

Board

Date: 29 March 2017

Item: TfL Budget 2017/18

This paper will be considered in public

1 Summary

- 1.1 This paper seeks Board approval of the TfL Budget 2017/18.
- 1.2 The Finance Committee informally reviewed provisional budget numbers and analysis on 13 March 2017.

2 Background

- 2.1 The Budget 2017/18 sets out the strategies outlined in the December 2016 Business Plan and the detailed financials to deliver the Mayor's plans for improving transport in London and reducing our operating costs in the financial year beginning 1 April 2017.
- 2.2 The document highlights the programmes and milestones that will see the most significant developments or progress over the next year.
- 2.3 The financial schedules and key performance indicators are based on the forecast outturn position for 2016/17 as at period 11.

3 Recommendations

- 3.1 **The Board is asked to:**
 - (a) **approve the draft TfL Budget 2017/18; and**
 - (b) **delegate to the Chief Finance Officer the authority to make any editorial or other minor changes prior to its publication.**

List of appendices to this report:

Appendix 1: TfL Budget 2017/18

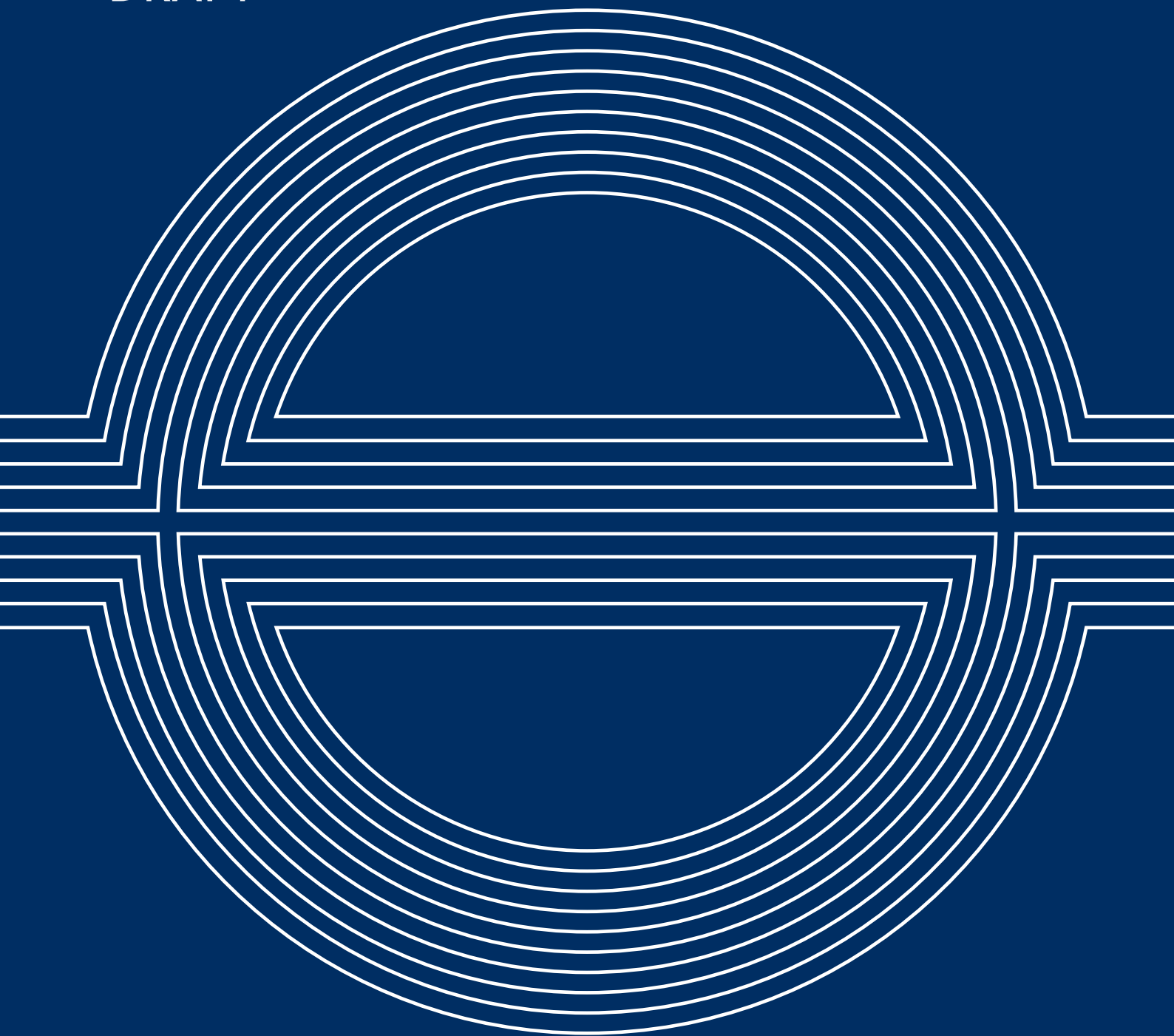
List of background papers:

None

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Transport for London Budget 2017/18

DRAFT



About Transport for London (TfL)

Part of the Greater London Authority (GLA) family of organisations led by Mayor of London Sadiq Khan, we are the integrated transport authority responsible for delivering the Mayor's strategy and commitments on transport.

As a core element in the Mayor's overall plan for London, our purpose is to keep London moving, working and growing, and to make life in our city better. We reinvest all of our income to run and improve London's transport services and to make it safer, more modern and affordable for everyone.

Our operational responsibilities include London Underground, London Buses, Docklands Light Railway (DLR), London Overground, TfL Rail, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the Emirates Air Line.

On the roads, we regulate taxis and the private hire trade, run the Congestion Charging scheme, manage the city's 580km red route network, operate all of the Capital's 6,300 traffic signals and work to ensure a safe environment for all road users.

We are delivering one of the world's largest programmes of transport capital investment, which is building the Elizabeth line, modernising Tube services and stations, transforming the road network and making it safer, especially for more vulnerable road users, such as pedestrians and cyclists.

We work hard to make journeys easier through effective use of technology and data. We provide modern ways to pay through Oyster and contactless payment cards and provide information in a wide range of formats to help people move around London.

Real-time travel information is provided directly by us and through third-party organisations, which use the data we make openly and freely available to power apps and other services.

We listen to, and act upon, feedback and complaints to constantly improve our services and work with communities, representative groups, businesses and many other stakeholders to shape transport provision in London.

Improving and expanding transport in London is central to driving economic growth, jobs and housing throughout the United Kingdom. Where possible, we are using our land to provide thousands of new, affordable homes. Our own supply chain creates tens of thousands of jobs and apprenticeships across the country.

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The financial information in the capital account has been updated from the Business Plan to reflect the reporting methodology in the Quarterly Performance Report and periodic Finance Report. In the capital account, third-party contributions are shown under the 'Financed by' section and not within net capital expenditure. The operating accounts of the business area financial tables have been updated to reflect Commercial Development now shown as its own division.

Commissioner's foreword

Transport is not an end in itself. It is a means of enabling a healthier, more inclusive city with new jobs and homes.

This will stimulate and sustain economic growth, to the benefit of all Londoners and the entire country.

Our Business Plan, published in December 2016, set out how we will deliver the Mayor's ambitious plans for improving transport and reducing our operating costs through the biggest ever overhaul of our organisation.

Over the full five-year period of our plan, we will increase use of public transport as we open the Elizabeth line, introduce new capacity on London Underground and make the bus service a more attractive option. Through our wide ranging Healthy Streets programme, we will encourage more walking and cycling by creating safer and greener local places and environments.

This Budget for 2017/18 sets out in detail how we will start to deliver on these plans. It builds on the significant progress already made in reducing operating and capital costs, while providing the modern and affordable transport network London needs.

A sustainable reduction in operating costs is central to this budget. We are developing a strong track record here. In 2016/17, we forecast to save £195m in our operating costs against the budget, through a number of actions



including better deals with suppliers, reprioritising IT projects, reducing layers of management and relying less on agency staff. This rigorous approach to managing our costs down will continue throughout the coming financial year and we have firm plans in place to achieve the cost reductions embedded in the budget.

We are already taking action to attract more people to the bus network by tackling traffic congestion. This will not happen overnight, but it is an important focus for 2017/18. London's continued economic success, new construction projects, roadworks, as well as more private hire and small freight delivery vehicles, have caused increased congestion. This has led to a reduction in demand for bus trips as journey times have become less reliable. This has particularly been the case in central London where other forms of public transport such as walking and cycling can offer more predictable or healthier options. So we will begin to carry through a range of actions to make the bus network more efficient and reliable.

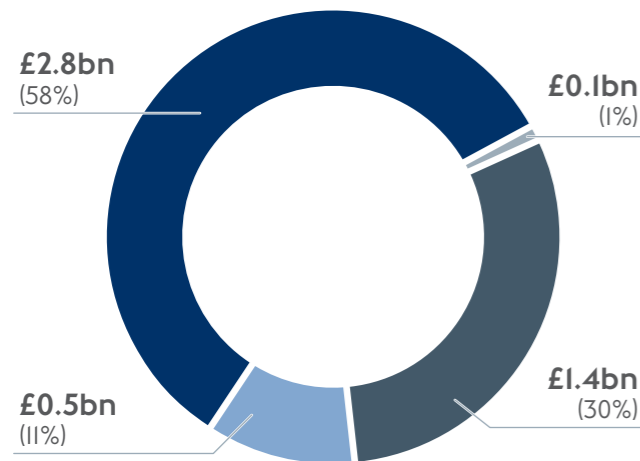
We will take further action this year to tackle poor air quality, by investing in cleaner buses and introducing new Low Emission Bus Zones. From April 2017, half of buses entering central London will meet with Ultra Low Emission Zone (ULEZ) requirements. We are opening a public consultation shortly on proposals to extend the zone and bring forward its introduction to 2019.

We are proud of the work we do to keep London moving, working and growing, and make life in the city better. In 2017/18, we will continue this vital work, while making our organisation more efficient than ever before.

Mike Brown MVO
Commissioner
Transport for London

Budget at a glance

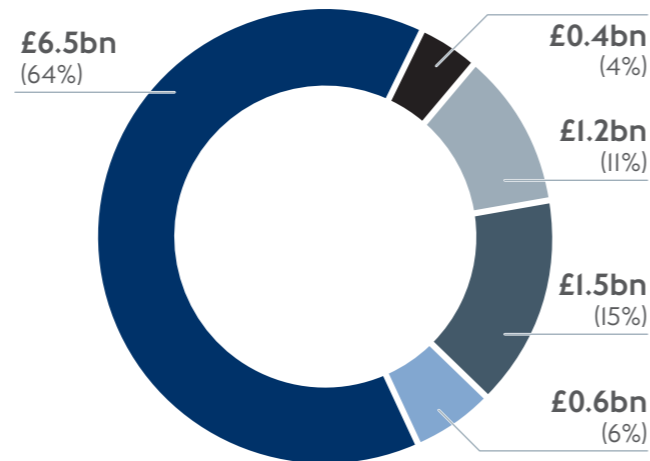
Total fares



Total: **£4.8bn**

- Underground
- Rail
- Other
- Buses

Total costs*

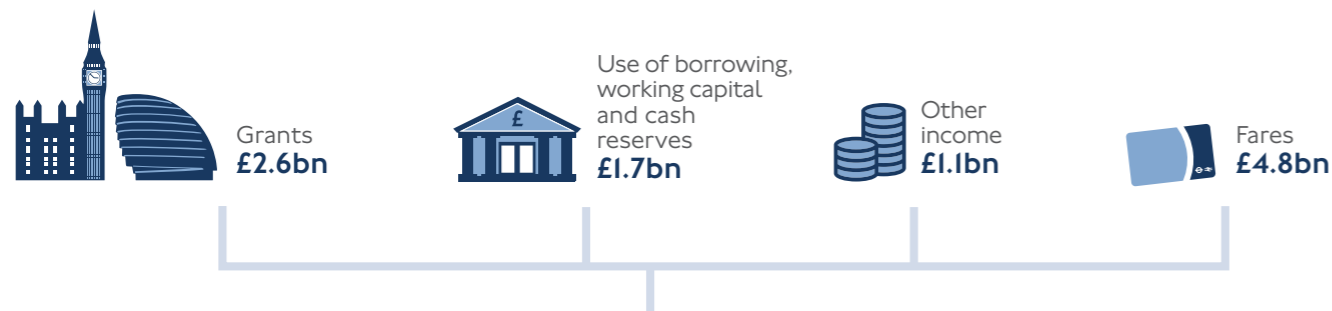


Total: **£10.2bn**

- Operating costs
- New capital investment
- Net financing
- Crossrail
- Capital renewals

*excluding depreciation

Finances at a glance



Sources of funds
£10.2bn

68%
spent on running the network every day.



32%
spent renewing and improving the network through one of the largest capital investment programmes in Europe.

Facts and figures

3,000

Hybrid ULEZ-compliant buses in the fleet by the end of 2017/18 (from 2,330 in 2016/17)



100%

of taxis presented for licensing for the first time in London will need to be zero emission capable from 1 January 2018



All 24,700

bus drivers will complete enhanced training by end of 2017/18

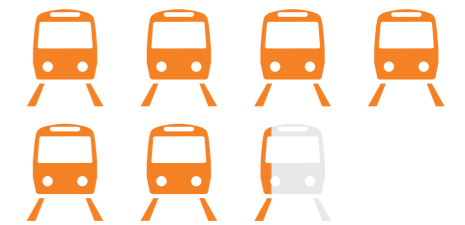


970

trains running on the TfL network (maintained at 2016/17 levels)

622,000

people carried on London Overground on a typical weekday in 2017/18 (from 585,000 in 2016/17)



78

step-free access stations on the Underground network by the end of 2017/18 (from 74 in 2016/17)



10.5 million

cycle hires in 2017/18 (from 10.2 million in 2016/17)

650km

of Rail and Underground routes will be operated by TfL this year (maintained at 2016/17 levels)



Financial summary

Operating account

TfL Group (£m)	2016/17 forecast	2017/18 budget	Year-on-year variance	2017/18 Business Plan	Budget variance to Business Plan
Fares income	4,692	4,778	2%	4,877	-2%
Other operating income	708	815	15%	821	-1%
Total operating income	5,400	5,593	4%	5,698	-2%
General grant	447	228	-49%	228	0%
Business rates retention	854	854	0%	854	0%
Other revenue grants	57	77	35%	73	5%
Total income	6,758	6,752	0%	6,853	-1%
Operating cost	(6,244)	(6,488)	4%	(6,563)	-1%
Net operating surplus	514	264	-49%	290	-9%
Depreciation and amortisation	(1,061)	(1,164)	10%	(1,128)	3%
Net cost of operations before financing	(547)	(900)	65%	(838)	7%
Net financing costs	(360)	(401)	11%	(413)	-3%
Net cost of operations	(907)	(1,301)	43%	(1,251)	4%

The budgeted net operating surplus for 2017/18 is £26m lower than in the Business Plan, published in December, as expectations for fares income have been revised downwards. However, the shortfall in income is largely offset by lower operating costs.

The forecast outturn for 2016/17 has improved since the preparation of the Business Plan – we are now forecasting the net cost of operations to be £907m – but this result cannot be matched next year because of the further

reduction in the general grant (£219m) from central government. While operating income is budgeted to increase by £193m, this will not fully offset the reduced grant income and, with inflationary increases on various operating costs, the net operating surplus will reduce by £250m. The total of depreciation, amortisation and net financing costs is some £144m higher than in 2016/17 and this flows through to the net costs of operations, which is expected to be some £394m higher next year.

Passenger journeys analysis

	2016/17 forecast	2017/18 budget	Year-on-year variance	2017/18 Business Plan	Budget variance to Business Plan
Number of passenger journeys (millions)	4,046	4,038	0%	4,184	-3%
Average fare income per journey (£)	1.16	1.18	2%	1.17	1%
Average total income per journey (£)	1.67	1.67	0%	1.64	2%
Operating cost per journey (£)	(1.54)	(1.61)	5%	(1.57)	3%
Total cost per journey before financing (£)	(1.81)	(1.89)	4%	(1.84)	3%

Fares income

Budgeted fares income takes account of revisions to demand forecasts since the Business Plan, although year-on-year growth is £86m – two per cent. Fares income for both London Underground and Rail is only marginally lower than the Business Plan. For Buses fares income is £99m lower than the plan, and £25m lower than forecast outturn in 2016/17. Demand is now forecast to reduce by 2.3 per cent rather than grow by 1.4 per cent between 2016/17 and 2017/18.

Other operating income

Although slightly down on the Business Plan, other operating income for 2017/18 is budgeted to grow strongly with an increase in income from Commercial Development.

Operating costs

Operating costs are budgeted to increase by £244m compared to 2016/17. The Business Plan always assumed an increase in operating costs between 2016/17 and 2017/18, owing to inflation, rents, rates and new service activity – TfL Rail and the first full year impact of running of the Night Tube. Other significant costs in the year include the cost of the voluntary decommissioning scheme for the oldest and most polluting taxis.

Operating costs are budgeted to be £75m lower than in the Business Plan, as our major cost reduction programme continues.

Capital account

TfL Group (£m)	2016/17 forecast	2017/18 budget	Year-on-year variance	2017/18 Business Plan	Budget variance to Business Plan
Capital renewals	(808)	(651)	-19%	(682)	-5%
New capital investment	(1,043)	(1,468)	41%	(1,367)	7%
Crossrail	(1,617)	(1,162)	-28%	(987)	18%
Total capital expenditure	(3,468)	(3,281)	-5%	(3,036)	8%
Financed by:					
Investment grant	944	960	2%	960	0%
Third-party contributions	57	35	-39%	68	-49%
Property receipts	17	275	1518%	77	257%
Crossrail funding sources	155	216	39%	300	-28%
Other capital grants	152	229	51%	214	7%
Total	1,325	1,715	29%	1,619	6%
Net capital account	(2,143)	(1,566)	-27%	(1,417)	11%

Capital expenditure

Budgeted capital expenditure is slightly higher than the Business Plan. This is due to rephased works from 2016/17, and a reclassification of capital renewals expenditure to new capital investment within TfL Rail.

Crossrail

Capital spending for Crossrail is forecast to decrease in line with progress towards completion.

