

# Transport for London quarterly performance report

Quarter 2 2017/18

MAYOR OF LONDON



**TRANSPORT  
FOR LONDON**  
EVERY JOURNEY MATTERS

## 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 Docklands Light Railway, 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 it opens, will add 10 per cent to 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 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 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.

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The financial information included in the report is unaudited and does not constitute TfL's statutory accounts. TfL's last audited **Statement of Accounts** for the year ended 31 March 2017 was published in September 2017.

Definitions of terms used in the report are included in the glossary.

# Introduction

This is the second Quarterly Performance Report of the 2017/18 financial year and covers the period to 16 September 2017.

Overall, we continue to make good progress against our long-term objective of turning an operating deficit into a surplus. We are achieving greater operating cost savings than we had budgeted for, despite the twin challenges of the removal of Government grant funding (£101m year on year) and the deteriorating economy, which is having an adverse effect on passenger income and advertising.

Passenger income is down by £28m on the same period last year, reflecting lower passenger numbers. This is partly owing to the timing of Easter, but on a like-for-like basis passenger numbers on the Underground are down 0.6 per cent for the first half of the year. This is in line with the wider picture for rail travel where demand, and in particular discretionary journeys, is down across London and the South East (including on mainline and suburban rail services). The impact on passenger volumes could have been considerably worse without the Mayor's affordable fares policy, which has offset the impact of rising inflation. We have also taken steps to successfully slow the decline in bus ridership and income by implementing a series of measures to prioritise improvements in bus journey times.

Day-to-day operating costs are £59m (two per cent) down on the corresponding period last year, with significant savings on employment costs. Operating costs for Quarter 2 are, however, slightly up on Quarter 1 as a result of higher performance payments to bus operators for improved performance, and an increase in road schemes in many boroughs.

The Capital Account shows a small year-on-year decrease in capital expenditure of £100m. This is mainly a result of Crossrail costs, which are £83m lower as the project nears completion.

**Simon Kilonback**  
Acting Chief  
Finance Officer

**Sarah Bradley**  
Group Financial Controller



# Business at a glance

Keeping London moving, working and growing to make life in our city better

## How we report on our business



## Finances at a glance\*



Sources of funds  
**£10.1bn**

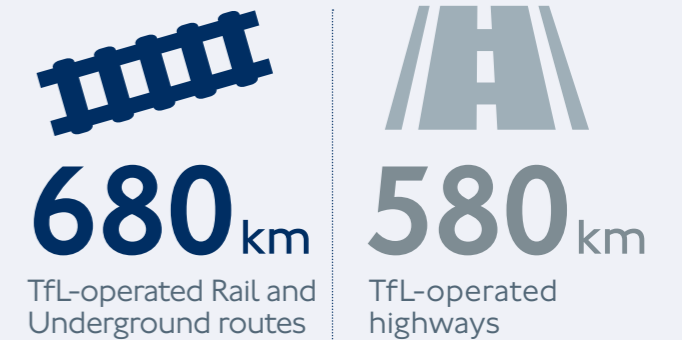
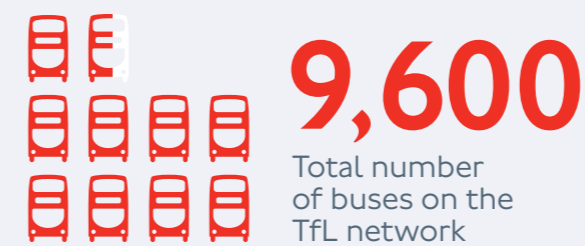
**65%**  
spent on running the network every day.



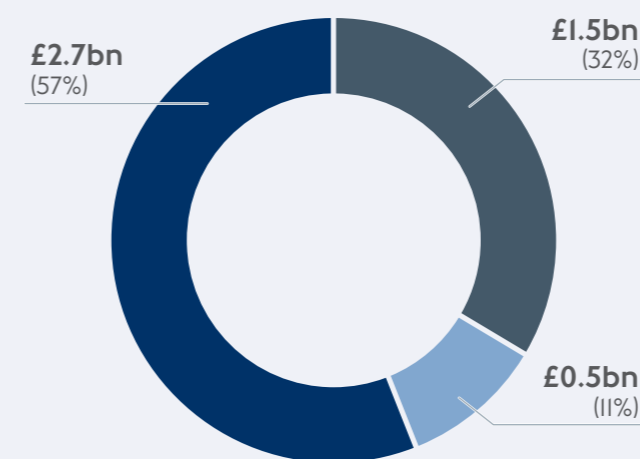
**35%**  
spent renewing and improving the network through one of the largest capital investment programmes in Europe.

\*Based on full year 2016/17

## Facts and figures\*



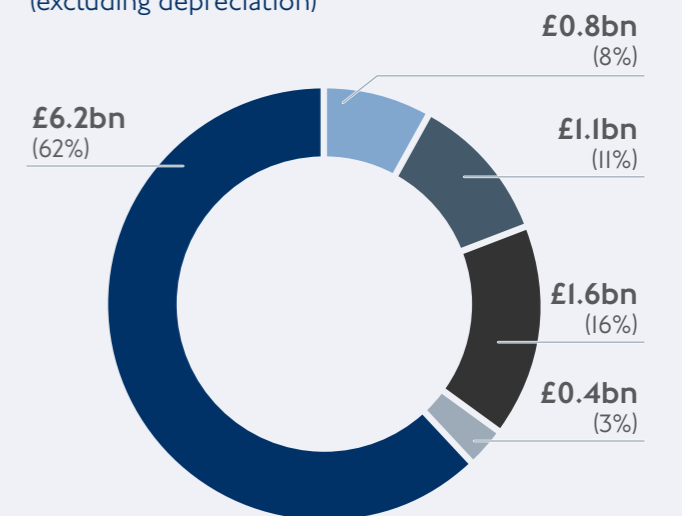
## Total passenger income\*



Total: **£4.7bn**

■ Underground ■ Rail ■ Buses

## Total costs\* (excluding depreciation)



Total: **£10.1bn**

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

# Financial summary

## Performance in the year to date

### Operating account

TfL Group (£m)	Q2 YTD 2017/18	Q2 YTD 2016/17	Variance
Passenger income	2,133	2,161	-1%
Other operating income	322	325	-1%
<b>Total operating income</b>	<b>2,455</b>	<b>2,486</b>	<b>-1%</b>
General Grant	105	206	-49%
Business Rates Retention	376	376	0%
Other revenue grants	26	15	73%
<b>Total income</b>	<b>2,962</b>	<b>3,083</b>	<b>-4%</b>
Operating cost	(2,752)	(2,811)	-2%
<b>Net operating surplus</b>	<b>210</b>	<b>272</b>	<b>-23%</b>
Depreciation and amortisation	(503)	(499)	1%
<b>Net cost of operations before financing</b>	<b>(293)</b>	<b>(227)</b>	<b>29%</b>
Net financing costs	(194)	(186)	4%
<b>Net cost of operations</b>	<b>(487)</b>	<b>(413)</b>	<b>18%</b>

### Capital account

TfL Group (£m)	Q2 YTD 2017/18	Q2 YTD 2016/17	Variance
Capital renewals	(239)	(365)	-35%
New capital investment	(565)	(475)	19%
Crossrail	(674)	(757)	-11%
<b>Total capital expenditure</b>	<b>(1,478)</b>	<b>(1,597)</b>	<b>-7%</b>
<b>Financed by:</b>			
Investment grant	422	436	-3%
Third-party contributions	38	19	100%
Property receipts	16	1	1500%
Crossrail funding sources	61	54	13%
Other capital grants	88	80	10%
<b>Total</b>	<b>625</b>	<b>590</b>	<b>6%</b>
<b>Net capital account</b>	<b>(853)</b>	<b>(1,007)</b>	<b>-15%</b>

### Cash flow summary

TfL Group (£m)	Q2 YTD 2017/18	Q2 YTD 2016/17	Variance
Net cost of operations	(487)	(413)	18%
Depreciation and amortisation	503	499	1%
Net capital account	(853)	(1,007)	-15%
Borrowing	376	102	269%
Working capital movements	947	(273)	
<b>Increase/(decrease) in cash balances</b>	<b>486</b>	<b>(1,092)</b>	

### Passenger journeys analysis

	Q2 YTD 2017/18	Q2 YTD 2016/17	Variance
Number of passenger journeys (millions)	1,841	1,869	-1%
Average yield per passenger journey (£)	1.16	1.16	0%
Operating cost per journey (£)	(1.49)	(1.50)	-1%
Total cost per journey before financing (£)	(1.77)	(1.77)	0%

Total income for the first half of the year is £121m lower than last year, principally as a result of lower grant income (15 per cent reduction). Passenger numbers are one per cent below last year's levels, which is reflected in a £28m drop in passenger income. Journeys have been affected by an overall reduction in rail demand in the South East and recent events in London.

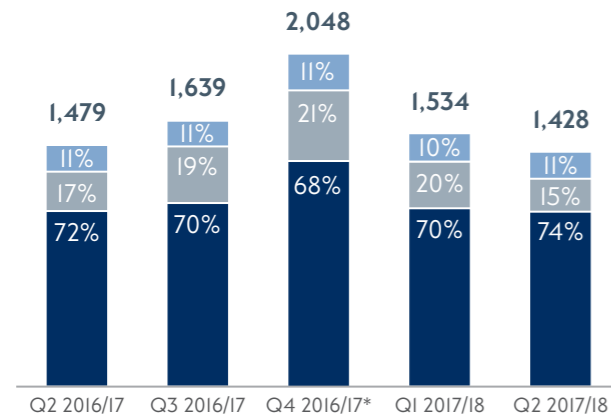
Reducing headcount has contributed to year-to-date operating costs being two per cent lower than last year. Including the effect of inflation, the actual amount of year-on-year savings is around five per cent. This reflects the continued drive to reduce costs as income comes under more pressure.

Total capital expenditure was £1,478m of which £674m is investment in Crossrail, which achieved the significant milestone of completing all track this quarter. Capital renewals have slowed this year as major station upgrades reach completion. The increase in new capital investment reflects the purchase of new Elizabeth line trains.

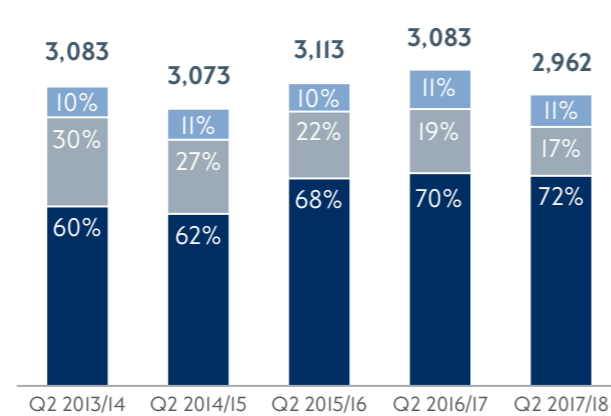
New borrowings and the repayment of interim financing previously provided to Network Rail have contributed to cash balances increasing by £486m since the start of the year.

# Financial trends

## Total income Quarterly (£m)



## Five-year trend year-to-date (£m)



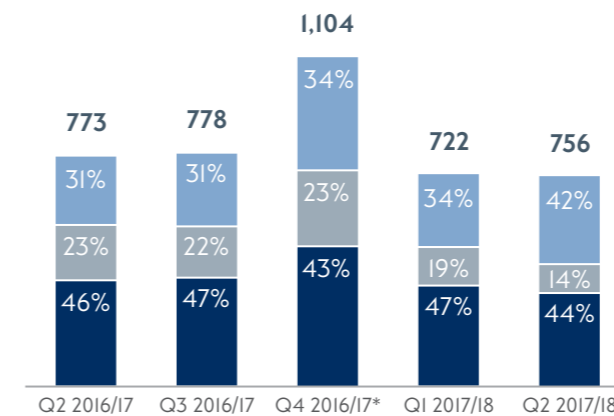
- Passenger income
- Grants
- Other income

**Total income £121m less than last year**

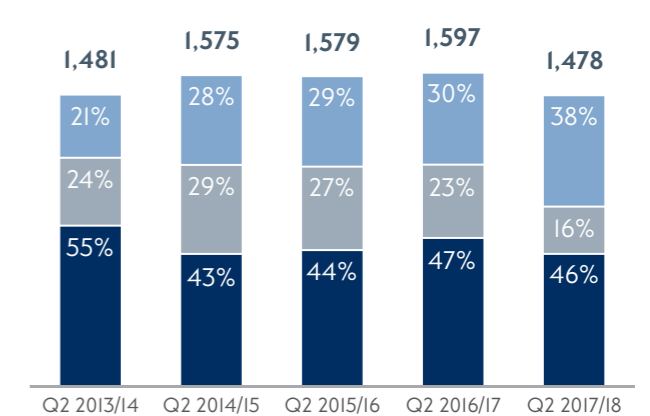
**1%▼ in passenger income**

Total income continues to fall due to reduced passenger numbers, falling other operating income and general grant income being halved.

