



# Transport for London quarterly performance report

Quarter 4 2021/22  
(12 December 2021 – 31 March 2022)

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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 2021 was published in August 2021.



# Introduction

## Journeys are double that of last year, and our requirement for Government extraordinary funding is declining, but we still need long-term capital funding

Throughout 2021/22, our colleagues have been working hard to get London moving, building confidence in using the transport network as the capital continues to recover from the pandemic.

We've been working closely with the Government to fulfil the strict conditions in the funding agreements, the most recent being a four-month agreement from 26 February to 24 June 2022. This agreement provides £200m of 'base' funding as well as revenue 'top up', which guarantees income up to an agreed cap. We are grateful for Government funding which has helped keep our services running, but achieving a longer-term funding agreement is crucial to run an effective transport authority.

There's plenty to be excited about, with the central section of the Elizabeth line opening in May, the Barking Riverside Extension and Bank Station Upgrade set to be completed in 2022/23, and continued investment in walking, cycling and sustainable travel.

We are also working towards achieving financial sustainability by delivering efficiencies and developing options to generate additional income. This will mean TfL will no longer be reliant on Government support for day-to-day operations from April 2023, only requiring Government funding for capital investment (in line with other transport authorities); this will enable us to plan much more efficiently and effectively for London's future.

We have come a long way since the start of 2021/22, when passenger demand was just 40 per cent of pre-pandemic levels. Journeys picked up significantly since the phasing out of social distancing and working from home restrictions, with journeys at around 70 per cent of pre-pandemic levels at the end of Quarter 3. Since the end of Quarter 3, the Omicron variant issued in a temporary wave of working from home guidance in December 2021, with journeys declining. However, demand has plateaued since, with total TfL journeys at the end of Quarter 4 remaining at 68 per cent of pre-pandemic levels.

The recovery in passenger numbers, coupled with our tight cost control, has meant the deficit on our day-to-day cost of operations (before Government funding) for 2021/22 is £2.1bn, which is 12 per cent better than budget and £1.6bn lower than last year. The improvement against budget is mainly driven by lower operating costs and the timing of capital investment. Our cash balances declined by more than £300m in the year, reflecting the requirement of Government funding to reduce our cash reserves to £1.2bn.

Passenger income is 97 per cent higher than last year, but nine per cent down on budget, mainly due to lower Tube journeys. We receive top-up funding (up to an agreed level) for reductions in passenger revenue as per the Government funding agreement. As at the end of Quarter 4, we have received £1,615m through Government funding and financing support in this financial year. This is reduced from the £3.2bn we received in 2020/21, indicating



our requirement for Government extraordinary funding is declining.

Operating costs are £453m less than budget due to efficiencies, lower staff costs, lower Elizabeth line running costs, the release of contingencies held to mitigate high-risk uncertainties, and the timing of provisions. Capital expenditure (including renewals and new capital investment) is 11 per cent below last year, but £366m lower than budget. The budget assumed we would receive £1.9bn of 'base' funding from the Government, but we received £1.4bn, which meant we had to limit the initiation of new enhancements and proactively reallocate our renewals portfolio as we progressed through

the year. The uncertainty over funding amounts, coupled with the short-term and stop-start nature of funding agreements, has not allowed us to plan sufficiently and enter multi-year commitments. This has created a backlog of work, leading to additional resource and cost pressures.

Securing long-term funding certainty will allow us to invest in and deliver a transport network that is safe, sustainable and inclusive. It would also enable us and our supply chain to plan more effectively, improving efficiency and supporting investment in jobs around the UK.

**Patrick Doig**  
Statutory 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

Currently operating 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 Emirates Air Line

### Rail

DLR, London Overground and London Trams

### Major projects

Responsible for our largest and most complex projects

### Property development

Our commercial and residential estate and building portfolio

### Media

Advertising estate and digital marketing infrastructure

## Facts and figures

**996** trains on our network



**580km**

of highway that we operate



**761km**

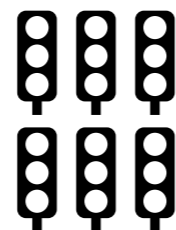
of Rail and London Underground routes



**8,900** buses on our network

**6,400**

traffic signal sites that we operate



## 2021/22 finances at a glance



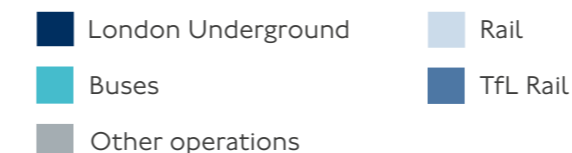
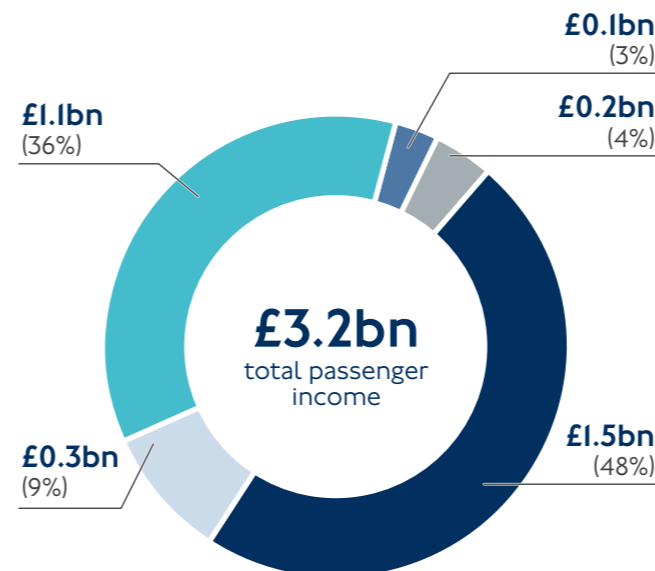
Sources of funds  
**£8.9bn**

**84%** spent on running and operating the network every day

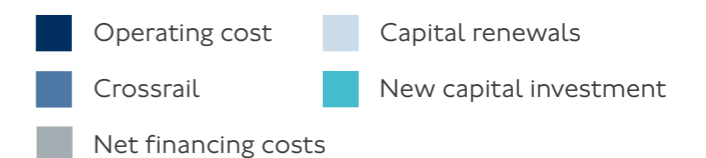
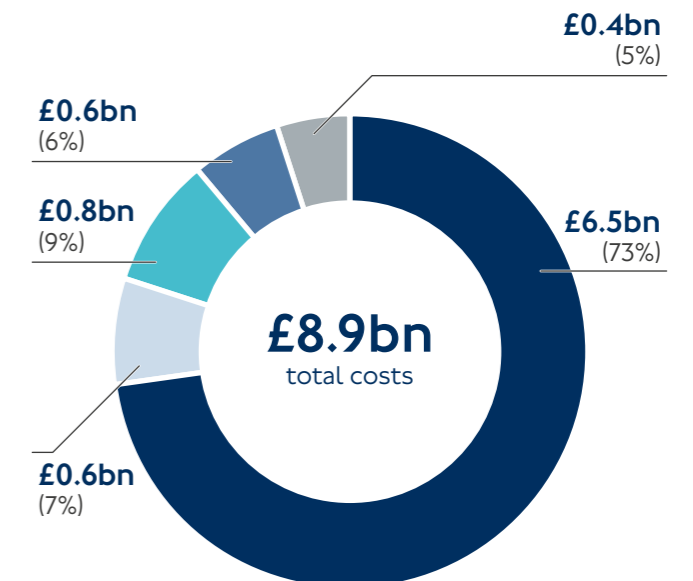


**16%** spent on renewing and improving the network through one of the largest capital investment programmes in Europe

## Total passenger income



## Total costs



# Financial summary

## Our performance in the full year

### Operating account

TfL Group (£m)	Full year 2021/22	Full year Revised Budget	Variance	Full year 2020/21	Variance
Passenger income	3,154	3,478	(324)	1,600	1,554
Other operating income	1,194	1,236	(42)	777	417
<b>Total operating income</b>	<b>4,348</b>	<b>4,714</b>	<b>(366)</b>	<b>2,377</b>	<b>1,971</b>
Business Rates Retention	914	914	-	969	(55)
Council tax precept	52	52	-	6	46
Other revenue grants	21	14	7	111	(90)
<b>Total income</b>	<b>5,335</b>	<b>5,694</b>	<b>(359)</b>	<b>3,463</b>	<b>1,872</b>
Operating cost	(6,478)	(6,931)	453	(6,381)	(97)
<b>Net operating surplus/(deficit)</b>	<b>(1,143)</b>	<b>(1,237)</b>	<b>94</b>	<b>(2,918)</b>	<b>1,775</b>
Net financing costs	(439)	(449)	10	(440)	1
<b>Net cost of operations before renewals</b>	<b>(1,582)</b>	<b>(1,686)</b>	<b>104</b>	<b>(3,358)</b>	<b>1,776</b>
Capital renewals	(551)	(736)	185	(367)	(184)
<b>Net cost of operations</b>	<b>(2,133)</b>	<b>(2,422)</b>	<b>289</b>	<b>(3,725)</b>	<b>1,592</b>
Extraordinary grant	1,717	1,873	(156)	2,457	(740)
<b>Net cost of operations after extraordinary grant</b>	<b>(416)</b>	<b>(549)</b>	<b>133</b>	<b>(1,268)</b>	<b>852</b>

Total TfL journeys at the end of Quarter 4 were 68 per cent of pre-pandemic levels. Levels have been broadly flat compared to the start of autumn 2021, as the advent of the Omicron variant and the introduction of temporary working from home guidance suppressed growth and caused a small decline in December.

Tube journeys ended the year at 65 per cent of pre-pandemic levels, with buses at 70 per cent. Across the full year, journeys were 2.5bn, up 1.2bn on 2020/21 when we felt the worst effects of the pandemic.

In the year to date, the net cost of operations before Government support – our day-to-day operating deficit, including capital renewals to keep the network in a good state of repair – was £2,133m, £289m better than budget. Compared to last year the deficit is almost £1.6bn better, driven by higher passenger income of £1,554m, operating income (£417m better), offset by reductions in Government furlough grant and higher capital renewals.

### Capital account

TfL Group (£m)	Full year 2021/22	Full year Revised Budget	Variance	Full year 2020/21	Variance
New capital investment	(818)	(999)	181	(866)	48
Crossrail	(568)	(700)	132	(704)	136
<b>Total capital expenditure</b>	<b>(1,386)</b>	<b>(1,699)</b>	<b>313</b>	<b>(1,570)</b>	<b>184</b>
<b>Financed by:</b>					
Investment grant	930	930	-	910	20
Property and asset receipts	161	193	(32)	63	98
Borrowing (TfL)	-	-	-	602	(602)
Borrowing (Crossrail)	74	74	-	676	(602)
Crossrail funding sources	565	663	(98)	72	493
Other capital grants	85	90	(5)	127	(42)
<b>Total</b>	<b>1,815</b>	<b>1,950</b>	<b>(135)</b>	<b>2,450</b>	<b>(635)</b>
<b>Net capital account</b>	<b>429</b>	<b>251</b>	<b>178</b>	<b>880</b>	<b>(451)</b>

Total passenger income was £1,028m in Quarter 4; this is the highest level of passenger income since the onset of coronavirus. In the full year, income was £3,154m, almost double the levels we saw in the previous year. Journeys and income were both lower than budget, a result of a much slower return to the workplace than expected and from the impacts of Omicron in December 2021. While growth over the year was positive, there remains a great deal of uncertainty around future increases in 2022/23.