Cash balances

Total cash balances are expected to increase by £13m to £1,747m by 31 March 2018. The closing cash balance in the budget is very close to that in the Business Plan, although the allocation of cash between the Crossrail sponsors' funding account and other TfL accounts is different. The reallocation results in higher TfL cash and lower Crossrail cash. Should Crossrail's cash requirements increase over the year, we will transfer

Cash flow summary

TfL Group (£m)	2016/17 forecast	2017/18 budget	Year-on-year variance	2017/18 Business Plan	Budget variance to Business Plan
Net cost of operations	(907)	(1,301)	43%	(1,251)	4%
Depreciation and amortisation	1,061	1,164	10%	1,128	3%
Net capital account	(2,143)	(1,566)	-27%	(1,417)	10%
Borrowing	682	621	-9%	601	3%
Working capital movement	(273)	1,095	-501%	945	14%
(Decrease)/increase in cash balances	(1,580)	13		6	

Cash balances

Cash balances (£m)	2017/18 budget opening cash	2017/18 budget movement	2017/18 Business Plan movements	2017/18 budget closing cash	Budget variance to Business Plan
Crossrail sponsors' funding account	448	231	475	679	(244)
Other TfL cash balances	1,286	(218)	(469)	1,068	251
Total cash balances	1,734	13	6	1,747	7

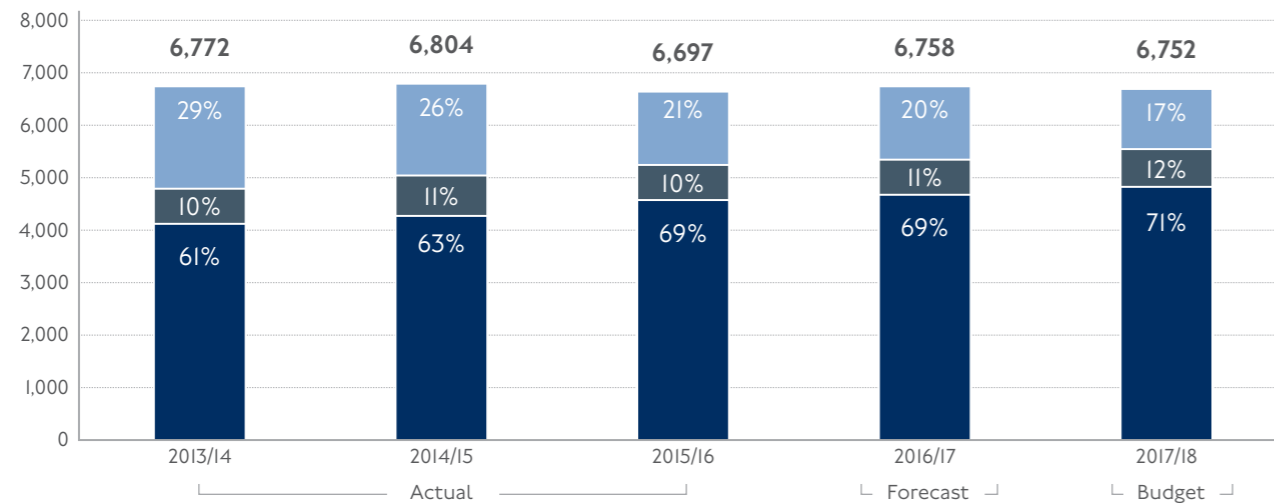
additional cash to Crossrail's funding account in line with the agreement with central Government. Our liquidity policy requires us (excluding Crossrail) to hold a prudent minimum of cash reserves, set at around £540m for 2017/18.

The working capital movement assumed in the budget relates to the repayment by Network Rail of funding advanced by Crossrail for works on the network.

Financial trends

Over five years

Total income (£m)

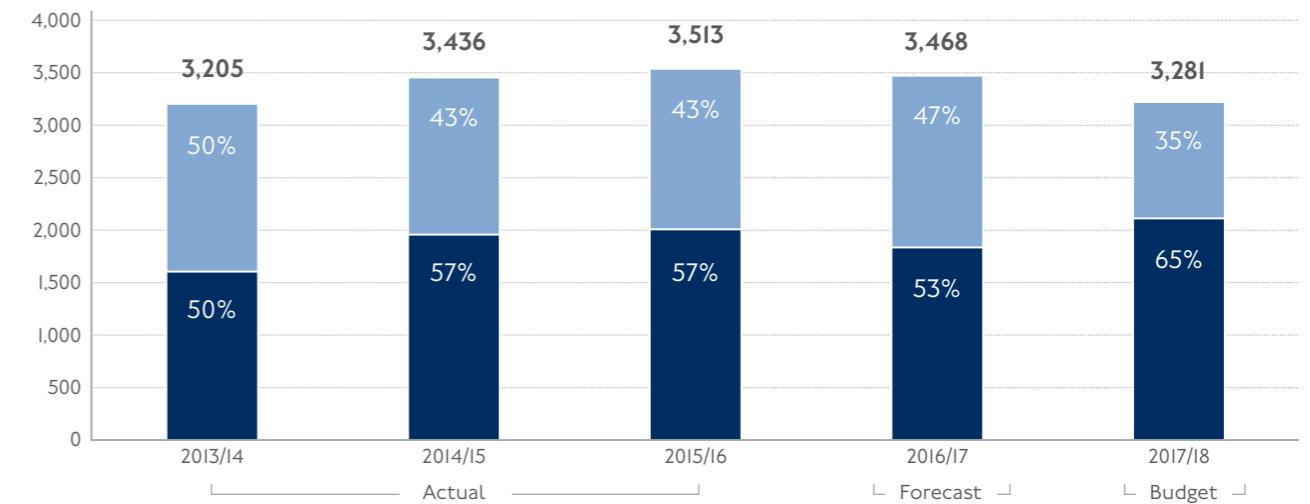


- Fares income
- Other income
- Grants

2%▲ in fares income over 2016/17

Despite a £219m reduction in the general grant from central Government, an increase in fares income of £86m, and operating income of £107m in 2017/18 keeps total income relatively stable.

Total capital (£m)

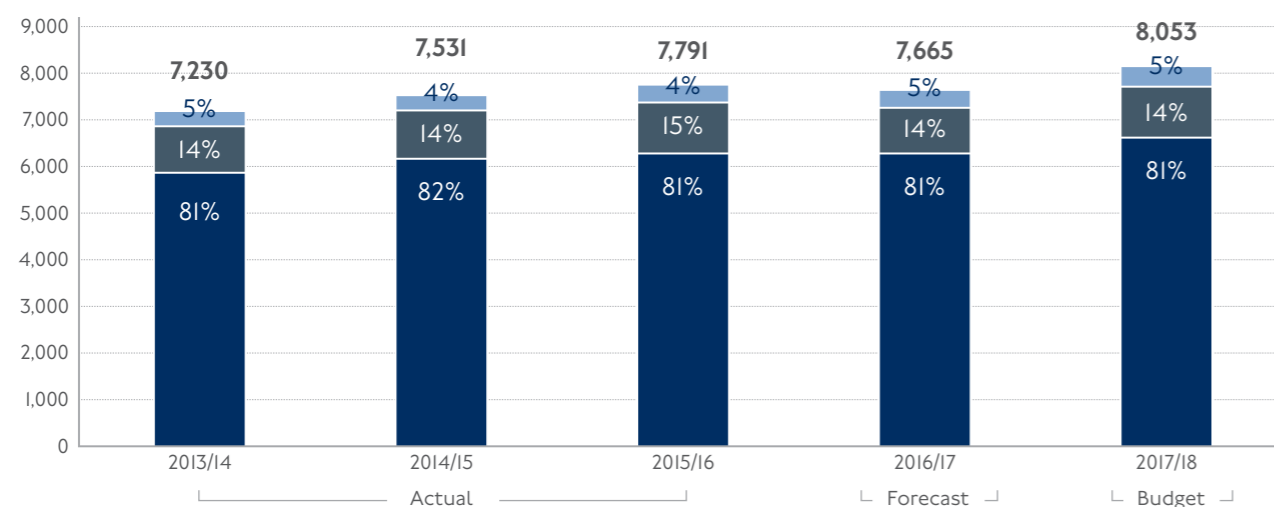


- Capital investment
- Crossrail

12%▲ in TfL capital investment over 2016/17

Increased capital expenditure on the TfL investment programme (£266m) is more than offset by lower expenditure on Crossrail as the project nears completion and expenditure reduces significantly.

Total costs (£m)

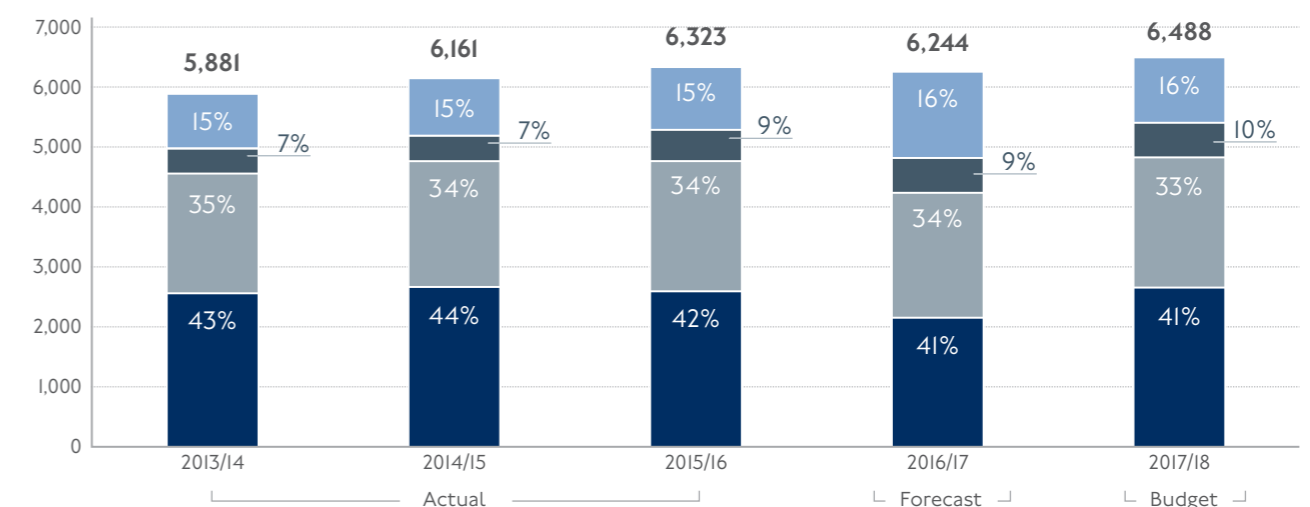


- Operating costs
- Depreciation
- Net financing costs

5%▲ in total costs over 2016/17

Depreciation and financings costs have increased by £103m and £41m respectively due to an increasing asset base and an increase in borrowings to fund our capital investment. Operating costs increase as more services are introduced.

Total operating cost (£m)



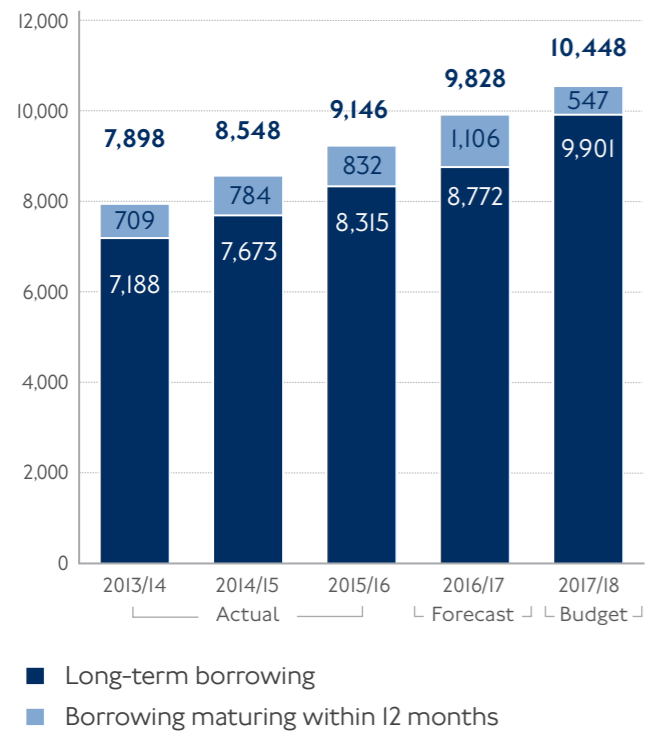
- London Underground
- Buses
- Rail
- Roads and other operations

4%▲ in operating costs over 2016/17

Savings and cost reductions made in 2016/17 will carry through into 2017/18, but due to a range of factors, including increased service delivery such as TfL Rail, operating costs will be higher next year. The new TfL operating model and the associated cost reductions will be realised fully by 2018/19.

Borrowing and cash

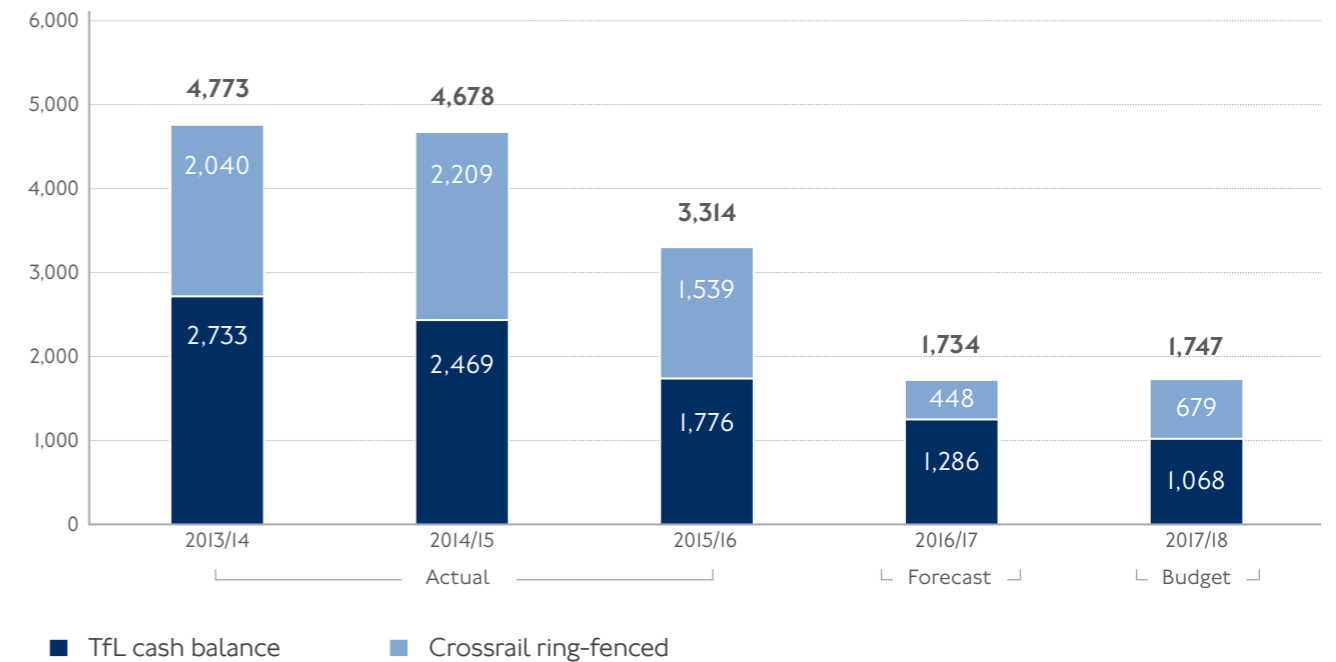
Total nominal value of borrowing (£m)



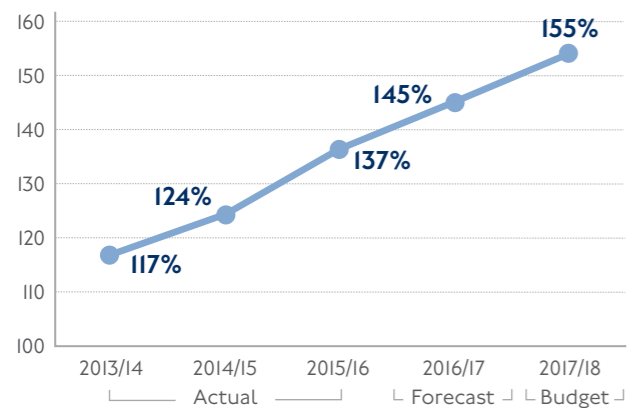
Borrowing is in line with the Chartered Institute of Public Finance Accountancy (CIPFA) Prudential Code and must remain within the authorised limit for external debt at all times. The amount that we can afford to borrow is linked to both recurring annual income and cash available to pay financing costs.

By 31 March 2018 total borrowing is expected to grow by up to £620m, in line with the amount of incremental borrowing agreed with Government as part of the 2015 Spending Review. Borrowing will be used to fund capital investment projects, including new rolling stock, station and line upgrades, and new cycling infrastructure.

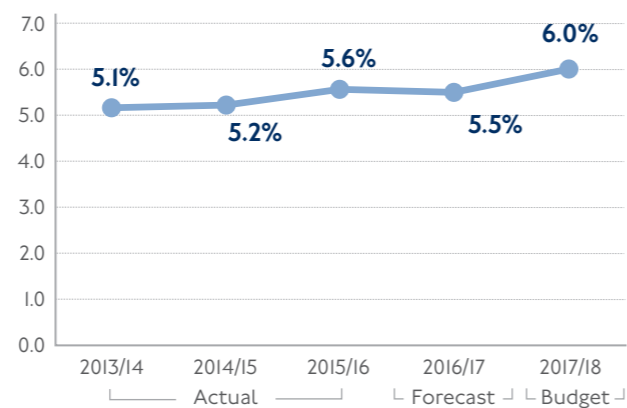
Cash balances (£m)



Debt as a % of operating income



Financing costs as a % of operating income



Debt as a percentage of operating income has increased over time and is expected to reach 155 per cent by the end of 2017/18. This reflects both a gradual increase in outstanding debt (in line with the incremental amounts agreed with Government) and a reduction in the grant received from central Government. In future, the ratio is expected to grow in line with income and affordability. The financing costs as a percentage of operating revenue has remained stable over the past few years. Both interest costs and any repayments of debt make part of the balanced budget, which we are legally required to set every year.

Liquidity policy

We aim to hold a prudent minimum level of cash for exceptional circumstances and to retain a high credit rating with our investors, in line with our liquidity policy approved by the TfL Board. This level of cash reserves – currently around £540m – is driven by the size of our operating costs and the level of debt.

