Appendix 1

Draft 2024 Business Plan

TfL Board

13 December 2023

Section 1

Context Setting

Strategic context

Mayor's Transport Strategy (MTS)
What the Mayor aims to achieve by 2041

TfL Vision & Values
Who we are and how we work defined through our Purpose; our Vision; and our Values

TfL Strategy
Brings together MTS and internal goals to 2030 and how we'll get there

Scorecards track annual progress

Business Plan
How we'll invest over 3–5 years to progress towards our strategy

TfL Budget & Local plans
Local actions and objectives to deliver our strategy in-year

Dashboards track annual progress

Using the new strategy to guide decision making:

- Our newly launched TfL strategy helps us to set the direction of travel to 2030 and as a result the Mayor's Transport Strategy and 2041
- Last year's business plan has been our starting point, and we have only made changes in line with our long term strategic outcomes and the Mayor's Transport Strategy.

Stakeholder Engagement:

We held several engagement sessions with our strategic stakeholders, to brief them on our capital funding needs and engage them in our business planning for 2024/25, seeking to understand their priorities for our network and their views on where we should prioritise spend.

We also used these sessions to remind stakeholders that their advocacy is highly valued and essential in making the case to Government for both the additional funding for 2024/25 and the necessity of long-term funding certainty for TfL.

TfL Board	Deputy Mayors	GLA	Healthy Streets Advisory Group	Inclusive Transport Forum	Business Advisory Group

There is a strong case for investment in London and public transport

TfL is the largest integrated public transport authority in the UK. A successful public transport system in London has far-reaching benefits:

- **Enabling economic activity nationally as a transport hub for the UK's trains, coaches and highways**
- **Encouraging investment in the UK's green industries through our purchasing power as a consumer of zero-emission buses and green energy**
- **Supporting the London economy**
- **Supporting the UK economy**

The impact of London's economy on the UK

- London's economy was worth around £527bn in 2021 as measured by Gross Value Added, accounting for **23% of UK economic output**
- Each year, London contributes **£38bn to the Exchequer** (figure from 21/22)
- There are around 1 million registered private sector businesses in London, which represent approximately **19% of the total in the UK**
- There are around **6.3 million workforce jobs** in the city filled by both commuters and London residents (as of December 2022)
- **Tourism and the night time economy contribute £36bn** a year to London's economy overall and employ 700,000 people.

How transport unlocks growth

The transport network has a crucial role to play in making places viable to build homes and create jobs.

- The potential DLR extension to Thamesmead would support the delivery of **25,000 to 30,000 new homes** along the route as well as the creation of up to **10,000 jobs**
- The development at Canada Water and Surrey Quays will help unlock **14,000 new homes** in the area
- Between 2008 and 2021, the Elizabeth line supported the delivery of 55,000 new homes within one kilometre of its stations. During the same period, **the population living within one kilometre of stations grew by 35 per cent** compared to 13 per cent growth in London as a whole

TfL's investment supports the whole UK economy

How TfL supports the UK economy

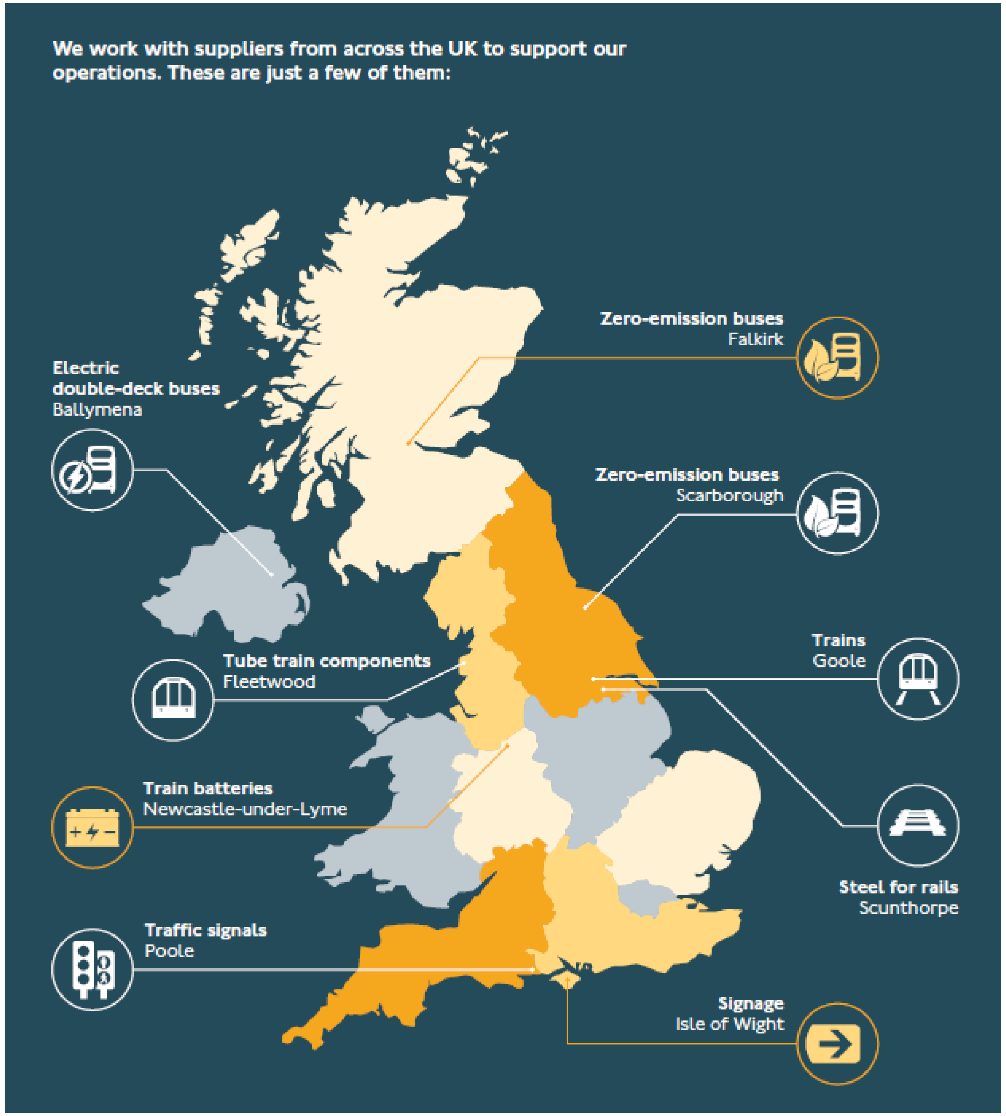
In 2022/23 TfL invested £6.5bn with 2,072 suppliers.

- 93% were based in the UK
- Two-thirds were based outside London
- 49% were small to medium enterprises

This amounted to:

- A total economic output of **£5.9bn in gross value added to the UK economy**
- Supporting **more than 100,000 jobs across the UK**

Analysis shows that for every £1m spent by TfL, 16 jobs are supported in the wider economy.



The need for long-term capital funding for transport has been recognised by Government

Government have recognised the need for capital funding for TfL in funding settlements since October 2020

We are on track to achieve operational financial sustainability by rebuilding our revenue and reducing costs to create an operating surplus in 2023/24.

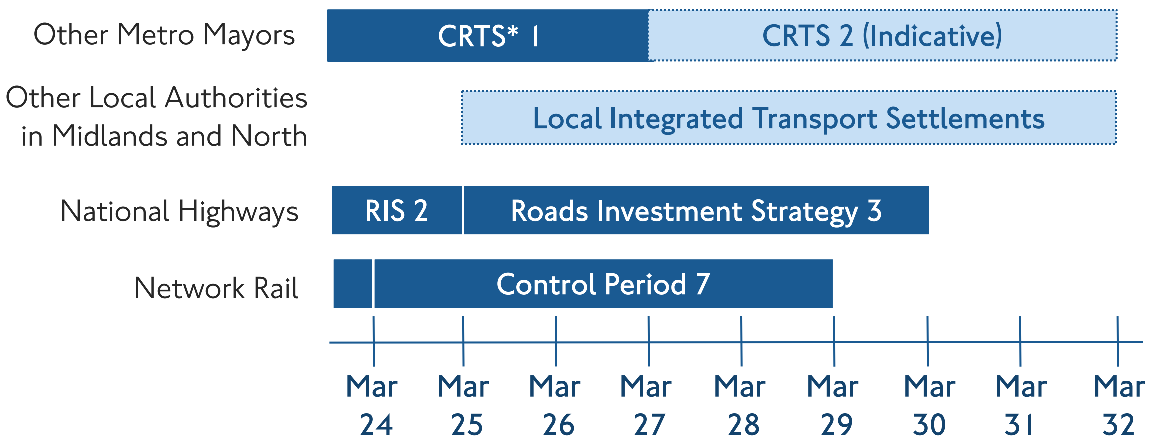
This plan grows our operating surplus to around £500m by 2026/27 – every penny of which will be reinvested into improving our network and supporting the national economy. However, we cannot finance our entire capital programme from our own operating income sources.

DfT have recognised this position in our funding settlements since October 2020, making multiple commitments on long-term capital funding for TfL.

Based on these assurances, in the 2023 TfL Business Plan we made an assumption that Government would provide significant funding support for our programmes to replace life expired rolling stock and signalling. We have maintained this assumption in the 2024 TfL Business Plan.

Government provide long-term capital funding settlements to other transport authorities

Funding settlements in place for comparable transport authorities in the UK



In July 2023, Government stated it was not possible to provide TfL a capital funding settlement beyond the current Spending Review Period (March 2025), but requested that TfL make a funding submission for capital funding for 2024/25 only. Based on this, in September 2023 TfL made a submission for capital funding in 2024/25.

