This Business Plan includes an updated forecast for 2022/23 and a forward look from 2023/24 to 2025/26. The updated forecast for 2022/23 aligns this Business Plan with our funding agreement with the Government, and will be used as our reporting baseline for the rest of this financial year.
Mayor’s foreword

This Business Plan invests in active travel and buses, tackles air pollution, and helps to create a safer, greener, fairer city

London’s transport shapes the lives of millions. It opens doors to life-changing opportunities for young people. It enables keyworkers to do their jobs. It enriches lives culturally and socially.

The past two years were the most gruelling in Transport for London’s (TfL) history. Difficult decisions were taken during the pandemic but as passenger numbers increase, we are ensuring TfL is in the best possible position to support our city’s recovery.

Finances will remain tight as the country struggles amid strong economic headwinds. Millions of Londoners are worrying about how they will afford to put food on the table and heat their homes. At all times, I am mindful of balancing TfL’s financial difficulties with the cost of living crisis.

Following tough negotiations with the Government, we agreed a settlement until March 2024. However, the agreement was far from ideal and left a significant funding gap. That is why I established up to £500m funding that TfL can call on, if needed, to balance its budget. Building on this hard-fought deal, and through Greater London Authority support, this Business Plan unlocks new investment that will make walking and cycling in London more attractive.

Since 2016, we have added more than 250km to London’s cycle network and now have more than 500 school streets. I am also pleased that we can now provide funding to save key bus services in central London.

We are supporting growth following the completion of the Elizabeth line. TfL will invest £8.1bn in London’s road and rail network, including new rolling stock for Piccadilly and DLR lines.

The air we breathe is a matter of life and death so tackling air pollution in London is essential. The expansion of our world-leading Ultra Low Emission Zone London-wide, supported by a £110m scrappage scheme, will further reduce air pollution, carbon emissions and congestion.

At the heart of my Transport Strategy is Vision Zero, my plan to eliminate deaths and serious injuries on London’s transport network by 2041. To improve safety for all road users we have lowered speed limits and increased enforcement. This plan contains funding for Direct Vision Standard Phase Two, to raise standards from 2024. These safety improvements will make walking and cycling in London more attractive.

Since 2016, we have added more than 250km to London’s cycle network and now have more than 500 school streets. I am delighted that funding for safe and active travel schemes, including borough-led programmes, will be an average of £150m a year until 2026. This funding will expand our cycle network and increase the number of safer junctions, school streets and cycle parking facilities.

Extreme summer temperatures sparked fires that destroyed homes and crippled infrastructure, giving a horrifying glimpse of what awaits if we fail to act now. To tackle the climate emergency, I have set the ambition for London to reach net zero by 2030. TfL’s investment is supporting Londoners to reduce car use and helping our city to cut carbon emissions. TfL will also continue to show climate leadership through decarbonising its buildings and helping prepare London for the impacts of climate change. This plan underlines my commitment that TfL buses will be zero emission by 2034 and maintains the possibility of delivering this as early as 2030 with the right support from Government.

I am under no illusion of the scale of the challenges ahead of us, but I remain optimistic about our ability to meet them. This Business Plan will support real progress towards our goal of a better London for everyone – a city that is safer, greener, fairer and more prosperous for all communities.

Sadiq Khan
Mayor of London
This Business Plan plots the way forward for us after two and a half years of exceptional challenges. It shows how we will work to achieve our vision of being the green heartbeat of London, and how we will continue on the path to financial sustainability while delivering real and vital improvements for London.

The pressures of the pandemic and the financial crisis that it created put London and TfL under greater pressure than at any point in the past two decades. The good news is that London is emerging from the pandemic, and we now have funding arrangements in place with the Government and the Greater London Authority to give us certainty into 2024. This means that we can look to the future, focused again on how we can support our city and make it even better, greener, safer and more successful.

Since taking up the Commissioner role from my predecessor Andy Byford, I have set out four priorities that will guide us towards realising our vision. Firstly, we must win our customers back. We have worked hard to rebuild confidence in travel, and around 80 per cent of our customers are now travelling regularly again with some days exceeding pre-pandemic levels. But we need to further grow our passenger numbers and revenue. This means making our services even more attractive – ensuring they are safe and reliable, that trains, buses and stations are welcoming, and that we are doing everything possible to improve accessibility.

At the same time we will focus on our staff – working to energise our colleagues around our vision, making this a simpler and even more effective organisation, a more diverse and inclusive organisation, and one that shows its staff every day that they are valued and celebrated.

These things will enable us to rebuild our finances, and this plan shows us breaking even on our operating account in 2023/4. Like every other major transport authority around the world, we will need ongoing Government support for capital investment, and we are already discussing our shared priorities with the Government. We are making the case that, beyond 2024, we should be working together to support jobs, homes, carbon reduction and economic growth through capital investment in transport. For example, we need to ensure that the factory in Goole in Yorkshire, which will be building the new Piccadilly line trains, can continue operation, building the new trains to replace the ageing fleets on the Bakerloo and Central lines.

It is only through steady investment that we will continue to grow our passenger numbers, and it is only through drawing people to public transport and out of their cars that we can achieve the fourth – and perhaps most important – priority of protecting and improving our environment and helping to tackle the climate crisis.

This plan gives us the means to continue to invest in improving public transport – pushing forward with replacing the fleets on the Piccadilly line and the DLR among other significant improvements. It keeps open the pathway to a fully zero-emission bus fleet by 2030, provides funding for a programme of decarbonisation of our buildings and new investment in green infrastructure and biodiversity. It includes substantial funding of £150m a year for safe and active travel and, working with our borough partners, we will introduce more 20mph zones to boost road safety and new significant improvements to the bus network, particularly in outer London.

We have shown what transport investment can do. The truly transformational Elizabeth line has added 10 per cent to central London’s rail capacity and is already proving hugely popular, with nearly 70 million journeys made on the railway by December 2022. Along the line, new homes and workplaces continue to spring up. The Northern Line Extension to Battersea Power Station and the London Overground extension to Barking Riverside similarly support new connections and huge new opportunities. Soon we will complete our upgrade of Bank station, vastly improving journeys and the customer experience through the heart of the city.

We must continue this work so that our capital city, and our country, can thrive. And we must continue this work so that we can tackle climate change, cut pollution and make our city a better place for everyone.

Andy Lord
Transport Commissioner
Our customers

London’s transport system is key to our recovery. We are delighted to see Londoners and visitors returning to the network in ever-greater numbers.

Around 80 per cent of the customers that we served before the pandemic are now travelling on our network again. We continue our work to welcome them back to the network, providing assurance that it is safe, accessible, clean and well-managed.

Despite the pandemic, we continue to add to London’s transport network. The Northern Line Extension delivered two new stations in September 2021, Nine Elms and Battersea Power Station, and in its first year of opening, the extension has seen more than five million journeys made. Meanwhile, we have nearly completed the upgrade of Bank station. These exciting developments were dwarfed by the Elizabeth line when it opened on 24 May 2022, a major project that has added 10 per cent to central London’s rail capacity and has created new journey options for people from London and the South East.

At the same time, active travel plays a vital role in the city’s recovery – and in its future. Within this Business Plan, we will continue to invest £150m per year in our Healthy Streets programme, working with boroughs to enable more people to walk, cycle and use the bus, as part of our aim for 80 per cent of trips in London to be by sustainable modes. We are creating an environment where cycling and walking are safe and pleasant transport options for everyone.

Active travel is a also key part of our efforts to tackle London’s toxic air. In September 2021, the Mayor announced that all our new buses will be zero-emission and accelerated our target of a 100 per cent zero-emission fleet from 2037 to 2034. This could be sooner with the right Government funding and this plan keeps the pathway open for 2030. In October 2021, we expanded the ULEZ out to the North and South Circular roads and on 29 August 2023, the ULEZ will expand London-wide. We are also investigating a distance-based scheme for the second half of the decade. We also remain committed to Vision Zero, the Mayor’s plan to eliminate deaths and serious injuries from our roads by 2041.

All this costs money. Following a number of short-term funding support packages, we secured a vital longer-term financial agreement with the Government on 30 August 2022, which means we can get on with the business of supporting London and its visitors. However, a genuine long-term capital funding settlement is needed if we are to tackle rising traffic levels and pollution, and reach the Mayor’s 2030 net-zero carbon goals. This will enable us to plan for a brighter future for our great city.
We have adopted a new way of thinking about our city as a network of green neighbourhoods and local businesses, all connected by environmentally sustainable ways to get around. With the right capital investment, we can accelerate the Mayor’s and our ambitious plans from 2041 to become a net zero-carbon city by 2030.

Extreme weather events, including heatwaves, flooding and severe storms, show that climate change is already impacting London. Within this plan, 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 borough.

Decarbonising our operations
As well as switching our bus fleet to zero-emission, decarbonising our buildings is key to achieving our ambition of net-zero operations by 2030. We have already developed our buildings’ carbon-emissions baseline, identifying key challenges and developing a strategy to reduce our carbon footprint.

We estimate that with an £108m investment, we could reduce our carbon emissions by 34 per cent and energy costs by 21 per cent, with a payback period of just nine years, and we have allocated £39m in this Business Plan over the next four years to begin delivering this. We will also seek to make use of the Mayor’s Green Bond to help further accelerate the decarbonisation of our estate.

We have secured grant funding of around £80,000 to develop heat decarbonisation plans at eight priority sites. We plan to source 100 per cent of our electricity from renewable sources by 2030, using power purchase agreements that will drive construction of new wind or solar farms.

Building capacity and capability
We already have sustainability at the core of everything we do and we want to ensure we become known as one of the best organisations to work for, and with, to deliver positive change. Our accredited TfL Carbon Literacy Course gives our colleagues a grounding in the climate emergency and climate science, an awareness of London’s ambition and the Mayor’s Transport Strategy actions, and focuses on what colleagues can do to reduce carbon through their work.

In September 2023, we will have the first intake of our new Sustainability Graduate and Apprenticeship scheme to help develop a strong pipeline of new talent.

Green infrastructure and biodiversity
We want to protect, connect and enhance our green infrastructure and the habitats on our estate to deliver a net gain in biodiversity. We have developed our first organisation-wide natural capital account and it indicates that nature across our network provides at least £328m of benefit to London and the wider society in present value terms. This will support the design and investment decisions to maximise the benefits from our green assets.

