

Transport for London quarterly performance report

Quarter 3 2017/18

MAYOR OF LONDON



**TRANSPORT
FOR LONDON**
EVERY JOURNEY MATTERS

About Transport for London (TfL)

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

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

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

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

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

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

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

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

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

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

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

Introduction

This Quarterly Performance Report covers the period to 9 December 2017.

We remain on track to achieve our long-term objective of achieving an operating surplus despite the cut in Government grant funding and economic and other external factors affecting passenger numbers and advertising income.

Passenger income is £34m lower than in the same period last year, reflecting a one per cent drop in passenger numbers. Like for like passenger numbers on the Underground are down one per cent for the first three quarters of the year, which is a smaller reduction than rail travel across the South East and London, thanks to affordable fares.

Bus ridership has started to improve as the affordable fares policy and measures to improve bus journey times have helped encourage people to make more journeys using buses. Without the fares freeze and the introduction of the Hopper fare, the impact on overall passenger volumes would have been much worse.

Operating costs are £29m (one per cent) down on the corresponding period last year as we continue to identify savings initiatives such as consolidating our head office accommodation, modernising London Underground and merging engineering functions.

Our drive to reduce costs continues to ensure that we successfully offset the pressure on income and we remain on track to outperform our budgeted net operating surplus for the year.

The capital investment programme delivered key achievements this quarter, including the unveiling of the upgrade of Bond Street station and the completion of tunnelling on the Northern line extension.

Simon Kilonback
Acting Chief
Finance Officer

Sarah Bradley
Group Financial Controller



Business at a glance

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

How we report on our business



Finances at a glance*



Sources of funds
£10.1bn

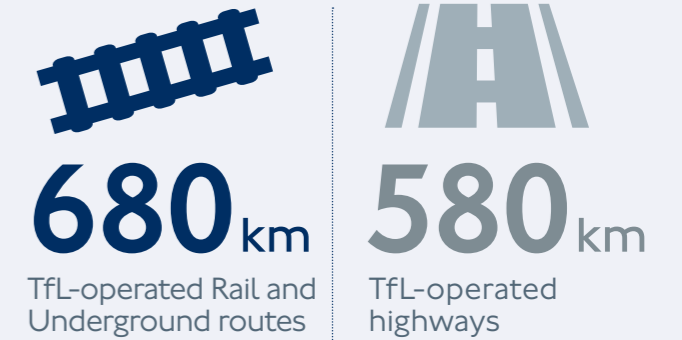
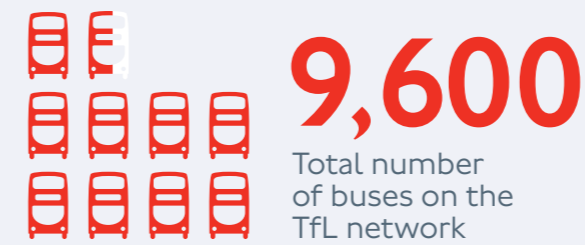
65%
spent on running the network every day.



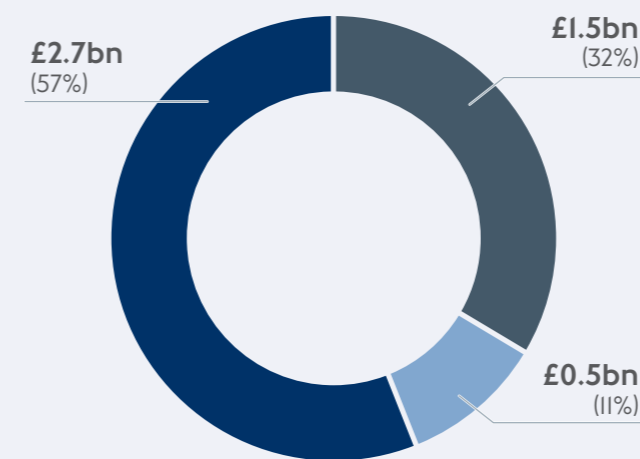
35%
spent renewing and improving the network through one of the largest capital investment programmes in Europe.

*Based on full year 2016/17

Facts and figures*



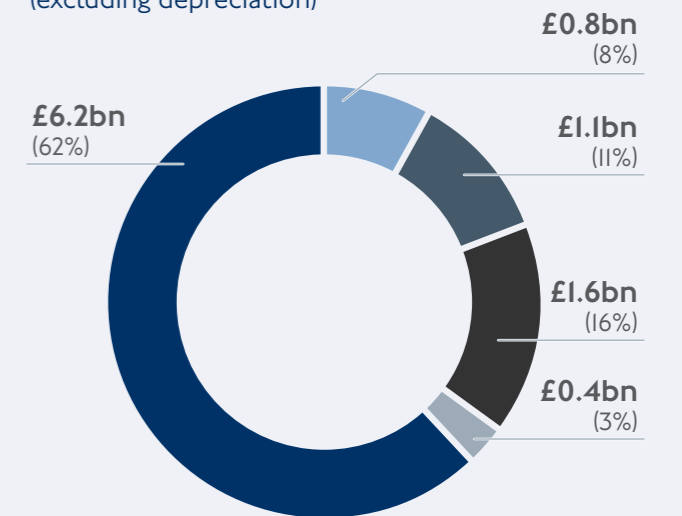
Total passenger income*



Total: **£4.7bn**

■ Underground ■ Rail ■ Buses

Total costs* (excluding depreciation)



£10.1bn

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

Financial summary

Performance in the year to date

Operating account

TfL Group (£m)	Q3 YTD 2017/18	Q3 YTD 2016/17	Variance
Passenger income	3,269	3,303	-1%
Other operating income	507	497	2%
Total operating income	3,776	3,800	-1%
General Grant	158	310	-49%
Business Rates Retention	581	581	0%
Other revenue grants	53	25	112%
Total income	4,568	4,716	-3%
Operating cost	(4,192)	(4,221)	-1%
Net operating surplus	376	495	-24%
Depreciation and amortisation	(754)	(744)	1%
Net cost of operations before financing	(378)	(249)	52%
Net financing costs	(292)	(280)	4%
Net cost of operations	(670)	(529)	27%

Capital account

TfL Group (£m)	Q3 YTD 2017/18	Q3 YTD 2016/17	Variance
Capital renewals	(377)	(538)	-30%
New capital investment	(897)	(715)	25%
Crossrail	(1,034)	(1,121)	-8%
Total capital expenditure	(2,308)	(2,374)	-3%
Financed by:			
Investment grant	653	654	0%
Third-party contributions	66	33	100%
Property receipts	20	4	400%
Crossrail funding sources	93	89	4%
Other capital grants	126	112	13%
Total	958	892	7%
Net capital account	(1,350)	(1,482)	-9%

Cash flow summary

TfL Group (£m)	Q3 YTD 2017/18	Q3 YTD 2016/17	Variance
Net cost of operations	(670)	(529)	27%
Depreciation and amortisation	754	744	1%
Net capital account	(1,350)	(1,482)	-9%
Borrowing	300	92	226%
Working capital movements	1,142	(151)	
Increase/(decrease) in cash balances	176	(1,326)	

Passenger journeys analysis

	Q3 YTD 2017/18	Q3 YTD 2016/17	Variance
Number of passenger journeys (millions)	2,824	2,853	-1%
Average yield per passenger journey (£)	1.16	1.16	0%
Operating cost per journey (£)	(1.48)	(1.48)	0%
Total cost per journey before financing (£)	(1.75)	(1.74)	1%

Passenger income is £34m lower than last year, reflecting a one per cent drop in passenger numbers as journeys are affected by an overall reduction in rail demand in the South East. Revenue sources have been further reduced by a £152m cut in the General Grant, only offset slightly by small increases in other operating income. Total income is therefore down year-on-year by £148m.

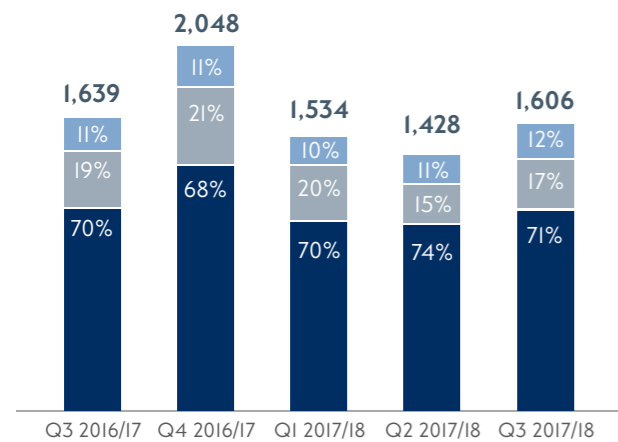
Overall operating costs are £29m lower than last year, reflecting our drive to reduce costs as we manage the impact of the removal of all government operating grant.

Total capital expenditure was £2,308m, almost half of which was for Crossrail. Other capital expenditure is at the same level as last year – increased new investment, including purchasing new Elizabeth line trains, offsets reduced renewals as major station upgrades reach completion.

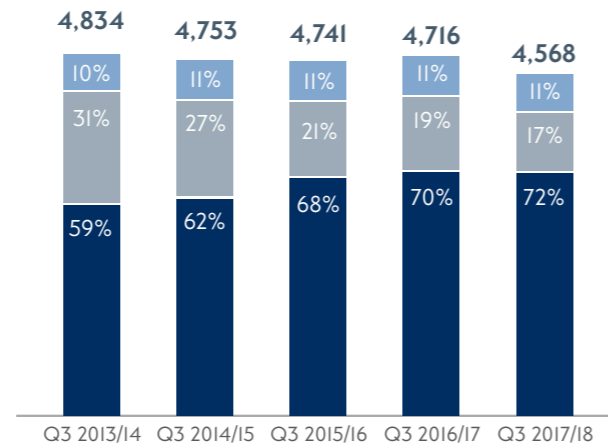
Cash balances have increased by £176m since the start of the year. Net new borrowings of £300m and an £84m contribution from operations have been offset by capital expenditure and working capital movements.

Financial trends

Total income Quarterly (£m)



Five-year trend year-to-date (£m)



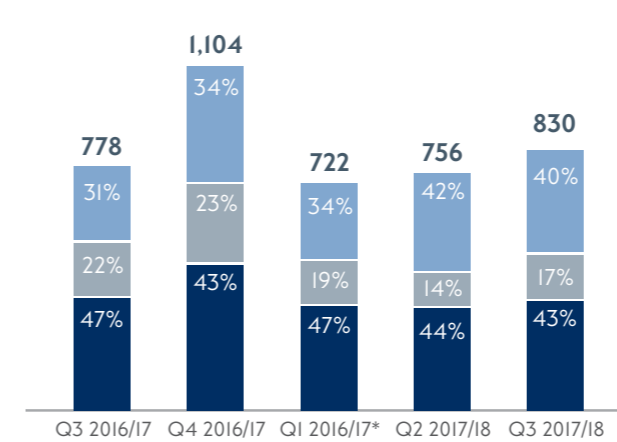
- Passenger income
- Grants
- Other income

Total income at a five-year low

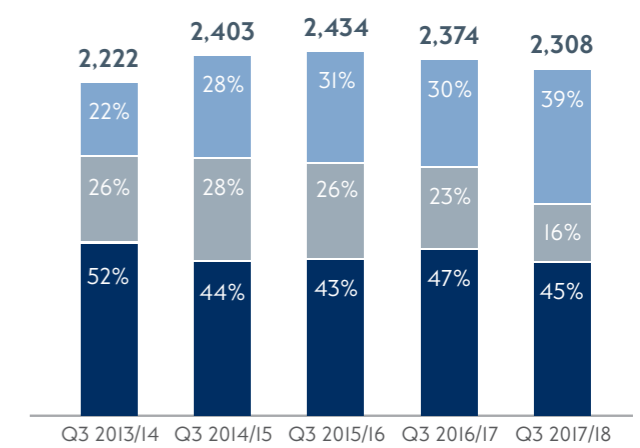
A reduction in grant income of £124m and reducing passenger numbers have contributed to total year-to-date income being at its lowest level in five years. Other operating income has seen a slight increase as we continue to harness new income streams.

