the biggest single introduction of out-of-home advertising assets for a generation. Our advertising estate includes a wide range of digital assets, as well as enhanced versions of the more traditional formats.

In the run up to the launch, we hosted many stakeholder visits to showcase the advertising opportunities offered to brands. These were successful, with Reed.co.uk, Google, MoneySuperMarket, Sage and Schweppes being among the first brands to advertise for the opening in May.

329
new state-of-the-art advertising sites across the Elizabeth line

44
metre long digital screens at Bond Street Elizabeth line station, the longest screen on our network

The line in numbers

From quicker journey times to accessible stations, there are some impressive statistics behind the Elizabeth line

Trains go up to
90mph
on parts of the route

Lifetime of
120 years
for almost every element of the line

41
fully accessible stations

42km of new tunnels

10 new stations

More than
100km
of track

Each train has
9
carriages

Each train is
205
metres long

Paddington to Tottenham Court Road:
4mins
(was 20 mins)

Abbey Wood to Heathrow:
52mins
(was 93 mins)

Deepest station at Liverpool Street (34m)

Extra
1.5m
people within 45 minutes of central London

Central London's rail capacity increased by 10%

70
trains running on the line

150
million passenger journeys since opening by May 2023

3.5million
passenger journeys every week

1,500 passenger capacity per train

Almost 93% public performance meaure rating

My Elizabeth line journey

Monika Michalska

Elizabeth line driver

Monika was the first person to drive an Elizabeth line in passenger service on the day of the launch

Drive to succeed

How did it feel to be one of the first drivers on the Elizabeth line?

Absolutely glorious and unreal! I still cannot believe this actually happened to me. Of all the people out there who can drive trains it was myself who had the privilege to operate the very first one to officially open Elizabeth line.

The crowds at each station and along the route, drones above in the sky, cheering, 'purple energy' everywhere. All of that caused my emotions and adrenaline to go through the roof. I was on top of the world!

To me to say that I drove the Elizabeth line's first train is an honour beyond words. I am so grateful that my company entrusted me with this responsibility and gave me the opportunity to be a part of something so monumental. I am equally thankful to my colleagues and my family for all the support received, and for putting up with me talking about nothing else but the Elizabeth line.

Were there any nerves before you started on the day of the launch?

Definitely. A lot of nerves and all kind of emotions. I remember the feeling when I realised that there was a chance I might be the one to drive the first train on the opening day. I checked my allocated diagram for that day and it showed a 06:30 departure from Abbey Wood. Once

The purple Elizabeth line trains are instantly recognisable

I finally got it confirmed, I did start to feel the weight of the responsibility on my shoulders and nerves began to set in.

I was concerned, but mainly about possible train failures or signalling problems, which could have spoiled that big moment. The idea of holding up this historic event because of a technical issue terrified me, and I could barely refrain from thinking about such possibility in the lead-up to the big day.

What are your overall memories from the launch day?

I am reminded of the sheer magnitude of this project and the dedication of all those involved in bringing it to fruition. It is indeed a testament to the power of collaboration, innovation, and hard work. For me, it is a reminder that every person has the potential to make history in their own way.

As someone who had the honour of driving the first train along the new line, it was a momentous occasion and experience that I will cherish forever. I still absolutely love talking about it, and I doubt this will ever change.

What is your favourite thing about working on the Elizabeth line?

When asked by my friends or strangers why I like my job, so many people expect to hear that it is because this job pays well. But it really is not the case. It is the great company values, the supportive attitude from management, the inclusion and camaraderie among drivers and other colleagues that makes me feel that way about working for MTR Elizabeth line.

Having a sense of community with your co-workers can be just as important as the job itself. It truly is a blessing, and especially during hard times and when dealing with challenges that life brings us sometimes.

Working on the Elizabeth line is, without a shadow of the doubt, one of the best things that has happened to me.

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A new look for London's stations

As well as transforming travel on the trains, the new stations are home to some stunning design features

Bond Street station

This step-free station links to one of the busiest shopping districts in the UK. It is designed with decorative bronze panels to help absorb noise. There are three abstract artworks to reflect the daily rhythm of the station: descent, ascent, arrival and departure.

60m length of the escalators at Bond Street	**137,000** customer capacity at Bond Street

Farringdon station

There is a frieze, called Avalanche, at Farringdon station, which features the tracery of large diamonds as a nod to the goldsmiths, jewellers, and ironsmiths of the nearby Hatton Garden.

5 passenger lifts at Farringdon station	**82,000** customers each day

Woolwich station

The bronze cladding of the new 276-metre box station displays a rifling pattern that refers to the many cannons that were cast in this area.

Whitechapel station

The original 1876 entrance on Whitechapel Road has been retained. Inspired by the diversity of the area, a series of vibrant portraits depict east Londoners at leisure. Paper collages have been enlarged and recreated in laser-cut aluminium and fixed to the arching walls.

7 passenger lifts at Whitechapel

99,000 passengers each day

Paddington station

The spacious ticket hall has eight bronze-clad columns that carry the weight of the structure and road. A 120-metre steel and glass canopy allows in natural light. It features an artistic rendering of a sky that seems to change according to the light.

6 passenger lifts at Paddington	**174,000** passengers per day

Tottenham Court Road station

The western ticket hall in Soho features black glass and stainless steel to reflect the nocturnal life of the area. By contrast, red and white glass dominates the eastern ticket hall, which is bright and well-lit to reflect the lights of nearby theatreland.

My Elizabeth line journey

Séamus Kearns

Lead Incident
Response Manager

In his role as Lead Incident Response Manager, Séamus has to be prepared for every eventuality and played a key role during the training exercises ahead of the launch

Ready for action

What was it like in the lead up to the launch of the Elizabeth line?

In the final stages of preparation, we were all focused on Trial Operations. The Incident Response Team were out every day, proving that we could respond to the many scenarios that were being tested, such as a train that fails or a major fire.

We were working closely with the emergency services. As part of our response, we have to prove that we can save the infrastructure as soon as we've rescued all the people. We obviously hope that there will never be such major incidents though!

How has your role changed now that the line is open to customers?

The biggest thing is the passengers and the wonderful challenges they bring. These challenges vary from items getting stuck in the doors to a passenger feeling unwell, but all of these highlight the urgency of our role.

It is critical to not only deal with the incident and train, but the impact it will have on the general running of the railway.

The Incident Response Team are prepared for a range of situations

What are your fondest memories of working on the Elizabeth line?

This is actually a pandemic-related memory – not that there were many! My training was interrupted because of coronavirus, as I joined in January 2020. I was expecting to wear bright orange out on a railway, but all the learning was on Microsoft Teams. The nice thing was that we got early exposure to virtual larger scenarios, particularly with the signallers.

We got to see things that would happen in the Route Control Centre that we might not have, which was a positive amid some of the craziness! Now it's nice to pass the railway knowledge to our newer trainees.

What is your favourite Elizabeth line station?

I'm going to go for Paddington because it's my main office. I'm particularly fond of the architecture and the cloud ceiling – which is even nicer in the summer with all the natural light.









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Trialled and tested

Before the line launched, we ran an extensive trial operations programme to ensure everything ran smoothly and give colleagues the chance to experience real-life scenarios

We worked in partnership with London Underground, MTR Elizabeth line and Network Rail, along with thousands of volunteers, on our response to trial scenarios.

Emergency services including the British Transport Police, London Fire Brigade and London Ambulance Service were also involved, demonstrating how they would respond to incidents on the network and in stations.

The scenarios included our response to simulated situations on the trains, signalling, platform screen doors and track.

My Elizabeth line journey

Jon Hunter

Head of Design

As Head of Design, Jon Hunter was involved throughout the project, ensuring the strength of the Elizabeth line brand

Creating trains for the future

Describe your role in the preparation of the Elizabeth line?

My role has spanned the entire project – from the creation of the Elizabeth line identity through to overseeing the train design and everything in between. This has ensured a really high degree of consistency of the Elizabeth line brand and a really strong connection back to our other modes of transport to ensure familiar customer experience. I view my role sometimes as the conductor of the orchestra – ensuring we are all playing the same song at the same time – even if we have different instruments!

What were some of the main design considerations you had to consider?

The balance between form and function is always paramount – we need the new Elizabeth line to not only look beautiful on day one but also as good in decades to come. Inclusivity was also a key consideration – the railway must work equally well for all customers.

The trains have been designed to be comfortable and spacious

We chose materials that wear in, not out to ensure the railway feels new in 10 or 20-years time, and the use of colour and light to maximise the feeling of space and connectivity with the wider urban realm and other public transport interchanges are also front of mind.

The design of the Elizabeth line has been a true team effort – and showcases TfL at its very best in delivering brand-new services that exceed customer expectations and provide delight and surprise moments through the considered use of design.

How has this project differed from previous work you have done?

The scale of the project has been immense – a proper integrated design project lasting more than a decade. It has involved my entire team, from the product design team looking at trains and stations through to the visual services team recording the construction of the railway and the photography used for the launch campaign for posterity. This project truly was creating an entire turn key railway.

Were there and challenges you had to overcome?

The phased introduction of the service, ensuring we opened the railway in a way that makes sense for our staff and customers while ensuring we could quickly change all of the required touchpoints to show the line as running through Paddington and Liverpool Street. It was essential that we did not break the railway by confusing customers, so clarity and correctness of information were paramount.

What is the thing you are most proud of?

The step-change it has delivered for our customers and staff. The huge improvements in real-time information, the absolute attention to detail and customer focus for the stations and trains, which has resulted in a service that customers want to travel on – which is a major consideration when customers now have so much choice in terms of how they travel – and all of our expectations are so much higher.

Innovation in motion

Our new fleet of trains incorporate the latest technology and design features

90mph
The trains can run at up to 90mph in the other sections of the line

30
The signalling system has the capacity to accommodate 30 trains per hour

30%
Energy-efficient management system, including regenerative braking that uses up to 30 per cent less energy

- We have a fleet of 70 Class 345 trains, which are 205-metres long
- The trains have an aerodynamic design to reduce drag, even in tunnels
- Strong but lightweight construction, such as using aluminium for the body shell
- The stations are designed to accommodate longer trains and have capacity for two additional carriages in the future

- Real-time journey information in the carriages to help people with their onward journeys
- The trains have the latest LED headlights to ensure good visibility for oncoming trains
- The light-coloured ceilings help maximise the feeling of height and openness inside the train
- Each train has nine fully interconnected, walk-through carriages
- Each carriage features temperature-controlled air conditioning

- The internal design uses colour palettes that are accessible and welcoming, such as darker floors and natural finishes that wear in, and not wear out

27
Each train has 27 doors on each side to enable quicker and easier boarding

- Each carriage has four dedicated wheelchair spaces, as well as multi-use space for buggies and luggage

My Elizabeth line journey

Naomi Smith

Head of Customer Operations

As Head of Customer Operations for the London Underground sub-surface railway, Naomi had a key role in preparing stations

Happy customers

What is your role within the Elizabeth line?

My role covers the Circle, District, Hammersmith & City and Metropolitan lines. Farringdon, Liverpool Street and Whitechapel stations come under my area of accountability. I am also key senior liaison point for MTR, the operator of the Elizabeth line, on day-to-day operations of London Underground-owned Elizabeth line stations.

What were your preparations like ahead of the launch?

I worked with the Operational Readiness team to ensure that London Underground stations were ready to enable the operating of the Elizabeth line. This included ensuring all our teams were trained and familiar with it. All our stations hugely increased in size, so we also had to recruit extra team members. We also had to ensure all our equipment, operational and emergency procedures, communications, and signage was all in place and ready for operation.

It was my responsibility, working with Employee Communications team, to ensure our Customer Services teams were fully knowledgeable about the Elizabeth line so they could give excellent advice and guidance to our customers, and a sense of excitement about the opening among all our frontline teams.

Our customers were impressed with the Elizabeth line stations

How do the Elizabeth line stations compare to other stations?

It was so exciting and energising. We all knew that the Elizabeth line would be a ‘game changer’ for London and I feel so privileged to have been part of its success. It is right up there as the highlight of my 30-year career with London Underground. It even beats the Olympics!

Has anything changed during the first year of operation?

The main area of improvement we have been focusing on is providing an excellent service to our customers who require assistance, such as people with mobility or visual impairments.

Following feedback from customers, we have also changed some of our signage and installed an Oyster validator at Farringdon station for anyone alighting from Thameslink services.

What are your favourite memories from the launch?

I welcomed the first customers onto the Elizabeth line at Farringdon, together with the Area Manager. Their sense of wonder and awe at the magnificence of the station was just lovely to see. Many customers bought their children and we posed for and took a lot of photographs!

I was so proud of how my team took their new responsibilities for operating these enormous stations completely in their stride with such confidence. I also took the opportunity to don a tiara on the day of the opening. I don’t think I will be able to do that again anytime soon!

I have to give thanks to all the hard work of my team and the Operational Readiness team, I am really proud of how smoothly things have gone. We can’t imagine life without the Elizabeth line now.

Light fantastic

Some of London's more famous landmarks were turned purple on the eve of the Elizabeth line opening to passengers

More than 30 iconic locations, including Tower Bridge, the lastminute.com London Eye, City Hall and the Gherkin, were bathed in purple light as the anticipation for the launch grew.

Key bridges across central London, including Westminster Bridge, were illuminated with coordinated light displays. The unified, subtly moving artwork installation by New York-based artist Leo Villareal extended across nine bridges, from London Bridge to Lambeth Bridge, to form the longest public art commission in the world.

Prominent skyscrapers, including One Canada Square, 110 Bishopsgate, and the distinctive Leadenhall Building, often known as 'The Cheesegrater', were also awash with colour.

My Elizabeth line journey

Josh Burrell

Senior Press Officer

Josh has been involved in the Elizabeth line project since 2015 as part of our Press Office

Spreading the word

Despite being involved in various new station launches, as well as numerous large-scale media events, the Elizabeth line was a really special project for Josh.

'To open nine brand new stations and a new underground railway was an immense undertaking,' he recalls. 'None of us were prepared for the crowds of people that were camped outside stations wanting to be some of the first customers to ride the Elizabeth line.

The success of the launch event was the result of careful planning and close teamwork. 'With the Department for Transport as a joint sponsor, and Sadiq Khan, Mayor of London as a key supporter, we had to liaise with their teams on opening day celebrations for TfL reaching this milestone moment,' says Josh.

The Press Office team were involved with preparations for the launch

'As soon as the Royal visit was successfully completed, it was important we moved all focus to the opening day and it was my role to scope out locations and coordinate partner organisations and stakeholders, working to plan a route with time and space for media to get interviews and capture the opening day.'

Global spotlight

The preparations and promotion all paid off, with huge interest from international press, rail trade press, local TV, radio and print media, and national newspaper reporters all wanting to get the scoop on the launch.

'The eyes of the UK and the world were watching, so to be able to involve so many staff in the day and have media attend and see the carnival atmosphere was amazing.'

Memorable occasion

After all the hard work, Josh can look back with fond memories of the launch event and the build up to it. 'It was great to work with so many partners across the Elizabeth line including MTR, Network Rail, and a number of local councils,' he says.

'My favourite thing about working on the launch of the Elizabeth line was seeing all the positivity. Everyone really came together to make it a success. The news coverage was also great with countries around the world writing about the success of the launch.'

Yet, while Josh can afford himself a moment of reflection on a job well done, the work didn't stop with the launch day. 'We are now looking to make sure the railway runs as smoothly as possible for our customers,' he says. 'We will also continue to profile the people that make it such a success behind the scenes!'

Safety

'Ensuring the safety of our customers and staff remains our top priority and is at the heart of all our work'

Lilli Matson
Chief Safety, Health and Environment Officer

We have installed a number of safety features on our buses

1 in 3

buses in our fleet has intelligent speed assistance technology fitted

Bus safety programme

The number of buses that meet the Bus Safety Standard continued to grow in 2022/23, with nearly 1,000 buses now meeting the 2019 or 2021 roadmap requirements

Our fleet of buses that meet the Bus Safety Standard have features such as intelligent speed assistance technology to limit the bus to the posted speed limit and acoustic vehicle alerting systems using our collaboratively-developed Urban Bus Sound, which is also licenced for use outside of London.

We have also enhanced the vehicle alerting sounds to change the volume depending on the ambient noise levels and time of day. Camera monitoring systems have been installed, which improve the bus driver's indirect vision, reducing blind spots and giving them better vision during bad weather.

We continue to research the future of the Bus Safety Standard beyond 2024 and have aligned it to the European General and Pedestrian Safety Regulations.

We are studying bus driver fatigue, health and wellbeing to better understand how this can be managed or improved, including through our ongoing Health and Wellbeing Bus Safety Innovation Challenge.

One of the successful trials supported by the innovation challenge is the Night Club initiative from The Liminal Space, which is aimed at helping shift workers. It is being delivered in partnership with Stagecoach Bus and is a first for the industry.

New powers to help make cycling safer

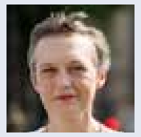
In June 2022, we announced new powers to help make cyclists safer. Together with the London boroughs, we can now enforce laws to keep motor vehicles out of mandatory cycle lanes and cycle tracks.

We are now fining drivers who drive within, or cross, the solid white lines of cycle lanes and cycle tracks on our major roads. Initially, we will use existing CCTV cameras to enforce the rules at key locations.

Cycle lanes are vital in keeping people cycling separated from most motor traffic, reducing the risk of collisions, which can cause death and serious injury. Tackling non-compliant drivers will help improve safety and the confidence of cyclists.

Road danger remains a barrier to people walking and cycling more, with more than half of Londoners choosing not to cycle because of concerns over traffic. The enforcement powers will help protect designated space for cyclists and make the capital's roads more attractive for people to cycle on, helping to build on the huge increases in cycling seen since the start of the pandemic.

'We want to ensure a green and sustainable future for London, and to do this we must continue to make walking and cycling around our city safe and accessible to all Londoners'



Siwan Hayward
Director of Compliance, Policing, Operations and Security

We must make it safer to cycle to encourage more people to do so

Transforming Hammersmith Gyratory

In July 2022, we completed work to transform the roads around Hammersmith Gyratory, reducing danger to vulnerable road users at one of London's most intimidating junctions.

In partnership with Hammersmith & Fulham council, the changes include a protected two-way cycle track on the north side of the gyratory, cyclist-specific signals at junctions to separate cyclists and motor vehicles, safety improvements for pedestrians at all junctions with side roads, and new pedestrian crossing signals with 'countdowns'.

The changes are a further injection in our commitment to making walking and cycling safer and easier in the capital.

5km
of Cycleway between Kew Bridge and Hammersmith that was unlocked by our works

Transforming Lea Bridge Roundabout

In March 2023, we started work to transform Lea Bridge Roundabout to make it easier and safer to walk and cycle at this key junction in Hackney.

The upgraded roundabout will feature segregated cycle lanes and dedicated signals for people cycling, making it easier for them to cross this busy junction, separated from motor traffic. Pedestrian crossings are also being upgraded, making it easier for people to move around the area on foot.

The overhauled roundabout will form the latest section of Cycleway 23, a major new high-quality cycle route between Lea Bridge and Dalston. The cycleway has already improved roads and junctions, making it easier for people to travel in a healthy, sustainable and affordable way.

In 2022, we completed work on the first section of Cycleway 23 in Millfields Park. Along with further planned sections on Lea Bridge Road, this will form part of a major new walking and cycling corridor connecting neighbourhoods in Hackney and Waltham Forest to London's growing network of high-quality Cycleways. The route has been designed to ensure buses can continue to move efficiently through the area.

Safety critical works on the Brent Cross Flyover

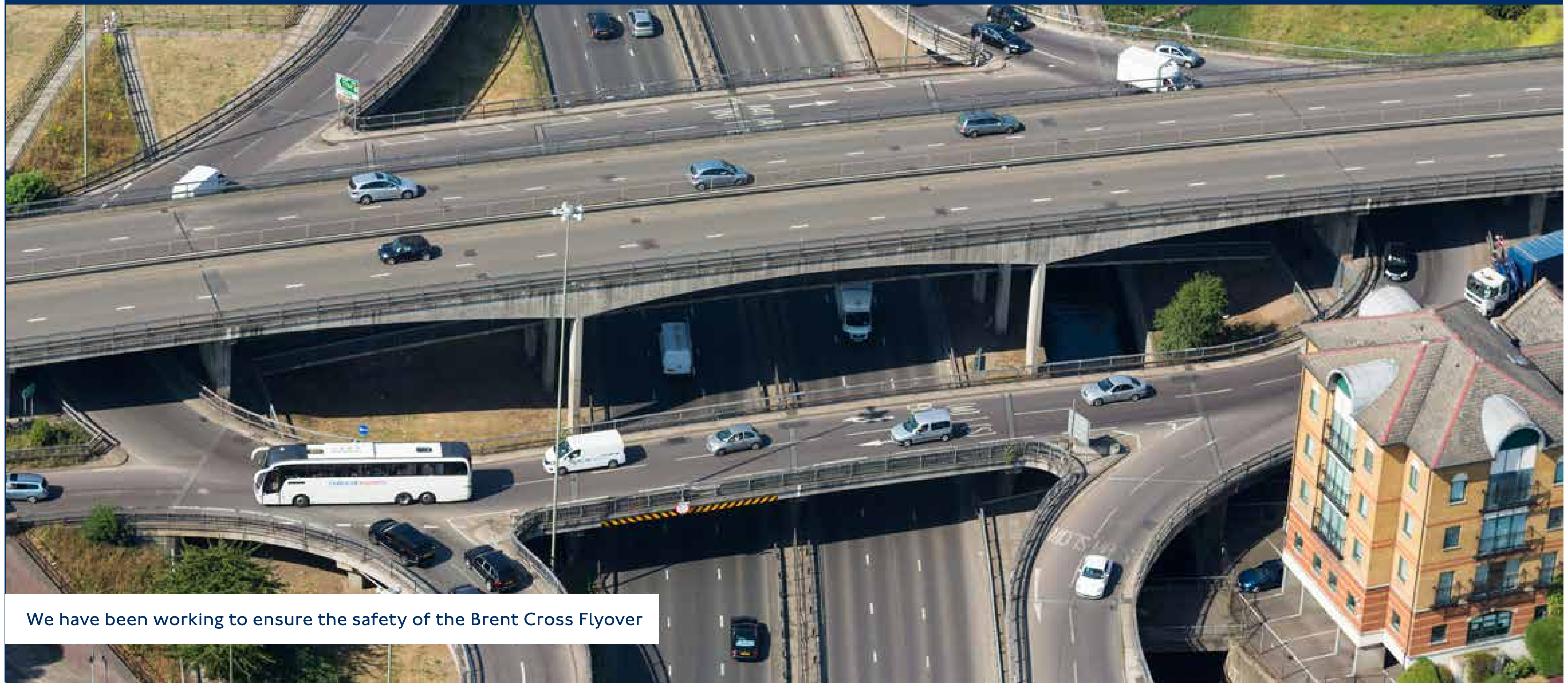
In October 2022, we introduced a new safety-critical 7.5-tonne weight restriction on the A41 Brent Cross Flyover. This followed part of our programme of regular inspections for all structures across our road network and was to ensure the structure remains safe for everyone.

The flyover is around 190-metres long and carries the A41 dual carriageway over the A406 North Circular in north London, in the Borough of Barnet. We created a short diversion directly below the flyover via a mid-level roundabout for vehicles weighing more than 7.5 tonnes.

While the flyover posed no immediate risk, these new measures were introduced to avoid any further damage while we work to resolve the issue. This includes a project as part of our Major Renewals Programme that will renew a number of major structures in the area. We continue to work closely with the Department for Transport to secure a funding contribution of 85 per cent of the project costs.

7.5
tonne weight limit for vehicles crossing the flyover to keep it safe for all users

190
metres is the length of the Brent Cross Flyover



We have been working to ensure the safety of the Brent Cross Flyover

Our White Ribbon status

In November 2022, we marked International Day for the Elimination of Violence Against Women, also known as White Ribbon Day, with a number of engagement activities across our network.

We joined Network Rail, the British Transport Police, the Department for Transport, White Ribbon and other partners for a day of action to reaffirm our support for tackling violence against women and girls.

We talked to passengers at Kings Cross station about our activity to tackle violence against women and girls, including our work with White Ribbon UK, and our zero-tolerance approach to sexual harassment campaign.

We used the day to encourage men to make the White Ribbon pledge, to never commit, excuse or stay silent about male violence against women.

White Ribbon is the global movement of men and boys working to end male violence against women and girls. We were awarded the White Ribbon Accreditation in 2022 in recognition of our work to tackle violence against women and girls.

Tackling violence against women and girls

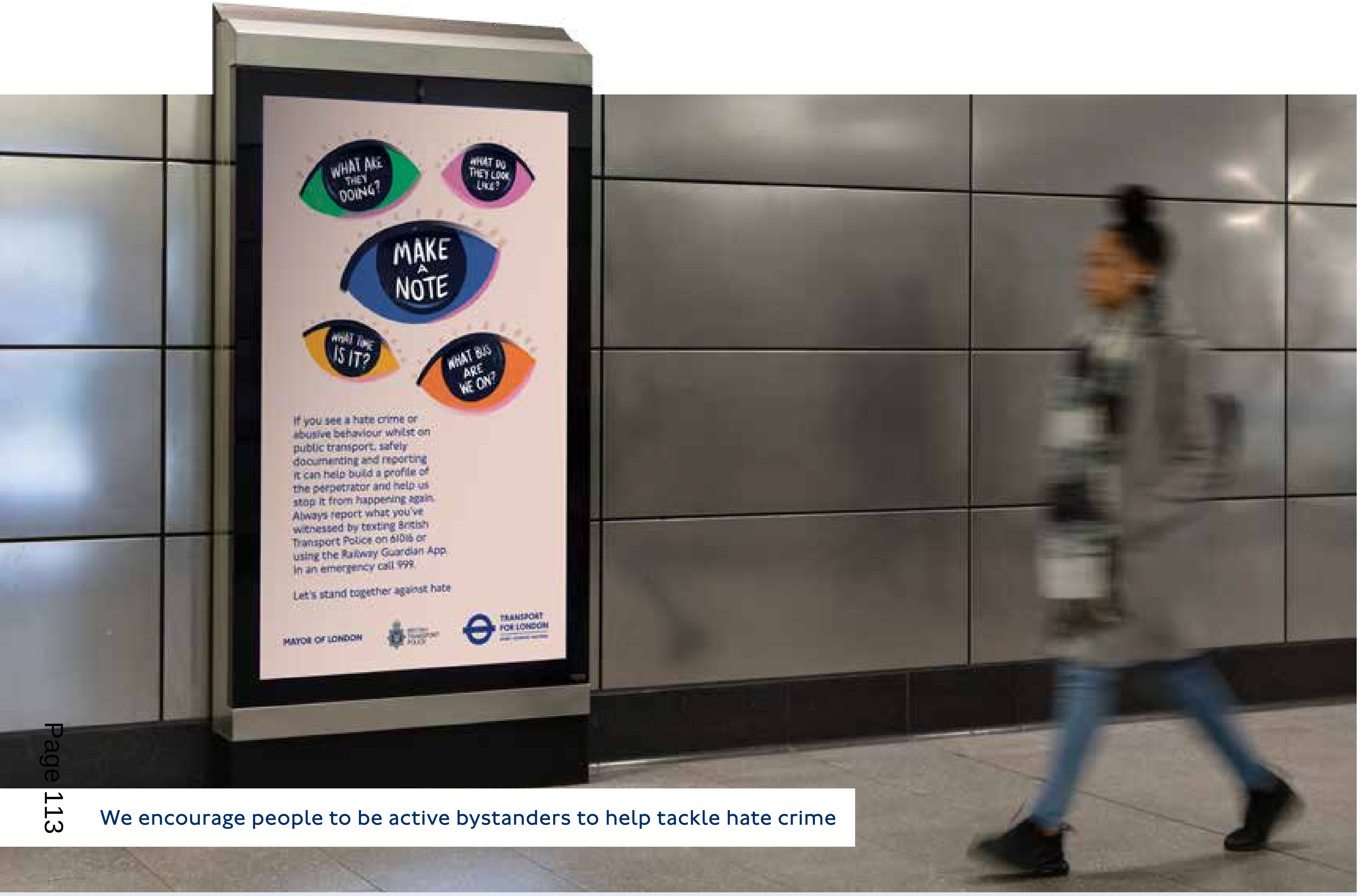
The safety of women and girls remains one of our top priorities and we have a zero-tolerance policy on violence and unwanted sexual behaviour against women and girls using our services. Our women's safety programme is focused on tackling the issues that disproportionately impact women and girls – sexual offences and harassment to improve their confidence to travel.

In January 2023, we launched the second phase of our zero tolerance to sexual harassment campaign, focusing on bystander intervention. The campaign aims to create a culture of active bystanders on the network, setting out clear guidance on how customers can safely intervene if they witness incidents of sexual harassment or hate crimes. The campaign launched to widespread coverage including social media, employee comms, press and posters on the network.

The campaign complements the sexual harassment training being rolled out to all frontline staff, with training for our enforcement officers now complete. This ensures colleagues can respond to reports, support customers and each other, and challenge behaviour. We also run Project Guardian school sessions, which aim to reach more than 6,000 Year 9 students every year to raise awareness of the issue, our zero-tolerance approach and encourage reporting. The sessions are run by the Safety and Citizenship Team from London Transport Museum.

This year, we also introduced our first Domestic Abuse policy, with support from trade unions, colleagues and domestic abuse organisations such as Women's Aid and Hestia. This policy will guide our managers, strengthen our ability to offer better support to colleagues experiencing domestic abuse, and provide a safe and inclusive work environment for those affected.

25,000
bus drivers will complete our sexual harassment training by the end of 2024



We encourage people to be active bystanders to help tackle hate crime

Encouraging active bystanders

In March, we supported National Bystander Awareness Day with a campaign that aims to encourage a culture of active bystanders by highlighting how customers can safely intervene if they witness incidents of hate crime on public transport.

The campaign, run in partnership with British Transport Police and the Metropolitan Police Service, asks Londoners to look out for others by learning to recognise the signs of hate crime and providing information on how they can help, ignoring the offender and focusing on the person being targeted.

Some of the advice offered is to distract the person with a question, by ignoring the offender and asking the victim an unrelated question, such as journey information or for the time. Customers were also asked to make of note of what happens and to report it, and also check the victim is ok and if they are aware of what happened.

The campaign included eye-catching posters on the network, setting clear guidance for customers on how they can safely intervene if they witness hate crime. There were also sponsored podcasts, as well as public engagement activity at King's Cross and Walthamstow Underground and rail stations.

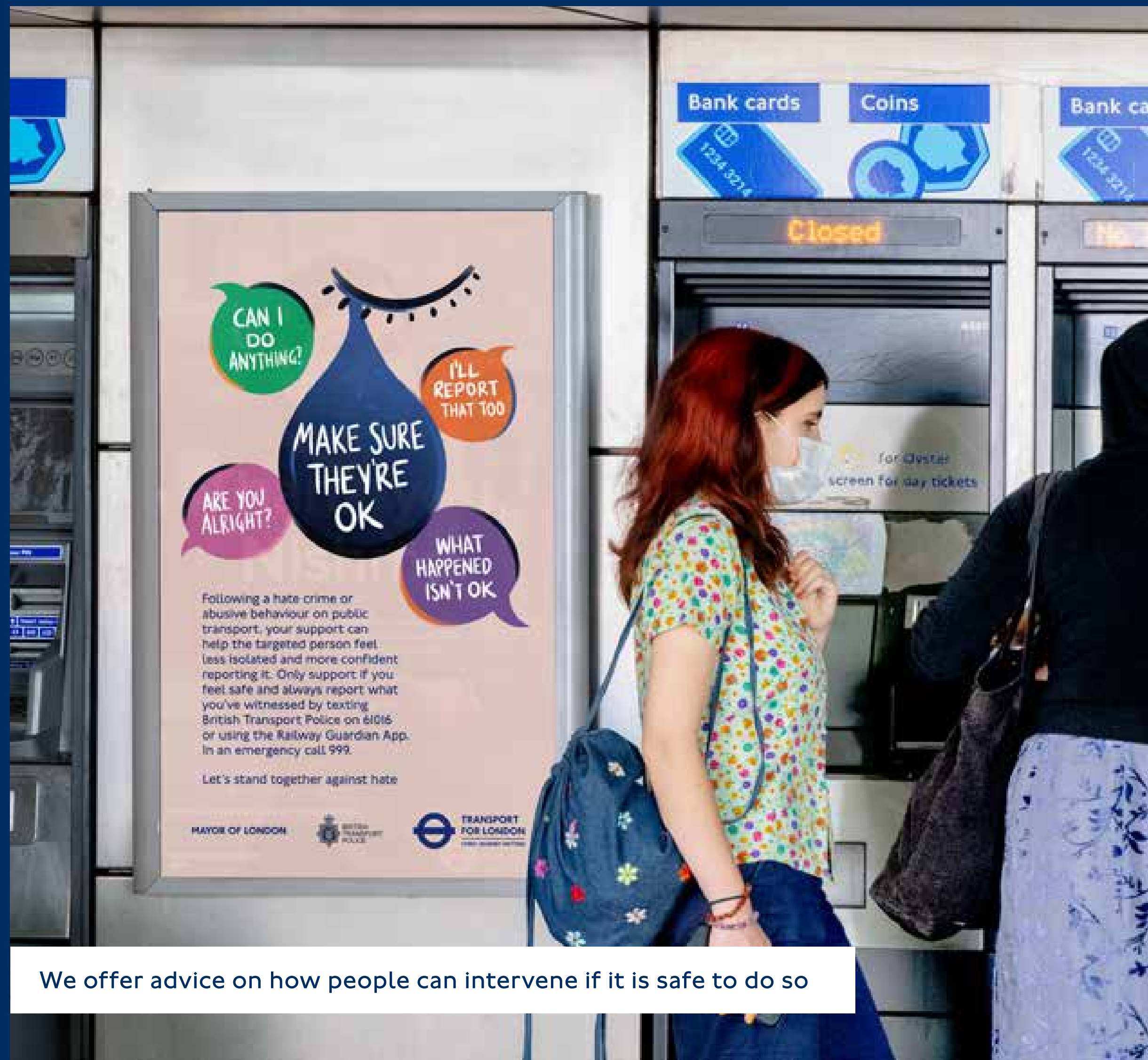
Actively helping

We have encouraged our customers to be active bystanders if they witness a hate crime on our network, but only if they feel safe to do so.

Ask a question
Customers are encouraged to distract with a question – ignoring the offender and asking the victim something unrelated, such as 'what's the time?', or 'what's the next stop?'.

Document it
We advise passengers to make a note of what's happening and report it – including the location, bus route or Tube line, and time.

Check they are ok
After any incident, customers are encouraged to check in with the victim and ask if they are ok and let them know that what happened wasn't ok.



We offer advice on how people can intervene if it is safe to do so

We are improving lorry safety

Strengthening our Direct Vision Standard

In February 2023, we launched a consultation on the second phase of our Direct Vision Standard, to be introduced in 2024, following extensive informal engagement with the freight industry.

The scheme requires all operators of heavy goods vehicles weighing more than 12 tonnes to apply for a free permit to operate in London. Vehicles are rated on how much the driver can see directly from the cabin window, with ratings ranging from zero, which is the lowest, to five stars, which is excellent direct vision. A permit is granted if the vehicle meets the minimum star rating, which is currently one star, while those that do not meet the standard must fit a Safe System including mirrors, sensors and cameras.

The proposals set out in latest consultation consider new and emerging technology, including requirements for vehicles to be fitted with cameras to eliminate any remaining blind spots on the passenger side, as well as audio warnings about intended manoeuvres. Also, we are proposing that all zero- to two-star rated vehicles will need to be fitted with a new progressive safe system.

The Direct Vision Standard, along with the HGV safety permit scheme that it underpins, were introduced in 2019, with enforcement starting in March 2021. Fatal collisions involving HGVs and vulnerable road users where vision was a contributory factor have halved since 2018, from 12 to six, falling again from eight in 2020 to six in 2021.

50%

reduction in fatal collisions involved HGVs where vision was a contributing factor from 2018 to 2021

22

fewer serious collisions involving HGVs between 2018 and 2021, reducing from 39 to 17

Mobile cameras helping to enforce speed limits

We launched five mobile safety cameras in January 2022 to tackle the risk and harm caused by speeding. The ability to relocate the cameras to where they are most needed means we can target non-compliance 'hot-spots' and areas where local communities are concerned about speeding on residential roads. This ensures that, alongside the police, we can be more responsive to local concerns and emerging problems.

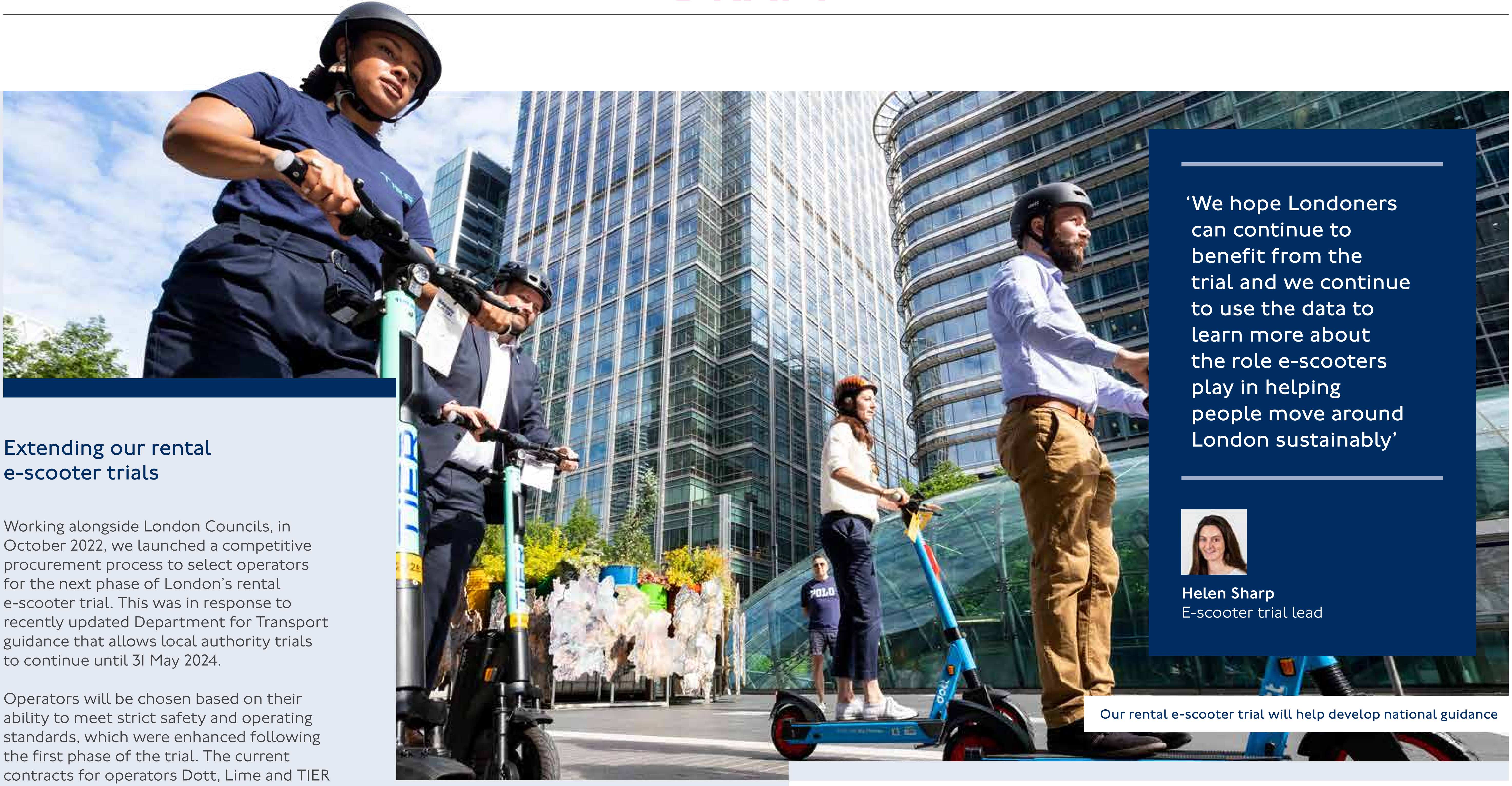
Since the launch of the cameras, 50,000 offences have been enforced. In 2022/23, there were 650,000 speeding offences enforced overall, up from 160,000 in 2018/19 when our first Vision Zero action plan was launched.

The laser cameras, which are operated by a team of police community support officers for the first time, complement other policing and enforcement activity to tackle speeding. This includes London's extensive fixed safety camera network, police roadside enforcement using speed guns, and Community Roadwatch, where community volunteers work with police to educate speeding motorists about the dangers and consequences of speeding.

We are working with the Metropolitan Police Service to increase police enforcement and tackle speeding. Our aim is to have the capacity to enforce up to one million speeding offences by 2024/25.

50%

of fatal collisions in London have speed as a factor



‘We hope Londoners can continue to benefit from the trial and we continue to use the data to learn more about the role e-scooters play in helping people move around London sustainably’

Helen Sharp
E-scooter trial lead

Our rental e-scooter trial will help develop national guidance

Extending our rental e-scooter trials

Working alongside London Councils, in October 2022, we launched a competitive procurement process to select operators for the next phase of London’s rental e-scooter trial. This was in response to recently updated Department for Transport guidance that allows local authority trials to continue until 31 May 2024.

Operators will be chosen based on their ability to meet strict safety and operating standards, which were enhanced following the first phase of the trial. The current contracts for operators Dott, Lime and TIER have been extended until this procurement is complete.

Continuing the trial will ensure that London can keep learning about e-scooters and the role they can play in London’s transport offering. This follows Government plans to create a new vehicle category in legislation, in which e-scooters would be included. In the meantime, privately owned e-scooters remain illegal for use on public land, including public roads.

The trial has proved popular since its launch in June 2021, with more than 500 designated parking locations available and more than two million journeys made.

Safety remains at the core of the London trial, which has standards that go beyond those set out at a national level by the Department for Transport.

10
Boroughs taking part in the e-scooters trial

4,425
e-scooters available for hire across the trial area

Healthy Streets and healthy people

'London's Healthy Streets programme is enabling more people to walk and cycle, helping cut pollution and improve the health of communities across the capital'

Will Norman
Walking and Cycling Commissioner

Clearing the air

We have been preparing to expand the Ultra Low Emission Zone to help even more Londoners breathe clean air

The ULEZ has helped to improve air quality in central London

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Expanding the Ultra Low Emission Zone

On 25 November 2022, the Mayor announced that the Ultra Low Emission Zone (ULEZ) will be expanded across all London boroughs from 29 August 2023, to help tackle the triple challenges of toxic air pollution, the climate emergency and congestion.

Since the Mayor introduced the ULEZ in central London in 2019 and expanded it in 2021, it has had a huge impact. Yet despite this progress, toxic air is still leading to thousands of premature deaths in London every year, with the greatest number attributable to air pollution in the outer boroughs, where higher proportions of older people live.

The expansion will help enable five million more Londoners to breathe cleaner air and marks an important step towards London being a net-zero carbon city by 2030.

To maximise the benefits of expanding the ULEZ and strengthen the alternatives to private cars, there are also plans for improving the bus network in outer London, including the new Superloop orbital bus service, which was announced in March 2023.

NO_2

46%
lower nitrogen dioxide levels seen in central London since the ULEZ was introduced in 2019, and 21 per cent lower in inner London

90%
of cars driving in outer London meet the ULEZ standard

We asked the public for their views on the expansion

Consulting on our proposals

In May 2022, we opened a public consultation on expanding the ULEZ to all London boroughs. It ran for 10 weeks, until 29 July, and attracted a record number of responses.

Alongside the public consultation, the GLA commissioned a poll in July to understand Londoner's views on the proposals. The survey, carried out by YouGov, saw 1,245 responses, which were weighted to be representative of all London adults. More than half of those surveyed (51 per cent) supported the ULEZ expansion.

The consultation covered other proposals, including removing the £10 annual AutoPay registration fee, and increasing the penalty charge notice level for the ULEZ and Congestion Charge to £180 to maintain its deterrent effect.

It also asked people for their views on the future of road user charging, which could include replacing existing charges with a scheme that uses more sophisticated technology to make it as simple and fair as possible for customers. Road safety and bus reliability emerged as respondents' biggest priorities for any future schemes.

58,000
responses to our ULEZ public consultation

342
of the responses to our consultation came from stakeholder groups

Scrappage scheme to help Londoners clean up their vehicles

In January 2023, the Mayor launched a £110m scrappage scheme to support people on lower incomes, disabled people, London-based charities, sole traders and business with 10 or fewer employees, to prepare for the ULEZ expansion by replacing or retrofitting their old, polluting vehicles.

London residents receiving certain means-tested benefits and non-means-tested disability benefits can apply for cash grants of up to £2,000 to scrap their non-compliant cars or motorcycles. As a new feature, successful applicants can also choose to receive a higher value package comprised of up to two free annual bus and tram passes and a lower cash grant.

Disabled people who want to scrap or retrofit a non-compliant wheelchair accessible vehicle can apply for grants of £5,000 to reflect the higher cost of these vehicles. Disabled people will also be supported through new and extended grace periods.

Charities, sole traders and business with 10 or fewer employees can apply to scrap a van or a minibus, retrofit certain vans or minibuses or scrap and replace a van or minibus with a fully electric vehicle.

To accompany the scrappage scheme, we also put together a range of support offers from businesses. This enables successful applicants to benefit from discounts and promotions on subscriptions, rentals and purchases of bicycles, e-bikes, cargo bikes, cars and vans from companies including Brompton, Enterprise and Santander Cycles.

By May 2023, more than 17,000 people had applied for scrappage grants, and we had committed more than £16m to help support them.


We are helping people to exchange their vehicles for cleaner models

27%

of all Londoners have cycled in the past 12 months

24%

of Black people have cycled in the past 12 months

25%

of Asian people have cycled in the past 12 months

31%

of people from mixed backgrounds have cycled in the past 12 months

49%

of Black non-cyclists are open to trying cycling

Joining forces to encourage more groups to cycle

We joined forces with leading afro-urban media platform Trace TV in May 2022 to encourage more women and underrepresented groups to give cycling a go, with a Santander Cycles ride around the capital.

A group of 16 influential women of colour, including a member of the band Cleopatra and the founder of Miss Jamaica UK, took to the saddle and rode from Tower Hill Gardens along protected cycle routes.

They rode past some of London's most famous landmarks, including Big Ben, the statue of Nelson Mandela in Parliament Square and Buckingham Palace.

Led by Cycle Confident, the group ranged from complete beginners to those more experienced, helping demonstrate that cycling is safe and open to everyone whether it's for gentle exercise, leisure or a way to get around.

> 'I am big on health and wellbeing so given the opportunity to support and advocate women of colour in doing so was for me a no brainer. Cycling can be good for mental and physical health, and I wanted to be a part of this message of encouragement and in raising awareness'

Chaly D.N.
Model

A number of influential women took part in the ride

Our fleet of e-bikes will remove some of the key barriers to cycling

Santander Cycles go electric

In September 2022, we launched 500 e-bikes in to our Santander Cycles hire scheme.

The new e-bikes, which use an electric motor to help riders as they pedal, are distributed across key central London locations and will enable even more Londoners to enjoy the benefits that cycling can bring, from improved health to cleaner air.

They can be docked at any of the scheme's 800 docking stations, giving customers an easy and sustainable way of travelling across a large area of central and inner London.

The e-bikes will help to break down the barriers that stop some people from cycling, such as fitness, age and journey length.

Alongside the introduction of e-bikes, we also made changes to the Santander Cycles fare tariff, to support the introduction of e-bikes and to secure continued investment in our cycle hire scheme. This makes access charges more flexible and easier to understand for everyone.

The Santander Cycles scheme also experienced a historic year in 2022, with a record-breaking number of hires across the year as well as during several different months.

11.5million
Santander Cycles hires made in 2022, beating the previous record of 10.9 million in 2021

129,232
e-bike hires in the first four months of the cycles launching

Creating safe spaces for cycling

We are adding more kilometres to our cycling infrastructure to ensure cycling remains a safe and accessible option

We are working to make spaces for cycling even safer

Extending Cycleway 4

In July 2022, together with Lewisham Council, we completed work on a new section of Cycleway 4 in Deptford.

The section on Creek Road included a two-way protected cycle track on Creek Road between Deptford Church Street and Norman Road, adding 1.6km to London's network of protected cycle routes.

A new pedestrian crossing was also built on the western arm of the Deptford Church Street junction. There was a new pedestrian crossings at Gosterwood Street and Grinstead Road, making walking journeys easier and safer, as well as upgrades to pedestrian crossings at Oxestalls Road and Deptford High Street.

Wider footways and a new public space at New King Street have made the local neighbourhood a nicer place to walk around and spend time in.

The cycleway extension means that people in local communities and beyond will be able to cycle between central London and Greenwich on a safer and mostly protected cycle route.

Cycling boost around Finsbury Park

In February 2023, we started work on a new cycle route in Islington between Finsbury Park and Holloway Road. The new route, part of Cycleway 50, includes an overhaul of the intimidating and outdated Nag's Head gyratory and delivers much-needed improvements to roads and junctions, making it easier for everyone in the area to travel in a healthy, sustainable and affordable way.

The new sections will connect people in the neighbourhoods along two new segregated cycle lanes. The work will also make it easier to walk in the area, with upgraded pedestrian crossings and extra space for people walking along the route. Speed limits will also be reduced to 20mph.

Further sections of the Cycleway could begin construction later this year, connecting the Nag's Head gyratory and Holloway Road with York Way via Hungerford Road.

Our analysis shows that the corridor between Camden and Finsbury Park is within the top five per cent in London with the greatest potential for increasing the number of people cycling, and one of the top 10 for travel to and from central London.

We are growing London's network of high-quality Cycleways

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Improvement works on Cycleway 9

In February 2023, together with Hounslow Council, we completed work on the latest phase of temporary improvements to Cycleway 9 in west London.

The changes, which include new raised junctions, new bus shelters, resurfaced roads and clearer road markings, build on improvements delivered the previous year to make it safer and more attractive for people walking and cycling, and enabling more reliable journeys for bus passengers.

Previous phases of the Cycleway 9 route included transforming the Hammersmith gyratory, with a two-way cycle track and new traffic signals for people cycling at junctions.

We saw a significant increase in people cycling along the route since the temporary schemes were introduced, with the number of people cycling on King Street almost doubling since 2017.

The route is a major addition to London's growing network of high-quality Cycleways, enabling thousands of improved walking and cycling journeys each week between Hammersmith, Chiswick, Kew and beyond.

1,273
more people cycling along the Cycleway 9 route in 2022, compared with 2017

4.6km
of cycle route created between Kew Bridge and Hammersmith on Cycleway 9

People behind the project

John Murray
Principal City Planner

What was your role in the plan?
I was part of a small team that ran workshops with stakeholders to scope out the Leisure walking plan's contents. Building on that, I 'held the pen' to develop and draft the document and worked with our Editorial team to get it designed and published.

Why is it such important work?
London faces big health and wellbeing challenges that could be alleviated by regular physical activity, like going for walks. This document – London's first plan devoted entirely to walking for leisure – seizes the opportunity arising from changes to how people travel and exercise following the pandemic.

What has been response?
Given that the plan outlines the priority actions for when funding becomes available, rather than a fully funded programme, the plan has been greeted with enthusiasm by stakeholders who are excited by the leadership we're bringing.

What are the next steps?
We are busy working with local authorities and stakeholders to deliver some of the plan's key actions, including the creation of a new, 15-mile walking route through five boroughs.

Our Leisure walking plan will encourage more people to walk regularly

Our new plan to boost walking for leisure

In November 2022, we published our Leisure walking plan, the capital's first plan to boost walking for leisure.

Leisure walking gives people an affordable and easy way to support good health and physical and mental wellbeing, while helping the environment. The new action plan will enhance and expand leisure walking routes and better connect London's communities with green spaces, building on increases in leisure walking seen since the pandemic.

As part of the plan, we partnered with Go Jauntly to digitise the Walk London Network, one of the largest walking networks of any city in the world, and make it available through the Go Jauntly app.

We have established a Leisure Walking Plan Delivery Group to bring together all the right partners to help deliver the programme of work set out in the plan.

The Leisure walking plan also sets out further commitments to boost leisure walking in the capital, including auditing signage on the existing Walk London Network and improving existing wayfinding signs. We will also use funding from the Mayor's Green New Deal fund to deliver a new strategic leisure walking route for London by the end of 2023.

The plan will help ensure London's streets are accessible and inclusive for the diverse range of people who live, work and visit the capital. Since the pandemic, walking for leisure has become the top reason for Londoners walking more.

7
strategic routes that make up the overall Walk London Network

68%
of Londoners said that a better walking network would encourage them to walk more

28
London Boroughs that the Walk London Network passes through

Improved cycling and walking in Nine Elms

In January 2023, we published a consultation report confirming our plans to make it easier and safer to walk and cycle on Battersea Park Road in Nine Elms.

The plans for Battersea Park Road include 150 metres of protected cycle tracks and a range of other upgrades, including improvements at Queenstown Road junction, new 20mph limits along the whole of Battersea Park Road, improved pedestrian crossings and new bus shelters.

Feedback from the consultation showed that 60 per cent of respondents strongly supported the proposed new cycling infrastructure.

The eastern end of the Nine Elms area has seen significant development in recent years, including a new Northern line Tube station, and the changes will help to connect the new and existing neighbourhoods in the west of Nine Elms to London's growing network of high-quality Cycleways.

The changes are being funded by Wandsworth Council and local developers, with funding from both playing an important role in making recently developed areas better places to live for both new and existing residents.

Battersea Park Road links directly with the CS8 cycle route, which is in the top five per cent of routes in London with the greatest potential for people to cycle. The proposals will build on recent upgrades to other cycle routes in the area, by connecting the existing Cycleways with Vauxhall, through Nine Elms and onwards to Wandsworth town centre. People walking will benefit from signalised crossings and improved public spaces.


Our work around Nine Elms would encourage more people to cycle


We are working with community cycling groups

Funding community projects to make cycling and walking more inclusive

Cycling and walking in London got an important boost in December 2022 when we announced the latest projects to benefit from the Walking and Cycling Grants London programme.

Operated in partnership with The London Marathon Charitable Trust, the programme supports projects that aim to increase participation in walking and cycling among traditionally underrepresented groups, such as disabled people, those from Black, Asian or minority ethnic backgrounds, homeless people, refugees and asylum seekers. In this way it helps tackle the barriers that prevent people from getting active and helping to make London a more sustainable, inclusive and healthy city.

This tranche of funds went to a range of projects across 31 London boroughs and the City of London, including walking tours for older people, bike maintenance classes for women, and cycling and walking sessions for deaf people. There were also Group Walk and Talk and Therapy4 Healing sessions, which run fortnightly walks that support people from ethnic minorities, women, refugees and asylum seekers, to improve their physical and mental health and encourage social integration.

More than £118,000 was also awarded for 60 existing projects to enable them to continue their work in the community.

£416,000
is the total amount awarded through the Walking and Cycling Grants London programme

87
new projects that will benefit from the funding package

We have western Europe's largest zero-emission bus fleet

Growing our zero-emission bus network

We operate the largest zero-emission bus fleet in western Europe and continue to add zero-emission buses to our network as quickly and affordably as possible. By the end of March 2023, there were 970 zero-emission buses in service, making up around 11 per cent of the fleet, operating across multiple routes all over the capital.

There are different types of zero-emission bus technology we use, including hydrogen fuel-cell double-deck buses, battery electric buses, which charge at bus garages and make up the majority of the zero-emission fleet, and electric 'opportunity charged' buses, which uses pantograph technology to charge the battery. This type of technology is helping buses on longer journeys as they can receive a 'top-up' charge throughout the day.

We continue to work with multiple bus manufacturers to develop a vibrant and competitive zero-emission market. These new technologies are supporting the wider objective of converting the entire fleet of around 9,000 buses to be zero emission no later than 2034.

970
zero-emission buses in service in our fleet

11%
of our bus fleet is made up of zero-emission vehicles

Rapid electric bus charging

In autumn 2022, we introduced new pantograph technology at Bexleyheath bus garage to provide fast, high-power electric top-up for buses.

The pantograph, which is an arm-like structure, attaches itself to the bus roof to deliver a quick, high-power charge to buses.

With less than 10-minutes of charge, the technology enables buses to travel further distances each day. The quick top-up time, coupled with a longer distance each bus can travel, means fewer buses are needed in the fleet to provide the same high level of service. This frees up resources to be reinvested into other areas of the bus network.

We plan to extend this work in 2023/24, with pantographs conveniently located at each end of route 358 between Crystal Place and Orpington, which is one of the longest bus routes on our network.

With the varying length and requirements of London's bus routes, this new technology ensures that infrastructure is in place to further support our zero-emission bus ambitions.

Our pantograph technology improves electric bus charging

Using our Power Purchase Agreements

We are one of the largest single consumers of electricity in the UK, with a requirement for up to 1.6TWh per year, which is equivalent to the electricity consumed by around 420,000 homes or 12 per cent of homes across London. We have a strategy in place to procure 100 per cent renewable power by 2030, which will help to meet the Mayor's target for the capital to reach net-zero carbon by 2030.

Our current strategy is for a significant proportion of our electricity demand to be met through renewable Power Purchase Agreements, which are long-term contracts with renewable generators to purchase their electricity in agreed volumes and prices. These contracts give generators a guaranteed income, enabling them to develop new renewable energy projects in the UK, which will help to create new green jobs and support the economy.

We have gone to market for our first Power Purchase Agreements, which will provide up to 10 per cent of our required electricity from renewable sources, such as wind or solar power. We expect to award contacts in early 2024. We will continue to adapt our energy strategy to a changing and uncertain energy market as we pursue the twin objectives of decarbonisation and value for money.

Switching over to LED

Around 12,100 bus shelters across our network have had traditional lighting in them, but we are moving ahead with plans to replace these with LED lights. Together with our contractor, TrueForm, and our electrical maintenance contractor, Milestone, we have been rolling out greener, more environmentally friendly LED lighting, which help reduce waste, energy consumption and associated carbon emissions.

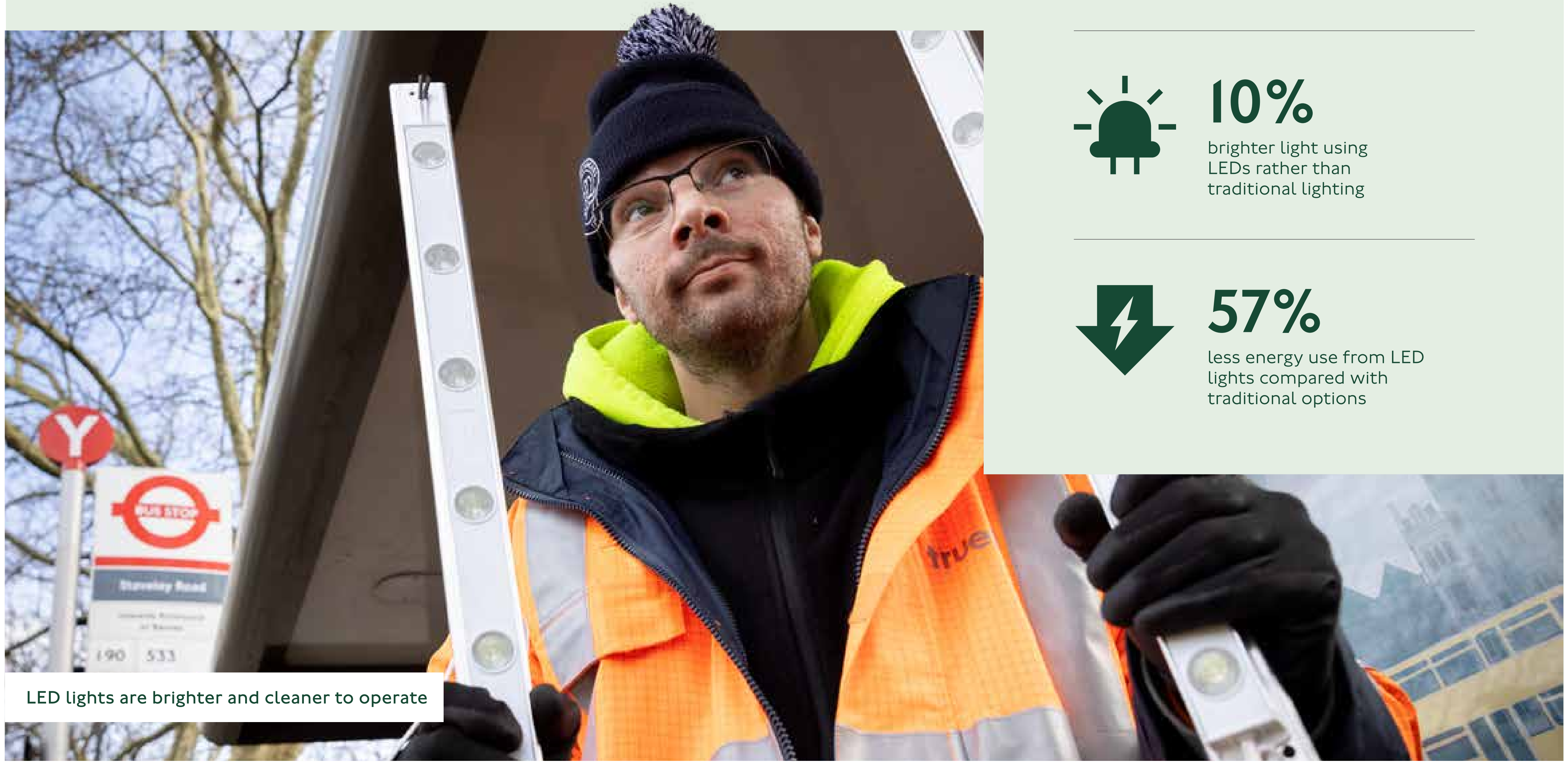
We plan to retrofit and convert all lighting in our bus shelters, including those used in advertising panels, to LED by the end of March 2024. Once complete, it will reduce carbon emissions by more than 1,000 tonnes of carbon dioxide equivalent, measuring carbon dioxide plus all other greenhouse gases, every year. Work is also taking place to upgrade lighting at bus stations across our network, as well as a number of Tube depots, and the London Trams depot in Croydon.

At least a quarter of all Tube stations have been converted to only use LED lighting, with more planned for conversion in the coming months and years. All 38 tram stops have been converted to LED lighting.

Around 50 per cent of all lamp columns on our roads are now fitted with LED lights, with work under way to convert more of these lamps as soon as possible.

10%
brighter light using LEDs rather than traditional lighting

57%
less energy use from LED lights compared with traditional options



LED lights are brighter and cleaner to operate

Cargo bikes are an great addition to London's freight industry

Page 127

Promoting the use of cargo bikes

In March 2023, we unveiled a new plan to work with local authorities, businesses and the freight and servicing industries to transform how deliveries and servicing trips are made by promoting cargo bikes.

The plan, which was launched at the National Cargo Bike Summit, sets out actions to promote cargo bike use and address barriers that inhibit or prevent a shift from vans to cargo bikes.

The actions proposed in the plan include developing a London safety standard for cargo bikes, exploring opportunities to provide space such as hubs and parking to support last-mile cargo bike operations, and ensuring adequate and suitable capacity for cargo bikes when designing cycling schemes.

The use of cargo bikes for freight and servicing trips is becoming more widespread, with major businesses including Amazon and DHL using them for deliveries because they are quicker, cheaper and greener.

The safe, clean and efficient functioning of freight in London is vitally important to the economy and a healthier and more sustainable city for all Londoners.

Cargo bikes also present a lower risk to people walking and cycling than vans and heavy goods vehicles, helping to make London's streets safer and more attractive for people using public transport, walking and cycling.

90%
of all goods are transported by road in London

17%
of van kilometres could be replaced by cargo bikes by 2030

30,000
tonnes of carbon dioxide could be saved a year by 2030 by promoting cargo bikes

'Cargo bikes are no longer a niche concept, and are becoming real game changers when it comes to delivering freight and servicing trips. Not only do they provide environmental benefits by not contributing to air pollution, they also make journeys more efficient, and present a much lower risk of danger to people walking and cycling than vans and HGVs'

Will Norman
Walking and Cycling Commissioner

Making streets for active travel

We continue to make roads safer and more healthy as we work towards the Mayor's Vision Zero ambition

Funding agreed for Healthy Streets investment

In March 2023, we allocated more than £63m in Local Implementation Plan funding for London's boroughs in 2023/24, with more to follow in 2024/25. This funding will enable boroughs to continue their vital work making the capital's roads safer and more attractive for people using public transport, walking and cycling.

Healthy Streets investment provides funding for local projects that support the Mayor's Transport Strategy and local priorities. These include improved public transport, schemes that support the Mayor's Vision Zero goal of eliminating death and serious injury from the transport network and opportunities for safe and active travel.

Our funding will help boroughs introduce new cycle routes, School Streets, new or upgraded pedestrian crossings, bus priority schemes and 20mph speed limits. Enabling more people to walk, cycle and access public transport is vital to a healthier and more sustainable city for all Londoners.

Nearly £39m was allocated to outer London boroughs, including £4m to Barking and Dagenham, £1.8m to Hounslow, £2.5m to Hillingdon and nearly £2m to Sutton. There was £24m allocated to inner London boroughs, including almost £1.9m to Islington and nearly £2.3m to Newham.

Confirming this funding gives boroughs certainty, enabling them to progress their plans. It is the latest allocation of the £138m made available to boroughs as part our funding deal with the Government last year. Boroughs have already invested £59m in vital schemes to improve access to walking, cycling and public transport.

Working to make our junctions safer

Our Safer Junctions programme continued this year, with 44 junctions redesigned since the programme launched, helping to make them safer for all road users, especially those walking, cycling or riding motorcycles.

We recently started work at York Road Roundabout in Wandsworth, with plans under way for Safer Junctions schemes at Holloway Road and Drayton Park later in 2023. We are consulting on changes to roads and junctions at Battersea Bridge and Kings Cross/Pentonville Road, as well as working on pedestrian and cycling improvements at Lambert Bridge North and South, and Manor Circus.

We are working closely with the London Borough of Camden on improvements at Holborn, including Holborn Gyratory, which has gained much public support. Our Safer Junctions programme targets key locations where the greatest numbers of people have been killed or injured while walking, cycling or riding motorcycles. All locations in the Safer Junctions programme had higher-than-average collision rates, and this improvement work is a vital part of our Vision Zero ambition.

We want more zero-emission vehicles across London

Pushing ahead with zero-emission capable private hire vehicles

We took another step forward in our work to clean up London's air in January when we introduced the requirement for all private hire vehicles licensed for the first time to be zero-emission capable.

The previous requirement, which came into force in 2020, was for all vehicles under 18-months old and licensed for the first time to be zero-emission capable. This led to 25 per cent of all private hire vehicles in London meeting these game-changing standards, with a number of the larger operators committing to having an all-electric fleet by 2025.

We announced the zero-emission capable requirement seven years ago to ensure the industry could plan ahead. Since then, we have worked with the trade to ensure that it was prepared for this date.

As well as playing a pivotal role in helping Londoners breathe cleaner air, private hire drivers making the switch to fully zero-emission vehicles will also be able to apply for the Cleaner Vehicle Discount, meaning they won't have to pay the Congestion Charge until December 2025.

46%
of all black cabs in London are capable of not producing any emissions at their exhausts

820
fast or ultra rapid charging points across London

We have introduced more 20mph speed limits on our roads

Speed limits helping to make our road safer and encourage active travel

Data that was released in February 2023 showed that there had been a significant reduction in the number of collisions on London's roads following the implementation of 20mph speed limits on key roads around the capital.

In March 2020, we introduced 20mph speed limits on all of our roads within the central London Congestion Charging zone, as part of our commitment to our Vision Zero ambition of eliminating death and serious injury on the capital's roads by 2041.

The statistics show that there has been a 25 per cent reduction in collisions that result in someone being killed or seriously injured, from 94 to 71. While every death and serious injury is an absolute tragedy, the data suggests that lower speed limits are having a huge impact on reducing road danger.

Since the 20mph speed limits were introduced, collisions involving vulnerable road users decreased by 36 per cent, while collisions involving people walking fell by 63 per cent.

As well as making our roads safer, the speed limits can also help encourage more Londoners out of their cars to walk, cycle and use public transport, which is vital to reducing congestion and air pollution.

25%

reduction in collisions that result in someone being killed or seriously injured since 20mph speed limits were introduced

220km

of our roads in inner and outer London will have a 20mph speed limit by 2024

'Our 20mph speed limits not only save lives, but also encourage Londoners to travel in more active and sustainable ways. We look forward to seeing the expansion of the programme benefit more areas of London'

Penny Rees
Head of Healthy Streets Investment

A good public transport experience

‘Public transport in London continues to support and provide the safest and greenest options, investing in faster and more reliable journeys for all our customers’

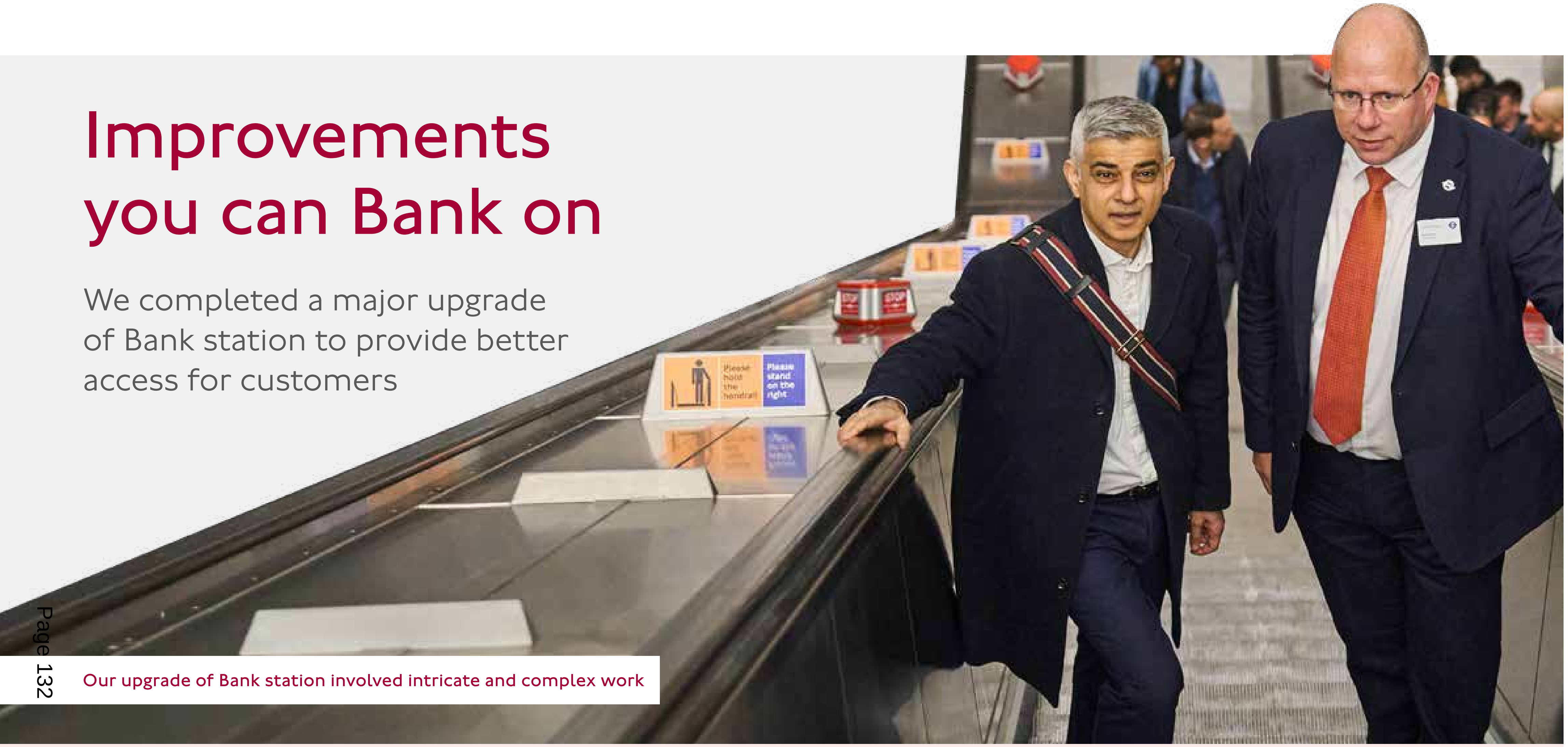
Stuart Harvey
Chief Capital Officer

LOVE THE TUBE 160 YEARS OF SERVICE

In 2023, we are celebrating 160 years of the Tube. For the full story, see page 65

Improvements you can Bank on

We completed a major upgrade of Bank station to provide better access for customers



Our upgrade of Bank station involved intricate and complex work

Upgrade unveiled at Bank station

In February 2023, we completed the £700m upgrade of Bank Underground station, which includes a new entrance on Cannon Street, giving customers easy access, via six new escalators, to the Northern line and DLR.

New, more direct interchanges mean journeys are quicker for those changing between lines, shaving up to nine minutes off journey times for some customers.

The upgraded station also includes two new lifts to provide step-free access to the Northern line for the first time, and improved access to the DLR.

More than 1,000 metres of new tunnels were dug during the upgrade, including the new southbound Northern line running tunnel and the pedestrian tunnel, which houses two new moving walkways between the Northern and Central lines.

The work was often intricate, with care being taken to avoid disrupting any of the 31 listed buildings that surround the site.

40%
more capacity at Bank station as a result of the upgrade work

550
people worked on the Bank station upgrade project each day

Reopening the Bank branch

In May 2022, we re-opened the Bank branch of the Northern line following a 17-week planned closure to support our upgrade work at Bank station.

The closure enabled construction staff to work around the clock to finish constructing a brand-new Northern line tunnel and passenger concourse at Bank station, as well as a new, wider southbound platform.

The Northern line closure also enabled us to do essential work at other stations including London Bridge, Borough and Elephant & Castle, to help minimise future disruption. This included work on lifts and escalators, as well as refurbishment work at Borough, and enabling works for the future Elephant & Castle station upgrade.

550
construction staff worked on the Bank station upgrade

650
train drivers and 100 station staff took part in familiarisation exercises ahead of the line reopening

People behind the project

Claire Horne
Experience Design Lead

What is new for TfL Go this year?
I worked on a new feature that invites customers to discover London and its places of interest, cultural hubs and events. The feature shows a selection of events throughout the year, as part of the search screen. Customers can discover more content, visit a booking link, or plan their journey.

Were there any challenges?
There are many things to consider from design to content, and how different people and teams will work together. When launching a new feature, it can also be a challenge to get people to know that it exists. Will your customers find it by chance or will we have to market it heavily?

Did you work with other groups?
We worked with Business Improvement Districts and many other partners to promote events across different London neighbourhoods. We also work with our own Marketing Partnerships, Commercial Partnerships and Content teams. With so many teams involved, we are always refining and developing ways on how to work with each other.

What are the future plans?
There are a lot of exciting things we could develop. There are also many types of content we could include to make the feature even richer and more engaging.

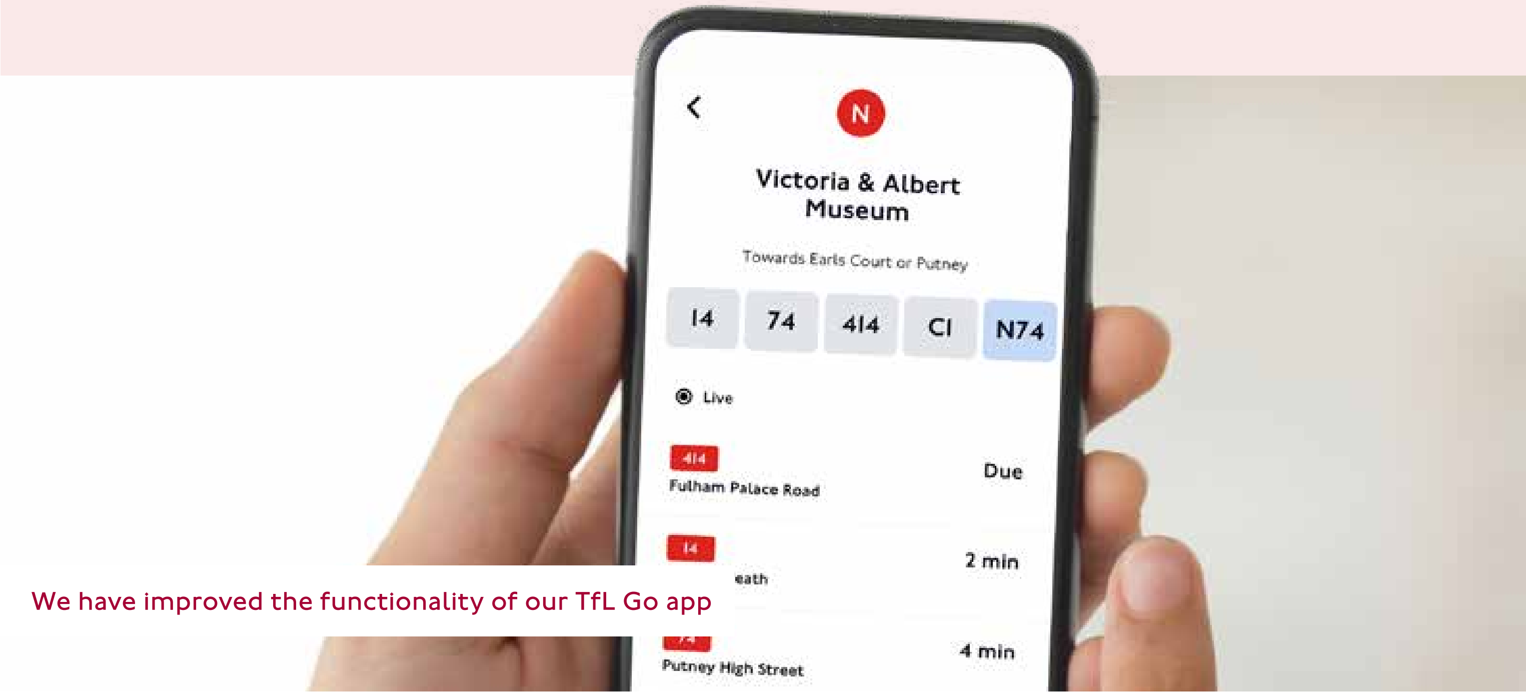
Latest upgrades to the TfL Go app

Our TfL Go app continues to be a popular option for customers to help them plan their journeys and check live service status. We regularly update the app with new features to help make travel in London even easier. During 2022/23, we added more live bus data and fares information, as well features that provide additional support during severe disruption.

In summer 2022, we launched Promoted Places, which helps customers discover and visit places of interest, cultural hubs and events. Since its launch, we have used it to mark the opening of Bond Street Elizabeth line station, promote festive days out and celebrate summer and spring in the city. We also used Promoted Places following the death of Her Majesty Queen Elizabeth II to help customers find the end of the queue for the Lying in State.

Future planned updates include account and payment features so that customers can plan, pay and travel on one integrated app. Customers will be able to top-up their Oyster cards, buy Travelcards and view their journey history. We are also planning to incorporate more real-time information for buses and national rail services, and launch app notifications so that customers can receive status updates on the go. The app has been recognised with Design Week, Drum and British Interactive Media Association awards.

3.6million
times the TfL Go app has been downloaded since it launched in August 2020



We have improved the functionality of our TfL Go app

Return of the Night Tube to keep London moving

In July 2022, Night Tube services started again on the Piccadilly line, marking a complete restoration of our weekend Night Tube and Night Overground services to provide more options for safe travel around the city.

Night Tube services, which run through Friday and Saturday nights on selected lines, were suspended in March 2020 during the pandemic.

The Central and Victoria lines were the first to start operating in November 2021, ahead of the return of the Jubilee and Northern lines in May and June 2022. In addition, Night Overground services between Highbury & Islington and New Cross Gate returned in December 2021.

London's recovery from the pandemic has been driven by a safe and reliable public transport network that serves the city night and day. The complete restoration of Night Tube services enables Londoners and visitors to make the most of all the capital has to offer on weekend evenings with shorter journey times, while also giving late-night revellers another safe way to get home.

Barking Riverside station is improving transport links in the area

Barking Riverside Extension opening

A new London Overground station opened at the heart of Barking Riverside in July 2022, helping transform journeys to this rapidly developing area of east London and supporting the delivery of more than 10,000 new homes.

Sitting at the heart of a new public square and only a five-minute walk from the riverfront, Barking Riverside station forms part of the extended Gospel Oak to Barking route. With around 3,000 homes already built or under construction, the new railway will help unlock more than 7,000 further homes along with new leisure facilities, schools and riverside walks.

The 178-hectare brownfield site will become home to around 30,000 new residents with Barking Riverside station forming an intrinsic part of the development, which is being delivered by Barking Riverside Limited, while the housing development will be delivered through a joint venture between the Mayor of London and housing provider L&Q.

Sustainable travel is a key part of the plans for the development. Public transport, walking and cycling feature heavily, supported by local bus services, easily connected with the new London Overground station, and a network of footpaths and cycleways. We also extended our river services to this area. Cycle parking for 180 cycles is provided at a dedicated new facility as part of the new station, making it easier for people to start or end their journeys by cycle.

7
minutes it now takes to get from Barking Riverside to Barking, cutting the previous time by two thirds

22
minutes to get from Barking Riverside to the City

> 'Residents can now benefit from a modern, spacious new station and greatly reduced journey times with Barking just seven minutes away – I'm pleased to say that the station is also fully step-free'

Sadiq Khan
Mayor of London

Northern Line Extension proving popular

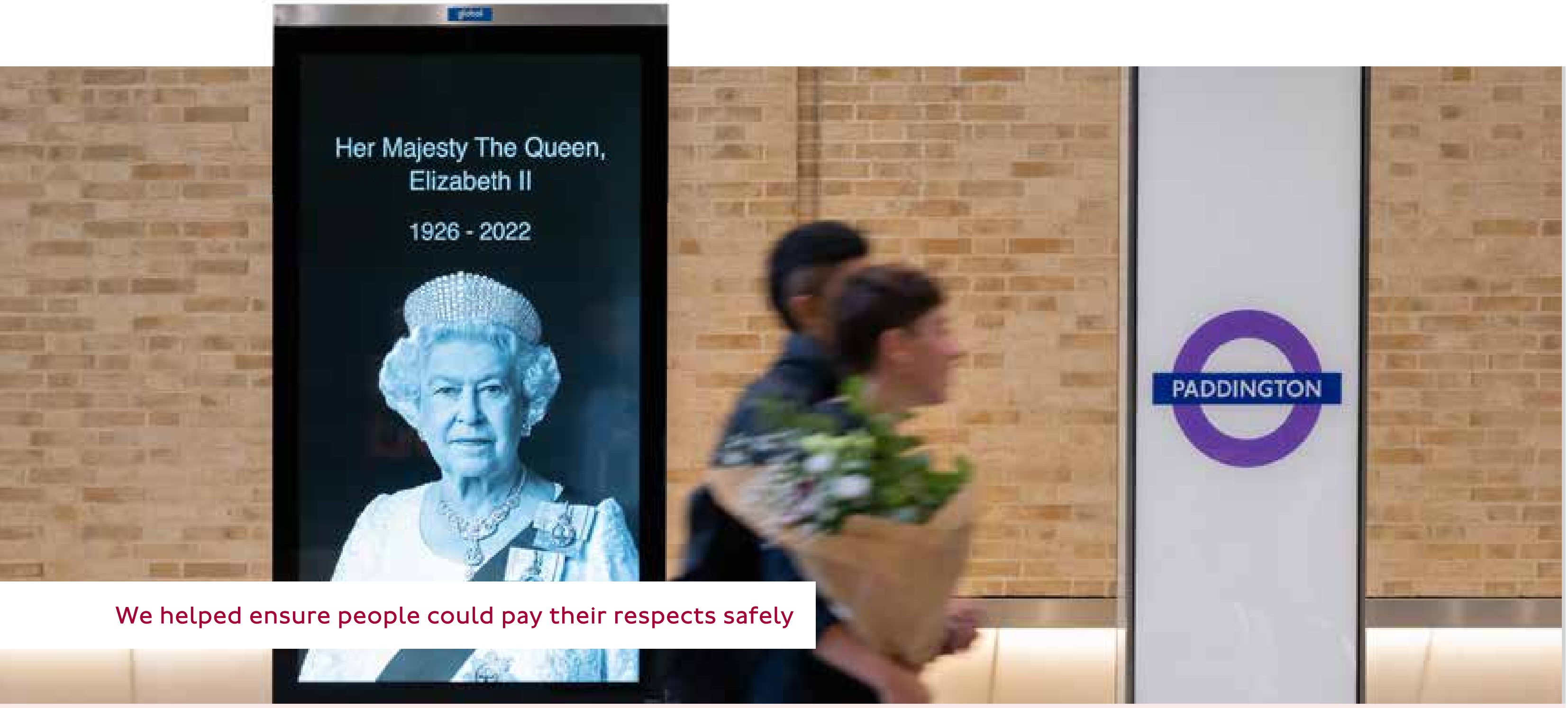
September 2022 marked the first anniversary of the Northern line stations opening at Battersea Power Station and Nine Elms, with more than five million journeys made through the new stations in the first year.

The two new step-free Zone 1 stations have given a huge boost to the area's connectivity, reducing journey times and helping to support the ongoing delivery of around 25,000 new jobs and more than 20,000 new homes.

In June 2022, we doubled the frequency of trains running on the extension, from six to 12 trains per hour during peak times, and from five to 10 trains per hour at off-peak times.

150,000
trips made each week through Battersea Power Station

75,000
trips made each week through Nine Elms station



We helped ensure people could pay their respects safely

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Helping people travel during the Queen's funeral

When the world received the sad news of the death of Her Majesty Queen Elizabeth II in September 2022, it marked the official activation of Operation London Bridge, the official plans for the State Funeral and associated events that a great many at TfL had been planning for, for a number of years.

Our teams from across the organisation pulled together, alongside London and transport sector partners and Government departments, to ensure that Londoners and visitors to the capital could get around safely and as easily as possible.

With the huge demand for people to visit the ceremonial and memorial events over the 11 day period, the volume of activities needed to support was significant. It was one of the biggest operations on our network, across London and the nation we had seen since the 2012 Olympics.

We provided travel advice and transport information via emails, posters, station announcements, social media posts, website updates, our Metro travel page, travel apps such as TfL Go, Journey Planner and City Mapper and via the thousands of staff and ambassadors on the ground.

We amplified messages of our event partners to help the quarter of a million people travelling to the Lying-in-State get there and back with ease, and those going to watch the processions find their way to and from their viewing spots.

350,000
visits made to our travel advice webpage

Supporting London's Jubilee celebrations

In June 2022, London's streets were awash with Union Jacks as the celebrations for Her Majesty Queen Elizabeth II's Platinum Jubilee began.

We helped share the celebratory atmosphere, with eight of our buses decorated with special commemorative wraps. The platinum buses ran on selected routes passing by some iconic locations associated with the Royal Family, including Kensington Palace and Westminster Abbey, and Royal Parks such as Hyde Park and Green Park.

The wraps were funded by bus operators Arriva, RATP, Abellio, Go-Ahead, Metroline and Stagecoach.

We also played celebratory messages at selected Jubilee line, Elizabeth line and other stations with a Royal link in their name during the four-day Jubilee weekend. We helped people get around and enjoy the many street parties and events, with all our services running with no closures and Night Tube services were available on the Central, Jubilee and Victoria lines. We issued travel advice ahead of the weekend, including a dedicated webpage offering up-to-date advice.

The Platinum Jubilee saw Londoners celebrating across the capital

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Tunnelling begins at Silvertown

In August 2022, we began tunnelling work for the new public-transport focused river crossing at Silvertown.

Preparation works began in 2020, including the creation of a launch chamber for the tunnel boring machine, a conveyor system to remove excavated materials by barge and repairs to the river wall to ensure it is not affected by the tunnelling.

TfL and Riverlinx are also actively working on the designs for the walking, cycling and landscaping improvements, which will be delivered around either side of the tunnel entrances. These will see new dedicated cycleways and footways, as well as 'shared space' and new public spaces.

The project is being delivered by Riverlinx, a consortium made up of design, build, operations and contracting. with the vast majority of the funding coming from private finance, which has been specifically raised for this scheme. Once open in 2025, both the Silvertown Tunnel and Blackwall Tunnels will be subject to a user charge to help manage traffic flows.

The Silvertown Tunnel will provide improved bus links, which will be kept under review, which will enable around 20 zero-emission buses an hour to cross the Thames when it opens. By reducing congestion at the Blackwall Tunnel, providing new cross-river bus links and creating a more reliable river crossing for cars, vans and lorries, it will support economic growth across east and southeast London and improve air quality on the approaches to the tunnels.

The tunnel will also provide better access to new job opportunities and support new housing and business developments across the wider area.

The Silvertown Tunnel will provide new bus links and reduce congestion

Tunnel vision

The tunnel boring machine used on the Silvertown Tunnel is 82 metre-long and named after Jill Viner, the first female bus driver in London.

600,000
tonnes of material will be excavated and removed via barges during the course of the project

1.4km
long tunnel will link Newham to the Greenwich Peninsula

The new entrance at Hackney Central is helping to ease congestion

Second entrance at Hackney Central station opens

In July 2022, we opened a new second entrance at Hackney Central London Overground station, helping to ease congestion, providing more direct access to the town centre and enabling customers to make a simpler interchange with Hackney Downs station and local bus services.

The £3m scheme, which was delivered collaboratively with funding by the Department for Transport using Hackney Council land, includes a new covered gate line, two new ticket machines and additional cycle storage, helping to encourage greener and more sustainable journeys to and from the station.

It also features a living roof on both the new station building and the covered cycle storage and a green wall and new trees in the customer area. Lighting was upgraded to the latest energy saving LED technology throughout the station, providing a brighter and safer environment for customers.

An information screen provides live bus information next to the station exit to help with onward connections, with a newly installed pedestrian crossing making it safer to cross the road for buses heading towards Dalston. There is also a new water fountain for customers to refill reusable bottles, free of charge.

10%

increase in passenger journeys on the London Overground in Hackney in the two years before the pandemic

New entrance opens at Imperial Wharf station

We opened a new additional entrance at Imperial Wharf station in June 2022, giving customers better access to London Overground and Southern services.

The £1.7m upgrade, which was funded by the Department for Transport, includes a new second entrance and ticket gate line. This enables people to make quicker and easier journeys towards Shepherds Bush, Willesden Junction and Stratford, helping to reduce congestion and improve journey times.

The new entrance was delivered in the most cost effective way by refurbishing an existing set of stairs, previously used as a fire escape, at the end of the platform, and a new covered walkway was installed.

'This is a great addition to Imperial Wharf station helping to make it easier for our customers using the station but also helping to ensure trains can leave promptly'

Rory O'Neill
General Manager for London Overground

Our improvements will enable shorter journey times

Step-free boost at Leyton and Colindale

In early 2023, we received confirmation of funding to make Colindale and Leyton Tube stations step-free and increase their capacities, as part of the Government's Levelling Up Fund allocation.

At Colindale, our project includes a new ticket hall, a new lift to provide step-free access from the street to train, as well as additional ticket gates.

At Leyton, there will be a new ticket hall, two new lifts to provide step-free access from street to platform, with access to the train provided by manual boarding ramps, and additional ticket gates.

Both projects are now fully funded, subject to us meeting the Government's detailed conditions for release of the money. We are working closely with the Government, the GLA and the London Boroughs of Barnet and Waltham Forest and we hope to be able to carry out the next stage of contract award for construction at Colindale and for detailed design at Leyton later this year.

Contractor chosen for Surrey Quays improvements

In December 2022, we appointed a main works contractor for our plans to transform Surrey Quays station to make it more accessible and help improve journeys.

The improvements, which will be carried out by Morgan Sindall Infrastructure, include a second station entrance built that will provide more direct access to a nearby new development and the existing shopping centre at Canada Water.

This brand-new entrance will include a new spacious ticket hall, along with a new gate line to help ease congestion at the busiest times at the existing entrance.

A new customer bridge, with stairs leading to platforms, will provide relief to the existing narrow staircases. For the first time, step-free access will be provided to the platforms via two new lifts, helping those who are mobility impaired and parents with pushchairs.

Enabling works are expected to start on site later in 2023, with the main work expected to start by the end of 2023. The station improvements are expected to be complete in 2026.

This project is funded by the Department for Levelling Up, Housing and Communities as part of its Housing Infrastructure Programme with a contribution from British Land, the developer of the Canada Water Masterplan Development.

20%
increase in step-free access across our network since May 2016

200+
stations on our network are step-free

Surrey Quays station will have step-free access for the first time

Our priority seating moquette will help customers who need a seat

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Priority seating on new Routemaster buses

Throughout 2022/23, we continued to refurbish our New Routemaster buses. The refurbishments include new priority seat moquettes featuring an eye-catching pattern with distinctive colours and a clear message explaining that it is a priority seat.

The design helps people who need a seat, including older and disabled customers and people with non-visible conditions, to easily identify these seats and serves as a helpful reminder to fellow passengers that there may be customers who need a seat more than them.

We will continue to install priority seat moquette on the remainder of our New Routemaster fleet and are on target to complete this by the end of 2025.

We continue to work closely with bus operators, who are also introducing new, prominent priority seat designs across the wider bus fleet.

300+

buses in our fleet now have more prominent priority seating moquettes

Please offer me a seat

100,000

Please offer me a seat badges have been issued to disabled customers and those with non-visible conditions

Bus countdown signs and real-time information trial

In February 2023, we took another step in improving customer information and experience by installing a new wave of bus countdown boards across every borough, including those in outer London.

The countdown signs, which use real-time technology to show when the next buses are due and any disruption on the network, give customers certainty, while also improving accessibility for those without smartphones.

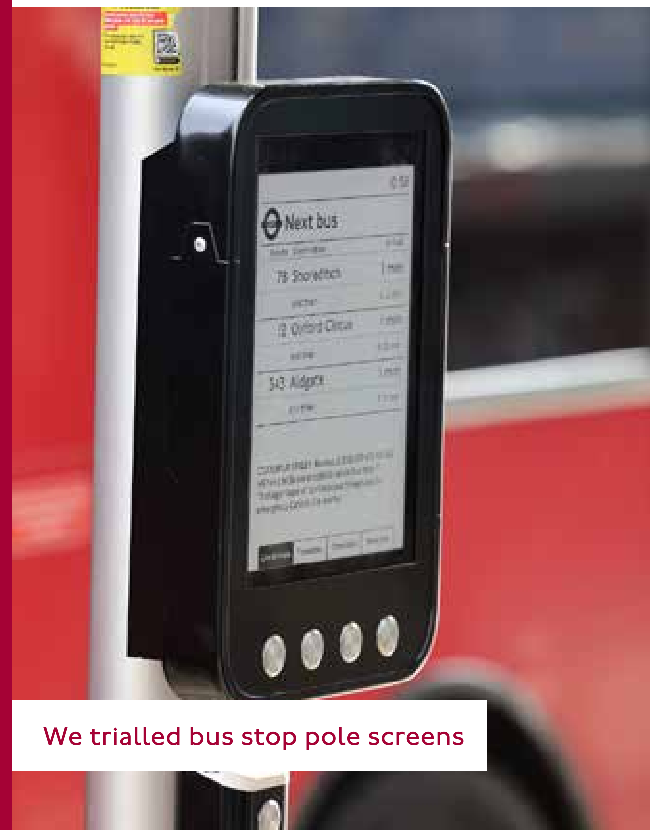
We also began trialling 12 new innovative screens on route 63 between King's Cross and Honor Oak, which give customers live bus arrival information, alongside a variety of other live mapping and travel information including any disruptions and diversions.

We are also trialling new information displays attached to the bus stop pole itself. The device is battery-powered and in greyscale to save energy. They enable customers to view live bus arrival times, disruption information, digital timetables and route maps, and the displays are mounted at a suitable height for wheelchair users.

Live bus arrival information can also be activated as an audio announcement at the push of a button, improving the travelling experience for all customers, including those with visual impairments.

'We are now looking at the next generation of technology, using the route 63 as a pilot. We are looking to transform the experience of how people get from A to B and make the network even more accessible'

Louise Cheeseman
Director of Bus



We trialled bus stop pole screens

The Superloop will improve outer London bus journeys

Launching the new Superloop

In March 2023, we announced plans for our new Superloop bus network. The network will provide limited-stop express bus routes that circle the capital and enable quicker connections with outer London town centres, railway stations, hospitals and transport hubs.

The Superloop will reduce journey times and is proposed to be introduced in stages, with some routes that would become part of the Superloop already in operation. This includes the X140 connecting Heathrow and Harrow, which was introduced in December 2019, and a more frequent route X26 connecting Heathrow and West Croydon.

Future sections could include a limited-stop express link between North Finchley and Walthamstow, and between Walthamstow and the Royal Docks via Ilford. Links are also proposed between Bexleyheath, Bromley and Croydon.

We also unveiled a new Superloop brand, which uses a new roundel and bus livery to help customers identify the new service, while still being recognisable as part of our bus network. The new branding will also feature on maps, timetables and other pieces of customer information.

'The Superloop is the jewel in the crown in our plans to strengthen alternatives to the private car ahead of the ULEZ expanding London-wide and is a game changer for outer London'

Alex Williams
Chief Customer and Strategy Officer

£6m
funding provided by the Mayor for outer London bus service improvements

We celebrated the Tube's 160th anniversary with a series of events

Happy birthday to the London Underground

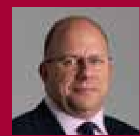
We announced a series of activities at the start of 2023 to mark the 160th anniversary of the London Underground, the world's first and most famous underground railway.

To mark the milestone birthday, Mayor of London Sadiq Khan met with four London Underground staff members, who have given a total of 160 years of service in a range of roles.

A celebration took place at Baker Street station, one of the original stations that opened on 10 January 1863, when the first Tube journey took place between Paddington and Farringdon stations, on what was then the Metropolitan Railway.

The Mayor also unveiled a special 160th year 'Love the Tube' roundel, which went on display at stations across the network including at Gloucester Road, Brixton, Oxford Circus and Covent Garden. London Transport Museum will be supporting the celebrations with activities throughout the year, highlighting the heritage and innovation of the Tube. This will be alongside the museum's permanent exhibitions, which encourage visitors to explore the Tube's origins as the world's first subterranean railway.

> 'A milestone birthday gives us the perfect opportunity to reflect on the historical significance of the Tube and how it has expanded and improved to meet the needs of an ever-changing world city. During this time the Tube has breathed new life into unconnected parts of London and been the catalyst to many local economies'



Andy Lord
Interim Transport Commissioner

The Tube through time

1863	The Metropolitan Railway opens the world's first underground railway between Paddington, then called Bishop's Road, and Farringdon Street
1908	The name 'Underground' makes its first appearance in stations, and the first electric ticket-issuing machine is introduced. This year also sees the first appearance of our famous roundel symbol
1969	Her Majesty Queen Elizabeth II opens the Victoria line
1979	The Prince of Wales opens the Jubilee line
2000	TfL is formed bringing London together into one integrated transport body
2003	London Underground becomes a wholly owned subsidiary of TfL
2007	The Tube carries one billion passengers in a year for the first time.
2016	The Night Tube is launched, offering all-night services at weekends
2021	The Northern line is extended to Battersea Power Station and Nine Elms, supporting the complete regeneration of the area
2022	The Elizabeth line – the evolution of the Tube network – is opened by Her Majesty Queen Elizabeth II

Wellbeing station pilot launched

In August 2022, we began work on a pilot to test a pop-up wellbeing station at Beckton DLR station and West Ham Tube station.

