Connected Economies

HOW TRANSPORT FOR LONDON INVESTMENT DRIVES GROWTH
ACROSS THE UNITED KINGDOM

HATCH

£6B in FY23/24 TFL Supplier Spending

62% WERE SMALL OR MEDIUM ENTERPRISES

3,172 SUPPLIERS

To enable

Including impacts beyond London

With overall impact of

& Advancing the Low Carbon Economy

£5.3B GVA

£2.7B IN INDIRECT & INDUCED GVA

92,580 ANNUAL FTE JOBS

1,340 APPRENTICESHIPS

Direct Impacts measure the intervention's effect on employment and Gross Value Added (GVA) within TfL's immediate suppliers. Some examples might include: expenditure on steel and concrete used on the site; employment of construction workers; and structural design services.

Indirect Impacts measure an intervention's employment and Gross Value Added (GVA) impacts experienced through the intervention's supply chain. Some examples might include: increased demand of suppliers and input components of steel and concrete; transportation of materials to production and construction sites.

Induced Impacts are derived from onward spending/consumption of income generated through participation in the intervention. Some examples include: construction workers spending their wages on food, groceries, and other goods and services in the local economy.

Small or Medium Enterprise (SME) is a business with fewer than 250 employees and either a turnover total of less than or equal to £45m, or a balance sheet total of less than or equal to £40m.

The **low-carbon supply chain** includes engineering consultancies, power companies, and industrials vested in decarbonising the supply chain.