We have changed the way we manage our roadside verges to encourage biodiversity, mowing less often, where it is safe and practical to do so, to promote growth of wild flowers. More than 100,000 square metres of verge is managed in this way, with more planned. We are exceeding the Mayor’s Transport Strategy commitment of increasing the number of trees on our road network by one per cent each year.

Glyphosate is a commonly used weed killer, but can cause harm to humans and nature. We intend to eliminate our use of them as soon as we can, where operationally and financially possible, and no later than 2024. We will work with the market to find suitable alternatives where they do not currently exist for our operations.

We continue to work with partners to deliver schemes that utilise waste heat from the Underground and connect new local solar farms directly to our energy network. We have set aside £600,000 to support and accelerate this development work.

London’s strong green heartbeat
Our Sustainability Report and Corporate Environment Plan set out our ambitions to support London’s green and inclusive recovery.
Our colleagues

We have a fantastic opportunity to become the strong, green heartbeat for London. Our people are the key to making that vision a reality.

We are here to keep London moving forward safely, sustainably and inclusively, supporting London’s recovery from the pandemic. We need an operating model that is ready for the challenges we face today and those we will face in the future.

Our vision

Our vision is to be a strong, green heartbeat for London. It helps keep us focused on the vital role we have to play in delivering a sustainable, green future for our city. Thousands of our colleagues were involved in shaping our Vision and Values. We asked where they want to see us go and what we need to do to get there, ensuring we heard from different voices across the organisation that represent the great diversity of the city we serve. The actions, projects and initiatives that we will deliver to achieve our vision are organised under the themes of Colleagues, Customers, Finance and Green, and we have ambitious, time-bound targets to measure our progress.

We are a people-led organisation, with a community of 28,000 colleagues – together with our many thousand partner organisations including contractors, trade unions and third parties – at the heart of our success. All our colleagues contribute to our purpose to move London forward safely, inclusively, and sustainably. A healthy heartbeat comes from our people feeling supported to be their best at work. We want to ensure their day-to-day experience of working here is a positive one and that we have an employment offering that enables people to grow, while achieving a good work-life balance. That means building a workplace where everyone feels safe, valued and able to improve and develop, whatever their role and wherever they are in their careers.

We are working to create a more equal and inclusive organisation and city, but we recognise that we still have more to do to ensure London’s streets and public transport are equitable and accessible for all.

Our objective will help us improve London’s transport network for all and drive forward our vision for a more inclusive, diverse, equal organisation for our colleagues.

We also run the Stuart Ross Internship programme, which is designed to help more people from Black, Asian and minority ethnic backgrounds to work in the public relations, public affairs and marketing sectors.

A diverse team

Diversity and inclusion are at the heart of how we operate. We actively engage with all of London’s communities and work to ensure that the diverse voices of our stakeholders – including disabled Londoners, older Londoners and young Londoners – are at the heart of our decision making. The Inclusive Transport Forum, TfL Youth Panel, and Independent Disability Advisory Group all help us listen to, and act upon, the concerns of our customers, and our diverse Employee Network Groups celebrate both our differences and what unites us.

Our award-winning apprenticeship programme supports people of all ages, helping them to learn new skills while in employment. In September 2022, we created another 143 apprenticeship roles with a further 25 to start in January 2023. The number of Black, Asian and ethnic minority people hired on our graduate schemes has increased from 27 per cent in 2018 to 57 per cent in 2022.

Our objectives will help us improve London’s transport network for all and drive forward our vision for a more inclusive, diverse, equal organisation for our colleagues. We also run the Stuart Ross Internship programme, which is designed to help more people from Black, Asian and minority ethnic backgrounds to work in the public relations, public affairs and marketing sectors.
Our leadership team

As with the whole of the country, our staff have navigated and come through the uncertainty of a global pandemic. Our workforce has also been adapting to changes in our leadership team. We are thankful to our former Transport Commissioner Andy Byford for steering us through our funding negotiations with the Government, ensuring we were able to open the Elizabeth line and for championing our new Vision and Values organisational objectives. With Interim Transport Commissioner Andy Lord now taking up the helm, our organisation is in good shape to continue supporting London’s economic recovery.

The Commissioner is supported by our Chief Finance Officer, Rachel McLean with Patrick Doig resuming his role as Group Finance Director and the statutory Chief Finance Office. Glynn Barton is interim Chief Operating Officer and Stuart Harvey is Chief Capital Officer. Fiona Brunskill is our interim Chief People Officer with Tricia Wright becoming the Chief Officer for Pensions Review. Our Chief Safety, Health and Environment Officer is Lilli Matson, Alex Williams is our Chief Customer and Strategy Officer, Howard Carter is our General Counsel and Matt Brown is our Director of Communications and Corporate Affairs.

Attracting and retaining colleagues

We cannot deliver for London and Londoners without attracting and retaining the talent we need to deliver our Business Plan. This challenge has been heightened by the pandemic, financial constraints and the fact we are competing for talent in the employment market.

Our work will focus on ensuring we have the skills needed to deliver for London now, and in the future. Strategic workforce planning will help us to map out what is required by aligning our resourcing and business strategies. This includes aligning our graduate and apprentice programmes to meet future skills needs.

Our approach to reward will support the attraction and retention of key skills and consider how we adopt a more segmented approach to reward, focusing on rewarding talent with skills critical to our future success and structuring our pay and reward offer accordingly.

We are developing our performance review frameworks to be employee led. Matching the aspirations of our people with the future skills and capability we will need is how we provide career paths and retain key talent.
Our finances

Our Chief Finance Officer sets out our plans for how we are securing our financial future

From the day-to-day service provided by our colleagues to the delivery of major new projects, we are focused on rebuilding our passenger income and reducing our reliance on central Government funding for our operations. The improvement in passenger demand, which increased from around 25 per cent of pre-pandemic levels at the start of 2021/22 to around 80 per cent by the end of October 2022, is the financial foundation for this Business Plan.

We also need to build on existing, and find new sources of, income to improve our resilience for the future and to help us achieve our primary goal, which is to break-even on our operations by 2023/24, so that we will only require funding support for our investment programme. While we are making good progress with our savings plans, having delivered £400m of the £730m recurring savings target set in 2019, the pressures of managing inflation and the requirements of the most recent funding agreement mean that further efficiencies are needed. Therefore, the savings target in this Business Plan is increasing to £1bn recurring savings, meaning a further £600m per year needs to be delivered by 2025/26. This will be delivered by improving working practices, driving improvements for colleagues to make TfL a great place to work, and an approach to continuous savings, including supply chain efficiencies, targeting around two per cent savings per year after inflation.

This combination of improving and diversifying income and continuous improvement in our cost efficiency underpins our ability to plan effectively, deliver efficiently, and offer certainty for our colleagues, customers, and our supply chain. It also means that we can continue to invest with confidence. This Business Plan ensures that we continue to protect our critical assets and restores a level of expenditure to improve our network, reduce reliance on cars and improve air quality. We will achieve that by investing in safe and active travel, supporting environmental projects, and delivering our committed investment – including new Piccadilly line trains, DLR rolling stock, and more zero-emission buses, and further modernising the District, Hammersmith & City and Metropolitan lines. We will also further develop the Old Street area and station, and work towards the full integration of services across the Elizabeth line by May 2023.

Last year we set up our commercial property company, TTL Properties Limited, to achieve the commitment in the Mayor’s Transport Strategy to deliver 20,000 new homes, of which 50 per cent will be affordable, over the next 10 years, and generate a dividend that can be invested back into the transport network despite the progress and our positive plans for the future, this Business Plan has been developed at a time of great economic and political uncertainty. We do not underestimate the challenges ahead with the volatility on inflation, interest rates, energy prices and the labour market. We continue to work closely with Government to fulfil the strict conditions attached to the funding agreements, and there is further work to do to secure a longer-term capital funding settlement with Government beyond March 2024.

We are therefore managing our finances to maintain cash reserves at a prudent level and are maintaining an affordable level of debt to fund our investment. We are also grateful to the Greater London Authority for the facility of up to £500m that we can call on, which provides additional certainty and confidence in the balanced budget position that supports this Business Plan.

We are moving positively towards our goal of operational financial sustainability, and we are committed to a sustainable financial future for our customers, colleagues, and partners.

Rachel McLean
Chief Finance Officer

SIGNATURE
Key reporting themes

Our work is underpinned by the Mayoral priorities to ensure everything we do is safe, secure and inclusive.

As a publicly funded organisation, it is important that we are transparent about our finances, our investment priorities and the work we are planning to do to help shape our city.

Safety, sustainability and our environmental impact are a key thread throughout everything we do. In 2021, we launched our Sustainability Report and our Corporate Environment Plan, which outline our work to ensure we are a sustainable, safe and inclusive organisation.

Our projects and priorities are shaped by the ambitions of the Mayor’s Transport Strategy, which acknowledges the key role transport plays in shaping London and driving 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 Mayor’s Transport 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 during the pandemic, which underlined the importance of continuing to make progress on all elements of the strategy.

Key themes and outcomes

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.

These key themes are fundamental in our investment decisions and we use them to outline how we will improve transport and deliver the efficient and sustainable services that London needs. There are a number of outcomes that we are working towards, including improving the facilities for our colleagues to bring them up to the standard they deserve. We are also working to reduce our carbon footprint, which includes using Power Purchasing Agreements to secure fully renewable energy supply for our direct operations, including London Underground.

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.

Safe, Active, Efficient and Green

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.

Accessible, Quality and Connected

New homes and jobs

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

Sustainable and Unlocking
Progress towards our goals

In this Business Plan, we have prioritised investment where we most urgently need to make progress against the outcomes of the Mayor’s Transport Strategy.

To support medium-term planning, we have translated the 2041 dates to where we need to be by 2030 to be on trajectory to deliver the strategy.

The annual update on the Mayor’s Transport Strategy will be presented to the Board in spring 2023 and will show updated forecasts for how far our Business Plan will progress us towards these 2030 ambitions.

It should be noted that the pandemic affected our progress, between 2020 and 2022.

**Safe**

Percentage of people killed or seriously injured on London’s roads

<table>
<thead>
<tr>
<th>Current</th>
<th>2030 target</th>
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</thead>
<tbody>
<tr>
<td>-26% of 2010-14 average</td>
<td>-70%</td>
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</tbody>
</table>

Number of people injured on our services

<table>
<thead>
<tr>
<th>Current</th>
<th>2030 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,781</td>
<td>45% fewer injuries than current level</td>
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</tbody>
</table>

Our target is to eliminate all deaths and serious injuries from London’s transport networks. We are targeting investment to make London’s roads safer by lowering speed limits, strengthening the Direct Vision Standard and making junctions safer, as well as investing in our Bus Safety Programme, which includes speed limiting technology and autonomous braking systems.

