

# Supplementary Agenda

**Meeting: Board**

**Date: Wednesday 29 July 2020**

**Time: 10.00am**

**Place: Teams Virtual Meeting**

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As provided for under section 100B(4)(b) of the Local Government Act 1972, the Chair is of the opinion that the attached papers should be considered as late items as information in relation to them was not available at the time that the agenda and papers were published. The reason for urgency is detailed below for each item:

- 6 **Elizabeth Line Operational Readiness and Crossrail Update** to allow the paper considered by the Programmes and Investment Committee to be updated following the meeting of the Crossrail Limited Board on Thursday 23 July 2020;
- 7 **TfL Annual Report and Statement of Accounts for the Year Ended 31 March 2020** as the Covid-19 situation has delayed the signoff of the Group and subsidiary company accounts with Ernst & Young, the external auditor;
- 8 **Safety, Health and Environment Annual Report 2019/20** as the Covid-19 situation delayed the production and verification of data by other parties; and
- 9 **Finance Report and Revised Budget** to allow for the most up to date information to be provided to the Board.

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Copies of the papers and any attachments are available on [tfl.gov.uk How We Are Governed](https://www.tfl.gov.uk/How-We-Are-Governed).

## Further Information

If you have questions, would like further information about the meeting or require special facilities please contact: Shamus Kenny, Head of Secretariat; telephone: 020 7983 4913; email: [ShamusKenny@tfl.gov.uk](mailto:ShamusKenny@tfl.gov.uk)

For media enquiries please contact the TfL Press Office; telephone: 0845 604 4141; email: [PressOffice@tfl.gov.uk](mailto:PressOffice@tfl.gov.uk)

Howard Carter, General Counsel  
Friday 24 July 2020

**Supplementary Agenda  
Board  
Wednesday 29 July 2020**

**6 Elizabeth Line Operational Readiness and Crossrail Update**  
(Pages 157 - 160)

Managing Director London Underground and TfL Engineering.

**The Board is asked to note the paper.**

**7 TfL Annual Report and Statement of Accounts for the Year Ended 31 March 2020** (Pages 161 - 376)

Managing Director Customers, Communication and Technology and Chief Finance Officer

**The Chair, following consultation with the Board, is asked to approve the TfL Annual Report and Statement of Accounts for the year ended 31 March 2020 and the provision of an ongoing parent company guarantee by Transport Trading Limited to a number of TfL's subsidiary companies, as recommended by the Audit and Assurance Committee.**

**8 Safety, Health and Environment Annual Report 2019/20**  
(Pages 377 - 420)

Chief Safety, Health and Environment Officer

**The Board is asked to approve the Annual Report prior to publication.**

**9 Finance Report and Revised Budget** (Pages 421 - 474)

Chief Finance Officer

**The Chair, following consultation with the Board, is asked to note and approve the revised Budget, as set out in the paper.**

**Board**



**Date:** 29 July 2020

**Item:** Elizabeth Line Operational Readiness and Crossrail Update

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## This paper will be considered in public

### 1 Summary

- 1.1 This paper provides an update on the status of the Crossrail project including an update on the schedule and cost position, the readiness of the Infrastructure Managers (IM) for the operations and maintenance of the railway after handover from the Crossrail project.
- 1.2 On 20 July 2020, the Programmes and Investment Committee considered a similar paper, along with an update on the periodic reports from the Project Representative (P-Rep) on Crossrail. The Committee discussed the impact of the Covid-19 safe stop and resumption of construction work on the project (including the Network Rail (NR) works on stations) and the decision to conclude the existing joint venture contract for the remaining works at Bond Street station. There were no significant issues raised to bring to the attention of the Board.
- 1.3 The Chair of TfL agreed to accept this as a late item on the Board agenda, so that it could include additional information from the meeting of the Crossrail Limited (CRL) Board, which met after the papers for this meeting were published.

### 2 Recommendation

- 2.1 **The Board is asked to note the paper.**

### 3 Update on schedule and cost position

- 3.1 CRL has been working on a recovery plan to address the challenges caused by Covid-19 and drive the project to its completion. While this work is still ongoing, we have been advised following the CRL Board meeting on 23 July 2020 that the opening of the central section will not occur during the summer 2021 window previously announced on 10 January 2020 and that further time will be required. However, the schedule is subject to further development and includes considering mitigations as part of the ongoing work on the recovery plan and a more comprehensive update is expected from CRL in due course.
- 3.2 The current £2.15bn financing package for the Crossrail project was agreed between the Department for Transport (DfT), the Greater London Authority and TfL in December 2018 (the Financing Package). The latest projections suggest that the cost to complete the Crossrail project (including risk contingency) is expected to be higher than the potential increase, previously announced on 8 November 2019, of between £400m and £650m above the Financing Package. In

conjunction with the refinement of the remaining work schedule, the extent of any cost increases is being ascertained alongside potential mitigations, before being validated and confirmed in due course.

- 3.3 TfL and DfT are in discussion regarding how funding of these additional costs will be resolved, while the Financing Package remains in place.

## **4 Crossrail update**

- 4.1 Health and safety remains a priority for CRL and overall performance is kept under constant scrutiny especially with an increasing number of staff returning to sites. CRL has highlighted the need to remain vigilant and focussed as the railway is now in the process of handover and the additional interfaces present some additional risks.
- 4.2 CRL is working with its contractors to gradually increase the number of staff on sites to complete the outstanding construction and assurance activities. These efforts will be supported by a blockade lasting approximately five weeks across tunnels, track, shafts and portals that will allow for exclusive 24/7 access to the central tunnel section for construction and testing workers. This work will begin in August 2020 and CRL will engage in advance with the local communities and stakeholders.
- 4.3 All central section stations, except Bond Street, are now certified as ready to support Trial Running. Due to the volume of work remaining and the number of people required on site, the remaining work at Bond Street for Trial Running needs to be re-planned. As a result, CRL and Costain Skanska Joint Venture agreed to conclude the existing contract on 24 June 2020 and CRL will oversee completion of the remaining works.
- 4.4 Six of the 10 shafts and portals have now been handed over and CRL has carried out a series of independent reviews into the status of the shafts and portals to agree the remaining handover dates with the delivery, technical and operator organisations. On 9 June 2020, the Limmo Shaft achieved 'Staged Completion for Familiarisation' meaning that the safety critical works have been completed with only minor works and assurance documentation left to complete. This will be carried out by a dedicated resource over an eight-week timeline and will allow us as IM to start familiarising ourselves with the asset. Plumstead Portal reached staged completion for familiarisation on 14 July 2020. The remaining shafts, Eleanor Street Shaft and Stepney Green Shaft, are working towards this milestone.
- 4.5 All Engineering Safety Justifications for the routeway have now been submitted by the Tier 1 contractors for review by CRL. Safety Justifications are arguments demonstrating an element is safe based on hazard identification with corresponding evidence mitigating those hazards. The final Central Operating Section Safety Justification relies on the progressive build-up of Element Safety Justifications which in turn are supported by Engineering Safety Justifications that are submitted by the Tier 1 contractors.

- 4.6 The first component of the routeway (track) has achieved the 'Readiness for Handover' milestone. This is a crucial step in progressing towards Trial Running. Full handover of the routeway will occur in parallel with Trial Running and after entering into the operational environment under ROGS (Railways and Other Guided Transport Systems (Safety) Regulations 2006).
- 4.7 On 30 May 2020, CRL recommenced Dynamic Testing of the railway and is progressing towards having the baseline software configuration completed for Trial Running. CRL is progressing the TR2 software configuration that de-risks Trial Running by significantly reducing the number of operational restrictions.
- 4.8 In advance of the blockade, the last of the key signalling tests will be carried out. These include further tests of the transitions on and off the NR infrastructure, auto reverse (train reversing itself at Westbourne Park and other locations) and connecting two full-length trains together to check that one can push or pull the other out of the tunnel. In addition, a day of 'Operational Scenario Testing' is planned where four test trains will be operated close together as if running to a timetable. These tests need to be completed before the blockade so changes can be fed into the software releases in the autumn.
- 4.9 NR has resumed work on the station enhancements on both the east and west of the line in accordance with the latest government guidance. NR is currently undertaking a nationwide assessment to confirm the impact of Covid-19 on its works.

## **5 Elizabeth line readiness**

- 5.1 TfL Rail services continue to deliver very high performance, with 96.2 per cent of trains meeting the reliability target in the last four weeks. We have returned service levels back to those operated before lockdown.
- 5.2 Full length units (nine-car trains) have been operating on services out of Paddington and are approved for Heathrow services but the requirement for a critical software fix means they are currently replaced by seven-car units.
- 5.3 We have restarted the training of control room staff using safe systems of work and will soon restart the training and familiarisation of maintainers. This is more difficult as it involves multiple sites and contractors.
- 5.4 The Elizabeth Line Readiness Group (ELRG) continues to meet and has been focused on the plan to achieve Trial Running. The following outlines the group's progress and current actions.
- 5.5 We continue to progress planning for the early station transfer of Tottenham Court Road and Farringdon. Dates for transfer to take place are currently being considered along with the potential risks and benefits of doing so. Joint TfL/CRL scope reviews are ongoing to determine key areas to focus efforts and ensure early transfer can be delivered with no added risks to the wider programme.
- 5.6 Work is underway on detailing the Elizabeth line risk landscape. This will form the basis of shared strategic risks for all parties involved in the delivery and operation of the Elizabeth line. The outcome of this work will return to a future meeting of the Programmes and Investment Committee for discussion.

5.7 ELRG is working collaboratively with CRL to identify 'residual works' and how they can best be delivered. We continue to review the scope and capability of our residual works teams to deliver the identified works after the opening of the central section.

### **Transition**

5.8 The funding and financing package for TfL agreed by the Government in May 2020 recognised that Crossrail remains a vital project for both London and the UK. That package contained a number of conditions relating to Crossrail, including requiring TfL to propose an action plan to support the successful transition of the project to TfL as it becomes closer to being an operational railway. Our proposal was presented by the deadline of 30 June 2020 and sets out how we plan to transition the project from CRL into an operational railway while supporting the continued delivery of the project.

5.9 With an increasing number of assets handed over and as we near the point of standing up as the operator and maintainer of the railway, we have already started the process of transitioning CRL to TfL. As the transition continues, we envisage the senior governance of the project transferring from the current CRL Board structure into a Committee of the TfL Board. We are discussing with the DfT and stakeholders the further development of the transition action plan and timing of its implementation. Depending on progress of those discussions, we may need to seek approvals before the Board or the Programmes and Investment Committee are due to meet again, in which case we will seek approval by way of Programmes and Investment Committee Chair's Action, consulting all Board Members.

### **List of Appendices:**

None

### **List of Background Papers:**

None

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**Board**



**Date:** 29 July 2020

**Item:** TfL Safety, Health and Environment Annual Report 2019/20

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**This paper will be considered in public**

## **1 Summary**

- 1.1 The TfL Safety, Health and Environment (SHE) Annual Report describes the SHE performance across all the TfL businesses. Generally, the report covers the financial year from 1 April 2019 to 31 March 2020. However, the road safety data for Greater London and the Transport for London Road Network covers the calendar year from January to December 2019.
- 1.2 The safety data includes customer, employee and supplier incidents. The health data relates to employee wellbeing but does not cover contractor or customer health issues. The environment data covers London's public transport operations, including taxis and private hire vehicles, plus the activities we and our suppliers undertake.

## **2 Recommendation**

- 2.1 The Board is asked to approve the report prior to publication.**

### **List of appendices to this report:**

Appendix 1: Safety, Health and Environmental Annual Report 2019/20

### **List of Background Papers:**

None

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# Safety, Health and Environment Annual Report

2019/20



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# Foreword

Safety, health and the environment have never been more at the forefront of our thinking than during the global coronavirus pandemic

We are committed to supporting Londoners and the key workers, including transport workers, on which our society depends during this important time for our city.

This report looks back from 1 April 2019 to 31 March 2020 and predominantly covers the period before the height of the coronavirus pandemic. Sadly, even by that date five colleagues from TfL and our partner organisations had lost their lives to the virus and 39 have tragically died since. Our thoughts are with their friends and family, and of all those who have suffered during the pandemic. Tragically two other members of London's transport workforce died while doing their jobs last year, Christian Tuvi and Kenneth Matcham. My thoughts are with their families and colleagues.

As we respond to the immediate challenges of coronavirus, we also reflect on our ongoing work to make London greener and safer. This year, we successfully launched the Ultra Low Emission Zone (ULEZ), introduced a new 20mph speed limit on our roads in central London and continued to implement the bus safety standard.

Looking forward, the current pandemic will profoundly change the city in which we work. Our organisation will be invaluable in kick-starting the London economy and the wider UK economic recovery. As we recover, it will be vital that we do not waver in our commitment to safety, the environment and the wellbeing of our own people.

As I reflect, I am proud of the progress we have made in pushing our Vision Zero agenda for safety, health and environment. I know that the incoming Commissioner Andy Byford will show the same commitment to improving these outcomes.

**Lilli Matson**  
Chief Safety, Health and  
Environmental Officer

'Our organisation will be invaluable in kick-starting the economic recovery'





# Introduction

## Ensuring safety, health and the environment are at the heart of everything that we do

Our commitments to safety, health and the environment are summarised in our Vision Zero objectives of eliminating deaths and serious injuries from the transport network, doing zero harm to our people, and working towards zero-carbon transport. To achieve these, we must meet all our legal and regulatory obligations but also go beyond those requirements to drive improvement.

We continually strive to improve the safety of our customers and our workforce. Nevertheless, 44 colleagues from TfL and our partner organisations sadly lost their lives to COVID-19 and two transport workers tragically died while doing their jobs. Sadly, five customers lost their lives following incidents on the Tube and eight people died in collisions involving buses.

This year, the mental health and wellbeing of our staff has been a key focus. The average number of sick days per employee has improved, but there has been a rise in the numbers of workdays lost to long-term conditions. Mental health conditions and musculoskeletal injuries are primary drivers for the rise in sickness absence.

We have introduced a wide range of programmes and initiatives across our organisation to improve staff safety. This includes starting successful trials of body-worn cameras to discourage violence and aggression. We also developed plans to improve safety when accessing Tube tracks at night, made significant improvements to

operational communications, and worked to tackle fatigue among construction staff and bus workers. Road safety data remains provisional until fully validated, however the data available indicates a five per cent reduction in deaths and serious injuries. While positive, this is not as great a reduction as we targeted.

Our environmental data covers London's public transport operations, including taxis and private hire vehicles, and the activities of ourselves and our suppliers. We successfully launched the Ultra Low Emission Zone (ULEZ) this year, which led to a 37 per cent reduction in nitrogen dioxide within the zone in the first ten months of its operation.

This report covers the period from 1 April 2019 to 31 March 2020. However, road safety data runs from January to December 2019. Health data relates to employee wellbeing and includes employee sickness absences but does not cover contractor or customer health issues. Our customers refers to direct users of our services, our workforce may include our directly employed staff as well as people working in our supply chain.

In previous publications we referred to minor and major injuries when reporting the number of people injured. We have used a new approach this year that uses slight, serious and killed for classifying the severity of injuries. This approach is aligned with Department for Transport and Metropolitan Police Service standards.

# Key events from 2019/20

A look back at some of the main activities from the past year



## April 2019

The central London Ultra Low Emission Zone launches. Ten months later, nitrogen dioxide levels in the zone had fallen by 37 per cent.

## May 2019

'Cat's eyes' are installed in the Sandilands tunnel to help tram drivers.

## June 2019

The London Underground fire safety plan launches to improve our approach to fire safety across the Tube network.

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## July 2019

The first four bus routes across the Capital become fully compliant with the latest and stricter Bus Safety Standards.



## August 2019

The first of our new Dial-a-Ride buses are delivered, which are fully compliant with the Ultra Low Emission Zone standards.



## September 2019

New boarding and alighting ramps are installed on seven out of nine piers to improve access to Thames Clipper vessels.



## November 2019

Applications begin for Direct Vision Standard permits, which is designed to improve the safety of heavy goods vehicles in London.



## December 2019

Launch of bus operator technology to help monitor speeds, leading to a 47 per cent reduction in speeding incidents for Arriva.

## October 2019

Our Watch Your Speed campaign launches on Channel 4, ITV, London Live and on-demand services, to encourage drivers to slow down.



## February 2020

Route 94, running between Acton Green and Piccadilly Circus, becomes west London's first all-electric double-deck bus route.



## March 2020

ULEZ and Low Emission Zones are suspended, speed limits reduced across central London, and Safe Stop initiated on construction activity as a result of the coronavirus pandemic.

# Our performance

Our role is to get London working and moving safely and sustainably, helping to achieve the goals of the Mayor's Transport Strategy



# Our scorecard

| Long-term objective   |   | 2019/20 forecast                               | 2020/21 target                                |
|---|---|--|---|
| Outcome   | 2020/21 scorecard measure   |  |   |
| <b>Healthy Streets and healthy people</b>   |   |  |   |
| London's streets will be safe and secure  | Reduction in people killed or seriously injured on the roads from 2005-09 baseline    | 40% (228 fewer people than 2018)               | 42.3% (371 fewer people than 2018)            |
|   | Reduction in people killed or seriously injured involving buses from 2005-09 baseline | 62.7% (20 fewer people than year-to-date 2018) | 58.7% (No more people than year-to-date 2018) |
|   | Total number of customer and workforce killed or seriously injured                    | 2,281  | 2,212   |
| London's public transport will be on track to be zero emission by 2030 <sup>1</sup> | Number of London buses that are Euro VI compliant                                     | 8,400  | 8,350   |
| London's streets will be used more efficiently and have less traffic on them        | Traffic signal changes to support healthy streets (person hours per day)              | 17,500 hours                                   | 15,000  |
| London's streets will be healthy, and more Londoners will travel actively           | Health Streets check for designers (average % uplift)                                 | 13   | 10  |

We met and exceeded four of our scorecard targets this year. However, we did not achieve our targets for the 'reduction in people killed or seriously injured on the roads from 2005-09 baseline' and 'Total number of customer and workforce killed or seriously injured'. There was an improvement in both these measures compared to the previous year, but this was not sufficient to meet our aspirations.

Road casualty data for 2019 will continue to be validated and reviewed, with final data published in line with Department for Transport timescales. Therefore, all road safety data in this report is provisional and subject to change. Numbers quoted are correct as of 1 July 2020.

1. Our plans to reduce our emissions include bus electrification, energy efficiency measures (such as LED lighting), and generating our own renewable energy (such as introducing solar panels). Further expansion of ULEZ to the North and South circular by October 2021 will help reduce London-wide emissions, as will further investment in intensifying and extending public transport capacity and connectivity



# Performance summary

We are working towards the Mayor's goal of creating a safer, cleaner and greener London

## Our workforce and wellbeing

Our thoughts are with the friends, families and colleagues of all the transport workers who lost their lives in 2019/20. Sadly, this includes 44 transport workers who have died from COVID-19. Tragically, two transport workers also died while at work.

There were 1,858 workforce injuries this year, with 792 supplier injuries and 1,066 direct employee injuries. This is the lowest number of recorded injuries in five years and a fall of 9.6 per cent from the previous year. We have also seen a reduction in the number of average working days lost over the year.

The trend for total sick days lost among our workforce is getting worse, with mental health issues a major factor in this. We started a package of initiatives this year to address this, including a new podcast channel and online group training sessions in managing mental health. We also extended our Employee Assistance Programme to give operational staff greater access to support and counselling.

## Our customers

This year, 19 customers tragically lost their lives across our public transport networks. Our thoughts are with all their families and friends.

The total number of customer injuries for all types of severity reduced in absolute terms to 9,729, compared with 10,058 in 2018/19. This was driven in particular by a reduction in injuries to bus customers. Other transport modes experienced increases, but these were offset by the size of the reduction among bus customers.

## Our streets

Road casualty data is reported by calendar year. In 2019, 124 people were tragically killed on London's roads. This represents a 12 per cent increase on the previous year, which was the lowest on record.

Our key measurement of road safety performance is the number of people who are killed or seriously injured on London's streets. In 2019, we can report 3,825 deaths or serious injuries, which represents a five per cent reduction from 2018.

Compared with our baseline years of 2005-09, deaths and serious injuries have reduced by 40 per cent. However, our progress towards reaching our Vision Zero target of a 65 per cent reduction by 2022, has slowed. This is in line with the trend nationally and across Europe, where progress in reducing road deaths and injuries has largely stalled since 2012. We are determined to break through this plateau and will need to increase our efforts.

## Reportable injuries

We reported 141 customer and workforce injuries to the Health and Safety Executive and the Office for Rail and Road, under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). The majority of these injuries were related to our workforce (58 per cent). Crossrail reported six injuries in the year, with most of these occurring in Quarter 4 when more staff started to work on platforms. London Underground, which accounts for most of our employees, reported the most, with many injuries attributed to boarding and alighting trains, and slips, trips and falls.

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**'We started a package of initiatives this year to address the issue of mental health, including a new podcast channel and online group training sessions in managing mental health'**

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# Coronavirus

The coronavirus pandemic has had an unprecedented impact across the world and we face uncertainty over the effects on future travel patterns in London



## Tributes to our heroic workforce

Tragically, 44 colleagues from TfL and our partner organisations have lost their lives to COVID-19 since the start of the pandemic. Our thoughts are with their families, friends and colleagues.

## Ensuring the wellbeing of our workforce during lockdown

The mental health and wellbeing of our staff has been a key focus during this unprecedented time. We have provided additional support for staff and managers, including a new podcast channel, online group training sessions in managing mental health, and a dedicated coronavirus website. We also extended our referral criteria to give operational staff suffering with mental health issues greater access to our counsellors.

An enquiry line was set up on 2 February 2020 for staff and managers. By 31 March, we had received more than 1,000 enquiries, covering a range of subjects, including concerns around foreign travel, underlying medical conditions and the risks associated with contact with the public or those suspected of having the virus.



Our vehicles have been regularly deep cleaned

### 2 February

Coronavirus enquiry helpline set up for managers and staff

### 15 March

Advice issued to our managers to prepare for home working

### 23 March

All office-based staff told to work from home

### 31 March

More than 1,000 calls made to our helpline by the end of the year

### 16 April

NHS workers offered free access to Santander Cycles

## Supporting keyworkers throughout the coronavirus pandemic

# Throughout the lockdown period, we have worked to keep vital services running

Our operational response to the pandemic has been to support the Government's wider efforts to contain the spread of the virus while enabling journeys by critical key workers, such as NHS and care home staff, and protecting the health and wellbeing of the key workers that deliver transport services.

To support the Government's strategy, we consistently and repeatedly advised Londoners to avoid all but essential travel. Consequently, Tube ridership fell by more than 95 per cent and bus travel by more than 85 per cent.

For those customers and key workers who had to continue to travel, we ran a bus network not far from full capacity for the reduced numbers travelling.

We also marked out social distancing spaces across extensive parts of the network, made hand sanitiser available and handed out free face masks as face coverings became mandatory on public transport.

# 35,700

codes used by NHS workers to get free access to Santander Cycles



## Seizing the opportunity to build a better future for London

# While the effects of coronavirus remain unclear, there is an opportunity to shape a cleaner future

As we embark on the recovery phase of the coronavirus lockdown, there is an opportunity to seize traffic reduction benefits across London.

We have been reallocating more road space for walking and cycling to increase capacity and ensure people can follow social distancing guidelines through our Streetspace for London plan. We have also changed the timings at 1,753 sets of traffic lights to reduce the wait time for people walking, taking advantage of the lower levels of traffic. This work is also helping with some of the ambitions of the Mayor's Transport

Strategy around encouraging active travel, cleaning London's air and making our streets safer. This is the focus of our recovery planning, which has the potential to help us move forward on our safety goals, as well as wider outcomes of the Mayor's Transport Strategy.

While the reduction in traffic can help cut the number of road traffic casualties, analysis of casualty trends during the lockdown shows that complementary measures, such as speed control and more protected space for walking and cycling, must be provided.



Working with the Mayor and the boroughs, the Streetspace for London plan aims to provide the following benefits:

- Adding to the cycle network by creating new lanes and routes across the Capital
- Widening pavements so people can safely walk past queues outside shops or stations while following social distancing guidelines
- Creating low-traffic corridors on residential streets so more people can safely walk and cycle as part of their daily routines
- Helping to improve safety across London's roads so people feel more confident to walk and cycle



## Pausing activity during the coronavirus lockdown

Many of our services and schemes came to a stop when the lockdown measures were imposed, except for those that were safety critical, emergency or absolutely necessary.

We also suspended road user charging schemes between 23 March and 18 May and reduced our operational services, including a suspension of any new buses entering the fleet.

The suspension of these schemes followed a request from the Mayor to ensure critical workers, particularly those in the NHS, were able to travel as easily as possible during the coronavirus pandemic.



56

days that road user charging schemes were suspended for



We have been creating more space for walking and cycling

# Future plans: Coronavirus



## Ensuring workforce safety

We will continue to work closely with our frontline staff and bus operators to ensure the safety of staff members and key workers, and to prevent the spread of coronavirus, in line with the latest Government advice.



**1,000**

calls were made to our coronavirus helpline as of 31 March 2020

## Safely restoring services

We will develop and evolve plans to safely restore services as restrictions and advice changes, while maintaining social distancing requirements.



## Resuming occupational health service

Having reengineered many occupational health and wellbeing activities during the coronavirus pandemic, we will prepare to safely restart activities that require face-to-face contact, such as medical examinations for operational staff.



**7,000**

transport workers were placed on the Government furlough scheme to help safeguard vital services in London

## Providing personal protective equipment

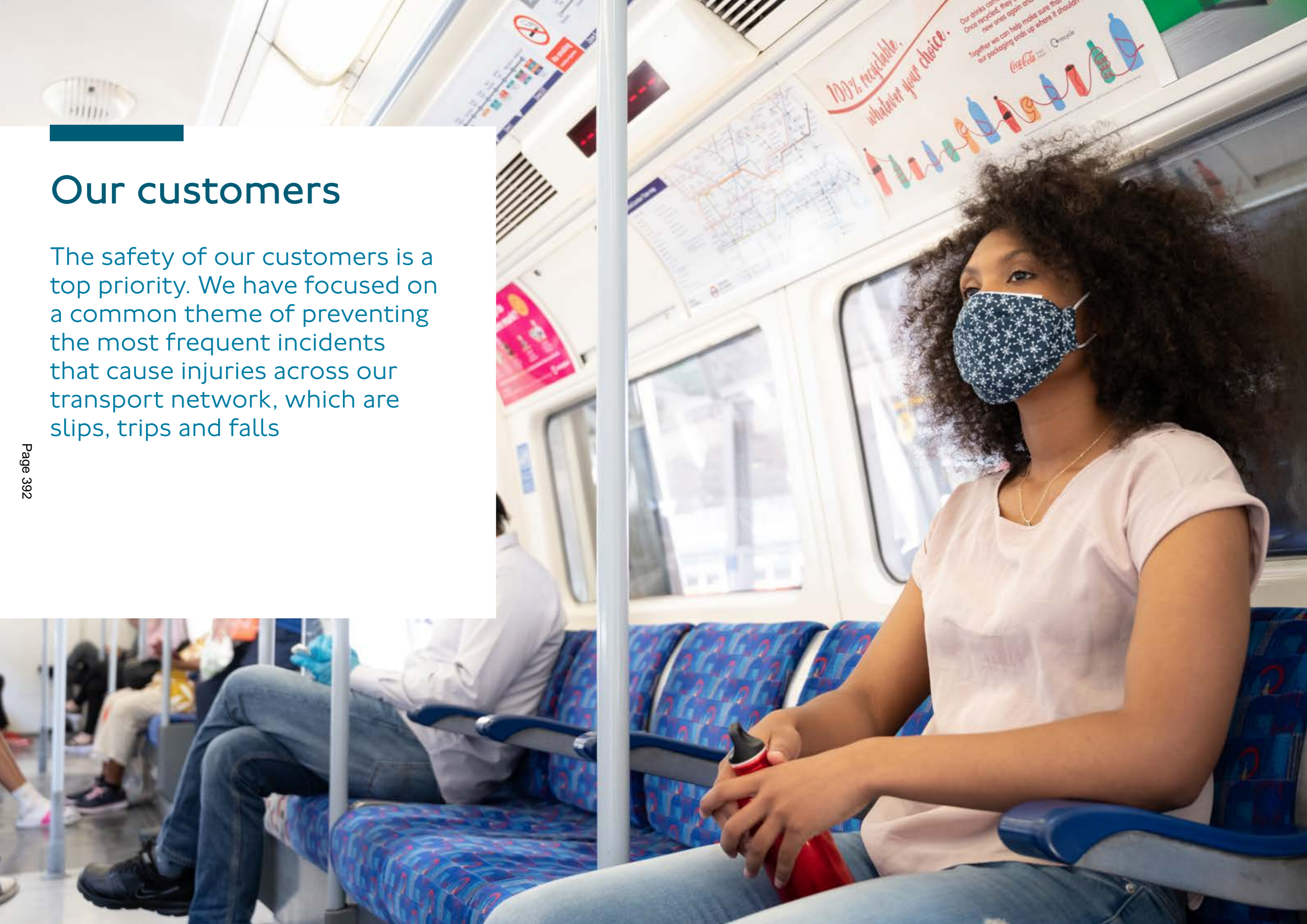
We will source appropriate personal protective equipment for clinicians, in line with guidance from Public Health England, and we will reorganise our clinic space to support social distancing. Other occupational health activity will continue to be done remotely wherever this is possible.

## Dealing with the impact of coronavirus

We will develop a process to support managers and staff dealing with the impact of coronavirus. We are planning a fast-track assessment tool that will help identify high-risk staff who need to continue to self-isolate. This will help us to plan operational resources as lockdown restrictions are relaxed and transport services begin to be ramped up.

