



**Cover Image:** The DLR celebrated 20 years of service on 31 August. The original DLR network encompassed 15 stations and was used by 7 million passengers in its first year. Today, the DLR comprises 38 stations and carries over 60 million people a year. The cover image shows a train at London City Airport. The £140 million DLR extension to London City Airport opened ahead of schedule in December 2005 and has proved invaluable to travellers who can now travel to the airport from central London in just over 20 minutes.

# Transport for London

## Operational and Financial Performance Report

### Second Quarter, 2007/08 (24 June 2007 – 15 September 2007)

#### Performance

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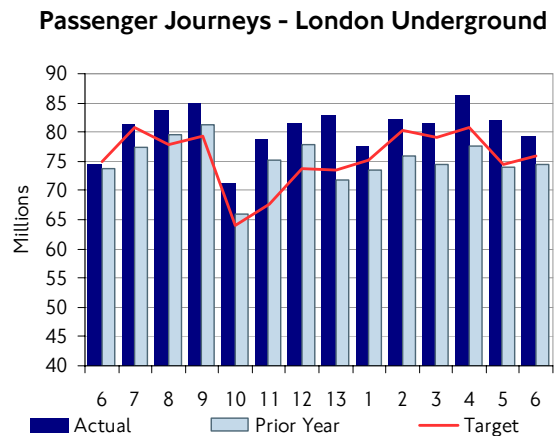
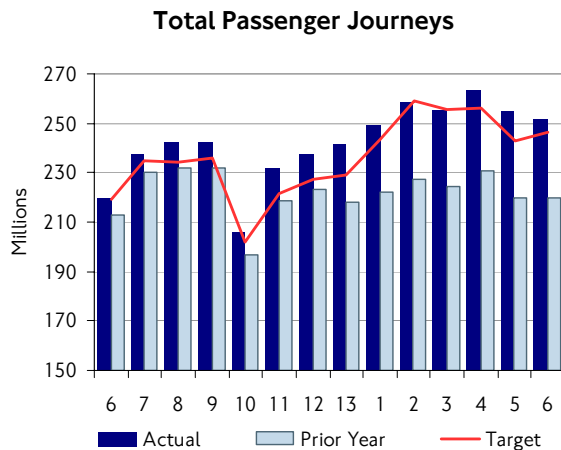
- 1.0 The second quarter of 2007/08 continued to build upon the substantial passenger growth of 2006/07 across the Transport for London (TfL) network, with 770 million passenger journeys during the quarter. In the first period of quarter two, London Underground delivered the highest number of passenger journeys ever recorded. At 86 million over 4 weeks, this was 9 million more passenger journeys than the same period last year and 6 million more than target. Service demand on the bus network reached 501 million bus passenger journeys during the quarter, a like-for-like increase of 6.8 per cent on 2006/07. On the Docklands Light Railway there were 15 million passenger journeys during the second quarter, 7.4 per cent higher than the second quarter last year.
- Other highlights and performance issues in the second quarter of 2007/08 included:
- 1.1 **The Docklands Light Railway:** The DLR celebrated 20 years of service on 31 August, the first passenger train having left Tower Gateway for Island Gardens on 31 August 1987. The original DLR network encompassed 15 stations and was used by 7 million passengers in its first year. Today, the DLR comprises 38 stations and carries over 60 million people a year. More than 150 thousand jobs and 200 thousand homes have been attracted to areas through which the DLR runs.
- 1.2 **Oyster Bus Fares:** The Mayor announced that single Oyster bus fares were to be cut from £1 to 90p from 30 September. This means that passengers who use Oyster will now have some of the lowest bus fares in the country. This cut will also apply to Tram fares and the cost of a weekly bus pass will drop from £14 to £13. The Mayor also announced half price oyster pay-as-you-go fares available for those on low incomes.
- 1.3 **Dial-a-Ride:** On 8 October 2007, the Mayor of London announced the abolition of Dial-a-Ride door-to-door fares for older and disabled Londoners. The move will benefit around 50,000 Londoners who currently pay to take 1.2 million journeys a year. This initiative was launched at the Disability Capital event where TfL exhibited a static display of the new Victoria line rolling stock that will come into service in 2008. Interactive stands provided further insight into services by TfL for older and disabled customers.
- 1.4 **Hovis London Freewheel:** On Sunday 23 September, in excess of 38,000 cyclists took part in the Hovis London Freewheel on a 14km route free of other traffic. Many riders cycled in from across London from six 'Freewheel Hubs' – local gathering points – being guided by more experienced cyclists. It is hoped that the Hovis London Freewheel will encourage more Londoners to cycle in the capital especially those who have a bike but use it infrequently. The number of cyclists on London's major roads has grown by 83 per cent over the past seven years. It is estimated that 40 per cent of Londoners have access to a bike, but only 5 per cent use one regularly.
- 1.5 **Barclaycard OnePulse:** Barclaycard OnePulse was launched as the only UK payment card which combines a smartcard with Visa 'wave and pay' payment technology. The Barclaycard OnePulse offers Londoners the ability to buy everyday essentials such as coffee, a paper or Oyster travel as well as larger purchases such as a holiday abroad on one card rather than three.
- 1.6 **Industrial Action:** RMT members employed by Metronet commenced strike action from 18:00 on Monday 3 September. No TfL or London Underground staff were involved in this dispute but for safety reasons trains were unable to operate on the 9 lines for which Metronet are

responsible, and there was also some effect on the Piccadilly line. Although action was suspended late on Tuesday night, disruption continued into Wednesday 5 September as the maintenance and safety checks necessary to guarantee passenger safety meant that services could not be restored immediately.

- 1.7 **Central Line derailment:** Shortly after 09:00 hours on 5 July a westbound Central line train derailed in a tunnel between Mile End and Bethnal Green. London Underground put in place well-practised plans to remove passengers safely from the train, and from a stalled train behind it. All passengers were evacuated from both trains by 11.15am.
- 1.8 **TripAdvisor Poll:** London's public transport system was voted best for the second year running in this annual survey of travellers. London taxis and the Underground were voted the best among the world's major cities, and the capital's transport network was also voted the safest, in the poll by TripAdvisor, the world's largest travel community.

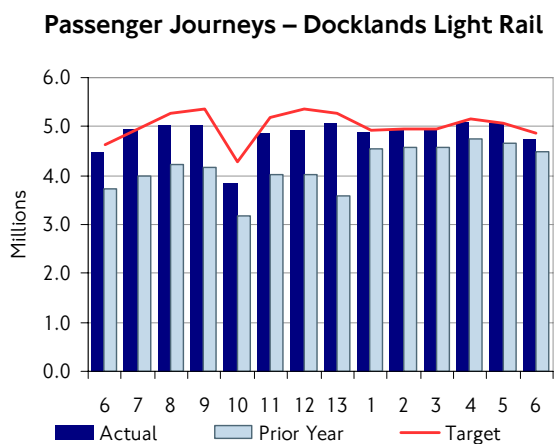
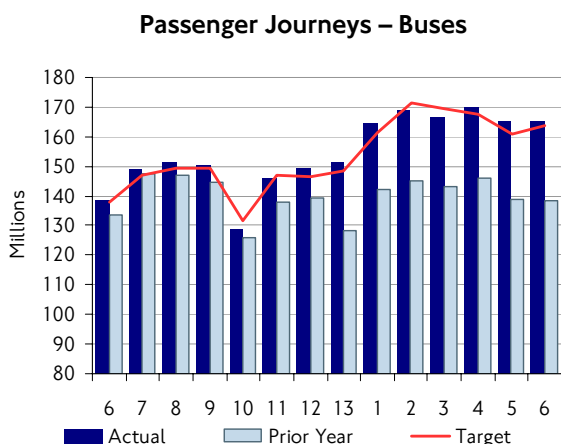
# Service Demand

2.0 The total number of passenger journeys across the TfL network continued to grow in quarter two 2007/08. There were 770 million passenger journeys across the network, 25 million (3.3 per cent) higher than target and an increase of 55 million (7.7 per cent) on the same quarter last year on a like-for-like basis.



Note: 2006/07 bus passenger journey numbers are represented as previously reported (not re-stated), but a new methodology was applied from period 1 2007/08.

2.1 Service demand on the Underground continues to exceed target. There were 248 million passenger journeys on the Underground during quarter two, a considerable increase of 21.6 million compared to the second quarter of last year and 16.5 million higher than target. For the year to date, London Underground carried 39 million more passenger journeys than last year, an increase of 8.7 per cent. London Underground is now forecasting to achieve 1,084 million passenger journeys for the full year, 36 million higher than the budget of 1,048 million passenger journeys set at the start of the year.



Note: 2006/07 bus passenger journey numbers are represented as previously reported (not re-stated), but a new methodology was applied from period 1 2007/08.

2.2 There were 501 million bus passenger journeys during the second quarter, an increase of 6.8 per cent on the second quarter of 2006/07 on a like-for-like basis, and 8.3 million higher than target.

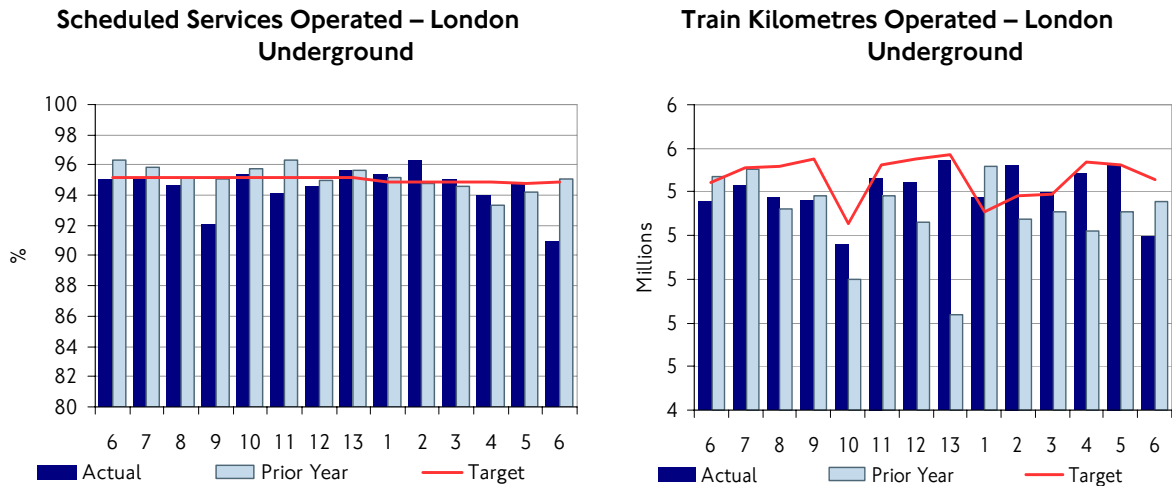
- 2.3 There were 15 million journeys on the DLR during the second quarter, an increase of 1 million or 7.4 per cent higher than the same quarter last year, but slightly below the quarter two budget of 15.1 million. Despite delivering fewer journeys than target for the year to date, there were 2 million more passenger journeys than last year.

