Transport for London quarterly performance report

Quarter 1 2017/18

MAYOR OF LONDON

TRANSPORT FOR LONDON
EVERY JOURNEY MATTERS

About Transport for London (TfL)

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

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

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

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

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

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

We are committed to being an employer that is fully representative of the community we serve, where everyone can 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 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 that use them every day.

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

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The financial information included in the report is unaudited and does not constitute TfL's statutory accounts. TfL's last audited **Statement of Accounts** for the year ended 31 March 2016 was published on 28 July 2016. TfL's unaudited draft **Statement of Accounts** for the year ended 31 March 2017 is available online.

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

Introduction

This Quarterly Performance Report covers the period from 1 April to 24 June 2017, and is the first performance report for the financial year 2017/18. As in previous reports, trend graphs show both the quarter-by-quarter comparison over the past 15 months and also the year-to-date comparative analysis for the past five years.

We are successfully reducing our operating costs for the first time in our history. Overall our net cost of operations is, however, £23m (14 per cent) higher than last year; this is due to reductions in fares revenue and General Grant from central government.

Overall passenger numbers are down on last year, largely due to the impact of the timing of Easter, but passenger numbers are down 0.9 per cent on a like-for-like basis on the Underground. There is a small increase in average fares as a result of increases in ticket prices not controlled by the Mayor, but this does not compensate for lower passenger numbers, and fares income is down by £23m.

Day-to-day operating costs have continued to decrease, as our cost reduction plans take effect, and are £51m (-4 per cent) lower than Q1 last year. We expect costs to continue to reduce as the year progresses following the phased implementation of our transformation programme, designed to respond to the Mayor's challenge to reduce costs.

The Capital Account shows a modest decrease in capital expenditure, from £825m in Q1 2016/17 to £722m this year. This is driven by lower Crossrail construction costs and reduced expenditure on capital renewals, as some of the larger station upgrade programmes near completion.

Reducing operating costs and delivering value for money, while making operations safer, more reliable and more efficient, is central to our long-term financial stability. Our focus for the rest of the year remains on ensuring that we stay on track to deliver.

Simon Kilonback
Acting Chief Finance Officer

Sarah Bradley
Group Financial Controller

A tribute
Ian Nunn, our Chief Finance Officer, sadly passed away in July.

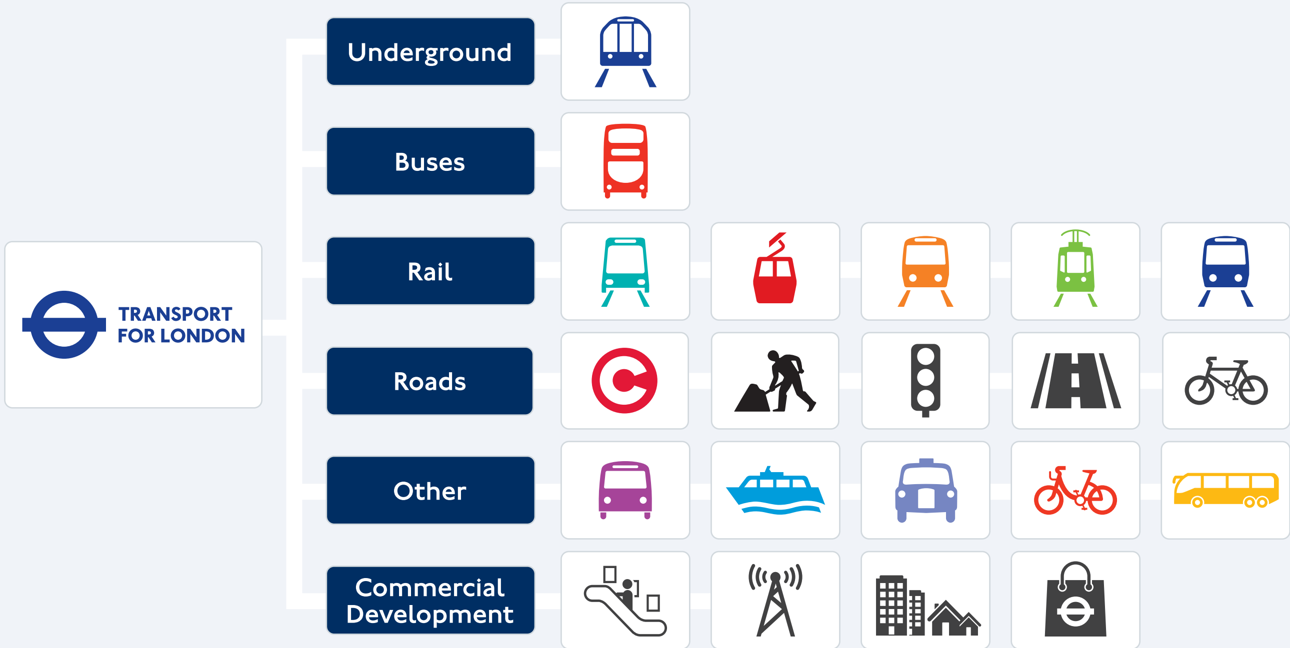
This Quarterly Performance Report is a testament to the enormous contribution Ian made to the organisation and all the work he did to improve the transparency and quality of our financial reporting. He was an incredibly charismatic leader and a valued colleague. I know he will be hugely missed by all those he worked with.

Mike Brown
Commissioner

Business at a glance

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

How we report on our business



Facts and figures*

9,600
Total number of buses on the TfL network

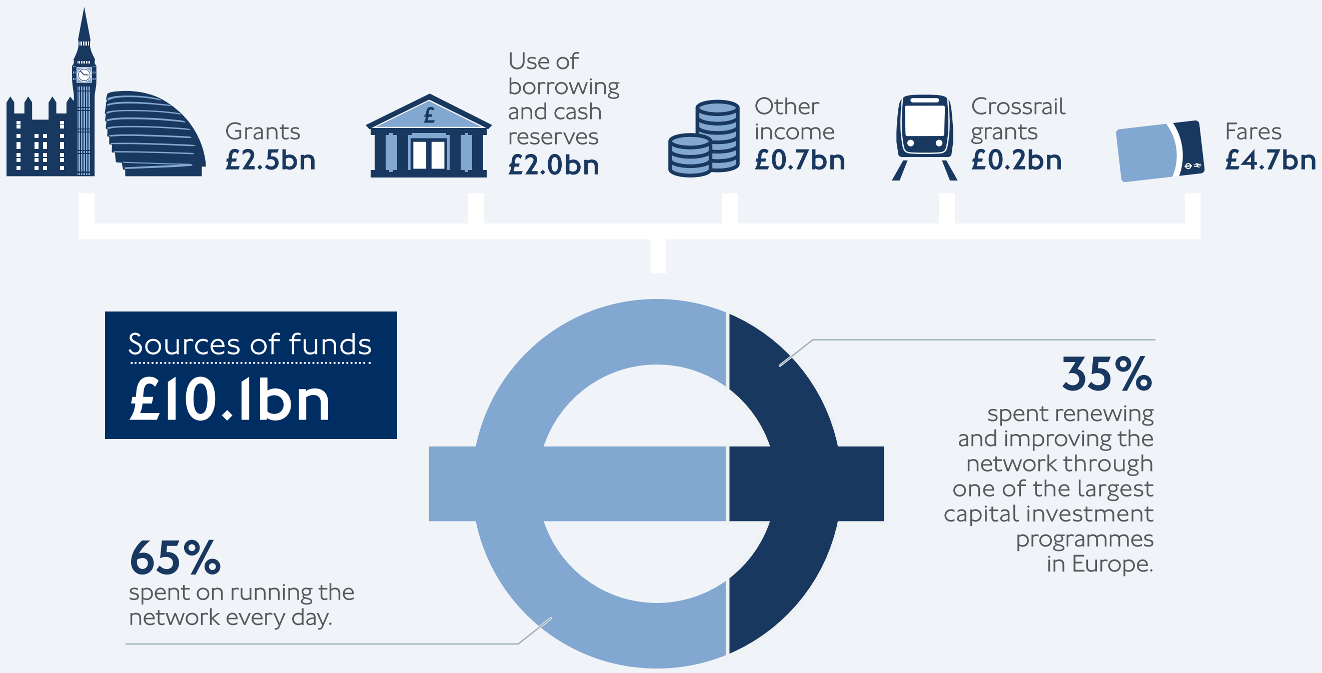
680km
TfL-operated Rail and Underground routes

580km
TfL-operated highways

940
Total number of trains on the TfL network

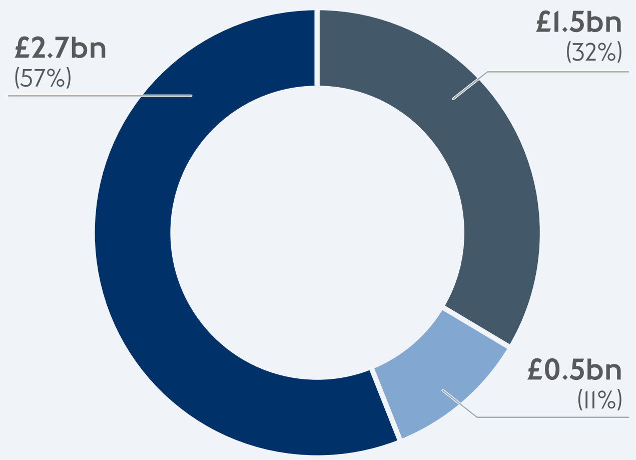
6,350
Total number of traffic signals that TfL operates

Finances at a glance*



*Based on full year 2016/17

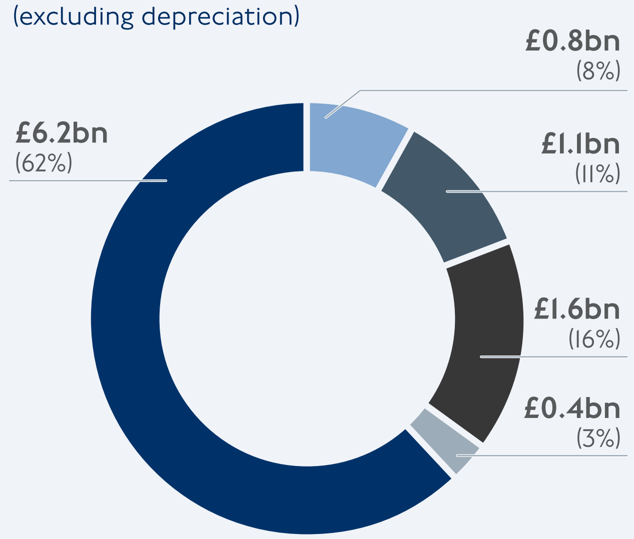
Total fares*



Total: £4.7bn

■ Underground ■ Rail ■ Buses

Total costs*
(excluding depreciation)



Total: £10.1bn

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

Financial summary

Performance this quarter

Operating account

TfL Group (£m)	Q1 2017/18	Q1 2016/17	Variance
Fares income	1,079	1,102	-2%
Other operating income	160	162	-1%
Total operating income	**1,239**	**1,264**	**-2%**
General Grant	53	103	-49%
Business Rates Retention	231	231	0%
Other revenue grants	11	7	57%
Total income	**1,534**	**1,605**	**-4%**
Operating cost	(1,371)	(1,422)	-4%
Net operating surplus	**163**	**183**	**-11%**
Depreciation and amortisation	(252)	(251)	0%
Net cost of operations before financing	**(89)**	**(68)**	**31%**
Net financing costs	(96)	(94)	2%
Net cost of operations	**(185)**	**(162)**	**14%**

Capital account

TfL Group (£m)	Q1 2017/18	Q1 2016/17	Variance
Capital renewals	(134)	(186)	-28%
New capital investment	(250)	(239)	5%
Crossrail	(338)	(400)	-16%
Total capital expenditure	**(722)**	**(825)**	**-12%**
Financed by:			
Investment grant	259	218	19%
Third-party contributions	7	9	-22%
Property receipts	1	–	–
Crossrail funding sources	32	26	23%
Other capital grants	44	36	22%
Total	**343**	**289**	**19%**
Net capital account	**(379)**	**(536)**	**-29%**

Cash flow summary

TfL Group (£m)	Q1 2017/18	Q1 2016/17	Variance
Net cost of operations	(185)	(162)	14%
Depreciation and amortisation	252	251	0%
Net capital account	(379)	(536)	-29%
Borrowing	150	–	–
Working capital movements	634	(31)	–
Increase/(decrease) in cash balances	**472**	**(478)**	

Passenger journeys analysis

	Q1 2017/18	Q1 2016/17	Variance
Number of passenger journeys (millions)	938	966	-3%
Average fare income per journey (£)	1.15	1.14	1%
Average total income per journey (£)	1.64	1.66	-1%
Operating cost per journey (£)	(1.46)	(1.47)	-1%
Total cost per journey before financing (£)	(1.73)	(1.73)	0%

Total income is £71m lower than last year, with fares income down two per cent. There have been fewer passenger journeys across the network partly owing to the quarter having one less day this year and the timing of Easter. The underlying trend on the Underground is, however, one per cent below last year. Grant income is reduced by £46m mainly due to the further reduction in General Grant.