Credit ratings	
Moody's	Aa2 negative outlook
Standard & Poor's (S&P)	AA negative outlook
Fitch	AA- negative outlook

Our strong credit rating reflects the essential nature of TfL's services as the dominant provider of urban transport in London, and the supportive institutional framework. Our negative outlook reflects the credit agencies' negative outlook for the UK Government.

Operational trends

Passenger journeys 2017/18 Budget

4,038m total number of journeys anticipated in 2017/18* **0.2%▼** in passenger journeys from 2016/17

London Underground

1,412m **2.1%▲** on 2016/17



Buses

2,200m **2.3%▼** on 2016/17



Rail (DLR, London Overground, London Trams, Emirates Air Line, TfL Rail)

404m **3.7%▲** on 2016/17



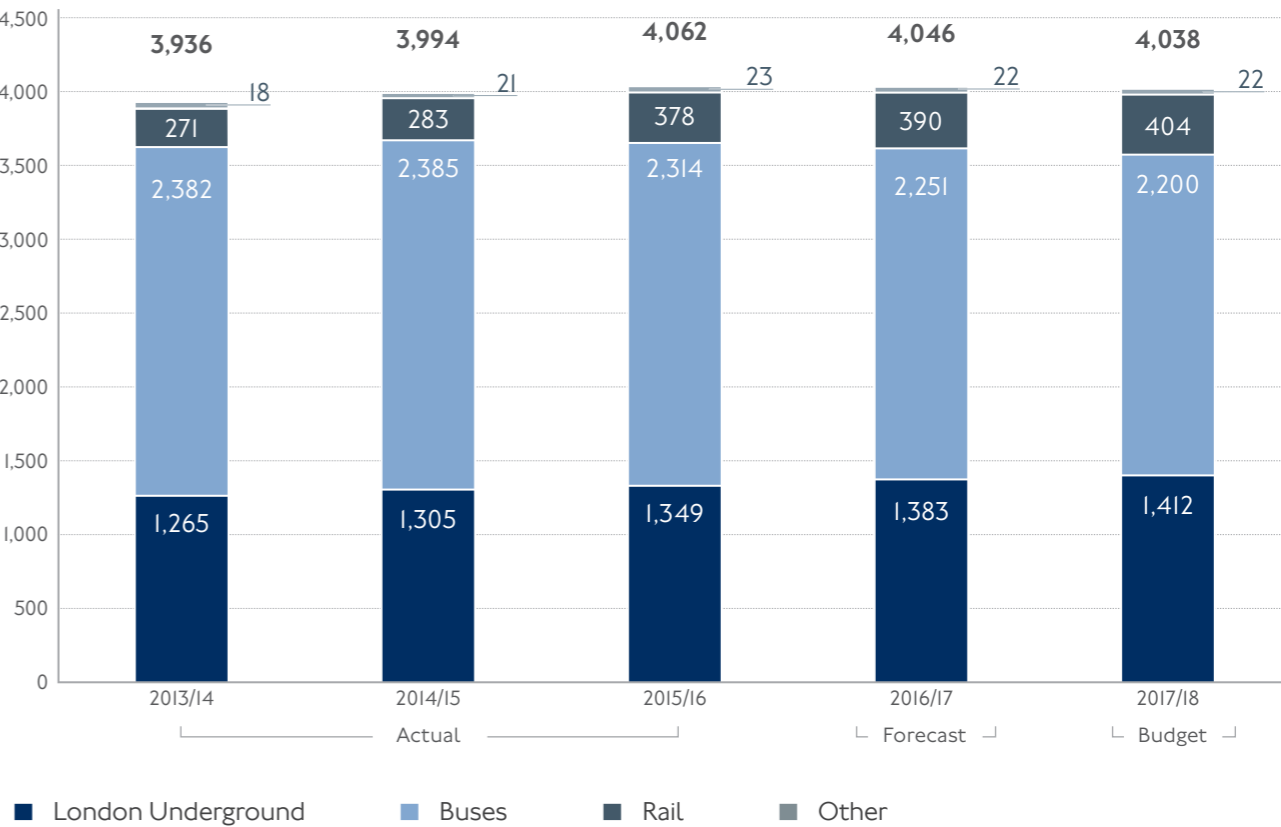
Other (London River Services, Dial-a-Ride, Santander Cycles)

21m **1.4%▲** on 2016/17



* Excluding road journeys and pedestrians

Passenger journeys (millions) Over five years



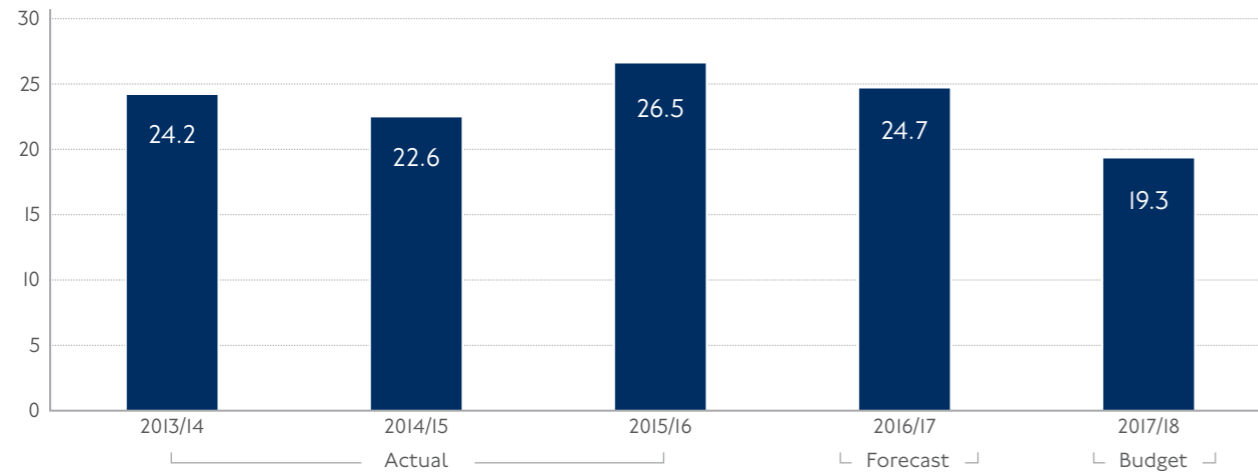
Passenger journeys are driven by a variety of economic factors, principally employment growth and household expenditure.

Service improvements on London Underground, such as more frequent services on the Jubilee and Victoria lines, generate higher passenger demand.

Rail passenger journeys are expected to grow by nearly four per cent in 2017/18, as volumes recover from the temporary closure of the Gospel Oak to Barking line for major upgrade work during 2016/17.

Bus passenger journeys have reduced by 5.6 per cent since 2014/15, mainly because of slower journeys caused by congestion, driven by population growth, major roadworks and improvement schemes. Average bus speeds have fallen by three per cent over the same period, although some routes have experienced declines of more than 10 per cent, with inner and central London routes seeing the greatest reductions.

London Underground reliability – lost customer hours (LCH) (millions of hours)
Over five years

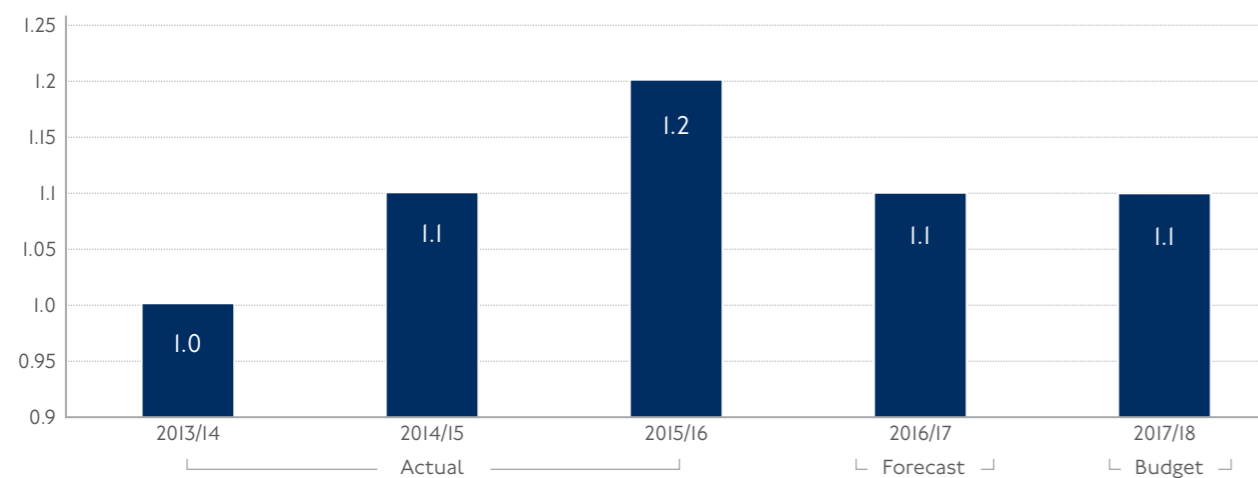


28% ▼ in LCH from 2016/17

Performance in 2016/17* was affected by industrial action and wheel damage on the Piccadilly line. In 2017/18 we are developing plans to improve performance and recovery times, which is the time taken to bring the service back to normal operating level.

*2016/17 forecast includes industrial action in January

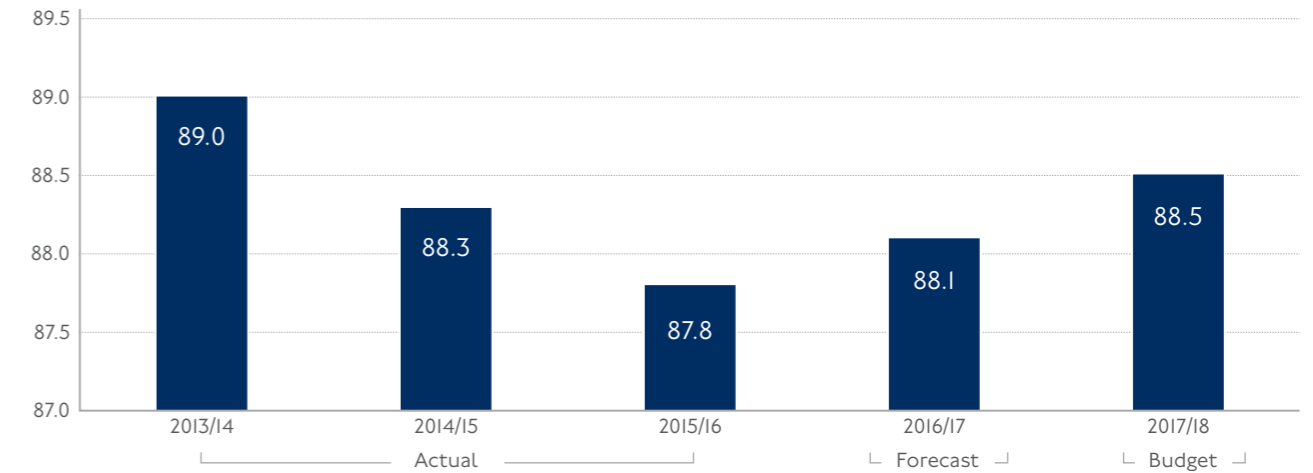
Bus reliability – excess wait time (minutes)
Over five years



1.1 minutes in 2017/18

Bus service reliability, as measured by excess wait time, is expected to be maintained at 1.1 in 2017/18 with continued investment in bus priority measures.

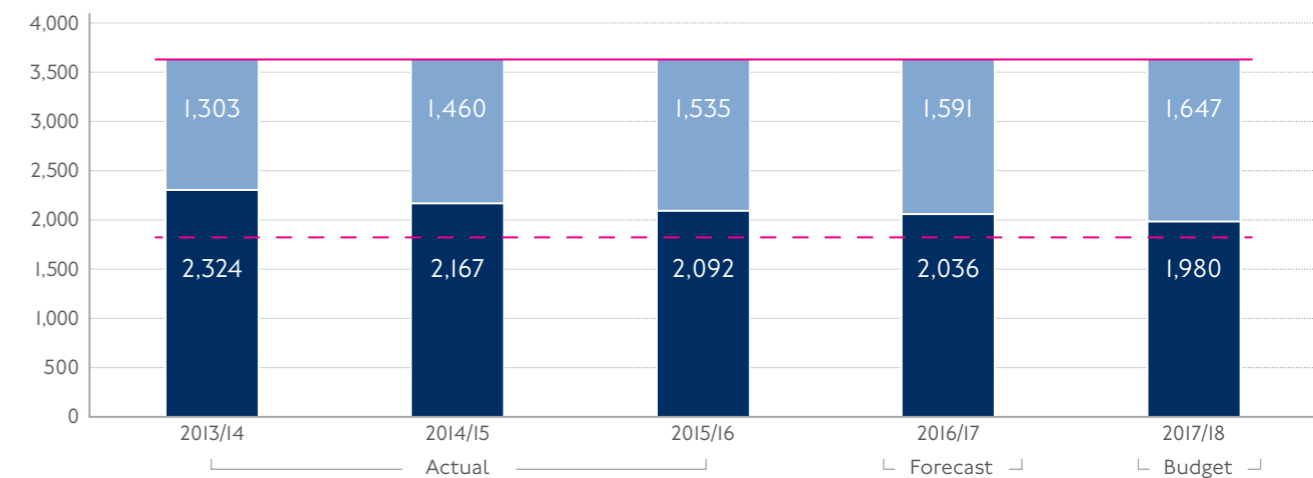
Roads – journey time reliability (%)
Over five years



0.5% ▲ in reliability year-on-year

Congestion caused by a high level of roadworks has led to a decline in reliability on the road network. We took immediate action to tackle this in 2016/17, and this commitment will continue into 2017/18. We will work to support an independent review of congestion, as announced in the 2017 Government Spring Budget, and take action to increase the reliability of the road network across London.

Roads – reduction in the number of people killed or seriously injured (KSIs)
Over five years



- KSI
- Reduction from base
- Base: 2005-2009 average KSI
- - - Targeting 50 per cent reduction by 2020

50% ▼ long-term target to reduce KSIs by 2020

KSIs levels are currently the lowest since records began. We are on track to achieve a 50 per cent reduction in KSIs by 2020 compared with the baseline, which is the average level from 2005-2009.

Customer focus





Our promise to customers and road users is that ‘every journey matters’. We must provide a safe and reliable transport network every day – one that everyone can use easily and with confidence.







Our employees assist millions of customers every day and this helps us to understand how we can improve the services we deliver.

Our customer strategy

People – our customers, users and staff – are at the centre of our strategy. We work hard to provide high quality face-to-face customer service, supported by modern technology.

Our customer commitments

-  **Safety**
Safety of our customers, users and staff is our top priority.
-  **Help, contact and complaints**
You can contact us in a way that suits you. We will listen to your feedback and use it to continue to improve our services.
-  **Fares, payments and refunds**
We promise to give you the best value ticket for your journey.
-  **Keeping you informed**
We commit to providing personalised, real-time information at every stage of your journey.

-  **Accessibility and disabled passengers**
We commit to ensuring London continues to have one of the most accessible transport networks in the world.
-  **Reliability**
We will provide a reliable service and work to reduce any delays.
-  **Environment**
We commit to reducing our impact on the environment to provide a clean and comfortable service.
-  **Sustainability**
We contribute to a better quality of life for Londoners, now and in the future.
-  **Reinvesting in transport**
We reinvest all our income to run and improve your services.
-  **Our customer service performance**
We put customers at the heart of everything we do: every journey matters.



We must provide a safe and reliable transport network every day

A safer London

Safety is always our top priority and our goal is to create an environment in which people are safe and feel safe, however they choose to travel. We will continue to work with the Capital's police authorities, including the British Transport Police, to make sure customers feel confident using our services at all times.

In 2017, we will adopt a 'Vision Zero' approach to maximise safety in all our road schemes. It will be embedded in infrastructure improvements, our enforcement work and programmes that encourage customers to behave in a safer manner. Our long-term vision is to see London's roads free from death and serious injury.

Affordability

An affordable transport network is at the heart of the Mayor's plans. TfL fares are frozen for the Mayor's term to ensure Londoners pay no more in 2020 than today. All TfL fare concessions are being maintained.

The new Hopper fare has already cut the price of two bus journeys to the price of one if the second trip starts within an hour. From 2018, the scheme will be expanded to provide unlimited journeys in an hour, effectively providing a one-hour bus pass for £1.50. Some 50 million Hopper journeys have already been undertaken since September 2016.

Accessibility

We will continue to work hard to make the transport network more accessible and enable older and disabled customers to be able to travel safely, easily and spontaneously. Improvements to achieve this, include:

- Completing step-free access in 2017/18 at Victoria, Bond Street and Bromley-by-Bow
- A further 30 stations will become step-free in the next five years through £200m of investment
- Upgrading several stations on the Elizabeth line to make them step-free, including Bond Street and Whitechapel
- Continuing our bus stop programme to make 95 per cent of stops fully accessible by the end of 2017/18
- Ensuring, by mid-2018, that all London's 24,700 bus drivers and other staff have participated in new training that equips them to deliver better customer service
- The launch of a new 'please offer me a seat' badge and card to help customers with invisible conditions to get a seat
- We will put in place the recommendations made by the London TravelWatch review of ticket office closures to help meet the needs of our customers to ensure they feel safe, fully supported and able to access the right assistance at all times

Harnessing technology

We are constantly looking for ways to improve the service we deliver, including simpler ticketing and better information provision.

The number of people using contactless payments continues to rise. Thirty-five per cent of 'pay as you go' journeys on the Tube are now paid for with the new technology.

We will launch a new Oyster app offering customers a more convenient way to top up credit, or check their balance and journey history. Top-ups will be available anywhere on the transport network within 30 minutes of purchase by tapping on a yellow card reader.

In addition to all the information we provide directly ourselves via our website and other channels, our open data strategy has created a community of more than 11,000 developers, powering more than 600 apps used by 42 per cent of Londoners. Across our business, we are improving the way we use technology to reduce costs and realise greater benefits. A new, joined up Technology and Data Strategy is shaping our approach.

Improving customer information

We continue to offer travel information in a number of languages and formats, including Easy Read. We are currently looking at whether there is more we can provide to help people to better plan their journeys. We are in touch with grassroots groups across London to build awareness of all our services, and will continue to consult and engage with our customers – particularly older and disabled people and those with hidden impairments – when designing and developing our policies and plans.