## Total capital expenditure (excluding Earls Court) Quarterly (£m)



## Five-year trend year-to-date (£m)



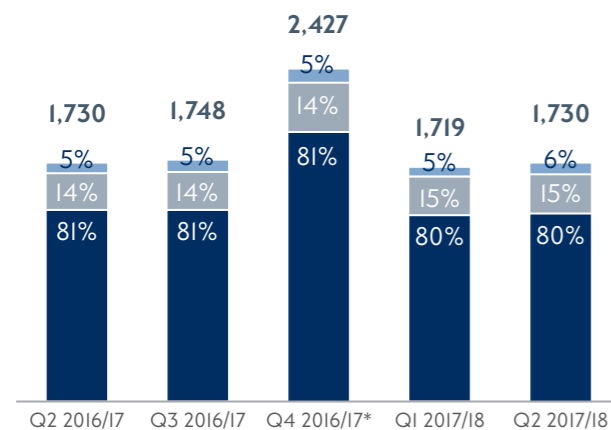
- Crossrail
- Renewals
- New capital investment

**All Crossrail track completed**

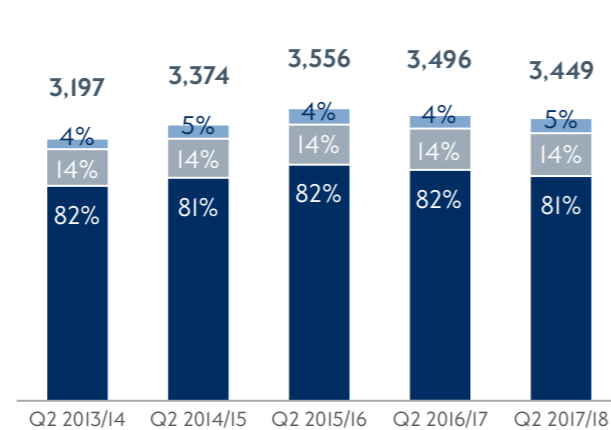
**7%▼ in capital expenditure**

Total capital expenditure reduced as Crossrail nears completion. New capital investment £90m higher than last year. Capital renewals reduced due to near completion of station upgrades and a fall in track renewal works.

## Total costs Quarterly (£m)



## Five-year trend year-to-date (£m)



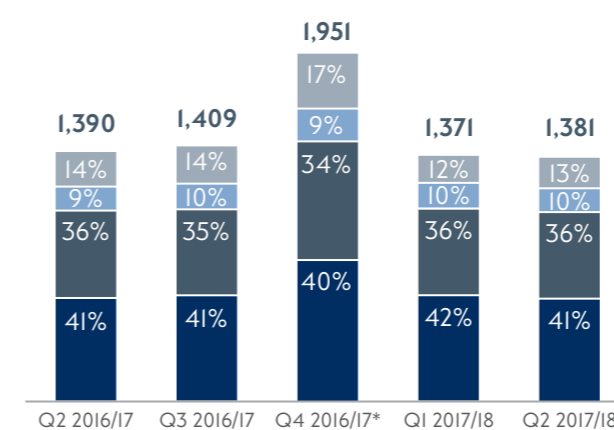
- Operating costs
- Depreciation
- Net financing costs

**Total costs reducing year on year**

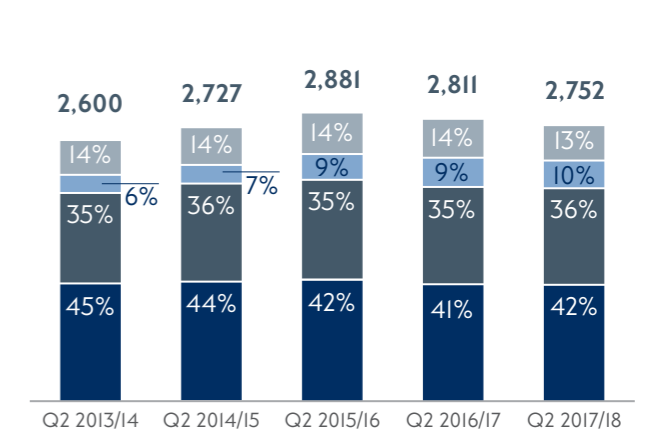
**2%▼ in operating costs**

Total costs down £47m in the first two quarters, principally driven by lower operating costs. Financing costs are marginally higher due to £376m net new borrowings this year.

## Operating costs Quarterly (£m)



## Five-year trend year-to-date (£m)



- Underground
- Buses
- Rail
- Roads, Commercial Development and other operations

**Operating costs lower year-on-year**

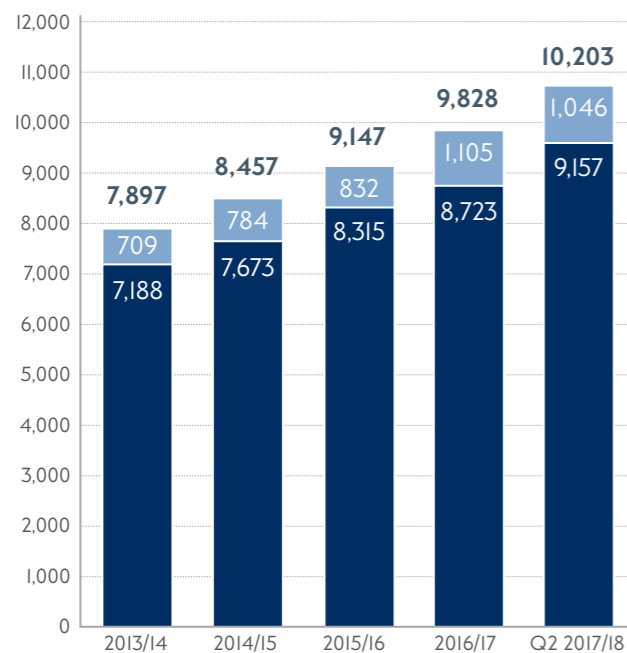
**£59m▼ in operating costs**

Operating costs were down by two per cent on last year, achieved through lower employee levels, less reliance on non-permanent staff and improved procurement processes and arrangements.

\*Quarter 4 is longer than Quarters 1 to 3 (16 weeks vs 12 weeks)

# Borrowing and cash

## Total nominal value of borrowing (£m)



■ Long-term borrowing  
■ Borrowing maturing within 12 months

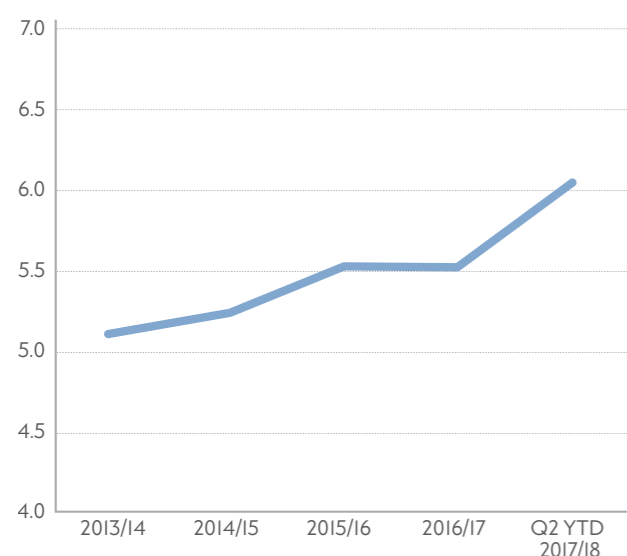
## Financing costs and income (£m)

Year-to-date	Q2 2017/18	Q2 2016/17	Variance
Interest income	3	6	-50%
Financing costs	(179)	(173)	3%
PFI interest payable	(18)	(19)	-5%

### Borrowing

The incremental borrowing agreed with Government for 2017/18 is £950m. The Budget assumes that, of this, only £620m will be raised this year, with the rest deferred to 2018/19. At the end of Quarter 2, £450m of long-term debt had been drawn down under existing facilities with Export Development Canada and the European Investment Bank. These drawdowns were partially offset by a £75m repayment of short-term Commercial Paper debt.

## Financing costs as a percentage of total income (%)

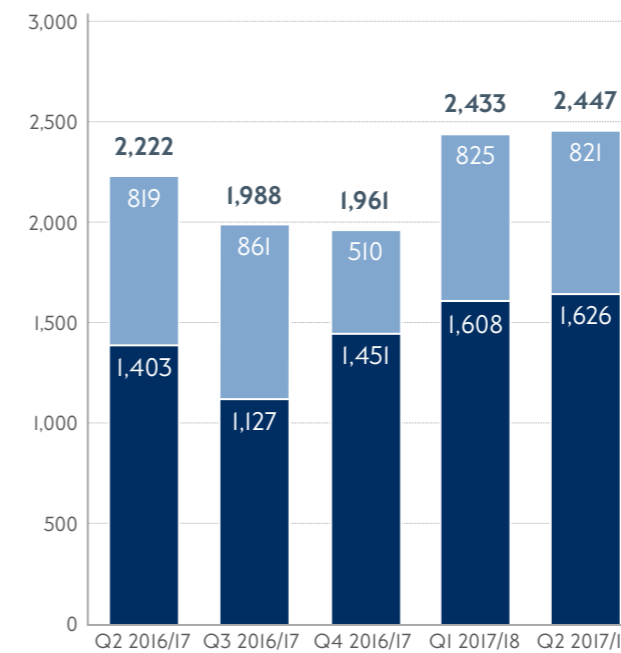


The ratio of financing costs to total income, including operating grants, helps TfL to monitor the affordability of its debt.

Credit ratings	
Moody's	Aa3 stable outlook
Standard & Poor's	AA negative outlook
Fitch	AA- negative outlook

Our credit strengths are reflected in the fact that we are rated within one notch of the UK Government by the three leading international rating agencies.

## Cash balances (£m)



■ TfL cash balances  
■ Crossrail

### Cash balances

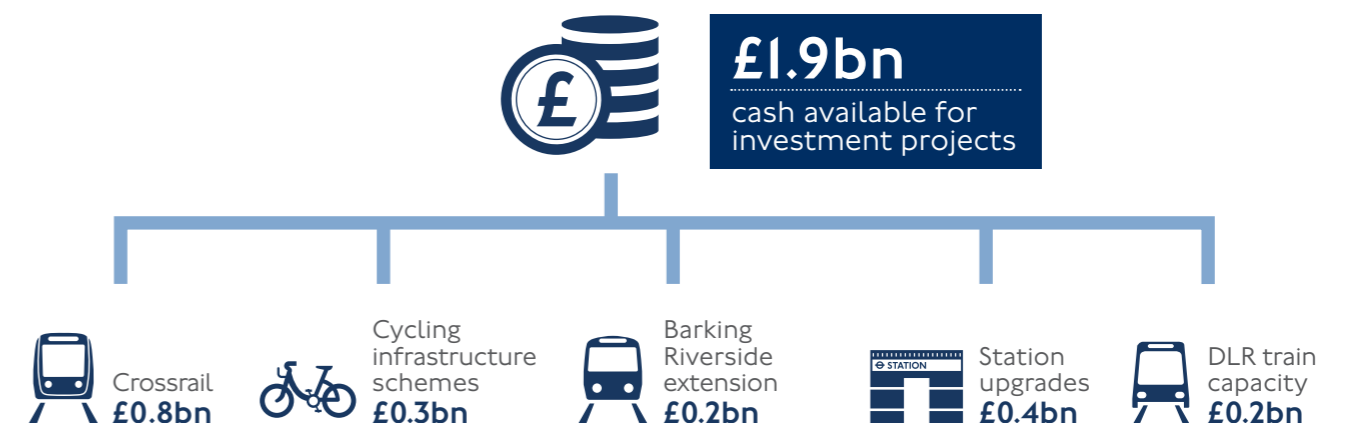
In the first half of the year, total cash balances rose by £486m to stand at £2,447m at the end of Quarter 2. Contributory factors were the receipt of loan repayments from Network Rail, advanced for interim financing of Crossrail construction, and the net increase in borrowing of £375m.

Of the total balance, £821m is ring fenced to deliver the Crossrail project. In addition, we aim to hold a prudent minimum level of cash for TfL (excluding Crossrail) for exceptional circumstances as well as to retain a high credit rating with our investors, in line with our liquidity policy approved by the TfL Board. This level of cash reserves – currently around £540 million – is driven by the size of our operating costs and the level of debt.

**£486m** **25%▲**  
Increase in cash over the year-to-date

We expect to continue to use our cash balances to fund the improvements outlined in our Business Plan and Budget.

