

**TRANSPORT FOR LONDON**

**BOARD**

**SUBJECT: SPENDING REVIEW 2010**

**DATE: 4 NOVEMBER 2010**

---

**1 PURPOSE AND DECISION REQUIRED**

- 1.1 This paper provides a brief overview of key aspects of TfL's Spending Review settlement, following the Chancellor's announcement of 20 October 2010.
- 1.2 The final settlement letter is contained at Appendix 1. The Mayor's direction on 2011 fares is attached at Appendix 2. Further information about the removal of the Western Extension Zone is also included.
- 1.3 TfL's proposed response to the new settlement, including the key measures that will enable TfL to manage within the reduced funding, is outlined in the Commissioner's Report.

**2 TFL'S SPENDING REVIEW 2010 SETTLEMENT**

- 2.1 The 2010 Spending Review (SR10) was conducted against the backdrop of the worst financial and fiscal crisis in living memory. The Chancellor used his Emergency Budget statement in June to announce the overall 'envelope' for public spending over the period of SR10 (2010/11 – 2014/15), and used the Spending Review announcement of 20 October to set out the detailed implications for both departmental expenditure (DEL) and expenditure which is predicted rather than controlled (such as welfare benefits and pensions) – known as 'Annually Managed Expenditure' or 'AME'.
- 2.2 Overall, departmental budgets (other than health and overseas aid) were cut by an average of 19 per cent in real terms by 2014/15; however, there were 'winners' and 'losers' within this. The Department for Transport (DfT) received a 14.6 per cent overall reduction, comprising a 21.5 per cent reduction in its Resource DEL (of which the transport grant to TfL is the single largest element, representing around half), and a 11.3 per cent reduction in Capital DEL.
- 2.3 Compared with TfL's SR07 settlement (which contained real terms growth), this amounts to a £2.17bn total cut over the four years of the Spending Review, with the largest annual cut expected in 2014/15.
- 2.4 The overall Greater London Authority (GLA) Transport Grant is detailed in paragraph 10 of the settlement letter at Appendix 1. Within this, there is a split between a 'General Grant', which is reduced by 28 per cent in real terms over four years (in line with the reduction in local transport funding nationally), and an 'Investment Grant', which grows in real terms, and which

supports delivery of the schemes set out in Annex B of the settlement letter (detailed below). However, this split is purely notional, and the grant will be paid as a single grant in accordance with the Greater London Authority Act 1999, and subject to a single yearly grant determination process. TfL, therefore, continues to have discretion on how to spend the Grant (subject to the conditions in the settlement letter, described in paragraph 2.11 below).

- 2.5 In determining whether the settlement represents a successful outcome for TfL, consideration should be given to the outcomes that have been protected. Both the full scope of Crossrail and the upgrade of the Tube (including the major station congestion relief projects) will go ahead. These two programmes have between them secured around £5bn of capital grant from the DfT over the Spending Review years, which is not included in the GLA Transport Grant. This includes around £1bn of grant to replace funding that would have been raised in the second period of the PPP by the Metronet companies, where the Government accepted TfL's long-standing request that this be paid as capital grant (mirroring the treatment of the Put Option following the collapse of Metronet), rather than being made available to TfL in the form of additional borrowing headroom. This additional grant is detailed in paragraph 12 of the settlement letter. An 'abatement' was applied to the Metronet grant (and to the GLA Transport Grant in 2014/15), reflecting the notional cost of the debt interest that TfL would have incurred, at an interest rate equivalent to 25 year Public Works Loans Board debt. The table below shows that the cut to TfL's transport grant of 21 per cent was broadly in line with the cut to the DfT's Resource DEL:

<b><u>DfT Spending Review settlement</u></b>					
	<i>fye</i>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Real terms growth, Resource DEL		2.0%	-6.0%	-8.3%	-21.5%
Real terms growth, Capital DEL		-1.9%	0.9%	-8.9%	-11.3%
Real terms growth, Total DEL		-0.3%	-1.8%	-8.7%	-14.6%
<b>Real terms growth in GLA Transport grant</b>		<b>-0.4%</b>	<b>-2.7%</b>	<b>-8.7%</b>	<b>-20.8%</b>

- 2.6 In addition to the GLA Transport Grant and the Metronet grant:
- a £24m grant will be paid in 2012/13 to support phase 2 of the East London Line Extension to Clapham Junction, as part of a previously agreed funding package;
  - separate grant payments will be made in respect of London Overground operations;
  - prudential borrowing limits are as agreed at SR07 levels, and include an additional £165m to fund development of new Piccadilly line rolling stock; and
  - the DfT has confirmed capital grants to Crossrail of around £4bn during Spending Review years.

#### **Duration of settlement**

- 2.7 Although the settlement is of a shorter duration than the settlement it replaced (running to 2014/15 rather than 2017/18), the Secretary of State's letter clearly acknowledges in paragraph 9 that TfL will find it necessary to

enter into contractual commitments which extend beyond the Spending Review period in relation to some of the Annex B schemes and Crossrail, and that such commitments will be recognised when determining levels of grant and borrowing beyond the Spending Review years. As well as publishing a balanced Business Plan covering the period of the Spending Review, TfL will seek to ensure that the commitments it enters into are affordable beyond the immediate spending review period, based on reasonable assumptions.

### **Cuts to Bus Service Operators Grant (BSOG)**

- 2.8 BSOG payments are paid directly to bus operators rather than TfL; the DfT's Spending Review press release confirms that "from 2012/13, the DfT plans to make a reduction in the subsidy paid to bus operators by reducing the rate at which subsidy is paid by 20 per cent." TfL will work with London's bus operators to understand how they propose to absorb the impact of the reduction, and has no plans to reduce the bus network mileage from the levels set out in the published Business Plan. While fares are a matter for Mayoral decision each year, TfL will continue to plan on the basis that fares will increase at RPI+2 per cent each year and that concessions are maintained.

### **Scrutiny and Governance**

- 2.9 A key issue for the Government in Spending Review negotiations was the Government's desire to ensure an effective and independent ongoing scrutiny of expenditure on LU infrastructure – partly with a view to ensuring that State Aid rules are not breached, following the demise of the Tube PPP and the Arbiter. As part of the settlement, TfL has agreed a final Terms of Reference for the Independent Investment Programme Advisory Group (IIPAG), alongside the Mayoral Direction that will establish the IIPAG as an independent group of expert advisors who will advise the Mayor on issues affecting the delivery of TfL's investment programme. These are the subject of a separate paper on the agenda.
- 2.10 The settlement also requires TfL to "take account of the options considered by the Joint Steering Committee, which considered future arrangements for delivery following the collapse of Metronet", and to "examine the scope for introducing an independent pricing role to assess the economic and efficient cost of planned tube upgrade work." This review will be undertaken as part of the review of TfL's structure, which is underway and being led by the Commissioner.

### **Commitment to key schemes (Annex B)**

- 2.11 The SR10 settlement letter states that TfL's settlement may be subject to review by the Secretary of State, including in-year, if there is any "significant deviation" from the schemes set out in Annex B, or the agreements on the role of the IIPAG. The Annex B schemes and deadlines include both delivery dates and interim milestones, the majority of which are based on TfL's existing Business Plan (with the exception of the Northern line upgrade, where the current forecast completion date of 2014 remains under review in light of the difficulties in completing the Jubilee Line upgrade to time).

- 2.12 A further change from published assumptions is to the Piccadilly line upgrade (whose contractual completion date by Tube Lines under the PPP was 2014), where a less disruptive and more efficient approach to construction will be adopted, seeking synergies with the Sub Surface Line upgrade (due for completion by 2018 as originally planned) and utilising a new, lighter, rolling stock, reducing the need the expensive power and cooling works.
- 2.13 The only non-LU scheme to which TfL has committed in Annex B is 'SCOOT' (an automated intelligent traffic control system which improves traffic flow), which will be rolled out across a further 1,000 sites across London by 2015.
- 2.14 Progress in delivering Annex B schemes will be reported on as part of TfL's regular operational and financial reporting (including the Investment Programme report).

### **3 WEZ REMOVAL AND FARES**

#### **WEZ Removal**

- 3.1 In addition to the main SR10 settlement on 20 October and TfL's proposed response, the Mayor confirmed that the Western Extension of the Congestion Charging Zone will be removed after Christmas Eve 2010. This change will take place along with the introduction of payment by account (known as 'CC Auto Pay') an increase in the charge from £8 to £9 (for payment by account) or £10 for payment in advance or on the day by conventional means. Registration for CC Auto Pay will be subject to a £10 registration charge per vehicle. He also confirmed the closure of the alternative fuel discount and its replacement with a new greener vehicle discount to encourage the take up of cleaner lower carbon vehicles. The Congestion Charge will remain under review in future years, to ensure that it remains an effective measure to control traffic levels in central London.

