



# Transport for London quarterly performance report

Quarter 4 2022/23  
(11 December 2022 – 31 March 2023)

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The financial information included in the report is unaudited and does not constitute TfL's statutory accounts. TfL's last audited Statement of Accounts for the year ending 31 March 2022 was published in September 2022.



The Elizabeth line continues to exceed predicted ridership levels

# Introduction

Our results for 2022/23 show we have delivered on our Revised Budget approved by the TfL Board in December 2022, remain on track to achieve operational financial sustainability in 2023/24 and to meet the conditions of our funding agreement with Government. We are doing this by delivering our strategy to rebuild our finances, improve efficiency and securing our strategy.

We are growing passenger demand and our passenger income has increased by £1bn (34 per cent) since last year, with latest journeys at 85 per cent of pre-pandemic levels. Total revenue for 2022/23 is £101m better than the Revised Budget.

We are continuing to deliver recurring cost savings, with £92m delivered in 2022/23. Operating costs are £54m lower than the Revised Budget, mainly from internal savings, one-off cost reductions and reducing and changing the timing of maintenance costs. Our core operating costs are in line with the Revised Budget.

We are funding our capital programme. During 2022/23, we invested £624m in our renewals programme against the £635m target set by the funding settlement, and are in discussion with Government on whether this underspend can be carried forward into 2023/24. In the last quarter, a decision was made to mitigate against various financial risks associated with leasing the London Overground fleet and the trains were purchased. Excluding this unbudgeted expenditure, new capital investment was £30m (3.6 per cent) below the Revised Budget. It included additional spend on Healthy Streets, with the inclusion of active travel as per the Government funding agreement.

We have done this while reducing our debt (including leases), from £15.5bn at 31 March 2022 to £15.3bn at 31 March 2023, and maintaining our cash balance at around £1.2bn.

We are on track to create an operating surplus in 2023/24. Although there are several external factors such as economic and inflationary pressures, which will continue to impact our income and cost base next year. Our budget for 2023/24 includes extra cost pressures of £300m driven by higher inflation, which we are partly managing through continuing our major savings programme with a target of £204m incremental recurring savings by the end of 2023/24. This is a significant challenge, and in recognition of this, our funding agreement with Government offers a protection mechanism against falls in our passenger income to the end of March 2024 and to an extent, inflationary pressures, such as energy and third-party operator costs.

2022/23 has been a pivotal year with the opening of the Elizabeth line and the completion of other significant major projects. I am proud that as an organisation we have grown this far since the start of the pandemic when our finances were decimated, and that we were able to publish our first Business Plan in three years in December 2022 and set out our plan to secure financial sustainability. Thank you to all our colleagues who have helped achieve this.

**Patrick Doig**  
Interim 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

Previously operated as TfL Rail

### 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

### Property development

Our commercial and residential estate and building portfolio operating as TTL Properties Limited (TTLP)

## Facts and figures

**981** trains on our network



**580km** of highway that we operate



**761km** of Rail and London Underground routes



**8,700** buses on our network

**6,400** traffic signal sites that we operate

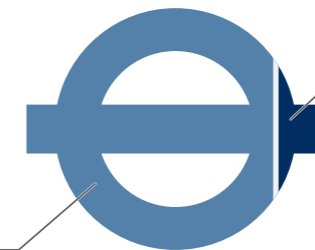


## 2022/23 finances at a glance



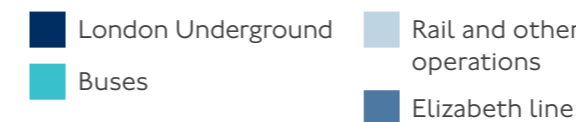
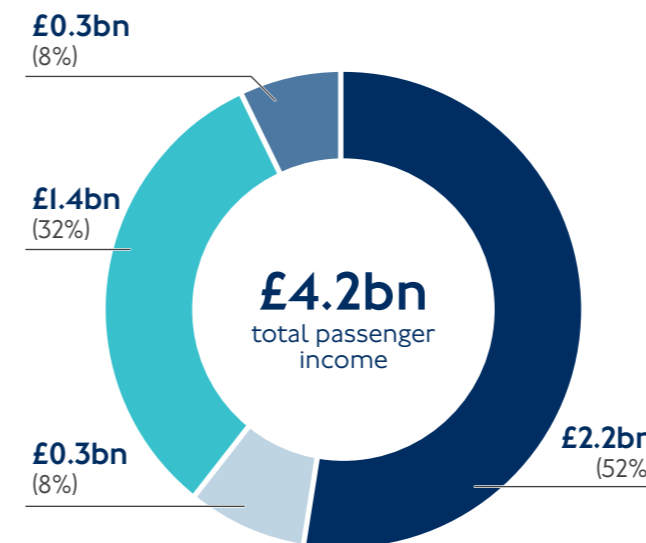
Sources of funds  
**£9.5bn**

**86%** spent on running and operating the network every day

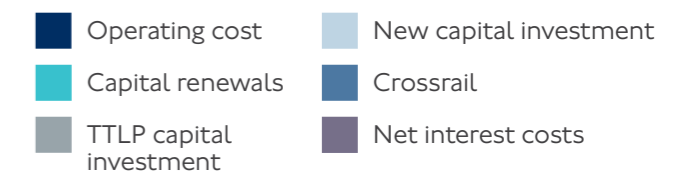
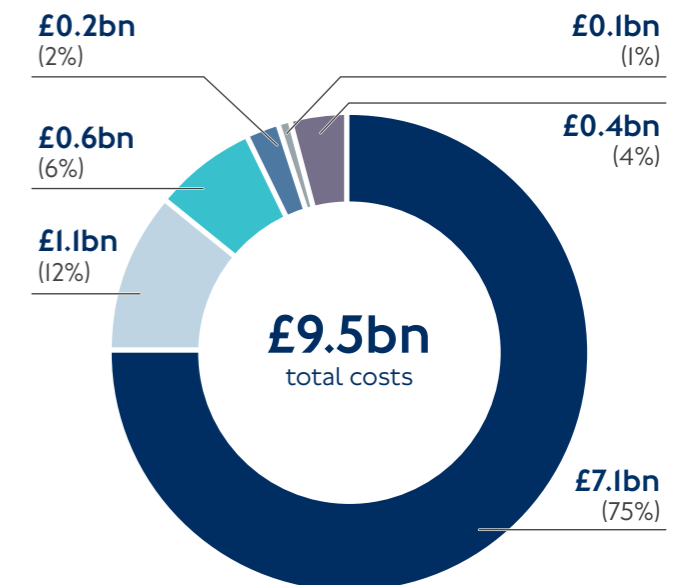


**14%** spent on renewing and improving the network through one of the largest capital investment programmes in Europe

## Total passenger income



## Total costs



# Financial summary

## Our performance in the full year

### Income statement

TfL Group (£m)	Full year 2022/23	Full year Revised Budget	Variance	Full year 2021/22	Variance
Passenger income	4,241	4,306	(65)	3,154	1,087
Other operating income	1,585	1,474	111	1,178	407
Business rates retention	1,819	1,819	-	1,844	(25)
Other revenue grants	1,079	1,024	55	1,789	(710)
<b>Revenue</b>	<b>8,724</b>	<b>8,623</b>	<b>101</b>	<b>7,965</b>	<b>759</b>
Operating cost	(7,055)	(7,109)	54	(6,462)	(593)
<b>Operating surplus before interest and renewals</b>	<b>1,669</b>	<b>1,514</b>	<b>155</b>	<b>1,503</b>	<b>166</b>
Capital renewals	(624)	(636)	12	(551)	(73)
<b>Operating surplus before interest</b>	<b>1,045</b>	<b>878</b>	<b>167</b>	<b>952</b>	<b>93</b>
Net interest costs	(424)	(417)	(7)	(439)	15
<b>Operating surplus</b>	<b>621</b>	<b>461</b>	<b>160</b>	<b>513</b>	<b>108</b>
Operating deficit (excluding extraordinary revenue grant)	(299)	(404)	105	(1,204)	905

### Capital expenditure

TfL Group (£m)	Full year 2022/23	Full year Revised Budget	Variance	Full year 2021/22	Variance
Capital renewals	(624)	(636)	12	(551)	(73)
New capital investment	(1,083)	(831)	(252)	(767)	(316)
<b>Total TfL capital expenditure</b>	<b>(1,707)</b>	<b>(1,467)</b>	<b>(240)</b>	<b>(1,318)</b>	<b>(389)</b>
Crossrail	(188)	(247)	59	(568)	380
TTLP	(90)	(138)	48	(51)	(39)
<b>Total capital expenditure</b>	<b>(1,985)</b>	<b>(1,852)</b>	<b>(133)</b>	<b>(1,937)</b>	<b>(48)</b>

### Cash flow statement

TfL Group (£m)	Full year 2022/23	Full year Revised Budget	Variance	Full year 2021/22	Variance
<b>Operating surplus before interest and renewals</b>	<b>1,669</b>	<b>1,514</b>	<b>155</b>	<b>1,503</b>	<b>166</b>
Less TTLP, LTIG and LTM*	(53)	(41)	(12)	(24)	(29)
<b>Net cash generated by TfL operating activities</b>	<b>1,616</b>	<b>1,473</b>	<b>143</b>	<b>1,479</b>	<b>137</b>
<b>Cash flows from investing activities</b>					
Capital renewals	(624)	(636)	12	(551)	(73)
New capital investment	(1,083)	(831)	(252)	(818)	(265)
Ring-fenced capital funding	295	113	182	246	49
Working capital movements	180	247	(67)	(175)	355
<b>Net cash utilised by investing activities</b>	<b>(1,232)</b>	<b>(1,107)</b>	<b>(125)</b>	<b>(1,298)</b>	<b>66</b>
<b>Free cash flow</b>	<b>384</b>	<b>366</b>	<b>18</b>	<b>181</b>	<b>203</b>
<b>Cash flows from financing activities</b>					
Net interest paid	(424)	(417)	(7)	(439)	15
Existing debt maturing	(1,475)	(694)	(781)	(696)	(779)
New long-term debt issued	1,661	614	1,047	728	933
Short-term borrowing net change	(196)	80	(276)	(107)	(89)
<b>Net cash generated from financing activities</b>	<b>(434)</b>	<b>(417)</b>	<b>(17)</b>	<b>(514)</b>	<b>80</b>
<b>Net decrease in cash</b>	<b>(50)</b>	<b>(51)</b>	<b>1</b>	<b>(333)</b>	<b>283</b>

\* London Transport Insurance (Guernsey) Limited (LTIG) and London Transport Museum Limited (LTM)

In the full year, our day-to-day operating deficit – the net cost of operations before Government support, including capital renewals essential in keeping the network working efficiently and safely – was £299m, £105m better than budget. The deficit, compared to last year, is £905m better, driven by higher passenger income of £1,087m, higher operating income of £407m, and offset by reductions in grant income and higher operating costs.

