

Date: 14 July 2025

Item: Annual Update on Third-Party Funding Secured Through Spatial Planning

This paper will be considered in public

1 Summary

- 1.1 This paper provides the Committee with an update on income secured by TfL's Spatial Planning team (TfL Spatial Planning) to support TfL's objectives. It includes information on the collection of Mayoral Community Infrastructure Levy (MCIL), other developer contributions secured through planning such as section 106, and wider third-party funding sources (related to housing, growth, and regeneration).

2 Recommendation

- 2.1 **The Committee is asked to note the paper.**

3 Background

- 3.1 This paper provides information for the 2024/25 financial year on:
- (a) contributions for the Elizabeth line (Crossrail) through the MCIL and the Crossrail Supplementary Planning Guidance;
 - (b) local planning authority Community Infrastructure Levy (CIL) expenditure as reported in Infrastructure Funding Statements for the previous financial year;
 - (c) section 106 and other developer contributions for transport projects; and
 - (d) other third-party funding contributing to transport such as government grants.
- 3.2 As part of its statutory role, TfL Spatial Planning assesses the transport impacts of proposed developments across London and negotiates appropriate transport 'mitigations' which seek to ensure the transport network is fit for purpose as the city grows. These can be in the form of financial contributions from developers or works 'in-kind' such as the delivery of the new entrance, with step-free access (SFA) to platforms, to Surrey Quays London Overground station which is currently under construction as part of wider works by British Land to deliver the Canada Water Masterplan development. The team is responsible for:
- (a) advising the Mayor on transport issues associated with planning applications of potential strategic importance referred under the Town and Country Planning (Mayor of London) Order 2008 (referable applications). As part of this, TfL Spatial Planning attends the weekly Mayoral/Deputy Mayoral

Planning meetings to ensure that TfL's requirements and priorities are understood;

- (b) responding to consultations carried out by local planning authorities within London on the transport implications of planning applications which are not referable to the Mayor;
- (c) collecting MCIL and other Crossrail contributions to pay down debt associated with its delivery;
- (d) masterplanning and development of transport requirements and solutions in key areas of London and at strategic interchanges to help unlock development opportunities (including the interface with Places for London, Network Rail and other partners), for example at Stratford; and
- (e) wider planning activities for example, to align boroughs' local plans with the London Plan and Mayor's Transport Strategy (MTS) and responding to national planning reform proposals to ensure they support transport objectives and TfL's role.

3.3 Table 1 below summarises the income from developers in 2024/25. This continues to be an important income stream to support the delivery of the MTS, despite the challenging economic situation.

Table 1: Developer income received and secured by TfL Spatial Planning in 2024/25

Developer income: received	
Mayoral CIL	£126.1m
Section 106 (TfL income received this year)	£26.8m
Section 278 (spend)	£7.1m
Developer income: secured/negotiated	
Section 106 (secured through planning)	£54.9m ¹
Section 278 (secured)	£9.5m

3.4 In addition to the funds set out in Table 1, planning authorities in London spent £212.4m in Borough CIL (BCIL), much of which went towards transport and public realm, helping to deliver the MTS in practice.

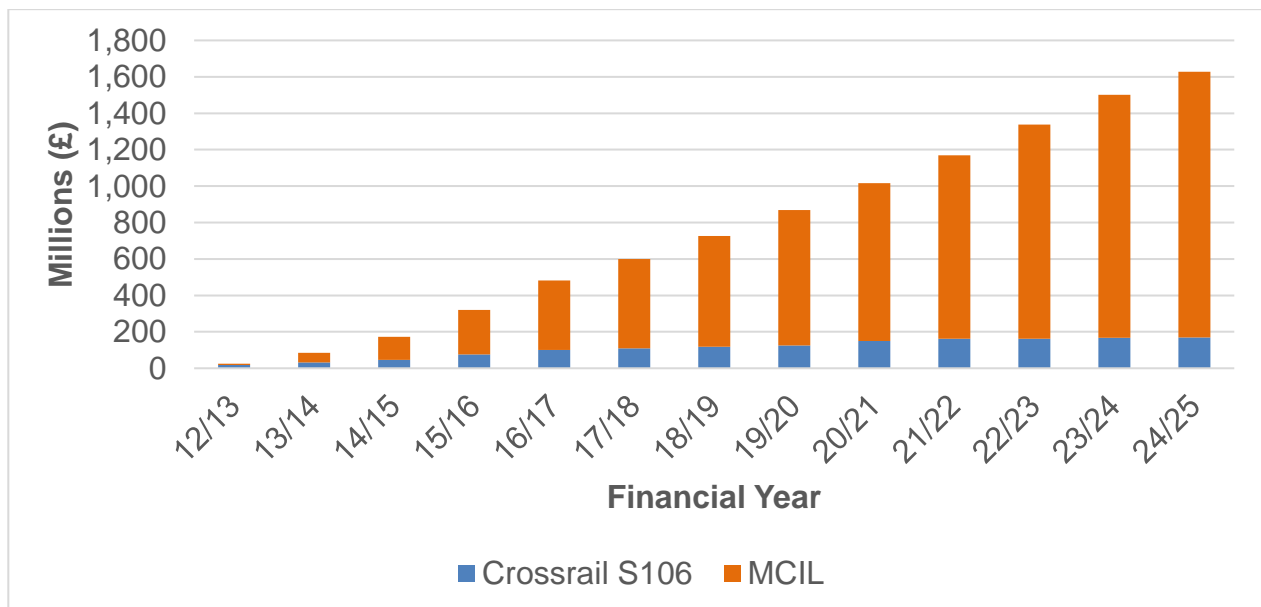
3.5 Through our work, TfL Spatial Planning has also continued to leverage other third-party funding, including Ministry of Housing, Communities and Local Government (MHCLG) related grants such as the Brownfield, Infrastructure and Land Fund (BIL).