49%▼ in General Grant

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



Five-year trend year-to-date (£m)



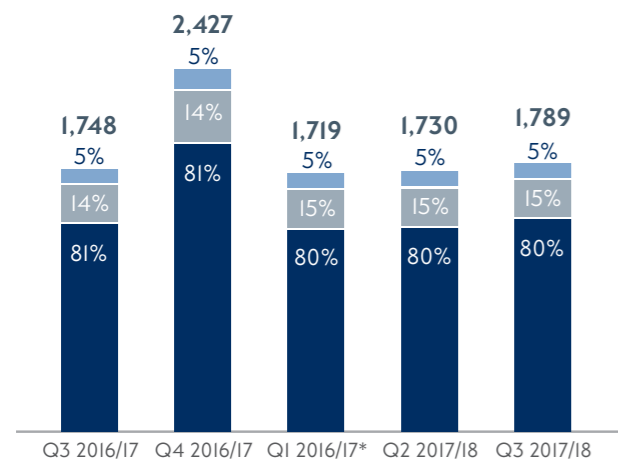
- Crossrail
- Renewals
- New capital investment

Elizabeth line to open December 2018

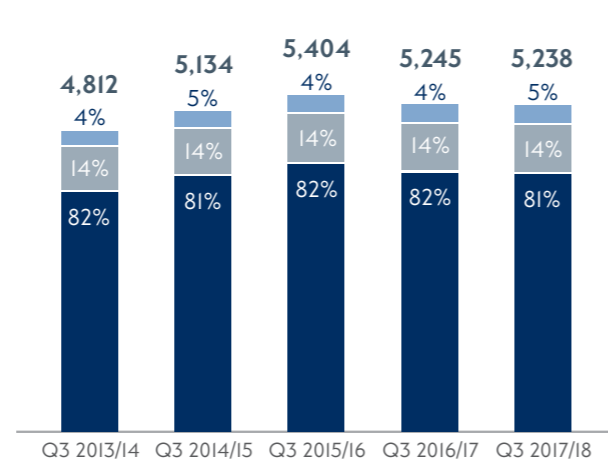
Capital expenditure increased this quarter, as we prepare for the opening of the Elizabeth line later this year. Total capital renewals and new investment are at similar levels to last year.

90% of Crossrail completed

Total costs Quarterly (£m)



Five-year trend year-to-date (£m)



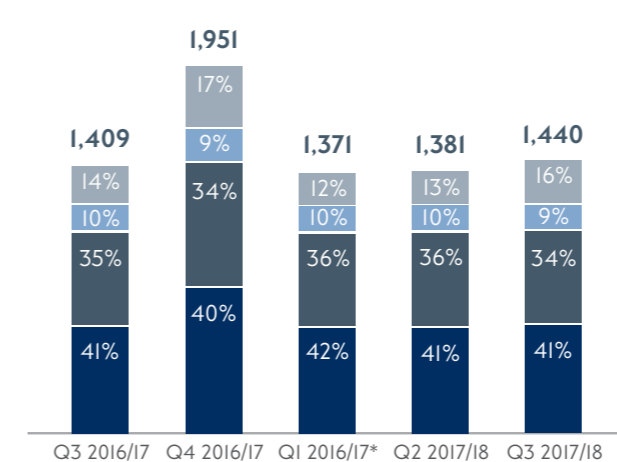
- Operating costs
- Depreciation
- Net financing costs

Total costs lower year-on-year

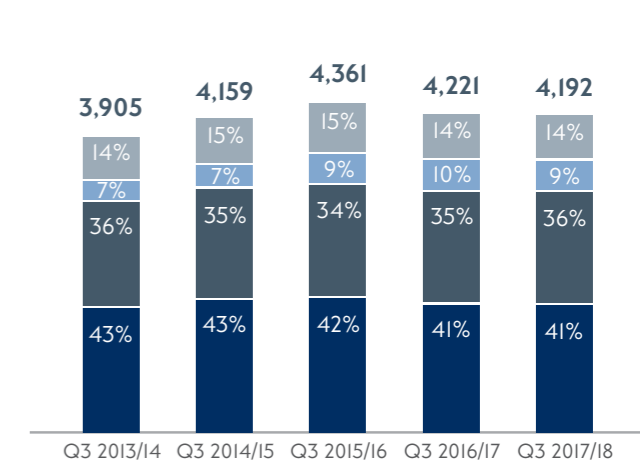
Operating costs are lower than last year as we continue to identify savings. Financing costs are marginally higher owing to £300m net new borrowings this year.

1%▼ in operating costs

Operating costs Quarterly (£m)



Five-year trend year-to-date (£m)



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

Operating costs lower year-on-year

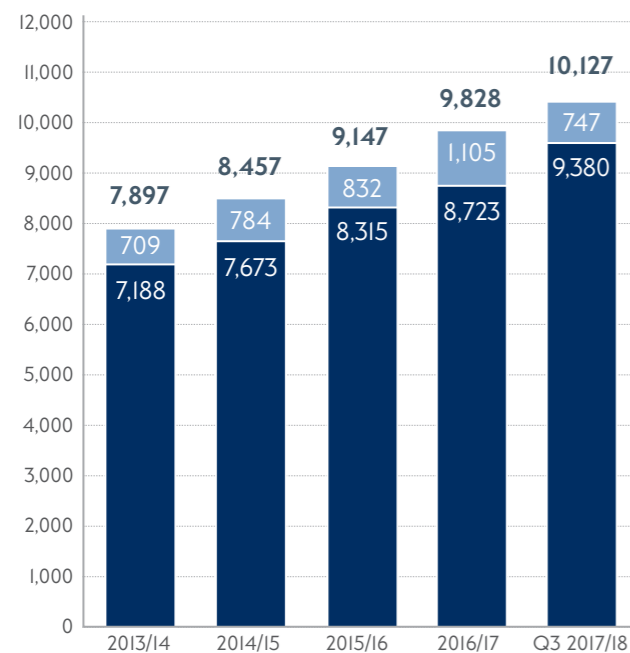
Overall operating costs are less than last year as focused efforts to reduce costs yield results.

6%▼ in staff costs

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

Borrowing and cash

Total nominal value of borrowing (£m)



- Long-term borrowing
- Borrowing maturing within 12 months

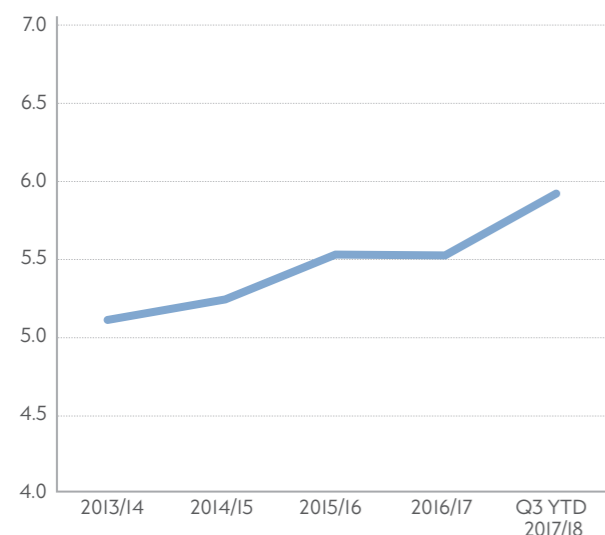
Financing costs and income (£m)

Year-to-date	Q3 2017/18	Q3 2016/17	Variance
Interest income	5	8	-38%
Financing costs	(269)	(258)	4%
PFI interest payable	(28)	(30)	-7%

Borrowing

The incremental borrowing agreed with Government for 2017/18 is £950m. The Budget assumes that, of this, only £620m will be raised this year, with the rest in 2018/19. At the end of Quarter 3, £700m of long-term debt had been drawn down under existing facilities with Export Development Canada and the European Investment Bank. These drawdowns were partially offset by short-term and long-term debt repayments of £401m. The total nominal value of borrowing outstanding at the end of the quarter was £10,127m, of which £9,380m is long term.

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



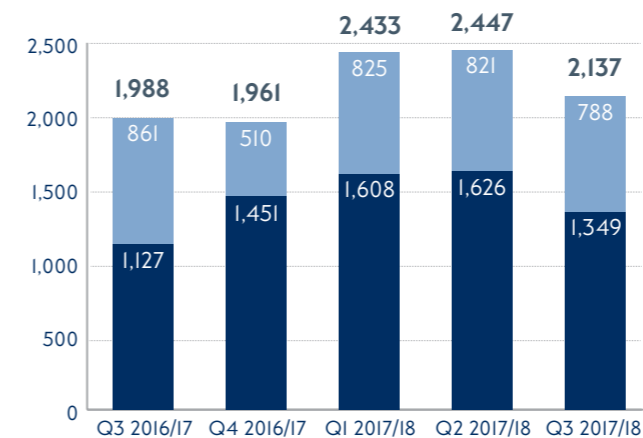
The ratio of financing costs to total income, including operating grants, helps TfL to monitor the affordability of its debt.

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

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

*Financing costs include exchange gains/losses relating to financing items

Cash balances (£m)



- TfL cash balances
- Crossrail

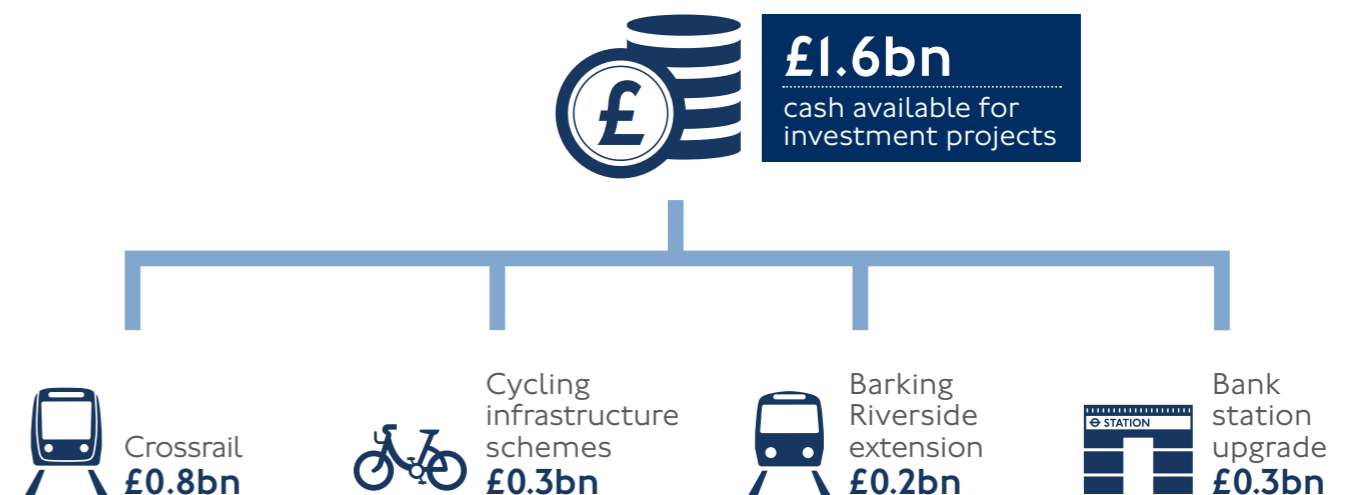
Cash balances

Cash balances have increased by £176m over the year-to-date to stand at £2,137m at the end of Quarter 3. Of the total balance, £788m is ring-fenced to deliver the Crossrail project. In addition, we aim to hold a prudent minimum level of cash for TfL (excluding Crossrail) for exceptional circumstances, as well as to retain a high credit rating, in line with our liquidity policy approved by the TfL Board. This minimum level of cash reserves – currently around £540m – is driven by the size of our operating costs and the level of our debt.