Partnerships with boroughs and communities

We are strengthening our relationships with the boroughs and working more closely than ever on joint programmes towards shared goals. We will continue to work with boroughs to deliver the Healthy Streets Outcomes¹ with a particular focus on increasing walking and cycling. We will provide tools, training, support and guidance that will help them embed the approach into street schemes and borough policies and plans. We will also work to develop more creative solutions to managing freight and deliveries as part of tackling congestion and poor air quality.

¹ Healthy Streets for London – prioritising walking, cycling and public transport to create a healthy city. Published February 2017 – tfl.gov.uk



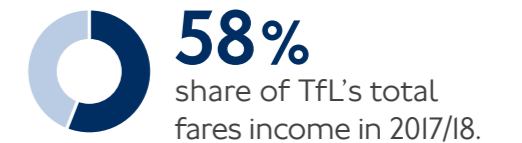
London Underground's S-Stock trains are spacious and comfortable for passengers

Underground

London Underground (LU)

Financial summary

The net operating surplus for 2017/18 shows an improvement on the Business Plan. This is achieved through comprehensive modernisation programmes driving the reduction of direct operating costs. Capital expenditure will rise this year as several projects ramp up to their next phase of delivery.



London Underground (£m)	2016/17 forecast	2017/18 budget	Year-on-year variance	2017/18 Business Plan	Budget variance to Business Plan
Fares income	2,670	2,753	3%	2,766	–
Other operating income	31	32	3%	16	100%
Total operating income	2,701	2,785	3%	2,782	–
Direct operating cost	(2,165)	(2,213)	2%	(2,280)	-3%
Indirect operating cost	(418)	(450)	8%	(434)	4%
Net operating surplus	118	122	3%	68	79%
Depreciation and amortisation	(678)	(671)	-1%	(700)	-4%
Net cost of operations before financing	(560)	(549)	-2%	(632)	-13%
Capital renewals	(548)	(403)	-26%	(323)	25%
New capital investment	(558)	(737)	32%	(753)	-2%
Total capital expenditure	(1,106)	(1,140)	3%	(1,076)	6%

Fares income is expected to rise as train frequencies increase and employment growth continues. Fares income is lower than expected when the Business Plan was prepared as GLA economic assumptions have been revised downwards.

Continued delivery of modernisation programmes and optimising the way we work has reduced direct operating costs compared with the Business Plan.

Increases in the cost base driven by business rates and increased maintenance costs of the Central line fleet are offset by cost reduction in non-fleet maintenance, control centres and reduced stations staffing costs. Capital expenditure will rise on the modernisation of Circle, District, Hammersmith & City and Metropolitan lines and Northern Line Extension, in addition to increased renewals activities, such as step-free access.

Passenger journey analysis

Over five years

	Actual			Forecast	Budget
	2013/14	2014/15	2015/16	2016/17	2017/18
Number of passenger journeys (millions)	1,265	1,305	1,349	1,383	1,412
Average fare income per journey (£)	1.81	1.85	1.90	1.93	1.95
Operating cost per journey (£)	(2.02)	(2.05)	(1.95)	(1.88)	(1.89)
Total cost per journey before financing (£)	(2.52)	(2.55)	(2.45)	(2.37)	(2.36)

Demand for rail services in London continues to rise, and on the Underground we are carrying more passengers than ever before with a record day of five million journeys recorded in December 2016. In 2017/18 we will see the first full year of Night Tube services, with budgeted demand increasing as London's night time economy develops. During the morning and evening peaks, there are more than 540 trains serving 270 stations on the Underground network. We expect to see additional passenger demand as a result of specific service improvements, such as more frequent trains on the Jubilee and Victoria lines.

Safety

Safety of customers and staff remains our top priority. Incidents of passengers being injured getting on and off of Tube trains are rare, with less than one in every four million journeys. We have introduced a number of

measures to help customers board trains safely, including flashing blue lights to draw attention to the gap, narrowing gaps and new platform signage and announcements.

Customer journeys

We are increasing our focus on crowding hotspots in stations. To improve the flow of customers, we are trialling measures to clearly define walking and waiting areas to help direct passengers to the area they are seeking.

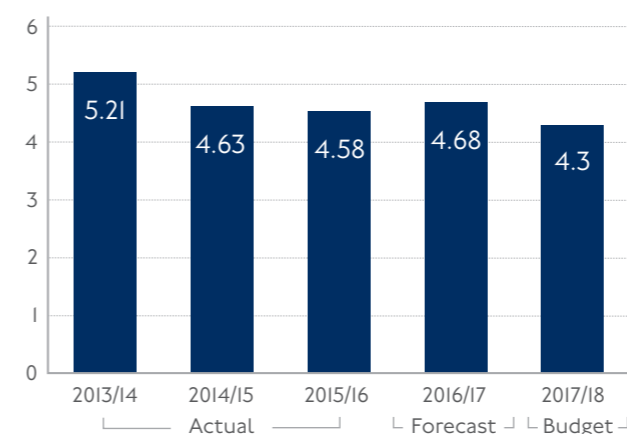
Other initiatives include extended visitor centre hours, development of mobile apps to purchase Oyster credit, and working with customers with mobility issues to improve their journey.

Reliability

We have mobilised a dedicated team to analyse and focus on the most common factors driving reliability. These include staff availability and fleet management.

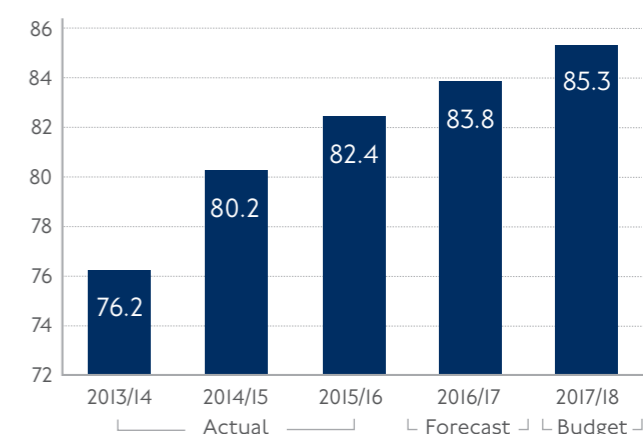
Reliability

Excess journey time (minutes)



Reliability was affected by industrial action and damaged wheels on the Piccadilly line in 2016/17. In 2017/18, we are developing plans to improve performance and recovery times.

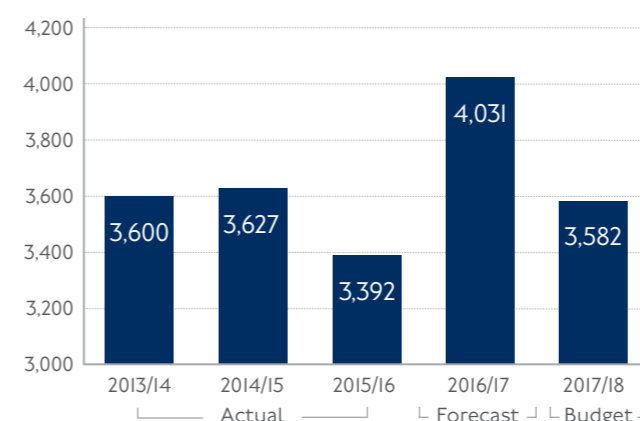
Scheduled kilometres operated (millions)



We continue to maximise services to meet rising demand and expect to operate more kilometres in 2017/18. More frequent trains across the network on the Jubilee and Victoria lines in the peak, and the Night Tube will make the greatest contribution.

Safety

Customer injuries*

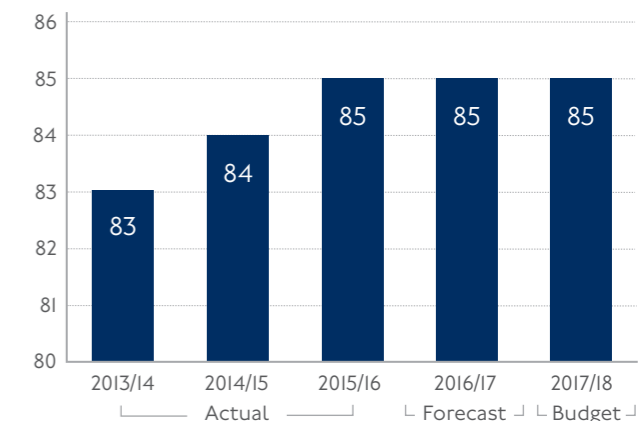


2016/17 saw a higher level of customer injuries as passenger volumes increased and because of the gap between trains and platforms. We will address this with measures including better customer safety communication and congestion control, together with safety initiatives to highlight specific hotspots.

* customers taken to hospital

Customer

Customer satisfaction score



We expect to maintain a high score in 2017/18 through a combination of reliability improvements, better information, improving access, and making mobile payments easier.

2017/18 delivery priorities

As well as investing to deliver reliable services everyday, we will continue with a number of significant improvement projects this year.

Service upgrades

On the Victoria line, we will introduce 36 trains an hour at peak times, the equivalent of a train every 100 seconds, making it one of the most intensive railway services in the world.

Station upgrades and access improvements

We need to do more to make the Tube accessible for everyone. We are working on a more ambitious approach, including providing step-free access at 40 per cent of our stations by 2022.

At Bank station we will open a new entrance to the Waterloo and City line, providing additional capacity and step-free access. There will also be accessibility improvements at Bromley-by-Bow and Victoria stations.

A network for the future

In 2017/18, we will complete the upgrades at Bond Street and Tottenham Court Road stations to support Elizabeth line services. Both stations will benefit from increased capacity and step-free access. Improved interchanges and new entrances improve the journey for the 300,000 people who use these stations every day.

We will continue to reduce congestion at Victoria – the fourth busiest station on the network – following the opening in January of a new entrance on Victoria Street. The Northern Ticket hall will also open following works to make it step-free.

In 2017/18, we will continue to focus on modernising and extending the network for the future. The upgrade of the Circle, District, Hammersmith & City and Metropolitan lines will involve fitting a new signalling system and supporting infrastructure. It will deliver 33 per cent extra capacity by 2022.

On the Jubilee and Northern lines, we will award the contract for the additional trains needed to upgrade these vital services and boost capacity by up to 20 per cent.

Tunnelling for the Northern line extension will continue between Kennington and Battersea. The new link is expected to open in 2020 and will support the transformation of the Vauxhall, Nine Elms and Battersea areas.



Trains run an hour on the Jubilee line – a train every 120 seconds



Trains run an hour on the Victoria line – a train every 100 seconds

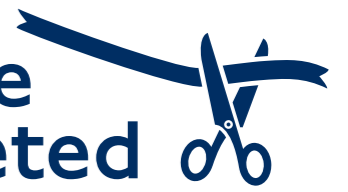
Tottenham Court Road station

upgrade completed



Bond Street station

upgrade completed



including new entrance and step-free access to all platforms



10,000m

of track renewals will be completed

Better access

at Bank, Bond Street, Bromley-by-Bow and Victoria stations



Tunnelling between

Battersea and Kennington

will be completed as part of Northern line extension, which will open in 2020



20%▲

in capacity on the Jubilee line by 2020 and the Northern line by 2023, supported by the contract awarded for new trains



Buses

London Buses

Financial summary

In 2017/18 we have budgeted to hold costs constant at 2016/17 levels. This will offset some of the forecast reduction in fares income, while action is taken to improve journey times. As a result, the net operating deficit will increase compared to the 2016/17 outturn and 2017/18 Business Plan.



Buses (£m)	2016/17 forecast	2017/18 budget	Year-on-year variance	2017/18 Business Plan	Budget variance to Business Plan
Fares income	1,461	1,436	-2%	1,535	-6%
Other operating income	12	10	-17%	9	11%
Total operating income	1,473	1,446	-2%	1,544	-6%
Direct operating cost	(2,076)	(2,076)	-	(2,119)	-2%
Indirect operating cost	(71)	(70)	-1%	(67)	4%
Net operating deficit	(674)	(700)	4%	(642)	9%
Depreciation and amortisation	(33)	(45)	36%	(11)	309%
Net cost of operations before financing	(707)	(745)	5%	(653)	14%
Capital renewals	(19)	(24)	26%	(14)	71%
New capital investment	(69)	(27)	-61%	(29)	-7%
Total capital expenditure	(88)	(51)	-42%	(43)	19%

Passenger journeys have continued to fall owing to slower, less reliable journey times. Fares income is therefore budgeted to be £25m lower than the forecast of the 2016/17 outturn.

The Business Plan forecast growth in bus demand of 1.4 per cent was based on a recovery in speed as roadworks completed and new bus priority measures were introduced. Demand has not

recovered to the anticipated levels and it is now forecast to decline by an average of 2.3 per cent, which will result in a £99m reduction in fares income compared to the Business Plan.

Direct operating costs are, however, being held at 2016/17 levels and are budgeted to be £43m lower than the Business Plan, which will partially compensate for lower fares income.



More than half of the bus journeys in England take place in London

Passenger journey analysis
Over five years

	Actual			Forecast	Budget
	2013/14	2014/15	2015/16	2016/17	2017/18
Number of passenger journeys (millions)	2,382	2,385	2,314	2,251	2,200
Average fare income per journey (£)	0.63	0.64	0.66	0.65	0.65
Operating cost per journey (£)	(0.86)	(0.89)	(0.93)	(0.95)	(0.98)
Total cost per journey before financing (£)	(0.87)	(0.90)	(0.94)	(0.97)	(1.00)

We operate one of the most frequent and extensive bus networks in the world with around 675 routes and 9,300 vehicles. The service is vital to the economic and social wellbeing of London and can be adapted in response to passenger demand and to complement the rest of the transport network.

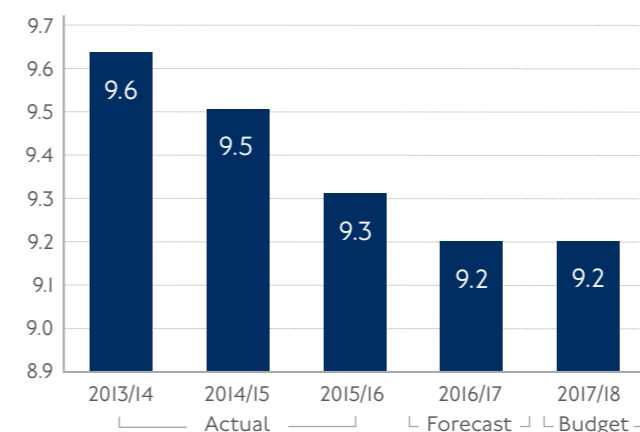
Demand for buses has been falling particularly in central London where other forms of public transport such as London Underground or walking and cycling can offer alternative travel options.

Over the past two years bus speeds have fallen on average by three per cent, with inner and central London seeing the greatest reductions. Road network conditions are challenging and are forecast to remain so over the next financial year as London's economy continues to grow, and as new road schemes begin. These include further improvements for pedestrians and cyclists.

While the bus service has become greener and more efficient over time, it operates at a loss. This is largely owing to the extensive range of travel concessions offered in the Capital to ensure that the transport network is accessible to all Londoners. The average revenue per bus journey is 65p against a standard fare of £1.50 and a current cost per journey of £1.

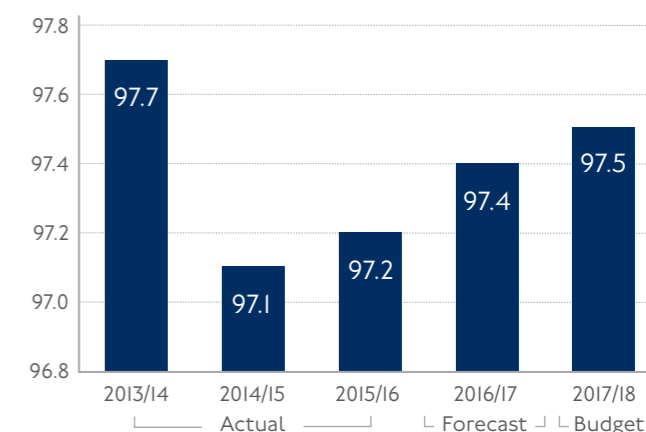
Reliability

Bus speed - bus passenger journey (mph)



The 2017/18 budget shows a stabilisation of performance at 2016/17 levels, against the background of previous decline in speeds and the potential for further reductions arising from schemes affecting road network capacity.

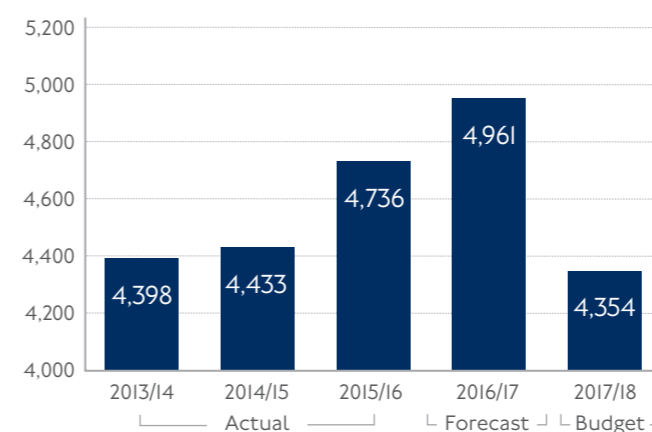
Scheduled services operated (%)



Delivery of services will improve slightly in 2017/18 as bus priority measures take effect. These measures are designed to protect service reliability against disruption from major road schemes and increases in traffic congestion.

Safety

Customer injuries*

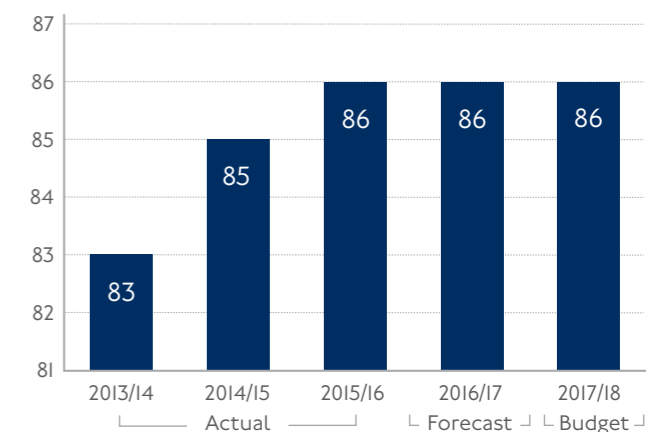


The bus safety programme to reduce collisions will continue. The latest safety technologies and products will be developed and tested in readiness for all new buses from September 2017.