*CRTS = City Regional Transport Settlements

The replacement of the 1973 Piccadilly line stock and 1972 Bakerloo line stock is our largest programme requiring Government capital support

Deep tube programme

- The Deep Tube Supply Agreement is intended to deliver standardised trains and signalling systems across the deep tube lines
- This will replace the oldest trains in our fleet, and the Bakerloo line trains are the oldest trains currently in passenger service in the UK
- The Piccadilly line trains are the first order in the contract while the Bakerloo line rolling stock is the next planned order, allowing TfL to take advantage of efficiencies by using the whole line option
- New trains feature walk-through carriages, air conditioning, improved accessibility and customer information

	Piccadilly Line Upgrade programme (Stage 1)	Bakerloo line
Status	• Committed, 94 new trains scheduled from 2025	• Funding needed in 24/25 to start preparatory work
Benefits	• They both contribute to TfL's financial sustainability. Piccadilly line accounts for about 10% of LU total ridership Bakerloo line estimated to be the 14th busiest passenger railway in the UK • They support continued economic growth as they are key corridors for business, commuters and visitors • At least 50 per cent of the Piccadilly line trains will be assembled in Siemens' £200m new facility in Goole, East Yorkshire. This is forecast to create 700 direct jobs and 1,700 in the supply chain	

The other programmes in our funding case support economic growth, jobs around the UK and unlock new homes

Core funding case

DLR Rolling Stock	• Committed, funding required for new trains and enabling infrastructure • Project will deliver an operating surplus, which will be further increased by the new trains
Trams replacement	• Programme starts in 2024/25 for depot and infrastructure works and preparing for Tram procurement. • Trams network crucial to interconnectivity across South London • Fleet currently inadequate to meet peak service requirements, presenting a risk of line closures, with no intervention.
Four Lines Modernisation	• Nearing completion. 5% of overall spend to go, which secures the journey time benefits of the project • Deferral would be poor value for money and would lead to increasing costs of maintaining redundant assets

Discussions on our core funding requirement remain ongoing, although Government has confirmed some additional investment

Constructive discussions with Government have continued since submitting our 2024/25 funding request in September, but these have not yet concluded. However, recent Government announcements have provided investment in projects that will improve outcomes in London (across TfL and boroughs):

- **£23m for Bus Rapid Transit for Thamesmead** from the Department for Levelling Up, Housing and Communities (DLUHC)'s Brownfield and Industrial Land Fund.
- **£15m over two years for local highways maintenance in London** from DfT's local highways maintenance funding (TfL's share is £0.95m p.a.) each year. £235m for London over 11 years.
- **Gallows Corner and Catford** Major Road Network projects are at an advanced stage of DfT approvals.
- **£30m to two London borough projects** (Croydon and Enfield) from DLUHC's Levelling Up Fund

Section 2

What this plan delivers

Healthy streets and healthy people

Strategic outcome alignment:

- Green
- Customer
- Safety & Security
- Colleague
- Finance

Achieving our strategic outcomes

TfL's Carbon Emissions
Our operations are net zero carbon

London's Carbon Emissions
London's transport carbon emissions - net zero

Climate Adaptation
Sustainable drainage - Add 40,000 square metres of catchment area

Green Infrastructure & biodiversity

Air Quality
Reduce nitrogen dioxide concentrations to <19-26 µg

Active Travel
On track to meet 80% mode share by 2041 (active travel contribution)

Road Safety
70% reduction of road KSIs from 2010-2014 baseline

Customer Safety
50% reduction of customer KSIs from 2022/23

Risk of Crime
Reduce the risk of being a victim of crime by a third, from 2022/23

Colleague Safety
No colleagues killed or seriously injured

Public Transport Service
Reach 4.3 billion annual journeys (PT contribution to mode share)

Headlines from the business plan

- **Mode share, active travel and congestion:** £150m pa invested in safe and active travel each year over the course of this plan, growing by inflation from 2025/26 as well as additional funding for Boroughs in walking, cycling and expanding the bus priority programme.
- **Road safety:** Progress expected through lower speed limits, changes to the Direct Vision Standard Phase 2, continued delivery of the safer junction programme and Bus Safety Programme.
- **Air quality:** Electrification plans for our bus fleet with a 2030 target – the largest scale plans of this nature in the UK; additional funding prior to 2030 is required to maintain this trajectory. Continuing to fund the Mayor's Air Quality Fund.
- **Green infrastructure:** Continued £15m p.a. funding to support sustainable drainage and unlocking the benefits of biodiversity. Additional funding would be required to reach TfL net zero operations.
- **Renewables:** Our work to secure power purchase agreements is integral to delivering our plan to source 100% of our electricity from renewable sources by 2030

Key 2024 changes

Active Travel Road Safety	Healthy Streets: £150m funding now increases with inflation from 25/26

A good public transport experience

Strategic outcome alignment:

- Green
- Customer
- Safety & Security
- Colleague
- Finance

Achieving our strategic outcomes

Public Transport Service
Reach 4.3 billion annual journeys (PT contribution to mode share)

Customer Care & Experience
At least two thirds of Londoners actively agree we care about them

Active Travel
On track to meet 80% mode share by 2041 (active travel contribution)

Accessibility
Halve additional time compared to 2016

Growth
36% of London population living in high PTAL areas

Headlines from the business plan

- **Major projects:** All existing major projects - 4LM, Piccadilly line upgrade, DLR trains (subject to Government capital funding) and Silvertown Tunnel continue to delivery. Additional funding allocated for the completion of the new Elephant & Castle station entrance and ticket hall and for feasibility studies of the DLR extension to Thamesmead.
- **Maintaining investment in renewals:** £4.7bn allocated towards the renewals workbank over the next 5 years, however this is still significantly below the required investment rate to reduce the workbank and will result in constrained spend and some lower priority High Cost Renewals being deferred.
- **Improving bus speeds:** Existing planned delivery of our bus priority programme, including 25km of new bus lanes included as well as continued operating of the Superloop service.
- **Accessible:** Accelerated delivery through the of Sustainable Housing and Accessibility (SHA) fund, utilising the third party funding it can secure as well as an additional £20m in 26/27.
- **Attracting new customers:** Continued delivery of Bus Action Plan and 4G/5G rollout in 2024 on LU & Elizabeth line

Key 2024 changes

Public Transport Service	Bus service levels: Superloop incorporated. Additional bus km growth in Outer London.
Accessibility	SHA Fund: An extra £20m p.a. needed to accelerate delivery in 26/27
Growth and connectivity	DLR Thamesmead feasibility (TfL contribution – match funding from HMG required)
	Elephant & Castle Stage 2 (station fit out) included

New homes and jobs

Strategic outcome alignment:

- Green
- Customer
- Safety & Security
- Colleague
- Finance

Achieving our strategic outcomes

Growth
36% of London population living in high PTAL areas

Green Infrastructure & biodiversity

Operating surplus
Income always exceeds our costs, Like-for-like costs at inflation -2%

Engagement
Better than the UK-wide benchmark

Representation
Halve the gap where we are not representative

Headlines from the business plan

- **Sustainable Housing & Accessibility fund:** As well as leveraging third party funding, and an additional £20m in 26/27 to accelerate delivery of home development schemes alongside accessibility.
- **DLR Thamesmead:** TfL contribution towards feasibility for a potential DLR extension to Thamesmead to support growth in south east London. The extension would require additional investment in later years for delivery.
- **Places for London:** Our commercial property company, Places for London, will provide sustainable revenue to reinvest in public transport. 20,000 homes will be started by 2031, many of which will be affordable.
- **Elephant & Castle station:** Completion of stage 2 of the project – the fit out of the station box created in stage 1 – will enable plans for 7,500 new homes and 10,000 new jobs in the Elephant & Castle Opportunity Area.

Key 2024 changes

Growth and connectivity	Sustainable Housing & Accessibility Fund: An extra £20m allocated to accelerate delivery in 26/27
	DLR Thamesmead feasibility (TfL contribution – match funding from Government required)
	Elephant & Castle Stage 2 (station fit out) included

Spotlight: London Climate Budget 24/25

What is the Climate Budget?

The Climate budget summarises the measures each functional body is implementing to achieve the 2030 net zero target. 'Table A' includes measures funded within the TfL Business Plan and 'Table B' includes unfunded measures. This year the submission also requires a 'Table C' which are measures that support operational greenhouse gas emissions reductions, climate resilience and adaptation in parts of the city outside of the TfL estate and fleet.

Our projections

Our plan reduces our emissions in 2030/31 to 205 kt CO2e - a reduction of 87% versus 2015 levels. With further funding we could reduce our emissions in 2030/31 by a further 25%, a reduction of 95% versus 2015 levels.

