2024/25
TfL Budget

TfL Finance Committee

13 March 2024

EVERY JOURNEY MATTERS

Financial summary

We will deliver an operating surplus in 2023/24, of all which is reinvested into maintaining and improving our network.

Our 2024/25 Budget builds on this foundation and shows how we will grow this operating surplus, to increase our ability to invest.

However, as the Government has recognised, it is not possible for TfL to fully fund all major projects and asset replacement from its own sources of income.

We still need sufficient and long-term capital funding from Government to commit to and deliver the long-term investment required to replace major assets such as rolling stock, signalling and critical roads bridges and structures.

Journeys:

3.8bn

+5.9% vs 23/24

Revenue:

£9,467m

+4.9% vs 23/24

Like-for-like operating costs (19/20 prices):

£5.1bn

11% down vs 19/20

Operating surplus:

£161m

Double our budget surplus in 23/24

Capital investment:

£1,821m

(2.6%) vs 23/24

Cash balance:

£1,383m

Maintaining 60 days operating cash

Key highlights for 2024/25:

- **Rising passenger demand:** we will grow our ridership by a further six per cent and passenger income by over £300m.
- **Other income sources:** we are growing total income whilst maintaining the proportion of fare income (58%) year-on-year.
- **Continuing to deliver recurring cost savings:** targeting £133m of incremental recurring savings and a total of £343m including one-off and cost avoidance.
- **Growing our operating surplus:** we will grow our operating surplus, all of which is used to fund investment.
- **Funding investment:** we are investing £1.8bn into our assets and maintaining the outcomes we set in our 2024 Business Plan. This is a three per cent reduction year-on-year as some of our programmes come to an end and others ramp up, although we are increasing the year-on-year investment in critical asset renewals.
- **Rebuild our cash reserves:** we will hold 60 days' worth of operating costs

Section 1

Building on our Business Plan

Our Business Plan is outcome focused and integrated

We have a balanced set of target outcomes based on the Mayor's Transport Strategy (MTS) and the roadmaps of the TfL Strategy which helps us set the direction of travel to 2030.

The 2024/25 Budget builds on the 2024 Business Plan and sets out in more detail how we will deliver the first full year of the Plan.

Mayor's Transport Strategy themes and outcomes

Healthy Streets and healthy people

Safe, Active, Efficient and Green

A good public transport experience

Connected, Accessible and Quality

New homes and jobs

Sustainable and Unlocking

TfL Strategy themes

The themes of TfL Strategy fully support the delivery of the MTS and the ambitions of the organisation

- Safety and Security
- Colleague
- Customer
- Green
- Finance

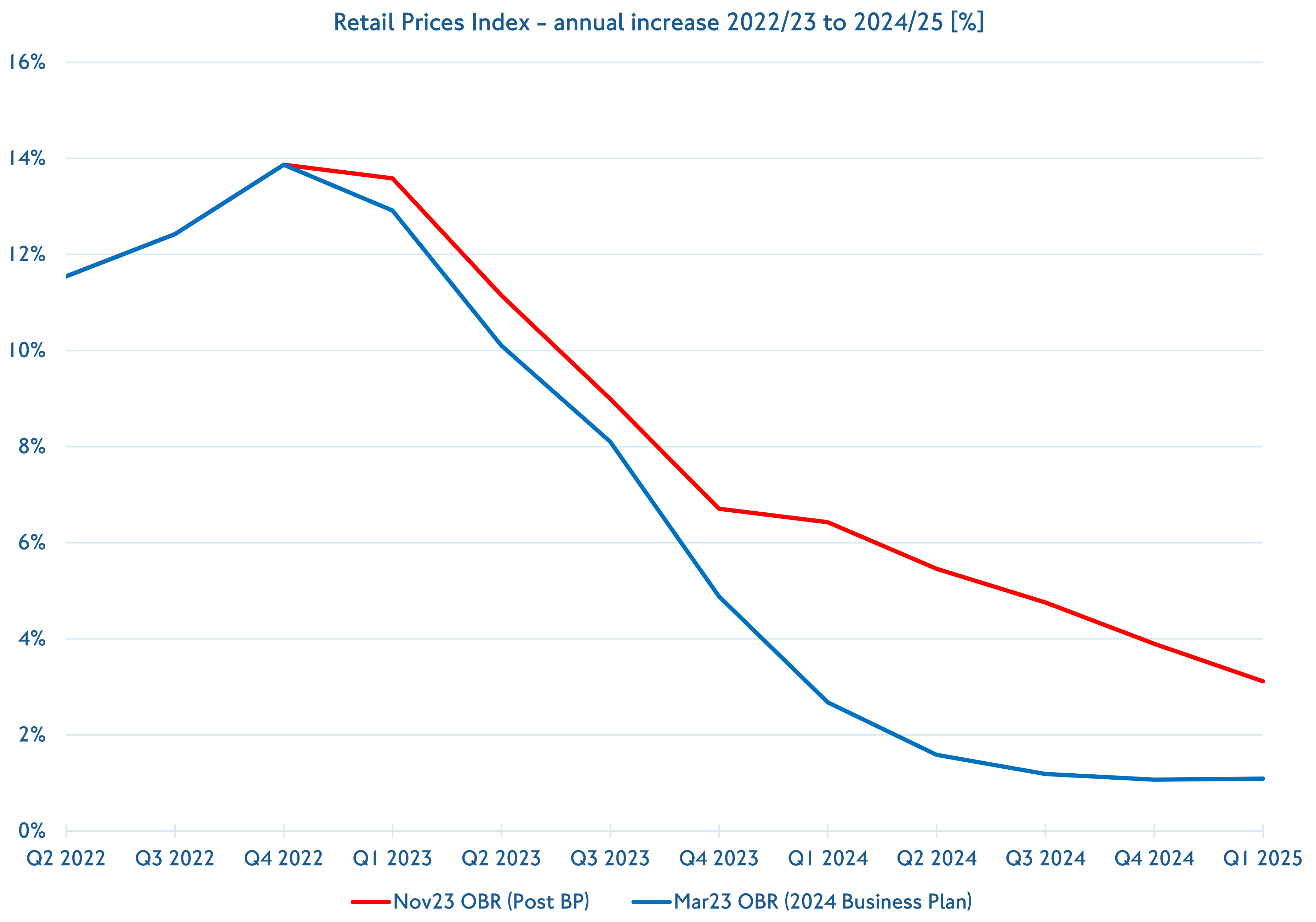
Since setting the Plan, expected inflation has increased

When setting the Budget, we update the Business Plan for the latest macroeconomic data and forecasts.

The 2024 Business Plan assumed inflation would align to the March 2023 OBR Forecast [blue line].

Post the Business Plan, inflation was expected to be higher for longer under the November 2023 OBR Forecast [red line]. This added c.£180m of operating cost pressure in 2024/25.

Inflation is currently trending between these two forecasts.



The outcomes of the Mayor's Budget fed into the TfL Budget

The TfL Budget is also updated for any outcomes of the Mayor's Budget process, which concludes after the TfL Business Plan is published.

In the 2024/25 Mayor's Budget, there were a number of decisions on funding for TfL.

These lead to an additional £235.5m of funding of which £156.0m is recurring additional funding support and £79.5m is one-off funding.

This has been reflected in the 2024/25 TfL Budget.

Recurring / ongoing

- Freezing Mayoral controlled fares so our services remain affordable
- Recurring funding to support 2023/24 London Underground pay talks
- Enhance publicly available toilets on the TfL estate

Additional in 2023/24 and 2024/25

- Fares innovation: trialling off-peak Fridays
- Helping further improve London's air quality by extending the scrappage scheme
- Funding to support Superloop bus services

Source: Mayor's final draft budget for 2024/25 approved 22 February 2024
https://www.london.gov.uk/who-we-are/governance-and-spending/spending-money-wisely/mayors-budget

Section 2

Our financial strategy underpins our delivery

Grow our income and control our costs to secure our future

For London to stay vital, we need to be strong

Our Finance Strategy shows how we will 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 across the value chain.

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 2023 financial success measures