## Funding for investment projects



# Operational trends

## Passenger journeys Quarter 2, year-to-date

**1,841m** total number of journeys\*

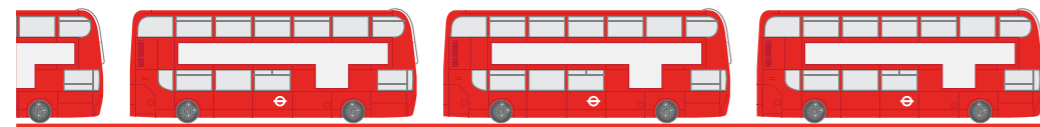
**1%▼** total passenger journeys

### London Underground



620m

### Buses



1,032m

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



177m

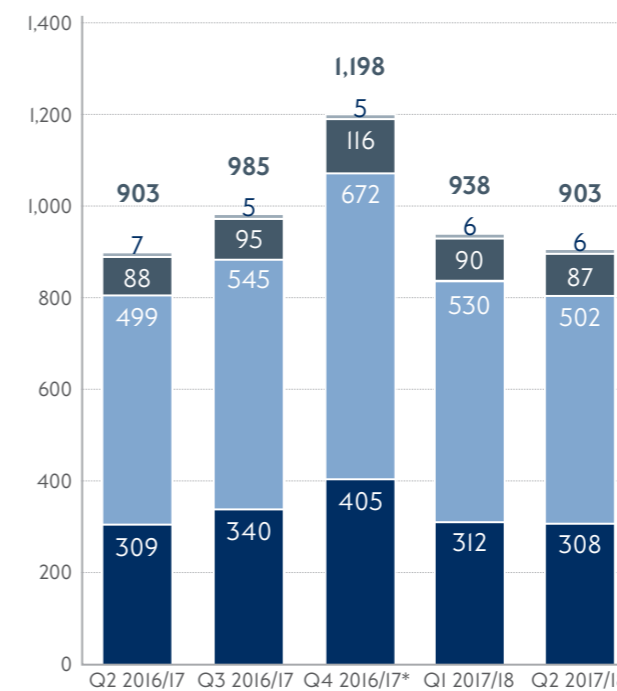
### Other (London River Services, Dial-a-Ride, Santander Cycles)



12m

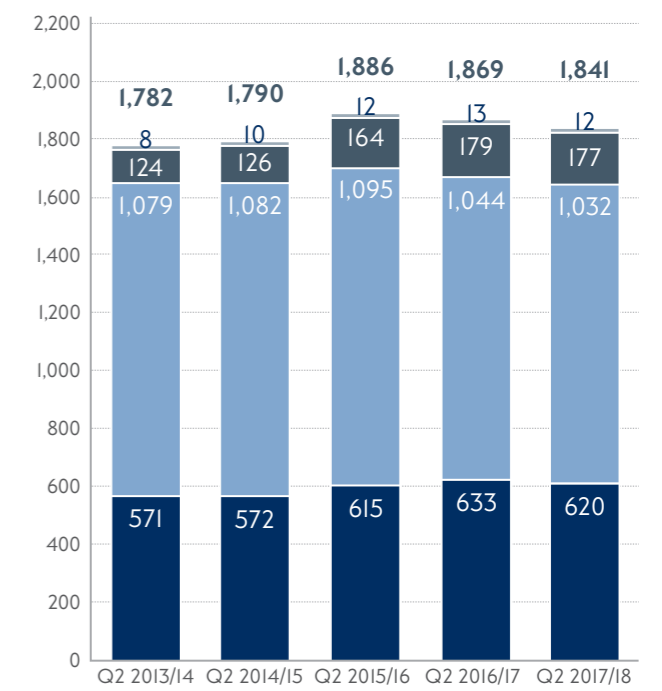
\* Excluding road journeys and pedestrians

## Passenger journeys (millions) Quarterly



■ London Underground ■ Rail  
■ Buses ■ Other

## Five-year trend



LU passenger volumes were 13m (two per cent) lower over the first two quarters compared with 2016/17. The underlying trend, after adjusting for the later Easter, is just over half a per cent lower than the same period last year. Passenger journeys have been impacted by an overall reduction in rail demand in London and the South East and recent events in London have also had a direct impact on demand.

Bus passenger volumes were 0.6 per cent higher than Q2 2016/17. This could be attributed to a lower number of road schemes currently being active on the network and better route and traffic management which resulted in better operational performance. Underlying journeys showed a growth of 0.3 per cent when comparing Q2 2017/18 with Q2 2016/17.

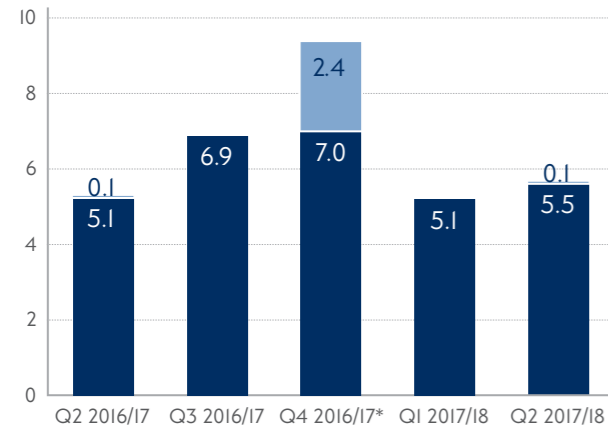
Passenger journeys across Rail remain broadly stable, with the exception of London Overground which saw a drop due to Gospel Oak to Barking line closures as part of the electrification programme.

\*Quarter 4 is longer than quarters 1 to 3 (16 weeks vs 12 weeks)

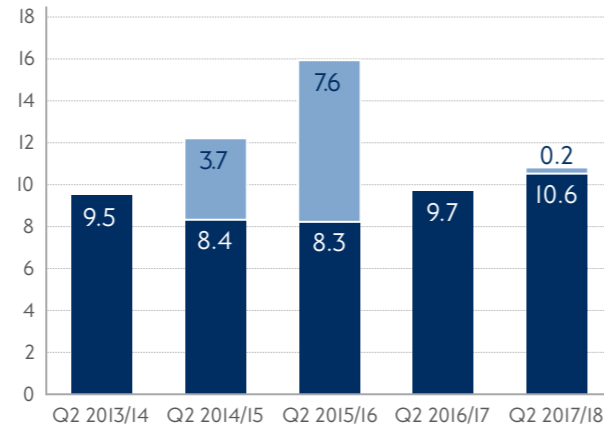


### London Underground reliability – lost customer hours (LCH)

Quarterly (millions of hours)



Five-year trend YTD (millions of hours)



■ Industrial action

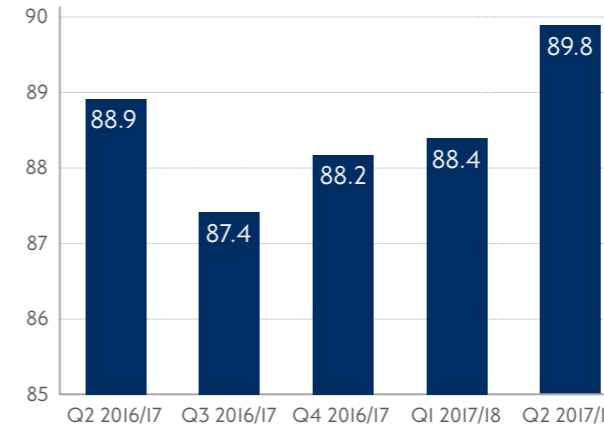
**5.6m** lost customer hours in Q2 2017/18

**9%** ▲ in delays year-on-year

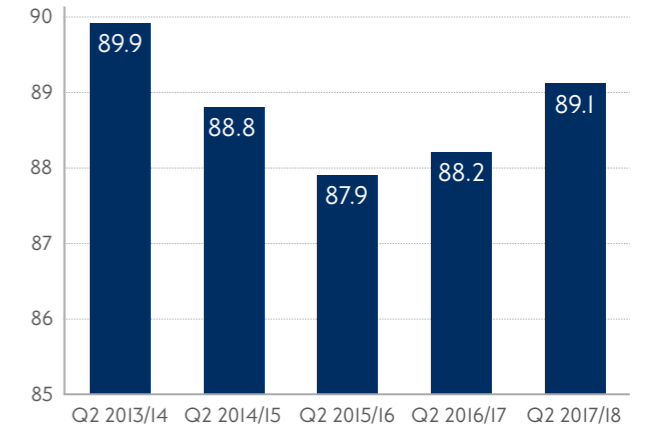
Network reliability continues to be affected by staff unavailability, customer incidents and Central line fleet issues. These problems are a main focus of our reliability improvement initiatives. Industrial action by Piccadilly line depot staff had a small effect on reliability this quarter.

### Roads – journey time reliability

Quarterly (%)



Five-year trend YTD (%)



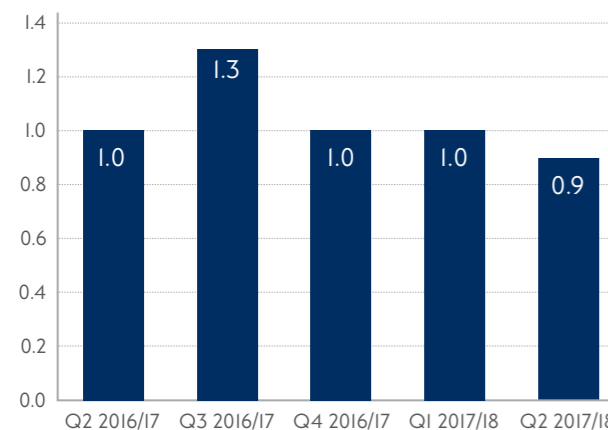
**89.8%** journey time reliability in Q2 2017/18

**1%** ▲ in reliability year-on-year

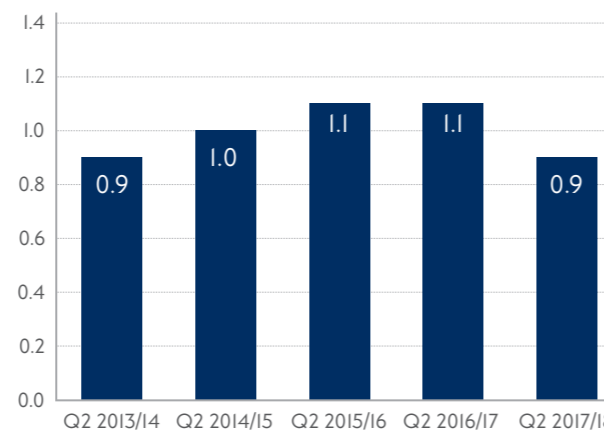
Performance in the quarter increased, despite a burst water main on A24, a Blackwell Tunnel closure and a collision which caused Vauxhall Bridge to be shut southbound.

### Bus reliability – excess wait time

Quarterly (minutes)



Five-year trend YTD (minutes)



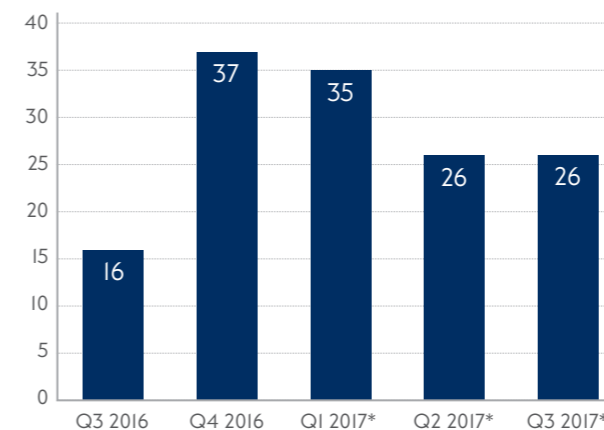
**0.9 minutes** in Q2 2017/18

Year-to-date EWT improved significantly compared with a year ago. This was due to an improvement in operating conditions for buses, partly due to a range of measures taken by TfL to protect reliability.