* customers taken to hospital

Customer

Customer satisfaction score



The customer satisfaction target of 86 points is in line with a stable excess wait time (at 1.1 minutes) and predicted service volumes and we aim to continue at current high levels of satisfaction next year.

2017/18 delivery priorities

We will match capacity to demand by reducing the underused services identified in our recent central London bus services consultation. At the same time we are striving to ensure that we offer a cheaper, greener public transport option.

We are also budgeting to reduce costs through the tendering process for operating contract renewals.

Revitalising the bus network for the future

We are taking a new and coordinated approach to encouraging more people to use buses.

Bus priority

To improve journey time for bus customers we are targeting the main causes of slower speeds through bus priority measures, spending £20m in this year to accelerate the programme. We will deliver approximately 170 schemes reducing journey time on some of the most affected routes. Brixton Hill, Walthamstow town centre will benefit and there will be targeted schemes supporting growth in areas such as Croydon, Upper Lee Valley and Barking.

Better day-to-day management of the road network using our comprehensive signal timing review programme will continue to provide bus speed data to use in prioritising and evaluating schemes on the road network.

Improving customer experience

We will continue to improve the information we provide for customers on journey times and services as well as network upgrades and developments.

Our 'Hello London' training programme for bus drivers, bus controllers and other operational staff has been developed to provide a better service to our customers.

Customer safety is our top priority. We will focus on a programme to reduce collisions and continue to introduce our customer safety campaign. The latest safety technologies and products will be developed and tested for all new buses from September 2017, and with other new measures we hope to reduce customer injuries next year.

Crime on buses has more than halved during the past 10 years and we are committed to reducing it further in 2017/18. We will continue to work with the Metropolitan Police Service (MPS) Roads and Transport Policing Command (RTPC) to prevent crime, antisocial behaviour and fare evasion.

Safer Transport Teams across London will continue to provide local and accessible policing for passengers, local communities and our employees. Our focus is to provide reassurance to those who feel most vulnerable when travelling, targeting unwanted sexual behaviour, hate crime and the upward trend in low level violence.

Improving air quality

From April 2017 we expect half of TfL buses entering central London to comply with ULEZ requirements, ahead of the zone's introduction in 2019 (subject to consultation). In addition, all our buses will be modified or replaced to meet or exceed the toughest air quality standards by the end of 2020.

In 2017 we will award contracts so that a further four single-deck bus routes in the ULEZ will be converted to full electric operation in 2018 and 2019.

In addition, we will phase out the purchase of conventional diesel buses and procure only hybrid vehicles from early 2018.

Easier access and better infrastructure

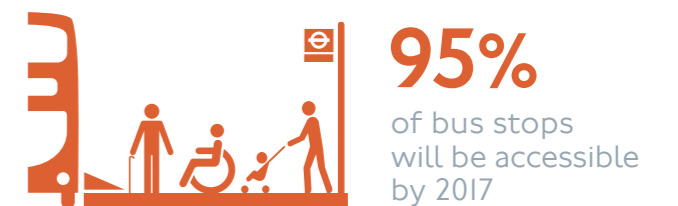
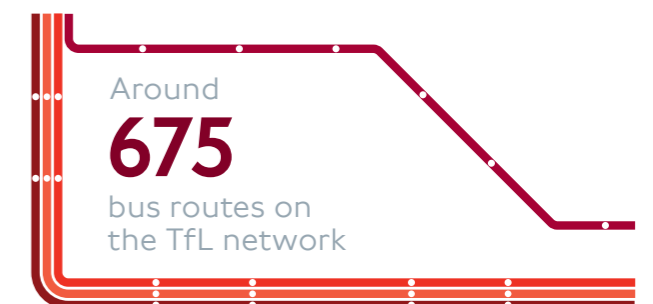
In 2017/18 we will continue to invest in our bus stations and stops to provide easier access.

We are on track to hit our targets of making 95 per cent of our bus stops accessible by April 2017 and introducing an extra 100 accessible taxi ranks by 2020. Planning consent has been granted for the upgrade of the Cromwell Road bus station in Kingston; detailed design will begin in August 2018.



95%

of households in London are within a five-minute walk of a bus stop





London Overground air-conditioned, walk-through trains

Rail

DLR, London Overground, London Trams, TfL Rail and Emirates Air Line (EAL) 

Financial summary

Growing demand on our rail services will boost fare income in 2017/18, although these will be offset by preparation costs for the new Elizabeth line, which add both to operating and capital costs.



Rail (£m)	2016/17 forecast	2017/18 budget	Year-on-year variance	2017/18 Business Plan	Budget variance to Business Plan
Fares income	512	541	6%	552	-2%
Other operating income	17	19	12%	23	-17%
Total operating income	529	560	6%	575	-3%
Direct operating cost	(541)	(585)	8%	(589)	-1%
Indirect operating cost	(34)	(36)	6%	(33)	9%
Net operating deficit	(46)	(61)	33%	(47)	30%
Depreciation and amortisation	(128)	(237)	85%	(192)	23%
Net cost of operations before financing	(174)	(298)	71%	(239)	25%
Capital renewals	(54)	(38)	-29%	(160)	-76%
New capital investment	(182)	(432)	137%	(299)	44%
Crossrail construction costs	(1,617)	(1,162)	-28%	(987)	18%
Total capital expenditure	(1,853)	(1,632)	-12%	(1,446)	13%

Fares income is expected to rise compared to 2016/17 as a result of growing demand, supported by increased frequency on some services. Fares income is lower than the Business Plan primarily owing to revised GLA economic assumptions.

Operating costs are £46m higher with £30m relating to TfL Rail, where preparations for the Elizabeth line will incur costs for new drivers, maintenance

facilities and trains. Inflation and the cost of running more services accounts for a further £16m.

TfL capital expenditure will rise as we prepare for the Elizabeth line with significant investment in trains and station improvements. Some of this has been reclassified from capital renewals to new capital investment since the Business Plan was prepared last year.

Passenger journey analysis

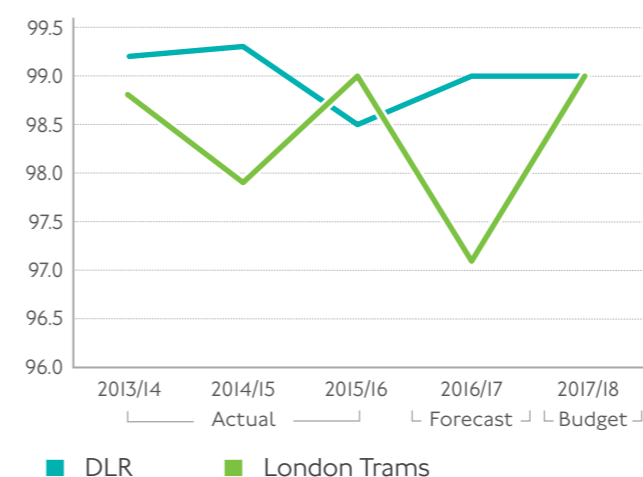
Over five years

	Actual			Forecast	Budget
	2013/14	2014/15	2015/16	2016/17	2017/18
London Overground					
Number of passenger journeys (millions)	136	140	184	191	203
Average fare income per journey (£)	1.10	1.14	1.17	1.20	1.22
Operating cost per journey (£)	(1.55)	(1.64)	(1.58)	(1.54)	(1.54)
Total cost per journey before financing (£)	(2.04)	(1.86)	(1.66)	(1.67)	(1.69)
DLR					
Number of passenger journeys (millions)	102	110	117	122	124
Average fare income per journey (£)	1.27	1.33	1.35	1.36	1.38
Operating cost per journey (£)	(1.31)	(1.04)	(1.05)	(1.04)	(1.05)
Total cost per journey before financing (£)	(1.84)	(1.53)	(1.52)	(1.49)	(1.49)
TfL Rail					
Number of passenger journeys (millions)	0	0	47	46	47
Average fare income per journey (£)	0.00	0.00	1.49	1.83	1.94
Operating cost per journey (£)	0.00	0.00	(1.94)	(2.37)	(2.89)
Total cost per journey before financing (£)	0.00	0.00	(2.89)	(3.24)	(5.85)
London Trams					
Number of passenger journeys (millions)	31	31	28	29	29
Average fare income per journey (£)	0.77	0.81	0.82	0.86	0.83
Operating cost per journey (£)	(1.35)	(1.81)	(1.43)	(1.31)	(1.28)
Total cost per journey before financing (£)	(1.35)	(1.81)	(1.71)	(1.48)	(1.59)
Emirates Air Line					
Number of passenger journeys (millions)	1.5	1.5	1.5	1.5	1.6
Average fare income per journey (£)	3.45	3.77	3.96	4.23	4.45
Operating cost per journey* (£)	(1.31)	(1.40)	(1.94)	(2.14)	(2.09)
Total cost per journey before financing (£)	(1.93)	(1.56)	(2.00)	(2.24)	(2.32)

*Costs of Emirates Air Line are shown net of sponsorship income

Reliability

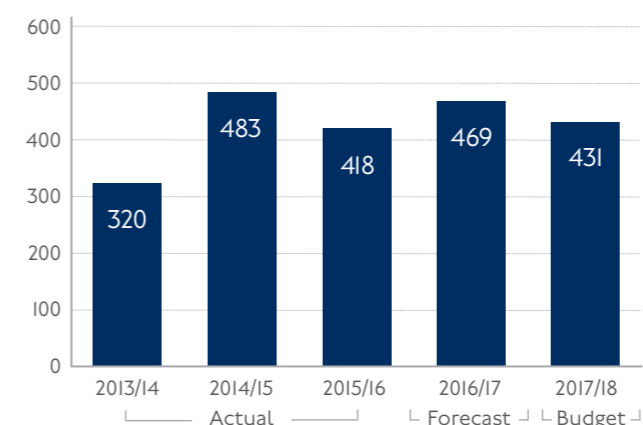
DLR and London Trams – scheduled services operated (%)



Following the tragic derailment at Sandilands, Trams reliability is expected to return to 99 per cent in 2017/18. DLR continues to maintain a high level of reliability while operating more frequent services and carrying more passengers.

Safety

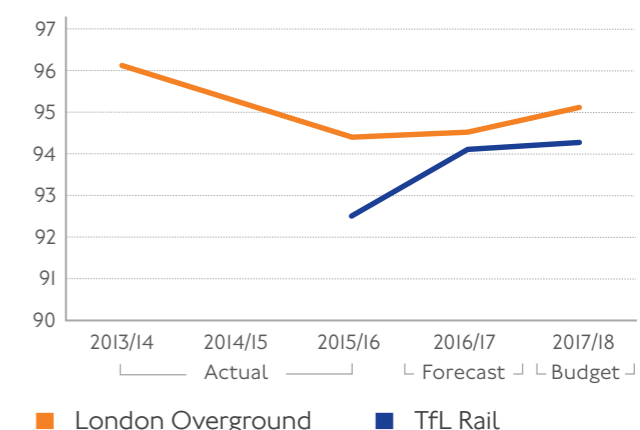
Customer injuries*



Recommendations from the tram derailment investigation will be addressed. A campaign promoting safer behaviours and a strategy to reduce customer incidents on the DLR will be introduced.

* customers taken to hospital

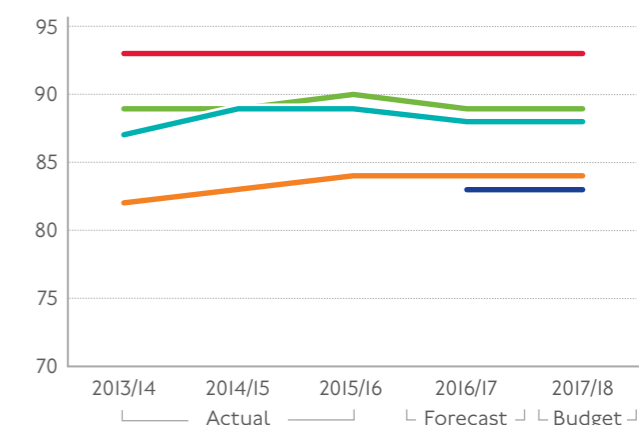
London Overground and TfL Rail – public performance measure moving annual average



TfL Rail reliability continues to improve since we began managing and operating services between Liverpool Street and Shenfield in 2015/16. London Overground performance also continues to improve by working closely with Network Rail and train operators.

Customer

Customer satisfaction score



We expect to maintain our high scores, although Bank station upgrade works may impact DLR passengers.

2017/18 delivery priorities

Safety and security

We will address all recommendations from investigations into the tragic Sandilands tram derailment. Following the Rail Accident Investigation Branch's first interim report, and before services resumed on 18 November, we introduced additional speed restrictions and signage near Sandilands and at three other locations on the network.

On the DLR, we will introduce a strategy to reduce the number of incidents relating to customers boarding services.

An awareness campaign promoting ways to stay safe on our networks will also continue.

Crime

The rail network remains one of the safest ways to travel in London and we will continue to work with the BTP to ensure it remains that way. There will be two major reviews that will see changes to the way the BTP investigates crime and polices the network. We will ensure these reviews deliver efficient and effective policing.

Service improvements

Gospel Oak to Barking electrification

Electrification of the line will allow four-car electric trains to run from 2018, replacing the existing two-car diesel trains. This will provide additional capacity and contribute towards our commitment to tackle poor air quality in London.

Barking Riverside extension

This new 4.5km Overground extension will connect Barking Riverside – an opportunity area with the potential for 10,800 new homes – with Barking. Construction is scheduled to begin in late 2017, with services starting in 2021.

London Overground station enhancements

Works continue at key stations to expand capacity, relieve congestion and improve accessibility. In 2017/18 we will complete improvements at West Hampstead station which include a new footbridge over the platforms, access to the new housing development site and two new lifts.

West Anglia stations programme

By the end of 2017/18, we will have finished upgrading stations previously managed by West Anglia so they match the standards of the rest of the London Overground network.

London Trams refurbishment

We are refurbishing our tram vehicles, which will include repainting the interior, refreshing the grab rails and seats, replacing the floor lino and glazing.



stations will have been upgraded as part of the West Anglia stations programme by the end of 2017/18

Four-car

electric

trains will replace two-car diesel models on the Gospel Oak to Barking line helping to tackle poor air quality



28km

of track on the London Trams network



Construction of the

4.5km

Barking Riverside extension is set to start in late 2017



24 trams will be refurbished by the end of 2017/18

104

route miles covered by London Overground (maintained at 2016/17 levels)

Roads

Transport for London Road Network (TLRN)



Financial summary

The 2017/18 Roads budget shows higher income and lower operating costs than the 2016/17 forecast, improving the operating position by £75m, to a net operating deficit of £325m.

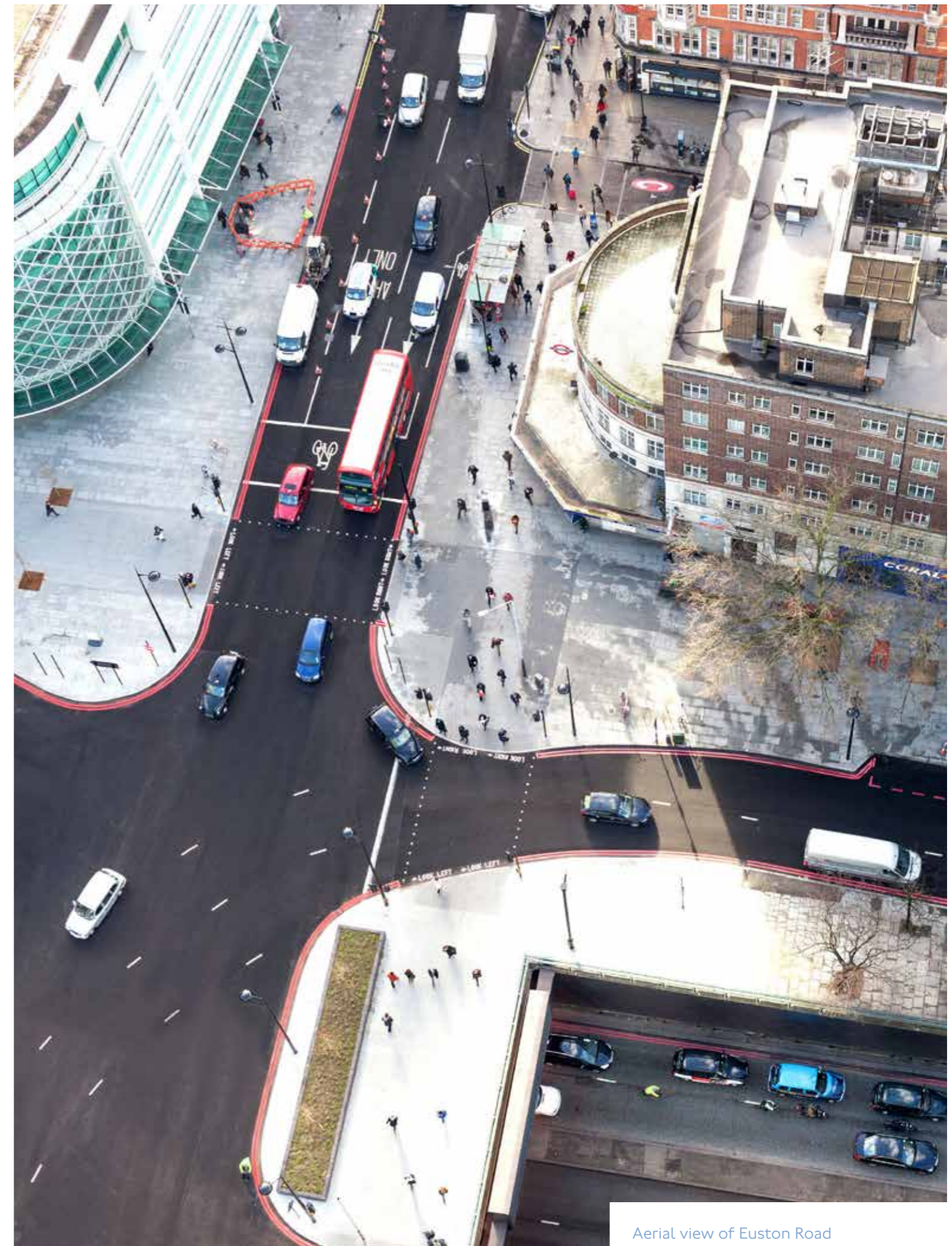
Roads (£m)	2016/17 forecast	2017/18 budget	Year-on-year variance	2017/18 Business Plan	Budget variance to Business Plan
Fares income	–	–	–	–	–
Other operating income	323	376	16%	391	-4%
Total operating income	323	376	16%	391	-4%
Direct operating cost	(644)	(612)	-5%	(666)	-8%
Indirect operating cost	(79)	(89)	13%	(88)	1%
Net operating deficit	(400)	(325)	-19%	(363)	-10%
Depreciation and amortisation	(132)	(129)	-2%	(138)	-7%
Net cost of operations before financing	(532)	(454)	-15%	(501)	-9%
Capital renewals	(141)	(117)	-17%	(114)	3%
New capital investment	(110)	(114)	-4%	(136)	-16%
Total capital expenditure	(251)	(231)	-8%	(250)	-8%

Other operating income, which is principally Congestion Charge income, is higher compared to 2016/17 owing to a proposed increase in penalty charge notice fines in order to maintain their deterrent effect (subject to consultation) and the introduction of the Emissions Surcharge in October 2017.