265
APPRENTICESHIPS
OUTSIDE OF LONDON

21,500
ANNUAL FTES
OUTSIDE OF LONDON

Nearly 1/3
OF TFL SPEND OCURRED
OUTSIDE OF LONDON

63%
OF SUPPLIERS WERE
OUTSIDE OF LONDON

£809m
SPENT IN **LOW CARBON ECONOMY SECTORS**

961
UK SUPPLIERS

14%
OF TFL'S
SUPPLY CHAIN EXPENDITURE

30%
OF ALL SUPPLIERS

TOP 5

Local Authorities & Parliamentary Constituencies

LOCAL AUTHORITIES   PARLIAMENTARY CONSTITUENCIES

Local Authorities

1. EXETER

£180m GVA Impact | 1,920 Annual FTE

6 Suppliers | 50% SME Suppliers

2. READING

£150m GVA Impact | 1,980 Annual FTE

21 Suppliers | 48% SME Suppliers

3. REIGATE AND BANSTEAD

£130m GVA Impact | 1,710 Annual FTE

25 Suppliers | 48% SME Suppliers

4. MANCHESTER

£110m GVA Impact | 1,340 Annual FTE

27 Suppliers | 56% SME Suppliers

5. DERBY

£80m GVA Impact | 1,080 Annual FTE

22 Suppliers | 55% SME Suppliers

Parliamentary Constituencies

1. EXMOUTH AND EXETER EAST

£180m GVA Impact | 1,920 Annual FTE

2 Supplier | 50% SME Suppliers

2. EARLEY AND WOODLEY

£150m GVA Impact | 1,980 Annual FTE

16 Suppliers | 96% SME Suppliers

3. DORKING AND HORLEY

£120m GVA Impact | 1,570 Annual FTE

9 Suppliers | 100% SME Suppliers

4. MANCHESTER CENTRAL

£110m GVA Impact | 1,330 Annual FTE

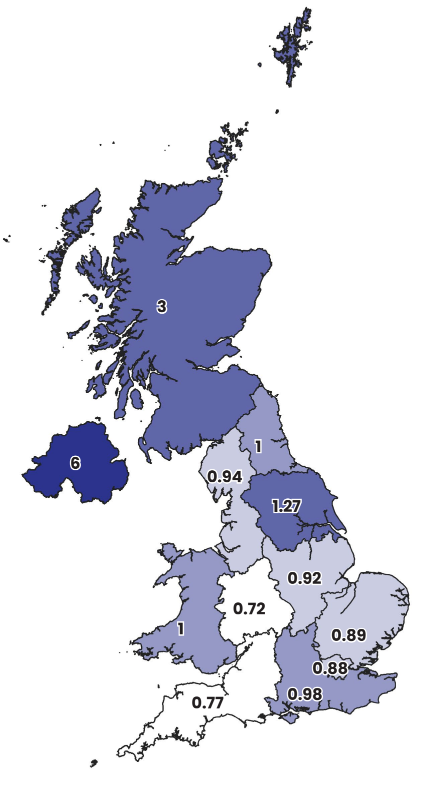
18 Suppliers | 89% SME Suppliers

5. DERBY SOUTH

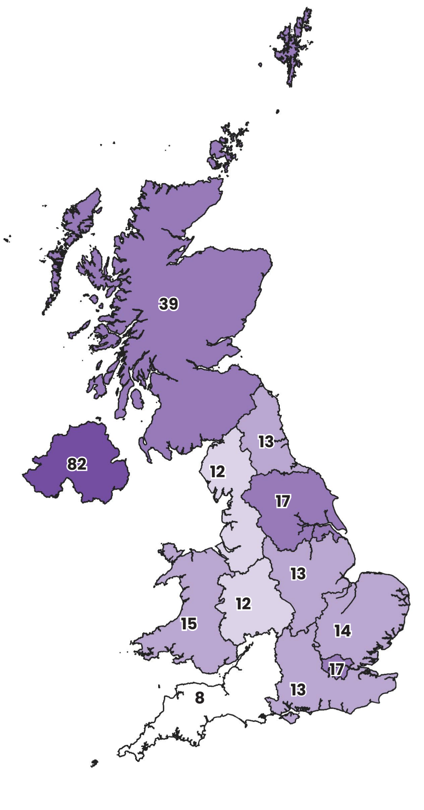
£70m GVA Impact | 1,000 Annual FTE

14 Suppliers | 100% SME Suppliers

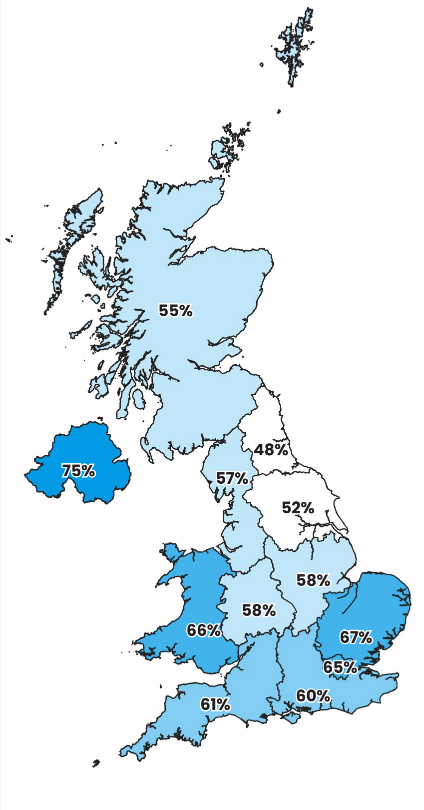
GVA PER £ SPENT



ANNUAL FTE PER £M SPENT



% SME SUPPLIERS



	Total Supplier Expenditure (£m)	Total Number of Suppliers	% of which SME Suppliers	Total Contribution		Direct Contribution		Indirect Contribution		Induced Contribution	
				GVA (£m)	Annual FTE	GVA (£m)	Annual FTE	GVA (£m)	Annual FTE	GVA (£m)	Annual FTE
London	£4,210	1,177	65%	£3,700	71,160	£1,820	40,660	£1,180	23,000	£690	7,500
South East	£480	572	60%	£470	6,170	£260	3,230	£120	1,840	£100	1,090
South West	£390	136	61%	£300	3,150	£130	1,310	£120	1,240	£60	600
East of England	£190	358	67%	£170	2,580	£80	1,300	£50	870	£40	410
North West	£170	200	57%	£160	1,980	£70	780	£60	800	£40	400
Yorkshire & the Humber	£110	151	52%	£140	1,890	£50	820	£50	700	£30	370
West Midlands	£180	235	58%	£130	2,200	£70	1,120	£40	730	£20	340
East Midlands	£130	175	58%	£120	1,690	£60	880	£30	490	£30	310
North East	£50	52	48%	£50	670	£30	390	£10	150	£10	130
Northern Ireland	<£5	8	75%	£30	410	£0	10	£30	320	£10	80
Scotland	£10	47	55%	£30	390	£0	60	£20	260	£10	80
Wales	£20	61	66%	£20	290	£10	170	£0	70	£0	50
United Kingdom	£5,950	3,172	62%	£5,330	92,580	£2,590	50,750	£1,700	30,470	£1,040	11,350

Low Carbon Economy Spending

TfL is a key player in driving the transition to a low carbon economy, with a significant portion of its supply chain investment supporting sustainability-focused industries. In 2023/24, TfL spent over £800m with 961 UK suppliers operating in the low carbon economy sector, representing 14% of its total supply chain expenditure and 30% of all the suppliers it transacted with. This investment spanned renewable energy, green infrastructure and sustainable transport innovations, helping decarbonise London's transport network. Notably, 61% of TfL suppliers operating in the low carbon economy sector were SMEs, which is slightly above the overall TfL supply chain pattern.

Technology & Digital Spending

TfL continues to embrace digital transformation, investing heavily in technology to enhance the efficiency, safety and customer experience of London's transport network. In 2023/24, TfL spent £580m with 279 UK suppliers in the technology and digital sector, accounting for 10% of its total supplier expenditure. This funding supported cutting-edge advancements such as smart ticketing, AI-driven traffic management, and digital infrastructure upgrades, helping to future-proof London's transport system.