- 3.6 These third-party funding sources play an increasingly critical role in delivering TfL objectives, such as SFA, Healthy Streets, increasing passenger revenues, climate change adaptation and mitigation, as well as enabling new homes and jobs and TfL Spatial Planning continues to work with colleagues and partners to seek further opportunities. In November, the Third-Party Funding Action Plan was approved at TfL's Commercial and Finance Executive Committee. This sets out a framework intended to help grow, optimise, and better coordinate these opportunities as well as help manage and mitigate risks.

4 Developer Contributions for the Elizabeth line

- 4.1 The Crossrail funding agreement between Government and TfL requires us to raise funds towards the Elizabeth line through developer contributions. Most of these funds have been, and continue to be, raised through MCIL with some additional funds received through historical Crossrail section 106 agreements. Total MCIL receipts have now reached just under £1.46bn, while Crossrail section 106 receipts amount to £168.3m. This brings the total collected from both sources to just under £1.63bn. The value of MCIL and Crossrail section 106² receipts since 2012 is set out in Figure 1 below.
- 4.2 While the Crossrail Funding Planning Obligations Supplementary Planning Guidance (2016) was superseded by MCIL2 in 2019, funds are sometimes received from historic planning permissions. Funds are received from retail, office and hotel developments within central London, the Isle of Dogs, and from developments within 1km of a Crossrail station.