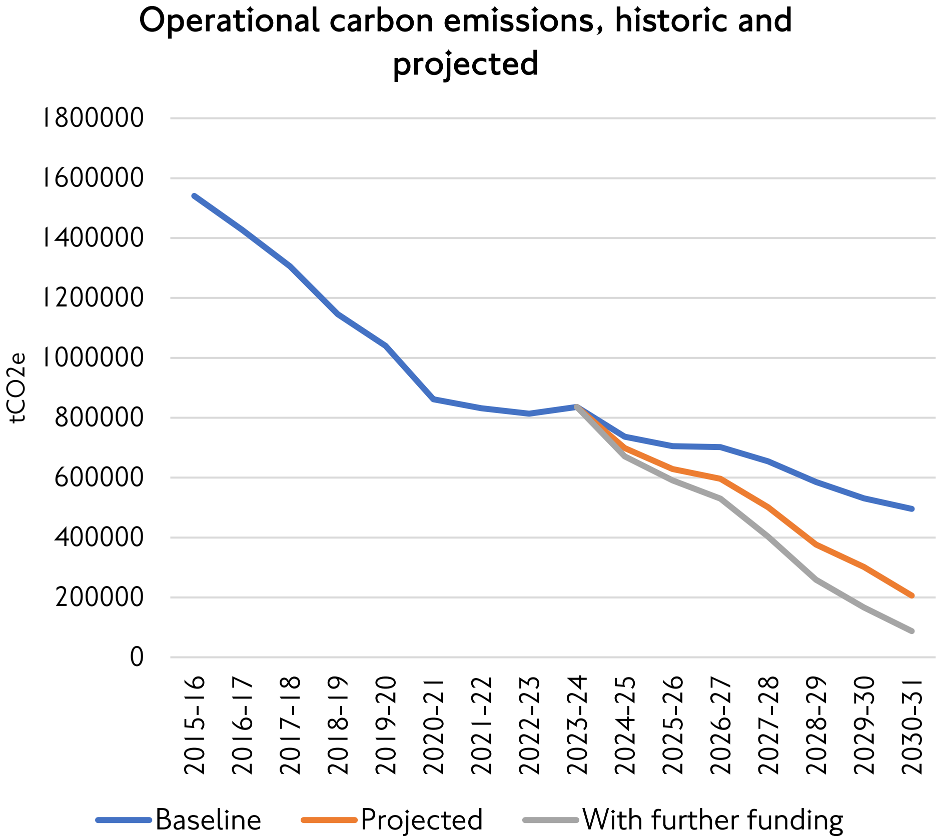


Table A - Key Funded Measures

Measure	tCO2e savings in 2030/31	3-year Business Plan funding
ZE Buses 2034	220,000	£296m
PPAs	50,000	£1m
Buildings decarb	13,500	£36m
Support Fleet	3,500	£4.5m
Solar Private Wire	1,750	£1m
Bus shelter LEDs	TBC	£0.5m
TLRN LEDs	100	TBC
Traction measures	4,000	£0.25m+

Table B - Key Unfunded Measures

These are mostly high level estimates as they are pre-initiation. Includes Green Finance Fund applications.

Measure	tCO2e savings in 2030/31	Funding required to 2030
ZE Buses 2030	110,000	£500m
All Buildings	16,000	£2,500m
Support Fleet HGVs	TBC	TBC
Dial-A-Ride Fleet	1,200	£40m
LEDs (TLRN, Fleet)	800	£24m

Adaptation Measures

We have included funding for adaptation, but there is potentially more that could be included, particularly in Table B.

Section 3

How our finances deliver this plan

Our Finance Strategy builds on our 2023 Business Plan, to show what we will do to build a sustainable financial future

Our strategic priorities

Continually improve our efficiency

We need to continue to be affordable for our customers and the taxpayer. We'll do this by improving working practices to make TfL a great place to work, and targeting continuous savings.

Diversify and grow our revenue

We need to attract more customers on to our network, reduce our reliance on fares income and motivate our colleagues to achieve our revenue goals.

Build our resilience and continue to invest

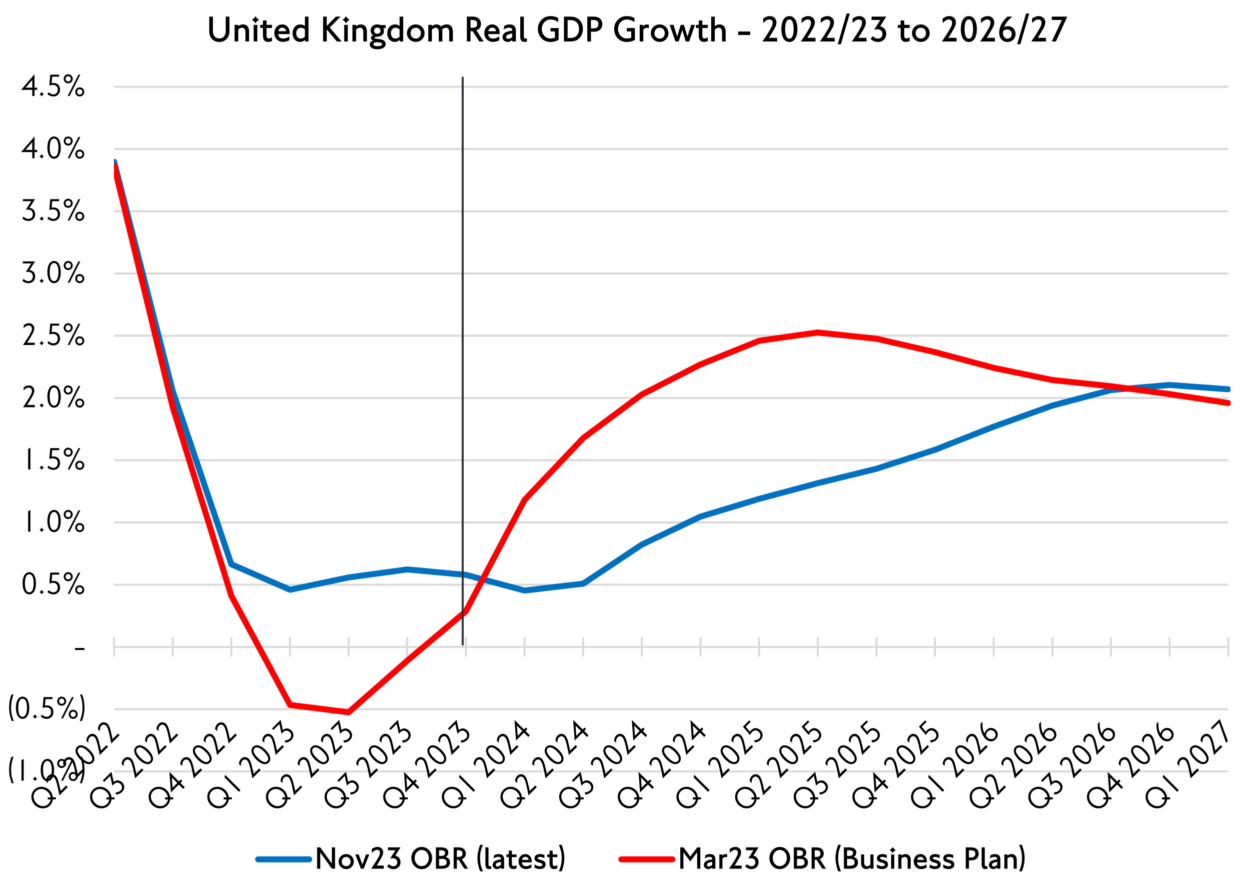
We need to continue to run a safe and reliable transport system that delivers for London. We need to prepare for whatever challenges lie ahead and, through steady investment, deliver vital improvements for London.

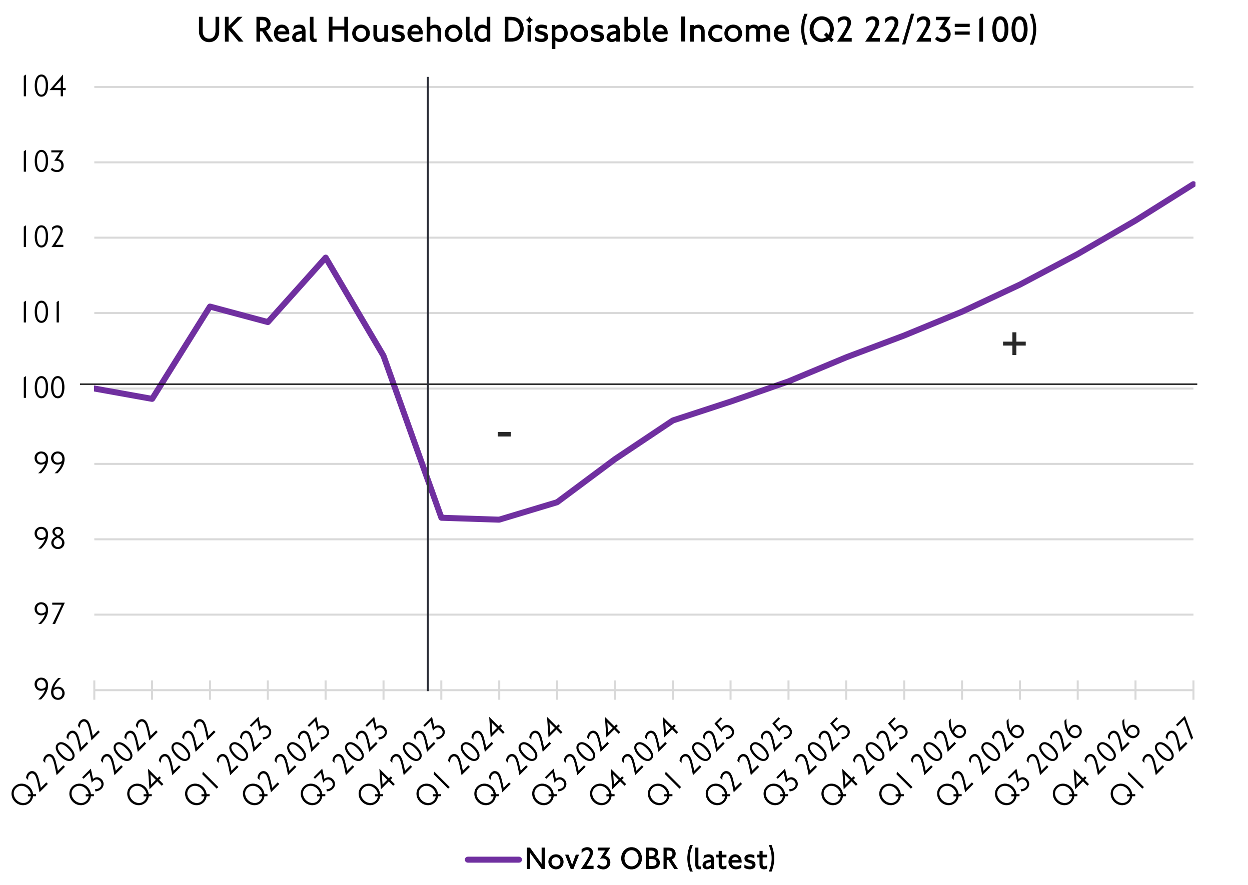
Our 2030 success measures

- Ensure our income always exceeds our costs, growing our operating surplus
- Control our costs in real terms, targeting inflation minus 2 per cent
- Secure long-term funding approach and settlement by 2025

