Transport for London quarterly performance report

Quarter 4 2023/24
(10 December 2023– 31 March 2024)

MAYOR OF LONDON

TRANSPORT FOR LONDON
EVERY JOURNEY MATTERS

Contents

The financial information included in the report is unaudited and does not constitute TfL's statutory accounts. TfL's audited Statement of Accounts for the year ending 31 March 2023 was published in September 2023.

Rachel McLean, TfL's Chief Finance Officer

Introduction

In 2023/24, we saw the completion of a remarkable turnaround in TfL's finances, although our work to secure our financial future is not yet complete. Last year, for the first time in our history, we were able to fully cover our day-to-day costs from our income, delivering an operating surplus of £138m, which is £59m above Budget.

Every penny of this operating surplus is already committed to maintaining and improving our network, and we will strive to improve further in future years so that we can invest even more in our services and our assets. I want to thank and pay tribute to all our colleagues and partners who have played such a strong part in enabling us to recover from the very difficult financial position that resulted from the pandemic.

We have also now met the test set by Government for TfL to achieve operational financial sustainability, and I want to record our appreciation for the financial input we received from Government as we exit the period of Extraordinary funding support. We began 2024/25 with a £250m contribution from Government towards our major capital investment programmes, and Government recognises that, in common with other public transport authorities, TfL will continue to need support from the public purse for major investments. We hope to transition to a multi-year settlement in future, for greater efficiency in our planning and procurement.

In 2023/24, we continued to see year-on-year growth in our customer journeys, with 3.6 billion people using the network in the year. This is a nine per cent increase compared to 2022/23, with journeys increasing from 80 per cent of pre-pandemic levels to 88 per cent.

One strand of our roadmap to financial sustainability is to diversify and grow our income. Compared to pre-pandemic levels, while our customer income has grown by nine per cent, other income sources have grown by 27 per cent, and we drew our first dividend of £15m from our commercial property company, Places for London.

As well as challenges such as inflation, from 2024/25 we will no longer receive a revenue top-up from the Department for Transport (DfT). To mitigate this and keep transport affordable, we have continuously worked to control our costs and improve efficiency, with 2023/24 being the eighth year of our savings programme. We have reduced like-for-like costs from £5.8bn in 2021/22 to £5.6bn in 2023/24. We made £138m of recurring savings in 2023/24, taking total recurring savings delivered since 2016 to £1.4bn. A further £130m of recurring savings is budgeted in 2024/25, contributing towards our target of £650m by 2025/26.

We are working with Government to secure longer-term capital funding so we can invest in the capital's infrastructure with more efficiency and effectiveness. Investing in London's infrastructure means we can continue to support jobs and growth throughout the UK with our supply chain, and open up new areas for development. We will continue to play our part in building a more sustainable and green future, and maintain London's position as a competitive global city that supports the national economic recovery.

Rachel McLean
Chief Finance Officer

Business at a glance

Keeping London moving, working and growing to make life in our city better

How we report on our business

Underground
London Underground

Elizabeth line

Buses, Streets and other operations
London Buses, Transport for London Road Network, London Dial-a-Ride, London River Services, Santander Cycles, Victoria Coach Station and IFS Cloud Cable Car

Rail
DLR, London Overground and London Trams

Places for London
Our commercial property company, Places for London Limited (Places for London), formerly TTL Properties Limited, which will deliver a dividend that we will invest back into London's transport network

Facts and figures

985 trains on our network

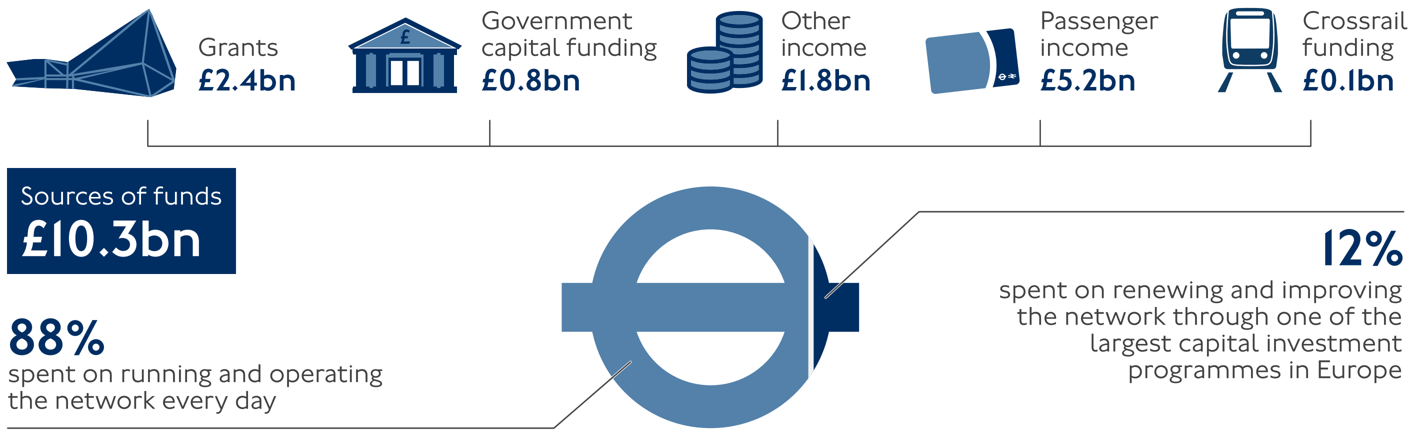
580km of TfL-operated highway

761km of Rail and London Underground routes

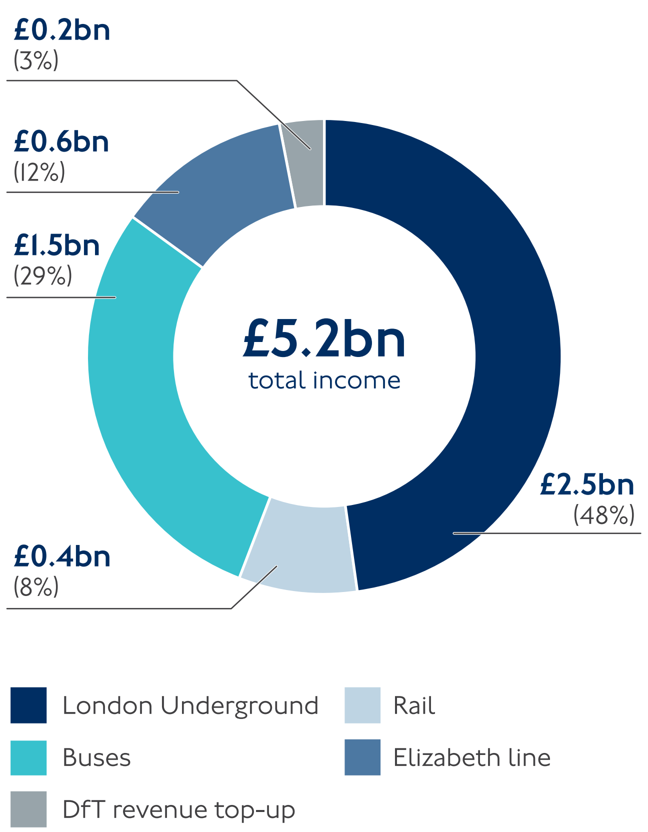
8,700 buses on our network

6,400 traffic signal sites that we operate

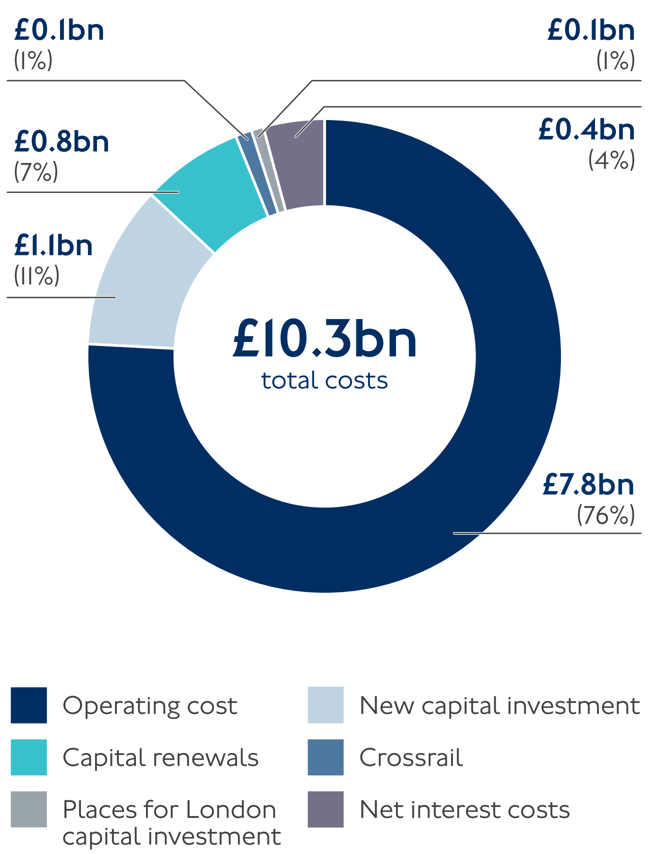
2023/24 Finances at a glance



Total passenger income



Total costs



Financial summary

Our performance in the full year

Income statement

TfL Group (£m)	Full year 2023/24	Full year Budget	Variance	Full year 2022/23	Variance
Passenger income	5,233	5,239	(6)	4,353	880
Other operating income	1,614	1,699	(85)	1,585	29
Business rates retention	1,914	1,913	1	1,819	95
Other revenue grants	397	278	119	967	(570)
Revenue	**9,158**	**9,129**	**29**	**8,724**	**434**
Operating cost	(7,846)	(7,888)	42	(7,055)	(791)
Operating surplus before interest and renewals	**1,312**	**1,241**	**71**	**1,669**	**(357)**
Capital renewals	(763)	(745)	(18)	(624)	(139)
Net interest costs	(411)	(417)	6	(424)	13
Operating surplus	**138**	**79**	**59**	**621**	**(483)**

Capital expenditure

TfL Group (£m)	Full year 2023/24	Full year Budget	Variance	Full year 2022/23	Variance
Capital renewals	(763)	(745)	(18)	(624)	(139)
New capital investment	(1,108)	(1,202)	94	(1,083)	(25)
Total TfL capital expenditure	**(1,871)**	**(1,947)**	**76**	**(1,707)**	**(164)**
Crossrail	(50)	(80)	30	(188)	138
Places for London	(86)	(145)	59	(90)	4
Total capital expenditure	**(2,007)**	**(2,172)**	**165**	**(1,985)**	**(22)**

Cash flow statement

TfL Group (£m)	Full year 2023/24	Full year Budget	Variance	Full year 2022/23	Variance
Operating surplus before interest and renewals	**1,312**	**1,241**	**71**	**1,669**	**(357)**
Less Places for London, LTIG and LTM*	(40)	(20)	(20)	(53)	13
Net cash generated by TfL operating activities	**1,272**	**1,221**	**51**	**1,616**	**(344)**
Cash flows from investing activities					
Capital renewals	(763)	(745)	(18)	(624)	(139)
New capital investment	(1,108)	(1,202)	94	(1,083)	(25)
Ring-fenced capital funding	901	791	110	295	606
Working capital movements	202	262	(60)	180	22
Net cash utilised by investing activities	**(768)**	**(894)**	**126**	**(1,232)**	**464**
Free cash flow	**504**	**327**	**177**	**384**	**120**
Cash flows from financing activities					
Net interest paid	(411)	(417)	6	(424)	13
Net borrowing	23	191	(168)	(10)	33
Net cash generated from financing activities	**(388)**	**(226)**	**(162)**	**(434)**	**46**
Net change in cash	**116**	**101**	**15**	**(50)**	**166**

* Places for London, London Transport Insurance (Guernsey) Limited (LTIG) and London Transport Museum (LTM)

Our results for 2023/24 demonstrate our commitment to achieving operational sustainability as we finish the year with an operating surplus £59m higher than Budget. This is the first year since the pandemic that we have operated without extraordinary grant base funding from Government. In 2022/23, we received £808m – if this is removed from last year's results, the underlying improvement in our operating surplus is £325m.