TfL's passenger journeys at the end of Quarter 4 were 85 per cent of pre-pandemic levels. Across the full-year journeys were 3.3 billion, up 0.8 billion on 2021/22, a 31 per cent increase year on year and slightly higher than budget despite industrial action events across the network. Although we are protected by the funding mechanism, we need to actively grow our passenger demand to support London's economic recovery and keep our city moving.

Total passenger income for the year was £4,241m, 13 per cent lower than pre-pandemic levels, demonstrating our increasing demand despite changes in customer behaviour reflecting passengers taking advantage of the flexibility of working from home.

Other operating income was £1,585m in the full year, £111m higher than budget, and more than £400m higher than the previous year driven by the first full year of the Ultra Low Emission Zone (ULEZ) in inner London. The benefits in improving London's air quality are a great success for the scheme, however, we have had worse payment rates than budgeted and increasing bad debt in this area.

Total operating costs are £7,055m in the full year, £54m lower than the Revised Budget, mainly driven by lower core costs but offset by bad debt on road user charging. The increase in costs (£593m) since last year is a result of increased services as well as rising inflation. Capital renewals are largely in line with budget and £73m higher than the previous year.

Total TfL capital expenditure (excluding Crossrail construction and TTLP) is £1,707m this year, £240m above budget, following the unbudgeted purchase of the London Overground train fleet to mitigate against various financial risks associated with leasing the trains. Underlying full-year spend on capital expenditure, is below budget, owing to slippage and accelerated spend on projects across portfolios.

We have generated positive free cash flow in the full year (£203m higher than last year), although this has been down to the Government revenue grant and the timing of capital funding versus expenditure. This has meant we have reduced our debt, by not refinancing all our maturing debt, to minimise interest costs and avoid breaching the £1.2bn cash mechanism in the funding settlement.

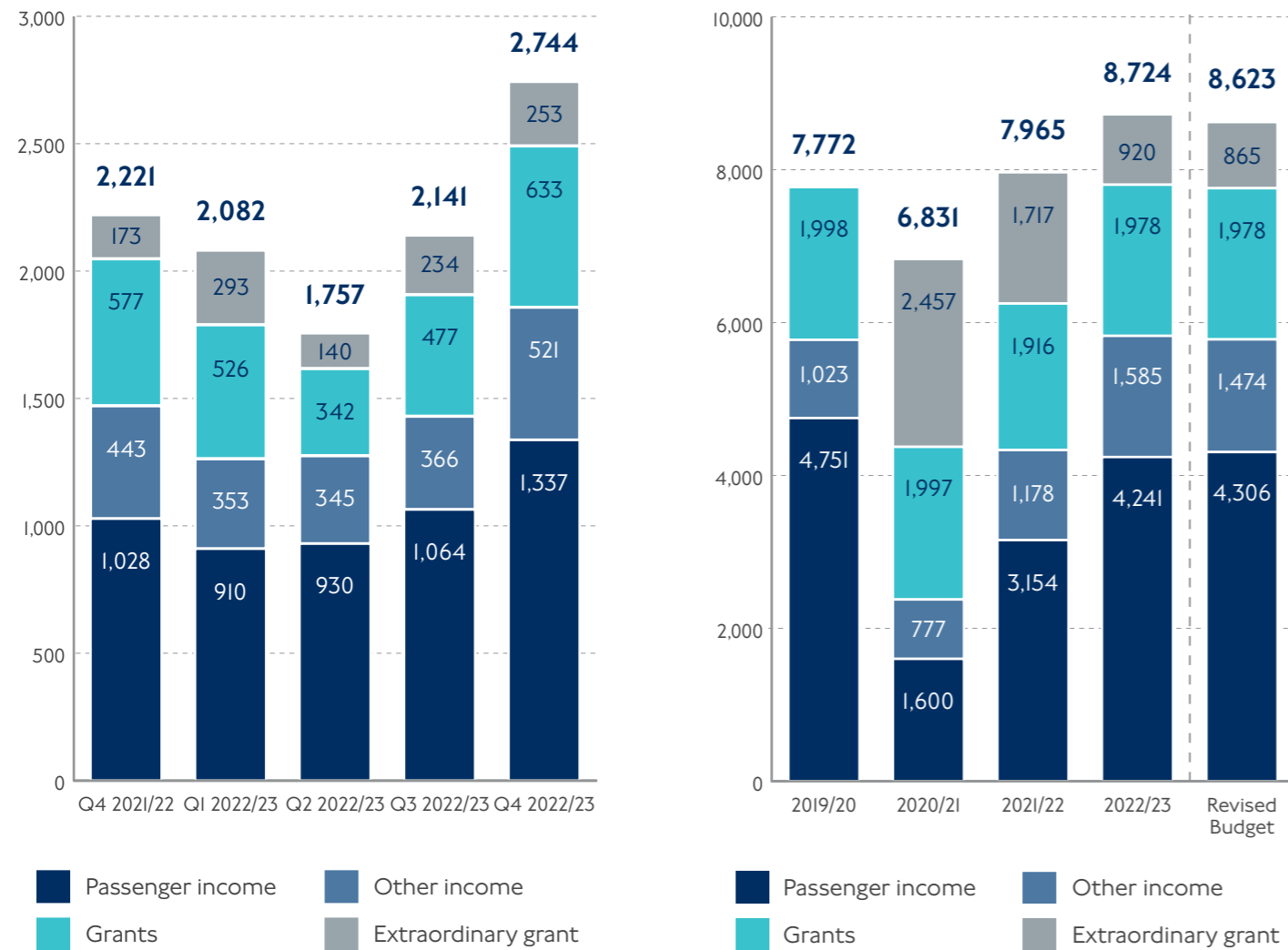


London Overground's new Barking Riverside station has enabled new homes to be given the green light

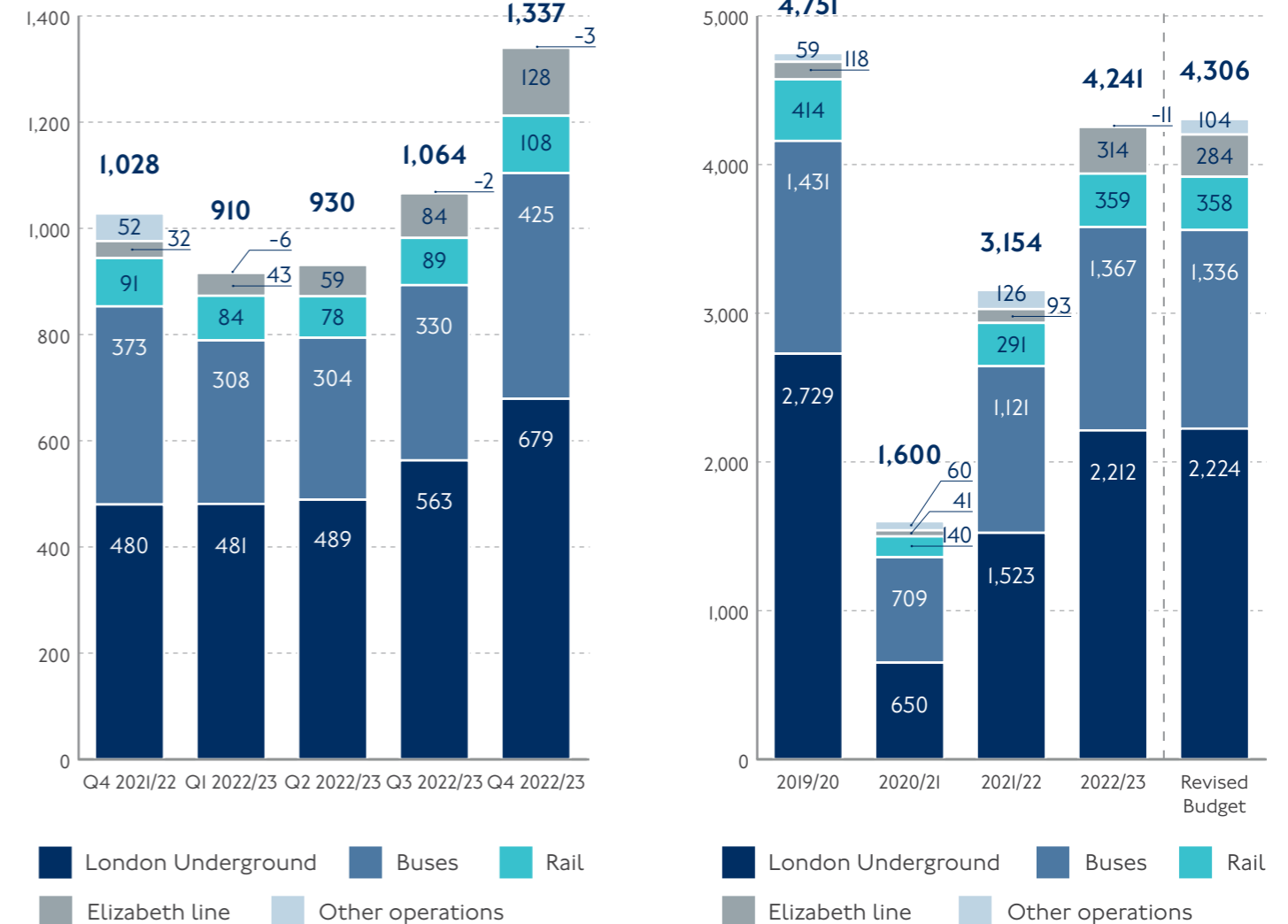
# Financial trends

Our overall trends in the short and long term

**Total revenue (including extraordinary grant from Government)**  
Quarterly (£m)\*      Full year (£m)



**Total passenger income**  
Quarterly (£m)\*      Full year (£m)



Full-year total revenue  
£101m above Revised Budget

10%▲ year on year

Total income (excluding extraordinary grant) is now £32m higher than 2019/20, but still well below the pre-pandemic forecast for 2022/23. Although, we are demonstrating our commitment to creating new sources of revenue, there are several significant challenges present, such as, poor economic growth, cost-of-living increases and inflationary pressures.