#### **Fares**

- 3.2 The Mayor also issued a Direction, pursuant to section 155 of the Greater London Authority Act 1999, in respect of his 2011 fares decision. The Direction is attached at Appendix 2. In summary:
- (a) an average fares rise of RPI+2 per cent, in line with the assumption in last year's Business Plan, will be implemented on TfL's buses, Tube and other rail services such as the Overground and DLR;
  - (b) based on July's RPI figures of 4.8 per cent, this represents an average 6.8 per cent for fare paying customers; and
  - (c) free and concessionary travel for older people, the young, the poorest and disabled Londoners has also been protected in full.
- 3.3 The detailed fare changes build on the successful extension of Oyster Pay As You Go (PAYG) to National Rail a year ago. Many PAYG fares in the suburbs involving National Rail are frozen, and new PAYG discounts have been introduced on the Tube to make travel into central London cheaper in the evening peak.

- 3.4 As part of the Spending Review announcement, the Secretary of State for Transport also announced that the cap on regulated National Rail fares would increase at RPI+3 per cent for three years from January 2012. Although the increase in the cap includes Travelcards, TfL's planning assumption remains that TfL fares overall will increase at RPI+2 per cent.

#### **4 RECOMMENDATION**

- 4.1 The Board is asked to NOTE this paper.

#### **5 CONTACT**

- 5.1 Contact: Steve Allen, Managing Director, Finance  
Number: 020 7126 4918  
Email: [StephenAllen@tfl.gov.uk](mailto:StephenAllen@tfl.gov.uk)

Boris Johnson  
Mayor of London  
City Hall  
The Queen's Walk  
More London  
London  
SE1 2AA

Great Minster House  
76 Marsham Street  
London SW1P 4DR

Tel: 020 7944 XXXX  
Fax: 020 7944 XXXX  
E-Mail: XXXX

Web site: [www.dft.gov.uk](http://www.dft.gov.uk)

20 October 2010

Dear Boris,

### **Spending Review 2010: TfL funding agreement**

This letter sets out a funding agreement for Transport for London up to 2014/15 which reflects my current intentions.

We have a shared commitment to protecting the tube upgrades and Crossrail, recognising the importance of these projects to the London and national economy. SR10 is predicated on the assurances you have given about delivery of the tube upgrades, and in respect of the need for appropriate measures to meet state aid rules (detailed below).

### **Basis of funding agreement and reviews**

1. This funding agreement ("SR10") will replace the previous TfL settlement set out in Bronwyn Hill's letter of 4 October 2007 to Steve Allen ("CSR07") and for the avoidance of doubt, supersedes any other "outstanding" funding agreements reached. It sets out my present intentions in relation to the Department for Transport's funding of Transport for London up to 2014/15. It also sets out the basis on which this funding agreement has been drawn up, including the contributions needed from the Mayor to support his commitments to Crossrail. Except where otherwise expressly indicated, this letter sets out the totality of DfT grant and borrowing support for TfL. Although it is my firm intention as Secretary of State to provide the support detailed on the basis described, no commitment is given since I cannot fetter my ability, or that of a future Secretary of State, to set grant levels as I see fit in response to relevant considerations.

2. SR10 has been determined after consultation with you, as Mayor, and TfL officials, and takes into account, amongst other things, your existing and anticipated spending commitments and potential revenue during this period.

## **Context of SR10**

3. It is our shared intention that TfL will manage the financing of the activities across its estate within the levels of borrowing, the grant funding set out below and TfL's other sources of income, and having regard to the basis on which SR10 has been drawn up. These activities include:

- TfL's transport and corporate activities (including Ex-Metronet and Tube Lines);
- Pensions;
- TfL's activities in support of successful delivery of the London 2012 Olympic and Paralympic games;
- Its obligations toward third parties;
- PFIs;
- TfL's Crossrail contribution; and
- The funding of the Independent Investment Programme Advisory Group

## **Assurances in respect of TfL Investment Programme**

4. SR10 is drawn up in the context of current developments with respect to the delivery of the TfL investment programme, in particular the purchase of Tube Lines by TfL. For value for money reasons and with a view to ensuring State Aid rules are not breached in the absence of a continuing role for the PPP Arbiter, there needs to be an effective and independent ongoing scrutiny of expenditure on the LU infrastructure. Therefore, I welcome your commitment to extend the scope of the Independent Investment Programme Advisory Group (IIPAG)'s role to cover the work managed by Tube Lines and additionally publish benchmarking across the range of London Underground maintenance, renewal and upgrade programmes. I have agreed revised terms of reference for the IIPAG with you (Annex A), and will receive copies of the Group's reports. The IIPAG will work under a Direction from you as Mayor as we have agreed. I have attached at Annex E what I understand to be the terms of your proposed Mayoral Direction. I confirm that I agree with it. This said, we agree that if the European Commission does not consider the IIPAG model set out in Annex A provides sufficient independent scrutiny, or wishes to see other measures put in place, then appropriate measures will be taken to satisfy them.

5. SR10 is also drawn up in the expectation that TfL officials will develop proposals for the future arrangements for the delivery of the Tube Lines infrastructure works, as part of a wider review of the structure of TfL, with initial proposals by the end of the year. This will take account of the options considered by the Joint Steering Committee which considered future arrangements for delivery following the collapse of the Metronet companies

and will examine the scope for introducing an independent pricing role to assess the economic and efficient cost of planned tube upgrade work.

These proposals will be discussed at official level between my Department and TfL and will be subject to review by myself as Secretary of State.

## **Deliverables**

6. Subject to paragraph 9 below, you have confirmed that SR10 will allow you to deliver the schemes listed at Annex B to the milestones specified. This includes key elements of the LU infrastructure investment programme. We have agreed that the milestones and delivery dates listed reflect your current delivery programme.

## **Future reviews**

7. It is currently intended that a new funding agreement to succeed SR10 will be drawn up no later than 2014, for 2015/16 onwards. In addition, SR10 may itself be subject to review at any point prior to that time, for example in the context of a wider government Spending Review or other wider pressures on the Department's finances or those of the Government as a whole. As Secretary of State, I would also expect to review SR10 at any time before 2014/15, including in year, if, for example, there is significant deviation from the commitments referred to in paragraphs 4 to 6 above, or TfL do not meet their Base Funding Amount payments to the Crossrail project

8. In any future review, the Secretary of State will take all relevant circumstances into account including:

- a) Delivery of the reforms and schemes listed in paragraphs 4, 5 and 6 above and at Annex B;
- b) Adherence to the agreed borrowing limits listed below in this letter;
- c) The extent to which TfL has managed its estate as described in paragraph 3 above, including use TfL and the Mayor have made of their capacity to raise further income and reduce expenditure; and the extent to which any exceptional pressures on TfL's budget could have been or can be prevented or alleviated by them;
- d) DfT's public expenditure position and other pressures on the Department's budget; and
- e) Whether TfL have failed to meet any TfL Base Funding Amount payments to the Crossrail project.

9. I acknowledge that TfL will need to enter into commitments in relation to some of the projects at Annex B which extend beyond the current Spending Review period, and that the GLA and TfL will need to raise additional



borrowing beyond 2014/15 to meet your Crossrail funding commitments. The Government will take account of these commitments in considering levels of grant and borrowing support in the future.

## Settlement

### *GLA Transport Grant profile*

10. My firm intention is that subject to the above and to the yearly grant determination process, a GLA transport grant, comprising a General Grant and a Investment Grant supporting delivery of the schemes and milestones set out in Annex B (notably upgrade of the Tube), will be paid according to the profile set out in the table below. This includes an abatement in respect of the separate Metronet capital grant described at paragraph 12 below in 2014/15 only. The abatement is made in lieu of the interest that would otherwise have been payable by TfL on the amount of the Metronet capital grant, had TfL borrowed those amounts. The abatement has been calculated on the basis of a fixed interest rate of 4.05%. This was the PWLB rate for a 25-year maturity loan on the morning of 6 October 2010. An abatement will continue to apply after 2014/15 and will be taken into account in setting the baseline for future grant settlements.