Direct operating costs reduce compared to 2016/17, through savings including the full year impact of the new Congestion Charging contract and to a small number of transfers from Roads to other areas of the organisation.

Capital costs decrease compared to the Business Plan owing to lower costs on schemes as cost plans are refined, including Oxford Street transformation, Silvertown Tunnel, and rephasing the land purchases for the Wandsworth Gyratory removal into 2018/19. The delivery dates of these schemes are unchanged.

In addition, the acceleration of the Upper Holloway Road Bridge scheme brought forward expenditure into 2016/17.



Aerial view of Euston Road

Volume analysis year-to-date

Over five years

	Actual			Forecast	Budget
	2013/14	2014/15	2015/16	2016/17	2017/18
Congestion Charge volumes (thousands)	17.5	17.6	17.1	16.6	16.5
Congestion Charge and enforcement income (£m)	235	257	258	250	282
Average Congestion Charge including enforcement income (£)	13.40	14.62	15.12	15.02	17.04
Other enforcement income (£m)	82	84	66	73	94
Cycling growth in Congestion Charge zone (%)	n/a	n/a	3	6	9

Cycling

We are helping Londoners to cycle more by making it a safer and more attractive travel option. We will invest an average of £154m per annum for the next five years into cycling.

With eight Cycle Superhighway routes and more than 60km of new cycling infrastructure now open, cycling is forecast to increase by approximately three per cent in 2017 compared with 2016, to around 165,000 journeys a day. This represents a nine per cent rise since 2014.

Reliable roads

Our Roads Reliability Plan sets out a programme to return the road and bus network operation to 2012/13 performance levels. Improvements to the London Streets Traffic Control Centre and responses to incidents will, over a three year period:

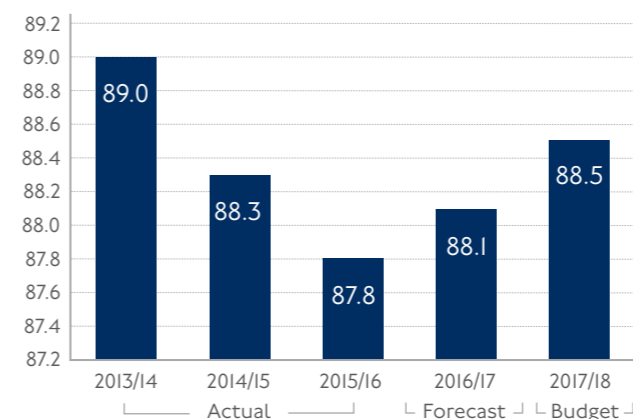
- Maintain bus excess wait time to 1.1 minutes
- Increase journey time reliability to 89-90 per cent
- Reduce 'serious and severe' incident related disruption by 30 per cent
- Cut moderate disruption by 10 per cent
- Speed up incident resolution time to 1.5 hours

We will also set up a long term infrastructure group to better coordinate our works with those of utility companies and the London boroughs.

We will work to support an independent review of congestion, as announced in the 2017 Government Budget, and take action to increase the reliability of the road network across London.

Reliability

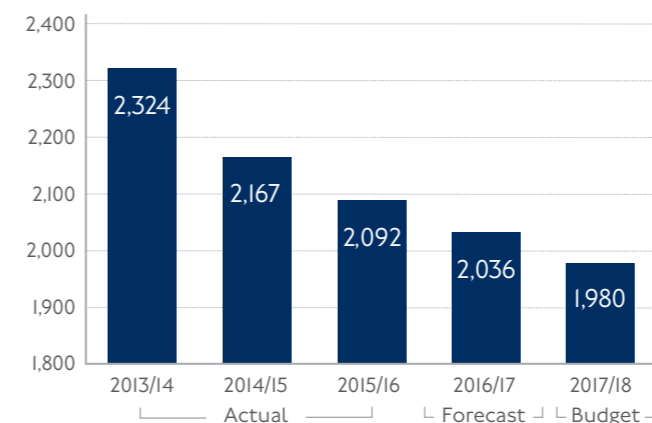
Journey time reliability (%)



The recent level of roadworks has led to a decline in reliability on the road network which we took immediate steps to resolve in 2016/17. This commitment will continue in 2017/18.

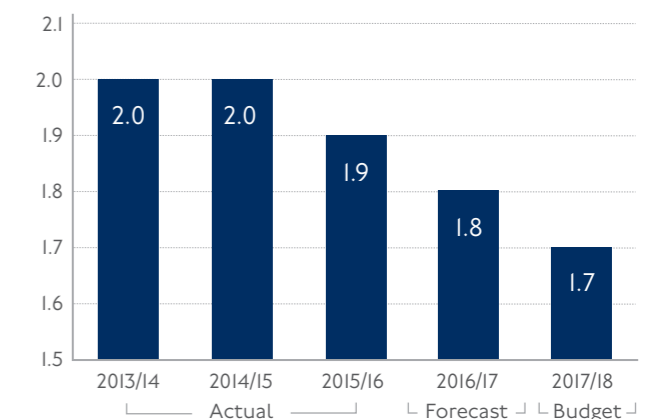
Safety

Number of people killed or seriously injured



The lowest ever numbers of people killed or seriously injured (KSI) was recorded on the Capital's roads in 2015. We are on track to achieve our target of a 50 per cent reduction in KSIs by 2020 compared with the 2005-2009 baseline.

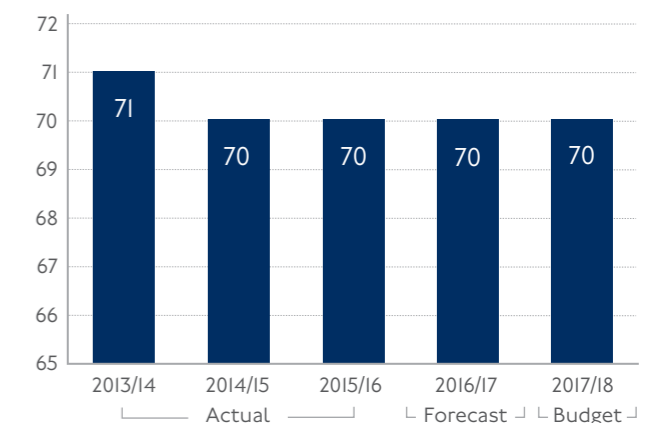
TLRN resolution time-disruption hours per event



We will continue to focus on unplanned serious and severe disruption, the measure of our effectiveness in resolving incidents, to achieve overall improvements as set in the roads reliability plan.

Customer

TLRN user satisfaction score



Customer satisfaction for the TLRN road is expected to remain at 70 into 2017/18.

2017/18 delivery priorities

Healthy Streets

This year we will bring together all our road-based investment under a Healthy Streets Programme which recognises the role that improved walking, cycling, public transport, freight and servicing play in supporting the growth of our city. The combined portfolio represents around £2.1bn investment over the five year Business Plan to 2021/22.

Safety

In 2015 fewer people were killed or seriously injured (KSI) on London's roads than ever before, and we are on track to achieve our target of a 50 per cent reduction in KSIs by 2020 compared with the 2005-2009 baseline. Our 'Vision Zero' approach will maximise safety in all our road schemes. Our commitment will see more on-street policing and enforcement to ensure that dangerous behaviours are curbed. We will also continue to push for the enforcement of mandatory cycle lanes.

We will continue to fund and work with the Road Traffic Police Command to ensure that roads policing and enforcement helps to reduce congestion, and improve personal safety and security so people feel safe walking around the Capital.

Roads enhancements

This year we will:

- Complete sections of Cycle Grid and Quietway programmes in Central London
- Begin construction on the Westminster Bridge South and Old Street Roundabout transformations
- Start detailed planning for the transformation of Oxford Street
- Finish work at the Archway Gyratory
- Complete the first sections of Cycle Superhighway II
- Start the planning for further Cycle Superhighways and the cycle and walking crossing for the River Thames between Rotherhithe and Canary Wharf
- Begin improvements at Mill Hill Circus
- Continue work on the Mini-Hollands in Waltham Forest, Enfield and Kingston

Managing the roads

Projects in 2017/18 include a major programme to replace London's traffic control systems; tests of new Connected Vehicle technology, which is designed to help manage the road network; and reviews of traffic signal timings at 1,200 junctions and 200 sites to improve bus speeds.

Air quality

From October 2017, we will introduce an Emissions Surcharge (T-charge). Drivers of the oldest, most polluting vehicles will pay £10 on top of the existing charge to enter the Congestion Charge zone. We will consult on the expansion of the ULEZ to the North and South Circulars.

To complement the Mayor's proposal to Government for a national diesel scrappage scheme, we will run a voluntary decommissioning scheme from summer 2017 to replace older taxis.

We will also introduce a Congestion Charge payment app from spring 2017.

Silvertown Tunnel

During 2017/18, we will aim to select a partner to design, build, finance and maintain the tunnel under a Public Private Partnership contract and obtain the Development Consent Order so we can go ahead with the project.

Asset Capital Programme

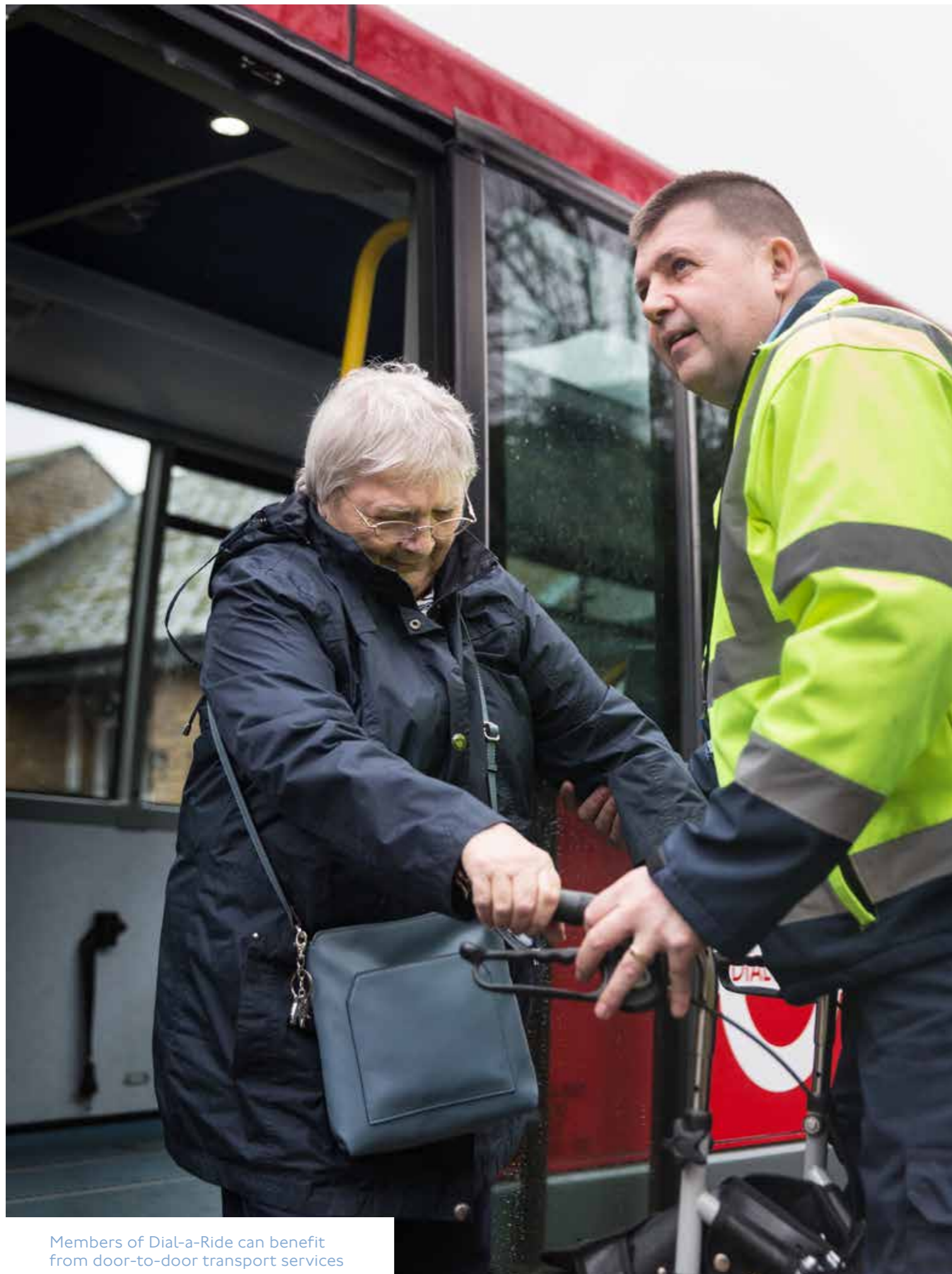
The annual Asset Capital Programme prioritises renewal, refurbishment and replacement works that maintain the roads and its assets at the lowest possible cost. Works include refurbishing bus shelters, resurfacing carriageways and relaying pavements and paths. We will also upgrade street lighting with energy-efficient LEDs and modernise traffic signals at 200 sites.

Structures and Tunnels Investment Programme

This year, work will continue on the Power Road, Ardleigh Green and Highbury Corner bridge replacement projects. These bridges serve major roads, cross busy railway lines and carry vital utilities, such as electric and communication cables.

Behaviour change initiatives

To complement our Healthy Streets approach we will continue with a number of initiatives in 2017/18. These include a road safety programme with schools, a young driver safety programme and working with stakeholders to discourage the use of cars in London.



Members of Dial-a-Ride can benefit from door-to-door transport services

Other operations

London Dial-a-Ride, London River Services (LRS), Taxi & Private Hire (TPH), Santander Cycles, Victoria Coach Station (VCS) and others



Financial summary

As well as the operations named above, we include the costs of the Crossrail 2 project team together with certain group items in this category.

Other (£m)	2016/17 forecast	2017/18 budget	Year-on-year variance	2017/18 Business Plan	Budget variance to Business Plan
Fares income	49	48	-2%	24	100%
Other operating income	100	114	14%	136	-16%
Total operating income	149	162	9%	160	1%
Direct operating cost	(155)	(278)	79%	(229)	21%
Indirect operating cost	(14)	(21)	50%	(16)	31%
Net operating deficit	(20)	(137)	585%	(85)	61%
Depreciation and amortisation	(90)	(82)	-9%	(87)	-6%
Net cost of operations before financing	(110)	(219)	99%	(172)	27%
Capital renewals	(46)	(69)	50%	(72)	-4%
New capital investment	(78)	(62)	-21%	(65)	-5%
Total capital expenditure	(124)	(131)	6%	(137)	-4%

Fares income comprises Oyster write-off and deposit income, and is now expected to exceed that assumed in the Business Plan due to a change in basis of recognition. Other operating income increases compared to 2016/17 largely due to proposed increases in taxi and private hire licence fees (subject to consultation) and higher numbers of private hire drivers and vehicles.

Operating costs increase by over £120m between 2016/17 and 2017/18, of which half relates to the cost of the new Apprenticeship Levy and lump sum payments required to be made to the TfL Pension Fund as part of the funding agreement with the Fund's trustees. The costs of the Crossrail 2 project team are expected to increase from £26m this year to £46m, of which £26m is met by funding from the Department for Transport.

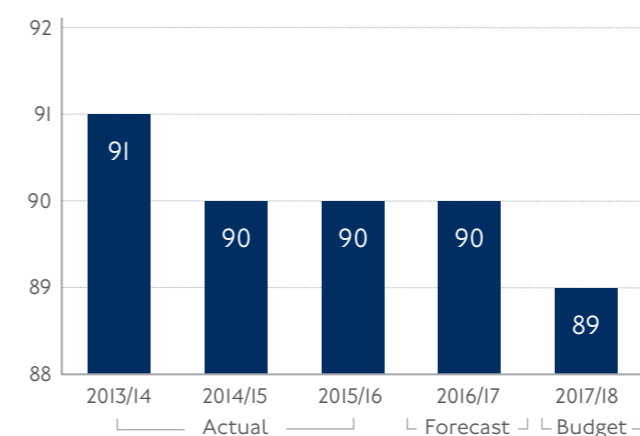
Volume analysis Over five years

	Actual			Forecast	Budget
	2013/14	2014/15	2015/16	2016/17	2017/18
Santander Cycles					
Number of hires (millions)	8	10	10	10	11
Average income per hire (£)	1.67	1.59	1.65	1.84	1.98
Operating cost per hire* (£)	(3.26)	(2.94)	(2.27)	(1.62)	(1.87)
Total cost per hire before financing* (£)	(6.72)	(6.07)	(4.71)	(3.41)	(3.88)
London River Services					
Number of passenger journeys (millions)	8	10	10	11	11
Average income per journey (£)	0.31	0.24	0.20	0.26	0.24
Operating cost per journey (£)	(1.59)	(1.45)	(1.32)	(1.04)	(1.00)
Total cost per journey before financing (£)	(1.68)	(1.54)	(1.40)	(1.12)	(1.06)

* Costs of Santander Cycles are shown net of sponsorship income

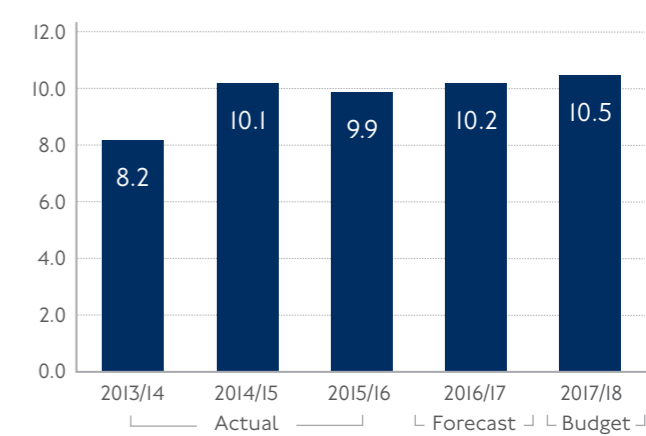
Reliability

Dial-a-Ride scheduled services operated (%)



Performance is forecast to decrease slightly in 2017/18 while continuing to provide fully accessible services for older and disabled people.