**Efficient**

Number of car trips crossing cordons in central, inner and outer London

<table>
<thead>
<tr>
<th>Current</th>
<th>2030 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4m central London</td>
<td>-70%</td>
</tr>
<tr>
<td>0.5m inner London</td>
<td></td>
</tr>
<tr>
<td>1.1m central London</td>
<td>52%</td>
</tr>
<tr>
<td>0.5m inner London</td>
<td></td>
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</tbody>
</table>

This is measured by the number of car trips crossing cordons in central, inner and outer London. We continue to invest to prevent a car-led recovery, focusing on walking, cycling and bus priority projects.

**Active**

Percentage of Londoners doing 20 minutes of active travel a day

<table>
<thead>
<tr>
<th>Current</th>
<th>2030 target</th>
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<tbody>
<tr>
<td>35%</td>
<td>52%</td>
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</tbody>
</table>

This is measured by the proportion of Londoners doing 20 minutes of active travel a day. Our continued investment in safe and active travel will help bridge the gap, but with further investment required.

**Mode share**

Percentage of trips by sustainable mode share (public transport, walking or cycling)

<table>
<thead>
<tr>
<th>Current</th>
<th>2030 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>58%</td>
<td>68%</td>
</tr>
</tbody>
</table>

We expect sustainable mode share to increase as more people come back to public transport after the pandemic. The plan supports this recovery with the delivery of planned rail improvements, more bus priority and more investment in walking and cycling. However, further transformational programmes beyond this Business Plan would be required to reduce car usage enough to reach 80 per cent mode share by 2041.
We have significantly improved air quality in central and inner London through the ULEZ, which covers up to the North and South Circular roads. This plan will enable us to expand this London-wide in August 2023.

We measure carbon dioxide emissions from our network. We are prioritising investment on decarbonisation, including keeping the pathway open to a fully zero-emission bus fleet by 2030 and procuring green energy for the Tube.

Substantial cuts to the bus network have been avoided following additional funding from the Mayor. This plan avoids the significant reductions of up to 18 per cent previously planned.

We have made significant progress, with the whole Elizabeth line, around a third of Tube, half of London Overground stations, and all DLR, bus and tram stops are now step-free. This plan will complete committed schemes and seek to leverage third-party funding for further projects.
Quality

Average bus speeds (mph)

| Current: 9.6 | 2030 target: 10.2 |

We will deliver an additional 25km of Bus Priority schemes by 2025 to improve journey times and reliability. When the Silvertown Tunnel is completed in 2025, it will improve cross-river and surrounding journey times.

New homes and jobs

Proportion of people living in public transport accessible level 4 or higher (per cent)

<table>
<thead>
<tr>
<th>Current:</th>
<th>2030 target:</th>
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<tbody>
<tr>
<td>36% Greater London 56% Opportunity Area</td>
<td>36% Greater London 56% Opportunity Area</td>
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This is measured by the proportion of people living in public transport accessible level 4 or higher which means having good, very good or excellent access to public transport. We will work with the Greater London Authority, boroughs and developers to ensure public transport and active travel provision can reduce car usage. This includes leveraging developer contributions and pursuing third-party funded network extensions, such as a DLR extension to Thamesmead.
Securing our future

We are rebuilding our finances so we can achieve operational financial sustainability by 2023/24 and ensure we continue to support London’s recovery from the pandemic.
Building our resilience

This strategy, which is driven from our Vision and Values, sets out how we will ensure London continues to be strong as we support the recovery from the pandemic and future growth. We have outlined a number of objectives, with specific targets to measure our success.

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

- Increase passenger demand to 86 per cent for Tube and rail (excluding the Elizabeth line) and 91 per cent for buses of pre-pandemic levels by 2025/26
- Grow new revenue sources of at least £500m by 2023
- Increase non-fares revenue as a proportion of total income

Create and grow an operating surplus based on our own sources of income

- Reach operating financial sustainability by 2023/24
- Grow an operating surplus from 2024/25 onwards to fund investment

Maintain cash reserves to make payments and protect against shocks

- Maintain average cash balances of 60 days operating expenses, which is around £1.2bn
- Maintain Greater London Authority Financing Facility of £500m for additional protection against shocks and risks

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

- Continue to reduce like-for-like operating costs in real terms
- Deliver a further £600m of recurring operating cost savings by 2025/26

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

- Achieve a long-term funding settlement with Government
- Maintain an affordable level of debt based on a range of prudential indicators
Conditions of our funding agreement

Our funding from Government comes with a series of conditions that we must meet.

We have worked closely with the Government to fulfil the strict conditions that were attached to the short-term agreements and we will continue to work with them to ensure that the conditions of the long-term agreement are met.

Finance and modernisation

We need to identify operating cost savings to support our financial sustainability. Some of these have been enabled by the increased certainty provided by the funding agreement, but others remain under development. We are expected to continue to follow public sector pay guidance.

Service level review

We will largely maintain the overall volume of service operated on our networks, while ensuring our services match the changing needs of our customers.

New revenue sources

We are working with the Mayor to identify options to generate between £500m and £1bn of additional net revenue per year. We also expect to follow the fares policy of the national rail network.

Pensions

We had to consider options for our pensions scheme following the independent review by Sir Brendan Barber. On 27 September 2022, we submitted our response to the independent review to the Department for Transport (DfT). On 14 October 2022, we submitted a paper to the DfT that outlined potential options, including an option to make no changes to the scheme.

Capital programme

We are delivering our committed projects, with additional scope for capital renewals and active travel that have been enabled by the funding agreement. We will continue to provide funding to boroughs for investment in their streets as well as continuing to deliver our Capital Efficiency Plan.

Governance and reporting

We are regularly reporting progress against the funding agreement and its commitments.

Driverless trains

We are supporting the Department for Transport to assess the case for driverless trains.

Crossrail and Crossrail 2

We are committed to funding and completing the Elizabeth line and we are working with the Department for Transport to safeguard the route for Crossrail 2.

Hammersmith Bridge

The stabilisation works for the bridge are being led by the London Borough of Hammersmith & Fulham following the release of funding from us and the Department for Transport. We are working closely with them to ensure the bridge can reopen safely.

We need to identify operating cost savings to support our financial sustainability. Some of these have been enabled by the increased certainty provided by the funding agreement, but others remain under development. We are expected to continue to follow public sector pay guidance.
Funding sources

We have a range of sources for our funding, to cover both our income and our costs.

Income forecast 2022/23 (£bn)
- Passenger income: 1.6 (18%)
- GLA grants: 4.3 (48%)
- Government support: 0.2 (2%)
- Other income: 0.9 (10%)
- Cash reserves: 1.9 (22%)
- Total: £8.9bn

Income plan 2025/26 (£bn)
- Passenger income: 2.3 (21%)
- GLA grants: 0.6 (6%)
- Government support: 1.5 (14%)
- Other income: 0.6 (6%)
- Cash reserves: 0.9 (10%)
- Total: £10.9bn

Costs forecast 2022/23 (£bn)
- Operating costs: 0.6 (7%)
- New capital investment: 0.4 (5%)
- Net interest costs: 0.5 (5%)
- Total: £8.9bn

Costs plan 2025/26 (£bn)
- Operating costs: 1.4 (13%)
- New capital investment: 0.9 (8%)
- Net interest costs: 0.1 (1%)
- Total: £10.9bn
Forecasting and trends

There have been a number of challenges to our forecasting in recent years, including the pandemic and financial uncertainties.

The pandemic in 2020 gave us a huge forecasting challenge. Almost overnight, demand for our services fell dramatically as Londoners took heed of Government restrictions to minimise the spread of coronavirus and there was huge uncertainty over how the pandemic would evolve. Our forecasts have proven to be very accurate. Our demand forecasts have always been underpinned by independent data and statistics, and informed by our analysis of the effect of real events and our own expertise, but the unprecedented uncertainty caused by the pandemic required us to adapt our approach to forecasting.

Since 2020, we have used a scenario-based approach to demand forecasting as we continue to deal with the aftermath of the pandemic. Our scenarios are still underpinned by a range of external forecasts relating to the economy and population, but now also include a range of projections for the less reliable factors, such as COVID-19 infection rates and the commuting frequency of office workers.

As the capital emerges from the pandemic, we are now facing a cost-of-living crisis, with double-digit inflation and significant increases to both the cost of energy and interest rates. This will have a significant impact on household finances for our customers. These pressures have not been seen for decades and add further uncertainty to our forecasts, as the effect of these economic trends will have an uneven impact, with low-income households, renters and those paying large mortgages more likely to make cutbacks that will have an effect on the frequency in which they travel.

All forecasts are subject to a level of inaccuracy, especially looking further into the future. However, the uncertainty around the pandemic recovery, climate change, household finances, the UK’s trading relationships post-Brexit, the war in Ukraine and the macro-economic climate, make it more difficult than usual to forecast beyond the next two years. On 17 November 2022, the Office for Budget Responsibility forecast that inflation would be at around seven per cent in 2023 and that the UK economy would tip into recession lasting just over a year from the third quarter of 2022, with a peak-to-trough fall in gross domestic product of two per cent. Unemployment is also expected to rise from 3.5 per cent to a peak of 4.9 per cent in the third quarter of 2024. We will need to assess the impact of this new forecast on our Business Plan.

Our other operating income, which includes the Congestion Charge and ULEZ, is influenced by factors such as compliance levels and the number of exempt vehicles, and our commercial income is directly affected by market conditions. As well as external factors, such as inflation, our cost base is dependent on our cost reduction programmes. These plans are not without risk, and we will continue to assess the financial impact as plans progress to understand how they affect our targets.

Monitoring and assessing external and internal threat and opportunity indicators are key to our planning and reporting process, enabling us to respond to early warning signs and take actions to keep us on track.

Forecasting factors

There are unprecedented factors that have an impact on our costs, and our supply chains, forecasting reliability. These include:

- Coronavirus pandemic
- Cost of living crisis
- Post-Brexit uncertainty
- Macro-economic uncertainty
- International political landscape

As the capital emerges from the pandemic, we are now facing a cost-of-living crisis, with double-digit inflation and significant increases to both the cost of energy and interest rates.
We have a range of funding sources for capital investment, including the retained business rates provided by the Mayor and contributions from developers and the London boroughs. Like transport authorities around the world, we rely on funding from national Government to deliver major capital projects.