Operating costs are four per cent (£51m) lower than last year, with staff costs accounting for £35m of this reduction. This reflects the continued drive to reduce costs across the business.

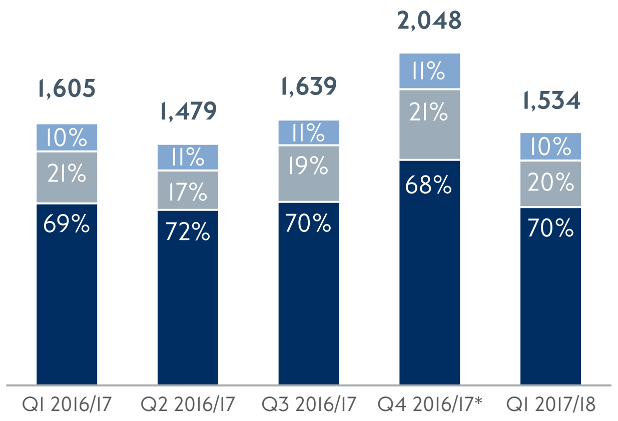
Total capital expenditure was £722m, with almost half of this being investment in Crossrail. Capital renewals are £52m lower than last year because of the near completion of station upgrade programmes and a lower volume of track renewal work this year.

Cash balances increased by £472m in the quarter. £150m of the permitted borrowing for the year was drawn down and Crossrail balances rose following the repayment of interim financing previously provided to Network Rail.

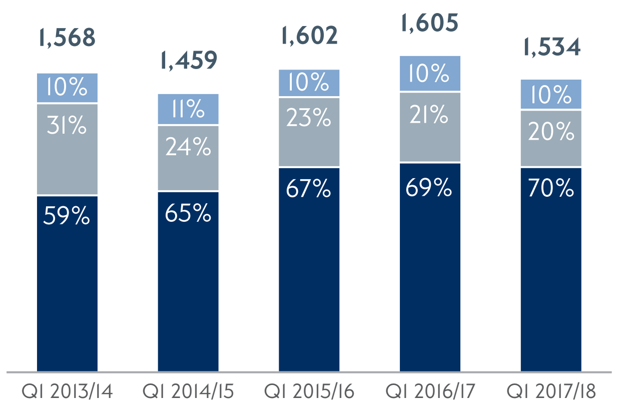
Financial trends

Total income

Quarterly (£m)



Five-year trend year-to-date (£m)



- Fares income
- Grants
- Other income

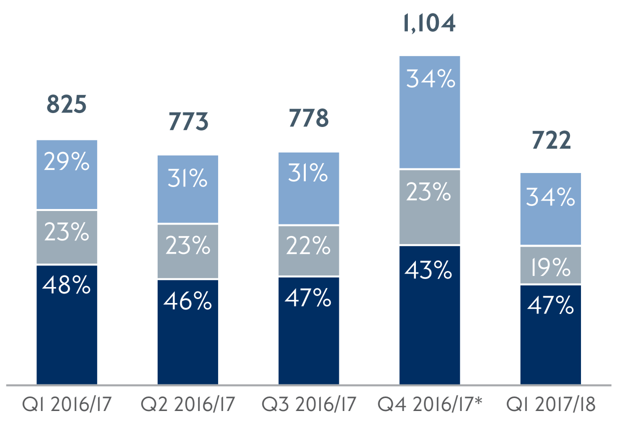
General grant halved year-on-year

2% ▼ in fares income

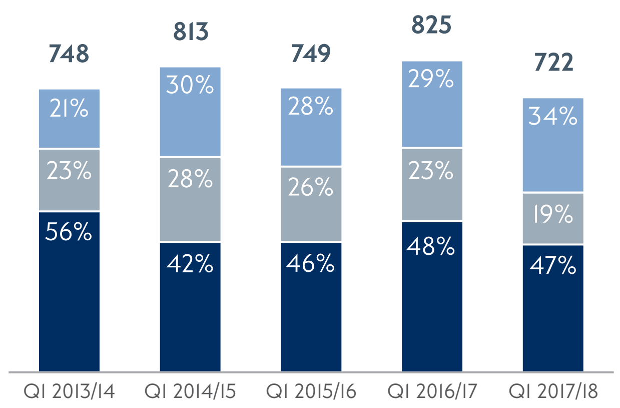
Fares income is lower than Q1 2016/17 due to fewer passenger journeys. Demand has been affected by the timing of Easter this year, which did not fall into the quarter last year. Grant income is reduced by 13 per cent.

Total capital expenditure (excluding Earls Court)

Quarterly (£m)



Five-year trend year-to-date (£m)



- Crossrail
- Renewals
- New capital investment

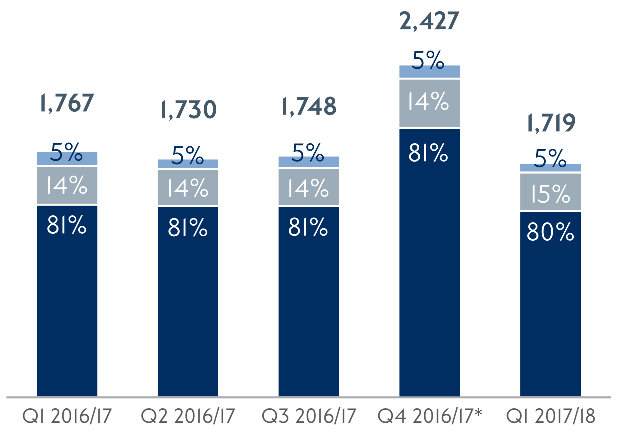
Crossrail nears completion

12% ▼ in capital expenditure

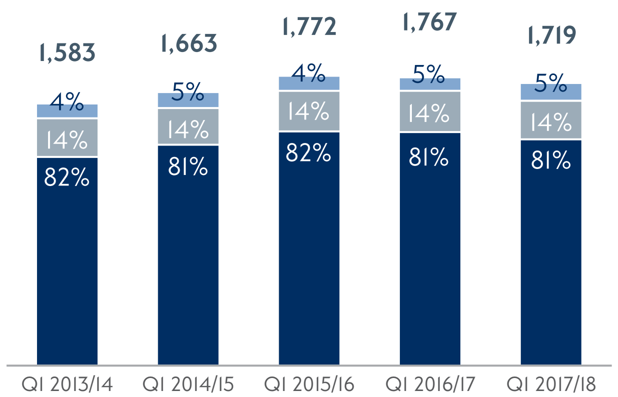
£0.6bn invested on new capital investment and Crossrail, accounting for 81 per cent of capital expenditure. Capital renewals are 28 per cent below last year, due to the near completion of station upgrades and a lower volume of track renewal work this year.

Total costs

Quarterly (£m)



Five-year trend year-to-date (£m)



- Operating costs
- Depreciation
- Net financing costs

Total costs lower year-on-year

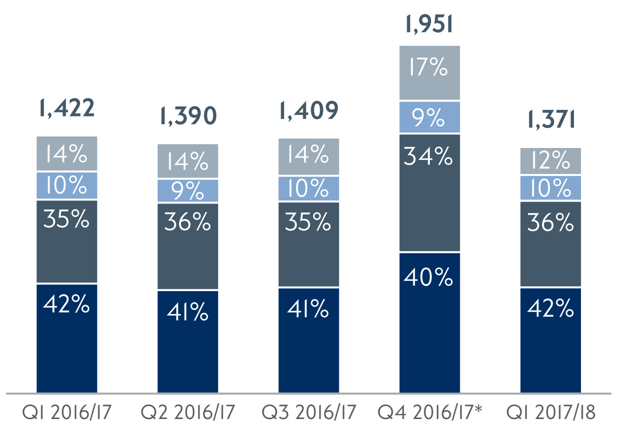
4% ▼ in operating costs

Total costs down £48m on Q1 last year driven by lower operating costs. Financing costs are marginally higher due to draw down of £150m borrowings in the quarter.

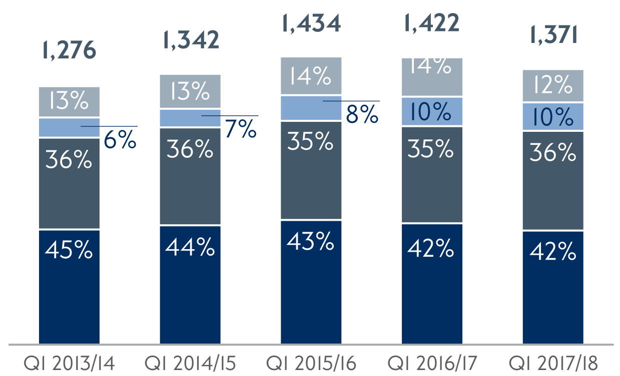
* Quarter 4 is longer than Quarters 1 to 3 (16 weeks vs 12 weeks)

Operating costs

Quarterly (£m)



Five-year trend year-to-date (£m)



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

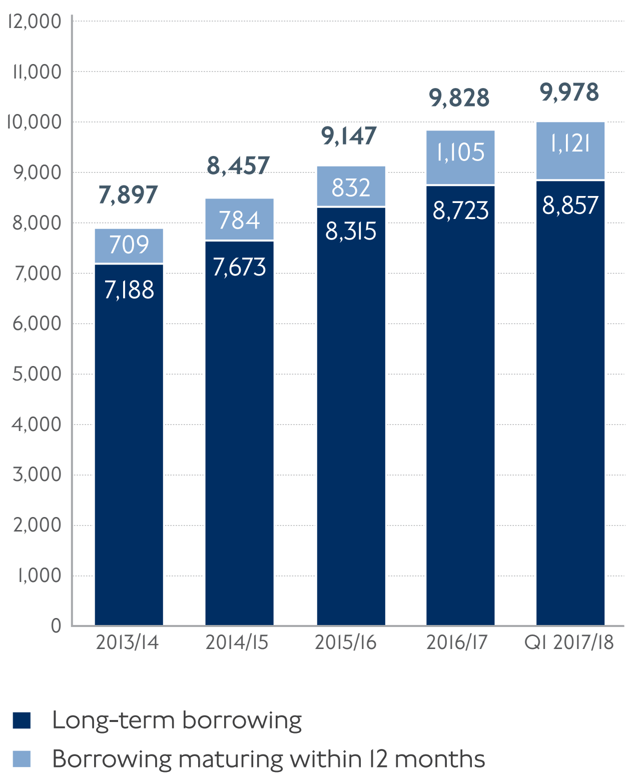
Operating costs continue to fall

£51m ▼ in operating costs

Operating costs for London Underground, Rail and Roads down on Q1 last year. Costs within London Buses have increased following the annual contracted price rise within the bus operators' contracts.

Borrowing and cash

Total nominal value of borrowing (£m)



Financing costs and income (£m)

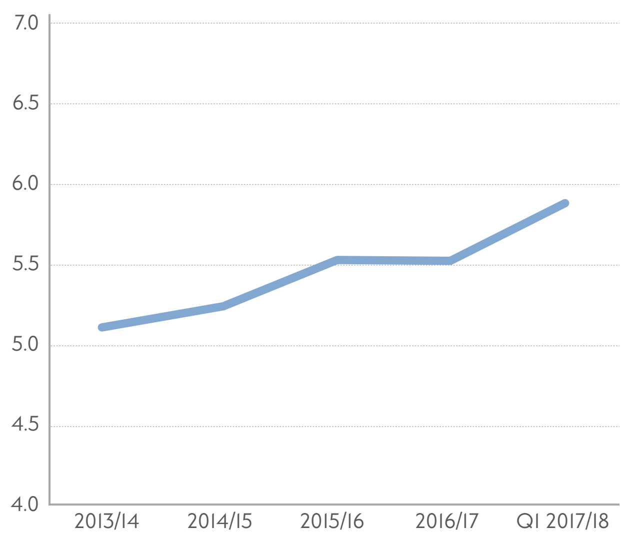
Year-to-date	Q1 2017/18	Q1 2016/17	Variance
Interest income	3	3	0%
Financing costs	(90)	(87)	3%
PFI interest payable	(9)	(10)	-10%

Borrowing

The additional incremental borrowing agreed with the Government for 2017/18, including amounts deferred from 2016/17, is £950m. The Budget assumes that, of this, only £620m will be raised this year, with the remainder deferred until 2018/19. As at the end of Q1, £150m had been drawn down under a £500m facility from Export Development Canada.

The total nominal value of borrowings outstanding at the end of the quarter was £9,978m, of which £8,857m is long term.