	Expenditure with suppliers in the low carbon economy sector		Number of suppliers in the low carbon economy sector		% of SME suppliers		Expenditure with suppliers in the tech and digital sector		Number of suppliers in the tech and digital sector		% of SME suppliers	
	£m	As a % of total supplier expenditure	No.	As a % of total number of suppliers	Supplier in the low carbon economy sectors	All TfL suppliers	£m	As a % of total supplier expenditure	No.	As a % of total number of suppliers	Supplier in the low carbon economy sectors	All TfL suppliers
London	£330	8%	328	28%	64%	65%	£263	6%	90	8%	54%	65%
South West	£298	76%	36	27%	59%	61%	£132	28%	60	10%	52%	60%
South East	£49	10%	181	32%	60%	60%	£115	29%	16	12%	69%	61%
East of England	£35	18%	104	29%	63%	67%	£21	19%	12	8%	50%	52%
West Midlands	£24	13%	80	34%	56%	58%	£19	11%	25	11%	76%	58%
Yorkshire & the Humber	£24	22%	56	37%	55%	52%	£17	13%	13	7%	69%	58%
East Midlands	£19	15%	62	35%	58%	58%	£9	5%	31	9%	68%	67%
Wales	£12	60%	15	25%	53%	66%	£3	6%	7	13%	50%	48%
North West	£10	6%	68	34%	62%	57%	£2	1%	13	7%	46%	57%
North East	£5	10%	14	27%	36%	48%	£0	0%	6	10%	50%	66%
Scotland	£3	30%	12	26%	67%	55%	£0	0%	4	9%	75%	55%
Northern Ireland	£1	54%	3	38%	100%	75%	£0	0%	2	25%	50%	75%
United Kingdom	**£809**	**14%**	**959**	**30%**	**61%**	**53%**	**£580**	**10%**	**279**	**9%**	**59%**	**53%**

Source: Hatch calculations based on Transport for London data, 2024. Supplier expenditure figures are rounded to the nearest £1m. Figures may not add up due to rounding.

Investing in London's Future: The Impact of TfL's Capital Programmes

TfL plays a crucial role in shaping the capital's transport infrastructure, ensuring that it meets the demands of a growing city while driving economic growth and innovation. Major capital investment projects not only enhance connectivity, safety, and accessibility but also generate significant economic benefits by supporting jobs, businesses, and supply chains across the UK.

This section highlights the impact of three key capital programmes. These projects have transformed essential transport hubs, unlocked new housing developments, and strengthened London's rail maintenance capabilities. Beyond improving services for millions of passengers, each project has stimulated local economies, supported thousands of jobs, and reinforced TfL's commitment to sustainability and engineering excellence. Through strategic investment, TfL continues to build a more efficient, accessible, and resilient transport network, delivering lasting benefits for London and the wider UK economy.

Bank Station Capacity Upgrades (BCSU)

This transformative project was aimed at alleviating congestion at one of London's busiest transport interchanges. Serving six Underground lines and the Docklands Light Railway, Bank and Monument stations were notorious for overcrowding, necessitating a major upgrade to improve passenger flow and accessibility. The project delivered a new station entrance on Cannon Street, step-free access to the Northern line, additional escalators, and a new southbound tunnel to enhance connectivity.

TOP 3 REGIONAL IMPACTS (GVA)		
London	East of England	South East
£290m	£80m	£40m

TOP 3 REGIONAL IMPACTS (FTE)		
London	East of England	South East
3,210	1,225	655

661	£520m	£440m	5,550
Suppliers	Supplier Spend	GVA Impact	Annual FTE

Barking Riverside Extension

This critical infrastructure investment was designed to unlock the potential of one of London's largest new housing developments. The project extended the London Overground's Suffragette line by 1.5 kilometers, connecting the growing Barking Riverside community to central London in just 22 minutes. The newly built elevated terminus station, complete with step-free access, cycling infrastructure, and improved pedestrian routes, supports the sustainable growth of this vibrant new neighborhood.

TOP 3 REGIONAL IMPACTS (GVA)		
East of England	London	South East
£50m	£50m	£15m

TOP 3 REGIONAL IMPACTS (FTE)		
East of England	London	South East
745	740	270

327	£195m	£160m	2,365
Suppliers	Supplier Spend	GVA Impact	Annual FTE

Rail Engineering Workshops

The Railway Engineering Workshop (REW) Programme is an ongoing initiative ensuring the safety, reliability, and sustainability of the London Underground network. Established in 1922 and based in Acton, the workshops are a center of excellence for train maintenance and refurbishment, responsible for overhauling rolling stock, upgrading traction systems, and implementing sustainability initiatives.

TOP 3 REGIONAL IMPACTS (GVA)		
South West	East Midlands	Yorkshire & The Humber
£20m	£15m	£10m

TOP 3 REGIONAL IMPACTS (FTE)		
South West	East Midlands	Yorkshire & The Humber
265	175	125

251	£80m	£65m	930
Suppliers	Supplier Spend	GVA Impact	Annual FTE

HATCH

DISCLAIMER AND LIMITATIONS OF USE

https://content.tfl.gov.uk/tfl-supply-chain-economic-impact-assessment-2023-24.pdf