The Government funding settlement, which was agreed on 30 August 2022, provides around £800m for new capital enhancements until 31 March 2024. However, around £600m of this funding replaces the contribution we had previously assumed from a sale and buyback of rolling stock.

To make long-term investments, particularly on rolling stock and signalling programmes, we need long-term certainty on Government funding. The Government has consistently recognised in our funding settlements that we are not expected to fund major capital enhancements from our own operating incomes, as is consistent with other transport authorities. We look forward to discussions with Government in the near future to confirm this future capital funding.

Borrowing can play a role in the financing of capital projects, as it enables us to make vital improvements sooner by spreading the costs over time. Investing in our transport infrastructure involves high upfront costs. Borrowing enables us to make vital improvements sooner by spreading the costs over time.

The borrowing raised towards the end of this Business Plan will help finance our investment programme, including rolling stock and signalling replacements, new homes and growth, as well as air quality and decarbonisation.

We regularly review the amounts we can borrow, ensuring they are prudent, affordable and sustainable. The borrowing set out in this plan has been assessed against rigorous affordability criteria and we have not assumed any incremental borrowing until after we have reached financial sustainability.

Around £600m of incremental borrowing is anticipated in both 2024/25 and 2025/26, taking our outstanding borrowing to £14.0bn by the end of 2025/26, which is subject to a further assessment of affordability at this time. We also plan to refinance the borrowing due to mature throughout the period of this plan.
## Income statement

### Income statement (£m)

<table>
<thead>
<tr>
<th>TFL Group</th>
<th>2021/22 actual</th>
<th>2022/23 forecast</th>
<th>2023/24 plan</th>
<th>2024/25 plan</th>
<th>2025/26 plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger income</td>
<td>3,154</td>
<td>4,306</td>
<td>5,158</td>
<td>5,572</td>
<td>5,983</td>
</tr>
<tr>
<td>Other operating income</td>
<td>1,178</td>
<td>1,474</td>
<td>1,668</td>
<td>1,700</td>
<td>1,482</td>
</tr>
<tr>
<td>Business rates retention</td>
<td>1,844</td>
<td>1,819</td>
<td>1,867</td>
<td>1,985</td>
<td>2,025</td>
</tr>
<tr>
<td>Other revenue grants</td>
<td>1,789</td>
<td>1,024</td>
<td>274</td>
<td>242</td>
<td>245</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>7,965</td>
<td>8,623</td>
<td>8,967</td>
<td>9,499</td>
<td>9,735</td>
</tr>
<tr>
<td>Operating costs</td>
<td>(6,462)</td>
<td>(7,109)</td>
<td>(7,822)</td>
<td>(7,969)</td>
<td>(8,000)</td>
</tr>
<tr>
<td><strong>Operating surplus before interest and renewals</strong></td>
<td>1,503</td>
<td>1,514</td>
<td>1,145</td>
<td>1,530</td>
<td>1,735</td>
</tr>
<tr>
<td>Capital renewals</td>
<td>(551)</td>
<td>(635)</td>
<td>(725)</td>
<td>(775)</td>
<td>(850)</td>
</tr>
<tr>
<td><strong>Operating surplus before interest</strong></td>
<td>952</td>
<td>879</td>
<td>420</td>
<td>755</td>
<td>885</td>
</tr>
<tr>
<td>Net interest costs</td>
<td>(439)</td>
<td>(417)</td>
<td>(415)</td>
<td>(448)</td>
<td>(515)</td>
</tr>
<tr>
<td><strong>Operating surplus</strong></td>
<td>513</td>
<td>462</td>
<td>5</td>
<td>307</td>
<td>370</td>
</tr>
<tr>
<td><strong>Operating (deficit)/surplus (excluding Extraordinary Revenue Grant)</strong></td>
<td>(1,203)</td>
<td>(403)</td>
<td>5</td>
<td>307</td>
<td>370</td>
</tr>
</tbody>
</table>
This plan sets out how we will achieve our goal of being operationally financially sustainable by 2023/24, without revenue support from the Government. We will achieve this by continuing to grow our revenue while continuing to deliver recurring operating cost savings. This means our revenue will cover operating, renewals and net interest costs and create a growing operating surplus from 2024/25 onwards to help fund new capital investment.

During the period of the funding settlement to March 2024, our passenger income is set to the Department for Transport’s revenue scenario and includes its planning assumption for an annual national fare increase of four per cent in March 2023 and March 2024.

For 2024/25 and 2025/26, we have maintained the planning assumption of an annual fare increase of the retail price index plus one per cent, consistent with our last Business Plan in 2019. The actual level of fares are set by the Mayor on an annual basis. The passenger demand assumption is steady growth in line with current trends to 86 per cent of pre-pandemic demand for Tube and rail modes (excluding the Elizabeth line), and 91 per cent for buses by December 2025.

Other operating income increases over the plan, based on the London-wide ULEZ scheme being implemented in 2023/24. We are also seeking to grow our non-fares revenue through commercial media and partnership activity.

We have included a further revenue target to generate £140m per year from 2025/26, by actively growing customer demand above the current trend, reducing fare evasion and increasing other income sources.

In 2021/22, we received £1.84bn through retained business rates and expect to receive slightly less in 2022/23. The level of funding going forward is in line with the Greater London Authority’s baseline scenario set out in the Mayor’s Budget Guidance and rises in line with inflation.

Other revenue grants in 2021/22 and 2022/23 include the Extraordinary Revenue Grant from Government that has supported our operations during the pandemic. The values from 2023/24 include the Mayor’s council tax precept proposal to increase band D Greater London Authority council tax in 2023/24 by £20 and again in 2024/25, subject to the GLA Group budget setting process incorporating the Mayor’s proposed increase in the council tax referendum principles for future years for the Greater London Authority.

Operating costs increase over the plan with the introduction of new services, including the Elizabeth line and London-wide ULEZ and the high level of inflation. However, in this plan we are forecasting to save a further £600m by 2025/26 across our overall operations and maintenance activities, taking the total recurring saving to £1bn per year. This action means that like-for-like costs are reducing in real terms.
Capital expenditure

Our capital programme is in line with the funding settlement envelope agreed with Government over the two-year period for 2022/23 and 2023/24. This delivers our committed projects, with additional scope for capital renewals and active travel that have been enabled by the funding agreement. We will continue to provide funding to boroughs for investment in their streets, although this is accounted for as operating expenditure. The total investment in safe and active travel, across both operating and capital expenditure, is an average of £150m per year across this Business Plan.

Having constrained our investment in capital renewals to between £400m and £600m per year for the last five years, against an estimated steady state requirement of around £1bn per year, this Business Plan sets out a renewals investment plan that builds up to a sustained level of around £850m. We will invest to improve our asset data, monitoring and analytical tools to help us target our investments and ensure we achieve best value for money.

<table>
<thead>
<tr>
<th>Project</th>
<th>2022/23 forecast</th>
<th>2023/24 plan</th>
<th>2024/25 plan</th>
<th>2025/26 plan</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major rolling stock and signalling replacement</td>
<td>465</td>
<td>776</td>
<td>936</td>
<td>940</td>
<td>3,117</td>
</tr>
<tr>
<td>Safe and active travel</td>
<td>77</td>
<td>108</td>
<td>75</td>
<td>75</td>
<td>335</td>
</tr>
<tr>
<td>New homes and growth (excluding TTLP)</td>
<td>15</td>
<td>71</td>
<td>101</td>
<td>98</td>
<td>285</td>
</tr>
<tr>
<td>Technology</td>
<td>75</td>
<td>108</td>
<td>60</td>
<td>41</td>
<td>284</td>
</tr>
<tr>
<td>Air quality, environment and decarbonisation</td>
<td>68</td>
<td>143</td>
<td>52</td>
<td>14</td>
<td>277</td>
</tr>
<tr>
<td>Service performance and safety</td>
<td>47</td>
<td>42</td>
<td>70</td>
<td>42</td>
<td>201</td>
</tr>
<tr>
<td>Other</td>
<td>85</td>
<td>44</td>
<td>57</td>
<td>140</td>
<td>326</td>
</tr>
<tr>
<td><strong>Total enhancements</strong></td>
<td><strong>832</strong></td>
<td><strong>1,292</strong></td>
<td><strong>1,351</strong></td>
<td><strong>1,350</strong></td>
<td><strong>4,825</strong></td>
</tr>
<tr>
<td>Crossrail</td>
<td>247</td>
<td>48</td>
<td>-</td>
<td>-</td>
<td>295</td>
</tr>
<tr>
<td>Renewals</td>
<td>635</td>
<td>725</td>
<td>775</td>
<td>850</td>
<td>2,985</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,714</strong></td>
<td><strong>2,065</strong></td>
<td><strong>2,126</strong></td>
<td><strong>2,200</strong></td>
<td><strong>8,105</strong></td>
</tr>
</tbody>
</table>

The total investment in safe and active travel, across both operating and capital expenditure, is an average of £150m per year across this Business Plan.
We plan to spend an average of £1.35bn per year of new capital investment. Over this Business Plan, we will invest in:

**Rolling stock and signalling replacements**
This includes new Bakerloo and Piccadilly line trains, and DLR trains, replacement trams and new signalling on the Bakerloo and Piccadilly lines, subject to long-term certainty on Government funding.

**Safe and active travel**
This includes new cycleways, safer junctions, completing the Old Street scheme, as well as starting larger projects such as works on Lambeth Bridge junction.

**Sustainable housing and accessibility**
This area includes schemes supported by our funding to help unlock sustainable housing and accessibility projects, and Housing Infrastructure Fund schemes on the London Overground in east London and the DLR.

**Technology**
This includes externally funded projects, together with investment to safeguard our revenue payments, deliver deployable enforcement cameras and improve cyber security, as well as investing in customers through our TfL Go app.

**Air quality, environment and decarbonisation**
This includes the upfront investment in the London-wide ULEZ and funding for decarbonising our operational buildings and offices, as well as continued investment in reducing emissions from our bus fleets.

**Service performance and safety**
This includes work to deliver the Silvertown Tunnel, our Vision Zero action plan, our Bus action plan and Bus Safety Standard, and externally funded Royal Docks improvement works.