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



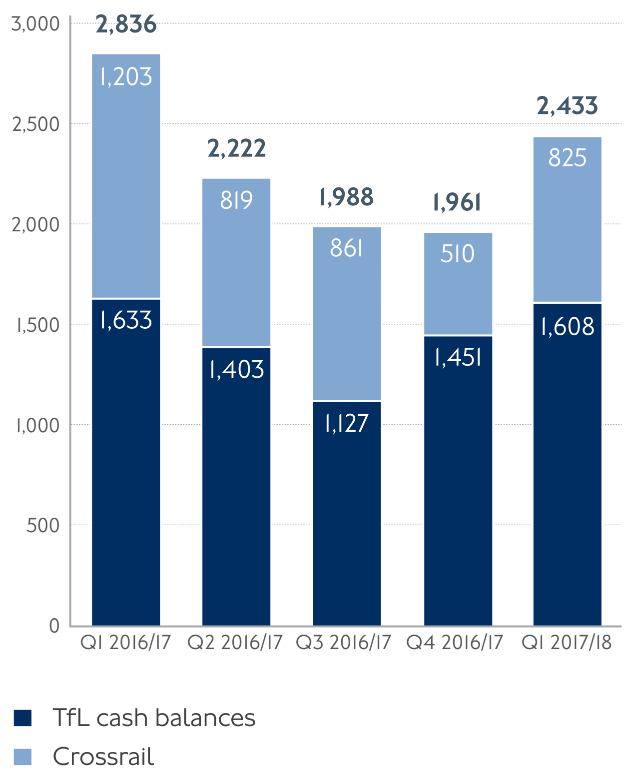
* Financing costs include exchange gain/losses relating to financing items

The ratio of financing costs to total operating revenue, including operating grants, is an important measure of the affordability of debt.

Credit ratings	
Moody's	Aa2 negative outlook
Standard & Poor's (S&P)	AA negative outlook
Fitch	AA- negative outlook

Our strong credit rating reflects the essential nature of TfL's services as London's dominant transport provider, and the supporting institutional framework. Our outlook reflects the credit agencies' negative outlook for the UK Government.

Cash balances (£m)



£0.5bn **24%▲**

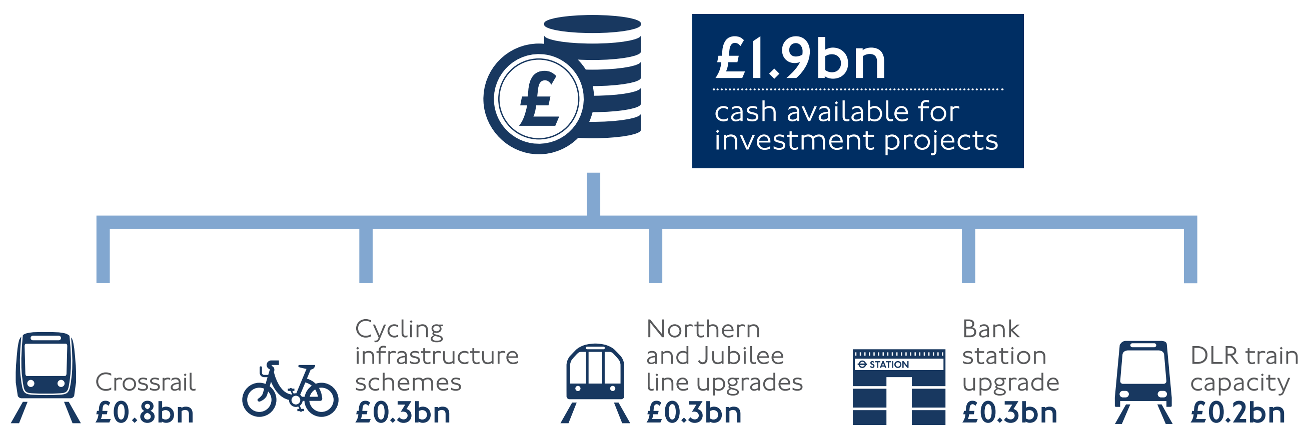
Increase in cash over the year-to-date

Cash balances

During Q1, total cash balances rose by £472m to £2,433m at the end of the quarter. Contributory factors were the receipt of a loan repayment from Network Rail, advanced for interim financing of Crossrail construction, and the draw down of £150m borrowings. Of the total balance, £825m is ring-fenced to deliver the Crossrail project. In addition, we aim to hold a prudent minimum level of TfL cash (excluding Crossrail) for exceptional circumstances and to retain a high credit rating with our investors, in line with our liquidity policy approved by the TfL Board. This level of cash reserves – currently around £540m – is driven by the size of our operating costs and the level of debt.

We expect to continue to use our balances to fund the improvements outlined in our Business Plan published in December 2016 and updated in the 2017/18 Budget.

Funding for investment projects



Operational trends

Passenger journeys
Q1 2017/18

938m total number of journeys*

3%▼ total passenger journeys

London Underground

312m

Buses

530m

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

90m

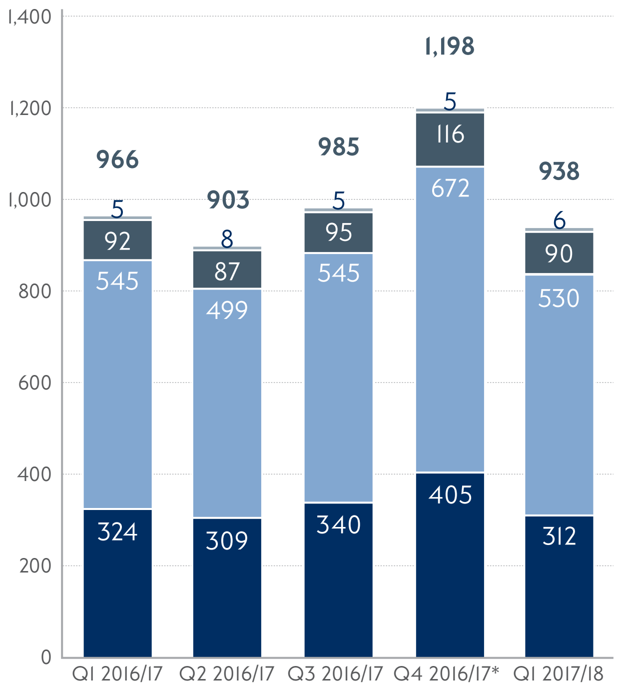
Other (London River Services, Dial-a-Ride, Santander Cycles)

6m

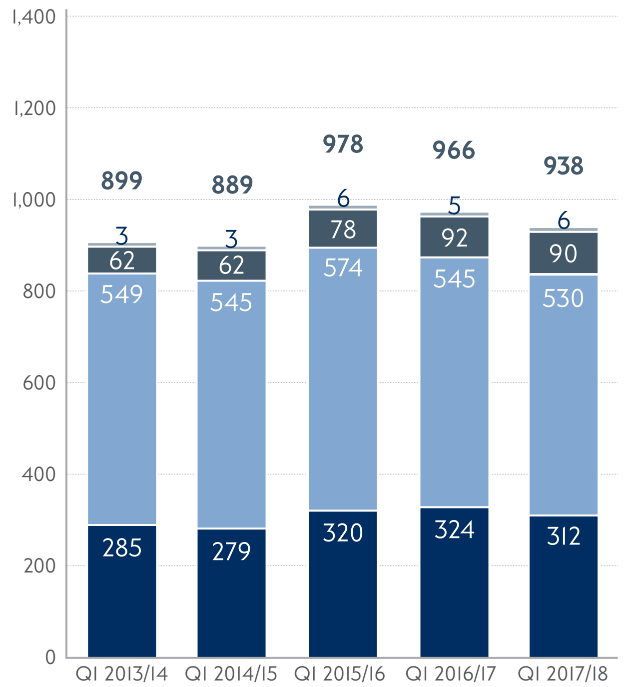
* Excluding road journeys and pedestrians

Passenger journeys (millions)

Quarterly



Five-year trend



London Underground
Buses
Rail
Other

LU passenger volumes were 12 million (four per cent) lower over the first quarter in the current year compared with 2016/17. The underlying trend, after adjusting for the later Easter, is just under one per cent lower. Passenger journeys have been affected by recent events in London, for example the part closure of the Hammersmith & City line following the Grenfell fire.

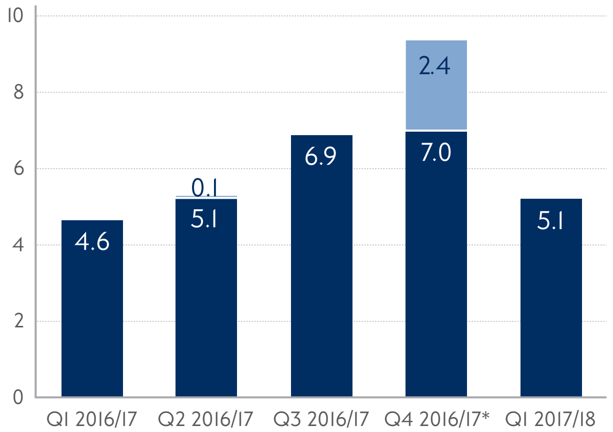
Bus passenger volumes were 2.8 per cent lower than Q1 2016/17, owing to the Easter weekend falling within the quarter this year. Underlying journeys show growth of 0.4 per cent year-on-year. This increase can be attributed to improvements in bus performance, with bus speeds and excess wait times improving.

Passenger journeys on Rail have remained broadly static compared with Q1 in the previous year.

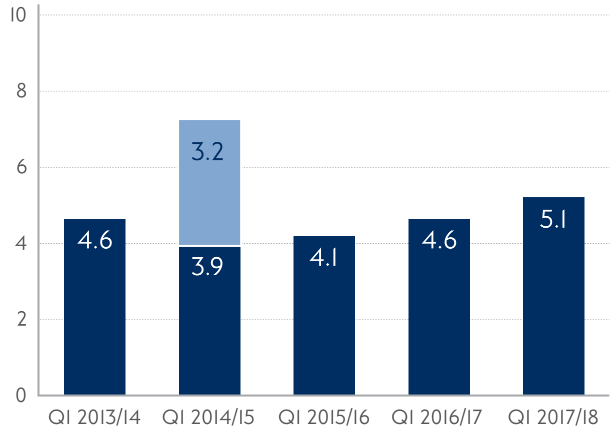
* Quarter 4 is longer than quarters 1 to 3 (16 weeks vs 12 weeks)

London Underground reliability – lost customer hours (LCH)

Quarterly (millions of hours)



Five-year trend (millions of hours)



■ Industrial action

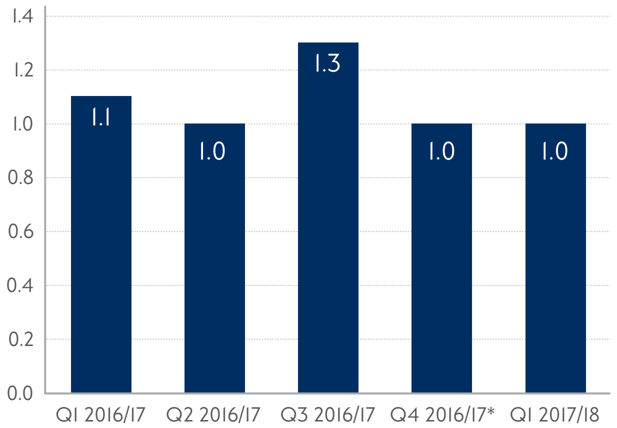
5.1m lost customer hours in Q1 2017/18

11%▲ in delays year-on-year

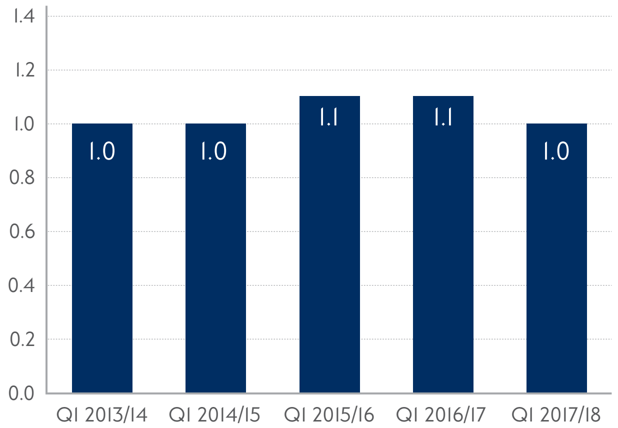
In Q1 we began to see some improvement in our overall performance, reversing the worsening position from mid-2016. We continue to embed plans to address the main issues: staff availability, customer incidents and Central line fleet reliability.

Bus reliability – excess wait time

Quarterly (minutes)



Five-year trend (minutes)



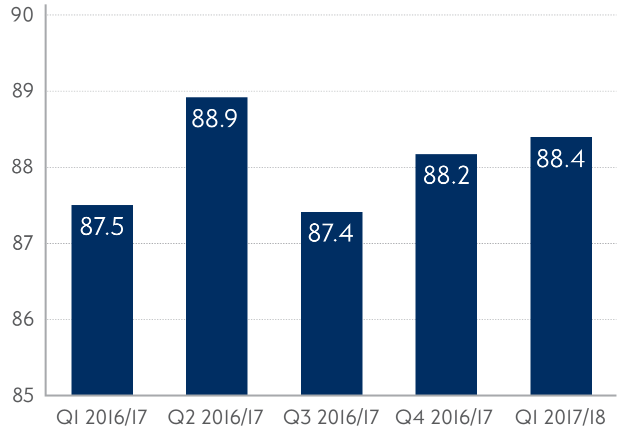
1.0 minutes in Q1 2017/18

Compared with a year ago, results improved for both inner and outer London, although inner west London was adversely affected by a number of roadworks. Measures remain in place to protect reliability against worsening traffic congestion.