## Our customers

The safety of our customers is a top priority. We have focused on a common theme of preventing the most frequent incidents that cause injuries across our transport network, which are slips, trips and falls



## Taking action to tackle the causes of customer injuries across our transport network

### Slips, trips and falls are among the most common cause of injury

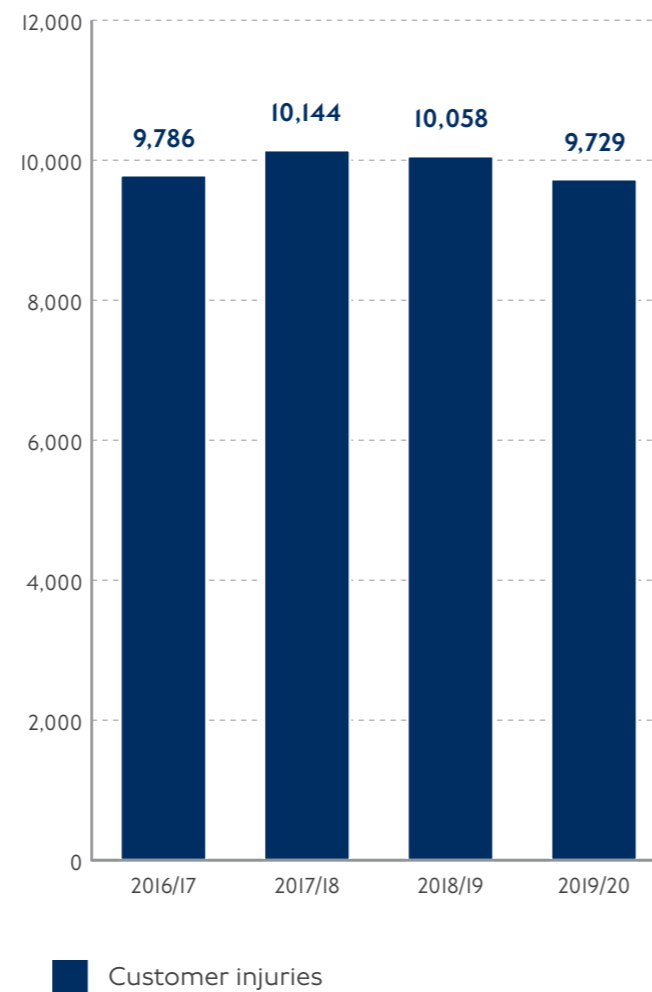
There were 9,729 injuries of all severities across our network, which is a decrease of three per cent compared to 2018/19. This decrease was driven predominantly by a 9.4 per cent decline in bus customer injuries. To an extent, the reduction in passenger journeys caused by coronavirus lockdown may have contributed to this performance, with 11.4 per cent fewer bus passenger journeys in Quarter 4 compared to the same quarter in 2018/19.

There was a slight increase in customer injuries on other modes, with the greatest increase on rail modes. However, this is partly associated with measures to increase reporting rates, including a new reporting app and an increased staff presence.

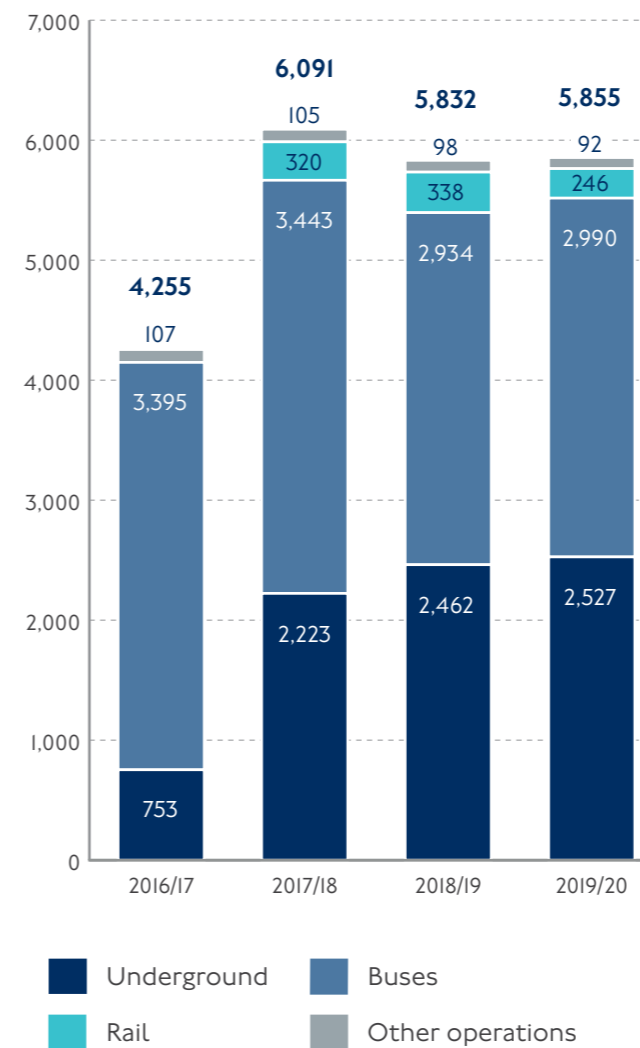
Owing to the profound changes in travel patterns, we will begin monitoring safety performance by calculating rates of injury in 2020/21, as year-by-year comparisons will no longer be valid.

Across all our services, slips, trips and falls are routinely among the top five causes of injury. This year, they accounted for 76 per cent of London Underground injuries and 51 per cent across all surface transport modes, including buses. Since 2016/17, the average number of slips, trips and falls was 2.03 per million passenger journeys. London Underground and buses account for most passenger journeys and report between 0.55 and 1.89 slips, trips or falls per million passenger journeys. The highest injury rates for slips, trips and falls are seen in our other operations.

All customer injuries (number of injuries)



All slips, trips and falls injuries (number of injuries)



The most common reasons for slipping, tripping and falling are intoxication, rushing and carrying luggage. Older customers are also particularly vulnerable to these injuries.

**51%** of all injuries on surface transport modes were a result of slips, trips and falls



### We have an ambition for safety excellence on our escalators and stairs

A significant number of slips, trips, and falls happen on escalators and stairs. Our Escalator Excellence campaign forms the basic standard we expect at all Tube stations with escalators.

This includes more specific customer announcements, such as wet weather warnings, helping vulnerable customers, and creating new posters and signage.

We took a targeted, evidence-based approach at the 12 stations where most customer injuries occur and we will use this to identify actions that will further improve safety at Underground stations during 2020/21.



**76%** of all injuries on the Tube were as a result of slips, trips and falls

**2.03**

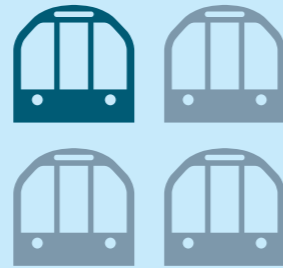
slips, trips and falls on average per million customers journeys



## Tackling slips, trips and falls when boarding and alighting our trains

A quarter of customer slips, trips and falls on the Underground happen when people are boarding or alighting the train.

We ran a number of awareness days with train and station staff as part of our platform train interface project. We also ran a Safety Focus Week in November 2019.



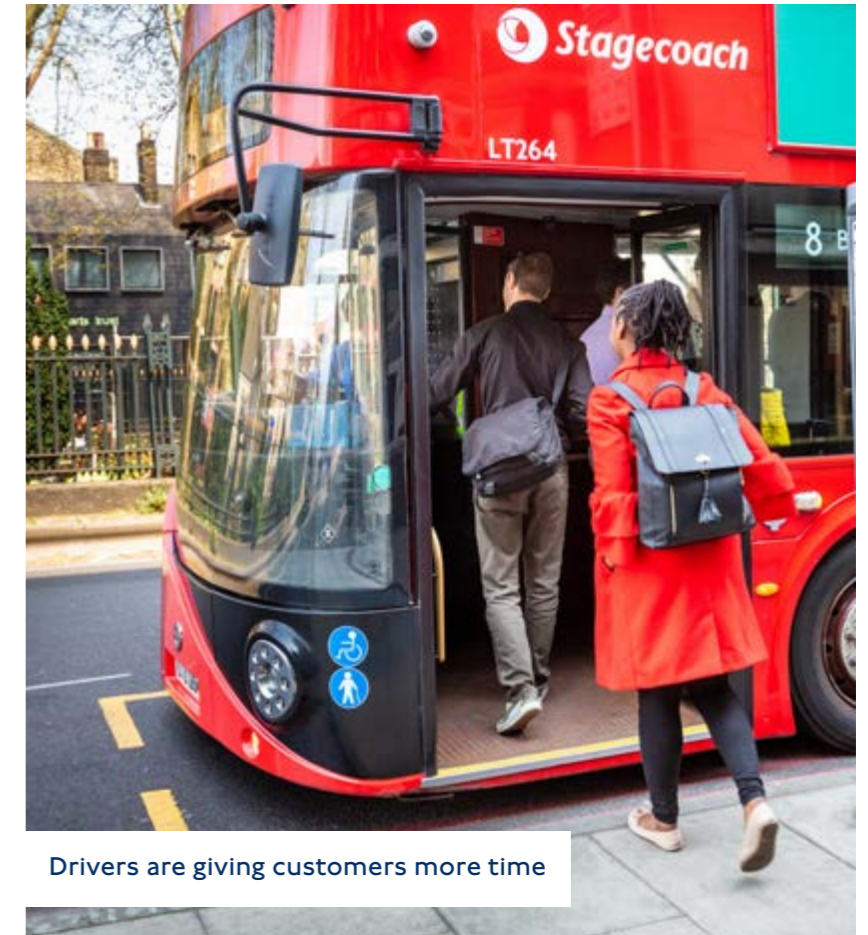
**25%**

of slips, trips and falls happen when customers are boarding or alighting the train



Our safety awareness days covered a range of subjects designed to improve safety when boarding or alighting trains. This included:

- General safety management to prevent slips, trips and falls
- Establishing groups to help us identify new approaches and establish new processes
- Emphasising the importance of our collective safety management role as an entire organisation



Drivers are giving customers more time



Page 394

We have worked to raise awareness of slips, trips and falls

## Encouraging our bus drivers to 'Gimme 5'

Older and less mobile passengers are more vulnerable to slips, trips and falls while on buses that are moving.

Bus operator Go-Ahead, which operates nearly a quarter of our bus network, has been trialling a scheme to encourage drivers to give these customers more time to settle on board the bus before they drive off.

The scheme, called 'Gimme 5', also includes a passenger badge to help drivers recognise those passengers that might benefit from having more time to prepare themselves for the vehicle to move.



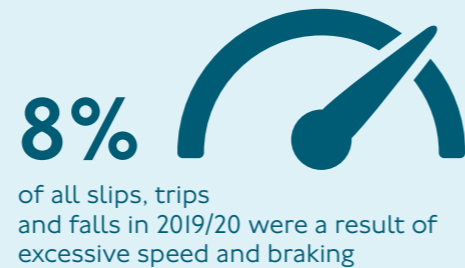
**51%**

of all injuries across our surface transport, including buses, are caused by slips, trips and falls



## Taking action to tackle excessive speeding and braking to help us prevent slips, trips and falls

In 2019/20, eight per cent of all slips, trips and falls on buses were attributed to speed or braking. As part of our wider approach to speed management, bus operators are able to monitor bus speeds through onboard technology. This is helping to reinforce speed compliance while buses adopt Intelligent Speed Assistance (ISA) technology. Around 16 per cent of the bus fleet has ISA installed, with more units being installed as new buses replace older buses in the fleet.



We worked with partners to help customers get home safely

## Working with our partners on a customer safety campaign

### Finding new ways to help our customers get home safely

Alcohol is a major factor in many serious passenger incidents, whether on the stairs or standing on the edge of platforms. We ran a customer safety campaign to help remind customers to stay safe while travelling if they have been drinking alcohol.

We worked with the Soho Angels, which is a partnership between Westminster City Council and the LGBT Foundation. The Soho Angels wear pink reflective vests and support customers when they are travelling late at night. They help people if they need medical attention or have been separated from friends, and can provide directions and advice to help get people home safely.

**‘The festive period is a time to celebrate and enjoy all that London has to offer. But safety is absolutely crucial, and we encourage everyone to travel safely and look out for each other’**



**Siwan Hayward**  
Director of Compliance and Policing



Braking and accelerating can cause slips, trips and falls



We have improved the safety of our buses

### Designing safer buses for London

The Bus Safety Standard is our most important measure in helping reduce both the severity and number of casualties from incidents involving buses. We have 241 buses in the fleet that meet the requirements of the new standard. These vehicles have better mirrors, enhanced anti-slip floors, early warnings of unintended acceleration and an acoustic warning for quiet running vehicles. We have ambitious plans to roll out the standard across London's bus fleet.

The Bus Safety Standard will help us reach our target of nobody being killed on, or by, a bus by 2030, and nobody being killed or seriously injured on our roads by 2041.



The DLR is a vital mode of transport. It has a number of unique and interesting features, which include:

- The trains operates on a driverless, computerised system
- The DLR opened in 1987
- The railway stretches east from Bank and Tower Gateway to Stratford, Beckton, Greenwich, Lewisham, London City Airport and Woolwich Arsenal

### Preventing dangerous train 'surfing' on the DLR

In April 2019, train surfing hit the headlines when Extinction Rebellion protestors glued themselves to DLR trains and rode on the top of them.



19

reported incidents of people 'surfing' on DLR trains during 2019/20

In response to this, we produced a Surfing Action Plan, which sets out additional controls, such as removing holding and standing points, better signage, increased vigilance by on-board staff especially during school holidays, school visits by DLR Ambassadors to educate children on the dangers of surfing, and increased prosecution.



Preventing 'surfing' on the DLR is a key focus

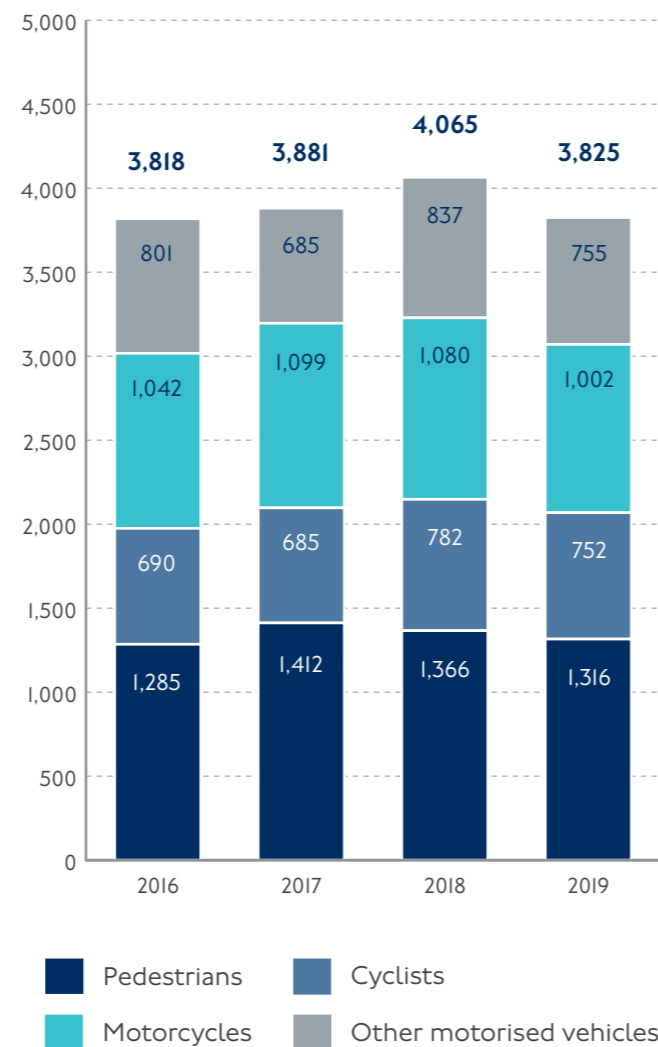
## Driving forward our Vision Zero approach to make roads safer

In 2019, the number of people killed on London's roads increased from 111 in 2018 to 124, which is a 12 per cent increase. This was a step backwards on the progress seen in 2018, which saw the lowest number of people being killed or seriously injured on record. The number of people being killed while walking accounted for 50 per cent of the increase, on a motorcycle (38 per cent of the increase), as a car occupant (eight per cent of the increase) and bus or coach fatalities accounted for four per cent of the increase. The increase in car occupant fatalities is particularly notable as there had been a strong downward trend in previous years. The number of cyclists killed in 2019 reduced by more than half to five – the lowest number ever recorded.

The total number of people killed or seriously injured declined five per cent compared to 2018, representing a 40 per cent reduction on the 2005–08 baseline. These figures are correct as of 1 July 2020 but are subject to amendment as data validation will not be fully complete until later this year.

Vulnerable road users (pedestrians, cyclists and motorcyclists) make up around 80 per cent of the number of people killed or seriously injured in London. Provisional figures for 2019 show that deaths and serious injuries among vulnerable road users decreased by four per cent but the general trend has been flat. The greatest reduction in fatalities and serious injuries was among motorcyclists at eight per cent. The number of people killed or seriously injured while walking and cycling also fell by four and five per cent respectively this year.

People killed or seriously injured (mode of transport)



Our Vision Zero plan to eliminate deaths and serious injuries from our roads is based on a Safe Systems approach of safe speeds, safe streets, safe vehicles and safe behaviours.



## Lowering speeds across the Capital

We published the Lower Speeds Toolkit in September 2019, which outlines the various speed reduction measures that can be used when designing streets in London. On 2 March 2020, we completed the first phase of our Lower Speed Limits programme, which reduced speed limits across all our central London roads in a significant move to reduce road danger. The new 20mph speed limits will be enforced across all our roads within the Congestion Charging zone.

We ran a marketing campaign that saw awareness of the new speed limits increase by 18 per cent and a 20 per cent increase in awareness among drivers specifically after the campaign ran.

The second phase, which is due to be completed in 2024, will see 20mph speed limits introduced more widely across our road network, prioritising those locations that we know have the highest risk

## Making streets safer

Almost three quarters of collisions that result in someone being killed or seriously injured occur at junctions. Therefore, improving safety at junctions is a central part of the Mayor's £2.3bn Healthy Streets Approach and our Safer Junctions programme targets the 73 junctions that pose the highest risk to people walking, cycling or riding a motorbike.

We have completed 35 junction improvement schemes, with a further six in the final stages before being delayed by coronavirus restrictions.

As part of our post-lockdown strategy, our Streetspace for London plan puts clean, green sustainable travel at the heart of the Capital's recovery. As of July 7, we had delivered 37 schemes, providing more than 13,055 square metres of additional pedestrian space and 4.8km of new cycle space on our roads, with many other schemes planned.





We have promoted safer behaviour on the road

‘Transforming the safety of HGVs will dramatically reduce road danger for people walking and cycling, helping us to ensure that everyone gets home safely every day’



Christina Calderato  
TfL Head of Transport Strategy and Planning

### Encouraging safer behaviours

This year, we have been encouraging safer driver behaviours through a number of targeted measures.

In October 2019, we launched the ‘Watch Your Speed’ campaign, which was aimed at encouraging drivers to slow down and recognise the effects of their behaviour on others. This campaign was designed to change social attitudes towards driving at inappropriate speeds. It was delivered through a range of channels including posters, press releases, radio and television, as well as social media and video on-demand services.

We ran a new targeted enforcement initiative with the Metropolitan Police Service in high-risk locations. This involved increased enforcement, communications and community engagement to reduce road danger risk. We also continued with our training programme to support users of powered two-wheelers.

### Preparing for the launch of our Direct Vision Standard

## The Direct Vision Standard tackles road danger at its source by minimising HGV blind spots

On 28 October 2019, we launched the application process for permits under the Direct Vision Standard. From October 2020, all heavy goods vehicles (HGVs) entering London must hold a safety permit. We started developing systems and testing to prepare for launching the enforcement element of the scheme, which will be introduced from 1 March 2021 at the earliest.

63%

of fatal collisions involving cyclist between 2015 and 2017 involved a HGV



Our new Dial-a-Ride buses are more accessible

### New Dial-a-Ride buses launch

We rolled out the first new ultra-clean Dial-a-Ride buses this year, with 61 of an order of 186 new buses joining the fleet. They feature improvements such as autonomous braking at low speed, better CCTV, and improved heating and air conditioning. They also provide better access, with new handrails, and an easier to deploy and stow away ramp at the front door. The remaining 125 buses are on order, with the final batch being delivered in May 2021.

# Future plans: Our customers

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## Safety on our river services

We will continue to work on charter boat operator licenses, and introduce new requirements. We will work on our chains and ladders safety inspection programme, which only has a couple of areas outstanding, with two more piers expected to be completed this year. These will be addressed once the piers concerned are taken into dry dock.

## Moving towards our Vision Zero aims

We will take a more ambitious approach to achieving our Vision Zero aims, finding new lower cost ways of reallocating road space to reduce vulnerable road users' exposure to traffic. Working closely with the boroughs will remain a key priority.

## Speed management on our roads

Our integrated speed management strategy will continue to ensure safe speeds on our roads. We will enhance on-street enforcement, helping the police's capability to process offences, challenging the culture of acceptability around speeding and creating an ongoing deterrent.

## Tram safety

Following the tragic overturning of a tram at Sandilands in 2016, we have been working to implement a new device that automatically slows a tram if it exceeds the speed limit. This year, we carried out rigorous testing, and the device will be ready for full implementation in 2020/21.

## Using technology to improve safety

We will continue to promote the use of safety technologies, particularly among cars and commercial vehicle fleets, which are involved in the greatest number of incidents resulting in people being killed or seriously injured.

## Road user risk taking

We will draw on behavioural science to understand the cognitive biases associated with driver and rider risk taking. We will also look at communication to promote our Vision Zero ambition.



23

metres to stop  
a car at 30mph

## Causes of collisions

We will continue to pursue research into collisions, analysing the causes of collisions that result in people being killed on London's roads. We will use this insight to prioritise interventions that will drive down and eventually eliminate fatalities on our roads.

# Our workforce

We work to ensure a safe and supportive working environment, with the safety and wellbeing of our workforce being a key priority



## Workforce injury trends among our people

# Working together to improve safety and tackle the main causes of injuries to our people

Slips, trips and falls, workplace violence, and injuries connected with contact with machinery, equipment or power tools were the main causes of injuries for our direct employees.

The number of injuries has generally been declining since 2016/17. There were even fewer injuries this year, partly owing to the Safe Stop of many activities during the coronavirus lockdown, which resulted in the lowest recorded level for the last five years. There were 14 per cent fewer injuries in 2019/20, compared to the average for the previous four-year period.

We ran a range of programmes and initiatives to tackle staff injuries, which have already started to have an effect.

**14%**

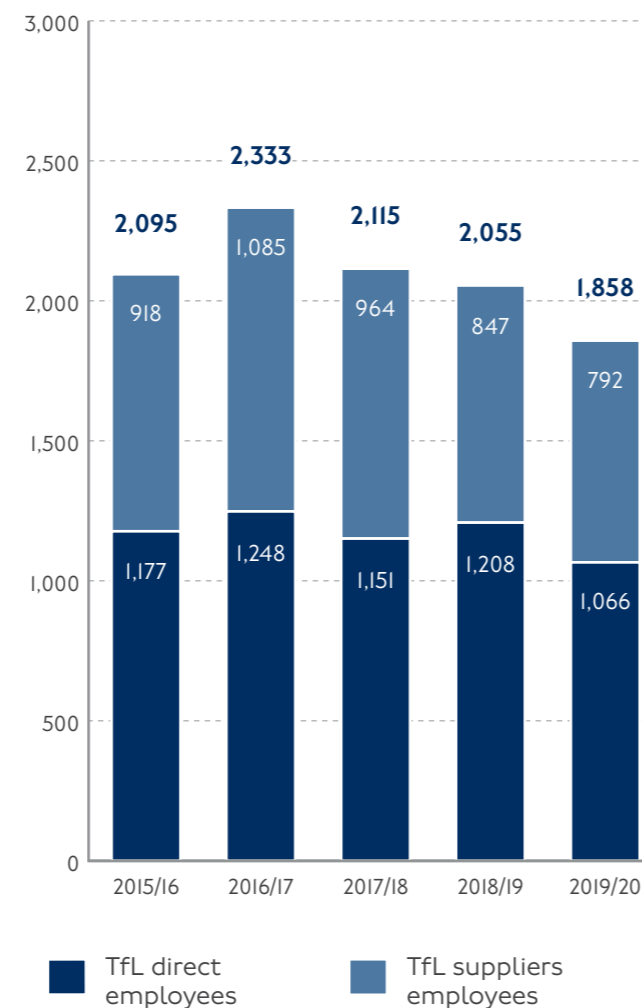
fewer injuries in 2019/20 compared to the previous four-year period



**475**

fewer injuries in 2019/20 than there were in 2016/17

**Workforce injuries (number of injuries)**



## Remembering our colleagues who died doing their jobs

### Christian Tuvi

On 18 September 2019, Christian Tuvi tragically died while working on a moving walkway at Waterloo Underground station. We offered support to his family and ensured his employers also provided all necessary support. Our thoughts remain with his family and friends.

The investigation, led by the British Transport Police (BTP) and supported by the Office of Rail and Road (ORR), continues and we have provided all information requested. London Underground also carried out an investigation. We reviewed the training requirements for cleaning moving walkways and escalators.

We brought together escalator and moving walkway manufacturers to

identify safer ways of working. We will review our investigation following the BTP and ORR investigations.

### Kenneth Matcham

In October 2019, Kenneth Matcham was tragically killed when the bus he was driving was struck by a speeding car. Our thoughts remain with his family and friends. The car driver appeared at the Crown Court on 19 June to respond to eight charges in relation to the incident. We continue to support the bus operator and police with their investigations.

We commissioned an independent collision investigation into bus cab integrity during crashes, which will help bus manufacturers understand how to improve the strength of the cab area to give drivers more protection.



## Managing workforce fatigue

Fatigue is a significant issue, which affects both directly employed staff and our suppliers, including bus drivers and construction workers.

Reduced alertness can impair judgment, concentration and performance and may be a contributory or underlying factor in serious incidents. Chronic fatigue is also associated with lower levels of wellbeing.

Our activities to tackle fatigue among our workforce include launching a Fatigue Management Improvement programme for construction workers, using new technology to detect and predict driver fatigue, and developing a fatigue risk management system with our bus operators to improve alertness.

## Making SHE personal

This year, we continued rolling out our 'Making SHE personal' cultural improvement programme, which helps our staff consider what the consequences of unsafe actions could have on their home life.

Our 'Who are you safe for?' film proved a success on social media, resulting in the initiative being taken up by many in our supply chain. The campaign was a great success and has helped to improve and foster meaningful two-way conversations about health and safety with our employees and suppliers.



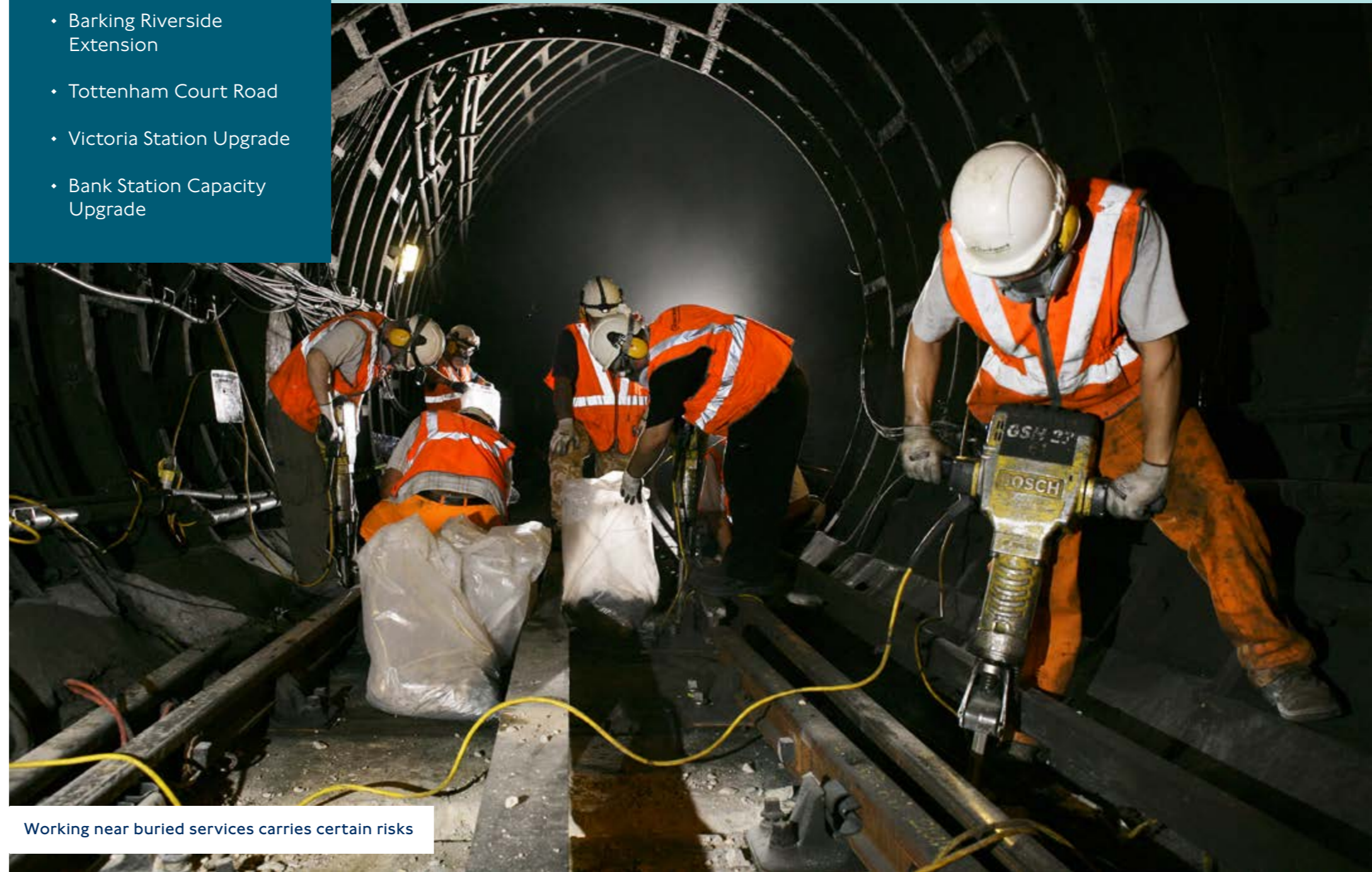
We are sharing experiences and learning lessons to improve safety around buried services. Some of the projects we are learning from include:

- Barking Riverside Extension
- Tottenham Court Road
- Victoria Station Upgrade
- Bank Station Capacity Upgrade

## Helping to reduce the risk when working near buried services

Work around buried services poses some of the highest risks in our construction activities. This year, we collaborated with our supply chain to improve processes to reduce risk when working near buried services.