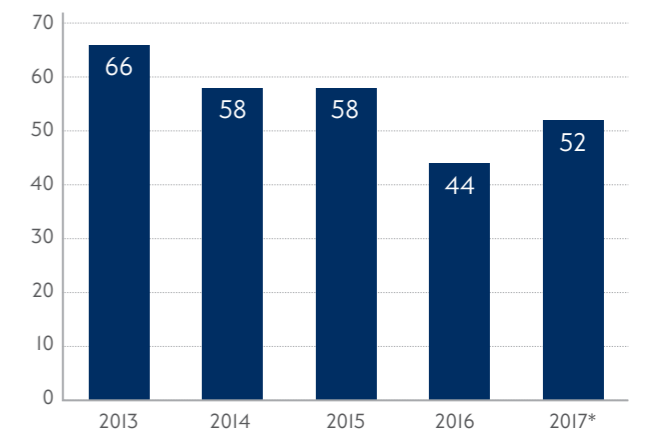
\*Quarter 4 is longer than Quarters 1 to 3 (16 weeks vs 12 weeks)

### Roads – reported casualties

Quarterly (number of fatalities)



Five-year trend YTD (number of fatalities)



**Second lowest number on record for Q3**

Provisional figures show that there were 26 fatalities on London's roads in Q3 (July to September)

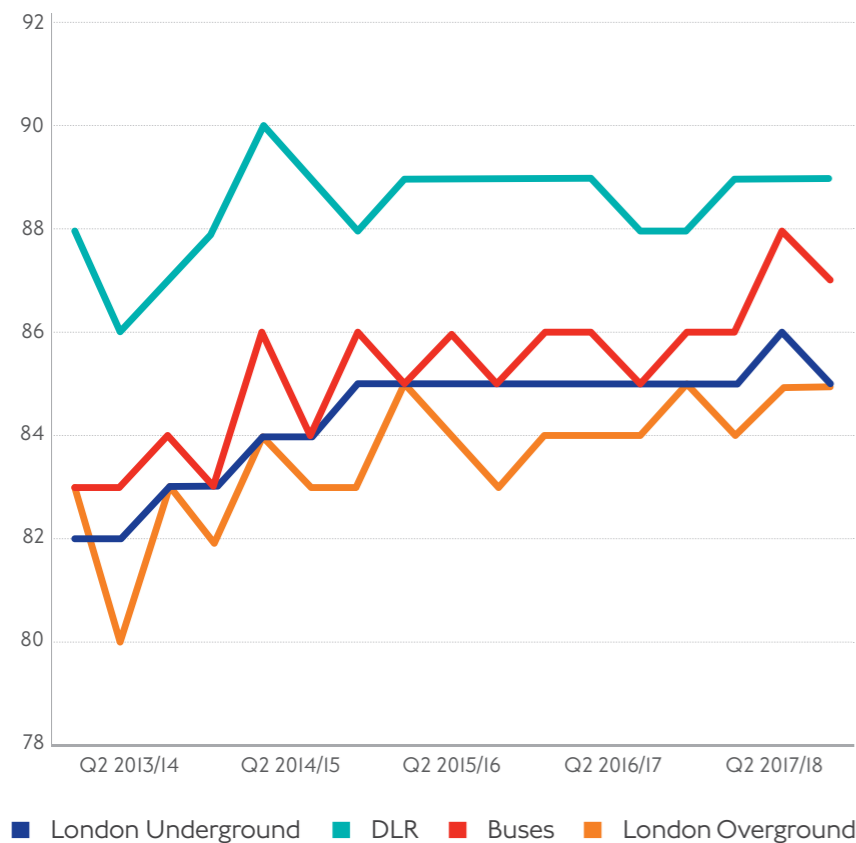
\*The figures for 2017 are provisional

NB: The above data is based on calendar quarters, ie Q3 is July – September

The YTD graph shows figures for April – September

# Customer trends

## Customer satisfaction score (out of 100) based on TfL surveys



**3** ▲  
in customer satisfaction on the Tube since Q2 2013/14



**4** ▲  
in customer satisfaction on buses since Q2 2013/14



**1** ▲  
in customer satisfaction on the DLR since Q2 2013/14



**85**  
London Overground customer satisfaction at record levels



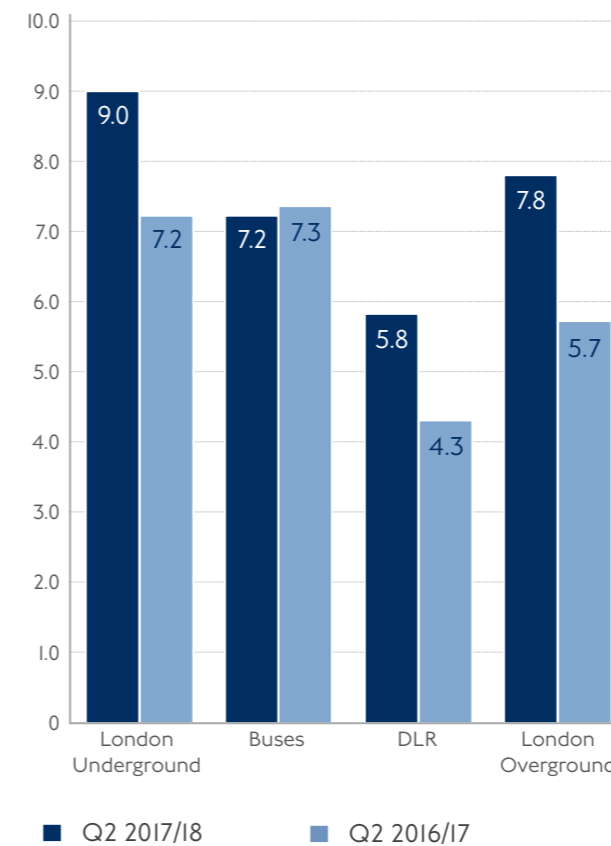
Tube overall satisfaction returns to 85. Scores have remained fairly stable this quarter, although, as we expect in the summer months, satisfaction with temperature inside the train has fallen. Satisfaction with availability of seats has increased with 75 per cent of customers saying they were seated for the majority of the journey.

Buses overall satisfaction has declined by one point to 87, following a record score of 88 in Q1. This is still two points higher than the same quarter last year. Satisfaction with value for money is slightly up on last quarter, but all other aspects of the bus service remain unchanged.

Overall satisfaction with DLR remained at 89. There has been a one point drop this quarter in scores for station cleanliness, state of repair, freedom from litter and personal safety. Train scores for freedom from graffiti and state of repair have also both dropped one point.

London Overground satisfaction remains at 85. Good operational performance is reflected in satisfaction with train crowding being at the highest ever level. The proportion of customers reporting a delay to their journey reduced to five per cent, the lowest for two years.

## Recorded crime rate Number of recorded offences per million passenger journeys year to date



All forms of transport, with the exception of the bus network, experienced an increase in the volume of reported crime and a higher rate of crime per million passenger journeys compared with the previous year. This in part reflects national trends, with the latest figures for England and Wales showing an increase in all police-recorded offences of 13 per cent in the 12 months to June, with even greater rises for violent offences.

Increases in recorded crime on LU, DLR and London Overground are primarily driven by rises in reported sexual offences, low-level violence and public order offences and criminal damage. The majority of violent and public order offences are not serious, with the rise largely owing to an increase in low-level violence, pushing and shoving, verbal disputes and threatening behaviour at busy commuter times when services are at peak capacity. Concerted action is underway to address this but it remains challenging given the sporadic nature of offences.

## Number of recorded crimes

Year-to-date	Q2 2017/18	Q2 2016/17	Variance
London Underground	4,053	3,318	22%
Buses	5,500	5,620	-2%
DLR	239	177	35%
London Overground	493	364	35%

Q2 crime figures are based upon data from April to July

The reporting of sexual offences on the transport system has continued to rise. This reflects the continuing efforts to tackle unwanted sexual behaviour on public transport as part of the Project Guardian initiative and Report It to Stop It campaign, which aims to increase confidence in reporting, reduce the risk of becoming a victim, challenge unwanted sexual behaviour and target offenders.

## Customer complaints

Complaints per 100,000 journeys year-to-date	Q2 2017/18	Q2 2016/17	Variance
London Underground	0.76	1.01	-25%
London Buses	2.42	3.00	-19%
DLR	0.65	1.18	-45%
London Overground	1.25	2.62	-52%
TfL Rail	1.54	2.37	-35%
London Trams	1.34	1.89	-29%
Emirates Air Line	1.72	1.44	19%
Congestion Charge	5.99	5.36	33%
London Dial-a-Ride	99.18	103.71	-4%
London River Services	0.42	0.39	8%
Santander Cycles	4.43	3.12	42%
Taxis*	8.02	5.77	39%
Private Hire*	5.28	4.58	15%
Contactless	0.11	0.16	-31%
Oyster	0.17	0.16	6%

\*Journeys not recorded; figures based on survey

While Congestion Charge complaints are up when compared to Q2 last year, complaints have reduced by 15 per cent compared to Q1 2017/18. Complaints relating to automatic payments continue to reduce as a result of our ongoing campaign to encourage customers towards direct debit instead of card payments, which has reduced the possibility of payment failures.

Dial-a-Ride complaints have decreased compared to last year. During this quarter, new contracts with Community Transport partners came into operation, with a greater focus on partnership working.

Santander Cycle Hire customer services provision changed provider at the end of Q1. This transitional period led to an increase in the number of complaints at the start of the quarter, but this has started to decrease.

Taxi and Private Hire complaints relating to fare refusals have increased significantly compared to last year owing to credit card payments becoming mandatory towards the end of 2016. We are reviewing our policy which may lead to a stricter approach for any driver not offering this service.

## Website and social media

### Website visits (millions)



## Customer services

### Communications and correspondence

Year-to-date	Q2 2017/18	Q2 2016/17	Variance
Correspondence service level agreement	77.5%	84.0%	-7.7%
Mystery shopper quality assessment scores	90.9%	89.3%	1.8%
Calls answered	88.3%	87.8%	0.1%

Both the calls answered and mystery shopper measures remain above target and last year's performance.

Contact Centre correspondence performance improved in quarter 2 but remains just below the annual target of 80 per cent. The improved performance is due to the steps taken to return headcount to normal levels through recruitment and improved processes for workload allocation.

## Ticketing

### Ticketing system availability

Year-to-date	Q2 2017/18	Q2 2016/17	Variance
London Underground – ticketing system overall availability	98.9%	98.8%	0.1%
London Buses – bus validation overall availability	99.8%	99.7%	0.1%

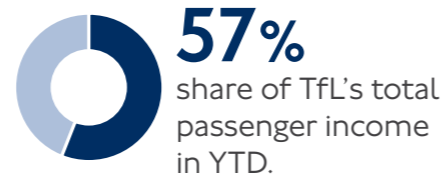
With continued improvements to the reader software, we have exceeded the targets for LU and bus validations in Q2.

# Underground

## London Underground (LU)

### Financial summary

The net operating surplus has improved due to lower operating costs more than offsetting lower passenger income. The YTD net cost of operations is £14m better than last year.



London Underground (£m)	Q2 YTD 2017/18	Q2 YTD 2016/17	Variance
Passenger income	1,206	1,211	0%
Other operating income	12	15	-21%
<b>Total operating income</b>	<b>1,218</b>	<b>1,226</b>	<b>-1%</b>
Direct operating cost	(952)	(982)	-3%
Indirect operating cost	(191)	(180)	6%
<b>Net operating surplus</b>	<b>75</b>	<b>64</b>	<b>17%</b>
Depreciation and amortisation	(314)	(317)	-1%
<b>Net cost of operations before financing</b>	<b>(239)</b>	<b>(253)</b>	<b>-6%</b>
Capital renewals	(150)	(247)	-39%
New capital investment	(321)	(271)	18%
<b>Total capital expenditure</b>	<b>(471)</b>	<b>(518)</b>	<b>-9%</b>

Passenger income has decreased by £5m compared to last year. There is an underlying weakening of demand which has been partially offset by increased fare per journey income.

Direct operating costs have fallen by £30m which includes the transfer of £13m of staff costs to professional services. Savings from the stations modernisation programme and continued headcount resource management have more than offset inflationary pressures. There was also a ramp down in projects from last year.

Capital expenditure is lower than last year due to the bringing to completion of stations upgrade programmes such as Victoria, Tottenham Court Road and Bond Street. In addition, there has been a lower volume of track upgrade work this year. This has been partly offset by additional expenditure on the Circle, District, Hammersmith & City and Metropolitan lines upgrade and Northern Line Extension, which are gaining momentum.



## Passenger journey analysis

	Q2 YTD 2017/18	Q2 YTD 2016/17	Variance
Number of passenger journeys (millions)	620	633	-2%
Average yield per passenger journey (£)	1.95	1.91	2%
Operating cost per journey (£)	(1.84)	(1.84)	0%
Total cost per journey before financing (£)	(2.35)	(2.34)	0%

### Passenger journeys

Underlying demand is just over half a per cent lower than the same period last year. The recent terror attack at Parsons Green had a minor direct impact on journey numbers in the quarter. Overall demand is down for rail travel in London and the South East including Network Rail.

### Average yield per passenger journey

Average yield has improved compared with the equivalent period last year. This is partly due to the impact of the National Rail average fares increase in January 2017 which increases a proportion of TfL's tickets eg travelcards. In addition, our drive to increase contactless usage has helped increase the yield as all journeys are for full fare-paying adults.

### Operating cost per journey

Operating cost per journey has remained static in the year to date despite falling passenger journey numbers.