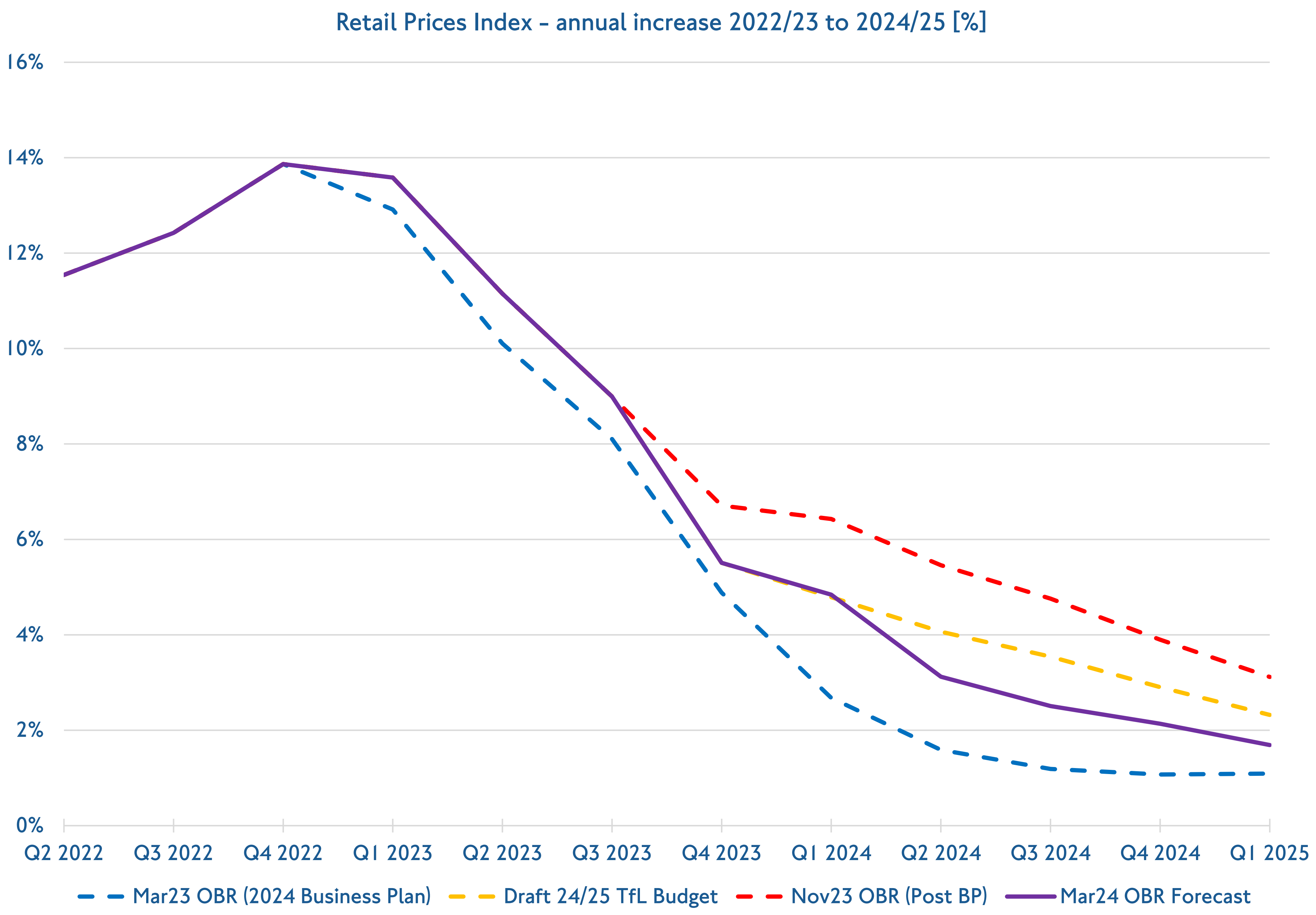
- Ensure our income always exceeds our costs, growing our operating surplus
- Control our costs in real terms, targeting inflation minus 2 per cent
- Secure long-term funding approach and settlement by 2025

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

In an uncertain environment, we have taken a balanced view on inflation

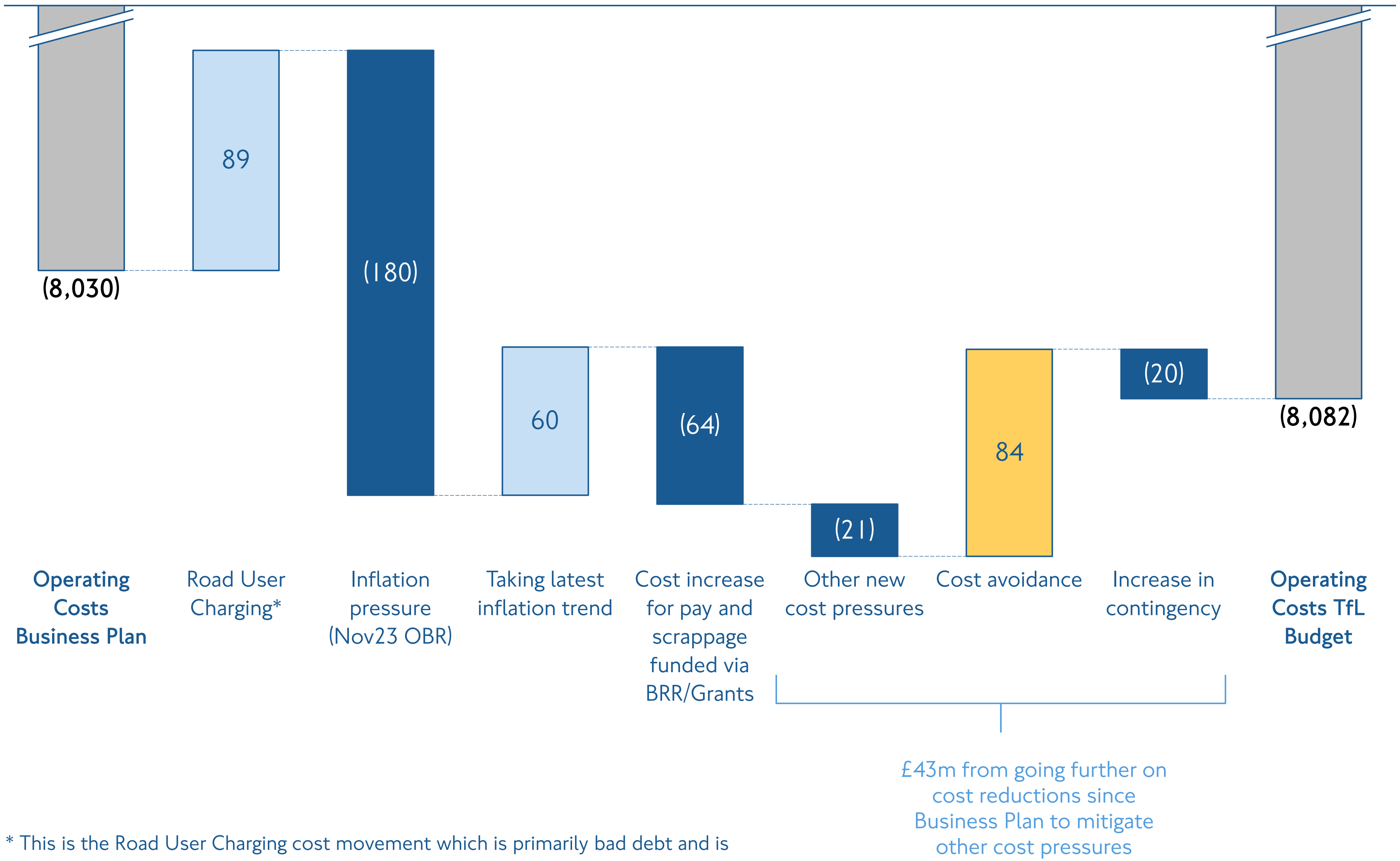
Informed by the latest trends and market expectations, we have taken our own view of inflation [orange line]. This reduces the £180m cost pressure in 2024/25 by £60m, down to £120m.

On 6 March 2024, the OBR published its latest forecast [purple line] which indicates RPI inflation will fall slightly faster than our own view embedded into this draft Budget.



To offset higher inflation we've had to find further savings

Operating costs (£m) – 2024 Business plan to 2024/25 Budget (FY 2024/25) – excluding Places for London

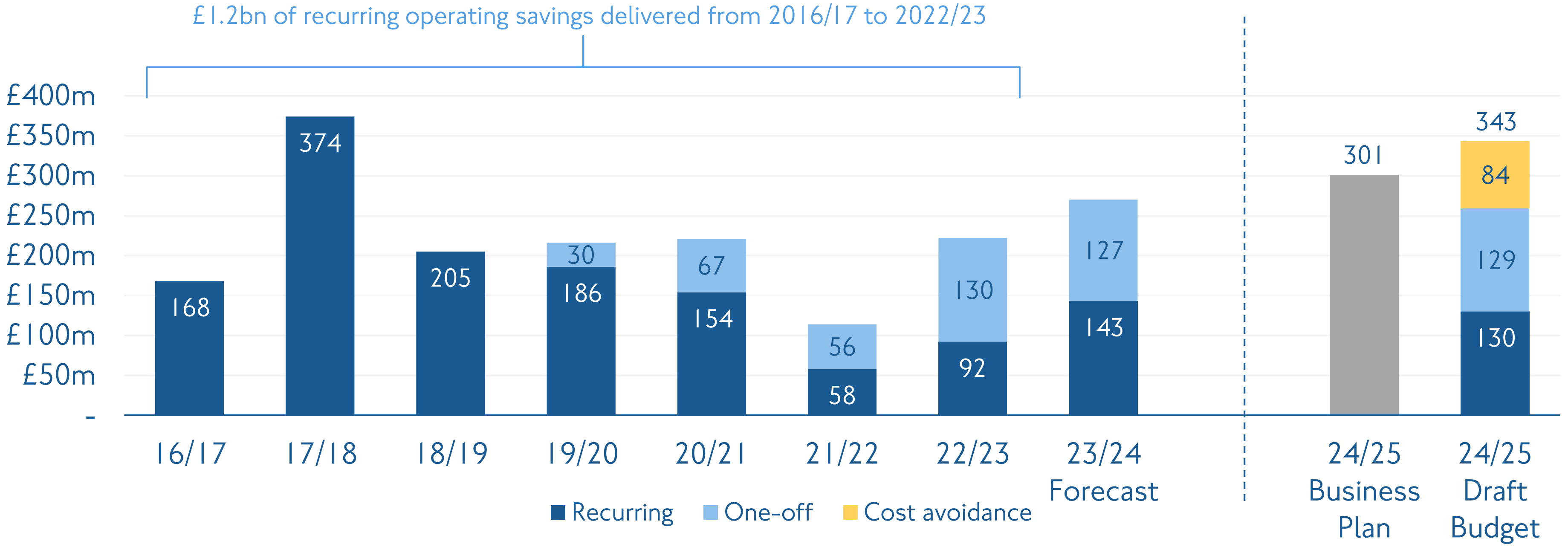


* This is the Road User Charging cost movement which is primarily bad debt and is offset by an opposite income movement.

Continually improve our efficiency

We already had a more stretching savings target in 2024/25, but we've had to stretch this further

Year on year incremental savings – actual and planned (£m)



Our target for cost savings in 2024/25 is now circa £340m through a mixture of recurring, one-off and cost avoidance vs the circa £300m in the Business Plan. We've done this through taking a number of measured actions:

- Reviewing our non-permanent labour and reducing expenditure on consultancy
- Working with our suppliers to offset the impact of inflation and identify further savings
- Reducing our office footprint and sub-letting head office space
- Reducing energy consumption and effective energy procurement
- Further productivity improvement in on our back and middle office areas

In addition, to balance the budget, we have reviewed and avoided some of the cost growth we had original forecast in our 2024 Business Plan through a mixture of reducing or stopping the activity or mitigating the cost pressure.