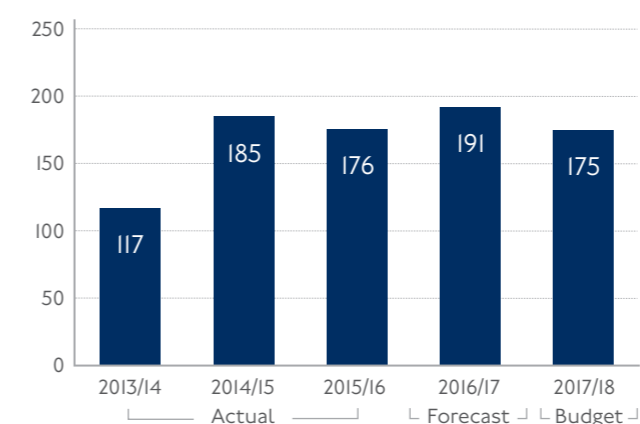
Cycle hire – number of hires (millions)



We are expecting year-on-year increases in the number of people using our cycle hire scheme as a result of population growth and continued investment in cycling.

Safety

Customer injuries*

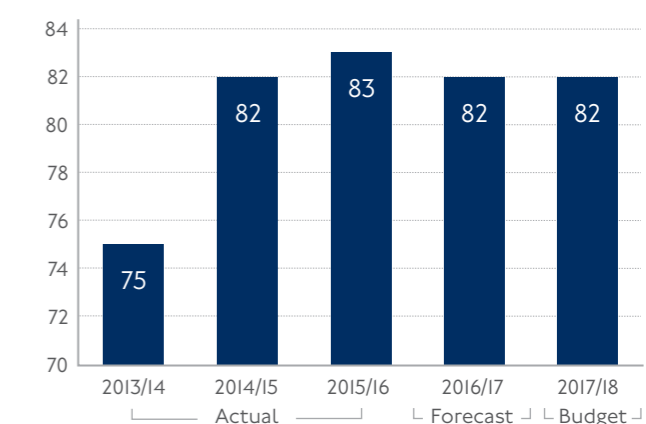


The taxi and private hire industry regulations will be overhauled and rigorously enforced and assessments of private hire drivers will be improved. There will be further training for Dial-a-Ride drivers, collision prevention initiatives at Victoria Coach Station and more safety equipment fitted to hire bikes.

* customers taken to hospital

Customer

Cycle hire customer satisfaction score



We will continue to maintain our customer satisfaction scores. The success of the current 'app' and ease of cycle hiring will enable us to maintain the score at its current level.

2017/18 delivery priorities

Safety

Our commitment this year includes driving up standards of the taxi and private hire industry through an overhaul of regulations and rigorous enforcement. We are recruiting an additional 250 compliance officers, and lobbying for new powers to provide more effective enforcement of illegal activity.

We are working with the Government to seek additional powers to regulate rickshaws and to bring in the legislation to do so.

Accessibility

Dial-a-Ride continues to provide a fully accessible, step-free transport service for older and disabled people who are less able to use mainstream services.

Santander Cycles

London's cycle hire scheme has enjoyed a record-breaking start to 2017 with more than 600,000 journeys made in January. We expect growth to continue as a result of an increasing population and our continued investment in cycling infrastructure and facilities. This year we will introduce a next-generation bike that retains the popular features of the existing model, but it will be more manoeuvrable, have smaller wheels, a lower frame, a new gear hub and a more comfortable seat. The new model will also include Blaze Laserlights, which project a bike symbol in front of the cyclist so they can be seen more easily by other road users.

New infrastructure

We are working to introduce two new hybrid vessels for the Woolwich Ferry by the end of 2018, to replace the current models.

TfL will explore opportunities to introduce a new pier on the eastern side of the Isle of Dogs, which will boost the number of people using river services.

At Victoria Coach Station we will be installing new roofing over platforms.

New technology

In 2017/18 we see the introduction of mobile data terminals for Dial-a-Ride drivers, allowing them to receive up-to-date information while carrying out their duties. This will help us adapt our service quickly in response to changes.

Ticketing app

Our first ticketing app for will be introduced in 2017, giving customers a convenient way to find their pay as you go balances and ticket expiry dates. They'll also be able to use the app to buy pay as you go credit and Travelcards. Later updates will alert customers using contactless cards about changes to their account, such as refunds.

Ticket vending machine

A new ticket vending machine is being developed to sell the wider range of tickets needed at Crossrail stations. The machine can be installed outdoors to give passengers who connect to or from bus services a convenient way to buy tickets.

TfL Contact Centre

By late summer 2017 the Contact Centre will have a new system to process all telephone, online and correspondence enquiries. The system will make it easier to improve analysis, reporting of customer feedback and complaints and for customers to contact us online.



new Woolwich Ferry vessels are being introduced, with greater capacity and better access for cyclists



New

mobile data terminals for Dial-a-Ride drivers will help us adapt to customers' demand quickly

Blaze Laserlights will be

installed

on all new Santander Cycles increasing riders' visibility to other road users



Commercial development

Financial summary

For the first time in 2017/18 we are introducing our Commercial Development unit as a separately measured delivery business.

Commercial development (£m)	2016/17 forecast	2017/18 budget	Year-on-year variance	2017/18 Business Plan	Budget variance to Business Plan
Other operating income	225	264	17%	246	7%
Direct operating cost	(47)	(58)	23%	(42)	38%
Net operating surplus	178	206	16%	204	1%
New capital investment	(46)	(96)	109%	(85)	13%
Capital receipts	17	275	1,518%	77	257%
Crossrail property receipts	–	56	–	170	–67%
Net capital account	(29)	235	910%	162	45%
Net Commercial Development income	149	441	196%	366	20%

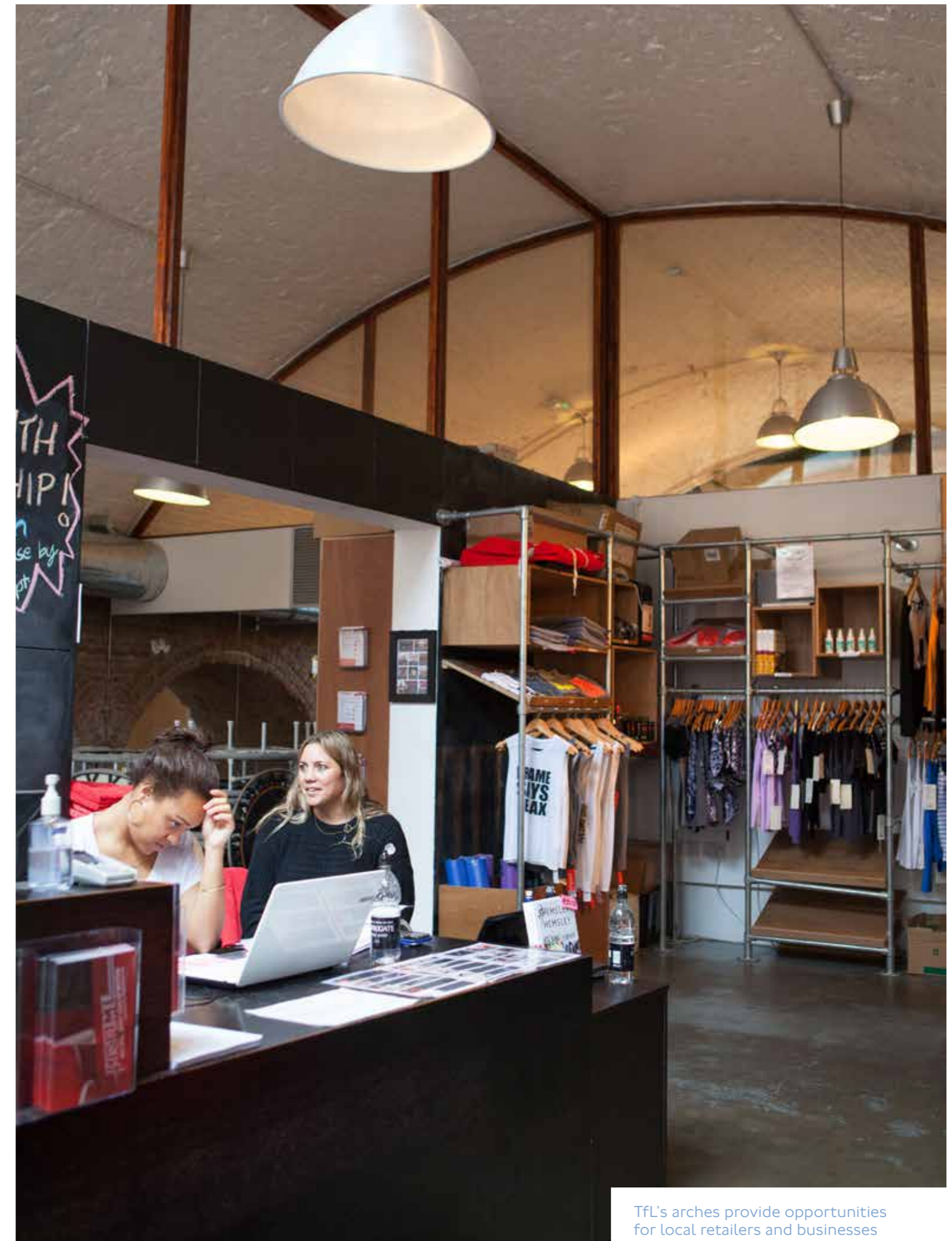
For 2017/18 net income from Commercial Development activity is projected to be £75m ahead of the Business Plan and £292m up year-on-year, despite a challenging market.

The 2017/18 net operating surplus is expected to increase by £28m against 2016/17 and £2m against the Business Plan. The rise against the prior year is driven by an uplift in commercial media revenues and a small increase in property rental income.

Operating costs are projected to rise by £16m compared to the Business Plan. This is owing to higher levels of feasibility expenditure as we explore

new opportunities to maximise our revenues, and an increase in general costs as we accelerate our property development programme. This pace of activity is also reflected in an increase in capital expenditure of £11m compared with the Business Plan as we bring the development of more sites forward.

These costs are more than offset by a rise in capital receipts, which includes the budgeted sale and leaseback of 55 Broadway, and a number of other budgeted disposals as our development programme expands. Capital receipts, including those from the sale of Crossrail sites, are projected to rise by a total of £84m against the Business Plan.



TfL's arches provide opportunities for local retailers and businesses

2017/18 delivery priorities

We are one of London's biggest landowners and manage one of the most valuable outdoor advertising contracts in the world with more than 12,000 campaigns a year.

We are responsible for generating income that will be invested into our transport network while delivering the Mayor's priorities for more housing and better connectivity. We have an ambitious programme to drive both recurring revenues and capital receipts from property development.

We are developing more than 300 acres of land to provide thousands of homes with a target for 50 per cent of them to be genuinely affordable. We have hundreds of small and medium size enterprise tenants who provide the goods and services Londoners want in the places they need them right across the Capital. We are supporting a new wave of small businesses in London by providing them with locations to develop their businesses that give them access to a huge and diverse customer base.

As our programme grows we are making a significant capital investment in opportunities to generate new income streams including through our advertising estate, plus our retail and industrial property. Building on our programme of large roadside digital

advertising screens, we have plans to install a 14 metre by 3.5 metre screen at Wembley. This will take our portfolio of roadside screens to 30 with plans to deliver a further seven. We will start redevelopment of 31 arches on Wood Lane in Hammersmith and Fulham, followed by a scheme in Latimer Road in the Royal Borough of Kensington and Chelsea. Following the successful completion of new retail units at Marble Arch and Westminster, we have plans to introduce more units across our stations.

We have ambitious plans to become one of London's biggest property developers. We are currently making significant capital investments as we bring forward our development pipeline. In future years this investment will drive both capital and revenue income. During the next year we plan to bring to market at least six property development schemes which together will deliver 3,000 homes. Our joint venture partnership with Triangle London Developments will start and we will form further joint ventures for our sites at Landmark Court, Blackhorse Road and South Kensington. These sites will generate income in 2017/18 through capital receipts, and development profit in future years once the schemes are complete.

We carry more than
12,000
advertising
campaigns
each year



Santander Cycles is the
world's largest
public sector sponsorship



£540m
generated over two
years to invest in
improving transport



More than
250
stations on
our network
now have WiFi

800
1,000 arches and
shops in our retail
and industrial estate



Our advertising
estate has an
annual audience of

1.5 billion



112
194 newsagents and
food businesses
across the estate



94%
of tenants are
small businesses

More than
100



potential development
sites across London
to provide new homes
and workspaces



We will be developing
10 million ft²
of residential and commercial space



318
start-ups on our estate

£82m

investment in
upgrading our
advertising estate





New Elizabeth line trains will be tested in the central tunnels in early 2018

Crossrail

The Elizabeth line will make travelling in the Capital easier and quicker and will reduce crowding on London's transport network, operating with mainline-size trains each carrying more than 1,500 passengers in each during peak periods. The new trains will be 200-metres-long – almost twice as long as a London Underground train – creating a more comfortable passenger experience.

Construction of the Elizabeth line is now 80 per cent complete, on schedule and within its £14.8bn budget. The 100km rail link, which will stretch from Reading and Heathrow in the west to Shenfield and Abbey Wood in the east, will add 10 per cent to the city's rail capacity and transform the way people travel across London.

The line is being built by Crossrail Ltd and its industry partner Network Rail. Upgrades to the existing network are now more than 75 per cent complete and electrification and station redevelopment work continues. The first trains enter service in May 2017 between Liverpool Street and Shenfield and, from the end of 2018, through Central London. The full line will be operational from the end of 2019.

The immediate focus this year is fitting out tunnels, shafts and portals with track, ventilation, high-voltage and traction power, signalling, communications and overhead line equipment. At stations we will continue installing lifts and escalators, station operation rooms, providing street-to-

platform step-free access, better gate lines, signage and ticket machines, and creating a cleaner environment. Testing of the trains through the central tunnels will begin in early 2018.

May 2017

The first new train enters TfL Rail passenger service between Liverpool Street and Shenfield

May 2018

The line opens between Paddington (National Rail) and Heathrow Terminal 4, replacing the existing Heathrow Connect service and part of the Great Western inner suburban service

December 2018

Services start between Paddington and Abbey Wood, Liverpool Street to Shenfield and Paddington to Heathrow Terminal 4

May 2019

The Elizabeth line through-service extends from Shenfield to Paddington

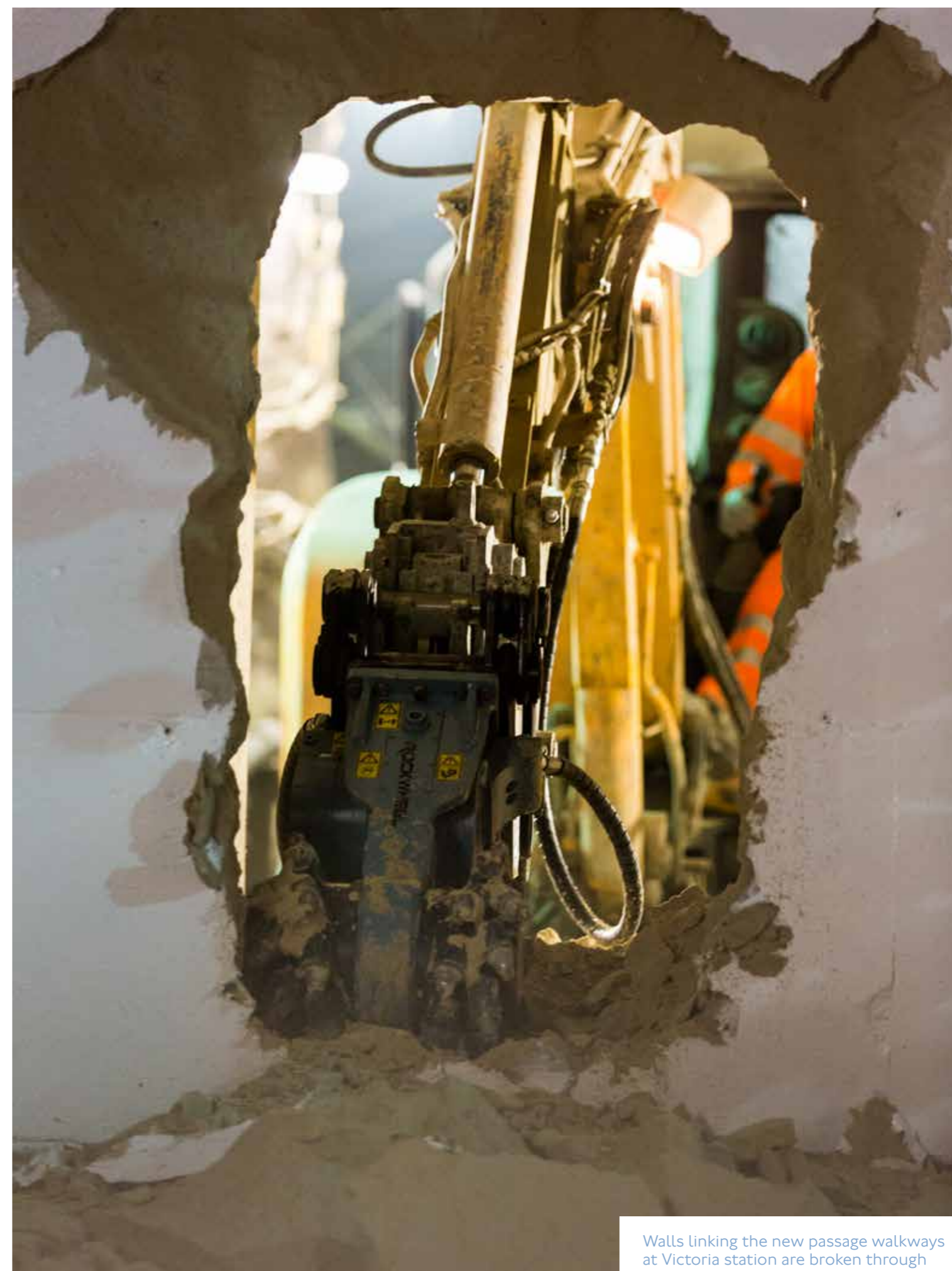
December 2019

The new route is fully open and extends to Reading

Capital investment

London Underground

Project	Description	2017/18 £m
Four Lines Modernisation	Upgrade of the Circle, District, Hammersmith & City and Metropolitan lines resulting in a 33 per cent increase in capacity	315
Deep Tube upgrade programme	Modernisation of the Piccadilly (first in line), Central, Bakerloo and Waterloo & City line (new trains and signalling)	21
World Class Capacity	Jubilee and Northern lines - additional trains plus enabling work to exploit capability of the new signalling system (an extra six trains per hour in the peak on each line)	60
	Final elements of capacity upgrades	24
	Victoria line capacity	4
Northern line extension	Extension of the Northern line from Kennington to Battersea	202
Major station upgrades	Station capacity projects already in progress (Victoria, Tottenham Court Road, Bond Street, Bank)	152
Fleet and signalling renewals	Work to allow the existing train and signalling equipment to continue to operate ahead of renewal via the Deep Tube upgrade programme and Rail Vehicle Accessibility Regulations compliance works	52
Step-free access	Additional step-free access projects beyond those delivered through station capacity projects or Crossrail construction.	6
Energy/carbon reduction schemes	Waste heat schemes and energy and carbon reduction schemes including the Bunhill scheme	3
Future major stations	Includes investment at Camden Town and Holborn stations to relieve congestion, as prerequisite for the Northern line 2 and Piccadilly upgrades	16
Other capital expenditure	Includes technology and construction projects, such as Crossrail and Station Works Improvement projects (SWIP) and third party work	107
Other renewals	Continuation of track and power and cooling upgrade programmes and works to upgrade lifts and escalators	229
Overprogramming	Prudent allowance for anticipated slippage across the investment programme	(50)
Total		1,141



