Transport for London

Operational and Financial Performance Report

Second Quarter 2013/14

Operational and Financial Performance Report - Second Quarter, 2013/14

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Key

Financial tables

▲	Financial variance is positive: e.g. less expenditure or higher income than Budget/ forecast
▼	Financial variance is negative by less than 5%: e.g. more expenditure or less income than Budget/ forecast
▼	Financial variance is negative by more than 5%: e.g. more expenditure or less income than Budget/ forecast

Delivery and customer operational performance tables

▲/▼	Performance is better than target. A number of Key Performance Indicators (KPIs) are better when lower: e.g. Lost Customer Hours, Excess Journey Time
▼/▲	Performance is worse than target by less than 5%. A number of Key Performance Indicators (KPIs) are better when lower: e.g. Lost Customer Hours, Excess Journey Time
▼/▲	Performance is worse than target by more than 5%. A number of Key Performance Indicators (KPIs) are better when lower: e.g. Lost Customer Hours, Excess Journey Time

All tables are subject to rounding

Operational and Financial Performance Report – Second Quarter, 2013/14
Quarter 2 (Periods 4-6), 23 June 2013 – 14 September 2013

Executive summary

Delivery

Reliability

Reliability	Quarter 2	Variance to Target
LU: lost customer hours	4.9	-0.8 ▼
LU: excess journey time	4.82	-0.49 ▼
Buses: excess wait time	0.9	-0.1 ▼
DLR on-time performance	99.4	2.4 ▲
London Overground PPM	96.2	2.0 ▲
TLRN reliability	90.3	0.0 ▶

Reliability levels continued to improve across most transport modes during Quarter 2: London Underground lost customer hours are down 0.8 million against target and is set to reach the Mayor's targeted 30 per cent reduction by 2015; LU excess journey time was also better than target by almost half a minute; DLR on-time was 2.4 points above target, slightly below the record high of 99.5 per cent achieved in Quarter 1. London Overground reliability was 2.0 points better than target. Bus excess wait time was 0.1 points better than target and the same quarter last year.

Value

Financial summary

£m	Year to date	Variance to Budget	Full year variance to Budget
Fares income	1,835	4 ▲	16 ▲
Other income	292	12 ▲	-16 ▼
Operating expenditure	-2,579	57 ▲	-34 ▼
Group Items	-151	24 ▲	38 ▲
Net capital expenditure	-631	159 ▲	169 ▲
Crossrail expenditure	-806	-44 ▼	-142 ▼
Financed by:			
DfT grants	931	2 ▲	4 ▲
GLA precept	2	0 ▶	0 ▶
Business rates retention	387	16 ▲	0 ▶
Other grants	11	0 ▶	116 ▲
Crossrail funding sources	978	-1 ▼	0 ▶
Working capital	-112	32 ▲	97 ▲
Net borrowing	507	174 ▲	27 ▲
Cash and reserve movements	660	434 ▲	275 ▲

Fares income was £4m higher than Budget in the year to date, with both London Overground and buses ahead of Budget, offsetting the slight downside on London Underground. Despite an upside in passenger numbers on the Tube, this has not resulted in higher than expected fares income; forecast yield is down against Budget as passengers choose to make better use of travel cards. Bus fares income is up in Quarter 2, although total passenger journeys are slightly under Budget. The fares income upside is partly driven by higher numbers of fare-paying passengers. The latest full-year forecast is up £16m against Budget, from higher fares income on London Overground and buses, partly offset by a downside of £16m in London Underground.

Operating expenditure (net of third-party contributions) was £57m lower than Budget in the year to date, from a combination of rephasing of London Underground infrastructure and London Highways Alliance Contracts (LoHAC) expenditure to later this year, and Barclays Cycle Superhighways costs to future years. Over the full year, operating expenditure is forecast to be £34m over Budget. The single largest driver of this is the transfer of the Bus Services Operators' Grant (BSOG) payments of £46m from Group items, which has no net effect on TfL's financial position.

In the year to date, net capital expenditure (excluding Crossrail) is £159m under Budget. This is driven by unutilised risk on the Victoria Line upgrade, some delays and rephasing on the Sub-Surface Railway (SSR) upgrade, the early commercial settlement for the East London Line (which was accelerated into 2012/13 after the Budget was approved) and in-year rephasing on the Barclays Cycle Hire Expansion and Intensification scheme.

Over the full-year, net capital expenditure is forecast to be £169m under Budget, from rephasing of commercial property costs, roads structures and tunnels expenditure, and Barclays Cycle Superhighways to future years. Property sales are £12m under Budget in the year to date, following local planning consent delays, but are now forecast to be £7m up in the full year.

Crossrail capital expenditure in the year to date is £44m over Budget from a combination of accelerated tunnelling and property acquisition costs. These overspends have no material impact on Crossrail's project costs, which will be delivered to time and within budget.

Cash balances

£m	Year to date	Variance to Budget	Full year variance to Budget
Crossrail SFA	1,769	39 ▲	-55 ▼
Other TfL	2,781	395 ▲	330 ▲
Closing cash	**4,550**	**434 ▲**	**275 ▲**

Total TfL cash (including funds ring fenced for the Crossrail project) has increased by £660m in the year to date, which is £434m more than budgeted. This is driven by the rephasing of capital expenditure to later in the year and by timing differences for borrowing, which are expected to reverse over the year. Cash is forecast to be £275m over Budget at the end of 2013/14.

Over the following years, TfL will use its cash balances (while maintaining a prudent minimum) to fund the investment outlined in TfL's Business Plan. TfL is in the process of updating its long-term business plan, taking into account the reduction in government grants from 2015/16 announced in the 2013 Spending Review.

Efficiencies

£m	Year to date	Variance to Budget	Full year variance to Budget
Efficiencies	96	28 ▲	48 ▲

At the time of publishing last year's Business Plan, TfL had secured a total of £9.8bn of savings up until 2017/18. TfL aims to secure a further £4.2bn of savings up to 2020/21, of which £137m of these are in 2013/14. In the year to date £96m have already been secured. Over the full year, TfL forecasts that £185m of savings will be secured, £48m more than Budget.

Customer

Passenger journeys

Million	Quarter 2	Variance to Target
London Underground	285.4	9.8 ▲
London Buses	533	-7 ▼
DLR	22.7	0.0 ▶
London Overground	32.3	3.1 ▲
Tramlink	6.8	-0.5 ▼
Emirates Air Line	0.5	0.0 ▶

Passenger journeys are ahead of Budget on London Underground and London Overground, the latter seeing significant increases in ridership since the opening of the new South London Line in late 2012. Underground passenger journeys show underlying year-on-year growth of almost four per cent. However, above target increases in passenger journeys have not resulted in an upside against expected income, as passengers appear to be making better use of travel cards. In Quarter 2, passenger journeys are one per cent under target on buses and are forecast to broadly in line with Budget over the full year. Additional numbers of fare-paying passengers has resulted in a slight upside in bus income in the Quarter.

Cycling index	Quarter 2	Variance to Target
Cycling levels on TLRN*	317	-19 ▼

Cycling numbers are under target in Quarter 2, with this forecast to continue over the full year. However, long-term cycle use remains high and is forecast to increase further with the implementation of the Mayor's Vision for Cycling.

Customer satisfaction and complaints

CSS score	Quarter 2	Variance to Target
London Underground	82	1 ▲
London Buses	83	1 ▲
DLR	88	6 ▲
London Overground	83	3 ▲
Tramlink	89	3 ▲
Emirates Air Line	93	8 ▲
Dial-a-Ride	92	0 ▶

Customer satisfaction is above target across all transport modes except Dial-a-Ride and Congestion Charge, which both equalled target in Quarter 2. DLR is six points better than target and London Overground three points above, both equalling their highest ever scores. London Underground customer satisfaction is one point over target for the quarter, dropping one point from last quarter and two from its peak in Quarter 4 2012/13. Bus satisfaction scores are also one point over target. Satisfaction levels are also high on the Emirates Air Line, running eight points ahead of target, and on the DLR which exceeds the Quarter 1 target by four points.

* Cycling levels on the Transport for London Road Network (TLRN), indexed at 100 in March 2000

Complaints per 100,000 journeys	Quarter 2	Variance to last year
London Underground	1.06	0.02 ▲
London Buses	2.36	0.06 ▲
DLR	3.37	1.03 ▲
London Overground	2.44	-0.32 ▼
Tramlink	2.40	-0.33 ▼
Congestion Charge	15.05	0.61 ▲
Barclays Cycle Hire	5.72	2.88 ▲
Dial-a-Ride †	118.89	-5.76 ▼

Customer complaints show a mixed pattern over the Quarter. The major movements show a decline on Dial-a-Ride complaints compared to the same period last year. The largest increase was in Cycle Hire, and reflects complaints regarding clarity of the tariff. Nevertheless, this issue accounted for only 26 total complaints over the full quarter. In response, TfL has improved the clarity of information at docking stations.

Safety and security

Recorded crime ‡	Quarter 2	Variance to Target
LU and DLR	8.8	0.0 ►
London Buses	8.1	-0.7 ▼

LU and DLR crime per million passenger journeys in Quarter 2 was in line with target and improved from last year. Additional measures put in place by the British Transport Police (BTP) are proving successful in combating crime. Crime levels on buses are down 0.7 points against both target and the same quarter last year. Over the full year, bus crime levels are now forecast to be 0.8 points lower than target and the previous year.

Safety	Quarter 2	Variance to Target
Cumulative reduction in killed and seriously injured§	38.2	20.8 ▲

The number of people killed and seriously injured (KSI) was 20.8 points better than target, and 6.0 points down from the same quarter last year. The full year forecast of a 27.3 per cent reduction means TfL is on track to meet its long-term target of a 40 per cent reduction in KSIs by 2020.

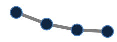
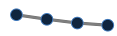
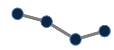
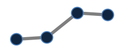
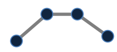
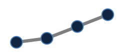
People

FTE	Quarter 2	Variance to Budget
London Underground	21,091	-39 ▲
London Rail	209	18 ▲
Surface Transport	3,221	-154 ▲
Corporate	3,400	165 ▲
Crossrail	865	-52 ▲
Total TfL	**28,786**	**-61 ▲**

TfL employed 28,786 full-time equivalent (FTE) staff (excluding those on maternity leave) at the end of Quarter 2, 61 fewer than Budget. This is largely due to vacancies across London Underground and Surface Transport, partly offset by increases in project IM roles within the Corporate directorates. Over the course of the year this position is expected to reverse as TfL increases its numbers of project staff to work on the Northern Line Extension, London Overground Capacity Improvement Programme and further IM enhancement work.