#### **Fare Trends**

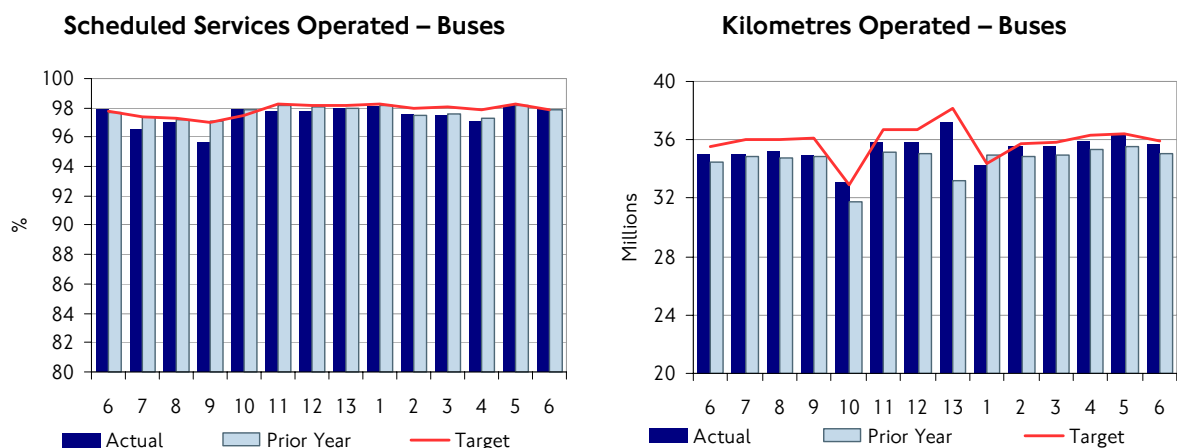
- 2.4 During the second quarter, 3.5 per cent of Underground passenger journeys were cash fares, down from 5.8 per cent at quarter two last year. Oyster pay-as-you-go journeys accounted for 24.3 per cent of all Underground journeys compared with 19.9 per cent a year ago. Underground journeys on single and return tickets decreased by 37.0 per cent year-on-year and sales of day travelcards also fell slightly despite the overall increase in by 0.4 per cent year-on-year.
- 2.5 On the bus network, as in the first quarter, the use of cash single fares accounted for 2.1 per cent of all journeys (2.3 per cent including roadside ticket machines) compared to 4.8 per cent at quarter two 2006/07. Oyster pay as you go journeys comprised 15.5 per cent of all bus journeys compared to 11.3 per cent a year ago.

## Service Provision

3.0 During quarter two, service provision on the Underground was disrupted by a Central Line derailment in period 4 and the RMT industrial action in period 6. Bus services narrowly missed targets but the DLR continued its record of excellent service provision.



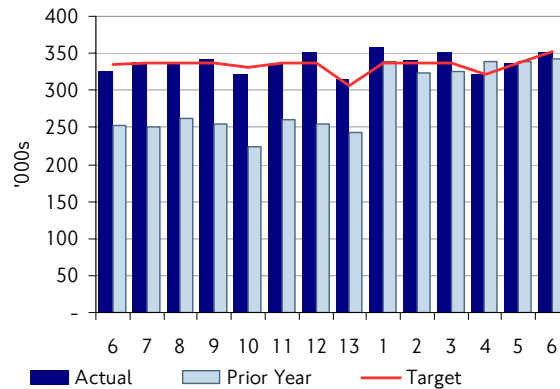
3.1 During the second quarter, 93.3 per cent of scheduled services were operated on the Underground. This was 1.8 per cent below target and 0.9 per cent below the performance of the prior year. The percentage of scheduled services operated dipped to 90.9 per cent in period 6, mainly as a result of the Metronet industrial action which affected all lines apart from the Jubilee and Northern from 3 to 5 September and caused a loss estimated at some 244,000 kilometres, equivalent to 4.3 per cent of the period's schedule. If the effects of the strike are excluded then targets for kilometres operated and percentage of schedule for the quarter would have been met. Other factors that affected performance in the quarter were the Central line derailment between Mile End and Bethnal Green on 5 July which resulted in a 2 day partial line closure, and flooding on 20 July caused by torrential rainfall which necessitated several station closures and service suspensions.



3.2 An average 97.7 per cent of scheduled services were operated on London Buses in the second quarter of 2007/08, 0.3 percentage points below target and 0.1 percentage points lower than the same period last year. Bus kilometres operated, at 107.9 million kilometres, were 0.6 per cent below target this quarter but an increase of 1.9 per cent on the previous year. Losses due to staffing and mechanical faults remained low, but were offset by higher than expected losses due to incidents, including security alerts and road closures, which also hindered London Buses

performance. In particular, the explosive devices found in central London on 29 and 30 June; road closures to facilitate the Tour De France between the 6 and 8 July; flooding on 20 July and industrial action on the Underground were all significant factors. 97.6 per cent is now the full year forecast for the percentage of scheduled services in 2007/08, compared to a full year budget of 97.8, reflecting the adverse trend in mileage losses due to traffic delays for the year to date.

**Train Kilometres Operated – Docklands Light Rail**

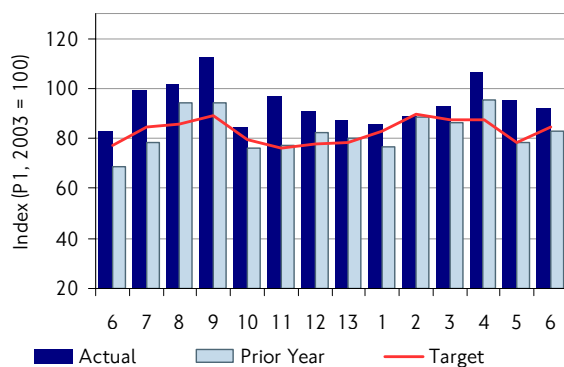


- 3.3 DLR service provision was in line with target during the quarter, but train kilometres operated were 39,000 more than the previous year. DLR train kilometres operated are forecast to achieve the full year target.
- 3.4 In quarter two, there were 257,000 Dial-a-Ride trips, significantly below the target of 360,000 trips. The implementation of a new scheduling and booking system is intended to make more efficient use of vehicles and drivers. The transfer of bookings and scheduling from the local Orpington depot to the centralised Management Control Centre went ahead as scheduled on 22 October and preparatory work is already underway for the final depot, Woodford which is now scheduled to transfer in quarter one of 2008. This is expected to lead to a reduction in refusal rates and better scheduling leading to increased travel opportunities, and improved call answering and same day booking. However, trip efficiencies anticipated following the introduction of the new system and opening of the Management Control Centre have yet to be realised, but work continues to improve the Dial-a-Ride service provision.

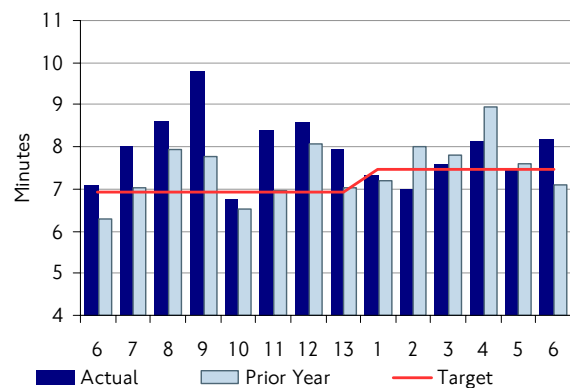
# Service Reliability

4.0 The delay index, a measure of the total delay minutes experienced across the Transport for London network, was 14.4 points higher than target in the second quarter of 2007/08. This was driven by higher levels of congestion in Central London, increased excess journey times on the Underground and more passenger journeys on both the Underground and Buses. Increased passenger numbers on the Underground result in longer platform dwelling times for trains and increased AEI (access, egress and interchange) periods for passengers, which then contribute to increased journey times. Increased passenger numbers on buses also result in higher excess journey time due to crowding. Development work continues on a new measure of delay that will measure individual passenger, rather than total delay. This is expected to be completed by the end of 2007/08.

**Overall Delay - Underground, Buses and Congestion**

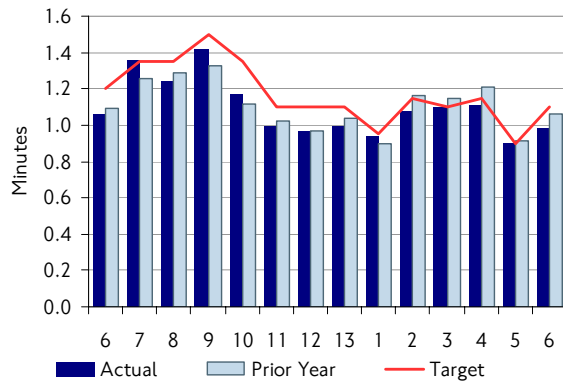


**Excess Journey Time – London Underground**

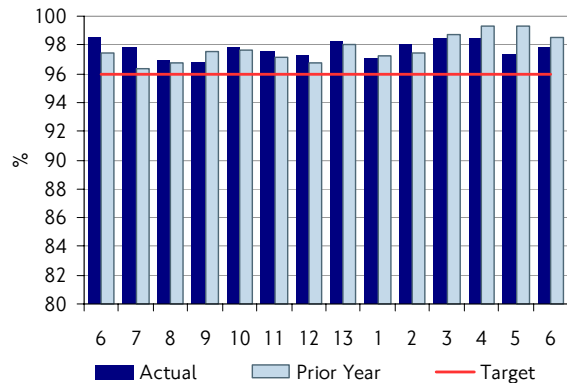


4.1 During the second quarter excess journey time on the Underground averaged 7.9 minutes, the same as the previous year, but worse than the target of 7.5 minutes. As discussed above, the variance was largely due to the derailment and flooding in period 4 and the Metronet strike in period 6. The strike is estimated to have caused 0.3 minutes of the 7.6 minutes average excess journey time for the year to date. If the effect of the strike were excluded, excess journey time would have been within the target of 7.5 minutes.

**Excess Wait Time - High Frequency Routes – Buses**



**On Time Performance – Docklands Light Rail**



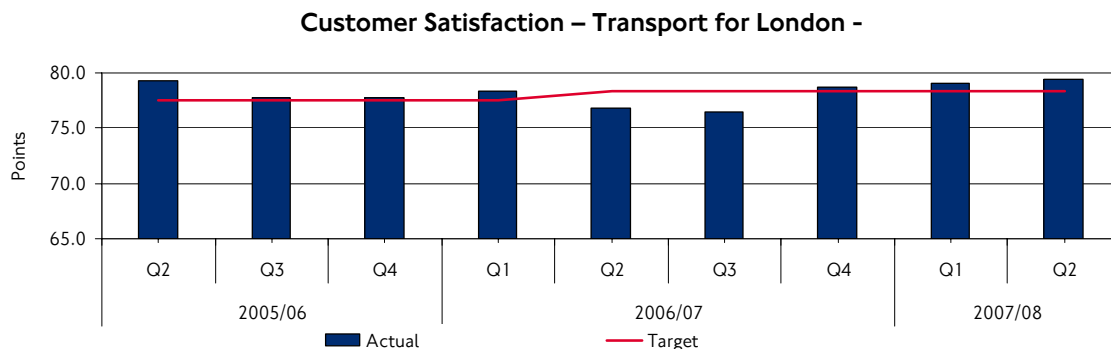
4.2 On the bus network, excess wait time was 0.1 minute lower than target and the same quarter last year. Excess wait time has been reducing steadily across the bus network for over four years.