Other operating income was £1,194m in the full year, £42m lower than budget, but more than £400m higher than the prior year. Income is up year-on-year from improved advertising, property revenue, Congestion Charge income, as well as from the ULEZ expansion from October 2021. Income in Quarter 4 has increased by almost £160m quarter on quarter. However, ULEZ expansion income is £128m lower than expected due to higher compliance levels, which demonstrates the benefits of the scheme in improving London's air quality.



## Cash flow summary

TfL Group (£m)	Full year 2021/22	Full year Revised Budget	Variance	Full year 2020/21	Variance
Net cost of operations	(416)	(549)	133	(1,268)	852
Net capital account	429	251	178	880	(451)
Working capital movements	(333)	(124)	(209)	(92)	(241)
<b>(Decrease)/increase in cash balances</b>	<b>(320)</b>	<b>(422)</b>	<b>102</b>	<b>(480)</b>	<b>160</b>

Operating costs are £453m lower than budget; core costs are £161m better, driven by lower staff costs – where we have faced labour market challenges in recruitment, with staff levels still down compared to pre-pandemic levels – efficiencies on the bus network, cost reductions from lower bus performance payments, and lower Tube traction current costs.

Elizabeth line costs are £40m lower than budget, from a combination of lower maintenance costs and lower regulatory changes. Exceptional costs are £250m lower, reflecting £100m contingency held to mitigate uncertainties, including ULEZ income, as well as timing of provisions. Capital renewals costs are £185m lower than expected.

Total capital expenditure (including capital renewals and new capital investment) is £1,368m this year, £366m lower than budget, but up on last year. When setting the budget we assumed £500m more 'base' funding from the Government than we received, meaning that we had to limit the initiation of new enhancements and proactively reallocate our capital renewals portfolio as we progressed through the year.

TfL cash balances (excluding balances committed to Crossrail construction) are £1,287m at the end of Quarter 4, £336m lower than at Quarter 3. The new funding agreement to 24 June 2022 provides revenue top up (up to an agreed limit) during this period, and will help mitigate future income risk. As part of this agreement, cash balances are required to be below £1.2bn for TfL to receive funding from Government. Our cash balances have been operating at or around £1.2bn during this funding period, but were slightly higher on 31 March 2022 due to the early receipt of a VAT repayment.

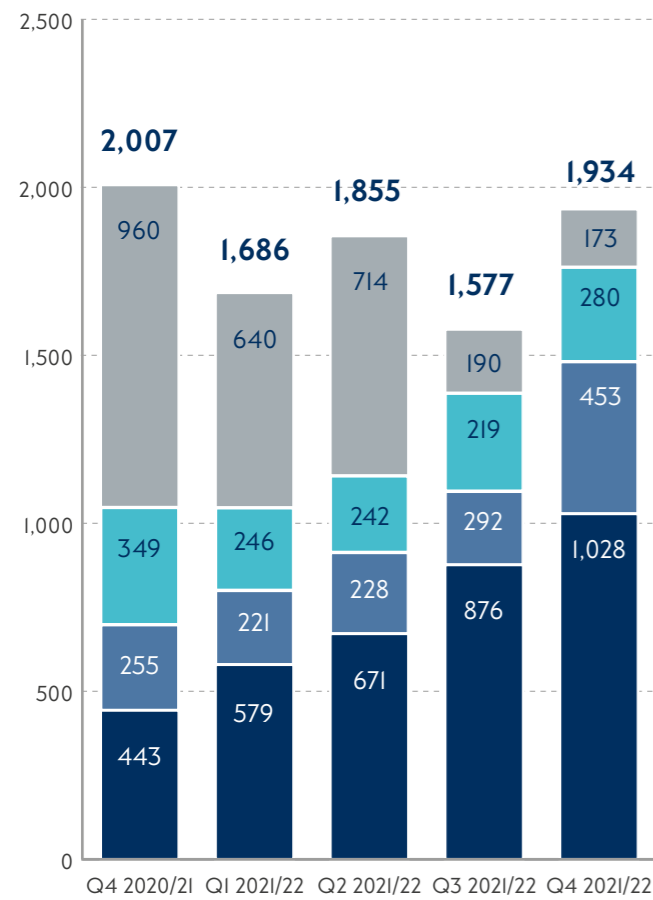


This quarter has seen a reduction in Elizabeth line costs

# Financial trends

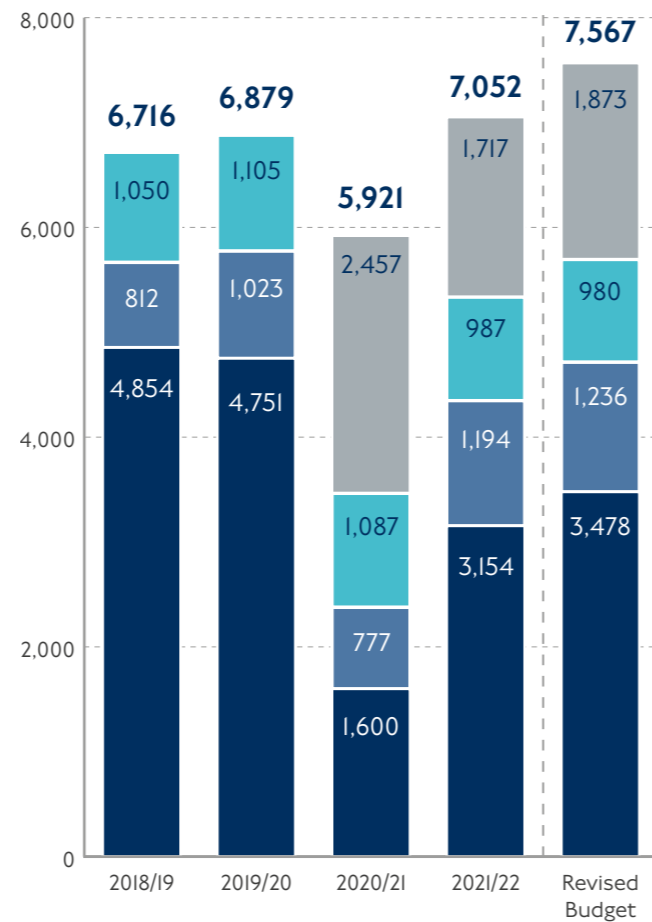
Our overall trends in the short and long term

**Total income (including extraordinary grant from Government)**  
Quarterly (£m)\*



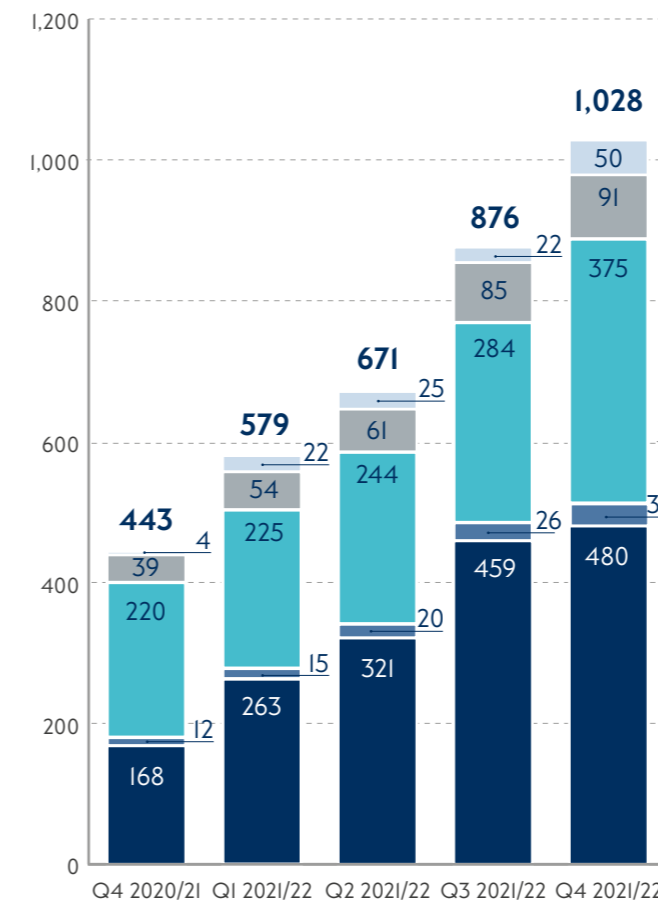
Passenger income, Other income, Grants, Extraordinary grant

Full year (£m)



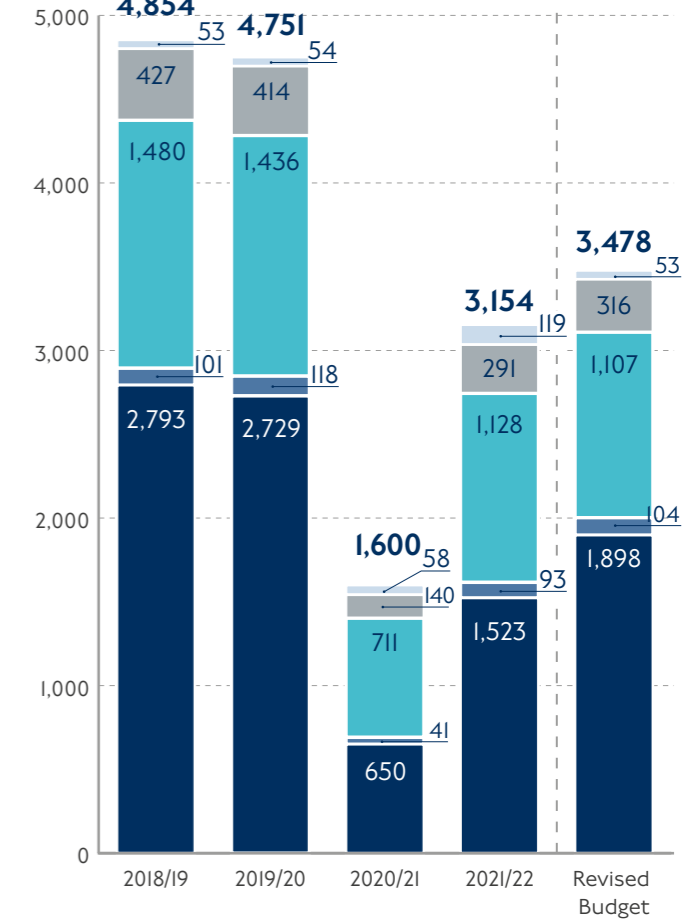
Passenger income, Other income, Grants, Extraordinary grant

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



London Underground, TfL Rail, Buses, Rail, Other

Full year (£m)



London Underground, TfL Rail, Buses, Rail, Other

Full-year total income  
£515m below budget

19%▲ year on year

Although the passenger income still has not fully recovered, with many Londoners continuing to work from home, other income has continued to increase and stands at 54 per cent higher than last year. The adverse variance compared to the budget of £515m is mainly due to fewer passenger journeys than anticipated on the Underground causing a variance of £374m.

