

Appendix 2 – Income Statement (£m)

	Draft Business Plan: 13 Dec 23				Rev. Draft Business Plan: 22 Dec 23				Changes			
	2023/24 Forecast	2024/25 Plan	2025/26 Plan	2026/27 Plan	2023/24 Forecast	2024/25 Plan	2025/26 Plan	2026/27 Plan	2023/24 Forecast	2024/25 Plan	2025/26 Plan	2027/26 Plan
Passenger income	5,256	5,647	5,963	6,223	5,256	5,647	5,963	6,223	-	-	-	-
Other operating income	1,541	1,530	1,319	1,137	1,541	1,530	1,319	1,137	-	-	-	-
Business rates retention	1,914	2,014	2,033	2,052	1,914	2,014	2,033	2,052	-	-	-	-
Other revenue grants	334	253	256	252	334	253	256	252	-	-	-	-
Revenue	9,045	9,444	9,571	9,664	9,045	9,444	9,571	9,664	-	-	-	-
Operating Costs	(7,856)	(7,940)	(7,909)	(7,790)	(7,736)	(8,030)	(7,909)	(7,790)	120	(90)	-	-
Operating surplus before interest and renewals	1,189	1,504	1,662	1,874	1,309	1,414	1,662	1,874	120	(90)	-	-
Capital renewals	(736)	(775)	(850)	(925)	(750)	(761)	(850)	(925)	(14)	14	-	-
Operating surplus before interest	453	729	812	949	559	653	812	949	106	(76)	-	-
Net interest costs	(415)	(432)	(472)	(499)	(415)	(432)	(472)	(499)	-	-	-	-
Operating surplus	38	297	340	450	144	221	340	450	106	(76)	-	-

Appendix 2 – Cash Flow Statement (£m)

	Draft Business Plan: 13 Dec 23				Draft Business Plan: 22 Dec 23				Changes			
	2023/24 Forecast	2024/25 Plan	2025/26 Plan	2026/27 Plan	2023/24 Forecast	2024/25 Plan	2025/26 Plan	2026/27 Plan	2023/24 Forecast	2024/25 Plan	2025/26 Plan	2027/26 Plan
Cash generated from operating activities												
Operating surplus before interest and renewals	1,189	1,504	1,662	1,874	1,309	1,414	1,662	1,874	120	(90)	-	-
Less LTIG & LTM*	1	2	2	2	1	2	2	2	-	-	-	-
Net cash from operating activities	1,190	1,506	1,664	1,876	1,310	1,416	1,664	1,876	120	(90)	-	-
Cashflow from investing activities												
Capital renewals	(736)	(775)	(850)	(925)	(750)	(761)	(850)	(925)	(14)	14	-	-
New capital investment	(1,128)	(1,311)	(1,008)	(933)	(1,128)	(1,311)	(1,008)	(888)	-	-	-	45
Ring-fenced capital funding	720	585	407	347	965	90	407	347	245	(495)	-	-
Working capital mvts	151	253	12	(120)	25	509	265	(411)	(126)	256	253	(291)
Net cash utilised by investing activities	(994)	(1,249)	(1,439)	(1,631)	(889)	(1,249)	(1,439)	(1,631)	105	(225)	253	(246)
Free cash flow	197	257	226	245	421	(58)	479	(1)	225	(315)	253	(246)
Cash flows from financing activities												
Net interest paid	(415)	(432)	(472)	(499)	(415)	(432)	(472)	(499)	-	-	-	-
Net TfL borrowing	281	250	250	250	147	490	(18)	496	(135)	240	(268)	246
Net cash from financing activities	(134)	(182)	(222)	(249)	(269)	58	(490)	(3)	(135)	240	(268)	246
Net increase / (decrease) in cash	63	76	3	(4)	152	1	(12)	(4)	90	(75)	(15)	-
<i>TfL cash balances</i>	<i>1,300</i>	<i>1,376</i>	<i>1,378</i>	<i>1,374</i>	<i>1,390</i>	<i>1,391</i>	<i>1,377</i>	<i>1,374</i>	<i>90</i>	<i>15</i>	<i>(1)</i>	<i>-</i>