TfL's passenger journeys at the end of Quarter 4 were 3.6 billion, up 0.3 billion on 2022/23, and a nine per cent increase year on year. Total passenger income for the year was £5,233m, 20 per cent higher than 2022/23. We continue to explore new ways to attract customers to our services with the launch of the full Superloop service and the 'Off-peak Fridays' trial. The Mayor's decision to freeze TfL fares until March 2025 further helps to support Londoners struggling with the cost of living and – as it was funded by additional Mayoral funding to TfL – also diversifies TfL's income sources.

Other operating income is slightly higher than last year but below Budget due to lower-than-expected revenue from road network charges, with record numbers of vehicles being compliant – this, in turn, is improving air quality in London.

Revenue grants received were £119m higher than Budget as we received additional funding from the Mayor for the LU pay deal (£30m), Superloop (£5.5m) and Off-peak Fridays (£6m). Total available funding for the scrappage scheme was also increased to £210m, with £71m more than budgeted being received this year – this is offset by increased costs.

We are continuing to focus on cost savings, and our total operating costs are £7,846m in the full year, £42m lower than Budget. We have a proven record of making year-on-year improvements and will continue to do so by increasing our efficiency.

Total TfL capital expenditure (excluding Crossrail construction and Places for London) is £1,871m in the full year. This is £164m higher than last year, with increased spend in projects including DLR rolling stock (£90m), the Piccadilly line upgrade (£215m) and Safe and Healthy Streets (£44m).

We are increasing investment in renewing our critical assets, with renewals investment £139m higher than last year. We will continue to increase renewals investment to address the backlog of asset replacement that has been created by the pandemic and a lack of certainty over Government funding.

TfL cash balances, excluding balances committed to Crossrail construction, London Transport Museum, London Transport Insurance (Guernsey) Limited and Places for London, at the end of Quarter 4 are £1,353m. This is largely in line with Budget and £116m higher than last year.

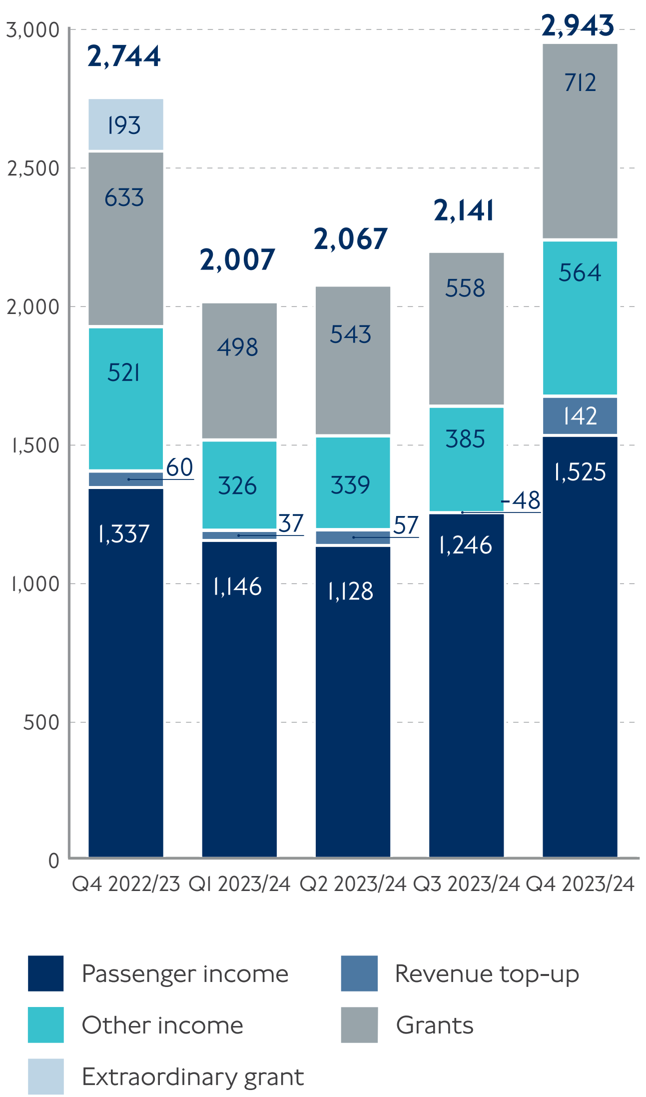
Manufacture of our new Piccadilly line trains is progressing well

Financial trends

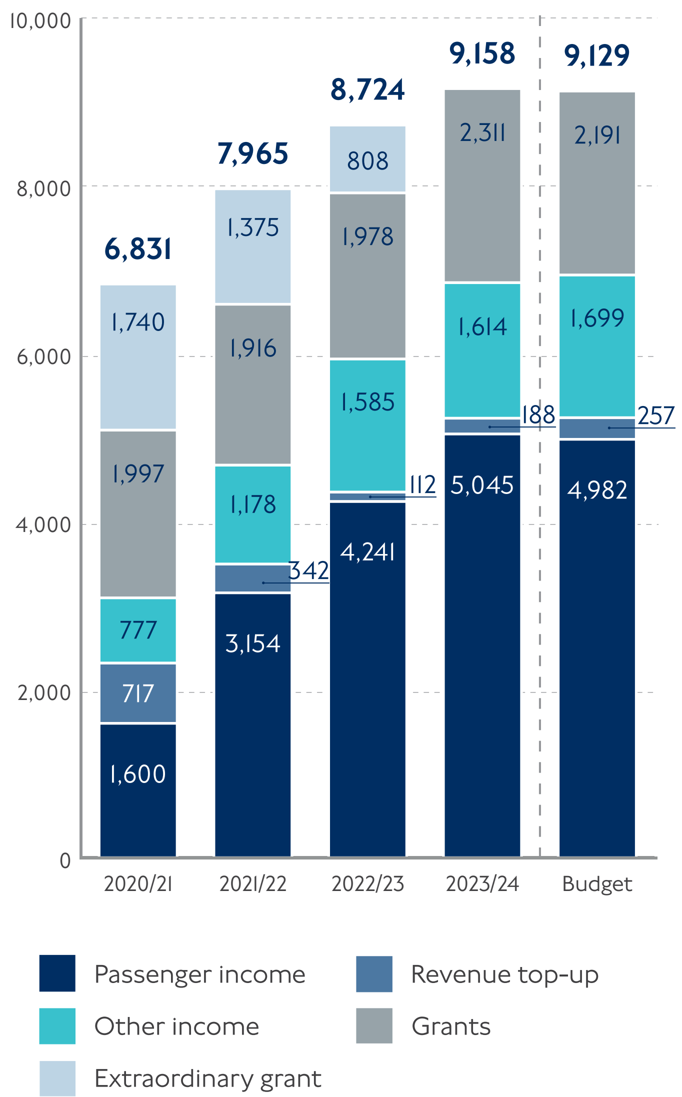
Our overall trends in the short and long term

Total revenue (including extraordinary grant from Government)

Quarterly (£m)*



Full year (£m)



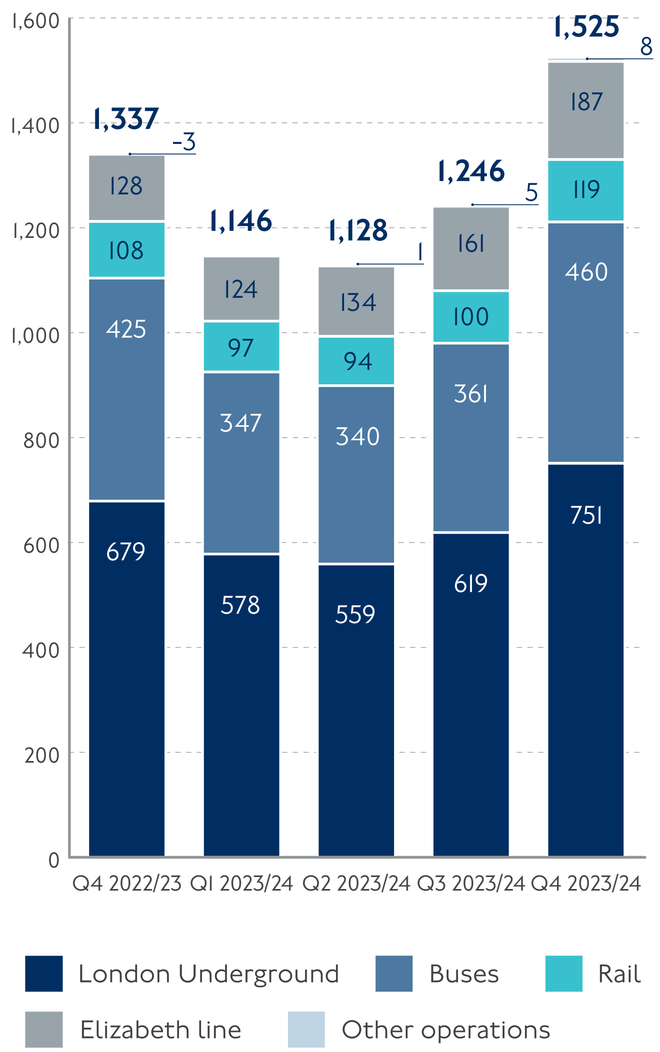
Full-year total revenue £29m above Budget

5%▲ year on year

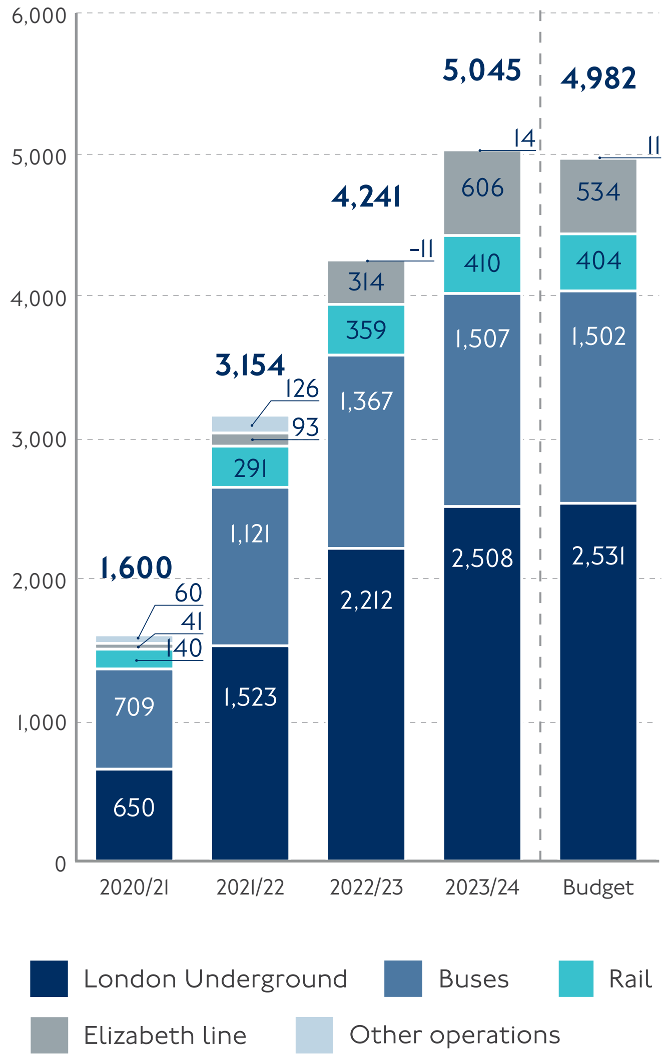
Total revenue is largely in line with Budget and £434m higher than last year, driven by the increase in passenger income, which has reduced the amount of Government top-up support required. In addition, the GLA has provided additional grant income, offsetting operating cost increases.