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

£176m **9%**▲
increase in cash over the year-to-date

Funding for investment projects



Operational trends

Passenger journeys Quarter 3, year-to-date

2,824m total number of journeys*

1%▼ total passenger journeys

London Underground



953m

Buses



1,580m

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



274m

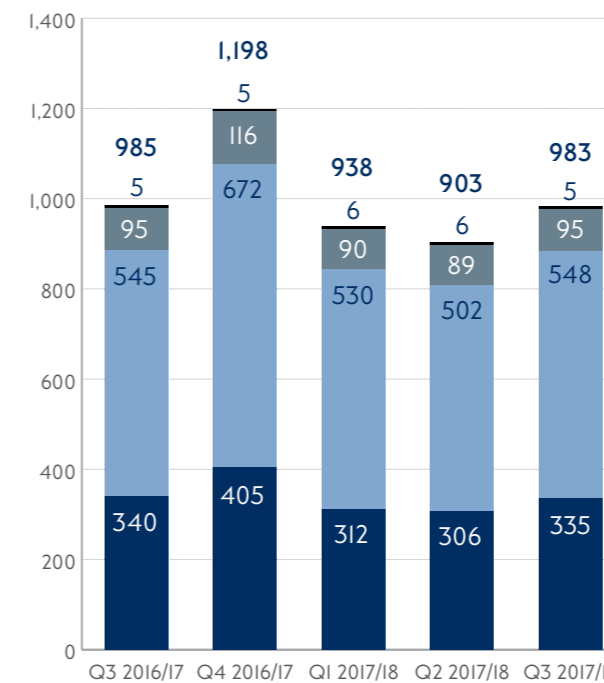
Other (London River Services, Dial-a-Ride, Santander Cycles)



17m

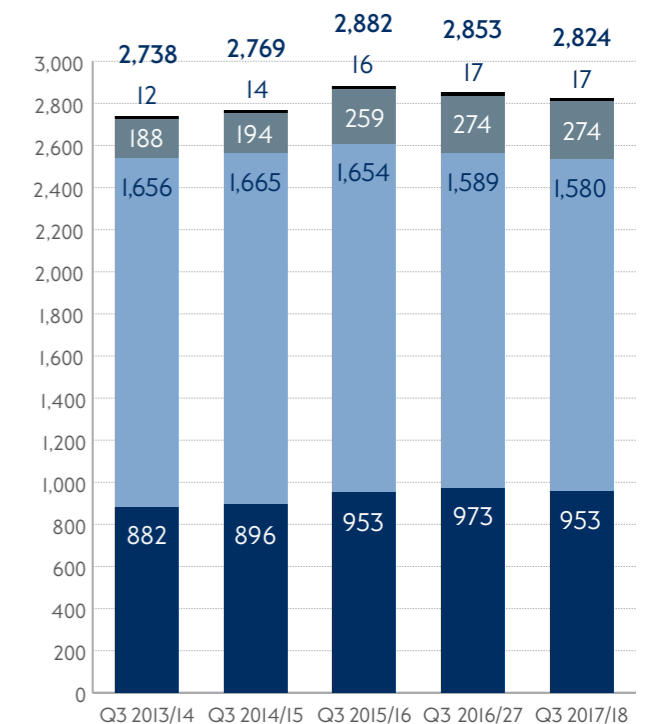
* Excluding road journeys and pedestrians

Passenger journeys (millions) Quarterly



■ London Underground ■ Rail
■ Buses ■ Other

Five-year trend



LU passenger volumes were two per cent lower over the first three quarters in the current year compared with 2016/17. The underlying trend, after adjusting for the later Easter, is one per cent lower than the same period last year. Passenger journeys have been affected by an overall reduction in rail demand in London and the South East.

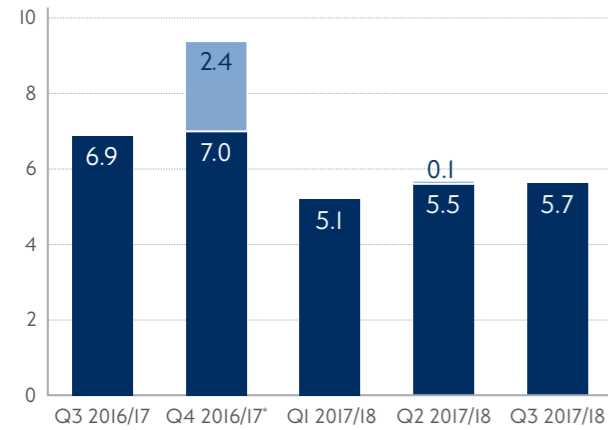
Bus passenger volumes in the year-to-date were one per cent lower than last year. This is driven by Q1 having one less day than last year and the timing of Easter. This is partly offset by some year-on-year improvement in bus speeds, particularly in central London and also improved ticket machine reliability following software improvements. Underlying journeys show a growth of 0.5 per cent year-on-year.

Passenger journeys across Rail remain broadly stable.

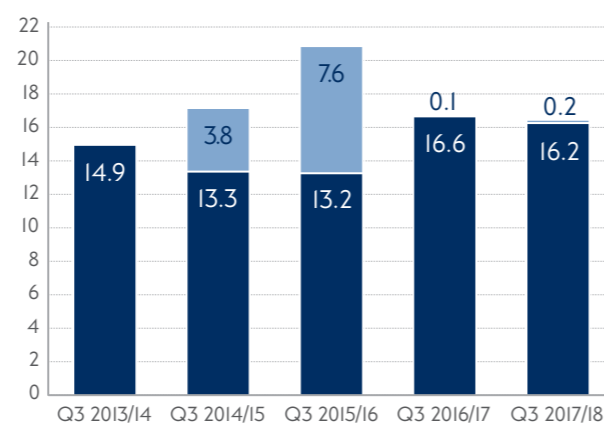
*Quarter 4 is longer than quarters 1 to 3 (16 weeks vs 12 weeks)

London Underground reliability – lost customer hours (LCH)

Quarterly (millions of hours)



Five-year trend YTD (millions of hours)



■ Industrial action

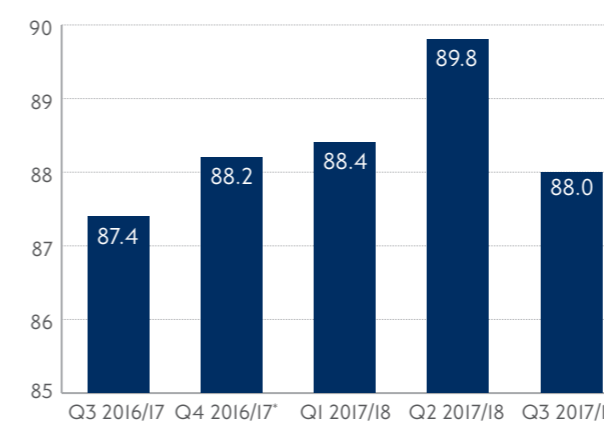
5.7m lost customer hours in Q3 2017/18

2%▼ in delays year-on-year

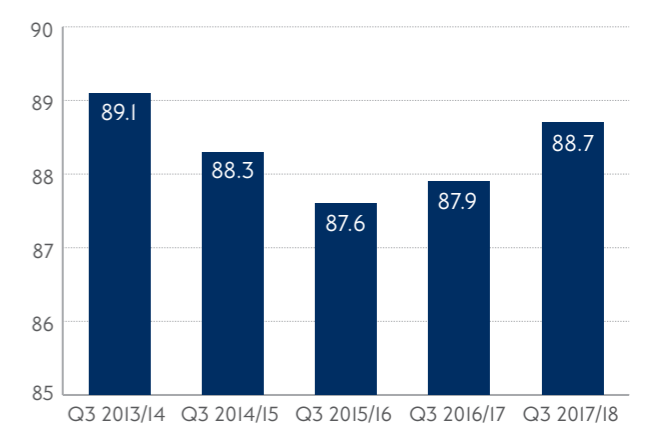
Network reliability continues to be affected by staff unavailability, customer incidents, signalling problems and fleet issues.

Roads – journey time reliability

Quarterly (%)



Five-year trend YTD (%)



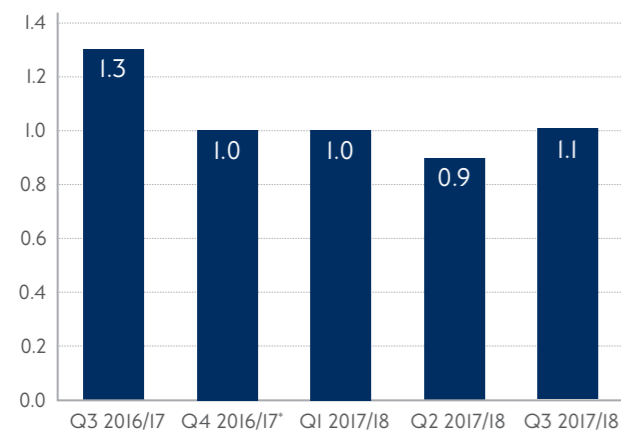
88.7% journey time reliability in Q3 2017/18

1%▲ in reliability year-on-year

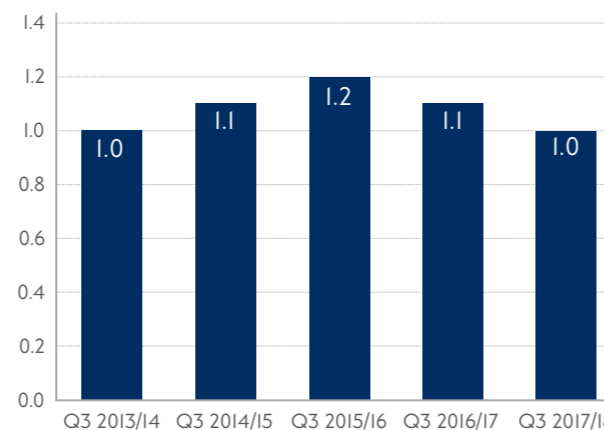
JTR is 0.6 percentage points higher than Q3 last year, despite a high number of disruptive collisions and several events that affected all of the west area corridors.