The focus of the first phase of the pilot was on specific outreach activities to give local residents information on cost of living support and ways to proactively protect their health during the winter.

The wellbeing station was available on six occasions in November and December 2022, with experts on cost of living from Our Newham Money and the mental health charity MIND joining two of the events.

There were 180 residents who attended the events across the two stations and offered further support and given a range of informational materials. By holding the events during the day the initiative was able to support residents from areas of deprivation and health inequalities and in much need of support.

A second phase of the pilot to include Custom House station is being expanded to promote health choices and active travel, including offering free fruit from Whole Foods.

Our wellbeing work includes offering free fruit

Our innovations are helping to keep the Tube cool

Cooling the Tube

Following the extreme temperatures seen during summer 2022, that July, we announced a trial of state-of-the-art cooling panel at Holborn station to test its suitability for reducing temperatures across our deep Tube network.

The cooling panel works by circulating cold water around pipework within a curved metal structure to chill it before circulating air using an industrial-sized fan, through gaps in the panel's structure, which in turn is cooled.

The panel could also have the additional benefit of halving operational and maintenance costs, compared to existing technology used to manage temperatures on Tube lines.

The cooling panel, which was tested at a disused platform, aims to provide cooler air to passengers waiting on platforms, as well as mitigating potential temperature increases associated with running an increased number of trains on the Piccadilly line, as part of the line's future capacity upgrade.

Following the trial at Holborn station and subject to funding, we will explore whether the panels could provide a cooling solution for other deep Tube lines.

40.3C

was recorded in 2022, the hottest temperature in the UK since records began

1st

ever red alert warning for heat was issued by the Met Office in July 2022

Contactless payments celebrates 10-year anniversary

In December 2022, we marked 10 years since our revolutionary contactless payment technology using a bank card was introduced on London's buses, making paying for travel easier and more convenient for millions of customers.

The system, which evolved from our successful Oyster card system and was developed in partnership with the wider banking industry, enables customers to benefit from the ease and convenience of using their contactless card, phone or watch device, rather than having to buy a ticket. The system also ensures daily and weekly capping, meaning customers never pay more than the equivalent Travelcard.

Our development of contactless payment is seen by many as the catalyst for contactless being adopted more generally by consumers in the UK and across the world. The huge success of pay as you go with contactless in London has led to other cities, including New York, Chicago and Sydney, introducing contactless payment options across their public transport systems.

Bus ridership is now at around 80-85 per cent of pre-pandemic levels. On an average day, fare payers make more than three million bus journeys, more than half of which are made using contactless to pay as you go.

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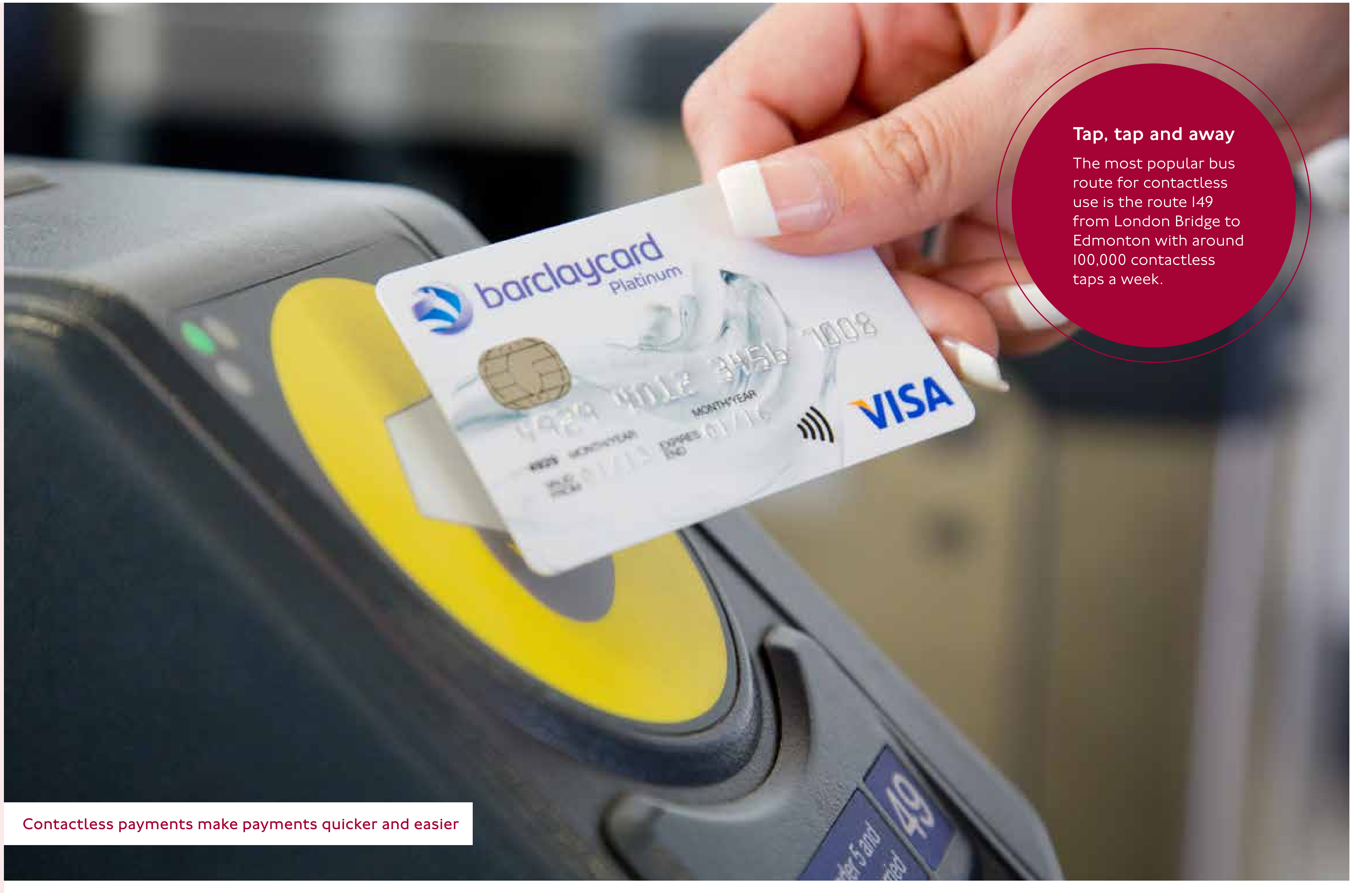

Contactless payments make payments quicker and easier

Tap, tap and away

The most popular bus route for contactless use is the route 149 from London Bridge to Edmonton with around 100,000 contactless taps a week.

70%
of bus journeys are paid for through contactless technology

2billion
bus journeys have been made using pay as you go with a contactless device since the technology was introduced

Supporting HS2 works on Euston Road

We supported Londoners and our customers ahead of the first major set of HS2 works on Euston Road, which started on 20 February 2023 and were expected to lead to significant delays to journey times.

Working with HS2 and their contractor, we developed a communications strategy to help people plan their journeys and mitigate the impacts. We developed travel advice for people travelling to, and through, the area to plan ahead, leave more time for their journeys and use alternative routes where possible.

Targeted communications were issued to key customers and stakeholders, including freight traffic, and a dedicated webpage with detailed advice and information was set up.

The works were to construct the new HS2 station at Euston, which would have meant many years of disruption in the area. HS2 is now rephasing construction of Euston as it develops the scheme. Work continues in other locations across London and we will continue to work closely with HS2 to mitigate these impacts and future works at Euston.

Update on works at Old Street

In February 2023, we confirmed a revised completion date for the transformation of Old Street, a major project that is modernising the station entrances and overhauling the outdated 1960s roundabout to create a much safer, more welcoming environment for everyone.

We are working closely with contractor Morgan Sindall to complete the project by early 2024, including the station entrances and lifts to the retail concourse, which will generate ongoing commercial income.

The work has already seen the northwest arm of the roundabout closed permanently to traffic, creating a major new public space, with better walking and cycling access to Old Street station.

Once complete, the former Old Street Roundabout will have permanent, fully segregated cycle lanes and cycle-only traffic signals around the redesigned junction, alongside new pedestrian crossings to make it much easier to navigate the area on foot. Work on the new cycle lanes and pedestrian crossings is expected to be complete later in 2023.

We are also upgrading Old Street station, including two new passenger entrances and new lifts to an upgraded retail concourse.

The pandemic had a major impact on construction work, with the site shut for three months. This was followed by months of social distancing measures in a confined work site, while the scope of the work needed to deliver the project has also increased significantly. A key requirement of the project has been for the road and station to remain open and accessible throughout the works, which further complicates delivery.

Our work at Old Street will transform the area for everyone

The new DLR trains include a number of improvements for customers

New DLR train is unveiled

The first of 54 new, state-of-the-art DLR trains arrived at our Beckton depot in January 2023. The new trains feature a walk-through design that will increase capacity by 10 per cent, as well as the latest audio and visual real-time travel information, air conditioning and mobile device charging points.

The trains will also improve accessibility for our customers, with three multi-use areas as well as three dedicated wheelchair spaces. These multi-use areas can also be used to accommodate pushchairs, bicycles and luggage. The new trains will also feature a brand new moquette seat fabric, called Poplar.

The new trains, which are designed and built by Construcciones y Auxiliar de Ferrocarriles (CAF), promise to provide thousands of customers with more frequent, reliable and comfortable journeys from 2024.

The trains will go through rigorous testing to ensure they enter service smoothly and reliably from next year. All the new trains will be in service by 2026.

Of the new trains, 11 have been funded through the Government's Housing Infrastructure Fund as they will support the development of thousands of new homes around the network, particularly in the Royal Docks.

33

new trains to replace the oldest rolling stock on the DLR

21

trains will be introduced to boost capacity across the DLR network

Free travel concessions for lowest paid workers

In February 2023, as Londoners continued to be hit by the cost of living crisis, we introduced a new concession for the lowest paid transport workers to receive free travel across our network.

Funded by the Mayor, the announcement means that around 5,800 transport workers who were not previously eligible will now receive free travel. Examples of employees who will receive free travel from April 2023 include cleaners, catering and security staff.

This step builds on measures taken by the Mayor in 2016 when he ensured all who work in TfL, including contractors, are paid the London Living Wage.

People behind the project

Harriet McDonald
Head of Commercial Partnerships

What was your role in the cable car rebrand?
My job was to secure a new sponsor after the 10-year Emirates contract ended. I worked with them and our stakeholders to develop a new look and feel, and ensure we implemented this across the many places it can be seen.

What are your highlights of 2022/23?
The Pokémon takeover was a real highlight, it was fun putting it together and watching our customers' delight as they got into a cabin with the Pikachus! Another highlight was when we celebrated the new sponsorship and unveiled the bold, vibrant new look.

What makes the cable car so special?
It has all the engineering excellence that is a hallmark of our network, but it also represents the eccentricity, quirk, and creativity of the London spirit. It combines the exhilaration of being 90metres above the Thames with the peace and calm of being in among the clouds. I love it!

What are the future plans?
This year is all about celebrating the Cable Car as a must-do attraction. The team recently opened the London Cable Car Experience, which has a teddy workshop, virtual reality gaming experiences as well as a café and gift shop! We are looking forward to growing this and working with local partners.

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The IFS Cloud Cable Car continues to be a popular way to see London

Head in the clouds

The IFS Cloud Cable Car is London's only cable car and reaches heights of up to 90 metres above the Thames

The only way is up for the London Cable Car

We secured a new sponsor for the London Cable Car following the end of the Emirates contract. The newly named IFS Cloud Cable Car officially launched in October 2022. We worked closely with IFS to deliver the rollout of the new branding.

In 2022/23, more than 1.5 million people used the the cable car, up by 200,000 people compared to the previous year. This demand was helped by the social media activity, which took off following the pandemic when people shared their experiences across their social channels.

In August 2022, we ran a promotion with Pokemon, which won an award at The Drum Out Of Home Awards in the Transport category in December 2022.

4G boost on the Underground

In early 2023, Virgin Media and O2 became the latest mobile network operators to join the BAI Communications network, supporting the provision of Wi-Fi and providing 4G and 5G ready mobile connectivity for customers across the London Underground. The project will see uninterrupted coverage in tunnels and stations across the Underground network. The companies follow EE, Vodafone and Three whose customers who were the first to benefit.

Work on delivering 4G and 5G-ready coverage across the Tube network is already well under way on the Jubilee, Northern and Central lines. The mobile network will also host the new Emergency Services Network, which will give first responders immediate access to life-saving data, images and information in live situations and emergencies.

When complete, Tube customers will be able to access 5G mobile connectivity and the internet within every London Underground station and tunnel, including the Elizabeth line. This investment will remove one of the most high-profile mobile 'not-spots' in the UK.

In spring 2023, Interim Commissioner Andy Lord visited our data centre at Tottenham Court Road station to get a better understanding of the installation. He was able to see the complexity of the project, and how this will be delivered without disrupting services for customers.

Discount partnerships

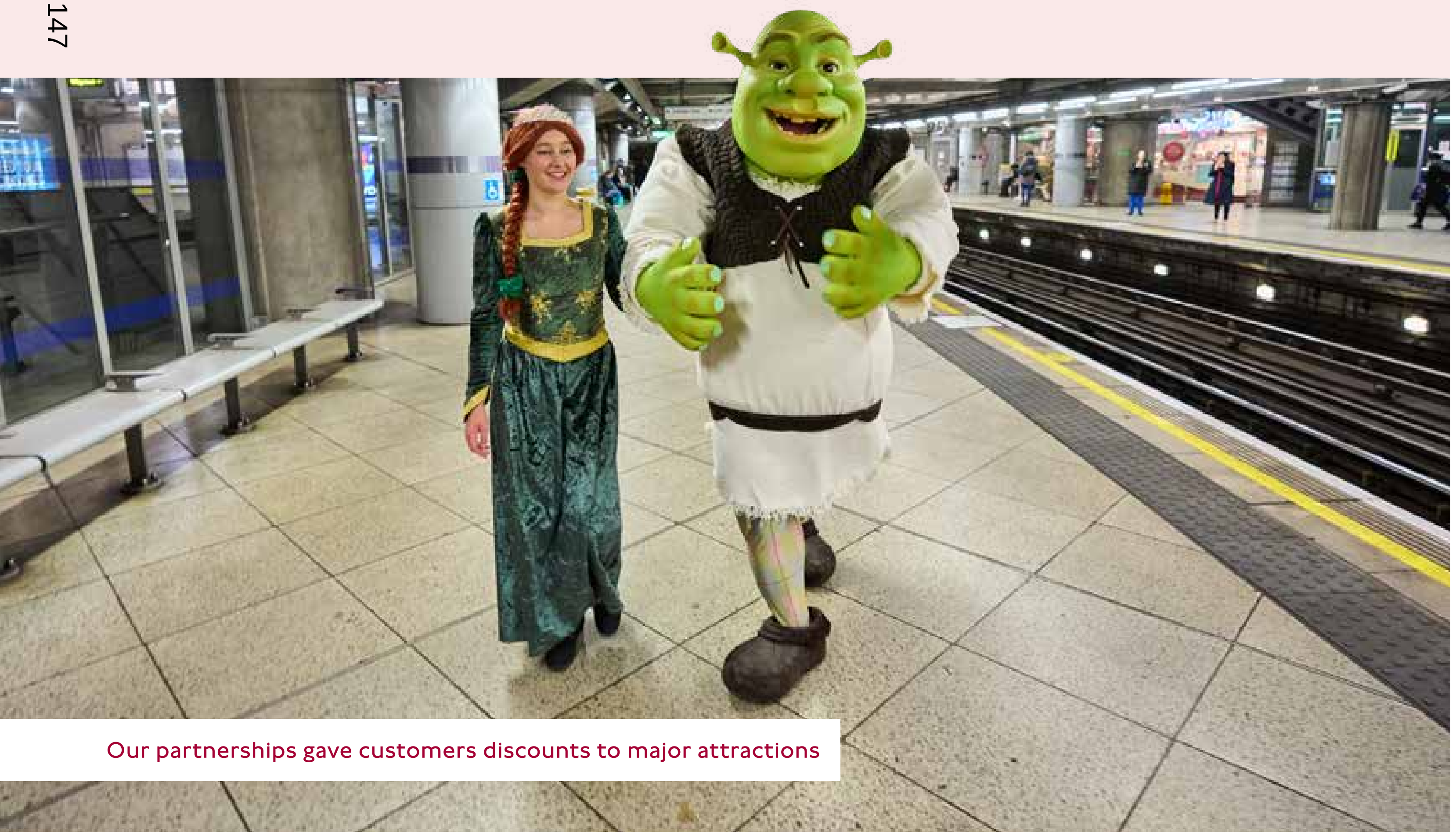
As part of London's recovery campaign, we teamed-up with some of London's most popular destinations to provide offers, discounts and joint activities to inspire Londoners to use our network for leisure trips.

During 2022/23, we worked with Merlin Entertainments to offer full fare paying TfL customers a 30 per cent discount to SEA LIFE London Aquarium, Lastminute.com London Eye, Madame Tussauds, London Dungeons and Shrek Adventure!

We also worked with Kew Gardens to offer a 30 per cent discount to the gardens and launched our second joint product range available at the Kew onsite and online shops.

Our work with Society of London Theatres saw us launch a 12 Shows of Christmas campaign on OfficialLondonTheatre.com, providing discounted offers to more than 30 top London shows in the run up to the festive season.

We also teamed up with Historic Royal Palaces to offer two-for-one entry for our customers at Tower of London, Hampton Court Palace and Kensington Palace.



Our partnerships gave customers discounts to major attractions

Teaming up with Kurt Geiger

This year, we collaborated with fashion designer Kurt Geiger on two campaigns. The first celebrated the Underground, with a limited-edition handbag and wallet collection featuring the colours of the Tube lines. In November 2022, the Elizabeth line collection launched, featuring five handbags in purple crystal adorned velvet, leather and glitter, all lined with the Elizabeth line moquette. This collaboration cemented us as a quality, high-end brand.

Licensing partnerships

During 2022/23, we teamed up with premium London-based brand Mallet to create two exclusive new trainers in contrasting black and white colourways.

Featuring the iconic Tube map in a reflective print and additional TfL embellishments, the trainers could be purchased from Mallet's London stores and online for £210.

The launch of the new trainers included a campaign shot on the network and at Acton Depot, which was picked up by press outlets including Sole Supplier and Fashion United.

Celebrating our diversity

We are proud to have again partnered with, and supported, some of London's most iconic celebrations this year

Mapping the histories of London's Black people

To coincide with Black History Month in October 2022, our special edition Tube map went on display at the Victoria and Albert Museum.

The map, which was developed in 2021 with Black Cultural Archives, is a redesigned version of the iconic London Underground map that replaces the 272 Tube station names with the names of notable Black people, from a wide range of disciplines including sport, art and medicine.

Copies of the map were also available to buy from London Transport Museum shop.

Marching on together

As part of the 2022 Pride in London celebrations, a group of colleagues from TfL took part in the march alongside a decorated fully electric bus.

The TfL contingent marched under the banners of the Women, Faith, RACE, Carers, Parent and Guardians, and Disability Colleague Network Groups, as well as the LGBT+ banner to highlight the many aspects of the LGBT+ communities of London.

The iconic red bus was provided by bus operator Abellio while the decorative signage was fully funded by our advertising media partner, Global.

We are proud that we have been part of the Pride parade since 2006, showing support for our colleagues and the wider London LGBT+ community.

We again supported the Pride in London events

Showing our Pride

In June, we celebrated the 50th anniversary of the Pride movement with a collection of LGBT+ community and people-focused posters across the public transport network.

The specially curated and designed photos and posters appeared across the Tube, London Overground, DLR, and bus stations ahead of the Pride in London celebrations. For the first time, the posters were also displayed across the Elizabeth line.

The posters carried the stories from a wide range of LGBT+ communities and businesses, including The Cocoa Butter Club, an award-winning performance company for performers of colour, Gay's The Word, the UK's oldest LGBT+ independent bookshop, and the Royal Vauxhall Tavern, an institutional LGBT+ entertainment and nightlife venue.

Inclusive sports clubs and teams were also featured, including Stonewall FC, London Cruisers and London Otters Rowing Club.

We also displayed portraits of more than 20 TfL employees and contractors at Vauxhall and Green Park Underground stations and Poplar DLR station.

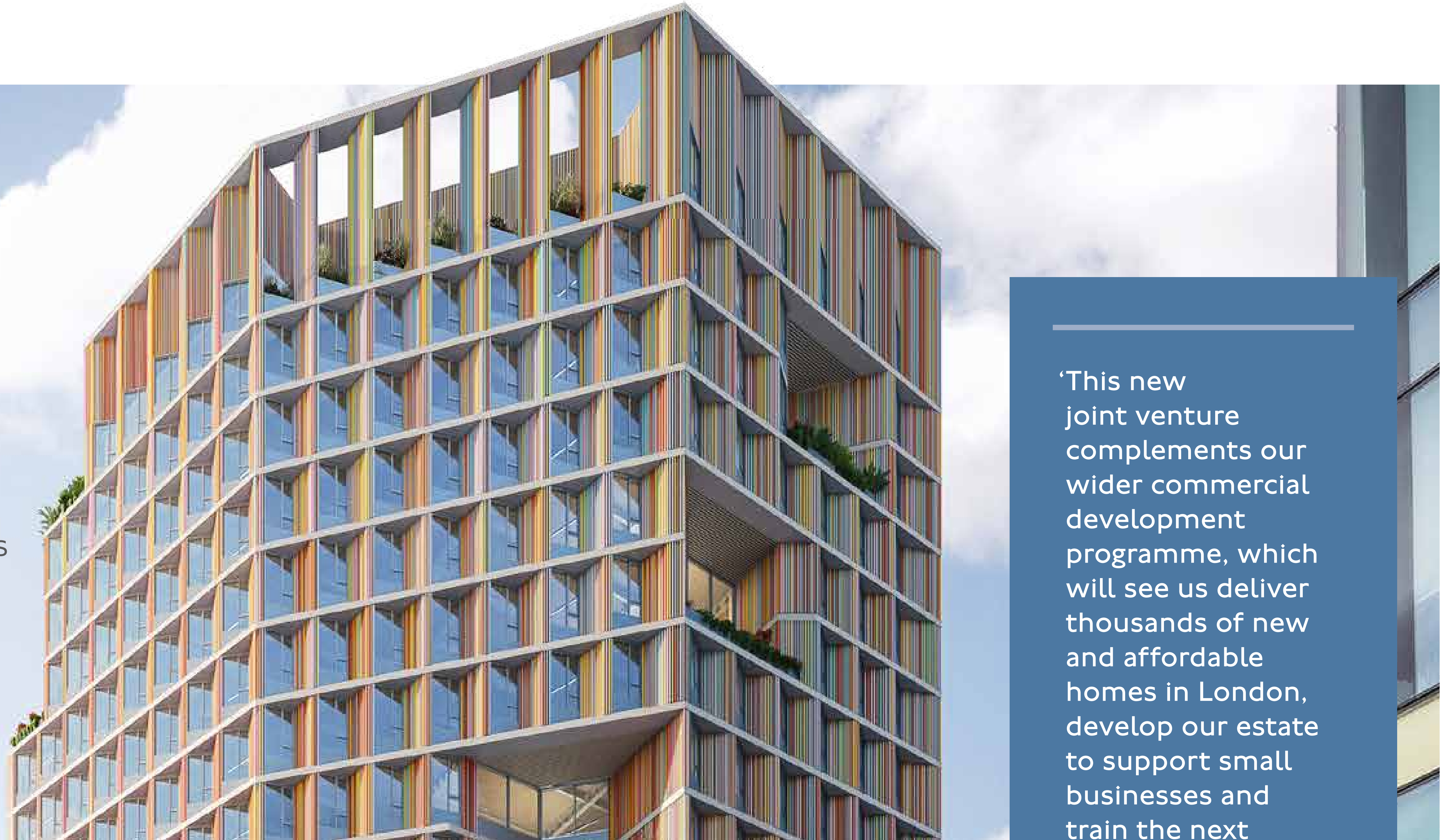
New homes and jobs

'We are now on site building thousands of high quality, sustainable homes across London, alongside improvements and new jobs for local communities in the areas where we build'

Graeme Craig
Director and Chief Executive, TTLP

Our commercial office partner announced

As our property development goes from strength to strength, we are pleased to have taken the next step in ensuring we can deliver the homes and services London needs



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In February 2023, we confirmed that Helical was our preferred investment partner for our sustainable commercial office portfolio across central London, subject to contract negotiations.

The move was announced by TTL Properties Ltd (TTLP), our wholly owned commercial property company following a competitive procurement process involved a group of central London's most accomplished office developers and investors.

TTLP, advised by JLL and Herbert Smith Freehills LLP, assessed the potential partners' sustainability strategies, partnering approach, and investment proposals for our development sites.

The partnership will see new high-quality and sustainable office space created above or close to Tube stations, which currently consist of three new commercial office developments at Bank, Paddington and Southwark.

All three sites have full planning permission to deliver sustainable commercial office developments that provide exceptional workplaces and positively impact the local community.

The buildings will be constructed on the basis of net-zero carbon while the sites will also fully incorporate a focus on active travel options for occupants, with the three sites providing almost 900 cycle spaces collectively.

'This new joint venture complements our wider commercial development programme, which will see us deliver thousands of new and affordable homes in London, develop our estate to support small businesses and train the next generation entering the construction industry'

Scott Anderson
Head of Property Development at TTLP

New homes in Barkingside

In January 2023, we were given the go-ahead to develop 98 new affordable residential homes next to Barkingside Tube station after Redbridge Council granted permission.

The site mainly covers an area previously used as a builder's yard next to Barkingside Tube station. The development will be delivered across three buildings, and include a mix of one-, two-, and three-bedroom properties and provide a mixture of both shared ownership, which offers an affordable route into home ownership, and social rent.

Located close to the Central line, as well as to local bus routes, new residents will be able to easily travel sustainably and affordably across the capital using public transport.

Sustainability is also being factored into the scheme, with the development being powered using renewable forms of energy such as air source heat pumps along with the potential for solar panels.

Green roofs, new allotments and communal gardens for residents will also be delivered. Together, this focus on sustainability will help improve local biodiversity alongside much of the existing flora being retained and enhanced.

98
new affordable residential homes to be built

We have ambitious plans for Edgware town centre

Proposals in place for Edgware

In March 2023, our wholly owned property company TTLP and leading property developer Ballymore launched a consultation setting out plans for £1.7bn investment in Edgware town centre.

The ambitious plans would transform the current Broadwalk Shopping Centre and our adjacent bus garage into a vibrant, exciting destination.

The proposals include a new retail and leisure district created with half a million square feet of office, retail, food and drink, and health uses. The complex will include up to 4,000 much needed new homes, including affordable rent, shared ownership, first time homes, senior living and student accommodation.

Edgware town centre would connect with neighbouring areas through new walking and cycling routes, and a new cycle hub with around 200 publicly accessible cycle spaces. The proposals will also open up the new 1.9-hectare Deans Brook Nature Park on green open space next to the site and some of our land that has been closed off to the public for almost 100 years.

The designs include the use of renewable energy sources, such as air heat pumps, as well as solar panels, green roofs and a community food garden.

A brand-new transport interchange is proposed, with the existing bus garage moved underground and fully electrified.

Plans were publicly launched in March, with a series of consultation drop-in sessions in the Broadwalk Shopping Centre and other community locations. The sessions will gather public feedback ahead of a planning application being submitted later this year.

1,400
full-time jobs would be created through the Edgware town centre proposals

£3.7m
could be generated each year through local spending

Our plans would create more commercial space in Bollo Lane

Bounding ahead at Bollo Lane

Our plans to develop our site at Bollo Lane in Acton moved a step closer this year when TTL Properties Ltd appointed Barratt London as joint venture partner.

The plans to deliver new homes and a new commercial space site were given the go-ahead in January 2021 by Ealing Council.

The proposals will also open up public space, with green areas, play spaces, new footpaths and pavements as well as facilities to make walking and cycling safer and easier.

The development will be delivered in three phases, with the first phase comprising 195 build-to-rent homes, the second phase delivering around 450 homes and a third phase delivering around 250 homes.

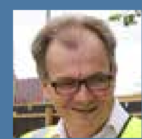
Further land to the north in Acton, which could be incorporated into the partnership, could deliver a new facility for London Transport Museum, along with a further 800 homes. The joint venture partnership will also have the opportunity to develop other TfL sites across west London, helping to deliver thousands of new and much needed homes with close access to public transport.

Barratt London was selected as the joint venture partner after a competitive dialogue procurement process. Bidders were assessed on their technical capability and the commercial performance of their tender.

900
new homes will be delivered at the Bollo Lane site in Acton

50%
of the new homes will be affordable

'This joint venture partnership demonstrates how we are going from strength-to-strength with our wider commercial development programme, which will see thousands of high-quality homes delivered across London alongside improvements for the local communities in the areas where we build'



Jonathan Cornelius
Head of Property Development at TfL

DRAFT

Grace O'Connor
Commercial Real Estate Apprentice

What is your role at TfL?
I am a first year, Commercial Real Estate Degree Apprentice, currently working as a property manager in TTLP Asset Management.

How did you find out about the roles available at TfL?
I first found out about the Real Estate apprenticeships through the company's collaboration with my school. As part of the Educational Engagement Programme, myself and two other students conducted retail gap analysis for Blackhorse View, which we then presented to some TfL Board members. Before this, I wasn't aware of the wide range of apprenticeships TfL offers in the property industry.

How have you found the support available for you?
It has been outstanding from the beginning. The buddy programme allows me to learn from someone who was in my place a year ago. They are able to give me advice on day-to-day work and the professional development I need to complete for my apprenticeship. I have been fortunate to have very accommodating and supportive placement and line managers that I can talk to about any issues I face.

What is your favourite thing about working for TfL?
I really enjoy the community I have entered into, everyone is super friendly and then being able to help people run their business and build them affordable homes feels like a great thing to be part of.

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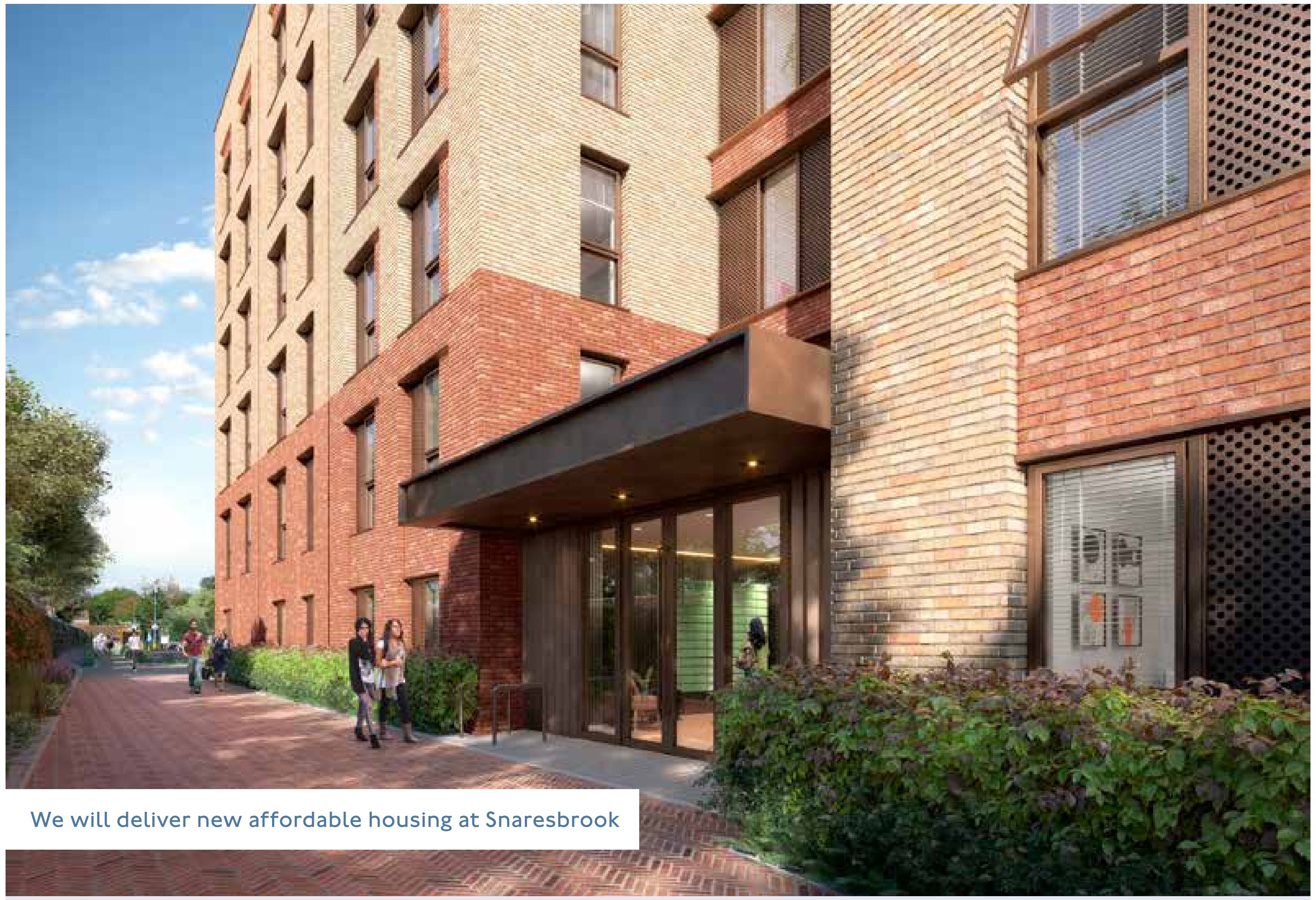

We will deliver new affordable housing at Snaresbrook

Approval granted for Snaresbrook development

In March 2023, our plans to deliver new homes on land next to Snaresbrook Tube station were approved by Redbridge Planning Committee.

The proposals, which will be delivered with our partners Pocket Living, will deliver 74 new homes, all of which will be 20 per cent discounted to local market values and available to first-time buyers who live or work in Redbridge.

It will also deliver a new pathway and mews space for the local community. It is also effectively car-free for residents, with the exception of disabled Blue Badge parking, and encompasses land that is currently used as a car park.

The Snaresbrook homes are expected to be complete by 2026 and will make up 15 per cent of the council's annual affordable housing targets.

Building a career in construction

Our Construction Skills team are helping hundreds of people take their first steps in the construction industry or find new challenges to help move them into the next chapter of their career.

Together with our partners, we have trained hundreds of people in the past two years, with many of these going into full-time employment within the construction industry. The majority of our trainees are from ethnic minority backgrounds, and importantly, a growing number of them are women.

We also work with schools across the capital to help children understand the vast range of roles across the built environment sector and show the next generation how they could have a part in shaping London's ever-changing skyline.

Along with the traditional construction roles, we also highlight the possibilities of careers in other areas, such as communications, sales, project management and even photography and filmmaking. This year, three students from our programme progressed into degree apprenticeships in the industry, including one with us in TTLP.

Our people

'Our colleagues are at the centre of everything we do for London. We will continue working towards making this a great place to work where everyone can thrive, and an organisation where people want to work and build their careers'

Fiona Brunskill
Chief People Officer

Remembering our colleagues

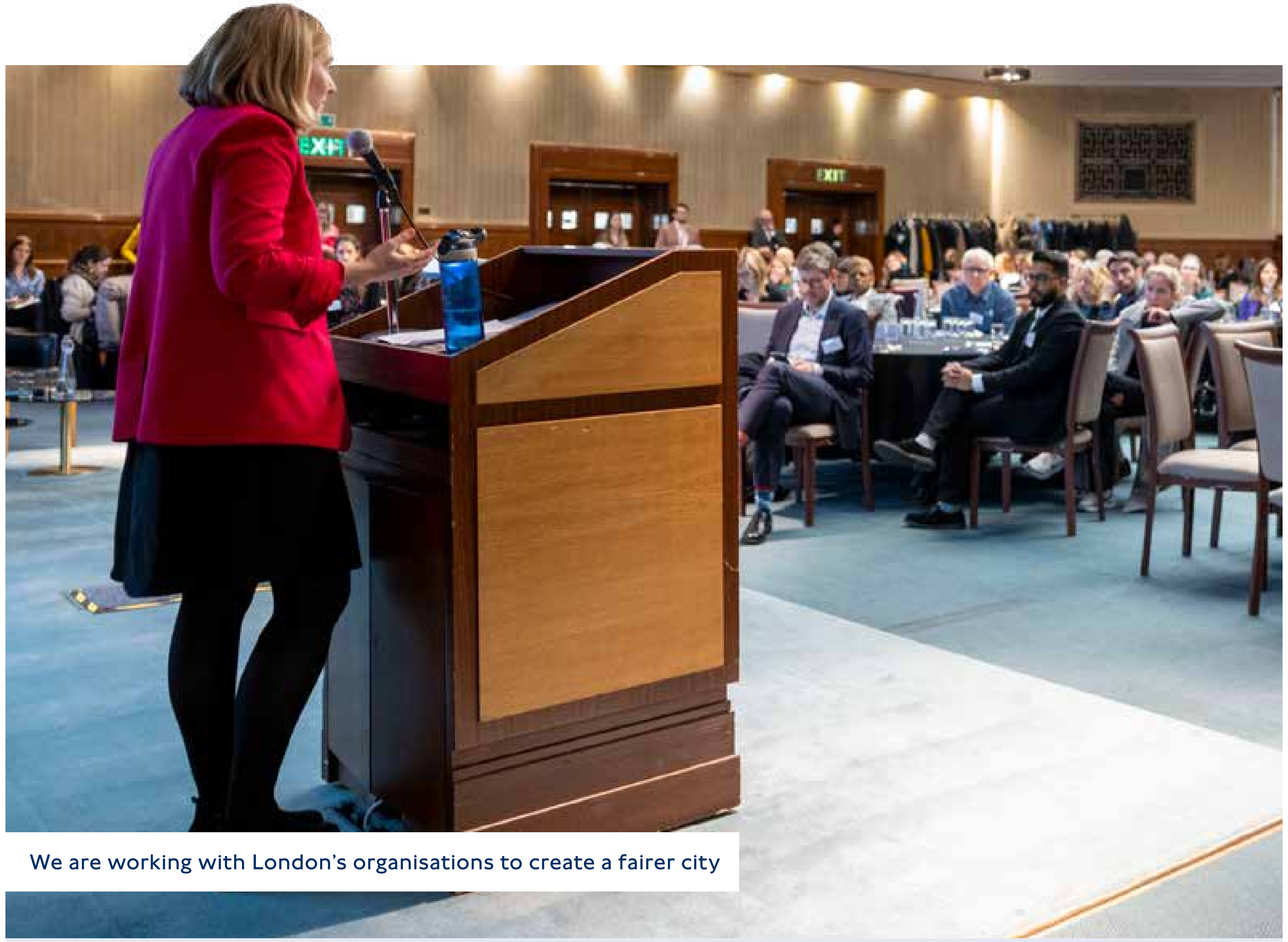
In autumn 2021, we announced our plans to create a fitting memorial to honour our colleagues and transport workers who tragically died as a result of COVID-19. Sadly, we lost 107 colleagues from the pandemic.

Earlier this year the site in Tower Hamlets was completed, and a ceremony to unveil the memorial to the families and loved ones affected took place in April. The ceremony was attended by the Mayor, the Transport Commissioner and Louise Cheeseman, Director of Bus and Marcia Williams, Head of Customer Operations Strategic Delivery and Change.

The memorial will be maintained by us. Any floral tributes left at the location will be removed regularly and composted. Non-floral tributes will be environmentally recycled wherever appropriate to do so.

‘When the entire nation was gripped by fear they did not waver. They ensured our phenomenal NHS workers could still care for our friends and family, our shopworkers and delivery drivers could still meet our basic needs and our care workers could still look after our most vulnerable’

Sadiq Khan
Mayor of London



We are working with London’s organisations to create a fairer city

Supporting the Anchor Institutions Charter

In January 2023, we attended the London Anchors Institutions’ Network Conference, hosted by the Mayor, to share our progress on our pledges. We are founding signatories of the Anchor Institutions Charter. Launched in March 2021, as the devastating impact of the pandemic was becoming clear, we committed to London’s first ever city-wide Anchor Institutions’ agreement, demonstrating our support in tackling long-standing social and economic inequalities and the growing climate emergency.

By working with other founding organisations, we aim to create a fairer, greener, more prosperous city. Our pledges include purchasing 20 per cent of goods and services from small- and medium-sized enterprises, either directly or indirectly.

Other pledges are to diversify our apprenticeship and intern hires, working towards being reflective of economically active Londoners, and in transferring up to £1m of our apprenticeship levy to small- and medium-sized enterprises who support the Mayor’s Good Work Standard. Our pledges cover jobs and skills, young people, green London and the procurement pledge.

Danielle Eddington
Senior Press Officer

Can you describe your role?
I am a Senior Press Officer, which means I pitch stories to the media about TfL and respond to any enquiries from journalists too.

What projects have you worked on?
I lead on the media relations for some really exciting areas, including our wholly owned property company and our advertising estate. This means I have worked on some really interesting projects recently, such as profiling our new housing developments and the launch of the TfL Book Club. I was also recognised for this award because I co-lead a Diversifying Recruitment workstream for our communications directorate.

What was it like to be recognised by PR Week?
It feels fantastic and it's still a bit of a shock to have been selected! It's quite rare for in-house entrants to be represented in the final 30. My nomination came about through a conversation with my line manager after a colleague encouraged me to consider it. It was nerve-wracking, but it shows how championing each other can make a difference.

How can this inspire others?
I hope to use this achievement to build my own confidence and show others who may not believe in themselves what's possible if you take a leap of faith. It's a testament to what can be achieved when we support each other – if my colleague hadn't encouraged my nomination, it wouldn't have happened.

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Danielle has worked on a number of major campaigns

PRWeek 30 under 30

An award-winning PR team

In June 2022, Senior Press Officer Danielle Eddington was recognised in PR Week's 30 Under 30 list.

Since joining TfL through its press office graduate scheme in 2014, Danielle has been promoted to a senior role and chiefly covers communications about our property company as well as our advertising estate.

Also celebrating this year was Ben Bloom, who, in March 2023, was named public affairs newcomer of the year in the PR Week awards. Since joining TfL permanently in January 2022, Ben has brought innovative ideas to our Youth Panel initiative, which he helped expand through an engaging recruitment campaign.

One of the judges praised Ben for demonstrating 'a real passion, combined with a dedication to finding innovative solutions that are strategic and deliver strong outcomes.'

Our Well@TfL bus

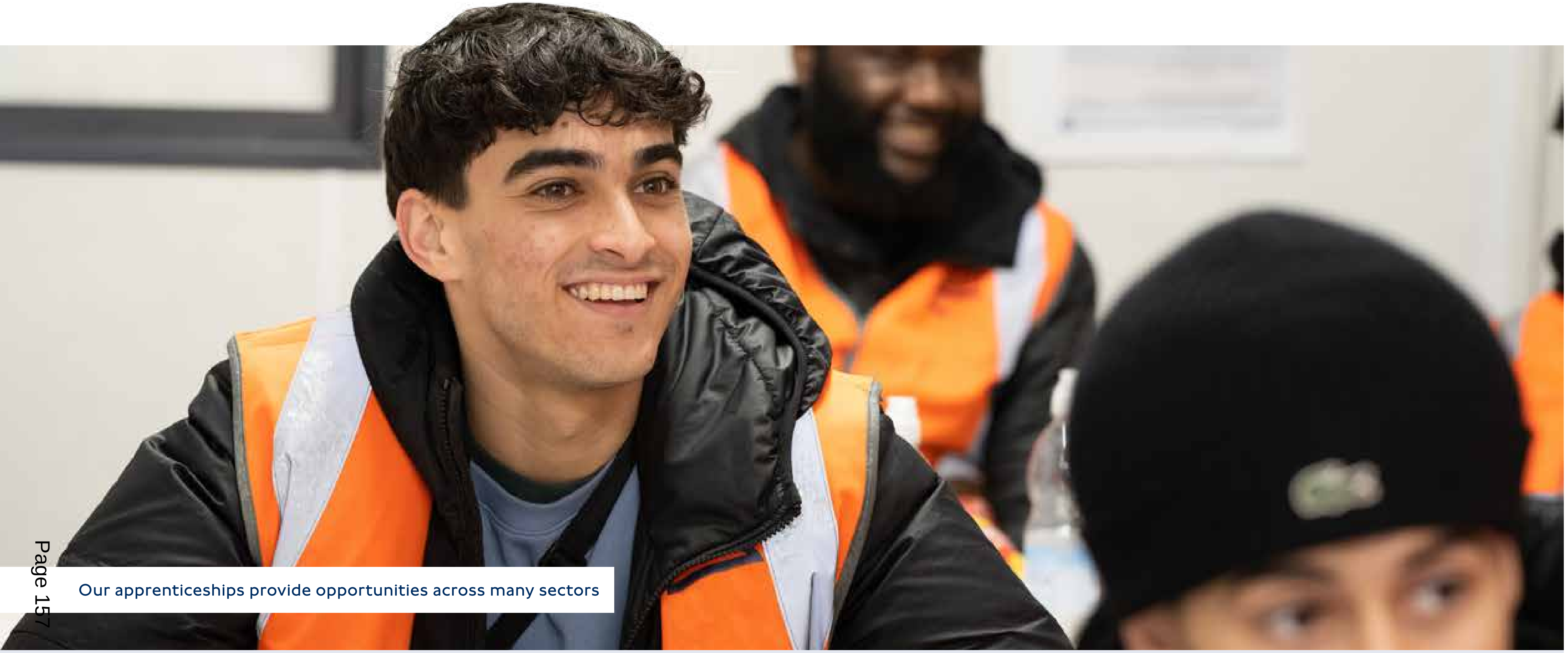
We perform mobile health checks for our staff as part of our Well@TfL scheme, which was launched in 2021. To support this work, our newly commissioned mobile Well@TfL bus includes the equipment needed for onsite occupational health medical checks.

By the end of 2022/23, the bus had visited 16 sites and conducted 840 health checks. The checks measure cholesterol, blood glucose, blood pressure and body composition and are focused on indicating risk factors associated with the major public health issues, such as heart disease and diabetes.

We want to accommodate night-time workers too, so this year the bus stopped at Northumberland park, Poplar and Stratford Market depots and will be stopping at more bus depots in the coming year. The bus continues to be available for periodic medical examinations, which prevents staff having to attend the occupational health office for their medical appointments.

We use the information from our Well@TfL work to address and identify trends to help inform our future plans, using results from a target of more than 1,000 health checks on our staff.

We provide facilities to help monitor the health of staff



Our apprenticeships provide opportunities across many sectors

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> 'We are very proud of our apprenticeship programme, which is just one of the ways that we are working to create an organisation that is representative of the diverse city we serve'

Patrica Obinna
Director of Diversity and Inclusion

Promoting our apprenticeship opportunities

We marked National Careers Week in March by highlighting the wide range of apprenticeships schemes that we offer across the organisation.

Over the years, our apprenticeship roles have helped thousands of people develop the essential skills needed to go on to find careers in transport and further afield. The extensive apprenticeship programmes offer roles in many sectors including commercial real estate, human resources, sustainability, software development and civil engineering.

We have more than 170 roles across 30 apprenticeship schemes available to apply for, ranging from Levels 2 to 6. People working on a Level 2 apprenticeship will earn the equivalent of five GCSEs, while those on a Level 6 apprenticeship would earn a degree while gaining the essential work experience they need to further their careers.

In February 2023, we also hosted our annual supply chain recruitment fair during National Apprenticeship Week. This year's fair linked more than 20 employers from TfL, HS2 and our GLA partners with almost 1,000 prospective candidates.

29%
of the people joining our apprenticeship scheme in 2022 were women

46%
of the people who joined our apprenticeship scheme in 2022 were from Black, Asian and minority ethnic backgrounds

Working with our trade unions

Since summer 2022, there has been an increase in industrial action across the UK in a number of sectors. We were not immune to this, and strike action on both national rail and our services affected travel to and within the capital.

We kept customers informed by providing accurate and up-to-date travel advice across a range of channels, including our website, emails, in-station announcements and our daily Metro travel page, while also continuing to work with and speak to our trade union colleagues to help keep London moving.

Remuneration report 2022/23

'It is important that TfL has an appropriate remuneration policy to continue to attract and retain talented and skilled senior employees with the necessary experience to take the organisation forward, while ensuring affordability for TfL'

Kay Carberry
Chair of TfL Remuneration Committee

Message from the Chair

As Chair of the Remuneration Committee, it is my role to ensure that TfL has an appropriate remuneration policy to attract and retain senior employees with the right experience to lead and manage the organisation. As the capital continues recovery from the pandemic, the employment market is returning to buoyancy and, with that, the market has become increasingly competitive. Within this environment, it is vital that TfL continues to demonstrate value for money while still attracting and retaining the best talent.

'We need energised, motivated and committed people to keep London moving and working'

Post pandemic, many of those aged 50+ and the highly skilled are retiring early or choosing to remain outside the jobs market. This environment, coupled with a skills gap, presents employees and jobseekers alike with a vast choice of competitive employment packages. This means it is even more important that TfL ensures value for money while offering the right remuneration policy to continue to attract talent and retain senior employees with the best possible experience to take the organisation forward. This year's Annual Report shows the progress TfL has continued to make in winning back customers while navigating financial challenges with an aim to be financially self-sustainable.

Government funding support contained conditions, including a freeze on pay increases in 2021 and not paying performance awards from Government funding. We have approved revised performance award schemes for financial years 2021/22 and 2022/23. The revised arrangement reflects the need for TfL to ensure that it can sustain a fair reward package and retain talent at such a vital time, while it is working to reach financial self-sufficiency. Payment of any awards relating to those years will be subject to TfL running its operations free of extraordinary Government funding for revenue support in 2023/24.

While we have seen an increase in the number of employees receiving salaries of £100,000 or more, primarily as a result of annual pay review processes and previously negotiated collective bargaining with the relevant trade unions. The Committee continues to review these requests and approve them as appropriate. This is to ensure that the remuneration offered supports TfL in attracting and retaining the best talent in the context of our financial situation.

TfL's people are at the heart of how we work and we very much value their effort every day. We need energised, motivated and committed people to keep London moving and working in a safe and sustainable way.

The Committee is responsible for setting a policy that enables TfL to be competitive in line with peer organisations to attract the right talent. This must be done in a fair way, rewarding employees for their individual contributions to TfL's successes while not paying more than is necessary. This is the right approach to rewarding staff whose talents are essential to TfL achieving its long-term plans.

SIGNATURE

Kay Carberry CBE
Chair, TfL Remuneration Committee

Governance

Remuneration Committee members

Kay Carberry CBE
Chair

Peter Strachan
Vice Chair

Seb Dance

Dr Nelson Ogunshakin OBE

Role and responsibilities

Our remuneration policy is set by our Remuneration Committee to attract, motivate and retain high-calibre, suitably qualified people to successfully manage our large and complex business. The Committee considers the need to remunerate at a competitive level compared with the external market and peer organisations while also, in a fair and reasonable manner, rewarding them for their individual contributions to our long-term success, without paying them more than is necessary.

The Committee's full terms of reference are published on our website. These essentially involve keeping an overview of our reward and remuneration policies and the arrangements for talent management and succession planning. From time to time, the Committee will review and set the remuneration of the Commissioner, chief officers and other direct reports of the Commissioner. The Committee also helps review the remuneration strategies for the entire senior manager group, particularly regarding performance-related pay.

Committee meetings

The Committee met on 6 July 2022, 9 November 2022 and 2 March 2023.

Committee activities

At the meeting on 6 July 2022, the Committee noted the business performance results as measured by the TfL and delivery business Scorecards for the year ended 31 March 2022. The performance award scheme for 2021/22 requires TfL to be financially sustainable by April 2023 and to run its operations free of extraordinary Government funding for revenue support in order to trigger payment of any awards. As a result, no performance award payments were made during 2022/23 and will instead be paid during 2023/24, if financial sustainability is achieved.

The Committee reviewed the executive benchmarking data undertaken in November 2021 by Aon that informed the pay adjustments as part of the Executive Committee reorganisation that took place in February 2022 and noted the observations and pay positioning of the Executive Committee.

During the year, the Committee also contributed to a procurement exercise to secure a new executive remuneration benchmarking provider and, once a new contract is in place, work will begin to provide new benchmarking reports for the June 2023 meeting.

While considering resourcing at TfL, details on retention, the future skills requirements of the organisation, the approach to strategic workforce planning and how TfL was addressing its skills challenges were provided.

The Committee welcomed the work in this area and noted the good progress being made on establishing the foundations for data-led processes, which would enable TfL to anticipate and predict future skill needs and reduce the impact of staff turnover or internal moves. Work was under way on succession plans, improving individual development plans and developing TfL's leaders to drive inclusion, engagement and consistent standards.

The use of non-permanent labour was discussed, particularly in Engineering and Technology and Data where TfL's work was often world-leading, with excellent training and development opportunities. TfL was often unable to attract or retain key individuals in these specialisms due to remuneration constraints. This was being considered as part of the work on establishing job families and external benchmarking to develop a talent pipeline.

Annual pay review processes for chief officers and directors had been frozen since 2016. As a result, base pay had remained static for individuals unless a role re-evaluation, structural change or promotion had taken place. The Committee approved the proposal to apply the same percentage increase as the first year of the TfL pay deal for those chief officers and directors who had not received a pay adjustment as part of the leadership organisation restructure during 2022. The Committee also noted a paper outlining the outcomes of the annual remuneration processes across TfL for the years 2020 and 2021.

Throughout the year, the Committee has been responsible for approving salaries of £100,000 or more for any new appointments.

Policy

Board remuneration

Board members receive a basic fee of £16,000 per annum. Additional fees are paid for each appointment to a committee or panel, up to a maximum total remuneration of £20,000 per annum.

The additional fees are paid at the rate of £1,000 per annum as a member and £2,000 per annum as the Chair of a committee or panel. Members are also entitled to receive free travel on the TfL transport network. No allowances are paid to members.

Any expenses claimed by members, in relation to fulfilling their role as a TfL board member, are published on the board members' page of our website, along with details of any gifts or hospitality received.

The remuneration for each member for the year ended 31 March 2023 is shown on page XX of the Annual Report. No fee is paid to the Chair or Deputy Chair of TfL.

General remuneration

Our general policy is to provide remuneration that attracts, retains and motivates individuals of the right calibre to manage a large and complex organisation. Remuneration packages reflect responsibilities, experience, performance and the market from which we recruit.

The reward structure that has been developed is commensurate with this policy. It includes a base salary and a performance award scheme against the achievement of a range of safety, operational, customer, people, delivery and financial targets.

The main objective of the remuneration policy is to ensure that reward is based on performance, to drive delivery while ensuring that the overall reward package is affordable.

Executive remuneration

The base pay and the total remuneration of the Commissioner, chief officers and other direct reports of the Commissioner is set by the Remuneration Committee, which uses external benchmarking and other comparative information to determine remuneration. This is broken down into the following components.

The remuneration received by the Commissioner and chief officers for 2022/23 is shown in Appendix 2 of this report.

Component	Purpose	Operation	Maximum
Base pay	To reflect the individual's role, experience and contribution. This is set at a level to attract and retain individuals of the calibre required to lead a business of our size and complexity.	We take into account: • Remuneration benchmark information from a specific peer group to identify a market median range of base pay, which reflects what our Commissioner and chief officers would receive if they worked in a similar role in another company of similar size, complexity and scope • The scope and responsibility of the role • The individual's skill, experience and performance against targets • Affordability for us	There is no prescribed maximum salary. Any increases to base pay for the Commissioner, chief officers and directors will be reviewed on an annual basis subject to Remuneration Committee approval.
Performance-related pay	To incentivise delivery of stretching one-year key performance targets (both individual and collective) as measured through individual performance rating and scorecard results. A revised performance award scheme, approved by the Remuneration Committee, was launched in November 2021 that allowed performance award schemes to operate for 2021/22 and 2022/23 in line with the 1 June 2021 Government funding agreement.	Performance awards are calculated using a matrix, which sets out the percentage performance award an employee will receive based on a combination of the scorecard result and their individual performance rating. Depending on the business area that the employee works in, either our scorecard alone or a combination of our scorecard and the Delivery Business Scorecard sets the budget available for performance awards. An employee's contribution, in the form of a personal performance rating, determines the percentage performance award received from the available budget using a multiplier approach. Awards are paid in the following financial year.	The maximum award for the Commissioner is 50 per cent of base pay. The maximum award for chief officers is 30 per cent of base pay.

Component	Purpose	Operation	Maximum
Benefits	To provide a competitive total reward package that supports attraction, retention and motivation.	The Commissioner and chief officers receive the same core benefits as all our other employees. The only enhancements are full family cover for private medical benefit and an annual health assessment, which is available to all TfL directors. Membership of the TfL Pension Fund, a 'defined benefit' scheme that provides for a pension payable from age 65, based on 1/60th of pensionable salary for each year of service or, if invited and eligible, similar benefits provided on an unfunded basis. Some legacy arrangements apply for certain employees whereby an employer contribution of 10 per cent of salary is paid to either a defined contribution arrangement or as cash supplement at a discounted amount.	Pensionable salary is capped at: • £172,800 from 6 April 2021 to 5 April 2022 • £181,800 from 6 April 2022 to 5 April 2023 for members who joined after 31 May 1989

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Performance-related pay

Our 2022/23 scorecard was developed to align with TfL's Vision and Values and the Mayor's Transport Strategy objectives. The measures selected for the 2022/23 scorecard maintained the focus of 2021/22, encapsulating the key priorities of attracting customers back onto our network, achieving financial sustainability and decarbonising our operations, while never compromising on safety.

The scorecard was updated during the year to align with the Revised Budget approved by our Board in December 2022, and the measures will be used to determine any performance-related pay. These payments will be made in 2023/24, if we have achieved financial sustainability.

The scorecard results for 2022/23 are set out on page xx of our Annual Report.

Severance policy

Most employees who leave owing to redundancy do so under our voluntary severance arrangements. These terms may include the following, dependent on circumstances:

- A number of weeks of pay based on length of service, age and weekly pay
- Notice period that an employee may work or receive as a payment in lieu of notice
- Enhanced pension provision

There are minimum service requirements for some of these terms and some elements vary if employees volunteer to leave early during organisational change. There are also some variations to these terms, which have been agreed as local arrangements for the small number of employees who are members of the Local Government and Principal Civil Service Pension Schemes.

Following the Dawn Jarvis report (published on 12 February 2019), which was commissioned by the Mayor to review termination clauses and payments for senior employees across the GLA Group, the Remuneration Committee has oversight of any proposed exit payments for the Commissioner, chief officers and other senior directors reporting to the Commissioner.

The Committee will also consider any exit payment outside the standard redundancy terms, and which exceeds £100,000, excluding notice periods, which are contractual.

In non-redundancy situations, we may enter into severance arrangements where it is in the interests of the organisation and represents value for money. All such arrangements are considered on a case-by-case basis.

Remuneration

Benchmarking of senior executives' pay
The Remuneration Committee uses data from remuneration consultants Aon to benchmark the remuneration for the Commissioner and chief officers using two separate peer groups. The first is made up of comparable private and public sector companies (in terms of scale, complexity and sector). The data is mainly derived from Aon's Executive Total Reward Survey (ETRS). This survey peer group comprises 182 organisations focusing on the transport, infrastructure and engineering sectors, and excludes less relevant sectors such as financial services. This provides a broad cross section of the UK private sector market while incorporating some key public sector businesses as well.

The second peer group is solely from publicly accountable organisations, which comprises 14 UK organisations with some degree of public accountability and, in most cases, a focus on infrastructure and transport.

Each role is benchmarked against its respective counterparts in comparator organisations, with the scope of each role matched using Aon's Job Link system and our internal Hay job evaluation scores. For combined roles, or where someone has remit over multiple functions, data is provided separately for each relevant role match.

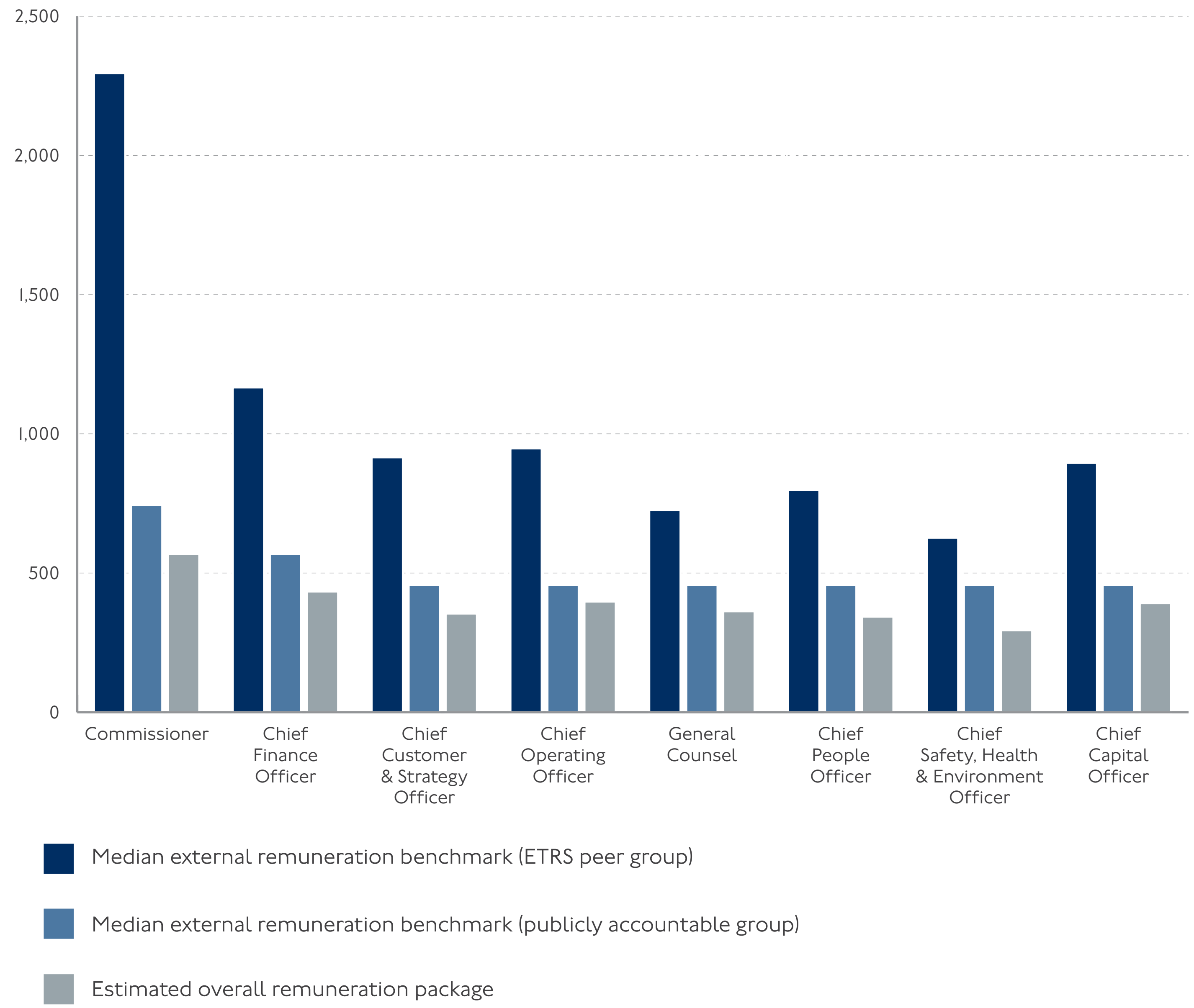
Job Link levels are assigned to market data based on the scope and responsibilities of individual roles, as well as their seniority within their organisation and the scope of the organisation itself, typically with reference to group or divisional revenue. Therefore, role-matching based on Job Link ensures a like-for-like comparison between each role at TfL and the market data.

Estimated overall remuneration for each role includes the base salary and estimates of performance-related pay and pension provision.

Performance-related pay has been based on the average level of performance over recent years, and the value of the pension provision is based on standard actuarial assumptions. The value of the estimated overall remuneration package will therefore be different to the actual remuneration paid.

The benchmarking has shown that the base salaries and comparable remuneration for the Commissioner and chief officers are significantly below the market level, with total estimated overall remuneration an average of 42 per cent of the ETRS peer group benchmark levels and 71 per cent of the publicly accountable group market benchmark levels.

Benchmarking of remuneration for Commissioner and chief officers (£000s)



Commissioner remuneration ratio
In total remuneration terms, the Commissioner earns 5.9 times that of the median employee, excluding Crossrail.

	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2020/21	8.7:1	6.3:1	5.6:1
2021/22	8.5:1	6.3:1	5.5:1
2022/23	8.1:1	5.9:1	5.5:1

The Commissioner's base salary in 2022/23 was £355,000. This compares with the median base salary of £57,872 and the lowest base salary, excluding apprentices, of £21,211.

Other employees' remuneration
We publish the remuneration of all employees, including those working in our subsidiaries, whose total remuneration was more than £50,000 during the course of the financial year. This is shown in Appendix 1.

The impact of the transfer of employees into and out of the Corporation, which is made up of London Streets, Taxi and Private Hire and the corporate centre, which for legal and accounting purposes constitutes TfL, from subsidiaries can cause distortion for year-on-year comparisons. An additional voluntary disclosure for the Group, which is made up of the Corporation and its subsidiaries, is provided and shows the combined employee bands for TfL and its subsidiaries.

The remuneration disclosure is also affected by the Crossrail project. The number of Crossrail Limited employees receiving total remuneration of £50,000 or more decreased from 191 in 2021/22 to 120 in 2022/23. The corresponding figures for those receiving total remuneration of more than £100,000 per year decreased from 40 in 2021/22 to 37 in 2022/23 – 25 of these employees have now left the organisation as the project nears completion.

Total remuneration of more than £100,000
Throughout 2022/23, 232 people earned total remuneration of more than £100,000 and had a base salary of £100,000 or more per year, compared with 161 in 2021/22.

Just under 50 per cent of the additional people receiving a base salary of more than £100,000 did so as a result of the fourth year of the London Underground negotiated collective bargained pay agreement in 2020. The final year of the four-year pay deal paid within London Underground, which delivered an 8.4 per cent increase to employees and in TfL and other operational roles, a four per cent budget was implemented across all levels of the organisation for 2022. For senior managers this was the first annual pay award since 2019.

In the years since 2016, inflation and salaries in the external market have risen more significantly than budgets provided within TfL, with record levels of inflation in 2022 and 2023 while the £100,000 threshold has remained static. In 2016, there were 188 employees on a salary of more than £100,000. Had the threshold set in 2016 risen in line with February RPI each year, the equivalent value would now be £139,754, with 43 employees on a higher salary than this. Had it risen in line with February CPI it would be £127,816, with 73 employees above this level.

In comparison, if we applied the annual pay review budgets awarded to the senior manager population over the same time, this figure would now be £111,589 with 137 employees above this.

No performance awards have been paid during 2022/23, with the schemes in operation for 2021/22 and 2022/23 subject to TfL achieving the financial overlay trigger metric.

The number of people whose base salary was less than £100,000 but the overtime they earned took their total remuneration over the threshold increased by 85. Many of these are specialist engineers working overnight and at weekends on major projects such as the Bank station upgrade and Barking Riverside Extension, and continue to integrate the hugely successful Elizabeth line, and install new signalling on the Circle, District, Hammersmith & City and Metropolitan lines.

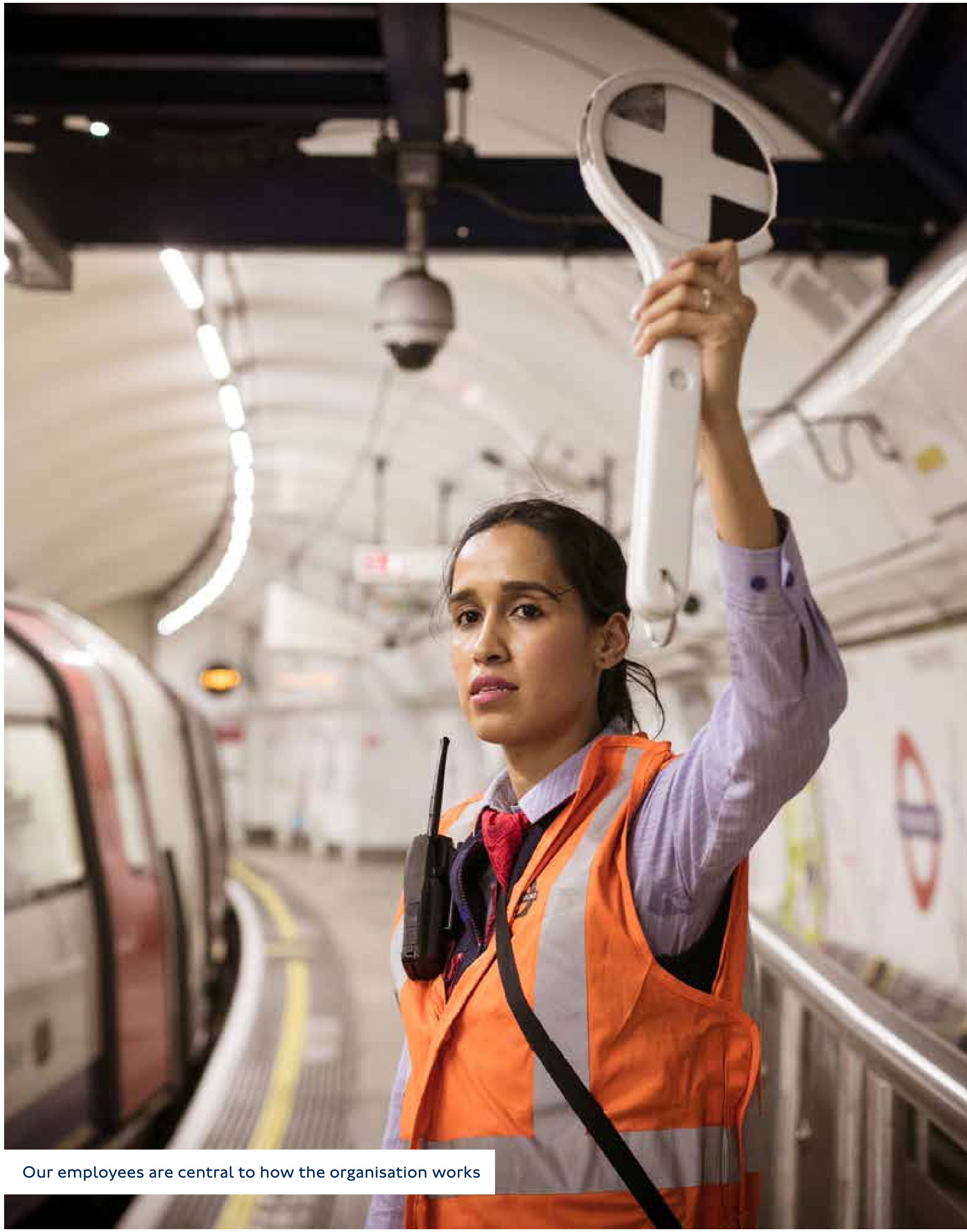
Overtime payments were also made in relation to major events such as the Platinum Jubilee and the funeral of Queen Elizabeth II.

There were 16 people, compared with 22 in 2021/22, who were on a base salary of less than £100,000 per year and received a one-off voluntary severance payment that took their total remuneration above this threshold. This is largely due to people leaving as part of our transformation programme, which is reducing management layers and eliminating duplication to improve efficiency and deliver recurring savings.

Therefore, the total number of our staff (excluding Crossrail) who received total remuneration of more than £100,000, including severance payments and overtime, was 729 in 2022/23 compared with 557 in 2021/22.

Number of employees who earned total remuneration of more than £100,000 in the year

	2022/23	2021/22
Base salary of £100k or more	232	161
Base salary below £100k	206	184
Voluntary severance payments taking earnings over £100k	16	22
Level of overtime worked taking earnings over £100k	275	190
Total TfL	**729**	**557**
Crossrail	37	40
Total (including Crossrail)	**766**	**597**



Our employees are central to how the organisation works

Appendix 1

Number of employees receiving total remuneration of more than £50,000

This includes salaries, fees, performance-related pay, benefits in kind, lump sums and termination payments, but excludes pension contributions paid by the employer. All information is subject to audit. The TfL Group is made up of the Corporation and its subsidiaries while the Corporation is made up of London Streets, Taxi and Private Hire, and the corporate centre which, for legal and accounting purposes, constitutes TfL.

Remuneration (£)	Group 2023	Group 2022 audited	Corporation 2023	Corporation 2022 audited
50,000 - 54,999	1,810	2,550	715	879
55,000 - 59,999	2,224	4,725	667	689
60,000 - 64,999	4,471	2,398	570	530
65,000 - 69,999	2,310	1,517	503	465
70,000 - 74,999	1,474	1,161	445	285
75,000 - 79,999	1,181	884	306	257
80,000 - 84,999	814	622	200	162
85,000 - 89,999	603	447	123	123
90,000 - 94,999	417	340	69	81
95,000 - 99,999	352	284	70	80
100,000 - 104,999	244	182	47	40
105,000 - 109,999	136	98	18	33
110,000 - 114,999	102	73	24	23
115,000 - 119,999	54	49	17	13
120,000 - 124,999	48	34	7	12
125,000 - 129,999	34	23	9	7
130,000 - 134,999	23	23	8	7
135,000 - 139,999	21	18	7	13

Remuneration (£)	Group 2023	Group 2022 audited	Corporation 2023	Corporation 2022 audited
140,000 - 144,999	15	15	2	9
145,000 - 149,999	15	7	6	3
150,000 - 154,999	11	4	6	1
155,000 - 159,999	7	7	4	3
160,000 - 164,999	9	9	3	7
165,000 - 169,999	6	6	2	4
170,000 - 174,999	3	4	2	3
175,000 - 179,999	6	4	1	3
180,000 - 184,999	2	3	-	2
185,000 - 189,999	5	1	3	-
190,000 - 194,999	1	1	-	1
195,000 - 199,999	2	2	2	1
200,000 - 204,999	1	2	1	1
205,000 - 209,999	-	2	-	-
210,000 - 214,999	-	1	-	-
215,000 - 219,999	1	1	-	1
220,000 - 224,999	-	1	-	1
225,000 - 229,999	2	1	1	1
230,000 - 234,999	2	1	2	-
235,000 - 239,999	1	3	1	2
240,000 - 244,999	2	2	2	2
245,000 - 249,999	1	3	1	1
250,000 - 254,999	2	1	1	1
255,000 - 259,999	1	2	1	1

Remuneration (£)	Group 2023	Group 2022 audited	Corporation 2023	Corporation 2022 audited
260,000 - 264,999	1	–	–	–
265,000 - 269,999	1	–	–	–
275,000 - 279,999	–	1	–	1
290,000 - 294,999	1	–	1	–
295,000 - 299,999	1	1	1	1
300,000 - 304,999	1	–	–	–
315,000 - 319,999	–	2	–	2
330,000 - 334,999	–	1	–	–
335,000 - 339,999	1	–	1	–
340,000 - 344,999	–	1	–	1
350,000 - 354,999	–	1	–	1
360,000 - 364,999	1	1	1	–
370,000 - 374,999	–	1	–	1
375,000 - 379,999	–	1	–	1
405,000 - 409,999	–	2	–	2
445,000 - 449,999	–	1	–	–
480,000 - 484,999	1	–	1	–
495,000 - 499,999	1	–	–	–
625,000 - 629,999	–	1	–	1
Total	16,422	15,525	3,851	3,758

Remuneration for senior employees

The Accounts and Audit Regulations 2015 require disclosure of individual remuneration details for senior employees with a base salary of £150,000 or more, calculated on a full-time equivalent basis for those working part-time.

Disclosure is made for each financial year under various categories and set out in Appendix 2.

Employer's pension contributions include the contribution in respect of future benefit accrual. Member contributions are payable by employees at a fixed rate of five per cent of pensionable salary.

Salary, fees and allowances are disclosed on an earned basis. Although performance-related pay is reported on a cash paid basis, it may not be determined for many months after the end of the relevant year.

Appendix 2

Employees receiving a base annual salary of £150,000 or more (£)

Name	Notes	Salary (including fees and allowances) 2022/23	Performance-related pay and bonus payments paid in the year 2022/23**	Compensation for loss of employment 2022/23	Benefits in kind 2022/23	Total remuneration excluding pension contributions 2022/23	Employer's contribution to pension 2022/23	Salary (including fees and allowances) 2021/22 audited	Performance-related pay and retention payments paid in the year 2021/22 audited**	Total remuneration excluding pension contributions 2021/22 audited***
Andy Lord, Commissioner	a	*361,453	–	–	2,227	363,680	–	*320,032	23,711	345,970
Glynn Barton, Chief Operating Officer	b	185,633	–	–	1,740	187,373	37,360	135,000	25,353	162,093
Fiona Brunskill, Chief People Officer	c	208,584	17,500	–	2,227	228,311	46,531	176,104	–	178,331
Howard Carter, General Counsel	d	*257,578	–	–	2,227	259,805	–	*248,373	67,291	317,891
Stuart Harvey, Chief Capital Officer	e	*336,106	–	–	1,740	337,846	–	*289,171	84,365	375,276
Lilli Matson, Chief Safety, Health and Environment Officer	f	200,000	–	–	1,740	201,740	46,921	180,068	22,518	204,326
Rachel McLean, Chief Finance Officer	g	261,348	34,950	–	1,747	298,045	49,668	234,072	23,300	259,599
Alex Williams, Chief Customer & Strategy Officer	h	*252,173	–	–	–	252,173	–	*206,553	34,000	240,553
Tricia Wright, Chief Officer – Pensions Review	i	*244,506	–	–	1,271	245,777	–	*232,780	63,675	297,331
Thomas Ableman, Director of Strategy & Innovation	j	147,425	–	–	1,740	149,165	35,681	68,740	–	69,638
Matt Brown, Director of Communications & Corporate Affairs	k	161,616	–	–	–	161,616	37,360	138,041	25,515	163,556

* salary, fees and allowances include an allowance paid as a result of the individual opting out of part or all of the benefits provided by the TfL Savings for Retirement Plan or TfL Pension Fund. The allowance is paid at the rate of the employer contribution foregone, discounted by the employer rate of National Insurance to ensure no additional employer cost is incurred. It also includes an allowance available to those employees who are employed on fixed-term contracts and who choose to join a defined contribution scheme rather than the TfL Pension Fund

** the payment of all 2021/22 performance-related pay awards is deferred until 2023/24 (if we are financially sustainable). The payment of all 2019/20 performance-related pay awards was deferred until 2021/22 and no awards were made in respect of the 2020/21 financial year

*** total remuneration for 2021/22 also includes benefits in kind as reported in last year's Statement of Accounts

a on secondment in 2022/23 and in receipt of higher duty allowance

b on secondment in 2022/23 and in receipt of higher duty allowance

c on secondment in 2022/23 and in receipt of higher duty allowance. Performance-related pay disclosed relates to retention payment

d salary sacrificed for pension of £9,061 (2021/22 £8,638)

e changed role in 2021/22

f changed role in 2021/22

g changed role in 2022/23. Performance-related pay disclosed relates to retention payment

h changed role in 2022/23

i salary sacrificed for pension of £9,058 (2021/22 £8,638)

j entered service 20 September 2021

k changed role in 2021/22

Name	Notes	Salary (including fees and allowances) 2022/23	Performance-related pay and bonus payments paid in the year 2022/23**	Compensation for loss of employment 2022/23	Benefits in kind 2022/23	Total remuneration excluding pension contributions 2022/23	Employer's contribution to pension 2022/23	Salary (including fees and allowances) 2021/22 audited	Performance-related pay and retention payments paid in the year 2021/22 audited**	Total remuneration excluding pension contributions 2021/22 audited***
Louise Cheeseman, Director of Bus	l	216,355	-	-	1,740	218,095	47,909	139,233	-	140,366
George Clark, Technical Director		171,600	-	-	1,740	173,340	-	165,000	8,910	175,650
Andrea Clarke, Director of Legal	m	167,793	28,548	-	1,740	198,081	48,605	183,000	60,524	245,264
Isabel Coman, Director of TfL Engineering & Asset Strategy	n	102,575	-	-	435	103,010	25,648	-	-	-
Michael Cooper, Director of Programme Management Office	o	153,378	-	-	1,740	155,118	37,471	76,373	-	77,272
Graeme Craig, Director & Chief Exectuive, TTLP		192,400	-	-	1,740	194,140	49,025	185,000	9,398	196,138
Nick Dent, Director of Customer Operations		187,200	-	-	1,740	188,940	47,909	180,000	26,651	208,391
Patrick Doig, Group Finance Director	p	*238,543	-	-	1,740	240,283	4,014	185,589	34,020	221,349
Nick Fairholme, Director of Capital Delivery – Systems	q	159,331	-	-	1,740	161,071	24,849	140,253	19,404	161,397
Stephen Field, Director of Pensions & Reward	r	*203,004	28,088	-	1,740	232,832	-	*189,908	50,575	242,222
Jonathan Fox, Director of Rail and Sponsored Services		159,681	-	-	1,740	161,421	38,261	151,988	20,097	173,825
Lester Hampson, Director of TTLP Property Development		186,069	-	-	1,740	187,809	46,531	175,807	79,352	256,899

* salary, fees and allowances include an allowance paid as a result of the individual opting out of part or all of the benefits provided by the TfL Savings for Retirement Plan or TfL Pension Fund. The allowance is paid at the rate of the employer contribution foregone, discounted by the employer rate of National Insurance to ensure no additional employer cost is incurred. It also includes an allowance available to those employees who are employed on fixed-term contracts and who choose to join a defined contribution scheme rather than the TfL Pension Fund

** the payment of all 2021/22 performance-related pay awards is deferred until 2023/24 (if we are financially sustainable). The payment of all 2019/20 performance-related pay awards was deferred until 2021/22 and no awards were made in respect of the 2020/21 financial year

*** total remuneration for 2021/22 also includes benefits in kind as reported in last year's Statement of Accounts

l salary sacrificed for Cycle to Work scheme of £2,442 (2021/22 £nil). Entered service 2 August 2021

m salary sacrificed for holiday buy of £809 (2021/22 £nil). Performance-related pay disclosed ralates to retention payment

n entered service 5 September 2022

o entered service 20 September 2021

p changed role in 2021/22

q changed role in 2022/23

r salary sacrificed for pension of £8,547 (2021/22 £8,437). Performance-related pay disclosed relates to retention payment

Name	Notes	Salary (including fees and allowances) 2022/23	Performance-related pay and bonus payments paid in the year 2022/23**	Compensation for loss of employment 2022/23	Benefits in kind 2022/23	Total remuneration excluding pension contributions 2022/23	Employer's contribution to pension 2022/23	Salary (including fees and allowances) 2021/22 audited	Performance-related pay and retention payments paid in the year 2021/22 audited**	Total remuneration excluding pension contributions 2021/22 audited***
Michael Hardaker, Director of Capital Delivery – Infrastructure		187,889	-	-	2,227	190,116	47,909	183,310	34,020	219,557
Joanna Hawkes, Corporate Finance Director	s	*217,862	37,440	-	-	255,302	-	*210,977	27,000	237,977
Geoff Hobbs, Director of Public Service Transport Planning	t	169,283	-	-	-	169,283	-	154,608	24,414	179,022
Chris Hobden, Project Director, Four Lines Modernisation	u	156,000	22,500	-	1,740	180,240	39,263	150,000	10,500	162,240
Lorraine Humphrey, Director of Risk & Assurance	v	153,980	-	-	784	154,764	27,434	134,561	9,016	144,361
Maureen Jackson, Director of Business Services	w	148,021	-	-	1,740	149,761	38,261	142,442	15,990	160,172
Stacey Kalita, Finance Director, Crossrail	x	150,230	-	-	784	151,014	26,537	131,783	-	132,567
Siwan Lloyd-Hayward, Director of Security, Policing & Enforcement	y	144,666	-	-	1,740	146,406	35,382	130,000	18,018	149,758
Stewart Mills, Director of Infrastructure, Crossrail	z	178,509	-	-	1,626	180,135	17,426	-	-	-

* salary, fees and allowances include an allowance paid as a result of the individual opting out of part or all of the benefits provided by the TfL Savings for Retirement Plan or TfL Pension Fund. The allowance is paid at the rate of the employer contribution foregone, discounted by the employer rate of National Insurance to ensure no additional employer cost is incurred. It also includes an allowance available to those employees who are employed on fixed-term contracts and who choose to join a defined contribution scheme rather than the TfL Pension Fund

** the payment of all 2021/22 performance-related pay awards is deferred until 2023/24 (if we are financially sustainable). The payment of all 2019/20 performance-related pay awards was deferred until 2021/22 and no awards were made in respect of the 2020/21 financial year

*** total remuneration for 2021/22 also includes benefits in kind as reported in last year's Statement of Accounts

s salary sacrificed for Cycle to Work scheme of £936 (2021/22 £nil) and for holiday buy of £796 (2021/22 £nil). Performance related pay disclosed relates to retention payment

t changed role in 2022/23

u performance-related pay disclosed relates to retention payment

v salary sacrificed for holiday buy of £2,020 (2021/22 £nil). Changed role in 2021/22

w salary sacrificed for holiday buy of £2,779 (2021/22 £nil)

x changed role in 2021/22

y changed role in 2022/23

z entered service 25 April 2022

Name	Notes	Salary (including fees and allowances) 2022/23	Performance-related pay and bonus payments paid in the year 2022/23**	Compensation for loss of employment 2022/23	Benefits in kind 2022/23	Total remuneration excluding pension contributions 2022/23	Employer's contribution to pension 2022/23	Salary (including fees and allowances) 2021/22 audited	Performance-related pay and retention payments paid in the year 2021/22 audited**	Total remuneration excluding pension contributions 2021/22 audited***
Peter McNaught, Director of Operational Readiness	aa	221,760	28,080	-	1,385	251,225	-	188,510	51,372	240,666
Esther Sharples, Director of Asset Performance & Facilities	ab	176,800	-	-	784	177,584	45,153	170,000	15,574	186,358
Jadon Silva, Director of Procurement & Commercial – Capital	ac	155,648	-	-	784	156,432	39,263	16,977	-	17,050
Howard Smith, Chief Operating Officer, Elizabeth line	ad	*189,750	70,000	-	1,740	261,490	-	*181,391	24,325	207,455
Shashi Verma, Chief Technology Officer		243,604	-	-	784	244,388	60,560	234,611	42,525	277,920
Jonathan Wharfe, Director of Procurement & Commercial – Operations	ae	168,639	-	-	1,740	170,379	43,360	33,034	-	33,354

* salary, fees and allowances include an allowance paid as a result of the individual opting out of part or all of the benefits provided by the TfL Savings for Retirement Plan or TfL Pension Fund. The allowance is paid at the rate of the employer contribution foregone, discounted by the employer rate of National Insurance to ensure no additional employer cost is incurred. It also includes an allowance available to those employees who are employed on fixed-term contracts and who choose to join a defined contribution scheme rather than the TfL Pension Fund

** the payment of all 2021/22 performance-related pay awards is deferred until 2023/24 (if we are financially sustainable). The payment of all 2019/20 performance-related pay awards was deferred until 2021/22 and no awards were made in respect of the 2020/21 financial year

*** total remuneration for 2021/22 also includes benefits in kind as reported in last year's Statement of Accounts

aa performance-related pay disclosed includes retention payment

ab changed role in 2021/22

ac salary sacrificed for holiday buy of £663 (2021/22 £nil). Entered service 21 February 2022

ad salary sacrificed for pension of £8,487 (2021/22 £8,439). Performance-related pay disclosed relates to the delivery of the Elizabeth line

ae entered service 19 January 2022

Name	Notes	Salary (including fees and allowances) 2022/23	Performance-related pay and bonus payments paid in the year 2022/23**	Compensation for loss of employment 2022/23	Benefits in kind 2022/23	Total remuneration excluding pension contributions 2022/23	Employer's contribution to pension 2022/23	Salary (including fees and allowances) 2021/22 audited	Performance-related pay and retention payments paid in the year 2021/22 audited**	Total remuneration excluding pension contributions 2021/22 audited***
Former employees										
Andy Byford, Commissioner	af	205,219	-	-	470	205,689	29,694	355,000	-	355,792
Simon Kilonback, Chief Finance Officer	ag	*26,006	-	-	208	26,214	-	*327,409	77,825	407,460
Helen Murphy, Director of Consulting & International Operations	ah	66,623	-	112,860	798	180,281	18,340	151,000	19,660	172,400
Gabriella Neudecker, Customer and Revenue Director	ai	16,161	-	-	88	16,249	1,661	74,589	-	74,852
Jonathan Patrick, Chief Procurement Officer	aj	149,488	-	120,931	536	270,955	33,499	221,923	93,600	316,307
Gareth Powell, Chief Customer & Strategy Officer	ak	*188,074	-	-	1,120	189,194	-	*323,935	54,132	380,293
Ken Youngman, Divisional Finance Director, Commercial Development	al	77,712	-	56,573	899	135,184	21,183	155,000	89,125	245,865
Susan Beadles, General Counsel, Crossrail	am	22,397	-	137,854	234	160,485	4,366	156,163	-	157,903
Chris Binns, Crossrail	an	140,454	9,250	151,395	1,273	302,372	13,683	185,000	9,250	195,990
Jim Crawford, Chief Programme Officer, Crossrail	ao	306,900	-	191,088	1,459	499,447	-	359,040	-	360,780
Andy Weber, Delivery Construction Manager, Crossrail	ap	50,879	-	111,634	258	162,771	5,038	150,958	-	151,742
Mark Wild, Chief Executive Officer, Crossrail	aq	*74,782	-	393,777	316	468,875	-	*445,977	-	447,717

* salary, fees and allowances include an allowance paid as a result of the individual opting out of part or all of the benefits provided by the TfL Savings for Retirement Plan or TfL Pension Fund. The allowance is paid at the rate of the employer contribution foregone, discounted by the employer rate of National Insurance to ensure no additional employer cost is incurred. It also includes an allowance available to those employees who are employed on fixed-term contracts and who choose to join a defined contribution scheme rather than the TfL Pension Fund

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*** total remuneration for 2021/22 also includes benefits in kind as reported in last year's Statement of Accounts

af left service 28 October 2022

ag left service 29 April 2022

ah left service 9 September 2022

ai left service 6 May 2022

aj left service 30 November 2022

ak left service 25 September 2022

al left service 30 September 2022

am left service 19 May 2022

an left service 23 December 2022. Performance related pay disclosed relates to retention payment

ao left service 31 January 2023

ap left service 29 July 2022

aq left service 31 May 2022

Appendix 3

Severance payments

We have also published the number and cost of compulsory and voluntary severance termination packages agreed during the year. This is fully in line with the Code and our policy on severance can be seen on page 5.

Termination payments include Crossrail and are reported on a cash paid basis to provide certainty on the amounts reported, and include pension contributions in respect of added years, ex-gratia payments and other related costs.

	Group 2023 (number)	Group 2023 (£m)	Corporation 2023 (number)	Corporation 2023 (£m)	Group 2022 audited (number)	Group 2022 audited (£m)	Corporation 2022 audited (number)	Corporation 2022 audited (£m)
Non-compulsory exit packages (£)								
0 - 20,000	29	0.4	4	0.1	26	0.3	1	-
20,001 - 40,000	37	1.1	4	0.1	66	2.0	4	0.1
40,001 - 60,000	19	0.9	1	-	96	4.8	8	0.4
60,001 - 80,000	11	0.8	1	0.1	30	2.0	6	0.4
80,001 - 100,000	3	0.3	-	-	8	0.7	2	0.2
100,001 - 150,000	21	2.6	7	0.9	9	1.1	5	0.6
150,001 - 200,000	8	1.3	3	0.5	3	0.5	-	-
200,001 - 250,000	-	-	-	-	2	0.4	1	0.2
250,001 - 300,000	-	-	-	-	1	0.3	1	0.3
350,001 - 400,000	1	0.4	1	0.4	1	0.4	1	0.4
Total non-compulsory exit packages	**129**	**7.8**	**21**	**2.1**	**242**	**12.5**	**29**	**2.6**
Compulsory exit packages (£)								
0 - 20,000	1	-	-	-	-	-	-	-
Total	**130**	**7.8**	**21**	**2.1**	**242**	**12.5**	**29**	**2.6**

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Appendix 4

Representation of equalities groups at different pay levels as at 31 March 2023, excluding Crossrail and our apprentices (this is not subject to audit)

	Less than £30,000		£30,001 to £40,000		£40,001 to £50,000		£50,001 to £60,000		£60,001 to £70,000		£70,001 to £80,000		£80,001 to £90,000		£90,001 to £100,000		More than £100,000	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Gender																		
Female	294	37	1,975	35	956	31	1,197	25	1,212	16	407	19	127	13	60	17	62	26
Male	505	63	3,639	65	2,144	69	3,528	75	6,284	84	1,783	81	858	87	287	83	181	74
Total	**799**		**5,614**		**3,100**		**4,725**		**7,496**		**2,190**		**985**		**347**		**243**	
Ethnicity																		
Black, Asian and minority ethnic	322	40	2,669	48	1,215	39	1,547	33	2,557	34	511	23	174	18	50	14	26	11
White	309	39	1,872	33	1,526	49	2,691	57	3,980	53	1,439	66	709	72	267	77	205	84
Not stated	168	21	1,073	19	359	12	487	10	959	13	240	11	102	10	30	9	12	5
Total	**799**		**5,614**		**3,100**		**4,725**		**7,496**		**2,190**		**985**		**347**		**243**	
Disability status																		
Disabled	51	6	248	4	130	4	133	3	202	3	77	3	27	3	22	6	12	5
No disability	544	68	3,938	70	2,056	66	3,103	66	4,745	63	1,369	63	517	52	234	68	180	74
Not stated	204	26	1,428	26	914	30	1,489	31	2,549	34	744	34	441	45	91	26	51	21
Total	**799**		**5,614**		**3,100**		**4,725**		**7,496**		**2,190**		**985**		**347**		**243**	

Appendix 5

Trade union facility time (not subject to audit)

The Trade Union (Facility Time Publication Requirements) Regulations 2017 mean we must collate and publish a range of data on the amount and cost of trade union facility time within the organisation each year. Facility time is the provision of paid or unpaid time off from an employee's normal role for trade union duties and activities as a union representative.

The trade unions represented in our organisation are:

- ASLEF
- PCS
- Prospect
- RMT
- TSSA
- UNISON
- Unite

881

members of staff elected as union representatives as at 31 March 2023

Working hours spent on facility time

Percentage of time	Number of employees
0	-
1-50	839
51-99	7
100	35
Total	**881**

We allow representatives paid time off for union duties and meeting these costs represents 0.35 per cent of our total wage bill.

Total cost of facility time (£m)	8.0
Total remuneration costs for all TfL employees (£m)	2,275.6
Percentage of pay bill spent on facility time (%)	0.35

We do not provide paid time off for representatives to carry out union activities. The above approach to paid time off, and the number of representatives for our 27,000 employees, is in line with legislation guidelines from ACAS and agreements with the trade unions.

Our colleagues continue to deliver for Londoners and visitors

Statement of Accounts

‘As we continue to build our recovery, our focus remains on achieving financial sustainability while also delivering the vital services London needs, both now and in the future’

Patrick Doig
Statutory Chief Finance Officer

Statement of Accounts – contents

Narrative Report and Financial Review

Overview
This was a pivotal year in the history of our finances, as we continued to build our recovery and look forward in to 2023/24.

Before the outbreak of the pandemic, we had been close to reaching financial sustainability in terms of our operational activities without the need for direct Government grant, which had been removed from April 2018 onwards. Between 2015/16 and 2019/20, we focused on improving our financial position and resilience. We reduced the net cost of operations, excluding Government funding, by almost £1bn over that period, and we increased cash reserves to more than £2bn, giving ourselves a cash buffer that proved crucial to continue operating in the first phase of the pandemic while Government support was negotiated.

However, the pandemic devastated our fares income, which meant that, since March 2020, we have required extraordinary funding support from Government under a series of funding agreements from the Department for Transport (DfT). In 2021/22, we saw a combination of easing restrictions, leading to recovering income and ongoing careful cost control. During 2022/23, as we continued to focus on London's recovery, rebuilding our ridership and controlling costs, the level of extraordinary grant support reduced to £920m (2021/22 £1,717m). Passenger demand increased from 68 per cent of pre-pandemic levels to around 85 per cent, and passenger income grew by 34 per cent from £3.2bn to £4.2bn.

On 30 August 2022, the TfL Board approved a 20-month funding settlement with the DfT until 31 March 2024. While this is not the genuinely long-term funding settlement required to deliver major capital investment in the most efficient and effective manner, it is significantly longer than any of our previous settlements during the pandemic. This funding settlement provides £1.2bn of Government funding along with the guaranteeing of passenger revenue over the period. Further detail of the key features and conditions is set out in the going concern section of our Accounting Policies.

Reaching agreement on this was crucial for the coming years to avoid a 'managed decline' of London's transport network. Under this scenario, the combination of uncertainty over the quantum of long-term funding, lower income levels and increasing inflationary pressures mean that, to balance our budget, we would be facing deteriorating asset conditions, which would impact on the reliability and operability of our public transport and road networks, impacting fares income. We would have to reduce service levels and be unable to enter contracts for new enhancement projects. This, in turn, would mean a failure to deliver on our policy goals of tackling climate change, air quality improvements, reduced congestion, and delivering our Vision Zero ambitions for people killed or seriously injured on our networks.

The Government recognises the need for certainty and stability for our capital investment pipeline, and the settlement will ensure delivery of key capital renewals and investment in London worth £3.6bn to March 2024. Combined with support from the Mayor, this has enabled us to avoid the managed decline scenario. We have increased renewals in our infrastructure above the level we had originally budgeted – helping us to protect the critical assets on which Londoners depend. We have restored a level of expenditure on new capital enhancements to improve our network, alongside delivering our committed investment, including new Piccadilly line and DLR trains, Four Line Modernisation, Bank station upgrade and Old Street roundabout.

Government also continues to recognise that further capital funding beyond this agreement will be required for major capital enhancements and major renewals, which we are not expected to solely finance from operating incomes, as is consistent with other transport authorities. A long-term funding settlement, similar to that in place for Network Rail, National Highways and other Metro Mayors across the country, would enable us and our supply chain to plan more effectively, improving efficiency and supporting investment in jobs around the UK. A number of studies, including those commissioned by Government, have estimated that long-term funding can enable cost efficiencies of between 10-30 per cent.

Organisational overview
TfL is a statutory corporation established by section 154 of the Greater London Authority Act 1999 (GLA Act 1999). It is a functional body of the Greater London Authority (GLA) and reports to the Mayor of London.

We are the integrated body responsible for the capital's transport system. We implement the Mayor's Transport Strategy and manage transport services across the capital. We aim to deliver safe, reliable and integrated transport to those who live in, work in or visit London.