Figure 1: Cumulative MCIL and section 106 Crossrail receipts

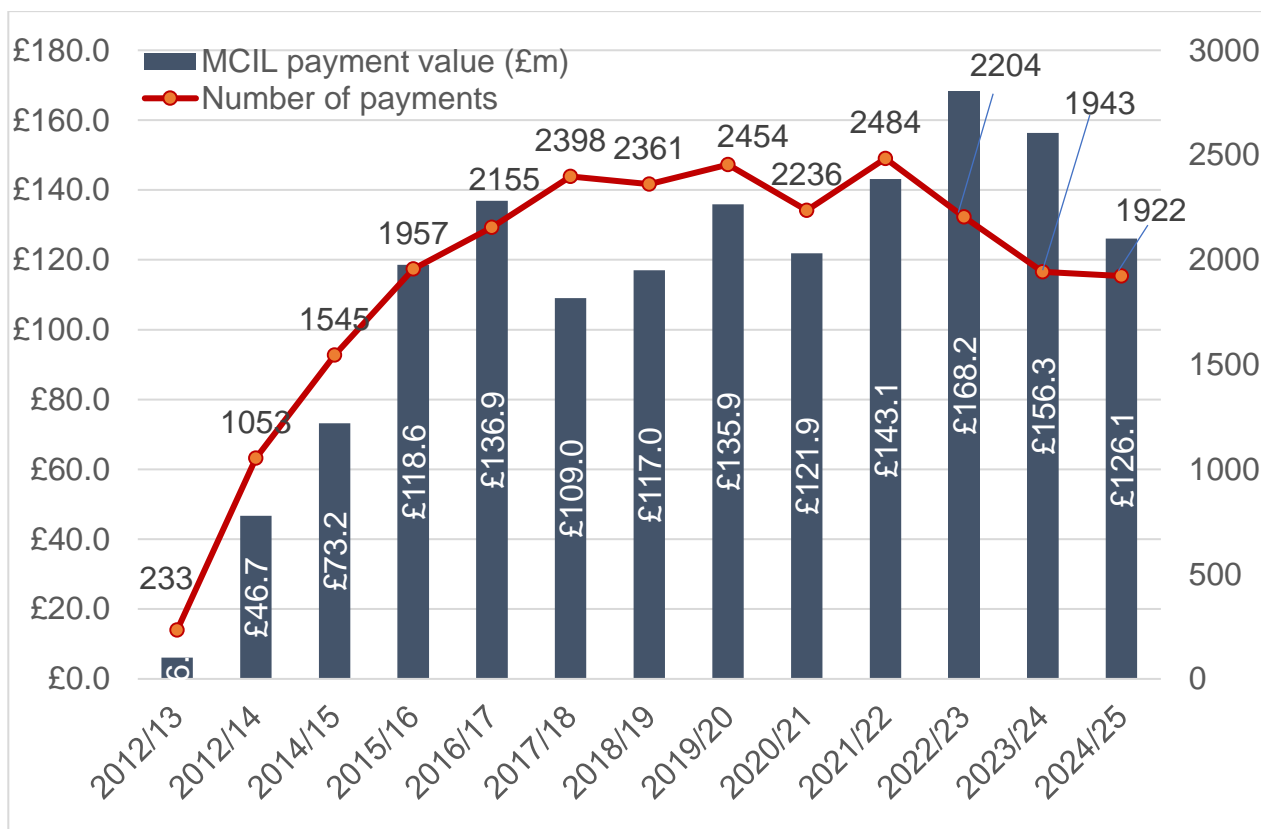


- 4.3 CIL becomes payable when developments commence. In London, the local planning authorities act as collecting authorities, collecting MCIL on the Mayor's behalf. TfL administers the collection of MCIL received by the collecting

authorities each quarter, and transfers monies (bar an administration fee) to the Greater London Authority (GLA) on a quarterly basis.

- 4.4 Figure 2 below shows the trends in total annual MCIL receipts and the number of payments since it was introduced in 2012. There has been some volatility in the past few years, and after an initial bounce back following the coronavirus pandemic, development activity has slowed for a third consecutive year. This reflects continued challenges from higher building and borrowing costs, as well as changes to fire safety requirements. Consequently, the 2024/25 annual MCIL receipt fell by 19 per cent to £126.1m. Notwithstanding, some commentators suggest that market conditions may be improving somewhat following recent Bank of England interest rate cuts³the Bank of England reduced the interest base rate by 0.25 per cent to 4.25 per cent on 8 May 2025. This is the fourth consecutive cut in Bank of England interest rates since 2020. As well as the Government's pro-development stance⁴ (this includes higher mandatory local authority housing targets) aiming to increase development activity.
- 4.5 The GLA undertook additional borrowing in 2018 and 2020 against MCIL and Business Rate Supplement (BRS) income to complete the project, and combined revenues from both sources are used to repay the debt. During 2024/25 the debt reduced from around £4.1bn at the start of the financial year to around £3.9bn on 31 March 2025. It is forecast that the debt will be repaid in the late 2030s to early 2040s, dependent on the trajectory of MCIL and BRS income.