Bus reliability – excess wait time

Quarterly (minutes)



Five-year trend YTD (minutes)



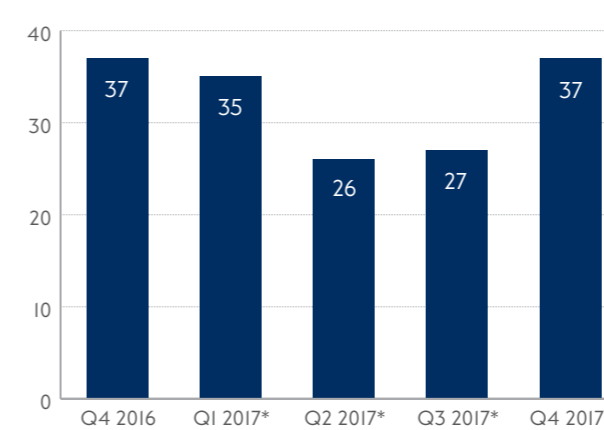
1.0 minutes in Q3 2017/18

The autumn quarter is usually the most difficult for bus reliability, however EWT has improved to best ever levels for this quarter following the year-on-year improvement in operating conditions, partly due to a range of measures taken by TfL to protect reliability.

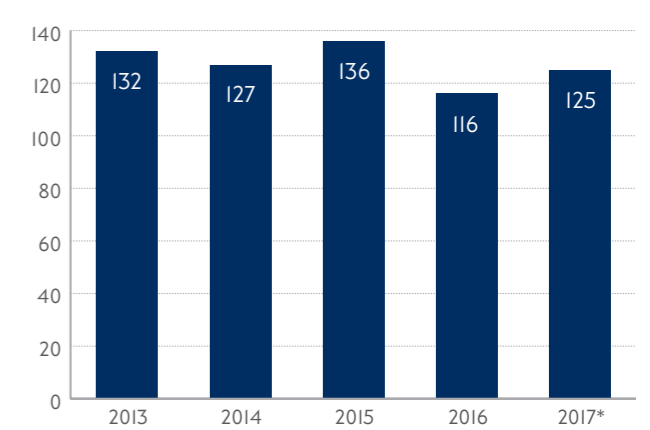
*Quarter 4 is longer than Quarters 1 to 3 (16 weeks vs 12 weeks)

Roads – reported casualties

Quarterly (number of fatalities)



Five-year trend YTD (number of fatalities)



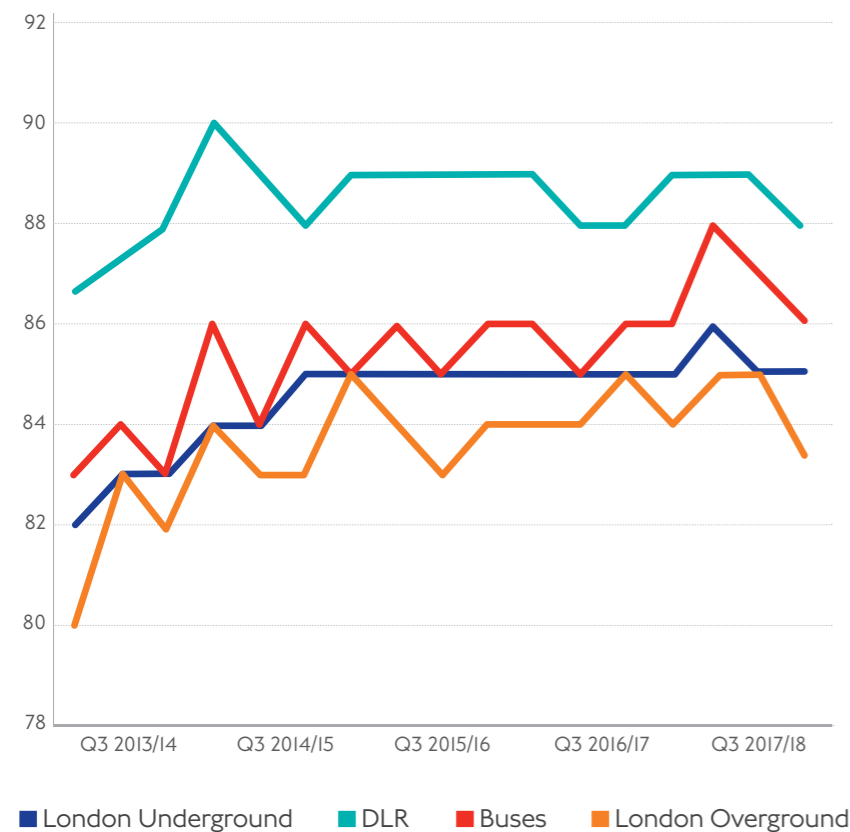
Provisional figures show that there were 125 fatalities on London's roads in 2017

*The figures for 2017 are provisional

NB: The above data is based on calendar quarters, i.e. Q4 is October – December

Customer trends

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



Tube overall satisfaction remains stable at 85. The usual seasonal increase in levels of crowding experienced this quarter has led to a drop in satisfaction with safety, both in station and on platform.

Buses overall satisfaction has declined by one point to 86. Several areas of the service, including bus condition and cleanliness, have seen a drop in satisfaction. Customers are also less satisfied with the journey; again, this is associated with levels of crowding.

Overall satisfaction with DLR declined one point to 88. This is largely driven by train service elements such as crowding and availability of seats, though there has also been a two point decline in train cleanliness and freedom from litter.

This quarter recorded a drop of more than two points for London Overground, from 85 to 83. This was caused by decreases in all measures concerning trains and service, particularly those measures concerned with punctuality.

3▲
in customer satisfaction on the Tube since Q3 2013/14



3▲
in customer satisfaction on buses since Q3 2013/14



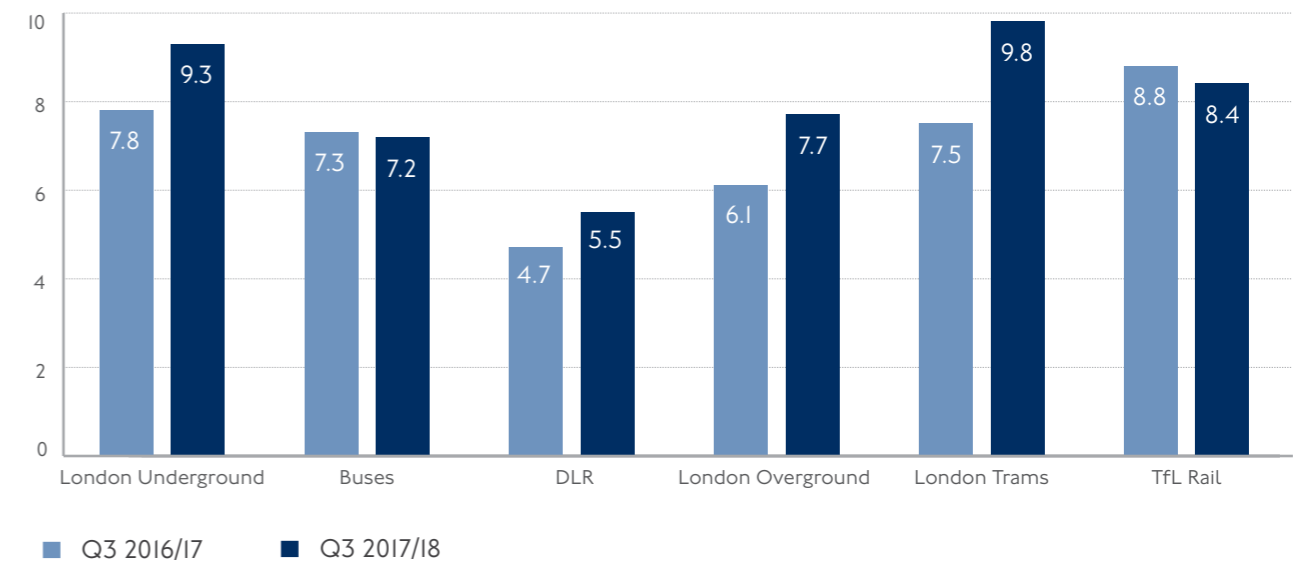
2▲
in customer satisfaction on the DLR since Q3 2013/14



3▲
in customer satisfaction on LO since Q3 2013/14



Recorded crime rate Number of recorded offences per million passenger journeys



Crime on TfL's public transport networks has risen by 6.8 per cent compared with the same period last year; an additional 1,359 offences over the eight-month period. The rate of crime per million passenger journeys across all modes was 7.9, compared with 7.3 for the same period last year. This overall rise is largely attributable to an increase in crime on LU.

There has been a notable and concerning increase in robberies by moped riders targeting bus passengers and other pedestrians. The Mayor's Office for Policing and Crime is leading on the strategic response, which includes measures such as targeted police activity, secure motorcycle parking and crime prevention advice.

High-visibility policing operations Enzyme (a joint operation involving British Transport Police (BTP), Metropolitan Police Service and TfL's revenue officers)

and Pegasus are ongoing. The BTP, at TfL's request, are reinstating local policing teams on the network, which should impact 2018 crime levels. For more details, see the Q3 customer services and operational performance report.

Number of recorded crimes

Year-to-date	Q3 2017/18	Q3 2016/17	Variance
London Underground	7,249	6,011	21%
Buses	9,374	9,711	-3%
DLR	396	331	20%
London Overground	858	679	26%
London Trams	178	130	37%
TfL Rail	233	251	-7%

Q3 crime figures are based upon data from April to November

Customer complaints

Complaints per 100,000 journeys year-to-date	Q3 2017/18	Q3 2016/17	Variance
London Underground	0.84	1.07	-21%
London Buses	2.75	3.00	-8%
DLR	0.69	1.12	-38%
London Overground	1.46	2.50	-42%
TfL Rail	1.98	2.78	-29%
London Trams	1.51	2.13	-29%
Emirates Air Line	2.37	1.59	49%
Congestion Charge	4.78	9.05	-47%
London Dial-a-Ride	92.79	95.31	-3%
London River Services	0.66	0.45	48%
Santander Cycles	4.56	3.34	37%
Taxis*	7.89	5.25	50%
Private Hire*	4.61	4.32	7%
Contactless	0.13	0.13	0%
Oyster	0.18	0.16	11%

*Journeys not recorded; figures based on survey

Reductions in complaints were seen in most areas, including buses, Tube and DLR. TfL Rail complaints reduced, including a reduction in service performance complaints – our main cause for contact.

London River Services complaints have increased compared to last year. A total of 28 complaints were received in this quarter. There were eight staff complaints, a small increase with no discernible reason for the cause.

On Santander Cycles, the two main areas of complaints are around understanding of pricing and when a customer's preferred location to return a bike is unavailable. Complaints about pricing are around customers' misunderstanding of the first half hour being free. Redistribution efforts continue to be refined as patterns change seasonally. Complaints towards the end of the quarter reduced substantially, with fewer than half received towards the end of the quarter.

Website and social media

Website visits (millions)



Customer services

Communications and correspondence

Year-to-date	Q3 2017/18	Q3 2016/17	Variance
Correspondence service level agreement	82.10%	81.6%	0.6%
Mystery shopper quality assessment scores	90.8%	90.5%	0.3%
Calls answered	89.1%	86.8%	2.6%

Correspondence performance is above target, with more than 98 per cent of ticketing enquiries and complaints being answered within three days.

Ticketing

Ticketing system availability

Year-to-date	Q3 2017/18	Q3 2016/17	Variance
London Underground – ticketing system overall availability	98.8%	98.6%	0.2%
London Buses – bus validation overall availability	99.7%	99.5%	0.2%

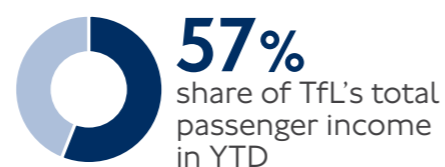
Year-to-date performance continues to be stronger and maintained during the introduction of Faster Universal Load, which enables customers to collect travel products or add pay as you go credit within 30 minutes at any bus, Tube, rail or river card reader. More details can be found in the Q3 customer services and operational performance report.