Narrative Report and Financial Review (continued)

Governance

Our governance and decision-making arrangements ensure we manage the organisation responsibly and effectively and to high standards of business conduct (see TfL's Annual Governance Framework on page XX). This includes operating within the requirements of relevant legislation (including Local Authority legislation), as well as understanding our responsibilities to spend public funds efficiently and manage risks effectively. We conduct, at least annually, a review of the effectiveness of our governance framework including the system of internal control, which is reported to the Audit and Assurance Committee. There is also an annual Board Effectiveness Review.

The opinion for the year ending 31 March 2023 concluded that our governance framework was satisfactory for our needs and operated in an effective manner. The opinion highlighted the progress against the 2022/23 improvement plan.

We have established a Committee and Panel structure to which we delegate detailed scrutiny of key areas of our responsibilities. We have ensured the TfL Board has the right range and depth of knowledge, skills and experiences to run the organisation effectively. We refreshed our Board membership, in line with best practice, so it remained relevant and up to date (the list of our members is on pages XX to XX). At the date of this report, 47 per cent of our Board members are women. We understand the benefits of diversity and are continually seeking to improve this across our Board and executive teams.

We also have a series of policies and guidance setting out expected standards of behaviour and conduct. These include the TfL Code of Conduct, anti-fraud and corruption policy and the whistleblowing policy.

In an organisation as large as TfL, we partly fulfil our duties by delegating day-to-day decisions to employees within our governance framework.

Operating model

We are led by the TfL Executive Committee which is responsible for setting the strategy and direction for the whole organisation. Members of the committee have clear individual accountabilities and objectives for the businesses they run directly and also collective objectives and accountabilities to be delivered by the organisation as a whole.

In 2022, the TfL executive team worked to define the highest-level process that describes what we do and how we do it, and create our value chain. Our value chain is:

- Strategise and plan
- Fund and procure
- Build and maintain
- Operate and optimise
- Enable and support

The value chain helps us make sure work isn't duplicated and that we have clear accountabilities in each part of the business. The TfL Executive Committee is organised around the principles of the value chain, with the following roles

- TfL Commissioner – Andy Lord
- Chief Customer & Strategy Officer – Alex Williams
- Chief Finance Officer – Rachel McLean
- Chief Capital Officer – Stuart Harvey
- Chief Operating Officer – Glynn Barton*
- Chief People Officer – Fiona Brunskill*
- Chief Officer – Pensions Review – Tricia Wright*
- Chief Safety, Health & Environment Officer – Lilli Matson
- General Counsel – Howard Carter
- Director of Communications and Corporate Affairs – Matt Brown

* Interim roles

Strategy and resource allocation

The Mayor's Transport Strategy sets out plans to transform London's streets, improve public transport and create opportunities for new homes and jobs. We develop our strategy in consultation with our stakeholders, to improve the services we provide to our passengers. This includes how we engage and work with suppliers, communities and our people.

Key priorities in the Mayor's Transport Strategy are creating Healthy Streets and healthy people, creating a good public transport experience and delivering new homes and jobs (see page XX of the Annual Report).

We produce a Business Plan, approved by the TfL Board, which sets out the medium-term plan for the organisation, demonstrating how we will achieve the Mayor's Transport Strategy. In December 2022, the TfL Board approved the 2023 TfL Business Plan, which was the first one since the pandemic.

The first full year of the Business Plan is used as the basis for an annual budget, which allocates resource to individual departments and projects for the year ahead. In March 2023, the TfL Board approved the 2023/24 TfL Budget.

Narrative Report and Financial Review (continued)

Interests of the Group's employees
We strive to create a workplace that is safe, secure and contributes to an engaged workforce.

Our vision and values is a culmination of what our people said our future should look like and how they said we should work together to achieve it. This includes our organisational values – caring, open and adaptable.

Our colleague strategy sets out how we will deliver our ambition to be a great place to work for everyone to thrive. We have introduced a new approach to managing talent and career progression, supporting everyone to have regular conversations about their role and their development.

While the majority of our colleagues are in roles that require them to be at an operational or project location, for our office-based colleagues we are operating a hybrid-working approach, which offers flexibility and is valued by them.

Those who are hybrid working have been expected to be in the office on average two occasions per week, which will increase to three in the near future, for the purpose of what we call the three Cs: Collaboration, Culture and Coaching.

The wellbeing of our employees remains a priority and we continue to offer a range of services and resources to support physical and mental health.

Ensuring we hear the voice of our employees remains important to us. While our Trade Union relationships – with local, functional and company-level meetings taking place across different parts of the organisation – play a significant role in achieving this, our Colleague Network Groups provide employees the chance to share ideas and support each other in developing our equality agenda in all areas of employment.

A sustainable future
We are working to ensure our priorities support a sustainable future for the capital.

Through our network, we aim to create a resilient, attractive, nature- rich, and liveable city, which supports biodiversity and contributes to the mental and physical health of Londoners.

Climate change poses severe risks for us, but it also comes with opportunities to deliver a safer and more sustainable future for the communities we serve.

Environmental sustainability is integral to our business and the way we work. We face huge environmental challenges, as we are London's biggest user of electricity, and a quarter of London's greenhouse gas emissions come from transport. We are London's second largest landowner, which brings a number of environmental risks and opportunities. As our transport network is woven through the city, we take a leading role in managing climate risks in partnership with our stakeholders across London. Managing our climate risks will enable us to provide a safer and more reliable transport network, as well as allowing us to make well-informed investment decisions and reduce our financial liability from climate disasters. We are also uniquely positioned to provide opportunities for London.

We are taking leadership in the management of physical climate risks by working with stakeholders across London and beyond. Through the London Surface Water Strategic Group, we are working with key stakeholders across the city to procure London's first surface water flood risk management strategy. We are leading work on the Transport Adaptation Steering Group, to improve consistency across the transport sector for Adaptation Reporting Power submissions, as well as exploring how best to assess and score key interdependency risks. Other areas of collaboration include being a key partner in developing the rail sector adaptation maturity matrix through the Rail Safety and Standards Board project and developing a transport sector handbook for asset managers through the Transport Research and Innovation Board project. We are constantly working to improve our understanding of climate risks. Following the July 2022, heatwave, a PhD project on the impact of high temperatures on London Underground is coming to an end. We are exploring how best to communicate and embed research findings in our activities.

Our target is to be net-zero carbon by 2030, and we are working with others to achieve this. We have drawn on our experience of developing renewable energy contracts to drive efforts to establish GLA Group-wide purchasing of wind and solar energy. Together with the GLA, the Metropolitan Police Service, the London Fire Brigade, and the London Legacy Development Corporation, we aim to use our enhanced purchasing power to negotiate a Power Purchase Agreement. This would secure new renewable power, provide longer-term stability on energy prices, and contribute to the Mayor's ambition for London to reach net-zero carbon by 2030. We are also working with the London Anchor Institutes Network as we are an active participant in its Green New Deal Working Group. The purpose of the group is for anchors to work collaboratively to support the capital's net-zero targets by accelerating public estate decarbonisation and developing an appropriately skilled workforce to meet the demands of a growing green economy. In 2022/23, we made commitments in relation to subjects including our carbon literacy training roll-out and the publishing of our Climate Change Adaptation Plan.

In line with our 2018 Energy Strategy, we have established a clear hierarchy for reducing our operational carbon emissions. At the top of this hierarchy is the removal of fossil fuel use and improving our energy efficiency. We are prioritising energy efficiency measures by carbon and cost savings, starting by further rolling out LED lighting placements across London Underground stations and depots.

On an annual basis, our safety, health, and environment reports, containing details of our carbon emissions, environmental performance and action plans are published on our website. Further detail on how we monitor and report on climate change risk and adaptation is set out in the principal risks section of this Narrative Report.

Narrative Report and Financial Review (continued)

Streamlined energy and carbon reporting helps businesses across the UK in scope of the 2018 Regulations to comply with their legal obligations in respect of energy usage and carbon emissions reporting.

Streamlined Energy & Carbon Reporting 2022/23

Description	Amounts	Units	2020/21 comparison
Total Electricity consumption	1,572,490,169	kWh	1,542,260,719
Total Gas consumption	83,309,200	kWh	80,574,572
Total Fuel for company fleet	1,245,548	litres	1,510,631
Purchased District Heating and Cooling	3,449,677	kWh	4,076,143

Emissions Breakdown	Amounts	Units	Conversion factor ($kgCO_2e$)
Scope 1 Emissions from combustion of gas	15,207	tCO_2e	0.18254 (natural gas)
Scope 1 Emissions from combustion of fuel for transport purposes	3,134	tCO_2e	2,55784 (diesel) 2.16185 (petrol)
Scope 2 Emissions from purchased electricity	304,088	tCO_2e	0.19338 (UK grid electricity)
Scope 2 Emissions from purchased heating and cooling	503	tCO_2e	0.2319 (district heating) 0.0581 (district coolth)
Total Gross CO_2e based on the above	**322,933**	**tCO_2e**	
Total Gross CO_2e including energy/ fuel purchased by public transport service operators	**813,600**	**tCO_2e**	

Intensity metric	Amounts	Units
Operated train km	99,443,290	3.2kg CO_2e/operated train km
Average headcount	25,943	12.5t CO_2e/employee

We have used invoiced consumption and metered data, and have calculated emissions using government conversion factors for company reporting of greenhouse gas emissions 2022. District heating and cooling factors are specific to the Olympic Park district heating system.

Our financial disclosure on climate change

Environmental sustainability is integral to our business and the way we work, but we face huge challenges in a changing world.

In 2017, the Taskforce on Climate-related Financial Disclosures (TCFD) released climate-related financial disclosure recommendations designed to help organisations assess and manage climate-related risks and opportunities. The disclosure recommendations are structured around four thematic areas that provide a framework for us to understand and take action on our climate risks and opportunities. These thematic areas represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets. Ultimately, widespread adoption of the recommendations is aimed at enabling financial risks and opportunities, related to climate change, to become a natural part of organisations' risk management and strategic planning processes.

Following on from our disclosure last year on physical risks, for 2022/23 we will provide an update on our progress against all four themes, with a plan to provide more detailed disclosures as we mature our adoption of the TCFD recommendations and as we move forward in developing scenario analysis.

Narrative Report and Financial Review (continued)

Our climate governance
Achievements in 2022/23

- Sustainability Executive committee established, responsible for management of environmental risks and opportunities
- Executive Committee completed Sustainability training
- More than 800 people completed carbon literacy training, including our senior leaders

Responsibility for managing climate risk sits with our Executive Committee, overseen by the TfL Board. Environment management is embedded across the organisation, with all areas represented at our Executive Committee Sustainability Group. The Executive Committee Sustainability Group, which meets every six weeks, oversees the strategic and operational direction on our behalf by ensuring we align between the vision, purpose, and corporate plans relating to climate risks and opportunities.

We delivered sustainability training to our Executive Committee in November 2022, enabling our directors to engage and lead on sustainability with confidence. This training will be made available to all senior leaders over the next 12 months. We are also rolling out carbon literacy training across the organisation to increase awareness of the carbon impacts of everyday activities and give people the ability and motivation to reduce emissions. Our training course, accredited by the Carbon Literacy Project, encourages us to incorporate carbon into our decision-making processes.

Governance structure for Environmental Management

Group	Role
TfL Board	• The Board has overall responsibility for the oversight of TfL's environmental management which includes our risks and opportunities associated with climate change. TfL's Enterprise-level environmental risk is scrutinised by the Board's Audit and Assurance Committee, Safety, Sustainability Human Resources (SSHR) Panel • The Board meets a minimum of six times a year • In the last 12 months the SSHR Panel have discussed: progress against TfL's Corporate Environment Plan, Power Purchase Agreement (PPA) tender, Sustainability Network, Carbon Literacy training, Natural Capital Account, Climate Change Adaptation Plan
Executive Committee	• TfL's Commissioner and Chief Officers are responsible for fulfilling the priorities and objectives set out in the Mayor's Transport Strategy and TfL Business Plan • The Executive Committee is responsible for the management of TfL's Enterprise-level environmental risk • The Executive Committee meets on a weekly cadence and has performance and strategic meetings every four weeks
Executive Committee Sustainability Group	• The Executive Committee Sustainability Group is responsible for the co-ordination of cross-organisational environmental and sustainability issues and work-programmes, on behalf of the Executive Committee • The group is chaired by TfL's Chief Safety, Health and Environment Officer and Chief Capital Officer, and includes representation from all TfL business units The Executive Committee Sustainability Group meets every six weeks, and their role includes: • Agreeing the strategy for environmental management, including setting targets, monitoring, and reporting on performance • Providing central oversight of the Group's management of climate impact to ensure that climate chance informs strategic planning and decision making across all TfL activities • Overseeing management practices that ensure that these exposures are controlled in line with TfL's risk appetite and Corporate Environment Plan • Promoting internal awareness and understanding of climate- related threats and opportunities • Ensuring actions and responses to climate are proportionate

It is important that we engage colleagues in sustainability. Our sustainability staff network, which has more than 400 active members, is a place for colleagues to share, learn and support each other in regard to sustainability challenges and initiatives.

We delivered sustainability training to the TfL Executive Committee in November 2022 to enable our directors to engage and lead on sustainability with confidence. We are also working to make our workforce carbon literate.

Our climate strategy
Achievements in 2022/23

- Published our 2023 Business Plan, which prioritises progress against key green enablers, such as decarbonising operations, and green infrastructure
- Established our Green roadmap
- Published our Climate Change Adaptation Plan
- Updated the Board on our progress on our Corporate Environment Plan
- Launched procurement for our first renewable energy Power Purchasing Agreement (PPA) to achieve our goal of running a zero-carbon railway

Narrative Report and Financial Review (continued)

Our strategy for the environment has been built to support the Mayor's London Environment Strategy. Our response to the London Environment Strategy is set out in our Corporate Environment Plan, published in 2021, which describes our environmental priorities and how we will manage any key risks and opportunities. This includes a focus on how we will respond to the climate emergency by reducing carbon emissions, and how we will adapt to physical climate risks through adaptation.

The Corporate Environment Plan provides the foundation for developing environmental strategies and delivery plans. At a business level, this is considered as part of the development of our Business Plan, which determines our strategic plan over the medium-term, the most recent version of which covers the three-year period between 2023/24 and 2025/26. This includes a summary of where we will allocate resources across our various strategic priorities, including our plans for the environment, covering our operations, asset renewals portfolio and capital investment programme. Our 2023 Business Plan also included our first-ever submission to the GLA Group 'Climate Budget' process, providing a forecast of the carbon emissions resulting from our operations over the next seven years, and in addition highlighted key risks and opportunities, and potential funding requirements over the longer term.

The overall business strategy is supported and informed by a number of policies, technical strategies and analysis. For example, our asset management strategies provide a set of options for how we might deliver our green ambitions. Once we have decided on a preferred approach, we are then able to include this in our main plans and/or engineering standards in order to provide clarity regarding specific challenges and environmental interventions.

To deliver the Mayor's Transport Strategy, it is important to consider potential funding requirements over the long term, beyond our Business Plan. In 2023, this will be done as an internal exercise looking at the next 25 to 50 years, and will include assumptions outlining our key environmental ambitions, risks and opportunities from the Corporate Environment Plan. We will work in tandem to develop our longer-term business planning and climate risk scenario analysis.

Types of risk and risk management

- Transition risks – these arise from actions associated with the transition to a low-carbon economy, including the introduction of new climate policies and technologies for us. These include:
  - » Policy and legal – meeting enhanced compliance requirements relating to building efficiency standards. Embodied carbon, future planning requirements and building regulations for projects and carbon pricing
  - » Market – greater demands from customers to meet higher sustainability standards
  - » Reputational – loss of reputation in market due to greenwashing or by slow response or inaction
  - » Technology – additional capital, operational and maintenance costs incurred from lower emission technologies
- Physical risks – these come from the physical impacts of climate change for us. These include:
  - » Acute – increased severity of extreme weather events
  - » Chronic – longer-term shifts in variability of weather patterns and precipitation, rising mean temperatures and rising sea levels

Physical climate change poses significant risk to us. Our transition to net zero poses significant risks, as well as opportunities. We published Adaptation Reporting Power third round in 2021, which was our most comprehensive climate risk assessment on physical risks. As part of this assessment, 333 climate risks were identified. Precipitation, including both too much and too little rain, is the climate hazard with the greatest number of identified risk. Temperatures, both high and low, are the climate hazard with the next greatest number of identified risks. Some of our most at risk assets are bridges and viaducts; drainage from track, civil infrastructure, buildings and highways; rolling stock and signalling systems. We have conducted workshops with asset and engineering teams to better understand these risk and identify adaptation measures.

Of the 333 climate risks identified, five scored as major or above today and four of these were linked to extreme high temperatures. Risks scored as major or above increases to 11 in the 2050s and 13 in the 2080s. The key findings of this assessment included:

- All our assets are, or will be, affected by severe weather and climate change, with climate risks becoming more severe
- We use resilience to manage short-term weather-related disruption. However, as severe weather becomes more frequent due to climate change, the cost and time spent on resilience will increase
- Precipitation, both too much and too little, is our most common climate hazard
- Drainage represents a crucial supporting asset for other asset types. If drainage – both ours and third parties' – fails then other assets become more exposed to flooding

Using this information as a baseline, in March 2023, we published our Climate Change Adaptation Plan, which outlines what we need to do by 2030 to manage our risks from physical climate hazards. The plan details the actions we need to take to improve our understanding of physical risk, as we mature on our adaptation journey. We will continue to build on our strategic adaptation actions.

Narrative Report and Financial Review (continued)

Physical risk will increase the likelihood of safety issues for staff and customers, increase the likelihood of operational disruption including delays and cancellations, and have negative financial impacts in terms of recovery from events and reduced revenue. We manage these risks through robust resilience processes. We monitor weather and coordinate emergency plans, as well as organising for recovery after extreme weather events. Resilience will become more expensive as extreme weather events become more frequent, therefore it is important we embed our Adaptation Plan across the organisation.

For transition risks, we have a target to be net-zero carbon by 2030 in our transport operations. We are moving forward with our strategy to achieve this. By the end of March 2023, more than 50 per cent of our bus shelters were converted to LED, and we aim to convert all of our bus shelters by March 2024, saving more than 1,000 tonnes of carbon dioxide equivalent each year. As of 31 March 2023, around 11 per cent of our bus fleet operated with zero-emission buses, 970 zero-emission buses in total, helping us reduce our reliance on diesel, cut emissions and reduce carbon dioxide.

Decarbonising our buildings is integral to our net-zero strategy. In 2022, we conducted a baseline assessment of the carbon emissions associated with our buildings, using existing data, supplemented with 40 site visits. This year, we will conduct 20 feasibility studies to move forward with our buildings decarbonisation.

We have allocated up to £2m additional funding per year to improve our understanding of the impacts of climate change and to develop and deliver plans to adapt to it. This is in addition to the £4m Green and Healthy Streets Fund provided by the Mayor to deliver sustainable drainage on both our roads and the boroughs.

Our climate risks

Achievements in 2022/23 included:

- Developed and agreed an adaption enterprise risk on the environment

Climate risks are considered across our organisation, which is reflected at different levels in our risk hierarchy. We have developed our enterprise- and strategic-level risks relating to the environment, including climate adaptation, since the last Annual Report. Enterprise-level risks are reviewed each year by our Executive Committee and Safety, Sustainability and Human Resources Panel. Our strategic climate and environment risks are reviewed in detail each year, as well as an ongoing review by our sustainability sub-group.

We have a risk database that enables climate and environment risks to be tagged and monitored. Interdependencies between risks are also considered. For example, climate change could cause potentially significant disruption to our supply chain, which must be monitored and mitigated.

We have assessed the risks on assets and people under different climate scenarios. There is more work we must do to understand our climate risks in more detail. We need to continue to collect quantitative data, as well as understand our transition risks within the stated timeframes and under different scenarios.

We also have research projects ongoing. Through internal projects, we have modelled the risk to flooding on the London Underground network. We are now expanding this to cover flooding risks on other modes. As part of this, we identified risk levels at Underground stations and are putting measures in place to reduce risk where appropriate. We also work with external partners, such as academics and universities, to gain a great understanding of our risks.

Our climate metrics and targets

Achievements in 2022/23 included:

- Green measures added to our scorecard
- Scorecard measure developed for the Sustainable Drainage System (SuDS)
- 970 zero-emission buses in operation
- 50 per cent of bus shelters converted to LED lighting
- 50 per cent of all lamp columns on our road network now fitted with LED lighting

Carbon emissions is a key metric on our scorecard, the tool by which we measure our performance, and will be reported on quarterly across the business in 2023/24.

Our target set out in the Mayor's Climate Budget, is to be net-zero carbon by 2030 for our operational emissions. This includes all energy and fuel that we purchase directly (scope 1 & 2 emissions), along with emissions associated with the operation of branded services.

Our plan to achieve net zero is:

Item	Narrative
Buses	All buses to be zero emission by 2034, with a target to accelerate this to 2030 (subject to funding)
Support fleet	All cars and vans in the TfL support fleet to be zero emission by 2030
Piccadilly line trains	Lighter, more energy efficient trains with regenerative braking
Private wire	Directly receive a proportion of our electricity from zero-carbon, private, dedicated solar installations
Our buildings	Decarbonising our buildings through removal of fossil fuel heating and increasing energy efficiency
Power Purchase Agreements	50 per cent of our grid purchased electricity will be from fully renewable sources by 2030

We have identified risks to achieving net-zero carbon by 2030, these include changes to regulation which could impact progress of PPA procurement. In addition, to achieve our net-zero target by 2030, we will require additional funding.

Narrative Report and Financial Review (continued)

With additional funding, we could lock-in the pathway to making the bus fleet zero-emission by our target 2030, which, in combination with existing and funded initiatives, would save an additional 300,000 tonnes of carbon. This would require significant additional funding, although this cost would be spread over the lifetime of the new vehicles, which extends beyond 2030. There is currently no certainty on Government funding for capital investment beyond March 2024. Our Business Plan makes an assumption on the level of funding that will be made available to replace trains and signalling replacement. If this funding is not confirmed in future, this will impact the ability to fund all of our capital investment including green initiatives.

Our metrics and targets in relation to physical climate risks are related to tree coverage and Sustainable Drainage Systems (SuDS). Through the Mayor's Transport Strategy, we have a target to increase tree numbers on our roads by one per cent per year between 2016 and 2025. We increased the tree coverage on our network to 24,795, planting 453 in 2022/23. This is an increase of 21 trees above target. We also have a target to increase SuDS by 50,000 square metres per annum. These targets will help to protect London from flooding and provide shade and shelter from extreme weather events.

Our next steps
We are continually improving our approach to TCFD by improving our understanding of climate risks and opportunities through more detailed data and research.

In the next 12 months, we plan to:

Governance

- Robust tracking of climate risks and opportunities
- All senior leaders to complete Sustainability training
- More than 3,000 colleagues trained on carbon literacy
- Agree a TfL value framework for capital investment
- Start implementing an asset management decision support system

Strategy

- Strategic research programme to continue
- Strategic actions from the adaptation plan to be progressed
- Continue transition of the bus fleet to net zero and deliver buildings decarbonisation projects
- Begin work on risks and opportunities for scenario analysis
- Expand climate budget to include adaptation
- Green Infrastructure and biodiversity plan published
- Launch our transition plan for zero-emission support fleet vehicles

Risk

- Enterprise risk register expanded to cover strategic and tactical risks
- Physical climate risks to be incorporated into the Active Risk Management system
- All risks across enterprise risk framework that link to climate, identified, and tagged

Metrics and targets

- Agree an emissions reduction target for our scope 3 measures
- Deliver SuDS to enable 5,000 square metres of drainage
- 845ktonnes carbon dioxide emissions from our operations and building

Performance

Summary of financial performance for the TfL Group

Total revenues, excluding grant funding, for the year came in at £5,804m, compared with a total of £4,313m for 2021/22, reflecting recovering fares revenues as passengers returned to the network. The expansion of the Ultra Low Emission Zone (ULEZ) to the area within the North and South Circular Roads in 2021 was implemented to improve air quality, but does generate income while compliance levels increase and the full-year impact of this increased revenue in 2022/23.

Gross expenditure of £8,428m has increased from the prior year total of £7,771m primarily from higher staff costs following base pay increases and higher levels of ULEZ bad debt.

In 2022/23, our net financing and investment expenditure increased from £299m to £648m, primarily reflecting investment property valuations losses of £155m replaced prior year gains of £93m, due to ongoing fluctuations in the property market. Net gains on disposals of investment properties also decreased from £105m to £22m.

Grant income, at £3,500m, was £851m below the level seen in 2021/22, primarily reflecting reduced levels of extraordinary funding grant received in the year.

These items combined with Corporation tax of £5m results in an overall Group surplus after tax for the year of £100m compared to a prior year surplus of £504m. After reserves transfers, this translated to a decrease in usable reserves from £681m as at 31 March 2022 to £394m at 31 March 2023.

In addition to £624m (2021/22 £551m) of spend on renewals works, capital spend included new investment of £188m (2021/22 £568m) on the Crossrail project and £1,173m (2021/22 £890m) on other investment projects. Major projects progressed in the year included the Four Lines Modernisation project, Barking Riverside extension, Piccadilly line trains, the Bank station upgrade and the design and planned construction of DLR trains and systems integration.

Narrative Report and Financial Review (continued)

Funding sources

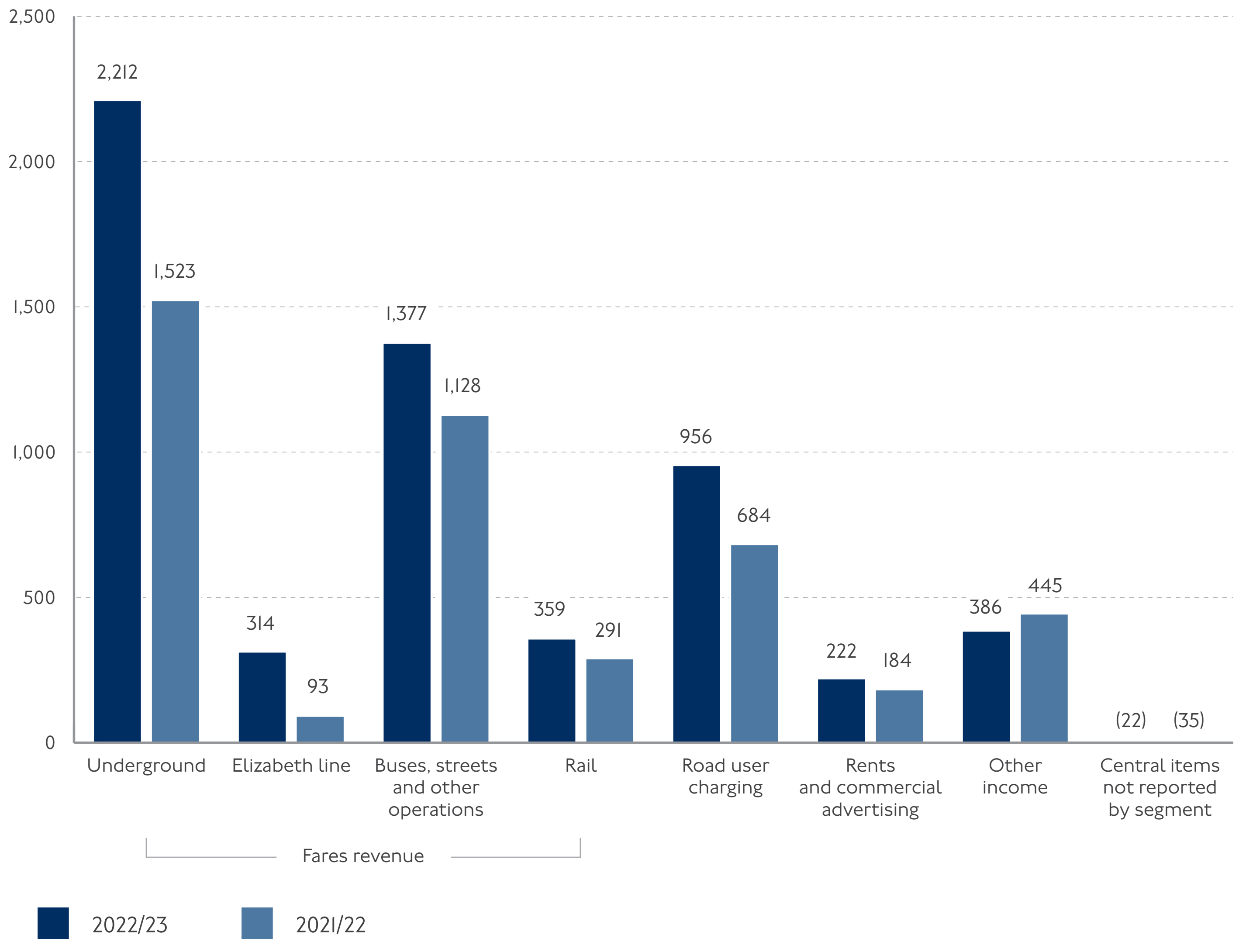
Our activities are funded from four main sources:

- Passenger fares income – the largest single source of our income
- Other income, including commercial activity and income from the Congestion Charge scheme and the Low Emission Zone / Ultra Low Emission Zone scheme
- Grant income, including extraordinary funding grant from the DfT, and a share of London Business Rates passed down to TfL from the GLA
- Prudential borrowing and cash reserves

Our Business Plan is financially balanced over the medium term, with planned funding sources sufficient to meet planned expenditure. Short-term timing differences between expenditure and funding are managed through transfers to or from our cash reserves. Government recognises that we may require further capital funding beyond the current funding settlement.

Gross service income

Gross service income breakdown by type (£m)

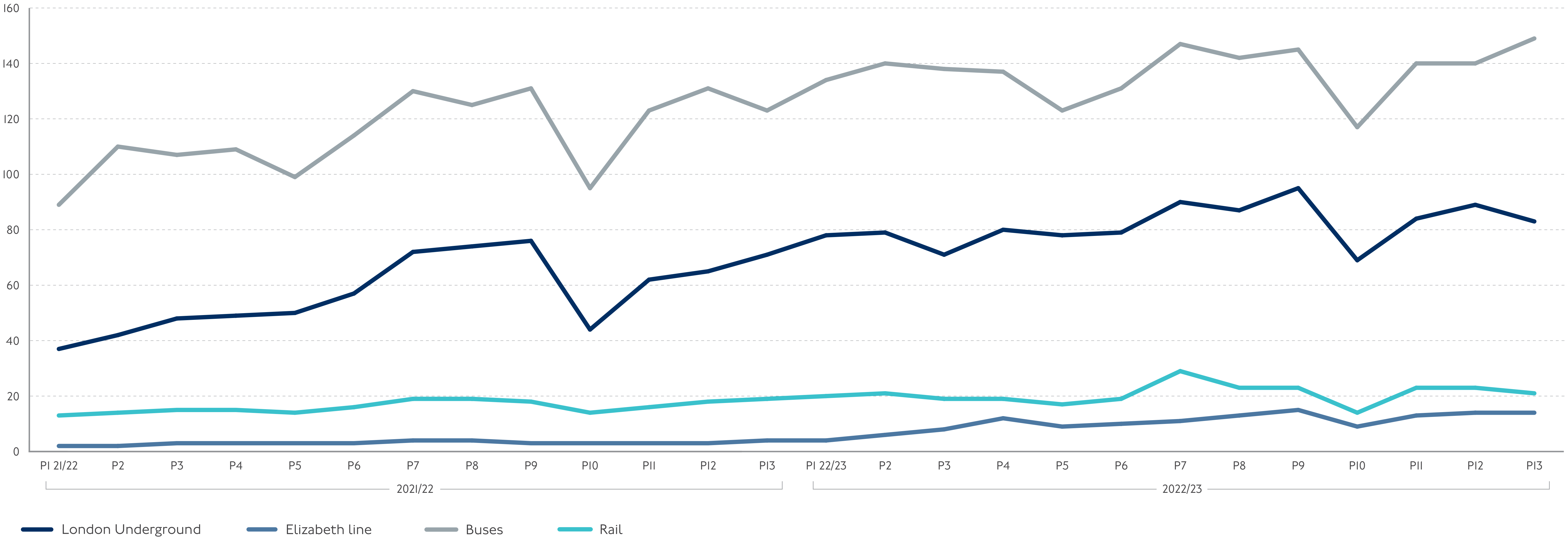


Total gross service income increased by 35 per cent from £4,313m in 2021/22 to £5,804m in 2022/23, reflecting the increase in passengers returning to the network through work and social activities. In addition, it demonstrates our commitment to growing our revenue so that we are less dependent on the revenue from fares.

Our primary source of income comes from passenger fares income. Currently fares make up around 73 per cent of our gross service income (exclusive of grant revenue). Fares income have increased from £3,154m in 2021/22 to £4,241m in 2022/23, a growth of 34 per cent. Journey numbers are now at 85 per cent of pre-pandemic levels, an increase from 68 per cent in 2021/22.

Narrative Report and Financial Review (continued)

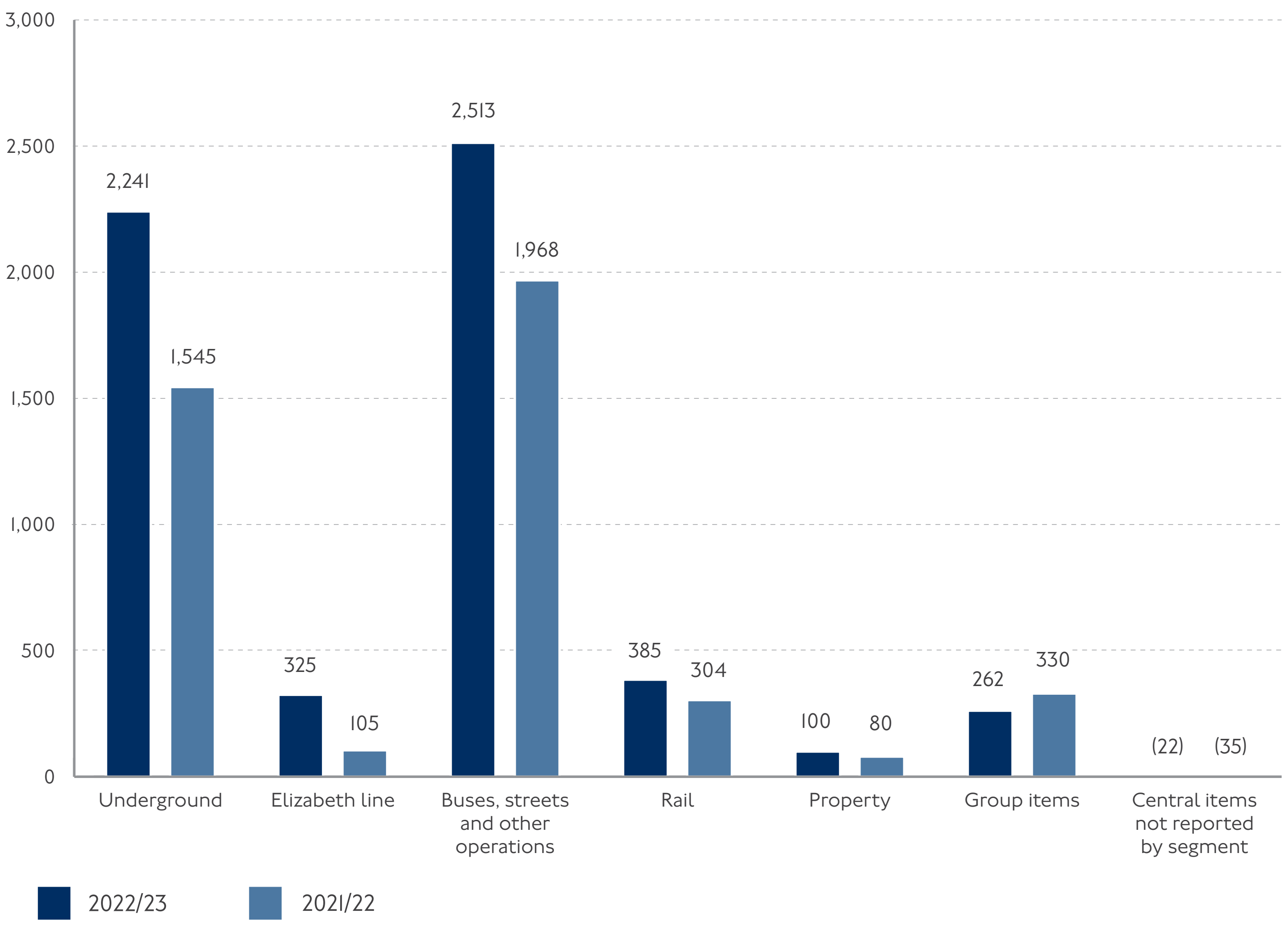
Passenger journeys per period (millions)



As well as the increase in passenger journeys, passenger revenues also reflect fare levels. Our fares decisions are taken annually by the Mayor who, following five years of fare freezes and taking into account the requirements of Government funding agreements, increased fares initially in March 2021, and again in March 2022 by an average of 4.8 per cent (reflecting Retail Price Index (RPI) plus one per cent) and in March 2023 by 5.9 per cent in line with National Rail fares.

Narrative Report and Financial Review (continued)

Total gross service income by operating division (£m)



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Total gross service income for the Underground was £2,241m, which is £696m higher than 2021/22. The fares component made up the majority of this increase as a result of the increase in passenger journeys from 748 million to 1,063 million in 2022/23 (a 42 per cent increase).

Gross service income for the Elizabeth line (operating as 'TfL Rail' during the first quarter of the financial year) increased by 210 per cent from £105m in 2021/22 to £325m in 2022/23. Within this total, passenger income increased from £93m to £314m. In 2022/23, there were 138 million passenger journeys on the Elizabeth line. This is an increase of 98 million over the previous year. The growth is due to the opening of the Elizabeth line central operating section in May 2022, followed by the start of partial through running in November 2022.

Income from Buses, streets and other operations rose 28 per cent from £1,968m in 2021/22 to £2,513m in 2022/23. Within this total, passenger income for buses, at £1,367m, was £246m more than the previous year. London's bus network saw an increase in passenger journeys of 296 million with demand steadily improving during the year. Fares income from the IFS Cloud Cable Car, at £9m for the year, was £2m higher than the prior year.

Road user charging income, at £956m, was £272m higher than 2021/22 levels. There has been a reduction in Congestion Charge revenues for the full year from £423m in 2021/22 to £358m in 2022/23, due to the changes in hours and days of the schemes operation following the end of pandemic restrictions.

In 2022/23, we saw a full year of the expanded ULEZ, operating to the area within the North and South Circular Roads, which contributed to income rising by £254m to £480m.

In the Rail division, income at £385m was 27 per cent above prior year levels. Within this, passenger income of £359m was £68m above the 2021/22 total. Rail journeys, including London Overground, DLR and London Trams, were 77 per cent of pre-pandemic levels, showing rising demand on the network from 209 million in 2021/22 to 270 million in 2022/23.

Property development income has risen by 25 per cent from £80m in 2021/22 to £100m in 2022/23 the majority of which was a dividend payment from the joint venture TTL Blackhorse Road properties (£17m). In addition there has been a strong return on car parking revenue.

Income from Group items relates to a variety of activities, including taxi and private hire licensing, media, estates management and travelcard administration.

Narrative Report and Financial Review (continued)

Government grants and other funding

We have a current funding agreement until the end of March 2024, which in 2023/24 supports our capital programme and protects our growing passenger income against any demand shocks. The DfT contributed revenue grant funding totalling £920m to us in 2022/23 (2021/22 £1,717m) under a number of Extraordinary Funding and Financing Agreements. In addition, we continued to receive funding from the GLA as part of local authority devolved arrangements. The Mayor retains a share of London's business rates and then allocates a proportion of this to us as a resource grant.

Other sources of grant income included specific capital grant from the GLA for the Crossrail project and other projects, such as DLR train replacement, Elephant and Castle infrastructure projects, communication networks on the Underground, and other contributions from third parties.

The total of resource and capital grants receivable by us in 2022/23 was £3,500m (2021/22 £4,351m).

Prudential borrowing

Movements in borrowing during 2022/23 (m)

Opening borrowing at 1 April 2022 per the accounts	12,966
Public Works Loan Board (PWLB) loans – 11 tranches borrowed due between 2033-2068	1,661
Repayment of Bonds	(1,216)
Repayment of DfT Crossrail loans	(35)
Repayment of rolling short-term Commercial Paper	(199)
Repayments on PWLB and European Investment Bank (EIB) loans	(271)
Fair value movements, issue premia/discounts and fee adjustments	4
Closing borrowing at 31 March 2023 per the accounts	**12,910**

The authorised limit for direct borrowings for the Corporation set by the Mayor for 2022/23 was £13,769m.

In addition to these sources of financing, other sources include Private Finance Initiative contracts (PFIs) (Note 27 to the accounts) and other leasing arrangements which are discussed in more detail in Note 14 to the financial statements.

Gross expenditure

Gross expenditure, which includes day-to-day operating costs as reported to management (see Note 2 to the financial statements) and central items not reported on a segmental basis (including depreciation and amortisation) increased by nine per cent from £7,771m in 2021/22 to £8,441m in 2022/23.

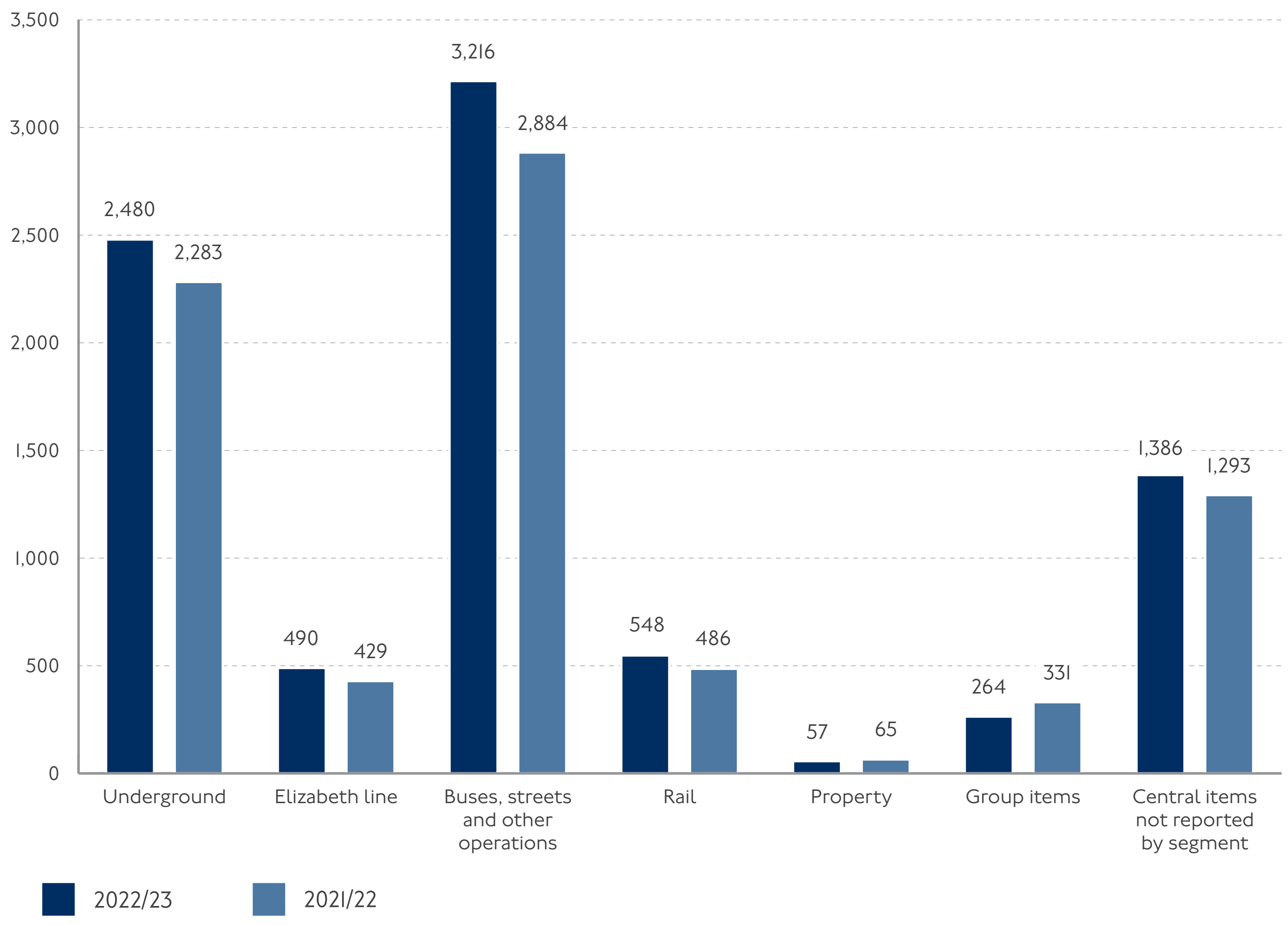
Year-on-year costs of operations (£m)

	2022/23	2021/22
Cost of operations as per internal management reports	**(7,055)**	**(6,478)**
Adjust for one-off items incurred	44	35
Adjust for investment programme operating costs included in operating expenditure	146	157
Adjust for new Elizabeth line services	477	422
Adjust for other new services	177	85
Adjust for reduction in pension deficit payments in 2022/23	(72)	-
Adjust for accounting changes in LEZ/DVS operating costs	47	-
Cost of operations (like-for-like basis)	**(6,236)**	(5,779)
Adjust for RPI at 12.9 per cent	**710**	-
Cost of operations (like-for-like basis) in real terms (2021/22 prices)	**(5,526)**	**(5,779)**
Year-on-year decrease in real terms	**253**	
Year-on-year percentage decrease in real terms	**-4.4%**	

Like-for-like operating costs £457m (7.9 per cent) up on last year due to the high levels of inflation, but down in real terms. We remain focused on increased spend controls and reducing our core costs where possible.

Narrative Report and Financial Review (continued)

Gross expenditure by operating division (£m)



On the Underground, costs increased by £197m (nine per cent) in the year. 2022/23 saw the final year of the four-year pay deal paid to staff within London Underground, which delivered an 8.4 per cent increase to employees.

Total operating expenditure on the Elizabeth line at £490m was £61m (14 per cent) higher than the prior year figure of £429m, following the opening of the central operating section in May 2022.

The cost of operating Buses, streets and other operations at £3,216m increased by 12 per cent on the prior year figure of £2,884m mainly due to full-year costs of operating the expanded ULEZ.

Operating expenditure for the Rail division increased by 13 per cent from £486m in 2021/22 to £548m in 2022/23 with higher costs in London Overground (£34m) and DLR (£10m)

Property costs have decreased during the year – from £65m to £57m partly as a result of maintenance underspend with activity re-profiled to next year.

Operating costs included within Group items reflect the fact that the internal management recharge of central overheads to divisions includes elements of income (including amounts for taxi and private hire licencing, estates management and travelcard administration). At the total Group level, for management reporting purposes, this income is shown as an element of 'total income'. In the divisional analysis of performance, however, this income is included in the management recharge of net central overheads in the indirect operating cost of individual divisions.

As set out in Note 2, Central items not reported on a segmental basis primarily represent charges not included in internal management reporting. The most significant line item within this balance comprises depreciation, amortisation and impairment charges recognised in relation to property, plant and equipment and intangible assets. The total of these charges increased from £1,410m in 2021/22 to £1,524m in 2022/23 This category also absorbs the difference between the accounting methodologies used in the statutory versus the management accounts. The most significant of these relate to the treatment of defined benefit pension schemes, and to the treatment of former operating lease payable arrangements. In our management accounts the costs of these items are recognised within operating expenditure based on cash flows, whereas in the statutory financial statements, as set out in the Accounting Policies notes to the accounts, IFRS 16 Leases and IAS 19 Employee Benefits are applied.

Narrative Report and Financial Review (continued)

Net interest and finance income/charges

Gross financing and investment expenditure for the year was £750m, £248m above the prior year.

This increase was primarily a reflection of valuation losses of £155m recognised in relation to the Group's investment property portfolio. In 2021/22 £93m of valuation gains had been recognised within financing and investment income.

Also within this overall total, interest payable on direct borrowings increased by three per cent from £433m to £444m. This increase is the result of increased market rates achieved on borrowing refinanced during 2022/23. As at 31 March 2023, we had a nominal £12.937bn of borrowings, of which around £0.7bn was short-term borrowing under the Commercial Paper programme. The weighted average interest rate was 3.4 per cent and the borrowings had a weighted average remaining life to maturity of 19.7 years.

Interest payable on borrowings was offset, to a degree, by the amount of interest capitalised into the cost of qualifying property, plant and equipment. Interest capitalised in 2022/23 totalled £32m (£115m in 2021/22).

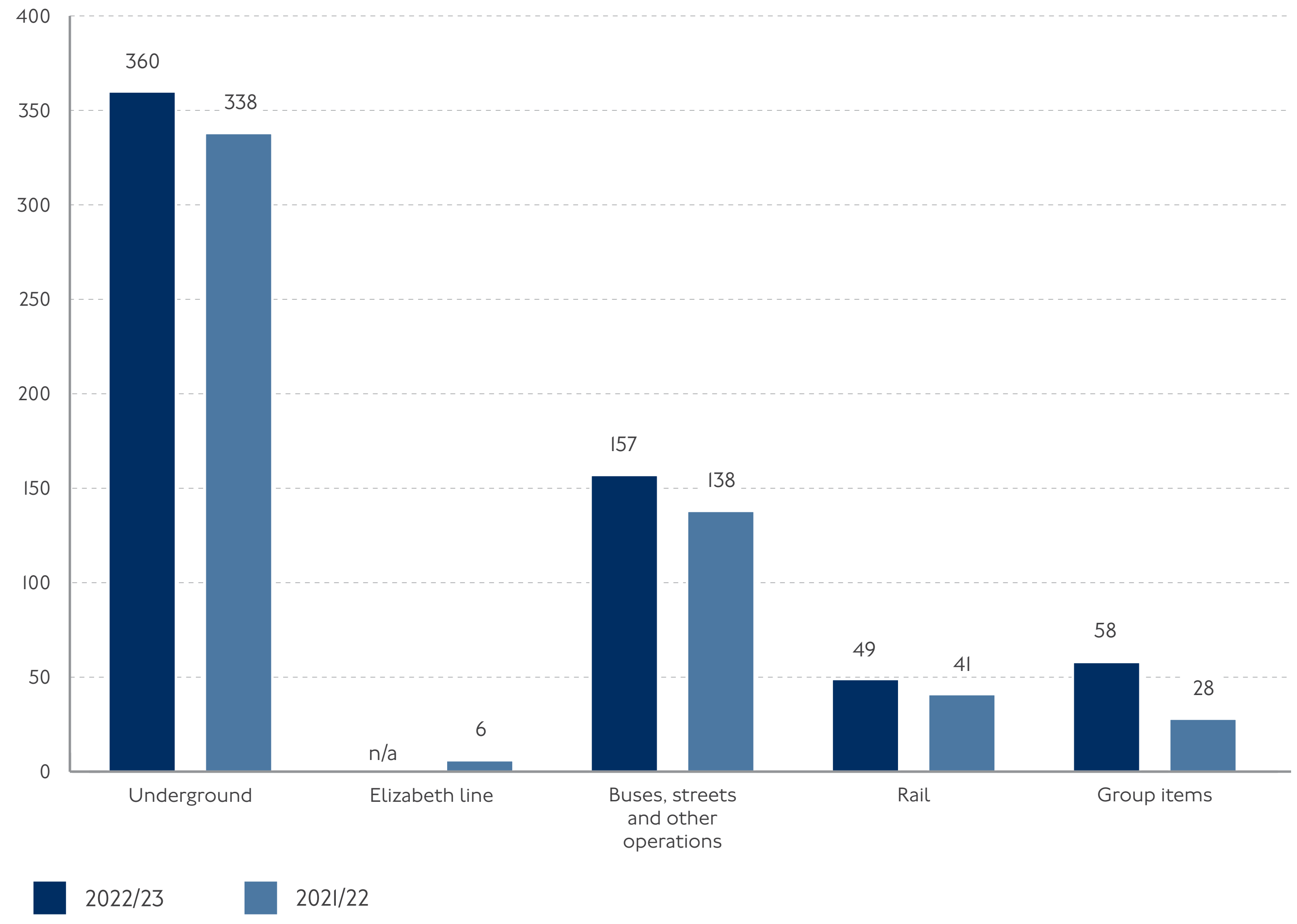
Interest payable on leases, including contingent rentals in respect of PFIs, increased from £71m in 2021/22 to £93m in 2022/23, reflecting a portion of lease contracts that are impacted by increasing interest rates. The Group's net interest expense in respect of its defined benefit pension scheme obligations increased from £106m in 2021/22 to £79m in 2022/23.

Gains from the disposal of investment properties decreased from £105m in 2021/22 to £22m in 2022/23.

Capital expenditure

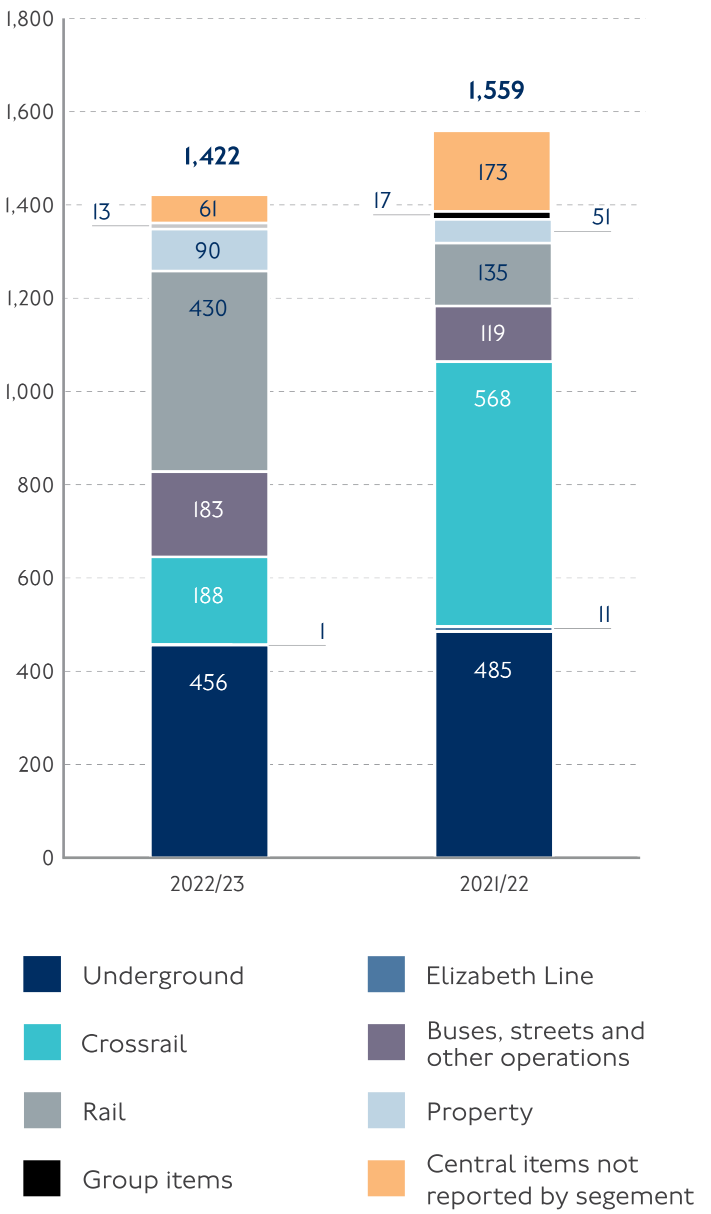
Total Group capital expenditure for the year, including property, plant and equipment intangibles, investment in associates and investment properties totalled £2,046m (2021/22 £2,110m). Within this total £624m was spent on capital renewals (2021/22 £551m).

Capital renewals by business area (£m)



Narrative Report and Financial Review (continued)

New capital investment by business area (£m)



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On the Underground, capital expenditure totalled £816m, down slightly from £823m in the prior year. This included £456m of new capital investment and £360m of asset renewals.

A further £53m was invested in the Bank station upgrade this year, which will increase capacity by 40 per cent. The capacity upgrades are alongside additional upgrades improving the passenger flows and overall experience. Improvements include step-free access to the Northern line, improved access to DLR platforms, two new moving walkways, 12 new escalators and two new lifts to serve the Northern line and DLR. There are more direct routes within the station and a new station entrance on Cannon Street. The new street-level entrance on Cannon Street was officially opened by the Mayor of London on 27 February 2023. This includes six further escalators between street level and the Northern line platform level, step-free access to the Northern line for the first time and improved step-free access to the DLR via new lifts. This completes the transformation of Bank station, which is a significant milestone.

£115m was spent on the Four Lines Modernisation project. As part of this programme, we have introduced 192 new S-stock trains on the network. On 11 September 2022, a new timetable was introduced enabling a journey time improvement of around five per cent on average on the Circle and District lines between Monument, Fulham Broadway, Barons Court and Paddington. We continue to make good progress on the programme, which is delivered by progressively installing new signalling onto sections of the railway. The signalling section between Stepney Green and Becontree went live on 15 January 2023. This represented a major achievement for the programme as it completes the rollout of the new signalling on the Hammersmith & City line, further improving reliability for customers. The signalling section between Dagenham East and Upminster went live on 19 March 2023. This is another significant achievement for the programme as it extends the rollout of the new signalling system on the District line, completes automatic running on the east of the railway, and connects the first depot to the network.

A further £230m was invested in relation to the Piccadilly line upgrade. In December 2022, Siemens completed the manufacture of the second in type key motor car shell for the first new Piccadilly line train. This follows the successful assembly of the first intermediate motor cars in June 2022. In February 2023, we delivered 22 out of 44 power connections in the communication equipment room, a significant step towards enabling train and platform CCTV to be installed. This marks the completion of 50 per cent of planned installations. Once completed, this work will enable the one-person operation and off-train communications equipment to be installed. One person operation CCTV is a safety related system that enables the train operator to view passengers along the platform at the interface with the train.

Total capital expenditure within the Buses, streets and other operations division of £340m is £83m higher than in 2021/22. Within this total, the amount spent on renewals increased from £138m to £157m and on new capital investment from £119m to £183m.

Narrative Report and Financial Review (continued)

Work progressed on the Silvertown Tunnel, a new 1.4km long twin-bore public transport focused road tunnel linking the A102 Blackwall Tunnel Approach on the Greenwich Peninsula to the Tidal Basin Roundabout in the Royal Docks area. Tunnelling began on this project at the end of August 2022. Jill, the tunnel boring machine, reached the rotation chamber in the Greenwich site in February 2023, completing the tunnelling of the first bore, which was a significant milestone for the project. Work has begun to rotate the tunnel boring machine within the rotation chamber, which is an innovative and complex process.

Construction has begun on the new walking and cycling bridge across the A102, which will replace the existing 1960s footbridge with a new, fully accessible bridge built to modern design standards and with improved lighting. The new bridge will provide a safe and easily accessible crossing for those walking and cycling, including those using cargo bikes, on the Greenwich Peninsula and has taken into consideration future neighbouring development proposals. The main span of the new bridge was installed in March, and the existing bridge will be kept in use until the new bridge is fully opened.

The DfT's active travel fund has now delivered more than 25km of new or improved cycling infrastructure. Boroughs worked tirelessly to deliver ambitious schemes, significantly expanding London's cycle network. Building on the success of the programme, cycling delivery will continue across London via the borough cycling programme. Funding for this programme has now ended and we continue to deliver Active Travel schemes as part of the most recent £63m funding settlement which was confirmed to the boroughs in March 2023. We continue to reduce road danger in line with the Vision Zero Action Plan, as well as making it easier to walk, cycle and travel by bus across London. It will also accelerate progress towards mode shift, decarbonisation, economic recovery and tackling health inequalities.

Following removal of the Old Street roundabout, construction continues with the highway works on the four approach arms to the junction, including the infilling of Subway 3 on the south-western side of the junction. As well as the green roof for the main station entrance, the project is promoting other environmental initiatives with sustainable drainage systems installed in the disused subways for which there is a £155k funding contribution from Thames Water and last year the site became diesel free so all plant and machinery is now powered by battery or electric.

Total capital expenditure within the Rail division of £479m is £303m higher than in 2021/22. £281m of this increase relates to the purchase of the London Overground class 378 fleet. We were exposed to various financial risks, including interest rate and refinancing risks, in relation to the lease agreements for these trains and so to mitigate against these risks the decision was made to purchase the fleet.

The DLR rolling stock programme (including the element funded through the Housing Infrastructure Fund) increased spend this year by £133m. The manufacture of the new rolling stock in Spain is continuing to plan with 11 trains completed in 2022/23. The second new train was delivered to Beckton depot in early March 2023, while the first train delivered in January 2023 is now undergoing testing on DLR network in engineering hours. We completed signalling testing of the new software on the DLR network with the existing fleet in preparation for the arrival of the new trains. Following this, we have successfully completed the first stage of signalling integration testing with the new train running under automatic signalling control.

We have received confirmation from the Government to activate an option to purchase 11 additional trains, which are funded through the Housing Infrastructure Fund. This will provide additional capacity and unlock further housing benefits in the Royal Docks and Isle of Dogs. We are currently finalising negotiations with the supplier for the delivery of these trains.

A further £6m spend completed the Barking Riverside Extension between Gospel Oak and Barking Riverside, which opened on 18 July 2022. We were able to open the station ahead of the previously scheduled autumn completion date due to good progress in driver training, support from Network Rail, and by applying finishing touches to the station. It has been running a good service. Signal assets have also been transferred to Network Rail following the commissioning of the banner repeater signal in January 2023.

We continue to make progress across our estate to deliver new homes for Londoners, and improve our existing property assets which are home to hundreds of small- and medium-sized businesses across the capital.

We started construction on thousands of homes, including at Bollo Lane and Southall in Ealing, Montford Place and Nine Elms in Lambeth, and Arnos Grove in Enfield. This brings the total number of homes built or in construction to 4,100.

We have appointed Barratt London as our joint venture partner for the project at Bollo Lane, subject to contract completion. Barratt London was appointed after a competitive dialogue procurement process. This new strategic partnership will also have the opportunity to develop our other sites across west London, helping to deliver thousands of new and much-needed homes with close access to public transport.

Narrative Report and Financial Review (continued)

We also launched homes to the market at our site in construction at Wembley Park Gardens. These will consist of 302 one- and two-bedroom properties, spread across five buildings of varying height, with Metropolitan Thames Valley Housing Association delivering a further 152 affordable homes. We expect the first residents to be able to move in from spring 2025, boosting opportunities for first-time buyers to make their step on to the housing ladder. Sustainability is at the heart of Wembley Park Gardens with solar panels, trees and biodiverse green roofs proposed for inclusion in the scheme. The public transport on offer includes the Jubilee and Metropolitan lines, connecting residents to central and outer London in a matter of minutes.

During the year, £188m was spent on the Crossrail project. The Elizabeth line opened on Tuesday 24 May 2022 with services between Paddington and Abbey Wood. TfL Rail services from Reading and Heathrow to Paddington mainline, and Shenfield to Liverpool Street mainline were also rebranded to the Elizabeth line on this day.

Bond Street's Elizabeth line station opened on 24 October 2022. The station can accommodate nearly 140,000 Elizabeth line passengers daily, contributing to an overall station capacity of 225,000 across the Jubilee, Central and Elizabeth lines, providing a new link to one of the busiest shopping districts in Europe. The station features two brand-new, spacious ticket halls which lead passengers to the 255-metre long Elizabeth line platforms. The journey is step-free from street to train, with two lifts, further enhancing accessibility on the Elizabeth line and across our network.

People landing at Heathrow Airport are now able to travel straight through central London on a direct train to areas such as Farringdon and Canary Wharf.

New capital investment spent £31m on the Emergency Services Network – a programme, funded by the Home Office, to deliver a new 4G emergency services mobile communications solution. Once live, the network will provide mobile connectivity services to enable emergency services teams throughout the London Underground environment to communicate. Completion of this network has now been incorporated into the Telecommunications Commercialisation Project Concession Agreement. Additionally, through investment by the concessionaire, Commercial Mobile Services will also be offered in addition to the creation of a fibre network and using our street assets for the deployment of small cells enhancing 5G coverage.

Cash and investments

Total cash, cash equivalents and investments with maturities greater than three months held by the Group at 31 March 2023 amounted to £1,402m, a decrease of £7m since the end of 2021/22, enabling us to continue to meet the requirements of our long-term funding settlement with the Government. Of the total cash balance, £165m is held for the Crossrail project, London Transport Museum Limited (LTM), London Transport Insurance (Guernsey) Limited (LTIG) and TTL Properties Limited (TTLP).

Our liquidity policy requires that we aim to maintain cash reserves equivalent to at least 60 days' worth of forecast annual operating expenditure, on average (around £1.2bn for 2022/23). Our cash reserves remained on average around this level. This is in line with the long-term funding settlement agreed with Government in August 2022, which requires that usable cash reserves are maintained at no more than £1.2bn on average.

The average yield from our cash investments for 2022/23 was 2.21 per cent, an increase from 0.10 per cent in 2021/22. The investment yield reflects the recent interest rates environment and the conservative nature of our investment strategy.

Pensions

As at 31 March 2023, the majority of our employees were members of the TfL Pension Fund.

Every three years, the TfL Pension Fund actuary makes valuations and recommends the level of contributions to be made by the participating employers to ensure the long-term solvency of the Fund. The latest available valuation of the Fund was carried out as at 31 March 2021 by the Actuary, a partner of consulting actuaries Willis Towers Watson, using the projected unit method. A revised Schedule of Contributions was agreed between the Trustee and the employers following the formal funding valuation of the Public Sector Section.

Under the valuation report, the Fund held a surplus of £179m as at 31 March 2021. Assets totalled £13,085m and the defined benefit obligation totalled £12,906m. A revised Schedule of Contributions was agreed between the Trustee and the employers following the formal funding valuation. This set out a future service contribution rate of 27.3 per cent for the employers and five per cent for members.

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A separate valuation of the TfL Pension Fund has been prepared, by actuaries at the XPS Pensions Group, for accounting purposes on an IAS 19 basis as at 31 March 2023. The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, while the present value of the schemes' defined benefit obligation is derived from cash flow projections. Due to the timescale covered, neither the assumptions nor the cash flow projections may necessarily be borne out in practice.

On this IAS 19 basis, the Public Sector Section's net deficit/surplus decreased from a £2,997m deficit at the start of the year to a £1,630m surplus at the end of the year, as a result of a change in the financial assumptions adopted. The increase in discount rate significantly reduced the value of the liabilities over the accounting period. This was magnified by a reduction in the inflation assumption which further reduced the value of the liabilities.

The total net surplus recognised in respect of all funded and unfunded pension arrangements at 31 March 2023 amounted to £1,543m (2022 £3,202m deficit).

Prospects, outlook, and principal risks

Government funding

TfL is one of the only major transport authorities in Europe not to receive a regular Government grant to cover day-to-day operations, with fares having made up more than 70 per cent of our operating budget, pre-pandemic. Our efficiency programme meant that we had been on a path to break even on the cost of operations, maintenance, financing costs and core renewals, having taken almost £1bn out of our net operating costs over the four years before the pandemic.

Despite this, even before the pandemic, we still required external support for new capital investment. We have lacked certainty on capital funding since around 2018 and before the short-term extraordinary funding settlements during the pandemic, we were subject to single-year rollovers and unclear capital funding arrangements.

The pandemic devastated our finances and exposed the inadequacy of our current funding model. Our significant exposure to changes in demand due to our high fixed costs and dependence on fares revenue mean that we are particularly susceptible to recessions, changed travel patterns and other travel demand shocks.

To keep the city moving throughout the pandemic while supporting the Government's guidance on social distancing, we had to secure emergency financial support from the Government.

For the period 1 April 2020 to 31 March 2023, the Secretary of State for Transport has provided £5,094m of extraordinary funding grant through five distinct funding agreements. On top of this grant funding, a further £600m of additional borrowing from the PWLB was agreed in 2020/21.

We have been rebuilding our finances and have been on a trajectory of declining Government support. We are now on course to achieve operating financial sustainability in 2023/24.

The latest TfL Budget, published in March 2023, shows us delivering an operating surplus in 2023/24 of £79m, having received Government base funding of £798m in 2022/23. While the actual level of passenger demand will determine whether DfT revenue top-up grant is required to deliver the operating surplus, all DfT base funding in 2023/24 is applied to capital investment. Therefore, we are able to demonstrate that we are financially sustainable from April 2023 onwards, in line with the requirements of the funding settlements.

However, the current Government funding settlement expires on 31 March 2024 and there is no certainty on future capital funding support from Government. In its funding settlement letters, the Government has consistently recognised that we – similar to transport authorities around the world – cannot solely finance investment in major capital projects and renewals from our own operating incomes.

Based on these statements, the 2023 TfL Business Plan assumes that further Government capital funding is provided from April 2024 onwards to contribute towards rolling stock and signalling programmes. In 2024/25, we are able to fund around three-quarters of our total £2bn capital investment, but a Government funding contribution of £475m is assumed. Without certainty on this funding from Government, we will have to descope and defer planned capital investment in our 2024 Business Plan, due to be published in December 2023.

Without a clear picture of future resources, we cannot plan for the future of our network and optimise the benefits we can bring nationally. This short-term approach and lack of certainty undermines the ability of the supply chain to invest, limiting job creation, skills development and ability to command more efficient prices for work – for us and other transport operators in the UK and beyond.

Narrative Report and Financial Review (continued)

Passenger income

Rebuilding our ridership has been a key area of focus after the pandemic. Our colleagues have continued to work tirelessly to attract customers back onto our network, including by delivering exceptional customer service, and creating a safe and clean environment on our buses, trains and in stations through our enhanced cleaning regime. By the end of 2022/23, the demand for services had recovered to 85 per cent of pre-pandemic levels.

The central section of the Elizabeth line was opened by Her Majesty Queen Elizabeth II on 24 May 2022. Full through-running of the Elizabeth line – direct journeys between Shenfield in the east and Heathrow and Reading in the west – began on 21 May 2023, and marks the final stage of opening of the Elizabeth line. To the end of 2022/23, the Elizabeth line carried more than 130 million passengers, which reflects the line's ability to improve and enhance travel across the city for all Londoners.

In March 2023, the Mayor increased TfL fares under his control by 5.9 per cent – a rise in line with the increase in National Rail fares. This rise was lower than the usual RPI plus one per cent formula, reflecting the growth in average earnings in July 2022 and the Secretary of State's desire to strike a balance between passengers who use rail transport, and taxpayers who help pay for them. Notwithstanding the departure from the usual formula, we continue to plan on the basis that our fares are uplifted by RPI plus one per cent on average annually from March 2025, noting that this will be subject to a Mayoral decision.

Commercial development activity

On 1 April 2022, TTL Properties Limited (TTLP) was financially separated from TfL as a fully self-financing commercial property company. TTLP has the twin objectives of supporting our financial sustainability through delivering an increasing annual income stream and helping London's post-pandemic recovery, including through building thousands of new homes. TTLP's funding will come from a combination of receipts from property disposals and commercial debt. TTLP's capital programme sits outside the scope of our core business and is not part of its definition of financial sustainability.

Other income sources

As part of commitments made in December 2021 by the Mayor to the DfT to raise £500m in new income by 2023/24, and in addition to the fares options detailed earlier in this section, an increase of £20 in the Band D council tax Mayoral precept was implemented from the beginning of the 2022/23 financial year and paid over to us in accordance with the provisions of the 30 August 2022 funding settlement. This raised around £61m and the precept will rise by a further £20 in the 2023/24 financial year.

We are deploying the infrastructure required to ensure that the existing ULEZ is expanded to the Greater London Authority boundary on 29 August 2023, in line with the Mayor's commitment to tackle the triple threat of toxic air, congestion and the climate emergency. Expanding the ULEZ will improve London's air quality and it is also expected to result in net revenue for us while compliance levels improve.

Operating expenditure

Reducing our reliance on Government base funding was a key aim for 2022/23 and achieving financial sustainability in 2023/24 with all base funding applied to capital investment has required us to make significant savings in our cost base. Rising inflation during 2022/23 has posed a significant challenge to our operating costs, albeit we benefitted from an additional £15m of inflation-related funding from Government under the terms of the 30 August 2022 funding settlement. Aside from this additional funding, RPI continued to run higher than expected during 2022/23, with our original Budget (approved in March 2022) assuming average full-year RPI to be 5.7 per cent as compared to an actual average rate of 12.9 per cent for 2022/23.

The 30 August 2022 funding settlement recognised the increasing level of inflation and included a mechanism to adjust funding levels for 2023/24 if inflation had materially changed from level expected in our March 2022 Budget. We submitted details on the higher inflation to Government in early February 2023. At the time of this report, no response has been received. Our 2023/24 Budget assumes an additional £181m of Government funding is provided to help mitigate the impacts of increased inflation.

While no longer being able to mitigate fully the impact of higher inflation, our 2023 Business Plan extended and expanded its recurring savings programme out to 2025/26 to identify and deliver sustainable savings that protect service performance, customer satisfaction and revenues as far as possible. This includes extensive modernisation programmes in our customer services, line operations and asset operation functions, contract savings, and operating model changes for our professional services. In 2022/23, we delivered £92m of recurring savings, in addition to the £398m of recurring savings delivered between 2019/20 and 2021/22 – contributing to the new and extended target of £998m of recurring savings by the end of 2025/26.

Narrative Report and Financial Review (continued)

Service levels
With the change in the post-pandemic travel patterns, we are seeking to adjust service levels to better reflect the changing needs of passengers while balancing the need to make savings and efficiencies and to respond to new Mayoral policies such as the expansion of the existing ULEZ in August 2023.

During summer 2022, we launched a consultation on bus service levels in central London, which received more than 21,500 responses. In response to the issues raised in the consultation, the Mayor identified additional funding averaging around £25m per year, which enabled us to reassess proposed changes and, as a result, cancel the most impactful changes resulting in progressing with only four of the original 16 neighbourhood proposals.

In March 2023, the Mayor announced plans for the Superloop – a major expansion of outer London's bus network made up of limited-stop express bus routes around outer London. The Superloop will provide quicker journey times, with the Mayor providing £6m funding as an initial catalyst to improvements to outer London orbital bus services. It is proposed to be introduced in stages with some routes that would become part of the Superloop currently in operation, providing quick links across outer London. The Superloop is in addition to the Mayor's existing commitment to add more than one million additional kilometres of bus routes in outer London ahead of the expansion of the ULEZ in August 2023.

On the Underground network, the Night Tube returned to the Jubilee and Northern lines in May and June 2022 respectively, and with the return of Night Tube services on the Piccadilly line in late July 2022, all Night Tube services that were suspended during the pandemic have now been fully restored.

The Elizabeth line was officially opened by Her Majesty Queen Elizabeth II in May 2022, providing significant additional capacity to London's transport network. At its launch, the Elizabeth line operated in three sections, West (Paddington to Heathrow/Reading); Central (Paddington to Abbey Wood); and East (Liverpool Street to Shenfield). In the central section, trains operated every five minutes from 06:30 to 23:00, Monday-Saturday and customers wanting to travel between the three sections of the line had to change at Paddington and/or Liverpool Street.

In May 2023, the final Elizabeth line timetable was implemented, increasing peak time frequencies and enabling customers from Shenfield and east London to travel directly to Heathrow Airport for the first time. In its first week of operation, more than 2.5 million journeys were made on the entire Elizabeth line route. Now, with journeys from the east and west running through central London, there are an average of around 3.5 million Elizabeth line journeys each week – with around 600,000 journeys on weekdays.

Pay, benefits and pensions
We will continue to keep our reward strategy, including the pension arrangements offered to all TfL employees, under review to ensure the reward package is affordable while remaining fair and competitive.

We honoured the London Underground negotiated collective bargained pay agreement from 2020. The final year of the four-year pay deal, paid within London Underground, delivered a 8.4 per cent increase for employees. A four per cent increase was implemented across the rest of TfL.

The performance award scheme for 2021/22 required us to be financially sustainable by April 2023 and to run our operations free of extraordinary Government funding for revenue support in order to trigger the payment of any awards. As a result, no performance award payments were made during 2022/23.

In March 2023, we published our annual budget for 2023/24, demonstrating that, despite the difficulties caused by the pandemic and recent economic pressures, our own sources of income are expected to be greater than our operating costs, returning us to what we call 'operational financial sustainability'. This significant achievement is due to the ongoing hard work of colleagues across the organisation to increase passenger numbers, grow our income sources and reduce our costs. As a result, we are now able to confirm that we have achieved the overarching 'financial overlay trigger', and therefore able to proceed with the payment of performance awards for 2021/22 and 2022/23 in 2023/24.

Our June 2021 Extraordinary Funding and Financing Agreement contained a requirement from Government for us to carry out a review of the TfL pension scheme. The decision was taken that this would be conducted independently, led by Sir Brendan Barber. An interim report was published in December 2021, which was followed by a Final Report in March 2022.

The Government funding settlement on 30 August 2022 set out further steps for the review of pensions. In line with this, we have submitted a response to Government to the Independent Pension Review in September 2022 and a Pensions Position Paper in October 2022. The Government responded to this Position Paper with a letter in February 2023. We responded to this letter in March 2023, asking for clarification on a number of points. At the time of this report, no response has been received from Government.

There are no current proposals to change the TfL pension scheme and there are no changes assumed in the 2023 TfL Business Plan.

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Enterprise Risk Management Framework
The TfL Board has overall accountability for Risk Management and the setting our Risk Appetite and Tolerance levels. Our Enterprise Risk Management Framework supports a broader and more integrated approach to managing risks across the organisation, enabling a co-ordinated and less siloed process including the provision of governance and assurance activities.

We launched our vision and values roadmaps of Safety and Security, Customer, Colleague, Green, and Finance to help deliver our objectives. The Enterprise Risk Management Framework has been updated to reflect these roadmaps. Our Strategic Risks are directly categorised by the roadmaps and the Enterprise level risks have been mapped to a relevant roadmap.

The Enterprise level risks have been assigned to an appropriate panel or committee and continue to be presented annually for scrutiny. Our Executive Committee reviews and discusses the Enterprise Risks on a quarterly cycle, once a full assessment of each enterprise risk has been carried out. There has also been the introduction of thematic Executive Committee sub groups. The strategic risks will be presented at their assigned sub group for review. The Audit and Assurance Committee is updated on key risk management activities every quarter and reviews the effectiveness of the risk process at least annually.

Our Enterprise Risks

Our Enterprise Risks have been consolidated down from 14 to 10 risks, following the post-pandemic review with some of the risks crystallising. Key mitigations for Enterprise Risks.

Risk	Title	Key mitigations
ER01	Inability to deliver safety objectives and obligations	• Improvements to the Safety, Health and Environment Management System • Contracts and regulations • Policies and programmes • Monitoring and benefits realisation • Strategies and targets that promote active, efficient and sustainable transport modes
ER02	Attraction, retention, and wellbeing of our employees	• Annual People Planning activity • Wellbeing interventions • Action on inclusion initiative • Talent management • Reward management • Critical role identification
ER03	Environment including climate adaptation	• Corporate Environment Plan • Environmental asset management Strategy and objectives • Short-term resilience planning • Environmental investment • Environmental training and competence
ER04	Significant security incident	• Security strategy, governance and culture • Threat intelligence and security liaison • Security risk management systems • Security incident preparedness • Our whistleblowing policy • Cyber security improvement programme
ER05	Efficient and high performing supply chains and effective procurement	• Financial monitoring • Centralised management of supply chain risks • Supply chain management and risk management analytics • Supplier communication and engagement • Engagement and collaboration with industry bodies
ER06	Deterioration of operational performance	• New risk assessments to be completed
ER07	Financial resilience	• Financial planning cycle: business planning, budgeting, forecasting and review of actuals • Daily cash reporting • Passenger demand forecasting: short term and longer term • Maintaining external credit ratings • Treasury management policy • Relationship management with Government
ER08	Delivery of our key investment programmes and projects	• Project management office operating model • Capital improvement group • Capital efficiencies plan • Central project list and baseline
ER09	Changes in customer demand	• Scenario and risk-based planning • Business planning and budgeting • Transport Innovation • Forecasting methods
ER10	Governance and controls suitability	• Standing orders • Governance framework and management system • Integrated assurance plan • Board effectiveness review • Privacy and Data Protection compliance Programme • Enterprise Risk Management Framework

External audit

Appointment, re-appointment and assessment of effectiveness

In July 2016, the Secretary of State specified Public Sector Audit Appointments Limited (PSAA) as an appointing person under the Local Audit and Accountability Act 2014. This meant that for audits of accounts from 2018/19, PSAA was responsible for appointing an auditor to, and setting the level of audit fees for, relevant bodies that have chosen to opt into its national auditor appointment scheme. We opted into this scheme.

For an audit firm to be eligible to tender for an audit contract with PSAA, they must appear on the Institute of Chartered Accountants in England and Wales (ICAEW) register of Local Auditors, having fulfilled the criteria determined by legislation as evaluated by the ICAEW (The Recognised Supervisor Body). Contracts were awarded after a competitive tender that balanced audit quality with price. The primary consideration in allocating proposed appointments to individual opted-in bodies was to ensure independence. Our appointed external auditor is Ernst & Young LLP.

During the year, Ernst & Young LLP was appointed by the PSAA as our auditor for the duration of the five-year appointing period, covering the audit of the accounts from 2023/24 to 2027/28.

Our Audit and Assurance Committee, through the use of questionnaires and reports, formally reviews the performance of the external auditors at least annually against the four criteria of:

- Qualification
- Expertise and resources
- Effectiveness
- Independence

The Audit and Assurance Committee remains satisfied with the quality, integrity and the effectiveness of the work undertaken by Ernst & Young LLP. The committee carries out regular reviews to ensure that auditor objectivity and independence is maintained at all times.

Non-audit services

Under guidance issued by Financial Reporting Council in December 2019, only non-audit work that is closely related to the statutory audit may be undertaken by an entity's auditor. Furthermore, total fees for non-audit services provided is limited to no more than 70 per cent of the average of the fees paid in the last three consecutive financial years for the audit of the audited entity and of its controlled undertakings and of the consolidated financial statements of that group of undertakings.

Under our policy on external audit services, Ernst & Young LLP is required to report to the committee every six months on fees billed for non-audit services. During 2022/23, the non-audit services provided by Ernst & Young LLP were in respect of audit-related services provided in relation to the use of grant monies received and for procedures relating to regulation 4 of the Railway Safety Levy Regulations 2006. Total non-audit fees for the TfL Group represented one per cent of the total statutory audit fees paid in respect of the combined audit for the TfL and Transport Trading Limited (TTL) Groups, and 14 per cent of the audit fee of the Corporation as a single entity for 2022/23.

Accounting statements

We are a statutory corporation established by section 154 of the GLA Act 1999. We are a functional body of the GLA and report to the Mayor of London.

The legal structure is complex in comparison to that of most local authorities and comprises:

- The Corporation, which is made up of London Streets, Taxi and Private Hire, and the corporate centre which, for legal and accounting purposes, constitutes TfL
- The TfL Group, which is made up of the Corporation and its subsidiaries, joint ventures and associated undertakings as set out in Notes 16, 17 and 18

Under the GLA Act 1999, the Corporation is treated as a Local Authority for accounting purposes and the Statement of Accounts, which includes the individual financial statements of the Corporation as well as those of the TfL Group, has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Code), which is based on approved accounting standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, except where these are inconsistent with specific statutory requirements.

Our subsidiaries are subject to the accounting requirements of the Companies Act 2006 and separate statutory accounts are prepared for each subsidiary and for the TTL Group. These accounts are prepared under International Financial Reporting Standards as adopted by the UK. Appropriate adjustments are made to the accounting policies of the subsidiaries upon consolidation into the TfL Group financial statements to ensure they are aligned to the requirements of the Code.

The financial statements for the TfL Group, which consolidate the accounts of the Corporation, its subsidiaries, and the Group's share of the results and net assets of its joint ventures and associated undertakings on the basis set out in the Statement of Accounting Policies (paragraph c), are here presented alongside the financial statements of the Corporation. The Statement of Accounts comprises:

- The Group and Corporation Comprehensive Income and Expenditure Statements, Balance Sheets, Cash Flow Statements and the Movement in Reserves Statements
- The Statement of Accounting Policies
- The Statement of Responsibilities for the Accounts
- Notes to the Group and Corporation financial statements

References to the 'Corporation' relate to the transactions, assets and liabilities of TfL. References to the 'Group' relate to the accounts of TfL and its subsidiaries.

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Purposes of major schedules within the financial statements
The nature and purpose of the primary schedules included within the financial statements are set out below:

Comprehensive Income and Expenditure Statement
This statement shows both the revenue received and the costs incurred in the year of providing services, in accordance with Generally Accepted Accounting Practices. Other comprehensive income and expenditure comprises unrealised gains and losses including revaluation gains on property, plant and equipment, fair value movements on derivative financial instruments and remeasurement gains or losses on defined benefit pension schemes.

The Balance Sheet
The Balance Sheet shows the value as at the balance sheet date of the assets and liabilities recognised by TfL. The net assets of TfL (assets less liabilities) are matched by the reserves held by TfL. Reserves are reported in two categories. The first category is usable reserves, being those reserves that TfL may use to provide services, subject to the need to maintain a prudent level of reserves. The second category is those reserves that TfL is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold, and reserves that hold timing differences shown in the movement in reserves statement line 'Adjustments between accounting basis and funding basis under regulations'.

The Cash Flow Statement
The Cash Flow Statement shows our changes in cash and cash equivalents during the financial year. The statement shows how we generate and uses cash and cash equivalents by classifying cash flows as derived from operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which our operations are funded by way of passenger income and grants. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to our future service delivery.

Movement in Reserves Statement
This statement shows the movement in the year on the different reserves we held, analysed into usable reserves and other reserves. The surplus or deficit on the provision of services is different from the statutory amounts required to be charged to the General Fund balance. The net increase/decrease before transfers to Earmarked Reserves line shows the statutory General Fund balance before any discretionary transfers to or from Earmarked Reserves.

Statement of Responsibilities for the Accounts

The Corporation is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Statutory Chief Finance Officer) has responsibility for the administration of those affairs
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- Approve the Statement of Accounts

The Statutory Chief Finance Officer is responsible for the preparation of the Statement of Accounts for the Corporation and the Group in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Statutory Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently
- Made judgements and estimates that were reasonable and prudent
- Complied with the Code
- Kept proper accounting records which were up to date
- Taken reasonable steps for the prevention and detection of fraud and other irregularities

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Corporation and Group at the accounting date and of the income and expenditure for the year ended 31 March 2023.

SIGNATURE

Patrick Doig
Statutory Chief Finance Officer
XX July 2023

Independent Auditor's Report to the Members of Transport for London

CONTENT TO
BE SUPPLIED

Group Comprehensive Income and Expenditure Statement

Year ended 31 March	Note	Gross service income 2023 £m	Gross expenditure 2023 £m	Net income/ (expenditure) 2023 £m	Gross service income 2022 £m	Gross expenditure 2022 £m	Net income/ (expenditure) 2022 £m
Operating segment							
Underground		**2,241.0**	**(2,480.0)**	**(239.0)**	1,545.0	(2,283.0)	(738.0)
Elizabeth line		**325.0**	**(490.0)**	**(165.0)**	121.0	(429.0)	(308.0)
Buses, streets and other operations		**2,513.0**	**(3,216.0)**	**(703.0)**	1,968.0	(2,884.0)	(916.0)
Rail		**385.0**	**(548.0)**	**(163.0)**	304.0	(486.0)	(182.0)
Property		**100.0**	**(57.0)**	**43.0**	80.0	(65.0)	15.0
Other group items		**262.0**	**(264.0)**	**(2.0)**	330.0	(331.0)	(1.0)
	2	**5,826.0**	**(7,055.0)**	**(1,229.0)**	4,348.0	(6,478.0)	(2,130.0)
Central items not reported on a segmental basis	2	**(22.4)**	**(1,385.8)**	**(1,408.2)**	(34.6)	(1,292.7)	(1,327.3)
Net cost of services	2	**5,803.6**	**(8,440.8)**	**(2,637.2)**	4,313.4	(7,770.7)	(3,457.3)
Other net operating expenditure	7			**(86.4)**			(36.2)
Financing and investment income	8			**101.8**			202.6
Financing and investment expenditure	9			**(749.6)**			(501.8)
Grant income	10			**3,499.5**			4,351.1
Surplus on the provision of services				**128.1**			558.4
Group share of profit before tax of joint ventures	17			**8.8**			7.9
Group share of loss before tax of associated undertakings	18			**(41.5)**			24.0
Group surplus before tax				**95.4**			590.3
Taxation	11			**4.8**			(86.2)
Group surplus after tax				**100.2**			504.1

Year ended 31 March	Note	Gross service income 2023 £m	Gross expenditure 2023 £m	Net income/ (expenditure) 2023 £m	Gross service income 2022 £m	Gross expenditure 2022 £m	Net income/ (expenditure) 2022 £m
Group surplus after tax				**100.2**			504.1
Other comprehensive income and expenditure							
Items that will not be subsequently reclassified to profit or loss							
Surplus on the revaluation of property, plant and equipment*	13			**1.6**			21.9
Surplus on the valuation of newly created investment properties	15			**6.0**			49.0
Deferred tax on the surplus on valuation of newly created investment properties	11			**-**			(54.7)
Net remeasurement (loss)/gain on defined benefit pension schemes*	35			**5,087.3**			2,790.9
				5,094.9			2,807.1
Items that may be subsequently reclassified to profit or loss							
Movement in fair value of derivative financial instruments*	37			**17.6**			51.9
Derivative fair value loss reclassified to income and expenditure*	37			**9.4**			10.2
Discontinued hedging relationship	37			**13.5**			(15.0)
				40.5			47.1
				5,135.4			2,854.2
Total comprehensive income and expenditure				**5,235.6**			3,358.3

* There is no tax effect of these items on other comprehensive income and expenditure in the years ended 31 March 2023 or 2022 (see Note 11)

Group Balance Sheet

	Note	31 March 2023 £m	31 March 2022 £m
Long-term assets			
Intangible assets	12	**257.1**	256.5
Property, plant and equipment	13	**44,588.5**	43,791.5
Right-of-use assets	14	**1,954.5**	2,209.9
Investment property	15	**1,574.6**	1,713.3
Investment in joint ventures	17	**79.7**	47.3
Investment in associated undertakings	18	**166.7**	197.5
Derivative financial instruments	30	**26.2**	13.2
Finance lease receivables	19	**9.1**	23.2
Retirement benefit surplus	35	**1,631.4**	-
Debtors	21	**60.2**	72.2
		50,348.0	48,324.6
Current assets			
Inventories	20	**78.7**	58.1
Debtors	21	**673.3**	523.7
Assets held for sale	22	**53.7**	160.9
Derivative financial instruments	30	**1.7**	1.4
Finance lease receivables	19	**5.2**	13.8
Other investments	23	**15.0**	19.0
Cash and cash equivalents	24	**1,387.5**	1,390.2
		2,215.1	2,167.1
Current liabilities			
Creditors	25	**(2,062.9)**	(1,806.8)
Capital grants received in advance	25	**(43.4)**	(40.1)
Borrowings	26	**(693.7)**	(1,423.0)
Right-of-use lease liabilities	14	**(299.6)**	(334.1)
PFI liabilities	27	**(14.3)**	(10.6)
Other financing liabilities	28	**(6.6)**	(6.4)
Derivative financial instruments	30	**(3.4)**	(6.5)
Provisions	29	**(125.7)**	(99.3)
		(3,249.6)	(3,726.8)

	Note	31 March 2023 £m	31 March 2022 £m
Long-term liabilities			
Creditors	25	**(83.5)**	(71.8)
Capital grants received in advance	25	**(4.1)**	(10.5)
Borrowings	26	**(12,216.6)**	(11,543.3)
Right-of-use lease liabilities	14	**(1,915.9)**	(2,102.2)
PFI liabilities	27	**(76.7)**	(91.0)
Other financing liabilities	28	**(115.1)**	(121.7)
Derivative financial instruments	30	**(10.1)**	(14.2)
Deferred tax liabilities	11	**(370.4)**	(375.2)
Provisions	29	**(49.9)**	(86.6)
Retirement benefit obligation	35	**(88.1)**	(3,201.5)
		(14,930.4)	(17,618.0)
Net assets		**34,383.1**	29,146.9
Reserves			
Usable reserves		**393.6**	681.2
Unusable reserves	37	**33,989.5**	28,465.7
Total reserves		**34,383.1**	29,146.9

The notes on pages XX to XX form part of these financial statements. These financial statements were approved by the Board on XX July 2023 and signed on its behalf by:

SIGNATURE

Sadiq Khan
Chair of TfL
XX July 2023

Group Movement in Reserves Statement

	Note	General Fund £m	Earmarked Reserves £m	**General Fund and Earmarked Reserves £m**	Street Works Reserve £m	Capital grants unapplied account £m	**Usable reserves £m**	Corporation unusable reserves £m	**Total Corporation reserves £m**	Share of Group Unusable reserves £m	**Total reserves £m**
At 1 April 2021		500.0	362.1	**862.1**	24.8	-	**886.9**	10,355.1	**11,242.0**	14,545.7	25,787.7
Movement in reserves during 2021/22											
Group surplus after tax		2,875.8	-	**2,875.8**	-	-	**2,875.8**	-	**2,875.8**	(2,371.7)	**504.1**
Other comprehensive income and expenditure		-	-	**-**	-	-	**-**	2,774.0	**2,774.0**	80.2	**2,854.2**
Total comprehensive income and expenditure		2,875.8	-	**2,875.8**	-	-	**2,875.8**	2,774.0	**5,649.8**	(2,291.5)	**3,358.3**
Adjustments between group and authority accounts		(2,741.3)	-	**(2,741.3)**	-	-	**(2,741.3)**	-	**(2,741.3)**	2,741.3	**-**
Net (decrease)/increase before transfers		134.5	-	**134.5**	-	-	**134.5**	2,774.0	**2,908.5**	449.8	**3,358.3**
Derivative fair value loss reclassified to the Balance Sheet	37	-	-	**-**	-	-	**-**	-	**-**	0.9	**0.9**
Adjustments between accounting basis and funding basis under statutory provisions	38	(340.6)	-	**(340.6)**	0.4	-	**(340.2)**	340.2	**-**	-	**-**
Net (decrease)/increase before transfer to/from Earmarked Reserves		(206.1)	-	**(206.1)**	0.4	-	**(205.7)**	3,114.2	**2,908.5**	450.7	**3,359.2**
Transfer to/from Earmarked Reserves		206.1	(206.1)	**-**	-	-	**-**	-	**-**	-	**-**
(Decrease)/increase in 2021/22		-	(206.1)	**(206.1)**	0.4	-	**(205.7)**	3,114.2	**2,908.5**	450.7	**3,359.2**
Balance at 31 March 2022		**500.0**	**156.0**	**656.0**	**25.2**	**-**	**681.2**	**13,469.3**	**14,150.5**	**14,996.4**	**29,146.9**
Movement in reserves during 2022/23											
Group surplus after tax		1,915.6	-	**1,915.6**	-	-	**1,915.6**	-	**1,915.6**	(1,815.4)	**100.2**
Other comprehensive income and expenditure		-	-	**-**	-	-	**-**	5,039.9	**5,039.9**	95.5	**5,135.4**
Total comprehensive income and expenditure		1,915.6	-	**1,915.6**	-	-	**1,915.6**	5,039.9	**6,955.5**	(1,719.9)	**5,235.6**
Adjustments between group and authority accounts		(2,058.1)	-	**(2,058.1)**	-	-	**(2,058.1)**	-	**(2,058.1)**	2,058.1	**-**
Net (decrease)/increase before transfers		(142.5)	-	**(142.5)**	-	-	**(142.5)**	5,039.9	**4,897.4**	338.2	**5,235.6**
Derivative fair value loss reclassified to the Balance Sheet	37	-	-	**-**	-	-	**-**	-	**-**	0.6	**0.6**
Adjustments between accounting basis and funding basis under statutory provisions	38	(249.3)	-	**(249.3)**	2.0	102.2	**(145.1)**	145.1	**-**	-	**-**
Net (decrease)/increase before transfer to/from Earmarked Reserves		(391.8)	-	**(391.8)**	2.0	102.2	**(287.6)**	5,185.0	**4,897.4**	338.8	**5,236.2**
Transfer to/from Earmarked Reserves		156.0	(156.0)	**-**	-	-	**-**	-	**-**	-	**-**
(Decrease)/increase in 2022/23		(235.8)	(156.0)	**(391.8)**	2.0	102.2	**(287.6)**	5,185.0	**4,897.4**	338.8	**5,236.2**
Balance at 31 March 2023		**264.2**	**-**	**264.2**	**27.2**	**102.2**	**393.6**	**18,654.3**	**19,047.9**	**15,335.2**	**34,383.1**

Group Movement in Reserves Statement

Earmarked Reserves have been established to finance future projects and form part of the overall funding available for the Investment Programme and revenue projects. Application of funds against specific projects is dependent on the level and mix of other sources of funding also available to fund TfL's Investment Programme.

Capital receipts received in the Corporation are fully applied during the year and a Capital Receipts Reserve has not been shown in this statement. Refer to Note 39.