- Diversify and grow our revenue
- Continually improve our efficiency
- Build our resilience and continue to invest

We are still facing an uncertain economic environment





The macroeconomic environment remains challenging, as the Nov23 OBR forecast indicates that while Real GDP growth was ahead of its previous forecast for 2023, from 2024 until 2027 the OBR's revised view is that growth will underperform relative to earlier projections.*

The corresponding impact of these lower growth forecasts and the ongoing cost of living crisis indicates that real household disposable income is not now expected to recover to the level it was at the start of the 2022/23 financial year until **Q2 2025**.*

Source: OBR Economic and Fiscal Outlooks November & March 2023

In particular, inflation has not fallen as fast as expected and is now forecast to remain higher for longer

Retail Price Index (RPI) – 2022/23 to 2026/27

For FY 2023/24, we were disappointed not to receive the £181m of DfT inflationary support we had budgeted for.

The **2024 TfL Business Plan** incorporates the March 2023 Office of Budget Responsibility (OBR) inflation forecast which was the most recent forecast available at the time of preparation.

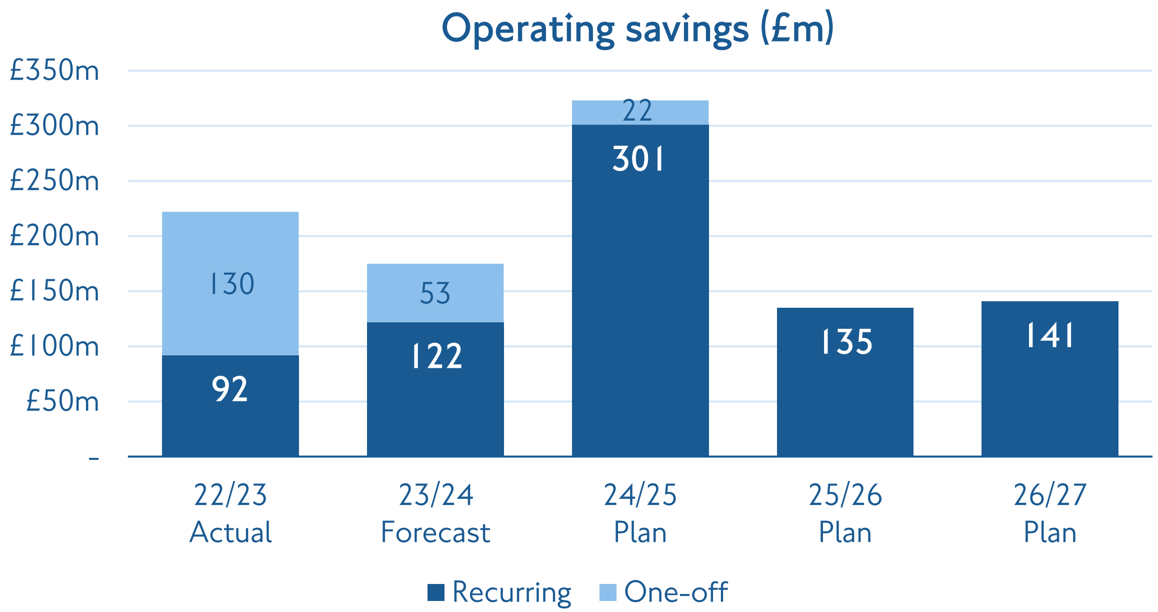
Broadly, the March 2023 forecast was in-line with the previous OBR forecast from November 2022 which was used to underpin the previous **2023/24 TfL Budget** in line with the Funding Settlement.

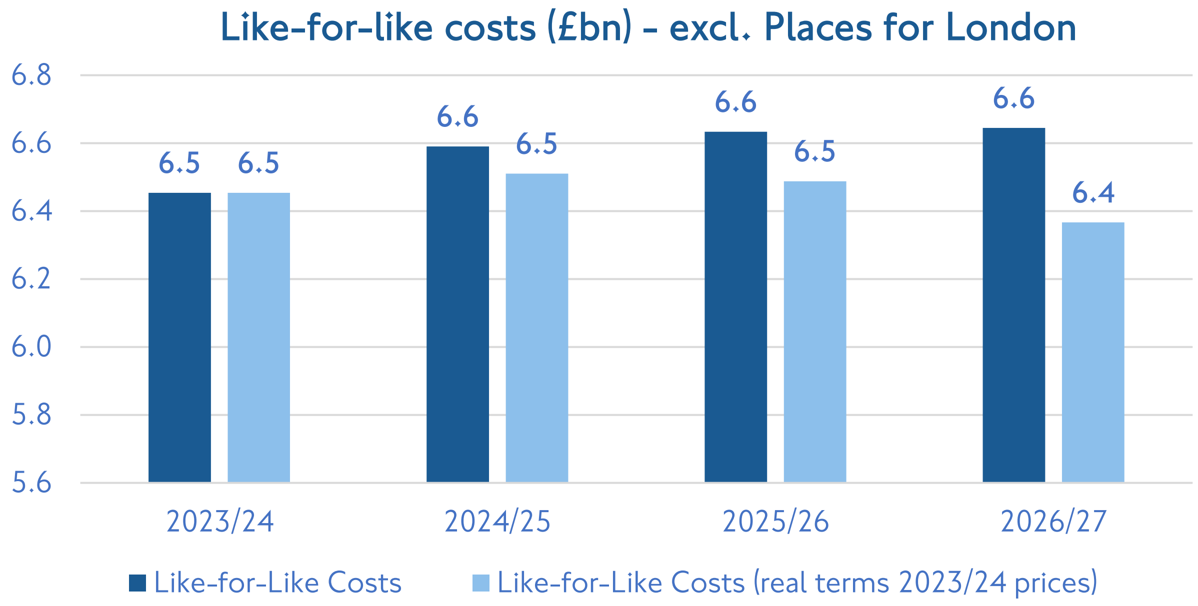
However, on 22 November 2023, the OBR published its latest view of inflation which will be incorporated into the forthcoming 2024/25 TfL Budget.

The latest forecast from the OBR now indicates higher for longer inflation across both RPI (opposite) and CPI, which will drive additional cost pressures in to this plan.

Continually improve our efficiency

We continue to reduce costs in real terms on a like-for-like basis



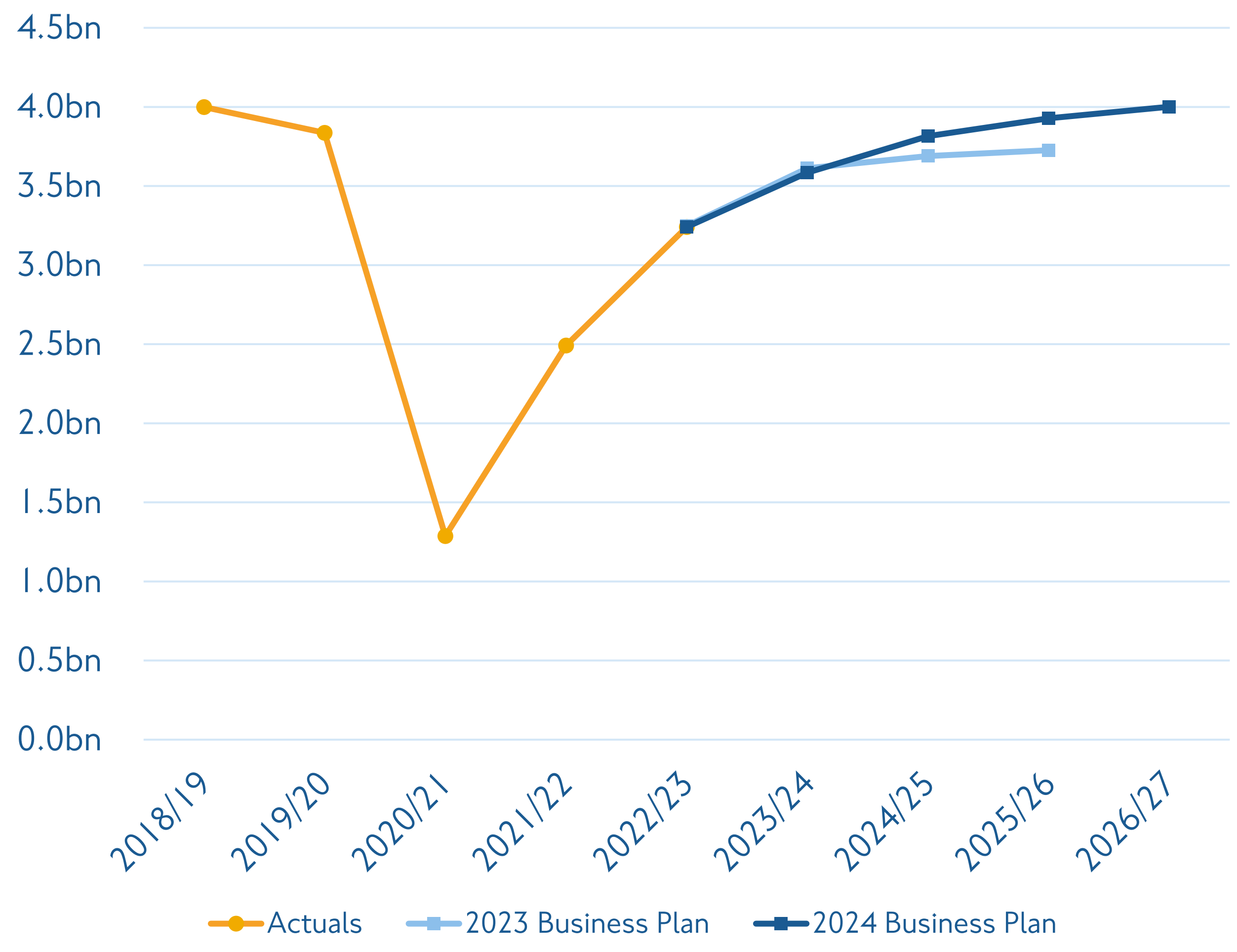


In last year's Business Plan, we committed to £600m of recurring operating savings by 2025/26, adding to the £1.1bn of savings already delivered between 2016/17 and 2021/22.