Figure 2: Annual MCIL receipts and numbers of payments since April 2012



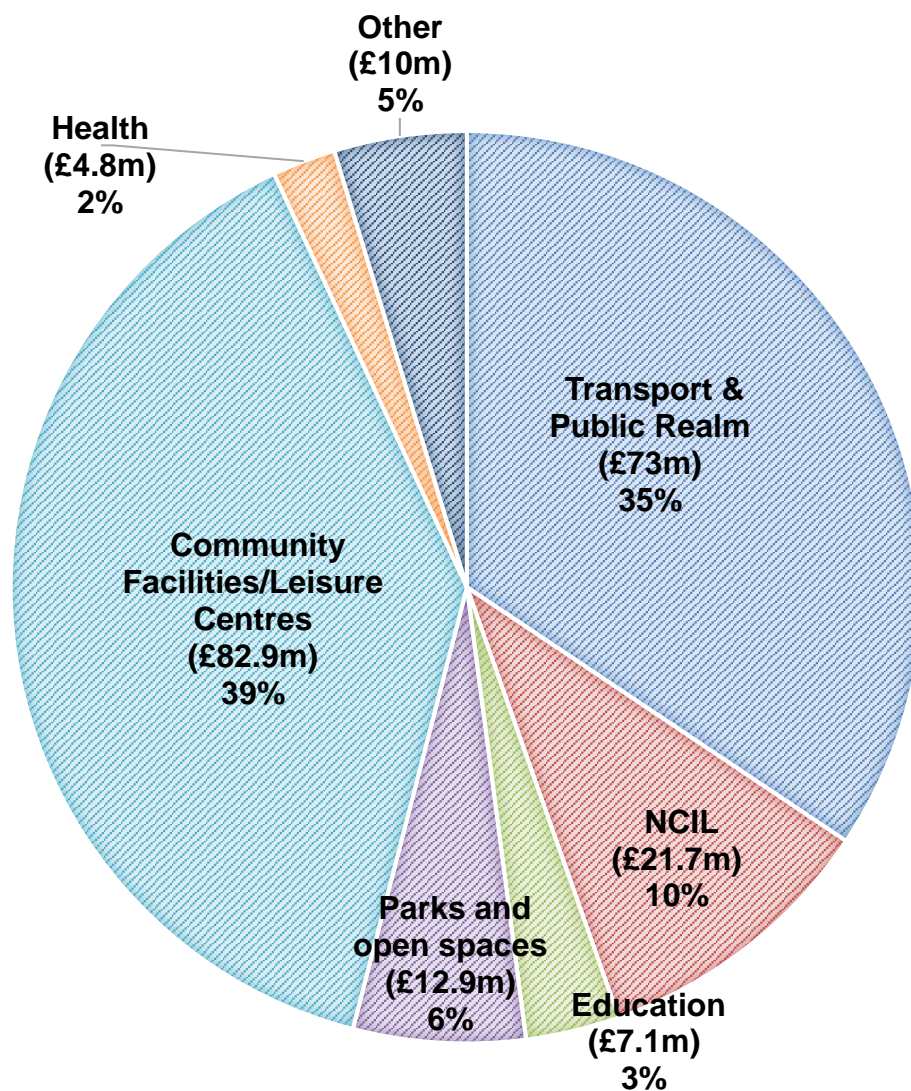
Mayoral CIL Biennial Review

- 4.6 As part of the Mayor's commitment to monitor the operation of MCIL, there is ongoing monitoring of MCIL income and rates, including biennial reviews which consider potential opportunities and options for change over time. Work by specialist consultants is nearing completion and this will inform the next biennial review which is due to be published in the coming months.

5 Borough Community Infrastructure Levy

- 5.1 Planning authorities can set BCIL (which is similar to MCIL). The funding collected from developers through BCIL can be put towards the provision, improvement, replacement, operation, or maintenance of infrastructure. BCIL receipts make an important contribution to the delivery of a range of infrastructure projects across London.
- 5.2 Under the Community Infrastructure Levy Regulations 2010 (CIL Regulations), authorities are required to produce an Infrastructure Funding Statement (IFS) by 31 December for the previous financial year. The IFS must include details of BCIL (and section 106) income, expenditure and future committed spend. As such, the BCIL information within this report relates to the 2023/24 financial year. BCIL expenditure that year reached a high of £212.4m compared with £117m the previous year. Figure 3 below shows the ways in which local authorities spent BCIL and Neighbourhood CIL (NCIL) in 2023/24. Notably, authorities in receipt of BCIL funds are required, in line with the CIL Regulations, to spend at least 15 per cent of their CIL income in consultation with local communities.

Figure 3: BCIL expenditure by infrastructure type 2023/24



TfL and Borough CIL

- 5.3 TfL Spatial Planning works with local planning authorities across London to identify opportunities for BCIL income to support the delivery of key transport infrastructure. Historically, spend has been relatively high on transport and public realm, however, year-on-year data shows that the proportion of spend on transport and public realm has reduced from 47 per cent in 2020/21 to 35 per cent in 2023/24 (although, actual expenditure was at an all-time high, £73m in 2023/24 and significantly higher when compared to £23.4m the previous year). Expenditure in the community facilities and leisure category has increased from 12 per cent in 2022/23 to 39 per cent in 2023/24, potentially reflecting cumulative funds that have been collected over several years now being spent on larger projects in this category and/or wider constraints on local authority funding in this area.

5.4 We will continue to work closely with planning authorities across London on prioritising the delivery of transport infrastructure to help deliver the MTS. There are opportunities to leverage this funding through programmes such as SFA, and we have some notable examples, including:

- (a) Hounslow West station, where feasibility work was recently completed through TfL's Sustainable Housing and Accessibility (SHA) fund. The London Borough (LB) of Hounslow has committed £1m towards improving SFA, however, further funding commitments are required from the borough before the scheme progresses;
- (b) West Hampstead station where TfL is working with LB Camden and the developer to secure funding for SFA. LB Camden is considering the potential for significant BCIL monies to be allocated alongside planning obligations already secured;
- (c) Alperton station where TfL has been working closely with LB Brent to secure a funding package for the delivery of SFA and complementary accessibility improvements. As well as securing £890,000 through developer contributions, the borough has given an in-principle commitment to contribute £5m of BCIL towards the scheme;
- (d) Leyton station where construction works commenced in February 2025 to deliver SFA, including new staircases and an upgrade to the ticket hall. This work is funded jointly by Government (Levelling Up Fund), LB Waltham Forest and TfL, with LB Waltham Forest committing £9m of BCIL to the project; and
- (e) Elephant & Castle station where works are progressing to deliver the new station box (reinforced concrete structure that will form the shell of the new station entrance and ticket hall) which will increase station capacity by 30 per cent (and integrate the Northern line with the Bakerloo line extension) with £71.5m of BCIL committed by LB Southwark to the project.

5.5 Each of these will/would deliver further step-free stations on the network, supporting this key Mayoral priority.

5.6 Having a prioritised pipeline of further deliverable schemes would help optimise opportunities and we are working with colleagues across TfL to support design and feasibility work for potential future priorities for example, through the SHA fund.

6 Section 106 Agreements

6.1 Planning applications are often approved subject to a package of transport mitigation measures which reflect negotiations by TfL Spatial Planning with developers and the local planning authority. We seek to ensure that transport requirements are prioritised as far as possible and aim to ensure that developments promote active travel, contribute appropriately to public transport, minimise adverse traffic impacts and protect/enhance TfL assets.