Group Statement of Cash Flows

Year ended 31 March	Note	2023 £m	2022 £m
Surplus on the provision of services		**128.1**	558.4
Adjustments to the surplus on the provision of services for non-cash movements	36b	**2,110.1**	1,689.2
Adjustments to the surplus on the provision of services for investing or financing activities	36c	**(2,147.9)**	(2,170.6)
Net cash flows from operating activities		**90.3**	77.0
Investing activities	36d	**306.7**	(64.2)
Financing activities	36e	**(399.6)**	(332.8)
Decrease in net cash and cash equivalents in the year		**(2.6)**	(320.0)
Net cash and cash equivalents at the start of the year		**1,390.2**	1,710.2
Net cash and cash equivalents at the end of the year	24	**1,387.6**	1,390.2

Corporation Comprehensive Income and Expenditure Statement

Year ended 31 March	Note	2023 £m	2022 £m
Highways and Transport Services			
Gross service income	1	**1,160.0**	857.7
Gross expenditure	4	**(1,768.3)**	(1,477.0)
Net cost of services		**(608.3)**	(619.3)
Other net operating expenditure	7	**(0.3)**	(2.7)
Financing and investment income	8	**489.8**	540.4
Financing and investment expenditure	9	**(559.2)**	(547.0)
Grant income	10	**3,452.6**	4,289.5
Grant funding of subsidiaries		**(2,917.0)**	(3,526.5)
(Deficit)/surplus on the provision of services		**(142.4)**	134.4
Other comprehensive income and expenditure			
Items that will not be subsequently reclassified to profit or loss			
(Deficit)/surplus on the revaluation of property, plant and equipment	13	**(1.1)**	0.1
Surplus on the valuation of newly created investment properties		**-**	0.8
Net remeasurement gain on defined benefit pension schemes	35	**5,040.8**	2,773.2
		5,039.7	2,774.1
Total comprehensive income and expenditure		**4,897.3**	2,908.5

Corporation Balance Sheet

	Note	31 March 2023 £m	31 March 2022 £m
Long-term assets			
Intangible assets	12	**167.6**	184.5
Property, plant and equipment	13	**4,379.6**	4,181.7
Right-of-use assets	14	**339.8**	368.5
Investment property	15	**86.9**	97.1
Investments in subsidiaries	16	**13,062.5**	12,782.5
Retirement benefit surplus	35	**1,630.0**	-
Debtors	21	**12,326.9**	12,360.9
		31,993.3	29,975.2
Current assets			
Debtors	21	**366.4**	262.9
Assets held for sale	22	**3.0**	12.1
Cash and cash equivalents	24	**1,131.3**	1,231.8
		1,500.7	1,506.8
Current liabilities			
Creditors	25	**(823.3)**	(528.0)
Capital grants received in advance	25	**(24.3)**	(30.1)
Borrowings	26	**(693.7)**	(1,423.0)
Right-of-use lease liabilities	14	**(27.0)**	(27.0)
PFI liabilities	27	**(14.3)**	(10.6)
Provisions	29	**(63.6)**	(53.3)
		(1,646.2)	(2,072.0)

	Note	31 March 2023 £m	31 March 2022 £m
Long-term liabilities			
Creditors	25	**(51.3)**	(46.7)
Capital grants received in advance	25	**(0.9)**	(7.7)
Borrowings	26	**(12,221.5)**	(11,547.3)
Right-of-use lease liabilities	14	**(341.1)**	(367.1)
PFI liabilities	27	**(76.7)**	(91.0)
Provisions	29	**(20.3)**	(41.0)
Retirement benefit obligation	35	**(88.1)**	(3,158.8)
		(12,799.9)	(15,259.6)
Net assets		**19,047.9**	14,150.4
Reserves			
Usable reserves		**393.6**	681.2
Unusable reserves	37	**18,654.3**	13,469.2
Total reserves		**19,047.9**	14,150.4

The notes on pages XX to XX form part of these financial statements. These financial statements were approved by the Board on XX July 2023 and signed on its behalf by:

SIGNATURE

Sadiq Khan
Chair of TfL
XX July 2023

Corporation Movement in Reserves Statement

	Note	General Fund £m	Earmarked Reserves £m	**General Fund and Earmarked Reserves £m**	Street Works Reserve £m	Capital grants unapplied account £m	**Usable reserves £m**	Unusable reserves £m	**Total reserves £m**
At 1 April 2021		500.0	362.1	**862.1**	24.8	–	**886.9**	10,355.1	**11,242.0**
Movement in reserves during 2021/22									
Surplus on the provision of services		134.5	–	**134.5**	–	–	**134.5**	–	**134.5**
Other comprehensive income and expenditure		–	–	**–**	–	–	**–**	2,774.0	**2,774.0**
Total comprehensive income and expenditure		134.5	–	**134.5**	–	–	**134.5**	2,774.0	**2,908.5**
Adjustments between accounting basis and funding basis under statutory provisions	38	(340.6)	–	**(340.6)**	0.4	–	**(340.2)**	340.2	**-**
Net (decrease)/increase before transfer to/from Earmarked Reserves		(206.1)	–	**(206.1)**	0.4	–	**(205.7)**	3,114.2	**2,908.5**
Transfer to/from Earmarked Reserves		206.1	(206.1)	**-**	–	–	**-**	–	**-**
(Decrease)/increase in 2021/22		–	(206.1)	**(206.1)**	0.4	–	**(205.7)**	3,114.2	**2,908.5**
Balance at 31 March 2022		**500.0**	**156.0**	**656.0**	**25.2**	**-**	**681.2**	**13,469.3**	**14,150.5**
Movement in reserves during 2022/23									
Deficit on the provision of services		(142.5)	–	**(142.5)**	–	–	**(142.5)**	–	**(142.5)**
Other comprehensive income and expenditure		–	–	**-**	–	–	**-**	5,039.9	**5,039.9**
Total comprehensive income and expenditure		(142.5)	–	**(142.5)**	–	–	**(142.5)**	5,039.9	**4,897.4**
Adjustments between accounting basis and funding basis under statutory provisions	38	(249.3)	–	**(249.3)**	2.0	102.2	**(145.1)**	145.1	**-**
Net (decrease)/increase before transfers to/from Earmarked Reserves		(391.8)	–	**(391.8)**	2.0	102.2	**(287.6)**	5,185.0	**4,897.4**
Transfer to/from Earmarked Reserves		156.0	(156.0)	**-**	–	–	**-**	–	**-**
(Decrease)/increase in 2022/23		(235.8)	(156.0)	**(391.8)**	2.0	102.2	**(287.6)**	5,185.0	**4,897.4**
Balance at 31 March 2023		**264.2**	**-**	**264.2**	**27.2**	**102.2**	**393.6**	**18,654.3**	**19,059.9**

Earmarked Reserves have been established to finance future projects and form part of the overall funding available for the Investment Programme and revenue projects. Application of funds against specific projects is dependent on the level and mix of other sources of funding also available to fund TfL's Investment Programme.

Capital receipts received in the Corporation are fully applied during the year and a Capital Receipts Reserve has not been shown in this statement. Refer to Note 39.

Corporation Statement of Cash Flows

Year ended 31 March	Note	2023 £m	2022 £m
(Deficit)/surplus on the provision of services		**(142.4)**	134.4
Adjustments to surplus on the provision of services for non-cash movements	36b	**773.7**	449.7
Adjustments to surplus on the provision of services for investing or financing activities	36c	**(2,095.5)**	(2,058.6)
Net cash flows from operating activities		**(1,464.2)**	(1,474.5)
Investing activities	36d	**1,460.4**	1,115.8
Financing activities	36e	**(96.7)**	(37.9)
Decrease in net cash and cash equivalents in the year		**(100.5)**	(396.6)
Net cash and cash equivalents at the start of the year		**1,231.8**	1,628.4
Net cash and cash equivalents at the end of the year	24	**1,131.3**	1,231.8


We invest in our network to ensure a safe and reliable service

Accounting Policies

a) Code of practice
TfL is required to prepare an annual Statement of Accounts under Section 3 of the Local Audit and Accountability Act 2014, and by the Accounts and Audit Regulations 2015 (the 2015 Regulations). The 2015 Regulations require the Statement of Accounts to be prepared in accordance with proper accounting practices. The Statement of Accounts have therefore been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Code), developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Code Board under the oversight of the Financial Reporting Advisory Board. The Code constitutes proper accounting practice for the purpose of the 2015 Regulations.

The Code for 2022/23 is based on International Financial Reporting Standards (IFRS) adopted by the UK (Adopted IFRS) and interpretations of the International Financial Reporting Interpretations Committee, except where these are inconsistent with specific statutory requirements. It requires that local authorities prepare their financial statements in accordance with the International Accounting Standards Board (IASB) 'Framework for the Preparation and Presentation of Financial Statements' as interpreted by the Code.

CIPFA/LASAAC announced its plans to delay mandatory implementation of IFRS 16 Leases in the Code until 1 April 2024. IFRS 16 Leases (mandatory for years beginning on or after 1 January 2019 under Adopted IFRS) replaces the previous guidance in IAS 17 on leases. However, as a significant proportion of the Group's activities are conducted through subsidiary companies, which were obliged, under UK Adopted IFRS, to apply IFRS 16 from 1 April 2019, CIPFA included a provision in the Code that permits TfL to adopt IFRS 16 from the same date. The Group has therefore adopted IFRS 16 in its financial statements from 1 April 2019.

The areas where the Code differs materially from Adopted IFRS are listed below:

Capital grants and contributions
Capital grants and contributions are recognised immediately in the Comprehensive Income and Expenditure Statement once there is reasonable assurance that all conditions relating to those grants have been met. Under Adopted IFRS capital grants and contributions are recorded as deferred income and recognised in the Comprehensive Income and Expenditure Statement over the useful life of the assets funded by that grant.

FRS 102 The Financial Reporting Standard: Heritage assets
The Code has adopted the requirements of FRS 102 in respect of its rules on accounting for heritage assets. The Group has taken the exemption available under the Code to hold heritage assets at historical cost less any accumulated depreciation or impairment losses and has made additional disclosures on its heritage assets as required by the standard. There is no equivalent standard for accounting for heritage assets under Adopted IFRS.

IAS 36 Impairment of Assets
The Code requires that impairments be accounted for in accordance with IAS 36 Impairment of Assets, except where interpretations or adaptations to fit the public sector are detailed. Consequently, these financial statements have been prepared in accordance with the guidance contained in IPSAS 21 Impairment of Non-Cash-Generating Assets and IPSAS 26 Impairment of Cash-Generating Assets. This guidance stipulates that where an asset is not held primarily with the intention of generating a commercial return, that asset's value in use should be regarded as the present value of its remaining service potential, rather than the present value of the future cash flows that are expected to be derived from it.

Peppercorn rents
The Code includes an adaptation to IFRS 16 Leases in respect of the accounting for peppercorn lease arrangements for lessees. Leases with payments at peppercorn or nominal consideration that are provided at substantially below market terms, and leases for nil consideration, are accounted for as follows:

- Any portion of the lease that is payable is accounted for in the same way as other lease obligations under IFRS 16 Leases
- The difference between the present value of any future lease payments due and the fair value of the lease on initial recognition is recognised as a fair value right-of-use asset on the Balance Sheet, with a corresponding gain recognised in grant income within the surplus or deficit recognised on the provision of services

TfL has a number of leases over property and other transport infrastructure under which it pays £nil or peppercorn rents. The majority of these leases were held at peppercorn rents by a previous lessee prior to the leases being taken on by TfL. An exercise was undertaken to assess the fair value of the assets leased under these arrangements and it was concluded that they have no material value. No amounts have therefore been recorded in these financial statements in respect of these leases.

b) Basis of preparation
The accounts are made up to 31 March 2023. The Corporation is a single service authority and all expenditure is attributable to the provision of highways, roads and transport services. The Corporation has granted a standing delegation in its Standing Orders by which each wholly owned subsidiary (Subsidiary Entity) is delegated power to discharge any functions of TfL relevant to that Subsidiary Entity's role and responsibilities within the Group, except those functions reserved to the TfL Board. Those subsidiaries therefore directly discharge TfL's statutory functions and do so within the scope of the same statutory arrangements that apply to TfL itself.

The accounting policies set out below have been applied consistently across the Group and to all periods presented in these financial statements.

Accounting Policies (continued)

The financial statements have been prepared under the accruals concept and in accordance with the historical cost accounting convention, modified by the revaluation of certain categories of non-current assets and financial instruments.

Where items are sufficiently significant by virtue of their size or nature, they are disclosed separately in the financial statements in order to aid the reader's understanding of the Corporation's and Group's financial performance.

c) Basis of consolidation

The Code requires local authorities with, in aggregate, material interests in subsidiary and associated companies and joint ventures, to prepare group financial≈statements.

The Group financial statements presented with the Corporation's financial statements consolidate the individual financial statements of TfL and its subsidiary undertakings. A subsidiary undertaking is an undertaking controlled by the Corporation. Control is achieved when the Corporation: has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Corporation reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control.

The Group incorporates its share of the profits or losses and its share of the net assets of associated undertakings and joint ventures using the equity accounting method. Associate undertakings are those where the Group is considered to have the power to significantly influence, but not control, the financial and operating policies of the investee. Joint ventures are those where the Group has an interest in the net assets of an investee and has joint control over its financial and operating policies.

The acquisition method of accounting has been adopted for acquisitions or disposals into the Group of subsidiary undertakings. Under this method, the identifiable assets and liabilities of an acquired entity are recorded at their fair values at the date of acquisition. Costs of acquisition are expensed in line with IFRS 3 (revised) Business Combinations. The results of subsidiary undertakings acquired or disposed of are included in the Group Comprehensive Income and Expenditure Statement from the date of acquisition until the date of disposal.

The Corporation is required to make adjustments between the accounting basis and funding basis under statutory provisions. Further detail regarding these adjustments is included within Note 38. For the alignment of accounting policies for the purposes of Group accounts, the Group transfers amounts between the Retained Earnings Reserve in its subsidiaries and the Group Capital Adjustment Account on the same basis as if those statutory provisions applied to its subsidiaries. Further details regarding this alignment is included within Note 37.

d) Going concern

The financial statements have been prepared on a going concern basis as the Board remain confident that TfL will continue in operational existence from the date of signing these financial statements for the period ending 31 March 2025 (which covers the remainder of 2023/24 and 2024/25 financial years), which is the going concern assessment period, and will meet its liabilities as they fall due for payment. In making this assessment, the Board has had regard to Practice Note 10: Audit of financial statements of public sector bodies, which sets out that a public sector entity is presumed to be a going concern unless there is a clearly expressed Parliamentary intention to discontinue the provision of services that the entity provides.

In the prior period 2021/22 financial statements, for the going concern assessment period ending 31 March 2024 (which covers the remainder of 2022/23 and 2023/24 financial years), management assessed that the combination of the risks and uncertainties it faced at the time, created a material uncertainty that casted doubt on TfL's ability to continue to operate planned operational services within available sources of funding.

Although the August 2022 funding settlement set out sufficient funding to take TfL to the point of financial sustainability, material uncertainty remained on the level of operational funding that will actually be received during the funding period, with three areas of significant uncertainty. The three areas assessed at the time were:

a. The settlement enables the Secretary of State for Transport to adjust the amount of funding provided to TfL under this settlement using the 'dispute mechanism' if it believes that measures within the funding settlement have not been met. The dispute mechanism has been included in all previous funding settlements during the pandemic and has not been used to implement a deduction in funding in these settlements. However, as the dispute mechanism is uncapped, the impact could have been up to £1.1bn funding outstanding at the date of approving the 2021/22 TfL Accounts

b. The inflation review mechanism, which may provide TfL more funding as expected inflation is likely to exceed the level assumed in TfL's Budget in 2022/23, is not certain as it is subject to Government ministerial approval. However, TfL has the information required under the funding settlement to clearly set out the impact of inflation on its operating costs. The impact was up to £165m expected through this mechanism at the date of approving the 2021/22 TfL Accounts

c. The requirement to deliver cost savings of £230m in addition to those already assumed in TfL's 2022/23 Budget

Accounting Policies (continued)

Since making this assessment, TfL published its 2023 Business Plan in December 2022, confirming how we will meet the conditions of the funding settlement and build a positive but realistic plan to 2025/26 through our strategy to rebuild our finances to secure our future by:

- Actively growing passenger demand, while created new sources of revenue to reduce our reliance on fares income. This includes increasing passenger demand to 86 per cent for Tube and rail (excluding Elizabeth line) and 91 per cent for buses of pre-pandemic levels by 2025/26. As well as grow new revenue sources of at least £500m by 2023
- Continue to deliver recurring cost savings to remain affordable for customers and taxpayers including delivering a further £600m of recurring operating cost savings by 2025/26 and continuing to reduce like-for-like operating costs in real terms
- Create and grow an operating surplus based on our own sources of income to fund investment
- Fully fund our capital programme with a long-term Government settlement and an affordable level of debt
- Maintain cash reserves to make payments and protect against shocks, with average cash balances of 60 days operating expenses, which is around £1.2bn

On this basis, we do not believe there is material uncertainty.

However, the current Government funding settlement expires on 31 March 2024 and there is no certainty on future capital funding support from Government. In its funding settlement letters, the Government has consistently recognised that TfL – similar to transport authorities around the world – cannot solely finance investment in major capital projects and renewals from its own operating incomes.

Based on these statements, and the inflation review mechanism, TfL's 2023/24 Budget assumes £181m of inflation funding is provided in 2023/24 and the 2023 Business Plan assumes £475m of further Government capital funding is provided in 2024/25 to contribute towards rolling stock and signalling programmes, with TfL able to fund the other three-quarters of its total £2bn capital investment.

The level of funding support assumed is sufficient to create a balanced budget for the going concern assessment period ending March 2025.

However, risk still remains on the level of capital funding assumed in the plan that will actually be received during the going concern assessment period as there remains three areas of uncertainty:

a. The dispute mechanism in the funding settlement to 31 March 2024 remains, with outstanding funding of £365m at the date of approving the TfL accounts

b. The inflation review mechanism is subject to Government ministerial approval. However, TfL has provided the information required under the funding settlement to clearly set out the impact of inflation on its operating costs for 2023/24. The impact could be up to £181m that is currently expected through this mechanism

c. The Government capital funding contribution of £475m assumed in the 2023 Business Plan for 2024/25

While a reduction in funding levels in the going concern period could mean that TfL has insufficient funding to undertake its capital programme as planned, management mitigations include:

1. Descoping and deferring planned capital investment in its 2024 Business Plan, due to be published in December 2023 including delaying those elements of the programme that are not subject to contractual delivery commitments into future periods beyond 31 March 2025

2. Accelerating planned borrowing from beyond March 2025. This reduces available funding in future years, but could enable TfL to continue to meet its contractual commitments as they fall due over the going concern period. TfL has headroom against its Authorised External Debt Limits, which can be accessed at short notice from a number of sources including the Public Works Loan Board (PWLB) for capital expenditure purposes

3. Completing asset disposals, which would take longer to deliver and offer poor value. This would only be utilised in a severe downside case scenario should multiple risks highlighted above crystallise

For the going concern assessment period ending 31 March 2025, management has concluded that owing to a reduction in the overall level of planned outstanding funding due to it, the progress it has made on funding conditions, planning it has undertaken through the 2023 Business Plan and 2023/24 Budget process and the combination of mitigations available to it, does not create a material uncertainty, which may cast significant doubt on TfL's Ability to continue to operate the current planned operational services within available sources of funding over the period to 31 March 2025.

Accounting Policies (continued)

e) The application of new and revised standards
The Code stipulates that the requirements of IFRS and other pronouncements by the International Accounting Standards Board (as adopted by the UK) be applied unless specifically adapted or otherwise stated by the Code. The following new standards and amendments have therefore been applied for the first time in these financial statements:

- Property, Plant and Equipment: Proceeds Before Intended Use

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments to IAS 16 were assessed to have a minimal impact on TfL's financial statements for the year ending 31 March 2023.

- Onerous Contracts – Costs of Fulfilling a Contract

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specifies that only directly related costs need to be included when assessing whether a contract is onerous or loss-making. The directly related costs include both incremental costs (such as the costs of direct labour and materials) and an allocation of costs directly related to contract activities (such as depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded, unless they are explicitly chargeable to the counterparty under the contract. The amendments to IAS 37 were assessed to have a minimal impact on TfL's financial statements for the year ending 31 March 2023.

- Reference to the Conceptual Framework – Amendments to IFRS 3

The amendment adds an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments to IFRS 3 were assessed to have a minimal impact on TfL's financial statements for the year ending 31 March 2023.

- Amendments from the 2018-2020 annual improvements cycle consisting of:

  i. Subsidiary as a first-time adopter of International Financial Reporting Standards (IFRS 1). The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendments to IFRS 1 did not have any impact on TfL's financial statements for the year ending 31 March 2023

  ii. Fees in the '10 per cent' test for derecognition of financial liabilities under IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The amendments to IFRS 9 were assessed to have a minimal impact on TfL's financial statements for the year ending 31 March 2023

f) Accounting standards that have been issued but have not yet been adopted
The following revisions to IFRS are expected to be applicable in future periods, subject to endorsement where relevant. These have been issued by the UK, but have not been applied in these financial statements:

- IFRS 17 Insurance Contracts (mandatory for years commencing on or after 1 January 2023). IFRS 17 will replace IFRS 4 and provides an accounting model for insurance contracts that is more useful and consistent for insurers than existing standards. This standard is not expected to have a significant impact for the TfL Group
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2024). The amendments clarify the requirements for classifying liabilities as current or non-current
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method). The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3

Accounting Policies (continued)

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- Amendment to IAS 8 on Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023) – The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors

- Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (effective for annual periods beginning on or after 1 January 2023) – The entity is now required to disclose its 'material' accounting policy information

- Amendment to IAS 12 on Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023) – The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense)

- Amendments to IAS 1 on classification of liabilities as current or non-current (effective for annual periods beginning on or after 1 January 2024) – further guidance is included to specify that a liability should be recorded as non-current if the entity has the right to defer settlement for at least 12 months after the reporting date

Amendments to IAS 1 on non-current liabilities with covenants (effective for annual periods beginning on or after 1 January 2024). The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current

- Amendments to IFRS 16 on lease liabilities in a sale and leaseback transaction (effective for annual periods beginning on or after 1 January 2024). The amendments focus on providing additional guidance as to how a seller-lessee should measure the right-of-use asset arising from a leaseback with variable lease payments. The amendments clarify that the seller-lessee must only record a gain or loss relating to the rights transferred to the buyer-lessor

The Group does not consider that any standards, amendments or interpretations issued by the IASB, but not yet applicable, other than those indicated in the paragraphs above, will have a significant impact on the financial statements.

g) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative Comprehensive Income and Expenditure Statement is represented as if the operation had been discontinued from the start of the comparative period.

h) Uses of estimates, judgements and errors

The preparation of financial statements in conformity with the Code requires the use of certain critical accounting estimates, which by definition, will seldom equal the actual results. Management additionally exercise judgement in applying the Group's accounting policies.

Outlined below is a summary of areas that involve a higher degree of judgement or complexity, and items that are more likely to be materially adjusted due to estimates and assumptions changing. Detailed information about the sensitivity of such judgement is including within the relevant note.

Use of estimates

Post-retirement benefits

The pension costs and defined benefit plan obligations of the Group's defined benefit plans are calculated on the basis of a range of assumptions, including the discount rate, inflation rate, salary growth and mortality. Differences arising as a result of actual experience differing from the assumptions, or future changes in the assumptions will be reflected in subsequent periods. A small change in assumptions can have a significant impact on the valuation of the liabilities. More details are given in Note 35.

Taxes

Deferred tax assets are recognised for unused tax losses only to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses carried forward with a tax value of £596.8m (2022 £1,313.4m). These losses relate to subsidiaries that have a history of losses, do not expire, and may be used to offset future taxable income in those subsidiaries. If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by £600.0m (2022 £2,950.1m).

Accounting Policies (continued)

Defined benefit plans

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality.

Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates.

Further details about pension obligations are provided in Note 35.

i) Revenue recognition

Revenue includes income generated from the provision of travel, other fees and charges, the letting of commercial advertising space and the rental of commercial properties.

Revenue is measured after the deduction of value added tax (where applicable).

Fares revenue

Revenue from annual or periodic tickets and Travelcards is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the period of validity of the ticket or Travelcard as TfL has a stand ready obligation to provide unlimited travel over the period of validity of the ticket or Travelcard. Oyster pay as you go revenue is recognised on usage and one-day Travelcards and single tickets are recognised on the day of purchase.

Revenue received in advance is not recognised in the Comprehensive Income and Expenditure Statement and is recorded on the Balance Sheet within current liabilities as contract liabilities. Contract liabilities represent receipts in advance for Travelcards, bus passes and Oyster cards.

Revenue in respect of free and reduced fare travel for older customers and disabled customers

Revenue from the London Borough Councils in respect of free travel for older and disabled customers is recognised on a straight-line basis over the financial year to which the settlement relates, as TfL has a stand ready obligation to provide unlimited travel over the financial year to which the settlement relates.

Congestion Charging

The standard daily Congestion Charge, including those paying through auto-pay, is recognised as income on the day the eligible vehicle enters the Congestion Charge zone.

Income from penalty charge notices is recognised at an amount adjusted for the probability of cancellation, as payment becomes due. Each increase in charge results in income being recognised in full at the date the increase is applied.

Road network compliance

Income from penalty charge notices for traffic and parking infringements on red routes is recognised as it becomes due. Each increase in charge results in income being recognised in full at the date the increase is applied.

Taxi licensing

Income from taxi and private hire licences is recognised on a straight-line basis over the term of the licence.

Commercial advertising

TfL grants a concessionaire partner control over certain advertising assets to facilitate the generation of advertising income across its estate and receives income from this arrangement. This is considered a lease arrangement for accounting purposes.

Where the arrangement is viewed as an operating lease under IFRS 16, revenue is recognised on a straight-line basis over the term of the contract.

Where the arrangement is viewed as a finance lease (where the lease transfers substantially all the risks and rewards of ownership of the underlying asset to the third party), a lease receivable is recognised. Finance income is recognised over the term of the lease, based on a pattern reflecting a constant periodic rate of return on the lease receivable. Lease receipts are allocated between reducing the principal balance and interest income.

Accounting Policies (continued)

TfL, through its concessionaire partner, also sells advertising space to customers and receives income from such arrangements under a revenue share agreement with its concessionaire. Revenue share income is dependent upon the revenue generated by the concessionaire and is therefore contingent in nature. Such revenue is recognised in the period when it is earned.

The Group receives performance monitoring credits when certain performance standards are not met. The performance monitoring credits are recognised as revenue when they are earned.

Rental income

Rental income from operating leases of properties, ATMs and car parks is recognised on a straight-line basis over the term of the lease. Rent-free periods, incentives, or fixed annual increases in the lease payments are spread on a straight-line basis over the lease term. Any inflation linked annual increases in rentals are treated as contingent rents and are recognised as income when they occur. Rental income based on tenant turnover is considered to be variable income and is therefore recognised as income in the period in which it is earned.

For finance leases, where the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the customer, a lease receivable is recognised. Finance income is recognised over the term of the lease, based on a pattern reflecting a constant periodic rate of return on the lease receivable. Lease receipts are allocated between reducing the principal balance and interest.

Third party contributions to operating costs

Revenue from third-party contributions to operating costs is earned on services performed by TfL in conjunction with other organisations or Government in relation to works such as dropping curbs, building roundabouts, installing traffic lights, installing shelters, escalators or elevators in stations, installing bus shelters.

Revenue from third-party contributions is measured on the basis of progress towards completion, calculated using the proportion of costs incurred to date in relation to the total costs to be incurred on the entire project.

Revenue from telecoms concessionaire arrangements

Revenue from the concessionaire arrangements relates to the exclusive right granted to the concessionaire to access TfL's broader asset base to install and maintain its new telecommunications assets. The Fixed Concession Fee is recognised on a straight-line basis over the period of the concessionaire term. Revenue share fees are recognised as income when they occur.

Cycle hire scheme revenues

Sponsorship revenue is recognised on a straight-line basis over the term of the contract as it represents an obligation to provide branding promotion to the customer during the period of the contract.

Annual memberships scheme revenue is recognised on a straight-line basis over the membership period, as it represents an obligation to provide specific numbers of memberships to clients during the membership period.

Daily access fees are recognised upon providing the customer with access to the bicycles.

Museum income

Store sales

Revenue from store sales is recognised at the point of sale to the customer.

Venue hire revenue

Revenue from venue hire is recognised on the date when the space is provided to the customer.

Venue hire catering commission

Venue hire catering commission is recognised upon completion of the event based on the estimated consideration receivable from the customer.

Corporate membership scheme

Corporate membership scheme revenue is recognised on a straight-line basis over the period of membership, as it represents a stand-ready obligation to provide unlimited entry during the period of membership.

Café concessionaire commission

Revenue from café concessionaire commission income is recognised over the term of the concessionaire contract and measured based on the estimated consideration receivable from the concessionaire in each period.

Ticket and photocard commission income

Revenue from ticket and photocard commission income is recognised upfront when the ticket or photocard is issued.

j) Segmental reporting

In accordance with the Code, the Group's operating segments have been determined by identifying the segments whose operating results are reviewed by the Board, when making decisions regarding the allocation of resources and for the assessment of performance.

The operating segments of the Group and their principal activities are as follows:

- Underground – Provision of passenger rail services on the London Underground and refurbishment and maintenance of certain parts of the rail network
- Elizabeth line – Delivery of passenger rail services on the Elizabeth line
- Buses, streets and other operations – Provision of bus services; maintenance of London's roads and cycle routes; and provision of other operations, including Dial-a-Ride, London River Services, Taxi and Private Hire, Santander Cycles, Victoria Coach Station and the IFS Cloud Cable Car
- Rail – Provision of passenger rail services through contracted third-party operators on the DLR, London Overground and London Trams
- Property development – Investment in our commercial and residential estate and building portfolio

Accounting Policies (continued)

Amounts included in TfL Group level management reporting, but excluded from divisional breakdowns are referred to as 'Group items'.

TfL's management reports to the TfL Board are presented using a basis of preparation that differs to the accounting requirements of the CIPFA Code. A reconciliation between the operating performance of the Group as reported to the Board to amounts included in the Group Comprehensive Income and Expenditure Statement is set out in note 2.

k) Exceptional items

Exceptional costs are costs that are unusual, infrequent and which do not occur in the normal course of operations. An unusual event or transaction has a high degree of abnormality and is clearly unrelated to (or only incidentally related to) the ordinary activities of the organisation, taking into account the operating environment. Infrequent refers to events and transactions that would not reasonably be expected to recur in the foreseeable future, taking into account the operating environment.

l) Grants and other funding

The main source of grant funding during 2022/23 and 2021/22 was the Extraordinary Funding Support Grant from the DfT and share of Business Rate Retention received from the GLA, which is classified as a resource grant; and specific capital grants from the GLA for the Crossrail project.

In the accounts of the Corporation and Group, all non-specific grants are credited to the Comprehensive Income and Expenditure Statement upon receipt or when there is reasonable assurance that the grant will be received. If a capital grant is received but certain conditions remain before it may be applied, it will be held, in the first instance, as capital grant received in advance, within the payables section of the Balance Sheet. Once any relevant conditions have been met, the capital grant is credited to the Comprehensive Income and Expenditure Statement.

Where expenditure on property, plant and equipment is financed either wholly or partly by capital or non-specific grants or other contributions, the amount of the grant applied is credited to the Capital Adjustment Account through the Movements in Reserves Statement. Amounts not utilised in the year are credited to the Capital Grants Unapplied Account, a usable reserve, for application in future periods.

Amounts of non-specific grants not used in the year are credited to the General Fund balance or to an Earmarked Reserve for specific use in future periods, where appropriate.

m) Overheads

Overheads are recognised in the Comprehensive Income and Expenditure Statement on an accruals basis.

n) Financing and investment income and expenses

Financing and investment income comprises interest income on funds invested, interest received in relation to finance leases, and premia received on the early settlement of borrowings. Interest income is recognised in the Comprehensive Income and Expenditure Statement as it accrues, using the effective interest rate method.

Financing and investment costs comprise the interest expense on borrowings and lease liabilities and the net financing cost on defined benefit pension obligations. Also included are premia paid on the early settlement of borrowings and interest rate derivatives. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the Comprehensive Income and Expenditure Statement using the effective interest rate method (see also Accounting Policy z).

Also included within financing and investment income or expenditure are fair value gains or losses recognised in relation to the revaluation of investment properties, and any profits or losses recognised on disposal of investment properties.

o) VAT

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

p) Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Comprehensive Income and Expenditure Statement except to the extent that they relate to a business combination, or to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are disclosed net to the extent that they relate to taxes levied by the same authority and the Group has the right of offset.

Accounting Policies (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

q) Business combinations
On the acquisition of a business, fair values are attributed to the identifiable assets and liabilities and contingent liabilities unless the fair value cannot be measured reliably in which case the value is subsumed into goodwill. Where fair values of acquired contingent liabilities cannot be measured reliably, the assumed contingent liability is not recognised but is disclosed in the same manner as other contingent liabilities. Contingent assets acquired as part of a business combination are not recognised.

Goodwill is the difference between the fair value of the consideration payable and the fair value of net assets acquired.

r) Intangible assets
Goodwill
Where the cost of a business combination exceeds the fair values attributable to the net assets acquired, the resulting goodwill is capitalised and tested for impairment at each Balance Sheet date. Goodwill is allocated to income-generating units for the purpose of impairment testing.

Other intangible assets
Software costs are measured at cost less accumulated depreciation and accumulated impairment losses.

Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives, they are recognised separately.

Amortisation is charged to the Comprehensive Income and Expenditure Statement on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, unless such lives are indefinite.

The useful lives and amortisation methods for software costs are as follows:

Software costs	Straight-line	Up to 10 years

s) Property, plant and equipment
Recognition and measurement
Infrastructure consists of roads, tunnels, viaducts, bridges, stations, track, signalling, bus stations and stands; properties attached to infrastructure which are not separable from infrastructure; and properties attached to infrastructure that are used to facilitate the service provision but are limited in use by operational constraints. Some of these properties generate revenues which are considered to be incidental to the Group's activities.

Infrastructure, plant and equipment and rolling stock are measured at cost less accumulated depreciation and accumulated impairment losses. Assets under construction are measured at cost less any recognised impairment loss.

Owner-occupied office buildings are valued at existing use value by external, professionally qualified surveyors in accordance with RICS Guidelines. Existing use value is the estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at the measurement date. In determining the existing use value, the capitalisation of net income method and the discounting of future cash flows to their present value has been used. This is based upon various assumptions including the anticipated future rental income, maintenance costs and the appropriate discount rate, making reference to market evidence of transaction prices for similar properties. A deduction is made to reflect purchaser's acquisition costs.

Valuations are performed annually. Movements in the value of the property are taken to the Revaluation Reserve, with the exception of permanent diminutions in value which are recognised in profit or loss.

The cost of certain items of property, plant and equipment was determined by reference to a revalued amount determined under a previous accounting regimen.

The Group elected to apply the optional exemption to use this previous valuation as deemed cost at 1 April 2009, the date of transition to IFRS.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, borrowing costs on qualifying assets for which the commencement date for capitalisation is on or after 1 April 2009, and any other costs directly attributable to bringing the assets to a working condition for their intended use. Where there is a legal obligation to remove the asset and/or restore the site on which it is located at the end of its useful economic life, the costs of dismantling and removing the items and restoring the site on which they are located are also included in the cost of the asset. Proceeds generated from an asset prior to its intended use are not deducted from the cost of the asset and area instead charged to the Comprehensive Income and Expenditure Statement as generated.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. When components are replaced, the costs of the overhaul are capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss.

Accounting Policies (continued)

Where there are similar assets with identical useful lives such as cabling, these assets are accounted for as pooled items of property, plant and equipment and are depreciated over their useful lives. When pooled items are fully depreciated the gross acquisition value and accumulated depreciation are derecognised.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal along with the costs of disposal with the carrying amount of the item and are recognised net within other gains and losses in the Comprehensive Income and Expenditure Statement.

Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less the expected residual value at the end of its useful economic life.

Depreciation is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Tunnels and embankments	up to 120 years
Bridges and viaducts	up to 120 years
Track	up to 120 years
Road pavement	up to 40 years
Road foundations	up to 50 years
Signalling	up to 40 years
Stations	up to 120 years
Other property	up to 120 years
Rolling stock	up to 50 years
Lifts and escalators	up to 40 years
Plant and equipment	up to 75 years
Computer equipment	up to 15 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate, the effect of such adjustment being prospectively recognised as a change of estimate.

t) Heritage assets

Property, plant and equipment includes a number of assets classified as heritage assets in accordance with the Code. Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. These provisions apply to the collection of transport-related artefacts held at London Transport Museum. Due to the diverse nature of the assets held and the lack of comparable market values, the cost of obtaining a valuation of TfL's heritage assets is such that it would not be commensurate with the benefits provided to users of the financial statements. TfL has therefore taken the exemption available under the Code to hold its heritage assets at historical cost less any accumulated depreciation or impairment losses.

u) Investment property

Investment property is property held solely either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the supply of services or for administrative purposes.

Investment property is measured initially at cost, including transaction costs, and subsequently measured at fair value with any change therein recognised in profit or loss within financing and investment income or expenditure. During 2020/21, 2021/22 and 2022/23, as part of an exercise undertaken by management to create a consolidated commercial property portfolio, new lease structures created allowed the recognition of newly separable investment property assets which were recorded within investment property at fair value at the date of creation of the lease structure. Due to the fact that these assets were created through the separation of new lease structures from larger items of transport infrastructure (included within property, plant and equipment) and the revaluation uplift recorded on initial recognition does not fairly represent the increase in value in the period of the underlying assets, these valuation gains were recognised directly within other comprehensive income. Movement in the fair values of existing investment properties continued to be recognised within financing income or expenditure.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Investment properties held at fair value are not subject to depreciation.

Investment properties are valued annually at fair value by external, professionally qualified surveyors in accordance with RICS Guidelines. Fair value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The methodology assumes the valuation is based on the highest and best use of the asset. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value has been used. This is based upon various assumptions including the anticipated future rental income, maintenance costs and the appropriate discount rate, making reference to market evidence of transaction prices for similar properties. A deduction is made to reflect purchaser's acquisition costs. Properties are therefore categorised as Level 3 in the fair value hierarchy, as the measurement technique uses significant unobservable inputs to determine the fair value measurements.

Accounting Policies (continued)

Revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. Any such gains and losses recognised by the Corporation are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and transferred to the Capital Adjustment Account.

v) Investment in joint ventures

A joint venture is a type of joint arrangement wherein the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in joint ventures are accounted for using the equity method. Under the equity method, the investment is initially recognised on the Balance Sheet at cost and is thereafter adjusted to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture.

w) Investment in associated undertakings

An associate is an entity over which the Group has significant influence, but not control. The results and assets and liabilities of associates are incorporated in these consolidated accounts using the equity method of accounting from the date on which the investee becomes an associate. Under the equity method, the investment is initially recognised on the Balance Sheet at cost and is thereafter adjusted to recognise the Group's share of the profit or loss and other comprehensive income of the associate.

x) Inventories

Inventories consist primarily of fuel, uniforms, and materials required for the operation of services and maintenance of infrastructure. Equipment and materials held for use in a capital programme are accounted for as inventory until they are issued to the project, at which stage they become part of assets under construction.

Inventories are carried at lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

y) Assets held for sale

Long-term assets (and disposal groups comprising a group of assets and potentially some liabilities that an entity intends to dispose of in a single transaction) are classified as held for sale if; their carrying amount will be recovered principally through sale rather than continuing use, they are available for immediate sale and sale is highly probable.

On initial classification as held for sale, long-term assets or disposal groups are measured at the lower of their previous carrying amount and fair value less costs to sell. No amortisation or depreciation is charged on long-term assets (including those in disposal groups) classified as held for sale.

z) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (those necessarily taking a substantial period of time to get ready for their intended use) are added to the cost of those assets, until such time as the assets are ready for their intended use. The Group has opted to use the date of transition to IFRS (1 April 2009) as the effective date for applying IAS 23 Borrowing Costs (IAS 23).

All other finance and borrowing costs are recognised in the Comprehensive Income and Expenditure Statement in the period in which they are incurred.

aa) Provisions

Provisions are recognised on the Balance Sheet when a present legal or constructive obligation exists for a future liability in respect of a past event and where the amount of the obligation can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the Balance Sheet date and are discounted to present value where the effect is material.

ab) Foreign currencies

Transactions in currencies other than sterling are recognised at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Accounting Policy aj) below for hedging accounting policies).

Accounting Policies (continued)

ac) Leases (the Group as lessee)
At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

The lease liabilities arising from a lease are initially measured on a present value basis comprising the following lease payments:

- Fixed payments (including in-substance fixed payments) less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option
- Lease payments to be made under reasonably certain extension options

The lease payments are discounted using the TfL Group's incremental borrowing rate, being the rate the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

For the current year, TfL's incremental borrowing rate for each tenor consists of Public Works Loan Board (PWLB) as this is the source of borrowing we have used during the pandemic.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate takes effect, then the lease liability is re-measured using the changed cash flows and changed discount rate. Further, a corresponding adjustment is also made to the right-of-use asset.

Lease payments are allocated between the repayment of principal and a finance cost. The finance cost is charged to the Comprehensive Income and Expenditure Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use assets are measured at cost comprising the following:

- The amount of initial measurement of lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs
- Restoration costs

The right-of-use assets are generally depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. If it is reasonably certain that the Group will exercise a purchase option, then the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and with low-value assets are recognised on a straight-line basis as an expense in the Comprehensive Income and Expenditure Statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

IFRS 16 permits the use of a practical expedient that permits lessees to make an accounting policy election, by class of underlying asset, to account for each separate lease component of a contract and any associated non-lease components as a single lease component. Contracts for bus services contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. TfL's accounting policy is to apply this expedient to other equipment as a class of underlying asset. If the non-lease components over the contract duration total less than five per cent of the total contract value or £500,000, whichever is lower, then the non-lease and lease components are treated as a single lease.

Peppercorn leases
Leases with payments at peppercorn or nominal consideration that are provided at substantially below market terms, and leases for nil consideration, are accounted for as follows:

- Any portion of the lease that is payable is accounted for in the same way as other lease obligations under IFRS 16 Leases
- The difference between the present value of any future lease payments due and the fair value of the lease on initial recognition is recognised as a fair value right-of-use asset on the Balance Sheet, with a corresponding gain recognised in grant income within the surplus or deficit recognised on the provision of services

TfL has a number of leases over property and other transport infrastructure under which it pays £nil or peppercorn rents. It has undertaken an exercise to assess the fair value of the assets leased under these arrangements and has concluded that they have no material value. No amounts have therefore been recorded in the financial statements in respect of these leases.

Accounting Policies (continued)

ad) Leases (the Group as lessor)
Lease income from operating leases is recognised as income on a straight-line basis over the lease term. Rent free periods, incentives, or fixed annual increases in the lease payments are spread on a straight-line basis over the lease term. Any inflation linked annual increases in rentals are treated as contingent rents and are recognised as income when they occur. Rental income based on turnover is considered variable and therefore is recognised in the period in which it is earned. The respective leased assets are included in the Balance Sheet within property, plant and equipment based on their nature. Any lease modifications are treated as new leases from the date of modification.

Lease income from finance leases is recognised over the lease term at an amount that produces a constant periodic rate of return on the remaining balance of the net investment in the lease. The net investment in the lease is the sum of lease payments receivable during the lease term discounted at the interest rate implicit in the lease.

Lease income in respect of property leases has been adversely impacted by the coronavirus pandemic. Bespoke support has been provided to tenants on a case-by-case basis and includes the grant of rent-free periods and other arrangements reflecting the position of each customer. The accounting treatment for the tenant support, which results in some divergence between net rental income on a reported basis and cash flow basis, is as follows:

- Rent-free periods are generally considered to constitute a lease modification under IFRS 16, with the lease incentive deferred over the remaining lease term. The lease incentive balance will be assessed for impairment at each reporting date. If the level of tenant failures is higher than expected, the impairment of tenant incentives and bad debt expense is also expected to increase
- Lease income from finance leases is recognised over the lease term at an amount that produces a constant periodic rate of return on the remaining balance of the net investment in the lease. The net investment in the lease is the sum of lease payments receivable during the lease term discounted at the interest rate implicit in the lease
- On lease commencement the carrying value of the asset is derecognised, the net investment in the lease is recognised as a finance lease receivable and any selling profit or loss is recognised in the Comprehensive Income and Expenditure Statement

ae) Private Finance Initiative (PFI) transactions and similar contracts
The Code requires the Group to account for infrastructure PFI schemes where it controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement. TfL therefore recognises such PFI assets as items of property, plant and equipment together with a liability to pay for them. The fair values of services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

a. The service charge

b. Repayment of the capital

c. The interest element (using the interest rate implicit in the contract)

Services received
The fair value of services received in the year is recorded under the relevant expenditure headings within 'gross expenditure'.

Assets
Assets are recognised as property, plant and equipment or intangible assets when they come into use. The assets are measured initially at fair value in accordance with IPSAS 32 Service Concession Arrangements – Grantor (IPSAS 32).

Where the operator enhances assets already recognised in the Balance Sheet the fair value of the enhancement in the carrying value of the asset is recognised as an asset.

Liabilities
A PFI liability is recognised at the same time as the assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IFRS 16.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the year and is charged to financing and investment expenditure within the Comprehensive Income and Expenditure Statement.

The element of the unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

Life cycle replacement
Components of the asset replaced by the operator during the contract (lifecycle replacement) are capitalised where they meet the Group's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

af) Impairment of non-financial assets
Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Other intangible assets, property, plant and equipment and investments in subsidiaries, joint ventures and associates are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. In assessing whether impairment indicators exist Management have considered climate change risks and the impact of any commitments under the Group's Climate Change Adaptation Plan.

Accounting Policies (continued)

Impairment occurs when an asset's carrying value exceeds its recoverable amount. An asset's recoverable amount is the higher of its value in use and its fair value less costs to sell.

Where an impairment loss is reversed subsequently, the reversal is credited to the Impairment line of the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

In accordance with the Code, when an asset is not held primarily for the purpose of generating cash flows but for service provision, value in use is the present value of the asset's remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential. This is the case for the majority of the Group's assets.

ag) Employee benefits

Defined benefit pension plans

The majority of the Group's employees are members of the Group's defined benefit plans, which provide benefits based on final pensionable pay. The assets of schemes are held separately from those of the Group.

On retirement, members of the schemes are paid their pensions from a fund which is kept separate from the Group. The Group makes cash contributions to the funds in advance of members' retirement.

Every three years the Group's schemes are subject to a full actuarial funding valuation using the projected unit method. Separate valuations are prepared for accounting purposes on an IAS 19 basis as at the Balance Sheet date. Pension scheme assets are measured using current market bid values. Pension scheme defined benefit obligations are measured using a projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the defined benefit obligation.

The difference between the value of the pension scheme assets and pension scheme liabilities is a surplus or a deficit. A pension scheme surplus is recognised to the extent that it is recoverable and a pension scheme deficit is recognised in full. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which it occurs. Remeasurement recognised in other comprehensive income will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit obligation or asset. Defined benefit costs are categorised between;
(a) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements),
(b) net interest expense or income, and
(c) remeasurement. The Group presents the first two components in profit or loss within the surplus on the provision of services before tax. Curtailment gains and losses are accounted for as past service costs.

Multi-employer exemption

For certain defined benefit schemes, the Corporation and/or the Group is unable to identify its share of the underlying assets and defined benefit obligations of the scheme on a consistent and reasonable basis. As permitted by the multi-employer exemption in the Code, these schemes are accounted for as defined contribution schemes. Contributions are therefore charged to the Comprehensive Income and Expenditure Statement as incurred.

Group schemes under common control

The Corporation and certain of its subsidiaries are members of a Group defined benefit plan wherein risks are shared between the entities under common control. There is no contractual arrangement in place to apportion the net defined benefit cost across the member entities. Accordingly, in line with the provisions of IAS 19, the total net defined benefit obligation is recognised in the individual financial statements of the sponsoring employer, the Corporation.

Unfunded pension schemes

Ex gratia payments are made to certain employees on retirement in respect of service prior to the establishment of pension funds for those employees. Supplementary payments are made to the pensions of certain employees who retired prior to the index linking of pensions. The Group also augments the pensions of certain employees who retire early under voluntary severance arrangements. In addition, certain employees also accrue benefits under an unfunded pension arrangement. These unfunded pension liabilities are provided for in the Balance Sheet.

Defined contribution plans

Some employees are members of defined contribution plans. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the Comprehensive Income and Expenditure Statement in the periods during which services are rendered by employees.

Other employee benefits

Other short- and long-term employee benefits, including holiday pay and long service leave, are recognised as an expense over the period in which they accrue.

ah) Reserves

Reserves consist of two elements, usable and unusable.

Usable reserves are those that can be applied to fund expenditure. They are made up of the General Fund, Earmarked Reserves, the Capital Grants Unapplied Account and the Street Works Reserve. Amounts in the Street Works Reserve represent the net income/expenditure generated from lane rental revenues. These net revenues may only be employed in funding the reduction of disruption and other adverse effects caused by street works.

Accounting Policies (continued)

Unusable reserves cannot be applied to fund expenditure as they are not cash backed. They include the Capital Adjustment Account, Pension Reserve, the Hedging Reserve, the Financial Instruments Revaluation Reserve, the Financial Instruments Adjustment Account, the Retained Earnings Reserve in subsidiaries and the Fixed Asset Revaluation Reserve.

Management has determined that the Retained Earnings Reserve in subsidiaries are unusable unless the subsidiary declares a dividend to the Corporation, and they are able to fund these via their own cash reserves. The majority of assets held in subsidiaries are related to transport infrastructure and are not readily convertible to cash.

The Group's investment property assets are held within a separate property investment vehicle for the purpose of creating an estate of commercial, income-producing assets and development opportunities. They are not available to fund the expenditure of the Corporation.

ai) Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (such as grants and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between TfL's operating segments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

aj) Financial instruments

Financial instruments within the scope of IFRS 9 Financial Instruments (IFRS 9) are classified as:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other Comprehensive Income and Expenditure (FVTOCI)
- Financial assets measured at fair value through the Comprehensive Income and Expenditure Statement (FVTPL)
- Financial liabilities measured at amortised cost
- Financial liabilities at fair value through the Comprehensive Income and Expenditure Statement (FVTPL)

The Group determines the classification of its financial instruments at initial recognition. Financial assets may be reclassified only when the Group changes its business model for managing financial assets, at which point all affected financial assets would be reclassified. Financial liabilities are not reclassified subsequent to initial recognition.

When financial instruments are recognised initially, they are measured at fair value, being the transaction price plus any directly attributable transaction costs. The exception to this is for assets and liabilities measured at fair value through the Comprehensive Income and Expenditure Statement, where transaction costs are immediately expensed.

The subsequent measurement of financial instruments depends on whether they are financial assets or financial liabilities and whether specified criteria are met.

Financial assets are measured at amortised cost if:

- It is the objective of the Group to hold the asset in order to collect contractual cash flows; and
- The contractual terms give rise to cash flows, which are solely repayments of a principal value and interest thereon

After initial recognition, these assets are carried at amortised cost using the effective interest rate method if the time value of money is significant. Gains and losses are recognised in the Comprehensive Income and Expenditure Statement when the asset is derecognised or a loss allowance applied, as well as through the amortisation process.

Financial assets are measured at FVTOCI if:

- Assets are non-derivative and held within a business model whose objective is to realise their value through either the collection of contractual cash flows or selling of the financial assets; and
- The contractual terms of the financial asset give rise to periodic cash flows that are the payment of principal and interest

After initial recognition, interest is taken to the Comprehensive Income and Expenditure Statement using the effective interest rate method and the assets are measured at fair value with gains or losses being recognised in Other Comprehensive Income and Expenditure (and taken to the Financial Instruments Revaluation Reserve), except for impairment gains or losses, until the investment is derecognised, or reclassified at which time the cumulative fair value gain or loss previously reported in reserves is included in the Comprehensive Income and Expenditure Statement. For equity instruments, unlike debt instruments, there is no transfer of accumulated amounts in Other Comprehensive Income to the Comprehensive Income and Expenditure Statement.

Financial assets are measured at FVTPL if they are:

- Derivatives
- Not held as amortised cost or at FVTOCI
- Financial assets that were elected to be designated as measured at FVTPL

After initial recognition, assets are carried in the Balance Sheet at fair value with gains or losses recognised in the Comprehensive Income and Expenditure Statement.

Accounting Policies (continued)

Financial liabilities are measured at amortised cost if they are non-derivative with limited exceptions.

After initial recognition, non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are measured at FVTPL if they are:

- Derivatives
- Other liabilities held for trading
- Financial liabilities that were elected to be designated as measured at FVTPL

Loans to subsidiaries

Loans to subsidiaries are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Loans are classified as amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents are classified as financial assets at amortised cost.

Other investments

Short-term investments with an outstanding maturity, at the date of acquisition, of greater than three months and less than or equal to a year, are classified as short-term investments on the basis that they are not readily convertible to cash. Short-term investments are classified as financial assets at amortised cost.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently classified as financial assets at amortised cost.

Finance lease receivables

Finance lease receivables are recognised initially at fair value and subsequently classified as financial assets at amortised cost.

Trade and other creditors

Trade and other creditors are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method.

Interest bearing loans and borrowings

All loans and borrowings are classified as financial liabilities measured at amortised cost.

Obligations under leases and PFI arrangements

All obligations under leases and PFI arrangements are classified as financial liabilities measured at amortised cost.

Other financing liabilities

Other financing liabilities are classified as financial liabilities measured at amortised cost.

Financial derivative instruments

The Group uses financial derivative instruments to manage certain exposures to fluctuations in foreign currency exchange rates and interest rates. The Group does not hold or issue derivative instruments for speculative purposes. The use of derivatives is governed by the Group's Treasury Management policies, approved by the Board.

Derivative assets and derivative liabilities are classified as FVTPL. Such financial derivative instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated in an effective as a hedge relationship, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of the foreign currency risk of firm commitments (cash flow hedges).

The fair value of derivatives are classified as a long-term asset or a long-term liability if the remaining maturity of the derivative contract is more than 12 months and as a short-term asset or a short-term liability if the remaining maturity of the derivative contract is less than 12 months.

Hedge accounting

In order to qualify for hedge accounting, at inception of the transaction the Group formally designates and documents the hedging relationship, which includes the Group's risk management strategy and objective for undertaking the hedge, identification of the hedging instrument, the hedged item, the ratio between the amount of hedged item and the amount of hedging instrument, the nature of the risk being hedged and how the Group assesses that the hedging instrument is highly effective including analysis of potential sources of hedge ineffectiveness.

At the inception of the hedge relationship and prospectively on an ongoing basis, the Group assesses three criteria in determining the hedge is effective and qualifies for hedge accounting, namely:

- An economic relationship exists such that the fair value or cash flows attributable to the hedged risk will be offset by the fair value of the hedged instrument
- Credit risk does not dominate changes in the value of the hedging instrument or hedged item
- The hedge ratio used for hedge accounting purposes is the same as that used for risk management purposes and is to be maintained as initially set throughout the hedge relationship

Where derivatives or portions of hedges do not qualify for hedge accounting, they are recorded at fair value through the Comprehensive Income and Expenditure Statement and any change in value is immediately recognised in the Comprehensive Income and Expenditure Statement.

Accounting Policies (continued)

Cash flow hedges

Hedge relationships are classified as cash flow hedges when they hedge the Group's exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss. Derivative instruments qualifying as cash flow hedges are principally interest rate swaps (where floating rate interest is swapped to fixed) and foreign currency forward exchange contracts.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred in reserves. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts deferred in reserves are recycled to profit or loss in the periods when the hedged items (the hedged asset or liability) affect the Comprehensive Income and Expenditure Statement. When the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in reserves are transferred from reserves and are included in the initial measurement of the cost of the related asset or liability. For transaction-related hedged items, this will occur once the hedged transaction has taken place. For time-period related hedged items, the amount that is accumulated in reserves is amortised on a systematic and rational basis as a reclassification adjustment.

Hedge accounting is discontinued when the hedging instrument expires, is sold, terminated, exercised or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in reserves at that time remains in reserves and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in reserves is recognised immediately in profit or loss.

Fair value measurement of financial instruments

The fair value of quoted investments is determined by reference to bid prices at the close of business on the Balance Sheet date, within Level 1 of the fair value hierarchy as defined within IFRS 13.

Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length transactions; reference to the current market value of another instrument which is substantially the same; and discounted cash flow analysis and pricing models.

In the absence of quoted market prices, derivatives are valued by using quoted forward prices for the underlying commodity/currency and discounted using quoted interest rates (both as at the close of business on the Balance Sheet date). Hence, derivatives are within Level 2 of the fair value hierarchy as defined within IFRS 13.

Impairment of financial assets

At each reporting date, the Group assesses whether the credit risk on a significant financial asset measured at amortised cost or FVTOCI has increased significantly since initial recognition and subsequently measures an expected credit loss allowance for that financial instrument.

The expected loss allowance is a measurement based on the probability of default over the lifetime of the contract for trade receivables, lease receivables or contract assets in scope of IFRS 15. For other financial assets, the allowance is based on the probability of default occurring in 12 months providing credit risk is assessed as low.

The expected credit loss is based on a forward-looking, probability-weighted measure considering reasonable and supportable information on past events, current conditions and the time value of money. Where financial assets are determined to have shared risk characteristics they are assessed collectively, otherwise, they are reviewed on an individual basis.

No loss allowance for expected credit loss is recognised on a financial asset where the counterparty is central government or a local authority and where relevant statutory provisions prevent default. Expected credit loss allowances are recognised in the Comprehensive Income and Expenditure Statement.

Embedded derivatives

Derivatives that are embedded in other financial instruments or other host contracts are treated as separate derivatives when:

- The host contract is a financial liability or an asset not within the scope of IFRS 9; and
- The derivative's risks and characteristics are not closely related to those of the host contract;
- A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- The host contracts are not carried at fair value

In such cases, an embedded derivative is separated from its host contract and accounted for as a derivative carried on the Balance Sheet at fair value from inception of the host contract.

Unrealised changes in fair value are recognised as gains/losses within the Comprehensive Income and Expenditure Statement during the period in which they arise.

Accounting Policies (continued)

ak) Climate change

In preparing the Group's financial statements, consideration has been given to the impact of both physical and transition climate change risks as described within the Task Force on Climate-related Financial Disclosures (TCFD) section of the Narrative Report, and how these impact the financial statements. Management have considered the commitments made under the Group's Climate Change Adaptation Plan and Bus Action Plan and have concluded that there is no impact to the Group's financial statements,

Policies and market changes in response to climate change are continually developing and therefore the financial statements cannot capture all possible outcomes as these are not yet known. The degree of uncertainty of these changes may also mean they cannot be considered in the determination of asset and liability valuations and the timing of future cashflows.

We are working to adapt to a changing climate

Notes to the Financial Statements
1. Gross service income

a) Group gross service income

Year ended 31 March	2023 £m	% of total	2022 £m	% of total
Passenger income	4,046.6	69.7	2,880.2	66.8
Revenue in respect of free travel for older and disabled customers	194.2	3.3	273.7	6.3
Congestion Charging	358.1	6.2	423.3	9.8
Ultra Low Emission Zone charges	479.9	8.3	225.7	5.2
Low Emission Zone charges	118.2	2.0	34.6	0.8
Charges to London Boroughs and Local Authorities	14.2	0.2	12.6	0.3
Charges to transport operators	53.1	0.9	21.3	0.5
Road Network compliance income	86.5	1.5	68.3	1.6
Commercial advertising receipts	144.9	2.5	105.1	2.4
Rents receivable	77.1	1.3	78.4	1.8
Contributions from third parties to operating costs	30.8	0.5	28.6	0.7
Taxi licensing	37.9	0.7	32.9	0.8
Ticket and photocard commission income	14.9	0.3	11.6	0.3
General fees and charges	16.6	0.3	11.2	0.3
ATM and car parking income	16.6	0.3	10.5	0.2
Museum income	13.0	0.2	8.3	0.2
Training and specialist services	22.9	0.4	26.2	0.6
Cycle hire scheme	14.5	0.2	15.2	0.4
Other	63.6	1.2	45.7	1.0
	5,803.6	100.0	4,313.4	100.0

b) Corporation gross service income

Year ended 31 March	2023 £m	% of total	2022 £m	% of total
Congestion Charging	358.1	30.9	423.3	49.4
Ultra Low Emission Zone charges	479.9	41.4	225.7	26.3
Low Emission Zone charges	118.2	10.2	34.6	4.0
Charges to London Boroughs and Local Authorities	12.9	1.1	11.8	1.4
Road Network compliance income	86.5	7.5	68.3	8.0
Rents receivable	0.1	-	0.7	0.1
Contributions from third parties to operating costs	29.5	2.5	24.3	2.8
Taxi licensing	37.9	3.3	32.9	3.8
General fees and charges	4.4	0.4	4.0	0.5
Training and specialist services	15.4	1.3	17.1	2.0
Other	17.1	1.4	15.0	1.7
	1,160.0	100.0	857.7	100.0

c) Congestion Charging

Year ended 31 March	Group and Corporation 2023 £m	Group and Corporation 2022 £m
Income	358.1	423.3
Toll facilities and traffic management	(133.2)	(107.5)
	224.9	315.8
Administration, support services and depreciation	(2.4)	(8.5)
Net income from Congestion Charging	222.5	307.3

Net income from the Congestion Charge (above), Low Emission Zone and Ultra Low Emission Zone (below) is spent on delivering the Mayor's Transport Strategy.

Notes to the Financial Statements

1. Gross service income (continued)

d) Combined Emission Zone Charging

Year ended 31 March	**Group and Corporation 2023 £m**	Group and Corporation 2022 £m
Income	**598.1**	260.3
Toll facilities and traffic management	**(373.8)**	(107.7)
	224.3	152.6
Administration, support services and depreciation	**(15.7)**	(7.4)
Net income from LEZ Charging	**208.6**	145.2

Emission zone charging comprises the Low Emission Zone (LEZ) and Ultra Low Emission Zone (ULEZ).

e) Street works

Year ended 31 March	**Group and Corporation 2023 £m**	Group and Corporation 2022 £m
Income	**10.6**	8.9
Allowable operating costs of managing the lane rental scheme	**(2.4)**	(2.0)
Application of Street Works Reserve to projects reducing the adverse effects caused by street works	**(6.2)**	(6.4)
Net income recognised within net cost of services	**2.0**	0.5
Allowable capital costs of managing the lane rental scheme	**-**	(0.1)
Net income for the year transferred to the Street Works Reserve	**2.0**	0.4

Under the London lane rental scheme, introduced in 2012, TfL receives payments where utilities carry out certain street works in circumstances significantly affecting traffic. The legislation (SI 2012/425) requires TfL to apply the net proceeds of these payments to reducing the adverse effects caused by street works. The net income shown above has been transferred to the Street Works Reserve.

Notes to the Financial Statements
2. Segmental analysis

2a) Segmental analysis
The breakdown of performance reporting by segment is presented in the Expenditure and Funding Analysis in Note 3. The analysis only shows Group segmental information and no disclosures are included for the Corporation. This is because the Corporation's results are not reported to the TfL Board on a segmental basis.

No Balance Sheet information is reported internally by segment and there is accordingly no requirement under the Code to disclose segmental Balance Sheet information in the Statement of Accounts.

2b) Reconciliation of the internal management reports income statement to the Group Comprehensive Income and Expenditure Statement
The segmental information presented in the Expenditure and Funding Analysis reflects the presentation of the internal management reports income statement, published on TfL's website in the form of Quarterly Performance Reports.
The methodology for preparation and the presentation of figures within the internal management reports differs in several respects from the Group Comprehensive Income and Expenditure Statement as presented in these financial statements. To aid understanding of TfL information as reported in Quarterly Performance Reports, a reconciliation to the Group Comprehensive Income and Expenditure Statement is presented on the following pages.

We regularly monitor our performance against a range of metrics

Notes to the Financial Statements
2. Segmental analysis (continued)

Reconciliation of internal management reports to the Group Comprehensive Income and Expenditure Statement (CI&E)

Year ended 31 March 2023	Internal management reports Income Statement £m	Items included in the CI&E but excluded from management reports £m	Items included in management reports but excluded from the CI&E £m	Reclassifications between line items £m	Items with different accounting treatment (see note 2c) £m	Group Comprehensive Income and Expenditure Statement £m
Gross service income/(total operating income)	5,826.0	-	-	-	(22.4)	5,803.6
Gross expenditure/(operating cost)	(7,055.0)	(2,106.2)	711.5	-	8.9	(8,440.8)
Net cost of services(divisional net operating deficit excluding grant income)	(1,229.0)	(2,106.2)	711.5	-	(13.5)	(2,637.2)
Other net operating expenditure	-	(86.4)	-	-	-	(86.4)
Grant income	2,898.0	-	-	-	601.5	3,499.5
Group share of profit before tax of joint ventures	-	8.8	-	-	-	8.8
Group share of loss before tax of associated undertakings	-	(41.5)	-	-	-	(41.5)
(Capital renewals)	(624.0)	-	624.0	-	-	-
(Net cost of operations before financing)	1,045.0	(2,225.3)	1,335.5	-	588.0	743.2
Financing and investment income	-	68.7	-	33.1	-	101.8
Financing and investment expenditure	-	(295.4)	-	(457.1)	2.9	(749.6)
(Net interest costs)	(424.0)	-	-	424.0	-	-
Group surplus before tax/(net cost of operations after extraordinary grant)	621.0	(2,452.0)	1,335.5	-	590.9	95.4
Taxation	-	4.8	-	-	-	4.8
Group surplus after tax	621.0	(2,447.2)	1,335.5	-	590.9	100.2

Notes to the Financial Statements
2. Segmental analysis (continued)

Reconciliation of internal management reports to the Group Comprehensive Income and Expenditure Statement (CI&E)

Year ended 31 March 2022	Internal reports as reported to management £m	Items included in the CI&E but excluded from the internal reports £m	Items included in the internal reports but excluded from the CI&E £m	Reclassifications between line items £m	Items with different accounting treatment (see note 2c) £m	Group Comprehensive Income and Expenditure Statement £m
Gross service income/(total operating income)	4,348.0	–	–	–	(34.6)	4,313.4
Gross expenditure/(operating cost)	(6,478.0)	(2,071.3)	750.9	–	27.7	(7,770.7)
Net cost of services/(divisional net operating deficit excluding grant income)	(2,130.0)	(2,071.3)	750.9	–	(6.9)	(3,457.3)
Other net operating expenditure	–	(36.2)	–	–	–	(36.2)
Grant income	2,704.0	2,014.3	–	–	(367.2)	4,351.1
Group share of profit before tax of joint ventures	–	7.9	–	–	–	7.9
Group share of loss before tax of associated undertakings	–	24.0	–	–	–	24.0
(Capital renewals)	(551.0)	–	551.0	–	–	–
(Net cost of operations before financing)	23.0	(61.3)	1,301.9	–	(374.1)	889.5
Financing and investment income	–	198.6	–	4.0	–	202.6
Financing and investment expenditure	–	(51.7)	–	(443.0)	(7.1)	(501.8)
(Net interest costs)	(439.0)	–	–	439.0	–	–
Group surplus before tax/(net cost of operations after extraordinary grant)	(416.0)	85.6	1,301.9	–	(381.2)	590.3
Taxation	–	(86.2)	–	–	–	(86.2)
Group surplus after tax	(416.0)	(0.6)	1,301.9	–	(381.2)	504.1

Where line item descriptors differ between the internal reports and the Comprehensive Income and Expenditure Statement, those used in the internal reports are shown within parentheses in the above tables.

Notes to the Financial Statements

2. Segmental analysis (continued)

2c) Detailed reconciliation of segmental information reported in internal management reports to amounts included in the Group (deficit)/surplus

The segmental analysis is prepared using internal management reporting accounting methodologies. In some cases, these methodologies are different from the accounting policies used in the financial statements. Where there are accounting policy differences between management reports and the statutory accounts, statutory accounting adjustments are not recorded by segment in the underlying accounting records. It is not therefore possible to produce a segmental breakdown of the Group financial statements on a statutory basis of reporting. Differences between the methodologies are explained in the paragraphs and table below.

- Depreciation, amortisation of intangibles and impairment charges are not included in the segmental analysis

- The cost of retirement benefits is recognised within gross expenditure in the internal management report's Income Statement as a charge based on cash contributions paid during the year, rather than the pension service cost and net interest charge on defined benefit pension obligations recognised in the Comprehensive Income and Expenditure Statement. This better reflects the actual charge made to the General Fund in respect of pension costs which is calculated based on actual contributions paid as opposed to the charges flowing through the Comprehensive Income and Expenditure Statement as calculated under IAS 19

- The internal management report's Income Statement excludes the net gain on disposal of investment properties and the change in fair value of investment properties that are included within financing and investment income in the Comprehensive Income and Expenditure Statement. Fair value movements are excluded from management reporting as these gains or losses are unrealised. The net proceeds from disposals, meanwhile, are included in the Capital Account for management reporting purposes, as these income streams may only be employed by the Corporation to fund capital expenditure and do not represent an ongoing revenue stream that can be employed to meeting the day-to-day operating costs of the network

- Similarly, the internal management report's Income Statement excludes gains and losses on the disposal of property, plant and equipment and intangible assets recognised within other operating expenditure, and instead includes the net proceeds from these disposals in the Capital Account

- Internal management reporting includes a charge within operating expenditure for the costs of right-of-use leases, based on cash payments made in the period in relation to those leases. In the net cost of services in the Comprehensive Income and Expenditure Statement, this charge has been stripped out and replaced with the amortisation charge in respect of right-of-use assets within net cost of services and a financing charge included within financing and investment expenditure

- The internal management report's Income Statement includes a charge for capital renewals expenditure which, in the statutory financial statements, is included within additions to property, plant and equipment. Renewals expenditure is included for management reporting purposes to present the ongoing, full, day-to-day cost of running and maintaining our existing network

- The internal management report's Income Statement excludes the adjustment to financing expenditure made in respect of borrowing costs capitalised into qualifying assets (see note 9). Instead this charge is left within net interest costs so that amounts charged to the internal management report's Income Statement reflect the full cost to the Group of financing its debt

- Certain grants received are treated as capital grant for management reporting purposes and are thus excluded from the internal management report's Income Statement (being instead included in the Capital Account). For statutory reporting purposes, however, all grant is recognised as income in the Comprehensive Income and Expenditure Statement. Moreover, certain grants badged as 'capital grant' for management reporting purposes, under law constitute resource grants, and may only be classified as capital grant where they have been applied to fund capital expenditure during the year

- The results of joint ventures and associated undertakings are excluded from the internal management report's Income Statement as the TfL Group does not hold a controlling interest in these undertakings

- Other minor differences between the Comprehensive Income and Expenditure Statement and the internal management reports are collectively referred to as Central items and are not included in reports to management

Notes to the Financial Statements

2. Segmental analysis (continued)

Detailed reconciliation of net cost of operations per management reports to net cost of services per the Comprehensive Income and Expenditure Statement

	Note	2023 £m	2023 £m	2022 £m	2022 £m
Operating surplus/(deficit) per internal management reports			621.0		(416.0)
Adjustments between management and statutory reports:					
Add amounts included in the Comprehensive Income and Expenditure Statement not reported in management reports					
Depreciation	4	(1,133.9)		(940.4)	
Amortisation of right-of-use assets	4	(357.5)		(361.6)	
Amortisation of software intangibles	4	(59.9)		(50.2)	
Impairment	4	27.8		(57.8)	
Pension service costs including scheme expenses	35	(582.7)		(661.3)	
			(2,106.2)		(2,071.3)
Other net operating expenditure	7		(86.4)		(36.2)
Group share of profit before tax of joint ventures	17		8.8		7.9
Group share of loss before tax of associated undertakings	18		(41.5)		24.0
Change in fair value of investment properties included in financing and investment income	8	-		93.4	
Premium receivable on settlements	8	46.3			
Net gain on disposal of investment properties	8	22.4		105.2	
			68.7		198.6
Net interest on defined benefit obligation	9	(79.3)		(105.9)	
Interest payable on lease and PFI liabilities	9	(81.7)		(60.4)	
Contingent rentals on PFI liabilities	9	(11.2)		(10.5)	
Change in fair value of investment properties included in financing and investment expenditure	9	(155.0)		-	
Amounts capitalised into qualifying assets	9	31.8		114.6	
			(295.4)		(62.2)
Capital grant income*	10		-		2,014.3
Tax	11		4.8		(86.2)
			(2,447.2)		(11.1)
Less items included in the management reports but excluded from the Comprehensive Income and Expenditure Statement					
Cash payments under PFI and lease arrangements		392.0		373.0	
Pension payments charged to operating costs		319.5		377.9	
			711.5		750.9
Capital renewals			624.0		551.0
			1,335.5		1,301.9
Amounts subject to differing accounting treatment between management reports and the Comprehensive Income and Expenditure Statement					
Specific grant income			601.5		(367.2)
Central items			(10.6)		(3.5)
			590.9		(370.7)
Group surplus after tax per the Comprehensive Income and Expenditure Statement			100.2		504.1

* Capital Business Rates Retention is now included in the internal management Income Statement. Some specific grants have a different accounting treatment.

Notes to the Financial Statements

3. Expenditure and Funding Analysis

	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Net expenditure chargeable to the General Fund £m	Adjustments*	Net expenditure in the Comprehensive Income and Expenditure Statement £m	Net expenditure chargeable to the General Fund £m	Adjustments*	Net expenditure in the Comprehensive Income and Expenditure Statement £m
Underground	(239.0)	-	(239.0)	(738.0)	-	(738.0)
Elizabeth line	(165.0)	-	(165.0)	(308.0)		(308.0)
Buses, streets and other operations	(703.0)	-	(703.0)	(916.0)	-	(916.0)
Rail	(163.0)	-	(163.0)	(182.0)	-	(182.0)
Property	43.0	-	43.0	15.0	-	15.0
Group items	(2.0)	-	(2.0)	(1.0)	-	(1.0)
Central items not reported on a segmental basis	1,162.9	2,571.1	(1,408.2)	2,113.5	3,440.8	(1,327.3)
Net Cost of Services	(66.1)	2,571.1	(2,637.2)	(16.5)	3,440.8	(3,457.3)
Other income and expenditure	(328.9)	(3,066.3)	2,737.4	(189.6)	(4,151.0)	3,961.4
(Deficit)/surplus after tax	(395.0)	(495.2)	100.2	(206.1)	(710.2)	504.1
Opening general fund and earmarked reserves balance	656.0			862.1		
Deficit on the general fund	(395.0)			(206.1)		
Closing general fund and earmarked reserves balance	261.0			656.0		

* Management has concluded that the Expenditure and Funding Analysis presents a true and fair view of the Group's financial performance. Central items are not reported to management or maintained on a segmental basis. The effect of this is presented on a separate line item and disclosed in Note 2

Notes to the Financial Statements
3. Expenditure and Funding Analysis (continued)

For the year ended 31 March 2023	Capital adjustments £m	Pension adjustments £m	Other statutory adjustments £m	Total statutory adjustments £m	Non-statutory adjustments £m	Total adjustments £m
Underground	-	-	-	-	-	-
Elizabeth line	-	-	-	-		-
Buses, streets and other operations	-	-	-	-	-	-
Rail	-	-	-	-	-	-
Other segments	-	-	-	-	-	-
Group items	-	-	-	-	-	-
Central items not reported on a segmental basis	205.4	340.1	(3.4)	542.1	2,028.9	2,571.0
Net Cost of Services	205.4	340.1	(3.4)	542.1	2,028.9	2,571.0
Other income and expenditure	(677.7)	-	(113.9)	(791.6)	(2,271.6)	(3,063.2)
(Deficit)/surplus after tax	(472.3)	340.1	(117.3)	(249.5)	(242.7)	(492.2)

For the year ended 31 March 2022	Capital adjustments £m	Pension adjustments £m	Other statutory adjustments £m	Total statutory adjustments £m	Non-statutory adjustments £m	Total adjustments £m
Underground	-	-	-	-	-	-
Elizabeth line	-	-	-	-		-
Buses, streets and other operations	-	-	-	-	-	-
Rail	-	-	-	-	-	-
Other segments	-	-	-	-	-	-
Group items	-	-	-	-	-	-
Central items not reported on a segmental basis	219.1	385.7	(2.0)	602.8	2,838.0	3,440.8
Net Cost of Services	**219.1**	**385.7**	**(2.0)**	**602.8**	**2,838.0**	**3,440.8**
Other income and expenditure	(931.6)	-	(11.8)	(943.4)	(3,207.9)	(4,151.3)
(Deficit)/surplus after tax	**(712.5)**	**385.7**	**(13.8)**	**(340.6)**	**(369.9)**	**(710.5)**

Notes to the Financial Statements

4. Gross expenditure

Gross expenditure recognised in the Comprehensive Income and Expenditure Statement comprises:

Year ended 31 March	Note	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Staff costs:					
Wages and salaries**		**1,524.0**	1,431.5	**404.7**	394.2
Social security costs		**187.1**	165.4	**49.1**	45.7
Pension costs	35	**564.5**	652.5	**335.5**	379.6
		2,275.6	2,249.4	**789.3**	819.5
Other service expenditure ***		**4,196.4**	3,926.5	**340.7**	266.6
Credit loss expense		**445.3**	184.8	**432.9**	171.7
Depreciation	13	**1,133.9**	940.4	**151.2**	142.0
Amortisation right-of-use assets	14	**357.5**	361.6	**29.1**	29.8
Amortisation of software intangibles	12	**59.9**	50.2	**34.7**	26.7
Impairment*	13	**(27.8)**	57.8	**(9.6)**	20.7
		8,440.8	7,770.7	**1,768.3**	1,477.0

* Impairment includes impairment reversals where management have determined assets are no longer impaired

** Wages and salaries include amounts provided for the cost of voluntary severance

*** Included in the Corporation's other service expenditure is £71.3m (2021/22 £81.9m) relating to financial assistance to London Boroughs and other third parties (see note 41 for detailed analysis)

The average number of persons employed in the year was:

Year ended 31 March	Group 2023 Number	Group 2022 Number	Corporation 2023 Number	Corporation 2022 Number
Permanent staff (including fixed term contracts)	**26,044**	25,408	**7,345**	7,282
Agency staff	**1,962**	1,586	**1,342**	1,093
	28,006	26,994	**8,687**	8,375

5. External audit fees

External audit fees are made up as follows:

Year ended 31 March	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Auditor's remuneration:				
for statutory audit services	**1.8**	1.6	**0.1**	0.1
for non-audit services****	**-**	-	**-**	-
	1.8	1.6	**0.1**	0.1

**** The Audit and Assurance Committee reviews and notes the nature and extent of non-audit services provided by TfL's external auditor to ensure that independence is maintained

6. Remuneration

Disclosures in respect of the remuneration of employees (including senior employees) and of termination payments made during the year may be found in the Remuneration Report on pages [Draft included in the June Audit & Assurance Committee Papers. Final version will be incorporated in to the combined Annual Report and Statement of Accounts]

Notes to the Financial Statements

7. Other operating expenditure

Year ended 31 March	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Net loss on disposal of investment property	0.1	-	0.1	-
Net gain on termination of right of use assets	(13.7)	-	-	-
Fair value loss on office buildings	1.7	-	-	-
Net loss on disposal of property, plant and equipment	98.3	36.2	0.2	2.7
Total other operating expenditure	86.4	36.2	0.3	2.7

8. Financing and investment income

Year ended 31 March	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Interest income on bank deposits and other investments	27.9	1.6	26.6	1.5
Interest income on loans to subsidiaries	-	-	403.5	403.3
Change in fair value of investment properties (including those classified as held for sale)	-	93.4	-	50.5
Net gain on disposal of investment properties	22.4	105.2	11.5	85.0
Premium receivable on settlements	46.3	-	46.3	-
Interest receivable on finance lease receivables	0.8	1.1	-	-
Other investment income	4.4	1.3	1.9	0.1
	101.8	202.6	489.8	540.4

9. Financing and investment expenditure

Year ended 31 March	Note	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Interest payable on loans and derivatives		443.7	433.3	435.6	414.5
Interest payable on right-of-use lease liabilities		77.3	55.5	10.4	11.0
Interest payable on PFI liabilities		4.4	4.9	4.4	4.8
Contingent rentals on PFI contracts		11.2	10.5	11.2	10.2
Change in fair value of investment properties (including those classified as held for sale)		155.0	-	14.0	-
Net interest on defined benefit obligation	35	79.3	105.9	78.2	104.8
Other financing and investment expenditure		10.5	6.3	5.4	1.7
		781.4	616.4	559.2	547.0
Less: amounts capitalised into qualifying assets	13	(31.8)	(114.6)	-	-
		749.6	501.8	559.2	547.0

Notes to the Financial Statements

10. Grant income

Year ended 31 March	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Non ring-fenced resource grant from the DfT used to fund operations	919.6	1,716.8	919.6	1,716.8
Non ring-fenced Business Rates Retention from the GLA used to fund operations	205.3	494.1	205.3	494.1
Other revenue grant received	137.9	74.3	137.1	72.4
Council tax precept	114.0	51.6	114.0	51.6
Total grants allocated to revenue	1,376.8	2,336.8	1,376.0	2,334.9
Ring-fenced grant from the GLA used to fund capital expenditure relating to Crossrail	271.0	554.0	271.0	554.0
Non ring-fenced Business Rates Retention from the GLA used to fund capital	1,613.7	1,350.2	1,613.7	1,350.2
Other capital grants and contributions received	238.0	110.1	191.9	50.4
Total grants allocated to capital	2,122.7	2,014.3	2,076.6	1,954.6
Total grants	3,499.5	4,351.1	3,452.6	4,289.5

Allocation of capital grants

Year ended 31 March	Note	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Capital grant funding of subsidiaries*		-	-	1,342.3	1,216.0
Applied capital grants	37	2,020.5	2,014.3	632.1	738.6
Transfer from unapplied capital grants	38	102.2	-	102.2	-
Total capital grants		2,122.7	2,014.3	2,076.6	1,954.6

* Capital grant funding of subsidiaries in the Corporation represent revenue expenditure funded from capital under statute (REFCUS). The sources of finance are all applied during the year. Refer to Note 39

11. Taxation

TfL Corporation is exempt from Corporation Tax, but its subsidiaries are assessable individually to taxation in accordance with current tax legislation.

a) Corporation Tax

The Group tax expense for the year, based on the rate of Corporation Tax of 19 per cent (2021/22 19 per cent) comprised:

Year ended 31 March	Group 2023 £m	Group 2022 £m
UK Corporation Tax – current year charge	-	-
UK Corporation Tax – adjustments in respect of prior years	-	-
Total current tax income	-	-
Deferred tax – current year (credit)/charge	(4.8)	86.2
Total tax (credit)/charge for the year	(4.8)	86.2

Reconciliation of tax expense

Year ended 31 March	Group 2023 £m	Group 2022 £m
Surplus on the provision of services before tax	95.4	590.3
Surplus on the provision of services before tax multiplied by standard rate of Corporation Tax in the UK of 19% (2021/22 19%)	18.1	112.2
Effects of:		
Non-taxable income/non-deductible expenses	(70.4)	(65.9)
Permanent difference in TfL Corporation	(39.9)	(97.1)
Amount charged to current tax for which no deferred tax was recognised	89.1	138.9
Utilisation of tax losses carried forward for which no deferred tax was recognised	(0.9)	(0.9)
Overseas earnings	(0.8)	(1.0)
Total tax (credit)/charge for the year	(4.8)	86.2

Notes to the Financial Statements

11. Taxation (continued)

b) Unrecognised deferred tax assets

The Group has a potential net deferred tax asset of £600.0m (2022 £2,950.1m) in respect of the following items:

	Group 2023 £m	Group 2022 £m
Deductible temporary differences	**3.2**	1,636.7
Tax losses	**596.8**	1,313.4
Unrecognised deferred tax asset	**600.0**	2,950.1

No net deferred tax asset has been recognised in respect of the above as it is not considered probable that there will be sufficient future taxable profits available against which the unused tax credits can be utilised. The tax losses and the deductible temporary differences do not expire under current tax legislation.

The net deferred tax asset excludes any amounts connected to the pension deficit.

c) Movement in recognised deferred tax assets and liabilities during the year

Deferred tax assets have been recognised only to the extent that they are considered available to offset deferred tax liabilities as at the Balance Sheet date. Their movements during the year were in respect of the following items:

For the year ended 31 March 2022	Balance at 1 April 2022 £m	Movement in the provision of services £m	Movement in other comprehensive income during the year £m	Balance at 31 March 2023 £m
Deferred tax assets				
Property, plant and equipment	59.0	(59.0)	-	**-**
Tax losses	-	781.8	-	**781.8**
Derivative financial instruments	11.6	(7.0)	-	**4.6**
Total	70.6	715.8	-	**786.4**
Deferred tax liabilities				
Investment properties	(429.4)	68.3	-	**(361.1)**
Assets held for sale	(16.4)	3.7	-	**(12.7)**
Property, plant and equipment	-	(783.0)	-	**(783.0)**
Total	(445.8)	(711.0)	-	**(1,156.8)**
Net deferred tax liability	(375.2)	4.8	-	**(370.4)**

Notes to the Financial Statements

11. Taxation (continued)

c) Movement in recognised deferred tax assets and liabilities during the year (continued)

For the year ended 31 March 2022	Balance at 1 April 2022 £m	Movement in the provision of services £m	Movement in other comprehensive income during the year £m	Balance at 31 March 2022 £m
Deferred tax assets				
Property, plant and equipment	14.5	44.5	-	59.0
Derivative financial instruments	20.7	(9.1)	-	11.6
Total	35.2	35.4	-	70.6
Deferred tax liabilities				
Investment properties	(254.7)	(120.0)	(54.7)	(429.4)
Assets held for sale	(14.8)	(1.6)	-	(16.4)
Total	(269.5)	(121.6)	(54.7)	(445.8)
Net deferred tax liability	(234.3)	(86.2)	(54.7)	(375.2)

The key movements in the period were due to the following:

- The deferred tax liability arising on investment properties, including those classified as assets held for sale, has decreased due to the revaluation movements recognised in financing and investment income and Other Comprehensive Income during the year
- Certain properties that had not previously been held at a value were reclassified as investment property and valued at open market value prior to transfer to TTL Properties Limited (a subsidiary of the Corporation) during the year. It is not considered that sufficient deferred tax assets will be available to offset this deferred tax liability in full
- The property, plant and equipment deferred tax balance has changed in the period due to a change in methodology for calculating the tax base of certain assets held in London Underground Limited. Other movements in the year arise due to assets acquired in the year, movements in the market value of assets held and capital allowances claimed
- Included in the deferred tax balances for property, plant and equipment is the deferred tax movement on revaluation gains recognised in Other Comprehensive Income
- The deferred tax asset arising in respect of derivative financial instruments has decreased during 2022/23 due to movement in the fair value of derivatives

UK Corporation Tax is calculated at a rate of 19 per cent (2021/22: 19 per cent). In the Spring Budget 2021, it was announced that the main rate of Corporation Tax will increase to 25 per cent with effect from 1 April 2023, this amendment was substantively enacted in May 2021. As the Group's deferred tax balances are not expected to be settled until after 1 April 2023, deferred tax balances at 31 March 2023 have been calculated at a rate of 25 per cent.

No deferred tax asset has been recognised on the Corporation's pension deficit as the principal employer is not a taxpaying entity. Future tax deductions for some contributions will be made in the taxable entities, however, as at 31 March 2023, no deferred tax assets have been recognised in these entities.

Notes to the Financial Statements
12. Intangible assets

a) Group intangible assets

	Note	Software costs £m	Intangible assets under construction £m	Goodwill £m	Total £m
Cost					
At 1 April 2021		529.7	18.3	351.8	899.8
Additions		52.6	6.0	-	58.6
Net transfers from property, plant and equipment	13	8.0	91.2	-	99.2
Transfers between asset classes		87.4	(87.4)	-	-
Disposals		(167.8)	-	-	(167.8)
At 31 March 2022		509.9	28.1	351.8	889.8
Additions		**33.0**	**7.4**	**-**	**40.4**
Net transfers from property, plant and equipment	13	**17.2**	**2.9**	**-**	**20.1**
Transfers between asset classes		**18.9**	**(18.9)**	**-**	**-**
Disposals		**(8.1)**	**-**	**-**	**(8.1)**
Write offs		**(0.9)**	**-**	**-**	**(0.9)**
At 31 March 2023		**570.0**	**19.5**	**351.8**	**941.3**
Amortisation and impairment					
At 1 April 2021		401.3	-	349.2	750.5
Amortisation charge for the year	4	50.2	-	-	50.2
Transfers from property, plant and equipment	13	0.4	-	-	0.4
Disposals		(167.8)	-	-	(167.8)
At 31 March 2022		284.1	-	349.2	633.3
Amortisation charge for the year	4	59.9	-	-	59.9
Disposals		(8.3)	-	-	(8.3)
Write offs		**(0.7)**	**-**	**-**	**(0.7)**
At 31 March 2023		**335.0**	**-**	**349.2**	**684.2**
Net book value at 31 March 2023		**235.0**	**19.5**	**2.6**	**257.1**
Net book value at 31 March 2022		225.8	28.1	2.6	256.5

Intangible assets under construction comprise software assets under development by the Group.

b) Corporation intangible assets

	Note	Software costs £m	Intangible assets under construction £m	Total £m
Cost				
At 1 April 2021		365.9	7.9	373.8
Additions		8.0	32.9	40.9
Net transfers from property, plant and equipment	13	8.0	75.7	83.7
Transfers between asset classes		104.3	(104.3)	-
Disposals		(167.7)	-	(167.7)
At 31 March 2022		318.5	12.2	330.7
Additions		**9.9**	**5.4**	**15.3**
Net transfers from property, plant and equipment	13	**0.5**	**2.2**	**2.7**
Transfers between asset classes		**8.7**	**(8.7)**	**-**
Write offs		**(0.9)**	**-**	**(0.9)**
At 31 March 2023		**336.7**	**11.1**	**347.8**
Amortisation and impairment				
At 1 April 2021		286.9	-	286.9
Amortisation charge for the year	4	26.7	-	26.7
Transfers from property, plant and equipment	13	0.4	-	0.4
Disposals		(167.8)	-	(167.8)
At 31 March 2022		146.2	-	146.2
Amortisation charge for the year	4	**34.7**	**-**	**34.7**
Write offs		**(0.7)**	**-**	**(0.7)**
At 31 March 2023		**180.2**	**-**	**180.2**
Net book value at 31 March 2023		**156.5**	**11.1**	**167.6**
Net book value at 31 March 2022		172.3	12.2	184.5

Intangible assets under construction comprise software assets under development by the Corporation.

Notes to the Financial Statements
13. Property, plant and equipment

a) Group property, plant and equipment at 31 March 2023 comprised the following elements:

	Note	Office building £m	Infrastructure £m	Rolling stock £m	Plant and equipment £m	Assets under construction £m	Total £m
Cost or valuation							
At 1 April 2022 (restated)*		299.5	33,569.6	5,087.5	1,861.3	18,786.9	59,604.8
Additions		-	493.9	320.8	51.3	1,112.3	1,978.3
Transfers to intangible assets	12	-	-	-	-	(20.1)	(20.1)
Transfers to investment properties	15	(23.0)	0.2	-	-	(3.5)	(26.3)
Transfers between asset classes		-	16,888.9	39.0	69.1	(16,997.0)	-
Disposals		-	(19.9)	-	(4.9)	-	(24.8)
Reversal of impairments		-	-	-	-	34.2	34.2
Write offs		-	(76.1)	-	(1.0)	-	(77.1)
Revaluation		(5.0)	-	-	-	-	(5.0)
At 31 March 2023		**271.5**	**50,856.6**	**5,447.3**	**1,975.8**	**2,912.8**	**61,464.0**
Depreciation and impairment							
At 1 April 2022 (restated) *		47.1	12,060.0	2,506.7	1,143.2	56.3	15,813.3
Depreciation charge for the year	4	9.3	874.7	131.7	118.2	-	1,133.9
Impairment charge for the year	4	-	-	-	-	6.4	6.4
Transfers to investment properties	15	0.5	(1.0)	-	-	-	(0.5)
Disposals		-	(19.8)	-	(4.9)	-	(24.7)
Write offs		-	(47.3)	-	(0.8)	-	(48.1)
Revaluation		(4.8)	-	-	-	-	(4.8)
At 31 March 2023		**52.1**	**12,866.6**	**2,638.4**	**1,255.7**	**62.7**	**16,875.5**
Net book value at 31 March 2023		**219.4**	**37,990.0**	**2,808.9**	**720.1**	**2,850.1**	**44,588.5**
Net book value at 31 March 2022		252.4	21,509.6	2,580.8	718.1	18,730.6	43,791.5

* During the year, Management identified £4.4bn of fully depreciated assets that were not derecognised from gross cost and accumulated depreciation in line with the pooled assets accounting policy of the Group (£nil net book value). As this is a prior period error, opening balances as at 1 April 2021 and 1 April 2022 have been restated for infrastructure assets and plant and equipment. There is no impact on the primary statements or other notes to the accounts.

Given the lack of long-term funding agreements being in place as at 31 March 2022, Management concluded there was a material uncertainty as to whether lower priority capital assets under construction would be completed and as a result impaired AUC projects totalling £51.4m. Following the granting of funding in August 2022, Management have reassessed the financial requirements and availability and have concluded that £34.2m of the previously recognised impairment should be reversed and £8.3m should be fully disposed of.

1 April 2021 – £3,855.6m gross cost and accumulated depreciation adjusted to the opening balance. Made up of £3,504m infrastructure assets and £351.6m plant and equipment.

1 April 2022 – £522.4m gross cost and accumulated depreciation adjusted to disposals in 2021/22. Made up of £540.8m infrastructure assets and £11.6m plant and equipment.

The Group holds its office buildings at valuation. All other items of property, plant and equipment are held at cost.

Notes to the Financial Statements

13. Property, plant and equipment (continued)

b) Group property, plant and equipment at 31 March 2022 comprised the following elements:

	Note	Office building £m	Infrastructure £m	Rolling stock £m	Plant and equipment £m	Assets under construction £m	Total £m
Cost or valuation							
At 1 April 2021		290.9	34,830.1	5,050.7	2,240.2	20,038.7	62,450.6
Prior period adjustment*		-	(3,504.0)	-	(351.6)	-	(3,855.6)
At 1 April 2021 (restated)*		290.9	31,326.1	5,050.7	1,888.6	20,038.7	58,595.0
Additions		-	421.1	23.1	34.1	1,525.6	2,003.9
Transfers to intangible assets	12	-	(8.0)	-	-	(91.2)	(99.2)
Transfers to investment properties	15	(5.2)	(0.1)	-	-	(106.5)	(111.8)
Transfer to assets held for sale		-	-	-	-	(83.4)	(83.4)
Transfers between asset classes		0.7	2,384.4	13.7	66.6	(2,465.4)	-
Disposals (restated) *		-	(553.9)	-	(122.7)	-	(676.6)
Write offs		-	-	-	(5.3)	(30.9)	(36.2)
Revaluation		13.1	-	-	-	-	13.1
At 31 March 2022		299.5	33,569.6	5,087.5	1,861.3	18,786.9	59,604.8
Depreciation							
At 1 April 2021		47	15,420.4	2,383.6	1,500.8	4.9	19,356.7
Prior period adjustment*		-	(3,504.0)	-	(351.6)	-	(3,855.6)
At 1 April 2021 (restated)*		47.0	11,916.4	2,383.6	1,149.2	4.9	15,501.1
Depreciation charge for the year	4	9.3	693.5	123.1	114.5	-	940.4
Impairment charge for the year	4	-	-	-	6.4	51.4	57.8
Transfers to investment properties	15	(0.4)	(0.1)	-	-	-	(0.5)
Transfers to intangible assets	12	-	(0.4)	-	-	-	(0.4)
Disposals (restated)*		-	(549.4)	-	(126.9)	-	(676.3)
Revaluation		(8.8)	-	-	-	-	(8.8)
At 31 March 2022		47.1	12,060.0	2,506.7	1,143.2	56.3	15,813.3

* During the year, Management identified £4.4bn of fully depreciated assets that were not derecognised from gross cost and accumulated depreciation in line with the pooled assets accounting policy of the Group (£nil net book value). As this is a prior period error, opening balances as at 1 April 2021 and 1 April 2022 have been restated for infrastructure assets and plant and equipment. There is no impact on the primary statements or other notes to the accounts.

Given the lack of long-term funding agreements being in place as at 31 March 2022, Management concluded there was a material uncertainty as to whether lower priority capital assets under construction would be completed and as a result impaired AUC projects totalling £51.4m. Following the granting of funding in August 2022, Management have reassessed the financial requirements and availability and have concluded that £34.2m of the previously recognised impairment should be reversed and £8.3m should be fully disposed of.

1 April 2021 – £3,855.6m gross cost and accumulated depreciation adjusted to the opening balance. Made up of £3,504m infrastructure assets and £351.6m plant and equipment.

1 April 2022 – £522.4m gross cost and accumulated depreciation adjusted to disposals in 2021/22. Made up of £540.8m infrastructure assets and £11.6m plant and equipment.

The Group holds its office buildings at valuation. All other items of property, plant and equipment are held at cost.

Notes to the Financial Statements

13. Property, plant and equipment (continued)

Borrowing costs are included in the costs of qualifying assets to the extent that the asset is funded by borrowings. As a result, the total borrowing costs capitalised during the year were £31.8m (2022 £114.6m). The cumulative borrowing costs capitalised are £955.2m (2022 £923.4m). Borrowings are capitalised at the rate of interest directly incurred on the specific borrowings taken out to fund the asset in question.

At 31 March 2023, the Group had capital commitments which are contracted for but not provided for in the financial statements amounting to £1,856.6m (2022 £1,103.7m).

On 21 November 2019, the Corporation entered into an agreement with RiverLinx Limited for the Design, Build, Financing, Operations and Maintenance of Silvertown Tunnel, connecting the Greenwich Peninsula and the Royal Docks in London. Our financial obligations to make payments to RiverLinx Limited will start once the tunnel is open, currently planned in early 2025 (the 'Permit to Use Date'). From the Permit to Use Date, the Corporation will make performance-based availability payments, initially at £65m annually and indexed until the expiry date of the agreement in January 2050.

c) Group PFI assets

The net book value above includes the following amounts in respect of PFI assets:

	Infrastructure and office buildings £m	Plant and equipment £m	Total £m
Gross cost	**209.1**	**16.7**	**225.8**
Accumulated depreciation	**(101.5)**	**(16.7)**	**(118.2)**
Net book value at 31 March 2023	**107.6**	**-**	**107.6**
Net book value at 31 March 2022 (restated)*	110.1	-	110.1

d) Depreciation charge

The total depreciation charge for the Group for the year comprised:

Year ended 31 March	Note	2023 £m	2022 £m
Depreciation of owned assets		**1,129.0**	935.5
Depreciation of assets held under PFI arrangements		**4.9**	4.9
Total depreciation	4	**1,133.9**	940.4

Notes to the Financial Statements

13. Property, plant and equipment (continued)

e) Group office buildings

The existing use value of owner-occupied office buildings at 31 March 2023 has been arrived at on the basis of a valuation carried out at that date by CBRE, a real estate advisory business not connected with the Group, and by chartered surveyors working for TfL. In determining the existing use value, the capitalisation of net income method and the discounting of future cash flows to their present value has been used. This is based upon various assumptions including the anticipated future rental income, maintenance costs and the appropriate discount rate, making reference to market evidence of transaction prices for similar properties. A deduction is made to reflect purchaser's acquisition costs.

Properties are valued in accordance with the Red Book, RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors.

f) Group and Corporation heritage assets

Property, plant and equipment includes a number of assets of importance to the history of London transport which are classified as heritage assets in accordance with the Code. These comprise transport-related objects and material (including vehicles, posters and photographs) held to advance the preservation, conservation and education objects of London Transport Museum. The collection consists of more than 400,000 items and is housed at the Museum's sites in Covent Garden and Acton.

