

TRANSPORT FOR LONDON

FINANCE AND POLICY COMMITTEE

**SUBJECT:** TfL OPERATIONAL AND FINANCIAL PERFORMANCE REPORT  
– FOURTH QUARTER 2010/11

**DATE:** 25 MAY 2011

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**1 PURPOSE AND DECISION REQUIRED**

- 1.1 To inform the Committee of TfL's Operational and Financial Performance during the fourth quarter of 2010/11 (12 December 2010 – 31 March 2011).
- 1.2 The report is attached and will be considered by the Board at its meeting on 29 June 2011.

**2 RECOMMENDATION**

- 2.1 The Committee is asked to NOTE this report.

**3 CONTACT**

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## Operational and Financial Performance Report

### Fourth Quarter, 2010/11

**Purpose of Report:** For the Managing Director, Finance, to inform the Finance and Policy Committee, the TfL Board and other stakeholders of TfL's financial and operational performance every quarter.

This report covers Quarter Four (12 December 2010 – 31 March 2011), comprising operating periods ten to thirteen.

#### TfL performance summary

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**Service:** In the full year 2010/11, and in Quarter Four, passenger demand increased to record levels. London Underground (LU) recorded the highest number of passenger journeys in a year, beating the previous record set in 2008/09. This was despite disruption due to industrial action and the on-going, and challenging, Tube upgrade works. There was also record passenger demand in the quarter and the full year on London Buses, the Docklands Light Railway (DLR) and Trams. This was despite challenging operating conditions due to severe winter weather.

**Financial performance:** In the full year, TfL net service expenditure was £1,318 million lower than budget and £348 million lower than forecast at Quarter Three. Total operating income was higher than budget and forecast, principally due to increasing passenger demand. Operating expenditure, net of third party contributions, was £453 million lower than budget largely due to savings across the business on staff costs and overheads. Net capital expenditure (excluding Crossrail) of £1,838 million, was £207 million below budget largely due to the deferred purchase of rolling stock for the Piccadilly line.

**Efficiencies:** On a gross basis, savings of £630 million were delivered during 2010/11, £104 million higher than target. This result reflects a continued improvement, with a further £56 million of savings being identified since the Quarter Three forecast.

**Staff:** At year end, TfL employed 25,277 full time equivalent (FTE) staff. This was 2,426 fewer than budget, due to ongoing efficiencies and recruitment freezes across the organisation. The number of temporary workers, including those with more than 12 months' service, continued to decline steadily.

# London Underground

## Operational Performance

London Underground Performance	unit	Quarter Four (Operating periods 10-13)				Full Year			
		Actual	Vs Target	Status	Vs Last Year	Actual	Vs Target	Status	Vs Last Year
Passenger Journeys	m	327.3	20.8	○	9.4	1,107.3	70.3	○	42.6
Scheduled Service Operated	%	95.6	(0.6)	◐	(1.2)	95.6	(0.7)	◐	(1.0)
Excess Journey Time (Weighted)	mins	6.3	(0.4)	○	0.3	6.5	(0.2)	○	0.1
Overall CSS	score	79	-	○	1	79	-	○	-

○: better than or equal to target; ◐: within 5% of target; ●: 5% or more worse than target  
Tables may be subject to rounding

- I.0 In Quarter Four, London Underground passengers made 9.4 million (3.0 per cent) more journeys than last year and 20.8 million (6.8 per cent) more journeys than target. In the full year, as the long term increase in demand resumed, Tube passengers made more journeys compared to target and last year. For the first time in the history of the Underground, more than 1.1 billion passenger journeys were recorded, an increase of 4 per cent compared to the previous year.
- I.1 In Quarter Four, the proportion of journeys made on the Underground by passengers who are not required to pay fares, was 0.20 per cent and, in the full year, 0.25 per cent. These passengers include children and staff. They do not include journeys made using a Freedom Pass, as TfL receives payment from the boroughs for these.
- I.2 In the quarter, London Underground operated a lower percentage of scheduled service compared to target and the same quarter last year. This was largely a consequence of network-wide industrial action on Boxing Day, severe weather conditions in mid-December and issues with the new Transmission Based Train Control (TBTC) system on the Jubilee line. In the full year, the percentage of schedule operated was lower than target. Industrial action caused a shortfall of 1 per cent (estimated at a loss of some 730,000 kilometres), without which the targeted percentage would have been achieved.
- I.3 In Quarter Four, excess journey time on London Underground, although better than target, was slightly higher than last year. This was mainly due to industrial action, although high passenger numbers and issues with rolling stock, track and signals also adversely affected journey time. In the full year, the excess journey time target was beaten, despite disruption due to several days of industrial action. If the effect of this is excluded, the year end result falls to 6.20 minutes, an improvement compared to last year.
- I.4 The London Underground Customer Satisfaction Survey (CSS) results were not available in Quarter Three, so the results are reported here. After exceeding the target for the first two quarters of the year, in Quarter Three the overall score dropped by 1 point to 79, meeting the target. It was a particularly challenging quarter, with a significant number of asset failures and other incidents impacting on performance. The quarter also saw record numbers of passengers using the system despite several days of industrial action. In Quarter Four, the score for London Underground CSS was also 79 points giving an average of 79 for the year, in line with the annual target.
- I.5 During the quarter, 39 passengers sustained accidental major injuries, three fewer than in the same quarter last year. At the year end, the moving annual average of major injuries per million hours on

London Underground infrastructure was slightly worse than the targeted reduction. There were more accidental injuries compared to last year, although passenger numbers were also higher. There were no accidental fatalities in the year.

- 1.6 Data for Crime on the London Underground and DLR network is not yet available. This will be provided in the report to the TfL Board.
- 1.7 At year end, FTE staff numbers in London Underground were 10.5 per cent lower than budget, representing 2,076 fewer staff than budget and 449 fewer staff than forecast at Quarter Three. Over the full year, total staff numbers reduced by 780 reflecting changes in customer requirements for ticket offices and rationalisation of operational management structures.