Total passenger income

Quarterly (£m)*



Full year (£m)



Full-year passenger income £63m above Budget

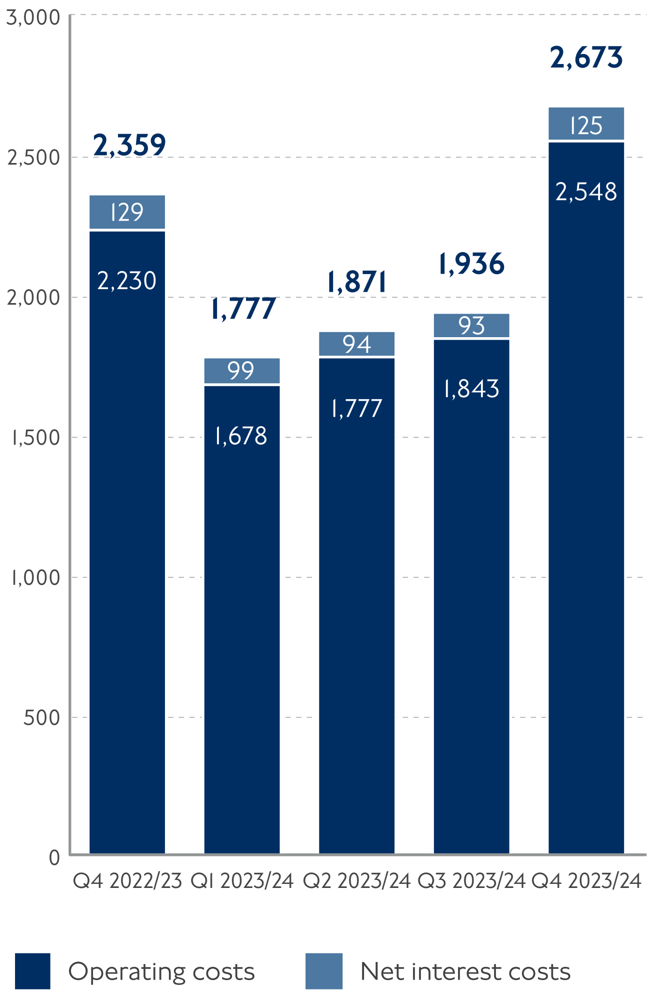
19%▲ year on year

Full-year passenger income has been showing strong performance across the network compared to last year, and is £63m favourable to Budget. Income has increased by 19 per cent year on year, as demand continues to grow, resulting in a reduced need for revenue top-up from Government.

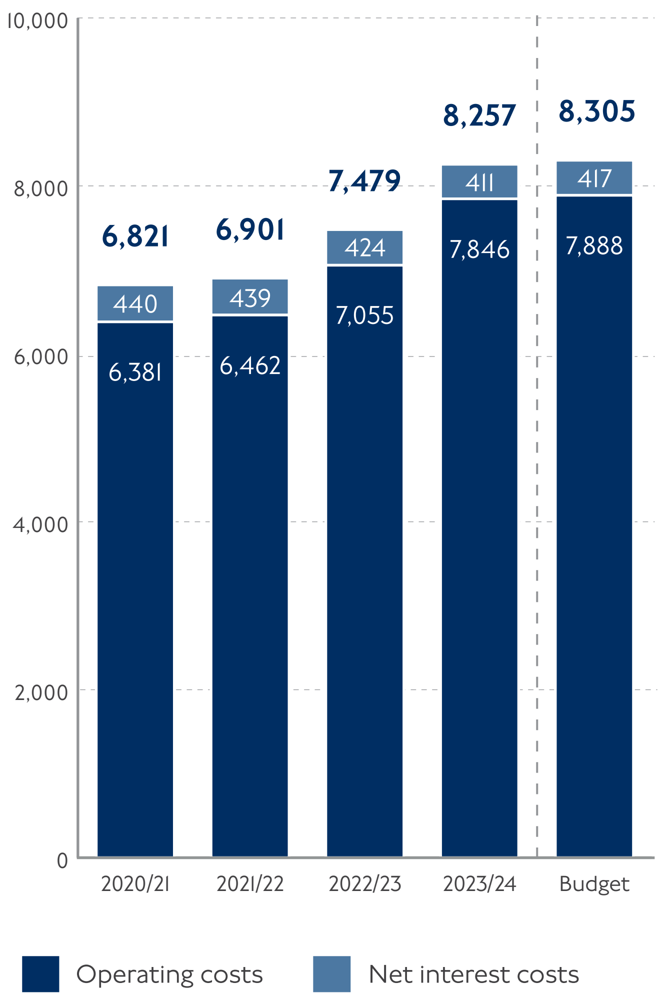
* Quarter 4 is longer than quarters 1 to 3 (16 weeks vs 12 weeks)

Total cost

Quarterly (£m)*

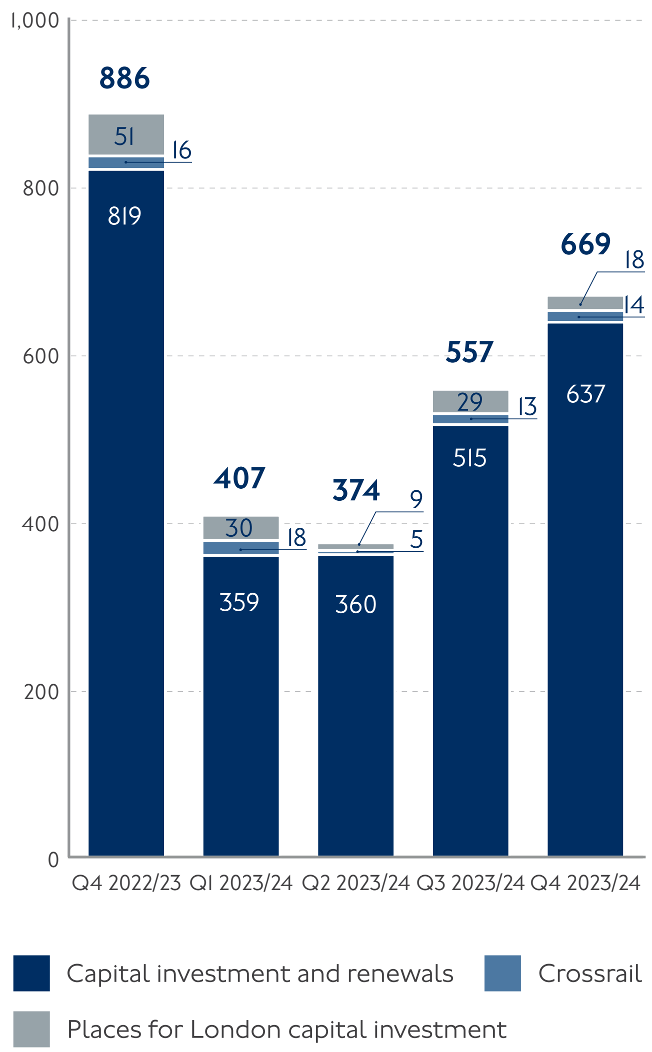


Full year (£m)

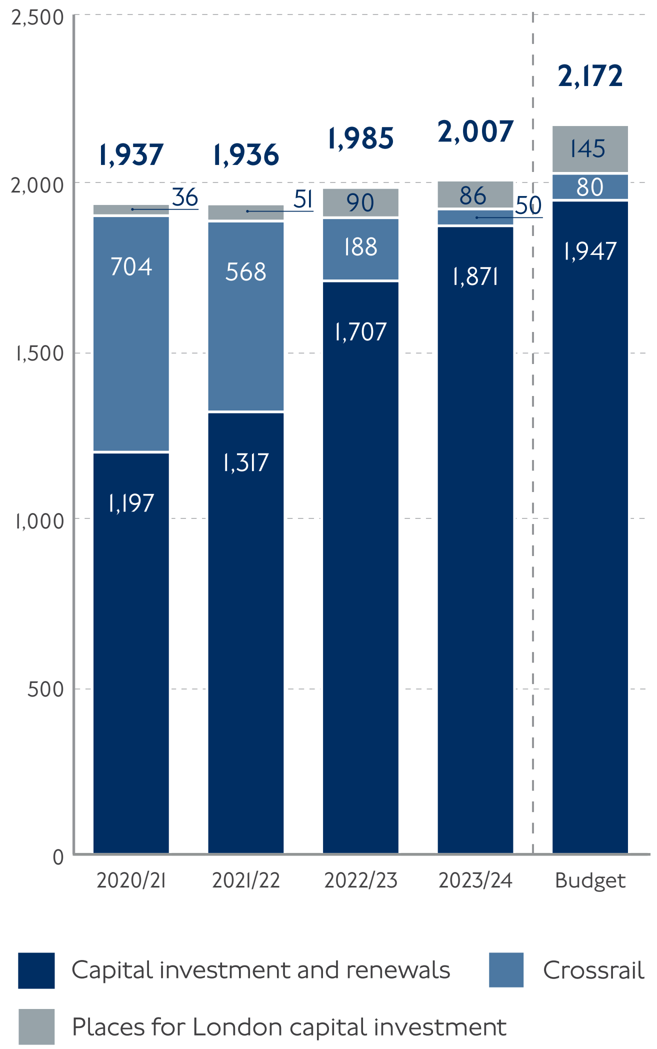


Total capital expenditure (including Crossrail)

Quarterly (£m)*



Full year (£m)



Full-year operating costs £42m below Budget

10%▲ year on year

Our core operating costs finish the year in line with Budget, however like-for-like operating costs are nine per cent higher than last year. This is due to high levels of inflation and increases in costs resulting from the expansion of our services.