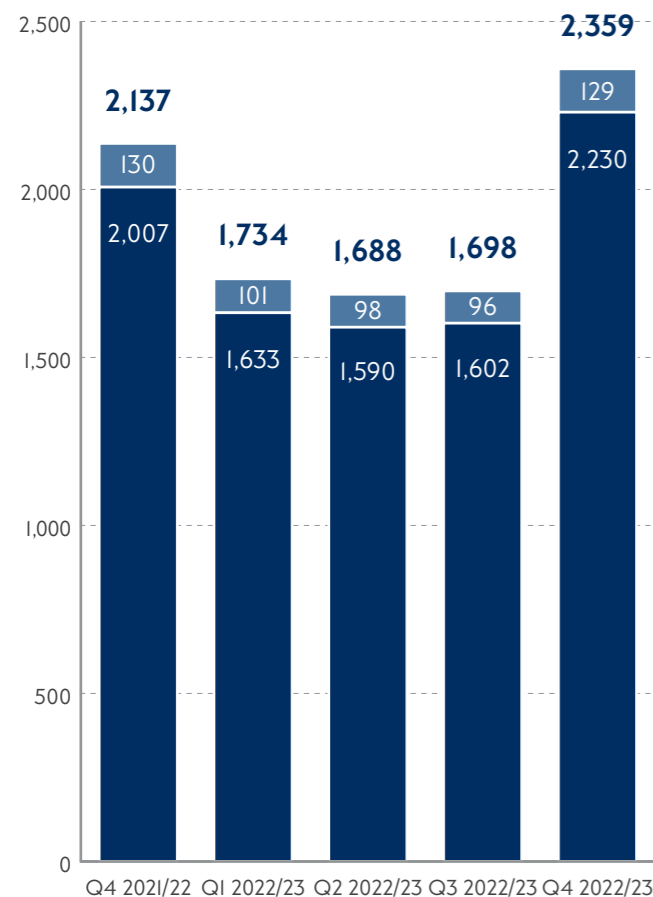
Full-year passenger income  
£65m below Revised Budget

34%▲ year on year

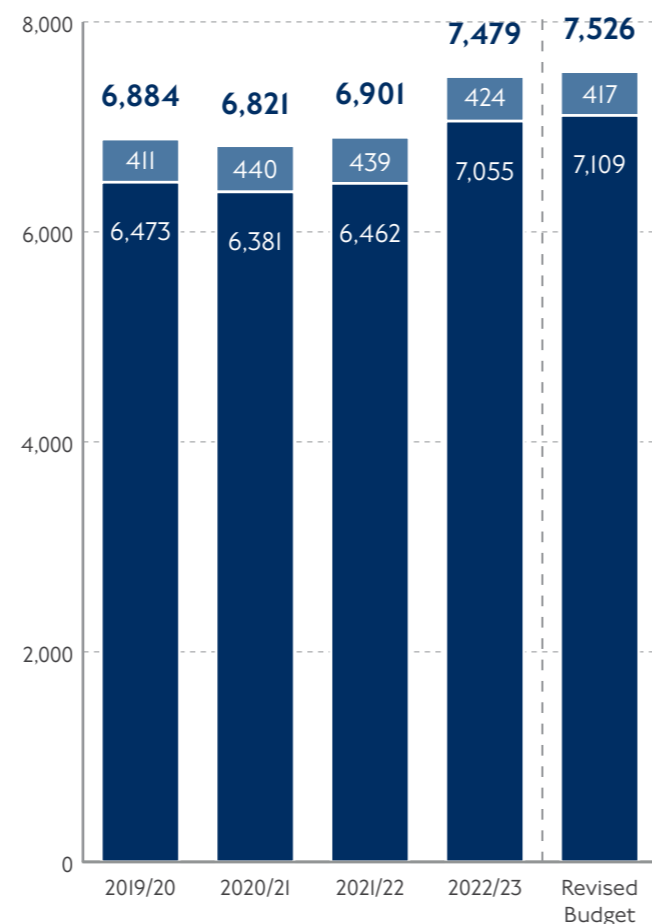
Full-year passenger income has continued to increase across the network compared to last year. There has been lower income than budgeted in London Underground as it was impacted by several industrial action events. However, overall journeys are up to 85 per cent of pre-pandemic levels compared to 68 per cent last year.

\* Q4 is longer than quarters 1 to 3 (15 weeks and five days vs 12 weeks)

**Total cost**  
Quarterly (£m)\*



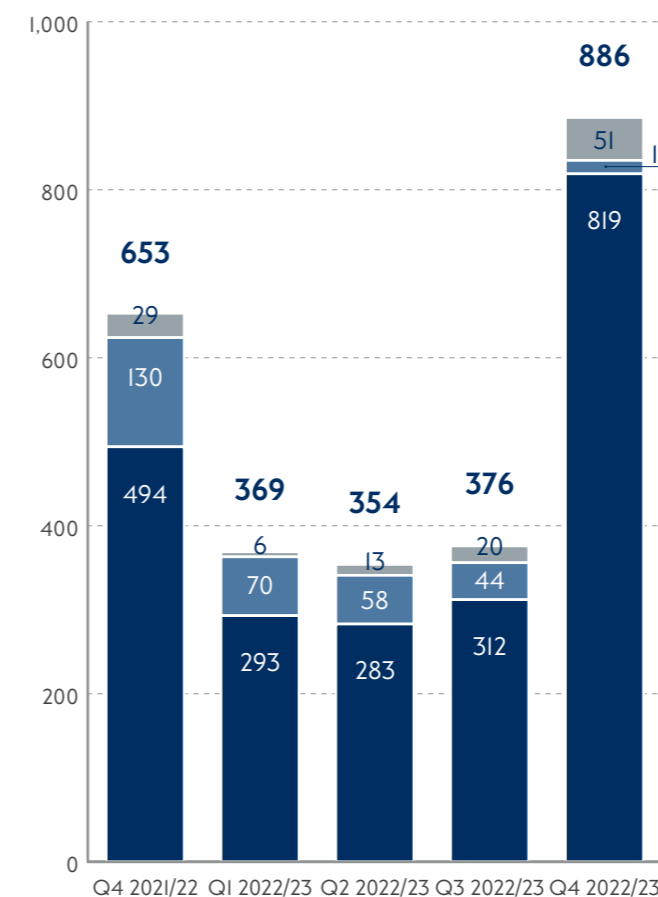
Full year (£m)



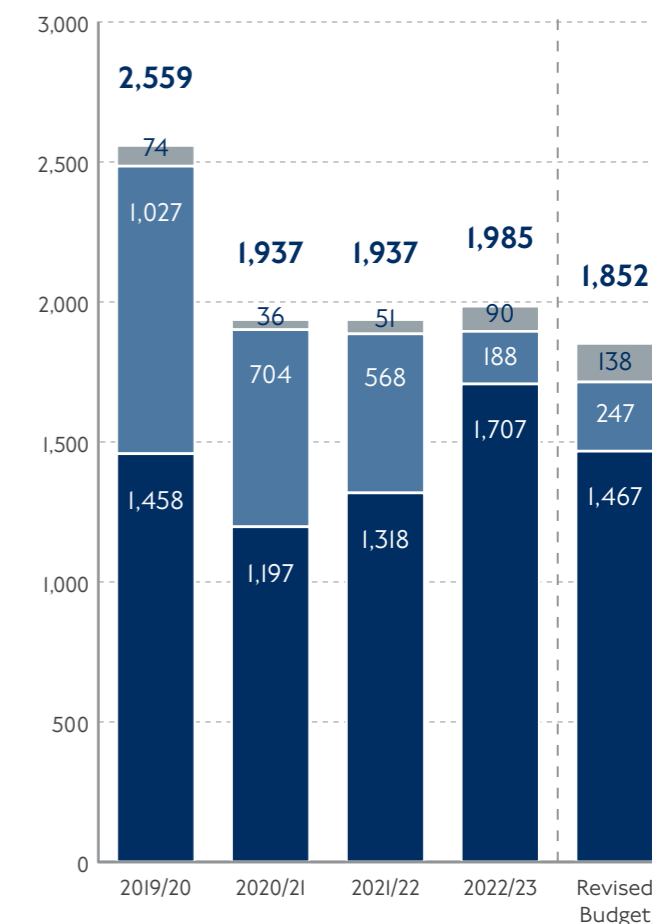
Operating costs Net interest costs

Operating costs Net interest costs

**Total capital expenditure (including Crossrail)**  
Quarterly (£m)\*



Full year (£m)



Capital investment and renewals Crossrail TTLP capital investment

Capital investment and renewals Crossrail

**Full-year operating costs**  
£54m below Revised Budget

**8%** ▲ year on year

Operating costs have risen in 2022/23, owing to increased staff costs, a full year of ULEZ expansion area operations and additional Elizabeth line costs following the opening of the central operating section. Like-for-like costs have increased by 6.6 per cent, compared to RPI of 12.9 per cent, demonstrating our commitment to reduce like-for-like costs in real terms.

\* Q4 is longer than quarters 1 to 3 (15 weeks and five days vs 12 weeks)

**£133m above**  
Revised Budget

**2%** ▲ year on year

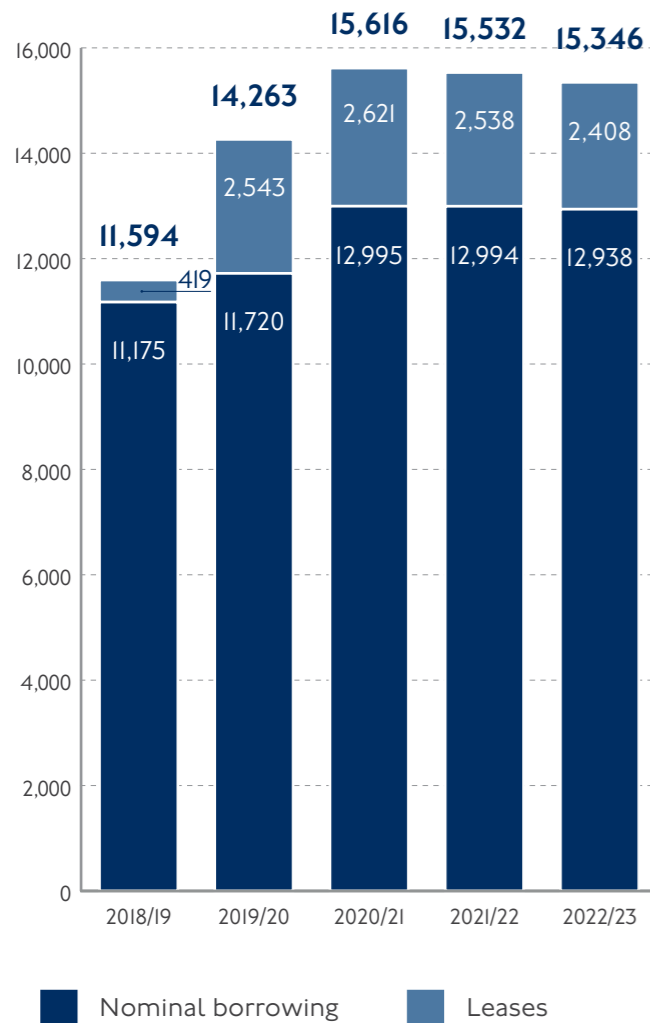
Total capital expenditure has increased year on year by two per cent. Full-year spend is higher than anticipated, mainly owing to the purchase of the London Overground class 378 fleet to mitigate against various financial risks.



# Debt and cash

## Our borrowing and cash balances

Total debt (£m)\*



by reductions in debt earlier in the year, leaving an overall decrease of £186m for the full year.

The full year reduction was driven by the impact of repurchasing and refinancing some of our outstanding bonds, the lease termination and subsequent purchase of Overground rolling stock and a decrease in our outstanding Commercial Paper balance.

### Credit ratings

We are rated by three leading international credit rating agencies. On 26 January 2023, Fitch Ratings upgraded TfL's long-term credit rating from A+ to AA-. This reflects our improving financial profile and Fitch Ratings' assessment of the link between TfL and the Government. Fitch Ratings has assigned a negative outlook, which reflects the negative outlook it has assigned to the Government's credit rating. There have been no other changes to our credit ratings during Quarter 4.