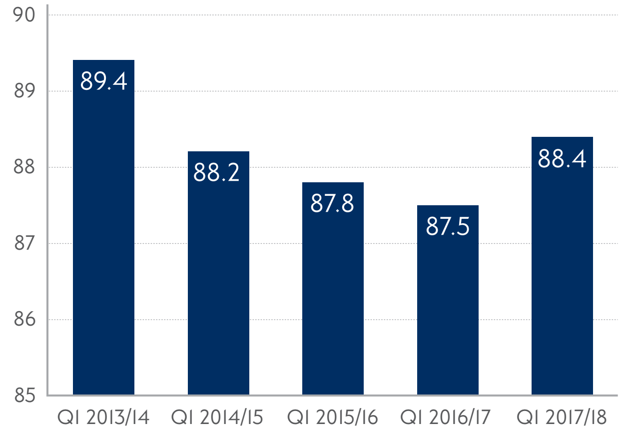
* Quarter 4 is longer than Quarters 1 to 3 (16 weeks vs 12 weeks)

Roads – journey time reliability

Quarterly (%)



Five-year trend (%)



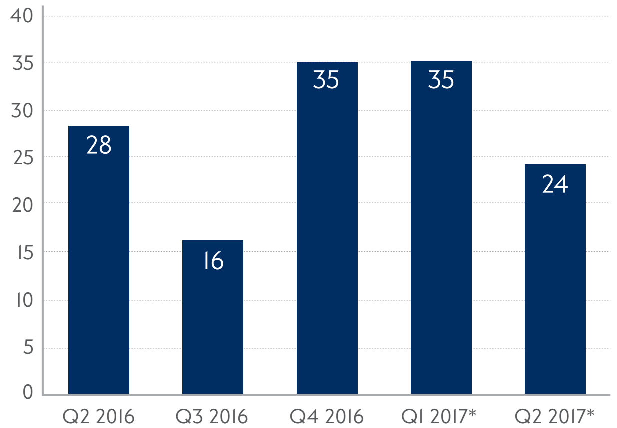
88.4% journey time reliability in Q1 2017/18

1%▲ in reliability year-on-year

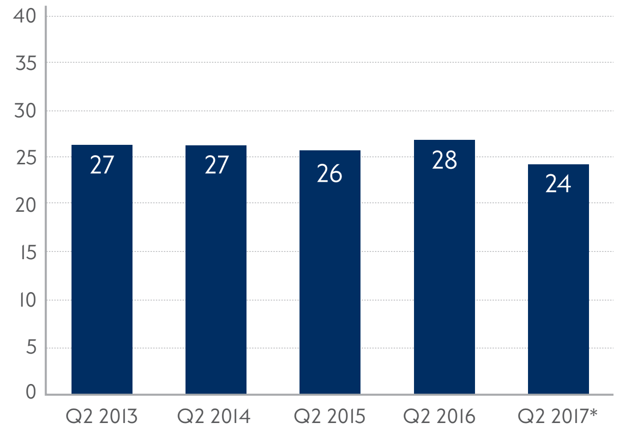
Despite a collision at the Blackwall Tunnel and the terrible fire at Grenfell Tower affecting performance in the quarter, journey time reliability increased.

Roads – reported casualties

Quarterly (number of people)



Five-year trend (number of people)



Lowest number on record for this quarter

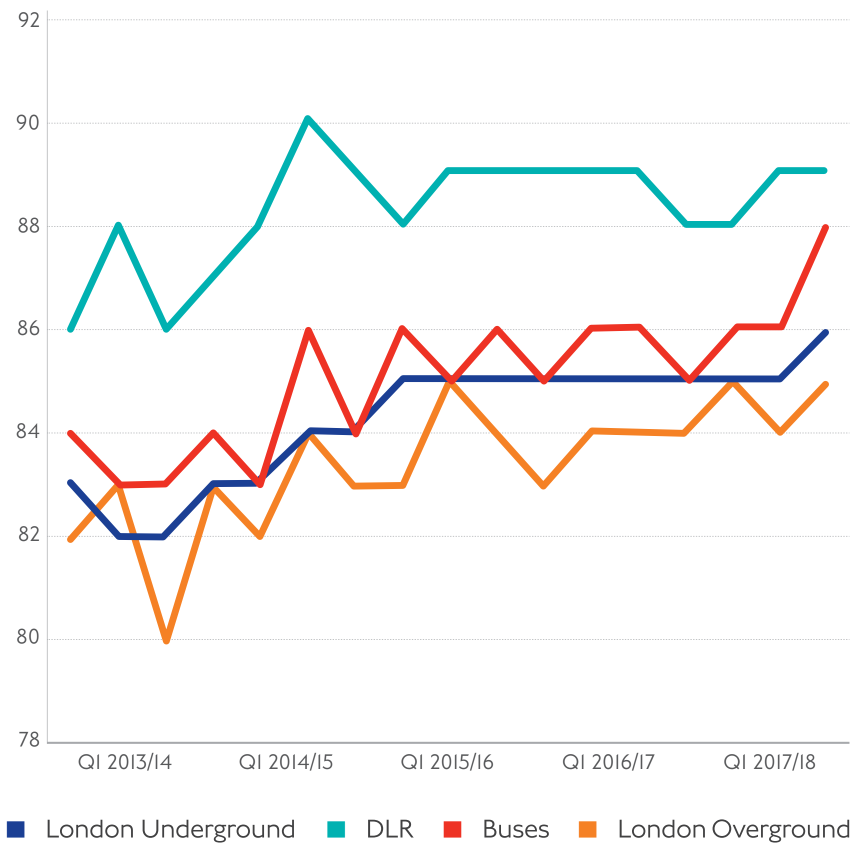
Provisional figures show that there were 24 fatalities on London's roads in Q2 2017. This is the lowest number on record for April to June.

* The figures for 2016 and 2017 are provisional

NB: The above data is based on calendar quarters rather than financial quarters, ie Q2 is April – June.

Customer trends

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



Tube customer satisfaction has risen to 86. Satisfaction with train crowding has increased one point, reflecting the seasonal drop in demand. Most scores have remained fairly stable, although the recent hot weather has affected the satisfaction with temperature.

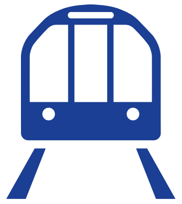
Buses satisfaction rose to 88. Customers experienced reduced crowding and less jolting. A methodological change to the survey accounted for a one point increase in overall satisfaction.

Overall satisfaction with DLR remained at 89. Only one per cent of customers reported a delay to their journey. This has remained the same for seven consecutive quarters, reflecting DLR's continuing strong operational performance.

London Overground satisfaction rose one point to 85, driven by a reduction to only six per cent of customers reporting a delay to their journey. As a result, customers were more satisfied with the frequency and timeliness of the trains. Perceptions of value for money have also increased to a record high.

86

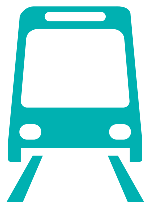
Tube customer satisfaction at record levels



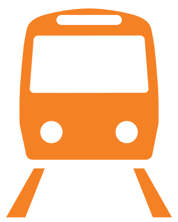
4▲

in customer satisfaction on buses since Q1 2013/14

3▲



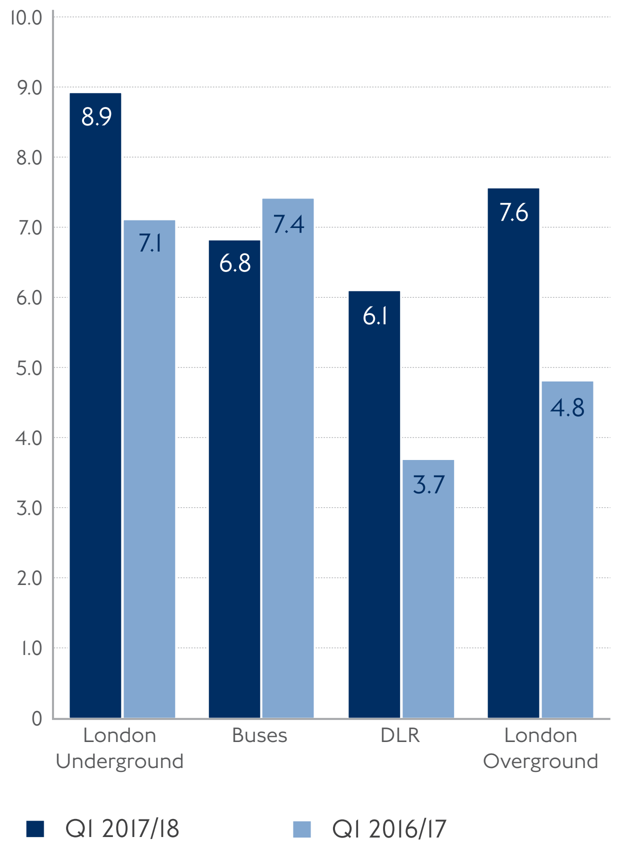
in customer satisfaction on the DLR since Q1 2013/14



3▲

in customer satisfaction on the London Overground since Q1 2013/14

Recorded crime rate
Number of recorded offences per million passenger journeys



Number of recorded crimes

Year-to-date	Q1 2017/18	Q1 2016/17	Variance
London Underground	1,936	1,621	19%
Buses	2,562	2,849	-10%
DLR	124	77	61%
London Overground	232	152	53%

Q1 crime figures are based upon data from April to May

All forms of transport, with the exception of Buses, experienced a rise in crime and a higher rate of crime per million passenger journeys compared with the previous year.

Increases in recorded crime on LU, DLR and London Overground are primarily driven by rises in reported sexual offences, theft of passenger property and other offences involving violence, including serious public order. The majority of violent offences are not serious, with the rise largely due to an increase in low level violence, pushing and shoving, verbal disputes and threatening behaviour at busy commuter times when services are at peak capacity. We are addressing these incidents but it remains challenging given the sporadic nature of offences.

Reported sexual offences on the transport system have continued to rise. This was anticipated and is considered a positive result of the efforts to tackle unwanted sexual behaviour on public transport as part of the ground-breaking Project Guardian initiative and Report It To Stop It campaign. Sexual offences have been historically under-reported. Project Guardian aims to increase confidence in reporting on the Capital's public transport network, reduce the risk of becoming a victim, challenge unwanted sexual behaviour and target offenders. This important work continues.

Customer complaints

Complaints per 100,000 journeys	QI 2017/18	QI 2016/17	Variance
London Underground	0.70	0.96	-27%
London Buses	2.29	2.98	-23%
DLR	0.67	1.27	-47%
London Overground	1.25	2.81	-56%
TfL Rail	1.72	2.66	-35%
London Trams	1.42	1.76	-19%
Emirates Air Line	1.83	0.79	132%
Congestion Charge	6.50	4.90	33%
London Dial-a-Ride	93.22	117.80	-21%
London River Services	0.41	0.41	0%
Santander Cycles	2.07	4.03	-49%
Taxis*	5.06	5.42	-7%
Private Hire*	6.79	4.26	59%
Contactless	0.06	0.16	-63%
Oyster	0.16	0.15	7%

* Journeys not recorded; figures based on survey

A drop in complaints in London Buses and Rail is partly owing to the Contact Centre's transition to the new customer relationship management system. The new system enables improved coding to better separate complaints from general enquiries.

For Dial-a-Ride, driver conduct remains the largest source for complaints, but has reduced compared with last year. This reflects improvements following staff training in how to deal with issues, and regular complaints forums to identify service and process improvements.

The rise in complaints regarding Emirates Air Line must be taken in the context of a very low volume. The number rose from three in QI 2016/17 to seven in QI 2017/18.

The increase for Private Hire journeys is mainly due to a significant rise in driver behaviour complaints, with one of the most frequent being private hire vehicles using taxi ranks.

Santander Cycle Hire complaints are lower than last year following improvements in bike redistribution by focusing on key stations.

Website and social media

Website visits (millions)

3% ▲

in website visits since 2015/16 (63m in QI 2017/18)

6.2m

Total number of followers on our 24 Twitter feeds

728,385

Total number of Facebook fans

Customer services

Communications and correspondence

Year-to-date	QI 2017/18	QI 2016/17	Variance
Correspondence service level agreement	74.3%	90.4%	-17.8%
Mystery shopper quality assessment scores	90.9%	88.8%	2.4%
Calls answered	91.5%	88.7%	3.2%

Contact Centre correspondence performance was below target for QI while we transitioned to the new CRM tool.

In QI, the Contact Centre saw a 2.3 per cent increase in correspondence demand compared with last year and operated with an average of 20 below headcount due to an unexpected period of high attrition. Headcount has since returned to the agreed levels and we have implemented new working practices to manage the correspondence.

Ticketing

Ticketing system availability

Year-to-date	QI 2017/18	QI 2016/17	Variance
London Underground – ticketing system overall availability	98.7%	98.7%	0.0%
London Buses – bus validation overall availability	99.7%	99.6%	0.1%

With continued improvements to the reader software, customers benefit from validation availability.

Underground

London Underground (LU)

Financial summary
Net operating surplus in LU continues to improve, as lower fares income has been more than offset by lower operating costs. Compared to the first quarter last year, the net cost of operations is £2Im better.