† Per 100,000 journey requests
‡ Recorded crime per million passenger journeys
§ Cumulative percentage reduction from a baseline of the 2005-2009 average

Reliability

Performance indicator	Unit	Quarter 2, 2013/14			Full year 2013/14			
		Actual	Variance to target	Variance to last year	Quarter 2 Forecast	Variance to target	Variance to last year	2010 – 2014
▼ *lower is better*								
London Underground: total lost customer hours	Millions of hours	4.9	-0.8 ▼	-0.4	21.4	-3.6 ▼	-1.5	
London Underground: excess journey time	Minutes	4.82	-0.49 ▼	-0.19	4.95	-0.73 ▼	-0.32	
London Buses: excess wait time	Minutes	0.9	-0.1 ▼	-0.1	1.0	0.0 ▶	0.0	
TLRN: serious and severe disruption	Hours	423	n/a	-177	2030	0.0 ▶	n/a	
▲ *higher is better*								
DLR: on-time performance	%	99.4	2.4 ▲	0.4	98.7	1.7 ▲	-0.1	
London Overground: public performance measure	%	96.2	2.0 ▲	-0.5	95.2	1.0 ▲	-1.4	
Emirates Air Line: availability	%	99.5	3.3 ▲	0.9	95.5	-0.7 ▲	1.6	
TLRN: journey time reliability (AM peak) **	%	90.3	0.0 ▶	n/a	89.5	0.0 ▶	0.3	

1.1 London Underground and London Rail both achieved unprecedented levels of service and performance during the 2012 Games which was reflected in the exceptional full-year performance results in 2012/13. At the time of setting the 2013/14 TfL Budget, it was expected that there would be a slight lowering of performance levels following the exceptional circumstances of 2012/13. Performance results since the Budget indicate this has not been the case and the high levels of operational performance seen during 2012/13 continue into 2013/14 as TfL embeds the legacy of the 2012 Games.

1.2 London Underground Lost Customer Hours (LCH), at 4.9 million, is 0.8 million lower than budget in the Quarter, but 0.4 million worse than Quarter 2 last year. Since Quarter 1, there has been a slight dip in performance; there is now an emphasis on understanding the key drivers to ensure that either a tactical line or project solution is in place to address each root cause. A 'Hit-Squad' approach has also been initiated and deployed on every line, to re-examine modes of failure, repair and identify any further corrective work. Based on the current reliability plan, with adjustments for seasonal factors, full-year performance is forecast to outperform budget by 3.6 million LCH. London

** Due to the 2012 Games, data was not available in Quarter 2 2012/13 for this measure. It was temporarily replaced with the 'Operational Games Performance - TLRN JTR (AM peak) during the 2012 Games' which at 90 per cent exceeded the target of 75 per cent.

Underground continues to implement this programme to meet the Mayor's commitment to reduce delays by 30 per cent by 2015.

1.3 London Underground excess journey time averaged 4.82 minutes over Quarter 2; this was almost half a minute better than budget and 0.19 minutes better than Quarter 2 last year. All elements of journey time – trains, stations and closures – improved on the previous quarter. The latest full-year forecast is 0.73 per cent ahead of target at 4.95 minutes. This is based on current performance trends, adjusted for the expected seasonal demand rise in the second half of the year.

1.4 Excess wait time on buses was better than target and the same quarter last year. The enhanced service control facilities available to Bus Operators through iBus have helped maintain the high levels of reliability achieved in previous quarters.

1.5 Serious and severe disruption on the TfL Road Network (TLRN) for Quarter 2 was 177 hours better than the same quarter last year. However, it should be noted that Quarter 2 of 2012/13 included the 2012 Games and its associated changes to operations when large parts of the TLRN were transformed to be either Olympic Route Network (ORN) or Paralympic Route Network (PRN).

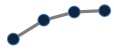
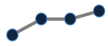
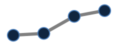
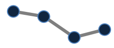
1.6 DLR on-time performance in the quarter was above budget for all routes, resulting in a performance of 99.4 per cent, 2.4 per cent better than target. In Quarter 2, the DLR saw record results in its Departures Moving Annual Average, reaching 99.0 per cent.

1.7 London Overground Public Performance Measure (PPM) of 96.2 per cent was down by 0.6 per cent against Quarter 1 and down 0.5 per cent against the same quarter of last year; performance remains 2.0 per cent better than target. Full-year performance is expected to be 1.0 per cent better than target at 95.2 per cent.

1.8 Emirates Air Line (EAL) availability was 99.5 per cent in Quarter 2, exceeding target by 3.3 per cent and was 0.9 per cent higher than last year. High winds and closures requested by the Port of London Authority (to allow large vessels to pass underneath) accounted for the downtime. The expected full-year position is an availability of 95.5 per cent, based on current performance and adjustments anticipating poor weather conditions during winter.

1.9 The TLRN Journey Time Reliability (JTR) results for Quarter 2 were on target, reflecting better JTR for Period 6 offset by very slight decreases from target for Periods 4 and 5. Both Period 4 and 5 contained days where network conditions particularly affected JTR outcomes. Period 6 was characterised by having no significant incidents of greater than 5 hours that affected the TLRN during the AM peak. Individual corridor managers continuously work on improvements that they can influence, including: recommendations on the timing and location of traffic management measures; modifications to signal timings; and continued work with other agencies and stakeholders to improve JTR outcomes.

Scheduled services operated

Per cent	Quarter 2, 2013/14			Full year 2013/14			
	Actual	Variance to target	Variance to last year	Quarter 2 Forecast	Variance to target	Variance to last year	2010 – 2014
▲ *higher is better*							
London Underground	98.0	0.8 ▲	-0.2	97.7	0.5 ▲	0.1	
London Buses	98.0	0.2 ▲	0.3	97.7	0.1 ▲	0.1	
DLR	99.4	1.4 ▲	0.7	98.8	0.8 ▲	0.3	
London Tramlink	98.8	0.8 ▲	0.1	98.5	0.5 ▲	0.6	

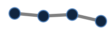
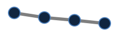
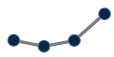
2.1 London Underground network percentage of scheduled kilometres remained 98.0 per cent from Quarter 1 to Quarter 2. This was was 0.8 per cent better than target, but 0.2 per cent down from Quarter 2 of last year, when services were enhanced for the 2012 Games. Full-year performance is now forecast to be 0.5 per cent ahead of target, with 97.7 per cent of scheduled services operated.

2.2 Bus scheduled services operated were better than target mostly due to a reduction in mileage losses caused by traffic delays. This was achieved despite serious disruption caused by the closure of Notting Hill Gate for water main repairs, events in Regent Street (including road works and the Summer Streets events), together with the Ride London cycling event on 4 August. London Buses continues to work with the bus operators to improve control of services during periods of disruption from road works, including introduction of more resilient schedules where necessary.

2.3 DLR Quarter 2 performance, at 99.4 per cent, equalled that of Quarter 1 and beat Quarter 2 of last year by 0.7 per cent. This is the fifth consecutive quarter where scheduled services have been above 98 per cent. In January 2014, a new timetable will come into operation, with a more frequent train service, resulting in fewer options to recover full service after failures. Consequently, the per cent of scheduled services operated is expected to dip, which is reflected in the full-year forecast of 98.8 percent.

2.4 Trams scheduled kilometres operated was 98.8 per cent this Quarter which is 0.8 per cent better than target and 0.1 per cent better than Quarter 2 last year. The end of the quarter was impacted by poor availability of rolling stock which was compounded by a major power failure between Sandilands and Woodside and a car on the track near Addington Village.

Safety and security

Performance indicator	Unit	Quarter 2, 2013/14			Full year 2013/14			
		Actual	Variance to target	Variance to last year	Quarter 2 Forecast	Variance to target	Variance to last year	2010 – 2014
▼ *lower is better*								
LU and DLR recorded crime *+	Million passenger journeys	8.8	0.0 ▶	-0.9	8.6	0.0 ▶	-1.0	
London Buses: recorded crime ††*+	Million passenger journeys	8.1	-0.7 ▼	-0.7	7.8	-0.8 ▼	-0.8	
LU and LR Major Injury Frequency Rate	Major injuries/ m hours	0.33	0.06 ▲	0.10	0.27	0.0 ▶	0.02	-
▲ *higher is better*								
Cumulative reduction in KSI Londonwide ‡‡	%	38.2	20.8 ▲	24.5	27.3	6.0 ▲	10.4	
Vehicles operated by FORS accredited companies §§	No.	126,326	6,326 ▲	-	162,300	0.0 ▶	67,101	-

3.1 The rate of crime per million passenger journeys on the LU and DLR networks in Quarter 2 of 2013/14 was in line with target and an improvement of 9.3 per cent on the same period last year.

3.2 In Quarter 2 crime on the LU and DLR network was 7.4 per cent lower than the same period last year, with 237 fewer offences. The most notable reduction was seen in theft of railway property (534 fewer offences, equating to 29.2 per cent). The British Transport Police (BTP), which is responsible for policing the LU and DLR networks, has put additional measures in place to deal with the increase in theft experienced in 2012/13, which have been successful. These measures include the redeployment of officers to theft hotspots, a new crime reduction and awareness campaign, and targeted police enforcement activity against organised thieves operating on the network as part of Operation Magnum.

3.3 The rate of crime per million passenger journeys on the bus networks in Quarter 2 of 2013/14 was 8.0 per cent better than target and the same period last year. This was driven by a 6.1 per cent fall in the volume of bus-related crime in Quarter 2 compared with the same period last year with 312 fewer offences. Notable reductions were seen in robbery (67 fewer offences, or 12.9 per cent), criminal damage (66 fewer offences, 15.4 per cent) and violence against the person offences (137 fewer offences, equating to 10.3 per cent). These results build on significant reductions in bus-

* Quarter 2 refers to snapshot crime figures for June – August 2013. The information reported here may be different to other Quarter 2 crime information published by TfL which covers July – September 2013. Quarter 2 crime forecasts have been calculated on the basis of the latest passenger projections and projected crime levels for the year based on year-to-date crime trends

†† London buses recorded crime target been revised upwards since the TfL 2013/14 Budget to reflect better than forecast performance in 2012/13

‡‡ Cumulative reduction from a baseline of the 2005-2009 average, December 2012 – February 2013

§§ Cumulative from 2008

related crime over recent years and reflect the work done by TfL and its policing partners to ensure that the bus network remains a safe, low crime environment.