4.3 On the DLR on time performance was again better than target, averaging 97.9 per cent in the quarter, 1.9 per cent higher than the target of 96.0 per cent for the second quarter.

# Customer

## Customer Satisfaction Scores (CSS)

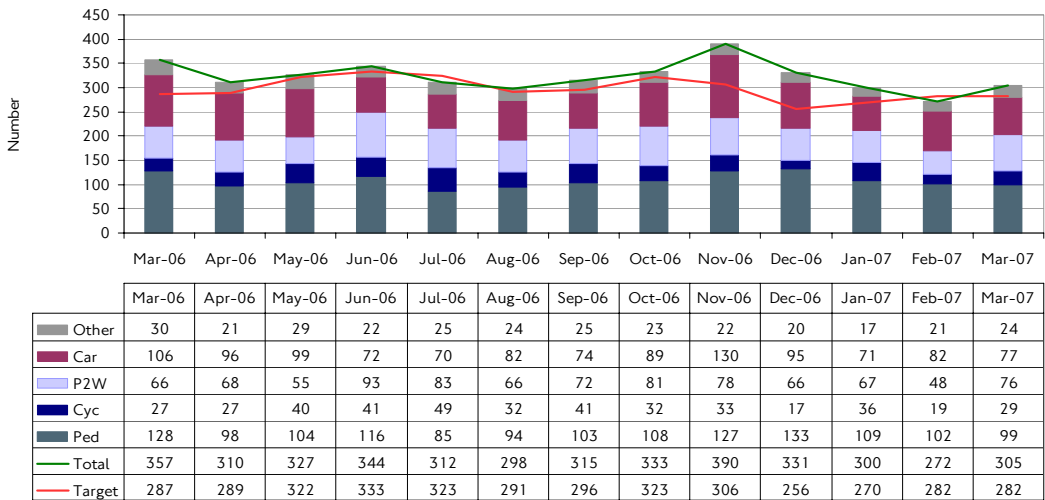
- 5.0 Customer satisfaction levels on the TfL network improved by 0.3 points in the second quarter to 79.4 points, 1.0 point ahead of target, as a result of increased levels of customer satisfaction on the Bus Network and DLR, which was partly offset by a slightly lower level of customer satisfaction on London Underground.



- 5.1 On the Underground, the overall customer satisfaction score was 77, 1 point lower than the previous quarter and target but an improvement of 2 points on quarter two last year. The only statistically significant drop across the system since quarter one was the journey time score, down from 81 to 80. The journey time and wait for train scores (the key drivers of overall evaluation) are the same as quarter 2 last year. However, several other scores improved since quarter 2 last year: ease of hearing PA increased from 75 to 80; helpfulness of public announcements increased 74 to 79; train driver announcements increased from 76 to 78; station staff availability increased from 69 to 71. In line with standard practice on CSS, the days affected by the Metronet strike were not included in the survey.
- 5.2 In quarter two, the level of overall customer satisfaction on the bus network (day bus services) increased slightly on the previous quarter to 80 per cent, exceeding the target of 78 per cent and last year's score of 77 per cent. Both information and cleanliness scores were 1 per cent higher than the previous quarter and target, rising to 76 per cent and 79 per cent respectively. The bus station overall satisfaction score was 5 per cent higher than target, though in line with the previous period. Personal safety and security and journey time scores fell by 1 per cent since last quarter.
- 5.3 Customer satisfaction survey results on the DLR, at 97.9 points, have continued the upward trend, increasing by 0.5 points on last quarter and remaining significantly ahead of the 90 point target. This is the highest overall service performance score since 1997 and, year on year, it has increased by 1.2 per cent.

# Safety

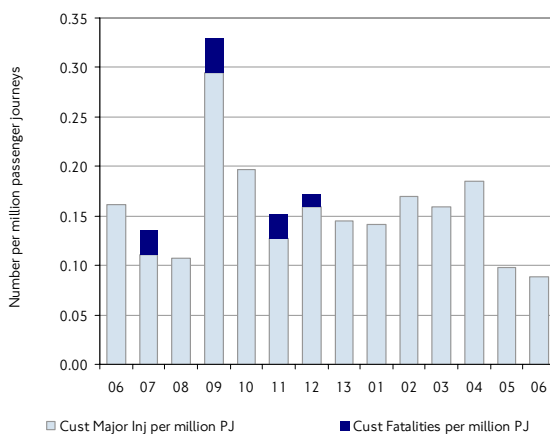
**Number of Killed or Seriously Injured (KSI) on London Roads**



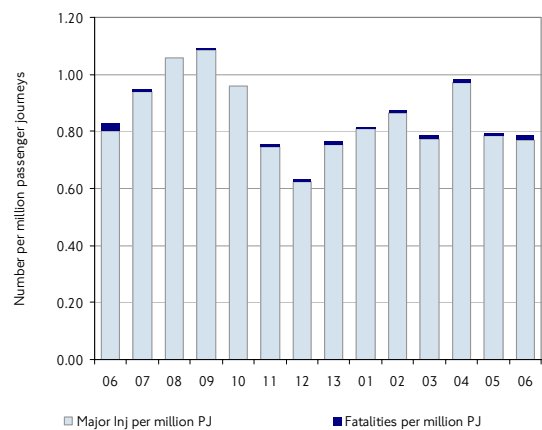
Note: Due to reporting processes and the nature of road traffic accident data, results are reported 4 to 5 months in arrears. The most recent data available is for March 2007. Results are also subject to retrospective adjustments.

6.0 Road traffic accident data is not yet available for April or May 2007, due to changes in data collection procedures by the Metropolitan Police. Therefore March 2007 is the only new data set available for the quarter two report. Therefore the road safety data represented in Annex one is showing variances against budget resulting from missing data. During March, there were 305 killed and seriously injured casualties on London roads, 8.0 per cent higher than the monthly target of 282, but 14.6 per cent lower than the total recorded in March 2006. There were fewer pedestrian, car and other casualties, whilst casualties increased on powered two wheelers and cycles compared with last year.

**Major Injuries and Fatalities (customers) – London Underground**



**Major Injuries and Fatalities (customers) – London Buses**



6.1 The number of customer major injuries on the London Underground network in the second quarter of 2007/08, at 31, was 4 fewer than in the same quarter last year and represents an average of 0.13 injuries per million passenger journeys. This is an improvement on last year and better than target. There were no accidental customer fatalities in the year to date. There were 9 major injuries to London Underground employees in quarter two, higher than the same period last year.

6.2 On the bus network in the second quarter of 2007/08, there was a 3.1 per cent increase in major injuries and fatalities when compared to the corresponding period last year, representing an average of just 0.84 injuries per million passenger journeys. A gradual rise in reporting of safety incidents is anticipated in 2007/08 as a result of pro-active monitoring of data and support to bus operators' data entry staff by the London Buses Safety Team.

## Sustainability

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- 7.0 Highlights of TfL initiatives with sustainability benefits in the second quarter were:
- 7.1 The first-ever London Walking Weekend was held on 15-16 September. The event included a free exhibition promoting the benefits of walking at the Mayor's Thames Festival, and a free guided walk taking place in every borough.
- 7.2 A public consultation on proposals to charge cars with the highest greenhouse gas emissions began on 10 August and ran until 19 October. The proposals, part of the Mayor's programme to tackle climate change, would see drivers of cars which make the biggest contribution to global warming, those in Vehicle Excise Duty Band 'G' and equivalent, pay £25 to drive in the zone. The lowest CO<sub>2</sub> emitting vehicles would qualify for a 100 per cent discount. The great majority of drivers within the zone would be unaffected, and would continue to pay the standard £8 charge.
- 7.3 Four contracts were signed with operators to introduce hybrid buses in 2007/08. Contract signing for the hydrogen buses has been delayed due to a re-tendering exercise for the refuelling infrastructure.
- 7.4 April 2007 figures suggested that car clubs are continuing to grow in London, counting 739 cars in total (74 per cent of national car club fleet) and around 10,000 members. Working closely with the London boroughs, TfL continues to support the roll out of car clubs. All 2007/08 Local Implementation Plan (LIP) funding for car clubs was allocated to individual schemes, and 80 parking bays have been installed so far.
- 7.5 Since the start of the financial year several businesses, which together employ 130,000 staff, have signed up to develop and implement travel plans, exceeding forecasts and expectations.
- 7.6 TfL has funded the delivery of cycle parking at 80 schools since the start of the financial year. A 2007/08 cycle parking programme has also been agreed for Rail, DLR, River Services and Bus stations, and is in development for London Underground stations, although possibilities there are constrained as London Underground does not own much of the suitable land.
- 7.7 Over 90 per cent of LU station offices are now involved in the station office paper recycling scheme launched in August 2006.