57%
share of TfL's total fares income in QI.

London Underground (£m)	QI 2017/18	QI 2016/17	Variance
Fares income	612	618	-1%
Other operating income	5	8	-40%
Total operating income	**617**	**626**	**-1%**
Direct operating cost	(474)	(505)	-6%
Indirect operating cost	(98)	(93)	5%
Net operating surplus	**45**	**29**	**57%**
Depreciation and amortisation	(155)	(160)	-3%
Net cost of operations before financing	**(110)**	**(131)**	**-16%**
Capital renewals	(89)	(132)	-33%
New capital investment	(145)	(136)	7%
Total capital expenditure	**(234)**	**(268)**	**-13%**

Fares income is £6m less than last year driven by lower passenger numbers; the timing of Easter accounted for most of the difference. In addition, journeys have also been affected by recent events, for example the part-closure of the Hammersmith & City line following the Grenfell fire.

Direct operating costs have reduced by £3Im, which includes the transfer of £7m of staff costs to professional services. In QI last year, we were in the middle of our stations modernisation programme which has now been realised. We also continued our headcount resource management, reducing costs further.

Capital expenditure is lower than last year due to the station upgrade programmes, including Victoria, Tottenham Court Road and Bond Street, nearing completion. There has also been reduced track upgrade work this year. This has been partly offset by additional expenditure on the Circle, District, Hammersmith & City and Metropolitan lines upgrade and on the Northern Line Extension, which are gaining momentum.

Passenger journey analysis

	Q1 2017/18	Q1 2016/17	Variance
Number of passenger journeys (millions)	312	324	-4%
Average fare income per journey (£)	1.96	1.91	3%
Operating cost per journey (£)	(1.83)	(1.84)	-1%
Total cost per journey before financing (£)	(2.33)	(2.34)	0%

Passenger journeys
Underlying demand is just under one per cent lower than the same period last year. Recent events in London have had an impact. In particular, the Hammersmith & City line was part closed for nine days following the Grenfell fire resulting in circa 0.5 million fewer journeys (£1 million).

Fare income per journey (yield)
Fare income per journey has improved compared with the equivalent period last year. This is partly due to the impact of the National Rail average fares increase in January 2017, which increases a proportion of TfL's tickets eg Travelcards, and also due to a change in the mix of tickets sold.

Operating cost per journey
Operating cost per journey has fallen by one per cent compared with the same period last year. This reflects our underlying cost reduction.

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

Q1 2017/18 0.9% ▼

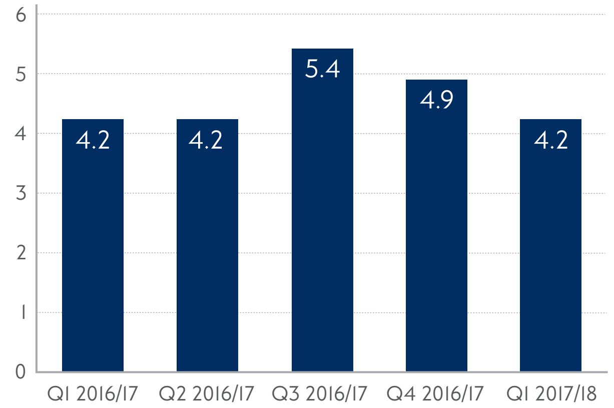
Q1 2016/17 1.4% ▲

Q1 2015/16 6.3% ▲

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

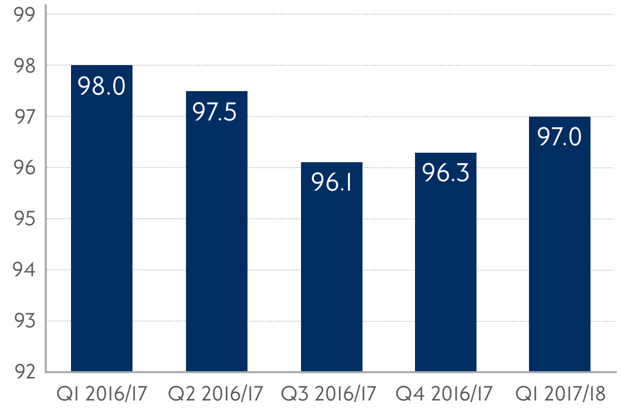
Reliability

Excess journey time (minutes)



Excess journey time improved in Q1, with customers on all lines experiencing quicker average journeys than in Q4. We partially closed the Circle and Hammersmith & City lines between Wood Lane and Edgware Road for nine days following the Grenfell Tower fire.

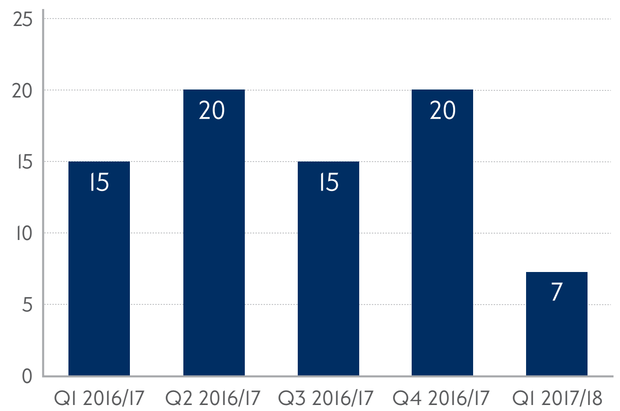
Scheduled kilometres operated (%)



Performance improved for the second successive quarter. As with excess journey time, all lines improved on Q4.

Safety

RIDDOR* reportable customer injuries



* Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013

More than 40 per cent of customer accidents happen on escalators, so we are targeting stations with the highest number of incidents. All measures are supported with extra customer information through posters and announcements at hotspot locations.

Customer

Customer satisfaction score (CSS)

	Q1 CSS
Bakerloo line	84
Central line	84
Circle line/Hammersmith & City line	88
District line	87
Jubilee line	87
Metropolitan line	88
Northern line	85
Piccadilly line	86
Victoria line	85
Overall score	**86**

After nine consecutive quarters at 85, overall satisfaction has reached 86. The number of people claiming to have experienced a delay or disruption was three per cent, an all-time low.

Buses

London Buses

Financial summary
Reduced fares income and higher operating costs have contributed to the net operating deficit being 16 per cent worse than last year.

31% share of TfL's total fares income in Q1.

Buses (£m)	Q1 2017/18	Q1 2016/17	Variance
Fares income	338	356	-5%
Other operating income	3	2	50%
Total operating income	**341**	**358**	**-5%**
Direct operating cost	(481)	(477)	1%
Indirect operating cost	(16)	(15)	7%
Net operating deficit	**(156)**	**(134)**	**16%**
Depreciation and amortisation	(11)	(9)	22%
Net cost of operations before financing	**(167)**	**(143)**	**17%**
Capital renewals	(3)	(3)	0%
New capital investment	(8)	(16)	-50%
Total capital expenditure	**(11)**	**(19)**	**-42%**

Lower fares income is primarily due to fewer days in the quarter, as well as the timing of Easter this year. This has resulted in fewer fare-paying journeys. Underlying year-on-year demand showed 0.4 per cent growth.

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

Capital expenditure is lower as fewer new buses were purchased directly in the first quarter. The programme to purchase 1,000 New Routemaster buses, introduced by the previous Mayor, was completed in June 2017. There are no plans to expand this programme.

Passenger journey analysis

	Q1 2017/18	Q1 2016/17	Variance
Number of passenger journeys (millions)	530	545	-3%
Average fare income per journey (£)	0.64	0.65	-2%
Operating cost per journey (£)	(0.94)	(0.90)	4%
Total cost per journey before financing (£)	(0.96)	(0.92)	4%

Passenger journeys

Total passenger journeys are three per cent lower than last year, mostly owing to the quarter having one less day than last year and Easter falling in April. On a normalised basis passenger journeys were 0.4 per cent higher as a result of some increases in bus speeds, particularly in central London.

Fare income per journey (yield)

The average yield decreased by 1p between Q1 last year and Q1 this year, mainly as a result of the Hopper fare, which launched in September 2016.

Operating cost per journey

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

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

Q1 2017/18 0.4% ▲

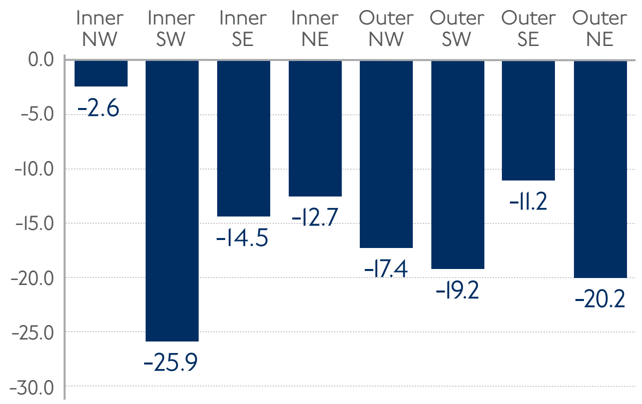
Q1 2016/17 2.7% ▼

Q1 2015/16 3.5% ▼

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

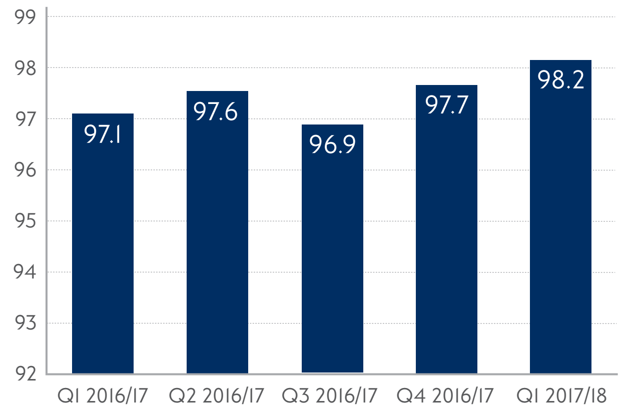
Reliability

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



Compared with a year ago, results improved for both inner and outer London. Measures remain in place to protect service reliability against worsening traffic congestion.

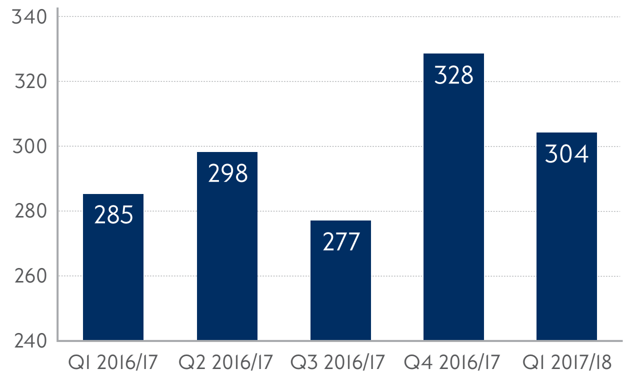
Scheduled services operated (%)



Performance has continued to improve. A package of measures remains in place to help protect against adverse trends in traffic conditions arising from economic growth and from major road schemes.

Safety

Customer injuries*

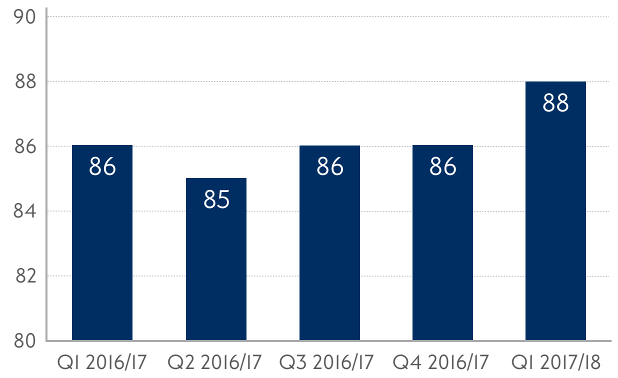


A passenger died from injuries sustained in a fall and a pedestrian was killed in a collision with a bus. In the quarter 65 per cent of the injuries resulted from slips/trips/falls. This aspect is receiving additional attention to identify further steps to help prevent casualties on the bus network.

*Customers taken to hospital

Customer

Customer satisfaction score

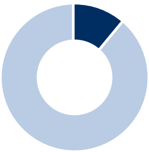


The two point increase in the score was driven by an improvement in satisfaction with crowding and smoothness. A methodological change to the survey contributed one point to the increase in the overall satisfaction score.

Rail

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

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



11%
share of TfL's total fares income in Q1.

Rail (£m)	Q1 2017/18	Q1 2016/17	Variance
Fares income	117	120	-3%
Other operating income	2	5	-60%
Total operating income	**119**	**125**	**-5%**
Direct operating cost	(124)	(129)	-4%
Indirect operating cost	(8)	(7)	14%
Net operating deficit	**(13)**	**(11)**	**18%**
Depreciation and amortisation	(30)	(30)	0%
Net cost of operations before financing	**(43)**	**(41)**	**5%**
Capital renewals	(6)	(14)	-57%
New capital investment	(54)	(42)	29%
Crossrail construction costs	(338)	(400)	-16%
Total capital expenditure	**(398)**	**(456)**	**-13%**

Total operating income was lower due to a fall in fares income from paying compensation (£3m) to the Train Operating Companies following implementation of the new Oyster Clicks Model. A drop in passenger journeys (due to the number of days in the quarter and the timing of Easter) was offset by the impact of the annual Travelcard fare increase. The fall in other operating income relates to fewer third party contributions for station works that are now completed.