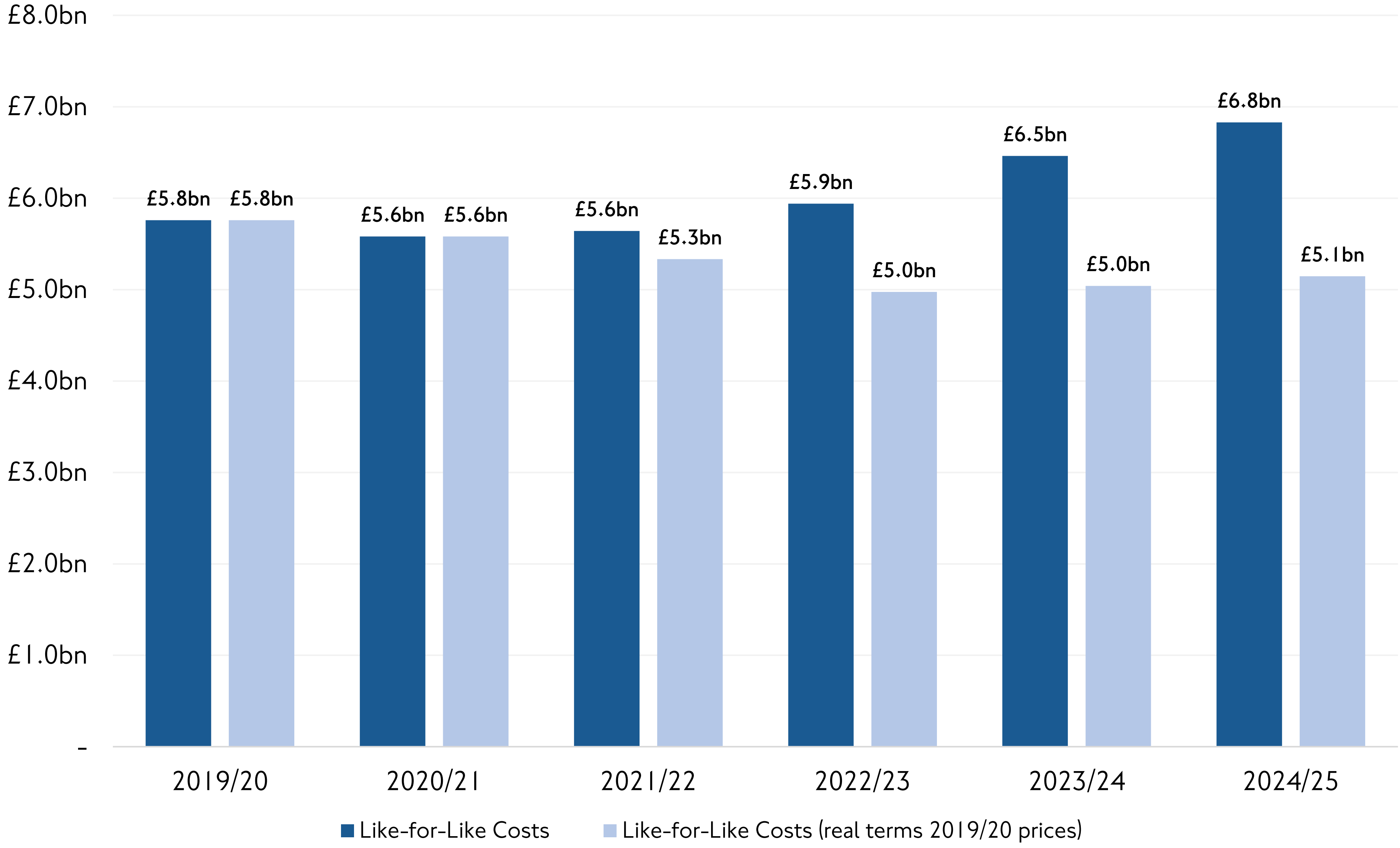
We still have an unidentified savings target of circa £90m across both recurring and one-off which is a similar challenge that we have taken in previous years. Some of this will be delivered by mitigating or avoiding cost increases, which while not meeting the technical definition of a year-on-year saving, will still support in delivering our budget.

We have continued to control our costs in real terms

A significant proportion of our costs for 2024/25 are indexed to inflation indices (mainly RPI) for February and March 2024. The downward trajectory of inflation means that the actual level of inflation over the course of 2024/25 will be lower. This leads to a slight increase in real-terms costs when deflated by the average level of inflation for the year.

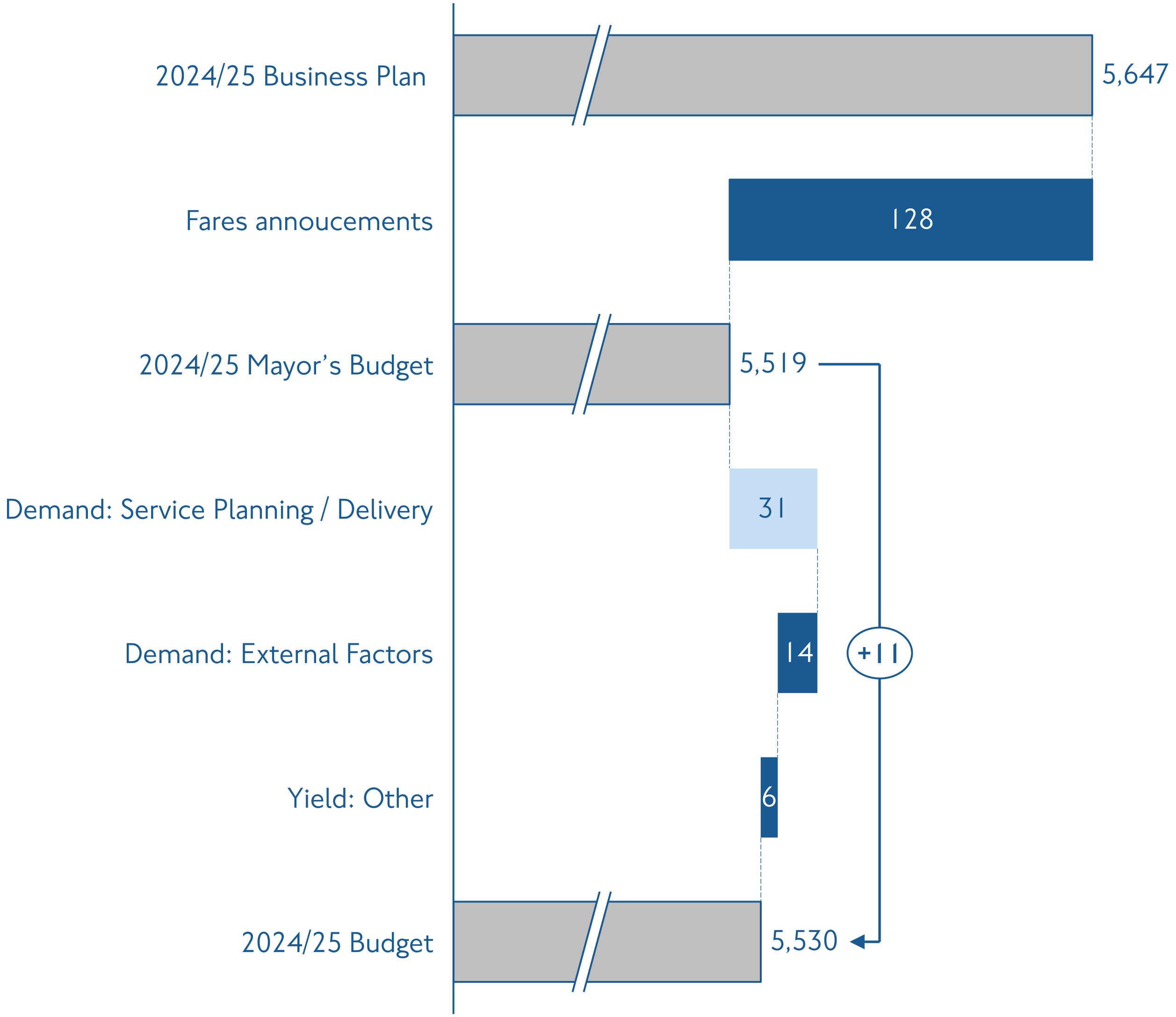
Our savings programme ensures we continue to mitigate inflation where possible.