- 6.2 The measures that are negotiated vary in type and scale but must accord with the legal test for section 106 planning obligations (which requires that contributions be for infrastructure/services that are directly related to the development, necessary to make the development acceptable in planning terms, and fairly and reasonably related in scale and kind to the development). These obligations can cover works at any scale from multimillion pound projects to smaller – but still important and impactful – interventions such as bus stop or driver welfare improvements. In 2024/25 more than £54.9m in section 106 planning obligations were successfully secured through negotiations with developers and boroughs. Some examples of potential future works/service improvements include:
- (a) Bromley-by-Bow Gasworks where £2m was negotiated for bus services in the area, and
 - (b) EMR, Bidder Street where £1m was negotiated for provision of a new pedestrian/cycle bridge (Mayer Parry Bridge). The new bridge will connect Canning Town industrial estate and new homes at the EMR site (LB Newham) to Blackwall Trading Estate and Canary Wharf (LB Tower Hamlets).
- 6.3 In 2024/25, TfL received just under £26.8m in developer contributions that were previously negotiated and were now payable as developments commenced or progressed (a significant increase compared to £6m received the previous year). The largest contributions were received from the following developments:
- (a) Canada Water Masterplan where £12.9m was received from LB Southwark for the new entrance at Surrey Quays station; and
 - (b) Olympia Exhibition Centre where £4.7m was received direct from the developer; comprising £3.3m for works at Kensington Olympia station and the rest for bus capacity and cycle hire.
- 6.4 Meanwhile, works at Colindale station to deliver a new ticket hall with SFA are ongoing and due to complete this autumn. TfL worked closely with LB Barnet and the GLA to secure a package of funding to deliver this, including section 106 developer contributions amounting to more than £13.5m alongside Levelling Up Funds (awarded by Government in 2023).
- 6.5 As well as financial contributions, TfL Spatial Planning secures mitigations delivered as works ‘in-kind’. These are built by developers and can be significant in both cost and scale. An example secured in 2024/25 is in relation to the redevelopment of 88 Royal Mint Street (LB Tower Hamlets). The permission includes a requirement for the developer to design and construct a new entrance, including SFA, to Tower Gateway DLR station. All design, delivery, funding, and infrastructure protection in relation to these works is secured through a Development Agreement with DLR.
- 6.6 In September 2024, TfL opened a new ticket hall at Paddington station, giving direct SFA to the Bakerloo line for the first time. These significant works were negotiated and provided ‘in-kind’ as part of the Paddington Square development.

Section 278 Agreements

- 6.7 TfL Spatial Planning also negotiates, secures, and manages the delivery of highway improvements on the TfL Road Network (TLRN) through section 278 agreements. These projects vary in cost, scale, complexity and provide critical infrastructure to unlock new development sites. These projects also contribute toward TfL's objectives with a strong emphasis on the Healthy Streets approach for the creation of new public realm and a Vision Zero approach on the impact it has on our highway. These projects are delivered at zero cost to TfL and ensures our assets are handed back in a good state for use by our customers.
- 6.8 Currently, there are 306 highway projects in the portfolio with a programme value of around £150m, with the majority of projects at inception. An important scheme negotiated in 2024/25 is in relation to the 60 Gracechurch Street development where highway works to the TLRN along the A10 at Bishopsgate are to be undertaken by the developer under a section 278 agreement.
- 6.9 In 2024/25, 58 projects with a value of £25m were completed. These have delivered enhanced public realm, safety on our network and optimised junction movement with traffic signals/calming measures. Table 2 below highlights some of the key projects that were completed in 2024/25.

Table 2: Key section 278 projects completed in 2024/25

Project	Amount (£)	Comments
1 Leadenhall	£0.5m	Delivered new improved footways with a wider crossing point at the junction to accommodate increased footfall generated by the development.
6-8 Bishopsgate	£1m	Created a new footway with reduced street clutter and a new bus shelter, providing an improved streetscape and connectivity along this busy corridor.
22 Bishopsgate	£1m	Improved network assets including new trees to enhance the public realm and a new widened footway was created to improve the environment for people walking.
33-39 Knightsbridge	£400,000	Included a new footway, re-locating street furniture and improved delivery arrangements to the site.
21-27 St. Thomas St	£0.5m	This increased the connectivity along various routes from London Bridge station and Guy's Hospital. Improvements were also made to the St. Thomas Street corridor by enhancing the public realm with new footways and an upgraded signalised pedestrian facility to improve safety.

7 Other Third-party Funding

- 7.1 In line with previous updates to the Committee, this section gives an overview of our work leveraging wider funding opportunities with a particular focus on housing, infrastructure, and regeneration. Where funding agreements have been

reported previously, the update focuses on the latest status and any changes over the past year.