Total capital expenditure £165m below Budget

1%▲ year on year

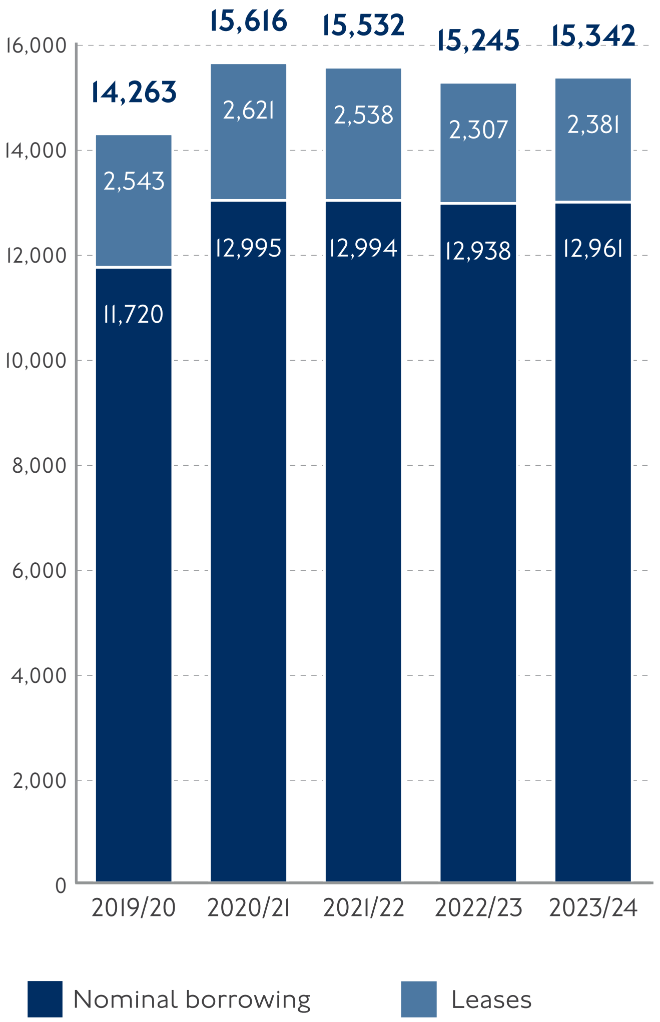
We delivered our renewals on target and within two per cent of Budget. The Government's decision not to provide funding for additional inflation, as allowed for under our funding settlement, meant that we did not offset slippage on our new capital investment projects and spent £94m less than Budget.

* Quarter 4 is longer than quarters 1 to 3 (16 weeks vs 12 weeks)

Debt and cash

Our borrowing and cash balances

Total debt (£m)



Borrowing update

There has been an increase of £23m in the level of our outstanding borrowing, excluding leases, during the year. This was driven by an increase in our short-term borrowing, to suit our cash and liquidity needs at the end of the financial year. The increase in short-term borrowing included commercial paper issuance in US dollars and euros after receiving approval from HM Treasury to issue in these currencies.

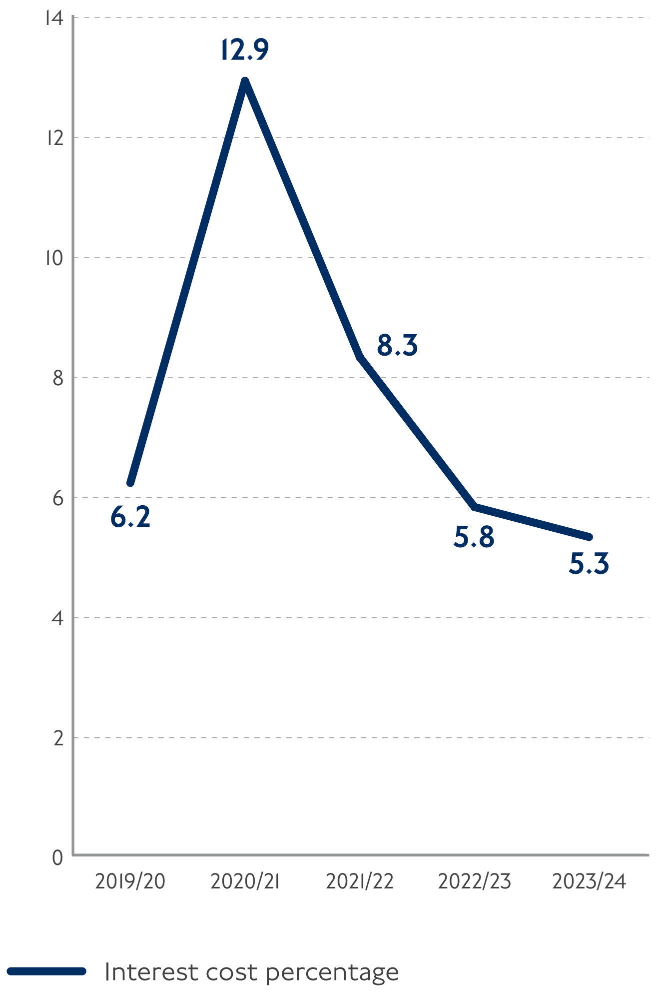
Credit ratings

We are rated by three leading international credit rating agencies. On 10 January 2024, Fitch Ratings (Fitch) affirmed the long-term rating for TfL at AA- with negative outlook and the short-term rating at F1+. After the end of Quarter 4, on 15 April 2024, Fitch upgraded the outlook to stable. On 20 May 2024, S&P Global Ratings (S&P) upgraded the long-term rating for TfL to AA- from A+ and the short-term rating to A-1+ from A-1 with a stable outlook.

Credit ratings on 20 May 2024

Agency	Long-term rating	Short-term rating
Moody's	A3 positive outlook	P-2
S&P	AA- stable outlook	A-1+
Fitch	AA- stable outlook	F1+

Interest costs (% of total revenue)*



* Interest costs include interest costs for borrowing and other financing liabilities

Interest costs (£m)

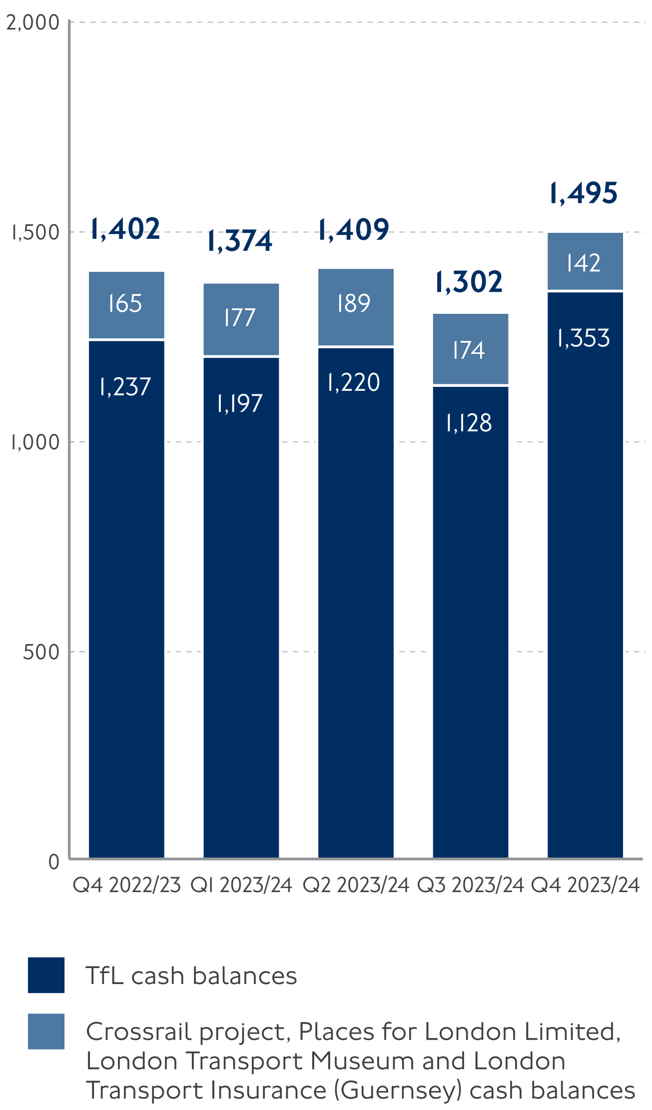
2023/24	(479)
2022/23	(455)
2021/22	(442)
2020/21	(446)
2019/20	(429)

The ratio of interest costs to total revenue (excluding extraordinary grant) helps us to monitor the affordability of our debt. The ratio has been decreasing as our revenues continue to recover following the coronavirus pandemic, while the majority of our debt remains at fixed interest rates.

Interest costs and income (£m)

Full year	2023/24	Budget	Variance
Interest income	68	55	13
Interest costs	(479)	(472)	(7)

Cash balances (£m)



Cash balances at the end of Quarter 4 were £1,495m. Of the total cash balance, £142m was held for the Crossrail project, LTM, LTIG and Places for London.

We continued to balance the requirements of our liquidity policy and the August 2022 funding settlement letter with the Government by aiming to have, on average, up to or around £1.2bn of usable cash and liquid investments held by the TfL Group (excluding specified subsidiaries Crossrail Limited, LTIG, LTM and Places for London). The funding agreement came to an end on 31 March 2024, and envisaged a usable cash balance of up to £1.3bn at the end of 2023/24. While the TfL cash balance was slightly above this, year-end usable cash balances, which exclude certain items, were below the £1.3bn specified in the agreement.

Preserving liquidity by maintaining a minimum cash balance is crucial to our financial resilience. Statutory restrictions around prudent borrowing constrain our ability to access funding and financing from external sources to preserve our liquidity. Therefore, our cash reserves ensure we can deal with a range of short- and longer-term uncertainties, and provide assurance to our lenders, suppliers and credit-rating agencies that we can meet our commitments.

Our current liabilities (those falling due within 12 months) outweigh our current assets. Of these, cash is the only truly liquid element. While our long term assets outweigh our short-term liabilities, the former is mainly property, plant and equipment. This is largely fixed infrastructure or specialist assets that would not be convertible into cash, even over a longer-term horizon, to meet our long-term liabilities when they fall due.