Walls linking the new passage walkways at Victoria station are broken through

Surface transport (including TfL Rail)

Project	Description	2017/18 £m
Healthy Streets	Investment to improve Londoners' health by promoting walking, cycling and the use of public transport	116
Air quality	Schemes, infrastructure and initiatives that reduce dangerous emissions and improve the Capital's air quality	35
Tfl Rail	Principally the purchase of Elizabeth line trains	325
DLR enhancements	DLR asset renewals, capacity enhancements and supporting infrastructure for new trains in 2022	49
Public transport infrastructure	Investment in infrastructure to support buses, Cycle Hire and other Surface Transport operations	53
Overground enhancements	Electrification of the Gospel Oak to Barking line and investment in stations including those transferred to TfL in 2015	68
Barking Riverside extension	Extension of the Gospel Oak to Barking line to Barking Riverside, supporting new housing	6
Silvertown Tunnel	New road crossing at Silvertown via tunnel under the Thames	11
Tram enhancements	Principally the construction of the Dingwall Loop that supports higher frequencies as part of the Westfield development in Croydon	21
Roads renewals	Investment to ensure London's strategic roads infrastructure remains in a state of good repair	145
Overprogramming	Prudent allowance for anticipated slippage across the investment programme	(74)
Total		757

Professional services and commercial

Project	Description	2017/18 £m
Commercial development	Investment in the development of our property and land asset base to maximise non-fares revenue (e.g. through retail space, arches, advertising)	96
Customer experience	Various renewal and investment projects relating to revenue collection assets (for example, ticket vending machines and ticketing technologies and Contact Centre systems)	38
Information management	Mainly renewal projects relating to internal systems, IT infrastructure and cyber security; and new investment in cost saving technologies	17
Other corporate	Essentially finance systems and costs relating to the office accommodation strategy, both resulting in long-term cost savings	34
Total		185
Total TfL capital investment (including third party contributions)		2,082

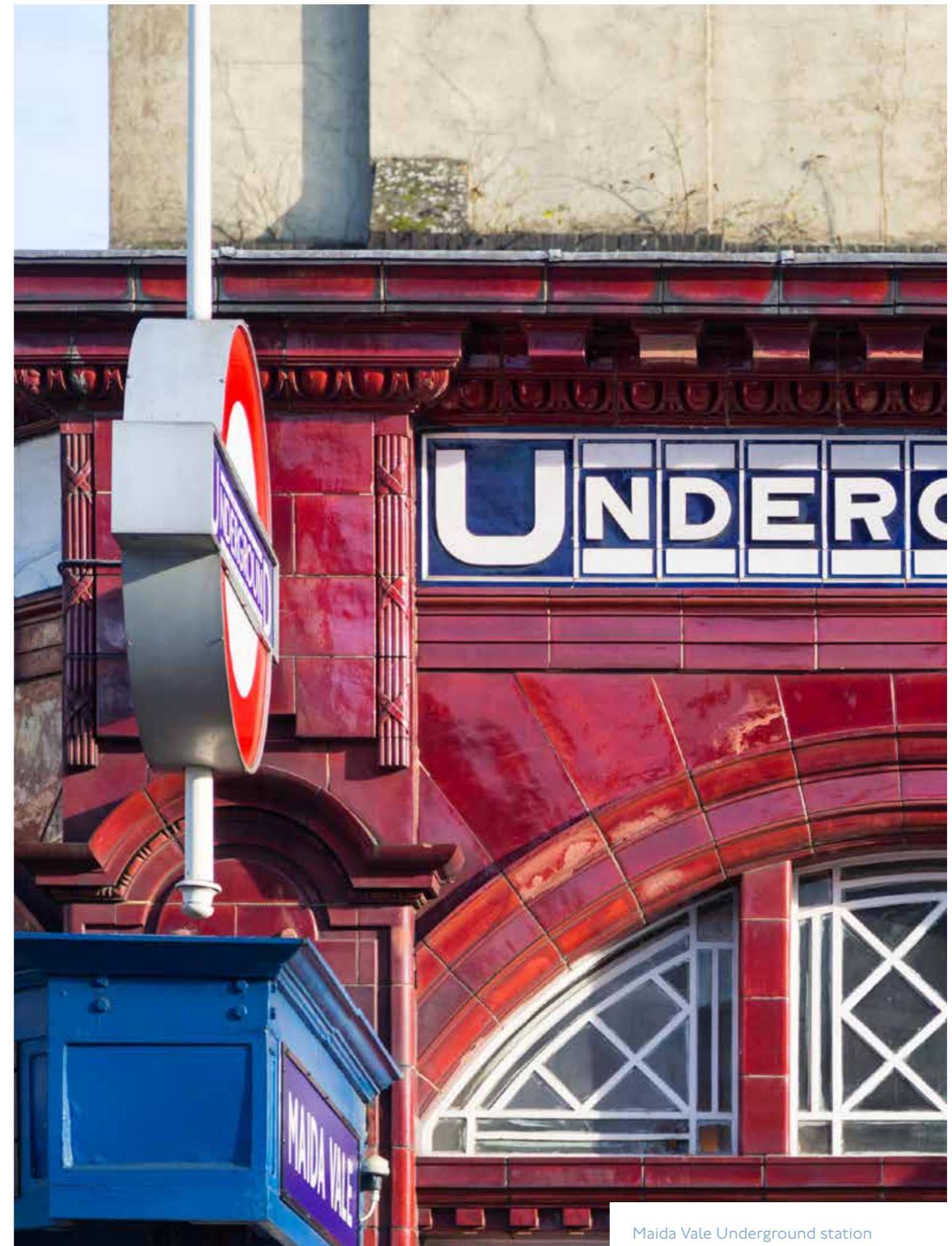
Crossrail

Project	Description	2017/18 £m
Crossrail construction	Construction of the new East-West route across London providing a new high-frequency commuter and suburban passenger service. This will form the Elizabeth Line due to become operational in December 2019	1,162

Appendices

I. TfL Group balance sheet

Balance sheet (£m)	Actual	Forecast	Budget	Business Plan
	31 March 2016	31 March 2017	31 March 2018	31 March 2018
Intangible assets	123	128	86	50
Property, plant and equipment	34,402	36,821	38,959	39,145
Investment properties	518	516	515	515
Investment in associate entities	473	495	495	510
Long-term derivatives	7	15	15	11
Long-term debtors	692	15	66	38
Long-term assets	36,215	37,990	40,136	40,269
Stocks	71	76	76	74
Short-term debtors	1,262	1,842	575	534
Short-term derivatives	5	18	18	12
Cash and short term investments	3,314	1,734	1,747	1,806
Current assets	4,652	3,670	2,416	2,426
Short-term creditors	(2,188)	(1,963)	(1,906)	(2,330)
Short-term derivatives	(21)	(7)	(4)	(4)
Short-term borrowings	(832)	(1,136)	(1,136)	(832)
Short-term lease liabilities	(94)	(73)	(46)	(43)
Short-term provisions	(221)	(113)	(65)	(36)
Current liabilities	(3,356)	(3,292)	(3,157)	(3,245)
Long-term creditors	(80)	(54)	(52)	(90)
Long-term borrowings	(8,281)	(8,660)	(9,281)	(9,584)
Long-term lease liabilities	(565)	(508)	(461)	(452)
Long-term derivatives	(95)	(70)	(69)	(95)
Other provisions	(46)	(41)	(20)	(15)
Pension provision	(3,208)	(3,208)	(3,208)	(3,187)
Long-term liabilities	(12,275)	(12,541)	(13,091)	(13,423)
Total net assets	25,236	25,827	26,304	26,027
Capital and reserves				
Usable reserves	3,233	1,812	1,844	1,698
Unusable reserves	22,003	24,015	24,460	24,329
Total capital employed	25,236	25,827	26,304	26,027



Maida Vale Underground station

Milestones

London Underground

Delivery area and project	Description	Date
Major station upgrades		
Bond Street station upgrade	Bond Street Station – back into full service	Aug-17
	Bond Street station upgrade complete, including a new station entrance and step-free access to all platforms	Dec-17
Victoria station upgrade	All lifts installations complete	Oct-17
	Basement areas handed back to Network Rail	Jun-17
	Northern Ticket Hall completed including step-free access to all platforms via lifts	Dec-17
Bank Station capacity upgrade	Tunnelling begins	May-17
	Excavation works begin	Oct-17
Bank Station – Waterloo & City line entrance	Opens for passengers	Jan-18
Paddington - Bakerloo line link	All systems (such as link switch rooms, lifts, chiller room, and link tunnel) installed and tested for start of integration and testing	Mar-18
Northern Line Extension		
Northern line extension	Tunnelling between Battersea and Nine Elms station – completed	Aug-17
	Kennington Loop - enabling works finish	Sep-17
	Kennington Green shaft – second tunnel boring machine arrives	Oct-17
	Kennington Loop - 10 day closure for works	Dec-17
	Nine Elms Station – break through into the existing Northern line tunnels	Mar-18
	Nine Elms Station – all B2 top-down slabs poured as part of the top down construction method	Mar-18

Delivery area and project	Description	Date
Renewals – Power and cooling		
Dual power	Queensbury transformer room fit-out completed	Aug-17
Central line resilience works	Bow and South Woodford - contract award recommendation	May-17
Power asset renewals	Park Royal Group high voltage - start on first site	May-17
Renewals – Lifts and escalators		
Lancaster Gate lifts 1 and 2 replacement	New lifts fully operational	Aug-17
Euston escalator 5 refurbishment	Escalator fully operational	Jul-17
Escalator programme delivery	Final escalator at Holborn station (Piccadilly line) - operational	Oct-17
Renewals – Track		
Points and crossings	Completed renewal of 15 points and crossings units	Mar-18
Drainage renewals	Completed renewal of 2,500 metres of track drainage	Mar-18
Ballasted track renewals	Ballasted track renewal and re-ballast - 7,000 metres completed	Mar-18
Deep Tube renewals	2,500 metres completed	Mar-18
Fleet and signalling renewals		
Bakerloo line rolling stock weld repairs	Life extension – 20 of 36 trains complete (target for full completion – November 2018)	Dec-17
World class capacity		
Victoria line upgrade 2	Ready for extending to 36 trains an hour service	May-17
Jubilee line upgrade 2	Ready for extending to 30 trains an hour service	Aug-17
Jubilee and Northern line additional trains	Contract award	Oct-17

Delivery area and project	Description	Date
Northern line upgrade 2	Detailed design for the Morden track, civils, earth and structures - completed	Dec-17
	Morden Civil Earth Structure - site works begin	Feb-18
Four Lines Modernisation (Circle, District, Hammersmith & City and Metropolitan lines)		
Customer information system	Enabling works (phase 3) between Cannon Street, Paddington, Barons Court and Fulham Broadway completed	Jun-17
Service Control Centre	Hammersmith Service Control Centre information and communication system site acceptance – testing completed	Oct-17
Thales project	Site software readiness review for release	Oct-17
Depot	Ruislip depot commission area ready for passenger vehicle testing	Aug-17
Track modification	Tower Hill track alignment works to support service uplift completed	Aug-17
	Confirmation of required track work (maximum safe speed) for all migration areas to enable required performance based on Thales Modelling & Timetable planning	Sep-17
	Final design and structure of track lay out for Farringdon Sidings approved	Jan-18
Track side equipment (wayside infrastructure)	All wayside signalling installation for Edgware Road/Finchley Road to Euston Square (SMA2) complete	Jul-17
	Wayside infrastructure (signal equipment rooms, power and cable management system) for Circle line – completed	Nov-17
	Wayside infrastructure (signal equipment rooms, power and cable management system) for District line east – completed	Mar-18

Delivery area and project	Description	Date
Communications based train control (CBTC)	Service Control Centre operations - training starts	Jun-17
	Design for fitment to battery loco type A engineering vehicle – completed	Jun-17
	Post installation check out and local correspondence testing testing for Hammersmith to Paddington – completed	Sep-17
	Circle and Hammersmith & City lines train operators – training starts	Oct-17
	Fleet maintenance - training starts	Oct-17
	Signalling operators - training starts	Nov-17
	Demonstration that signalling system, for non-interoperable area, is ready to support revenue service of the first migration area	Dec-17
	30 Metropolitan line trains (half the line's fleet) – fitment completed	Dec-17
	Signalling system performance monitoring for Hammersmith to Paddington – completed	Feb-18
	Signalling system ready for commissioning between Hammersmith and Latimer Road	Mar-18
De-icing facility	Ealing Common depot – facility operational	Jan-18
	Upminster depot – facility operational	Feb-18
Power	Transformer rectifier unit modification works complete to enable operation of 750 volt regeneration	Feb-18

Rail

Delivery area and project	Description	Date
London Overground		
Willesden driving motor unit electrification	Option selection design - approved by Network Rail	Jun-17
Stations Programme	West Hampstead station over-track footbridge – completed	Oct-17
Barking Riverside extension	Main works tender issued	Oct-17
Train crew accommodation	Main works at Chingford - completed	Feb-18
Track protection warning system	Detailed design – approved by Network Rail	May-17
West Anglia stations programme	Station main works - completed	Jun-17
Trams		
Trams assets – vehicle overhauls	Gearbox overhauls started	Oct-17
Trams assets – mid-life refurbishment	Completed	Mar-18
Docklands Light Railway		
Rolling stock replacement project	Concept design for Beckton depot – completed	Feb-18

Roads

Delivery area and project	Description	Date
Healthy Streets		
Central London Cycling Grid	50km (about 60 per cent) of borough Grid network – either in progress/completed	Sep-17
Mini-Holland - Enfield	4km of segregated cycle route – completed	Mar-18
Cycling Quietways	100km of Quietway construction - either complete or in progress	Jan-18
Oxford Street West Transformation	First public consultation	Jun-17
Archway Gyratory	Construction complete – excluding Despard Road Loading Bay	Jun-17
Cycle Superhighway II	Swiss Cottage detailed design work – completed	Dec-17
Wandsworth Gyratory Removal	TfL Board approval of the principle of making a Compulsory Purchase Order	Dec-17
Surface Intelligence Technology Implementation	Notification of contract award to selected supplier	Feb-18
Crossrail Complementary Measures	Implementation completed on four schemes	Mar-18
Bus Route Modernisation Plan	For borough route modernisation plan mitigation schemes – achieve 64 minutes of bus journey time benefit across all routes	Mar-18
Air quality measures	Emissions Surcharge (T-Charge) – launch	Oct-17
Ultra Low Emission Zone	75 per cent of the buses operating in the ULEZ will be compliant	Mar-18
Assets		
Upper Holloway railway bridge replacement	Construction - completed	Jun-17
Silvertown Tunnel		
Silvertown Tunnel	Invitation to negotiate issued	Jun-17
	Property Cost Estimate completed on June 2017	Jul-17

Other operations

Delivery area and project	Description	Date
Public transport infrastructure – Santander Cycles		
Cycle hire transformation	Transition into service	Aug-17

Professional services

Delivery area and project	Description	Date
Information Management		
Contactless	Contactless extended to the Oyster app	Mar-18
Customer experience		
Command and control system	New multi-modal incident command and control system – operational	Aug-17

Commercial development

Delivery area and project	Description	Date
Commercial revenue		
Digital Portrait advertising screens	Installation programme agreed for Digital Portrait advertising screens	Sep-17
Property development		
Property development	Six major sites brought to the property development market through a variety of routes including our Property Partnerships Framework and wider market engagement	Mar-18
Small sites programme	Five small development sites brought to market for property development through a pilot programme	Mar-18
Operational property		
55 Broadway	Completion of the sale and lease back deal for the building which will deliver a significant capital receipt while retaining it as relatively low-cost office space	Mar-18

Crossrail

Delivery area and project	Description	Date
Crossrail	1st Class 345 trains on Great Eastern (Liverpool Street to Shenfield) – introduction into passenger service	May-17
	Class 345 into passenger service on Great Eastern	Oct-17

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