3.4 The LU and LR Major Injury Frequency Rate at 0.33 was worse than target in Quarter 2. The largest contributor to injuries in the last year was slips, trips and falls on stairs and escalators. All major injuries are investigated under the 'Go, Look, See' process to engage line management in understanding where changes can be made and in challenging behaviour. Where accidents occur, the site is visited and recommendations are agreed by local management with assistance from safety managers; actions are tracked against threshold and long-term action is taken to prevent reoccurrence.

3.5 Provisional figures for Quarter 2 show the number of people killed or seriously injured (KSI) on London's roads was 38.2 percentage points lower against the 2005-09 baseline. Existing performance indicates that the full-year forecast for 2013/14 will reduce KSIs by 27.3 per cent from the baseline, in comparison to the target reduction against baseline of 21.3 per cent, meaning that TfL is on course to meet its target of a 40 per cent reduction by 2020.

3.6 The Fleet Operators Recognition Scheme (FORS) is a unique industry-led membership scheme that is aiming to transform freight delivery in London by encouraging freight companies in London to become safer, more efficient and more environmentally friendly. FORS is a key project within the London Freight Plan providing a quality and performance benchmark for the industry, with three levels of membership: bronze, silver and gold. Its main features are recognising and rewarding excellence, raising standards, promoting sustainability and providing benefits for members such as training on the challenges of driving commercial vehicles in London. At the end of Quarter 2, FORS accreditation has been granted to over 126,000 vehicles.

Value

The operating budget below shows financial variances for year-to-date actuals and the latest full-year forecast as of Quarter 2, both against Budget. The table highlights TfL's operating contribution to fund investment, after revenue grants, including DfT general grant, Business Rates Retention and Greater London Authority (GLA) precept. The operating contribution is used to help fund investment and is allocated to projects through the annual business planning process.

A consistent table format has been adopted across the Business Plan (published in December 2012), TfL Budget for 2013/14 and OFR. This will improve in-year reporting as well as comparisons across years.

Operating budget ***

TfL group	Year to date		Full year 2013/14			
(£m)	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget	
Fares income	1,835	4 ▲	4,099	25	16 ▲	0%
Other operating income	292	12 ▲	642	4	-16 ▼	2%
Total income	**2,127**	**16** ▲	**4,741**	**28**	**1** ▲	0%
Operating expenditure (net of third-party contributions)	**-2,579**	**57** ▲	**-5,931**	**35**	**-34** ▼	1%
Operating margin	**-452**	**72** ▲	**-1,189**	**63**	**-33** ▼	3%
Interest income †††	9	2 ▲	18	4	4 ▲	26%
Debt interest	-167	-13 ▼	-346	-22	-12 ▼	4%
Contingency and group items	6	35 ▲	-13	20	46 ▲	78%
Margin	**-604**	**97** ▲	**-1,529**	**64**	**4** ▲	0%
Finances sources						
General grant	505	1 ▲	1,094	-	3 ▲	0%
Overground grant	13	- ▶	29	-	1 ▲	2%
GLA precept	2	- ▶	6	-	- ▶	0%
Business Rates Retention	387	16 ▲	803	-	- ▶	0%
Other revenue grants	11	- ▶	37	14	16 ▲	76%
Total revenue grants	**918**	**18** ▲	**1,968**	**14**	**20** ▲	1%
Operating contribution to fund investment	**314**	**114** ▲	**439**	**77**	**24** ▲	5%

*** The Operating and Capital budget tables differ in approach to the Balance Sheet and the Cash Summary (Appendix C). These exclude London Transport Museum (LTM) activity; LTM cash balances as well fair value adjustments for long-term investments.
††† Includes interest on the Crossrail Sponsors' Fund Account

Capital budget

TfL group (£m)	Year to date		Full year 2013/14			
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget	
Capital expenditure	-687	151	-1,748	19	148	7%
Third-party contributions – capital	45	19	85	25	15	22%
Sales of property and other assets	11	-12	70	4	7	10%
Net capital expenditure excl. Crossrail	**-631**	**159**	**-1,593**	**48**	**169**	8%
Crossrail capital expenditure	-806	-44	-1,757	37	-142	9%
Net capital expenditure incl. Crossrail	**-1,436**	**115**	**-3,349**	**86**	**28**	**0%**
Finance sources						
Surplus/ -deficit to fund investment	314	114	439	77	24	5%
Crossrail funding sources	978	-1	2,051	-1	-	0%
Investment grant	413	-	895	-	-	0%
Metronet grant	-	-	184	-	-	0%
Other capital grants	-	-	100	100	100	N/A
Working capital	-115	31	-376	105	97	21%
Net borrowing and reserve movements	-153	-260	57	-369	-248	82%
Total	**1,436**	**-115**	**3,349**	**-86**	**-28**	0%

Fares income

Fares income (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	1,023	-1 ▼	2,290	13	-16 ▼
London Rail	137	4 ▲	308	7	15 ▲
London Buses	675	1 ▲	1,501	5	16 ▲
Total fares income	**1,835**	**4** ▲	**4,099**	**25**	**16** ▲

4.1 London Underground fares income in the year to date was £1.3m (0.13 per cent) less than Budget. While passenger journeys are higher than expected, the average yield per journey has fallen since the Budget, as customers continue to make better use of the products available (e.g. by travelling more on Travelcards). Overall year-on-year passenger growth was at 3.9 per cent (excluding Games-related journeys in 2012/13). The latest full-year forecast fares income of £2,290m is 7.8 per cent higher than last year, but £16m (0.7 per cent) less than Budget. This reflects £21m lower income as a result of lower average yield, offset by a £5m upside from July's inflation figure which was slightly up on TfL's inflationary assumptions.

4.2 London Rail fares income in the year to date was £4m (3 per cent) higher than Budget. The upside was almost entirely from the London Overground, which continues to perform stronger than expected, especially on the new South London Line. The DLR performed slightly better than Budget, but both Tramlink and Emirates Airline showed lower than budgeted income. This strong Overground performance has led to an increase of £17.7m in the latest full-year forecast, with a further increase of £1.4m on DLR, partially offset by a £3.8m reduction in Tramlink and EAL income.

4.3 Bus fares income in the year to date was £1m (0.1 per cent) higher than Budget, reflecting higher numbers of fare-paying passengers, combined with a favourable ticket mix, with higher on-bus cash income which is the highest yielding fare, partly offset by £1m travel card retrospective adjustment.

4.4 The full-year forecast for bus fares is £16m higher than budget, with additional revenue being driven underlying passenger growth and updated economic and population projections, partly offset by the introduction of discounted ticket prices for apprentices. The £5m increase against the Quarter 1 forecast is due to the continued underlying trend in revenue growth versus last year of approximately 6 per cent, which was previously forecast to reduce in later periods this year, partially offset by a lower than forecast July inflation rate reducing the January 2014 fares increase, and by an adverse retrospective adjustment to the Travelcard apportionments.

Other operating income

Other operating income (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	88	4 ▲	196	1	10 ▲
London Rail	5	1 ▲	22	-	7 ▲
Congestion Charge and LEZ	128	3 ▲	276	4	5 ▲
Barclays Cycle Hire	8	- ▶	16	-2	- ▶
Other Surface Transport	45	3 ▲	94	-1	2 ▲
Corporate	17	2 ▲	39	2	-39 ▼
Total other income	**292**	12 ▲	**642**	4	**-15** ▼

4.5 In the year to date, other operating income has continued to outperform Budget in both London Underground (£3.8m) and London Rail (£0.5m). This is mainly driven by additional rental income from the early purchase of properties required for the Bank station project, where rental space is now being utilised prior to the upgrade work commencing. The latest full-year forecast is £10m up in LU and £7m up in LR, driven by the continued positive performance in rental income and a further upside in advertising income.

4.6 Congestion Charge and Low Emission Zone (LEZ) income in the year to date continued to be slightly higher than Budget due to increased volumes, particularly Congestion Charge fleet detections and Autopay registrations.

4.7 Barclays Cycle Hire income in the year to date remained in line with budget. The full-year forecast is slightly lower than the Quarter 1 forecast, reflecting sponsorship income rephasing.

4.8 Other Surface Transport operating income was £3m higher than Budget in the year to date and is forecast to be £2m over Budget over the full year, with the most significant movements being increases in traffic enforcement Penalty Charge Notices (PCNs).

4.9 Other operating income in the Corporate directorates was £2m higher than Budget in the year to date. This was mainly due to higher supplier rebates from the new TfL website, higher marketing campaign recharges, rephasing of property income and GLA recoveries and higher Community Infrastructure Levy (CIL) from administration contributions and pre-application planning advice.

4.10 The full-year forecast is £39m lower than budget. This is largely due to the reprofiling of £30m of Commercial Development income into future years while TfL further develops its commercial plans for retail and property income. In addition, forecast income of £11m from advertising, property rental and other contracts was transferred to London Underground and London Rail. These were partly offset by higher income as forecast at Quarter 2 from Visitor Oyster cards, the 18+ scheme, the new Travel Information Centre booth in Victoria, the recharge of works at London Bridge to Network Rail, GLA recoveries and CIL as detailed above.

Operating expenditure

Operating expenditure (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	-981	32▲	-2,232	7	9▲
London Rail	-155	5▲	-357	-3	-4▼
Surface Transport	-1,181	21▲	-2,730	33	-23▼
Corporate	-263	-►	-612	-2	-17▼
Total operating expenditure	**-2,579**	**57▲**	**-5,931**	**35**	**-34▼**

4.11 London Underground (LU) operating expenditure is £32m (3 per cent) lower than Budget in the year to date. This is driven by savings in staff and maintenance costs (£18m) as well as efficiencies achieved through other operational expenditure (£19m). Savings in staff and maintenance costs (£18m) are a result of the continuation of the Quarter 1 management action of holding vacancies and the rephasing some infrastructure and maintenance spend until later in the year, pending the outcome of organisational changes. Other operational expenditure is £19m lower than Budget, due to efficiencies achieved in traction current unit prices and lower than expected journey time capability performance payments for the Victoria Line Upgrade, together with the deferral to 2014/15 of one-off commissioning costs of the Neasden Bulk Supply point. In addition, savings have been made in rail replacement bus programme from changes to weekend closure schedules, resulting in fewer replacement services being required.