**Other areas**
This includes improvements to our income-generating estate, work to upgrade Elephant & Castle station, and provide funding to help end inappropriate behaviour and violence against women and girls on public transport.

**Funding our capital programme**
Delivering a sustainable and growing operating surplus is critical to supporting the funding of our capital programme. However, as the Government have recognised, it is not possible for us to fund major capital enhancements, such as replacing life-expired rolling stock and signalling, from our operating revenue.

In 2023/24, as we reach operating financial sustainability, all the Government funding we receive from the current funding settlement will be ring-fenced for our capital programme.

This Business Plan sets out the requirement for ongoing Government capital funding for rolling stock and signalling programmes. We need certainty on this long-term funding to place orders with the supply chain and start to deliver these major programmes. We look forward to our discussions with Government in the near future to confirm this future capital funding.
As we return to financial sustainability, and deliver an operating surplus without emergency Government funding, we can use borrowing to finance capital projects from future operating surpluses, enabling us to make vital improvements sooner by spreading the costs over time.

We regularly review the amounts we can borrow, ensuring they are prudent, affordable and sustainable. The borrowing set out in this plan has been assessed against rigorous affordability criteria and we have not assumed any incremental borrowing until after we have reached financial sustainability.

Around £1.2bn of incremental borrowing is anticipated in the plan, taking our outstanding borrowing to £14bn by the end of 2025/26, but this will be subject to a further assessment of affordability before any borrowing is taken. The initial tranche of borrowing in 2023/24 is to fund the implementation of the London-wide ULEZ and is likely to be financed through the Greater London Authority Green Bond programme. This will be repaid through the revenues generated from the scheme.

We also plan to refinance the borrowing due to mature throughout the period of this plan, although the plan does see the repayments starting for the Crossrail loan from Government.

Managing our cash reserves
To support our financial resilience, we must maintain cash reserves to make payments and protect against shocks.

During the current funding settlement, our funding conditions require us to maintain our average cash reserves at no more than £1.2bn. After the end of the funding settlement, we will return to our Treasury Policy of maintaining a minimum cash reserve equivalent to 60 days of operating expenses. This is currently around £1.2bn but will grow as we introduce new services such as the Elizabeth line and London-wide ULEZ, and will be at around £1.4bn in 2025/26. This is a prudent cash position that enables us to respond to unexpected shocks, such as a recession.

Our cash reserves also increase in 2023/24 as the cashflow profile of our large rolling stock contracts does not match the profile of that the capital expenditure that is recognised. This creates a positive working capital movement, which then unwinds in 2025/26 and later years.

<table>
<thead>
<tr>
<th>Cash flow statement (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TFL Group</strong></td>
</tr>
<tr>
<td><strong>2021/22 actual</strong></td>
</tr>
<tr>
<td><strong>2022/23 forecast</strong></td>
</tr>
<tr>
<td><strong>2023/24 plan</strong></td>
</tr>
<tr>
<td><strong>2024/25 plan</strong></td>
</tr>
<tr>
<td><strong>2025/26 plan</strong></td>
</tr>
<tr>
<td>Net cash generated by operating activities</td>
</tr>
<tr>
<td>Less TTL Properties Limited, London Transport Insurance (Guernsey) Limited and London Transport Museum</td>
</tr>
<tr>
<td>Net cash generated by TFL operating activities</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
</tr>
<tr>
<td>Capital renewals</td>
</tr>
<tr>
<td>New capital investment</td>
</tr>
<tr>
<td>Ring-fenced capital funding</td>
</tr>
<tr>
<td>Working capital movements</td>
</tr>
<tr>
<td>Net cash utilised by investing activities</td>
</tr>
<tr>
<td>Free cash flow</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
</tr>
<tr>
<td>Net interest paid</td>
</tr>
<tr>
<td>Debt repayment</td>
</tr>
<tr>
<td>New TFL borrowing</td>
</tr>
<tr>
<td>Net cash generated from financing activities</td>
</tr>
<tr>
<td>Net (decrease)/increase in cash</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TFL</strong></td>
</tr>
<tr>
<td><strong>2021/22 actual</strong></td>
</tr>
<tr>
<td><strong>2022/23 forecast</strong></td>
</tr>
<tr>
<td><strong>2023/24 forecast</strong></td>
</tr>
<tr>
<td><strong>2024/25 plan</strong></td>
</tr>
<tr>
<td><strong>2025/26 plan</strong></td>
</tr>
<tr>
<td>TFL cash balances</td>
</tr>
</tbody>
</table>
**Growing our income**

**It is more crucial than ever that we grow a stream of non-fares revenue**

Aside from our fares revenue, we have income streams from a wide range of sources. These include areas like business rates retention and income from the Mayor’s precept on council tax, which are forecast to generate £1,819m and £114m respectively in 2022/23. We also receive income from Mayor’s Community Infrastructure levy, which is entirely committed to funding our Crossrail works, which is forecast to bring in £160m in 2022/23.

Other areas include taxi and private hire license fees, providing £38m in 2022/23 and administration fees from people obtaining concessionary tickets, which will generate £21m in 2022/23.

**Commercial Media and Partnerships**

Our Commercial Media and Partnership activity seeks to grow sustainable non-fares revenue while enhancing our customers experience and our brand.

Even though the last few years have been volatile, we continued to drive commercial media revenues and build successful commercial partnerships. We have maintained our ability to attract brands and deliver creative executions that have made national, and even global, headlines.

Our advertising estate is one of the largest in the UK out-of-home market, reaching a diverse and engaged population of millions. Over the past few years, we have significantly upgraded our digital advertising infrastructure, including installing even more exciting advertising assets on the Elizabeth line.

Our use of data, coupled with our partners’ innovative use of technology, gives brands and their agencies planning tools and access to our estate, which is further helping the strong recovery across our advertising revenues.

We are showcasing new and ground-breaking ways of working with brands. This includes innovative brand activations on the Underground, creative collaborations using our globally recognised symbols, and managing the filming of Hollywood blockbusters across the network.

**Green pipeline**

We are working to develop a green project pipeline of environment projects, including co-creating projects with other organisations and authorities in London. Our ambition is to develop as many opportunities as possible to investment grade so that we can unlock private investment, grants partnerships and revenue generating energy projects as soon as they are available to support London’s transition to sustainability.

100% of the revenues we receive are reinvested back into the network to help keep London moving.
Our property portfolio

We are one of the largest landholders in London and play a key role in delivering the housing our city needs. We want to make the best use of our land and property, helping provide thousands of new homes at a variety of tenures and price points across London to support our city.

There is also a pressing need to decarbonise London, with an increased demand for environmentally sustainable spaces that enable and encourage the use of sustainable transport. Working with the Mayor and the Government, we agreed to set up a self-financing property company, currently called TTL Properties Limited. This property company, launched in April 2022, is a wholly owned subsidiary, which has access to commercial funding. This means we can confidently commit to long-term investments, including our build-to-rent projects at Arnos Grove, Montford Place and Nine Elms as well as investment in our existing assets.

We have more than 2,000 commercial units on our estate, including around 800 commercial railway arches, offering space for retail, industrial and office use. We are proud to be a powerhouse for small business, and 93 per cent of our tenants are small- and medium-sized businesses.

Our investment is targeted in assets at key gateway locations like Whitechapel and Victoria. Working with local communities we are also investing into our existing assets, such as our 51 railway arches at Kilburn, which we are consulting with local communities on how to get them back into use and inject new life to the area.

- **20,000** homes targeted to be delivered over the next 10 years
- **1,750** homes currently under construction
- **2,500** homes planned to start construction by the end of 2022/23
The initial phase of our £730m change programme started in 2019/20 and delivered annualised recurring savings of almost £400m, at £398m by the end of 2021/22. These savings have largely offset the impact of inflation over this time, such that on a like-for-like basis, after adjusting for new services, restructuring and other one-off costs, our operating costs have not only remained flat since 2019/20, but have come down by £400m in real terms. This was driven by our existing change programme and our firm cost control during the coronavirus pandemic.

While good progress is being made with our savings plans, having delivered £400m of the £730m recurring savings target set in 2019, the pressures of managing inflation and the requirements of the most recent funding agreement mean that further efficiencies are needed. Therefore, in this Business Plan, the savings target is increasing to a total of £1bn recurring savings, meaning a further £600m per year needs to be delivered by 2025/26. This will be delivered through a improving working practices, driving improvements where possible for colleagues to make TfL a great place to work, and an approach to continuous savings, including efficiencies within our supply chain.

We will optimise our procurement and commercial approach to deliver savings across our third party expenditure, including our operational concessions, other key operating and maintenance contracts and our head office accommodation. We will also maintain tight controls on recruitment and overtime.

In the short term, our like-for-like costs will rise as we are not able to fully offset the impact of high inflation. However, with our savings programme, we expect like-for-like costs in nominal terms to fall by more than £450m, or eight per cent, compared to 2021/22.
Working with our supply chain

We have developed positive and collaborative relationships with our suppliers

Despite the financial uncertainty we have faced, we have targeted investments to maintain and adapt our assets and to accelerate key schemes. When our revenue plummeted, we needed to offer reassurance to our supply chain while simultaneously negotiating a long-term funding agreement with the Government. Maintaining such relationships became ever more important as we support economic growth not just in London but for regions across the UK.

With the much-needed pivot to a green agenda, London is already supporting a vibrant and burgeoning green economy. We want to help grow this further by providing sustainable transport options, which will attract new green businesses to the city and support the creation of new green jobs throughout the UK. This new agenda is helping to foster confidence in us from our suppliers and stakeholders, and we continue to drive efficiencies through our contracting process.

Our supply chain is vital to helping us improve services, including modernising the Tube and delivering our Bus action plan, help us to forge an understanding and cooperative way forward with our supply chain. They set out our approach to delivering social value, driving economic development and demonstrating environmental sustainability in our projects and procurement activity. They also help tackle the climate emergency, as well as balancing a host of wider environmental, social, and economic issues.

For the first time in London’s history, some of the capital's biggest organisations have committed to working together through the London Anchors Institutions’ Network. We are a founding signatory of the network’s charter and strive to use our purchasing power to maximise opportunities for London’s smaller businesses following the pandemic. Through the network, we are also helping young people to flourish and access support and opportunities, and accelerating the delivery of a cleaner, greener London.