These assets are primarily former operational assets of the TfL Group whose legal title is retained by the Corporation or another of its operating subsidiaries. Due to the diverse nature of the assets held and the lack of comparable market values, the cost of obtaining a valuation of TfL's heritage assets is such that it would not be commensurate with the benefits provided to users of the financial statements. The assets therefore remain recorded in the accounts at historical cost less accumulated depreciation. The collections have been externally valued for insurance purposes only. Management do not consider these insurance valuations to be necessarily indicative of open market fair value and hence have not incorporated the insurance values into the financial statements. No valuation was carried out during the year. The last valuation was carried out as at 31 March 2021 resulting in a value of £37.5m. The net book value of these assets at 31 March 2023 was £nil (2022 £nil)

g) Corporation property, plant and equipment at 31 March 2023 comprised the following elements:

	Note	Office buildings £m	Infrastructure £m	Plant and equipment £m	Assets under construction £m	Total £m
Cost or valuation						
At 1 April 2022		0.8	6,060.4	247.0	410.0	6,719.7
Additions		-	77.2	19.3	247.2	343.5
Net transfers to intangible assets	12	-	-	-	(2.7)	(2.7)
Transfers to investment properties	15	-	-	-	(0.4)	(0.4)
Transfers between asset classes		-	75.4	42.8	(118.2)	-
Disposals		-	0.1	(2.1)	-	(2.0)
Reversal AUC impairments	4	-	-	-	9.6	9.6
Write offs		-	(0.2)	(0.7)	-	(0.9)
Revaluation		(5.4)	-	-	-	(5.4)
At 31 March 2023		**(4.6)**	**6,212.9**	**307.8**	**545.3**	**7,061.4**
Depreciation						
At 1 April 2022		-	2,384.3	133.0	20.7	2,538.0
Depreciation charge for the year	4	-	121.7	29.5	-	151.2
Disposals		-	-	(2.2)	-	(2.2)
Write offs		-	-	(0.6)	-	(0.6)
Revaluation		(4.6)	-	-	-	(4.6)
At 31 March 2023		**(4.6)**	**2,506.0**	**159.7**	**20.7**	**2,681.8**
Net book value at 31 March 2023		**-**	**3,706.9**	**148.1**	**524.6**	**4,379.6**
Net book value at 31 March 2022		0.8	3,676.1	115.5	389.3	4,181.7

Notes to the Financial Statements

13. Property, plant and equipment (continued)

h) Corporation property, plant and equipment at 31 March 2022 comprised the following elements*:

	Note	Office buildings £m	Infrastructure £m	Plant and equipment £m	Assets under construction £m	Total £m
Cost or valuation						
At 1 April 2021		10.2	5,512.3	293.3	1,301.3	7,117.1
Prior period adjustment*		-	(351.1)	(16.4)	-	(367.5)
At 1 April 2021 (restated)		10.2	5,161.2	276.9	1,301.3	6,749.6
Additions		-	43.6	20.3	156.6	220.5
Transfers to intangible assets	12	-	(8.0)	-	(75.7)	(83.7)
Transfers to investment properties	15	-	-	-	(34.4)	(34.4)
Transfers between asset classes		-	907.7	27.2	(934.9)	-
Disposals (restated)		-	(44.1)	(75.9)	(2.9)	(122.9)
Write offs		(9.5)	-	-	-	(9.5)
Revaluation		0.1	-	-	-	0.1
At 31 March 2022		0.8	6,060.4	248.5	410.0	6,719.7
Depreciation						
At 1 April 2021		-	2,662.0	201.4	-	2,863.4
Prior period adjustment*		-	(351.1)	(16.4)	-	(367.5)
At 1 April 2021 (restated)		-	2,310.9	185.0	-	2,495.9
Depreciation charge for the year	4	-	118.1	23.9	-	142.0
Impairment charge for the year	4	-	-	-	20.7	20.7
Transfers to intangible assets	12	-	(0.4)	-	-	(0.4)
Disposals (restated)*		-	(44.3)	(75.9)	-	(120.2)
At 31 March 2022		-	2,384.3	133.0	20.7	2,538.0

The Corporation holds its office buildings at valuation. All other items of property, plant and equipment are held at depreciated cost.

Direct borrowing costs are included in the cost of qualifying assets to the extent that the asset is funded by borrowings. Total borrowing costs capitalised during the year were £nil (2022 £nil). The cumulative borrowing costs capitalised are also £nil (2022 £nil).

At 31 March 2023, the Corporation had capital commitments which are contracted for but not provided for in the financial statements amounting to £64.4m (2022 £43.2m).

In addition, and as described in section b) to this note, the Corporation has entered into an agreement with RiverLinx Limited for Design, Build, Financing and Maintenance of a Silvertown Tunnel, connecting the Greenwich Peninsula and the Royal Docks in London. Our financial obligations to make payments to RiverLinx Limited will start once the tunnel is open, currently planned in early 2025, initially at £65m annually and indexed until the expiry date of the agreement in January 2050

* During the year, management identified £4.4bn of fully depreciated assets that were not derecognised from gross cost and accumulated depreciation in line with the pooled assets accounting policy of the Group (£nil net book value). As this is a prior period error, opening balances as at 1 April 2021 and 1 April 2022 have been restated for infrastructure assets and plant and equipment. There is no impact on the primary statements or other notes to the accounts.

1 April 2021 – £367.5m gross cost and accumulated depreciation adjusted to the opening balance. Made up of £351.1m infrastructure assets and £16.4m plant and equipment.

1 April 2022 – £49.8m gross cost and accumulated depreciation adjusted to disposals in 2021/22. Made up of £44.2m infrastructure assets and £5.6m plant and equipment.

Notes to the Financial Statements

13. Property, plant and equipment (continued)

i) Corporation PFI assets

The net book value above includes the amounts in the table below in respect of PFI assets:

	Infrastructure and office buildings £m	Plant and equipment £m	Total £m
Gross cost	**209.1**	**16.7**	**225.8**
Depreciation	**(101.5)**	**(16.7)**	**(118.2)**
Net book value at 31 March 2023	**107.6**	**-**	**107.6**
Net book value at 31 March 2022	110.1	-	110.1

j) Depreciation charge

The total depreciation charge for the Corporation comprised:

Year ended 31 March	Note	2023 £m	2022 £m
Depreciation of owned assets		**148.5**	139.3
Depreciation of assets held under PFI		**2.7**	2.7
Total depreciation	4	**151.2**	142.0

k) Corporation office buildings and other infrastructure assets held at valuation

The existing use value of owner-occupied office buildings at 31 March 2023 has been arrived at on the basis of a valuation carried out at that date by CBRE, a real estate advisory business not connected with the Group, and by chartered surveyors working for TfL. In determining the existing use value, the capitalisation of net income method and the discounting of future cash flows to their present value has been used. This is based upon various assumptions including the anticipated future rental income, maintenance costs and the appropriate discount rate, making reference to market evidence of transaction prices for similar properties. A deduction is made to reflect purchaser's acquisition costs.

Properties are valued in accordance with the Red Book, RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors.

Notes to the Financial Statements

14. Right-of-use assets and related lease liabilities

This note provides information for leases where the Group and/or Corporation is a lessee. For leases where the Group and/or Corporation is a lessor, see note 19.

As described in note e) to the Accounting Policies, the IASB issued COVID-19-Related Rent Concessions – amendment to IFRS 16 Leases to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the coronavirus pandemic. In a few instances, particularly on property leases, a rent concession in the form of a rent holiday was received in 2020/21. We applied the practical expedient where TfL as a lessee elected not to assess whether a COVID-19-related rent concession from a lessor was a lease modification. This resulted in a remeasurement of the lease liability with a corresponding adjustment to the right-of-use asset.

a) Group right-of-use assets at 31 March 2023 comprised the following elements:

	Note	Infrastructure and office buildings £m	Rolling stock £m	Buses £m	Motor vehicles £m	Other equipment £m	Total £m
Cost or valuation							
At 1 April 2022		**585.3**	**1,546.5**	**1,175.9**	**14.0**	**120.5**	**3,442.2**
Additions		**14.4**	**13.5**	**166.1**	**0.3**	**(1.3)**	**193.0**
Lease terminations		**(1.4)**	**(163.6)**	**-**	**-**	**-**	**(165.0)**
Valuation adjustment		**-**	**(0.9)**	**-**	**-**	**(0.6)**	**(1.5)**
At 31 March 2023		**598.3**	**1,395.5**	**1,342.0**	**14.3**	**118.6**	**3,468.7**
Amortisation							
At 1 April 2022		**116.5**	**405.0**	**650.8**	**8.5**	**51.5**	**1,232.3**
Charge for the year	4	**39.7**	**83.2**	**214.8**	**2.3**	**17.5**	**357.5**
Disposals		**-**	**(75.6)**	**-**	**-**	**-**	**(75.6)**
At 31 March 2023		**156.2**	**412.6**	**865.6**	**10.8**	**69.0**	**1,514.2**
Net book value at 31 March 2023		**442.1**	**982.9**	**476.4**	**3.5**	**49.6**	**1,954.5**
Net book value at 31 March 2022		468.8	1,141.5	525.1	5.5	69.0	2,209.9

b) Group right-of-use assets at 31 March 2022 comprised the following elements:

	Note	Infrastructure and office buildings £m	Rolling stock £m	Buses £m	Motor vehicles £m	Other equipment £m	Total £m
Cost or valuation							
At 1 April 2021		577.5	1,495.7	1,006.6	13.7	119.3	3,212.8
Additions		8.7	44.5	176.5	0.3	6.6	236.6
Lease terminations		-	-	(7.2)	-	(5.4)	(12.6)
Valuation adjustment		(0.9)	6.3	-	-	-	5.4
At 31 March 2022		585.3	1,546.5	1,175.9	14.0	120.5	3,442.2
Amortisation							
At 1 April 2021		77.4	324.4	438.4	5.5	37.6	883.3
Charge for the year	4	39.1	80.6	219.6	3.0	19.3	361.6
Disposals		-	-	(7.2)	-	(5.4)	(12.6)
At 31 March 2022		116.5	405.0	650.8	8.5	51.5	1,232.3

Notes to the Financial Statements

14. Right-of-use assets and related lease liabilities (continued)

c) Group lease liabilities in relation to right-of-use assets

At 31 March	2023 £m	2022 £m
Principal outstanding		
Short-term liabilities	**299.6**	334.1
Long-term liabilities	**1,915.9**	2,102.2
	2,215.5	2,436.3

d) Group maturity analysis of right-of-use lease liabilities

At 31 March	2023 £m	2022 £m
Contractual undiscounted payments due in:		
Not later than one year	**359.5**	365.5
Later than one year but not later than two years	**297.0**	328.4
Later than two years but not later than five years	**555.7**	580.3
Later than five years	**1,898.6**	1,799.6
	3,110.8	3,073.8
Less:		
Present value discount	**(895.3)**	(637.4)
Exempt cashflows	**-**	(0.1)
Present value of minimum lease payments	**2,215.5**	2,436.3

e) Analysis of amounts included in the Group Comprehensive Income and Expenditure Statement

Year ended 31 March	Note	2023 £m	2022 £m
Amortisation of right-of-use assets	4	**357.5**	361.6
Interest payable on right-of-use lease liabilities (before impact of interest rate hedges)		**77.3**	59.5
Expense relating to short-term leases (included in gross expenditure)		**1.5**	3.0
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in gross expenditure)		**0.1**	0.1
Income from sub-leasing right-of-use assets (included in gross income)		**14.8**	12.5

Notes to the Financial Statements

14. Right-of-use assets and related lease liabilities (continued)

f) Analysis of amounts included in the Statement of Cash Flows

The total cash outflow in the Group in respect of leases was £393.4m (2021/22 £376.6m).

g) The Group's leasing activities and how these are accounted for

As a lessee, the Group leases various infrastructure and office buildings, rolling stock, buses, motor vehicles and other equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The accounting for these leases is described within the Accounting Policies, note ac).

h) Future cash flows to which the lessee is potentially exposed that are/are not reflected in the measurement of lease liabilities

Variable lease payments

Most of the Group's infrastructure and office buildings have variable lease payments linked to a consumer price index. Rolling stock contracts have variable lease payments interest linked to a floating rate. When there is a change in cash flows because of the change in consumer price index or change in floating rate, then the lease liability is re-measured to reflect those revised lease payments and corresponding adjustments are made to the right-of-use asset.

Extension and termination options

Some of the Group's lease contracts have extension and termination options. These options and related payments are only included when the Group is reasonably certain that it will exercise these options. At the date of these financial statements, there are no facts and circumstances that create an economic incentive for the Group to extend or terminate the lease.

Leases not yet commenced to which the TfL Group as a lessee is committed

As at 31 March 2023, for one rolling stock contract, a certain number of units of rolling stock had been accepted and leased, but the entire quota in this contract had not yet been received or recognised. The right-of-use asset and the related lease liability in relation to the rolling stock accepted at 31 March 2023 were £215.6m and £245.3m respectively (2022 £226.5m and £248.6m respectively), out of a total commitment of £259.8m (2022 £268.1m) in the contract. Because the contractual payments under these lease arrangements are set at the outset of the contract in relation to the full quota of trains to be received, and the total contractual payments are not linked to the timing of acceptance of specific batches of trains, the Incremental Borrowing Rate at the commencement of the lease has been applied as the rate at which future liabilities relating to all trains under these contracts are discounted, irrespective of the date of their acceptance into use by TfL.

i) Corporation right-of-use assets at 31 March 2023 comprised the following elements:

	Note	Infrastructure and office buildings £m	Other equipment £m	Total £m
Cost or valuation				
At 1 April 2022		430.8	22.3	453.1
Additions		3.6	(3.2)	0.4
At 31 March 2023		434.4	19.1	453.5
Amortisation				
At 1 April 2022		75.5	9.1	84.6
Charge for the year	4	25.3	3.8	29.1
At 31 March 2023		100.8	12.9	113.7
Net book value at 31 March 2023		333.6	6.2	339.8
Net book value at 31 March 2022		355.3	13.2	368.5

Notes to the Financial Statements

14. Right-of-use assets and related lease liabilities (continued)

j) Corporation right-of-use assets at 31 March 2022 comprised the following elements:

	Note	Infrastructure and office buildings £m	Other equipment £m	Total £m
Cost or valuation				
A 1 April 2021		430.8	19.1	449.9
Additions		-	7.0	7.0
Disposals		-	(3.8)	(3.8)
At 31 March 2022		430.8	22.3	453.1
Amortisation				
At 1 April 2021		50.4	8.2	58.6
Charge for the year		25.1	4.7	29.8
Disposals	4	-	(3.8)	(3.8)
At 31 March 2022		75.5	9.1	84.6
Net book value at 31 March 2022		355.3	13.2	368.5

k) Corporation lease liabilities in relation to right-of-use assets

At 31 March	2023 £m	2022 £m
Principal outstanding		
Short-term liabilities	**27.0**	27.0
Long-term liabilities	**341.1**	367.1
	368.1	394.1

l) Corporation maturity analysis of right-of-use lease liabilities

At 31 March	2023 £m	2022 £m
Contractual undiscounted payments due in:		
Not later than one year	**36.7**	37.3
Later than one year but not later than two years	**34.6**	37.0
Later than two years but not later than five years	**99.2**	102.9
Later than five years	**278.8**	307.7
	449.3	484.9
Less:		
Present value discount	**(81.2)**	(90.8)
Present value of minimum lease payments	**368.1**	394.1

m) Analysis of amounts included in the Corporation Comprehensive Income and Expenditure Statement

Year ended 31 March	Note	2023 £m	2022 £m
Amortisation of right-of-use assets	4	**29.1**	29.8
Interest payable on right-of-use lease liabilities		**10.4**	11.0
Expense relating to short-term leases (included in gross expenditure)		**-**	-
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in gross expenditure)		**-**	-
Income from sub-leasing right-of-use assets (included in gross service income)		**-**	-

Notes to the Financial Statements

14. Right-of-use assets and related lease liabilities (continued)

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n) Analysis of amounts included in the Corporation Statement of Cash Flows
The total cash outflow in the Corporation in respect of leases in 2022/23 was £36.7m (2021/22 £37.3m).

o) The Corporation's leasing activities and how these are accounted for
As a lessee, the Corporation leases various office buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The accounting for these leases is described within the Accounting Policies, notes s) and ac).

p) Future cash flows to which the lessee is potentially exposed that are/are not reflected in the measurement of lease liabilities

Variable lease payments

Most of the Corporation's office buildings have variable lease payments linked to a consumer price index. When there is a change in cash flows because of the change in consumer price index or change in floating rate, then the lease liability is remeasured to reflect those revised lease payments and a corresponding adjustment is made to the right-of-use asset.

Extension and termination options

Some of the Corporation's lease contracts have extension and termination options. These options and related payments are only included when the Corporation is reasonably certain that it will exercise these options. At the date of these financial statements, there are no facts and circumstances that create an economic incentive for the Corporation to extend or terminate the lease.

Leases not yet commenced to which the Corporation as a lessee is committed

As at 31 March 2023 the Corporation is not party to any lease arrangements to which the Corporation as a lessee is committed but for which it has not yet recognised any right-of-use asset or liability on the Balance Sheet (2022 none).

q) Peppercorn leases in the Group and Corporation
TfL has a number of leases over property and other transport infrastructure under which it pays £nil or peppercorn rents. It has undertaken an exercise to assess the fair value of the assets leased under these arrangements and has concluded that they have no material value. No amounts have therefore been recorded in these financial statements in respect of these leases.

15. Investment properties

	Note	Group £m	Corporation £m
Valuation			
At 1 April 2021		1,458.7	11.6
Additions		27.2	4.0
Transfers to assets held for sale	22	(10.3)	(0.7)
Transfers from assets held for sale	22	19.5	27.3
Transfers from property, plant and equipment	13	111.3	34.4
Disposals		(18.1)	(9.5)
Fair value adjustments	8	125.0	30.0
At 31 March 2022		1,713.3	97.1
Additions		**20.7**	**1.7**
Transfers to assets held for sale	22	**(3.6)**	**(1.0)**
Net transfers from assets held for sale	22	**4.6**	**1.3**
Transfers from property, plant and equipment	13	**25.8**	**0.4**
Disposals		**(37.3)**	**(0.1)**
Fair value adjustments	8	**(148.9)**	**(12.5)**
At 31 March 2023		**1,574.6**	**86.9**

Notes to the Financial Statements

15. Investment properties (continued)

The fair value of the Group's investment properties at 31 March 2023 has been arrived at on the basis of valuations at that date by CBRE, a real estate advisory business not connected with the Group, and by chartered surveyors working for TfL. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value has been used. This is based upon various assumptions including the anticipated future rental income, maintenance costs and the appropriate discount rate; making reference to market evidence of transaction prices for similar properties. A deduction is made to reflect purchaser's acquisition costs. Values are therefore calculated under level 3 of the fair value hierarchy. In estimating fair value, the highest and best use of the properties is assumed to be their current use. There were no transfers of properties in or out of level 3 of the fair value hierarchy during the year (2021/22 none).

Properties are valued annually in accordance with the Red Book, RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors.

In order to create a consolidated commercial property portfolio, assets previously held at a depreciated historical cost value within property, plant and equipment, have been identified and transferred into a designated investment portfolio alongside a range of existing investment properties. In addition, the creation of new lease structures allowed the recognition, for the first time, of newly separable investment property assets which have been recorded at fair value at the date of creation of the lease structure. These assets have been combined into a vehicle to deliver homes under the Mayor's Transport Strategy, and a growing sustainable income stream, as well as to facilitate the ability to generate both debt and equity to fund capital requirements. In the year to 31 March 2023, a total net loss of £149.0m (including movements on investment properties held for sale) was recognised for the Group (2021/22 a net revaluation gain of £142.4m). Of this, a gain of £6.0m (2021/22 £49.0m) in relation to the initial valuation of newly created assets was recognised within other comprehensive income. The remaining £155.0m net loss (2021/22 £93.4m net gain) relating to movements in the valuation of assets already held at valuation has been reflected within financing income/expenditure.

Rental income earned in relation to investment properties is disclosed in note 1. Operating expenditure for the year in respect of investment properties totalled £32.7m for the Group (2021/22 £39.8m).

Information about the impact of changes in unobservable inputs (level 3) on the fair value of the Group's investment portfolio is set out in the table below.

All other factors being equal:

- A higher equivalent yield or discount rate would lead to a decrease in the valuation of an asset
- An increase in the current or estimated future rental stream would have the effect of increasing the capital value

However, there are interrelationships between the unobservable inputs which are partially determined by market conditions, which would impact on these changes.

Notes to the Financial Statements
15. Investment properties (continued)

Information about fair value measurements for the TfL Group using unobservable inputs (level 3) for the year ended 31 March 2023

		Estimated value £m Yield shift (0.5)%	% change from baseline Yield shift (0.5)%	Estimated value £m Yield shift (0.25)%	% change from baseline Yield shift (0.25)%	**Estimated value £m Yield shift 0.0%**	**% change from baseline Yield shift 0.0%**	Estimated value £m Yield shift 0.25%	% change from baseline Yield shift 0.25%	Estimated value £m Yield shift 0.5%	% change from baseline Yield shift 0.5%
Estimated rental value	**(10)%**	1,630.5	3.55	1,542.5	(2.04)	**1,464.4**	**(7.00)**	1,436.8	(8.75)	1,354.2	(14.00)
	(5)%	1,693.5	7.55	1,601.4	1.70	**1,519.6**	**(3.49)**	1,491.0	(5.31)	1,404.7	(10.79)
	0%	1,756.0	11.52	1,659.6	5.40	**1,574.6**	**0.00**	1,545.3	(1.86)	1,455.1	(7.59)
	5%	1,818.5	15.49	1,718.7	9.15	**1,630.3**	**3.54**	1,599.3	1.57	1,505.3	(4.40)
	10%	1,881.2	19.47	1,777.3	12.87	**1,685.6**	**7.05**	1,653.6	5.02	1,556.0	(1.18)

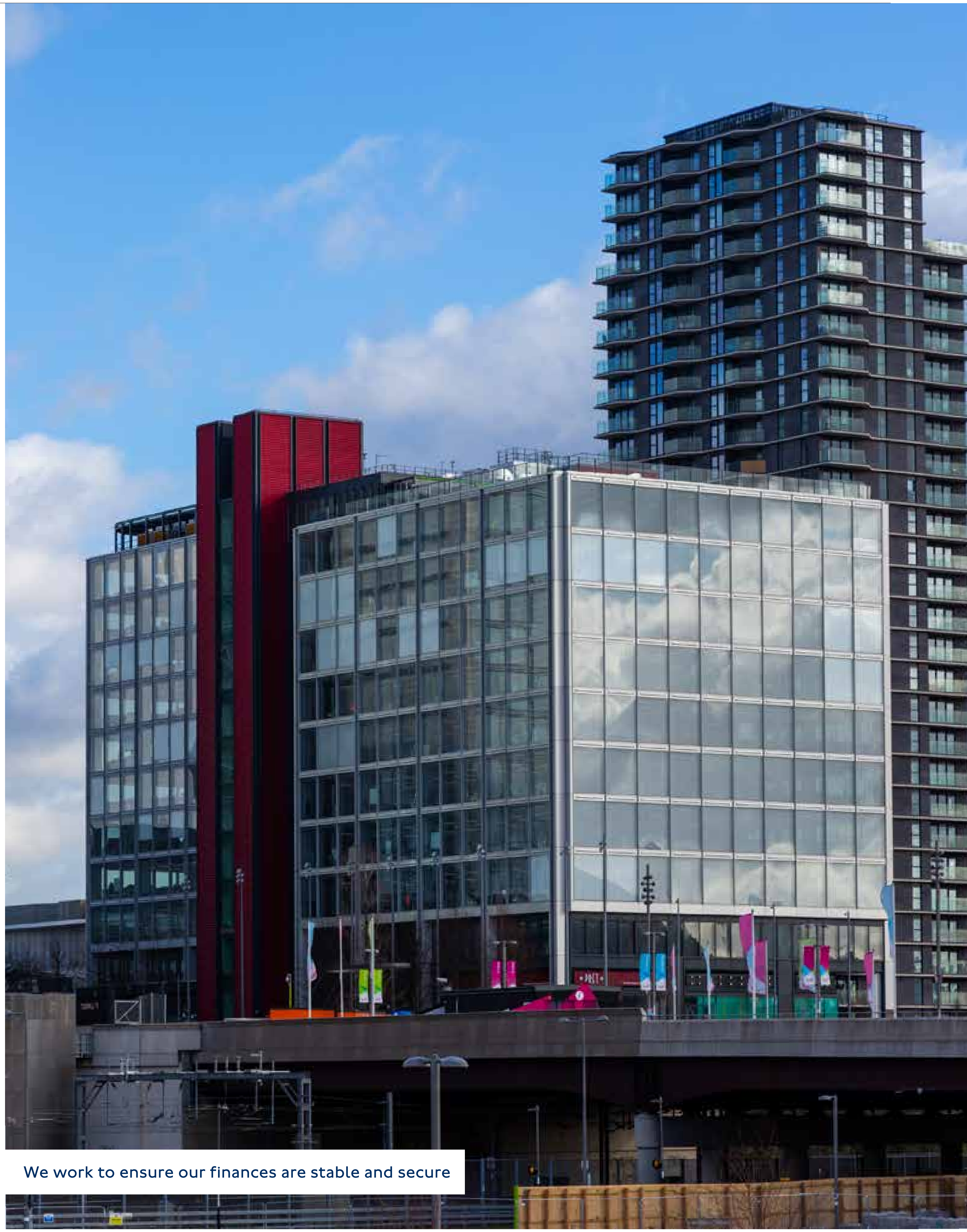
The table above shows the sensitivity of the valuation of the investment property portfolio to a five or 10 per cent increase/(decrease) in estimated rental values, combined with a 0.5 or 0.25 per cent increase/(decrease) in yield from the baseline assumptions used to calculate the values as recorded in these accounts.

Notes to the Financial Statements
16. Investments in subsidiaries

Cost	Corporation 2023 £m	Corporation 2022 £m
At 1 April	**12,782.5**	12,222.5
Investments in year	**280.0**	560.0
At 31 March	**13,062.5**	12,782.5

During the year, the Corporation increased its investment in the ordinary share capital of Transport Trading Limited (TTL) by £280m (2021/22 £560m). TTL subsequently increased its investment in the ordinary share capital of Crossrail Limited by £280m.

The Group holds 100 per cent of the share capital of all subsidiaries. All companies listed in the table below, with the exception of London Transport Insurance (Guernsey) Limited, are registered in England and Wales; and their financial statements are lodged at Companies House and also at the Charity Commission for London Transport Museum Limited. London Transport Insurance (Guernsey) Limited is registered in Guernsey.



We work to ensure our finances are stable and secure

Notes to the Financial Statements
16. Investments in subsidiaries (continued)

The Group's subsidiaries are:

Subsidiaries	Principal activity
City Airport Rail Enterprises Limited	Dormant company
Crossrail 2 Limited	Dormant company
Crossrail Limited	Construction of Crossrail infrastructure
Docklands Light Railway Limited	Passenger transport by rail
London Bus Services Limited	Passenger transport by bus
London Buses Limited	Dial-a-Ride services
London Dial-a-Ride Limited	Dormant company
London River Services Limited	Pier operator
London Transport Insurance (Guernsey) Limited	Insurance
London Transport Museum (Trading) Limited	Trading company
London Transport Museum Limited	Charitable company
London Underground Limited	Passenger transport by underground train
LUL Nominee BCV Limited	Dormant company
LUL Nominee SSL Limited	Dormant company
Rail for London Limited	Passenger transport by rail
Rail for London (Infrastructure) Limited	Infrastructure manager for the Crossrail Central Operating Section
TfL Trustee Company Limited	Pension Fund Trustee
Tramtrack Croydon Limited	Passenger transport by light rail

Subsidiaries	Principal activity
Transport for London Finance Limited	Manages financial risk of the Group
Transport Trading Limited	Holding company
TTL Blackhorse Road Properties Limited	Holding company
TTL Build to Rent Limited	Holding company
TTL Earls Court Properties Limited	Holding company
TTL Office Properties Limited	Dormant company
TTL Kidbrooke Properties Limited	Holding company
TTL Landmark Court Properties Limited	Holding company
TTL Northwood Properties Limited	Dormant company
TTL Properties Limited	Property investment and development
TTL Southwark Properties Limited	Property investment
TTL South Kensington Properties Limited	Property investment
TTL Wembley Park Properties Limited	Holding company
TTL West London Properties Limited *	Holding company
Tube Lines Limited	Maintenance of underground lines
Tube Lines Pension Scheme Trustees Limited	Pension Fund Trustee
Victoria Coach Station Limited	Coach station
Woolwich Arsenal Rail Enterprises Limited	Dormant company

* Incorporated during the year

Notes to the Financial Statements

17. Investment in joint ventures

a) Connected Living London (BTR) Limited
In 2019/20, the Group via its subsidiary, TTL Build to Rent Limited, acquired a 49 per cent interest in a joint arrangement called Connected Living London (BTR) Limited (CLL), which was set up as a partnership together with Grainger Plc, to fund the development of a major build to rent portfolio across London. The registered office address of CLL is Citygate, St James Boulevard, Newcastle Upon Tyne, Tyne & Wear, United Kingdom, NE1 4JE.

As the Group has joint control over the net assets and operations of its investment through equal representation on the board and equal voting rights, it has equity accounted for its investment as a joint venture in these consolidated financial statements. The financial year end of CLL is 30 September.

During 2022/23, the Group made no additional investment in the equity of CLL (2021/22 £2.8m). Summarised financial information in respect of the Group's investment is set out below. Amounts presented are taken from unaudited management accounts made up to 31 March.

Balance Sheet of Connected Living London (BTR) Limited at the 100 per cent level

At 31 March	Group 2023 £m	Group 2022 £m
Long-term assets		
Investment property under construction	80.3	17.9
	80.3	17.9
Current assets		
Cash	9.6	4.5
Other short-term assets	0.5	-
	10.1	4.5
Current liabilities		
Other short-term liabilities	(0.1)	(2.9)
	(0.1)	(2.9)
Long-term liabilities		
Borrowings	-	-
Other long-term liabilities	-	-
	-	-

Reconciliation of net assets to amounts included in the consolidated Group accounts

At 31 March	Group 2023 £m	Group 2022 £m
Net assets at 100%	90.3	19.5
Percentage held by the TfL Group	49%	49%
Carrying amount of the Group's equity interest in CLL	44.1	9.6

Notes to the Financial Statements

17. Investment in joint ventures (continued)

Group share of comprehensive income and expenditure of CCL

Year ended 31 March	Group 2023 £m	Group 2022 £m
Group share of loss from continuing operations	(0.7)	(1.7)
Group share of other comprehensive income	-	-
Total Group share of comprehensive income and expenditure for the year	**(0.7)**	(1.7)

The share of loss from continuing operations reflects administrative expenditure relating to the operations of the company.

b) Kidbrooke Partnership LLP

The Group, through its subsidiary, TTL Kidbrooke Properties Limited, holds a 49 per cent holding in the members' interest of Kidbrooke Partnership LLP (KP LLP), a property development partnership. Through a combination of its voting rights, Board representation and other rights embedded in the relevant management agreements, the Group is assessed as having joint control. The investment has therefore been accounted for as a joint venture using the equity method in these financial statements.

KP LLP has a 299 year lease over the land lying to the South East of Kidbrooke Park Road and is developing the site as a mixed use development incorporating affordable housing. The financial year end of KP LLP is 31 March.

During 2022/23 the Group had no additional investment in the equity of KP LLP (2021/22 £nil). Summarised financial information in respect of the Group's investment in KP LLP is set out below. Amounts presented are taken from unaudited management accounts made up to 28 February.

Balance Sheet of Kidbrooke Partnership LLP at the 100 per cent level

At 31 March	Group 2023 £m	Group 2022 £m
Current assets		
Cash	**2.0**	8.9
Other short-term assets	**39.7**	31.0
	41.7	39.9
Current liabilities		
Other short-term liabilities	**(4.4)**	(2.5)
	(4.4)	(2.5)

Reconciliation of net assets to amounts included in the consolidated Group accounts

At 31 March	Group 2023 £m	Group 2022 £m
Net assets at 100%	**37.3**	37.4
Percentage held by the TfL Group	**49%**	49%
Carrying amount of the Group's equity interest in KP LLP	**18.2**	18.3

Group share of comprehensive income and expenditure of Kidbrooke Partnership LLP

Year ended 31 March	Group 2023 £m	Group 2022 £m
Group share of loss from continuing operations	**(0.1)**	(0.1)
Group share of other comprehensive income	-	-
Total Group share of comprehensive income and expenditure for the year	**(0.1)**	(0.1)

Notes to the Financial Statements

17. Investment in joint ventures (continued)

c) Blackhorse Road Properties LLP
In 2019/20, the Group acquired a 49 per cent holding in the members' interest of Blackhorse Road Properties LLP (BRP LLP), a newly created property development partnership, for a cash consideration of £11.3m. The investment was purchased through a newly incorporated subsidiary of the Group, TTL Blackhorse Road Properties Limited. Through a combination of its voting rights, Board representation and other rights embedded in the relevant management agreements, the Group is assessed as having joint control. The investment has therefore been accounted for as a joint venture using the equity method.

During 2019/20, the Group granted a 999 year lease over land at Blackhorse Road to BRP LLP for a consideration of £15.9m. The financial year end of BRP LLP is 30 June.

Summarised financial information in respect of the Group's investment in BRP LLP is set out below. Amounts presented are taken from unaudited management accounts made up to 28 February.

Balance sheet of BRP LLP at the 100 per cent level

At 31 March	Group 2023 £m	Group 2022 £m
Current assets		
Cash	2.5	21.3
Other short-term assets	1.5	21.5
	4.0	42.8
Current liabilities		
Other short-term liabilities	(2.4)	(8.2)
	(2.4)	(8.2)

Reconciliation of net assets to amounts included in the consolidated Group accounts

At 31 March	Group 2023 £m	Group 2022 £m
Net assets at 100%	1.6	34.6
Percentage held by the TfL Group	49%	49%
Carrying amount of the Group's equity interest in BRP LLP	0.8	17.0

Group share of comprehensive income and expenditure of BRP LLP

Year ended 31 March	Group 2023 £m	Group 2022 £m
Group share of profit from continuing operations	7.2	7.3
Group share of other comprehensive income	-	-
Total Group share of comprehensive income and expenditure for the year	7.2	7.3

17. Investment in joint ventures (continued)

d) Landmark Court Partnership Limited
In 2021/22 the Group acquired a 49 per cent holding in the members' interest of Landmark Court Partnership Limited (LCP Limited), a newly created property development partnership, for a cash consideration of £1. The investment was purchased through a newly incorporated subsidiary of the Group, TTL Landmark Court Properties Limited. Through a combination of its voting rights, Board representation and other rights embedded in the relevant management agreements, the Group is assessed as having joint control. The investment has therefore been accounted for as a joint venture using the equity method.

During 2021/22, the Group granted a 299 year lease over land at Liberty, Southwark site, at 15-33 Southwark Street to LCP Limited for a consideration of £41.8m. The financial year end of LCP Limited is 31 March.

Summarised financial information in respect of the Group's investment in LCP Limited is set out below. Amounts presented are taken from unaudited management accounts made up to 31 March.

Balance sheet of LMCP at the 100 per cent level

At 31 March	Group 2023 £m	Group 2022 £m
Current assets		
Cash	-	1.3
Other short-term assets	24.9	46.5
	24.9	47.8
Current liabilities		
Other short-term liabilities	(15.3)	(38.2)
	(15.3)	(38.2)

Reconciliation of net assets to amounts included in the consolidated Group accounts

At 31 March	Group 2023 £m	Group 2022 £m
Net assets at 100%	9.6	9.6
Percentage held by the TfL Group	49%	49%
Net assets at 49%	4.7	4.7
Adjustment for distribution of land receipt*	-	(2.3)
Carrying amount of the Group's equity interest in BRP LLP	4.7	2.4

Group share of comprehensive income and expenditure of LMCP Limited

Year ended 31 March	Group 2023 £m	Group 2022 £m
Group share of profit from continuing operations adjusted for distribution of land receipt	2.3	2.4
Group share of other comprehensive income	-	-
Total Group share of comprehensive income and expenditure for the year	2.3	2.4

* Available profits in relation to the land receipt are distributed at 25 per cent to TTL Landmark Court Properties Limited

Notes to the Financial Statements

17. Investment in joint ventures (continued)

e) Wembley Park LLP
In 2022/23, the Group acquired a 49 per cent holding in the member's interest of Wembley Park Properties LLP (WPP LLP), a newly created property development partnership, for a cash consideration of £12m. The investment was purchased through a newly incorporated subsidiary of the Group, TTL Wembley Park Properties Limited. Through a combination of its voting rights, Board representation and other rights embedded in the relevant management agreements, the Group is assessed as having joint control. The investment has therefore been accounted for as a joint venture using the equity method.

During 2022/23, the Group granted a 999 year lease over land at Wembley Park station car park to WPP LLP for a consideration of £16.25m. The financial year end of WPP LLP is 30 June.

Summarised financial information in respect of the Group's investment in WPP LLP is set out below. Amounts presented are taken from unaudited management accounts made up to 31 March.

Balance sheet of Wembley Park Properties LLP at the 100 per cent level

At 31 March	Group 2023 £m	Group 2022 £m
Long-term assets		
Investment property under construction	-	-
	-	-
Current assets		
Cash	7.9	-
Other short-term assets	23.3	-
	31.2	-
Current liabilities		
Other short-term liabilities	(6.7)	-
	(6.7)	-
Long-term liabilities		
Borrowings	-	-
Other long-term liabilities	-	-
	-	-

Reconciliation of net assets to amounts included in the consolidated Group accounts

At 31 March	Group 2023 £m	Group 2022 £m
Net assets at 100%	24.5	-
Percentage held by the TfL Group	49%	-
Carrying amount of the Group's equity interest in Wembley Park	11.9	-

Group share of comprehensive income and expenditure of Wembley Park Properties LLP

Year ended 31 March	Group 2023 £m	Group 2022 £m
Group share of loss from continuing operations	-	-
Group share of other comprehensive income	-	-
Total Group share of comprehensive income and expenditure for the year	-	-

Notes to the Financial Statements

18. Investment in associated undertakings

a) Earls Court Partnership Limited
The Group holds a 37 per cent holding in the ownership and voting rights of Earls Court Partnership Limited (ECP), a property development company incorporated in England and Wales. Through its voting rights and representation on the Board of Directors of ECP, the Group has significant influence but not control over the relevant activities of ECP. The Group's investment is therefore accounted for using the equity method in these consolidated accounts.

The Group has invested share capital and non-interest bearing loans into ECP. The loan notes are non-interest bearing and have no fixed repayment date. They have therefore been treated in these financial statements as an investment in the equity of ECP. As at 31 March 2023 the Group had invested £44.4m (2022 £44.4m) in share capital and a further £433.9m (2022 £423m) in loan notes.

The financial year end of ECP is 31 December. For the purposes of applying the equity method of accounting, the management accounts of ECP at 31 March 2023 have been used (2021/22: financial statements of ECP for the year ended 31 December 2021). In the prior year, there were no material movements between 31 December 2021 and 31 March 2022.

Summarised financial information in respect of the Group's investment in ECP is set out below:

Balance Sheet of Earls Court Partnership Limited at the 100 per cent level

At 31 March (2021/22 31 December)	Group 2023 £m	Group 2022 £m
Current assets	17.6	8.1
Long-term assets	541.2	596.0
Current liabilities	(9.5)	(1.7)
Long-term liabilities	(98.3)	(74.7)

Reconciliation of net assets to amounts included in the consolidated Group accounts

	Group 2023 £m	Group 2022 £m
Net assets at 100% at 31 March (2021/22: 31 December)	451.0	527.7
Percentage held by the TfL Group	37%	37%
TfL Group share of net assets at 31 March (2021/22: 31 December)	166.7	195.3
Investment in equity loan notes between 31 December and 31 March	-	2.2
Carrying amount of the Group's equity interest in Earls Court Partnership Limited at 31 March	166.7	197.5

Group share of comprehensive income and expenditure of Earls Court Partnership Limited

Year ended 31 March	Group 2023 £m	Group 2022 £m
Group share of (loss)/profit from continuing operations	(41.5)	24.0
Group share of other comprehensive income	-	-
Total Group share of comprehensive income and expenditure for the year	(41.5)	24.0

Notes to the Financial Statements

19. Finance lease receivables

Group finance lease receivables

The Group leases certain items of plant and equipment related to its media activities to a third party under a finance lease arrangement.

Finance lease receivables on the Balance Sheet are calculated as the present value of minimum lease payments outstanding. Interest is accrued at a rate of 6.29 per cent per annum.

As at 31 March	2023 £m	2022 £m
Principal outstanding		
Short-term	**5.2**	13.8
Long-term	**9.1**	23.2
	14.3	37.0

As at 31 March	2023 £m	2022 £m
Principal outstanding		
At 1 April	**37.0**	44.0
Additions	**0.5**	8.7
Interest	**0.8**	(1.9)
Lease terminations	**(4.1)**	-
Repayments	**(19.9)**	(13.8)
	14.3	37.0

At 31 March	2023 £m	2022 £m
Minimum cash receipts in:		
Not later than one year	**5.2**	14.7
Later than one year but not later than five years	**10.6**	23.7
	15.8	38.4
Less unearned finance income	**(1.5)**	(1.4)
	14.3	37.0

20. Inventories

As at 31 March	Group 2023 £m	Group 2022 £m
Raw materials and consumables	**77.9**	57.3
Goods held for resale	**0.8**	0.8
	78.7	58.1

There is no material difference between the balance sheet value of Group inventories and their net realisable value. The Corporation had no inventories as 31 March 2023 or 31 March 2022.

The movement on inventories was as follows:

	Group £m
Balance at 1 April 2021	51.5
Purchases in the year	78.0
Recognised as an expense in the year:	
Consumed/sold in the year	(70.1)
Goods sold in the year	(1.2)
Net write offs in the year	(0.1)
Balance at 31 March 2022	58.1
Purchases in the year	**120.7**
Recognised as an expense in the year:	
Consumed in the year	**(90.1)**
Goods sold in the year	**(0.5)**
Net write offs in the year	**(9.5)**
Balance at 31 March 2023	**78.7**

Notes to the Financial Statements
21. Debtors

At 31 March	Group 2023 £m	Group 2022 £m
Short-term		
Trade debtors	133.7	133.7
Capital debtors	3.2	55.3
Other debtors	39.2	28.0
Other tax and social security	200.6	62.4
Grant debtors	87.9	48.2
Interest debtors	3.2	2.6
Contract assets: accrued income	53.0	40.6
Prepayments for goods and services	152.5	152.9
	673.3	523.7
Long-term		
Other debtors	40.2	45.1
Prepayments for goods and services	20.0	27.1
	60.2	72.2

Trade debtors are non-interest bearing and are generally paid within 28 days.

As at 31 March 2023, £994.7m (2022 £607.8m) was recognised as a provision for expected credit losses on trade and other debtors (see note 34).

Contract asset balances represent accrued income recognised where balances have not yet been invoiced to the customer. Upon completion of the terms of the contract and agreement with the customer/third party contributor, the amounts recognised as contract assets are reclassified to trade debtors.

Grant debtors represent grant income where cash has not yet been received.

At 31 March	Corporation 2023 £m	Corporation 2022 £m
Short-term		
Trade debtors	57.8	51.5
Amounts due from subsidiary companies	171.8	128.7
Capital debtors	2.3	0.5
Other debtors	3.7	7.3
Other tax and social security	9.0	10.8
Grant debtors	74.6	30.4
Interest debtors	2.9	0.2
Contract assets: accrued income	18.1	11.5
Prepayments for goods and services	26.2	22.0
	366.4	262.9
Long-term		
Loans made to subsidiary companies	12,290.9	12,325.9
Other debtors	28.4	26.4
Prepayments for goods and services	7.6	8.6
	12,326.9	12,360.9

Trade debtors are non-interest bearing and are generally paid within 28 days. As at 31 March 2023, £965.7m (2022 £580.2m) was recognised as a provision for expected credit losses on trade debtors (see Note 34).

Contract assets balances represent accrued income recognised where balances have not yet been invoiced to the customer. Upon completion of the terms of the contract, the amounts recognised as contract assets are reclassified to trade debtors.

Long-term loans made to subsidiary companies are interest-bearing loans, primarily representing the pass-down of external third-party borrowings to the subsidiaries that hold the assets which have been funded by that borrowing. These loans accrue market rates of interest reflecting rates achieved on debt issued to third parties by the Corporation. The average rate of interest accruing on loans outstanding at 31 March 2023 was 3.5 per cent (2022 3.1 per cent).

22. Assets held for sale

	Note	Group £m	Corporation £m
Balance at 1 April 2021		95.5	17.5
Assets newly classified as held for sale			
Property, plant and equipment	13	83.4	-
Investment properties	15	10.3	0.7
Net assets transferred from held for sale to investment property			
Investment properties	15	(19.5)	(27.3)
Revaluation gains/(losses)			
Investment properties		17.4	21.3
Disposals			
Investment properties		(26.2)	(0.1)
Balance at 31 March 2022		160.9	12.1
Assets newly classified as held for sale			
Investment properties	15	3.6	1.0
Net assets transferred from held for sale to investment property			
Investment properties	15	**(4.6)**	**(1.3)**
Revaluation gains/(losses)			
Investment properties		**(0.1)**	**(1.5)**
Disposals			
Property, plant and equipment		**(83.3)**	**-**
Investment properties		**(22.8)**	**-**
Transfers to subsidiary undertakings			
Investment properties		**-**	**(7.3)**
Balance at 31 March 2023		**53.7**	**3.0**

As at 31 March 2023, certain development sites and surplus land were being actively marketed for sale. Disposals are expected to complete within the next 12 months, or, where agreements to sell have already been put in place, in line with the timing of those agreements.

23. Other investments

At 31 March	Group 2023 £m	Group 2022 £m
Short-term		
Investments held at amortised cost	**15.0**	19.0

At 31 March	Corporation 2023 £m	Corporation 2022 £m
Short-term		
Investments held at amortised cost	**-**	-

Short-term investments comprise fixed deposits, UK treasury bills and other tradeable instruments with a maturity of greater than three but less than 12 months.

Notes to the Financial Statements

24. Cash and cash equivalents

At 31 March	Group 2023 £m	Group 2022 £m
Cash at bank	**285.3**	201.6
Short-term investments with a maturity of less than three months	**1,090.0**	1,177.6
Cash in hand and in transit	**12.2**	11.0
	1,387.5	1,390.2

At 31 March	Corporation 2023 £m	Corporation 2022 £m
Cash at bank	**41.3**	54.2
Short-term investments with a maturity of less than three months	**1,090.0**	1,177.6
	1,131.3	1,231.8

Short-term investments comprise fixed deposits, UK treasury bills, repo and other tradeable instruments. These are classified as cash and cash equivalents as they have a maturity of less than three months.

25. Creditors

a) Group creditors at 31 March comprised:

	Group 2023 £m	Group 2022 £m
Short-term		
Trade creditors	**225.0**	208.6
Accrued interest	**106.4**	111.2
Capital works	**666.4**	555.6
Retentions on capital contracts	**5.5**	5.6
Capital grants received in advance	**43.4**	40.1
Wages and salaries	**161.8**	122.3
Other taxation and social security creditors	**57.5**	47.5
Contract liabilities: receipts in advance for Travelcards, bus passes and Oyster cards	**185.9**	120.9
Contract liabilities representing other deferred income	**54.0**	59.1
Accruals and other payables	**600.4**	576.0
	2,106.3	1,846.9
Long-term		
Capital grants received in advance	**4.1**	10.5
Retentions on capital contracts	**(2.0)**	(0.1)
Contract liabilities representing other deferred income	**29.0**	29.1
Accruals and other payables	**56.5**	42.8
	87.6	82.3

Notes to the Financial Statements

25. Creditors (continued)

The level of outstanding long-term liabilities as at 31 March 2023 are broadly consistent with the prior year.

The performance obligations related to deferred income balances recorded as at 31 March 2023, which are expected to be met in more than one year, relate to:

i. License revenue and funding received from developers for improvements to bus services, which together total £22.2m (2022 £21.5m), of which £20.1m (2022 £8.2m) relates to obligations that are to be satisfied within one to three years, and £1.5m (2022 £6.9m) within three to five years and £0.6m (2022 £6.4m) over five years

ii. Maintenance income of £5.2m (2022 £7.5m) expected to be released over 30 years

iii. Other miscellaneous contracts, together totalling £1.5m (2022 £0.1m)

Set out below is the amount of revenue recognised by the Group during the year from:

Year ended 31 March	Group 2023 £m	Group 2022 £m
Amounts included in contract liabilities at 1 April	43.0	163.0
Performance obligations satisfied in previous years	-	-

b) Corporation creditors at 31 March comprised:

At 31 March	Corporation 2023 £m	Corporation 2022 £m
Short term		
Trade creditors	85.6	56.0
Accrued interest	106.4	111.1
Capital works	131.3	91.3
Capital grants received in advance	24.3	30.1
Amounts due to subsidiary companies	266.1	46.3
Wages and salaries	46.5	20.5
Other taxation and social security creditors	4.5	0.7
Contract liabilities representing other deferred income	17.1	23.7
Accruals and other payables	165.8	178.4
	847.6	558.1
Long-term		
Capital grants received in advance	0.9	7.7
Retentions on capital contracts	0.3	(0.1)
Contract liabilities representing other deferred income	16.1	16.7
Accruals and other payables	34.9	30.1
	52.2	54.4

Total long-term contract liabilities balances in the Corporation are broadly consistent with the prior year.

25. Creditors (continued)

At 31 March 2023, the significant balance of remaining performance obligations in relation to contract liabilities expected to be recognised in more than one year, relate to:

i. License revenue totalling £9.4m (2022 £9.2m), of which £9.4m is expected to be satisfied within five years (2022 £8.9m) and £nil (2022 £0.3m) over five years

ii. Maintenance income of £5.2m (2022 £7.5m) is expected to be released over 30 years

iii. Other miscellaneous contracts totalling £1.5m (2022 £nil)

Set out below is the amount of revenue recognised during the year from:

Year ended 31 March	Corporation 2023 £m	Corporation 2022 £m
Amounts included in contract liabilities at 1 April	9.4	11.9
Performance obligations satisfied in previous years	-	-

26. Borrowings and overdrafts

At 31 March	Group 2023 £m	Group 2022 £m
Short-term		
Borrowings	693.7	1,423.0
Long-term		
Borrowings	12,216.6	11,543.3

At 31 March	Corporation 2023 £m	Corporation 2022 £m
Short-term		
Borrowings	693.7	1,423.0
Long-term		
Borrowings	12,221.5	11,547.3

Further information about the maturity and interest rate profiles of the Group and Corporation's borrowings is provided in note 34 (Funding and financial risk management).

We have direct access to the UK Debt Management Office (DMO) via the Public Works Loan Board (PWLB) and a £2bn Commercial Paper programme in place, with both sources utilised throughout the financial year to manage liquidity requirements. Additionally, we have a £750m loan facility, with the DfT, ringfenced for the purposes of the Crossrail project, of which we repaid £35m during the year.

Notes to the Financial Statements
26. Borrowings and overdrafts (continued)

Changes in liabilities arising from financing activities

	Group 2023 £m	Group 2022 £m
Balance at 1 April		
Short-term	**1,774.1**	1,543.5
Long-term	**13,858.2**	14,179.3
	15,632.3	15,722.8
Borrowings drawn down	**1,661.0**	801.9
Net repayment of other financing liabilities	**(6.4)**	(6.2)
Repayment of borrowings	**(1,720.7)**	(803.7)
Repayment of PFI liabilities	**(10.6)**	(10.0)
Repayment of right-of-use lease liabilities	**(322.9)**	(314.8)
Non-cash increase in right-of-use lease liabilities	**102.1**	242.0
Other movements*	**3.7**	0.3
At 31 March	**15,338.5**	15,632.3
Short term	**1,014.2**	1,774.1
Long term	**14,324.3**	13,858.2
	15,338.5	15,632.3

During the year, the Group early redeemed bonds with a nominal value of £715.5m for consideration of £669.2m resulting in the recognition of £46.3m premium received on settlement.

* Other movements are non-cash and relate to the unwind of discounts and fees

Changes in liabilities arising from financing activities

	Corporation 2023 £m	Corporation 2022 £m
Balance at 1 April		
Short-term	**1,460.6**	1,234.4
Long-term	**12,005.4**	12,262.5
	13,466.0	13,496.9
Borrowings drawn down	**1,661.0**	801.9
Repayment of borrowings	**(1,720.7)**	(803.7)
Repayment of PFI lease liabilities	**(10.6)**	(9.6)
Repayment of right-of-use lease liabilities	**(26.4)**	(26.4)
Non-cash increase in right-of-use-lease liabilities	**0.4**	7.0
Other movements	**4.6**	(0.1)
At 31 March	**13,374.3**	13,466.0
Short-term	**735.0**	1,460.6
Long-term	**12,639.3**	12,005.4
	13,374.3	13,466.0

Notes to the Financial Statements
27. Private finance initiative contracts

Private Finance Initiative contracts
The Group is party to the following PFI arrangements where the Group controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement. These arrangements are treated as service concession arrangements and, as stipulated by the Code, are accounted for in accordance with IPSAS 32 Service Concession Arrangements – Grantor (IPSAS 32).

The Group therefore recognises PFI assets as items of plant, property and equipment together with a liability to pay for them (see note 13 for details of PFI assets). The fair values of services received under the contract are recorded as operating expenses.

The unitary charge is apportioned between the repayment of the liability, financing costs and charges for services. The service is recognised as an expense in net operating costs and the finance costs are charged to financial expenses in the Comprehensive Income and Expenditure Statement.

Contract	Contract dates	Description
TfL		
A13 Thames Gateway contract	2000 to 2030	Design and construction of improvements to the A13 infrastructure (including communication and traffic signals systems) and ongoing maintenance and operation of the A13 between Butcher Row and Wennington. The contract requires TfL to make an annual unitary payment, charged monthly and calculated according to the service provided by the concession company and the payment mechanisms defined in the contract.
London Underground Limited (LU)		
British Transport Police (London Underground)	1999 to 2022	Provision and ongoing management and maintenance of operational infrastructure to support efficient policing of the Jubilee Line Extension and the delivery of the long-term policing strategy for LU. The contract requires LU to make a base annual unitary payment which is adjusted for indexation and performance as specified in the contract. The contract expired in March 2022.

Our partners help ensure our network is safe and secure

Notes to the Financial Statements

27. Private finance initiative contracts (continued)

PFI finance lease liabilities

	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
At 1 April	101.6	111.6	101.6	111.2
Payments	(15.0)	(14.9)	(15.0)	(14.4)
Interest	4.4	4.9	4.4	4.8
At 31 March	91.0	101.6	91.0	101.6

Group

Amounts payable under the PFI arrangements cover payments for repayment of capital, payments of interest and payment of service charges. The total amount payable breaks down as follows:

	Payments of interest £m	Repayment of capital £m	Payments for service charges £m	Total amount payable under non-cancellable PFI arrangements £m
At 31 March 2023				
Less than 1 year	4.0	14.3	30.2	48.5
Between 1 and 5 years	9.1	64.1	126.0	199.2
Between 6 and 10 years	0.8	12.6	47.3	60.7
	13.9	91.0	203.5	308.4
At 31 March 2022				
Less than 1 year	4.4	10.6	34.3	49.3
Between 1 and 5 years	11.9	64.7	127.6	204.2
Between 6 and 10 years	1.9	26.3	76.0	104.2
	18.2	101.6	237.9	357.7

Corporation

Amounts payable under the PFI arrangements cover payments for repayment of capital, payments of interest and payment of service charges. The total amount payable breaks down as follows:

	Payments of interest £m	Repayment of capital £m	Payments for service charges £m	Total amount payable under non-cancellable PFI arrangements £m
At 31 March 2023				
Less than 1 year	4.0	14.3	30.2	48.5
Between 1 and 5 years	9.1	64.1	126.0	199.2
Between 6 and 10 years	0.8	12.6	47.3	60.7
	13.9	91.0	203.5	308.4
At 31 March 2022				
Less than 1 year	4.4	10.6	34.3	49.3
Between 1 and 5 years	11.9	64.7	127.6	204.2
Between 6 and 10 years	1.9	26.3	76.0	104.2
	18.2	101.6	237.9	357.7

Notes to the Financial Statements

28. Other financing liabilities

Group other financing liabilities at 31 March comprised:

	Group 2023 £m	Group 2022 £m
Short-term		
Deferred capital payments	**6.6**	6.4
Long-term		
Deferred capital payments	**115.1**	121.7

Other financing liabilities comprise deferred capital payments in respect of the acquisition of property, plant and equipment. Gross payments with a nominal value of £141.3m (2022 £151.7m) fall due over the period to March 2033. These have been discounted back at an effective rate of interest of 3.2 per cent (2022 3.2 per cent) to the present value recorded in the table above.

29. Provisions

a) Group provisions

	At 1 April 2022 £m	Payments in the year £m	Charge for the year £m	Releases in the year £m	At 31 March 2023 £m
Compensation and contractual	70.4	(8.0)	45.3	(15.3)	**92.4**
Capital investment activities	58.5	(10.6)	2.4	(0.5)	**49.8**
Environmental harm	7.8	(1.1)	3.8	(0.4)	**10.1**
Severance and other	49.2	(7.2)	10.7	(29.4)	**23.3**
	185.9	(26.9)	62.2	(45.6)	**175.6**

At 31 March	2023 £m	2022 £m
Due		
Short-term	**125.7**	99.3
Long-term	**49.9**	86.6
	175.6	185.9

Notes to the Financial Statements

29. Provisions (continued)

b) Corporation provisions

	At 1 April 2022 £m	Payments in the year £m	Charge for the year £m	Releases in the year £m	At 31 March 2023 £m
Compensation and contractual	16.5	(2.5)	14.4	5.7	**34.1**
Capital investment activities	58.5	(10.6)	-	(0.5)	**47.4**
Severance and other	19.3	(1.8)	1.7	(16.8)	**2.4**
	94.3	(14.9)	16.1	(11.6)	**83.9**

At 31 March	2023 £m	2022 £m
Due		
Short-term	**63.6**	53.3
Long-term	**20.3**	41.0
	83.9	94.3

c) Nature of provisions

Compensation and contractual

The Group has provisions for expected compensation and contractual claims that arise in respect of disputes arising in the ordinary course of business. The provisions recorded as at 31 March are based on management's best estimate at the Balance Sheet date of the likely loss to be incurred through settlement. Reflecting the inherent uncertainty with many legal proceedings and claim settlements, the timing and amount of the outflows could differ from the amount provided. Based on current estimates management expects that these amounts, which are based on known facts and take account of past experience for similar items, will be settled within the next one to five years. Where material the provision held is discounted to its present value.

Capital investment activities

Capital investment activities include compulsory purchases, claims in respect of structural damage or diminution in value of properties affected by transport schemes, and other related third-party claims. Estimates are made with reference to relevant market trends. Compulsory Purchase Order provision amounts have been based on the professional estimates of lawyers and surveyors of the land acquisition, development value, disturbance, statutory interest and professional fees for both sides of the negotiation on a case by case basis. Due to the nature of these liabilities and the need to negotiate settlement amounts, there is considerable uncertainty regarding when Compulsory Purchase Order cases will be settled and payments made. At present management expects these provisions to be settled within the next five years.

Environmental harm

Environmental harm relates to potential costs associated with damage to the environment as a result of actions taken in the past. Management expects this provision to be settled within the next five years.

Severance and other

Severance and other provisions include voluntary severance costs arising from reorganisations and other smaller claims. Management expects these provisions to be settled within the next year.

Notes to the Financial Statements

30. Derivative financial instruments

Group derivatives in cash flow hedge relationships

At 31 March	Fair value 2023 £m	Notional amount 2023 £m	Fair value 2022 £m	Notional amount 2022 £m
Long-term assets				
Interest rate swaps	26.2	96.0	13.0	215.6
Foreign currency forward contracts	-	14.6	0.2	5.8
	26.2	110.6	13.2	221.4
Current assets				
Foreign currency forward contracts	1.0	41.3	1.4	23.8
	1.0	41.3	1.4	23.8
Current liabilities				
Interest rate swaps	(3.4)	59.8	(4.5)	57.3
Foreign currency forward contracts	(3.4)	59.8	(4.5)	57.3
Long-term liabilities				
Interest rate swaps	(1.5)	51.0	-	-
Foreign currency forward contracts	(8.6)	144.0	(14.2)	203.4
	(10.1)	195.0	(14.2)	203.4

Group derivatives not in hedge relationships

At 31 March	Fair value 2023 £m	Notional amount 2023 £m	Fair value 2022 £m	Notional amount 2022 £m
Current assets				
Foreign currency forward contracts	0.7	105.6	-	-
	0.7	105.6	-	-
Current liabilities				
Foreign currency forward contracts	-	-	(2.0)	238.9
	-	-	(2.0)	238.9

The Corporation has not entered into any derivative financial instrument contracts. Further detail on the Group's derivative instruments is set out in Note 34.

31. Contingencies

There are a number of uncertainties surrounding projects, including claims in the course of negotiations, which may affect the Group's financial performance. Where claims are possible but not probable, or are unquantifiable, such claims are treated as contingent liabilities. Contingent liabilities are not recognised in the financial statements, but are monitored to ensure that, where a possible obligation has become probable or a transfer of economic benefits has become probable, a provision is made.

The impact of these contingent liabilities on the Group's financial performance, liquidity or financial position is not considered to be material.

Notes to the Financial Statements
32. Guarantees

Section 160 of the GLA Act 1999 sets out the conditions under which the Corporation may give certain guarantees, indemnities or similar arrangements. Under section 161 of the GLA Act 1999 TfL is obliged to disclose in its Annual Report details of all guarantees so given.

TfL and its subsidiaries have entered into joint and several guarantees in favour of HSBC Bank plc as security for any bank indebtedness outstanding from time to time. TfL has also separately guaranteed any liabilities owing to HSBC Bank plc by its subsidiary, Crossrail Limited.

The Corporation has given guarantees in respect of some of its subsidiary companies' contracts. The amount that could be payable under the guarantees (as described below) varies depending on a number of factors, including, inter alia, responsibility for the costs arising from an early termination of the underlying contract, which are not known before the event. For information only, the approximate maximum amounts of debt that were envisaged to be drawn by the counterparty at the signing of the agreements are disclosed below. For the avoidance of doubt, these amounts do not represent the amounts that could be payable by TfL under the guarantees but are shown here to give an indication of the relative size of each contract.

	Estimated maximum debt drawn by counterparty at start of contract £m
Agreement with 345 Rail Leasing Limited	1,050
Agreement with London Rail Leasing Ltd	350
Agreements with QW Rail Leasing Ltd	290
Agreement with Lloyds Bank PLC	109
Agreement with Pittville Leasing Ltd	51
Agreement with Lombard North Central Plc	7

In addition, TfL also guarantees the payments of certain of its subsidiaries under a number of other service and construction contracts. It has guaranteed amounts owed by London Bus Services Limited to the Fuel Cells and Hydrogen Joint Undertaking under a Grant agreement for the 3EMOTION Environmentally Friendly, Efficient Electric Motion project. It has guaranteed London Underground Limited's payment obligations as a tenant in respect of an operating lease for the Stratford City Business District.

Unlike the agreements listed above, these contracts are not based on an initial amount of debt and so cannot be quantified in a similar manner.

TfL also acts as a guarantor in respect of all liabilities under third party derivative contracts entered into by its subsidiary, Transport for London Finance Limited. The fair value of net assets outstanding under derivative contracts at 31 March 2023 is £14.4m (2022 net liability of £6.1m).

No arrangements were entered into with another person under which that person gives a guarantee which TfL has power to give under section 160 (4) of the GLA Act and no indemnities associated with the guarantees were given by virtue of section 160 (5) of the GLA Act.

The majority of guarantees granted by TfL are in respect of the obligations of its subsidiaries. These obligations are, in any case, recorded as liabilities on the Group Balance Sheet. The probability of any amounts becoming payable by the Corporation under the above guarantees and indemnities is considered remote. As at 31 March 2023 the fair value of all financial guarantees granted has been recorded as £nil (2022 £nil).

Notes to the Financial Statements
33. Financial commitments

Operating leases – The Group and Corporation as lessor

The Group and Corporation lease out commercial, retail and office property, and land that they hold as a result of their infrastructure holdings.

At the Balance Sheet date, the Group and Corporation had contracted with customers for the following future minimum lease payments:

Land and buildings	Group £m	Corporation £m
At 31 March 2023		
Within one year	**62.6**	**0.8**
Between one and two years	**53.7**	**0.7**
Between two and five years	**114.4**	**1.0**
Later than five years	**839.6**	**4.7**
	1,070.3	**7.2**
At 31 March 2022		
Within one year	59.3	1.0
Between one and two years	52.6	1.0
Between two and five years	109.7	2.1
Later than five years	624.2	11.1
	845.8	15.2


Our services are essential to keep London moving

Notes to the Financial Statements
34. Funding and financial risk management

Introduction
TfL is a statutory corporation established under the GLA Act 1999. TfL is funded by revenues, grant and prudential borrowing. The Group's debt is issued by the statutory corporation, Transport for London, in the form of loans from the PWLB, the EIB and EDC, Medium Term Notes under the £5bn TfL Euro Medium Term Note programme, and short-term Commercial Paper under the £2bn TfL Euro Commercial Paper programme.

Treasury Management
TfL has a Treasury Management Strategy which is required to be updated on at least an annual basis. The Treasury Management Strategy for 2022/23 was prepared having regard to the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) Regulations 2003 (as amended), the key recommendations of the Code of Practice and Cross-Sectoral Guidance Notes for Treasury Management in the Public Services (2021 Edition) (the Treasury Management Code) and the Prudential Code for Capital Finance in Local Authorities (2021 Edition) (the Prudential Code), both issued by CIPFA, as well as the key recommendations of the Statutory Guidance on Local Authority Investments (2018 Edition) issued by the Ministry for Housing, Communities and local Government (the Investment Guidance). The strategy was approved by the TfL Finance Committee (a sub-committee of the TfL Board) prior to the commencement of the financial year.

The Group's principal financial instruments comprise borrowings, investments, derivatives, lease liabilities and receivables, PFI liabilities and cash and cash equivalents. These financial instruments are used to manage funding and liquidity requirements. Other financial instruments that arise directly from the Group's operations include trade receivables and payables and other financing liabilities.

The Group monitors the risk profile of its borrowing, investment and derivative programmes against approved benchmarks and provides regular reports to the Chief Finance Officer. Semi-annual reports on overall performance against the approved strategy are considered by the Finance Committee. Section 49 of the TfL Act 2008 confers upon TfL the powers to use derivative financial instruments for risk management purposes only via qualifying subsidiaries.

The Prudential Borrowing Regime
TfL has the power to borrow as it is treated as a local authority for the purposes of financial management under the Local Government Act 2003. In accordance with this Act, the Mayor, in consultation with TfL, sets an affordable borrowing limit for external debt (including direct borrowing and other long-term liabilities). In setting this limit, the Mayor and TfL are required by regulation to have regard to the Prudential Code. In accordance with the Prudential Code and Treasury Management Code, the TfL Board annually approves a long-term capital strategy and a set of indicators, for prudent and affordable borrowing, for estimates of capital expenditure, for interest rate exposures and the maturity profile of its borrowing.

TfL also agrees its maximum annual incremental borrowing capacity with Government.

Financial Risks and Risk Management
The Group is exposed to a number of financial risks in the normal course of its business operations, the key ones being:

- Credit risk
- Market risk
- Liquidity risk

Each of these risks is managed in accordance with the Group's comprehensive risk management process. The TfL Board, through its Finance Committee, approves and monitors the risk management processes, including documented treasury policies, counterparty limits, and controlling and reporting structures.

Credit risk
Credit risk is managed on a Group-wide basis. Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet contractual obligations. The following categories comprise the main credit exposures of the Group:

(i) Trade receivables and contract assets
The Group earns the majority of its revenue through prepaid fares. Financial assets arise from: penalty charges, fare revenues not earned on a prepaid basis, commercial activities such as property rental or advertising and amounts due under contractual arrangements from partners or suppliers. The maximum exposure to credit risk at the reporting date is the carrying value disclosed in Note 21.

A significant portion of the financial assets arising in the Corporation are with other Group companies. Per note 32, the Corporation has granted guarantees in respect of the obligations of its subsidiaries, mitigating credit risk attached to settlement of these intercompany financial assets.

Customer credit risk is managed by a central credit control function subject to TfL's policy, procedures and control framework. Counterparties are assessed individually for their creditworthiness at the time of entering into contracts and an internal credit rating is assigned.

At each reporting date, the Group applies the IFRS 9 simplified approach to measuring expected credit losses. This approach uses a lifetime expected loss allowance for all trade receivables and contract assets. In determining the expected loss rates, trade receivables and contract assets are considered together based on shared credit risk characteristics. Historical loss rates over the short to medium term are applied to groupings of various customer segments within trade receivables and contract assets. These rates are adjusted to reflect expectations about future credit losses.

Notes to the Financial Statements

34. Funding and financial risk management (continued)

Despite the application of a loss allowance, these balances remain subject to enforcement activity and recoveries will be credited against the same line item as the expected credit loss within operating profit. On that basis, the loss allowance as at 31 March 2023 was determined as follows for both trade receivables and contract assets:

Trade debtors and contract assets: Group

	Not overdue £m	Overdue by less than 3 months £m	Overdue by between 3 and 6 months £m	Overdue by between 6 months and 1 year £m	Overdue by more than 1 year £m	Total £m
At 31 March 2023						
Expected credit loss rate	**0.4%**	**55.4%**	**89.5%**	**98.9%**	**99.9%**	**63.9%**
Estimated total gross carrying amount at default	**511.9**	**86.3**	**92.7**	**221.0**	**643.8**	**1,555.7**
Expected credit loss allowance	**(2.2)**	**(47.9)**	**(83.0)**	**(218.7)**	**(642.9)**	**(994.7)**
At 31 March 2022						
Expected credit loss rate	0.1%	64.1%	90.0%	97.6%	99.1%	59.4%
Estimated total gross carrying amount at default	364.5	105.5	83.0	107.0	363.7	1,023.7
Expected credit loss allowance	(0.5)	(67.6)	(74.7)	(104.4)	(360.6)	(607.8)

Trade debtors and contract assets: Corporation

	Not overdue £m	Overdue by less than 3 months £m	Overdue by between 3 and 6 months £m	Overdue by between 6 months and 1 year £m	Overdue by more than 1 year £m	Total £m
At 31 March 2023						
Expected credit loss rate	**-**	**60.7%**	**89.7%**	**99.2%**	**100.0%**	**7.1%**
Estimated total gross carrying amount at default	**12,618.6**	**75.0**	**92.3**	**214.1**	**625.2**	**13,625.2**
Expected credit loss allowance	**-**	**(45.4)**	**(82.8)**	**(212.3)**	**(625.2)**	**(965.7)**
At 31 March 2022						
Expected credit loss rate	-	64.1%	91.0%	98.1%	99.3%	4.4%
Estimated total gross carrying amount at default	12,549.2	90.3	79.2	100.1	354.6	13,173.4
Expected credit loss allowance	-	(57.9)	(72.1)	(98.2)	(352.0)	(580.2)

Finance lease receivables for the Group and Corporation are not overdue and no allowance has been recognised.

Notes to the Financial Statements

34. Funding and financial risk management (continued)

Expected credit loss allowance

	Group 2023 £m	Corporation 2023 £m	Group 2022 £m	Corporation 2022 £m
At 1 April	**607.8**	**580.2**	488.4	457.9
Provision for expected credit losses	**435.6**	**433.0**	218.7	219.0
Write offs	**(48.7)**	**(47.5)**	(99.3)	(96.7)
At 31 March	**994.7**	**965.7**	607.8	580.2

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there may be no reasonable expectation of recovery include, amongst other things; failure of a debtor to engage in a repayment plan or advice from TfL's legal department. TfL has a statutory duty to maximise recovery of charges and fees, including road user charges.

(ii) Investments

All cash balances are invested in accordance with TfL's Treasury Management Strategy, which was developed with regard to the Treasury Management Code and the Investment Guidance, and which requires a prudent approach to the investment of surplus funds with priority given to security and liquidity.

Throughout 2022/23 investments were made within limits approved by the Finance Committee. Counterparty limits are set according to the assessed risk of each counterparty and are linked to the credit rating of the institution. Exposures are monitored against these limits on a regular basis.

TfL considers the risk of the overall portfolio as well as individual investments, seeking to diversify its investments and has regard to the exposure to any one counterparty, country, industry, investment type and credit. The investment portfolio is allocated across sovereigns, government agencies, financial institutions, corporates and money market funds.

Certain banks hold collateral on TfL's account to provide security for TfL's reverse repurchase agreement investments. As at 31 March 2023, the fair value of the collateral held amounted to £100m (2022 £100m).

Short-term investments as at 31 March 2023 totalled £1,090.0m (2022 £1,177.6m).

Notes to the Financial Statements

34. Funding and financial risk management (continued)

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As at 31 March, principal funds managed centrally on behalf of the Group and placed on deposit by the Corporation were as follows:

	Amount £m	Minimum Credit Rating (S&P/ Moody's/ Fitch)	Weighted average days to maturity
At 31 March 2023			
UK Debt Management Office	**371.5**	**P-1/A-1+/F1+**	**20**
Other Government Agencies	**69.7**	**P-1/A-1+/F1+**	**12**
Money Market Funds	**199.0**	**AAA/AAA/AAA**	**1**
Banks (including Gilt backed repos)	**377.0**	**P-1/A-1/F1**	**13**
Corporates	**72.8**	**P-1/A-1/F1**	**46**
Total	**1,090.0**		**15**
At 31 March 2022			
UK Debt Management Office	286.1	P-1/A-1+/F1+	41
Other Government Agencies	179.1	P-1/A-1+/F1+	52
Money Market Funds	267.5	AAA/AAA/AAA	1
Banks (including Gilt backed repos)	402.7	P-1/A-1/F1	33
Corporates	42.2	P-1/A-1+/F1	48
Total	1,177.6		31

All of the entity's cash and investments are considered to have low credit risk; they are highly rated by major rating agencies, have a low risk of default and the counterparties have a strong capacity to meet obligations in the near term. While low risk, these remain subject to the impairment requirements of IFRS 9 at each reporting date. The identified 12 month expected loss allowance at 31 March 2023 and as at 31 March 2022 was immaterial.

(iii) Derivative financial instruments

Counterparty limits are established and monitored in accordance with TfL's Policy relating to the use of Derivative Investments, which was approved by the TfL Finance Committee. The Group spreads its exposure over a number of counterparties and has strict policies on how much exposure can be assigned to each counterparty.

The Group's maximum credit risk exposure relating to financial derivative instruments is noted in the maturity profile of derivatives tables within the market risk section of this note. The credit risk with regard to financial derivative instruments is limited because TfL has arrangements in place with each bank wherein, should the derivative be in an asset position for TfL and the market value reaches a contractually defined threshold, TfL can call upon the bank to post collateral in cash or eligible securities. TfL only envisages using these rights in the event that the financial strength of the institution has deteriorated since the limits were approved.

(iv) Guarantees

The Corporation provides guarantees to third parties under section 160 of the GLA Act, as disclosed in note 32, which are deemed necessary for the fulfilment of its policies. The Group's policy is to recognise financial guarantees at the higher of an expected credit loss allowance and the amount initially recognised as fair value less any amortisation that has occurred to date. As at 31 March 2023, the fair value of the Corporation's financial guarantees has been assessed as £nil (2022 £nil).

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and inflation will affect the Group's income, expenditure or the value of its holdings of financial instruments. The Group, through its wholly owned subsidiary, Transport for London Finance Limited, uses derivatives (hedging instruments) to reduce exposure to interest rate and foreign exchange rate movements (the hedged risks) on existing contracts and highly probable future transactions. The Group does not use derivative financial instruments for speculative purposes.

On inception, all interest rate derivatives and foreign currency derivative instruments hedging commercial contracts are designated in highly effective hedge relationships and hedge accounting is applied. If a derivative should no longer satisfy the hedging criteria in accordance with adopted IFRS 9 Financial Instruments (IFRS 9), hedge accounting ceases and the derivative is fair valued immediately through the Comprehensive Income and Expenditure Statement.

The use of derivative instruments can itself give rise to credit and market risk. Market risk is the possibility that future changes in interest rates may make a derivative more or less valuable. Since the Group uses derivatives for risk management, market risk relating to derivative instruments is principally offset by changes in the cash flows of the transactions being hedged.

Notes to the Financial Statements
34. Funding and financial risk management (continued)

For the years ended 31 March 2023 and 2022, all derivatives in designated cash flow hedge relationships were assessed as highly effective and no ineffectiveness was recognised. Accordingly, the full movement in the fair value of those derivatives was taken to reserves.

(i) Foreign exchange risk
During 2022/23, TfL held certain short-term investments denominated in Euros. These foreign currency denominated investments were swapped back to GBP through the use of forward foreign exchange contracts. These contracts were not in formally designated hedging relationships for accounting purposes, as the currency gain or loss on retranslation of the investments is offset within net cost of services at the Group level by the movement in the fair value of the derivative instruments. As at 31 March 2023, the Group held foreign exchange contracts to hedge €119.6m future Euro receipts in relation to its Euro investments (2022 €283.3m). Throughout the year, the hedging strategy provided an effective offset of fair value movements due to holding foreign currency investments. The unrealised exchange net gain was £0.7m as at 31 March 2023 (2022 a net loss of £(2.0)m). These derivative instruments mature in the period to June 2023.

For 2022/23, the broad policy on managing transactional foreign exchange risk arising from contractual obligations with overseas providers was to retain the risk where there was a value in doing so, where the exposure was highly probable and the risk profile highly certain. For exposures not meeting these criteria, the exchange risk was passed on to the vendor. These exchange rate exposures were managed through the use of forward foreign exchange contracts whose critical terms are closely aligned to the exposure, such as notional amount, expected maturity date and currency. Hedge accounting is applied to these derivative instruments.

Where funds were received in specific currencies in which the Group expected to have future exposures, the Treasury Management Strategy made allowances to place these funds on deposit. This gave the Group the flexibility to offer certain payments in specific foreign currencies where required.

Effects of hedge accounting – Foreign currency hedges in relation to capital expenditure
At 31 March 2023, the Group held forward foreign exchange derivative contracts in Euros, Canadian Dollars, Swiss Francs, Swedish Krona and Chinese Yuan Renminbi. These forward contracts hedge planned foreign currency capital expenditure payments with a nominal value of £266.9m (2022 £278.6m). At 31 March 2023, these contracts had a combined net fair value of £(11.1)m (2022 £(17.0)m). The fair value of forward contracts was recognised in equity at 31 March 2023, with the exception of Swiss Franc contracts with a fair value of £nil for which hedge accounting was discontinued as future hedged payments in that currency were no longer considered probable. The fair value gain/loss is recognised in the income statement. For all other currencies, once hedged purchases occur, the subsequent realised gain or loss will be transferred to fixed asset additions as a basis adjustment.

The hedge ratio is 1:1. The economic relationship of all hedging relationships has been assessed as effective and the change in value of hedged items has been offset by the change in value of hedging instruments.

It is expected that the hedged purchases will take place in the period to September 2029. Detail on the maturity of these contracts is disclosed later in this note.

The Group has no other material financial assets or liabilities denominated in foreign currencies, and thus has no general translation exposure to gains or losses arising from movements in exchange rates.

Sensitivity analysis on foreign exchange risk at 31 March

	2023 Net nominal value £m	**2023 Fair value £m**	**2023 Fair value after a 10% increase in GBP against other currency £m**	**2023 Fair value after a 10% decrease in GBP against other currency £m**	2022 Net nominal value £m	2022 Fair value £m	2022 Fair value after a 10% increase in GBP against other currency £m	2022 Fair value after a 10% decrease in GBP against other currency £m
Impact on Comprehensive Income and Expenditure								
Net sell								
Euros	**(105.6)**	**0.7**	**10.3**	**(11.0)**	(238.9)	(2.0)	19.8	(28.5)
	n/a	**0.7**	**10.3**	**(11.0)**	n/a	(2.0)	19.8	(28.5)
Impact on Hedging Reserves								
Net buy								
Euros	**217.1**	**(9.4)**	**(28.2)**	**13.6**	248.4	(16.4)	(38.9)	11.0
Canadian dollars	**15.3**	**(0.3)**	**(1.7)**	**1.4**	0.8	-	(0.1)	0.1
Swedish Krona	**20.0**	**(1.4)**	**(3.2)**	**0.7**	22.0	(1.3)	(3.2)	1.1
Chinese Yuan Renminbi	**7.2**	**-**	**(0.6)**	**0.9**	7.4	0.6	(0.1)	1.4
	n/a	**(11.1)**	**(33.7)**	**16.6**	n/a	(17.1)	(42.3)	13.6
Total asset/ (liability)	**n/a**	**(10.4)**	**(23.4)**	**5.6**	n/a	(19.1)	(22.5)	(14.9)

Notes to the Financial Statements

34. Funding and financial risk management (continued)

(ii) Interest rate risk

The Group is mainly exposed to interest rate risk on its planned future borrowings. As TfL is required by legislation to produce a balanced Budget and also produces a balanced Business Plan, any uncertainty over the cost of future borrowing requires funding to be set aside in the Business Plan against that risk rather than being invested in the transport system.

In addition to raising borrowings at fixed rates, to achieve certainty over the cost of planned borrowings, TfL, through its wholly owned subsidiary, Transport for London Finance Limited, can employ derivatives to fix the floating interest rates risk of highly probable and existing borrowings. Transport for London Finance Limited also holds interest rate swaps to fix the floating interest rate risk within committed lease payments for rolling stock. The critical terms of these derivative instruments are closely aligned to the payment schedules and hedge accounting is applied.

The Group is also exposed to interest rate risk in respect of its investments. Investments are made in accordance with the Treasury Management Strategy, which prioritises security and liquidity over yield.

Effects of IBOR reform

Following the financial crisis, the reform and replacement of benchmark interest rates such as interbank offered rates ('IBORs') became a priority for global regulators. LIBOR ceased to be published for GBP immediately after 31 December 2021. Sterling Overnight Index Average (SONIA) was selected as the preferred sterling risk-free rate by the Bank of England's Working Group on Sterling Risk Free Reference Rates.

The Group's most significant risk exposure affected by these changes relate to its LIBOR linked floating rate lease payments and the interest rate derivatives that hedged this variability. During the 2021/22 year, TfL restructured the lease contracts to reference SONIA and their associated derivatives.

The notional amount of interest rate swaps designated as hedges is disclosed below.

Effects of hedge accounting – Interest rate swaps

As at 31 March 2023, the Group, through its wholly owned subsidiary, Transport for London Finance Limited, held two float to fixed interest rate swaps at a total notional value of £147.0m (2022 two interest rate swaps at a total notional value of £215.6m).

During the year, one interest rate swap was terminated in March 2023 following the termination of the respective lease the interest rate swap was hedging, and hedge accounting on the interest rate swap discontinued. One additional interest rate swap contract was entered into in December 2022, hedging interest rate risk on lease payments on an existing lease that was already partially hedged. This new swap was designated in a hedge relationship with the lease payments for the respective lease now fully hedged.

The net fair value of outstanding interest rate swap contracts at 31 March 2023 was an asset of £24.7m (2022 £13.0m). The fair value is recognised in equity at 31 March 2023 and will be transferred to net financing costs within the Comprehensive Income and Expenditure Statement as the hedged lease payments occur.

The hedge ratio is 1:1. The economic relationship of all hedging relationships has been assessed as effective and the change in value of hedged items has been offset by the change in value of hedging instruments.

It is expected that the hedged interest payments will take place in the period to December 2037. Details on the maturity of these contracts are disclosed later in this note.

Sensitivity analysis on interest rate risk

(a) Fair value sensitivity analysis for fixed interest instruments

All of the Group's non-derivative financial instruments with fixed rates of interest are accounted for at amortised cost. Fluctuations in market interest rates would therefore have no impact on the Balance Sheet or on net income figures in respect of these items.

(b) Fair value sensitivity analysis for derivative instruments

As at 31 March 2023, the Group holds interest rate derivative contracts with a combined notional value of £147.0m (2022 £215.6m) which are designated as cash flow hedges.

An increase/(decrease) of 100 basis points in interest rates would increase/(decrease) the fair value of the derivative instruments by £12.5m/£(14.4)m (2022 £30.6m/£(7)m).

(iii) Inflation risk

The Group has a number of exposures to inflation including staff pay awards, operating costs and passenger income. The Group has not entered into any derivative instrument to manage its exposure to inflation risk. Historically this risk has been partially offset with index linked revenues and index linked costs creating a natural hedge within the Group.

Notes to the Financial Statements

34. Funding and financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Maintaining sufficient cash reserves and having access to a diverse range of flexible funding sources ensures the Group has sufficient liquidity to meet its liabilities, in both normal and stressed conditions.

Liquidity risk is primarily managed by maintaining a minimum level of cash reserves of at least 60 days' worth of forecast annual operating expenditure, equivalent to approximately £1.2bn.

The Corporation has access to several external sources of financing, which are sufficient to meet anticipated funding requirements, within the affordable borrowing limit set by the Mayor. Providing market conditions permit access, the Corporation can raise debt on the capital markets through its established £5bn Medium Term Note programme and £2bn Commercial Paper programme. Alternatively, and in addition, TfL has direct access to reliable funding from the Public Works Loan Board and has an arranged, uncommitted, £0.1bn overdraft facility and a further £0.1bn uncommitted money market line facility. Funding facilities are not subject to financial covenants. TfL can also secure financing from financial institutions.

Debt maturities are diversified over short-, medium- and long-term horizons that broadly equate to the lives of the assets that were funded by this source. This ensures refinancing risk is minimised. The contractual maturities of the Group and Corporation's borrowing and other financial liabilities are listed later in this note.

A Long-Term Funding Settlement was agreed in August 2022, as set out in the Narrative report. This has secured receipt of grant funding, allowing TfL to maintain liquidity levels of around 60 days' worth of forecast operating expenditure, on average, which is the main aim of our Liquidity Policy.

Due to the active liquidity management and mitigations outlined, there is no significant risk that TfL will be unable to fund its planned financial commitments.

Our finances are assessed against a range of risk scenarios

Notes to the Financial Statements

34. Funding and financial risk management (continued)

Maturity profile of derivatives

The Group's foreign currency derivatives have the following maturities:

At 31 March	2023 Average exchange rate	2023 Fair value £m	2023 Notional amount £m	2022 Average exchange rate	2022 Fair value £m	2022 Notional amount £m
Foreign currency forward contracts						
Buy Euro						
Less than one year	0.888	(1.5)	69.6	0.874	(3.2)	68.5
Between one and two years	0.913	(5.0)	85.9	0.889	(2.8)	42.6
Between two and five years	0.917	(2.9)	58.1	0.921	(10.4)	137.3
After five years	0.952	(0.1)	3.5	–	–	–
Sell Euro						
Less than one year	0.886	0.7	(105.6)	0.840	(2.0)	(238.9)
Total Euro	0.910	(8.8)	111.5	0.894	(18.4)	9.5
Buy Canadian Dollars						
Less than one year	0.610	(0.3)	15.3	0.591	–	0.8
Total Canadian Dollars	0.610	(0.3)	15.3	0.591	–	0.8
Buy Swedish Krona						
Less than one year	0.084	(0.7)	9.5	0.085	(0.5)	4.8
Between one and two years	0.086	(0.4)	5.5	0.085	(0.4)	6.2
Between two and five years	0.086	(0.3)	5.1	0.086	(0.4)	11.0
Total Swedish Krona	0.085	(1.4)	20.1	0.085	(1.3)	22.0
Buy Chinese Yuan Renminbi						
Less than one year	0.115	0.1	6.7	0.110	0.6	6.9
Between one and two years	0.122	-	0.5	0.107	-	0.5
Total Chinese Yuan Renminbi	0.117	0.1	7.2	0.109	0.6	7.4
Grand total	n/a	(10.4)	154.1	n/a	(19.1)	39.7

Notes to the Financial Statements

34. Funding and financial risk management (continued)

Maturity profile of derivatives (continued)

The Group's interest rate derivatives have the following maturities:

At 31 March	2023 Average contracted fixed interest rate (%)	2023 Fair value £m	2023 Notional amount £m	2022 Average contracted fixed interest rate (%)	2022 Fair value £m	2022 Notional amount £m
Interest rate hedges						
After five years	1.866	24.7	147.0	1.037	13.0	215.6
Total	1.866	24.7	147.0	1.037	13.0	215.6

TfL was conferred the legal powers to enter into derivatives for the purpose of risk mitigation via qualifying subsidiaries. The Corporation does not itself have the legal powers to enter into derivative transactions. TfL has entered into these contracts for the purpose of risk management and intends to hold these contracts to maturity as hedges against the underlying transactions.

During the financial year 2021/22, as a result of the replacement of LIBOR with SONIA, all interest rate swaps referencing GBP LIBOR were terminated. The derivates that hedged variable financing costs within certain lease contracts were replaced with two interest rate swaps.

The following tables detail the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

	Less than one year £m	Between one and two years £m	Between two and five years £m	More than five years £m	Total £m
Group – at 31 March 2023					
Derivatives settled gross					
Foreign exchange forward contracts:					
Amounts receivable	232.7	96.2	70.6	3.5	403.0
Amounts payable	(234.9)	(103.7)	(76.0)	(3.8)	(418.4)
Derivatives settled net					
Interest rate swaps	3.7	2.3	6.7	18.3	31.0
	1.5	(5.2)	1.3	18.0	15.6
Group – at 31 March 2022					
Derivatives settled gross					
Foreign exchange forward contracts:					
Amounts receivable	342.9	67.1	148.4	-	558.4
Amounts payable	(348.2)	(71.8)	(166.0)	-	(586.0)
Derivatives settled net					
Interest rate swaps	0.5	3.0	4.2	5.1	12.8
	(4.8)	(1.7)	(13.4)	5.1	(14.8)

The total asset or liability due to the Group as recognised on the Balance Sheet is the fair value of the derivatives, as this represents the cost to terminate. As such it differs from the total net contractual payments shown in the table above. At 31 March 2023, the fair value of the interest rate derivatives was a net asset of £24.7m (2022 £13.0m net asset). The fair value of forward exchange derivatives was a net liability of £10.4m (2022 £19.1m net liability).

34. Funding and financial risk management (continued)

Contractual maturity of financial liabilities
The following table details the Group and the Corporation's remaining contractual maturity for their non derivative financial liabilities. The table has been drawn up on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group or Corporation can be required to pay and, therefore differs from the carrying value and the fair value. The table includes both interest and principal cash flows.

	Less than one year £m	Between one and two years £m	Between two and five years £m	More than five years £m	Total £m
Group – as at 31 March 2023					
Trade and other creditors	**1,823.0**	**54.5**	**-**	**-**	**1,877.5**
Borrowings – principal	**698.9**	**246.5**	**1,019.2**	**10,972.4**	**12,937.0**
Borrowings – interest	**362.3**	**512.0**	**1,241.3**	**6,803.7**	**8,919.3**
Right-of-use lease liabilities	**359.5**	**297.0**	**555.7**	**1,898.6**	**3,110.8**
PFI liabilities	**18.3**	**18.8**	**54.4**	**13.4**	**104.9**
Other financing liabilities	**20.9**	**13.4**	**40.1**	**66.9**	**141.3**
	3,282.9	**1,142.2**	**2,910.7**	**19,755.0**	**27,090.8**
Group – as at 31 March 2022					
Trade and other creditors	1,626.8	42.7	-	-	1,669.5
Borrowings – principal	1,425.1	163.9	1,280.2	10,124.5	12,993.7
Borrowings – interest	402.6	314.1	1,196.2	5,365.0	7,277.9
Right-of-use lease liabilities	365.5	328.4	580.3	1,799.6	3,073.8
PFI liabilities	15.0	18.3	58.3	28.2	119.8
Other financing liabilities	10.4	20.9	40.1	80.3	151.7
	3,845.4	888.3	3,155.1	17,397.6	25,286.4

	Less than one year £m	Between one and two years £m	Between two and five years £m	More than five years £m	Total £m
Corporation – as at 31 March 2023					
Trade and other creditors	**806.2**	**35.2**	**-**	**-**	**841.4**
Borrowings – principal	**698.9**	**246.5**	**1,019.2**	**10,972.4**	**12,937.0**
Borrowings – interest	**362.3**	**512.0**	**1,241.3**	**6,803.7**	**8,919.3**
Right-of-use lease liabilities	**36.7**	**34.6**	**99.2**	**278.8**	**449.3**
PFI lease liabilities	**18.3**	**18.8**	**54.4**	**13.4**	**104.9**
	1,922.4	**847.1**	**2,414.1**	**18,068.3**	**23,251.9**
Corporation – as at 31 March 2022					
Trade and other creditors	504.3	30.0	-	-	534.3
Borrowings – principal	1,425.1	163.9	1,280.2	10,124.5	12,993.7
Borrowings – interest	402.6	314.1	1,196.2	5,365.0	7,277.9
Right-of-use lease liabilities	37.3	37.0	102.9	307.8	485.0
PFI lease liabilities	15.0	18.3	58.3	28.2	119.8
	2,384.3	563.3	2,637.6	15,825.5	21,410.7

Notes to the Financial Statements

34. Funding and financial risk management (continued)

Fair values

In accordance with IFRS 13, the fair values of the financial assets and liabilities are calculated as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents – approximates to the carrying amount
- Short-term investments – approximates to the carrying amount because of the short maturity of these instruments
- Long-term investments – by reference to bid prices at the close of business on the balance sheet date, within Level 1 of the fair value hierarchy as defined within IFRS 13
- Trade and other debtors – approximates to the carrying amount
- Derivative financial instruments – in the absence of quoted market prices, derivatives are valued by using quoted forward prices for the underlying commodity/currency and discounted using quoted interest rates (both as at the close of business on the balance sheet date). Hence, derivatives are within Level 2 of the fair value hierarchy as defined within IFRS 13:

  i. Forward exchange contracts – based on market data and exchange rates at the balance sheet date

  ii. Interest rate swaps and forward starting interest rate swaps – based on the net present value of discounted cash flows

- Trade and other creditors – approximates to the carrying amount
- Long-term borrowings – determined by calculating the discounted value of the future cash flows (redemption and interest) using appropriate discount rates, based on observable market data, in effect at the balance sheet date at Level 2 of the fair value hierarchy. Fair value approximates to the carrying amount in the case of short-term commercial paper
- Right-of-use lease liabilities – approximates to the carrying amount
- PFI liabilities – approximates to the carrying amount
- Other financing liabilities – approximates to the carrying amount

We are always looking to ensure our network is fit for the future

Notes to the Financial Statements

34. Funding and financial risk management (continued)

The fair values of the Group's financial assets and liabilities together with the carrying amounts recorded in the Balance Sheet are illustrated below:

At 31 March	**2023 Carrying value £m**	**2023 Fair value £m**	2022 Carrying value £m	2022 Fair value £m
Long term				
Financial assets measured at amortised cost				
Finance lease receivables	**9.1**	**9.1**	23.2	23.2
Debtors	**40.1**	**40.1**	45.1	45.1
Financial assets measured at fair value				
Derivative in cash flow hedge relationship	**26.2**	**26.2**	13.2	13.2
Derivatives not in a hedge relationship	**-**	**-**	-	-
Current				
Financial assets measured at amortised cost				
Cash and cash equivalents	**1,387.5**	**1,387.5**	1,390.2	1,390.2
Short-term investments	**15.0**	**15.0**	19.0	19.0
Debtors	**520.9**	**520.9**	370.8	370.8
Finance lease receivables	**5.2**	**5.2**	13.8	13.8
Financial assets measured at fair value				
Derivative in cash flow hedge relationship	**1.0**	**1.0**	1.4	1.4
Derivatives not in a hedge relationship	**0.7**	**0.7**	-	-
Total financial assets	**2,005.7**	**2,005.7**	1,876.7	1,876.7

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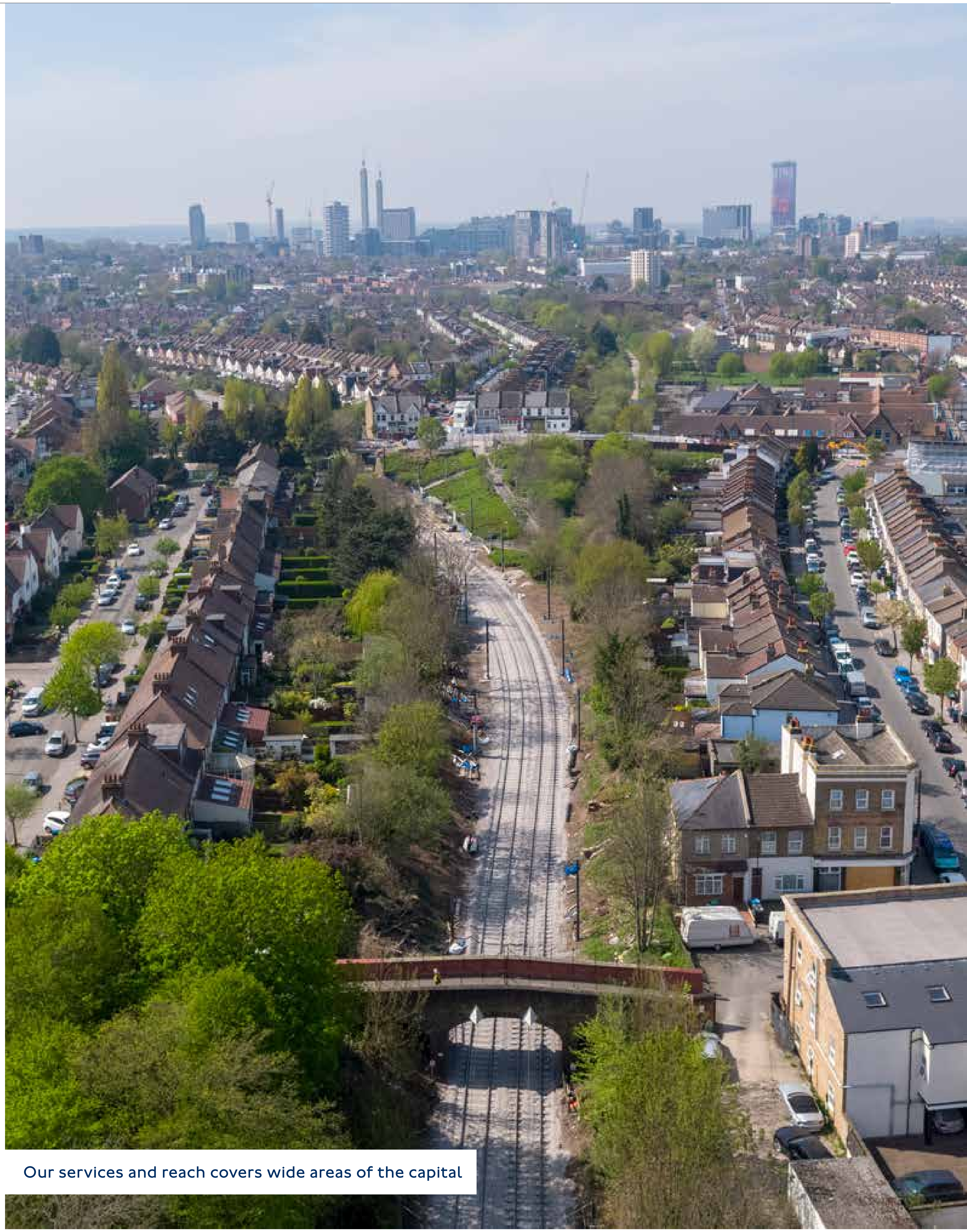
At 31 March	**2023 Carrying value £m**	**2023 Fair value £m**	2022 Carrying value £m	2022 Fair value £m
Long term				
Financial liabilities measured at amortised cost				
Creditors	**(1,823.0)**	**(1,823.0)**	(1,626.8)	(1,626.8)
Borrowings	**(12,216.6)**	**(12,561.5)**	(11,543.3)	(14,324.3)
Right-of-use lease liabilities	**(1,915.9)**	**(1,915.9)**	(2,102.2)	(2,102.2)
PFI liabilities	**(76.7)**	**(76.7)**	(91.0)	(91.0)
Other financing liabilities	**(115.1)**	**(115.1)**	(121.7)	(121.7)
Financial liabilities measured at fair value				
Derivatives in a cash flow hedge relationship	**(10.1)**	**(10.1)**	(14.2)	(14.2)
Derivatives not in a hedge relationship	**-**	**-**	-	-
Current				
Financial liabilities measured at amortised cost				
Creditors	**(54.5)**	**(54.5)**	(42.7)	(42.7)
Borrowings	**(693.7)**	**(719.3)**	(1,423.0)	(1,419.0)
Right-of-use lease liabilities	**(299.6)**	**(299.6)**	(334.1)	(334.1)
PFI liabilities	**(14.3)**	**(14.3)**	(10.6)	(10.6)
Other financing liabilities	**(6.6)**	**(6.6)**	(6.4)	(6.4)
Financial liabilities measured at fair value				
Derivatives in a cash flow hedge relationship	**(3.4)**	**(3.4)**	(4.5)	(4.5)
Derivatives not in a hedge relationship	**-**	**-**	(2.0)	(2.0)
Total financial liabilities	**(17,299.5)**	**(17,600.0)**	(17,322.5)	(20,099.5)
Net financial assets/(liabilities)	**(15,223.8)**	**(15,594.3)**	(15,445.8)	(18,222.8)

Notes to the Financial Statements
34. Funding and financial risk management (continued)

The fair values of financial assets and liabilities of the Corporation determined in accordance with IFRS 13, together with the carrying amounts recorded in the Balance Sheet are:

At 31 March	2023 Carrying value £m	2023 Fair value £m	2022 Carrying value £m	2022 Fair value £m
Long term				
Financial assets measured at amortised cost				
Debtors	**12,319.2**	**12,319.2**	12,352.3	12,352.3
Current				
Financial assets measured at amortised cost				
Cash and cash equivalents	**1,131.3**	**1,131.3**	1,231.8	1,231.8
Debtors	**351.9**	**351.9**	240.9	240.9
Total financial assets	**13,802.4**	**13,802.4**	13,825.0	13,825.0
Long term				
Financial liabilities measured at amortised cost				
Creditors	**(35.2)**	**(35.2)**	(30.0)	(30.0)
Borrowings	**(12,221.5)**	**(12,561.5)**	(11,547.3)	(14,324.3)
Right-of-use lease liabilities	**(341.1)**	**(341.1)**	(367.1)	(367.1)
PFI liabilities	**(76.7)**	**(76.7)**	(91.0)	(91.0)
Current				
Financial liabilities measured at amortised cost				
Creditors	**(806.2)**	**(806.2)**	(504.3)	(504.3)
Borrowings	**(693.7)**	**(719.4)**	(1,423.0)	(1,419.0)
Right-of-use lease liabilities	**(27.0)**	**(27.0)**	(27.0)	(27.0)
PFI liabilities	**(14.3)**	**(14.3)**	(10.6)	(10.6)
Total financial liabilities	**(14,215.7)**	**(14,581.4)**	(14,000.3)	(16,773.3)
Net financial assets/(liabilities)	**(413.3)**	**(779.0)**	(175.3)	(2,948.3)



Our services and reach covers wide areas of the capital

Notes to the Financial Statements
34. Funding and financial risk management (continued)

Income, Expense, Gains and Losses – Group

At 31 March	2023 Financial liabilities measured at amortised cost £m	2023 Financial assets at amortised cost £m	2023 Financial assets at FVOCI £m	2023 Financial assets FVTPL £m	2023 Financial liabilities FVTPL £m	2023 Total £m	2022 Financial liabilities measured at amortised cost £m	2022 Financial assets at amortised cost £m	2022 Financial assets at FVOCI £m	2022 Financial assets FVTPL £m	2022 Financial liabilities FVTPL £m	2022 Total £m
Interest expense	411.9	-	-	-	-	411.9	318.7	-	-	-	-	318.7
Interest on defined benefit pension	-	-	79.3	-	-	79.3	-	-	105.9	-	-	105.9
Interest on right of use lease and PFI liabilities	81.7	-	-	-	-	81.7	60.4	-	-	-	-	60.4
Reduction in fair value	-	-	155.0	-	-	155.0	-	-	-	-	10.2	10.2
Expected and actual credit losses	-	445.3	-	-	-	445.3	-	184.8	-	-	-	184.8
Unwind of discount on non-current creditors	-	-	-	-	-	-	0.3	-	-	-	-	0.3
Impairment losses	(27.8)	-	-	-	-	(27.8)	-	-	-	-	-	-
Fee expense	16.6	-	-	-	-	16.6	-	-	-	-	-	-
Other financing and investment expenditure	10.5	-	-	-	-	10.5	-	-	6.3	-	-	6.3
Total expense in Deficit on the Provision of Services	492.9	445.3	234.3	-	-	1,172.5	379.4	184.8	112.2	-	10.2	686.6
Interest income	-	-	-	(27.9)	-	(27.9)	-	(1.6)	-	-	-	(1.6)
Finance lease interest	(0.8)	-	-	-	-	(0.8)	-	(1.1)	-	-	-	(1.1)
Increase in fair value	-	-	-	-	-	-	-	-	(51.9)	-	-	(51.9)
Other investment income	-	-	-	(4.4)	-	(4.4)	-	-	(1.3)	-	-	(1.3)
Total income in (Surplus) or Deficit on the provision of services	(0.8)	-	-	(32.3)	-	(33.1)	-	(2.7)	(53.2)	-	-	(55.9)
Net loss for the year	492.1	445.3	234.3	(32.3)	-	1,139.4	379.4	182.1	59.0	-	10.2	630.7

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Notes to the Financial Statements
34. Funding and financial risk management (continued)

Income, Expense, Gains and Losses – Corporation

At 31 March	2023 Financial liabilities measured at amortised cost £m	2023 Financial assets at amortised cost £m	2023 Financial assets at FVOCI £m	2023 Financial assets FVTPL £m	2023 Total £m	2022 Financial liabilities measured at amortised cost £m	2022 Financial assets at amortised cost £m	2022 Financial assets at FVOCI £m	2022 Financial assets FVTPL £m	2022 Total £m
Interest expense	435.6	-	-	-	435.6	414.5	–	–	–	414.5
Interest on defined benefit pension	-	-	78.2	-	78.2	–	–	104.8	–	104.8
Interest on right of use lease and PFI liabilities	14.8	-	-	-	14.8	15.8	–	–	–	15.8
Reduction in fair value	-	-	14.0	-	14.0	–	–	–	–	–
Expected and actual credit losses/(reversals)	-	432.9	-	-	432.9	–	171.7	–	–	171.7
Unwind of discount on non-current creditors	-	-	-	-	-	(0.1)	–	–	–	(0.1)
Impairment losses	(9.6)	-	-	-	(9.6)	–	–	–	–	–
Fee expense	11.2	-	-	-	11.2	–	–	–	–	–
Other financing and investment expenditure	5.4	-	-	-	5.4	–	–	1.7	–	1.7
Total expense in (Surplus) or Deficit on the Provision of Services	**457.4**	**432.9**	**92.2**	**-**	**982.5**	430.2	171.7	106.5	–	708.4
Interest income	-	(430.1)	-	-	(430.1)	–	(404.8)	–	–	(404.8)
Other investment income	-	-	-	(1.9)	(1.9)	–	–	(0.1)	–	(0.1)
Total income in (Surplus) or Deficit on the provision of services	**-**	**(430.1)**	**-**	**(1.9)**	**(432.0)**	–	(404.8)	(0.1)	–	(404.9)
Net (gain)/loss for the year	**457.4**	**2.8**	**92.2**	**(1.9)**	**550.5**	430.2	(233.1)	106.4	–	303.5

Notes to the Financial Statements
35. Pensions

The majority of the Group's staff were members of the Public Sector Section of the TfL Pension Fund. The majority of the Group's remaining staff were members of London Pension Fund Authority Pension Fund, the Principal Civil Service Pension Scheme, the Crossrail Shared Cost Section of the Railways Pension Scheme (Crossrail Section) or the Tube Lines defined contribution scheme.

a) Reconciliation of amounts included in net cost of services and amounts included in staff costs

For the year ended 31 March	Note	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
TfL Pension Fund		578.5	645.6	351.7	379.0
Local Government Pension Fund		1.5	11.4	1.5	11.4
Crossrail Section of the Railways Pension Scheme		1.9	3.7	-	-
Unfunded schemes provision		0.8	0.6	0.8	0.6
Total for schemes accounted for as defined benefit		**582.7**	661.3	**354.0**	391.0
Principal Civil Service Pension Scheme		0.6	0.6	0.6	0.6
Other schemes		0.9	5.1	0.3	1.7
Less: pension costs capitalised		-	(3.7)	-	-
Amounts included in net cost of services		**584.2**	663.3	**354.9**	393.3
Less: scheme expenses		(19.7)	(14.1)	(19.4)	(13.7)
Add: current service costs capitalised		-	3.3	-	-
Amount included in staff costs	4	**564.5**	652.5	**335.5**	379.6

b) Defined benefit schemes

This section deals with those pension funds to which the Group contributes that are accounted for under IAS 19 as defined benefit schemes.