These processes were jointly developed with our contractors and are now being integrated within our internal management systems. We continue to focus on buried services awareness training for our staff, encouraging them to ask questions about the risks and hazards involved.



Working near buried services carries certain risks



## Tackling violence against our workforce

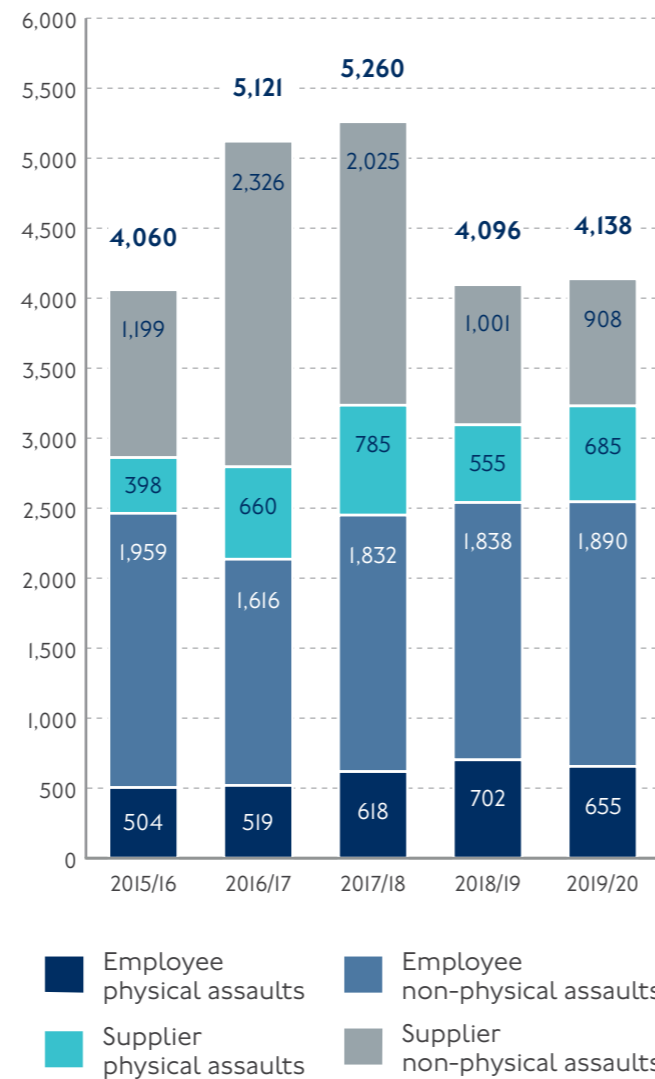
### We are rolling out a number of new measures to help keep our staff safe while they work

This year, the number of assaults on our workforce was slightly higher than last year, but is lower than the previous four-year average. Physical assaults, which represented 32 per cent of all assaults, rose by 83 (seven per cent) from the previous year. This increase was predominantly driven by an increase in assaults on our suppliers, which rose by 23 per cent.

Non-physical assaults accounted for the largest proportion of total assaults towards our members of staff (68 per cent), both for direct employees (46 per cent) and for our suppliers (22 per cent). This increasing trend is an area where we will focus our efforts in the coming year. We expect our new measures, such as the use of body-worn cameras, to help reverse this trend. There was a nine per cent fall in the number of non-physical assaults on our suppliers. This is encouraging and we will use the lessons learnt to roll out new practices across other areas of the transport network.

To help improve the safety and wellbeing of our staff, we developed an 'urban safety training' awareness package, which focuses on mitigating risks when working, travelling and accessing worksites. Following successful trials, the course content has been revised to include audience participation and real-life videos that demonstrate how to overcome conflict. It is now being rolled out to all our staff.

Number of assaults on our workforce (number of assaults)



### Body-worn cameras

This year, we ran a successful trial of body-worn cameras for colleagues at Stratford station. Feedback shows the cameras provide an extra layer of assurance and can change customer behaviour when passengers notice their actions, and those of staff, are being recorded.

We are going to roll the cameras out to more stations to give our workforce more confidence in their roles, although the coronavirus pandemic means we will not be able to roll them out this summer, but we will continue to progress these where we can.



We voluntarily comply with the Home Office principles in respect of using cameras, including body-worn devices. This includes:

- Using them for a specified purpose for a legitimate aim
- Taking into account the effect on individuals and their privacy
- Being as transparent as possible about how they are used
- Having clear rules, policies and procedures
- Having no more images and information stored than is necessary
- Restricting access to images and information
- Having appropriate security measures to safeguard against unauthorised access and use
- Having effective review and audit mechanisms
- Using them in the most effective way to support public safety

## Supporting our staff with mental health and musculoskeletal issues

### Tackling the biggest causes of absence

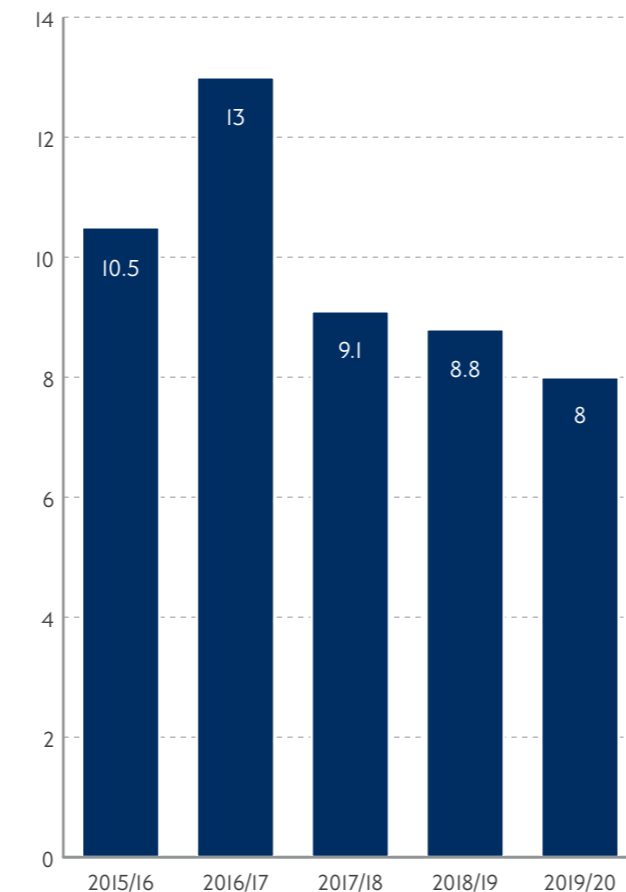
There was a significant increase of 23,958 days (eight per cent) lost this year compared to 2018/19. Mental health issues, musculoskeletal conditions, assaults on duty, and coughs and colds accounted for 66 per cent of all staff absence this year. The two main causes were mental health issues, which increased by 16 per cent from 2018/19, and musculoskeletal conditions, which increased by seven per cent from last year.

This year, 5.1 per cent of available working days were lost to absence. This represents a slight increase compared to last year (4.7 per cent) and the moving annual average continues to rise.

The average number of days that a member of staff was sick fell to eight per cent this year, continuing a steady decline in the number of days sick per TfL employee since 2015/16. This is expressed in terms of the actual number of days that a member of staff was unavailable to work.

The negative trend in sickness days was further accelerated by the lockdown measures, with many staff shielding or self-isolating. By March 31 2020, just under 20 per cent of our staff were self-isolating.

Average number of sickness days (number of days)



Average sick days

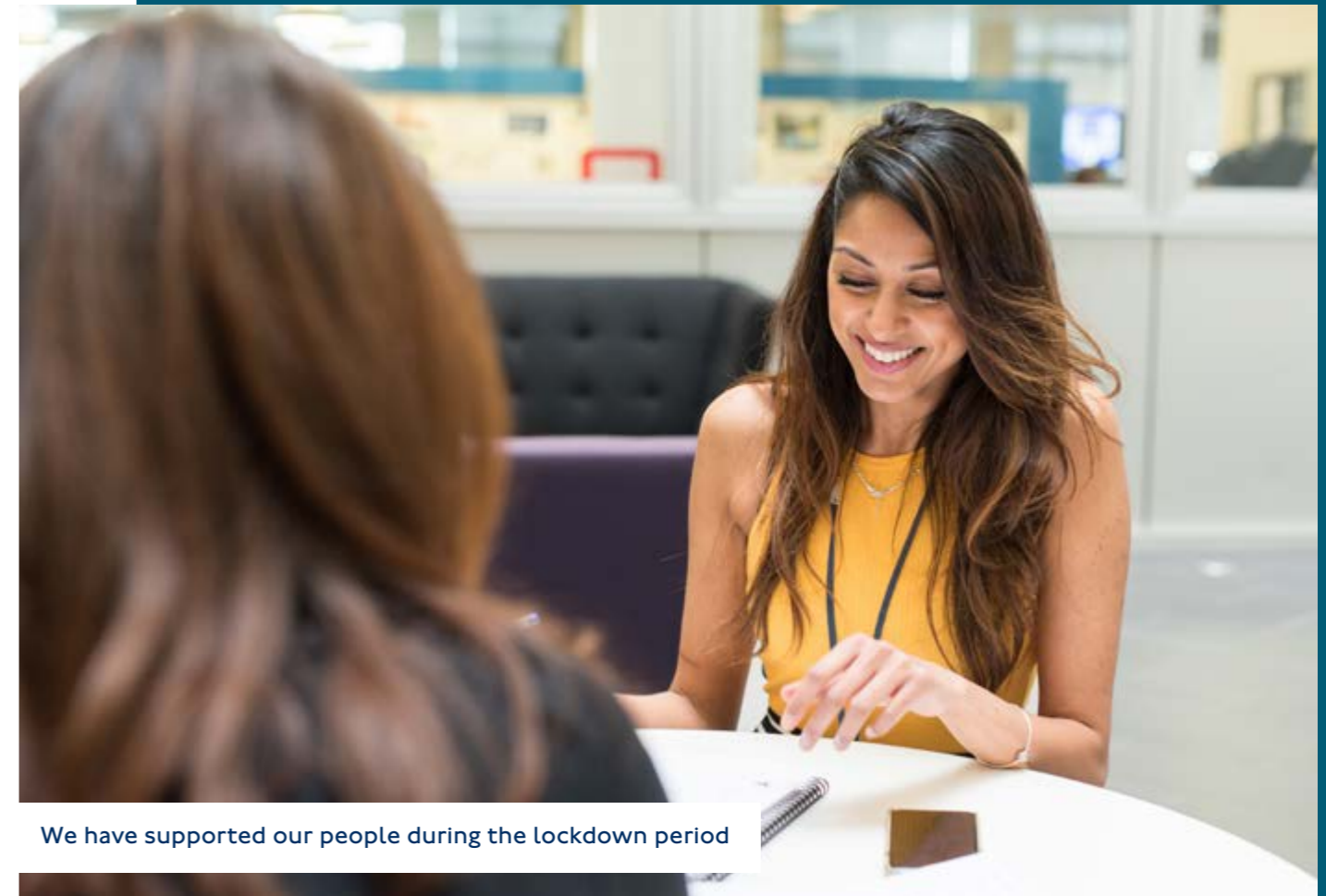
66%

of absences were a result of coughs and colds



7%

decrease in absence due to musculoskeletal issues



We have supported our people during the lockdown period

### Supporting the mental health and wellbeing of our people

This year, we have focused on the mental wellbeing of our workforce following a growing trend in mental health-related cases. This was particularly important during the coronavirus pandemic, where staff were working from home or placed on furlough. We created a new podcast channel, online groups, training sessions in managing mental health and launched a dedicated coronavirus website. We also extended our employee assistance programme to give operational staff greater access to support and counselling.

On London Overground, the Arriva Rail London mental health programme was accelerated and an intranet resource centre set up for staff to help address some of their key concerns.

Our occupational health team has been providing advice and conducting screenings to identify issues or risk factors that could contribute to poor health and fatigue. This project also helps to fulfil our wider ambitions of Vision Zero and healthier working, and is supported by the trade unions and bus operators.

# Future plans: Our workforce

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## Bus operator assurance

We will review our assurance arrangements for bus operators to ensure they remain fit for purpose and are aligned with other areas of our organisation.

675

bus routes operating across the Capital



## Safe driving

We are planning to restart our Destination Zero bus driving training programme, which was paused during the coronavirus lockdown. The course looks at typical risks to vulnerable road users like cyclists, pedestrians and motorcyclists and the safest choices a driver can make under these circumstances. It is another component of our Bus Safety Programme and contributes towards our Vision Zero approach of nobody being killed on, or by, a bus by 2030.

## Multi-operator prevention days

We are planning further multi-operator prevention days, subject to the coronavirus pandemic. The next is planned to take place in central London to incorporate as many bus operators as possible.

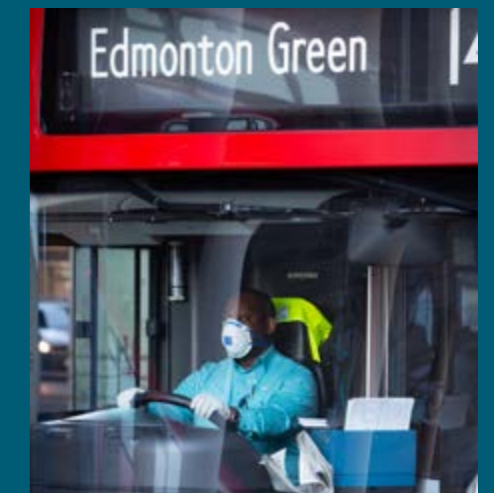


10

bus operators running services across London

## Fatigue risk management

We will continue to work with bus operators and trade unions to implement the fatigue risk management programme, including the Fatigue Innovation Fund.



## Unauthorised access

We are developing an action plan on unauthorised access to the tram network. Work and resources will be allocated on a risk profile basis.



## Tram crossing assessments

We are evaluating tenders to assess crossings, with a view to continue improving safety at these locations.

## Emergency tram lighting

We have approved the design for emergency tram lighting, which will start being rolled out in the summer, and we will assess the feasibility and cost effectiveness of fitting an obstacle detection system to the front of DLR trains.



**Work-related violence and aggression can take many forms. This includes:**

- Physical assaults
- Spitting
- Verbal abuse
- Threatening behaviour
- Hate crime
- Sexual offences



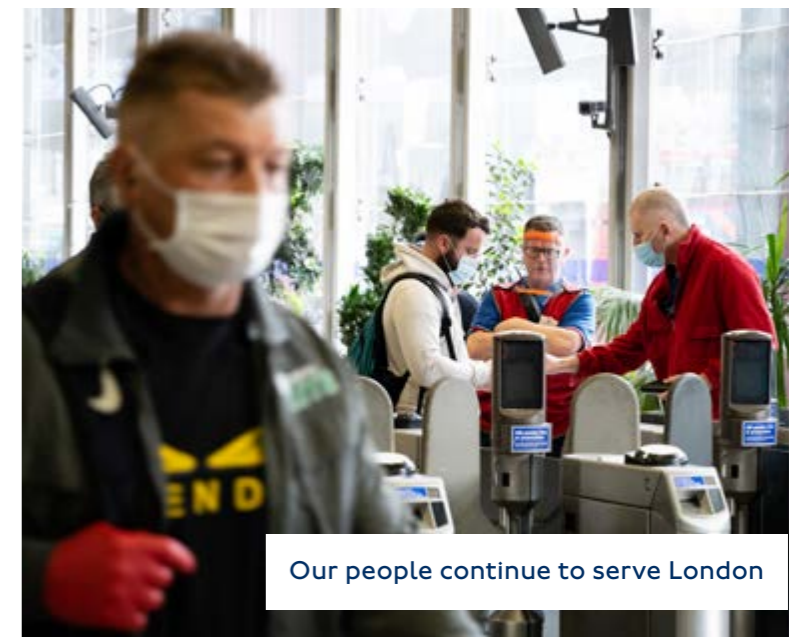
We want our people to work in a safe environment

We want our workplace to be safe for all



## Workplace violence

We will develop a consistent package of measures to support our people and their managers if they have been exposed to aggression or violence while at work.



Our people continue to serve London

## Conflict management training

We will start an internal audit of conflict management training.

# Environment

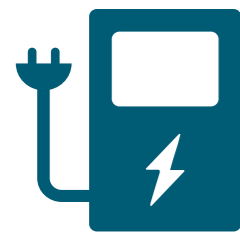
The sustainability of our environment is a key priority and covers everything from air quality to waste and carbon



## Supporting more electric vehicles

The Mayor's Electric Vehicle Infrastructure Taskforce has been investigating the scale of infrastructure required to accommodate the switch to electric vehicles in London up to 2025, and how to tackle the barriers to implementing it.

On 17 June 2019, the Mayor launched the London electric vehicle infrastructure delivery plan, setting out the Capital's infrastructure needs and methods to unlock barriers to expanding charging infrastructure. This will support zero emission capable taxis and the wider take up of electric vehicles. We are spending £18m and working with the boroughs to build a network of rapid charge points, with 249 installed by the end of March 2020.



249

rapid charging points installed by the end of March 2020



Charging points will support the use of electric vehicles



The ULEZ has had significant benefits for London's air quality. These include:

- 13,500 fewer polluting cars driven into central London every day
- Nine per cent reduction in traffic flows in central London in September 2019 from the year before
- 37 per cent decrease in nitrogen dioxide levels within the zone after 10 months of operation



The ULEZ has helped improve air quality across London

## Launch of the Ultra Low Emission Zone in central London

We launched the world's toughest vehicle emissions standard to clean London's air

In April 2019, we launched the ULEZ, the world's toughest vehicle emissions standard. Ten months after its launch, there was a 37 per cent reduction in nitrogen dioxide levels within the zone and a four per cent reduction in carbon emissions over the same time.

The scheme, alongside our work to reduce bus emissions and remove the most polluting taxis from our roads, has helped achieve significant air quality improvements ahead of the ULEZ expansion in 2021.

As a result, an estimated 300,000 Londoners will face a reduced risk of diseases linked to air pollution, such as lung cancer, with a cost saving to London's NHS and social care system of around £5bn.

'The introduction of the Ultra Low Emission Zone is a central and crucial part of the fight to improve London's air for the benefit of everyone's health'



Alex Williams  
TfL's Director of City Planning



Our electric buses are helping to clean London's air

### Making our buses cleaner

Ultra-low tailpipe technology is in place on 92 per cent of our bus fleet, ensuring these buses meet or better the Euro VI engine emission standard. Our programme to retrofit mid-life buses and replace older vehicles is nearly complete and we expect to raise all remaining vehicles to this standard or better this year, following the coronavirus pandemic lockdown.

On 17 February 2020, Route 94 between Acton Green and Piccadilly Circus became west London's first all-electric double-deck route. We now have 230 electric vehicles in our bus fleet.

**'London is a leading world city at the heart of global innovation and it is the latest green technology, like electric double-deck buses, that will help tackle the air quality crisis and climate emergency'**



**Claire Mann**  
TfL's Director of  
Bus Operations



**We have been trialling a number of innovative solutions to improve air quality across the Tube network. These include:**

- Encapsulating dust with suppressants
- Deep cleaning the dustiest station platforms and tunnels
- Track trolley and vacuum cleaning

### Researching air quality on the London Underground

This year, we continued our work to make the air on the Tube as clean as possible. In addition to our regular station, train and tunnel cleaning, we began trialling innovative new approaches to reducing dust levels.

The particulates found on the Tube are very different to those found above ground and are not known to have the same adverse health effects. We began working with King's College and Imperial College London to investigate the impact and effect of Tube dust on our workforce, and with Queen Mary University of London and Leicester University to understand any toxicology and inflammatory effect of the dust.

We have commissioned a study to examine whether staff who are exposed to tunnel dust have higher levels of sickness absence due to respiratory and cardiovascular conditions. We have also commissioned an epidemiological study on mortality, morbidity and cancer in staff exposed to tunnel dust.



**4** universities and colleges we are working with to research Tube air quality



We are researching air quality on the Tube

## Using green energy and reducing our carbon output

# We are working to reduce the emissions from our transport services and head office buildings

In 2019/20, carbon dioxide (CO<sub>2</sub>) emissions from our rail services continued to decrease in line with the reduction in carbon intensity of UK grid electricity.

We also completed the electrification works on the London Overground between Gospel Oak and Barking, making the whole London Overground network fully electrified and contributing to a 15 per cent reduction in CO<sub>2</sub> emissions compared to the previous year.

TfL Rail's emissions increased as we started operating services between London Paddington and Reading in late 2019.

We continue to reduce emissions from our head office buildings and support facilities to help meet the London Environment Strategy target of a 60 per cent reduction in CO<sub>2</sub> emissions, against 1990 levels, from GLA Group Functional bodies by 2025. We are committed to having net zero carbon buildings across our head office and property development portfolios, and to expand to operational sites.

On 20 September 2019, we joined 24 other members on the Better Buildings Partnership in signing up to a Climate Change Commitment.

Total electricity consumption from our operations remained stable in 2019/20, with improvements in energy efficiency in several areas being balanced by increased energy consumption by TfL Rail. The reduction in rail services during the early weeks of the coronavirus pandemic in March contributed to a small decrease in our total energy use.



There are now even more electric taxis on our streets

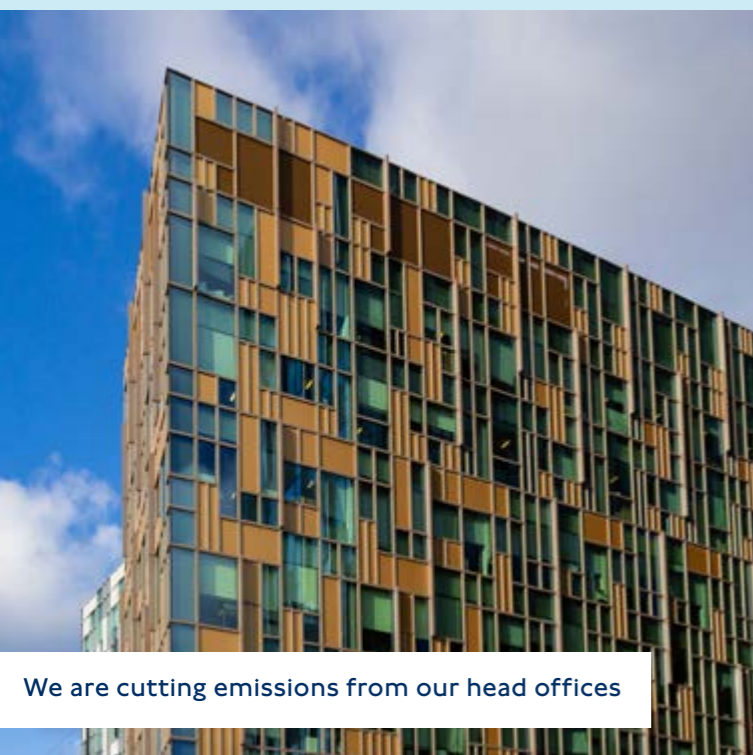


## Supporting zero-emission capable taxis and private hire vehicles

In August 2019, the first fully electric Nissan Dynamo taxi was licensed in London. This followed the London Electric Vehicle Company's TXe model, which launched in 2018. Since January 2018, only zero-emission capable taxis have been issued new licences. This, combined with an enhanced delicensing scheme, means there are now more than 3,400 zero-emission capable taxis on London's streets. We will continue to work with all prospective taxi vehicle manufacturers

to support the introduction of additional vehicles that help achieve our emissions, accessibility and Vision Zero targets.

We have introduced new licensing requirements for private hire vehicles to further reduce emissions. From 1 January 2020, private hire vehicles under 18-months old must be zero-emission capable and meet the Euro 6 emissions standard when licensed for the first time.



We are cutting emissions from our head offices



## Reduce our commercial and industrial waste

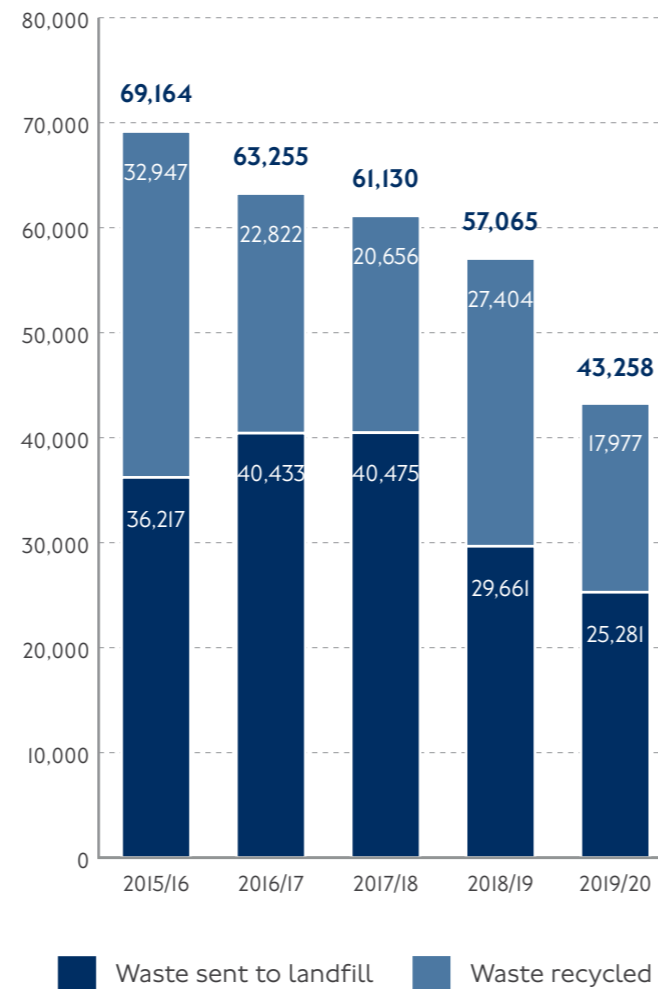
Wherever possible, we aim to reduce, reuse and recycle as much waste as we can

This year, the overall amount of commercial and industrial waste produced across our operations reduced, although the coronavirus lockdown impacted data collection towards the end of the year.

Around 90 per cent of our waste comes from construction, demolition and excavation activities. The proportion of non-hazardous construction, demolition and excavation waste directed to beneficial reuse and recycling remains constant at more than 98 per cent.



Commercial and industrial waste produced (tonnes)



We aim to use even more green energy



### Renewable energy procurement

We are working towards the Mayor's ambition of our rail services being zero carbon by 2030. To achieve this, we will need to ensure our grid-supplied electricity comes from renewable sources.

This year, we continued to develop our strategy to achieve this, with the work set to be completed later in 2020/21. We envisage that we will require power purchase agreements with renewable generators and our ambition is to secure an initial proportion of our energy consumption from these in 2021.



2030

is our target year for our rail service to be zero carbon



56

Tube vent shafts that are being considered that would enable us to supply heat to third parties

### Exporting waste heat

On 5 March 2020, in partnership with the London Borough of Islington and the Mayor, we launched the Bunhill 2 Energy Centre, which takes waste heat from Northern line tunnels to heat local homes, a school and two leisure centres.

We completed assessments of 56 London Underground vent shafts for their potential to supply heat to third parties. A Prior Information Notice has been released that provides details of the potential opportunities across London. This is our first step to engaging with potential heat customers and gaining a better understanding of the market. This activity will continue throughout 2020, and we will issue a market sounding questionnaire, which will seek more detailed discussions of potential schemes.



We are aiming for a zero-carbon future

### Net zero-carbon infrastructure

In summer 2019, we joined organisations including Mott MacDonald, Skanska, Anglian Water and the UK Green Building Council to form an industry group focused on the infrastructure challenges in creating a net zero-carbon economy. The coalition published its initial report in August 2019 and is now collaborating on a number of detailed initiatives in support of this agenda, in conjunction with the Committee on Climate Change, Government departments and other stakeholders.

This work complements our own activities to measure, monitor and reduce emissions from across the lifecycle of our infrastructure investment programme.

### Polychlorinated biphenyl compliance

We are working closely with the Environment Agency to ensure that the London Underground network is free of harmful polychlorinated biphenyls (PCBs), which were used in some electrical equipment and components in the 1950s, 60s and 70s.

We have identified the assets and equipment that may contain PCBs and have developed plans to replace them. We are adapting our plans following the coronavirus pandemic and its impact on on-site works during the lockdown.

‘London’s trees are the lungs of our city and they can make a real difference in improving the quality of life in local neighbourhoods’



Sadiq Khan  
Mayor of London

### Green infrastructure

We are working towards the Mayor’s target of a one per cent year-on-year increase in the number of trees on our roads between 2016 and 2025. Following two less successful years, we planted more than 1,400 new and replacement trees in 2019/20. As of March 2020, overall tree numbers on our roads were around four per cent higher than in 2016.