<b>£m (cash)</b>	11/12	12/13	13/14	14/15
General	1,943	1,922	1,795	1,517
Abatement in respect of Metronet capital grant	-0	-0	-0	-41
Investment Grant	861	881	904	928
<b>GLA transport Grant</b>	<b>2,804</b>	<b>2,803</b>	<b>2,699</b>	<b>2,404</b>

### *Other grants*

11. In addition to the GLA Transport Grant profile, I currently intend to make the following funding available.

12. Capital grant will be provided under S31 of the Local Government Act 2003, to replace funding that would otherwise have been raised by the former Metronet companies through borrowing, on the following profile. The grant payable in years 2012/13 and 2013/14 will be abated in lieu of the interest that would otherwise have been payable by TfL on the amount of the Metronet capital grant, had TfL borrowed those amounts. The abatement has

been calculated on the basis of a fixed interest rate of 4.05%. This was the PWLB rate for a 25-year maturity loan on the morning of 6 October 2010.

<b>£m (cash)</b>	11/12	12/13	13/14	14/15
Metronet grant	424	369	216	0
Abatement	0	-17	-32	0
<b>Total Metronet grant</b>	<b>424</b>	<b>352</b>	<b>184</b>	<b>0</b>

14. Following TfL's request for a service decrement, the Department will make a grant of £24m available to TfL in 2012/13 to reflect the savings over 10 years associated with the Department withdrawing sponsorship of the South London Line / Victoria to Bellingham services from 2012. TfL will use this grant to fund the costs of the East London Line extension phase 2 from Surrey Quays to Clapham Junction via Peckham Rye. It is expected that this service will commence in 2012. TfL will be responsible for this service and all ongoing costs, including any further mitigation measures. Other conditions set out in the original proposal from the Secretary of State for Transport to the Mayor of London dated 5/12/2008, and the subsequent response from Ian Brown at TfL dated 12/1/2009, still apply.

15. Continued funding will be made available to support the ITSO on Prestige project to make TfL's Oyster estate interoperable with national smartcard specifications, in accordance with the ITSO on Prestige agreement dated 28 May 2009.

16. TfL has successfully bid for funding from the Department for the installation of electric vehicle recharging infrastructure under the first round of the Plugged-In Places programme. The level of any funding offered to TfL in 2011/12 and 2012/13 for the continuation of this programme will be determined as part of wider considerations relating to the second round of the programme, which will take place later this year.

17. Grant payments in respect of London Overground will continue to be made separately, and will be set in accordance with the agreed Grant Memorandum for the operation of the Silverlink Metro Network, as amended by the sub-agreement following the transfer of services on implementation of the new Southern franchise.

18. I recognise that bus services contracted by TfL are also currently eligible for Bus Service Operators Grant (BSOG) paid by the Department. I am currently reviewing the level of BSOG payment and would expect these changes to apply in London as in other parts of the country. I am also reviewing the arrangements for payment of BSOG and I will discuss any possible changes to the current arrangements with TfL before implementing them.

### *Borrowing limits*

19. TfL's borrowing is to be contained within the following profile, which includes £165m of borrowing cover which will be made available during the Spending Review period to fund the procurement of the Piccadilly Line fleet:

<b>£m (cash)</b>	11/12	12/13	13/14	14/15
<b>TfL Borrowing</b>	425	445	345	650

20. Guidance on interpretation of borrowing limits and PFI accounting treatment is set out at Annex C.

### *Crossrail*

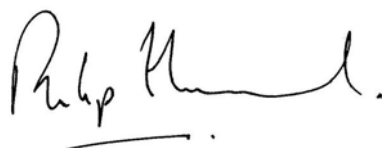
21. Separately, as Mayor you will be able to raise borrowing for Crossrail through the GLA, supported by a supplementary business rate, according to the following profile:

<b>£m (cash)</b>	11/12	12/13	13/14	14/15
<b>GLA Borrowing</b>	700	700	800	500

22. Alongside TfL's prudential borrowing for Crossrail (to be contained with the borrowing profile at paragraph 19) and the GLA debt underpinned by a supplementary business rate, the upper limit of the Department's yearly Crossrail grant contributions (the Department's Sponsor Contribution to Crossrail) will be as follows:

<b>£m (cash)</b>	11/12	12/13	13/14	14/15
<b>Crossrail Capital grant</b>	517	1205	1123	1082

23. The borrowing limits and DfT Crossrail grant line set out above are predicated on our agreements on the delivery, funding and governance of Crossrail, as set out in Annex D.



**PHILIP HAMMOND**

## **Annex A**

### **Terms of Reference for the Independent Investment Programme Advisory Group (IIPAG)**

#### **Purpose**

The IIPAG will provide independent assurance and expert advice to the Mayor of London concerning Transport for London's Investment Programme as published from time to time; including all maintenance, renewal, upgrades and major projects, but not operational issues or the activities of Crossrail Limited. The IIPAG will consider issues of economy, efficiency and value for money in preparing its advice.

The Secretary of State for Transport also wishes to be assured that the financial support provided to TfL delivers value for money to the taxpayer, and will be consulted in relation to the work of the Group and will receive copies of reports and other materials that are provided to the Mayor as set out in this Terms of Reference.

#### **Membership**

Six to eight Members

#### **Frequency of Meetings**

The Group shall meet at least twice a year. The Chair of the IIPAG will determine the frequency of any additional meetings should they be required for the group to function effectively.

Group members may be required to attend relevant meetings of the Finance and Policy Committee or TfL Board.

#### **Terms of Reference**

1. The Group will advise the Mayor, the Finance and Policy Committee and the TfL Board, sending reports also to the Secretary of State for Transport with regard to:
  - (a) the delivery of the TfL Investment Programme. This may include consideration of systemic or generic issues such as organisational capability and structure, and the efficiency, effectiveness and economy of delivery of the Investment Programme, including all maintenance, renewal, upgrades and major projects.
  - (b) the approval of projects by the TfL Board and/or Finance and Policy Committee, by overseeing the system of gateway reviews and ensuring they are undertaken thoroughly and efficiently, and (where necessary) recommending that further reports or reviews be commissioned;
  - (c) the adequacy of progress and delivery status of major projects between formal approval gates;
  - (d) other aspects of the Investment Programme it considers appropriate; and
  - (e) examination and commentary upon the draft Asset Management Plans relating to the infrastructure of London Underground.

The remit of the Group does not include operational issues or the activities of Crossrail Limited.

2. The Group will be responsible for the direction of a team undertaking benchmarking of the costs of maintenance and project delivery on the London Underground network, using data provided by London Underground and such other materials as the Group considers appropriate, including international benchmarking. The Group will broaden benchmarking to other areas of TfL undertaking delivery of the Investment Programme at an appropriate time.
3. The Group will assign members to review and report on specific high value and/or high risk projects or programme areas within the TfL Investment Programme.
4. Annually, the IIPAG will consult with TfL and the Secretary of State for Transport and propose a workplan for the year to the Mayor for his approval. The plan will cover both the Group's involvement in the review of specific projects and its activities to form a broader assessment of the delivery of the Investment Programme. The workplan will be kept under review by the Group, and changes will be proposed to the Finance and Policy Committee as required. Significant changes will be agreed with the Mayor, having consulted with the Secretary of State, prior to implementation.
5. The Group may, to support its work, provide advice in relation to the selection of appropriate engineering and project management consultancies in accordance with TfL's policies and procedures on procurement and conflicts of interest as they may vary from time to time.
6. Annually, the Group will review the level of resource required to undertake the activities set out in the terms of reference and will recommend a budget to the Finance and Policy Committee for consideration, prior to a budget being submitted by TfL to the Mayor for his approval.
7. The Group will publish an annual report on TfL's delivery of its Investment Programme from its work during the year, drawing out any common themes, systemic issues and lessons learnt. The Group may also publish additional reports throughout the year as it sees fit, after consulting the Mayor and subject to appropriate obligations relating to confidentiality and conflicts of interest.
8. The Group will notify the Mayor and TfL Board of any issues of significant concern in relation to the value for money or delivery of the Investment Programme. Any notification of such issues shall be passed to the Secretary of State for Transport together, where so requested by the Secretary of State and subject to appropriate confidentiality obligations, with such other reports and related data which the Group may produce for the Mayor or the TfL Board and its committees. The Secretary of State shall pass such material to the European Commission as necessary.