## Section 17 of the Crime and Disorder Act

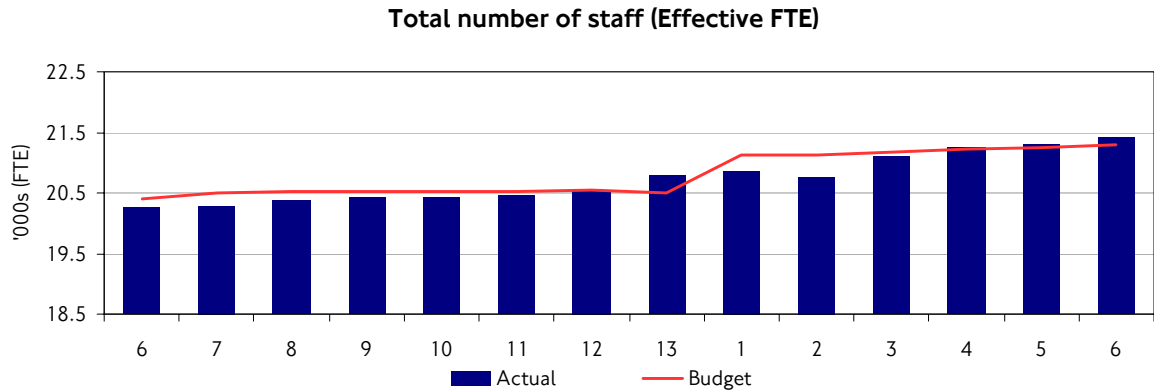
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- 8.0 The TfL Board voluntarily adopted Section 17 of the Crime and Disorder Act 1998 in May 2006. Processes have since been established to ensure that all decisions made by the TfL Board, and its Panels and Committees, have considered Section 17 implications. However, at the end of October, the Home Office is planning to lay a statutory instrument before Parliament. This will mean that Section 17 will come into force as a full statutory requirement on TfL (and the GLA group) by the end of November 2007.
- 8.1 The Transport Policing Enforcement Directorate (TPED) continues to co-ordinate the implementation of Section 17 provisions across TfL. In light of the new legal responsibility, TPED are planning a major training and awareness raising campaign to educate all departments and business groups on the implications of Section 17 and mainstreaming Section 17 in to all aspects of the TfL business.
- 8.2 Some examples of recent changes to business practice within TfL include the incorporation of Section 17 into all London Underground procurement instructions and the establishment of crime and disorder implications as a criterion for the consideration of funding applications from boroughs for area-based schemes under the LIPs process.
- 8.3 The TfL Community Safety Plan 2007/8, which is an integral aspect of Section 17 implementation across the organisation, has now been published and has been circulated to all key partner agencies.
- 8.4 The rollout of Safer Transport Teams to 21 outer London boroughs is now complete. The teams are operating across London's public transport system tackling local problems identified on both TfL and suburban rail networks. The teams have been working closely with the Metropolitan Police Transport Operational Command Unit (TOCU), British Transport Police and TfL's Revenue Inspectors to reassure passengers and staff and to develop sustainable solutions to local crime and disorder problems across the network. Despite the teams being in place for a relatively short time, the feedback has been extremely positive and the early results are promising.
- 8.5 Significant effort has been focussed on tackling anti-social behaviour on and around the bus network. Quarter 1 results for 2007/08 show bus-related crime levels are consistently tracking below the levels seen in 2006/07. Total bus crime is down approximately 14 per cent compared to the same period last year.
- 8.6 TPED has recently begun a review of the TOCU, in conjunction with the Metropolitan Police Service (MPS). Funded by and set up in partnership with TfL, the TOCU is an operational unit of the MPS and has specific responsibility for tackling, engaging and supporting policing activities on buses, taxis and the road network. The review is a contractual requirement under the agreement between TfL and the MPS and it will be reviewing the effectiveness of TOCU's core activities. The review will be completed by the New Year with an aim of implementation of actions recommended from the review from April 2008.
- 8.7 TfL has issued its first Anti-Social Behaviour Order (ASBO) against a persistent graffiti vandal banning him from the top deck of any public transport bus in England and Wales. The 17-year-old male has a history of convictions for criminal damage on public transport. TfL is also making extensive use of acceptable behaviour contracts with young people who use the bus network and is exploring the use of restorative justice.

# People

## Staff Numbers

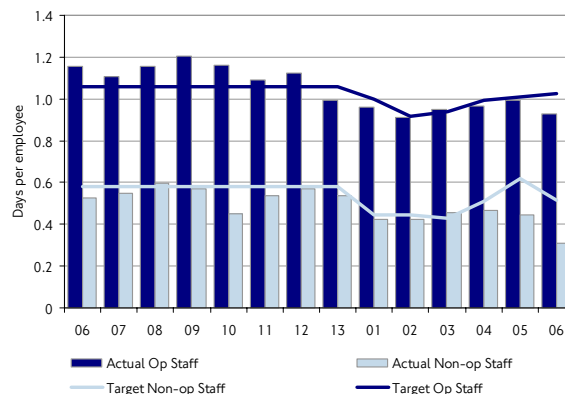
- 9.0 The total number of effective full time equivalent (FTE) staff across TfL increased by 313 in the second quarter to 21,427 FTE, 129 higher than budget. Temporary staff numbers across TfL at 1,502 were 66 higher than budget at the end of quarter two but 194 lower than period 6 last year. This represents 7.0 per cent of the total workforce compared to a target of 6.7 per cent.



- 9.1 At the end of the second quarter there were 14,296 FTE staff in London Underground, 103 higher than budget and an increase of 53 since last quarter as permanent staff intake was higher than assumed in the budget. Further growth in excess of the London Underground staff budget is forecast over the year, notably in Operations and Engineering. Temporary staff numbers decreased by 63 in the quarter and are now 36 under budget. Surface Transport staff increased by 87 on last quarter to 4,713 FTE, 28 lower than budget. The number of temporary staff in Surface Transport fell by 14 on last quarter to 569 FTE, slightly under the budget of 580. London Rail staff increased by 14 since last quarter to 202 FTE, 5 below budget. There were 2,217 FTE staff within the Group Directorates, an increase of 16 on last quarter and 59 over budget. This is due to the employment of more staff by Marketing and Communications to work on the Oyster Helpdesk Entry/Exit project and more staff in the Oyster Call Centre to manage the increasing volume of calls, although call centre performance remains higher than benchmark.

## Sickness

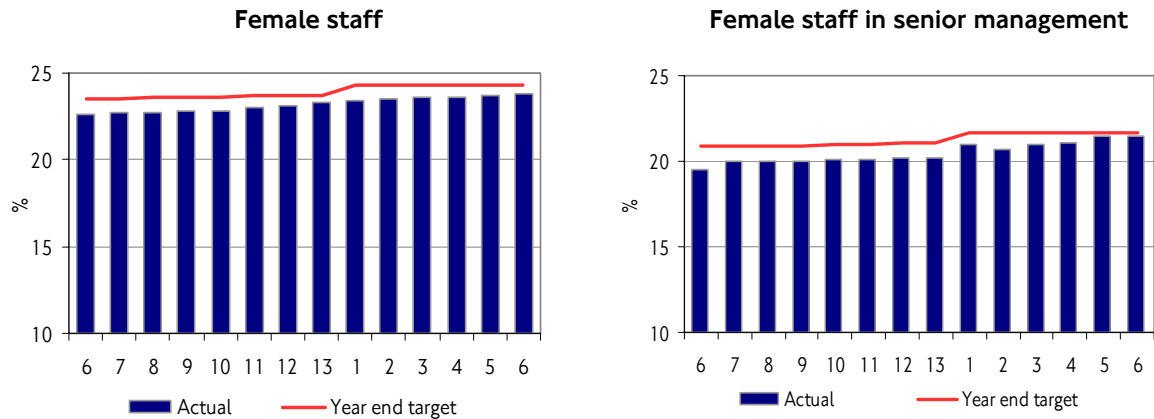
**Sickness Absence – Days per Employee**



- 9.2 The year to date sickness absence rate per TfL employee was 4.6 days, 0.4 days lower than the year to date target of 5.0 days. The sickness rate remains significantly higher amongst operational staff than non-operational staff. Sickness absence rates were better than target

across all of the modes, with the exception of Surface Transport. The year to date absence rate in Surface Transport, at 4.43 days per employee, was 0.16 days worse than target and was driven by higher rates of absence amongst operational staff. The occupational health team is actively involved in improving attendance in this area.

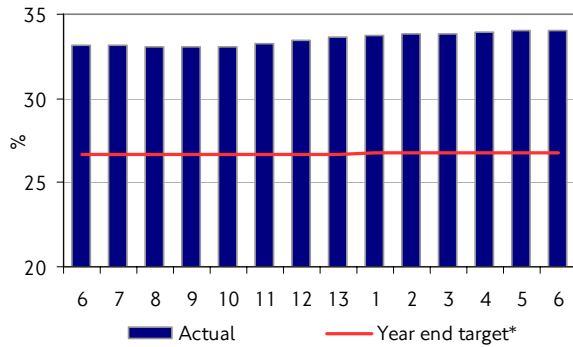
## Workforce Composition



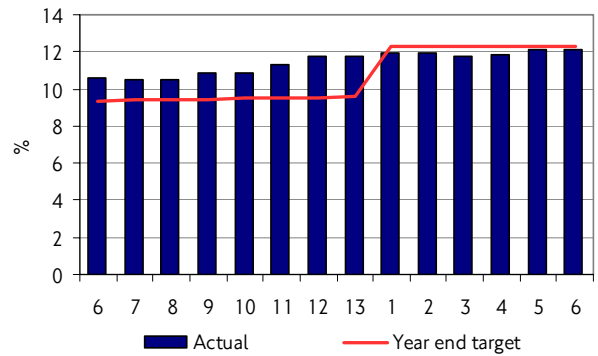
9.3 The percentage of female staff has increased by 0.2 per cent this quarter to 23.8 per cent against the year end target of 24.3 per cent. The percentage of women staff in senior management also increased by 0.5 per cent to 21.5 per cent against a year end target of 21.7 per cent.

9.4 In quarter two female representation on the Underground increased by 0.2 per cent from 19.7 per cent to 19.9 per cent, exceeding the year end target of 19.8 per cent. Surface Transport is targeted with achieving female representation of 28.2 per cent by the year end. At the end of quarter two female representation was 27.4 per cent, 0.2 per cent lower than at the end of quarter one. Surface Transport has continued to work on an approach to flexible rostering in East Thames Buses that may ultimately be applied to other parts of TfL. A supplier is currently being identified to work with the mode on developing the approach further. Surface Transport participated in the successful 'Women in Non-Traditional Industry' event held in July 2007 that attracted approximately 60 women who were able to meet a female bus driver with East Thames Buses as well as a female taxi driver. A working group looking at the retention of women has continued to operate seeking to identify actions to increase the performance in this area.

**Black, Asian and Minority Ethnic Group Staff**



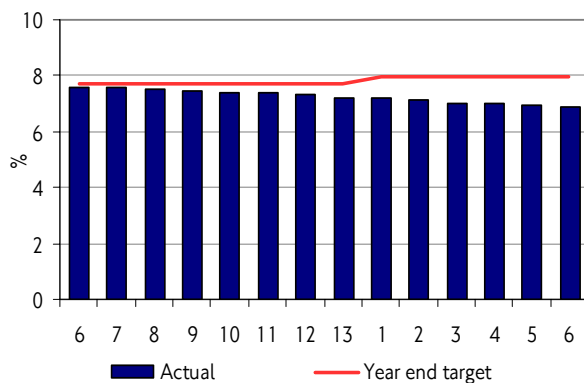
**Black, Asian and Minority Ethnic Group Staff in Senior Management**



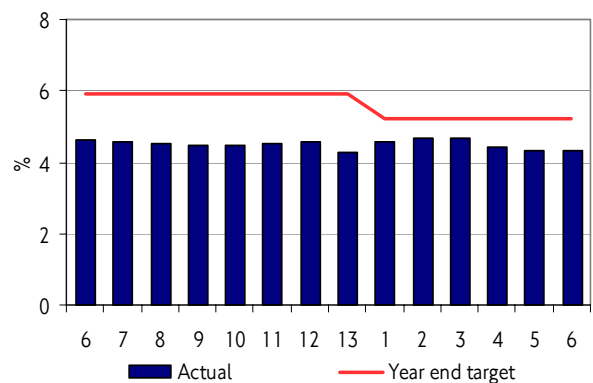
9.5 The percentage of Black, Asian and Minority Ethnic Group (BAME) staff employed at TfL at the end of quarter two was 34.0 per cent, an increase of 0.2 per cent on quarter one and significantly above the year end target of 26.8 per cent. This target was representative of the economically active London population at the time the TfL budget was agreed.<sup>1</sup> The percentage of BAME staff in senior management was 12.1 per cent, an increase of 0.3 per cent on quarter one and 0.2 per cent below the year end target of 12.3 per cent.