Public Sector Section of the TfL Pension Fund (TfL Pension Fund)

The TfL Pension Fund is a final salary scheme established under trust. The Fund's Trustee is the TfL Trustee Company Limited, a wholly owned subsidiary of TfL. Under the rules of the Fund, its 18 Trustee Directors are nominated in equal numbers by TfL and on behalf of the Fund's membership.

Every three years, the TfL Pension Fund actuary makes valuations and recommends the level of contributions to be made by the participating employers to ensure the long-term solvency of the Fund. The latest available valuation of the Fund was carried out as at 31 March 2021 by the Actuary, a partner of consulting actuaries Willis Towers Watson, using the projected unit method. A revised Schedule of Contributions was agreed between the Trustee and the employers following the formal funding valuation of the Public Sector Section.

Under the valuation report, the Fund held a surplus of £179m as at 31 March 2021. Assets totalled £13,085m and the defined benefit obligation totalled £12,906m. A revised Schedule of Contributions was agreed between the Trustee and the employers following the formal funding valuation. This set out a future service contribution rate of 27.3 per cent for the employers and five per cent for members.

The underlying assets and defined benefit obligation of the TfL Pension Fund cover a number of Group entities and cannot be readily split between each undertaking. No contractual agreement is in place to allocate the total net obligation between the member entities. Thus, in accordance with IAS 19, the Corporation, as the Scheme sponsor, has recognised the total net defined benefit obligation in its own individual accounts.

A separate valuation of the TfL Pension Fund has been prepared, by actuaries at the XPS Pensions Group, for accounting purposes on an IAS 19 basis as at 31 March 2023. The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, while the present value of the schemes' defined benefit obligation is derived from cash flow projections. Due to the timescale covered, neither the assumptions nor the cash flow projections may necessarily be borne out in practice. Management has assessed that TfL has an unconditional right to a refund of surplus assets for accounting purposes under IAS 19, assuming the gradual settlement of plan liabilities after consideration of the Trust Deed and Rules. Therefore, any net surplus is recognised in full.

Notes to the Financial Statements

35. Pensions (continued)

The defined benefit obligation for the TfL Pension Fund has been calculated using the mortality assumptions adopted for the latest available funding valuation as at 31 March 2021. Standard mortality tables were used, adjusted to reflect the recent mortality experience of the Fund's pensioners at that date. An allowance was made for future mortality improvements based on the CMI 2021 projections with a long-term improvement rate of 1.25 per cent per annum. No weighting has been given to 2020 or 2021 mortality experience, given the exceptional impact of the coronavirus pandemic on these years.

The discounted scheme liabilities have an average duration of 16 years.

London Pension Fund Authority Pension Fund (Local Government Pension Fund)

The London Pension Fund Authority Pension Fund is a funded multi-employer defined benefit scheme, administered by the London Pension Fund Authority. The Corporation is able to identify its share of the assets and defined benefit obligation of the scheme and this scheme has therefore been accounted for as a defined benefit scheme under IAS 19. Employer's contributions were payable at the rate of 15.6 per cent for 2022/23 (2021/22 15.6 per cent) of pensionable pay, plus a lump sum deficit reduction payment of £nil (2021/22 £0.9m). The Corporation's share of the underlying assets and defined benefit obligation resulted in an IAS 19 deficit as at 31 March 2023 of £0.5m (2022 £54.4m). The discounted scheme liabilities have an average duration of 17 years.

The last full actuarial valuation available was carried out at 31 March 2022. The report showed a funding surplus of £1.63bn at that date. The annual report and financial statements for the whole scheme can be found on the London Pension Fund Authority's website (www.lpfa.org.uk). A separate valuation as at 31 March 2023 has been prepared for accounting purposes on an IAS 19 basis by Barnett Waddington LLP.

Crossrail Shared Cost Section of the Railways Pension Scheme (Crossrail Section)

Crossrail Limited (CRL) participates in the Crossrail Section of the Railways Pension Scheme which is accounted for in these financial statements as a defined benefit pension scheme under IAS 19.

The latest available full actuarial valuation of the Scheme was carried out at 31 December 2019. The report showed a funding surplus of £5.9m. This was translated into a current employer contribution level of 20.9 per cent. A separate valuation has been prepared for accounting purposes on an IAS 19 basis as at 31 March 2023 by actuaries at the XPS Pensions Group. Assumptions underlying this valuation have been updated from the full actuarial valuation of the scheme carried out at 31 December 2019. The Group's share of the underlying assets and defined benefit obligation resulted in an IAS 19 surplus, as at 31 March 2023, of £1.4m (2022 deficit of £42.7m). The discounted Crossrail Section liabilities have a duration of approximately 19 years.

Management has assessed that TfL has an unconditional right to a refund of surplus assets for accounting purposes under IAS 19, assuming the gradual settlement of plan liabilities after consideration of the deed of the established section together with the Adopted Rules. Therefore, any net surplus is recognised in full.

The defined benefit obligation for the Crossrail Section has been calculated using the mortality assumptions adopted for the funding valuation as at 31 December 2019. Standard mortality tables were used, adjusted to reflect the recent mortality experience of the Scheme's pensioners at that date. An allowance was made for future mortality improvements based on the CMI 2021 projections with a long-term improvement rate of 1.25 per cent per annum. No weighting has been given to 2020 or 2021 mortality experience.

Unfunded pension costs

The Corporation bears the cost of the augmentation of the pensions of certain employees, who retire early under voluntary severance arrangements.

In addition, the Corporation also bears the cost of:

- Ex-gratia payments, which are made to certain former employees on retirement in respect of service prior to the establishment of pension funds for those employees
- Supplementary pensions, which are made to certain former employees who retired prior to index linking of pensions
- Pensions of London Regional Transport former board members who did not qualify to join the TfL Pension Fund
- Other unfunded defined benefit pensions accruing to certain employees

XPS Pensions Group, consulting actuaries, were instructed to report on the financial position of the unfunded pension defined benefit obligation as at 31 March 2023 for the purpose of IAS 19 only. The report does not constitute a formal actuarial valuation of the unfunded pension defined benefit obligation. The valuation as at 31 March 2023 was £87.6m (2022 £107.4m) and is fully provided for in these financial statements.

Notes to the Financial Statements
35. Pensions (continued)

Assumptions for defined benefit sections
The main actuarial assumptions used for the TfL Pension Fund, the Crossrail Shared Cost Section of the Railways Pension Scheme, the Local Government Pension Scheme (together 'the Schemes') and unfunded schemes were:

	IAS 19 valuation at 31 March 2023 %	IAS 19 valuation at 31 March 2022 %
RPI Inflation	3.20	3.50
CPI Inflation	2.70-2.95	3.00-3.25
Rate of increase in salaries	2.95-3.95	3.25-4.25
Rate of increase in pensions in payment and deferred pensions	2.70-3.15	3.00-3.43
Discount rate	4.75-4.80	2.60

The Group's retirement benefit plans typically expose the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk. Sensitivity analyses for the most significant actuarial assumptions made in relation to these risks are as set out below. The analyses have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate were 0.1 per cent higher/(lower), the defined benefit obligation would decrease by £200.2m/(increase by £204.2m)
- If the expected salary growth were increased/(decreased) by 0.1 per cent, the defined benefit obligation would increase by £54.4m/(decrease by £55.5m)
- If life expectancy were increased/(decreased) by one year, the defined benefit obligation would increase by £406.7m/(decrease by £419.6m)
- If the inflation rate were 0.1 per cent higher/(lower), the defined benefit obligation would increase by £200.8m/(decrease by £151.8m)

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

c) Accounting for defined benefit schemes
The total assets in the schemes were:

At 31 March	Value 2023 £m	Value 2022 £m
Equities and alternatives	13,914.3	11,041.6
Bonds	254.6	3,213.8
Cash and other	24.3	188.1
Total fair value of assets	14,193.2	14,443.5

The TfL Pension Fund, the Crossrail Shared Cost Section of the Railways Pension Scheme and the Local Government Pension Scheme assets consist of the following categories, by proportion of the total assets held:

At 31 March	2023 %	2022 %
Equities	90	77
Bonds	10	22
Cash and other assets	-	1
	100	100

The unfunded pension schemes have no assets to cover their defined benefit obligation.

Notes to the Financial Statements

35. Pensions (continued)

Total pension surplus/(deficit) at 31 March

Group	2023 £m	2022 £m
Fair value of scheme assets	**14,193.2**	14,443.5
Actuarial valuation of defined benefit obligation	**(12,649.9)**	(17,645.0)
Net surplus/(deficit) recognised in the Balance Sheet	**1,543.3**	(3,201.5)

Group	2023 £m	2022 £m
TfL Pension Fund	**1,630.0**	(2,997.0)
Local Government Pension Fund	**(0.5)**	(54.4)
Crossrail Section of the Railways Pension Scheme	**1.4**	(42.7)
Unfunded schemes provision	**(87.6)**	(107.4)
Net surplus/(deficit) recognised in the Balance Sheet	**1,543.3**	(3,201.5)

Corporation	2023 £m	2022 £m
Fair value of scheme assets	**14,101.6**	14,348.1
Actuarial valuation of defined benefit obligation	**(12,559.7)**	(17,506.9)
Net surplus/(deficit) recognised in the Balance Sheet	**1,541.9**	(3,158.8)

Corporation	2023 £m	2022 £m
TfL Pension Fund	**1,630.0**	(2,997.0)
Local Government Pension Fund	**(0.5)**	(54.4)
Unfunded schemes provision	**(87.6)**	(107.4)
Net surplus/(deficit) recognised in the Balance Sheet	**1,541.9**	(3,158.8)

Analysis of amounts included in the Comprehensive Income and Expenditure Statement

Analysis of amounts charged to net cost of services

Year ended 31 March	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Current service cost	**562.6**	637.7	**561.1**	634.4
Less contributions paid by subsidiaries	**-**	-	**(226.8)**	(266.6)
Past service cost	**0.4**	0.1	**0.4**	0.1
Settlements	**-**	9.4	**-**	9.4
Total included in staff costs	**563.0**	647.2	**334.7**	377.3
Scheme expenses	**19.7**	14.1	**19.3**	13.7
Total amount charged to net cost of services	**582.7**	661.3	**354.0**	391.0

Amounts charged to financing and investment expenditure

Year ended 31 March	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Net interest expense on scheme defined benefit obligation	**79.3**	105.9	**78.2**	104.8

Amount recognised in other comprehensive income and expenditure

Year ended 31 March	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Net remeasurement losses recognised in the year	**(5,087.3)**	(2,790.9)	**(5,040.8)**	(2,773.2)

Notes to the Financial Statements
35. Pensions (continued)

Analysis of scheme defined benefit obligation into amounts arising from schemes that are wholly or partly funded and wholly unfunded

At 31 March	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Wholly unfunded schemes	**87.6**	107.4	**87.6**	107.4
Wholly or partly funded schemes	**12,562.3**	17,537.6	**12,472.1**	17,399.5
Total scheme defined benefit obligation	**12,649.9**	17,645.0	**12,559.7**	17,506.9

Reconciliation of defined benefit obligation

	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Actuarial value of defined benefit obligation at 1 April	**17,645.0**	18,664.1	**17,506.9**	18,520.2
Current service cost	**562.6**	637.7	**561.1**	634.4
Interest cost	**454.0**	361.3	**450.4**	358.5
Employee contributions	**56.7**	55.9	**56.5**	55.6
Remeasurement losses/(gains) on scheme liabilities:				
Net remeasurement – financial	**(6,679.0)**	(1,566.5)	**(6,619.3)**	(1,556.0)
Net remeasurement – experience	**1,058.9**	104.0	**1,050.6**	104.0
Net remeasurement – demographic	**(3.6)**	(206.4)	**(3.6)**	(206.2)
Actual benefit payments	**(445.1)**	(431.0)	**(443.3)**	(429.5)
Liabilities assumed on settlements	**-**	25.8	**-**	25.8
Past service cost	**0.4**	0.1	**0.4**	0.1
Actuarial value of defined benefit obligation at 31 March	**12,649.9**	17,645.0	**12,559.7**	17,506.9

Reconciliation of fair value of the scheme assets

	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Fair value of assets at 1 April	**14,443.5**	13,061.0	**14,348.1**	12,973.9
Expected return on assets net of expenses	**374.7**	255.4	**372.2**	253.7
Other actuarial gains and losses	**2.8**	-	**2.8**	-
Scheme expenses	**(19.7)**	(14.1)	**(19.3)**	(13.7)
Return on assets excluding interest income	**(539.2)**	1,122.0	**(534.3)**	1,115.0
Actual employer contributions	**314.1**	372.6	**86.6**	104.7
Contributions paid by subsidiaries	**-**	-	**226.8**	266.6
Employee contributions	**56.7**	55.9	**56.5**	55.6
Settlement prices received	**-**	16.4	**-**	16.4
Actual benefits paid	**(439.7)**	(425.7)	**(437.8)**	(424.1)
Fair value of assets at 31 March	**14,193.2**	14,443.5	**14,101.6**	14,348.1

Notes to the Financial Statements

35. Pensions (continued)

The expected return on scheme assets is set equal to the discount rate. The actual return on scheme assets in the year was a loss of £164.5m (2021/22 a gain of £1,377.4m).

Total contributions of £320.4m are expected to be made to the schemes in the year ending 31 March 2024.

d) Other pension arrangements

Principal Civil Service Pension Scheme and Alpha – Civil Servants and Others Pension Scheme

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. From 1 April 2015 most PCSPS members switched to the new Civil Servants and Others Pension Scheme, (also known as Alpha). The Group is unable to identify its share of the underlying assets and defined benefit obligations of these schemes on a consistent and reasonable basis and, as permitted by the multi-employer exemption in IAS 19, the Group treats contributions to the PCSPS and Alpha as if they were contributions to a defined contribution plan. A full actuarial valuation was last carried out at 31 March 2022. Details can be found in the Civil Service Superannuation Resource Accounts (www.civilservicepensionscheme.org.uk/).

During 2022/23 minimum employers' contributions represented an average of 27.3 per cent of pensionable pay (2021/22 27.3 per cent). Employer contributions are reviewed every four years. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Docklands Light Railway Pension Scheme

The Docklands Light Railway Pension Scheme (DLR Scheme) is a defined benefit scheme established under trust in the UK that provides both pensions in retirement and death benefits to members. The Trustees are responsible for the operation and governance of the DLR Scheme, including making decisions regarding funding and investment strategy in conjunction with Docklands Light Railway Limited (DLR), a subsidiary of the TfL Group, as the Principal Employer of the Scheme.

Every three years the Scheme Actuary of the DLR Scheme carries out a valuation to assess the funding position and to determine the future levels of contributions. The most recent available valuation was effective 1 April 2021.

Keolis Amey Docklands Limited (KAD) was awarded the franchise to operate the DLR from 7 December 2014 and is a Participating Employer in the DLR Scheme. The contributions payable by KAD to the DLR Scheme are set out in the franchise agreement between DLR and KAD dated 17 July 2014. These are to pay 35.7 per cent per annum of Pensionable Salaries into the Scheme, the PPF levy and additional contributions if actual pensionable salary increases exceed RPI + 1.5 per cent per annum.

DLR, as the Principal Employer of the DLR Scheme, is responsible for meeting any further costs towards the cost of accruing benefits and removing the deficit, over and above the contributions payable by KAD, if necessary. Following the completion of the 2021 valuation, it was agreed that DLR would pay 22.6 per cent per annum of Pensionable Salaries towards future benefit accrual from 1 April 2020 to 31 March 2022, amounting to £3.3m in respect of 2020/21, which was paid on 30 July 2021 and £3.1m, which was paid on 28 July 2022: plus in respect of subsequent Scheme Years, commencing 1 April 2022:

- 21.7 per cent per annum of Pensionable Salaries in respect of the cost of accrual for active members payable within four months of the end of the relevant Scheme Year;
- £957,000 per annum in respect of administration expenses and the cost of death in service benefit for active members payable on or before each 10 April, from 10 April 2023 onwards;
- £800,000 per annum payable on or before each 10 April from 2023 to 2025 inclusive (£800,000 per annum in respect of 2021 and 2022 were paid on 30 April 2021 and 12 April 2022 respectively)

In addition, it was agreed that DLR would pay additional contributions if actual Pensionable Salary growth exceeds RPI inflation + 0.5 per cent per annum (up to a maximum of RPI inflation + 1.5 per cent per annum).

Over the year beginning 1 April 2023 the contributions payable to the DLR Scheme are expected to be around £5.1m from KAD and £4.8m from DLR, based on the schedule of contributions currently in force. This makes no allowance for additional contributions that may arise if Pensionable Salary growth exceeds RPI inflation + 0.5 per cent per annum or any changes as a result of a new schedule of contributions.

A valuation of the DLR Scheme has been prepared for accounting purposes on an IAS 19 basis as at 31 March 2023. This gave a valuation for the net surplus as at 31 March 2023 of £30.5m (2022 £3.9m deficit). The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions, while the present value of the DLR Scheme's defined benefit obligation is based on future cash flow projections. Neither the assumptions nor the cash flow projections may necessarily be borne out in practice.

The discounted DLR Scheme liabilities have a duration of approximately 18 years.

The scheme's funding arrangements outlined above mean that DLR is currently unable to identify its share of this obligation on a consistent and reasonable basis. The Group has therefore taken the exemption permitted under IAS 19 for multi-employer schemes and treats contributions to the DLR Scheme as if they were contributions to a defined contribution plan. No defined benefit obligation has been recognised in the Balance Sheet in respect of this scheme.

Contributions totalling £3.1m were paid by DLR in 2022/23. These costs are not reflected within staff costs for the TfL Group but are instead reflected elsewhere within the operating expenditure of the Group, as the costs relate to the staff costs of DLR's concessionaire.

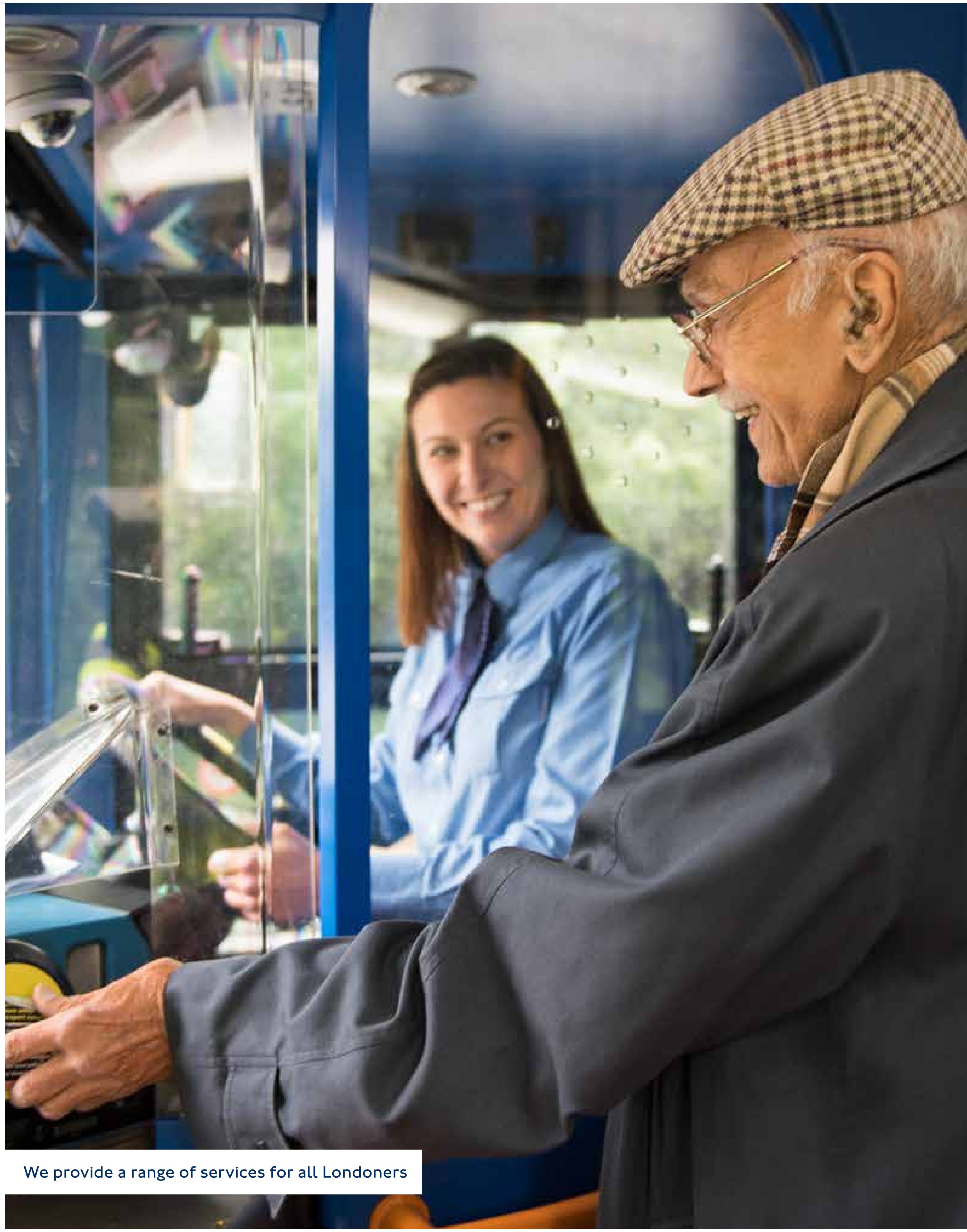
Notes to the Financial Statements
35. Pensions (continued)

Defined contribution schemes
The Group contributes to a number of defined contribution schemes, with total contributions, including contributions to the PCSPS and Alpha schemes as outlined in the paragraphs above, amounting to £1.1m (2021/22 £5.7m).

e) Type of pension assets per the TfL Pension Fund accounts

	Group 2023 quoted %	**Group 2023 unquoted %**	Group 2022 quoted %	Group 2022 unquoted %
Bonds	**5**	**0**	5	0
Equities	**19**	**3**	20	2
Loans	**0**	**2**	0	3
Pooled investment vehicles	**27**	**38**	31	32
Derivatives	**1**	**0**	0	0
Liquidity funds	**3**	**0**	3	0
AVC investments	**1**	**0**	1	0
Cash	**1**	**0**	3	0
	57	**43**	63	37

Quoted assets represent unadjusted quoted prices in an active market and inputs other than quoted prices, ,which are observable.



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Notes to the Financial Statements
36. Cash flow notes

a) The cash flows for operating activities include the following items:

	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Interest and other investment income received	**78.8**	2.6	**475.6**	404.7
Interest paid	**(507.0)**	(385.9)	**(467.1)**	(440.4)
	(428.2)	(383.3)	**8.5**	(35.7)

b) Adjustments to the surplus on the provision of services for non-cash movements

	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Depreciation, amortisation and impairment of property, plant and equipment, intangibles and right-of-use assets	**1,523.5**	1,410.0	**205.4**	219.1
Reversal of movements in the value of investment properties	**155.0**	(93.4)	**14.0**	(51.3)
Increase in interest receivable	**(0.6)**	(1.4)	**(2.7)**	(0.2)
Increase in interest payable	**87.6**	115.9	**78.1**	106.6
Movement in pensions liability	**263.2**	283.4	**261.9**	280.9
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	**89.2**	80.8	**7.7**	21.7
Adjustments to net deficit/surplus for non-cash movements before movements in working capital	**2,117.9**	1,795.3	**564.4**	576.8
Increase/(decrease) in creditors	**163.8**	(103.7)	**264.2**	(297.7)
(Increase)/decrease in debtors	**(149.4)**	(19.7)	**(55.8)**	162.8
Increase in inventories	**(20.6)**	(6.6)	**-**	-
(Decrease)/increase in provisions	**(1.6)**	23.9	**0.9**	7.8
Adjustments to net surplus for total non-cash movements	**2,110.1**	1,689.2	**773.7**	449.7

c) Adjustments to the surplus on the provision of services for investing or financing items

	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Proceeds from the sale of property, plant and equipment, intangibles and investment properties	**(25.2)**	(149.8)	**(18.9)**	(104.0)
Reversal of capital grants receivable	**(2,122.7)**	(2,014.3)	**(2,076.6)**	(1,954.6)
Reversal of finance lease receivables for deferred payments	**-**	(6.5)	**-**	-
Adjustments for items included in the net deficit that are investing or financing activities	**(2,147.9)**	(2,170.6)	**(2,095.5)**	(2,058.6)

Notes to the Financial Statements
36. Cash flow notes (continued)

d) Investing activities

Year ended 31 March	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Capital grants received	**2,079.9**	2,041.9	**2,019.8**	1,956.9
Purchase of property, plant and equipment and investment property	**(1,846.2)**	(2,196.5)	**(317.9)**	(270.9)
Purchase of intangible assets	**(40.4)**	(58.6)	**(15.3)**	(40.9)
Proceeds from the sale of property, plant and equipment and intangible assets	**27.9**	0.3	**(0.1)**	10.1
Net sales/(purchases) of other investments	**14.6**	(9.6)	**-**	-
Issue of loans to subsidiaries	**-**	-	**19.1**	(89.9)
Repayments of loans to subsidiaries	**-**	-	**15.9**	15.9
Finance leases granted in year	**(1.3)**	(0.3)	**-**	-
Finance leases repaid in year	**24.0**	13.8	**-**	-
Proceeds from sale of investment property	**82.5**	149.5	**18.9**	94.6
Investment in equity of associates and joint ventures	**(34.3)**	(4.7)	**-**	-
Investment in share capital of subsidiaries	**-**	-	**(280.0)**	(560.0)
Net cash flows from investing activities	**306.7**	(64.2)	**1,460.4**	1,115.8

e) Financing activities

Year ended 31 March	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Cash payments for reduction of the outstanding liabilities relating to lease and PFI arrangements	**(333.5)**	(324.8)	**(37.0)**	(36.0)
Cash payments for reduction of other financing liabilities	**(6.4)**	(6.2)	**-**	-
Net proceeds from new borrowing	**1,661.0**	801.9	**1,661.0**	801.9
Repayments of borrowings	**(1,720.7)**	(803.7)	**(1,720.7)**	(803.8)
Net cash flows from financing activities	**(399.6)**	(332.8)	**(96.7)**	(37.9)

Notes to the Financial Statements

37. Unusable reserves

At 31 March	2023 £m	2022 £m
Group		
Capital Adjustment Account	**30,876.3**	29,633.2
Pension Reserve	**1,541.9**	(3,158.8)
Accumulated Absences Reserve	**(13.2)**	(14.6)
Retained Earnings Reserve in Subsidiaries	**1,034.3**	1,483.6
Revaluation Reserve	**216.2**	241.1
Hedging Reserve	**(17.4)**	(57.9)
Cost of Hedging Reserve	**(2.4)**	(3.0)
Financial Instruments Adjustment Account	**(112.3)**	(124.0)
Merger reserve	**466.1**	466.1
	33,989.5	28,465.7

At 31 March	2023 £m	2022 £m
Corporation		
Capital Adjustment Account	**17,215.5**	16,740.2
Pension Reserve	**1,541.9**	(3,158.8)
Accumulated Absences Reserve	**(13.2)**	(14.6)
Revaluation Reserve	**22.4**	26.5
Financial Instruments Adjustment Account	**(112.3)**	(124.0)
	18,654.3	13,469.3

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by TfL as finance for the costs of acquisition, construction and enhancement. The account also contains accumulated gains and losses on investment properties.

In the table below, the Corporation Capital Adjustment Account remains unchanged at Group level. The adjustments for the Group financial statements arise due to an alignment of accounting policies between the Group and it's subsidiaries for assets not held in the Corporation. Under the Code, capital grants are recognised in the Comprehensive Income and Expenditure Statement and are then transferred to the Capital Adjustment Account (CAA) when utilised. No amortisation of grants or disposal of grants is recognised in the Comprehensive Income and Expenditure Statement. TfL's subsidiary companies account under full IFRS (rather than the Code) and are required to recognise deferred capital grants on the balance sheet and recognise grant amortisation in arriving at their retained earnings. An accounting policy alignment is performed on consolidation to recognise the grant receipts in the Comprehensive Income and Expenditure Statement (from where they are then transferred to the CAA). Equally, the amortisation and grant disposals are removed from the Comprehensive Income and Expenditure Statement and are shown in the CAA so that the total CAA adjustment is equal to the deferred capital grant carried in the subsidiaries' books.

Notes to the Financial Statements

37. Unusable reserves (continued)

Capital Adjustment Account (continued)

	Note	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Balance at 1 April		**29,633.2**	28,165.1	**16,740.2**	16,023.5
Amounts attributable to the Corporation					
Charges for depreciation and impairment of non-current assets		**(205.4)**	(219.1)	**(205.4)**	(219.1)
Capital proceeds from disposals of investment properties		**18.9**	94.6	**18.9**	94.6
Net book value of disposals of investment properties		**(7.4)**	(9.6)	**(7.3)**	(9.6)
Release of Revaluation Reserve relating to historical revaluation gains recognised in respect of properties disposed during the year		**3.2**	3.1	**3.2**	3.1
Release of Revaluation Reserve relating to the difference between fair value depreciation and historical cost depreciation		**-**	0.3	**-**	0.3
Movements in the market value of investment properties recognised in the deficit/surplus on the provision of services after tax		**(14.3)**	50.5	**(14.3)**	50.5
Movements in the market value of investment properties recognised directly in other comprehensive income		**-**	0.8	**-**	0.8
Capital grants and contributions	10	**1,974.4**	1,954.6	**1,974.4**	1,954.6
REFCUS	10	**(1,342.3)**	(1,216.0)	**(1,342.3)**	(1,216.0)
Minimum Revenue provision		**48.3**	60.2	**48.3**	60.2
Loss on disposal of property, plant and equipment		**(0.2)**	(2.7)	**(0.2)**	(2.7)
Adjustments for the alignment of Group accounting policies for assets not held in the Corporation					
Charges for depreciation, impairment and disposals for assets not held in the Corporation		**(620.5)**	(524.3)	**-**	-
Capital grants and contributions applied to assets not held in the Corporation	10	**1,388.4**	1,275.7	**-**	-
Balance at 31 March		**30,876.3**	29,633.2	**17,215.5**	16,740.2

Pension Reserve

The Pension Reserve represents pension and other post-retirement defined benefit obligations shown on the Balance Sheet, excluding those reflected on the balance sheets of the subsidiary companies.

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Group and Corporation account for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the defined benefit obligations recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Group and Corporation make employer's contributions to pension funds or eventually pay any pensions for which they are directly responsible. The debit balance on the pension reserve therefore shows a substantial shortfall in the benefits earned by past and current employees against the resources that have been set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Balance at 1 April	**(3,158.8)**	(5,546.3)	**(3,158.8)**	(5,546.3)
Net remeasurement losses on pension assets and defined benefit obligations	**5,040.8**	2,773.2	**5,040.8**	2,773.2
Reversal of charges relating to retirement benefits	**(659.0)**	(762.4)	**(432.2)**	(495.8)
Employer's pension contributions, contributions from subsidiaries and direct payments to pensioners payable in the year	**318.9**	376.7	**92.1**	110.1
Balance at 31 March	**1,541.9**	(3,158.8)	**1,541.9**	(3,158.8)

Notes to the Financial Statements

37. Unusable reserves (continued)

Accumulated Absences Reserve

The Accumulated Absences Reserve absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the reserve.

	Group 2023 £m	Group 2022 £m	**Corporation 2023 £m**	Corporation 2022 £m
Balance at 1 April	**(14.6)**	(16.2)	**(14.6)**	(16.2)
Settlement or cancellation of accrual made at the end of the preceding year	**14.6**	16.2	**14.6**	16.2
Amounts accrued at the end of the current year	**(13.2)**	(14.6)	**(13.2)**	(14.6)
Balance at 31 March	**(13.2)**	(14.6)	**(13.2)**	(14.6)

Retained Earnings Reserve in Subsidiaries

The Retained Earnings Reserve in Subsidiaries represents the retained earnings in the Group's subsidiary companies. These are disclosed as unusable reserves unless the subsidiary declares a dividend to the Corporation, and they are able to fund these via their own cash reserves. The majority of assets held in subsidiaries are related to transport infrastructure and are not readily convertible to cash.

	Group 2023 £m	Group 2022 £m
Balance at 1 April	**1,483.6**	1,737.3
Surplus on the provision of services after tax in subsidiaries	**242.8**	369.8
Surplus on valuation of newly created investment properties (net of tax)	**6.0**	(6.5)
Transfer of current year capital grants and contributions to the Capital Adjustment Account	**(1,388.4)**	(1,275.7)
Transfer of adjustments between Group and Corporation financial statements to the Capital Adjustment Account	**620.5**	524.3
Remeasurement gains on defined benefit pension plan assets and liabilities	**46.5**	17.7
Release of Revaluation Reserve relating to historical revaluation gains recognised in respect of properties disposed	**22.6**	114.3
Release of Revaluation Reserve relating to the difference between fair value depreciation and historical cost depreciation	**0.7**	2.4
Balance at 31 March	**1,034.3**	1,483.6

Notes to the Financial Statements

37. Unusable reserves (continued)

Revaluation Reserve

The Revaluation Reserve contains the accumulated gains made arising from increases in the value of property, plant and equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation
- Disposed of and the gains are transferred to retained earnings

	Note	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Balance at 1 April		**241.2**	339.5	**26.6**	29.9
Revaluation of assets	13	**1.6**	21.9	**(1.1)**	0.1
Release of Revaluation Reserve relating to historical revaluation gains recognised in respect of properties disposed		**(25.8)**	(117.5)	**(3.1)**	(3.1)
Release of Revaluation Reserve relating to the difference between fair value depreciation and historical cost depreciation, and to historical revaluation gains recognised in respect of properties disposed during the year		**(0.8)**	(2.8)	**-**	(0.3)
Balance at 31 March		**216.2**	241.1	**22.4**	26.6

Hedging Reserve

The Hedging Reserve holds the gain or loss on a hedging instrument that is determined to be an effective hedge. The ineffective portion, if any, is recognised immediately through the Comprehensive Income and Expenditure Statement. The gain or loss deferred in reserves is recognised in the Comprehensive Income and Expenditure Statement in the period(s) during which the hedged forecast transaction affects profit or loss, or recognised as an adjustment to the cost of a capital asset where capital expenditure is hedged.

	Group 2023 £m	Group 2022 £m
Balance at 1 April	**(57.9)**	(105.0)
Net change in fair value of cash flow interest rate hedges	**11.6**	43.9
Net change in fair value of cash flow foreign exchange hedges	**6.0**	8.0
Reclassification of interest rate fair value losses to profit and loss	**9.4**	10.2
Discontinued hedging relationship	**13.5**	(15.0)
Balance at 31 March	**(17.4)**	(57.9)

The Corporation does not have a Hedging Reserve as it has not entered into any derivative transactions, nor does it have legal powers to do so.

Notes to the Financial Statements

37. Unusable reserves (continued)

Cost of Hedging Reserve
The Cost of Hedging Reserve holds the gain or loss on a hedging instrument arising from changes in the fair value of the time value of an option when the intrinsic value of the option has been designated in an effective hedging relationship. The gain or loss deferred in reserves is recognised in the Comprehensive Income and Expenditure Statement in the period(s) during which the hedged forecast transaction affects profit or loss. The ineffective portion, if any, is recognised immediately through the Comprehensive Income and Expenditure Statement.

	Group 2023 £m	Group 2022 £m
Balance at 1 April	(3.0)	(3.9)
Reclassification of cashflow foreign exchange hedge losses to the Balance Sheet	0.6	0.9
Balance at 31 March	(2.4)	(3.0)

The Corporation does not have a Cost of Hedging Reserve as it has not entered into any derivative transactions, nor does it have legal powers to do so.

Financial Instruments Adjustment Account
The Financial Instruments Adjustment Account provides a balancing mechanism between the different rates at which gains and losses (such as premium on the early repayment of debt) are recognised under the Code and are required by statute to be met from the General Fund.

	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Balance at 1 April	(124.0)	(135.8)	(124.0)	(135.8)
Release of premium	11.7	11.8	11.7	11.8
Balance at 31 March	(112.3)	(124.0)	(112.3)	(124.0)

Merger Reserve
The Merger Reserve of £466.1m arose as a result of the transfer of the net assets of London Regional Transport, including the share capital of London Underground Limited (LUL), to TfL in 2003. It represents the share capital of LUL and was taken as a credit to the merger reserve. The Group has taken advantage of the exemption in IFRS 1 not to restate business combinations occurring prior to the transition date of 1 April 2009.

	Group 2023 £m	Group 2022 £m	Corporation 2023 £m	Corporation 2022 £m
Balance at 1 April and 31 March	466.1	466.1	-	-

Notes to the Financial Statements

38. Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement recognised by the Corporation in the year in accordance with proper accounting practice in order to determine the resources that are specified by statutory provisions as being available to the Corporation to meet future capital and revenue expenditure. The General Fund reserve represents monies available to finance the day to day activities of TfL.

Corporation

Year ended 31 March 2023	Note	General Fund £m	Capital Adjustment Account £m	Capital receipts reserve £m	Pension Reserve £m	Street Works Reserve £m	Capital Grants Unapplied Account £m	Financial Instruments Adjustment Account £m	Accumulated Absences Reserve £m
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement									
Charges for depreciation, amortisation and impairment of non-current assets	4	205.4	(205.4)	-	-	-	-	-	-
Net book value of disposals		7.7	(7.7)	-	-	-	-	-	-
Capital proceeds from disposals	39	(18.9)	-	18.9					
Capital receipts applied		-	18.9	(18.9)					
Movements in the market value of investment properties	9	14.0	(14.0)	-	-	-	-	-	-
Capital grants and contributions	10	(632.1)	632.1	-	-	-	-	-	-
Capital grants and contributions applied to REFCUS		(1,342.3)	1,342.3						
REFCUS		1,342.3	(1,342.3)						
Unapplied capital grants	10	(102.2)	-	-	-	-	102.2	-	-
Loss on disposal of non-current assets	7	0.2	(0.2)	-	-	-	-	-	-
Reversal of items relating to retirement benefits		432.2	-	-	(432.2)	-	-	-	-
Transfers to/from Street Works Reserve		(2.0)	-	-	-	2.0	-	-	-
Difference between the remuneration charged on an accruals basis and the remuneration chargeable in accordance with statutory requirements		(1.4)	-	-	-	-	-	-	1.4
Inclusion of items not debited or credited to the Comprehensive Income and Expenditure Statement which are required to be charged in accordance with statutory requirements									
Employer's pension contributions and direct payments to pensioners payable in the year		(92.1)	-	-	92.1	-	-	-	-
Minimum Revenue provision	40	(48.3)	48.3	-	-	-	-	-	-
Amortisation of premium on financing		(11.7)	-	-	-	-	-	11.7	-
		(249.2)	472.0	-	(340.1)	2.0	102.2	11.7	1.4

Notes to the Financial Statements

38. Adjustments between accounting basis and funding basis under regulations (continued)

Corporation

Year ended 31 March 2022	Note	General fund £m	Capital Adjustment Account £m	Capital receipts reserve £m	Pension Reserve £m	Street Works Reserve £m	Financial Instruments Adjustment Account £m	Accumulated Absences Reserve £m
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement								
Charges for depreciation, amortisation and impairment of non-current assets	4	219.1	(219.1)	–	–	–	–	–
Net book value of disposals		9.6	(9.6)	–	–	–	–	–
Capital proceeds from disposals	39	(94.6)	–	94.6				
Capital receipts applied		–	94.6	(94.6)				
Movements in the market value of investment properties	8	(50.5)	50.5	–	–	–	–	–
Capital grants and contributions	10	(738.6)	738.6	–	–	–	–	–
REFCUS		1,216.0	(1,216.0)					
Loss on disposal of non-current assets	7	2.7	(2.7)	–	–	–	–	–
Reversal of items relating to retirement benefits		495.8	–	–	(495.8)	–	–	–
Transfers to/from Street Works Reserve		(0.4)	–	–	–	0.4	–	–
Difference between the remuneration charged on an accruals basis and the remuneration chargeable in accordance with statutory requirements		(1.6)	–	–	–	–	–	1.6
Inclusion of items not debited or credited to the Comprehensive Income and Expenditure Statement which are required to be charged in accordance with statutory requirements								
Employer's pension contributions and direct payments to pensioners payable in the year		(110.1)	–	–	110.1	–	–	–
Minimum Revenue provision	40	(60.2)	60.2	–	–	–	–	–
Amortisation of premium on financing		(11.8)	–	–	–	–	11.8	–
		(340.6)	712.5	–	(385.7)	0.4	11.8	1.6

Notes to the Financial Statements

39. Sources of finance

Capital expenditure analysed by source of finance:

Year ended 31 March	Note	Corporation 2023 £m	Corporation 2022 £m
Capital expenditure			
Intangible asset additions	12	**15.3**	40.9
Property, plant and equipment additions	13	**343.7**	220.5
Investment property	15	**1.7**	4.0
Investments in year	16	**280.0**	560.0
Loans made to subsidiaries in year for capital purposes		**-**	89.9
Capital grants allocated to subsidiaries in year	10	**1,342.3**	1,216.0
Total capital expenditure		**1,982.8**	2,131.3
Sources of finance			
Business Rates Retention used to fund capital	10	**1,613.7**	1,350.2
Community infrastructure levy and other third party contributions	10	**191.9**	50.4
Crossrail specific grant	10	**271.0**	554.0
Adjusted by amounts transferred to Capital Grants Unapplied Account	10	**(102.2)**	-
Prudential borrowing		**-**	74.0
Repayment of loans from subsidiaries		**-**	15.9
Capital receipts		**18.9**	94.6
Working capital		**(10.5)**	(7.8)
Total sources of finance		**1,982.8**	2,131.3

Capital Financing Requirement

The Capital Financing Requirement is the amount of cumulative capital expenditure to be financed by means other than grant or asset sales proceeds. As at 31 March 2023 this stood at £13,085.6m 2022 (restated) £13,185.6m for the Corporation.

40. Minimum revenue provision

The Local Government and Housing Act 1989 requires a Minimum Revenue Provision (MRP) to be set aside for the redemption of external debt. As a statutory corporation regulated as if it were a local authority, TfL is required to comply with the Local Authorities Capital Finance Regulations. New regulations were approved by the Secretary of State in February 2008. TfL is required to approve an Annual MRP Statement determining the amount of MRP which it considers to be prudent.

The Ministry of Housing, Communities and Local Government issued guidance setting out four possible methods which are deemed automatically prudent, but also states that 'approaches differing from those exemplified should not be ruled out… the broad aim of prudent provision is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.'

While statutory guidance suggests four potential methods for calculating MRP it also allows for other methods and approaches to be used. Since 2016/17, TfL has applied the principles inherent in the statutory guidance on MRP, to make an annual provision in TfL (the Corporation), that aims to build up a reserve on the Balance Sheet over the average useful economic life of the assets funded by borrowings in the Corporation, such that, at the end of that useful economic life, that reserve may be employed to either repay borrowings or to finance replacement capex for those assets that have reached the end of their lives. An MRP is effectively already made for borrowings passed down to the subsidiaries through TfL's existing processes for funding those entities. The MRP provision for 2022/23, shown as a transfer from the General Fund to the Capital Adjustment Account in the Group and Corporation Movement in Reserves Statements, was a total of £48.3m (2021/22 £60.2m).

Notes to the Financial Statements

41. Financial assistance

TfL may give financial assistance to any body or person in respect of expenditure incurred or to be incurred by that body or person in doing anything which, in the opinion of TfL, is conducive to the provision of safe, integrated, efficient and economic transport facilities or services to, from or within Greater London, and also to London Transport Museum Limited.

Financial assistance given under section 159 of the GLA Act 1999 is outlined below:

Year ended 31 March	**Corporation 2023 £m**	Corporation 2022 £m
Financial assistance to subsidiaries		
Transport Trading Limited	**364.2**	25.4
London Underground Limited	**967.1**	1,741.0
London Bus Services Limited	**865.0**	1,031.6
London River Services Limited	**5.3**	5.5
Victoria Coach Station	**-**	3.0
London Buses Limited	**-**	0.1
London Transport Museum Limited	**3.4**	3.4
Docklands Light Railway Limited	**149.1**	199.8
Rail for London Limited	**204.1**	404.0
Crossrail Limited	**238.8**	88.8
Tramtrack Croydon Limited	**41.1**	40.4
Rail for London (Infrastructure) Limited	**71.3**	57.5
	2,909.4	3,600.5

Year ended 31 March	Note	**Corporation 2023 £m**	Corporation 2022 £m
Financial assistance to London Boroughs and other third parties			
Local Implementation Plan		**41.2**	40.4
Taxicard		**7.1**	8.2
London Streetspace		**1.1**	11.5
Cycling		**11.3**	8.0
Bus priority		**3.2**	8.7
Other		**7.4**	5.1
	4	**71.3**	81.9

Notes to the Financial Statements

42. Related parties

TfL is required by the Code and IAS 24 Related Party Disclosures (IAS 24) to disclose material transactions with related parties. Related parties are entities or individuals who have the potential to control, indirectly control or significantly influence TfL or to be controlled, indirectly controlled or significantly influenced by TfL.

TfL is a statutory corporation established by section 154 of the GLA Act 1999. It is a functional body of the Greater London Authority and is controlled by the Mayor of London. TfL is classified as a government entity in accordance with IAS 24, as it is controlled by the GLA, through the Mayor. The GLA and its other functional bodies are considered to be related parties of TfL and its subsidiaries, as they are all under the control of the Mayor. Other related parties include TfL's Board Members, members of the TfL Executive Committee (including the Commissioner and General Counsel, the Mayor of London and the TfL Pension Fund. In addition, central Government has the potential to influence TfL by providing the statutory framework within which TfL operates and through the provision of funding in the form of grants and borrowing facilities.

Disclosure of related party transactions allows readers to assess the extent to which the Corporation might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with it.

GLA and functional bodies

Details of amounts received from the Business Rates Retention, and the Council Tax precept paid to TfL by the GLA are shown in note 10.

During 2022/23, TfL had the following other transactions with the GLA and functional bodies:

	Total income during the year £m	Total expenditure during the year £m	Outstanding balance at 31 March 2023 £m
GLA	21.0	(4.6)	13.2
Mayor's Office for Policing and Crime (MOPAC)	0.4	(121.3)	(25.2)
London Legacy Development Corporation (LLDC)	1.1	-	-
London Fire Commissioner	0.1	-	-

Board Members and Officers

Board Members, the Mayor of London, and key management (including the Commissioner and the TfL Executive Committee), are required to complete a declaration regarding any related party transactions. During the year, none of the Corporation Board, key management personnel or parties related to them have undertaken any transactions with the Corporation or its subsidiaries (2021/22 none). Details of the remuneration of the Commissioner and all employees earning a base salary of £150,000 or more are disclosed in the Remuneration Report (see note 6).

TfL Pension Fund

The Accounts of the TfL Pension Fund are prepared separately and are subject to a separate audit opinion. Contributions payable to the TfL Pension Fund by TfL as employer are disclosed in note 35.

Central Government

During 2022/23 the DfT contributed grant funding to TfL totalling £919.6m (2021/22 £1,716.8m) under a series of Extraordinary Funding and Financing Agreements.

In the year to 31 March 2023, the GLA paid grants totalling 271.0m to TfL in relation to the Crossrail project (2022 £554m). And as at 31 March 2023 £715m of the Crossrail loan facility provided by the DfT in relation to the Crossrail project remained drawn down (2022 £750m).

Other public bodies

TfL provides financial assistance to London Boroughs to support Borough schemes that improve the local travelling environment. Financial assistance provided is disclosed in note 41.

TfL receives income from the London Boroughs for the provision of free travel for older and disabled customers, and students. This income is set out in note 1.

TfL has borrowings outstanding from the PWLB and pays interest to PWLB in respect of those borrowings.

TfL makes payments to the British Transport Police for the provision of policing services on the Underground and London Overground and other overground railways.

TfL makes payments to the Metropolitan Police Service for policing services provided by the Safer Transport Command.

Transactions between the Corporation and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Notes to the Financial Statements
43. Trust Funds

The Corporation acts as the sole trustee for the TfL Healthcare Trust, a trust established for the purpose of providing certain benefits relating to medical treatment for eligible employees of the Group and their family members. The Trust is administered by AXA PPP Healthcare Administration Services Limited, an independent third party. Under the terms of the Trust deed the funds held by the Trust do not represent the assets of the Corporation or its subsidiaries. Hence the Trust has not been consolidated into these financial statements.

	Income £m	Expenditure £m	Assets £m	Liabilities £m
At 31 March 2023				
TfL Healthcare Trust	**1.2**	**(3.8)**	**2.5**	**-**
At 31 March 2022				
TfL Healthcare Trust	4.8	(3.8)	5.1	-

Notes to the Financial Statements
44. Events after the Balance Sheet date

Management do not consider that there has been any post Balance Sheet event that would require an adjustment being made to the carrying values at 31 March 2023 as reported in these financial statements.

Current Board Member	For the year ended 31/03/223 (£)
Sadiq Khan	Not remunerated by TfL
Seb Dance	Not remunerated by TfL
Heidi Alexander	19,000
Cllr Julian Bell**	7,636 (until 4 September 2022)
Kay Carberry CBE	20,000
Professor Greg Clark CBE***	20,000 (from 23 November 2022)
Anurag Gupta	18,000
Bronwen Handyside	18,000
Anne McMeel	20,000
Dr Mee Ling Ng OBE	20,000
Dr Nelson Ogunshakin OBE	19,000
Mark Phillips	20,000
Marie Pye	18,000
Dr Nina Skorpuska CBE FEI	19,000
Dr Lynn Sloman MBE	20,000
Ben Story	20,000
Peter Strachan	20,000
Cllr Kieron Williams****	7,682 (from 10 October 2022)

Non-Voting meeting attendees: Elizabeth Line Committee	For the year ended 31/03/223 (£)
Sarah Atkins	16,000
Kathryn Cearns OBE (Government)^	Not remunerated by TfL
Matt Lodge (Government)^^	Not remunerated by TfL

Non-Voting meeting attendees: Government Special Representatives	For the year ended 31/03/223 (£)
Andrew Gilligan^^^	Not remunerated by TfL
Becky Wood	Not remunerated by TfL
John Hall^^^^	Not remunerated by TfL

Members whose remuneration changed during the year

* Heidi Alexander become a member of the Land and Property Committee

** Cllr Julian Bell's appointment as a TfL Board Member expired on 4 September 2022

*** Professor Greg Clark CBE stood down from the Elizabeth Line Committee on 23 November 2022

**** Cllr Kieron Williams was appointed as a TfL Board Member on 10 October 2022. He was appointed to the Programmes and Investment Committee and Customer Services and Operational Performance Panel from 23 November 2022

Non-Voting meeting attendees who joined or left during the year

* TBC

Elizabeth Line Committee Government Observers

^ Kathryn Cearns OBE stood down as the Government observer to the Elizabeth Line Committee on 14 July 2022

^^ Matt Lodge was appointed as the Government observer to the Elizabeth Line Committee from 14 July 2022

Government Special Representatives to TfL Board

^^^ Andrew Gilligan, Strategic Special Representative, stood down in September 2022

^^^^ John Hall, Strategic Special Representative, appointed on 28 November 2022

TfL Board members

The Mayor appoints members for their skills, knowledge and experience relating to TfL's activities. The Board is independent of the executive

Sadiq Khan
Chair

Seb Dance
Deputy Chair

Heidi Alexander

Kay Carberry CBE

Cllr Julian Bell*

Professor Greg Clark CBE

Anurag Gupta

Bronwen Handyside

Anne McMeel

Dr Mee Ling Ng OBE

Dr Nelson Ogunshakin OBE

Mark Phillips

Marie Pye

Dr Nina Skorupska CBE FEI

Dr Lynn Sloman MBE

Ben Story

Peter Strachan

Cllr Kieron Williams**

* Cllr Bell left the Board on 4 September 2022
** Cllr Williams appointed from 12 October 2022

Membership of TfL Committees and Panels

Audit and Assurance Committee

Mark Phillips
Chair

Anurag Gupta
Vice Chair

Kay Carberry CBE

Dr Mee Ling Ng OBE

Elizabeth line Committee

Heidi Alexander
Chair

Anne McMeel
Vice Chair

Prof Greg Clark CBE*

Dr Nelson Ogunshakin OBE

Mark Phillips

* Professor Greg Clark CBE stood down on 23 November 2022

Finance Committee

Anne McMeel
Chair

Ben Story
Vice Chair

Prof Greg Clark CBE

Seb Dance

Anurag Gupta

Dr Nina Skorupska CBE FEI

Land and Property Committee

Prof Greg Clark CBE
Chair

Dr Nina Skorupska CBE FEI

Heidi Alexander

Seb Dance

Anne McMeel

Ben Story

Programmes and Investment Committee

Ben Story
Chair

Dr Nelson Ogunshakin OBE
Vice Chair

Dr Lynn Sloman MBE

Peter Strachan

Cllr Kieron Williams*

* Cllr Williams appointed from 23 November 2022

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Remuneration Committee


Kay Carberry CBE
Chair


Peter Strachan
Vice Chair


Seb Dance


Dr Nelson Ogunshakin OBE

Customer Service and Operational Performance Panel


Dr Mee Ling Ng OBE
Chair


Marie Pye
Vice Chair


Bronwen Handyside


Anne McMeel


Dr Lynn Sloman MBE


Peter Strachan


Cllr Kieron Williams*

* Cllr Williams appointed from 23 November 2022

Safety, Sustainability and Human Resources Panel


Dr Lynn Sloman MBE
Chair


Dr Nina Skorupska CBE FEI
Vice Chair


Kay Carberry CBE


Bronwen Handyside


Dr Mee Ling Ng OBE


Mark Phillips


Marie Pye

TfL Members Attendance 2022/23[1]

Member	Board (8)[2]	Audit and Assurance Committee (4)	Customer Service and Operational Performance Panel (4)	Elizabeth line Committee (6)	Finance Committee (4)	Land and Property Committee (4)	Programmes and Investment Committee (5)	Remuneration Committee (3)	Safety, Sustainability and Human Resources Panel (3)
Sadiq Khan	8	–	–	–	–	–	–	–	–
Cllr Julian Bell[3]	4 (4)	1 (1)	–	–	–	–	2 (2)	–	–
Seb Dance	8	–	–	5	4	4	5	3	–
Heidi Alexander	5	–	–	5	–	2	–	–	–
Kay Carberry CBE	8	4	–	–	–	–	–	3	3
Professor Greg Clark CBE[4]	5	–	–	2 (3)	4	4	–	–	–
Anurag Gupta	6	4	–	–	3	–	–	–	–
Bronwen Handyside[5]	4	–	2	–	–	–	–	–	2
Anne McMeel	8	–	4	5	4	3	–	–	–
Dr Mee Ling Ng OBE	7	4	3	–	–	–	–	–	2
Dr Nelson Ogunshakin OBE	8	–	–	4	–	–	2	1	–
Marie Pye	8	–	4	–	–	–	–	–	3
Mark Phillips	8	4	–	3	–	–	–	–	3
Dr Nina Skorupska CBE FEI	8	–	–	–	3	4	–	–	2
Dr Lynn Sloman MBE	8	–	3	–	–	–	3	–	3
Ben Story	8	–	–	–	3	4	4	–	–
Peter Strachan	7	–	4	–	–	–	5	3	–
Cllr Kieron Williams[6]	3 (4)	–	1 (2)	–			0 (2)		–

1 Number of total meetings includes those held entirely online, but live streamed for the public. Member attendance includes virtual attendance

2 Includes meetings held on 9 and 30 August 2023, called with less than five clear days' notice, to discuss TfL's funding. This impacted Member availability

3 Cllr Bell left the Board on 4 September 2022

4 Prof Greg Clark CBE stood down from the Elizabeth Line Committee on 23 November 2022

5 Bronwen Handyside's attendance was impacted by ill-health

6 Cllr Williams joined the Board on 12 October 2022 and was appointed to serve on Committees and Panels from 23 November 2022

About Transport for London (TfL)

Part of the Greater London Authority family led by Mayor of London Sadiq Khan, we are the integrated transport authority responsible for delivering the Mayor's aims for transport. We have a key role in shaping what life is like in London, helping to realise the Mayor's vision for a 'City for All Londoners' and helping to create a safer, fairer, greener, healthier and more prosperous city. The Mayor's Transport Strategy sets a target for 80 per cent of all journeys to be made by walking, cycling or using public transport by 2041. To make this a reality, we prioritise sustainability, health and the quality of people's experience in everything we do.

We run most of London's public transport services, including the London Underground, London Buses, the DLR, London Overground, Elizabeth line, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the IFS Cloud Cable Car. The experience, reliability and accessibility of these services is fundamental to Londoners' quality of life.

We manage the city's red route strategic roads and, through collaboration with the London boroughs, we are helping to shape the character of all London's streets. These are the places where Londoners travel, work, shop and socialise. Making them places for people to walk, cycle and spend time will reduce car dependency, improve air quality, revitalise town centres, boost businesses and connect communities. As part of this, our expanded Ultra Low Emission Zone and fleets of increasingly environmentally friendly and zero-emission buses are helping to tackle London's toxic air.

During the pandemic, we took a huge range of measures to ensure people were safe while travelling. This included extensive cleaning regimes across the public transport network and working with London's boroughs to introduce the Streetspace for London programme, which provided wider pavements and cycle lanes for people to walk and cycle safely and maintain social distancing. London's recovery is vital to the UK's recovery as life returns to normal. We want to ensure London avoids a car-led recovery and we continue to reassure people the capital and our transport network is safe and ready for them.

We have constructed many of London's most significant infrastructure projects in recent years, using transport to unlock much needed economic growth. This includes major projects like the extension of the Northern line to Battersea Power Station and Nine Elms in south London, as well as our work at Barking Riverside and the Bank station upgrade.

Working with the Government, we opened the Elizabeth line in time for Queen Elizabeth II's Jubilee. This transformational new railway adds 10 per cent to central London's rail capacity and supports the delivery of high-density, mixed-use developments, which are planned around active and sustainable travel to ensure London's growth is good growth. We also use our own land to provide thousands of new affordable homes and our own supply chain creates tens of thousands of jobs and apprenticeships across the country.

We are committed to being an employer that is fully representative of the community we serve, where everyone can realise their potential. Our aim is to be a fully inclusive employer, valuing and celebrating the diversity of our workforce to improve services for all Londoners.

We are constantly working to improve the city for everyone. This means using information, data and technology to make services intuitive and easy to use and doing all we can to make streets and transport services accessible to all. We reinvest every penny of our income to continually improve transport networks for the people who use them every day. None of this would be possible without the support of boroughs, communities and other partners who we work with to improve our services. By working together, we can create a better city as London's recovery from the pandemic continues.

July 2023

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Board

Date: **25 July 2023**

Item: **Safety, Health and Environment Annual Report 2022/23**

This paper will be considered in public

1 Summary

1.1 This paper summarises the key information and trends reported in the Safety, Health and Environment (SHE) Annual Report for the 2022/23 financial year.

1.2 The financial year covers the dates 1 April 2022 – 31 March 2023. Most data presented covers this range, except for some road safety and work-related violence data. It is clearly highlighted when data falls outside this period.

1.3 The year 2022/23 saw TfL continue to work toward its goal of Vision Zero and the majority of safety scorecard targets were met. However, challenges remain, and latter trends suggest that road risk has returned to pre-pandemic levels. There remain a number of areas in terms of our safety, health and environmental performance where we need to make significant progress.

2 Recommendation

2.1 **The Board is asked to note the Safety, Health and Environment Annual Report 2022/23.**

3 Report Overview

3.1 The report shows that people killed or seriously injured on our roads, customer all-injuries and carbon dioxide emissions scorecard measures for 2022/23 have been met. This is a positive result but a reminder that we must strive to do more to achieve Vision Zero, zero harm and the decarbonisation of London respectively.

3.2 We narrowly missed our central scorecard target for the total number of injuries sustained by our colleagues, although numbers of the most serious and fatal injuries improved compared to last year. The report describes measures that we are taking to continually improve colleague safety including a particular focus on addressing public violence and aggression towards colleagues.

Measure	Unit	2022/23 target	2022/23 actual	Status
People killed or seriously injured in road traffic collisions	Rate of people killed or seriously injured per million journey stages	0.33	0.29	Achieved
People killed or seriously injured in road traffic collisions in or by a London bus	Rate of people killed or seriously injured per million journey stages	0.020	0.018	Achieved
Customers – all injuries	Rate of all injuries per million journeys	2.58	2.48	Achieved
Workforce – all injuries	Absolute number of workforce injuries	1,348	1,550	Not achieved
Carbon dioxide emissions from our operations and buildings	Ktonnes CO2e	845	814	Achieved

Safety

3.3 Road safety data shows that this year we achieved a 38 per cent reduction in deaths and serious injuries compared to our 2005-09 baseline, and a 54 per cent reduction in fatal or serious injuries on or by a bus.

3.4 While this is positive progress, it has fallen short of the strategic targets we have adopted as part of our progress towards Vision Zero and shows that we must continue to focus our efforts in this area.

3.5 Performance in our Capital delivery area in 2022/23 was positive. The total number of injuries fell to 79, 25 per cent fewer than last year's total and included a reduction in more serious injuries.

3.6 To improve workforce safety, we have continued with our strategy to tackle work-related violence and aggression (WVA).

3.7 During 2022/23, there were more than 10,000 reported incidents of violent or aggressive behaviour by members of the public towards our staff. This included more than 1,400 physical assaults.

3.8 We have strengthened our prevention, support and investigation teams, and updated training for frontline managers on responding to WVA incidents and supporting colleagues.

3.9 We have supplied more body-worn cameras to our customer-facing staff, as well as 500 emergency communication devices.

3.10 We continue to work with police on targeted operations to tackle illegal and anti-social behaviour on the transport network and enforce our byelaws.

Health

3.11 This year, short-term absence and sickness among our people was dominated by COVID-19, reminding us that while the pandemic may be over, COVID-19 continues to circulate in the population.

3.12 Mental health and musculoskeletal conditions remain the largest cause of long-term absence, in line with the national average.

3.13 In 2022/23 our Occupational Health and Wellbeing teams progressed a number of initiatives, such as Well@TfL and the Roczen health programme.

Environment

3.14 As part of our ongoing commitment to improve London's air, the Mayor announced the expansion of the Ultra Low Emission Zone London-wide on 29 August 2023.

3.15 In the effort to ensure Londoners can breathe fresher and cleaner air, another target is to aim for the transformation of our vehicle fleets to zero emission, as well as supporting broader efforts to clean London's air.

3.16 Our environment work has focused on delivering the commitments set out in our Corporate environment plan, challenging the culture and understanding of our people, particularly by promoting carbon literacy training.

3.17 We also published our Climate change adaptation plan in recognition of the effects of climate change that have already begun to affect our services.

List of appendices to this report

Safety, Health and Environment Annual Report 2022/23

List of Background papers

None

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Our work to ensure a safe, sustainable transport network for London

Safety, health and environment annual report 2022/23

MAYOR OF LONDON

TRANSPORT FOR LONDON
EVERY JOURNEY MATTERS

Contents

We use data from our operations to inform and improve our work

About this report

Evaluating our work to improve safety, health and environment outcomes in 2022/23

Throughout the report, ‘our customers’ refers to direct users of our services. ‘Our workforce’ includes directly employed staff as well as people working in our supply chain. For both groups, we use data collected directly from our operational businesses.

Some assault data comes from both our own internal reporting systems and from the police. The tragic suicides that happen on our public transport network are not included in the data we collect.

Unless otherwise stated, ‘streets’ refers to all of London’s roads, including those for which London boroughs are the legal authority. ‘Our roads’ refers to the TfL Road Network.

Where we report safety data for streets, we use data collected by the Metropolitan Police Service and the City of London Police, in line with Government requirements. All road safety data is provisional and subject to review and assurance, with the final data published annually in line with Department for Transport requirements.

Reporting period
Most data covers the financial year from 1 April 2022 to 31 March 2023. Some data is provisional and is subject to change.

Commissioner's foreword

Safety, the environment and health and wellbeing are at the heart of TfL's purpose

As we work to win back customers and rebuild our finances, it is critically important that we continually improve safety and act to improve London's environment.

In the values we embrace as an organisation and in the priorities I have set out as Commissioner, providing safe and sustainable transport is the absolute focus of Transport for London.

Our colleagues are at the core of our ability to serve London. Their safety, health and wellbeing must be central to the way that we operate as a business, ensuring that everybody gets home safe and healthy every day.

Safety is also fundamental for our customers. Building and maintaining trust with customers is based on providing a safe, reliable and affordable service. Safety is the foundation of the transport service we offer the capital, not just for those using public transport but equally for those walking, cycling and driving on the road network.

It is clear that for London to thrive in the future our transport services must be resilient to the changing climate and promote cleaner air by reducing carbon and pollution.

We must also play our part as an organisation in supporting the green regeneration of London, with initiatives such as wildflower verges beside our roads providing important habitats and corridors for plant and animal life.

This report sets out some of the successes and improvements we have made in the past year across safety, health and environment (SHE) but is also clear on the challenges and the areas where we need to redouble our focus and efforts.

I am pleased to see the progress that has been made, with longer-term strategic trends showing improvements in road safety, customer and colleague safety and our environmental performance. However, we must never be complacent, and will continue to focus on improving our safety, health and environmental performance.

Andy Lord
Commissioner
Transport for London

Chief Safety, Health and Environment Officer's foreword

We are learning lessons from the pandemic and resetting our focus on longer-term objectives

This report reflects on the period from 1 April 2022 to 31 March 2023 when London had emerged from the immediate post-coronavirus pandemic period and began to return to a more normal way of operating.

In 2022, we reached a medium-term funding agreement with the Government to 31 March 2024. While this is more constrained than the position pre-pandemic and does not give long-term certainty, it has meant that we can refocus on vital investment in making SHE improvements for our customers, workforce and for London.

Our strategic analysis shows that while we have made good progress, we are not yet on track to achieve our Vision Zero goal of eliminating deaths and serious injuries from London's transport network. We will need to redouble our efforts and target our resources towards making London a city safe for everyone.

Perhaps the most pressing issue of our time is the change in the global climate. We are striving to minimise our impact and recognise that climate change is already taking place and has the potential to affect the safety and reliability of our services.

Consequently, in early 2023, we published our Climate change adaptation plan. This sets out a framework for action to help us make our network more resilient in the face of a changing climate and more extreme weather events, as well as work with other organisations to tackle this urgent issue.

While COVID-19 continues to cast a long shadow, the past year was one in which we were able to refocus on our longer-term objectives. I am truly proud of the progress we have made in all these areas, while adjusting to a new way of life. As we continue to move forward and London moves on, it is crucial that we stay focused on improving the quality of safety, health, wellbeing and the environment for all Londoners.

Lilli Matson
Chief Safety, Health and Environment Officer

Key events from 2022/23

Highlights from the past year

April 2022
Our final submission of the Adaptation Reporting Power sets out our strategy and measures for adapting to climate change

May 2022
The Well@TfL health bus begins delivering on-site health checks, health surveillance and periodic medicals for colleagues

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June 2022
New analysis of the Direct Vision Standard shows a 64 per cent reduction in serious injuries involving an HGV since 2017

July 2022
Campaign to raise awareness of rules around mandatory cycle lanes on the TfL Road Network

August 2022
We announce that from September 500 e-bikes will be available for hire as part of the Santander Cycles scheme

September 2022
The GLA Group launches its Responsible procurement implementation plan

October 2022
Four Lines Modernisation safety week, with a series of events involving 200 TfL staff and 100 staff from our main supplier Thales

November 2022
Rollout of body-worn video cameras to customer-facing teams is complete

December 2022
The Mayor announces expansion of the ULEZ across all London boroughs from 29 August 2023

January 2023
£110m scrappage scheme launches to support low-income and disabled Londoners, small businesses and charities before ULEZ expansion

February 2023
Our first power purchase agreement tender launched to ensure our operations are net zero by 2030

March 2023
We publish our Climate change adaptation plan on managing weather risks for safety and reliability on our network

Our performance

We aim to help people to move across London safely and sustainably, in line with the goals of the Mayor's Transport Strategy

Our scorecard

Our performance scorecard is a key tool that we use in monitoring our annual progress on a range of agreed measures

Measure	Unit	2022/23 target	2022/23 actual	Status
People killed or seriously injured in road traffic collisions	Rate of people killed or seriously injured per million journey stages	0.33	0.29	Achieved
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Workforce – all injuries	Absolute number of workforce injuries	1,348	1,550	Not achieved
Green	Carbon dioxide emissions from our operations and buildings (ktonnes CO_2e)	845	814	Not achieved

Our role is to ensure a safe, sustainable transport system for all Londoners, while delivering the goals of the Mayor's Transport Strategy.

This year, we continued to use a rate-based approach to target setting, to reflect fluctuating travel patterns during the pandemic. We will revert to tracking absolute numbers in 2023/24.

Performance summary

We have made progress in many areas of our mission to deliver Vision Zero, but there is more to do

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Deaths and injuries reduced

In 2022/23 we met our scorecard targets for road safety and customer injuries. We narrowly missed our safety target for workforce injuries, but nevertheless achieved a reduction in serious injuries compared to 2021/22.

Road safety data shows that this year we achieved a 38 per cent reduction in deaths and serious injuries compared to our 2005-09 baseline, and a 54 per cent reduction in fatal or serious injuries on or by a bus.

While this is positive progress, it has fallen short of the strategic targets we have adopted as part of our progress towards Vision Zero, and shows that we must continue to focus our efforts in this area.

Performance in our Capital delivery area in 2022/23 was positive. The total number of injuries fell to 79, which was 25 per cent less than last year's total and included a reduction in more serious injuries.

Workforce safety

To improve workforce safety, we have continued with our strategy to tackle work-related violence and aggression (WVA).

During 2022/23, there were more than 10,000 reported incidents of violent or aggressive behaviour by members of the public towards our staff. This included more than 1,400 physical assaults.

We have strengthened our prevention, support and investigation teams, and updated training for frontline managers on responding to WVA incidents and supporting colleagues.

We have supplied more body-worn cameras to our customer-facing staff, as well as 500 emergency communication devices.

We continue to work with police on targeted operations to tackle illegal and anti-social behaviour on the transport network and enforce our byelaws.

Workforce health

This year, short-term absence and sickness among our people was dominated by COVID-19, reminding us that while the pandemic may be over, COVID-19 continues to circulate in the population.

Mental health and musculoskeletal conditions remain the largest cause of long-term absence, in line with the national average.

In 2022/23 our Occupational Health and Wellbeing teams progressed a number of initiatives, such as Well@TfL and the Roczen health programme.

Environment initiatives

As part of our ongoing commitment to improve London's air, the Mayor announced the expansion of the Ultra Low Emission Zone London-wide on 29 August 2023.

In the effort to ensure Londoners can breathe fresher and cleaner air, another target is to aim for the transformation of our vehicle fleets to zero emission, as well as supporting broader efforts to clean London's air.

Our environment work has focused on delivering the commitments set out in our Corporate environment plan, challenging the culture and understanding of our people, particularly by promoting carbon literacy training.

We also published our Climate change adaptation plan in recognition of the effects of climate change that have already begun to affect our services.

52%
reduction in people killed in road traffic collisions

290km
of safer, high-quality cycle routes over the past five years

840
workplace health checks for staff

7,000
visits across the network by Enforcement teams

Safety

We have worked to improve safety for our customers and workforce as travel patterns continue to evolve in the post-pandemic period

Keeping our roads safe

Vision Zero aims to eliminate all deaths and serious injuries on London's streets by 2041

Every death or serious injury on our streets is devastating, bringing heartache and tragedy to all those involved. Our response must be to create a safe road system, with every component working together – safe speeds, safe streets, safe vehicles and safe behaviours – so that we can reduce road danger and protect Londoners from harm.

The Mayor's Transport Strategy sets out the overall Vision Zero 2041 ambition. Interim targets were set to reduce road deaths and serious injuries by 65 per cent by 2022 (against the 2005-09 baseline) and 70 per cent by 2030 (against the 2010-14 baseline).

The strategy sets even-more ambitious targets for our buses, including the 2022 interim target to reduce the number of people killed or seriously injured on or by a bus by 70 per cent against the 2005-09 baseline and a 2030 target of nobody killed on or by a bus.

While this is an ambitious goal, there are examples that prove it is possible, such as Oslo and Helsinki's achievement of zero road deaths in 2019.

In 2022, the reduction in deaths and serious injuries compared to our 2005-09 baseline was 38 per cent lower for all injuries and 54 per cent lower for those on or involving a London bus. While this is positive and welcome progress, we did not achieve our ambitious targets of a 65 and 70 per cent reduction, respectively.

Within the overall performance there were some particularly positive areas including:

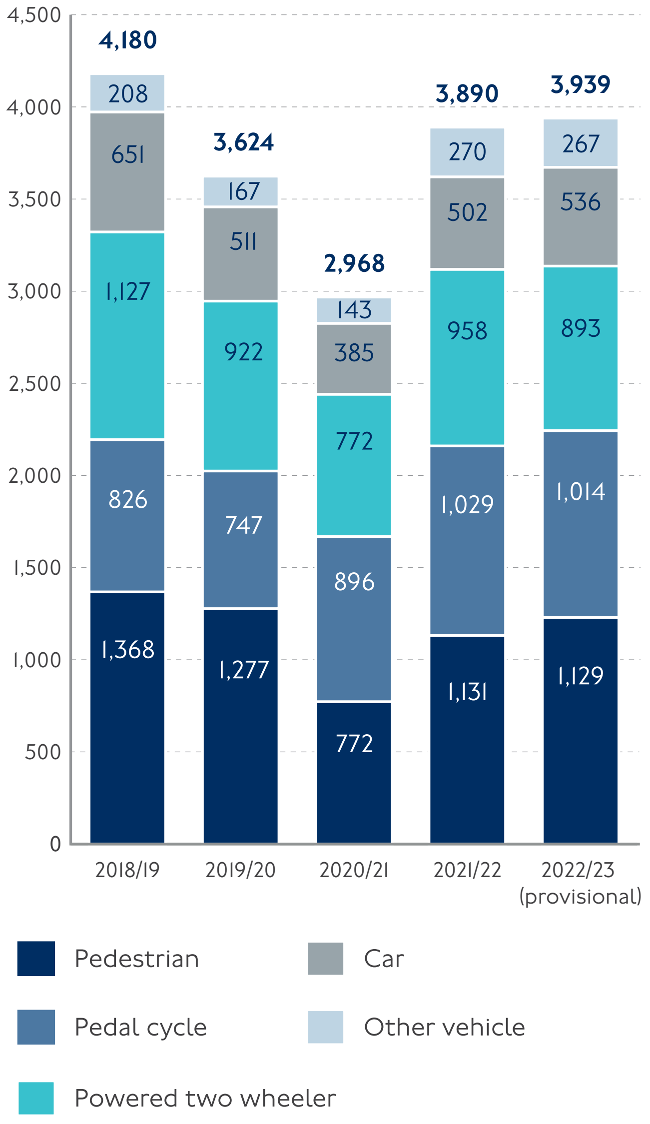
- The number of people killed in collisions has reduced by 52 per cent and is the lowest on record, excepting the pandemic-affected years of 2020 and 2021
- The number of people killed in collisions involving London buses has reduced by 65 per cent
- The number of children killed or seriously injured has reduced by 63 per cent
- The number of people killed or seriously injured in collisions involving car occupants has reduced by 70 per cent

However, we must redouble our efforts and continue expanding our road safety programme so that we can meet our Vision Zero targets.

We must redouble our efforts and continue expanding our road safety programme so that we can meet our Vision Zero targets

80%
of people killed or seriously injured on London's roads were walking, cycling or riding a motorcycle

People killed or seriously injured by mode from 2018/19 to 2022/23



Source: STATS19

Numbers for 2022/23 are provisional and subject to change

While the overall number of people killed or seriously injured in the last two financial years is broadly similar to the pre-pandemic period, the make-up of who is being killed or seriously injured has changed.

Our data shows that 3,939 people were killed or seriously injured on London's roads in 2022/23. Ninety-one people were killed and 3,848 were seriously injured. Approximately 80 per cent of people killed or seriously injured were walking, cycling or riding a motorcycle.

There have been increases in the number of people killed or seriously injured while cycling and those using 'other vehicles', including electric scooters. This partly reflects growth in travel by these modes over the pandemic period.

In contrast, the last two financial years show a reduction in the number of people killed or seriously injured while walking or using powered two-wheelers, compared to the 2017-19 pre-pandemic average. This most likely reflects continued changes in commuting travel patterns.

Considering the longer-term strategic trend against our baseline, serious injuries of people cycling have risen, but fatalities have fallen by more than half. The increase in serious injuries is lower than the increase in cycle journeys, indicating that cycling has become safer, but also requiring us to continue to roll out safety measures.

Supporting victims and families

Lives of victims, their families and loved ones are changed as a result of a serious collision, but most are not getting the support they need.

We are exploring options for enhancing victim support through agencies that specialise in road trauma support.

We aim to increase the number of people supported and improve the offer of support to people who are bereaved or left with life-changing injuries.

We are working with the Metropolitan Police Service on a process for making a direct referral to support services in the aftermath of a collision, removing the burden from victims and bereaved families of having to seek out help.

Inequalities in road danger

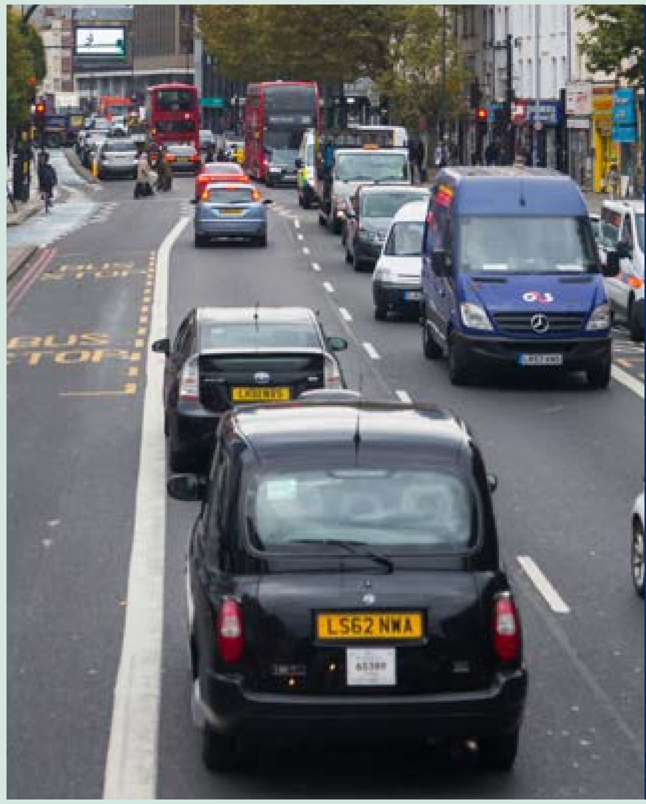
Some Londoners are more at risk than others of being involved in a collision

In April 2023, we published a report, Inequalities in road danger in London 2017-21, which showed that deprivation, gender, age and mode of transport all have a significant impact on a person's risk of being killed or seriously injured in a collision.

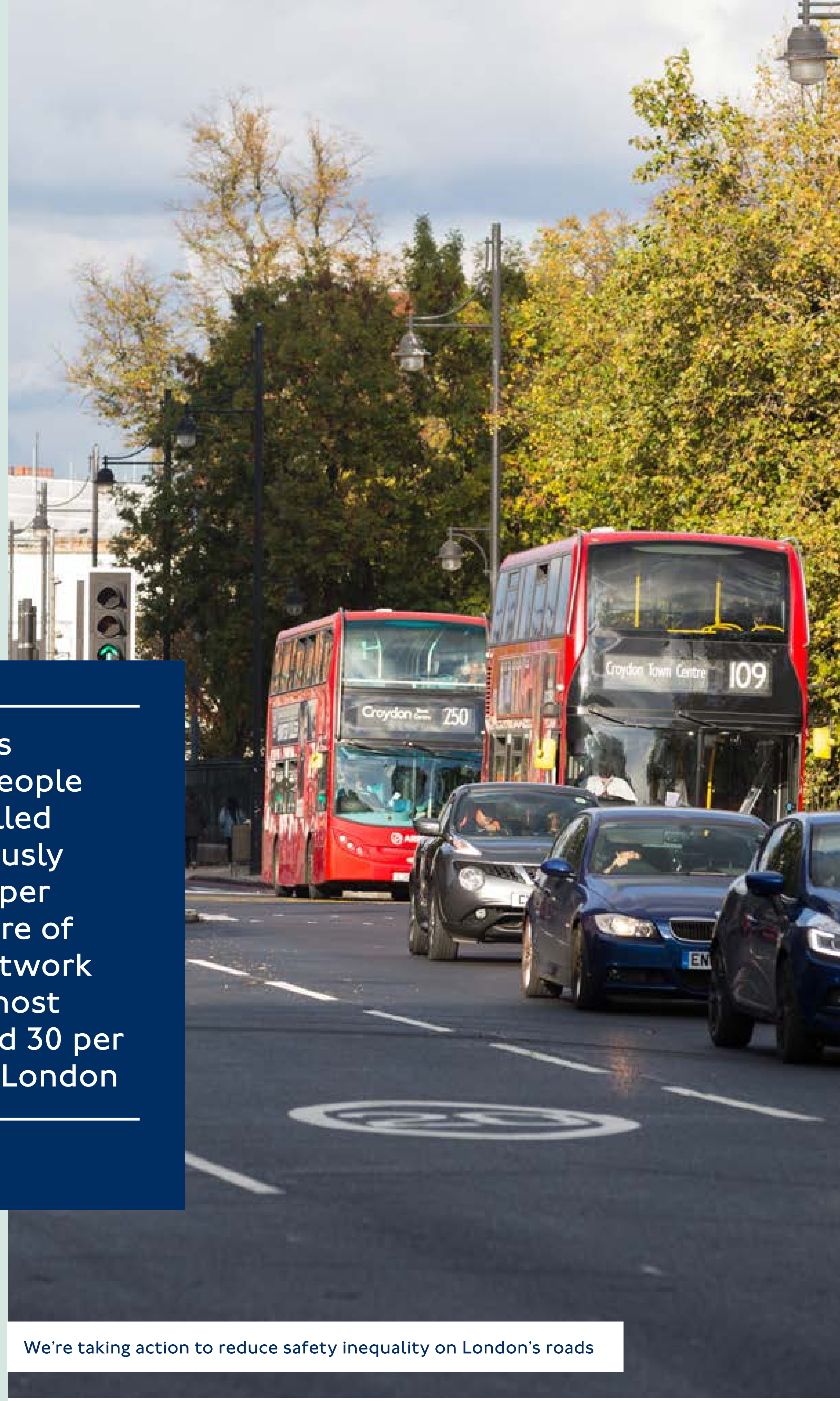
For the baseline average in 2017-2019:

- Deprivation: Twice as many people were killed or seriously injured per kilometre of road network in the most deprived 30 per cent of London, compared to the 30 per cent least deprived areas. In addition, almost twice as many people living in the most deprived 30 per cent of London are killed or seriously injured in road collisions, compared to people living in the least deprived 30 per cent per 1,000 resident population
- Gender: Per thousand people, more men are injured than women. This difference between the sexes increases with deprivation and injury severity. Men have more than double the rate of fatal or serious injuries per thousand residents than women living in the most deprived 30 per cent of London
- Age: The 16-30 age group has the highest casualty rate, followed by the 31-59 age group
- Higher-risk communities: Young men (aged 16-30) living in the most deprived 30 per cent of London and riding motorcycles have the highest rate of being killed or seriously injured, followed by young men (aged 16-30) living in the middle deprivation (IMD 4,5,6,7) 40 per cent of London, riding motorcycles.

We are working in partnership with the boroughs, police and other stakeholders to directly tackle road danger and continue to work on a number of major programmes to make London's roads and the vehicles using them safer. However, this research shows that continued action is needed to achieve the Vision Zero goal and to protect communities shown to be at higher risk of collisions.



Twice as many people were killed or seriously injured per kilometre of road network in the most deprived 30 per cent of London



We're taking action to reduce safety inequality on London's roads

Safety on our buses

Our work to prevent people being killed on, or by our buses

Overall, in 2022/23, we saw higher numbers of serious injuries involving a bus compared to the 2017-19 pre-pandemic average.

Our data shows that in 2022/23 there were 236 people killed or seriously injured on or by a bus.

There were unusually high numbers of bus passenger serious injuries, with slips, trips and falls being the most common type of incident.

The risk of a bus being involved in a collision that kills or seriously injures either a bus passenger or another person on the roads has fluctuated throughout the 2022/23 financial year but remains extremely low.

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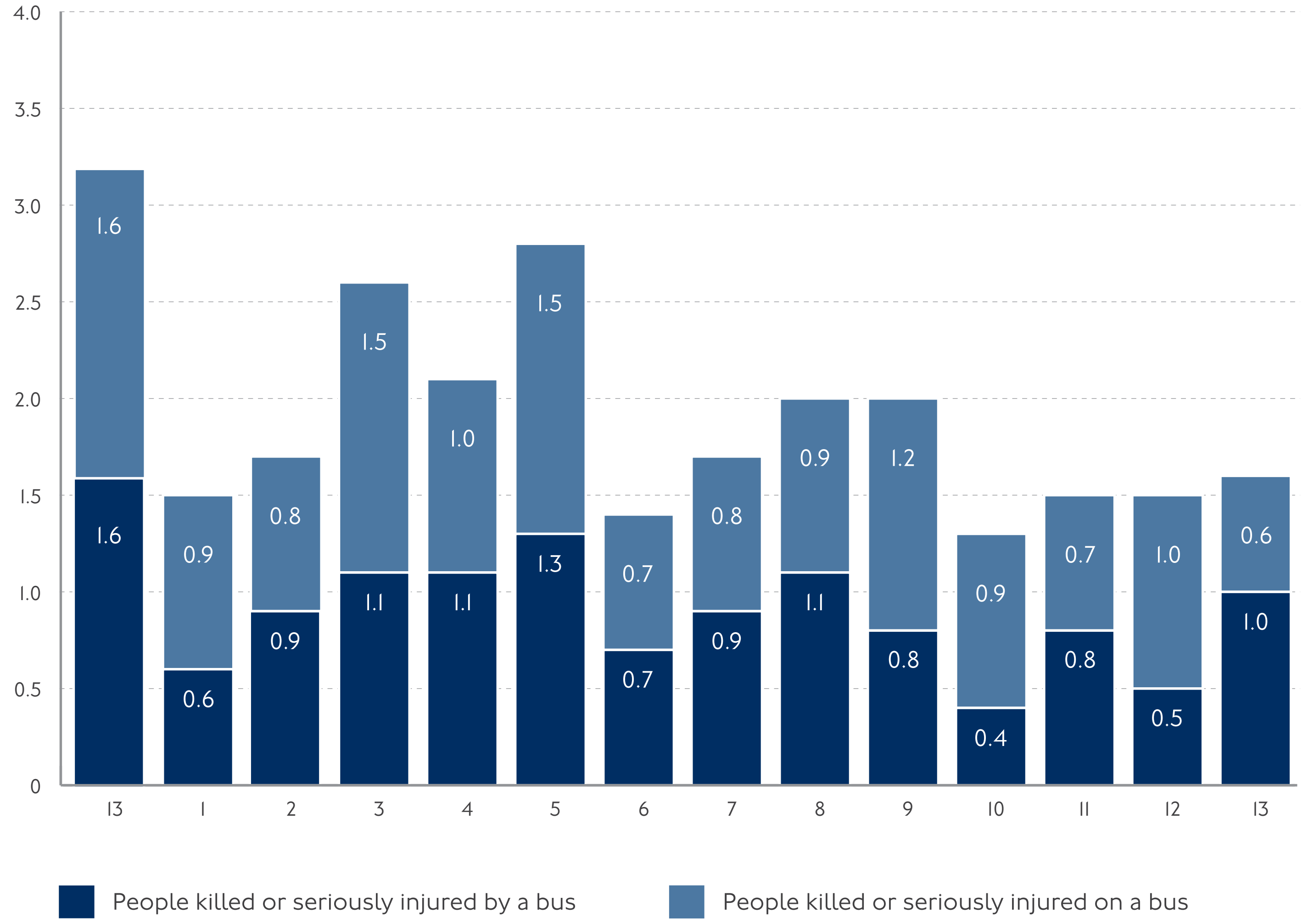
Rates of fatal or serious injury to people on or by a London bus from Period 13 2021/22 to Period 13 2022/23 (per 100 million journey stages)



Reducing road danger

We are increasing our progress towards the interim Vision Zero target for 2030

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Tackling speeding
Lowering vehicle speeds in London is key to reducing both the likelihood of a collision and the severity of the outcome. At present, 20 of the 33 London boroughs (including the City of London) have committed to, or are consulting on, a 20mph default limit. More than half of London's roads now have a 20mph speed limit.

Results from Phase 1 of our programme to lower speed limits in February 2023 showed that since a 20mph speed limit was introduced to all our roads within the Congestion Charge zone in March 2020, collisions had reduced by 25 per cent. Collisions involving those walking, cycling or motorcycling had reduced by more than a third.

The second phase of the programme, to reduce the speed limit by 10mph on sections our roads, is progressing well. It aims to ensure that there is a 20mph speed limit on 220km of our roads by May 2024. As of March 2023, 142km is in place.

In the past year we also consulted the public on the next phase of our programme, where we propose to lower speed limits in late 2023. Detailed design is underway on proposals to lower the speed limit to 20mph on 65km of our roads in Greenwich, Hounslow, Kensington and Chelsea, Lambeth, Lewisham, Merton, Richmond, Southwark, Sutton and Wandsworth.

Construction of raised pedestrian crossings is complete on the A10 Great Cambridge Road in the London Borough of Enfield and will soon be started at eight locations in Westminster. Following speed-limit reductions at these sites in 2021, the aim of the raised crossings is to further reduce danger to people walking and increase compliance with the newly reduced speed limit, as well as making the crossing points more accessible for people with mobility impairments.

Design work is underway on selected roads in Enfield, Hounslow, Merton, Waltham Forest and Wandsworth. A new 40mph speed limit will also be introduced on A4 Bath Road in Hillingdon, to complement proposed pedestrian safety improvements. These projects are scheduled for delivery by May 2024.

More than half of London's roads now have a 20mph speed limit

A 20mph speed limit across five north and east London boroughs

In March 2023, we introduced a 20mph speed limit on 28km of our roads in the boroughs of Camden, Islington, Hackney, Tower Hamlets and Haringey. Consequently, there is now a consistent 20mph speed limit on almost all roads within these five boroughs.

25
reduction in collisions after 20mph speed limit introduced

Making streets safer for all

More walking, cycling and use of public transport will help to reduce danger for everyone

Redesigning streets to reduce conflict between road users is at the heart of our Healthy Streets approach. We analyse road risk to target and prioritise locations for schemes to help people use cars less and walk, cycle and use public transport more.