4.12 Full-year LU expenditure is £9m lower than budget reflecting the year-to-date savings described above amounting to £29m offset by £19m higher than budgeted costs in renewals and reliability projects, following the reclassification of renewals and reliability expenditure from capital to operating costs following increased clarity on the scope of works.

4.13 London Rail expenditure is £5m under budget in the year to date, following the decision not to go ahead with the proposed transfer of South Eastern Rail, together with delays to the Wimbledon enhancement project and other station works; this is partially offset by increased performance related payments on DLR and London Overground. The full-year forecast is now £4m over Budget, mainly driven by the increase in DLR and LO franchise costs due to the above budget revenues received.

4.14 Surface Transport operating expenditure in the year to date is £21m below budget. This is largely due to re-phasing of projects, including £7m for highways maintenance delivery through the London Highways Alliance Contracts (LoHAC), where contracts were finalised after the Budget was set, and £6m for which delivery plans are being refined on new projects added to the 2012 TfL Business Plan. In addition, £6m was carried forward to future years as a result of Barclays Cycle Superhighways scope following the finalisation of the Mayor's Vision for Cycling.

4.15 The full-year reduction against the Quarter 1 forecast is largely due to rephasing to future years, including cycling portfolio changes of £15m following the finalisation of the Mayor's Vision for Cycling and £8m relating to road capacity for which delivery plans are currently being refined; and £8m of expenditure previously forecast as operating has now been reclassified as capital as projects reach the stage of viability.

4.16 The full-year forecast is £23m higher than Budget, primarily due to the administration of the Bus Service Operators' Grant (BSOG), which transferred from the DfT to TfL from 1 October 2013 (£46m). The payment was included in Group Items when setting the Budget, but was transferred to Surface Transport in the Quarter 1 forecast. This was partly off-set by bus contract price savings from the impact of lower labour costs than previously assumed (£20m).

4.17 In the year to date, operating expenditure in the Corporate Directorates was in line with Budget. Savings of £3m, mainly in property and insurance, were fully offset by higher costs for user testing of TfL's new website and the establishment of the new Travel Demand Management (TDM) team.

4.18 In the full-year, the Corporate directorates are expected to exceed budget by £17m. This is partly due to higher costs of £9m, largely from British Transport Police CCTV support, Oyster revenue inspection devices for Train Operating Companies, Future Ticketing Agreement contracts and TfL On-line licences. In addition, new activity of £8m was included in the Quarter 2 forecast, for data centre transformation, the integration of JNP Information Management and feasibility and planning studies for the proposed Garden Bridge, Crossrail 2 and HS2. A further £12m of capital expenditure was reclassified as operating expenditure, with no effect on Corporate's overall position. These cost increases were partially offset by savings of £12m, from insurance and staff savings and a lower requirement for management contingency of £6m.

Interest income, debt service and other group items

Interest income, debt service and other group items (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Interest income	9	2▲	18	4	4▲
Debt service	-167	-13▼	-346	-22	-12▼
Contingency and other group items	6	35▲	-13	20	46▲
Total interest, debt service and other group items	**-151**	**24▲**	**-340**	**1**	**38▲**

4.19 Interest income is £2m better than budget in the year to date, due to TfL earning better rates on investments than budgeted. TfL continues to invest in accordance with the Board-approved Investment Strategy, which prioritises security of principal and liquidity of investments over financial return.

4.20 Debt service in the year to date is £13m over that budgeted. This is partly driven by a £23m premium paid for the early redemption of Tube Lines debt. The future refinancing of this debt will be at a lower interest rate, ensuring savings over subsequent years. This cost has been partly offset by a £10m favourable variance to Budget, from borrowing at better rates than expected. Debt service levels are now forecast to be £12m over Budget for the full year.

4.21 Other group items (including Group contingency) were £35m under Budget in the year to date. This was a result of £29m unutilised Group contingency, which was also been removed from the latest full-year forecast, £20m from BSOG payments, offset by £15m in expenditure reductions to be found.

4.22 Historically, BSOG payments to the bus operators have been made direct by government. Following revision to the BSOG funding mechanism in early 2013, the payment was added to group items. The full £46m for BSOG was transferred to Surface Transport in the Quarter 1 forecast; this will therefore show a £46m favourable variance to Budget over the full year, offset by the expenditure in Surface.

4.23 When setting the TfL Budget for 2013/14, £33m of expenditure reductions to be found were added to Group items, to offset reductions in government grants announced in the Chancellor's Autumn Statement. In the year to date, this resulted in an unfavourable variance to Budget of £15m. Over the full year, this results in a £33m unfavourable variance. These savings were transferred to the business units as part of the Quarter 1 forecast meaning there is no net effect on TfL's finances.

Capital expenditure

Gross Capital expenditure (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	-548	43▲	-1,291	-27	-69▼
London Rail	-29	47▲	-100	30	59▲
Surface Transport	-78	46▲	-274	10	61▲
Corporate	-32	15▲	-83	6	97▲
Gross capital expenditure	**-687**	**151**▲	**-1,748**	**19**	**148**▲

4.24 London Underground capital expenditure is £43m under Budget in the year to date. This is driven largely by underspend on the Sub Surface Rail (SSR) Upgrades amounting to £32m; an advance payment was made to Bombardier last year but was budgeted this year. Another £44m was due to various slippages, rephasing and underutilised contingency; £26m unutilised contingency on the Victoria Line upgrade and slippage on tunnel cleaning, £8m slippage on SSR Power packages 1, 2 and 3, £7m underspend on JNP infrastructure due to deferred works on bridge painting and construction of station vehicle accessibility works and £3m upside due to Civils Earth Structure works rephased to later in the year. These upsides are offset by £35m of slippage provision release.

4.25 In the full year, London Underground's capital programme is now forecast to be £69m higher than Budget. A central slippage provision of £149m has been released as individual projects and programmes are spending closer to budgets. This is partially offset by £32m of SSR rolling stock expenditure which was accelerated into 2012/13 after the Budget was approved, £19m on the Victoria Line Upgrade predominantly relating to the release of risk provision and rephasing into later years, £10m of Station Upgrade efficiencies and rephasing into later years, £32m of unutilised contingency on the Victoria Line upgrade, £11m Infrastructure Renewals slippage on SSR power projects and projects now written off to revenue following greater clarity of the scope of work.

4.26 In the year to date, London Rail is £47m under Budget, driven primarily by a prior year East London Line commercial settlement of £28m, which was budgeted for this year, plus further provision (mainly London Overground Capacity Improvement Programme) rephased amounting to £13m and other minor variances. Across the full year, these factors, combined with the addition of a £16m central slippage provision, are forecast to result in an underspend of £59m against Budget.

4.27 Surface Transport capital expenditure in the year to date was £46m below Budget, due to: in-year rephasing of £19m rescheduling for delivery of Cycle Hire Expansion and Intensification asset infrastructure and civil construction in line with the detailed works programme; £10m in-year rephasing of works following the LoHAC contract award after the Budget submission; and rephasing to future years of Barclays Cycle Superhighways (£7m) and Better Junctions (£4m), following the finalisation of the Mayor's Vision for Cycling.

4.28 Surface Transport's full-year forecast is £61m below Budget mainly due to expenditure phasing to future years. This includes: £17m for Structures and Tunnels Investment Portfolio projects following contractor appointment and increase in the time expected to gain Network Rail possessions (e.g.

permission to access bridges that require maintenance); Barclays Cycle Superhighways of £12m (see Section 4.29 below), Safety Camera Replacement Project due to contract awards delays (at the tendering stage) of £14m and electronic ticket machines of £10m

4.29 As part of the Quarter 2 forecast there has been some significant rephasing in areas such as Cycle Superhighways, bus pinch points and major road schemes, Better Junctions and safety camera replacement but this has largely been off-set by over-programming adjustments. Milestones for Cycle Superhighways and Better Junctions have been under review following the finalisation of the Mayor's Vision for Cycling. The safety camera replacement project close is now expected to be significantly late as a result of governance and commercial procurement delays, but before the current equipment becomes unsupported.

4.30 Capital expenditure in the Corporate Directorates was £15m lower than budget in Quarter 2. This mainly reflects the in year rephasing and reprofiling to future years of payment technology projects, including the Future Ticketing Project and the reprofiling of the New Growth Areas schemes, although the current delivery milestones remain on-track to be achieved.

4.31 These factors are also reflected in the full-year forecast which is £97m lower than budget. The main driver is the reprofiling of the Spend-to-Save programme expenditure of £61m to increase income from retail, property and other commercial ventures, which has been reprofiled into future years where specific initiatives are in the early stages of development. Capital expenditure relating to the Northern Line Extension (NLE) of £24m was reprofiled into future years in line with programme forecasts. This has no net impact, as NLE third-party developers contributions have also been reprofiled to future years. At Quarter 2, £7m for payment technology projects were reprofiled to future years and £12m was reclassified as operating expenditure as detailed above.

Capital third-party contributions

Third-party contributions (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Budget	Variance to Budget
London Underground	12	3 ▲	28	-	6 ▲
London Rail	25	23 ▲	37	23	27 ▲
Surface Transport	7	2 ▲	20	3	9 ▲
Corporate	-	-9 ▼	-	-	-27 ▼
Third-party contributions	**45**	**19** ▲	**85**	**26**	**15** ▲

4.32 Both the year-to-date and full-year increases in LU are mainly due to increased recoverable costs relating to Crossrail and Croxley Rail Link works.

4.33 London Rail variance is largely a result of an earlier than budgeted recognition of East London Line RAB (Regulatory Asset Base of Network Rail) funding of £20m and London Overground Capacity Improvement Program (LOCIP) funding from Network Rail of £8m.

4.34 In Surface Transport, capital third-party contributions in the year to date were £2m higher than budget, mainly due to Cycle Hire Expansion contributions. The full-year forecast is £9m above budget due to Traffic Signal Modernisation (£3m), Capital Renewals Carriageway (£3m), and Cycle Hire Expansion (£3m). The movement from the Quarter 1 forecast is due to Traffic Signal modernisation contributions of £2m.