165

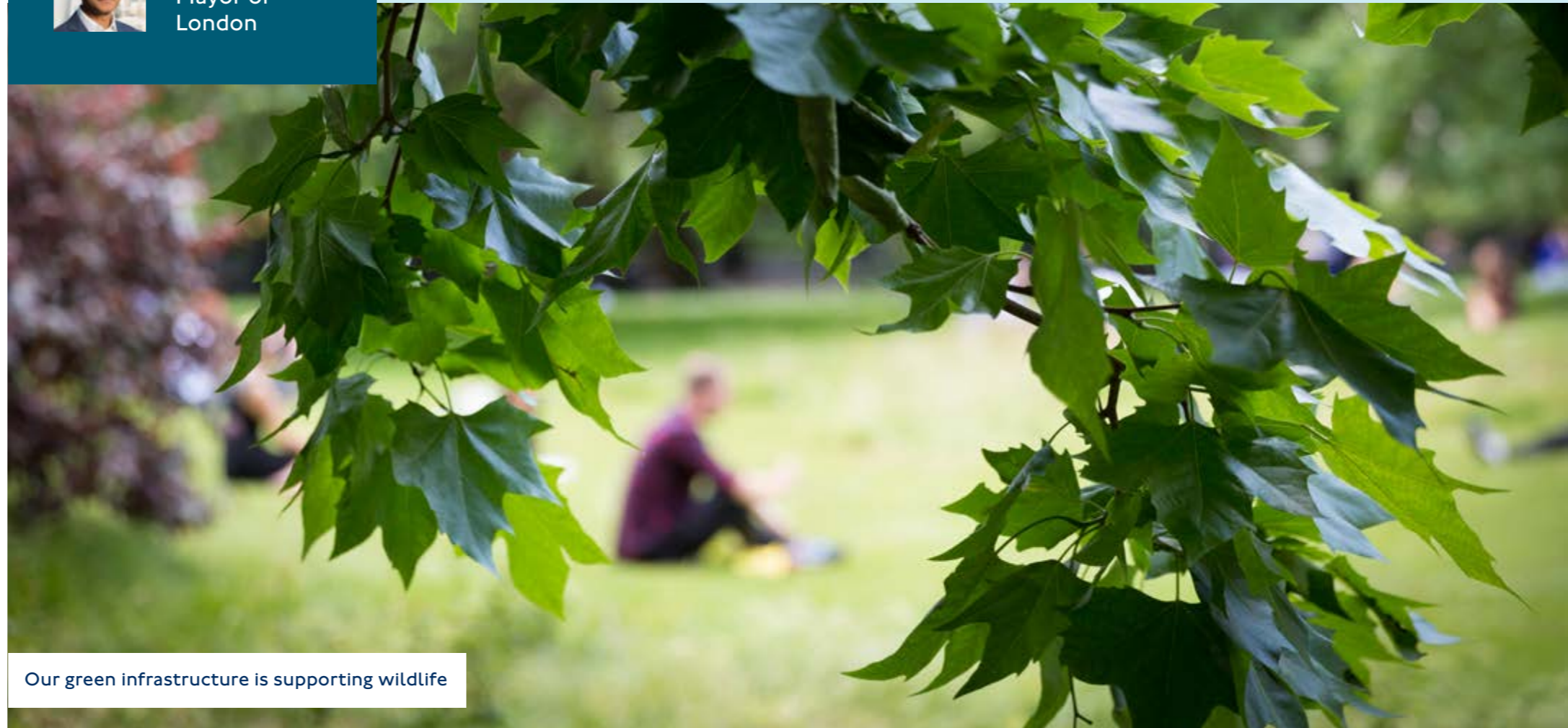
hectares of grassed verge on our roads that could be used to help biodiversity.



In 2019, we launched a wildflower trial to increase biodiversity on our road network. At two locations – the A40 in Hillingdon and the A406 Redbridge Roundabout – we are cutting the grass verges less often and less short, to enable the natural wildflowers to grow.

This increase in biodiversity will boost the ecosystem and help support wildlife, including bees, butterflies, birds and small mammals. It will also ensure the verges are well-kept for our customers. We hope to expand this approach to other locations in 2020/21.

We have planted two new green roof bus shelters in Lewisham as part of a trial into new bus shelter designs.



Our green infrastructure is supporting wildlife

# Future plans: Environment



## Net zero-carbon pathway

We will publish our net zero-carbon pathway, which will outline our trajectory towards meeting our Climate Change Commitment target for all new and existing buildings. This will address operational carbon, covering whole building performance including our tenants' activities, and embodied carbon of development, refurbishment and fit-out works.

## Cycling in the city

We will work with the City of London Corporation on options to improve walking and cycling routes between Old Street and Bank, and between Cannon Street and Holborn to Bank.



## Supporting safer walking and cycling

We will continue to work with London's boroughs to identify places where temporary changes are needed to support social distancing or that would benefit from cycling and walking improvements. This includes quickly building a strategic cycling network, using temporary materials and including new routes, changing town centres so local journeys can be safely walked and cycled where possible, and reducing traffic on residential streets to create low-traffic corridors across London. Some of these temporary changes could be made permanent if successful.





We will add more cycle parking in London

### Creating more cycle parking spaces

We will add 1,000 cycle parking spaces across London, focused around busy areas like high streets and transport hubs.



### Providing more pavement space

We will repurpose on-street parking and lanes for cars and general traffic to give people walking and cycling more space to social distance. We are also working to ensure people with mobility issues can still use the pavements.

‘To enable more people to cycle, it is essential that we not only make our streets safer but also make cycling easier and more convenient. If people know there is good cycle parking at their local station or at their place of work, they are much more likely to use their bike’



Will Norman  
London’s Walking and  
Cycling Commissioner

### Cleaner freight for London

We will introduce tougher Low Emission Zone emissions standards for heavier vehicles from 26 October 2020. As a result of the coronavirus pandemic, no new charges will be introduced until the end of February 2021, to give the freight industry more time to prepare.

2021

when the tougher Low Emission Zone charges will be introduced



### Expanding the ULEZ

We will continue to prepare for the expansion of the ULEZ to the North and South Circular Roads in October 2021, installing camera infrastructure and back-office systems and communicating with Londoners, businesses and other stakeholders in advance of the change.



2021

when the ULEZ will be expanded to the North and South Circular Roads



The ULEZ will be expanded in October 2021

## Greener office space

We will publish the pathway to net zero carbon of our head office buildings by the end of 2020, as part of our commitment with the Better Buildings Partnership.

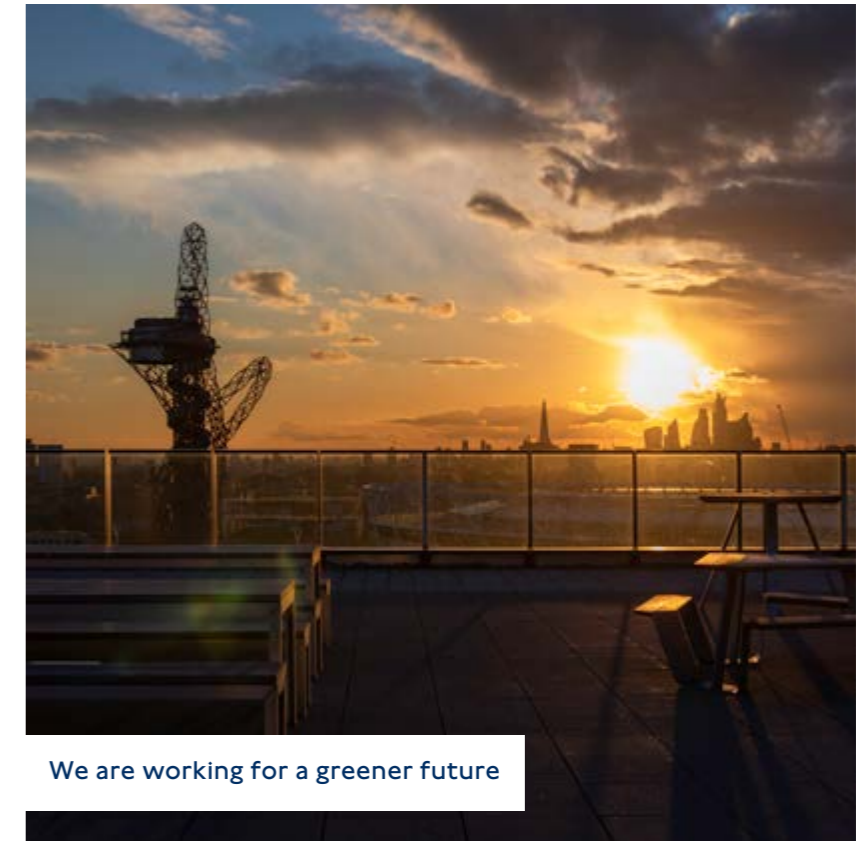
## Utilising waste heat

We will work with potential partners to progress opportunities for district heating schemes, which make use of waste heat from the Tube.



Waste heat from the London Underground network at the Bunhill 2 Energy Centre in Islington is capable of providing heating and hot water to:

- More than 1,350 homes
- A school
- Two leisure centres



We are working for a greener future

## Procuring renewable energy

We will continue to develop our procurement strategy for renewable energy, with the aim of entering the market for grid-delivered renewable energy as soon as possible. We will continue to develop opportunities to increase renewable generation on our own estate.

## Measuring our carbon impact

We will progress actions to measure and manage the carbon impact from the lifecycle of our investment programme, working with industry partners to ensure London's transport infrastructure is geared towards net-zero carbon.

# 2030

is the year that London is aiming to become carbon neutral

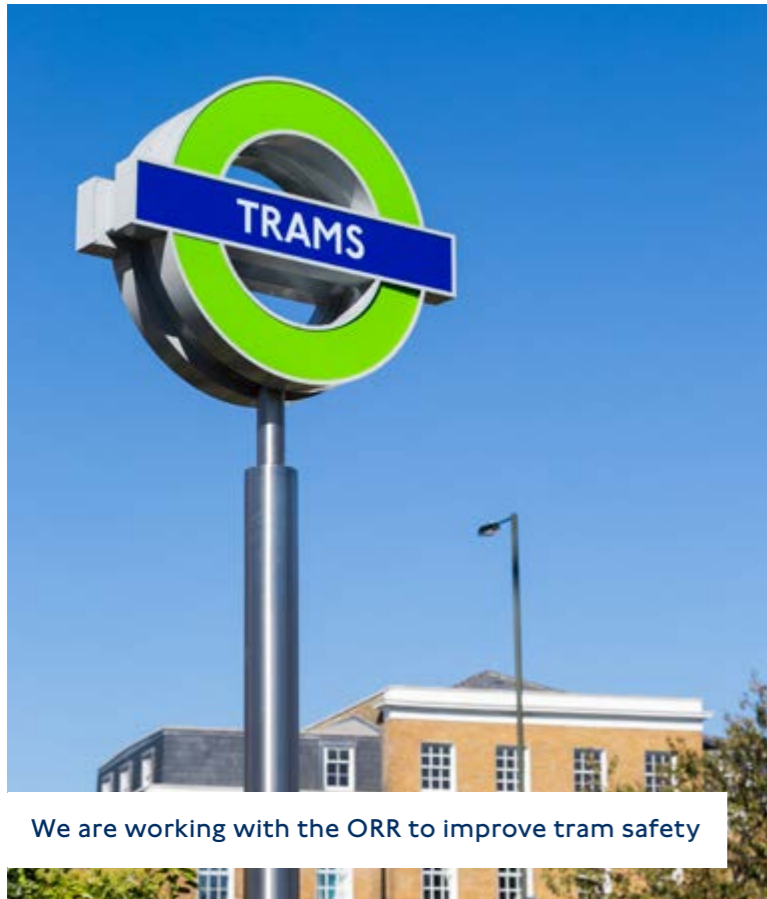


We want to cut the carbon from our head offices

## Working with regulators and supporting inquests

Engagement with our regulators is ongoing and will be central to our plans to improve the health and safety of our customers and staff, and in ensuring we manage our environmental impact





We are working with the ORR to improve tram safety

## Office of Rail and Road

As the health and safety regulator of the UK's rail sector, we have a very active, transparent and collaborative relationship with the Office of Rail and Road (ORR). The ORR has investigated a number of incidents on our network and taken regulatory action on a small number of occasions. It has also offered advice and support on a number of issues.

Along with the operator, Tram Operations Limited, we continue to work closely with the ORR to ensure all the recommendations relating to the tragic overturning of a tram at Sandilands in 2016 are fully implemented. ORR has confirmed they are content with the progress made in respect our compliance with these recommendations.

The Senior Coroner has resumed the inquests into the people who tragically lost their lives and we are supporting those inquests. The victims, along with everybody who was affected by the tragedy, remain in our thoughts. We continue to offer support to those people directly affected, as well as to the wider community. The inquests are expected to be begin in mid-October 2020.

## Environment Agency

Our work with the Environment Agency has mainly been focused on managing harmful polychlorinated biphenyls, which are present in a small number of our assets. We have agreed a work programme with the Environment

Agency and will complete this work in December 2023. We also work with the Environment Agency on wider environmental and sustainability issues, which includes learning from others and sharing our approach.

## River regulators

We work with the Port of London Authority, Maritime and Coastguard Agency and Metropolitan Marine Policing Unit to extend our Vision Zero commitment on the river through the Thames Partners group.



We have worked together to make our piers safer

## London Bridge inquests

Following the London Bridge and Borough Market terror attack on 3 June 2017, in which eight people were tragically killed, the inquest took place between 7 May and 28 June 2019. We were an interested party and gave evidence at the inquests for Christine Archibald and Xavier Thomas, who were killed on London Bridge.

The coroner concluded that all the victims were unlawfully killed and issued a Prevention of Future Deaths report to the police and counter-terrorism agencies. The coroner also stated that he expected 'the relevant public authorities to make every effort to progress the installation of permanent measures on London's bridges' and we are considering and designing such measures.

'This was not only an attack on London, but an attack on the values and freedom that we all enjoy. Londoners responded by standing united in defiance – and that's why those who seek to divide and destroy our way of life will never succeed. We have, and always will, stand united against terrorism.'



Sadiq Khan  
Mayor of  
London

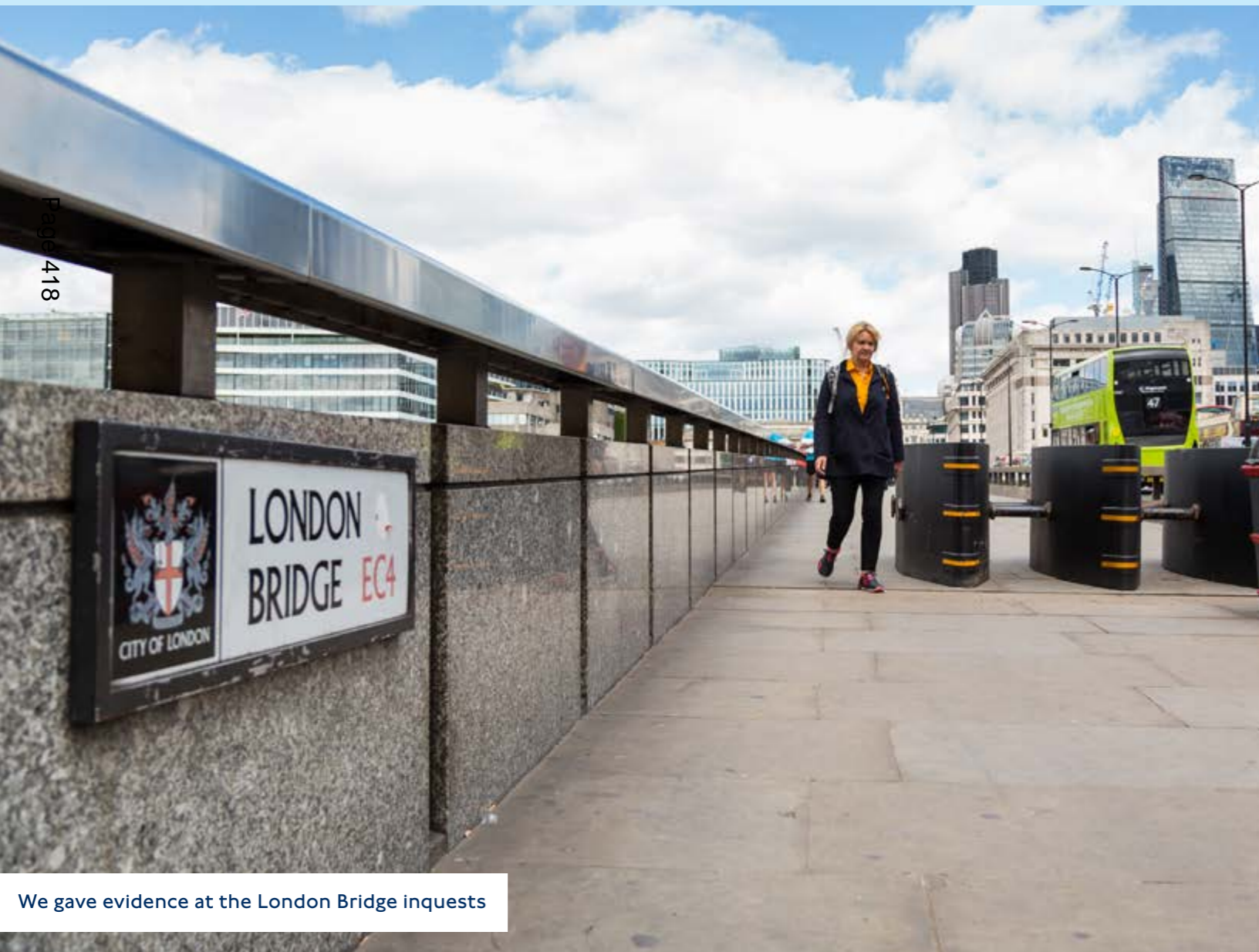
## London Fire Brigade

We work closely with the London Fire Brigade to ensure we effectively manage fire risk across our services. In the past year, we have been issued with a number of enforcement notices, relating to fire safety systems on Underground stations, on one of our piers and at Victoria Coach Station. The London Fire Brigade has also worked with us as part of our fire safety improvement plans.

This year, we held a number of training events with the London Fire Brigade related to the tragic fire at King's Cross station in 1987 to ensure we continue to remember the lessons learned from the worst fire in our history.

## Health and Safety Executive

We have worked with the Health and Safety Executive on several investigations through the course of 2019/20.



We gave evidence at the London Bridge inquests

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## About Transport for London (TfL)

Part of the Greater London Authority family led by Mayor of London Sadiq Khan, we are the integrated transport authority responsible for delivering the Mayor's aims for transport.

We have a key role in shaping what life is like in London, helping to realise the Mayor's vision for a 'City for All Londoners'. We are committed to creating a fairer, greener, healthier and more prosperous city. The Mayor's Transport Strategy sets a target for 80 per cent of all journeys to be made on foot, by cycle or using public transport by 2041. To make this a reality, we prioritise health and the quality of people's experience in everything we do.

We manage the city's red route strategic roads and, through collaboration with the London boroughs, can help shape the character of all London's streets. These are the places where Londoners travel, work, shop and socialise. Making them places for people to walk, cycle and spend time will reduce car dependency and improve air quality, revitalise town centres, boost businesses and connect communities.

We run most of London's public transport services, including the London Underground, London Buses, the DLR, London Overground, TfL Rail, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the Emirates Air Line. The quality and accessibility of these services is fundamental to Londoners' quality of life. By improving and expanding public transport, we can make people's lives easier and increase the appeal of sustainable travel over private car use.

We are moving ahead with many of London's most significant infrastructure projects, using transport to unlock growth. We are working with partners on major projects like Crossrail 2 and the Bakerloo Line Extension that will deliver the new homes and jobs London and the UK need. We are in the final phases of completing the Elizabeth line which, when open, will add 10 per cent to central London's rail capacity.

Supporting the delivery of high-density, mixed-use developments that are planned around active and sustainable travel will ensure that London's growth is good growth. We also use our own land to provide thousands of new affordable homes and our own supply chain creates tens of thousands of jobs and apprenticeships across the country.

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

We are constantly working to improve the city for everyone. This means freezing TfL fares so everyone can afford to use public transport, using data and technology to make services intuitive and easy to use, and doing all we can to make streets and transport services accessible to all. We reinvest every penny of our income to continually improve transport networks for the people who use them every day.

None of this would be possible without the support of boroughs, communities and other partners who we work with to improve our services. We all need to pull together to deliver the Mayor's Transport Strategy; by doing so we can create a better city as London grows.



**Board**

**Date: 29 July 2020**

**Item: Finance Report and Revised Budget**

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## **This paper will be considered in public**

### **1 Summary**

- 1.1 This paper considers the Revised Budget, which covers progress in the first half of 2020/21 against the Emergency Budget and the 18-month period of the second half of 2020/21 and the full financial year 2021/22. It is an update and extension of the Emergency Budget which was approved by Chair's Action following consideration by the Board on 2 June 2020.
- 1.2 The Revised Budget will support the next round of funding discussions with Government, which we expect will initiate in September 2020.
- 1.3 The Revised Budget includes our updated assumptions based on the conditions as set out within the Government funding and financing agreement, the latest cost estimates and profiles including updated social distancing assumptions and associated impacts, and the reprioritisation of remaining projects based on criticality, affordability and alignment to Government, Mayoral and organisational priorities.
- 1.4 As TfL does not fall within the revised meeting provisions in the Coronavirus Act 2020, the Chair is asked to approve the Revised Budget, if supported by Members, under Chair's Action.

### **2 Recommendations**

- 2.1 **The Chair, following consultation with Members of the Board, is asked to approve the TfL Revised Budget.**

### **3 Revised Budget**

- 3.1 The Revised Budget is our plan to ensure London has the safe and sustainable transport infrastructure it needs to support economic recovery in the capital and UK as a whole. We have two clear priorities: to restart and recover from Covid-19, and to complete Crossrail and open the Elizabeth line. Our Revised Budget covers 18 months funding required to support this – the second half of 2020/21 (H2), when the original Government funding and financing agreement of up to £1.9bn expires on 17 October 2020, and the full financial year 2021/22.

- 3.2 Presenting a two-year budget demonstrates the ongoing support required in the medium term to meet our statutory obligation to operate a balanced budget and ensure our assets are in a good and safe state of repair.
- 3.3 The Revised Budget updates our Emergency Budget, which was an interim position to fulfill the urgent need to minimise cash outflow and agree the funding package with Government for the first half of the year (H1).
- 3.4 During H1, we accelerated proposals to bring services back up to normal levels as soon as possible and optimise the use of the available safe transport capacity; we restarted projects in our investment programme earlier than planned as we worked with our contractors and supply chain to bring on-site works back safely; we begun works on London Streetspace which will deliver our proposals for both social distancing schemes and strategic cycling schemes.
- 3.5 Tube services, excluding night tube, have operated at around 95 per cent service levels since mid-May 2020 at peak times. The Revised Budget assumes this continues.
- 3.6 Buses services have operated at 85 per cent of pre-Covid-19 since June, reaching over 95 per cent in July with a full return to front door boarding in early July 2020. The Revised Budget assumes services will run at 100 per cent by the start of September 2020.
- 3.7 The proposed Revised Budget includes additional costs to help to manage the crisis, for example additional cleaning costs and travel demand management spend.
- 3.8 On our Investment Programme, the proposed Revised Budget includes projects which are in line with Government objectives and those of the Mayor's Transport Strategy such as schemes which enable short-term social distancing, walking and cycling and projects with strong business cases which may have a longer outlook but are financially positive such as housing projects and some longer-term capacity projects.
- 3.9 Performance against Emergency Budget to date (Section 3 of Appendix 1) shows we are in line with expectation on operating costs and capital expenditure. Where we had pushed renewals into H2 to preserve cash to survive H1, spend in this area is now increasing as we catch up to ensure our network remains reliable. Our revenue is still uncertain, and we have modelled several scenarios for how passenger numbers will recover from the impacts of Covid-19. The funding from government must cover our fixed operating and capital costs where our revenue has fallen and we can no longer afford to cover these costs ourselves.
- 3.10 The revised budget shows a requirement for £2bn funding in H2 2020/21 and a full year funding gap of £2.9bn in 2021/22. The Emergency Budget set out a full year funding requirement of £3.2bn for 20/21. The Revised Budget requirement increased by £300m to £3.5bn.

3.11 Summary lists of the main programmes included and excluded in the Revised Budget are set out in **Appendix 1**.

**List of appendices to this report:**

Appendix 1: Draft Revised Budget

**List of Background Papers:**

None

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Number: 020 3054 8941  
Email: [simonkilonback@tfl.gov.uk](mailto:simonkilonback@tfl.gov.uk)

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# Revised Budget 2020/21

Board

29 July 2020

Draft



# Section 1

## Exec Summary

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**Executive Summary 1**

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## We have two clear priorities:

to restart and recover from COVID-19, and to complete Crossrail and open the Elizabeth line.

### This Revised Budget updates our Emergency Budget and will support the H2 20/21 funding discussions with the DfT

- Our Emergency Budget, approved by Board on 2 June 2020, was a short term plan and immediate measure to see us through the initial drastic impacts of COVID-19. Since the Emergency Budget was approved, we have ramped up services, restarted work on projects, created a bold new vision with Streetspace and responded to the Government conditions set within the funding and financing agreement. We have also updated our revenue models which show a slower recovery to c.30% demand longer term than previously forecast.
- Performance against Emergency Budget to date (Section 3 of this presentation) shows we are in line with expectation on operating costs and capital expenditure. Where we had pushed renewals into H2 to preserve cash to survive H1, spend in this area is now increasing as we catch up to ensure our network remains reliable. Our revenue is still uncertain, and we have modelled several scenarios for how passenger numbers will recover from the impacts of COVID-19. The funding from government must cover our fixed operating and capital costs where our revenue has fallen and we can no longer afford to cover these costs ourselves.
- Our Revised Budget, with the support of Government funding, will enable us to maintain our statutory obligation to balance our budget, preserve our liquidity and keep our assets safe and operable. It also continues progressing some of the schemes identified in H1 - investment programme focused on safety, active travel including walking and cycling and social distancing schemes to play our part in London and the UK's economic recovery.
- In November 2019, Crossrail advised they would require an additional £400-650m of funding to complete to project and we will need to continue to discuss how this is funded with government. Given the impact of the COVID-19 pandemic, Crossrail are continuing their work to understand the financial impact on the programme.
- Longer-term, we need certainty from Government on funding. This will allow investment in further schemes to create the vital shift away from private car use and to ensure London and the UK continues to thrive.

# Section 2

## Recap

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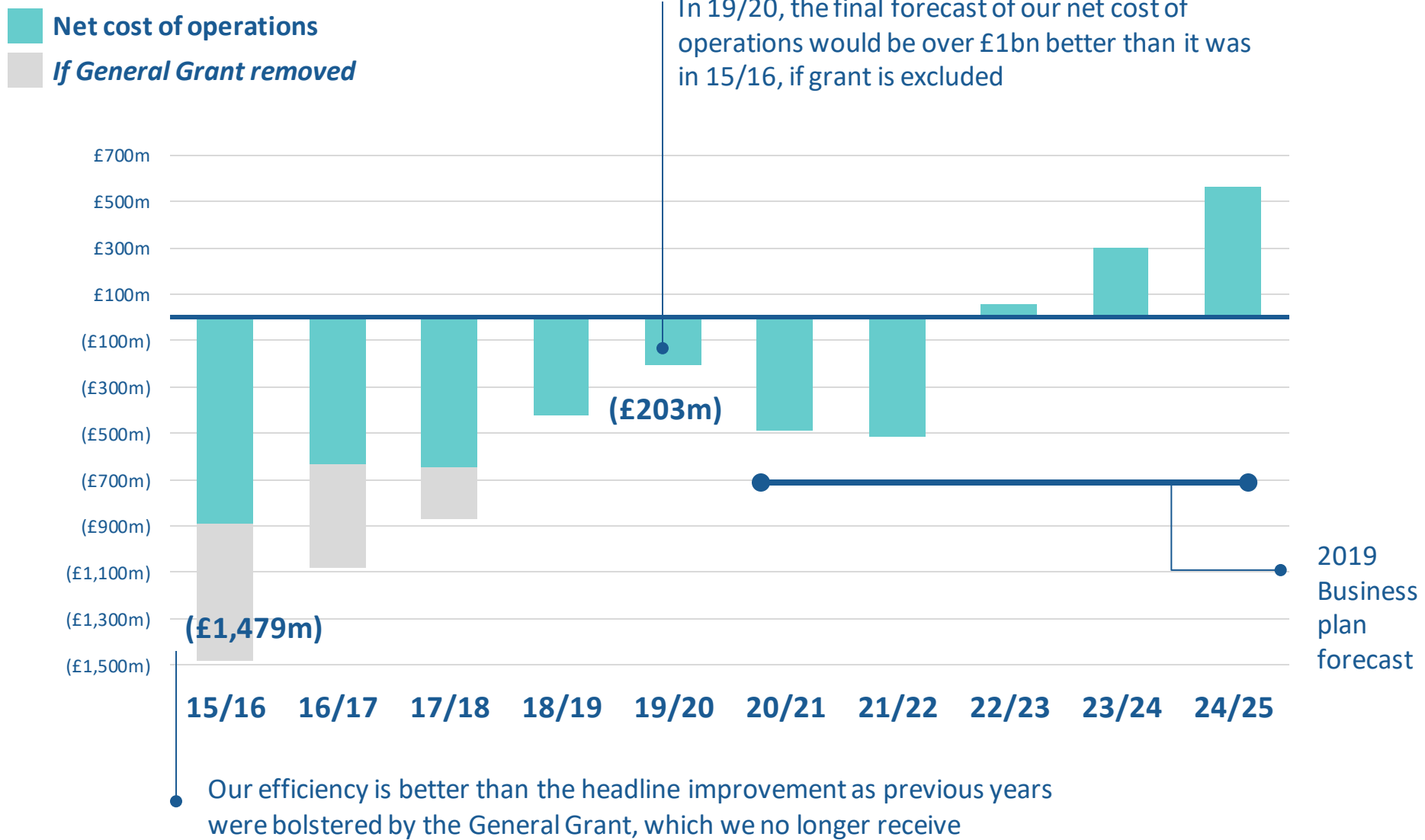
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# We have a history of strong performance

Prior to the pandemic, we were on track to reduce our operating deficit for the fourth consecutive year with a plan to breakeven in 2022/23.