9.6 The development of TfL’s Race Equality Scheme (RES) 2008-2011 is underway. To assist in the delivery of the RES there are two specific research projects to be completed. The first is Service Delivery, to understand the transport needs of newer BAME communities, and this is currently under consultation. The second is Employment, to understand issues for BAME staff on development, harassment, and equal pay. In addition, consultation with key stakeholders and pan London organisations is planned for quarter three. Surface Transport initiated an exit interview process to determine why employees are leaving which will identify factors relating to the retention of BAME staff and inform subsequent action.

**Disabled staff**



**Disabled staff in Senior Management**



9.7 The percentage of disabled staff decreased by 0.1 per cent this quarter to 6.9 per cent against the year end target of 8.0 per cent. The percentage of disabled staff in senior management fell by 0.3 per cent to 4.3 per cent against the year end target of 5.2 per cent. These measures are based upon the percentage of staff self-reporting as disabled, compared to total numbers of staff who have responded to the survey. The year on year percentage decline in disabled staff resulted from increasing numbers of new staff reporting as non-disabled, and fewer staff reporting as disabled. The year on year percentage decline in disabled staff in senior

<sup>1</sup> Subsequent to the agreement of the 2007/08 TfL Budget, an ONS survey commissioned by the GLA indicated that the BAME community represented 29 per cent of the economically active London population.

management resulted from increasing numbers of new staff reporting as non-disabled, while the number of disabled staff in senior management remained static. This remains a challenging area and actions are being taken to improve TfL's position. In Surface Transport, the Streets Disability Work Placement Scheme was launched on 30 August. 12 permanent positions were advertised with disability organisations and it is hoped that the six month work placement scheme will lead to permanent appointments. The second phase of the London Underground work experience project for disabled people has begun. 18 disabled people will be taking placements throughout the year.

- 9.8 Quarter two data indicates that out of a total of 21,427 staff, 4,050 have either declared their sexual orientation or preferred not to say. Of those employees declaring sexual orientation 6.4 per cent said they were lesbian, gay or bisexual and 5.6 per cent preferred not to say. TfL is currently developing its first Lesbian, Gay, Bisexual and Transgender (LGBT) Equality Scheme. Unlike some of the other equality target groups, there is little information of the barriers to transport for LGB people or the barriers to employment. Therefore the approach to developing TfL's LGB scheme primarily involves research into understanding the transport issues identified by transport users and TfL LGB employees. Research has been commissioned for quarter three and the final LGB Equality scheme will be published in February 2008.

## Efficiencies

10.0 At £217 million, the 2007/08 efficiencies programme full year target is 11 per cent greater than the 2006/07 year-end efficiencies total of £193 million.

10.1 TfL is forecasting to exceed the year end efficiency target by £7 million, delivering £224 million of savings in total. This is through a combination of new back-office and operational efficiencies.

Efficiency Initiatives £ m	Full Year (Sustained)		Full Year (In Year)		Total	
	Forecast	Var to Budget	Forecast	Var to Budget	Forecast	Var to Budget
Procurement	56	0	21	4	77	4
Staff & BIP	12	(11)	11	1	22	(10)
Marketing & Other	20	0	3	3	24	4
<b>Total Back Office</b>	<b>88</b>	<b>(11)</b>	<b>35</b>	<b>8</b>	<b>123</b>	<b>(3)</b>
Rail Operations	2				2	
Bus Network	59		6	6	65	6
Road Maintenance Contract			2	(1)	2	(1)
Other Surface initiatives	4	4	5	1	9	5
Tube Lines refinancing	2				2	
LUL Operational Efficiencies	17				17	
LUL Communication Infrastructure	5				5	
<b>Total Operations</b>	<b>84</b>		<b>13</b>	<b>10</b>	<b>97</b>	<b>10</b>
<b>Total Cashable (lower than budget)</b>	<b>173</b>	<b>(9)</b>	<b>50</b>	<b>16</b>	<b>224</b>	<b>7</b>

Table may be subject to rounding errors

10.2 There are additional procurement efficiencies arising from a new approach to technology refresh within the Congestion Charging Central Scheme, and a range of other contract renegotiations and consolidations.

10.3 From an operational perspective, £6 million of new efficiencies have been achieved through revising bus schedules where appropriate and extending the contracts for a number of routes. In addition, Surface Transport is forecasting further efficiencies from a range of small initiatives to offset a shortfall of £1 million in anticipated savings from the Highways, Maintenance Contracts. All other targets for operational efficiencies are forecast to be met by year end.

10.4 A number of recurring efficiencies have been reviewed and, as a prudent measure, have been excluded from the forecast. This includes £6 million within Group Services relating to efficiencies eroded as headcount numbers have increased over time to meet increased demand for services provided centrally by Group Services. However this is expected to be off set by efficiency savings arising from the recently initiated 'HR right sizing' project which will see new efficiencies of £2 million by the end of the year.

## Financial performance

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### Group Highlights

- 11.0 TfL operating income was £4 million higher than budget for the year to date, as Underground fare income continued to exceed budget but was partly offset by lower income from bus fares, TPED enforcement and advertising income. For the full year, TfL operating income is forecast to be £23 million higher than budget primarily due to significantly higher Underground fare income which is in line with the year to date trend, but partly offset by lower income across all other categories. Total TfL operating expenditure, was £103 million lower than budget for the year to date and is forecast to be below budget by £87 million for the full year. The most significant driver of the year to date variance was lower expenditure on Metronet PPP Contracts at £54 million lower than budget.
- 11.1 Net capital expenditure after reductions for overprogramming and third party reimbursements was £52 million lower than budget for the year to date and is forecast to be £19 million below budget at year end. Further detail regarding investment activity is available in the Second Quarter Investment Programme Report.
- 11.2 Net interest income was £9 million higher than budget for the year to date and is forecast to be £19 million than budget at year end due to recent interest rate rises.
- 11.3 The two Metronet PPP companies who are responsible for the BCV and SSL lines went into PPP Administration on the 18 July 2007. TfL has been working with the Appointed Administrators (Ernst and Young) to ensure that in the short term essential work continues to enable the continued safe operation of the Tube, and to develop a long-term viable solution for the Metronet businesses. To this end TfL has provided loan facilities to the Metronet Administrator of up to £900 million for 6 months, at market interest rates. This sum is currently being funded from TfL Group-wide earmarked reserves. Following the spending review 2007, TfL has a long term settlement with Government which includes provision for the impacts of Metronet entering administration. Whilst uncertainty continues with regards to the cost and timing of the administration, TfL is forecasting to fully provide for the loan amount in its 2007/8 expenditure. The level of project commitments is being monitored until such time that there is clarity of the way forward, although there is no impact on the delivery of the Investment Programme at present. Due to the uncertainty over the recovery of the loan facility made available to the Metronet administrator, a provision for the year to date of £87 million has been established and is being forecast at £900 million for the full year.
- 11.4 Full year TfL net service expenditure, which includes the loan provision of £900 million made available to the Metronet administrators described above, is now forecast to exceed budget by £738 million.
- 11.5 A modal summary of financial performance is provided in Annex Two.

Net Service Expenditure £m	Year to Date			Full Year	
	Actual	Budget	Variance	Forecast	Variance
<b>Operating Budget</b>					
Income	(1,468)	(1,464)	(4)	(3,301)	(23)
Operating Expenditure	2,439	2,542	(103)	5,620	(87)
<b>Net Operating Expenditure</b>	<b>971</b>	<b>1,078</b>	<b>(107)</b>	<b>2,319</b>	<b>(110)</b>
<b>Capital Budget</b>					
Capital Expenditure	397	497	(100)	1,107	(110)
Reimbursements	(68)	(83)	15	(144)	33
Group Over-programming	-	(32)	32	(11)	58
<b>Net Capital Expenditure</b>	<b>329</b>	<b>382</b>	<b>(52)</b>	<b>951</b>	<b>(19)</b>
Capital Income	(31)	(32)	1	(68)	(15)
Interest Income	(50)	(40)	(9)	(94)	(20)
Debt Servicing Costs	52	51	1	112	1
<i>Net Interest Income</i>	<i>2</i>	<i>11</i>	<i>(9)</i>	<i>18</i>	<i>(19)</i>
Contingency	1	4	(3)	36	1
Provision for Metronet	87	-	87	900	900
<b>Net Service Expenditure</b>	<b>1,360</b>	<b>1,442</b>	<b>(82)</b>	<b>4,156</b>	<b>738</b>

Table may be subject to rounding errors

## Operating Income

- 11.6 London Underground operating income was £11 million higher than budget for the year to date reflecting higher fare income partly offset by lower advertising revenue. This was despite the effects of the Metronet strike and a retrospective Travelcard apportionment adjustment, which together reduced income by £8 million. Fare income was £46 million higher than the same period last year as demand continues to grow and exceed expectations. The fare income variance was in line with growth in passenger demand with 17 million more passenger journeys than target and 22 million more than last year. The first period of quarter two had the highest ever recorded number of passenger journeys on the Underground at 86.4 million. The trend of higher Underground fare income than budget is expected to continue with the full year forecast at a significant £53 million higher than budget.
- 11.7 Surface Transport income for the year to date was £6 million lower than budget, predominantly driven by lower TPED enforcement and bus fare income. Both of these categories are forecast to be lower than budget for the full year. The bus fare income forecast is driven by the bus fare reduction in effect from 30 September, fare price freezes partly offset by higher passenger journeys and retrospective adjustments. Congestion charging income were lower than budget but the variance was offset by higher enforcement income. The congestion charging income and enforcement income is forecast to be £10 million lower than budget for the full year, principally due to the continuing trend of fewer standard congestion charge payments than anticipated following the introduction of the Western Extension Zone.
- 11.8 On the DLR fare income was £1 million below budget for the year to date as it was at the end of quarter one, and the forecast remains at £2 million below budget for the full year.

- 11.9 Other income was £6 million below budget for the year to date driven by lower than expected commercial advertising revenue on the Underground network. Income from the CBS advertising contract is lower than budget reflecting lower than predicted market growth and loss of advertising sites due to PPP works across the network.