4.35 Capital third-party contributions in the Corporate directorates were £9m lower than budget in the year to date Quarter 2 and are forecast to be £27m lower than budget over the the full year. This is driven by the rephasing of Northern Line Extension (NLE) third-party developers' contributions into future years, which is also reflected in the latest full-year forecast. The total level of funding for the NLE remains the same as assumed in the Budget, but will now be received in later years.

Crossrail

Crossrail (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Crossrail	-806	-44 ▼	-1,757	37	-142 ▼

4.36 In the year to date, Crossrail spent £44m more than budget. Direct construction costs are £28m over budget largely due to accelerated works at Eastern running tunnels, increased costs for contract staff and overspends on Western Running Tunnels due to changing labour shift patterns and increased spoil removal costs. Property costs are £27m over budget principally due to acceleration noted above, plus the addition of new scope and upward revaluations. These costs have been partially offset by indirect costs, which are £11m under budget, principally due to the continued delay in recruitment of Central, Technical and Commercial staff. These overspends have no material impact on Crossrail's project costs, which will be delivered to time and within budget.

4.37 The movement in the full year forecast between Quarter 1 and Quarter 2 is predominantly due to the re-phasing of risk to later periods.

Sales of property and other assets

Sales of property and other assets (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Total sales of property and other assets	11	-12 ▼	70	4	7 ▲

4.38 In the year to date, sales of property and other assets were £12m lower than budget. This was mainly from Dalston Western Curve and Hillingdon sites both being re-phased to later this year because of planning consent delays; Fleet Street, to investigate additional commercial opportunities to increase revenue in future years, and various smaller properties. These were partly offset by the sale of Wembley Park where income was received one month early due to earlier vacant possession than was provided for in the contract. Full-year income is forecast to be £7m higher than budget mainly due to a higher than budgeted receipt in the first quarter for Hanger Lane and the reprofiling of the sales of Hammersmith Met and Kidbrooke, which were brought forward at Quarter 2 (£4m).

Government grants and funding

Government grants and funding (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
DfT General grant	505	1 ▲	1,094	-	3 ▲
DfT Investment grant	413	- ▶	895	-	- ▶
DfT Metronet grant	-	- ▶	184	-	- ▶
DfT Overground grant	13	- ▶	29	-	1 ▲
GLA precept	2	- ▶	6	-	- ▶
Business Rates Retention (BRR)	387	16 ▲	803	-	- ▶
Crossrail funding sources	978	-1 ▼	2051	-1	- ▶
Other capital grants	-	- ▶	100	100	100 ▲
Other revenue grants	11	- ▶	37	14	16 ▲
Total grants and funding	**2,309**	**16 ▲**	**5,198**	**113**	**119 ▲**

4.39 Government grants and other funding sources are £16m higher than budget in the year to date. This is driven by timing differences from Business Rates Retention (BRR) payments that are forecast to be corrected by the end of the year.

4.40 Over the full year, grants and funding are forecast to be £119m higher than Budget. This is largely the result of an additional £100m funding from the Department of Transport (DfT) for Crossrail rolling stock procurement, which was agreed as part of the 2013 Spending Review. This sum will be held in the Crossrail Sponsors' Funding Account until 2015/16. A further £15m of one-off funding has been provided from the DfT, in lieu of TfL applying for planning obligations for the costs of services to free schools for the duration of this parliament.

Net borrowing and reserve movements

Borrowing, repayments and cash reserve movements (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Borrowings Raised	589	243 ▲	437	92	92 ►
Borrowings Repaid	-82	-69 ▼	-107	-65	-65 ▼
Net borrowing	**507**	**174** ▲	**330**	**27**	**27** ▲
Reserve movements	-660	-434 ▲	-273	-396	-275 ▲
Net borrowing and reserve movements	**-153**	**-260** ▲	**57**	**-369**	**-248** ▲

4.41 In the year to date, borrowings raised were £243m above budget. The variance is due to a timing difference from new borrowings being undertaken earlier than planned to take advantage of favourable interest rates and also the refinancing of Tube Lines debt. This borrowing replaces short-term borrowing which will mature over the next quarter. Borrowings repaid were £69m higher, again due to the refinancing of Tube Lines Debt.

4.42 Over the full year, borrowings raised are forecast to be £92m above budget, while borrowings repaid are £65m higher. These variances represent additional borrowing and repayments undertaken as a result of the refinancing of scheduled debt repayments on Tube Lines debt, which was not budgeted. The overall effect of the refinancing is that borrowings will be £27m higher than forecast and budget, as TfL had previously planned to make £27m of debt repayments.

Cash movements ‡‡‡

Cash summary (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
Crossrail Sponsors' Funding Account	1,769	40 ▲	1,775	73	-55 ▼
Other TfL cash balances	2,781	395 ▲	2,388	323	330 ▲
Closing cash	**4,550**	**434** ▲	**4,163**	**396**	**275** ▲

4.43 TfL's closing cash (including Crossrail's cash balances) at the end of Quarter 2 is £434m more than that forecast at the time of the Budget. This increase is due to a combination of the financial variances above; including a year-to-date underspend of £212m, an increase in grants of £16m, favourable working capital movements of £31m, and a net increase in borrowing of £174m.

4.44 TfL expects to reduce its cash position by the end of the year and is now forecast to be £275m over Budget by the end of 2013/14. This is driven by £32m of underspend, combined with grant and funding increases of £120m, a working capital upside of £97m and an increase in net borrowing of £27m.

4.45 TfL's total cash position includes £1,769m that is ring fenced specifically for the Crossrail project and is not available for use on any other TfL expenditure. Over the following years, TfL will use its cash balances (while maintaining a prudent minimum) to fund the investment outlined in TfL's Business Plan. During 2013/14, TfL will update its long-term business plan, taking into account the long-term impacts of the reduction in government grants announced in the 2013 Spending Review.

‡‡‡ The Operating and Capital budget tables differ in approach to the Balance Sheet and the Cash Summary (Appendix C). These exclude London Transport Museum (LTM) activity; LTM cash balances as well fair value adjustments for long-term investments.
‡‡‡ Includes interest on the Crossrail Sponsors' Fund Account

Efficiencies

Efficiencies Programme §§§ (£m)	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Budget	Variance to Budget
Progress towards TfL's total efficiency programme	96	28▲	185	137	48▲

5.1 At the time of publishing the 2012 Business Plan, TfL had secured £9.8bn of savings and efficiencies to 2017/18. The 2013 Business Plan assumes a further £4.2bn of unsecured savings to 2020/21. There is still a great deal that TfL has to do to assure that these savings identified in the Business Plan are delivered.

5.2 The 2013/14 Budget set a target of £137m of efficiencies to secure during the year. TfL has increased its level of savings by an additional £28m against the year-to-date target. Secured efficiencies to date include initiatives associated with the Victoria Line Upgrade together with energy savings for traction current and the removal of the Congestion Charge retail channel following consultation in January 2013.

5.3 In the full year, TfL now forecasts to achieve an additional £48m of savings against Budget. The additional efficiencies have been secured through savings from signalling and infrastructure renewals within London Underground, asset refresh and operational savings from extending the Congestion Charge contract in Surface Transport. Corporate have identified additional staff and consultancy savings along with insurance re-tender efficiencies. There are plans in place to deliver the remaining unsecured efficiencies for the year.

§§§ Efficiencies are quoted net of implementation costs

Customer

Passenger journeys

Millions	Quarter 2, 2013/14			Full year 2013/14			
	Actual	Variance to target	Variance to last year	Quarter 2 Forecast	Variance to target	Variance to last year	2010 – 2014
▲ *higher is better*							
London Underground	285.4	9.8 ▲	-6.1	1,273.0	34.0 ▲	43.7	
London Buses	533	-7 ▼	-1	2,386	-1 ▼	51	
DLR	22.7	0.0 ▶	-4.5	101.5	1.4 ▲	1.5	
London Overground	32.3	3.1 ▲	3.1	141.4	12.1 ▲	16.8	
London Tramlink	6.8	-0.5 ▼	-0.4	31.0	-0.2 ▼	0.9	
Emirates Air Line	0.5	0.0 ▶	-0.6	1.6	0.1 ▲	-0.4	
Dial-a-Ride	0.3	0.0 ▶	0.0	1.4	0.0 ▶	0	
Cycling levels on the TLRN****	317	-19 ▼	-25	267	-28 ▼	-9	
London River Services	2.7	0.5 ▲	0.7	8.5	1.3 ▲	2.2	-

6.1 London Underground passenger journeys exceeded target by 9.8m in Quarter 2, but were 6.1million lower than the same quarter in 2012/13, which experienced increased demand from the 2012 Games. Underlying year-on-year growth shows a 4 per cent increase once prior year demand is adjusted for Games-related journeys. Full-year demand is now forecast to surpass full-year budget by 34 million, which follows the current trend.

6.2 Bus passenger journeys are forecast to be 2.2 per cent higher than last year, after adjusting for exceptional events such as the 2012 Games, underlying bus passenger growth is approximately 1.3 per cent. Bus passenger journeys in Quarter 2 were 7 million, or 1.3 per cent, below target, principally due to a later start to the school term in Period 6.

6.3 DLR passenger numbers are equal to target in Quarter 2. Underlying year-on-year growth shows a 3 per cent decrease after adjusting for Games-related journeys. Passenger numbers were affected by three days of engineering closures over the Bank Holiday weekend. Year to date passenger journeys were one per cent above budget and six per cent better than last year once prior year demand is adjusted for Games related journeys. Full-year forecast demand is expected to surpass the full-year budget by 1.4 million.

**** Cycling levels on the Transport for London Road Network (TLRN), indexed at 100 in March 2000

6.4 London Overground passenger journeys in Quarter 2 were 3.1million up on the same quarter last year and 3.1million ahead of budget, driven by strong growth of over 30 per cent on the East London Line. Full-year demand is now forecast to surpass the budget by 12.1million.

6.5 In Quarter 2, 6.8 million passengers were carried by Tramlink, down 0.4 million on last year and 0.5 million below budget. The adverse variance is driven by a 10-day closure of the Croydon loop for track replacement, which was compounded by the hot weather and a later start to the school term in Period 6. Full-year performance is forecast to be 0.2 million lower than budget.

