

# Transport for London finance report

Period 6 2018/19

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 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 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 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.

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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 2018 was published in July 2018.

All figures within the financial tables have been rounded to the nearest million.

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## Management results

# Operating account

Period 6 year to date – 01 April to 15 September 2018

(£m)	Year to date				Year on year		
	Actuals	Budget	Variance to budget	% variance to budget	2017/18 actuals	Variance	% variance
Passenger income	2,171	2,157	14	1%	2,133	38	2%
Other operating income	368	365	3	1%	322	46	14%
<b>Total operating income</b>	<b>2,539</b>	<b>2,522</b>	<b>17</b>	<b>1%</b>	<b>2,455</b>	<b>84</b>	<b>3%</b>
General grant	-	-	-	0%	105	(105)	-100%
Business rates retention	417	417	-	0%	376	41	11%
Other revenue grants	29	38	(9)	-24%	26	3	12%
<b>Total income</b>	<b>2,985</b>	<b>2,977</b>	<b>8</b>	<b>0%</b>	<b>2,962</b>	<b>23</b>	<b>1%</b>
Operating costs	(2,815)	(2,928)	113	-4%	(2,752)	(63)	2%
<b>Net operating surplus</b>	<b>170</b>	<b>49</b>	<b>121</b>	<b>247%</b>	<b>210</b>	<b>(40)</b>	<b>-19%</b>
Capital renewals	(179)	(230)	51	-22%	(233)	54	-23%
<b>Net cost of operations before financing</b>	<b>(9)</b>	<b>(181)</b>	<b>172</b>	<b>-95%</b>	<b>(23)</b>	<b>14</b>	<b>-61%</b>
Net financing costs	(205)	(216)	11	-5%	(194)	(11)	6%
<b>Net cost of operations</b>	<b>(214)</b>	<b>(397)</b>	<b>183</b>	<b>-46%</b>	<b>(217)</b>	<b>3</b>	<b>-1%</b>

**Year-to-date net operating surplus is £121m better than budget and the net cost of operations is £183m better**

- Passenger income is £14m above budget and £38m above last year. This reflects a small improvement in London Underground customer demand, while there has been a reduction in Buses off-peak travel
- Operating costs are £113m below budget, there are underlying cost savings of £64m and timing differences account for a further £49m, with the spend forecast to be incurred at a later date

# Passenger journeys

Year to date

1,812m total journeys    1,825m budget    1,829m prior year



London Underground

620m

1.2%▲  
budget

0.2%▲  
prior year



Buses

1,013m

1.9%▼  
budget

1.9%▼  
prior year



DLR

56m

1.7%▼  
budget

0.7%▼  
prior year



London Overground

86m

1.4%▼  
budget

1.3%▼  
prior year



London Trams

13m

2.4%▼  
budget

0.6%▼  
prior year



TfL Rail

24m

3.9%▲  
budget

16.4%▲  
prior year

# Capital account

	Year to date				Year on year		
	Actuals	Budget	Variance to budget	% variance to budget	2017/18 actuals	Variance	% variance
<b>(£m)</b>							
New capital investment	(689)	(822)	133	-16%	(571)	(118)	21%
Crossrail	(669)	(370)	(299)	81%	(674)	5	-1%
<b>Total capital expenditure</b>	<b>(1,358)</b>	<b>(1,192)</b>	<b>(166)</b>	<b>14%</b>	<b>(1,245)</b>	<b>(113)</b>	<b>9%</b>
Financed by:							
Investment grant	429	429	-	0%	422	7	2%
Third-party contributions	18	22	(4)	-18%	38	(20)	-53%
Property and asset receipts	1	16	(15)	-94%	16	(15)	-94%
Borrowing	335	857	(522)	-61%	376	(41)	-11%
Crossrail funding sources	66	166	(100)	-60%	61	5	8%
Other capital grants	78	96	(18)	-19%	88	(10)	-11%
<b>Total</b>	<b>927</b>	<b>1,586</b>	<b>(659)</b>	<b>-42%</b>	<b>1,001</b>	<b>(74)</b>	<b>-7%</b>
<b>Net capital account</b>	<b>(431)</b>	<b>394</b>	<b>(825)</b>	<b>-209%</b>	<b>(244)</b>	<b>(187)</b>	<b>77%</b>

# Cash

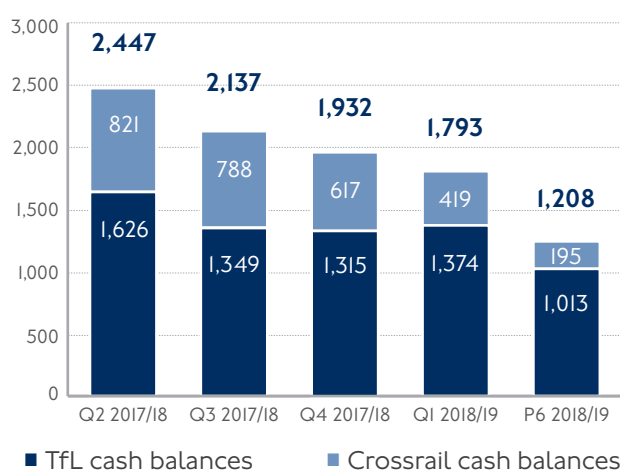
## Cash flow summary

(£m)	Year to date			
	Actuals	Budget	Variance	% variance
Net cost of operations	(214)	(397)	183	-46%
Net capital account	(431)	394	(825)	-209%
Working capital movements	(79)	(271)	192	-71%
<b>Decrease in cash balances</b>	<b>(724)</b>	<b>(274)</b>	<b>(450)</b>	