## Financial Performance

London Underground £m	Full Year 2010/11						
	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
Operating Income	(1,910)	(1,792)	(118)	○	(1,891)	(19)	○
Operating Expenditure (net of third party contributions)	1,774	2,130	(356)	○	1,835	(60)	○
<b>Net Operating</b>	<b>(136)</b>	<b>338</b>	<b>(473)</b>	○	<b>(56)</b>	<b>(80)</b>	○
<b>Net Capital Expenditure</b>	<b>1,237</b>	<b>1,261</b>	<b>(24)</b>	○	<b>1,219</b>	<b>18</b>	●
<b>Net Service Expenditure</b>	<b>1,102</b>	<b>1,599</b>	<b>(497)</b>	○	<b>1,163</b>	<b>(61)</b>	○

(Underspend)/(Higher income) or equal to budget = ○    Overspend/Lower income by 5% or less = ●    Overspend/Lower income by more than 5% = ●

Tables may be subject to rounding

- 1.8 Operating income was higher than budget in the full year. This was mainly due to higher fares income, driven by higher than budgeted passenger numbers and the fares increase in January 2011 being based on a higher RPI base than expected in the budget. It also reflects higher income from property rental and advertising.
- 1.9 Operating income in the full year was slightly higher than forecast at quarter three, again driven by fares income. It also included a favourable retrospective Travelcard apportionment adjustment and redistribution of revenue from the Train Operating Companies, for carrying mainline passengers during the severe winter weather. The full year forecast for operating income included the January 2011 fares increase which averaged at 6.8 per cent.
- 1.10 Operating expenditure, net of third party contributions, in the full year was £356 million lower than budget. TfL's acquisition of Tube Lines was a major factor, giving rise to release of provisions of £113 million for Tube Lines claims and environmental risks, and write-back of £32 million remaining benefit from the 2004/05 Tube Lines refinancing. Expenditure on Central Services was £74 million lower than budget, largely due to savings on staff costs and overheads. Further lower expenditure included staff cost savings in Operations, more efficient line maintenance regimes and changes to revenue elements of the Investment Programme for station refurbishments, track and infrastructure projects.
- 1.11 Full-year operating expenditure, net of third party contributions, was £60 million lower than forecast at Quarter Three. This was mainly due to the revision of Infrastructure Service Charge (ISC) payments to be in line with the Tube Lines programme and further savings on staff costs and overheads across the business.

- I.12 Capital expenditure in the full year was slightly lower than budget. Underspends included re-profiling of expenditure on new trains for the Sub-Surface Rail (SSR) upgrade following a supplementary agreement with the supplier (Bombardier), changes in phasing of the track project delivery plan and reduced expenditure on station works. These were partly offset by lower third party income due to changes in the delivery programmes of Thameslink, Crossrail, Stratford and congestion relief at Heathrow Terminals 1-3 and higher capital expenditure on property acquisition for the congestion relief works at Bond Street and property purchases brought forward for the upgrade of Victoria Station.
- I.13 Capital expenditure in the full year was higher than forecast at Quarter Three. There was a small increase on the SSR Upgrade as expenditure was brought forward resulting in a saving in the estimated final cost. Otherwise, release of the remaining provision for overprogramming more than offset lower expenditure on the Track programme due to delays and savings and delays to telecoms, information management and major power works.

## Tube Lines

### Financial Performance

Tube Lines £m	Full year 2010/11						
	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
Operating Income	(46)	(43)	(3)	○	(44)	(2)	○
Operating Expenditure	287	316	(29)	○	297	(10)	○
<b>Net Operating</b>	<b>241</b>	<b>272</b>	<b>(31)</b>	<b>○</b>	<b>253</b>	<b>(12)</b>	<b>○</b>
<b>Net Capital Expenditure</b>	<b>174</b>	<b>252</b>	<b>(79)</b>	<b>○</b>	<b>201</b>	<b>(27)</b>	<b>○</b>
<b>Net Service Expenditure</b>	<b>415</b>	<b>524</b>	<b>(110)</b>	<b>○</b>	<b>454</b>	<b>(39)</b>	<b>○</b>

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●  
Tables may be subject to rounding

- I.14 Full-year net operating expenditure was lower than budget and forecast. This was mainly due to the delayed start of the Jubilee fleet overhaul (late delivery of six trains, now expected in 2011/12) and slippage of the station services programme in relation to station asset renewal work. There were also savings in maintenance management and administration.
- I.15 Capital expenditure in the full year was lower than budget and forecast. This was driven by slippage in the Jubilee and Northern Line Upgrades and, in the Piccadilly Line Upgrade, project re-scoping and rephasing to future years.
- I.16 Tube Lines is not yet fully integrated with TfL reporting processes. Therefore, staff numbers can be monitored and reported, but are not included in the TfL group number. At year end, Tube Lines staff numbers were as follows:
- 2,116 permanent staff members (including secondees), 361 staff fewer than budget and 122 fewer than forecast at Quarter Three.
  - 151 temporary staff, 7 more than budget and in line with the Quarter Three forecast.

## Surface Transport

### Operational Performance

Surface Transport Performance	unit	Quarter Four (Operating periods 10-13)				Full Year			
		Actual	Vs Target	Status	Vs Last Year	Actual	Vs Target	Status	Vs Last Year
<b>London Buses</b>									
Passenger Journeys	m	672.1	31.4	○	23.6	2,289.0	106.0	○	24.1
Scheduled Service Operated	%	97.4	(0.2)	●	0.2	97.4	-	○	0.3
Excess Wait Time, High Freq Routes	mins	1.0	(0.1)	○	(0.1)	1.0	(0.1)	○	(0.1)
Overall Customer Satisfaction	score	80	1	○	(1)	80	1	○	1
<b>Performance - Other Areas</b>									
Cycle usage on TLRN (Index Mar 2000 = 100)	index	213.1	14.7	○	41.9	250.1	10.1	○	32.6
River Journeys	'000	764.8	54.8	○	15.3	4,142.2	142.2	○	(27.0)
Dial-a-Ride trips	'000	398.3	(3.1)	●	31.8	1,345.2	(4.8)	●	90.5
Dial-a-Ride Overall Customer Satisfaction	score	90	(3)	●	(2)	91	(2)	●	(1)

○: better than or equal to target; ●: within 5% of target; ●: 5% or more worse than target  
Tables may be subject to rounding