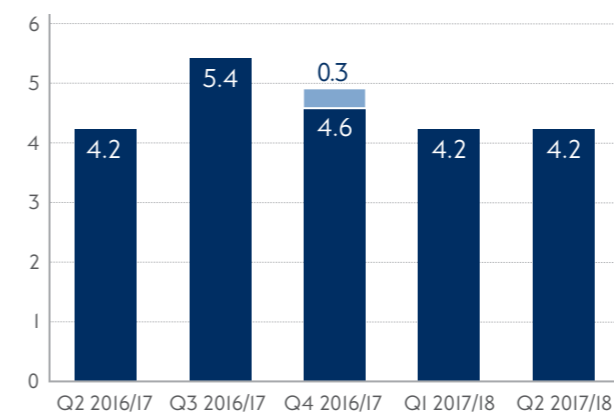
### Underlying normalised passenger journeys year-on-year change (%)



Compares underlying year-to-date passenger journey numbers with those in the previous year. Not actuals – adjusted for one-off events (such as strike days), timing of Easter holidays and the number of days in each quarter.

## Reliability

### Excess journey time (minutes)

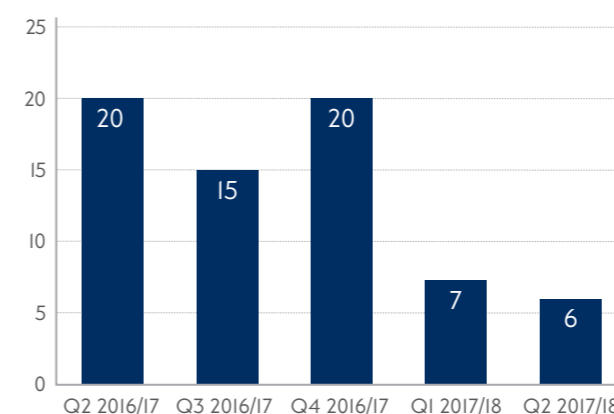


#### Industrial action

EJT remained steady in Q2, with the seasonal increase in demand offset by reduced numbers of commuters in the holiday season. Customers on the Victoria, Jubilee, Metropolitan and Waterloo & City lines all experienced fewer delays in Q2 than in Q1.

## Safety

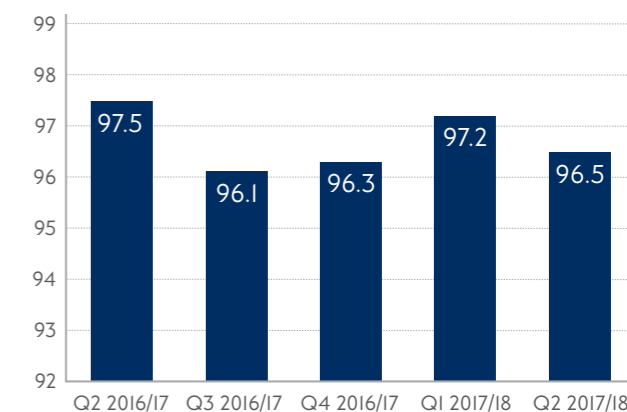
### RIDDOR\* reportable customer injuries



\*Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013

New customer safety posters were rolled out in July and August. Escalator initiatives encourage customers to hold onto the handrail, take care getting on and off, stand safely on the step, and use lifts where appropriate.

## Scheduled kilometres operated (%)



As with LCH, the number of kilometres operated was affected by staff unavailability, customer incidents and fleet issues.

## Customer

### Customer satisfaction score (CSS)

	Q2 CSS
Bakerloo line	84
Central line	82
Circle line/Hammersmith & City line	86
District line	86
Jubilee line	86
Metropolitan line	88
Northern line	85
Piccadilly line	85
Victoria line	85
<b>Overall score</b>	<b>85</b>

As we expect in the summer months, satisfaction with the temperature inside the train has fallen. Satisfaction with the availability of seats has increased, with 75 per cent of customers saying they were seated for the majority of the journey.

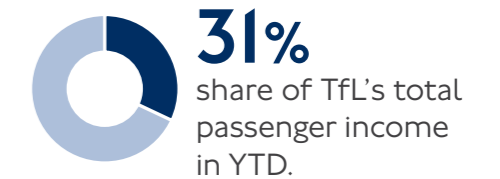


# Buses

## London Buses 🚌

### Financial summary

Reduced passenger income primarily due to fewer days in Q1 this year and higher operating costs have contributed to the net operating deficit being 13 per cent higher.



Buses (£m)	Q2 YTD 2017/18	Q2 YTD 2016/17	Variance
Passenger income	670	698	-4%
Other operating income	6	6	0%
<b>Total operating income</b>	<b>676</b>	<b>704</b>	<b>-4%</b>
Direct operating cost	(970)	(962)	1%
Indirect operating cost	(31)	(30)	3%
<b>Net operating deficit</b>	<b>(325)</b>	<b>(288)</b>	<b>13%</b>
Depreciation and amortisation	(22)	(19)	16%
<b>Net cost of operations before financing</b>	<b>(347)</b>	<b>(307)</b>	<b>13%</b>
Capital renewals	(5)	(9)	-44%
New capital investment	(13)	(32)	-59%
<b>Total capital expenditure</b>	<b>(18)</b>	<b>(41)</b>	<b>-56%</b>

Lower bus passenger income is primarily caused by fewer fare-paying passenger journeys due to fewer days in Q1 this year and the timing of Easter. Underlying year-on-year demand showed 0.3 per cent growth in the year-to-date. This has been due to some improvement in bus speeds. However, yield has reduced by three per cent, primarily due to the Hopper.

Direct operating cost is higher owing to the annual contracted price inflation (average of 2.5 per cent) within the bus

operators' contracts, but we are working hard to offset the financial impact in order to keep operating costs broadly flat year-on-year.

The programme to purchase 1,000 New Routemaster buses, introduced by the previous Mayor, was completed in June 2017, resulting in a drop in new capital expenditure this year. There are no plans to expand this programme further.

## Passenger journey analysis

	Q2 YTD 2017/18	Q2 YTD 2016/17	Variance
Number of passenger journeys (millions)	1,032	1,044	-1%
Average yield per passenger journey (£)	0.65	0.67	-3%
Operating cost per journey (£)	(0.97)	(0.95)	2%
Total cost per journey before financing (£)	(0.99)	(0.97)	2%

### Passenger journeys

Total passenger journeys were one per cent lower than last year. This is driven by Q1 having one less day than last year and the timing of Easter; this is partly offset by some improvement in bus speeds, particularly in central London and also improved ticket machine reliability following software improvements. On a normalised basis, passenger journeys were 0.3% higher.

### Average yield per passenger journey

The average yield decreased by 2p, mainly a result of the Bus Hopper fare which started in September 2016.

### Operating cost per journey

Overall operating costs have increased year-on-year due to the annual contracted price increase within the bus operators' contracts. This combined with the decrease in passenger journeys, means that the operating cost per journey has increased.

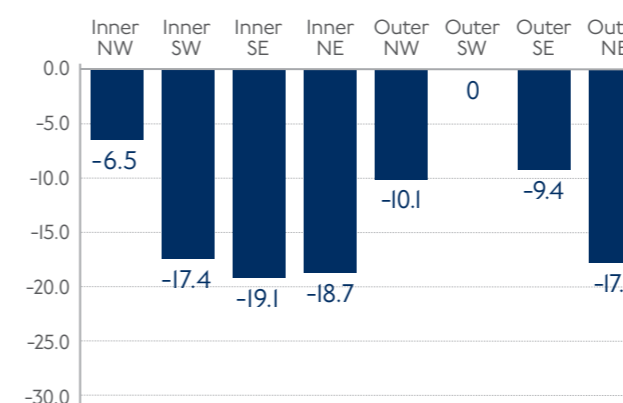
### Underlying normalised passenger journeys year-on-year change (%)



Compares underlying passenger journey numbers in the quarter with those in the corresponding quarter in the previous year. Not actuals – adjusted for one-off events (such as strike days), timing of Easter holidays and the number of days in each quarter.

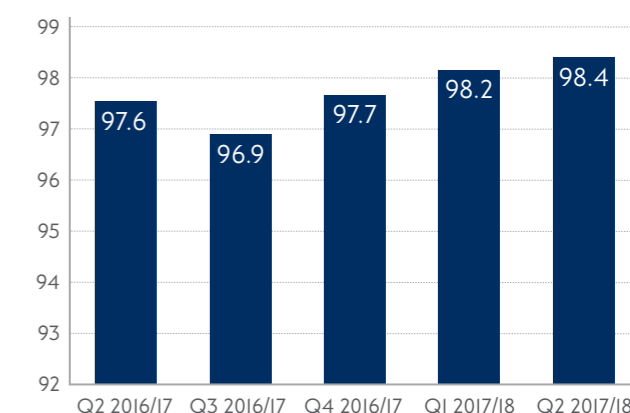
## Reliability

### Analysis of year-on-year excess wait time (EWT) change by area (%)



Compared with a year ago, results for EWT improved in all sectors apart from Outer SW London, which was adversely affected by roadworks in Kingston.

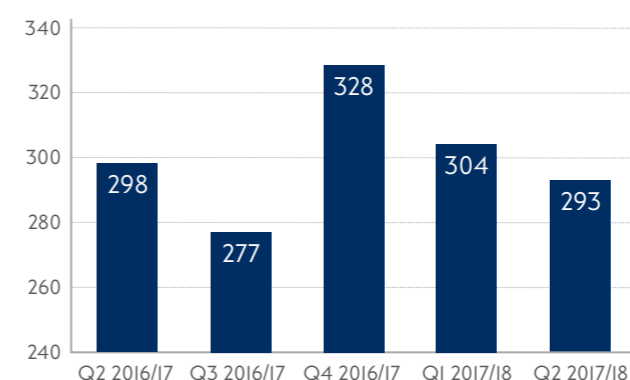
## Scheduled services operated (%)



The substantial improvement compared with the same quarter a year ago was due to a reduction in traffic delays. Measures remain in place to help protect service reliability against worsening traffic congestion.

## Safety

### Customer injuries\*

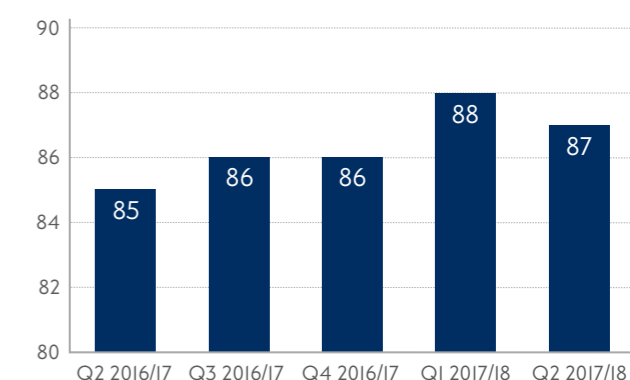


A passenger died from injuries sustained in a fall and two pedestrians and a motorcyclist were killed in collisions with buses. An on-board customer campaign began in the quarter to further reduce injuries resulting from slips, trips and falls.

\*Customers taken to hospital

## Customer

### Customer satisfaction score



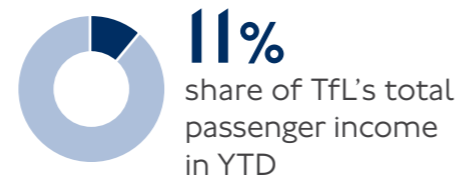
Overall satisfaction has declined by one point to 87, following a record score of 88 in Q1. The drop was owing to the higher on-bus temperatures customers tend to experience in July and August.

# Rail

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

## Financial summary

Passenger journeys remain broadly in line with last year and operating costs are reducing.



Rail (£m)	Q2 YTD 2017/18	Q2 YTD 2016/17	Variance
Passenger income	233	235	-1%
Other operating income	5	10	-50%
<b>Total operating income</b>	<b>238</b>	<b>245</b>	<b>-3%</b>
Direct operating cost	(249)	(252)	-1%
Indirect operating cost	(15)	(14)	7%
<b>Net operating deficit</b>	<b>(26)</b>	<b>(21)</b>	<b>24%</b>
Depreciation and amortisation	(62)	(60)	3%
<b>Net cost of operations before financing</b>	<b>(88)</b>	<b>(81)</b>	<b>9%</b>
Capital renewals	(11)	(29)	-62%
New capital investment	(149)	(92)	62%
Crossrail construction costs	(674)	(757)	-11%
<b>Total capital expenditure</b>	<b>(834)</b>	<b>(878)</b>	<b>-5%</b>

Passenger income is broadly in line with last year. A reduction in passenger journeys has been offset by the impact of the annual Travelcard fare increase. The fall in other operating income relates to lower third party contributions for station works that are now complete.

Operating costs have reduced due to one-off London Overground contractual savings partly offset by bonus payments made for improved performance on the DLR.

The Crossrail construction project is now approaching 90 per cent complete and a number of significant milestones were achieved this quarter, including the completion of all track in the central section.