2006/07 YTD Actual	Income £m	Year to Date			Full Year	
		Actual	Budget	Variance	Forecast	Variance
(641)	Underground fares Income	(687)	(668)	(19)	(1,570)	(53)
(450)	Bus Network fares Income	(482)	(486)	4	(1,053)	6
(24)	DLR Fare Income	(28)	(29)	1	(61)	2
<b>(1,115)</b>	<b>Fares Income</b>	<b>(1,197)</b>	<b>(1,182)</b>	<b>(14)</b>	<b>(2,684)</b>	<b>(45)</b>
(114)	Congestion Charging - fees and enforcement income	(150)	(151)	0	(331)	10
(21)	TPED enforcement income	(30)	(34)	4	(69)	8
(138)	Other Income	(91)	(96)	6	(217)	4
<b>(1,388)</b>	<b>Total Income</b>	<b>(1,468)</b>	<b>(1,464)</b>	<b>(4)</b>	<b>(3,301)</b>	<b>(23)</b>

Table may be subject to rounding errors

### Operating Expenditure

- 11.10 On the Underground, operating expenditure was £90 million below budget for the year to date. The largest variance was lower payments for PPP works to Metronet of £54 million. Another significant variance was £16 million lower expenditure due to risk not materialising. The year end forecast of £121 million lower than budget reflects the above factors, partly offset by higher expenditure in other areas such as operational customer services to accommodate succession planning and legal fees relating to Metronet.
- 11.11 Surface Transport spent £4 million more than budget in the first six periods of the year largely driven by cycling and accessibility schemes and road safety expenditure, which was partly offset by lower expenditure in bus network operations. Surface Transport is forecast to spend £32 million more than budget for the full year as a result of higher than budget expenditure on the A13 DBFO scheme (Design, Build, Finance and Operate), road network maintenance renewal and support costs. This is partly offset by lower expenditure on bus network operations.
- 11.12 London Rail is £3 million below budget for the year to date but is forecast to spend £10 million more than budget for the full year. This is largely driven by £17 million more expenditure on the London Rail concession following the conclusion of negotiations with MTR Laing to provide staffing at all stations and an enhanced station refurbishment programme. This is partly offset by lower expenditure on North London Rail due to a revised programme of work resulting in £4.8 million of expenditure re-phased to next year.
- 11.13 The Group Directorates spent £13 million less than budget for the year to date primarily due to the Group Information Management re-organisation in which projects are being re-prioritised. This variance is expected to fall to £7 million lower than budget by year end as expenditure on Group Information Management projects accelerates. This is partly offset by lower than budgeted spend in the Planning directorate due to a review of major projects following the Crossrail decision, as well as the re-phasing of Borough Partnerships' expenditure to next year.

2006/07 YTD Actual	Operating Expenditure £m	Year to Date			Full Year	
		Actual	Budget	Variance	Forecast	Variance
1,114	London Underground	1,102	1,192	(90)	2,495	(121)
1,027	Surface Transport	1,132	1,128	4	2,568	32
55	London Rail	66	69	(3)	183	10
98	Group Directorates	140	153	(13)	373	(7)
<b>2,294</b>	<b>Total Operating Expenditure</b>	<b>2,439</b>	<b>2,542</b>	<b>(103)</b>	<b>5,620</b>	<b>(87)</b>

Table may be subject to rounding errors

## Capital Expenditure

- 11.14 TfL net capital expenditure after third party capital receipts, reimbursements and reductions for overprogramming was £52 million lower than budget for the year to date but the full year forecast is £19 million below budget. Capital receipts are forecast to be £15 million higher than budget.

2006/07 YTD Actual	Capital Expenditure £m	Year to date			Full Year	
		Actual	Budget	Variance	Forecast	Variance
105	London Underground *	165	197	(32)	418	(1)
98	Surface Transport *	78	127	(49)	219	(77)
76	London Rail	142	142	0	415	(12)
10	Group Directorates	13	32	(19)	54	(20)
-	Overprogramming (Group)	-	(32)	32	(11)	58
<b>289</b>	<b>Capital Expenditure</b>	<b>397</b>	<b>464</b>	<b>(68)</b>	<b>1,095</b>	<b>(52)</b>
(56)	Reimbursements	(68)	(83)	15	(144)	33
<b>233</b>	<b>Net Capital Expenditure</b>	<b>329</b>	<b>382</b>	<b>(52)</b>	<b>951</b>	<b>(19)</b>
(2)	Capital Receipts	(31)	(32)	1	(68)	(15)
<b>231</b>	<b>Net Capital</b>	<b>298</b>	<b>350</b>	<b>(51)</b>	<b>884</b>	<b>(34)</b>

\* Shown after delegated overprogramming

Table may be subject to rounding errors

- 11.15 On the Underground, capital expenditure after devolved overprogramming was £32 million below budget for the year to date but is forecast to accelerate, thereby ending end the year £1 million under budget. This reflects re-phasing of expenditure on stations (congestion relief and accessibility), operational accommodation, power and information technology projects.
- 11.16 Surface Transport spent £49 million less than budget (after devolved overprogramming) on several projects in the first half of the year with the most significant variances in iBus (real time bus service information), road network capital renewal and the West Ham Bus Garage. Full year capital expenditure is forecast to be £77 million below budget largely due to programme slippage on Blackwall Tunnel Northbound, East London Transit, London Hydrogen Partnership and the West Ham Bus Garage.
- 11.17 For London Rail, capital expenditure for the year to date was in line with budget. There was lower expenditure on Stratford International and higher expenditure on the East London line. Stratford International is the largest driver of the full year forecast at £12 million lower than budget by the year end.

- 11.18 Capital expenditure in the Group Directorates was £19 million below budget for the year to date largely due to a delay in the Marketing and Communications Customer Services Integration Project (CSIP) project, and, the deferral of the Integrated Transport Smartcard Organisation (ITSO) project in the Finance directorate (offset by lower capital re-imbursments as the project is fully funded by the Department for Transport). The forecast full year variance is just £1 million lower at £20 million lower than budget. Although the expenditure shortfalls due to ITSO and CSIP increase further, expenditure by Group Services is forecast at more than double the budget due to additional works on the new Palestra building, although this funded partly by the climate change fund and the use of group contingency.
- 11.19 The capital income full year forecast is £15 million higher than budget mainly due to London Underground Hammersmith property sales brought forward from 2008/09.

## Balance sheet

Transport for London Group Balance Sheet at end of Period 6 £m	Variance to Budget
Fixed Assets - <i>higher than budget</i>	(47)
Debtors and Payments in Advance - <i>higher than budget</i>	(318)
Cash - <i>higher than budget</i>	(76)
Creditors - <i>higher than budget</i>	385
Deferred Capital Grant - <i>lower than budget</i>	(51)
Provisions - <i>higher than budget</i>	8
<b>Total Net Assets - <i>lower than budget</i></b>	<b>(99)</b>

- 12.0 The debtor variances are dominated by two issues: the net effect of the loan to the Metronet Administrator of £46 million (loan of £133 million less provision of £87 million) and the advance payment of contributions to the TfL Pension Fund of £157 million. In addition, London Underground debtors were some £60 million over budget, largely due to PPP performance abatements, and in Transport Trading Limited (TTL) where a £35 million variance arose due to a Prestige PFI pre-payment.
- 12.1 The creditor variance reflects the early draw down of £288 million prudential borrowing, originally budgeted for in period 13. In addition, the PPP finance lease creditor is £99 million higher than budget due to increased fixed asset additions.

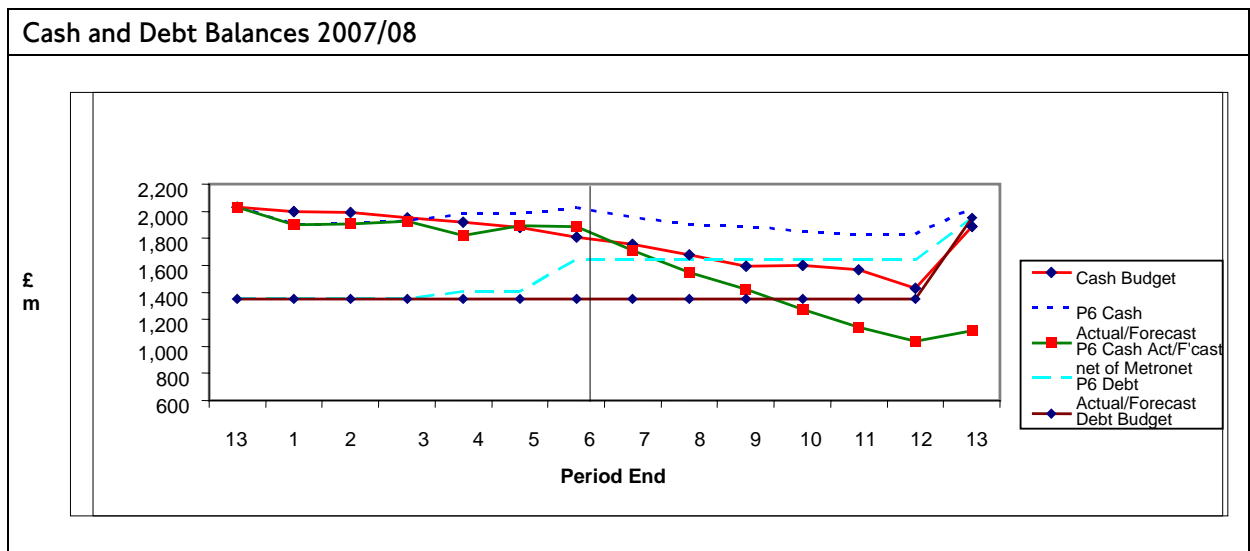
Transport for London Group Balance Sheet Forecast for the Year End £m	Variance to Budget
Fixed Assets - <i>higher than budget</i>	(66)
Debtors and Payments in Advance - <i>higher than budget</i>	(12)
Cash - <i>lower than budget</i>	775
Creditors - <i>higher than budget</i>	22
Deferred Capital Grant - <i>lower than budget</i>	(71)
Provisions - <i>higher than budget</i>	12
<b>Total Net Assets - <i>lower than budget</i></b>	<b>660</b>

- 12.2 The creditor variance includes £79 million on the PPP lease creditor offset by reduced trade creditor and accrual assumptions across the Group.
- 12.3 Cash is forecast to be £775 million lower than budget at year end. See section 13 for further detail.

## Cash summary

### Cash Balances and Debt

- 13.0 Cash balances at 31 March 2008 are forecast to be £2,016 million (Budget £1,891 million) before taking into account the £900 million loan facility granted to Metronet companies in administration. Net of the full loan facility, cash is forecast at £1,116 million.
- 13.1 The graph below shows the actual/forecast cash balances and debt compared to budget at the end of each period for the full year. Of the £600 million budgeted borrowing, £50 million was borrowed from the Public Works Loan Board on 2 July and a further £238 million in total, from 20 August to 3 September (with the approval of the Finance Committee). This was in order to take advantage of current low long-term borrowing rates. TfL is committed to drawing down £112 million from the European Investment Bank in period 13 to fund the East London Line. The remaining £200 million was borrowed in October. The green line shows the effect on cash balances if the Metronet loan facility is fully drawn down over the next six months.