- 2.0 Bus passengers made more journeys than target in Quarter Four and 106.0 million more journeys than target over the full year. This reflects the impact of improved economic conditions compared to those expected at the time the target was set.
- 2.1 Passengers who are not required to pay fares made 20.1 per cent of journeys on London Buses in the quarter. These include journeys made by children, staff and police, but they do not include journeys by Freedom Pass holders, as TfL receives payment from the London boroughs for these.
- 2.2 In Quarter Four, London Buses operated 0.2 percentage points fewer scheduled services than target, mainly due to the disruption caused by the severe winter weather in December. However, in the full year, the target was achieved despite the severe weather, disruption by several major demonstrations and the series of Tube strikes. London Buses continues to work with the Bus Operators to improve control of services during periods of disruption due to roadworks, introducing more resilient schedules where necessary.
- 2.3 Bus excess wait time (EWT) in the quarter, and in the full year, was better than target and a year ago. Reliability has been maintained through the use of Quality Incentive Contracts (QICs), combined with various initiatives to improve control of routes, including traffic signal re-timing and the full roll-out of iBus.
- 2.4 The London Buses Customer Satisfaction Survey (CSS) results were confirmed for Quarter Three as 78 points. This reflected the seasonal trend, as bus services are impacted by poor operating conditions. It may also reflect that this was the first time the survey was conducted by a new supplier. However, the score for Quarter Four indicates a significant improvement of 2 points, with scores increasing across all categories. In the full year, customer satisfaction with London Buses was 80 points, one point higher than target and last year.
- 2.5 In the full year, there were 10.5 crimes per million passenger journeys compared to the full year target of 10.2 crimes. However, although the crime reduction target was not achieved, compared to last year there has been a reduction of 4.1 per cent, representing 1,027 fewer bus-related offences. This reflects a greater improvement than the reduction in crime London-wide of only 0.8 per cent.

- 2.6 Cycling on the TLRN (TfL Road Network) is measured by the average index of cycle flow. In Quarter Four, cycling increased significantly, compared to target and last year. The increased popularity of cycling in the quarter was attributed to the improved cycle infrastructure and exceptionally good weather. This was also reflected in the full year, for which the annual index for cycle flow on the TLRN was 250.1 index points. This was 10.0 index points higher than target and reflects year-on-year growth of 15.0 per cent.
- 2.7 Between July 2010 and April 2011, 117,095 members joined the Barclays Cycle Hire scheme. More than 3.65 million journeys have been made by scheme members and casual users, with casual users making 20 per cent of weekday journeys and 50 per cent of journeys at weekends.
- 2.8 901 people were killed and seriously injured on London's roads in September to December 2010, a reduction of 20.1 per cent compared to last year and 13.5 per cent better than the target. In 2010, compared to the reduction target, 8.8 per cent fewer people were killed or seriously injured on London's roads.
- 2.9 In the quarter, river passengers made more journeys compared to both target and last year. Although passenger numbers fell sharply during the severe winter weather in December, exceptionally warm weather encouraged high patronage later in the quarter. In the full year, passenger demand for river services was higher than target, but marginally lower than last year.
- 2.10 In the quarter, there were approximately 3,000 fewer Dial-a-Ride (DaR) journeys made compared to target. Trips delivered, in the quarter and in the full year, would have exceeded target but for the snow and icy conditions. In the full year, DaR delivered more than 1,345,000 trips, the highest number since the service was launched in the 1980s and 7.2 per cent more than last year.
- 2.11 In the quarter and in the full year, overall customer satisfaction with DaR was slightly lower than target and last year. In the quarter, the overall score was driven by decreased satisfaction with booking services and punctuality and DaR is investigating other possible causes of below-target performance. However, the scores reflecting drivers' customer service have remained high.
- 2.12 At year end, there were fewer full time equivalent staff (FTE) in Surface Transport compared to budget and last year. This was due to tighter controls exercised on approving recruitment pending planned organisational change programmes and delays in filling posts.

## Financial Performance

Surface Transport £m	Full year 2010/11						
	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
Operating Income	(1,684)	(1,592)	(92)	○	(1,661)	(23)	○
Operating Expenditure (net of third party contributions)	2,583	2,612	(30)	○	2,595	(13)	○
<b>Net Operating</b>	<b>899</b>	<b>1,021</b>	<b>(122)</b>	○	<b>934</b>	<b>(36)</b>	○
<b>Net Capital Expenditure</b>	<b>249</b>	<b>260</b>	<b>(11)</b>	○	<b>253</b>	<b>(4)</b>	○
<b>Net Service Expenditure</b>	<b>1,148</b>	<b>1,281</b>	<b>(133)</b>	○	<b>1,188</b>	<b>(40)</b>	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●  
Tables may be subject to rounding

- 2.13 Operating income in the full year was higher than budget. This was largely due to higher income of £73 million from bus fares, driven by higher passenger demand, more journeys made by passengers paying full fares and the fares increase in January 2011 being based on a higher RPI base than expected in the budget.
- 2.14 Operating income in the full year was slightly higher than forecast at Quarter Three, driven by higher income from congestion charges and congestion charging enforcement. This was due to fewer than anticipated registrations for Auto-Pay, and image capture developments resulting in more penalty notices and higher recoveries.
- 2.15 Operating expenditure for the full year was £30 million lower than budget and was principally driven by savings in Roads, Traffic, Enforcement and Better Routes and Places and the rescheduling of work into 2011/12. This was partially offset by expenditure, originally budgeted for in 2009/10, on Barclays Cycle Hire. The lower operating expenditure compared to the Quarter Three forecast is mainly due to the rescheduling of work into 2011/12.
- 2.16 Capital expenditure for the full year was £11 million less than budget. This reflects programme changes and slippage on Barclays Cycle Superhighways, Barclays Cycle Hire, Bus infrastructure projects and London Routes and Places small schemes. These were partly offset by additional Congestion Charging systems work and the acceleration of the Blackwall Tunnel (Northbound) refurbishment programme.

## London Rail

### Operational Performance

London Rail	unit	Quarter Four (Operating periods 10-13)				Full Year			
		Actual	Vs Target	Status	Vs Last Year	Actual	Vs Target	Status	Vs Last Year
<b>DLR</b>									
Passenger Journeys	m	23.6	1.4	○	3.8	78.3	3.9	○	8.9
Scheduled Service Operated	%	97.4	(0.6)	●	0.5	97.5	(0.5)	●	0.3
On time Performance	%	97.4	1.4	○	1.4	97.4	1.4	○	2.6
Overall Customer Satisfaction	score	81	1	○	n/a	81	1	○	n/a
<b>London Overground</b>									
Passenger Journeys	m	Not available*							
On Time Performance (PPM Moving Annual Average)	%	94.9	1.7	○	1.7	94.9	1.7	○	1.7
Overall Customer Satisfaction	score	83	8	○	n/a	80	5	○	n/a
<b>Trams</b>									
Passenger Journeys	m	8.4	0.6	○	0.7	27.9	1.1	○	1.4
Scheduled Service Operated	%	99.1	1.1	○	0.5	99.2	1.2	○	0.6
Overall Customer Satisfaction	score	84	(2)	●	(2)	86	-	○	-