### Credit ratings on 31 March 2023

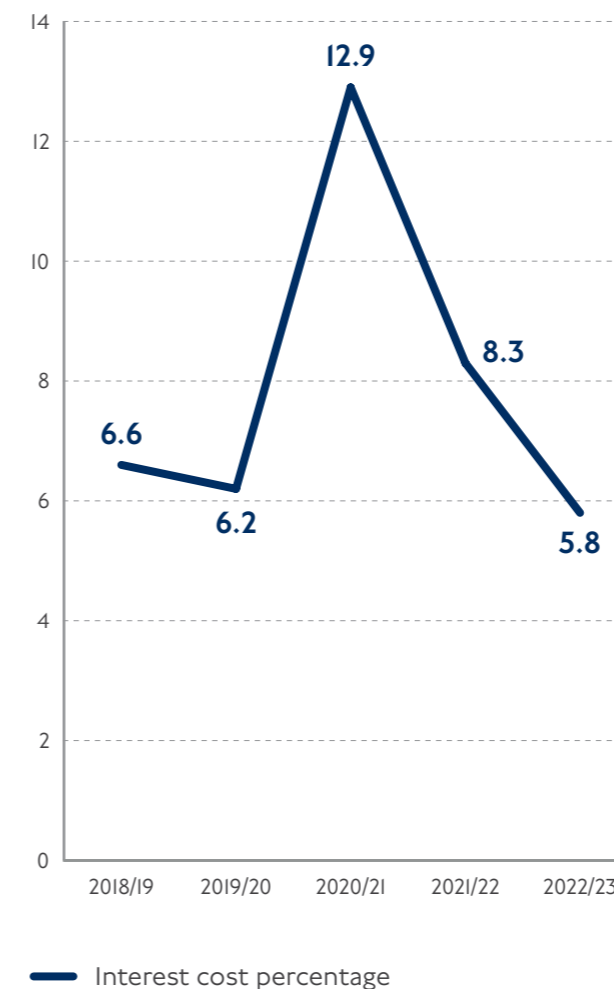
Agency	Long-term rating	Short-term rating
Moody's	Baa1 stable outlook	P-2
S&P Global Ratings	A+ stable outlook	A-1
Fitch Ratings	AA- negative outlook	F1+

### Borrowing update

Our debt balance increased by £246m during Quarter 4, primarily as a result of new loans from the Public Works Loan Board. These were used to fund some large cash outflows during the quarter. The increase in debt in Quarter 4 was offset

\* Updated financial reporting standards for leases (IFRS 16) implemented from 2019/20 onwards

Interest costs (% of total income)\*



Interest costs (£m)

2022/23	(455)
2021/22	(442)
2020/21	(446)
2019/20	(429)
2018/19	(439)

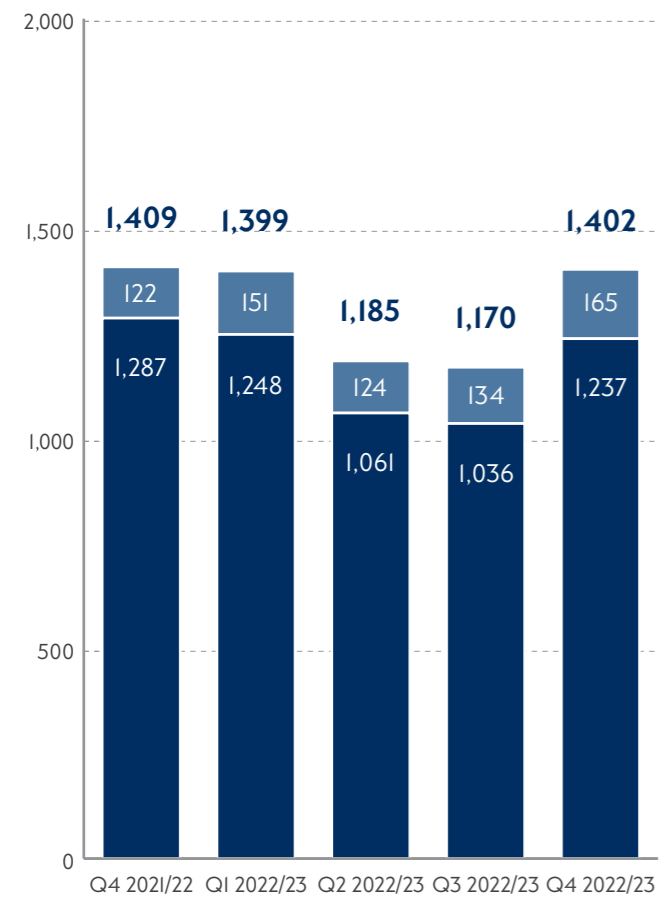
The ratio of interest costs to total income (excluding extraordinary grant), helps us to monitor the affordability of our debt. The ratio has reduced during 2021/22 and 2022/23, as our total income has improved significantly as we have come out of the coronavirus pandemic.

Interest costs and income (£m)

Full year	2022/23	Revised Budget	Variance
Interest income	31	30	1
Interest costs	(455)	(447)	(8)

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

## Cash balances (£m)



- TfL cash balances
- Crossrail project, London Transport Museum, London Transport Insurance (Guernsey) and TTL Properties Limited cash balances

Cash balances at the end of Quarter 4 were £1,402m. Of the total cash balance, £165m was held for the Crossrail project, LTM, LTIG and TTLP.

We continue to balance the requirements of our liquidity policy and the latest funding settlement letter with the

Government by aiming to have, on average, up to or around £1.2bn of cash and liquid investments held by the TfL Group (excluding specified subsidiaries Crossrail Limited, LTIG, LTM and TTLP).

TfL cash balances fluctuate and as a result of the funding settlement condition they may sometimes fall below £1.2bn. However, the funding settlement protects TfL from passenger demand risks.

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 are 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 period, to meet our long-term liabilities when they fall due. The balance sheet structure shows the importance of an appropriate level of cash to ensure we can meet our liabilities.



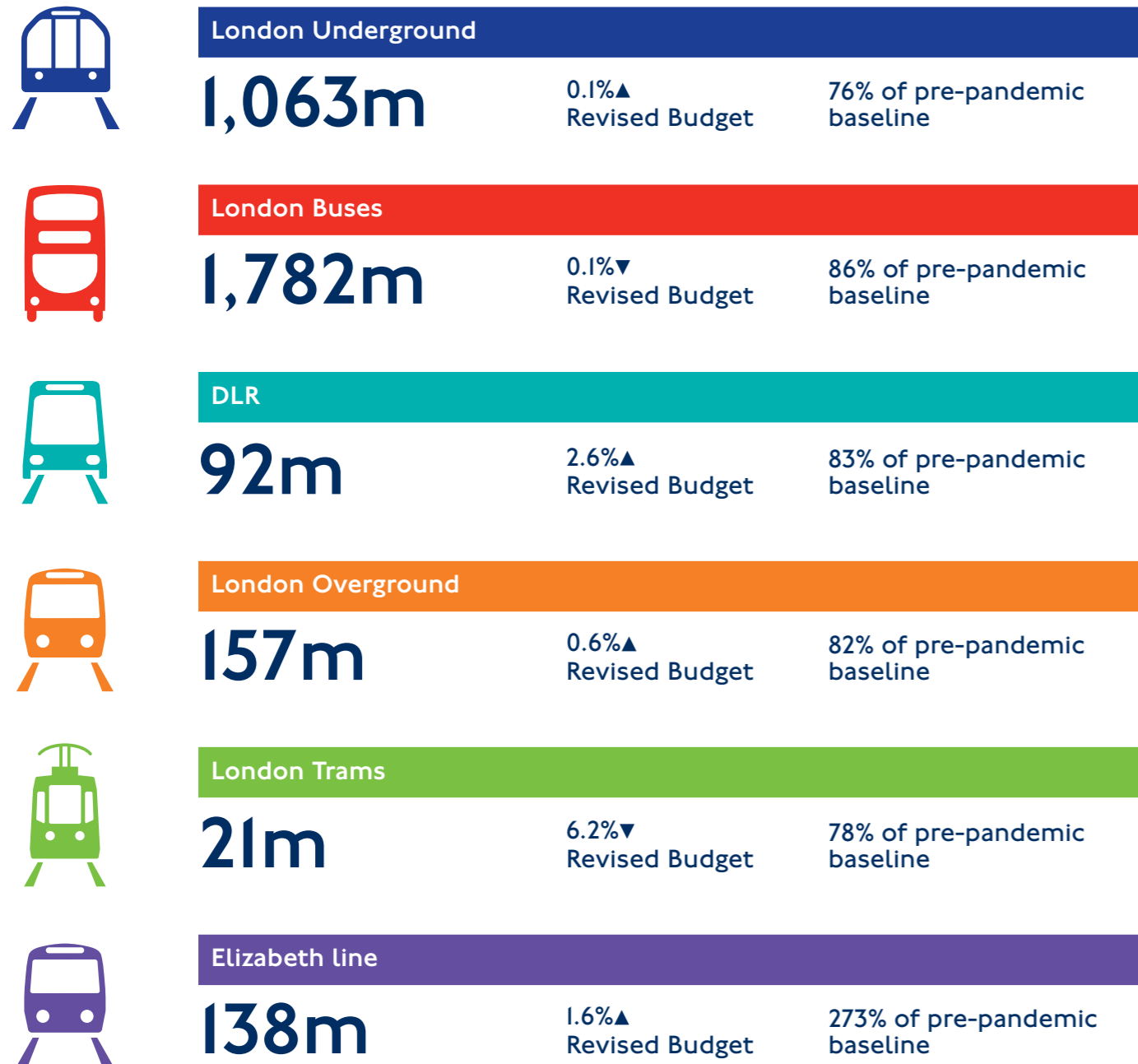
More than 300 new bus Countdown signs introduced

# Passenger journeys

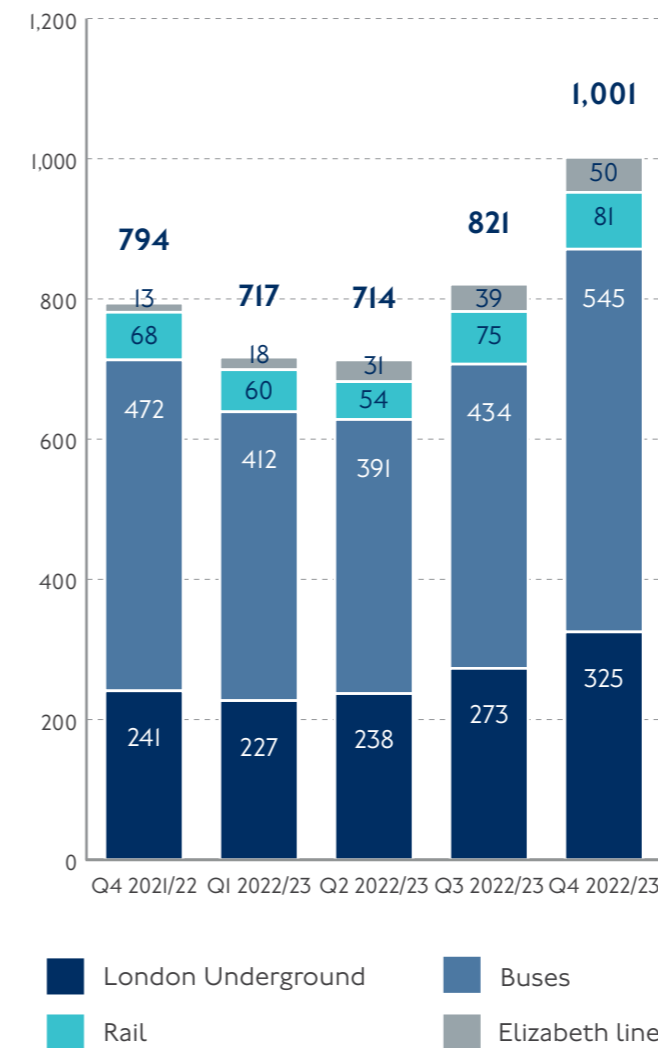
Our performance based on passenger numbers