Full-year passenger income  
£324m below budget

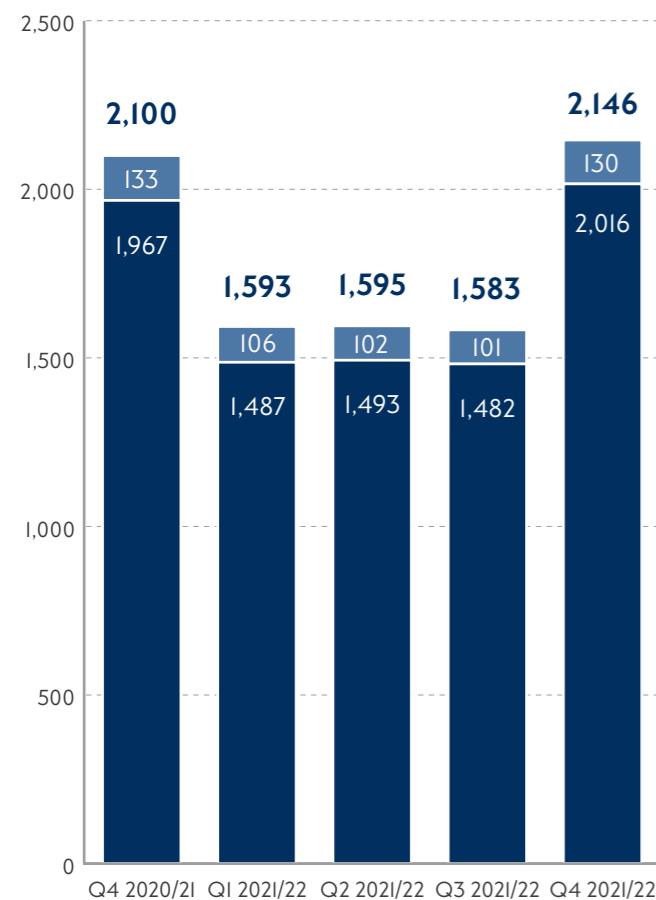
97%▲ year on year

Passenger income is almost double that of last year with demand increasing as customers return to the network. Journey numbers, however, have been lower than expected as a result of a much slower return to the workplace and the impact of the new variant, Omicron. The full-year total is £1.7bn down on our pre-pandemic income, which indicates how much long-term funding is vital for a sustainable recovery for TfL.

\* Q4 is longer than Q1 to Q3 (16 weeks and one day vs 12 weeks)

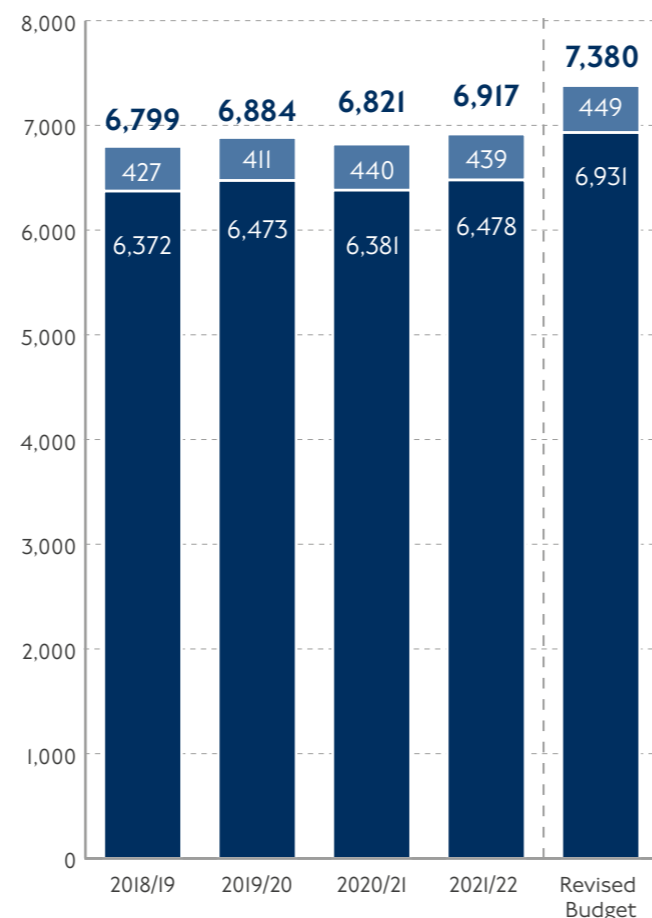


**Total cost**  
Quarterly (£m)\*



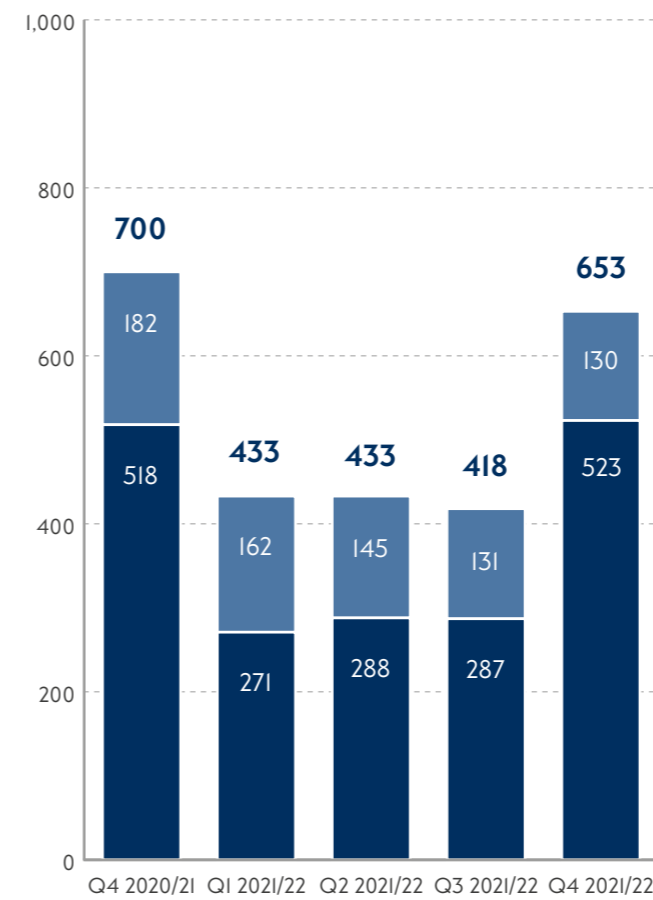
Operating costs Net financing costs

**Full year (£m)**



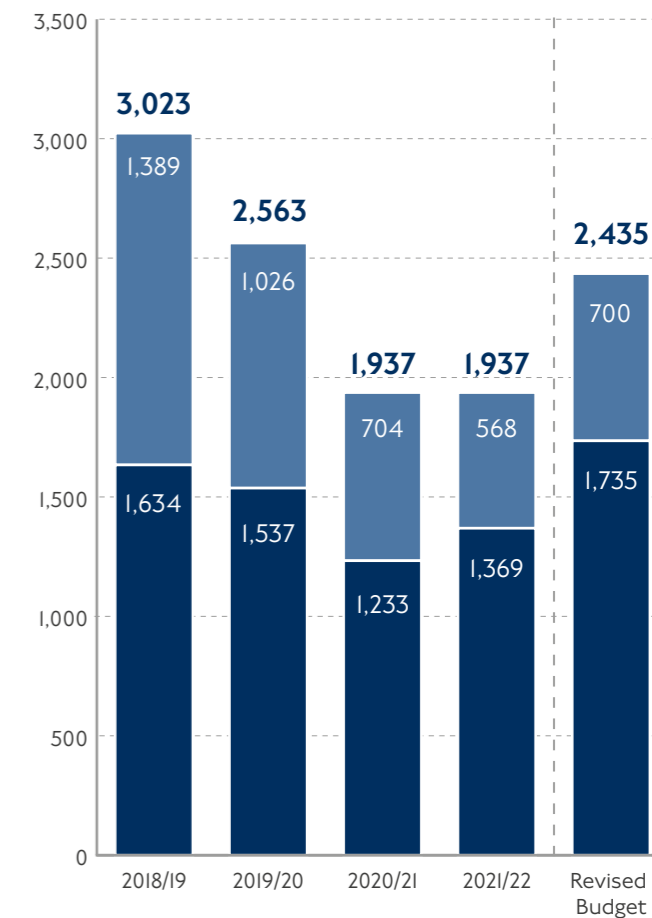
Operating costs Net financing costs

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



Capital investment and renewals Crossrail

**Full year (£m)**



Capital investment and renewals Crossrail

**Full-year operating costs**  
£453m below budget

**1%▲** year on year

Like-for-like operating costs have remained stable, with only a one per cent increase after adjusting for new services such as the Northern Line Extension, the ULEZ expansion and the Elizabeth line. We remain focused on increased spend controls and reducing our core costs where possible. The rephasing of centrally held contingencies accounts for the majority of the variance against budget.

**Full-year capital expenditure**  
£498m below full-year budget

**No change** year on year

Total capital expenditure is at the same level as last year but running at 36 per cent below pre-pandemic years, as we are subject to current funding agreements and increased spend controls. Full-year spend is £498m lower than anticipated with Crossrail (£132m), London Underground (£64m), Buses (£67m) and Property (£71m) making up the majority of the variances along with the release of the centrally held contingencies (£80m).

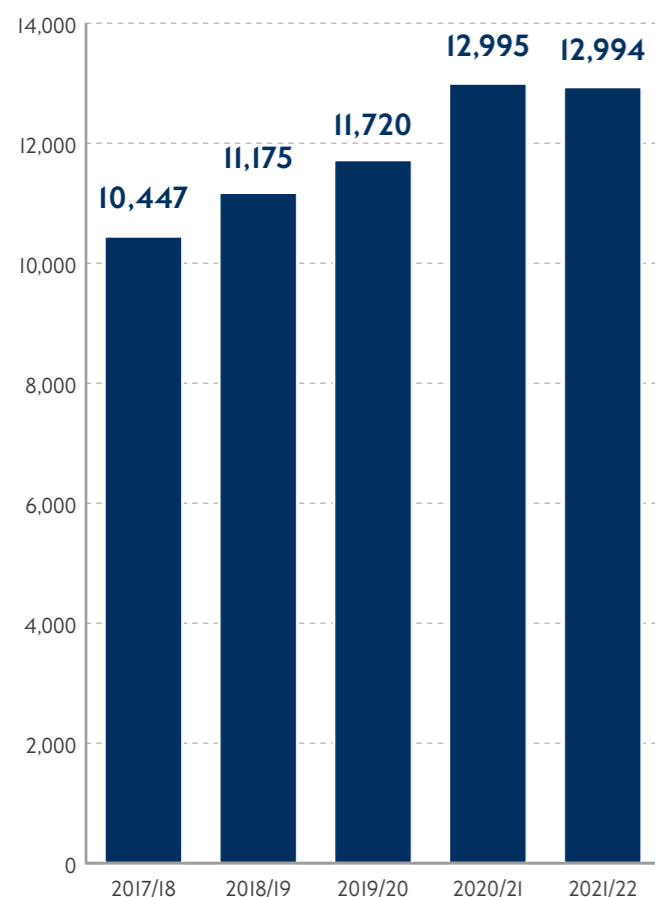
\* Q4 is longer than Q1 to Q3 (16 weeks and one day vs 12 weeks)



# Debt and cash

## Our borrowing and cash balances

### Total nominal borrowing (£m)



■ Borrowing

### Borrowing update

There was a decrease of £76m to the level of our outstanding borrowing during Quarter 4. This has led to an overall decrease in outstanding borrowing of £1m for the year 2021/22. We refinanced some matured Commercial Paper with a Public Works Loan Board loan in the quarter, maintaining liquidity levels consistent with our liquidity policy.