This Business Plan stretches that target to £650m (over the same time period) to continue offsetting the impact of inflation, such that on a like-for-like basis, after adjusting for new services, restructuring and other one-off costs, our operating costs in 2026/27 will be, in real terms, lower than the current financial year of 2023/24.

Journeys to return to pre-pandemic levels of 4bn p.a. by 2026/27

Passenger demand forecasts (billions per annum)



The economic assumptions behind the forecast in our Business Plan are based on latest data from GLA Economics, before the OBR published its assessment on 22 November. This will be updated in future planning processes.

A London's Economy

GLA Economic Scenarios — *RELATIVE TO 2022*

	Profile	2026: GDP	2025: Jobs
1	Fast recovery	+ 10.1%	+ 7.1%
2	Gradual Recovery (Central)	+ 6.6%	+ 4.7%
3	Slow recovery	+ 2.9%	+ 2.7%
4	Technical Recession	+ 5.5%	+ 4.1%
5	2yr Recessionary Environment	+ 2.0%	+ 2.3%

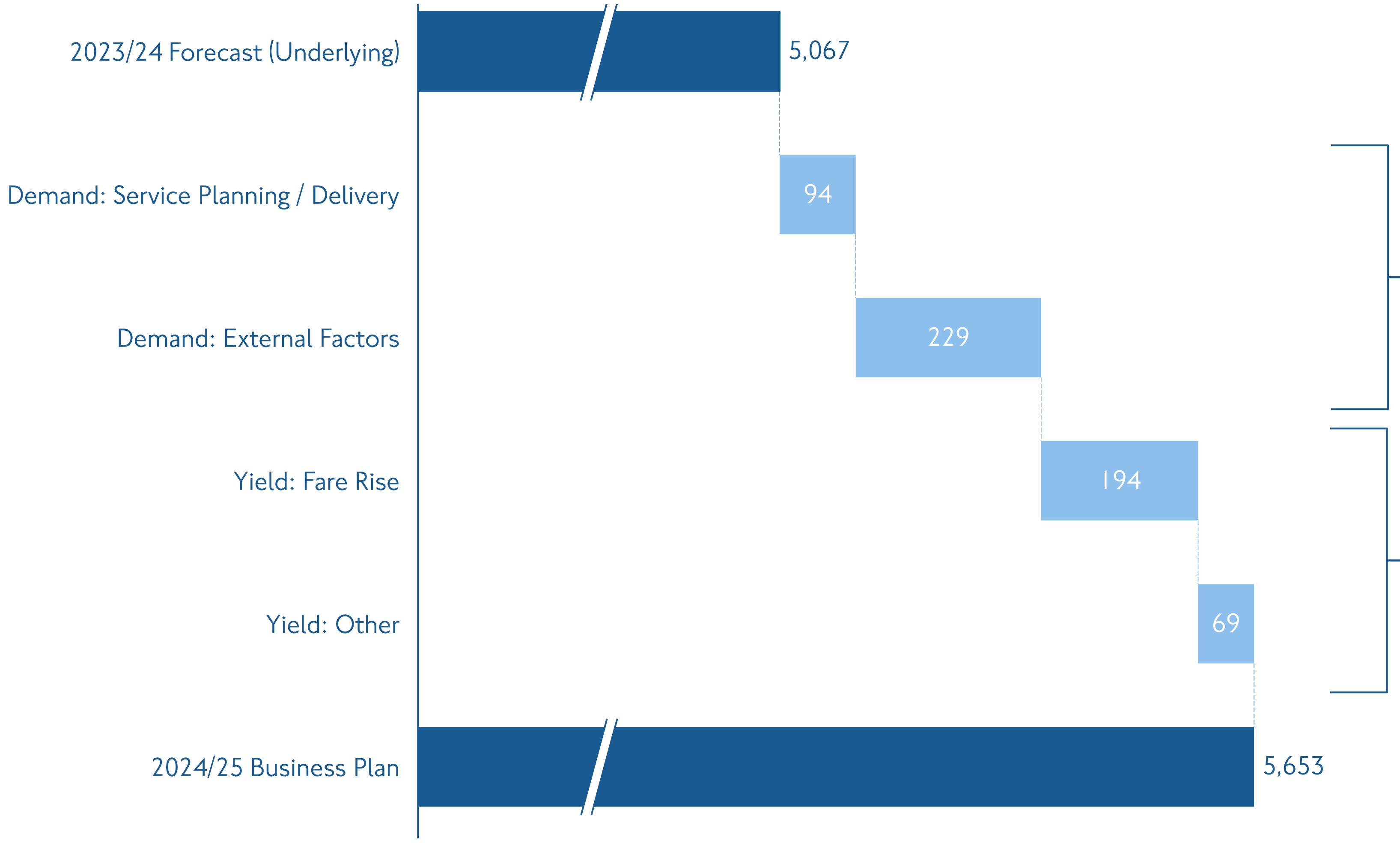
B The Path To "New Normal"

Office Work Profile / Peak Service Usage

	23/24 Now	end of 23/24	end of 24/25	end of 25/26	*onwards*
1	≈ 70%	75%	80%	85%	*ongoing*
2	≈ 70%	74%	77%	80%	*ongoing*
3	≈ 70%	72%	75%	75%	*ongoing*

Passenger income will grow by 11 per cent in 2024/25

Passenger income – year-on-year growth (£m)



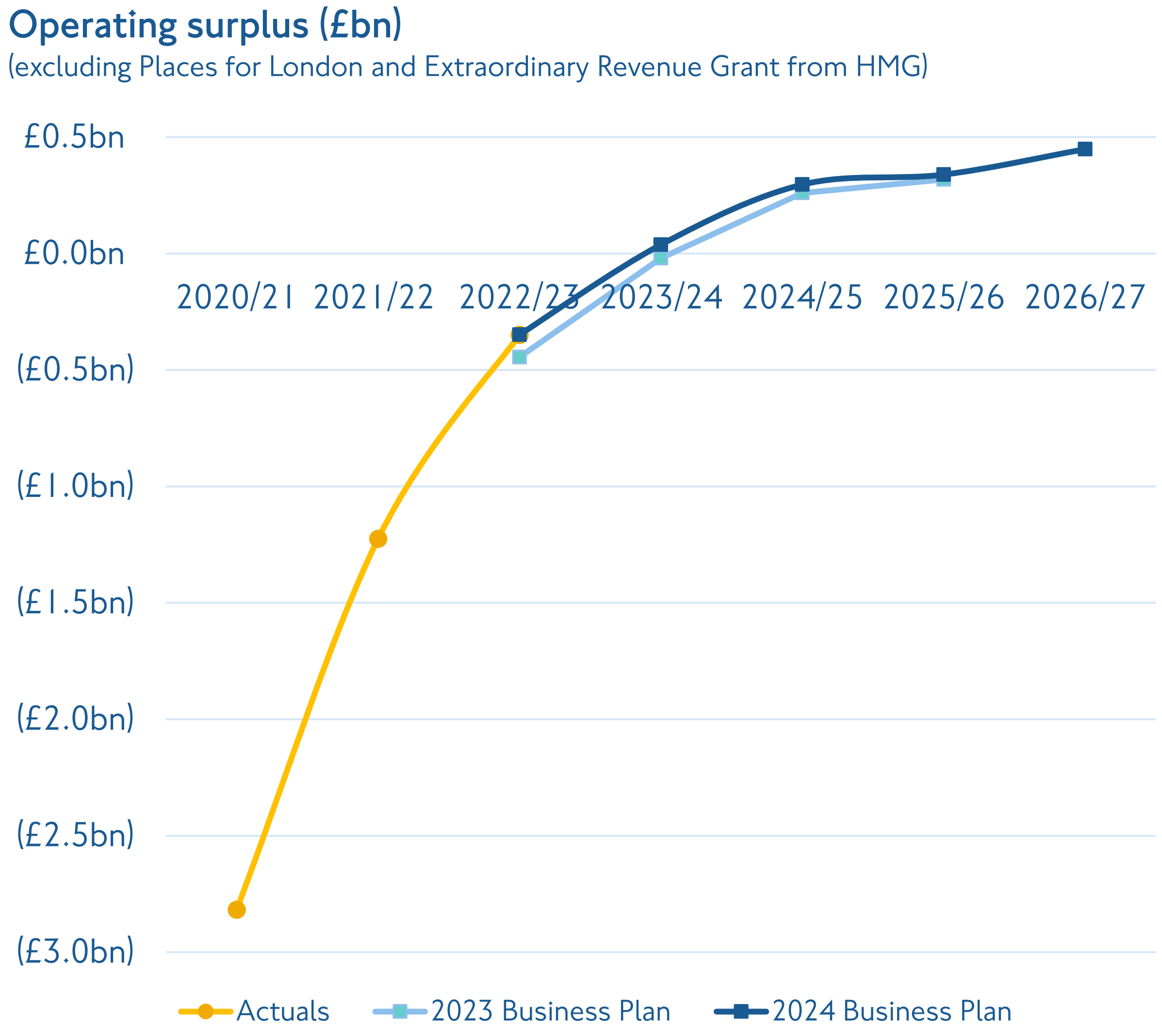
Demand growth of 6%, £323m

- Service planning & delivery: full year of Elizabeth line through running, additional bus kms and Tube/Rail service enhancements
- External factors: economic growth, further pandemic recovery and return to office