Underground

London Underground (LU)

Financial summary

The net operating surplus in London Underground reduces as lower direct costs are offset by higher indirect costs and reduced passenger income. The net cost of operations is broadly flat when compared to last year.



London Underground (£m)	Q3 YTD 2017/18	Q3 YTD 2016/17	Variance
Passenger income	1,857	1,863	0%
Other operating income	18	22	-18%
Total operating income	1,875	1,885	-1%
Direct operating cost	(1,440)	(1,457)	-1%
Indirect operating cost	(287)	(277)	4%
Net operating surplus	148	151	-2%
Depreciation and amortisation	(469)	(471)	0%
Net cost of operations before financing	(321)	(320)	0%
Capital renewals	(229)	(365)	-37%
New capital investment	(491)	(390)	26%
Total capital expenditure	(720)	(755)	-5%

Passenger income has been broadly flat when compared to the same quarters last year.

Direct operating costs have fallen by £17m, which includes the transfer of £19m of staff costs to professional services. There is a slight catch-up of project works deferred from earlier in the year offsetting this. The stations modernisation programme and continued headcount resource management have more than offset inflationary pressures.

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



Passenger journey analysis

	Q3 YTD 2017/18	Q3 YTD 2016/17	Variance
Number of passenger journeys (millions)	953	973	-2%
Average yield per passenger journey (£)	1.95	1.91	2%
Operating cost per journey (£)	(1.81)	(1.78)	2%
Total cost per journey before financing (£)	(2.30)	(2.27)	1%

Passenger journeys

Underlying demand is one per cent lower than the same period last year. Overall demand is down for rail travel in London and the South East including Network Rail.

Average yield per passenger journey

Passenger income per journey has improved compared with the equivalent period last year. This is partly because of the impact of the National Rail average fares increase in January 2017, which increases a proportion of TfL's tickets eg travelcards. In addition, our drive to encourage contactless usage has helped increase the yield.

Operating cost per journey

Operating cost per journey has increased slightly in the year-to-date largely owing to fewer passenger journey numbers.

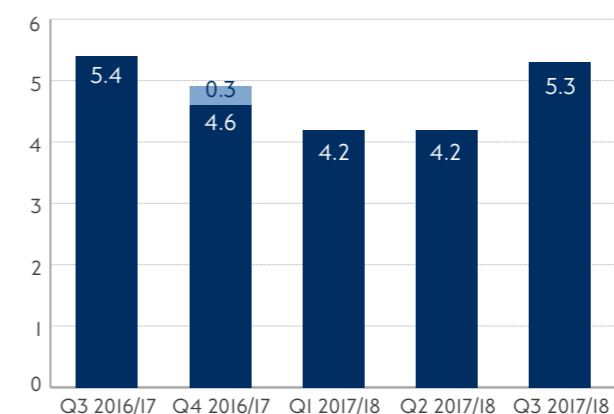
Underlying normalised passenger journeys year-on-year change (%)



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

Reliability

Excess journey time (minutes)

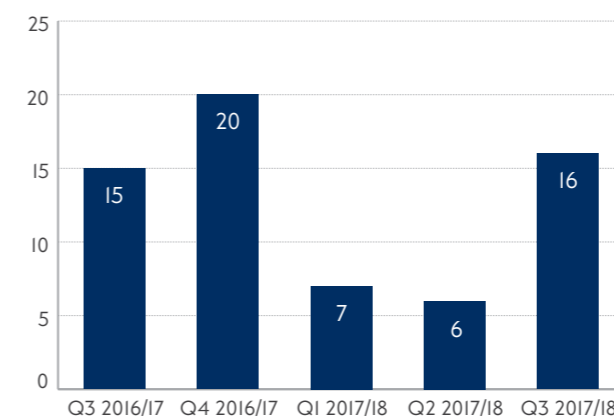


■ Industrial action

Network reliability continues to be affected by staff unavailability, signalling, customer incidents and fleet issues. However, our planning averted a repeat of last year's major seasonal problem with damaged wheels on the Piccadilly line.

Safety

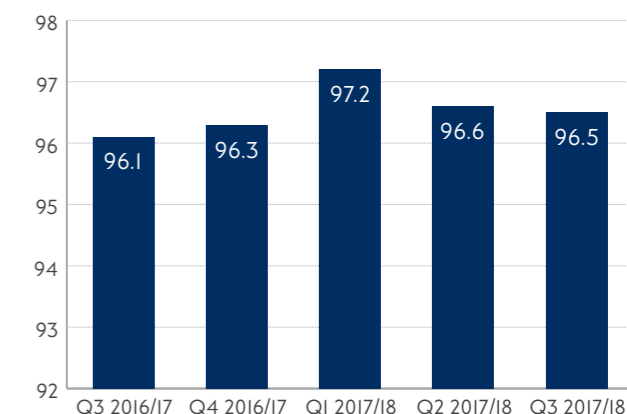
RIDDOR* reportable customer injuries



*Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013

Work to bring down customer injuries by 17 per cent continues. Escalator initiatives appear to have reduced the seriousness of injuries, but the number of minor injuries remains comparable to last year. All lines and key stations now have robust plans.

Scheduled kilometres operated (%)



Performance did not match the first two quarters of the year. As with LCH, the number of kilometres operated was affected by staff unavailability, customer incidents and fleet issues.

Customer

Customer satisfaction score (CSS)

	Q3 CSS
Bakerloo line	87
Central line	85
Circle line/Hammersmith & City line	84
District line	85
Jubilee line	86
Metropolitan line	86
Northern line	84
Piccadilly line	82
Victoria line	85
Overall score	85

The overall satisfaction score remained stable at 85. Satisfaction with safety, both in station and on platform, has dropped; this seems to have been caused by the usual seasonal increase in levels of crowding.



Buses

London Buses

Financial summary

Reduced passenger income and higher operating costs have contributed to the net operating deficit being eight per cent higher than last year.



Buses (£m)	Q3 YTD 2017/18	Q3 YTD 2016/17	Variance
Passenger income	1,019	1,046	-3%
Other operating income	10	9	11%
Total operating income	1,029	1,055	-2%
Direct operating cost	(1,452)	(1,445)	0%
Indirect operating cost	(45)	(45)	0%
Net operating deficit	(468)	(435)	8%
Depreciation and amortisation	(33)	(29)	14%
Net cost of operations before financing	(501)	(464)	8%
Capital renewals	(7)	(13)	-46%
New capital investment	(16)	(46)	-65%
Total capital expenditure	(23)	(59)	-61%

Lower bus passenger income is primarily caused by fewer fare-paying passenger journeys owing to fewer days in Quarter 1 this year and the timing of Easter. Underlying year-on-year demand showed 0.5 per cent growth in the year-to-date. This is because of some improvement in bus speeds and the introduction of the Hopper which is a key part of making transport affordable and attractive.

Direct operating cost is higher owing to

the annual contracted price inflation (average of 2.5 per cent) within the bus operators' contracts, but we are working hard to offset the financial impact in order to keep operating costs broadly flat year-on-year.

Capital expenditure is lower; the programme to purchase New Routemaster buses, introduced by the previous Mayor, was completed in June 2017. There are no plans to expand this programme.

Passenger journey analysis

	Q3 YTD 2017/18	Q3 YTD 2016/17	Variance
Number of passenger journeys (millions)	1,580	1,589	-1%
Average yield per passenger journey (£)	0.64	0.66	-3%
Operating cost per journey (£)	(0.95)	(0.94)	1%
Total cost per journey before financing (£)	(0.97)	(0.96)	1%

Passenger journeys

Total passenger journeys were one per cent lower than last year. The decrease is driven by Quarter I having one less day than last year and the timing of Easter. This is partly offset by some year-on-year improvement in bus speeds, particularly in central London, and also improved ticket machine reliability following software improvements. On a normalised basis, passenger journeys were 0.5 per cent higher.

Average yield per passenger journey

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

Operating cost per journey

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

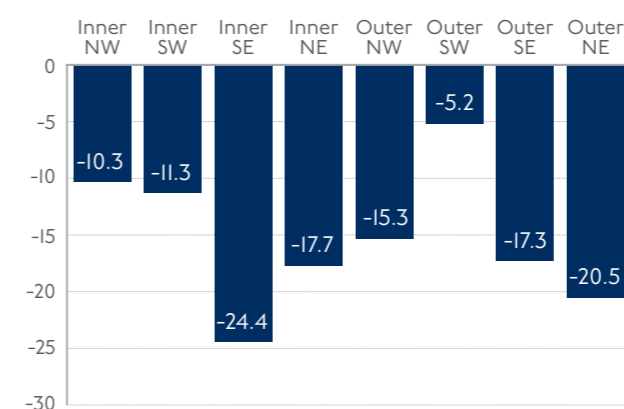
Underlying passenger journeys year-on-year change (%)



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

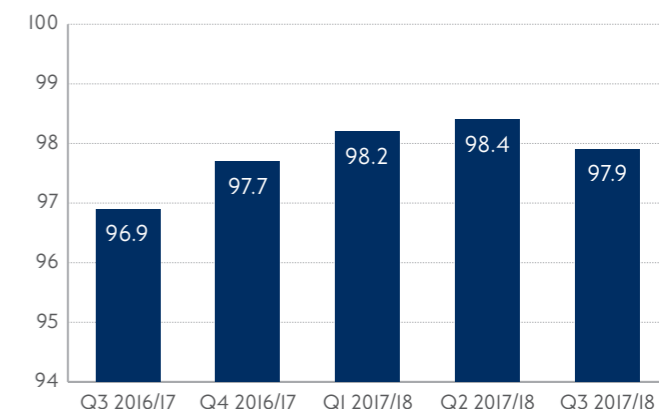
Reliability

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



Compared with a year ago, results for EWT improved in all sectors. The greatest improvement was in the Inner SE area which was adversely affected last year by the simultaneous closure of Tower Bridge and Tooley Street. The Outer SW area improved only slightly following deterioration in EWT for routes serving the Wimbledon area.

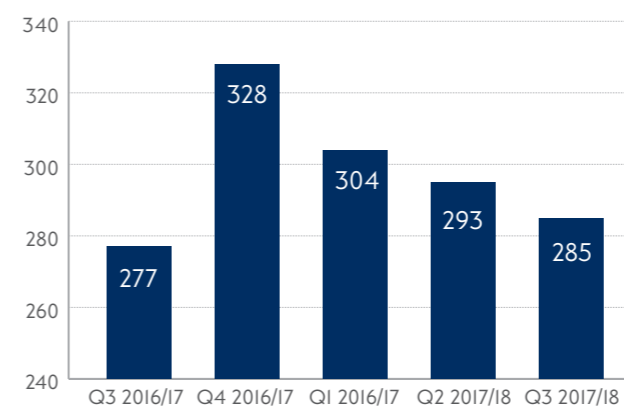
Scheduled services operated (%)



A deterioration compared with the previous quarter is normal in Q3 owing to the seasonal rise in traffic delays. Substantial improvement compared with the same quarter a year ago was due to kilometres lost to traffic delays falling to the lowest level for more than 20 years. Contributory factors include a relatively low level of roadworks and a range of initiatives to improve operating conditions for buses.