Operating costs have reduced due to one-off London Overground contractual savings and cost saving initiatives that more than cover the higher bonus payments made for improved performance on the DLR. These are offset by some cost increases in TfL Rail as we start to mobilise maintenance and network operations capability to prepare for the start of Elizabeth line services.

New capital investment increased as TfL Rail moved to the next stage of train production in line with the planned schedule.

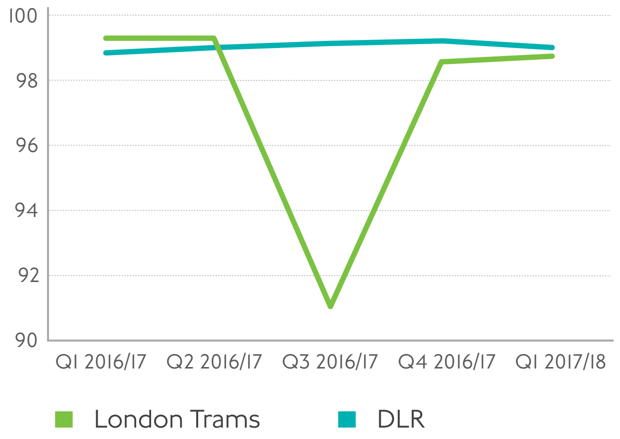
Passenger journey analysis

	Q1 2017/18	Q1 2016/17	Variance
London Overground			
Number of passenger journeys (millions)	43.8	43.9	0%
Average fare income per journey (£)	1.15	1.22	-5%
Operating cost per journey (£)	(1.40)	(1.62)	-14%
Total cost per journey before financing (£)	(1.50)	(1.74)	-14%
DLR			
Number of passenger journeys (millions)	28.6	29.1	-2%
Average fare income per journey (£)	1.39	1.34	4%
Operating cost per journey (£)	(1.16)	(1.06)	9%
Total cost per journey before financing (£)	(1.61)	(1.50)	7%
TfL Rail			
Number of passenger journeys (millions)	10.1	11.2	-10%
Average fare income per journey (£)	1.91	1.79	6%
Operating cost per journey (£)	(2.73)	(2.17)	26%
Total cost per journey before financing (£)	(3.56)	(2.86)	24%
London Trams			
Number of passenger journeys (millions)	6.6	7.1	-7%
Average fare income per journey (£)	0.85	0.77	9%
Operating cost per journey (£)	(1.17)	(1.22)	-4%
Total cost per journey before financing (£)	(1.68)	(1.66)	1%
Emirates Air Line			
Number of passenger journeys (thousands)	382.3	381.8	0%
Average fare income per journey (£)	4.22	4.09	3%
Operating cost per journey* (£)	(2.12)	(2.41)	-12%
Total cost per journey before financing* (£)	(2.18)	(2.49)	-12%

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

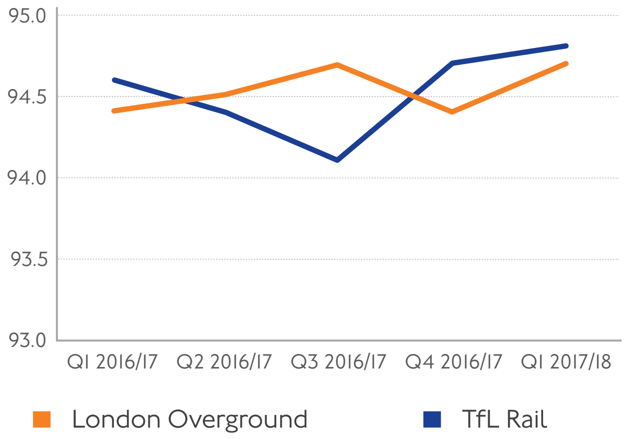
Reliability

DLR and London Trams – scheduled services operated (%)



London Trams reliability figures continue to be affected by service regulation issues following the introduction of speed reductions, and changes to road infrastructure resulting in loss of priority. DLR reliability remains strong.

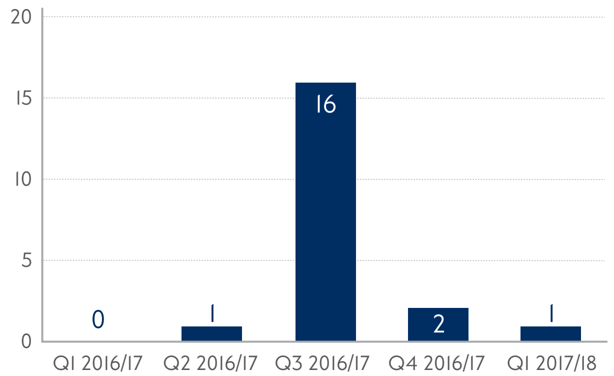
London Overground and TfL Rail – public performance measure (PPM) moving annual average (MAA)



The performance of London Overground continues to improve as a result of sustained focus on improving performance. At the end of Quarter 1, TfL Rail was the second best performing rail operator in the industry and London Overground was in third position.

Safety

RIDDOR* reportable customer injuries

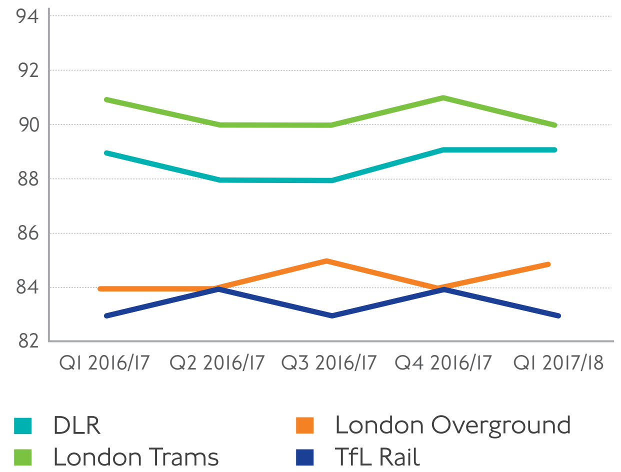


* Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013

An incident involving a tram customer met the criteria for reporting under RIDDOR after the passenger suffered a dislocated shoulder when he made contact with the side of a tram that was moving out of service.

Customer

Customer satisfaction score



The one point increase for London Overground reflects the improvement in operational performance. The one point reduction for London Trams and TfL Rail is driven by customers saying their journey was delayed. DLR overall satisfaction remains stable.

Roads

Transport for London Road Network (TLRN)

Financial summary
Despite a fall in income, reduced costs have contributed to a 33 per cent drop in the net operating deficit.

Roads (£m)	Q1 2017/18	Q1 2016/17	Variance
Fares income	–	–	0%
Other operating income	71	77	-8%
Total operating income	**71**	**77**	**-8%**
Direct operating cost	(98)	(125)	-22%
Indirect operating cost	(18)	(19)	-5%
Net operating deficit	**(45)**	**(67)**	**-33%**
Depreciation and amortisation	(32)	(29)	10%
Net cost of operations before financing	**(77)**	**(96)**	**-20%**
Capital renewals	(23)	(29)	-21%
New capital investment	(22)	(31)	-29%
Total capital expenditure	**(45)**	**(60)**	**-25%**

Roads operating income has reduced partly as a result of lower Congestion Charge volume, due to fewer days in Quarter 1 this year and Easter. The underlying year-on-year decline is six per cent.

Roads operating costs have seen a 22 per cent decrease year on year. The main contributors were lower staff costs across the division, largely due to headcount reductions, reduced costs in Road User Charging driven by the poor performance of the contractor which has resulted in service credits in the first quarter and in the borough-delivered LIP corridor programme which is budgeted to be delivered later this year than last.

Capital renewals are lower this year compared with last year largely owing to a combination of efficiency savings resulting from more targeted investment and some rephasing of works until later this year.

New capital investment is also lower this quarter. Last year saw major construction activity on the Cycle Superhighways programme, in particular the first phases of the East-West and North-South routes.

Volume analysis year-to-date

	Q1 2017/18	Q1 2016/17	Variance
Congestion Charge volumes (thousands)	3,622	3,950	-8%
Congestion Charge and enforcement income (£m)	53.6	59.6	-10%
Average Congestion Charge including enforcement income (£)	14.80	15.09	-2%
Other enforcement income (£m)	17.4	17.4	0%
Traffic volumes – all London (index)	96.0	95.9	0.2%
Cycling growth in CCZ (%)*	6.3%	5.3%	

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

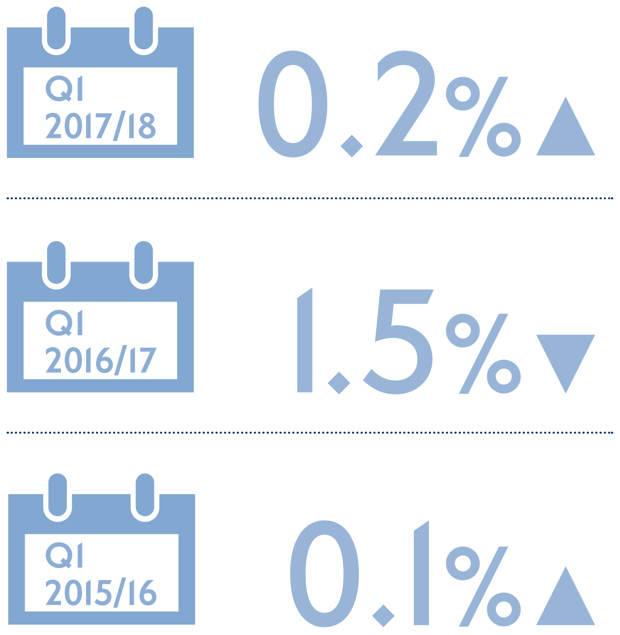
Cycling

The latest Central London Cycling metric shows that a daily average of 461,751 kilometres, or an estimated 151,000 journeys, was cycled in the congestion charging zone during Q1 2017. This is the highest level of cycling recorded during Q1 in central London since measurement began in 2014.

Traffic flow

The pan-London traffic flow index stands at 96.04; this is 0.2 per cent above the same quarter last year. In Quarter 1 average traffic speeds for the 12 hours between 07:00 and 19:00 across London were 16.8 mph, a 0.1 mph (0.3 per cent) increase year-on-year.

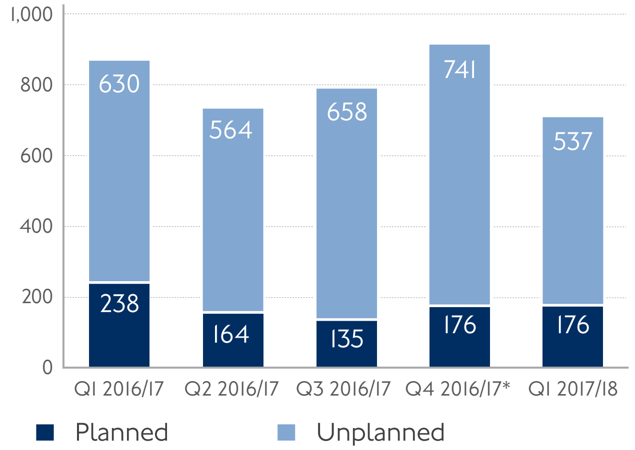
Traffic flow (volume) year-on-year change



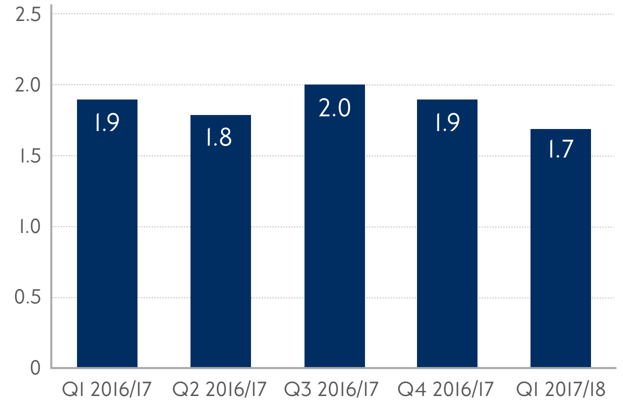
Compares traffic flow volume for the year-to-date with the corresponding quarters in the previous year.

Reliability

London wide: Serious and Severe disruption (hours)



TLRN resolution time-disruption hours per event

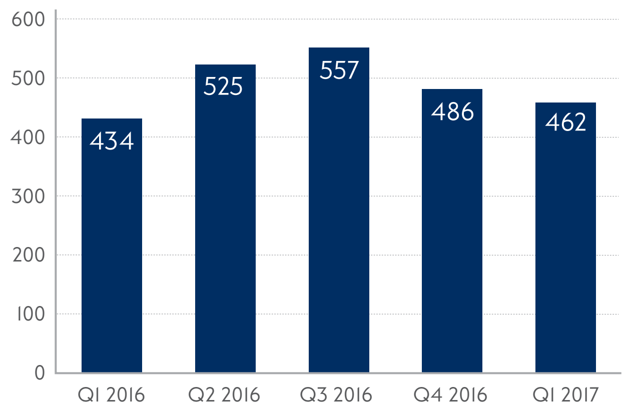


There were 713 hours of Serious and Severe disruption resulting from unplanned and planned events, spread across 346 separate incidents. Planned disruption, at 176 hours, was down 62 compared to the same quarter last year. The decrease was largely due to a reduction in Highway Authority works. Unplanned disruption was also down on last year due to fewer breakdowns and hazards.