○: better than or equal to target; ●: within 5% of target; ●: 5% or more worse than target

Tables may be subject to rounding

\*Passenger load-weight data is being assessed for future reporting

### Docklands Light Railway (DLR)

- 3.0 In the quarter, DLR passengers made more journeys compared to target and last year. In the full year, the DLR carried 5.2 per cent more passengers than target, beating the forecast by 1.2 million passenger journeys and breaking the previous record set last year by nearly 9 million passenger journeys. More passengers are using the DLR due to additional train capacity, improving financial sector employment in the City and Docklands and less engineering work compared to last year.
- 3.1 The percentage of scheduled services operated by DLR was below target, but higher than the same quarter last year. This was due to severe winter weather, signalling and rolling stock issues, overcrowding at Bank and disruption on the Jubilee line at Canary Wharf causing Tube passengers to use DLR. As forecast, the full-year result of 97.5 per cent was 0.5 percentage points below target, but an improvement of 0.3 percentage points compared to last year.
- 3.2 In Quarter Four, and in the full year, 97.4 per cent of DLR services were on time. This was 1.4 percentage points higher than the Quarter Four target and an improvement of 0.5 percentage points compared to last quarter. This was achieved despite operational challenges at Canary Wharf during problems with the Jubilee line. In the full year, there was an improvement of 2.7 percentage points compared to last year.
- 3.3 The provisional score for the DLR Customer Satisfaction Survey in quarter three was confirmed as 80 points. In Quarter Four, the overall DLR customer satisfaction score was 81 points, an increase of 1 point compared with Quarter Three. Particularly encouraging were significant improvements in on-train CSS scores where DLR has recently taken contractual action with the franchisee to drive improvements to train cleanliness.

## London Overground (LO)

- 3.4 The LO passenger performance measure (PPM) is the percentage of trains arriving at their destination within five minutes of the time stated in the timetable. In the quarter, and in the full year, the moving annual average remained higher than target. For the full year, London Overground was the joint second highest performing train operator nationally and joint first in London and the South East.
- 3.5 At the start of the quarter, the last of the 3 car North London Railway fleet was converted to 4 car operation.
- 3.6 The new London Overground link, between Dalston Junction and Highbury & Islington, opened, ahead of schedule, on Monday 28 February. This connected the East London Line to the North London Railway.
- 3.7 The eight East London Line core route stations managed by LOROL have been accredited under the DfT secure stations scheme, which means all LOROL managed stations are now accredited.
- 3.8 The provisional results of the London Rail Customer Satisfaction Survey (CSS) were available at the time of the Quarter Three report, so the final results are confirmed here. The Quarter Three score showed a decline to 79, from 81 in the previous quarter.
- 3.9 The results of the London Rail CSS are now available for Quarter Four, with an overall score of 83 points, an increase of 4 points compared with Quarter Three. This score was driven mainly by good operational performance, as well as the positive impact of the extension of the East London Line to Highbury & Islington, the increase to off- peak service frequencies on the Gospel Oak - Barking route, the impact of the new trains on the Gospel Oak - Barking route and station works on the Richmond - Stratford and Watford - Euston routes.
- 3.10 Overall satisfaction with London Overground, as measured by the National Passenger Survey, has increased from 82 (Autumn 2009) to 85 (Autumn 2010) and now stands ahead of the London & South East average of 83.

## Trams

- 3.11 In the quarter, and in the full year, tram passengers made more journeys compared to target and last year. This was due to the recovery of passenger demand, now at a record level, following disruption from engineering work and poor economic conditions last year.
- 3.12 In the quarter, and throughout the year, a higher percentage of tram services was operated compared to target and last year. This reflects improved rolling stock performance and was achieved despite the severe winter weather conditions at the start of the quarter and an incident on 22 December that resulted in a collision between two trams in which no one was injured. A full investigation has been conducted.
- 3.13 In the full year, customer satisfaction scores for Trams are the highest of any of the major TfL operating divisions, with Quarter Four CSS at 84 points. While this is a strong performance compared to other operating divisions, it is two points below the previous year and target. Significant movement has been noted on perception of exterior tram cleanliness and condition, the primary driver of which is believed to be the poor performance of the tram wash facility and a rectification package has been proposed by the manufacturers.

## London Rail

- 3.14 Compared to budget, there were 14 more (6.7 per cent) London Rail FTE at year end. This was mainly due to the in-sourcing of Trams infrastructure maintenance staff and the retention of staff to assist in the commercial close of the main works contract of the East London Line project.

## Financial Performance

London Rail £m	Full year 2010/11						
	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
<b>Operating</b>							
Operating Income	(200)	(167)	(33)	○	(185)	(15)	○
Operating Expenditure (net of third party contributions)	303	337	(33)	○	318	(14)	○
<b>Net Operating</b>	<b>103</b>	<b>169</b>	<b>(66)</b>	○	<b>132</b>	<b>(29)</b>	○
<b>Net Capital Expenditure</b>	<b>175</b>	<b>248</b>	<b>(73)</b>	○	<b>166</b>	<b>9</b>	●
<b>Net Service Expenditure</b>	<b>279</b>	<b>417</b>	<b>(139)</b>	○	<b>299</b>	<b>(20)</b>	○

(Underspend)/(Higher income) or equal to budget = ○    Overspend/Lower income by 5% or less = ◐    Overspend/Lower income by more than 5% = ●  
Tables may be subject to rounding

- 3.15 Operating income in the full year was higher than budget and forecast, primarily due to the receipt of compensation for the late delivery of trains. It also reflects fewer engineering works, the recovery of employment in Docklands and higher fares income from increased patronage on the DLR due to capacity enhancements.
- 3.16 Operating expenditure in the full year was £33 million lower than budget, mainly due to delays in the North London Rail (NLR) station upgrade, although progress improved in Quarter Four. It also reflects savings in the London Overground concession.
- 3.17 Operating expenditure, net of third party contributions, was lower than forecast in the full year. This was driven by savings in the DLR concession, infrastructure maintenance and overheads, lower expenditure on rolling stock and NLR station upgrade delays.
- 3.18 Capital expenditure in the full year was £73 million lower than budget. This was largely due to main works' cost revisions and programme changes in ELL phase 2; savings in capacity enhancement work, as well as works moved to next year; Stratford International extension works slipped into next year; and, further underspends on rolling stock, Beckton depot and DLR station works.
- 3.19 Capital expenditure in the full-year was £9 million higher than forecast, mainly relating to higher expenditure on NLRIP, reflecting better progress than expected.