### Performance

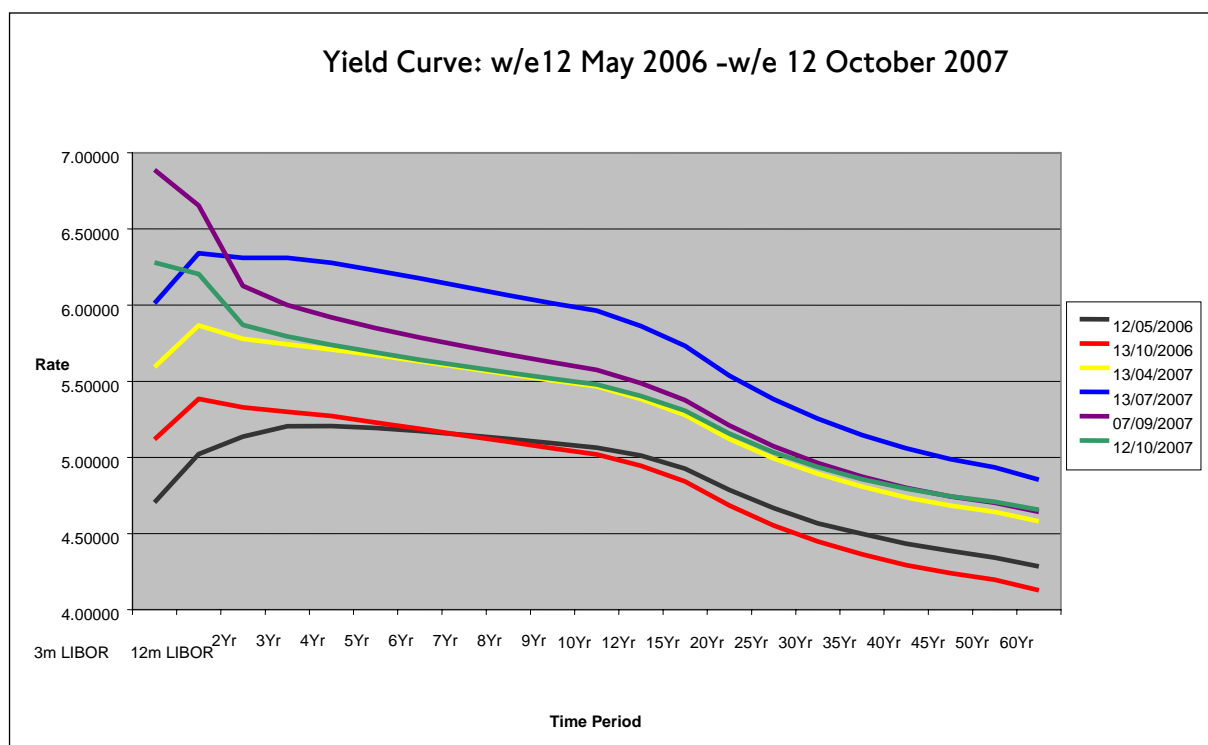
- 13.2 Performance is measured against a benchmark of the average of 3 months LIBOR minus 12.5 basis points. TfL's returns dropped below this benchmark for one period and exceeded it in two, resulting in an overall excess over benchmark of two basis points. The recent global credit squeeze has resulted in a steep increase in yields from 3 / 6 month money thus increasing the benchmark. Although TfL's maturities average the benchmark, a proportion of funds was held with shorter maturities to meet Metronet cash calls and to allow £300 million to be invested in Guaranteed Investment Contracts (GICs). This has reduced TfL's average return because of the wide gap (50 basis points) between overnight rates and 3 month rates. Nevertheless, TfL is benefiting from the higher rates but at a slower rate than benchmark. It is anticipated that benchmark will be met for the year.
- 13.3 Results for the last three periods are noted in the table below:

Treasury Management Yield	Period 4	Period 5	Period 6	YTD Actual	Full Year	Full Year
Period End:	21 Jul	18 Aug	15 Sep	15 Sep	Forecast	Budget
	%	%	%	%	%	%
Benchmark	5.67	5.79	6.01	5.65		
Average Rate of Return	5.74	5.82	5.98	5.67	5.78	4.87
Variance to Benchmark (lower) / higher	0.07	0.03	(0.03)	0.02		
Interest Earned, Period	£8.3m	£8.1m	£8.7m			
Interest Earned, Year to Date	£32.6m	£40.7m	£49.4m	£49.4m	£93.6m	£73.9m

- 13.4 The Metronet loan facility makes a provision for interest to be paid at a commercial rate. If this is paid, TfL's interest earnings will increase by £20 million.

### Current Strategy

- 13.5 The Treasury Management Strategy for 2007-08 was approved at the 28 March Board meeting. It was agreed that, in addition to investing in secure, liquid investments for up to a year, Group Treasury would invest in GICs for up to three years and to a total of £300 million, if improved yields over cash deposits can be obtained. The security documents have been agreed between TfL and prospective borrowers in anticipation of future GIC transactions.
- 13.6 Indicative rates have been received from one AAA rated bank and three AAA rated US monoline insurers. Despite some adverse press comment, there is a belief that the US monoline insurers will have sufficient resilience to ride the global credit squeeze.
- 13.7 The latest yield curve summary is shown below for information. The purple and green lines reflect the sharp rise in 3 / 6 month rates associated with the global credit squeeze (peaking at 6.9 per cent), with rates dropping sharply thereafter. The 60 year swap rate is now 20 basis points lower than last reported in July at 4.65 per cent (week ending 12 October).



## Legal and Regulatory Risk

- 13.8 Prudential Indicators for Prudence and Affordability, Capital Expenditure and External Debt: Prudential Indicators approved by the Board for 2007-08 are monitored periodically and have not been exceeded.
- 13.9 Payment Card Industry Data Security Standards: As previously reported, merchants are subject to new data security standards. TfL has received a report from its Quality Security Assessor commenting on the gap analysis and the required remedial action. Work is in progress to determine the remedial priorities, implementation and likely cost. The TfL Merchant Acquirer receives regular reports and is satisfied with progress. These reports must continue to demonstrate suitable progress to ensure that TfL will not risk penalties for non-compliance with the new data standards.

## Annex One: Performance Summary

2007/08		Quarter 2				Full Year			
Key Performance Indicator	Unit	Actual	Target	Var	PY	F'Cast	Target	Var	PY
<b>Service Demand</b>									
Passenger Journeys - TfL Group	m	770.2	745.6	24.7	670.2	3,334.6	3,304.5	30.1	2,984.8
Passenger Journeys - LU	m	247.7	231.2	16.5	226.1	1,084.0	1,048.0	36.0	1,014.3
Passenger Journeys - Buses	m	500.5	492.2	8.3	423.3	2,180.1	2,160.4	19.7	1,880.3
Passenger Journeys - DLR	m	14.9	15.1	(0.2)	13.9	65.9	66.6	(0.7)	61.3
Passenger Journeys - Trams	m	5.8	5.7	0.2	5.6	**	24.6	-	24.8
Coach Departures - Victoria Coach Station	'000s	45.1	45.4	(0.3)	45.4	187.0	187	-	187.2
Passenger Journeys - River Services	'000s	938.8	973.0	(34.2)	1,006.4	2,650.6	2,600	50.6	2,746.7
Passenger Journeys (multi stop) - River Services	'000s	174.1	148.0	26.1	184.9	629.5	600	29.5	661.6
Total Trips - Dial a Ride	'000s	256.7	359.7	(103.1)	265.8	1,298	1,518	(219.7)	1,173.2
Cycle usage on TLRN (Index Mar 2000 = 100)	Index	217.9	208.7	9.2	200.1	205.6	192.0	-	182.6
<b>Service Provision (Supply)</b>									
% Scheduled Services Operated - LU	%	93.3	95.1	(1.8)	94.2	94.8	95.1	(0.3)	94.5
% Trains Operated in Peak Hours - LU	%	94.8	-	-	96.8	**	No Target	-	96.9
Train Kilometres Operated - LU	m	16.2	16.6	(0.4)	15.9	71.2	71.3	(0.2)	69.8
% Scheduled Services Operated - Buses	%	97.7	98.0	(0.3)	97.8	97.6	97.8	(0.2)	97.5
Bus Kilometres Operated - Buses	m	107.9	108.6	(0.7)	105.9	468.5	467.4	1.0	457.9
% Scheduled Services Operated - DLR	%	99.4	98.0	1.4	98.6	98.0	98.0	-	99.1
Train Kilometres Operated - DLR	'000s	1,058.2	1,065.1	(6.9)	1,019.0	4,527.0	4,527.0	-	4,383.0
% Scheduled Services Operated - Trams	%	98.4	98.0	0.4	98.7	**	98.0	-	99.3
% Scheduled Services Operated - River Services	%	97.4	98.5	(1.1)	97.8	98.0	98.5	(0.5)	98.5
No. of Taxi Drivers Licensed - PCO	'000s	24.5	24.9	(0.4)	24.7	24.9	24.9	-	24.6
No. of Private Hire Drivers Licensed - PCO	'000s	43.4	36.0	7.4	33.6	45.0	36.0	9.0	38.0
<b>Reliability</b>									
Overall Delay (Index = 100) - TfL Group	#	98.1	83.7	14.4	85.7	**	87.5	-	-
Excess Journey Time (Weighted) - LU	Mins	7.9	7.5	0.5	7.9	**	7.5	-	8.1
Peak Train Cancellations, Due to ONAs - LU	%	0.2	0.6	(0.4)	0.2	**	0.6	-	0.1
PPP Availability, Lost Customer Hours - LU	m	7.0	3.6	3.3	3.5	**	15.6	-	14.6
Excess Wait Time, High Freq Routes - Buses	Mins	1.0	1.1	(0.1)	1.1	1.1	1.1	(0.0)	1.1
On Time Performance, Low Freq Routes - Buses	%	81.0	79.2	1.9	79.6	79.0	77.0	2.0	78.1
On Time Performance, Night buses - Buses	%	84.4	81.3	3.0	82.8	85.5	82.9	2.6	85.2
On Time Performance - DLR	%	97.9	96.0	1.9	99.0	96.0	96.0	-	97.8
Road Traffic Signals Operating Effectively	%	99.1	98.6	0.5	99.0	**	98.6	-	-
<b>Safety</b>									
Customer Major Injuries & Fatalities - London Underground (per m journeys)	#	0.13	0.14	(0.01)	0.16	**	0.14	-	0.16
Customer Major Injuries & Fatalities - Buses (per m passenger journeys)	#	0.86	No Target	No Target	0.98	**	No Target	-	0.72
Major Injuries & Fatalities - DLR (per m passenger journeys)	#	0.27	No Target	No Target	0.22	**	No Target	-	0.15
KSI, Total Londonwide - Road Network ++	#	877	835	42	974	**	3,527	-	3,946
KSI, Total TLRN - Road Network ++	#	248	228	20	283	**	968	-	1,124
KSI, Powered 2-Wheel Riders Londonwide - Road Network ++	#	191	155	36	184	**	731	-	848
KSI, Children Londonwide - Road Network ++	#	70	77	(7)	91	**	363	-	392

GREEN: better than or equal to target; AMBER: within 5% of target; RED: 5% or more below target

\*Year end targets

\*\* Not forecasted

++ Due to the reporting process and nature of road traffic accident data, KSI is normally reported 4 to 5 months in arrears. However due to delays in data collection by the Metropolitan Police results for the second quarter are the sum of January, February and March 2007, with March being the most recently reported data available.

