



# Transport for London quarterly performance report

Quarter 1 2020/21  
(1 April – 27 June 2020)

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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 ending 31 March 2020 was published in August 2020.

# Introduction

The first quarter has been the most challenging for TfL in its history. The coronavirus pandemic has had a catastrophic impact on our organisation, with the loss of life of a number of our colleagues, a severe decline in passenger numbers and significant changes to our operations and project delivery. The ongoing uncertainty on the spread of the virus, which may impact future Government guidance on travel, and the impact of the pandemic on the UK economy makes forecasting and budgeting even more difficult.

At the start of April, we took urgent emergency measures in response to the Government's policies to reduce the spread of coronavirus. This meant balancing the running of our services for key workers making essential journeys with protecting our workforce. New ways of working were established for our operational and project teams, as well as externally with our

contractors and supply chain as projects were brought to a Safe Stop. We sought to reduce or defer spend where possible to minimise cash outgoings as our operating income plummeted by around 75 per cent compared to the same period last year. This included utilisation of the Government's coronavirus job retention scheme whereby 25 per cent of our non-critical workforce was furloughed. No Government funding was agreed until 14 May 2020, meaning that TfL utilised around £600m of cash reserves in the first eight weeks of the pandemic.

By the end of Q1, TfL had set an Emergency Budget for 2020/21 which included a number of cost reductions and deferrals. It also provided a range of required Government support to continue to operate our services in line with Government guidance and support key workers being able to travel around London safely.

A short-term funding and financing deal of up to £1.9bn for the first half of the year was agreed, comprising up to £1.3bn of grant funding and £0.6bn of additional debt funding. This was subject to a number of conditions including maximising revenues, minimising costs, investing in walking and cycling schemes through the new Streetspace for London plan, and an accelerated ramping up of services back to normal levels earlier than planned.

This report measures our performance against the Emergency Budget from 1 April to 27 June 2020. The Emergency Budget took a prudent view, particularly on passenger revenue, considering the ongoing uncertainty.

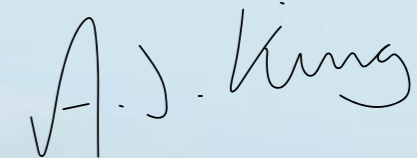
Going into Q2, we are firmly focused on supporting London's recovery by running safe and efficient services, and ensuring our investment programme is aligned with Government and mayoral objectives on

social distancing and active travel. We are extending the Streetspace for London plan, moving us away from the car-led recovery we have seen in other cities.

The hard work and dedication across all the TfL teams for this to be achieved cannot be underestimated. A huge thank you to everybody for their ongoing support as we continue to work with the Government to secure a funding deal for the second half of the year, and play a critical role in supporting London's recovery.



**Simon Kilonback**  
Chief Finance Officer



**Tony King**  
Group Finance Director



# Business at a glance

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

## How we report on our business

### Underground

London Underground

### Elizabeth line

Currently operating as TfL Rail

### Buses, streets and other operations

London Buses, Transport for London Road Network, London Dial-a-Ride, London River Services, Santander Cycles, Victoria Coach Station and Emirates Air Line

### Rail

DLR, London Overground and London Trams

### Major projects

Responsible for our largest and most complex projects

### Property development

Our commercial and residential estate and building portfolio

### Media

Advertising estate and digital marketing infrastructure

## Facts and figures

**979** Trains on the TfL network



**580km** TfL-operated highways



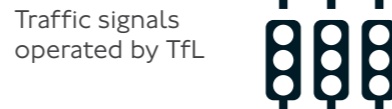
**755km** TfL-operated Rail and London Underground routes



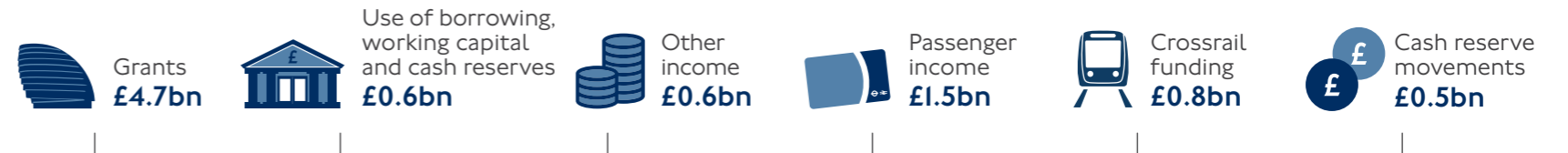
**9,330** Buses on the TfL network



**6,300** Traffic signals operated by TfL



## 2020/21 Emergency Budget at a glance



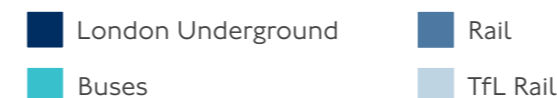
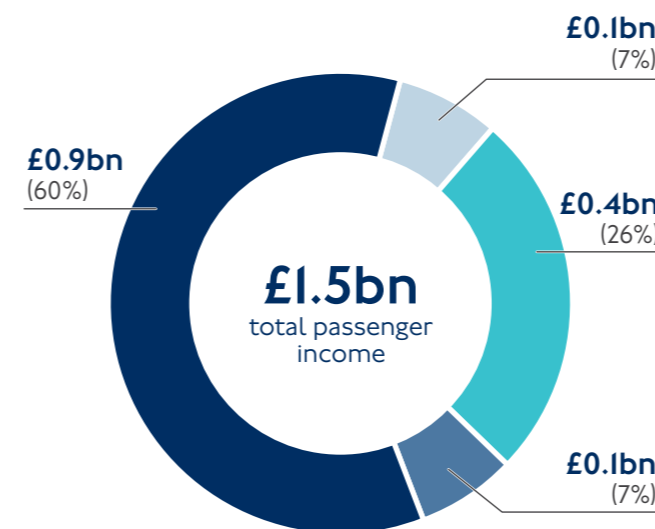
Sources of funds  
**£8.7bn**

**82%** spent on running and operating the network every day

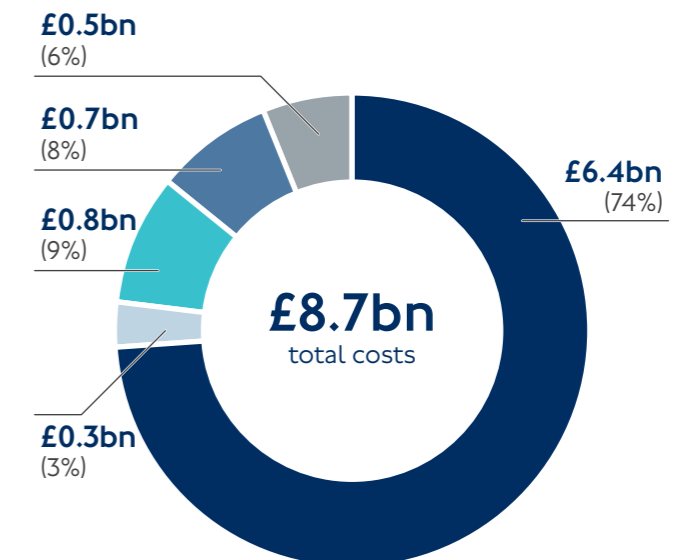


**18%** spent on renewing and improving the network through one of the largest capital investment programmes in Europe

## Total passenger income



## Total costs



# Financial summary

## Performance in the year to date

### Operating account

TfL Group (£m)	Q1 2020/21	Q1 Emergency Budget	Variance	Q1 2019/20	Variance
Passenger income	216	102	114	1,108	(892)
Other operating income	116	79	37	213	(97)
<b>Total operating income</b>	<b>332</b>	<b>181</b>	<b>151</b>	<b>1,321</b>	<b>(989)</b>
Business Rates Retention	262	262	-	258	4
Furlough grant	32	29	3	-	32
Other revenue grants	2	2	-	24	(22)
<b>Total income</b>	<b>628</b>	<b>474</b>	<b>154</b>	<b>1,603</b>	<b>(975)</b>
Operating cost	(1,436)	(1,406)	(30)	(1,426)	(10)
<b>Net operating (deficit)/surplus</b>	<b>(808)</b>	<b>(932)</b>	<b>124</b>	<b>177</b>	<b>(985)</b>
Net financing costs	(108)	(108)	-	(102)	(6)
<b>Net cost of operations before renewals</b>	<b>(916)</b>	<b>(1,040)</b>	<b>124</b>	<b>75</b>	<b>(991)</b>
Capital renewals	(47)	(42)	(5)	(88)	41
<b>Net cost of operations</b>	<b>(963)</b>	<b>(1,082)</b>	<b>119</b>	<b>(13)</b>	<b>(950)</b>
Extraordinary grant	365	365	-	-	365
<b>Net cost of operations after Extraordinary grant</b>	<b>(598)</b>	<b>(717)</b>	<b>119</b>	<b>(13)</b>	<b>(585)</b>

Since the start of the pandemic we have seen a significant decline in income. With passenger income, 70 per cent of our total income to fund day-to-day operations is lower by around £80m per week. On 14 May 2020, the Department of Transport agreed a support package with TfL worth up to £1.9bn in the first half of 2020/21, which will enable the transport network to operate effectively and support London's and the UK's wider recovery. Our Emergency Budget, which includes this funding, as well as new cost savings and project delays, replaces the original Budget for 2020/21.

The net cost of operations before government support was £963m in the quarter, down from £13m last year. This is driven by income losses, with passenger income £892m lower than Q1, 2019/20 and other operating income down by £97m, the latter from lower Congestion Charge, ULEZ, advertising and property revenue. Passenger journeys remain very low: Tube journeys were 85 per cent lower than last year in the final week of the quarter and bus journeys are 71 per cent down.