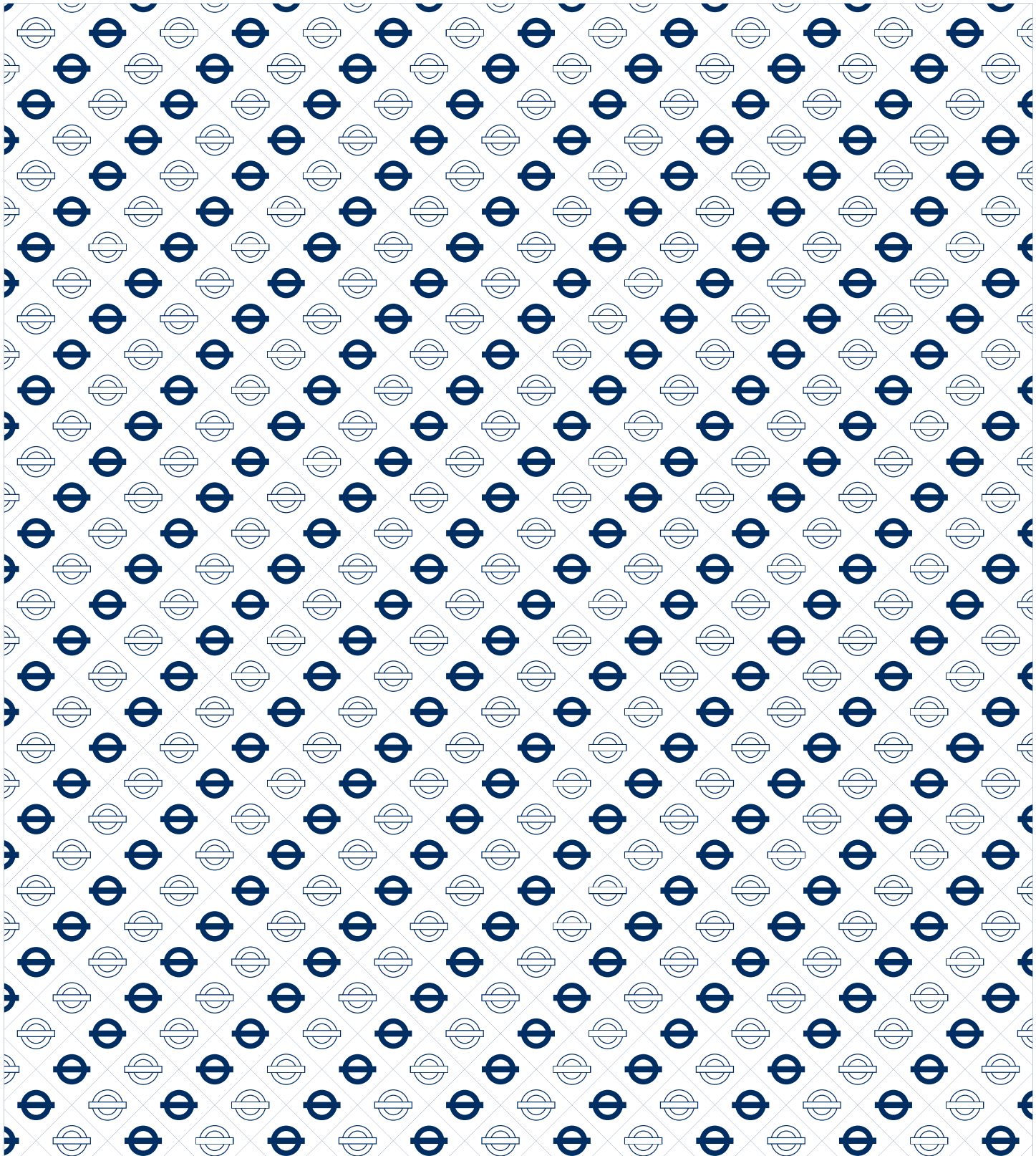
## Cash balances

(£m)	2018/19 opening cash	YTD movement	Period 6 closing cash	Budget closing cash	Variance to budget
TfL cash balances	1,315	(302)	1,013	1,295	(282)
Crossrail cash balances	617	(422)	195	363	(168)
<b>Total</b>	<b>1,932</b>	<b>(724)</b>	<b>1,208</b>	<b>1,658</b>	<b>(450)</b>

## Cash balances (£m)



- Cash balances are £1,208m - £724m lower than at the start of the year
- The decrease in cash balances against budget is a result of planned borrowings being drawn down later than expected



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October 2018  
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