Core Operating costs (£bn) – like for like (2019/20 baseline) – excluding Places for London



Our passenger income is lower than the Plan due to the Mayoral fares freeze – but this is offset by other funding from the Mayor

Passenger income forecast: 2024/25 Budget compared to 2024 Business Plan (£m)



- National fares uplift of 4.9%
- Mayoral fares frozen and off-peak Friday's trial (funded by the Mayor)

Underlying £11m improvement:

Demand impact

- Latest trends for LU and EL and targeting an improvement of bus journey times to increase revenue
- External factors: worsening macroeconomic indicators offset by underlying commuter traffic

Yield impact

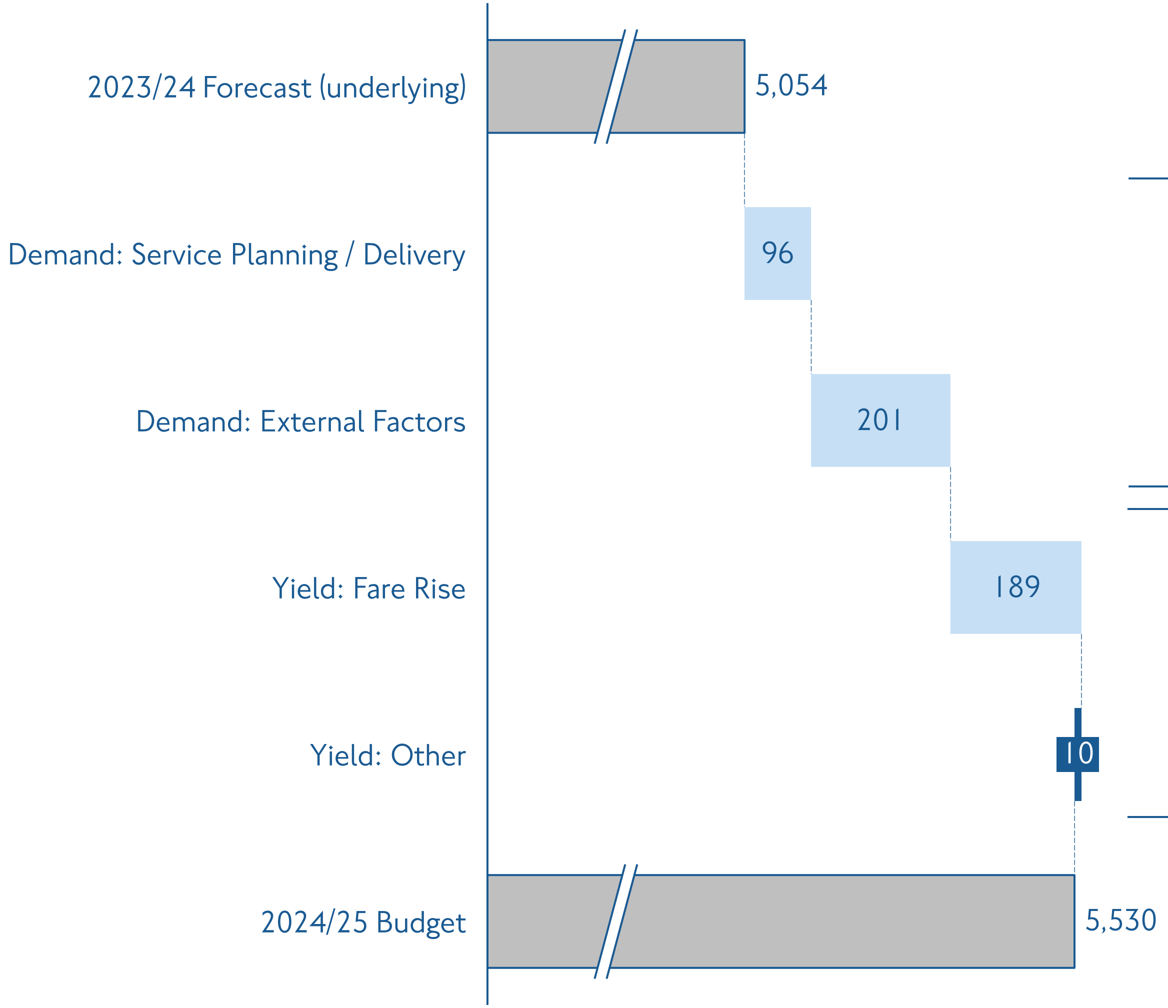
- External factors including changing journey patterns, capping and freedom pass income

Demand is growing by a further 6% year-on-year

By the end of 23/24 we expect our ridership to have grown by six per cent from 2022/23. This is on top of the 31 per cent increase in 2022/23.

Our Budget assumes that journeys will grow by another six per cent in 2024/25 through a mixture of continued pandemic recovery, return to office and service planning delivery including full year of Elizabeth line through running, additional bus kms and Tube/Rail service enhancements.

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



Demand growth of 6%, £298m

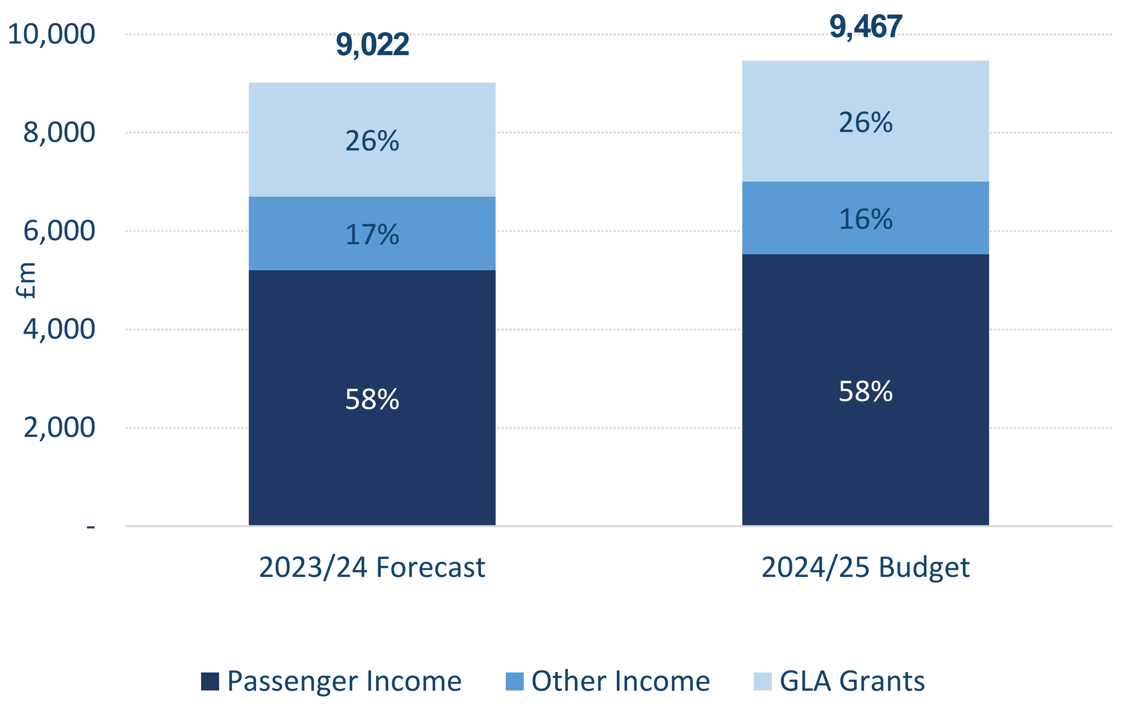
- Service planning & delivery: full year of Elizabeth line through running and additional bus kms. enhancements
- External factors: economic growth, further pandemic recovery and return to office

Yield growth of 3%, £179m

- Fare rise: c2% in line fares freeze on Mayoral controlled fares and 4.9% on national fares
- Other: other external factors including changing journey patterns, capping and freedom pass income

We are growing total income, while maintaining the same proportion of fare income year-on-year

Total income £m

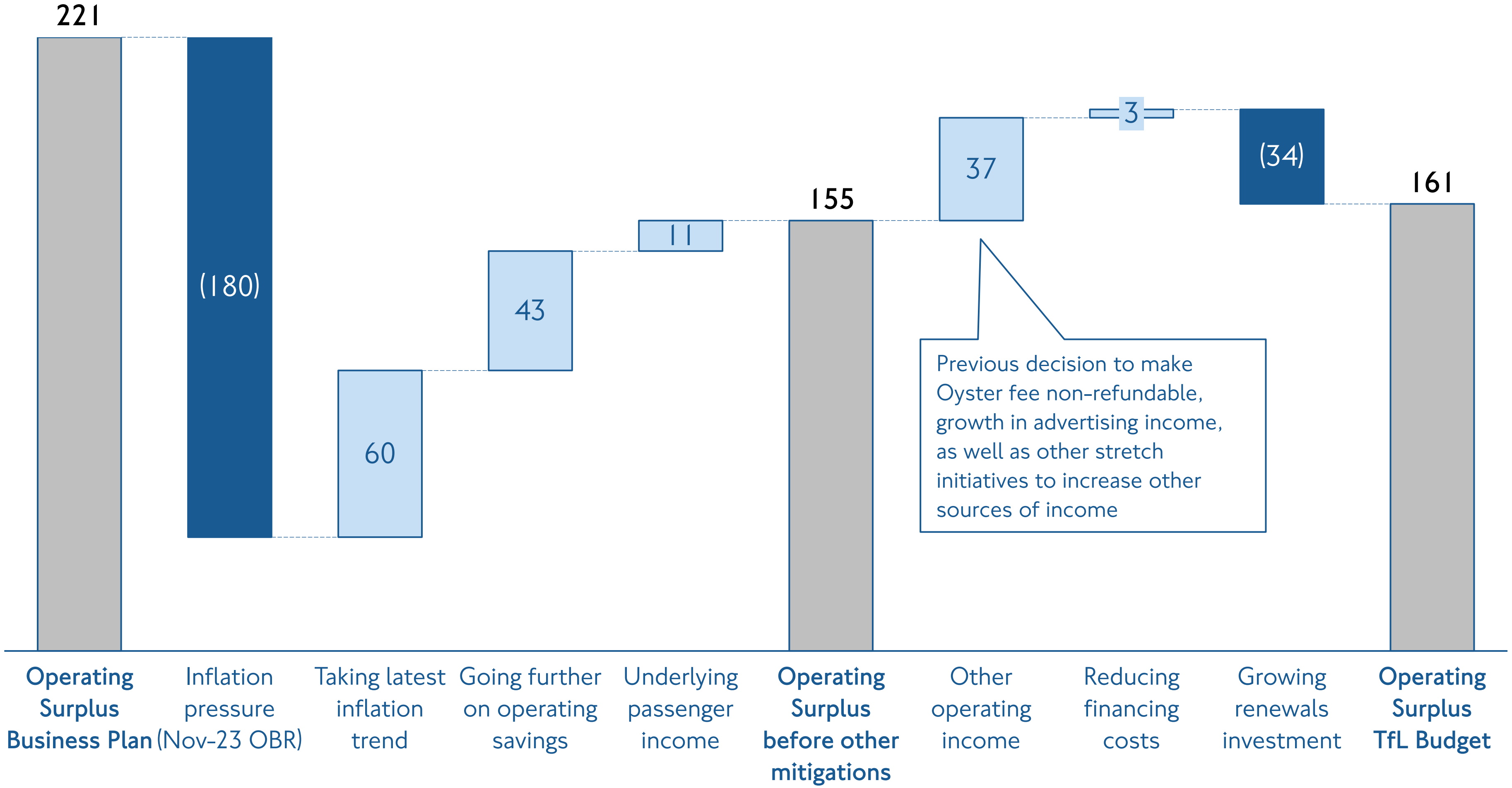


How we are increasing other income sources outside of passenger income to maintain the proportion of income that comes from fares:

1. Business Rates Retention – 6.5 per cent uplift through local government settlement and billing authorities returns.
2. Council Tax - increase in the precept by an additional £20 (Band D) in line with the council tax excessiveness principles confirmed by government on 5 December 2023 generating approx. £60m of additional funding for transport. This is the last of the four increases in-line with the Government funding condition to raise £500m pa of new revenue.
3. Other sources: growing other sources of income including commercial media and partnerships, telecoms, taxi and private hire licence fees and other administration fees.