Yield growth of 5%, £263m

- Fare rise: 4% in line with August 2022 funding settlement assumption. The actual fare rise is a decision for the Mayor.
- Other: daily travelcard agreement and other external factors including changing journey patterns, capping and freedom pass income

We are now creating an operating surplus to fund investment

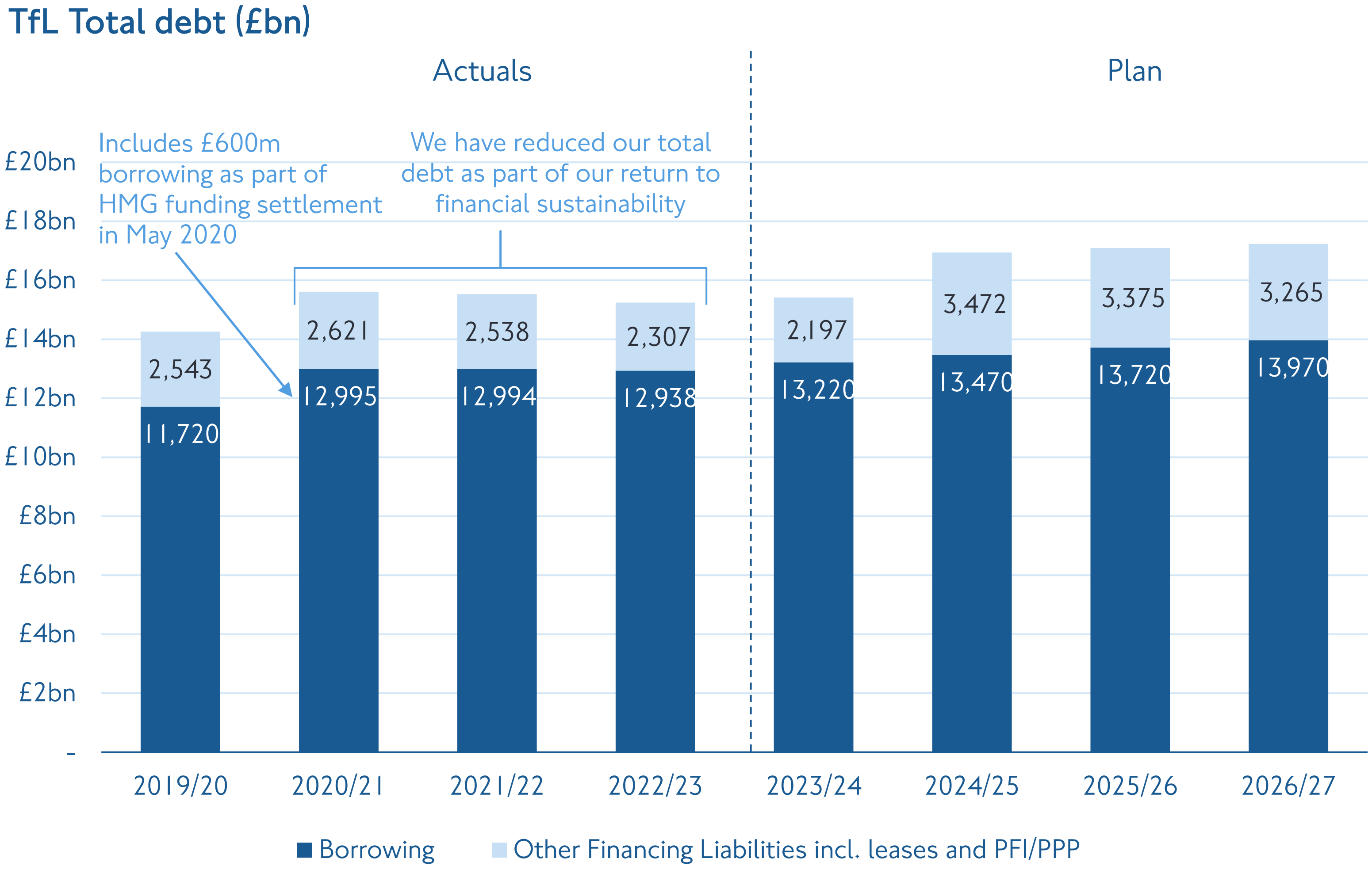


Every penny of our growing operating surplus is re-invested in our services, and benefits London and the UK.

We are on track to complete a £3bn turnaround since 2020/21 and achieve operational financial sustainability in 2023/24, generate a surplus and no longer rely on Government funding to support our day-to-day operations.

Our focus is now firmly on maintaining and building on this sustainability as the financial foundation for this Business Plan. We will grow our operating surplus up to around £500m by 2026/27 and reinvest it into making our city and our organisation better.

We are maintaining an affordable level of debt



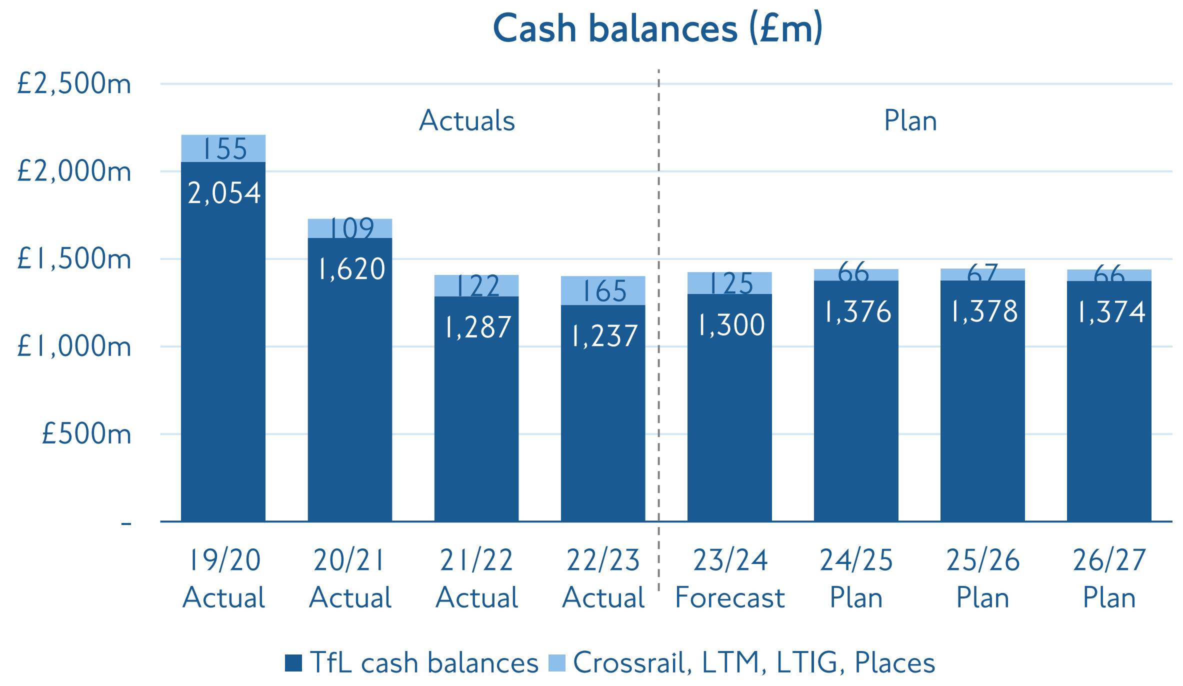
Our objective is to manage borrowing in a manner that is affordable, sustainable and prudent, in line with the provisions of the Prudential Code.