Our Superloop services are increasing ridership across the capital

Passenger journeys

Our performance based on passenger numbers

Full year 2023/24

3,560m	3,552m	3,252m
total journeys	Budget	2022/23

London Underground

1,181m 5%▲ Budget

London Buses

1,869m 2%▼ Budget

DLR

99m 7%▲ Budget

London Overground

181m 4%▲ Budget

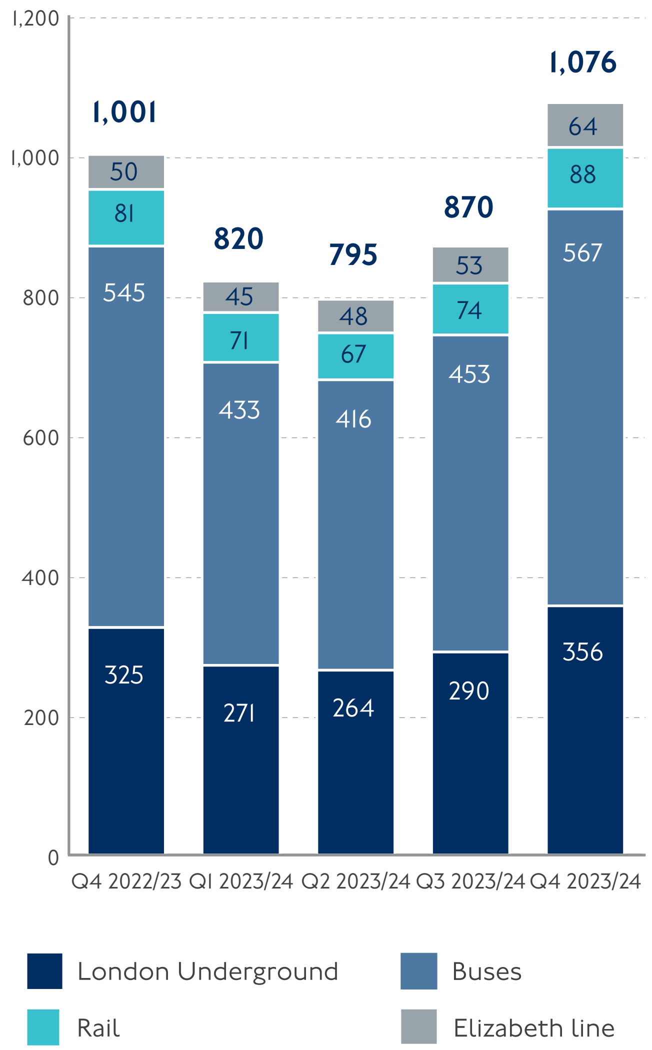
London Trams

20m 14%▼ Budget

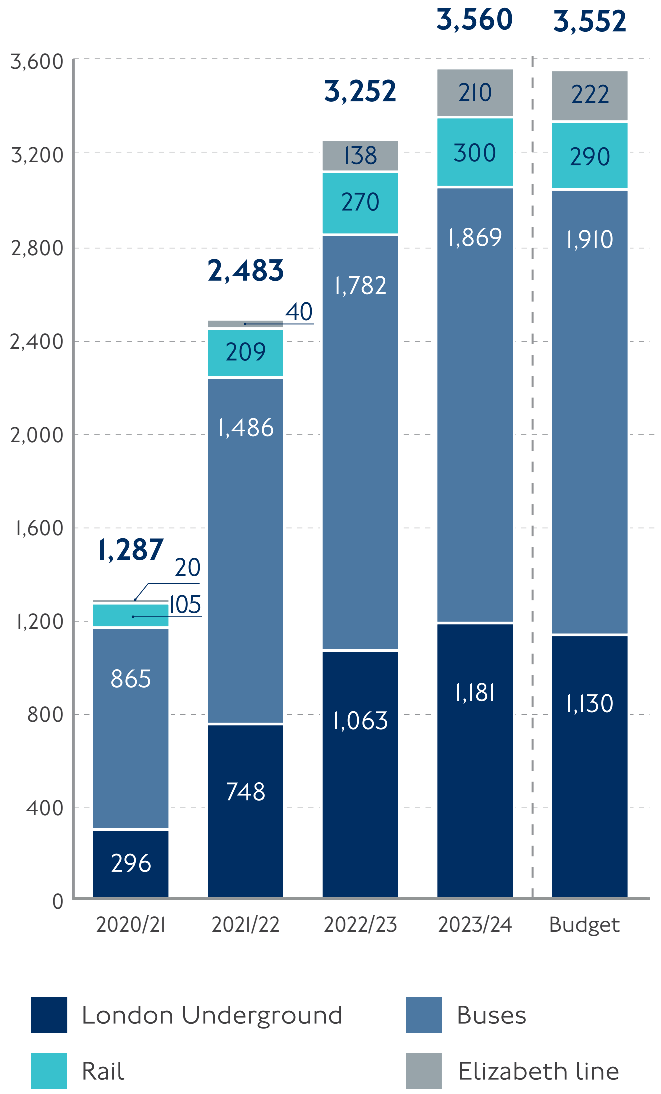
Elizabeth line

210m 5%▼ Budget

Quarterly (millions)*



Full year with Budget (millions)



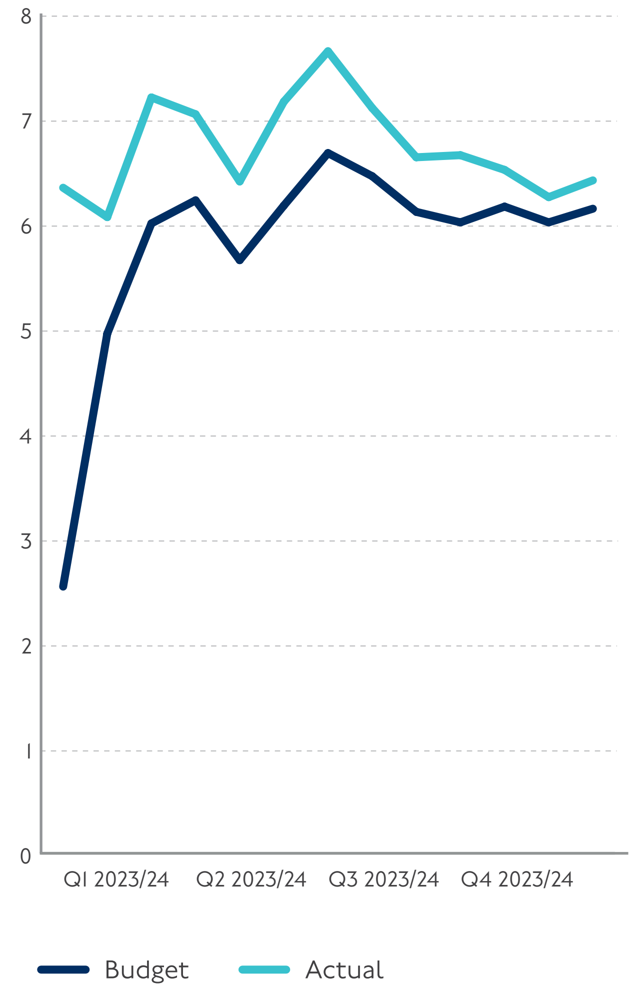
Passenger journeys continue to grow, with ridership figures on some services exceeding Budget levels. Full-year figures show 3,560 million journeys completed, compared with 3,252 million last year.

This quarter, the Off-peak Fridays trial started, where Tube and rail fares on pay as you go with contactless and Oyster are off-peak all day on Fridays until 31 May 2024. This is to encourage people back into the city on Fridays, allowing them to make the most of all London has to offer and to support London's wider economic growth.

* Quarter 4 is longer than quarters 1 to 3 (16 weeks vs 12 weeks)

The Elizabeth line offers a peak service of 24 trains per hour in the central section

Passenger journeys cumulative year-on-year growth (%)*
(TfL)



* Prior year baseline has been adjusted to reflect seasonal differences across quarters

Overall journeys at the end of 2023/24 are nine million above Budget. Passenger journeys have seen significant growth on TfL's bus, Tube and rail network, with more than four million Tube journeys and around five million bus journeys made on weekdays. The Elizabeth line also continues to grow, with ridership levels at around 700,000 journeys every weekday.

Passenger journeys at the end of 2023/24 are up

9%

year on year

Underground

Levelling Up funding will enable Colindale and Leyton Tube stations to become step-free for the first time

Financial summary

Underground (£m)	Full year 2023/24	Full year Budget	Variance	Full year 2022/23	Variance
Passenger income	2,508	2,531	(23)	2,212	296
Other operating income	20	25	(5)	29	(9)
Revenue	**2,528**	**2,556**	**(28)**	**2,241**	**287**
Operating cost	(2,284)	(2,245)	(39)	(2,092)	(192)
Net contribution	**244**	**311**	**(67)**	**149**	**95**
Indirect operating cost	(456)	(529)	73	(388)	(68)
Net interest cost	(268)	(273)	5	(273)	5
Capital renewals	(459)	(423)	(36)	(360)	(99)
Operating deficit	**(939)**	**(914)**	**(25)**	**(872)**	**(67)**
New capital investment	(604)	(613)	(9)	(456)	(148)

Full-year passenger income is £23m lower than Budget at £2,508m, but £296m higher than last year. The 2023/24 full-year total includes an adjustment for Off-peak Fridays and the impact of the fares freeze, contributing to the variance against Budget.

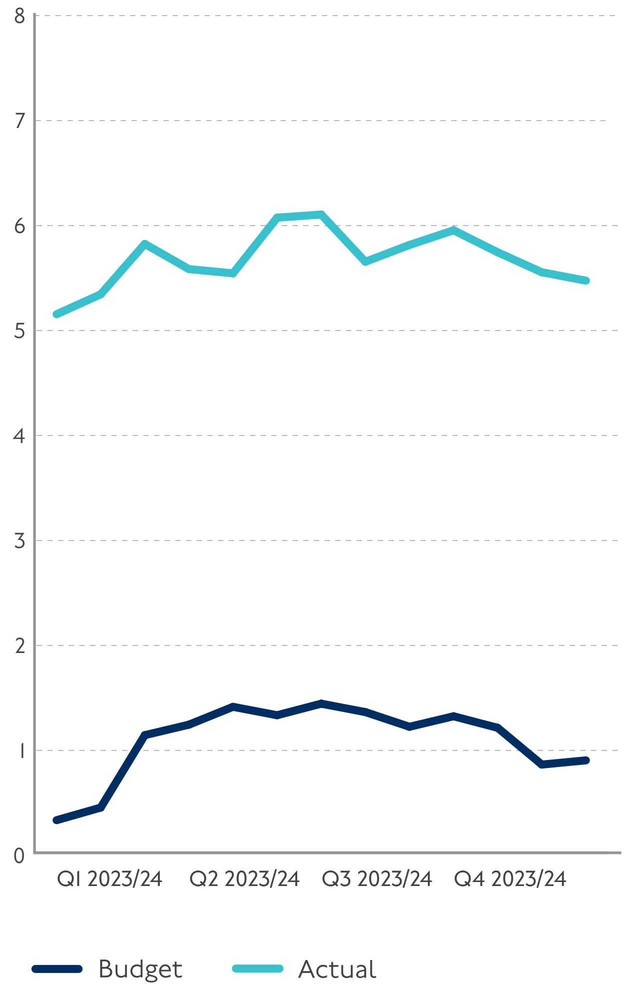
Direct operating costs are £39m higher than Budget, mainly owing to cost pressures within the asset performance directorate and the LU pay award (funded by additional grant from the Greater London Authority (GLA)). These are partially offset by reductions in staff costs (from lower headcount) and other savings. Compared to last year, costs are nine per cent higher, in line with core operating cost increases across TfL.

Capital expenditure is £45m higher than Budget mainly within capital renewals, which are £36m higher than anticipated due to increased delivery.

TfL has published an ambitious new customer plan, Equity in Motion, to help create a fairer, more accessible and inclusive transport network for everyone. The new plan includes the major upgrade of Colindale Tube station, which involves building a larger ticket hall and installing a lift to give the station step-free access for the first time. Part closures of the Northern line between Golders Green and Edgware, to facilitate the upgrade, started in April 2024.

Passenger journeys cumulative year-on-year growth (%)*

Underground



* Prior year baseline has been adjusted to reflect seasonal differences across quarters

Full-year demand is 51 million higher than Budget and 118 million higher compared to the same time last year. Midweek ridership levels on the Tube are now regularly reaching at least 86 per cent, although ridership on Fridays remains lower at around 73 per cent. The recently introduced Off-peak Fridays scheme aims to boost ridership, encouraging more people to travel once again on Fridays.

The Budget assumed a loss in demand to the Elizabeth line as customer travel shifts to the new service. However, due to journey counting rules, if a customer makes a journey using both modes, the journeys are not apportioned between the two, only the income is. This has caused a lower loss of demand than assumed in the Budget, but had no impact on customer income.

