

Transport for London finance report

Period 8 2018/19

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

We are moving ahead with many of London's most significant infrastructure projects, using transport to unlock growth. We are working with partners on major projects like Crossrail 2 and the Bakerloo line extension that will deliver the new homes and jobs London and the UK need. We are in the final phases of completing the Elizabeth line which, when 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 TfL fares so everyone can afford to use public transport, using data and technology to make services intuitive and easy to use, and doing all we can to make streets and transport services accessible to all. We reinvest every penny of our income to continually improve transport networks for the people who use them every day.

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

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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 2018 was published in July 2018.

All figures within the financial tables have been rounded to the nearest million.

Management results

Operating account

Period 8 year to date – 01 April to 10 November 2018

(£m)	Year to date				Year on year		
	Actuals	Budget	Variance to budget	% variance to budget	2017/18 actuals	Variance	% variance
Passenger income	2,940	2,918	22	1%	2,886	54	2%
Other operating income	491	490	1	0%	442	49	11%
Total operating income	3,431	3,408	23	1%	3,328	103	3%
General grant	-	-	-	-	140	(140)	-100%
Business rates retention	568	568	-	0%	513	55	11%
Other revenue grants	37	44	(7)	-16%	46	(9)	-20%
Total income	4,036	4,020	16	0%	4,027	9	0%
Operating costs	(3,750)	(3,908)	158	-4%	(3,707)	(43)	1%
Net operating surplus	286	112	174	155%	320	(34)	-11%
Capital renewals	(235)	(306)	71	-23%	(319)	84	-26%
Net cost of operations before financing	51	(194)	245	-126%	1	50	5000%
Net financing costs	(275)	(291)	16	-5%	(260)	(15)	6%
Net cost of operations	(224)	(485)	261	-54%	(259)	35	-14%

Year-to-date net operating surplus is £174m better than budget, and the net cost of operations is £261m better

- Passenger income is £22m above budget and £54m above last year. The trends reported in the year continue, with London Underground performing slightly better than budget, offset by lower income on buses
- Operating costs are £158m below budget – £110m is as a result of cost reductions across all divisions. A further £48m is from timing differences – principally from projects

Passenger journeys

Year to date

2,457m
total journeys

2,467m
budget

2,477m
prior year



London Underground

843m

1.2%▲
budget

0.6%▲
prior year



Buses

1,370m

1.5%▼
budget

2.0%▼
prior year



DLR

75m

1.3%▼
budget

0.2%▼
prior year



London Overground

117m

0.2%▼
budget

1.8%▼
prior year



London Trams

18m

1.4%▼
budget

1.2%▼
prior year



TfL Rail

34m

4.7%▲
budget

18.7%▲
prior year

Capital account

	Year to date				Year on year		
	Actuals	Budget	Variance to budget	% variance to budget	2017/18 actuals	Variance	% variance
(£m)							
New capital investment	(893)	(1,066)	173	-16%	(783)	(110)	14%
Crossrail	(899)	(440)	(459)	104%	(907)	8	-1%
Total capital expenditure	(1,792)	(1,506)	(286)	19%	(1,690)	(102)	6%
Financed by:							
Investment grant	586	586	-	0%	576	10	2%
Third-party contributions	26	32	(6)	-19%	57	(31)	-54%
Property and asset receipts	3	19	(16)	-84%	20	(17)	-85%
Borrowing	708	831	(123)	-15%	664	44	7%
Crossrail funding sources	326	188	138	73%	83	243	293%
Other capital grants	111	145	(34)	-23%	114	(3)	-3%
Total	1,760	1,801	(41)	-2%	1,514	246	16%
Net capital account	(32)	295	(327)	-111%	(176)	144	-82%

Cash

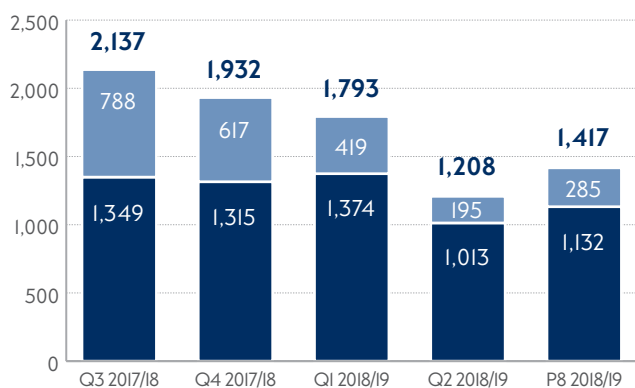
Cash flow summary

(£m)	Year to date			
	Actuals	Budget	Variance	% variance
Net cost of operations	(224)	(485)	261	-54%
Net capital account	(32)	295	(327)	-111%
Working capital movements	(259)	(413)	154	-37%
Decrease in cash balances	(515)	(603)	88	