## Financial Performance

Crossrail £m	Full year 2010/11						
	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
Net Capital Expenditure	669	734	(66)	○	682	(14)	○

(Underspend)/(Higher income) or equal to budget = ○    Overspend/Lower income by 5% or less = ●    Overspend/Lower income by more than 5% = ●  
 Tables may be subject to rounding

- 4.0 Net capital expenditure in Crossrail in the full year was £66 million lower than budget and £14 million lower than forecast at Quarter Three. These variances reflect lower spend on direct construction costs due to delayed procurement schedules and contract start dates, partly offset by costs incurred in Quarter Four, relating to the revised Canary Wharf Development Agreement, where Crossrail is recognising the full value of work to date, rather than at completion.
- 4.1 With the award of the last remaining tunnelling contracts announced shortly after the end of the quarter (on 7 April), all 21 kilometres of twin bore tunnelling works are now let.

## Corporate Directorates

### Financial Performance

Corporate Directorates £m	Full year 2010/11						
	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
<b>Operating</b>							
Operating Income	(66)	(37)	(30)	○	(66)	(1)	○
Operating Expenditure (net of third party contributions)	298	304	(6)	○	320	(21)	○
<b>Net Operating</b>	231	267	(35)	○	254	(22)	○
<b>Net Capital Expenditure</b>	3	24	(21)	○	10	(7)	○
<b>Net Service Expenditure</b>	234	291	(56)	○	264	(29)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●  
Tables may be subject to rounding

- 5.0 Operating income in the full year was in line with forecast and higher than budget, mainly due to income received for the surrender of accommodation leases and recovery of project costs.
- 5.1 In the full year, operating expenditure, net of third party contributions, was £6 million lower than budget. This included re-phasing of implementation costs for the accommodation strategy, lower IM and accommodation operating costs, insurance and staff savings, and efficiencies in Planning from bringing work in-house. This was partially offset by re-classification of IM capital expenditure as operating expenditure.
- 5.2 Operating expenditure, net of third party contributions, was £21 million lower than forecast at Quarter Three. This was mainly due IM savings and project delays, savings realised at the closure of the Prestige contract, underspends on the Operating Cost Review (OCR) accommodation strategy and additional accommodation cost recovery agreed with the operating businesses.
- 5.3 Net capital expenditure in the full year was £21 million lower than budget and £7 million lower than forecast. This was mainly due to capital income in the full year, of £12 million higher than budget and £6 million higher than forecast, due to better than expected income from property sales. Capital expenditure in the full year was £10 million below budget, mainly due to due to IM project delays and the re-classification of some IM capital expenditure as operating expenditure.
- 5.4 At year end, there were 70 (3.7 per cent) fewer staff than budgeted for in the Corporate Directorates. Staff numbers were within budget in all areas, except Group Marketing and Communications where permanent staff exceeded budget by 28 FTE and temporary staff exceeded budget by 19 FTE. This was due to the restructure of Group Customer Services and additional contractors working on the Contact Centre Transformation Programme and Journey Planner projects.

## Group Items

Group Items £m	Full year 2010/11						
	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
Interest Income	(9)	(5)	(4)	○	(7)	(2)	○
Debt Servicing	257	270	(13)	○	259	(3)	○
Contingency/Other Group Items	(9)	291	(300)	○	132	(141)	○
<b>Total Group Items</b>	239	556	(317)	○	384	(145)	○

(Underspend)/(Higher income) or equal to budget = ○    Overspend/Lower income by 5% or less = ●    Overspend/Lower income by more than 5% = ●  
 Tables may be subject to rounding

- 6.0 Debt servicing costs in the full year were lower than budget and forecast due to the introduction of the Commercial Paper programme and active deferral of corporate borrowing to the latter part of the financial year.
- 6.1 In the full year, the requirement for contingency, compared to budget, was far lower than anticipated. This was due to the flat-phasing of the contingency budget and the variable nature of expenditure, where the funds are drawn down as required. In addition, the budget for the purchase of Piccadilly line rolling stock (included in other Group Items) was not used because of the decision to rephase the Line Upgrade.
- 6.2 The forecast for contingency at Quarter Three was adjusted to reflect a lower requirement, but again the need for such contingency was far lower than expected.

## Savings Programme

Savings £m	Actual 2010/11	Target	Variance	Forecast at Q3	Forecast Variance
Corporate and Group Wide	144	135	9	135	9
London Rail	9	8	1	9	-
London Underground	335	247	88	288	47
Surface Transport	142	136	5	142	-
<b>Gross</b>	<b>630</b>	<b>526</b>	<b>104</b>	<b>574</b>	<b>56</b>
Implementation Costs	(42)	(79)	37	(62)	20
<b>Net</b>	<b>587</b>	<b>447</b>	<b>140</b>	<b>512</b>	<b>77</b>

### Highlights

- 7.0 On a gross basis £630 million of savings were delivered during 2010/11, £104 million above target. This result reflects a continued improvement, with a further £56 million of savings being identified since the Quarter Three forecast.
- 7.1 £47 million of the additional savings relate to London Underground and £9 million relate to Corporate and Group-Wide areas. London Underground's additional savings comprise a mixture of one-off savings including a revised approach to engineering closures and thus a reduced need for rail replacement bus services, accelerating savings within Operations and incremental savings around the capital programme. Additional savings of £9 million in Corporate and Group-Wide areas were composed of many small activities.
- 7.2 Implementation costs were £42 million, £37 million below target and £20 million below the Quarter Three. The final net savings position for 2010/11 of £587 million was £140 million better than target. £15 million of the reduced costs related to lower than expected voluntary severance costs for London Underground staff. This reduction was partially due to a more efficient redeployment process that enabled staff displaced to take up other roles previously undertaken by non-permanent labour.
- 7.3 Total cumulative net savings delivered since the programme began are £800million, £216 million (37 per cent) ahead of target. Savings delivered so far make up 10 per cent of TfL's £7.6 billion efficiencies programme and £2.8 billion of savings (some 35 per cent) have been secured by actions completed so far.