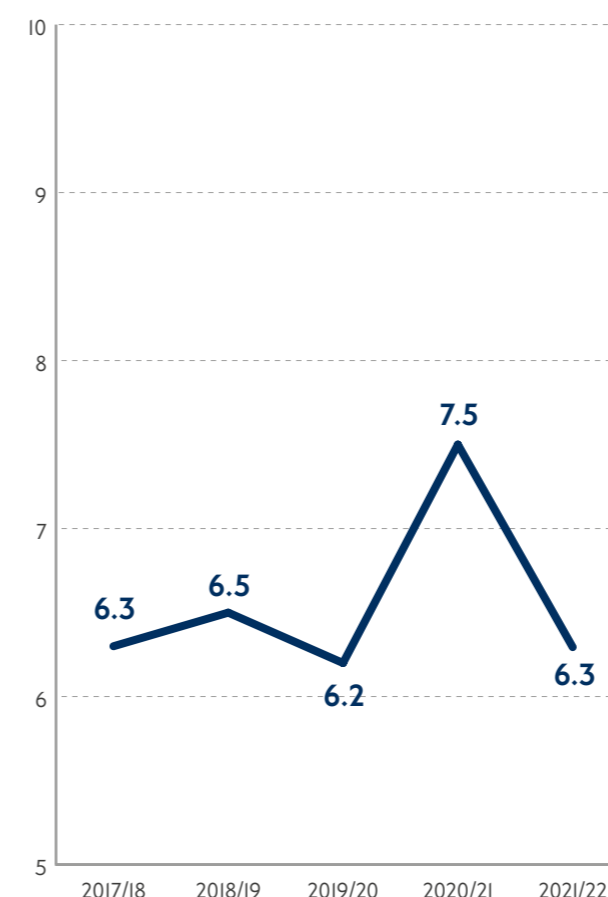
### Credit ratings

We are rated by the three leading international credit rating agencies. There were no changes to our credit ratings during Quarter 4. However, on 9 May 2022, following Quarter 4, Moody's downgraded our long-term credit rating from A3 to Baal and assigned a stable outlook. This reflects Moody's view on a number of factors, including concerns that operating performance will be weaker than expected due to weaker economic growth and higher inflation, as well as the ongoing uncertainty around our long-term funding framework, especially for capital funding.

### Credit ratings on 9 May 2022

Agency	Long-term rating	Short-term rating
Moody's	Baal stable outlook	P-2
Standard & Poor's	A+ stable outlook	A-1
Fitch Ratings	A+ stable outlook	F1+

### Financing costs (% of total income)\*



— Financing costs percentage

### Financing costs (£m)

2021/22	(442)
2020/21	(446)
2019/20	(429)
2018/19	(439)
2017/18	(412)

The ratio of financing costs to total income, including operating and extraordinary grants, helps us to monitor the affordability of our debt. The impact of the coronavirus pandemic significantly reduced our income, resulting in a higher ratio of financing costs to total income for 2020/21, compared to previous years. The ratio has reduced for 2021/22 as our income has begun to recover and overall financing costs for the year have reduced slightly.

### Financing costs and income (£m)

Full year	2021/22	Revised Budget	Variance
Interest income	4	3	1
Financing costs	(442)	(451)	9

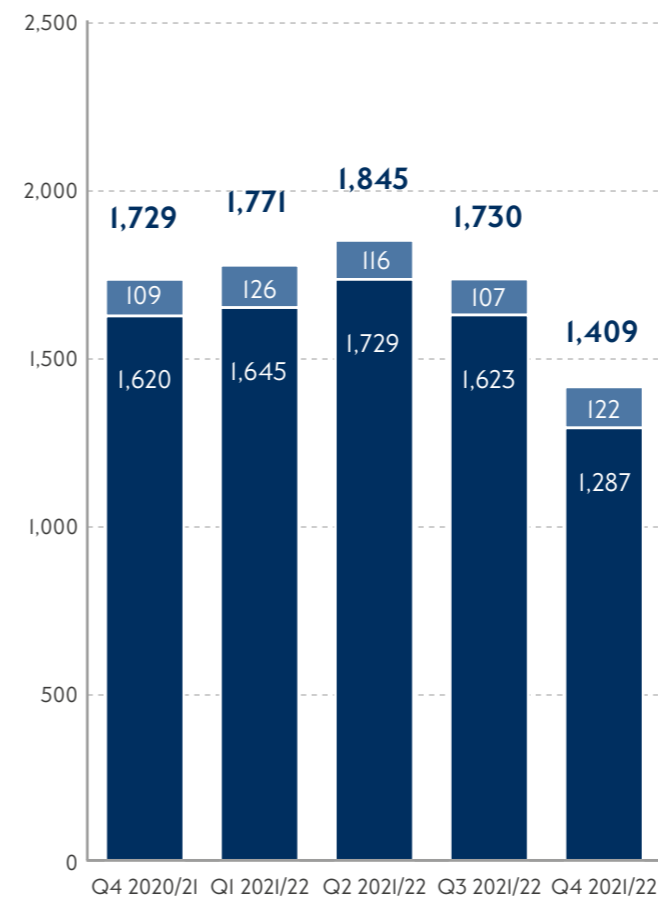
\* Financing costs include interest costs for borrowing and other financing liabilities





Passenger income is almost double that of last year

### 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 £1,409m. Of the total cash balance, £122m was held for the Crossrail project, London Transport Museum, London Transport Insurance (Guernsey) Limited and TTL Properties Limited. Our cash position reflects £4.8bn received from the Government as part of the extraordinary financing and funding packages since the start of the coronavirus pandemic.

Our liquidity policy requires us to maintain cash reserves equivalent to at least 60 days' worth of forecast annual operating expenditure, which is currently around £1.2bn. We complied with our liquidity policy throughout Quarter 4. The extraordinary funding and financing packages agreed with the Government have also assumed that we will retain usable cash reserves, which is cash and liquid investments held by the TfL Group (excluding specified subsidiaries Crossrail Limited, London Transport Insurance (Guernsey) Limited and London Transport Museum Limited), of £1.2bn.

Preserving liquidity by maintaining a minimum cash balance of £1.2bn is crucial to our financial resilience. Statutory restrictions around prudent borrowing constrains 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 provides 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 assets, 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, which would not be convertible into cash, even over a longer-term horizon, to meet our long-term liabilities when they fall due. The balance sheet structure highlights the importance of holding an appropriate level of cash to ensure that we can always meet our liabilities as required.



# Passenger journeys

Our performance based on passenger numbers

Full year 2021/22

**2,483m**  
total journeys

**2,689m**  
Revised Budget

**3,999m**  
pre-pandemic  
baseline (2018/19)



**London Underground**  
**748m** 15.6%▼  
Revised Budget 65% of pre-pandemic  
baseline at the end  
of 2021/22



**London Buses**  
**1,486m** 2.5%▼  
Revised Budget 70% of pre-pandemic  
baseline at the end  
of 2021/22



**DLR**  
**77m** 8.5%▼  
Revised Budget 69% of pre-pandemic  
baseline at the end  
of 2021/22



**London Overground**  
**112m** 12.3%▼  
Revised Budget 69% of pre-pandemic  
baseline at the end  
of 2021/22

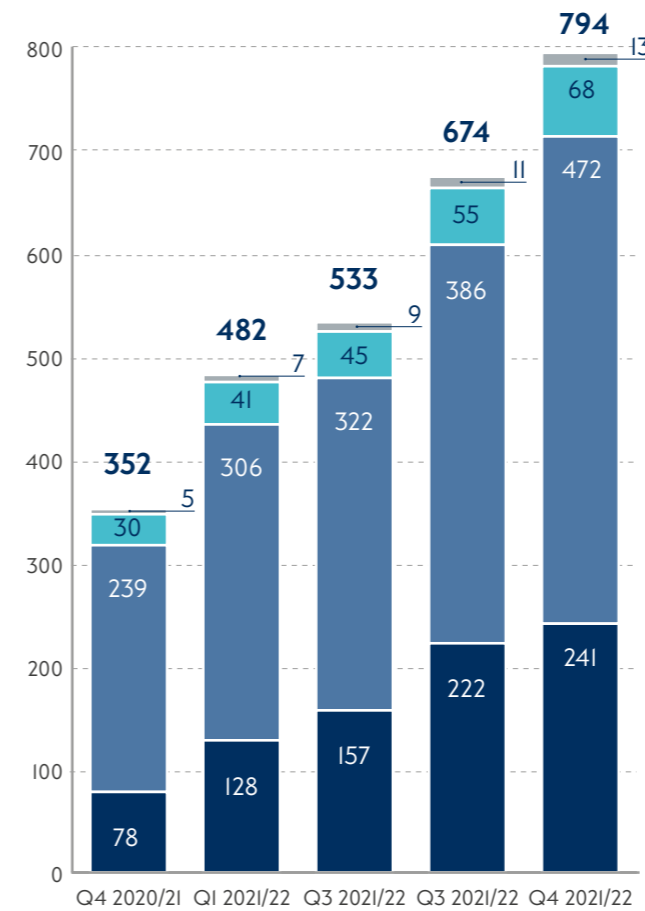


**London Trams**  
**19m** 5.7%▼  
Revised Budget 83% of pre-pandemic  
baseline at the end  
of 2021/22



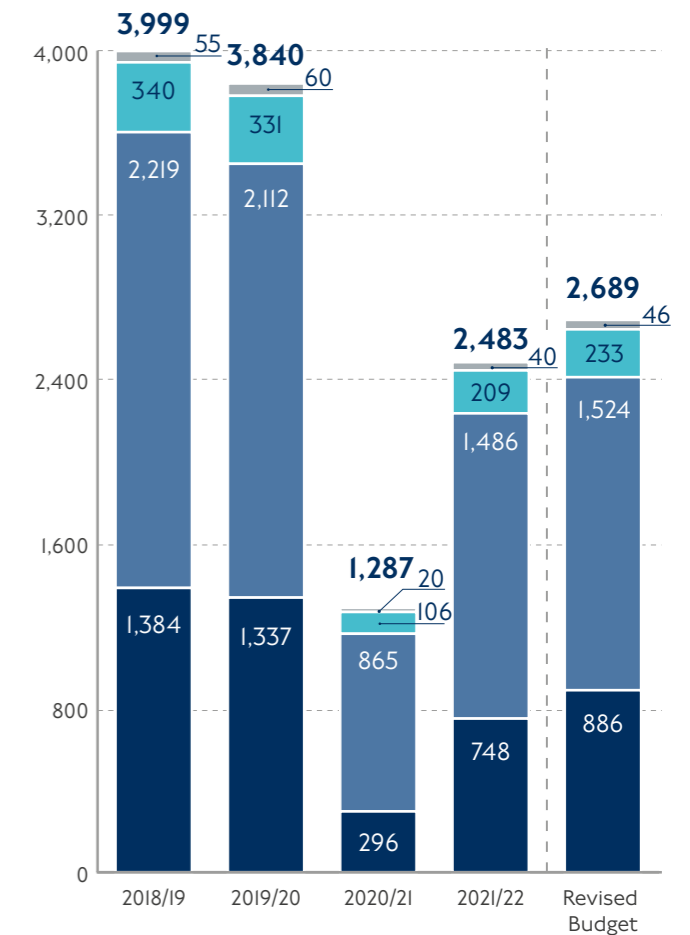
**TfL Rail**  
**40m** 13.4%▼  
Revised Budget 66% of pre-pandemic  
baseline at the end  
of 2021/22