We continue to build the new footbridges and lifts at Maryland, Manor Park and Seven Kings in preparation for the opening of the Elizabeth line.





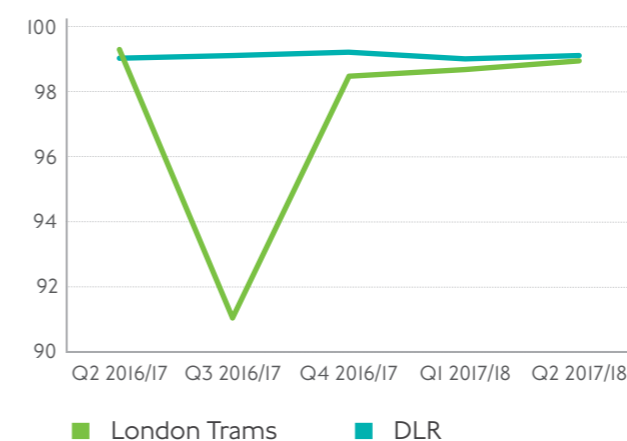
## Passenger journey analysis

	Q2 YTD 2017/18	Q2 YTD 2016/17	Variance
<b>London Overground</b>			
Number of passenger journeys (millions)	86.4	86.5	0%
Average yield per passenger journey (£)	1.18	1.20	-1%
Operating cost per journey (£)	(1.42)	(1.54)	-8%
Total cost per journey before financing (£)	(1.53)	(1.67)	-9%
<b>DLR</b>			
Number of passenger journeys (millions)	56.0	56.2	0%
Average yield per passenger journey (£)	1.40	1.35	4%
Operating cost per journey (£)	(1.17)	(1.09)	7%
Total cost per journey before financing (£)	(1.64)	(1.55)	6%
<b>TfL Rail</b>			
Number of passenger journeys (millions)	20.7	22.1	-6%
Average yield per passenger journey (£)	1.81	1.78	1%
Operating cost per journey (£)	(2.64)	(2.22)	19%
Total cost per journey before financing (£)	(3.51)	(2.89)	21%
<b>London Trams</b>			
Number of passenger journeys (millions)	13.3	13.6	-2%
Average yield per passenger journey (£)	0.85	0.91	-7%
Operating cost per journey (£)	(1.22)	(1.33)	-8%
Total cost per journey before financing (£)	(1.74)	(1.80)	-3%
<b>Emirates Air Line</b>			
Number of passenger journeys (thousands)	812.6	832.8	-2%
Average yield per passenger journey (£)	4.19	4.20	0%
Operating cost per journey* (£)	(1.85)	(2.21)	-16%
Total cost per journey before financing* (£)	(1.92)	(2.28)	-16%

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

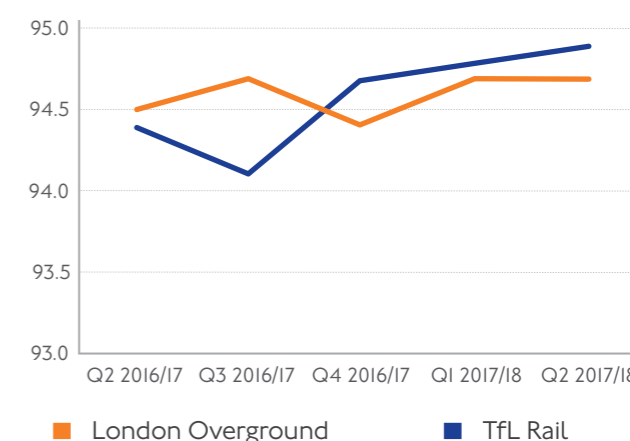
## Reliability

### DLR and London Trams – scheduled services operated (%)



London Trams reliability improved marginally on the previous quarter to reach 99 per cent. DLR reliability remains strong above 99 per cent in the quarter.

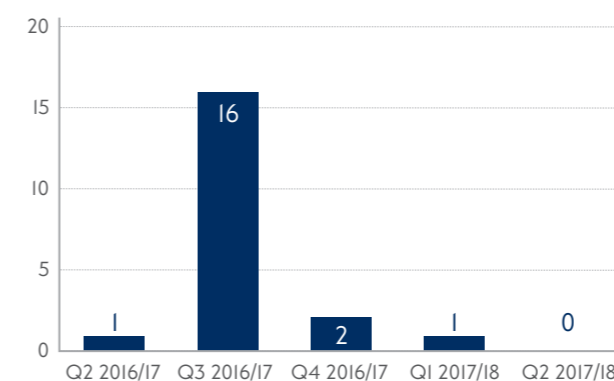
### London Overground and TfL Rail – public performance measure (PPM) moving annual average (MAA)



TfL Rail has maintained second-in-industry position, with only Merseyrail delivering better performance. London Overground performance matched that of Q1, making it the third most reliable in the country in Q2.

## Safety

### RIDDOR\* reportable customer injuries

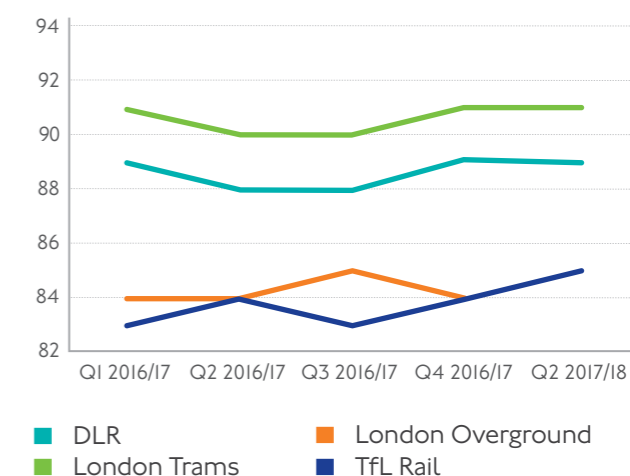


\*Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013

There were no customer injuries meeting the criteria for reporting under RIDDOR this quarter. TfL has stepped up work to implement additional measures to help reduce customer injuries.

## Customer

### Customer satisfaction score



Customer satisfaction remains stable across the network. The rise in satisfaction for TfL Rail is most likely attributable to the summer holidays, which improved seat availability and reduced crowding. Fewer customers also reported experiencing a delay.



# Roads

## Transport for London Road Network (TLRN)



### Financial summary

Despite a fall in income, reduced costs have contributed to a 33 per cent reduction in the net operating deficit

Roads (£m)	Q2 YTD 2017/18	Q2 YTD 2016/17	Variance
Passenger income	-	-	0%
Other operating income	143	152	-6%
<b>Total operating income</b>	<b>143</b>	<b>152</b>	<b>-6%</b>
Direct operating cost	(199)	(254)	-22%
Indirect operating cost	(36)	(35)	3%
<b>Net operating deficit</b>	<b>(92)</b>	<b>(137)</b>	<b>-33%</b>
Depreciation and amortisation	(65)	(58)	12%
<b>Net cost of operations before financing</b>	<b>(157)</b>	<b>(195)</b>	<b>-19%</b>
Capital renewals	(47)	(58)	-19%
New capital investment	(42)	(59)	-29%
<b>Total capital expenditure</b>	<b>(89)</b>	<b>(117)</b>	<b>-24%</b>

Roads operating income has reduced as a result of lower congestion charge volume which is 7% lower than previous year. The underlying year on year decline is in line with reductions in central London traffic flows which have reduced on average by five per cent.

Roads operating costs have seen a 22 per cent decrease year-on-year. The main contributors were lower staff costs, largely due to headcount reductions, reduced costs in Road User Charging driven by the poor performance of the contractor which has resulted in service

credits and in the timing of borough-delivered transport schemes which are planned later this year than last.

Capital renewals are lower this year compared with last year largely owing to a combination of efficiency savings resulting from more targeted investment and some rephasing of works until later this year.

New capital investment is also lower this quarter. Last year saw major construction activity on the Cycle Superhighways programme, in particular the first phase of the East-West route.

## Volume analysis

	Q2 YTD 2017/18	Q2 YTD 2016/17	Variance
Congestion Charge volumes (thousands)	7,270	7,834	-7%
Congestion Charge and enforcement income (£m)	107.3	118.9	-10%
Average Congestion Charge including enforcement income (£)	14.77	15.18	-3%
Other enforcement income (£m)	35.7	33.1	8%
Traffic volumes – all London (index)	95.9	95.7	0.2%
Cycling growth in CCZ (%)*	8.4%	2.5%	

\*Cycling data is based on calendar quarters rather than financial quarters ie Q2 is April to June and is the latest available data. It is presented as a percentage change from the previous year.

## Cycling

The latest Central London Cycling metric shows that a daily average of 529,519 kilometres, or an estimated 173,000 journeys, was cycled in the congestion charging zone during Quarter 2 of 2017. This is the highest level of cycling recorded during Quarter 2 in central London since measurement began in 2014.

## Traffic flow

The pan-London traffic flow index stands at 95.91; this is 0.4 per cent above the same quarter last year. In Q2 average traffic speeds for the 12 hours between 07:00 and 19:00 across London increased by 0.1mph, a 0.7 per cent increase compared to Q2 2016/17. Overall, London-wide traffic speeds have decreased compared to previous years.

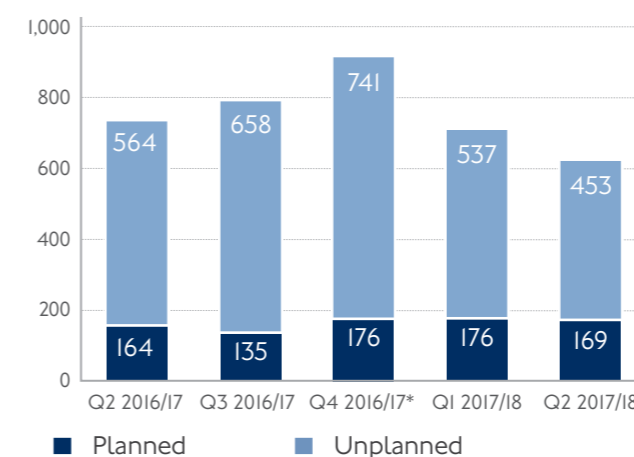
## Traffic flow (volume) year-on-year change



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

## Reliability

### London wide: Serious and Severe disruption (hours)



There was a total of 622 hours of Serious and Severe disruption, spread across 307 events. Planned disruption, at 169 hours, was up compared to the same quarter last year. Unplanned disruption was 111 hours down on last year, with large decreases seen in delays relating to traffic volume and collisions

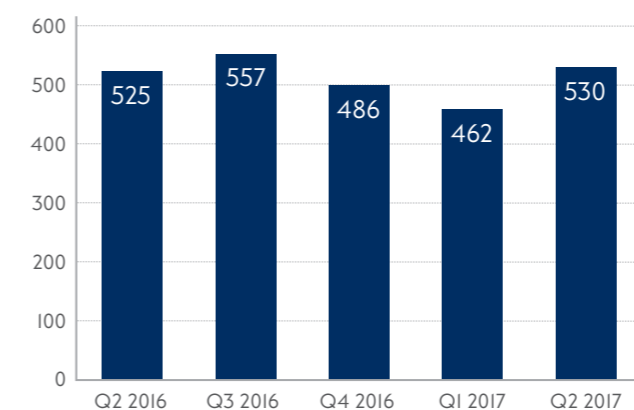
\*Quarter 4 is longer than Quarters 1 to 3 (16 weeks v 12 weeks)

### TLRN resolution time-disruption hours per event



## Healthy Streets

### Central London cycling (thousand kms)

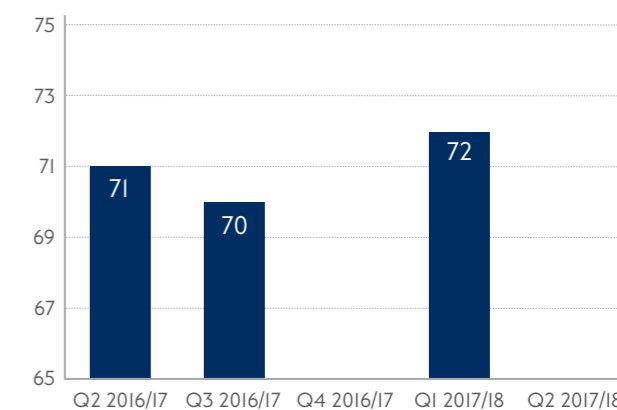


NB: The above data is based on calendar quarters

A daily average of 530km was cycled; this is the highest level of cycling recorded during Q2 since measurement began in 2014. More cyclists are continuing to cycle during the winter months, indicating an increase in 'all-year round' cycling

## Customer

### TLRN user satisfaction score



No survey was conducted this quarter or in Q4 2016/17.

The last survey showed that overall satisfaction is at the highest level for two years.