## Balance sheet

Transport for London Group Balance Sheet at year end £m	Actual	Variance to Budget
Fixed Assets – (higher) / lower than budget	23,697	240
Stocks, Debtors and Payments in Advance – (higher) / lower than budget	965	(201)
Cash – (higher) / lower than budget	2,074	(1,115)
Creditors and Receipts in Advance-higher / (lower) than budget	(3,365)	194
External Borrowings – higher / (lower) than budget	(6,387)	(63)
Deferred Capital Grant – higher / (lower) than budget	(11,407)	(12)
Provisions – higher / (lower) than budget	(2,695)	11
<b>Total Net Assets – (higher) / lower than budget</b>	<b>2,882</b>	<b>(946)</b>

- 8.0 Fixed assets were £240 million lower than budget. This was mainly due to lower capital expenditure, including Crossrail, of £271 million, noted in the activity summary. In addition, depreciation was higher and disposals were lower than assumed in the budget and actual include property revaluations which are not included in the budget.
- 8.1 Stocks, Debtors and Payments in advance were £201 million higher than budget. This was largely due the main payment of the Business Rates Supplement direct contribution of £169 million for Crossrail, originally budgeted to be received before year end, which is not now expected until Quarter One 2011/12. Rail for London (RfL) has a prepayment of £25 million because contractual project payments currently exceed the value of work done. Negotiations continue on the pain-share element of the contract.
- 8.2 Cash was £1,115 million higher than budget. This improvement was largely due to the activity underspend of £1,318 million shown in the activity summary. This saving was partially offset by £109 million reduction in Transport Grant following a revised settlement from the Government, and a £63 million reduction in borrowing compared to budget, with the remainder of the difference due to working capital changes.
- 8.3 Creditors were £194 million higher than budget, primarily in Crossrail and Tube Lines reflecting weighting of expenditure towards year end. In a similar vein, DLR's creditors were £46 million higher than budget due to ongoing works at Stratford International, which were expected to be completed before year end. The balance reflects trading variances in other companies across the group.
- 8.4 External borrowings were £63 million lower than budget. This was due to a reduction in borrowing of £105 million, following deferral of the purchase of Piccadilly Line rolling stock, a £93 million reduction due to borrowings acquired with the Tube Lines acquisition (for Northern Line rolling stock), offset by additional borrowing of £135 million for repayment of Tube Lines C&D notes.
- 8.5 Deferred grant was £12 million lower than budget mainly due to lower receipts from third parties.
- 8.6 Provisions were £11 million higher than budget. This was principally due to higher Crossrail related property provisions in TfL, due to lower than budgeted cash payments.

## Forecast

Transport for London Group Balance Sheet at the year end £m	Actual	Variance to Q3 Forecast
Fixed Assets – (higher) / lower than budget	23,697	(41)
Stocks, Debtors and Payments in Advance – (higher) / lower than budget	965	(174)
Cash – (higher) / lower than budget	2,074	(532)
Creditors and Receipts in Advance-higher / (lower) than budget	(3,365)	352
Prudential Borrowings – higher / (lower) than budget	(6,387)	-
Deferred Capital Grant – higher / (lower) than budget	(11,407)	(75)
Provisions – higher / (lower) than budget	(2,695)	234
<b>Total Net Assets – (higher) / lower than budget</b>	<b>2,882</b>	<b>(236)</b>

- 8.7 Fixed assets were £41 million higher than forecast. Capital expenditure activity was £22 million below forecast but, as above, the actual number includes (unbudgeted) year-end property revaluations.
- 8.8 Stocks, Debtors and Payments in advance were £174 million higher than forecast. This was mainly due to the Business Rates Supplement of £169 million for Crossrail. Cash was £532 million higher than forecast. The improvement was mainly driven by the under spend of £348 million in activity, as shown in the activity summary. The remainder was due to improvements in working capital balances, including higher creditors and provisions, offset by higher debtors, due to the Business Rates Supplement Grant being deferred into 2011/12. Creditors were £352 million higher than forecast, as above, primarily in Crossrail, Tube Lines and London Rail reflecting weighting of expenditure towards year end.
- 8.9 Deferred grant was £75 million lower than forecast, of which £5 million was lower third party contributions, with the balance reflecting the non cash effect of the grant accounting process.
- 8.10 Provisions, of £234 million higher than forecast, were due to the Tube Lines pension provision of £83 million, higher claims in London Underground £44 million and higher Crossrail property provisions in TfL due to lower cash settlement.

## Appendix one: Operational Summary

2010/11 Key Performance Indicator	Unit	Quarter Four				Full Year			
		Actual	Vs target	Status	LY	Actual	Vs target	Status	LY
<b>Contextual Indicators</b>									
<b>Service Demand</b>									
Passenger Journeys – LU	m	327.3	20.8	○	317.9	1,107.3	70.3	○	1,064.7
Passenger Journeys – Buses	m	672.1	31.4	○	648.5	2,289.0	106.0	○	2,264.9
Passenger Journeys – DLR	m	23.6	1.4	○	19.8	78.3	3.9	○	69.4
Passenger Journeys – Trams	m	8.4	0.6	○	7.8	27.9	1.1	○	26.5
Passenger Journeys – River Services	'000s	764.8	54.8	○	749.5	4,142.2	142.2	○	4,169.2
Total Trips – Dial a Ride	'000s	398.3	(3.1)	●	366.5	1,345.2	(4.8)	●	1,254.7
<b>Supporting Economic Development</b>									
% Scheduled Services Operated – Buses	%	97.4	(0.2)	●	97.2	97.4	-	○	97.1
% Scheduled Services Operated – LU	%	95.6	(0.6)	●	96.8	95.6	(0.7)	●	96.6
% Scheduled Services Operated – DLR	%	97.4	(0.6)	●	97.0	97.5	(0.5)	●	97.2
% Scheduled Services Operated – Trams	%	99.1	1.1	○	98.6	99.2	1.2	○	98.6
Excess Journey Time (Weighted) – LU	Mins	6.3	(0.4)	○	6.0	6.5	(0.2)	○	6.4
Excess Wait Time, High Freq Routes – Buses	Mins	1.0	(0.1)	○	1.1	1.0	(0.1)	○	1.1
On Time Performance – DLR	%	97.4	1.4	○	96.0	97.4	1.4	○	94.8
On Time Performance (PPM MAA) – LO	%	94.9	1.7	○	93.2	94.9	1.7	○	93.2
Cycle usage on TLRN (Index Mar 2000 = 100)	Index	213.1	14.7	○	171.2	250.1	10.1	○	217.5
<b>Quality of Life</b>									
Overall Customer Satisfaction – LU	Score	79	-	○	78	79	-	○	79
Overall Customer Satisfaction – Buses	Score	80	1	○	81	80	1	○	79
Overall Customer Satisfaction – DLR	Score	81	1	○	n/a	81	1	○	n/a
Overall Customer Satisfaction – Trams	Score	84	(2)	●	86	86	-	○	86
Overall Customer Satisfaction – LO	Score	83	8	○	n/a	80	5	○	n/a
National Passenger Survey – LO	Score	85	n/a	○	82	83	n/a	○	79
Overall Customer Satisfaction – Dial-a-Ride	Score	90	(3)	●	92	91	(2)	●	92
<b>Ensuring Safety and Security</b>									
Number of killed or seriously injured people on roads – Londonwide*	#	901	(141)	○	1,128	2,815	(273)	○	3,227
Recorded Crime (per million journeys) – LU/DLR **	#	Not yet available. To be reported to the TfL Board							
Recorded Crime (per million journeys) – Buses **	#	10.7	0.5	●	(0.7)	10.5	0.3	●	11.1