## Annex One: Performance Summary (continued)

2007/08		Quarter 2				Full Year			
Key Performance Indicator	Unit	Actual	Target	Var	PY	F'Cast	Target	Var	PY
<b>Customer Satisfaction</b>									
Overall Customer Satisfaction - TfL Group	Score	79.4	78.3	1.0	76.8	**	78.3		77.4
Customer Satisfaction - LU									
Overall	Score	77.0	78.0	(1.0)	75.0	**	78.0	-	76.0
Crowding	Score	71.0	-	-	71.0	**	No Target	-	71.0
Safety & Security	Score	81.0	-	-	80.0	**	No Target	-	80.0
Information	Score	80.0	-	-	77.0	**	No Target	-	79.0
Customer Satisfaction - Buses									
Overall	Score	80.0	78.0	2.0	77.0	78.0	78.0	-	77.8
Crowding	Score	79.0	78.0	1.0	78.0	78.0	78.0	-	77.8
Safety & Security	Score	83.0	83.0	0.0	81.0	83.0	83.0	-	81.0
Information	Score	76.0	75.0	1.0	74.0	75.0	75.0	-	73.8
Reliability Journey Waiting Time	Score	80.0	80.0	-	79.0	80.0	80.0	-	79.0
Customer Satisfaction - DLR									
Overall	Score	97.9	90.0	7.9	96.7	90.0	90.0	-	96.8
Information	Score	97.5	90.0	7.5	95.8	90.0	90.0	-	96.5
Safety & Security	Score	97.9	90.0	7.9	94.3	90.0	90.0	-	95.6
Overall Customer Satisfaction - Trams	Score	85.0	-	-	83.0	**	No Target	-	-
Overall Customer Satisfaction - Dial-A-Ride	Score	93.0	-	-	93.0	**	No Target	-	-
Overall Customer Satisfaction - VCS	Score	78.0	75.0	3.0	76.0	**	76.0	-	-
<b>Financial Efficiency</b>									
Cost per passenger Kilometre - LU	p/km	24.8	27.8	(3.0)	27.4	**	26.9	-	26.7
Income per passenger Kilometre - LU	p/km	(19.0)	(20.4)	1.4	(21.0)	**	(20.5)	-	(20.4)
Cost per passenger Kilometre - Buses	p/km	22.1	23.8	(1.7)	23.1	22.1	24.3	(2.2)	23.1
Income per passenger Kilometre - Buses	p/km	(13.6)	(14.7)	1.1	(14.2)	(13.5)	(14.9)	1.4	(14.3)
Cost per Trip - Dial-A-Ride	£	27.1	15.4	11.7	23.2	22.6	17.8	4.8	23.8
<b>People</b>									
Number of Staff - TfL Group	FTE	21,427.5	21,298.2	129.3	20,250.5	22,040.0	21,435.5	604.5	20,778.0
Sickness Absence per Employee									
TfL Group	Days	2.3	2.6	(0.3)	2.8	10.6	11.1	(0.5)	11.7
LU	Days	2.4	2.8	(0.4)	3.1	11.4	12.0	(0.6)	12.8
Surface Transport	Days	2.4	2.2	0.2	2.2	9.5	9.5	0.0	10.0
London Rail	Days	0.6	1.2	(0.5)	1.1	6.5	6.5	-	4.5
Group Directorates	Days	1.6	1.5	0.2	1.9	7.7	7.0	0.7	8.2
Women Staff - TfL Group*	%	23.8	24.3	(0.5)	22.6	24.2	24.3	(0.1)	23.27
BAME Staff - TfL Group*	%	34.0	26.8	7.2	25.7	33.0	26.8	6.2	n/a
Disabled Staff - TfL Group*	%	6.9	8.0	(1.1)	7.6	7.4	8.0	(0.6)	7.21
Women Staff in Senior Mgt - TfL Group*	%	21.5	21.7	(0.2)	19.5	23.8	21.7	2.1	20.16
BAME Staff in Senior Mgt - TfL Group*	%	12.1	12.3	(0.2)	10.6	11.9	12.3	(0.4)	11.73
Disabled Staff in Senior Mgt - TfL Group*	%	4.3	5.2	(0.9)	4.6	4.8	5.2	(0.4)	4.26

GREEN: better than or equal to target; AMBER: within 5% of target; RED: 5% or more below target

Notes:

Tables may be subject to rounding errors.

FTE = Full Time Equivalents

n/a No data available

\*Year end targets

\*\* Not forecasted

Green	0%
Red	5%

++ Due to the reporting process and nature of road traffic accident data, KSI is normally reported 4 to 5 months in arrears. However due to delays in data collection by the Metropolitan Police results for the second quarter are the sum of January, February and March 2007, with March being the most recently reported data available.

## Annex Two: Modal summary of financial performance

All in £ millions	Year to Date			Full Year	
	Act'l	Bud	Var	F'cst	Var
<b>Income</b>					
London Underground	(739)	(728)	(11)	(1,690)	(41)
Surface Transport	(693)	(699)	6	(1,519)	19
London Rail	(28)	(30)	1	(76)	(3)
Group Directorates	(8)	(7)	(1)	(16)	1
	<i>(1,468)</i>	<i>(1,464)</i>	<i>(4)</i>	<i>(3,301)</i>	<i>(23)</i>
<b>Operating Expenditure</b>					
London Underground	1,102	1,192	(90)	2,495	(121)
Surface Transport	1,132	1,128	4	2,568	32
London Rail	66	69	(3)	183	10
Group Directorates	140	153	(13)	373	(7)
	<i>2,439</i>	<i>2,542</i>	<i>(103)</i>	<i>5,620</i>	<i>(87)</i>
<b>Net Operating Expenditure</b>	<b>971</b>	<b>1,078</b>	<b>(107)</b>	<b>2,319</b>	<b>(110)</b>
<b>Capital Expenditure (before group overprog)</b>					
London Underground	165	197	(32)	418	(1)
Surface Transport	78	127	(49)	219	(77)
London Rail	142	142	0	415	(12)
Group Directorates	13	32	(19)	54	(20)
	<i>397</i>	<i>497</i>	<i>(100)</i>	<i>1,107</i>	<i>(110)</i>
<b>Reimbursements from third parties</b>					
London Underground	(51)	(52)	1	(104)	1
Surface Transport	(1)	(14)	13	(3)	27
London Rail	(14)	(8)	(6)	(31)	(11)
Group Directorates	(2)	(10)	8	(6)	15
	<i>(68)</i>	<i>(83)</i>	<i>15</i>	<i>(144)</i>	<i>33</i>
Group Overprogramming	-	(32)	32	(11)	58
<b>Net Capital Expenditure</b>	<b>329</b>	<b>382</b>	<b>(52)</b>	<b>951</b>	<b>(19)</b>
Capital income (including property sales)	(31)	(32)	1	(68)	(15)
<b>Group Items</b>					
Interest Income	(50)	(40)	(9)	(94)	(20)
Debt Servicing Payments	52	51	1	112	1
Contingency	1	4	(3)	36	1
Provision for Metronet	87	-	87	900	900
<b>Net Service Expenditure</b>	<b>1,360</b>	<b>1,442</b>	<b>(82)</b>	<b>4,156</b>	<b>738</b>

## Annex Three: Balance Sheet

Balance Sheet £m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
<b>Fixed Assets</b>						
Tangible Assets	15,981	15,934	(47)	16,756	16,690	(66)
<b>Current Assets</b>						
Stocks	5	5	-	5	5	-
Debtors	308	190	(118)	202	202	-
Payments in Advance	299	99	(200)	136	124	(12)
Cash at Bank and in Hand	1,888	1,812	(76)	1,116	1,891	775
<b>Current Liabilities</b>						
Revenue	(834)	(864)	(30)	(763)	(879)	(116)
Receipts in Advance	(187)	(203)	(16)	(228)	(226)	2
Capital	(278)	(242)	36	(294)	(242)	52
<b>Long Term Liabilities</b>						
Balances with Infracos	(2,586)	(2,487)	99	(2,890)	(2,811)	79
Prudential Loans	(1,638)	(1,350)	288	(1,950)	(1,950)	-
Creditors Due after One Year	(381)	(373)	8	(377)	(372)	5
Capital Grants	(7,155)	(7,206)	(51)	(7,240)	(7,311)	(71)
Pension Provision	(948)	(948)	-	(948)	(948)	-
Other Provisions	(228)	(220)	8	(228)	(216)	12
<b>Total Net Assets</b>	<b>4,246</b>	<b>4,147</b>	<b>(99)</b>	<b>3,297</b>	<b>3,957</b>	<b>660</b>
<b>Capital and Reserves</b>						
Earmarked Reserves	1,159	1,032	(127)	276	968	692
Pension Reserves	(948)	(948)	-	(948)	(948)	-
General Fund	148	148	-	148	148	-
Other Reserves	3,887	3,915	28	3,821	3,789	(32)
<b>Total Capital Employed</b>	<b>4,246</b>	<b>4,147</b>	<b>(99)</b>	<b>3,297</b>	<b>3,957</b>	<b>660</b>

## Annex Four: Cash Summary

Cash Summary £m	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Net Revenue Expenditure	(1,061)	(1,093)	(32)	(3,256)	(2,500)	756
Working Capital Movements	(262)	70	332	(26)	82	108
<b>Cash Spend on Operating Activities</b>	<b>(1,323)</b>	<b>(1,023)</b>	<b>300</b>	<b>(3,282)</b>	<b>(2,418)</b>	<b>864</b>
Net Capital Expenditure	(366)	(433)	(67)	(1,028)	(1,095)	(67)
Working Capital Movements	28	(8)	(36)	44	(8)	(52)
<b>Cash Spend on Capital Activities</b>	<b>(338)</b>	<b>(441)</b>	<b>(103)</b>	<b>(984)</b>	<b>(1,103)</b>	<b>(119)</b>
<b>Funded by:</b>						
Transport Grant	1,160	1,160	-	2598	2,595	(3)
Precept Funding	5	5	-	12	12	-
Prudential Borrowing	288	-	(288)	600	600	-
Third Party Contributions	68	83	15	144	177	33
<b>Total Funding</b>	<b>1,521</b>	<b>1,248</b>	<b>(273)</b>	<b>3,354</b>	<b>3,384</b>	<b>30</b>
<b>Net Movement in Cash</b>	<b>(140)</b>	<b>(216)</b>	<b>(76)</b>	<b>(912)</b>	<b>(137)</b>	<b>775</b>

## Annex Five: Approved Investments

Approved Investments at each period end date are noted below.

Period number	4	5	6
Period end date	21 July	18 August	15 September
	£m	£m	£m
Budget	1,939	1,887	1,812
Cash Balances	1,821	1,890	1,888
Increase/(decrease)	(118)	3	76

Cash Balances comprise:			
Investments	1,752	1,828	1,826
Investments-Guernsey	45	38	38
Cash & Credits in Transit (mainly LUL)	24	24	24

Investment Profile			
Up to 1 Month	522	364	291
1-2 Months	5	9	20
2-3 Months	92	270	418
3-4 Months	228	312	313
4-5 Months	58	27	-
5-6 Months	28	28	10
6-7 Months	117	122	52
7-8 Months	-	-	-
8-9 Months	-	-	25
9-10 Months	-	-	-
10-11Months	-	-	-
11-12 Months	702	696	697

Lower balances at period 4 reflect a payment of £159m to Metronet's administrators in accordance with the loan agreement. The increase in balances at period 6 also reflects early borrowing of £288m from the Public Works Loan Board offset by an unbudgeted pension fund payment of £157m.