We have mitigated the majority of the inflation pressure and been able to increase investment in asset renewals

Operating surplus: 2024/25 Budget compared to 2024 Business Plan (FY 2024/25)



This leaves a gap of £60m to the 2024 Business Plan operating surplus that we have not been able to mitigate in-year, but importantly we are still able to show a growing operating surplus to fund investment from £102m in 23/24 to £161m in 24/25. We have achieved this whilst increasing the level of investment in our critical asset renewals.

We have maintained a growing operating surplus to fund investment

In 2023/24, we are on track to reach operational financial sustainability and no longer rely on Government support for day-to-day operations.

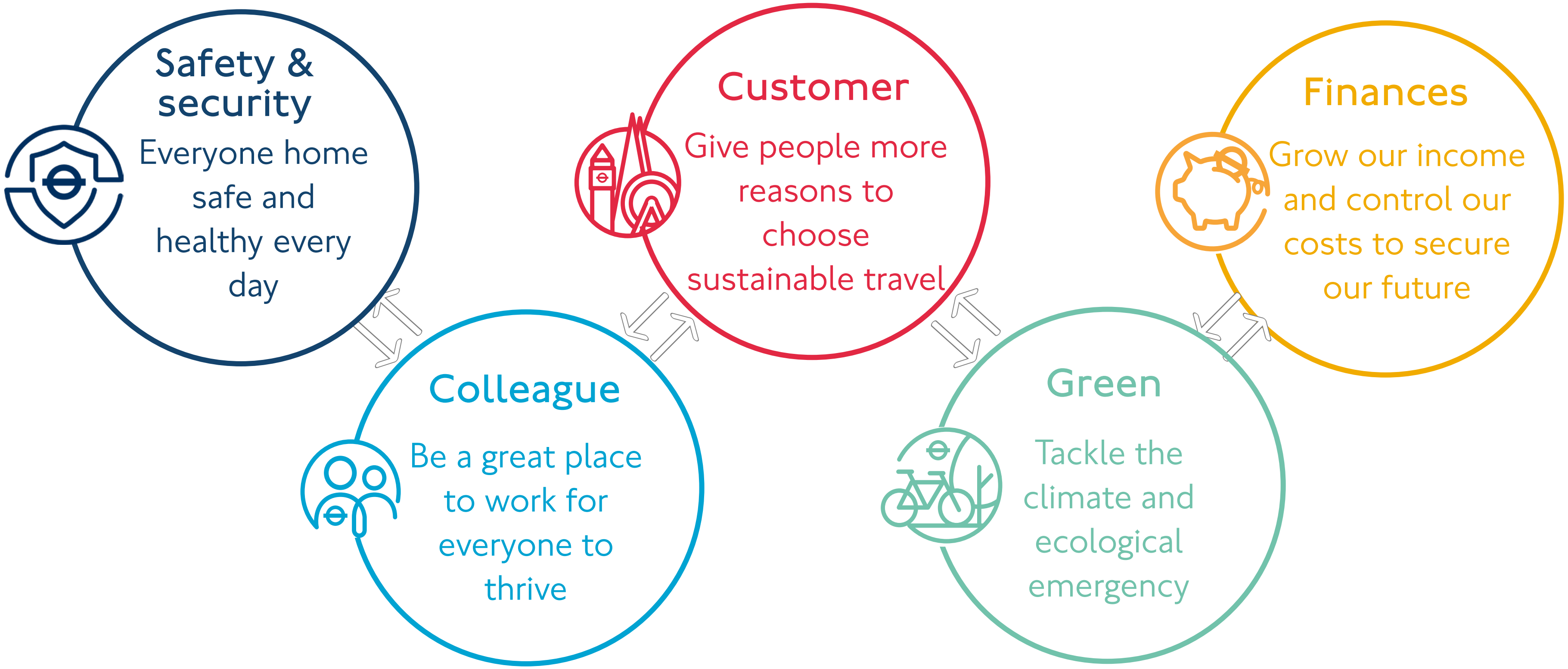
The surplus has reduced by £60m since our 2024 Business Plan but still grows to over £160m.

We have achieved this whilst growing our investment in critical capital renewals. However, we will need to continue to invest more in future years which needs to be supported by long-term Government funding.

Income statement (£m) – excluding Places for London

	2024/25 Budget		Variance to Plan		Variance YoY	
	2023/24 Forecast	2024/25 Budget	2023/24 Forecast	2024/25 Plan	2023/24 vs 2022/23	2024/25 vs 2023/24
Passenger income	5,207	5,530	(49)	(117)	855	323
Other operating income	1,495	1,478	(46)	(52)	10	(17)
Business rates retention	1,914	2,170	-	156	95	256
DfT base funding	-	-	-	-	(808)	-
Council tax precept	178	244	-	-	64	66
Other revenue grants	228	45	72	36	183	(183)
Revenue	**9,022**	**9,467**	**(23)**	**23**	**399**	**445**
Operating costs	(7,751)	(8,082)	(15)	(52)	(746)	(331)
Operating surplus before interest and renewals	**1,271**	**1,385**	**(38)**	**(29)**	**(347)**	**114**
Capital renewals	(755)	(795)	(5)	(34)	(131)	(40)
Operating surplus before interest	**516**	**490**	**(43)**	**(63)**	**(478)**	**74**
Net interest cost	(414)	(429)	1	3	10	(15)
Operating surplus	**102**	**161**	**(42)**	**(60)**	**(468)**	**59**
Operating surplus (excluding DfT base funding)	*102*	*161*	*(42)*	*(60)*	*340*	*59*

What this budget protects and delivers against our goals



Delivering on our Safety & Security goal

Everyone home safe and healthy every day

- Launch phase 2 of the Direct Vision Standard to improve safety of road users
- Start construction of Lambeth Bridge and Battersea Bridge Phase 2 safer junctions
- Delivering our Safer Junction programme
- Completing research into escalator safety and next steps
- TfL Colleague Safety Plan
- Starting trials for further reducing dust on the tube network
- Investing £150m in furthering the work towards safe and healthy streets
- Proof of Concept trials for further CCTV

Metrics and milestones tracked on the scorecard

24.6% reduction in the number of people Killed or Seriously injured on London's roads from 2010-14 baseline

12% reduction in Customers Killed or Seriously injured vs. 22/23

17% reduction in Colleagues Killed or Seriously injured vs. 22/23

- **Lambeth Bridge** start-on-site (Dec 2024)
- **Direct Vision Standard Phase 2** – Go Live (Oct 2024)

Delivering on our Colleague goal

Be a great place to work for everyone to thrive

- Progress our Reward Strategy
- Continue to embed the value chain through OTP and our change portfolio
- Continue to embed Action on Inclusion
- Continue to embed our approach to talent
- Continue to implement principle based polices
- Begin to embed our Colleague Wellbeing Plan
- Improve the quality of our data and embed use of dashboards to drive decision making

Metrics and milestones tracked on the scorecard

+2%
In employee engagement versus 2023/24

94.25%
Attendance %

Key indicator of staff engagement, health and wellbeing

Improving Senior Leader representation so that the end of 24/25 composition is at least:

Women: 35.3%
BAME: 19.8%
Have a disability: 6.4%
Minority faith/belief: 13.1%
LGB: 5.8%

- **Staff welfare** – Completion of staff welfare renewal works to 25 rooms (Oct 2024)
- **Bus driver welfare** – Twelve bus driver welfare facilities completed (Mar 2025)

Delivering on our Customer goal

Give people more reasons to choose sustainable travel

- Increasing our renewals budget to ensure we maintain existing service levels and improve reliability
- Focusing attention on improved bus journey times– including 25 km of new bus lanes
- Continuing the roll out of 4G/5G across the network
- Starting procurement for replacement Trams, preparing for new Bakerloo line trains and delivering new Piccadilly and DLR trains
- Continuing the Four Lines Modernisation & transforming Elephant & Castle Station
- Roll out of full Superloop service enabled by delivery of the Silvertown Tunnel
- Accelerated delivery of the Sustainable Housing & Accessibility fund and feasibility for DLR extension to Thamesmead to help deliver new homes and jobs
- Further innovation to incentivise sustainable travel

Metrics and milestones tracked on the scorecard

56% of Londoners agree we care about our customers (+2% vs 23/24)

34.1 mins Bus Journey Time*

26.6 mins LU Journey Time*

27.1 mins Rail Journey Time* (DLR, Trams, Overground, Elizabeth Line)

90% Investment programme milestone delivery

*Journey Time is a measure of how long it takes our customers to travel on our services, adding up each stage of a journey (e.g. waiting, time in transit, interchange) and applying a weighting for factors that negatively affect passenger experience, such as crowding and wait times.