Tube journeys at the end of 2023/24 are up

6%

year on year

Elizabeth line

Ridership on the Elizabeth line is now averaging around four million journeys every week

Financial summary

Elizabeth line (£m)	Full year 2023/24	Full year Budget	Variance	Full year 2022/23	Variance
Passenger income	606	534	72	314	292
Other operating income	4	10	(6)	11	(7)
Revenue	**610**	**544**	**66**	**325**	**285**
Operating cost	(519)	(538)	19	(476)	(43)
Net contribution	**91**	**6**	**85**	**(151)**	**242**
Indirect operating cost	(13)	(23)	10	(7)	(6)
Net interest cost	(81)	(83)	2	(86)	5
Capital renewals	(9)	(9)	-	-	(9)
Operating deficit	**(12)**	**(109)**	**97**	**(244)**	**232**
New capital investment	(1)	(8)	7	(1)	-
Crossrail construction costs	(50)	(80)	30	(188)	138
Total capital expenditure	**(51)**	**(88)**	**37**	**(189)**	**138**

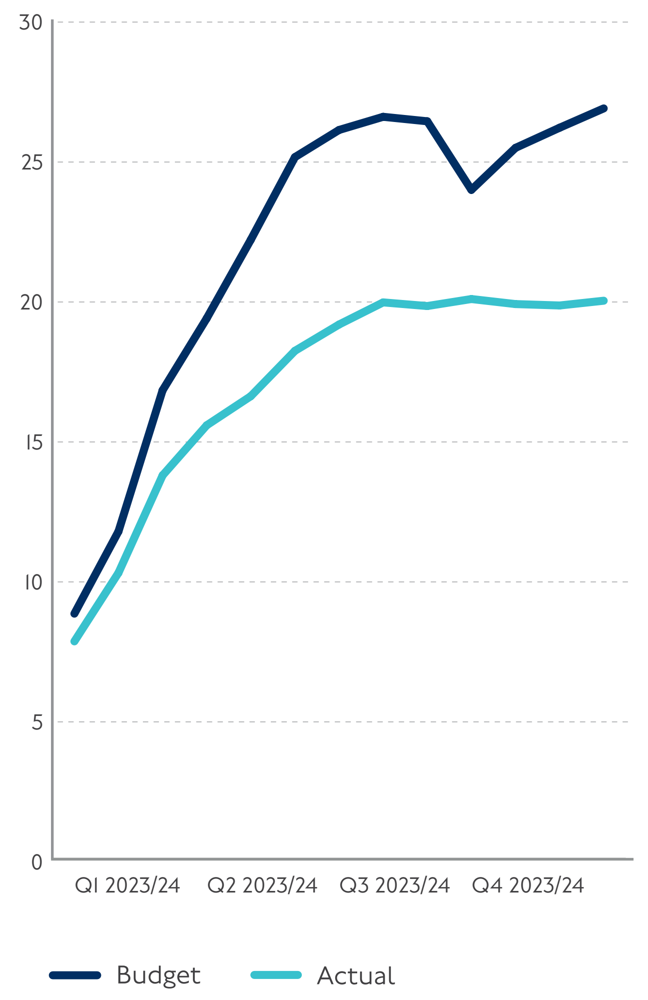
Passenger income is £72m higher than Budget, driven by better-than-expected yield.

Operating costs are £19m better than Budget, mainly owing to lower concession and rolling stock costs, offset by higher maintenance and operations costs.

New capital investment is £7m lower than Budget, due to delays in new projects. These have been re-phased to 2024/25.

Four bidders have been shortlisted as part of the procurement process to operate the Elizabeth line from May 2025, when the current contract with MTR Elizabeth line expires. The next Elizabeth line operator will build on the success of the Elizabeth line, collaborating with key partners to optimise reliability, as well as sustaining the high levels of customer satisfaction and growth. They will also work closely with TfL, Network Rail and HS2, preparing for the operation of Elizabeth line services to the new superhub station at Old Oak Common.

Passenger journeys cumulative year-on-year growth (%)*
Elizabeth line



* Prior year baseline has been adjusted to reflect seasonal differences across quarters

The Elizabeth line saw 210 million journeys made during 2023/24, 12 million less than the annual budget. The line is averaging around 4.0 million journeys each week, with the busiest week this year just exceeding 4.5 million journeys.

Elizabeth line journeys at the end of 2023/24 are up

20%

year on year

Buses, Streets and other operations

London's pioneering new network of express bus services, the Superloop, now circles the entire capital

Financial summary

Buses, Streets and other operations (£m)	Full year 2023/24	Full year Budget	Variance	Full year 2022/23	Variance
Passenger income	1,517	1,513	4	1,377	140
Other operating income	1,188	1,316	(128)	1,174	14
Revenue	**2,705**	**2,829**	**(124)**	**2,551**	**154**
Operating cost	(3,555)	(3,493)	(62)	(3,171)	(384)
Net contribution	**(850)**	**(664)**	**(186)**	**(620)**	**(230)**
Indirect operating cost	(88)	(90)	2	(73)	(15)
Net interest cost	(25)	(25)	-	(25)	-
Capital renewals	(163)	(186)	23	(157)	(6)
Operating deficit	**(1,126)**	**(965)**	**(161)**	**(875)**	**(251)**
New capital investment	(225)	(274)	49	(183)	(42)

Total revenue is £124m lower than Budget. Passenger income is £4m favourable, driven by better-than-budgeted bus yield. This is offset by lower operating income from road user charging as a result of higher-than-budgeted compliance.

Operating costs are £62m higher than Budget, mainly due to a road user charging accounting adjustment for the Low Emission Zone. This is offset by favourable bus performance and operating costs, and cost savings associated with lower inflation energy costs.

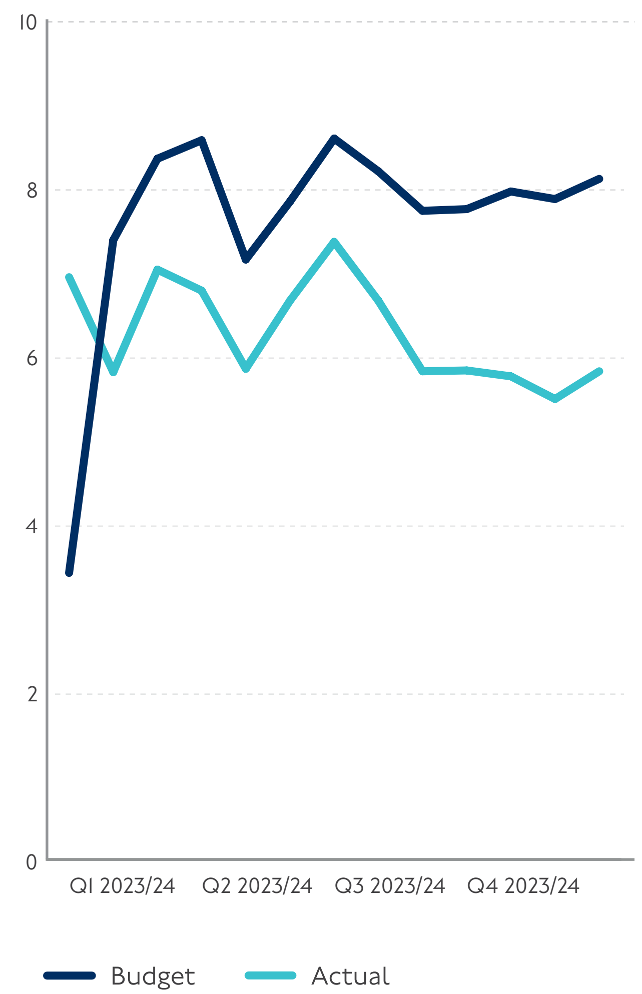
New capital expenditure is £49m lower than Budget, mainly due to rephasing of project spend.

The final three services in the loop of expres bus services circling the capital are now in operation. These Superloop services will make it easier to get around northeast, east and southeast London, connecting communities in outer London and giving Londoners even better access to affordable and sustainable travel.

In total, the new Superloop services have added more than six million bus kilometres to the capital's network. Latest ridership figures show almost half of all Superloop journeys involve an interchange with another mode of public transport, indicating the important role it is playing in outer London's connectivity.

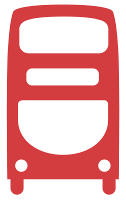
Passenger journeys cumulative year-on-year growth (%)*

Buses



* Prior year baseline has been adjusted to reflect seasonal differences across quarters

Bus ridership continues to grow, with full-year bus demand totalling 1,869 million journeys, an increase of 87 million compared to the same time last year. The new Superloop network has added more than six million bus kilometres to the capital's bus network, helping to drive ridership.



Bus journeys at the end of 2023/24 are up

6%

year on year

Volume analysis

	Full year 2023/24	Full year Budget	Variance	Full year 2022/23	Variance
Congestion Charge volumes (thousands)	16,344	15,769	575	16,411	(67)
Congestion Charge and enforcement income (£m)	345.9	342.5	3.4	358.2	(12.3)
ULEZ volumes (thousands)	15,875	18,018	(2,143)	12,872	3,003
ULEZ charge and enforcement income (£m)	534.5	626.3	(91.8)	479.9	54.6

Cycling

There were more than two million hires in Quarter 4, a slight increase of 16,556 hires (one per cent) compared to the same quarter last year. At the end of the quarter, hires were increased by the introduction of a new Day Pass, which allows customers to make unlimited 30-minute trips within a 24-hour period. Almost 80,000 Day Pass hires took place in the first period of launch. Casual hires also reached a peak in March, the highest they have been in the last six months.

The quarter saw 173,000 e-bike hires, a 14 per cent increase compared to the same quarter last year.

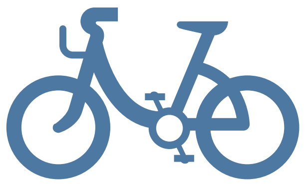
Traffic flow

Traffic flows across London are 2.2 per cent lower than they were last year. Flows are down 3.1 index points from the last quarter: 84.4 compared to 87.5. This represents a fall of 3.6 per cent in total traffic flows.

Fleet of

12,000

cycles of which 600 are e-bikes, based at more than 800 docking stations



Traffic flow (volume) year-on-year change

Q4 2023/24

2.2%▼

Compares traffic flow volumes for the year to date with the corresponding quarters in the previous year

Volume analysis

	Full year 2023/24	Full year 2022/23	Variance
Santander Cycles			
Number of hires (millions)	8.5	10.8	(2.3)
Victoria Coach Station			
Number of coach departures (thousands)	207.7	182.8	24.9
London River Services			
Number of passenger journeys (millions)	9.6	8.5	1.1
London Dial-a-Ride			
Number of passenger journeys (thousands)	542.1	503.0	39.1
Taxi and Private Hire			
Number of private hire vehicle drivers	106,267	101,535	4,732
Taxi drivers	17,416	18,297	(881)
IFS Cloud Cable Car			
Number of passenger journeys (thousands)	1,444.4	1,520.2	(75.8)

Rail

London Overground lines are given new names and colours in a historic change to the capital's network

Financial summary

Rail (£m)	Full year 2023/24	Full year Budget	Variance	Full year 2022/23	Variance
Passenger income	410	404	6	359	51
Other operating income	11	14	(3)	26	(15)
Revenue	**421**	**418**	**3**	**385**	**36**
Operating cost	(540)	(540)	–	(523)	(17)
Net contribution	**(119)**	**(122)**	**3**	**(138)**	**19**
Indirect operating cost	(25)	(25)	–	(25)	–
Net interest cost	(34)	(35)	1	(35)	1
Capital renewals	(61)	(55)	(6)	(49)	(12)
Operating deficit	**(239)**	**(237)**	**(2)**	**(247)**	**8**
New capital investment	(257)	(272)	15	(430)	173

Passenger income is £6m favourable to Budget, mainly due to higher-than-budgeted demand and better-than-expected yield on the DLR.

New capital investment is £15m lower than Budget, driven by in-year slippage of spend, and delays in contract award due to supplier negotiation on the DLR.