Sustainable Housing and Accessibility (SHA) Fund

- 7.2 The SHA fund is a capital fund designed to lever in third-party contributions. It unlocks thousands of new homes sustainably and contributes to the MTS target for more step-free stations. Third-party funding is a key requisite allowing us to deliver more and secure much greater value for TfL's contribution. However, agreements are complex, and risks need to be managed carefully, in particular overrun cost risk. A total of £140m is available for allocation to projects between 2025/26 and 2028/29.
- 7.3 This funding is a major contributor to SFA but is not sufficient alone to meet aspirations for half the London Underground network to be step-free by the 2030s. As such, continued exploration of third-party funding opportunities with external parties will be crucial to meeting this aim.
- 7.4 Of the £8m SHA fund allocated for 2024/25, £6.74m was used to progress nine projects with the remaining £1.27m required as savings during the year. Projects which were allocated SHA funding in 2024/25 are shown in Table 3 below.

Table 3: Sustainable Housing and Accessibility fund allocations 2024/25

Project	2024/25 SHA allocation (£m)	Current project stage
Surrey Canal station upgrade	£0.65	Remobilisation of project team and continuation of concept design
Northolt station SFA	£3.00	Conclusion of detailed design, going into build
West Hampstead station SFA	£1.30	Conclusion of concept design
North Acton station SFA	£0.25	Do-minimum option development feasibility
Hounslow West station SFA	£0.20	Single Option Selection
Alperton station SFA	£0.91	Concept design
South Kensington station upgrade	£0.20	Part of the Piccadilly line feasibility work
Edgware Road station	£0.05	Pre-feasibility
Burnt Oak station SFA	£0.18	Reassessing the existing design, costs, and benefits of the scheme

- 7.5 The GLA budget allocated £20m to the SHA Fund in 2025/26, although £4.25m of this has been required as savings as part of the TfL budget process. Thus far we have agreed allocations of £5.95m to four SFA schemes. The remaining budget (£9.8m) will be allocated by the SHA Fund Steering Group to projects in line with SHA fund prioritisation criteria. The Fund's current longlist includes: Pontoon Dock, Surrey Canal Road and the London Underground step-free programme.

Housing Infrastructure Fund (HIF)

7.6 The Government introduced the HIF in 2017 and, so far, £4.2bn has been allocated. HIF provides grant funding for infrastructure that unlocks housing to local authorities across the country. The HIF is divided between ‘marginal viability funding’ (MVF) schemes and ‘forward funding’ (FF) schemes. MVF is aimed at providing a smaller scale missing piece of infrastructure to unlock housing while FF schemes are for strategic/high impact infrastructure projects.

7.7 Three London schemes are in receipt of HIF FF: DLR additional capacity (£257.4m); the East London Line (ELL, renamed as the Windrush line since November 2024) (£80.8m); and Meridian Water Infrastructure (£170m). The DLR and ELL schemes are both TfL schemes while Meridian Water is led by LB Enfield. Updates on TfL HIF FF schemes are in paragraphs 7.8–7.14 below.

HIF – DLR Additional Capacity Update

7.8 Government has provided £257.4m for: 11 new trains (to supplement 43 funded by TfL); an expanded depot at Beckton for stabling and servicing; power upgrade; and signalling modifications to enable access to the new sidings (the programme originally also included enabling works to support oversite development at Poplar depot).

7.9 We continue to make progress on the HIF DLR scheme as part of our wider DLR programme in accordance with the grant development agreement. Regular updates are provided to Government on the HIF DLR scheme progress via the HIF London Delivery Board (quarterly) and HIF DLR Project Board (monthly). Between HIF Board meetings we maintain regular effective communications with the MHCLG to ensure scheme information passes efficiently between Government and TfL. We also work closely with the GLA on this project as the GLA is responsible for monitoring the housing being unlocked by the scheme. The GLA report on housing delivery progress at the schemes associated housing sites at the HIF Board meetings. We have made significant progress both in train manufacture and testing, delivery of depot works, and delivery of lineside infrastructure works, with the first new trains set to enter service in 2025.

7.10 In March 2024, we submitted a material change request to MHCLG for around £20m funding to be transferred from the Poplar project to protect the Beckton depot works which were subject to significant cost pressures. The Poplar element was no longer feasible within HIF timescales, and a Material Change Request paper was approved by MHCLG in November 2024.

7.11 On 31 March 2025 the scheme had fully drawn down its £257.4m HIF funding allocation. The scheme is on track to complete its infrastructure delivery to its July 2027 milestone. The programme also remains on track to unlock over 10,000 homes across Royal Docks and Isle of Dogs.

HIF – ELL (renamed the Windrush line) Update

7.12 The HIF ELL Phase 1 programme comprises:

- (a) Canada Water bus station upgrade to enable a new route;
- (b) Surrey Quays station upgrade including new entrance and SFA; and
- (c) traction power and signalling upgrade to enable an uplift in frequency to 18 trains per hour.

7.13 Overall works are progressing well on site. Recent achievements as part of the Surrey Quays station upgrade include the successful installation of a new overbridge structure, and the installation of the back of house building on Platform 1 including the new lift shaft and stairs in January 2025. ELL Phase 1 has now drawn down £57m of the funding allocated to it from the HIF fund and is on track to draw down its full £80.8m HIF funding allocation and have completed its infrastructure delivery by March 2026. ELL Phase 1 is forecast to unlock over 8,000 homes.