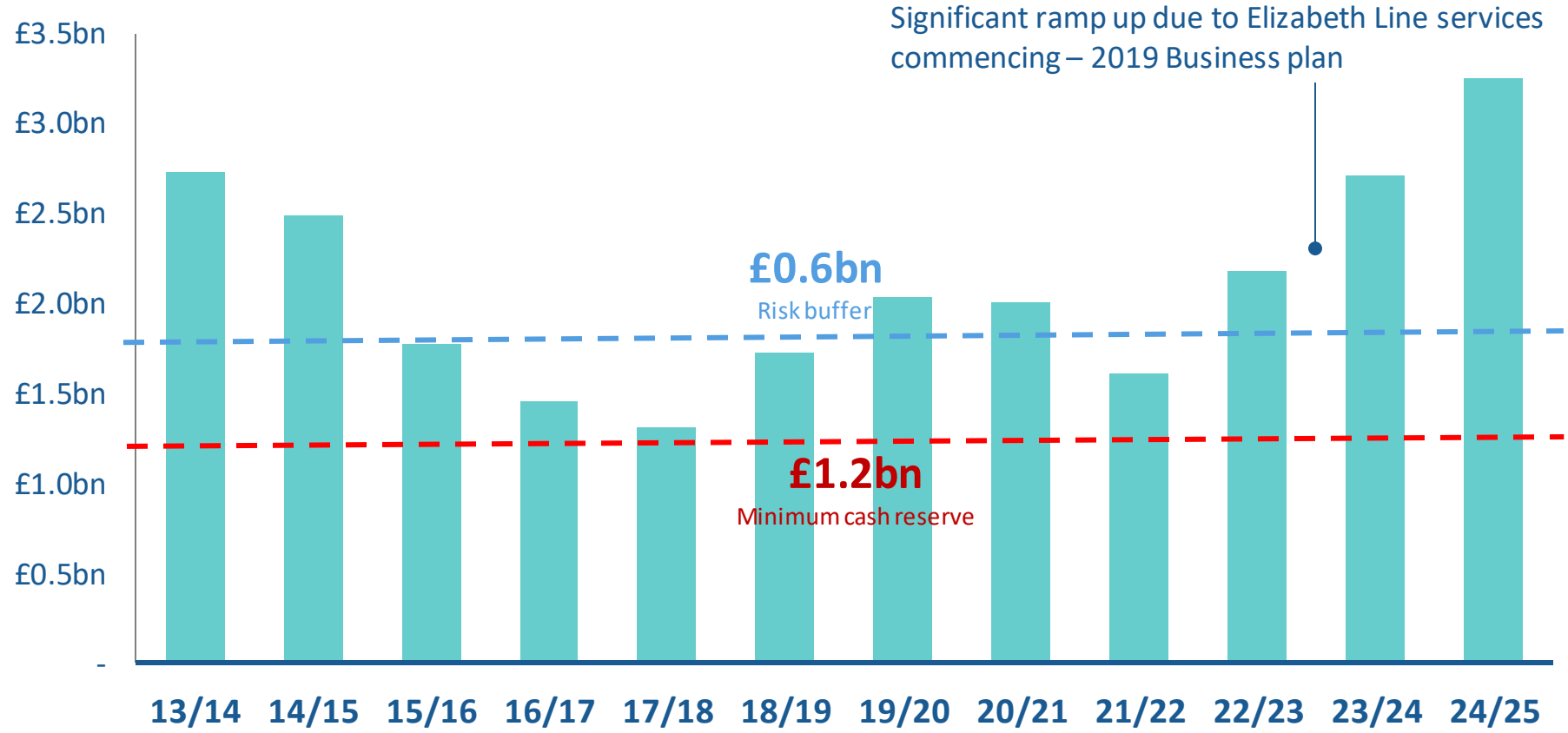
## TfL net cost of operations



We were rebuilding our cash reserves to increase resilience

Page 430  
 Minimum cash reserves of £1.2bn which is the equivalent to 60 days of operating expenditure

TfL cash balance (excluding Crossrail account)



Our policy requires that we keep a minimum of two months operating costs as cash which equates to £1.2bn. Above this, TfL targets holding another £600m buffer for known risks. Any cash above this will be available for prioritised investment projects. This resilience gives us greater flexibility in our approach to some major contracts e.g. signaling and rolling stock replacements.

Pre COVID-19 each business area had a financially sustainable plan

Our major business areas had clearly defined requirements to cover their baseline capital costs, grounded in strong historic performance



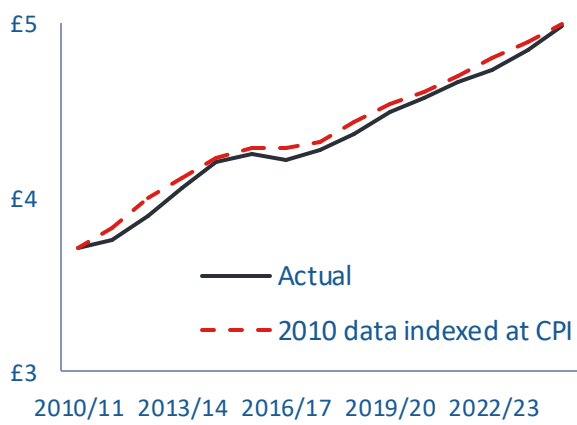
**Underground**

The Underground was forecast to hit over £1bn direct operating surplus by 21/22, and was targeting starting to cover its longer term capital costs for baseline renewals



**Buses and Streets**

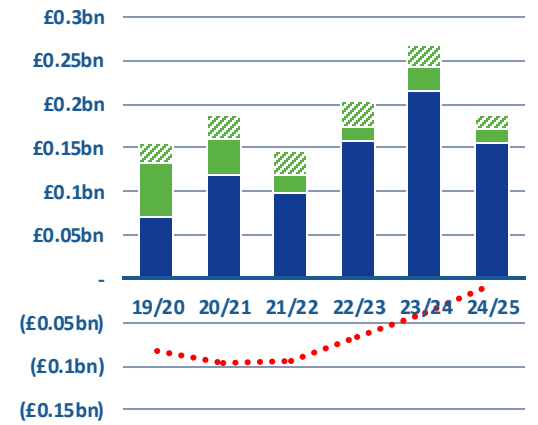
Bus costs require subsidy and we planned to apply full operating business rates to this area, which would cover critical capital cost and indirect costs



We have kept buses costs in line with inflation despite changes to the network: cost per operated kilometre +2.1% p.a. on average, improving safety, reliability and air quality without cost changes exceeding inflation (£)

**Rail**

Rail did not generate a surplus but we planned to continue investing in our assets from capital business rates to improve these services – including replacing DLR trains and trams



- Other capital (not committed)
- Other capital (committed)
- Baseline capital spend
- Net surplus/(cost) before baseline capital spend

# COVID-19

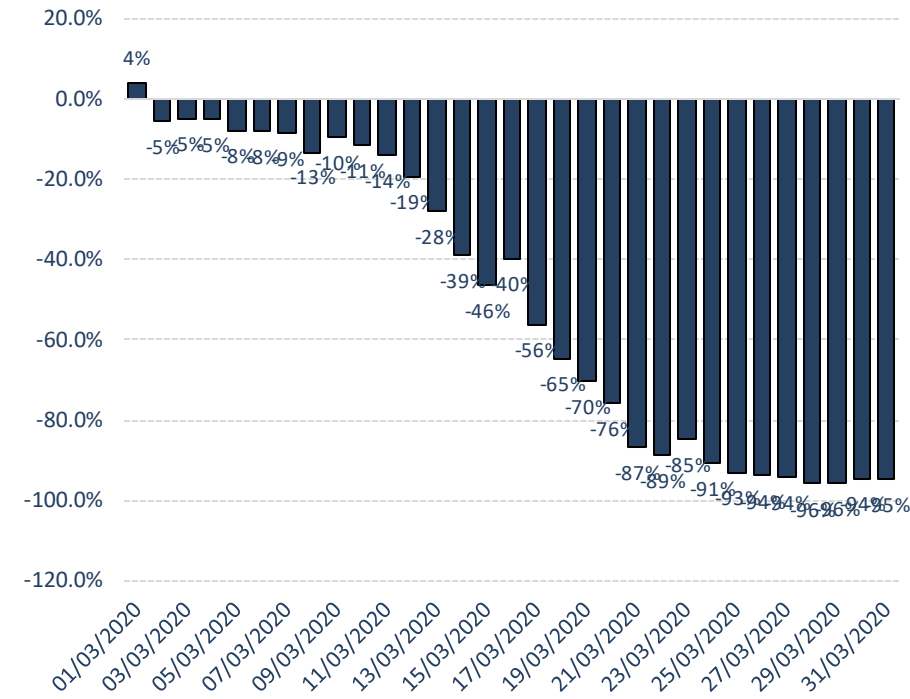
impact:  
We saw a huge reduction in journeys at the end of 2019/20

Tube journeys down over 95%; bus journeys down just over 85%

We lost over £80m in revenue per week at the peak of the pandemic.



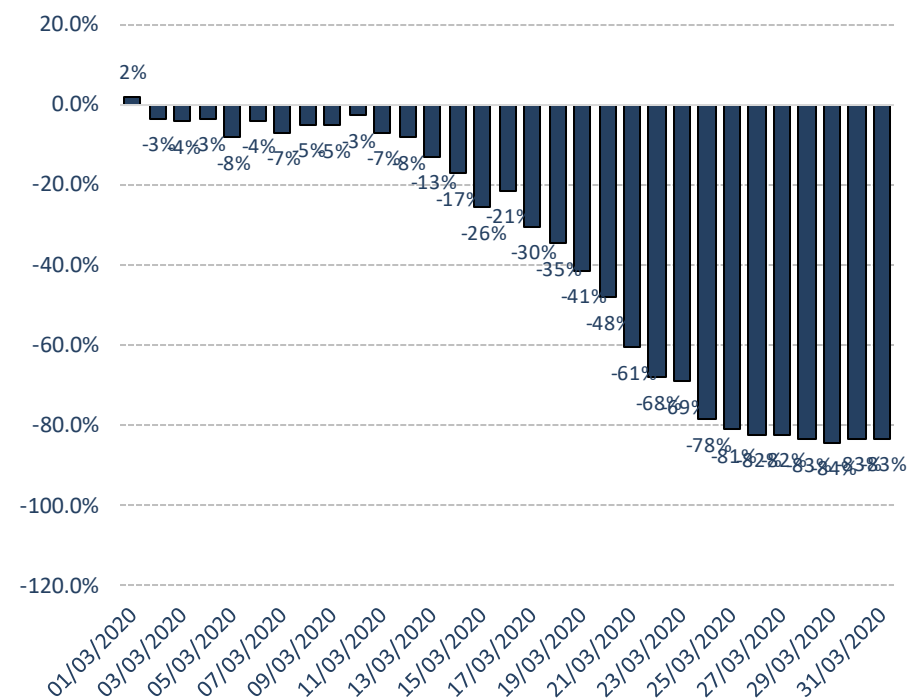
## Tube journeys % year-on-year change



| Weekly variance to Budget | (£5m) | (£13m) | (£38m) | (£52m) | (£19m) |
|---------------------------|-------|--------|--------|--------|--------|
|                           | -7%   | -20%   | -64%   | -92%   | N/A    |

*(£126m) total lost revenue in 2019/20 compared to budget in LU*

## Bus journeys % year-on-year change



| Weekly variance to Budget | (£1m) | (£2m) | (£11m) | (£23m) | (£1m) |
|---------------------------|-------|-------|--------|--------|-------|
|                           | -5%   | -9%   | -38%   | -80%   | N/A   |

*(£38m) total lost revenue in 2019/20 compared to budget in Buses*

Lost TfL weekly income at peak journey reduction: (£84m)

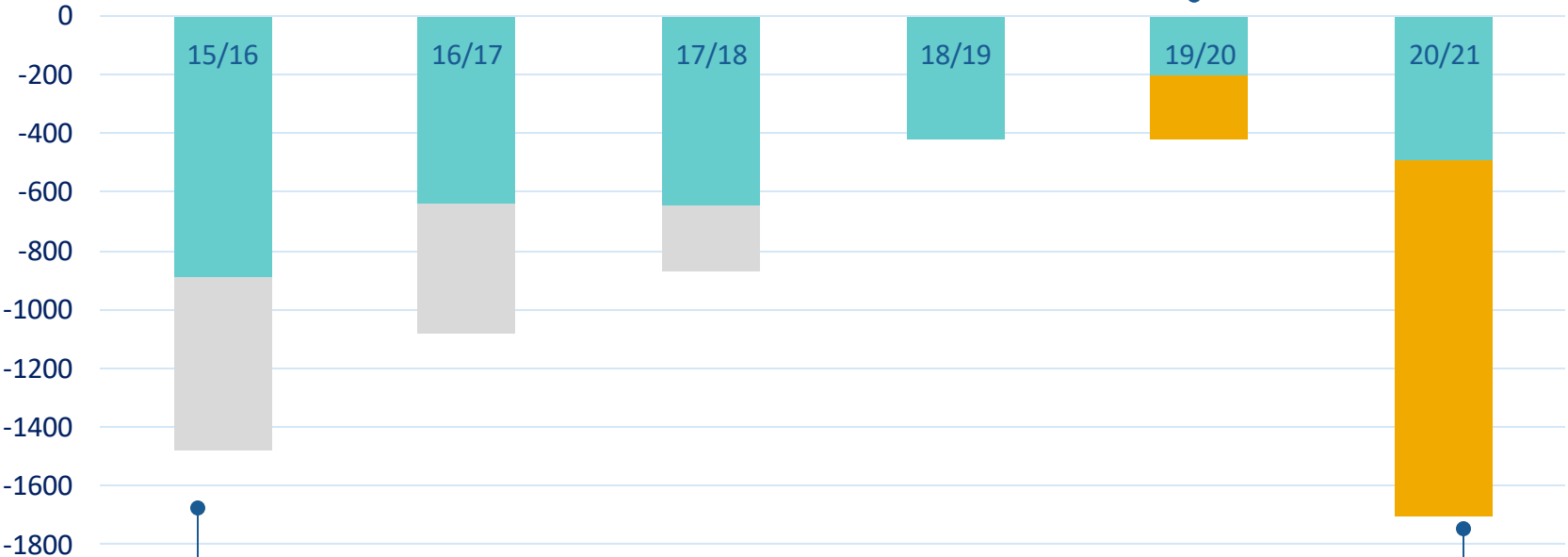
# The impact of COVID-19 on our net cost of operations

Page 433  
 COVID-19 sees us return to 2015/16 deficit levels excluding the impact of the Government grant

## TfL net cost of operations (full year)

- Net cost of operations\*
- If General Grant removed
- COVID-19 impact

In 19/20, before the impact of COVID-19 our year end position was £1bn better than in 15/16 excluding the impact of the Government grant



Our efficiency is better than the headline improvement as previous years were bolstered by the General Grant, which we no longer receive

The impact of COVID-19 significantly sets us back from our trajectory of breaking even

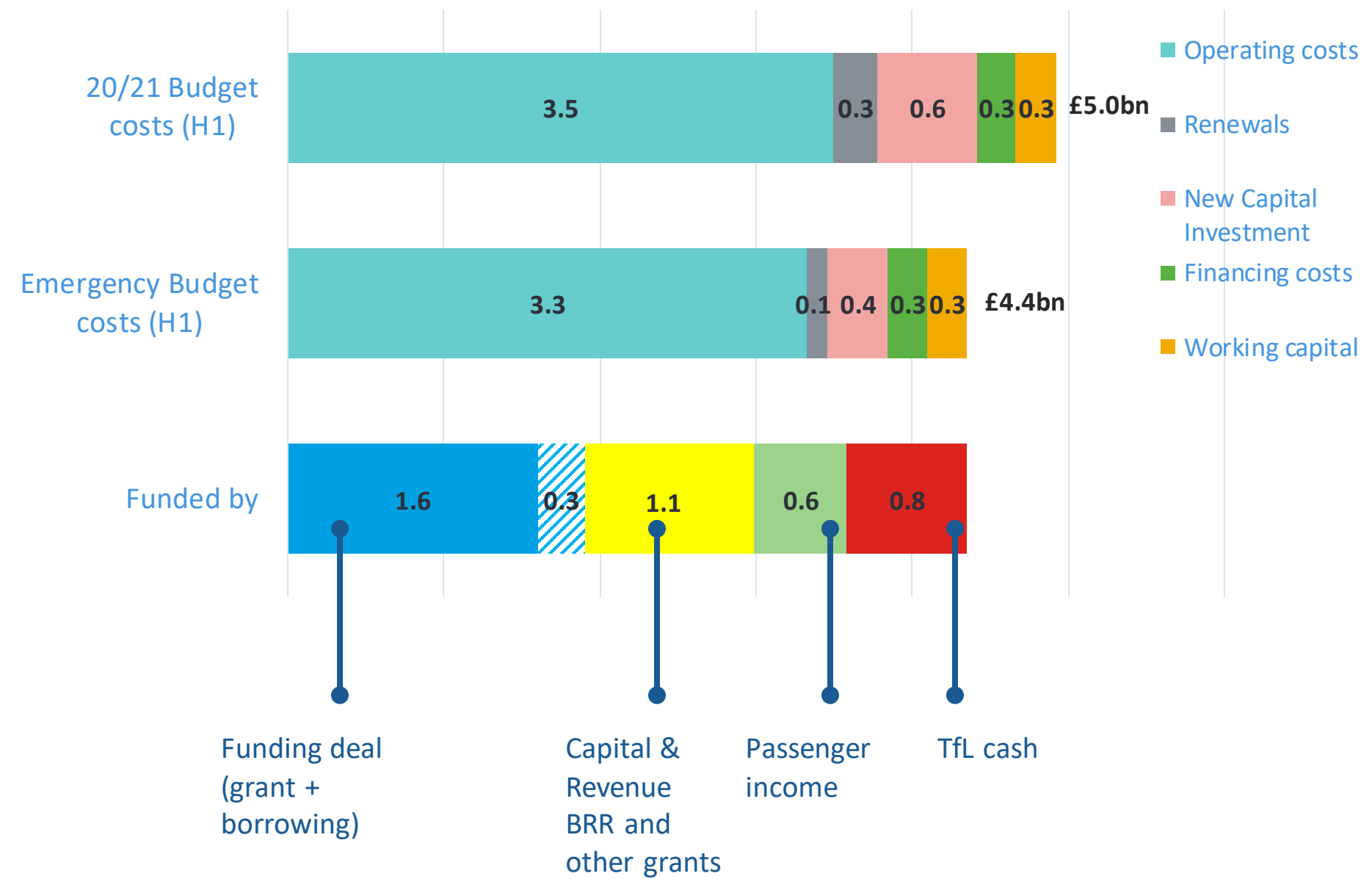
\* Historical net cost of operations has not been retrospectively updated for accounting changes and capital renewals reclassifications

We shrunk costs by nearly £600m in H1

Our Emergency Budget is funded largely by the Government deal and £0.8bn of our own cash balances, where we are forecasting a loss of nearly £2.7bn income mostly from a reduction in passenger journeys



Sources and uses: 1 April 2020 – 17 October 2020 (£bn)





# Section 3

## Performance to date

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# Performance to date

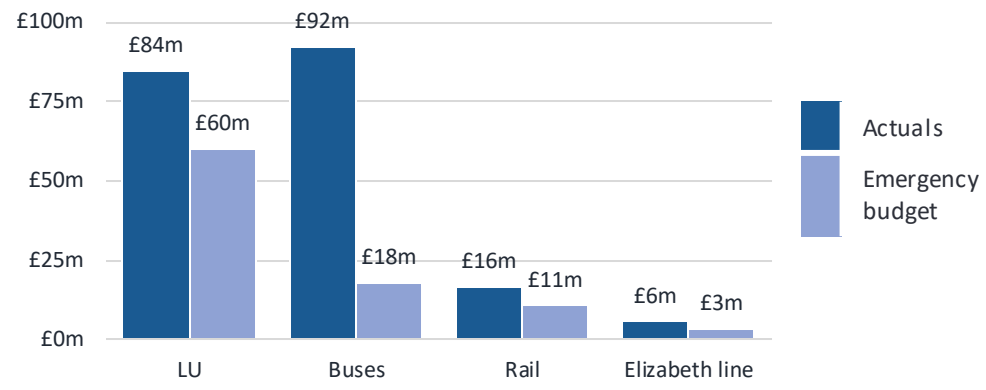
The operating account is performing strongly against the Emergency Budget with an uplift in demand and strong cost control. The earlier restart of projects in our investment programme has seen our capital expenditure and some operating costs brought forward



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## Current impacts

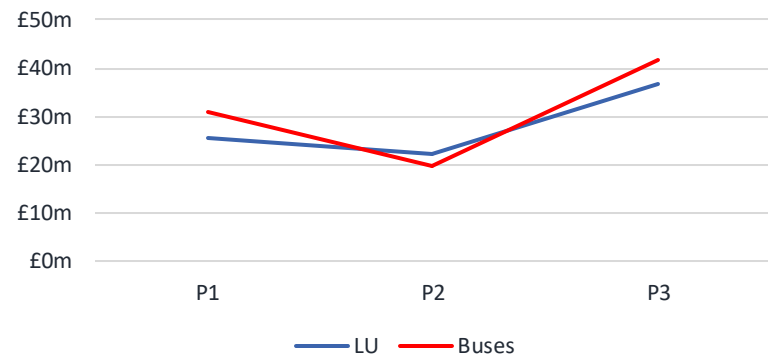
Passenger income: YTD actual is £114m more than Emergency Budget



The earlier than expected start-up of front door boarding on buses, and favourable movements in demand and yield on the Tube and buses have resulted in higher passenger income than budgeted.

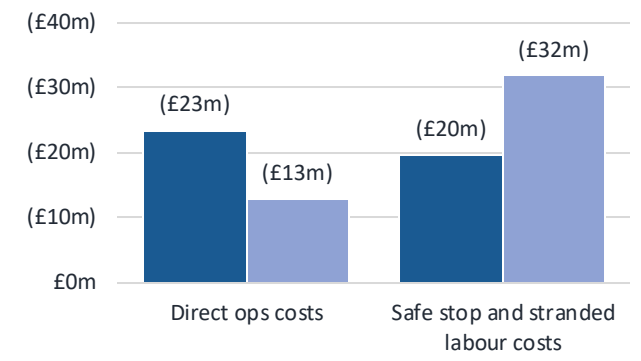
## Recovery phase

Key services – income trend



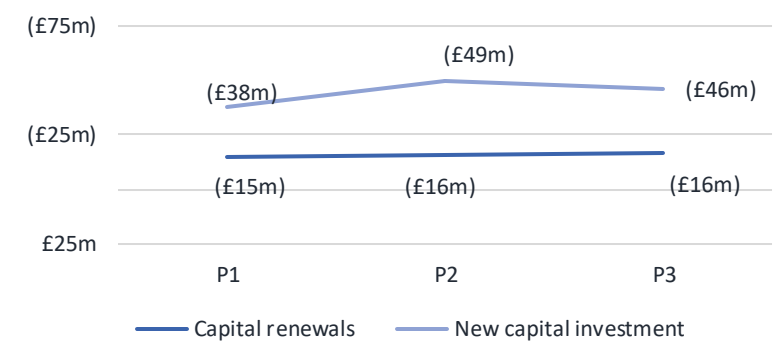
As Government policy on lock-down eased in mid-June, passenger demand has started to increase on the Tube and Buses.

Covid-19 cost impacts: YTD actual and Emergency Budget



Operating costs directly related to Covid-19 include specialist cleaning, PPE, and social distancing measures. Costs to date are currently higher than the Emergency Budget due to the profile of spend and is adjusted for in the Revised Budget. Stranded labour reflects staff costs on projects which are capitalised when works are in progress.

Capital expenditure trend



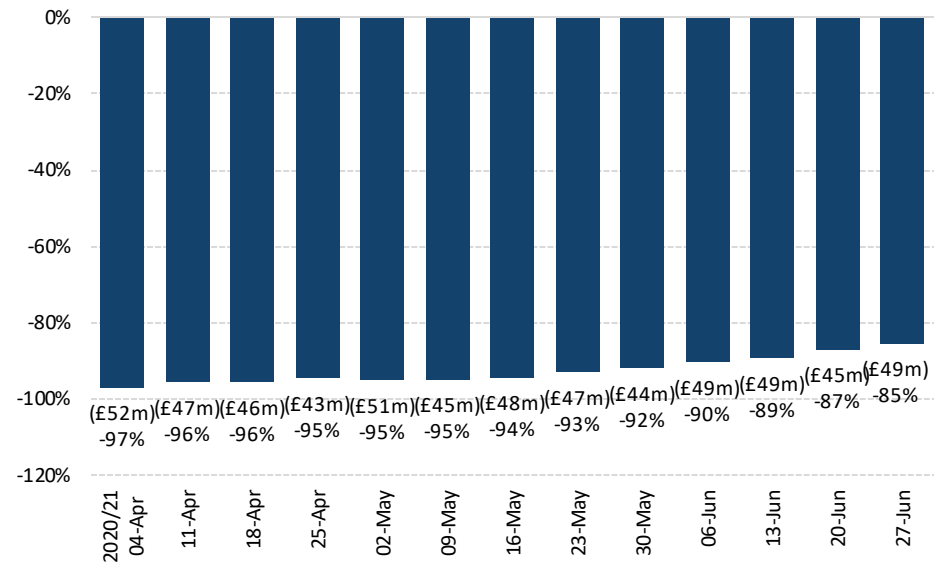
There has been consistent and steady focus on safety critical works in our capital renewals programme. Most new capital investment projects restarted in P2.

# Passenger journeys and other operating income

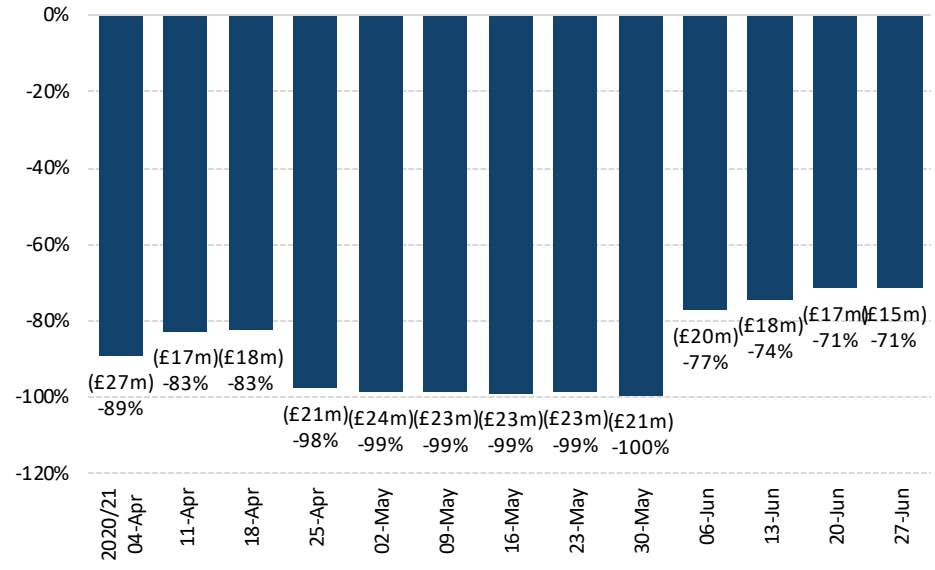
The uplift in passenger income on the Tube reflects higher number of journeys following the easing of lockdown policy and an improvement in yield; buses have seen a steady improvement in journeys, as well as benefits from continued concession reimbursement.

Higher Congestion Charge and ULEZ income from earlier than expected reintroduction of charging, extended charging hours and charge increase.

Tube journeys and income: % year-on-year change

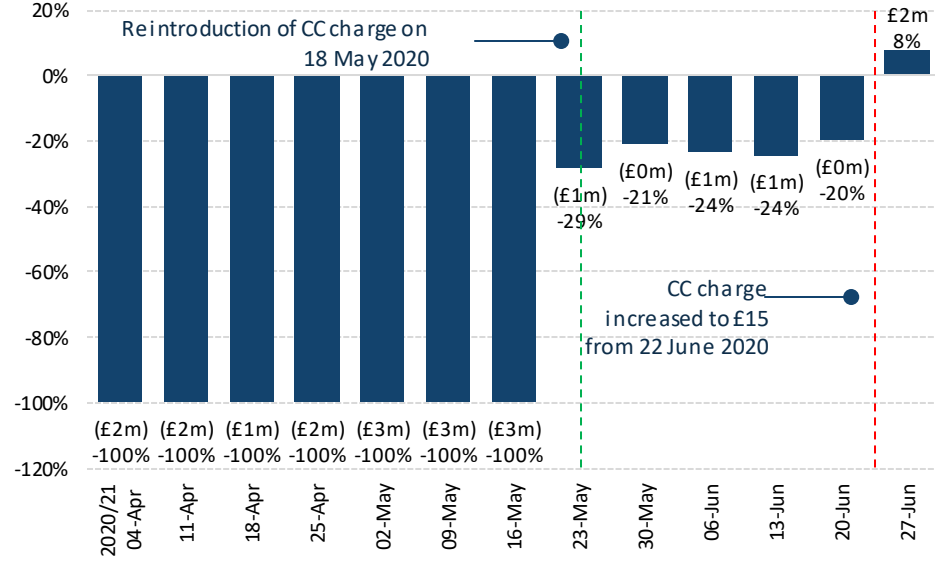


Bus journeys and income: % year-on-year change\*

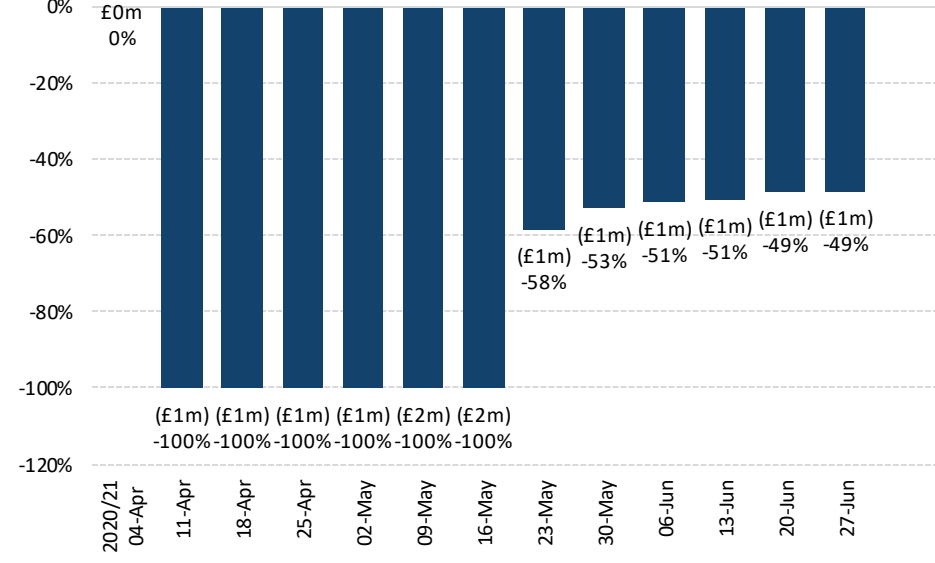


\* Middle-door boarding was introduced on 20 April. As passengers were not required to touch in demand between 20 April and 29 May could not be accurately recorded.