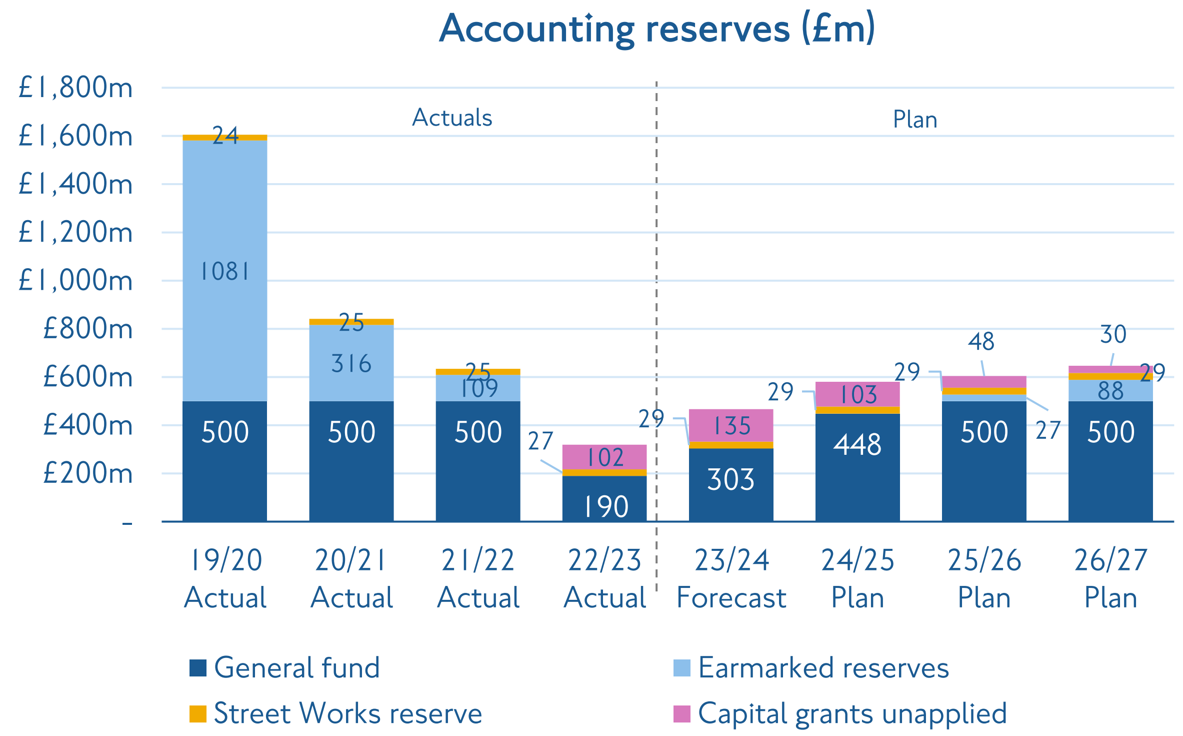
Borrowing has a role to play in supporting the capital investment programme. Generating a sustainable operating surplus going forward, means there will be borrowing headroom in the medium term.

Our total debt balance reduced in 2022/23, following the refinancing of some of our bonds and purchase of our 378 Overground rolling stock trains. This was part of our financial sustainability plan.

We continue to refinance the majority of maturing debt. The latest business plan assumes approximately £250m annual incremental borrowing, although this will be subject to a further assessment of affordability at the time of borrowing.

We are rebuilding our cash and accounting reserves





Our Treasury Management Policy is to maintain minimum cash reserves of 60 days operating costs. As operating costs rise over time, our 60 day operating cash reserve should grow with it.

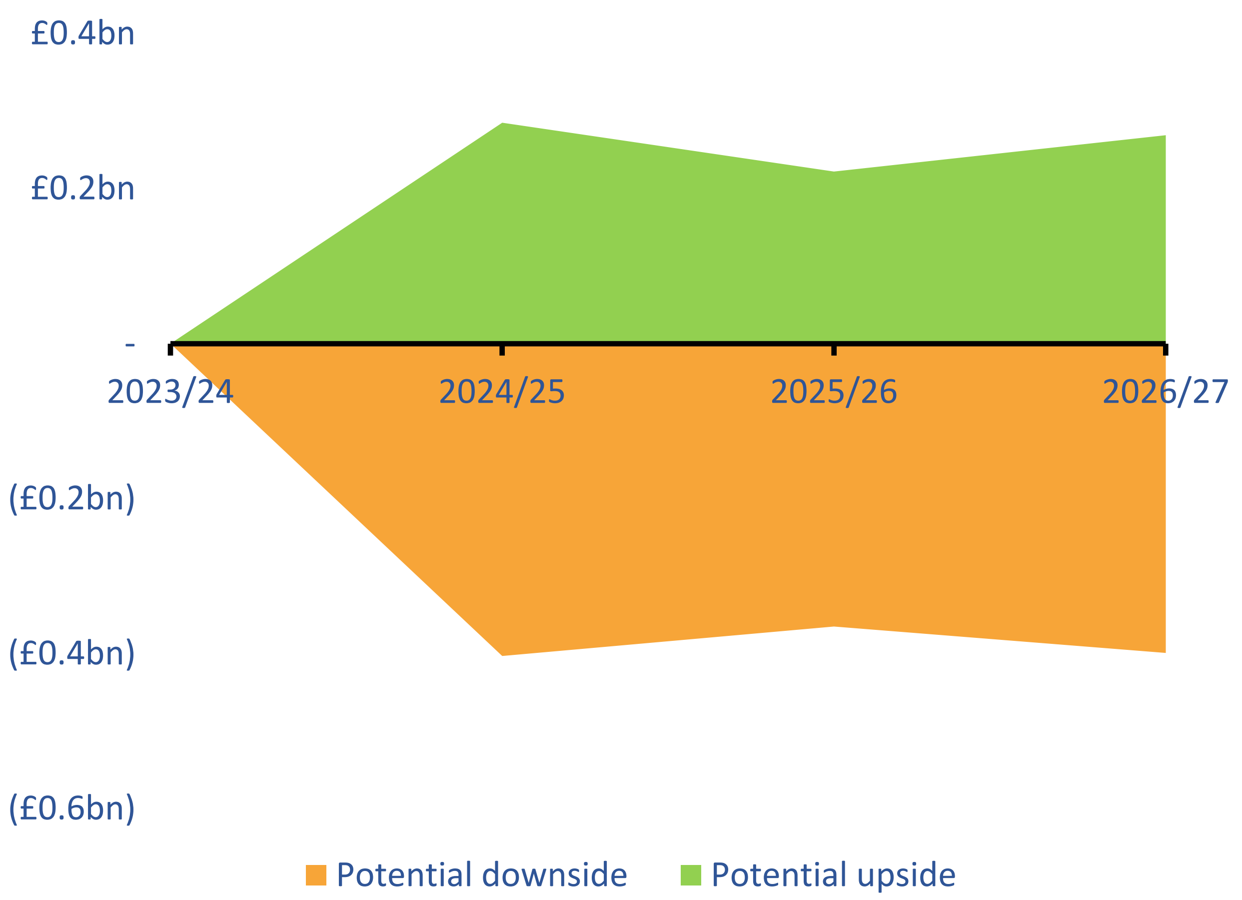
The Business Plan will maintain the necessary cash level, with the planned borrowing being used to fund capital investment.

The pandemic has seen a material reduction in TfL's useable reserves, which consist of its General Fund and Earmarked Reserves.

The General Fund represents sufficient cash-backed reserves held to cover risks that may arise. TfL has a target General Fund balance of £500m, which was increased from £150m at the start of the pandemic in March 2020

We are maintaining cash reserves to protect against shocks

+£0.8bn / -£1.2bn impact over the plan
(excl. Government capital funding risk)



Stress tests:

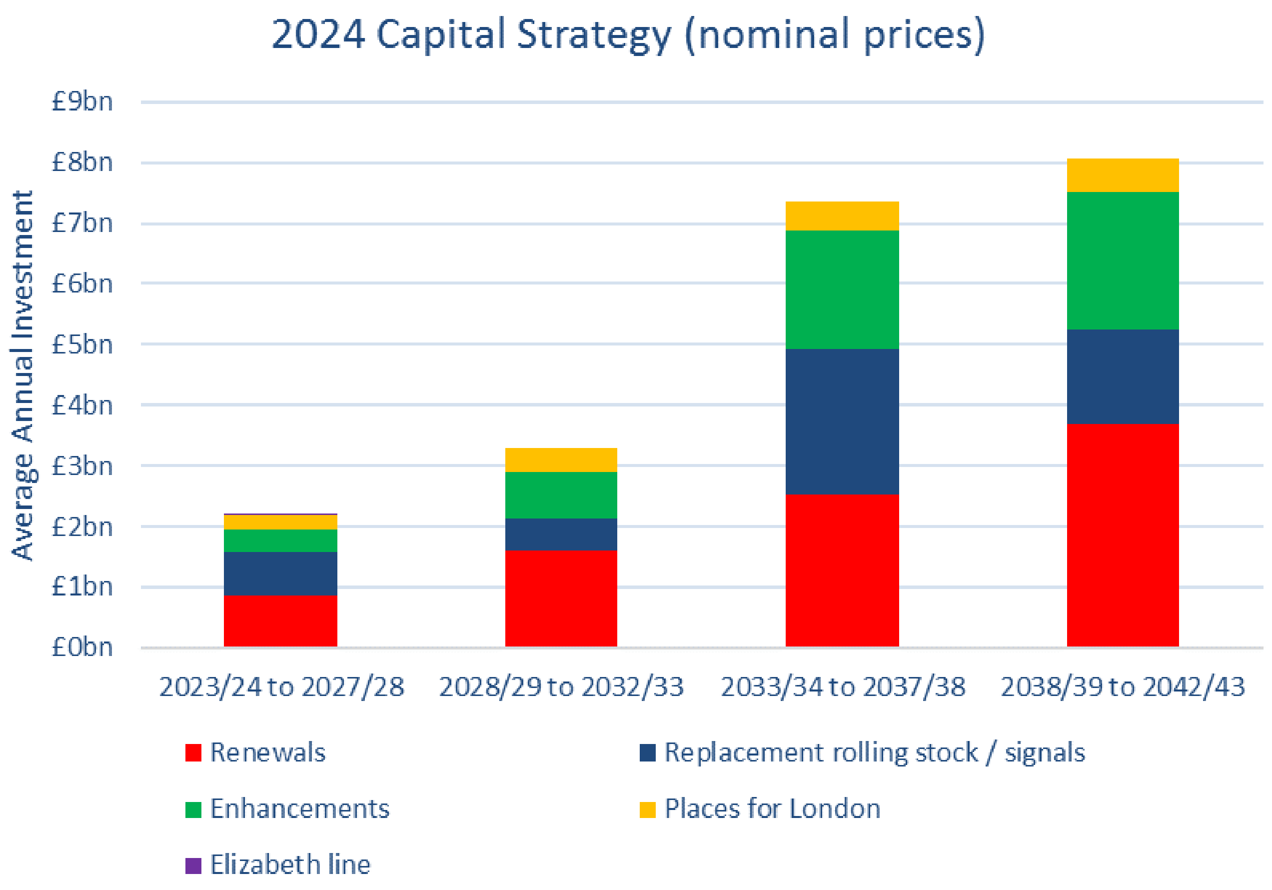
- The uncertainty around the pandemic recovery, climate change, household finances, the UK's trading relationships post-Brexit, the war in Ukraine and the macro-economic climate, makes it more difficult than usual to forecast beyond the next two years.
- We have modelled a range of variables in our Business Plan, mainly driven by the macroeconomic uncertainty, to assess the sensitivity to our central case.
- Downside risk to our income driven by potential lower economic growth is a major contributor to the potential downside.