*London Transport Insurance (Guernsey) Limited and London Transport Museum

Appendix 3 – Revised draft Business Plan foreword changes

Mayor’s foreword – page 3

As originally published (13 December Board)	Revised draft Business Plan
<p>The Government has consistently recognised that TfL is not expected to fund major renewals and enhancements through its own operating incomes. This plan helps demonstrate the importance of this work to the London and national economies, and I hope the Government will confirm the provision of capital funding for TfL in 2024-25.</p>	<p>The Government has consistently recognised that TfL is not expected to fund major renewals and enhancements through its own operating incomes. This plan helps demonstrate the importance of this work to the London and national economies, and I am relieved that Government has agreed to provide £250m in capital funding for TfL in 2024-25.</p>
<p>History shows that a city’s success is never achieved in isolation. I am proud that investment in London’s transport network supports supply chains across the whole of the UK – from Falkirk to Scarborough to Ballymena. Tens of thousands of people nationwide are employed on projects relating to London’s transport network.</p>	<p>History shows that a city’s success is never achieved in isolation. I am proud that investment in London’s transport network supports supply chains across the whole of the UK – from Falkirk to Scarborough to Ballymena. Tens of thousands of people nationwide are employed on projects relating to London’s transport network. To protect these benefits, it’s still vitally important that we agree a decent long-term funding settlement from the Government that allows us to plan and invest for the future.</p>

Commissioner’s foreword – page 4

As originally published (13 December Board)	Revised draft Business Plan
<p>Thanks to our hard work, and tight financial control, we will be able to meet 75 per cent of our capital investment needs from next year. However, like all major transport operators in the UK and around the world, we will need support from central Government to meet our investment needs in 2024/25 and beyond. The Government has consistently recognised the fact that we cannot, and are not expected to, meet the cost of major capital investments from our own operating incomes.</p>	<p>Thanks to our hard work, and tight financial control, we will be able to meet 75 per cent of our capital investment needs. I am glad that we have now agreed a much-needed capital settlement with the Government for next year. All major transport operators in the UK and around the world require capital funding and London is no different. The Government has continually acknowledged its role in supporting capital expenditure in London, and I’m grateful that support has been agreed.</p>

<p>With the right investment and Government support, we can be an engine for economic growth and lead the way in reaching net zero in the UK, as well as transforming the experience of our customers to be one of the most accessible and inclusive transport networks in Europe.</p>	<p>With funding now in place for the year ahead, we can continue to be an engine for economic growth in the UK, lead the way in reaching net-zero, as well as transforming the experience of our customers by being one of the most accessible and inclusive transport networks in Europe.</p>
<p>All of this investment needs to be underpinned by predictable funding. To maximise our investment, drive further efficiency and deliver value for money, it is vital that we agree longer term capital funding along the lines of Government agreements with Network Rail, National Highways and city regions across England.</p>	<p>All of this investment must be underpinned by long-term predictable funding. To maximise our investment, drive further efficiency and deliver value for money, it is vital that we agree a multiyear capital funding agreement in the same mould as those given to Network Rail, National Highways and eight city regions across England.</p>

Chief Finance Officer’s foreword – page 16

As originally published (13 December Board)	Revised draft Business Plan
<p>Our Business Plan assumes that the Government will contribute significant funding to our major stock and signalling programmes in 2024/25, and into the longer term. While we welcome the reference in the Autumn Statement for funding towards highway maintenance and a new bus network in the Docklands, discussions on our core funding requirement have continued since submitting our 2024/25 funding request in September, but these have not yet concluded.</p>	<p>We welcome the £250m of Government capital funding, which will enable us to continue our major train and signalling programmes in 2024/25, and the reference in the Autumn Statement for funding a new bus network in Thamesmead. However, longer-term funding certainty is still needed and we look forward to future discussions with Government on this.</p>