CC volumes and income: % year-on-year change



ULEZ volumes and income: % year-on-year change



# Operating account

Almost £120m better than Emergency Budget, driven by higher income from journey, concession reimbursement and roads income; operating costs (£30m) higher, a result of higher project spend, mainly from Streetspace schemes

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## Operating account

| Operating account (£m)  |
|---|
| Passenger income  |
| Other operating income  |
| <b>Total operating income</b>                                   |
| Business Rates Retention  |
| Revenue grant   |
| Government furlough grant                                       |
| <b>Total income</b>   |
| Operating costs   |
| COVID 19 direct operating costs                                 |
| COVID safe stop and stranded labour costs                       |
| <b>Net operating surplus</b>                                    |
| Financing costs   |
| <b>Net cost of operations before financing</b>                  |
| Capital renewals  |
| <b>Net cost of operations</b>                                   |
| Extraordinary revenue grant                                     |
| <b>Net cost of operations after extraordinary revenue grant</b> |

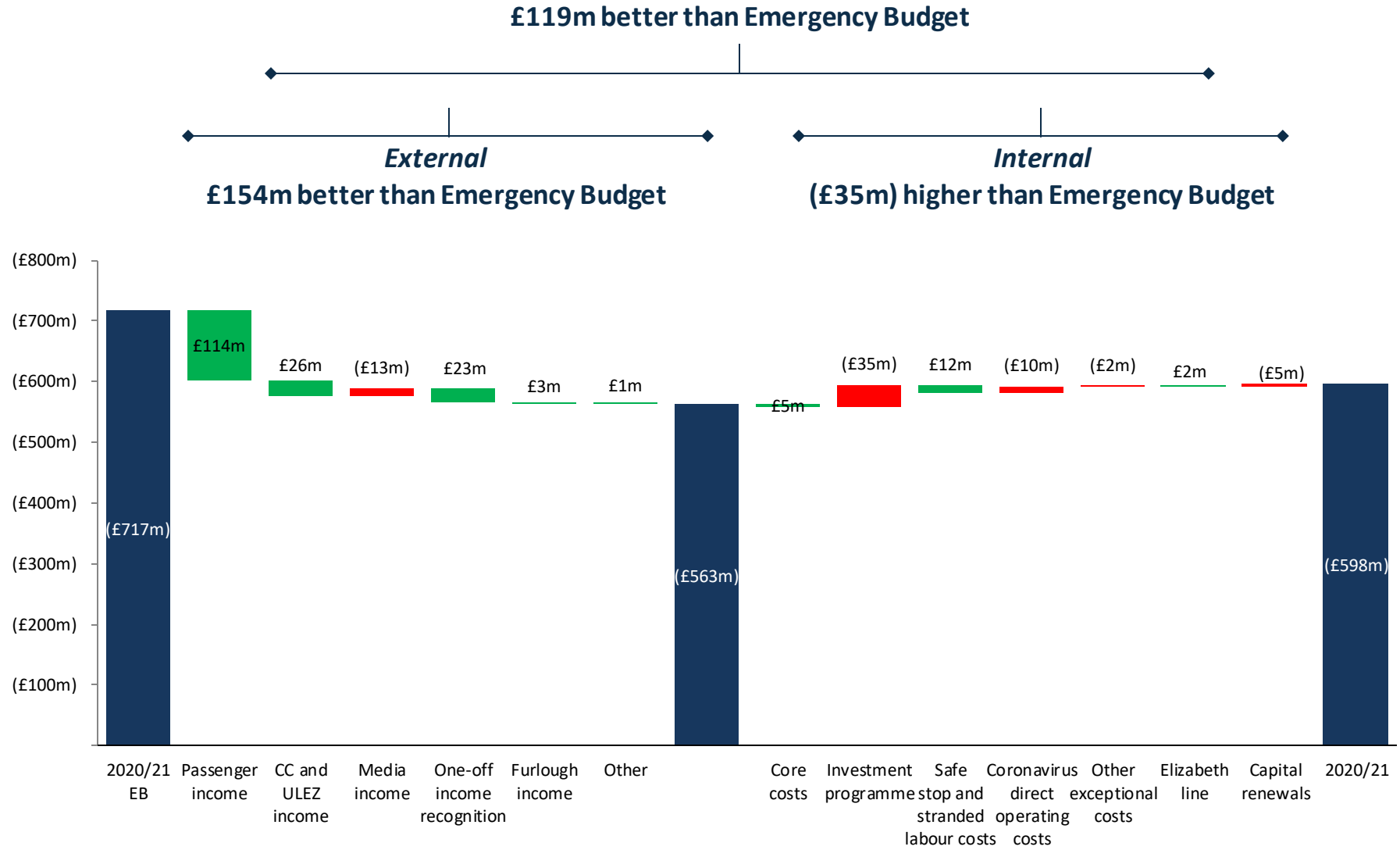
| Actuals      | Year to date, 2020/21        |             | Variance to last year |               |
|--------------|------------------------------|-------------|-----------------------|---------------|
|              | Variance to Emergency Budget |             |                       |               |
| 216          | 114                          | 112%        | (892)                 | -81%          |
| 116          | 37                           | 47%         | (97)                  | -46%          |
| <b>332</b>   | <b>151</b>                   | <b>83%</b>  | <b>(989)</b>          | <b>-75%</b>   |
| 262          | 0                            | 0%          | 4                     | 2%            |
| 2            | 0                            | 0%          | (22)                  | -92%          |
| 32           | 3                            | 10%         | 32                    | N/A           |
| <b>628</b>   | <b>154</b>                   | <b>32%</b>  | <b>(975)</b>          | <b>-61%</b>   |
| (1,436)      | (30)                         | 2%          | (10)                  | 1%            |
| (23)         | (10)                         | 77%         | (23)                  | N/A           |
| (20)         | 12                           | -38%        | (20)                  | N/A           |
| <b>(808)</b> | <b>124</b>                   | <b>-13%</b> | <b>(985)</b>          | <b>-557%</b>  |
| (108)        | (0)                          | 0%          | (6)                   | 6%            |
| <b>(916)</b> | <b>124</b>                   | <b>-12%</b> | <b>(991)</b>          | <b>-1327%</b> |
| (47)         | (5)                          | 11%         | 41                    | -47%          |
| <b>(963)</b> | <b>119</b>                   | <b>-11%</b> | <b>(950)</b>          | <b>7115%</b>  |
| 365          | 0                            | 0%          | 365                   | N/A           |
| <b>(598)</b> | <b>119</b>                   | <b>-17%</b> | <b>(585)</b>          | <b>4380%</b>  |

# Net cost of operations

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Year-to-date upside driven from stronger than expected passenger income and roads income

## Net cost of operations



# Capital account

Capital renewals and new capital investment higher than expected, a result of earlier than expected project restarts in earlier periods.

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## Capital account: year to date, 2020/21

| Capital account (£m)                 | Year to date, 2020/21 |                              |             |                       |               |
|--------------------------------------|-----------------------|------------------------------|-------------|-----------------------|---------------|
|                                      | Actuals               | Variance to Emergency Budget |             | Variance to last year |               |
| New capital investment               | (133)                 | (15)                         | 13%         | 116                   | -47%          |
| Crossrail                            | (152)                 | 50                           | -25%        | 108                   | -42%          |
| <b>Total capital expenditure</b>     | <b>(285)</b>          | <b>35</b>                    | <b>-11%</b> | <b>224</b>            | <b>-44%</b>   |
| Financed by:                         |                       |                              |             |                       |               |
| Investment grant                     | 246                   | 0                            | 0%          | 5                     | 2%            |
| Property and asset receipts          | 0                     | (7)                          | -96%        | (16)                  | -98%          |
| Borrowing                            | 266                   | (2)                          | -1%         | 332                   | -505%         |
| Crossrail borrowing                  | 139                   | (24)                         | -15%        | 139                   | N/A           |
| Crossrail funding sources            | 68                    | 25                           | 60%         | (177)                 | -72%          |
| Other capital grants                 | 21                    | (27)                         | -56%        | (23)                  | -52%          |
| <b>Total</b>                         | <b>741</b>            | <b>(34)</b>                  | <b>-4%</b>  | <b>260</b>            | <b>54%</b>    |
| <b>Net capital account</b>           | <b>456</b>            | <b>1</b>                     | <b>0%</b>   | <b>484</b>            | <b>-1728%</b> |
| <b>Capital renewals</b>              | <b>(47)</b>           | <b>(5)</b>                   | <b>11%</b>  | <b>41</b>             | <b>-47%</b>   |
| <b>New capital investment</b>        | <b>(133)</b>          | <b>(15)</b>                  | <b>13%</b>  | <b>116</b>            | <b>-47%</b>   |
| <b>Total TfL capital expenditure</b> | <b>(180)</b>          | <b>(20)</b>                  | <b>12%</b>  | <b>157</b>            | <b>-47%</b>   |

# Section 4

## The challenge

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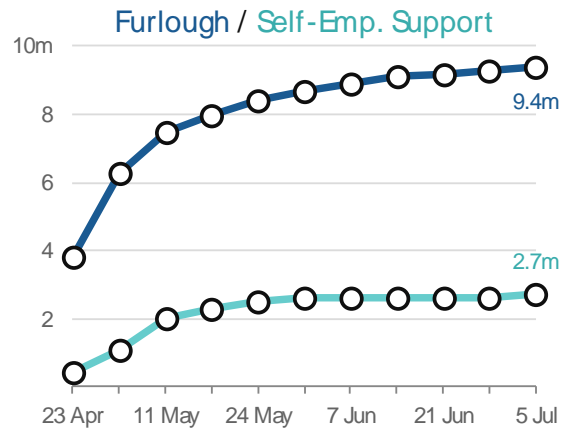
Conclusion 9



# The COVID-19 crisis has had a catastrophic impact on UK jobs, incomes and economic activity

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## Furlough Scheme

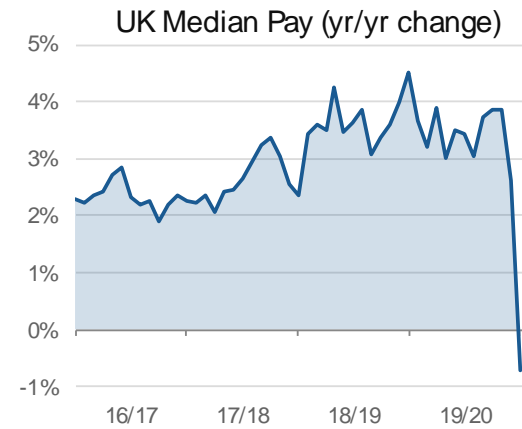


Out of a workforce of 36m in March 2020, **9.4m (26%)** jobs have since been furloughed and a further **2.7m** self-employed workers have applied for Income Support.

Unemployment is forecast to increase from 3.9% (1.4m) for Q1 2020 to **8.5%** by Q3, totalling **3.0m** people.

Source: [HMRC COVID-19 Statistics](#); [Nomura](#)

## Pay Growth

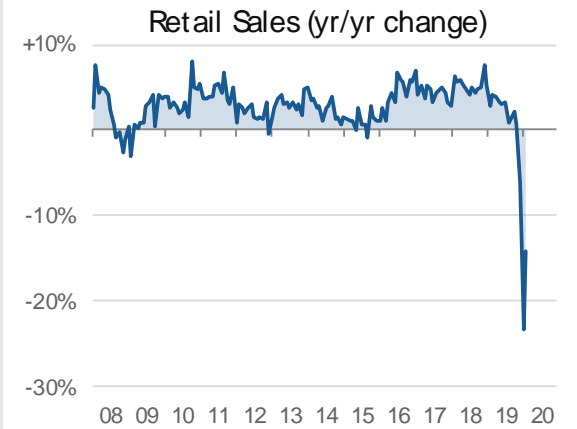


Pay growth had been consistently above 3% for almost two years but has abruptly turned negative.

April 2020 saw **-0.7%** year-on-year growth in median pay and subsequent months are likely to have seen further falls.

Source: [HMRC PAYE RTI](#)

## Retail Sales



Year-on-year retail sales growth had begun to slow throughout 2019/20, turned negative in March '20 (-6.2%), and fell to **-23.3%** in April '20.

The decline slowed in May to **-14.2%**.

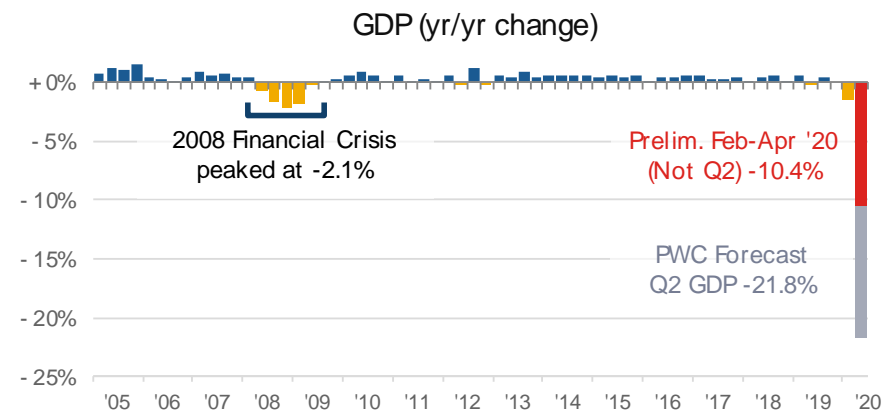
Source: [ONS Retail Sales Val/y/y](#)



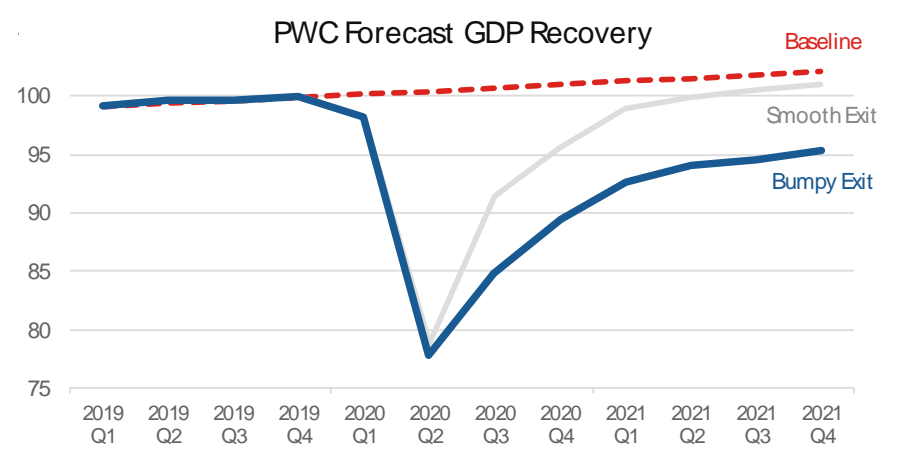
The trajectory of economic recovery is uncertain, as is future fiscal policy

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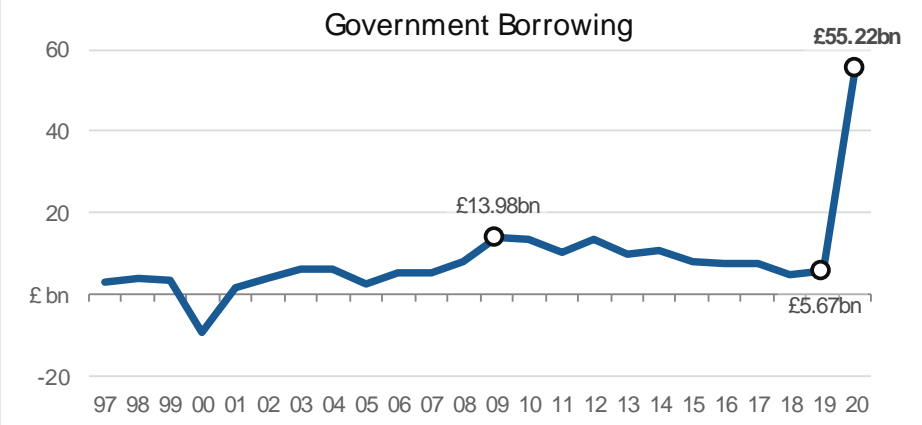
## GDP Forecast



Preliminary results for 3mths to April '20 show GDP falling by **10.4%**. Even in the depths of the 2008 financial crisis, GDP's worst quarter was a drop of 2.1%.



## Government Borrowing



All headline Government Accounts figures show unprecedented movement. In comparison to last May:

- Borrowing** is up 874%.
- Receipts** are down 28%; **Spending** is up 50%.
- National Debt** has grown by 25%.

Should the Government choose to cut spending to reduce this deficit this could choke off the recovery and impact TfL significantly. A no deal Brexit in January 2021 would exacerbate these problems.

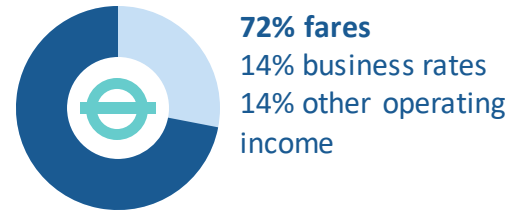
Sources: [ONS GDP Monthly Est](#), [PWC COVID-19 Update](#), [ONS Public Sector Finances](#)

# Our operating income is more reliant on users than other authorities

Direct comparisons in income mixes are extremely challenging (partly captured by the notes on this page) but is clear that TfL is now more reliant on passenger income than other similar authorities.

## London

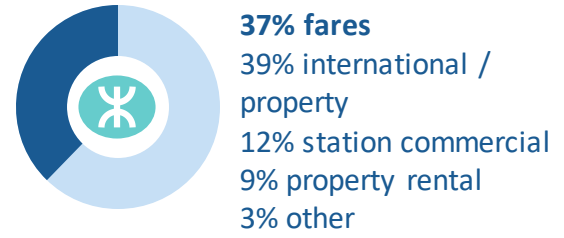
Transport for London (TfL)



In TfL, the removal of operating grant has been covered by a higher reliance on fares. Retained business rates are the second highest income source – although as growth in rates is not retained this is not full devolution.

## Hong Kong

Mass Transit Railway (MTR)

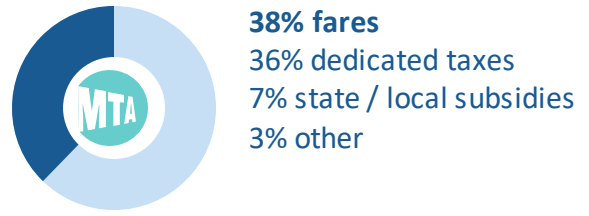


MTR’s ‘Rail & Property’ model, uses Government-granted development rights in exchange for land premium created by MTR schemes. MTR then reinvests the development profits back into transport.

**Note:** MTR’s full revenues

## New York

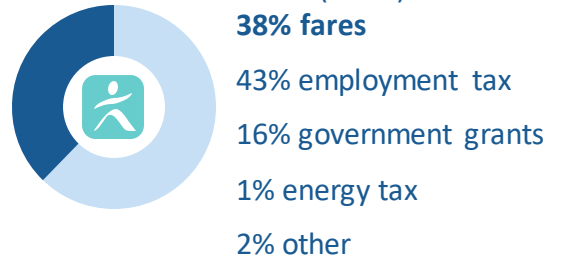
Metropolitan Transportation Authority (MTA)



MTA has a reasonably high reliance on fares, but crucially gets over a third of its income from a variety of dedicated taxation sources, including property taxes from within the city.

## Paris

Île-de-France Mobilités (ÎDFM)



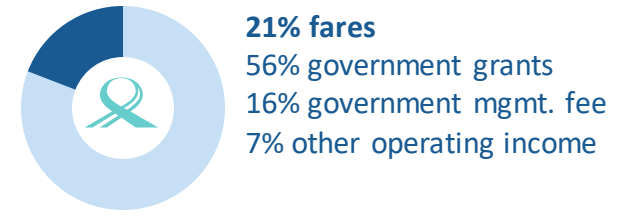
ÎDFM controls and coordinates public transport operators in the Paris-area.

A significant proportion of public transport funding comes from a dedicated employment tax.

**Note:** funding covers some investment

## Singapore

Land Transport Authority (LTA)

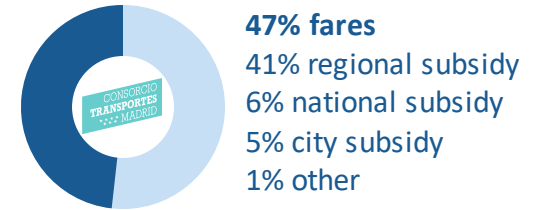


LTA plans, builds and maintains Singapore’s transport infrastructure. The majority of funding comes from government grants / management fees.

**Note:** LTA use net cost rail contracts

## Madrid

Consortio Regional de Transportes de Madrid



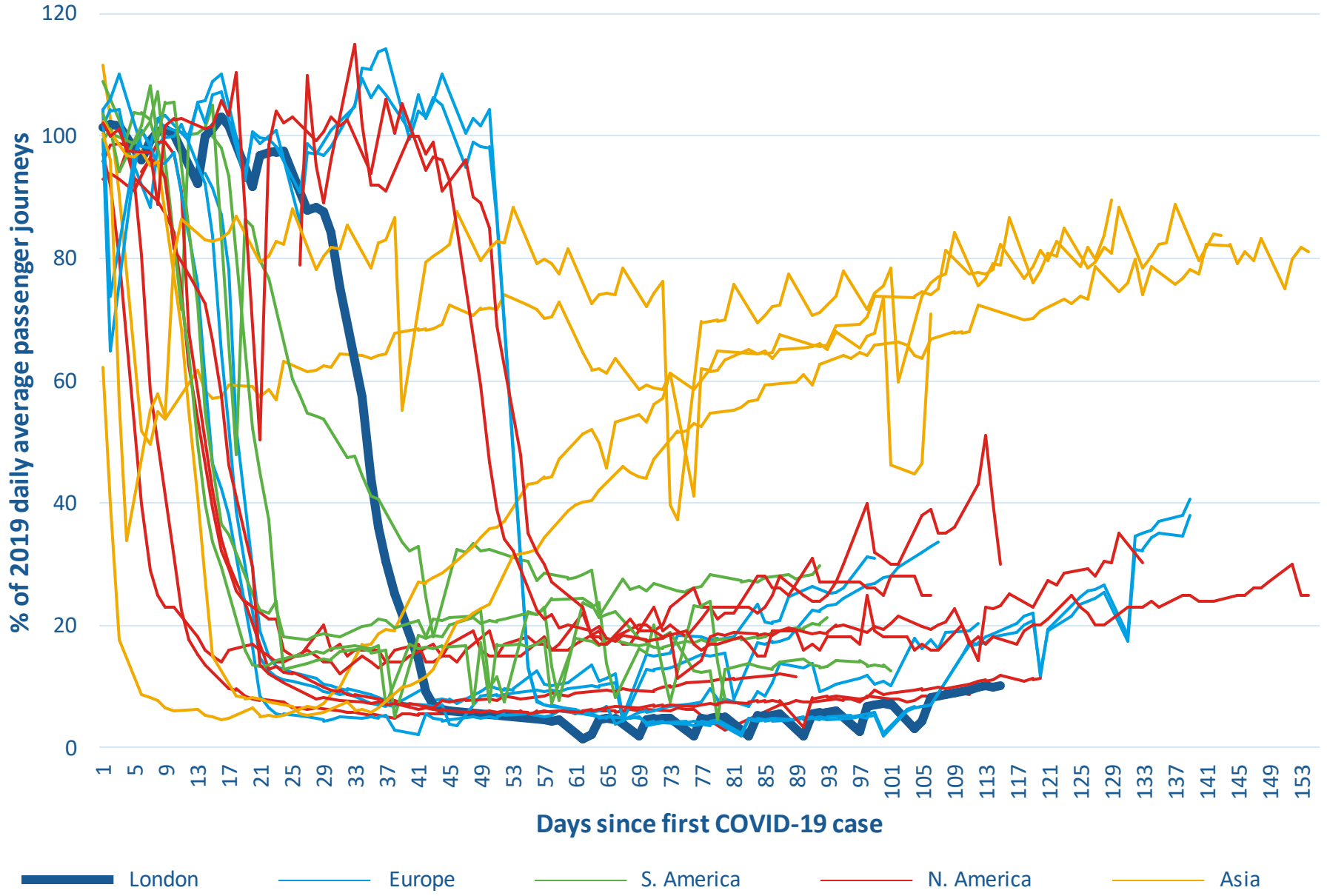
CRTM is the public transport authority for Madrid Region, and its responsibilities cover the provision of public transport services to the inhabitants of the entire Madrid Region and associated municipalities.

# International Comparators

Through our benchmarking groups we have access to anonymised data from other international operators, most of whom have been moving out of lockdown slightly earlier than the UK.

These show that demand return is almost always slow and steady without sudden jumps back to normality. Only Asian metros are running at high levels of crowding.