Sixty-two per cent of all deaths and serious injuries on our roads in 2022/23 involved collisions with cars, so reducing car traffic by encouraging more walking, cycling and use of public transport is central to reducing road danger.

There has been record-breaking growth in London's cycle network over the past five years, with more than 290km of safer, high-quality cycle routes delivered with our borough partners.

Together with the boroughs we have completed 14.6 km of new or upgraded Cycleways since April 2022, with another 13.9km in construction. At the end of 2022, 22 per cent of Londoners live within 400m of the Cycleway network, up from five per cent in 2016.

14.6km

of new or upgraded Cycleways completed in a year

62%

of deaths or serious injuries involved collisions with cars

Low Traffic Neighbourhoods

Low Traffic Neighbourhoods (LTNs) are designed to reduce traffic and road risk in neighbourhoods by preventing motor vehicles passing directly through the area, while retaining access for residents, businesses and emergency services. A review of data from LTNs introduced since 2020 by the University of Westminster Active Travel Academy and the charity Possible found that motor traffic decreased at 74 per cent of count sites within LTNs compared to previous traffic volumes.

School Streets

Working alongside the boroughs, we have been introducing School Streets, which restrict access to motor traffic at drop-off and pick-up times. In 2022, we published Getting to know School Streets, which presents case studies of five schemes in the boroughs of Southwark, Ealing, Haringey, Redbridge, Southwark and Waltham Forest. Borough officers, school staff and parents all agreed that having a School Street was a positive step towards safer, calmer, cleaner and healthier local areas.

Making junctions safer

Our targeted programme is improving safety at collision hotspots

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Our Safer Junctions programme, launched in 2017, targets the 73 locations where the greatest number of people have been killed or injured while walking, cycling or riding motorcycles. To date we have improved 43 junctions.

Up to December 2021, the Safer Junctions programme had delivered a 42 per cent reduction in cycling collisions and 19 per cent reduction in pedestrian collisions.

Design work continues on the remaining 30 Safer Junction locations. Construction has started at York Road roundabout in Wandsworth, due for completion in summer 2023. This will deliver safety improvements for motorcycle users in particular.

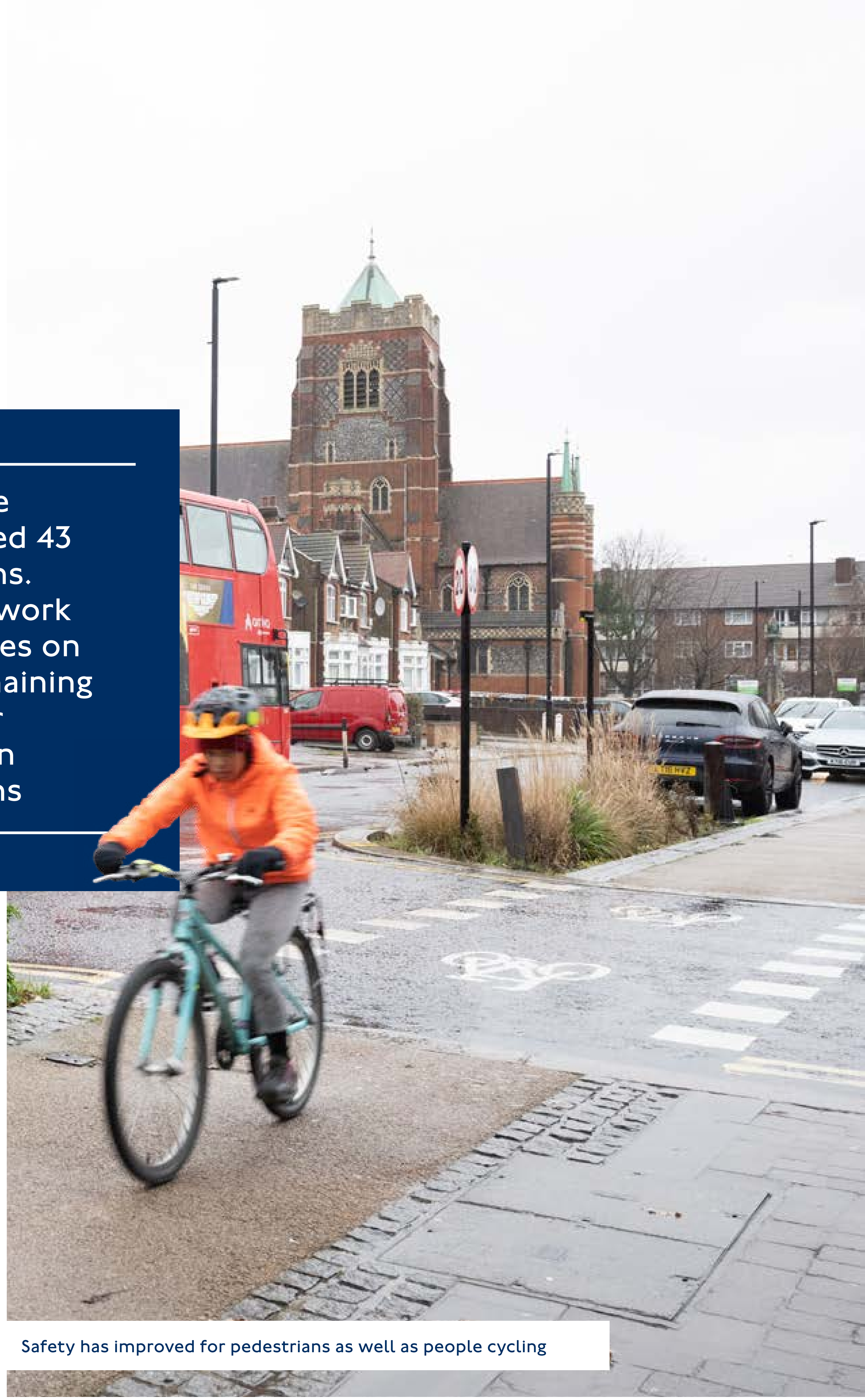
Consultation on proposals to reduce road danger for pedestrians and people cycling at the Battersea Bridge junction with Cheyne Walk ended in January 2023, and the consultation report was published in the spring. This is the second phase of the scheme, following the installation of a new pedestrian crossing over Battersea Bridge in December 2021.

In 2022 we began design work on improvements to pedestrian crossings at the A1 Holloway Road / Drayton Park junction. Construction started in late April and is due for completion in spring 2024.

We have improved 43 junctions. Design work continues on the remaining 30 Safer Junction locations

42%

reduction in cycling collisions, thanks to Safer Junctions



Safety has improved for pedestrians as well as people cycling

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Improving bus safety

Work to prevent people being killed on, or by our buses

Travelling by bus is the safest form of road transport in London. Despite this, our 2022 data shows that we did not meet our target of a 70 per cent reduction in the number of people being killed or seriously injured on or by a bus by 2022.

Progress has been impeded by the pandemic, but we have developed a new evidence-led strategy to ensure we are able to meet these challenges and get back on target.

Our existing Bus safety programme will continue to drive major safety improvements, helping us reach our target of no-one being killed on or by a bus by 2030. The new strategy sets out how we will further improve bus safety. The focus for the coming year will be improving customer safety and reducing injuries among our passengers, which will include a new bus safety innovation challenge.

The current Fatigue, Health and Wellbeing Innovation Challenge continues to successfully support and deliver projects to reduce fatigue and improve the health and wellbeing of bus drivers. We have also started a project to fit fatigue detection technology in some 450 buses across the London fleet over the next year.

3,200
buses fitted with intelligent speed assistance technology

450
buses to be fitted with driver fatigue detection technology in 2023/24

Bus safety standard

We continue to make our buses safer for all, with 942 buses (more than 10 per cent) already meeting either the 2019 or 2021 standards' safety measures

By the end of 2024, safety requirements for new buses will include advanced emergency braking, changes to the front-end design of the bus and greater alignment with international General Safety Regulation measures.

Improvements delivered so far include:

- More than 3,200 buses fitted with intelligent speed assistance (ISA) technology, which limits their speed. We expect to fit half of all our buses with ISA by the end of 2024
- A total of 848 buses fitted with camera monitoring systems, helping to reduce blind spots and improve the quality of the driver's vision in poor lighting and weather conditions
- An acoustic vehicle alerting system (AVAS) for quiet-running buses, with 802 buses fitted so far. By the end of 2023, all electric buses will have AVAS fitted

HGV safety

Since the introduction of the Direct Vision Standard (DVS), we have issued 244,693 permits. Of these, 146,725 were issued for zero-star rated heavy-goods vehicles (HGVs) that have now had safe systems fitted, addressing blind spots and warning other road users of the danger. We issued 122,641 penalty charge notices where HGVs entered London without a permit up to the end of the 2022/23 financial year.

In February 2023, we began a public consultation on the next phase of the DVS scheme, due for implementation on 28 October 2024. We have committed to expanding the scope of the permit conditions so that vehicles with a DVS rating of less than three stars will need to be fitted with the Progressive Safe System (PSS). The components of the PSS will take advantage of technological and regulatory developments over recent years.

Serious injuries involving an HGV have reduced by 64 per cent since 2017

Intelligent speed assistance in the TfL fleet

In January 2023, we published an evaluation of the ISA retrofit programme to our maintenance vehicle fleet.

The evaluation analysed approximately two years' worth of trip and safety incident data from June 2020 to July 2022 to determine how effective the technology has been in our fleet. It found a 62 per cent reduction in speeding incidents involving vehicles fitted with ISA, with reductions seen across all speed limits.

There was also, among other positive findings, no increase observed in the number of harsh braking, harsh cornering or harsh acceleration incidents in vehicles fitted with the technology. This alleviates concerns that ISA fitment may have unintended consequences in terms of driving style. The results from the evaluation are extremely positive and will help us continue to make the strategic case for the inclusion of ISA technology in our fleet and more widely in London.

Taking action to reduce road danger

Tackling illegal behaviour helps to prevent harm to others

The Metropolitan Police Service (MPS) is a key Vision Zero partner and undertakes significant and wide-ranging activity to reduce road danger and prevent harm to all road users. This includes prevention and intelligence-gathering activities, action to tackle the root causes of problems, community engagement and education initiatives, and actively monitoring and targeting high-risk vehicles and drivers.

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The MPS dealt with 751,069 road traffic offences through enforcement action in 2022/23. Enforcement action includes traffic offence reports, which are issued by police at the roadside, and arrests or notices of intended prosecution for offences, enforced through safety cameras or evidence from members of the public (for example headcam or dashcam footage).

The MPS prioritises enforcement on the offences that cause the greatest risk and harm on London's roads. This includes speeding, mobile phone offences, driving under the influence of drugs and alcohol, red-light offences, careless or dangerous driving, driving without a licence or in an uninsured vehicle, or driving while disqualified. During 2022/23, 93 per cent of all road traffic enforcement action taken by the MPS was for priority offences.

In line with our commitments in the Vision Zero action plan progress report, we have been working with the MPS to increase the level of police enforcement to tackle speeding. In 2022/23, we enforced some 650,000 speeding offences (including 92 per cent through safety cameras, six per cent through mobile safety cameras, and two per cent through roadside enforcement). We are working towards having the capacity to enforce up to one million speeding offences by 2024/25.

Road offences data published

Publicly available enforcement data helps to monitor our progress

In March 2023 we launched our new Vision Zero enforcement dashboard tool, enabling the media and the public to find and interpret London's roads policing and enforcement data recorded by the police more easily.

The dashboard brings together data supplied by the MPS and the City of London Police. It contains data on arrests, notices of intended prosecution issued by the police for public reports of road traffic offences and for offences detected through London's safety cameras, traffic offence reports issued by police at the roadside, and letters to speeding motorists identified through Community Roadwatch.

The dashboard complements the existing Road danger reduction dashboard, which presents collision data in an accessible format. Information at borough level will be included in future releases when data is available from the police.

650,000
speeding offences enforced

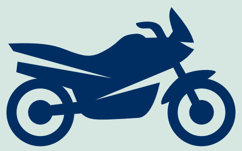
Improving motorcycle safety

Our new forum tackles common issues

Motorcycles are the highest-risk mode of transport on the road. In London, they make up one per cent of the traffic and are involved in 27 per cent of cases where people are killed or seriously injured. They are also disproportionately involved in collisions in which pedestrians are injured.

So far, we have engaged with meal and grocery delivery companies directly on Vision Zero and road safety. We have also set up a biannual Motorcycle road safety forum for these companies, the first of which was held on 8 November 2022.

We are using the forum to promote road safety, discuss common road safety issues in the industry and share best practice and information. Following discussions at the first forum and ongoing engagement, we are developing a road safety charter in partnership with the meal and grocery delivery industry.



27%

of cases involving death or serious injury involve motorcycles

Motorcycle delivery drivers are at high risk of serious injury

Safety training for motorcycle delivery riders

The meal and grocery delivery economy is growing in London. Since 2020, UK food delivery app revenue has more than doubled and is predicted to grow further. An estimated 19,000 to 40,000 motorcycle riders are working for food delivery companies. Couriers most commonly use smaller-capacity motorcycles with an engine size of less than 125cc for work.

People riding these smaller-capacity motorcycles make up the majority of serious injuries and a large proportion of fatalities in motorcycle collisions taking place in London. Furthermore, riding for work can carry additional risk if not mitigated.

As such, we are giving beyond-compulsory basic training to motorcycle delivery riders and couriers. This is a one-day training course that we offer free of charge to anyone who wishes to develop their riding skills. Course content includes the Highway Code, maintenance, securing and riding with a load, and the safe use of sat navs.

We are also working with meal and grocery delivery companies to raise road-safety awareness and improve road safety culture in the industry.

Our e-scooter trial continues

We have selected operators to run the next stage of the trial

While privately owned e-scooters remain illegal to use in public spaces, they are widely available for purchase. We continue to work with the Roads and Transport Policing Command to ensure that all journeys across the road and surface transport network are safe, secure and reliable.

The Metropolitan Police Service (MPS) has developed a training pack on how to deal with the illegal use of private e-scooters under the Road Traffic Act. During 2022, the MPS seized 1,255 illegal e-scooters.

While private e-scooters remain illegal, the Department for Transport (DfT) has updated its guidance, allowing local authority rental e-scooter trials to continue until 31 May 2024. In response to this, we launched a competitive procurement for operators to run the next phase of the London trial.

Following this procurement we awarded contracts to Dott, Lime and Voi, which will begin towards the end of September.

The continuation of the London trial follows the recent Government announcement of plans to create a new vehicle category in legislation for low-speed zero-emission vehicles, which would include e-scooters. Continuing the trial of rental services will ensure we continue to learn about e-scooters and the role they can play in London's transport offer.

The safety requirements for vehicles in the trial will continue to exceed the requirements set by the DfT and are considerably more robust than those for the most common private e-scooters.

Continuing our focus on safety

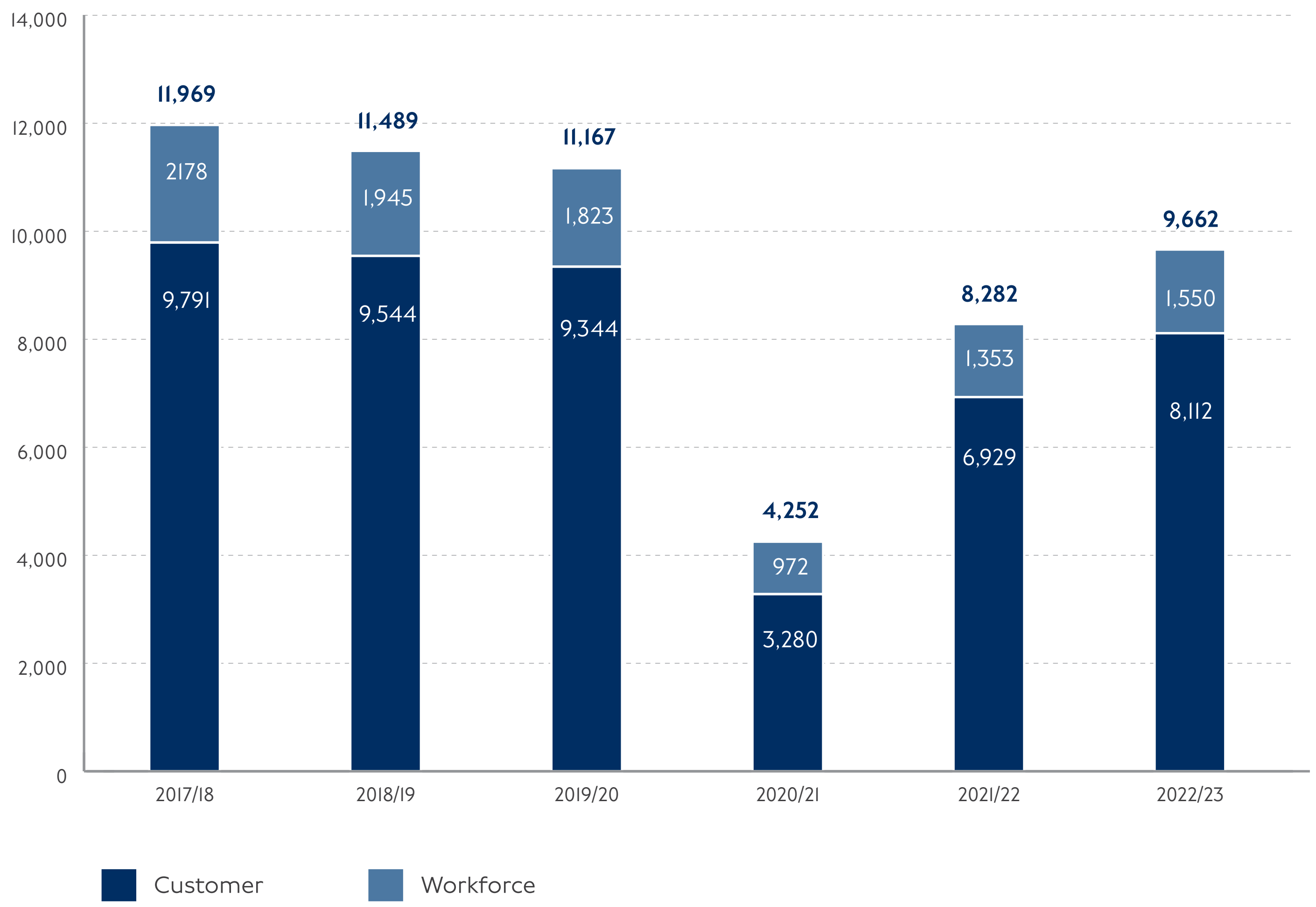
Ten boroughs are participating in the London rental trial, with more than 500 designated parking locations and more than 4,000 vehicles available for hire. Between 7 June 2021 and 9 April 2023, approximately 2.4 million hire trips were taken, averaging a distance of 2.5km per trip. During this time, operators reported no fatalities and 26 serious injuries, based on the STATS19 injury classification definitions.

1,255
illegal private e-scooters seized by police in 2022

Safety on public transport

We are continuing to improve safety for our workforce and customers

Customer and workforce injury numbers (all severities) since 2017-18 (total)



In 2022/2023 we had 8,112 reports of customer injuries and 1,550 among our workforce, both of which remain lower than before the pandemic.

Eighteen customers were seriously injured, and four customers were killed on the public transport network in 2022/2023: two on London Underground, one on trams and one on buses. No-one working on our public transport network was killed.

In 2021/22 there were 19 serious injuries sustained by our workforce.

Slips, trips and falls

We have held workshops with station colleagues and the Customer Experience team to understand the most common customer behaviours that contribute to slips, trips and falls happening.

This has resulted in a number of actions to reduce incidents, such as improved signage to encourage customers carrying luggage to use lifts.

On our bus network, we've started a pilot with several bus operators to gather additional information about slip, trip and fall incidents. This will help to create a more comprehensive dataset to help us understand the common factors that lead to an incident and take appropriate action.

We know that preventing slips, trips and falls has been a long-standing challenge on our network and have therefore extended the analysis conducted on buses to all our modes. We aim to build a shared understanding of why slip, trip and fall incidents happen and what further interventions are feasible.

Fatigue management

Workforce fatigue is an ongoing risk across our operations. In November 2022, we launched our fatigue management plan (FMP) across the organisation.

The FMP sets out 12 activity areas for managing fatigue risk, aligned with regulatory and industry best practice. These include guidance on developing fatigue-friendly rosters and tips for managing sleep.

We have continued to develop a programme to better support our night workers as part of our wider fatigue management activity. The programme will give shift workers advice on how to manage fatigue through physical installations and tailored sessions.

We plan to pilot the approach across different bus stations, maintenance depots and office control centres in 2023/24. Subject to this pilot being successful, we will consider rolling the interventions out further.

Track access safety

Safe access to rail-track environments is one of the greatest railway risks in the UK. An internal analysis has identified safe access to our track environments as one of our top SHE risks. However, we are sorry to report that in April 2022 a colleague was struck by a Tube train while carrying out a track patrol on the Metropolitan line. Despite the colleague being discharged from hospital the same day, this was a serious incident and we cooperated fully with a Rail Accident Investigation Branch investigation, as well as carrying out our own internal review.

We have begun a systematic, in-depth look at this key risk, which seeks to establish a holistic view of the causes and consequences of colleagues and members of the public accessing the track. We also aim to strengthen our existing control measures and ensure we take prompt action where possible. For example, we have significantly improved signage at several locations across the London Underground network, including depots and sidings, and in more complex areas, such as multi-track sites and major junctions and locations.

Tackling intoxication

Some customers use our network after drinking alcohol and we have an important role in helping to keep them – and our colleagues – safe from the impacts of intoxication. In autumn 2022, as we approached the World Cup and festive season, we launched our first strategy across all modes of transport to tackle intoxication.

As part of this, we worked with the London Ambulance Service to record passenger announcements, reminding our customers to take care when travelling if they've been drinking, which were played on the London Underground and London Overground networks.

We also worked with external organisations to offer customers help and support to make safe travel decisions and adopt safer travel behaviours at hotspot locations. This included working with Westminster Council's Night Stars, and partnerships to deploy trained medics to engage with customers before they encounter harm to themselves or others.

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Safety on our Capital projects

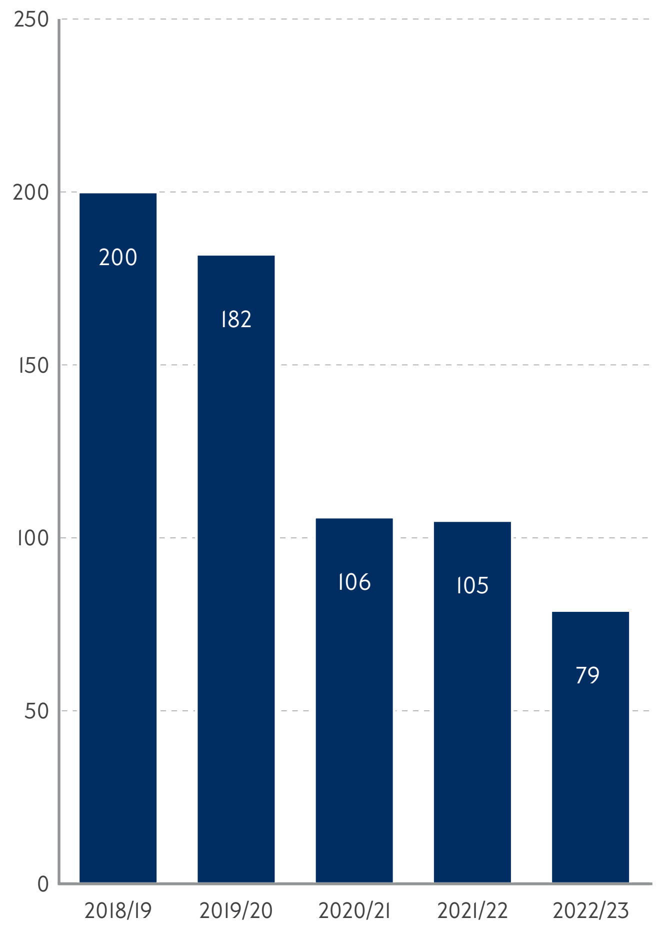
Injuries to our workforce were down by a quarter

2022/23 was a year of positive safety performance for our Capital teams. The total number of injuries fell to 79, a reduction of 25 per cent on last year's total. Significantly, this included a reduction in more serious injuries, such as those reported under the Reporting of Injuries Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) and Lost Time Injuries (those that cause a colleague to be absent for one or more shifts).

Notably, the hours worked by our Capital teams also fell this year, as a result of a number of major projects, such as the Northern line extension, Bank station capacity upgrade and Barking Riverside extension, reaching or nearing their conclusion. However, even when the reduction in hours is taken into account, we continue to see a year-on-year improvement in our performance, progressing towards zero harm.

Manual-handling incidents were the most common type of injury to our Capital workforce over the year, closely followed by slips, trips and falls. Among the causes identified, insufficient task planning, inadequate risk assessments and issues with the working environment were particularly prevalent.

Capital delivery workforce injuries (all severities) since 2018-19 (total)



We manage risk closely with our suppliers on all projects

Integrating SHE requirements into our procurement and supplier management processes enables us to manage risks more effectively

SHE Capital delivery improvement planning

Our Capital delivery and maintenance strategy, published in 2021, aimed to achieve a more coordinated approach to managing and improving SHE across our construction activities. This year, following the introduction of a new Capital team under the Chief Capital Officer, the focus has been on establishing greater consistency in the way we conduct improvement activities to ensure that learning and expertise can be shared across Capital teams.

To enable this we have introduced a new improvement framework with four key areas of priority: people, assurance, environment, and learning and innovation. This enables teams to share best practice, as well as build structured plans to address local needs and priorities. The priority areas will continue to be a focus during 2023/24, as we continue working towards achieving zero harm.

Managing SHE with suppliers

The majority of our Capital projects are delivered in partnership with the supply chain. To ensure we achieve excellent SHE performance, we have robust procurement and supplier management processes that clearly set out objectives, responsibilities and requirements for how SHE must be managed.

This year, we have been running the Managing SHE with suppliers project, which has involved embedding our SHE requirements directly into our new internal management framework for commercial activities, improving our SHE management system guidance, enhancing governance arrangements and producing a new set of contract requirements for our construction works.

Better integrating SHE requirements into our procurement and supplier management processes enables us to manage risks more effectively and realise opportunities, building a strong foundation for good SHE performance when working with the supply chain.

Supplier engagement

Working with such a well-established supply chain also gives opportunities to learn and promote the sharing of best practice across the industry. This year, we ran a series of Keeping in touch events with our suppliers, on topics relating to safety, health, environment, sustainability, wellbeing, social value, responsible procurement, and diversity and inclusion.

Building on our successful Zero Harm conferences, which now take place annually, the events allow us to share experiences more frequently when things go well, and to be open and honest when things do not go as planned, so both we and our supply chain can learn from each other. Topics so far have included temporary works, health surveillance, work-related road risk and non-road mobile-machinery emissions, with more to follow in 2023/24.

Improving our SHE capability

Measuring and improving our SHE culture

The culture in which we work is fundamental to improving our performance and ensuring SHE is at the heart of everything we do.

To build a more positive and proactive SHE culture, we have been developing a programme that focuses on the way colleagues across the organisation think, feel and act in relation to SHE, in line with our vision and values and wider organisational objectives.

To improve our SHE culture, we must be able to measure our cultural maturity. This enables teams to assess strengths, weaknesses and opportunity areas that can be used to plan improvement activities.

This year, we piloted our SHE culture assessment across a number of teams. In 2023/24, we will start making local assessments using the model, enabling teams to build plans for cultural change.

SHE management system

Our SHE management system sets out all the policies, instructions and guidelines for managing SHE across the organisation. Last year we began a complete overhaul of the system, to make it simple and easy to use.

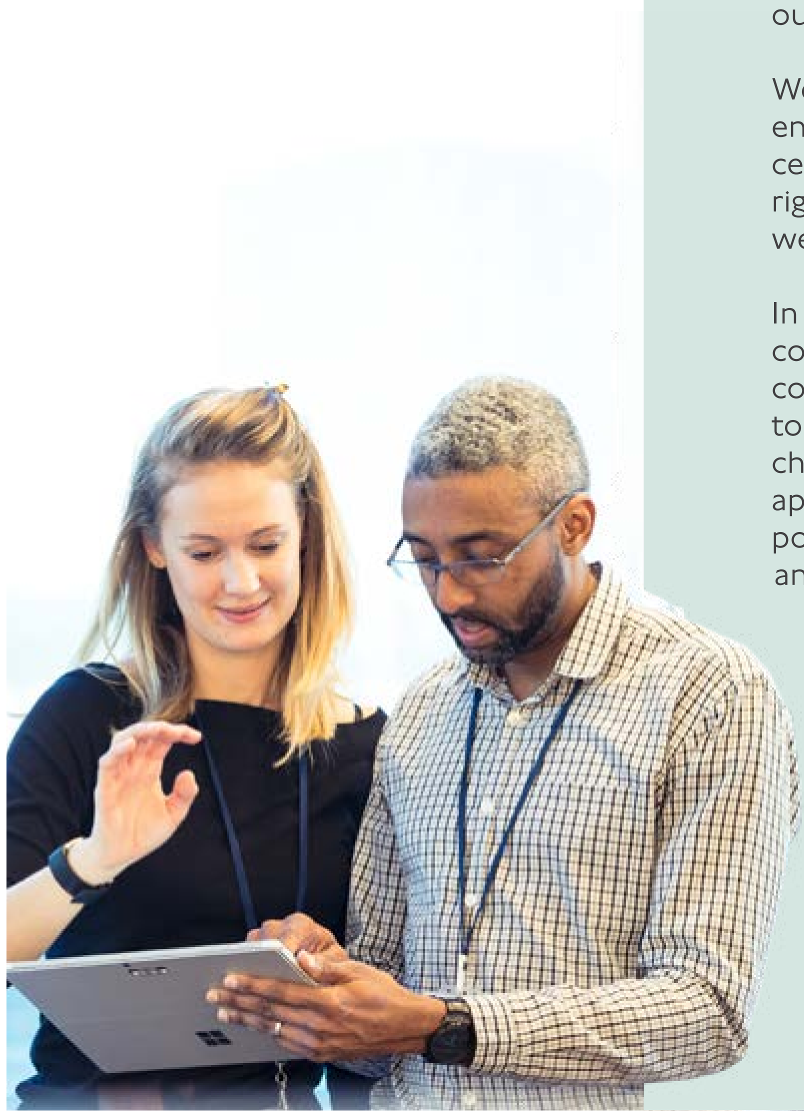
This has included streamlining the system onto a more easily searchable digital platform and simplifying and tailoring content to individual roles. There are also digital tools and links to training and education material to support colleagues.

IAuditor

SHE assurance and monitoring is the process of systematically checking that we are complying with the requirements set out in our SHE management system. To make this simpler and more transparent, and to generate data that can support new insights, we have begun digitising all our SHE assurance checks.

This will allow checks to take place using any web-enabled device and capture richer information such as photographs. It will enable us to confirm that all necessary checks are taking place and identify patterns and trends in the types of observation being made.

Both these programmes are scheduled to be completed in 2023/24



Health and safety toolkit

Taking care of the health of our colleagues is a top priority for us. In April 2022, we reviewed and updated our approach to health surveillance (HS) following a visit by the Health and Safety Executive to one of our depots.

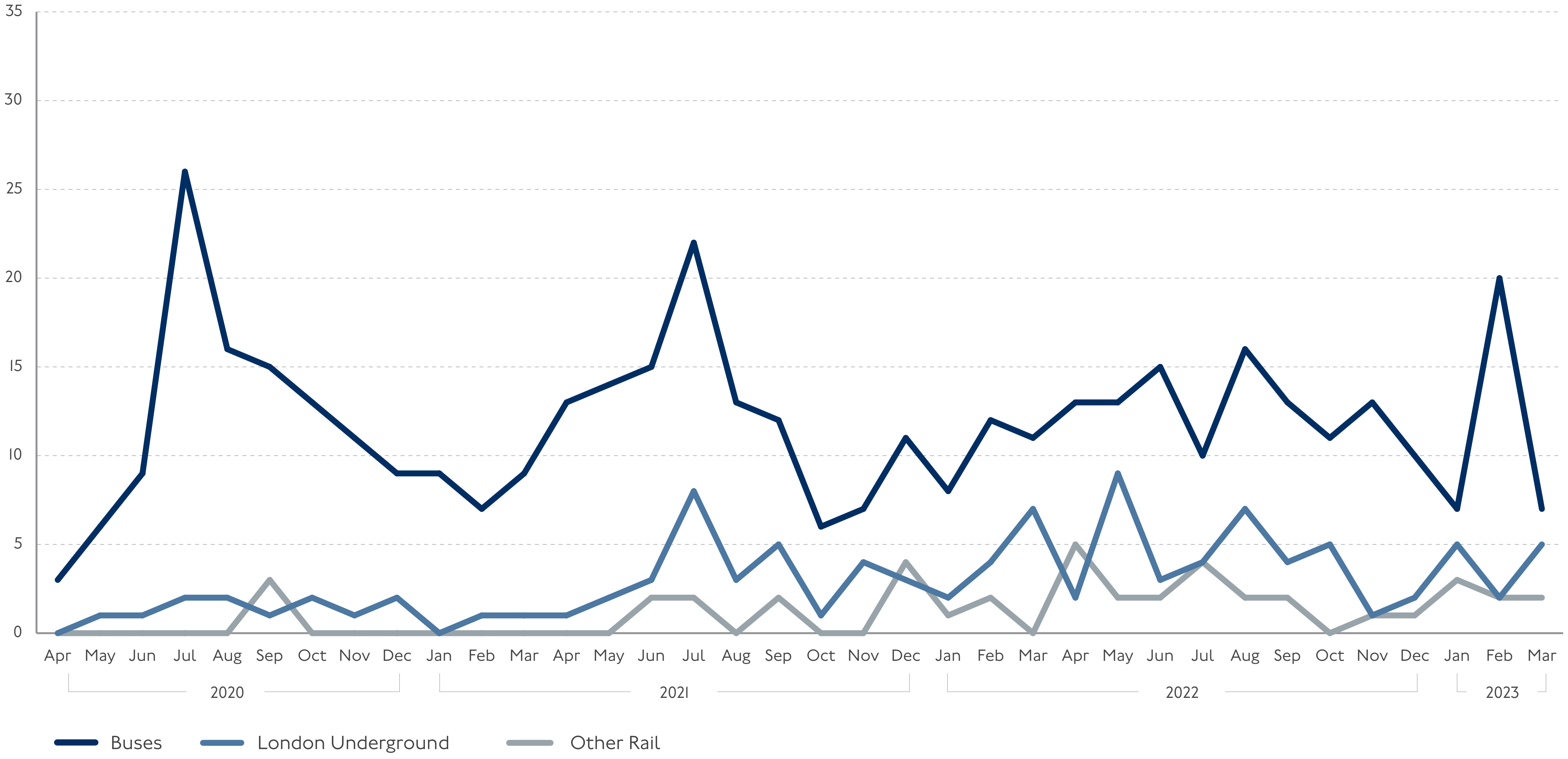
We introduced a new HS action plan to ensure all our colleagues who work with certain chemicals, dusts or fumes have the right checks, so that we can be confident we are protecting their health.

In March 2023 we launched a new, comprehensive ‘hearts and minds’ communication toolkit. This offered several tools that various operational teams could choose from, so as to provide the best approach for their teams, ranging from posters to toolbox talk information packs and supporting materials.

Work-related violence and aggression

We are committed to keeping our workforce safe from work-related violence and aggression and supporting colleagues who experience it

Police recorded work-related violence with injury offences
(per number of incidents)



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Work-related violence and aggression (WVA) from customers towards our colleagues is both a safety and a wellbeing issue. We know that WVA is under-reported, particularly verbal abuse. Police data for violence with injury offences is a more reliable source for monitoring trends.

Bus-related violence with injury (VWI) offences were three per cent higher in 2022/23 (148 offences) than 2021/22 (144 offences). On rail modes 75 VWI offences were reported to the police, 34 per cent more than the previous year.

Between November 2021 and October 2022 the solved rate for violence and public order recorded offences was 14 per cent – five per cent lower than the previous 12-month period. Solved rates were higher for violent offences (18 per cent) compared with public order offences (nine per cent). The rate varies by mode, with a solved rate of 13 per cent for bus-related offences, 15 per cent for London Underground, and 14 per cent for all other rail modes combined.

The lower solved rate is a result of a combination of factors. An increase in reported WVA offences has resulted in increasing demand on investigative resources. For public order offences there has been a decline in victims wanting to participate in the criminal justice process, particularly buses.

The percentage of colleagues willing to support a police investigation was 67 per cent for violence and public order recorded offences, down from 70 per cent in the previous 12-month period.

Where contributory factors are recorded, 44 per cent of bus-related physical assaults (including spitting) reported to the police are linked to road rage. Road-rage volumes were lower in 2020/21 due to COVID-19 restrictions and fewer road users (36 offences in 2020/21, 62 offences 2021/22).

Incidents of workplace violence and aggression

The number of incidents continues to be a cause for concern

During 2022/23, there were 10,004 reported incidents of WVA.

Type of offence	
Physical assaults	1,417 (14%)
Threats	2,589 (26%)
Verbal or gesture abuse	5,996

Incidents by mode	
London Underground	4,605
Buses, Elizabeth line, Rail and other Sponsored Services, CPOS colleagues)	5,399

Triggers, where identified	
Fare evasion	2,967
Dispute over means of payment	857
Customer aggression / antisocial behaviour	2,235
Poor customer behaviour following staff involvement	942
Following a dispute or customer complaint	960
Road rage	274
Unprovoked	145

Of all reported WVA incidents, 801 were aggravated by hate (eight per cent). Of these, 385 were reported by London Underground staff and 416 by staff working across the other modes. Racial hatred was the most common form of hate crime towards colleagues, representing 92 per cent of these reports.

10,000+
reported incidents of violence and abuse towards our staff in 2022/23

2,235
incidents triggered by violent or anti-social behaviour from members of the public

Responding to WVA

We aim to prevent violence and aggression by tackling its causes

Our WVA strategy lists 23 commitments on how we will eliminate WVA and support colleagues who experience it.

Doubling our WVA team

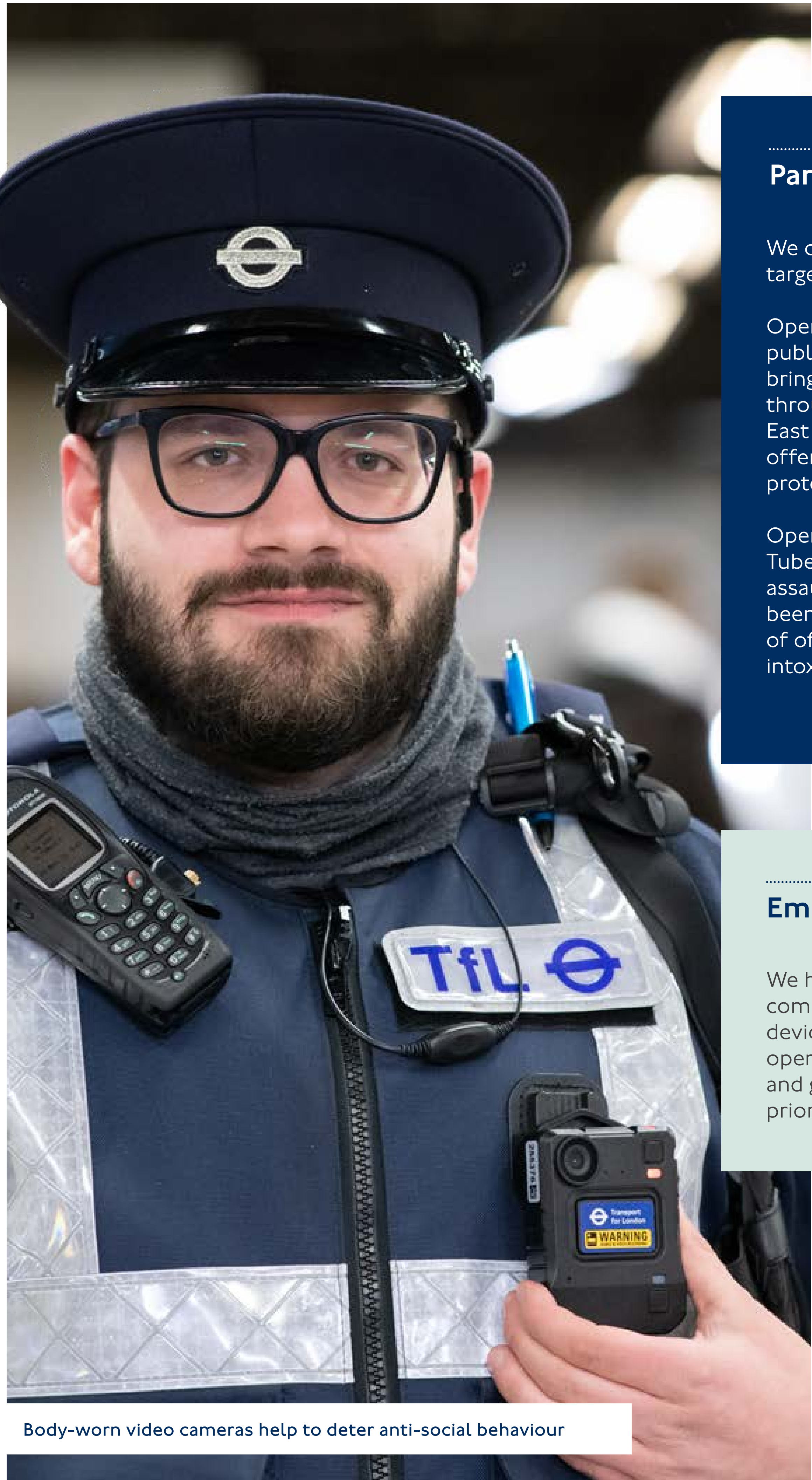
We have doubled the size of our WVA team since January 2023. We now have six people dedicated to prevention, and an integrated cross-organisation support and investigation team to assist those who experience WVA, including providing investigation services to the police.

Body-worn video

Ensuring our workforce has up-to-date safety equipment is an essential part of our strategy to prevent WVA and bring offenders to justice. Following the success of the initial introduction of body-worn video cameras, these have been supplied to River Services, Woolwich Ferry, Dial-a-Ride and a number of other teams undertaking customer-facing activities. There are now 4,777 cameras in use, available for 7,829 unique users based at 323 locations.

Updated staff training

Care immediately following a WVA incident is critical to our colleagues' recovery, participation in criminal proceedings and engagement with us as an employer. We have updated training for London Underground frontline managers so that they can provide a proper duty of care following a WVA incident, including correct reporting procedures and ensuring staff get the support they need.



Body-worn video cameras help to deter anti-social behaviour

Partner operations

We continue to work with the British Transport Police on targeted operations to improve workforce safety.

Operation Steed aims to increase both staff and public confidence, improve feelings of safety, and bring offenders to justice. Deployments took place throughout the year at West Ham, Plaistow, Upton Park, East Ham and Camden Town, with arrests for a variety of offences and a number of safeguarding interventions to protect young people.

Operation Roster has been targeting locations on our Tube and Rail network with a high incidence of staff assaults and public order offences. Deployments have been arranged depending on the time and locations of offences occurring, along with key triggers such as intoxication and rough sleeping.

Emergency communications

We have supplied our workforce with 500 emergency communications devices. These small, portable keyring devices connect directly to an emergency services operator, opening a two-way communication channel and giving all the information needed to dispatch a priority response.

Enforcement

We take action to tackle anti-social behaviour and law breaking

Our Transport Support and Enforcement (TSE) officers play a key role in tackling WVA by dealing with anti-social behaviour and enforcing TfL byelaws.

In 2022-23, our officers carried out more than 7,000 station/network visits, dealing with more than 8,400 non-compliant individuals.

Officers gained compliance through advice and guidance in more than half of these cases. Where this was not possible, 1,682 individuals were directed to leave our network or premises, 1,276 individuals were refused entry or to travel and 162 individuals were physically guided/removed from our services for anti-social behaviour. Officers reported 996 individuals for prosecution. Officers also dealt with 355 safeguarding incidents, providing support for vulnerable customers.

Action at Stratford

Taking action at WVA hotspots with a high number of incidents or particularly harmful incidents occurring, is a core part of prevention.

In September 2022 we launched a year-long project at Stratford station, a consistent hotspot for WVA.

We are working with the local team, specialists from across the organisation and external stakeholders, including our policing partners, coordinating activity to tackle the causes of behaviour and better support colleagues who experience it.

We have also enhanced reassurance, enforcement and problem-solving at the station with a team of TSE officers. The officers are part of a hub team dedicated to Stratford station and support all our modes to prevent WVA and tackle anti-social behaviour.

Supporting students on our network

As students returned to school in September 2022, we helped them use our network safely and respectfully. We identified key locations across our Bus and Tube network and co-ordinated engagement activity with frontline colleagues, TSE officers and policing partners. Officers focused on talking to students and educating them on safe and responsible travel behaviours, including using a Zip Oyster card to make their journeys.

Tackling fare evasion

Fare evasion remains the biggest trigger for WVA. We use all available data to ensure that deployments are intelligence-led and that combined enforcement resources are used to maximum effect.

In November 2022, we introduced Operations officers on the bus network with TSE powers. They enforce TfL byelaws, provide a visible deterrent against aggressive behaviour on the network and work closely with our policing partners to help focus our activity at hotspot locations.

This team complements the existing 105 TSE-accredited officers who work across all modes on our network.

Health

We have continued to support the mental and physical health of our colleagues, with new initiatives for the post-pandemic period

Supporting good health

We support the health and wellbeing of all our people

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Managing staff sickness

Supporting our colleagues in their health assessments

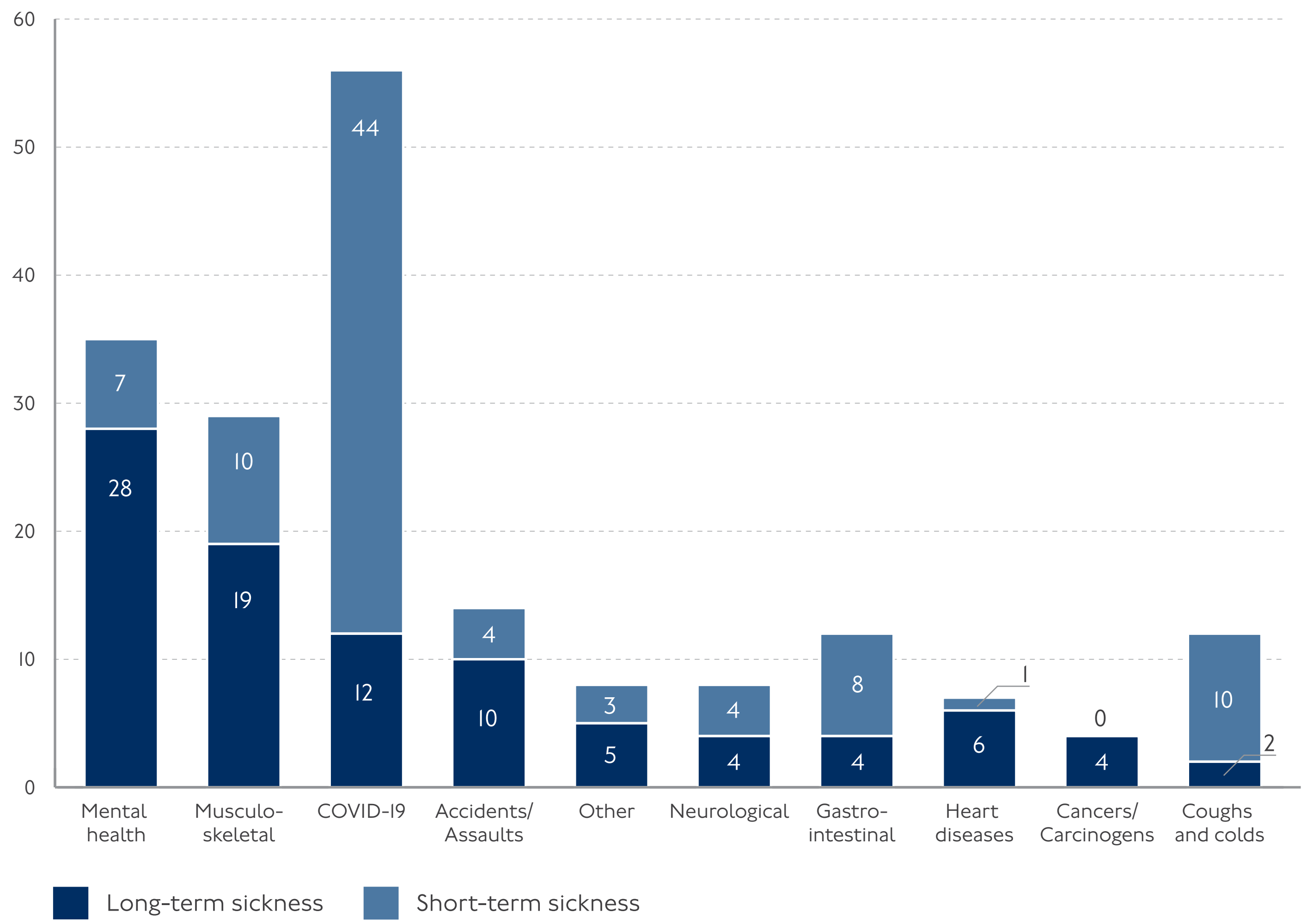
Absence/attendance data has been included on this year's TfL scorecard, highlighting the importance of reducing sickness absence and promoting wellbeing.

In 2022/23, Covid-19 continued to be a significant cause of short-term absence. We are continuing to monitor and track the prevalence of COVID-19 and influenza in the general population using Office of National Statistics data.

Longer-term sickness, defined as a single absence of four weeks or more, and subsequent referrals to our Occupational Health and Wellbeing (OHW) team are broadly reflective of nationally available data, with musculoskeletal (MSK) and mental health issues the most common reasons (mental health 30 per cent, MSK 20 per cent). There are many support measures in place for individuals who develop mental health and MSK issues, but more can be done to explore whether it is possible to prevent them from arising.

Our people leaders play a key role in this and we are working to equip all managers with the tools and training to manage mental health at work. Once we are able to obtain more sophisticated data from new occupational health IT software, we will be able to identify particular hotspots where we can target preventative interventions.

Top causes of long- and short-term sickness absence 2022/23



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To support the business in managing sickness absence, our OHW team has:

- Increased both the number of clinical practitioners (which will improve timely access) and the level of occupational health expertise, with the appointment of senior clinicians
- Outsourced delivery of treatment services to enable easier access for colleagues with MSK and trauma-related mental health symptoms across a wide geographical area
- In 2022, referred 46 colleagues to the medical assistance programme, an early intervention programme which sits alongside our attendance at work procedure. Thirty applications met the eligibility criteria, enabling these colleagues to obtain treatment promptly to facilitate a faster return to work
- Improved our ability to benchmark our health and wellbeing with other comparable organisations by developing the systems to participate in the Rail Safety and Standards Board (RSSB) health dashboard
- Offered training for line managers on the role and function of OHW
- Provided clinical advice and expertise in a variety of settings

Our Well@TfL bus visited 16 sites and conducted 840 individual health checks for staff. These are focused on risk factors associated with major public health issues, such as heart disease and diabetes.

Drug and alcohol treatment

In 2022, of the majority of colleagues supported by our drug and alcohol treatment service (DAATS) made a successful return to work.

Of those undergoing unannounced testing for drugs and alcohol, 99 per cent were negative, which matches the average reported by RSSB via their health dashboard.

The DAATS team has also extended addiction services to those with gambling problems. Clinicians have been trained to identify colleagues with a gambling problem and appropriate treatment pathways are being developed.

Wellbeing for all

Ensuring the wellbeing (as well as the health) of colleagues is important to us

A sense of wellbeing is at the heart of making TfL a great place to work

In 2022 we adopted a definition of employee wellbeing: 'Creating an environment to promote job satisfaction, which allows an employee to flourish and achieve their full potential for the benefit of themselves and their organisation'.

The definition reflects our vision and values as we put wellbeing at the heart of what we are striving to create, reflecting our colleague roadmap and focusing on making TfL great place to work and thrive. If our staff feel their wellbeing is important to the organisation, this is of mutual benefit.

To maintain this focus, we are appointing a new Head of Wellbeing in 2023/24 to lead the development of a new health and wellbeing strategy.

Improving general health

To assess the health of colleagues and assist them in managing their health, several initiatives were introduced in 2022:

- A free 12-month programme run by Roczen (formerly Reset Health) to help reverse metabolic conditions for two cohorts of 50 colleagues. The programme focuses on obesity and diabetes, which are risk factors for significant health issues such as heart disease and stroke. The first cohort completed their programme towards the end of 2022/23 with a number of positive outcomes
- Our Trauma risk incident management (TriM) pilot project is an evidenced-based approach to providing peer support for people who have experienced a traumatic event at work. Twelve TRiM practitioners and four TRiM managers have been recruited and trained and the project will be reviewed mid-2023.

The findings from some of these programmes have helped us to understand what the prevailing health issues are for our colleagues.

We aim to make TfL a great place to work for all our colleagues

Environment

We are working to deliver the goals of a greener capital and cleaner air for all Londoners with a transition to zero carbon emissions by 2041

Delivering for the environment

We are challenging ourselves to go further and faster

In 2022/23, we focused on implementing and accelerating delivery of our Corporate environment plan. In autumn 2022, we published a One year on report detailing our progress. Since then, we have continued to challenge ourselves to go further in building our capability and capacity, recognising the enormity of both the challenge and opportunity ahead.

Environment metrics at the end of 2022

Theme	Measure	2019/20	2020/21	2021/22	2022/23
Climate emergency	Operational carbon emissions (thousand tonnes per annum)	1,040	862	832	**813**
Air quality	Percentage of bus fleet that is zero emission	3.5%	5.4%	8.9%	**10.8%**
Air quality	Percentage of support vehicles that are zero emission	2.6%	2.5%	2.3%	**2.3%**
Sustainable resources	Percentage of commercial and industrial waste recycled	42%	40%	47%	**49%**
Green infrastructure	Number of trees on our road network	24,234	24,103	24,581	**24,795**

* Results for 2021/22 are provisional and subject to change

Improving air quality

We will transform our vehicle fleets to zero emission and support broader efforts to clean London's air

London-wide Ultra Low Emission Zone
The Ultra Low Emission Zone (ULEZ) will be expanded London-wide on 29 August 2023, ensuring five million more Londoners can breathe cleaner air. Installation of signage and enforcement camera infrastructure to support ULEZ expansion is underway.

The Mayor launched a £110m scrappage scheme on 30 January 2023 to support low-income and disabled Londoners, small businesses and charities in the run up to ULEZ expansion. More than 5,000 applicants have submitted successful applications, with more than £19m paid out or committed by the end of April.

Four outer London boroughs (Bexley, Bromley, Harrow and Hillingdon), together with Surrey County Council, launched a legal challenge to the London-wide ULEZ expansion in February 2023. The judicial review will take place in July.

TfL support fleet
In November 2022, we secured the necessary funding to decarbonise our support fleet. We will produce a delivery strategy and a single preferred option by end of 2023.

We are also looking at opportunities to accelerate the fleet replacement and are currently working with the West London Alliance development programme to introduce a batch of zero-emission vehicles and charging points at the reconfigured Acton works depot in 2024.

11%
of our bus fleet (970 buses) now operates with zero emissions

5,000
successful applications to the scrappage scheme as part of ULEZ expansion

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The ULEZ will be expanded London-wide, ensuring five million more Londoners can breathe clean air

Decarbonising our buses

Eleven per cent of our fleet now operates with zero-emission buses (970 zero-emission buses in total), helping us reduce our reliance on diesel, cut harmful emissions and reduce carbon dioxide in the capital.

The majority of the zero-emission bus fleet is electric, but also includes 20 double-deck zero-emission hydrogen fuel-cell buses. This technology helps us reduce emissions and ensures our buses emit nothing except water vapour from their propulsion systems.

Tube dust

The quality of air on the London Underground is a key focus

We have a robust, three-pillar programme of work to tackle Tube dust: funding of world-leading research, cleaning and monitoring, and using the latest advances in innovation.

We've increased the track-cleaning budget from £1.5m to £2m per year and targeted cleaning at priority locations to cover at least 130km/year (40 per cent of a total network of 330km of tunnels). Since March 2023, we have begun monitoring air quality from within the train operator's cab every three months.

We have issued an open innovation tender to improve Tube air quality by identifying methods of actively and passively reducing dust levels. We expect to select a partner later this year, with funding from our air quality innovation and research budget.

We have commissioned two studies from Imperial College London to independently examine the possible health impacts experienced by London Underground workers (such as train operators and station staff) exposed to tunnel dust.

The short-term study investigating sickness absence in relation to dust exposure is currently underway. Dust monitoring on the network began in 2021 and results are due to be published later in 2023.

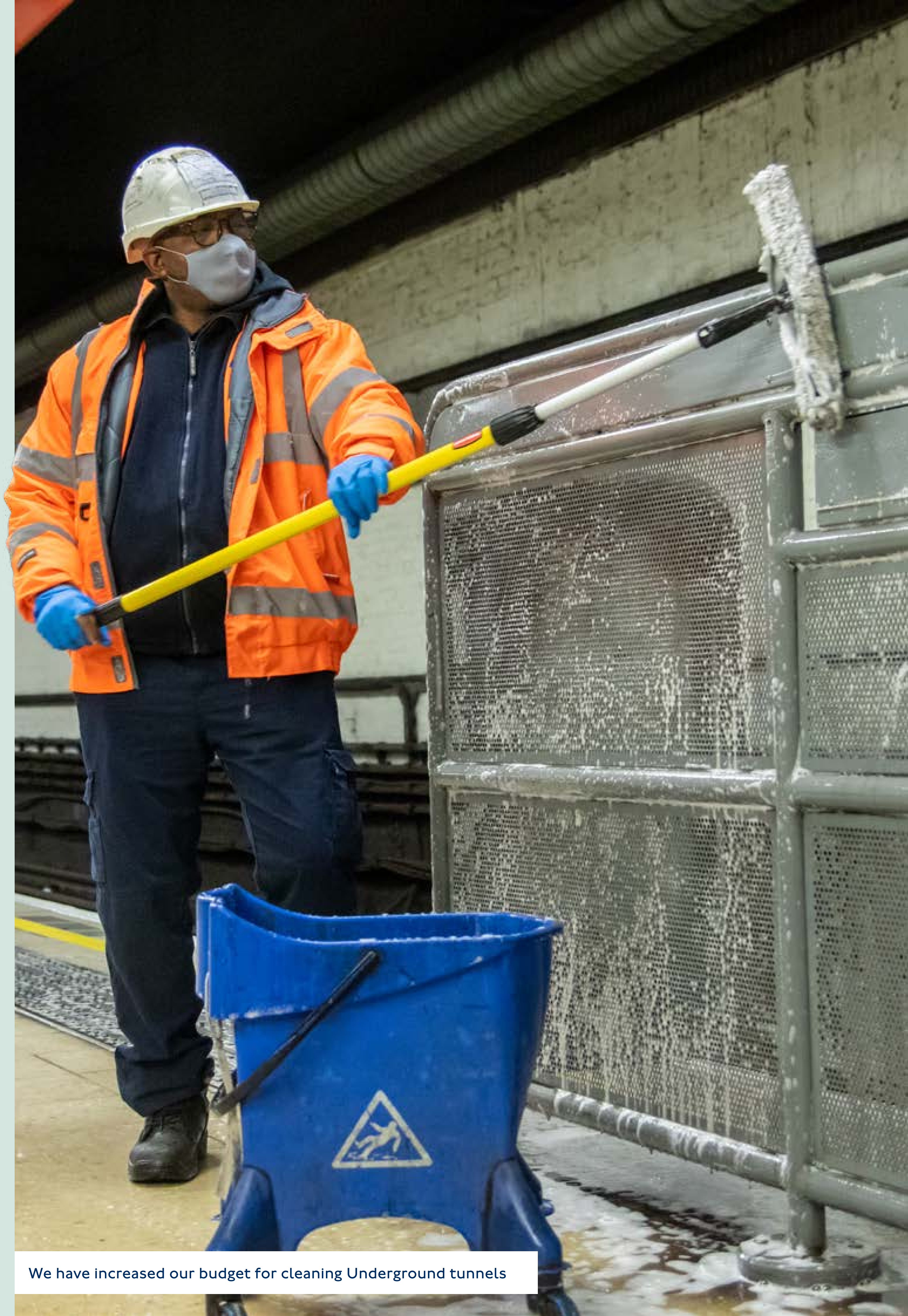
The longer-term study is looking at pensions data to see if historical exposure to Tube dust is associated with deaths due to lung or heart disease. This is due to be published in 2024/25.

We are also collaborating with Imperial College London on a further study looking at the health effects of fine particulate matter (PM2.5) on passengers with chronic lung disease. This study began with volunteers on the Tube in early 2022. It involves volunteers with pre-existing lung disease travelling with the research team while being monitored for dust exposure and health outcomes. The outcome of the study will be available in 3-5 years, as it forms part of a PhD project.

Although our monitoring shows that dust levels on the Tube consistently fall below HSE regulatory levels for workplace exposure, we continue to explore ways to further reduce these levels. Monitoring and enhanced cleaning continues, and we are exploring innovative ways to remove dust from the network.

£2m

each year spent on cleaning to remove Tube dust and improve air quality



We have increased our budget for cleaning Underground tunnels

Best environmental practices

We aim to be a good neighbour, going beyond our minimum obligations to apply environmental and sustainability best practices

Managing our impact
As part of the SHE improvement workstream, we are updating our existing environmental evaluation process, which is used to assess a project's environmental risks and opportunities.

We are also supporting efforts by the Department for Environment, Food and Rural Affairs (Defra) to update their noise modelling, which will result in interactive and accurate noise maps that can be used to better target interventions.

Environmental risk
In early 2023, we agreed to specifically manage environmental risk as part of our overall enterprise risk management framework. This enables greater detail beyond the overarching SHE risk level to ensure we are not only managing our legal obligations but also progressing our statutory obligation to progress policy ambitions in the Mayor's Transport Strategy, and challenging ourselves to demonstrate leadership and improve industry-wide knowledge and collaboration.

It will include risks associated with our impact on the environment and the changing climate's impact on us and our ability to serve London. We have identified key representatives from all business areas and are working to ensure adequate management of these risks.

All business cases must consider environmental impacts
In December 2022, we implemented a revision to the business case template to consider environmental impacts. It includes how any business case helps the network adapt to climate change and offers the guidance and methodology necessary to support this focus. This includes assessing all impacts, defining outcomes, and ensuring environmental considerations are aligned and complementary with other key considerations such as safety, health and cost.

We consider the environmental impact of all our developments

Executive Committee sustainability sub-group

In September 2022, we established a sub-group of our Executive Committee that focuses on accelerating our transition to becoming a more sustainable organisation. The group is attended by a senior representative from areas across the business and meets every six weeks to chart progress of key actions, such as those set out in our Corporate environment plan and the GLA Group Responsible procurement implementation plan.

It ensures relevant and timely scorecard targets and reporting, the progress of a strong pipeline of green initiatives, building capability and capacity, identifying, monitoring and managing risks, and ensuring clear and timely communications through all channels to keep everyone informed of our progress and further opportunities.

Sustainability graduate and apprenticeship schemes

We have launched our first Sustainability graduate and apprenticeship schemes, which drew record-breaking numbers of applicants. The first cohort of Sustainability graduates will join us in September 2023.

Youth Panel exploration

In late 2022, we supported the TfL Youth Panel to undertake an exploration of issues of diversity, inclusion and equality, and how these interact with environmental sustainability. The panel hosted a series of hearings at City Hall in November and December 2022 (recordings are available at https://madeby.tfl.gov.uk/2022/11/28/tfl-youth-panel-exploration/) and intend to present initial findings later in 2023. Following this, we intend to publish our response.

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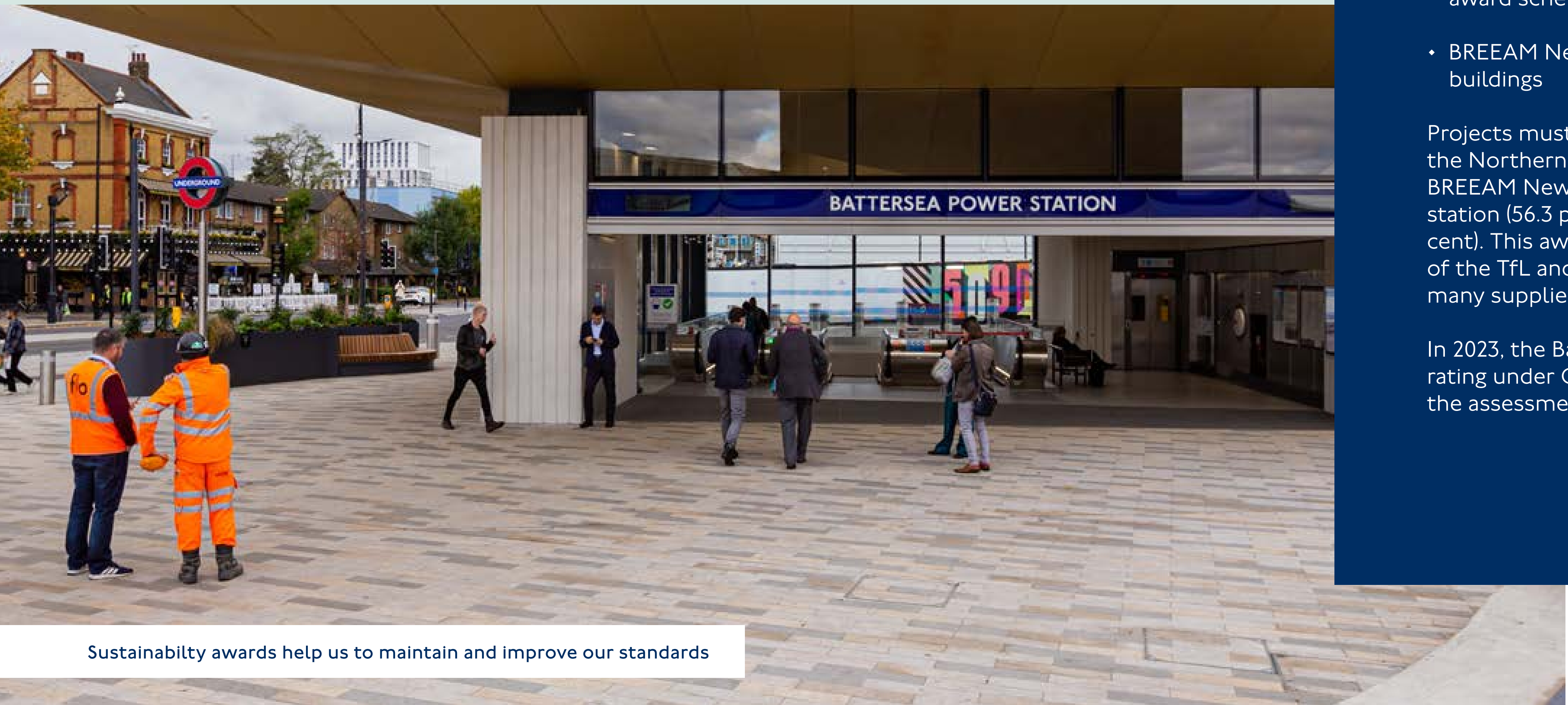


Sustainabilty awards help us to maintain and improve our standards

Sustainability assessment award schemes

Some of our major projects have been recognised with sustainability awards

Sustainability assessment award schemes provide a framework for optimising all sustainability performance, from designing for future climate, to providing local employment and reducing whole-life carbon. They help to scope, design and deliver truly sustainable developments, as well as offering visible assurance to us and to our stakeholders.

There are two awards applicable projects can achieve:

- BREEAM Infrastructure (previously CEEQUAL) is the sustainability award scheme for civil engineering, infrastructure and public realm
- BREEAM New Construction is the sustainability award scheme for buildings

Projects must aim to achieve at least Very Good in both awards. In 2022, the Northern line extension achieved CEEQUAL Excellent (81.7 per cent), BREEAM New Construction Very Good for Battersea Power Station Tube station (56.3 per cent), and BREEAM Good for Nine Elms station (45.83 per cent). This award was achieved through the hard work and commitment of the TfL and Ferrovial Laing O'Rourke teams, with the support of the many suppliers and sub-contractors involved.

In 2023, the Barking Riverside extension project achieved an Excellent rating under CEEQUAL for its sustainability strategy, and Very Good for the assessment of the project's performance.

Tackling the climate emergency

We are taking action to reduce carbon emissions from our activities and adapt to the impacts of climate change

In April 2022, we published our final submission under the third round of Defra's Adaptation Reporting Power, setting out our strategy for adapting to climate risks, both now and in the future.

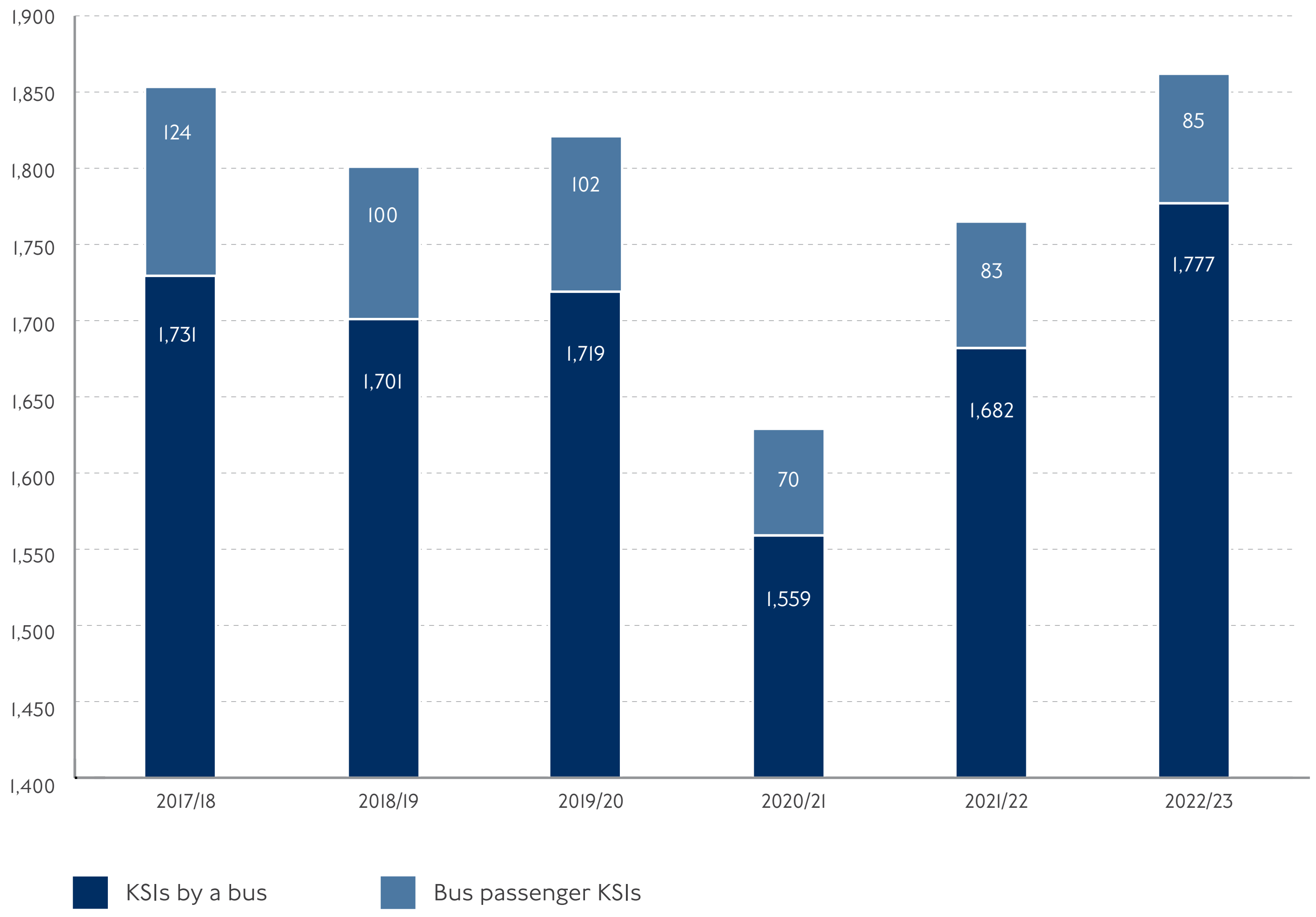
Our climate risk assessment identified 333 risks using the Met Office's latest climate projections and best professional judgement from a wide range of colleagues across the business. It showed that all our assets, operations and services, staff and passengers carry some degree of weather- and future climate-related risk, and that risk severity will increase over time.

We are using this to inform the development of our research programme, as well as internal and external collaborative work with groups including the new London Surface Water Strategic Forum, Transport Adaptation Steering Group and Infrastructure Operators Adaptation Forum.

Our first corporate Climate change adaptation plan was published in March 2023. It sets out the actions needed to embed adaptation requirements across the business in the short-, medium- and longer-term.

Adapting to climate change is crucial for us to become financially sustainable in the long term, and will require action across the entire organisation, as well as collaboration with key external stakeholders.

Total CO2 emissions
(tonnes CO2e)



Total carbon emissions for 2022-23 are 813,451 kilotonnes CO2e. This is down year-on-year versus 2021-22. A significant part of the reduction is related to the reduction in carbon intensity from the electricity we consume.

While total carbon emissions have reduced, electricity and gas consumption has increased to above pre-pandemic levels. This is predominantly due to the opening of the Elizabeth line.

Creating a low-carbon city

We are working with partners to remove carbon from our estate and increase the lifecycle of resources and materials

Buildings decarbonisation
In 2022, we conducted a baseline assessment of the carbon emissions associated with our buildings, using existing data supplemented with 40 site visits. We completed an initial analysis for how we can simultaneously reduce carbon and operational costs.

We estimate that approximately 11-12 per cent of our operational carbon emissions (approximately 105 kilotonnes of carbon dioxide) are linked to the activities we undertake across our estate of approximately 6,000 buildings.

The energy used by our buildings is estimated to currently cost us approximately £65m per year. However, this is set to increase with rising energy costs. London Underground, our tenanted estate, bus operations and our head office buildings account for 93 per cent of all emissions.

We have developed a buildings decarbonisation plan, which includes recommendations and key action areas requiring further development.

In March 2023, thanks to funding from the Public Sector Low Carbon Skills Fund, administered by the Department for Energy Security and Net Zero, we concluded initial feasibility studies on how we can remove carbon from the operation of our buildings.

This detailed, site-specific feasibility work improves our understanding of how to decarbonise high-priority sites, particularly at complex locations such as depots. We are now translating the findings into plans to decarbonise our buildings. We're also exploring the next phase of feasibility studies to fully remove carbon from the operation of our buildings as quickly as possible.

One of our offices at Endeavour Square in Stratford

Our first low-carbon depot

We are upgrading our Trams depot to replace outdated heating systems

We secured funding to transition the Trams depot at Therapia Lane to become the first low-carbon depot, making it cleaner, greener and cheaper to run. This forms part of wider work to further decarbonise our network and meet the Mayor's goal of a net-zero London by 2030.

The project will upgrade heating systems with heat pumps and infrared panel heaters to replace inefficient fossil fuel gas boilers. The additional electricity consumption from the new heating system will be offset by using 1,800 square metres of south-facing roof space for solar panels, as well as other energy-efficiency measures such as improved insulation and LED lighting. Work is expected to be complete by 2025.

We want to improve air quality for people in the streets

Decarbonising construction

Reducing whole-life carbon impacts across our projects

We are working closely with partners to remove carbon from our construction activities. One example is our collaboration with Hackney and Islington councils to make the area around Old Street station more friendly for people walking and cycling.

Works to introduce improved pedestrian crossing, segregated cycle lanes, a new public space and a new station entrance are underway.

Our delivery partner on the scheme, Morgan Sindall, has been working closely with one of their main subcontractors, J Coffey, to switch from using diesel-powered plant and deliver the works without the use of this polluting fuel.

Carbon emissions have reduced significantly by shifting to electric-powered equipment and using hydro-treated vegetable oil (HVO) fuel. In less than one year, this has saved 13.8 tonnes of carbon dioxide and helped reduce other harmful emissions to air.

Major projects carbon baseline

In June 2022, we completed the Major projects carbon baseline report. This is the first time the whole-life carbon baseline for all ten current major projects have been modelled in detail, including the scope and carbon hotspots for each. We will be aiming to reduce whole-life carbon impacts in the coming years, by management of carbon through the full project lifecycle in collaboration with our supply chain. We are now working to expand the decarbonisation strategy and carbon baseline across our capital investment portfolio in conjunction with our Capital directorate.

Scope 3 carbon - managing carbon emissions from our supply chain

Building on an initial GLA-wide study undertaken in 2021, we are currently undertaking a more detailed assessment of our 'upstream' scope 3 carbon emissions, including emissions from our supply chain and the delivery of our capital projects.

Assessments of whole-lifecycle emissions from our Major projects and Technology and data activities have been undertaken. Our full upstream scope 3 carbon assessment will be used to inform overall emissions reduction targets in this area.

Carbon literacy training

Educating our workforce on ways to reduce carbon

In 2022, in collaboration with the Carbon Literacy Project and the DfT, we developed a one-day carbon literacy course for staff, fully accredited by the Carbon Literacy Project. As part of this course, colleagues make two pledges to reduce carbon in their role at TfL.

We have developed 24 in-house volunteers as accredited carbon literacy trainers, and by the end of March 2023 had trained more than 700 colleagues, including the Commissioner, chief officers and most of their direct reports.

Due to the programme's success and demand, carbon literacy training has been added to the TfL 2023/24 scorecard, with the aim to create a community of coordinators and trainers who will train 3,000 colleagues by the end of March 2024.

Power purchase agreement

Investing in new renewable energy

In February 2023, we relaunched our first power purchase agreement tender. This is a vital step towards ensuring all our operations can be net zero by 2030.

The tender encourages the market to invest in new renewable energy connected to the national grid, with a commitment from us to purchase the clean energy generated.

At the first stage of the tender, standard selection questionnaire submissions were received and evaluated, and bidders informed of the outcome in May.

Successful suppliers progressed to the invitation to tender stage of the procurement process, which will continue throughout 2023 with a contract due in early 2024.

Harnessing the sun's energy

Generating cleaner, cheaper energy for the Underground

As London's single largest consumer of electricity, it is our responsibility to identify and use renewable energy sources.

The Solar private wire project presents an opportunity to directly receive zero-carbon (solar generated) electricity from decentralised sources, bypassing the national grid and distribution network operators (and associated charges). This has twin benefits of guaranteeing renewable energy, while also offering financial savings.

There has been a positive response to a recent market engagement exercise to gauge appetite from market players. The intention is for a solar collaborator to carry out detailed project identification and development. We would ultimately purchase the energy to assist with powering the Underground network. Detailed discussions with the industry are underway to inform the final content of any commercial relationship, as well as establishing an appropriate route to market.

Initial investigations suggest that our power network can accommodate 64 megawatts of locally generated renewable energy, equivalent to five per cent of the annual load.

Solar panels on our buildings generate cheaper, renewable energy

Capturing waste heat

Waste heat from London Underground ventilation shafts is a constant and reliable source of energy. Much of it is simply released into the air. This project will capture thermal energy from ventilated air to provide heating and hot water in nearby buildings.

Detailed feasibility studies have been conducted for six ventilation shafts, to explore the scale of opportunity. If all six sites are developed and used by energy suppliers, the project could contribute to serving thousands of residential premises, plus commercial and public buildings such as schools.

The proposed supply of waste heat would reduce the requirement for gas combustion and could therefore decrease carbon emissions.

We are focusing initially on one ventilation shaft site and working to find an appropriate energy supplier by the summer. Work continues in parallel to identify future waste-heat opportunities across our estate. Other sites may not be limited to ventilation shafts, and options for harnessing heat from alternative sources, including pumped water systems, are being explored across the Tube network.

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Transitioning our network to LED lighting

New lighting is brighter, improves safety and uses less energy

We are working to convert all lighting on our network to LEDs to reduce waste, energy consumption and associated carbon emissions. By the end of March 2023, more than 50 per cent of our bus shelters across London were converted to LED lighting. LED lighting uses 57 per cent less energy while providing 10 per cent brighter light, making the shelters more welcoming and improving safety for customers, especially at night. By the end of March 2024, all 12,100 bus shelters will be converted, saving more than 1,000 tonnes of carbon emissions annually.

At least a quarter of all Tube stations have been converted to only use LED lighting, with more planned for conversion in the coming months and years. Customer lighting at tram stops served by London Trams have been converted to LED lighting, and work is also taking place to upgrade lighting at bus stations across London, as well as at several Tube depots, and the London Trams depot in Croydon. Around 50 per cent of all lamp columns on our roads are now fitted with LED lights, with work underway to convert more of these lamps as soon as possible.

1,000

tonnes of carbon saved annually by converting our bus shelters to LED lighting by 2024

Bright LED lighting helps to improve customer safety

Increasing use of sustainable resources

Helping London to become a zero-waste, low-carbon city

We will design for the circular lifecycle of resources and materials, supporting London's goal of being a zero-waste city.

Overall recycling levels remain similar to previous years, while ridership on our network has continued to increase post-pandemic and with the opening of the Elizabeth line. We are adding recycling collections to more stations.

We continue to work with the ReLondon partnership – the collaboration between the Mayor and London's boroughs aimed at accelerating the transition to a low-carbon circular city – engaging with Tier 1 suppliers and contractors and small and medium-sized enterprises.

We also continue to work with the Transport Infrastructure Efficiency Strategy project on industry-wide improvement activity, and with other bodies where we can share knowledge and materials.

Our Executive team had sustainability training in December 2022, with a view to extend this training to all Directors in 2023.

Growing a greener city

We will increasingly protect, connect and enhance our green infrastructure, including the biodiversity, habitats and ecosystems services on our estate

Our first natural capital account
Natural capital accounting is the process of considering the value of the environment in business decision-making and reporting. For the first time, we have assessed our whole estate and carried out a monetary valuation of our natural capital, following the Natural Capital Protocol, a globally recognised framework to support businesses in identifying, measuring and valuing their impacts on, and interdependencies with, nature.

Our natural capital assets bring significant value to Londoners and global society. Their numerous benefits range from air quality, carbon sequestration, biodiversity, visual screening, shading and cooling, to mental health and education. These have been included in the assessment.

Due to the complex nature of our organisation, we have identified several data gaps that we intend to fill to improve future natural capital accounts and are working to embed the natural capital approach into business activities, including project delivery, asset strategy and maintenance.

We are one of the first transport infrastructure organisations to look at natural capital in this depth, therefore we have a great opportunity to show leadership and share learning with other organisations in the sector.

We have assessed our whole estate and carried out a monetary valuation of our natural capital, following the Natural Capital Protocol

Tree planting

We remain on track to meet the target of a one per cent year-on-year increase in street tree numbers between 2016 and 2025. In 2022/23, an additional 453 trees were planted, increasing the total number on our network to 24,795.

Supporting nature improves our wellbeing as well as biodiversity

Wildflower verges

Using our land to restore biodiversity and reduce carbon

Around a third of our land is covered by vegetation. This means we have an enormous opportunity and obligation to ensure we are encouraging the restoration of biodiversity in London. In March 2023, we completed the conversion of 55,000 square metres of verges to wildflowers. This strategic network of wildflower verges on our land is set to more than double (to 130,000 square metres) by the end of summer 2023.

In addition to wildflowers encouraging pollinators such as bees, longer grasses provide cover for reptiles, mammals and invertebrates. Allowing verges to grow also helps to reduce the carbon emissions linked with mowing and increases the potential for greater levels of carbon to be captured.

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130,000

square metres of wildflower verge by summer 2023

Sustainable drainage systems

Sustainable drainage systems (SuDS) manage storm water by mimicking natural drainage

Interventions such as narrow landscaped gardens along roadsides capture, filter and slow the release of water into mains drainage systems. This can help prevent flooding.

Well-designed SuDS can also improve the look and feel of a street by adding greenery and can serve as a divide between moving traffic on a carriageway and people using the pavements, making it more pleasant and attractive to choose a walking journey.

We own and manage approximately five per cent of London's roads and have committed to including SuDS as a default design feature for any project that involves excavation or structural changes to a roof. Our designers are now required to justify any instances where SuDS are not included. The ambition is to deliver 5,000 square metres of catchment draining into SuDS on our roads each year.

As SuDS function best at scale across a catchment, we are keen to find opportunities to collaborate with neighbours and other partners across London to ensure interventions will initially be focused in areas where they will be most beneficial and effective. We have agreed £640,000 of Thames Water funding for the delivery of SuDS projects on our roads, including outside Edgware Road station, at Tolworth roundabout, Nine Elms Lane and Old Street.

SuDS are now a default design feature. The ambition is to deliver 5,000 square metres of catchment draining in to SuDS on our roads each year

About Transport for London (TfL)

Part of the Greater London Authority family led by Mayor of London Sadiq Khan, we are the integrated transport authority responsible for delivering the Mayor's aims for transport. We have a key role in shaping what life is like in London, helping to realise the Mayor's vision for a 'City for All Londoners' and helping to create a safer, fairer, greener, healthier and more prosperous city. The Mayor's Transport Strategy sets a target for 80 per cent of all journeys to be made by walking, cycling or using public transport by 2041. To make this a reality, we prioritise sustainability, health and the quality of people's experience in everything we do.

We run most of London's public transport services, including the London Underground, London Buses, the DLR, London Overground, Elizabeth line, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the London Cable Car. The experience, reliability and accessibility of these services is fundamental to Londoners' quality of life.

We manage the city's red route strategic roads and, through collaboration with the London boroughs, we are helping to shape the character of all London's streets. These are the places where Londoners travel, work, shop and socialise. Making them places for people to walk, cycle and spend time will reduce car dependency, improve air quality, revitalise town centres, boost businesses and connect communities. As part of this, our expanded Ultra Low Emission Zone and fleets of increasingly environmentally friendly and zero-emission buses are helping to tackle London's toxic air.

During the pandemic, we took a huge range of measures to ensure people were safe while travelling. This included extensive cleaning regimes across the public transport network and working with London's boroughs to introduce the Streetspace for London programme, which provided wider pavements and cycle lanes so people can walk and cycle safely and maintain social distancing. London's recovery is vital to the UK's recovery as life returns to normal. We want to ensure London avoids a car-led recovery and we continue to reassure people the capital and our transport network is safe and ready for them.

We have constructed many of London's most significant infrastructure projects in recent years, using transport to unlock much needed economic growth. This includes major projects like the extension of the Northern line to Battersea Power Station and Nine Elms in south London, as well as our work at Barking Riverside and the Bank station upgrade.

Working with Government, we completed the Elizabeth line in time for Her Majesty the Queen's Jubilee. This transformational new railway adds 10 per cent to central London's rail capacity and supports the delivery of high-density, mixed-use developments, which are planned around active and sustainable travel to ensure London's growth is good growth. We also use our own land to provide thousands of new affordable homes and our own supply chain creates tens of thousands of jobs and apprenticeships across the country.

We are committed to being an employer that is fully representative of the community we serve, where everyone can realise their potential. Our aim is to be a fully inclusive employer, valuing and celebrating the diversity of our workforce to improve services for all Londoners.

We are constantly working to improve the city for everyone. This means using intel, data and technology to make services intuitive and easy to use and doing all we can to make streets and transport services accessible to all. We reinvest every penny of our income to continually improve transport networks for the people who use them every day. None of this would be possible without the support of boroughs, communities and other partners who we work with to improve our services. By working together, we can create a better city as London's recovery from the pandemic continues.

July 2023

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PUB22_026

Board

Date: **25 July 2023**

Item: **Finance Report – Quarter 1, 2023/24**

This paper will be considered in public

1 Summary

1.1 The Finance Report presentation sets out TfL's financial results to the end of Quarter 1 (Period 3, 2023/24 - the year-to-date ending 24 June 2023).

2 Recommendation

2.1 **The Board is asked to note the Finance Report.**

3 Financial Reporting to the Board

Finance Report – Quarter 1 , 2023/24

3.1 The Finance Report presentation provides a summary of year-to-date financial performance against the Budget (approved by the Board on 29 March 2023) and last year.

List of appendices to this report:

Appendix 1: Finance Report Presentation

List of Background Papers:

None

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Finance Report

Quarter 1, 2023/24

Management results from 1 April 2023 – 24 June 2023

Board

25 July 2023

We are delivering on our financial strategy to rebuild our finances

Our 2023 TfL Business Plan set out our strategy for rebuilding our finances, improving efficiency and helping to secure our future. The 2023/24 Budget built on this, demonstrating how we will become operationally financial sustainable this year. We have successfully delivered that strategy in Quarter 1:

Actively grow passenger demand, while creating new sources of revenue to reduce our reliance on fares income

- Passenger journeys 89% of pre-pandemic levels in Quarter 1, up from 85% at the end of 2022/23
- Cumulative journey growth of just over 7% in Quarter 1. We are targeting 6% year-on-year journey growth over the full year, on top of the 31% increase in 2022/23
- Some pressure on roads enforcement income from delays to our Deployable Enforcement Camera (DEC) rollout, but we expect to manage this
- Total revenue is within 1% of our Budget

Continue to deliver recurring cost savings to remain affordable for customers and taxpayers

- Like-for-like operating costs falling in real terms: 5% higher than last year despite year-on-year inflation of 11.4%
- Operating costs 2% lower than Budget, mainly from contingency we have not yet used
- Some cost pressures from bus operator payments due to improving performance
- We have also seen timing differences for savings delivery, but we are committed to delivery of almost £230m savings this year

Create and grow an operating surplus based on our own sources of income

- Underlying operating surplus (excluding revenue top up from government) of £42m in the Quarter, £35m better than Budget
- Our headline surplus is £79m, £6m up on Budget; after adjusting for timing differences, this is £19m better than Budget
- We remain on track to deliver an underlying operating surplus in 2023/24

Fully fund our capital programme with a long-term government settlement and an affordable level of debt

- Capital renewals are ahead of Budget, with work ahead of schedule
- Aiming to deliver almost £740m of renewals this year, an increase of £110m on 2022/23
- Capital enhancements have slipped in the quarter and we are just over £40m behind Budget
- Total debt (including leases) decreased in the quarter from some small maturities of existing borrowing, which have been refinanced.

Maintain cash reserves to make payments and protect against shocks

- Cash balances are in line with Budget and below £1.2bn as set out in funding agreement
- The GLA financing facility of £500m has been maintained for additional protection against shocks and risks

We are on track to achieving operating financial sustainability in 2023/24, but risks remain

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Our Budget for 2023/24 is to deliver an operating surplus of £79m, demonstrating our achievement of financial sustainability.

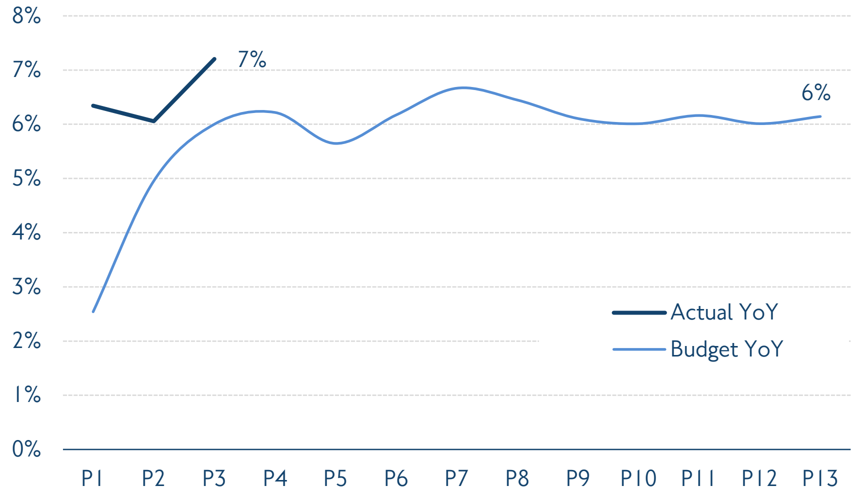
- **Economic uncertainty** – economic growth remains poor, but latest indicators give some ground for optimism. The latest Office for Budget Responsibility (OBR) forecast from March 2023 indicated the economy will shrink in 2023/24, but avoid a technical recession. Since then, the Bank of England, in its Monetary Policy Report, forecast modest but positive growth for 2023/24. The risk on passenger income is protected by the funding settlement to March 2024.
- **Savings targets** – are stretching, with a target of almost £230m incremental recurring savings set out in our 2023/24 Budget. However, we have a strong track record of delivering savings and managing to budget. By the end of Quarter 1, we were slightly behind the phasing of savings delivery, but have plans in place to deliver over the full year.
- **Other income** – there is a range of uncertainty around compliance levels for London-wide ULEZ as well as underlying Congestion Charge volumes and payment rates. This range is partly covered through the contingency held in the 2023/24 Budget. In addition, five local authorities have brought a judicial review of the Mayor's decision to expand ULEZ London-wide and the Mayor's decision to provide grant funding to TfL for the associated scrappage scheme. Following the Judicial Review hearing in the High Court on 4 & 5 July, we expect a decision towards the end of July and will continue installation of signs and cameras in readiness for the launch of the London-wide ULEZ on 29 August, as planned.

However, we will need the support of government to mitigate risks we do not have direct control over. Constructive discussion with HMG continue over two key risks:

- **Inflationary pressures on TfL cost base** – our current forecast is that higher inflation will drive £181m net pressure in 2023/24. We submitted our inflation request covering 2023/24 in February 2023, with the DfT's advisors completing their assessment in mid-March 2023.
- **2024/25 capital funding** – the primary risk to our financial sustainability in the medium term is the lack of capital funding certainty from government beyond 31 March 2024. Failure to confirm this well in advance of March 2024 would force TfL to have to reprioritise its Business Plan, undoing the progress made under the current funding agreement and mean TfL would again need to start making difficult choices relating to reducing service levels, asset renewals and delaying non-committed investment.

Headlines

Total passenger journeys up just over 7% year-on-year in Quarter 1, and are at 89% of pre-pandemic levels. Targeting 6% year on year growth over the full year



Passenger income higher than pre-pandemic levels in cash terms, from combination of journey recovery and new Elizabeth line services

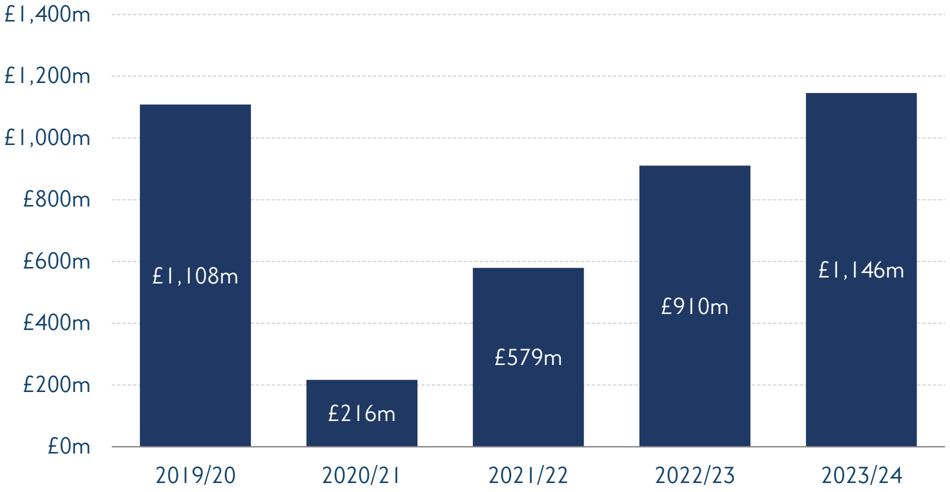
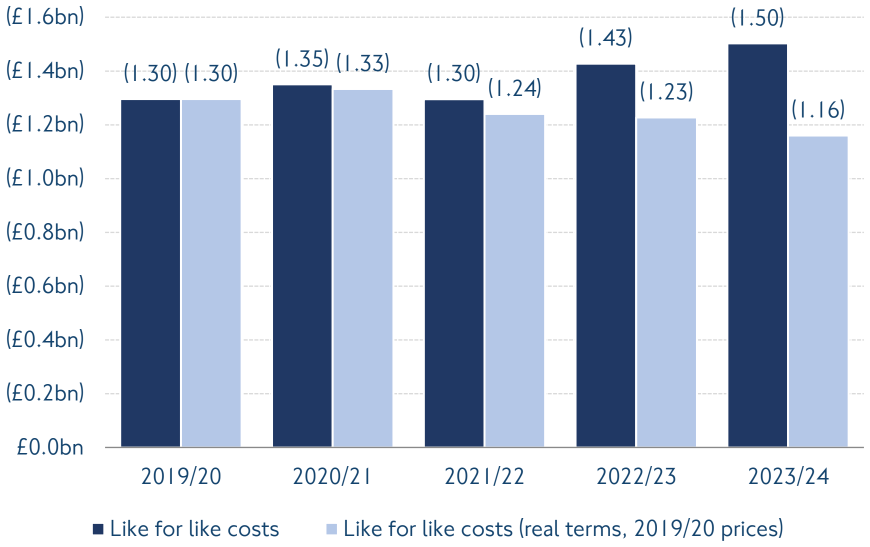
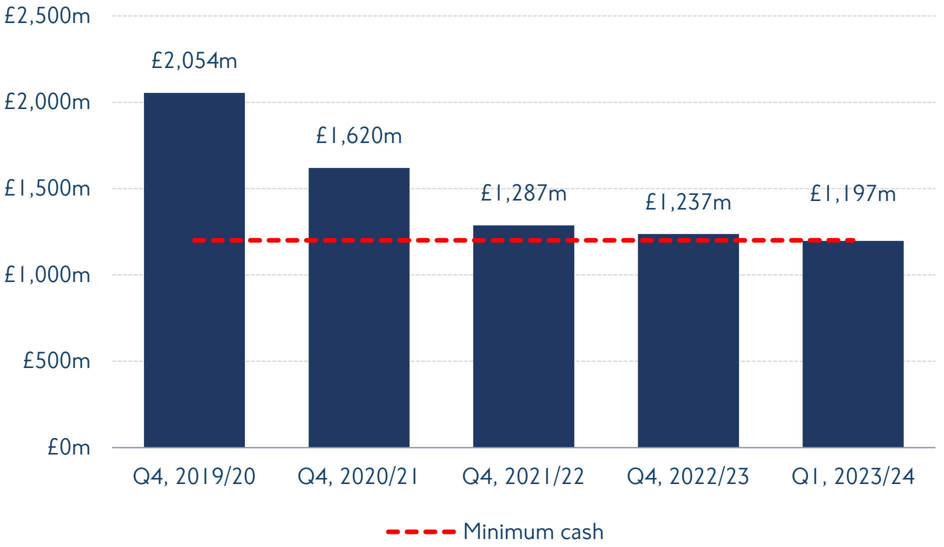


Chart shows results to end of Quarter 1 for each year

Like-for-like operating costs 5% higher than last year, but down in real terms with RPI running at just over 11%



We continue to maintain average cash balances below £1.2bn in line with the funding settlement condition



Passenger journeys

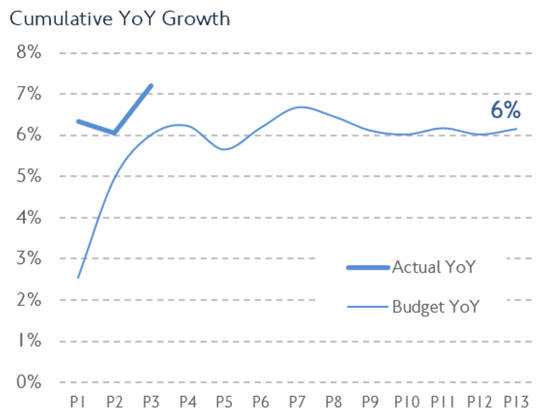
In 2023/24 we have budgeted 6% underlying year on year growth in demand.