## Annex B

### COMMITTED SCHEMES AND MILESTONES

#### Milestones due to be reached during Spending Review Period:

Delivery Date	Description of Project and Milestone / Key Deliverables
2011	New Sub-Surface Lines signalling contract signed
2011	Jubilee Line Upgrade complete, delivering 33% increase in capacity
2011	Improved ticket machines (including Oyster vending) introduced at all LU stations
2012	Introduction of contactless bank card technology for fare payment across all modes
2013	Roll out of new air conditioned trains on Metropolitan Line complete
2013	21% capacity increase realised on Victoria Line as full fleet of new trains run entirely on new signalling.
2013	Tunnelling works begin at Bond St (congestion relief / Crossrail interchange)
2014	Life extension work to Piccadilly Line signalling complete
2014	A new ticket hall and gateline to serve Paddington Station (Hammersmith & City line), and a new station entrance to serve the Paddington Basin area, with step-free access and a significant increase in passenger circulation space throughout.
2014 <sup>1</sup>	Northern Line Upgrade complete, delivering 20% increase in capacity
2014	New entrance to Waterloo and City Line platforms opens at Bank (subject to agreement with Legal & General)
2014	Roll out of new air conditioned trains on Circle, Hammersmith & City Lines complete
2015	Investment in existing signalling, trains, safety critical station equipment and civil assets (eg bridges, tunnels, embankments) resulting in 18% improvement in the reliability of passenger journeys compared with 2010 (as measured by network-wide Lost Customer Hours per passenger journey)
2015	Delivery of prototype for a low energy, higher capacity train for Piccadilly and Bakerloo Lines;
2015	SCOOT (an automated intelligent traffic control system) rolled out across a further 1000 sites across London, resulting in 50% of London's traffic signals being controlled by this technology

<sup>1</sup> Forecast. Programme under review in September 2010 following TfL acquisition of Tube Lines, including examining opportunities to bring forward further capacity through additional rolling stock.

**Milestones due to be reached after Spending Review Period:**

<b>Delivery Date</b>	<b>Description of Project and Milestone / Key Deliverables</b>
2016	Roll out of new air conditioned trains on District Line complete
2016	Victoria Station Upgrade – Northern ticket hall complete
2016	Tottenham Court Road (congestion relief / Crossrail interchange); new passenger facilities open
2017	Bond St (congestion relief / Crossrail interchange) complete
2018	25% of track on Bakerloo, Central, Victoria and Sub Surface Lines replaced
2018	Full signalling upgrade across the Sub-Surface network complete
2018	Sub-Surface Lines power works complete; Sub-Surface Line Upgrade Complete delivering 33% capacity increase
2018	Victoria Station Upgrade – full scheme complete
2021	Works to relieve station congestion on Northern Line at Bank complete

## **Annex C**

### **Guidance on interpretation of borrowing limits and PFI accounting treatment**

The borrowing limits set out above relate to net additions to borrowing, or other on-balance sheet liabilities, across the TfL Group. Within these overall limits, TfL should manage its liabilities as it sees fit; this may include swapping finance leases (as measured for National Accounts purposes) with borrowing undertaken at the TfL level, subject to there being no overall increase in liabilities across the TfL Group.

Following the adoption of IFRS from 2009/10, the Treasury has prepared guidance for central Government Departments regarding the budgetary treatment of PFIs. In determining whether PFI transactions undertaken by TfL or its subsidiaries score within the borrowing limits, TfL should take account of the impact of those transactions on the National Accounts rather than the accounting treatment under IFRS. To determine whether a particular transaction should be treated as on or off balance-sheet for National Accounts purposes, TfL should follow the guidance on the Treasury website: "Technical Guidance on the Application of the Standards used in the production of the National Accounts to PFI and Similar Transactions - 2 September 2009". TfL should consult with the Department if there is any uncertainty over the interpretation of this guidance.

Any increase in TfL's balance sheet liabilities caused by a reclassification of PFI transactions signed before 31 March 2009 as a result of the move to IFRS will not be required to be absorbed within TfL's borrowing limits. Contracts signed before 1 April 2009 will continue to be treated as they were under UK GAAP for budgeting purposes. The Department is aware that other changes to the treatment of leases under IFRS are under consideration. No decisions have yet been taken on how such changes, if they were to come about, would affect budgets and borrowing limits in the public sector.



## Annex D

### Agreement regarding the delivery, funding and governance of Crossrail

The borrowing limits and DfT capital contribution to the Crossrail scheme as set out in paragraphs 21 - 23 of the covering letter to this annex are predicated on an agreement between the Secretary of State and the Mayor that:

1. The revised schedule of works proposed by Crossrail Limited ('CRL') for the Central Section lengthens the delivery date with services expected to open from 2018.
2. Limited revisions will be made to the Crossrail Project Delivery Agreement and Sponsors Agreement as required under the agreed funding arrangements underpinning the changes in paragraph 1 above. We expect these will include changes to commercially sensitive issues such as the Intervention Point values and the Sponsor Committed Funding. In addition, Sponsors will make targeted changes to incentivisation and governance arrangements, as well as Sponsor Review Points, with the shared aim that delivery of the Central Section and On Network Works is on time and on budget.
3. In order to meet the balance of the agreed total contribution from TfL to the project, including any contingency amounts should these be needed (with any necessary adjustments to profiles as agreed between officials), the Mayor of London will continue to support the scheme with funds from sources including:
  - GLA prudential borrowing and the Business Rate Supplement direct contribution, as set out in the January prospectus;
  - S106 Developer Contributions, as set out in the amendments to the London Plan and Supplementary Planning Guidance
  - The Community Infrastructure Levy;
  - Sales of surplus Crossrail land and overstation developments; and
  - TfL prudential borrowing, and other TfL sources.
4. TfL will also continue to take all reasonable steps to achieve efficiencies from the interface between Crossrail and London Underground.

Further detail underpinning the principles outlined above, as well as related funding profiles and the terms of the settlement in relation to other commercially confidential matters, will be outlined by my officials.

## Annex E

### Intended text of Mayoral Direction

#### Background

A. In June 2010 Transport for London acquired Tube Lines Ltd, bringing the PPP company under TfL control. This followed the 2008 transfer of the assets of Metronet BCV Ltd and Metronet SSL Ltd to two wholly owned subsidiaries of TfL (the so-called TfL Nominees), following Metronet's collapse. Since then, the parties to the PPP contracts have agreed that Schedule 1.9 of those contracts shall cease to have effect and, accordingly, no further references for direction shall be made to the PPP Arbiter, thereby removing his powers to, *inter alia*, collect and analyse benchmarking data relating both to the TfL Nominees and Tube Lines Ltd.

B. It is nonetheless important to ensure that there continues to be independent scrutiny of the delivery by the TfL Nominees and Tube Lines Ltd of the maintenance, upgrade and renewal works on the London Underground network, to provide assurance that the works are delivered economically and efficiently, and to ensure funding to TLL and TfL nominees does not infringe state aid rules.

C. The Secretary of State for Transport also wishes to ensure that the financial support provided to Transport for London by Government delivers value for money for the taxpayer.

D. I have therefore agreed with the Secretary of State for Transport that a Group of independent experts should provide such independent advice and scrutiny in accordance with the Direction below.

*In accordance with his powers under section 155 of the Greater London Authority Act 1999, the Mayor hereby directs Transport for London as set out in this Direction.*

1. Transport for London shall operate and provide all necessary support to an independent group to support the management, governance and assurance of Transport for London's investment programme, such group to be known as the Independent Investment Programme Advisory Group and to carry out the functions specified in this Direction in accordance with its terms and the terms of reference referred to in paragraph [8].

2. The function of the Independent Investment Programme Advisory Group shall be to provide independent advice and assurance to the Mayor of London concerning Transport for London's Investment Programme as published from time to time, including on the efficiency, effectiveness and economy of delivery of the Investment Programme, including all maintenance, renewal, upgrades and major projects; such assurance and any evidence supporting it shall also be made available to the Board of Transport for London.

3. The Independent Investment Programme Advisory Group shall comprise independent expert advisers selected from a shortlist agreed between the Mayor of London and the Secretary of State for Transport, taking into account the need for expertise in relevant specialist fields including, without limitation, rail signalling and costs benchmarking. Transport for London shall undertake an open recruitment process as often as may be necessary in order to identify candidates for the shortlist agreed between the Mayor of London and the Secretary of State for Transport. Appointments to the Group, including the selection of a chairman and the termination of such appointments, will be made by the Mayor of London.

4. It shall be for the Independent Investment Programme Advisory Group to develop and consult with Transport for London and the Secretary of State for Transport on an annual programme of work, prior to its submission to the Mayor for his approval. Significant amendments to the work programme will also be subject to consultation with Transport for London and the Secretary of State for Transport prior to seeking the Mayor's approval.

5. Transport for London shall prepare each year a budget for approval by the Mayor so as to ensure that the Group has adequate resources and appropriate support to enable it to carry out effectively its role as described in this Mayoral Direction.

6 The activities of the Independent Investment Programme Advisory Group shall be:

6.1 continuation of the activities which to date have been undertaken by Transport for London's "Investment Programme Advisory Group".