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

Healthy Streets

Central London cycling growth (thousand kms)

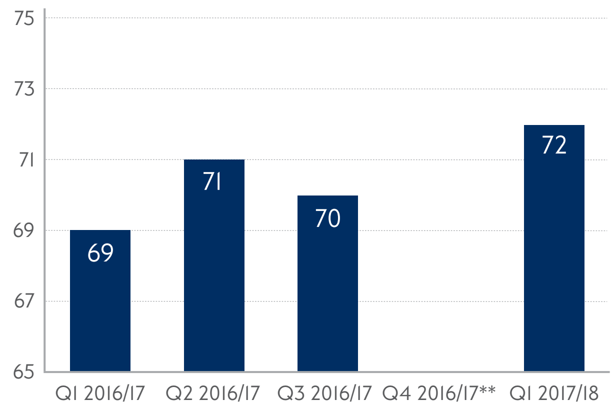


NB: The above data is based on calendar quarters and is the latest available data.

Year-on-year there is a 6.3 per cent increase in cycling. Alongside overall increases in cycling within central London, more cyclists are continuing to cycle during the winter months, indicating an increase in 'all-year round' cycling. Overall levels of cycling are highest during the summer months.

Customer

TLRN user satisfaction score



Overall satisfaction is at the highest level for two years. Satisfaction has improved across the whole journey experience (except for road surfaces and air quality), and particularly around speed and congestion.

** No survey was conducted in Q4 2016/17.

Other operations

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

Financial overview

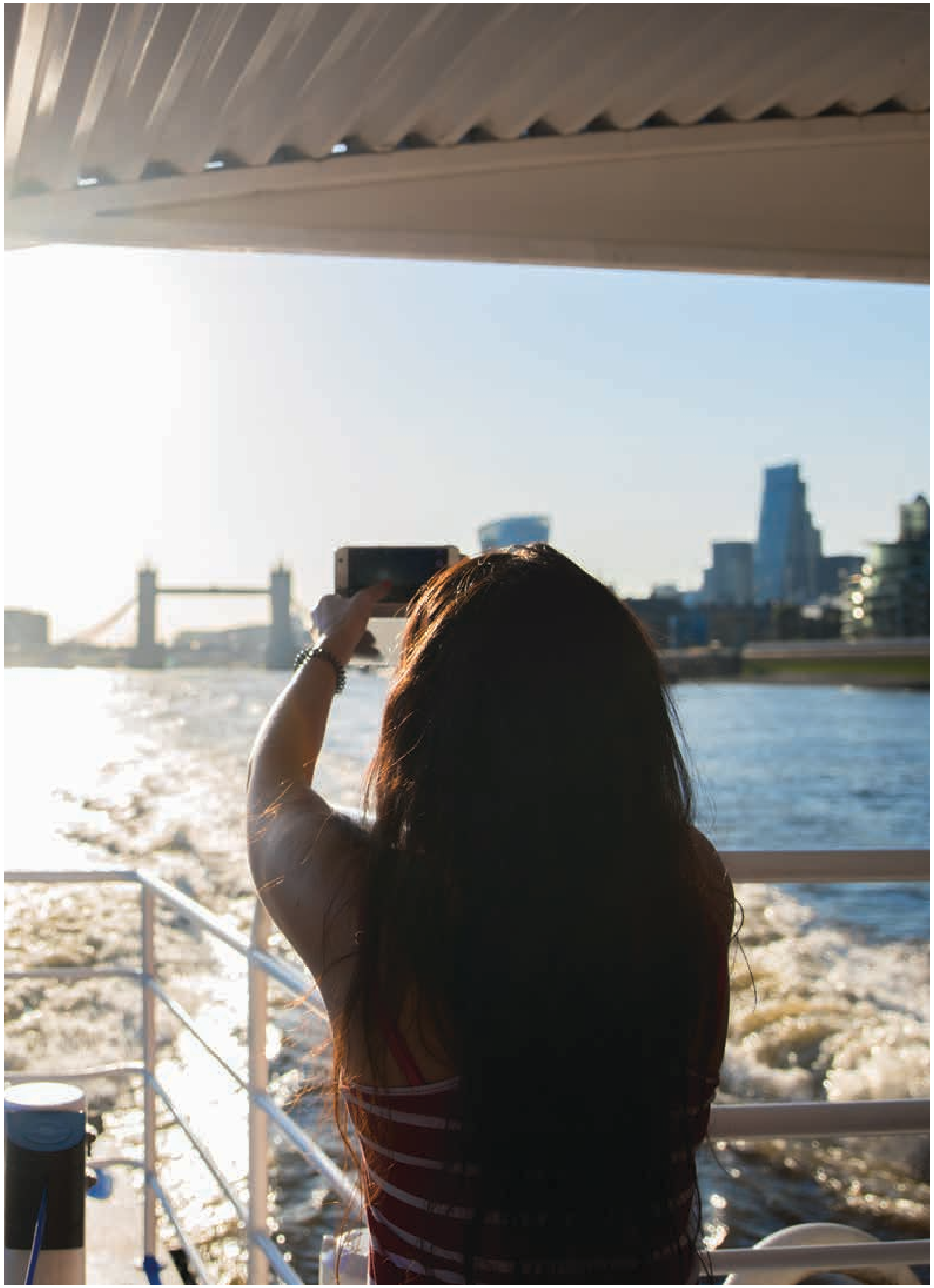
As well as the operations named above, we include the costs of the Crossrail 2 project team and the Planning team, together with certain group items in this category.

Other (£m)	Q1 2017/18	Q1 2016/17	Variance
Fares income	12	8	50%
Other operating income	25	24	4%
Total operating income	**37**	**32**	**16%**
Direct operating cost	(43)	(40)	8%
Indirect operating cost	(4)	(3)	33%
Net operating deficit	**(10)**	**(11)**	**-9%**
Depreciation and amortisation	(24)	(23)	4%
Net cost of operations before financing	**(34)**	**(34)**	**0%**
Capital renewals	(13)	(8)	63%
New capital investment	(16)	(12)	33%
Total capital expenditure	**(29)**	**(20)**	**45%**

Overall performance of other operations has remained stable with fares income increasing slightly due to greater Oyster write-off and deposit income.

Spend on capital renewals is higher this quarter primarily as a result of the increase in development and implementation works required prior to the cycle hire transition project going live in August 2017.

Capital investment has increased due to the delivery of the Emission Surcharge project which goes live in October 2017. This project supports the enforcement of a charging zone in Central London for vehicles with non-compliant emissions, with the aim of improving air quality.



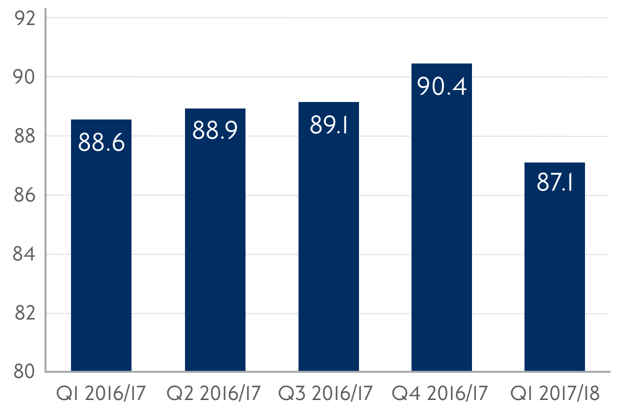
Volume analysis

	Q1 2017/18	Q1 2016/17	Variance
Santander Cycles			
Number of hires (millions)	2.8	2.6	9%
Average income per hire (£)	1.29	1.15	12%
Operating cost per hire* (£)	(1.43)	(1.55)	-8%
Total cost per hire before financing* (£)	(2.23)	(2.36)	-6%
Victoria Coach Station			
Number of coach departures (thousands)	56.2	57.2	-2%
Average income per departure (£)	35.99	38.05	-5%
Operating cost per departure (£)	(35.89)	(32.99)	9%
Total cost per departure before financing (£)	(36.97)	(33.93)	9%
London River Services			
Number of passenger journeys (millions)	3.0	2.7	10%
Average income per journey (£)	0.21	0.30	-30%
Operating cost per journey (£)	(0.97)	(1.09)	-11%
Total cost per journey before financing (£)	(1.21)	(1.34)	-10%
London Dial-a-Ride			
Number of passenger journeys (thousands)	251.0	287.8	-13%
Total cost per trip before financing (£)	(33.29)	(31.62)	5%
Taxi & Private Hire			
Number of private hire vehicle drivers	116,775	106,351	10%
Taxi drivers	24,275	24,746	-2%
Total income (£m)	5.94	6.21	-4%
Total costs (£m)	(8.77)	(6.44)	36%

* Costs of Santander Cycles are shown net of sponsorship income

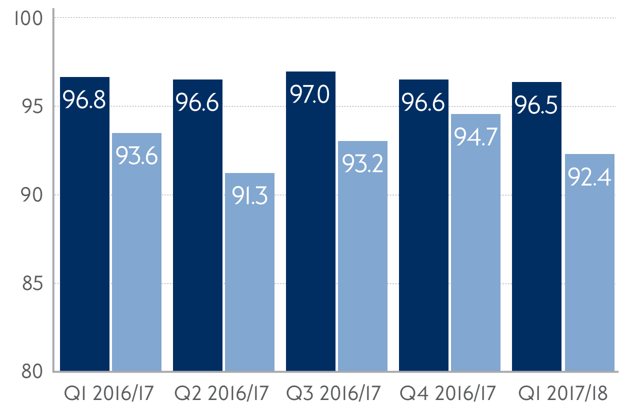
Reliability

Dial-a-Ride schedule services operated (%)



The fall this quarter is partly attributable to the close monitoring of ad-hoc taxi usage in order to control expenditure and capacity constraints. TfL is also undertaking thorough analysis of passenger demand patterns, and is changing driver attendant shift rotas and depot locations to enhance scheduling efficiency.

Cycle hire docking station availability (%)

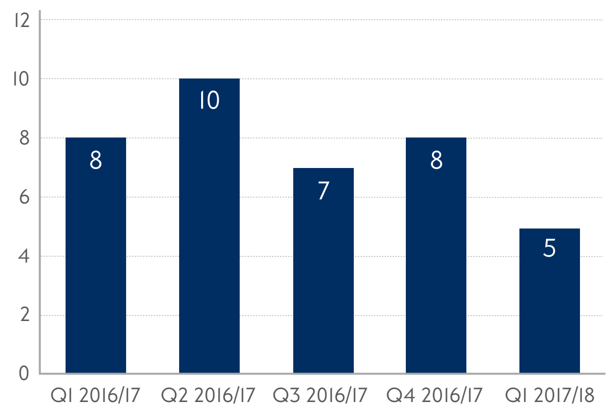


■ Availability to return a bike
■ Availability to hire a bike

Quarter 1 saw hire numbers increase to record numbers as the popularity of the scheme increases. The ability to return a bike remains broadly consistent with the previous quarter and bike availability remains good.

Safety

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

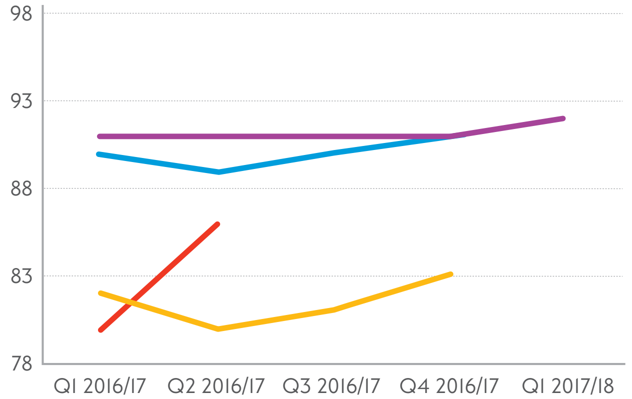


* Customers taken to hospital during the quarter

The number of injuries this quarter is the lowest reported in two years. The injuries in the quarter resulted from four slips/trips/falls and a road traffic collision with a cycle hire user.

Customer

Customer satisfaction



■ DaR ■ VCS ■ LRS ■ Cycle Hire

Only a survey for Dial-a-Ride was conducted this quarter, which returned a score of 92. Helpfulness of the driver, punctuality and smoothness of ride all improved. The proportion of users whose wheelchair and/or seatbelt were secured remains high.

Commercial Development

Media, telecoms, property development and commercial property

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

34% share of TfL's total other operating income in Q1.

Commercial Development (£m)	Q1 2017/18	Q1 2016/17	Variance
Other operating income	54	46	17%
Direct operating cost	(7)	(9)	-22%
Net operating surplus	**47**	**37**	**27%**
New capital investment	(5)	(2)	150%
Capital receipts	1	1	0%
Net capital account	**(4)**	**(1)**	**300%**

Commercial Development's role is to keep London moving, working and growing by making the best use of our assets to generate income and housing to support the delivery of the Mayor's priorities.