Full year 2022/23

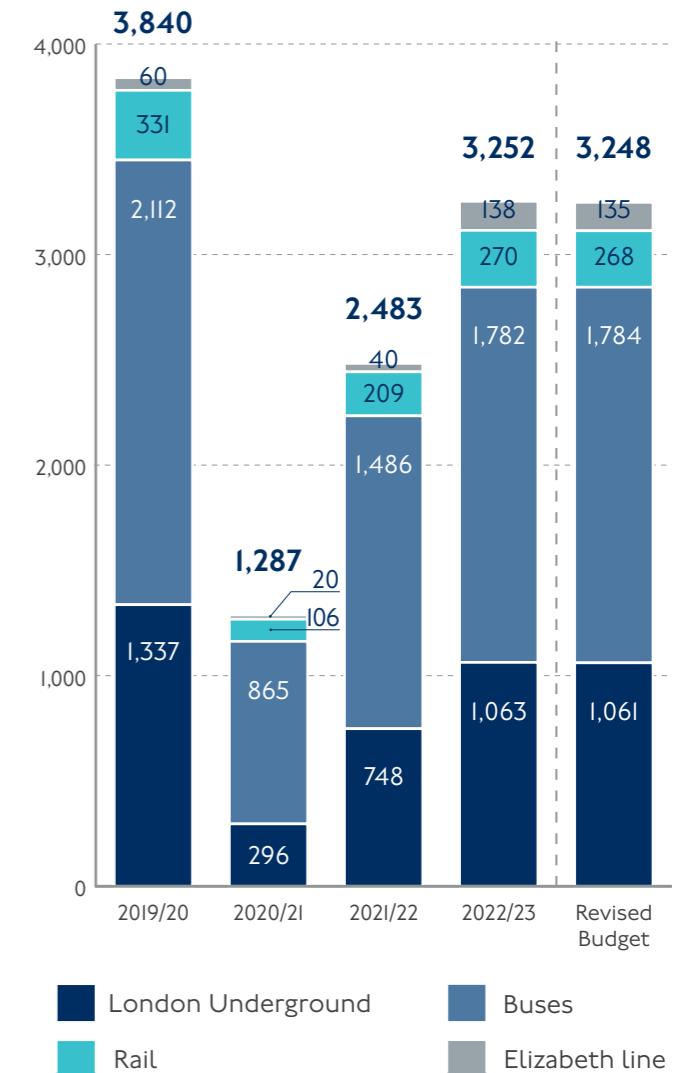
**3,252m** total journeys  
**3,248m** Revised Budget  
**3,999m** pre-pandemic baseline (2018/19)



Quarterly (millions)\*



Full year with Revised Budget (millions)



Full-year passenger journeys are higher than the Revised Budget, as we see demand climbing back towards pre-pandemic levels. We have seen strong growth in demand despite several days of industrial action events. This demonstrates how vital the network is to our customers and we expect our passenger demand to continue to grow.

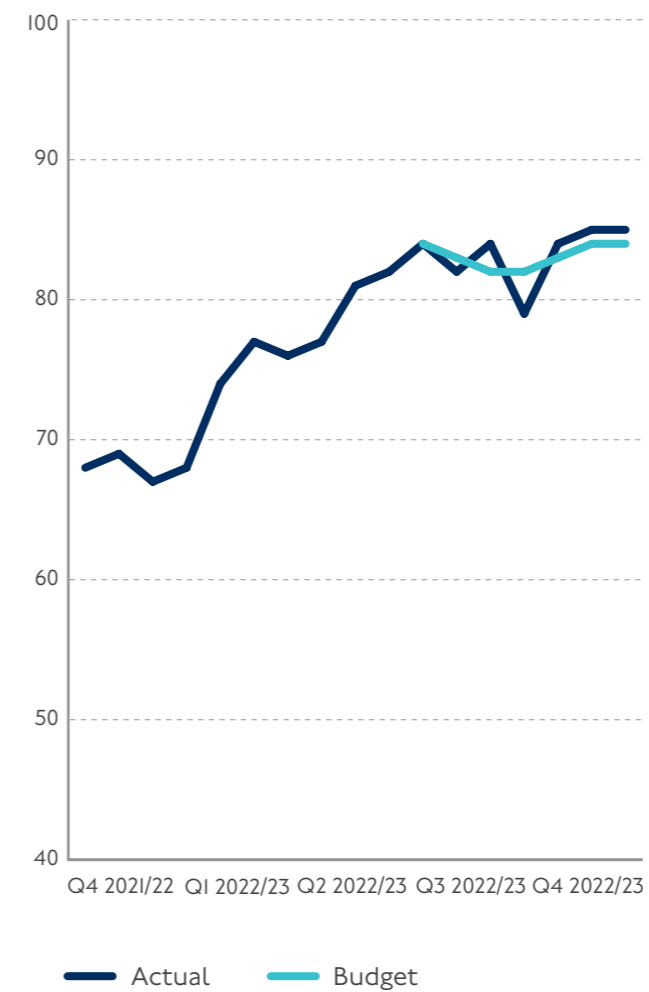
\* Q4 is longer than quarters 1 to 3 (15 weeks and five days vs 12 weeks)



Journeys continue to recover, at 85 per cent of pre-pandemic levels

## Passenger demand recovery

Percentage of journeys compared to pre-coronavirus baseline (TfL)



Overall, journeys at the end of 2022/23 were 85 per cent of pre-pandemic levels compared to a target of 84 per cent. Passenger journeys have seen significant growth on TfL's bus, Tube and rail network, with more than three million Tube journeys and around five million bus journeys made on weekdays. The Elizabeth line also continues to exceed predicted ridership levels, with around 600,000 journeys every weekday.



Passenger journeys are **85%** of pre-coronavirus pandemic demand levels

# Underground

Bank Tube station has gained a large new entrance with lifts and escalators direct to the Northern line and DLR platforms

## Financial summary

Underground (£m)	Full year 2022/23	Full year Revised Budget	Variance	Full year 2021/22	Variance
Passenger income	2,212	2,224	(12)	1,523	689
Other operating income	29	25	4	22	7
<b>Revenue</b>	<b>2,241</b>	<b>2,249</b>	<b>(8)</b>	<b>1,545</b>	<b>696</b>
Operating cost	(2,092)	(2,114)	22	(1,967)	(125)
<b>Net contribution</b>	<b>149</b>	<b>135</b>	<b>14</b>	<b>(422)</b>	<b>571</b>
Indirect operating cost	(388)	(364)	(24)	(316)	(72)
Net interest cost	(275)	(271)	(4)	(279)	4
Capital renewals	(360)	(358)	(2)	(338)	(22)
<b>Operating deficit</b>	<b>(874)</b>	<b>(858)</b>	<b>(16)</b>	<b>(1,355)</b>	<b>481</b>
New capital investment	(456)	(455)	(1)	(485)	29

Passenger income is £12m lower than budget, mainly owing to the impact of strike events, as well as lower-than-expected yield performance.

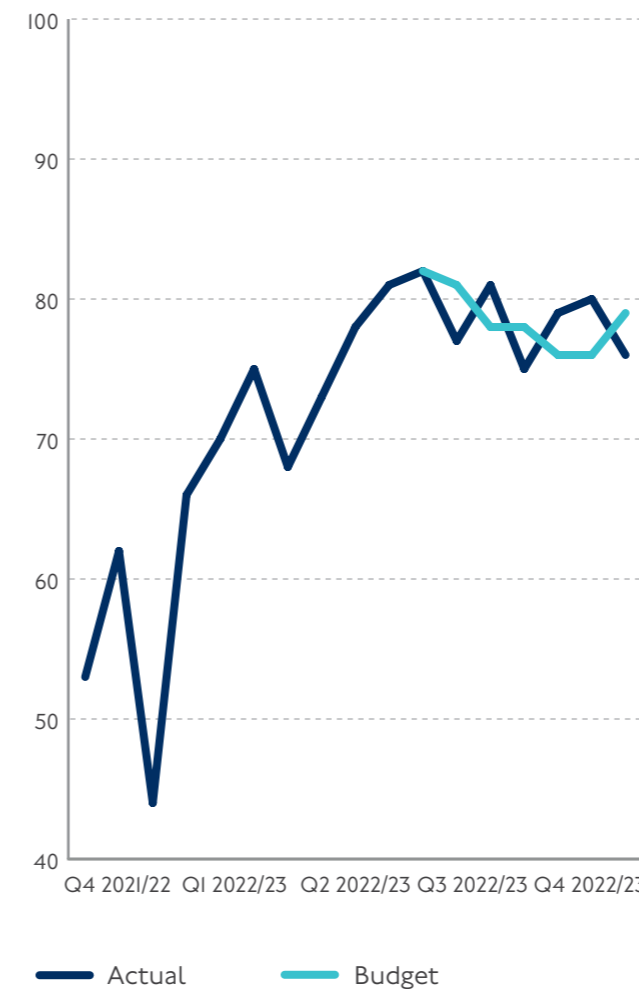
Direct operating costs are £22m lower than budget, largely owing to £6m rephasing of British Transport Police costs, lower maintenance costs and other minor savings.

Capital expenditure is £3m higher than budget, mainly owing to acceleration spend on a number of projects.

The new ticket hall at Bank Underground station opened on the 27 February 2023. The new entrance on Cannon Street gives customers easy access, via six new escalators, to both the Northern line and DLR. It also includes two new lifts, which provide step-free access to the Northern line for the first time, and improved access to the DLR.

With the opening of the new ticket hall on Cannon Street and 40 per cent greater capacity at Bank station the new, more direct interchanges are making journeys quicker for those changing between lines, shaving up to nine minutes off journey times for some customers.

## Percentage of journeys compared to pre-coronavirus baseline Underground



Demand of 1,063 million journeys represents 76 per cent of pre-pandemic levels and favourable to Revised Budget, despite having been impacted by several days of industrial action.