- **Piccadilly Line Upgrade** – Delivery of first train to London (second half of 2024)
- **Trams Replacement Rolling Stock** – Release of Invitation To Tender (Oct 2024)
- **London Overground line naming**– Line names in use (End 2024)
- **DLR Rolling Stock Replacement Programme** – facilitate full length trains - Bank to Woolwich Arsenal (Dec 2024)
- **Bus priority** – Completion of the Detailed Design for the iBus2 Solution (Mar 2025)
- **4G/5G** – Increase mobile phone coverage underground to cover 225 locations (Mar 2025)

Delivering on our Green goal

Tackle the climate and ecological emergency

- Continuing the roll out of zero-emission busses with a further 500 buses joining the fleet in 2024/25
- Renewable Energy Procurement – award first TfL PPA
- Phase out all cars in the TfL support fleet which are not Zero Emission capable
- Continuing to build our building decarbonisation pipeline, including securing external funding where available
- Increase Green Infrastructure and biodiversity through enhanced Sustainable Drainage implementation and doubling our wildflower verges
- Strengthen our Climate Budget, with the inclusion of scope 3 and adaptation projects
- Continuing the Mayor's Air Quality fund from the business plan

Metrics and milestones tracked on the scorecard

<773ktonnes
CO_{2e} emissions from TfL operations & buildings. A reduction of 6.5% from 23/24

90%
Green Milestone delivery

9,000 sqm
New rainwater catchment area resulting from sustainable drainage schemes

- **Zero Emission:** All cars in TfL Support Fleet Zero Emission Capable (Dec 2024)
- **Therapia Lane Decarbonisation Project** – Start-On-Site (Sep 2024)
- **LED Upgrade**: Installation of six thousand energy-saving LED lights serving customers & staff at King's Cross station (Feb 2025)

Our capital programme

This budget delivers £1.8bn of capital investment and maintaining the outcomes we set in our 2024 Business Plan. It reflects the latest cost schedule for Piccadilly line trains (cash was already reflected in the business plan).

This is three per cent lower than this financial year as some of our programmes come to an end and others ramp up.

However, we are continuing to increase our funding for critical assets renewals to begin to address the backlog created by the pandemic and Government funding uncertainty.

Capital expenditure (£m)

	2024/25 Budget		2024 Business Plan		Variance	
	2023/24 Forecast	2024/25 Budget	2023/24 Forecast	2024/25 Plan	2023/24 Variance	2024/25 Variance
Piccadilly Line Upgrade	(446)	(414)	(437)	(712)	(9)	298
DLR train replacement	(224)	(211)	(236)	(220)	12	9
Four Lines Modernisation	(98)	(74)	(101)	(74)	2	0
Environment	(86)	(58)	(103)	(58)	17	(0)
Safe & Healthy Streets	(117)	(113)	(120)	(112)	3	(1)
Rail & Station Enhancements	(59)	(75)	(62)	(79)	2	4
Technology	(56)	(64)	(63)	(64)	7	(0)
Other Enhancements	(27)	(17)	(6)	7	(21)	(24)
Renewals	(755)	(795)	(750)	(761)	(5)	(34)
Total capital expenditure	(1,869)	(1,821)	(1879)	(2,072)	9	251

Key movements:

- **PLU:** Reflects the changes to the contract for the new Trains that were approved by Finance Committee in December 2023. The impact was to reschedule the payments to the supplier and to re-phase delivery, with offsetting increases in future years. This has now been reflected in the cost schedule (cash was already reflected).
- **DLR:** The latest schedule reflects a rephasing to the programme predominantly driven by a supplier going into administration, with the £21m underspend now falling into future years. All trains are expected to be in place by 2026 as originally planned.
- **Environment:** reflects the latest ULEZ assumptions
- **Technology:** the main movements are due to timing changes on externally funded projects.
- **Other:** Revision to deliverability assumptions and rephasing of several small schemes
- **Renewals:** increase in investment to continue the ramp up of critical asset renewal after a period of renewals being supressed due to the pandemic and Government funding uncertainty.

Section 3

How we are being prudent and managing risks in our budget

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 means there will be borrowing headroom in the medium term.

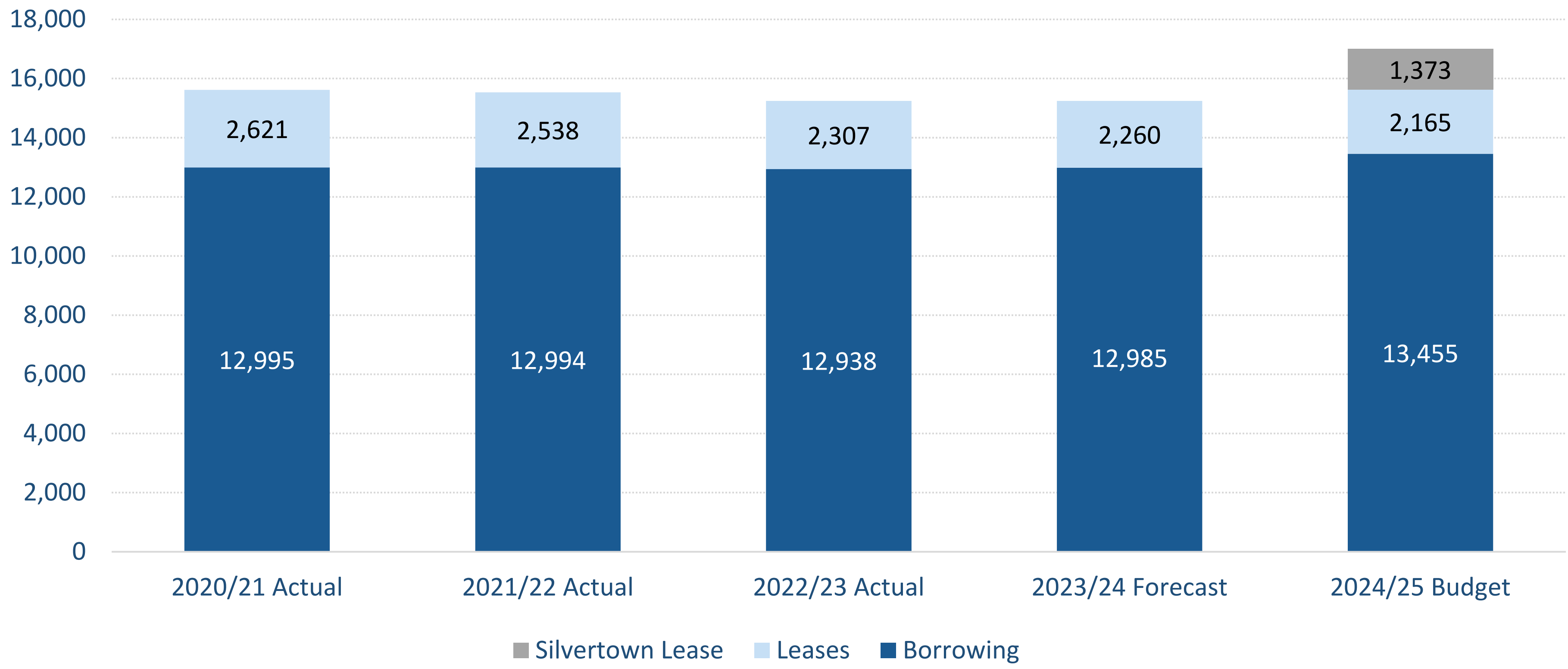
We have reduced our total debt since 2020/21 as part of our return to financial sustainability.

Our total debt is forecast to increase in 2024/25 as we borrow to fund our investment programme and the Silvertown Tunnel opens and comes on balance sheet.

Debt: movements (£m)

£m	2020/21	2021/22	2022/23	2023/24	2024/25
Net borrowing	1,275	(1)	(56)	47	470
Net movement in outstanding leases	78	(83)	(231)	(47)	1,278
Total change in debt balance	1,353	(84)	(287)	-	1,748

Actual/Forecast Closing Debt Balances (£m)