6.6 EAL carried 0.5 million passengers in Quarter 2, which is slightly below budget and 0.6 million lower than Quarter 2 last year, which was boosted by the 2012 Games. However, passenger demand in the last third of the Quarter was the second highest this year, as seasonal demand peaked over the summer holidays, bringing year to date performance to 0.9 million which is on target against a budget of 0.9 million. An improved operational readiness plan is being prepared to allow Mobility Scooter access to the EAL later this year; this project includes subtle cabin modifications and specialised staff training. Full-year performance is expected to exceed budget by 0.1million.

6.7 Cycle flows on the TLRN in Quarter 2 of 2013/14 were 25.2 index points (7.4 per cent) lower than the same quarter last year. This is 19.4 index points (5.8 per cent) below target for Quarter 2. It should be noted, however, that Quarter 2 last year included the 2012 Games, with a high-level of travel demand management activity encouraging people to travel by bike and foot and cycle flows on the TLRN significantly increased during this period. In comparison with the same Quarter in 2011/12, cycle flows this year are 23.4 index points higher.

6.8 The full year forecast for 2013/14 is that target cycling levels will not be met and that cycle flow on the TLRN will be 9.5 index points lower than last year. There are a number of reasons for the slow down in cycling growth. In addition to the weather, which can impact on cycle flows, delivery of new cycling infrastructure slowed in 2012/13 in the run up and during the Games period, following a moratorium on new project construction. Further, the implementation of the Better Junctions cycle safety review has impacted on the pace of delivery of major new cycle programmes, including both the Barclays Cycle Superhighway and Better Junctions programmes.

6.9 The Mayor published his Vision for Cycling in March 2013. In it he outlined plans for spending £913m on cycling over the next 10 years. This investment will deliver a step-change in cycling provision that will support the growing numbers of cyclists in London.

6.10 Cycle flows on the TLRN are not the only measure of cycling levels; the recent 'Central London Cycle Census' recorded that in some locations, including many of the bridge crossings in Central London, that bicycles made up more than half of the vehicles in the morning peak. With the future growth in cycling expected to take place not only on the TLRN, TfL is reviewing the overall methodology for recording cycling journeys and will be updating its performance measures over the coming year to more accurately reflect cycling trends and patterns in London.

6.11 Passenger journeys on London River Services during Quarter 2 were higher than target, with the favourable late summer weather sustaining the high tourist demand experienced in recent periods. Passenger journeys are now forecast to reach over 8 million in 2013/14.

Customer satisfaction

Score (out of 100)	Quarter 2, 2013/14			Full year 2013/14			
	Actual	Variance to target	Variance to last year	Quarter 2 Forecast	Variance to target	Variance to last year	2010 – 2014
▲ *higher is better*							
London Underground	82	1 ▲	-1	82	1 ▲	-1	
London Buses *	83	1 ▲	1	82	- ▶	0	
DLR	88	6 ▲	3	85	3 ▲	-2	
London Overground	83	3 ▲	0	80	- ▶	-2	
London Tramlink	89	3 ▲	2	88	2 ▲	-1	
Emirates Air Line	93	8 ▲	1	92	7 ▲	-1	-
Dial-a-Ride	92	- ▶	0	92	- ▶	0	
Congestion Charging	-	- ▶	-	82	- ▶	-1	

7.1 Customer satisfaction targets are based on underlying historical trends, rather than necessarily showing improvement from the year-end 2012/13, which was driven by the exceptional circumstances of the 2012 Games when TfL halted all capital works, paid additional bonuses to frontline staff, and deployed almost 4,000 travel ambassadors across the travel network. TfL is committed to embedding the Games legacy, but recognises that not all aspects of Games performance can be replicated.

7.2 London Underground's customer satisfaction score in Quarter 2 is 82, one point above the quarterly target. Full-year performance is forecast to be 82, one point better than target.

7.3 The DLR Quarter 2 customer satisfaction score has increased to 88, which equals the highest ever score achieved in the immediate post-Games period. The quarterly result is six points above target.

7.4 London Overground's Customer Satisfaction for Quarter 2 2013/14 increased by one point to 83, equalling the best ever previous score. Performance over the full year is expected to drop to 80, as overcrowding caused by the rise in passenger demand continues. The London Overground Capacity Improvement Programme is expected to reverse this drop in the coming years, as extra capacity, including increasing cars per train from four to five, is delivered.

* London buses CSS target has been revised upwards since the TfL 2013/14 Budget to reflect better than forecast performance in 2012/13

7.5 Customer satisfaction on Tramlink remained at 89 in Quarter 2. The full-year forecast is now expected to drop to 88, due to disruption from planned engineering works.

7.6 Customer satisfaction with Emirates Air Line remains high, at 93 points in Quarter 2. This maintains the high level of satisfaction recorded since opening in 2012.

7.7 Overall customer satisfaction with bus services has been on a general trend of improvement since Quarter 4, 2011/12. It is now at the highest levels since the survey began in 1999/2000. Bus customer satisfaction scores in Quarter 2 were one point better than both target and the prior year, on specific measures, the state of repair of buses and driver attitude improved, whilst bus stop information has worsened slightly.

7.8 The Quarter 2 overall satisfaction score for Dial-a-Ride was in line with target and up one point from Quarter 1. Satisfaction with the helpfulness and courtesy of the driver remained the highest of the individual service attributes.

Customer complaints

No. complaints per 100,000 journeys	Quarter 2, 2013/14	
	Actual	Variance to last year
▼ *lower is better*		
London Underground	1.06	0.02 ▲
Docklands Light Railway	3.37	1.03 ▲
London Overground	2.44	-0.32 ▼
Tramlink	2.4	-0.33 ▼
Emirates Air Line	3.3	N/A ▶
London Buses	2.36	0.06 ▲
Congestion Charge	15.05	0.61 ▲
Barclays Cycle Hire	5.71	2.88 ▲
Dial-a-Ride *	118.89	-5.76 ▼
Oyster	1.09	-0.37 ▼
River	0	-0.07 ▼

8.1 London Underground continues to record the lowest complaints rate in the rail industry, regularly recording a single complaint per 100,000 passenger journeys. Complaints relating to delayed journeys continue to fall – this is part of an ongoing trend following the success of the tube Reliability Programme, which is on track to meet the Mayor's commitment of reducing delays by 30 per cent by 2015.

8.2 The most common type of complaint on Docklands Light Railway relates to Ticket Vending Machines (TVMs). Customer complaints are marginally up on the same quarter last year. There has been improvement since the previous quarter following changes to the signage around the TVMs, which made it clearer to customers that they have to touch their Oyster card on the reader at both the start and end of a transaction.

8.3 London Overground's most recent customer satisfaction scores are the highest recorded since its creation. Customer complaints are down from both the previous quarter and from Quarter 2 last year. Some complainants have expressed concerns about the performance of TVMs. This issue is being closely monitored and it is hoped that software changes implemented in September 2013 will significantly correct this issue. Over the summer months customers expressed unhappiness with the onboard environment. Enhancements to the air-conditioning system have resulted in a fall in this

* Per 100,000 journey requests

type of complaint. Complaints about station quality have also declined – this reflects improvements, including the refurbished booking hall at Crystal Palace.

8.4 Tramlink remains amongst the modes with the lowest complaints rate. Complaints are down on the same period in last year. The main themes in Quarter 2 included difficulties experienced by passengers during the closure of 19-24 August, issues with a revised timetable and arrangements for the rail replacement bus service.

8.5 Figures for the EAL were not recorded for the same quarter last year, but its complaints rate is in line with the better performing services.

8.6 Buses, which carry the highest volume of passengers of any of TfL services, maintain a consistent complaints rate of just over two complaints per 100,000 passenger journeys. Outstanding operational performance is reflected in the continuing decline in the proportion of complaints about delayed journeys and reliability. Bus driver behaviour makes up a substantial element of the reasons why customers complain. Part of the drive to address this includes an improved accessibility awareness training programme which has recently been launched. It is designed to give bus drivers a greater understanding of the needs of older and disabled passengers. The training will be delivered to all of the Capital's 24,500 bus drivers by the end of 2014 and builds upon the extensive training London's bus drivers currently receive.

8.7 Complaints relating to Congestion Charging have risen slightly from Quarter 2 in 2012/13, but remain at broadly the same level as when major changes to the Scheme have been introduced. Recent changes include the removal of the retail payment channel following consultation, an increase in the value of Penalty Charge Notices and a new Low Emissions Discount. A new advanced notification process for account renewal payments is expected to reduce the rate of complaints.

8.8 Complaints on Barclays Cycle Hire in Quarter 2 relate to clarity of the different tariffs. In response, TfL has improved the clarity of information at docking stations, so that the difference between the two is more apparent. An important issue for customers is the ability to hire and dock bikes at their preferred station. TfL has agreed new service levels with our contractors, which has seen better distribution of the bikes.

8.9 Dial-a-Ride's (DaR's) complaints rate for this quarter fell slightly when compared with last year. DaR continues to have a relatively high rate, which is reflected in it being the only transport option for many of its users. The complaint measure also relates to the booking process, in addition to the journey. The main source of customers' complaints is related to bookings being turned down due to customer demand outstripping supply. Satisfaction with the door-to-door operator, which has consistently been over 90, ranks amongst the highest of any type of transport in the Capital.

8.10 The complaints rate for Oyster was down on the same time the previous year. Over this quarter TfL launched a customer education campaign, which was aimed at helping Londoners get the most out of the product, including claiming refunds, unused balances and deposits. There have been fewer complaints about statements as more customers have become aware they can monitor their account online.

8.11 There were no complaints about River Services this quarter.

8.12 Complaints data from across all TfL services can be found at: [tfl.gov.uk/transparency/.](tfl.gov.uk/transparency/)

People

Staff

Full-time equivalent	Year to date		Full year 2013/14		
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget
London Underground	21,091	-39	21,334	-237	86
London Rail	209	18	243	19	48
Surface Transport	3,221	-154	3,421	53	57
Corporate	3,400	165	3,530	87	331
Crossrail	865	-52	898	0	0
Total FTE	**28,786**	**-61**	**29,427**	**-79**	**522**

9.1 TfL has updated its delivery plans since the approval of the Budget in March 2013/14. The organisation is constantly reviewing its expenditure and staffing requirements and evolving these to make best use of tax and fare-payers money. The refinement of delivery plans during the year will partly be reflected in the number of staff TfL plans to employ. The associated costs were approved as part of the 2013/14 Budget; the number of FTEs will change as delivery plans are developed during the year.