Cash balances

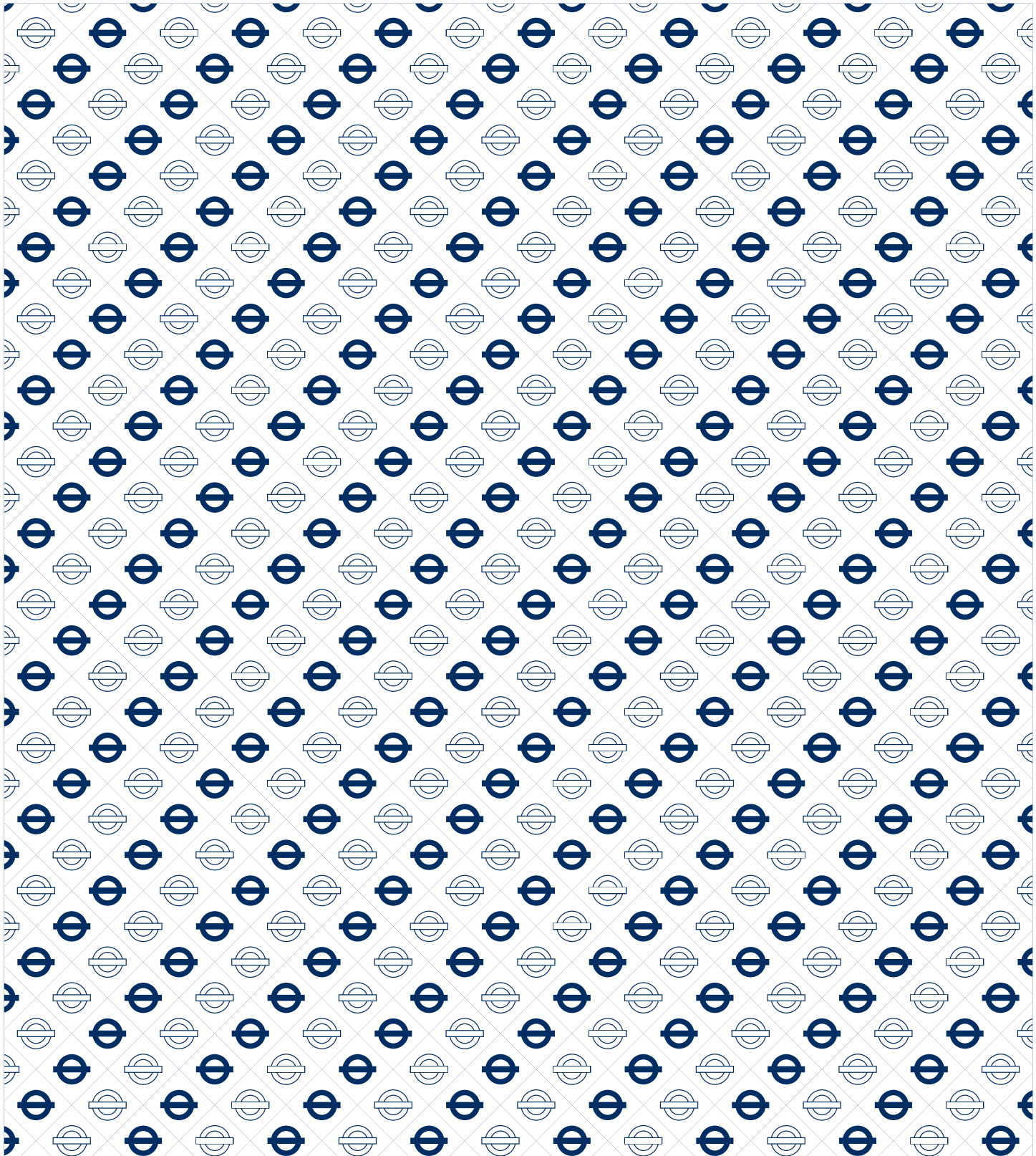
(£m)	2018/19 opening cash	YTD movement	Period 8 closing cash	Budget closing cash	Variance to budget
TfL cash balances	1,315	(183)	1,132	1,057	75
Crossrail cash balances	617	(332)	285	272	13
Total	1,932	(515)	1,417	1,329	88

Cash balances (£m)



■ TfL cash balances ■ Crossrail cash balances

- Cash balances are £1,417m – £515m lower than at the start of the year
- Net borrowings of £374m have been drawn down, contributing to the increase in cash balances since the end of Q2



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