Potential mitigations:

- 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.
- We continue to look for opportunities to be more efficient as well as grow and diversify our revenues.
- We are maintaining cash reserves to protect against shocks.
- We are also growing our General Fund Reserves back to £500m to protect against shocks.

Spotlight on Capital Strategy

An aspirational view of our capital investment for the next 20 years



The increase in investment over time is driven both by inflation – very significant over 20 years – and the long-term aspiration to increase activity to achieve the ambitions of the Mayor’s Transport Strategy.

Replacement of rolling stock and signalling includes trains on Piccadilly line, DLR, Bakerloo line, Central line, Waterloo & City line, Jubilee line and Northern line, as well as Trams.

Enhancements includes street improvements to promote active and safe travel, station upgrades, technology investment, line extensions and others.

The total funding gap over the next 15 years, based on the desired increase in activity, is £38bn. This is an increase from last year’s £20bn, driven by factors including changes in inflation, the first Places for London Business Plan, the latest projections of the costs of catching up the backlog of Renewals and timing differences.

Section 4

Equality Impact Assessment

Equality Impact Assessment - methodology

Methodology

In order to assess the fairness of the plan, TfL considers the impact on the people with the 9 protected characteristics listed in the Equality Act, and those who have the potential to be socially excluded.

TfL is currently drafting a report called Equity in Motion, which will be a strategic document outlining Londoners' most acute inequalities, barriers and disparities and setting out targeted actions to address them. Preliminary findings from this report have informed the approach to this equality impact assessment work.

Last year TfL produced a detailed, balanced budget setting out the new direction which took into account the impact of the pandemic. This year's plan builds on last year's plan, and greater focus has been put in this EqIA on changes that are new since last year.

The business planning process assigns high level funding. This funding is then prioritised to individual projects, which have their own EqIAs undertaken. New projects will be subject to consultation.

Diversity in London

- **12%** of Londoners are **aged 65 or over**
- **13.2%** of Londoners are **disabled**
- **51.5%** of Londoners are **female**
- **46%** of Londoners are **Black, Asian or other minority ethnic**
- **22%** of Londoners have a **minority faith or belief**
- **4.2%** of Londoners identify as **lesbian, gay bisexual or other minority sexual orientations**
- **12.4%** of London households have **no one with English as a main language**
- **28%** of Londoners **live in poverty**
- **39% of children** in the capital **live in poverty**

Equality Act protected characteristics:

1. Age
2. Disability
3. Gender reassignment
4. Gender (sex)
5. Marriage and Civil partnership
6. Pregnancy and Maternity
7. Race (ethnicity)
8. Religion and Belief
9. Sexual orientation

People who have the potential to be socially excluded (examples):

a. People on low incomes
b. Refugees and asylum seekers
c. The homeless
d. Job seekers

Equality Impact Assessment – what's in the business plan

Customer experience

- Increasing the CCTV network and installing passenger help points
- Continuation of two new high-profile campaigns against sexual harassment and hate crime
- Disability training for staff and improved accessibility of customer information including Dial-a-Ride self-service, London Overground lines renaming, and 4G and 5G mobile coverage on a significant portion of the network by the end of 2024
- Commitments around embedding an inclusive design approach

Connectivity

- Elephant & Castle stage 2 and DLR Thamesmead feasibility support the delivery of 1,000s of new connected homes and jobs
- Superloop means faster step-free journeys and better connectivity in outer London, and supports the London-wide ULEZ expansion
- There is an extra £20m of Sustainable Housing and Accessibility (SHA) funding in 2026/27 to unlock homes and regeneration where transport acts as a constraint, and deliver accessibility improvements
- Asset renewals are essential to maintaining the scale and quality of our services. Spending on renewals in the plan builds up to a steady-state level. While we return to steady state the decline in asset condition will continue

Health

- Safe and Healthy Streets programme funding will now increase with inflation. This does however remain below pre-pandemic levels
- In July 2023 we published our Cycling action plan 2, which aims for a significant expansion to our Cycleway network
- The ULEZ expansion is a vital part of tackling the public health emergency caused by toxic air pollution. To help mitigate the financial impact on vulnerable Londoners, the scrappage scheme was increased to £160m in August 2023 and made available to all London residents, small businesses, sole traders and charities with a registered address in London

Affordability

- The new plan assumes that fares increase at 4 per cent next year, and then RPI.
- The Mayor has protected the free or discounted travel for under 18-year-olds and, from early 2024, will be introducing reduced price travel on buses and trams for care leavers aged between 18-25
- TfL's new property company, Places for London, has identified capacity on its land for 20,000 homes, targeting 50 per cent affordable housing

TfL uses income from fares to fund services. This means that the impact of increasing fares must be weighed against the impact (and equality impact) of service reductions if TfL's revenue does not increase proportionally to inflation.

Section 5

Appendix

Glossary of Terms

Term	Description
4LM	Four Lines Modernisation
CPI	Cost Price Index
CRTS	City Region Transport Settlements
DfT	Department for Transport
DLR	Docklands Light Railway
DLUHC	Department for Levelling Up Housing and Communities
EqIA	Equality Impact Assessment
GDP	Gross Domestic Product
GLA	Greater London Authority
HGV	Heavy Goods Vehicle
HMG	His Majesty's Government
HS2	High Speed 2
KSI	Killed & Seriously Injured
LED	Light Emitting Diode

Term	Description
LTM	London Transport Museum
LU	London Underground
MTS	Mayors Transport Strategy
OBR	Office for Budget Responsibility
PTAL	Public Transport Accessibility Level
PPA	Power Purchase Agreements
PPP	Public Private Partnership
PT	Public Transport
RPI	Retail Price Index
SHA	Sustainable Housing & Accessibility
TfL	Transport for London
TLRN	Transport for London Road Network
ZE	Zero Emission

2023 Business Plan: restated to exclude Places for London

£m	2021/22 Actuals	2022/23 Forecast	2023/24 Plan	2024/25 Plan	2025/26 Plan
Passenger income	3,154	4,306	5,158	5,572	5,983
Other operating income	1,098	1,376	1,582	1,598	1,374
Business Rates Retention	1,844	1,819	1,867	1,985	2,025
Other revenue grants	1,789	1,024	274	242	245
Revenue	**7,885**	**8,525**	**8,881**	**9,397**	**9,627**
Operating cost	(6,403)	(7,053)	(7,763)	(7,914)	(7,944)
Operating surplus before interest and renewals	**1,482**	**1,472**	**1,118**	**1,483**	**1,683**
Capital renewals	(551)	(635)	(725)	(775)	(850)
Operating surplus before interest	**931**	**836**	**393**	**708**	**833**
Net interest cost	(439)	(416)	(413)	(448)	(515)
Operating surplus	**492**	**420**	**(20)**	**260**	**318**
Operating (deficit) / surplus (excluding Extraordinary Revenue Grant)	*(1,225)*	*(445)*	*(20)*	*260*	*318*

2024 Business Plan: Income statement

£m	2022/23 Actuals	2023/24 Forecast	2024/25 Plan	2025/26 Plan	2026/27 Plan	2022/23 *Variance*	2023/24 *Variance*	2024/25 *Variance*	2025/26 *Variance*
						Variance to 2023 Business Plan			
Passenger income	4,352	5,256	5,647	5,963	6,223	*46*	*98*	*75*	*(20)*
Other operating income	1,485	1,541	1,530	1,319	1,137	*11*	*(41)*	*(68)*	*(55)*
Business Rates Retention	1,819	1,914	2,014	2,033	2,052	*–*	*47*	*29*	*8*
Other revenue grants	967	334	253	256	252	*(57)*	*60*	*11*	*11*
Revenue	**8,623**	**9,045**	**9,444**	**9,571**	**9,664**	***-***	***164***	***47***	***(56)***
Operating cost	(7,005)	(7,856)	(7,940)	(7,909)	(7,790)	*104*	*(93)*	*(26)*	*35*
Operating surplus before interest and renewals	**1,618**	**1,189**	**1,504**	**1,662**	**1,874**	***104***	***71***	***21***	***(21)***
Capital renewals	(624)	(736)	(775)	(850)	(925)	*11*	*(11)*	*–*	*–*
Operating surplus before interest	**994**	**453**	**729**	**812**	**949**	***115***	***60***	***21***	***(21)***
Net interest cost	(424)	(415)	(432)	(472)	(499)	*(7)*	*(2)*	*16*	*43*
Operating surplus	**570**	**38**	**297**	**340**	**450**	***108***	***58***	***37***	***22***
Operating (deficit) / surplus (excluding Extraordinary Revenue Grant)	(350)	38	297	340	450	***53***	***58***	***37***	***22***