○: better than or equal to target; ●: within 5% of target; ●: 5% or more worse than target

Tables may be subject to rounding

LY = Prior Year

\* Due to the reporting process and nature of road traffic accident data the latest data available and included in the Q4 section above is for Sept – Dec 2010

\*\*Data for recorded crime is for calendar year 2010.

## Appendix two: Financial Summary

Full Year 2010/11

£m	Actual	Budget	Variance	Status	Forecast at Q3	Variance forecast	Status
Fares income - LU, Buses and LR	(3,183)	(3,005)	(178)	○	(3,168)	(16)	○
Other income	(722)	(626)	(96)	○	(679)	(44)	○
<b>Total operating income</b>	<b>(3,906)</b>	<b>(3,631)</b>	<b>(275)</b>	<b>○</b>	<b>(3,847)</b>	<b>(59)</b>	<b>○</b>
Operating expenditure (net of third party contributions)	5,245	5,698	(453)	○	5,364	(119)	○
<b>Operating margin</b>	<b>1,339</b>	<b>2,067</b>	<b>(727)</b>	<b>○</b>	<b>1,518</b>	<b>(178)</b>	<b>○</b>
Interest income and debt payments	248	265	(17)	○	252	(4)	○
Contingency/other group items	(9)	291	(300)	○	132	(141)	○
<b>Total group items</b>	<b>239</b>	<b>556</b>	<b>(317)</b>	<b>○</b>	<b>384</b>	<b>(145)</b>	<b>○</b>
<b>Margin</b>	<b>1,578</b>	<b>2,623</b>	<b>(1,045)</b>	<b>○</b>	<b>1,902</b>	<b>(324)</b>	<b>○</b>
Capital income (including property sales)	(45)	(29)	(17)	○	(38)	(7)	○
Capital expenditure	1,964	2,170	(205)	○	1,973	(8)	○
Third party contributions	(81)	(96)	15	●	(86)	5	●
<b>Net capital expenditure (excl Crossrail)</b>	<b>1,838</b>	<b>2,045</b>	<b>(207)</b>	<b>○</b>	<b>1,849</b>	<b>(11)</b>	<b>○</b>
<b>Net service expenditure (excl Crossrail)</b>	<b>3,416</b>	<b>4,668</b>	<b>(1,252)</b>	<b>○</b>	<b>3,751</b>	<b>(334)</b>	<b>○</b>
Capital expenditure - Crossrail	669	734	(66)	○	682	(14)	○
<b>Net service expenditure (TfL)</b>	<b>4,085</b>	<b>5,402</b>	<b>(1,318)</b>	<b>○</b>	<b>4,433</b>	<b>(348)</b>	<b>○</b>

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ● Overspend/Lower income by more than 5% = ●  
Tables may be subject to rounding

## Operating Income

Full Year 2010/11

2009/10 Full Year	Operating Income £m	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
(1,769)	London Underground	(1,910)	(1,792)	(118)	○	(1,891)	(19)	○
-	Tube Lines	(46)	(43)	(2)	○	(44)	(2)	○
(1,549)	Surface Transport	(1,684)	(1,592)	(92)	○	(1,661)	(23)	○
(131)	London Rail	(200)	(167)	(33)	○	(185)	(15)	○
(44)	Group Directorates	(66)	(37)	(29)	○	(66)	(1)	○
(3,494)	<b>Total Operating Income</b>	(3,906)	(3,631)	(275)	○	(3,847)	(59)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●  
Tables may be subject to rounding

## Operating Expenditure

Full Year 2010/11

2009/10 Full Year	Operating Expenditure - net of third party £m	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
2,459	London Underground	1,774	2,130	(356)	○	1,835	(60)	○
-	Tube Lines	287	316	(28)	○	297	(10)	○
2,611	Surface Transport	2,583	2,612	(30)	○	2,595	(13)	○
281	London Rail	303	337	(33)	○	318	(14)	○
374	Group Directorates	298	303	(6)	○	320	(22)	○
5,725	<b>Total Operating Expenditure</b>	5,245	5,698	(453)	○	5,364	(119)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●  
Tables may be subject to rounding

## Capital Expenditure

Full Year 2010/11

2009/10 Full Year	Net Capital Expenditure £m	Actual	Budget	Variance	Status	Forecast at Q3	Variance	Status
(1)	London Underground	(5)	-	(5)	○	(4)	(1)	○
-	Tube Lines	-	-	-	○	-	-	○
(5)	Surface Transport	-	-	-	○	-	-	○
(0)	London Rail	-	-	-	○	-	-	○
(102)	Group Directorates	(40)	(29)	(12)	○	(34)	(6)	○
(108)	<b>Capital Income (excl Crossrail)</b>	(45)	(29)	(17)	○	(38)	(7)	○
1,098	London Underground	1,242	1,261	(19)	○	1,223	19	◐
-	Tube Lines	174	252	(79)	○	201	(27)	○
166	Surface Transport	249	260	(11)	○	253	(4)	○
536	London Rail	176	248	(72)	○	167	9	●
114	Group Directorates	43	53	(10)	○	44	(1)	○
1,913	<b>Capital Expenditure – net of third party contributions</b>	1,883	2,074	(191)	○	1,887	(4)	○
1,805	<b>Net Capital (Exc Crossrail)</b>	1,838	2,045	(207)	○	1,849	(11)	○
989	Crossrail	669	734	(66)	○	682	(14)	○
2,795	<b>Net Capital (TfL)</b>	2,507	2,780	(273)	○	2,531	(24)	○