Tube journeys at the end of 2022/23 are **76%** of pre-coronavirus pandemic demand levels

# Elizabeth line

There have been more than one hundred million passenger journeys since opening in May 2022

## Financial summary

Elizabeth line (£m)	Full year 2022/23	Full year Revised Budget	Variance	Full year 2021/22	Variance
Passenger income	314	284	30	93	221
Other operating income	11	16	(5)	12	(1)
<b>Revenue</b>	<b>325</b>	<b>300</b>	<b>25</b>	<b>105</b>	<b>220</b>
Operating cost	(476)	(491)	15	(406)	(70)
<b>Net contribution</b>	<b>(151)</b>	<b>(191)</b>	<b>40</b>	<b>(301)</b>	<b>150</b>
Indirect operating cost	(14)	(11)	(3)	(7)	(7)
Net interest cost	(86)	(85)	(1)	(93)	7
Capital renewals	-	(5)	5	(6)	6
<b>Operating deficit</b>	<b>(251)</b>	<b>(292)</b>	<b>41</b>	<b>(407)</b>	<b>156</b>
New capital investment	(1)	(1)	-	(11)	10
Crossrail construction costs	(188)	(247)	59	(568)	380
<b>Total capital expenditure</b>	<b>(189)</b>	<b>(248)</b>	<b>59</b>	<b>(579)</b>	<b>390</b>

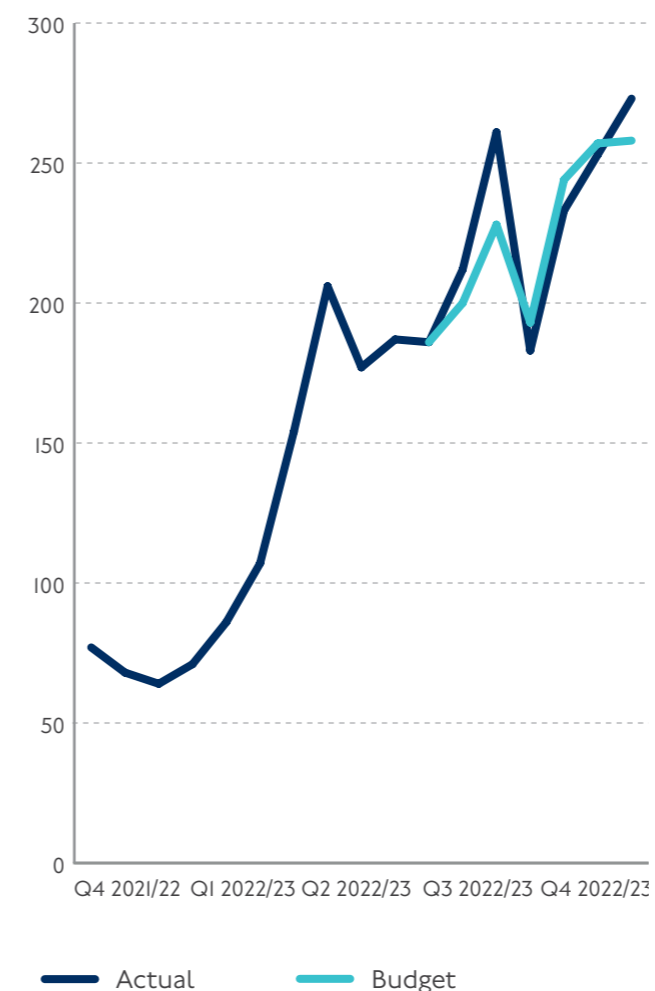
Passenger income is £30m better than budget, driven by three million more passenger journeys than expected. The new transformational service has had an impact on travel across London by dramatically improving transport links and reducing journey times.

Operating costs are £15m better than budget, mainly owing to lower concession and rolling stock cost, offset by £3m higher staff cost.

Capital expenditure is £5m lower than budget, mainly owing to delay on new projects. This has been rephased to 2023/24.

The Elizabeth line, which stretches from Reading and Heathrow in the west to Shenfield and Abbey Wood in the east, has now seen more than one hundred million journeys and has increased the capacity of London's rail network by around 10 per cent since opening in May 2022.

## Percentage of journeys compared to pre-coronavirus baseline Elizabeth line



The Elizabeth line has now seen more than one hundred million passenger journeys as more customers than expected have taken advantage of London's newest transport link since opening in May 2022.



Elizabeth line journeys at the end of 2022/23 are **273%** of pre-coronavirus pandemic demand levels

# Buses, Streets and other operations

The IFS Cloud Cable Car had more than 1.5 million customers in 2022/23, the highest since 2015/16

## Financial summary

Buses, Streets and other operations (£m)	Full year 2022/23	Full year Revised Budget	Variance	Full year 2021/22	Variance
Passenger income	1,377	1,345	32	1,128	249
Other operating income	1,136	1,041	95	840	295
<b>Revenue</b>	<b>2,513</b>	<b>2,386</b>	<b>127</b>	<b>1,968</b>	<b>544</b>
Operating cost	(3,143)	(3,097)	(46)	(2,859)	(284)
<b>Net contribution</b>	<b>(630)</b>	<b>(711)</b>	<b>81</b>	<b>(890)</b>	<b>261</b>
Indirect operating cost	(73)	(35)	(38)	(25)	(48)
Net interest cost	(25)	(25)	-	(27)	2
Capital renewals	(157)	(166)	9	(138)	(19)
<b>Operating deficit</b>	<b>(885)</b>	<b>(937)</b>	<b>52</b>	<b>(1,080)</b>	<b>195</b>
New capital investment	(183)	(198)	15	(119)	(64)

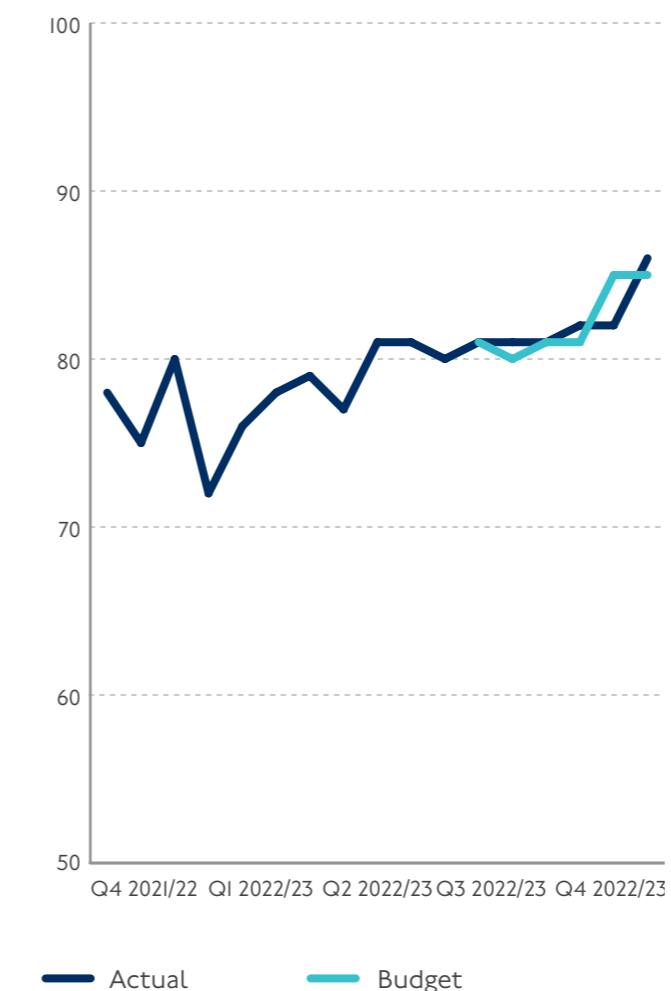
Passenger income is £32m higher than budget, mainly owing to better-than-expected yield and higher fare paying passenger journeys.

Operating costs are £46m higher than budget, mainly owing to ULEZ enforcement, offset by favourable variances in Buses.

Other operating income is £95m higher than budget, mainly owing to stronger than expected enforcement income. This is offset by lower-than-budgeted ULEZ income, primarily driven by higher compliance and deteriorating penalty charge notice payment rates.

Capital expenditure is £24m lower than budget, driven by rephasing of projects owing to slow mobilisation, delay on supplier negotiation and availability.

## Percentage of journeys compared to pre-coronavirus baseline Buses



Bus ridership is now 86 per cent of pre-pandemic levels and in line with the Revised Budget, with 1,782 million passenger journeys made at the end of the year.



Bus journeys at the end of 2022/23 are  
**86%**  
of pre-coronavirus pandemic demand levels

## Volume analysis

	Full year 2022/23	Full year Revised Budget	Variance	Full year 2021/22	Variance
Congestion Charge volumes (thousands)	16,411	15,462	949	19,703	(3,292)
Congestion Charge and enforcement income (£m)	358.2	354.8	3.4	423.4	(65.2)
ULEZ volumes (thousands)	12,872	13,336	(464)	8,567	4,305
ULEZ charge and enforcement income (£m)	479.9	477.0	2.9	225.7	254.2

### Cycling

There were slightly more than two million hires in Quarter 4, a decrease of 869,205 hires (30 per cent) compared to the same quarter last year. The reduction is largely owing to poor weather, competition from other operators and a fall in casual hiring following the tariff change this year in Quarter 3. Hires from e-bikes remain strong with 150,000 taking place in the quarter.

Fleet of

**14,000**

cycles based at more than 780 docking stations



### Traffic flow (volume) year-on-year change



**1.5%** ▼

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

### Traffic flow

Traffic flows across London are 1.5 per cent lower than they were last year. Flows are down by 2.1 per cent from last quarter – 86.3 per cent compared to 88.3 per cent in Quarter 3.