6.2 oversight of the "gateway" reviews undertaken of Transport for London's projects including consideration of the system of gateway reviews and ensuring they are undertaken thoroughly and efficiently, and (where necessary) recommending that further reports or reviews be commissioned.

6.3 oversight of projects at any stage considered by the Independent Investment Programme Advisory Group to be appropriate including oversight of the adequacy of progress and delivery status of major projects between formal approval gates.

6.4 oversight of Transport for London's Investment Programme including consideration of management and organisational capability and the efficiency, effectiveness and economy of delivery of the Investment Programme, including maintenance, renewal, upgrades and major projects.

6.5 benchmarking of the costs of maintenance and project delivery on the London Underground network, using data provided by London Underground and such other materials as the Group considers appropriate, including international benchmarking

6.6 to notify the Mayor, and TfL Board of any issues of significant concern in relation to the value for money or delivery of the Investment Programme.

6.7 to support its work, provide advice in relation to the selection of appropriate engineering and project management consultancies in accordance with Transport for London's policies and procedures on procurement as they may vary from time to time.

6.8 examination and commentary upon draft Asset Management Plans relating to the infrastructure of London Underground.

6.9 to publish annually a report to the Board of Transport for London on the overall delivery of the Transport for London Investment Programme. The Group may also publish additional reports throughout the year as it sees fit, after consulting the Mayor and subject to appropriate obligations relating to confidentiality and conflicts of interest.

7. For the avoidance of doubt, the Independent Investment Programme Advisory Group's role shall not extend to any operational matters.

8. The terms of reference for the Independent Investment Programme Advisory Group shall be approved by the Mayor of London and the Secretary of State for Transport.

9. Transport for London will engage people with relevant skills and experience to form a professional benchmarking unit whose work will support and be reported directly to the Independent Investment Programme Advisory Group.

10. Transport for London shall, in taking decisions on the procurement, funding and delivery of the TfL Investment Programme, including through London Underground Ltd and the ex-PPP subsidiaries, take into account the outcome of the IIPAG's benchmarking of costs and other findings.

11. Transport for London and its subsidiaries (with the exception of Crossrail Ltd) shall co-operate fully with and make available to the Independent Investment Programme Advisory Group, subject to confidentiality obligations and requirements and appropriate arrangements as to conflicts of interest, all information that is requested by the Group that is relevant to the activities of the Independent Investment Programme Advisory Group including without limitation draft Asset Management Plans relating to the infrastructure of London Underground.

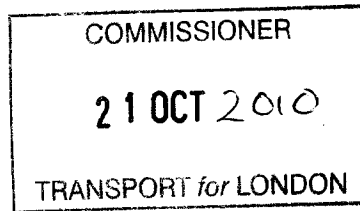
12. Any notification of issues of significant concern raised by the Group in accordance with paragraph 6.6 shall be passed to the Secretary of State for Transport together, where so requested by the Secretary of State and subject to appropriate confidentiality obligations, with such other reports and related data which the Group may produce for the Mayor or the TfL Board and its committees. The Secretary of State shall pass such material to the European Commission as necessary.

# GREATER LONDON AUTHORITY

## Mayor's Office

City Hall  
The Queen's Walk  
London SE1 2AA  
Switchboard: 020 7983 4000  
Minicom: 020 7983 4458  
Web: [www.london.gov.uk](http://www.london.gov.uk)

**Peter Hendy**  
Transport Commissioner  
Transport for London  
Windsor House  
42/50 Victoria Street  
London SW1H 0TL



Date: **20 OCT 2010**

I, BORIS JOHNSON, MAYOR OF LONDON, in exercise of the powers conferred on me by section 155(1)(c) of the Greater London Authority Act 1999 ("the Act") and in pursuance of my duty under section 174 of the Act, hereby direct Transport for London that the level and structure of fares to be charged for public passenger transport services provided by Transport for London or by any other person in pursuance of an agreement under section 156(2) or 3(a) of the Act or in pursuance of a transport subsidiary's agreement shall from the second day of January 2011 be in accordance with the Schedule attached hereto.

Dated this day 20 of October 2010.



**Boris Johnson**  
Mayor of London

## ANNEX A

## One Day Travelcard Prices from 2 January 2011

The following tickets are valid on all London Underground, Docklands Light Railway, London Overground and TfL bus and tram services. They are also valid on National Rail services within the specified zones:

	Adult price - pence		Change (p)	Change (%)	Child price - pence*		Change (p)	Change (%)
	Current	Jan-11			Current	Jan-11		
<b>Day Travelcard (Off-Peak)</b>								
12	560	660	100	17.9	n/a	n/a	n/a	n/a
1234	630	730	100	15.9	n/a	n/a	n/a	n/a
123456	750	800	50	6.7	200	300	100	50.0
123456789	900	1100	200	22.2	260	400	140	53.8
123456789+W	<i>London Midland fares</i>							
23456	510	Withdrawn			n/a	n/a	n/a	n/a
23456789	560	Withdrawn			240	Withdrawn		
<b>Day Travelcard (Anytime)</b>								
12	720	800	80	11.1	360	400	40	11.1
123	860	Withdrawn			430	Withdrawn		
1234	1000	1000	-	-	500	500	-	-
12345	1260	Withdrawn			630	Withdrawn		
123456	1480	1500	20	1.4	740	750	10	1.4
123456789	1620	1860	240	14.8	810	930	120	14.8
123456789+W	<i>London Midland fares</i>							
23456	900	Withdrawn			450	Withdrawn		
23456789	1060	Withdrawn			530	Withdrawn		

\* An all-zones Day Travelcard (Off-Peak) priced at £2 is available for children accompanying holders of certain NR Railcards.

## Travelcard Season Prices From 2 January 2011

The following tickets are valid on all London Underground, Docklands Light Railway, London Overground and TfL bus and tram services. They are also valid on National Rail services within the specified zones:

	Adult price - pence		Change (p)	Change (%)	Child/16-17** price - pence		Change (p)	Change (%)
	Current	Jan-11			Current	Jan-11		
<b>7 Day Travelcard</b>								
<b>12</b>	2580	2760	180	7.0	1290	1380	90	7.0
<b>123</b>	3020	3220	200	6.6	1510	1610	100	6.6
<b>1234</b>	3680	3940	260	7.1	1840	1970	130	7.1
<b>12345</b>	4400	4700	300	6.8	2200	2350	150	6.8
<b>123456</b>	4760	5040	280	5.9	2380	2520	140	5.9
<b>1234567</b>	5080	5480	400	7.9	2540	2740	200	7.9
<b>12345678</b>	5940	6460	520	8.8	2970	3230	260	8.8
<b>123456789</b>	6770	7160	390	5.8	3380	3580	200	5.9
<b>123456789+W</b>	<i>London Midland fares</i>							
<b>23,34,45,56</b>	1900	2080	180	9.5	950	1040	90	9.5
<b>234,345,456</b>	2140	2280	140	6.5	1070	1140	70	6.5
<b>2345,3456</b>	2560	2740	180	7.0	1280	1370	90	7.0
<b>23456</b>	3240	3440	200	6.2	1620	1720	100	6.2
<b>234567</b>	3260	3560	300	9.2	1630	1780	150	9.2
<b>23456789+W</b>	4500	4860	360	8.0	2250	2430	180	8.0
<b>4567</b>	2380	2580	200	8.4	1190	1290	100	8.4
<b>456789</b>	4020	4340	320	8.0	2010	2170	160	8.0
<b>456789+W</b>	4020	4340	320	8.0	2010	2170	160	8.0

\* Monthly Travelcard season prices are 3.84 times the 7-Day price (rounded up to 10p multiples).

Adult Annual Travelcard season prices are 40 times the 7-Day price.

\*\* Child rate 7 Day and longer period Travelcards are also available to 16-17 year old photocard holders.

**Travelcard Season Prices From 2 January 2011 (continued)**

Valid photocard holders on the TfL 18+ student scheme are eligible for a Discount Travelcard at 30% off the adult Travelcard rate as shown below:

	Current price - pence	Jan-11 price - pence	Change (p)	Change (%)
<b>Discount Travelcard 7 Day Season</b>				
12	1800	1930	130	7.2
123	2110	2250	140	6.6
1234	2570	2750	180	7.0
12345	3080	3280	200	6.5
123456	3330	3520	190	5.7
1234567	3550	3830	280	7.9
12345678	4150	4520	370	8.9
123456789	4730	5010	280	5.9
123456789+W	<i>London Midland fares</i>			
23,34,45,56	1330	1450	120	9.0
234,345,456	1490	1590	100	6.7
2345,3456	1790	1910	120	6.7
23456	2260	2400	140	6.2
234567	2280	2490	210	9.2
23456789+W	3140	3400	260	8.3
4567	1660	1800	140	8.4
456789+W	2810	3030	220	7.8

Monthly Travelcard season prices are 3.84 times the 7-Day price (rounded up to 10p multiples).  
 Adult Annual Travelcard season prices are 40 times the 7-Day price.