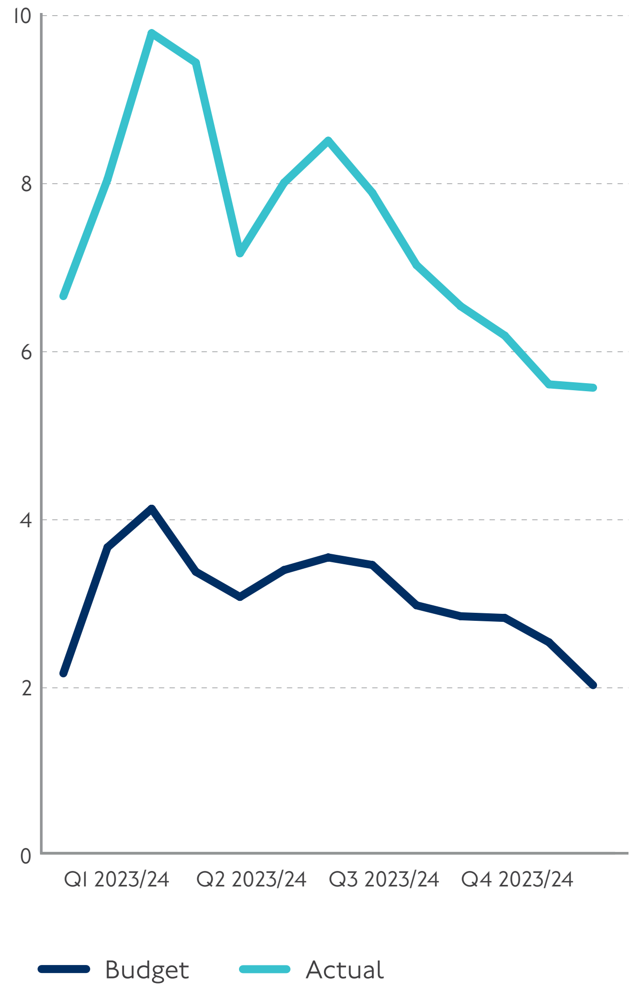
For the first time ever, in a historic re-imagining of London's public transport network, each of the six London Overground lines has been given a unique name and line colour. The new names have been chosen through engagement with customers, stakeholders, industry experts and local communities.

This significant change, which will include a major update to London's world-famous Tube map, will make it easier for customers to navigate London's transport network and further build ridership, while celebrating the city's diverse culture and history.

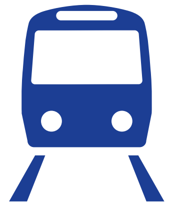
As well as the updated Tube map, each route will also be represented on train line diagrams, at stations and on digital journey planning tools. The much-loved orange roundel will continue to be used across the London Overground network.

Passenger journeys cumulative year-on-year growth (%)*

Rail



Rail journeys – including London Overground, DLR and Trams – are 10 million higher than Budget and 30 million higher than this time last year.



Rail journeys at the end of 2023/24 are up

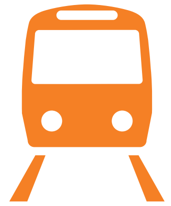
6%

year on year

DLR journeys at the end of 2023/24 are up

1%

year on year



London Overground journeys at the end of 2023/24 are up

9%

year on year

London Trams journeys at the end of 2023/24 are down

2%

year on year

* Prior year baseline has been adjusted to reflect seasonal differences across quarters

Places for London

Operating income has exceeded Budget due to extra joint venture dividend receipts and property income

Financial summary

Places for London (£m)	Full year 2023/24	Full year Budget	Variance	Full year 2022/23	Variance
Other operating income	94	85	9	100	(6)
Operating cost	(58)	(61)	3	(49)	(9)
Net contribution	**36**	**24**	**12**	**51**	**(15)**
Indirect operating cost	(7)	(9)	2	(7)	-
Operating surplus	**29**	**15**	**14**	**44**	**(15)**
New capital investment	(87)	(145)	58	(90)	3
Property receipts	37	65	(28)	79	(42)
Net capital expenditure	**(50)**	**(80)**	**30**	**(11)**	**(39)**

Net contribution for the year is £12m higher than Budget.

Operating income is £9m higher due to joint venture dividend receipts exceeding Budget, plus extra property income from backdated rent reviews and turnover-based rents.

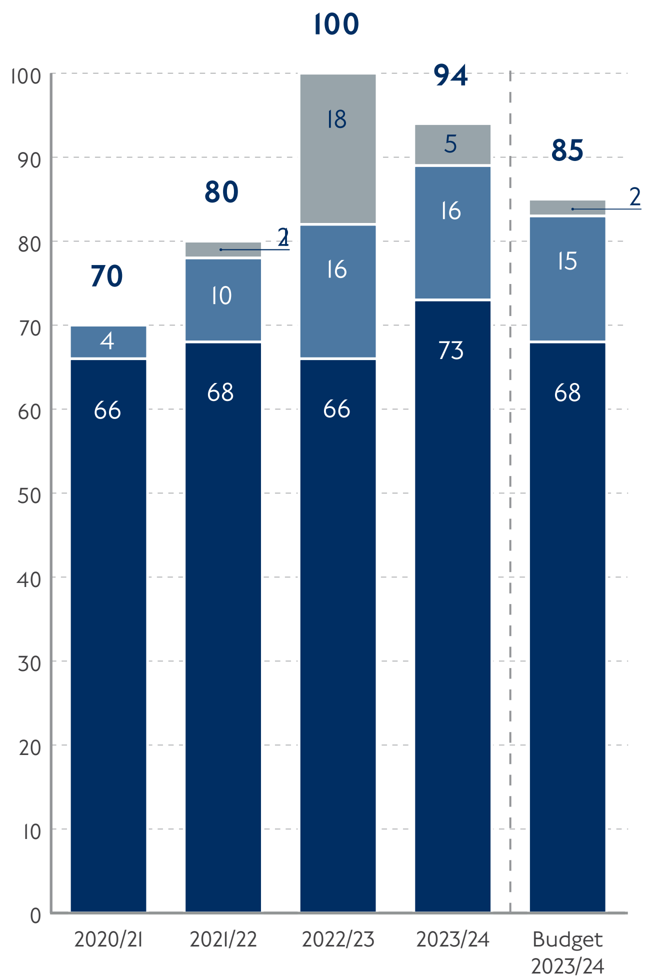
Operating costs are £3m lower than Budget, driven by the release of bad debt provision due to a concerted effort to reduce unpaid invoices during the year.

New capital investment is £58m lower than Budget. This is driven by the reprofiling of a number of residential developments, which are awaiting clarity on proposed building regulation changes.

Property receipts are £28m lower than Budget, with a large number of disposals being reprofiled into future years due to current market conditions and planning delays.

Other operating income (£m)

Full year



We have started our search for a joint venture partner to transform the Limmo Peninsula. The site covers around 50,000 square metres of land, with 600 metres of river frontage, and sits within the Royal Docks and Beckton Riverside. The area now has the potential to deliver up to 1,500 new homes including affordable housing, alongside a range of improvements for the local community.

We have submitted an updated application under section 163 of the Greater London Authority Act 1999, to the DfT, seeking its approval to build 351 new homes, including 40 per cent affordable housing, next to Cockfosters Tube station. Cockfosters would be the fifth project to be delivered by Connected Living London, with the help of our strategic partnership with Grainger plc. Connected Living London has made excellent progress, having completed work on the other four project sites. It is now preparing to start the next project once the Department for Levelling Up, Housing and Communities clarifies its position on building regulations following its consultation.

At Wood Lane, on 26 February, we installed newly designed panels to attract businesses to the arches and move into the area alongside Bergamot Café, a family-run establishment serving home-style meals. The panels are the first display showcasing Places for London, our financially independent property company.

To date, Places for London has started building more than 4,000 homes, as part of its ambition to deliver 20,000 new homes, including 50 per cent affordable housing.

Capital expenditure

First new Piccadilly line train on target for delivery to London this summer

Financial summary

Capital expenditure (£m)	Full year 2023/24	Full year Budget	Variance	Full year 2022/23	Variance
Piccadilly line upgrade	(445)	(450)	5	(230)	(215)
DLR rolling stock replacement	(223)	(256)	33	(133)	(90)
Four Lines Modernisation	(99)	(94)	(5)	(115)	16
Other	(4)	(4)	-	(1)	(3)
Rolling stock and signalling replacement	**(771)**	**(804)**	**33**	**(479)**	**(292)**
Safe and Healthy Streets	(117)	(121)	4	(73)	(44)
Environment	(82)	(113)	31	(53)	(29)
Technology programme	(53)	(102)	49	(63)	10
Rail and station enhancements	(60)	(50)	(10)	(20)	(40)
Silvertown Tunnel	(10)	(15)	5	(45)	35
Bank station capacity upgrade	(5)	(8)	3	(54)	49
Other enhancements	(10)	11	(21)	(15)	5
Purchase of London Overground trains	-	-	-	(281)	281
Total new capital investment	**(1,108)**	**(1,202)**	**94**	**(1,083)**	**(25)**
Renewals	(763)	(745)	(18)	(624)	(139)
Places for London	(86)	(145)	59	(90)	3
Crossrail project	(50)	(80)	30	(188)	138
Total capital expenditure	**(2,007)**	**(2,172)**	**165**	**(1,985)**	**(23)**

Total TfL new capital investment, excluding Crossrail construction and Places for London, was £1,108m at the end of Quarter 4, which is £94m lower than Budget.

Key deliverables for each of our main programmes are detailed below:

Piccadilly line rolling stock

The manufacturing contract with Siemens Mobility Limited is progressing well, with the first two fully assembled trains now at Siemens' test and validation centre in Westphalia, Germany. The new trains are undergoing a comprehensive programme of pre-delivery performance and reliability proving trials prior to series production. This has included climatic chamber testing to evaluate the performance of on-board systems under extreme temperature conditions, vehicle sway characteristics and crush-loaded traction and braking performance tests. Results to date have been very positive, with performance of the new train fully matching technical specification requirements and performance expectations.

The rephasing of the train delivery schedule and timing of payments agreed under the contract with Siemens has not affected the delivery of the first train to London, which remains on target for summer 2024. The revised schedule means that up to 80 per cent of the new trains will now be built in the UK at Siemens' factory in Goole, Yorkshire, surpassing the 50 per cent target originally planned. Siemens is investing up to £200m and creating up to 700 jobs at the Goole factory, with up to 1,700 new jobs in the supply chain.

Modifications are under way within the existing depots to provide initial maintenance facilities for the first new trains. The construction of three new stabling and reversing sidings at Northfields is substantially complete, with final commissioning planned for October 2024. At Cockfosters depot, site preparation and enabling works are under way for the new wheel lathe facility, and a contract has been awarded for building construction.

The first of two new cab simulators is being commissioned in readiness for the start of train operator training, and arrangements are being finalised for installation.

DLR rolling stock and systems integration

Manufacture of the new rolling stock in Spain is continuing, with 30 trains completed. There were some challenges during integration testing works at the end of 2023, which have affected the first-train-in-service date. Testing has restarted and we expect the new trains to begin entering passenger service in Quarter 2 2024/25. Importantly, the end date for the renewal of the full fleet remains Quarter 2 2026/27.

Following the entering into administration of Buckingham Group Contracting Ltd – the principal contractor for the Beckton depot northern sidings contract – we are implementing alternative arrangements to ensure the completion of these works, which have now restarted on site with a different contractor. Works are progressing in parallel on the southern sidings, and we anticipate bringing these into service shortly after the completion of the northern sidings.