International Metro Demand (Source: COMET/NOVA)



# Revenue modelling is based on scenarios where the range of outcomes can vary greatly

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- We have assessed inputs from a wide range of sources to build these models
- Modelling of the nature of the pandemic is informed by DfT's own scenario planning, which considers possibilities like a single peak, multiple peaks or more sustained infection. Our models consider a similar range
- Economic modelling is informed by both OBR and Bank of England forecasting as well as statements by bodies like Visit Britain
- Pace of reopening the economy is in general based on Prime Minister's statement of May 10<sup>th</sup>

## Sample of potential virus patterns

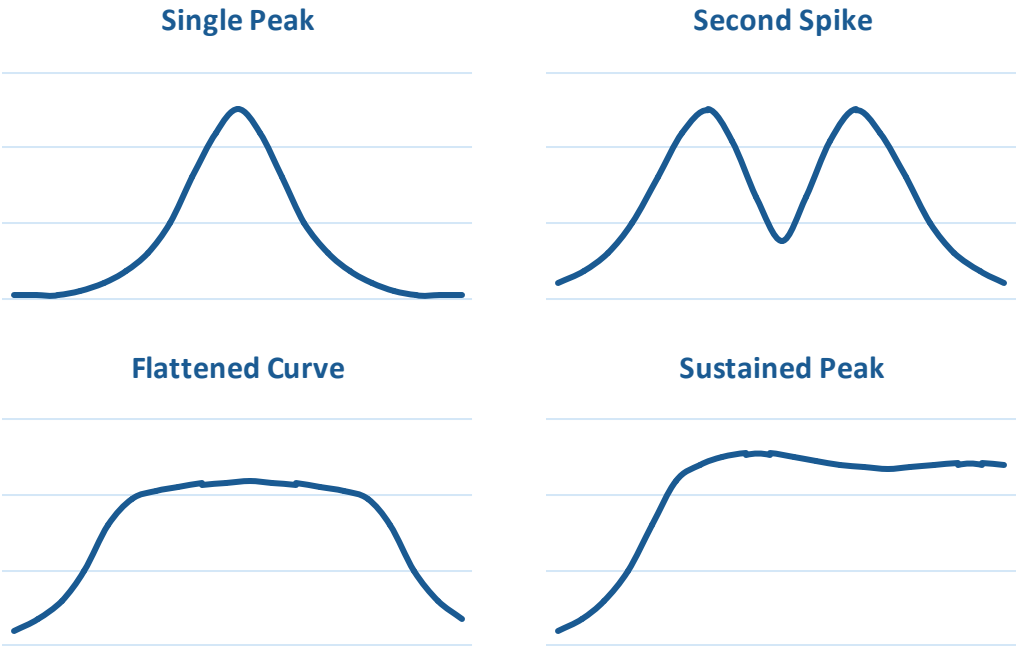
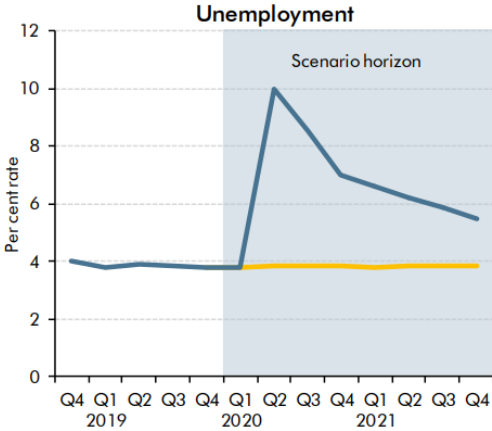
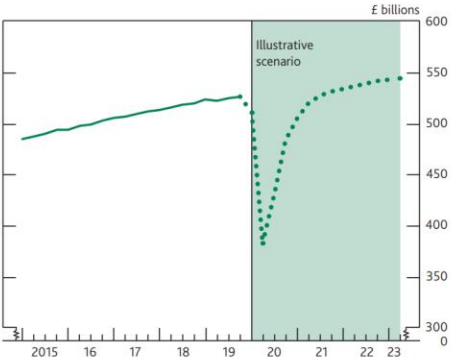


Chart 1.3 GDP picks up relatively rapidly in 2020 H2 in the scenario, although it takes some time to recover towards its previous path  
GDP scenario<sup>(a)</sup>/<sup>(b)</sup>



# Section 5

## Operating account H2

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# Assumptions in Revised Budget: operating account

Our Budget meets the conditions set out in the Government's funding and financing agreement

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|                                     |  |
|-------------------------------------|--|
| <b>Revenue assumptions</b>          | <ul style="list-style-type: none"><li>• Model with a 'second spike' potentially driven by increased local lockdowns with social distancing measures assumed to occur in H2 20/21</li><li>• Model projects volumes returning to 30% at the end the year compared to last year</li><li>• Both media and commercial rental income are also impacted by loss of footfall</li></ul> |
| <b>Road user charging</b>           | <ul style="list-style-type: none"><li>• Re-introduced on 18 May (Emergency Budget (EB) assumed RUC return in July)</li><li>• Temporary changes to CC hours, day and charge from 22 June</li></ul>  |
| <b>Furlough – Government scheme</b> | <ul style="list-style-type: none"><li>• Up to 7,000 staff furloughed up to end of July (EB assumed until June), with further opportunity up until the end of October as we continue to assess the benefits</li><li>• We will continue to top up salaries to 100% throughout the furlough period</li></ul>  |
| <b>LU / Rail Service level</b>      | <ul style="list-style-type: none"><li>• c.95% service levels since mid May at peak times, excluding night tube</li><li>• (EB assumed 50% service until end of June and 100% service from July)</li></ul>   |
| <b>Buses Service level</b>          | <ul style="list-style-type: none"><li>• 85% of pre-COVID 19 since June, reach &gt;95% in July and 100% by start of September. A full return to front door boarding by 11 July (94% at end of June)</li><li>• (EB assumed c.80% until late June followed by a ramp up to 100% in H2)</li></ul>  |
| <b>Travel demand proposals</b>      | <ul style="list-style-type: none"><li>• Accelerated proposals to optimise the use of the available safe transport capacity, including the temporary suspension of free travel for Freedom Pass and 60 Plus card holders during peak</li></ul>  |

## Revised Budget 2020/21

H1 funding requirement reduces by £0.4bn to £1.5bn (in ratio of £0.3bn extraordinary revenue grant and £0.1bn borrowing)

H2 additional funding requirement vs Emergency Budget of (£0.3bn) after rephasing £0.4bn from H1

## Operating account

| Operating Account (£m)  | Revised Budget H1 | Revised Budget vs EB Budget H1'20/21 | Revised Budget H2 | Revised Budget vs EB Budget H2'20/21 | Revised Budget 20/21 | Emergency Budget 20/21 | Revised Budget 20/21 vs EB Budget 20/21 |
|---|-------------------|--------------------------------------|-------------------|--------------------------------------|----------------------|------------------------|---|
| Passenger income  | 631               | 282                                  | 684               | (507)                                | 1,315                | 1,540                  | (225)                                   |
| Other operating income  | 355               | 125                                  | 354               | 64                                   | 708                  | 519                    | 189                                     |
| <b>Total operating income</b>                                   | <b>986</b>        | <b>407</b>                           | <b>1,038</b>      | <b>(442)</b>                         | <b>2,024</b>         | <b>2,059</b>           | <b>(36)</b>                             |
| Business Rates Retention  | 504               | 0                                    | 390               | (75)                                 | 894                  | 969                    | (75)                                    |
| Other revenue grants  | 6                 | (0)                                  | 9                 | (2)                                  | 14                   | 17                     | (3)                                     |
| Government furlough grant                                       | 40                | 10                                   | (0)               | (0)                                  | 40                   | 30                     | 10                                      |
| <b>Total income</b>   | <b>1,536</b>      | <b>417</b>                           | <b>1,436</b>      | <b>(520)</b>                         | <b>2,972</b>         | <b>3,075</b>           | <b>(103)</b>                            |
| Operating cost  | (3,450)           | (118)                                | (3,242)           | (220)                                | (6,692)              | (6,353)                | (338)                                   |
| Core costs  | (2,981)           | (11)                                 | (2,643)           | (16)                                 | (5,623)              | (5,597)                | (27)                                    |
| Elizabeth line  | (171)             | (0)                                  | (165)             | 29                                   | (336)                | (364)                  | 29                                      |
| IP Opex   | (154)             | (110)                                | (146)             | (96)                                 | (299)                | (93)                   | (206)                                   |
| Exceptional costs   | (145)             | 3                                    | (288)             | (138)                                | (433)                | (298)                  | (135)                                   |
| <b>Net operating surplus</b>                                    | <b>(1,915)</b>    | <b>298</b>                           | <b>(1,805)</b>    | <b>(740)</b>                         | <b>(3,720)</b>       | <b>(3,278)</b>         | <b>(441)</b>                            |
| Net financing costs   | (247)             | (4)                                  | (209)             | (1)                                  | (456)                | (451)                  | (5)                                     |
| <b>Net surplus/(cost) of operations before renewals</b>         | <b>(2,162)</b>    | <b>295</b>                           | <b>(2,014)</b>    | <b>(741)</b>                         | <b>(4,176)</b>       | <b>(3,729)</b>         | <b>(447)</b>                            |
| Capital renewals  | (148)             | (18)                                 | (248)             | (48)                                 | (396)                | (331)                  | (66)                                    |
| <b>Net cost of operations</b>                                   | <b>(2,310)</b>    | <b>277</b>                           | <b>(2,263)</b>    | <b>(789)</b>                         | <b>(4,573)</b>       | <b>(4,059)</b>         | <b>(512)</b>                            |
| Extraordinary Revenue Grant                                     | 1,033             | (267)                                | 1,832             | 532                                  | 2,865                | 2,600                  | 265                                     |
| <b>Net cost of operations after extraordinary revenue grant</b> | <b>(1,277)</b>    | <b>10</b>                            | <b>(431)</b>      | <b>(257)</b>                         | <b>(1,708)</b>       | <b>(1,459)</b>         | <b>(247)</b>                            |

**2020/21 H1:** Underlying £0.3bn better than Emergency Budget after restart of road user charging and updated passenger income modelling. Some additional pressure on costs to support social distancing and other schemes. £267m of extraordinary grant no longer required (and £123m borrowing in capital account re-phased to H2)

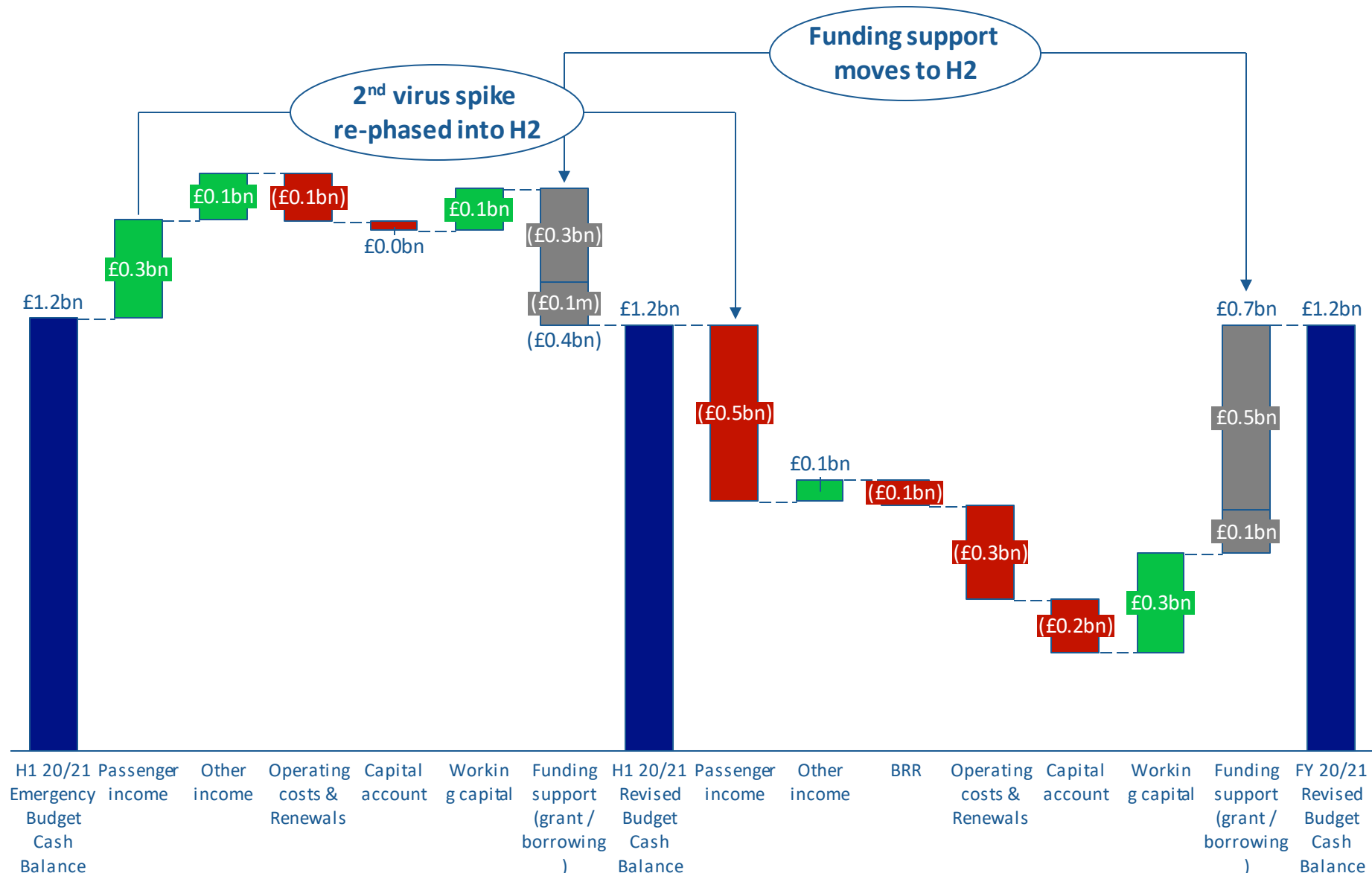
**2020/21 H2:** Underlying (£0.8bn) worse than Emergency Budget due to passenger income modelling, business rates retention reduction and the extension of the Streetspace scheme previously not included in H2 of the Emergency Budget. (£0.3bn) of additional funding support required after rephasing £0.4bn of funding from H1.

# Cash Bridge: Revised Budget vs Emergency Budget

**H1 £0.4bn better:** £0.3bn operating performance driven by revenue and £0.1bn working capital

**FY (£0.3bn) worse:** (£0.6bn) operating and capital account performance offset by £0.3bn working capital

## Cash movement against Emergency Budget to maintain minimum cash reserves

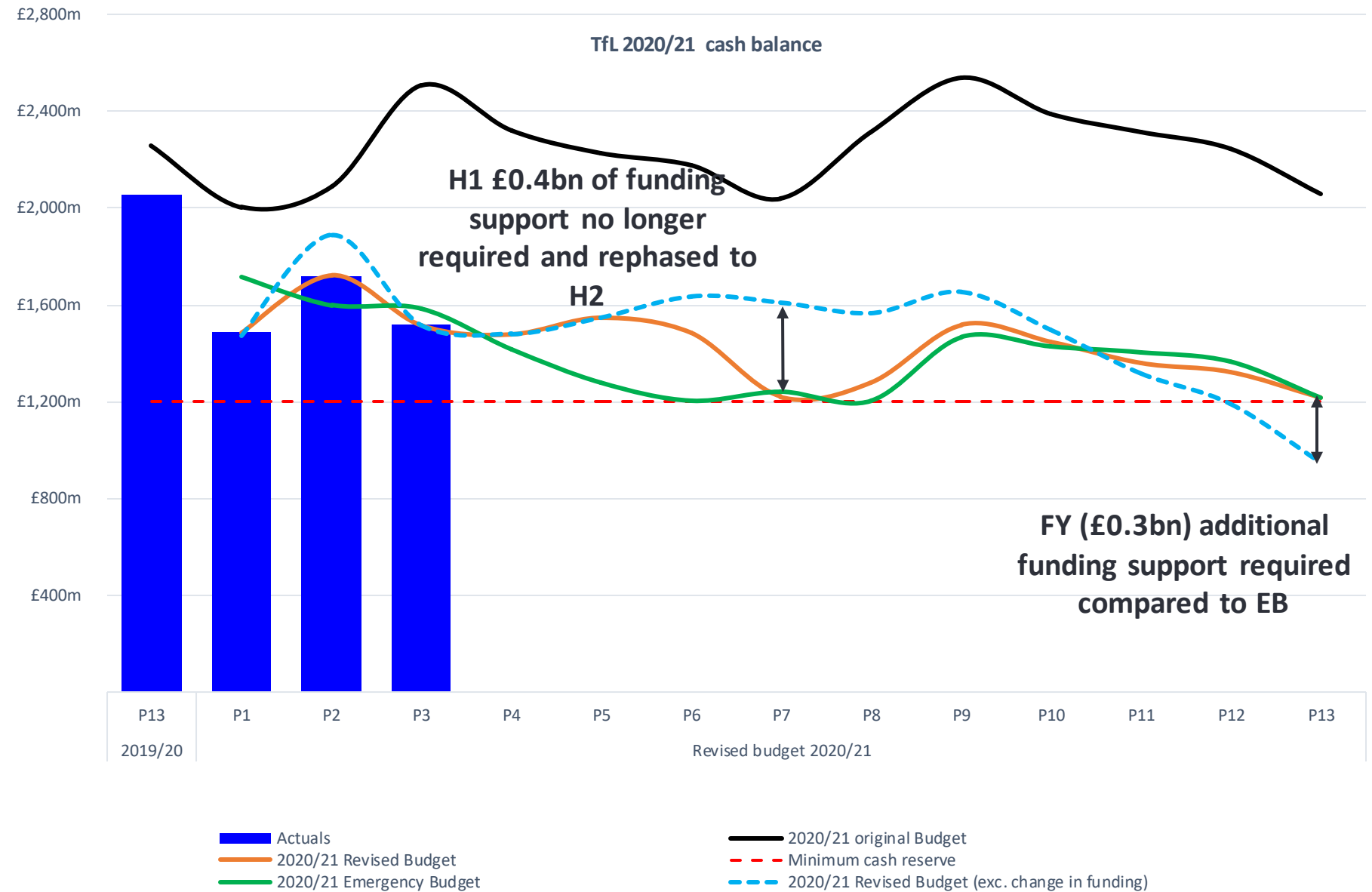




# Revised Budget cash

**H1 £0.4bn better:** £0.3bn operating performance driven by revenue and £0.1bn working capital

**F (£0.3bn) worse:** (£0.6bn) operating and capital account performance offset by £0.3bn working capital



# Section 6

## Investment programme

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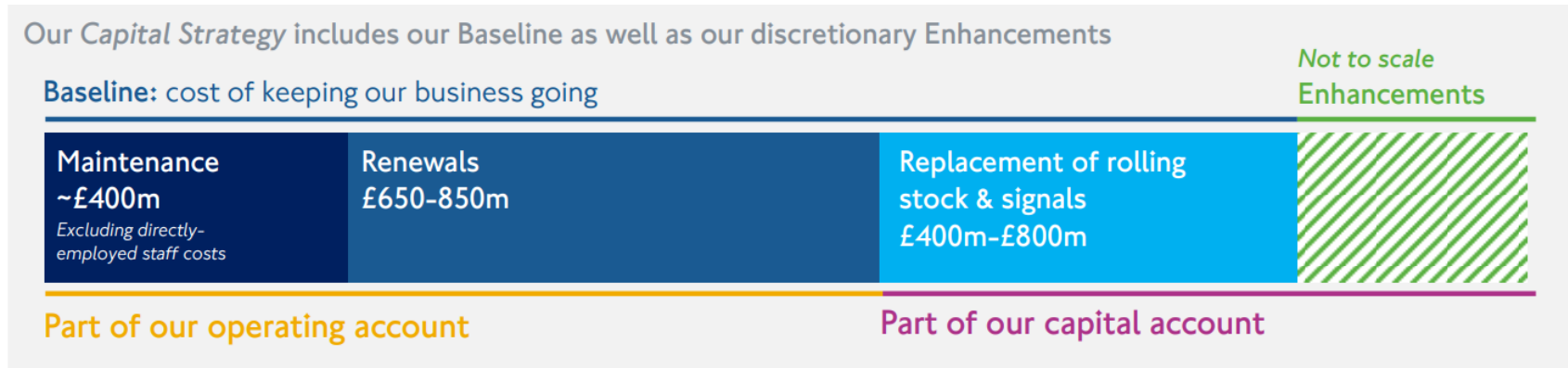
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# Maintaining our assets

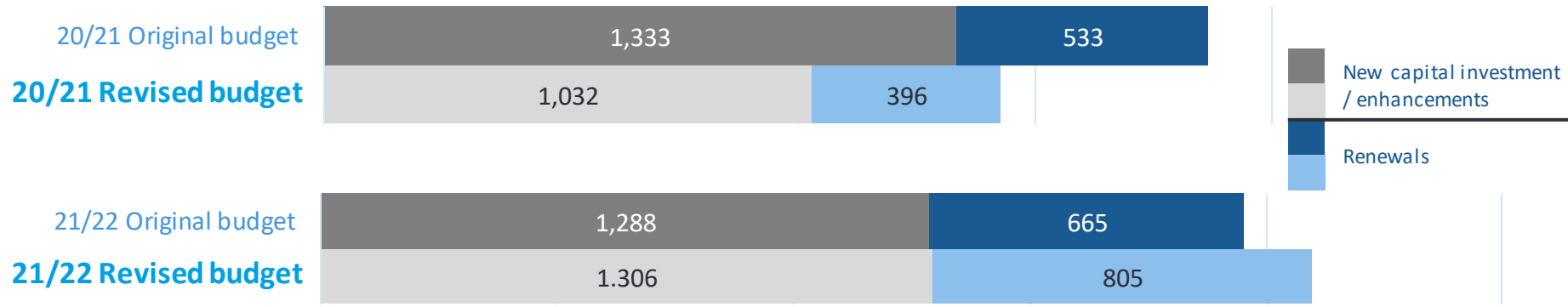
Just keeping our existing assets safe and reliable on a like for like basis requires an average of c.£1.4bn pa in 2019 prices, which includes replacing life-expired rolling stock. This is a largely fixed cost to continue running the level of service we currently do.

To keep our network safe and operable over the long term (25 years) we need to get to a level of steady state asset condition and we estimate this to be around £1.4bn p.a. plus maintenance



The 20/21 Revised Budget prioritises safety critical works, with more proactive renewals and maintenance deferred to 21/22 and beyond based on affordability. The chart below shows a significant proportion of our capital spend is classified as new capital investment / enhancements. The majority of this is continuing projects already started, with some additional smaller schemes including air quality initiatives. To enter the next series of contracts to upgrade our aging infrastructure we must secure long term baseline funding.

## Revised budget capital spend vs. original budget, split into renewals and enhancements



We have taken a robust approach to our investment but still need support from the Government

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We have refined our critical, central, desirable and deprioritise categories to reflect updated priorities



Critical projects

Projects classified as critical form part of our baseline are needed to maintain current safety, reliability, capacity or asset condition, or legally required. Not progressing these projects would cause unacceptable deterioration to the network.

We have also included projects which directly support the conditions as set out in the Government's funding agreement, reflecting changed funding arrangements and priorities post-COVID-19



Central & desirable projects

Projects classified as central or desirable are financially positive projects, or projects which require short-term action, e.g. safety, reliability, capacity.

Projects that promote active travel modes or focus on short-term social distancing and enable us to reopen London safely and sustainably fall within this category.

Some longer-term capacity and housing projects which have strong business cases and align to MTS and Government objectives may also be considered here.



Projects contingent on additional funding

Projects not currently in the revised budget but are still strongly aligned to our objectives and support improved connectivity, housing and air quality in London.

We will continue to make the case for these schemes and seek opportunities for additional funding either from third parties or government to enable them to progress. For example, we are in discussion with MHCLG around the potential for housing funding for transport schemes that enable new homes.



Paused projects

Projects with weaker business cases or which are lower value for money which we cannot reasonably make the case to progress in the current climate will be paused. Additionally, schemes which may be less aligned to our immediate requirements may be paused. These may also be schemes which are more discretionary in nature.

The definition for this category is consistent with previous years, however more schemes may now have to be considered temporarily unaffordable

We are continuing our key investments where possible

\*full list of projects in appendix

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These investments will improve connectivity and public transport, supporting low carbon lifestyles and choices for those travelling around London



**Ultra Low Emission Zone**  
Continuing towards expansion to N/S Circular in October 2021



**Northern Line Extension**  
Restarted works at Battersea and Nine Elms



**Barking Riverside Ext.**  
Resumed works critical to major housing development



**Bank Station Upgrade**  
Resumed project to expand station capacity by 40%



**Piccadilly line trains**  
Design work continues, also on new DLR trains



**Rail Devolution**  
Continuing to work with DfT to transfer Great Northern

**And additionally**

In-progress step-free access schemes, Silvertown Tunnel, other station works (e.g. Tottenham Hale, Elephant & Castle), Direct Vision Standard, 4G on the Tube and many others. For Streetspace see later slide

## Revised Budget 2020/21

H1 underlying investment in line with Emergency Budget with some earlier restarted programmes offset by deferrals

H2 (£0.2bn) higher investment in main areas of LU, Surface and MPD programmes

NB: Under statutory reporting, an element of capital grant would be repurposed to the operating account

## Capital account

| Capital Account - TfL (£m)         | Revised Budget H1 | Revised Budget vs EB Budget H1 '20/21 | Revised Budget H2 | Revised Budget vs EB Budget H2 '20/21 | Revised Budget 20/21 | Emergency Budget 20/21 | Revised Budget 20/21 vs EB Budget 20/21 |
|------------------------------------|-------------------|---------------------------------------|-------------------|---------------------------------------|----------------------|------------------------|---|
| New Capital Investment             | (403)             | (15)                                  | (629)             | (210)                                 | (1,032)              | (807)                  | (225)                                   |
| <b>Total Capital Investment</b>    | <b>(403)</b>      | <b>(15)</b>                           | <b>(629)</b>      | <b>(210)</b>                          | <b>(1,032)</b>       | <b>(807)</b>           | <b>(225)</b>                            |
| Funded by:                         |                   |                                       |                   |                                       |                      |                        |   |
| Business Rates Retention (capital) | 473               | 0                                     | 437               | 0                                     | 910                  | 910                    | 0                                       |
| Property receipts and asset sales  | 42                | 28                                    | 74                | 26                                    | 116                  | 62                     | 54                                      |
| Borrowing (TfL)                    | 477               | (123)                                 | 123               | 123                                   | 600                  | 600                    | 0                                       |
| Other capital grants               | 65                | (38)                                  | 53                | 32                                    | 118                  | 123                    | (5)                                     |
| <b>Total</b>                       | <b>1,057</b>      | <b>(133)</b>                          | <b>687</b>        | <b>182</b>                            | <b>1,744</b>         | <b>1,695</b>           | <b>49</b>                               |
| <b>Net capital account</b>         | <b>653</b>        | <b>(148)</b>                          | <b>58</b>         | <b>(28)</b>                           | <b>712</b>           | <b>888</b>             | <b>(176)</b>                            |
| Renewals                           | (148)             | (18)                                  | (248)             | (48)                                  | (396)                | (331)                  | (66)                                    |
| New Capital Investment             | (403)             | (15)                                  | (629)             | (210)                                 | (1,032)              | (807)                  | (225)                                   |
| <b>Total Investment</b>            | <b>(551)</b>      | <b>(33)</b>                           | <b>(877)</b>      | <b>(258)</b>                          | <b>(1,429)</b>       | <b>(1,138)</b>         | <b>(290)</b>                            |

| Capital Account - Crossrail (£m) | Revised Budget H1 | Revised Budget vs EB Budget H1 '20/21 | Revised Budget H2 | Revised Budget vs EB Budget H2 '20/21 | Revised Budget 20/21 | Emergency Budget 20/21 | Revised Budget 20/21 vs EB Budget 20/21 |
|----------------------------------|-------------------|---------------------------------------|-------------------|---------------------------------------|----------------------|------------------------|---|
| Crossrail Investment Programme   | (372)             | 51                                    | (302)             | 0                                     | (674)                | (725)                  | 51                                      |
| <b>Total Capital Investment</b>  | <b>(372)</b>      | <b>51</b>                             | <b>(302)</b>      | <b>0</b>                              | <b>(674)</b>         | <b>(725)</b>           | <b>51</b>                               |
| Funded by:                       |                   |                                       |                   |                                       |                      |                        |   |
| Borrowing (CR)                   | 385               | (11)                                  | 353               | 19                                    | 738                  | 730                    | 8                                       |
| Crossrail funding sources        | 70                | 25                                    | 3                 | 0                                     | 73                   | 48                     | 25                                      |
| <b>Total</b>                     | <b>455</b>        | <b>14</b>                             | <b>356</b>        | <b>19</b>                             | <b>811</b>           | <b>778</b>             | <b>32</b>                               |
| <b>Net capital account</b>       | <b>83</b>         | <b>65</b>                             | <b>54</b>         | <b>19</b>                             | <b>137</b>           | <b>53</b>              | <b>83</b>                               |

**2020/21 H1:** underlying in line with Emergency Budget with £123m of borrowing no longer required in H1 and rephased to H2

**2020/21 H2:** underlying higher investment of (£0.2bn) with £123m of borrowing rephased from H1. Borrowing is capped at £0.6bn for the full year.

**Crossrail:** underspend in 2020/21 moved into 2021/22. Overall spend held to Budget as we await a Recovery Plan from CRL.



# Maintaining our assets: London Underground – 20/21 full year

\*full list of projects in appendix



Critical projects

- The 20/21 Revised Budget focuses on delivering the highest priority renewals projects which are critical for maintaining safety and reliability of the railway
- Over £100m of core renewals scope from 20/21 has been deferred that will need to be caught up in later years

**Fleet**

- £73m**
- Completion of heavy overhaul (life extension) of Victoria line
  - Commencement of heavy overhaul (life extension) of Piccadilly, Jubilee, Met and Bakerloo lines
  - Engineering vehicles investment

**Structures & civils**

- £27m**
- Critical civils structures reinforcement including Grange Hill-Chigwell Embankment
  - Ongoing civils asset resilience for priority locations

**Track**

- £73m**
- Track renewals at highest risk areas, including works for new Piccadilly line fleet
  - Points and crossings at critical locations
  - Noise mitigation, security and access fencing work

**Signalling**

- £7m**
- Central line signalling life extension to address immediate asset obsolescence
  - Bakerloo line signalling life extension
  - Northumberland Park depot signals renewal

**Lifts & Escalators**

- £18m**
- Continued delivery of priority escalator renewals (Liverpool Street, Marylebone and Jubilee Line)
  - High priority lift works (including Tottenham Hale and Belsize Park)

**Power, Cooling & Energy**

- £21m**
- Power control system works to address obsolescence in power network
  - Essential electrical works for degradation and safety compliance
  - LED light strategy

**LU Technology & Networks**

- £22m**
- Connect Radio system essential upgrades
  - Station security systems & Asset Management System developments
  - Purchase and deployment of body worn cameras

**Key Deferrals**

- Less urgent track renewals
- Slow down of Central Line Fleet renewal programme
- Slow down of station asset resilience work
- Lower priority lift, escalator and station works deferred

*Note: LU IP H2 spend above excludes completion of Step Free Access and Enhancement projects (£22m in H2) where exit costs exceed costs to complete. Social Distancing and other newly identified scope (£20m in H2) are also excluded.*

# Maintaining our assets: Surface – 20/21 full year

\*full list of projects in appendix

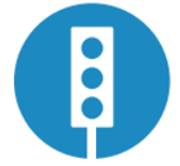


Critical projects

Our priorities include the restart of proactive renewals following a two-year pause, and focusing on staff welfare facilities at stations

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## TLRN infrastructure



**£34m**  
Restarting proactive renewals across carriageways, footways, lighting, structures and other key assets across the TfL road network.

## Major highway infrastructure



**£12m**  
Progress design work for major renewals on bridges and tunnels to keep them safe, reliable and operable. Examples include Including A40 Westway and Rotherhithe Tunnel.

## Bus, coach & river infrastructure



**£11m**  
Renewals include a focus on staff welfare facilities at bus stations and refurbishments at Victoria Coach Station. Also includes restart of proactive renewals of bus shelters and work on river piers.

## DLR



**£22m**  
Renewal of signalling and trackwork across the network including the repair/replacement of deteriorating bogie frames on our fleet.

## Surface Technology



**£24m**  
Costs to keep our key operational and maintenance systems going and replace them with modern equivalents when necessary.

## Trams



**£16m**  
Including all safety critical works across the tramlink including major track renewal.

### Key deferrals in H1

The CV19 period has meant an effective extension of the two-year pause on proactive renewals across the TLRN and Borough road networks by a further 4-5 months. However, proactive renewals are now restarting.

\* Figures exclude over programming for deliverability across portfolios



# Streetspace and other Borough spend



Page 459 ✓ Central & desirable projects

London Streetspace will deliver bold and ambitious proposals for both social distancing schemes and strategic cycling schemes

Borough funding for 2020/21 in our revised budget is £15m higher than the level in our original budget. In response to the coronavirus pandemic, and in partnership with London’s boroughs we introduced a new range of initiatives under the programme “Streetspace”, which include temporary cycle lanes and wider pavements to enable social distancing whilst walking and cycling. The revised budget also includes additional funding for Hammersmith Bridge, both for the temporary bridge and to begin work on stabilisation of the main bridge, subject to planning permission and additional government funding being available for the main works.