9.2 In Quarter 2, London Underground headcount increased to 21,091 (excluding 81 staff currently on maternity leave), an increase of 251 FTE since the end of Quarter 1. This was largely a result of the transfer of 298 Powerlink staff transferring to London Underground In August 2013. FTEs were 42 over Budget, and 39 under Budget after adjusting for 81 FTEs on maternity leave. This was driven partly from the increase in FTEs of 298 following the Powerlink transfer (which was not included in the Budget until Quarter 3), an increase of 18 JNP maintenance staff, offset by 155 vacancies and 97 less FTEs in the Capital Programmes Directorate (CPD) following the restructuring of the Sub Service Railway Program.

9.3 The full-year forecast for London Underground has changed from the Quarter 1 forecast of 21,572 to 21,334, a reduction of 237. This is largely driven by an adjustment of 91 FTEs in CPD and 59 FTEs held centrally, which reflect the challenging nature of LU's recruitment plans.

9.4 The end of year forecast is now 86 greater than Budget, with the main drivers being 96 additional FTEs within CPD, 82 additional FTEs for the Northern Line Extension (NLE), and 20 FTEs to help deliver the Stations Stabilisation project in house. These increases have been offset by an overlay of 91 FTEs to reflect the challenge of the recruitment plans.

9.5 At the end of Quarter 2, London Rail FTEs are 18 up against Budget. By the end of 2013/14, London Rail are now expected to be 48 FTEs above Budget. These increases are largely driven by additional staff for projects including LOCIP.

9.6 Surface Transport employed 3,221 FTE at the end of Quarter 2, 154 FTE below Budget at Quarter 2. This was partly due to 67 unfilled vacancies resulting from longer than anticipated recruitment lead times and strict headcount controls. In addition, Dial-a-Ride had 23 driver vacancies, with the shortfall covered by Community Transport drivers, and 58 budgeted FTE transferred to the Commercial team in Corporate to better reflect the dual reporting nature of this function.

9.7 The full-year forecast is 57 FTEs higher than Budget. This is due to an increase of 151 FTEs required to support the delivery of the Surface Transport investment programme. In addition, 57 FTEs have been added to Roads mainly for the in-house design team, which is more cost effective than employing external consultants. Both of these increases are funded from existing programme budgets. These increases are partly offset by the transfer of 58 budgeted FTEs to the Corporate Commercial team and the inclusion of a vacancy factor overlay of 88 FTEs to reflect the significant recruitment challenge, and that a proportion of new positions will be filled by internal recruitment creating a vacancy elsewhere in the organisation.

9.8 At the end of Quarter 2, staff numbers in the Corporate Directorates exceeded budget by 165 FTE. This is driven by an additional temporary 73 FTEs for new project activity within IM for and an increased volume of work for payment technology and IM projects. These additional staff are funded from existing approved budgets, In addition, 56 actual FTEs transferred from Surface Transport into TfL's central commercial team, which was reflected in the full-year forecast at Quarter 1.

9.9 The full-year adverse variance to budget is 331 FTE. This reflects 106 FTE for new activity and a higher volume of work, which is funded through existing budgets. These staff are mainly required in IM for data centre rationalisation, service improvement and infrastructure work, and in CEM&C for TfL On-line, Data Warehouse and Every Journey matters. In addition, 116 staff have transferred to Corporate, including 56 from Surface Transport to the commercial team and 35 to Customer Experience, Marketing and Communications.

9.10 At the end of Period 6, Crossrail employed 865 FTE staff, which was 52 FTE less than budget, driven mainly by lower than anticipated FTEs in Central, Technical and Commercial. Programme critical roles in these areas have been filled by agency staff in the short term.

Appendix A: Business Unit financial tables

Rail and Underground

London Underground (£m)	Year to date		Full year 2013/14			Section
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget	
London Underground	1,023	-1 ▼	2,290	13	-16 ▼	4.1
London Rail	137	4 ▲	308	7	15 ▲	4.2
Total fares income	**1,160**	**3 ▲**	**2,597**	**20**	**- ▶**	
Other operating income	94	4 ▲	218	1	17 ▲	4.5
Total operating income	**1,253**	**7 ▲**	**2,815**	**20**	**17 ▲**	
Chief Operating Officer	-707	18 ▲	-1,580	-11	-2 ▼	4.11, 4.11 and 4.12
Other Operational Expenses	-214	19 ▲	-489	26	31 ▲	
London Rail Operations	-155	5 ▲	-357	-3	-4 ▼	4.13
Renewals and reliability Projects	-60	-5 ▼	-163	-8	-19 ▼	4.11, 4.11 and 4.12
Total operating expenditure	**-1,136**	**36 ▲**	**-2,588**	**4**	**6 ▲**	
Capital expenditure						
London Underground	-548	43 ▲	-1,291	-27	-69 ▼	4.24 and 4.25
LU third party contributions	12	3 ▲	28	-	6 ▲	4.32
London Rail	-29	47 ▲	-100	30	59 ▲	4.26
London Rail third party contributions	25	23 ▲	37	23	27 ▲	4.33
Net capital expenditure	**-539**	**117 ▲**	**-1,326**	**25**	**22 ▲**	
Net Service Expenditure	**-421**	**160 ▲**	**-1,099**	**50**	**44 ▲**	

Surface Transport

Surface Transport (£m)	Year to date		Full year 2013/14			Section
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget	
Bus fares income	675	1 ▲	1,501	5	16 ▲	4.3
Bus contract costs & ticket commission	-837	8 ▲	-1,873	14	-19 ▼	4.14 and 4.15
Direct Bus Subsidy	**-162**	**9 ▲**	**-371**	**19**	**-3 ▼**	
Other Bus Income	12	1 ▲	26	-	1 ▲	**4.8**
Bus operating Expenditure (net of third-party contributions)	-41	1 ▲	-94	-	2 ▲	4.14, 4.15 and 4.16
Bus Capital Expenditure	-26	-2 ▼	-79	1	0 ▶	4.28 and 4.29
Net Bus Service Expenditure	**-217**	**9 ▲**	**-519**	**21**	**1 ▲**	
Other Surface Transport						
Other Operating Income	166	5 ▲	353	1	4 ▲	4.6, 4.7 and 4.8
Other Operating Expenditure (net of third-party contributions)	-299	13 ▲	-756	18	-5 ▼	4.14, 4.15 and 4.16
Other Capital Expenditure (net of third-party contributions)	-46	49 ▲	-175	12	70 ▲	4.28 and 4.29
Net Service Expenditure	**-395**	**75 ▲**	**-1,097**	**52**	**71 ▲**	

Corporate directorates

Corporate (£m)	Year to date		Full year 2013/14			Section
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Quarter 1 forecast	Variance to Budget	
Other Operating Income	17	2 ▲	39	2	-39 ▼	4.9 and 4.10
Operating Expenditure (net of third-party contributions)	-263	- ▶	-612	-2	-17 ▼	4.17 and 4.18
Net Capital Expenditure	-21	3 ▲	-13	10	104 ▲	4.30, 4.31, 4.35 and 4.38
Net Service Expenditure	-267	-4 ▼	-586	10	21 ▲	

Appendix B: Balance Sheet [*]

TfL Group Balance Sheet at Quarter 1	Year to date		Full year	
	Actual	Variance to Budget	Quarter 2 forecast	Variance to Budget
Non-current assets (-higher / lower than budget)	29,222	55	30,893	(144)
Current assets (exc. cash & investments) (-higher / lower than budget)	689	(207)	517	5
Cash & investments (-higher / lower than budget)	4,289	(380)	3,915	(233)
Creditors (higher / -lower than budget)	(2,976)	137	(2,720)	10
Derivative liabilities (higher / -lower than budget)	(70)	(46)	(73)	(43)
Borrowings (higher / -lower than budget)	(8,038)	174	(7,869)	34
Provisions (higher / -lower than budget)	(3,086)	63	(2,987)	20
Total Net Assets – (higher) / lower than budget	20,030	(204)	21,676	(351)

10.1 Non-current assets were £55m below Budget at the end of Quarter 2, with lower activity capital expenditure of £108m being offset by higher long-term cash investments of £55m and prepayments of £3m, and minor disposal and depreciation variances. The non-current asset forecast is £144m above Budget, with higher fixed asset balances of £95m, long-term investments of £42m and pre-payments of £7m. Fixed asset additions are expected to be £108m higher than Budget (being the net of increases for the Crossrail project of £139m offset by lower spend across the rest of TfL Group £31m) and disposals and depreciation are forecast to be £13m below budget.

10.2 Current assets were £207m higher than budget at the end of Quarter 2. Of this, £70m was due to the receipt of a VAT claim from HMRC, which was budgeted to be received late in Quarter 2, but which was received on the first day of Quarter 3, within HMRC's deadline of 30 days from receipt of claim. Additional balances arose as a result of claims, and from £7m of higher stocks, mainly in Rail and Underground, with the remainder representing trading variances across the group: including £8m of property related debtors and £11m of higher pass agent debtors, where the budget was reduced on an expected switch of sales away from retail outlets to online, but where the actual balance has remained constant.[†] The forecast assumes current assets to be close to budget.

10.3 A breakdown of the cash variances to date and forecast is shown in the table at Appendix 3.

10.4 Creditor balances for the year to date position are £137m higher than budget, over £100m of which is within Underground. Capital creditors are over £70m higher than budget due to accruals on SSR upgrade works and both Tottenham Court Road and Victoria station upgrade works, where invoices are not being received in line with budgeted expectations. Similarly, accruals for operating works such as track and facilities maintenance are £30m higher than budget. In TTL, revenue creditors and receipts in advance are £37m above budget, approximately half of which is for the increase in the

[*] The Balance Sheet and the Cash Summary (Appendix C) show the full consolidated accounts for TfL. This includes London Transport Museum (LTM) activity; cash balances as well fair value adjustments for long-term investments.
[†] Some text was removed from this section after initial publication as it was considered to be commercially sensitive

unused balance of period tickets (£12m) and higher Oyster deposits (£5m). Creditor balances are expected to be close to budget at year end.