7.14 ELL Phase 2 comprises a new station at Surrey Canal Road (Surrey Canal station) between Queen's Road Peckham station and Surrey Quays station and associated resilience measures to enable a frequency increase to 20 trains per hour. ELL Phase 2 has no HIF funding allocated to it currently, however TfL is driving forward scheme design using TfL SHA funding so that it is well placed to receive future HIF headroom funding, should it become available. Our project team keeps in close communication with MHCLG on progress with the ELL Phase 2 programme and the funding situation.

Brownfield, Infrastructure and Land Fund (BIL)

7.15 The BIL was announced by Homes England in July 2023 to unlock strategic housing sites where brownfield, infrastructure, or land projects face delivery and/or viability challenges. On inception £53m was confirmed for Old Oak and Park Royal Development Corporation with an additional £150m for other London projects. Homes England were delegated to assess, contract, and manage the portfolio of strategic sites in London in line with Homes England's established mechanisms.

BIL – Thamesmead Bus Transit

7.16 Thamesmead Bus Transit links Thamesmead with the Elizabeth line stations at Abbey Wood and Woolwich. While its primary focus is on bus priority, it also invests in bus stops and active travel and supports the proposed Superloop SL11 express service. Thamesmead Bus Transit supports early phases of housing at the Thamesmead Town Centre and Waterfront Masterplan, in advance of the DLR extension. The early phases are expected to deliver approximately 1,500 homes across seven plots identified by the Thamesmead Waterfront Joint Venture.

- 7.17 Homes England allocated £23m BIL funding to Thamesmead Bus Transit (this funding was announced in the 2023 autumn statement), though the package was subject to Business Case approval. At the March 2025 Place Project Executive, the Thamesmead Bus Transit business case was approved, which represented a major milestone success for the project. We also secured agreement for an extended date for the capital spend (to March 2029, extended from March 2026). The TfL project team is now working through the Grant Funding Agreement with Homes England.

BIL – Pontoon Dock

- 7.18 In March 2025 we successfully secured £12m Homes England BIL funding for the proposed Pontoon Dock scheme. The primary objective of this project is to increase station capacity by improving the vertical capacity of the station. This will be achieved through the installation of six new escalators and a mezzanine level, to facilitate the future growth in passenger demand. The project will also improve the public realm surrounding the station with new landscaping and additional retail space. The availability of SFA will be enhanced by relieving capacity and queuing for the lifts. The delivery of the Silvertown Quays development is dependent on the upgraded station.
- 7.19 The BIL funding makes up around a quarter of the scheme's total expected cost (around £43.9m), with other major contributions from our SHA fund (£10m), the GLA (£11m), section 106 from Silvertown Quays (£10m) and the Royal Docks Enterprise Zone (£2.5m). We need to ensure all funding agreements are in place by March 2026 so we can progress to construction.
- 7.20 The Pontoon Dock scheme directly enables around 6,500 new homes and 10,000 new jobs at the Silvertown Quays development, as planning obligations would otherwise need to be imposed to limit development to prevent further crowding at the station. Silvertown Quays is a major mixed-use development being progressed by a partnership including private sector developers and investors, business representatives, the GLA and Homes England. The site is owned by GLA Land and Property and located within the Royal Docks Enterprise Zone.

Royal Docks Enterprise Zone

- 7.21 The Royal Docks Enterprise Zone Programme Board was established in June 2023 as a joint partnership Board between the LB Newham and the GLA. The Royal Docks has significant infrastructure requirements to support and accelerate housing delivery and commercial development. TfL is working with the GLA on several key station projects and TfL has so far received £3.75m to support feasibility and design work for this. We have now procured a consultant to progress with a final design for Pontoon Dock and as mentioned above secured additional third-party funding of £12m from Homes England to help deliver the station and unlock housing growth. We will also continue to look at opportunities to progress the other priority stations.