Passenger journeys (millions)  
Quarterly\*



London Underground Buses  
Rail TfL Rail

Passenger journeys with budget (millions)  
Full year



London Underground Buses  
Rail TfL Rail

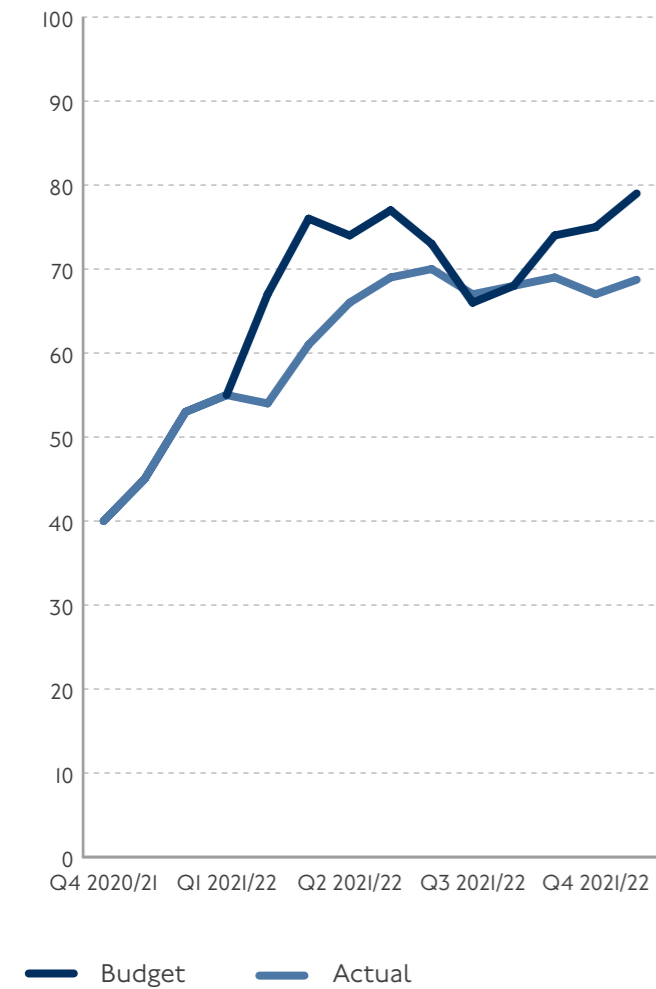
Passenger journey numbers have continued to increase, following the lifting of working from home restrictions since early January. The increase demonstrates that customers are now regularly using public transport again across London, showing continued confidence that services are safe, clean and reliable. Passenger demand is expected to continue to improve as confidence returns among city workers, and as international tourism recovers.

\* Q4 is longer than Q1 to Q3 (16 weeks and one day vs 12 weeks)



# Passenger demand recovery

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



Overall, journeys at the end of 2021/22 were 68 per cent of pre-pandemic levels compared to a target of 79 per cent. Passenger journeys have seen significant growth, particularly at weekends when we have seen ridership return to around 80 per cent of pre-pandemic levels. The recent increase demonstrates that customers are increasingly confident in using public transport and are keen to return to the city and explore all it has to offer.



Passenger journeys at the end of the full year are

**68%**

of pre-coronavirus demand levels



Customers are increasingly getting out into the city more



# Underground

One third of London Underground stations are now step-free

## Financial summary

Underground (£m)	Full year 2021/22	Full year Revised Budget	Variance	Full year 2020/21	Variance
Passenger income	1,523	1,898	(375)	650	873
Other operating income	24	19	5	14	10
<b>Total operating income</b>	<b>1,547</b>	<b>1,917</b>	<b>(370)</b>	<b>664</b>	<b>883</b>
Government furlough grant	-	-	-	37	(37)
<b>Total income</b>	<b>1,547</b>	<b>1,917</b>	<b>(370)</b>	<b>701</b>	<b>846</b>
Direct operating cost	(1,999)	(2,112)	113	(1,983)	(16)
<b>Direct operating surplus/(deficit)</b>	<b>(452)</b>	<b>(195)</b>	<b>(257)</b>	<b>(1,282)</b>	<b>830</b>
Indirect operating cost	(286)	(545)	259	(296)	10
<b>Net operating deficit before financing and capital renewals</b>	<b>(738)</b>	<b>(740)</b>	<b>2</b>	<b>(1,578)</b>	<b>840</b>
Net financing costs	(279)	(285)	6	(279)	-
Capital renewals	(331)	(391)	60	(203)	(128)
<b>Net cost of operations</b>	<b>(1,348)</b>	<b>(1,416)</b>	<b>68</b>	<b>(2,060)</b>	<b>712</b>
New capital investment	(23)	(26)	3	(31)	8

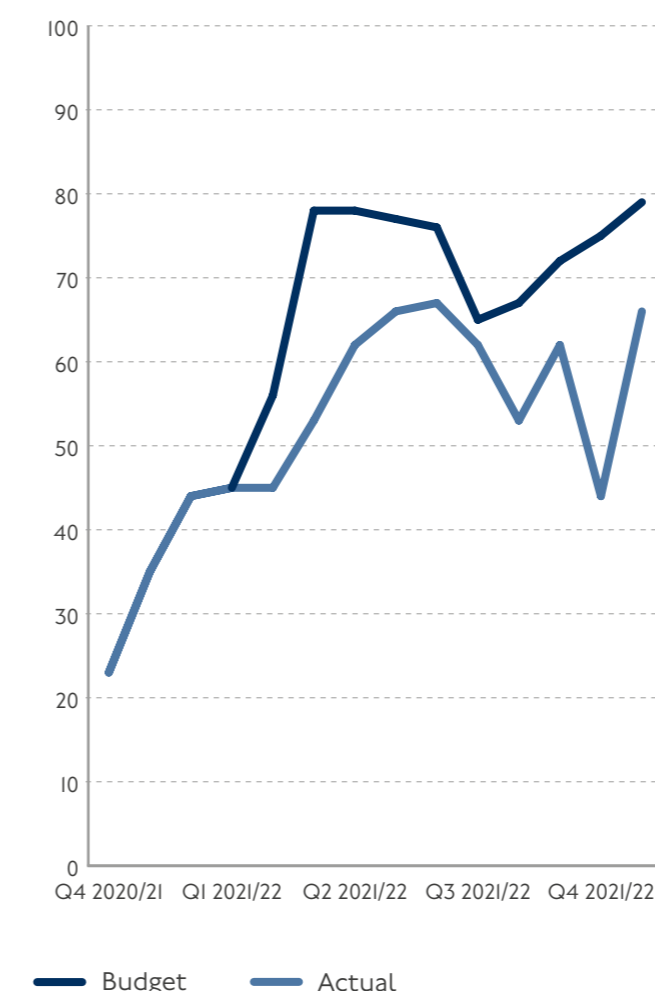
Passenger income is £375m lower than budget, which is driven by 138 million fewer passenger journeys than anticipated. However, since working from home restrictions were lifted, passenger demand during the weekdays and weekends has significantly increased, along with the Night Tube, which is continuing to see a growth in demand.

Direct operating costs are £113m lower than budget. Core operating costs are £61m lower, owing to a £14m reduction in staff costs, £20m service level savings and other minor savings. Indirect costs are £259m

lower than budget largely due to release of central contingencies and other minor movements across Professional services.

Capital expenditure is £63m lower than budget, primarily due to rescheduling of works across the portfolio. In March 2022, Harrow-on-the Hill became London's 91st step-free Tube station. This was the largest and most complex step-free access project completed so far, comprising of four lifts, two interconnecting walkways, an upgraded power supply and new installations of mechanical, communications and electrical systems.

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



Full-year passenger journeys are 748 million, 16 per cent below full-year budget. However, since working from home restrictions were lifted in early January, the number of people using the Tube during weekdays has increased and Tube passenger levels have risen to 65 per cent of pre-pandemic levels but fall short of the 79 per cent target.



Tube journeys at the end of the full year are **65%** of pre-coronavirus demand levels

# Elizabeth line

The Elizabeth line will open for passenger service on 24 May 2022

## Financial summary

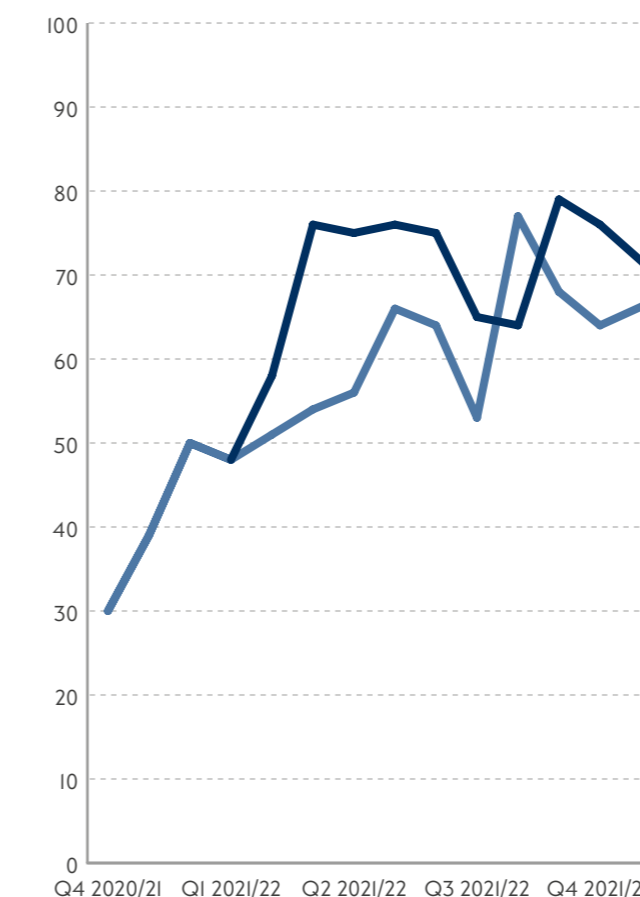
Elizabeth line (£m)	Full year 2021/22	Full year Revised Budget	Variance	Full year 2020/21	Variance
Passenger income	93	104	(11)	41	52
Other operating income	27	39	(12)	8	19
<b>Total operating income</b>	<b>120</b>	<b>143</b>	<b>(23)</b>	<b>49</b>	<b>71</b>
Government furlough grant	-	-	-	1	(1)
<b>Total income</b>	<b>120</b>	<b>143</b>	<b>(23)</b>	<b>50</b>	<b>70</b>
Direct operating cost	(422)	(462)	40	(361)	(61)
<b>Direct operating surplus/(deficit)</b>	<b>(302)</b>	<b>(319)</b>	<b>17</b>	<b>(311)</b>	<b>9</b>
Indirect operating cost	(8)	(16)	8	(7)	(1)
<b>Net operating deficit before financing and capital renewals</b>	<b>(310)</b>	<b>(335)</b>	<b>25</b>	<b>(318)</b>	<b>8</b>
Net financing costs	(93)	(95)	2	(93)	-
Capital renewals	(6)	(3)	(3)	-	(6)
<b>Net cost of operations</b>	<b>(409)</b>	<b>(433)</b>	<b>24</b>	<b>(411)</b>	<b>2</b>
New capital investment	(11)	(12)	1	(37)	26
Crossrail construction costs	(568)	(700)	132	(704)	136
<b>Total capital expenditure</b>	<b>(579)</b>	<b>(712)</b>	<b>133</b>	<b>(741)</b>	<b>162</b>