## Volume analysis

	Full year 2022/23	Full year 2021/22	Variance
<b>Santander Cycles</b>			
Number of hires (millions)	10.8	11.8	(1.0)
<b>Victoria Coach Station</b>			
Number of coach departures (thousands)	182.8	117.3	65.5
<b>London River Services</b>			
Number of passenger journeys (millions)	8.5	5.3	3.2
<b>London Dial-a-Ride</b>			
Number of passenger journeys (thousands)	503.0	375.0	128.0
<b>Taxi and Private Hire</b>			
Number of private hire vehicle drivers	101,535	100,131	1,404
Taxi drivers	18,297	19,500	(1,203)
<b>IFS Cloud Cable Car</b>			
Number of passenger journeys (thousands)	1,520.2	1,365.0	155.2



# Rail

New fleet of DLR trains with visual real-time travel information, air conditioning and USB charge points unveiled

## Financial summary

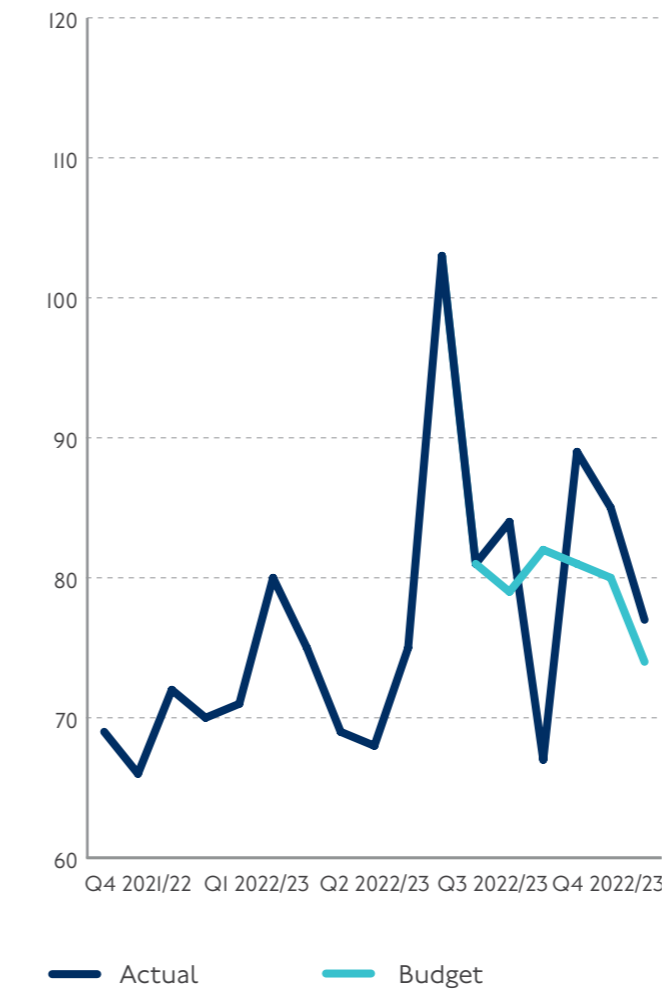
Rail (£m)	Full year 2022/23	Full year Revised Budget	Variance	Full year 2021/22	Variance
Passenger income	359	358	1	291	68
Other operating income	26	15	11	13	13
<b>Revenue</b>	<b>385</b>	<b>373</b>	<b>12</b>	<b>304</b>	<b>81</b>
Operating cost	(523)	(546)	23	(475)	(48)
<b>Net contribution</b>	<b>(138)</b>	<b>(173)</b>	<b>35</b>	<b>(171)</b>	<b>33</b>
Indirect operating cost	(25)	(15)	(10)	(11)	(14)
Net interest cost	(36)	(35)	(1)	(40)	4
Capital renewals	(49)	(50)	1	(41)	(8)
<b>Operating deficit</b>	<b>(248)</b>	<b>(273)</b>	<b>25</b>	<b>(263)</b>	<b>15</b>
New capital investment	(430)	(152)	(278)	(135)	(295)

Total revenue is £12m above budget, of this £1m relates to passenger income. Other operating income is £11m higher than expected, mainly owing to network rail compensation on London Overground relating to industrial actions.

Direct operating costs are £23m below budget, largely owing to savings associated with the purchase of the London Overground class 378 rolling stock. Of the total, £4m relates to electricity and rate savings on DLR, and other minor savings.

New capital investment is £278m higher than budget following the unbudgeted purchase of the London Overground class 378 fleet to mitigate against various financial risks, including interest rate and refinancing risks, in relation to the lease agreements for these trains.

## Percentage of journeys compared to pre-coronavirus baseline



Rail journeys, including London Overground, DLR and Trams, were 77 per cent of pre-pandemic levels. Passenger demand was two million higher than budget, showing rising demand on the network.



Rail journeys at the end of 2022/23 are **77%** of pre-coronavirus pandemic demand levels



DLR journeys at the end of 2022/23 are **83%** of pre-coronavirus pandemic demand levels



London Overground journeys at the end of 2022/23 are **82%** of pre-coronavirus pandemic demand levels



London Trams journeys at the end of 2022/23 are **78%** of pre-coronavirus pandemic demand levels

# Property development

We are creating a commercial office portfolio, which will generate vital revenue to help reduce TfL's reliance on fares income to keep the city moving

## Financial summary

Property development (£m)	Full year 2022/23	Full year Revised Budget	Variance	Full year 2021/22	Variance
Other operating income	100	99	1	80	20
Direct operating cost	(50)	(56)	6	(59)	9
<b>Net contribution</b>	<b>50</b>	<b>43</b>	<b>7</b>	<b>21</b>	<b>29</b>
Indirect operating cost	(7)	(7)	-	(6)	(1)
<b>Operating surplus</b>	<b>43</b>	<b>36</b>	<b>7</b>	<b>15</b>	<b>28</b>
New capital investment	(91)	(138)	47	(51)	(40)
Property receipts	79	103	(24)	64	15
<b>Net capital expenditure</b>	<b>(12)</b>	<b>(35)</b>	<b>23</b>	<b>13</b>	<b>(25)</b>

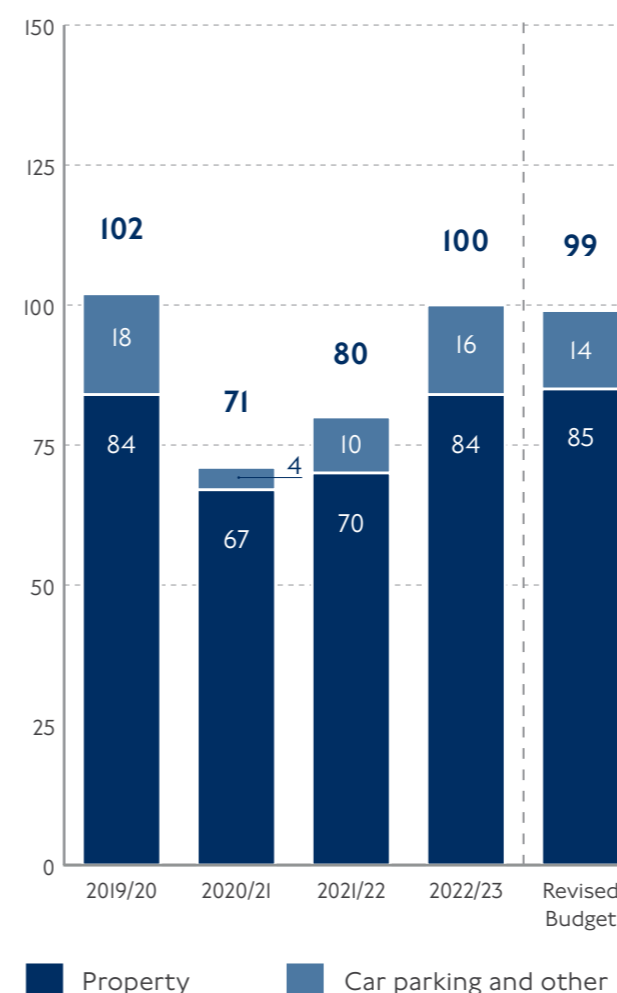
Net contribution for the year is £7m higher than budget. Other operating income was £1m better than budget owing to strong performance from car parks. Direct operating costs are £6m lower than budget, driven by the reduction to our bad debt provision owing to a considerable reduction in overdue debtors during the year. Further cost upside came from maintenance underspend with activity being reprofiled into next year.

New capital investment is £47m lower than budget. This is mainly driven by a delayed property acquisition of around £24m, which is now expected to complete in 2023/24. The remaining variance is owing to reprofiled investment in a number of our joint ventures and developments in our own portfolio.

Property receipts are £24m lower than budget, mainly owing to the delayed disposal of a number of properties. The main factors for these include resourcing constraints and the current economic environment.

Property income for 2021/22, shown in the graph opposite, includes the following exceptional items: the invoicing of a number of years back rent to a tenant of £6m; and a year end accounting adjustment for coronavirus pandemic support given to tenants during the year of £4m.

## Property income (£m) Full year



We started construction on thousands of homes in Quarter 4, including at Bollo Lane and Southall in Ealing, Montford Place and Nine Elms in Lambeth, and Arnos Grove in Enfield. This brings the total number of homes built or in construction to 4,100.

During Quarter 4, we appointed Barratt London as our joint venture partner for the project at Bollo Lane, subject to contract completion. Barratt London was appointed after a competitive dialogue procurement process. This new strategic partnership will also have the opportunity to develop other TfL sites across west London, helping to deliver thousands of new and much-needed homes with close access to public transport.

We also launched homes to the market at our site in construction at Wembley Park Gardens. These will consist of 302 one- and two-bedroom properties, spread across five buildings of varying height, with Metropolitan Thames Valley Housing Association delivering a further 152 affordable homes.

We expect the first residents to be able to move in from spring 2025, boosting opportunities for first-time buyers to make their step on to the housing ladder.

Sustainability is at the heart of Wembley Park Gardens with solar panels, trees and biodiverse green roofs proposed for inclusion in the scheme. The public transport on offer includes the Jubilee and Metropolitan lines, connecting residents to central and outer London in a matter of minutes.

# Capital expenditure

Our capital programme is in line with the funding settlement envelope agreed with Government

## Financial summary

Capital expenditure (£m)	Full year 2022/23	Full year Revised Budget	Variance	Full year 2021/22	Variance
Piccadilly line upgrade	(230)	(223)	(7)	(153)	(77)
Four Lines Modernisation	(115)	(117)	2	(126)	11
DLR rolling stock replacement (including the DLR Housing infrastructure Fund)	(133)	(139)	6	(93)	(40)
Other	(8)	6	(14)	(10)	2
<b>Rolling stock and signalling replacement</b>	<b>(486)</b>	<b>(473)</b>	<b>(13)</b>	<b>(382)</b>	<b>(104)</b>
Bank congestion relief	(53)	(57)	4	(67)	14
Silvertown Tunnel	(45)	(41)	(4)	(12)	(33)
Healthy Streets	(71)	(77)	6	(47)	(24)
Air quality and environment	(53)	(68)	15	(38)	(15)
Elephant & Castle station capacity	(5)	(9)	4	(4)	(1)
Barking Riverside	(6)	(1)	(5)	(29)	23
Purchase of London Overground trains	(281)	-	(281)	-	(281)
Other enhancements	(83)	(105)	22	(188)	105
<b>Total new capital investment</b>	<b>(1,083)</b>	<b>(831)</b>	<b>(252)</b>	<b>(767)</b>	<b>(316)</b>
Renewals	(624)	(636)	12	(551)	(73)
Crossrail project	(188)	(247)	59	(568)	380
TTLP	(90)	(138)	48	(51)	(39)
<b>Net capital expenditure</b>	<b>(1,985)</b>	<b>(1,852)</b>	<b>(133)</b>	<b>(1,937)</b>	<b>(48)</b>

Total TfL new capital investment, excluding Crossrail construction and TTLP, was £1,083m in the full year, which is £252m higher than Budget. In Quarter 4 there was unbudgeted expenditure of £281m on the purchase of the London Overground class 378 fleet. TfL was exposed to various financial risks, including interest rate and refinancing risks, in relation to the lease agreements for these trains and so to mitigate against these risks the decision was made to purchase the fleet.

Major capital enhancements progressed during the year include:

### Four Lines Modernisation

Following our successful commissioning of the signalling section between Stepney Green and Becontree on 15 January 2023, the signalling section between Dagenham East and Upminster went live on 19 March 2023. This is another significant achievement for the programme as it extends the roll-out of the new signalling system on the District line, completes automatic running on the east of the railway and connects the first depot to the network.