Interchange Sub-portfolio

- 7.22 This work comprises the development of our future pipeline of interchange enhancement projects, beyond those currently funded through the Business Plan. Key outcomes include enhanced capacity to support new homes and jobs, passenger experience and wider support for step-free accessibility. Schemes potentially in scope are medium-scale station interventions (estimated at up to £50m each) supporting significant volumes of interchange between different modes of public transport. Such interchange projects have a track record of leveraging development-related funding opportunities through integration with new development, planning applications and masterplans.
- 7.23 Work is now underway to prioritise stations for further feasibility studies. While falling within the Network Development and Third-Party Pipeline Programme, this work is also of relevance to the Rail and Station Enhancements Programme, with inputs from relevant colleagues.
- 7.24 Beyond this activity, work also continues with partners (including Places for London, Network Rail, and local boroughs) to develop schemes and wider masterplans at major interchanges, including Victoria, Stratford, Waterloo and Liverpool Street.
- 7.25 At Stratford, we continue to work with London Legacy Development Corporation, Network Rail and local partners to develop a preliminary Strategic Outline Business Case for long-term enhancements. Following engagement with the Department for Transport (DfT), the Leadership Board has agreed to re-focus the project to better understand the limitations of station capacity and investments already planned considering future demand through the next two decades alongside feasible funding options. Network Rail are seeking funding for future work through a Rail Network Extensions Pipeline bid to the DfT.
- 7.26 Assuming Government is receptive to Network Rail's bid, the next phase of work (up to and including preparation of an Outline Business Case) would commence no earlier than spring 2026. Longer-term design measures could include expansion of the central subway and/or other new connections across the railway, with additional potential for regeneration of Meridian Square and mixed-use development of spaces adjacent to the station. Additionally, Network Rail is in discussion with Government over a package of short-and medium-term interventions. Such measures including a new station entrance and relocation of a control room to improve platform circulation.
- 7.27 At Liverpool Street station, we have been working collaboratively with Network Rail on their recently submitted application to redevelop the station. Pre-application discussions have taken place with TfL, GLA and City of London officers on the station design, heritage, London Underground and surface public transport elements, including active travel. Subject to the planning application, these third-party funded proposals are expected to result in significant transport improvements, including SFA to London Underground services at a key interchange on London's transport network.

- 7.28 We will be submitting formal comments on the scheme as part of the statutory planning process. In addition, TfL and Network Rail continue to discuss and progress key workstreams regarding transport modelling, milestones, design options, operations, infrastructure protection and legal and commercial negotiations to resolve key transport issues and material considerations.

Third-Party Funding Action Plan

- 7.29 A Third-Party Funding Action Plan was approved by TfL's Commercial and Finance Executive Committee in November 2024. This provides a framework to shape, manage, and enhance the work across TfL and with partners (particularly the GLA and boroughs) to optimise third party funding (related particularly to development and growth). The actions within the plan grapple with some long-standing and complex issues such as risk management and will be actively tracked and managed to ensure they are delivered effectively and on time.
- 7.30 The overarching goal of the Action Plan is to secure and use third party funding to contribute to the delivery of the TfL Strategy. The Action Plan has three focus areas, namely:
- (a) coordination, prioritising, and ensuring a unified voice for TfL;
 - (b) accessing and growing funding sources; and
 - (c) learning lessons, managing risks, and improving processes.
- 7.31 We will be working across the GLA Group and with London Councils, boroughs, and other partners to look at how we optimise opportunities and work collaboratively to secure benefits across London. This will include enhancing governance, processes, and strategic relationships to increase integration and our impact.
- 7.32 The success measures for the Third-Party Funding Action Plan by 2030 are:
- (a) third-party funding will play a central role in our financial plans in a way which reduces risks and delivers more;
 - (b) the Business Plan will be supported by tailored/integrated funding approaches for Safe and Healthy Streets, Buses, SFA, Rail, and other investment priorities;
 - (c) our own funding will be leveraged to deliver more for each pound spent across our capital plans by learning from best practice and lessons learnt;
 - (d) funding will be secured for transport schemes which unlock car-free development to promote mode shift;
 - (e) contributions will continue to be secured from developers and local authorities via planning obligations and infrastructure levies;
 - (f) we will attract new environmental funding sources such as for decarbonisation, biodiversity and climate adaptation, and exploring Green Finance; and

- (g) consistent bidding, approvals and delivery processes and streamlined governance will be established through the Third-Party Funding Working Group

8 Next Steps

- 8.1 Income from developers in 2024/25 has continued to be an important funding stream, supporting the delivery of the MTS and key TfL priorities. Funding generated through MCIL and Crossrail section 106 agreements has reached £1.63bn, and MCIL continues to play a vital role in the funding and financing arrangements for the Elizabeth line.
- 8.2 While MCIL receipts fell to £126.1m in 2024/25 due to continued pressures from factors such as higher build and borrowing costs, and fire safety requirements on development activity. Section 106 receipts increased from £6m in 2023/24 to £26.8m as a number of key developments progressed, meaning triggers within respective legal agreements were met. Going forward, macro-economic conditions will continue to play a key role and it should be noted that housing delivery has significantly reduced recently in the face of viability challenges.
- 8.3 We have continued to work closely with government and boroughs to make the most of opportunities to access available funding. This has brought tens of millions of pounds to support the delivery of our investment programme.
- 8.4 Moving forward, significant work is taking place to deliver priorities in the Third-Party Funding Action Plan. The Plan will increase the visibility of this work; enable us to better assess opportunities and risks (and the optimal balance of these); and help inform how best to integrate funding sources into TfL's investment programmes and decisions.

List of appendices to this report:

None

List of Background Papers:

MCIL2 Charging Schedule: Mayor of London Community Infrastructure Levy 2 Charging Schedule (January 2019)

Supplementary Planning Guidance: Use of planning obligations in the funding of Crossrail and the Mayoral Community Infrastructure Levy (March 2016).

Community Infrastructure Levy Charging Schedule – Mayor of London (February 2012)

CIL Regulations 2010, as amended.

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