TfL Rail passenger income is £11m lower than budget, driven by six million fewer passenger journeys than expected.

Other operating income is £12m below budget mainly due to lower regulatory income – this is offset in operating costs.

Direct operating cost is £40m better than budget due to lower operating costs in maintenance, staff and rolling stock, as well as lower regulatory charges. Also, a prior year accounting adjustment has resulted in reduced costs.

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



Full-year passenger journeys are six million lower than budget, representing a slower recovery than expected.



TfL Rail journeys at the end of the full year are **66%** of pre-coronavirus demand levels

— Budget — Actual

It has been announced that the Elizabeth line will open to passengers on 24 May 2022 between Abbey Wood and Paddington. This is the result of great momentum across the programme to complete the railway so that passenger services in the central section can commence.

The Elizabeth line will operate 12 trains per hour between Paddington and Abbey Wood from Monday to Saturday 06:30 to 23:00. Work will continue in engineering hours and on Sundays to allow a series of testing and software updates in preparation for more intensive services from the autumn.



# Buses, streets and other operations

In March, we published our Bus Action Plan, which sets out our long-term vision for bus travel to 2030 and beyond

## Financial summary

Buses, streets and other operations (£m)	Full year 2021/22	Full year Revised Budget	Variance	Full year 2020/21	Variance
Passenger income	1,128	1,107	21	711	417
Other operating income	831	906	(75)	514	317
<b>Total operating income</b>	<b>1,959</b>	<b>2,013</b>	<b>(54)</b>	<b>1,225</b>	<b>734</b>
Government furlough grant	-	-	-	9	(9)
<b>Total income</b>	<b>1,959</b>	<b>2,013</b>	<b>(54)</b>	<b>1,234</b>	<b>725</b>
Direct operating cost	(2,847)	(2,870)	23	(2,810)	(37)
<b>Direct operating surplus/(deficit)</b>	<b>(888)</b>	<b>(857)</b>	<b>(31)</b>	<b>(1,576)</b>	<b>688</b>
Indirect operating cost	(83)	(138)	55	(117)	34
<b>Net operating deficit before financing and capital renewals</b>	<b>(971)</b>	<b>(995)</b>	<b>24</b>	<b>(1,693)</b>	<b>722</b>
Net financing costs	(27)	(27)	-	(27)	-
Capital renewals	(125)	(140)	15	(100)	(25)
<b>Net cost of operations</b>	<b>(1,123)</b>	<b>(1,162)</b>	<b>39</b>	<b>(1,820)</b>	<b>697</b>
New capital investment	(104)	(157)	53	(141)	37

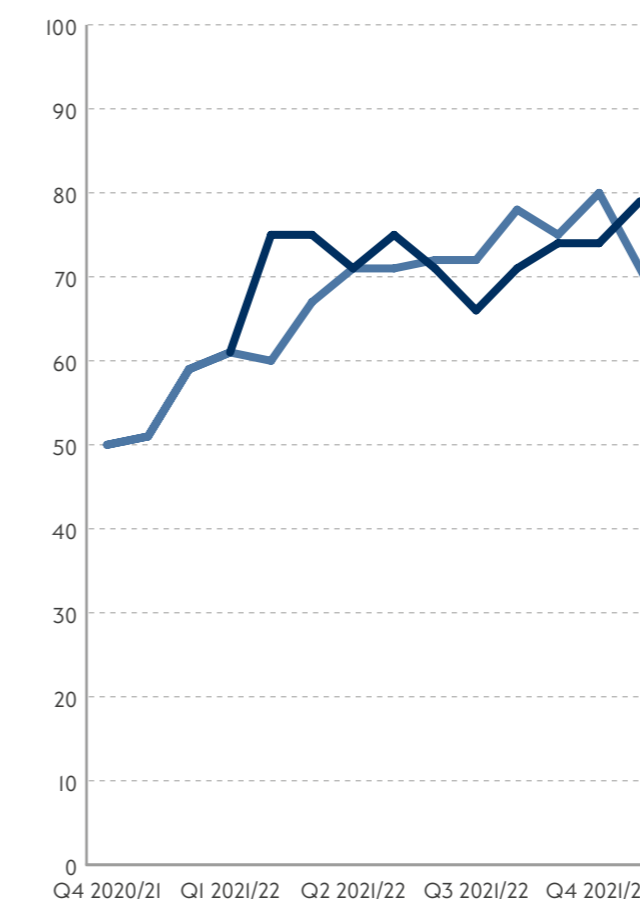
Passenger income is £21m higher than budget despite 38 million fewer journeys as a result of better-than-expected yield.

Other operating income is £75m lower than budget, mainly driven by lower ULEZ income, owing to higher compliance levels. This is partly offset by higher Congestion Charge income from higher charging capture rates.

Direct operating costs are £23m lower than budget, mainly owing to savings on bus performance payments and reduced staff costs from lower headcount. This is partly offset by higher bad debt on Road User Charging income.

Capital expenditure is £68m lower than budget due to the rephasing of portfolios, and underspends on lighting and technology.

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



Full-year passenger journeys are 38 million lower than budget, although the lifting of restrictions has led to the overall number of journeys increasing to around 70 per cent of pre-pandemic levels compared with a target of 79 per cent. Bus journeys have consistently been more than 50 per cent of pre-pandemic levels since April 2021.



Bus journeys at the end of the full year are **70%** of pre-coronavirus demand levels

## Volume analysis

	Full year 2021/22	Full year Revised Budget	Variance	Full year 2020/21	Variance
Congestion Charge volumes (thousands)	19,703	17,828	1,875	15,196	4,507
Congestion Charge and enforcement income (£m)	423.4	368.4	55.0	315.6	107.8

### Cycling

There were 2.93 million hires in Quarter 4, an increase of 957,000 (48 per cent) on the same quarter last year. Quarter 4 saw more hires than any other comparative period in the scheme's history. There were 11.8 million hires, showing the busiest financial year, an increase of 907,000 compared to our previous best year of 2018/19.

A total of 14,200 free NHS and key worker promotional codes were redeemed in the quarter and 27,335 new members joined the scheme.

### Traffic flow

Traffic flows across London are 11.6 per cent higher than they were last year. Flows are down by one per cent from the last quarter: 89.9 per cent compared to 90.6 per cent in Quarter 3.

This quarter, traffic flows in central London were 56.3 per cent compared to 59.4 per cent in Quarter 3. Inner London flows were 84.0 per cent, down from 87.0 per cent in Quarter 3 and outer London traffic flows were 89.9 per cent compared to 92.9 per cent in Quarter 3.

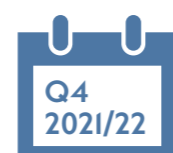
Fleet of

# 14,000

cycles based at more than 780 docking stations



Traffic flow (volume) year-on-year change



# 11.6%▲

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

## Volume analysis

	Full year 2021/22	Full year 2020/21	Variance
<b>Santander Cycles</b>			
Number of hires (millions)	11.8	10.2	1.6
<b>Victoria Coach Station</b>			
Number of coach departures (thousands)	117.3	39.7	77.6
<b>London River Services</b>			
Number of passenger journeys (millions)	5.3	1.6	3.7
<b>London Dial-a-Ride</b>			
Number of passenger journeys (thousands)	375.0	144.9	230.1
<b>Taxi and Private Hire</b>			
Number of private hire vehicle drivers	100,131	105,329	(5,198)
Taxi drivers	19,500	20,786	(1,286)
<b>Emirates Air Line</b>			
Number of passenger journeys (thousands)	1,365.0	428.6	936.4

# Rail

## Rail services demand is at 70 per cent of pre-pandemic levels

### Financial summary

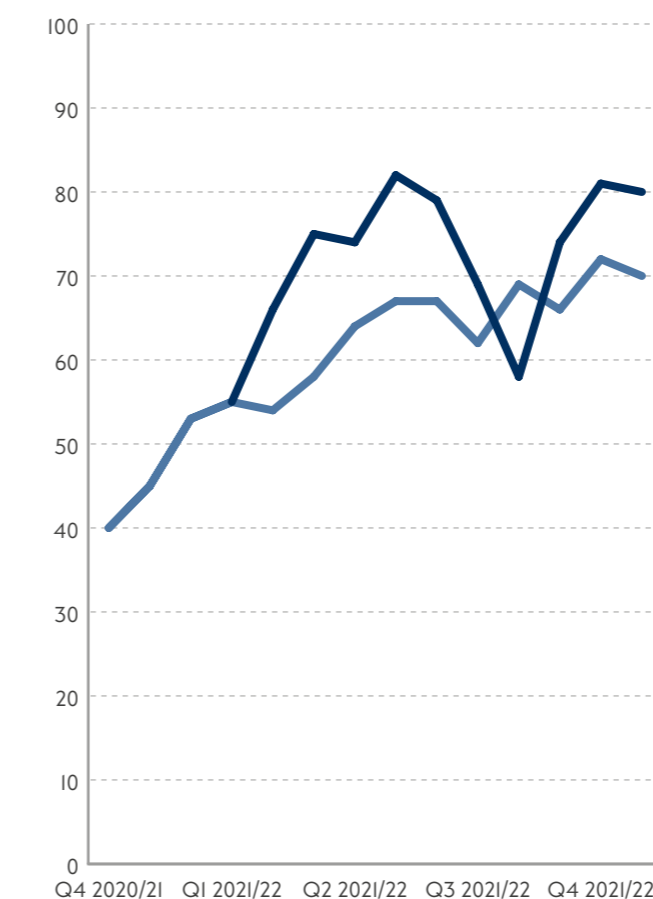
Rail (£m)	Full year 2021/22	Full year Revised Budget	Variance	Full year 2020/21	Variance
Passenger income	291	316	(25)	140	151
Other operating income	13	12	1	6	7
<b>Total income</b>	<b>304</b>	<b>328</b>	<b>(24)</b>	<b>146</b>	<b>158</b>
Direct operating cost	(476)	(484)	8	(456)	(20)
<b>Direct operating surplus/(deficit)</b>	<b>(172)</b>	<b>(156)</b>	<b>(16)</b>	<b>(310)</b>	<b>138</b>
Indirect operating cost	(14)	(24)	10	(19)	5
<b>Net operating deficit before financing and capital renewals</b>	<b>(186)</b>	<b>(180)</b>	<b>(6)</b>	<b>(329)</b>	<b>143</b>
Net financing costs	(40)	(41)	1	(40)	-
Capital renewals	(41)	(52)	11	(34)	(7)
<b>Net cost of operations</b>	<b>(267)</b>	<b>(273)</b>	<b>6</b>	<b>(403)</b>	<b>136</b>
New capital investment	(14)	(13)	(1)	(25)	11

Passenger income is £25m lower than budget, driven by 24 million fewer passenger journeys than anticipated.