Compared to the Emergency Budget, the net cost of operations is £119m better.

### Capital account

TfL Group (£m)	Q1 2020/21	Q1 Emergency Budget	Variance	Q1 2019/20	Variance
New capital investment	(133)	(118)	(15)	(249)	116
Crossrail	(152)	(202)	50	(260)	108
<b>Total capital expenditure</b>	<b>(285)</b>	<b>(320)</b>	<b>35</b>	<b>(509)</b>	<b>224</b>
<b>Financed by:</b>					
Investment grant	246	246	-	241	5
Property and asset receipts	-	8	(8)	17	(17)
Borrowing (TfL)	266	268	(2)	(66)	332
Borrowing (Crossrail)	139	163	(24)	-	139
Crossrail funding sources	68	43	25	245	(177)
Other capital grants	21	48	(27)	44	(23)
<b>Total</b>	<b>740</b>	<b>776</b>	<b>(36)</b>	<b>481</b>	<b>259</b>
<b>Net capital account</b>	<b>455</b>	<b>456</b>	<b>(1)</b>	<b>(28)</b>	<b>483</b>

Passenger income is £114m ahead, with journeys slightly higher than expected, increased yield, and higher concession income (based on average journeys over the previous two years). Other operating income is also up on Emergency Budget, a result of reintroducing the Congestion Charge earlier than planned, increasing the price from £11.50 to £15.00 as well as extending charging hours. We have also used the government's furlough scheme and furloughed just over 7,000 non-critical staff in Q1, bringing in £32m in the quarter, £3m higher than planned.

Operating costs are £30m higher than the Emergency Budget, a result of timings from new Streetspace projects to encourage walking and cycling during the pandemic and help individuals return to work. Q1

operating costs include £23m of costs to operate services safely during the pandemic, including PPE, cleaning and other social distancing costs.

On the capital account, new capital investment is £116m lower than Q1 last year, a result of halting non-safety critical projects during the height of the pandemic. We are now restarting work on projects, while maintaining social distancing. Compared to the Emergency Budget, new capital investment is £15m higher, a result of major projects and LU capital renewals restarting earlier than expected. Property and asset receipts are lower than expected and down on last year, a result of deferred sales from market uncertainty.

## Cash flow summary

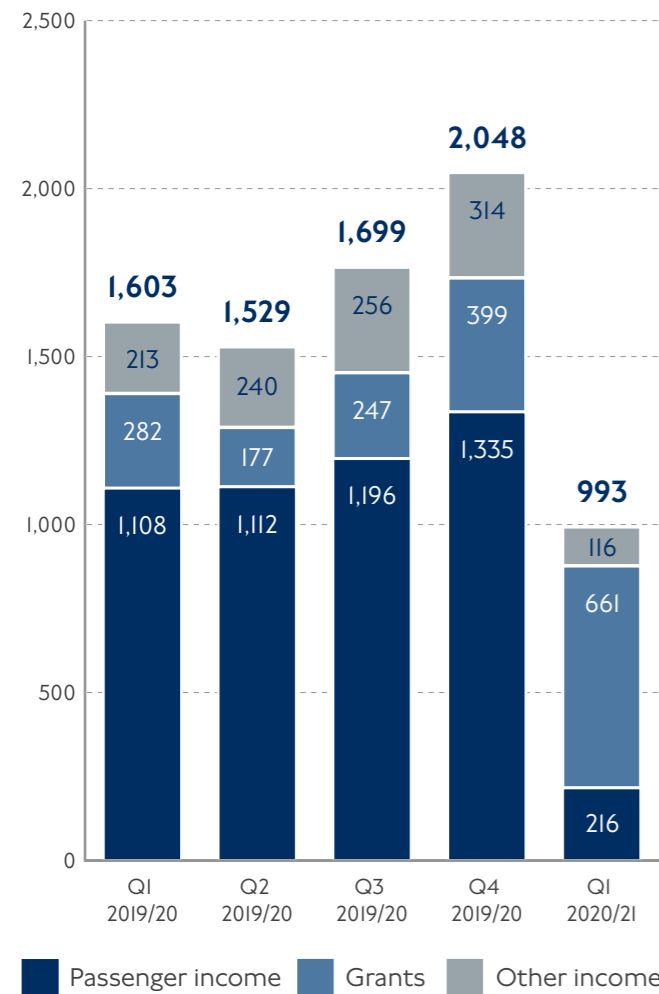
TfL Group (£m)	Q1 2020/21	Q1 Emergency Budget	Variance	Q1 2019/20	Variance
Net cost of operations	(598)	(717)	119	(13)	(585)
Net capital account	455	456	(1)	(28)	483
Working capital movements	(415)	(199)	(216)	(90)	(325)
<b>Decrease in cash balances</b>	<b>(558)</b>	<b>(460)</b>	<b>(98)</b>	<b>(131)</b>	<b>(427)</b>

Cash balances at the end of the quarter are £98m lower than the Emergency Budget. Favourable movements in the Operating account, primarily owing to increased income, are offset by working capital movements as creditor balances are settled.