# Other operations

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



## Financial overview

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

Other (£m)	Q2 YTD 2017/18	Q2 YTD 2016/17	Variance
Passenger income	24	17	41%
Other operating income	50	52	-4%
<b>Total operating income</b>	<b>74</b>	<b>69</b>	<b>7%</b>
Direct operating cost	(85)	(80)	6%
Indirect operating cost	(8)	(7)	14%
<b>Net operating deficit</b>	<b>(19)</b>	<b>(18)</b>	<b>6%</b>
Depreciation and amortisation	(40)	(45)	-11%
<b>Net cost of operations before financing</b>	<b>(59)</b>	<b>(63)</b>	<b>-6%</b>
Capital renewals	(26)	(22)	18%
New capital investment	(28)	(17)	65%
<b>Total capital expenditure</b>	<b>(54)</b>	<b>(39)</b>	<b>38%</b>

Passenger income comprises Oyster write-off and deposit income which is higher than last year, as more cards remain unused

Direct operating costs are higher than this time last year reflecting increased staff costs within TPH following the recruitment of an additional 250 compliance officers to deal with higher volumes of private hire

drivers and vehicles.

Capital investment has increased due to the delivery of the Emission Surcharge project which goes live in October 2017. This project supports the enforcement of vehicles with non-compliant emissions with the aim of improving air quality. Work has also started this year on the construction of the two new replacement Woolwich Ferry vessels.



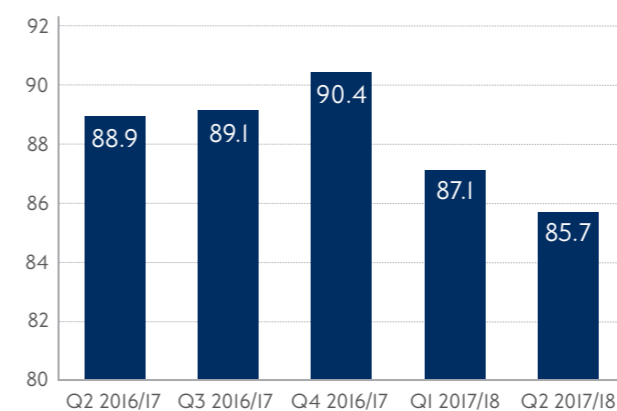
## Volume analysis

	Q2 YTD 2017/18	Q2 YTD 2016/17	Variance
<b>Santander Cycles</b>			
Number of hires (millions)	5.6	5.7	-2%
Average income per hire (£)	1.28	1.25	3%
Operating cost per hire* (£)	(1.56)	(1.49)	5%
Total cost per hire before financing* (£)	(2.36)	(2.27)	4%
<b>Victoria Coach Station</b>			
Number of coach departures (thousands)	113.6	114.1	0%
Average income per departure (£)	36.76	40.31	-9%
Operating cost per departure (£)	(34.49)	(33.00)	4%
Total cost per departure before financing (£)	(35.56)	(33.97)	5%
<b>London River Services</b>			
Number of passenger journeys (millions)	5.9	6.4	-8%
Average income per journey (£)	0.28	0.22	25%
Operating cost per journey (£)	(0.76)	(0.91)	-16%
Total cost per journey before financing (£)	(0.97)	(1.11)	-13%
<b>London Dial-a-Ride</b>			
Number of passenger journeys (thousands)	488.0	558.3	-13%
Total cost per trip before financing (£)	(33.50)	(31.48)	6%
<b>Taxi &amp; Private Hire</b>			
Number of private hire vehicle drivers	116,454	111,731	4%
Taxi drivers	24,160	24,703	-2%
Total income (£m)	11.90	12.20	-2%
Total costs (£m)	(11.60)	(10.60)	9%

\*Costs of Santander Cycles are shown net of sponsorship income

## Reliability

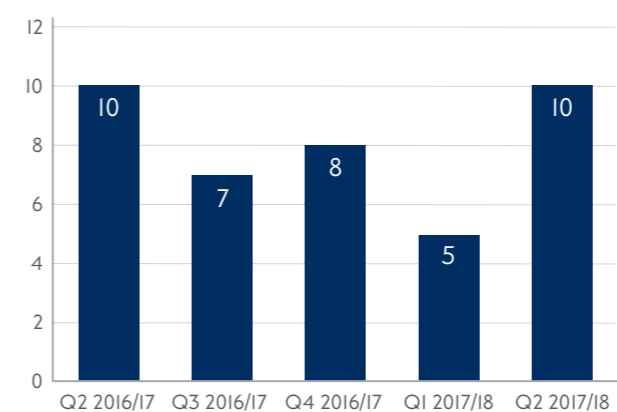
### Dial-a-Ride schedule services operated (%)



Work is being done to adjust driver schedules to increase efficiency with the full implementation across all depots in the New Year. The end of Q2 saw an increase in the number of journey requests met.

## Safety

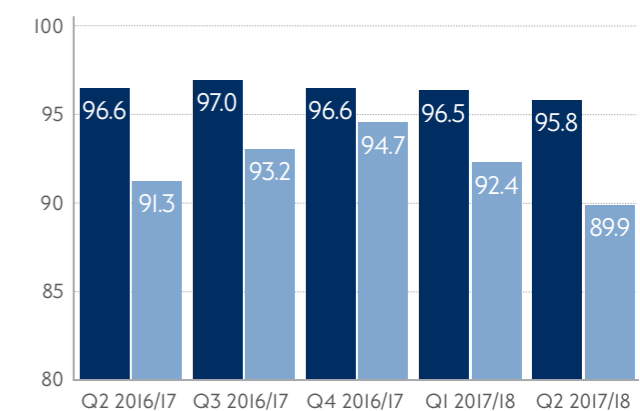
### Customer injuries\* (Dial-a-Ride, Santander Cycles, VCS and LRS)



\*Customers taken to hospital during the quarter

Seven of the injuries this quarter resulted from falls and this aspect is being addressed through a new plan to reduce injuries to customers.

### Cycle hire docking station availability (%)



■ Availability to return a bike  
■ Availability to hire a bike

Following the contract renewal of the Cycle Hire scheme the measurement methodology has changed. Q2 shows consistent performance for ability to return a bike and a slight reduction in the ability to hire bikes

## Customer

### Customer satisfaction

	Q2 CSS
Cycle Hire – Casuals	86*
Cycle Hire – Members	80*
TPH – Taxis	84
TPH – Private Hire	83
Victoria Coach Station	83
London River Services	91
Dial-a-Ride	92

\*Conducted in Q2

Not all surveys are carried out every quarter. The most recent scores are shown in the table.



# Commercial Development

Media, telecoms, property development and commercial property 

## Financial overview

Operating income is above last year reflecting the impact of a new media contract on the Underground.



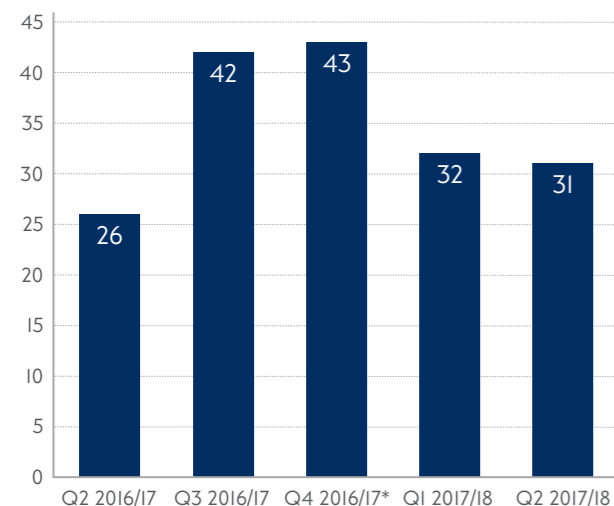
Other (£m)	Q2 YTD 2017/18	Q2 YTD 2016/17	Variance
Passenger income	-	-	0%
Other operating income	106	90	18%
<b>Total operating income</b>	<b>106</b>	<b>90</b>	<b>18%</b>
Direct operating cost	(16)	(18)	-11%
Indirect operating cost	-	-	
<b>Net operating deficit</b>	<b>90</b>	<b>72</b>	<b>25%</b>
Depreciation and amortisation	-	-	
<b>Net cost of operations before financing</b>	<b>90</b>	<b>72</b>	<b>25%</b>
Capital renewals	-	-	
New capital investment	(12)	(4)	200%
Capital receipts	16	1	1500%
<b>Total capital expenditure</b>	<b>4</b>	<b>(3)</b>	<b>-233%</b>

Operating income is higher compared with the same period last year reflecting the change of the media contract from a minimum guarantee basis to a revenue share arrangement and higher property income. Higher revenues from the property portfolio (£2m above the same quarter last year) reflect new lettings, turnover rents and the collection of back-dated rents.

New capital investments are significantly above prior year levels, reflecting the fact that, as part of the new Hello London advertising contract, there is a drive to upgrade the media sites to new technology. This will in turn, generate higher revenues in future years.

Capital receipts in the year to date reflect disposals of property assets surplus to operational requirements.

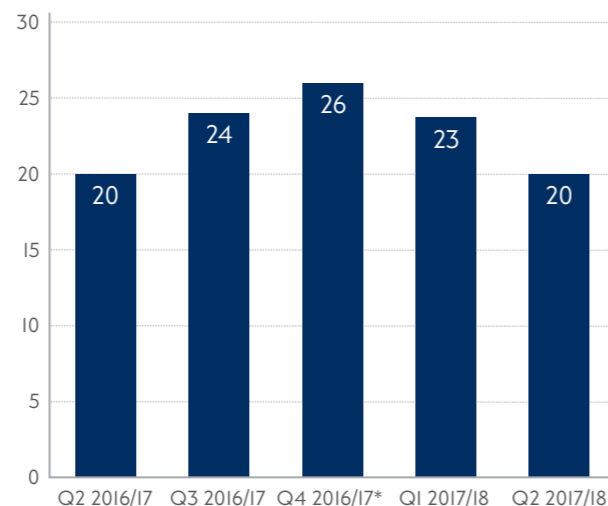
### Media and telecoms income (£m) Quarterly



The bulk of the Media and Telecoms income is derived from advertising, principally advertising on the rail and bus shelter estate. Revenues are up year on year but not at the level assumed in the Budget. This reflects both a challenging advertising market and delays in the deployment of new assets and data. (The increase in Q3 2016/17 reflects both the strong pre-Christmas period and the final overage income for the previous contract, while Q4 income appears higher largely because it is four-weeks longer than the other periods.)

\*Quarter 4 is longer than Quarters 1 to 3 (16 weeks v 12 weeks)

### Property income (£m) Quarterly



Property rental income increased steadily over 2016/17 as new lettings were created and turnover and back-dated rents were collected.

### Activity in the quarter

#### Property development

In Q2 2017/18, we selected BLLQ LLP, a consortium between Barratt London and London & Quadrant, as the preferred bidder to take forward the development of our 1.8 acre site opposite Blackhorse Road in northeast London. We plan to deliver approximately 350 new homes, 50 per cent of which will be affordable. Subject to permissions, work could start on site in 2019.

#### New lettings

So far this year we have completed 26 retail lettings with a combined gross rental value of £1.5m per annum and 10 industrial lettings with a combined gross rental value of £250k per annum. These include new retail units at Liverpool Street (in a former ticket office space) and Southgate.

#### Media activity

In August the first large format underpass advertising screen was installed at Wembley Way, with testing completed and revenue coming in from 4 September.

The first DX3 – the new cross-track projector that allows us to project full size, HD-quality images on London Underground – was successfully installed at Piccadilly Circus. Industry demonstrations have taken place and the response has been very positive. Twenty DX3 screens are due to be installed and marketed by November 2017.

We developed a partnership with Sky for an experiential media and advertising campaign to mark the premiere of Game of Thrones Season 7 in July. The Northern line ticket hall at King's Cross station was the hub of the activity with costumed characters and props alongside themed buskers and announcements.

# Capital investment programme

New capital investment (£m)	Q2 2017/18	Q2 2016/17	Variance
Crossrail	674	757	-11%
Rail enhancements	149	92	62%
Upgrade of Circle, District, Hammersmith & City lines	140	102	37%
Northern line extension	85	76	11%
Station upgrades	69	112	-39%
Roads	42	59	-29%
Commercial Development	12	4	200%
Other capital investment	69	27	150%
<b>Total new capital investment</b>	<b>1,239</b>	<b>1,230</b>	<b>1%</b>

A significant milestone was reached on the Crossrail project with the official completion of the permanent track for the Elizabeth line. With the track fully laid construction trains are now able to travel the full length of both new tunnels from end to end.

Rail enhancements include the new Elizabeth line train fleet, which is being introduced in phases, with eight in service at the end of September.

On the Northern line extension, the southbound tunnel boring machine completed its 2.6km journey from Battersea to Kennington on 26 October. At the Kennington loop, we have completed two large step plate junctions.