Direct operating costs are £8m below budget, mainly owing to penalties on late delivery of rolling stock, and delays to recruitment and phasing of reactive maintenance. Further savings are attributed to ticket commission and interest rebates on new rolling stock.

Capital expenditure is £10m lower than budget, owing to delays in delivery across DLR renewals projects and rescheduling of projects across London Overground.

### Percentage of journeys compared to pre-coronavirus baseline (Rail)



Rail journeys at the end of the full year are **70%** of pre-coronavirus demand levels



DLR journeys at the end of the full year are **69%** of pre-coronavirus demand levels



London Overground journeys at the end of the full year are **69%** of pre-coronavirus demand levels



London Trams journeys at the end of the full year are **83%** of pre-coronavirus demand levels

— Budget — Actual

Full-year Rail journeys – including London Overground, DLR and Trams – were 70 per cent of pre-pandemic levels. Passenger demand was 24 million lower than budget, mostly on London Overground and DLR, showing a slower than anticipated return to the network.



# Major projects

These are our largest and most complex projects, comprising line and station upgrades, and network extensions

## Financial summary

Major projects (£m)	Full year 2021/22	Full year Revised Budget	Variance	Full year 2020/21	Variance
Other operating income	9	11	(2)	7	2
Government furlough grant	-	-	-	2	(2)
<b>Total income</b>	<b>9</b>	<b>11</b>	<b>(2)</b>	<b>9</b>	<b>-</b>
Direct operating cost	(17)	(20)	3	(37)	20
<b>Direct operating surplus/(deficit)</b>	<b>(8)</b>	<b>(9)</b>	<b>1</b>	<b>(28)</b>	<b>20</b>
Indirect operating cost	(26)	(35)	9	(34)	8
<b>Net operating deficit before financing and capital renewals</b>	<b>(34)</b>	<b>(44)</b>	<b>10</b>	<b>(62)</b>	<b>28</b>
Capital renewals	(6)	(7)	1	(3)	(3)
<b>Net cost of operations</b>	<b>(40)</b>	<b>(51)</b>	<b>11</b>	<b>(65)</b>	<b>25</b>
New capital investment	(544)	(591)	47	(543)	(1)

Total expenditure, including capital renewals and new capital expenditure, is £48m lower than budget, mainly owing to costs savings and deferral of works across the programmes.

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

### Four Lines Modernisation

We are transforming the Circle, District, Hammersmith & City and Metropolitan lines to reduce journey times and run a more frequent and reliable service.

On 27 March 2022, the programme reached a major milestone when the new signalling

system went live between Sloane Square, Paddington, Fulham Broadway and Barons Court. This phase involves upgrading the highly complex junction at Earl's Court and means the entire Circle line has been upgraded to the new signalling system.

### Northern Line Extension

The project came in £160m under budget, bringing its estimated final total cost to £1.1bn, despite the cost pressures brought about by the pandemic.

On 20 September 2021, two new stations at Nine Elms and Battersea Power Station welcomed their first customers. The two step-free Zone 1 stations are set to

dramatically improve the connectivity of these vibrant south London neighbourhoods and contribute to the capital's recovery from the pandemic.

In December 2021, we were awarded 'Excellent' for Civil Engineering Environmental Quality Assessment and Award Scheme, which is a sustainability assessment awarded by the British Research Establishment. Sustainability was considered at all stages of the project, including efficient use of materials, responsible procurement, and the use of barges to remove construction spoil from site to be used in land reclamation.

### Barking Riverside

Delivery of the physical works is now substantially complete with testing and commissioning of the station entering its final stages. The public areas around the station are being progressed and are on track to be completed before service operation commences.

As the station and rail systems testing is reaching its conclusion, the focus is on submitting the assurance documents to Network Rail and Office of Rail and Road for obtaining authorisation to operate the service between Gospel Oak and Barking Riverside. Quality documentation and operation and maintenance manuals required to support the submission are being progressed with the main contractor.

### Bank Station Upgrade

The Bank branch of the Northern line re-opened right on schedule on 16 May 2022, following a 17-week planned closure as part of the Bank Station Capacity Upgrade project.

Our customers can now use Northern line services at all Bank branch stations between Kennington and Moorgate again. When they arrive at Bank, they'll be greeted by a new, wider southbound Northern line platform and a spacious new customer concourse. Three new passageways have also been completed, which will make moving around the station quicker and easier for customers.

The installation of 12 escalators, two moving walkways, power, lighting, fire and communications systems has progressed to plan. The testing and commissioning of all systems is being conducted in tandem to prepare for handover to operations for passenger use.

### DLR Rolling Stock and Systems Integration

Manufacturing for our new rolling stock is under way and the first train is assembled and ready to begin static testing. This strategic milestone was achieved two months ahead of programme.

We have completed the contracts for the acquisition of land at Beckton next to the depot, which is needed for the



construction of the additional sidings funded by the Housing Infrastructure Fund.

There have been delays with the design of the new maintenance building and the possession programme for the northern sidings works. A contingency plan to enable the first trains to be assembled on time has been developed and the train introduction schedule is not expected to be impacted.

#### **Silvertown Tunnel**

Contracts are in place for transport and traffic, socio-economic and environmental monitoring, which are part of our development consent order obligations. Environmental monitoring continues, with additional traffic monitoring which will support our wider air quality monitoring and is in addition to that required under the development consent order obligations.

We have taken temporary possession of the required land from existing tenants to enable handover of 50 out of 64 sites to our contractor Riverlinx.

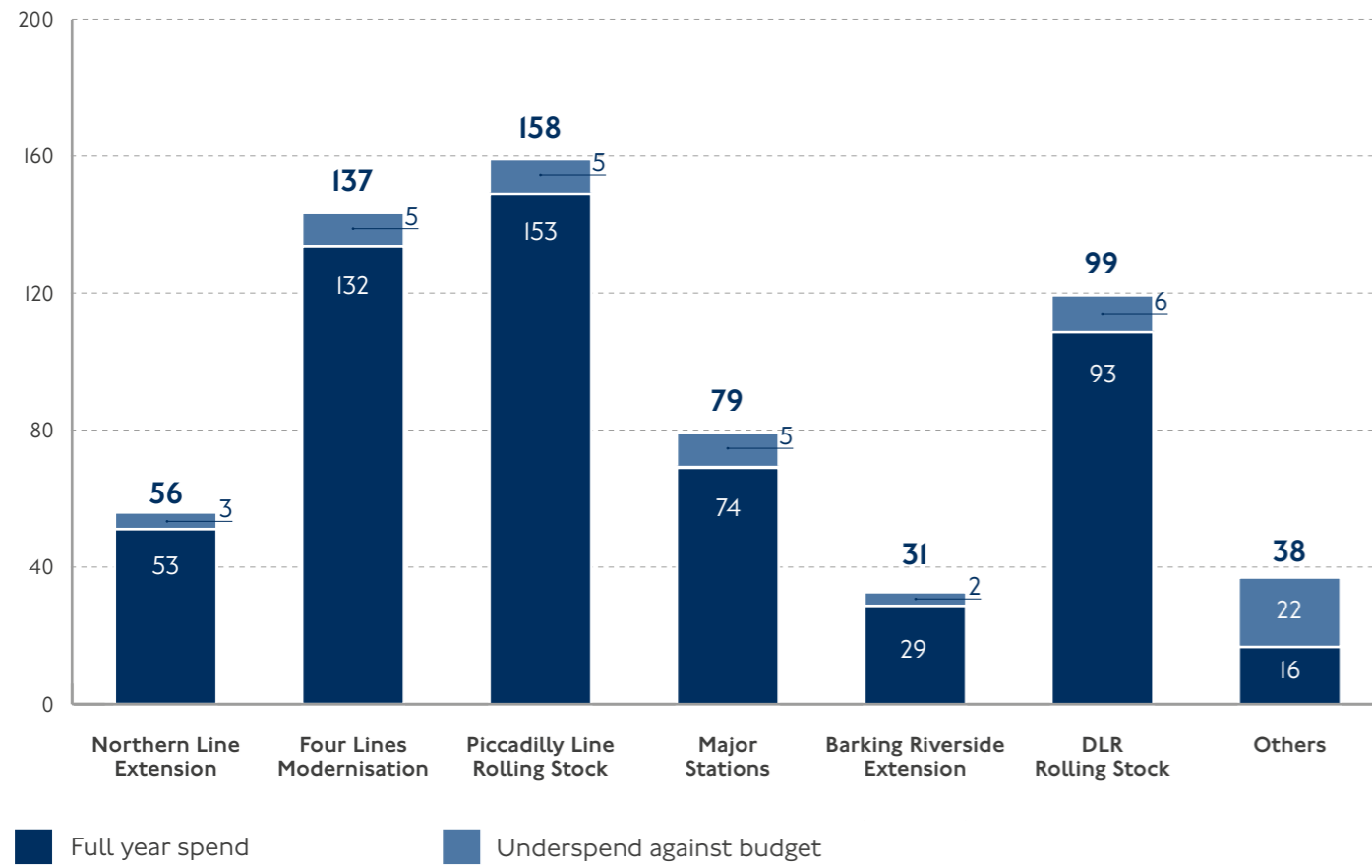
Site works continue at both Greenwich and Silvertown. The tunnel boring machine has been delivered to site in pieces and is being assembled ahead of tunnelling, which begins in summer 2022.