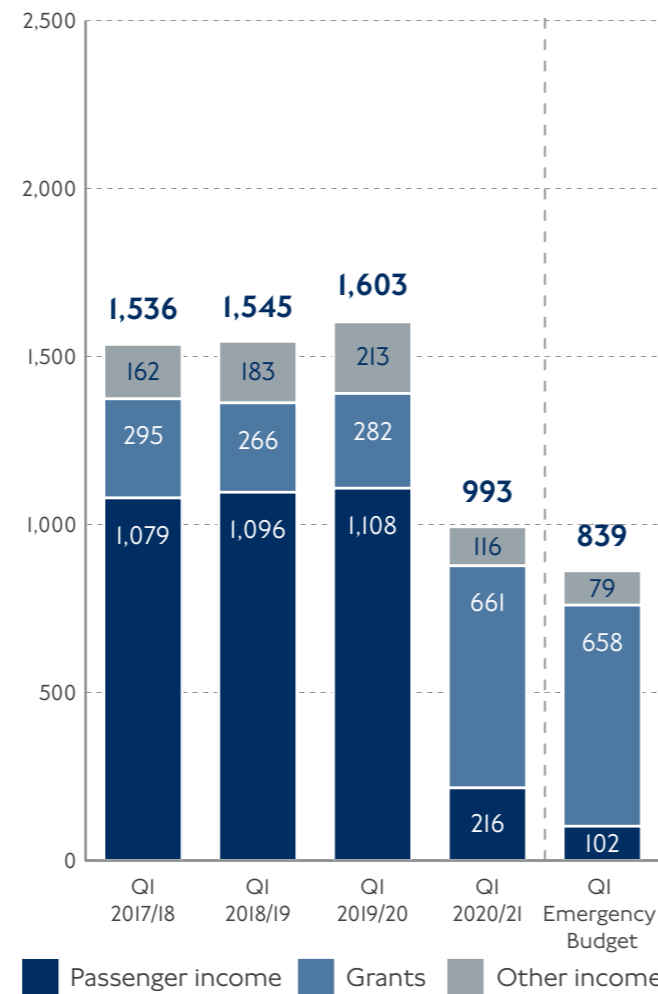


# Financial trends

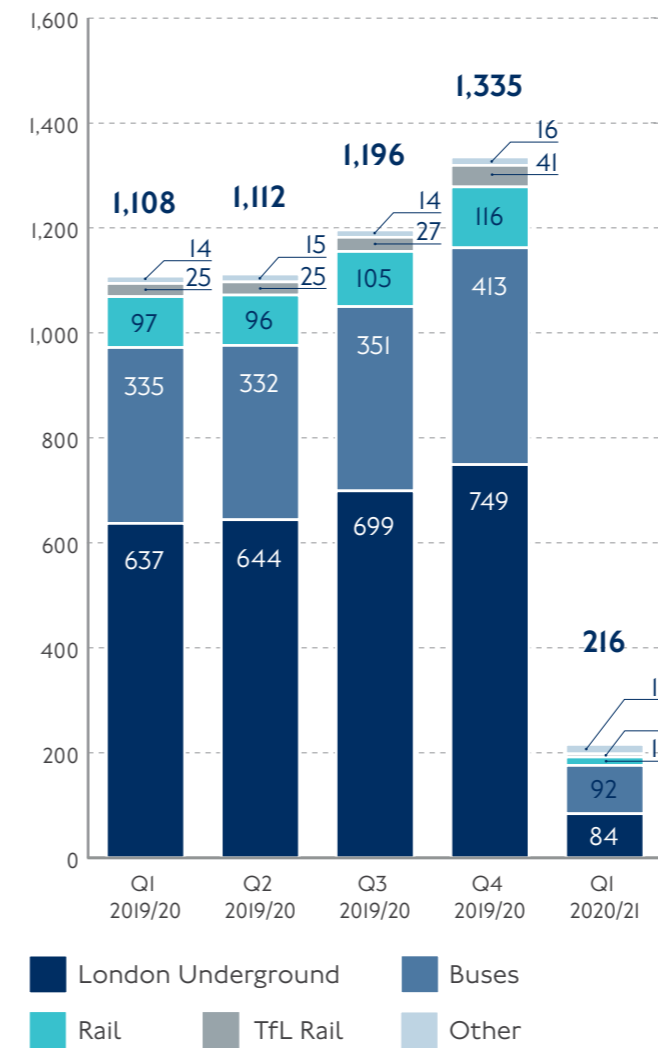
**Total income**  
Quarterly (£m)\*



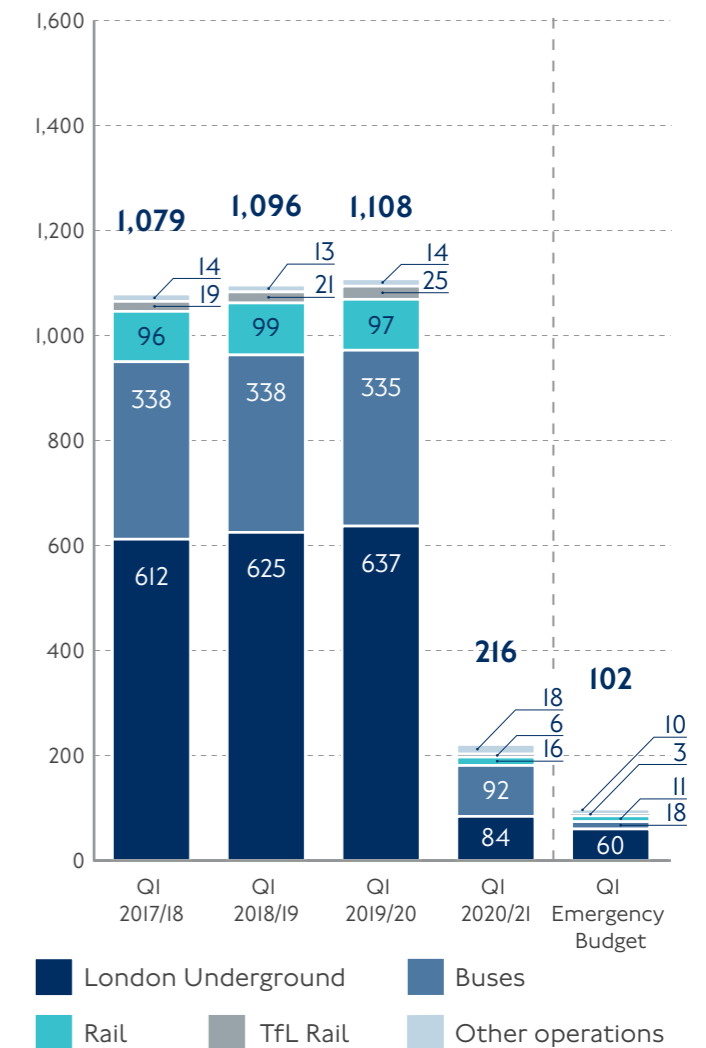
Year to date (£m)



**Total passenger income**  
Quarterly (£m)\*



Year to date (£m)



£154m above  
Emergency Budget **38%▼** year on year

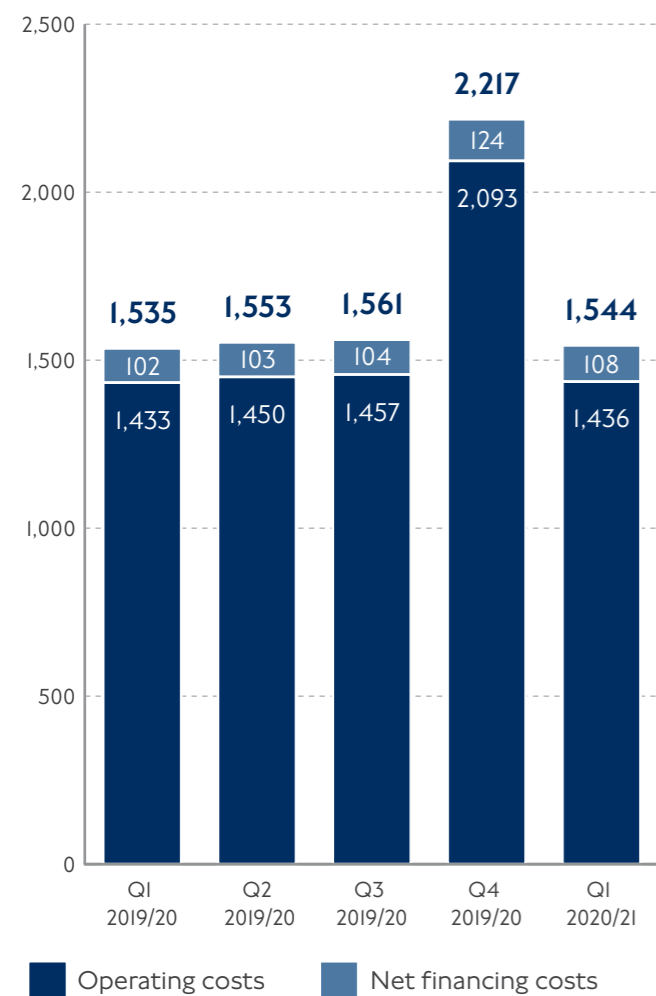
Total income is £154m higher than the Emergency Budget, largely due to the higher-than-expected passenger income. In addition, we received higher Congestion Charge and ULEZ income from the earlier-than-expected reintroduction of charging, extended charging hours and charge increase.

£114m above  
Emergency Budget **81%▼** year on year

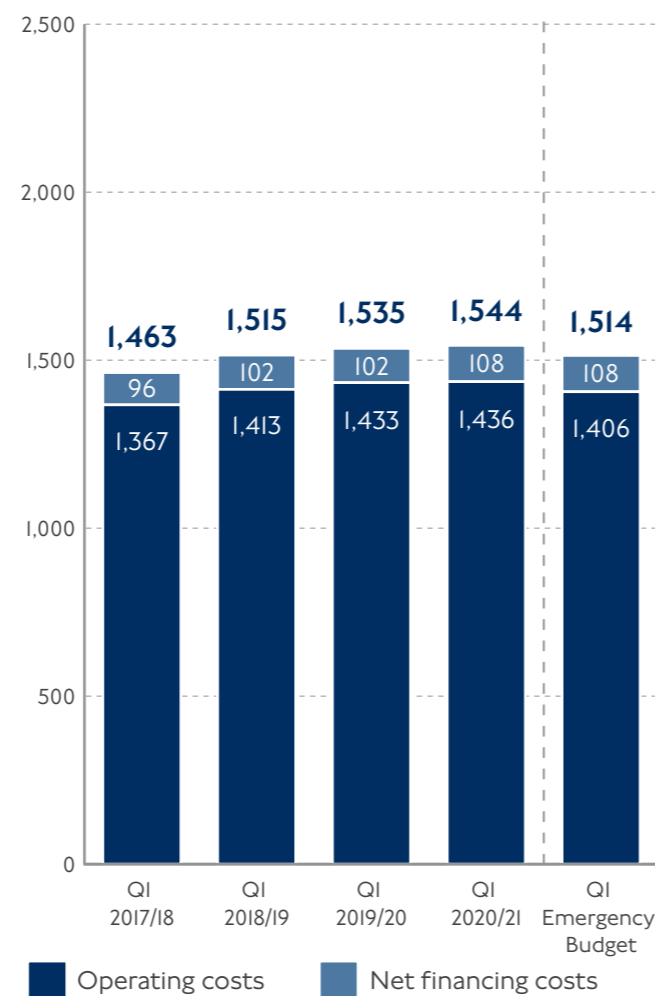
The earlier-than-expected start-up of front-door boarding on buses, and favourable movements in demand and yield on the Tube and buses have resulted in higher passenger income than budgeted.

\* Q4 is longer than Q1 to Q3 (16 weeks and one day vs 12 weeks)