No one can predict the international political landscape and the Russian war in Ukraine is testament to this. We do not source any of our gas supply from Russia or Belarus, and we monitor our direct suppliers and our supply chain to ensure that we do not knowingly trade with businesses from Russia or Belarus.

We work with suppliers from across the UK to support our operations. These are just a few of them:
This Business Plan is our first long-term financial plan to be published in three years. In contrast to the deterioration in services and pausing of major programmes that was threatened by a managed decline scenario if we did not achieve agreement with Government in August, this plan puts us on a pathway towards financial sustainability, where we can reinvest in our renewals and enhancements programmes.

Nonetheless, in the medium term, our finances remain constrained as we become independent of financial support from central Government for our operating budget. Beyond existing contractual commitments and safety-critical activities, further investment will remain limited. To best prioritise our limited resources, we have assessed investment options against our strategic outcomes and long-term commitments. These include those in the Mayor’s Transport Strategy and our asset management objectives, as well as other corporate plans.

We have identified the outcomes we most urgently need to prioritise to meet our long-term ambitions. This Business Plan prioritises our investment in our road safety programme to meet our Vision Zero goal of having no deaths or serious injuries on London’s road network by 2041.

Our Business Plan also increases investment in our asset renewals programme. This will help us improve service quality and reliability, as well as deliver against a wider set of outcomes such as decarbonisation, Vision Zero for safety and climate-change adaptation.

Investment in additional rail capacity has been deprioritised to align with our latest demand forecasts, which show we will have excess public transport capacity in the medium term. The exception is for programmes that are fully funded by third-parties, for example where additional public transport capacity is required to unlock new housing.

As we become financially sustainable, it is more important than ever that we seek to leverage opportunities to increase our revenue and decrease our operational expenditure. Our Business Plan prioritises projects that will be financially viable within three to five years, thereby supporting our plans to become financially sustainable. This includes energy efficiency projects, which will reduce our expenditure and contribute to meeting our environmental goals.
Healthy Streets and healthy people

Together with London’s boroughs, we are creating streets that are accessible, safe, green and inclusive. This includes funding of £69m a year for the boroughs and externally funded projects, together with investment to safeguard our revenue payments.
Zero
people killed or seriously injured on our roads and our services by 2041

Safe streets

As part of our Safe Systems approach we will continue to invest in safe and healthy streets. We will continue work to lower speed limits on our roads and progress the next stage of our Direct Vision Standard, as well as continuing to make our buses safer through our Bus Safety programme.

Lower speed limits

Lowering the speed of vehicles in London is key to reducing both the likelihood of a collision and the severity of the outcome. By working with London’s boroughs, nearly half of London’s roads now have a 20mph speed limit, as do more than 100km of our roads.

We will continue to lower speed limits across London to reduce road danger, with plans to introduce a 20mph speed limit on a further 28km of roads in the boroughs of Camden, Hackney, Haringey, Islington and Tower Hamlets by early 2023.
Working closely with Islington and Hackney Councils, we are transforming Old Street. Two new station entrances have been designed to enhance the location. We are completely remodelling the retail arcade and installing two lifts to connect the surface to the retail arcade, all of which will improve the experience for our customers.

This is a busy section of the inner ring road, so our investment will make the highway safer and more inviting for people to walk and cycle, and more pleasant to walk into and around the station, and change between trains and buses. We have removed the roundabout to create a two-way junction, and there will be new segregated cycle lanes throughout and a large new public space with seating, picnic tables, trees and shrubs for people to enjoy this iconic part of London.

Old Street Roundabout

Making more junctions safer

Our Safer Junctions programme targets locations where the greatest numbers of people have been killed or injured while walking, cycling or riding motorcycles and we have already redesigned 43 junctions as part of it. We will start construction of safer junction schemes at Holloway Road/Drayton Park and Battersea Bridge, subject to consultation, as well as working on pedestrian and cycling improvements at Lambert Bridge North and South, and Manor Circus. We will also work with the London Borough of Camden on improvements at Holborn, including Holborn Gyratory.
We continue to make our buses safer through our Bus Safety Standard, with 849 buses, which is around nine per cent, already meeting the standard safety measures. Up to 2,600 buses are expected to meet the standard by the end of the Business Plan period, assuming fleet renewal contracts happen as planned. Improvements delivered so far include fitting more than 3,000 buses with Intelligent Speed Assistance Technology, which limits the speed of the buses. Other safety measures include camera monitoring systems that help to reduce blind spots, with 655 buses fitted, and an Acoustic Vehicle Alerting System for quiet-running buses, with 709 buses fitted so far.

Improving safety of buses

Direct Vision Standard

Our Direct Vision Standard requires all heavy goods vehicles weighing more than 12 tonnes to hold a safety permit, based on the star rating from zero (lowest) to five (highest), corresponding to the amount the driver can see directly from the cab windows. The majority of vehicles, around 112,000, are rated zero-star and must have a range of safe systems fitted to obtain a permit. This helps to improve protection for people walking, cycling or riding e-scooters or motorcycles.

The second phase of the Direct Vision Standard, which is under development, will tighten the standard in 2024 to further improve the safety of vulnerable road users.

Improving safety of buses  

Direct Vision Standard

- 191,000 Direct Vision Standard permits issued so far
- 4,000 heavy goods vehicles rated as five-star

Direct Vision Standard

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- 191,000 Direct Vision Standard permits issued so far
Active streets

Following our latest funding agreement, we have been able to resume spending on our Healthy Streets programme. Within this Business Plan, we will continue to invest £150m per year in our Healthy Streets programme, working with boroughs to enable more people to walk, cycle and use the bus, as part of our aim for 80 per cent of trips in London to be by sustainable modes.

Priority traffic signalling

Our Healthy Streets signals programme is helping to prioritise sustainable modes at traffic signals on ours and borough roads. By making changes to signals at key junctions, we have saved 12,592 hours every day for people walking, cycling and using the bus. This includes saving almost 8,800 hours every day for bus passengers and reducing pedestrian wait time at 53 sites identified by community stakeholders.

Following a successful trial, we will continue to develop new pedestrian priority signals from 2023. These will show a continuous green person to pedestrians until a vehicle is detected approaching the crossing. The signal then changes to red for pedestrians, enabling the vehicle to cross the junction before returning to a green for pedestrians.

Data from the trial suggests that the pedestrian priority signals reduced journey times for people walking and made it easier and safer for them to cross. The average location involved in the trial displayed a green pedestrian signal for an extra 56 minutes a day. Compliance with traffic signals by people walking increased by 13 per cent, reducing the risk of a collision with a vehicle.
Our cycling investment has led to the highest, safest and most inclusive levels of cycling on record. Significant expansion of the cycle network means that 22 per cent of Londoners now live within 400 metres of our Cycleways network. This means we are making good progress against one of the two key targets in our Cycling action plan – to increase the proportion of Londoners living within 400 metres of the London-wide cycle network to 28 per cent by 2024.

Over the next two years, as well as completing existing schemes, we will begin construction on up to 14km of additional cycleways and progress with design work for a further 16km of cycleways.

Encouraging more people to cycle

11.8 million
 hires made on our Santander Cycles scheme in 2021/22

5,000
 parking spaces delivered in the past two years

Introducing School Streets

More than 500 School Streets, which are roads that are closed to traffic during school drop-off and collection times, have been introduced by the London boroughs since the start of the pandemic. Of these, 372 have been funded with support from the Greater London Authority and us. Including those delivered before the pandemic, this brings us to more than 500 School Streets.

The focus on schools means that we have already exceeded one of the two key targets in our Walking action plan – to increase the proportion of trips to primary schools made on foot to 57 per cent by 2024. Our latest estimates suggest that 58 per cent of primary school children are walking as their main mode of transport (2017-2019). We have now set a new stretch target of 60 per cent of primary school children walking to school by 2026.

58%
of primary school children walk as their main way of getting around
Efficient travel

We want London’s streets to be more efficient and have less traffic on them. This includes delivering an extra 25km of bus priority schemes to improve reliability and bus journey times, as well as opening the Silvertown Tunnel in 2025 and continuing feasibility work on future road user charging schemes.

Efficient freight traffic and deliveries

As London grows, so will the demand for freight, servicing and deliveries. Accommodating this efficiently means finding new and innovative ways to move freight in London. Our aim is to reduce morning peak freight transport in central London by 10 per cent by 2026. Initiatives to support efficient ways of moving freight in 2021/22 included continuing to support the use of the Thames and London’s waterways in major construction projects.

We have been working with Network Rail to produce a Rail Freight Strategy for London, setting out how we will work with partners to move freight from road to rail. We also continue to roll out ‘click and collect’ lockers on our premises to consolidate deliveries and reduce emissions.

Reducing traffic on our streets

The only long-term, sustainable way to make our streets efficient is by reducing the amount of motorised traffic in London. This means taking action in a range of areas including prioritising walking, cycling and buses, encouraging efficient ways of moving and managing freight, and exploring ways of managing demand for road space.

Sustainable modes such as walking, cycling and buses take up significantly less space than cars, making them the most efficient ways to move people on London’s streets. By prioritising space for sustainable modes, we can make the most efficient use of London’s limited road space.

10-15% reduction in overall traffic levels between 2015 and 2041 is the ambition of the Mayor’s Transport Strategy.

300,000 tonnes of excavated material moved by barge as part of the Northern Line Extension, removing around 20,000 lorry journeys.

3 million fewer daily car trips by 2041, equivalent to around 30 per cent.
We continue work on the new 1.4km twin-bore road tunnel under the Thames, which will link Silvertown to the Greenwich Peninsula in east London. Together with road user charging at the Blackwall and Silvertown Tunnels, the scheme will effectively eliminate chronic congestion, poor reliability and a lack of resilience at the Blackwall Tunnel. This will support an overall improvement in air quality in the area, alongside measures such as the expanded Ultra Low Emission Zone. The new tunnel, which we plan to open in 2025, will also enable better public transport links, including more cross-river journeys by new zero-emission buses. A comprehensive programme of air quality and traffic monitoring and modelling is under way to inform setting the initial user charges, planning the new bus services and ensuring the scheme delivers its planned benefits once open. Our plans also include improvements for walking and cycling, and the areas near the tunnel entrances as part of major regeneration of both sides of the river.

Working with our contractor, Riverlinx, major construction works continue with the tunnel boring machine expected to complete the main tunnel drives in 2023. Engagement with the local community will also continue and we are committed to ensuring we minimise the impacts of the scheme on local residents and businesses, including by using the river to transport materials wherever possible to remove thousands of lorry movements from the roads.