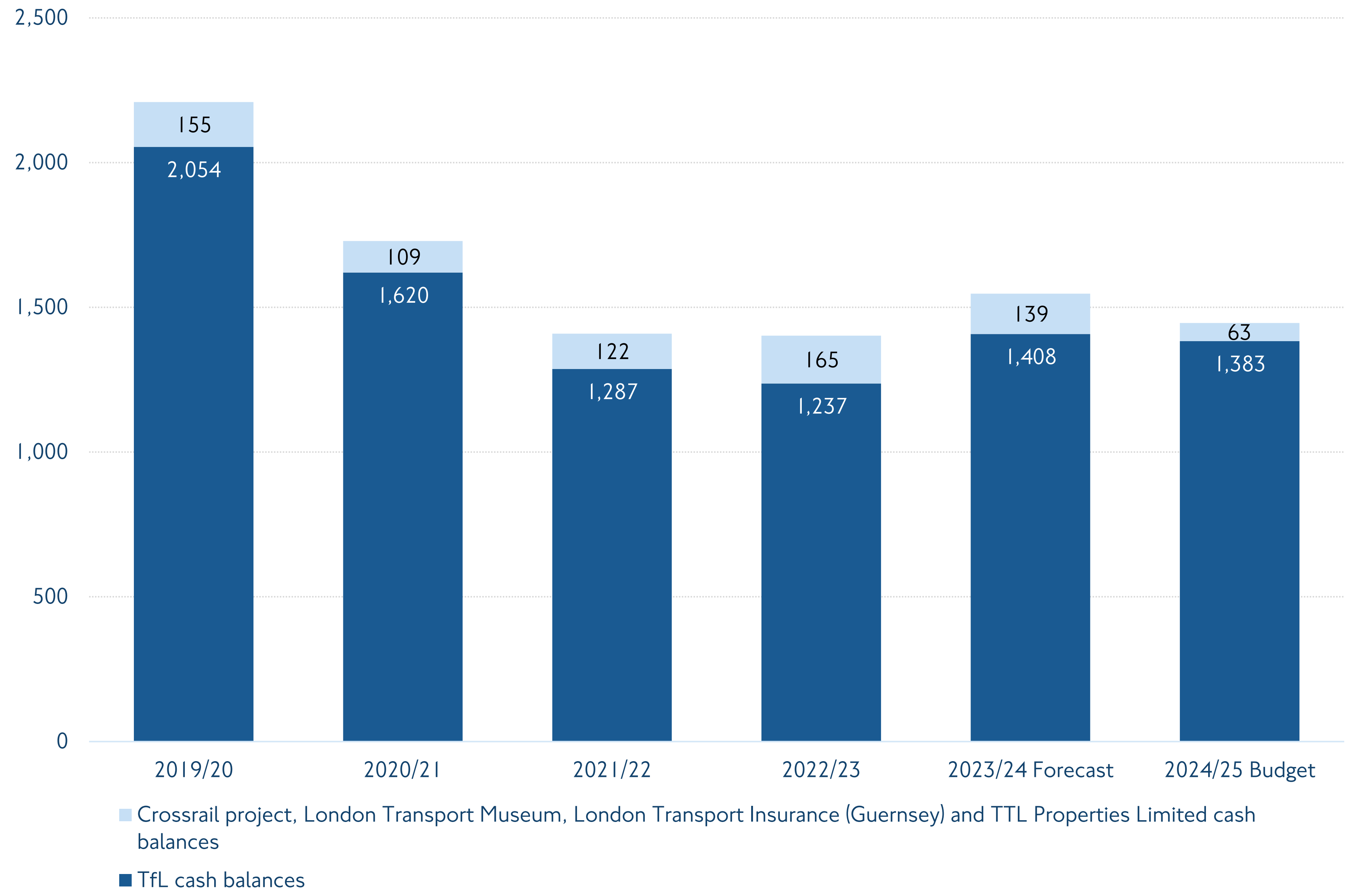
We are rebuilding our cash reserves

Prior to the pandemic we had built up our cash reserves to over £2bn, but these have been drawn-down to manage the demand shock we have faced.

As per the August 2022 funding settlement, we continue to manage cash at around £1.2bn throughout the period of the agreement but expect to end 2023/24 at £1.4bn (£1.3bn after adjusting for grants we have received in advance of spend in future years - which is the maximum permitted under the funding settlement).

In 2024/25, we plan to hold cash reserves equivalent to 60 days of operating costs. We maintain other sources of liquidity including an overdraft facility, a short-term financing facility and the £350m GLA financing facility to absorb any shocks and withstand strategic, safety and operational risks.

Cash balances (£m)



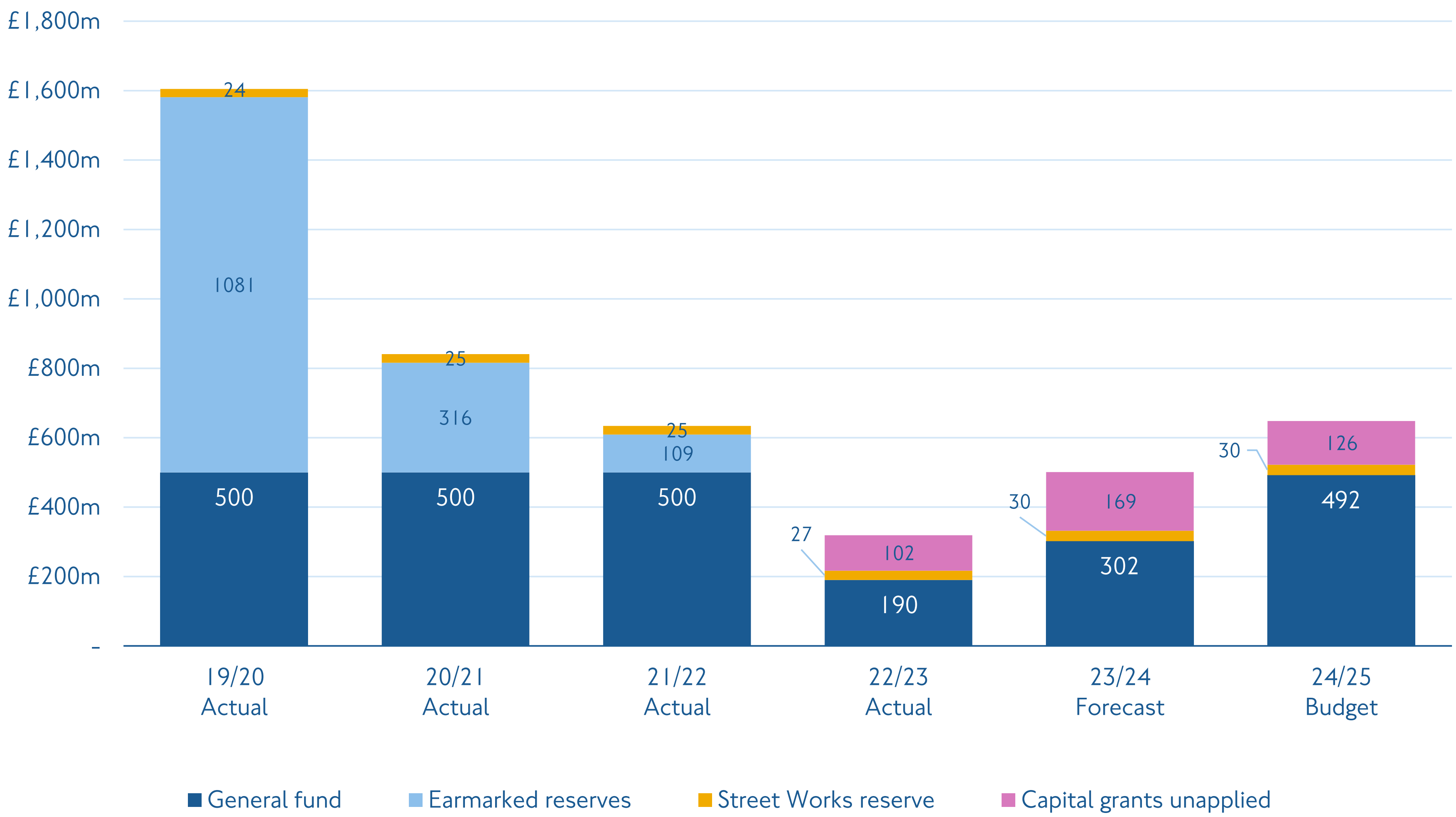
And we are rebuilding our accounting reserves

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.

This Budget confirms the trajectory set out in our 2024 Business Plan to return to a General Fund of £500m by 2025/26.

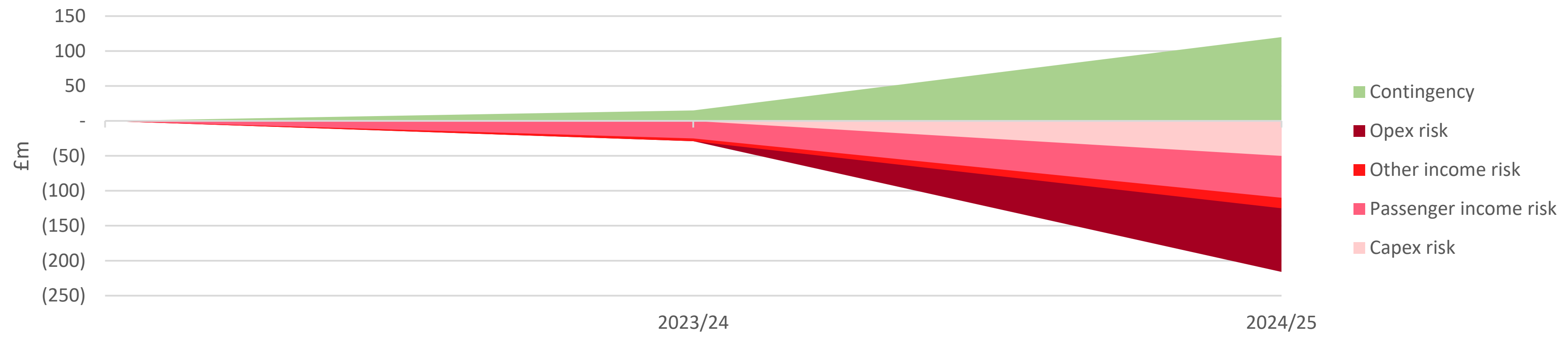
Accounting reserves (£m)



Although we have taken a measured approach, this budget does contain significant risks which we can manage through contingency and other levers

Probability weighted risks and opportunities for the remainder of 2023/24 and 2024/25

Risks of around (£220m) offset by contingency of £120m



Key risks in 24/25:

1. Passenger income – risk returns to TfL at the end of the August 2022 funding settlement.
2. Other income – there is a range of uncertainty around some of our other income streams
3. Savings – there remains some risks to achieving our challenging savings targets this year but we are committed to delivering our programme of change.
4. Asset condition – we are ramping up our investment in renewing our assets in line with the trajectory set out in our business plan but it is still lower that the circa £1.2bn per annum run rate required.

We have some capacity built into our budget to manage these risks with £120m of contingency.

Further downside scenario levers:

The total of our risk exposure is greater than the level of contingency. Rather than reduce our ability to deliver the outcomes we have set out, we are taking a balanced approach and identifying levers to course correct during the year if required. This will be achieved by:

- Maintaining the GLA financing facility at £350m to provide time to respond to shocks
- Introducing more stringent controls on operating costs if required
- Managing the commitments of our capital expenditure to maintain levers to slow or stop expenditure if required.