## Underground Ticket Prices From 2 January 2011

The following tickets are valid on all London Underground, Docklands Light Railway and London Overground services and National Rail services where LU fares apply.

Ticket/Zones	Adult Price - pence		Change (p)	Change (%)	Child Price - pence		Change (p)	Change (%)
	Current	Jan-11			Current	Jan-11		
<b>Underground Single</b>								
12	400	400	-	-	200	200	-	-
123	400	400	-	-	200	200	-	-
1234	400	500	100	25.0	200	250	50	25.0
12345	450	500	50	11.1	220	250	30	13.6
123456	450	500	50	11.1	220	250	30	13.6
1234567	550	600	50	9.1	270	300	30	11.1
123456789	700	700	-	-	350	350	-	-
12345678W	<i>London Midland fares</i>							
23456	350	500	150	42.9	170	250	80	47.1
234567	450	500	50	11.1	200	250	50	25.0
23456789	550	600	50	9.1	270	300	30	11.1
3456789	400	500	100	25.0	200	250	50	25.0
4567	350	400	50	14.3	170	200	30	17.6
456789	400	500	100	25.0	200	250	50	25.0
56789	350	400	50	14.3	170	200	30	17.6

Return tickets will be charged at twice the single ticket price

## Tube-Train Zonal fares

These tickets allow unlimited interchange between London Underground, Docklands Light Railway, London Overground and National Rail services for a single journey within the specified zones.

Zones	Adult Single Price - pence		Change		Child Single Price - pence		Change	
	Current	Jan-11	(p)	(%)	Current	Jan-11	(p)	(%)
1 inc Z1	400	500	100	25.0	200	250	50	25.0
2 inc Z1	440	500	60	13.6	220	250	30	13.6
3 inc Z1	510	600	90	17.6	250	300	50	20.0
4 inc Z1	560	600	40	7.1	280	300	20	7.1
5 inc Z1	630	700	70	11.1	310	350	40	12.9
6 inc Z1	700	800	100	14.3	350	400	50	14.3
1 exc Z1	350	400	50	14.3	170	200	30	17.6
2 exc Z1	360	400	40	11.1	180	200	20	11.1
3 exc Z1	410	450	40	9.8	200	220	20	10.0
4 exc Z1	450	500	50	11.1	220	250	30	13.6
5 exc Z1	490	500	10	2.0	240	250	10	4.2

Zones	Adult Return Price - pence*		Change		Child Return Price - pence*		Change	
	Current	Jan-11	(p)	(%)	Current	Jan-11	(p)	(%)
1 inc Z1	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**
2 inc Z1	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**
3 inc Z1	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**
4 inc Z1	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**
5 inc Z1	1190	1400	210	17.6	590	700	110	18.6
6 inc Z1	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**
1 exc Z1	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**
2 exc Z1	700	800	100	14.3	350	400	50	14.3
3 exc Z1	750	900	150	20.0	370	450	80	21.6
4 exc Z1	830	1000	170	20.5	410	500	90	22.0
5 exc Z1	900	1000	100	11.1	450	500	50	11.1

\* During Off-Peak periods passengers will be advised to buy the appropriate One Day Travelcard rather than a return ticket.

\*\* TfL will not issue Tube-Train tickets for these zone combinations during Peak periods. Passengers will be advised to buy a One Day Travelcard (peak) instead.

## Oyster 'pay as you go' fares (Category 2)

The following prices will apply for Oyster 'pay as you go' single journeys on all London Underground, Docklands Light Railway and London Overground services:

Ticket/Zones	Oyster 'pay as you go' Peak* - pence		Change (p)	Change (%)	Oyster 'pay as you go' Off-Peak* - pence		Change (p)	Change (%)
	Current	Jan-11			Current	Jan-11		
<b>Adult</b>								
<b>1</b>	180	190	10	5.6	180	190	10	5.6
<b>12</b>	230	250	20	8.7	180	190	10	5.6
<b>123</b>	270	290	20	7.4	240	250	10	4.2
<b>1234</b>	310	340	30	9.7	240	250	10	4.2
<b>12345</b>	380	410	30	7.9	240	270	30	12.5
<b>123456</b>	420	450	30	7.1	240	270	30	12.5
<b>1234567</b>	470	500	30	6.4	340	350	10	2.9
<b>12345678</b>	600	600	-	-	340	350	10	2.9
<b>123456789</b>	600	600	-	-	340	350	10	2.9
<b>12345678W</b>	<i>London Midland fares</i>							
<b>Euston (NR) - W</b>	<i>London Midland fares</i>							
<b>2, 3, 4, 5, 6</b>	130	140	10	7.7	130	130	-	-
<b>23, 34, 45, 56</b>	130	140	10	7.7	130	130	-	-
<b>234, 345, 456</b>	220	220	-	-	130	140	10	7.7
<b>2345, 3456</b>	220	250	30	13.6	130	140	10	7.7
<b>23456</b>	220	250	30	13.6	130	140	10	7.7
<b>234567</b>	320	350	30	9.4	230	250	20	8.7
<b>2345678</b>	400	400	-	-	230	250	20	8.7
<b>23456789</b>	400	400	-	-	230	250	20	8.7
<b>2345678W</b>	400	400	-	-	230	250	20	8.7
<b>34567</b>	270	300	30	11.1	130	140	10	7.7
<b>3456789</b>	350	350	-	-	130	140	10	7.7
<b>345678W</b>	350	350	-	-	130	140	10	7.7
<b>4567</b>	220	250	30	13.6	130	140	10	7.7
<b>456789</b>	300	300	-	-	130	140	10	7.7
<b>45678W</b>	300	300	-	-	130	140	10	7.7
<b>567</b>	200	200	-	-	130	140	10	7.7
<b>56789</b>	250	250	-	-	130	140	10	7.7
<b>5678W</b>	250	250	-	-	130	140	10	7.7
<b>67</b>	130	140	10	7.7	130	130	-	-
<b>6789</b>	200	200	-	-	130	140	10	7.7
<b>678W</b>	200	200	-	-	130	140	10	7.7
<b>7</b>	130	140	10	7.7	130	130	-	-
<b>78</b>	130	140	10	7.7	130	130	-	-
<b>789</b>	150	150	-	-	130	130	-	-
<b>78W</b>	150	150	-	-	130	130	-	-
<b>89</b>	130	140	10	7.7	130	130	-	-
<b>8W</b>	130	140	10	7.7	130	130	-	-

\* The Peak fare is charged for journeys starting between 06:30 and 09:30 and between 16:00 and 19:00 on normal weekdays. The Off-Peak fare applies to weekday journeys outside these times and at any time at weekends and on bank holidays. From 2 January 2011 the Off-Peak fare will also apply for journeys starting between 16:00 and 19:00 on normal weekdays that start outside of Zone 1 and terminate in Zone 1. Off-Peak fares will also apply at other times for certain journeys to or from Euston (NR).

**Oyster 'pay as you go' fares (Category 2) (continued)**

The following prices will apply for Oyster 'pay as you go' single journeys on all London Underground, Docklands Light Railway and London Overground services:

Ticket/Zones	Oyster 'pay as you go' Peak* - pence		Change (p)	Change (%)	Oyster 'pay as you go' Off-Peak* - pence		Change (p)	Change (%)
	Current	Jan-11			Current	Jan-11		
<b>Child</b>								
<b>1</b>	65	70	5	7.7	65	65	-	-
<b>12</b>	65	70	5	7.7	65	65	-	-
<b>123</b>	65	70	5	7.7	65	65	-	-
<b>1234</b>	65	70	5	7.7	65	65	-	-
<b>12345</b>	65	70	5	7.7	65	65	-	-
<b>123456</b>	65	70	5	7.7	65	65	-	-
<b>1234567</b>	100	100	-	-	100	100	-	-
<b>12345678</b>	150	150	-	-	100	100	-	-
<b>123456789</b>	150	150	-	-	100	100	-	-
<b>12345678W</b>	<i>London Midland fares</i>							
<b>Euston (NR) - W</b>	<i>London Midland fares</i>							
<b>2, 3, 4, 5, 6</b>	65	70	5	7.7	65	65	-	-
<b>23, 34, 45, 56</b>	65	70	5	7.7	65	65	-	-
<b>234, 345, 456</b>	65	70	5	7.7	65	65	-	-
<b>2345, 3456</b>	65	70	5	7.7	65	65	-	-
<b>23456</b>	65	70	5	7.7	65	65	-	-
<b>234567</b>	65	70	5	7.7	65	65	-	-
<b>2345678</b>	100	100	-	-	100	100	-	-
<b>23456789</b>	100	100	-	-	100	100	-	-
<b>2345678W</b>	100	100	-	-	100	100	-	-
<b>34567</b>	65	70	5	7.7	65	65	-	-
<b>3456789</b>	65	70	5	7.7	65	65	-	-
<b>345678W</b>	65	70	5	7.7	65	65	-	-
<b>4567</b>	65	70	5	7.7	65	65	-	-
<b>456789</b>	65	70	5	7.7	65	65	-	-
<b>45678W</b>	65	70	5	7.7	65	65	-	-
<b>567</b>	65	70	5	7.7	65	65	-	-
<b>56789</b>	65	70	5	7.7	65	65	-	-
<b>5678W</b>	65	70	5	7.7	65	65	-	-
<b>67</b>	65	70	5	7.7	65	65	-	-
<b>6789</b>	65	70	5	7.7	65	65	-	-
<b>678W</b>	65	70	5	7.7	65	65	-	-
<b>7</b>	65	70	5	7.7	65	65	-	-
<b>789</b>	65	70	5	7.7	65	65	-	-
<b>78W</b>	65	70	5	7.7	65	65	-	-
<b>89</b>	65	70	5	7.7	65	65	-	-
<b>8W</b>	65	70	5	7.7	65	65	-	-

\* The Peak fare is charged for journeys starting between 06:30 and 09:30 and between 16:00 and 19:00 on normal weekdays. The Off-Peak fare applies to weekday journeys outside these times and at any time at weekends and on bank holidays. From 2 January 2011 the Off-Peak fare will also apply for journeys starting between 16:00 and 19:00 on normal weekdays that start outside of Zone 1 and terminate in Zone 1. Off-Peak fares will also apply at other times for certain journeys to or from Euston (NR).

**Oyster 'pay as you go' fares (Category 2) (continued)**

The following prices will apply for Oyster 'pay as you go' single journeys on all London Underground, Docklands Light Railway and London Overground services:

Ticket/Zones	Oyster 'pay as you go' Peak* - pence		Change (p)	Change (%)	Oyster 'pay as you go' Off-Peak* - pence		Change (p)	Change (%)
	Current	Jan-11			Current	Jan-11		
<b>16-17 and New Deal</b>								
1	90	95	5	5.6	90	95	5	5.6
12	115	125	10	8.7	90	95	5	5.6
123	135	145	10	7.4	120	125	5	4.2
1234	155	170	15	9.7	120	125	5	4.2
12345	190	205	15	7.9	120	135	15	12.5
123456	210	225	15	7.1	120	135	15	12.5
1234567	235	250	15	6.4	170	175	5	2.9
12345678	300	300	-	-	170	175	5	2.9
123456789	300	300	-	-	170	175	5	2.9
123456W	<i>London Midland fares</i>							
Euston (NR) - W	<i>London Midland fares</i>							
2, 3, 4, 5, 6	65	70	5	7.7	65	65	-	-
23, 34, 45, 56	65	70	5	7.7	65	65	-	-
234, 345, 456	110	110	-	-	65	70	5	7.7
2345, 3456	110	125	15	13.6	65	70	5	7.7
23456	110	125	15	13.6	65	70	5	7.7
234567	160	175	15	9.4	115	125	10	8.7
2345678	200	200	-	-	115	125	10	8.7
23456789	200	200	-	-	115	125	10	8.7
2345678W	200	200	-	-	115	125	10	8.7
34567	135	150	15	11.1	65	70	5	7.7
3456789	175	175	-	-	65	70	5	7.7
345678W	175	175	-	-	65	70	5	7.7
4567	110	125	15	13.6	65	70	5	7.7
456789	150	150	-	-	65	70	5	7.7
45678W	150	150	-	-	65	70	5	7.7
567	100	100	-	-	65	70	5	7.7
56789	125	125	-	-	65	70	5	7.7
5678W	125	125	-	-	65	70	5	7.7
67	65	70	5	7.7	65	65	-	-
6789	100	100	-	-	65	70	5	7.7
678W	100	100	-	-	65	70	5	7.7
7	65	70	5	7.7	65	65	-	-
789	75	75	-	-	65	65	-	-
78W	75	75	-	-	65	65	-	-
89	65	70	5	7.7	65	65	-	-
8W	65	70	5	7.7	65	65	-	-

\* The Peak fare is charged for journeys starting between 06:30 and 09:30 and between 16:00 and 19:00 on normal weekdays. The Off-Peak fare applies to weekday journeys outside these times and at any time at weekends and on bank holidays. From 2 January 2011 the Off-Peak fare will also apply for journeys starting between 16:00 and 19:00 on normal weekdays that start outside of Zone 1 and terminate in Zone 1. Off-Peak fares will also apply at other times for certain journeys to or from Euston (NR).

### Oyster 'pay as you go' fares (Category 3)

The following prices will apply for most Oyster 'pay as you go' journeys involving travel on both TfL rail (except Tram) and National Rail services:

Ticket/Zones	Oyster 'pay as you go' Peak* - pence		Change (p)	Change (%)	Oyster 'pay as you go' Off-Peak* - pence		Change (p)	Change (%)
	Current	Jan-11			Current	Jan-11		
<b>Adult</b>								
<b>1</b>	300	330	30	10.0	260	270	10	3.8
<b>12</b>	320	350	30	9.4	280	290	10	3.6
<b>123</b>	370	410	40	10.8	310	320	10	3.2
<b>1234</b>	420	460	40	9.5	340	350	10	2.9
<b>12345</b>	500	550	50	10.0	370	380	10	2.7
<b>123456</b>	600	650	50	8.3	430	440	10	2.3
<b>1234567</b>	600	650	50	8.3	450	450	-	-
<b>12345678</b>	600	650	50	8.3	450	450	-	-
<b>123456789</b>	600	650	50	8.3	450	450	-	-
<b>12345678W</b>	<i>London Midland fares</i>							
<b>Euston (NR) - W</b>	<i>London Midland fares</i>							
<b>2, 3, 4, 5, 6</b>	140	150	10	7.1	130	130	-	-
<b>23, 34, 45, 56</b>	180	190	10	5.6	150	150	-	-
<b>234, 345, 456</b>	220	230	10	4.5	170	170	-	-
<b>2345, 3456</b>	270	290	20	7.4	200	200	-	-
<b>23456</b>	320	340	20	6.3	220	220	-	-
<b>234567</b>	320	350	30	9.4	230	250	20	8.7
<b>2345678</b>	400	400	-	-	230	250	20	8.7
<b>23456789</b>	400	400	-	-	230	250	20	8.7
<b>2345678W</b>	400	400	-	-	230	250	20	8.7
<b>34567</b>	270	300	30	11.1	200	200	-	-
<b>3456789</b>	350	350	-	-	200	200	-	-
<b>345678W</b>	350	350	-	-	200	200	-	-
<b>4567</b>	270	290	20	7.4	200	200	-	-
<b>456789</b>	350	350	-	-	200	200	-	-
<b>567</b>	220	230	10	4.5	170	170	-	-
<b>56789</b>	270	290	20	7.4	200	200	-	-
<b>67</b>	180	190	10	5.6	150	150	-	-
<b>6789</b>	270	290	20	7.4	200	200	-	-
<b>7</b>	140	150	10	7.1	130	130	-	-
<b>78</b>	180	190	10	5.6	150	150	-	-
<b>789</b>	220	230	10	4.5	170	170	-	-
<b>89</b>	180	190	10	5.6	150	150	-	-

\* The Peak fare is charged for journeys starting between 06:30 and 09:30 and between 16:00 and 19:00 on normal weekdays. The Off-Peak fare applies to weekday journeys outside these times and at any time at weekends and on bank holidays.