Creating efficient streets will require measures to manage demand. We have now started to explore how a new kind of integrated road-user charging system could be implemented to improve safety, air quality, address climate change and reduce congestion. This could also support health and wellbeing for Londoners by creating a greener, more sustainable city for active travel.

Road user charges
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Bus priority programme
We are working closely with the boroughs to progress schemes that prioritise buses on London’s streets. We will deliver an extra 25km of bus lanes by 2025 to improve reliability and bus journey time across London, which will help make buses an attractive option for people.

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Green travel

We want London’s streets to be cleaner and greener. In August 2023, we will extend the Ultra Low Emission Zone London-wide. We are also committed to decarbonising our operations and deliver a zero-emission bus fleet, as well as upgrading our support fleet to become zero-emission.

90% reduction in the number of Londoners living in areas exceeding legal limits for nitrogen dioxide between 2016 and 2019

19% reduction in particulate matter 2.5 across London since 2016

24,581 trees on our roads, a two per cent increase in comparison with last year

60-70% reduction in average nitrogen dioxide concentration in central, inner and outer London by 2041

100,000m² of wildflower verges along our road network

Innovative bus charging technology

With demand for electric charging increasing, we are working with the boroughs and the private sector to increase the supply of charging points to support the shift to electric vehicles. We are also working with bus manufacturers and operators to develop a vibrant and competitive zero-emission market, alongside our work with stakeholders to ensure infrastructure is available to enable the transition. In September 2022, we introduced pantograph technology at Bexleyheath bus garage to provide fast, high-power top-ups 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. Each top-up takes less than 10 minutes, enabling buses to travel further each day. The short top-up time and longer distance each bus can cover means fewer buses are needed to provide the same high level of service, allowing resources to be reinvested into other areas of the network. With the varying length and requirements of London’s bus routes, the introduction of this new technology ensures that infrastructure is in place to further support our zero-emission ambitions.

From 2023, we will extend this work with pantographs conveniently located at each end of route 358 between Crystal Place and Orpington.
In October 2021, we expanded the Ultra Low Emission Zone (ULEZ) from central London up to, but not including, the North and South Circular roads, making it the largest zone of its kind in Europe. Research published in a report of the first six months of the expanded zone, published in July 2022, showed that the ULEZ has already been hugely successful in central and inner London, helping to reduce roadside pollution levels by 44 per cent in central London and 20 per cent in inner London.

We need to go further. In January, the Mayor published an independent report to develop pathways toward his target of London reaching net-zero carbon by 2030. As well as the urgent need to reduce carbon emissions and address climate change, we still need to reduce toxic air pollution and cut congestion.

Following a 10 week consultation between May and July 2022, the Mayor announced a London-wide expansion of the ULEZ in August 2023, which will be supported by a scrappage fund to help low income and disabled Londoners, charities, micro-businesses and sole traders to scrap or retrofit their non-compliant vehicles.

Expanding the ULEZ London-wide will save 27,000 tonnes of carbon dioxide in outer London, nearly double that which the central London ULEZ achieved in its first year of operation.

Ultra Low Emission Zone extension

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We need to go further. In January, the Mayor published an independent report to develop pathways toward his target of London reaching net-zero carbon by 2030. As well as the urgent need to reduce carbon emissions and address climate change, we still need to reduce toxic air pollution and cut congestion.

Following a 10 week consultation between May and July 2022, the Mayor announced a London-wide expansion of the ULEZ in August 2023, which will be supported by a scrappage fund to help low income and disabled Londoners, charities, micro-businesses and sole traders to scrap or retrofit their non-compliant vehicles.

Expanding the ULEZ London-wide will save 27,000 tonnes of carbon dioxide in outer London, nearly double that which the central London ULEZ achieved in its first year of operation.

Sustainable drainage

We are working to support the Mayor’s Transport Strategy target of 50,000 additional square metres draining through Sustainable Drainage System every year on London’s roads.

We have agreed a funding grant worth more than £0.6m from Thames Water to deliver multiple sustainable drainage projects on our roads by 2025 to help reduce the risk of surface water flooding. There are four major projects planned that will receive run-off from more than 23,000 square metres of catchment. All future road renewal projects will consider sustainable drainage systems that could help support biodiversity.

This is in addition to up to £2m per year that we have allocated in our Business Plan for climate change adaption measures, including sustainable drainage.

Working towards a zero-emission bus fleet in London

London has led the way in the electrification of buses in the UK, with more than 850 zero-emission buses already on the road across the capital.

In September 2021, the Mayor announced that all new buses in our fleet will be zero emission and accelerated our plan of delivering a 100 per cent zero-emissions bus fleet from 2037 to 2034.

Making London’s bus fleet – the largest in Europe – zero-emission will give British bus manufacturers the confidence in large order requests and enable them to significantly ramp up production. This will enable local authorities to progress towards zero-emission targets that would not be possible otherwise. In this way the acceleration of London’s shift to zero-emission is bringing down costs and enhancing products for the entire country.

With additional Government funding, we could make the bus fleet zero-emission by 2030, which would save five million tonnes of carbon.

44%
Lower nitrogen dioxide emissions in central London as a result of the Ultra Low Emission Zone

94%
94% of vehicles seen driving in the zone meet the ULEZ standards, up from 39 per cent in 2017

50%
50% of new bus orders in the UK come from London
A good public transport experience

We are working to ensure our transport network works for all Londoners, which includes boosting connectivity, enhancing our existing services and improving the accessibility of our network.
Accessible travel

Public transport will be safe, affordable and accessible to all. This includes continuing our work to extend the number of step-free stations. We have submitted bids for Levelling Up funding at Colindale and Leyton stations. We will also start a new programme to improve safety for women and girls, including policy reviews, service improvements, technology solutions, communication and engagement, and culture and training.

Reducing crowding at our Tube stations

During 2021/22, we added functionality to our TfL Go app with real-time information on how busy Underground stations are, further reassuring customers as they return to the network. For the first time, we are also showing detailed accessibility information for stations and platforms, including live step-free access status based on lift availability.

Keeping our colleagues and customers safe

Over the past year, we have worked with transport police and community groups to launch a poster campaign across the network to highlight our zero-tolerance approach to hate crime and abuse.

We are also tackling violence against women and girls by rolling out sexual harassment training to our frontline customer service staff and enforcement officers to help them respond to reports, support customers and each other, and challenge behaviours. Hundreds of staff have already completed the training. Sexual harassment will also form part of the new diversity and inclusion training being delivered to all 25,000 bus drivers from 2022/23.
Travel concessions

To help meet the conditions of our funding agreement, the Mayor announced in December 2021 that he had to consider some modifications to fares structures and ticketing to raise £60-80m per year. This will involve some hard decisions, but we must balance being fair with what is financially prudent.

In September 2022, we implemented two of the options. These were all-day peak Heathrow fares for journeys that start or end at Heathrow Airport or go through Zone 1 and increasing the charge for a new Oyster card from £5 to £7.

Other options still being considered are increasing the age eligibility for the 60+ photocard where the age of eligibility would increase bi-monthly, restricting the 60+ and Older Persons Freedom pass for use after 9am, and withdrawing from the Travelcard agreement with the Train Operating Companies.

The Mayor managed to save free or discounted travel for under 18-year-olds and those with a 60+ Oyster or Freedom Pass on London’s Tubes, buses and trains.

Free travel for lowest paid transport workers

In September 2022, the Mayor asked us to extend free travel on the capital’s public transport network for our lowest paid contract workers.

Around 5,000 transport workers who were not previously eligible for free travel and who are paid the London Living Wage will benefit from free travel. This will include cleaning, catering and security staff, with the cost covered by City Hall.

Colleagues that are directly employed by us already get free travel, and Oyster cards are also issued to bus drivers and operators of other TFL services as part of their benefit package.

It is proposed that the free travel will be introduced for eligible staff of our suppliers by April 2023. At a time when the cost of living is increasing, and Londoners on the lowest incomes are being hit the hardest, the Mayor is taking action to ease the pressure faced by the lowest paid transport workers.
Quality transport

We continually work to make public transport pleasant, efficient, reliable and improve the customer experience. We are investing in new DLR trains and will replace our Piccadilly line fleet while continuing to push for further capital investment for large-scale projects.

5-15%

5-15% improvement in average bus speeds, within safety and speed limits, by 2041.

Upgrading our Piccadilly line services

We will continue to deliver the new generation of trains for the Piccadilly line to replace the existing 1970s fleet. The new air-conditioned trains will be highly reliable, more energy efficient and better designed to be more accessible, with improved customer information and security features. The trains will begin to replace the current fleet from 2025, making journeys faster, more frequent, and reliable through the heart of the capital. The frequency of trains in peak hours will rise from 24 to 27 trains per hour from 2027.

Further capital investment

We will continue to make the case to central Government for further capital investment for large-scale projects that are unaffordable from our operating revenue alone. This includes replacing the original trams in the fleet as they are becoming increasingly unreliable, replacing the 50-year old trains and upgrading the signalling on the Bakerloo line, and upgrading the Piccadilly line signalling, which would improve reliability and provide the capability to increase frequency beyond 27 trains per hour.
The London Cable Car launched a new two-year sponsorship deal with technology company IFS to ensure it continues to be one of London’s top attractions. Soaring 90 metres above the Thames, the newly branded IFS Cloud Cable Car links The O2 and Greenwich Peninsula with City Hall and ExCeL London, as well as a number of hotels and restaurants on both sides of the river. The deal also saw the terminals renamed as IFS Cloud Greenwich Peninsula and IFS Cloud Royal Docks when the rebranding was unveiled in October 2022.

We will continue to look for ways to maximise the value of this unique asset, including innovative partnership and promotional activities.

### New DLR rolling stock

A new fleet of 43 trains is being manufactured to replace 33 older trains with up to 11 additional trains, funded by the Housing Infrastructure Fund to expand capacity. Each five-car train will be around 86 metres long, equivalent to three of the current fleet coupled together, to enhance capacity, journey time and the customer experience.

From 2024, we will deliver new trains onto the DLR to replace two-thirds of the existing fleet and provide 10 more trains to make the network more reliable, as well as expand capacity and support population and employment growth across the network. The new trains will provide more comfortable journeys to customers with walk-through carriages, real-time travel information, air conditioning and mobile device charging points.