In H2 we are reintroducing LIPs funding stream and Liveable neighbourhoods – some of these schemes were paused in H1 due to the COVID-19 pandemic.

**Streetspace schemes delivered as of 10/07/2020:**

| Strategic Cycle Schemes   | Social Distance Schemes   |
|---|---|
| <ul style="list-style-type: none"> <li>• Park Lane</li> <li>• CS8 Upgrade P1 – Chelsea Bridge to Lambeth Bridge</li> <li>• Hampstead Road</li> <li>• C4 – Tooley Street to Rotherhithe</li> <li>• Euston Road</li> <li>• CS8 Upgrade P2 – Chelsea Bridge to Wandsworth</li> <li>• Kingston to Kingston Vale</li> <li>• Ewell Road</li> <li>• A1010 North</li> <li>• C41 Between Euston and Holborn Cycleway 5 (Baylis Road)</li> <li>• Cycleway 27 realignment Waltham Forest</li> <li>• C14 Queensbridge Road</li> </ul> | <ul style="list-style-type: none"> <li>• Stoke Newington High Street</li> <li>• Camden High Street</li> <li>• Brixton Town Centre</li> <li>• Earl’s Court Road</li> <li>• Borough High Street / St Thomas Street</li> <li>• London Bridge ped one-way</li> <li>• Nags Head</li> <li>• Dalston – Kingsland High Street</li> <li>• Tottenham High Road</li> <li>• Holloway Road Underground Station</li> <li>• Camden Road</li> <li>• Edgware Road</li> <li>• Battersea Bridge ped one-way</li> <li>• Waterloo Road</li> <li>• Angel</li> <li>• Finchley Road – Goldhurst Terrace to Blackburn Road</li> <li>• Victoria</li> <li>• Finsbury Park Station</li> <li>• Camden High Street P2</li> <li>• Bishopsgate</li> <li>• Sandilands Bus Stop build out</li> <li>• EastSheen Cheam</li> <li>• Edgware Road – Phase 2</li> </ul> |

**Schemes for delivery in July, August, September:**

| Strategic Cycle Schemes   | Social Distance Schemes  |
|---|--|
| <ul style="list-style-type: none"> <li>• CS7 Upgrade – Newington Butts to Clitheroe Rd</li> <li>• C4 Evelyn Street and Creek Road</li> <li>• CS7 Upgrade – Clapham to Balham</li> <li>• Cycleway 37 – Hackney to Westferry</li> <li>• C9 East – Kensington Olympia to Brentford</li> <li>• CS7 Upgrade – A227 to Clapham South</li> <li>• CFR11 – Greenwich to Woolwich</li> <li>• C4 – Tooley Street to London Bridge</li> <li>• East/ West Link – Old Street to Marble Arch</li> <li>• CS7 Upgrade – Tooting Broadway to Colliers Wood</li> <li>• CFR3 Phase 2 – Clapton to Lea Bridge</li> <li>• A41 Corridor – Finchley Road</li> <li>• A23 Oval to Streatham</li> <li>• A10/A503 - CS2 Seven Sisters</li> <li>• Vauxhall Mansell Street – C2/C3 Link</li> <li>• CFR2 Western Section – Finsbury Park to Royal College Street</li> <li>• Cycleway 9 West – Hounslow to Brentford</li> <li>• Marylebone Road – A501</li> <li>• A40 Western Extension of Cycleway 34</li> <li>• CS7 Upgrade – Balham High Street</li> <li>• Balls Pond Road</li> <li>• A21 – Lewisham to Catford</li> <li>• CS8 Extension – Chelsea Bridge to Lotts Road</li> <li>• CS7 Upgrade – A227 to Clitheroe Road</li> </ul> | <ul style="list-style-type: none"> <li>• Streatham High Street</li> <li>• Brompton Road</li> <li>• Finchley Road to College Crescent</li> <li>• Frognaal Overground Station</li> <li>• A21 Bromley Road</li> <li>• Swiss Cottage</li> <li>• Clapham High Street</li> <li>• West Wickham</li> </ul> |

# Schemes which are currently contingent on additional funding



Projects contingent on additional funding

| Area                                     | Projects  |
|--|---|
| <b>Surface</b>                           | Hammersmith Bridge stabilisation and strengthening (design well progressed but now contingent on government funding for implementation)<br>Tram rolling stock replacement (critical asset replacement in Long Term Capital Plan but not funded this year)<br>East London Line 20 TPH (contingent on HIF bid)<br>DLR Royal Docks (contingent on HIF bid)   |
| <b>LU Step free access</b>               | Burnt Oak, Hanger Lane, Northolt, Boston Manor, North Ealing, Park Royal, Rickmansworth, Ruislip, Snaresbrook. These schemes are vital in supporting our customers with mobility needs and we want to ensure funding for them is prioritised wherever possible and we will be actively seeking third-party funding for them.  |
| <b>LU replacement &amp; enhancements</b> | Stratford additional entrance – cost estimate exceeded available funding – seeking redesign, Piccadilly line signalling, Bakerloo line trains replacement   |
| <b>LU assets</b>                         | c30% reduction of scope including points and crossing renewals, track replacement programme, air quality and noise reduction works, fleet renewal programme, revenue protection programme   |
| <b>Commercial Development</b>            | Spend deferred on existing housing programme and mixed-use development sites in line with revised programme start dates<br>Ambitious plan which enables revenue growth from diverse commercial asset estate (offices, retail, arches, and homes) but requires significant capital investment which has been deferred and reprofiled   |
| <b>Growth fund</b>                       | The Growth Fund programme has been reviewed with 20/21 spend deferred to future years where possible without disrupting existing funding and financing packages which have considerable third parties contributions agreed. Decisions on schemes which may benefit from Growth Fund contributions in the future have been paused.   |
| <b>Decarbonising transport</b>           | We want to accelerate our MTS ambition of a zero emission bus fleet by 2037 to 2030. Accelerating our ambition to 2030, will secure 3000 UK green jobs in the North, Scotland and Northern Ireland, and could easily see that grow another 20% to 3600. 2030 saves an additional 3m tonnes of carbon. It requires £1bn of investment from HMG, but accounting for like for like replacement of buses, and very large fuel savings, this £1bn investment translates as a nearly £4bn gross investment into bus manufacturing.<br><br>Our EV Infrastructure Delivery Plan shows that we need an estimated 290 additional rapid charge points needed in London in 2020. Delivery could be immediately secured with £7.5 million (assuming 50% private sector delivery). Our plan also shows we need to continue the success of London’s GULCS with a further 2,300 on-street residential points in 2020, at a cost of £7.5 million.<br><br>An additional £125m investment will enable us to accelerate energy efficiency and schemes that re-use heat from our tube network and lead to the creation of 600 green jobs in our supply chains. |



## Paused projects

Some schemes are paused given the financial challenge we face

| Area                     | Paused projects  |
|--------------------------|--|
| Healthy Streets          | <ul style="list-style-type: none"> <li>Croydon Fiveways – growth and development plans in the area are changing and we’re in discussion with the Borough about future plans</li> <li>King’s Cross gyratory – we will still complete key safety improvements as part of smaller, targeted schemes</li> <li>Bow Vision – paused pending clarity on development plans for the site</li> </ul> |
| Surface public transport | <ul style="list-style-type: none"> <li>Rotherhithe to Canary Wharf – scheme currently unaffordable in the context of other walking and cycling priorities</li> <li>Sutton Tramlink – development work paused as transport case is poor and there remains a significant funding gap</li> </ul>  |
| LU enhancements          | <ul style="list-style-type: none"> <li>South Kensington capacity upgrade – design and development tenders exceeded original project funding</li> <li>Solar roof installation - original projects paused in favour of development of larger strategic solar installations to be funded using third party investment</li> </ul>  |



## Major Projects

We are primed to pivot our investment towards a green recovery, supporting sustainable travel and London's international position. The major future transport schemes in the MTS are still relevant and aligned to the DfT decarbonisation plan, but we need to be realistic in discussions with Government about what will be affordable over the next decade and we cannot currently afford to progress them all.

| Major Project                  | Detail  |
|--------------------------------|---|
| <b>Crossrail 2</b>             | This scheme would deliver the single largest boost to rail capacity in London. The scheme’s affordability in the planned timescales has been further affected by current funding constraints and our immediate priority in discussions with government is updating safeguarding. <b>Costs: £23bn / Homes: 200,000</b> |
| <b>Bakerloo line extension</b> | This scheme would unlock one of the poorest connected areas in inner London by Tube. Significant funding support would be required to meet the capital costs of the scheme and our immediate priority is to safeguard the route. <b>Costs: £5bn (to Lewisham) / Homes: 35,000</b>                                     |
| <b>DLR to Thamesmead</b>       | This scheme would unlock growth and improve cross river connectivity in relatively deprived areas. We are working with the developers on taking forward a feasibility study, including around funding options for the scheme. <b>Costs: £0.8bn / Homes: 20,000</b>  |
| <b>West London Orbital</b>     | This scheme offers a new service on currently underused rail lines, supporting Old Oak Common growth. We are working with the local boroughs on taking forward a feasibility study, including around funding options for the scheme. <b>Costs: £0.5bn / Homes: c.14,000</b>   |



# Our framework for investing in a sustainable recovery

London has one of the most mature low carbon transport systems in Europe and further, relatively small, investments will ensure that the system overall continues to deliver major transport and environmental benefits.

**Transport is central to the recovery** – not only to recover the economy but to make it more robust and sustainable than before to cope with the challenges ahead.

**We have an offer that will support London and the UK:**



### **Maintain**

*Be a good custodian of London's assets*

Our first priority is to maintain the long-term safety and sustainability of our assets; to ensure the network can reliably keep London moving, and is adapted and resilient to changes in climate and other economic shocks. Being a good custodian is more than maintenance – it involves renewing assets with modern, well-adapted and energy efficient solutions.



### **Intensify**

*Invest to unlock additional capacity and accessibility to all in the current network*

We already have great infrastructure in London; with comparatively small investments we can adapt existing infrastructure to unlock massive amounts of untapped capacity making walking, cycling and public transport more attractive to more people. We can ensure capacity upgrades have low carbon at their core.



### **Accelerate**

*Transition to a zero emissions transport network as quickly as possible*

This period has highlighted schemes and ways of working that, if accelerated, can help London and the UK transition to a zero carbon economy faster than we once thought possible, boosting the economy, creating jobs, tackling inequality and make our supply chain more sustainable

**In order to be a viable business we must become more sustainable and drastically low carbon. We can get there in different ways depending on the level of funding support in place.**

# The Case for Investment

We have a proven track record of delivering schemes that grow the economy, support UK suppliers and encourage the transition to lower-carbon lifestyles.

Continuing to deliver these benefits is entirely dependent on secure, long-term funding that allows us to commit to the next generation of improvements to London’s transport network.

## Economic Recovery

Our network supports jobs and consumers. This is not just in the high-productivity clusters of central London but in town centres all across Greater London. Local rail services, buses, cycle links and high-quality pedestrian environments support shops and other businesses all over the capital – with research showing users of these modes tend to spend more than car users. And our investments support the ongoing delivery of new homes that further support the viability of local economies.

## Supporting the UK Supply Chain

Projects in London don’t only support the economy of the capital. 43,000 UK jobs are supported by the TfL supply chain: 68% of which are outside of London. In the capital is enabled by new trains constructed in Derby and Goole, buses from Falkirk, steel from Scunthorpe and hundreds of other examples large and small.

We now have a chance to stimulate a new era of British production. For example, half of the new buses in the UK are in London. Committing to the next generation of bus production now will help British suppliers to lead the world in new technologies.

*See next slide for more information*

## Low-Carbon Lifestyles

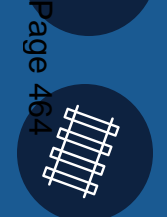
Across the UK, carbon emitted from transport sources is falling much more slowly than from other parts of the economy. We must accelerate progress – both by decarbonising existing transport sources, where we have made an important start but can go further, and by getting people out of their cars and onto bikes, pavements and clean public transport. We can seize this moment of change to achieve much more in this area, driving a green jobs revolution and helping to kick start the UK economy based around sustainability.

# Our investment programme helps London and the UK's recovery

Examples of key suppliers with reliance on national capacity to deliver London based programmes



Road technology:  
Yorkshire, Birmingham, Coventry



Major projects:  
Manchester  
Rail: Redhill, Surrey



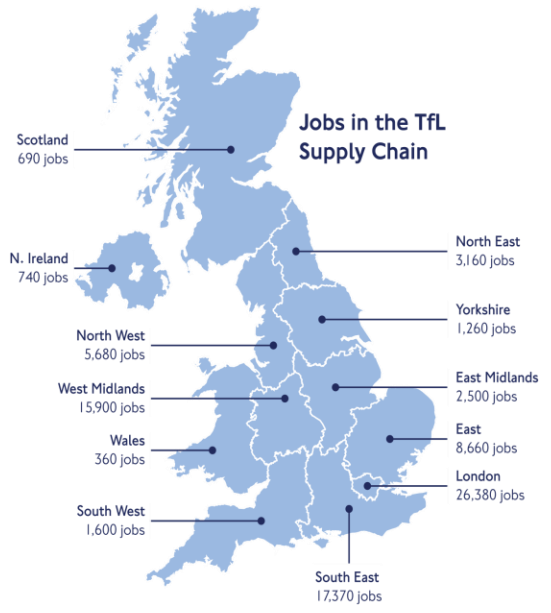
Manufacture –  
Derby



HQ: Frimley, Surrey  
Transport – Ashby  
Mobility - Poole & Goole, Yorkshire



## For every pound spent on the London Underground investment programmes, up to 55p is received by workforces located outside of London



43,000 UK jobs are supported by TFL supply chain: 68% of which are outside of London. Over half of these jobs are related to the investment programme

By spend, 55% of companies delivering the LU investment programme are located outside of London and utilising regional workforces to provide design, engineering and professional services in the delivery of the IP programme.



**Zero Emission Bus**  
The transition to a zero emission bus fleet can secure 3000 jobs. A more ambitious target completion year could see that grow by another 20%.



**Clean Energy**  
TfL potential Power Purchase Agreements could add significant demand for clean energy and create additional jobs in the UK renewables sector.



**Northern Line extension**  
The extension between Kennington and Battersea will help regenerate the Vauxhall, Nine Elms and Battersea areas by supporting new jobs and homes.



**Barking Riverside**  
This extension will add 4.5km to the London Overground Gospel Oak to Barking line, and take it from Barking to a new station at Barking Riverside.

# Section 7

## Our approach: 21/22

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# 2021/22: initial view of the operating account

Current projections indicate grant funding of £2.9bn will be required to remain at the minimum operating cash reserve of £1.2bn

## Operating account

| Operating Account (£m)  | Revised Budget 21/22 | Business Plan 21/22 | 21/22 Revised Budget vs BP |
|---|----------------------|---------------------|----------------------------|
| Passenger income  | 3,541                | 5,412               | (1,871)                    |
| Other operating income  | 1,135                | 1,356               | (221)                      |
| <b>Total operating income</b>                                   | <b>4,676</b>         | <b>6,768</b>        | <b>(2,092)</b>             |
| Business Rates Retention  | 774                  | 986                 | (212)                      |
| Other revenue grants  | 14                   | 11                  | 3                          |
| Government furlough grant                                       | 0                    | 0                   | 0                          |
| <b>Total income</b>   | <b>5,464</b>         | <b>7,765</b>        | <b>(2,301)</b>             |
| Operating cost  | (7,008)              | (7,064)             | 56                         |
| Core costs  | (6,010)              | (5,989)             | (22)                       |
| Elizabeth line  | (578)                | (655)               | 78                         |
| IP Opex   | (261)                | (238)               | (22)                       |
| Exceptional costs   | (159)                | (182)               | 22                         |
| <b>Net operating surplus</b>                                    | <b>(1,543)</b>       | <b>701</b>          | <b>(2,244)</b>             |
| Net financing costs   | (468)                | (551)               | 83                         |
| <b>Net surplus/(cost) of operations before renewals</b>         | <b>(2,012)</b>       | <b>150</b>          | <b>(2,162)</b>             |
| Capital renewals  | (805)                | (665)               | (140)                      |
| <b>Net cost of operations</b>                                   | <b>(2,816)</b>       | <b>(515)</b>        | <b>(2,301)</b>             |
| Extraordinary Revenue Grant                                     | 2,940                | 0                   | 2,940                      |
| <b>Net cost of operations after extraordinary revenue grant</b> | <b>124</b>           | <b>(515)</b>        | <b>639</b>                 |

- **Income (£2,301m):**
  - **continued loss of passenger volumes into 21/22**, stabilizing at around 80% of normal demand together with a true up in concession pass income. Knock-on impact on other revenue streams of road user charging, advertising and property rents.
  - **Business rates retention loss of (£212m)**
- **Operating costs +£56m:**
  - IFRS16 adjustment of £65m
  - Underlying operating costs (£9m) higher driven by **Covid-19 specific costs** including enhanced cleaning and social distancing measures continue in 21/22, with low ability to make further savings other than those already planned
- **Renewals: (£140m):** driven by safety critical work in London Underground and Rail



# 2021/22: initial view of the capital account

We have assumed no new borrowing in 2021/22

## Capital account

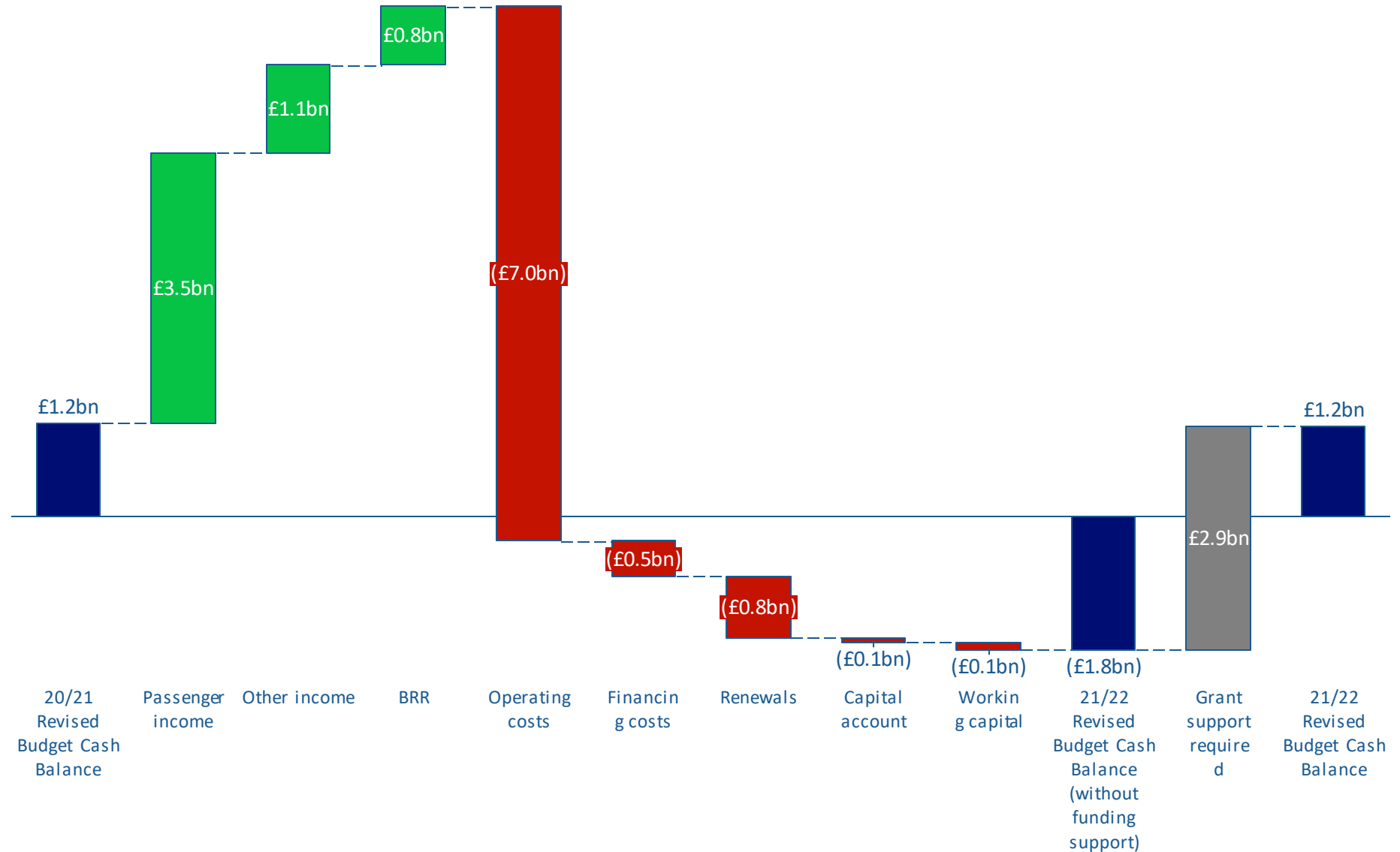
| Capital Account (£m)               | Revised Budget 21/22 | Business Plan 21/22 | Revised Budget 21/22 vs BP 21/22 |
|------------------------------------|----------------------|---------------------|----------------------------------|
| New Capital Investment             | (1,306)              | (1,288)             | (18)                             |
| <b>Total Capital Investment</b>    | <b>(1,306)</b>       | <b>(1,288)</b>      | <b>(18)</b>                      |
| Funded by:                         |                      |                     |                                  |
| Business Rates Retention (capital) | 930                  | 930                 | 0                                |
| Property receipts and asset sales  | 249                  | 135                 | 114                              |
| Borrowing (TfL)                    | 0                    | 521                 | (521)                            |
| Other capital grants               | 69                   | 5                   | 64                               |
| <b>Total</b>                       | <b>1,248</b>         | <b>1,591</b>        | <b>(343)</b>                     |
| <b>Net capital account</b>         | <b>(59)</b>          | <b>303</b>          | <b>(362)</b>                     |
| Renewals                           | (805)                | (665)               | (140)                            |
| New Capital Investment             | (1,306)              | (1,288)             | (18)                             |
| <b>Total Investment</b>            | <b>(2,111)</b>       | <b>(1,953)</b>      | <b>(158)</b>                     |

| Capital Account (£m)            | Revised Budget 21/22 | Business Plan 21/22 | Revised Budget 21/22 vs BP 21/22 |
|---------------------------------|----------------------|---------------------|----------------------------------|
| Cross rail Investment Programme | (263)                | 0                   | (263)                            |
| <b>Total Capital Investment</b> | <b>(263)</b>         | <b>0</b>            | <b>(263)</b>                     |
| Funded by:                      |                      |                     |                                  |
| Borrowing (CR)                  | 12                   | (75)                | 87                               |
| Cross rail funding sources      | 205                  | 70                  | 135                              |
| <b>Total</b>                    | <b>217</b>           | <b>(5)</b>          | <b>222</b>                       |
| <b>Net capital account</b>      | <b>(46)</b>          | <b>(5)</b>          | <b>(41)</b>                      |

- **New Capital Investment (£18m):** £136m of savings and deferrals in Property Development offset by higher spend across all major areas predominately to catch up on work deferred from 2020/21
- **Property receipts £114m:** driven by catch up in asset sales originally planned in 2020/21
- **Borrowing (£521m):** no new borrowing assumed
- **Other capital grants £64m:** rephasing of works from 2020/21
- **Crossrail:** Crossrail Limited will present their Recovery Plan to the Crossrail Board in due course. This will inform the funding discussions with Government alongside TfL H2 funding

# Cash Bridge: 2020/21 to 2021/22

## Cash movement year on year to maintain minimum cash reserve of £1.2bn



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The 2-year Revised Budget highlights the need for ongoing Government support in order for us to continue operating essential transport services. £2.9bn of support is required in 2021/22.

# Section 8

## Risks and opportunities

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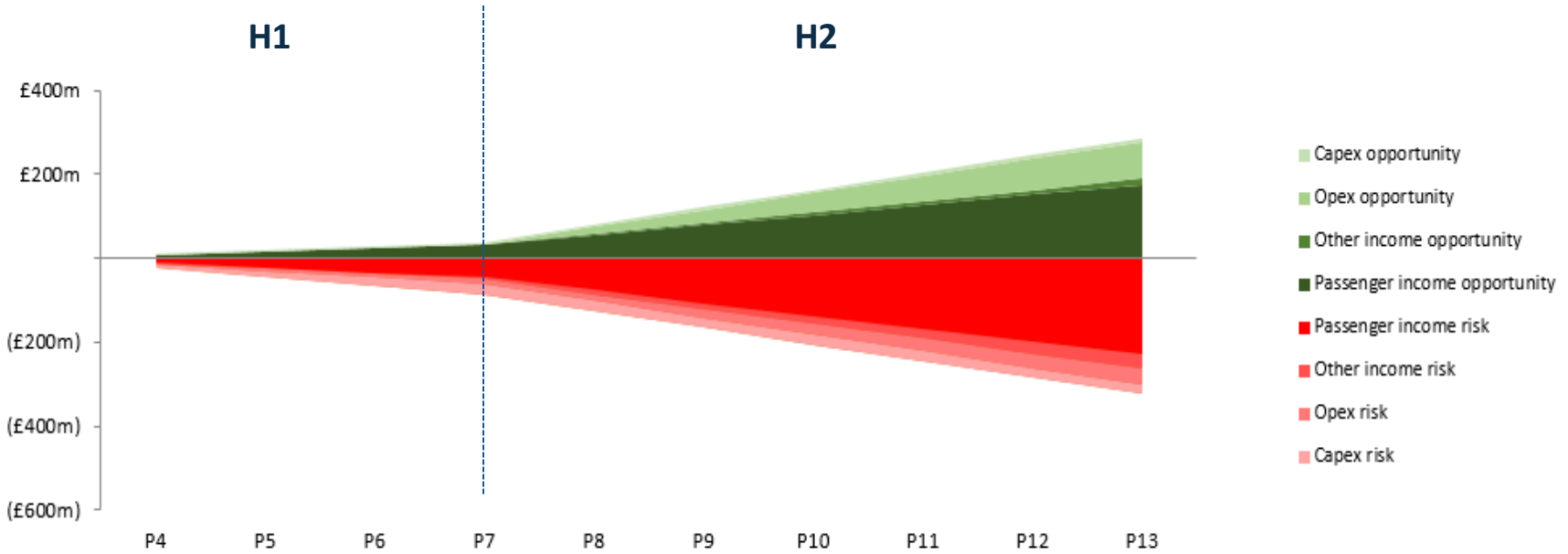


# Key Risks and Opportunities in the Revised Budget 2020/21

In H1, we have weighted risks totalling (£108m) offset by weighted opportunities of £49m

In H2, there is a further (£237m) of risk mitigated by £247m of opportunity mainly driven by passenger income modelling

Probability weighted risks and opportunities for remainder of 2020/21



**Income:**

- Key risk is passenger income modelling in regard to social distancing and Business Rates Retention
- Main opportunity is passenger revenue if we have a slower recovery but no more spikes in the virus (model 4)

**Operating costs:**

- Risks include additional maintenance costs due to capital deferrals and additional costs to support schools returning in September

**Capital investment:**

- Key risk around IP programme due to impairment costs arising from projects put on hold
- Opportunity of 4LM access and protection, by not providing replacement bus service

# Section 9

## Conclusion

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# Funding ask

The Emergency Budget set out a funding requirement of £1.9bn for H1 and £1.3bn for H2, £3.2bn in total.

**For Revised Budget, there is a (£0.3bn) net increase in funding requirement to £3.5bn.**

| £bn                           | 2020/21    |            |            |
|-------------------------------|------------|------------|------------|
|                               | H1         | H2         | FY         |
| Base funding                  | 1.6        | 1.3        | 2.9        |
| Additional facility           | 0.3        | -          | 0.3        |
| <b>Total Emergency Budget</b> | <b>1.9</b> | <b>1.3</b> | <b>3.2</b> |
| Base funding                  | 1.6        | 1.6        | 3.2        |
| Additional facility           | 0.3        | -          | 0.3        |
| Re-phased                     | (0.4)      | 0.4        | -          |
| <b>Total Revised Budget</b>   | <b>1.5</b> | <b>2.0</b> | <b>3.5</b> |

However, there is a large degree of uncertainty around future social distancing assumptions and the threat of further virus spikes. This could produce a revenue range of approximately +£500m /-£235m. **Any funding deal will need to cover our relatively fixed operating costs and capital expenditure, dependent on what the revenue outcome is.**

2021/22 Revised Budget:

- Current projections indicate grant funding of £2.9 billion will be required in 2021/22 with a high degree of variability around revenue projections. We have assumed no new borrowing in 2021/22.

Crossrail:

- Crossrail Limited will present their Recovery Plan to the Crossrail Board later in due course. This will inform the funding discussions with Government alongside TfL H2 funding.

The 2-year Revised Budget shows a **requirement for £2bn funding in H2**, and highlights the need for ongoing Government support in order for us to continue operating essential transport services

A sustainable funding model is required to ensure London has the transport network it needs to support economic recovery and growth

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## We are managing our core financial position

Our revised budget is prudent, with tight spend control on our operating and capital account. We continue to be exposed to a high degree of uncertainty in the economic outlook and on our income streams, in particular passenger revenue.

Securing Government funding for H2 is key to further medium-term planning.

## We have taken a robust approach to our investment but still need support from the Government

We have refined our investment programme to reflect updated priorities.

Safety is always our top priority

We will pursue schemes which support social distancing and a shift away from a car-based recovery

We will pursue financially positive projects.

The investment programme will:

- Enable us to open London safely and sustainably
- Promote Active travel
- Encourage economic recovery

## We need certainty on funding to commit to the next generation of transport improvements

We have a proven track record of delivering schemes that:

- Grow the economy
- Supporting the UK Supply Chain
- Encourage the transition to low-carbon lifestyles

Continuing to deliver these benefits is entirely dependent on secure, long-term funding.

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