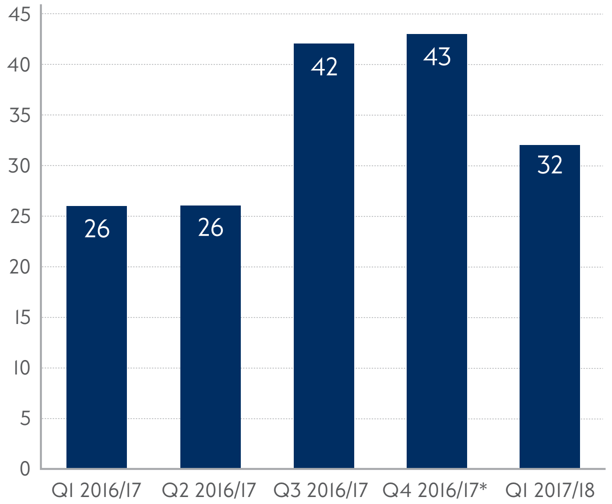
We have an ambitious programme to drive both recurring revenues and capital receipts from property development. We are one of London's biggest landowners and are developing more than 300 acres of land to provide thousands of homes, with a target for 50 per cent of them to be genuinely affordable. We also have hundreds of small and medium size enterprise tenants who provide the goods and services Londoners want in the places they need them right across the Capital.

We are currently making significant progress in bringing forward our development pipeline. During 2016/17 we brought to market five sites which together will deliver 1,000 homes, half of which will be affordable. In 2017/18 we plan to bring to market property development schemes which together will deliver 3,000 homes.

Within our commercial media portfolio we manage the most valuable outdoor advertising contract in the world and have more than 16,000 campaigns a year on the network. We are also looking to generate more income from telecommunications, utilising our unique infrastructure.

As our programme grows we are making a significant capital investment in opportunities to generate new income streams including through our advertising estate, plus our retail and industrial property.

Media and telecoms income (£m)
Quarterly

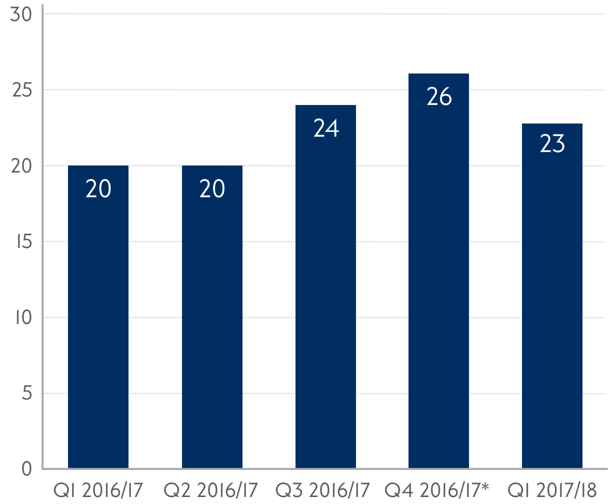


The bulk of the Media and Telecoms income is derived from Media sources, with Media income in Q1 2017/18 making up nearly £31m of the £32m earned.

In Q3 2016/17 our media contract changed from one based on a guaranteed level of income to a revenue sharing based arrangement with our media partner. The new partnership has been branded "Hello London". Higher revenues in the second half of 2016/17 primarily reflected one-off receipts arising from the cancellation of the old contract.

Lower revenues in Q1 2017/18 reflect the fact that Quarter 1 is shorter than Quarter 4 (12 weeks vs 16 weeks). Underlying performance has been flat in a challenging market.

Property income (£m)
Quarterly



Property rental income increased steadily over 2016/17 as new lettings were created and turnover rents were collected.

After adjusting for the fact that Q4 2016/17 was 16 weeks versus 12 weeks for Q1 2017/18, underlying performance from property management in Quarter 1 was slightly improved over the previous quarter.

Activity in the quarter

Property development
In Quarter 1 2017/18 we put our Northwood Town site out for bids from our Property Partnerships Framework as we work towards a full year target of taking sites to market.

Triangle London Developments LLP (a joint venture between U+I Group PLC and Notting Hill Housing Group) has been selected as the preferred bidder to develop Landmark Court, close to Borough Market. The development will create a minimum of 79 new homes, at least 35 per cent of which will be affordable, as well as 134,500 sq ft of new commercial, retail and work space.

Within our joint venture partnership at Earls Court, Keltbray, the demolition contractor, reached a major milestone in June by removing the largest of the portal beams which span the District line and which used to support the Earls Court Exhibition Centre. The removal of the beam was the largest single crane lift ever carried out in the UK with the beam weighing more than 1,500 tonnes.

New lettings
During the quarter we completed on 14 retail lettings with a combined gross rental value of £627,500 per annum, and 8 industrial lettings with a combined gross rental value of £192,540 per annum. These included new retail units at Canning Town, Hammersmith and Whitechapel stations which have improved the customer offer, enhancing station ambience and providing income growth.

Media activity
Within Media, TSBA was appointed as our brand licensing partner in a new five-year licensing contract. Our internationally renowned brand and symbols - such as the roundel - will be available on the global licensing market and we will look to utilise our brand to generate funds significantly greater than the current £400k per annum we receive from our existing range of licensed products.

Building on our programme of large roadside digital advertising screens, we started the installation of two new digital advertising screens at the Sun in the Sands underpass on the A102 in Greenwich on 8 May 2017. The screens are part of our contract with Outdoor Plus which will generate approximately £16m of income over 10 years to reinvest in the transport network.

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

Capital investment programme

New capital investment (£m)	Q1 YTD 2017/18	Q1 YTD 2016/17	Variance
Crossrail	338	400	-16%
Upgrade of Circle, District, Hammersmith & City lines	68	50	36%
Rail enhancements	54	42	29%
Northern line extension	43	34	26%
Roads	22	31	-29%
Station upgrades	19	38	-50%
Other LU, including signalling and transformation	15	14	7%
Other capital investment	29	30	-3%
Total new capital investment	**588**	**639**	**-8%**

The first of the new Elizabeth line trains entered passenger service on the TfL Rail route between Liverpool Street and Shenfield. The construction of stations is progressing well across the route. Tunnels, shafts and portals are being fitted out with cables, ventilation fans and all the communication and signalling systems. Escalators and lift installation continue and platform screen door installation has started.

On major station upgrades:

- Charing Cross station reopened following the modernisation of the Northern line ticket hall
- At Victoria station new pedestrian tunnels opened, reducing interchange times and providing a more direct route for customers
- Work started to begin the foundations for the new Cannon Street ticket hall at Bank station

Both tunnel boring machines are now travelling towards Kennington on the Northern Line Extension

Construction of the two new replacement Woolwich Ferry vessels has started. The new vessels are scheduled to enter service in winter 2018/19.

Capital renewals (£m)	Q1 YTD 2017/18	Q1 YTD 2016/17	Variance
Track renewals	32	52	-38%
LU renewals	32	55	-42%
Roads	23	29	-21%
Station upgrades	14	14	0%
Lift & escalator renewals	11	11	0%
Rail infrastructure	6	14	-57%
Other capital renewals	16	11	45%
Total capital renewals	**134**	**186**	**-28%**

LU track renewal works were completed south of Harrow on the Hill which will deliver journey time benefits on the Metropolitan line. To improve reliability, LU completed ballasted track renewal between Earl's Court and Gloucester Road and renewed points at Wimbledon in the first phase of works to renew assets in the area.

To reduce temperatures in tunnels on the Jubilee line between Baker Street and Green Park, we continue major tunnel ventilation system upgrades. These works will take approximately one year.

Works have been completed at Lancaster Gate station, improving the station appearance and installing new, more reliable lifts. The station reopened on 26 June, eight weeks ahead of schedule.

Escalator refurbishments were completed at North Greenwich and Chancery Lane.

This quarter we resurfaced more than 27,000 square metres of carriageway at various locations and replaced almost 2,500 square metres of footway on the A1 Holloway Road.

Appendices

1. TfL Group balance sheet

Balance sheet (£m)	24 June 2017	31 March 2017	Variance
Intangible assets	125	140	(15)
Property, plant and equipment	37,338	36,839	499
Investment properties	558	558	-
Investment in associate entities	369	368	1
Long term derivatives	15	18	(3)
Long term debtors	29	30	(1)
Non current assets	**38,434**	**37,953**	**481**
Stocks	73	72	1
Short term debtors	1,201	1,822	(621)
Short term derivatives	8	12	(4)
Assets held for sale	15	15	-
Cash and short term investments	2,433	1,961	472
Current assets	**3,730**	**3,882**	**(152)**
Short term creditors	(2,130)	(2,146)	16
Short term derivatives	(20)	(4)	(16)
Short term borrowings	(1,121)	(1,106)	(15)
Short term lease liabilities	(64)	(77)	13
Short term provisions	(176)	(194)	18
Current liabilities	**(3,511)**	**(3,527)**	**16**
Long term creditors	(61)	(56)	(5)
Long term borrowings	(8,825)	(8,690)	(135)
Long term lease liabilities	(480)	(488)	8
Long term derivatives	(73)	(79)	6
Other provisions	(77)	(44)	(33)
Pension provision	(5,362)	(5,364)	2
Long term liabilities	**(14,878)**	**(14,721)**	**(157)**
Total net assets	**23,775**	**23,587**	**188**
Capital and reserves			
Usable reserves	2,079	1,861	218
Unusable reserves	21,696	21,726	(30)
Total capital employed	**23,775**	**23,587**	**188**

2. Headcount

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

	31 March 2017 Actual	YTD Net (leavers)/joiners	End of Q1 Actual
Underground	20,121	(670)	19,451
Rail	465	(37)	428
Buses	548	1	549
Roads	2,098	(161)	1,937
Other operations	1,370	29	1,399
Professional services*	3,606	501	4,107
Commercial Development	179	5	184
Crossrail	803	(41)	762
Total	**29,189**	**(373)**	**28,816**

Headcount levels are down by 373 this year, a result of continued recruitment controls – including reduced reliance on non-permanent labour - and the transformation programme.

LU headcount has reduced by 670 since the end of last year. This is partly due to over 500 staff transferring from local commercial and finance areas to central professional services. In addition non-permanent labour numbers are down following the introduction of new IR35 obligations on government contractors

Headcount in other operations shows a modest increase, a result of the recruitment of Taxi & Private Hire compliance officers. The compliance posts will be funded from future increases in licence fees and are therefore cost neutral.

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

Non Permanent Labour (NPL)

We have greatly reduced our reliance on temporary workers over the course of the year and continue to do so. In response to the changes to off-payroll working in the public sector, confirmed in the Finance Bill in March 2017, some of our workers have changed the way they operate.

We do not employ anyone directly on a personal service company basis, and our use of temporary workers is kept to a minimum. We still need to make use of some specialist temporary workers in highly competitive, scarce skills fields. These resources recruited through specialist agencies, are essential to ensure that we have qualified people with the right skills to deliver our multi-billion pound investment programme.

			Reduction since December 2015	
Date	Number of NPL	Weekly Cost (£)	Number of NPL	Weekly saving (£)
15 December 2015	3,092	5,249,002		
25 June 2016	2,785	4,670,372	(307)	578,631
10 December 2016	2,256	3,628,689	(836)	1,620,313
31 March 2017	1,742	2,544,009	(1,350)	2,704,993
24 June 2017	1,517	2,181,215	(1,575)	3,067,787

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

NPL by length of service

Length of service	31 March 2017 Actual	YTD net (leavers)/joiners	End of Q1 Actual
0-6 months	356	46	402
6-12 months	191	6	197
1-2 years	563	(197)	366
2-3 years	248	(14)	234
3-5 years	238	(32)	206
5+ years	146	(34)	112
Total	**1,742**	**(225)**	**1,517**

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

Glossary

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

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

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

Measure	Unit	Description
London Underground: excess journey time (EJT)	Perceived minutes	Journey time is a way of measuring London Underground's service performance. We break down journeys into stages and give each one: • A scheduled length of time, so we can say how long a given journey should take if everything goes as planned • A value of time (VOT) based on how customers feel about that bit of the journey, for example going up an escalator has a VOT of 1.5, whereas walking up stairs has a VOT of four, because it makes the perceived journey time longer These are the stages of a journey: • Time from station entrance to platform • Ticket queuing and purchase time • Platform wait time • On-train time • Platform to platform interchange • Time from platform to station exit In each period, actual journey times are measured and then compared with the schedule. The difference between the two is the measure of lateness – referred to as excess journey time (EJT). EJT is therefore a measure of how efficiently LU is providing its scheduled or 'stated' service: the more reliable the service the lower the EJT. The calculation includes the impact of planned closures.
London Underground – ticketing system overall availability	%	The percentage availability of revenue collection equipment on London Underground stations, London Overground stations (where gated) and TfL operated Visitor Centres.
Mystery Shopper quality assessment scores	%	The percentage quality score our agents receive for their customer service. This combines scores from correspondence and telephony. The target is 85 per cent.

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

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

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