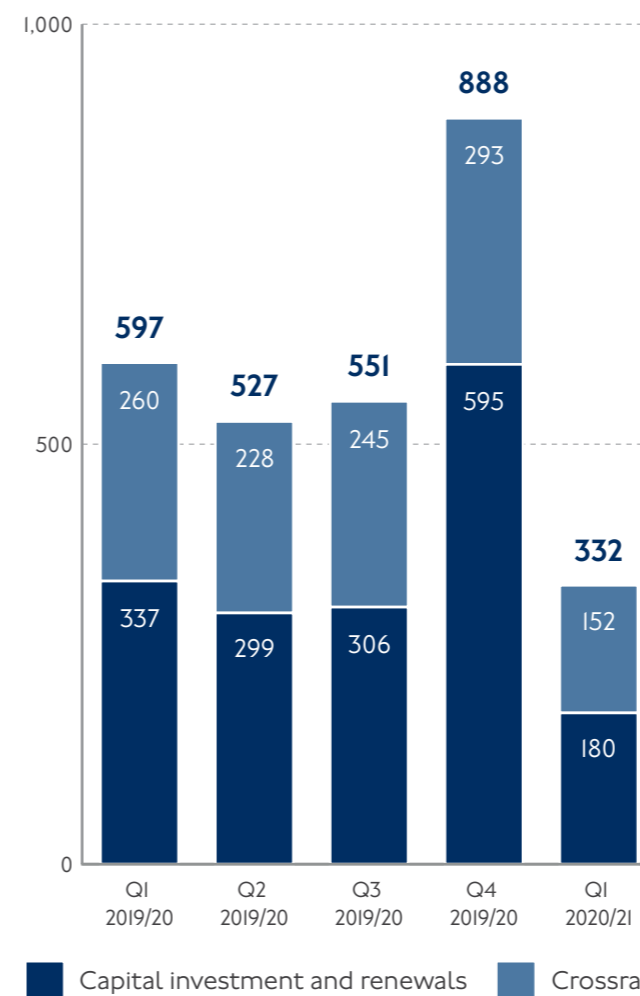
**Total cost**  
Quarterly (£m)\*



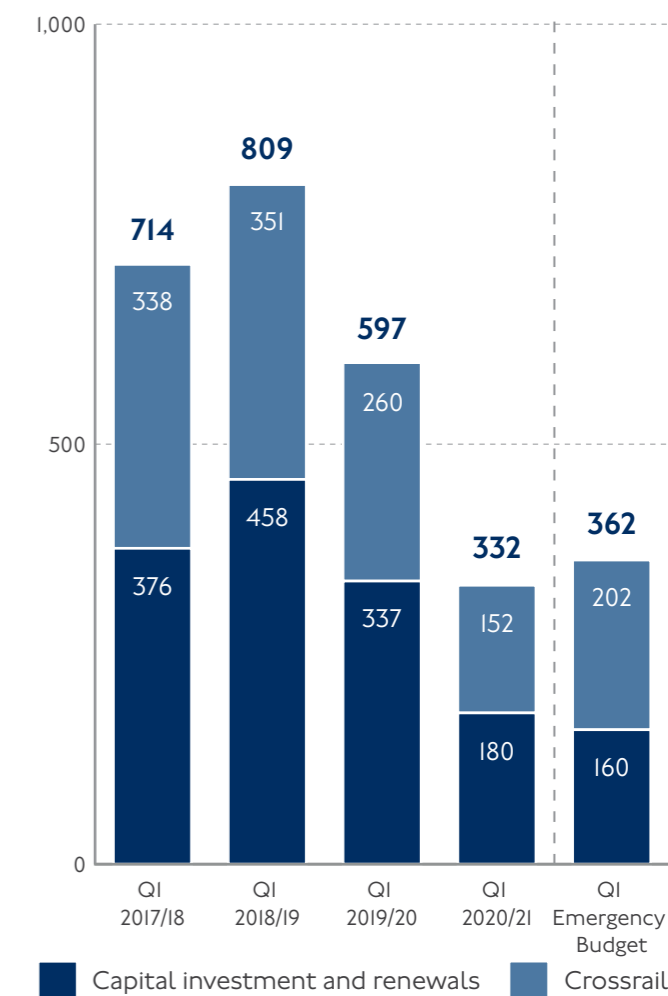
Year to date (£m)



**Total capital expenditure (including Crossrail)**  
Quarterly (£m)\*



Year to date (£m)



**£30m above**  
**Emergency Budget**

**1%▲** year on year

Total costs are £30m higher than the Emergency Budget, largely driven by a timing difference on Streetspace schemes. There has been a small increase in year-on-year operating costs owing to increased expenditure on specialist cleaning, personal protective equipment and social distancing measures.

**Non safety-critical**  
**projects brought to a**  
**temporary Safe Stop**

**44%▼** year on year

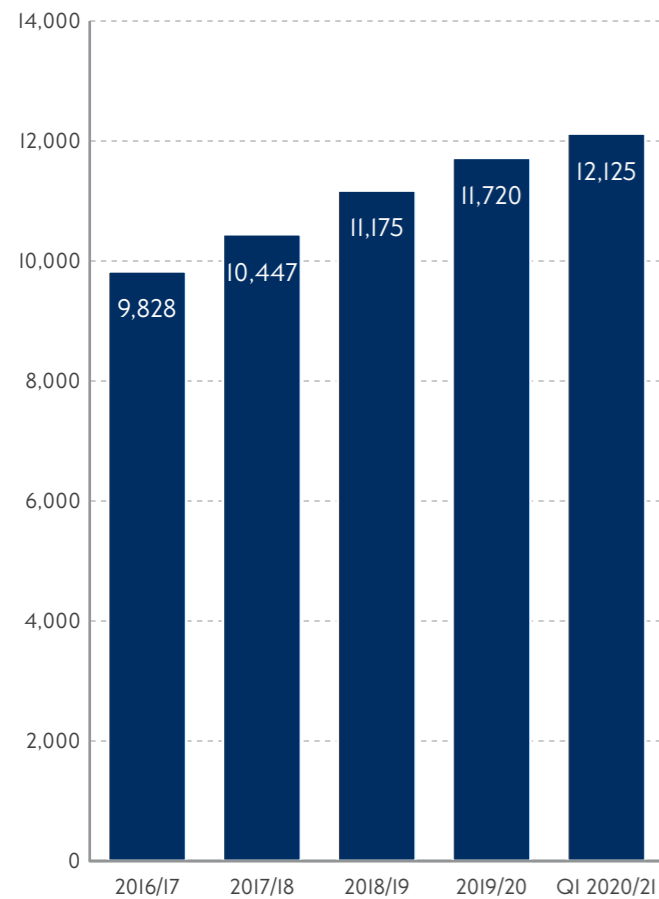
Capital investment and renewals are £20m higher than the Emergency Budget, owing to earlier-than-expected project restarts. There has been a consistent and steady focus on safety-critical works in our capital renewals programme. Most new capital investment projects have now restarted.

\* Q4 is longer than Q1 to Q3 (16 weeks and one day vs 12 weeks)



# Debt and cash

## Total nominal borrowing (£m)



■ Borrowing

## Credit ratings

We are rated by the three leading international credit rating agencies. During Q1, all three agencies have made changes to our credit rating, partly reflecting pressures from the coronavirus pandemic. Fitch Ratings placed our credit rating on Rating Watch Negative on 1 April and subsequently downgraded it to A+ on 22 May. Standard & Poor's also downgraded our credit rating to A+ on 22 May, and Moody's placed our rating on review for downgrade on 2 June.

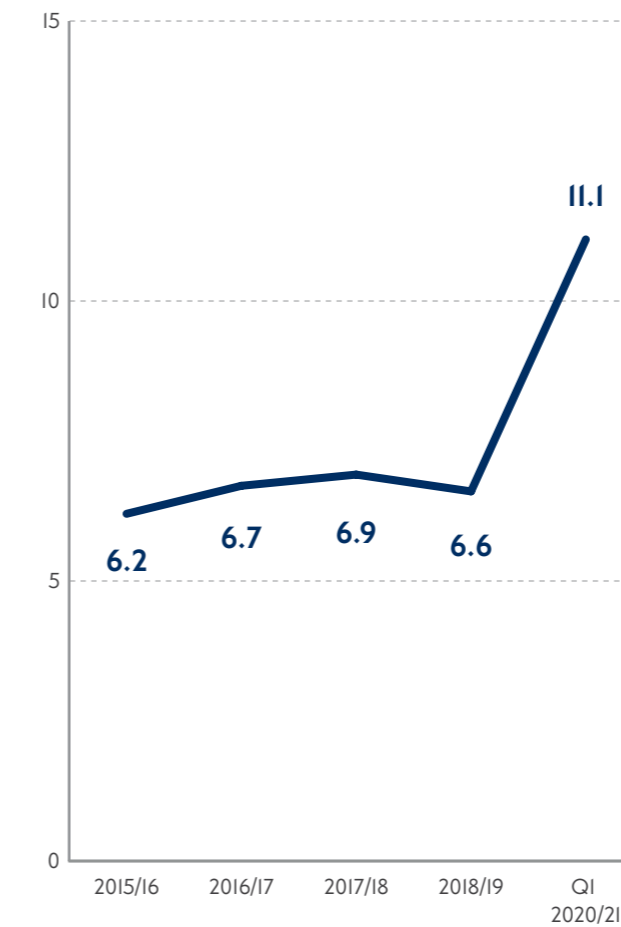
## Borrowing update

At the end of Q1, our borrowing had increased by £405m in the year to date. Our Emergency Budget assumes that our borrowing will increase by a total of £600m during 2020/21, excluding borrowing for the Crossrail project. This is in line with the maximum amount that can be borrowed under the extraordinary funding and financing package agreed with Government on 14 May 2020.

During Q1, we borrowed from the Public Works Loan Board as agreed under the extraordinary funding and financing package agreed with Government, and began drawing down on our Crossrail-related loan facility with the Department for Transport. We drew £100m from an existing facility with Export Development Canada, which will be used to refinance a portion of our outstanding commercial paper and other maturing debt in Q1 and Q2. The total nominal value of borrowing outstanding at the end of Q1 was £12,125m.

Credit ratings as at the end of Q1	
Moody's	Aa3 review for downgrade
Standard & Poor's	A+ negative outlook
Fitch Ratings	A+ stable outlook

## Financing costs (% of total income)\*



— Financing costs percentage

The ratio of financing costs to total income, including operating grants, helps us to monitor the affordability of our debt. The impact of coronavirus significantly reduced our income even after additional government support total income is £600m lower than Q1 2019/20. This has resulted in a higher ratio for Q1 compared to previous years. We expect the ratio to reduce again over time as our revenues begin to recover.