### Improving security

We are a key player in the safety and security of London through the maintenance and operation of the transport network. We work to strengthen our defences by optimising the relationship between our physical, personnel, cyber, data privacy and counter-fraud security measures to protect customers and colleagues from hostile and deliberate actions that cause harm.

We are continually improving our security maturity to monitor our critical pathway progress. We have regular access to threat briefings, which inform our planning and decision making to ensure we have robust security defences.

We have ongoing security improvement programmes across the organisation and are delivering a security governance and culture programme, all of which will play a vital role in responding to security threats. We continue to refresh our understanding and risk management of corporate vulnerabilities, and take on board best practice learning where applicable.
Renewing our assets

It is essential that we renew our assets to ensure our network remains safe and operable. Renewals essentially enable the Mayor’s Transport Strategy as they have a core role to play in the decarbonisation of our services and support climate change adaptation. We renew using energy efficient equipment and materials, like LED lights, building insulation or using materials that have a reduced carbon footprint. Our assets are resilient to future climate changes, like sustainable drainage for higher intensity rainfall or using materials that are durable under extreme temperature cycles.

Over this Business Plan, we will renew around 35km of Tube track, resurface around 550km of roads and around 20km² of road structures, and refurbish around 50 lifts and 30 escalators at our stations to maintain our step-free and accessible network. We will also renew or overhaul 700 vehicles in our Underground rolling stock.

The removal of our Government operating grant in 2017/18, followed by the pandemic, has had a severe impact on the investment available for renewals, with constrained renewals investment of between £400m and £600m per year for the last five years, against a need for £1bn per year. This has led to a decline in the state of our assets and a subsequent impact on service reliability.

This Business Plan sets out a renewals investment plan that builds up to a sustained level of around £850m per year. We must make best use of every pound we invest and will therefore also invest to improve our asset data, monitoring, and analytical tools. This will help us target our investments and ensure we achieve the best value for money.

Boosting mobile connectivity across our Tube network

Providing mobile connectivity to customers within the tunnels and on platforms across London will help people stay connected more easily. It will provide a long-term revenue stream for us and support economic growth across the city.

In July 2022, we announced that customers using all four major mobile operators are set to have access to BAI Communications’ 4G and 5G-ready mobile network across the London Underground and Elizabeth line, including within tunnels.

We are excited that this project will give customers on these networks access to uninterrupted coverage while on the Tube and within the stations. When completed, the network will be the most advanced of any city in the world.

By the end of 2024, customers will be able to enjoy uninterrupted 4G mobile coverage in all ticket halls, platforms and tunnels. Furthermore, the networks will be able to provide mobile connectivity services, to enable emergency services teams throughout the London Underground environment to communicate.
Connecting London

The public transport network must meet the needs of a growing London. This includes making targeted service level adjustments on the Tube and buses to meet demand. We will also continue feasibility work on the DLR extension to Thamesmead, Bakerloo Line Extension, West London Orbital and Crossrail 2. However, any network extensions depend on securing additional funding as the significant capital requirement is not affordable from our operating revenue alone.

Boosting our services at Bank station

Our major upgrade of Bank station is improving the experience for customers as we support recovery and growth in the City.

The works involved a 17-week closure of the Northern line Bank branch in January 2022. Ahead of this, we ran a London-wide communications campaign to give customers the tools they needed to re-time, re-route or use alternative options for their journeys. We also provided a new bus route, number 733, from Oval to Moorgate, Finsbury Square, as well as extra Tube services. The closure enabled us to complete of vital and complex work on the new Northern line tunnel. The station reopened on 16 May 2022, with customers now benefitting from a new concourse and railway tunnel.

Customers using Bank station now have another new interchange route designed to make journeys quicker and easier with the opening of two new 100-metre moving walkways and three new escalators between the Central and Northern lines. The opening of the new interchange came just 15 days after three new escalators were unveiled between the Northern line and DLR on 13 October, shaving up to nine minutes off journey times of those interchanging between these two lines. Around 40 per cent of customers using the station are changing between lines. There are more updates to come, including step-free access to the Northern line and a new entrance at Cannon Street.

These improvements to Bank station will address long-standing capacity issues and make journeys through the station quicker, easier, and more comfortable as well as significantly improving the customer experience.

Journey time boost on the Elizabeth line

We introduced through-running on the Elizabeth line on 6 November 2022, when the central tunnels were joined up to provide a direct route between Heathrow and Reading in the west and Shenfield in the east. Further improvements will be completed by May 2023. People landing at Heathrow Airport can travel straight through central London on a direct train to areas such as Farringdon and Canary Wharf in as little as 36 and 45 minutes respectively at weekends and 40 and 51 minutes respectively during the week.
Delivering on our Bus action plan

Our Bus action plan, published in March 2022, sets out our long-term vision for an even more attractive bus service, focusing on an inclusive customer experience, safety and security, journey times, connections, and decarbonisation and climate resilience. Key to the plan is our bus safety programme and work to deliver 25km of new bus lane by 2025, as well as a fully-zero-emission fleet by 2034 at the latest. We are also focused on improving the experience for customers, such as those seen on route 63, which has ultra-modern electric buses and better customer information at bus stops.

We have been reviewing bus services to ensure they reflect current and projected use, while ensuring key links are maintained across the city. Bus service improvements include extending route 324 in Stanmore to better serve the Royal National Orthopaedic Hospital, and making changes to support the new Elizabeth line.

Delivering our Four Lines Modernisation programme

The Circle, District, Hammersmith & City and Metropolitan lines are being modernised under a single combined and integrated project known as the Four Lines Modernisation. We have also made progress in replacing the unreliable, ageing signalling infrastructure with a new signalling and control system, enabling us to improve reliability and journey times on these lines.

In March 2022, we upgraded the highly complex junction at Earl’s Court and completed the switch to new digital signalling across the entire Circle line. This means that the Metropolitan, District and the Hammersmith & City lines are operating under the new signalling in the central area. The area now operating under the new signalling contains 42 stations and four complex junctions. As a comparison, the entire Jubilee line has 37 stations.

Outer London bus services

We are improving connectivity in outer London, where the majority of Londoners live but there are fewer public transport options. We will introduce the proposals consulted on in 2020 to improve services in Sutton and Croydon, which include two new routes and we are consulting on proposals for a new cross-river bus network as part of the opening of the Silvertown Tunnel in 2025.

New services and improvements, which will see more than a million further kilometres added to the bus network, are also planned to support growth areas in a number of other outer London locations, including Brent Cross, Haringey Heartlands, Harrow, Havering, Southall and Wanstead. A wider programme is under way to see where there are opportunities to increase frequencies on existing routes during off-peak times in outer London.
New homes and jobs

Planning new developments around walking and cycling for local trips, and public transport where walking and cycling is impractical, enables people to live active and healthy lives and enables the city to function efficiently as it recovers and grows.
Unlocking London

Transport investment will unlock the delivery of new homes and jobs. Wherever possible, we will work with developers to deliver on our outcomes including growth and accessibility, and leverage opportunities for third-party funding to help unlock new homes and jobs across London.

Public transport

Connections on public transport are key to unlocking parts of London to provide viable places to build homes and create jobs, generate placemaking and other benefits. At the same time they provide new and accessible connections, improving the quality of the journey. The sustainability of developments is an essential part of reducing carbon emissions from transport.
DLR extension to Thamesmead

Our Business Plan includes a contribution to feasibility funding for a potential DLR extension to Thamesmead to support the Thamesmead and Abbey Wood Opportunity Areas, as well as development at Beckton Riverside. This extension would require additional investment.

Improving the London Overground

We have secured significant third-party funding for the first phase of work to improve the London Overground line between Highbury & Islington and New Cross, West Croydon, Crystal Palace and Clapham Junction, through the Department for Levelling Up, Housing and Communities’ Housing Infrastructure Fund.

The first phase will be delivered by 2025 and help unlock more than 7,000 new homes through a capacity upgrade at Canada Water bus station, a new station entrance and ticket hall with step-free access at Surrey Quays London Overground station, and power and signalling upgrades to enable future service improvements.

DLR Housing Infrastructure Fund

The Housing Infrastructure Fund will be used to buy 11 new trains, remodel Beckton Depot to accommodate the extra trains and support the delivery of a mixed-use development opportunity at Poplar Depot, including a link bridge over Aspen Way. The investment will result in more frequent services on both the Woolwich and Lewisham branches of the DLR.
Northern Line Extension

This new extension, which saw new stations at Nine Elms and Battersea Power Station, provides access to the Vauxhall Nine Elms Battersea Opportunity Area and supports delivery of 20,000 new homes and 25,000 new jobs.

5 million

passengers pass through the new Northern Line Extension stations each year

Barking Riverside extension

We have supported the largest housing development in east London by extending the London Overground to Barking Riverside, with planning permission granted for 10,800 homes, along with new schools and community space. Without the London Overground station, the full potential of the site would not have been achieved.

Developing our property portfolio

Our commercial property company, TTL Properties Limited, will provide sustainable revenue to reinvest in public transport, while delivering thousands of new homes for the capital, many of which will be affordable.

As well as developing new homes, TTL Properties Limited will continue to invest in our business estate to ensure it continues to be a sustainable powerhouse for London’s small- and medium-sized businesses.
Sustainable development

We are working to ensure active, efficient and sustainable travel will be the best option in new developments.

Green developments

We have ensured policies require transport land and assets to be safeguarded, and for car parking provision to be reduced in new developments. Every car-free home delivered in London brings down car ownership and encourages people to shift their transport mode to greener options.

Our London Plan guidance

We have developed, published and consulted on London Plan guidance on sustainable transport. This guidance is a material consideration in planning decisions and strengthens our ability to protect transport assets and operations across London. It replaces out-of-date, revoked guidance and is much more strongly focused on ensuring boroughs plan active travel networks and enhance the transport network through new developments.

Our new Sustainable Development Framework

Following nearly three years of development, piloting and collaborating, our new Sustainable Development Framework sets out how social impacts, economic development and environmental stewardship can be integrated into all our projects. As well as looking at the climate emergency, the framework addresses a host of wider environmental, social, and economic issues.

By sharing our experiences, we aim for our portfolio of projects to lead the commercial building sector in delivering sustainable developments for all Londoners. We are engaging with our partners and stakeholders to finalise the detailed guidance that will support the framework. The framework is a key tool that underpins how we work with partners and stakeholders on our commercial development projects.
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.