Safety

Customer injuries*

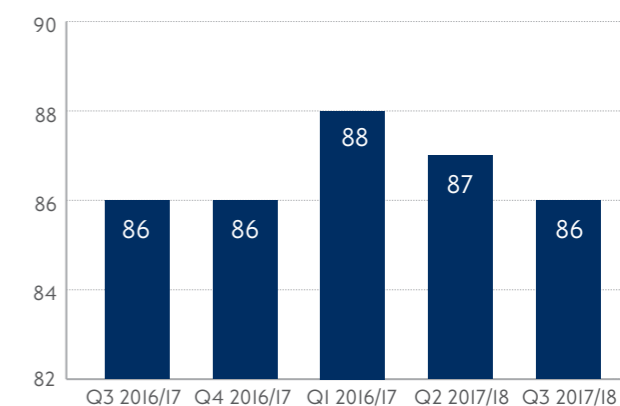


Two pedestrians were killed in collisions with buses in the quarter. There was a reduction in major injuries compared with Quarter 3 of 2016/17, with 66 per cent of injuries resulting from slips, trips and falls. We are trialling an on-board customer campaign to further reduce injuries.

* Customers taken to hospital

Customer

Customer satisfaction score



Several areas of the bus service have seen a decline in satisfaction, most notably bus condition and cleanliness. Customers are also less satisfied with the journey, which is associated with seasonal levels of crowding.

Rail

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

Financial summary

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



Rail (£m)	Q3 YTD 2017/18	Q3 YTD 2016/17	Variance
Passenger income	356	358	-1%
Other operating income	10	14	-29%
Total operating income	366	372	-2%
Direct operating cost	(371)	(379)	-2%
Indirect operating cost	(22)	(22)	0%
Net operating deficit	(27)	(29)	-7%
Depreciation and amortisation	(94)	(90)	4%
Net cost of operations before financing	(121)	(119)	2%
Capital renewals	(18)	(43)	-58%
New capital investment	(247)	(140)	76%
Crossrail construction costs	(1,034)	(1,121)	-8%
Total capital expenditure	(1,299)	(1,304)	0%

Passenger income is in line with the previous year. A reduction in passenger journeys (owing to the number of days in the quarter and the timing of Easter) was offset by the impact of the annual Travelcard fare increase. The fall in other operating income relates to lower third party contributions for station works that are now complete.

Operating costs have reduced owing to one-off London Overground contractual savings, partly offset by bonus payments made

for improved performance on the DLR.

The decrease in capital renewals is mainly because of London Overground Capacity Improvement Programme (LOCIP) final contractor costs of £15m and Gospel Oak Barking (GOB) Network Rail electrification costs of £12m being incurred in 2016/17.

New capital investment has increased this year as we introduce the new Elizabeth line trains and build a new depot to provide train maintenance facilities.



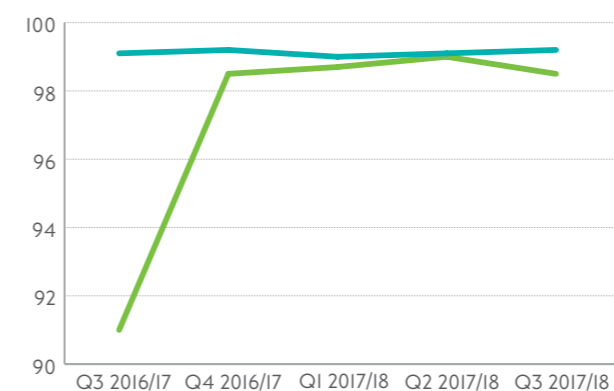
Passenger journey analysis

	Q3 YTD 2017/18	Q3 YTD 2016/17	Variance
London Overground			
Number of passenger journeys (millions)	128.9	132.3	-3%
Average yield per passenger journey (£)	1.22	1.20	2%
Operating cost per journey (£)	(1.43)	(1.49)	-4%
Total cost per journey before financing (£)	(1.54)	(1.62)	-5%
DLR			
Number of passenger journeys (millions)	85.5	86.0	-1%
Average yield per passenger journey (£)	1.40	1.35	4%
Operating cost per journey (£)	(1.12)	(1.05)	7%
Total cost per journey before financing (£)	(1.58)	(1.49)	6%
TfL Rail			
Number of passenger journeys (millions)	32.1	33.6	-4%
Average yield per passenger journey (£)	1.81	1.79	1%
Operating cost per journey (£)	(2.50)	(2.15)	16%
Total cost per journey before financing (£)	(3.36)	(2.92)	15%
London Trams			
Number of passenger journeys (millions)	20.5	20.4	0%
Average yield per passenger journey (£)	0.83	0.88	-6%
Operating cost per journey (£)	(1.22)	(1.29)	-6%
Total cost per journey before financing (£)	(1.72)	(1.60)	8%
Emirates Air Line			
Number of passenger journeys (thousands)	1,098.0	1,132.0	-3%
Average yield per passenger journey (£)	4.21	4.16	1%
Operating cost per journey* (£)	(1.92)	(2.22)	-14%
Total cost per journey before financing* (£)	(2.00)	(2.30)	-13%

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

Reliability

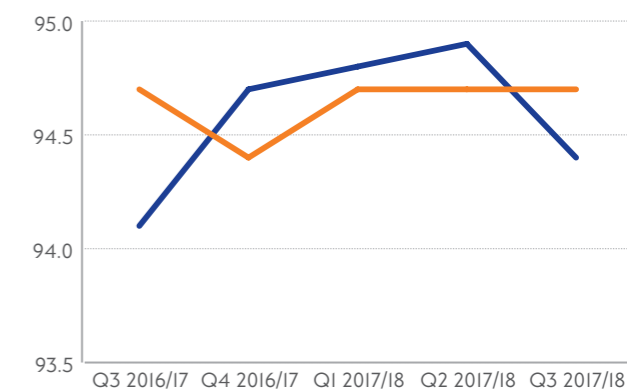
DLR and London Trams – scheduled services operated (%)



■ DLR ■ London Trams

London Trams reliability declined marginally compared to the previous quarter to just below target at 98.5 per cent. DLR reliability remains strong above 99 per cent in the quarter.

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

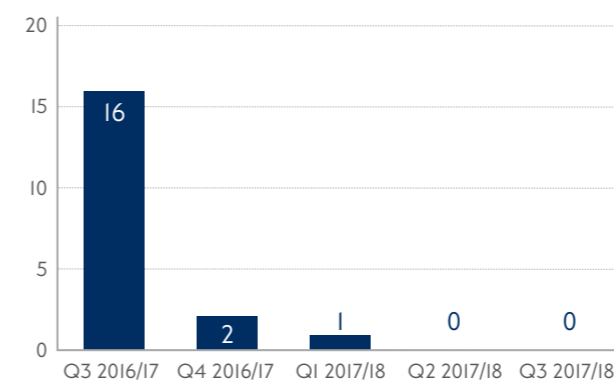


■ London Overground ■ TfL Rail

Rolling stock issues, autumn weather conditions and external events all affected TfL Rail performance this quarter. London Overground performance matched that of Q2, and it remains one of the most reliable networks in the country.

Safety

RIDDOR* reportable customer injuries

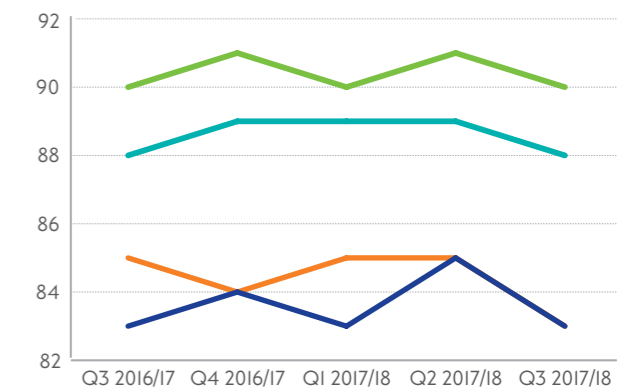


*Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013

There were no customer injuries meeting the criteria for reporting under the RIDDOR regulations this quarter.

Customer

Customer satisfaction score



■ DLR ■ London Trams ■ London Overground ■ TfL Rail

Q3 has seen a decline in customer satisfaction across all modes. In general, this seems to be a result of a decrease in satisfaction with the train service and the level of crowding.



Streets

Transport for London Road Network (TLRN)



Financial summary

Despite a fall in income, reduced costs have contributed to a 10 per cent reduction in the net operating deficit

Streets (£m)	Q3 YTD 2017/18	Q3 YTD 2016/17	Variance
Passenger income	-	-	0%
Other operating income	219	226	-3%
Total operating income	219	226	-3%
Direct operating cost	(340)	(369)	-8%
Indirect operating cost	(56)	(54)	4%
Net operating deficit	(177)	(197)	-10%
Depreciation and amortisation	(98)	(88)	11%
Net cost of operations before financing	(275)	(285)	-4%
Capital renewals	(78)	(89)	-12%
New capital investment	(63)	(92)	-32%
Total capital expenditure	(141)	(181)	-22%

Streets operating income has reduced mainly as a result of lower volumes of chargeable vehicles entering the Congestion Charging zone. This reflects an underlying year-on-year decline in central London traffic flows, which have reduced on average by five per cent.

Streets operating costs have seen an eight per cent decrease year-on-year. The main contributors were lower staff costs, largely owing to headcount reductions, and reduced costs in Road User Charging

driven by lower volumes, plus the poor performance of the contractor, which has resulted in service credits.

Capital renewals are down this year compared with last, primarily because of reduced activity arising from more targeted investment to achieve value for money. New capital investment is also lower this year; 2016/17 saw major construction activity on the Cycle Superhighways programme, in particular the first phase of the East-West route.

Volume analysis

	Q3 YTD 2017/18	Q3 YTD 2016/17	Variance
Congestion Charge volumes (thousands)	10,987	11,875	-7%
Congestion Charge and enforcement income (£m)	162.6	175.5	-7%
Average Congestion Charge including enforcement income (£)	14.80	14.78	0%
Other enforcement income (£m)	56.4	55.9	1%
Traffic volumes – all London (index)	95.9	95.8	0%
Cycling growth in CCZ (%)*	5.8%	3.3%	

*Cycling data is based on calendar quarters rather than financial quarters ie Q1 is January to March and is the latest available data. It is presented as a percentage change from the previous year.

Cycling

The latest central London Cycling metric shows that a daily average of 533,730 kilometres, or an estimated 174,000 journeys, was cycled in the Congestion Charging Zone during Q3 2017. This is 5.9 percentage points below the target for Q3 of 2017 (set at a 7.2 per cent increase from Q3 2014).

Traffic flow

The pan-London traffic flow index for the quarter stands at 96.1; this is 0.3 per cent above the same quarter last year. London-wide traffic speeds (07:00 to 19:00) increased by 0.2 mph to 16.4 mph, a 1.4% increase compared to Q3 2016/17. Overall, London-wide traffic speeds have seen a steady decrease compared with previous years.