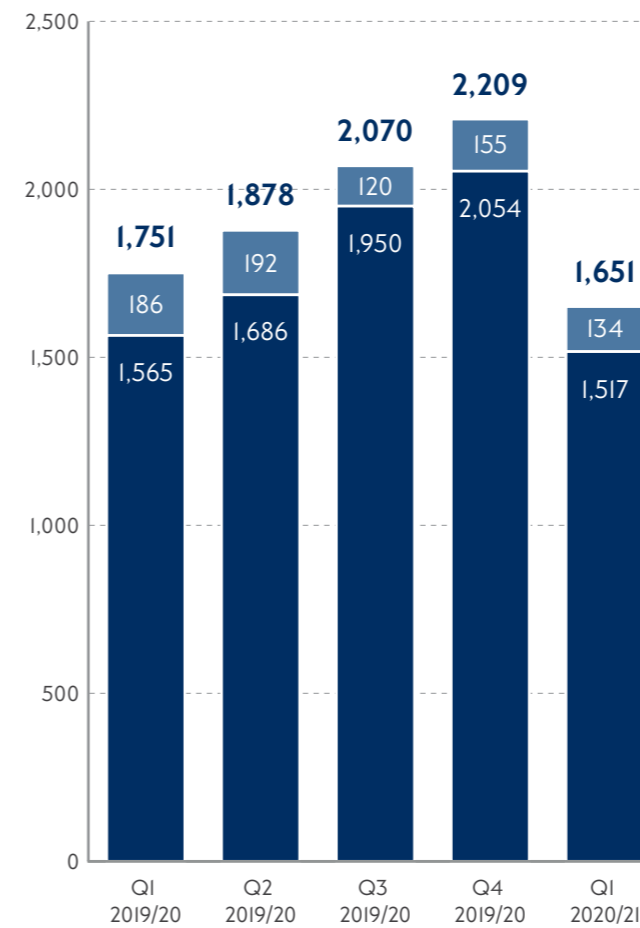
## Financing costs and income (£m)

Year to date	Q1 2020/21	Q1 Emergency Budget	Variance
Interest income	2	2	-
Financing costs	(110)	(110)	-

\* Financing costs include interest costs for borrowing, finance leases and other financing liabilities



### Cash balances (£m)



- TfL cash balances
- Crossrail project, London Transport Museum and London Transport Insurance Guernsey cash

Cash balances at the end of Q1 were £1,651m, a decrease of £558m since the end of 2019/20, driven by the coronavirus pandemic. Of the total cash balance, £134m is held for the Crossrail project, London Transport Museum and London Transport Insurance (Guernsey) Limited.

Our liquidity policy requires us to maintain cash reserves equivalent to at least 60 days' worth of forecast annual operating expenditure (currently around £1.2bn). During Q1, our cash reserves remained above this minimum level. The extraordinary funding and financing package agreed with the Government also assumes we will retain usable cash reserves of £1.2bn at the end of the support period.

**£558m 25%▼**  
decrease in cash over the year to date

# Passenger journeys

Q1 year to date: 2020/21

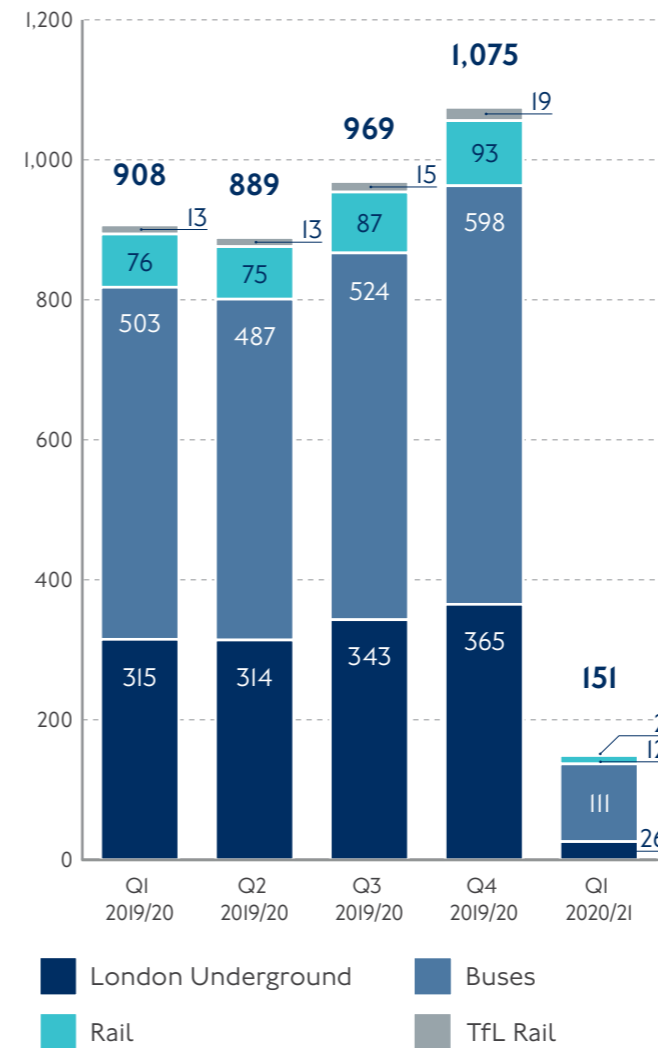
**151m**  
total journeys

**45m**  
Emergency Budget

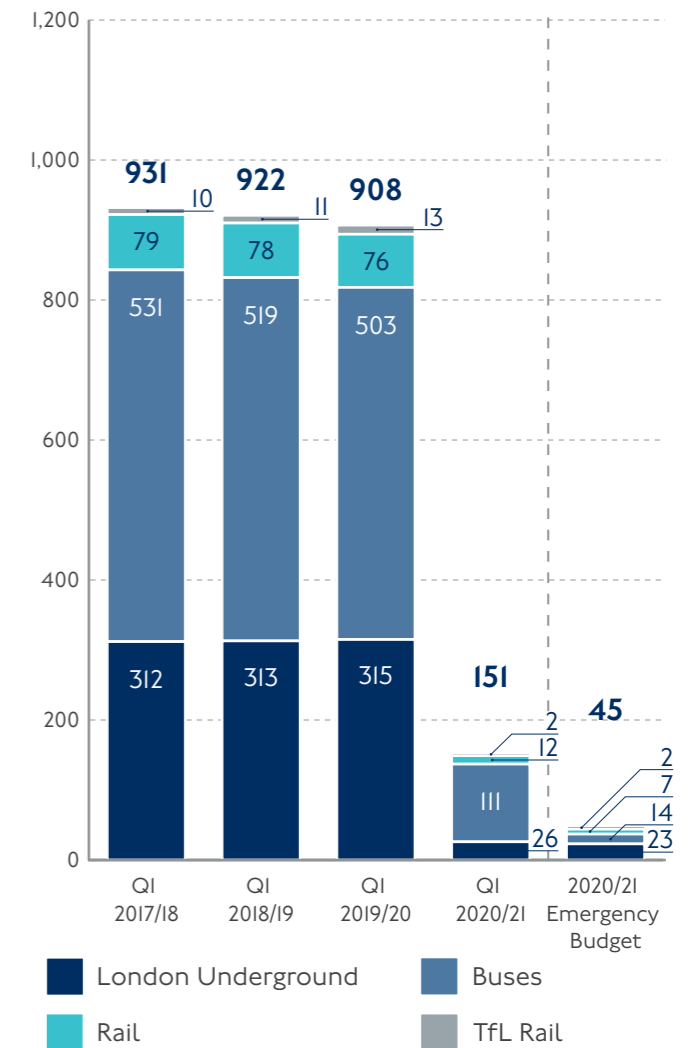
**908m**  
prior year



Quarterly (millions)\*



Year to date (millions)



The Emergency Budget took a prudent view on passenger journey numbers considering the ongoing uncertainty on the spread of the virus. There has been a slow improvement in passenger journey numbers following the easing of the lockdown policy.

\* Q4 is longer than Q1 to Q3 (16 weeks and one day vs 12 weeks)

# Underground

## Financial summary

London Underground passenger demand has significantly reduced owing to coronavirus.

London Underground (£m)	Q1 2020/21	Q1 Emergency Budget	Variance	Q1 2019/20	Variance
Passenger income	84	60	24	637	(553)
Other operating income	7	4	3	11	(4)
<b>Total operating income</b>	<b>91</b>	<b>64</b>	<b>27</b>	<b>648</b>	<b>(557)</b>
Government furlough grant	21	23	(2)	-	21
<b>Total income</b>	<b>112</b>	<b>87</b>	<b>25</b>	<b>648</b>	<b>(536)</b>
Direct operating cost	(487)	(489)	2	(453)	(34)
<b>Direct (deficit)/surplus</b>	<b>(375)</b>	<b>(402)</b>	<b>27</b>	<b>195</b>	<b>(570)</b>
Indirect operating cost	(51)	(59)	8	(66)	15
<b>Net operating (deficit)/surplus before financing and capital renewals</b>	<b>(426)</b>	<b>(461)</b>	<b>35</b>	<b>129</b>	<b>(555)</b>
Net financing costs	(69)	(69)	-	(65)	(4)
Capital renewals	(30)	(19)	(11)	(63)	33
<b>Net (cost)/surplus of operations</b>	<b>(525)</b>	<b>(549)</b>	<b>24</b>	<b>1</b>	<b>(526)</b>
New capital investment	(4)	(1)	(3)	(13)	9

Total passenger income is £24m higher than the Emergency Budget – £8m from a greater number of journeys, owing to earlier commencement of full service, and £16m from a higher yield. This is largely due to the assumption that the coronavirus full lockdown would last longer than it did.

Capital renewals are £11m higher than the Emergency Budget, as it was assumed that all work would stop. However, many project activities have continued through remote working and also the use of social distancing measures.

## Passenger journeys analysis

	Q1 2020/21	Q1 Emergency Budget	Variance	Q1 2019/20	Variance
Number of passenger journeys (millions)	26	23	3	315	(289)

### Passenger journeys

Passenger journeys are 289 million lower than last year, owing to the impact of coronavirus. Journey numbers are slightly above Emergency Budget expectations due to commencement of full service being earlier than predicted.

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



Compares underlying year-to-date passenger journey numbers with those in the previous year. Actual journey numbers are adjusted for one-off events (such as strike days), timing of Easter holidays and the number of days in each quarter.

# Elizabeth line

## Financial summary

The focus is on successfully introducing Elizabeth line services.