The Bank Station Upgrade has progressed as planned



Full year capital spend by programme (£m)



A computer-generated image of the station, which is nearly complete



# Property development

We're creating a fully self-financing commercial property company within TfL to support our road to financial sustainability and London's post-pandemic recovery

## Financial summary

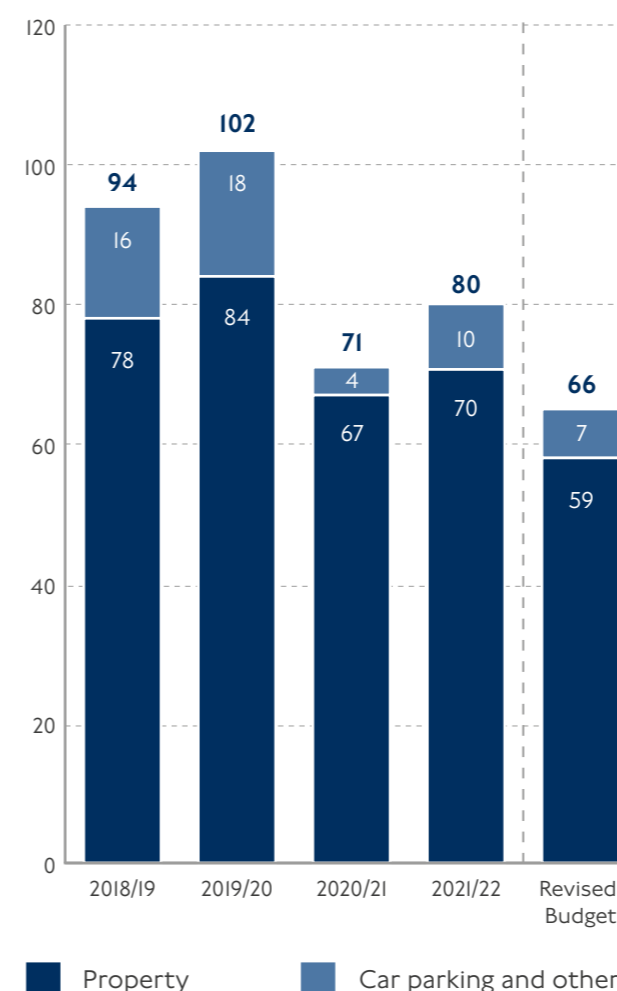
Property development (£m)	Full year 2021/22	Full year Revised Budget	Variance	Full year 2020/21	Variance
Other operating income	80	66	14	71	9
Direct operating cost	(59)	(53)	(6)	(68)	9
<b>Direct operating surplus/(deficit)</b>	<b>21</b>	<b>13</b>	<b>8</b>	<b>3</b>	<b>18</b>
Indirect operating cost	(10)	(15)	5	(10)	-
<b>Net surplus/(cost) of operations</b>	<b>11</b>	<b>(2)</b>	<b>13</b>	<b>(7)</b>	<b>18</b>
<hr/>					
New capital investment	(51)	(112)	61	(36)	(15)
Property receipts	68	72	(4)	16	52
Crossrail over-site development	93	121	(28)	47	46
<b>Net capital expenditure</b>	<b>110</b>	<b>81</b>	<b>29</b>	<b>27</b>	<b>83</b>

Direct operating surplus is £8m higher than budget, mainly driven by income performance continuing to be better than expected through the pandemic.

New capital investment is £61m lower than budget, owing to delays to property development, in-station retail and other asset management projects caused by planning delays and funding constraints.

Property receipts and Crossrail over-site development income are £32m lower than budget, driven by delays to the completion of sites at Woolwich, Cardinal House and various sites at smaller disposals.

## Property income (£m) Full year



Connected Living London (CLL) – our joint venture partnership with Grainger plc – was successful at appeal for our project at Arnos Grove. We will be delivering a total of 162 quality rental homes. The Planning Inspector agreed that our proposals will have a beneficial impact on the surrounding area, with high quality design that is respectful of

the Grade II-listed station building, and that it would reduce vehicle traffic.

We also gained approval from the Secretary of State for our project at Wembley Park that we are delivering in collaboration with Barratt London. We will build 454 homes, of which 40 per cent will be affordable, alongside a new retail area, improvements for the local community, and refurbished space for operational staff.

Our search for a development partner to build our project at Bollo Lane in Acton also progressed. During Quarter 4 we launched the second stage of the procurement process, shortlisting our long list down to four potential partners. We hope to appoint a partner at the end of this year.

We've completed our deal at Liberty of Southwark with our development partner U+I. Together, we will deliver around 13,100 square metres of commercial workspace and 36 homes, 50 per cent of which will be affordable housing.

To mark National Apprenticeship Week (7 – 11 February 2022) and inspire people to seek a career in the built environment industry, we held a number of events at BuildEast, our construction training hub. Around 120 school students from NewVic College and Chobham Academy joined the Commissioner on the day, where they donned virtual reality headsets and participated in steel fixing and formwork taster sessions.

# Media

## Our media income includes advertising revenue

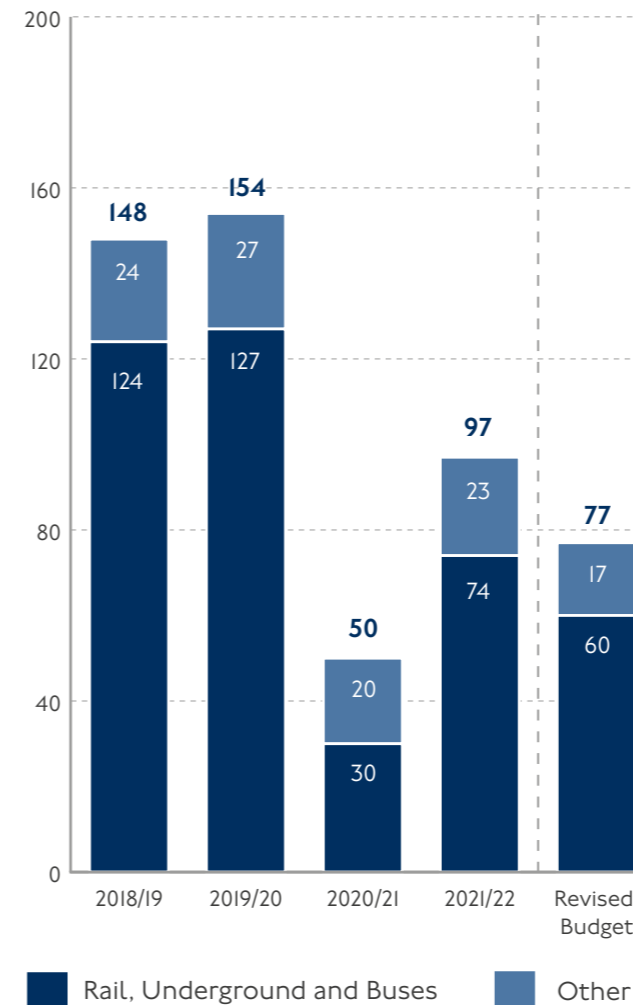
### Financial summary

Media (£m)	Full year 2021/22	Full year Revised Budget	Variance	Full year 2020/21	Variance
Other operating income	97	77	20	50	47
Direct operating cost	2	1	1	(8)	10
<b>Direct operating surplus/(deficit)</b>	<b>99</b>	<b>78</b>	<b>21</b>	<b>42</b>	<b>57</b>
Indirect operating cost	(1)	(1)	-	(1)	-
<b>Net surplus of operations</b>	<b>98</b>	<b>77</b>	<b>21</b>	<b>41</b>	<b>57</b>
New capital investment	3	3	-	12	(9)

Significant increases in income between 2020/21 and 2021/22 were seen in our Rail, Underground and bus shelter estates, as well as our newspaper distribution and other advertising income streams (including online advertising and the Film Office).

Direct operating costs in 2021/22 decreased from £8m to a surplus of £2m. This was owing to the reversal of a IFRS 9 expected credit loss provision following the settlement of outstanding roadside advertising for 2020/21.

### Advertising income (£m) Full year



In 2021/22 we have seen an encouraging increase in our media income as passengers return to our services and confidence in the advertising industry strengthens. Operating income in 2021/22 was £97m, which was £20m above budget and a £47m year-on-year increase.

As we move into 2022/23, we will continue to work closely with our advertising partners to rebuild our media income.

# Headcount

## Our people provide a vital service for London

### Full-time equivalents, including non-permanent labour

	31 March 2021 Actual	Year-to-date net (leavers)/joiners	31 March 2022 Actual
Underground	17,834	220	18,054
Elizabeth line	290	52	342
Buses, streets and other operations	2,653	(96)	2,557
Rail	274	5	279
Property development	198	1	199
Facilities & estates	137	(11)	126
Professional services*	4,150	183	4,333
Media	26	(1)	25
Major projects	627	48	675
<b>TfL total</b>	<b>26,189</b>	<b>401</b>	<b>26,590</b>
Crossrail	606	(162)	444
<b>Total</b>	<b>26,795</b>	<b>239</b>	<b>27,034</b>

The full-year figure for total TfL full-time equivalent roles is 26,590, which is 401 higher than at the start of the year.

London Underground headcount has increased, driven by the recruitment of station staff and train operators due to new services to support the Northern Line Extension, Elizabeth line, the Four Lines Modernisation upgrade and recruitment in Engineering to meet project demand.

The Buses, streets and other operations figure has fallen, driven by the exit programme for Dial-a-Ride.

Major projects headcount has increased, mainly driven by 30 new apprentices joining the Project Management Office, in addition to increases in construction site and project manager roles, as project activities start to resume.

The increase in Professional services includes 65 new graduates or apprentices, as well as recruitment within Technology and Data, Business Services and HR as activity restarts following the easing of pandemic restrictions.

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

### Non-permanent labour

The total number of non-permanent labour contractors has increased this year following reductions due 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	1,854	3,238,107

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

### Non-permanent labour by length of service

Length of service	31 March 2021 Actual	Year-to-date net (leavers)/joiners	31 March 2022 Actual
0-6 months	262	157	435
6-12 months	85	235	281
1-2 years	307	(97)	182
2-3 years	109	97	189
3-5 years	110	27	118
5+ years	118	12	122
<b>Total</b>	<b>991</b>	<b>431</b>	<b>1,422</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.



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## About TfL

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, TfL Rail, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the Emirates Air Line. The quality and accessibility of these services is fundamental to Londoners' quality of life. By improving and expanding public transport and making more stations step

free, we can make people's lives easier and increase the appeal of sustainable travel over private car use.

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, the Ultra Low Emission Zone scheme and more environmentally friendly bus fleets are helping to tackle London's toxic air.

During the coronavirus pandemic we have taken a huge range of measures to ensure the safety of the public. This includes enhanced cleaning using hospital-grade cleaning substances that kill viruses and bacteria on contact, alongside regular cleaning of touch points, such as poles and doors, and introducing more than 1,000 hand sanitiser points across the public transport network.

Working with London's boroughs we have also introduced Streetspace for London, a temporary infrastructure programme providing wider pavements and cycle lanes so people can walk and cycle safely and maintain social distancing.

At the same time, we are constructing many of London's most significant infrastructure projects, using transport to unlock much needed economic growth. We are working with partners on major projects like the extension of the Northern line to Battersea, Barking Riverside and the Bank station upgrade.

Working with Government, we are in the final phases of completing the Elizabeth line which, when open, will add 10 per cent to central London's rail capacity. Supporting the delivery of high-density, mixed-use developments that are planned around active and sustainable travel will ensure that 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 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 recovers from the pandemic and moves forward.

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