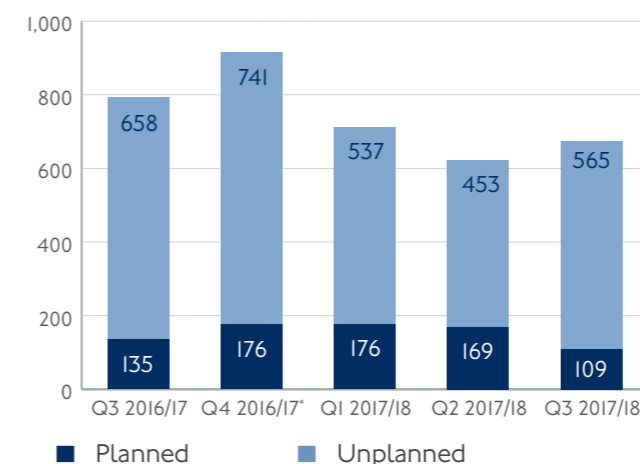
Traffic flow (volume) year-on-year change



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

Reliability

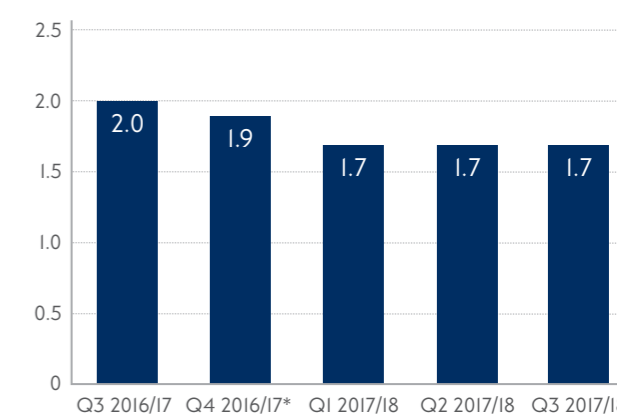
London wide: Serious and Severe disruption (hours)



There were 674 hours of Serious and Severe disruption resulting from unplanned and planned events, spread across 325 events. This represents a 15 per cent decrease in duration hours compared to the same quarter in the previous year.

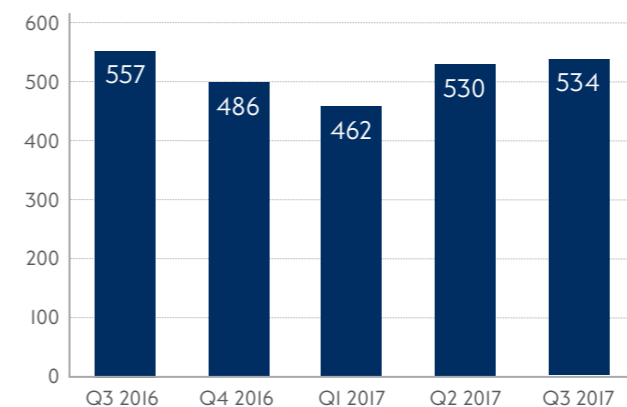
*Quarter 4 is longer than Quarters 1 to 3 (16 weeks v 12 weeks)

TLRN resolution time-disruption hours per event



Healthy Streets

Central London cycling growth (thousand kms)

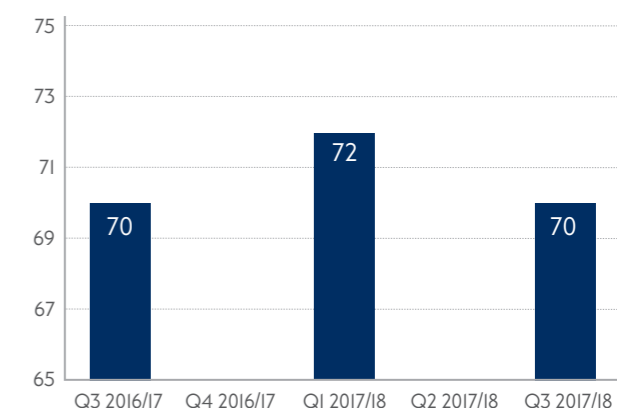


NB: The above data is based on calendar quarters

Substantial road works took place across central London which have affected levels of cycling this quarter.

Customer

TLRN user satisfaction score



Satisfaction has decreased across the whole journey experience, with the exception of the condition of road surfaces. The biggest decreases are around speed and journey length and the traffic-related aspects of the journey. Satisfaction with cycle lane availability and cycle lane condition have also both declined.

Other operations

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



Financial overview

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

Other (£m)	Q3 YTD 2017/18	Q3 YTD 2016/17	Variance
Passenger income	37	36	3%
Other operating income	82	71	15%
Total operating income	119	107	11%
Direct operating cost	(140)	(136)	3%
Indirect operating cost	(14)	(8)	75%
Net operating deficit	(35)	(37)	-5%
Depreciation and amortisation	(60)	(66)	-9%
Net cost of operations before financing	(95)	(103)	-8%
Capital renewals	(45)	(28)	61%
New capital investment	(59)	(35)	69%
Total capital expenditure	(104)	(63)	65%

Direct operating costs are higher than this time last year reflecting increased staff costs within TPH following the recruitment of an additional 250 compliance officers to deal with higher volumes of private hire drivers and vehicles. This is partially offset by savings elsewhere.

Capital investment has increased due to the delivery of the Emission Surcharge project, which went live in October 2017 and work has started on the introduction of the Ultra Low Emission Zone in April 2019. These projects support enforcement against vehicles with non-compliant emissions with the aim of improving air quality. Work has also started this year on the construction of the two new replacement Woolwich Ferry vessels and the new roof canopy at Victoria Coach Station.



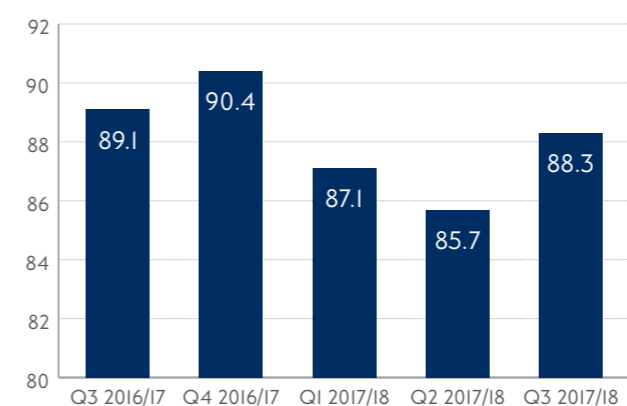
Volume analysis

	Q3 YTD 2017/18	Q3 YTD 2016/17	Variance
Santander Cycles			
Number of hires (millions)	8.0	8.1	-1%
Average income per hire (£)	1.21	1.16	4%
Operating cost per hire* (£)	(1.60)	(1.48)	8%
Total cost per hire before financing* (£)	(2.45)	(2.30)	7%
Victoria Coach Station			
Number of coach departures (thousands)	167.1	168.3	-1%
Average income per departure (£)	36.28	41.79	-13%
Operating cost per departure (£)	(34.45)	(32.74)	5%
Total cost per departure before financing (£)	(35.54)	(33.73)	5%
London River Services			
Number of passenger journeys (millions)	7.9	8.4	-6%
Average income per journey (£)	0.27	0.28	-4%
Operating cost per journey (£)	(1.09)	(1.12)	-3%
Total cost per journey before financing (£)	(1.30)	(1.36)	-4%
London Dial-a-Ride			
Number of passenger journeys (thousands)	737.0	840.4	-12%
Total cost per trip before financing (£)	(33.51)	(30.43)	10%
Taxi & Private Hire			
Number of private hire vehicle drivers	115,070	116,592	-1%
Taxi drivers	24,055	24,617	-2%
Total income (£m)	18.00	18.67	-4%
Total costs (£m)	(17.20)	(16.20)	6%

*Costs of Santander Cycles are shown net of sponsorship income

Reliability

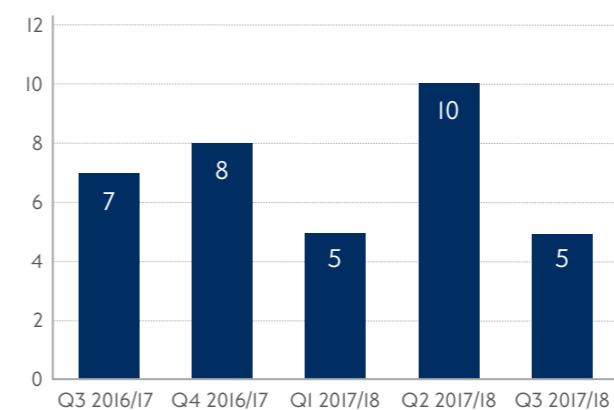
Dial-a-Ride schedule services operated (%)



The overall number of trip requests scheduled was below the 89 per cent target, partly because of a technological issue at the start of the quarter. The sustained level of trip requests met at the end of the quarter suggests process and technology enhancements are now embedded.

Safety

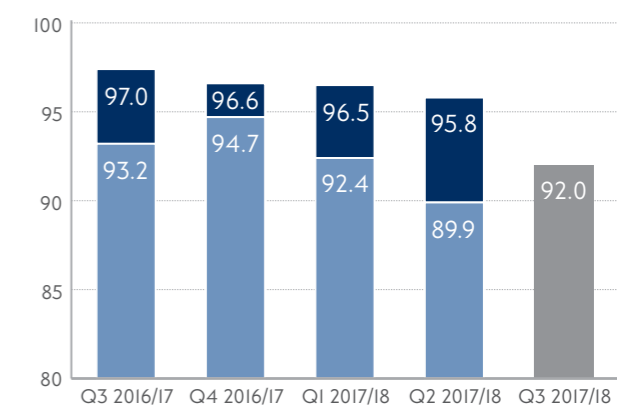
Customer injuries* (Dial-a-Ride, Santander Cycles, VCS and LRS)



*Customers taken to hospital during the quarter

There was a reduction in customer major injuries compared to the previous quarter and the corresponding quarter of 2016/17. Two of the injuries resulted from falls, and three of the customers were cycle hire users who were injured following a collision.

Santander Cycles availability to return or hire a bike (%)



- Percentage of time able to return bike
- Percentage of time able to hire bike
- Availability to return or hire a bike

Following the contract renewal, the availability KPIs were combined into a single measure, which encourages our bike management supplier to balance docking stations to ensure customers can both hire a bike and find an empty docking point.

Customer

Customer satisfaction

	Q3 CSS
Cycle Hire – Casuals	85
Cycle Hire – Members	80
TPH – Taxis	84
TPH – Private Hire	83
Victoria Coach Station	83
London River Services	91
Dial-a-Ride	92

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

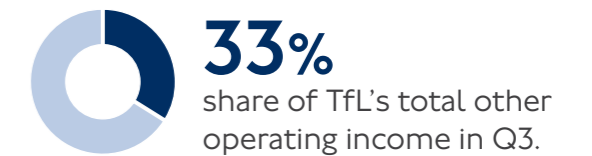


Commercial Development

Media, telecoms, property development and commercial property 

Financial summary

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



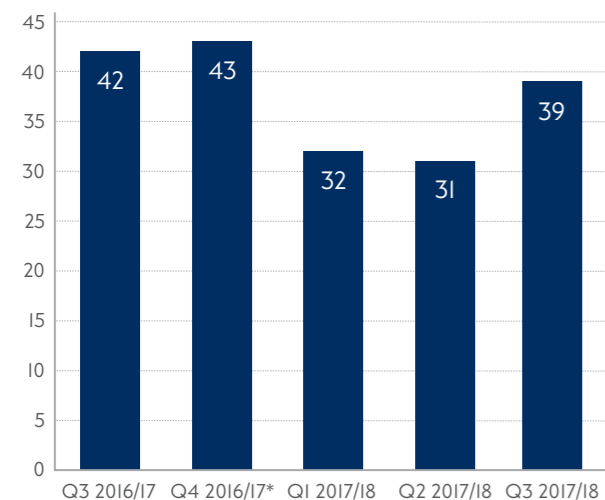
Commercial Development (£m)	Q3 YTD 2017/18	Q3 YTD 2016/17	Variance
Passenger income	-	-	0%
Other operating income	168	155	8%
Total operating income	168	155	8%
Direct operating cost	(25)	(29)	-14%
Indirect operating cost	-	-	
Net operating surplus	143	126	13%
Depreciation and amortisation	-	-	
Net cost of operations before financing	143	126	13%
Capital renewals	-	-	
New capital investment	(21)	(12)	75%
Capital receipts	20	4	400%
Total capital expenditure	(1)	(8)	-88%

The operating income is higher compared to the same period last year, primarily reflecting the change of the media contract from a minimum guarantee basis to a revenue share arrangement, combined with higher property income from the rental portfolio. Higher revenues from the property portfolio (£8m above the last year) reflect the collection of back-dated rents.