Elizabeth line (£m)	Q1 2020/21	Q1 Emergency Budget	Variance	Q1 2019/20	Variance
Passenger income	6	3	3	25	(19)
Other operating income	2	3	(1)	2	-
<b>Total operating income</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>27</b>	<b>(19)</b>
Direct operating cost	(69)	(71)	2	(78)	9
<b>Direct operating deficit</b>	<b>(61)</b>	<b>(65)</b>	<b>4</b>	<b>(51)</b>	<b>(10)</b>
Indirect operating cost	(1)	(3)	2	(2)	1
<b>Net operating deficit before financing</b>	<b>(62)</b>	<b>(68)</b>	<b>6</b>	<b>(53)</b>	<b>(9)</b>
Net financing costs	(21)	(21)	-	(20)	(1)
<b>Net cost of operations</b>	<b>(83)</b>	<b>(89)</b>	<b>6</b>	<b>(73)</b>	<b>(10)</b>
New capital investment	(3)	(4)	1	(5)	2
Crossrail construction cost	(152)	(202)	50	(260)	108
<b>Total capital expenditure</b>	<b>(155)</b>	<b>(206)</b>	<b>51</b>	<b>(265)</b>	<b>110</b>

Passenger income is £3m higher than the Emergency Budget mainly owing to the earlier than expected commencement of full service.

Operating costs are £2m lower than the Emergency Budget owing to lower staff costs and maintenance savings.

As lockdown restrictions have begun to ease, Crossrail Ltd has resumed physical works across all sites. The team is focused on moving the project forward and overcoming the numerous challenges presented by the coronavirus pandemic.

## Passenger journeys analysis

	Q1 2020/21	Q1 Emergency Budget	Variance	Q1 2019/20	Variance
Number of passenger journeys (millions)	2.4	1.5	0.9	13.1	(10.7)

### Passenger journeys

Passenger journeys are 11 million lower than last year owing to the impact of coronavirus. Journey numbers are slightly above Emergency Budget expectations due to commencement of full service being earlier than predicted.

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



Compares underlying year-to-date passenger journey numbers with those in the previous year. Actual journey numbers are adjusted for one-off events (such as strike days), timing of Easter holidays and the number of days in each quarter.

# Buses, streets and other operations

## Financial summary

We have ramped up services on the bus network to pre-pandemic levels and have temporarily widened the scope and level of the Congestion Charge.

Buses, streets and other operations (£m)	Q1 2020/21	Q1 Emergency Budget	Variance	Q1 2019/20	Variance
Passenger income	92	18	74	336	(244)
Other operating income	58	24	34	115	(57)
<b>Total operating income</b>	<b>150</b>	<b>42</b>	<b>108</b>	<b>451</b>	<b>(301)</b>
Government furlough grant	5	4	1	-	5
<b>Total income</b>	<b>155</b>	<b>46</b>	<b>109</b>	<b>451</b>	<b>(296)</b>
Direct operating cost	(592)	(563)	(29)	(620)	28
<b>Direct operating deficit</b>	<b>(437)</b>	<b>(517)</b>	<b>80</b>	<b>(169)</b>	<b>(268)</b>
Indirect operating cost	(27)	(25)	(2)	(27)	-
<b>Net operating deficit before financing and capital renewals</b>	<b>(464)</b>	<b>(542)</b>	<b>78</b>	<b>(196)</b>	<b>(268)</b>
Net financing costs	(10)	(10)	-	(10)	-
Capital renewals	(10)	(8)	(2)	(7)	(3)
<b>Net cost of operations</b>	<b>(484)</b>	<b>(560)</b>	<b>76</b>	<b>(213)</b>	<b>(271)</b>
New capital investment	(23)	(17)	(6)	(33)	10

Passenger income is £74m higher than the Emergency Budget: £50m of this is due to reimbursement of Freedom Pass income being based on prior-year levels; and £24m is from the earlier-than-expected return to front-door boarding.

The £34m increase in other operating income is owing to the reintroduction of road user charging on 18 May 2020, as well as from the increase in charge income from 22 June 2020.

Direct operating cost is £29m adverse to the Emergency Budget. This is largely due to Streetspace schemes being budgeted in Group Items in the Emergency Budget, and the increase in van scrappage application rates due to the current situation.

Capital expenditure is £6m higher than the Emergency Budget, mainly due to a faster-than-anticipated pace of delivery, and the fact that Streetspace schemes are being budgeted in Group Items in the Budget.

## Passenger journeys analysis

Buses	Q1 2020/21	Q1 Emergency Budget	Variance	Q1 2019/20	Variance
Number of passenger journeys (millions)	111	14	97	503	(392)

### Passenger journeys

Total passenger journeys are 78 per cent, or 392 million, lower than the previous year. This is primarily due to the impact of coronavirus, which has significantly reduced passenger demand.

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



Compares underlying year-to-date passenger journey numbers with those in the previous year. Actual journey numbers are adjusted for one-off events (such as strike days), timing of Easter holidays and the number of days in each quarter.

## Volume analysis

	Q1 2020/21	Q1 Emergency Budget	Variance	Q1 2019/20	Variance
Congestion Charge volumes (thousands)	1,448	-	-	3,415	(1,967)
Congestion Charge and enforcement income (£m)	24.2	2.8	21.4	57.3	(33.1)
Traffic volumes - all London (index)	69.2	-	-	97.0	(27.8)
Cycling growth in CCZ (%)*	6.8	3.6	-	4.0	-

### Cycling

Due to disruptions to the data collection, the Q1 results had to be adjusted and do not truly represent this quarter but rather a generic pre-lockdown period in early 2020. These adjustments would tend to underestimate declines in demand on the disrupted count sites. Based on this, the average daily kilometres cycled in the CCZ (510,666) in this 'pre-lockdown quarter' was 6.8 per cent higher than in 2019.

### Traffic flow

Due to lockdown measures, London-wide flows are down by 28.7 per cent, an unprecedented drop on last year. In Q1, flows dropped from Q4 2019/20 volumes as follows: flows in central London were at 34.9 per cent (61.9 per cent in Q4); inner London 66.5 per cent (86.2 per cent in Q4); and outer London 71.4 per cent (92.6 per cent in Q4).

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



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

\* 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.



# Rail

## Financial summary

Year-to-date passenger journeys are higher than assumed in the Emergency Budget.

Rail (£m)	Q1 2020/21	Q1 Emergency Budget	Variance	Q1 2019/20	Variance
Passenger income	16	11	5	97	(81)
Other operating income	-	2	(2)	8	(8)
<b>Total operating income</b>	<b>16</b>	<b>13</b>	<b>3</b>	<b>105</b>	<b>(89)</b>
Direct operating cost	(111)	(110)	(1)	(106)	(5)
<b>Direct operating deficit</b>	<b>(95)</b>	<b>(97)</b>	<b>2</b>	<b>(1)</b>	<b>(94)</b>
Indirect operating cost	(3)	(4)	1	(4)	1
<b>Net operating deficit before financing and capital renewals</b>	<b>(98)</b>	<b>(101)</b>	<b>3</b>	<b>(5)</b>	<b>(93)</b>
Net financing costs	(7)	(7)	-	(6)	(1)
Capital renewals	(5)	(7)	2	(11)	6
<b>Net cost of operations</b>	<b>(110)</b>	<b>(115)</b>	<b>5</b>	<b>(22)</b>	<b>(88)</b>
New capital investment	(4)	(2)	(2)	(11)	7

Passenger income is £5m better than the Emergency Budget. The passenger income model used for the Emergency Budget has now been updated to reflect better passenger income recovery rates.

Direct operating costs are largely in line with the Emergency Budget and slightly higher than last year.

Capital investment and renewals are broadly in line with the Emergency Budget. Capital renewals are £6m lower, and investment £7m lower, than last year.

## Passenger journeys analysis

	Q1 2020/21	Q1 Emergency Budget	Variance	Q1 2019/20	Variance
<b>London Overground</b>					
Number of passenger journeys (millions)	5.2	4.7	0.5	41.9	(36.7)
<b>DLR</b>					
Number of passenger journeys (millions)	4.9	1.6	3.3	27.9	(23.0)
<b>London Trams</b>					
Number of passenger journeys (millions)	1.7	0.3	1.4	6.4	(4.7)

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



Compares underlying year-to-date passenger journey numbers with those in the previous year. Actual journey numbers are adjusted for one-off events (such as strike days), timing of Easter holidays and the number of days in each quarter.



# Major projects

## Financial summary

Major projects is responsible for our largest and most complex projects. It comprises line upgrades, network extensions and major stations.