**Oyster 'pay as you go' fares (Category 3) (continued)**

The following prices will apply for most Oyster 'pay as you go' journeys involving travel on both TfL rail (except Tram) and National Rail services:

Ticket/Zones	Oyster 'pay as you go' Peak* - pence		Change (p)	Change (%)	Oyster 'pay as you go' Off-Peak* - pence		Change (p)	Change (%)
	Current	Jan-11			Current	Jan-11		
<b>Child</b>								
1	95	100	5	5.3	75	65	-10	-13.3
12	105	110	5	4.8	85	65	-20	-23.5
123	130	140	10	7.7	100	65	-35	-35.0
1234	155	165	10	6.5	100	65	-35	-35.0
12345	195	210	15	7.7	100	65	-35	-35.0
123456	245	265	20	8.2	100	65	-35	-35.0
1234567	245	260	15	6.1	100	100	-	-
12345678	245	260	15	6.1	100	100	-	-
123456789	245	260	15	6.1	100	100	-	-
12345678W	<i>London Midland fares</i>							
Euston (NR) - W	<i>London Midland fares</i>							
2, 3, 4, 5, 6	70	75	5	7.1	65	65	-	-
23, 34, 45, 56	90	95	5	5.6	75	65	-10	-13.3
234, 345, 456	110	115	5	4.5	85	65	-20	-23.5
2345, 3456	135	145	10	7.4	100	65	-35	-35.0
23456	160	170	10	6.3	100	65	-35	-35.0
234567	160	170	10	6.3	100	65	-35	-35.0
2345678	160	170	10	6.3	100	100	-	-
23456789	160	170	10	6.3	100	100	-	-
2345678W	160	170	10	6.3	100	100	-	-
34567	135	145	10	7.4	100	65	-35	-35.0
3456789	135	145	10	7.4	100	65	-35	-35.0
345678W	135	145	10	7.4	100	65	-35	-35.0
4567	135	145	10	7.4	100	65	-35	-35.0
456789	135	145	10	7.4	100	65	-35	-35.0
567	110	115	5	4.5	85	65	-20	-23.5
56789	135	145	10	7.4	100	65	-35	-35.0
67	90	95	5	5.6	75	65	-10	-13.3
6789	135	145	10	7.4	100	65	-35	-35.0
7	70	75	5	7.1	65	65	-	-
789	110	115	5	4.5	85	65	-20	-23.5
89	90	95	5	5.6	75	65	-10	-13.3

\* The Peak fare is charged for journeys starting between 06:30 and 09:30 and between 16:00 and 19:00 on normal weekdays. The Off-Peak fare applies to weekday journeys outside these times and at any time at weekends and on bank holidays.

### Oyster 'pay as you go' fares (Category 3) (continued)

The following prices will apply for most Oyster 'pay as you go' journeys involving travel on both TfL rail (except Tram) and National Rail services:

Ticket/Zones	Oyster 'pay as you go' Peak* - pence		Change (p)	Change (%)	Oyster 'pay as you go' Off-Peak* - pence		Change (p)	Change (%)
	Current	Jan-11			Current	Jan-11		
<b>New Deal</b>								
1	150	165	15	10.0	130	135	5	3.8
12	160	175	15	9.4	140	145	5	3.6
123	185	205	20	10.8	155	160	5	3.2
1234	210	230	20	9.5	170	175	5	2.9
12345	250	275	25	10.0	185	190	5	2.7
123456	300	325	25	8.3	215	220	5	2.3
1234567	300	325	25	8.3	225	225	-	-
12345678	300	325	25	8.3	225	225	-	-
123456789	300	325	25	8.3	225	225	-	-
123456W	<i>London Midland fares</i>							
Euston (NR) - W	<i>London Midland fares</i>							
2, 3, 4, 5, 6	70	75	5	7.1	65	65	-	-
23, 34, 45, 56	90	95	5	5.6	75	75	-	-
234, 345, 456	110	115	5	4.5	85	85	-	-
2345, 3456	135	145	10	7.4	100	100	-	-
23456	160	170	10	6.3	110	110	-	-
234567	160	175	15	9.4	115	125	10	8.7
2345678	200	200	-	-	115	125	10	8.7
23456789	200	200	-	-	115	125	10	8.7
2345678W	200	200	-	-	115	125	10	8.7
34567	135	150	15	11.1	100	100	-	-
3456789	175	175	-	-	100	100	-	-
345678W	175	175	-	-	100	100	-	-
4567	135	145	10	7.4	100	100	-	-
456789	175	175	-	-	100	100	-	-
567	110	115	5	4.5	85	85	-	-
56789	135	145	10	7.4	100	100	-	-
67	90	95	5	5.6	75	75	-	-
6789	135	145	10	7.4	100	100	-	-
7	70	75	5	7.1	65	65	-	-
789	110	115	5	4.5%	85	85	-	-
89	90	95	5	5.6%	75	75	-	-

\* The Peak fare is charged for journeys starting between 06:30 and 09:30 and between 16:00 and 19:00 on normal weekdays. The Off-Peak fare applies to weekday journeys outside these times and at any time at weekends and on bank holidays.



### Oyster 'pay as you go' caps

The following daily caps apply where any Oyster 'pay as you go' travel is made on TfL rail (apart from Tram) or National Rail services, with or without bus and tram travel in addition.

Ticket/Zones	Oyster 'pay as you go' Peak* - pence		Change (p)	Change (%)	Oyster 'pay as you go' Off-Peak* - pence		Change (p)	Change (%)
	Current	Jan-11			Current	Jan-11		
<b>Adult and 16-17</b>								
12	720	800	80	11.1	560	660	100	-
123	860	1000	140	16.3	630	730	100	-
1234	1000	1000	-	-	630	730	100	-
12345	1260	1500	240	19.0	750	800	50	-
123456	1480	1500	20	1.4	750	800	50	-
123456789	1620	1860	240	14.8	900	1100	200	-
123456789+W	<i>London Midland fares</i>							
23456	900	1500	600	66.7	510	800	290	56.9
23456789	1060	1860	800	75.5	560	1100	440	78.6
23456789+W	1260	n/a			760	n/a		
<b>Child</b>								
12	360	400	40	11.1	100	130	30	30.0%
123	430	500	70	16.3	100	130	30	30.0%
1234	500	500	-	-	100	130	30	30.0%
12345	630	750	120	19.0	100	130	30	30.0%
123456	740	750	10	1.4	100	130	30	30.0%
123456789	810	930	120	14.8	100	130	30	30.0%
123456789+W	<i>London Midland fares</i>							
23456	450	750	300	66.7	100	65	-35	-35.0%
23456789	530	930	400	75.5	100	100	-	-
23456789+W	630	n/a			200	n/a		
<b>New Deal</b>								
12	360	400	40	11.1	280	330	50	18.0
123	430	500	70	16.3	315	365	50	16.0
1234	500	500	-	-	315	365	50	16.0
12345	630	750	120	19.0	375	400	25	6.7
123456	740	750	10	1.4	375	400	25	6.7
123456789	810	930	120	14.8	450	550	100	22.3
123456789+W	<i>London Midland fares</i>							
23456	450	750	300	66.7	255	400	145	56.9
23456789	530	930	400	75.5	280	500	220	78.6
23456789+W	630	n/a			380	n/a		

- \* The Off-Peak cap applies for journeys made on the same day entirely within the following hours:
- Mondays to Fridays: from 0930 and starting before 0430 the following day
  - Saturdays, Sundays and public holidays: from 0430 and starting before 0430 the following day.
- On normal weekdays the Peak cap will apply if any journey is started between 0430 and 0930 if this gives the lowest cost. The Off-Peak cap plus the separate fares for any journeys starting between 0430 and 0930 will be charged if the total cost is less than the Peak cap.

## Bus and Tram tickets

The following tickets are valid on all TfL bus and tram services:

	Adult price - pence		Change	Change
	Current	Jan-11	(p)	(%)
<b>Bus/Tram Single</b>				
Any journey	200	220	20	10

7 Day Bus Pass All zones	Price - pence		Change	Change
	Current	Jan-11	(p)	(%)
Adult	1660	1780	120	7.2
18+ Student scheme	1160	1240	80	6.9
16-17, New Deal and Bus & Tram Discount scheme	830	890	60	7.2

Monthly bus season prices are 3.84 \* 7-Day price (rounded up to 10p multiples). Annual season prices are 40 \* 7-Day price. 18+ Student bus season prices are calculated to ensure at least a 30% discount is given on equivalent adult bus seasons for all periods.

Oyster 'pay as you go' Any bus/tram journey	Price - pence		Change	Change
	Current	Jan-11	(p)	(%)
Adult	120	130	10	8.3
16-17, New Deal and Bus & Tram Discount scheme	60	65	5	8.3

The following daily caps apply where Oyster 'pay as you go' travel is made on TfL bus or tram services only:

Bus and tram Oyster 'pay as you go' cap All journeys	Price - pence		Change	Change
	Current	Jan-11	(p)	(%)
Adult*	390	400	10	2.6
16-17, New Deal and Bus & Tram Discount scheme	195	200	5	2.6

The cap is the maximum cost for all journeys made during a 24 period from 0430 and before 0430 the following day using TfL bus and tram services only.

\* Includes Bus & Tram Discount scheme users