Silvertown Tunnel

Construction of the permanent wall to the tunnel portal approach is progressing well. Building of the tunnel domes in the area that was previously excavated has been completed, with backfilling started. At Greenwich, similar work has commenced to allow waterproofing of the tunnel domes prior to backfilling.

Another milestone was reached in the quarter with the completion of cable tray installation throughout the entire 1.1km stretch of tunnels and cross passages. Cable pulling has now started within the tunnel, including the first tranche for lighting, and during the next quarter approximately 75km of electrical cable will be fitted.

Following several productive weekend closures, works have progressed well at the A102, including the installation of gantries across the carriageway, construction of a new overbridge and resurfacing. This progress has negated the need to utilise proposed contingency weekends.

Colindale and Leyton

The DfT approved the business case for the Colindale and Leyton projects in December 2023, and is providing £43.1m of Levelling Up funding for the two Tube stations. Significant contributions are also being made by Barnet Council, local developers and TfL.

The major upgrade of Colindale Tube station includes building a larger ticket hall and installing a lift to give the station step-free access for the first time, meaning it will have to close from Friday 7 June until December 2024. There will also be part closures of the Northern line between Golders Green and Edgware in spring and summer 2024.

At Leyton, a new ticket hall will be created to provide increased capacity, and step-free access by means of an overbridge and lifts. These works will support thousands of new homes being built in the area. The detailed design and pre-construction phase of the scheme is close to being finalised, with the construction contract due to be awarded this summer. We continue to liaise closely with key stakeholders, including the London Borough of Waltham Forest.

Step-free access

In February, we announced we will deliver step-free access at Northolt station. The next step is to update the previous pre-pandemic design and construction approach. It is intended that we will start construction in early 2025.

In summer 2023, we announced that we were carrying out studies into the feasibility of making eight stations step-free. A single preferred build option has now been identified for the majority of the eight stations, with costs being updated and build plans confirmed. We announced in February 2024 that funding was in place for two of these stations (West Hampstead and North Acton) to proceed into full design.

We also continue to actively engage with local authorities, developers and businesses in an effort to explore what options are available to introduce step-free access to further stations. Feasibility work at other stations could be progressed should the right amount of investment be provided.

Manufacture of 30 new DLR trains has now been completed in Spain

Headcount

Our people provide a vital service for London

Full-time equivalents, including non-permanent labour

	31 March 2023 Actual	Full year net (leavers)/joiners	31 March 2024 Actual
Underground	16,286	(140)	16,146
Elizabeth line	369	16	385
Buses, Streets and other operations	2,762	123	2,885
Rail	281	(47)	235
Places for London	218	58	276
Capital directorate	2,518	518	3,036
Professional services*	4,466	276	4,742
TfL total	**26,900**	**804**	**27,704**
Crossrail	143	(87)	56
Total	**27,043**	**717**	**27,760**

The full-year figure for TfL full-time equivalent roles is 27,704, which is 804 higher than at the start of the year.

The increase in Capital directorate is mainly due to the transfer in of the project management community to create a centre of excellence in order to achieve further efficiencies.

The increase in Professional services includes 86 new graduates. The remainder relates to labour to assist with projects in Technology and Data, and for Safety, Health and Environment support to projects and the building of these capabilities within the organisation.

The reduction of 140 full-time equivalent staff in Underground is as a result of modernisation and delays to planned recruitment.

* Professional services comprises functions within TfL including Legal, Finance, Human Resources, Ticketing, Procurement and Customers, Communication and Technology, where services are provided on a shared basis across all TfL divisions

Non-permanent labour

Agency and non-permanent labour staff have increased by more than 500 since the end of 2019/20 but remain significantly lower than 2015/16 levels. Non-permanent labour offers flexibility, particularly through times of change and temporary peaks in demand.

Reduction since December 2015

Date	Number of non-permanent labour	Weekly cost (£)	Reduction in non-permanent labour since December 2015	Weekly saving (£)
15 December 2015	3,092	5,249,002		
31 March 2020	1,327	1,527,521	1,765	3,721,481
31 March 2022	1,422	1,995,652	1,670	3,253,350
31 March 2023	1,833	3,006,721	1,259	2,242,281
31 March 2024	1,890	3,370,446	1,202	1,878,556

Non-permanent labour by length of service

Length of service	31 March 2023 Actual	Full year net (leavers)/joiners	31 March 2024 Actual
0-6 months	520	(127)	393
6-12 months	353	(45)	308
1-2 years	440	9	449
2-3 years	144	169	313
3-5 years	223	10	233
5+ years	153	41	194
Total	**1,833**	**57**	**1,890**

We still have a large number of non-permanent contractors who have been working at TfL for more than two years. Many of these are working on large construction projects, but we continue to seek to reduce reliance on these resources to the extent that this is possible.

Appendix

Performance against the GLA Budget
The Budget approved by the TfL Board in March 2023 supersedes its submission into the GLA Budget process. It offers the latest trends and information in more detail. The following tables set out the key differences against the Mayor's Budget approved by the London Assembly on 23 February 2023.

GLA objective analysis

	Full year 2023/24		
TfL Group (£m)	**Actual**	**GLA Budget**	**Variance**
Income			
Passenger income	(5,233)	(5,239)	6
Congestion Charge, LEZ and ULEZ income	(962)	(1,028)	66
Other income	(579)	(609)	30
Third-party contributions	(73)	(31)	(42)
Sub-total income	**(6,847)**	**(6,907)**	**60**
Operating costs			
London Underground	1,864	1,760	104
Bus, roads, compliance and policing	3,220	3,288	(68)
Contracted rail and sponsored services	576	607	(31)
Elizabeth line	519	549	(30)
Congestion Charge, LEZ and ULEZ income	523	535	(12)
Other	1,144	1,104	40
Sub-total operating costs	**7,846**	**7,843**	**3**
Net operating income and expenditure	**999**	**936**	**63**
Other			
Debt servicing	411	415	(4)
Revenue resources used to support capital investment	765	689	76
Net service income and expenditure	**2,175**	**2,040**	**135**
Transfer to/(from) reserves	93	156	(63)
Financing requirement	**2,268**	**2,196**	**72**

	Full year 2023/24		
TfL Group (£m)	**Actual**	**GLA Budget**	**Variance**
Specific grants	8	8	–
GLA contribution	163	92	71
Retained business rates	1,914	1,991	(77)
Services grant	5	5	–
Collection fund deficit	–	(78)	78
Council tax requirement	**178**	**178**	**-**

Capital account

	Full year 2023/24		
TfL Group (£m)	**Actual**	**GLA Budget**	**Variance**
Crossrail	50	48	2
TfL new capital investment	1,108	1,292	(184)
Places for London	86	229	(143)
Renewals	763	725	38
Total capital expenditure	**2,007**	**2,294**	**(287)**
Financed by			
Capital receipts	43	250	(207)
Capital grants and third-party contributions	915	887	28
Borrowing	24	125	(101)
Crossrail funding sources	57	73	(16)
Revenue contributions	968	959	9
Total funding	**2,007**	**2,294**	**(287)**

GLA subjective analysis

TfL Group (£m)	Full year 2023/24 Actual	GLA Budget	Variance
Passenger income	(5,233)	(5,239)	6
Congestion Charge, LEZ and ULEZ income	(962)	(1,028)	66
Advertising income	(150)	(137)	(13)
Property income	(85)	(83)	(2)
Other income	(417)	(420)	3
Total income	**(6,847)**	**(6,907)**	**60**
Employee expenses	2,409	2,265	144
Property, utilities, cleaning and security	543	614	(71)
Bus contract payments	2,163	2,183	(20)
Other contracted services costs	842	860	(18)
Traction current	269	289	(20)
Maintenance	554	536	18
Legal and professional fees	127	132	(5)
Technology costs	168	166	2
Bad-debt provisioning	447	458	(11)
Investment programme	312	224	88
Staff recharges	(408)	(372)	(36)
Other operating costs	420	488	(68)
Total operating costs	**7,846**	**7,843**	**3**

TfL Group (£m)	Full year 2023/24 Actual	GLA Budget	Variance
Debt servicing	411	415	(4)
Revenue resources used to support capital investment	765	689	76
Total gross expenditure	**9,022**	**8,947**	**75**
Net service income and expenditure	**2,175**	**2,040**	**135**
Transfer to/(from) reserves	93	156	(63)
Financing requirement	**2,268**	**2,196**	**72**
Specific grants	8	8	-
GLA contribution	163	92	71
Retained business rates	1,992	1,991	1
Services grant	5	5	-
Collection fund deficit	(78)	(78)	-
Council tax requirement	**178**	**178**	**-**

About us

Part of the Greater London Authority family led by Mayor of London Sadiq Khan, we are the integrated transport authority responsible for delivering the Mayor's aims for transport. We have a key role in shaping what life is like in London, helping to realise the Mayor's vision for a 'City for All Londoners' and helping to create a safer, fairer, greener, healthier and more prosperous city. The Mayor's Transport Strategy sets a target for 80 per cent of all journeys to be made by walking, cycling or using public transport by 2041. To make this a reality, we prioritise safety, sustainability, health and the quality of people's experience in everything we do.

We run most of London's public transport services, including the London Underground, London Buses, the DLR, London Overground, Elizabeth line, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the IFS Cloud Cable Car.

We manage the city's red route strategic roads and are responsible for the maintenance, management and operation of more than 6,000 sets of traffic lights across the capital. The London boroughs are responsible for all the remaining roads within their boundaries. The experience, reliability and accessibility of our services are fundamental to Londoners' quality of life. Safety remains our number one priority and we continue to work tirelessly to improve safety across the network for both colleagues and customers.

Our vision is to be a strong, green heartbeat for London. We are investing in green infrastructure, improving walking and cycling, reducing carbon emissions, and making the city's air cleaner. The Ultra Low Emission Zone, and fleets of increasingly environmentally friendly and zero-emission buses, are helping to tackle London's toxic air. We are also improving public transport options, particularly in outer London, to ensure that more people can choose public transport or active travel over using their vehicles.

That is why we are introducing the outer London Superloop bus network, providing express bus routes circling the entire capital, connecting outer London town centres, railway stations, hospitals and transport hubs.

We have constructed many of London's most significant infrastructure projects in recent years, using transport to unlock economic growth and improve connectivity. This includes major projects like the extension of the Northern line to Battersea Power Station and Nine Elms in south London, as well as the completion of the London Overground extension to Barking Riverside and the Bank station upgrade.

The Elizabeth line, which opened in 2022, has quickly become one of the country's most popular railways, adding 10 per cent to central London's rail capacity and supporting new jobs, homes and economic growth. We also use our own land to provide thousands of new affordable homes and our own supply chain creates tens of thousands of jobs and apprenticeships across the country.

We are committed to being an employer that is fully representative of the community we serve, where everyone can realise their potential. Our aim is to be a fully inclusive employer, valuing and celebrating the diversity of our workforce to improve services for all Londoners.

We are constantly working to improve the city for everyone. This means using information, data and technology to make services intuitive and easy to use and doing all we can to make streets and transport services accessible and safe to all. We reinvest every penny of our income to continually improve transport networks for the people who use them every day. None of this would be possible without the support of boroughs, communities and other partners who we work with to improve our services. By working together, we are creating brighter journeys and a better city.

May 2024

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