Major projects (£m)	Q1 2020/21	Q1 Emergency Budget	Variance	Q1 2019/20	Variance
Other operating income	2	-	2	1	1
Government furlough grant	1	2	(1)	-	1
<b>Total income</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>
Direct operating cost	(23)	(6)	(17)	(3)	(20)
<b>Direct operating deficit</b>	<b>(20)</b>	<b>(4)</b>	<b>(16)</b>	<b>(2)</b>	<b>(18)</b>
Indirect operating cost	(5)	(6)	1	(6)	1
<b>Net operating deficit before capital renewals</b>	<b>(25)</b>	<b>(10)</b>	<b>(15)</b>	<b>(8)</b>	<b>(17)</b>
Capital renewals	-	(4)	4	(6)	6
<b>Net cost of operations</b>	<b>(25)</b>	<b>(14)</b>	<b>(11)</b>	<b>(14)</b>	<b>(11)</b>
<b>New capital investment</b>	<b>(81)</b>	<b>(64)</b>	<b>(17)</b>	<b>(151)</b>	<b>70</b>

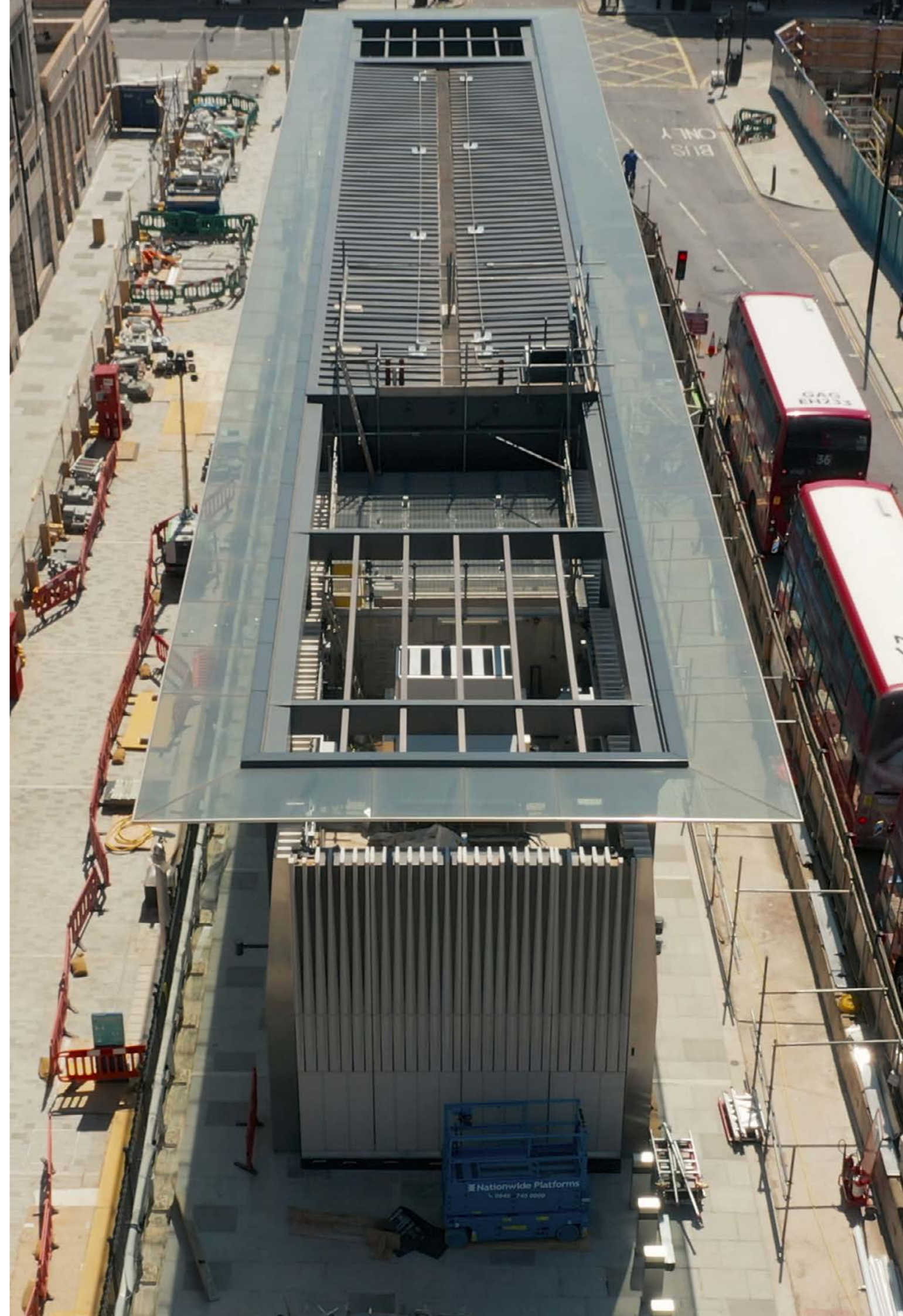
TfL took the unprecedented step on 24 March 2020 to bring all capital programmes (apart from safety- and reliability-centred projects) to a Safe Stop. We took this decision to play our part in keeping people safe and ensuring that the potential to spread coronavirus is reduced. During this period, design and other preparatory work on many of our projects continued, with staff working from home.

Work on a number of construction projects resumed in June, in line with the Government's announcement in early May that eased lockdown measures for those who could not work from home. Extensive physical changes to worksites and ways of working have been introduced to ensure sites can reopen as safely and quickly as possible and to help all workers stay safe and comply

with social distancing requirements aligned to the latest guidance from the Government and Public Health England.

The net cost of operations variance is a result of the site Safe Stop, where assumptions made in the Emergency Budget have differed to what has been required to safely stop, maintain and restart sites. The increase in new capital investment is owing to earlier-than-forecast safe restarts on some of our sites to complete critical works and minimise the overall financial impacts.

The majority of our worksites have now safely restarted and, as work progresses, we continue to assess the impacts of the site Safe Stop and new ways of working on our project delivery schedules and costs.



# Property development

## Financial summary

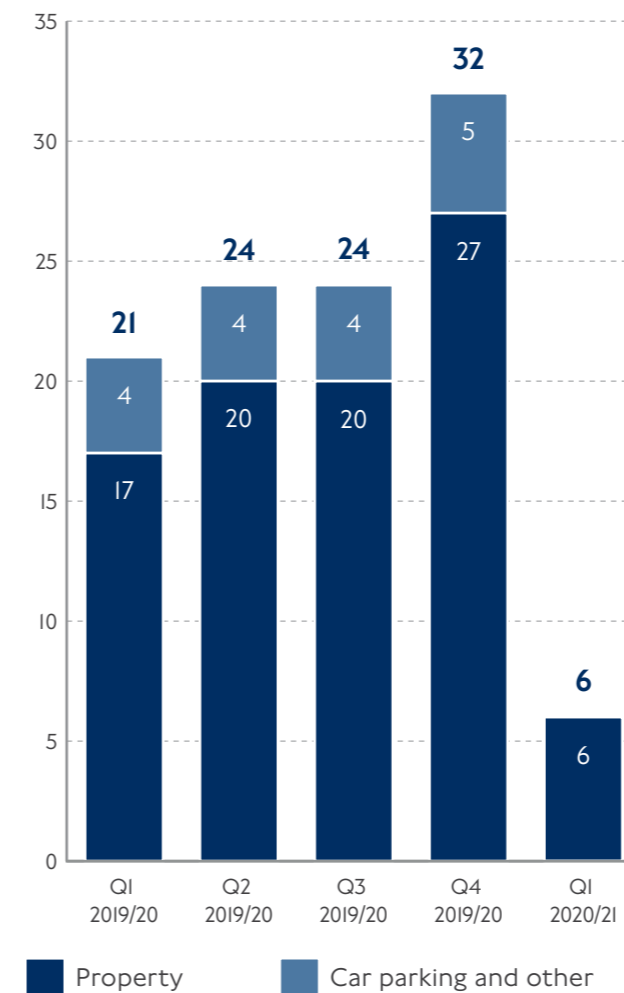
Property development (£m)	Q1 2020/21	Q1 Emergency Budget	Variance	Q1 2019/20	Variance
Other operating income	6	7	(1)	21	(15)
Direct operating cost	(8)	(8)	-	(5)	(3)
<b>Direct operating (deficit)/surplus</b>	<b>(2)</b>	<b>(1)</b>	<b>(1)</b>	<b>16</b>	<b>(18)</b>
Indirect operating cost	(2)	(2)	-	(2)	-
<b>Net (cost)/surplus of operations</b>	<b>(4)</b>	<b>(3)</b>	<b>(1)</b>	<b>14</b>	<b>(18)</b>
<hr/>					
New capital investment	(7)	(11)	4	(16)	9
Property receipts	-	8	(8)	17	(17)
Crossrail over-site development	1	-	1	-	1
<b>Total capital expenditure</b>	<b>(6)</b>	<b>(3)</b>	<b>(3)</b>	<b>1</b>	<b>(7)</b>

Direct operating costs are in line with the Emergency Budget and £3m higher than last year. This is owing to rent credits given to our SME tenants to support them through the coronavirus pandemic.

Property receipts are £8m lower than the Emergency Budget owing to the delayed disposal of Stratford Place offices – this is now forecast to complete later in the year.

New capital investment is £4m lower than the Emergency Budget owing to a slower-than-forecast recovery from Safe Stop. Projects affected include Build to Rent, portfolio refurbishment and in-station retail sites.

## Property income (£m) Quarterly\*



Our programme of building thousands of homes, with high levels of affordable housing, and creating new flexible workspace will play an important part in London's recovery. It will help London to emerge from the pandemic as well as providing vital revenue to reinvest in our network.

In the last quarter, following extensive engagement with local communities, our partner Native Land and our stakeholders, we submitted planning applications for more than 3,000 homes across London. This included a planning application with our partner Native Land to the Royal Borough of Kensington & Chelsea for a new development around South Kensington Tube station. Our heritage-led proposals will sensitively repair and enhance the station and surrounding streets, providing new homes – including 35 per cent affordable housing – new workspace and new shop fronts.

Since the pandemic, we have been working closely with councils across London to assess where planning timetables need to be amended to take into account local circumstances and ensure the relevant people can study our plans and make representations. We remain committed to delivering our housing programme in full as soon as possible, and will be working with the GLA, developers and councils to make sure the homes our city needs can be built in a safe, responsible and transparent way.