(Underspend)/(Higher income) or equal to budget = ○ Overspend/Lower income by 5% or less = ◐ Overspend/Lower income by more than 5% = ●  
Tables may be subject to rounding

## Appendix three: Balance Sheet

### Balance Sheet

£m	Actual	Budget	Variance	Forecast at Q3	Variance
<b>Fixed Assets</b>					
Tangible Assets	23,697	23,937	240	23,656	(41)
<b>Current Assets</b>					
Stocks	37	26	(11)	43	6
Debtors	541	501	(40)	493	(48)
Capital Debtors	2	10	8	24	22
Payments in Advance	385	227	(158)	231	(154)
Cash at Bank and in Hand	2,074	959	(1,115)	1,542	(532)
<b>Current Liabilities</b>					
Revenue	(1,366)	(1,171)	195	(1,042)	324
Receipts in Advance	(297)	(306)	(9)	(277)	20
Capital	(398)	(406)	(8)	(400)	(2)
<b>Long Term Liabilities</b>					
Creditors Due after One Year	(1,304)	(1,288)	16	(1,294)	10
External Borrowings	(6,387)	(6,450)	(63)	(6,387)	-
Capital Grants	(11,407)	(11,419)	(12)	(11,482)	(75)
Other Provisions	(469)	(458)	11	(318)	151
Pension Provision	(2,226)	(2,226)	-	(2,143)	83
<b>Total Net Assets</b>	<b>2,882</b>	<b>1,936</b>	<b>(946)</b>	<b>2,646</b>	<b>(236)</b>
<b>Capital and Reserves</b>					
Earmarked Reserves	1,652	727	(925)	1,336	(316)
Pension Reserves	(2,143)	(2,143)	-	(2,143)	-
General Fund	154	154	-	154	-
Other Reserves	3,219	3,198	(21)	3,299	80
<b>Total Capital Employed</b>	<b>2,882</b>	<b>1,936</b>	<b>(946)</b>	<b>2,646</b>	<b>(236)</b>
CRL Sponsor funding account	1,010	782	(228)	811	(199)
Other cash	1,064	177	(887)	731	(333)
<b>Total as above</b>	<b>2,074</b>	<b>959</b>	<b>(1,115)</b>	<b>1,542</b>	<b>(532)</b>

## Appendix four: Cash Summary

Cash Summary In / (Out) Flow

Full Year 2010/11

£m	Actual	Budget	Variance	Forecast at Q3	Variance
Margin (from Appendix 2)	(1,578)	(2,623)	(1,045)	(1,902)	(324)
Working Capital Movements	(2,118)	(2,087)	31	(2,284)	(166)
<b>Cash Spend on Operating Activities</b>	<b>(3,696)</b>	<b>(4,710)</b>	<b>(1,014)</b>	<b>(4,186)</b>	<b>(490)</b>
Net Capital Expenditure (from Appendix 2)	(1,838)	(2,046)	(207)	(1,849)	(11)
Crossrail (from Appendix 2)	(669)	(734)	(66)	(682)	(14)
Working Capital Movements	(33)	(33)	-	(53)	(20)
<b>Cash Spend on Capital Activities</b>	<b>(2,540)</b>	<b>(2,813)</b>	<b>(273)</b>	<b>(2,584)</b>	<b>(44)</b>
<b>Funded by:</b>					
Transport and Other Grants	4,520	4,629	109	4,522	2
Precept Funding	12	12	-	12	-
Prudential Borrowing	2,269	2,332	63	2,269	-
<b>Total Funding</b>	<b>6,801</b>	<b>6,973</b>	<b>172</b>	<b>6,803</b>	<b>2</b>
<b>Net Movement in Cash</b>	<b>565</b>	<b>(550)</b>	<b>(1,115)</b>	<b>33</b>	<b>(532)</b>

## Appendix five: Fares avoidance and impact on revenue

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### Finance and Policy Committee, action 49/11/10

#### Background

In November 2010 (with reference to the Operational and Financial Performance Report – Second Quarter 2010/11) the Finance and Policy Committee requested that future reports include details of the level of fares avoidance and its impact on revenue. Based on the most recent data, this appendix summarises the impact of fares avoidance on revenue and how frequently it is assessed.

The calculation of fare evasion figures is based on a large number of factors including estimates of potential lost revenue based on the types of tickets and journeys undertaken by passengers, the records of revenue enforcement officers, the number of penalty charges issued, patronage figures and levels of detected evasion. The figures reflect the near record ridership figures across all modes, the latest figures on fare evasion and travel patterns.

#### 1. London Underground

Surveys of Passenger Ticket Irregularity are conducted three times a year (February, May and November). The survey is carried out by revenue control staff and is designed to provide a representative sample of all lines, locations and times.

The last survey was conducted in February 2011 and this data is currently being analysed. In November 2010, the survey was conducted on the tickets of approximately 46,000 passengers, with 2.34 per cent indicating some ticket irregularity (on a weighted basis). This was 0.16 per cent lower than in May 2010. The net revenue loss from ticket irregularity was calculated at 0.94 per cent (after subtracting fares collected, penalty fares receipts and Oyster revenue collected by the gates). The average percentage of revenue loss, between May 2010 and February 2011, was 1.10 per cent.

#### 2. Bus Network

Bus Fare Evasion surveys are conducted four times a year (February, May, August and November). The results for February 2011 show that, on a 12-month rolling average basis, the overall Bus Network fare evasion rate was 1.8 per cent which equalled the lowest overall fare evasion on buses in four years. Revenue protection activities are currently focussed on driver-operated routes (as opposed to routes with articulated buses), given the greater proportion of revenue attributed to this part of the bus network.

#### 3. London Overground

A ticketless travel survey is carried out on a quarterly basis, in March, June, September and November, by a market research company. The latest results are for March 2011, with an overall evasion rate of 4.03 per cent. Calculated using the average result from the last four surveys, the evasion rate for the last 12 months was 4.6 per cent.

#### 4. DLR

Ticketless travel is measured each period using data collected by revenue protection inspectors during station blocks at a representative sample of locations. The most recent data available is for period 13 (7 March 1– 31 March 2011), when ticketless travel was measured as 1.8 per cent of total ridership.

## 5. Tramlink

Ticketless travel is measured each period using data collected by revenue protection inspectors boarding a sample of services. The most recent data available is for period 13 (7- 31 March 2011) when the number of passengers detected without a ticket was measured as 1.16 per cent, of total ridership.