10.5 The derivatives position at Quarter 2 is based on market values. TfL is obliged to record the fair value of its derivatives on the balance sheet. However, as TfL only enters into such contracts to fix interest rates on its future borrowings, hedge accounting applies and any movement in the fair value of the derivative liability is recognised directly in reserves. The fair value liability is expected to reverse by maturity.

10.6 During the year to date, the remaining Tube Lines Finance B notes, which had a 7.5% coupon, were repaid; being refinanced in the Corporation by new bonds issued at a lower 4% coupon. External borrowings at Q2 were £174m above budget, as a result of new borrowings being taken out earlier than planned to take advantage of favourable interest rates. Borrowings for the year are forecast to be £34m higher of which £7m relates to the release of fair value adjustments following the repayment of the B notes and £27m is for net new borrowings after discounts and fees. This increase arises as a result of the unbudgeted refinancing of ex Tube Lines Finance scheduled debt repayments, as is permitted by TfL's funding settlement with Government, and has already been factored into the operational boundary for the Prudential Indicators.

10.7 Provisions at the end of Quarter 2 were £63m higher than budget, primarily due to £31m lower payments and £27m higher anticipated final costs against the Crossrail property provision in TfL. Provisions are forecast to be £20m higher than budget at year end. Again, most of the variance is caused by changes to the Crossrail property provision, with higher anticipated costs of £31m offset by higher payments made of £10m.

Balance Sheet (£m)	Year to Date			Full Year		
	Actual	Budget	Variance to Budget	Quarter 2 forecast	Budget	Variance to Budget
Intangible assets	106	115	9	168	119	(49)
Property, plant & equipment	28,056	28,161	105	29,551	29,509	(42)
Investment properties	429	428	(1)	429	425	(4)
Long term investments	264	209	(55)	251	209	(42)
Long term debtors	367	364	(3)	494	487	(7)
Non Current Assets	**29,222**	**29,277**	**55**	**30,893**	**30,749**	**(144)**
Stocks	49	42	(7)	51	42	(9)
Short term debtors	640	440	(200)	466	480	14
Cash and Investments	4,289	3,909	(380)	3,915	3,682	(233)
Current Assets	**4,978**	**4,391**	**(587)**	**4,432**	**4,204**	**(228)**
Short term creditors	(2,045)	(1,913)	132	(1,821)	(1,811)	10
Short term borrowings	(858)	(1,138)	(280)	(889)	(1,138)	(249)
Short term lease liabilities	(45)	(52)	(7)	(70)	(70)	-
Short term provisions	(166)	(135)	31	(82)	(86)	(4)
Current Liabilities	**(3,114)**	**(3,238)**	**(124)**	**(2,862)**	**(3,105)**	**(243)**
Long term creditors	(73)	(60)	13	(61)	(60)	1
Long term borrowings	(7,180)	(6,726)	454	(6,980)	(6,697)	283
Long term lease liabilities	(813)	(814)	(1)	(768)	(769)	(1)
Long term derivatives	(70)	(116)	(46)	(73)	(116)	(43)
Other provisions	(115)	(79)	36	(106)	(79)	27
Pension provision	(2,805)	(2,809)	(4)	(2,799)	(2,802)	(3)
Long Term Liabilities	**(11,056)**	**(10,604)**	**452**	**(10,787)**	**(10,523)**	**264**
Total Net Assets	**20,030**	**19,826**	**(204)**	**21,676**	**21,325**	**(351)**
Capital and Reserves						
Usable reserves	4,294	3,972	(322)	4,181	3,774	(407)
Unusable reserves	15,736	15,854	118	17,495	17,551	56
Total Capital Employed	**20,030**	**19,826**	**(204)**	**21,676**	**21,325**	**(351)**

Cash and Investments						
CRL Sponsor funding account	1,769	1,729	(40)	1,775	1,830	55
Other cash and investments	2,784	2,389	(395)	2,391	2,061	(330)
Total as above *	**4,553**	**4,118**	**(435)**	**4,166**	**3,891**	**(275)**

* Includes Cash and Investments, and long-term investments

Appendix C: Cash summary

Cash Summary In / (Out) Flow (£m) £m	Year to Date			Full Year 2013/14		
	Actual	Budget	Variance to Budget	Quarter 2 forecast	Budget	Variance to Budget
Margin	(603)	(700)	(97)	(1,529)	(1,534)	(5)
Working Capital Movements	(43)	(38)	5	(94)	(245)	(149)
Cash Spend on Operating Activities	**(646)**	**(738)**	**(92)**	**(1,623)**	**(1,779)**	**(156)**
Net Capital Expenditure	(631)	(790)	(159)	(1,593)	(1,762)	(169)
Crossrail	(806)	(762)	44	(1,757)	(1,615)	142
Working Capital Movements	(48)	(50)	(2)	(178)	(63)	115
Cash Spend on Capital Activities	**(1,484)**	**(1,602)**	**(118)**	**(3,527)**	**(3,440)**	**87**
Cash Settlement of derivatives						
Non-cash items included in activity	61	29	(32)	112	52	(60)
Fair value adjustment for long term investments	2	-	(2)	-	-	-
Loans to third parties (paid) / repaid	(89)	(89)	-	(216)	(216)	-
Non-Activity Cash Movements	**(26)**	**(60)**	**(34)**	**(104)**	**(164)**	**(60)**
Grants, Precept & other contributions	2,309	2,292	(17)	5,197	5,078	(119)
Borrowings Raised	589	346	(243)	437	345	(92)
Borrowings Repaid	(82)	(13)	69	(107)	(42)	65
Total Funding	**2,816**	**2,625**	**(191)**	**5,527**	**5,381**	**(146)**
Net Movement in Cash	**660**	**225**	**(435)**	**273**	**(2)**	**(275)**

Glossary

Measure	Unit	Description
London Underground: total lost customer hours	Hours	The total additional journey time, measured in hours, experienced by all customers as a result of delays that lasted two minutes or longer. A delay at a busy location or during peak hours results in more 'lost customer hours' because more customers are affected.
London Underground: excess journey time	Perceived minutes	The average extra time that it took to complete a journey, compared to the time it would have taken if there were no delays. This can be affected by many things, such as queues to buy tickets or board trains, escalators being out of service, delays to trains, longer walking routes within stations, or planned weekend closures. A lower EJ' figure means customers experience less delay whether planned or unplanned. TfL weigh' the figures according to when and where the delay occurred. For example, we know that for customers, waiting on a train that is delayed in the tunnel feels longer than waiting on a platform for a delayed train to arrive, even if the total length of delay is the same. This means that the 'minutes' used in the measure are not actual minutes, but reflect customers' perception of the delay they experience.
London buses: excess wait time	Minutes	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. 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.

Transport for London Road Network (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.
Docklands Light Railway: on-time performance	%	The number of valid train departures expressed as a percentage of the base service departures: valid departures must have a minimum dwell of 5 seconds, the correct number of carriages and complete the whole of the scheduled route.
London Overground: public performance measure	%	The Public Performance Measure (PPM) shows the percentage of trains which arrive at their destination on time. The PPM combines figures for punctuality and reliability into a single performance measure. It is the rail industry standard measurement of performance. 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 to the total number of trains planned. In London and the South East, a train is defined as on time if it arrives at the destination within five minutes (ie 4 minutes 59 seconds or less) of the planned arrival time. Where a train fails to run its entire planned route calling at all timetabled stations it will count as a PPM failure.
Emirates Air Line: availability	%	Operating availability is the ratio of actual operating hours / planned operating hours. Planned operating hours are not necessarily the same as scheduled due to instances when the EAL is open outside of schedule in support of local events – particularly those at the O_2.

TLRN: journey time reliability (am peak)	%	The key measure for monitoring smoothing traffic flow is journey time reliability (JTR). It is defined as the percentage of journeys completed within an allowable excess of 5 minutes for a standard 30 minute journey during the AM peak.
Scheduled services operated	%	The amount of service that TfL actually operated, compared to what we planned beforehand – 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.
Recorded crime	Per million passenger journeys	The number of recorded (or notifiable) crimes per million passenger journeys on the appropriate network.
LU and LR major injury frequency rate	Major injuries/ million hours	The KPI records the number of serious injuries to customers, employees and contractors using or working on London Underground and London Rail as a measure of customer and employee safety. A major injury is one classified as 'major' under schedule 1 of RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations). Injuries arising from criminal acts, alleged suicide attempts, and medical conditions are excluded.
Cumulative reduction in killed and seriously injured (KSI) Londonwide	%	The percentage reduction in Killed or Seriously injured (KSI) KPI relates to personal injury road traffic collisions occurring on the public highway, and reported to the police, in accordance with the Stats 19 national reporting system. The KPI measures the percentage change in KSI casualties on London's roads compared to the baseline average number of KSI casualties between 2005 and 2009. The Safe Streets for London (SSfL) Road Safety Action Plan published on 6 June 2013 sets out the target of a 40 per cent reduction in KSI casualties by 2020 against the 2005-09 baseline.

Vehicles operated by FORS accredited companies	Number	The KPI measures the cumulative total of vehicles operated by Fleet Operators' Recognition Scheme (FORS) accredited companies. The numbers of vehicles recognises those from at all levels (bronze, silver & gold) of accreditation. The cumulative total starts from 2008.
Passenger journeys	Millions	It's important to know how much people are travelling on TfL services. We use this information to plan for the future.
Cycling levels on the TLRN	Index	The purpose of this indicator is to assess the level of cycle use on the TLRN. The overall ambition is to increase cycling levels by 400% such that by 2025 cycling will equate to a 5% mode share of all journey trips. This indicator does not represent cycling across London as a whole; It only represents cycling on the 5% of London's roads that are the TLRN. The indicator is presented as an indexed flow relative to a baseline of March 2000 (a flow level that is represented as 100 on the index). Sixty automatic cycle counters on the TLRN provide sample counts of cyclists using the network. The indicator converts these counts into an index that is used to represent increases in cycle flows on the TLRN over time. It does not represent the total number of cyclists in London. Automatic cycling counters are pieces of monitoring equipment that emit a magnetic field that detects the presence of a moving cycle.
Customer satisfaction	%	One of our most important performance measures is customer satisfaction; this helps us understand what the people who use our services really think. 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