Section 4

Appendices

Cash flow statement

£m	2024/25 Budget		Variance to Plan		Variance YoY	
	2023/24 Forecast	2024/25 Budget	2023/24 Forecast	2024/25 Plan	2023/24 vs 2022/23	2024/25 vs 2023/24
Net cash generated by operating activities	1,271	1,385	(38)	(28)	(347)	114
Less LTIG and LTM	1	2	-	-	3	1
Net cash generated by TfL operating activities	**1,272**	**1,387**	**(38)**	**(28)**	**(344)**	**115**
Cash flows from investing activities						
Capital renewals	(755)	(795)	(5)	(34)	(131)	(40)
New capital investment	(1,113)	(1,026)	15	285	(30)	87
Ring-fenced capital funding	899	178	(66)	88	604	(721)
Working capital movements	235	190	211	(319)	54	(44)
Net cash utilised by investing activities	**(734)**	**(1,453)**	**155**	**20**	**497**	**(718)**
Free cash flow	**538**	**(66)**	**117**	**(8)**	**154**	**(604)**
Cash flows from financing activities						
Net interest paid	(414)	(429)	1	3	10	(15)
Net TfL borrowing	47	470	(100)	(20)	56	423
Net cash generated from financing activities	**(367)**	**41**	**(99)**	**(17)**	**66**	**408**
Net increase/(decrease) in cash	**171**	**(25)**	**18**	**(25)**	**220**	**(196)**
TfL cash balances	*1,408*	*1,383*	*19*	*(8)*	*171*	*(25)*

Divisional income statements

These divisional income statements show the performance of each 'Division' that we use in our Quarterly Performance Reporting.

These income statements show the 'net contribution' each division makes towards its share of indirect costs, financing cost and renewals. This does not represent a 'profit' or surplus at a business unit level.

A negative contribution means a division is utilising centrally received income, such as retained business rates and council tax to cover its operating costs.

Our Quarterly Performance Reporting will allocate the indirect costs, financing costs and renewals to each division to provide a complete view of the financial performance of each division.

London Underground

	2024/25 Budget		Variance to Plan		Variance YoY	
	2023/24 Forecast	2024/25 Budget	2023/24 Forecast	2024/25 Plan	2023/24 vs 2022/23	2024/25 vs 2023/24
Passenger income	2,526	2,773	(29)	(88)	314	247
Other operating income	27	26	(1)	3	(2)	(1)
Revenue	**2,553**	**2,799**	**(30)**	**(85)**	**312**	**246**
Operating costs	(2,289)	(2,409)	(39)	(208)	(197)	(120)
Net contribution	**264**	**390**	**(69)**	**(293)**	**115**	**126**

Elizabeth line

	2024/25 Budget		Variance to Plan		Variance YoY	
	2023/24 Forecast	2024/25 Budget	2023/24 Forecast	2024/25 Plan	2023/24 vs 2022/23	2024/25 vs 2023/24
Passenger income	604	669	18	17	290	65
Other operating income	7	8	-	-	(4)	1
Revenue	**611**	**677**	**18**	**17**	**286**	**66**
Operating costs	(520)	(576)	3	11	(44)	(56)
Net contribution	**91**	**101**	**21**	**28**	**242**	**10**

Divisional income statements

These divisional income statements show the performance of each 'Division' that we use in our Quarterly Performance Reporting.

These income statements show the 'net contribution' each division makes towards its share of indirect costs, financing cost and renewals. This does not represent a 'profit' or surplus at a business unit level.

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Our Quarterly Performance Reporting will allocate the indirect costs, financing costs and renewals to each division to provide a complete view of the financial performance of each division.

Buses

	2024/25 Budget		Variance to Plan		Variance YoY	
	2023/24 Forecast	2024/25 Budget	2023/24 Forecast	2024/25 Plan	2023/24 vs 2022/23	2024/25 vs 2023/24
Passenger income	1,501	1631	(7)	(34)	134	130
Other operating income	11	12	2	5	4	1
Revenue	**1,512**	**1,643**	**(5)**	**(29)**	**138**	**131**
Operating costs	(2,269)	(2,381)	(9)	29	(157)	(112)
Net contribution	**(757)**	**(738)**	**(14)**	**-**	**(19)**	**19**

Streets & Other Operations

	2024/25 Budget		Variance to Plan		Variance YoY	
	2023/24 Forecast	2024/25 Budget	2023/24 Forecast	2024/25 Plan	2023/24 vs 2022/23	2024/25 vs 2023/24
Passenger income	10	10	-	-	1	-
Other operating income	1,150	1,125	(77)	(139)	(17)	(25)
Revenue	**1,160**	**1,135**	**(77)**	**(139)**	**(16)**	**(25)**
Operating costs	(1,268)	(1,110)	3	27	(209)	158
Net contribution	**(108)**	**25**	**(74)**	**(112)**	**(225)**	**133**

Divisional income statements

These divisional income statements show the performance of each 'Division' that we use in our Quarterly Performance Reporting.

These income statements show the 'net contribution' each division makes towards its share of indirect costs, financing cost and renewals. This does not represent a 'profit' or surplus at a business unit level.

A negative contribution means a division is utilising centrally received income, such as retained business rates and council tax to cover its operating costs.

Our Quarterly Performance Reporting will allocate the indirect costs, financing costs and renewals to each division to provide a complete view of the financial performance of each division.

London Overground

	2024/25 Budget		Variance to Plan		Variance YoY	
	2023/24 Forecast	2024/25 Budget	2023/24 Forecast	2024/25 Plan	2023/24 vs 2022/23	2024/25 vs 2023/24
Passenger income	248	272	-	-	36	24
Other operating income	10	12	(3)	(1)	(11)	2
Revenue	**258**	**284**	**(3)**	**(1)**	**25**	**26**
Operating costs	(346)	(370)	(9)	(1)	(1)	(24)
Net contribution	**(88)**	**(86)**	**(12)**	**(2)**	**24**	**2**

DLR

	2024/25 Budget		Variance to Plan		Variance YoY	
	2023/24 Forecast	2024/25 Budget	2023/24 Forecast	2024/25 Plan	2023/24 vs 2022/23	2024/25 vs 2023/24
Passenger income	146	158	(5)	(7)	18	12
Other operating income	1	1	-	-	-	-
Revenue	**147**	**159**	**(5)**	**(7)**	**18**	**12**
Operating costs	(153)	(160)	2	(2)	(19)	(7)
Net contribution	**(6)**	**(1)**	**(3)**	**(9)**	**(1)**	**5**

Divisional income statements

These divisional income statements show the performance of each 'Division' that we use in our Quarterly Performance Reporting.

These income statements show the 'net contribution' each division makes towards its share of indirect costs, financing cost and renewals. This does not represent a 'profit' or surplus at a business unit level.

A negative contribution means a division is utilising centrally received income, such as retained business rates and council tax to cover its operating costs.

Our Quarterly Performance Reporting will allocate the indirect costs, financing costs and renewals to each division to provide a complete view of the financial performance of each division.

Trams

	2024/25 Budget		Variance to Plan		Variance YoY	
	2023/24 Forecast	2024/25 Budget	2023/24 Forecast	2024/25 Plan	2023/24 vs 2022/23	2024/25 vs 2023/24
Passenger income	17	17	(2)	(4)	(1)	-
Other operating income	-	-	-	-	(4)	-
Revenue	**17**	**17**	**(2)**	**(4)**	**(5)**	**-**
Operating costs	(45)	(48)	-	-	(4)	(3)
Net contribution	**(28)**	**(31)**	**(2)**	**(4)**	**(9)**	**(3)**

Mayor's budget comparison

The Mayor's Final Draft Consolidated Budget for 2024/25 was approved on Thursday 22 February 2024.

The Budget document can be found here:

[Final Draft Budget - Part 2 Explanation of Proposals 2024-25 (london.gov.uk)]

Please refer to page 81 for the TfL Objective Analysis table which includes Places for London.

	2024/25 Budget		Final Mayor's Budget		Variance	
	2023/24 Forecast	2024/25 Budget	2023/24 Forecast	2024/25 Budget	2023/24 Variance	2024/25 Variance
Passenger income	5,207	5,530	5,250	5,519	(43)	11
CC, LEZ, & ULEZ income	933	850	999	988	(66)	(138)
Other operating income	619	694	598	602	20	92
Third-party contributions	38	34	33	36	5	(2)
Subtotal income	**6,796**	**7,109**	**6,880**	**7,145**	**(84)**	**(36)**
Operating costs						
London Underground	(1,866)	(1,937)	(1,820)	(1,740)	(46)	(197)
Bus, Roads, Compliance & Policing	(3,217)	(3,421)	(3,129)	(3,369)	(88)	(51)
Contracted Rail & Sponsored Services	(614)	(654)	(610)	(647)	(4)	(7)
Elizabeth line	(520)	(576)	(523)	(587)	2	11
CC, LEZ, & ULEZ costs	(669)	(487)	(693)	(576)	25	89
Other operations	(922)	(1,081)	(1,046)	(1,245)	124	163
Subtotal operating costs	**(7,807)**	**(8,156)**	**(7,821)**	**(8,164)**	**13**	**8**
Net operating income and expenditure	**(1,011)**	**(1,047)**	**(941)**	**(1,019)**	**(70)**	**(28)**
Other						
Debt servicing	(412)	(430)	(414)	(433)	2	2
Revenue resources used to support capital	(752)	(1,083)	(842)	(1,046)	90	(37)
Net service income and expenditure	**(2,175)**	**(2,560)**	**(2,197)**	**(2,498)**	**22**	**(63)**
Transfer (to)/from reserves	(145)	101	(112)	57	(33)	44
Financing requirement	**(2,320)**	**(2,460)**	**(2,309)**	**(2,440)**	**(10)**	**(19)**
Specific grants	39	8	9	8	29	0
GLA funding from transport reserve	184	37	203	18	(19)	19
Retained business rates	1,991	2,170	1,991	2,170	0	(0)
22-23 General services grant	5	-	5	-	-	-
Collection fund deficit	(78)		(78)	-	(43)	11
HM Government revenue support	-	-	-	-	-	-
Council tax requirement	**178**	**244**	**178**	**244**	**-**	**-**