On major station upgrades, we have completed four new lifts and two escalators at Bond Street. Tunnelling works at Bank station are well under way and we have started the foundation works for the new ticket hall.

Our signalling supplier has demonstrated that they can fully integrate the new wayside signalling equipment with our new S-Stock trains. This has resulted in the system controlling multiple trains all running in Automatic Train Operation during tests on our first new signalling area.

Four road-over-rail bridge replacements are currently under way. The first half of the new bridge deck was installed at Ardleigh Green Bridge and part of the existing Power Road Bridge (A406) was also demolished on schedule.

Capital renewals (£m)	Q2 2017/18	Q2 2016/17	Variance
Track renewals	68	90	-25%
Roads	47	58	-19%
Other LU	34	121	-72%
LU infrastructure renewals	32	26	25%
LU rolling stock renewals	16	10	66%
Rail infrastructure	11	29	-62%
Other capital renewals	31	31	0%
<b>Total capital renewals</b>	<b>239</b>	<b>365</b>	<b>-35%</b>

LU completed almost 500m of track renewal at Alperton on the Piccadilly line, replacing wooden sleepers with more durable concrete ones. We also waterproofed two bridges in the area to increase their lifespan.

To improve track drainage, increase track life and reduce maintenance on the Metropolitan line, slab track installation was completed in the southbound tunnel from Baker Street to Finchley Road.

Escalator refurbishments were completed at Angel, Chancery Lane, Westminster, Holborn and North Greenwich and three lifts at King's Cross were replaced, enabling step-free access to be returned to customers using the Central, Hammersmith & City and Metropolitan lines ahead of schedule.

In Q2 we completed three bridge refurbishment projects, replaced more than 1,900 square metres of pavement at locations including the A312 Harlington Road East and completed more than 54,000 square metres of road resurfacing.

Other works included the replacement of 105 bus shelters, 22 signalled junctions and more than 200 conventional lights with energy-efficient LEDs.





# Appendices

## I. TfL Group balance sheet

Balance sheet (£m)	16 September 2017	31 March 2017	Variance
Intangible assets	127	140	(13)
Property, plant and equipment	37,856	36,839	1,017
Investment properties	558	558	-
Investment in associate entities	362	368	(6)
Long term derivatives	18	18	-
Long term debtors	27	30	(3)
<b>Non current assets</b>	<b>38,948</b>	<b>37,953</b>	<b>995</b>
Stocks	72	72	-
Short term debtors	879	1,822	(943)
Short term derivatives	14	12	2
Assets held for sale	15	15	-
Cash and short term investments	2,447	1,961	486
<b>Current assets</b>	<b>3,427</b>	<b>3,882</b>	<b>(455)</b>
Short term creditors	(2,142)	(2,146)	4
Short term derivatives	(12)	(4)	(8)
Short term borrowings	(1,046)	(1,106)	60
Short term lease liabilities	(51)	(77)	26
Short term provisions	(197)	(194)	(3)
<b>Current liabilities</b>	<b>(3,448)</b>	<b>(3,527)</b>	<b>79</b>
Long term creditors	(59)	(56)	(3)
Long term borrowings	(9,125)	(8,690)	(435)
Long term lease liabilities	(471)	(488)	17
Long term derivatives	(63)	(79)	16
Other provisions	(55)	(44)	(11)
Pension provision	(5,362)	(5,364)	2
<b>Long term liabilities</b>	<b>(15,135)</b>	<b>(14,721)</b>	<b>(414)</b>
<b>Total net assets</b>	<b>23,792</b>	<b>23,587</b>	<b>205</b>
<b>Capital and reserves</b>			
Usable reserves	2,146	1,861	285
Unusable reserves	21,646	21,726	(80)
<b>Total capital employed</b>	<b>23,792</b>	<b>23,587</b>	<b>205</b>

## 2. Headcount

### Full Time Equivalents (FTEs) including Non-Permanent Labour (NPL)

	31 March 2017 Actual	YTD Net (leavers)/joiners	End of Q2 Actual
Underground	20,121	(370)	19,752
Rail	465	30	495
Buses	786	(140)	646
Roads	1,860	(104)	1,755
Other operations	1,370	28	1,399
Professional services*	3,606	427	4,032
Commercial Development	179	6	184
Crossrail	803	(48)	755
<b>Total</b>	<b>29,189</b>	<b>(171)</b>	<b>29,018</b>

Headcount levels are down by 171 in the year, a result of continued recruitment controls, reduced usage of non-permanent labour and the transformation programme.

Since the end of Quarter I, however, headcount levels have increased by 202, partly driven by the campaign to recruit an additional 325 station staff, following last year's station review.

LU headcount has reduced by 370 since the end of last year. Over 500 staff have transferred from local commercial and

finance areas to central professional services. This is offset by the recruitment of stations staff and capital programmes apprentices.

The increase of 427 in Professional services since the start of year is a result of 660 staff transferring in from other areas of the business. This is offset by 193 leavers across the Finance and Tech and Data Transformation work streams.

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

## Non Permanent Labour (NPL)

The last quarter has seen a small increase in the overall use of NPL across TfL, due to a number of positions needing to be filled on a short-term basis while further recruitment under the new organisational structure takes place. We also need to make use of some specialist temporary

workers in highly competitive, scarce skills fields. These resources, recruited through specialist agencies, are essential to ensure that we have qualified people with the right skills to deliver our multibillion pound investment programme.

### Non Permanent Labour (NPL)

Date	Number of NPL	Weekly Cost (£)	Reduction since December 2015	
			Number of NPL	Weekly saving (£)
15 December 2015	3,092	5,249,002		
10 December 2016	2,256	3,628,689	(836)	1,620,313
31 March 2017	1,742	2,544,009	(1,350)	2,704,993
24 June 2017	1,517	2,181,215	(1,575)	3,067,787
16 September 2017	1,548	2,174,087	(1,544)	3,074,915

The above table shows the cost reduction made from actions taken to reduce NPL costs. The weekly cost assumes seven hours a day and five days a week worked.

### NPL by length of service

Length of service	31 March 2017 Actual	YTD net (leavers)/joiners	End of Q2 Actual
0-6 months	356	137	493
6-12 months	191	41	232
1-2 years	563	(257)	306
2-3 years	248	(29)	219
3-5 years	238	(49)	189
5+ years	146	(37)	109
<b>Total</b>	<b>1,742</b>	<b>(194)</b>	<b>1,548</b>

There remains a large number of non-permanent contractors who have been working at TfL for more than two years. Many of these are working on large construction projects, but we continue to seek to reduce reliance on these resources to the extent that is possible.

# Glossary

Measure	Unit	Description
Calls answered	%	The percentage of customer calls that are not answered. The target is to keep this below 15 per cent.
Capital renewals		Capital renewals are required to keep our capital assets – stations, track, buses, roads, trains – in a good state of repair. We need to maintain a level of capital renewals for business as usual. Our capital renewals programme replaces current assets with newer, more reliable ones, providing a better service to the customer and reducing maintenance costs.
Correspondence service level agreement	%	<p>The percentage of correspondence we close within agreed response rates from the date it is received from the customer.</p> <p>Agreed response rates differ between functions – three working days for fast resolution teams, five working days for the refunds team and 10 working days for the investigations teams. The target is 80 per cent.</p>
Customer satisfaction	Score	<p>One of our most important performance measures is customer satisfaction; this helps us understand what the people who use our services really think.</p> <p>An independent research company interviews around 10,000 customers every year, as they complete their trip. They are asked to make an 'overall evaluation' of their journey experience, by giving a score out of 10. We take the average of everybody's scores and multiply it by 10, to give a final result out of 100.</p>

Measure	Unit	Description
London Buses - bus validation overall availability	%	The percentage availability of readers (for validation 'touching in') on London Buses.
London Buses: excess wait time (EWT)	Minutes	<p>Excess wait time (EWT) represents the amount of time that a passenger has had to wait in excess of the time that they should expect to wait if buses ran as scheduled.</p> <p>EWT is the key measure of reliability of high-frequency bus services as experienced by passengers and is also used to calculate operator performance bonuses or penalties.</p>
London Overground and TfL Rail: public performance measure (PPM)	%	<p>The public performance measure (PPM) shows the percentage of trains which arrive at their destination on time.</p> <p>The PPM combines figures for punctuality and reliability into a single performance measure. It is the rail industry standard measurement of performance.</p> <p>PPM measures the performance of individual trains advertised as passenger services against their planned timetable as agreed between the operator and Network Rail at 22:00 the night before. PPM is therefore the percentage of trains 'on time' compared with the total number of trains planned.</p> <p>In London and the South East, a train is defined as on time if it arrives at the destination within five minutes (four minutes, 59 seconds or less) of the planned arrival time.</p> <p>Where a train fails to run its entire planned route, (not calling at all timetabled stations), it will count as a PPM failure.</p>

Measure	Unit	Description
London Underground and London Rail RIDDOR reportable customer injuries	Major injuries	<p>The number of serious injuries to customers, employees and contractors using or working on London Underground and London Rail.</p> <p>A major injury is one classified as 'major' under schedule I of RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations). Injuries arising from criminal acts, alleged suicide attempts, and medical conditions are excluded.</p>
London Underground: lost customer hours (LCH)	Hours	<p>The total extra journey time, measured in hours, experienced by Underground customers as a result of all service disruptions with durations of two minutes or more. A delay at a busy location or during peak hours results in more 'lost customer hours' because more customers are affected.</p> <p>For example, an incident at Oxford Circus during a Monday to Friday peak results in a much higher number of lost customer hours than an incident of the same length in Zone 6 on a Sunday morning.</p> <p>As we review incidents, we may need to change LCH figures retrospectively.</p>

Measure	Unit	Description
London Underground: excess journey time (EJT)	Perceived minutes	<p>Journey time is a way of measuring London Underground's service performance. We break down journeys into stages and give each one:</p> <ul style="list-style-type: none"> <li>• A scheduled length of time, so we can say how long a given journey should take if everything goes as planned</li> <li>• A value of time (VOT) based on how customers feel about that bit of the journey, for example going up an escalator has a VOT of 1.5, whereas walking up stairs has a VOT of four, because it makes the perceived journey time longer</li> </ul> <p>These are the stages of a journey:</p> <ul style="list-style-type: none"> <li>• Time from station entrance to platform</li> <li>• Ticket queuing and purchase time</li> <li>• Platform wait time</li> <li>• On-train time</li> <li>• Platform to platform interchange</li> <li>• Time from platform to station exit</li> </ul> <p>In each period, actual journey times are measured and then compared with the schedule. The difference between the two is the measure of lateness – referred to as excess journey time (EJT). EJT is therefore a measure of how efficiently LU is providing its scheduled or 'stated' service: the more reliable the service the lower the EJT. The calculation includes the impact of planned closures.</p>
London Underground – ticketing system overall availability	%	The percentage availability of revenue collection equipment on London Underground stations, London Overground stations (where gated) and TfL operated Visitor Centres.
Mystery Shopper quality assessment scores	%	The percentage quality score our agents receive for their customer service. This combines scores from correspondence and telephony. The target is 85 per cent.



Measure	Unit	Description
New capital investment	£	New capital investment provides an entirely new service, or provides a significant enhancement of existing services. This investment helps grow the business, providing more volume and capacity.
Passenger journeys	Number	A single journey by an individual (adult or child) on a particular mode of transport run by TfL.
Recorded crime rate	Per million passenger journeys	The number of recorded (or notifiable) crimes per million passenger journeys on the appropriate network.
Scheduled services operated	%	The number of services that TfL actually operated, compared with the scheduled plan – comparing peak and off-peak times. Peak times are 07.00 – 10.00 and 16.00 – 19.00 Monday – Friday. This helps us check whether the service we operate at the busiest times of day is as good as during quieter periods.
TLRN: journey time reliability (morning peak)	%	The key measure for monitoring traffic flow is journey time reliability (JTR). It is defined as the percentage of journeys completed within an allowable excess of five minutes for a standard 30-minute journey during the morning peak.
TLRN user satisfaction score	Score	<p>A score out of 100 of how satisfied customers are with their journey on the TLRN in the past month. Each customer rates their journey on a scale of 0-10, which is then multiplied by 10 to give a score out of 100. This includes journeys by car, walking between transport modes, cycling, bus, powered two-wheeler (P2W), and taxi and private hire vehicles.</p> <p>TLRN CSS is conducted online, it is estimated if it were conducted face-to-face (like other TfL CSSs) the score would be higher by between five and 10 points.</p> <p>From 2010 to Q4 2015 scores had been artificially inflated, as a follow-up question was used inappropriately. From Q1 2016 we removed this question.</p>

Measure	Unit	Description
TLRN: serious and severe disruption	Hours	The KPI measures the numbers of hours of serious and severe disruption on the Transport for London Road Network (TLRN) as a result of planned and unplanned interventions.

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