The area now operating under the new signalling contains 62 stations and four complex junctions, including the full Circle and Hammersmith & City lines. This means that two of the four sub-surface lines are now operated by an automatic signalling system.

Since commissioning, the system performance has been good. However, unrelated to the commissioning, two significant software issues have been identified, which are currently being

mitigated through additional operational restrictions. The impact of resolving these issues is being assessed.

### Piccadilly line rolling stock

In January 2023, Siemens Mobility completed all works at the test track in Wildenrath, Germany. These included installation of third and fourth rail power upgrades, and the building of a platform for one-person operation. Testing will start on the track to ensure all upgrades are functioning correctly ahead of the first train arriving there for dynamic testing in the summer.

In March 2023, the first-in-type driving motor car body shell was completed by Siemens, following lessons learnt from the build of the previous two first-in-types in record time. The car body is now ready to enter the paint process. This keeps us on target for the first train to be fully formed and transferred to the test centre in Wildenrath to start commissioning tests this autumn.

Enabling works have started in the Northfields sub-station as part of the high-voltage power upgrade. The upgrade of Northfields sub-station is critical, not just for the future roll-out of the new trains, but also to support the increased power demand required for the upgrade.

### Bank station upgrade

The Bank station upgrade increases capacity by 40 per cent. The capacity upgrades are alongside additional upgrades to improve the passenger flows and overall experience. Improvements include step-free access to the Northern line, improved access to DLR

platforms, two new moving walkways, 12 new escalators and two new lifts to serve the Northern line and DLR. There are more direct routes within the station and a new station entrance on Cannon Street.

The new street-level entrance on Cannon Street was officially opened by the Mayor of London on 27 February. This includes six further escalators between street level and the Northern line platform level, step-free access to the Northern line for the first time and improved step-free access to the DLR via new lifts.

#### **DLR rolling stock and systems integration**

The manufacture of the new rolling stock in Spain is continuing to plan with 11 trains completed. The second new train was delivered to Beckton depot in early March 2023, while the first train delivered is now undergoing testing on the DLR network in engineering hours. We completed signalling testing of the new software on the DLR network with the existing fleet in preparation for the arrival of the new trains in early 2023. Following this, we successfully completed the first stage of signalling integration testing with the new train running under automatic signalling control.

At Beckton, critical works to complete the northern sidings works are progressing, with possessions to bring the sidings into use being planned for mid-2023. Following the award of the contract for the maintenance facility building and southern sidings, our contractor has now mobilised to site. We have awarded the contract for the design and build for a second entrance at Blackwall station, which is essential for unlocking the full fleet roll out.

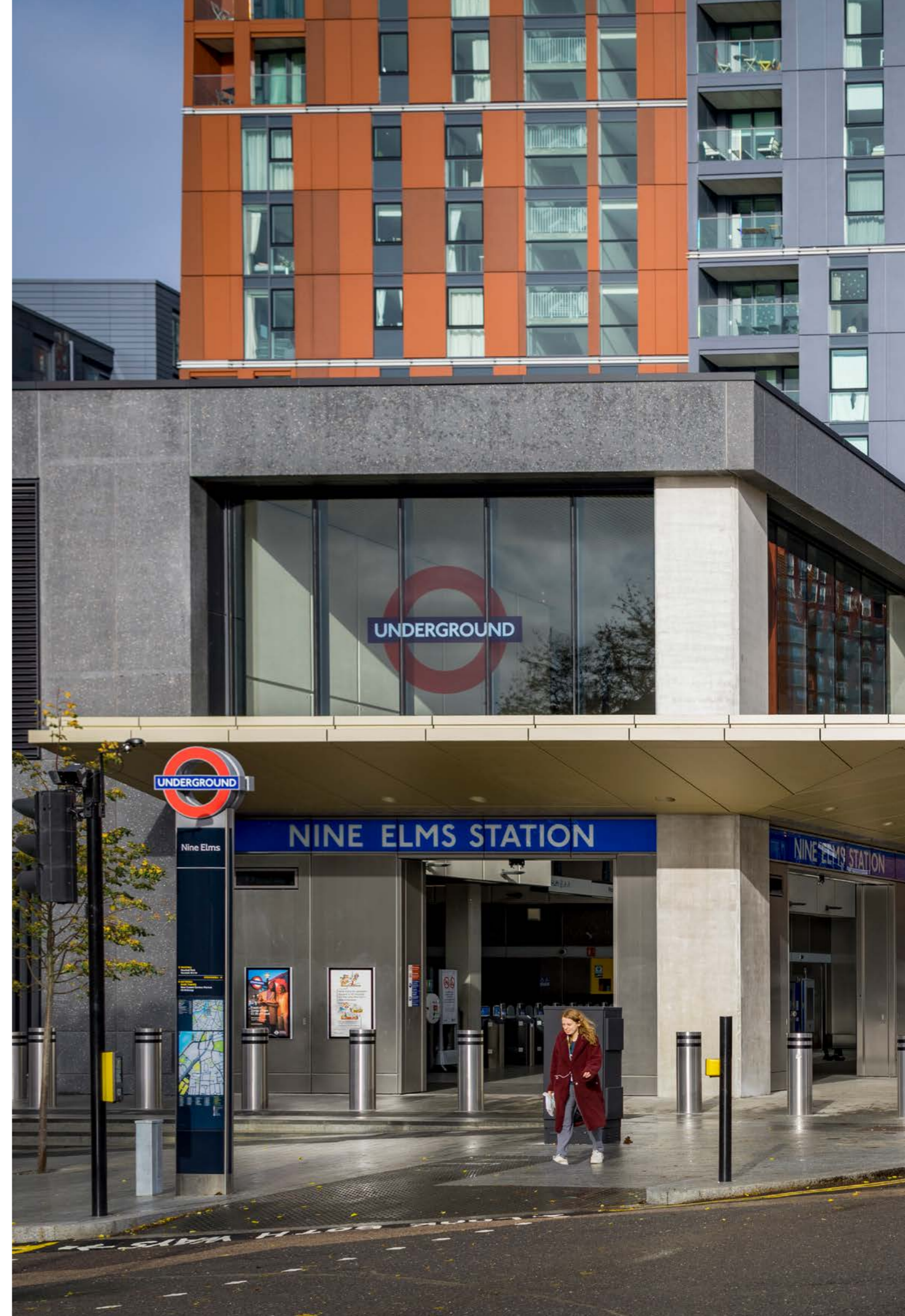
#### **Silvertown Tunnel**

Jill, the Tunnel Boring Machine (TBM), reached the rotation chamber in the Greenwich site on 15 February 2023, completing the tunnelling of the first bore, which was a significant milestone for the project. Work has begun to rotate the TBM within the rotation chamber, which is an innovative and complex process, so tunnelling the second bore can begin in June 2023.

Construction has begun on the new walking and cycling bridge across the A102, which will replace the existing 1960s footbridge with a new, fully accessible bridge built to modern design standards and with improved lighting. The new bridge will provide a safe and easily accessible crossing for those walking and cycling, including those using cargo bikes, on the Greenwich Peninsula and has taken into consideration future neighbouring development proposals. The main span of the new bridge was installed in March, and the existing bridge will be kept in use until the new bridge is fully opened.

To date, 690 tonnes of CO<sub>2</sub> emissions have been saved by Riverlinx by using river transport for materials and waste movements. This equates to 40,368 heavy goods vehicle movements being removed from local roads.

The introductory cross-river bus network for Silvertown Tunnel was finalised in March 2023. The network includes routes 108, 129 and X239, which will begin operating when the Silvertown Tunnel opens in 2025. We will be working to deliver a zero-emission bus fleet across all three routes.



# Headcount

## Our people provide a vital service for London

### Full-time equivalents, including non-permanent labour (NPL)

	31 March 2022 Actual	Full year net (leavers)/joiners	31 March 2023 Actual
Underground	16,462	(176)	16,286
Elizabeth line	342	27	369
Buses, Streets and other operations	2,355	51	2,406
Rail	279	2	281
Property development	199	19	218
Capital directorate	2,469	49	2,518
Professional services*	4,483	340	4,823
<b>TfL total</b>	<b>26,589</b>	<b>311</b>	<b>26,900</b>
Crossrail	444	(301)	143
<b>Total</b>	<b>27,033</b>	<b>10</b>	<b>27,043</b>

The full year figure for total TfL full-time equivalent roles is 27,043, which is in line with the start of the year.

The increase in Professional services includes 31 new graduates and the remainder relates to temporary labour to assist with projects in Technology and Data, and temporary labour requirements in Taxi and Private Hire, Business Services and Procurement.

The 176 full-time equivalent reduction in Underground is mainly owing to continued delays to planned recruitment within customer services in Customer Operations.

Total TfL staff levels are now in line with pre-pandemic levels and are higher than at the end of last year, mainly driven by increased recruitment of NPL and consultants.

### Non-permanent labour

The total number of non-permanent labour contractors has increased this year following reductions owing to the impact of the pandemic. We are facing a challenging labour market and so use non-permanent labour where it is not possible to recruit permanently.

It is important that we continue to make use of the flexibility offered by non-permanent labour, particularly through this time of change and temporary peaks in demand. It is equally important that we do not limit our ability to hire talent in areas where skills are scarce.

### 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	1,527,251	1,765	3,721,751
31 March 2021	991	1,462,911	2,101	3,786,091
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

### Non-permanent labour by length of service

Length of service	31 March 2022 Actual	Year-to-date net (leavers)/joiners	31 March 2023 Actual
0-6 months	419	101	520
6-12 months	320	(33)	353
1-2 years	210	230	440
2-3 years	206	(62)	144
3-5 years	137	(86)	223
5+ years	130	23	153
<b>Total</b>	<b>1,422</b>	<b>411</b>	<b>1,833</b>

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 is possible.

\* 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

\*\* The weekly cost assumes seven hours a day and five days a week worked.

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## 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 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. The experience, reliability and accessibility of these services is fundamental to Londoners' quality of life.

We manage the city's red route strategic roads and, through collaboration with the London boroughs, we are helping to shape the character of all London's streets. These are the places where Londoners travel, work, shop and socialise. Making them places for people to walk, cycle and spend time will reduce car dependency, improve air quality, revitalise town centres, boost businesses and connect communities. As part of this, our expanded Ultra Low Emission Zone and fleets of increasingly environmentally friendly and zero-emission buses are helping to tackle London's toxic air.

During the pandemic, we took a huge range of measures to ensure people were safe while travelling. This included extensive cleaning regimes across the public transport network and working with London's boroughs to introduce the Streetspace for London programme, which provided wider pavements and cycle lanes for people to walk and cycle safely and maintain social distancing. London's recovery is vital to the UK's recovery as life returns to normal. We want to ensure London avoids a car-led recovery and we continue to reassure people the capital and our transport network is safe and ready for them.

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

Working with the Government, we opened the Elizabeth line in time for Queen Elizabeth II's Jubilee. This transformational new railway adds 10 per cent to central London's rail capacity and supports the delivery of high-density, mixed-use developments, which are planned around active and sustainable travel to ensure London's growth is good 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 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 can create a better city as London's recovery from the pandemic continues.

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