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

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

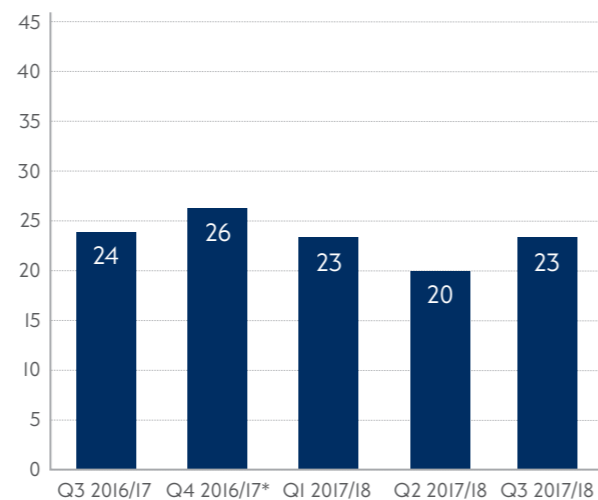
Media and telecoms income (£m) Quarterly



The bulk of the Media and Telecoms income is derived from advertising, principally on the rail and bus shelter estate. Revenues are up year-on-year but not at the level assumed in the Budget. This reflects both a challenging advertising market and delays in the deployment of new assets and data.

The increase in Q3 2017/18 reflects the strong pre-Christmas period. The prior year figures for 2016/17 included final overage income from the previous contract.

Property income (£m) Quarterly



Property rental income increased steadily over 2016/17 as new lettings were created and turnover and back-dated rents were collected. Progress has been maintained into 2017/18, leading to an increase of £8m in the year-to-date compared to last year.

Activity in the quarter

Property development

We are continuing at pace with our property development activities. At the end of 2017, we signed the Joint Venture agreement with Triangle London Developments to develop Landmark Court. Our former worksite, within walking distance of London Bridge station, Borough Market, the Tate Modern and the Globe Theatre, will be transformed into 130,000sq ft of new commercial, retail and workspace, as well as 80 new homes.

New lettings

So far this year we have completed 42 retail lettings with a combined gross rental value of £2.4m per annum and 13 industrial lettings with a combined gross rental value of £371k per annum. These include the first letting at the newly completed Abbey Wood Elizabeth line station, and a new retail unit at Tottenham Court Road.

Media activity

Our next generation cross-track projectors went live on 17 screens at five locations in November: Camden Town, Oxford Circus, Piccadilly Circus, Liverpool Street and Holborn. This will lead to increased revenues from the media contract Hello London. Our five launch partners were Tesco, Jaguar, LG, Gillette and EOS. By the end of February 2018, there will be 60 screens located across 15 different Tube stations within Zone 1 and Zone 2.

During this quarter, two of our advertising campaigns won awards. Our creative campaigns – Game of Thrones and Lucozade – were nominated across five different categories with Game of Thrones being ‘highly commended’ in the ‘Experiential’ category, and Lucozade winning the award for the ‘Traditional Transport’ category. Also at the DailyDOOH Awards, the Game of Thrones campaign at King’s Cross station won Best Experiential Campaign.

In December, we announced that the Elizabeth line will be launched with six advertising partners. We are offering the opportunity for 12 months of sector-exclusive advertising rights across the Elizabeth line’s premium environment as well as the chance to work with TfL on marketing integration across the new railway.

We continued to invest in our roadside advertising with two digital underpass screens being installed on the A40 as part of our London Landscape programme. Prior to commencement of revenue, the screens will be used as variable messaging screens providing advance notice to road users of planned works. In addition to this, new digital screens were commissioned at Talgarth Road, Barons Court and in Marylebone and at the Westminster Towers.

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

Capital investment programme

New capital investment (£m)	Q3 2017/18	Q3 2016/17	Variance
Crossrail	1,034	1,121	-8%
Other LU including line upgrades	256	122	112%
Rail enhancements	247	140	76%
Northern line extension	123	121	2%
Station upgrades	111	148	-25%
Healthy Streets	56	88	-36%
Commercial Development	21	12	75%
Buses	16	46	-65%
Other capital investment	66	37	79%
Total new capital investment	1,931	1,834	5%

The Crossrail project is now 90 per cent complete. During the quarter, Abbey Wood station opened on schedule and a Class 345 train was brought into the central tunnel for the first time to undertake initial testing. Crucial signalling commissioning works were successfully completed by Network Rail over the Christmas period.

The Bond Street station upgrade was completed, increasing capacity by 30 per cent following the opening of the new entrance and ticket hall. New step-free access makes Bond Street the 72nd Tube station to become step-free, moving the Underground closer to the Mayor's target for 40 per cent of stations to be step-free by 2022/23.

The Northern line extension achieved a major milestone, completing the two 3.2km tunnel bores from Battersea

Power Station to Kennington via Nine Elms. A permanent link between the new extension and the existing Northern line was successfully completed during the planned Christmas closure of the Kennington loop.

As part of Healthy Streets, cyclists can now use the entire length of the East-West Cycle Superhighway (CS3) from Lancaster Gate to Tower Hill, passing through Hyde Park, St James's Park, Parliament Square and past the Tower of London.

On our Structure and Tunnels Investment Programme works the first half of the new bridge deck was installed at Power Road Bridge. In addition, the road approaches to the new section of Ardleigh Green Bridge were built and we finished re-building the bridge at Highbury Corner.

Capital renewals (£m)	Q3 2017/18	Q3 2016/17	Variance
Track renewals	100	127	-21%
Roads	78	89	-12%
Other LU	51	183	-72%
LU infrastructure renewals	48	41	17%
LU rolling stock renewals	30	14	114%
Rail infrastructure	18	43	-58%
Other capital renewals	52	41	27%
Total capital renewals	377	538	-30%

We have completed work on the Bakerloo line. This included the upgrade of two key junctions at Paddington and the replacement of more than 100 metres of track at Queen's Park. We also renewed three junctions at Earl's Court, which will allow trains to pass through more quickly.

We achieved a significant step forward in October with multiple test trains running on the new Four Lines Modernisation (4LM) signalling system, between Hammersmith and Latimer Road. In December, we successfully carried out the biggest test to date across the full extent of the first migration section between Hammersmith and Edgware Road, which will be the first to go live with the new signalling system. The new system will mean quicker, more frequent services on the Circle, District, Hammersmith & City and Metropolitan lines from 2021.

On our roads, more than 150,000 square metres of road resurfacing were completed and almost 8,000 square metres of pavement were replaced.

The refurbishment of floodgates at the Blackwell Tunnel was also completed.

Other works included the replacement of a further 130 bus shelters, 20 signalled junctions and over 100 conventional street lights with energy-efficient LEDs. We have also delivered 30 signalled crossings at locations including Acton High Street, A503 Seven Sisters and Camberwell New Road.

We launched the world's toughest emission standard, the £10 Toxicity Charge (T-Charge), on 23 October to help tackle London's air pollution by getting older, more polluting, cars off the roads.

On 3 November, the Mayor announced the early introduction of the Ultra-Low Emission Zone (ULEZ) in central London from 8 April 2019. This will be the next major stage of measures to help tackle London's air pollution and dramatically reduce emissions from up to 60,000 vehicles daily.



Appendices

I. TfL Group balance sheet

Balance sheet (£m)	9 December 2017	31 March 2017	Variance
Intangible assets	115	140	(25)
Property, plant and equipment	38,468	36,839	1,629
Investment properties	558	558	-
Investment in associate entities	362	368	(6)
Long term derivatives	15	18	(3)
Long-term finance lease receivables	21	4	17
Long term debtors	22	26	(4)
Non current assets	39,561	37,953	1,608
Stocks	69	72	(3)
Short term debtors	769	1,821	(1,052)
Short term derivatives	10	12	(2)
Assets held for sale	15	15	-
Short-term finance lease receivables	7	1	6
Cash and short term investments	2,137	1,961	176
Current assets	3,007	3,882	(875)
Short term creditors	(2,239)	(2,146)	(93)
Short term derivatives	(2)	(4)	2
Short term borrowings	(746)	(1,106)	360
Short term lease liabilities	(59)	(77)	18
Short term provisions	(186)	(194)	8
Current liabilities	(3,232)	(3,527)	295
Long term creditors	(61)	(56)	(5)
Long term borrowings	(9,349)	(8,690)	(659)
Long term lease liabilities	(448)	(488)	40
Long term derivatives	(60)	(79)	19
Other provisions	(58)	(44)	(14)
Pension provision	(5,361)	(5,364)	3
Long term liabilities	(15,337)	(14,721)	(616)
Total net assets	23,999	23,587	412
Capital and reserves			
Usable reserves	2,076	1,861	215
Unusable reserves	21,923	21,726	197
Total capital employed	23,999	23,587	412

2. Headcount

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

	31 March 2017 Actual	YTD Net (leavers)/joiners	End of Q3 Actual
Underground	20,121	(227)	19,894
Rail	465	84	548
Buses	786	(156)	630
Streets	1,860	(256)	1,604
Other operations	1,370	79	1,449
Professional services*	3,606	296	3,902
Commercial Development	179	22	200
Crossrail	803	(72)	731
Total	29,189	(230)	28,959

Headcount levels are down 230 in the year, a result of continued recruitment controls, the reduced use of non-permanent labour and the Transformation programme.

LU headcount has reduced by 227 since the end of last year following the transfer of 549 commercial and finance staff to central Professional Services. After adjusting for the transfer, headcount has increased by 322, the result of the recruitment of station staff following last year's station review.

The increase of 296 in Professional Services since the start of year is a result of 755 staff transferring in from other areas of the business. This is offset by 240 leavers across the Finance, Commercial and Technology and Data Transformation workstreams, 113 vacancies and 114 fewer graduates this year.

Headcount in other operations has increased by 79 this year, principally driven by the transfer of 101 staff from Streets into City Planning.

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

Non-Permanent Labour (NPL)

Following the small increase last quarter, the overall use of NPL across TfL has once again fallen. A number of positions need to be filled on a short-term basis while further recruitment under the new organisational structure takes place. We also need to make use of some specialist

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

Total NPL

Date	Number of NPL	Weekly Cost (£)	Reduction since December 2015	
			Number of NPL	Weekly saving (£)
15 December 2015	3,092	5,249,002		
31 March 2017	1,742	2,544,009	(1,350)	2,704,993
24 June 2017	1,517	2,181,215	(1,575)	3,067,787
16 September 2017	1,548	2,174,087	(1,544)	3,074,915
9 December 2017	1,521	2,127,139	(1,571)	3,121,863

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

NPL by length of service

Length of service	31 March 2017 Actual	YTD net (leavers)/joiners	End of Q3 Actual
0-6 months	356	112	468
6-12 months	191	59	250
1-2 years	563	(285)	278
2-3 years	248	(29)	219
3-5 years	238	(43)	195
5+ years	146	(35)	111
Total	1,742	(221)	1,521

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

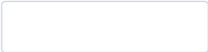
Glossary

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

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

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

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



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

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

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