TfL passenger demand was 9 million journeys (1%) better than Budget, with 9.5% year-on-year growth in the final period of Quarter 1. Cumulative journey growth in the quarter is at 7.2% with journeys at 89% of pre-pandemic levels.

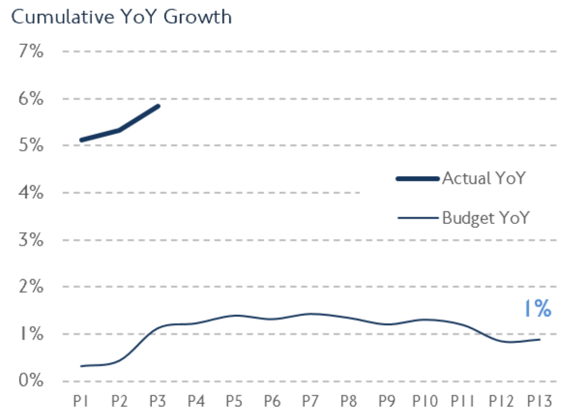
LU and DLR journeys are higher than expected as the assumed impact of Elizabeth line new services to these modes is less than expected.

Passenger journeys year-on-year growth and comparison to Budget

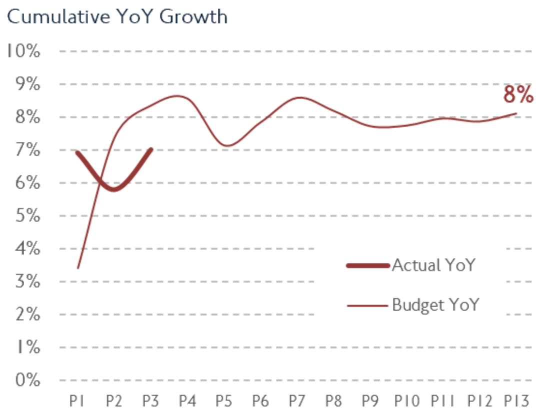
TfL	% Growth period / budget			Absolute m	Var to Bud m
	9.5%	8.1%	P	276	3.6
			Y	820	9.2



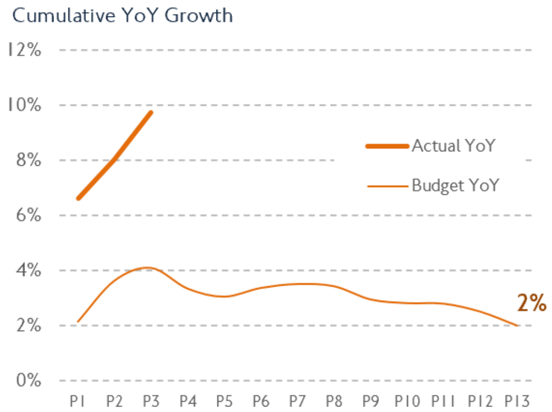
LU	% Growth period / budget			Absolute m	Var to Bud m
	7%	3%	P	90	3.7
			Y	271	12.1



Bus	% Growth period / budget			Absolute m	Var to Bud m
	10%	10%	P	146	(1.1)
			Y	433	(5.3)



Rail	% Growth period / budget			Absolute m	Var to Bud m
	13%	5%	P	24	1.8
			Y	71	3.7

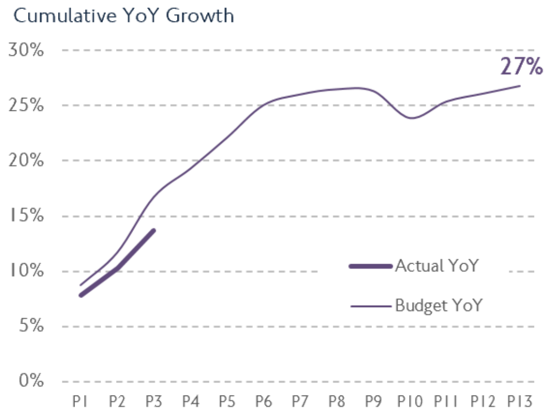


LO	% Growth period / budget			Absolute m	Var to Bud m
	18%	9%	P	15	1.2
			Y	43	2.0

DLR	% Growth period / budget			Absolute m	Var to Bud m
	6%	-3%	P	8	0.7
			Y	24	2.0

Tram	% Growth period / budget			Absolute m	Var to Bud m
	9%	16%	P	2	(4.1)
			Y	5	(0.4)

EL	% Growth period / budget			Absolute m	Var to Bud m
	21%	27%	P	16	(0.8)
			Y	45	(1.2)



Income statement

Total revenue is (£16m) (1%) lower than Budget. Passenger income is £20m up on budget and £236m higher than last year, - partly from new Elizabeth line services.

Operating costs are £33m lower than Budget. However, we are seeing some cost pressures on bus operators costs - through improved performance – as well as timing differences in delivering savings. These have been offset by central contingency (held to mitigate key risks on bus performance and London-Wide ULEZ), one offs and other smaller savings.

Capital renewals are (£8m) up on Budget. We expect to deliver to available funding over the full year.

Income statement (£m)

	Quarter 1, 2023/24				Quarter 1, 2022/23		
£m	Actuals	Budget	Variance to Budget		Last year	Variance to last year	
Underlying passenger income	1,146	1,126	20	2%	910	236	26%
DfT revenue top up	37	66	(29)	-44%	96	(59)	-61%
Passenger income	1,183	1,192	(9)	-1%	1,006	177	18%
Other operating income	326	331	(5)	-2%	353	(27)	-8%
Business Rates Retention	442	442	-	0%	512	(70)	-14%
Other revenue grants	56	58	(2)	-3%	211	(155)	-73%
Revenue	**2,007**	**2,023**	**(16)**	**-1%**	**2,082**	**(75)**	**-4%**
Operating cost	(1,678)	(1,711)	33	2%	(1,633)	(45)	-3%
Operating surplus before interest and renewals	**329**	**312**	**17**	**5%**	**449**	**(120)**	**-27%**
Capital renewals	(151)	(143)	(8)	-6%	(124)	(27)	-22%
Net interest costs	(99)	(96)	(3)	-3%	(101)	2	2%
Operating surplus / (deficit)	**79**	**73**	**6**	**8%**	**224**	**(145)**	**-65%**
Underlying operating surplus/ (deficit)*	**42**	**7**	**35**	**483%**	**(69)**	**111**	**161%**

* Excluding DfT revenue top up and base funding (in 2022/23)

Income statement

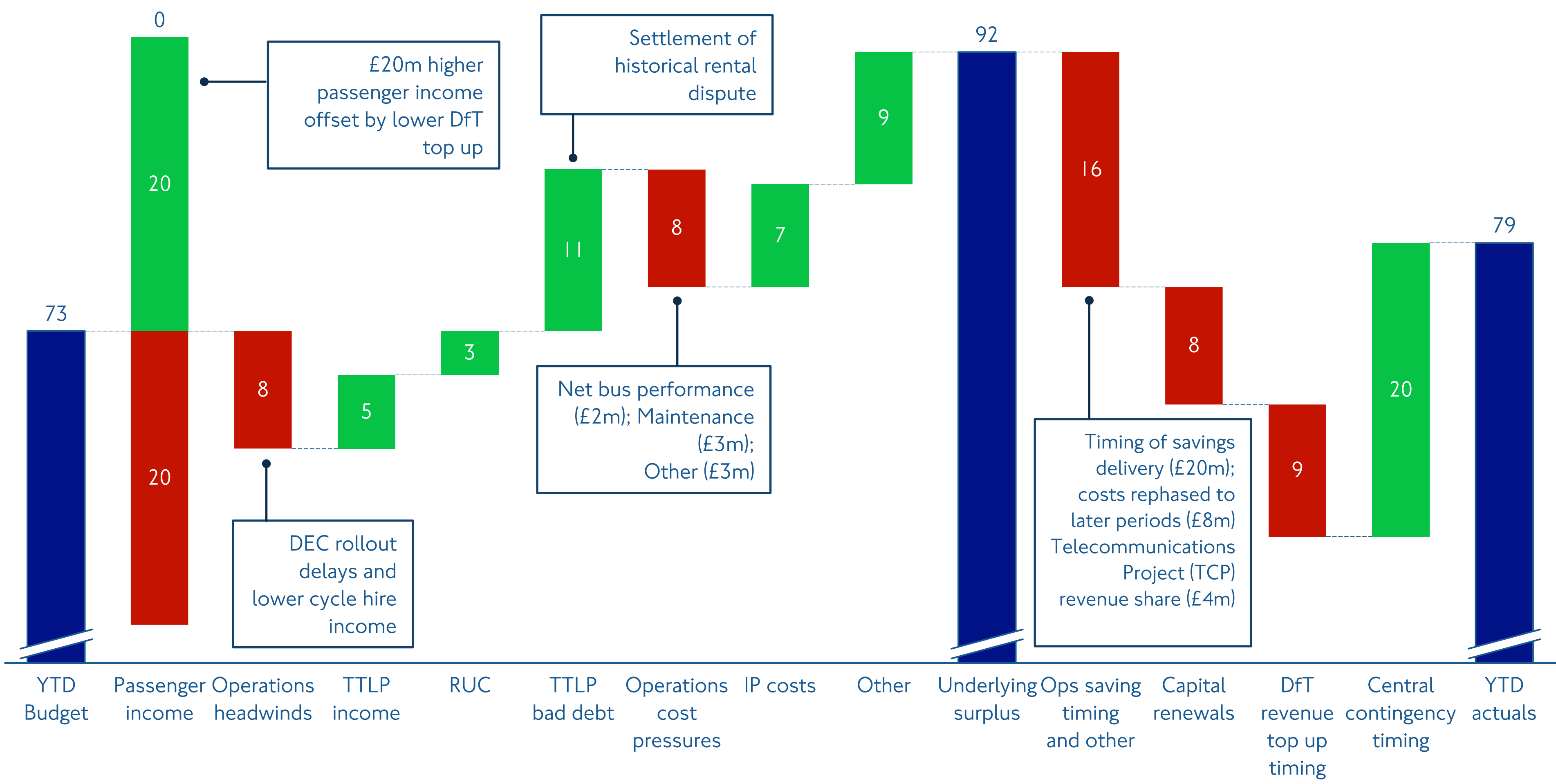
The underlying surplus – after adjusting for timing differences on savings, capital renewals, DfT top up funding and contingency release - is £92m, £19m better than Budget.

The delivery of operational savings remains a risk, but our latest plans show these being delivered later in the year.

Central contingency has been rephased to future periods to mitigate our key risks on bus performance, DEC income, and London-Wide ULEZ implementation.

We are managing our capital renewals portfolio to maximise delivery within the available funding, and will slow down delivery later in the year if required.

Income statement variances by cause (£m)



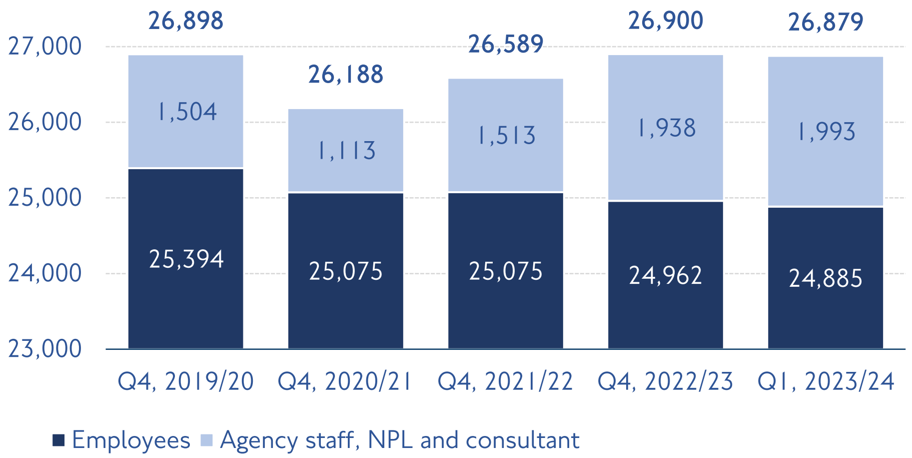
Staff

Total staff levels are almost exactly in line with pre-pandemic levels and are very slightly down from the end of 2022/23.

Permanent employee numbers are over 500 lower than before the pandemic and are nearly 200 down from the end of 2021/22; ongoing labour market issues, and funding uncertainty in the first half of last year hampered our ability to recruit; we have also seen an increase in staff leaving the organisation, a result of reward constraints as well as a buoyant external market.

Agency and NPL staff have increased by nearly 500 since the end of 2019/20, but remain significantly lower than 2015/16 levels. NPL offers flexibility, particularly through time of change and temporary peaks in demand.

Headcount trends since 2019/20

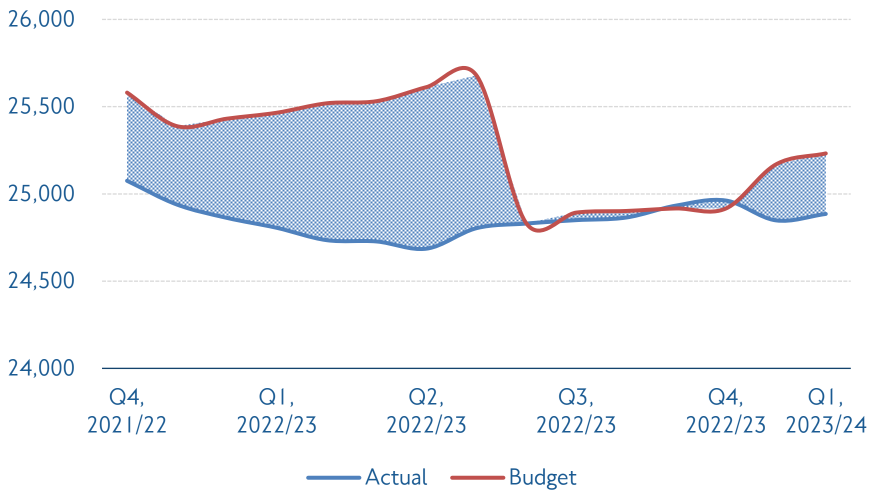


Staff have returned to pre-pandemic levels

- Agency, NPL and consultants over 400 higher than pre-coronavirus levels as a result of labour market challenges
- Permanent employees down by over 500 since 2019/20 and roughly in line with end of last year

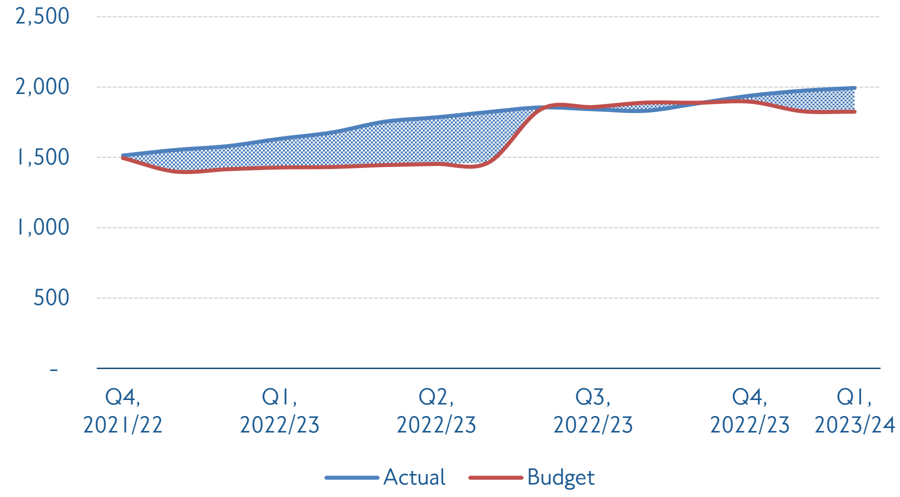
Permanent staff (FTE): actuals and Budget

Permanent employees down by almost 200 since the end of 2021/22, driven by large number of retirees and leavers. Staff levels are slightly below Budget in Q1. We are still seeing a competitive external market and high resignation rates, with leavers averaging 150 per period.



Agency and NPL staff (FTE): actuals and Budget

Agency and NPL FTE up by over 400 since the end of 2021/22 and are slightly higher than Budget in Q1. This is driven by labour market challenges and previous funding uncertainty.



Capital renewals

Quarter 1 spend is (£8m) higher than Budget, mainly from timing of LU renewals programme which is ahead of target; we are aiming to meet the available funding target of £736m over the full year.

The available funding target is made of up the £725m capital envelope from the August 2022 funding agreement, plus £11m of spend expected to be rolled over from 2022/23 (pending DfT confirmation).

Capital renewals (£m)	Quarter 1, 2023/24			Quarter 1, 2022/23		
	Actuals	Variance to Budget		Last year	Variance to last year	
CCO	**(42)**	**8**	**15%**	**(42)**	**0**	**1%**
Four lines modernisation	(1)	(0)	-16%	(1)	(0)	-10%
Surface assets	(17)	5	24%	(22)	4	20%
Air Quality and Environment	(3)	0	9%	(3)	0	6%
Public transport	(14)	0	3%	(11)	(3)	-29%
Technology	(6)	1	14%	0	(6)	0%
Savings challenge and deliverability	(0)	1	62%	(5)	5	100%
COO	**(93)**	**(18)**	**-24%**	**(75)**	**(19)**	**-25%**
LU	(91)	(18)	-25%	(75)	(16)	-21%
Elizabeth Line	(2)	0	11%	0	(2)	0%
Estates	(1)	(0)	-57%	(0)	(1)	-581%
CCSO	**(14)**	**2**	**12%**	**(6)**	**(8)**	**-139%**
Corporate	**(2)**	**1**	**21%**	**(1)**	**(1)**	**-107%**
Total TfL	(151)	(8)	**-6%**	(124)	(27)	**-22%**

Capital enhancements

Year to date spend is £41m lower than Budget, driven by release of provision from Bank Congestion, and slippage across Piccadilly line upgrade, third-party projects (including TCP and Project Oval in Customer & Strategy) and DLR rolling stock replacement.

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Capital enhancements (£m)	Quarter 1, 2023/24			Quarter 1, 2022/23		
	Actuals	Variance to Budget		Last year	Variance to last year	
Rolling Stock and Signalling Replacement	**(141)**	**5**	**4%**	**(101)**	**(40)**	**-39%**
Piccadilly line upgrade	(63)	8	11%	(50)	(13)	-26%
Four lines modernisation	(24)	(1)	-6%	(30)	5	18%
Rail System Enhancements	(1)	0	14%	(2)	1	32%
Savings challenge	0	(7)	100%	0	0	0%
Trams	(1)	0	26%	(0)	(1)	-31035%
DLR Rolling Stock replacement incl. HIF	(52)	5	9%	(19)	(32)	-167%
Major Enhancements	**(4)**	**5**	**54%**	**(26)**	**22**	**83%**
Silvertown Tunnel	(3)	1	26%	(3)	1	17%
Northern Line Extension	(1)	(0)	-17%	1	(2)	170%
Barking Riverside	(1)	(5)	113%	0	(1)	627%
Elephant & Castle Station Capacity	(3)	0	7%	(3)	1	19%
Bank Congestion Relief	3	7	162%	(20)	23	113%
Elizabeth Line	(0)	2	86%	(1)	0	57%
Other Enhancements	**(62)**	**31**	**33%**	**(42)**	**(20)**	**-48%**
Major stations	(0)	1	93%	(0)	0	75%
London-Wide ULEZ	(21)	4	16%	(6)	(15)	-249%
Other AQE	(3)	2	35%	(1)	(2)	-235%
Public transport	(3)	(1)	-23%	(1)	(2)	-127%
Healthy Streets	(23)	4	14%	(15)	(8)	-51%
Technology	(1)	4	75%	(1)	0	11%
LU	(3)	(0)	-4%	(3)	(0)	-17%
Customer & Strategy	(7)	17	70%	(14)	7	48%
LT Museum	(0)	0	93%	(0)	0	78%
Estates	(0)	(0)	-145%	(0)	(0)	-669%
Corporate	(0)	1	98%	(0)	0	78%
Total TfL excl. TTLP and Crossrail	(208)	41	17%	(169)	(39)	-23%
TTLP	(30)	(3)	-11%	(6)	(24)	-405%
Crossrail	(18)	14	44%	(70)	52	74%
Total TfL	(255)	53	17%	(245)	(11)	-4%

Cash flow statement

Cash balances are broadly in line with Budget, and are £40m lower than at the end of last year, driven by working capital movements.

We have undertaken some additional short-term borrowing to offset other debt maturities and ensure sufficient liquidity during the quarter.

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Cash balances

£m	Quarter 1, 2023/24 Actuals	Quarter 1, 2023/24 Variance to Budget		Quarter 1, 2022/23 Actuals	Quarter 1, 2022/23 Variance to last year	
Opening balance	1,237	37	3%	1,287	(50)	-4%
Change in cash balance	(40)	(40)	N/A	(39)	(1)	2%
Closing balance	**1,197**	**(2)**	**0%**	**1,248**	**(51)**	**-4%**

Cash flow statement

£m	Quarter 1, 2023/24 Actuals	Quarter 1, 2023/24 Variance to Budget		Quarter 1, 2022/23 Actuals	Quarter 1, 2022/23 Variance to last year	
Operating surplus before capital renewals and interest	329	17	5%	449	(120)	-27%
Less TTLP, LTIG and LTM	(21)	(17)	347%	(10)	(11)	98%
Cash generated / (used) from operating activities	***308***	-	***0%***	***439***	***(131)***	***-30%***
Capital renewals	(151)	(8)	6%	(124)	(27)	22%
New capital investment	(208)	41	-17%	(169)	(39)	23%
Investment grants and ring-fenced funding	178	(1)	1%	21	157	884%
Working capital movements	(57)	(93)	-248%	(68)	11	-13%
Cash generated / (used) from investing activities	***(238)***	***(61)***	***35%***	***(340)***	***102***	***-30%***
Free cash flow	**70**	**(61)**	**-46%**	**99**	**(29)**	**-29%**
Net interest costs	(99)	(3)	3%	(101)	2	-2%
Existing debt maturing	(55)	-	0%	(80)	25	-31%
New debt issued	-	(20)	-100%	-	-	N/A
Short-term net borrowing change	44	44	N/A	43	1	2%
Cash generated / (used) from financing activities	***(110)***	***21***	***-16%***	***(138)***	***28***	***-20%***
Change in cash balance	(40)	(40)	N/A	(39)	(1)	2%

Cash balances

Total cash balances (excl. cash balances identified for Crossrail construction) are just under £1.2bn at the end of Quarter 1, £40m lower than at the end of last year and are in line with Budget.

A condition of the current funding agreement is that our cash balances will average no more than £1.2bn for the duration of the agreement.

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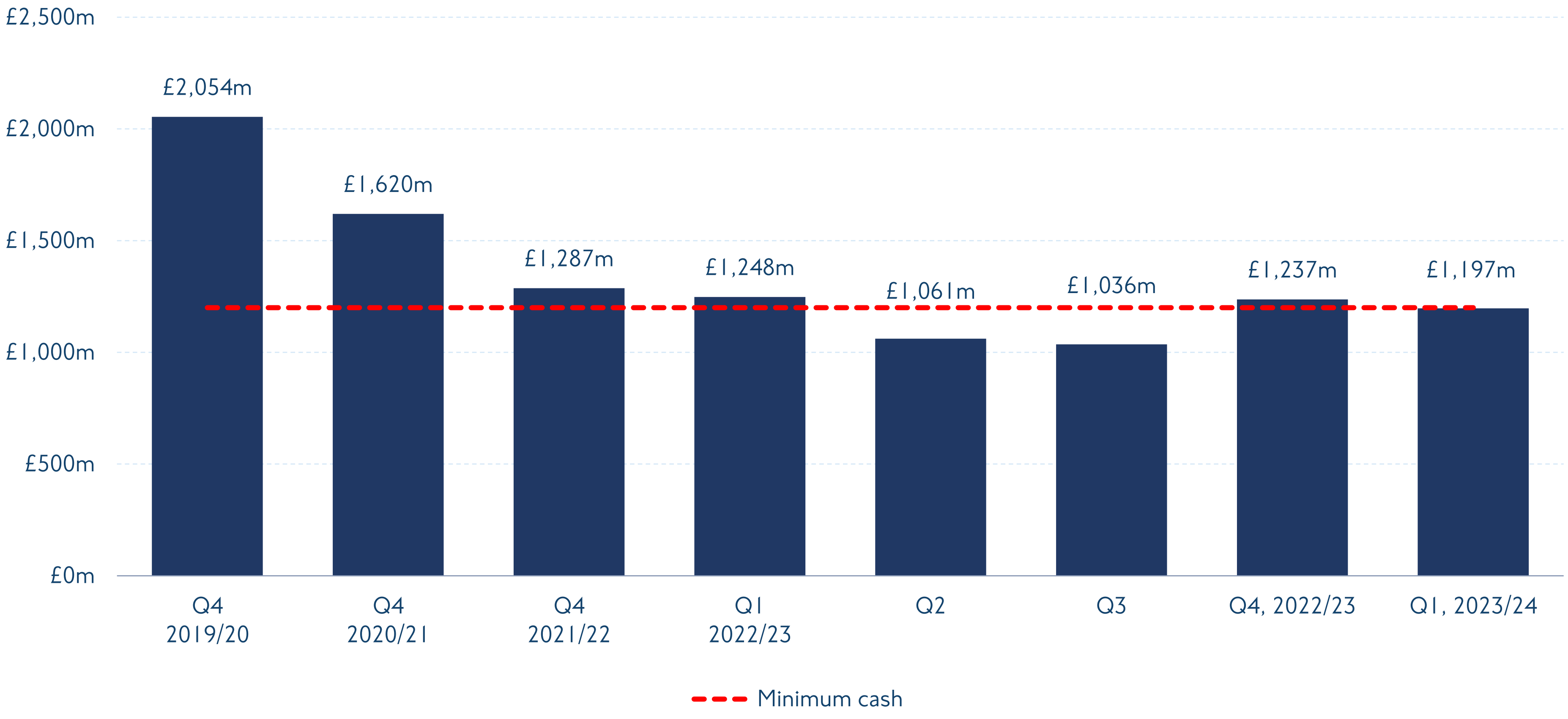
Cash balances



Cash balances reduced from £2,054m at the end of 2019/20 to £1,237m at the end of 2022/23 and is now £1,197m at the end of Quarter 1, 2023/24

Debt

We have borrowed from a range of sources to help fund our capital programme, including Crossrail and major upgrades to our tube network.

Our outstanding debt decreased slightly during Quarter 1. This was primarily driven by a repayment under our facility with DfT for the purposes of Crossrail, partially offset by a small amount of new borrowing to ensure sufficient liquidity during the quarter.

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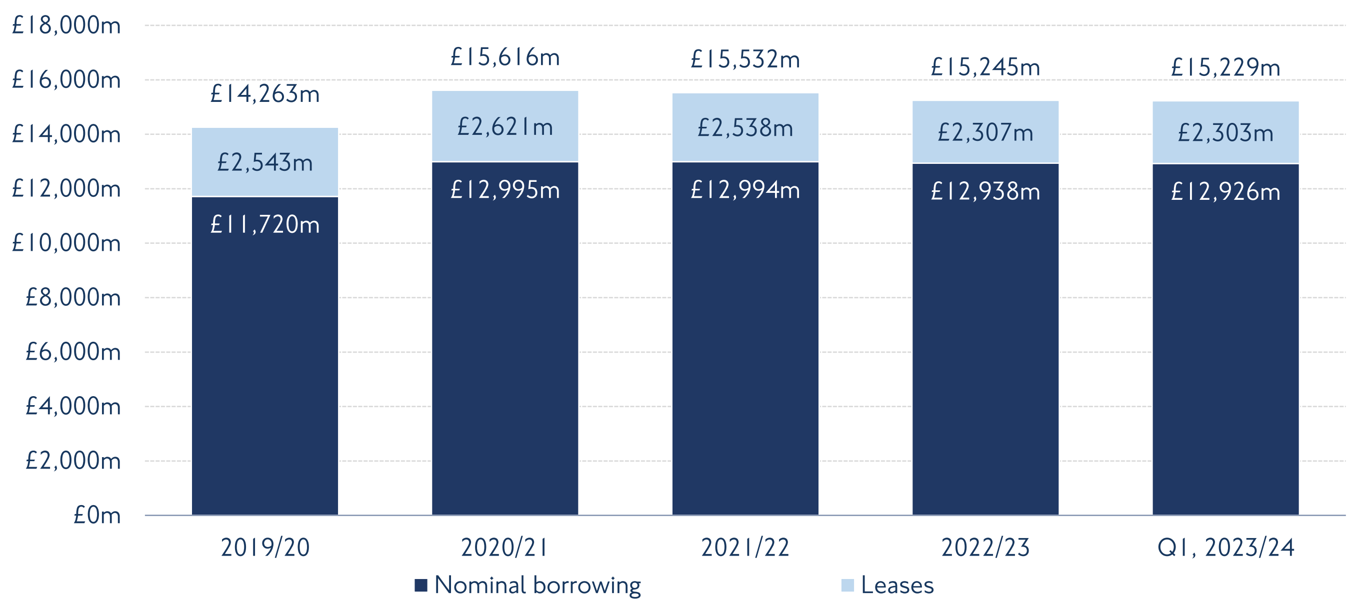
Total debt (£m)



92%

92% of our borrowing is at a fixed rate of interest

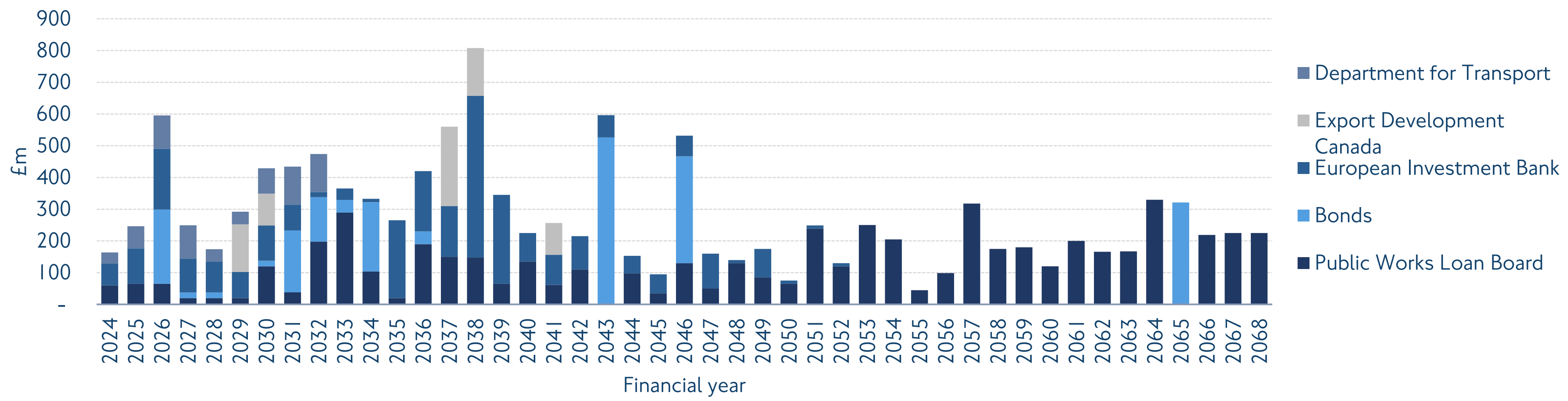
3.5%

The weighted average interest rate on our borrowing is 3.5%

19.4 years

The weighted average tenor of our borrowing is 19.4 years

TfL borrowing maturity profile



The borrowing maturity profile excludes £579m of commercial paper and other short-term borrowings which we generally continue to re-issue on a rolling basis.

Credit ratings

We are rated by three major credit rating agencies. This allows us to attract interest from a wide pool of investors and gives us access to a range of funding sources.

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	Standard & Poor's	Moody's	Fitch
Long-term rating	A+	Baa1	AA-
Outlook	Positive	Stable	Negative
Short-term rating	A-1	P-2	F1+
Last changed/affirmed	May 2023	October 2022	January 2023

Standard and Poor's (S&P)

- S&P affirmed our credit rating at A+/A-1 in May 2023 and revised the outlook to positive (from stable). This is a positive movement on the outlook and reflects S&P's view that recovering ridership and cost controls should result in higher financial flexibility.

Moody's

- Moody's affirmed our credit rating in October 2022 and maintained the stable outlook, stating that our strengthening operating performance and protections under the funding agreement will partially mitigate economic and fiscal risks.
- In December 2022, Moody's published a full credit opinion, which noted that our credit profile reflects rising passenger income, the funding agreement with government and a "relatively inflexible cost and revenue base". It also noted our strategic importance as the main public transport provider in London and our strong management and governance.

Fitch

- On 26 January 2023, Fitch upgraded our long-term credit rating from A+ to AA-. This reflects our improving financial profile and Fitch's assessment of the link between TfL and the UK Government. Fitch have assigned a negative outlook, which reflects the negative outlook they have assigned to the UK Government's credit rating.

Board

Date: 25 July 2023

Item: Slavery and Human Trafficking Statement

This paper will be considered in public

1 Summary

1.1 The Modern Slavery Act 2015 (the 2015 Act) requires the publication of an annual Slavery and Human Trafficking Statement (the Statement). This paper describes the activity undertaken in compliance with the 2015 Act, including changes and updates from the previous Statement and details of ongoing activity. It seeks approval of a Statement for the financial year 2022/23 (1 April 2022 to 31 March 2023) that is required to be made and published, as set out in Appendix 1.

2 Recommendations

2.1 **The Board is asked to note the paper and:**

(a) approve the draft TfL Slavery and Human Trafficking Statement, attached as Appendix 1 to this paper; and

(b) authorise the General Counsel to agree the final form of the Statement.

3 2022/23 Statement

3.1 A Statement is required to be made annually, within six months of the end of the financial year (i.e. by September) and must be published on the TfL website "with a direct link in a prominent place on the homepage". That Statement must be approved at Board level prior to publication.

3.2 TfL's approach is to require all its operating subsidiaries to make a single statement approved by the Board, whether or not they reach the turnover threshold set out in the 2015 Act. The proposed draft Statement is included at Appendix 1 and has been approved by TfL's subsidiary companies, subject to Board approval.

4 Changes and updates from the 2021/22 Statement

4.1 As requested by the Board in July 2022, this year's Statement has more detail on how TfL manages risks in its role as a landlord.

4.2 A new compliance team was formed within TTL Properties Limited (TTLP) Asset Management in 2022. The team is responsible for engaging with tenants on their statutory compliance and has created a clear enforcement regime. Since the team regularly visit the estate, their role in identifying possible instances of modern slavery is important. In March 2022 all members of the team received training in how to spot the signs of modern slavery which was also attended by property surveyors and the Director of Procurement for TTLP.

4.3 In 2023/24, TTLP will issue information to its tenants on modern slavery as well as further analyse customer segments to identify where our risks lie across the estate and how these overlap with wider compliance checks to be undertaken.

4.4 In April 2022, TfL joined the Electronics Watch Low-Emission Vehicle Programme to address human rights risks in the production of electric vehicle batteries, including the sourcing of rare earth minerals and the production of semi-conductors. The three-year programme aims to improve supply chain transparency and working conditions in the supply chains of low emission vehicles, most notably TfL's fleet of approximately 9,000 buses.

4.5 We received approval from TfL's Bus Operators to approach the bus manufacturers and collaborate with them on a confidential basis to establish supply chain transparency, including sites of mining operations for rare earth metals used in the production of electric vehicle batteries. The programme is fully funded by 10 European cities in total and Electronics Watch will apply their worker-driven monitoring model to sites of production shared with TfL. TfL expects the manufacturers to work with Electronics Watch to remedy any violations uncovered and ultimately improve the lives of those most vulnerable to exploitation in our supply chain.

4.6 The relet of TfL's brand licensing contract included strengthened requirements to protect labour conditions in our licensees' supply chains. Due to the breadth of products ranging from textiles to games and toys we have required that every deal proposal is to be accompanied with objective evidence that labour rights are adhered to and protected.

4.7 A bespoke three-hour workshop was delivered with a Modern Slavery Consultant to the solution providers on the Greater London Authority's (GLA) retrofit for homes contract, which TfL provides the procurement service for. Solar panels are strongly linked to state-sponsored forced labour programmes in China and so collaboration and upskilling our suppliers in this challenging area is important.

4.8 London Transport Museum's catering suppliers has provided its due diligence activity, demonstrating it is taking proactive steps to manage labour exploitation risks. They are targeting to have all suppliers complete Self-Assessment Questionnaires with the Sedex platform by 2025.

5 Ongoing activity

5.1 TfL's key risk categories continue to be in critical infrastructure contracts, electronic equipment, facilities management, personal protective equipment (PPE), uniforms and batteries.

5.2 We continue to utilise our affiliation with Electronics Watch to manage risks of modern slavery in the supply chain of Information and Communication Technology Hardware and our Oyster card framework.

5.3 Through inclusion of direct employment requirements embedded in our cleaning contract, TfL has taken a proactive approach to manage the risks of worker exploitation in the UK cleaning sector. As of March 2023, 95 per cent of the circa 2,500 cleaning staff were directly employed by the supplier.

5.4 Due to the recognised risk of modern slavery in the supply of PPE and the disposable glove industry in Malaysia, we work closely with our Tier One supplier to manage these complex issues and continue to monitor their activity.

5.5 We risk assessed our suppliers using the Cabinet Office tool and invited all medium to high-risk suppliers to complete the Modern Slavery Assessment Tool. At the time of writing the Statement, 80 per cent have completed the assessment, an increase from 50 per cent in the previous year.

5.6 A GLA Group Central Responsible Procurement Team is hosted by TfL to support the Functional Bodies of the Group in undertaking ethical sourcing activity and managing the risk of modern slavery, as outlined in the Mayor’s Responsible Procurement Policy.

List of appendices to this report:

Appendix 1: Draft Slavery and Human Trafficking Statement 2022

List of background papers:

None

Contact Officer: Patrick Doig, Acting Chief Finance Officer
Email: PatrickDoig@tfl.gov.uk

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Transport for London
Slavery and Human Trafficking Statement 2022/23

Period covered by this statement

Transport for London's (TfL) financial year end occurs on 31 March. This statement covers the financial year 1 April 2022 – 31 March 2023.

Organisations covered by this statement

This statement covers Transport for London, its subsidiary company Transport Trading Limited and the following subsidiary companies of Transport Trading Limited:

Crossrail Limited
Docklands Light Railway Limited
London Buses Limited
London Bus Services Limited
London River Services Limited
London Transport Museum Limited
London Transport Museum (Trading) Limited
London Underground Limited
LUL Nominee BCV Limited
LUL Nominee SSL Limited
Rail for London (Infrastructure) Limited
Rail for London Limited
Tramtrack Croydon Limited
TTL Blackhorse Road Properties Limited
TTL Earl's Court Properties Limited
TTL Kidbrooke Properties Limited
TTL Landmark Court Properties Limited
TTL Northwood Properties Limited
TTL Properties Limited
TTL Southwark Properties Limited
TTL South Kensington Properties Limited
TTL West London Properties Limited
Tube Lines Limited
Victoria Coach Station Limited

More information on TfL and its subsidiaries can be found on our website:
https://content.tfl.gov.uk/tfl-subsidiary-organisation-june-2020.pdf

Introduction

This Statement is designed to satisfy the requirements of Section 54 of the Modern Slavery Act 2015, by informing our customers, suppliers, staff and the public about TfL's policy with respect to modern slavery, human trafficking, forced and bonded labour and labour rights violations in its supply chains and the steps taken to identify, prevent and mitigate the risks. This is TfL's eighth annual statement to be published under the Act and relates to the period 1 April 2022 through to 31 March 2023.

1 Our organisation and supply chain

TfL is the integrated transport authority responsible for delivering Mayor of London, Sadiq Khan's, strategy and commitments on transport. We run the day-to-day operation of the Capital's public transport network and manage London's main roads. In a normal year of operations more than 31 million journeys are made across our network each day. Daily ridership is increasing since the lifting of lockdown restrictions in early 2022. Around 80 per cent of the customers that we served before the pandemic are now travelling on our network again, which has increased from around 25 per cent of pre-pandemic levels at the start of 2021/22. Our supply chain required to deliver our services has remained in place throughout. We do all we can to keep the city moving, working and growing and to make life in our city better.

Managing TfL's supply chain sits in our Procurement and Commercial (P&C) function, reporting to the Chief Finance Officer who in turn reports to the Commissioner of TfL. During 2022/23, TfL spent in excess of £5.8bn on goods, services and works required to operate and upgrade services across all transport modes. Our P&C function has around 568 staff.

Our key suppliers represent around 44% of our addressable spend. These suppliers offer a wide range of strategically important goods and services to TfL. A large proportion of our key suppliers are registered in the UK but many of their operations and supply chains are global. Some of our suppliers have complex supply chains with multiple tiers of sub-contracting and, in some cases, such as construction or electronic equipment, we have little visibility over where products are made. Therefore, we are using a risk-based approach, receiving expert advice from the Ethical Trading Initiative (ETI) and Electronics Watch where relevant, prioritising steps to achieve greater supply chain visibility where our risks are highest, recognising that workers in the lowest tiers of supply chains are often the most vulnerable.

2 Policies in relation to modern slavery

In March 2021, the Mayor published the refreshed Greater London Authority (GLA) Group Responsible Procurement (RP) Policy.

This document is a high-level strategic policy setting out the GLA Group's plans, ambitions and commitments for ensuring continuous improvement in London, delivered through all the Group's procurement activities, which support the delivery of the Mayor's commitments and strategies. It reflects best practice and demonstrates our procurement activities meeting legislative requirements, including the Modern Slavery Act 2015.

The GLA Group RP Policy commits us to promote ethical sourcing and addresses risks of modern slavery by:

- adopting the nine provisions of the ETI Base Code[1], or equivalent, as the standard we expect of our suppliers to support working conditions that are legal, fair and safe;

- adopting a risk and opportunity-based approach to identify contracts and areas of spend where there may be a high risk of poor working conditions, modern slavery, forced labour, human rights abuses, sourcing from conflict-affected areas or negative impacts on security and crime; and

- seeking to improve transparency within the supply chain by working with suppliers and in partnership with the ETI and Electronics Watch to improve any poor performance identified as part of a process of continuous improvement, reflecting existing and emerging legislation and guidance.

The RP Policy is supported by the Responsible Procurement Implementation Plan (RPIP) 2022-24 which sets out the key actions proposed to deliver on the commitments of the RP Policy and shapes the work outlined in this Modern Slavery Statement. It commits TfL, as a member of the GLA Group, to:

- Improve performance of key suppliers, and those assessed to be medium and to high risk, in eradicating the risks of modern slavery in their organisations and their supply chains by using a risk-based approach to utilise the Cabinet Office Modern Slavery Assessment Tool (MSAT).
- Increase internal awareness and capability to address modern slavery risks for staff through training and learning including the Home Office developed e-learning module and the Supply Chain Sustainability School's Modern Slavery Learning Pathway by April 2023.
- Structure commercial development arrangements to ensure relevant GLA Group best practice modern slavery due diligence provisions are undertaken by property development companies, consortia and suppliers.
- Collaborate with partner organisations, such as the Ethical Trading Initiative and Electronics Watch, to improve supply-chain transparency of the mining and manufacturing of minerals used in batteries for electric vehicles and state-sponsored forced labour risks, such as the treatment of Uyghur Muslims in China, in our supply chains.

To support the business in implementing the RP Policy and RPIP, TfL hosts the GLA Group's Central Responsible Procurement Team (CRPT) within its P&C function. The CRPT works with TfL, along with the wider GLA Group, to prioritise and deliver on the commitments of the RP Policy, including how we plan to promote ethical sourcing practices and address risks of modern slavery. The CRPT chairs and co-

[1] https://www.ethicaltrade.org/eti-base-code

ordinates a practitioner learning group to share best practice, emerging risks and ensure delivery of the RP Policy.

3 Risk assessment and management

The highest risks of people falling victim to modern slavery in our UK-based supply chain include construction workers and those undertaking service contracts in sectors such as cleaning, catering, security and waste management, where low pay, migrant labour and/or indirect labour are prevalent.

The highest risks of poor working conditions and human rights abuses from our global supply chain are associated with the production and manufacture of electronic equipment, textiles and materials used in our construction and infrastructure projects including solar panels. The mining and extraction of conflict and rare earth minerals such as copper, lithium, nickel, tin and cobalt, used in the production of batteries for electric vehicles, is an increasing risk as TfL supports the transition to a net zero fleet. We are working with partners, such as Electronics Watch, to address these risks as outlined in Section 6.

TfL recognises the corresponding source countries and associated sector risks in its supply chains for these categories to be as follows:

Category	Country	Identified Sector Risks
Construction	United Kingdom	Multi-tiered supply chains involving use of labour agencies which could result in poor labour practices due to lack of transparency. Unethical practices including workers being charged unlawful or excessive recruitment fees, workers being misinformed about terms of employment, and the withholding of passports may take place.
Facilities Management: cleaning and catering services	United Kingdom	Low skilled labour; migrant labour; agency labour leading to lack of transparency on employment practices.
Electronic equipment	China, East Asia, Eastern Europe	Labour intensive, often low-skilled work; mining of raw materials in high-risk countries. Poor labour practices including underpayment of wages, delayed payment or wage deductions; physical abuse; working excessive overtime; worker’s visa or permit is tied to a single employer; and financial penalties for early contract termination
Uniforms and workwear	Bangladesh, China	Risks include gender inequality; weak protection of workers’ rights; poor labour practices including excessive overtime, underpayment or deduction of wages;

		financial penalties for leaving employer and structural integrity of factories.
Steel and steel components	China, Europe, Japan, India, USA	Country of production where labour rights might not be well protected; low-skilled labour, and dirty, dangerous, or difficult work in mines and smelting plants leading to poor labour conditions.
Stone	Brazil, China, Europe, India, USA	Country of production - US State Department of Labour highlights multiple countries where child and forced labour exists in quarries; child labour and unsafe working conditions.
Batteries	Cobalt – Democratic Republic of Congo (DRC); Lithium - Chile, Bolivia, China; Nickel – Indonesia, Philippines; Tin – Bolivia; Copper – Chile and semi-conductors – China, Malaysia, Taiwan	Sourcing of minerals present the greatest risk to human rights abuses. Political instability or conflict particularly in the DRC; weak protection of civil liberties and workers' rights; safe and healthy working conditions in mines can be poorly regulated and protected, particularly in artisanal mines.
Personal Protective Equipment (PPE)	China and Malaysia	Similar risks to those for uniforms and workwear, compounded by the rapid increase in global demand as a result of coronavirus resulting in pressure on manufacturers to produce large quantities in short timeframes.

TfL mitigates and manages these risks through our due diligences processes. A summary of our activity this year is outlined below.

4 Due diligence

Through robust procurement and governance processes, including the use of a RP checklist for each tender in developing an approach to market and a spend category risk assessment, our P&C staff can identify categories and contracts which are likely to present a high risk of human rights abuses and poor working conditions.

All relevant procurements include a question at supplier selection stage on compliance to Section 54 of the Modern Slavery Act 2015. TfL continues to include award criteria and contractual requirements in contracts where a significant risk of human rights abuses is identified.

We obtain assurances from our supply chain directly through our suppliers as part of the tendering process and then via online platforms such as the Supplier's Ethical

Data Exchange (Sedex), where we access independently verified audit reports of factories as part of our contract management processes.

We have undertaken a risk assessment of our supply chain and invited medium and high-risk suppliers to complete the MSAT. We held a supply chain engagement event to encourage completion of the MSAT and hosted two due diligence workshops through our membership with the Supply Chain Sustainability School to support our suppliers in improving their policies, practices and processes in preventing modern slavery in our supply chains.

The following section highlights this year's interventions at the procurement and contract management stages. We have reviewed our contract pipeline and undertaken work to include requirements in future contracts with the expectation that the range of categories and number of contracts will increase as our approach continues to mature.

Examples of how TfL manages these matters

Electronic equipment
TfL is a founding member of Electronics Watch - an independent monitoring organisation that assists public sector buyers to meet their responsibility to protect the human rights of electronics workers in their global supply. Electronics Watch contract conditions, where suppliers are required to disclose the factories where goods and key components are produced are included in our tenders for electronic equipment. For certain tenders, bidders are also asked to outline how they would work towards establishing supply chain transparency over the duration of the contract to assist with monitoring and improving labour conditions at sites of production.

Our frameworks for one of our ticketing payment solution - Oyster Cards - and ICT hardware included Electronics Watch contract conditions. We work closely with Electronics Watch and our ICT reseller to improve the level of supply chain information that is shared with us, including going into component level factory disclosures as we recognise the risk increases further down our supply chain. We engage with Electronics Watch affiliates in Europe to learn from their experiences with brands and use our combined purchasing leverage to request greater engagement and transparency from them. Since our affiliation with Electronics Watch in 2015, the level of factory disclosures and engagement from brands has improved greatly, demonstrating the role that public procurement has in driving industry change with regards to human rights due diligence.

Low emission vehicles and charging infrastructure
In April 2022, we joined the Electronics Watch Low-Emission Vehicle Programme to address human rights risks in the production of electric vehicle batteries, including the sourcing of rare earth minerals and the production of semi-conductors. The three-year programme aims to improve working conditions and strengthen workers voices in the supply chains of low emission vehicle batteries by applying the successful worker-driven monitoring model of Electronics Watch to the electric vehicle market. The model goes beyond traditional audit programmes to put workers

and rights holders at the centre of monitoring activity, helping us to gain a true understanding of working conditions in our supply chain.

TfL's Corporate Environment Plan and the 2023 Business Plan commit us to have a zero-emission bus fleet, currently around 9,000 buses, by 2034 at the latest with the possibility of delivering this by 2030. The Mayor of London, through his Responsible Procurement programme and his chairing of the C40 Cities Climate Leadership Group, is committed to ensuring the transition to a zero-carbon London is fair and just which includes tackling the significant human rights risks in electrifying the bus fleet.

The first step in human rights due diligence begins with supply chain transparency which we recognise as a particular challenge in the vehicle battery market. In 2022/23 we engaged with the Managing Directors from all eight of TfL's bus operators, who procure, own, and operate buses used on TfL's network, with a view to collaborating with bus manufacturers and improving their supply chain transparency.

In 2023/24, with the approval of all our bus operators, we will collaborate with bus manufacturers and Electronics Watch on a confidential basis to establish supply chain transparency. This information will inform the Electronics Watch monitoring activity which has a presence in key countries of the battery supply chain, including the Democratic Republic of Congo, Indonesia, Bolivia, the Philippines, China, Malaysia and Taiwan. This monitoring activity will enable TfL, its bus operators, and manufacturers to understand more about their multi-tiered supply chains, appropriately act to remedy any violations and take a pragmatic approach to support a just transition to net zero.

We have shared this industry-leading approach internationally to the C40 Cities network as a platform to collaborate and share best practice with our peers who are also addressing supply chain ethics in the transition to net zero carbon cities. International collaboration on these global issues remains key and the low-emission vehicle programme allows us to join up discussions with other transport bodies in Europe where we share supply chains and leverage our procurement power to make a meaningful impact.

With the increasing level of private electric vehicle ownership, TfL went to market for Electric Vehicle Infrastructure Delivery which seeks to align and simplify how charge points are procured across London. The call-offs under this framework will be 15 years in length meaning that, while the charge point market may not currently be mature in its human rights due diligence, we have leverage as a contracting authority to expect improved levels of supply chain transparency and due diligence over the life of the contracts. We have included requirements to this effect and will monitor delivery in the years ahead, taking a holistic approach to managing modern slavery risks in the electrification of London's vehicles.

In 2023/24 we will expand our risk-management approach to include requirements in the tender for cycle hire across London which includes e-bikes and therefore poses similar human rights risks and supply chains to passenger vehicles.

Property developments and construction sites
The construction sector is a large part of our risk profile and TfL's significant property development portfolio therefore requires thorough due diligence and mitigation activity. Standardised tender questions and contractual requirements have been produced and included across the property portfolio which to date has included the Connected Living London Joint Venture, the Bollo Lane development and the over station development sites in Bank, Paddington and Southwark. Tender questions ask developers and potential Joint Venture partners how they will set up their construction sites to manage the risk of modern slavery, including how they manage recruitment processes with third parties, and points bidders towards best practice material such as the Supply Chain Sustainability School's Awareness Identification Response model. Potential developers are also asked how they will ensure core construction materials such as brick, quarry products, steel and timber are sourced to ensure compliance with the ETI Base Code.

These tender requirements will then be followed up with the successful bidder who is required to produce an ethical sourcing and modern slavery action plan, building on any feedback received at the tender stage as well as documenting the main products originating from source countries where there is a documented risk of modern slavery.

On our construction sites where we are the principal contractor, we have displayed the Gangmasters and Labour Abuse Authority worker checklist posters explaining the rights as a worker in the UK and where to find more information. These are translated into Romanian, Bulgarian and Polish and are being displayed on site noticeboards and in welfare units. Where we are not principal contractor, we have encouraged our suppliers to do the same and will continue to do so in the year ahead.

Managing our commercial property estate
Transport Trading Land and Property (TTLP) is our subsidiary commercial property company which has plans to deliver 20,000 homes over the next ten years and currently manages around 1,300 commercial tenants. We formed a new compliance team within TTLP Asset Management in 2022. The compliance team is tasked with engaging with our tenant customers directly on their statutory compliance, maintenance and documentation. The compliance team has created a clear enforcement regime and as members of staff who regularly visit our estate, their role in identifying possible instances of modern slavery is an important one.

In March 2022, the compliance team received training in how to spot the signs of modern slavery, delivered by the Supply Chain Sustainability School. The training increased awareness of the issues and how to report concerns via our internal processes or seek further assistance externally. The training was also attended by our TTLP Commercial Director. A refresher course was offered to our property surveyors, who had been previously trained in September 2021. Both the compliance team and property surveyors regularly visit our commercial property customers and premises, and the training enables them to spot and report the signs of modern slavery on our estate.

In 2023/24 we will further mitigate the risk of modern slavery on the TTLP commercial property estate by setting clear expectations and issuing helpful information to our tenant customers. We will further analyse our customer segments for modern slavery risk to ensure our compliance team are clear on where our risks lie across the estate and how these risks overlap with wider compliance checks the team will undertake.

TTLP has formed Customer Advisory Groups for its retail and arches customers, respectively. The purpose of the Customer Advisory Groups is to provide further engagement between TTLP as landlord and its tenant customers and to discuss and update on important policies and other matters. We will discuss modern slavery at the Customer Advisory Groups in 2023/24.

To further raise awareness of modern slavery, we will include modern slavery as a topic in our upcoming customer information campaign on compliance and safety.

Brand licensing

In 2022/23, we ran a procurement exercise for the relet of our brand licensing contract, for an agency to manage TfL branded products on our behalf. The products can range from textiles through to games and children's toys, some of which are sold in the London Transport Museum. As a result, we need to ensure products sourced from high-risk countries or that have an inherent risk, such as textiles, meet our ethical standards which align to the ETI Base Code, before production begins. All prospective brands who wish to work with TfL are required to provide evidence demonstrating their adherence to the Base Code meaning we gain greater visibility of working conditions in the vast and varied supply chain operating under this contract. Prospective suppliers were asked to demonstrate their process for engaging with brands on their ethical sourcing activity and how they would share this information with TfL as part of future brand proposals.

Surface Technology Contract Retender (STCR)

The STCR contract includes the supply of a number of essential assets to Surface Transport, notably CCTV, Traffic Signals, Variable Message Signs, Overhead Vehicle Detection devices, etc. plus the provision of capital works and maintenance activities across London for the above asset categories. Modern slavery risks were identified in the supply of these assets and in the labour provision in London.

In 2022/23 we continued the evaluation of bidders approaches to identifying the modern slavery risk in their workforce, and their supply chains workforces which as a minimum, included: management practices and governance structure; risk assessment and due diligence procedures, including the use of auditing; communication with suppliers and supply chain; policies / contract requirements and supply chain training. They were also asked to disclose how far down the supply chain they would disclose factory locations and commit to improving supply chain transparency over the life of the contract, as part of the Electronics Watch terms and conditions.

In 2023/24 the successful bidder(s) will be required to provide an Ethical Sourcing Plan to be agreed by the contractor and TfL Responsible Procurement Manager and will be updated on an annual basis for the duration of the contract.

Facilities management (cleaning and security services)
Through inclusion of direct employment requirements embedded in our cleaning contract TfL has taken a proactive approach to manage the risks of worker exploitation in the UK cleaning sector. In March 2023, 95 per cent of the around 2,500 cleaning staff were directly employed by the supplier. All contracted and sub-contracted workers on this contract receive the current London Living Wage rate or above and TfL have committed to providing free travel to around 5,800 workers including cleaners, catering and security staff from April 2023.

Uniforms
We continue to work with our supplier of TfL uniforms on a programme of supplier development and assurance. Our supplier completed the ETI's Enhanced Expectations Survey, for their factories in Bangladesh and China, and were not deemed to be a risk as a result.

In 2023/24 we are undergoing the relet of our uniforms contract and have strengthened the requirements to include commitments to publish factory locations on the Open Apparel Registry and engagement with ETI development programmes where relevant. This ensures transparency for this at-risk supply chain, that we can adhere to the reporting requirements of our ETI membership and appropriately manage the risk of state-sponsored forced labour in our textile supply chains.

Workwear and laundry
This contract replicated the approach to ethical sourcing included in TfL's uniform contract where, following contract mobilisation each factory is required to undergo an annual, independent, third-party social audit against the nine principles of the ETI Base Code. The contract conditions include a time-bound corrective action plan for each factory to address any areas of non-compliance identified in the annual audit. Audit results are viewed, and corrective action plans tracked online through the Sedex system.

Personal protective equipment
Due to the recognised risk of modern slavery in the supply of PPE, we have continued to work closely with our Tier 1 supplier who previously shared evidence of the due diligence processes of their two key suppliers, which included manufacturing factories to be audited at least every two years (Sedex Members Ethical Trade Audit or SA8000 Social Accountability audits) and compliance to their Ethical Standard Code of Conduct, as well as other due diligence initiatives. We have remained informed on labour issues in the PPE supply chain via industry-level modern slavery groups and have raised any issues directly with our Tier 1 supplier. We have considered industry codes such as the Responsible Glove Alliance to inform our due diligence approach and have made labour rights issues a standing agenda item at contract review meetings. We will continue to work with our main supplier to improve transparency of these supply chains, as the issues are complex and systemic and will take time and collaboration to fully address.

Modern Slavery Assessment Tool
This year, we continued our campaign to invite medium and high-risk suppliers to complete the MSAT and used contract management to improve the response rate. As of the end of the financial year, 51 suppliers have been invited with an 80 per

cent completion rate, an increase from 50 per cent last year. We have set a Key Performance Indicator for all 51 suppliers to score 70 per cent or above, the threshold to achieve a 'Green' status, by March 2024. To date, 61 per cent of those suppliers who have completed the MSAT have hit this threshold.

To support our suppliers in meeting the target, in 2022/23 we arranged two modern slavery due diligence workshops with the Supply Chain Sustainability School put on free of charge for our suppliers. These three-hour workshops trained suppliers in best-practice due diligence, risk assessment, supply chain mapping and other key areas to support any gaps in their MSAT responses.

Solar panels
As part of TfL's arrangement to provide procurement services to the GLA, the TfL team has engaged with solution providers on the Retrofit Accelerator for Homes Innovation Partnership to discuss the issue of Uyghur Muslim forced labour in the supply chains of polysilicon. Following the release of the 'In Broad Daylight: Uyghur Forced Labour and Global Solar Supply Chains' report from Sheffield Hallam University[2] a presentation was given to the solution providers providing an overview of the issues highlighted in the report. The solution providers will be encouraged to work on mapping their supply chains and work towards providing transparency and traceability of polysilicon.

In 2023/24, the CRPT are providing a bespoke three-hour workshop with the lead Modern Slavery Consultant from the Supply Chain Sustainability School to the solution providers to specifically address the complexities of forced labour risks in polysilicon supply chains. This will support providers on addressing this challenging and emerging issue and address the need for London's transition to a zero-carbon city be fair and just for workers in our supply chains.

Industry engagement
The CRPT continues to chair the pan-GLA Group practitioner learning group to share best practice and collaborate across the Group in relation to modern slavery due diligence. The group meets on a quarterly basis and has assisted with the roll out of the MSAT campaigns and sharing best practice from TfL's engagement with the Department for Transport modern slavery group and other industry bodies such as the ETI, Sedex and Electronics Watch.

The CRPT continues to utilise its networks to collaborate and share knowledge on socially responsible procurement, a key part of continuously improving our approach and sharing successes and challenges with our peers. In November 2022, the team presented to Electronics Watch affiliates on the TfL's progress on the Low-Emission Vehicle Programme as well as to the C40 Cities Network, attended by cities across, North and South America and Europe. The CRPT are also members of the International Working Group on ethical Public Procurement. Key learnings will be incorporated into future relevant procurements across TfL and the GLA group.

[2] https://www.shu.ac.uk/helena-kennedy-centre-international-justice/research-and-projects/all-projects/in-broad-daylight

London Transport Museum
London Transport Museum (LTM) assessed their top 20 retail suppliers approaches to modern slavery by inviting them to complete the MSAT. All 20 suppliers completed the assessment, with a wide range of scores, evidencing a breadth of maturity in combatting modern slavery. LTM continues to promote training materials and workshops to their retail suppliers to help improve their MSAT scores and develop their risk management approaches.

LTM's TfL licensed suppliers are contracted via the TfL brand agency contract, the recent relet of which includes strengthened contractual requirements and tender questions, referenced above, helping to manage the modern slavery risk of these suppliers. Future licensees used by LTM under this contract will be monitored and required to demonstrate how they adhere to the principles of the ETI Base Code as part of their onboarding under the contract.

LTM's catering supplier has a comprehensive modern slavery statement and has taken proactive steps to manage their labour exploitation risks. Aligning to TfL's contract terms, the supplier uses the Sedex Self-Assessment Questionnaire (SAQ) with their supply chain to capture supply chain transparency data and gain greater visibility of working conditions. The supplier is targeting to have all suppliers with completed SAQs by the end of 2025.

5 Training and Awareness Raising

This year we continued to focus on training and raising awareness in our P&C department and our Capital Delivery and Projects teams, as these are the business areas identified from our risk assessment in section 3 of this statement.

Procurement and Commercial
To ensure that modern slavery and ethical sourcing risks are considered in the early stages of procurement when developing business cases and category management strategies, RP training is available to the P&C teams. The RP e-learning module has been completed by over 700 staff members to date which includes an overview of TfL's approach to ethical sourcing and modern slavery risk management.

In Autumn 2022, all P&C staff received a one-hour classroom learning on Responsible Procurement which communicated our approach to managing modern slavery risks, where to go for extra support and how to assess risk using internal and external resources. This means all procurement staff have received an overview of internal approaches and we will ensure more detailed training is undertaken by those managing relevant categories, as detailed below. As of 31 March 2023, 56 P&C staff have completed all modules of the Home Office modern slavery e-learning.

On-site staff
Due to the need for high volumes of low-skilled labour with relatively short delivery deadlines using tiered supply chains, the UK construction sector is identified as a high-risk by the Gangmasters and Labour Abuse Authority. To ensure our staff working on our construction and project sites are aware of the signs of modern slavery and know what to do if they do see suspicious behaviour we have previously

trained staff via the Supply Chain Sustainability School for colleagues from Safety, Health and Environment and Property Management. In March 2023 we hosted a lunch and learn session for those colleagues who hadn't previously attended and as a refresher for those who had. This included the newly formed TTLP compliance team who manage and visit TfL tenants across the estate and therefore play an important role in our risk management.

TfL will continue to use its membership of the ETI, Sedex and Electronics Watch to maintain awareness of best practice and current developments, benchmark with other organisations and externally verify our approach.

Awareness raising
Further awareness raising across the organisation continued this year, building on existing activity. Previously, 100 colleagues from our Technology and Data team attended a lunch and learn session delivered by the CRPT to highlight the risks to staff outside of P&C. We have also increased our organisation-wide communications, previously marking Anti-Slavery Day with an internal blog post as well as producing a dedicated site for staff to access resources and learn more about the issues and our approach to managing them. We will continue to ensure the risk of modern slavery is highlighted to relevant category teams and that refresher training is offered as our approach continues to develop and mature.

Supply chain
Upskilling our supply chain to help manage our shared risks is a key priority for us, recognising that some suppliers are further on their journey than others. In 2022/23 we continued to host workshops via the Supply Chain Sustainability School to suppliers completing the MSAT and will be offering further support to high-risk contracts and suppliers in the year ahead. To date, suppliers from across our supply chain have attended training sessions provided free of charge, covering track maintenance, IT, rolling stock, construction and uniforms. Feedback has been positive and we will build on this engagement as we continue to rollout the MSAT and support suppliers to develop their practices, policies and processes.

6 Reporting, key performance indicators (KPIs) and Goals for 2023/24

The Responsible Procurement Programme co-ordinates the TfL and GLA Group approach to promoting ethical sourcing practices and addressing the risks of modern slavery including metrics to monitor continuous improvement of internal capacity building and supply chain assurance.

Our priorities for the year 2023/24 will be a combination of quantifiable key performance indicators and ongoing participation in projects, programmes and initiatives:

KPIs:

Training: Build on the overview of modern slavery which all TfL commercial and procurement staff received in 2022 by ensuring staff in relevant risk categories complete the Home Office developed e-learning module.

MSAT: All TfL suppliers who have been assessed to be high and medium risk, to complete the tool and achieve an MSAT score of a minimum 70 per cent by March 2024. We will work with lower scoring suppliers to support improvements to their scores and encourage more suppliers to complete the assessment.

Goals for 2023/24:

Commercial Property: We will further analyse our customer segments for modern slavery risk to ensure our compliance team are clear on where our risks lie across the estate. We will put modern slavery on the agenda at the Customer Advisory Groups in 2023/24. We will include modern slavery as a topic in our upcoming customer information campaign on compliance and safety.

Public Procurement Note (PPN) 02/23: Review the PPN 02/23 guidance on tackling modern slavery in government supply chains and embed learnings from it into future procurements and/or approaches.

Raise Awareness: Continue to raise awareness of modern slavery to our supply chain, assisting suppliers by providing workshops, resources, training materials and bidder briefings. New TfL staff in the Safety, Health and Environment Directorate; TTLP and the Capital Delivery and Projects community will be prioritised, through TfL's membership of the Supply Chain Sustainability School.

On-site awareness: Ensure our new and current suppliers and site managers continue to display the Gangmasters and Labour Abuse Authority's worker rights checklist on all construction sites.

Peer Learning: Chair the pan-GLA Group practitioner learning group to share best practice and collaborate across the GLA Group in relation to modern slavery due diligence and to continue to learn and share with the transport industry through TfL's representation on the DfT Modern Slavery Group.

Low-emission Vehicles: Continue to take part in the Electronics Watch Low-Emission Vehicle programme encouraging bus manufacturers and fleet providers to collaborate with us to improve supply chain transparency and working conditions in the mining and manufacturing of minerals used in the production of batteries for electric vehicles.

State-sponsored forced labour: Continue to collaborate with partner organisations such as the ETI and Electronics Watch to progress due diligence issues, such as the treatment of Uyghur Muslims in China, in our supply chains and those of the GLA where TfL provide procurement services, such as the provision of solar panels in the Retrofit Accelerator framework.

London Transport Museum: The LTM Retail Team will work with the CRPT and TfL procurement team to support low scoring suppliers from their MSAT campaign and act on the recommendations provided. This will include providing access to workshops and training resources and monitoring engagement.

This Statement has been approved and published by the TfL Board and will continue to be reviewed at least once annually.

Howard Carter, General Counsel **XX XXXX 2023**

For TfL Board

[subject to Board approval]

On XX July 2023, the TfL Board approved the draft TfL Slavery and Human Trafficking Statement 2023 and authorised the General Counsel to agree the final form of the Statement.

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Board

Date: **25 July 2023**

Item: **Report of the Meeting of the Remuneration Committee held on 12 June 2023**

This paper will be considered in public

1 Summary

1.1 This paper provides a summary of the items considered by the Remuneration Committee at its meeting on 12 June 2023.

2 Recommendation

2.1 **The Board is asked to note the report.**

3 Committee Agenda and Summary

3.1 The papers for the meeting of the Committee held on 12 June 2023 were published on 2 June 2023 and are available on the TfL website with a link to the video recording of the meeting on TfL's YouTube channel.

3.2 The main matters considered by the Committee were:

(a) Matters Arising, Actions List and Use of Delegated Authority;

(b) 2022/23 Scorecards;

(c) Performance Awards 2022/23;

(d) Senior Management Performance Awards 2023/24; and

(e) Chief Officer Salary Reviews 2023.

3.3 A summary of the items considered and decisions taken is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 9 November 2023.

4 Issues Discussed

Matters Arising, Actions List and Use of Delegated Authority

4.1 The Committee noted five uses of Chair's Action, in consultation with the Committee since the last meeting: four approving salaries of £100,000 or more; and one to confirm that TfL had met the financial overlay trigger, applied by the Committee in 2021 on top of the usual Scorecard and individual performance requirements, to the payment of any performance awards for the years 2021/22 and 2022/23. The decision was required by Chair's Action to enable the paper elsewhere on the agenda on performance awards to be prepared.

2022/23 Scorecards

4.3 The Committee noted the delivery against the TfL Scorecard and the three delivery business scorecards (Operations, Capital and TTL Properties Limited) for the year ended 31 March 2023, along with the justification for a small number of mitigations approved by the Commissioner.

4.4 Internal Audit had undertaken an assurance review of the scorecard outcomes and this had been rigorously reviewed and accepted by the Audit and Assurance Committee, whose membership included the Chair of this Committee.

4.5 Members commended the good performance by staff and the business in another challenging year and the publication of the scorecards and mitigations as a good example of TfL's commitment to transparency.

Performance Awards 2022/23

4.6 In November 2021, the Committee agreed the reintroduction of performance award schemes for the 2021/22 and 2022/23 performance years, with the addition of a financial overlay trigger of achieving financial sustainability by April 2023. The Committee had previously agreed by Chair's Action that the financial overlay trigger had been met and therefore awards for performance in 2021/22 and 2022/23 could be considered.

4.7 The Committee reviewed the performance ratings in respect of the officers within its remit in relation to the overall performance delivery for the year ended 31 March 2023, as measured against the TfL and divisional scorecards.

4.8 The Committee approved the performance rating for the Commissioner and other officers within its remit and noted the potential awards that were payable. It also noted that the same principles would apply in relation to performance awards for other eligible TfL staff.

Senior Management Performance Awards 2023/24

4.9 Performance awards were a critical component of TfL's total remuneration proposition for senior management, supporting TfL's ability to attract and retain critical talent within the business. The performance award schemes also played an important role in delivering high performance across TfL. Through the direct relationship with business performance (as captured in scorecards) the schemes serve to highlight the main priorities in delivering the Mayor's Transport Strategy and unify senior management in delivering critical goals. Reward was commensurate with the level of success achieved and therefore provided a fair and value for money approach to reward.

4.10 The Committee endorsed the proposal to operate performance award schemes for senior management for the 2023/24 performance year and agreed that it would include the continuation of a financial criteria. The financial criteria would also apply to the performance award schemes operated for TfL payband 2 and 3 employees.

Chief Officer Salary Reviews 2023

4.11 On 9 November 2022, the Committee agreed that those Chief Officers and Directors who had not already received an increase during 2022 as part of the restructuring exercise would receive an uplift equivalent to the same pay increase percentage as the first year of the TfL pay deal. It also agreed that application of a percentage increase equivalent to the second year of the pay deal for employees in paybands 1 to 3 (and applied to Senior Managers) would be considered in 2023 for Chief Officers and Directors, unless they already had alternative pay review arrangements in place. The two-year pay offer in TfL was four per cent for 2022 and 4.4 per cent for 2023.

4.12 The Committee agreed: the salary increase proposals for specific Chief Officers, with effect from 1 April 2023; noted the salary increase awarded for the Directors specified under the Committee's Terms of Reference; and noted the decision to apply the same principles to other eligible Directors.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Remuneration Committee on 12 June 2023

Contact Officer: Howard Carter, General Counsel
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Board

Date: **25 July 2023**

Item: **Report of the Meeting of the Finance Committee held on 21 June 2023**

This paper will be considered in public

1 Summary

1.1 This paper provides a summary of the items considered by the Finance Committee at its meeting on 21 June 2023.

1.2 As the meeting was inquorate, with two Members attending in person and three Members joining the meeting via Teams, all decisions were taken using Chair's Action. The meeting was webcast to TfL's YouTube channel to ensure the public and press could observe the proceedings and decision-making.

2 Recommendation

2.1 **The Board is asked to note the report.**

3 Committee Agenda and Summary

3.1 The papers for the meeting of the Committee held on 21 June 2023 were published on 13 June 2023, with the Track Labour Framework Extension paper published on 20 June 2023. The papers are available on the TfL website with a link to the video recording of the meeting on TfL's YouTube channel.

3.2 The main matters considered by the Members of the Committee were:

(a) Use of Delegated Authority;

(b) Finance Report – Period 1, 2023/24;

(c) Annual Update on Third-Party Funding Secured Through Spatial Planning;

(d) Procurement and Commercial Improvement Programme – Cost Management;

(e) Procurement and Commercial Improvement Programme – Lessons Learnt;

(f) Forthcoming Key Procurement Activities;

(g) Docklands Light Railway Franchise Procurement;

(h) Elizabeth Line Concession Procurement;

(i) Track Labour Framework Extension;

(j) Capita Access and Wide Area Network Contract: Three Year Extension; and

(k) Enterprise Risk Update – Efficient and High Performing Supply Chains and Effective Procurement (ER05).

3.3 A summary of the items considered and decisions taken is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 11 October 2023.

4 Issues Discussed

Use of Delegated Authority

4.1 Members of the Committee noted the paper on the use of delegated authority. Since the last meeting of the Committee on 8 March 2023, there had been one use of Chair's Action in relation to the award of the Mechanical and Electrical Maintenance Services Contract Extension.

4.2 There had been four uses of Procurement Authority by the Commissioner in relation to: Microsoft Retender Contract Award Contact Centre Outsourced Services; Project Hina, Phase 2; Signalling System, Maintenance Support Contract for the Elizabeth line; and Service Evolution to ICT12804 Core Support Services.

4.3 There had been one Mayoral Direction to TfL in relation to the further financial support fund for Seven Sisters Market traders, which had already been reported to the Board and the Audit and Assurance Committee.

Finance Report – Period 1, 2023/24

4.4 Members of the Committee noted TfL's financial results to the end of Period 1, 2023/24, the year-to-date ending 29 April 2023. Performance to date showed strong results and TfL was on track to achieve financial sustainability this financial year.

4.5 Total revenue was three per cent (£18m) better than Budget and 26 per cent (£142m) higher than last year. Passenger income was two per cent higher than Budget and total journeys were 88 per cent of pre-coronavirus pandemic levels, up from 85 per cent at the end of 2022/23.

4.6 Operating costs were in line with Budget and like-for-like costs were five per cent higher than last year, despite year-on-year inflation of 11.4 per cent. TfL was committed to delivering almost £230m of savings this year.

4.7 The underlying operating surplus excluding revenue top-up from Government was £6m, which was a slight improvement on Budget. After adjusting for timing differences, the surplus was £25m better than Budget and TfL remained on track to deliver an operating surplus in 2023/24.

4.8 Capital enhancements were 18 per cent below target but expected to be in line with Budget at year-end. Capital renewals spend was 19 per cent (£9m) higher than Budget due to the timing of the London Underground renewals programme. TfL aimed to meet the available funding target of £736m.

4.9 Total cash balances were broadly in line with Budget at just under £1.1bn, excluding cash balances identified for Crossrail construction, which was in line with the funding agreement condition. TfL undertook additional short-term borrowing of £176m to offset some large scheduled capital milestone payments, while maintaining liquidity levels, bringing the total borrowing balance to £13,112m.

4.10 There were significant risks and challenges going forward, such as economic uncertainty, inflationary pressures and achieving the savings targets. TfL was working hard to mitigate these by driving up passenger demand and making continuous savings. It would need the support of Government to mitigate risks beyond its direct control, namely inflation pressures on TfL's cost base and securing capital funding beyond March 2024.

Annual Update on Third-Party Funding secured Through Spatial Planning

4.11 Members of the Committee noted an update for the 2022/23 financial year on third-party funding related to developer contributions and other sources targeted at supporting sustainable development, including Mayoral Community Infrastructure Levy (MCIL), which was used to repay Crossrail financing. It included an overview of other developer contributions secured to contribute towards the delivery of the Mayor's Transport Strategy (MTS).

4.12 During the year, TfL secured: £168.2m in MCIL receipts, the highest amount since MCIL was introduced in 2012; £37.9m in Section 106 agreements; £17m in Section 278 agreements, as well as around £1.1m revenue funding.

4.13 TfL had leveraged funding to support key step-free access objectives, including £1m Borough Community Infrastructure Levy for improved access at Hounslow West station; £10m from Section 106 for West Hampstead station; £43m from Greater London Authority Levelling Up funding for Colindale and Leyton Underground stations, as well as providing additional capacity to support the delivery of new, affordable homes.

4.14 TfL would work with all the successful boroughs from both rounds of the Levelling Up Fund to deliver their transport projects and to support any future bids. Work continued to deliver projects where funding was agreed in previous financial years, such as issuing a notice of intention to order 11 DLR trains and ongoing works at Beckton depot.

4.15 Given continued financial challenges, TfL continued to be proactive in seeking additional sources of funding to deliver MTS transport objectives, as well as unlocking new homes and ensuring growth was sustainable, and to pursue opportunities to fund schemes.

Procurement and Commercial Improvement Programme – Cost Management

4.16 Members of the Committee noted the update on improving cost management, which was a key priority within the Procurement and Commercial (P&C) Improvement Programme, following the recent review of the Independent Investment Programme Advisory Group (IIPAG).

4.17 The initial step would be to standardise the currently fragmented process, which would deliver immediate benefits to the management of capital project budgets. A standard process would also be a key enabler for further improvement, such as effective systemisation and automation, and the options for a future systems solution would be considered. Improvement work had also commenced on cost estimating and cost intelligence.

Procurement and Commercial Improvement Programme – Lessons Learnt

4.18 Members of the Committee noted the update on lessons learnt within the P&C Improvement Programme, following the recent IIPAG review. The programme aimed to reduce operating costs, improve processes and systems, and enhance the capability of the P&C team to improve the overall service offering and delivery of benefits for TfL.

4.19 Challenges that contributed to some of the delivery gaps included: deviation from the original programme scope; inconsistency of sponsorship and leadership; inadequacy of governance and oversight; multiple support partner procurements and changes; insufficient focus on capital-specific requirements; descoping of further operating model review activity; and SAP Ariba change management and delay issues.

4.20 Practices that contributed to the successes included: use of industry-leading support partners; inclusive engagement of stakeholder groups in design phases; P&C management framework in-person training; and transfer of Ariba scope of deployment and change support structure.

4.21 A detailed lessons learnt exercise on the SAP Ariba programme would be undertaken in June 2023. Progress updates on the 14 improvement workstreams would be brought to future Committee meetings to ensure that the lessons learnt were fully embedded in the new ways of working.

Forthcoming Key Procurement Activities

4.22 Members of the Committee noted the summary of the major new procurements or contract extensions that would require approvals over the next 12 months and those required from the Committee by way of Chair's

Action before its next meeting in October 2023. It also highlighted significant forthcoming procurements that required approval at officer level during that period.

4.23 There was a recognised need to provide the Committee and other decision-makers in TfL with a forward look on the pipeline of major procurements requiring decisions. The strategy approvals and contract awards due between June 2023 to May 2024 covered 165 contracts, with an estimated total value of £6bn and an equivalent annual spend of £1.43bn.

4.24 Planned procurement activities ahead of the next meeting of the Committee included three contract extensions or variations that would require approval by Chair's Action, and 12 other significant procurements that required approval at officer level during the period.

Docklands Light Railway Franchise Procurement

4.25 Members of the Committee noted the update on the forthcoming procurement process planned to be undertaken by Docklands Light Railway Limited (DLRL) for the new franchise for the provision of passenger operations and maintenance of the DLR.

4.26 Early market engagement meetings would be held with prospective bidders and DLRL intended to commence the procurement process by issuing a contract notice in summer 2023. Approval for the award of the new franchise agreement and related matters would be sought from the Committee in due course.

Elizabeth Line Concession Procurement

4.27 Members of the Committee noted the update on the forthcoming procurement process planned to be undertaken by Rail for London, a wholly owned subsidiary of TfL, for the new concession for the provision of passenger operations on the Elizabeth line.

4.28 Early market engagement meetings would be held with prospective bidders in June 2023. Approval for the award of the new concession agreement and related matters would be sought from the Committee in due course.

Track Labour Framework Extension

4.29 The Chair, following consultation with Members, approved the extension of the Track Labour Framework to March 2025; approved Procurement Authority for £588.75m for the period to March 2024; and noted a further request would follow for the financial year 2024/25.

4.30 The framework provided external track labour resources required to supplement London Underground's direct labour. The extension was critical to ensure continuity of supply to support safety critical maintenance, enhancements and renewals across the network.

Capita Access and Wide Area Network Contract: Three Year Extension

4.31 The Chair, following consultation with Members, granted Procurement Authority for the three-year extension of the Capita Access and Wide Area Network Contract.

4.32 In December 2017, the Committee granted Procurement Authority to enter into the contract with Capita Business Services Limited. The contract was the vehicle through which TfL was consolidating and rationalising its portfolio of commodity outsourced network services. The contract had an initial five-and-a-half-year term which ran until 9 August 2023.

4.33 The contract included options for TfL to extend its duration beyond the initial term and the current agreement extended the contract for a further three years to 9 August 2026.

Enterprise Risk Update – Efficient and High Performing Supply Chains and Effective Procurement

4.34 Members of the Committee noted TfL's current position on efficient and high-performing supply chains and effective procurement and the risk management approach to the increased scope of the risk, which now included capability, compliance, supply chain disruption and value for money.

4.35 Members noted the scope of the Enterprise Risk, current assessment, preventative controls, mitigation activities in place and improvement plans associated with upcoming P&C improvement workstreams to reduce TfL's risk across its procurement, commercial and supply chain activities.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Finance Committee on 21 June 2023

Contact Officer: Howard Carter, General Counsel
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Board

Date: **25 July 2023**

Item: **Report of the Meeting of the Land and Property Committee Panel held on 28 June 2023**

This paper will be considered in public

1 Summary

1.1 This paper provides a summary of the items considered by the Land and Property Committee at its meeting on 28 June 2023.

2 Recommendation

2.1 **The Board is asked to note the report.**

3 Committee Agenda and Summary

3.1 The papers for the meeting of the Committee held on 28 June 2023 were published on 20 June 2023 and are available on the TfL website with a link to the video recording of the meeting on TfL's YouTube channel.

3.2 The main matters considered by the Committee were:

(a) Matters Arising, Actions List and Use of Delegated Authority;

(b) TTL Properties Limited Valuation Results and Capital Receipts Programme Update;

(c) Purpose and Branding;

(d) TTLP Scorecard 2023/24;

(e) TTL Properties Limited Quarterly Performance Report;

(f) TTL Properties Limited Assurance Update;

(g) Enterprise Risk Update – Inability to React to External Market Forces (TTLP-L0-6);

(h) Electric Vehicle Charging Hubs; and

(i) Resourcing.

3.3 A summary of the items considered is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 21 September 2023.

4 Issues Discussed

Matters Arising, Actions List and Use of Delegated Authority

4.1 The Committee noted two uses of Delegated Authority by the Chief Finance Officer in relation to the Limmo land transaction and the Whitechapel project.

TTL Properties Limited Valuation Results and Capital Receipts Programme Update

4.2 The Committee noted an overview of the year-end evaluation process of TTL Properties Limited (TTLP) assets, as at 31 March 2023, conducted by a third-party specialist.

4.3 Fifty-two per cent of TTLP's asset values were held in 15 per cent of the portfolio, with a long tail of low-value assets. TTLP will focus on, and invest in, the high-value assets to deliver optimal long growth whilst reviewing options for low-value assets, especially those that require significant investment, for example, to meet net zero carbon targets. The Committee suggested that consideration be given to charging for value added services and betterment, which were currently offered for free. There would be continued focus on joint venture partnerships.

4.4 Rental values were still strong despite the challenging economic conditions.

4.5 It was agreed that future reports would include all investments, including joint ventures, to provide a broader overview.

Purpose and Branding

4.6 The Committee noted the update on progress in developing TTLP's brand and identity, in line with the purpose and principles established at previous meetings.

4.7 Based on extensive stakeholder engagement and Member comments, a preferred name and logo had been identified and was currently progressing through the appropriate legal processes.

4.8 The visual identity had been developed in accordance with TfL's accessibility, inclusion and diversity guidelines, and in alignment with the Greater London Authority, and would be launched in September 2023.

TTLP Scorecard 2023/24

4.9 The Committee noted the TTLP Scorecard for 2023/24 for the coming 12 months, including target improvements on last year's successes.

4.10 The proposed scorecard was consistent with TfL's approach across the organisation.

4.11 It was agreed that the following items would be considered for inclusion in the scorecard metrics: valuation; TfL dividend; housing completions; and impact on UK economy, including jobs and skills development.

TTL Properties Limited Quarterly Performance Report

4.12 The Committee noted the quarterly performance report providing an update on market context, health and safety, financial performance, operational performance, project updates and understanding TTLP's impact.

4.13 Despite rising inflation and the cost-of-living crisis, TTLP continued to perform well. It had so far outperformed budget in the current year.

4.14 Dividend Policy was noted to be part of the TTLP Treasury Management Strategy as a standalone document. It was agreed that Health & Safety reporting would be split between those areas where TTLP has direct and indirect responsibility.

4.15 Voids continued to decrease following a sustained focus on tenant engagement. This included both attracting higher quality tenants retaining new tenants and improved mitigation measures. Arrears and cash collections were broadly on target.

4.16 More detailed information on social value and benefits realisation would be submitted to the next meeting, including employment and skills. This would include impact on the wider UK economy.

4.17 Housing starts had been strong despite the loss of a developer at a late stage in one of the programmes. The lessons learnt on this had been built into future programme management.

4.18 The Chair welcomed the report and congratulated staff on the strong performance in challenging economic circumstances.

TTL Properties Limited Assurance Update

4.19 The Committee noted the update on progress with programme assurance activity across TTLP during Quarter 1 of 2023/24 (1 April to 24 June 2023).

4.20 All actions were being addressed as the result of recent audits requiring improvement, with a good level of engagement and collaboration but first line assurance needed to be further developed.

Enterprise Risk Update – Inability to React to External Market Forces (TTLP-L0-6)

4.21 The Committee noted the overview of the TTLP Level 0 Enterprise Risk – Inability to react to external forces.

4.22 Improvement was required in the management of this risk but a programme of actions over a 12-month period, as set out in the report, were being implemented.

4.23 It was agreed that competition, liquidity and financing be considered for including in the key causes of the risk.

Electric Vehicle Charging Hubs

4.24 The Committee noted the paper on the electric vehicle charging hubs programme.

4.25 A joint venture approach was being proposed, as the most flexible and currently preferred option in an evolving market.

4.26 Members stressed the importance of finding a partner with shared values that would align with TTLP/TfL's culture and to consider a range of operating models and address all risks inherent within the proposal.

4.27 A site visit to an electric vehicle charging hub and a briefing on international benchmarking models in other cities would be arranged before the start of any procurement process.

4.28 A proposal paper on the financial model, including assurance, would be submitted to the next meeting of the Committee.

Resourcing

4.29 The Committee noted the update on resourcing in TTLP.

4.30 Critical roles were currently being filled. A partnership model approach of public and private sector real estate was also being considered.

4.31 Further details on staffing and resourcing would be submitted to the next meeting of the Committee, including risk mitigations and transition arrangements.

List of appendices to this report:
None

List of Background Papers:
Papers submitted to the Land and Property Committee on 28 June 2023

Contact Officer: Howard Carter, General Counsel
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Board

Date: **25 July 2023**

Item: **Report of the Meeting of the Customer Service and Operational Performance Panel held on 12 July 2023**

This paper will be considered in public

1 Summary

1.1 This paper provides a summary of the items considered by the Customer Service and Operational Performance Panel on 12 July 2023.

2 Recommendation

2.1 **The Board is asked to note the report.**

3 Panel Agenda and Summary

3.1 The papers for the meeting of the Panel held on 12 July 2023 were published on 4 July 2023 and are available on the [TfL website] with a link to the video recording of the meeting on [TfL's YouTube channel].

3.2 The main matters considered by the Panel were:

(a) Customer Service and Operational Performance Report – Quarter 4, 2022/23;

(b) Cycling Action Plan 2;

(c) TfL Go Update;

(d) Digital Wayfinding for Cycling;

(e) Customer Safety and Security Update;

(f) Hate Crime Campaign;

(g) Assisted Transport Services Update; and

(h) TfL - Summer Preparedness 2023.

3.3 A summary of the items considered is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Panel on 4 October 2023.

4 Issues Discussed

Customer Service and Operational Performance Report – Quarter 4, 2022/23

4.1 The Panel noted the report for Quarter 4 of 2022/23 (11 December 2022 to 31 March 2023) which outlined performance and TfL priorities. The Panel welcomed the recovery in ridership levels across the network and discussed the customer care scores and the accessibility of TfL's network to disabled customers, including progress with the step-free access programme. The Panel also discussed changes in travel patterns and the work on developing a strategy in respect of electrified travel devices. Requests were made for the Panel to receive further information in a number of these areas.

Cycling Action Plan 2

4.2 The Panel noted the updated Action Plan, which superseded the first Cycling Action Plan published in 2018. The plan had a particular focus on increasing cycling levels and breaking down the barriers to cycling, especially among under–represented groups.

4.3 Members highlighted the target of significantly increasing cycling journeys per day by 2030. The Panel would receive further details regarding the funding to support the delivery of schemes to achieve the target, including details of the nature of the 50 projects in development listed in the report, as part of the short-term delivery programme.

4.4 TfL were working towards extending the network by 2041 to outer London. The Panel discussed the merits of creating an 'outer London super loop', and an orbital route for outer London. Members also noted the merits of providing different types of cycling routes to suit varying customer needs, including routes through quieter streets and routes for commuters. Officers would investigate the possibilities and provide further details of the schemes in development at an appropriate time.

TfL Go Update

4.5 The Panel noted the update on development of the TfL Go journey planner app. The app offered a modern digital experience that was inclusive and customer centred. Work was underway to provide further improvements to the system, with the overall aim of providing step by step instructions, catering for all needs, covering all journey modes including Network Rail routes.

4.6 The Panel sought clarity regarding the availability of information on quieter routes at particular times. It was also discussed whether the TfL Go app should include journey options for Assisted Transport Services (ATS) customers, and that it should sign-post customers with accessibility needs to services. The team would further explore this.

Digital Wayfinding for Cycling

4.7 The Panel noted the update on the development of digital wayfinding for cycling. In July 2022, a TfL led Digital Wayfinding Summit created the initial spur to action for TfL and third-parties to improve digital wayfinding systems for cycling. Since then, TfL was continuing to improve route choice for cycling in the TfL Go app, as well as working with third-party travel planning partners apps including Google Maps and Citymapper.

4.8 TfL and partners were also exploring ways of improving the data set, to identify such features as chicanes in streets, that might present problems to customers with accessibility issues.

4.9 The Panel sought clarity on the availability and provision of data on the nature of streets to help customers plan their journeys (such as details of suitable commuter routes and more scenic quieter routes for leisure journeys) and officers would provide further information on this.

Customer Safety and Security Update

4.10 The Panel noted the update on the important work to tackle fare evasion and ticket fraud. TfL had set an ambitious target to reduce fare evasion as it was a key priority given the impact on revenue, on the morale of colleagues, and on the safety and security of our network. The most recent estimate (2022/23) of fare evasion across all TfL public transport modes stood at 3.9 per cent. TfL figures still compared favourably to other transport networks. It was noted that the pan-TfL Revenue Protection Strategy would be published this year.

4.11 The performance strategy for each revenue team had been refreshed and several steps had been taken to prevent fare evasion. Best practice was shared with policing partners to support coordinated operations. Work was also underway to explore options to improve the design of the wide aisle style of gate at stations (which was the main access for chronic offenders) and increasing the use of Closed-Circuit Television to identify offenders and sharing this with investigation teams.

4.12 The Panel also noted the overview of the Crime and Anti-Social Behaviour six-monthly report, based on comparisons with the pre-coronavirus pandemic average. TfL worked closely with its policing partners on initiatives to reduce crime, including initiatives to address and prevent theft. TfL was also mindful of the impact of resourcing constraints on these partners. The rise in robberies was a cause of concern, although it was a London-wide problem and had escalated post-pandemic.

Hate Crime Campaign

4.13 In response to an action from the Board, the Panel noted the overview of reported incidents of hate crime on our network and the campaign to tackle this.

Assisted Transport Services Update

4.14 The Panel noted the update, which outlined the work carried out to progress the ATS strategy since the last update on 6 December 2022. This included the updated Roadmap. ATS continues to adapt to support Londoners with reduced mobility in the post pandemic world.

4.15 The Panel welcomed the Travel Mentoring System. It noted that the introduction of the new one-stop booking system should free up staff to devote more time to helping customers navigate the transport network and use the features on the TfL Go app. Work was underway to recruit new drivers for the service. The team was working hard to address barriers in this area and to increase the number of female drivers and address the shortfall.

4.16 The Panel suggested that future ATS updates should provide information on the work to help customers travel on the wider transport network.

TfL - Summer Preparedness 2023

4.17 The Panel noted an overview of TfL's preparedness for summer 2023.

4.18 TfL Operations Command and Control response is managed through the Network Management Resilience Directorate's two Control Centres: The Network Management Control Centre and the London Underground Control Centre. The update set out details of the Control Centres' approach to planning for hot and extreme weather, based on daily weather forecasts. It also set out the trigger levels and the nature of the communications with customers. The Panel noted the importance of the provision of water points around the transport network and suggested that customers should be sign posted to the nearest water point. It was confirmed that the team was looking at the possibility of introducing maps showing the routes with the coolest on-board temperatures.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Customer Service and Operational Performance Panel on 12 July 2023

Contact Officer: Howard Carter, General Counsel
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Board

Date: **25 July 2023**

Item: **Report of the Meeting of the Programmes and Investment Committee to be held on 19 July 2023**

This paper will be considered in public

1 Summary

1.1 This paper provides a summary of the items to be considered by the Programmes and Investment Committee at its meeting on 19 July 2023 (after the date that the papers for this meeting of the Board are published).

2 Recommendation

2.1 **The Board is asked to note the report.**

3 Committee Agenda and Summary

3.1 The papers for the meeting of the Committee to be held on 19 July 2023 were published on 11 July 2023 and are available on the TfL website with a link to the video recording of the meeting on TfL's YouTube channel.

3.2 The main matters to be considered by the Committee are:

(a) Use of Delegated Authority;

(b) Investment Programme Report Quarter 4: Periods 10, 11, 12 and 13, 2022/23;

(c) Independent Investment Programme Advisory Group Quarterly Report;

(d) TfL Project Assurance Update;

(e) Technology Programme 2023/24 and 2024/25;

(f) London Underground Four Lines Modernisation Programme;

(g) Streets, Bus and Rail and Sponsored Services (RSS) Renewals Programme;

(h) Rail and Station Enhancements Programme;

(i) Safe and Healthy Streets Programme;

(j) Capital Efficiencies Report 2022/23; and

(k) Enterprise Risk Update - Delivery of Key Projects and Programmes (ER8).

3.3 A summary of the items to be considered and the decisions required is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 5 October 2023.

4 Issues to be Discussed

Use of Delegated Authority

4.1 The Committee is asked to note the paper on the use of delegated authority. Since the last meeting of the Committee on 17 May 2023, there is only one item to report; an approval of Procurement Authority by the Commissioner, in relation to the A40 Westway Structures Refurbishment.

4.2 There has been no other use of delegated authority including Mayoral Directions to TfL within the Committee's remit.

Investment Programme Report Quarter 4: Periods 10, 11, 12 and 13, 2022/23

4.3 The Committee is asked to note the progress and performance in Quarter 4 of 2022/23 of the Investment Programme.

Independent Investment Programme Advisory Group Quarterly Report

4.4 The Committee is asked to note the update on the Independent Investment Programme Advisory Group (IIPAG) work undertaken since the last report and the Management Response to the reviews.

TfL Project Assurance Update

4.5 The Committee is asked to note the update on the project assurance work undertaken between 1 April and 27 May 2023 and the key findings from the reviews.

4.6 Three sub-programme reviews were undertaken, with IIPAG involved in all three, and six project assurance reviews were undertaken, with IIPAG involved in three of these. These reviews gave rise to a total of 44 recommendations, one of which was considered as a critical issue that should be addressed before projects proceed to the next stage.

Technology Programme 2023/24 and 2024/25

4.7 The Committee is asked to note an update regarding the newly combined Technology Programme, which brings together the former three technology-focussed Programmes. The paper provides an overview of achievements to date and planned delivery. The Committee is asked to approve additional Programme and Project Authority for the Programme.

London Underground Four Lines Modernisation Programme

4.8 The Committee is asked to note an update on the progress on the delivery of the London Underground Four Lines Modernisation Programme and to approve additional unbudgeted Financial Authority to fully align this with existing Programme and Project Authority. Additional Procurement Authority for the Automatic Train Control signalling contract is also requested.

Streets, Bus and Rail and Sponsored Services (RSS) Renewals Programme

4.9 The Committee is asked to note an update on the achievements and progress of the newly formed Streets, Bus and Rail and Sponsored Services Renewals Programme. The Committee is asked to approve additional Programme and Project Authority for the Programme and to approve unbudgeted Financial Authority for DLR Station Controllers.

Rail and Station Enhancements Programme

4.10 The Committee is asked to note an update on the achievements and progress of the Rail and Station Enhancements Programme and to approve an increase of Programme and Project Authority for the Programme.

Safe and Healthy Streets Programme

4.11 The Committee is asked to note an update on the achievements and progress of the Bus Enhancement projects, which were previously contained within the Public Transport Programme and have now transferred to the Safe and Healthy Streets Programme

4.12 The Committee is asked to approve additional Programme and Project Authority for the Programme to continue delivery of Bus Enhancement projects and to approve additional Procurement Authority in relation to the Old Street Roundabout project.

Capital Efficiencies Report, 2022/23

4.13 The Committee is asked to note the second annual report of the pan-TfL Capital Efficiency Programme, covering the financial year 2022/23. This sets out how TfL has delivered on the milestones contained in its Capital Efficiency Plan, together with the efficiencies realised during the year.

Enterprise Risk Update - Delivery of Key Projects and Programmes (ER8)

4.14 The Committee is asked to an update on how TfL manages the risk across capital delivery.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Programmes and Investment Committee on 19 July 2023

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