\* Q4 is longer than Q1 to Q3 (16 weeks and one day vs 12 weeks)

# Media

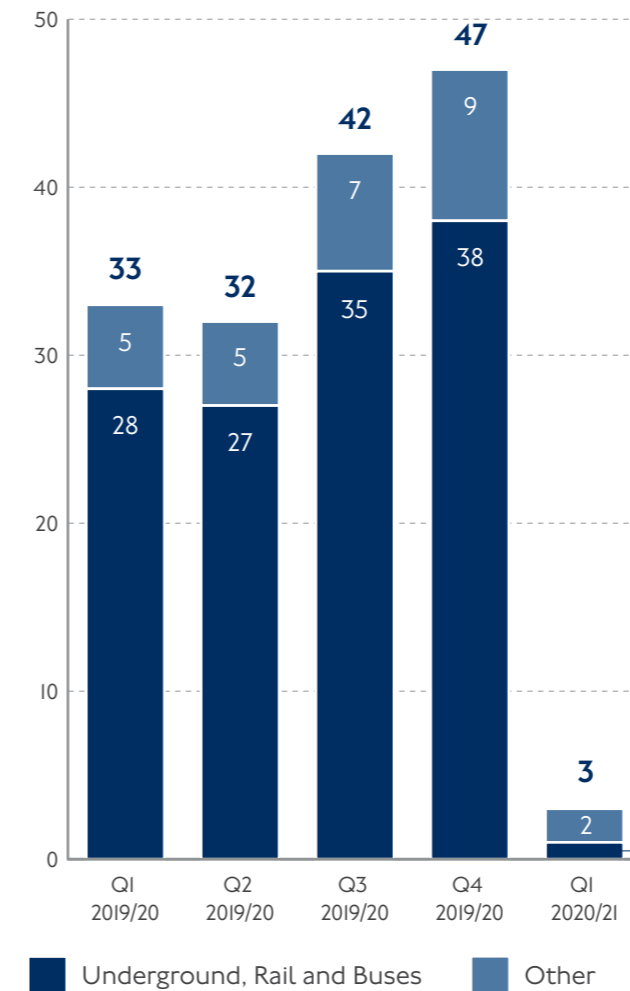
## Financial summary

As passenger numbers increase, advertising income is starting to rise.

Media (£m)	Q1 2020/21	Q1 Emergency Budget	Variance	Q1 2019/20	Variance
Other operating income	3	16	(13)	33	(30)
Direct operating cost	(1)	(1)	-	(1)	-
<b>Direct operating surplus</b>	<b>2</b>	<b>15</b>	<b>(13)</b>	<b>32</b>	<b>(30)</b>
Indirect operating cost	-	-	-	-	-
<b>Net surplus of operations</b>	<b>2</b>	<b>15</b>	<b>(13)</b>	<b>32</b>	<b>(30)</b>
New capital investment	-	(1)	1	(6)	6

Operating income is £13m below the Emergency Budget. The assumption was a 50 per cent reduction in media income against our original budget, but the underlying trend on passenger numbers coupled with the wider impact of coronavirus on the economy and advertising industry, means that the reduction in media income is closer to 90 per cent.

## Advertising income (£m) Quarterly\*



In the last two weeks of Q4, advertising income was down as lockdown measures were introduced by the Government, and brands started to react to the impact of coronavirus by the cancellation of advertising. Advertising revenue during Q1 is down by approximately 90 per cent as lockdown measures continued and our advertising audience was removed.

We have recently started to see audiences return, and there has been some upward movement in advertising income. We are working closely with our advertising partners to ensure that, as the audience returns safely to London in line with emerging Government advice, we are in a position to support the return of brands to our network and rebuild our revenue streams as soon as possible.

\* Q4 is longer than Q1 to Q3 (16 weeks and one day vs 12 weeks)

# Appendices

## TfL Group balance sheet

(£m)	27 June 2020	31 March 2020	Variance
Intangible assets	113	119	(6)
Property, plant and equipment	42,209	42,093	116
Right-of-use assets	2,268	2,310	(42)
Investment property	1,430	1,430	-
Equity accounted investment in associated undertakings	205	202	3
Long-term derivative financial instruments	1	1	-
Long-term finance lease receivables	37	37	-
Long-term debtors	95	97	(2)
<b>Long-term assets</b>	<b>46,358</b>	<b>46,289</b>	<b>69</b>
Inventories	67	59	8
Short-term debtors	581	513	68
Assets held for sale	113	113	-
Short-term derivative financial instruments	5	3	2
Short-term finance lease receivables	16	16	-
Cash and short-term investments	1,651	2,209	(558)
<b>Current assets</b>	<b>2,433</b>	<b>2,913</b>	<b>(480)</b>
Short-term creditors	(1,819)	(2,128)	309
Short-term borrowings and overdrafts	(978)	(937)	(41)
Short-term right-of-use lease liabilities	(290)	(299)	9
Short-term other finance lease liabilities	(19)	(19)	-
Short-term PFI lease liabilities	(11)	(14)	3
Other short-term financing liabilities	(4)	(4)	-
Short-term derivative financial instruments	(6)	(26)	20
Short-term provisions	(173)	(193)	20
<b>Current liabilities</b>	<b>(3,300)</b>	<b>(3,620)</b>	<b>320</b>

(£m)	27 June 2020	31 March 2020	Variance
Long-term creditors	(57)	(61)	4
Long-term borrowings	(11,116)	(10,752)	(364)
Long-term right-of-use lease liabilities	(1,881)	(1,888)	7
Long-term other finance lease liabilities	(208)	(211)	3
Long-term PFI lease liabilities	(108)	(112)	4
Other long-term financing liabilities	(133)	(132)	(1)
Long-term derivative financial instruments	(61)	(63)	2
Long-term deferred tax liabilities	(243)	(243)	-
Long-term provisions	(55)	(58)	3
Retirement benefit obligation	(4,099)	(4,101)	2
<b>Long-term liabilities</b>	<b>(17,961)</b>	<b>(17,621)</b>	<b>(340)</b>
<b>Net assets</b>	<b>27,530</b>	<b>27,961</b>	<b>(431)</b>
<b>Reserves</b>			
Usable reserves	1,305	1,604	(299)
Unusable reserves	26,225	26,357	(132)
<b>Total reserves</b>	<b>27,530</b>	<b>27,961</b>	<b>(431)</b>

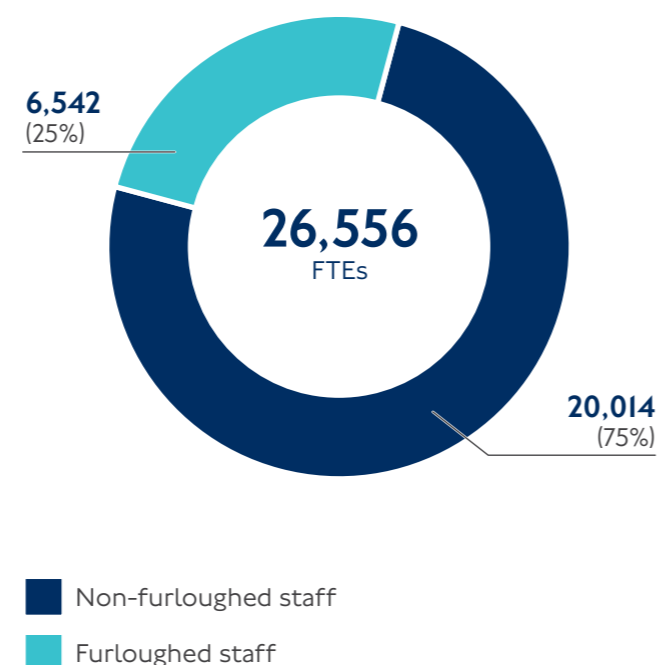
# Headcount

## Full-time equivalents (FTEs) including non-permanent labour (NPL)

	31 March 2020 Actual	YTD net leavers	End of Q1 Actual
Underground	18,381	(94)	18,287
Elizabeth line	263	(1)	262
Buses, streets and other operations	2,941	(52)	2,889
Rail	271	(5)	266
Property development	172	-	172
Facilities & estates	152	(7)	145
Professional services*	4,016	(71)	3,945
Media	28	(2)	26
Major projects	674	(110)	564
<b>TfL total</b>	<b>26,899</b>	<b>(343)</b>	<b>26,556</b>
Crossrail	704	(43)	661
<b>Total</b>	<b>27,603</b>	<b>(386)</b>	<b>27,217</b>

At the end of Q1, 6,542 employees were furloughed. Total income from the furlough scheme is now £32m in the year to date.

TfL furloughed staff as a proportion of total FTEs, end Q1 2020/21



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

## Non-permanent labour

It is important that we continue to make use of the flexibility offered by non-permanent labour (NPL), particularly through this time of change and temporary peaks in demand,

such as in recruitment resulting from our transformation programme. It is equally important that we do not limit our ability to hire talent in areas where skills are scarce.

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 2018	1,422	1,874,029	1,670	3,374,973
31 March 2019	1,192	1,688,494	1,900	3,560,709
31 March 2020	1,327	1,527,251	1,765	3,721,751
27 June 2020	1,119	1,683,165	1,327	3,565,838

The weekly cost assumes seven hours a day and five days a week worked.

## NPL by length of service

Length of service	31 March 2020 Actual	YTD net (leavers)/ joiners	End of Q1 Actual
0-6 months	339	(138)	201
6-12 months	335	(97)	238
1-2 years	243	46	289
2-3 years	152	(23)	129
3-5 years	138	9	147
5+ years	120	(5)	115
<b>Total</b>	<b>1,327</b>	<b>(208)</b>	<b>1,119</b>

We have carried out a root-and-branch review of all NPL engagements across the organisation. Since the start of the year, we have ended the assignment of 248 NPL,

and have paused 448 assignments. We are continuing to review the use of NPL to ensure it is utilised appropriately.

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## About Transport for London (TfL)

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

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

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

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

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

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

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

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

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

